

MTA 2018 Preliminary Budget

July Financial Plan 2018-2021



Volume 2
July 2017



Metropolitan Transportation Authority

OVERVIEW

MTA 2018 Preliminary Budget July Financial Plan 2018-2021 Volume 2

The MTA's July Plan is divided into two volumes:

Volume 1 consists of financial schedules supporting the complete MTA-Consolidated Financial Plan, including an Executive Summary, the baseline forecast (as detailed in Volume 2 and described below) and certain adjustments captured below the baseline. These "below-the-line" adjustments include: Fare/Toll Increases, MTA Initiatives, Policy Actions, and any MTA Re-estimates. Volume 1 also includes descriptions of the "below-the-line" actions as well as the required Certification by the Chairman and Chief Executive Officer, and a description of the MTA Budget Process.

Volume 2 includes MTA-Consolidated detailed financial and position schedules as well as the narratives that support the baseline projections included in the 2018 Preliminary Budget and the Financial Plan for 2018 through 2021. Also included are the Agency sections which incorporate descriptions of Agency Programs with supporting baseline tables and required information related to the MTA Capital Program.

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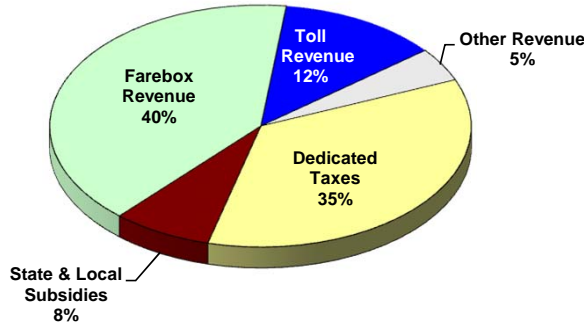
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I. MTA Consolidated Financial Plan

MTA 2018 Preliminary Budget
Baseline Expenses Before Below-the-Line Adjustments
Non-Reimbursable

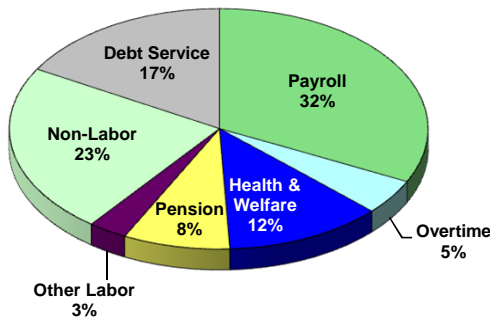
Where the Dollars Come From ...



Farebox Revenue	\$6,328
Toll Revenue	1,938
Other Revenue	707
Dedicated Taxes	5,547
State & Local Subsidies	1,199
Total ¹	\$15,718

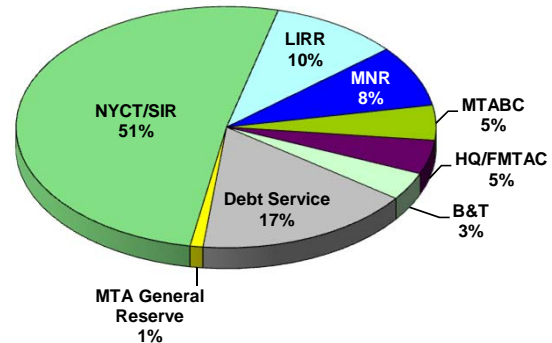
Where the Dollars Go ...

By Expense Category



Payroll	\$5,226
Overtime	770
Health & Welfare	1,977
Pension	1,332
Other Labor	484
Non-Labor	3,701
Debt Service	2,712
Total ¹	\$16,200

By MTA Agency



NYCT/SIR	\$8,290
LIRR	1,600
MNR	1,337
MTABC	757
HQ/FMTAC	738
B&T	606
Debt Service	2,712
MTA General Reserve	160
Total ¹	\$16,200

¹ Totals may not add due to rounding.

² Expenses exclude Depreciation, OPEB Obligation and Environmental Remediation. MTA Capital Construction is not included, as its budget contains reimbursable expenses only.

Note: The revenues and expenses reflected in these charts are on an accrued basis and exclude cash adjustments, carry-over balances and those "below-the-line" adjustments that are captured in Volume 1. Any comparison of revenues versus expenses will not directly correspond to the cash balances reflected in the Statement of Operations.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.	Non-Reimbursable	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
10	Operating Revenue						
11	Farebox Revenue	\$6,050	\$6,222	\$6,328	\$6,359	\$6,391	\$6,385
12	Toll Revenue	1,870	1,913	1,938	1,949	1,956	1,964
13	Other Revenue	688	685	707	731	764	767
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$8,608	\$8,820	\$8,973	\$9,039	\$9,111	\$9,116
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$4,839	\$5,026	\$5,226	\$5,353	\$5,486	\$5,608
20	Overtime	771	809	770	777	793	823
21	Health & Welfare	1,172	1,235	1,340	1,426	1,515	1,619
22	OPEB Current Payment	562	580	637	689	747	810
23	Pensions	1,370	1,325	1,332	1,345	1,345	1,362
24	Other-Fringe Benefits	948	881	913	939	971	1,000
25	Reimbursable Overhead	(425)	(446)	(429)	(425)	(415)	(412)
26	Total Labor Expenses	\$9,238	\$9,410	\$9,788	\$10,105	\$10,443	\$10,810
28	Non-Labor Expenses:						
29	Electric Power	\$406	\$452	\$502	\$518	\$550	\$608
30	Fuel	125	145	151	151	164	175
31	Insurance	(21)	32	32	35	41	47
32	Claims	464	312	320	328	329	330
33	Paratransit Service Contracts	384	399	415	440	467	492
34	Maintenance and Other Operating Contracts	631	777	755	767	784	823
35	Professional Service Contracts	401	561	480	477	484	486
36	Materials & Supplies	586	642	637	634	693	681
37	Other Business Expenses	193	205	200	213	218	223
38	Total Non-Labor Expenses	\$3,168	\$3,525	\$3,492	\$3,563	\$3,731	\$3,866
40	Other Expense Adjustments:						
41	Other	\$47	\$58	\$49	\$50	\$52	\$53
42	General Reserve	0	155	160	165	175	180
43	Total Other Expense Adjustments	\$47	\$213	\$209	\$215	\$227	\$233
45	Total Operating Expense before Non-Cash Liability Adj.	\$12,454	\$13,148	\$13,489	\$13,883	\$14,401	\$14,909
47	Depreciation	\$2,443	\$2,609	\$2,668	\$2,737	\$2,803	\$2,866
48	OPEB Liability Adjustment	1,562	1,690	1,786	1,881	1,984	2,094
49	GASB 68 Pension Expense Adjustment	(219)	(172)	(234)	(229)	(246)	(283)
50	Environmental Remediation	12	6	6	6	6	6
52	Total Operating Expense after Non-Cash Liability Adj.	\$16,252	\$17,282	\$17,714	\$18,278	\$18,948	\$19,591
54	Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,798)	(\$4,134)	(\$4,226)	(\$4,395)	(\$4,547)	(\$4,682)
56	Debt Service (excludes Service Contract Bonds)	2,459	2,557	2,712	2,835	3,025	3,243
58	Total Operating Expense with Debt Service	\$14,912	\$15,704	\$16,200	\$16,719	\$17,426	\$18,152
60	Dedicated Taxes and State/Local Subsidies	\$6,666	\$6,513	\$6,746	\$6,949	\$7,128	\$7,340
62	Net Surplus/(Deficit) After Subsidies and Debt Service	\$362	(\$372)	(\$482)	(\$731)	(\$1,187)	(\$1,696)
64	Conversion to Cash Basis: GASB Account	0	0	(9)	(19)	(30)	(42)
65	Conversion to Cash Basis: All Other	(593)	49	158	107	133	55
67	CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	(\$232)	(\$323)	(\$333)	(\$642)	(\$1,084)	(\$1,683)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
MTA Consolidated Accrued Statement of Operations By Agency
(\$ in millions)

Line No	Non-Reimbursable	Actual	Mid-Year	Preliminary			
		2016	Forecast	Budget	2019	2020	2021
9	<u>Total Operating Revenue</u>						
10	New York City Transit	\$4,859	\$4,971	\$5,059	\$5,103	\$5,146	\$5,156
11	Bridges and Tunnels	1,895	1,932	1,957	1,968	1,975	1,983
12	Long Island Rail Road	768	795	802	805	807	808
13	Metro-North Railroad	769	806	842	845	861	844
14	MTA Bus Company	234	234	238	241	242	242
15	MTA Headquarters	61	60	53	55	58	60
16	Staten Island Railway	9	9	9	9	9	9
17	First Mutual Transportation Assurance Company	13	12	12	13	13	13
18	Other	0	0	0	0	0	0
19	Total	\$8,608	\$8,820	\$8,973	\$9,039	\$9,111	\$9,116
21	<u>Total Operating Expenses before Non-Cash Liability Adjs. ¹</u>						
22	New York City Transit	\$7,981	\$8,054	\$8,258	\$8,526	\$8,838	\$9,097
23	Bridges and Tunnels	465	554	606	621	632	651
24	Long Island Rail Road	1,376	1,518	1,600	1,644	1,785	1,955
25	Metro-North Railroad	1,230	1,315	1,337	1,385	1,417	1,449
26	MTA Bus Company	717	730	757	766	764	781
27	MTA Headquarters	595	692	675	683	705	721
28	Staten Island Railway	64	76	57	56	58	59
29	First Mutual Transportation Assurance Company	(23)	18	14	12	1	(11)
30	Other	47	189	185	190	201	207
31	Total	\$12,454	\$13,148	\$13,489	\$13,883	\$14,401	\$14,909
33	<u>Depreciation</u>						
34	New York City Transit	\$1,650	\$1,778	\$1,828	\$1,878	\$1,928	\$1,978
35	Bridges and Tunnels	135	128	137	146	156	167
36	Long Island Rail Road	334	337	341	344	347	351
37	Metro-North Railroad	236	241	241	241	241	241
38	MTA Bus Company	57	54	54	54	54	55
39	MTA Headquarters	23	63	60	65	68	65
40	Staten Island Railway	8	8	8	8	8	8
41	First Mutual Transportation Assurance Company	0	0	0	0	0	0
42	Total	\$2,443	\$2,609	\$2,668	\$2,737	\$2,803	\$2,866
44	<u>OPEB Liability Adjustment</u>						
45	New York City Transit	\$1,193	\$1,269	\$1,350	\$1,437	\$1,529	\$1,627
46	Bridges and Tunnels	67	72	75	79	83	87
47	Long Island Rail Road	90	87	90	92	95	98
48	Metro-North Railroad	57	68	68	68	68	68
49	MTA Bus Company	64	100	100	100	100	100
50	MTA Headquarters	85	87	94	96	101	106
51	Staten Island Railway	7	8	8	8	8	8
52	Total	\$1,562	\$1,690	\$1,786	\$1,881	\$1,984	\$2,094
54	<u>GASB 68 Pension Expense Adjustment</u>						
55	New York City Transit	(\$184)	(\$296)	(\$306)	(\$296)	(\$303)	(\$309)
56	Bridges and Tunnels	(7)	12	15	17	20	21
57	Long Island Rail Road	(12)	0	0	0	0	0
58	Metro-North Railroad	(10)	(7)	4	0	(7)	(24)
59	MTA Bus Company	(6)	115	46	45	40	31
60	MTA Headquarters	0	4	6	6	4	(1)
61	Staten Island Railway	(0)	0	1	1	(0)	(1)
62	Total	(\$219)	(\$172)	(\$234)	(\$229)	(\$246)	(\$283)
64	<u>Environmental Remediation</u>						
65	New York City Transit	\$10	\$0	\$0	\$0	\$0	\$0
66	Bridges and Tunnels	0	0	0	0	0	0
67	Long Island Rail Road	(2)	2	2	2	2	2
68	Metro-North Railroad	4	4	4	4	4	4
69	MTA Bus Company	0	0	0	0	0	0
70	Staten Island Railway	0	0	0	0	0	0
71	Total	\$12	\$6	\$6	\$6	\$6	\$6
73	<u>Net Surplus/(Deficit) ¹</u>						
74	New York City Transit	(\$5,791)	(\$5,834)	(\$6,071)	(\$6,442)	(\$6,846)	(\$7,237)
75	Bridges and Tunnels	1,235	1,166	1,123	1,104	1,083	1,056
76	Long Island Rail Road	(1,018)	(1,149)	(1,230)	(1,277)	(1,422)	(1,597)
77	Metro-North Railroad	(748)	(815)	(812)	(852)	(862)	(894)
78	MTA Bus Company	(598)	(764)	(719)	(724)	(717)	(725)
79	MTA Headquarters	(642)	(787)	(782)	(795)	(820)	(832)
80	Staten Island Railway	(69)	(83)	(64)	(63)	(64)	(64)
81	First Mutual Transportation Assurance Company	36	(6)	(2)	1	12	25
82	Other	(47)	(189)	(185)	(190)	(201)	(207)
	Total	(\$7,643)	(\$8,462)	(\$8,742)	(\$9,239)	(\$9,837)	(\$10,476)

Notes: ¹ Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
MTA Consolidated Cash Receipts and Expenditures
(\$ in millions)

Line
No.

7	Cash Receipts and Expenditures			Mid-Year	Preliminary		
8		Actual	Forecast	Budget			
9		2016	2017	2018	2019	2020	2021
10	Receipts						
11	Farebox Revenue	\$6,083	\$6,243	\$6,336	\$6,368	\$6,399	\$6,393
12	Other Operating Revenue	706	735	831	760	804	788
13	Capital and Other Reimbursements	1,780	2,197	2,045	1,948	1,853	1,814
14	Total Receipts	\$8,569	\$9,174	\$9,212	\$9,076	\$9,056	\$8,995
15							
16	Expenditures						
17	Labor:						
18	Payroll	\$5,303	\$5,560	\$5,736	\$5,855	\$5,963	\$6,065
19	Overtime	972	958	904	908	926	954
20	Health and Welfare	1,192	1,277	1,377	1,463	1,547	1,648
21	OPEB Current Payment	554	570	624	677	734	797
22	Pensions	1,405	1,377	1,389	1,401	1,397	1,414
23	Other Fringe Benefits	841	863	878	897	915	936
24	Contribution to GASB Fund	0	0	9	19	30	42
25	Reimbursable Overhead	(0)	0	(0)	(0)	0	(0)
26	Total Labor Expenditures	\$10,266	\$10,606	\$10,917	\$11,220	\$11,512	\$11,856
27							
28	Non-Labor:						
29	Electric Power	\$405	\$451	\$497	\$513	\$545	\$602
30	Fuel	120	144	148	147	159	173
31	Insurance	(29)	35	32	35	40	42
32	Claims	295	267	251	259	261	264
33	Paratransit Service Contracts	379	400	413	438	465	490
34	Maintenance and Other Operating Contracts	578	735	621	621	617	675
35	Professional Service Contracts	406	633	529	485	464	446
36	Materials & Supplies	698	790	771	751	805	786
37	Other Business Expenditures	200	208	186	199	197	201
38	Total Non-Labor Expenditures	\$3,051	\$3,663	\$3,448	\$3,449	\$3,554	\$3,680
39							
40	Other Expenditure Adjustments:						
41	Other	\$129	\$166	\$131	\$82	\$104	\$130
42	General Reserve	0	155	160	165	175	180
43	Total Other Expenditure Adjustments	\$129	\$321	\$291	\$247	\$279	\$310
44							
45	Total Expenditures	\$13,446	\$14,589	\$14,656	\$14,916	\$15,344	\$15,845
46							
47	Net Cash Deficit Before Subsidies and Debt Service	(\$4,877)	(\$5,415)	(\$5,444)	(\$5,840)	(6,289)	(6,851)
48							
49	Dedicated Taxes and State/Local Subsidies	\$6,439	\$6,974	\$7,114	\$7,288	\$7,448	\$7,586
50	Debt Service (excludes Service Contract Bonds)	(\$1,793)	(\$1,882)	(\$2,003)	(\$2,091)	(\$2,243)	(\$2,418)
51							
52	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$232)	(\$323)	(\$333)	(\$642)	(\$1,084)	(\$1,683)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
MTA Consolidated Cash Statement of Operations By Agency
(\$ in millions)

Line Number		Actual	Mid-Year Forecast	Preliminary Budget	2019	2020	2021
	2016	2017	2018				
6	Cash Receipts and Expenditures						
7							
8							
9	Total Receipts						
10	New York City Transit	\$5,818	\$6,266	\$6,179	\$6,175	\$6,184	\$6,187
11	Long Island Rail Road	1,098	1,147	1,131	1,120	1,097	1,090
12	Metro-North Railroad	1,033	1,108	1,155	1,123	1,100	1,061
13	MTA Bus Company	238	244	246	252	253	254
14	MTA Headquarters	326	344	437	340	358	340
15	Staten Island Railway	13	14	11	11	10	10
16	Capital Construction Company	31	40	40	41	41	40
17	First Mutual Transportation Assurance Company	13	12	12	13	13	13
18	Other	-	-	-	-	-	-
19	Total	\$8,569	\$9,174	\$9,212	\$9,076	\$9,056	\$8,995
20							
21	Total Expenditures						
22	New York City Transit	\$8,678	\$9,020	\$9,134	\$9,405	\$9,687	\$9,955
23	Long Island Rail Road	1,677	1,896	1,946	1,974	2,090	2,260
24	Metro-North Railroad	1,543	1,700	1,703	1,701	1,729	1,682
25	MTA Bus Company	669	730	741	751	750	768
26	MTA Headquarters	762	972	903	848	867	887
27	Staten Island Railway	70	84	57	57	57	58
28	Capital Construction Company	31	40	40	41	41	40
29	First Mutual Transportation Assurance Company	13	12	12	13	13	13
30	Other	3	136	119	127	111	183
31	Total	\$13,446	\$14,589	\$14,656	\$14,916	\$15,344	\$15,845
32							
33	Net Cash Surplus/(Deficit)						
34	New York City Transit	(\$2,860)	(\$2,754)	(\$2,955)	(3,230)	(3,503)	(3,768)
35	Long Island Rail Road	(579)	(749)	(816)	(853)	(994)	(1,171)
36	Metro-North Railroad	(510)	(592)	(547)	(577)	(628)	(621)
37	MTA Bus Company	(431)	(486)	(495)	(499)	(496)	(514)
38	MTA Headquarters	(436)	(628)	(466)	(508)	(509)	(547)
39	Staten Island Railway	(57)	(70)	(46)	(46)	(47)	(48)
40	Capital Construction Company	-	-	-	-	-	-
41	First Mutual Transportation Assurance Company	-	-	-	-	-	-
42	Other	(3)	(136)	(119)	(127)	(111)	(183)
43	Total	(\$4,877)	(\$5,415)	(\$5,444)	(\$5,840)	(\$6,289)	(\$6,851)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
MTA Consolidated July Financial Plan Compared with FEBRUARY FINANCIAL PLAN
Cash Reconciliation before Below-the-Line Adjustments
(\$ in millions)

	Favorable/(Unfavorable)			
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
FEBRUARY FINANCIAL PLAN 2017-2020				
CASH BALANCE BEFORE PRIOR YEAR CARRYOVER	(\$489)	(\$173)	(\$593)	(\$993)
Agency Baseline Adjustments	\$109	\$166	\$109	\$97
<i>Farebox/Toll Revenue</i>	(63)	(26)	(20)	(24)
<i>Rates:</i>				
<i>Pensions</i>	(2)	5	(7)	(18)
<i>Health & Welfare (includes retirees)</i>	66	8	12	14
<i>Energy</i>	68	32	37	47
<i>Insurance</i>	19	28	30	35
<i>Timing</i>	7	65	(4)	6
<i>Other Baseline Re-estimates (includes timing) ¹</i>	16	54	61	37
New Needs/Investments	(\$113)	(\$120)	(\$126)	(\$109)
<i>Maintenance/Operations and Customer Experience Enhancements</i>	(113)	(120)	(126)	(109)
Other New Needs/Investments	(\$74)	(\$79)	(\$47)	(\$31)
<i>MTA Initiatives/Centralized Functions</i>	(54)	(38)	(24)	(7)
<i>Safety & Security</i>	(11)	(25)	(20)	(18)
<i>All Other New Needs</i>	(9)	(16)	(3)	(5)
Savings Programs	\$86	\$86	\$87	\$95
<i>2017 BRP Savings</i>	86	86	87	95
MTA Adjustments	\$0	\$0	\$0	(\$5)
<i>General Reserve</i>	-	-	-	(5)
Changes in Subsidies	(\$145)	(\$179)	(\$146)	(\$130)
<i>Petroleum Business Tax</i>	5	14	16	16
<i>Payroll Mobility Tax</i>	28	31	38	41
<i>MTA Aid</i>	-	2	7	9
<i>Real Estate Taxes</i>	(175)	(222)	(203)	(192)
<i>Other Subsidies</i>	(3)	(4)	(4)	(4)
Other Subsidies	\$267	(\$73)	\$9	(\$50)
<i>Other Subsidy Adjustments</i>	210	(78)	2	(48)
<i>Other Funding Agreements</i>	55	17	19	12
<i>B&T Operating Surplus Transfer</i>	3	(12)	(12)	(14)
Debt Service	\$33	\$39	\$66	\$42
<i>Debt Service Savings</i>	33	39	66	42
JULY FINANCIAL PLAN 2018-2021				
CASH BALANCE BEFORE PRIOR YEAR CARRYOVER	(\$323)	(\$333)	(\$642)	(\$1,084)

* Totals may not add due to rounding

¹ Other Baseline re-estimates includes changes from timing, inflation, operating capital and reimbursable and cash adjustments.

² B&T Operating Surplus Transfer is captured as a subsidy. While B&T's impacts are also captured in individual reconciliation categories within the Agency Baseline Adjustments above, the duplication is eliminated within the line "Other Baseline Re-estimates."

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Baseline Farebox Recovery and Farebox Operating Ratios

FAREBOX RECOVERY RATIOS

	Actual 2016	Mid-Year Forecast 2017	Plan 2018	Plan 2019	Plan 2020	Plan 2021
New York City Transit	40.2%	38.2%	37.7%	36.5%	35.2%	33.7%
Staten Island Railway	10.7%	8.2%	10.3%	10.3%	10.2%	10.2%
Long Island Rail Road	33.9%	32.3%	31.3%	30.6%	28.6%	26.4%
Metro-North Railroad	42.6%	41.2%	41.5%	40.6%	39.9%	39.3%
Bus Company	<u>27.9%</u>	<u>21.9%</u>	<u>23.3%</u>	<u>23.4%</u>	<u>23.6%</u>	<u>23.4%</u>
MTA Total Agency Average	38.9%	36.6%	36.3%	35.3%	34.0%	32.6%

FAREBOX OPERATING RATIOS

	Actual 2016	Mid-Year Forecast 2017	Plan 2018	Plan 2019	Plan 2020	Plan 2021
New York City Transit	59.6%	57.2%	56.7%	55.2%	53.5%	51.9%
Staten Island Railway	16.3%	11.3%	15.4%	15.5%	15.2%	14.9%
Long Island Rail Road	51.0%	48.0%	46.4%	45.6%	42.1%	38.5%
Metro-North Railroad	60.5%	57.7%	57.6%	57.6%	56.4%	56.7%
Bus Company	<u>33.1%</u>	<u>31.2%</u>	<u>30.5%</u>	<u>30.6%</u>	<u>30.8%</u>	<u>30.0%</u>
MTA Total Agency Average	56.7%	54.1%	53.6%	52.4%	50.7%	48.9%

Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 20% (and sometimes more) of MTA costs are not recovered in the current year from farebox revenues, other operating revenues or subsidies. That is why MTA operating statements generally show deficits. In addition, the recovery ratio allocates centralized MTA services to the Agencies, such as Security, the costs of the Inspector General, Civil Rights, Audit, Risk Management, Legal and Shared Services.

Farebox operating ratio focuses on Agency operating financial performance. It reflects the way MTA meets its statutory and bond-covenant budget-balancing requirements, and it excludes certain costs that are not subject to Agency control, but are provided centrally by MTA.

In the agenda materials for the Meeting of the Metro-North and Long Island Committees, the calculations of the farebox operating and recovery ratios for the LIRR and MNR use a revised methodology to put the railroads on a more comparable basis. Those statistics, which are included in the respective financial and ridership reports of both Agencies, differ from the statistics presented in this table.

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II. Major Assumptions

Agency Baseline Assumptions

Agency Baseline Assumptions

The July Financial Plan (the “Plan”) consists of the 2017 Mid-Year Forecast, the 2018 Preliminary Budget, and 2019 to 2021 projections. Plan-to-plan changes compare the July Plan with the February Plan (2017 through 2020), capturing programmatic changes and re-estimates of revenues and expenses. Volume II of the July Plan is comprised of the Baseline forecast, which excludes certain Policy and other “below-the-line” adjustments that are highlighted and captured in Volume I of this two-volume Plan submission. This Baseline analysis, therefore, excludes fare and toll increases proposed for 2019 and 2021, and new savings targets. Details on Amtrak Penn Station Emergency Mitigation Costs are also excluded here, but captured in Volume I. This section focuses on Agency forecasts; information on subsidies and debt service are covered in later sections of this Volume.

Agency baselines capture the impact of agreements settled between the MTA and several of its largest bargaining units, including the Transit Workers Union (TWU) of NYCT/MaBSTOA and MTA Bus, and the Sheet Metal, Air, Rail, and Transportation Union (SMART) and the Transportation Communications Union (TCU) of the LIRR. While contract negotiations with unions of MNR are ongoing, the Plan includes projected wage base growth that are consistent with the LIRR’s pattern. Other unsettled union agreements are assumed to follow the TWU pattern.

In developing the Plan, Agencies were instructed to adhere to the spending envelope contained in the February Plan. In addition, each Agency was apportioned a share of a \$68 million recurring savings target that had been unidentified and captured “below-the-line” in February. Agencies met their targets and also identified additional efficiency savings. While the July Plan captures unfavorable operating revenue, including those derived from farebox and tolls, favorable expense re-estimates in the categories of energy, insurance, and health & welfare more than offset any revenue loss.

This Plan continues to fund important Customer-oriented investments first identified in earlier Plans, which included both the operating budget impacts of capital projects and support for various operating projects, which included providing customers with: Wi-Fi access in all underground stations and buses; USB charging stations and onboard audio-visual technology on buses and subway cars; “On-the-Go” kiosks; digital real-time information screens; station enhancements; zero-emission electric buses; beacon countdown clocks, and Open Road Tolling. Capital projects, once completed, will require operating funding for operations, maintenance, and cleaning.

As referenced above, the Plan captures the operating expenses associated with “mega” capital projects, including the Fulton Street Transit Center, 7 Line Extension, Second Avenue Subway, and East Side Access. Additional investments are made to augment existing safety and security measures designed to keep pedestrians, customers, and MTA employees safe as well as to safeguard revenues, assets and infrastructure. A few of those investments include: increasing obstructive sleep apnea testing, and drug and alcohol testing of Maintenance of Way employees; upgrading onboard cameras; replacement of railroad bumper blocks to protect commuters and infrastructure; monitoring incidents of bridge strikes; and reducing risks at railroad grade-crossings.

The July Plan funds new prioritized initiatives mainly in the area of maintenance and operations that enhance the customer experience and are essential to providing safe and reliable service. The 8th Avenue Corridor pilot (aka “Six Point Plan”) will enable NYCT to utilize new technologies and make programmatic changes to address key causes of subway system delays. A renewed

track cleaning initiative, requiring the purchase of ten mobile vacuums and the hiring of operators as well as a twice yearly intensive track cleaning blitz at all subway stations will reduce track fires and improve right-of-way cleanliness.

At the LIRR, additional funding is required to maintain the newly opened Penn Station West End Concourse, including LED screens that were installed. MNR will renovate the restrooms situated in the dining concourse of Grand Central Terminal; improve grade-crossings; and acquire adjacent property to augment the Croton Harmon maintenance facility. Also, MNR will construct the Beacon Rail Trail segment of the New Empire State Trail, which consists of a shared pedestrian/bike trail, linking the existing Putnam Trailway to the Dutchess Rail Trail. This investment is being funded by NYS. At B&T, investments include an expansive license plate recognition system to aid in toll collection enforcement.

At MTAHQ, investments are made primarily to support the growing scope of the centralized IT function, e.g., enhance its Enterprise Mobile Device Strategy for electronic ticketing and other critical business applications, develop a more user-friendly Trip Planner, design a solution to efficiently obtain passenger count data in subway cars, and support the B Division Beacon Countdown Clocks initiative. Additional investments are being made to MTA's disaster recovery efforts, and to upgrade computer systems and NYCT Public Address/Customer Information Screens.

Detailed descriptions of these and other investments follow later in this section as well as within individual Agency sections.

Baseline Changes from February Plan

The major Plan additions and adjustments are identified in the reconciliation table on the following page, highlighted in the proceeding narratives, explained by generic category later in this section, and detailed further in Agency sections.

AGENCY BASELINE
JULY CHANGES FROM FEBRUARY PLAN

Favorable/(Unfavorable)

(\$ in millions)

	2017	2018	2019	2020
Agency Baseline Adjustments	\$109	\$166	\$109	\$97
Farebox/Toll Revenue	(63)	(26)	(20)	(24)
Rates:				
Pensions	(2)	5	(7)	(18)
Health & Welfare (including retirees)	66	8	12	14
Energy	68	32	37	47
Insurance	19	28	30	35
Timing	7	65	(4)	6
Other Baseline Re-estimates ¹	16	54	61	37
New Needs/Investments				
Maintenance/Operations and Customer Experience Enhancements	(\$113)	(\$120)	(\$126)	(\$109)
Other New Needs/Investments	(\$74)	(\$79)	(\$47)	(\$31)
MTA Initiatives/Centralized Functions	(54)	(38)	(24)	(7)
Safety & Security	(11)	(25)	(20)	(18)
All Other New Needs	(9)	(16)	(3)	(5)
Savings Programs	\$86	\$86	\$87	\$95
2017 BRP Savings	86	86	87	95
MTA Adjustments	\$0	\$0	\$0	(\$5)
General Reserve	0	0	0	(5)
Net Cash Baseline Changes	\$10	\$53	\$22	\$48

¹ Changes capture updated reimbursable assumptions, revised inflation forecasts, and adjustments for operating capital and cash. NOTE: B&T Operating Surplus Transfer is captured as a subsidy. While B&T's impacts are also captured in individual reconciliation categories in the Agency Baseline Adjustments above, the duplication is eliminated within the line "Other Baseline Re-estimates."

The July Plan captures revenue and expense re-estimates that are overall favorable. Operating revenue, including farebox and toll revenue are projected to decline. On the expense side, favorable re-estimates in expenses, particularly energy, insurance, and health & welfare completely offset the projected revenue shortfall.

New Needs/Investments:

The Plan funds initiatives that improve maintenance/operations and enhances the customer experience. The MTA also continues to take steps to improve the reliability, efficiency and performance of its fleet, facilities and infrastructure, and to utilize technology to improve operations.

Below lists major Plan investments:

Maintenance/Operations and Customer Experience Enhancements:

NYCT:

- Implement a plan for improving the reliability of subway service on the Eighth Avenue Corridor to address the top causes of subway delays (including track and signal issues; sick passengers and police activity; subway car equipment failures; passenger loading and unloading challenges; and bottlenecks that occur at critical points in the system where lines merge). The first phase of this system-wide initiative will begin immediately on the 8th Avenue corridor from 125th Street to Fulton Street and cover a total of 19 stations on the A, C, and E lines, and at two key hubs in the South Bronx.
- Augment efforts to reduce backlogs in identifying and repairing track defects.
- Restructure Service Delivery Field Operations to improve service management; staff all lines based on a single methodology, improve morning supervision on all lines, and create a combined Special Operations unit to manage the midtown shared line corridors.
- Increase capacity at NYCT's 207th Street Heating Ventilation Air Conditioning systems (HVAC) Modular Unit Shop to address unscheduled repairs of roof-mounted HVAC on all new technology subway cars (R142, R142A, R143 and R160).
- Expand station track bed cleaning initiative with the purchase of 10 mobile vacuums, and add track equipment maintainers and analytical support.
- Conduct "Operation Track Sweep", an all station track bed cleaning blitz, twice a year.
- Support the Beacons Project, which will provide customers with countdown clocks on the B division subway line.
- Repair, inspect, and test underground storage tanks and related equipment to ensure compliance with standards mandated by the Federal Environmental Protection Agency.
- Retrofit 205 buses with new Digital Information Screens (DIS). Capital funding will be used to retrofit an additional 1,669 buses.
- Extend the Dark Fiber project to 184 facilities, which includes data connectivity for a variety of operational projects.
- Fund additional Wi-Fi equipment, data charges, and USB installations.

LIRR:

- Increase funding for maintenance and security at the expanded Penn Station West End Concourse.
- Additional personnel to inspect and maintain rolling stock equipped with the Positive Train Control system.
- Fund maintenance common charges required for the new Farley Train Hall.

MNR:

- Implement Phase 2 of the P-32 locomotive overhaul program that will encompass engine overhauls/replacements, and generator and alternator work.
- Acquire property adjacent to the Croton Harmon maintenance facility that will be utilized to support service delivery and allow for the expansion of mechanical and transportation functions.
- Restructure the Procurement and Material Management divisions to achieve greater efficiencies and address the advancement of new technologies.
- Renovate and upgrade the dining concourse restrooms located in the east and west ends of Grand Central Terminal.
- Support the design/build section of the New Empire State Trail, which consists of a multi-use trail, linking the existing Putnam Trailway to the Dutchess Rail Trail on Metro-North's Beacon Line. This investment is being funded by NYS.

B&T:

- Implement the Harbor Lights initiative, funded by a third party, a state-of-the-art Light Emitting Diode (LED) lighting on all B&T bridges.
- Extend media campaign (including TV, radio, and print), increasing outreach to customers about the benefits of Open Road Tolling.

MTA Bus:

- Repair, inspect, and test underground storage tanks and related equipment to comply with standards mandated by Federal Environmental Protection Agency.
- Increase maintenance to address aging bus fleet until new buses arrive, which is expected to begin at the end of 2019.
- Increase overtime to support training of new bus maintainers.
- Extend contract with NYC DOT for the maintenance of bus stops, related bus stop markers, and the placement of bus stops, through 2019.

SIR:

- Fund the railroad tie replacement program.

Safety & Security:

MTAHQ:

- Fund Obstructive Sleep Apnea (OSA) testing for employees.
- Purchase MTA Police vehicles and warranties; increase patrolling and coverage due to more special events; and utilize the Metropolitan Regional Radio System (Police Radio Project).

NYCT

- Implement new and existing bus safety initiatives, including the installation of bus onboard cameras, Pedestrian Turn Warning (PTW) system, and Collision Warning System (CWS).
- Increase supervision in the Public Safety division to ensure effective and efficient security at NYC Transit sites.

LIRR:

- Expand random drug testing and administrative requirements for additional safety sensitive positions and third party vendors based on FRA requirements.
- Expand the LIRR's System Safety Program Plan to comply with new rules issued under the Rail Safety Improvement Act.
- Support the Regional Security Command Center and the onboard camera program.

MNR:

- Install monitors and set-up a web-based data collection notification system on bridges prone to being struck by vehicles; and expand a FRA mandated drug testing program to include Maintenance of Way employees, utilizing a mobile testing service.
- Implement mobile drug testing for Maintenance of Way employees in response to new regulations from the Federal Railroad Administration.
- Replace the Haverstraw Ferry Dock which has reached the end of its useful life.
- Improve MNR railroad grade crossings, including installation of CCTV cameras, improve connectivity between the grade crossing warning system and adjacent traffic lights. Improvements at the Virginia Road grade crossing is prioritized.
- Expand the Obstructive Sleep Apnea (OSA) testing program to include conductors and other safety sensitive titles.

B&T:

- Implement a fixed and mobile License Plate Recognition (LPR) system to enforce toll violation collection.

MTA Bus:

- Fund bus onboard cameras and safeguard facilities with the hiring and placement of security guards at MTA Bus sites.

Information Technology:

MTAHQ:

- MTA IT will enhance its Enterprise Mobile Device Strategy for electronic ticketing and other critical business applications, develop a more user-friendly Trip Planner, design a technology solution to efficiently obtain passenger counts in subway cars (with the goal of reducing crowding on station platforms and in subway cars), and provide resources for the B Division Beacon Countdown Clocks initiative. Additionally, MTA IT will augment its disaster recovery preparedness, migrate computer users to Windows 10 and Office 2016, and upgrade hardware and software in support of NYCT Public Address/Customer Information Screens in subway stations.
- Upgrades for the PeopleSoft Update Manager (PUM) Project and Pension Phase II Project required by the MTA Business Service Center (BSC).

All Other New Needs:

NYCT:

- Add staff to Labor Relations in order to meet increased workload stemming from additional position titles gaining union representation.

MNR:

- Repair and renovate MNR's office facility at 525 north Broadway.

MTA Bus:

- Increase legal staffing to manage rising caseloads in various areas, including contract development, personal injury, property damage, no-fault and workers' compensation claims, as well as environmental, labor and employment-related matters.

MTAHQ:

- Reconfigure work stations and offices, and provide for leasing possibilities of office space.

Savings Programs:

The growth in non-discretionary costs remain a challenge. Certain categories such as employee and retiree health care, energy, insurance, paratransit, and pensions are dependent on factors that are largely outside the control of the MTA. The MTA is committed to reducing this growth with strategies that include the hedging of fuel purchases, paying down pension liability (when funding is available), proactively managing paratransit, and reducing health & welfare costs.

In addition to these strategies, the MTA continues to push for new operating efficiencies by raising the savings bar. In this Plan, the MTA is committing to achieve additional efficiency savings in annual increments of \$150 million beginning in 2018 with savings from these new targets growing to \$300 million in 2021. In aggregate, the annual savings program, which was initiated in 2010, is projected to reach \$2.3 billion by 2021 (see Volume I).

The 2017 MTA Budget Reduction Program (BRPs) identifies approximately \$456 million in greater savings over the course of the July Plan. Many new efficiencies have been developed providing

new savings in areas including: health & welfare, headcount deployment, Enterprise Asset Management (EAM) program, paratransit, maintenance and Information Technology (IT).

New savings programs will eliminate 179 positions by end of the Plan period and reduce the deficit by \$87 million a year in 2017, 2018 and 2019, \$95 million in 2020 and \$101 million in 2021. All Agency-specific BRPs have been incorporated into Agency baselines, within the category construct of the MTA's traditional financial statements, while the MTA-wide savings generated from property insurance remains unallocated to Agencies at this time.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018 - 2021
(\$ in millions)

Favorable/(Unfavorable)

2017 Budget Reduction Program by Agency and Category										
	2017		2018		2019		2020		2021	
	Pos	\$	Pos	\$	Pos	\$	Pos	\$	Pos	\$
Agency:										
New York City Transit/SIR	193	48.2	163	39.7	162	38.2	162	46.6	162	47.7
Long Island Rail Road	-	1.9	-	8.2	-	8.2	-	8.2	-	8.2
Metro-North Railroad	-	0.0	-	5.3	-	5.3	-	5.3	-	5.3
Bridges & Tunnels	-	1.2	-	3.3	-	3.3	-	3.3	-	3.2
MTA Headquarters	3	21.2	3	17.4	3	19.9	3	20.0	3	24.5
MTA-Wide	-	8.3	-	8.6	-	8.9	-	9.2	-	9.6
Total (Excluding MTA Bus)	196	\$80.9	166	\$82.5	165	\$83.8	165	\$92.6	165	\$98.5
MTA Bus	23	5.6	22	3.8	17	2.8	14	2.5	14	2.6
Total	219	\$86.5	188	\$86.3	182	\$86.6	179	\$95.1	179	\$101.1
Category:										
Administration	14	41.3	14	29.9	14	33.0	14	33.5	14	38.6
Customer Convenience/Amenities	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Maintenance/Inventory	48	13.5	18	21.9	12	20.2	12	20.6	12	20.5
Revenue Enhancement	-	4.1	-	0.0	-	0.0	-	0.0	-	0.0
Safety/Security	65	4.6	65	7.6	65	7.6	65	7.6	65	7.6
Service	69	6.4	69	11.2	74	10.9	74	18.3	74	18.9
Service Support	-	0.0	-	0.3	-	0.3	-	0.3	-	0.3
Other	-	10.9	-	11.6	-	11.9	-	12.2	-	12.6
Total (Excluding MTA Bus)	196	\$80.9	166	\$82.5	165	\$83.8	165	\$92.6	165	\$98.5
MTA Bus - Other/Maintenance	23	5.6	22	3.8	17	2.8	14	2.5	14	2.6
Total	219	\$86.5	188	\$86.3	182	\$86.6	179	\$95.1	179	\$101.1

Major budget reduction initiatives, comprising the total 2017 BRPs are summarized below by Agency. Specific details can be found in the BRP worksheets located in Agency sections.

NYCT BRP Savings:

- Reduce administrative costs by eliminating positions and streamlining non-payroll expenses.
- Negotiate better rates through a rebid of medical benefits for hourly and supervisory personnel.
- Remove ineligible dependents from medical coverage based on a Dependent Eligibility Verification Audit (DEVA).

- Align expense levels of New York State training course requirements with incumbent levels.
- Reduce maintenance material and contract expenses based on non-payroll spending trends.
- Eliminate Eagle Team positions and related expenses.
- Tighten controls over Bus Operator hours of service rules produce efficiencies through the implementation of the Fatigue Management Program.
- Realize savings from greater amounts of Paratransit trips being diverted to lower cost car service, taxis, and E-Hail service from expensive “primary” providers.
- Reduce positions based on a reassessment of tower operation needs.

LIRR BRP Savings:

- Reduce reliability-centered maintenance expenses due to M3 and M9 fleet being under warranty.
- Enforce tighter management controls and prioritization of non-payroll budgets.

MNR BRP Savings:

- Extend maintenance cycle of M7 airbrakes to 6-years from 5-years due to an FRA waiver.
- Enforce tighter management controls and prioritization of non-payroll budgets.
- Reduce overtime and related fringe benefits based on revised staffing needs of the Transportation Department.

B&T BRP Savings:

- Utilize in-house staff instead of consultants for various projects and activities.
- Reduce operating costs based on negotiating a lower price for E-ZPass tags.

MTAHQ BRP Savings:

- Increase revenue from additional Transit Museum pop-up shop opportunities.
- Vacancy savings were identified for Headquarters, the Business Service Center and MTA Police.
- Reduce MTA IT maintenance expenses.
- Eliminate administrative positions
- Reduce the Enterprise Asset Management Program.

MTA Bus BRP Savings:

- Improve bus operator availability based on improved management oversight.
- Enforce tighter management controls and increase oversight of non-payroll budgets, with a particular emphasis on contractual and professional services.
- Vacancy savings are projected in the Facilities Department.

Savings Programs:

Agency baselines capture the impact of “mega-projects” scheduled to come into or ramping-up for service within the next years.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Operating Budget Impacts of Capital "Mega" Projects
(\$ in millions)

		2017 Mid-Year Forecast		2018 Preliminary Budget		2019		2020		2021	
		Pos	(\$000)	Pos	(\$000)	Pos	(\$000)	Pos	(\$000)	Pos	(\$000)
East Side Access											
<i>Revenue Service Date: Year 2022</i>											
LIRR		19	1.778	203	27.571	335	51.195	494	97.197	1,031	235.198
MTAHQ		-	-	-	-	20	0.880	74	6.620	90	9.142
Subtotal		19	\$ 1.778	203	\$ 27.571	355	\$ 52.075	568	\$ 103.816	1,121	\$ 244.340
2nd Avenue Subway											
<i>Revenue Service Date: December 2016</i>											
NYCT		359	42.709	368	44.681	365	46.358	365	48.468	370	51.146
TOTAL		378	\$ 44.487	571	\$ 72.251	720	\$ 98.433	933	\$ 152.284	1,491	\$ 295.486

Accrued Baseline Assumptions

The following presents Agency baseline assumptions supporting the MTA Consolidated Statement of Operations, including analyses of individual revenue and expense categories. Additional detail is available in each Agency section.

PASSENGER & TOLL REVENUE / UTILIZATION

Note: utilization figures do not reflect any potential ridership and farebox revenue impacts due to the service changes and disruptions associated with Amtrak's summer track work at Penn Station. Projected revenue impacts are captured in Volume 1 of this 2017 July Financial Plan.

On an average weekday, MTA carries 8.6 million passengers on its subways, buses and commuter railroads, and there are 860 thousand crossings at MTA Bridges & Tunnels facilities.

The level of use of MTA services varies with a number of factors, and perhaps most important among these is the health of the regional economy. Since hitting recessionary lows in 2010, employment levels have steadily improved as the regional economy has recovered. Utilization, as measured by 12-month average ridership levels, also improved through most of this period, but began leveling off at the start of 2015 and has declined somewhat since the third quarter of 2016. The utilization estimates in July Financial Plan incorporate updated forecasts of regional employment, which are higher than those used in the February Plan; by 2020, the number of jobs in New York City is expected to reach 4.46 million, surpassing the February Plan employment projection by 52.7 thousand, a 1.2% increase. However, while employment projections remain favorable, ridership is not similarly increasing as the relationship between employment levels and utilization appears to have reverted to a dynamic more consistent with the long-term historical relationship rather than that of the years immediately following the recession when ridership and vehicle traffic surged.

In addition to economic conditions, winter weather was also a determinant during the first part of 2017. Overall, weather conditions were fairly typical, but three snowstorms affected utilization levels. Heavy snow on Saturday January 7 (5.2 inches in Central Park) and on Thursday February 9 (9.4 inches) held down ridership and traffic on MTA services and facilities. In addition to these events, the arrival of Winter Storm Stella resulted in a pre-emptive shut-down of bus, above-ground subway and MNR service on Tuesday March 14. Additionally, over the Memorial Day weekend, unseasonably low temperatures and rainy weather (the Memorial Day high temperature was 14 degrees below normal) adversely affected discretionary ridership over the long weekend. The impact from these weather-related events is captured in the Mid-Year Forecast.

Further impacting utilization was a derailment on MNR's New Haven Line in Rye in the late afternoon on Thursday May 18. The derailment adversely impacted non-commutation ridership while the derailed train cars were removed and the affected track repaired, and this impact is captured in the Plan forecast.

Farebox and toll revenues also reflect the four percent average fare and toll increases that went into effect in late March 2017. As a result, 2017 forecasts include impacts from the fare and toll increases for about three quarters of the year and 2018 farebox and toll revenues are based on the fully annualized impact of the four percent increase, affecting the 2017 to 2018 year-to-year comparison. For Metro-North, utilization figures also reflect the projected impact resulting from a

one percent New Haven Line fare increase for travel to or from Connecticut stations scheduled for implementation on January 1, 2018 and previously approved by the Connecticut Department of Transportation.

MNR's West of Hudson operations are now included in consolidated utilization figures to maintain consistency with MNR financial statements which now report West-of Hudson operations in farebox revenue; prior to 2017, West of Hudson farebox revenues were netted against expenses incurred for West of Hudson service. NYCT utilization figures include paratransit operations and fare media liability.

The 2017 Mid-Year Forecast for MTA consolidated ridership is projected to total 2,680 million passengers, while crossings are expected to reach 306 million at B&T facilities. Consolidated ridership is projected to decrease by 30 million trips (1.1%) from 2016 ridership, and B&T traffic is forecast to decline by 1 million crossings (0.4%). NYCT ridership is projected to total 2,377 million, accounting for 89% of MTA consolidated ridership. LIRR and MNR each account for 3% of MTA consolidated ridership, with 2017 ridership projected to be 90 million for LIRR and 87 million for MNR. Ridership for MTA Bus is projected to be 122 million, which accounts for 5% of MTA consolidated ridership, while SIR ridership is projected to be 5 million (0.2% of MTA ridership). Compared with 2016, ridership for LIRR and MNR is expected to increase, while ridership for NYCT, MTA Bus and SIR – along with B&T traffic – is expected to be lower. Despite a continued expansion of the regional economy, bus ridership for both NYCT and MTA Bus are significantly lower in 2017 – lower by 26 million (4.1%) for NYCT bus operations and by 4 million (3.2%) for MTA Bus – the result of weather-related disruptions, one less calendar day in 2017, and a general weakening of bus ridership. As noted earlier, Winter Storm Stella in March resulted in the suspension of all bus service, above-ground subway service, and MNR service; two earlier storms with significant snow accumulations also had adverse impacts on ridership and bridge and tunnel traffic levels. B&T traffic has also been affected, but to a much lesser degree, by gasoline prices, which have been creeping upwards since February 2016.

Consolidated ridership is expected to fall short of the Adopted Budget projection by 50 million trips (1.8%), while B&T traffic is expected to surpass the Adopted Budget forecast by 1 million crossings, a 0.4% improvement. The plan-to-plan ridership shortfall is concentrated at NYCT, where ridership is projected to be lower by 45 million trips, or 1.9%, and at MTA Bus, which is expecting ridership to fall short by 4 million trips, or 3.2%. Ridership projections have also been decreased compared with the Adopted Budget for MNR, down 1 million trips or 1.0%, and SIR ridership, down 0.1 million trips or 1.5%; MNR's reduction reflects lower than expected commutation ridership. LIRR ridership is expected to surpass the Adopted Budget projection by 0.5 million, or 0.6%. At NYCT, the lower ridership projection is comprised of 17 million (1.0%) fewer subway trips, 27 million (4.3%) fewer bus trips and 0.5 million (5.3%) fewer paratransit trips.

MTA consolidated farebox revenue for the 2017 Mid-Year Forecast is expected to be \$6,222 million, and toll revenue is expected to be \$1,913 million. Compared with 2016 results, consolidated farebox revenue is projected to increase by \$172 million (2.8%), while B&T toll revenue is expected to grow by \$43 million (2.3%). The variances for both farebox and toll revenue, in addition to reflecting changes in ridership and traffic levels, are impacted by the four percent increase in fares and tolls implemented in March 2017. NYCT farebox revenue is projected to total \$4,524 million, accounting for 73% of MTA consolidated farebox revenue. LIRR and MNR each account for 12% of consolidated farebox revenue, with LIRR projected at \$739 million and MNR projected at \$738 million. MTA Bus farebox revenue is forecast to be \$213 million, comprising 3% of consolidated farebox revenue, and SIR farebox revenue is forecast to be \$7 million, comprising less than 1% of consolidated farebox revenue. Compared with 2016,

farebox revenue for all Agencies is expected to increase – along with B&T toll revenue – although year-to-year growth is comparatively weaker for NYCT, MTA Bus and B&T. Along with the impact of the March 2017 fare and toll increases, these changes reflect weaker bus ridership and the impact winter weather had on operations. B&T toll revenue has also been impacted by further increases in E-ZPass market share at its crossings, which has reduced the average toll per crossing.

Compared with the Adopted Budget, consolidated farebox revenue is expected to be lower by \$49 million (0.8%), while B&T toll revenue is projected to fall short by \$14 million (0.7%). Plan-to-plan reductions in farebox revenue are concentrated at NYCT, which is projected to be lower by \$43 million, or 1.0%, and at MTA Bus, which is expecting farebox revenue to decline by \$7 million, or 3.0%. MNR farebox revenue is also expected to fall short by \$2 million (0.3%) and SIR farebox revenue will be \$0.1 million (0.8%) lower, while at the LIRR farebox revenue is improve by \$3 million (0.4%).

The 2018 Preliminary Budget anticipates annual growth in utilization as the regional economy and the associated employment picture continue to modestly grow; also contributing to the growth in farebox and toll revenues is the additional revenue from the fully annualized March 2017 fare and toll increases. Additionally, MNR farebox revenue is favorably impacted by a January 2018 fare increase of one percent on the Connecticut portion of the New Haven Line, an increase already approved by the Connecticut Department of Transportation. At B&T, higher gasoline prices and a continuing decline in the average toll paid – the result of increased E-ZPass market share – is partially offsetting favorable employment-related impacts and the completion of Hurricane Sandy restoration work at the Queens Midtown and Hugh L. Carey Tunnels. MTA consolidated ridership is expected to increase by 27 million trips (1.0%) compared with 2017, and B&T vehicular crossings are expected to grow by 2.3 million crossings (0.7%). Farebox revenue is projected to increase \$106 million (1.7%) over 2017, while toll revenue is forecast to increase by \$25 million (1.3%).

Compared with the February Plan, MTA consolidated ridership for the 2018 Preliminary Budget is expected to be lower by 37 million trips (1.3%), reflecting the impact of reduced 2017 ridership which forms the basis for 2018 projections, particularly at NYCT and MTA Bus. At B&T facilities, traffic is projected to surpass the February Plan forecast by 3 million crossings (1.1%). MTA consolidated farebox revenue for 2018 is expected to fall short of the projections in the February Plan by \$25 million (0.4%), with only LIRR and MNR showing favorable variances. B&T toll revenue for 2018 is unchanged from the February Plan forecast.

MTA consolidated ridership and farebox revenue are both expected to increase annually for 2019 and 2020, and then be incrementally lower in 2021 due to slower employment growth and the impact of one fewer day in 2021. In 2021, consolidated ridership is projected to be 2,729 million passengers, and farebox revenue is expected to be \$6,385 million. B&T crossings are projected to increase each year, including in 2021 when crossings reach 314 million, and toll revenue is forecast to reach \$1,964 million. Compared with the February Plan, MTA consolidated ridership is unfavorable by 1.2% in both 2019 and 2020, and this decline primarily reflects the reduced 2017 ridership projections for NYCT and MTA Bus that form the basis for the projections throughout the Plan period. Traffic forecasts for B&T facilities are higher than in the February Plan, by 1.0% in both 2019 and 2020. MTA consolidated farebox revenue is expected to be 0.3% lower in both 2019 and 2020 relative to the February Plan, while B&T toll revenue is projected to be lower by 0.1% in 2019 and 2020.

**MTA Consolidated Utilization
Plan-to-Plan Comparison
Baseline Before Gap-Closing Actions (in millions)**

July Financial Plan					
	Mid-Year Forecast	Preliminary Budget			
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Traffic					
Bridges & Tunnels	306.2	308.5	310.7	312.4	314.3
Ridership					
Long Island Rail Road	89.9	90.5	90.8	91.2	91.1
Metro-North Railroad ¹	86.7	87.7	88.2	88.5	88.8
MTA Bus Company	121.6	122.8	124.1	124.5	124.2
New York City Transit ²	2,377.5	2,401.4	2,412.1	2,424.8	2,419.8
Staten Island Railway	4.5	4.6	4.6	4.6	4.6
	<u>2,680.1</u>	<u>2,707.0</u>	<u>2,719.7</u>	<u>2,733.6</u>	<u>2,728.5</u>
February Financial Plan					
	Adopted Budget				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Traffic					
Bridges & Tunnels	305.0	305.0	307.5	309.3	
Ridership					
Long Island Rail Road	89.4	89.8	90.0	90.4	
Metro-North Railroad ¹	87.6	88.5	89.4	90.3	
MTA Bus Company	125.6	125.9	126.1	126.6	
New York City Transit ²	2,422.7	2,434.8	2,442.2	2,454.9	
Staten Island Railway	4.6	4.6	4.6	4.7	
	<u>2,729.8</u>	<u>2,743.6</u>	<u>2,752.3</u>	<u>2,766.8</u>	
Plan-to-Plan Changes: Favorable / (Unfavorable)					
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Traffic					
Bridges & Tunnels	1.2	3.5	3.2	3.1	
Ridership					
Long Island Rail Road	0.5	0.7	0.8	0.8	
Metro-North Railroad ¹	(0.9)	(0.8)	(1.2)	(1.7)	
MTA Bus Company	(4.0)	(3.1)	(2.0)	(2.0)	
New York City Transit ²	(45.2)	(33.4)	(30.1)	(30.1)	
Staten Island Railway	(0.1)	(0.1)	(0.0)	(0.0)	
	<u>(49.7)</u>	<u>(36.6)</u>	<u>(32.6)</u>	<u>(33.1)</u>	

¹ Metro-North Railroad utilization figures include both East of Hudson and West of Hudson services.

² New York City Transit utilization figures include Paratransit and Fare Media Liability.

**MTA Consolidated Utilization
Plan-to-Plan Comparison
Baseline Before Gap-Closing Actions (in millions)**

	July Financial Plan				
	Mid-Year Forecast	Preliminary Budget			
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Toll Revenue					
Bridges & Tunnels	\$1,912.8	\$1,937.9	\$1,949.3	\$1,956.0	\$1,964.0
Fare Revenue					
Long Island Rail Road	739.1	749.4	752.0	753.4	754.4
Metro-North Railroad ¹	738.2	757.9	762.9	766.5	770.0
MTA Bus Company	213.3	216.7	219.3	220.2	219.6
New York City Transit ²	4,524.3	4,596.6	4,618.3	4,643.7	4,634.1
Staten Island Railway	6.8	6.9	7.0	7.0	7.0
	\$6,221.7	\$6,327.6	\$6,359.3	\$6,390.9	\$6,385.1

	February Financial Plan				
	Adopted Budget				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Toll Revenue					
Bridges & Tunnels	\$1,927.2	\$1,938.3	\$1,951.4	\$1,958.8	
Fare Revenue					
Long Island Rail Road	735.9	743.6	745.5	747.0	
Metro-North Railroad ¹	740.4	754.9	761.6	768.5	
MTA Bus Company	219.9	222.2	222.6	223.5	
New York City Transit ²	4,567.7	4,625.3	4,640.3	4,665.7	
Staten Island Railway	6.8	7.0	7.0	7.0	
	\$6,270.6	\$6,352.9	\$6,376.9	\$6,411.7	

	Plan-to-Plan Changes: Favorable / (Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Toll Revenue					
Bridges & Tunnels	(\$14.4)	(\$0.4)	(\$2.1)	(\$2.7)	
Fare Revenue					
Long Island Rail Road	3.2	5.8	6.5	6.4	
Metro-North Railroad ¹	(2.2)	3.0	1.2	(2.0)	
MTA Bus Company	(6.5)	(5.4)	(3.3)	(3.2)	
New York City Transit ²	(43.4)	(28.7)	(22.0)	(22.0)	
Staten Island Railway	(0.1)	(0.0)	(0.0)	(0.0)	
	(\$48.9)	(\$25.3)	(\$17.6)	(\$20.8)	

¹ Metro-North Railroad utilization figures include both East of Hudson and West of Hudson services.

² New York City Transit utilization figures include Paratransit and Fare Media Liability.

OTHER OPERATING REVENUE

The Other Operating Revenue category captures all operating revenues generated from sources other than fares and tolls, and includes advertising, paratransit reimbursement, fare reimbursement, rents, concessions, parking and investment income.

Other Operating Revenue					
July Financial Plan 2018-2021					
(\$ in millions)					
	2017	2018			
	Mid-Year	Preliminary			
	Forecast	Budget	2019	2020	2021
<i>Rental Income</i>	\$121	\$134	\$143	\$148	\$153
<i>Advertising</i>	159	162	166	170	175
<i>Paratransit Reimbursement (NYC and Urban Tax)</i>	190	193	206	217	231
<i>Fare Reimbursement (students/seniors)</i>	100	100	101	101	101
<i>Fees (including E-Z Pass, AFC and TAB) ¹</i>	26	22	22	22	22
<i>MetroCard "Green" Fee</i>	22	22	22	22	22
<i>FMTAC Operating and Investment Income</i>	12	12	13	13	13
<i>Parking</i>	18	18	19	19	19
<i>Concessions</i>	8	9	9	9	10
<i>All Other</i>	30	34	32	43	22
Total Other Operating Revenue	\$685	\$707	\$731	\$764	\$767

Note: ¹ Automated Fare Collection (AFC); Transit Adjudication Bureau (TAB)

Over the course of the Plan, year-to-year changes reflect increases of \$22 million in 2018, \$24 million in 2019, \$33 million in 2020, and \$3 million in 2021. Growth in 2018 is mainly driven by MNR and NYCT, with increases projected at \$16 million each. At MNR, the increase is mainly attributable to funding it will receive from New York State to construct and link the existing Putnam Trailway to the Dutchess Rail Trail (also known as Beacon Rail Trail) as part of the New York State Empire Trail project, as well as higher Grand Central Terminal (GCT) rental income. At NYCT, the increase primarily reflects higher NYC paratransit reimbursements and advertising revenue. These favorable projections are partially offset by a decrease of \$7 million at MTAHQ due to the impact of revised recovery assumptions from the Agencies and a one-time grant given in 2017 for improving railroad grade-crossings. Also, \$4 million in lower rental revenue is projected at the LIRR due to the loss of retail space stemming from Amtrak's redesign of Penn Station.

Year-to-year revenue growth from 2019 through 2021 averages \$20 million annually at NYCT and is attributable to increases in NYC paratransit reimbursements and higher advertising revenue. At MTAHQ, combined rental and advertising revenues increase on average by \$2 million a year. At MNR, revenues decrease by \$2 million in 2019, increase by \$12 million in 2020 and decrease by \$21 million in 2021, driven by funding from New York State for the Beacon Rail Trail, which ends with the completion of the project in 2020, and higher GCT rental income.

Compared with the February Plan, Other Operating Revenue decreases by \$23 million in 2017, \$21 million in 2018, \$26 million in 2019, and \$21 million in 2020. Decreases from 2017 through 2020 are mostly due to lower Paratransit Urban Tax collections and NYC reimbursements at NYCT; lower investment income at FMTAC; lower rental and advertising revenue at the LIRR; and a reclassification of toll violation fee and toll recovery revenue from other operating revenue to toll revenue at B&T. Partially offsetting these decreases are increases at MNR due to funding

from New York State for the Beacon Rail Trail and higher GCT rental income; and higher Transit Museum revenue at MTAHQ.

PAYROLL

MTA Consolidated Payroll expenses are influenced by a number of factors including position levels, inflation assumptions, labor agreements, changes in programs and initiatives, and capital project activity.

This Plan continues to capture the impact of a 28-month agreement, reached in February 2017, between the MTA and the Transit Workers Union (TWU), MTA's largest bargaining unit. This, and the settlement with NYCT's other unions, including MaBSTOA and MTA Bus, which traditionally follow the TWU pattern, were incorporated into Agency baselines as technical adjustments in the February Financial Plan. Included within the settlement was a 2.5% wage increase for 13 months that will be followed by another 2.5% wage increase that will be in place for the remaining 15 months of the contract.

Since the February Plan, the LIRR has settled with several of its largest unions, including the Sheet Metal, Air, Rail, and Transportation union (SMART) and the Transportation Communications Union (TCU). These contracts are patterned after the TWU agreement and are assumed for the remaining LIRR unions. While contract negotiations with unions of MNR are ongoing, the Plan includes projected wage base growth that are consistent with the LIRR's pattern. MTAHQ currently has agreements with its police union, the Patrolmen's Benevolent Association (PBA), through October of 2018. B&T is currently in negotiations with two of its largest unions - Bridges and Tunnel Officer's Benevolent Association (BTOBA) and Superior Officer's Benevolent Association (SOBA); contracts with those unions expired on 5/17/2012 and 3/14/2012, respectively. Other unsettled union agreements are assumed to be consistent with the TWU pattern.

For non-represented employee salaries, the Plan assumes annual 2.0% increases, effective July 1st of each year.

July Plan payroll expenses are projected at \$5,026 million in 2017, \$5,226 million in 2018, \$5,353 million in 2019, \$5,486 million in 2020, and \$5,608 million in 2021. On a year-over-year basis, expenses increase by \$199 million in 2018, \$128 million in 2019, \$133 million in 2020, and \$122 million in 2021.

The 2018 increase mainly reflects the contractual and non-represented wage increases referenced above and additional resources required to support various initiatives, including prioritized investments, designed to sustain operations and improve the customer experience. Major programs include: support for the Eighth Avenue Corridor Improvement Project (the "Six Point Plan") and track defect reduction as well as vacancies reflected in 2017 not recurring in 2018 at NYCT; Positive Train Control (PTC) maintenance, safety initiatives and the filling of vacant positions that were open during 2017 at the LIRR; and repairs and maintenance at the Highbridge district facility, additional weekend support for Grand Central Terminal (GCT), the addition of geometry car machinists and additional resources to support a myriad of maintenance projects at MNR. Additional increases year-over-year reflect the filling of 2017 vacancies, contractual step-up increases and inflationary adjustments at B&T, MTAHQ, and MTA Bus.

Aside from wage growth assumptions previously discussed, year-to-year annual expense growth through 2021 reflects a continuation of the projects noted above, along with East Side Access (ESA) readiness efforts at the LIRR; additional staffing for the new Chief Rail Traffic Controller (RTC) training program, new recruiters in human resources, new hires supporting procurement & material management and a new health services coordination group at MNR; additional MTA PD patrol forces required to perform more counter-terrorism tours, new hires associated with the establishment of a homeless outreach unit and additional personnel supporting the ESA project at MTA HQ as well as the addition of staff to support the development of the Enterprise Asset Management (EAM) program at B&T.

Compared with the February Plan, Payroll expenses are projected to decrease by \$21 million in 2017, and then increase by \$26 million in 2018, and \$32 million both in 2019 and 2020. The plan-to-plan reduction in 2017, by and large, reflects the impact of vacancy assumptions projected at year-end at NYCT and B&T, in addition to staffing reductions associated with maintenance efficiencies at the LIRR. Partially offsetting 2017 savings are additional resources required to support the RTC training program, new recruiters in human resources, new hires supporting procurement & material management, the new health services coordination group, as well as additional maintenance and operations positions at MNR; and TWU patterned settlement wage growth for represented employees and changes in programmatic initiatives at MTA Bus.

Plan-to-plan increases in 2018 and beyond largely reflect the impact of patterned wage growth assumptions. Further plan increases reflect ongoing support for projects including the Eighth Avenue Corridor Improvement, track defect reduction, Operation Track Sweep, mobile vacuum operations, car maintenance HVAC, underground storage tanks inspection & testing, and bus safety initiatives at NYCT; PTC rolling stock maintenance, signalization between Speonk and Montauk, safety initiatives and EAM at the LIRR; a reallocation of block training coverage in the Transportation Department to straight-time from overtime, priority repairs & maintenance at the Highbridge district facility, GCT weekend personnel and geometry car machinists, among other maintenance support projects at MNR; changes in programmatic initiatives at MTA Bus; and a reallocation of reimbursable workforce resources to support prioritized operating initiatives at B&T.

For specific program details and headcount implications through the Plan period, see Agency sections.

OVERTIME

MTA Consolidated Overtime expenses are influenced by a number of factors including vacancies, employee availability, project activity, weather, work rules and training requirements. Overtime costs are also impacted by the wage growth assumptions previously described in the Payroll section of this Volume.

MTA management promotes sustainable management programs that reduce overtime levels in controllable types of overtime, e.g. vacancy/absentee coverage, scheduled service and routine maintenance. Improved forecasting and efficiencies in overtime are expected to provide the lowest cost option through better scheduling of work, optimizing overtime vs. straight-time, accelerating maintenance work during scheduled track outages, and utilizing new management tools to approve and analyze overtime usage.

July Plan expenses are projected at \$809 million in 2017, \$770 million in 2018, \$777 million in 2019, \$793 million in 2020, and \$823 million in 2021, reflecting a year-to-year decrease of \$39 million in 2018, followed by increases of \$7 million in 2019, \$16 million in 2020, and \$30 million in 2021. Included within these changes are the impacts of agreements recently reached between MTA and the various unions representing NYCT and LIRR employees, and the presumption that the pattern also applies to MNR and other unions currently without contract agreements.

The 2018 decrease mostly reflects the impact of non-recurring expenses from 2017. The bulk of the reduction, \$36 million, is at NYCT, reflecting the impact of adverse weather experienced in early 2017 and coverage necessitated by vacancy levels that are not expected to recur in 2018; \$3 million at the LIRR also reflects lower vacancy coverage requirements as well as lower right-of-way maintenance activity; \$2 million at SIR mainly reflects the winding down of expenses for the arrival clock project; and \$1 million at B&T reflects completion of Open Road Tolling (ORT) and various major 2017 maintenance projects. The 2018 change is partially offset by an increase of \$2 million at MNR and \$1 million at MTA Bus, reflecting changes in staffing levels consistent with programmatic activity, and inflationary payroll rate assumptions. In later Plan years, projected increases largely reflect the impact of East Side Access readiness efforts at the LIRR as well as changes, across all other Agencies that are consistent with wage growth assumptions and operational requirements.

When compared with the February Plan, overtime expenses increase by \$56 million in 2017, \$7 million in 2018, and \$2 million in both 2019 and 2020. Plan-to-plan growth in 2017 is mainly driven by a \$39 million increase at NYCT, incorporating overages that occurred during the first quarter of the year due to severe winter weather conditions; \$8 million at the LIRR reflects greater vacancy/absentee and maintenance-related coverage requirements, emergency coverage due to train derailments as well as higher wage rates; \$5 million at MTAHQ reflects a reclassification of expenses from MTA IT straight-time, and greater MTA PD and administrative coverage needs; \$5 million at MTA Bus reflects higher requirements caused primarily by traffic conditions, and wage adjustments; and \$1 million at B&T reflects major maintenance requirements related to ORT and other projects. Plan-to-plan increases from 2018 through 2020 largely reflect a continuation of the factors noted above at MTAHQ, while overage fleet and maintenance training float requirements at MTA Bus contribute to expense escalations over the same time period. Partially offsetting these expense increases are projected reductions at NYCT that are based on savings within the TWU wage settlement; utilizing straight-time rather than overtime to block-train employees of the Transportation Department at MNR; and changes in a variety of maintenance initiatives, including Reliability Centered Maintenance (RCM), safety initiatives, and Positive Train Control at the LIRR.

HEALTH & WELFARE

Empire Plan premium rates provided in April 2017 by the New York State Department of Civil Service are used as the primary assumption for per-employee Health & Welfare premium expenses in 2017 and 2018. Premium forecasts for 2019 through 2021 are based on the 10-year average change in premiums, excluding the largest and smallest annual percent changes. For employee health plans other than the Empire Plan, existing contractual rates, available projected rate changes, and actual claims trends are used in place of the Empire Plan assumptions. Year-to-year changes in expenses are also impacted by position levels.

MTA Consolidated Health & Welfare expenses are estimated to be \$1,235 million in the 2017 Mid-Year Forecast. Health & Welfare expenses for the 2018 Preliminary Budget are projected to

be \$1,340 million, \$106 million (8.5%) greater than 2017 expenses, due to higher rates for premiums. MTA Consolidated Health & Welfare expenses are forecast to increase annually by 6.4%, 6.2% and 6.8%, for 2019 through 2021, respectively, when expenses are projected to reach \$1,619 million.

In comparison with the February Plan, the July Plan is favorable by \$54 million in 2017, \$11 million in 2018, \$14 million in 2019 and \$15 million in 2020. The favorable changes reflect savings, particularly in 2017, in the self-sponsored medical health programs due to lower claims trends than projected in the Adopted Budget as well as higher savings than projected in the February Plan resulting from the Health & Welfare rebid. Partially offsetting these favorable changes are higher NYSHIP premium increases than forecasted in the February Plan.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) and GASB FUND

OPEB

The November Plan accrued baseline reflects, for each Agency, the pay-as-you-go component for the Other Post-Employment Benefit (OPEB) expense category called "OPEB Current Payment." Growth in this category is consistent with the assumptions described under Health & Welfare.

OPEB Current Payment expenses in the July Plan are \$580 million in 2017, \$637 million in 2018, \$689 million in 2019, \$747 million in 2020 and \$810 million in 2021. Year-to-year increases reflect NYSHIP premium growth assumptions, claims assumptions in the MTA self-sponsored medical plan and growth assumptions in the retiree population.

In comparison with the February Plan, OPEB Current Payment expenses are favorable by \$11 million in 2017, and unfavorable by \$3 million in 2018, \$2 million in 2019 and \$1 million in 2020. Expense increases are primarily the result of premiums more unfavorable than planned for retiree participants in NYSHIP, partially offset by lower-than-projected claim trends in the MTA self-sponsored plan.

Governmental Accounting Standard Board Statement No. 45 (GASB 45), "Accounting and Financial Reporting for Employers for Post-Employment Benefits Other Than Pensions," requires that state and local governmental entities' financial reports reflect systematic, accrual-based measurements of OPEB costs over a period that approximates the employee's years of service, provides information about actuarial accrued liabilities and to what extent progress is made in the funding of any liabilities. The actuarial accrued liability contained in the most recent valuation dated January 1, 2014 is \$18.5 billion, with an annual OPEB expense of \$2.1 billion in each year of the financial plan period. These amounts, reflecting the change in liability, are captured in the Statement of Operations under "Non-Cash Liabilities."

GASB FUND

While the GASB 45 standard only requires the disclosure of this future liability, the MTA has taken measures to fund this growing liability. In June 2008, the MTA Board approved the establishment of the "MTA Retiree Welfare Benefits Trust" ("OPEB Trust") to govern the administration and investment of OPEB Trust assets. Annual contributions were deposited with the MTA Treasurer in the GASB Reserve, with the intent of periodically moving such funds into the OPEB Trust. Since 2012, the MTA has moved \$300 million from the GASB Reserve to the OPEB Trust.

In 2014, the MTA used \$255 million from the GASB Reserve and suspended contributions to the GASB Reserve from mid-2014 through 2017 to fund the financial impact of labor contract settlements; contributions to the GASB Reserve are expected to resume in 2018. Currently, \$148 million remains in the GASB Reserve Fund; the MTA remains fully committed to the importance of funding this growing obligation, evaluating opportunities to increase contributions in future plans. In 2014, \$52 million was contributed to the GASB fund. In the Volume 2 baseline, there are no projected contributions through 2017, followed by contributions of \$9 million in 2018, \$19 million in 2019, \$30 million in 2020 and \$43 million in 2021; however, it is being proposed that the additional contributions for 2018 and beyond be suspended. Additional information can be found in MTA Policy Actions section of Volume 1 of this Plan.

PENSIONS

MTA employees are covered by a number of separate and distinct pension plans. All B&T employees and two-thirds of employees at NYCT are participants in the New York City Employee Retirement System (NYCERS). The remaining one-third of NYCT employees are participants in the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) Plan, one of three MTA-sponsored Plans. The other two MTA-sponsored plans—the MTA Defined Benefit Plan and the Long Island Rail Road Additional Plan—cover employees at the LIRR, MNR, SIR, MTA Bus and MTA Police (which is part of MTAHQ). Non-police employees at MTAHQ are participants in the New York State and Local Retirement System (NYSLRS). Pension expenses also include employer-matched contributions made to defined contribution pension plans MTA-wide, such as the New York State Voluntary Defined Contribution program and MNR's MTA 401(k) Plan for members who opted out of the MTA Defined Benefit Plan.

Year-to-year pension cost changes are influenced by the most recent actuarial valuations for the pension plans that MTA employees participate in, as well as changes in assumed position levels, wage growth and labor settlements.

Projected pension expenses total \$1,325 million in 2017, \$1,332 million in 2018, \$1,345 million in 2019, \$1,345 million in 2020 and \$1,362 million in 2021. Pension expenses are based on actuarial projections and anticipated position increases. Where actuarial projections are unavailable, the forward three-year average of the Consumer Price Index plus one percent—which is a proxy intended to capture anticipated impacts from demographic changes of employees and retirees—is applied to projections.

In comparison with the February Plan, pension expenses are unfavorable by \$2 million in 2017, favorable by \$5 million in 2018, unfavorable by \$7 million in 2019 and unfavorable by \$18 million in 2020.

OTHER FRINGE BENEFITS

The Other Fringe Benefits category captures costs for Workers' Compensation and Federal Insurance Contributions Act (FICA) expenses at all Agencies, except the Commuter Railroads. Expenses at the LIRR and MNR for Federal Employees Liability Act (FELA) and Railroad Retirement taxes (RRT), which are similar in nature to Workers' Compensation and FICA, are also included in this category, as are miscellaneous employee expenses.

July Plan benefit expenses are projected at \$881 million in 2017, \$913 million in 2018, \$939 million in 2019, \$971 million in 2020, and \$1,000 million in 2021, reflecting a year-over-year increase of \$32 million in 2018, followed by an average annual increase of \$29 million from 2019 through 2021.

By Agency, the 2018 increase reflects higher expenses totaling \$13 million at the LIRR, \$12 million at NYCT, \$3 million each at MNR and MTA Bus, and \$1 million each at B&T and MTAHQ. These changes are primarily reflective of variations in staffing levels as determined by programmatic initiatives and inflationary payroll rate assumptions across all MTA Agencies. In addition, the increase is further driven by revised Workers' Compensation assumptions at NYCT; and the latest railroad retirement tax rates, railroad unemployment charges, and Federal Employers Liability Act (FELA) adjustments pertinent to the Commuter Railroads. Specific payroll rate assumptions as well as detailed position impacts are explained further in Agency sections.

For 2019 through 2021, expenses increase on average by \$15 million at NYCT, \$8 million at the LIRR, \$3 million at MNR, and by approximately \$1 million each at B&T, MTAHQ, and MTA Bus. These changes reflect a continuation of the assumptions noted above.

Compared with the February Plan, expenses are projected to increase by \$1 million in 2017, and from 2018 through 2020 on average by \$5 million per year. Plan-to-plan changes at all Agencies are modest and consistent with payroll assumptions.

ELECTRIC POWER

Electric Power is supplied to the MTA by the New York Power Authority (NYPA), PSEG Long Island (PSEGLI), and Eversource (the successor to Connecticut Light & Power). MTA has a Long-Term Agreement (LTA) through 2017 with NYPA to meet MTA's electricity requirements within the City of New York and Westchester County. The LTA requires that certain NYPA assets, including a share of low-cost upstate hydroelectric power and dedicated low-cost transmission line capacity from upstate New York, be allocated to serve the MTA and NYPA's other governmental customers located in New York City. Along with NYPA and the LTA governmental customers, MTA also has a long-term operational share in the 550 megawatt Astoria II combined cycle power plant located in Queens.

NYPA LTA expenses are based on NYPA's final 2017 cost of service estimate, amended to reflect actuals through February and NYPA's revised forecast for the remainder of the year. For 2018 through the end of the financial plan period, the NYPA cost of service is based on changes in the national consumer price index as well as projected commodity price changes for natural gas and diesel fuel. Price assumptions for NYPA-supplied electric power also include costs associated with meeting New York State's Clean Energy Standards initiative. While the current NYPA LTA expires at the end of 2017, the Plan assumes electric power needs after 2017 will be priced in a similar fashion, regardless of supplier. Delivery of NYPA-supplied electricity is handled by Consolidated Edison (Con Ed), and delivery cost projections reflect rates recently approved by the State Public Service Commission (PSC). During PSC hearings in 2016 on Con Ed delivery rates, the MTA successfully petitioned the PSC to consider separate delivery rates for high-tension and low-tension power supplied by NYPA. The PSC's approval of this approach is expected to save the MTA approximately \$6 million in 2017, \$12 million in 2018 and \$20 million in subsequent years.

Projections for electricity supplied by PSEGLI and Eversource are based on forecasts of the Producer Price Index for Electric Power along with other energy market trends.

FINANCIAL PLAN ASSUMPTIONS FOR ELECTRIC POWER					
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>2017 July Financial Plan</u>					
NYPA - Traction Power	15.6%	15.2%	0.8%	6.2%	4.4%
NYPA - Non-Traction Uses	21.6%	15.2%	0.8%	6.2%	4.4%
Con Edison Delivery	4.7%	3.8%	4.9%	9.0%	8.0%
Producer Price Index, Electric Power	5.1%	3.0%	2.3%	2.9%	3.2%
<u>2017 February Financial Plan</u>					
NYPA - Traction Power	26.6%	2.6%	2.3%	6.4%	
NYPA - Non-Traction Uses	26.6%	2.6%	2.3%	6.4%	
Con Edison Delivery	8.5%	7.5%	8.5%	9.0%	
Producer Price Index, Electric Power	4.1%	3.3%	2.2%	2.8%	

MTA Consolidated Electric Power expenses of \$452 million for the 2017 Mid-Year Forecast are \$45 million (11.2%) higher than 2016 expenses, and primarily reflect the impact of higher fuel prices on the cost of electric generation and electric rates, as well as a rise in delivery costs. This estimate is \$53 million (10.5%) favorable compared with the Adopted Budget; these favorable plan-to-plan variances reflect the impact of lower-than-projected fuel prices on electric generation expense.

Expenses for the 2018 Preliminary Budget are expected to be \$502 million, an increase of \$50 million (11.1%) from the 2017 Mid-Year Forecast. In addition to increases in the cost of fuel used in the generation of electricity – primarily natural gas – and delivery costs, expenses in 2018 are higher due to the regulatory termination of certain electric power transmission congestion credits. The 2018 Preliminary Budget is \$16 million (3.2%) favorable compared with the February Plan.

MTA Consolidated Electric Power expenses, projected to annually increase by 3.2% in 2019, 6.2% in 2020 and 10.5% in 2021, are forecast to total \$608 million in 2021. Compared with the February Plan, forecasts are favorable by \$15 million (2.7%) in 2019 and \$21 million (3.6%) in 2020.

FUEL

Diesel and natural gas prices for the 2017 July Financial Plan include actual prices through April 17, 2017 and reflect commodity futures prices as of April 21, 2017. Where commodity futures prices are unavailable, price changes are projected using HIS Global, Inc. forecasts (February 2017) for New York Harbor No. 2 Distillate for heating oil and diesel and PPI (Producer Price Index) Utility for Natural Gas. On a year-to-year basis, Ultra Low Sulfur Diesel (ULSD) prices are projected to increase by 17.4% 2.4%, 1.2%, 11.5% and 8.9% for 2017 through 2021, respectively. For Compressed Natural Gas (CNG), year-to-year prices are forecast to increase by 55.9% from 2016 to 2017, 6.3% in 2018, then decrease by 5.5% in 2019, then increase by 3.1% in 2020 and 0.7% in 2021.

Since 2008, the MTA has used financial instruments to hedge a portion of its projected fuel expense to reduce budgetary risk from price volatility.¹ The MTA intends to continue this strategy, with new hedge contracts extending as far as 24 months from execution date, which provides a measure of financial stability from price fluctuations. At any point in time, approximately 50% of the projected fuel usage for the forward 12-month period will be hedged.

Fuel expenses of \$145 million for the 2017 Mid-Year Forecast are \$15 million favorable in comparison with the 2017 Adopted Budget. The 2017 Mid-Year Forecast price for ULSD is estimated to be \$0.01 per gallon higher, while CNG prices are estimated to be \$0.39 per MMBTU lower than the price assumptions in the 2017 Adopted Budget.

Fuel expenses of \$151 million for the 2018 Preliminary Budget are \$15 million favorable in comparison with the February Plan. The 2018 Preliminary Budget price for ULSD is estimated to be \$0.04 per gallon lower, and CNG prices are estimated to be \$0.06 per MMBTU lower, from the price assumptions in the February Plan.

Fuel expenses of \$151 million for 2019 are forecasted to be \$22 million lower than projected in the February Plan. The price for ULSD is estimated to be \$0.10 per gallon lower, and CNG prices are projected to be \$0.19 per MMBTU lower, than assumed in the February Plan.

For 2020, July Plan Fuel expenses are estimated to be \$164 million, \$26 million less than projected in the February Plan. The price for ULSD is estimated to be \$0.09 per gallon lower, and CNG prices are estimated to be \$0.22 per MMBTU lower, than projected in the February Plan.

INSURANCE

The MTA's insurance programs are obtained through the commercial insurance marketplace and by the MTA's First Mutual Transportation Assurance Company (FMTAC), which is a pure captive insurance company. The programs insured by FMTAC include:

- All-Agency Excess Liability (Primary)
- All-Agency Excess Liability (Excess)¹
- All-Agency Protective Liability (Primary)
- All-Agency Protective Liability (Excess)
- All-Agency Protective Liability (LORAM)
- All-Agency Property Policy²
- All-Agency Sabotage & Terrorism²
- Comprehensive Automobile Liability³
- Paratransit (Access-A-Ride)³
- Station Liability – LIRR & MNR
- Force Account – LIRR & MNR
- Premises Liability

¹ Financial impacts from fuel hedge settlements are reflected in cash subsidies, not in the fuel expense category.

² A portion is insured through FMTAC and the remainder is insured in the global market.

² These policies are insured through FMTAC and then reinsured in the global market.

³ Only the deductible portion of these policies is captured within FMTAC.

The following table measures MTA Consolidated Insurance expenses:

MTA CONSOLIDATED INSURANCE EXPENSES						
Non-Reimbursable						
(\$ in millions)						
<u>Insurance Expenses</u>	2016 <u>Actual</u>	2017 Mid-Year <u>Forecast</u>	2018 Preliminary <u>Budget</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
NYCT	\$73	\$73	\$77	\$86	\$96	\$108
LIRR	23	21	22	23	26	28
MNR	18	17	19	21	23	25
SIR	1	1	1	1	1	1
MTA Bus	8	6	7	8	8	9
B&T	14	12	13	13	14	15
MTAHQ	<u>4</u>	<u>5</u>	<u>5</u>	<u>2</u>	<u>2</u>	<u>3</u>
Total Gross Insurance Expenses	\$142	\$135	\$143	\$154	\$171	\$190
<u>Insurance Credits</u>						
FMTAC	(\$163)	(\$103)	(\$110)	(\$119)	(\$130)	(\$143)
Net Insurance Expenses	(\$21)	\$32	\$32	\$35	\$41	\$47

The table captures gross insurance expenses by Agency, including some costs that are contracted between MTA Risk Management and the commercial marketplace on behalf of MTA Agencies. It also captures FMTAC expense credits necessary for correct accounting treatment. Since FMTAC is an MTA Agency, its finances are incorporated within MTA consolidated financial reports and budgets. Therefore, premiums paid by an Agency to FMTAC result in offsetting revenue that has to be credited. What remains, and is captured as net insurance expenses, are only those costs for non-FMTAC insurance premiums. This includes costs for policies that are contracted directly between MTA Risk Management and the commercial marketplace on behalf of an Agency, as well as for FMTAC policies that are then re-insured in the commercial marketplace.

Insurance forecasts in the 2017 July Plan include expenses associated with supplemental coverage to MTA's property program via catastrophe bonds.

Year-to-year increases in Insurance expense are primarily driven by assessments of market conditions made by MTA's Risk Management Department in conjunction with its master broker. Policy premiums are primarily driven by changes in underlying losses and market conditions, and are further influenced by factors such as claims losses, reserve adjustments and exposure (e.g., projected ridership, vehicle count, and volume of capital work).

In comparison with the February Plan, MTA Consolidated Insurance expenses are favorable by \$19 million in 2017, \$28 million in 2018, \$30 million in 2019 and \$35 million in 2020. The favorable variances are primarily due to MTA's pursuit of insurance-linked securities for reinsurance coverage in connection with MTA's property program, and the renewal of several policies at more favorable rates than anticipated in the forecast.

CLAIMS

Claims expenses are based on actuarial valuations of projected claims, actual claims expense paid, any adjustments to reserves and factors contributing to growth in exposure (i.e., vehicle count).

Claims expenses in the July Financial Plan are projected to be \$312 million in 2017, \$320 million in 2018, \$328 million in 2019, \$329 million in 2020 and \$330 million in 2021, and reflect the latest actuarial valuation of projected claims. Compared with the February Financial Plan, Claims expenses are unfavorable by \$31 million, \$33 million, \$33 million, and \$28 million for 2017 through 2020, respectively, due to an increase in reserve requirements based on the latest actuarial analysis.

PARATRANSIT SERVICE CONTRACTS

Paratransit Service Contracts are third-party contracts for federally mandated transportation services for the benefit of people covered under the Americans with Disabilities Act, as well as for their accompanying personal care attendants. Funding is provided for direct transportation costs (primary vendors, vouchers, taxis, and e-hail services) and eligibility determinations, as well as for operational services for scheduling and dispatching trips. Expenses also capture the impact of maintaining vehicles, the scheduling system, the Automated Vehicle Locator, and the Interactive Voice Response system.

Faced with an annual projected 15% rate of growth in the demand for paratransit services and increases to associated expenses, the MTA, in 2010, embarked on an ambitious plan to administer this critical service more efficiently. Actions taken included reducing non-service related costs and average cost per trip, adherence to eligibility requirements, and the conversion of contracted trips to fixed route feeder trips, where available and permissible.

Through these efforts, the MTA has been able to maintain the expected level of service while reducing costs. The annual growth is now projected at 4.5% per year.

July Plan expenses are projected at \$399 million in 2017, \$415 million in 2018, \$440 million in 2019, \$467 million in 2020, and \$492 million in 2021, reflecting year-to-year increases of \$16 million in 2018, \$24 million in 2019, \$28 million in 2020, and \$25 million in 2021. These increases mainly reflect projected annual trip growth of 4.5% and inflationary adjustments on paratransit carrier contracts.

Compared with the February Financial Plan, Paratransit Service Contract expenses are projected to decrease by \$12 million in 2017, \$20 million in 2018, \$33 million in 2019 and \$44 million in 2020, reflecting mainly the impact of lower projected trips.

For a complete income statement on Paratransit, please refer to Section II, Major Assumptions, Subsidies.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Maintenance and Other Operating Contracts is a broad category of expenses that includes facility expenses (e.g., leases, rentals, utilities, real estate taxes), operating contracts (e.g.,

equipment/vehicle rental, E-ZPass tags, environmental testing and services, rolling stock purchases), and maintenance services (e.g., construction services, snow removal).

July Plan expenses are projected at \$777 million in 2017, \$755 million in 2018, \$767 million in 2019, \$784 million in 2020 and \$823 million in 2021, reflecting a year-over-year decrease of \$23 million in 2018, followed by increases of \$12 million in 2019, \$17 million in 2020 and \$39 million in 2021.

The 2018 decrease mainly captures timing shifts, including expedited maintenance and operational investments made in 2017 to support MTA-wide Priority Initiatives. NYCT expenses decrease by \$47 million, reflecting lower requirements based on revised timing assumptions for subway and bus fleet maintenance work, and the retro-fitting of R160 cars. A \$19 million SIR decrease is mostly due to the planned completion, in 2017, of maintenance work performed on the R44 fleet, which has remained in service for over 45 years. The LIRR decrease of \$7 million is mainly due to management actions to exercise tighter controls over non-payroll budgets to ensure sufficient funding for core mission initiatives. MNR expenses will decrease by \$1 million due primarily to repairs required for equipment damaged in the Bridgeport derailment, the replacement of the Centralized Diagnostic System (CDS), and the upgrading of Ticket Vending Machines (TVM). These favorable projections are partially offset by increases at B&T (\$42 million), which includes funding to support the *Tolls by Mail* process by which non-EZPass customers are charged for using MTA spans and tunnels under the Open Road Tolling (ORT) prioritized initiative. Also contributing to the partial offset are increases at MTAHQ (\$7 million), reflecting mainly one-time 2017 IT savings as well as contractual and inflationary increases. MTA Bus increases \$3 million mainly due to revisions to the Shop Program.

The 2019 increase is mainly driven by: NYCT (\$13 million), due to paratransit vehicle purchases and bus shop requirements; B&T (\$5 million) and the LIRR (\$4 million) due to inflationary and contractual increases; and MNR (\$2 million) mostly due to the New Haven Line (NHL) MTA Police allocation, as well as inflationary and contractual increases. These unfavorable projections are partially offset by decreases of \$8 million at MTA Bus due to Shop Program revisions; and \$4 million at MTAHQ mainly due to the disposition of the Madison Avenue properties and Budget Reduction Program (BRP) initiatives.

The 2020 increase is mainly attributable to projected Moynihan Station maintenance and operating requirements, and contractual and inflationary increases at the LIRR (\$14 million); contractual and inflationary increases at B&T (\$4 million); and MTAHQ (\$3 million). These unfavorable projections are partially offset by decreases of \$3 million at MTA Bus due to Shop Program revisions, and similarly \$3 million at NYCT due to the timing of paratransit vehicle purchases.

In addition to contractual and inflation-related adjustments, the 2021 increase captures programmatic impacts, including East Side Access (ESA) readiness efforts at the LIRR (\$17 million); the replacement/upgrade of the License Plate Recognition (LPR) system at B&T (\$11 million); revised timing of the BL-20 Locomotive Overhaul Program at MNR (\$6 million); and revisions to the Shop Program at MTA Bus (\$4 million).

Compared with the February Plan, Maintenance and Other Operating Contracts expenses decrease by \$12 million in 2017, \$11 million in 2018, \$1 million in 2019 and \$13 million in 2020. The 2017 decrease is comprised of a myriad of adjustments; major contributors are:

- MTAHQ: timing-related BRP reductions in the Enterprise Asset Management (EAM) program combined with lower Gowanus Expressway high-occupancy vehicle (HOV) lane costs, and re-estimates related to IT activities;
- MTA Bus: an adjustment to align expenses (right-size) with actuals based on trends; and
- MNR: lower expenses for real estate rentals and the Extensive Track Undercutting Program, transfers to operating capital, New Haven Line bus service reductions, and the favorable timing of life cycle maintenance and TVM chip upgrades.

Partially offsetting the above noted decreases, is funding for:

- NYCT: expenses to fund Second Avenue Subway maintenance requirements;
- B&T: Hurricane Sandy restoration work due to timing, and the purchase of a License Plate Recognition (LPR) system to aid in toll collection enforcement;
- LIRR: non-revenue service vehicle maintenance, newly opened West End Concourse expenses, Rail Vac services, concrete tie replacement, Atlantic Avenue Tunnel asbestos remediation, and safety/security related initiatives at the LIRR; and
- MTA Bus: expenses associated with a new security contract and a facility wired for Wi-Fi.

In 2018, decreases are driven by BRP reductions in the EAM program and MTA IT software maintenance expenses at MTAHQ; tighter controls and reallocation of non-payroll funds to cover core mission initiatives at the LIRR; the timing of the BL-20 Locomotive Overhaul Program, transfers to operating capital, NHL bus service reductions, revised timing of life cycle maintenance, TVM chip upgrades, and lower projections for non-revenue vehicle maintenance costs at MNR; and lower negotiated unit prices for E-ZPass tags at B&T. These projections are partially offset by higher expenses at NYCT due to Second Avenue Subway contract requirements and a new security contract at MTA Bus. In 2019 and 2020, plan-to-plan decreases are driven by the aforementioned reasons at MTAHQ, the LIRR, MNR, and B&T. In general, these favorable projections are partially offset by higher expenses driven by bus shop requirements, Second Avenue Subway maintenance contract requirements, and paratransit vehicle purchases at NYCT; and the aforementioned reasons at MTA Bus.

PROFESSIONAL SERVICE CONTRACTS

Professional Service Contracts broadly consists of three categories of expense: Information Technology (IT), Office and Employee expenses, and Other Professional Services. *Information Technology* expenses include software, hardware, IT consulting, data center costs, and IT maintenance and repair. *Office and Employee* expenses include, but are not limited to, expenses for temporary services, office equipment and related rentals, repair and maintenance, and outside training. *Other Professional Services* includes, but is not limited to, fees for contracted engineering, legal, auditing, and market research services.

July Plan annual expenses are projected to be \$561 million in 2017, \$480 million in 2018, \$477 million in 2019, \$484 million in 2020, and \$486 million in 2021, reflecting year-to-year decreases

of \$81 million in 2018 and \$3 million in 2019, and increases of \$8 million in 2020 and \$1 million in 2021.

The 2018 decrease mostly reflects the impact of non-recurring expenses. The bulk of the reduction, \$55 million, is at MTAHQ, reflecting a myriad of IT projects that are in various stages of completion and revised timing assumptions, and \$15 million at NYCT due to the favorable timing of Priority Initiatives, including the Enhanced Station Initiative and bus safety-related investments, and timing-related expense rollovers. Additional reductions of \$8 million at the LIRR reflect non-recurring 2017 expenditures for the M-7 Propulsion consultant, completion of the Far Rockaway Station demolition and shelter shed buildout, completion of the credit card clearinghouse migration project, and lower legal expenses associated with the Moynihan Station development project; while the \$7 million reduction at B&T reflects the end of an extensive 2017 Open Road Tolling (ORT)/E-ZPass marketing campaign. The 2018 decrease was slightly offset by an increase of \$3 million at MNR due to the timing of Enterprise Asset Management (EAM) consulting costs, the bi-annual Market Share Study, Maintenance of Equipment engineering consultants, increased New Haven Line Business Service Center costs, the Geographic Information System ridership and demographics mapping study, and to fund a new credit card payment processor.

Year-to-year changes for 2019 and 2020 mainly reflect the timing of EAM program development costs at MNR and the LIRR, and IT-related investments at MTAHQ. Other changes through 2021 mainly reflect the impact of inflationary adjustments at all agencies, as well as impacts from the bus collision avoidance technology safety initiative, along with subway fleet scheduled maintenance development work at NYCT, EAM program development costs at B&T, and expense fluctuations consistent with the nature and timing of IT-investments at MTA HQ.

Compared with the February Plan, expenses increase by \$4 million in 2017, \$3 million in 2018, \$13 million in 2019, and \$9 million in 2020. The major contributors are:

- NYCT: expenses increase by \$9 million in 2017, then decline by \$2 million in 2018, followed by increases of approximately \$5 million in 2019 and 2020; this is mostly due to the timing of bus priority initiative projects, the bus warning collision-avoidance safety initiative, and revised timing of the dark fiber project and Wellness Program.
- B&T: expenses increase by \$7 million in 2017, followed by average annual decreases of \$1 million in 2018 through 2020, reflecting the cost of an extensive marketing campaign aimed at increasing public awareness of ORT and the benefits of opening an E-ZPass account; subsequent reductions in 2018 through 2020 reflect lower miscellaneous consulting costs across a variety of areas.
- MTA Bus: expenses increase by \$2 million in 2017, followed by average annual increases of less than \$1 million from 2018 to 2020, reflecting the new Department of Transportation (DOT) Bus Stop contract in 2017, followed by slight increases in 2018 through 2020 due to a variety of services procured to support operations, including Select Bus Service (SBS).
- MTAHQ: lower expenses of \$11 million in 2017, followed by higher expenses of \$3 million in 2018, \$7 million in 2019, and \$8 million in 2020 primarily reflect lower IT spending mainly as a result of re-estimates related to IT activities in 2017; followed by support for All-Agency Sleep Apnea testing and new MTA IT spending initiatives, and re-estimates of legal and financial services.

- LIRR: expenses decrease by \$1 million in 2017, increase by \$3 million in 2018 and \$1 million in 2019, then decrease by \$3 million in 2020. Aside from a one-time investment in 2017 for a winter storm consultant, the fluctuations are mainly EAM-related.
- MNR: expenses reflect mainly timing impacts between 2017 and 2018, then remain essentially flat in 2019 and 2020. Contributors of the \$1 million decrease in 2017 include lower consulting costs for EAM, ad-hoc engineering work costs in the Maintenance of Equipment department, and lower ridership count vendor costs. Subsequent increases in 2018 through 2020 reflect revised assumptions for EAM program activity and on-call track engineering services in the Maintenance of Way department.

MATERIALS AND SUPPLIES

Materials and supplies include funding for a variety of expenses such as rolling stock replacement parts, electrical supplies, communication equipment, project materials, roadway equipment, and infrastructure maintenance supplies. Agency changes in Materials and supplies for 2018 through 2021 reflect timing shifts, programmatic changes and inflation. July Plan expenses are projected at \$642 million in 2017, \$637 million in 2018, \$634 million in 2019, \$693 million in 2020, and \$681 million in 2021, reflecting year-over-year decreases of \$4 million in both 2018 and 2019, an increase of \$60 million in 2020, and a decrease of \$12 million in 2021.

The 2018 decrease is mostly attributable to timing of Scheduled Maintenance System (SMS) requirements at NYCT, \$17 million; and lower expenses for the Reliability Centered Maintenance (RCM) program, production plan material, communications components, fire alarm upgrades, M7 material, and East Side Access (ESA) ramp-up needs at the LIRR, \$3 million. These favorable projections are partially offset by higher expenses at MNR (\$8 million) mainly due to the P-32 Locomotive RCM program; and bus shop program requirements at MTA Bus (\$8 million).

The 2019 decrease is mainly attributable to the LIRR, \$9 million, and the drivers remain unchanged from those described above for 2018. MTA Bus projects a decrease of \$7 million mainly for shop program changes and Continuously Regenerating Technology (CRT) filters for the diesel bus fleet. These favorable projections are partially offset by an increase in expenses at NYCT (\$13 million) as a result of bus shop requirements.

The \$60 million increase in 2020 is mainly driven by the Moynihan Station project, rolling stock Lifecycle Asset Management Program (LAMP), and ESA readiness efforts at the LIRR (\$51 million). Subway fleet maintenance requirements at NYCT (\$13 million) also contribute to expense growth. These unfavorable projections are partially offset by MTA Bus, \$3 million, due to lower expenses for the above-mentioned initiatives; and MNR, \$2 million, for the scheduled completion of replacing components in the Centralized Diagnostic System (CDS) and the M7 seat replacement initiative.

The 2021 decrease reflects the completion of the P-32 Locomotive RCM program and M7 seat replacement initiative at MNR (\$9 million) as well as the timing of subway fleet maintenance at NYCT (\$9 million). Partially offsetting this are higher expenses for ESA readiness efforts at the LIRR (\$6 million).

Compared with the February Plan, expenses decrease by \$7 million in 2017 and \$2 million in 2018, increase by \$3 million in 2019, and decrease by \$3 million in 2020. The 2017 decrease is

mostly due to revised timing assumptions of the RCM program, component replacements, installation of on-board cameras, construction of de-icer cars, as well as inventory adjustments and delayed purchase of vehicles at the LIRR, \$6 million. Also, contributing to the decrease are favorable timing changes associated with planned work at MTA Bus, \$4 million. These adjustments are partially offset by an increase of \$2 million at MNR for Phase 2 of the P-32 Locomotive RCM program and the M7 15-Year RCM Cycle. For 2018, the decrease is mainly due to Budget Reduction Program (BRP) initiatives and the shifting of Positive Train Control (PTC) expenses from non-payroll to payroll at the LIRR; and scrap credit savings at NYCT, partially offset by an increase at MNR for Phase 2 of the P-32 Locomotive RCM Program. The 2019 increase is due to the M7 seat replacement program at MNR, in addition to other above-mentioned initiatives at MNR, NYCT and the LIRR. The 2020 decrease reflects the impact of additional bus shop expense reductions and above-mentioned initiatives at NYCT, partially offset by higher expenses at MNR mainly for Phase 2 of the P-32 Locomotive RCM Program and the M7 seat replacement program.

OTHER BUSINESS EXPENSES

Other Business Expenses consist of a variety of expenses including credit and debit card fees for fare media purchases, bond service fees, and internal subsidy support requirements.

July Plan expenses are projected at \$205 million in 2017, \$200 million in 2018, \$213 million in 2019, \$218 million 2020, and \$223 million in 2021, reflecting a year-to-year decrease of \$4 million in 2018, and increases of \$13 million in 2019, and \$5 million in 2020 and 2021.

The decrease in 2018 is mostly attributable to MNR (\$8 million), which captures as a credit the projected recovery of revenue losses and expenses associated with the 2016 Park Avenue Viaduct fire. This variance is partly offset by slightly higher relocation expenses and inflation at MTAHQ (\$1 million); inflationary growth at B&T (\$1 million); and higher MetroCard Vending Machine (MVM) debit/credit card fees at NYCT (\$1 million).

The 2019 increase is mainly due to MNR (\$9 million), reflecting the impact of the recovery (credit) expected in 2018 for the Park Avenue Viaduct Fire, higher NJ Transit subsidy expense for West-of-Hudson service enhancements, and higher debit/credit card fees; LIRR (\$2 million) due the timing of the obsolete equipment decommissioning program; and NYCT (\$1 million) due to higher MetroCard Vending Machine (MVM) debit/credit card fees.

The 2020 increase is mostly due to MNR (\$3 million) reflecting the impact of the recovery (credit) expected in 2019 for damages related to the 2016 restaurant tenant fire in GCT, higher NJ Transit subsidy expense for West-of-Hudson service enhancements, and debit/credit card fees; NYCT (\$2 million) due to higher MVM debit/credit card fees; and MTAHQ and B&T (\$1 million each) due to normal inflationary growth. These expenses are partly offset by lower expenses at the LIRR (\$2 million) due to the timing of the obsolete equipment decommissioning program that is scheduled to end in 2019.

The 2021 increase is relatively small with expenses increasing on average by \$1 million each for the LIRR, for East Side Access (ESA) readiness efforts; MNR, due to inflationary increases for West-of-Hudson service and higher debit/credit card fees; and B&T, inflationary increases.

Compared with the February Plan, expenses increase by \$4 million in 2017, remain unchanged in 2018, and increase by \$3 million in 2019 and \$2 million in 2020. The increases from 2017

through 2020 are mainly due to the payback of New York Power Authority (NYPA) loans used to fund the modernization of lighting in the Penn Station West End Concourse, increased bad debt reserves, higher debit/credit card fees, and the timing of M3 and other obsolete equipment decommissioning costs at the LIRR; and additional Owner-Controlled Insurance Program (OCIP) safety expenses at FMTAC. These expenses are partly offset by lower expenses at MNR, which include the impact of higher recoveries expected from Amtrak based on the Passenger Rail Investment and Improvement Act (PRIIA), inflationary adjustments for West-of-Hudson service, and the recovery of expenses for damages sustained by the 2016 restaurant tenant fire in GCT as well as lower than anticipated employee recruitment costs at MTAHQ.

Subsidies

SUBSIDIES - OVERVIEW

The following pages provide accrued and cash summary tables for projections of subsidies and dedicated taxes received by the MTA, as well as tables comparing these projections with those from the 2017 February Financial Plan. Detailed narratives describing each subsidy and the forecast methodologies employed are also included. The details of Bridges and Tunnels operations that produce the Operating Surplus Transfer are discussed in the Bridges and Tunnels portion of the Agency Financial Plans section of this report. Consolidated income and expense information on NYCT's Paratransit operation is also included at the end of this section. (Note that additional details on NYCT's Paratransit operation can be found in the New York City Transit portion of the Agency Financial Plans section of this report.)

Accrued subsidies are projected to decline in 2017, and thereafter to experience modest annual year-over-year growth. The decline in 2017 is due primarily to continuing slowdown in Urban Tax transactions, which also experienced a significant decline in 2016, lower MRT receipts due to reduced mortgage activity, and an annual reduction of \$65 million in PMT Replacement funds by New York State. Urban Tax revenues decline from the prior year by 24.1% in 2017 reflecting an overall slowdown in commercial real estate activity in New York City. MRT transactions are also expected to decline, by 1%. Total real estate transaction tax revenues (combined MRT and Urban Tax) had been trending higher since the Fall of 2010 in contrast with the steep declines that occurred in 2008 and 2009, when MTA saw receipts fall by 73%; with the declines over the past two years, the 2017 real estate tax forecast is 32% lower than 2007 receipts.

Beginning in 2018 and through the Plan period, combined State Dedicated Tax revenues trend higher annually reflecting favorable economic growth projections in the MTA Commuter Transportation District (MCTD). Metropolitan Mass Transportation Operating Assistance (MMTOA), Payroll Mobility Tax (PMT), and MTA Aid revenues trend higher over the Plan period, and Mortgage Recording Tax (MRT) and Urban Tax also trend upwards. Annual year-over-year increases in the projections for MMTOA reflect higher revenue estimates for sales taxes and corporate surcharges on businesses in the MCTD, higher PMT estimates reflect projected growth in regional wage and salary disbursements, and higher MRT and Urban tax revenue projections reflect higher mortgage activity in the MCTD and higher levels of commercial real estate transactions in New York City. MTA Aid revenues are projected to increase each year, while PBT revenues grow slightly in 2018 and decline year-over-year in the subsequent years of the plan, based on revised estimates by the State.

Compared with the February Plan forecasts, total accrued subsidy projections are lower in 2017 and in all subsequent years, reflecting mostly unfavorable Urban Tax transactions due to a slowdown of large real estate transactions in New York City. MRT transactions are also unfavorable due to weak mortgage activity in the MCTD. Partially offsetting these unfavorable variances are higher projections than the February Plan for PMT, PBT, City Subsidy for MTA Bus Company, and MTA Aid. In aggregate, total accrued projections over the plan period (2017-2020) are lower than the February Plan projections by \$562 million.

On an *accrual basis*, the July Plan forecast of Total Dedicated Taxes and State & Local Subsidies is projected to be \$6,512 million in 2017, growing to \$7,340 million in 2021. The growth through 2021 primarily reflects higher forecasts of MMTOA, PMT, PBT, Urban Tax and MRT revenues due to favorable regional economic activity. The 2017 Mid-Year Forecast is \$147 million lower than the February Plan forecast, due primarily to lower Urban Tax of \$210 million and lower MRT of \$12 million, both due to unfavorable real estate activity. These reductions are partially offset by higher PMT, PBT and MTA Aid due to favorable economic activity and higher

City Subsidies for MTA Bus Company and Staten Island Railroad due to re-estimate of revenues and expenses and timing adjustments.

The July Plan forecasts, compared with the February Plan, are unfavorable by \$168 million in 2018, by \$126 million in 2019 and by \$122 million in 2020, reflecting primarily unfavorable variances for Urban Taxes and MRT, mostly offset by higher PMT, PBT, MTA Aid and City Subsidy for MTA Bus.

On a *cash basis*, total 2017 MTA Dedicated Taxes and State & Local Subsidies is \$6,286 million, growing to \$7,086 million in 2021. Overall growth is due mostly to higher forecasts in future years for MMTOA and PMT revenues. The 2017 Mid-Year Forecast is \$120 million above the Adopted Budget, reflecting higher favorable transactional adjustments of \$215 million for MTA capital for the 2015-2019 Capital Program described in the Other Subsidy Adjustment section of this report, and higher PMT and PBT revenues due to higher collections of taxes and fees for these subsidies due to favorable economic and transactional activities. These are partially offset by unfavorable Urban Tax receipts of \$169 million due to weak real estate transaction activity in New York City. The July Plan cash forecasts are below the February Plan estimates by \$240 million in 2018, \$125 million in 2019 and \$167 million in 2020, reflecting unfavorable Urban Tax and MRT, partially offset by higher PMT, PBT and City Subsidy to MTA Bus Company. Details of changes for specific taxes and subsidies are described in the sections that follow.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Consolidated Subsidies
Accrual Basis
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,668.0	\$1,668.0	\$1,828.0	\$1,889.4	\$1,952.4	\$2,017.5
Petroleum Business Tax (PBT) Receipts	633.7	612.8	616.0	615.0	612.4	612.4
Mortgage Recording Tax (MRT)	460.1	444.0	454.5	468.6	483.2	498.8
MRT Transfer to Suburban Counties	(4.1)	(5.1)	(5.6)	(6.0)	(6.4)	(6.8)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Interest	5.1	5.3	5.3	5.3	5.3	5.3
Urban Tax	771.5	573.9	580.1	601.2	617.9	633.2
Investment Income	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
	\$3,525.4	\$3,290.2	\$3,469.6	\$3,564.8	\$3,656.0	\$3,751.5
PMT and MTA Aid						
Payroll Mobility Tax	\$1,372.8	\$1,453.2	\$1,526.4	\$1,602.1	\$1,673.9	\$1,751.2
Payroll Mobility Tax Replacement Funds	309.3	244.3	244.3	244.3	244.3	244.3
MTA Aid	<u>300.3</u>	<u>305.4</u>	<u>306.9</u>	<u>312.9</u>	<u>314.9</u>	<u>316.9</u>
	\$1,982.3	\$2,002.8	\$2,077.6	\$2,159.3	\$2,233.0	\$2,312.3
State and Local Subsidies						
State Operating Assistance (18-b)	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance (18-b)	187.9	187.9	187.9	187.9	187.9	187.9
Station Maintenance	<u>161.8</u>	<u>169.6</u>	<u>173.8</u>	<u>177.4</u>	<u>181.2</u>	<u>185.8</u>
	\$537.6	\$545.4	\$549.7	\$553.2	\$557.1	\$561.7
Subtotal Dedicated Taxes & State and Local Subsidies	\$6,045.4	\$5,838.4	\$6,096.9	\$6,277.3	\$6,446.1	\$6,625.5
Other Funding Agreements						
City Subsidy for MTA Bus Company	\$433.2	\$489.2	\$499.7	\$505.3	\$505.8	\$526.4
City Subsidy for Staten Island Railway	53.0	66.0	42.9	43.7	47.6	52.2
CDOT Subsidy for Metro-North Railroad	<u>134.2</u>	<u>119.0</u>	<u>106.3</u>	<u>122.3</u>	<u>128.3</u>	<u>136.3</u>
	\$620.5	\$674.2	\$648.9	\$671.4	\$681.7	\$714.9
Total Dedicated Taxes & State and Local Subsidies	\$6,665.9	\$6,512.6	\$6,745.8	\$6,948.7	\$7,127.9	\$7,340.4
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	<u>\$742.9</u>	<u>\$659.2</u>	<u>\$617.4</u>	<u>\$578.5</u>	<u>\$542.7</u>	<u>\$495.4</u>
	\$742.9	\$659.2	\$617.4	\$578.5	\$542.7	\$495.4
GROSS SUBSIDIES	\$7,408.8	\$7,171.8	\$7,363.2	\$7,527.2	\$7,670.6	\$7,835.8

METROPOLITAN TRANSPORTATION AUTHORITY
Summary of Changes Between the July and February Financial Plans
Consolidated Subsidies
Accrual Basis
(\$ in millions)

Subsidies	2017	2018	2019	2020
Dedicated Taxes				
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$0.0	\$0.0	\$0.0	\$0.0
Petroleum Business Tax (PBT) Receipts	5.7	14.4	16.2	15.7
Mortgage Recording Tax (MRT)	(12.3)	(17.5)	(19.8)	(15.2)
MRT Transfer to Suburban Counties	(2.0)	(2.3)	(2.4)	(2.4)
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0
Urban Tax	(209.7)	(200.6)	(180.4)	(176.0)
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	(\$218.4)	(\$206.0)	(\$186.4)	(\$177.8)
PMT and MTA Aid				
Payroll Mobility Tax	\$28.1	\$31.0	\$38.0	\$41.0
Payroll Mobility Tax Replacement Funds	0.0	0.0	0.0	0.0
MTA Aid	<u>0.0</u>	<u>1.5</u>	<u>7.5</u>	<u>9.5</u>
	\$28.1	\$32.5	\$45.5	\$50.5
State and Local Subsidies				
State Operating Assistance (18-b)	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0
Station Maintenance	<u>(2.0)</u>	<u>(2.0)</u>	<u>(2.0)</u>	<u>(2.1)</u>
	(\$2.0)	(\$2.0)	(\$2.0)	(\$2.1)
Subtotal Dedicated Taxes & State and Local Subsidies	(\$192.3)	(\$175.4)	(\$143.0)	(\$129.4)
Other Funding Agreements				
City Subsidy for MTA Bus Company	\$27.5	\$16.8	\$17.0	\$10.3
City Subsidy for Staten Island Railway	7.7	3.9	1.9	1.1
CDOT Subsidy for Metro-North Railroad	<u>10.4</u>	<u>(12.8)</u>	<u>(1.5)</u>	<u>(3.6)</u>
	\$45.6	\$7.8	\$17.4	\$7.8
Total Dedicated Taxes & State and Local Subsidies	(\$146.6)	(\$167.6)	(\$125.6)	(\$121.6)
Inter-agency Subsidy Transactions				
B&T Operating Surplus Transfer	(\$23.1)	(\$10.9)	(\$11.9)	(\$14.4)
MTA Subsidy to Subsidiaries	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	(\$23.1)	(\$10.9)	(\$11.9)	(\$14.4)
GROSS SUBSIDIES	(\$169.7)	(\$178.6)	(\$137.5)	(\$136.0)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Consolidated Subsidies
Cash Basis
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,668.0	\$1,668.0	\$1,828.0	\$1,889.4	\$1,952.4	\$2,017.5
Petroleum Business Tax (PBT) Receipts	617.5	612.5	616.1	615.2	612.4	611.8
Mortgage Recording Tax (MRT)	457.6	451.0	453.3	467.4	481.9	497.4
MRT Transfer to Suburban Counties	(3.0)	(4.1)	(5.1)	(5.6)	(6.0)	(6.4)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
MTA Bus Debt Service	(24.9)	(24.9)	(23.8)	(23.8)	(23.8)	(23.8)
Interest	5.1	5.3	5.3	5.3	5.3	5.3
Urban Tax	811.0	615.1	578.3	599.8	616.7	631.4
Investment Income	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
	\$3,522.4	\$3,314.1	\$3,443.3	\$3,539.0	\$3,630.1	\$3,724.4
PMT and MTA Aid						
Payroll Mobility Tax	\$1,372.8	\$1,453.2	\$1,526.4	\$1,602.1	\$1,673.9	\$1,751.2
Payroll Mobility Tax Replacement Funds	309.3	244.3	244.3	244.3	244.3	244.3
MTA Aid	<u>300.3</u>	<u>305.4</u>	<u>306.9</u>	<u>312.9</u>	<u>314.9</u>	<u>316.9</u>
	\$1,982.3	\$2,002.8	\$2,077.6	\$2,159.3	\$2,233.0	\$2,312.3
State and Local Subsidies						
State Operating Assistance (18-b)	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance (18-b)	190.2	187.9	187.9	187.9	187.9	187.9
Station Maintenance	<u>162.2</u>	<u>166.3</u>	<u>170.6</u>	<u>174.9</u>	<u>178.2</u>	<u>182.2</u>
	\$540.4	\$542.2	\$546.5	\$550.8	\$554.1	\$558.1
Other Subsidy Adjustments						
Resource to Reduce Pension Liability	(\$75.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
NYCT Charge Back of MTA Bus Debt Service	(11.5)	(11.5)	(11.5)	(11.5)	(11.5)	(11.5)
Forward Energy Contracts Program - Gain/(Loss)	(29.9)	(4.0)	(4.3)	(0.2)	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Committed to Capital 2010-2014 Capital Program	0.0	(73.0)	(78.9)	(49.7)	0.0	0.0
Committed to Capital 2015-2019 Capital Program	<u>(754.1)</u>	<u>(227.9)</u>	<u>(144.5)</u>	<u>(147.2)</u>	<u>(179.4)</u>	<u>(194.4)</u>
	(\$873.0)	(\$318.9)	(\$241.7)	(\$211.0)	(\$193.4)	(\$208.4)
Subtotal Dedicated Taxes & State and Local Subsidies	\$5,172.1	\$5,540.3	\$5,825.7	\$6,038.0	\$6,223.8	\$6,386.4
Other Funding Agreements						
City Subsidy for MTA Bus Company	\$355.0	\$573.9	\$494.2	\$502.4	\$505.6	\$515.7
City Subsidy for Staten Island Railway	36.1	53.0	66.0	42.9	43.7	47.6
CDOT Subsidy for Metro-North Railroad	<u>134.2</u>	<u>119.0</u>	<u>106.3</u>	<u>122.3</u>	<u>128.3</u>	<u>136.3</u>
	\$525.3	\$745.9	\$666.6	\$667.6	\$677.6	\$699.7
Total Dedicated Taxes & State and Local Subsidies	\$5,697.4	\$6,286.2	\$6,492.3	\$6,705.6	\$6,901.4	\$7,086.0
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	<u>\$741.8</u>	<u>\$687.7</u>	<u>\$621.6</u>	<u>\$582.4</u>	<u>\$546.3</u>	<u>\$500.2</u>
	\$741.8	\$687.7	\$621.6	\$582.4	\$546.3	\$500.2
GROSS SUBSIDIES	\$6,439.2	\$6,973.9	\$7,113.9	\$7,288.0	\$7,447.6	\$7,586.2

METROPOLITAN TRANSPORTATION AUTHORITY
Summary of Changes Between the July and February Financial Plans
Consolidated Subsidies
Cash Basis
(\$ in millions)

<u>Subsidies</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Dedicated Taxes				
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$0.0	\$0.0	\$0.0	\$0.0
Petroleum Business Tax (PBT) Receipts	4.9	14.2	16.2	15.7
Mortgage Recording Tax (MRT)	(5.9)	(19.2)	(22.4)	(17.1)
MRT Transfer to Suburban Counties	(1.1)	(2.0)	(2.3)	(2.4)
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0
MTA Bus Debt Service	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0
Urban Tax	(168.8)	(202.4)	(180.9)	(175.1)
Investment Income	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	(\$171.0)	(\$209.4)	(\$189.3)	(\$178.9)
PMT and MTA Aid				
Payroll Mobility Tax	\$28.1	\$31.0	\$38.0	\$41.0
Payroll Mobility Tax Replacement Funds	0.0	0.0	0.0	0.0
MTA Aid	<u>0.0</u>	<u>1.5</u>	<u>7.5</u>	<u>9.5</u>
	\$28.1	\$32.5	\$45.5	\$50.5
State and Local Subsidies				
State Operating Assistance (18-b)	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0
Station Maintenance	<u>(1.9)</u>	<u>(2.0)</u>	<u>(2.0)</u>	<u>(2.1)</u>
	(\$1.9)	(\$2.0)	(\$2.0)	(\$2.1)
Other Subsidy Adjustments				
Resource to Reduce Pension Liability	\$0.0	(\$23.3)	(\$23.3)	(\$23.3)
NYCT Charge Back of MTA Bus Debt Service	0.0	0.0	0.0	0.0
Forward Energy Contracts Program - Gain/(Loss)	(4.6)	(5.1)	(0.2)	0.0
MNR Repayment for 525 North Broadway	0.0	0.0	0.0	0.0
Committed to Capital 2010-2014 Capital Program	0.0	0.0	0.0	0.0
Committed to Capital 2015-2019 Capital Program	<u>214.9</u>	<u>(50.0)</u>	<u>25.0</u>	<u>(25.0)</u>
	\$210.3	(\$78.4)	\$1.5	(\$48.3)
Subtotal Dedicated Taxes & State and Local Subsidies	\$65.5	(\$257.3)	(\$144.3)	(\$178.7)
Other Funding Agreements				
City Subsidy for MTA Bus Company	\$47.5	\$22.4	\$16.9	\$13.8
City Subsidy for Staten Island Railway	(3.4)	7.7	3.9	1.9
CDOT Subsidy for Metro-North Railroad	<u>10.4</u>	<u>(12.8)</u>	<u>(1.5)</u>	<u>(3.6)</u>
	\$54.5	\$17.2	\$19.2	\$12.1
Total Dedicated Taxes & State and Local Subsidies	\$120.0	(\$240.0)	(\$125.1)	(\$166.6)
Inter-agency Subsidy Transactions				
B&T Operating Surplus Transfer	<u>\$2.7</u>	<u>(\$12.1)</u>	<u>(\$11.8)</u>	<u>(\$14.2)</u>
	\$2.7	(\$12.1)	(\$11.8)	(\$14.2)
GROSS SUBSIDIES	\$122.7	(\$252.2)	(\$136.9)	(\$180.8)

METROPOLITAN MASS TRANSPORTATION OPERATING ASSISTANCE (MMTOA)

Metropolitan Mass Transportation Operating Assistance (MMTOA) provides general operating subsidies for the MTA and other downstate transportation systems and funds are derived from the Mass Transportation Operating Assistance (MTOA) Fund¹. In addition to MMTOA, these funds are also appropriated to the Public Transportation Systems Operating Assistance Account and the Urban Mass Transit Operating Assistance Account. The MMTOA Account consists of:

- 55% of the MTOA PBT, which is collected statewide;
- 100% of the receipts from the three-eighths of one percent sales and use tax imposed in the MTA Metropolitan Commuter Transportation District (MCTD);
- 80% of the receipts from the Corporate Franchise Tax imposed statewide on transportation and transmission companies; and
- 100% of the receipts from the Corporate Surcharge imposed on general business corporations for the privilege of exercising their corporate franchise or doing business within the MCTD.

Tax law changes implemented in January 2015 require general business corporations deriving at least \$1 million in receipts from activity in New York State, or those that are part of a combined group with New York-derived receipts totaling at least \$1 million, to pay the corporate franchise tax and the metropolitan tax (MTA) surcharge, if operating in the MCTD. The changes effectively merge Article 32 of the New York Tax Law, that was applicable to banking corporations into Article 9-A, applicable to general corporations, to streamline the tax rules for equitability for taxpayers engaged in similar activities. To offset the impact of these tax changes, NYS Department of Taxation and Finance annually adjusts the rate of the MTA surcharge to reflect a dollar amount equal to the financial projections in the State's Enacted Budget; for 2017-18, the MTA Surcharge was increased from 28.0% to 28.3%.

2017 Mid-Year Forecast

The estimate of total taxes in the MMTOA fund for downstate mass transit operations for 2017 is \$2,154 million. Of this allotment, \$1,668 million in non-18-b² funds is appropriated for the benefit of MTA, with \$1,124 million for NYCT/SIR and \$544 million for the Commuter Railroads. Further, an additional \$190 million of MMTOA is earmarked to fund the State's 18-b obligation, which includes \$175 million for the MTA. Of this amount, \$154 million is allotted for NYCT/SIR and \$21 million for the Commuter Railroads; these levels are unchanged from 2016 and the 2017 Adopted Budget. The amounts appropriated in the New York State 2017-18 Enacted Budget, combined with the State 18-b amounts, reflect a 59.3% share of the downstate portion of MMTOA for NYCT/SIR and 26.2% for the Commuter Railroads. MMTOA and State 18-b funds are also allotted to MTA Bus and other downstate transportation properties. The 2017 MTA MMTOA receipts are

¹MTOA consists of revenues from a small portion of the basic Petroleum Business Tax (PBT) imposed on petroleum businesses operating within New York State, a sales tax imposed on sales and uses of certain tangible personal property and services, corporate franchise taxes imposed on certain transportation and transmission companies, and temporary corporate surcharges imposed on the portion of the franchise and other taxes of certain businesses attributable to the conduct of business within the Metropolitan Commuter Transportation District (MCTD).

²State 18-b Operating Assistance is a statewide mass transportation program that provides direct State aid to the MTA, which is appropriated by the State Legislature on an annual basis. Since 1994, the State has funded most of its 18-b payments with MMTOA.

unchanged from both 2016 and the 2017 Adopted Budget levels, reflecting NYS Enacted Budget 2017-18 appropriation, which was held flat at the 2016-17 level.

2018 Preliminary Budget

The 2018 Preliminary Budget estimates MTA MMTOA revenue at \$1,828 million, which is \$160 million (9.6%) more than the 2017 Mid-Year Forecast, and is unchanged from the February Plan. Of the total, \$1,231 million is earmarked for NYCT/SIR and \$593 million is earmarked for the Commuter Railroads. Year-over-year forecasts for the Corporate Surcharge, the Sales Tax and the PBT components of MMTOA are 5.1%, 4.0% and 1.7% respectively, while revenue from the Corporate Franchise Tax is expected to decline by 0.7%.

The Preliminary Budget further assumes that the State's funding of its 18-b obligation for NYCT/SIR and the Commuter Railroads will be \$175 million, unchanged from the February Plan, and the percentage allocations of MMTOA's downstate shares remain 59.3% for NYCT/SIR and 26.2% for the Commuter Railroads.

2019 – 2021

MTA MMTOA forecasts are \$1,889 million in 2019, \$1,952 million in 2020, and \$2,017 million in 2021, increasing 3% annually; these forecasts are unchanged from the February Plan. The annual MMTOA estimates are based on: sales tax receipts increasing between 3% and 4% annually; PBT receipts decreasing 0.5% to 1.0% annually; corporate tax surcharge revenues increasing 3% annually; and corporate tax receipts decreasing 0.4% annually.

MMTOA STATE DEDICATED TAXES
July Financial Plan 2018-2021
(\$ in millions)

	ACTUAL	FORECAST				
	2016	2017	2018	2019	2020	2021
<i>Forecast of MMTOA Gross Receipts (SFY):</i>						
Sales Tax	\$923.0	\$963.0	\$1,002.0	\$1,037.0	\$1,074.0	\$1,112.3
PBT	128.4	125.0	127.1	125.8	125.2	124.6
Corporate Franchise	57.3	57.0	56.6	56.4	56.2	56.0
Corporate Surcharge	1,110.3	1,155.5	1,214.7	1,252.4	1,289.5	1,327.7
Investment Income	17.5	17.5	17.5	17.5	17.5	17.5
Total Gross Receipts Available for Allocation	\$2,236.5	\$2,318.0	\$2,417.9	\$2,489.1	\$2,562.4	\$2,638.1

Allocation of Total Gross Receipts to Downstate:

Total Gross Receipts	\$2,236.5	\$2,318.0	\$2,417.9	\$2,489.1	\$2,562.4	\$2,638.1
Less: Upstate Share of PBT	(57.8)	(56.3)	(57.2)	(56.6)	(56.3)	(56.1)
Less: Upstate Share of Transmission	(19.8)	(19.8)	(19.8)	(19.8)	(19.8)	(19.8)
Plus: NYS GF Transfer - Hold Harmless	(4.9)	(88.0)	0.0	0.0	0.0	0.0
Upstate Percent Share of Investment Income	2.60%	2.45%	2.38%	2.29%	2.21%	2.14%
Less: Upstate Share of Investment Income	(0.5)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Total Net Downstate Share Available for Allocation	\$2,153.6	\$2,153.6	\$2,340.5	\$2,412.3	\$2,485.9	\$2,561.9
Less: 18-B Adjustment	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)
Adjusted Total Net Downstate Share for Allocation	\$1,964.0	\$1,964.0	\$2,150.9	\$2,222.7	\$2,296.3	\$2,372.3
Add: NYS Reimbursement	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted Total Net Downstate Share + Other	\$1,964.0	\$1,964.0	\$2,150.9	\$2,222.7	\$2,296.3	\$2,372.3

Allocation of Total Net Downstate Share to NYCT/SIR:

NYCT/SIR Share	59.35%	59.35%	59.35%	59.35%	59.35%	59.35%
From Total Net Downstate Share	\$1,278.1	\$1,278.1	\$1,389.1	\$1,431.7	\$1,475.4	\$1,520.5
Less: 18-B Adjustment	(153.9)	(153.9)	(153.9)	(153.9)	(153.9)	(153.9)
Adjusted Total Net Downstate Share	\$1,124.3	\$1,124.3	\$1,235.2	\$1,277.8	\$1,321.5	\$1,366.6
Less: Transfer to Capital Program	0.0	0.0	0.0	0.0	0.0	0.0
Total NYCT/SIR Share of Net Downstate Share	\$1,124.3	\$1,124.3	\$1,235.2	\$1,277.8	\$1,321.5	\$1,366.6
Total SIR Share (Cash)	4.0	4.0	4.4	4.6	4.7	4.9
Total NYCT Share of Net Downstate Share	\$1,120.3	\$1,120.3	\$1,230.8	\$1,273.3	\$1,316.8	\$1,361.7

Allocation of Total Net Downstate Share to MTA:

MTA Share	26.23%	26.23%	26.23%	26.23%	26.23%	26.23%
From Total Net Downstate Share	\$564.9	\$564.9	\$614.0	\$632.8	\$652.1	\$672.1
Less: 18-B Adjustment	(21.2)	(21.2)	(21.2)	(21.2)	(21.2)	(21.2)
Adjusted Total Net Downstate Share	\$543.7	\$543.7	\$592.8	\$611.6	\$630.9	\$650.9
Less: Transfer to Capital Program	0.0	0.0	0.0	0.0	0.0	0.0
Total MTA Share of Net Downstate Share	\$543.7	\$543.7	\$592.8	\$611.6	\$630.9	\$650.9

PETROLEUM BUSINESS TAXES (PBT)

The Petroleum Business Taxes (PBT) are composed of a business privilege tax, a gasoline and diesel fuel excise tax, and fees for vehicle registrations and driver licenses.

The business privilege tax is imposed on petroleum businesses operating in New York State. The tax base is the quantity of various petroleum products refined and sold in the State or imported into the State for sale and use therein, and tax rates are subject to adjustments made annually to reflect changes in the Producer Price Index (PPI) for refined petroleum products for the 12-month period ending August 31 of the immediate preceding year. While the tax rates rise and fall along with changes in the PPI, they are subject to a maximum change of plus or minus 5% of the existing rate in any one year.

Under State Law, 34 percent of the proceeds from the taxes and fees are deposited in the Mass Transportation Trust Fund (MTTF) for MTA's benefit, 63 percent is earmarked for State uses such as upstate highways and other transportation needs, and the remaining 3 percent is allotted to other mass transit operating agencies.

Amounts transferred from the MTTF Account to the MTA's Dedicated Tax Fund constitute MTTF receipts, which is designated "Petroleum Business Tax (PBT) Receipts" in the MTA financial plans. MTA utilizes the PBT receipts to pay debt service on MTA's Dedicated Tax Fund Bonds (DTF Bonds), which is payable first from PBT receipts and then, to the extent of any deficiency, from MMTOA taxes. To date, PBT receipts have always been sufficient to meet debt service commitments and MMTOA taxes have never been used for this purpose. After debt obligations are satisfied, 85 percent of the remaining PBT funds are allocated to NYCT and the remaining 15 percent is allocated to the Commuter Railroads in accordance with the formula provided by statute.

PBT estimates are provided on a cash basis. Accrual estimates are based on a one-month lag in the booking and collection of PBT proceeds.

2017 Mid-Year Forecast

PBT receipts are projected to be \$613 million for 2017, a \$5 million (0.8%) decline from 2016 due to lower estimates for petroleum and motor fuel tax receipts. Projected revenues are \$5 million (0.8%) favorable to the Adopted Budget, reflecting both actual collections through June 2017 and recently revised revenue forecasts from the New York State Division of the Budget. Of the total PBT allocation, \$521 million is earmarked for New York City Transit and \$92 million for the commuter railroads.

2018 Preliminary Budget

The 2018 Preliminary Budget for PBT is \$616 million, a \$4 million (0.6%) increase from the 2017 Mid-year forecast due to higher petroleum tax estimates. The forecast is \$14 million (2.4%) above the February Plan forecast and reflects both a higher 2017 base and recently revised PBT projections provided by the New York State Division of the Budget.

2019 - 2021

For the remainder of the Plan period, PBT forecasts are \$615 million in 2019, \$612 million in 2020 and \$612 million in 2021, reflecting year-to-year declines of \$1 million

(0.1%) in 2019, \$3 million (0.5%) in 2020 and \$1 million (0.1%) in 2021. These estimates are higher than the February Plan by \$16 million (2.7%) in 2019 and \$16 million (2.6%) in 2020, reflecting changes in the State's recently revised annual growth rate projections.

PETROLEUM BUSINESS TAX PROJECTIONS
July Financial Plan 2018-2021
(\$ in millions)

	ACTUAL	FORECAST				
	2016	2017	2018	2019	2020	2021
Total Net PBT Collections Available for Distribution	\$1,816.0	\$1,801.5	\$1,812.0	\$1,809.5	\$1,801.2	\$1,799.4

Distribution Shares:

MTA Total	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%
Other Transit	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Highway Trust Fund	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%
General Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Share Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Amount of Total Net Collections Available for the MTA:

MTA Total	\$617.5	\$612.5	\$616.1	\$615.2	\$612.4	\$611.8
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Accrued

NYCT/SIR Share of MTA Total	\$538.7	\$520.9	\$523.6	\$522.8	\$520.5	\$520.5
Commuter Railroad Share of MTA Total	95.1	91.9	92.4	92.3	91.9	91.9
MTA Total of Net Collections	\$633.7	\$612.8	\$616.0	\$615.0	\$612.4	\$612.4

Cash

NYCT/SIR Share of MTA Total	\$524.8	\$520.6	\$523.7	\$523.0	\$520.5	\$520.0
Commuter Railroad Share of MTA Total	92.6	91.9	92.4	92.3	91.9	91.8
MTA Total of Net Collections	\$617.5	\$612.5	\$616.1	\$615.2	\$612.4	\$611.8

MORTGAGE RECORDING TAXES (MRT)

The Mortgage Recording Taxes consist of two distinct taxes collected by New York City and the seven other counties within the MTA's service area.

Mortgage Recording Tax-1 (MRT-1) is imposed on borrowers of recorded mortgages of all real property, with certain exclusions, at the rate of three-tenths of one percent (0.3%) of the debt of all mortgages. By Statute, receipts from MRT-1 must first be applied to meet MTA Headquarters operating expenses, and then for deposit into the New York City Transit and Commuter Railroad Accounts, with 55% for NYCT and the remaining 45% for the commuter railroads, with funds used to pay operating and capital costs.

Mortgage Recording Tax-2 (MRT-2) is imposed on institutional lenders of recorded mortgages, with certain exclusions, at the rate of one-quarter of one percent (0.25%) of the debt secured by residential real estate structures that contain fewer than seven dwelling units. MRT-2 receipts are first applied to make deposits into the Payment Sub-accounts for Dutchess, Orange and Rockland Fund (DORF) payments and, second, for deposit into the Corporate Purposes Sub-account for the purpose of paying operating and capital costs, including any debt service and debt service reserve requirements incurred for the benefit of MTA, NYCT and their respective subsidiaries. Annual DORF payments are made in equal quarterly installments and consist of both a fixed and an escalator component. The fixed components are set at \$1.5 million each for Dutchess and Orange Counties, and \$2.0 million for Rockland County, while the escalator component for each county is equal to the multiplicative product of: (i) the percentage by which the county's mortgage recording tax payment (excluding revenues attributable to post-1989 tax rate increases) to MTA in the preceding calendar year increased over the calendar year 1989 payment; and, (ii) \$1.5 million each for Dutchess and Orange Counties and \$2.0 million for Rockland County.

Forecast Methodology

Forecasts of MRT receipts consist of actual receipts through June 2017; forecasts for the remainder of 2017 and for subsequent years are based on projections in the City of New York's April 2017 Executive Budget and, for the suburban counties, projections of real estate activity provided by IHS Global, Inc. Receipts from unusually large transactions¹ are excluded from the base that is used to project MRT receipts over the forecast period.

2017 Mid-Year Forecast

MRT receipts are forecast to be \$451 million in 2017, a \$5 million (1.0%) decrease from 2016 receipts; this projection is 41 percent lower than when MRT receipts peaked in 2006. Compared with 2016, MRT-1, which is collected on all mortgages, is projected to decrease \$16 million (5.0%) while MRT-2, which is only paid on residential properties with fewer than seven units in the structure, is forecast to increase \$12 million (9.1%). The 2017 Mid-Year Forecast is \$6 million (1.3%) less than the Adopted Budget. MRT-1 is estimated to be \$14 million (4.3%) less than the Adopted Budget, while MRT-2 is projected to be \$8 million (6.0%) more than the Adopted Budget, indicating increased activity in the residential mortgage market and weakness in the commercial mortgage market compared with the expectations in the Adopted Budget.

¹ The level of large transactions is unpredictable and cannot be relied upon with any certainty; therefore, forecasts exclude those recorded mortgages associated with property values in excess of \$600 million.

2018 Preliminary Budget

MRT receipts are projected to be \$453 million in 2018, \$2 million (0.5%) more than estimated for the 2017 Mid-Year Forecast; MRT-1 receipts are projected to decrease \$4 million (1.2%), while MRT-2 receipts are forecast to increase \$6 million (4.3%). The forecast assumes New York City commercial mortgage activity will decline from its 2017 level while year-over-year residential mortgage activity throughout the region will improve. The 2018 Preliminary Budget is \$19 million (4.1%) less than the February Plan forecast, reflecting weaker activity in the commercial mortgage market than was previously assumed and not fully offset by improvements in the residential mortgage market. MRT-1 is estimated to be \$26 million (7.9%) lower, while MRT-2 is projected to be \$7 million (5.0%) more than the February Plan forecast.

2019 - 2021

MRT receipts are expected to grow annually, increasing \$14 million in 2019 and \$15 million in both 2020 and 2021. The projected growth in MRT receipts reflects improvement in the regional economy over the course of the plan period, which is expected to have favorable impacts on housing demand – and, by extension, mortgage recording activity – in the MTA region. Despite these increases, 2021 MRT receipts, which are projected to reach \$498 million, will still be 35 percent below receipts from fifteen years earlier, when MRT receipts peaked in 2006. Compared with the February Plan, MRT receipts are \$22 million (4.6%) lower in 2019, and \$17 million (3.4%) lower in 2020. These forecasts reflect a lower 2017 base and weaker year-to-year growth compared with the February Plan.

Other MRT-2 Adjustments (Cash)

MRT-2 receipts are used to reimburse MTA Agencies for certain short term security projects from a fund managed by MTA Safety and Security. An annual amount of \$10 million has been earmarked to cover these security expenses through the end of the Plan period, unchanged from the February Plan.

In addition, the Plan assumes that funds from subsidies will be used to cover debt service cash flow requirements and loan repayment on behalf of MTA Bus. In negotiations with the City during the MTA takeover of the private bus companies, a package that consisted of bond proceeds (\$209 million) and inter-agency loans (\$114 million) was used to finance MTA Bus's capital investment. Pursuant to the agreement with the City, the MTA pays the capital costs of the MTA Bus 2005-2009 Capital Program to the extent that it is otherwise not paid from Federal grants, matching City funds, or other funding sources specifically dedicated to MTA Bus capital projects. As part of the terms of this agreement, the MTA is required to pay the debt service on bonds and commercial paper expended after November 2006 on MTA Bus 2005-2009 Capital Program projects, until such amounts are paid in full, which would require payments through the Plan period and beyond. The Plan estimates the required amounts to be \$25 million annually during the Plan period, reflecting no change in assumptions from the February Plan.

MRT-2 receipts are also earmarked for the MTA General Reserve, which is set at approximately one percent of total expenses. In the July Plan, the General Reserve is \$155 million for 2017, \$160 million for 2018, \$165 million for 2019, \$175 million for 2020 and \$180 for 2021. Adjustments to the 2017 General Reserve are captured and explained in Volume 1 of this 2017 July Financial Plan.

MORTGAGE RECORDING TAX PROJECTIONS
July Financial Plan 2018-2021
(\$ in millions)

Cash Basis

	ACTUAL	FORECAST				
	2016	2017	2018	2019	2020	2021
MORTGAGE RECORDING TAX #261-1						

Receipts Available for Transfer to NYCT and CRs:

Total Gross Receipts	\$327.1	\$310.9	\$307.1	\$316.8	\$326.6	\$336.9
Less: MTAHQ Operating Expenses Net of Reimbursements	(556.9)	(695.7)	(681.4)	(692.6)	(715.0)	(726.8)
Receipts Available for Transfer	(\$229.8)	(\$384.9)	(\$374.3)	(\$375.8)	(\$388.4)	(\$389.9)
MRT-2 Required to Balance	229.8	384.9	374.3	375.8	388.4	389.9
Adjusted Receipts Available for Transfer	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Allocation of Net Receipts to NYCT/SIR Account:

Opening Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
NYCT/SIR Share	55%	55%	55%	55%	55%	55%
Transfers from MRT-2	0.0	0.0	0.0	0.0	0.0	0.0
Total NYCT/SIR Net Cash Share	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total SIR Net Cash Share	0.0	0.0	0.0	0.0	0.0	0.0
Total NYCT Net Cash Share	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Allocation of Net Receipts to Commuter Railroad Account:

Opening Balance - CR/SHF	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Commuter Railroad Share	45%	45%	45%	45%	45%	45%
Less: Suburban Highway Fund	0.0	0.0	0.0	0.0	0.0	0.0
Transfers from MRT-2	0.0	0.0	0.0	0.0	0.0	0.0
Total Commuter Railroad Net Cash Share	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

MORTGAGE RECORDING TAX #261-2

Receipts Available

Total Receipts to Corporate Account	\$130.5	\$140.1	\$146.2	\$150.6	\$155.3	\$160.5
All Agency Security Pool	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
MTA Bus Debt Service	(24.9)	(24.9)	(23.8)	(23.8)	(23.8)	(23.8)
General Reserve	0.0	(155.0)	(160.0)	(165.0)	(175.0)	(180.0)
Investment Income	5.1	5.3	5.3	5.3	5.3	5.3
Total Receipts Available for Transfer	\$100.7	(\$44.4)	(\$42.3)	(\$43.0)	(\$48.2)	(\$48.0)

Use of Total Receipts:

DORF Opening Balance	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5	\$4.5
Less: Transfer to MTA DORF Account	(\$7.4)	(8.6)	(9.6)	(10.0)	(10.5)	(10.9)
Less: Transfer to MTAHQ Funds	(229.8)	(384.9)	(374.3)	(375.8)	(388.4)	(389.9)
Net Receipts Available	(\$132.1)	(\$433.5)	(\$421.7)	(\$424.3)	(\$442.6)	(\$444.3)

URBAN TAXES

The Urban Taxes consist of two distinct taxes applied to certain commercial real property transactions and mortgage recordings within New York City: a Mortgage Recording Tax (MRT) imposes a five-eighths of one-percent (0.625%) levy on the recorded mortgage amount for New York City commercial property mortgages on properties valued in excess of \$500,000; and, a Real Property Transfer Tax (RPTT) imposes a one percent levy on the property value for New York City commercial real estate transactions with a real property value exceeding \$500,000. Tax receipts are available only for transit purposes in New York City, with 90% of the receipts earmarked for New York City Transit general operations and 6% used for the partial reimbursement of NYCT Paratransit costs. The remaining 4% is assigned as subsidy to New York City for private franchise buses, and the City applies these funds toward its reimbursement of MTA Bus expenses. Figures below reflect the 90% of Urban Tax receipts earmarked to NYCT general operations.

Forecast Methodology

Forecasts of Urban Tax receipts consist of actual receipts through June 2017; projections for the remainder of 2017 and for subsequent years are consistent with estimates in the City of New York's April 2017 Executive Budget. Receipts from unusually large transactions¹ are excluded from the base that is used to estimate Urban Tax receipts over the forecast period.

2017 Mid-Year Forecast

Urban Tax receipts are forecast to be \$615 million in 2017, \$196 million (24.1%) less than 2016 receipts. This follows a \$130 million (13.8%) decline in 2016 compared with 2015 collections. Almost seventy percent of this decline is the result of lower RPTT receipts, which are projected to decrease \$135 million (25.2%), while MRT receipts are forecast to decrease \$61 million (22.1%). The year-to-year variance is attributable to a continuing slowdown in transactions. The 2017 forecast is \$465 million (311%) greater than the 2009 nadir, when Urban Tax receipts totaled just \$150 million in the aftermath of the \$734 million (83%) decline that occurred between 2007 and 2009. The declines over the past two years, however, leave the 2017 forecast below the 2007 high mark by \$268 million (30.4%). Compared with the Adopted Budget, the Mid-Year Forecast is unfavorable by \$169 million, a 21.5% decline, with RPTT receipts unfavorable by \$122 million (23.2%) and MRT receipts unfavorable by \$47 million (18.1%).

2018 Preliminary Budget

Urban Tax receipts are forecast to be \$578 million in 2018, a \$37 million (6.0%) decline from the 2017 Mid-Year Forecast. RPTT receipts are forecast to decline by \$8 million (2.0%) while MRT receipts are expected to decrease by \$29 million (13.4%). The RPTT and MRT declines are both impacted by several large transactions in 2017 that are assumed to not recur in 2018. When the receipts from these large transactions are factored out, the remaining Urban Tax is projected to be essentially flat, increasing 0.1%. The 2018 Preliminary Budget is lower than the February Plan forecast by \$202 million (25.9%), with RPTT unfavorable by \$130 million (24.8%) while MRT is unfavorable by \$72 million (28.1%).

¹ The level of large transactions is unpredictable and cannot be relied upon with any certainty; therefore, forecasts exclude those transactions with property values in excess of \$600 million.

2019 - 2021

Urban Tax receipts are expected to increase \$21 million (3.7%) in 2019, increase \$17 million (2.8%) in 2020, and increase \$15 million (2.4%) in 2021. Receipts in 2021 are projected to be \$631 million, 28.5 percent below the 2007 pre-recession peak. Urban Tax projections are projected to fall short of the February Plan by \$181 million (23.2%) for 2019, and by \$175 million (22.1%) for 2020.

PAYROLL MOBILITY TAX (PMT)

The Payroll Mobility Tax (PMT), also known as the Metropolitan Commuter Transportation Mobility Tax (MCTMT), was enacted in 2009¹ to provide a stable source of revenues for the MTA to address revenue shortfalls and operating budget gaps. Amendments, effective April 2012, either reduced the tax rate or eliminated the PMT liability entirely for a number of taxpayers, leaving the liability as follows:

- self-employment earning in the MCTD that exceed \$50,000 in a calendar year are subject to a tax rate of 0.34 percent;
- Employers with payroll expense no greater than \$375,000 in any calendar quarter are subject to a tax rate of 0.11 percent;
- Employers with payroll expense greater than \$375,000 but not greater than \$437,500 in any calendar quarter are subject to a tax rate of 0.23 percent; and
- Employers with payroll expense in excess of \$437,500 in any calendar quarter continue to pay a tax rate of 0.34 percent.

The amendment also exempted public and private schools and school districts from the tax, and expressly provided that reductions attributable to the PMT rate reductions and exemptions be offset through alternative sources included in the state budget; these PMT revenue offsets are known as “PMT Replacement Funds.” Subsequently, effective January 1, 2016, the State eliminated the PMT levy on all public library systems and on public and free association libraries. This exemption reduced PMT revenue by \$2 million annually, but the State did not offset this with alternative sources of funds.

Further, as discussed in the MTA February Plan, the State lowered the PMT Replacement Funds appropriation by \$65 million in MTA’s 2017 fiscal year and provided projections containing no growth from that level for the remaining Plan years. Following the February Plan, the State Enacted Budget included a one-time \$65 million appropriation to the MTA Capital Program. In this Plan, the MTA is reprogramming this amount to operating through a reduced contribution to capital in 2017.

2017 Mid-Year Forecast

PMT revenues for the 2017 Mid-Year Forecast are projected to be \$1,453 million, an \$80 million (5.9%) increase over 2016 receipts. The Mid-Year Forecast is favorable to the Adopted Budget forecast by \$28 million (2.0%), reflecting year-to-date actual collections through June and revised wage and salary forecasts for the remainder of the year. PMT replacement funds are projected to total \$244 million; it is \$65 million (21.0%) below 2016 and unchanged from the Adopted Budget. PMT revenues, including the replacement funds, total \$1,697 million for 2017.

¹ When enacted in 2009, the PMT applied to all employers in the MCTD, and was imposed on self-employment earnings within the MCTD, at a rate of 0.34 percent. School districts were also required to pay the tax, with the school district tax payments reimbursed by the State. The legislation permits the MTA to utilize the payroll mobility tax revenues:

- As pledged revenue to secure and be applied to the payment of bonds to be issued in the future to fund capital projects of the MTA and NYCTA and NYCTA subsidiaries;
- To pay capital costs, including debt service of MTA and its subsidiaries, and NYCTA and its subsidiaries;
- To pay for costs, including operating costs of MTA and its subsidiaries, and NYCTA and its subsidiaries.

2018 Preliminary Budget

The 2018 Preliminary Budget forecast for PMT, is \$1,526 million, \$73 million (5.0%) higher than the 2017 Mid-Year forecast. The forecast is \$31 million (2.1%) higher than the February Plan. Both the year-over-year change and the change from February Plan reflect the impact of revised regional wage and salary forecasts. The forecast for PMT replacement funds of \$244 million is unchanged from both the 2017 level and the February Plan projection. Including the replacement funds, PMT revenues are projected to total \$1,771 million in 2018.

2019 - 2021

Excluding replacement funds, PMT is forecast to be \$1,602 million in 2019, \$1,674 million in 2020 and \$1,751 in 2021, reflecting revised wage and salary forecasts. Compared with the February Plan, these forecasts are favorable by \$38 million (2.4%) in 2019 and \$41 million (2.5%) in 2020. PMT replacement funds of \$244 million annually is unchanged from the February Plan projections. Including the replacement funds, PMT revenues are projected to total \$1,846 million in 2019, \$1,918 million in 2020 and \$1,995 million in 2021.

MTA AID TRUST REVENUES

MTA Aid Trust Revenues (MTA Aid) are a tax and fee revenue stream enacted in 2009 along with the Payroll Mobility Tax to address MTA revenue shortfalls and operating budget gaps. These revenues are permitted to be pledged to secure debt or to pay operating and capital costs. MTA Aid is composed of the following taxes and fees:

- License Fee - one dollar fee for each six month period of validity of a learner's permit or driver's license issued to individuals residing in the MCTD;
- Motor Vehicle Registration Fee – twenty-five dollar annual fee on motor vehicle registrations in the MCTD paid in biennial \$50 increments corresponding to the vehicle registration period;
- Taxicab Tax – fifty cents per ride tax imposed on owners for each taxicab ride that originates in New York City and terminates within the MCTD;
- Auto Rental Tax – five percent tax on automobile rental fees within the MCTD.

Receipts of MTA Aid revenues declined 9.1% from 2014 to 2015 due primarily to fewer Yellow and Green taxicab pickups that impacted Taxicab Tax receipts; this change was attributable to market share increases by smartphone app-driven providers such as Uber and Lyft, which are not subject to the Taxicab Tax. The impact from these diverted taxi trips has been incorporated into MTA Aid forecasts since the 2016 February Plan.

MTA Aid receipts for the 2017 Mid-Year forecast are projected to be \$305 million, a \$5 million (1.7%) increase over 2016 receipts. The Mid-Year Forecast is unchanged from the Adopted Budget reflecting year-to-date revenues that are on target with the forecast.

For the 2018 Preliminary Budget, MTA Aid is forecast to be \$307 million, a \$2 million (0.5%) increase from the 2017 Mid-Year forecast due to higher projected revenues from motor vehicles and auto rental fees, offset by slightly declining revenues in the Taxicab Tax component. The forecast is \$2 million (0.5%) above the February Plan forecast and reflects recently revised MTA projections provided by the New York State Division of the Budget. Out-year projections are \$313 million in 2019, \$315 million in 2020 and \$317 million in 2021, reflecting year-to-year increases of \$6 million (2.0%) in 2019, \$2 million (0.6%) in 2020 and \$2 million (0.6%) in 2021. These estimates are higher than the February Plan by \$7 million (2.5%) in 2019 and \$9 million (3.1%) in 2020, reflecting changes in the State's recently revised annual growth rate projections.

FINANCIAL PLAN ASSUMPTIONS FOR MTA AID TRUST REVENUES					
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>2017 July Financial Plan</u>					
License / Motor Vehicle Registration Fees	\$179.1	\$180.0	\$183.5	\$184.7	\$185.9
Taxicab Tax	82.8	83.2	84.8	85.4	85.9
Auto Rental Tax	<u>43.5</u>	<u>43.7</u>	<u>44.5</u>	<u>44.8</u>	<u>45.1</u>
Total	\$305.4	\$306.9	\$312.9	\$314.9	\$316.9

STATE AND LOCAL DIRECT SUBSIDIES

State and Local Direct Subsidies consist of the following:

- *New York State Operating Assistance* – a statewide mass transportation program (State 18-b Operating Assistance) that provides direct State aid to the MTA, which is appropriated by the State Legislature on an annual basis. Since 1994, the State has annually funded approximately 95% of its 18-b payments with MMTOA.
- *Local Operating Assistance* – payments made by the City and each of the seven suburban counties in the MCTD, which are required by the transportation law to match the amounts of State 18-b Operating Assistance. The matching payments are made quarterly to the MTA. Additional assistance from NYC and other localities not captured elsewhere are included in Local Operating Assistance.
- *Station Maintenance* – a subsidy paid by the City and each of the seven suburban counties in the MCTD for the operation, maintenance and use of commuter railroad passenger stations within their jurisdictions. Station Maintenance base amounts were established in 1999 and are subject to an annual adjustment tied to the consumer price index.

2017 Mid-Year Forecast

The 2017 Mid-Year cash forecast of State and Local Direct Subsidies is \$542 million; this is \$2 million (0.3%) higher than 2016, and \$2 million (0.4%) below the Adopted Budget. Both variances are due primarily to re-estimates of Station Maintenance subsidies.

2018 Preliminary Budget

The 2018 Preliminary Budget for State and Local Direct Subsidy, on a cash basis, is \$546 million or \$4 million (0.8%) above the 2017 Mid-Year Forecast, while the estimate is \$2 million (0.4%) below the February Plan forecast. Re-estimated Station Maintenance subsidy is the driver of the variances.

2019 - 2021

State and Local Direct Subsidies are forecast to annually increase by \$4 million in both 2019 and 2021, and by \$3 million in 2020. The estimates are below the February Plan by \$2.0 million for both 2019 and 2020, and are due to unfavorable re-estimates of station maintenance subsidies.

OTHER SUBSIDY ADJUSTMENTS

In addition to the adjustments to MRT-2, which are discussed in the Mortgage Recording Taxes section, the July Plan includes other subsidy adjustments over the Plan period.

Resource to Reduce Pension Liability – As of the January 1, 2013 valuation, the “LIRR Additional Plan” was the least funded of the MTA Pension Plans, at only 24.8% funded with a \$1.7 billion liability. MTA adopted a policy of applying funds from non-recurring financial resources to reduce long-term obligations such as this. Since 2013, the MTA has invested \$590 million in this Plan; the source of these investments has been unused general reserve funds and non-recurring real estate transaction tax receipts. These investments, reflected in previous plans, increased the estimated funded ratio to 54.0% and decreased future pension costs for the LIRR. In the February Plan, there was an expected decrease in pension costs associated with the investments that were made in the 2016 Financial Plans. Those expected savings in pension costs have been incorporated into LIRR’s baseline.

NYCT Charge Back of MTA Bus Debt Service – Consistent with prior Plans, the November Financial Plan reflects the MTA’s agreement with the City of New York to fund a portion of MTA Bus debt service from New York City Transit subsidies each year, amounting to \$11.5 million annually for the duration of the Plan. These amounts reflect reimbursement to MTA Bus under a swap agreement with NYCT in which Federal capital grant money earmarked for MTA Bus is paid directly to NYCT; NYCT applies these funds to cover its own capital projects and in turn reimburses MTA Bus. This is in addition to the MTA’s funding of all capital costs associated with the MTA Bus 2005-2009 Capital Program, currently \$25 million for 2017. [For details, see *Other MRT-2 Adjustments* in the Mortgage Recording Taxes section.]

Forward Energy Contracts Program – Since 2008, MTA has hedged a portion of its projected fuel expense to reduce budgetary risk from price volatility. The MTA intends to continue this strategy, with new hedge contracts extending as far as 24 months from execution date, which provides a measure of financial stability from price fluctuations. To effectuate the strategy of reducing the budgetary impact from fuel price volatility, new hedges are executed on a monthly basis. With approximately half of MTA’s fuel needs covered by hedges at any time, the net effect is essentially a halving of adverse impact from price increases, but also a halving of savings during price declines. MTA’s hedging strategy is not designed to achieve financial savings, which is speculative in nature, but rather to reduce the financial impacts of fuel price changes.

Compared with the February Plan, it is projected that hedges are unfavorable by \$4.6 million in 2017, \$5.1 million in 2018 and \$0.2 million in 2019.

MNR Repayment for 525 North Broadway – In 2007, MTA advanced funds for Metro-North Railroad’s capital project at 525 North Broadway in North White Plains, with MTA being reimbursed over time from MNR’s operating budget. The July Financial Plan, like previous plans, includes repayment of this loan in the amount of \$2.4 million annually.

Committed to Capital – A portion of the new tax revenues authorized by New York State in May 2009 is used for the MTA Capital Program. Monies are being used to support both the 2010-2014 and 2015-2019 programs. Some of this funding has been, or is being, converted to debt service; the remaining funds are assumed to be used for “Pay-As-You-Go” Capital (PAYGO).

2010-2014 Capital Program: The July Financial Plan, consistent with prior plans, assumes: (i) the transfer of operating funds to the Capital Program, which began in 2012, with an initial payment of \$150 million increasing by increments of \$50 million annually through 2018 and a steady payment of \$450 million thereafter; and (ii) annual operating budget contributions of \$100 million beginning in 2017. From these contributions, the following debt service payment assumptions are netted out and captured within consolidated MTA debt service: \$427 million in 2017, \$471 million in 2018, \$493 million¹ in 2019, and \$497 million¹ in 2020 and each year thereafter.

2015-2019 Capital Program: To support the 2015-2019 Capital Program, consistent with prior plans, the July Plan assumes annual operating budget contributions of \$415 million per year beginning in 2015. In 2016, savings from lower debt service rates starting at \$84 million in 2016 and growing to \$125 million in 2021 were diverted to Committed to Capital.

In 2017, the Capital Program received a \$100 million insurance reimbursement for Tropical Storm Sandy business interruption, and an additional \$65 million State funding appropriation. The MTA is, therefore, redirecting \$165 million from Contribution to Capital funding to the operating budget.

In previous plans the MTA accelerated contributions to capital in order to achieve debt service savings. In February, the MTA adjusted the accelerations by deferring \$50 million of the planned 2017 contribution until 2018 and \$25 million of the planned 2019 acceleration into 2020. From these accelerated contributions, there were \$39 million in debt service payment reductions from 2017 to 2020, which were reinvested in committed to capital. From these 2015-2019 Committed to Capital contributions, the following debt service payment assumptions are netted out and captured within consolidated MTA debt service: \$65 million in 2017, \$140 million in 2018, \$233 million in 2019, \$320 million in 2020 and \$399 million in 2021.

¹ Beginning in 2019, the funding capacity required for the 2010-2014 Capital Program will be reached. Consequently, excess contributions of \$7.5 million in 2019 and \$53.0 million per year thereafter will be diverted to the 2015-2019 Capital Program.

OTHER FUNDING AGREEMENTS

Other Funding Agreements consist of the following reimbursements per operating agreements the MTA has with Connecticut and New York City:

- *Connecticut Department of Transportation (CDOT) Subsidy to Metro-North Railroad* – subsidy payments made to Metro-North Railroad for the Connecticut share of the total operating deficit of the New Haven Line and the Connecticut branch lines. The operational analysis is covered in the Metro-North section of this volume.
- *New York City Subsidy for MTA Bus* – New York City reimbursement to the MTA of the cost of MTA Bus operations. Per an agreement with the MTA, the City pays MTA Bus the difference between the actual operating costs of the City bus routes and all revenues received from operations of those routes. MMTOA, State 18-b, Local Operating Assistance, and Urban Taxes that were designated for the former private buses (that became MTA Bus) continue to be paid directly to the City and can be used by the City towards the funding of MTA Bus. The operational analysis is covered in the MTA Bus section of this volume.
- *New York City Subsidy for Staten Island Railway* – subsidy payments made by the City to cover the operating deficit associated with Staten Island Railway operations. The operational analysis is covered in the Staten Island Railway section of this volume.

2017 Mid-Year Forecast

The 2017 Mid-Year Forecast cash projection for total Other Funding Agreements is \$746 million; this is \$221 million (42%) higher than 2016, and \$55 million (7.9%) above the Adopted Budget. The cash forecast for City Subsidy to MTA Bus of \$574 million is \$218 million (61.7%) above 2016 and \$47 million (9.0%) above the Adopted Budget and is due to cash timing adjustments. CDOT Subsidy for Metro-North Railroad of \$118 million is \$15 million (11.4%) below 2016 and \$10 million (9.6%) above the Adopted Budget. Higher revenues and lower expenses in 2017 reduced the projected MNR cash deficit, lowering the subsidy requirement of both CDOT and the MTA compared with both 2016 and the Adopted Budget. The 2017 cash forecast for City Subsidy to Staten Island Railroad of \$53 million is \$17 million (46.8%) favorable to 2016 and \$3 million (6.0%) below the Adopted Budget. The variance versus 2016 is due to higher expenses, and the plan-to-plan variance is due to unfavorable cash timing adjustments.

2018 Preliminary Budget

The 2018 Preliminary Budget cash forecast for total Other Funding Agreements is \$666 million, or \$79 million (10.6%) below the 2017 Mid-Year Forecast, and \$17 million (2.6%) above the February Plan estimate. The year-over-year variance reflects unfavorable cash timing adjustments affecting City Subsidy to MTA Bus Company, favorable New Haven Line expense re-estimates, which lower CDOT subsidy, and an estimated SIR cash deficit increase. The 2018 cash forecast for CDOT Subsidy for Metro-North Railroad is unfavorable compared with the 2017 Mid-Year Forecast by \$13 million (10.6%), and with the February Plan by \$13 million (10.8%). The 2018 forecast for City Subsidy to MTA Bus is unfavorable compared with the 2017 Mid-Year forecast by \$80 million (13.9%), and the plan-to-plan variance reflect favorable changes from the February Plan forecast of \$22 million (4.7%). City Subsidy to Staten Island Railway is \$13 million (24.3%) favorable compared with the Mid-Year forecast and \$8 million (13%) favorable compared with the February Plan forecast.

2019 – 2021

Total Other Funding Agreements, on a cash basis, is \$667 million for 2019, \$677 million for 2020 and \$700 million for 2021, reflecting a year-over-year increase of \$1 million (0.2%) in 2019, \$10 million (1.5%) in 2020 and \$22 million (3.3%) in 2020. These estimates are higher than the February Plan by \$17 million (3.5%) in 2019 and \$14 million (2.8%) in 2020 due to revised expense assumptions to meet service and administrative requirements. The cash forecasts for CDOT Subsidy for Metro-North Railroad are \$122 million for 2019, \$128 million for 2020, and \$136 million for 2021, reflecting year-over-year increases of \$16 million (15.0%) in 2019, \$6 million (4.8%) in 2020 and \$8 million (6.3%) in 2021. These estimates are just slightly below the February Plan in 2019, and 2020. The cash forecasts for City Subsidy for MTA Bus are \$502 million for 2019, \$506 million for 2020 and \$516 million for 2021, reflecting year-over-year increases of \$8 million (1.7%) in 2019, \$3 million (0.6%) in 2020 and \$10 million (2.0%) in 2021; The cash forecasts for City Subsidy to Staten Island Railroad are \$43 million in 2019, \$44 million in 2020 and \$48 million in 2021, reflecting a year-over-year decline of \$23 million (35.2%) in 2019 and increases of \$1 million (2.0%) in 2020 and \$4 million (8.9%) in 2021; these estimates are favorable to the February Plan by \$4 million (9.6%) in 2019 and \$2 million (4.2%) in 2020.

MTA NEW YORK CITY TRANSIT SUBSIDY ALLOCATION
July Financial Plan 2018-2021

Cash Basis

(\$ in millions)

	<u>Actual 2016</u>	<u>Mid-Year Forecast 2017</u>	<u>Preliminary Budget 2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,120.3	\$1,120.3	\$1,230.8	\$1,273.3	\$1,316.8	\$1,361.7
Petroleum Business Tax (PBT) Receipts	524.8	520.6	523.7	523.0	520.5	520.0
Mortgage Recording Tax (MRT)	0.0	0.0	0.0	0.0	0.0	0.0
Urban Tax	<u>811.0</u>	<u>615.1</u>	<u>578.3</u>	<u>599.8</u>	<u>616.7</u>	<u>631.4</u>
	\$2,456.1	\$2,256.0	\$2,332.8	\$2,396.0	\$2,454.0	\$2,513.2
New State Taxes and Fees						
Payroll Mobility Tax	\$948.5	\$840.8	\$893.9	\$933.1	\$929.6	\$876.9
Payroll Mobility Tax Replacement Funds	236.4	201.4	197.6	193.5	184.4	163.9
MTA Aid	<u>229.6</u>	<u>251.8</u>	<u>248.3</u>	<u>247.9</u>	<u>237.7</u>	<u>212.6</u>
	\$1,414.5	\$1,294.0	\$1,339.8	\$1,374.5	\$1,351.7	\$1,253.4
State and Local Subsidies						
State Operating Assistance (18-b)	\$158.1	\$158.1	\$158.1	\$158.1	\$158.1	\$158.1
Local Operating Assistance (18-b)	<u>159.5</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>	<u>158.1</u>
	\$317.6	\$316.2	\$316.2	\$316.2	\$316.2	\$316.2
Other Subsidy Adjustments						
NYCT Charge Back of MTA Bus Debt Service	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)
Forward Energy Contracts Program - Gain/(Loss)	(21.0)	(2.8)	(3.0)	(0.1)	0.0	0.0
Committed to Capital 2010-2014 Capital Program	(101.5)	(162.0)	(169.6)	(149.6)	(113.3)	(113.3)
Committed to Capital 2015-2019 Capital Program	<u>(565.6)</u>	<u>(170.9)</u>	<u>(108.4)</u>	<u>(110.4)</u>	<u>(134.6)</u>	<u>(145.8)</u>
	(\$699.6)	(\$347.2)	(\$292.5)	(\$271.6)	(\$259.4)	(\$270.6)
Total Dedicated Taxes & State and Local Subsidies	\$3,488.7	\$3,519.0	\$3,696.3	\$3,815.1	\$3,862.6	\$3,812.2
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	<u>\$311.8</u>	<u>\$285.8</u>	<u>\$255.2</u>	<u>\$235.0</u>	<u>\$217.6</u>	<u>\$194.7</u>
	\$311.8	\$285.8	\$255.2	\$235.0	\$217.6	\$194.7
GROSS SUBSIDIES	\$3,800.5	\$3,804.9	\$3,951.5	\$4,050.1	\$4,080.1	\$4,006.9

MTA COMMUTER RAILROAD SUBSIDY ALLOCATION
July Financial Plan 2018-2021
Cash Basis
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$543.7	\$543.7	\$592.8	\$611.6	\$630.9	\$650.9
Petroleum Business Tax (PBT) Receipts	92.6	91.9	92.4	92.3	91.9	91.8
Mortgage Recording Tax (MRT)	0.0	0.0	0.0	0.0	0.0	0.0
Investment Income	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
	\$637.5	\$636.8	\$686.4	\$705.1	\$724.0	\$743.8
New State Taxes and Fees						
Payroll Mobility Tax	\$292.2	\$178.9	\$210.9	\$244.7	\$301.7	\$430.0
Payroll Mobility Tax Replacement Funds	72.8	42.8	46.6	50.7	59.8	80.4
MTA Aid	<u>70.7</u>	<u>53.6</u>	<u>58.6</u>	<u>65.0</u>	<u>77.1</u>	<u>104.3</u>
	\$435.7	\$275.3	\$316.1	\$360.4	\$438.6	\$614.6
State and Local Subsidies						
State Operating Assistance (18-b)	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3	\$29.3
Local Operating Assistance (18-b)	30.1	29.3	29.3	29.3	29.3	29.3
Station Maintenance	<u>162.2</u>	<u>166.3</u>	<u>170.6</u>	<u>174.9</u>	<u>178.2</u>	<u>182.2</u>
	\$221.6	\$224.8	\$229.1	\$233.4	\$236.7	\$240.7
Other Subsidy Adjustments						
Resource to Reduce Pension Liability	(\$75.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Forward Energy Contracts Program - Gain/(Loss)	(9.0)	(1.2)	(1.3)	(0.0)	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Committed to Capital 2010-2014 Capital Program	101.5	89.0	90.7	99.9	113.3	113.3
Committed to Capital 2015-2019 Capital Program	<u>(188.5)</u>	<u>(57.0)</u>	<u>(36.1)</u>	<u>(36.8)</u>	<u>(44.9)</u>	<u>(48.6)</u>
	(\$173.5)	\$28.4	\$50.8	\$60.6	\$66.0	\$62.2
Total Dedicated Taxes & State and Local Subsidies	\$1,121.4	\$1,165.3	\$1,282.5	\$1,359.6	\$1,465.3	\$1,661.4
Other Funding Agreements						
CDOT Subsidy for Metro-North Railroad	<u>\$134.2</u>	<u>\$119.0</u>	<u>\$106.3</u>	<u>\$122.3</u>	<u>\$128.3</u>	<u>\$136.3</u>
	\$134.2	\$119.0	\$106.3	\$122.3	\$128.3	\$136.3
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	<u>\$430.0</u>	<u>\$401.9</u>	<u>\$366.4</u>	<u>\$347.4</u>	<u>\$328.7</u>	<u>\$305.4</u>
	\$430.0	\$401.9	\$366.4	\$347.4	\$328.7	\$305.4
GROSS SUBSIDIES	\$1,685.6	\$1,686.2	\$1,755.2	\$1,829.3	\$1,922.3	\$2,103.1

MTA STATEN ISLAND RAILWAY SUBSIDY ALLOCATION
July Financial Plan 2018-2021
Cash Basis
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$4.0	\$4.0	\$4.4	\$4.6	\$4.7	\$4.9
Mortgage Recording Tax (MRT)	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$4.0	\$4.0	\$4.4	\$4.6	\$4.7	\$4.9
State and Local Subsidies						
State Operating Assistance (18-b)	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6
Local Operating Assistance (18-b)	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1
Total Dedicated Taxes & State and Local Subsidies	\$5.1	\$5.1	\$5.5	\$5.7	\$5.8	\$6.0
City Subsidy to Staten Island Railway	\$36.1	\$53.0	\$66.0	\$42.9	\$43.7	\$47.6
GROSS SUBSIDIES	\$41.3	\$58.2	\$71.6	\$48.5	\$49.6	\$53.6

MTA HEADQUARTERS SUBSIDY ALLOCATION
July Financial Plan 2018-2021
Cash Basis
(\$ in millions)

	<u>Actual</u> <u>2016</u>	<u>Mid-Year</u> <u>Forecast</u> <u>2017</u>	<u>Preliminary</u> <u>Budget</u> <u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Subsidies</u>						
Net Funding of MTA Headquarters	(\$556.9)	(\$695.7)	(\$681.4)	(\$692.6)	(\$715.0)	(\$726.8)
<u>Dedicated Taxes</u>						
<u>Mortgage Recording Tax-1</u>						
Net Receipts After Agency Transfers	\$327.1	\$310.9	\$307.1	\$316.8	\$326.6	\$336.9
<u>Adjustments to MRT-1</u>						
Diversion of MRT to Suburban Highway	0.0	0.0	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	<u>229.8</u>	<u>384.9</u>	<u>374.3</u>	<u>375.8</u>	<u>388.4</u>	<u>389.9</u>
	\$229.8	\$384.9	\$374.3	\$375.8	\$388.4	\$389.9
Net Available MRT-1 Funds for MTA HQ	\$556.9	\$695.7	\$681.4	\$692.6	\$715.0	\$726.8
Remaining MRT-1 Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<u>Mortgage Recording Tax - 2</u>						
Net Receipts	\$130.5	\$140.1	\$146.2	\$150.6	\$155.3	\$160.5
<u>Adjustments to MRT-2</u>						
Funding of General Reserve	\$0.0	(\$155.0)	(\$160.0)	(\$165.0)	(\$175.0)	(\$180.0)
Diversion of MRT to Suburban Counties	(3.0)	(4.1)	(5.1)	(5.6)	(6.0)	(6.4)
Investment Income	5.1	5.3	5.3	5.3	5.3	5.3
Agency Security Costs from MRT	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
MTA Bus Debt Service	(24.9)	(24.9)	(23.8)	(23.8)	(23.8)	(23.8)
Transfer to MRT-1	<u>(229.8)</u>	<u>(384.9)</u>	<u>(374.3)</u>	<u>(375.8)</u>	<u>(388.4)</u>	<u>(389.9)</u>
	(\$262.6)	(\$573.6)	(\$567.9)	(\$574.9)	(\$598.0)	(\$604.8)
Remaining MRT-2 Balance	(\$132.1)	(\$433.5)	(\$421.7)	(\$424.3)	(\$442.6)	(\$444.3)
Payroll Mobility Tax Offset (if Required)	\$132.1	\$433.5	\$421.7	\$424.3	\$442.6	\$444.3

MTA BUS COMPANY SUBSIDY ALLOCATION
July Financial Plan 2018-2021
Cash Basis
(\$ in millions)

	<u>Actual 2016</u>	<u>Mid-Year Forecast 2017</u>	<u>Preliminary Budget 2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>Subsidies</u>						
City Subsidy for MTA Bus Company	\$355.0	\$573.9	\$494.2	\$502.4	\$505.6	\$515.7

MTA BRIDGES AND TUNNELS
July Financial Plan 2018-2021
Surplus Transfer
(\$ in millions)

	ACTUAL	FORECAST				
	2016	2017	2018	2019	2020	2021
Net Surplus/(Deficit)	\$1,430.825	\$1,378.610	\$1,351.686	\$1,348.096	\$1,343.860	\$1,332.966

Deductions from Net Operating Income:

Total Debt Service	\$639.877	\$660.706	\$684.021	\$718.168	\$748.142	\$782.926
Capitalized Assets	19.900	30.213	20.578	21.063	21.638	22.210
Reserves	27.505	27.515	28.043	28.705	29.489	30.267
GASB Reserves	0.000	0.000	0.354	0.448	0.659	0.879
Total Deductions from Net Operating Income	\$687.282	\$718.434	\$732.996	\$768.385	\$799.928	\$836.282
Net Income Available for Transfer to MTA and NYCT	\$743.544	\$660.177	\$618.690	\$579.711	\$543.932	\$496.684

Distributable Income:

Distribution of Funds to MTA:

Investment Income in Current Year	\$0.635	\$0.987	\$1.240	\$1.240	\$1.240	\$1.240
Accrued Current Year Allocation	430.008	383.927	364.448	345.493	326.840	303.066
Accrued Amount Distributed to MTA	\$430.643	\$384.914	\$365.689	\$346.733	\$328.080	\$304.307

Distribution of Funds to NYCT:

First \$24 million of Surplus reserved for NYCT	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000
Additional Accrued Current Year Allocation	288.901	251.263	229.001	208.978	191.852	168.378
Accrued Amount Distributed to NYCT	\$312.901	\$275.263	\$253.001	\$232.978	\$215.852	\$192.378
Total Distributable Income:	\$743.544	\$660.177	\$618.690	\$579.711	\$543.932	\$496.684

Cash Transfers:

Actual Cash Transfer to MTA and NYCT:

From Current Year Surplus	\$429.984	\$401.869	\$366.396	\$347.389	\$328.705	\$305.444
Investment Income in Prior Year	0.183	0.635	0.987	1.240	1.240	1.240
Cash Amount Distributed to MTA	\$430.167	\$402.504	\$367.383	\$348.629	\$329.945	\$306.684
Cash Amount Distributed to NYCT	\$311.825	\$285.836	\$255.228	\$234.980	\$217.565	\$194.725
Total Cash Transfer:	\$741.992	\$688.341	\$622.611	\$583.609	\$547.510	\$501.409

MTA BRIDGES AND TUNNELS
July Financial Plan 2018-2021
Surplus Transfer
(\$ in millions)

	ACTUAL	FORECAST				
	2016	2017	2018	2019	2020	2021
<i>Debt Service Detail by Agency:</i>						
B&T Own Purpose Debt Service	\$257.344	\$300.589	\$316.476	\$347.649	\$381.830	\$417.487
NYCT Transportation Debt Service	261.820	246.390	251.496	253.517	250.649	250.064
MTA Transportation Debt Service	120.713	113.726	116.049	117.002	115.662	115.375
Total Debt Service by Agency	\$639.877	\$660.706	\$684.021	\$718.168	\$748.142	\$782.926

Total Accrued Amount for Transfer to MTA and NYCT:

Total Adjusted Net Income Available for Transfer	\$1,382.786	\$1,319.896	\$1,301.471	\$1,296.639	\$1,290.833	\$1,278.370
Less: B&T Total Debt Service	(257.344)	(300.589)	(316.476)	(347.649)	(381.830)	(417.487)
Less: first \$24 million reserved for NYCT	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)
Remainder of Total Accrued Amount for Transfer	\$1,101.442	\$995.306	\$960.995	\$924.990	\$885.003	\$836.883

Calculation of Actual Cash Transfer to MTA:

<u>Distribution of Remainder to MTA</u>						
Fifty Percent of Total Accrued Amount for Transfer	\$550.721	\$497.653	\$480.497	\$462.495	\$442.501	\$418.441
Less: MTA Total Debt Service	(120.713)	(113.726)	(116.049)	(117.002)	(115.662)	(115.375)
MTA's Accrued Current Year Allocation	\$430.008	\$383.927	\$364.448	\$345.493	\$326.840	\$303.066
<u>Cash Conversion of MTA's Accrued Amount</u>						
Current Year Amount	\$373.673	\$345.534	\$328.003	\$310.944	\$294.156	\$272.760
Balance of Prior Year	56.311	56.335	38.393	36.445	34.549	32.684
Cash Transfer to MTA	\$429.984	\$401.869	\$366.396	\$347.389	\$328.705	\$305.444

Calculation of Actual Cash Transfer to NYCT:

<u>Distribution of Remainder to NYCT</u>						
Fifty Percent of Total Accrued Amount for Transfer	\$550.721	\$497.653	\$480.497	\$462.495	\$442.501	\$418.441
Less: NYCT Total Debt Service	(261.820)	(246.390)	(251.496)	(253.517)	(250.649)	(250.064)
Plus: first \$24 million reserved for NYCT	24.000	24.000	24.000	24.000	24.000	24.000
NYCT's Accrued Current Year Allocation	\$312.901	\$275.263	\$253.001	\$232.978	\$215.852	\$192.378
<u>Cash Conversion of NYCT's Accrued Amount</u>						
Current Year Amount	\$274.801	\$247.737	\$227.701	\$209.680	\$194.267	\$173.140
Balance of Prior Year	37.023	38.100	27.526	25.300	23.298	21.585
Cash Transfer to NYCT	\$311.825	\$285.836	\$255.228	\$234.980	\$217.565	\$194.725

SUMMARY
MTA STATEN ISLAND RAILWAY
2017 JULY FINANCIAL PLAN
2018-2021
(\$ in millions)

Line

	ACTUAL	FORECAST				
	2016	2017	2018	2019	2020	2021
9						
10	<u>Revenue Summary:</u>					
11						
12	Farebox Revenue	\$6.5	\$6.8	\$6.9	\$7.0	\$7.0
13	Other Revenue	2.8	2.4	2.4	2.4	2.4
14	State/City Subsidies	5.1	5.1	5.5	5.7	6.0
15						
16	Total Revenues	\$14.5	\$14.3	\$14.9	\$15.0	\$15.2
17						
18	<u>Non-Reimbursable Expense Summary:</u>					
19						
20	Labor Expenses	\$41.2	\$46.5	\$45.8	\$45.9	\$47.3
21	Non-Labor Expenses	22.7	29.8	10.8	10.5	11.0
22	Depreciation	7.8	8.3	8.3	8.3	8.3
23	OPEB Liability Adjustment	7.2	7.5	7.5	7.5	7.5
24	GASB 68 Pension Expense Adjustment	(0.3)	0.3	0.6	0.5	(0.1)
25	Environmental Remediation	0.1	0.0	0.0	0.0	0.0
26						
27	Total Non-Reimbursable Expenses	\$78.7	\$92.5	\$73.0	\$72.7	\$73.7
28						
29						
30	Total Net Revenue/(Deficit)	(\$64.3)	(\$78.1)	(\$58.2)	(\$57.7)	(\$58.3)
31						
32	<u>Cash Adjustment Summary:</u>					
33	Operating Cash Adjustments	\$12.1	\$13.3	\$17.9	\$17.8	\$17.2
34	GASB Cash Adjustments	0.0	0.0	(0.0)	(0.0)	(0.1)
35	Subsidy Cash Adjustments (Other than SIRTOA Recovery)	0.0	0.0	0.0	0.0	0.0
36						
37	Total Cash Adjustments	\$12.1	\$13.3	\$17.9	\$17.8	\$16.1
38						
39	Gross Cash Balance	(\$52.1)	(\$64.8)	(\$40.3)	(\$39.9)	(\$42.2)
40						
41	<u>Other Adjustments:</u>					
42	Debt Service	(0.9)	(1.2)	(2.6)	(3.8)	(10.0)
43						
44	Total Billable Adjusted Cash Balance after Debt Service	(\$53.0)	(\$66.0)	(\$42.9)	(\$43.7)	(\$52.2)
45						
46	<u>City Subsidy Cash Adjustments:</u>					
47	Cash Balance Due from the City of New York	(53.0)	(66.0)	(42.9)	(43.7)	(47.6)
48	Cash Subsidy Received from City of New York for SIRTOA	36.1	53.0	66.0	42.9	47.6
49	Subsidy Cash Timing	(\$16.9)	(\$13.0)	\$23.2	(\$0.9)	(\$4.5)
50						
51	Net Cash Balance from Previous Year	(36.1)	(53.0)	(66.0)	(42.9)	(47.6)
52						
53	Baseline Net Cash Surplus/(Deficit)	(\$53.0)	(\$66.0)	(\$42.9)	(\$43.7)	(\$52.2)

SUMMARY
MTA BUS COMPANY
2017 JULY FINANCIAL PLAN
2018-2021
(\$ in millions)

Line

	ACTUAL		FORECAST				
	2016	2017	2018	2019	2020	2021	
9							
10	Revenue Summary:						
11							
12	Farebox Revenue	\$212.5	\$213.3	\$216.7	\$219.3	\$220.2	\$219.6
13	Other Revenue	22.0	21.1	21.5	21.7	21.8	22.6
14							
15	Total Revenues	\$234.5	\$234.4	\$238.2	\$241.0	\$242.1	\$242.2
16							
17	Non-Reimbursable Expense Summary:						
18							
19	Labor Expenses	\$525.6	\$548.1	\$561.6	\$578.6	\$580.2	\$588.4
20	Non-Labor Expenses	191.8	181.8	195.9	187.4	184.2	192.9
21	Depreciation	57.2	53.9	54.3	54.3	54.3	54.8
22	OPEB Liability Adjustment	63.5	100.2	100.2	100.2	100.2	100.2
23	GASB 68 Pension Expense Adjustment	(5.7)	114.6	45.6	44.6	40.4	30.7
24	Environmental Remediation	0.0	0.0	0.0	0.0	0.0	0.0
25							
26	Total Non-Reimbursable Expenses	\$832.4	\$998.6	\$957.5	\$965.1	\$959.3	\$966.9
27							
28							
29	Total Net Revenue/(Deficit)	(\$597.9)	(\$764.2)	(\$719.3)	(\$724.1)	(\$717.3)	(\$724.7)
30							
31	Cash Adjustment Summary:						
32	Operating Cash Adjustments	\$166.8	\$277.9	\$224.2	\$225.5	\$221.1	\$210.9
33	GASB Cash Adjustments	0.0	0.0	0.0	(0.1)	(0.2)	(0.3)
34							
35	Total Cash Adjustments	\$166.8	\$277.9	\$224.2	\$225.4	\$220.9	\$210.6
36							
37	Gross Cash Balance	(\$431.1)	(\$486.3)	(\$495.2)	(\$498.7)	(\$496.3)	(\$514.1)
38							
39	Other Adjustments:						
40	Non-Billable GASB Cash Adjustments	0.0	0.0	0.0	0.1	0.2	0.3
41	Debt Service	(35.0)	(12.4)	(21.9)	(22.9)	(27.6)	(32.1)
42	Non-Billable Debt Service (2005-2011 Capital Program)	32.9	9.5	17.4	16.2	17.9	19.5
43							
44	Total Billable Adjusted Cash Balance after Debt Service	(\$433.2)	(\$489.2)	(\$499.7)	(\$505.3)	(\$505.8)	(\$526.4)
45							
46	City Subsidy Cash Adjustments:						
47	Cash Balance Due from NYC (adjusted for Non-Billable GASB)	(\$433.2)	(\$489.2)	(\$499.7)	(\$505.3)	(\$505.8)	(\$526.4)
48	Cash Subsidy Received from City of New York for MTA Bus	\$355.0	\$573.9	\$494.2	\$502.4	\$505.6	\$515.7
49	Subsidy Cash Timing	(\$78.2)	\$84.7	(\$5.5)	(\$2.9)	(\$0.3)	(\$10.7)
50							
51	Net Cash Balance from Previous Year	(\$73.7)	(\$151.9)	(\$67.2)	(\$72.6)	(\$75.6)	(\$75.8)
52							
53							
54	Baseline Net Cash Surplus/(Deficit)	(\$151.9)	(\$67.2)	(\$72.6)	(\$75.6)	(\$75.8)	(\$86.5)
55							

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
Paratransit Operations
(\$ in thousands)

	2016 ACTL	2017	2018	2019	2020	2021
ADA Trips:	6,395,430	6,549,789	6,844,529	7,152,533	7,474,397	7,810,745
<i>Pct Change from Previous Year</i>	0.6%	3.0%	4.5%	4.5%	4.5%	4.5%

Revenue:

Fares	\$ 17,620	\$ 18,357	\$ 19,276	\$ 20,144	\$ 21,050	\$ 21,998
Urban Tax	51,432	38,261	38,674	40,081	41,192	42,211
<i>Sub-total</i>	\$ 69,052	\$ 56,618	\$ 57,950	\$ 60,225	\$ 62,242	\$ 64,209
City Reimbursements	133,284	141,939	145,845	157,511	168,204	180,835
Total Revenue	\$ 202,336	\$ 198,556	\$ 203,795	\$ 217,736	\$ 230,447	\$ 245,044

Expenses:

Operating Expenses:

Salaries & Benefits	\$ 21,244	\$ 24,934	\$ 25,433	\$ 25,941	\$ 26,460	\$ 26,989
Rental & Miscellaneous	445,784	477,119	489,774	526,895	560,796	600,511
Total Expenses	\$ 467,029	\$ 502,053	\$ 515,208	\$ 552,836	\$ 587,256	\$ 627,500

Net Paratransit Surplus/(Deficit)

	\$ (264,693)	\$ (303,497)	\$ (311,413)	\$ (335,100)	\$ (356,809)	\$ (382,456)
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Paratransit Details

Total Paratransit Reimbursement:	\$ 184,716	\$ 180,200	\$ 184,519	\$ 197,592	\$ 209,396	\$ 223,046
Urban Tax	\$ 51,432	\$ 38,261	\$ 38,674	\$ 40,081	\$ 41,192	\$ 42,211
City Reimbursements	133,284	141,939	145,845	157,511	168,204	180,835

Rental & Miscellaneous Expense:

Paratransit Service Contracts

Carrier Services	\$ 349,288	\$ 362,326	\$ 375,733	\$ 397,571	\$ 422,614	\$ 447,855
Command Center	27,859	28,604	30,769	33,124	35,859	35,175
Eligibility Certification	2,539	3,499	3,729	3,808	3,964	4,040
Other	3,669	5,316	5,030	5,031	5,031	5,031
Subtotal	\$ 383,355	\$ 399,745	\$ 415,260	\$ 439,534	\$ 467,469	\$ 492,101

Other Than Personnel Service:

Insurance	39,103	40,970	43,928	50,009	57,493	66,090
Fuel	10,571	11,956	12,087	12,581	14,479	16,469
Other	10,728	23,026	17,077	23,348	19,934	24,428
Subtotal	\$ 60,401	\$ 75,952	\$ 73,092	\$ 85,939	\$ 91,905	\$ 106,987

Non-City Reimbursable OTPS:

	\$ 2,028	\$ 1,422	\$ 1,422	\$ 1,421	\$ 1,422	\$ 1,422
Total Rental & Miscellaneous Expense	\$ 445,784	\$ 477,119	\$ 489,774	\$ 526,894	\$ 560,796	\$ 600,511

Annual Growth in Total Expenses	1.2%	8.8%	2.6%	7.3%	6.2%	6.9%
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Ridership

Registrant	6,395,430	6,549,789	6,844,529	7,152,533	7,474,397	7,810,745
Personal Care Attendant (PCA)	2,021,737	529,717	553,554	578,464	604,495	631,698
Guest	520,973	2,083,821	2,177,593	2,275,585	2,377,986	2,484,995
Total Ridership	8,938,140	9,163,327	9,575,677	10,006,582	10,456,879	10,927,438

Total Cost / Trip ^a	\$ 73.03	\$ 76.65	\$ 75.27	\$ 77.29	\$ 78.57	\$ 80.34
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Total Cost / Ridership ^b	\$ 52.25	\$ 54.79	\$ 53.80	\$ 55.25	\$ 56.16	\$ 57.42
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Note:

^a Cost / Trip reflects cost per ADA registrant trip

^b Cost / Ridership reflects cost per ADA registrant, PCA and guest. Fare revenue is paid by registrants and guests.

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Debt Service

Debt Service in the Financial Plan

The following table includes debt service projections for 2017 through 2021 in connection with the bond financed portion of *approved* Capital Programs, including the 2015-2019 Capital Program May Amendment.

The favorable variance below reflects: the impact of favorable interest rates on variable rate debt; lower debt service from fixed rate debt refundings; and the expected accelerated use of PAYGO and other cash previously programmed for capital purposes. These savings were partially offset by an increase in forecasted interest rates and the inclusion of May amendment funding requirements within projected cash-flows.

Debt Service Forecast (in millions)*			
Year	February Plan Debt Service	July Plan Debt Service	Difference Favorable (Unfavorable)
2017	\$2,603	\$2,556	\$47
2018	2,741	2,712	29
2019	2,891	2,835	56
2020	3,052	3,025	27
2021	N/A	3,243	N/A
Total 2017-2021	\$11,287	\$14,371	\$159

*Totals may not add due to rounding.

The following is a summary of the key assumptions used to determine the debt service projections in this Plan:

Forecasted Borrowing Schedule	2017¹	2018	2019	2020	2021
<i>(\$ in millions)</i>					
TR New Money Bonds ²	\$724	\$617	\$2,921	\$2,969	\$ 3,143
DTF New Money Bonds	-	-	-	-	-
TBTA New Money Bonds	58	450	589	790	505
Total New Money Bonds	\$782	\$1,067	\$3,510	\$3,759	\$3,647

¹ Forward looking forecast not including Bonds already issued in 2017.

² Bonds issued to retire BANs and BAN interest.

Forecasted Interest Rates	2017	2018	2019	2020	2021
Assumed Fixed-Rates					
Transportation Revenue Bonds	3.48%	3.48%	3.77%	4.08%	4.37%
Dedicated Tax Fund Bonds	NA	NA	NA	NA	NA
Triborough Bridge & Tunnel Authority	3.18%	3.18%	3.47%	3.78%	4.07%
Assumed Variable Rates	2.00%	4.00%	4.00%	4.00%	4.00%
Weighted Average Interest Rates ³					
Transportation Revenue Bonds	3.53%	3.53%	3.79%	4.07%	4.33%
Dedicated Tax Fund Bonds	NA	NA	NA	NA	NA
Triborough Bridge & Tunnel Authority	3.26%	3.26%	3.52%	3.80%	4.06%

³ Calculated based on 90% fixed debt and 10% variable debt assumption.

Debt Issuance Assumptions:

- All debt is assumed to be issued as 30-year level debt service debt with principal amortized over the life of the bonds, except for the Railroad Rehabilitation and Improvement Financing (RRIF) loan which is amortized over 20 years on a level debt service basis, based on an interest rate of 2.38%.
- Current fixed-rate estimates are derived from the June 1, 2017 Municipal Market Data High Grade -1 year rate for BAN interest and 25 year interpolated rate for bond interest both adjusted for the projected increase through the plan period in the one-month US Treasury Bill and 10-year US Treasury Note respectively (source: The January 2017 Baseline Forecast of the Congressional Budget Office) and both further adjusted for a credit premium for each assumed credit issued based on recent market spreads.
- New bond issues calculated interest rate at time of issuance use weighted average of fixed and variable assumptions based on 90% fixed vs. 10% variable.
- Cost of issuance is assumed to be 2% of the gross bonding amount.
- Due to the Additional Bonds Test constraints of the DTF credit, no additional DTF new money bonds are assumed to be issued over the Financial Plan period.
- All bonds issued to finance TBTA capital projects are assumed to be issued under the TBTA General Revenue Resolution.
- The Build America Bonds subsidy has been reduced by 7.2% annually through and including Federal Fiscal Year 2023 reflecting the sequester reduction for payments to issuers of direct-pay bonds.
- No reserve funds are assumed in these projections.

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2018-2021

Summary of Total Budgeted Debt Service

(\$ in millions)

Line Number		FORECAST					
		2016	2017	2018	2019	2020	2021
9	<i>New York City Transit (NYCT):</i>						
10	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$906.179	\$928.948	\$968.346	\$961.989	\$954.516	\$955.656
11	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	6.954	27.893	79.827	144.124	194.768
12	2 Broadway Certificates of Participation - NYCT Share	16.082	1.897	0.000	0.000	0.000	0.000
13	2 Broadway Certificates of Participation - Additional NYCT Share of MTA Lease Portion	0.000	0.000	0.000	0.000	0.000	0.000
14	Bond Anticipation Notes	0.000	0.000	0.000	0.000	0.000	0.000
15	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	315.168	344.658	354.200	352.674	354.195	353.588
16	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	0.000	0.000	0.000	0.000
17	<i>Sub-Total MTA Paid Debt Service</i>	\$1,237.429	\$1,282.457	\$1,350.439	\$1,394.489	\$1,452.835	\$1,504.011
18							
19	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$174.718	\$178.378	\$180.960	\$183.068	\$180.464	\$179.501
20	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	69.951	68.012	70.536	70.449	70.185	70.563
21	<i>Sub-Total B&T Paid Debt Service</i>	\$244.669	\$246.390	\$251.496	\$253.517	\$250.649	\$250.064
22							
23	Total NYCT Debt Service	\$1,482.098	\$1,528.847	\$1,601.935	\$1,648.006	\$1,703.484	\$1,754.074
24							
25	<i>Commuter Railroads (CRR):</i>						
26	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$565.459	\$597.613	\$633.727	\$629.567	\$624.676	\$625.422
27	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	11.876	27.396	74.449	172.319	294.662
28	2 Broadway Certificates of Participation - CRR Share	0.000	0.000	0.000	0.000	0.000	0.000
29	2 Broadway Certificates of Participation - Additional CRR Share of MTA Lease Portion	0.000	0.580	0.000	0.000	0.000	0.000
30	Bond Anticipation Notes	0.000	0.000	0.000	0.000	0.000	0.000
31	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	69.326	70.088	72.030	71.720	72.029	71.905
32	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	0.000	0.000	0.000	0.000
33	<i>Sub-Total MTA Paid Debt Service</i>	\$634.785	\$680.157	\$733.153	\$775.735	\$869.024	\$991.989
34							
35	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$82.125	\$83.845	\$85.058	\$86.049	\$84.825	\$84.372
36	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	30.734	29.882	30.991	30.953	30.836	31.002
37	<i>Sub-Total B&T Paid Debt Service</i>	\$112.858	\$113.726	\$116.049	\$117.002	\$115.662	\$115.375
38							
39	Total CRR Debt Service	\$747.643	\$793.884	\$849.202	\$892.737	\$984.686	\$1,107.364
40							
41	<i>Bridges and Tunnels (B&T):</i>						
42	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$250.474	\$280.343	\$282.106	\$285.392	\$281.334	\$279.831
43	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	27.632	26.866	27.863	27.829	27.724	27.874
44	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	1.521	14.918	42.839	81.183	118.192
45	2 Broadway Certificates of Participation - TBTA Share	2.274	0.284	0.000	0.000	0.000	0.000
46	2 Broadway Certificates of Participation - Additional TBTA Share of MTA Lease Portion	0.000	0.000	0.000	0.000	0.000	0.000
47	Total B&T Debt Service	\$280.380	\$309.014	\$324.887	\$356.060	\$390.241	\$425.898
48							
49	<i>MTA Bus:</i>						
50	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$35.065	\$12.102	\$21.113	\$20.975	\$20.812	\$20.836
51	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.405	0.883	2.000	6.864	11.371
52	Bond Anticipation Notes	0.000	0.000	0.000	0.000	0.000	0.000
53							
54	Total MTA Bus Debt Service	\$35.065	\$12.507	\$21.996	\$22.975	\$27.675	\$32.207
55							
56	<i>Staten Island Railway (SIRTOA):</i>						
57	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$0.889	\$0.679	\$1.189	\$1.181	\$1.172	\$1.173
58	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	0.514	1.371	2.643	5.151	8.816
59	Bond Anticipation Notes	0.000	0.000	0.000	0.000	0.000	0.000
60							
61	Total SIRTOA Debt Service	\$0.889	\$1.194	\$2.560	\$3.825	\$6.323	\$9.989
62							
63	Total MTA HQ Debt Service for 2 Broadway Certificates of Participation	\$2.206	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Summary of Total Budgeted Debt Service
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2016	2017	2018	2019	2020	2021
64	<u>MTA Total:</u>						
65							
66	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$1,507.592	\$1,539.343	\$1,624.375	\$1,613.711	\$1,601.175	\$1,603.087
67	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	384.494	414.746	426.230	424.393	426.224	425.493
68	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	507.317	542.565	548.124	554.509	546.623	543.704
69	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	128.316	124.760	129.390	129.231	128.746	129.439
70	2 Broadway Certificates of Participation	20.563	2.762	0.000	0.000	0.000	0.000
71	Bond Anticipation Notes	0.000	0.000	0.000	0.000	0.000	0.000
72	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	19.749	57.544	158.919	328.458	509.616
73	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	0.000	0.000	0.000	0.000
74	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	1.521	14.918	42.839	81.183	118.192
75							
76	Total Debt Service	\$2,548.282	\$2,645.445	\$2,800.581	\$2,923.603	\$3,112.410	\$3,329.532
77							
78	<u>MTA Investment Income by Resolution</u>						
79							
80	Investment Income from Transportation Revenue Bond Debt Service Fund	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
81	Investment Income from Dedicated Tax Fund Debt Service Fund	0.000	0.000	0.000	0.000	0.000	0.000
82	Investment Income from TBTA (B&T) General Revenue Debt Service Fund	0.000	0.000	0.000	0.000	0.000	0.000
83	Investment Income from TBTA (B&T) Subordinate Revenue Debt Service Fund	0.000	0.000	0.000	0.000	0.000	0.000
84	Investment Income from 2 Broadway Certificates of Participation Debt Service Fund	0.000	0.000	0.000	0.000	0.000	0.000
85							
86	Total MTA Investment Income	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
87							
88	<u>MTA Net Total</u>						
89							
90	Net Transportation Revenue Bonds Debt Service	\$1,507.592	\$1,559.092	\$1,681.919	\$1,772.631	\$1,929.633	\$2,112.703
91	Bond Anticipation Notes	0.000	0.000	0.000	0.000	0.000	0.000
92	Net Dedicated Tax Fund Bonds Debt Service	384.494	414.746	426.230	424.393	426.224	425.493
93	Net TBTA (B&T) General Revenue Bonds Debt Service	507.317	544.086	563.042	597.348	627.806	661.897
94	Net TBTA (B&T) Subordinate Revenue Bonds Debt Service	128.316	124.760	129.390	129.231	128.746	129.439
95	Net 2 Broadway Certificates of Participation Debt Service	20.563	2.762	0.000	0.000	0.000	0.000
96	Build America Bonds Interest Subsidy - TRB	(54.679)	(54.094)	(54.167)	(53.580)	(52.918)	(52.215)
97	Build America Bonds Interest Subsidy - DTF	(26.377)	(26.369)	(26.326)	(26.175)	(26.012)	(25.836)
98	Build America Bonds Interest Subsidy - TBTA GR Bonds	(8.443)	(8.424)	(8.411)	(8.411)	(8.411)	(8.411)
99							
100	Total MTA Net Debt Service	\$2,458.783	\$2,556.558	\$2,711.677	\$2,835.436	\$3,025.068	\$3,243.070
101							
102	Total MTA Wide Debt Service including Sandy Programs	\$2,458.783	\$2,556.558	\$2,711.677	\$2,835.436	\$3,025.068	\$3,243.070

Debt Service Affordability Statement

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METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2018-2021

Debt Affordability Statement ⁽¹⁾

\$ in millions

Forecasted Debt Service and Borrowing Schedule	Notes	2016 ACTL	2017	2018	2019	2020	2021
Combined MTA/TBTA Forecasted Debt Service Schedule	1, 2, 3	\$2,438.2	\$2,553.8	\$2,711.7	\$2,835.4	\$3,025.1	\$3,243.1
Forecasted New Money Bonds Issued	4	1,838.6	781.6	1,067.1	3,509.6	3,758.8	3,647.5
Forecasted Debt Service by Credit ⁹	Notes	2016 ACTL	2017	2018	2019	2020	2021
Transportation Revenue Bonds							
Pledged Revenues	5	\$13,093.0	\$13,272.9	\$13,404.3	\$13,611.4	\$13,793.8	\$13,922.5
Debt Service	9	1,452.9	1,505.0	1,627.8	1,719.1	1,876.7	2,060.5
Debt Service as a % of Pledged Revenues		11%	11%	12%	13%	14%	15%
Dedicated Tax Fund Bonds							
Pledged Revenues	6	\$617.5	\$612.5	\$616.1	\$615.2	\$612.4	\$611.8
Debt Service	9	358.1	388.4	399.9	398.2	400.2	399.7
Debt Service as a % of Pledged Revenues		58%	63%	65%	65%	65%	65%
Triborough Bridge and Tunnel Authority General Revenue Bonds							
Pledged Revenues	7	\$1,382.8	\$1,319.9	\$1,301.5	\$1,296.6	\$1,290.8	\$1,278.4
Debt Service	9	498.9	535.7	554.6	588.9	619.4	653.5
Debt Service as a % of Total Pledged Revenues		36%	41%	43%	45%	48%	51%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds							
Pledged Revenues	8	\$883.9	\$784.2	\$746.8	\$707.7	\$671.4	\$624.9
Debt Service	9	128.3	124.8	129.4	129.2	128.7	129.4
Debt Service as a % of Total Pledged Revenues		15%	16%	17%	18%	19%	21%
Cumulative Debt Service (Excluding State Service Contract Bonds)	Notes	2016 ACTL	2017	2018	2019	2020	2021
Total Debt Service	1, 2, 3	\$2,438.2	\$2,553.8	\$2,711.7	\$2,835.4	\$3,025.1	\$3,243.1
Fare and Toll Revenues		\$7,919.9	\$8,134.5	\$8,265.5	\$8,308.6	\$8,346.9	\$8,349.1
Total Debt Service as a % of Fare and Toll Revenue		31%	31%	33%	34%	36%	39%
Operating Revenues (including Fare and Toll Revenues) and Subsidies		\$15,274.1	\$15,332.3	\$15,718.3	\$15,988.1	\$16,238.8	\$16,456.2
Total Debt Service as a % of Operating Revenues and Subsidies		16%	17%	17%	18%	19%	20%
Non-Reimbursable Expenses with Non-Cash Liabilities		\$16,251.6	\$17,281.8	\$17,714.3	\$18,278.1	\$18,948.2	\$19,591.4
Total Debt Service as % of Non-reimbursable Expenses		15%	15%	15%	16%	16%	17%

Notes on the following page are integral to this table.

Notes

- 1 *Floating rate notes assumed at 4.00% plus the current fixed spread to maturity.*
- 2 *Synthetic fixed-rate debt assumed at swap rate; floating rate notes assumed at swap rate plus the current fixed spread to maturity.*
- 3 *Total debt service excludes COPS lease payments. All debt service numbers reduced by expected investment income and Build America Bonds (BAB) subsidy.*
- 4 *New money bonds amortized as 30-year level debt. New debt issued assumed 90% fixed-rate and 10% variable rate.*
- 5 *Transportation Revenue Bonds pledged revenues consist generally of the following: fares and other miscellaneous revenues from the transit and commuter systems, including advertising, rental income and certain concession revenues (not including Grand Central and Penn Station); revenues from the distribution to the transit and commuter system of TBTA surplus; State and local general operating subsidies, including the new State taxes and fees; special tax-supported operating subsidies after the payment of debt service on the MTA Dedicated Tax Fund Bonds; New York City urban tax for transit; station maintenance and service reimbursements; and revenues from the investment of capital program funds. Pledged revenues secure Transportation Revenue Bonds before the payment of operating and maintenance expenses. Starting in 2006, revenues, expenses and debt service for MTA Bus have also been included.*
- 6 *Dedicated Tax Fund pledged revenues as shown above consist generally of the following: petroleum business tax, motor fuel tax and motor vehicle fees deposited into the Dedicated Mass Transportation Trust Fund for the benefit of the MTA; in addition, while not reflected in the DTF pledged revenue figures above, the petroleum business tax, district sales tax, franchise taxes and temporary franchise surcharges deposited into the Metropolitan Transportation Operating Assistance Account for the benefit of the MTA are also pledged. After the payment of debt service on the MTA Dedicated Tax Fund Bonds, these subsidies are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRTOA.*
- 7 *Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.*
- 8 *Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.*
- 9 *Debt service schedules for each credit are attached as addendum hereto.*

Special Notes

- ⁽¹⁾ *Revenue and expense numbers do not include the impact of those items listed as part of the below-the-line adjustments on the financial schedules.*

METROPOLITAN TRANSPORTATION AUTHORITY (including Triborough Bridge and Tunnel Authority)
Total Budgeted Annual Debt Service
All Issuance through December 31, 2016 (\$ in millions)

Fiscal Year	Transportation Revenue Resolution			Dedicated Tax Fund Resolution			TBTA General Revenue Resolution			TBTA Subordinate Resolution			MTA and TBTA Debt Service		
	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined
2017	1,485.2	19.7	1,505.0	388.4	-	388.4	534.1	1.5	535.7	124.8	-	124.8	2,532.5	21.3	2,553.8
2018	1,570.2	57.5	1,627.8	399.9	-	399.9	539.7	14.9	554.6	129.4	-	129.4	2,639.2	72.5	2,711.7
2019	1,560.1	158.9	1,719.1	398.2	-	398.2	546.1	42.8	588.9	129.2	-	129.2	2,633.7	201.8	2,835.4
2020	1,548.3	328.5	1,876.7	400.2	-	400.2	538.2	81.2	619.4	128.7	-	128.7	2,615.4	409.6	3,025.1
2021	1,550.9	509.6	2,060.5	399.7	-	399.7	535.3	118.2	653.5	129.4	-	129.4	2,615.3	627.8	3,243.1
2022	1,542.6	645.0	2,187.6	396.7	-	396.7	520.8	141.6	662.5	128.9	-	128.9	2,589.1	786.6	3,375.7
2023	1,556.5	686.7	2,243.2	398.7	-	398.7	571.1	155.5	726.6	128.0	-	128.0	2,654.2	842.2	3,496.4
2024	1,544.0	688.9	2,232.9	398.1	-	398.1	580.2	162.1	742.2	116.9	-	116.9	2,639.1	851.0	3,490.1
2025	1,527.1	690.1	2,217.2	398.7	-	398.7	546.6	164.0	710.6	114.4	-	114.4	2,586.8	854.1	3,440.9
2026	1,555.6	690.6	2,246.2	398.1	-	398.1	547.0	164.5	711.4	114.6	-	114.6	2,615.2	855.1	3,470.3
2027	1,551.4	690.8	2,242.2	398.8	-	398.8	549.8	164.5	714.3	116.5	-	116.5	2,616.6	855.3	3,471.9
2028	1,547.4	690.9	2,238.3	398.6	-	398.6	534.5	164.5	699.0	126.8	-	126.8	2,607.4	855.3	3,462.7
2029	1,555.8	690.9	2,246.7	400.2	-	400.2	546.7	164.5	711.2	114.6	-	114.6	2,617.3	855.3	3,472.7
2030	1,551.7	690.9	2,242.6	400.2	-	400.2	552.3	164.5	716.8	114.8	-	114.8	2,618.9	855.3	3,474.3
2031	1,567.8	690.9	2,258.6	397.4	-	397.4	557.8	164.5	722.3	110.9	-	110.9	2,633.9	855.3	3,489.2
2032	1,494.2	690.9	2,185.1	400.7	-	400.7	435.0	164.5	599.5	76.8	-	76.8	2,406.7	855.3	3,262.0
2033	1,218.5	690.9	1,909.4	382.2	-	382.2	277.8	164.5	442.3	-	-	-	1,878.6	855.3	2,733.9
2034	1,219.7	690.9	1,910.6	276.3	-	276.3	286.8	164.5	451.3	-	-	-	1,782.8	855.3	2,638.2
2035	1,199.4	690.9	1,890.3	287.7	-	287.7	317.8	164.5	482.3	-	-	-	1,804.9	855.3	2,660.3
2036	1,037.8	690.9	1,728.6	352.4	-	352.4	311.4	164.5	475.9	-	-	-	1,701.6	855.3	2,557.0
2037	1,011.5	690.9	1,702.3	369.6	-	369.6	313.0	164.5	477.5	-	-	-	1,694.1	855.3	2,549.4
2038	945.0	682.2	1,627.2	358.3	-	358.3	292.8	164.5	457.3	-	-	-	1,596.2	846.7	2,442.9
2039	881.6	664.3	1,545.9	307.3	-	307.3	151.8	164.5	316.3	-	-	-	1,340.7	828.7	2,169.5
2040	777.6	652.6	1,430.2	68.1	-	68.1	108.9	164.5	273.4	-	-	-	954.6	817.1	1,771.7
2041	626.7	648.5	1,275.1	38.2	-	38.2	89.0	164.5	253.5	-	-	-	753.9	812.9	1,566.8
2042	563.6	646.7	1,210.3	38.2	-	38.2	87.3	164.5	251.8	-	-	-	689.1	811.1	1,500.2
2043	420.7	646.7	1,067.3	38.2	-	38.2	74.9	164.5	239.4	-	-	-	533.7	811.1	1,344.9
2044	278.0	646.7	924.7	38.2	-	38.2	70.0	164.5	234.5	-	-	-	386.2	811.1	1,197.3
2045	181.9	646.7	828.6	38.2	-	38.2	56.0	164.5	220.5	-	-	-	276.1	811.1	1,087.2
2046	130.6	646.7	777.2	38.2	-	38.2	49.9	164.5	214.3	-	-	-	218.6	811.1	1,029.8
2047	116.8	626.9	743.7	35.7	-	35.7	30.6	163.0	193.5	-	-	-	183.1	789.9	972.9
2048	108.9	597.8	706.7	21.5	-	21.5	13.7	149.6	163.3	-	-	-	144.1	747.3	891.5
2049	109.0	514.3	623.3	21.5	-	21.5	13.7	121.6	135.4	-	-	-	144.1	636.0	780.1
2050	105.3	356.4	461.7	21.5	-	21.5	12.0	83.3	95.3	-	-	-	138.7	439.7	578.5
2051	79.4	179.4	258.8	21.5	-	21.5	-	46.3	46.3	-	-	-	100.9	225.7	326.6
2052	79.4	45.9	125.3	21.5	-	21.5	-	22.9	22.9	-	-	-	100.8	68.7	169.6
2053	79.4	4.1	83.5	21.4	-	21.4	-	9.0	9.0	-	-	-	100.8	13.2	114.0
2054	79.4	2.0	81.3	21.4	-	21.4	-	2.4	2.4	-	-	-	100.8	4.4	105.2
2055	77.4	0.7	78.2	21.5	-	21.5	-	0.5	0.5	-	-	-	98.9	1.2	100.1
2056	57.0	0.3	57.3	20.2	-	20.2	-	-	-	-	-	-	77.3	0.3	77.5
2057	9.2	0.1	9.2	11.4	-	11.4	-	-	-	-	-	-	20.6	0.1	20.6

Notes:

Does not include debt service for State Service Contract Bonds and Convention Center Bonds, which is paid by NY State. Also excludes COPS lease payments.
Includes interest budgeted for Transportation Revenue Bond Anticipation Notes.
Forecasted Investment Income is not included above.
Net of Build America Bonds subsidy.

Positions (Headcount)

POSITIONS

The information contained in this section presents MTA positions by Agency, function, and occupational group. It also captures the position impacts of programmatic initiatives and re-estimates. Analysis of these numbers is provided on both a year-to-year and a plan-to-plan basis. The changes in positions described below are reflective of the MTA-wide commitment to improve operations and enhance the customer experience. To that end, the July Plan reflects changes to strategic resources, including reductions in areas where operations can be made more efficient, while also adding positions where more personnel are required.

Positions are added to meet the requirements of a myriad of initiatives and activities scheduled or already underway, including: critical operational and maintenance needs, customer-focused amenities and safety initiatives, and support to improve service. Position levels also capture resources required to support capital projects, as well as the operation, maintenance and cleaning requirements of those projects once they are completed and put into operational service. These additional positions, as well as Budget Reduction Proposals (BRPs) which have a partially offsetting impact to the positions, are captured in the tables and narrative on the following pages and detailed in the Agency sections.

METROPOLITAN TRANSPORTATION AUTHORITY				
July Financial Plan 2018-2021				
Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2017	2018	2019	2020
2017 February Plan - Total Baseline Positions¹	72,784	72,293	72,240	72,171
Total Plan-to-Plan Changes	(263)	(545)	(529)	(417)
2017 July Plan - Total Baseline Positions¹	73,047	72,838	72,769	72,588
Total Year-to-Year Changes, July Plan		209	69	181
Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(51)	(330)	(337)	(396)
<i>Reimbursable</i>	(212)	(215)	(192)	(21)
Total	(263)	(545)	(529)	(417)
<i>Full-Time</i>	(274)	(556)	(540)	(428)
<i>Full-Time Equivalents</i>	11	11	11	11
Total	(263)	(545)	(529)	(417)
By Function Category				
- Administration	(2)	(16)	(25)	(29)
- Operations	(179)	(193)	(166)	(113)
- Maintenance	(99)	(339)	(341)	(278)
- Engineering/Capital	0	(9)	(10)	(10)
- Public Safety	17	12	13	13
Total	(263)	(545)	(529)	(417)
By Occupational Group				
- Managers/Supervisors	(30)	(49)	(45)	(72)
- Professional, Technical, Clerical	(34)	(64)	(62)	(15)
- Operational Hourlies	(199)	(432)	(422)	(330)
Total	(263)	(545)	(529)	(417)
Total Plan-to-Plan Changes by Major Category:				
<i>2017 BRPs</i>	177	146	140	137
<i>New Needs</i>	(243)	(364)	(371)	(365)
<i>Change in Reimbursable Positions</i>	(212)	(215)	(192)	(21)
<i>Re-estimates & All Other²</i>	15	(112)	(106)	(168)
Total	(263)	(545)	(529)	(417)

¹ Reflects positions at year end (December 31).

² Includes Full-time Equivalents

Year-to-Year Position Changes

It is important to note that the 2016 Actual value reflects only paid positions (incumbents); whereas, the projections for 2017 and beyond reflect authorized positions (including vacancies). To illustrate, in 2016 there were 71,809 authorized positions at year end but only 70,263 incumbents. Thus, the growth between 2016 and 2017, as captured in position tables, is overstated.

2018 vs. 2017

The consolidated 2018 baseline includes 72,838 positions, an overall net decrease of 209 positions from the 2017 level of 73,047. This is primarily due to:

- **NYCT** – a net decrease of 481 positions, mainly due to changes in Capital Program Support, training float requirements and changes in the Subways Scheduled Maintenance System (SMS) program.
- **LIRR** – a net increase of 235 positions, primarily to support East Side Access (ESA) readiness efforts. Changes between non-reimbursable and reimbursable positions reflect the timing of capital and maintenance activities.
- **MNR** – an increase of 60 positions, comprised of 127 reimbursable positions, partially offset by 67 non-reimbursable positions, mainly to support the following initiatives: the Cyclical Track Program, Priority Repairs & Maintenance for Highbridge Yard, Grand Central Terminal Weekend Personnel, Geometry Car Support and Engineering & Design.
- **MTAHQ** – an increase of 4 positions due to the addition of Information Technology positions.
- **SIR** – a decrease of 11 non-reimbursable positions due to a one-year increase in Maintenance of Way positions in 2017 to support the new SIR Track Spot Tie Program.
- **MTA Bus** – decreases by 16 positions, primarily due to position adjustments in the bus overhaul program, partially offset by increases in operations personnel.

2019 – 2021

Total positions are projected at 72,769 in 2019, representing a decrease of 69 positions from 2018. Net decreases in positions are expected to be 117 at NYCT, mainly due to Capital Program support changes, training float adjustments and changes in the Subways SMS program. Staffing levels increase by a net 4 positions at LIRR, comprised of an increase of 53 non-reimbursable positions, partially offset by a decrease of 49 reimbursable positions, mainly related to ESA readiness efforts and the completion of the Audio Video Recording Monitoring System (AVRM) initiative at the end of 2018. The change in year-end non-reimbursable and reimbursable headcount is due largely to the timing of capital and maintenance activity. Net increases in positions are expected to be 4 at MNR, mainly for C&S activity in support of several critical capital projects. B&T increases by 2 positions to support Enterprise Asset Management (EAM). MTAHQ positions increase by 24 positions, due to the addition of 4 non-reimbursable Information Technology positions and the hiring of 20 additional Police Officers as part of the “ramp up” for East Side Access. SIR decreases by 14 reimbursable positions to reflect anticipated reductions in capital project activity. MTA Bus positions increase by 28, mainly related to Shop Overhaul Program adjustments.

Total forecasted positions are projected at 72,588 in 2020, a decrease of 181 positions from 2019. Position decreases are expected to be 251 at NYCT, mainly due to changes in capital project completions and in the Sandy Recovery & Resiliency program. The LIRR increases by 15 net positions mainly due to non-reimbursable increases for ESA readiness efforts, partially offset by

reimbursable decreases to reflect project activity and the completion of Maintenance of Equipment's Positive Train Control (PTC) initiative. MNR increases by 2 C&S positions to support several critical capital projects. B&T increases by 6 positions to support EAM. MTAHQ increases by 54 due to support the MTAPD, which will be ramping up for ESA and its anticipated opening in 2022, and the addition of 4 MTA IT positions. Decreases of 7 at MTA Bus are mainly related to the Shop Overhaul Program, partially offset by position increases in Facilities.

Total forecasted positions are projected at 72,829 in 2021, an increase of 241 positions from 2020. Net position decreases of 295 at NYCT are mainly due to capital project completion, changes in the Subways SMS program and in the bus shop plan. Net position increases at the LIRR are expected to be 522, primarily to support ESA readiness efforts. MTAHQ increases by 10 positions to support the MTAPD hiring plan for ESA that anticipates a projected opening in 2022. MTA Bus increases by 4 positions, mainly related to Shop Overhaul Program adjustments and changes.

July Plan vs. February Plan Position Changes

2017

Total positions of 73,047 reflect an increase of 263 positions from the February Plan, primarily due to:

- **NYCT** – increases by 223 positions, comprising 191 reimbursable and 32 non-reimbursable positions. Reimbursable increases are to support the Platform Budget/TA service support, the Capital Program and SBS (Select Bus Service) MTA Bus. Non-reimbursable increases are to support the Eighth Avenue Corridor Improvement project, and the Track Defect Reduction program, partially offset by decreases related to changes in requirements for Eagle Team Deployment, Bus Operator Hours of Service/Overtime Adjustments, EAM adjustments and SBS rollout.
- **LIRR** – decreases by 9 positions, mainly due to the timing of new hire trainees.
- **MNR** – increases by 5 positions due to the addition of 3 Human Resource positions for increased recruiting efforts, 3 Transportation positions for the Chief Rail Traffic Controller (RTC) Training Program. These positions are partially offset by the reduction of 3 Transportation positions.
- **SIR** – increases by 12 Maintenance of Way positions in support of the new SIR Track Spot Tie Replacement Program, expected to be effective from July 17, 2017 to June 2018.
- **MTAHQ** – increases by 19 positions, comprised of 2 reimbursable positions to support the pension function, and 17 non-reimbursable positions, mainly in the MTA Occupational Health Services office to support LIRR employees.
- **MTA Bus** – increases by 13 positions, mainly due to adjustments in Bus Operator Training Float, partially offset by decreases in positions for facilities maintenance and bus operator relief.

2018

Total positions of 72,838 reflect an increase of 545 positions from the February Plan, mainly attributable to:

- **NYCT** – increases by 280 positions, comprising 55 reimbursable and 225 non-reimbursable positions. Reimbursable increases continue initiatives from 2017, though positions to support Platform Budget/TA Labor Adjustments and Capital Program Support are significantly reduced starting in 2018. Non-reimbursable increases continue initiatives from 2017 as well as incorporate the impact of the TWU wage settlement MOU and the growth in the Track Defect Reduction program from 11 positions to 76.
- **LIRR** – increases by 190 total positions, including 145 reimbursable and 45 non-reimbursable positions. The non-reimbursable position increases are driven by the continuation of initiatives due to begin in 2018 as well as additional Positive Train Control (PTC) Rolling Stock maintenance support positions. Reimbursable increases are due to the continuation of 2017 project activity through 2019.
- **MNR** – increases by 40 positions, consisting of 27 non-reimbursable and 13 reimbursable positions mainly to support the following initiatives: Priority Repairs & Maintenance for Highbridge Yard, Grand Central Terminal Weekend Personnel, Geometry Car Support, Engineering & Design for CDOT and Procurement Management Reorganization.
- **MTAHQ** – increases by 19 positions which carry forward initiatives from 2017.

- **MTA Bus** – increases by 16 positions, mainly due to adjustments in Bus Operator Training Float and overage fleet maintenance, partially offset by decreases in headcount for facilities maintenance and bus operator relief.

2019

Total positions of 72,769 positions in 2019 reflect increases of 529 from the February Plan. This unfavorable variance is mainly due to:

- **NYCT** – increases by 254 positions, comprised of 22 reimbursable and 232 non-reimbursable positions. Reimbursable increases carry forward programmatic initiatives from 2018. Non-reimbursable increases are primarily related to position increases in connection with New Needs from 2018.
- **LIRR** – increases by 195 positions, including 142 reimbursable and 53 non-reimbursable positions that carry forward programmatic initiatives from 2018.
- **MNR** – increases by 40 positions, primarily to support programmatic initiatives that carry forward from 2018.
- **MTAHQ** – increases by 19 positions carry forward programmatic initiatives from 2017.
- **MTA Bus** – increases by 21 positions that carry forward programmatic initiatives from 2018.

2020

Total positions of 72,588 in 2020 reflect increases of 417 positions from the February Plan. This unfavorable variance is mainly due to:

- **NYCT** – increases by 272 positions, comprised of 12 reimbursable and 260 non-reimbursable positions, primarily to support programmatic initiatives that carry forward from 2019.
- **LIRR** – increases by 62 positions, comprised of 11 reimbursable and 51 non-reimbursable positions that carry forward programmatic initiatives from 2019.
- **MNR** – increases by 40 positions, primarily to support programmatic initiatives that carry forward from 2019.
- **MTAHQ** – increases by 19 positions carry forward programmatic initiatives from 2019.
- **MTA Bus** – increases by 24 positions that carry forward programmatic initiatives from 2019.

New Needs

Programmatic changes referred to earlier and explained further in Agency sections include EAM, safety initiatives, IT support, new service and platform budget adjustments, and critical operational and maintenance needs. Major New Needs are listed in the following table:

METROPOLITAN TRANSPORTATION AUTHORITY				
July Financial Plan 2018-2021				
Change Between 2017 July Financial Plan vs. 2017 February Financial Plan				
Favorable/(Unfavorable)				
Position Impacts of New Needs				
	2017	2018	2019	2020
NYCT				
<i>Labor Relations-New Bargaining Unit</i>	0	(4)	(4)	(4)
<i>Eighth Avenue Corridor Improvement</i>	(160)	(160)	(160)	(160)
<i>Service Management Reorganization</i>	(13)	(13)	(13)	(13)
<i>Beacons Maintenance & Support</i>	(4)	(6)	(6)	(6)
<i>Mobile Vacuum Cleaners</i>	0	(5)	(5)	(5)
<i>Track Defect Reduction</i>	(11)	(76)	(76)	(76)
<i>Car Maintenance HVAC</i>	(13)	(13)	(13)	(13)
<i>Underground Storage Tanks</i>	(8)	(8)	(8)	(2)
<i>Security-Field Supervision</i>	<u>0</u>	<u>(5)</u>	<u>(5)</u>	<u>(5)</u>
Total	(209)	(290)	(290)	(284)
LIRR				
<i>PTC - Rolling Stock Maintenance</i>	0	(9)	(15)	(15)
<i>FRA Regulation Requiring Expanded Random Drug Testing</i>	(2)	(2)	(2)	(2)
<i>CFR 249 - System Safety Program Plan Risk Reduction Rule</i>	0	0	(1)	(1)
<i>Other Safety</i>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
Total	(3)	(12)	(19)	(19)
MNR				
<i>New Recruiter Positions for Human Resources</i>	(3)	(3)	(3)	(3)
<i>Payroll PEP Clerk</i>	0	(1)	(1)	(1)
<i>P&MM Reorganization - Material Management</i>	0	(5)	(5)	(5)
<i>CDOT Reimbursable Capital - Tunnel, Bridges & Track Positions</i>	0	(8)	(8)	(8)
<i>MTA Five-Year Reimbursable Capital Construction Mngmnt Safety Mgr</i>	0	(1)	(1)	(1)
<i>Coordinator Position for Health Services</i>	0	(1)	(1)	(1)
<i>Geometry Car Machinists and Support</i>	0	(2)	(2)	(2)
<i>Priority Repairs & Maintenance for Highbridge District</i>	0	(12)	(12)	(12)
<i>Chief RTC Training Program</i>	(3)	(3)	(3)	(3)
<i>Grand Central Terminal Weekend Coverage</i>	<u>0</u>	<u>(5)</u>	<u>(5)</u>	<u>(5)</u>
Total	(6)	(41)	(41)	(41)
B&T				
<i>None</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0
MTAHQ				
<i>MTA Police fleet and overtime needs</i>	(3)	(3)	(3)	(3)
<i>Dept. of Diversity and Civil Rights</i>	(1)	(1)	(1)	(1)
<i>Additional Human Resources personnel</i>	(2)	(2)	(2)	(2)
<i>Additional Audit personnel</i>	(1)	(1)	(1)	(1)
<i>Conversion of MTA Arts & Design contingent employees to FTEs</i>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Total	(9)	(9)	(9)	(9)
SIR				
<i>SIR Track Spot Tie Replacement Program</i>	<u>(12)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	(12)	0	0	0
MTACC				
<i>None</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0
MTA Bus Co				
<i>Legal Staffing</i>	(3)	(3)	(3)	(3)
<i>Overage Fleet</i>	0	(8)	(8)	(8)
<i>Timekeeper - Facility</i>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>
Total	(4)	(12)	(12)	(12)
Total New Needs	(243)	(364)	(371)	(365)

Changes in Reimbursable Positions

Major reimbursable positions in comparison with the February Plan are listed below.

METROPOLITAN TRANSPORTATION AUTHORITY				
July Financial Plan 2018-2021				
Change Between 2017 July Financial Plan vs. 2017 February Financial Plan				
Favorable/(Unfavorable)				
Position Impact of Reimbursable				
	2017	2018	2019	2020
NYCT				
<i>Platform Budget/TA Labor Adjustments</i>	(94)	(34)	(34)	(34)
<i>Capital Program Support</i>	(74)	(45)	(24)	(21)
<i>SBS MTA Bus Support</i>	(23)	(25)	(25)	(25)
<i>TWU MOU – OTO Adjustment</i>	0	44	44	44
<i>Miscellaneous other</i>	0	5	2	2
<i>TRT Critter Savings</i>	<u>0</u>	<u>0</u>	<u>15</u>	<u>22</u>
Total	(191)	(55)	(22)	(12)
LIRR				
<i>Contract Administration/On Call Consulting for State Initiatives</i>	(2)	(2)	(2)	(2)
<i>CFR 249 - System Safety Program Plan Risk Reduction Rule</i>	(1)	(1)	0	0
<i>Reimbursable Headcount & Overtime Adjustments</i>	(10)	(144)	(142)	(9)
<i>Reallocation of Year-End Reimbursable Headcount</i>	<u>(79)</u>	<u>2</u>	<u>2</u>	<u>0</u>
Total	(92)	(145)	(142)	(11)
MNR				
<i>Reimbursable Headcount & Overtime Adjustments</i>	<u>73</u>	<u>(13)</u>	<u>(26)</u>	<u>4</u>
Total	73	(13)	(26)	4
B&T				
<i>None</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0
MTAHQ				
<i>Reimbursable Headcount Adjustments</i>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Total	(2)	(2)	(2)	(2)
SIR				
<i>None</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0
MTA CC				
<i>None</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0
MTA Bus Co				
<i>None</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0
Total Reimbursable	(212)	(215)	(192)	(21)

Re-Estimates & All Other

Major drivers of re-estimates are captured in the table below, with more information contained in Agency sections:

METROPOLITAN TRANSPORTATION AUTHORITY				
July Financial Plan 2018-2021				
Change Between 2017 July Financial Plan vs. 2017 February Financial Plan				
Favorable/(Unfavorable)				
Position Impact of Re-Estimates				
	2017	2018	2019	2020
NYCT				
<i>SBS Rollout</i>	(24)	(34)	(34)	(34)
<i>Reimbursable Adjustments/Capital Support</i>	(9)	(6)	(6)	(6)
<i>OBI – Second Ave. Subway E&E Maintenance Contract</i>	29	29	29	0
<i>OBI support for HVAC Comm Room</i>	14	(11)	(11)	(11)
<i>Platform Budget Normal Business</i>	8	8	8	8
<i>Miscellaneous other</i>	8	2	(4)	(9)
<i>TWU MOU – OTO Adjustment</i>	<u>0</u>	<u>(44)</u>	<u>(44)</u>	<u>(44)</u>
Total	26	(56)	(62)	(96)
LIRR				
<i>Payroll Rates, Open Positions and Vacancy Rate Adjustments</i>	43	(1)	(2)	(2)
<i>EAM - Positions Approved by MTA EAM</i>	(3)	(3)	(3)	(3)
<i>OBI - Speonk to Montauk</i>	0	(6)	(6)	(6)
<i>PTC- Right of Way Maintenance</i>	(16)	(16)	(16)	(16)
<i>Reliability Centered Maintenance and Rolling Stock Modification</i>	3	(3)	(3)	(3)
<i>Restoration of 2 Positions from MTA Procurement</i>	(2)	(2)	(2)	(2)
<i>Reimbursable Headcount & Overtime Adjustments</i>	<u>79</u>	<u>(2)</u>	<u>(2)</u>	<u>0</u>
Total	104	(33)	(34)	(32)
MNR				
<i>Headcount & Overtime Adjustments</i>	<u>(72)</u>	<u>14</u>	<u>27</u>	<u>(3)</u>
Total	(72)	14	27	(3)
B&T				
<i>None</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0
MTAHQ				
<i>Occupation Health Services - LIRR Consolidation (phase 3)</i>	(13)	(13)	(13)	(13)
<i>Procurement positions transferred back to LIRR</i>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total	(11)	(11)	(11)	(11)
SIR				
<i>None</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0
MTACC				
<i>None</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	0	0	0	0
MTA Bus Co				
<i>Bus Operator's TWU contract adjustment</i>	(6)	0	0	0
<i>Bus Operator Training Float</i>	<u>(26)</u>	<u>(26)</u>	<u>(26)</u>	<u>(26)</u>
Total	(32)	(26)	(26)	(26)
Total Re-Estimates	15	(112)	(106)	(168)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency

Category	2016 Actual¹	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
Baseline Total Positions	70,263	73,047	72,838	72,769	72,588	72,829
NYC Transit	48,611	49,533	49,052	48,935	48,684	48,389
Long Island Rail Road	7,114	7,441	7,676	7,680	7,695	8,217
Metro-North Railroad	6,359	6,971	7,031	7,035	7,037	7,037
Bridges & Tunnels	1,451	1,589	1,589	1,591	1,597	1,597
Headquarters	2,517	3,092	3,096	3,120	3,174	3,184
Staten Island Railway	297	330	319	305	305	305
Capital Construction Company	130	139	139	139	139	139
Bus Company	3,784	3,952	3,936	3,964	3,957	3,961
Non-Reimbursable	64,247	65,137	65,564	65,684	66,041	66,450
NYC Transit	44,256	43,997	44,052	44,060	44,164	43,956
Long Island Rail Road	6,195	6,134	6,596	6,649	6,819	7,352
Metro-North Railroad	5,981	6,323	6,256	6,261	6,291	6,361
Bridges & Tunnels	1,364	1,502	1,502	1,504	1,510	1,510
Headquarters	2,411	2,953	2,957	2,981	3,035	3,045
Staten Island Railway	292	316	305	305	305	305
Capital Construction Company	-	-	-	-	-	-
Bus Company	3,748	3,912	3,896	3,924	3,917	3,921
Reimbursable	6,015	7,910	7,274	7,085	6,547	6,379
NYC Transit	4,355	5,536	5,000	4,875	4,520	4,433
Long Island Rail Road	919	1,307	1,080	1,031	876	865
Metro-North Railroad	377	648	775	774	746	676
Bridges & Tunnels	87	87	87	87	87	87
Headquarters	106	139	139	139	139	139
Staten Island Railway	5	14	14	-	-	-
Capital Construction Company	130	139	139	139	139	139
Bus Company	36	40	40	40	40	40
Total Full-Time	69,992	72,829	72,620	72,551	72,370	72,611
NYC Transit	48,355	49,331	48,850	48,733	48,482	48,187
Long Island Rail Road	7,114	7,441	7,676	7,680	7,695	8,217
Metro-North Railroad	6,358	6,970	7,030	7,034	7,036	7,036
Bridges & Tunnels	1,451	1,589	1,589	1,591	1,597	1,597
Headquarters	2,517	3,092	3,096	3,120	3,174	3,184
Staten Island Railway	297	330	319	305	305	305
Capital Construction Company	130	139	139	139	139	139
Bus Company	3,770	3,937	3,921	3,949	3,942	3,946
Total Full-Time-Equivalents	271	218	218	218	218	218
NYC Transit	256	202	202	202	202	202
Long Island Rail Road	-	-	-	-	-	-
Metro-North Railroad	1	1	1	1	1	1
Bridges & Tunnels	-	-	-	-	-	-
Headquarters	-	-	-	-	-	-
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	-	-	-	-	-	-
Bus Company	14	15	15	15	15	15

¹ 2016 Actual represents paid positions and are net of vacancies. For 2017 and beyond, the table captures authorized positions at year end (December 31).

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

Function	2016 Actual ¹	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
Administration	4,362	5,047	5,069	5,105	5,081	5,055
NYC Transit	1,433	1,433	1,448	1,445	1,408	1,408
Long Island Rail Road	458	506	514	521	529	541
Metro-North Railroad	482	601	603	603	603	603
Bridges & Tunnels	81	92	92	92	92	92
Headquarters	1,762	2,219	2,223	2,227	2,227	2,221
Staten Island Railway	20	29	29	29	29	29
Capital Construction Company	14	16	16	16	16	16
Bus Company	112	151	144	172	177	145
Operations	31,213	31,829	31,738	31,710	31,678	31,756
NYC Transit	23,672	24,112	23,865	23,813	23,682	23,614
Long Island Rail Road	2,422	2,504	2,666	2,690	2,789	2,935
Metro-North Railroad	1,969	1,958	1,958	1,958	1,958	1,958
Bridges & Tunnels	523	586	586	586	586	586
Headquarters	-	-	-	-	-	-
Staten Island Railway	111	107	107	107	107	107
Capital Construction Company	-	-	-	-	-	-
Bus Company	2,516	2,562	2,556	2,556	2,556	2,556
Maintenance	30,943	32,218	32,064	31,983	31,878	32,053
NYC Transit	21,445	21,976	21,722	21,660	21,652	21,425
Long Island Rail Road	4,058	4,218	4,283	4,260	4,173	4,539
Metro-North Railroad	3,799	4,285	4,334	4,338	4,340	4,340
Bridges & Tunnels	369	382	382	382	382	382
Headquarters	-	-	-	-	-	-
Staten Island Railway	161	180	169	169	169	169
Capital Construction Company	-	-	-	-	-	-
Bus Company	1,111	1,177	1,174	1,174	1,162	1,198
Engineering/Capital	2,037	2,125	2,134	2,118	2,044	2,042
NYC Transit	1,398	1,358	1,358	1,358	1,283	1,283
Long Island Rail Road	176	213	213	209	204	202
Metro-North Railroad	109	127	136	136	136	136
Bridges & Tunnels	207	253	253	255	261	261
Headquarters	-	-	-	-	-	-
Staten Island Railway	5	14	14	-	-	-
Capital Construction Company	116	123	123	123	123	123
Bus Company	26	37	37	37	37	37
Public Safety	1,708	1,828	1,833	1,853	1,907	1,923
NYC Transit	663	654	659	659	659	659
Long Island Rail Road	-	-	-	-	-	-
Metro-North Railroad	-	-	-	-	-	-
Bridges & Tunnels	271	276	276	276	276	276
Headquarters	755	873	873	893	947	963
Staten Island Railway	-	-	-	-	-	-
Capital Construction Company	-	-	-	-	-	-
Bus Company	19	25	25	25	25	25
Baseline Total Positions	70,263	73,047	72,838	72,769	72,588	72,829

¹ 2016 Actual represents paid positions and are net of vacancies. For 2017 and beyond, the table captures authorized positions at year end (December 31).

**Metropolitan Transportation Authority
July Financial Plan 2018-2021
Baseline Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable**

FUNCTION/OCCUPATIONAL GROUP	2016 Actual ¹	2017 Mid-Year Forecast	2018 Preliminary Budget	2018	2019	2020
Administration						
Managers/Supervisors	1,344	1,573	1,576	1,571	1,552	1,549
Professional, Technical, Clerica	2,887	3,327	3,353	3,369	3,359	3,368
Operational Hourlies	130	147	140	165	170	138
Total Administration	4,361	5,047	5,069	5,105	5,081	5,055
Operations						
Managers/Supervisors	3,731	3,874	3,862	3,844	3,837	3,872
Professional, Technical, Clerica	824	920	922	921	920	929
Operational Hourlies	26,658	27,035	26,954	26,945	26,921	26,955
Total Operations	31,213	31,829	31,738	31,710	31,678	31,756
Maintenance						
Managers/Supervisors	5,477	5,693	5,590	5,579	5,565	5,606
Professional, Technical, Clerica	1,829	2,057	2,037	2,019	1,983	2,008
Operational Hourlies	23,638	24,468	24,437	24,385	24,330	24,439
Total Maintenance	30,942	32,218	32,064	31,983	31,878	32,053
Engineering/Capital						
Managers/Supervisors	557	612	612	606	589	589
Professional, Technical, Clerica	1,474	1,502	1,511	1,510	1,453	1,451
Operational Hourlies	5	11	11	2	2	2
Total Engineering/Capital	2,037	2,125	2,134	2,118	2,044	2,042
Public Safety						
Managers/Supervisors	494	498	503	503	517	517
Professional, Technical, Clerica	136	160	160	160	161	161
Operational Hourlies	1,078	1,170	1,170	1,190	1,229	1,245
Total Public Safety	1,708	1,828	1,833	1,853	1,907	1,923
Baseline Total Positions						
Managers/Supervisors	11,603	12,250	12,143	12,103	12,060	12,133
Professional, Technical, Clerica	7,151	7,966	7,983	7,979	7,876	7,917
Operational Hourlies	51,509	52,831	52,712	52,687	52,652	52,779
Baseline Total Positions	70,263	73,047	72,838	72,769	72,588	72,829

¹ 2016 Actual represents paid positions and are net of vacancies. For 2017 and beyond, the table captures authorized positions at year end (December 31).

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Year to Year Changes for Positions by Agency
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents
Favorable/(Unfavorable)

CATEGORY	Change 2017-2018	Change 2018-2019	Change 2019-2020	Change 2020-2021
Baseline Total Positions	209	69	181	(241)
NYC Transit	481	117	251	295
Long Island Rail Road	(235)	(4)	(15)	(522)
Metro-North Railroad	(60)	(4)	(2)	-
Bridges & Tunnels	-	(2)	(6)	-
Headquarters	(4)	(24)	(54)	(10)
Staten Island Railway	11	14	-	-
Capital Construction Company	-	-	-	-
Bus Company	16	(28)	7	(4)
Non-Reimbursable	(427)	(120)	(357)	(409)
NYC Transit	(55)	(8)	(104)	208
Long Island Rail Road	(462)	(53)	(170)	(533)
Metro-North Railroad	67	(5)	(30)	(70)
Bridges & Tunnels	-	(2)	(6)	-
Headquarters	(4)	(24)	(54)	(10)
Staten Island Railway	11	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	16	(28)	7	(4)
Reimbursable	636	189	538	168
NYC Transit	536	125	355	87
Long Island Rail Road	227	49	155	11
Metro-North Railroad	(127)	1	28	70
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	14	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
Total Full-Time	209	69	181	(241)
NYC Transit	481	117	251	295
Long Island Rail Road	(235)	(4)	(15)	(522)
Metro-North Railroad	(60)	(4)	(2)	-
Bridges & Tunnels	-	(2)	(6)	-
Headquarters	(4)	(24)	(54)	(10)
Staten Island Railway	11	14	-	-
Capital Construction Company	-	-	-	-
Bus Company	16	(28)	7	(4)
Total Full-Time-Equivalents	-	-	-	-
NYC Transit	-	-	-	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Year to Year Changes for Positions by Function and Agency
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents
Favorable/(Unfavorable)

FUNCTION/DEPARTMENT	Change 2017-2018	Change 2018-2019	Change 2019-2020	Change 2020-2021
Administration	(22)	(36)	24	26
NYC Transit	(15)	3	37	-
Long Island Rail Road	(8)	(7)	(8)	(12)
Metro-North Railroad	(2)	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	(4)	(4)	-	6
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	7	(28)	(5)	32
Operations	91	28	32	(78)
NYC Transit	247	52	131	68
Long Island Rail Road	(162)	(24)	(99)	(146)
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	6	-	-	-
Maintenance	154	81	105	(175)
NYC Transit	254	62	8	227
Long Island Rail Road	(65)	23	87	(366)
Metro-North Railroad	(49)	(4)	(2)	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Long Island Bus	-	-	-	-
Staten Island Railway	11	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	3	-	12	(36)
Engineering/Capital	(9)	16	74	2
NYC Transit	-	-	75	-
Long Island Rail Road	-	4	5	2
Metro-North Railroad	(9)	-	-	-
Bridges & Tunnels	-	(2)	(6)	-
Headquarters	-	-	-	-
Staten Island Railway	-	14	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
Public Safety	(5)	(20)	(54)	(16)
NYC Transit	(5)	-	-	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	(20)	(54)	(16)
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
Baseline Total Positions	209	69	181	(241)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Year to Year Changes for Positions by Function and Occupational Group
Baseline Total Full-time Positions and Full-time Equivalents
Non-Reimbursable and Reimbursable
Favorable/(Unfavorable)

FUNCTION/OCCUPATIONAL GROUP	Change 2017-2018	Change 2018-2019	Change 2019-2020	Change 2020-2021
Administration				
Managers/Supervisors	(3)	5	19	3
Professional, Technical, Clerical	(26)	(16)	10	(9)
Operational Hourlies	7	(25)	(5)	32
Total Administration	(22)	(36)	24	26
Operations				
Managers/Supervisors	12	18	7	(35)
Professional, Technical, Clerical	(2)	1	1	(9)
Operational Hourlies	81	9	24	(34)
Total Operations	91	28	32	(78)
Maintenance				
Managers/Supervisors	103	11	14	(41)
Professional, Technical, Clerical	20	18	36	(25)
Operational Hourlies	31	52	55	(109)
Total Maintenance	154	81	105	(175)
Engineering/Capital				
Managers/Supervisors	-	6	17	-
Professional, Technical, Clerical	(9)	1	57	2
Operational Hourlies	-	9	-	-
Total Engineering/Capital	(9)	16	74	2
Public Safety				
Managers/Supervisors	(5)	-	(14)	-
Professional, Technical, Clerical	-	-	(1)	-
Operational Hourlies	-	(20)	(39)	(16)
Total Public Safety	(5)	(20)	(54)	(16)
Baseline Total Positions				
Managers/Supervisors	107	40	43	(73)
Professional, Technical, Clerical	(17)	4	103	(41)
Operational Hourlies	119	25	35	(127)
Baseline Total Positions	209	69	181	(241)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Baseline Change Between 2017 July Financial Plan vs. 2017 February Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency
Favorable/(Unfavorable)

Category	2017	2018	2019	2020
Baseline Total Positions	(263)	(545)	(529)	(417)
NYC Transit	(223)	(280)	(254)	(272)
Long Island Rail Road	9	(190)	(195)	(62)
Metro-North Railroad	(5)	(40)	(40)	(40)
Bridges & Tunnels	-	-	-	-
Headquarters	(19)	(19)	(19)	(19)
Staten Island Railway	(12)	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(13)	(16)	(21)	(24)
Non-Reimbursable	(51)	(330)	(337)	(396)
NYC Transit	(32)	(225)	(232)	(260)
Long Island Rail Road	101	(45)	(53)	(51)
Metro-North Railroad	(78)	(27)	(14)	(44)
Bridges & Tunnels	-	-	-	-
Headquarters	(17)	(17)	(17)	(17)
Staten Island Railway	(12)	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(13)	(16)	(21)	(24)
Reimbursable	(212)	(215)	(192)	(21)
NYC Transit	(191)	(55)	(22)	(12)
Long Island Rail Road	(92)	(145)	(142)	(11)
Metro-North Railroad	73	(13)	(26)	4
Bridges & Tunnels	-	-	-	-
Headquarters	(2)	(2)	(2)	(2)
Long Island Bus	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-
Total Full-Time	(274)	(556)	(540)	(428)
NYC Transit	(234)	(291)	(265)	(283)
Long Island Rail Road	9	(190)	(195)	(62)
Metro-North Railroad	(5)	(40)	(40)	(40)
Bridges & Tunnels	-	-	-	-
Headquarters	(19)	(19)	(19)	(19)
Staten Island Railway	(12)	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(13)	(16)	(21)	(24)
Total Full-Time-Equivalents	11	11	11	11
NYC Transit	11	11	11	11
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	-	-	-	-
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	-	-	-	-

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Baseline Change Between 2017 July Financial Plan vs. 2017 February Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency
Favorable/(Unfavorable)

Function	2017	2018	2019	2020
Administration	(3)	(17)	(26)	(30)
NYC Transit	18	-	1	1
Long Island Rail Road	(7)	(7)	(7)	(6)
Metro-North Railroad	(5)	(7)	(7)	(7)
Bridges & Tunnels	(3)	(3)	(3)	(3)
Headquarters	(17)	(17)	(17)	(17)
Staten Island Railway	-	-	-	-
Capital Construction Company	(1)	(1)	(1)	(1)
Bus Company	12	18	8	3
Operations	(179)	(193)	(166)	(113)
NYC Transit	(172)	(122)	(97)	(97)
Long Island Rail Road	13	(57)	(55)	(2)
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	(1)	(1)	(1)	(1)
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(19)	(13)	(13)	(13)
Maintenance	(99)	(339)	(341)	(278)
NYC Transit	(88)	(172)	(172)	(190)
Long Island Rail Road	3	(126)	(133)	(54)
Metro-North Railroad	-	(24)	(24)	(24)
Bridges & Tunnels	1	1	1	1
Headquarters	-	-	-	-
Staten Island Railway	(12)	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(3)	(18)	(13)	(11)
Engineering/Capital	1	(8)	(9)	(9)
NYC Transit	-	-	-	-
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	(9)	(9)	(9)
Bridges & Tunnels	-	-	(1)	(1)
Headquarters	-	-	-	-
Staten Island Railway	-	-	-	-
Capital Construction Company	1	1	1	1
Bus Company	-	-	-	-
Public Safety	17	12	13	13
NYC Transit	19	14	14	14
Long Island Rail Road	-	-	-	-
Metro-North Railroad	-	-	-	-
Bridges & Tunnels	3	3	4	4
Headquarters	(2)	(2)	(2)	(2)
Staten Island Railway	-	-	-	-
Capital Construction Company	-	-	-	-
Bus Company	(3)	(3)	(3)	(3)
Baseline Total Positions	(263)	(545)	(529)	(417)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Baseline Change Between 2017 July Financial Plan vs. 2017 July Financial Plan
Non-Reimbursable and Reimbursable
Full-time Positions and Full-time Equivalents by Occupational Group and Agency
Favorable/(Unfavorable)

FUNCTION/OCCUPATIONAL GROUP	Change			
	2017	2018	2019	2020
Administration				
Managers/Supervisors	(30)	(35)	(34)	(34)
Professional, Technical, Clerical	15	-	-	1
Operational Hourlies	12	18	8	3
Total Administration	(3)	(17)	(26)	(30)
Operations				
Managers/Supervisors	(18)	(20)	(10)	5
Professional, Technical, Clerical	(22)	(22)	(22)	(23)
Operational Hourlies	(139)	(151)	(134)	(95)
Total Operations	(179)	(193)	(166)	(113)
Maintenance				
Managers/Supervisors	1	(6)	(13)	(11)
Professional, Technical, Clerical	(31)	(37)	(35)	(32)
Operational Hourlies	(69)	(296)	(293)	(235)
Total Maintenance	(99)	(339)	(341)	(278)
Engineering/Capital				
Managers/Supervisors	(5)	(5)	(5)	(49)
Professional, Technical, Clerical	6	(3)	(4)	40
Operational Hourlies	-	-	-	-
Total Engineering/Capital	1	(8)	(9)	(9)
Public Safety				
Managers/Supervisors	19	14	14	14
Professional, Technical, Clerical	1	1	2	2
Operational Hourlies	(3)	(3)	(3)	(3)
Total Public Safety	17	12	13	13
Baseline Total Positions				
Managers/Supervisors	(33)	(52)	(48)	(75)
Professional, Technical, Clerical	(31)	(61)	(59)	(12)
Operational Hourlies	(199)	(432)	(422)	(330)
Baseline Total Positions	(263)	(545)	(529)	(417)

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III. Other MTA Consolidated Materials

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.	Non-Reimbursable	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
10	Operating Revenue						
11	Farebox Revenue	\$6,050	\$6,222	\$6,328	\$6,359	\$6,391	\$6,385
12	Toll Revenue	1,870	1,913	1,938	1,949	1,956	1,964
13	Other Revenue	688	685	707	731	764	767
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	Total Operating Revenue	\$8,608	\$8,820	\$8,973	\$9,039	\$9,111	\$9,116
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$4,839	\$5,026	\$5,226	\$5,353	\$5,486	\$5,608
20	Overtime	771	809	770	777	793	823
21	Health & Welfare	1,172	1,235	1,340	1,426	1,515	1,619
22	OPEB Current Payment	562	580	637	689	747	810
23	Pensions	1,370	1,325	1,332	1,345	1,345	1,362
24	Other-Fringe Benefits	948	881	913	939	971	1,000
25	Reimbursable Overhead	(425)	(446)	(429)	(425)	(415)	(412)
26	Total Labor Expenses	\$9,238	\$9,410	\$9,788	\$10,105	\$10,443	\$10,810
28	Non-Labor Expenses:						
29	Electric Power	\$406	\$452	\$502	\$518	\$550	\$608
30	Fuel	125	145	151	151	164	175
31	Insurance	(21)	32	32	35	41	47
32	Claims	464	312	320	328	329	330
33	Paratransit Service Contracts	384	399	415	440	467	492
34	Maintenance and Other Operating Contracts	631	777	755	767	784	823
35	Professional Service Contracts	401	561	480	477	484	486
36	Materials & Supplies	586	642	637	634	693	681
37	Other Business Expenses	193	205	200	213	218	223
38	Total Non-Labor Expenses	\$3,168	\$3,525	\$3,492	\$3,563	\$3,731	\$3,866
40	Other Expense Adjustments:						
41	Other	\$47	\$58	\$49	\$50	\$52	\$53
42	General Reserve	0	155	160	165	175	180
43	Total Other Expense Adjustments	\$47	\$213	\$209	\$215	\$227	\$233
45	Total Operating Expense before Non-Cash Liability Adj.	\$12,454	\$13,148	\$13,489	\$13,883	\$14,401	\$14,909
47	Depreciation	\$2,443	\$2,609	\$2,668	\$2,737	\$2,803	\$2,866
48	OPEB Liability Adjustment	1,562	1,690	1,786	1,881	1,984	2,094
49	GASB 68 Pension Expense Adjustment	(219)	(172)	(234)	(229)	(246)	(283)
50	Environmental Remediation	12	6	6	6	6	6
52	Total Operating Expense after Non-Cash Liability Adj.	\$16,252	\$17,282	\$17,714	\$18,278	\$18,948	\$19,591
54	Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,798)	(\$4,134)	(\$4,226)	(\$4,395)	(\$4,547)	(\$4,682)
56	Debt Service (excludes Service Contract Bonds)	2,459	2,557	2,712	2,835	3,025	3,243
58	Total Operating Expense with Debt Service	\$14,912	\$15,704	\$16,200	\$16,719	\$17,426	\$18,152
60	Dedicated Taxes and State/Local Subsidies	\$6,666	\$6,513	\$6,746	\$6,949	\$7,128	\$7,340
62	Net Surplus/(Deficit) After Subsidies and Debt Service	\$362	(\$372)	(\$482)	(\$731)	(\$1,187)	(\$1,696)
64	Conversion to Cash Basis: GASB Account	0	0	(9)	(19)	(30)	(42)
65	Conversion to Cash Basis: All Other	(593)	49	158	107	133	55
67	CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	(\$232)	(\$323)	(\$333)	(\$642)	(\$1,084)	(\$1,683)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No		Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
7	Reimbursable						
10	Operating Revenue						
11	Farebox Revenue	\$0	\$0	\$0	\$0	\$0	\$0
12	Toll Revenue	0	0	0	0	0	0
13	Other Revenue	0	0	0	0	0	0
14	Capital and Other Reimbursements	1,950	2,125	2,019	1,974	1,884	1,846
15	Total Operating Revenue	\$1,950	\$2,125	\$2,019	\$1,974	\$1,884	\$1,846
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$618	\$725	\$711	\$707	\$672	\$671
20	Overtime	227	179	163	162	161	162
21	Health & Welfare	66	74	77	78	75	76
22	OPEB Current Payment	8	9	9	10	10	11
23	Pensions	82	99	100	99	94	95
24	Other-Fringe Benefits	222	249	238	238	227	227
25	Reimbursable Overhead	421	444	426	423	414	411
26	Total Labor Expenses	\$1,643	\$1,780	\$1,724	\$1,715	\$1,654	\$1,653
28	Non-Labor Expenses:						
29	Electric Power	\$2	\$1	\$0	\$0	\$0	\$0
30	Fuel	0	0	0	(0)	(0)	(0)
31	Insurance	11	13	13	13	13	12
32	Claims	0	0	0	0	0	0
33	Paratransit Service Contracts	0	0	0	0	0	0
34	Maintenance and Other Operating Contracts	79	68	57	55	54	50
35	Professional Service Contracts	78	88	92	67	42	23
36	Materials & Supplies	134	174	131	122	121	107
37	Other Business Expenses	5	1	1	1	1	1
38	Total Non-Labor Expenses	\$308	\$345	\$295	\$259	\$230	\$193
40	Other Expense Adjustments:						
41	Other	\$0	\$0	\$0	\$0	\$0	\$0
42	Total Other Expense Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
44	Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
45	OPEB Obligation	0	0	0	0	0	0
46	Environmental Remediation	0	0	0	0	0	0
48	Total Operating Expense	\$1,950	\$2,125	\$2,019	\$1,974	\$1,884	\$1,846
50	Baseline Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	\$0

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line No.	Non-Reimbursable / Reimbursable	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
10	Operating Revenue						
11	Farebox Revenue	\$6,050	\$6,222	\$6,328	\$6,359	\$6,391	\$6,385
12	Toll Revenue	1,870	1,913	1,938	1,949	1,956	1,964
13	Other Revenue	688	685	707	731	764	767
14	Capital and Other Reimbursements	1,950	2,125	2,019	1,974	1,884	1,846
15	Total Operating Revenue	\$10,558	\$10,945	\$10,991	\$11,014	\$10,995	\$10,962
17	Operating Expense						
18	Labor Expenses:						
19	Payroll	\$5,457	\$5,752	\$5,937	\$6,060	\$6,158	\$6,279
20	Overtime	998	988	933	938	954	985
21	Health & Welfare	1,238	1,309	1,417	1,504	1,591	1,694
22	OPEB Current Payment	570	590	646	699	757	821
23	Pensions	1,452	1,424	1,432	1,444	1,440	1,457
24	Other-Fringe Benefits	1,170	1,130	1,151	1,177	1,198	1,227
25	Reimbursable Overhead	(5)	(2)	(3)	(2)	(1)	(0)
26	Total Labor Expenses	\$10,880	\$11,190	\$11,512	\$11,821	\$12,096	\$12,463
28	Non-Labor Expenses:						
29	Electric Power	\$408	\$453	\$502	\$518	\$551	\$608
30	Fuel	125	146	151	151	163	175
31	Insurance	(9)	45	45	48	54	59
32	Claims	464	312	320	328	329	330
33	Paratransit Service Contracts	384	399	415	440	467	492
34	Maintenance and Other Operating Contracts	709	846	812	822	838	873
35	Professional Service Contracts	479	649	572	544	526	509
36	Materials & Supplies	719	815	768	756	814	788
37	Other Business Expenses	197	206	201	214	219	224
38	Total Non-Labor Expenses	\$3,476	\$3,871	\$3,786	\$3,822	\$3,962	\$4,059
40	Other Expense Adjustments:						
41	Other	\$47	\$58	\$49	\$50	\$52	\$53
42	General Reserve	0	155	160	165	175	180
43	Total Other Expense Adjustments	\$47	\$213	\$209	\$215	\$227	\$233
45	Total Operating Expense before Non-Cash Liability Adjs.	\$14,404	\$15,273	\$15,507	\$15,857	\$16,285	\$16,755
47	Depreciation	\$2,443	\$2,609	\$2,668	\$2,737	\$2,803	\$2,866
48	OPEB Obligation	1,562	1,690	1,786	1,881	1,984	2,094
49	GASB 68 Pension Expense Adjustment	(219)	(172)	(234)	(229)	(246)	(283)
49	Environmental Remediation	12	6	6	6	6	6
51	Total Operating Expense	\$18,202	\$19,407	\$19,733	\$20,252	\$20,832	\$21,437
53	Net Operating Deficit Before Subsidies and Debt Service	(\$7,643)	(\$8,462)	(\$8,742)	(\$9,239)	(\$9,837)	(\$10,476)
55	Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,798)	(\$4,134)	(\$4,226)	(\$4,395)	(\$4,547)	(\$4,682)
57	Debt Service (excludes Service Contract Bonds)	2,459	2,557	2,712	2,835	3,025	3,243
59	Total Operating Expense with Debt Service	\$16,863	\$17,830	\$18,219	\$18,693	\$19,310	\$19,998
61	Dedicated Taxes and State/Local Subsidies	\$6,666	\$6,513	\$6,746	\$6,949	\$7,128	\$7,340
63	Net Deficit After Subsidies and Debt Service	\$362	(\$372)	(\$482)	(\$731)	(\$1,187)	(\$1,696)
65	Conversion to Cash Basis: GASB Account	0	0	(9)	(19)	(30)	(42)
66	Conversion to Cash Basis: All Other	(593)	49	158	107	133	55
68	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$232)	(\$323)	(\$333)	(\$642)	(\$1,084)	(\$1,683)
69	ADJUSTMENTS	0	77	353	726	867	1,189
70	PRIOR-YEAR CARRY-OVER	480	248	2	22	105	0
71	NET CASH BALANCE	\$248	\$2	\$22	\$105	(\$112)	(\$493)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
MTA Consolidated Cash Receipts and Expenditures
(\$ in millions)

Line
No.

Cash Receipts and Expenditures		Actual	Mid-Year	Preliminary			
		2016	Forecast	Budget	2019	2020	2021
10	Receipts						
11	Farebox Revenue	\$6,083	\$6,243	\$6,336	\$6,368	\$6,399	\$6,393
12	Other Operating Revenue	706	735	831	760	804	788
13	Capital and Other Reimbursements	1,780	2,197	2,045	1,948	1,853	1,814
14	Total Receipts	\$8,569	\$9,174	\$9,212	\$9,076	\$9,056	\$8,995
16	Expenditures						
17	Labor:						
18	Payroll	\$5,303	\$5,560	\$5,736	\$5,855	\$5,963	\$6,065
19	Overtime	972	958	904	908	926	954
20	Health and Welfare	1,192	1,277	1,377	1,463	1,547	1,648
21	OPEB Current Payment	554	570	624	677	734	797
22	Pensions	1,405	1,377	1,389	1,401	1,397	1,414
23	Other Fringe Benefits	841	863	878	897	915	936
24	Contribution to GASB Fund	0	0	9	19	30	42
25	Reimbursable Overhead	(0)	0	(0)	(0)	0	(0)
26	Total Labor Expenditures	\$10,266	\$10,606	\$10,917	\$11,220	\$11,512	\$11,856
28	Non-Labor:						
29	Electric Power	\$405	\$451	\$497	\$513	\$545	\$602
30	Fuel	120	144	148	147	159	173
31	Insurance	(29)	35	32	35	40	42
32	Claims	295	267	251	259	261	264
33	Paratransit Service Contracts	379	400	413	438	465	490
34	Maintenance and Other Operating Contracts	578	735	621	621	617	675
35	Professional Service Contracts	406	633	529	485	464	446
36	Materials & Supplies	698	790	771	751	805	786
37	Other Business Expenditures	200	208	186	199	197	201
38	Total Non-Labor Expenditures	\$3,051	\$3,663	\$3,448	\$3,449	\$3,554	\$3,680
40	Other Expenditure Adjustments:						
41	Other	\$129	\$166	\$131	\$82	\$104	\$130
42	General Reserve	0	155	160	165	175	180
43	Total Other Expenditure Adjustments	\$129	\$321	\$291	\$247	\$279	\$310
45	Total Expenditures	\$13,446	\$14,589	\$14,656	\$14,916	\$15,344	\$15,845
47	Net Cash Deficit Before Subsidies and Debt Service	(\$4,877)	(\$5,415)	(\$5,444)	(\$5,840)	(6,289)	(6,851)
49	Dedicated Taxes and State/Local Subsidies	\$6,439	\$6,974	\$7,114	\$7,288	\$7,448	\$7,586
50	Debt Service (excludes Service Contract Bonds)	(\$1,793)	(\$1,882)	(\$2,003)	(\$2,091)	(\$2,243)	(\$2,418)
52	CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	(\$232)	(\$323)	(\$333)	(\$642)	(\$1,084)	(\$1,683)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Cash Conversion Detail
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Depreciation</u>						
New York City Transit	\$1,650	\$1,778	\$1,828	\$1,878	\$1,928	\$1,978
Long Island Rail Road	334	337	341	344	347	351
Metro-North Railroad	236	241	241	241	241	241
MTA Headquarters	23	63	60	65	68	65
MTA Bus Company	57	54	54	54	54	55
Staten Island Railway	8	8	8	8	8	8
Bridges & Tunnels	135	128	137	146	156	167
<i>Sub-Total</i>	\$2,443	\$2,609	\$2,668	\$2,737	\$2,803	\$2,866
<u>OPEB Liability Adjustment</u>						
New York City Transit	\$1,193	\$1,269	\$1,350	\$1,437	\$1,529	\$1,627
Long Island Rail Road	90	87	90	92	95	98
Metro-North Railroad	57	68	68	68	68	68
MTA Headquarters	85	87	94	96	101	106
MTA Bus Company	64	100	100	100	100	100
Staten Island Railway	7	8	8	8	8	8
Bridges & Tunnels	67	72	75	79	83	87
<i>Sub-Total</i>	\$1,562	\$1,690	\$1,786	\$1,881	\$1,984	\$2,094
<u>GASB 68 Pension Expense Adjustment</u>						
New York City Transit	(\$184)	(\$296)	(\$306)	(\$296)	(\$303)	(\$309)
Long Island Rail Road	(12)	0	0	0	0	0
Metro-North Railroad	(10)	(7)	4	0	(7)	(24)
MTA Headquarters	0	4	6	6	4	(1)
MTA Bus Company	(6)	115	46	45	40	31
Staten Island Railway	(0)	0	1	1	(0)	(1)
Bridges & Tunnels	(7)	12	15	17	20	21
<i>Sub-Total</i>	(219)	(172)	(234)	(229)	(246)	(283)
<u>Environmental Remediation</u>						
New York City Transit	\$10	\$0	\$0	\$0	\$0	\$0
Long Island Rail Road	(2)	2	2	2	2	2
Metro-North Railroad	4	4	4	4	4	4
MTA Bus Company	0	0	0	0	0	0
Staten Island Railway	0	0	0	0	0	0
Bridges & Tunnels	0	0	0	0	0	0
<i>Sub-Total</i>	\$12	\$6	\$6	\$6	\$6	\$6
<u>Net Operating Surplus/(Deficit)</u>						
New York City Transit	\$262	\$329	\$244	\$193	\$189	\$174
Long Island Rail Road	29	(26)	(18)	(14)	(16)	(25)
Metro-North Railroad	(48)	(83)	(52)	(38)	(72)	(16)
MTA Headquarters	98	5	156	120	138	115
MTA Bus Company	52	9	24	26	26	25
Staten Island Railway	(3)	(3)	1	1	1	1
First Mutual Transportation Assurance Company	(36)	6	2	(1)	(12)	(25)
Other	33	10	17	16	48	(11)
<i>Sub-Total</i>	\$387	\$247	\$374	\$303	\$302	\$239
<u>Subsidies</u>						
New York City Transit	(\$679)	(\$296)	(\$292)	(\$271)	(\$259)	(\$271)
Commuter Railroads	(180)	43	50	60	65	61
MTA Headquarters	(26)	(17)	(25)	(25)	(25)	(25)
MTA Bus Company	(78)	85	(5)	(3)	(0)	(11)
Staten Island Railway	(17)	(13)	23	(1)	(4)	(5)
<i>Sub-Total</i>	(\$980)	(\$198)	(\$249)	(\$239)	(\$223)	(\$250)
Total Cash Conversion	\$3,205	\$4,183	\$4,351	\$4,459	\$4,627	\$4,672

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Changes Year-to-Year By Category
Favorable/(Unfavorable)
(\$ in millions)

Line
Number

Non-Reimbursable										
	Mid-Year Forecast	Preliminary Budget	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019-2020	2021	Change 2020-2021	
Operating Revenue										
Farebox Revenue	\$6,222	\$6,328	\$106	\$6,359	\$32	\$6,391	\$32	\$6,385	(\$6)	
Toll Revenue	1,913	1,938	25	1,949	11	1,956	7	1,964	8	
Other Revenue	685	707	22	731	24	764	33	767	3	
Capital and Other Reimbursements	0	0	0	0	0	0	0	0	0	
Total Operating Revenue	\$8,820	\$8,973	\$153	\$9,039	\$67	\$9,111	\$72	\$9,116	\$5	
Operating Expense										
Labor Expenses:										
Payroll ¹	\$5,026	\$5,226	(\$199)	\$5,353	(\$128)	\$5,486	(\$133)	\$5,608	(\$122)	
Overtime	809	770	39	777	(7)	793	(16)	823	(30)	
Health & Welfare	1,235	1,340	(106)	1,426	(86)	1,515	(89)	1,619	(103)	
OPEB Current Payment	580	637	(56)	689	(53)	747	(57)	810	(63)	
Pensions	1,325	1,332	(7)	1,345	(13)	1,345	(1)	1,362	(17)	
Other-Fringe Benefits	881	913	(32)	939	(27)	971	(31)	1,000	(29)	
Reimbursable Overhead	(446)	(429)	(17)	(425)	(4)	(415)	(10)	(412)	(3)	
Sub-total Labor Expenses	\$9,410	\$9,788	(\$378)	\$10,105	(\$317)	\$10,443	(\$337)	\$10,810	(\$367)	
Non-Labor Expenses:										
Traction and Propulsion Power	\$452	\$502	(\$50)	\$518	(\$16)	\$550	(\$32)	\$608	(\$58)	
Fuel for Buses and Trains	145	151	(5)	151	(1)	164	(12)	175	(12)	
Insurance	32	32	(0)	35	(3)	41	(6)	47	(6)	
Claims	312	320	(8)	328	(8)	329	(1)	330	(0)	
Paratransit Service Contracts	399	415	(16)	440	(24)	467	(28)	492	(25)	
Maintenance and Other Operating Contracts	777	755	23	767	(12)	784	(17)	823	(39)	
Professional Service Contracts	561	480	81	477	3	484	(8)	486	(1)	
Materials & Supplies	642	637	4	634	4	693	(60)	681	12	
Other Business Expenses	205	200	4	213	(13)	218	(5)	223	(5)	
Sub-total Non-Labor Expenses	\$3,525	\$3,492	\$34	\$3,563	(\$71)	\$3,731	(\$169)	\$3,866	(\$135)	
Other Expense Adjustments:										
Other	\$58	\$49	9	\$50	(1)	\$52	(2)	\$53	(2)	
General Reserve	155	160	(5)	165	(5)	175	(10)	180	(5)	
Sub-total Other Expense Adjustments	\$213	\$209	\$4	\$215	(\$6)	\$227	(\$12)	\$233	(\$7)	
Depreciation	2,609	2,668	(59)	2,737	(69)	2,803	(66)	2,866	(63)	
OPEB Liability Adjustment	1,690	1,786	(95)	1,881	(95)	1,984	(103)	2,094	(110)	
GASB 68 Pension Expense Adjustment	(172)	(234)	62	(229)	(6)	(246)	17	(283)	38	
Environmental Remediation	6	6	0	6	0	6	0	6	0	
Total Operating Expense after Non-Cash Liability Adj.	\$17,282	\$17,714	(\$432)	\$18,278	(\$564)	\$18,948	(\$670)	\$19,591	(\$643)	
Conversion to Cash Basis: Non-Cash Liability Adjs.	(4,134)	(4,226)	(\$92)	(4,395)	(\$169)	(4,547)	(\$153)	(4,682)	(\$135)	
Debt Service (excludes Service Contract Bonds)	2,557	2,712	155	2,835	124	3,025	190	3,243	218	
Total Operating Expense with Debt Service	\$15,704	\$16,200	\$496	\$16,719	\$518	\$17,426	\$707	\$18,152	\$727	
Dedicated Taxes and State/Local Subsidies	6,513	6,746	\$233	6,949	\$203	7,128	\$179	7,340	\$213	
Net Surplus/(Deficit) After Subsidies and Debt Service	(\$372)	(\$482)	(\$110)	(\$731)	(\$249)	(\$1,187)	(\$456)	(\$1,696)	(\$509)	
Conversion to Cash Basis: GASB Account	0	(9)	9	(19)	10	(30)	11	(42)	12	
Conversion to Cash Basis: All Other	49	158	(109)	107	51	133	(26)	55	77	
CASH BALANCE BEFORE PRIOR YEAR CARRYOVER	(\$323)	(\$333)	(\$10)	(\$642)	(\$309)	(\$1,084)	(\$442)	(\$1,683)	(\$598)	

METROPOLITAN TRANSPORTATION AUTHORITY

**July Financial Plan 2018-2021
Non-Recurring Revenue and Savings**

(\$ in millions)

		2017 Mid-Year Forecast	2018 Plan	2019 Plan	2020 Plan	2021 Plan
		Explanation	Explanation	Explanation	Explanation	
B&T	Vacancies	\$ 10.8 Vacancies - Full staffing assumed in 2018				
LIRR	Vacancies	\$ 10.8 Vacancy Savings				
LIRR	Utility Consumption Fuel and Electric Power	\$ 5.4 Lower consumption				
MTA HQ	Administration	\$ 25.0 Revision of 2017 spending				
MTA HQ	Administration	\$ 3.0 Lower current year salaries				
NYCT	Administration	\$ 2.1 Vacancies for two years only	\$ 2.1 Vacancies for two years only			
NYCT	Transit Adjud. Bureau (TAB)	\$ 4.1 One time add'l state tax withholding gain	\$ -			
MTA Multi-Agency	Other	\$ 99.9 Sandy Insurance Reimbursement	\$ -			
Total Non-Recurring Resources (> or = \$1 million)		\$ 161.1	\$ 2.1	\$ -	\$ -	

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2018-2021
Operating Budget Reserves - Baseline
(\$ in millions)

	<u>Actual 2016</u>	<u>Mid-Year Forecast 2017</u>	<u>Preliminary Budget 2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
MTA General Reserve (annual) ¹	\$0.0	\$155.0	\$160.0	\$165.0	\$175.0	\$180.0
GASB Fund Reserve ^{2,3}	\$148.2	\$148.8	\$158.6	\$178.4	\$209.3	\$252.1
MTA Retiree Welfare Benefits Trust ^{2,4}	\$323.0	\$323.0	\$323.0	\$323.0	\$323.0	\$323.0
B&T Necessary Reconstruction Fund ⁵	\$421.6	\$320.7	\$374.3	\$429.0	\$485.0	\$542.2

¹ In Volume 1 of this Plan, the MTA proposes a drawdown of the 2017 General Reserve.

² Cumulative balances.

³ Contributions to the GASB Fund are expected to resume in 2018.

In Volume 1 of this Plan, the MTA proposes suspending contributions to the GASB Fund Reserve. This suspension of contributions will lower the projected balances shown above for 2018 to 2021.

⁴ Funds were moved from the GASB Fund Reserve into the Trust in order to achieve better financial returns. 2016 represents the year-end balance which includes investment returns. There are no return assumptions for 2017 and beyond.

⁵ B&T makes an annual contribution to a Necessary Reconstruction Fund. This Fund is intended to be used by B&T for PAYGO investment to its Capital Program. It is also expected to be available as a "back-stop" should Open Road Tolling (ORT) result in any material reduction in B&T's Support to Mass Transit.

In Volume 1 of this Plan, the MTA proposes suspending contributions to the Necessary Reconstruction Fund from 2018 to 2021. This suspension of contributions will lower the projected balances shown above.

IV. MTA Capital Program Information

New York City Transit/Staten Island Railway
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
ES0703/03	Sandy Mitigation: St. George	\$1.7
	Element Total	\$1.7
ET0402/22	Sandy Repairs: Shaft Excavation - 1 Avenue / canarsie [2016]	\$13.9
	Element Total	\$13.9
ET0403/	Sandy Mitigation: 138 St - Gr Concourse/JER (Vent Battery A)	\$6.0
ET0403/07	Sandy Mitig: Lower Mhhtn Flood Drs /Hatches-Rem Work [SBFP]	\$1.4
ET0403/17	Sandy Mitigation: Upgrade Emergency Booth Comm System (EBCS)	\$67.1
ET0403/23	Sandy Mitigation: Backup Command Center Upgrade	\$1.5
ET0403/25	Sandy Mitigation: Internal Station Hardening	\$0.7
ET0403/27	Sandy Mitigation:Street Level Openings (7 Stns + 1 FP) [2016]	\$57.1
ET0403/28	Sandy Mitigation: 9 Stations (9 Stns BK/Q Initiative) [2016]	\$56.9
ET0403/29	Sandy Mitigation: Internal Station Hardening (7 Stns + 1 FP) [2016]	\$1.4
	Element Total	\$192.0
ET0502/09	Sandy Repairs: Track canarsie [2016] Tube	\$39.9
	Element Total	\$39.9
ET0602/13	Sandy Repairs: Tunnel Lighting canarsie [2016] Tube 14 St	\$54.0
ET0602/19	Sandy Repairs: 1 Pump Room (canarsie [2016] Tube)	\$19.9
	Element Total	\$73.9
ET0603/17	Work Train & Special Equipment: Sandy Resiliency: Conversion of 2 Pump Trains	\$9.8
ET0603/19	Sandy Mitigation: DOB Mobile Pumps and Generators	\$2.0
ET0603/25	Sandy Mitigation: 14 Fan Plants, LT - 2 Locations	\$20.7
ET0603/26	Sandy Mitigation: 14 Fan Plants, LT - 1 Location [SBFP]	\$0.2
	Element Total	\$32.7
ET0802/11	Sandy Repairs: Signals in the canarsie [2016] Tube	\$35.6
	Element Total	\$35.6
ET0902/11	Sandy Repairs: 2 CBHs canarsie [2016] Tube	\$36.5
ET0902/12	Sandy Repairs: Power/Cable/Ducts: canarsie [2016] Tube	\$304.0
	Element Total	\$340.6
ET0903/04	Sandy Mitigation: Montague-Furman Substation / BWY	\$2.1
ET0903/08	Sandy Resiliency: Deployable Substations	\$1.2
ET0903/09	Sandy Mitigation: Power/Cable/Ducts: Cansarie Tube	\$189.6
	Element Total	\$192.9
ET1002/09	Sandy Repairs: Power Cable Replacement - 148th St Yard [2015]	\$16.8
ET1002/10	Sandy Repairs: Power Cable Replacement - 207th St Yard	\$32.5
	Element Total	\$49.3
ET1003/09	Sandy Mitigation:Long-Term Perimeter Protection, 148 St Yard [2015]	\$101.3
ET1003/10	Sandy Mitigation:Long-Term Perimeter Protection, 207 St Yd[2016]	\$142.0
ET1003/11	Yard Rehabilitation: Sandy Mitigation: 148th Street Yard Portal [2015]	\$6.8
ET1003/12	Sandy Mitigation: 207th Street Yard Portal [2016]	\$21.8
	Element Total	\$271.9
ET1203/07	Sandy Mitigation: Various Depots	\$55.2
	Element Total	\$55.2
ET1603/09	Sandy Mitigation: LTFP Stillwell Terminal Facilities [SBFP]	\$2.1
ET1603/10	Sandy Mitigation: Consolidated Revenue Facility	\$0.5
ET1603/11	Sandy Mitigation: Zerega Central Maintenance Facility	\$11.3
ET1603/12	Sandy Mitigation: Tiffany Central Warehouse	\$11.7
	Element Total	\$25.5
S70701/01	Purchase 75 SIR Passenger Railcars -R211	\$278.8
S70701/03	SIR Mainline Track Rehabilitation	\$1.7
S70701/05	SIR: Power: New Power Substation: Tottenville	\$23.0
S70701/06	SIR: Power: New Power Substation: New Dorp	\$29.9
S70701/07	SIR: Power: New Power Station: Clifton	\$30.9
S70701/10	Rehabilitation of Amboy Rd Bridge - SIR	\$0.3

New York City Transit/Staten Island Railway
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
	Element Total	\$364.6
T50414/19	Intermodal: Rockaway Parkway / Canarsie	\$1.0
	Element Total	\$1.0
T50703/33	Alleviate Flooding at 1 Location - Manhattan	\$10.6
	Element Total	\$10.6
T51203/05	Jamaica Depot: Demolition at New Properties [SBMP Tier2]	\$2.3
T51203/12	Replace Roof at East New York Bus Depot	\$6.8
	Element Total	\$9.1
T51607/49	Ulmer Park Depot: Mezzanine Extension	\$1.3
	Element Total	\$1.3
T60404/05	New Fare Payment System, Phase 2	\$107.3
	Element Total	\$107.3
T60412/B1	Station Component: 3 Locations / Crosstown	\$9.4
T60412/C4	Station Components: 3 Locations / 8th Avenue	\$24.7
	Element Total	\$34.1
T60413/07	ADA: 68 St-Hunter College / Lexington [2016]	\$103.7
T60413/11	ADA: Phase 2: 57 Street - 7 Avenue / Broadway [2014]	\$73.2
T60413/18	ADA: 8 Avenue Southbound Elevator / Sea Beach	\$7.5
	Element Total	\$184.4
T60703/16	Priority Repairs: 4th Avenue	\$29.5
T60703/27	Overcoating: Portal - King's Hwy / Culver	\$28.7
T60703/28	Overcoating: King's Hwy - West 8th St / Culver	\$21.9
	Element Total	\$80.1
T60803/06	CBTC Flushing: Equipment Removals	\$5.0
	Element Total	\$5.0
T60806/	Upgrade Penta Voice Communication System	\$1.4
T60806/02	Cutover of SONET Main Hubs	\$0.7
T60806/13	Antenna Cable Upgrade/Replacement Ph 1	\$1.6
	Element Total	\$3.8
T60904/09	CBH 275: Pearl Street / Clark	\$7.4
	Element Total	\$7.4
T61004/10	Yard Rehabilitation: Yard CCTV, Phase 2	\$14.3
T61004/39	2-Ton Overhead Crane - Concourse	\$3.0
T61004/53	2-Ton Overhead Crane 207th Street Shop	\$3.0
	Element Total	\$20.4
T61203/09	Chassis Wash Lift Replacement @ MJQ- Outstanding Work [SBFP]	\$1.2
T61203/17	Kingsbridge Depot Annex Roof [SBMP Tier2]	\$2.9
T61203/18	Jackie Gleason Depot CNG Compressor	\$2.2
T61203/21	East New York Depot Windows and Facade	\$5.8
	Element Total	\$12.1
T61204/02	BRT: Traffic Signal Priority Rollout 1100 Buses (SBS)	\$3.1
T61204/20	Jamaica Bus Terminal Reconfiguration	\$3.4
T61204/36	Replacement of Oil-Water Separators at 4 Locations	\$11.8
T61204/42	Upgrade One and Install New Paint Booth -Zerega [SBMP Tier2]	\$3.3
	Element Total	\$21.5
T61302/02	Purchase 54 Flat Cars [2015]	\$33.5
	Element Total	\$33.5
T61606/11	Fire Alarm Systems: 16 DOS Locations	\$0.8
	Element Total	\$0.8
T61607/03	RTO Master Tower Hardening	\$2.0
T61607/05	Employee Facilities: Chambers St / Nassau Loop	\$6.5
T61607/28	Upgrade HVAC 130 Livingston Plaza Data Center [SBMP Tier2]	\$3.7
	Element Total	\$12.2

New York City Transit/Staten Island Railway
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
T70101/01	Purchase Purchase 200 B-Division Cars - R211	\$1,195.4
T70101/02	Purchase Purchase 10 Open Gangway Prototype Cars (R211)	\$60.3
	Element Total	\$1,255.7
T70302/01	Purchase 618 Diesel & 10 Hybrid Standard Buses	\$429.4
T70302/03	Purchase 200 Standard Diesel Buses	\$0.4
T70302/06	Purchase 50 Express Buses	\$0.3
T70302/12	Depot Bus Location System (DBL) - NYCT DOB	\$6.4
T70302/13	Automatic Passenger Counting (APC) - Pilot & Phase 1 Rollout	\$5.7
T70302/14	Purchase 110 CNG Articulated Buses	\$110.3
T70302/15	Radio & Data Communication: AVL: Paratransit Vehicles	\$19.0
	Element Total	\$571.6
T70404/01	New Fare Payment System, Ph2	\$418.6
T70404/02	AFC Low Turnstile Procurement	\$6.6
	Element Total	\$425.2
T70407/01	Replace 11 Hydraulic Elevators / Various	\$2.7
T70407/02	Replace 12 Traction Elevators / Broadway-7th Avenue	\$2.1
T70407/03	Replace 8 Traction Elevators / Various	\$1.6
T70407/04	Replace 6 Traction Elevators / 8 Avenue	\$1.1
T70407/05	Replace 2 Hydraulic Elevators: Franklin Avenue / Shuttle	\$1.5
T70407/07	Replace Replace 7 Escalators / Various (Bronx & Manhattan)	\$0.8
T70407/09	Replace 9 Escalators / Various	\$1.5
T70407/10	Replace Jay St Escalator Realignment	\$13.6
	Element Total	\$24.8
T70412/	Enhanced Stations: VENTS - 163 St / 8AV	\$17.5
T70412/02	Station Renewal: 138 Street-Grand Concourse / Jerome	\$21.4
T70412/03	Station Renewal: Astoria-Ditmars Boulevard / Astoria [2016]	\$8.7
T70412/13	Station Renewal: Woodhaven Boulevard / Jamaica	\$0.5
T70412/14	Station Renewal: 85 Street-Forest Parkway / Jamaica	\$0.5
T70412/15	Station Renewal: 75 Street - Elderts Lane / Jamaica	\$1.1
T70412/16	Station Renewal: Cypress Hills / Jamaica	\$1.2
T70412/22	Platform Components: 2 Locations / 4th Avenue	\$3.9
T70412/24	Platform Components: 4 Locations / Jerome	\$1.5
T70412/26	Elevated Street Stairs: 2 Locations / BW7 [SBMP]	\$3.9
T70412/29	Subway Street Stairs: 6 Locs / Various (2015) [SBMP]	\$2.7
T70412/31	Station Lighting: 8 Locations / Various (2015) [SBMP]	\$0.6
T70412/36	Platform Components: Longwood Ave / Pelham	\$1.0
T70412/37	Platform Components: 2 Locations / Lenox	\$4.3
T70412/40	Elevated Interior Stairs: Junction Blvd / Flushing [SBMP]	\$0.3
T70412/41	Subway Interior Stairs: 5 Locations / Various [SBMP]	\$0.8
T70412/42	Elevated Street Stairs: 2 Locations / WPR [SBMP]	\$1.2
T70412/43	Subway Street Stairs: 10 Locs / Various (2016) [SBMP]	\$2.5
T70412/44	Mezzanine Columns: Atlantic Avenue / Canarsie [SBMP]	\$0.2
T70412/45	Mezzanine Ceiling Finishes: 2 Loc / ARC, FLS [SBMP]	\$0.3
T70412/46	Platform Components: 5 Locations / Queens Boulevard, Archer	\$2.6
T70412/47	Station Lighting: 8 Locations / Various (2016) [SBMP]	\$0.3
T70412/50	Platform Components: 3 Locations / Nassau Loop	\$1.2
T70412/51	Platform Components: 7 Locations / Canarsie	\$0.7
T70412/52	Platform Components: 3 Locations / EPK, CLK	\$0.3
T70412/56	Elevated Street Stairs: Atlantic Avenue / CNR [SBMP]	\$0.1
T70412/57	Subway Street Stairs: 9 Locs / Various (2017) [SBMP]	\$0.2
T70412/58	Mezzanine Components: Nevins Street / EPK [SBMP]	\$1.7
T70412/60	Platform Components: 3 Locations / Queens Boulevard	\$1.1
T70412/61	Platform Edges: 4 Locations / Queens Boulevard	\$3.0

New York City Transit/Staten Island Railway
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
T70412/62	Station Lighting: 8 Locations / Various (2017) [SBMP]	\$2.4
T70412/63	Platform Components: 3 Locations / Nostrand	\$0.4
T70412/66	Platform Components: 9 Locations / 8th Avenue	\$1.9
T70412/67	Platform Components: 11 Locations / Broadway-7th Avenue	\$0.9
T70412/70	Subway Interior Stairs: 7 Locations / 8AV, BW7 [SBMP]	\$1.1
T70412/71	Elevated Street Stairs: 2 Locations / Brighton [SBMP]	\$0.2
T70412/72	Subway Street Stairs: 4 Locs / 8AV, BW7 (2018) [SBMP]	\$0.3
T70412/78	Platform Edges: 2 Locations / White Plains Road	\$0.3
T70412/80	Elevated Interior Stairs: 4 Av-9 St / 6 AV [SBMP]	\$0.1
T70412/81	Subway Interior Stairs: 8 Locations / 8AV, WPR [SBMP]	\$1.4
T70412/82	Elevated Street Stairs: 3 Locations / WPR [SBMP]	\$0.0
T70412/83	Subway Street Stairs: 50 St 8AV [SBMP]	\$0.3
T70412/84	Mezzanine Components: 4 Locations / 8AV, WPR [SBMP]	\$0.2
T70412/85	Mezzanine Floors: 23 Street / 8 Avenue [SBMP]	\$0.2
T70412/91	Subway Interior Stairs: Canal Street (UL & LL) / BWY [SBMP]	\$3.7
T70412/A1	Elevated Street Stairs: 238th St / Broadway (S1) [SBMP]	\$1.4
T70412/A2	Elevated Street Stairs: 215th St / Broadway (S2/S4) [SBMP]	\$2.0
T70412/A3	Elevated Street Stairs: 215th St / Broadway (S1/S3) [SBMP]	\$2.0
T70412/A4	Elevated Street Stairs: 238th St / Bway (S2/S3) [SBMP Tier2]	\$2.0
T70412/B1	Subway Stairs: 34 St-Herald Sq / Broadway (S2/M1) [SBMP]	\$0.7
T70412/B2	Subway Stairs: 34 St-Herald Sq / Bdwy (S7/M7) [SBMP]	\$1.1
T70412/B3	Subway Stairs: 59 St / 4th Ave (S1/M1) [SBMP]	\$0.8
Element Total		\$108.5
T70413/01	ADA: Bedford Avenue / canarsie [2016]	\$98.4
T70413/03	ADA: Bedford Park Boulevard / Concourse	\$39.8
T70413/04	ADA: 86 Street / 4th Avenue	\$27.2
T70413/05	ADA: Gun Hill Rd / Dyre	\$37.8
T70413/06	ADA: Eastern Parkway-Brooklyn Museum / EPK	\$2.1
T70413/07	ADA: Times Square, Phase 3 - Shuttle	\$4.4
T70413/08	ADA: Chambers Street / Nassau Loop	\$1.5
T70413/09	ADA: Greenpoint Avenue / Crosstown	\$1.9
T70413/10	ADA: 59 Street / 4th Avenue	\$2.3
T70413/11	ADA: Canarsie-Rockaway Pkwy / Canarsie	\$0.1
T70413/12	ADA: 1 Avenue / canarsie [2016]	\$27.2
T70413/17	ADA: Systemwide Study	\$10.0
T70413/20	ADA: Court Square / Crosstown (Stairs Phase)	\$11.7
Element Total		\$264.4
T70414/02	Access Improvements: Grand Central: Phase 2	\$66.7
T70414/03	Station Entrance: 8 Avenue / Sea Beach	\$14.1
T70414/04	Station Reconstruction: Times Square, Phase 3 - Shuttle	\$0.5
T70414/06	Station Entrance Railings: Station Railings - 2015-2019	\$3.5
T70414/08	Water Condition Remedy - 2017	\$0.2
T70414/11	New Stairs: 2 Locations / canarsie [2016]	\$10.7
Element Total		\$95.7
T70502/03	Mainline Track - 2017 DES/EFA	\$3.5
T70502/04	Mainline Track Replacement - 2018	\$2.2
T70502/14	Track Force Account - 2017	\$35.0
T70502/40	Mainline Track Replacement 2016 / Canarsie Tube	\$54.6
T70502/51	Mainline Track Replacement 2017 / Brighton	\$6.8
T70502/52	Mainline Track Replacement 2017 / Sea Beach	\$3.8
T70502/53	Mainline Track Replacement 2017 / Broadway	\$5.5
T70502/54	Mainline Track Replacement 2017 / 4th Avenue	\$2.7
T70502/55	Mainline Track Replacement 2017 / Canarsie	\$13.5

New York City Transit/Staten Island Railway
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
T70502/56	Mainline Track Replacement 2017 / Crosstown	\$19.2
T70502/57	Mainline Track Replacement 2017 / Culver	\$4.1
T70502/58	Mainline Track Replacement 2017 / Eastern Parkway	\$23.6
T70502/59	Mainline Track Replacement 2017 / Jerome	\$23.8
T70502/60	Mainline Track Replacement 2017 / Lexington	\$9.3
T70502/61	Mainline Track Replacement 2017 / Pelham	\$8.4
T70502/62	Mainline Track Replacement 2017 / 7th Avenue	\$5.6
T70502/63	Mainline Track Replacement 2017 / Broadway-7th Ave	\$8.9
T70502/64	Mainline Track Replacement 2017 / Concourse	\$27.3
T70502/65	Mainline Track Replacement 2017 / Liberty	\$3.2
T70502/66	Mainline Track Replacement 2017 / Flushing	\$28.7
T70502/67	Mainline Track Replacement 2017 / Myrtle	\$14.3
T70502/68	Mainline Track Replacement 2017 / White Plains Road	\$8.0
Element Total		\$312.0
T70503/03	Mainline Switches - 2017 DES/EFA	\$5.8
T70503/04	Mainline Track Switches - 2018	\$3.3
T70503/21	Mainline Track Switches 2017 / Brighton	\$4.6
T70503/22	Mainline Track Switches 2017 / Astoria	\$15.5
T70503/23	Mainline Track Switches 2017 / Eastern Parkway	\$5.5
T70503/24	Mainline Track Switches 2017 / 7th Avenue	\$9.8
T70503/25	Mainline Track Switches 2017 / Broadway-7th Ave	\$9.3
T70503/26	Mainline Track Switches 2017 / Lenox-White Plains Rd	\$11.1
Element Total		\$64.9
T70605/02	Fan Plant Motor Control System Replacement - 9 Locations	\$12.2
T70605/03	Replace Supervisory Vent Controls - Various Locations	\$1.6
T70605/04	New Fan Plant - Grand Central - LEX	\$2.0
T70605/05	Rehab Fan Plant Damper System - Various Locations	\$3.2
T70605/06	Rehabilitate Forsyth St. Fan Plant	\$4.5
T70605/07	Ventilation System Strategy Study	\$5.0
T70605/08	Rehab 4 Pump Rooms : Various Locations	\$1.7
T70605/09	Replace Supervisory Vent Controls-2 Locs (#5110, #5111)/CNR	\$4.8
Element Total		\$35.0
T70703/	LSCRП: 1 Avenue, Bedford Avenue / CNR	\$1.5
T70703/03	Elev Structural Rehab: Livonia Yard Overpass & Retaining Wall	\$14.4
T70703/05	Elevated Structures Repair (Over-land Sections) - RKY	\$0.8
T70703/08	Rehab Emergency Exits - Various Locs (3rd Party)	\$1.4
T70703/10	Overcoating: 17 Bridges & East 180 Street Flyover / Dyre Av	\$22.9
T70703/12	Overcoating: Portal to 164 Street / Jerome	\$10.3
T70703/13	Overcoating: 72 Street - 103 Street / Flushing	\$31.9
T70703/17	Overcoating: 48 Street - 72 St / Flushing	\$0.6
T70703/21	Struct Rehab: s/o 36 St - 59 St Station 4AV - Ph2	\$55.0
T70703/23	Structural Component Repairs: LSCRП: Brooklyn (EPK)	\$1.0
T70703/31	Structural Component Repairs: LSCRП: The Bronx (BXC)	\$0.9
T70703/33	Structural Component Repairs: LSCRП: Uptown Manhattan (BW7, 8AV)	\$0.7
Element Total		\$141.4
T70803/04	CBTC: 8 Avenue R211 Carborne Installation	\$7.1
T70803/06	Automatic Signals on Canarsie Line to Facilitate Work Trains	\$4.3
T70803/07	Ditmas Interlocking: CBTC Culver	\$1.1
T70803/22	AC Line Relay Upgrade (Crosstown) - (96 Signal)	\$28.8
T70803/24	Code Cable Replacement / BW7	\$0.1
T70803/25	Signal Room Fire Suppression, Phase 2	\$0.7
T70803/26	Replacement of Centracode II Systems / BW7	\$1.9
T70803/27	Life Cycle Replacement of Speed Enforcement Systems	\$4.5

New York City Transit/Staten Island Railway
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
T70803/32	CBTC: Culver (Church Ave to W8th St)	\$1.7
T70803/33	Ave X Interlocking: CBTC Culver	\$2.7
T70803/35	2 Interlockings: 30 St & 42 St North/ 8Ave	\$4.2
Element Total		\$57.2
T70806/02	Upgrade of Asynchronous Fiber Optic Network -SONET Rings A,C	\$38.2
T70806/03	PBX Upgrade: Phase 2	\$45.2
T70806/04	Fiber Optic Cable Replacement Phase 2	\$26.5
T70806/13	PA/CIS Electronics Replacement - Canarsie Line	\$8.0
T70806/14	Public Address/Customer Info Systems: ISIM B-DIV: Module 3	\$91.7
T70806/17	Liftnet Transition to Ethernet	\$0.9
T70806/18	Security: Track Intrusion Detection: Pilot Phase 2	\$2.6
T70806/19	Comm Room Upgrade and Expansion [SBDP]	\$2.5
T70806/27	Help Point: Myrtle-Wyckoff Avs / Myrtle [SBMP]	\$1.7
T70806/29	Help Point: 2 Stations / Flushing [SBMP]	\$1.4
T70806/30	Help Point: 2 Stations / Flushing & BW7 [SBMP]	\$1.7
T70806/36	Connection--Oriented Ethernet (COE), Ph 3 Station Expansion	\$3.9
T70806/38	Help Point: Ocean Pkwy / BRT [SBMP]	\$0.9
T70806/40	B-Division Beacon Train Arrival System, Phase 2	\$70.0
Element Total		\$295.2
T70902/01	Burnside Ave Substation Renewal - BXC	\$1.3
T70902/02	Avenue Z Substation Renewal / CUL	\$0.9
T70902/03	Central Substation Renewal Including New Rectifier / 6AV	\$1.1
T70902/04	Rehab Substation Roof & Enclosure: Washington Heights / 8 AV	\$1.0
T70902/05	Retrofit Existing 25 Hz Frequency Converters @10 Substations	\$20.6
T70902/06	Replace High Tension Switchgear - various Locations	\$3.4
T70902/09	Rehab Substat Roof & Encl Gates Av/Ridgewood [SBMP Tier2]	\$4.7
T70902/10	Installation of Low-Resistance Contact Rail - canarsie [2016] Tube	\$28.6
T70902/15	Supplemental Negative Cables / Queens Blvd Line	\$1.1
T70902/19	New Substation: Canal Street / 8th Avenue	\$1.8
T70902/20	New Substation: 34 Street / 8th Avenue	\$1.0
T70902/21	New Substation: 14 St-Avenue B / canarsie [2016]	\$53.6
T70902/22	New Substation: Maspeth Av-Humboldt St / Canarsie	\$55.2
T70902/23	New Substation: Harrison Pl / Canarsie	\$63.4
T70902/24	Rehab Substation Roof & Encl Stanton St [SBMP Tier2]	\$4.6
Element Total		\$242.4
T70904/	New Ducts: Bedford-North 6th St Substation / CNR	\$4.2
T70904/01	Rehab CBH #586 / CUL	\$0.8
T70904/03	CBH # 210 at 239th Street / WPR	\$24.9
T70904/04	CBH # 86 Wilson Avenue / Canarsie	\$7.0
T70904/06	CBH # 85 - Myrtle Avenue	\$14.5
T70904/07	Rehab CBH # 5 - 53rd Street	\$0.7
T70904/12	Negative Cables: 4th Ave Line - 36 St to Pacific Ave (Ph 3)	\$5.0
T70904/13	Upgrade SCADA System (BMT)	\$2.5
T70904/14	Repl Control & Battery Cable: 4 Substn Cntrl Zones (2/3/5/8)	\$0.9
T70904/15	Reconstruction of CBH # 392 - Flushing River Bridge	\$1.4
Element Total		\$61.9
T71004/01	DCE Shop Components, Ph 1:180 St, C.I. Pelham, Pelham Diesel	\$1.0
T71004/02	207 St Maintenance and Overhaul Shop Roof & Component Repair	\$2.3
T71004/03	DCE Shop Components, Phase 2: 239 St, Concourse, ENY	\$0.9
T71004/04	DCE Shop Components - Ph 3: Jerome [SBMP]	\$0.5
T71004/05	DCE Shop Components, Phase 4: 207 St, Admin	\$1.2
T71004/06	Livonia Maintenance Facility Rehab/Reconstruct Phase 1	\$2.0
T71004/07	Upgrade Central Electronics Shop, Woodside Facility	\$12.1

New York City Transit/Staten Island Railway
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
T71004/09	Heavy Shop Equipment Purchase & Replacement 2015-19	\$8.8
T71004/12	Yard Track - 2017	\$2.3
T71004/13	Yard Track - 2018	\$0.0
T71004/18	Yard Switches - 2017	\$3.6
T71004/19	Yard Switches - 2018	\$0.1
T71004/22	Yard Lighting: Yard Lighting: 207th Street	\$21.3
T71004/29	Structural Remediation: E 180 St Maint Shop & Retaining Wall	\$5.6
T71004/32	207th Street Overhaul Shop	\$37.5
Element Total		\$99.2
T71203/	HVAC: Zerega Consolidated Maintenance Facility NYPA	\$4.5
T71203/01	Artic Modification, Office - East New York Depot	\$3.4
T71203/02	Roof: Gun Hill Depot	\$15.2
T71203/03	Roof, HVAC: Queens Village Depot	\$1.4
T71203/04	Chassis Wash: Grand Ave Depot [SBDP]	\$1.4
T71203/05	Windows, HVAC: Casey Stengel Depot NYPA	\$9.3
T71203/06	Generator: Yukon Depot NYPA	\$1.7
T71203/08	HVAC: Manhattanville Depot NYPA	\$23.2
T71203/11	Office: Zerega Consolidated Maintenance Facility [SBDP2]	\$3.5
T71203/12	Chassis Wash: Gun Hill Depot [SBMP]	\$1.4
Element Total		\$65.0
T71204/02	Paint Booth: Yukon Depot [SBDP]	\$0.6
T71204/05	Storage Tank Components: Jackie Gleason and Castleton Depots	\$23.5
T71204/07	Shoreline Upgrade: Kingsbridge Depot	\$4.7
T71204/08	Elevator Upgrades: Various Depots	\$1.9
T71204/12	Portable Bus Lift Replacement	\$7.3
T71204/13	Bus Washer: Zerega Consolidated Maint Facility [SBDP]	\$1.0
T71204/14	Chassis Wash: Casey Stengel Depot [SBDP]	\$1.1
T71204/17	Replace 2 Queens Village Depot [SBFP]	\$3.8
T71204/18	Automated Fuel Management System Upgrade	\$2.6
Element Total		\$46.6
T71302/07	Purchase of 27 Refuse Flat Cars	\$22.7
T71302/11	Purchase of 52 Diesel Electric Locomotives	\$128.3
T71302/12	Purchase 202 Non-Revenue Vehicles 2015-2017	\$34.3
Element Total		\$185.3
T71602/05	Capital Revolving Fund (CRF) - 2017	\$5.0
Element Total		\$5.0
T71604/01	Upgrade Copper Cable: Livingston Plaza	\$3.5
T71604/02	Data Storage & Virtual Server Enhancements @ 2 Bdwy & 130 Liv	\$5.0
T71604/03	Purchase HP SAN Hardware for Disaster Recovery: 2 Broadway	\$1.4
T71604/05	Replace Superdome Server: 2 Broadway	\$1.4
T71604/06	CADD/BIM/DMS Disaster Recovery/ Business Continuity	\$1.2
Element Total		\$12.5
T71605/01	2017 Scope Development	\$12.5
T71605/10	Boring Services: Bk/Q/SI	\$1.9
T71605/11	Boring Services Manhattan & Bronx	\$2.2
T71605/12	Test Pit Services	\$12.4
Element Total		\$29.0
T71606/01	Fire Alarm System Replacement at 3 Bus Depots	\$19.5
T71606/05	Consultant Services: UST Remediation - 2015	\$6.5
Element Total		\$26.0
T71607/01	Rehab: Police District Office #4 - 14 Street-Union Square	\$0.5
T71607/14	Livingston Plz Electrical and Mechanical Sys Improvements	\$62.7
T71607/16	Facilities: Power Upgrade: RCC, PCC - Phase 2 [2016]	\$55.2

New York City Transit/Staten Island Railway
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
T71607/17	Refurbish Keene Vacuum Systems	\$5.2
T71607/18	Money Room: Security Systems Upgrade	\$3.3
Element Total		\$126.9
Grand Total		\$6,785.1

Note: Total includes value of Major commitment slips from prior years.

Long Island Rail Road
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
EL0303/ZH	Emergency Mgmt Eqpt Mitig	\$4.0
	Element Total	\$4.0
EL0602/ZD	West Side Strge Yd Restor	\$0.2
EL0602/ZL	Long Island City Yd Rstor	\$8.0
	Element Total	\$8.2
EL0702/ZM	1st Avenue Substation Restoration	\$0.0
	Element Total	\$0.0
L50206/VJ	Station Masters Office	\$2.3
	Element Total	\$2.3
L50304/TQ	MLC-Hicksville Nrth Sidng	\$0.8
L50304/TR	MLC-Hicksville Stn Impvmt	\$1.4
	Element Total	\$2.2
L50601/61	Diesel Locomotive Shop Up	\$2.6
L50601/YF	Shea Yard Improvements	\$0.1
	Element Total	\$2.7
L60304/TU	Jamaica Capacity Impr-Ph1	\$36.2
L60304/TX	2nd Track CI-Ronkonkoma	\$1.1
	Element Total	\$37.3
L60601/YB	Hillside Maint Fac- Roof	\$0.2
L60601/YN	New Mid Suffolk Electr Yd	\$72.6
	Element Total	\$72.8
L60701/AR	Richmond Hill SS Replacem	\$7.7
	Element Total	\$7.7
L60904/N8	Speonk Yard Metal System	\$1.1
	Element Total	\$1.1
L70204/UJ	Enhanced Station Initiatives - 5 Stations	\$6.9
L70204/UM	Murray Hill Stn-Elevators	\$13.2
L70204/UN	Nostrand Ave Stn Rehab	\$0.3
L70204/VR	Penn Stn Complex Imprvmts	\$4.0
L70204UJ	Enhanced Stn Initiatives	\$1.7
	Element Total	\$26.1
L70206/VN	Penn Sta-33rd St Corridor	\$7.0
L70206/VP	Penn Stn Elev/Escal Repl	\$9.0
L70206/VQ	Penn Sta Customer facilities	\$2.6
	Element Total	\$18.6
L70301/WC	2017 Track Program	\$75.0
L70301/WF	Right of Way Fencing	\$1.4
L70301/WG	Construction Equipment	\$5.4
	Element Total	\$81.8
L70304/WU	Jamaica Capacity Impr-Ph1	\$23.3
L70304/WX	Main Line Double Trk Ph 2	\$69.3
L70304WX	Main Line Double Track Phse II	\$7.1
	Element Total	\$99.7
L70401/BQ	Bridge Prgm-Struct Rnwals	\$18.2
L70401/BR	Main Line Brdg Comp Rnwls	\$1.0
L70401/BS	Bridge Paintg/Waterprfng	\$4.8
L70401/BV	N. Main and Accabonac Bri	\$6.8
L70401/BW	Flushing Main St Bridge R	\$1.9
L70401/BX	Springfield & Union Tpk	\$6.8
L70401/C3	Rehab of Lynbrook & RVC Viaducts	\$3.0
	Element Total	\$42.5
L70501/SD	Fiber Optic Network	\$1.0
L70501/SF	Improved Radio Coverage	\$2.0

Long Island Rail Road
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
L70501/SJ	Public Address System	\$2.5
L70501/SN	Penn Sta Radio Retrofit/ERT Antenna	\$3.4
L70501/SQ	Atlantic Tunnel Intrusion Alarm	\$0.5
L70501SN	Penn Sta Radio Retrofit/ERT Antenna	\$0.1
Element Total		\$9.6
L70502/LK	Positive Train Control	\$61.2
L70502/LP	Lightning Protection	\$4.7
Element Total		\$65.9
L70601/YG	Diesel Locomotive Shop Impr	\$106.1
L70601/YR	Yard Improvements	\$51.3
Element Total		\$157.4
L70701/XA	Substation Replacements	\$8.0
L70701/XB	Substation Components	\$7.2
L70701/XJ	Substation Battery Repl	\$0.0
L70701/XK	Signal Pwr Motor Genratr	\$2.0
L70701/XP	Atlantic Ave Tunnel Lighting	\$4.3
Element Total		\$21.5
L70904/NQ	Program Administration	\$21.2
Element Total		\$21.2
N40905/FV	Lynbrook Stn Improvements	\$2.5
Element Total		\$2.5
Grand Total		\$685.2

Note: Total includes value of Major commitment slips from prior years.

Metro-North Railroad
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
EM03-02-02	Right of Way Restoration: Various Locations	\$0.3
	Element Total	\$0.3
EM03-03-01	Specialized Equipment (Resiliency)	\$4.5
	Element Total	\$4.5
EM04-03-01	Power and Signal Mitigation	\$20.6
	Element Total	\$20.6
M603-02-12	Overhead Bridge Program - E of H	\$6.1
	Element Total	\$6.1
M604-01-01	Positive Train Control (2016 Goal)	\$57.0
M604-01-02	West of Hudson Signal Improvements	\$0.8
M604-01-18	Harlem & Hudson Wayside Communication & Signal Systems	\$24.2
	Element Total	\$82.0
M701-01-01	M-3 Replacement	\$2.2
M701-01-02	M-8 Fleet Purchase	\$84.9
	Element Total	\$87.1
M702-01-01	GCT Trainshed/Tunnel Struct (incl Roof Exp. Jts)	\$19.0
M702-01-05	GCT Utilities	\$0.4
M702-01-06	GCT Elevator Imprvmnts-Final Phase	\$1.0
M702-01-07	GCT PA Head End and VIS Systems	\$32.6
	Element Total	\$53.0
M702-02-01	Harlem - 125th Street Improvements	\$0.1
M702-02-07	Customer Communication	\$21.3
M702-02-09	Mentoring Program - Stations	\$1.0
M702-02-10	Enhanced Station Initiative, 5 Stations	\$1.0
M702-02-11	Customer Communication-Systems	\$13.7
M702-02-12	Customer Cummunications - CM	\$8.0
	Element Total	\$45.0
M703-01-01	2016 Cyclical Track Program	\$0.3
M703-01-04	Turnouts - Mainline/High Speed **	\$8.9
M703-01-07	Rebuild Retaining Walls	\$2.1
M703-01-09	Purchase MoW Equipment	\$10.1
	Element Total	\$21.4
M703-02-01	Overhead Bridge Program - E of H	\$12.0
M703-02-03	Undergrade Bridge Rehabilitation **	\$0.1
M703-02-06	Railtop Culverts	\$1.1
M703-02-07	Bridge Walkways	\$0.3
M703-02-08	Replace Timbers - Undergrade Bridges	\$1.2
M703-02-09	Harlem River Lift Bridge	\$1.4
M703-02-11	ROW Fencing	\$0.4
	Element Total	\$16.5
M703-03-02	West of Hudson Track Improvements	\$3.5
M703-03-03	Undergrade Bridge Rehabilitation	\$5.4
M703-03-05	West of Hudson Improvements	\$0.7
	Element Total	\$9.6
M704-01-01	Network Infrastructure Replacement	\$26.9
M704-01-02	Harmon to Poughkeepsie SignalSystem **	\$55.4
M704-01-03	Positive Train Control (2016 Goal)	\$45.3
M704-01-03	Positive Train Control	\$19.4
M704-01-07	Replace High Cycle Relays	\$0.1
M704-01-09	Fire Suppression Systems	\$0.7
	Element Total	\$147.8
M705-01-01	Replace MA's in Signal Substations	\$2.6
M705-01-05	Harlem and Hudson Power Improvements	\$0.0

Metro-North Railroad
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
	Element Total	\$2.6
M706-01-01	Harmon Shop Replacement - Phase V	\$8.1
M706-01-05	Mentoring Program - Shops and Yards	\$2.9
	Element Total	\$11.0
M708-01-02	Environmental Remediation	\$0.5
M708-01-06	Program Administration	\$11.0
M708-01-07	Program Scope Development	\$4.2
	Element Total	\$15.7
M703-03-01	Rock Slope Remediation (West of Hudson) (2016 Goal)	\$15.0
	Element Total	\$15.0
Grand Total		\$538.3

Note: Total includes value of Major commitment slips from prior years.

MTA Bus Company
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
U6030204	Security: JFK & Spring Creek	\$9.2
U6030214	Storage Room Expansion - Baisley Park	\$3.0
U6030210	Bus Wash - Spring Creek	\$2.5
U6030229	Bus Wash - College Point	\$4.8
U6030231	Bus Wash - Far Rockaway	\$1.3
Element Total		\$20.8
U7030207	Depot Rehab: Windows - LaGuardia	\$3.3
U7030207	Depot Rehab: Windows - Baisley Park	\$2.2
U7030208	Depot Component: Spring Creek Roof	\$2.5
Element Total		\$8.0
Grand Total		\$28.8

MTA Police Department and Interagency
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
N5100105	Harriman District Office	\$0.7
N5100103	Nassau County District Office	\$7.0
	Element Total	\$7.7
N7100101	Public Radio Phase 3	\$16.9
N7100104	Rep-ESU Fleet	\$0.7
	Element Total	\$17.6
	PD Total	\$25.3
N7110101	NYC Origins & Destinations Study	\$2.5
	Element Total	\$2.5
	Interagency Total	\$2.5
	Grand Total	\$27.8

MTA Capital Construction Company
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
E6140202	Penn Station - Consequence Management Phase I - FLS LIRR Edges	\$4.3
E6140205	IESS East River Tunnel Portal - Manhattan Penn Station	\$1.7
	Element Total	\$6.0
E6140406	Brighton LineColumn - Atlantic Ave - Repackaging (Construction)	\$12.2
	Element Total	\$12.2
G4090119	Manhattan Tunnels Excavation - MNR F/A	-\$0.2
	Element Total	-\$0.2
G4140203	Penn Station Perimeter Protection -7th Ave	\$1.0
G5090119	Harold & Point CIL	\$2.0
G5140207	Atlantic Terminal Glass Block	\$0.2
G6090114	GCT Concourse & Facilities	\$1.6
G6090118	Procure Harold Materials Stage 2	\$7.1
G6090120	Plaza Substation Structure	\$4.4
G6090125	Harold Structures - Part 1 (Amtrak - F/A)	\$1.7
G6090126	Harold Structures - Part 1 (LIRR - F/A)	\$2.2
G6090131	250 Hz Track Circuit	\$17.2
G6090135	Facility Systems	\$1.0
G6090149	48th Street Entrance	\$3.2
G6090154	250 & 280 Park Ave & 335 Madison	\$0.3
	Element Total	\$41.7
G6140101	WBBP & EBRR F/A Connections	\$7.1
G6140103	Harold Structures- Part 3A Amtrak	\$29.4
G6140104	Loop Interlocking	\$3.0
G6140105	General Conditions	\$6.8
G6140107	Elevators & Escalator	\$0.7
G6140109	Design	\$5.2
G6140110	OCIP	\$10.8
G6140111	Consultant Construction Management	\$5.0
G6140112	Harold Structures - Part 3	\$40.0
	Element Total	\$108.0
G7090102	General Engineer Consultant	\$35.2
G7090105	Manhattan Structures Part 1 - MNR F/A	\$8.0
G7090111	OCIP	\$27.7
G7090115	Elevators & Escalator	\$9.0
G7090118	Facility Systems	\$24.5
G7090121	Mid-Day Storage Yard Facility - Amtrak (2016 goal)	\$298.9
G7090123	Harold Structures EBRR & WBBP	\$16.1
G7090134	Protect Locomotives	\$10.8
G7090135	System Package 1	\$13.3
G7090139	Systemwide Utilities Relocations	\$10.0
G7090141	Tunnel A Cut and Cover - Amtrak	\$5.6
G7090144	Art In Transit	\$0.5
G7090145	48th Street Entrance	\$33.3
G7090152	Force Account Support - CPS	\$0.5
G7090154	Cab Simulator	\$4.3
G7090158	Queens Mentoring Program Civil & Neighborhood Beautification	\$1.2
G7090158	Queens Mentoring Program CCTV Security	\$0.3
G70901xx	Systemwide NYCT Flagging FA	\$2.5
	Element Total	\$501.6
G7100101	PE In-House Design Admin	\$29.0
	Element Total	\$29.0
G7110101	Pre-Design/Design	\$37.0
G7110102	PM	\$1.1

MTA Capital Construction Company
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
G71101xx	Design/PM	\$6.0
	Element Total	\$44.1
G71401XX	Regional Investments	\$10.2
	Element Total	\$10.2
T7041409	Reconstruct Cortlandt St BW7	\$24.4
	Element Total	\$24.4
Grand Total		\$776.9

Note: Total includes value of Major commitment slips from prior years.

MTA Bridges & Tunnels
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
D505QM01	Service Building Rehab.	\$1.4
	Element Total	\$1.4
D601TN52	Miscellaneous Structural Rehabilitation	\$8.1
	Element Total	\$8.1
D701HH89	Skewback Retrofit	\$87.0
	Element Total	\$87.0
D701RK19	Seismic/Wind Retrofit & Structural Rehab Ph1	\$3.5
D701RK20	Cable Inspection and Rehabilitation	\$3.1
D701RK22	Interim Repairs - FDR Ramp	\$23.3
D701RK70	Miscellaneous Structural Rehabilitation	\$3.7
	Element Total	\$33.6
D701VN32	Steel Repair & Concrete Rehabilitation	\$0.1
D701VN34	Main Cable & Suspender Rope Testing - Phase 1	\$39.2
	Element Total	\$39.3
D702RK23	Construction of New Harlem River Drive Ramp	\$0.5
D702RK65	Interim Repairs - RFK	\$12.8
	Element Total	\$13.3
D702TN55	Study for Bx/Queens Approach Viaduct Replacement	\$11.3
	Element Total	\$11.3
D702VN80	Prelim Design for Suspended Span Lower Level Deck	\$0.1
	Element Total	\$0.1
D703AW65	Toll Collection System Rehab.	\$3.5
	Element Total	\$3.5
D703BW63	Open Road Tolling Initiative - BW Bridge	\$2.1
	Element Total	\$2.1
D703CB63	Open Road Tolling Initiative - CB Bridge	\$12.0
	Element Total	\$12.0
D703HH88	Toll Plazas & Southbound Approach Reconstruction	\$76.6
	Element Total	\$76.6
D703MP63	Open Road Tolling Initiative - MP Bridge	\$13.3
	Element Total	\$13.3
D703RK63	Open Road Tolling Initiative - RFK Bridge	\$41.0
	Element Total	\$41.0
D703VN63	Open Road Tolling Initiative - VN Bridge	\$23.5
	Element Total	\$23.5
D704AW81	Installation of Digital Roadway Signage at all Facilities	\$0.5
	Element Total	\$0.5
D704BW39	Install Electronic Monitoring & Detection Systems	\$26.7
	Element Total	\$26.7
D704HC07	Rehabilitation of HCT Ventilation Systems	\$0.8
	Element Total	\$0.8
D704HH13	Replacement of Facility Lighting System	\$14.3
	Element Total	\$14.3
D704RK07	Electrical/Mechanical Rehab of HR Lift Span	\$19.6
D704RK21	Installation of Fire Standpipe & Upgrade of Fire Protection System (2016 Goal)	\$17.0
D704RK60	Install Electronic Monitoring & Detection Systems	\$38.5
	Element Total	\$75.2
D704TN27	Install Service Building Alarm Systems & Upgrades (SBMP)	\$1.2
	Element Total	\$1.2
D705AW66	Operations Command Center Rehab/Replacement	\$10.7
	Element Total	\$10.7
D705RK58	Rehab Robert Moses Bldg & Ancillary Facilities	\$2.8
	Element Total	\$2.8

MTA Bridges & Tunnels
2017 Commitments

Project ID	Project Description	Commitment Goal (\$ in mil)
D706AW18	Protective Liability Insurance	\$2.5
D706AW21	Program Administration	\$3.1
D706AW28	Scope Development	\$1.6
	Element Total	\$7.2
D707RK70	Paint Suspended Span/Bronx Truss Steel	\$0.3
	Element Total	\$0.3
ED050302	Flood Mitigation	\$2.0
	Element Total	\$2.0
Grand Total		\$507.8

Note: Total includes value of Major commitment slips from prior years.

New York City Transit
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ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T50404/05	Fare Marketing/Distribution Equipment: MetroCard Vending Machine: Bill Handler Upgrade	\$3.3	Jan-17
T40806/T1	Communications Cable And Equipment: TIS Command Center At RCC	\$1.3	Jan-17
T61606/08	Groundwater And Soil Remediation: Consult: UST & Remed (2011)	\$6.0	Jan-17
T61604/04	Information Technology: Enterprise LAN/WAN Replacement	\$9.6	Jan-17
T61604/02	Computer Hardware & Communications: Enterprise-Wide SAN/Disaster Recovery Phase 2	\$11.7	Jan-17
T40806/T1	Communications Cable And Equipment: Cable: Network Management (CNMMS)	\$10.8	Jan-17
T60412/C5	Station Component Investments: 2 Street Stairs: Broadway / Astoria (S1/S3) [SBMP]	\$1.4	Jan-17
ET0602/24	Ventilation Facilities: Sandy Repairs: 3 Fan Plants (Southern Manhattan)	\$25.7	Jan-17
T61004/07	Car Maintenance Shops: Shop Repairs/ Upgrades: Pitkin and Concourse	\$23.6	Jan-17
T61204/32	Misc: Bus Projects: Paint Booth Replacement at Qns Village Depot [SBMP Tier2]	\$2.2	Jan-17
ET0602/18	Pumping Facilities: Sandy Repairs: 2 Pump Rooms (Southern Manhattan)	\$7.2	Jan-17
T51204/13	Depot Equipment And Machinery: Replace Generator at Casey Stengel Depot	\$2.4	Jan-17
T70806/21	Misc: Stations: Help Point: 2 Stations / West End [SBMP]	\$1.3	Feb-17
T70806/22	Misc: Stations: Help Point: 2 Stations / Jamaica [SBMP]	\$1.3	Feb-17
T61302/06	Rubber-Tired Vehicles: Purchase 65 Non-Rev Vehicles	\$11.2	Feb-17
T60407/04	Elevator Replacement: Replace 11 Hydraulic Elevators	\$27.7	Feb-17
T61004/27	Car Maintenance Shops: Car Washer Repairs: 2 Yards	\$17.4	Feb-17
T60412/F4	Station Rehabilitation: Hard Rail Track Panel @ 9 Stations/Sea Beach	\$8.1	Mar-17
T60412/H3	Station Component Investments: 1 Street Stairs: 168 Street / 8th Avenue (S7) [SBMP]	\$1.2	Mar-17
T60412/H5	Station Component Investments: 2 Street Stairs: 168 Street / 8th Avenue (S5/S6) [SBMP]	\$1.4	Mar-17
T61602/02	Capital Revolving Fund: Capital Revolving Fund - 2011	\$5.0	Mar-17
ES0702/14	SIR: Track: Sandy Repairs: St. George Interlocking	\$106.0	Mar-17
ES0702/13	SIR: Shops & Facilities: Sandy Repairs: Tower B Restoration - Long Term	\$5.4	Mar-17
S60701/03	SIR: Track: St. George Interlocking	\$1.9	Mar-17
S60701/03	SIR: Track: St. George Interlocking (Misc Work)	\$12.3	Mar-17
S60701/08	SIR: Passenger Stations: Station Construction: Arthur Kill	\$28.7	Mar-17
T70502/02	Mainline Track Rehabilitation: Mainline Track - 2016 DES/EFA	\$6.4	Mar-17
T60806/22	Misc: Stations: Help Point: 9 Stations (3rd Party PSLAN Locations)	\$0.5	Mar-17
T71607/05	Consolidated Employee Facilities:Subways: Employee Facility Component Repairs:3 Locations/Queens (Ph1)	\$1.1	Mar-17
T70503/01	Mainline Track Switches: Mainline Switches - 2015 DES/EFA	\$7.2	Mar-17
T70502/01	Mainline Track Rehabilitation: Mainline Track - 2015 DES/EFA	\$4.0	Mar-17
T40409/PW	Public Address/Customer Info Systems: PA/CIS Wrap-Up (TIS)	\$2.7	Mar-17
T61203/19	Depot Rehabilitation: East NY Depot 2nd Floor Locker Room (at 1 Jamaica Av)	\$2.8	Mar-17
T61203/09	Depot Rehabilitation: Chassis Wash Lift Replacement @ MJQ- Outstanding Work [SBFP]	\$0.6	Mar-17
T71607/04	Consolidated Employee Facilities:Subways: EFR Component Repairs: 10 Locations / Manhattan	\$9.7	Mar-17
E61404/02	Security Program: Electronic Security: 10TSG Boro Hall-Court St	\$18.2	Mar-17
T70806/32	Misc: Stations: Help Point: 39 Stations (I/H)	\$22.5	Mar-17
T50806/16	Station Communication Rooms: Comm Rooms: HVAC at 7 Locations, Wrap up at 10 Locations	\$12.6	Mar-17
T70503/10	Mainline Track Switches: Mainline Track Switches 2015 / Broadway-7th Avenue	\$10.3	Mar-17
T60806/06	Communications - RTO: RTO: Portable Radio Unit Replacement	\$6.8	Mar-17
T70502/20	Mainline Track Rehabilitation: Mainline Track Replacement 2015 / Flushing	\$26.9	Mar-17
T70503/02	Mainline Track Switches: Mainline Switches - 2016 DES/EFA	\$9.5	Mar-17
T51605/24	Capital Program Management: Concrete Cylinder Testing	\$0.7	Apr-17
T51605/21	Materiel: Concrete Batch Plant Inspection	\$1.2	Apr-17
ET0802/15	Signal Systems: Sandy Repairs: Signals - 53 St Tube QBL	\$10.4	Apr-17
ET0902/25	Power Distribution Facilities: Sandy Repairs: Comm/Power Cable Replacement- 53 St Tube QBL	\$49.6	Apr-17
ET0902/26	Power Distribution Facilities: Sandy Repairs: CBH (#565 & 603) 53 St Tube QBL	\$5.0	Apr-17
ET0902/38	Substation Equipment (IND): Sandy Repairs: Substation Equipment (SS#216) - 53 St Tube	\$20.2	Apr-17
ET0502/12	Mainline Track Rehabilitation: Sandy Repairs: Track - 53 St Tube QBL	\$12.0	Apr-17
ET0602/20	Pumping Facilities: Sandy Repairs: Pump #2057 / 8 Ave	\$3.5	Apr-17
ET0602/28	Tunnel Lighting Rehabilitation: Sandy Repairs: 200 St - 207 St Yard Tunnel Lighting	\$18.9	Apr-17
T60413/12	Station Accessibility (ADA): ADA: Ozone Park-Lefferts Blvd / Liberty	\$21.3	Apr-17
T61204/34	Depot Equipment And Machinery: Chassis Wash Installation at Queens Village Bus Depot [SBMP]	\$1.2	Apr-17
S60701/05	SIR: Power: New Power Substation: Prince's Bay	\$25.2	Apr-17
T70503/17	Mainline Track Switches: Mainline Track Switches 2015 / 6th Avenue	\$8.9	Apr-17
T70502/42	Mainline Track Rehabilitation: Mainline Track Replacement 2015 / Broadway-7th Avenue	\$14.4	Apr-17
T70502/34	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / 6th Ave/Culver	\$6.6	Apr-17
T60604/03	Pumping Facilities: Pumps: 4 Locations / Pelham - Jerome - Lenox	\$19.1	Apr-17
T60412/32	Station Renewal: Ozone Park-Lefferts Blvd / Liberty	\$7.6	Apr-17
T70503/13	Mainline Track Switches: Mainline Track Switches - 2016 / 6th Ave	\$10.1	Apr-17
T70806/23	Misc: Stations: Help Point: 2 Stations / Liberty [SBMP]	\$1.3	May-17
T70806/24	Misc: Stations: Help Point: 2 Stations / Culver and West End [SBMP]	\$1.3	May-17
T70806/31	Misc: Stations: Help Point: Pelham Pkwy & E. Tremont Ave / WPR [SBMP]	\$1.4	May-17
T70806/25	Misc: Stations: Help Point: Simpson St & Prospect Av / WPR [SBMP]	\$1.5	May-17
T61605/13	Capital Program Management: Boring Services: Manhattan & Bronx	\$2.1	May-17
T61605/14	Capital Program Management: Boring Services: Bklyn, Qns & SI	\$1.9	May-17
ET0603/23	Pumping Facilities: Sandy Resiliency: 2 Pump Rooms (Cranberry Tube)	\$3.1	May-17

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ET0602/30	Pumping Facilities: Sandy Repairs: 2 Pump Rooms (Cranberry Tube)	\$11.0	May-17
T70414/03	Misc: Stations: Station Entrance: 8 Avenue/Sea Beach (Stair P6)	\$0.2	May-17
ET0602/31	Ventilation Facilities: Sandy Repairs: Fan Plant (#6330, #6332)/Cranberry Tube	\$15.6	May-17
ET0802/14	Signal Systems: Sandy Repairs: Signals in the Cranberry Tube	\$15.0	May-17
ET0902/32	Power Distribution Facilities: Sandy Repairs: CBH #502/Cranberry Tube	\$3.4	May-17
ET0902/33	Substation Equipment (IND): Sandy Repairs: Substation Equipment (SS#90)/ Cranberry Tube	\$3.9	May-17
ET0902/20	Power Distribution Facilities: Sandy Repairs: Comm/Power Cable - Cranberry Tube	\$54.2	May-17
ET0403/15	Misc: Stations: Sandy Mitigation: Hatches (5 of 8 Stations) [SBFP]	\$3.8	May-17
T71204/03	Misc: Bus Projects: Bus Rapid Transit: Advance 240 MFCs	\$5.5	May-17
T71004/11	Yard Track Rehabilitation: Yard Track - 2016	\$3.1	May-17
T71004/16	Yard Switches: Yard Switches - 2015	\$2.7	May-17
T70503/16	Mainline Track Switches: Mainline Track Switches - 2016 / Queens Blvd	\$18.4	May-17
T71604/05	Information Technology: Replace Superdome Server: 2 Broadway	\$1.4	Jun-17
ET0603/13	Pumping Facilities: Sandy Mitigation: 2 Pump Rooms, Joralemon Tube	\$7.4	Jun-17
T61204/33	Depot Equipment And Machinery: Removal of In-ground Lifts at 5 Depots	\$2.4	Jun-17
ET0502/13	Mainline Track Rehabilitation: Sandy Repairs: South Ferry Track	\$18.8	Jun-17
T70502/18	Mainline Track Rehabilitation: Mainline Track Replacement 2015 / Queens Blvd	\$78.6	Jun-17
T70502/46	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / 8th Avenue	\$55.8	Jun-17
ET0602/27	Tunnel Lighting Rehabilitation: Sandy Repairs: South Ferry Tunnel Lighting	\$9.2	Jun-17
T70502/21	Mainline Track Rehabilitation: Mainline Track Replacement 2015 / 8th Avenue	\$60.4	Jun-17
ET0902/35	Power Distribution Facilities: Sandy Repairs: South Ferry CBHs # 367 & 368	\$18.9	Jun-17
T70503/19	Mainline Track Switches: Mainline Track Switches 2016 / Broadway-7th Avenue	\$8.9	Jun-17
ET0802/01	Signal Systems: Sandy Repairs: South Ferry Interlocking	\$66.5	Jun-17
ET0402/13	Misc: Stations: Sandy Repairs: South Ferry Station Complex	\$190.1	Jun-17
T70502/08	Welded Rail: Continuous Welded Rail - 2016 / Queens Blvd	\$27.4	Jun-17
ET1602/11	Consolidated Employee Facilities:Subways: Sandy Repairs: Employee Facility at Whitehall Station BWY	\$2.8	Jun-17
T41204/01	Radio & Data Communication: AVL: Paratransit - 2,273 Vehicles	\$39.2	Jun-17
T70502/13	Mainline Track Rehabilitation: Track Force Account - 2016	\$35.0	Jun-17
T70803/21	Signal Systems: AC to DC Line Relay Conversions Phase 2 / FUL	\$13.6	Jun-17
T71604/03	Computer Hardware & Communications: Purchase HP SAN Hardware for Disaster Recovery: 2 Broadway	\$1.4	Jun-17
T61607/27	Maintenance Of Way: RTO Facility Hardening: South Ferry Terminal BW7	\$1.2	Jun-17
T70502/30	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / Brighton	\$22.4	Jun-17
T70503/09	Mainline Track Switches: Mainline Track Switches 2015 / 8th Avenue	\$2.9	Jun-17
T70502/33	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / Dyre	\$13.8	Jun-17
T61602/01	Capital Revolving Fund: Capital Revolving Fund - 2010	\$5.0	Jun-17
T60806/21	Communications Cable And Equipment: Passenger Station LAN: 30 Stations	\$26.5	Jun-17
ET0902/21	Power Distribution Facilities: Sandy Repairs: Comm/Power Cable & Ducts - Joralemon Tube	\$59.7	Jun-17
T70502/17	Mainline Track Rehabilitation: Mainline Track Replacement 2015 / Brighton	\$16.0	Jun-17
T70502/07	Welded Rail: Continuous Welded Rail 2015 / QBL	\$19.9	Jun-17
T70502/19	Mainline Track Rehabilitation: Mainline Track Replacement 2015 / West End	\$7.0	Jun-17
ET0602/23	Ventilation Facilities: Sandy Repairs: Fan Plant South Ferry	\$7.3	Jun-17
T70502/32	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / Queens Blvd	\$46.8	Jun-17
T70502/37	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / Pelham	\$7.1	Jun-17
ET0502/16	Mainline Track Switches: Sandy Repairs: Mainline Switches South Ferry	\$6.8	Jun-17
T30803/CN	Mainline Track Rehabilitation: CBTC Canarsie: I/H Track Wrap-Up	\$5.2	Jun-17
T70503/12	Mainline Track Switches: Mainline Track Switches - 2016 / Jamaica	\$5.3	Jun-17
ET1602/12	Water Conditions Remedy: Sandy Repair: South Ferry Leak Mitigation	\$11.3	Jun-17
T60302/26	Misc: Bus Projects: DOB: Integrated Asset Management Planning System (EAM)	\$7.0	Jun-17
ET0602/16	Tunnel Lighting Rehabilitation: Sandy Repairs: Tunnel Lighting - Joralemon Tube	\$44.5	Jun-17
ET0602/17	Pumping Facilities: Sandy Repairs: 1 Pump Room (South Ferry)	\$5.4	Jun-17
T70503/18	Mainline Track Switches: Mainline Track Switches - 2016 / 8th Ave	\$6.8	Jun-17
T61607/13	Consolidated Employee Facilities:Subways: 207 Street / 8th Avenue	\$8.8	Jun-17
ET0902/18	Substation Equipment (IRT-BMT): Sandy Repairs: Substation Equipment - Joralemon Tube	\$5.6	Jun-17
T70502/43	Mainline Track Rehabilitation: Mainline Track Replacement 2015 / Dyre	\$4.1	Jun-17
T50803/32	Signal Systems: Alstom Relay Replacement - Room @ 211th St/BW	\$0.2	Jun-17
T60412/49	Station Renewal: Sutter Avenue-Rutland Road / New Lots	\$13.2	Jun-17
T71604/02	Computer Hardware & Communications: Data Storage & Virtual Server Enhancements @ 2 Bdwy &130 Liv	\$5.0	Jun-17
T60412/50	Station Renewal: Van Siclen Avenue / New Lots	\$14.4	Jun-17
T60412/92	Station Component Investments: New Lots Av Station / New Lots Line	\$3.5	Jun-17
T60412/48	Station Renewal: Junius Street / New Lots	\$13.3	Jun-17
T60412/45	Station Renewal: Pennsylvania Avenue / New Lots	\$13.6	Jun-17
T60412/47	Station Renewal: Saratoga Avenue / New Lots	\$13.1	Jun-17
T60412/46	Station Renewal: Rockaway Avenue / New Lots	\$13.5	Jun-17
T71604/06	Computer Hardware & Communications: CADD/BIM/DMS Disaster Recovery/ Business Continuity	\$1.2	Jul-17
T60414/05	Misc: Stations: New Stair P16: Grand-Central-42 Street / Lexington	\$1.0	Jul-17
T60414/05	Misc: Stations: Access Improvements: Grand Central / LEX	\$22.3	Jul-17
T70806/28	Misc: Stations: Help Point: 2 Stations / Jerome [SBMP]	\$1.3	Jul-17

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ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60803/13	Signal Systems: Dyre Avenue Line Signals	\$226.1	Jul-17
T70502/45	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / Flushing	\$7.7	Jul-17
T70502/31	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / Jamaica	\$18.7	Jul-17
T70502/38	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / WPR	\$6.3	Jul-17
T60806/20	Station Communication Rooms: Hydrogen Gas Ventilation: 19 Communications Rooms	\$10.9	Jul-17
T70502/47	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / Lenox-White Plains Rd	\$1.1	Jul-17
T61605/15	Capital Program Management: Test Pits Contract (2014)	\$5.4	Jul-17
T61004/52	Mainline Track Rehabilitation: Integrated Wheel/Rail Monitoring and Analytics	\$4.6	Jul-17
T61604/02	Computer Hardware & Communications: Replace Server Hardware: RCC and BCC	\$3.2	Aug-17
T70502/36	Welded Rail: Continuous Welded Rail 2016 / 8th Ave	\$61.5	Aug-17
T71004/17	Yard Switches: Yard Switches - 2016	\$4.7	Aug-17
T50414/26	Public Address/Customer Info Systems: PA/CIS: B Division Furnish/Deliver CIS 89 Stations	\$8.4	Aug-17
T70502/28	Welded Rail: Continuous Welded Rail 2015 / 8th Ave	\$44.5	Aug-17
T70806/26	Misc: Stations: Help Point: West 8 St / CIT [SBMP]	\$1.0	Aug-17
T60703/32	Line Structure Overcoating: Bridge Work at Dyre Ave Station	\$2.6	Sep-17
T60412/A4	Station Component Investments: Eastchester-Dyre Av / Dyre	\$25.7	Sep-17
T61606/10	Asbestos Abatement: Asbestos/Lead: Air Monitor	\$9.1	Sep-17
T61606/04	Asbestos Abatement: Asbestos Disposal	\$0.9	Sep-17
T61606/09	Asbestos Abatement: Asbestos Abatement - 2013	\$9.7	Sep-17
ET0402/17	Fare Marketing/Distribution Equipment: Sandy Repairs: Purchase and Install AFC Equipment	\$12.0	Sep-17
T51302/10	Rubber-Tired Vehicles: Diesel Particulate Filters: Non-Rev Fleet	\$5.0	Sep-17
T70302/02	New Buses: 138 Standard CNG Buses	\$85.1	Sep-17
T40803/C1	Mainline Track Rehabilitation: SSI Bergen: I/H Track Wrap-Up	\$1.8	Sep-17
E61404/03	Security Program: Electronic Security: 10TSG Atlantic/Pacific	\$24.3	Sep-17
ET0403/07	Misc: Stations: Sandy Mitig: Lower Mhntn Flood Drs /Hatches-Rem Work [SBFP]	\$1.4	Sep-17
T70502/63	Mainline Track Rehabilitation: Mainline Track Replacement 2017 / Broadway-7th Ave	\$8.9	Sep-17
ET0403/14	Misc: Stations: Sandy Mitigation:Stairwell Prot (Flexgates) - 6 of 8 Station	\$18.7	Sep-17
T60302/29	Radio & Data Communication: Digital Information Signs: 3 Route Pilot	\$3.0	Sep-17
T60404/10	Fare Control Modernization: Passenger Station LAN: 6 Stations	\$6.1	Oct-17
T61607/20	Maintenance Of Way: RTO Facilities Hardening Ph 2	\$11.6	Oct-17
T60604/04	Pumping Facilities: Pumps: 2 Locations - Manhattan	\$13.3	Oct-17
T61204/22	Depot Rehabilitation: Manhattanville: Comprehensive Facade Repairs	\$21.9	Oct-17
T70806/29	Misc: Stations: Help Point: 2 Stations / Flushing [SBMP]	\$1.4	Nov-17
T60407/05	Elevator Replacement: 7 Hydraulic Elevators / Lexington	\$29.3	Nov-17
T61607/28	Facilities: Upgrade HVAC 130 Livingston Plaza Data Center [SBMP Tier2]	\$3.9	Nov-17
T71204/15	Bus Washers: Replace 2 Bus Washers: Fresh Pond Depot [SBDP Tier2]	\$3.1	Nov-17
T50803/08	Communication-Based Train Control: CBTC Flushing Line	\$384.8	Nov-17
T60302/34	New Buses: 139 Articulated Buses (New Flyer)	\$120.3	Nov-17
T70412/98	Enhanced Stations Initiatives: Enhanced Stations: (Pkg #1) - Prospect Ave / 4th Ave	\$31.5	Nov-17
T61204/29	Radio & Data Communication: Bus Command Center Construction - NYCT	\$59.5	Nov-17
T60803/06	Communication-Based Train Control: CBTC Flushing: Additional Support Costs	\$152.6	Nov-17
T60412/95	Station Component Investments: Station Ventilators: Ph 6 - 5 Loc / Upper Manhattan & Bronx	\$5.9	Nov-17
T60404/11	Communications Cable And Equipment: Passenger Station LAN: 188 Stations (Transit Wireless)	\$61.1	Nov-17
T70412/99	Enhanced Stations Initiatives: Enhanced Stations: (Pkg #1) - 53 St / 4th Ave	\$34.2	Nov-17
T70412/97	Enhanced Stations Initiatives: Enhanced Stations: (Pkg #1) - Bay Ridge Avenue / 4th Avenue	\$34.7	Nov-17
T70503/11	Mainline Track Switches: Mainline Track Switches 2015 / Dyre	\$7.6	Dec-17
T61004/25	Car Maintenance Shops: 207 St Overhaul: Equipment for Car HVAC Repair & Maintenance	\$2.2	Dec-17
T61004/39	Car Maintenance Shops: 2-Ton Overhead Crane - Concourse	\$3.0	Dec-17
T60902/07	Substation Enclosures (IRT-BMT): Roof and Enclosure: Concourse E. 144th St [SBMP]	\$1.4	Dec-17
T61004/53	Car Maintenance Shops: 2-Ton Overhead Crane 207th Street Shop	\$3.0	Dec-17
T51203/05	New Depots & Facilities: Jamaica Depot: Demolition at New Properties [SBMP Tier2]	\$0.1	Dec-17
T70503/15	Mainline Track Switches: Mainline Track Switches - 2016 / Dyre	\$4.9	Dec-17
T70502/55	Mainline Track Rehabilitation: Mainline Track Replacement 2017 / Canarsie	\$13.5	Dec-17
T70502/23	Mainline Track Rehabilitation: Mainline Track Replacement 2015 / Pelham	\$3.5	Dec-17
T71605/08	Capital Program Management: Construction Support Reserve 2016	\$6.5	Dec-17
T70414/05	Misc: Stations: Water Condition Remedy - 2015	\$3.8	Dec-17
T60703/06	Demolition Of Abandoned Structures: Demolition of Abandoned Structures - Various - Ph1	\$15.2	Dec-17
T71605/05	Capital Program Management: GO Support - Traffic Checkers 2017	\$9.0	Dec-17
T61203/11	Depot Rehabilitation: Upgrade 3rd Floor HVAC & Rehab Office - ENY	\$4.8	Dec-17
T70806/20	Misc: Stations: Help Point: 23 Stations (Transit Wireless)	\$9.6	Dec-17
T70502/22	Mainline Track Rehabilitation: Mainline Track Replacement 2015 / Jerome	\$6.4	Dec-17
T70502/68	Mainline Track Rehabilitation: Mainline Track Replacement 2017 / White Plains Road	\$8.0	Dec-17
T70703/30	Line Structure Rehabilitation: Rehabilitation of Emergency Exits - 2 Locations	\$7.0	Dec-17
T71204/13	Depot Equipment And Machinery: Bus Washer: Zerega Consolidated Maint Facility [SBDP]	\$1.3	Jan-18
T60806/31	Public Address/Customer Info Systems: ISIM B-Div Module 2: Comm Room Upgrades	\$2.5	Jan-18
T60806/05	Station Communication Rooms: Comm Room Upgrade And Expansion-Phase 1	\$15.4	Jan-18
T60412/43	Station Renewal: Ditmas Avenue / Culver	\$21.0	Jan-18

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ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T60412/42	Station Renewal: 18 Avenue / Culver	\$19.6	Jan-18
T60412/38	Station Renewal: Avenue X / Culver	\$19.5	Jan-18
T60412/39	Station Renewal: Avenue U / Culver	\$16.8	Jan-18
T60412/81	Station Component Investments: 2 Locations / Culver	\$21.3	Jan-18
T60412/41	Station Renewal: Bay Parkway / Culver	\$14.2	Jan-18
T60412/44	Station Renewal: Avenue I / Culver	\$17.0	Jan-18
N61201/03	MN: Miscellaneous: Tappan Zee Bridge Rail Study	\$0.9	Jan-18
T60412/40	Station Renewal: Avenue P / Culver	\$15.3	Jan-18
T70806/05	Communications Cable And Equipment: Copper Cable Upgrade/Replacement Phase 4	\$12.1	Jan-18
T61606/06	Fire Protection: Fire Alarm: 207 Street Overhaul Shop	\$12.8	Jan-18
E61402/04	Security Program: Penn Stn: Perim Protection-Ph III-31/33 St Ldng Dcks	\$8.6	Jan-18
T50806/15	Public Address/Customer Info Systems: PA/CIS: 45 Stns: Furnish-Install Cabinets	\$21.4	Jan-18
T60404/01	Fare Control Modernization: AFC Replacement, Phase 2: Electronic Boards	\$30.0	Jan-18
T60302/18	Fare Control Modernization: Replace Integrated Farebox Unit (IFU) Components, Phase 2	\$21.9	Jan-18
T60902/06	Misc: Power: Substation Hatchways: Phase 3	\$11.3	Jan-18
ET0603/06	Ventilation Facilities: Sandy Mitigation: 14 Fan Plants, NT -Above Grade Prot,6 Locs	\$6.5	Jan-18
T60806/04	Public Address/Customer Info Systems: PA/CIS: 45 Stations: Install Cable	\$56.0	Jan-18
T50806/15	Public Address/Customer Info Systems: PA/CIS: 44 Stns: Furnish-Install Cabinets	\$20.5	Jan-18
T61606/07	Groundwater And Soil Remediation: Groundwater & Soil Remed - 2011	\$6.5	Feb-18
T60412/G5	Station Component Investments: Station Ventilators: Ph 8 - 3 Loc / Southeast Brooklyn	\$6.5	Feb-18
T60414/12	Station Reconstruction: Reconstruct Cortlandt St Station BW7	\$158.4	Feb-18
T60412/H7	Station Component Investments: Station Ventilators: Ph 9 - 2 Loc / Southwest Brooklyn	\$2.9	Feb-18
ET1603/09	Consolidated Employee Facilities:Subways: Sandy Mitigation: NTFP Stillwell Terminal Facilities [SBFP]	\$0.6	Feb-18
T70703/12	Line Structure Overcoating: Portal to 164 Street / Jerome	\$11.0	Feb-18
ET0403/18	Misc: Stations: Sandy Mitigation: Coastal Storm MCD	\$10.4	Feb-18
T71204/07	Depot Rehabilitation: Shoreline Upgrade: Kingsbridge Depot	\$5.5	Feb-18
T60803/10	Signal Systems: 2 Interlockings: Union Turnpike & 71 Av	\$297.8	Feb-18
T60412/F2	Station Component Investments: Station Ventilators: Ph 7 - 8 Loc /Lower Manhattan	\$5.1	Feb-18
T71204/14	Depot Equipment And Machinery: Chassis Wash: Casey Stengel Depot [SBDP]	\$1.2	Mar-18
T60603/04	Ventilation Facilities: Vent Plant: 46th Street-Northern Blvd / Queens Blvd Line	\$87.4	Mar-18
T71004/29	Car Maintenance Shops: Structural Remediation: E 180 St Maint Shop & Retaining Wall	\$6.1	Mar-18
T60412/C8	Station Component Investments: 5 Street Stairs: Rector Street / Broadway (SB) [SBMP Tier2]	\$3.9	Mar-18
EU0302/01	Depot Rehabilitation: Sandy Repairs: Depot Rehabilitation, Far Rockaway	\$15.0	Mar-18
T60302/35	New Buses: 92 Articulated Buses (Nova)	\$81.9	Mar-18
T70806/18	Security: Track Intrusion Detection: Pilot Phase 2	\$2.6	Mar-18
T61203/18	Depot Rehabilitation: Jackie Gleason Depot CNG Compressor	\$2.4	Apr-18
T61204/02	Misc: Bus Projects: BRT: Traffic Signal Priority Rollout 1100 Buses (SBS)	\$3.1	Apr-18
T61605/11	Capital Program Management: Concrete Batch Plant (2012)	\$1.3	Apr-18
T61602/03	Capital Revolving Fund: Capital Revolving Fund - 2012	\$5.0	Apr-18
T71604/01	Information Technology: Upgrade Copper Cable: Livingston Plaza	\$3.6	Apr-18
T70407/10	Escalator Replacement: Jay St Escalator Realignment	\$15.0	Apr-18
T70902/09	Substation Enclosures (IRT-BMT): Rehab Substat Roof & Encl Gates Av/Ridgewood [SBMP Tier2]	\$5.6	Apr-18
T61602/04	Capital Revolving Fund: Capital Revolving Fund - 2013	\$5.0	Apr-18
T61607/19	Roofing Repair & Replacement: DOS Roof Replacement Phase 4	\$16.4	Apr-18
T70902/08	Substation Enclosures (IRT-BMT): Rehab Substation Roof & Enclosure: Jerome/E 162 St	\$8.0	Apr-18
T60603/05	Ventilation Facilities: Replace Vent Controls: 22 Locations	\$16.2	Apr-18
T60806/23	Communications Cable And Equipment: Passenger Station LAN: Solarwinds Network Management System	\$5.0	Apr-18
T61004/10	Yard Rehabilitation: Yard CCTV, Phase 2	\$3.1	Apr-18
T61602/09	Owner-Controlled Insurance Program: 2012-2014 Owner Controlled Insurance Program	\$101.4	Apr-18
T51203/12	Depot Rehabilitation: Replace Roof at East New York Bus Depot	\$6.8	May-18
T70902/24	Substation Enclosures (IRT-BMT): Rehab Substation Roof & Encl Stanton St [SBMP Tier2]	\$5.3	May-18
T71004/12	Yard Track Rehabilitation: Yard Track - 2017	\$2.3	May-18
T60302/32	Radio & Data Communication: Digital Information Signs: Depot Wi-Fi	\$3.2	May-18
T61204/42	Misc: Bus Projects: Upgrade One and Install New Paint Booth -Zerega [SBMP Tier2]	\$0.3	May-18
T71203/04	Depot Equipment And Machinery: Chassis Wash: Grand Ave Depot [SBDP]	\$2.6	May-18
T70502/51	Mainline Track Rehabilitation: Mainline Track Replacement 2017 / Brighton	\$6.8	May-18
T60602/03	Tunnel Lighting Rehabilitation: 36 St To Jackson-Roosevelt / Queens Blvd	\$52.2	Jun-18
T70803/19	Maintenance Of Way: Signal Circuit Modifications Phase 6 - Part 1	\$15.2	Jun-18
T61204/20	Misc: Bus Projects: Jamaica Bus Terminal Reconfiguration	\$3.4	Jun-18
T70502/14	Mainline Track Rehabilitation: Track Force Account - 2017	\$35.0	Jun-18
T70414/03	Misc: Stations: Station Entrance: 8 Avenue / Sea Beach	\$14.9	Jul-18
T61302/07	Work Train & Special Equipment: Purchase 3 Vacuum Trains	\$34.7	Jul-18
T61605/12	Capital Program Management: Concrete Cylinder Testing (2012)	\$0.8	Aug-18
T61204/02	Misc: Bus Projects: BRT - Bus Rapid Transit 2010-2014 (SBS)	\$25.4	Aug-18
T70412/22	Station Component Investments: Platform Components: 2 Locations / 4th Avenue	\$5.4	Aug-18
T71204/05	Misc: Bus Projects: Storage Tank Components: Jackie Gleason and Castleton Depots	\$7.9	Aug-18
T60806/58	Communication Equipment: Police: Police Radio System: Enhanced Coverage	\$4.5	Aug-18

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T61606/05	Fire Protection: Sprinkler & Fire Alarm System, Ph 2: 6 Av Passageway	\$0.8	Sep-18
T60803/15	Signal Systems: Interlocking Modernization: 34 St / 6th Avenue	\$180.0	Sep-18
E61403/03	Security Program: '16TSGHarlem River Lift Bridge	\$7.8	Sep-18
T60803/24	Communication-Based Train Control: CBTC: Equipment Supplier Interoperability	\$20.0	Sep-18
T61607/17	Facilities: Livingston Plaza: Elevators, Roof, Facade	\$27.3	Sep-18
T61607/07	Security: Perimeter Hardening: 130 Livingston	\$7.3	Sep-18
N61101/02	Information Technology: Jay St Systems Reloc: War Memorial & Museum Items	\$0.4	Sep-18
T71302/12	Rubber-Tired Vehicles: 202 Non-Revenue Vehicles 2015-2017	\$34.3	Sep-18
ET0403/20	Misc: Stations: Sandy Mitigation: Critical Room Resiliency	\$22.7	Sep-18
T71204/17	Bus Washers: Replace 2 Bus Washers: Queens Village Depot [SBFP]	\$3.8	Sep-18
T60803/16	Signal Systems: West 4 St Interlocking / 6th Avenue	\$174.1	Sep-18
T51607/49	Depot Rehabilitation: Ulmer Park Depot: Mezzanine Extension	\$2.9	Oct-18
T60412/C4	Station Component Investments: Station Components: 3 Locations / 8th Avenue	\$26.5	Oct-18
T71302/10	Work Train & Special Equipment: Track Inspection Car 3: Platform Measuring System	\$4.5	Oct-18
T70806/13	Public Address/Customer Info Systems: PA/CIS Electronics Replacement - Canarsie Line	\$8.4	Oct-18
T61203/21	Depot Rehabilitation: East New York Depot Windows and Facade	\$0.8	Oct-18
T70703/10	Line Structure Overcoating: 17 Bridges & East 180 Street Flyover / Dyre Av	\$25.0	Oct-18
T71203/06	Depot Rehabilitation: Generator: Yukon Depot NYPA	\$21.6	Oct-18
T71203/11	Depot Rehabilitation: Office: Zerega Consolidated Maintenance Facility [SBDP2]	\$10.0	Oct-18
T61203/17	Depot Rehabilitation: Kingsbridge Depot Annex Roof [SBMP Tier2]	\$3.1	Nov-18
T50703/33	Water Conditions Remedy: Alleviate Flooding at 1 Location - Manhattan	\$0.4	Nov-18
T60806/26	Public Address/Customer Info Systems: ISIM B-Div: Module 1	\$56.2	Dec-18
T60412/13	Station Renewal: 20 Avenue / Sea Beach	\$34.2	Dec-18
T60412/15	Station Renewal: Fort Hamilton Parkway / Sea Beach	\$33.3	Dec-18
T60703/12	Line Structure Rehabilitation: Rehab Retaining Walls / Sea Beach (Southern 3)	\$19.7	Dec-18
T60412/20	Station Renewal: Avenue U / Sea Beach	\$36.5	Dec-18
T60412/16	Station Renewal: 18 Avenue / Sea Beach	\$38.0	Dec-18
T60703/12	Line Structure Rehabilitation: Rehab Retaining Walls / Sea Beach (Northern 6)	\$30.3	Dec-18
T60412/21	Station Renewal: 86 Street / Sea Beach	\$30.9	Dec-18
T60412/14	Station Renewal: 8 Avenue / Sea Beach	\$42.9	Dec-18
T60413/17	Station Accessibility (ADA): ADA: New Utrecht Av-62 St. Complex / Sea Beach	\$18.2	Dec-18
T60413/18	Station Accessibility (ADA): ADA: 8 Avenue Southbound Elevator / Sea Beach	\$0.3	Dec-18
T60412/19	Station Renewal: Bay Parkway / Sea Beach	\$42.6	Dec-18
T60412/17	Station Renewal: Kings Highway / Sea Beach	\$34.8	Dec-18
T60413/18	Station Accessibility (ADA): ADA: 8 Avenue Northbound Ramp / Sea Beach	\$13.7	Dec-18
T60412/18	Station Renewal: New Utrecht Av / Sea Beach	\$30.3	Dec-18
T60101/02	New Subway Cars: 300 B Division Cars - R179	\$740.6	Dec-18
ET0603/16	Pumping Facilities: Sandy Mitigation: Pumping Capacity Improvements: Annex Pumps	\$1.4	Dec-18
T60904/08	Power Distribution Facilities: Negative Cables: 4th Avenue - Phase 2	\$5.0	Dec-18
T70703/04	Structural Component Repairs: Rehab Viaduct & Deck Sections - Bushwick Cut / MYR	\$130.7	Dec-18
T70302/14	New Buses: 110 CNG Articulated Buses	\$106.4	Dec-18
ET0703/07	Maintenance Of Way: Sandy Mitigation: Internal Tunnel Sealing	\$0.5	Dec-18
T60806/59	Public Address/Customer Info Systems: B-Division Beacon Train Arrival System, Phase 1	\$20.0	Dec-18
T70502/64	Mainline Track Rehabilitation: Mainline Track Replacement 2017 / Concourse	\$27.3	Dec-18
T70503/03	Mainline Track Switches: Mainline Switches - 2017 DES/EFA	\$58.9	Dec-18
T70502/59	Mainline Track Rehabilitation: Mainline Track Replacement 2017 / Jerome	\$23.9	Dec-18
T70502/58	Mainline Track Rehabilitation: Mainline Track Replacement 2017 / Eastern Parkway	\$23.6	Dec-18
T70703/02	Structural Component Repairs: Elev Structural Rehab: Bridge Over Atlantic RR - MYR	\$22.1	Dec-18
T70502/39	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / Bushwick Cut	\$10.2	Dec-18
T70502/03	Mainline Track Rehabilitation: Mainline Track - 2017 DES/EFA	\$52.5	Dec-18
T70502/66	Mainline Track Rehabilitation: Mainline Track Replacement 2017 / Flushing	\$28.7	Dec-18
T60412/G9	Station Component Investments: Station Ventilators: Ph 10 - 4 Loc / North Brooklyn	\$5.3	Dec-18
T71605/05	Capital Program Management: GO Support - Traffic Checkers 2018	\$9.0	Dec-18
T70904/17	Power Distribution Facilities: Negative Cables: 36 St to 59 St 4Av - Ph 2	\$16.1	Dec-18
ET0902/08	Power Distribution Facilities: Sandy Repairs: Rust Inhibiting Coating, Montague Tube	\$6.7	Jan-19
ET0902/24	Power Distribution Facilities: Sandy Repairs:Comm & Power Cables-Clark St Tube(Design Only)	\$6.5	Jan-19
ET0602/26	Ventilation Facilities: Sandy Repairs: 1 Fan Plant (Old Slip) Clark	\$5.2	Jan-19
ET0603/25	Ventilation Facilities: Sandy Mitigation: 14 Fan Plants, LT - 2 Locations	\$0.1	Jan-19
T70703/13	Line Structure Overcoating: 72 Street - 103 Street / Flushing	\$32.8	Jan-19
ET0603/24	Pumping Facilities: Sandy Resiliency: 3 Pump Rooms (Clark Tube)	\$6.1	Jan-19
ET0902/24	Power Distribution Facilities: Sandy Repairs: Comm & Power Cables - Clark Street Tube	\$71.6	Jan-19
ET0502/11	Mainline Track Rehabilitation: Sandy Repairs: Mainline Track - Clark St Tube	\$9.6	Jan-19
ET0802/12	Signal Systems: Sandy Repairs: Signals in the Clark St Tube	\$9.2	Jan-19
T70803/23	Signal Systems: Signals Key-By Circuit Modification Phase 4	\$18.4	Jan-19
ET0703/08	Line Structure Rehabilitation: Sandy Mitigation: Steinway Portal(9 Stns Bk/Q Initiative)	\$0.3	Jan-19
ET0602/34	Pumping Facilities: Sandy Repairs: Pump #3166 / Clark Tube	\$8.0	Jan-19
T71605/04	Capital Program Management: MTA Independent Engineering Consultant 2015-2019	\$10.5	Feb-19

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T61204/36	Depot Equipment And Machinery: Replacement of Oil-Water Separators at 4 Locations	\$13.6	Feb-19
T71203/02	Depot Rehabilitation: Roof: Gun Hill Depot	\$12.0	Feb-19
T60412/60	Station Component Investments: 4 Stations / Jamaica	\$82.1	Feb-19
T71204/11	Depot Equipment And Machinery: Oil-Water Separator: Casey Stengel Depot	\$6.6	Feb-19
T60412/F7	Station Component Investments: Station Painting at Component Locations: 3 Loc / Jamaica	\$2.8	Feb-19
T61602/05	Capital Revolving Fund: Capital Revolving Fund - 2014	\$5.0	Mar-19
T71204/02	Bus Paint Booths: Paint Booth: Yukon Depot [SBDP]	\$7.6	Mar-19
T60806/31	Public Address/Customer Info Systems: ISIM B-Div: Module 2: Flushing Line PA/CIS	\$62.7	Mar-19
T60904/09	Power Distribution Facilities: CBH 275: Pearl Street / Clark	\$0.5	Mar-19
T60806/01	Communications Cable And Equipment: Fiber Optic Cable Replacement: Phase 1	\$8.8	Mar-19
T71004/22	Yard Lighting: Yard Lighting: 207th Street	\$23.3	Apr-19
T70412/29	Station Component Investments: Subway Street Stairs: 6 Locs / Various (2015) [SBMP]	\$4.6	May-19
T71004/07	MOW Maintenance Shops And Buildings: Upgrade Central Electronics Shop, Woodside Facility	\$14.8	May-19
T61607/05	Consolidated Employee Facilities:Subways: RTO Fac: Chambers St / Nassau Loop	\$7.1	May-19
T71204/05	Misc: Bus Projects: Storage Tank Components: East New York and Gun Hill Depots	\$12.4	May-19
T71204/04	Misc: Bus Projects: Traffic Signal Priority, Phase 2	\$5.0	Jun-19
T70414/10	Misc: Stations: Church Street Corridor Improvements	\$70.0	Jun-19
T71204/16	Bus Washers: Replace 2 Bus Washers: Jackie Gleason Depot [SBFP]	\$3.8	Jun-19
T70502/15	Mainline Track Rehabilitation: Track Force Account - 2018	\$35.0	Jun-19
T70302/12	Misc: Bus Projects: Depot Bus Location System (DBL) - NYCT DOB	\$6.4	Jul-19
T60806/13	Antenna Cable Replacement: Antenna Cable Upgrade/Replacement Ph 1	\$2.3	Jul-19
ET1203/07	Misc: Bus Projects: Sandy Mitigation: Various Depots	\$5.6	Aug-19
ET1003/06	Maintenance Of Way: Sandy Mitigation:Near Term Per Prot Maint Contract Cl Yd	\$1.2	Aug-19
T70302/13	Misc: Bus Projects: Automatic Passenger Counting (APC) - Pilot & Phase 1 Rollout	\$5.7	Aug-19
S70701/08	SIR: Miscellaneous Projects: SIR: Install Customer Information Signs	\$1.2	Aug-19
T70302/15	Radio & Data Communication: AVL: Paratransit Vehicles	\$19.0	Sep-19
T71204/12	Depot Equipment And Machinery: Portable Bus Lift Replacement	\$9.0	Sep-19
T70902/05	Substation Equipment (IRT-BMT): Retrofit Existing 25 Hz Frequency Converters @10 Substations	\$24.8	Sep-19
T50414/19	Intermodal/Transfer Facilities: Intermodal: Rockaway Parkway / Canarsie	\$2.4	Sep-19
T70413/05	Station Accessibility (ADA): ADA: Gun Hill Rd / Dyre	\$41.5	Sep-19
E61404/12	Security Program: IESS Wrap-Up (Design)	\$2.4	Sep-19
T70413/11	Station Accessibility (ADA): ADA: Canarsie-Rockaway Pkwy / Canarsie	\$6.1	Sep-19
T70703/16	Line Structure Overcoating: Broadway - End Of Line / Myrtle	\$37.9	Oct-19
T70703/03	Structural Component Repairs: Elev Structural Rehab:Livonia Yard Overpass & Retaining Wall	\$15.7	Oct-19
T60703/17	Line Structure Overcoating: West 8 Street - Church Avenue Portal / Culver (Design Only)	\$0.8	Nov-19
T71204/03	Misc: Bus Projects: Select Bus Service 2015-19	\$18.5	Nov-19
T70904/11	Power Distribution Facilities: Duct Reconstruction: Stanton Street Substation / 6th Avenue	\$14.1	Nov-19
T71203/05	Depot Rehabilitation: Windows, HVAC: Casey Stengel Depot NYPA	\$20.9	Nov-19
ET0903/08	Misc: Power: Sandy Resiliency: Deployable Substations	\$0.4	Nov-19
T60703/16	Subway Tunnel Rehabilitation: Priority Repairs: 4th Avenue	\$30.8	Dec-19
T70703/21	Subway Tunnel Rehabilitation: Struct Rehab: s/o 36 St - 59 St Station 4AV - Ph2	\$40.0	Dec-19
ET0403/23	Rapid Transit Operations: Sandy Mitigation: Backup Command Center Upgrade	\$0.3	Dec-19
T70302/01	New Buses: 628 Standard Diesel Buses	\$397.8	Dec-19
T70302/06	New Buses: 50 Express Buses	\$36.6	Dec-19
T71004/04	Car Maintenance Shops: DCE Shop Components - Ph 3: Jerome [SBMP]	\$3.8	Dec-19
T71004/13	Yard Track Rehabilitation: Yard Track - 2018	\$2.3	Dec-19
T70502/10	Welded Rail: Continuous Welded Rail - 2018	\$35.9	Dec-19
T70503/04	Mainline Track Switches: Mainline Track Switches - 2018	\$57.3	Dec-19
T70502/04	Mainline Track Rehabilitation: Mainline Track Replacement - 2018	\$194.0	Dec-19
T71004/19	Yard Switches: Yard Switches - 2018	\$3.8	Dec-19
T71605/05	Capital Program Management: GO Support - Traffic Checkers 2019	\$9.0	Dec-19
T71605/08	Capital Program Management: Construction Support Reserve 2018	\$6.5	Dec-19
T70414/08	Misc: Stations: Water Condition Remedy - 2017	\$5.2	Jan-20
ET1603/10	Facilities: Sandy Mitigation: Consolidated Revenue Facility	\$0.4	Jan-20
ET1603/11	Misc: Bus Projects: Sandy Mitigation: Zerega Central Maintenance Facility	\$0.4	Jan-20
ET1603/12	Facilities: Distribution: Sandy Mitigation: Tiffany Central Warehouse	\$0.4	Jan-20
T70806/03	Information Technology: PBX Upgrade: Phase 2	\$41.5	Jan-20
ET0403/24	Misc: Stations: Sandy Mitigation: Internal Station Hardening - 8 Stns	\$5.0	Jan-20
ET0403/22	Misc: Stations: Sandy Mitigation: Street Level Opening - 8 Stns	\$45.9	Jan-20
T70413/03	Station Accessibility (ADA): ADA: Bedford Park Boulevard / Concourse	\$30.2	Jan-20
T60806/60	Public Address/Customer Info Systems: ISIM B-Div: Module 5A Station Network Infrastructure	\$20.0	Feb-20
ET0603/05	Ventilation Facilities: Sandy Mitigation: 17 Fan Plants - 16 Locations	\$44.0	Feb-20
T70302/05	New Buses: 180 Articulated & 10 Hybrid Art Buses	\$168.3	Feb-20
ET0403/28	Misc: Stations: Sandy Mitigation: 9 Stations (9 Stns BK/Q Initiative)	\$0.2	Feb-20
T70302/03	New Buses: 200 Standard Diesel Buses	\$127.8	Feb-20
S70701/05	SIR: Power: New Power Substation: Tottenville	\$25.5	Feb-20
T61602/12	Contingency Funds: Sandy Studies: Seal St Opening, Vent Hardening & Tunnel Seal	\$3.5	Feb-20

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S70701/07	SIR: Power: New Power Station: Clifton	\$25.5	Mar-20
S70701/06	SIR: Power: New Power Substation: New Dorp	\$28.9	Mar-20
T70413/04	Station Accessibility (ADA): ADA: 86 Street / 4th Avenue	\$28.9	Mar-20
T70806/02	Communications Cable And Equipment: Upgrade of Asynchronous Fiber Optic Network -SONET Rings A,C	\$46.9	Mar-20
T71302/07	Work Train & Special Equipment: Purchase of 27 Refuse Flat Cars	\$24.6	Mar-20
T71302/13	Rubber-Tired Vehicles: 92 Non-Revenue Vehicles 2018-2019	\$14.5	Apr-20
T70413/08	Station Accessibility (ADA): ADA: Chambers Street / Nassau Loop	\$32.5	Apr-20
T71204/08	Depot Rehabilitation: Elevator Upgrades: Various Depots	\$16.1	Apr-20
T70902/04	Substation Enclosures (IRT-BMT): Rehab Substation Roof & Enclosure: Washington Heights / 8 AV	\$9.0	Apr-20
T70904/01	Power Distribution Facilities: Rehab CBH #586 / CUL	\$14.4	Apr-20
ET0603/21	Ventilation Facilities: Sandy Mitigation: 14 Fan Plants, LT - 4 Locations	\$33.0	Apr-20
ET0603/20	Ventilation Facilities: Sandy Mitigation: 14 Fan Plants, LT - 11 Locations	\$27.5	May-20
T70412/01	Station Renewal: Water Remediation: Borough Hall / Lexington	\$43.4	May-20
T71602/01	Protective Insurance Program: 2015-2019 All-Agency Liability Insurance & Deductible	\$6.4	May-20
ES0703/03	SIR: Track: Sandy Mitigation: St. George	\$1.7	May-20
T71203/01	Depot Rehabilitation: Artic Modification, Office - East New York Depot DESIGN ONLY	\$11.1	May-20
T60806/02	Communications Cable And Equipment: Cutover of SONET Main Hubs	\$2.5	May-20
T71606/03	Asbestos Abatement: Asbestos Abatement - 2017	\$12.0	Jun-20
T71606/02	Asbestos Abatement: Asbestos/Lead Air Monitoring - 2017	\$11.0	Jun-20
T71606/04	Asbestos Abatement: Asbestos Disposal	\$1.1	Jun-20
T71607/16	Facilities: Power Upgrade: RCC, PCC - Phase 2	\$55.5	Jun-20
T61607/12	Facilities: Power Upgrade: RCC, PCC	\$22.3	Jun-20
T70806/17	Information Technology: Liftnet Transition to Ethernet	\$17.8	Jun-20
T70502/16	Mainline Track Rehabilitation: Track Force Account - 2019	\$35.0	Jun-20
T71606/05	Groundwater And Soil Remediation: Consultant Services: UST Remediation - 2015	\$6.5	Jul-20
T70413/06	Station Accessibility (ADA): ADA: Eastern Parkway-Brooklyn Museum / EPK	\$31.1	Jul-20
T70902/22	Substations (IRT-BMT): New Substation: Maspeth Av-Humboldt St / Canarsie	\$32.8	Jul-20
ET0402/	Misc: Stations: Sandy Repairs: Canopies at Astoria Blvd / Astoria	\$0.6	Jul-20
T70413/10	Station Accessibility (ADA): ADA: 59 Street / 4th Avenue	\$48.6	Jul-20
T70413/09	Station Accessibility (ADA): ADA: Greenpoint Avenue / Crosstown	\$25.7	Jul-20
ES0703/02	SIR: Shops & Facilities: Sandy Mitigation: Clifton Shop	\$159.0	Jul-20
T70904/04	Power Distribution Facilities: CBH # 86 Wilson Avenue / Canarsie	\$2.5	Jul-20
T71004/01	Car Maintenance Shops: DCE Shop Components, Ph 1:180 St, C.I. Pelham, Pelham Diesel	\$25.7	Jul-20
T70803/19	Maintenance Of Way: Signal Circuit Modifications Phase 6 - Part 2	\$17.8	Jul-20
T70904/06	Power Distribution Facilities: CBH # 85 - Myrtle Avenue	\$16.1	Jul-20
ES0702/11	SIR: Shops & Facilities: Sandy Repairs: Clifton Shop	\$34.9	Jul-20
S70701/11	SIR: Shops & Facilities: SIR: Relocate HQ to Clifton Shop	\$9.1	Jul-20
ET0403/17	Misc: Stations: Sandy Mitigation: Upgrade Emergency Booth Comm System (EBCS)	\$2.9	Aug-20
T71203/03	Depot Rehabilitation: Roof, HVAC: Queens Village Depot	\$35.7	Aug-20
T71203/08	Depot Rehabilitation: Paving: Manhattanville Depot [SBDP Tier2]	\$27.0	Aug-20
T71203/07	Depot Rehabilitation: Roof, Office: Fresh Pond Depot	\$30.0	Aug-20
ET0903/04	Substation Equipment (IRT-BMT): Sandy Mitigation: Montague-Furman Substation / BWY	\$1.5	Sep-20
ET0902/12	Power Distribution Facilities: Sandy Repairs: Power/Cable/Ducts: Canarsie Tube	\$248.9	Sep-20
T70902/21	Substations (IRT-BMT): New Substation: 14 St-Avenue B / Canarsie	\$32.8	Sep-20
T71302/06	Work Train & Special Equipment: Purchase of 2 Signal Supply Cars	\$13.5	Sep-20
T70502/40	Mainline Track Rehabilitation: Mainline Track Replacement 2016 / Canarsie Tube	\$50.0	Sep-20
T70902/10	Contact Rail Replacement: Installation of Low-Resistance Contact Rail - Canarsie Tube	\$19.9	Sep-20
T70605/09	Ventilation Facilities: Replace Supervisory Vent Controls-2 Locs (#5110, #5111)/CNR	\$4.8	Sep-20
ET0602/19	Pumping Facilities: Sandy Repairs: 1 Pump Room (Canarsie Tube)	\$11.1	Sep-20
T70414/11	Misc: Stations: New Stairs: 2 Locations / Canarsie	\$40.6	Sep-20
E61404/13	Security Program: Electronic Security: 59 St Columbus Circle (Design)	\$2.3	Sep-20
T60413/11	Station Accessibility (ADA): ADA: 57 Street-7 Avenue / Broadway, Ph 2 (55 St Mezz Scheme)	\$3.7	Sep-20
T70904/07	Power Distribution Facilities: Rehab CBH # 5 - 53rd Street	\$13.7	Sep-20
T70413/12	Station Accessibility (ADA): ADA: 1 Avenue / Canarsie	\$59.2	Sep-20
T71004/08	MOW Maintenance Shops And Buildings: Upgrade Atlantic Avenue Cable Shop, Phase 1	\$17.5	Sep-20
ET0903/09	Power Distribution Facilities: Sandy Mitigation: Power/Cable/Ducts: Canarsie Tube	\$153.4	Sep-20
T70413/01	Station Accessibility (ADA): ADA: Bedford Avenue / Canarsie	\$39.3	Sep-20
ET0802/11	Signal Systems: Sandy Repairs: Signals in the Canarsie Tube	\$73.3	Sep-20
ET0402/22	Station Accessibility (ADA): Sandy Repairs: Shaft Excavation - 1 Avenue / Canarsie	\$7.9	Sep-20
T70803/06	Signal Systems: Automatic Signals on Canarsie Line to Facilitate Work Trains	\$5.0	Sep-20
ET0502/09	Mainline Track Rehabilitation: Sandy Repairs: Track Canarsie Tube	\$165.4	Sep-20
ET0902/11	Power Distribution Facilities: Sandy Repairs: 2 CBHs Canarsie Tube	\$6.9	Sep-20
T60413/11	Station Accessibility (ADA): ADA: Phase 2: 57 Street - 7 Avenue / Broadway	\$5.3	Sep-20
T70902/23	Substations (IRT-BMT): New Substation: Harrison Pl / Canarsie	\$32.8	Oct-20
ET0603/17	Work Train & Special Equipment: Sandy Resiliency: Conversion of 2 Pump Trains	\$1.8	Oct-20
T60413/07	Station Accessibility (ADA): ADA: 68 St-Hunter College / Lexington	\$8.7	Oct-20
N70001/01	Capital Program Management: Small Business Mentoring Administration - 2015-2019	\$29.1	Oct-20

New York City Transit
2017-2020 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
T70414/02	Misc: Stations: Access Improvements: Grand Central: Phase 2	\$75.2	Oct-20
T70803/25	Fire Protection: Signal Room Fire Suppression, Phase 2	\$15.6	Nov-20
T70414/01	Station Signage: Station Signage (2016)	\$10.8	Dec-20
T71605/11	Capital Program Management: Boring Services Manhattan & Bronx	\$2.3	Dec-20
T71004/20	Yard Switches: Yard Switches - 2019	\$3.8	Dec-20
T71302/08	Work Train & Special Equipment: Purchase of 12 3-Ton Crane Cars	\$28.5	Dec-20
T71004/14	Yard Track Rehabilitation: Yard Track - 2019	\$2.3	Dec-20
T71605/10	Capital Program Management: Boring Services: Bk/Q/SI	\$1.9	Dec-20
T70502/05	Mainline Track Rehabilitation: Mainline Track Replacement - 2019	\$189.2	Dec-20
T71605/12	Capital Program Management: Test Pit Services	\$12.4	Dec-20
T70502/11	Welded Rail: Continuous Welded Rail - 2019	\$35.9	Dec-20
T70503/05	Mainline Track Switches: Mainline Track Switches - 2019	\$57.3	Dec-20
T71004/09	Shop Equipment And Machinery: Heavy Shop Equipment Purchase & Replacement 2015-19	\$10.0	Dec-20

Long Island Rail Road
2017-2020 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
EL0902/ZF	Infrastructure/System Upgrades (Various Locs)	\$9.7	Jan-17
L60401/BK	150th Street - Jamaica Bridge Rehabilitation	\$24.8	Jan-17
EL0602/ZD	West Side Storage Yard Restoration	\$0.6	Feb-17
EL0702/ZM	1st Avenue Substation Restoration	\$8.4	Mar-17
L60204/UD	Escalator Replacement Program	\$11.2	Mar-17
EL0402/ZB	Wreck Lead Bridge Systems Restoration	\$14.9	Apr-17
L60402/BP	East River Tunnel Fire and Life Safety	\$16.6	Jun-17
L50502/SZ	Signal Project Support	\$0.8	Jul-17
L60604/YT	Employee Facilities Renewal	\$10.5	Jul-17
L60304/TV	Massapequa Pocket Track	\$19.6	Nov-17
L60301/TF	Construction Equipment	\$7.0	Dec-17
L60502/LC	Speonk to Montauk Signalization	\$73.0	Dec-17
L70301/WC	2017 ANNUAL TRACK PROGRAM	\$75.0	Dec-17
EL0702/ZE	Systemwide Substation Restoration	\$51.6	Jan-18
L50601/YF	Shea Yard Improvements	\$18.3	Jan-18
L60304/TX	Second Track Central Islip to Ronkonkoma - Phase 1	\$137.2	Jan-18
N40905/FW	Stewart Manor Improvements	\$2.1	Jan-18
L40703/C1	Circuit Brkr House - "F" Tower	\$7.2	Feb-18
L50206/NJ	Station Masters Office	\$3.8	Feb-18
EL0403/ZJ	Atlantic Avenue Tunnels Mitigation	\$9.9	Mar-18
L30204/9H	Wantagh Station Platfunn Replacement	\$4.4	Mar-18
L50204/2E	New Elevators - Flushing - Main St	\$24.6	Mar,18
L60204/UC	Wantagh Station Platfonn Replacement	\$22.5	Mar-18
L60502/LF	Centralized Train Control - Movement Bureau	\$12.9	May-18
L60701/AQ	Port Washington Substation Replacement	\$26.2	May-18
L50904/8A	Substations Environmental Remediation	\$10.3	43257
L50304/TR	MLC-Hicksville Station Improvements	\$70.6	Aug-18
L70204/UN	NOSTRAND AVE. STATION REHABILITATION	\$21.0	Aug-18
L60206/NL	Penn Station Heating, Ventilation &AirConditioning	\$11.0	Oct-18
L70304/WX	MAIN LINE DOUBLE TRACK PHASE 2	\$250.0	Oct-18
L50904/8E	Long Island City Yard Remediation	\$2.9	Nov-18
L50502/SM	PTC DES only	\$9.5	Dec-18
L60304fTW	Extend Great Neck Pocket Track	\$25.4	Dec-18
L60502/LA	Positive Train Control (PTC)	\$241.4	Dec-18
L60701/AR	Richmond Hill Substation Replacement	\$12.0	Dec-18
L70204/UW	GCT/ESA UNIFIED TRASH FACILITY	\$11.1	Dec-18
L70301/WD	2018 ANNUAL TRACK PROGRAM	\$60.0	Dec-18
L70401/BR	MAIN LINE BRIDGE COMPONENT RENEWALS	\$47.8	Dec-18
L70502/LK	PO ITIVE TRAIN CONTROL (PTC)	\$126.0	Dec-18
EL0602/ZL	Long Island City Yard Restoration	\$4.5	Jan-19
EL0603/ZK	Long Island City Yard Resiliency	\$26.8	Jan-19
L60904/N3	Chlordane Remediation - 20 Substations	\$6.5	Jan-19
N40905/FV	Lynbrook Station Improvements	\$3.7	Jan-19
L70204/UM	MURRAY HILL STATION - NEW ELEVATORS	\$5.7	Mar-19
EL0303/ZH	Emergency Management Equipment Mitigation	\$20.0	Apr-19
EL0602/ZD	West Side Storage Yard Restoration	\$43.3	Apr-19
L70206/VP	PENN STA ELEVATOR/ESCALATOR REPLACEMENT	\$40.0	Apr-19
L70401/BV	N. Main and Accabonac Bridge Replacements	\$15.1	May-19
L60904/N6	Smithtown Viaduct Remediation	\$3.2	Jun-19
L70401/BQ	BRIDGE PROGRAM - STRUCTURAL RENEWALS	\$47.4	Jun-19
L70501/SN	PENN STA RADIO RETROFIT/ERT ANTENNA	\$6.5	Jul-19
EL0502/ZC	Long Beach Branch - Systems Restoration	\$64.9	Sep-19
L50304/TQ	MLC-Hicksville North Siding	\$50.6	Sep-19
L60304/TU	Jamaica Capacity Improvements - Phase One	\$301.7	Oct-19
L70701/XJ	SUBSTATION BATTERY REPLACEMENT	\$0.8	Oct-19
L70301/WE	2019 ANNUAL TRACK PROGRAM	\$55.0	Dec-19
L70301/WH	RETAINING WALLS / RIGHT OF WAY PROJECTS	\$12.0	Dec-19
L70501/SD	FIBER OPTIC NETWORK	\$34.5	Dec-19
L70701/XC	3rd RAIL - 2000 MILLION CUBIC METER CABLE	\$2.4	Dec-19
L70701/XD	3rd RAIL- DISCONNECT SWITCHES	\$1.6	Dec-19
L70701/XE	3rd RAIL PROTECTION BOARD	\$8.8	Dec-19
L70701/XF	3rd RAIL - COMPOSITE RAIL	\$12.0	Dec-19
L70701/XG	3rd RAIL - FEEDER CABLE REPLACEMENT	\$3.2	Dec-19
L70701/XH	NEGATIVE REACTOR UPGRADE	\$3.2	Dec-19
L70701/XK	SIGNAL POWER MOTOR GENERATOR REPLACEMENT	\$6.4	Dec-19
L70701/XL	DC RELAY CONTROLS REPLACEMENT	\$1.6	Dec-19
L70701/XM	SIGNAL POWER LINE REPLACEMENT	\$3.2	Dec-19

Long Island Rail Road
2017-2020 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
L70701/XN	POWER POLE REPLACEMENT	\$3.2	Dec-19
L70701/XQ	4,160 VOLT FEEDERS	\$1.6	Dec-19
L70701/XR	NEW SUBSTATIONS	\$5.0	Dec-19
L60701/AS	Penn Station Substation Replacement	\$22.1	Feb-20
L60601/YN	New Mid Suffolk Electric Yard	\$67.6	Mar-20
L70601/YG	DIESEL LOCOMOTIVE SHOP IMPROVEMENTS	\$106.5	Mar-20
L70601/YR	YARD IMPROVEMENTS	\$40.0	Mar-20
L60904/N4	Yaphank Landfill Remediation	\$9.1	May-20
L70401/BS	BRIDGE PAINTING / WATERPROOFING	\$17.1	Dec-20
L70501/SE	COMM. POLE LINE	\$7.7	Dec-20
L70701/XB	SUBSTATION COMPONENTS	\$42.4	Dec-20
L70701/XP	ATLANTIC AVENUE TUNNEL LIGHTING	\$12.0	Dec-20

Metro-North Railroad
2017-2020 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
M603-01-05	M o f W Equipment/RS	\$5.3	Mar-17
M604-01-03	Replace Fiber/Communication & Signals Cables	\$4.6	Apr-17
M605-01-04	Replace Motors Alternators	\$1.5	Apr-17
M602-01-06	GCT Elevator Rehab Phase 4	\$9.6	May-17
M508-01-12	WHRTAS Phase II Study	\$4.0	May-17
M602-02-01	Poughkeepsie Station Building	\$1.1	Jun-17
M602-01-05	GCT Leaks Remediation Phase II	\$31.7	Jun-17
M602-02-04	Station Building Rehabilitation/Net Lease	\$8.6	Jul-17
M605-01-01	Substation Bridge 23 - Construction	\$41.7	Aug-17
EM05-02-08	Power Infrastructure Restoration-Substations	\$43.8	Nov-17
M603-01-02	Turnouts: Mainline / High Speed	\$61.3	Jan-18
M502-02-09	Bronx Stations/Capacity Improvements	\$10.4	Jan-18
M703-01-01	2016 Cyclical Track Program	\$23.6	Jan-18
M603-02-05	Bridge Walkways Installation	\$0.8	Jan-18
M603-02-14	Park Avenue Viaduct Direct Fixation	\$1.7	Jan-18
M501-01-10	M-9 Specification Development	\$2.5	Jan-18
M503-02-18	Systemwide Flood Control	\$2.0	Jan-18
M606-01-03	Other Shops/Yards Renewal	\$9.3	Jan-18
M606-01-01	Harmon Shop Improvements	\$315.6	Jan-18
M502-02-11	System Wide Vending Machines	\$0.6	Jan-18
EM05-02-06	Power Infrastructure Restoration-Phase 1	\$88.1	Jan-18
EM04-02-05	Comm & Signal Infrastructure Restoration Phase 1	\$46.6	Jan-18
N612-01-03	Tappan Zee Bridge Rail Study	\$0.9	Jan-18
M307-01-06	Penn Station Access	\$6.6	Jan-18
M605-01-03	Harlem & Hudson Lines Power Improvements	\$33.7	Feb-18
M503-02-12	Clearance Inventory and Video	\$2.2	Mar-18
M602-01-08	GCT Utilities	\$33.3	Mar-18
M702-02-01	Harlem - 125th Street Improvements	\$4.3	May-18
M701-01-01	M-3 Replacement	\$439.6	Jun-18
EM03-02-02	Right of Way Restoration: Various Locations	\$8.0	Aug-18
EM03-03-01	Specialized Equipment (Resiliency)	\$6.0	Aug-18
EM04-03-01	Power and Signal Mitigation	\$50.0	Oct-18
EM05-02-09	Power Infrastructure Restoration-HRLB	\$7.1	Nov-18
M703-02-08	Replace Timbers - Undergrade Bridges	\$5.0	Dec-18
M602-03-02	Strategic Facilities	\$2.5	Dec-18
M702-02-09	Mentoring Program - Stations	\$6.7	Dec-18
M702-02-10	Enhanced Station Initiative, 5 Stations	\$15.0	Dec-18
M404-01-07	Optimize Signal Relay Circuits	\$2.6	Dec-18
M603-03-05	W of H Replace/Renew Undergrade Bridges	\$6.2	Dec-18
M604-01-04	Replace Field code System - Mott Haven	\$1.4	Dec-18
M502-02-06	Station Building Rehabilitation	\$11.3	Dec-18
M608-01-09	Systemwide Security Initiatives	\$1.1	Dec-18
M702-01-02	Park Av Tunnel Fire&LifeSafetyImpvmts	\$1.0	Jan-19
M703-01-10	2017 Cyclical Track Program	\$24.0	Jan-19
M604-01-01	Positive Train Control	\$187.1	Jan-19
M504-01-18	Positive Train Control	\$9.9	Jan-19
M508-01-14	Positive Train Control	\$4.0	Jan-19
M501-01-12	Positive Train Control	\$5.3	Jan-19
M704-01-03	Positive Train Control	\$93.8	Jan-19
M703-01-08	Systemwide Drainage	\$10.0	Feb-19
M605-01-09	Replace 3rd Rail Brackets - Park Avenue Tunnel	\$6.1	Mar-19
M602-02-03	Harlem Line Station Renewal	\$4.1	Jun-19
M703-01-11	2018 Cyclical Track Program	\$24.7	Aug-19
M604-01-18	Harlem & Hudson Wayside Communication & Signal Systems	\$7.7	Oct-19
M703-02-07	Bridge Walkways	\$2.0	Dec-19
M704-01-07	Replace High Cycle Relays	\$1.0	Dec-19
M708-01-08	OCIP - GCT Fire Suppression Project	\$29.0	Dec-19
M708-01-07	Program Scope Development	\$18.0	Dec-19
M602-02-08	Customer Communications/Connectivity Improve	\$39.8	Dec-19
M603-02-10	Replace/Repair Undergrade Bridges Program	\$24.9	Jan-20
M603-02-12	Overhead Bridge Program - E of H	\$18.9	Jan-20
M708-01-02	Environmental Remediation	\$2.5	Feb-20
M705-01-05	Harlem and Hudson Power Improvements	\$11.0	Feb-20
M702-01-07	GCT PA Head End and VIS Systems	\$37.1	Feb-20
EM05-02-10	Power Infrastr Restoration-Remote Terminal Houses	\$1.3	Feb-20
M503-02-06	Overhead Bridge Program-E of H (MNR Share)	\$6.8	Feb-20
M604-01-02	West of Hudson Signal Improvements	\$67.6	Feb-20

Metro-North Railroad
2017-2020 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
M703-02-03	Undergrade Bridge Rehabilitation **	\$58.6	Mar-20
M703-01-07	Rebuild Retaining Walls	\$7.5	Mar-20
M703-01-05	GCT Turnouts/Switch Renewal	\$24.9	May-20
M703-03-05	West of Hudson Improvements	\$3.5	Jun-20
EM04-02-06	Comm & Signal Infrastructure Restoration Phase 2	\$35.0	Jul-20
M702-01-06	GCT Elevator Imprvmnts-Final Phase	\$7.2	Jul-20
EM05-02-07	Power Infrastructure Restoration-Phase 2	\$72.5	Jul-20
EM04-03-01	Power and Signal Mitigation	\$50.0	Jul-20
EM04-03-02	Hudson Line Power and Signal Resiliency	\$31.0	Jul-20
M703-01-02	Cyclical Repl. Insulated Joint	\$2.0	Aug-20
M703-01-12	2019 Cyclical Track Program	\$24.7	Aug-20
M703-02-11	ROW Fencing	\$1.0	Nov-20
M703-02-06	Railtop Culverts	\$3.4	Dec-20
M706-01-04	West of Hudson Yard Improvements	\$24.2	Dec-20

MTA Bus
2017-2020 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
U6030230	Depot Rehab: LGA Annex Roof	\$.7M	Mar-17
U5030225	Security-FR/BP	\$9.9M	Apr-17
U6030221	Engineering Design Svcs - 2011	\$2.3M	May-17
U5030299	Engineering Design Svcs	\$5.3M	Jun-17
U5030298	Construction Mgmt Svcs	\$5.0M	Jun-17
U5030216	JFK, BP, LGA - Add'l Fueling Capacity	\$4.0M	Jul-17
U6030219	75 Articulated Buses	\$61.6M	Jul-17
U6030225	Bus Command Ctr	\$17.1M	Nov-17
U6030217	45 Diesel Buses (10 buses, 2 pts)	\$5.3M	Dec-17
U6030217	45 Diesel Buses (35 buses, 2 pts)	\$18.5M	Dec-17
U6030216	89 CNG Buses	\$40.9M	Feb-18
EU030201	Hurricane Sandy: Depot Rehab.-FR	\$15.0M	Mar-18
U6030210	Bus Wash - SC	\$2.7M	Apr-18
U6030201	Project Admin. (2011&2012)	\$4.3M	May-18
U6030231	Bus Wash - FR	\$1.3M	May-18
U7030207	Depot Rehab: Windows - BP	\$2.2M	Jun-18
U7030207	Depot Rehab: Windows - LGA	\$3.3M	Jun-18
U7030208	Depot Component: SC - Roof	\$8.2M	Jul-18
U6030201	Project Admin. (2012 - 2014)	\$13.3M	Aug-18
U6030214	Storeroom Expansion - BP	\$3.0M	Sep-18
U6030229	Bus Wash - CP	\$3.9M	Dec-18
U6030204	Security: JFK & SC	\$9.2M	Jan-19
U6030222	Construction Mgmt Svcs - 2011	\$2.1M	Feb-19
U6030222	Construction Mgmt Svcs - 2012	\$2.1M	Feb-19
U6030221	Engineering Design Svcs - 2012 - 2014	\$4.5M	May-19
U6030212	CNG Upgrade - CP	\$5.0M	Jul-19
U6030211	HVAC - SC	\$3.9M	Jan-20
U6030232	HVAC - CP	\$8.5M	Jul-20
U7030201	53 Articulated Buses	\$48.1M	Dec-20

MTA PD
2017-2020 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
E6100102	S. I. District Office	\$10.4	Mar-18
E6100103	Nassau County District Office	\$8.0	Feb-17
N7100101	Public Radio Phase 3	\$16.9	2019
N5100105	Harriman District Office	\$0.7	Dec-17
N7100104	Rep-ESU Fleet	\$0.7	May-17
E6100104	MTAPD Radio Project Monopoles	\$5.5	Dec-19
N5100109	MTAPD Radio Project Design/Build - AAT	\$14.0	Sep-19

MTACC
2017-2020 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
G6090114	GCT Concrse&Facilities (14A)	\$59.7	Mar-17
G6090120	Plaza Substation & Structures	\$258.0	Mar-17
G6090142	Manhattan North Structures	\$361.6	Jun-17
G6140112	Harold Structures - Part 3A	\$35.8	Jun-17
G6090123	Harold Structures - Part 3A	\$79.5	Jun-17
G5100108	Contract 3: 63rd St Stn Rehab *	\$204.0	Dec-17
G6100108	Contract 3: 63rd St Stn Rehab *	\$26.0	Dec-17
G5100113	2B/C: Shell/Finishes/MEP 96 St *	\$8.0	Dec-17
G6100101	2B/C: Shell/Finishes/MEP 96 St *	\$408.3	Dec-17
G5100112	4C: Station Finishes/MEP 72 St *	\$12.8	Dec-17
G6100102	4C: Station Finishes/MEP 72 St *	\$320.0	Dec-17
G6100104	5C: Station Finishes/MEP 86 St *	\$256.1	Dec-17
G5100104	Contract 6: SAS Systems *	\$318.6	Dec-17
G6100113	Contract 6: SAS Systems *	\$16.1	Dec-17
G6140103	Harold Structures Part 3A: W-Bnd By-Pass	\$165.2	Jan-18
G7090141	Harold Track A Cut & Cover	\$54.2	May-18
T6041412	Reconstruct Cortlandt St BW7	\$129.2	Aug-18
T7041409	Reconstruct Cortlandt St BW7	\$48.5	Aug-18
G5090119	Harold & Point CIL	\$39.5	Sep-18
G5110112	Construction: Core&Shell (Site P)	\$102.2	2018
G6090146	GCT Concourse&Facilities	\$434.2	Jan-19
G6140107	GCT Concourse&Facilities	\$2.2	Jan-19
G6090121	Mid-Day Storage Yard CIL Procurement	\$19.4	May-19
G7090142	Manhattan GCT Caverns	\$712.6	Jan-20
G6090135	Facility Systems	\$368.8	Jul-20
G7090135	Facility Systems	\$238.5	Jul-20
G6090137	Signal Equipment	\$21.8	Jul-20
G6090143	Traction Power	\$79.7	Jul-20
G7090136	Signal Installation	\$37.5	Jul-20
G7090121	Mid-Day Storage Yard Facility	\$266.0	Jul-20
G5090118	Harold Interlocking Stage 1-4	\$128.0	Dec-20

Note: Beneficial use was achieved prior to revenue service which began January 1, 2017.

B&T
2017-2020 Completions

ACEP	Project	Project Amount (\$ in Mil)	Planned Completion Date
ED050301	Flood Mitigation-Relocate Rev Equip -VN	\$8.2	Apr-17
ED040303	Flood Mitigation-Generator at GIVB	\$5.0	May-17
D601VN35	Steel Repair & Concrete Rehab. & Drainage Systems	\$11.1	Jun-17
D602VN80	VN80C Replace Upper Level Suspended Span	\$84.8	Jun-17
D607VN35	Paint - Brooklyn & Staten Island Lower Level Ramps	\$15.9	Jun-17
D607RK65	RK44: Paint - Plaza and Approach Ramps	\$6.1	Sep-17
D601RK23	Miscellaneous Rehab - Manhattan Approach Ramps	\$102.9	Oct-17
D602VN80	VN80B Replace Upper Level Suspended Span	\$243.9	Nov-17
D607VN80	Paint - Upper Level Superstructure	\$32.9	Nov-17
ED010324	MPB / CBB Master Plan & Resiliency Needs (CB-24)	\$10.0	Dec-17
D602VN84	Widening of Belt Parkway Ramps DES	\$7.7	Dec-17
D604MP03	Programmable Logic Controller & Mechanical Rehab.	\$10.2	2018
ED040207	Replace MPB Electrical Equipmt at North Abutment	\$8.4	2018
ED040210	Repl CBB Mech&Elect Equip-S. Abutment & Svc Bldg	\$13.5	2018
D601BB28	Rehab. Walls, Roadway, Firelines, Ceiling Repair	\$65.6	2018
D602BB54	Replacement Brooklyn Plaza Structural Slab	\$18.6	2018
ED010228	Restore Hugh L. Carey Tunnel - Structural	\$151.4	2018
ED020202	Restore Hugh L. Carey Tunnel - Rdway	\$7.5	2018
ED040243	Restore Hugh L. Carey Tunnel - Utility	\$137.4	2018
ED050202	Restore Hugh L. Carey Tunnel - Bldg	\$16.5	2018
D604QM30	Tunnel Ventilation Building Electrical Upgrade	\$56.2	2018
D704TN60	Anchorage Dehumidification	\$43.5	2018
D707TN60	Anchorage Dehumidification - Painting	\$8.2	2018
D702TN27	Install Service Building Alarm Systems & Upgrades (SBMP)	\$1.3	2018
ED010301	HLCT Plaza Mitigation	\$36.2	2018
ED050303	HLCT GIVB Sea Wall	\$31.0	2018
ED010304	QMT Plaza Mitigation	\$29.3	2018
D701BW14	Miscellaneous Structural Rehabilitation	\$20.3	2018
D701BW84	Cable & Suspender Rope Investigation/ Testing	\$10.5	2018
D707BW84	Paint Tower Interior Base Cells and Struts	\$33.0	2018
D601MPXB	Miscellaneous Structural Rehab	\$28.0	2018
D604MPXA	Mechanical Systems Rehab	\$38.8	2018
D607MPXC	Zone and Spot Painting of Roadway Structures	\$27.5	2018
D704BW39	Install Electronic Monitoring & Detection	\$29.9	2019
D704RK60	Install Electronic Monitoring & Detection	\$42.4	2019
D601QM18	Entrance and Exit Plazas Structural Rehabilitation	\$16.5	2018
D601QM40	Tunnel Wall and Ceiling Repairs and Leak Control	\$62.7	2018
ED010240	Restore Queens Midtown Tunnel - Structural	\$141.7	2018
ED020203	Restore Queens Midtown Tunnel Roadway	\$1.5	2018
ED040281	Restore QMT Cntrl/Comm Sys, CCTV,Traffic Signals	\$105.9	2018
ED050203	Queens Midtown Tunnel Environmental Cleanup	\$10.8	2018
D701AW98	Tunnel Vulnerability Improvements - Phase II	\$5.1	2019
D704RK21	Install Fire Standpipe/Upgrade Protection System	\$22.6	2019
D701HH89	Skewback Retrofit	\$83.2	2020
D701BW07	Fender Protection around Tower Piers (Const)	\$19.3	2020
D704BW32	Installation of Fire Standpipe Connections	\$7.3	2020
D704HC30	Installation of Smoke Detection/Alarm Systems	\$10.6	2020
D704HC64	Brooklyn Service Building Electrical Rehab.	\$7.3	2020
D704QM91	Installation of Smoke Detection/Alarm Systems	\$7.0	2020
D701RK22	Interim Repairs - FDR Ramp	\$25.9	2020
D701VN89	Tower Pier Rehab/Construct Mooring Platform	\$21.8	2020
D704VN30	Elevator Rehabilitation	\$8.6	2020
D704RK07	Electrical/Mechanical Rehab of HR Lift Span	\$22.0	2020
D702TN55	Study for Bx/Queens Approach Viaduct Replacement	\$12.8	2020
D701CB18	CB Scour Protect/Repair/Rpl CB/MP Pier Fender Sys	\$48.9	2020
D705HC80	Rehabilitation of Ventilation Buildings	\$4.7	2020
D705QM36	Rehabilitation of Ventilation Building	\$3.2	2020
D704RK66	Relocation of 13KV Substation	\$35.1	2020

OPERATING IMPACTS EXCEEDING \$1 MILLION FOR CAPITAL PROJECTS REACHING BENEFICIAL USE 2017-2020

NEW YORK CITY TRANSIT CAPITAL PROJECTS

Project: Second Avenue Subway Phase I. MTA Capital Construction is managing construction of the Second Avenue Subway on Manhattan's east side from 125th Street to the Financial District in Lower Manhattan. The first phase of this four-phase project will utilize an existing tunnel under Central Park from 57th Street/Seventh Avenue on the Broadway Line to 63rd Street/Lexington. From 63rd Street, a new tunnel will be built along Second Avenue between 63rd Street and 96th Street. The first phase will be served by an extension of the Q Line and have new stations at 63rd Street/Lexington (connection to F train), 72nd Street, 86th Street and finally 96th Street and began revenue service on January 1, 2017. This will result in \$45.4 million in additional annual expenses.

Project: Flushing CBTC. This project is to overlay a new state of the art Communications Based Train Control (CBTC) system in the automatic signal area of the Flushing Line. The Flushing line is the second line to undergo an upgrade to CBTC within the transit system. The project will also replace obsolete air operated 25 Hz fixed-block signal systems with 60 Hz electric equipment in the Times Square Interlocking and install a new solid state interlocking (SSI) at 1st Avenue. Installation is projected for substantial completion in 2017. This project will have a multi-million dollar operating impact.

Project: Queens Boulevard CBTC. This project consists of adding a Communications Based Train Control (CBTC) system to the Queens Boulevard line. The new signal system shall be designed primarily for CBTC only operations with the capability to permit non-CBTC trains to safely operate through the CBTC territory. The Queens Boulevard line is the third line to undergo an upgrade to CBTC within the transit system. Installation is projected for substantial completion in 2021. This project will have a multi-million dollar operating impact.

Project: Help Point Installation. Plan is to install 2,700 Help Point Units in stations. These units provide customers with the ability to make quick voice calls for emergency as well as information related needs. Each station will have several staged Help Points for customer convenience and safety. The total annual cost at completion is projected to be \$1.5M.

Project: Passenger Station LAN (PSLAN). The purpose of the PSLAN is to provide IP network connectivity throughout passenger stations across the subway system. The proposed work under this project will be to furnish and install LAN infrastructure for passenger stations, which can be used as an access network for all IP applications. Applications include New Fare Payment System, Help Point, IP intercoms, IP phones, workstations, IP cameras etc. The total annual operating impact is currently still undetermined.

Project: ISIM-B. In recent times, NYCT has modernized the real time tracking and operations of the A Division subway lines. NYCT is looking to implement similar capabilities across the B division, including long term capability to centrally control both traditional fixed block signal and CBTC systems. ISIM-B will be comprised of several phases in which NYCT will bring the B division modern tracking and operating standards. The operating budget impact of this project is still under review.

Project: Bus Radio & Command Center Upgrade. The Bus Radio Upgrade operating budget impact is currently under review and the cost of the increased maintenance needs for the upgraded radio consoles based on existing radio maintenance efforts is being evaluated. Areas include Bus Depots for MTA and NYCT, the Central Electronics Shop repairs, and Network Operations Support as well as the maintenance of the new Bus Command Center consoles and radio sites. Construction completion is currently estimated to be late-2017. Total annual operating impact is currently still undetermined.

Project: Public Address/ Customer Information – 89 Stations B Division. This project will install public address speakers and visual information delivered by Customer Information Screens at 89 stations and 2 pilot stations. Impacts are projected to begin in 2017 when much of the equipment would be installed or shortly thereafter. An annual total increase of \$3.3 million is expected.

LONG ISLAND RAIL ROAD CAPITAL PROJECTS

Project: East Side Access. This project will expand LIRR service into Grand Central Terminal. The construction includes new tunnel and track along with related right-of-way equipment, vent plants, substations, and a new terminal station with elevators, escalators, and HVAC. The project also includes 236 new rail cars and will introduce an expanded train service plan to support Opening Day. Operating budget increases will begin before opening day.

Project: Main Line Second Track. The 17.9-mile LIRR Main Line between Ronkonkoma and Farmingdale comprises 12.6 miles of single electrified track and 5.3 miles of double electrified track. The project calls for the addition of a second track and crossovers in the remaining single-track segments of the ROW. The project also includes new, unimproved maintenance roadways parallel to the tracks within the ROW in certain locations, new side-platforms at existing stations (Wyandanch and Pinelawn) and some new retaining walls where required. Construction is underway for Phase 1 from Ronkonkoma to west of Central Islip. Phase 2 begins in the Central Islip area and continues west to Farmingdale and will be divided into east and west segments. Headcount increase is required for Track, Signal and Power maintenance. As the project is being phased in, the full need will not be required until the full project is completed. At completion in 2018 the project is expected to have an operating budget impact of cost of \$1.25M.

Project: Positive Train Control (PTC). This project is for the installation of a PTC system for the LIRR. It is an integrated command, control, communication, and geographic information system designed to prevent train-to-train collisions, over-speed derailments, incursions into established work zone limits, and the movement of a train through a switch left in the wrong position. PTC is composed of five core elements: On-Board Equipment, a Wireless Communication Network, Central Servers, a Dispatching System, and Wayside Equipment. The full operating budget impact has not been identified. However, because of the assets and equipment that will need to be operated and maintained, it is expected that PTC will have an operating budget impact of at least \$3 million a year.

METRO-NORTH RAILROAD CAPITAL PROJECTS

Project: M-8 New Haven Line Purchase. This project is for the design, manufacture, test and delivery of the New Haven Line M8 EMU Cars. The first one hundred cars will be utilized to supplement the existing fleet to fill out trains and reduce standees. The base contract for 210 cars and the first option

for 90 additional cars were awarded on August 21, 2006. Two additional options 42 and 38 cars respectively. A change order was executed for 25 Single Cars for a total of 405 cars. Anticipated steady-state Operating Budget Impact of approximately \$4 million (NYS portion) once all 405 cars are in service.

Project: Positive Train Control (PTC). Installation of a PTC system is mandated by the Federal Rail Safety Improvement Act of 2008. PTC is an integrated command, control, communication, and geographic information system designed to prevent train-to-train collisions, over-speed derailments, incursions into established work zone limits, and the movement of a train through a switch left in the wrong position. It is composed five core elements: On-Board Equipment, a Wireless Communication Network, Central Servers, a Dispatching System, and Wayside Equipment. There is an anticipated steady-state Operating Budget Impact of approximately \$4 million in costs for this project (NYS portion).

Project: West of Hudson Signal Improvements. The purpose of this project is to install a new 100 Hz Cab Signal system replacing existing antiquated signal system for the West of Hudson Port Jervis Line between Suffern, NY (MP 31.3) and Sparrowbush, NY (MP 89.9). This system will be consistent with NORAC (Northeast Operating Rules Advisory Committee) and NJT (New Jersey Transit) operating rules. This project will extend existing cab signal system from NJT territory (south of Suffern) into MNR territory up to the division post at MP 89.9. This line consists of nine interlockings and four highway grade crossings. MNR rolling stock operated by NJT is already equipped with cab signal system due to its operation south of Suffern. PTC equipment for West of Hudson will be procured as options on New Jersey Transit PTC contract. The West of Hudson Signal Improvements project anticipates a steady-state Operating Budget Impact of approximately \$1 million (NYS portion).

Project: Harmon Shop Replacement – Phase V. The project involves the continuation of MTA Metro-North Railroad’s Harmon Shop Replacement Program. Phase V is a two-stage program to design and construct a new Electric Car Shop with a Consist Shop Facility and new Running Repair and Support Shop to replace the existing Harmon Old Main Shop Building. There is a potential for annual savings in excess of \$1 million that could be realized in facility and equipment maintenance and train operations costs.

MTA POLICE DEPARTMENT CAPITAL PROJECTS

Project: Upgrade Police Radio System. This project provides for the upgrade and enhancement of the MTAPD radio system and associated infrastructure through strategic partnerships with local and state agencies, as well as the installation of contemporary equipment and technologies throughout the 14 counties served by the MTAPD. It is expected that at completion the project will result in increased maintenance expenses of approximately \$4.4 million or more per year. These expenses will be partially offset by an estimated \$2.4 million per year of savings as MTAPD moves from 2 person patrols to 1 person patrols in districts outside of New York City. Full budget impacts of the project are expected after 2018.

MTA BRIDGES AND TUNNELS

Project: Implementation of cashless Open Road Tolling (ORT). This project is constructing ORT gantries at all MTA crossings (two Tunnels and seven Bridges), as well as installing, integrating and

testing all hardware and software to ensure the accuracy of the tolling systems. In addition, toll booths at all facilities are being removed. ORT is the next generation of tolling technology and its implementation will enhance the travel experience of customers at all TBTA facilities. This will result in approximately \$65 million in annual expenses starting in 2018, the first full year of agency-wide ORT operation.

MTA SYSTEM-WIDE

Project: Enterprise Asset Management. This project, which has already begun, will not be completed until after 2020. It is expected that the project will result in significant operating budget impacts leading up to and after its full implementation. Impacts will include both necessary investments and efficiency savings.

OTHER AGENCIES

MTA Bus has no capital projects entering beneficial use in 2017-2020 that have impacts on the operating budget over \$1 million.

V. Agency Financial Plans

Bridges and Tunnels

MTA BRIDGES AND TUNNELS
2018 Preliminary Budget
July Financial Plan 2018–2021

FINANCIAL OVERVIEW

MTA Bridges and Tunnels (B&T) continues to be a strong source of fiscal stability to the MTA. In 2017 and 2018 combined, B&T is projected to contribute over \$2 billion in Support to Mass Transit. B&T is able to provide this substantial support to mass transit by efficiently carrying out its operations and maintaining its facilities in a state of good repair, while at the same time providing high levels of customer service and maintaining a strong safety focus for both employees and the travelers utilizing its facilities. B&T's mission is being advanced in new and unprecedented ways through several initiatives included in the New York Crossings Project.

New York Crossings Project (NYCP)

Under the NYCP, B&T has been implementing Open Road Tolling (ORT) at its facilities throughout 2017. ORT significantly enhances traffic flow, reduces congestion and decreases commute times, making it easier for New Yorkers to get where they need to go. Sensors and cameras are suspended over the highway on structures called gantries and vehicles are not required to stop. Vehicles with E-ZPass are automatically charged and non-E-ZPass vehicles have their license plate recorded and a bill is mailed to the registered owner of the vehicle. ORT has been rolling out since November 2016 and is currently fully operational at seven of B&T's nine facilities: Henry Hudson Bridge, Hugh L. Carey Tunnel, Queens Midtown Tunnel, Marine Parkway-Gil Hodges Memorial Bridge, Cross Bay Bridge, Robert F. Kennedy Bridge, and Verrazano-Narrows Bridge. The remaining two facilities—Throgs Neck Bridge and Bronx-Whitestone Bridge—will go live this fall.

Another initiative included in the ORT plaza reconstruction is the installation of new tunnel barriers to control major floods and seismic measures on bridges, which will provide long-term protection from earthquakes and other natural forces.

The NYCP also includes several collaborative initiatives with New York State agencies that significantly enhance B&T's safety and security efforts. Anti-terrorism teams have been combined with traffic enforcement at crossings and new operating protocols have been developed across agencies. Approximately 500 B&T officers provide security and traffic management at the facilities and collaborate with State Police on toll enforcement; 150 members of State Police Troop NYC have been assigned at crossings to handle security and anti-terror activities.

Safety

There is no more important priority for B&T than safety. Safe work practices are continually emphasized and safety training is regularly provided to employees. Ongoing efforts in shaping a safety culture at every level of the agency include:

- Utilizing a Special Operations Command unit to provide unified emergency coordination, accident and facility/roadway hazard alerts, safety bulletins, and other vital communications to B&T customers and employees;
- Employing a Safety Task Force to check facilities for hazards and either make immediate improvements or elevate issues to a Safety Action Team when more technical solutions are required;
- Maintaining the effective ACROBAT (Achieve Collision Reduction on Bridges and Tunnels) program which is a joint effort between Engineering and Operations staff aimed at reducing vehicular accidents and customer injuries by pinpointing accident hot spots and implementing a variety of countermeasures ranging from physical improvements to operational actions;
- Continuing asset management best practices such as rigorous bridge and tunnel inspection programs that exceed Federal and New York State requirements to ensure that any observed deficiencies in structural or safety conditions are addressed as promptly as possible to maintain facility integrity and assure public safety;
- Developing and implementing a comprehensive Enterprise Asset Management (EAM) program that complies with international best practice standards (ISO 55000) and focuses on both strategic and tactical business objectives including Strategic Direction, Operations Planning, Performance and Risk Management, Capital and Maintenance Investment programming, Safety and Reliability, Project Delivery, Asset Inspections and Condition Monitoring, Asset Data, Information and Systems, Change and Knowledge Management, Organizational Capabilities and Culture, and others;
- Emphasizing inter-departmental initiatives and matrix management principles between Engineering, Operations, Safety and Health and other departments in the areas of safety training, field operations with the FDNY, and support in construction/maintenance activities.

To better enforce weight restrictions and ensure the safety and structural integrity of the facilities, a truck weight enforcement program is in place on B&T's suspension bridges. The program uses a combination of personnel to perform vehicle weight and safety inspections and provide a regular facility presence to conduct credential checks. From the start of the program in 2007 through year-to-date 2017, over 70,500 trucks have been interdicted. In addition, B&T assists the NYC Department of Transportation with inspections and violation assessments of commuter buses.

B&T also monitors its facility operations by tracking key customer service and safety-oriented performance statistics at the bridges and tunnels. Year-to-date, over 1,100 potholes have been repaired and over 3,000 miles of roadway have been swept across all facilities.

E-ZPass

Another of B&T's key initiatives—to make E-ZPass more available to all B&T customers—has taken even more importance within the ORT operating environment because E-ZPass is the most cost effective means of collecting tolls. B&T's efforts in this area have been successful and will continue through this July Financial Plan. Year-to-date, E-ZPass usage has averaged 88% of total traffic, which is approximate 2.0% points greater than 2016. The following efforts have contributed toward this growth in usage.

- The E-ZPass On-the-Go program has been a major driver in expanding E-ZPass usage. Before the end of 2017, sales in facility cash lines will no longer be possible because all facilities will be operating in an ORT environment. B&T has established E-ZPass sales at all downstate New York State Department of Motor Vehicle offices, and is exploring other ways to improve E-ZPass availability, including additional retail outlets.
- E-ZPass marketing efforts promoting savings (30-50% on all B&T tolls) and convenience (flexible account reload options to help avoid Tolls by Mail bills) include a major media campaign on TV, radio and print supported by an informational campaign on MTA.info, social media, and travel-related mobile sites, as well as direct marketing on B&T plazas and surrounding communities through handouts, door hangers, and pop-ups at community events.
- The MTA Reload Card has made it significantly easier for customers to replenish their E-ZPass account with cash. Customers can go to any Visa ReadyLink retail merchant and use the card to reload their E-ZPass accounts, eliminating the need to travel to one of three walk-in centers in Yonkers, Queens, or Staten Island for that purpose. To date, over 166,000 cards have been issued to customers and approximately 18% of total cash replenishments are currently made using the reload cards.
- E-ZPass “Pay per Trip” enables customers to set up an E-ZPass account without a pre-paid balance. Those enrolled in this program pay for their tolls each day through an Automated Clearinghouse (ACH) deduction from their checking account. To date, over 98,000 account holders have signed up for this program.
- Spanish language versions of the E-ZPass application, interactive website, and the customer service telephone voice response system are all currently available and additional efforts to reach out to other potential customers whose primary language is not English or Spanish are being investigated.

Key changes between the July and February financial plans are outlined below.

2017 Mid-Year Forecast

In the 2017 Mid-Year Forecast, a total of \$1,378.6 million is projected in baseline operating income compared to \$1,397.0 million in the 2017 Adopted Budget, a decrease of \$18.4 million.

Total revenue is \$1,956.6 million, which is \$17.1 million less than the Adopted Budget. Toll revenue accounts for 98% of all revenues and is projected at \$1,912.8 million, which is \$14.4 million below the Adopted Budget. The reduced toll revenue is due to a lower than initially forecast average toll resulting from higher than anticipated E-ZPass usage. Other Operating Revenue has also been adjusted downward by \$2.7 million to incorporate a technical adjustment that reclassifies toll violation fee and recovery revenue to Toll Revenue.

The 2017 Mid-Year Forecast includes expenses totaling \$578.0 million before depreciation and GASB adjustments. Labor costs are \$286.7 million and non-labor costs are \$291.3 million. Total expenses are \$1.3 million above the Adopted Budget.

Labor expenses have been decreased by \$10.7 million. Payroll and fringe benefits are a combined \$12.6 million below the Adopted Budget primarily due to vacancies. Pension costs are lower by \$2.8 million based on current projections provided by the NYC Employees' Retirement System (NYCERS). Partially offsetting these savings is the need for an additional \$2.5 million in overtime mainly to cover major maintenance requirements related to ORT and other large projects.

Non-labor expenses are higher by \$12.0 million primarily due to additional costs resulting from the timing of Hurricane Sandy restoration work (\$3.0 million), the purchase of an expansive License Plate Recognition (LPR) system to aid in toll collection enforcement (\$6.7 million), and an extensive marketing campaign aimed at making the public aware of ORT and the benefits of opening an E-ZPass account (\$6.7 million). These additional costs are partially offset by \$3.1 million in lower insurance costs based on revised policy assumptions and \$1.2 million in savings from lower negotiated unit prices for E-ZPass tags.

Total Support to Mass Transit is \$1,020.3 million compared to \$1,048.9 million in the 2017 Adopted Budget, a decrease of \$28.6 million resulting from \$18.4 million less in baseline operating income (\$17.1 million less in revenue and \$1.3 more in expenses), \$8.5 million in additional Capitalized Assets due to project re-scheduling and nearly \$1.8 more in B&T debt service.

In 2017, total planned year-end headcount is 1,589, including 87 capital reimbursable full-time equivalents, which is the same level as the Adopted Budget.

2018 Preliminary Budget - Baseline

In the 2018 Preliminary Budget, a total of \$1,351.7 million is projected in baseline operating income compared to \$1,349.8 million in the February Financial Plan, an increase of \$1.9 million.

Total revenues are \$1,981.7 million, which is \$3.6 million lower than the February Financial Plan. Toll revenues are decreased by \$0.4 million due to the previously discussed higher trends in E-ZPass usage pushing the average toll down, but these impacts are almost entirely offset by an increased traffic forecast based on current volume trends and the accelerated expected completion of Hurricane Sandy restoration work at the tunnels in 2018. As in 2017, Other Operating Revenue has been adjusted downward by \$2.7 million to incorporate a technical adjustment that reclassifies toll violation fee and recovery revenue to Toll Revenue.

Expenses before depreciation and GASB adjustments total \$630.0 million and are comprised of \$301.3 million in labor costs and \$328.7 million in non-labor expenses. Overall expenses are \$5.5 million lower than the February Financial Plan.

Labor costs are projected to be lower by \$2.2 million. NYCERS' current forecast for pension expense has been decreased by \$5.4 million. These savings are partially offset by \$3.2 million in higher Health and Welfare/OPEB Current Payment costs due to higher rate assumptions.

Non-labor expenses are lower by \$3.3 million. Consulting costs across a variety of areas have been re-estimated to yield total savings of \$2.0 million. In addition, unit prices for E-ZPass tags have been negotiated downward, which results in savings of \$1.3 million.

Total Support to Mass Transit is \$986.2 million compared to \$991.9 million in the February Financial Plan, a decrease of \$5.7 million resulting from \$1.9 million more in baseline operating income (\$3.6 million less revenue offset by \$5.5 million in lower expenses), an additional \$6.6 million in B&T debt service, and a combined \$1.0 million more in other deductions from income (capitalized assets, capital reserves and GASB reserves) primarily due to changes in the scheduling of projects funded through capitalized assets.

In 2018, total headcount is budgeted at 1,589, including 87 reimbursable positions, which is unchanged from the February Financial Plan.

2019-2021 Projections

The 2019 projection for baseline operating income is \$1,348.1 million compared to \$1,345.7 million in the February Financial Plan. This consists of \$1,993.5 million in revenues less \$645.4 million in expenses. The expenses are comprised of \$311.1 million in labor costs and \$334.3 million in non-labor expenses.

The 2020 projection for baseline operating income is \$1,343.9 million compared to \$1,339.4 million in the February Financial Plan. This consists of over \$2,000.7 million in

revenues, offset by nearly \$656.9 million in expenses. The expenses are comprised of over \$314.4 million in labor costs and over \$342.4 million in non-labor expenses.

In 2021, the projection for baseline operating income is \$1,333.0 million. This consists of \$2,009.2 million in revenues, offset by \$676.2 million in expenses. The expenses are comprised of nearly \$321.5 million in labor costs and nearly \$354.8 million in non-labor expenses.

Total headcount is planned at 1,591 in 2019 and at 1,597 in both 2020 and 2021, including 87 capittally-reimbursable positions each year.

Details for year-to-year changes, and reconciliations of the July Financial Plan to the February Financial Plan, and assumptions guiding traffic and headcount projections are discussed in the sections that follow.

MTA BRIDGES AND TUNNELS
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Non-Reimbursable						
Operating Revenue						
Toll Revenue	\$1,869.693	\$1,912.826	\$1,937.947	\$1,949.289	\$1,956.030	\$1,963.990
Other Operating Revenue	25.352	18.936	18.936	18.936	18.936	18.936
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.635	0.987	1.240	1.240	1.240	1.240
Total Revenues	\$1,895.680	\$1,932.749	\$1,958.123	\$1,969.465	\$1,976.206	\$1,984.166
Operating Expense						
Labor:						
Payroll	\$120.285	\$135.233	\$146.144	\$151.988	\$151.836	\$154.357
Overtime	23.626	28.000	26.807	27.347	27.895	28.455
Health and Welfare	24.918	29.721	34.158	34.896	36.415	38.022
OPEB Current Payments	18.293	19.673	21.443	21.915	22.967	24.070
Pension	42.546	38.928	37.167	37.177	36.412	37.112
Other Fringe Benefits	20.448	18.657	19.558	21.496	22.265	22.458
Reimbursable Overhead	(6.680)	(7.420)	(7.568)	(7.720)	(7.874)	(8.032)
Total Labor Expenses	\$243.436	\$262.791	\$277.709	\$287.099	\$289.916	\$296.442
Non-Labor:						
Electric Power	\$5.803	\$5.290	\$6.834	\$6.971	\$7.463	\$7.872
Fuel	1.362	1.794	1.860	1.882	2.105	2.298
Insurance	14.314	12.486	12.621	13.338	14.142	15.011
Claims	0.046	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	132.537	183.737	225.648	230.213	234.360	244.909
Professional Services Contracts	32.250	47.561	40.284	39.911	41.193	40.469
Materials and Supplies	3.808	4.828	4.731	4.403	4.523	4.643
Other Business Expenses	31.299	35.652	36.750	37.552	38.645	39.556
Total Non-Labor Expenses	\$221.418	\$291.347	\$328.728	\$334.270	\$342.431	\$354.759
Other Expense Adjustments:						
Other Expense Adjustments	\$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.	\$464.854	\$554.138	\$606.437	\$621.369	\$632.347	\$651.200
Depreciation	\$135.035	\$127.853	\$136.766	\$146.300	\$156.499	\$167.409
OPEB Liability Adjustment	67.289	71.832	75.424	79.195	83.155	87.312
GASB 68 Pension Expense Adjustment	(6.848)	11.828	15.242	17.184	20.001	21.451
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$660.330	\$765.651	\$833.868	\$864.048	\$892.001	\$927.372
Less: Depreciation	135.035	127.853	136.766	146.300	156.499	167.409
Less: OPEB Liability Adjustment	67.289	71.832	75.424	79.195	83.155	87.312
Less: GASB 68 Pension Exp Adjustment	(6.848)	11.828	15.242	17.184	20.001	21.451
Total Expenses	\$464.854	\$554.138	\$606.437	\$621.369	\$632.347	\$651.200
Net Surplus/(Deficit)	\$1,430.826	\$1,378.610	\$1,351.686	\$1,348.096	\$1,343.860	\$1,332.966

MTA BRIDGES AND TUNNELS
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Reimbursable						
Operating Revenue						
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	21.069	23.898	23.575	24.046	24.527	25.018
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenues	\$21.069	\$23.898	\$23.575	\$24.046	\$24.527	\$25.018
Operating Expense						
Labor:						
Payroll	\$7.974	\$8.340	\$8.506	\$8.676	\$8.850	\$9.027
Overtime	1.404	2.745	1.999	2.039	2.080	2.121
Health and Welfare	1.830	1.795	1.831	1.867	1.905	1.943
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	2.146	2.432	2.480	2.530	2.581	2.632
Other Fringe Benefits	1.035	1.167	1.190	1.214	1.238	1.263
Reimbursable Overhead	6.680	7.420	7.568	7.720	7.874	8.032
Total Labor Expenses	\$21.069	\$23.898	\$23.575	\$24.046	\$24.527	\$25.018
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 Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials and 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 Expense Adjustments	\$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.	\$21.069	\$23.898	\$23.575	\$24.046	\$24.527	\$25.018
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Non-Reimbursable / Reimbursable						
Page 1 of 2						
Operating Revenue						
Toll Revenue	\$1,869.693	\$1,912.826	\$1,937.947	\$1,949.289	\$1,956.030	\$1,963.990
Other Operating Revenue	25.352	18.936	18.936	18.936	18.936	18.936
Capital and Other Reimbursements	21.069	23.898	23.575	24.046	24.527	25.018
Investment Income	0.635	0.987	1.240	1.240	1.240	1.240
Total Revenues	\$1,916.749	\$1,956.646	\$1,981.698	\$1,993.512	\$2,000.733	\$2,009.184
Operating Expense						
Labor:						
Payroll	\$128.259	\$143.572	\$154.650	\$160.664	\$160.686	\$163.384
Overtime	25.030	30.745	28.806	29.386	29.975	30.576
Health and Welfare	26.748	31.516	35.988	36.763	38.319	39.965
OPEB Current Payments	18.293	19.673	21.443	21.915	22.967	24.070
Pension	44.692	41.360	39.648	39.707	38.992	39.744
Other Fringe Benefits	21.483	19.823	20.748	22.710	23.503	23.721
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$264.505	\$286.689	\$301.284	\$311.145	\$314.443	\$321.459
Non-Labor:						
Electric Power	\$5.803	\$5.290	\$6.834	\$6.971	\$7.463	\$7.872
Fuel	1.362	1.794	1.860	1.882	2.105	2.298
Insurance	14.314	12.486	12.621	13.338	14.142	15.011
Claims	0.046	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	132.537	183.737	225.648	230.213	234.360	244.909
Professional Services Contracts	32.250	47.561	40.284	39.911	41.193	40.469
Materials and Supplies	3.808	4.828	4.731	4.403	4.523	4.643
Other Business Expenses	31.299	35.652	36.750	37.552	38.645	39.556
Total Non-Labor Expenses	\$221.418	\$291.347	\$328.728	\$334.270	\$342.431	\$354.759
Other Expense Adjustments:						
Other Expense Adjustments	\$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.	\$485.923	\$578.036	\$630.012	\$645.415	\$656.874	\$676.218
Depreciation	\$135.035	\$127.853	\$136.766	\$146.300	\$156.499	\$167.409
OPEB Liability Adjustment	67.289	71.832	75.424	79.195	83.155	87.312
GASB 68 Pension Expense Adjustment	(6.848)	11.828	15.242	17.184	20.001	21.451
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$681.399	\$789.549	\$857.443	\$888.094	\$916.528	\$952.390
Less: Depreciation	135.035	127.853	136.766	146.300	156.499	167.409
Less: OPEB Liability Adjustment	67.289	71.832	75.424	79.195	83.155	87.312
Less: GASB 68 Pension Exp Adjustment	(6.848)	11.828	15.242	17.184	20.001	21.451
Total Expenses	\$485.923	\$578.036	\$630.012	\$645.415	\$656.874	\$676.218
Net Surplus/(Deficit)	\$1,430.826	\$1,378.610	\$1,351.686	\$1,348.096	\$1,343.860	\$1,332.966

MTA BRIDGES AND TUNNELS
July Financial Plan 2018 - 2021
Accrual Statement of Operations by Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Non-Reimbursable / Reimbursable						
Page 2 of 2						
Net Surplus/(Deficit)	\$1,430.826	\$1,378.610	\$1,351.686	\$1,348.096	\$1,343.860	\$1,332.966
<u>Deductions from Income:</u>						
Less: Capitalized Assets	\$19.900	\$30.213	\$20.578	\$21.063	\$21.638	\$22.210
B&T Capital Reserves	27.505	27.515	28.043	28.705	29.489	30.267
GASB 45 Reserves	0.000	0.000	0.354	0.448	0.659	0.879
Adjusted Net Surplus/(Deficit)	\$1,383.421	\$1,320.882	\$1,302.711	\$1,297.879	\$1,292.073	\$1,279.610
Less: Debt Service	\$639.877	\$660.706	\$684.021	\$718.168	\$748.142	\$782.926
Income Available for Distribution	\$743.544	\$660.177	\$618.690	\$579.711	\$543.932	\$496.684
<u>Distributable To:</u>						
MTA - Investment Income	\$0.635	\$0.987	\$1.240	\$1.240	\$1.240	\$1.240
MTA - Distributable Income	430.008	383.927	364.448	345.493	326.840	303.066
NYCT - Distributable Income	312.901	275.263	253.001	232.978	215.852	192.378
Total Distributable Income:	\$743.543	\$660.177	\$618.690	\$579.711	\$543.932	\$496.684
<u>Actual Cash Transfers:</u>						
MTA - Investment Income - Prior Year	\$0.183	\$0.635	\$0.987	\$1.240	\$1.240	\$1.240
MTA - Cash Surplus Transfer	429.984	401.871	366.396	347.389	328.705	305.444
NYCT - Cash Surplus Transfer	311.825	285.834	255.228	234.980	217.565	194.725
Total Cash Transfers:	\$741.991	\$688.340	\$622.611	\$583.609	\$547.510	\$501.409
SUPPORT TO MASS TRANSIT:						
Total Revenue	\$1,916.749	\$1,956.646	\$1,981.698	\$1,993.512	\$2,000.733	\$2,009.184
Total Expenses Before Non-Cash Liability Adjs.	485.923	578.036	630.012	645.415	656.874	676.218
Net Operating Income:	\$1,430.826	\$1,378.610	\$1,351.686	\$1,348.096	\$1,343.860	\$1,332.966
<u>Deductions from Operating Income:</u>						
B&T Debt Service	\$257.344	\$300.589	\$316.476	\$347.649	\$381.830	\$417.487
Capitalized Assets	19.900	30.213	20.578	21.063	21.638	22.210
B&T Capital Reserves	27.505	27.515	28.043	28.705	29.489	30.267
GASB Reserves	0.000	0.000	0.354	0.448	0.659	0.879
Total Deductions from Operating Income:	\$304.749	\$358.318	\$365.452	\$397.866	\$433.617	\$470.843
Total Support to Mass Transit:	\$1,126.077	\$1,020.293	\$986.235	\$950.230	\$910.243	\$862.123

MTA BRIDGES AND TUNNELS
2017 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime Hours and Expenses
(\$ in millions)

NON-REIMBURSABLE OVERTIME	Total		
	Hours	\$	%
Scheduled Service	76,450	\$4.781	17.1%
Unscheduled Service	3,165	0.242	0.9%
Programmatic/Routine Maintenance	20,120	1.583	5.7%
Unscheduled Maintenance	14,535	1.143	4.1%
Vacancy/Absentee Coverage (1)	197,016	12.393	44.3%
Weather Emergencies	15,240	1.124	4.0%
Safety/Security/Law Enforcement	17,635	1.093	3.9%
Other	26,443	2.063	7.4%
All Other Departments and Adjustments *	0	3.578	12.8%
Subtotal	370,604	\$28.000	100.0%
REIMBURSABLE OVERTIME	36,290	\$2.745	
TOTAL OVERTIME	406,894	\$30.745	

(1) Offset by lower payroll and associated fringe benefits

* Includes overtime for all departments other than Operations and Maintenance, in addition to adjustments to reflect the 28-day payroll lag. Does not include hours.

MTA BRIDGES AND TUNNELS
2018 Preliminary Budget
July Financial Plan 2018–2021
Year-to-Year Changes by Category - Baseline

Toll Revenue

- Toll revenue is forecast at \$1,912.8 million in 2017 and at \$1,937.9 million in 2018. Revenue growth in 2018 is based on higher paid traffic volume stemming from modest growth in regional employment and the recovery of diverted crossings following completion of Hurricane Sandy restoration work at the Queens Midtown Tunnel and the Hugh L. Carey Tunnel in 2018 (See Traffic/Utilization).
- Toll revenue increases to \$1,949.3 million in 2019, \$1,956.0 million in 2020, and \$1,964.0 million in 2021, primarily reflecting traffic volume increases from projected regional employment growth and inflation (See Traffic/Utilization).

Other Operating Revenue

- Other Operating Revenue, which consists mainly of E-ZPass administrative fees and receipts from the Battery Parking Garage, is estimated at \$18.9 million in each year of the financial plan.

Capital and Other Reimbursements

- Capital and Other Reimbursements are tied to expected work to be performed through the Capital Programs. Reimbursements are estimated at \$23.9 million in 2017 and then decline to \$23.6 million in 2018. The decline is mainly due to the completion of ORT construction in 2017.
- Growth of approximately \$0.5 million each year is included in the Capital Reimbursements plan for 2019 through 2021.

Investment Income

- The Investment Income plan for 2017 through 2021 reflects earnings on estimated fund balances based on projected short-term investment yields. This income source is estimated at \$1.0 million in 2017 and at \$1.2 million each year thereafter.

Payroll

- Payroll costs grow from \$143.6 million in 2017 to \$154.7 million in 2018 primarily due to the filling of 2017 vacancies, contractual step-up increases and inflationary adjustments.
- Payroll expenses range from \$160.7 million in 2019 to \$163.4 million in 2021. The growth in costs results from contractual step-up increases, inflationary adjustments, and the program development of the Enterprise Asset Management (EAM) initiative, which calls for two additional positions in 2019 and another six positions in 2020.

- Salaries for most represented employees include contract settlements for increases to compensation earned between 2009 and 2011, followed by the expectation of a five-year contract effective through 2016, with CPI-based increases of 2.0% assumed thereafter.
- Wage inflation for non-represented employees is 2.0% annually from July 2017 on.

Overtime

- Overtime declines from \$30.7 million in 2017 to \$28.8 million in 2018 primarily due to the completion of ORT implementation and various major maintenance projects in 2017 that have required additional Maintenance and Operations staff support.
- Wage inflation rates for overtime are the same as for payroll and result in growth of approximately \$0.6 million each year from 2018 through 2021.

Health and Welfare/OPEB Current Payments

- In 2018, there is an increase of \$6.2 million from 2017 primarily due to forecast inflation of 9.0% for defined medical programs and the filling of 2017 vacancies.
- Expenses increase by \$1.2 million in 2019, \$2.6 million in 2020, and \$2.7 million in 2021 primarily reflecting forecast annual medical program inflation of 2.2% in 2019 and 4.8% each year thereafter.

Pension

- Pension expenses incorporate current projections for NYCERS provided by the NYC Office of the Actuary.
- Projected costs drop from \$41.4 million in 2017 to \$39.6 million in 2018, and then average \$39.5 million each year thereafter.

Other Fringe Benefits

- Year-to-year growth in Other Fringe Benefits is generally proportionate to changes in payroll and overtime.
- Other Fringe Benefits range between \$19.8 million in 2017 to \$23.7 million in 2021.

Electric Power

- Electricity costs are based on the most recent rate projections. Expenses grow by \$1.5 million in 2018 and then increase between \$0.1 million and \$0.5 million each year thereafter.

Fuel

- The expense plan for fuel is driven mainly by the most recent forecast for heating fuel. Estimated costs are \$1.8 million in 2017 and \$1.9 million in both 2018 and 2019. Expenses grow by \$0.2 million each year thereafter.

Insurance

- Based on current insurance policy growth assumptions, costs range from \$12.5 million in 2017 to \$15.0 million in 2021.

Maintenance and Other Operating Contracts

- Expenses are forecast at \$183.7 million in 2017 and \$225.6 million in 2018. The primary factors for the \$41.9 million increase are:
 - ORT will be fully operational at all facilities in 2018, which requires \$29.8 million in additional contracted costs for administering the Tolls by Mail program used to collect tolls from non-E-ZPass customers;
 - As Open Road Tolling progresses, maintenance requirements for the initiative are currently estimated at \$17.1 million in 2018.
 - Security equipment purchases will be \$6.7 million less in 2018 due to the purchase of a License Plate Recognition (LPR) system in 2017 that will aid in toll collection enforcement.
- Expenses grow by \$4.6 million in 2019 and by \$4.1 million in 2020 largely due to inflation.
- In 2021, the LPR system is expected to need replacing or upgrading. This additional expense plus inflationary adjustments in other areas result in a year-to-year increase of \$10.5 million.

Professional Service Contracts

- In 2018, expenses decrease by \$7.3 million primarily due to the expected completion of an extensive marketing campaign in 2017 to inform the public about ORT and to promote the benefits of opening an E-ZPass account.
- Expenses decline by \$0.4 million in 2019 primarily due to the timing of consulting costs associated with the development of the Enterprise Asset Management (EAM) program.
- Costs grow by \$1.3 million in 2020 largely due to inflation and then decline again in 2021 by \$0.7 million due to the timing of EAM program development.

Materials and Supplies

- Expenses decline by \$0.1 million in 2018 and by another \$0.4 million in 2019 due to the purchasing plan for radio and roadway equipment.
- Inflationary adjustments increase expenses by \$0.1 million each year thereafter.

Other Business Expenses

- Estimated costs grow between \$0.8 million and \$1.0 million in each year of the plan primarily due to inflationary adjustments.

MTA BRIDGES AND TUNNELS
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Non-Reimbursable									
Operating Revenues									
Toll Revenue	\$1,912.826	\$1,937.947	\$25.121	\$1,949.289	\$11.342	\$1,956.030	\$6.741	\$1,963.990	\$7.960
Other Operating Revenue	18.936	18.936	0.000	18.936	0.000	18.936	0.000	18.936	0.000
Investment Income	0.987	1.240	0.253	1.240	0.000	1.240	0.000	1.240	0.000
Total Revenues	\$1,932.749	\$1,958.123	\$25.374	\$1,969.465	\$11.342	\$1,976.206	\$6.741	\$1,984.166	\$7.960
Operating Expenses									
Labor:									
Payroll	\$135.233	\$146.144	(\$10.911)	\$151.988	(\$5.844)	\$151.836	\$0.152	\$154.357	(\$2.521)
Overtime	28.000	26.807	1.193	27.347	(0.540)	27.895	(0.548)	28.455	(0.559)
Health and Welfare	29.721	34.158	(4.437)	34.896	(0.738)	36.415	(1.519)	38.022	(1.608)
OPEB Current Payments	19.673	21.443	(1.771)	21.915	(0.472)	22.967	(1.052)	24.070	(1.102)
Pension	38.928	37.167	1.761	37.177	(0.010)	36.412	0.766	37.112	(0.700)
Other Fringe Benefits	18.657	19.558	(0.901)	21.496	(1.938)	22.265	(0.769)	22.458	(0.193)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(7.420)	(7.568)	0.148	(7.720)	0.151	(7.874)	0.154	(8.032)	0.157
Total Labor Expenses	\$262.791	\$277.709	(\$14.918)	\$287.099	(\$9.390)	\$289.916	(\$2.817)	\$296.442	(\$6.526)
Non-Labor:									
Electric Power	\$5.290	\$6.834	(\$1.543)	\$6.971	(\$0.137)	\$7.463	(\$0.492)	\$7.872	(\$0.410)
Fuel	1.794	1.860	(0.067)	1.882	(0.022)	2.105	(0.223)	2.298	(0.193)
Insurance	12.486	12.621	(0.135)	13.338	(0.718)	14.142	(0.804)	15.011	(0.869)
Claims	0.000	0.000	0.000	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	0.000	0.000	0.000
Maintenance and Other Operating Contracts	183.737	225.648	(41.911)	230.213	(4.565)	234.360	(4.147)	244.909	(10.548)
Professional Services Contracts	47.561	40.284	7.277	39.911	0.373	41.193	(1.282)	40.469	0.723
Materials and Supplies	4.828	4.731	0.097	4.403	0.328	4.523	(0.120)	4.643	(0.119)
Other Business Expenses	35.652	36.750	(1.099)	37.552	(0.802)	38.645	(1.093)	39.556	(0.911)
Total Non-Labor Expenses	\$291.347	\$328.728	(\$37.381)	\$334.270	(\$5.542)	\$342.431	(\$8.161)	\$354.759	(\$12.328)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$554.138	\$606.437	(\$52.298)	\$621.369	(\$14.932)	\$632.347	(\$10.978)	\$651.200	(\$18.853)
Depreciation	\$127.853	\$136.766	(\$8.913)	\$146.300	(\$9.534)	\$156.499	(\$10.199)	\$167.409	(\$10.910)
OPEB Liability Adjustment	71.832	75.424	(3.592)	79.195	(3.771)	83.155	(3.960)	87.312	(4.158)
GASB 68 Pension Expense Adjustment	11.828	15.242	(3.414)	17.184	(1.942)	20.001	(2.817)	21.451	(1.450)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$765.651	\$833.868	(\$68.217)	\$864.048	(\$30.179)	\$892.001	(\$27.954)	\$927.372	(\$35.371)
Less: Depreciation	\$127.853	\$136.766	(\$8.913)	\$146.300	(\$9.534)	\$156.499	(\$10.199)	\$167.409	(\$10.910)
Less: OPEB Liability Adjustment	71.832	75.424	(3.592)	79.195	(3.771)	83.155	(3.960)	87.312	(4.158)
Less: GASB 68 Pension Expense Adjustment	11.828	15.242	(3.414)	17.184	(1.942)	20.001	(2.817)	21.451	(1.450)
Less: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$554.138	\$606.437	\$52.298	\$621.369	\$14.932	\$632.347	(\$10.978)	\$651.200	(\$18.853)
Net Surplus/(Deficit)	\$1,378.610	\$1,351.686	(\$26.924)	\$1,348.096	(\$3.590)	\$1,343.860	(\$4.237)	\$1,332.966	(\$10.893)

MTA BRIDGES AND TUNNELS
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast	Preliminary Budget	Change	Change	Change	Change	Change	Change	Change
	2017	2018	2017 - 2018	2019	2018 - 2019	2020	2019 - 2020	2021	2020 - 2021
Reimbursable									
Operating Revenues									
Toll Revenue	\$0.000	\$0.000	\$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	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	23.898	23.575	(0.323)	24.046	0.471	24.527	0.481	25.018	0.491
Total Revenues	\$23.898	\$23.575	(\$0.323)	\$24.046	\$0.471	\$24.527	\$0.481	\$25.018	\$0.491
Operating Expenses									
<u>Labor:</u>									
Payroll	\$8.340	\$8.506	(\$0.167)	\$8.676	(\$0.170)	\$8.850	(\$0.174)	\$9.027	(\$0.177)
Overtime	2.745	1.999	0.746	2.039	(0.040)	2.080	(0.041)	2.121	(0.042)
Health and Welfare	1.795	1.831	(0.036)	1.867	(0.037)	1.905	(0.037)	1.943	(0.038)
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension	2.432	2.480	(0.049)	2.530	(0.050)	2.581	(0.051)	2.632	(0.052)
Other Fringe Benefits	1.167	1.190	(0.023)	1.214	(0.024)	1.238	(0.024)	1.263	(0.025)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	7.420	7.568	(0.148)	7.720	(0.151)	7.874	(0.154)	8.032	(0.157)
Total Labor Expenses	\$23.898	\$23.575	\$0.323	\$24.046	(\$0.471)	\$24.527	(\$0.481)	\$25.018	(\$0.491)
<u>Non-Labor:</u>									
Electric Power	\$0.000	\$0.000	\$0.000	\$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	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	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	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	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	0.000	0.000	0.000
Professional Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Materials and Supplies	0.000	0.000	0.000	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	0.000	0.000	0.000
Total Non-Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation	\$23.898	\$23.575	\$0.323	\$24.046	(\$0.471)	\$24.527	(\$0.481)	\$25.018	(\$0.491)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	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	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$23.898	\$23.575	\$0.323	\$24.046	(\$0.471)	\$24.527	(\$0.481)	\$25.018	(\$0.491)
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast	Preliminary Budget	Change	Change	Change	Change	Change	Change	Change
	2017	2018	2017 - 2018	2019	2018 - 2019	2020	2019 - 2020	2021	2020 - 2021
<u>Non-Reimbursable and Reimbursable</u>									
Operating Revenues									
Toll Revenue	\$1,912.826	\$1,937.947	\$25.121	\$1,949.289	\$11.342	\$1,956.030	\$6.741	\$1,963.990	\$7.960
Other Operating Revenue	18.936	18.936	0.000	18.936	0.000	18.936	0.000	18.936	0.000
Investment Income	0.987	1.240	0.253	1.240	0.000	1.240	0.000	1.240	0.000
Capital and Other Reimbursements	23.898	23.575	(0.323)	24.046	0.471	24.527	0.481	25.018	0.491
Total Revenues	\$1,956.646	\$1,981.698	\$25.052	\$1,993.512	\$11.813	\$2,000.733	\$7.222	\$2,009.184	\$8.451
Operating Expenses									
<u>Labor:</u>									
Payroll	\$143.572	\$154.650	(\$11.078)	\$160.664	(\$6.014)	\$160.686	(\$0.022)	\$163.384	(\$2.698)
Overtime	30.745	28.806	1.938	29.386	(0.580)	29.975	(0.589)	30.576	(0.601)
Health and Welfare	31.516	35.988	(4.473)	36.763	(0.774)	38.319	(1.556)	39.965	(1.646)
OPEB Current Payments	19.673	21.443	(1.771)	21.915	(0.472)	22.967	(1.052)	24.070	(1.102)
Pension	41.360	39.648	1.712	39.707	(0.060)	38.992	0.715	39.744	(0.752)
Other Fringe Benefits	19.823	20.748	(0.925)	22.710	(1.961)	23.503	(0.794)	23.721	(0.217)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$286.689	\$301.284	(\$14.595)	\$311.145	(\$9.861)	\$314.443	(\$3.298)	\$321.459	(\$7.016)
<u>Non-Labor:</u>									
Electric Power	\$5.290	\$6.834	(\$1.543)	\$6.971	(\$0.137)	\$7.463	(\$0.492)	\$7.872	(\$0.410)
Fuel	1.794	1.860	(0.067)	1.882	(0.022)	2.105	(0.223)	2.298	(0.193)
Insurance	12.486	12.621	(0.135)	13.338	(0.718)	14.142	(0.804)	15.011	(0.869)
Claims	0.000	0.000	0.000	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	0.000	0.000	0.000
Maintenance and Other Operating Contracts	183.737	225.648	(41.911)	230.213	(4.565)	234.360	(4.147)	244.909	(10.548)
Professional Services Contracts	47.561	40.284	7.277	39.911	0.373	41.193	(1.282)	40.469	0.723
Materials and Supplies	4.828	4.731	0.097	4.403	0.328	4.523	(0.120)	4.643	(0.119)
Other Business Expenses	35.652	36.750	(1.099)	37.552	(0.802)	38.645	(1.093)	39.556	(0.911)
Total Non-Labor Expenses	\$291.347	\$328.728	(\$37.381)	\$334.270	(\$5.542)	\$342.431	(\$8.161)	\$354.759	(\$12.328)
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$578.036	\$630.012	(\$51.976)	\$645.415	(\$15.403)	\$656.874	(\$11.459)	\$676.218	(\$19.344)
Depreciation	\$127.853	\$136.766	(\$8.913)	\$146.300	(\$9.534)	\$156.499	(\$10.199)	\$167.409	(\$10.910)
OPEB Liability Adjustment	71.832	75.424	(3.592)	79.195	(3.771)	83.155	(3.960)	87.312	(4.158)
GASB 68 Pension Expense Adjustment	11.828	15.242	(3.414)	17.184	(1.942)	20.001	(2.817)	21.451	(1.450)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$789.549	\$857.443	(\$67.894)	\$888.094	(\$30.651)	\$916.528	(\$28.434)	\$952.390	(\$35.862)
Less: Depreciation	\$127.853	\$136.766	(\$8.913)	\$146.300	(\$9.534)	\$156.499	(\$10.199)	\$167.409	(\$10.910)
Less: OPEB Liability Adjustment	71.832	75.424	(3.592)	79.195	(3.771)	83.155	(3.960)	87.312	(4.158)
Less: GASB 68 Pension Expense Adjustment	11.828	15.242	(3.414)	17.184	(1.942)	20.001	(2.817)	21.451	(1.450)
Less: Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$578.036	\$630.012	\$51.976	\$645.415	\$15.403	\$656.874	(\$11.459)	\$676.218	(\$19.344)
Net Surplus/(Deficit)	\$1,378.610	\$1,351.686	(\$26.924)	\$1,348.096	(\$3.590)	\$1,343.860	(\$4.237)	\$1,332.966	(\$10.893)

MTA BRIDGES AND TUNNELS
July Financial Plan 2018 - 2021
Accrual Statement of Operations by Category
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Non-Reimbursable / Reimbursable									
Page 2 of 2									
Net Surplus/(Deficit)	\$1,378.610	\$1,351.686	(\$26.924)	\$1,348.096	(\$3.590)	\$1,343.860	(\$4.237)	\$1,332.966	(\$10.893)
<i>Deductions from Income:</i>									
Less: Capitalized Assets	\$30.213	\$20.578	\$9.635	\$21.063	(\$0.486)	\$21.638	(\$0.575)	\$22.210	(\$0.571)
Capitalized Reserves	27.515	28.043	(0.528)	28.705	(0.662)	29.489	(0.784)	30.267	(0.779)
GASB 45 Reserves	0.000	0.354	(0.354)	0.448	(0.094)	0.659	(0.210)	0.879	(0.220)
Adjusted Net Surplus/(Deficit)	\$1,320.882	\$1,302.711	(\$18.171)	\$1,297.879	(\$4.832)	\$1,292.073	(\$5.806)	\$1,279.610	(\$12.464)
Less: Debt Service	\$660.706	\$684.021	(\$23.316)	\$718.168	(\$34.147)	\$748.142	(\$29.974)	\$782.926	(\$34.784)
Income Available for Distribution	\$660.177	\$618.690	(\$41.487)	\$579.711	(\$38.979)	\$543.932	(\$35.779)	\$496.684	(\$47.247)
<i>Distributable To:</i>									
MTA - Investment Income	\$0.987	\$1.240	\$0.253	\$1.240	\$0.000	\$1.240	\$0.000	\$1.240	\$0.000
MTA - Distributable Income	383.927	364.448	(19.479)	345.493	(18.955)	326.840	(18.654)	303.066	(23.773)
NYCT - Distributable Income	275.263	253.001	(22.262)	232.978	(20.024)	215.852	(17.126)	192.378	(23.474)
Total Distributable Income:	\$660.177	\$618.690	(\$41.487)	\$579.711	(\$38.979)	\$543.932	(\$35.779)	\$496.684	(\$47.247)
<i>Actual Cash Transfers:</i>									
MTA - Investment Income - Prior Year	\$0.635	\$0.987	\$0.352	\$1.240	\$0.253	\$1.240	\$0.000	\$1.240	\$0.000
MTA - Cash Surplus Transfer	401.871	366.396	(35.474)	347.389	(19.007)	328.705	(18.684)	305.444	(23.261)
NYCT - Cash Surplus Transfer	285.834	255.228	(30.607)	234.980	(20.247)	217.565	(17.416)	194.725	(22.839)
Total Cash Transfers:	\$688.340	\$622.611	(\$65.729)	\$583.609	(\$39.002)	\$547.510	(\$36.099)	\$501.409	(\$46.101)
SUPPORT TO MASS TRANSIT:									
Total Revenue	\$1,956.646	\$1,981.698	\$25.052	\$1,993.512	\$11.813	\$2,000.733	\$7.222	\$2,009.184	\$8.451
Total Expenses Before Non-Cash Liability Adjs.	578.036	630.012	(51.976)	645.415	(15.403)	656.874	(11.459)	676.218	(19.344)
Net Operating Income:	\$1,378.610	\$1,351.686	(\$26.924)	\$1,348.096	(\$3.590)	\$1,343.860	(\$4.237)	\$1,332.966	(\$10.893)
<i>Deductions from Operating Income:</i>									
B&T Debt Service	\$300.589	\$316.476	(\$15.887)	\$347.649	(\$31.173)	\$381.830	(\$34.181)	\$417.487	(\$35.656)
Capitalized Assets	30.213	20.578	9.635	21.063	(0.486)	21.638	(0.575)	22.210	(0.571)
Reserves	27.515	28.043	(0.528)	28.705	(0.662)	29.489	(0.784)	30.267	(0.779)
GASB Reserves	0.000	0.354	(0.354)	0.448	(0.094)	0.659	(0.210)	0.879	(0.220)
Total Deductions from Operating Income:	\$358.318	\$365.452	(\$7.134)	\$397.866	(\$32.415)	\$433.617	(\$35.750)	\$470.843	(\$37.227)
Total Support to Mass Transit:	\$1,020.293	\$986.235	(\$34.058)	\$950.230	(\$36.005)	\$910.243	(\$39.987)	\$862.123	(\$48.120)

MTA BRIDGES AND TUNNELS
2018 Preliminary Budget
July Financial Plan 2018–2021
Summary of Major Plan-to-Plan Changes

Non-Reimbursable

2017: July Financial Plan vs. February Financial Plan

Revenues

Revenues are reduced by \$17.1 million from the February Financial Plan. The major changes include:

- Lower toll revenue of \$14.4 million due to a lower than initially forecast average toll. The drop in the average toll is primarily the result of higher than anticipated E-ZPass usage.
- A technical adjustment of \$2.7 million which reclassifies toll violation fee and toll recovery revenue from Other Operating Income to Toll Revenue.

Expenses

Non-reimbursable expenses are projected to be \$1.3 million greater than the February Plan. Labor costs are \$10.7 million lower and non-labor expenses are \$12.0 million higher. The major variances include:

Labor

- Lower payroll expenses totaling \$6.4 million due to vacancies, partially offset by an additional \$1.3 million in overtime mainly needed to cover major maintenance requirements related to ORT and other large projects.
- A total decrease of \$1.1 million in Health and Welfare/OPEB Current Payment expenses primarily due to vacancies.
- A decrease of \$2.3 million in Pension costs based on NYCERS' current projections.
- An additional \$2.1 million in reimbursable overhead due to re-estimates of workforce hours eligible for reimbursement from the Capital Programs.

Non-Labor

- Lower electricity costs totaling \$0.7 million based on revised rate forecasts.
- Lower insurance costs of \$3.1 million based on revised policy assumptions.
- Higher expenses in Maintenance and Other Operating Contracts (\$7.7 million) resulting primarily from the timing of Hurricane Sandy restoration work (\$3.0 million) and the purchase of a License Plate Recognition (LPR) system to aid in toll collection enforcement (\$6.7 million), partially offset by \$1.2 million in savings from lower negotiated unit prices for E-ZPass tags and another \$0.8 million in favorable re-estimates across a variety of routine maintenance areas.
- An additional \$6.7 million has been included in the forecast for Professional Service Contracts to cover the costs of an extensive marketing campaign aimed at making the public aware of ORT and the benefits of opening an E-ZPass account.

- The categories of Materials & Supplies and Other Business Expenses are a combined \$1.5 million greater than the February Plan due to relatively small upward re-estimates across several areas.

Deductions from Operating Income

- Capitalized Assets are \$8.5 million higher primarily due to the re-scheduling of projects from 2016.
- B&T Debt Service is nearly \$1.8 million greater than the Adopted Budget.

2018-2020: July Financial Plan vs. February Financial Plan

Revenues

Total revenues are being decreased by \$3.1 million in 2018, \$4.8 million in 2019 and \$5.4 million in 2020.

- The toll revenue forecast has been decreased by \$0.4 million in 2018, \$2.1 million in 2019 and \$2.8 million in 2020. Adjusting the forecast for the higher E-ZPass usage observed in 2017 pushes down the projections by approximately \$22 million per year. However, these downward adjustments are largely offset by revised baseline traffic projections that include a recovery of diverted volume during Hurricane Sandy restoration work at the two tunnels in 2017. This work is scheduled to be completed in 2018 and traffic is anticipated to return to pre-construction levels (see Traffic/Utilization).
- Other Operating Revenue has been adjusted downward by \$2.7 million each year to reflect the reclassification of toll violation fee and toll recovery revenue to Toll Revenue.

Expenses

Non-reimbursable expenses decrease by \$3.3 million in 2018, \$4.9 million in 2019, and \$7.6 million in 2020.

Labor

Expenses decrease by \$1.6 million in 2018, \$2.3 million in 2019, and \$2.2 million in 2020 based on the following major changes:

- Re-estimates of workforce hours eligible for reimbursement from the Capital Programs result in higher non-reimbursable payroll costs of \$1.3 million to \$1.4 million each year, while overtime is lower by approximately \$0.4 million each year.
- Revised inflationary assumptions for defined medical plans are the primary drivers behind the unfavorable Health and Welfare/OPEB variances of \$4.2 million in 2018, \$3.3 million in 2019 and \$3.7 million in 2020.
- Pension costs have been adjusted downward by \$4.3 million to \$4.7 million each year to reflect the most recent NYCERS forecast provided by the NYC Office of the Actuary.

Non-Labor

Non-Labor expenses decrease by \$3.3 million in 2018 and \$4.9 million in 2019, and \$7.6 million in 2020 based on the following major variances:

- Insurance policy re-estimates bring down expenses by \$3.7 million each year.
- Lower negotiated unit prices for E-ZPass tags produce savings of approximately \$1.3 million each year.
- Miscellaneous consulting costs across a variety of areas have been re-estimated to yield \$2.0 million in annual savings.
- Plan-to-plan changes in inflationary assumptions result in lower expenses of \$0.8 million to \$1.0 million each year.
- Partially offsetting the favorable variances above are:
 - The timing of Hurricane Sandy restoration work, which adds \$3.0 million in 2018 and \$2.8 million in 2019;
 - Additional electricity costs of \$0.5 million to \$0.6 million each year based on revised rate assumptions.

Deductions from Operating Income

- B&T Debt Service is higher during each year of the financial plan: \$6.6 million in 2018, \$9.2 million in 2019 and \$13.8 million in 2020.
- Capitalized assets increase by \$0.9 million due changes in project scheduling and then decline between \$0.1 million and \$0.2 million each year thereafter due to favorable changes in inflationary assumptions.
- Annual decreases of \$0.1 million to \$0.2 million in Capital Reserves from 2018 through 2020 reflected favorable changes in inflationary assumptions.
- Increases in GASB Reserves of \$0.2 million to \$0.3 million each year reflect changes in medical inflation assumptions.

Reimbursable

Reimbursable revenue and expenses are \$0.6 million lower in 2018, \$0.4 million lower in 2019 and \$0.1 million lower in 2020 to reflect revised labor needs for projects included in the Capital Programs.

MTA BRIDGES AND TUNNELS
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE	2017	2018	2019	2020
2017 February Financial Plan - Adjusted Net Surplus/(Deficit)	\$1,347.753	\$1,301.859	\$1,295.325	\$1,287.627
Baseline Changes				
Revenue				
Vehicle Toll Revenue	(\$14.396)	(\$0.382)	(\$2.132)	(\$2.739)
Other Operating Revenue	(2.683)	(2.683)	(2.683)	(2.683)
Investment Income	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$17.079)	(\$3.065)	(\$4.815)	(\$5.422)
Expenses				
<i>Labor:</i>				
Payroll	\$6.375	(\$1.480)	(\$1.395)	(\$1.306)
Overtime	(1.342)	0.383	0.393	0.410
Health and Welfare	1.323	(2.604)	(2.122)	(2.388)
OPEB Current Payment	(0.249)	(1.573)	(1.170)	(1.288)
Pensions	2.254	4.724	4.343	4.389
Other Fringe Benefits	0.279	(0.268)	(0.286)	(0.305)
Reimbursable Overhead	2.052	2.417	2.570	2.726
Total Labor Expense Changes	\$10.692	\$1.600	\$2.334	\$2.237
<i>Non-Labor:</i>				
Electric Power	\$0.681	(\$0.613)	(\$0.483)	(\$0.502)
Fuel	0.011	0.030	0.085	0.073
Insurance	3.132	3.703	3.743	3.743
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(7.660)	0.777	0.670	3.624
Professional Service Contracts	(6.676)	0.630	1.500	1.321
Materials & Supplies	(0.615)	(0.412)	0.022	0.015
Other Business Expenses	(0.857)	(0.788)	(0.662)	(0.629)
Total Non-Labor Expense Changes	(\$11.984)	\$3.326	\$4.875	\$7.644
Total Expenses before Depreciation and GASB Adjs.	(\$1.292)	\$4.926	\$7.208	\$9.881
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
Add: OPEB Liability Adjustment	(1.176)	(1.235)	(1.297)	(1.362)
Add: GASB 68 Pension Adjustment	(20.568)	(23.665)	(23.956)	(24.673)
Add: Environmental Remediation	0.000	0.000	0.000	0.000
Total Expenses after Depreciation and GASB Adjs.	(\$23.036)	(\$19.973)	(\$18.045)	(\$16.154)
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
Less: OPEB Liability Adjustment	(1.176)	(1.235)	(1.297)	(1.362)
Less: GASB 68 Pension Adjustment	(20.568)	(23.665)	(23.956)	(24.673)
Total Expense Changes	(\$1.292)	\$4.926	\$7.208	\$9.881
Total Net Surplus/(Deficit) Changes	(\$18.371)	\$1.861	\$2.393	\$4.458
Deductions from Income				
Capitalized Assets	(8.499)	(0.873)	0.188	0.083
Capital Reserves	0.000	0.129	0.158	0.113
GASB 45 Reserves	0.000	(0.265)	(0.184)	(0.208)
Total Deductions from Income	(\$8.499)	(\$1.009)	\$0.161	(\$0.012)
Total Adjusted Net Surplus/(Deficit) Changes	(\$26.871)	\$0.852	\$2.554	\$4.446
2017 July Financial Plan - Adjusted Net Surplus/(Deficit)	\$1,320.882	\$1,302.711	\$1,297.879	\$1,292.073

MTA BRIDGES AND TUNNELS
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2017	2018	2019	2020
2017 February Financial Plan - Adjusted Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.025	(0.582)	(0.357)	(0.122)
Investment Income	0.000	0.000	0.000	0.000
Total Revenue Changes	\$0.025	(\$0.582)	(\$0.357)	(\$0.122)
Expenses				
<i>Labor:</i>				
Payroll	\$1.564	\$1.480	\$1.395	\$1.306
Overtime	(1.158)	(0.383)	(0.393)	(0.410)
Health and Welfare	0.792	0.933	0.968	1.005
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	0.576	0.702	0.672	0.641
Other Fringe Benefits	0.252	0.268	0.286	0.305
Reimbursable Overhead	(2.052)	(2.417)	(2.570)	(2.726)
Total Labor Expense Changes	(\$0.025)	\$0.582	\$0.357	\$0.122
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	(\$0.025)	\$0.582	\$0.357	\$0.122
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Net Surplus/(Deficit) Changes	\$0.000	\$0.000	\$0.000	\$0.000
Deductions from Income				
Capitalized Assets	0.000	0.000	0.000	0.000
Capital Reserves	0.000	0.000	0.000	0.000
GASB 45 Reserves	0.000	0.000	0.000	0.000
Total Deductions from Income	\$0.000	\$0.000	\$0.000	\$0.000
Total Adjusted Net Surplus/(Deficit) Changes	\$0.000	\$0.000	\$0.000	\$0.000
2017 July Financial Plan - Adjusted Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	2017	2018	2019	2020
2017 February Financial Plan - Adjusted Net Surplus/(Deficit)	\$1,347.753	\$1,301.859	\$1,295.325	\$1,287.627
Baseline Changes				
Revenue				
Vehicle Toll Revenue	(\$14.396)	(\$0.382)	(\$2.132)	(\$2.739)
Other Operating Revenue	(2.683)	(2.683)	(2.683)	(2.683)
Capital and Other Reimbursement	0.025	(0.582)	(0.357)	(0.122)
Investment Income	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$17.055)	(\$3.647)	(\$5.172)	(\$5.544)
Expenses				
<i>Labor:</i>				
Payroll	\$7.939	(\$0.000)	\$0.000	(\$0.000)
Overtime	(2.500)	0.000	0.000	0.000
Health and Welfare	2.115	(1.671)	(1.154)	(1.383)
OPEB Current Payment	(0.249)	(1.573)	(1.170)	(1.288)
Pensions	2.830	5.425	5.015	5.030
Other Fringe Benefits	0.532	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$10.667	\$2.182	\$2.691	\$2.359
<i>Non-Labor:</i>				
Electric Power	\$0.681	(\$0.613)	(\$0.483)	(\$0.502)
Fuel	0.011	0.030	0.085	0.073
Insurance	3.132	3.703	3.743	3.743
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(7.660)	0.777	0.670	3.624
Professional Service Contracts	(6.676)	0.630	1.500	1.321
Materials & Supplies	(0.615)	(0.412)	0.022	0.015
Other Business Expenses	(0.857)	(0.788)	(0.662)	(0.629)
Total Non-Labor Expense Changes	(\$11.984)	\$3.326	\$4.875	\$7.644
Total Expenses before Depreciation and GASB Adjs.	(\$1.317)	\$5.508	\$7.565	\$10.003
Add: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
Add: OPEB Liability Adjustment	(1.176)	(1.235)	(1.297)	(1.362)
Add: GASB 68 Pension Adjustment	(20.568)	(23.665)	(23.956)	(24.673)
Add: Environmental Remediation	0.000	0.000	0.000	0.000
Total Expenses after Depreciation and GASB Adjs.	(\$23.061)	(\$19.391)	(\$17.688)	(\$16.032)
Less: Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
Less: OPEB Liability Adjustment	(1.176)	(1.235)	(1.297)	(1.362)
Less: GASB 68 Pension Adjustment	(20.568)	(23.665)	(23.956)	(24.673)
Total Expense Changes	(\$1.317)	\$5.508	\$7.565	\$10.003
Total Baseline Changes	(\$18.371)	\$1.861	\$2.393	\$4.458
Deductions from Income				
Capitalized Assets	(8.499)	(0.873)	0.188	0.083
Capital Reserves	0.000	0.129	0.158	0.113
GASB 45 Reserves	0.000	(0.265)	(0.184)	(0.208)
Total Deductions from Income	(\$8.499)	(\$1.009)	\$0.161	(\$0.012)
Total Adjusted Baseline Changes	(\$26.871)	\$0.852	\$2.554	\$4.446
2017 July Financial Plan - Adjusted Net Surplus/(Deficit)	\$1,320.882	\$1,302.711	\$1,297.879	\$1,292.073

MTA BRIDGES AND TUNNELS
July Financial Plan 2018-2021
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	2017	2018	2019	2020
February Financial Plan - Adjusted Net Surplus/(Deficit)	\$1,347.753	\$1,301.859	\$1,295.325	\$1,287.627
Non-Reimbursable Major Changes				
Revenue				
Lower toll revenue due to a lower average toll stemming from higher than anticipated E-ZPass usage	(\$14.396)	(\$0.382)	(\$2.132)	(\$2.734)
Reclassification of Toll Violation and Toll Recovery Revenue from Other Operating Revenue to Toll Revenue	(2.683)	(2.683)	(2.683)	(2.683)
Sub-Total Non-Reimbursable Revenue Changes	(\$17.079)	(\$3.065)	(\$4.815)	(\$5.418)
Expenses				
Changes in New York Crossings Project (NYCP)				
Revised estimates for ORT operating costs	(\$1.676)	\$19.364	\$19.915	\$20.327
ORT marketing	(6.227)	0.000	0.000	0.000
Major maintenance	0.000	(20.000)	(20.000)	(20.000)
Enhanced Security Enforcement	(6.718)	0.000	0.000	0.000
Enterprise Asset Management Program re-estimates	2.114	(0.689)	0.000	0.000
Timing of Hurricane Sandy restoration work	(3.000)	(3.000)	(2.824)	0.000
Vacancies	9.352	0.000	0.000	0.000
Additional Overtime needed for major maintenance projects	(2.691)	0.000	0.000	0.000
Re-estimates for miscellaneous consulting services	0.000	2.000	2.000	2.000
Lower negotiated E-ZPass tag prices	1.205	1.310	1.296	1.281
Timing of capitalized assets projects	(8.568)	(0.945)	0.069	
Changes in Rates & Related Assumptions:				
Pensions	2.830	5.425	5.015	5.030
Health & Welfare/OPEB	(0.249)	(3.243)	(2.324)	(2.671)
GASB 45 Reserve	0.000	(0.265)	(0.184)	(0.208)
Energy	0.704	(0.606)	(0.407)	(0.411)
Insurance	3.132	3.703	3.743	3.743
Inflation	0.000	0.863	1.072	0.773
Sub-Total Non-Reimbursable Expense Changes	(\$9.792)	\$3.917	\$7.369	\$9.864
Total Non-Reimbursable Major Changes	(\$26.871)	\$0.852	\$2.554	\$4.446
Reimbursable Major Changes				
Revenue				
Re-estimate of capital project reimbursements	0.025	(0.582)	(0.357)	(0.122)
Expenses				
Re-estimate of labor expenses eligible for reimbursement from the capital program	(0.025)	0.582	0.357	0.122
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$26.871)	\$0.852	\$2.554	\$4.446
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Net Changes	(\$26.871)	\$0.852	\$2.554	\$4.446
July Financial Plan - Adjusted Net Surplus/(Deficit)	\$1,320.882	\$1,302.711	\$1,297.879	\$1,292.073

MTA BRIDGES AND TUNNELS
2018 Preliminary Budget
July Financial Plan 2018–2021
Traffic/Utilization

Year-to-Year

Traffic volume in 2017 is forecast at 306.2 million crossings. Through May of 2017, Hurricane Sandy restoration construction at the Queens Midtown and Hugh L. Carey tunnels has resulted in year-to-year traffic declines at these facilities of 15% and 5% respectively, while the combined volume at B&T's other facilities has grown by 0.9%. Construction at the tunnels is expected to be substantially complete in 2018 and volumes are forecast to grow back to pre-construction levels. The return of an estimated 2.2 million crossings at the tunnels and 0.5% in forecast regional employment growth increase the traffic forecast to 308.5 million crossings for 2018. Volume growth thereafter is based on regional employment growth and annual regional inflation. The traffic forecast also takes into consideration an additional day for the leap year in 2020. Paid traffic is forecast at 310.7 million crossings in 2019, 312.4 million in 2020 and 314.3 million in 2021.

Plan-to-Plan

Paid traffic volume is expected to reach 306.2 million crossings in 2017, which is 1.2 million, or 0.4% above the Adopted Budget level. Actual volume through May was higher than the Adopted Budget forecast by 0.7 million crossings, or 0.6%, primarily due to the continuation of relatively low gas prices (although prices are climbing), modest improvements in the economy, and generally favorable weather. Growth against plan is expected to slow through the end of the year since gas prices tend to rise during spring and summer months. The 2017 forecast calls for an additional 0.5 million crossings from June through December, which is 0.3% above the Adopted Budget level for this period.

In addition to the positive 2017 traffic trend, upward adjustments have been made to incorporate accelerated expectations for substantial completion of Hurricane Sandy restoration work at the Queens Midtown and Hugh L. Carey tunnels in 2018. Overall plan-to-plan traffic increases are 3.5 million crossings in 2018, 3.2 million in 2019, and 3.1 million in 2020.

MTA BRIDGES AND TUNNELS
July Financial Plan 2018 - 2021
Ridership (Utilization)
(in millions)

Actual	Mid-Year	Preliminary			
2016	Forecast	Budget	2019	2020	2021
	2017	2018			

TRAFFIC VOLUME

Total Traffic Volume

307.417	306.236	308.496	310.725	312.393	314.268
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TOLL REVENUE

Toll Revenue

\$1,869.693	\$1,912.826	\$1,937.947	\$1,949.289	\$1,956.030	\$1,963.990
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MTA BRIDGES AND TUNNELS
July Financial Plan 2018-2021
2017 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020	Pos.	2021
<u>Administration</u>										
Miscellaneous consulting	-	0.000	-	2.000	-	2.000	-	2.000	-	2.000
Subtotal Administration	-	0.000	-	2.000	-	2.000	-	2.000	-	2.000
<u>Service/Platform/Svc.Supt/Customer Convenience</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Service/Platform/Svc.Supt/Customer Convenience	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance/Operations</u>										
Lower negotiated E-ZPass tag price	-	1.205	-	1.310	-	1.296	-	1.281	-	1.229
Subtotal Maintenance/Operations	-	1.205	-	1.310	-	1.296	-	1.281	-	1.229
<u>Revenue Enhancement</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Revenue Enhancement	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety/Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety/Security	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Other</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	-	\$1.205	-	\$3.310	-	\$3.296	-	\$3.281	-	\$3.229

**MTA BRIDGES AND TUNNELS
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Miscellaneous Consulting

Background Details: B&T re-evaluated a variety of planning, research and administrative areas that have historically utilized outside consulting services against the skills and competencies available among current staff in these areas. It was determined that cost reductions could be achieved by relying less on consultants and utilizing existing staff more for certain projects and activities.

**Program Description/
Implementation Plan:** Various consulting budget lines will be reduced.

Program Implementation Date: January 1, 2018

When will savings begin?: January 1, 2018

Are these savings recurring?: Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$2.000	\$2.000	\$2.000	\$2.000
<i>Total Positions Required:</i>					

MTA BRIDGES AND TUNNELS
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet

Category by Function: Maintenance/Operations

Program: Lower negotiated E-ZPass tag price

Background Details: The projection for E-ZPass tag needs in the February Financial Plan was based on a unit price of \$8.90 for the most widely distributed tag. B&T Procurement was able to negotiate that price down to \$7.40, which yields plan-to-plan savings of approximately \$6.3 million in total over the July Financial Plan period.

Program Description/ Implementation Plan: Various consulting budget lines will be reduced.

Program Implementation Date: January 1, 2017 **When will savings begin?:** January 1, 2017

Are these savings recurring?: Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.205	\$1.310	\$1.296	\$1.281	\$1.229

Total Positions Required:

MTA BRIDGES AND TUNNELS
2018 Preliminary Budget
July Financial Plan 2018–2021
Positions

Position Assumptions

Year-to-Year

Total 2017 and 2018 year-end headcount is budgeted at 1,589. The development plan for the Enterprise Asset Management program requires an additional two positions in 2019 and six more in 2020, bringing headcount to 1,591 and 1,597 in those years, respectfully. Headcount remains at 1,597 in 2021.

Total headcount includes 87 capital reimbursable positions in each year of the financial plan.

Plan-to-Plan

The headcount figures cited above are unchanged from the February Financial Plan.

MTA BRIDGES AND TUNNELS				
July Financial Plan 2018-2021				
Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2017	2018	2019	2020
2017 February Plan - Total Positions	1,589	1,589	1,591	1,597
Total Plan-to-Plan Changes	0	0	0	0
2017 July Plan - Total Positions	1,589	1,589	1,591	1,597
Total Year-to-Year Changes, July Plan		0	(2)	(6)
Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	0	0	0	0
<i>Reimbursable</i>	0	0	0	0
Total	0	0	0	0
<i>Full-Time</i>	0	0	0	0
<i>Full-Time Equivalents</i>	0	0	0	0
Total	0	0	0	0
<i>By Function Category</i>				
- Administration	(3)	(3)	(3)	(3)
- Operations	(1)	(1)	(1)	(1)
- Maintenance	1	1	1	1
- Engineering/Capital	0	0	(1)	(1)
- Public Safety	3	3	4	4
Total	0	0	0	0
<i>By Occupational Group</i>				
- Managers/Supervisors	14	14	14	14
- Professional, Technical, Clerical	(14)	(14)	(14)	(14)
- Operational Hourlies	0	0	0	0
Total	0	0	0	0
Total Plan-to-Plan Changes by Major Category:				
<i>2017 BRPs</i>	0	0	0	0
<i>New Needs</i>	0	0	0	0
<i>Change in Reimbursable Positions</i>	0	0	0	0
<i>Re-estimates & All Other</i> ¹	0	0	0	0
Total	0	0	0	0

¹ Includes Full-time Equivalents

MTA BRIDGES AND TUNNELS
July Financial Plan 2018-2021
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-time/Full-time Equivalents

FUNCTION/DEPARTMENT	2016	2017	2018	2019	2020	2021
	Actual	Mid-Year Forecast	Preliminary Budget			
Administration						
Executive	5	11	11	11	11	11
Law ⁽¹⁾	12	16	16	16	16	16
CFO ⁽²⁾	23	25	25	25	25	25
Administration	40	38	38	38	38	38
EEO	1	2	2	2	2	2
Total Administration	81	92	92	92	92	92
Operations						
Revenue Management	38	43	43	43	43	43
Operations (Non-Security)	485	543	543	543	543	543
Total Operations	523	586	586	586	586	586
Maintenance						
Maintenance	195	207	207	207	207	207
Operations - Maintainers	174	175	175	175	175	175
Total Maintenance	369	382	382	382	382	382
Engineering/Capital						
Engineering & Construction	162	192	192	192	192	192
Health & Safety	8	10	10	10	10	10
Law ⁽¹⁾	19	22	22	22	22	22
Planning & Budget Capital	18	29	29	31	37	37
Total Engineering/Capital	207	253	253	255	261	261
Public Safety						
Operations (Security)	232	232	232	232	232	232
Internal Security - Operations	39	44	44	44	44	44
Total Public Safety	271	276	276	276	276	276
Total Positions	1,451	1,589	1,589	1,591	1,597	1,597
<i>Non-Reimbursable</i>	1,364	1,502	1,502	1,504	1,510	1,510
<i>Reimbursable</i>	87	87	87	87	87	87
<i>Total Full-Time</i>	1,451	1,589	1,589	1,591	1,597	1,597
<i>Total Full-Time Equivalents</i>	0	0	0	0	0	0

(1) Includes Legal and Procurement staff.

(2) Includes Controller and Operating Budget staff

(3) Includes Human Resources and Administration staff.

MTA BRIDGES AND TUNNELS
July Financial Plan 2018 - 2021
Total Positions by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION / OCCUPATIONAL GROUP	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Administration						
Managers/Supervisors	27	28	28	28	28	28
Professional/Technical/Clerical	54	64	64	64	64	64
Operational Hourlies	0	0	0	0	0	0
Total Administration Headcount	81	92	92	92	92	92
Operations						
Managers/Supervisors	176	207	207	207	207	207
Professional/Technical/Clerical	31	43	43	43	43	43
Operational Hourlies (1)	316	336	336	336	336	336
Total Operations Headcount	523	586	586	586	586	586
Maintenance						
Managers/Supervisors	17	19	19	19	19	19
Professional/Technical/Clerical	18	20	20	20	20	20
Operational Hourlies (2)	334	343	343	343	343	343
Total Maintenance Headcount	369	382	382	382	382	382
Engineering / Capital						
Managers/Supervisors	40	58	58	58	58	58
Professional/Technical/Clerical	167	195	195	197	203	203
Operational Hourlies	0	0	0	0	0	0
Total Engineering Headcount	207	253	253	255	261	261
Public Safety						
Managers/Supervisors	44	46	46	46	46	46
Professional, Technical, Clerical	31	34	34	34	34	34
Operational Hourlies (3)	196	196	196	196	196	196
Total Public Safety Headcount	271	276	276	276	276	276
Total Positions						
Managers/Supervisors	304	358	358	358	358	358
Professional, Technical, Clerical	301	356	356	358	364	364
Operational Hourlies	846	875	875	875	875	875
Total Positions	1,451	1,589	1,589	1,591	1,597	1,597

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

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

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

Capital Construction Company

MTA CAPITAL CONSTRUCTION COMPANY
2018 Preliminary Budget
July Financial Plan 2018-2021

FINANCIAL OVERVIEW

All MTACC expenses are reimbursable from the MTA Capital Program. Funds are made available in the MTA's Capital Program and are drawn down as expenses are incurred, therefore revenues (reimbursements) will always equal expenses. Consequently, reduced expenses result in lower revenues.

MTACC continues to utilize a mix of MTA staff and consultant resources to make the most efficient use of labor resources during peak staff needs while maintaining a cost efficient management structure. MTACC's core staff directly manages the design and construction of over \$17 billion in capital projects. MTACC continues to draw from the expertise and support services available in other MTA agencies to supplement the core staff and support design and construction management.

Below is a list of the proposed New Needs included in MTACC's 2017 Mid-Year Forecast and July Financial Plan 2018 – 2021 baselines:

- Independent compliance monitor services - additional oversight to ensure that MTACC's mega projects comply with contract regulations, risk management, safety and DBE goals
- Agency-wide workforce development program - to meet MTACC needs for project management organization where change is constant, especially with the transition in leadership at the program and senior levels
- Office construction and build-outs at 2 Broadway - renovation is requested due to the anticipation of field employees and contractors returning to 2 Broadway from project sites
- Additional rent associated with office build-outs at 2 Broadway - MTACC plans to acquire and utilize NYCT's office space at 2 Broadway to re-configure and construct office build-outs for additional space for the returning field employees
- Non-revenue vehicle replacements - MTACC plans to replace the current fleet (2 vehicles) due to age and mileage

2017 Mid-Year Forecast

MTACC's 2017 Mid-Year Forecast is projected to be \$39.9 million, reflecting a \$2.5 million increase from the 2017 Adopted Budget. Labor costs are expected to come in at \$28.8 million, an increase of \$1.8 million, or 6.5%, with headcount of 139 by year-end. The change in Labor is due to revised payroll projections, benefits and escalation rates and the inclusion of NYCT administrative staff support (IT, Materiel, Procurement and Accounting). Non-Labor costs are projected at \$11.1 million, an increase of \$0.8 million, or 7.3%, from the Adopted Budget due to proposed agency-wide workforce development

program, independent compliance monitoring services and vehicle replacements. Revised timeline for office space construction and renovations at 2 Broadway also contributed to the change in the Non-Labor costs.

2018 Preliminary Budget – Baseline

MTACC projects 2018 expenses to be \$39.7 million, an increase of \$2.1 million, or 5.7%, from the February Financial Plan, with 139 positions at year-end. Staffing expenditures will be reimbursed by each of the “mega” projects for those employees directly working on projects.

Overall Labor expenses are projected at \$29.4 million, a \$2.0 million increase or 7.2%, from the February Plan, due to revised staffing needs, which includes NYCT administrative staff support (IT, Material, Procurement and Accounting), and fringe billing rates from multi-agency payrolls. Non-Labor expenses are projected at \$10.3 million, which is \$0.2 million, or 1.6%, higher than the February Plan. This increase is attributable to the proposed agency-wide workforce development program, independent compliance monitoring services and revised timeline of planned office space construction and rent costs at 2 Broadway.

2019 - 2020 Projections

2019 MTACC expenses are projected at \$40.8 million, an increase of \$2.3 million, or 6.1%, from the February Plan. Expenses will continue to increase by \$3.5 million in 2020 when compared to the February Plan. Revised support cost projections and benefit billing rates from various MTA payroll agencies, costs for proposed agency-wide employee development program and independent compliance monitoring services contributed to these increases.

Year-end staffing levels of 139 employees remain constant through 2021.

Major assumptions and reconciliations to the February Financial Plan are discussed later.

MTA CAPITAL CONSTRUCTION
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Reimbursable						
Operating Revenue						
Farebox 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	30.815	39.903	39.719	40.842	40.590	39.899
Total Revenues	\$30.815	\$39.903	\$39.719	\$40.842	\$40.590	\$39.899
Operating Expense						
Labor:						
Payroll	\$16.916	\$18.905	\$19.532	\$19.924	\$20.059	\$20.169
Overtime	0.027	0.000	0.000	0.000	0.000	0.000
Health and Welfare	2.977	2.888	3.057	3.133	3.204	3.269
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	2.339	3.183	3.071	3.245	3.429	3.799
Other Fringe Benefits	2.910	3.858	3.719	4.019	3.928	3.825
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$25.169	\$28.833	\$29.379	\$30.321	\$30.620	\$31.062
Non-Labor:						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.002	0.002	0.002	0.002	0.003	0.003
Insurance	0.032	0.037	0.041	0.045	0.050	0.055
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	2.935	3.663	3.167	3.325	3.490	3.664
Professional Services Contracts	2.530	7.006	6.839	6.823	6.196	4.881
Materials and Supplies	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.148	0.361	0.290	0.326	0.232	0.235
Total Non-Labor Expenses	\$5.646	\$11.070	\$10.340	\$10.521	\$9.971	\$8.837
Other Expense Adjustments:						
Other Expense Adjustments	\$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	\$30.815	\$39.903	\$39.719	\$40.842	\$40.590	\$39.899
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
July Financial Plan 2018 - 2021
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Receipts and Expenditures						
Receipts						
Farebox 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	\$30.815	\$39.903	\$39.719	\$40.842	\$40.590	\$39.899
Total Receipts	\$30.815	\$39.903	\$39.719	\$40.842	\$40.590	\$39.899
Expenditures						
<u>Labor:</u>						
Payroll	\$16.916	\$18.905	\$19.532	\$19.924	\$20.059	\$20.169
Overtime	0.027	0.000	0.000	0.000	0.000	0.000
Health and Welfare	2.977	2.888	3.057	3.133	3.204	3.269
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	2.339	3.183	3.071	3.245	3.429	3.799
Other Fringe Benefits	2.910	3.858	3.719	4.019	3.928	3.825
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$25.169	\$28.833	\$29.379	\$30.321	\$30.620	\$31.062
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.002	0.002	0.002	0.002	0.003	0.003
Insurance	0.032	0.037	0.041	0.045	0.050	0.055
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	2.935	3.663	3.167	3.325	3.490	3.664
Professional Services Contracts	2.530	7.006	6.839	6.823	6.196	4.881
Materials and Supplies	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.148	0.361	0.290	0.326	0.232	0.235
Total Non-Labor Expenditures	\$5.646	\$11.070	\$10.340	\$10.521	\$9.971	\$8.837
<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	\$30.815	\$39.903	\$39.719	\$40.842	\$40.590	\$39.899
Net Cash Balance	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
July Financial Plan 2018 - 2021
Cash Conversion (Cash Flow Adjustments)
Favorable/(Unfavorable)
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Flow Adjustments						
Receipts						
Capital and Other Reimbursements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
Labor:						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
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 Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials and 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 Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenditure Adjustments:						
Other Expense Adjustments	\$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	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	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 Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION COMPANY
2018 Preliminary Budget
July Financial Plan 2018-2021
Year-to-Year Changes by Category - Baseline

Revenue

Capital and Other Reimbursements

- All MTACC expenses are reimbursable from the MTA Capital Program.
- Funds are made available in the MTA's Capital Program and are drawn down as expenditures are incurred; therefore, revenues (reimbursements) will always equal expenditures. Consequently, reduced expenses result in lower revenues.
- Costs will be reimbursed from specific capital projects in accordance with how the resources are utilized.

Expenses

Payroll

- 2018 payroll costs reflect a full year of staffing levels of 139.
- Based on the timeline of the mega projects' workload, staffing requirements will change resulting in payroll expenses to increase by 2.0%, 0.7% and 0.6% respectively from 2019 to 2021. Annual staffing levels will continue to remain at 139 throughout the plan.

Other Fringe Benefits

- In 2018, healthcare costs will increase by 5.8%, due to varied agency billing rates for MTACC employees residing on various MTA payrolls. Both Pension and Other Fringe Benefits will decrease approximately by 3.6% as a result of varied billing rates.
- Overall Benefit expenditures will increase by 5.6%, 1.6% and 3.1% respectively, from 2019 to 2021, as a result of projected benefit and escalation rates from multi-agency payrolls.

Fuel

- From 2018 to 2021, expenditures are projected to remain relatively constant.

Insurance

- Insurance costs are expected to increase annually by 10.0% from 2018 to 2021.

Maintenance and Other Operating Contracts

- 2018 expenditures will come in at \$3.2 million due to the revised timeline of office construction and renovations with the proposed acquisition of NYCT's office space at 2 Broadway.
- Costs are projected to increase by \$0.2 million annually from 2019 through 2021 due to the additional rent associated with MTACC's proposed acquisition of NYCT's office space at 2 Broadway.

Professional Service Contracts

- With the anticipation of fewer budget system and IT related costs in 2018, Professional Services are expected to decrease by \$0.2 million, or 2.4%.
- 2019 expenditures are projected to remain relatively constant. MTACC anticipates fewer MTA Audit and Compliance chargebacks and Small Business Mentoring Program costs in 2020, resulting in an overall decrease of \$0.6 million or 9.2% in Professional Services. By 2021, costs will rapidly decline to \$4.9 million, \$1.3 million or 21.2% change, due to fewer anticipated engineering and program management consulting support expenses as MTACC mega projects approach the completion stage.

Other Business Expenses

- 2018 expenses will decrease by \$0.1 million due to 2017's payment of SAA (Special Assignment Award) earnings to designated employees.
- Costs remain relatively constant from 2019 through 2021 as a result of the timing of office supplies and employee expenses.

MTA CAPITAL CONSTRUCTION
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Reimbursable									
Operating Revenues									
Farebox Revenue	\$0.000	\$0.000	\$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	0.000	0.000
Capital and Other Reimbursements	39.903	39.719	(0.184)	40.842	1.123	40.590	(0.251)	39.899	(0.691)
Total Revenues	\$39.903	\$39.719	(\$0.184)	\$40.842	\$1.123	\$40.590	(\$0.251)	\$39.899	(\$0.691)
Operating Expenses									
<u>Labor:</u>									
Payroll	\$18.905	\$19.532	(\$0.628)	\$19.924	(\$0.392)	\$20.059	(\$0.135)	\$20.169	(\$0.110)
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	2.888	3.057	(0.169)	3.133	(0.076)	3.204	(0.072)	3.269	(0.065)
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension	3.183	3.071	0.112	3.245	(0.174)	3.429	(0.184)	3.799	(0.370)
Other Fringe Benefits	3.858	3.719	0.139	4.019	(0.300)	3.928	0.091	3.825	0.103
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$28.833	\$29.379	(\$0.546)	\$30.321	(\$0.941)	\$30.620	(\$0.299)	\$31.062	(\$0.443)
<u>Non-Labor:</u>									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.002	0.002	0.000	0.002	0.000	0.003	0.000	0.003	0.000
Insurance	0.037	0.041	(0.004)	0.045	(0.004)	0.050	(0.005)	0.055	(0.005)
Claims	0.000	0.000	0.000	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	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.663	3.167	0.496	3.325	(0.158)	3.490	(0.166)	3.664	(0.174)
Professional Services Contracts	7.006	6.839	0.167	6.823	0.016	6.196	0.627	4.881	1.315
Materials and Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.361	0.290	0.071	0.326	(0.036)	0.232	0.094	0.235	(0.002)
Total Non-Labor Expenses	\$11.070	\$10.340	\$0.731	\$10.521	(\$0.182)	\$9.971	\$0.550	\$8.837	\$1.134
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation	\$39.903	\$39.719	\$0.184	\$40.842	(\$1.123)	\$40.590	\$0.251	\$39.899	\$0.691
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	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	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$39.903	\$39.719	\$0.184	\$40.842	(\$1.123)	\$40.590	\$0.251	\$39.899	\$0.691
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Cash Receipts and Expenditures</u>									
Receipts									
Farebox Revenue	\$0.000	\$0.000	\$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	0.000	0.000
Capital and Other Reimbursements	39.903	39.719	(0.184)	40.842	1.123	40.590	(0.251)	39.899	(0.691)
Total Receipts	\$39.903	\$39.719	(\$0.184)	\$40.842	\$1.123	\$40.590	(\$0.251)	\$39.899	(\$0.691)
Expenditures									
<u>Labor Expenditures:</u>									
Payroll	\$18.905	\$19.532	(\$0.628)	\$19.924	(\$0.392)	\$20.059	(\$0.135)	\$20.169	(\$0.110)
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	2.888	3.057	(0.169)	3.133	(0.076)	3.204	(0.072)	3.269	(0.065)
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension	3.183	3.071	0.112	3.245	(0.174)	3.429	(0.184)	3.799	(0.370)
Other Fringe Benefits	3.858	3.719	0.139	4.019	(0.300)	3.928	0.091	3.825	0.103
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$28.833	\$29.379	(\$0.546)	\$30.321	(\$0.941)	\$30.620	(\$0.299)	\$31.062	(\$0.443)
<u>Non-Labor Expenditures:</u>									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.002	0.002	0.000	0.002	0.000	0.003	0.000	0.003	0.000
Insurance	0.037	0.041	(0.004)	0.045	(0.004)	0.050	(0.005)	0.055	(0.005)
Claims	0.000	0.000	0.000	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	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.663	3.167	0.496	3.325	(0.158)	3.490	(0.166)	3.664	(0.174)
Professional Services Contracts	7.006	6.839	0.167	6.823	0.016	6.196	0.627	4.881	1.315
Materials and Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.361	0.290	0.071	0.326	(0.036)	0.232	0.094	0.235	(0.002)
Total Non-Labor Expenditures	\$11.070	\$10.340	\$0.731	\$10.521	(\$0.182)	\$9.971	\$0.550	\$8.837	\$1.134
<u>Other Expenditure Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenditures	\$39.903	\$39.719	\$0.184	\$40.842	(\$1.123)	\$40.590	\$0.251	\$39.899	\$0.691
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION COMPANY
2018 Preliminary Budget
July Financial Plan 2018-2021
Plan-to-Plan Changes by Generic Category

2017: Mid-Year Forecast vs. Adopted Budget

Revenue

Capital and Other Reimbursements

- All MTACC expenses are reimbursable from the MTA Capital Program.
- Funds are made available in the MTA's Capital Program and are drawn down as expenditures are incurred; therefore, revenues (reimbursements) will always equal expenditures. Consequently, reduced expenses result in lower revenues.
- Costs will be reimbursed from specific capital projects in accordance with how the resources are utilized.

Expenses

Total expenses are projected at \$39.9 million, an increase of \$2.5 million, or 6.7%, from the Adopted Budget.

Major changes include:

- **Payroll costs** will come in \$0.3 million higher than the Adopted Budget due to revised staffing needs and projections.
- Overall **Benefit** costs will increase by \$1.5 million as a result of revised billing rates for MTACC employees residing on various MTA agency payrolls.
- Based on MTAHQ's revised assessment of All Agency Protective Liability Program, MTACC's share is expected to come in \$0.5 million below the Adopted Budget.
- **Professional Services** will increase by \$1.2 million primarily due to MTACC's proposed agency-wide workforce development program and independent compliance monitoring services. In addition, the requirements for program management consulting and engineering support were revised in conjunction with the mega projects' timeline.

2018 - 2020: July Financial Plan vs. February Financial Plan

Revenue

Capital and Other Reimbursements – (explained previously)

Expenses

2018 MTACC baseline is projected to come in \$39.7 million, an increase of \$2.1 million from the February Financial Plan. Overall expenses are expected to come in higher than the February Plan by: \$2.3 million in 2019, \$3.5 million in 2020 and \$3.8 million in 2021.

Major changes include:

- Revised payroll projections and fringe billing rates from multi-agency payrolls resulted in **Labor** costs to increase by \$2.0, \$2.3 and \$1.8 million, respectively from 2018 to 2020.
- Based on MTAHQ's revised assessment of All Agency Protective Liability Program, MTACC's share is expected to decrease by 92.8% annually between 2018 and 2020 when compared to the February Plan.
- **Professional Services** are anticipated to come in higher than the February Plan by \$1.0, \$0.9, and \$2.7 million, respectively, from 2018 to 2020. These increases are attributable to the inclusion of MTACC's proposed annual agency-wide workforce development program and independent compliance monitoring services for the mega projects. Revised requirements and timeline for engineering and program management consulting support also contributed to the changes in Professional Services.

MTA CAPITAL CONSTRUCTION
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue				
Capital and Other Reimbursement	2.512	2.142	2.346	3.514
Total Revenue Changes	\$2.512	\$2.142	\$2.346	\$3.514
Expenses				
<i>Labor:</i>				
Payroll	(\$0.261)	(\$0.580)	(\$0.657)	(\$0.470)
Overtime	0.000	0.000	0.000	0.000
Health and Welfare	(0.194)	(0.307)	(0.268)	(0.219)
OPEB Current Payment				
Pensions	(0.297)	(0.098)	(0.117)	(0.173)
Other Fringe Benefits	(1.005)	(0.989)	(1.275)	(0.957)
Reimbursable Overhead				
Total Labor Expense Changes	(\$1.757)	(\$1.974)	(\$2.316)	(\$1.819)
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	(0.000)	(0.000)	(0.000)	(0.000)
Insurance	0.485	0.534	0.587	0.646
Claims				
Paratransit Service Contracts				
Maintenance and Other Operating Contracts	0.120	0.342	0.354	0.366
Professional Service Contracts	(1.222)	(0.976)	(0.871)	(2.667)
Materials & Supplies				
Other Business Expenses	(0.137)	(0.067)	(0.100)	(0.041)
Total Non-Labor Expense Changes	(\$0.755)	(\$0.167)	(\$0.030)	(\$1.696)
Total Expense Changes	(\$2.512)	(\$2.142)	(\$2.346)	(\$3.514)
<i>Other Expense Adjustments/Gap Closing Actions</i>				
Other - Restricted Cash Adjustment				
Total Other Expenditure AdjustmentsChanges	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
July Financial Plan 2018-2021
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

	2017	2018	2019	2020
February Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Sub-Total Non-Reimbursable Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000
Expenses				
Sub-Total Non-Reimbursable Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Non-Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
<i>Reimbursable Major Changes</i>				
Revenue				
Sub-Total Reimbursable Revenue Changes	\$2.512	\$2.142	\$2.346	\$3.514
Expenses				
Sub-Total Reimbursable Expense Changes	(\$2.512)	(\$2.142)	(\$2.346)	(\$3.514)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION COMPANY
2018 Preliminary Budget
July Financial Plan 2018-2021
Positions

Position Assumptions

All costs are reimbursable from the MTA Capital Program. A shortlist of the “Mega” Projects and associated “direct” position requirements include:

- Second Avenue Subway – 19 positions
- East Side Access – 25 positions
- 7 Line Extension – 9 positions
- Lower Manhattan Project – 10 positions
- Security Program – 7 positions

By 2017 year-end, position levels are projected to remain at 139, unchanged from the Adopted Budget. Administrative positions account for 69 of this total, while “direct” project positions account for 70. Of the Administrative positions, 53 are engineering/capital MTACC technical employees who will be directly charged to the mega projects, based on work assignments. The breakdown of the 139 positions is as follows: 16 MTACC administrative positions, and 123 positions implementing East Side Access, Second Avenue Subway, Lower Manhattan, No. 7 Line and the system-wide security program. Annual staffing levels will continue to remain at 139 through 2021.

Staffing needs are also met with a mix of employees matrixed* to the company from other agencies or provided by third party consultants. The actual mix of MTACC employees, matrixed employees and consultant staff are dependent upon the particular needs of each project and the availability of the proper resources. MTACC has carefully timed the hiring of employees to correspond with the needs of projects and the mix of construction and design activities underway.

As mega projects are completed and fully closed out, employees will be reassigned to other capital projects, where appropriate. Some of the employees will be reassigned to other on-going mega-projects at the Cortlandt Street station, the Second Avenue Subway (Phase II), resulting in less dependence upon consultant support for those projects. As MTACC transitions away from the final design phases for these projects, support needs will rely less upon consultant design and technical expertise and focus more upon in-house inspection, commissioning and close-out activities.

*Employees of other agencies under temporary management by MTACC

MTA Capital Construction Company
July Financial Plan 2018-2021
Favorable/(Unfavorable)

Total Position Changes at a Glance

	2017	2018	2019	2020	2021
2017 February Plan - Total Baseline Positions	139	139	139	139	139
Total Plan-to-Plan Changes	0	0	0	0	0
2017 July Plan - Total Baseline Positions	139	139	139	139	139
Total Year-to-Year Changes, July Plan		0	0	0	0

Total Plan-to-Plan Changes by Reporting Category:

<i>Non-Reimbursable</i>	0	0	0	0	0
<i>Reimbursable</i>	0	0	0	0	0
Total	0	0	0	0	0
<i>Full-Time</i>	0	0	0	0	0
<i>Full-Time Equivalents</i>	0	0	0	0	0
Total	0	0	0	0	0
<i>By Function Category</i>					
- Administration	0	0	0	0	0
- Operations	0	0	0	0	0
- Maintenance	0	0	0	0	0
- Engineering/Capital	0	0	0	0	0
- Public Safety	0	0	0	0	0
Total	0	0	0	0	0
<i>By Occupational Group</i>					
- Managers/Supervisors	0	0	0	0	0
- Professional, Technical, Clerical	0	0	0	0	0
- Operational Hourlies	0	0	0	0	0
Total	0	0	0	0	0

Total Plan-to-Plan Changes by Major Category:

<i>2017 BRPs</i>	0	0	0	0	0
<i>New Needs</i>	0	0	0	0	0
<i>Change in Reimbursable Positions</i>	0	0	0	0	0
<i>Re-estimates & All Other</i> ¹	0	0	0	0	0
Total	0	0	0	0	0

¹ Includes Full-time Equivalents

MTA CAPITAL CONSTRUCTION
July Financial Plan 2018-2021
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2016 Actual	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
Administration						
MTACC	14	16	16	16	16	16
Engineering/Capital						
MTACC	38	53	53	53	53	53
East Side Access	25	25	25	25	25	25
Security Program	8	7	7	7	7	7
Second Avenue Subway	21	19	19	19	19	19
Lower Manhattan Project	13	10	10	10	10	10
7 Line Extension	9	9	9	9	9	9
Penn Station Access	2					
Total Engineering/Capital	116	123	123	123	123	123
Total Baseline Positions	130	139	139	139	139	139
<i>Non-Reimbursable</i>	-	-	-	-	-	-
<i>Reimbursable</i>	130	139	139	139	139	139
<i>Total Full-Time</i>	130	139	139	139	139	139
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

MTA CAPITAL CONSTRUCTION
July Financial Plan 2018 - 2021
Total Positions by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION / OCCUPATIONAL GROUP	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Administration						
Managers/Supervisors	0	0	0	0	0	0
Professional/Technical/Clerical	14	16	16	16	16	16
Operational Hourlies	0	0	0	0	0	0
Total Administration Headcount	14	16	16	16	16	16
Operations						
Managers/Supervisors	0	0	0	0	0	0
Professional/Technical/Clerical	0	0	0	0	0	0
Operational Hourlies	0	0	0	0	0	0
Total Operations Headcount	0	0	0	0	0	0
Maintenance						
Managers/Supervisors	0	0	0	0	0	0
Professional/Technical/Clerical	0	0	0	0	0	0
Operational Hourlies	0	0	0	0	0	0
Total Maintenance Headcount	0	0	0	0	0	0
Engineering / Capital						
Managers/Supervisors	0	0	0	0	0	0
Professional/Technical/Clerical	116	123	123	123	123	123
Operational Hourlies	0	0	0	0	0	0
Total Engineering Headcount	116	123	123	123	123	123
Public Safety						
Managers/Supervisors	0	0	0	0	0	0
Professional, Technical, Clerical	0	0	0	0	0	0
Operational Hourlies	0	0	0	0	0	0
Total Public Safety Headcount	0	0	0	0	0	0
Total Positions						
Managers/Supervisors	0	0	0	0	0	0
Professional, Technical, Clerical	130	139	139	139	139	139
Operational Hourlies	0	0	0	0	0	0
Total Positions	130	139	139	139	139	139

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Long Island Rail Road

MTA LONG ISLAND RAIL ROAD

2018 Preliminary Budget

July Financial Plan 2018 - 2021

FINANCIAL OVERVIEW

The July Financial Plan maintains the MTA Long Island Rail Road's (LIRR) commitment to delivering safe, secure, and reliable transportation while continuing to improve customer service. It contains the resources necessary for the LIRR to achieve its performance goals in train service, fleet performance and service reliability. In addition, the July Financial Plan provides dedicated resources for the LIRR to achieve its most important goal, which is the provision of safe transportation services to its customers, employees and the local community.

System Investments

The LIRR's \$2.8 billion 2015-2019 Capital Program, which was approved by the Capital Program Review Board on May 23, 2016 and amended by the MTA Board in June 2017, makes crucial investments in rolling stock and infrastructure as the railroad looks to maintain and improve safety, reliability, and on-time performance. These investments are in addition to a combination of existing investments funded through prior Capital Programs as well as investments made by other entities – private and public – that will affect in a positive way the LIRR's operating environment and the LIRR's customer experience.

As many of these projects are moving closer to completion, the LIRR's operating budget and financial plan contains funding to operate and maintain these investments once they are put in use. Some of the major projects that will impact the LIRR's operating environment and budget within the next several years include: East Side Access (ESA), Main Line Expansion, Main Line Double Track, Moynihan Station/Penn Station Redesign, Hudson Yards Overbuild and the purchase of M9 electric cars to replace the aging M3 fleet and to expand service.

In addition to these major new expansion projects and investments, the 2015-2019 Capital Program reflects investments that renew LIRR assets and promote a state of good repair, and upgrades to stations across the LIRR network - in Manhattan, Brooklyn, Queens, Nassau and Suffolk counties.

Safety Initiatives

The LIRR's approach to safety management engages every employee in promoting the value of safety and is a collaborative effort between the Corporate Safety Department and all LIRR operating, support, and administrative departments. Establishing a high level

of safety performance positively impacts employee availability, productivity, equipment reliability and customer satisfaction.

The LIRR's System Safety Program Plan complies with Federal Transit Administration (FTA) requirements and is being revised to comply with the recently implemented Federal Railroad Administration (FRA) Risk Reduction/System Safety Program Plan rule. The July Financial Plan includes funding to support this new rule which requires the LIRR to file our Risk Reduction/System Safety Program Plan with the FRA by February 2018. There are several major new elements that did not exist under the previous plan, which was in voluntary compliance with the American Public Transportation Association (APTA) Standards System Safety Program Plan. In addition to requiring a Technology Analysis and Implementation Plan, the regulation also requires LIRR to conduct audits at a level of detail and on a frequency that had not been required to do in the past. In the past, APTA would audit the plan every three years. The regulation now requires an annual self-audit.

Another new FRA requirement in 2017 is expanding random drug testing and administrative requirements for additional safety sensitive positions and monitoring third party vendor compliance. The July Financial Plan includes two additional positions, increased funding for drug tests, mobile units and third party monitoring and compliance.

The LIRR previously launched several initiatives designed to improve rail safety for customers and employees. All initiatives are progressing and the July Financial Plan continues to provide funding for these safety initiatives. These initiatives include: holding quarterly Safety FOCUS (Fatigue, Outside Influences, Communication, Uncertainty, Situational Awareness) Days with employees: partnering with Amtrak, NJ Transit, and NYC Transit on customer safety awareness events at Penn Station: facilitating a confidential close call reporting system: establishing an accident investigation unit and a dedicated roadway worker protection field compliance unit: participating in the MTA's sleep apnea initiative; and partnering with the MTA Information Technology Department and Metro-North Railroad to implement a new safety enterprise safety system to enhance analytics and better focus interventions to optimize safety performance. Additional funding has been provided to perform sleep apnea testing for all Engineers and to hold monthly close call reporting review meetings with represented staff.

In addition, the several efforts are underway to enhance and improve track maintenance such as rail joint bar elimination initiative and installation of a wheel impact load detection and measurement system. The LIRR is also progressing with the initiative to install cameras and recording devices on-board rolling stock. Additional funding has been included in the July plan to support the operational downloading of the videos. Lastly, the LIRR is upgrading and replacing fire alarm and fire suppression systems throughout its employee facilities and stations.

In response to recent grade crossing incidents, LIRR is continuing to work with MTA Headquarters, New York State Department of Transportation, Nassau and Suffolk County, local government authorities, and a third-party consultant, to explore enhanced safety measures at grade crossings. This initiative is in addition to LIRR's on-going,

highly-successful community outreach and education program in collaboration with the MTA Police Department and the FRA.

Operational Initiatives

The LIRR's rolling stock maintenance investments are achieving positive results: Mean Distance Between Failure (MDBF) in 2016 totaled 211,975 miles, or 6.4% above target; year-to-date through March 2017, the MDBF is 185,641, which is slightly below the year-end target of 200,000 but similar to the MDBF at this time last year.

A key component of fleet reliability performance is the LIRR's Reliability Centered Maintenance (RCM) program. RCM is the process of determining the most effective maintenance approach to maintaining rolling stock systems and components. The RCM philosophy employs a combination of maintenance techniques in an integrated manner to increase the probability that the equipment will function in the manner required over the cars life cycle with cost effective maintenance. An effective RCM program requires management of a dynamic plan with constant feedback by incorporating maintenance effectiveness reviews, failure reviews, root cause analysis, and condition based monitoring. The financial plan includes funding to support RCM focused maintenance, including revised plans for M7 Doors, 15-year cycle work on diesel locomotive engines, C3 Toilet improvements, and starting development work for C3 Door System failure mitigation. In addition, the budget reflects funding to replace obsolete parts on the M7 cars and C3 coaches.

The LIRR is also engaged with MTA Headquarters staff to establish an Enterprise Asset Management (EAM) Improvement Program. The goal of an EAM program is to manage physical assets to the lowest whole life cost and provide data for more informed decision making, improve safety, reliability, capability, and maintainability of services while ensuring best value and overall reduction in whole lifecycle costs. The projects included in the program address different areas of LIRR's business model and are grouped into eight different themes. These are: alignment to organizational goals; control of assets (establishing policies, processes and controls); capital planning and delivery; maintenance delivery; defect management; informed decisions; and resource capabilities. These projects are designed to evolve LIRR as an EAM Organization and will impact both operating and capital investment decisions.

Efficiency Initiatives

The 2017 July Financial Plan includes several initiatives designed to reduce cost as part of the MTA's financial efficiency initiatives. The LIRR achieved its budget reduction target of \$8.2 million by strategically re-balancing its RCM maintenance plan to better reflect the retirement of the old M3 fleet and its replacement with the new M9 fleet, which will be under warranty. The LIRR also placed tighter controls and re-prioritized non-payroll spending. The LIRR continues to subject all areas of the budget to intensive review, specifically payroll-related operational costs, overtime, inventory and administration.

Overtime Management

The LIRR considers overtime management to be one of its highest financial priorities. Under certain conditions, overtime can be an efficient way to ensure sufficient levels of staff are deployed to complete required work, such as to staff activities that are temporary in nature (unscheduled maintenance and emergency response) or to backfill open jobs on an interim basis while new hires are brought in to the workforce. Nevertheless, it is critical for the LIRR to maintain tight control of overtime usage to ensure that it is used only when needed and that it is the most cost-effective approach.

Total actual overtime expenses through March 2017 were \$3.6 million higher than Budget. Non-Reimbursable and Reimbursable were both \$1.8 million unfavorable. The Non-Reimbursable overtime variance was driven by higher than expected Engineering Department maintenance and the existence of vacant positions in the Maintenance of Equipment and Transportation departments. This was partially offset by favorable weather overtime. It should be noted that the unfavorable vacancy overtime in the Maintenance of Equipment and Transportation departments were almost entirely offset by lower payroll and associated fringe costs.

Engineering maintenance/modification overtime was \$2.0 million above Budget through March 2017. This was due to the Department's decision to address a backlog of maintenance work, especially in difficult to access areas, as well as the fact that Engineering has been more aggressive in taking advantage of Capital project track outages to perform maintenance work. Overtime is necessary when track outages are on weekends, which does allow for higher productivity and less customer impacts. Capital reimbursable overtime was \$1.6 million above Budget through March 2017. The increase reflected the timing and type of capital projects worked on the first quarter as well as the associated track outage schedule.

Likewise, comparing 2017 actual overtime spending to the prior year, overtime expenditures were higher by \$0.6 million. This was primarily caused by vacancy/absentee coverage, partially offset by lower weather-related overtime.

The July Financial Plan increases total annual overtime funding in 2017 by \$11.4 million, from \$149.7 million to \$161.1 million compared to the February Plan. Non-Reimbursable increases by \$8.1 million and reimbursable by \$3.3 million. The Non-Reimbursable increase is largely attributable to continued right-of-way maintenance work and vacancy/absentee coverage. This unfavorable vacancy in overtime is being entirely offset by lower payroll and associated fringe costs.

As for 2018, the July Financial Plan increases total annual overtime by \$2.2 million, from \$144.5 million to \$146.7 million compared to the February Plan. The increase is largely attributable to projected overtime levels required to support the 2017 Capital Program

project schedule and other reimbursable activity as well as a safety initiative to replace various bumper blocks system-wide.

The LIRR will continue its efforts to manage and monitor overtime. This is accomplished through an internal interdepartmental Overtime Task Force as well as increased scrutiny of individual drivers of overtime during the budget development process. The Overtime Task Force reviews overtime spending with each department by category and drills into targeted areas that have posed challenges in recent years. In 2017, the LIRR continues to focus on several strategic areas including: implementing a hiring plan that seeks to fill open jobs in all craft positions on a timely basis; assuring the reimbursable overtime budget is properly funded; reviewing and strengthening internal controls to ensure procedures and practices in place to govern the approval and verification process is functioning as intended; and developing right-of-way maintenance plans coupled with closer monitoring of overtime spending. In addition, the LIRR has completed a business process of existing controls about how overtime is reviewed and approved at the department/field level.

Ridership and Revenue

Through April 2017 ridership was 1.5% greater than the same period in 2016 and 1.4% greater than the 2017 Adopted Budget. The July Financial Plan forecasts year-end 2017 ridership to be 89.9 million customers, marking the highest ridership since the post-war high in 1949 of 91.8 million customers - and breaking the previous modern record reached in 2016 of 89.4 million customers. The LIRR ridership forecast does not reflect any potential revenue/ridership loss due to the service impacts of Amtrak's summer track work at Penn Station. These impacts are being captured on the MTA Consolidated statements.

The July Financial Plan provides funding to increase summer weekend service to Long Beach and provides additional coach cars to alleviate crowding on the Montauk Branch.

2017 Mid-Year Forecast

The LIRR's 2017 Mid-Year Forecast is comprised of Non-Reimbursable revenue totaling \$794.9 million and Non-Reimbursable expenses including GASB 68, Depreciation, other post-employment benefits and environmental remediation of \$1,944.2 million that generate an operating deficit of \$1,149.3 million. The 2017 Mid-Year Forecast Reimbursable revenue and expenses each total \$378.0 million.

Total Non-Reimbursable revenue is \$1.3 million higher than the Adopted Budget. Farebox Revenue is \$3.2 million higher due to higher ridership. Other Operating Revenue is \$1.9 lower due to lower advertising revenue and lost Penn Station rental revenue as a result of the anticipated redesign/construction of the 33rd Street corridor.

Total Non-Reimbursable expenses (excluding Depreciation and Other Post-Employment Benefits (OPEB)) are lower by \$19.6 million primarily as a result of vacant positions and associated fringe costs, timing of RCM and other rolling stock maintenance related initiatives and lower Fuel and Electric rates and consumption. These favorable variances are partially offset by new represented labor agreements.

Amtrak's extensive repair work in Penn Station and its vicinity during July and August of 2017 will have significant impacts on LIRR service. The MTA announced a mitigation plan that includes an adjusted LIRR service plan, connecting ferry and bus service and a fare discount to customers who divert their travel away from Penn Station to other destinations. Financial impacts of this mitigation plan are being captured on the MTA consolidated statements, not by the individual agencies.

The major cash adjustments from the Adopted Budget include various cash timing items from year-end 2016.

Full-time positions total 7,441 in the 2017 Mid-Year Forecast, with 6,134 Non-Reimbursable positions and 1,307 Reimbursable positions.

2018 Preliminary Budget - Baseline

The LIRR's Financial Plan is geared toward achieving several key operational goals in 2018: maintain a high level of rolling stock reliability; improve on-time performance; and improve both employee and customer safety and security.

The 2018 Preliminary Budget includes revenue totaling \$1,147.8 million, of which \$801.6 million is Non-Reimbursable revenue and \$346.2 million is Reimbursable revenue. The total expense budget is \$2,378.0 million, of which \$1,945.8 million is for operating expenses, and the balance is associated with non-cash items such as the Government Accounting Standards Board (GASB) 68 adjustment, Depreciation, Other Post-Employment Benefits (OPEB), and environmental remediation liability. Non-Reimbursable operating expenses total \$1,599.6 million in the 2018 Preliminary Budget, while reimbursable expenses are \$346.2 million.

The cash budget for the 2018 Preliminary Budget incorporates \$1,130.8 million in cash receipts and \$1,946.4 million in cash disbursements. The baseline cash requirement of \$815.6 million is driven by operating expenses and revenues anticipated in the 2018 Preliminary Proposed Budget and other adjustments to cash flow.

On an accrued basis, expenses are higher in the 2018 Preliminary Budget than the 2017 Mid-Year Forecast, and revenues are lower. Total revenues for 2018 are \$1,147.8 million, \$25.1 million lower than 2017 with Non-Reimbursable revenues increasing by \$6.7 million and Reimbursable revenues decreasing by \$31.8 million. Ridership in the 2018 Preliminary Budget increases over the 2017 Mid-Year Forecast by 0.6 million rides, or 0.7%. Total operating expenses before the GASB 68 Adjustment, Depreciation and OPEB

of \$1,945.8 million reflects an increase of \$49.8 million over 2017. Non-Reimbursable expenses increase by \$81.6 million and Reimbursable expenses decrease by \$31.8 million. The resulting total operating baseline deficit including non-cash items such as GASB 68, Depreciation, OPEB, and Environmental Remediation increases by \$80.8 million to \$1,230.2 million in the 2018 Preliminary Budget. The projected baseline cash deficit (or subsidy requirement) of \$815.6 million in the 2018 Preliminary Budget is \$66.6 million higher than 2017.

Full-time positions total 7,676 in the 2018 Preliminary Budget, with 6,596 Non-Reimbursable positions and 1,080 Reimbursable positions. Compared to the 2017 Mid-Year Forecast, this reflects a net increase of 235 positions -- an increase of 462 Non-Reimbursable positions and a decrease of 227 Reimbursable positions. The change in year-end Non-reimbursable and Reimbursable headcount is due to the timing of capital and maintenance activity. As a result, the year-end headcount changes as reported in the financial tables can appear to be more dramatic than the change in average headcount. The remaining Non-Reimbursable headcount increase is related to ESA readiness efforts (184 positions). Compared with the February Plan, there was a net position increase of 190 positions -- an increase of 145 Reimbursable positions and 45 Non-Reimbursable positions. The net increase of 145 Reimbursable positions is driven primarily by capital project continuing at the 2017 levels. The 45 Non Reimbursable position increase is primarily driven by PTC Maintenance, signalization between Speonk and Montauk, safety initiatives and Enterprise Asset Management.

Financial Plan 2019-2021 Projections

The baseline projections for 2019 - 2021 reflect continuing initiatives launched in 2018. During this period, the LIRR has increased its investments in the RCM as many components start to enter critical maintenance stages as well as various operating budget impacts including Moynihan Station, PTC and West End Concourse. In addition, in 2019 - 2021, the LIRR financial plan reflects ramp-up costs for ESA readiness efforts.

The baseline projections for 2019 - 2021 reflect these various impacts. Non-Reimbursable revenues grow by less than 0.5% each year, while Reimbursable revenues decrease by 6.3% in 2019, 7.6% in 2020 and 2.8% 2021.

The pace of expense growth is higher than the projected revenue growth, driven by rates that exceed inflation in "uncontrollable costs", such as health insurance (active employees and retirees), Electric Power and Pension costs. Non-Reimbursable expenses (before Depreciation) grow by 2.8% from \$1,599.6 million in 2018 to \$1,643.9 million in 2019. They continue to rise by 8.6% in 2020 and 9.5% in 2021, reaching \$1,954.6 million. The higher rate of growth in the out-years is primarily due to ESA readiness efforts. Reimbursable revenues decrease by 6.3% in 2019, 7.6% in 2020 and 2.8% 2021.

On a year-to-year basis, baseline positions increase by 4 positions in 2019, 15 positions in 2020 and increase by 522 positions in 2021. Non-Reimbursable positions increase by 53 in 2019, 170 in 2020 and 533 in 2021. These increases are primarily related to ESA

readiness efforts (increases of 132 in 2019 and 159 positions in 2020 and 537 in 2021), partially offset by the completion of the Audio Video Recording Monitoring System (AVRM) initiative at the end of 2018. Reimbursable positions decreased by 49 in 2019, 155 in 2020, and 11 in 2021 due to changes in project activity and completion of Maintenance of Equipment's PTC initiative in 2018. In 2018, the change in year-end Non-reimbursable and Reimbursable headcount is due largely to the timing of capital and maintenance activity. As a result, the year-end headcount changes as reported in the financial tables can appear to be more dramatic than the change in average headcount.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Non-Reimbursable						
Operating Revenue						
Farebox Revenue	\$712.347	\$739.116	\$749.378	\$751.961	\$753.397	\$754.428
Other Operating Revenue	55.613	55.788	52.243	52.812	53.438	54.023
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenues	\$767.959	\$794.904	\$801.621	\$804.772	\$806.834	\$808.450
Operating Expense						
Labor:						
Payroll	\$506.029	\$522.257	\$574.509	\$594.741	\$627.273	\$676.755
Overtime	122.256	127.402	124.480	125.614	131.688	152.454
Health and Welfare	95.788	104.244	125.232	129.655	140.199	158.706
OPEB Current Payments	57.982	69.568	76.107	78.251	82.394	86.771
Pension	138.326	144.505	136.851	145.682	151.358	155.272
Other Fringe Benefits	124.606	132.689	145.402	149.953	156.488	169.461
Reimbursable Overhead	(34.392)	(32.208)	(26.042)	(23.953)	(19.743)	(20.184)
Total Labor Expenses	\$1,010.595	\$1,068.458	\$1,156.540	\$1,199.943	\$1,269.657	\$1,379.234
Non-Labor:						
Electric Power	\$77.567	\$82.794	\$93.815	\$97.959	\$101.857	\$134.820
Fuel	14.305	16.507	17.335	17.386	19.093	20.600
Insurance	22.690	20.850	21.673	23.479	25.527	27.762
Claims	16.588	4.370	4.370	4.419	4.471	4.537
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	63.924	83.477	76.308	80.510	94.693	111.754
Professional Services Contracts	25.800	44.547	36.632	34.401	34.691	34.081
Materials and Supplies	128.537	173.933	170.562	161.459	212.412	218.249
Other Business Expenses	16.246	23.070	22.344	24.324	22.197	23.518
Total Non-Labor Expenses	\$365.657	\$449.548	\$443.038	\$443.935	\$514.940	\$575.320
Other Expense Adjustments:						
Other Expense Adjustments	\$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.	\$1,376.253	\$1,518.006	\$1,599.579	\$1,643.878	\$1,784.597	\$1,954.554
Depreciation	\$333.594	\$337.231	\$340.588	\$343.978	\$347.403	\$350.861
OPEB Liability Adjustment	89.862	87.000	89.610	92.298	95.067	97.919
GASB 68 Pension Expense Adjustment	(12.175)	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	(1.756)	2.000	2.000	2.000	2.000	2.000
Total Expenses	\$1,785.776	\$1,944.237	\$2,031.777	\$2,082.155	\$2,229.067	\$2,405.334
Net Surplus/(Deficit)	(\$1,017.817)	(\$1,149.333)	(\$1,230.156)	(\$1,277.382)	(\$1,422.233)	(\$1,596.884)
Cash Conversion Adjustments						
Depreciation	\$333.594	\$337.231	\$340.588	\$343.978	\$347.403	\$350.861
Operating/Capital	(14.885)	(28.771)	(21.781)	(13.168)	(13.999)	(13.713)
Other Cash Adjustments	115.808	91.884	95.763	93.146	95.232	88.909
Total Cash Conversion Adjustments	\$434.517	\$400.344	\$414.570	\$423.957	\$428.636	\$426.057
Net Cash Surplus/(Deficit)	(\$583.300)	(\$748.989)	(\$815.586)	(\$853.425)	(\$993.597)	(\$1,170.827)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Reimbursable						
Operating Revenue						
Farebox 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	346.939	377.953	346.179	324.388	299.684	291.204
Total Revenues	\$346.939	\$377.953	\$346.179	\$324.388	\$299.684	\$291.204
Operating Expense						
Labor:						
Payroll	\$97.858	\$129.042	\$129.006	\$123.691	\$110.783	\$111.822
Overtime	38.638	33.724	22.244	19.994	20.247	20.652
Health and Welfare	23.388	27.880	25.894	24.525	22.216	22.454
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	42.574	44.677	42.071	39.848	36.096	36.483
Other Fringe Benefits	24.446	28.852	26.479	25.079	22.718	22.962
Reimbursable Overhead	34.392	32.208	26.042	23.953	19.743	20.184
Total Labor Expenses	\$261.297	\$296.384	\$271.736	\$257.090	\$231.802	\$234.556
Non-Labor:						
Electric Power	\$1.047	\$0.539	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	6.366	9.012	8.576	8.303	7.714	7.800
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	21.231	15.341	13.576	12.645	12.379	12.440
Professional Services Contracts	4.290	1.265	0.652	0.656	0.669	0.682
Materials and Supplies	51.538	54.942	51.281	45.354	46.812	35.415
Other Business Expenses	1.169	0.470	0.359	0.340	0.308	0.311
Total Non-Labor Expenses	\$85.642	\$81.569	\$74.443	\$67.298	\$67.882	\$56.648
Other Expense Adjustments:						
Other Expense Adjustments	\$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	\$346.939	\$377.953	\$346.179	\$324.388	\$299.684	\$291.204
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Non-Reimbursable / Reimbursable</u>						
Operating Revenue						
Farebox Revenue	\$712.347	\$739.116	\$749.378	\$751.961	\$753.397	\$754.428
Other Operating Revenue	55.613	55.788	52.243	52.812	53.438	54.023
Capital and Other Reimbursements	346.939	377.953	346.179	324.388	299.684	291.204
Total Revenues	\$1,114.898	\$1,172.857	\$1,147.800	\$1,129.161	\$1,106.519	\$1,099.655
Operating Expense						
<u>Labor:</u>						
Payroll	\$603.887	\$651.300	\$703.515	\$718.432	\$738.055	\$788.577
Overtime	160.895	161.127	146.724	145.608	151.935	173.105
Health and Welfare	119.176	132.124	151.126	154.181	162.416	181.160
OPEB Current Payments	57.982	69.568	76.107	78.251	82.394	86.771
Pension	180.900	189.183	178.923	185.530	187.454	191.754
Other Fringe Benefits	149.053	161.541	171.881	175.032	179.206	192.422
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$1,271.892	\$1,364.842	\$1,428.276	\$1,457.033	\$1,501.459	\$1,613.790
<u>Non-Labor:</u>						
Electric Power	\$78.615	\$83.333	\$93.815	\$97.959	\$101.857	\$134.820
Fuel	14.305	16.507	17.335	17.386	19.093	20.600
Insurance	29.056	29.862	30.249	31.782	33.241	35.562
Claims	16.588	4.370	4.370	4.419	4.471	4.537
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	85.155	98.818	89.883	93.155	107.072	124.194
Professional Services Contracts	30.090	45.812	37.284	35.057	35.360	34.763
Materials and Supplies	180.075	228.875	221.842	206.812	259.223	253.664
Other Business Expenses	17.415	23.540	22.703	24.663	22.505	23.829
Total Non-Labor Expenses	\$451.299	\$531.117	\$517.481	\$511.233	\$582.822	\$631.968
<u>Other Expense Adjustments:</u>						
Other Expense Adjustments	\$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.	\$1,723.191	\$1,895.959	\$1,945.758	\$1,968.266	\$2,084.282	\$2,245.758
Depreciation	\$333.594	\$337.231	\$340.588	\$343.978	\$347.403	\$350.861
OPEB Liability Adjustment	89.862	87.000	89.610	92.298	95.067	97.919
GASB 68 Pension Expense Adjustment	(12.175)	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	(1.756)	2.000	2.000	2.000	2.000	2.000
Total Expenses	\$2,132.715	\$2,322.190	\$2,377.956	\$2,406.543	\$2,528.751	\$2,696.538
Net Surplus/(Deficit)	(\$1,017.817)	(\$1,149.333)	(\$1,230.156)	(\$1,277.382)	(\$1,422.233)	(\$1,596.884)
Cash Conversion Adjustments						
Depreciation	\$333.594	\$337.231	\$340.588	\$343.978	\$347.403	\$350.861
Operating/Capital	(14.885)	(28.771)	(21.781)	(13.168)	(13.999)	(13.713)
Other Cash Adjustments	115.808	91.884	95.763	93.146	95.232	88.909
Total Cash Conversion Adjustments	\$434.517	\$400.344	\$414.570	\$423.957	\$428.636	\$426.057
Net Cash Surplus/(Deficit)	(\$583.300)	(\$748.989)	(\$815.586)	(\$853.425)	(\$993.597)	(\$1,170.827)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	\$731.942	\$760.474	\$769.378	\$771.961	\$773.397	\$774.428
Other Operating Revenue	46.939	42.944	37.558	37.771	37.983	38.150
Capital and Other Reimbursements	319.045	343.591	323.878	310.690	285.143	276.940
Total Receipts	\$1,097.926	\$1,147.009	\$1,130.814	\$1,120.422	\$1,096.523	\$1,089.518
Expenditures						
<u>Labor:</u>						
Payroll	\$601.470	\$641.791	\$696.898	\$711.665	\$731.135	\$781.501
Overtime	159.750	161.238	146.724	145.608	151.935	173.105
Health and Welfare	105.921	131.094	151.126	154.181	162.416	181.160
OPEB Current Payments	53.634	69.568	76.107	78.251	82.394	86.771
Pension	176.880	188.087	178.923	185.530	187.454	191.754
Other Fringe Benefits	146.241	160.015	170.881	174.032	178.206	191.422
Contribution to GASB Fund	0.000	0.000	1.308	1.737	2.565	3.441
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$1,243.896	\$1,351.792	\$1,421.967	\$1,451.003	\$1,496.104	\$1,609.155
<u>Non-Labor:</u>						
Electric Power	\$78.854	\$83.633	\$93.815	\$97.959	\$101.857	\$134.820
Fuel	13.878	17.025	17.335	17.386	19.093	20.600
Insurance	25.263	28.525	29.868	32.313	32.846	35.143
Claims	2.978	1.747	1.747	1.748	1.748	1.762
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	79.931	110.272	89.883	93.155	107.072	124.194
Professional Services Contracts	23.685	45.071	32.441	29.972	30.021	29.157
Materials and Supplies	174.464	215.674	217.315	206.335	259.574	262.399
Other Business Expenses	14.282	22.259	22.028	23.975	21.804	23.115
Total Non-Labor Expenditures	\$413.334	\$524.206	\$504.432	\$502.843	\$574.015	\$631.189
<u>Other Expenditure Adjustments:</u>						
Other	\$20.177	\$20.000	\$20.000	\$20.000	\$20.000	\$20.000
Total Other Expenditure Adjustments	\$20.177	\$20.000	\$20.000	\$20.000	\$20.000	\$20.000
Total Expenditures	\$1,677.406	\$1,895.998	\$1,946.400	\$1,973.846	\$2,090.120	\$2,260.344
Net Cash Balance	(\$579.481)	(\$748.989)	(\$815.586)	(\$853.425)	(\$993.597)	(\$1,170.827)
Cash Timing and Availability Adjustment	(3.820)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Net Cash Balance after Cash Timing & Availability Adj	(\$583.300)	(\$748.989)	(\$815.586)	(\$853.425)	(\$993.597)	(\$1,170.827)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Cash Conversion (Cash Flow Adjustments)
Favorable/(Unfavorable)
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Flow Adjustments						
Receipts						
Farebox Revenue	\$19.595	\$21.358	\$20.000	\$20.000	\$20.000	\$20.000
Other Operating Revenue	(8.674)	(12.844)	(14.685)	(15.041)	(15.455)	(15.873)
Capital and Other Reimbursements	(27.894)	(34.362)	(22.301)	(13.698)	(14.541)	(14.264)
Total Receipts	(\$16.973)	(\$25.848)	(\$16.986)	(\$8.739)	(\$9.996)	(\$10.137)
Expenditures						
Labor:						
Payroll	\$2.417	\$9.509	\$6.617	\$6.767	\$6.920	\$7.076
Overtime	1.145	(0.111)	0.000	0.000	0.000	0.000
Health and Welfare	13.255	1.030	0.000	0.000	0.000	0.000
OPEB Current Payments	4.348	0.000	0.000	0.000	0.000	0.000
Pension	4.020	1.096	0.000	0.000	0.000	0.000
Other Fringe Benefits	2.811	1.526	1.000	1.000	1.000	1.000
Contribution to GASB Fund	0.000	0.000	(1.308)	(1.737)	(2.565)	(3.441)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$27.996	\$13.050	\$6.309	\$6.030	\$5.355	\$4.635
Non-Labor:						
Electric Power	(\$0.239)	(\$0.300)	0.000	\$0.000	\$0.000	\$0.000
Fuel	0.427	(0.518)	0.000	0.000	0.000	0.000
Insurance	3.793	1.337	0.381	(0.531)	0.395	0.419
Claims	13.611	2.623	2.623	2.671	2.723	2.775
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	5.224	(11.454)	0.000	0.000	0.000	0.000
Professional Services Contracts	6.406	0.741	4.843	5.085	5.339	5.606
Materials and Supplies	5.611	13.201	4.527	0.477	(0.351)	(8.735)
Other Business Expenses	3.133	1.281	0.675	0.688	0.701	0.714
Total Non-Labor Expenditures	\$37.966	\$6.911	\$13.049	\$8.390	\$8.807	\$0.779
Other Expenditure Adjustments:						
Other Expense Adjustments	(\$20.177)	(\$20.000)	(\$20.000)	(\$20.000)	(\$20.000)	(\$20.000)
Total Other Expenditure Adjustments	(\$20.177)	(\$20.000)	(\$20.000)	(\$20.000)	(\$20.000)	(\$20.000)
Total Expenditures	\$45.785	(\$0.039)	(\$0.642)	(\$5.580)	(\$5.838)	(\$14.586)
Total Cash Conversion Adjustments before Depreciation	\$28.812	(\$25.887)	(\$17.628)	(\$14.319)	(\$15.834)	(\$24.723)
Depreciation	\$333.594	\$337.231	\$340.588	\$343.978	\$347.403	\$350.861
OPEB Liability Adjustment	89.862	87.000	89.610	92.298	95.067	97.919
GASB 68 Pension Expense Adjustment	(12.175)	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	(1.756)	2.000	2.000	2.000	2.000	2.000
Cash Timing and Availability Adjustment	(3.820)	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$434.517	\$400.344	\$414.570	\$423.957	\$428.636	\$426.057

MTA LONG ISLAND RAIL ROAD
2017 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime Hours and Expenses
(\$ in millions)

	Total		
	Hours	\$	%
NON-REIMBURSABLE OVERTIME			
Scheduled Service	393,136	\$24.151	19.0%
Unscheduled Service	112,739	7.145	5.6%
Programmatic/Routine Maintenance	688,508	40.357	31.7%
Unscheduled Maintenance	15,401	0.897	0.7%
Vacancy/Absentee Coverage (1)	735,229	43.129	33.9%
Weather Emergencies	152,721	8.851	6.9%
Safety/Security/Law Enforcement	0	0.000	-
Other	48,858	2.873	2.3%
Subtotal	2,146,593	\$127.402	100.0%
REIMBURSABLE OVERTIME	591,673	\$33.724	
TOTAL OVERTIME	2,738,266	\$161.127	

(1) Offset by lower payroll and associated fringe benefits

**MTA Long Island Rail Road
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Year-To-Year Changes by Category - Baseline**

Revenue

Farebox Revenue

- The regional economy and employment trends are the primary drivers of Farebox Revenue.
- Farebox revenue is increasing by 1.4% in 2018 over 2017 primarily due to anticipated ridership growth. Revenue increases by 0.3% in 2019, 0.2% in 2020 and 0.1% in 2021.

Other Operating Revenue

- Other Operating decreases from 2017 to 2018 are due to the full year impact of rental revenue lost due to the anticipated redesign/construction of the 33rd Street Corridor in Penn Station.
- Increased from 2018 to 2021 are due to normal inflationary increases.

Capital and Other Reimbursements

- Reflects impacts of the 2015 - 2019 Capital Program and other project activity including overbuilds, Sandy related work, ESA, PTC, M9 and second track between Farmingdale and Ronkonkoma.

Expenses

Payroll

- Salaries for non-represented employees include a 2.0% increase July 1, 2017 and each July 1st thereafter.
- Salaries for represented employees are based on new labor agreements that assume a 2.5% increase retroactive to December 2016, 2.5% increase in January 2018, a one-time lump sum payment in February 2019 and then subsequent 2.0% increases each April upon expiration of the current agreement.
- 2017 – 2018 increases associated with maintaining 2017 headcount levels for capital project activity including PTC, ESA, Double Track and Rolling Stock acquisition and testing.
- 2017 – 2018 non-reimbursable headcount increases are associated with the full year impact of PTC Maintenance and safety initiatives and filling vacant positions that were open during 2017.
- 2019 – 2020 lower reimbursable positions are due to changes in capital project activity.
- Almost all the operating headcount increases from 2018 – 2021 are related to ESA readiness efforts, partially offset by the completion of the on board camera installation project.

Overtime

- 2017 – 2018 overtime decrease is primarily associated with lower capital project activity on overtime, lower vacant position coverage and lower right of way maintenance, partially offset by higher rolling stock maintenance overtime based on RCM and modification activities.
- 2018 – 2019 decrease is due to the timing of various maintenance activities.
- 2019 – 2021 overtime increase is associated with ESA readiness.

Health & Welfare

- 2016 – 2021 reflects annual New York State Health Insurance Program (NYSHIP) rate increases of approximately 6.1% (2017), 8.3% (2018), 0.9% (2019) and 3.6% (2020 - 2021), for individual coverage, and 7.8% (2017), 9.1% (2018), 2.2% (2019) and 4.8% (2020 – 2021) for family coverage.
- Reflects impact of headcount changes each year, including ramp-up costs for ESA beginning in 2017.

Pensions

- Reflects the latest actuarial estimates and impacts of the new labor agreements.

Other Fringe Benefits

- Railroad Retirement Tax maximum limits are based on the projected maximum earnings base from the Railroad Retirement Board and annual CPI increases; the tax rate for each tier is expected to remain unchanged.
- Railroad Unemployment costs reflect a slight annual increase in the monthly charge per employee in each year.
- Federal Employers Liability Act (FELA) Indemnity payments increase by CPI.
- Reflects impact of headcount changes each year, including ramp-up costs for ESA beginning in 2017.

Electric Power

- 2017 is based on actuals through March and reflects the latest LIRR consumption estimates and inflationary increases.
- 2018 – 2021 reflects the latest LIRR consumption estimates and inflationary increases.
- 2020 includes ramp-up costs for ESA.

Fuel

- 2017 is based on actuals through March and reflects the latest LIRR consumption estimates and inflationary increases.
- 2018 – 2021 reflects the latest inflationary increases.

Insurance

- 2017 reflects the latest inflationary increases and Force Account Insurance estimates based on project activity.

- 2018 – 2021 reflects the latest inflationary increases and Force Account Insurance estimates based on project activity. Generally, premium rates are assumed to increase by 5%-10% per year.

Claims

- 2017 reflects actual experience through March and the anticipated settlement and payout of claims for the balance of the year.
- 2018 – 2021 reflects inflationary increases.

Maintenance and Other Operating Contracts

- 2017 – 2018 decrease is due to full year impact of tighter control and prioritization of non-payroll funds to core mission initiatives (Budget Reduction Program).
- 2018 – 2021 increase is due to contractual and normal inflationary increases.
- 2019 – 2020 increase is due to Moynihan Station operating costs.
- 2019 – 2021 increase includes ESA readiness efforts.

Professional Service Contracts

- 2017 – 2018 decrease reflects the anticipated 2017 completion of the M-7 Propulsion Consultant's work, lower legal expenses assigned to the Moynihan Station development project, various maintenance of way professional service agreements, completion of the Far Rockaway Station demolition and shelter shed buildout and the completion of the migration to a new credit card clearing house. Partially offset by timing of EAM expenses.
- 2018 – 2019 decrease reflects lower investments in EAM, partially offset by normal inflationary increases.
- 2019 - 2021 increase includes ESA readiness efforts and inflationary increases.

Material and Supplies

- 2016 to 2017 increase is due to timing of activity for RCM, production plan material, C3 Communication Control Unit (CCU) and Automatic Station Identification (ASI) replacement, station fire alarm upgrades, vehicle replacement, AVR, ESA material and M7 and C3 door, propulsion control unit, M7 Phase ¾ Truck RCM, new M7 traction motors and timing of M7 obsolescence materials.
- 2017 – 2019 decrease includes changes in activity for RCM, production plan material, CCU's and ASI replacement, station fire alarm upgrades, vehicle replacement, AVR, ESA material and M7 and C3 door, propulsion control unit, M7 Phase ¾ Truck RCM, new M7 traction motors and timing of M7 obsolescence materials. This is partially offset by and normal inflationary increases, as well as the beginning of the 15/20 year Truck RCM program and various operating budget impacts.
- 2019 – 2021 includes increases associated with ESA readiness efforts.
- 2020 includes operating budget impact for Moynihan Station and funding for rolling stock Lifecycle Asset Management Program (LAMP).

Other Business Expenses

- 2017 – 2020 increases and/or decreases are primarily related to timing of the obsolete equipment decommissioning program expected to be completed at the end of 2019.

- 2021 includes increases associated with ESA readiness efforts.

Depreciation/Other Post Employment Benefits/Environmental Remediation/GASB 68

- Reflects Depreciation of current assets as well as estimates for capital projects based on their beneficial use. OPEB and GASB 68 based on latest actuarial estimates.

Cash Adjustments

Expense

- Insurance – adjustment to reflect projected payments versus accrued expenses for potential liabilities.
- Deferred GASB contribution payments.
- Depreciation and other non-cash adjustments for each year.
- Material drawdown due to lower material purchases than projected usage.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Non-Reimbursable									
Operating Revenues									
Farebox Revenue	\$739.116	\$749.378	\$10.262	\$751.961	\$2.583	\$753.397	\$1.436	\$754.428	\$1.031
Other Operating Revenue	55.788	52.243	(3.545)	52.812	0.569	53.438	0.626	54.023	0.585
Total Revenues	\$794.904	\$801.621	\$6.717	\$804.772	\$3.151	\$806.834	\$2.062	\$808.450	\$1.616
Operating Expenses									
Labor:									
Payroll	\$522.257	\$574.509	(\$52.252)	\$594.741	(\$20.232)	\$627.273	(\$32.531)	\$676.755	(\$49.482)
Overtime	127.402	124.480	2.922	125.614	(1.134)	131.688	(6.074)	152.454	(20.765)
Health and Welfare	104.244	125.232	(20.988)	129.655	(4.423)	140.199	(10.544)	158.706	(18.507)
OPEB Current Payments	69.568	76.107	(6.539)	78.251	(2.144)	82.394	(4.143)	86.771	(4.377)
Pension	144.505	136.851	7.654	145.682	(8.831)	151.358	(5.676)	155.272	(3.914)
Other Fringe Benefits	132.689	145.402	(12.714)	149.953	(4.551)	156.488	(6.535)	169.461	(12.973)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(32.208)	(26.042)	(6.166)	(23.953)	(2.089)	(19.743)	(4.211)	(20.184)	0.441
Total Labor Expenses	\$1,068.458	\$1,156.540	(\$88.082)	\$1,199.943	(\$43.403)	\$1,269.657	(\$69.714)	\$1,379.234	(\$109.577)
Non-Labor:									
Electric Power	\$82.794	\$93.815	(\$11.021)	\$97.959	(\$4.144)	\$101.857	(\$3.898)	\$134.820	(\$32.964)
Fuel	16.507	17.335	(0.828)	17.386	(0.051)	19.093	(1.707)	20.600	(1.506)
Insurance	20.850	21.673	(0.823)	23.479	(1.805)	25.527	(2.049)	27.762	(2.234)
Claims	4.370	4.370	0.000	4.419	(0.049)	4.471	(0.052)	4.537	(0.066)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	83.477	76.308	7.169	80.510	(4.202)	94.693	(14.183)	111.754	(17.061)
Professional Services Contracts	44.547	36.632	7.915	34.401	2.231	34.691	(0.291)	34.081	0.610
Materials and Supplies	173.933	170.562	3.372	161.459	9.103	212.412	(50.953)	218.249	(5.837)
Other Business Expenses	23.070	22.344	0.726	24.324	(1.979)	22.197	2.126	23.518	(1.321)
Total Non-Labor Expenses	\$449.548	\$443.038	\$6.510	\$443.935	(\$0.897)	\$514.940	(\$71.006)	\$575.320	(\$60.379)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$1,518.006	\$1,599.579	(\$81.573)	\$1,643.878	(\$44.299)	\$1,784.597	(\$140.719)	\$1,954.554	(\$169.957)
Depreciation	\$337.231	\$340.588	(\$3.357)	\$343.978	(\$3.390)	\$347.403	(\$3.424)	\$350.861	(\$3.459)
OPEB Liability Adjustment	87.000	89.610	(2.610)	92.298	(2.688)	95.067	(2.769)	97.919	(2.852)
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	2.000	2.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$1,944.237	\$2,031.777	(\$87.540)	\$2,082.155	(\$50.378)	\$2,229.067	(\$146.913)	\$2,405.334	(\$176.267)
Net Surplus/(Deficit)	(\$1,149.333)	(\$1,230.156)	(\$80.823)	(\$1,277.382)	(\$47.227)	(\$1,422.233)	(\$144.850)	(\$1,596.884)	(\$174.651)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Reimbursable									
Operating Revenues									
Farebox Revenue	\$0.000	\$0.000	\$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	0.000	0.000
Capital and Other Reimbursements	377.953	346.179	(31.774)	324.388	(21.791)	299.684	(24.704)	291.204	(8.480)
Total Revenues	\$377.953	\$346.179	(\$31.774)	\$324.388	(\$21.791)	\$299.684	(\$24.704)	\$291.204	(\$8.480)
Operating Expenses									
<u>Labor:</u>									
Payroll	\$129.042	\$129.006	\$0.037	\$123.691	\$5.315	\$110.783	\$12.908	\$111.822	(\$1.040)
Overtime	33.724	22.244	11.480	19.994	2.250	20.247	(0.253)	20.652	(0.405)
Health and Welfare	27.880	25.894	1.986	24.525	1.369	22.216	2.309	22.454	(0.238)
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension	44.677	42.071	2.606	39.848	2.224	36.096	3.752	36.483	(0.387)
Other Fringe Benefits	28.852	26.479	2.373	25.079	1.400	22.718	2.361	22.962	(0.243)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	32.208	26.042	6.166	23.953	2.089	19.743	4.211	20.184	(0.441)
Total Labor Expenses	\$296.384	\$271.736	\$24.648	\$257.090	\$14.646	\$231.802	\$25.288	\$234.556	(\$2.754)
<u>Non-Labor:</u>									
Electric Power	\$0.539	\$0.000	\$0.539	\$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	0.000	0.000	0.000
Insurance	9.012	8.576	0.436	8.303	0.273	7.714	0.589	7.800	(0.086)
Claims	0.000	0.000	0.000	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	0.000	0.000	0.000
Maintenance and Other Operating Contracts	15.341	13.576	1.766	12.645	0.931	12.379	0.266	12.440	(0.061)
Professional Services Contracts	1.265	0.652	0.613	0.656	(0.004)	0.669	(0.013)	0.682	(0.013)
Materials and Supplies	54.942	51.281	3.661	45.354	5.927	46.812	(1.458)	35.415	11.397
Other Business Expenses	0.470	0.359	0.111	0.340	0.019	0.308	0.032	0.311	(0.003)
Total Non-Labor Expenses	\$81.569	\$74.443	\$7.126	\$67.298	\$7.145	\$67.882	(\$0.584)	\$56.648	\$11.234
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation	\$377.953	\$346.179	\$31.774	\$324.388	\$21.791	\$299.684	\$24.704	\$291.204	\$8.480
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	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	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$377.953	\$346.179	\$31.774	\$324.388	\$21.791	\$299.684	\$24.704	\$291.204	\$8.480
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	Change 2019	Change 2018 - 2019	Change 2020	Change 2019 - 2020	Change 2021	Change 2020 - 2021
<u>Non-Reimbursable and Reimbursable</u>									
Operating Revenues									
Farebox Revenue	\$739.116	\$749.378	\$10.262	\$751.961	\$2.583	\$753.397	\$1.436	\$754.428	\$1.031
Other Operating Revenue	55.788	52.243	(3.545)	52.812	0.569	53.438	0.626	54.023	0.585
Capital and Other Reimbursements	377.953	346.179	(31.774)	324.388	(21.791)	299.684	(24.704)	291.204	(8.480)
Total Revenues	\$1,172.857	\$1,147.800	(\$25.057)	\$1,129.161	(\$18.639)	\$1,106.519	(\$22.642)	\$1,099.655	(\$6.864)
Operating Expenses									
<u>Labor:</u>									
Payroll	\$651.300	\$703.515	(\$52.215)	\$718.432	(\$14.917)	\$738.055	(\$19.623)	\$788.577	(\$50.522)
Overtime	161.127	146.724	14.403	145.608	1.116	151.935	(6.327)	173.105	(21.170)
Health and Welfare	132.124	151.126	(19.002)	154.181	(3.055)	162.416	(8.235)	181.160	(18.745)
OPEB Current Payments	69.568	76.107	(6.539)	78.251	(2.144)	82.394	(4.143)	86.771	(4.377)
Pension	189.183	178.923	10.260	185.530	(6.607)	187.454	(1.924)	191.754	(4.301)
Other Fringe Benefits	161.541	171.881	(10.341)	175.032	(3.151)	179.206	(4.174)	192.422	(13.216)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$1,364.842	\$1,428.276	(\$63.434)	\$1,457.033	(\$28.757)	\$1,501.459	(\$44.426)	\$1,613.790	(\$112.331)
<u>Non-Labor:</u>									
Electric Power	\$83.333	\$93.815	(\$10.482)	\$97.959	(\$4.144)	\$101.857	(\$3.898)	\$134.820	(\$32.964)
Fuel	16.507	17.335	(0.828)	17.386	(0.051)	19.093	(1.707)	20.600	(1.506)
Insurance	29.862	30.249	(0.387)	31.782	(1.533)	33.241	(1.460)	35.562	(2.320)
Claims	4.370	4.370	0.000	4.419	(0.049)	4.471	(0.052)	4.537	(0.066)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	98.818	89.883	8.935	93.155	(3.271)	107.072	(13.917)	124.194	(17.122)
Professional Services Contracts	45.812	37.284	8.528	35.057	2.227	35.360	(0.303)	34.763	0.597
Materials and Supplies	228.875	221.842	7.033	206.812	15.030	259.223	(52.411)	253.664	5.560
Other Business Expenses	23.540	22.703	0.837	24.663	(1.960)	22.505	2.158	23.829	(1.324)
Total Non-Labor Expenses	\$531.117	\$517.481	\$13.636	\$511.233	\$6.248	\$582.822	(\$71.589)	\$631.968	(\$49.145)
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$1,895.959	\$1,945.758	(\$49.799)	\$1,968.266	(\$22.509)	\$2,084.282	(\$116.015)	\$2,245.758	(\$161.476)
Depreciation	\$337.231	\$340.588	(\$3.357)	\$343.978	(\$3.390)	\$347.403	(\$3.424)	\$350.861	(\$3.459)
OPEB Liability Adjustment	87.000	89.610	(2.610)	92.298	(2.688)	95.067	(2.769)	97.919	(2.852)
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Environmental Remediation	2.000	2.000	0.000	2.000	0.000	2.000	0.000	2.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$2,322.190	\$2,377.956	(\$55.765)	\$2,406.543	(\$28.587)	\$2,528.751	(\$122.209)	\$2,696.538	(\$167.787)
Net Surplus/(Deficit)	(\$1,149.333)	(\$1,230.156)	(\$80.823)	(\$1,277.382)	(\$47.227)	(\$1,422.233)	(\$144.850)	(\$1,596.884)	(\$174.651)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Cash Receipts and Expenditures</u>									
Receipts									
Farebox Revenue	\$760.474	\$769.378	\$8.904	\$771.961	\$2.583	\$773.397	\$1.436	\$774.428	\$1.031
Other Operating Revenue	42.944	37.558	(5.386)	37.771	0.213	37.983	0.212	38.150	0.167
Capital and Other Reimbursements	343.591	323.878	(19.713)	310.690	(13.188)	285.143	(25.547)	276.940	(8.203)
Total Receipts	\$1,147.009	\$1,130.814	(\$16.195)	\$1,120.422	(\$10.392)	\$1,096.523	(\$23.899)	\$1,089.518	(\$7.005)
Expenditures									
<u>Labor Expenditures:</u>									
Payroll	\$641.791	\$696.898	(\$55.107)	\$711.665	(\$14.767)	\$731.135	(\$19.470)	\$781.501	(\$50.366)
Overtime	161.238	146.724	14.514	145.608	1.116	151.935	(6.327)	173.105	(21.170)
Health and Welfare	131.094	151.126	(20.032)	154.181	(3.055)	162.416	(8.235)	181.160	(18.745)
OPEB Current Payments	69.568	76.107	(6.539)	78.251	(2.144)	82.394	(4.143)	86.771	(4.377)
Pension	188.087	178.923	9.164	185.530	(6.607)	187.454	(1.924)	191.754	(4.301)
Other Fringe Benefits	160.015	170.881	(10.867)	174.032	(3.151)	178.206	(4.174)	191.422	(13.216)
Contribution to GASB Fund	0.000	1.308	(1.308)	1.737	(0.429)	2.565	(0.828)	3.441	(0.876)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$1,351.792	\$1,421.967	(\$70.175)	\$1,451.003	(\$29.036)	\$1,496.104	(\$45.101)	\$1,609.155	(\$113.051)
<u>Non-Labor Expenditures:</u>									
Electric Power	\$83.633	\$93.815	(\$10.182)	\$97.959	(\$4.144)	\$101.857	(\$3.898)	\$134.820	(\$32.964)
Fuel	17.025	17.335	(0.310)	17.386	(0.051)	19.093	(1.707)	20.600	(1.506)
Insurance	28.525	29.868	(1.343)	32.313	(2.445)	32.846	(0.534)	35.143	(2.296)
Claims	1.747	1.747	0.000	1.748	(0.001)	1.748	0.000	1.762	(0.014)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	110.272	89.883	20.389	93.155	(3.271)	107.072	(13.917)	124.194	(17.122)
Professional Services Contracts	45.071	32.441	12.630	29.972	2.469	30.021	(0.049)	29.157	0.864
Materials and Supplies	215.674	217.315	(1.641)	206.335	10.980	259.574	(53.239)	262.399	(2.824)
Other Business Expenses	22.259	22.028	0.231	23.975	(1.947)	21.804	2.171	23.115	(1.311)
Total Non-Labor Expenditures	\$524.206	\$504.432	\$19.774	\$502.843	\$1.589	\$574.015	(\$71.172)	\$631.189	(\$57.173)
<u>Other Expenditure Adjustments:</u>									
Other	20.000	20.000	0.000	20.000	0.000	20.000	0.000	20.000	0.000
Total Other Expenditure Adjustments	\$20.000	\$20.000	\$0.000	\$20.000	\$0.000	\$20.000	\$0.000	\$20.000	\$0.000
Total Expenditures	\$1,895.998	\$1,946.400	(\$50.402)	\$1,973.846	(\$27.447)	\$2,090.120	(\$116.273)	\$2,260.344	(\$170.224)
Cash Timing Adjustments	(\$0.000)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Net Cash Surplus/(Deficit)	(\$748.989)	(\$815.586)	(\$66.597)	(\$853.425)	(\$37.840)	(\$993.597)	(\$140.171)	(\$1,170.827)	(\$177.230)

MTA LONG ISLAND RAIL ROAD
2018 Preliminary Budget
July Financial Plan 2018 - 2021
Plan-To-Plan Changes by Generic Category - Baseline

2017: Mid-Year Forecast vs. Adopted Budget

2017 Mid-Year Forecast is based on actual performance through March with projections for April through December based on current trends and known activities.

Revenue

- Passenger Revenue is favorable due to higher than expected ridership.
- Other Operating Revenue is unfavorable due to reduced advertising revenue, lower rent and miscellaneous revenue and lower rental revenue in Level A of Penn Station which will have reduced retail space as part of the redesign of the 33rd street corridor.
- Capital and Other Reimbursements are higher due to interagency reimbursements and timing of capital project activity.

Expense

- Payroll – primarily vacant positions, partially offset by new represented labor agreements which assume a 2.5% annual rate increase versus 2% in the adopted budget.
- Overtime – increased as a result of greater reimbursable activity on overtime, vacancy/absentee coverage, maintenance/modification overtime in the Engineering Department, emergency overtime associated with several derailments and higher rates due to new represented labor agreements.
- Health and Welfare costs are lower due to the higher than expected average number of vacant positions and terms of the new labor agreements, partially offset by higher than projected rate increases.
- OPEB Current is higher due to higher than projected rate increases.
- Pension is higher based on new represented labor agreements.
- Other Fringe decreased due to lower Railroad Retirement Taxes due to the existence of vacant positions, partially offset by new represented labor agreements.
- Lower Electric Power costs are due to lower inflationary growth assumptions, lower consumption and New York Power Authority (NYPA) Loans now being captured in Other Business Expense.
- Lower Fuel costs are due to lower inflationary growth assumptions and lower consumption.
- Lower Insurance cost due to reduced Liability and Property insurance associated with capital activity.
- Higher Maintenance and Other Operating Contracts are due to higher non-revenue service vehicle maintenance, newly opened West End Concourse, Rail Vac services, concrete tie replacement program, Atlantic Avenue Tunnel asbestos remediation, safety/security related initiatives and various other maintenance contracts, partially

offset by tighter control and prioritization of non-payroll funds to core mission initiatives (Budget Reduction Program).

- Lower Professional Services costs primarily are due to timing of EAM and lower winter storm consultant expenses, partially offset by higher costs for the Far Rockaway Shelter Shed, migration to new credit card clearing house, right of way maintenance, legal fees for the Moynihan Station redesign project and FRA regulations requiring expanded random drug testing.
- Lower Material costs are due to the timing of various RCM and rolling stock modification efforts including Multi-Function Unit/Train Operator Display/Central Diagnostic System (MFU/TOD/CDS) replacement, installation of AVRMs on trains and construction of deicer cars, miscellaneous inventory adjustments and shifting of various operating funded capital initiatives including vehicle purchases to 2018, partially offset by concrete tie replacement, Atlantic Ave asbestos removal and higher costs for the wheel impact detector.
- Other Business Expense is higher due to the payback of NYPA loans now being captured in Other Business Expense, the payback of a new NYPA loan for West End Concourse lighting, increased bad debt reserves, higher debit/credit card fees and timing of M3 and other obsolete equipment decommissioning costs.

2018 – 2020 : July Financial Plan vs. February Plan

Revenue

- Passenger Revenue is favorable to plan primarily due to overall higher ridership than expected.
- Other Operating Revenue is unfavorable due to reduced advertising revenue and lower retail rent as Level A of Penn Station will have reduced retail space as part of the redesign of the 33rd street corridor.
- Capital and Other Reimbursements are higher primarily resulting from overall higher capital project activity and maintaining the 2018 and 2019 reimbursable headcount at the 2017 level.

Expense

- Payroll – higher from the February Financial Plan primarily due to capital project activity associated with the 2015 – 2019 Capital Program with the assumption that 2018 and 2019 reimbursable headcount levels remain consistent with 2017 levels, higher labor rates based on new represented labor agreements, and higher headcount associated with PTC Right of Way and Rolling Stock maintenance.
- Overtime – Changes in overtime are primarily based on the timing of capital project activity, concrete tie replacement in 2017 and 2018, changes in RCM program initiatives, safety initiatives in 2018, PTC maintenance, additional summer weekend Long Beach service and impacts of the new labor agreements.
- Health and Welfare costs increase due to higher health and welfare rates, reimbursable headcount and additional PTC maintenance positions, partially offset by terms of the new labor agreement.

- OPEB Current is higher due to higher than projected rate increases.
- Pension costs are lower based on the latest actuarial estimates (including lower estimates associated with the LIRR Additional Plan due to prior period funding), partially offset by impacts of the new labor agreements.
- Other Fringe costs are higher in all years due to greater reimbursable headcount and higher headcount for PTC Maintenance.
- Electric Power cost decreases reflect lower rates and NYPA Loans now being captured in Other Business Expense.
- Fuel decreases are based on rate changes.
- Lower Insurance costs are due to Property and Liability changes, partially offset by higher Force Account Insurance associated with project activity primarily in 2018 and 2019.
- Maintenance and Other Operating Contracts costs are lower due to tighter control of non-payroll funds (Budget Reduction Program).
- Professional Services changes in 2018 – 2020 are primarily associated with timing of EAM initiatives.
- Material & Supplies costs are lower in all years due to BRP initiatives including rebalancing of fleet maintenance work, and reducing Right of Way materials, lower miscellaneous inventory adjustments and PTC maintenance operating budget impact funding being converted from non-payroll to payroll. These items are partially offset by timing of various RCM and rolling stock modification updates in 2018 through 2019 including MFU/TOD/CDS Non Recurring Engineering costs (NRE), installation of AVRMs on trains and construction of deicer cars, safety initiatives and concrete tie replacements in 2018.
- Other Business Expense increases each year due to NYPA loans now being captured in Other Business Expense, and a new NYPA loans West End Concourse lighting, higher debit/credit card fees and timing of M3 and other obsolete equipment decommissioning costs.

Depreciation/Other Post Employment Benefits/Environmental Remediation/GASB 68

- Reflects Depreciation of current assets as well as estimates for capital assets based on their beneficial use. OPEB and GASB 68 based on latest actuarial estimates. GASB 68 has also been corrected based on a prior misinterpretation as to how these expenses should be reflected on the P&L statement.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	(\$752.634)	(\$821.217)	(\$856.280)	(\$1,000.644)
Baseline Changes				
Revenue				
Farebox Revenue	\$3.227	\$5.799	\$6.456	\$6.427
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	(1.893)	(4.463)	(4.728)	(4.946)
Capital and Other Reimbursement	-	-	-	-
Total Revenue Changes	\$1.334	\$1.336	\$1.728	\$1.481
Expenses				
Labor:				
Payroll	\$7.654	(\$7.325)	(\$10.484)	(\$7.075)
Overtime	(8.091)	(0.762)	1.459	0.619
Health and Welfare	2.748	(9.322)	(7.130)	(7.463)
OPEB Current Payment	(0.494)	(5.056)	(3.721)	(4.145)
Pensions	(3.670)	15.652	15.640	12.243
Other Fringe Benefits	2.526	(1.502)	(1.942)	(1.097)
Reimbursable Overhead	4.127	4.869	4.572	0.414
Total Labor Expense Changes	\$4.800	(\$3.446)	(\$1.606)	(\$6.504)
Non-Labor:				
Electric Power	\$11.507	\$2.538	\$1.128	\$2.572
Fuel	0.889	0.633	1.179	1.113
Insurance	3.484	5.209	5.553	5.843
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(2.644)	4.354	3.532	3.251
Professional Service Contracts	1.409	(2.493)	(1.135)	3.271
Materials & Supplies	5.775	3.862	1.180	0.505
Other Business Expenses	(5.650)	(0.803)	(6.898)	(4.310)
Total Non-Labor Expense Changes	\$14.770	\$13.300	\$4.539	\$12.245
Total Expense Changes before Depreciation and GASB Adjs.	\$19.570	\$9.854	\$2.933	\$5.741
Depreciation	2.059	2.079	2.100	2.120
OPEB Liability Adjustment	(1.019)	(1.050)	(1.081)	(1.114)
GASB 68 Pension Expense Adjustment	174.400	172.600	174.100	162.400
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expense Changes	\$195.010	\$183.483	\$178.052	\$169.147
Cash Adjustment Changes				
Timing from 2016	(\$17.951)			
GASB	0.000	(0.913)	(0.646)	(0.730)
Insurance	0.202	0.682	(0.957)	0.718
Advertising Revenue	0.659	0.849	0.964	1.033
Depreciation/OPEB/Environmental Remediation	(175.440)	(173.629)	(175.119)	(163.406)
Other Miscellaneous	(0.362)	(1.140)	(1.168)	(1.197)
Total Cash Adjustment Changes	(\$192.892)	(\$174.151)	(\$176.926)	(\$163.582)
Total Baseline Changes	\$3.452	\$10.668	\$2.854	\$7.046
July Financial Plan - Cash Surplus/(Deficit)	(\$749.182)	(\$810.549)	(\$853.426)	(\$993.598)

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	9.359	35.115	28.525	2.654
Total Revenue Changes	\$9.359	\$35.115	\$28.525	\$2.654
Expenses				
<i>Labor:</i>				
Payroll	(0.050)	(14.126)	(13.535)	(1.150)
Overtime	(3.352)	(1.433)	(0.266)	(0.125)
Health and Welfare	(0.988)	(2.644)	(2.456)	(0.220)
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	(0.985)	(4.295)	(3.992)	(0.357)
Other Fringe Benefits	(1.353)	(2.703)	(2.512)	(0.225)
Reimbursable Overhead	(4.127)	(4.869)	(4.572)	(0.414)
Total Labor Expense Changes	(\$10.855)	(\$30.070)	(\$27.333)	(\$2.491)
<i>Non-Labor:</i>				
Electric Power	(\$0.414)	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	(0.014)	(0.874)	(0.849)	(0.132)
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.197)	(1.201)	(0.309)	(0.028)
Professional Service Contracts	(0.554)	0.000	0.000	0.000
Materials & Supplies	2.772	(2.933)	0.000	0.000
Other Business Expenses	(0.097)	(0.037)	(0.034)	(0.003)
Total Non-Labor Expense Changes	\$1.496	(\$5.045)	(\$1.192)	(\$0.163)
Total Expense Changes	(\$9.359)	(\$35.115)	(\$28.525)	(\$2.654)
Cash Adjustment Changes				
Operating Funded Capital	0.195	(5.034)	0.000	0.000
Total Cash Adjustment Changes	\$0.195	(\$5.034)	\$0.000	\$0.000
Total Baseline Changes	\$0.195	(\$5.034)	(\$0.000)	(\$0.000)
July Financial Plan - Cash Surplus/(Deficit)	\$0.195	(\$5.034)	(\$0.000)	(\$0.000)

MTA LONG ISLAND RAILROAD
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	(\$752.634)	(\$821.217)	(\$856.280)	(\$1,000.644)
Baseline Changes				
Revenue				
Farebox Revenue	\$3.227	\$5.799	\$6.456	\$6.427
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	(1.893)	(4.463)	(4.728)	(4.946)
Capital and Other Reimbursement	9.359	35.115	28.525	2.654
Total Revenue Changes	\$10.693	\$36.451	\$30.253	\$4.135
Expenses				
<i>Labor:</i>				
Payroll	\$7.604	(\$21.451)	(\$24.019)	(\$8.225)
Overtime	(11.443)	(2.195)	1.193	0.494
Health and Welfare	1.760	(11.966)	(9.586)	(7.683)
OPEB Current Payment	(0.494)	(5.056)	(3.721)	(4.145)
Pensions	(4.655)	11.357	11.648	11.886
Other Fringe Benefits	1.173	(4.205)	(4.454)	(1.322)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$6.055)	(\$33.516)	(\$28.939)	(\$8.995)
<i>Non-Labor:</i>				
Electric Power	\$11.093	\$2.538	\$1.128	\$2.572
Fuel	0.889	0.633	1.179	1.113
Insurance	3.470	4.335	4.704	5.711
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(2.841)	3.153	3.223	3.223
Professional Service Contracts	0.855	(2.493)	(1.135)	3.271
Materials & Supplies	8.547	0.929	1.180	0.505
Other Business Expenses	(5.747)	(0.840)	(6.932)	(4.313)
Total Non-Labor Expense Changes	\$16.266	\$8.255	\$3.347	\$12.082
Total Expense Changes before Depreciation and GASB Adjs.	\$10.211	(\$25.261)	(\$25.592)	\$3.087
Depreciation	\$2.059	\$2.079	\$2.100	\$2.120
OPEB Liability Adjustment	(1.019)	(1.050)	(1.081)	(1.114)
GASB 68 Pension Expense Adjustment	174.400	172.600	174.100	162.400
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expense Changes	\$185.651	\$148.368	\$149.527	\$166.493
Cash Adjustment Changes				
Timing from 2016	(\$17.951)	\$0.000	\$0.000	\$0.000
Timing from 2016 included in accrued statements	0.000	0.000	0.000	0.000
Operating Funded Capital	0.195	(5.034)	0.000	0.000
GASB	0.000	(0.913)	(0.646)	(0.730)
Insurance	0.202	0.682	(0.957)	0.718
Advertising Revenue	0.659	0.849	0.964	1.033
Reliability Centered Maintenance & Running Repair Savings	0.000	0.000	0.000	0.000
Depreciation/OPEB/Environmental Remediation	(175.440)	(173.629)	(175.119)	(163.406)
Other Miscellaneous	(0.363)	(1.141)	(1.168)	(1.196)
Total Cash Adjustment Changes	(\$192.698)	(\$179.186)	(\$176.926)	(\$163.581)
Total Baseline Changes	\$3.646	\$5.633	\$2.854	\$7.047
July Financial Plan - Cash Surplus/(Deficit)	(\$748.988)	(\$815.584)	(\$853.426)	(\$993.597)

MTA LONG ISLAND RAIL ROAD
2018 Preliminary Budget
July Financial Plan 2018 - 2021
Summary of Major Plan-To-Plan Changes

Revenue

- Farebox Revenue is favorable to plan due to overall higher ridership than expected.

Expenses

- New Labor Agreements result in higher payroll and associated fringe costs.
- Higher Health and Welfare costs are based on the most recent revisions for Empire Plan cost assumptions transmitted by the NYS Department of Civil Service.
- Lower Rate assumptions for Traction and Diesel Power.
- Budget Reduction Program including rebalanced RCM program for M3's and tighter control of non-payroll funds to core mission initiatives.
- Farley Train Hall common charges begin in 2020.
- West End Concourse maintenance costs including NYPA loan payments for LED lighting.
- PTC maintenance for rolling stock fleet.
- Various safety initiatives including FRA enhanced random drug testing, FRA Risk Reduction/System Safety Program Plan rule, wheel impact load detector and sleep apnea testing for Engineers.
- Lower Pension costs are the result of the latest actuarial estimate.
- West Side Shop Recommissioning costs are part of Gateway Tunnel Project.
- Open position savings and associated fringe costs in 2017.

Cash

- GASB 68 Pension Adjustment, OPEB and Environmental Remediation are all accrued but not cash items.
- Various reserve adjustment including OPEB, Environmental Remediation, Depreciation, Inventory adjustments, Wage Claims and other non-cash items.
- Operating Funded Capital.
- Advertising revenue captured on the accrued side but not the cash side.
- Timing of various cash expenses.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018-2021
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	(\$752.634)	(\$821.217)	(\$856.280)	(\$1,000.644)
Non-Reimbursable Major Changes				
Revenue				
Farebox Revenue	\$3.227	\$5.799	\$6.456	\$6.427
Level A of Penn Station will no longer have retail space following Penn Station Corridor improvement initiative	(1.000)	(4.856)	(4.856)	(4.856)
Lower Advertising Revenue	(0.659)	(0.849)	(0.964)	(1.033)
Other Operating Revenue	(0.234)	1.242	1.092	0.943
Sub-Total Non-Reimbursable Revenue Changes	\$1.334	\$1.336	\$1.728	\$1.481
Expenses				
Labor Agreement	(5.788)	(6.753)	(7.663)	(3.663)
Health & Welfare Rate Adjustments	(1.482)	(15.287)	(11.158)	(12.531)
Lower Traction and Diesel Power Rates	4.988	1.612	1.137	2.130
Budget Reduction Program	1.934	8.220	8.220	8.220
Farley Train Hall Common Charges				(4.500)
West End Concourse	(2.700)	(2.700)	(2.700)	(2.700)
Positive Train Control - Maintenance of Equipment	(1.283)	(3.476)	(3.559)	(3.633)
Safety Initiatives/Mandates	(1.696)	(4.110)	(1.420)	(1.449)
West Side Yard Shop Recommissioning	(2.500)			
Lower Pension Costs (actuarial Estimate)	0.500	16.800	17.100	17.000
Payroll Rates, Open Positions and Vacancy Rate Adjustments	11.179	(0.629)	(0.670)	(0.436)
G&A and Pension Overhead Changes	4.895	8.775	8.590	0.873
Traction and Diesel Power Consumption	5.383			
Depreciation/GASB 68 Pension Expense Adjustment/Environmental Remediation/OPEB	175.440	173.629	175.119	163.406
All Other	6.140	7.402	(4.944)	6.430
Sub-Total Non-Reimbursable Expense Changes	\$195.010	\$183.483	\$178.052	\$169.147
Total Non-Reimbursable Major Changes	\$196.344	\$184.819	\$179.780	\$170.628
Reimbursable Major Changes				
Revenue				
Capital and Other Reimbursements	9.359	35.115	28.525	2.654
Sub-Total Reimbursable Revenue Changes	\$9.359	\$35.115	\$28.525	\$2.654
Expenses				
Capital Expenses	(9.359)	(35.115)	(28.525)	(2.654)
Sub-Total Reimbursable Expense Changes	(\$9.359)	(\$35.115)	(\$28.525)	(\$2.654)
Total Reimbursable Major Changes	(\$0.000)	\$0.000	\$0.000	(\$0.000)
Total Accrual Changes	\$196.344	\$184.819	\$179.780	\$170.628
Cash Adjustment Changes				
Timing from 2016	(\$17.951)	\$0.000	\$0.000	\$0.000
Operating Funded Capital	0.195	(5.034)	-	-
GASB	-	(0.913)	(0.646)	(0.730)
Insurance	0.202	0.682	(0.957)	0.718
Advertising Revenue	0.659	0.849	0.964	1.033
Depreciation/OPEB/Environmental Remediation	(175.440)	(173.629)	(175.119)	(163.406)
Other Miscellaneous	(0.363)	(1.141)	(1.168)	(1.196)
Total Cash Adjustment Changes	(\$192.698)	(\$179.186)	(\$176.926)	(\$163.581)
Total Baseline Changes	\$3.646	\$5.633	\$2.854	\$7.047
July Financial Plan - Cash Surplus/(Deficit)	(\$748.988)	(\$815.584)	(\$853.426)	(\$993.597)

**MTA LONG ISLAND RAIL ROAD
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Ridership/(Utilization)**

RIDERSHIP/UTILIZATION PROJECTIONS

Growth in the regional economy and employment are the primary drivers of passenger ridership and revenue. Ridership through April was 1.4% greater than the 2017 Adopted Budget and above the 2016 level by 1.5% (adjusted for the same number of work days). The 2017 Mid-Year Forecast projects ridership to be 89.9 million, which is 0.5 million higher than the Adopted Budget. Ridership projections for the outer years of the July Financial Plan 2018-2021 reveal modest annual growth of 0.7% in 2018, 0.3% in 2019, 0.4% in 2020 and declines 0.1% in 2021.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Ridership (Utilization)
(in millions)

	Actual	Mid-Year	Preliminary			
	2016	Forecast	Budget	2019	2020	2021
		2017	2018			

RIDERSHIP

Monthly Ridership	49.874	49.897	50.320	50.491	50.798	50.677
Weekly Ridership	1.875	1.867	1.877	1.884	1.887	1.889
Total Commutation	51.749	51.763	52.197	52.375	52.685	52.566
One-way Full Fare	8.554	8.649	8.692	8.722	8.738	8.750
One-way Off-Peak	18.265	18.531	18.623	18.687	18.722	18.747
All Other	10.784	10.941	10.991	11.030	11.052	11.069
Total Non-Commutation	37.603	38.120	38.306	38.439	38.513	38.567
Total Ridership	89.352	89.884	90.503	90.813	91.198	91.132

FAREBOX REVENUE

Baseline Total Farebox Revenue	\$712.347	\$739.116	\$749.378	\$751.961	\$753.397	\$754.428
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MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018-2021
2017 Budget Reduction Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020	Pos.	2021
<u>Administration</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Administration</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Customer Convenience/Amenities</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Customer Convenience/Amenities</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Maintenance</u>										
Anticipated reduced RCM Maintenance with the elimination of the M3s and the new M9s being under warranty.	-	0.000	-	2.245	-	2.245	-	2.245	-	2.245
Tighter Control and Prioritization of Non Payroll Funds to Core Mission Initiatives	-	1.934	-	5.707	-	5.707	-	5.707	-	5.707
<i>Subtotal Maintenance</i>	-	1.934	-	7.952	-	7.952	-	7.952	-	7.952
<u>Revenue Enhancement</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Revenue Enhancement</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Safety</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Safety</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Security</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Security</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service</u>										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Service</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<u>Service Support</u>										
Reduction to Train Service Overtime Hours				0.268		0.268		0.268		0.271
<i>Subtotal Service Support</i>	-	0.000	-	0.268	-	0.268	-	0.268	-	0.271
<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	-	\$1.934	-	\$8.220	-	\$8.220	-	\$8.220	-	\$8.223

**MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Maintenance

Program: Anticipated reduced RCM with the elimination of the M3s and the new M9s being under warranty.

Background Details: The M3 fleet will be decommissioned effective 12/31/2018. Other than FRA mandated RCM efforts, preventative maintenance efforts will be significantly decreased due to running systems/components to failure.

Program Description/Implementation Plan:

Program Implementation Date: 1/1/2018 **When will savings begin?:** 1/1/2018

Are these savings recurring?: Yes

Other Issues: None

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$2.245	\$2.245	\$2.245	\$2.245
<i>Total Positions Required:</i>	0	0	0	0	0

**MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Maintenance

Program: Tighter Control and Prioritization of Non Payroll Funds to Core Mission Initiatives

Background Details:	Funding reduction for miscellaneous contract services as a result of historical spending trends and programmatic initiatives. Examples of some of these reductions include vegetation management, parking garage maintenance, advertising, travel, membership dues, office supplies, Right of Way materials and various other maintenance and professional services contracts.
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Program Description/ Implementation Plan:	LIRR Staff will continue to closely monitor contract costs and spending.
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Program Implementation Date:	10/1/2017	When will savings begin?:	10/1/2017
		Are these savings recurring?:	Yes
Other Issues:	None		

	Favorable/(Unfavorable)				
<i>Financial Impact (Operating):</i>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net Cash Savings (in millions)	\$1.934	\$5.707	\$5.707	\$5.707	\$5.707
<i>Total Positions Required:</i>	0	0	0	0	0

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet

Category by Function: Service Support

Program: Reduction to Train Service Overtime Hours

Background Details: Reduction to train service overtime hours based on improved on-time performance

Program Description/ Implementation Plan:

Program Implementation Date: 1/1/2018 **When will savings begin?:** 1/1/2018

Are these savings recurring?: Yes

Other Issues: None

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.268	\$0.268	\$0.268	\$0.271
<i>Total Positions Required:</i>	0	0	0	0	0

MTA LONG ISLAND RAIL ROAD
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Positions
Year-To-Year Summary of Changes

Position Assumptions

Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required to meet and achieve corporate goals as well as those in line with reimbursable activity. Position totals incorporate the seasonal, as well as other fluctuations in staffing requirements for capital projects.

2017 - 2018 Changes

The 2018 Preliminary Proposed Budget totals 7,441 positions, an increase of 235 positions from the 2017 Mid-Year Forecast. This includes an increase of 462 Non-Reimbursable positions and a decrease of 227 Reimbursable positions. The total increase of 235 positions is primarily driven by East Side Access readiness efforts which increase by 184 positions. Otherwise, changes in year-end Non-reimbursable and Reimbursable headcount are due to the timing of capital and maintenance activity. As a result, the year-end headcount changes as reported in the financial tables can appear to be more dramatic than the change in average headcount.

2019 – 2021 Changes

Annual staffing levels increase by 4 positions in 2019, 15 positions in 2020 and increase by 522 positions in 2021. Non-Reimbursable positions increase by 53 in 2019, 170 in 2020 and 533 in 2021. These increases are primarily related to ESA readiness efforts (increases of 132 in 2019 and 159 positions in 2020 and 537 in 2021) and the completion of the AVRMI initiative at the end of 2018. Reimbursable positions decreased by 49 in 2019, 155 in 2020, and 11 in 2021 due to changes in project activity and completion of Maintenance of Equipment's PTC initiative in 2018. In 2018, the change in year-end Non-reimbursable and Reimbursable headcount is due largely to the timing of capital and maintenance activity. As a result, the year-end headcount changes as reported in the financial tables can appear to be more dramatic than the change in average headcount.

MTA LONG ISLAND RAIL ROAD
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Positions
Plan-to-Plan Summary of Changes

Position Assumptions

Positions are identified as of year-end (December 31st) for each year in the financial plan and reflect an estimate of the total number of paid employees required to meet and achieve corporate goals as well as those in line with reimbursable activity. Position totals incorporate seasonal as well as other fluctuations in staffing requirements for capital projects.

2017 Changes

Total Positions of 7,441 in the 2017 Mid-Year Forecast represents a decrease of 9 positions from the 2017 Adopted Budget. Year-end Non-Reimbursable positions decreased by 101. Reimbursable positions increased by 92. The overall decrease is primarily related to timing of new hire trainees. The change in year-end Non-Reimbursable and Reimbursable headcount is due to the timing of capital and maintenance activity. As a result, the year-end headcount changes as reported in the financial tables can appear to be more dramatic than the change in average headcount.

2018 Changes

The 2018 Preliminary Budget totals 7,676 positions, an increase of 190 positions from the Adopted Budget. Non-Reimbursable positions increased by 45 and Reimbursable positions increased by 145. The 45 Non-Reimbursable position increase is primarily driven by PTC Maintenance, signalization between Speonk and Montauk, safety initiatives and EAM. The Reimbursable position increase assumes a continuation of 2017 project activity levels.

2019 – 2020 Changes

The July Financial Plan in the years 2019 – 2020 reflects an increase of 195 positions in 2019, and 62 positions in 2020. Non-Reimbursable positions increase 53 in 2019 and 51 in 2020. The Non-Reimbursable positions are driven by the continuation of the initiatives begun in 2018 as well as additional PTC Rolling Stock maintenance support positions. Reimbursable positions increase by 142 in 2019 and 11 in 2020 due to continuation of 2017 project activity through 2019.

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018-2021
Favorable/(Unfavorable)

Total Position Changes at a Glance

	2017	2018	2019	2020
2017 February Plan - Total Baseline Positions	7,450	7,486	7,485	7,633
Total Plan-to-Plan Changes	9	(190)	(195)	(62)
2017 July Plan - Total Baseline Positions	7,441	7,676	7,680	7,695
Total Year-to-Year Changes, July Plan		(235)	(4)	(15)

Total Plan-to-Plan Changes by Reporting Category:

<i>Non-Reimbursable</i>	101	(45)	(53)	(51)
<i>Reimbursable</i>	(92)	(145)	(142)	(11)
Total	9	(190)	(195)	(62)
<i>Full-Time</i>	9	(190)	(195)	(62)
<i>Full-Time Equivalents</i>				
Total	9	(190)	(195)	(62)
<i>By Function Category</i>				
- Administration	(7)	(7)	(7)	(6)
- Operations	13	(57)	(55)	(2)
- Maintenance	3	(126)	(133)	(54)
- Engineering/Capital	0	0	0	0
- Public Safety				
Total	9	(190)	(195)	(62)
<i>By Occupational Group</i>				
- Managers/Supervisors	(13)	(24)	(26)	(21)
- Professional, Technical, Clerical	(19)	(24)	(27)	(27)
- Operational Hourlies	41	(142)	(142)	(14)
Total	9	(190)	(195)	(62)

Total Plan-to-Plan Changes by Major Category:

<i>2017 BRPs</i>				
<i>New Needs</i>	(3)	(12)	(19)	(19)
<i>Change in Reimbursable Positions</i>	(92)	(145)	(142)	(11)
<i>Re-estimates & All Other</i> ¹	104	(33)	(34)	(32)
Total	9	(190)	(195)	(62)

¹ Includes Full-time Equivalents

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018-2021
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2016 Actual	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
Administration						
Executive VP	2	2	2	2	2	2
Enterprise Asset Management	0	7	7	7	7	7
Sr Vice President - Engineering	9	2	2	2	2	2
Labor Relations	17	19	19	19	19	19
Procurement & Logistics (excl. Stores)	75	74	74	71	70	80
Human Resources	31	35	41	51	54	54
Sr VP Administration	1	2	2	2	2	2
Strategic Investments	23	18	18	18	17	17
President	4	4	4	4	4	4
VP & CFO	3	4	4	4	4	4
Information Technology	0	0	0	0	0	0
Controller	42	43	43	44	44	44
Management and Budget	15	21	21	21	21	21
BPM, Controls, & Compliance	7	7	7	7	7	7
Market Dev. & Public Affairs	60	71	71	71	71	71
Gen. Counsel & Secretary	31	33	33	33	33	33
Diversity Management	3	3	3	3	3	3
Security	9	13	13	13	13	13
System Safety	33	37	37	37	37	37
Training	63	67	67	66	73	75
Service Planning	19	25	27	27	27	27
Rolling Stock Programs	9	17	17	17	17	17
Sr Vice President - Operations	2	2	2	2	2	2
Total Administration	458	506	514	521	529	541
Operations						
Train Operations	2,129	2,201	2,363	2,387	2,486	2,515
Customer Service	293	303	303	303	303	420
Total Operations	2,422	2,504	2,666	2,690	2,789	2,935
Maintenance						
Engineering	1,889	2,016	2,053	2,069	1,992	2,064
Equipment	2,074	2,105	2,133	2,096	2,086	2,380
Procurement (Stores)	95	97	97	95	95	95
Total Maintenance	4,058	4,218	4,283	4,260	4,173	4,539
Engineering/Capital						
Department of Program Management	133	156	156	155	154	154
Special Projects/East Side Access	43	46	46	45	45	45
Positive Train Control	0	11	11	9	5	3
Total Engineering/Capital	176	213	213	209	204	202
Total Baseline Positions	7,114	7,441	7,676	7,680	7,695	8,217
<i>Non-Reimbursable</i>	6,195	6,134	6,596	6,649	6,819	7,352
<i>Reimbursable</i>	919	1,307	1,080	1,031	876	865
<i>Total Full-Time</i>	7,114	7,441	7,676	7,680	7,695	8,217
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-

MTA LONG ISLAND RAIL ROAD
July Financial Plan 2018 - 2021
Total Positions by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION / OCCUPATIONAL GROUP	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Administration						
Managers/Supervisors	236	256	257	255	255	255
Professional/Technical/Clerical	115	143	150	161	169	181
Operational Hourlies	107	107	107	105	105	105
Total Administration Headcount	458	506	514	521	529	541
Operations						
Managers/Supervisors	292	297	296	289	304	342
Professional/Technical/Clerical	93	95	95	95	95	104
Operational Hourlies	2,037	2,112	2,275	2,306	2,390	2,489
Total Operations Headcount	2,422	2,504	2,666	2,690	2,789	2,935
Maintenance						
Managers/Supervisors	695	793	770	773	767	830
Professional/Technical/Clerical	260	282	303	299	298	338
Operational Hourlies	3,103	3,143	3,210	3,188	3,108	3,371
Total Maintenance Headcount	4,058	4,218	4,283	4,260	4,173	4,539
Engineering / Capital						
Managers/Supervisors	119	144	144	141	136	136
Professional/Technical/Clerical	57	69	69	68	68	66
Operational Hourlies	0	0	0	0	0	0
Total Engineering Headcount	176	213	213	209	204	202
Public Safety						
Managers/Supervisors	0	0	0	0	0	0
Professional, Technical, Clerical	0	0	0	0	0	0
Operational Hourlies	0	0	0	0	0	0
Total Public Safety Headcount	0	0	0	0	0	0
Total Positions						
Managers/Supervisors	1,342	1,490	1,467	1,458	1,462	1,563
Professional, Technical, Clerical	525	589	617	623	630	689
Operational Hourlies	5,247	5,362	5,592	5,599	5,603	5,965
Total Positions	7,114	7,441	7,676	7,680	7,695	8,217

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Metro-North Railroad

MTA METRO-NORTH RAILROAD
2018 Preliminary Budget
July Financial Plan 2018 - 2021

FINANCIAL OVERVIEW

Metro-North's (MNR) July Financial Plan 2018-2021 includes the resources required to sustain current operations and fund strategic investments. These investments will promote safe, secure and reliable transportation service for our customers, and a safe and secure working environment for our employees. Over the last several years, Metro-North has taken important steps to develop policies and initiatives to meet these objectives and that work continues.

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

In June of 2016, we launched a new five-year Metro-North Strategic Plan, which identifies three Priority Areas: Our People, Our Customers and Our Infrastructure.

Through the three priorities of Our People, Our Customers and Our Infrastructure, an engaged workforce will continue to progress Metro-North Railroad fulfilling Our Mission.

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

Our Plan drivers - Safety, Integrity, and Innovation establish the focus for new initiatives.

- *Safety – Safety guides all our decisions, actions and initiatives.*
- *Integrity – Maintaining the public's confidence in all that we do and building a sustainable future.*
- *Innovation – Encouraging new ways of thinking and doing business.*

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

Investments in Our People

- ***Future Chief Rail Traffic Controller (RTC) Training Program***

The Future Chief RTC Training Program will hire, train and qualify future Chief RTCs to fill vacancies and prepare for future succession. The first three hires for this new program are scheduled for September 2017 to meet Positive Train Control (PTC) implementation needs and 24/7 coverage.

Customer Investments

- **Renovation of Grand Central Terminal (GCT) Restrooms in the Dining Concourse**

The restrooms on the lower concourse are in need of significant repair. The last renovation to the restroom facilities occurred ten years ago. With approximately 750,000 people passing through this facility each day, these restrooms require an upgrade to ensure appropriate restroom capacity and functionality for current MNR passengers, retail customers, tourists and future East Side Access passengers.

Infrastructure Investments

- **Purchase of the Metro-Enviro Property in Croton-on-Hudson**

The Croton Harmon Yard has reached maximum capacity and to alleviate this situation, MNR will purchase property adjacent to the Hudson Main Line in close proximity to the Croton Harmon facility that can be utilized to support MNR service delivery and leverage future Capital Program Plans to support growth and operational resiliency. This will ease congestion in the Croton Harmon Yard by providing additional space to store and dispatch the car fleet as well as consolidate Maintenance of Way into a centralized headquarters location. This property will also address the growth in track space required to support car storage and daily service dispatchment when Metro-North's fleet expansion begins in 2019 to keep up with growing ridership and service demands.

- **NYS - Grade Crossing Upgrades**

Perform the following grade crossing upgrades, the bulk of which will be funded by New York State and Municipality grants:

- Add highway traffic signal pre-emption to seven grade crossings on Metro-North's Harlem and Port Jervis Lines where the grade crossing is in close proximity to a parallel heavily traveled highway.
- Equip all public highway grade crossings on MNR territory within New York State with radar activated CCTV cameras and digital video recorders.
- Upgrade MNR's Virginia Road location in North White Plains by enhancing roadway, pavement, markings and signage.

- **Priority Repairs & Maintenance for Highbridge District**

Add two new station maintenance gangs based out of the Highbridge District to allow for the resizing of the service areas to enhance stations and facilities maintenance service on the lower Harlem & Hudson lines with cost and time savings. This addition of staff will ensure the facilities and stations in the district are properly maintained and bring MNR into compliance with MTA Audit findings and the FTA triennial review.

- **Grand Central Terminal Weekend Maintenance Personnel**

Increase the weekend work force in Grand Central Terminal by adding required maintenance disciplines necessary to address scheduled maintenance during the overnight closure period and respond to emergency repairs.

- **Bridge Monitor Installation**

Install approximately twenty autonomous bridge monitoring systems in New York State that can detect impacts from vehicles striking bridges and provide real-time

feedback on the effect of the impact on the structural integrity of the bridges. This program will enable quicker response time for necessary repairs to damaged bridges.

Governor's Initiative

- ***Design and Build of Beacon Rail Trail, Part of NYS Empire Trail***

In January 2017, New York State Governor Andrew Cuomo announced in his State of the State address a proposal for the New Empire State Trail. One new trail connection sought as part of New Empire State Trail is to link the existing Putnam Trailway with the existing Dutchess Rail Trail, which will use a portion of the Beacon line, an asset owned by the MTA and Metro-North. The proposed trail will mostly follow the right-of-way of a segment of the Metro-North owned Beacon Line. There is an allocation in the 2017-2018 New York State Budget to reimburse the MTA.

Ongoing efforts to improve the Railroad's operations are continuing, and the July Financial Plan incorporates the resources to continue these efforts. The Plan also includes funding for new initiatives that are focused on the implementation of additional Safety measures, enhancing the customer experience in Grand Central Terminal and Metro-North stations, and improving operations efficiencies.

Ridership

- The 2017 Mid-Year Forecast estimates 86.7 million East and West of Hudson riders, an increase of 0.2% over 2016.
- Compared to the Adopted Budget, the 2017 estimate is 1.0% lower due to the adverse impact of two winter storms as well as a trend in lower commutation ridership forecasted for 2017.
- In 2018-2021, ridership is projected to grow by 1.2% in 2018, 0.5% in 2019, 0.4% in 2020 and 0.3% in 2021, with modest growth across all lines.
- Financial plan projections assume a 1.0% fare increase in Connecticut in 2018 with no fare increases in New York State.
- Modest ridership growth is projected due to a continuation of regional employment growth.

Overtime

On a steady state basis, Metro-North's financial plan reflects conservative overtime expenditures required to address operating needs including train service coverage, maintenance requirements, weather emergencies, employee availability and other programmatic needs.

Efforts to control overtime expenditures continue with updates reflecting historical five year averages for weather and a reallocation from overtime to straight time for block training coverage in Transportation.

Human Resources is enhancing their recruiting efforts by proposing the addition of three new recruiters and will continue its aggressive hiring efforts to fill vacancies, especially for critical, must-fill maintenance positions in all areas and crafts.

MTA METRO-NORTH RAILROAD
2018 Preliminary Budget
July Financial Plan 2018 - 2021

2017 MID-YEAR FORECAST

Non-Reimbursable 2017 Mid-Year Forecast reflects revenue projections totaling \$806.4 million and expense, including non-cash liability adjustments, of \$1,621.4 million resulting in an operating deficit of \$815.0 million. Operating revenue includes passenger revenue of \$738.2 million that is \$2.2 million unfavorable versus the Adopted Budget due to the adverse effects of two winter storms, the New Haven Line derailment at Rye, and lower commutation ridership trends. Non-passenger revenue of \$68.2 million is \$0.1 million lower than the Adopted Budget driven by lower net GCT rental income. Non-Reimbursable operating expense is \$8.8 million higher than the Adopted Budget. This is due primarily to increased Reimbursable Overhead, agreement staffing increases in the Operational businesses, Pension, and Health and Welfare costs partially offset by lower traction Electric and Insurance costs.

Reimbursable 2017 Mid-Year Forecast of expenditures (and receipts) is \$270.1 million, which is \$22.9 million higher than the Adopted Budget. This increase largely reflects higher Professional Service Contracts, Materials and Supplies, and Other Business expenses. These increases were mitigated by lower payroll costs.

2018 PRELIMINARY BUDGET BASELINE

Non-Reimbursable 2018 Preliminary Budget reflects revenue projections totaling \$842.0 million and expense, including non-cash liability adjustments, of \$1,653.8 million that generate an operating deficit of \$811.7 million. Farebox revenue of \$757.9 million is \$19.7 million higher than 2017 reflecting higher ridership. Non-passenger revenue is projected to be \$15.9 million higher than 2017 reflecting funding for the Beacon Rail Trail and higher GCT net rental income. Operating expenses of \$1,653.8 million reflect increased energy costs, staffing and cost of living increases, higher materials costs and higher professional services expenses.

Reimbursable 2018 Preliminary Budget expenditures (and receipts) total \$276.1 million, an increase of \$21.8 million from the 2017 February Plan. This is due primarily to an increase in Professional Services and Materials and Supplies partially offset by favorability in Maintenance and Other Operating Contracts.

2019-2021 PROJECTIONS

2019-2021 expenditure projections allow Metro-North to continue initiatives that maintain train service levels, continue service reliability programs that maintain rolling stock and the right-of-way, and incorporate projected cost changes in labor, energy, employee benefits,

insurance and material as well as capital projects. Major assumptions reflected in 2019-2021 are furnished later in this document.

The following pages detail year-to-year changes, provide reconciliations of the July Financial Plan to the February Financial Plan, and discuss the assumptions guiding ridership and headcount projections.

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Non-Reimbursable</u>						
Operating Revenue						
Farebox Revenue	\$703.790	\$738.196	\$757.923	\$762.860	\$766.532	\$769.985
Other Operating Revenue	64.984	68.200	84.091	82.515	94.608	73.883
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenues	\$768.774	\$806.396	\$842.014	\$845.375	\$861.140	\$843.868
Operating Expense						
<u>Labor:</u>						
Payroll	\$495.722	\$502.315	\$515.703	\$535.913	\$548.861	\$563.454
Overtime	90.333	94.845	97.234	98.783	100.759	102.774
Health and Welfare	97.965	112.952	116.252	121.999	125.811	130.009
OPEB Current Payments	30.061	31.512	32.000	33.000	34.000	35.000
Pension	91.747	109.180	105.110	107.471	106.171	104.416
Other Fringe Benefits	119.204	119.616	122.247	126.230	128.932	131.996
Reimbursable Overhead	(48.843)	(52.167)	(60.038)	(60.938)	(59.409)	(55.114)
Total Labor Expenses	\$876.189	\$918.255	\$928.509	\$962.457	\$985.124	\$1,012.535
<u>Non-Labor:</u>						
Electric Power	\$61.865	\$70.661	\$77.703	\$82.099	\$86.619	\$91.690
Fuel	14.447	17.569	18.557	18.489	18.712	19.102
Insurance	18.258	17.313	18.814	20.744	22.954	25.359
Claims	5.289	0.976	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	103.427	121.553	120.553	122.672	123.752	129.857
Professional Services Contracts	29.061	43.369	46.649	43.031	43.438	42.297
Materials and Supplies	95.117	96.462	104.267	104.474	102.122	92.946
Other Business Expenses	26.766	28.735	20.998	29.765	33.175	34.240
Total Non-Labor Expenses	\$354.230	\$396.636	\$408.541	\$422.274	\$431.773	\$436.491
<u>Other Expense Adjustments:</u>						
Other Expense Adjustments	\$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.	\$1,230.419	\$1,314.891	\$1,337.050	\$1,384.731	\$1,416.897	\$1,449.025
Depreciation	\$236.091	\$240.960	\$240.693	\$240.693	\$240.693	\$240.693
OPEB Liability Adjustment	57.086	68.316	68.316	68.316	68.316	68.316
GASB 68 Pension Expense Adjustment	(10.497)	(6.808)	3.700	0.000	(6.700)	(24.100)
Environmental Remediation	3.694	4.000	4.000	4.000	4.000	4.000
Total Expenses	\$1,516.793	\$1,621.359	\$1,653.759	\$1,697.740	\$1,723.206	\$1,737.934
Net Surplus/(Deficit)	(\$748.019)	(\$814.964)	(\$811.745)	(\$852.365)	(\$862.066)	(\$894.066)
Cash Conversion Adjustments						
Depreciation	\$236.091	\$240.960	\$240.693	\$240.693	\$240.693	\$240.693
Operating/Capital	(39.286)	(62.486)	(81.535)	(43.821)	(47.015)	(15.544)
Other Cash Adjustments	41.285	44.654	105.199	77.999	40.333	48.185
Total Cash Conversion Adjustments	\$238.090	\$223.128	\$264.357	\$274.871	\$234.011	\$273.334
Net Cash Surplus/(Deficit)	(\$509.929)	(\$591.836)	(\$547.388)	(\$577.494)	(\$628.055)	(\$620.732)

Note: Beginning with 2017, ticket sales revenue collected on West of Hudson operations by New Jersey Transit has been reclassified to the Farebox Revenue category. Previously, such revenue was classified as an offset under the Other Business Expenses category. In this Financial Plan, 2016 results have been adjusted for consistency with the 2017-2021 projections. This shift does not change the bottom line or impact subsidies.

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Reimbursable						
Operating Revenue						
Farebox 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
<i>MNR - MTA</i>	<i>88.714</i>	<i>140.788</i>	<i>153.986</i>	<i>157.488</i>	<i>157.019</i>	<i>149.324</i>
<i>MNR - CDOT</i>	<i>86.567</i>	<i>113.104</i>	<i>113.514</i>	<i>91.299</i>	<i>69.360</i>	<i>45.740</i>
<i>MNR - Other</i>	<i>24.220</i>	<i>16.158</i>	<i>8.581</i>	<i>10.428</i>	<i>10.582</i>	<i>11.349</i>
Capital and Other Reimbursements	199.501	270.050	276.081	259.215	236.961	206.413
Total Revenues	\$199.501	\$270.050	\$276.081	\$259.215	\$236.961	\$206.413
Operating Expense						
<i>Labor:</i>						
Payroll	\$39.743	\$47.010	\$55.493	\$57.795	\$57.747	\$53.773
Overtime	23.337	24.252	25.891	25.879	26.124	25.285
Health and Welfare	13.640	16.683	19.310	19.921	19.979	18.773
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	9.139	11.492	13.453	13.882	13.903	13.079
Other Fringe Benefits	10.610	12.128	13.934	14.363	14.381	13.484
Reimbursable Overhead	45.662	49.969	57.278	59.254	58.573	54.769
Total Labor Expenses	\$142.130	\$161.534	\$185.359	\$191.094	\$190.708	\$179.164
<i>Non-Labor:</i>						
Electric Power	\$0.131	\$0.002	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	4.793	4.101	4.443	4.825	4.920	4.377
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	18.521	14.702	8.679	7.372	5.963	2.089
Professional Services Contracts	13.943	45.922	50.674	31.541	13.032	1.231
Materials and Supplies	19.396	43.457	26.688	24.162	22.138	19.345
Other Business Expenses	0.587	0.332	0.238	0.220	0.202	0.207
Total Non-Labor Expenses	\$57.371	\$108.516	\$90.722	\$68.121	\$46.254	\$27.249
<i>Other Expense Adjustments:</i>						
Other Expense Adjustments	\$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	\$199.501	\$270.050	\$276.081	\$259.215	\$236.961	\$206.413
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Non-Reimbursable / Reimbursable</u>						
Operating Revenue						
Farebox Revenue	\$703.790	\$738.196	\$757.923	\$762.860	\$766.532	\$769.985
Other Operating Revenue	64.984	68.200	84.091	82.515	94.608	73.883
<i>MNR - MTA</i>	<i>88.714</i>	<i>140.788</i>	<i>153.986</i>	<i>157.488</i>	<i>157.019</i>	<i>149.324</i>
<i>MNR - CDOT</i>	<i>86.567</i>	<i>113.104</i>	<i>113.514</i>	<i>91.299</i>	<i>69.360</i>	<i>45.740</i>
<i>MNR - Other</i>	<i>24.220</i>	<i>16.158</i>	<i>8.581</i>	<i>10.428</i>	<i>10.582</i>	<i>11.349</i>
Capital and Other Reimbursements	199.501	270.050	276.081	259.215	236.961	206.413
Total Revenues	\$968.275	\$1,076.446	\$1,118.095	\$1,104.590	\$1,098.101	\$1,050.281
Operating Expense						
<u>Labor:</u>						
Payroll	\$535.465	\$549.325	\$571.195	\$593.707	\$606.609	\$617.227
Overtime	113.670	119.097	123.125	124.662	126.883	128.059
Health and Welfare	111.604	129.635	135.562	141.920	145.790	148.782
OPEB Current Payments	30.061	31.512	32.000	33.000	34.000	35.000
Pension	100.886	120.672	118.564	121.353	120.074	117.494
Other Fringe Benefits	129.815	131.745	136.181	140.592	143.313	145.480
Reimbursable Overhead	(3.181)	(2.198)	(2.760)	(1.683)	(0.836)	(0.344)
Total Labor Expenses	\$1,018.320	\$1,079.789	\$1,113.868	\$1,153.551	\$1,175.832	\$1,191.698
<u>Non-Labor:</u>						
Electric Power	\$61.996	\$70.663	\$77.703	\$82.099	\$86.619	\$91.690
Fuel	14.447	17.569	18.557	18.489	18.712	19.102
Insurance	23.051	21.414	23.257	25.570	27.874	29.735
Claims	5.289	0.976	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	121.948	136.255	129.232	130.044	129.714	131.947
Professional Services Contracts	43.003	89.291	97.323	74.573	56.470	43.528
Materials and Supplies	114.513	139.919	130.954	128.636	124.261	112.292
Other Business Expenses	27.353	29.067	21.236	29.985	33.376	34.447
Total Non-Labor Expenses	\$411.600	\$505.153	\$499.263	\$490.395	\$478.026	\$463.740
<u>Other Expense Adjustments:</u>						
Other Expense Adjustments	\$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.	\$1,429.920	\$1,584.942	\$1,613.131	\$1,643.947	\$1,653.858	\$1,655.438
Depreciation	\$236.091	\$240.960	\$240.693	\$240.693	\$240.693	\$240.693
OPEB Liability Adjustment	57.086	68.316	68.316	68.316	68.316	68.316
GASB 68 Pension Expense Adjustment	(10.497)	(6.808)	3.700	0.000	(6.700)	(24.100)
Environmental Remediation	3.694	4.000	4.000	4.000	4.000	4.000
Total Expenses	\$1,716.294	\$1,891.410	\$1,929.840	\$1,956.956	\$1,960.168	\$1,944.347
Net Surplus/(Deficit)	(\$748.019)	(\$814.964)	(\$811.745)	(\$852.365)	(\$862.066)	(\$894.066)
Cash Conversion Adjustments						
Depreciation	\$236.091	\$240.960	\$240.693	\$240.693	\$240.693	\$240.693
Operating/Capital	(39.286)	(62.486)	(81.535)	(43.821)	(47.015)	(15.544)
Other Cash Adjustments	41.285	44.654	105.199	77.999	40.333	48.185
Total Cash Conversion Adjustments	\$238.090	\$223.128	\$264.357	\$274.871	\$234.011	\$273.334
Net Cash Surplus/(Deficit)	(\$509.929)	(\$591.836)	(\$547.388)	(\$577.494)	(\$628.055)	(\$620.732)

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	\$706.405	\$726.707	\$746.311	\$750.998	\$754.402	\$757.718
Other Operating Revenue	86.320	118.293	137.230	105.897	113.569	93.300
MNR - MTA	129.733	127.526	149.571	162.943	152.541	152.710
MNR - CDOT	84.763	112.974	113.514	91.299	69.360	45.740
MNR - Other	<u>25.567</u>	<u>22.435</u>	<u>8.581</u>	<u>11.997</u>	<u>10.582</u>	<u>11.349</u>
Capital and Other Reimbursements	240.063	262.935	271.665	266.239	232.483	209.799
Total Receipts	\$1,032.788	\$1,107.935	\$1,155.206	\$1,123.134	\$1,100.454	\$1,060.817
Expenditures						
Labor:						
Payroll	\$533.765	\$552.461	\$572.156	\$593.347	\$616.019	\$615.429
Overtime	113.262	119.656	122.844	124.251	128.992	127.396
Health and Welfare	133.939	133.591	139.628	145.804	149.584	152.499
OPEB Current Payments	30.424	31.412	32.000	33.000	34.000	35.000
Pension	102.271	121.117	119.064	121.649	120.264	117.585
Other Fringe Benefits	142.897	132.325	136.398	140.558	146.085	145.144
Contribution to GASB Fund	0.000	0.000	0.160	0.200	0.200	0.200
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$1,056.558	\$1,090.562	\$1,122.251	\$1,158.808	\$1,195.143	\$1,193.254
Non-Labor:						
Electric Power	\$65.458	\$72.564	\$79.604	\$84.000	\$88.520	\$93.591
Fuel	13.189	17.044	18.032	17.953	18.166	18.545
Insurance	20.057	23.127	23.993	26.343	28.599	29.660
Claims	15.947	22.970	1.551	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	135.381	163.493	156.327	153.201	167.659	141.166
Professional Services Contracts	58.355	104.984	117.891	78.784	57.917	43.549
Materials and Supplies	123.103	145.061	143.879	130.689	120.629	108.198
Other Business Expenses	54.669	59.964	39.067	49.704	50.730	52.441
Total Non-Labor Expenditures	\$486.159	\$609.208	\$580.343	\$541.821	\$533.366	\$488.295
Other Expenditure 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 Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$1,542.717	\$1,699.770	\$1,702.594	\$1,700.629	\$1,728.509	\$1,681.549
Net Cash Balance	(\$509.929)	(\$591.836)	(\$547.388)	(\$577.494)	(\$628.055)	(\$620.732)
Subsidies						
MTA	\$364.118	\$472.872	\$441.046	\$455.152	\$499.796	\$484.431
CDOT	<u>134.205</u>	<u>118.964</u>	<u>106.342</u>	<u>122.342</u>	<u>128.258</u>	<u>136.301</u>
Total Subsidies	\$498.323	\$591.836	\$547.388	\$577.494	\$628.055	\$620.732

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Cash Conversion (Cash Flow Adjustments)
Favorable/(Unfavorable)
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Flow Adjustments						
Receipts						
Farebox Revenue	\$2.615	(\$11.489)	(\$11.612)	(\$11.862)	(\$12.130)	(\$12.267)
Other Operating Revenue	21.336	50.093	53.139	23.382	18.961	19.417
<i>MNR - MTA</i>	<i>41.019</i>	<i>(13.263)</i>	<i>(4.416)</i>	<i>5.455</i>	<i>(4.478)</i>	<i>3.386</i>
<i>MNR - CDOT</i>	<i>(1.804)</i>	<i>(0.130)</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>	<i>0.000</i>
<i>MNR - Other</i>	<i>1.347</i>	<i>6.277</i>	<i>0.000</i>	<i>1.569</i>	<i>0.000</i>	<i>0.000</i>
Total Capital and Other Reimbursements	\$40.562	(\$7.116)	(\$4.416)	\$7.024	(\$4.478)	\$3.386
Total Receipts	\$64.513	\$31.489	\$37.111	\$18.544	\$2.353	\$10.536
Expenditures						
Labor:						
Payroll	\$1.700	(\$3.136)	(\$0.961)	\$0.361	(\$9.410)	\$1.798
Overtime	0.408	(0.558)	0.281	0.412	(2.108)	0.663
Health and Welfare	(22.335)	(3.955)	(4.065)	(3.885)	(3.794)	(3.717)
OPEB Current Payments	(0.363)	0.100	0.000	0.000	0.000	0.000
Pension	(1.385)	(0.445)	(0.501)	(0.296)	(0.190)	(0.091)
Other Fringe Benefits	(13.082)	(0.581)	(0.217)	0.035	(2.772)	0.336
Contribution to GASB Fund	0.000	0.000	(0.160)	(0.200)	(0.200)	(0.200)
Reimbursable Overhead	(3.181)	(2.198)	(2.760)	(1.683)	(0.836)	(0.344)
Total Labor Expenditures	(\$38.238)	(\$10.773)	(\$8.383)	(\$5.257)	(\$19.311)	(\$1.556)
Non-Labor:						
Electric Power	(\$3.462)	(\$1.901)	(1.901)	(\$1.901)	(\$1.901)	(\$1.901)
Fuel	1.258	0.525	0.525	0.536	0.546	0.557
Insurance	2.994	(1.713)	(0.736)	(0.774)	(0.726)	0.075
Claims	(10.658)	(21.994)	(0.551)	(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	(13.433)	(27.238)	(27.094)	(23.156)	(37.944)	(9.220)
Professional Services Contracts	(15.352)	(15.694)	(20.568)	(4.212)	(1.447)	(0.021)
Materials and Supplies	(8.590)	(5.143)	(12.925)	(2.053)	3.632	4.094
Other Business Expenses	(27.316)	(30.897)	(17.831)	(19.719)	(17.353)	(17.993)
Total Non-Labor Expenditures	(\$74.559)	(\$104.056)	(\$81.080)	(\$51.425)	(\$55.340)	(\$24.555)
Other Expenditure Adjustments:						
Other Expense Adjustments	\$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	(\$112.797)	(\$114.829)	(\$89.463)	(\$56.682)	(\$74.651)	(\$26.111)
Total Cash Conversion Adjustments before Depreciation	(\$48.284)	(\$83.340)	(\$52.352)	(\$38.138)	(\$72.298)	(\$15.575)
Depreciation	\$236.091	\$240.960	\$240.693	\$240.693	\$240.693	\$240.693
OPEB Liability Adjustment	57.086	68.316	68.316	68.316	68.316	68.316
GASB 68 Pension Expense Adjustment	(10.497)	(6.808)	3.700	0.000	(6.700)	(24.100)
Environmental Remediation	3.694	4.000	4.000	4.000	4.000	4.000
Total Cash Conversion Adjustments	\$238.090	\$223.128	\$264.357	\$274.871	\$234.011	\$273.334

MTA METRO-NORTH RAILROAD
2017 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime Hours and Expenses
(\$ in millions)

	Total		
	Hours	\$	%
<i>NON-REIMBURSABLE OVERTIME</i>			
Scheduled Service	551,000	\$33.103	34.9%
Unscheduled Service	0	0.000	-
Programmatic/Routine Maintenance	619,000	35.484	37.4%
Unscheduled Maintenance	13,000	0.613	0.6%
Vacancy/Absentee Coverage (1)	337,500	18.179	19.2%
Weather Emergencies	133,500	7.435	7.8%
Safety/Security/Law Enforcement	0	0.000	-
Other	0	0.031	0.0%
Subtotal	1,654,000	\$94.845	100.0%
<i>REIMBURSABLE OVERTIME</i>	394,582	\$24.252	
TOTAL OVERTIME	2,048,582	\$119.097	

(1) Offset by lower payroll and associated fringe benefits

MTA METRO-NORTH RAILROAD
2018 Preliminary Budget
July Financial Plan 2018 - 2021
Year-to-Year Changes by Category - Baseline

REVENUE

FAREBOX REVENUE

Non-Reimbursable

- Farebox revenues are projected to grow by 2.7% in 2018, 0.7% in 2019, and 0.5% in both 2020 and 2021. These increases reflect:
 - Annual ridership growth of 1.2% in 2018, 0.5% in 2019, 0.4% in 2020 and 0.3% in 2021 resulting from modest growth in the regional economy.
 - State of Connecticut fare increase of 1.0% effective January 1, 2018.
 - No New York State fare increases are assumed for 2018-2021.

Cash

- 2017-2021 cash adjustments include receipts from the sale of MetroCards, Westchester County bus fares and special event promotions partially offset by credit card fees associated with the purchase of passenger tickets. Also included is a re-class to Farebox Revenues from Other Business Expenses, which represent West of Hudson ticket sales collected by New Jersey Transit, averaging \$15.3 million annually. This re-class neither changes the bottom line nor impacts subsidies.

OTHER OPERATING REVENUE

Non-Reimbursable

- 2018-2021 increases by \$15.9 million, decreases by \$1.6 million, increases by \$12.1 million, and decreases by \$20.7 million, respectively, due to higher GCT net rental income and projected reimbursement for the New York State Beacon Rail Trail.

Cash

- 2017 and 2018 adjustments primarily reflect reimbursements from FMTAC for the Spuyten Duyvil derailment claims (\$30.0 million and \$8.5 million, respectively).
- 2017-2021 adjustments also include reimbursements from CDOT and reclassifications of Amtrak and other railroad reimbursements as well as reimbursements for scrap material sales and other miscellaneous items.
- 2017-2021 accrued Harlem-Hudson advertising revenues of \$11.6 million, \$11.8 million, \$12.1 million, \$12.4 million and \$12.7 million, respectively, are removed as a cash reimbursement since these payments are retained by MTAHQ.

CAPITAL AND OTHER REIMBURSEMENTS

Reimbursable

Capital project cost reimbursements in each year of the financial plan are based on recovering 100% of accrued project expenditures.

- 2018-2021 accrued reimbursable receipts of \$276.1 million, \$259.2 million, \$237.0 million and \$206.4 million reflects an increase of \$6.1 million and decreases of \$16.9 million, \$22.3 million and \$30.5 million, respectively.

Cash

- 2017-2021 includes adjustments for receipt timing differences.

PAYROLL

Non-Reimbursable

Management Labor

- 2018-2021 non-agreement salaries include a 2.0% annual Cost of Living Adjustment (COLA) increase effective July 1st of each year.
- 2018-2019 increases include the full year impact of new hires and COLA as well as additional staffing for the new Chief RTC Training Program, new recruiters in Human Resources, the Procurement & Material Management Reorganization and a Health Services Coordinator.
- 2020-2021 increases include the full year impact of new hires and COLA.

Agreement Labor

- Agreement salaries increase by the same assumptions as the recent LIRR/TWU wage settlement agreement with increases of 2.5% effective February 16th, 2018, a one-time payment of \$500 for each employee in March of 2019, 2.0% effective May 16th, 2019, and 2.0% in 2020-2021 effective May 16th of each year.
- 2018 increases primarily reflect the impact of COLA and the Priority Repairs & Maintenance for Highbridge, Grand Central Terminal Weekend Personnel and Geometry Car Machinists and Support projects.
- 2019-2021 increases primarily reflect the impact of COLA and the full year impact of new hires.

Reimbursable

- 2018-2021 reflects labor increases of \$8.5 million and \$2.3 million and decreases of \$0.1 million and \$4.0 million, respectively.

Cash

- 2017-2021 cash adjustments include timing differences, employee contributions to healthcare coverage, an Agreement employee allowance for uniforms, tools and shoes, and retirement and wage settlement payments.

OVERTIME

Non-Reimbursable

- Overtime increases by the same assumptions as the recent LIRR/TWU wage settlement agreement as noted previously.

Reimbursable

- 2018 increase of \$1.6 million is primarily due to the Main Line High Speed Turnouts project.

- 2019 is essentially flat.
- 2020-2021 increases by \$0.2 million in 2020 and then decreases by \$0.8 million in 2021.

HEALTH AND WELFARE

Non-Reimbursable and Reimbursable

- 2017-2021 reflect premium increases of 7.6% in 2017, 9.0% in 2018, 2.1% in 2019, 4.7% in 2020 and 4.6% in 2021.

Cash

- 2017-2021 cash adjustments include current and former management employee contributions toward health insurance costs.

OPEB CURRENT PAYMENT (GASB 45)

Non-Reimbursable

- Other Post Employment Benefit (OPEB) Current Payment reflects Metro-North's estimated annual cost of health care for current retirees.
- 2018-2021 projections reflect the rising cost of health care premiums and an increase in the number of covered retirees.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2017-2021 pension costs represent the inclusion of all non-represented and most represented Metro-North employees in the MTA Defined Benefit Plan (DB Plan). Those employees not in the DB Plan are participants in the MTA 401K Plan. Metro-North's projected share of the incremental funding requirements for the DB Plan is based on interim projections prepared by actuarial consultants.

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2017-2021 at 7.65% and 13.10%, respectively.
- Maximum earnings level for Tier I is estimated at \$127,200 in 2017, \$129,900 in 2018, \$133,500 in 2019, \$138,000 in 2020, and \$143,400 in 2021.
- Maximum earnings level for Tier II is estimated at \$94,500 in 2017, \$96,300 in 2018, \$99,000 in 2020, and \$106,500 in 2021.
- 2017-2021 includes the impact of wage increases and changes in staffing levels.
- 2017-2021 Non-Reimbursable costs include estimates for employee personal injury claims of \$10.7 million annually.

Cash

- 2017-2021 adjustments include differences between expense accruals and cash disbursements.

GASB ACCOUNT

Cash

- Reflects cash expenditures to fund a contribution to a special GASB 45 reserve for Post-Retirement liabilities for “Other than Pension Employee Benefits” (healthcare costs). 2017-2021 cash contributions have been adjusted to reflect the latest funding assumption criteria.

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Changes in overhead cost recoveries reflect revisions in Reimbursable project cost estimates.

Reimbursable

- Overhead costs are based on a percentage share of direct labor costs charged to reimbursable projects.
- 2018-2021 year over year increases of \$7.3 million and \$2.0 million, and decreases of \$0.7 million and \$3.8 million, respectively, reflect adjustments for inflation.
- Material handling and equipment recovery increases are based on CPI driven inflation rates.

ELECTRIC POWER

Traction Power - Revenue

Non-Reimbursable

- 2018-2021 reflect increases of \$4.8 million, \$4.5 million, \$4.0 million and \$4.0 million, respectively, due to increased energy provider rates.

Non-Traction Power – Non-Revenue

Non-Reimbursable

- 2018 reflects an increase of \$2.2 million due to increased energy provider rates.
- 2019 is favorable by \$0.1 million.
- 2020-2021 reflect increases of \$0.6 million and \$1.2 million due to increased energy provider rates.

FUEL

Revenue Vehicle Fuel

Non-Reimbursable

- 2018-2021 reflect increases of \$0.8 million, \$0.2 million, \$0.2 million and \$0.4 million, respectively, due to slight price increases.

Cash

- 2017-2021 includes a credit (reduction to cash disbursements) for accrued fuel costs at New Haven, which are paid directly by CDOT.

Non-Revenue Fuel

Non-Reimbursable

- 2018-2021 reflects an increase of \$0.2 million in 2018, a decrease of \$0.2 million in 2019 and is essentially flat in the outer years.

INSURANCE

Non-Reimbursable and Reimbursable

- Increases in 2018-2021 reflect revised insurance premium estimates.

Cash

- 2017-2021 includes the difference between expense accruals and cash payments.

CLAIMS

Non-Reimbursable

- 2018-2021 reflects current claim trends for passenger injuries and miscellaneous claims.

Cash

- 2017 and 2018 increases by \$21.8 million and \$0.4 million, respectively, due to forecasted claim settlements for the Spuyten Duyvil and Bridgeport derailments. (Note that \$30.0 million in 2017 and \$8.5 million in 2018 will be reimbursed from FMTAC for Spuyten Duyvil claims, which is recognized on the Other Reimbursements line).
- 2018-2021 reflects the timing of payments made for passenger injury and miscellaneous claims.

The remaining Non-Reimbursable Cost Categories were inflated by CPI increases in 2018-2021 of 1.82%, 2.40%, 2.73%, and 2.66%, respectively.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Non-Reimbursable

- 2018 decrease of \$1.0 million reflects changes in the timing of contracted repairs for equipment damaged in the Bridgeport derailment, the implementation of the Centralized Diagnostic System (CDS) Replacement and its corresponding Software Support Agreement, and the chip technology upgrade for the Ticket Vending Machines (TVMs). These items are partially offset by higher costs for the System-Wide Right-of-Way Clean-Up Program, Extensive Track Undercutting Program and inflation.
- 2019 increase of \$2.1 million is primarily due to inflation and the New Haven Line MTA Police allocation partially offset by the timing of the contracted repairs for equipment damaged in the Bridgeport derailment.
- 2020 increase of \$1.1 million is primarily due to inflation and the purchase of winter weather gear partially offset by a reduction in real estate rental expense due to the elimination of transitional training space at the end of 2019.
- 2021 increase of \$6.1 million reflects inflation and the timing of the BL-20 Locomotive Overhaul Program.

Reimbursable

- 2018 decrease of \$6.0 million predominately represents a reduction in Maintenances Services.

- 2019-2021 year over year decreases of \$1.3 million, \$1.4 million and \$3.9 million, respectively, reflects the decrease in facility expenses and operating contracts.

Cash

- 2017-2021 cash adjustments include a reduction in cash requirements versus accrued costs for the Graybar Building office space and reimbursable payments on behalf of CDOT for station facilities and the MTA for utilities.
- 2017-2021 also includes a reclassification of approximately \$1.9 million in annual cash expenditures from Maintenance and Other Operating Contracts to Electric Power, aligning the budget to actual cash impacts associated with the new chiller units that were recently installed in Grand Central Terminal. This technical adjustment has no impact on subsidies.

PROFESSIONAL SERVICES CONTRACTS

Non-Reimbursable

- 2018 is higher by \$3.3 million due to a shift in the timing of Enterprise Asset Management (EAM) consulting expense, the bi-annual Market Share Study, expenses associated with outside consultants for ad-hoc engineering work in Maintenance of Equipment, increased New Haven Line (NHL) Business Service Center (BSC) costs, the Graphic Information System (GIS) ridership and demographics mapping study, vendor conversion costs to accommodate a new credit card payment processor and inflation. These items are partially offset by last year's Hyperion consulting expense and the feasibility study of the multi-use trail along the Hudson.
- 2019 is lower by \$3.6 million due to the timing of EAM consulting expense, the prior year's bi-annual market share study costs, lower consultants for ad-hoc engineering work in Maintenance of Equipment, and lower NHL BSC costs.
- 2020 is higher by \$0.4 million due to the bi-annual Market Share Study, contractual increases for the ridership count vendor, higher NHL BSC costs and inflation partially offset by the timing of EAM consulting expense and lower consultants for ad-hoc engineering work in Maintenance of Equipment.
- 2021 is favorable by \$1.1 million due to lower P-32 and BL-20 Program Consulting costs, the prior year's bi-annual market share study costs, and the timing of EAM consulting expense partially offset by increases for the NHL BSC costs, contractual increases for the ridership count vendor, and inflation.

Reimbursable

- 2018 increase of \$4.8 million is primarily due to the Signal Replacement Greenwich to South Norwalk project.
- 2019-2021 decreases of \$19.1 million, \$18.5 million and \$11.8 million, respectively, are due to the Connecticut Positive Train Control program.

MATERIAL AND SUPPLIES

Non-Reimbursable

- 2018 is higher by \$7.8 million primarily due to the P-32 Locomotive Reliability Centered Maintenance (RCM) Program and inflation.

- 2019 is essentially flat due to lower expenses for the P-32 Locomotive RCM Program and the kit delivery for the Centralized Diagnostic System (CDS) Replacement offset by inflation.
- 2020 is lower by \$2.4 million reflecting the completion of the kit delivery for the CDS Replacement and lower expense for the M-7 Seat Replacement Program partially offset by inflation.
- 2021 is lower by \$9.2 million due to the completion of the P-32 Locomotive RCM and M-7 Seat Replacement Programs partially offset by inflation.

Reimbursable

- 2018 decrease of \$16.8 million is predominately due to the Network Infrastructure Replacement Program.
- 2019-2021 is lower by approximately \$2.5 million reflecting decreases for the Power Infrastructure Restoration and the Main Line High Speed Turnouts project.

Cash

- Cash adjustments reflect differences between expense accruals and cash requirements.

OTHER BUSINESS EXPENSES

Non-Reimbursable

- 2018 is lower by \$7.7 million due primarily to the projected reimbursement for the Park Avenue Viaduct Fire partially offset by higher NJ Transit Subsidy expense related to West of Hudson service enhancements and increased credit card fees.
- 2019 is higher by \$8.8 million due primarily to last years' projected reimbursement for the Park Avenue Viaduct Fire, increased NJ Transit Subsidy expense related to West of Hudson service enhancements and increased credit card fees partially offset by the projected insurance recovery for the damages related to the 2016 restaurant tenant fire in GCT and increased Amtrak recoveries related to the Passenger Rail Investment and Improvement Act (PRIIA).
- 2020 is higher by \$3.4 million due to last years' insurance reimbursement for damages related to the 2016 restaurant tenant fire in GCT, increases in the NJ Transit Subsidy expense related to West of Hudson service enhancements and increased credit card fees partially offset by increased PRIIA Amtrak recoveries.
- 2021 is higher by \$1.1 million due to inflationary increases in the NJ Transit Subsidy expense and higher credit card fees partially offset by increased PRIIA Amtrak recoveries.

DEPRECIATION

Non-Reimbursable

2018-2021 includes provisions for changes in Metro-North's capital assets.

OPEB OBLIGATION (GASB 45)

Non-Reimbursable

- 2018-2021 costs reflect the liability for post-retirement benefits (healthcare costs) for future retirees based on an updated actuarial estimate.

PENSION ADJUSTMENTS (GASB 68)

Non-Reimbursable

- 2018-2021 costs reflect the latest actuarial estimates.

ENVIRONMENTAL REMEDIATION (GASB 49)

Non-Reimbursable

- 2018-2021 costs reflect the estimated liability for environmental remediation costs associated with capital projects.

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Non-Reimbursable									
Operating Revenues									
Farebox Revenue	\$738.196	\$757.923	\$19.727	\$762.860	\$4.937	\$766.532	\$3.671	\$769.985	\$3.454
Other Operating Revenue	68.200	84.091	15.891	82.515	(1.576)	94.608	12.093	73.883	(20.725)
Total Revenues	\$806.396	\$842.014	\$35.618	\$845.375	\$3.361	\$861.140	\$15.765	\$843.868	(\$17.272)
Operating Expenses									
<u>Labor:</u>									
Payroll	\$502.315	\$515.703	(\$13.387)	\$535.913	(\$20.210)	\$548.861	(\$12.949)	\$563.454	(\$14.593)
Overtime	94.845	97.234	(2.388)	98.783	(1.550)	100.759	(1.976)	102.774	(2.015)
Health and Welfare	112.952	116.252	(3.300)	121.999	(5.746)	125.811	(3.812)	130.009	(4.198)
OPEB Current Payments	31.512	32.000	(0.488)	33.000	(1.000)	34.000	(1.000)	35.000	(1.000)
Pension	109.180	105.110	4.070	107.471	(2.360)	106.171	1.300	104.416	1.755
Other Fringe Benefits	119.616	122.247	(2.631)	126.230	(3.983)	128.932	(2.702)	131.996	(3.064)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(52.167)	(60.038)	7.871	(60.938)	0.900	(59.409)	(1.529)	(55.114)	(4.295)
Total Labor Expenses	\$918.255	\$928.509	(\$10.254)	\$962.457	(\$33.949)	\$985.124	(\$22.667)	\$1,012.535	(\$27.410)
<u>Non-Labor:</u>									
Electric Power	\$70.661	\$77.703	(\$7.042)	\$82.099	(\$4.395)	\$86.619	(\$4.520)	\$91.690	(\$5.071)
Fuel	17.569	18.557	(0.988)	18.489	0.067	18.712	(0.223)	19.102	(0.390)
Insurance	17.313	18.814	(1.501)	20.744	(1.930)	22.954	(2.210)	25.359	(2.405)
Claims	0.976	1.000	(0.024)	1.000	0.000	1.000	0.000	1.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	121.553	120.553	1.000	122.672	(2.119)	123.752	(1.080)	129.857	(6.105)
Professional Services Contracts	43.369	46.649	(3.280)	43.031	3.618	43.438	(0.407)	42.297	1.141
Materials and Supplies	96.462	104.267	(7.805)	104.474	(0.207)	102.122	2.351	92.946	9.176
Other Business Expenses	28.735	20.998	7.737	29.765	(8.767)	33.175	(3.410)	34.240	(1.065)
Total Non-Labor Expenses	\$396.636	\$408.541	(\$11.905)	\$422.274	(\$13.733)	\$431.773	(\$9.499)	\$436.491	(\$4.718)
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$1,314.891	\$1,337.050	(\$22.159)	\$1,384.731	(\$47.681)	\$1,416.897	(\$32.166)	\$1,449.025	(\$32.128)
Depreciation	\$240.960	\$240.693	\$0.267	\$240.693	\$0.000	\$240.693	\$0.000	\$240.693	\$0.000
OPEB Liability Adjustment	68.316	68.316	0.000	68.316	0.000	68.316	0.000	68.316	0.000
GASB 68 Pension Expense Adjustment	(6.808)	3.700	(10.508)	0.000	3.700	(6.700)	6.700	(24.100)	17.400
Environmental Remediation	4.000	4.000	0.000	4.000	0.000	4.000	0.000	4.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$1,621.359	\$1,653.759	(\$32.400)	\$1,697.740	(\$43.981)	\$1,723.206	(\$25.466)	\$1,737.934	(\$14.728)
Net Surplus/(Deficit)	(\$814.964)	(\$811.745)	\$3.218	(\$852.365)	(\$40.620)	(\$862.066)	(\$9.701)	(\$894.066)	(\$32.000)

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast	Preliminary Budget	Change	Change	Change	Change	Change	Change	Change
	2017	2018	2017 - 2018	2019	2018 - 2019	2020	2019 - 2020	2021	2020 - 2021
Reimbursable									
Operating Revenues									
Farebox Revenue	\$0.000	\$0.000	\$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	0.000	0.000
Capital and Other Reimbursements	270.050	276.081	6.031	259.215	(16.866)	236.961	(22.254)	206.413	(30.549)
Total Revenues	\$270.050	\$276.081	\$6.031	\$259.215	(\$16.866)	\$236.961	(\$22.254)	\$206.413	(\$30.549)
Operating Expenses									
<u>Labor:</u>									
Payroll	\$47.010	\$55.493	(\$8.483)	\$57.795	(\$2.302)	\$57.747	\$0.047	\$53.773	\$3.975
Overtime	24.252	25.891	(1.640)	25.879	0.012	26.124	(0.245)	25.285	0.839
Health and Welfare	16.683	19.310	(2.627)	19.921	(0.611)	19.979	(0.058)	18.773	1.206
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension	11.492	13.453	(1.961)	13.882	(0.429)	13.903	(0.021)	13.079	0.824
Other Fringe Benefits	12.128	13.934	(1.805)	14.363	(0.429)	14.381	(0.019)	13.484	0.897
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	49.969	57.278	(7.309)	59.254	(1.976)	58.573	0.681	54.769	3.804
Total Labor Expenses	\$161.534	\$185.359	(\$23.825)	\$191.094	(\$5.735)	\$190.708	\$0.386	\$179.164	\$11.544
<u>Non-Labor:</u>									
Electric Power	\$0.002	\$0.000	\$0.002	\$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	0.000	0.000	0.000
Insurance	4.101	4.443	(0.342)	4.825	(0.383)	4.920	(0.094)	4.377	0.543
Claims	0.000	0.000	0.000	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	0.000	0.000	0.000
Maintenance and Other Operating Contracts	14.702	8.679	6.023	7.372	1.307	5.963	1.410	2.089	3.873
Professional Services Contracts	45.922	50.674	(4.752)	31.541	19.133	13.032	18.509	1.231	11.801
Materials and Supplies	43.457	26.688	16.769	24.162	2.525	22.138	2.024	19.345	2.793
Other Business Expenses	0.332	0.238	0.094	0.220	0.018	0.202	0.018	0.207	(0.005)
Total Non-Labor Expenses	\$108.516	\$90.722	\$17.794	\$68.121	\$22.600	\$46.254	\$21.868	\$27.249	\$19.004
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation	\$270.050	\$276.081	(\$6.031)	\$259.215	\$16.866	\$236.961	\$22.254	\$206.413	\$30.549
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	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	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$270.050	\$276.081	(\$6.031)	\$259.215	\$16.866	\$236.961	\$22.254	\$206.413	\$30.549
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	Change 2019	Change 2018 - 2019	Change 2020	Change 2019 - 2020	Change 2021	Change 2020 - 2021
Non-Reimbursable and Reimbursable									
Operating Revenues									
Farebox Revenue	\$738.196	\$757.923	\$19.727	\$762.860	\$4.937	\$766.532	\$3.671	\$769.985	\$3.454
Other Operating Revenue	68.200	84.091	15.891	82.515	(1.576)	94.608	12.093	73.883	(20.725)
Capital and Other Reimbursements	270.050	276.081	6.031	259.215	(16.866)	236.961	(22.254)	206.413	(30.549)
Total Revenues	\$1,076.446	\$1,118.095	\$41.649	\$1,104.590	(\$13.504)	\$1,098.101	(\$6.489)	\$1,050.281	(\$47.820)
Operating Expenses									
<u>Labor:</u>									
Payroll	\$549.325	\$571.195	(\$21.870)	\$593.707	(\$22.512)	\$606.609	(\$12.901)	\$617.227	(\$10.619)
Overtime	119.097	123.125	(4.028)	124.662	(1.537)	126.883	(2.221)	128.059	(1.176)
Health and Welfare	129.635	135.562	(5.927)	141.920	(6.357)	145.790	(3.870)	148.782	(2.992)
OPEB Current Payments	31.512	32.000	(0.488)	33.000	(1.000)	34.000	(1.000)	35.000	(1.000)
Pension	120.672	118.564	2.109	121.353	(2.789)	120.074	1.279	117.494	2.579
Other Fringe Benefits	131.745	136.181	(4.436)	140.592	(4.411)	143.313	(2.720)	145.480	(2.167)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(2.198)	(2.760)	0.562	(1.683)	(1.076)	(0.836)	(0.848)	(0.344)	(0.491)
Total Labor Expenses	\$1,079.789	\$1,113.868	(\$34.079)	\$1,153.551	(\$39.684)	\$1,175.832	(\$22.281)	\$1,191.698	(\$15.866)
<u>Non-Labor:</u>									
Electric Power	\$70.663	\$77.703	(\$7.041)	\$82.099	(\$4.395)	\$86.619	(\$4.520)	\$91.690	(\$5.071)
Fuel	17.569	18.557	(0.988)	18.489	0.067	18.712	(0.223)	19.102	(0.390)
Insurance	21.414	23.257	(1.843)	25.570	(2.313)	27.874	(2.304)	29.735	(1.862)
Claims	0.976	1.000	(0.024)	1.000	0.000	1.000	0.000	1.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	136.255	129.232	7.023	130.044	(0.812)	129.714	0.330	131.947	(2.232)
Professional Services Contracts	89.291	97.323	(8.033)	74.573	22.751	56.470	18.102	43.528	12.942
Materials and Supplies	139.919	130.954	8.964	128.636	2.318	124.261	4.376	112.292	11.969
Other Business Expenses	29.067	21.236	7.831	29.985	(8.749)	33.376	(3.391)	34.447	(1.071)
Total Non-Labor Expenses	\$505.153	\$499.263	\$5.890	\$490.395	\$8.868	\$478.026	\$12.369	\$463.740	\$14.286
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$1,584.942	\$1,613.131	(\$28.189)	\$1,643.947	(\$30.816)	\$1,653.858	(\$9.912)	\$1,655.438	(\$1.580)
Depreciation	\$240.960	\$240.693	\$0.267	\$240.693	\$0.000	\$240.693	\$0.000	\$240.693	\$0.000
OPEB Liability Adjustment	68.316	68.316	0.000	68.316	0.000	68.316	0.000	68.316	0.000
GASB 68 Pension Expense Adjustment	(6.808)	3.700	(10.508)	0.000	3.700	(6.700)	6.700	(24.100)	17.400
Environmental Remediation	4.000	4.000	0.000	4.000	0.000	4.000	0.000	4.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$1,891.410	\$1,929.840	(\$38.430)	\$1,956.956	(\$27.116)	\$1,960.168	(\$3.212)	\$1,944.347	\$15.820
Net Surplus/(Deficit)	(\$814.964)	(\$811.745)	\$3.218	(\$852.365)	(\$40.620)	(\$862.066)	(\$9.701)	(\$894.066)	(\$32.000)

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Cash Receipts and Expenditures</u>									
Receipts									
Farebox Revenue	\$726.707	\$746.311	\$19.604	\$750.998	\$4.687	\$754.402	\$3.403	\$757.718	\$3.317
Other Operating Revenue	118.293	137.230	18.937	105.897	(31.333)	113.569	7.672	93.300	(20.269)
Capital and Other Reimbursements	262.935	271.665	8.731	266.239	(5.426)	232.483	(33.756)	209.799	(22.685)
Total Receipts	\$1,107.935	\$1,155.206	\$47.272	\$1,123.134	(\$32.072)	\$1,100.454	(\$22.680)	\$1,060.817	(\$39.637)
Expenditures									
<u>Labor Expenditures:</u>									
Payroll	\$552.461	\$572.156	(\$19.695)	\$593.347	(\$21.191)	\$616.019	(\$22.672)	\$615.429	\$0.590
Overtime	119.656	122.844	(3.189)	124.251	(1.406)	128.992	(4.741)	127.396	1.595
Health and Welfare	133.591	139.628	(6.037)	145.804	(6.177)	149.584	(3.779)	152.499	(2.916)
OPEB Current Payments	31.412	32.000	(0.588)	33.000	(1.000)	34.000	(1.000)	35.000	(1.000)
Pension	121.117	119.064	2.053	121.649	(2.584)	120.264	1.385	117.585	2.679
Other Fringe Benefits	132.325	136.398	(4.073)	140.558	(4.159)	146.085	(5.528)	145.144	0.941
Contribution to GASB Fund	0.000	0.160	(0.160)	0.200	(0.040)	0.200	0.000	0.200	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$1,090.562	\$1,122.251	(\$31.689)	\$1,158.808	(\$36.557)	\$1,195.143	(\$36.335)	\$1,193.254	\$1.889
<u>Non-Labor Expenditures:</u>									
Electric Power	\$72.564	\$79.604	(\$7.040)	\$84.000	(\$4.395)	\$88.520	(\$4.520)	\$93.591	(\$5.071)
Fuel	17.044	18.032	(0.988)	17.953	0.078	18.166	(0.213)	18.545	(0.379)
Insurance	23.127	23.993	(0.865)	26.343	(2.350)	28.599	(2.256)	29.660	(1.061)
Claims	22.970	1.551	21.419	1.146	0.405	1.146	0.000	1.146	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	163.493	156.327	7.167	153.201	3.126	167.659	(14.458)	141.166	26.493
Professional Services Contracts	104.984	117.891	(12.907)	78.784	39.107	57.917	20.867	43.549	14.368
Materials and Supplies	145.061	143.879	1.182	130.689	13.190	120.629	10.061	108.198	12.431
Other Business Expenses	59.964	39.067	20.897	49.704	(10.638)	50.730	(1.025)	52.441	(1.711)
Total Non-Labor Expenditures	\$609.208	\$580.343	\$28.865	\$541.821	\$38.523	\$533.366	\$8.455	\$488.295	\$45.071
<u>Other Expenditure Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenditures	\$1,699.770	\$1,702.594	(\$2.824)	\$1,700.629	\$1.965	\$1,728.509	(\$27.880)	\$1,681.549	\$46.960
Net Cash Surplus/(Deficit)	(\$591.836)	(\$547.388)	\$44.448	(\$577.494)	(\$30.106)	(\$628.055)	(\$50.560)	(\$620.732)	\$7.323
Subsidies									
MTA	472.872	441.046	(31.825)	455.152	14.106	499.796	44.644	484.431	(15.365)
CDOT	118.964	106.342	(12.622)	122.342	16.001	128.258	5.916	136.301	8.043
Total Subsidies	\$591.836	\$547.388	(\$44.448)	\$577.494	\$30.106	\$628.055	\$50.560	\$620.732	(\$7.323)

MTA METRO-NORTH RAILROAD
2018 Preliminary Budget
July Financial Plan 2018 - 2021
Summary of Plan-to-Plan Changes by Generic Category

REVENUE

FAREBOX REVENUE

Non-Reimbursable

- 2017 is unfavorable by \$2.2 million primarily driven by the adverse effects of two major winter storms - Winter Storm Niko and Winter Storm Stella, which affected non-commutation revenue as well as the New Haven Line derailment at Rye.
- 2018-2019 reflects slightly increased non-commutation ridership growth versus the Adopted Budget driving higher revenues of \$3.0 million and \$1.2 million.
- 2020 is lower by \$2.0 million due to a projected slowdown in the regional economy versus the prior plan.

OTHER OPERATING REVENUE

Non-Reimbursable

- 2017 decrease of \$0.1 million from the Adopted Budget reflects the temporary suspension of the commissary and lower net GCT retail revenue due primarily to tenant on-boarding delays partially offset by New York State funding for the Beacon Rail Trail.
- 2018-2020 reflects improvement of \$15.4 million, \$13.7 million and \$25.7 million, respectively, due to New York State funding for the Beacon Rail Trail and increased net GCT retail revenues resulting from higher occupancy and rental rates.

Cash

- 2018 adjustments of \$8.1 million reflect increased reimbursements versus the Adopted Budget from FMTAC for Spuyten Duyvil derailment claim settlements.

CAPITAL AND OTHER REIMBURSEMENTS

Reimbursable

- 2017 increase of \$22.9 million reflects higher Professional Services and Materials and Supplies mitigated by lower labor expenses.
- 2018-2020 increases of \$21.8 million, \$40.5 million and \$13.4 million, respectively, reflect an increase in Professional Service Contracts and Materials and Supplies mitigated by Maintenance and Other Operating Contracts.

Cash

- 2018-2021 adjustments reflect changes in reimbursements versus the Adopted Budget primarily due to the timing of receipts for capital related projects.

EXPENSES

PAYROLL

Non-Reimbursable

Management Labor

- 2017 through 2020 decreases of \$4.5 million, \$8.6 million, \$2.5 million and \$0.5 million, respectively, are driven primarily by the re-scheduling of hiring projections partially offset by the new Chief RTC Training Program, new recruiters in Human Resources, the Procurement & Material Management Reorganization and a Health Services Coordinator position.

Agreement Labor

- 2017 through 2020 expenses are higher by \$11.1 million, \$7.1 million, \$6.3 million and \$7.1 million, respectively, due primarily to the change in wage increase assumptions based on the recent LIRR/TWU wage settlement agreement, reallocation of block training coverage in Transportation from overtime to straight time, the approval of the Priority Repairs & Maintenance for Highbridge, Grand Central Terminal Weekend Personnel and the Geometry Car Machinists and Support projects.

Reimbursable

- 2017-2018 decreases of \$15.3 million and \$0.6 million are driven largely by the impact of capital labor associated with the GCT Turnouts Switch Renewal Project, the Power Infrastructure Replacement and the Connecticut Track Program.
- 2019-200 labor costs increase of \$2.2 million and \$0.5 million are due to the Positive Train Control Project.

OVERTIME

Non-Reimbursable

- 2017-2020 is lower by \$2.5 million, \$1.7 million, \$2.1 million and \$2.2 million, respectively, due primarily to a reallocation of block training for the Transportation Department from overtime to straight time.
- 2017-2020 cost of living increases are based upon the recent LIRR/TWU wage settlement agreement.

Reimbursable

- 2017-2020 overtime decreases of \$1.3 million, \$0.3 million, \$0.3 million and \$1.0 million, respectively, are due to the Connecticut Bridge Project and Track Program.

HEALTH AND WELFARE

Non-Reimbursable and Reimbursable

- 2017-2020 Mid-Year Forecast changes reflect revised premium rates.

OPEB CURRENT PAYMENT (GASB 45)

Non-Reimbursable

- 2017-2020 cash contributions have been adjusted to reflect the latest funding assumption criteria for retirees and premiums.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2017-2020 change in pension costs represent updated actuarial estimates for the Defined Benefit Plan.

OTHER FRINGE BENEFITS

Non-Reimbursable and Reimbursable

- 2017-2020 reflects changes in Railroad Retirement taxes and adjustments to employee claims.

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Changes in overhead cost recoveries reflect revisions in Reimbursable project cost estimates.

Reimbursable

- Overhead costs are based on a percentage share of direct labor costs charged to reimbursable projects.
- 2017-2020 decreases of \$7.4 million, \$1.4 million, \$0.8 million, and \$2.8 million, respectively, reflect the impact of lower reimbursable overhead rates.

ELECTRIC POWER

Traction Power – Revenue

Non-Reimbursable

- 2017-2020 decreases of \$9.3 million, \$5.9 million, \$1.7 million and \$3.8 million, respectively, reflect lower energy provider rates.

Non-Traction Power – Non-Revenue

Non-Reimbursable

- 2017-2020 reflects increases of \$1.3 million, \$3.1 million, \$2.8 million and \$2.6 million, respectively, based upon higher energy provider rates.

FUEL

Revenue Vehicle Fuel

Non-Reimbursable

- 2017-2018 increases of \$0.7 million and \$0.6 million are due to higher diesel fuel rates.
- 2019-2020 decrease of \$0.4 million and \$1.4 million are due to lower diesel fuel rates.

Cash

- 2017-2020 includes a credit (reduction to cash disbursements) for accrued fuel costs at New Haven which are paid directly by CDOT.

Non-Revenue Fuel

Non-Reimbursable

- 2017-2020 decreases of \$0.6 million, \$0.3 million, \$0.6 million, and \$0.7 million, respectively, reflects lower rates.

INSURANCE

Non-Reimbursable and Reimbursable

- 2017-2020 incorporates the impact of revised premiums.

Cash

- 2017-2020 includes an adjustment for the difference between expense accruals and cash payments.

CLAIMS

Non-Reimbursable

- 2017-2020 reflect current passenger claim trends.

Cash

- 2018 settlement claims attributable to the Spuyten Duyvil incident increased by \$0.4 million compared to the Adopted Budget due to a change in the timing of when the expected claims are to be paid.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Non-Reimbursable

- 2017 decrease of \$1.9 million reflects lower real estate rental expense due to the re-timing of transitional training space, Extensive Track Undercutting Program, transfers to Operating Capital, New Haven Branch Line (NHL) bus service reductions, and the re-timing of life cycle maintenance and the chip technology upgrade for the Ticket Vending Machines (TVMs). These items are partially offset by changes in timing of the contracted repairs for equipment damaged in the Bridgeport derailment.
- 2018 decrease of \$2.9 million reflects changes in timing of the BL-20 Locomotive Overhaul Program, transfers to Operating Capital, NHL bus service reductions, re-timing of life cycle maintenance and the chip technology upgrade of the TVMs, and lower projections for non-revenue vehicle maintenance costs. These items are partially offset by changes in timing of the contracted repairs for equipment damaged in the Bridgeport derailment.
- 2019 decrease of \$2.9 million reflects changes in timing of the BL-20 Locomotive Overhaul Program and a NHL Line bus service reductions partially offset by an increase in real estate rental expense due to the extension of transitional training space through the end of 2019.
- 2020 decrease of \$5.5 million reflects changes in timing of the BL-20 Locomotive Overhaul Program, NHL Line bus service reductions and lower projections for non-revenue vehicle maintenance costs.

Reimbursable

- 2017-2018 decreases of \$2.1 million and \$14.9 million reflects lower expense for the Greenwich to South Norwalk project.
- 2019 is essentially flat.
- 2020 increases by \$1.5 million which reflects timing differences in Connecticut projects.

Cash

- 2017-2020 cash adjustments include timing differences and reallocations to accrued expenses.

PROFESSIONAL SERVICES CONTRACTS

Non-Reimbursable

- 2017 decrease of \$1.3 million reflects primarily lower expense associated with outside consultants for ad-hoc engineering work in Maintenance of Equipment, timing of EAM consulting expense and lower than anticipated contractual increases for the ridership count vendor.
- 2018 is higher by \$0.6 million due to an increase related to the shift of EAM consulting from 2017 partially offset by lower than anticipated contractual increases for the ridership count vendor.
- 2019-2020 are higher by \$0.2 million and \$0.1 million, respectively, due to the continuation of On-Call Track Engineering Services in Maintenance of Way partially offset by lower expense associated with outside consultants for ad-hoc engineering work in Maintenance of Equipment and lower contractual increases for the ridership count vendor.

Reimbursable

- 2017-2020 increases of \$26.9 million, \$34.5 million, \$30.8 million and \$12.3 million, respectively, are predominately due to the Connecticut Positive Train Control project.

MATERIAL AND SUPPLIES

Non-Reimbursable

- 2017 is higher by \$1.6 million due to increased expenses for Phase 2 of the P-32 Locomotive Reliability Centered Maintenance (RCM) Program to address electrical systems and higher costs associated with the M-7 15 Year RCM Cycle partially offset by the rescheduling of the kit delivery for the Centralized Diagnostic System (CDS) Replacement.
- 2018 is higher by \$3.0 million due to higher expenses for Phase 2 of the P-32 Locomotive RCM Program.
- 2019 is higher by \$4.9 million due to higher expenses for Phase 2 of the P-32 Locomotive RCM Program, the rescheduling of the kit delivery for the CDS Replacement, and increased expenses for the M-7 Seat Replacement Program.
- 2020 is higher by \$3.2 million due to higher expenses for Phase 2 of the P-32 Locomotive RCM and the M-7 Seat Replacement Programs.

Reimbursable

- 2017-2020 increases of \$14.4 million, \$3.2 million, \$5.1 million, and \$1.1 million, respectively, are due to the Main Line High Speed Turnouts and the Network Infrastructure Replacement projects.

Cash

- 2017-2020 reflects cash adjustments for the difference between expense accruals and cash payments.

OTHER BUSINESS EXPENSES

Non-Reimbursable

- 2017-2018 is lower by \$3.3 million and \$2.8 million, respectively, due primarily to increased Amtrak cost recoveries related to the Passenger Rail Investment and Improvement Act (PRIIA) and lower inflationary driven NJ Transit Subsidy expense.
- 2019 is lower by \$4.9 million due primarily to the projected insurance recovery for damages related to the 2016 restaurant tenant fire in Grand Central Terminal (GCT), increased Amtrak cost recoveries related to PRIIA and lower inflationary driven NJ Transit Subsidy expense.
- 2020 is lower by \$3.0 million due primarily to increased Amtrak cost recoveries related to PRIIA and lower inflationary driven NJ Transit Subsidy expense.

DEPRECIATION

Non-Reimbursable

- 2017-2020 includes provisions for changes in Metro-North's capital assets.

OPEB OBLIGATION (GASB 45)

Non-Reimbursable

- 2017-2020 costs reflect the liability for Post-Retirement Benefits (healthcare costs) for future retirees based on an updated actuarial estimate.

PENSION ADJUSTMENTS (GASB 68)

Non-Reimbursable

- 2017-2020 costs reflect the latest actuarial estimates.

ENVIRONMENTAL REMEDIATION (GASB 49)

Non-Reimbursable

- 2017-2020 costs reflect the estimated liability for environmental remediation costs associated with capital projects.

MTA METRO-NORTH RAILROAD
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE	2017	2018	2019	2020
2017 February Financial Plan - Cash Surplus/(Deficit)	(\$550.884)	(\$565.731)	(\$558.893)	(\$611.997)
Baseline Changes				
Revenue				
Farebox Revenue	(\$2.160)	\$2.999	\$1.241	(\$2.012)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	(0.050)	15.393	13.740	25.728
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$2.210)	\$18.392	\$14.981	\$23.716
Expenses				
<i>Labor:</i>				
Payroll	(\$6.630)	\$1.527	(\$3.747)	(\$6.612)
Overtime	2.506	1.688	2.116	2.156
Health and Welfare	(5.809)	(3.973)	(3.658)	(8.401)
OPEB Current Payment	(0.312)	0.000	0.000	0.000
Pensions	(10.414)	(4.182)	(5.292)	(2.386)
Other Fringe Benefits	(1.332)	0.290	(0.524)	(1.071)
Reimbursable Overhead	(7.136)	(0.668)	(0.850)	(3.245)
Total Labor Expense Changes	(\$29.127)	(\$5.318)	(\$11.956)	(\$19.560)
<i>Non-Labor:</i>				
Electric Power	\$8.050	\$2.744	(\$1.082)	\$1.204
Fuel	(0.108)	(0.386)	0.941	2.044
Insurance	3.348	3.524	3.571	3.492
Claims	0.024	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.920	2.867	2.853	5.470
Professional Service Contracts	1.299	(0.606)	(0.154)	(0.113)
Materials & Supplies	(1.617)	(2.983)	(4.898)	(3.239)
Other Business Expenses	3.343	2.819	4.864	2.972
Total Non-Labor Expense Changes	\$16.259	\$7.980	\$6.096	\$11.830
Total Expenses before Depreciation and GASB Adjustments	(\$12.868)	\$2.661	(\$5.860)	(\$7.730)
Depreciation	(\$0.267)	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	\$0.000	0.000
GASB 68 Pension Adjustment	4.308	(4.800)	(\$7.300)	(7.100)
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expense Changes	(\$8.827)	(\$2.139)	(\$13.160)	(\$14.830)
Cash Conversion Adjustment Changes				
Depreciation	\$0.267	\$0.000	\$0.000	\$0.000
Operating/Capital	(1.467)	(39.261)	(29.475)	(34.087)
Other Cash Adjustments	(28.715)	41.351	9.053	9.144
Total Cash Conversion Adjustments	(\$29.915)	\$2.090	(\$20.422)	(\$24.943)
Net Surplus/(Deficit) Changes	(\$40.951)	\$18.343	(\$18.602)	(\$16.057)
2017 July Financial Plan - Net Operating Cash Surplus/(Deficit)	(\$591.836)	(\$547.388)	(\$577.494)	(\$628.055)

MTA METRO-NORTH RAILROAD
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE	2017	2018	2019	2020
2017 February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue				
Vehicle Toll Revenue				
Other Operating Revenue				
Capital and Other Reimbursement	22.936	21.758	40.495	13.423
Total Revenue Changes	\$22.936	\$21.758	\$40.495	\$13.423
Expenses				
<i>Labor:</i>				
Payroll	\$5.313	\$0.603	(\$2.204)	(\$0.484)
Overtime	1.336	0.294	0.272	1.046
Health and Welfare	0.911	(0.619)	(1.402)	(0.892)
OPEB Current Payment	0.000	0.000	0.000	0.000
Pensions	0.153	(1.113)	(1.621)	(1.241)
Other Fringe Benefits	1.148	0.145	(0.402)	0.023
Reimbursable Overhead	7.370	1.376	0.776	2.834
Total Labor Expense Changes	\$16.230	\$0.686	(\$4.580)	\$1.286
<i>Non-Labor:</i>				
Electric Power	(\$0.002)	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000
Insurance	0.140	0.379	0.082	0.218
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts				
Maintenance and Other Operating Contracts	2.067	14.867	(0.033)	(1.505)
Professional Service Contracts	(26.881)	(34.454)	(30.813)	(12.284)
Materials & Supplies	(14.402)	(3.182)	(5.120)	(1.131)
Other Business Expenses	(0.087)	(0.055)	(0.031)	(0.007)
Total Non-Labor Expense Changes	(\$39.166)	(\$22.445)	(\$35.915)	(\$14.709)
Total Expense Changes	(\$22.936)	(\$21.758)	(\$40.495)	(\$13.423)
2017 July Financial Plan - Net Operating Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	(\$0.000)

MTA METRO-NORTH RAILROAD
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2017	2018	2019	2020
2017 February Financial Plan - Cash Surplus/(Deficit)	(\$550.884)	(\$565.731)	(\$558.893)	(\$611.997)
Baseline Changes				
Revenue				
Farebox Revenue	(\$2.160)	\$2.999	\$1.241	(\$2.012)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000
Other Operating Revenue	(0.050)	15.393	13.740	25.728
Capital and Other Reimbursement	22.936	21.758	40.495	13.423
Total Revenue Changes	\$20.726	\$40.150	\$55.476	\$37.138
Expenses				
<i>Labor:</i>				
Payroll	(\$1.318)	\$2.130	(\$5.951)	(\$7.096)
Overtime	3.842	1.982	2.388	3.202
Health and Welfare	(4.898)	(4.592)	(5.060)	(9.293)
OPEB Current Payment	(0.312)	0.000	0.000	0.000
Pensions	(10.261)	(5.295)	(6.913)	(3.627)
Other Fringe Benefits	(0.184)	0.435	(0.926)	(1.048)
Reimbursable Overhead	0.234	0.708	(0.074)	(0.411)
Total Labor Expense Changes	(\$12.897)	(\$4.632)	(\$16.536)	(\$18.273)
<i>Non-Labor:</i>				
Electric Power	\$8.048	\$2.744	(\$1.082)	\$1.204
Fuel	(0.108)	(0.386)	0.941	2.044
Insurance	3.488	3.903	3.653	3.710
Claims	0.024	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.987	17.734	2.821	3.965
Professional Service Contracts	(25.582)	(35.060)	(30.967)	(12.398)
Materials & Supplies	(16.019)	(6.165)	(10.018)	(4.370)
Other Business Expenses	3.256	2.764	4.832	2.965
Total Non-Labor Expense Changes	(\$22.906)	(\$14.465)	(\$29.819)	(\$2.879)
Total Expenses before Non-Cash Liability Adjs.	(\$35.803)	(\$19.097)	(\$46.356)	(\$21.153)
Depreciation	(\$0.267)	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000
GASB 68 Pension Adjustment	4.308	(4.800)	(7.300)	(7.100)
Environmental Remediation	0.000	0.000	0.000	0.000
Total Expense Changes	(\$31.762)	(\$23.897)	(\$53.656)	(\$28.253)
Net Surplus/(Deficit) Changes	(\$11.036)	\$16.253	\$1.820	\$8.886
Cash Conversion Adjustment Changes				
Depreciation	\$0.267	\$0.000	\$0.000	\$0.000
Operating/Capital	(1.467)	(39.261)	(29.475)	(34.087)
Other Cash Adjustments	(28.715)	41.351	9.053	9.144
Total Cash Conversion Adjustments	(\$29.915)	\$2.090	(\$20.422)	(\$24.943)
Net Surplus/(Deficit) Changes	(\$40.951)	\$18.343	(\$18.602)	(\$16.057)
2017 July Financial Plan - Net Operating Cash Surplus/(Deficit)	(\$591.836)	(\$547.388)	(\$577.494)	(\$628.055)

MTA METRO-NORTH RAILROAD
2018 Preliminary Budget
July Financial Plan 2018 - 2021
Summary of Major Plan-to-Plan Changes

The 2017-2021 July Financial Plan reflects the effect of evolving economic conditions, new needs, changes in timing of cost assumptions and resource allocations, as well as the impact of recently implemented cost reduction plans.

2017: JULY FINANCIAL PLAN vs. FEBRUARY FINANCIAL PLAN

The 2017 Mid-Year Forecast cash subsidy requirement of \$591.8 million for Non-Reimbursable operations is \$41.0 million higher than the Adopted Budget. This reflects \$19.2 million in favorable receipts offset by a forecasted increase of \$60.2 million in cash expenditures. Operating revenue of \$806.4 million reflects passenger revenue of \$738.2 million that is \$2.2 million unfavorable versus the Adopted Budget resulting from lower than anticipated ridership early in the year. Non-passenger revenue of \$68.2 million is \$0.1 million lower than the Adopted Budget due to lower GCT net tenant revenue. Non-Reimbursable operating expense of \$1,621.4 million reflects an increase of \$8.8 million. This increase is driven by higher Reimbursable Overhead, agreement staffing increases in the Operational businesses, Pension, and Health and Welfare costs partially offset by lower traction electric and insurance costs.

The 2017 Mid-Year Reimbursable Forecast of expenditures (and receipts) is \$270.0 million, which is \$22.9 million higher than the Adopted Budget. This increase largely reflects higher Materials and Supplies, Professional Service Contracts and Other Business Expenses. These increases were mitigated by lower Payroll costs.

2018 - 2020: JULY FINANCIAL PLAN vs. FEBRUARY FINANCIAL PLAN

The 2018-2020 July Financial Plan subsidy requirements are lower than the February Financial Plan by \$18.3 million in 2018 but higher in 2019 and 2020 by \$18.6 million and \$16.1 million, respectively. Subsidies for the latter two years are higher due to increased expenses partially offset by higher revenues. Further specifics of individual categories will be covered below.

Reimbursable expenditures (and receipts) for the 2018-2020 July Financial Plan as compared to the February Financial Plan are higher by \$21.8 million in 2018, \$40.5 million in 2019, and \$13.4 million in 2020. The 2018-2020 increases are largely due to Positive Train Control.

MTA Metro-North Railroad
July Financial Plan 2018-2021
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2017	2018	2019	2020
2017 February Financial Plan - Cash Surplus/(Deficit)	(\$550.884)	(\$565.731)	(\$558.893)	(\$611.997)
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Farebox Revenue - Revised Ridership Growth Assumptions	(\$2.160)	\$2.999	\$1.241	(\$2.012)
Other Operating Revenue	(0.050)	15.393	13.740	25.728
Sub-Total Non-Reimbursable Revenue Changes	(\$2.210)	\$18.392	\$14.981	\$23.716
Expenses				
TWU/LIRR SMART Wage Settlement	(\$4.293)	(\$6.157)	(\$6.971)	(\$3.830)
Bridgeport Derailment Repairs	(2.218)	(1.527)	0.000	0.000
Overtime Corporate Provision Reduction	2.000	2.000	2.000	2.000
2017 July Financial Plan Budget Reduction Program	0.000	5.258	5.258	5.258
Chief RTC Training Program	(0.257)	(0.580)	(0.616)	(0.656)
Geometry Car Machinists and Support	(0.369)	(0.228)	(0.234)	(0.239)
P32 Locomotive Overhaul Phase 2	(1.600)	(3.034)	(2.148)	(2.206)
Continuation of On-Call Engineering Services	0.000	0.000	(1.564)	(1.607)
Health and Welfare/OPEB Current Payment	(6.127)	(4.469)	(3.946)	(8.669)
Pensions	(8.447)	0.092	(0.887)	2.033
Reimbursable Overhead Recovery	(7.136)	(0.668)	(0.850)	(3.245)
Insurance Premium Adjustments	3.348	3.524	3.571	3.492
Electric and Fuel Rate Changes	7.942	2.359	(0.141)	3.248
GASB 68 Adjustments	4.308	(4.800)	(7.300)	(7.100)
PRIIA Contract Revisions	1.417	1.024	1.024	1.084
Other Net Expense Changes	2.607	5.069	(0.363)	(4.411)
Sub-Total Non-Reimbursable Expense Changes	(\$8.827)	(\$2.139)	(\$13.165)	(\$14.850)
Total Non-Reimbursable Major Changes	(\$11.036)	\$16.253	\$1.816	\$8.866
<i>Reimbursable Major Changes</i>				
Revenue				
Projections for 2017-2020 reflects the retiming of capital project activity levels and the acceleration of PTC	\$22.936	\$21.758	\$40.495	\$13.423
Sub-Total Reimbursable Revenue Changes	\$22.936	\$21.758	\$40.495	\$13.423
Expenses				
Projections for 2017-2020 reflects the retiming of capital project activity levels and the acceleration of PTC	(\$22.936)	(\$21.758)	(\$40.495)	(\$13.423)
Sub-Total Reimbursable Expense Changes	(\$22.936)	(\$21.758)	(\$40.495)	(\$13.423)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	(\$0.000)
Total Accrual Changes	(\$11.036)	\$16.253	\$1.816	\$8.866
<i>Cash Adjustment Changes</i>				
Operating Capital New Needs				
<i>NYS Beacon Line Empire Trail</i>	(\$1.000)	(\$9.164)	(\$10.426)	(\$21.642)
<i>525 North Broadway - North Facade Repairs</i>	0.000	(1.853)	0.000	0.000
<i>525 North Broadway Space Consolidation/Densification</i>	0.000	(7.637)	0.000	0.000
<i>NYS Grade Crossing Improvements</i>	0.000	(5.861)	0.000	0.000
Operating Capital Project Changes				
<i>Cameras on Rolling Stock - Design Changes</i>	(0.070)	(4.724)	(1.799)	(0.000)
<i>GCT 7B Renovation</i>	(0.210)	(2.885)	(4.836)	(0.383)
<i>Project Re-timing</i>	(0.219)	(7.138)	(12.414)	(12.062)
Delay in MTA Reimbursable Receipts	(10.212)	1.064	(1.761)	(2.676)
Metro-Enviro Property Acquisition - Harmon MW Facility Expansion	(5.736)	(0.393)	0.000	0.000
Ferry Reimbursement	6.277	0.000	1.569	0.000
Timing of PRIIA Reimbursements	(25.746)	25.746	0.000	0.000
Adjustment for Obsolete Material Reverse	2.773	2.803	2.867	2.950
Non-Cash Liability Adjustments	(4.041)	4.800	7.300	7.100
Other Net Cash Adjustment Changes	8.270	7.331	(0.917)	1.790
Total Cash Adjustment Changes	(\$29.915)	\$2.091	(\$20.417)	(\$24.924)
Net Surplus/(Deficit) Changes	(\$40.951)	\$18.343	(\$18.602)	(\$16.057)
2017 July Financial Plan - Net Operating Cash Surplus/(Deficit)	(\$591.836)	(\$547.388)	(\$577.494)	(\$628.055)

MTA METRO-NORTH RAILROAD
2018 Preliminary Budget
July Financial Plan 2018 - 2021
Ridership / (Utilization)

Ridership projections are developed by line segment ridership forecasting models that incorporate current trends (excluding anomalies and other extraordinary events), the impact of economic and demographic factors, and the most current information for proposed parking, advertising, service expansion and connecting services as well as government supported mass transit initiatives.

Total East and West of Hudson ridership is projected at 86.7 million in 2017, which is 1.0% lower than the 2017 Adopted Budget due to the adverse effects from two winter storms, including the system shutdown for Winter Storm Stella. The combined negative effect of the winter storms was an estimated reduction of approximately 160 thousand rides.

East of Hudson ridership is projected at 85.0 million rides, which is 0.9% lower than the Adopted Budget due to the aforementioned winter storms, the New Haven Line derailment at Rye, and lower commutation ridership. In 2018-2021, East of Hudson ridership is projected to grow 1.2%, 0.5%, 0.4%, and 0.3%, respectively, across all lines. During this period, ridership growth is projected to grow modestly year-over-year based on employment projections. Assumptions for this period include no fare increases in New York State and a 2018 fare increase of 1.0% in Connecticut.

West of Hudson utilization, projected at 1.6 million in 2017, is 8.3% lower than the Adopted Budget reflecting lower growth in both commutation and non-commutation sectors as well as the impact of service disruptions caused by the two winter storms. In 2018-2021, West of Hudson ridership is projected to resume growth and increase by 0.9%, 1.1%, 0.9%, and 0.1%, respectively. Growth rates during this period reflect improvement in the economic climate and a resumption of customer growth in peak periods.

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Ridership (Utilization)
(in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
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RIDERSHIP

<i>Harlem Line Ridership - Commutation</i>	16.861	16.631	16.859	16.968	17.023	17.080
<i>Harlem Line Ridership - Non-Commutation</i>	<u>10.859</u>	<u>11.213</u>	<u>11.367</u>	<u>11.441</u>	<u>11.478</u>	<u>11.516</u>
Harlem Line	27.721	27.844	28.226	28.409	28.502	28.596
<i>Hudson Line Ridership - Commutation</i>	9.346	9.271	9.417	9.495	9.547	9.596
<i>Hudson Line Ridership - Non-Commutation</i>	<u>7.258</u>	<u>7.588</u>	<u>7.708</u>	<u>7.772</u>	<u>7.814</u>	<u>7.854</u>
Hudson Line	16.604	16.859	17.125	17.267	17.361	17.450
<i>New Haven Line Ridership - Commutation</i>	22.614	22.228	22.437	22.511	22.578	22.629
<i>New Haven Line Ridership - Non-Commutation</i>	<u>17.870</u>	<u>18.111</u>	<u>18.280</u>	<u>18.341</u>	<u>18.395</u>	<u>18.437</u>
New Haven Line	40.484	40.339	40.717	40.851	40.973	41.067
Total Commutation Ridership	48.821	48.130	48.712	48.974	49.148	49.305
Total Non-Commutation Ridership	<u>35.987</u>	<u>36.912</u>	<u>37.355</u>	<u>37.553</u>	<u>37.688</u>	<u>37.807</u>
Total East of Hudson Ridership	84.808	85.042	86.068	86.527	86.836	87.112
West of Hudson Ridership	1.685	1.628	1.643	1.661	1.676	1.678
Total Ridership	86.493	86.670	87.711	88.189	88.512	88.790

FAREBOX REVENUE

<i>Harlem Line - Commutation Revenue</i>	108.969	110.598	113.240	114.134	114.618	115.168
<i>Harlem Line - Non-Commutation Revenue</i>	<u>96.010</u>	<u>101.995</u>	<u>104.431</u>	<u>105.256</u>	<u>105.702</u>	<u>106.209</u>
Harlem Line	\$204.979	\$212.593	\$217.671	\$219.390	\$220.321	\$221.377
<i>Hudson Line - Commutation Revenue</i>	70.807	72.136	73.988	74.718	75.222	75.719
<i>Hudson Line - Non-Commutation Revenue</i>	<u>78.699</u>	<u>84.806</u>	<u>86.983</u>	<u>87.841</u>	<u>88.434</u>	<u>89.019</u>
Hudson Line	\$149.506	\$156.943	\$160.970	\$162.559	\$163.656	\$164.738
<i>New Haven Line - Commutation Revenue</i>	151.051	158.001	164.499	165.158	165.836	166.422
<i>New Haven Line - Non-Commutation Revenue</i>	<u>183.716</u>	<u>196.177</u>	<u>200.090</u>	<u>200.892</u>	<u>201.717</u>	<u>202.430</u>
New Haven Line	\$334.767	\$354.177	\$364.589	\$366.050	\$367.553	\$368.852
Total Commutation Revenue	\$330.827	\$340.736	\$351.726	\$354.010	\$355.676	\$357.310
Total Non-Commutation Revenue	<u>358.425</u>	<u>382.978</u>	<u>391.504</u>	<u>393.989</u>	<u>395.853</u>	<u>397.658</u>
Total East of Hudson Revenue	\$689.251	\$723.714	\$743.230	\$747.998	\$751.529	\$754.967
West of Hudson Revenue	\$14.610	\$14.486	\$14.693	\$14.862	\$15.002	\$15.018
Total Farebox Revenue	\$703.790	\$738.196	\$757.923	\$762.860	\$766.532	\$769.985

Notes: West of Hudson total ridership is both Pascack Valley and Port Jervis lines.

West of Hudson ticket sales made by New Jersey Transit will be reported in Farebox Revenues, increasing Farebox Revenues by \$15.5 million annually. This is a reclassification from Other Business Expenses, which will reflect an equal increase in forecasted expenses.

**MTA Metro-North Railroad
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Summary
(\$ in millions)**

	Favorable/(Unfavorable)									
	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020	Pos.	2021
Administration										
Reductions to Professional Service Contracts	-	0.000	-	0.848	-	0.848	-	0.848	-	0.848
Reductions to Other Business Expenses	-	0.000	-	0.242	-	0.242	-	0.242	-	0.242
<i>Subtotal Administration</i>	-	0.000	-	1.091	-	1.091	-	1.091	-	1.091
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										
FRA Waiver to allow retiming of M7 airbrake maintenance cycle from 5 to 6 years	-	0.000	-	1.736	-	1.736	-	1.736	-	1.736
Miscellaneous Maintenance and Other Operating Contracts Reductions	-	0.000	-	0.625	-	0.625	-	0.625	-	0.625
Reductions to Materials & Supplies	-	0.000	-	0.585	-	0.585	-	0.585	-	0.585
Lower Non-Revenue Vehicle Fuel Consumption	-	0.000	-	0.380	-	0.380	-	0.380	-	0.380
<i>Subtotal Maintenance/Operations</i>	-	0.000	-	3.326	-	3.326	-	3.326	-	3.326
Revenue Enhancement										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Revenue Enhancement</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Safety/Security										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Safety</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service										
Reductions to Overtime & Fringe	-	0.000	-	0.841	-	0.841	-	0.841	-	0.841
<i>Subtotal Service</i>	-	0.000	-	0.841	-	0.841	-	0.841	-	0.841
Service Support										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Service Support</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Other										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>Subtotal Other</i>	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Agency Submission	-	\$0.000	-	\$5.258	-	\$5.258	-	\$5.258	-	\$5.258

**MTA Metro-North Railroad
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Summary**

Category by Function: Administration

Program: Reductions to Professional Service Contracts

Background Details:	Misc Contract Services reduction opportunities are the result of historical spending trends and programmatic initiatives. Several areas of cost saving include: Lower IT Hardware Support for Specialized Computers, FMLA Monitoring Services, Legal Expenses, Reduced Engineering Services and reduced Archiving Costs.
Program Description/ Implementation Plan:	Reductions will be reflected in the Professional Services category.
Program Implementation Date:	1/1/2018
When will savings begin?:	1/1/2018
Are these savings recurring?:	Yes
Other Issues:	

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.848	\$0.848	\$0.848	\$0.848
<i>Total Positions Required:</i>					

**MTA Metro-North Railroad
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Summary**

Category by Function: Administration
Program: Reductions to Other Business Expenses

Background Details:	Reduction of Passenger Web Tickets combined with re-evaluation of other expenses across all departments within Metro-North Railroad		
Program Description/ Implementation Plan:	Reductions will be reflected in the Other Business Expenses category.		
Program Implementation Date:	1/1/2018	When will savings begin?:	1/1/2018
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.242	\$0.242	\$0.242	\$0.242
<i>Total Positions Required:</i>					

**MTA Metro-North Railroad
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Summary**

Category by Function: Maintenance/Operations

Program: FRA Waiver to allow retiming of M7 airbrake maintenance cycle from 5 to 6 years

Background Details:	The Mechanical Department requested and was granted an FRA Waiver associated with the application life of Air Brake Valves. The waiver was granted for the M7 fleet, and Metro-North Railroad will implement a 6-year cycle for maintenance versus the existing 5-year cycle. The current plan calls for 34 pairs per year, and will be changed with the 6-year cycle to a 28 per pair per year.
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Program Description/ Implementation Plan:	Revise and retime of M7 airbrake maintenance cycle		
Program Implementation Date:	1/1/2018	When will savings begin?:	1/1/2018
		Are these savings recurring?:	Yes
Other Issues:	The work scope for the maintenance practice will not be changed or be reduced.		

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$1.736	\$1.736	\$1.736	\$1.736
<i>Total Positions Required:</i>					

**MTA Metro-North Railroad
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Summary**

Category by Function: Maintenance/Operations

Program: Miscellaneous Maintenance and Other Operating Contracts Reductions

Background Details:	The Maintenance of Way Department has identified budget savings related to historical underspending on several service contracts..
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Program Description/ Implementation Plan:	Reductions will be reflected in the Maintenance & Other Operating Contracts category.
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Program Implementation Date:	1/1/2018	When will savings begin?:	1/1/2018
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.625	\$0.625	\$0.625	\$0.625

Total Positions Required:

**MTA Metro-North Railroad
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Summary**

Category by Function: Maintenance/Operations

Program: Reductions to Materials & Supplies

Background Details:	Misc Material & Supplies reduction opportunities are the result of historical spending trends and programmatic initiatives.
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Program Description/ Implementation Plan:	Reductions will be reflected in the Materials & Supplies category.
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Program Implementation Date:	1/1/2018	When will savings begin?:	1/1/2018
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.585	\$0.585	\$0.585	\$0.585

Total Positions Required:

**MTA Metro-North Railroad
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Summary**

Category by Function: Maintenance/Operations

Program: Lower Non-Revenue Vehicle Fuel Consumption

Background Details:	The Maintenance of Way Department has identified budget savings related to diesel fuel consumption for non-revenue maintenance vehicles.
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Program Description/ Implementation Plan:	Reductions will be reflected in the Non-Revenue Fuel category.
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Program Implementation Date:	1/1/2018	When will savings begin?:	1/1/2018
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.380	\$0.380	\$0.380	\$0.380

Total Positions Required:

**MTA Metro-North Railroad
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Summary**

Category by Function: Service
Program: Reductions to Overtime & Fringe

Background Details:	The Transportation Department has reviewed its planned overtime needs and is able to make a small reduction based on staffing to provide scheduled service.
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Program Description/ Implementation Plan:	Reductions will be reflected in the Overtime and associated Fringe Cost categories.		
Program Implementation Date:	1/1/2018	When will savings begin?:	1/1/2018
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.000	\$0.841	\$0.841	\$0.841	\$0.841
<i>Total Positions Required:</i>					

MTA METRO-NORTH RAILROAD
2018 Preliminary Budget
July Financial Plan 2018 - 2021
Positions

POSITION ASSUMPTIONS

YEAR-TO-YEAR CHANGES

2017-2018

2018 includes an increase of 60 positions. The increase consists of 44 Maintenance of Way (MOW) authorized positions comprised of 15 Track positions for the Cyclical Track Program, 12 Structures positions for Priority Repairs & Maintenance for Highbridge, 8 C&S positions to support various capital projects, 5 positions for Grand Central Terminal Weekend Personnel, 2 positions for Geometry Car Support and 2 Administration positions for the Enterprise Asset Management program. Additionally, there are 9 Engineering & Design positions for CDOT (8) and MTA (1) funded Capital Project Support, 5 Procurement positions for the Procurement & Material Management Reorganization, 1 Coordinator position to support Health Services and 1 Payroll PEP Clerk position in the Controller's department.

2018-2019

2019 includes an increase of 4 Maintenance of Way authorized positions including 3 C&S positions to support several critical capital projects and 1 Administration position.

2019-2020

2019 includes an increase of 2 Maintenance of Way C&S authorized positions to support various capital projects.

PLAN-TO-PLAN CHANGES

2017

The 2017 Mid-Year Forecast shows a net increase of 5 positions versus the Adopted Budget, due to the addition of 3 Human Resources positions for increased recruiting efforts, 3 Transportation positions for the Chief RTC Training Program and the transfer of 2 Procurement positions from MTA Headquarters. These positions are partially offset by the reduction of 3 Transportation positions.

2018-2020

The July Financial Plan for 2018 through 2020 shows a net increase of 40 positions over the February Financial Plan due to the addition of 19 Maintenance of Way positions including 12 Structures positions for Priority Repairs & Maintenance for Highbridge, 5 for Grand Central Terminal Weekend Personnel and 2 for Geometry Car Support. Additionally, there are 9 Engineering & Design positions for CDOT (8) and MTA (1) funded Capital Project Support, 5 Procurement positions for the Procurement

& Material Management Reorganization, 1 Coordinator Position to support Health Services, 1 Payroll PEP Clerk position in the Controller's department and a net increase of 5 positions carried forward from 2017.

MTA METRO-NORTH RAILROAD				
July Financial Plan 2018-2021				
Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	2017	2018	2019	2020
2017 February Plan - Total Positions	6,966	6,991	6,995	6,997
Total Plan-to-Plan Changes	(5)	(40)	(40)	(40)
2017 July Plan - Total Positions	6,971	7,031	7,035	7,037
Total Year-to-Year Changes, July Plan		(60)	(4)	(2)
Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(78)	(27)	(14)	(44)
<i>Reimbursable</i>	73	(13)	(26)	4
Total	(5)	(40)	(40)	(40)
<i>Full-Time</i>	(5)	(40)	(40)	(40)
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(5)	(40)	(40)	(40)
<i>By Function Category</i>				
- Administration	(5)	(7)	(7)	(7)
- Operations	0	0	0	0
- Maintenance	0	(24)	(24)	(24)
- Engineering/Capital	0	(9)	(9)	(9)
- Public Safety	0	0	0	0
Total	(5)	(40)	(40)	(40)
<i>By Occupational Group</i>				
- Managers/Supervisors	28	27	27	27
- Professional, Technical, Clerical	(8)	(21)	(21)	(21)
- Operational Hourlies	(25)	(46)	(46)	(46)
Total	(5)	(40)	(40)	(40)
Total Plan-to-Plan Changes by Major Category:				
<i>2017 BRPs</i>	0	0	0	0
<i>New Needs</i>	(6)	(41)	(41)	(41)
<i>Change in Reimbursable Positions</i>	73	(13)	(26)	4
<i>Re-estimates & All Other¹</i>	(72)	14	27	(3)
Total	(5)	(40)	(40)	(40)

MTA METRO-NORTH RAILROAD
July Financial Plan 2018-2021
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2016 Actual	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
Administration						
President	3	4	4	4	4	4
Labor Relations	16	18	18	18	18	18
Safety	42	58	58	58	58	58
Security	18	26	26	26	26	26
Office of the Executive VP	8	10	10	10	10	10
Corporate & Public Affairs	16	19	19	19	19	19
Customer Service	58	68	68	68	68	68
Legal	16	19	19	19	19	19
Claims	11	14	14	14	14	14
Environmental Compliance & Svce	7	8	8	8	8	8
VP Human Resources	44	51	52	52	52	52
Training	77	98	98	98	98	98
Employee Relations & Diversity	6	6	6	6	6	6
VP Planning	2	2	2	2	2	2
Operations Planning & Analysis	18	22	22	22	22	22
Capital Planning & Programming	13	18	18	18	18	18
Long Range Planning	8	8	8	8	8	8
VP Finance & Info Systems	2	9	9	9	9	9
Controller	72	81	82	82	82	82
Information Technology & Project Mgmt	0	0	0	0	0	0
Budget	18	23	23	23	23	23
Procurement & Material Management	26	39	39	39	39	39
Corporate	0	0	0	0	0	0
Total Administration	482	601	603	603	603	603
Operations						
Operations Administration	57	72	72	72	72	72
Transportation	1,578	1,510	1,510	1,510	1,510	1,510
Customer Service	308	330	330	330	330	330
Metro-North West	26	46	46	46	46	46
Total Operations	1,969	1,958	1,958	1,958	1,958	1,958
Maintenance						
Maintenance of Equipment	1,628	1,764	1,764	1,764	1,764	1,764
Maintenance of Way ⁽³⁾	2,050	2,392	2,436	2,440	2,442	2,442
Procurement & Material Management	120	129	134	134	134	134
Total Maintenance	3,799	4,285	4,334	4,338	4,340	4,340
Engineering/Capital						
Construction Management	38	43	43	43	43	43
Engineering & Design	70	84	93	93	93	93
Total Engineering/Capital	109	127	136	136	136	136
Total Positions	6,359	6,971	7,031	7,035	7,037	7,037
<i>Non-Reimbursable</i>	5,981	6,323	6,256	6,261	6,291	6,361
<i>Reimbursable</i>	377	648	775	774	746	676
<i>Total Full-Time</i>	6,358	6,970	7,030	7,034	7,036	7,036
<i>Total Full-Time-Equivalents</i>	1	1	1	1	1	1

MTA METRO-NORTH RAILROAD
July Financial Plan 2018 - 2021
Total Positions by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION / OCCUPATIONAL GROUP	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Administration						
Managers/Supervisors	153	207	207	207	207	207
Professional/Technical/Clerical	329	394	396	396	396	396
Operational Hourlies	0	0	0	0	0	0
Total Administration Headcount	482	601	603	603	603	603
Operations						
Managers/Supervisors	228	214	214	214	214	214
Professional/Technical/Clerical	162	220	220	220	220	220
Operational Hourlies	1,579	1,524	1,524	1,524	1,524	1,524
Total Operations Headcount	1,969	1,958	1,958	1,958	1,958	1,958
Maintenance						
Managers/Supervisors	616	674	682	682	682	682
Professional/Technical/Clerical	492	571	575	576	576	576
Operational Hourlies	2,692	3,040	3,077	3,080	3,082	3,082
Total Maintenance Headcount	3,800	4,285	4,334	4,338	4,340	4,340
Engineering / Capital						
Managers/Supervisors	43	47	47	47	47	47
Professional/Technical/Clerical	66	80	89	89	89	89
Operational Hourlies	0	0	0	0	0	0
Total Engineering Headcount	109	127	136	136	136	136
Public Safety						
Managers/Supervisors	0	0	0	0	0	0
Professional, Technical, Clerical	0	0	0	0	0	0
Operational Hourlies	0	0	0	0	0	0
Total Public Safety Headcount	0	0	0	0	0	0
Total Positions						
Managers/Supervisors	1,040	1,142	1,150	1,150	1,150	1,150
Professional, Technical, Clerical	1,049	1,265	1,280	1,281	1,281	1,281
Operational Hourlies	4,271	4,564	4,601	4,604	4,606	4,606
Total Positions	6,360	6,971	7,031	7,035	7,037	7,037

MTA Headquarters

MTA HEADQUARTERS
2018 Preliminary Budget
July Financial Plan 2018 – 2021

FINANCIAL OVERVIEW

MTA Headquarters' operations include four distinct components: Policy and Oversight; Consolidated Functions (those departments that perform services on behalf of MTA Agencies); the Business Service Center (BSC); and MTA Security, which includes the MTA Police Department (MTAPD). The MTA Headquarters' July Financial Plan demonstrates the organization's commitment to streamlining operations and maximizing efficiencies and revenue opportunities within the organization and across the MTA. At the same time, the MTA also remains committed to maintaining an organization dedicated to communicating effectively and promoting customer satisfaction, as well as enhancing safety and security throughout the MTA system.

Policy, Oversight and Consolidated Functions

MTA Headquarters' July Financial Plan provides funding for new MTA-wide initiatives considered to be the highest priority by executive management, while continuing to provide funding for initiatives begun in previous plans, many of which provide savings to the MTA. Recognizing current financial constraints, funding was identified for these critical needs by reducing or eliminating other areas of non-critical spending and finding efficiencies.

MTA Headquarters continues to provide funding for on-going initiatives such as:

- Grade crossing initiatives and other safety management projects.
- The continued consolidation of employee medical testing in the Office of Health and Safety at Headquarters which is providing overall savings to the MTA and are reflected in Agencies' budgets where these services were previously contracted out.
- Continued funding for the upgrade and maintenance of PeopleSoft, disaster recovery sites and security enhancements that will provide resilience and protection to the MTA's critical systems and infrastructure.
- Continued 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 for various agency energy management initiatives that will save money.

The Plan includes support for new initiatives and investments for the following:

- Priority initiatives in this plan provide enhancements and upgrades to customer information systems such as MTA.info, e-ticket, Trip Planner and also provides MTA IT support required to bring countdown clocks to NYCT B-Division stations.

- Funding for the New York Transit Museums' infrastructure needs as well as support for the retail and pop-up museum stores, which will provide additional revenue to MTA.
- Funding in support of high priority safety and security needs, including employee sleep apnea testing, the MTAPD Radio project and establishment of a steady replacement cycle for police vehicles.

MTA Security

MTA calls for the highest level of protection to be provided for our customers, employees and facilities. This mission continues to become more challenging as our system expands and the threat of terror attacks loom. As included in previous financial plans, additional officers are being hired to provide front-line counterterrorism policing and assist homeless New Yorkers through a Homeless Outreach Unit. The MTAPD will begin a hiring schedule for an average of 30 new officers each year in 2019 through 2021 to augment safety and security throughout the MTA system in the short-term and be available to establish a fully-trained security presence for East Side Access (ESA) when it opens in 2022.

Additional funding recognizes the need for a steady replacement cycle of police vehicles as well as operational funding for the MTA Police capital Radio project which is being put into service. This enhanced radio system will provide increased communication capabilities throughout the MTAPD's patrol region.

Business Service Center

This plan provides funding for the BSC PeopleSoft Update Manager (PUM). PUM is the Oracle lifecycle management process that is used by Oracle to provide bug fixes and new features that are downloaded locally. Also included in this plan is the MTA Pension Project which will convert and implement the Long Island Rail Road (LIRR) closed plans, the Staten Island Rapid Transit Operating Authority (SIRTOA), Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) Defined Benefit Pension Plans, and MTA Bus plan into the centralized PeopleSoft system at the MTA BSC to facilitate the automated management of the MTA DB plans.

2017 Mid-Year Forecast

The MTA Headquarters Baseline Deficit of \$786.6 million in the July Plan includes total Non-Reimbursable Operating Revenues of \$59.9 million and total expenses before depreciation and other post-employment benefits of \$692.5 million, consisting of \$362.8 million in labor expenses and \$329.6 million in non-labor expenses. Total capital and other reimbursements are projected to be \$128.5 million. Total reimbursable labor expenses are \$105.6 million and non-labor expenses are \$22.9 million. Cash adjustments prior to depreciation, OPEB obligation and GASB 68 are favorable by \$4.6 million. The Baseline Cash Deficit is projected to be \$628.0 million, a \$29.5 million unfavorable variance from the 2017 Adopted Budget of \$598.5 million. The 2017 Forecast also takes

into account timing from 2016 of \$38.7 million. This includes payment of expenses accrued of \$28.6 million and \$10.1 million from the re-scheduling of initiatives.

Major operating cash changes include:

Unfavorable

- Priority Initiatives of \$15.8 million for higher advertising needs, the MTA Genius program and MTA IT support of customer facing applications (eg, Trip Planner, e-ticket, MTA.info) and NYCT B-Division countdown clocks.
- Consolidation of LIRR medical services at the Office of Health and Safety at Headquarters of \$0.9 million, resulting in higher savings of outside medical services at LIRR.
- Investments of \$40.5 million for MTA IT needs which include the implementation of the BSC PUM and continued support for the pension module, disaster recovery and upgrades to public address customer information systems.
- MTAPD increases of \$2.4 million in overtime wages to reflect the higher levels of coverage at commuter railroad terminals and stations as a result of special events, radio project operating costs of \$1.6 million and fleet replacement cycle costs of \$0.8 million.
- Timing of payments for 2016 expenses and shift of funding for Enterprise Asset Management (EAM), Energy Management System into 2017 of \$38.7 million
- Downward revision of advertising revenues of \$4.1 million.
- Revised operating capital expenditures for MTA IT systems, Transit Museum infrastructure and police fleet needs.

Favorable

- Downward re-estimate of current year MTA IT spending needs of \$25.0 million.
- Savings from the Budget Reduction Program (BRPs) of \$21.2 million mainly due to reductions in the EAM program as well as reductions in spending levels throughout Headquarters operations and higher revenues generated by increased sales at Transit Museum stores and pop-up shops.

Reimbursable expenses, consisting of work done on behalf of the Agencies, Headquarters Risk and Insurance Management and Pension Department expenses, and West Side Yard development costs remain relatively flat from February.

Total baseline positions are projected to increase by 19 positions to 3,092 positions. This increase includes 11 new need positions, 13 Occupation Health Service (OHS) positions for the LIRR consolidations, less a reduction of 3 positions and 2 Procurement positions transferred to LIRR.

2018 Preliminary Budget - Baseline

The MTA Headquarters Baseline Deficit of \$782.0 million in the July Plan includes total Non-Reimbursable Operating Revenues of \$53.0 million and total expenses before depreciation and other post-employment benefits of \$674.8 million, consisting of \$389.2 million in labor expenses and \$285.6 million in non-labor expenses. Total capital and other reimbursements are projected to be \$124.8 million. Total reimbursable labor expenses are \$100.1 million and non-labor expenses are \$24.7 million. Cash adjustments prior to depreciation, OPEB obligation and GASB 68 are favorable by \$155.6 million primarily reflecting the anticipated recovery of Headquarters relocation expenses and advertising revenue receipts.

The Baseline Cash Deficit is projected to be \$466.3 million, a \$34.3 million unfavorable variance from the February Plan of \$432.0 million.

Major operating cash changes include:

Unfavorable

- Priority Initiatives of \$14.0 million for MTA IT support of customer facing applications and NYCT B-Division countdown clocks.
- Consolidation of LIRR medical services at the Office of Health and Safety at Headquarters of \$1.5 million, resulting in higher savings of outside medical services at LIRR.
- Investments of \$21.9 million for MTA IT needs which include the support of the BSC PUM and continued support for the pension module, disaster recovery and upgrades to public address customer information systems.
- MTAPD increases of \$2.4 million in overtime wages to support increased policing needs, radio project operating costs of \$3.6 million and fleet replacement cycle costs of \$0.7 million.
- Downward revision of advertising revenues of \$5.5 million.

Favorable

- Savings from the BRPs of \$17.3 million mainly due to reductions in the EAM program as well as reductions in spending levels throughout Headquarters operations and higher revenues generated by increased sales at Transit Museum stores and pop-up shops.
- Savings realized from revised inflationary rates and insurance premium levels.

Reimbursable expenses, consisting of work done on behalf of the Agencies, Headquarters Risk and Insurance Management and Pension Department expenses, and West Side Yard development costs remain relatively flat from February.

Total baseline positions are projected to increase by 19 positions to 3,096 positions. This increase includes 11 new need positions, 13 OHS positions for the LIRR consolidations, less a reduction of 3 positions and 2 Procurement positions transferred to LIRR.

2019 - 2021 Projections

Operating cash deficits are projected to decrease by \$3.6 million in 2019 and decrease by \$5.2 million in 2020 relative to the February Plan Budget.

Major operating cash changes include:

Unfavorable

- Priority Initiatives of \$1.8 million in 2018 and \$1.4 million in 2019 for MTA IT support of customer facing applications and NYCT B-Division countdown clocks.
- Consolidation of LIRR medical services at the Office of Health and Safety at Headquarters of approximately \$1.5 million annually, resulting in higher savings of outside medical services at LIRR.
- MTAPD overtime needs of \$2.5 million and \$2.6 million in 2018 and 2019 respectively, to support increased policing needs.
- MTAPD radio project operating costs of \$3.8 million in 2018 and \$5.2 million in 2019
- MTAPD fleet replacement cycle costs of \$2.2 million annually in 2018 and in 2019.
- Downward revision of advertising revenues of \$6.3 million and \$6.8 million in 2018 and 2019 respectively.
- Re-estimated costs of \$3.5 million and \$4.6 million in 2018 and 2019, respectively, for IT infrastructure expenses.

Favorable

- Rescheduling of MTA IT Operating Capital projects, providing favorable variances of \$12.2 million in 2019 and \$15.2 million in 2020 from the Adopted Budget and usage of contingency funds to off-set new operating capital projects.
- Savings from the BRPs of \$19.9 million and \$20.0 million in 2019 and 2020, respectively, mainly due to reductions in the EAM program as well as reductions in spending levels throughout Headquarters operations and higher revenues generated by increased sales at Transit Museum stores and pop-up shops and anticipated leasing of police radio tower sites.

Reimbursable expenses, consisting of work done on behalf of the Agencies, Headquarters Risk and Insurance Management and Pension Department expenses, and West Side Yard development costs remain relatively flat from February.

Total baseline positions are projected to increase by 19 positions to 3,120 positions in 2019 and 3,174 in 2020. This increase includes 11 new need positions, 13 OHS positions for the LIRR consolidations, less a reduction of 3 positions and 2 Procurement positions transferred to LIRR.

The MTA Headquarters Baseline Deficit of \$831.6 million in 2021 includes total Non-Reimbursable Operating Revenues of \$59.8 million, total Non-Reimbursable expenses before depreciation and other post-employment benefits of \$721.2 million, consisting of \$431.2 million in labor expenses and \$290.0 million in non-labor expenses. Total capital and other reimbursements are projected to be \$109.1 million. Total reimbursable labor

expenses are \$102.1 million and non-labor expenses are \$7.0 million. Cash adjustments prior to depreciation and OPEB obligation are favorable by \$114.5 million primarily reflecting advertising revenue receipts offset by operating capital adjustments. Total headcount is projected to be 3,184 positions in 2021.

Budget Reduction Program (BRPs)

The July Plan includes total Headquarters BRPs of \$21.2 million in 2017, then \$17.4 million in 2018 and growing to \$24.5 million by 2021. These savings are primarily due to reductions in the EAM program. Re-evaluation of current EAM funding within Agency budgets allowed for the elimination of this fund, providing relief to the budget of \$16.1 million in 2017, \$10.4 million in 2018, \$12.4 million in 2019, and then growing to \$12.8 million and \$17.2 million in 2019 and 2020 respectively.

Additional reductions were applied to labor costs by examining current and projected vacancy levels at Headquarters, in particular at MTAPD and BSC, as well as elimination of 3 vacant positions that were no longer required. These savings total \$1.6 million in 2017, \$3.0 million in 2018, \$3.2 million in 2019, and then \$2.6 million in 2020 and 2021.

Revenue enhancements also captured as part of the Headquarters BRPs. Increased Transit Museum revenues, netting \$0.2 million in 2017 then over \$0.8 million annually afterwards, will result by hiring additional contingent employees to staff pop-up shop venues such as the Fulton Transit Center and various holiday markets. Additional rental revenue beginning in 2019, of \$0.5 million annually, will be generated from leasing space to cellular phone companies on the MTAPD radio project towers.

The remaining savings for each year result from various expense reductions taken by all Headquarters departments.

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Non-Reimbursable						
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Other Operating Revenue:</i>						
Rental Income	53.310	48.818	47.584	50.007	52.007	54.088
Advertising	0.000	0.000	0.000	0.000	0.000	0.000
Other	7.617	11.051	5.370	5.444	5.576	5.743
Other Operating Revenue	60.926	59.869	52.954	55.451	57.584	59.831
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenues	\$60.926	\$59.869	\$52.954	\$55.451	\$57.584	\$59.831
Operating Expense						
Labor:						
Payroll	\$251.819	\$277.404	\$284.986	\$293.080	\$302.129	\$308.744
Overtime	9.701	12.397	12.397	12.609	12.697	10.179
Health and Welfare	52.217	54.743	62.010	65.487	69.042	72.107
OPEB Current Payments	12.020	13.073	14.263	14.576	15.276	16.009
Pension	63.414	69.448	73.929	77.116	79.383	80.649
Other Fringe Benefits	24.610	28.988	29.856	30.823	32.165	33.273
Reimbursable Overhead	(68.884)	(93.234)	(88.242)	(87.070)	(89.059)	(89.799)
Total Labor Expenses	\$344.897	\$362.819	\$389.199	\$406.621	\$421.633	\$431.162
Non-Labor:						
Electric Power	\$5.958	\$6.881	\$7.273	\$7.572	\$8.053	\$8.407
Fuel	0.751	1.272	1.125	1.106	1.282	1.452
Insurance	4.215	4.791	4.948	2.171	2.313	2.526
Claims	2.655	0.951	2.463	2.475	2.419	2.356
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	66.358	74.230	81.280	77.484	80.937	82.868
Professional Services Contracts	151.191	220.729	165.593	163.693	165.387	169.060
Materials and Supplies	0.044	0.075	1.098	0.436	0.449	0.461
<i>Other Business Expenses</i>						
MTA Internal Subsidy	12.300	12.316	12.316	12.316	12.316	12.316
Other	6.523	8.399	9.545	9.001	10.095	10.600
Other Business Expenses	18.823	20.715	21.861	21.317	22.411	22.916
Total Non-Labor Expenses	\$249.993	\$329.643	\$285.641	\$276.254	\$283.250	\$290.045
Other Expense Adjustments:						
Other Expense Adjustments	\$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.	\$594.890	\$692.462	\$674.840	\$682.875	\$704.882	\$721.208
Depreciation	\$22.922	\$63.144	\$59.526	\$65.210	\$67.746	\$65.442
OPEB Liability Adjustment	84.736	86.539	94.414	96.492	101.123	105.977
GASB 68 Pension Expense Adjustment	0.393	4.300	6.200	5.500	4.000	(1.200)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$702.942	\$846.446	\$834.980	\$850.076	\$877.751	\$891.427
Net Surplus/(Deficit)	(\$642.015)	(\$786.577)	(\$782.026)	(\$794.626)	(\$820.167)	(\$831.596)

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Reimbursable						
Operating Revenue						
Farebox 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	127.162	128.539	124.807	117.912	114.041	109.123
Total Revenues	\$127.162	\$128.539	\$124.807	\$117.912	\$114.041	\$109.123
Operating Expense						
Labor:						
Payroll	\$4.115	\$5.383	\$6.238	\$6.341	\$6.449	\$6.555
Overtime	9.496	4.903	2.858	2.815	2.771	2.727
Health and Welfare	0.755	0.953	1.281	1.313	1.374	1.438
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.638	0.691	0.817	0.853	0.887	0.922
Other Fringe Benefits	0.363	0.484	0.634	0.652	0.671	0.690
Reimbursable Overhead	68.884	93.234	88.242	87.070	89.059	89.799
Total Labor Expenses	\$84.252	\$105.648	\$100.071	\$99.044	\$101.211	\$102.131
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	0.021	0.021	0.022	0.022	0.023
Professional Services Contracts	42.869	22.772	24.588	18.716	12.674	6.832
Materials and Supplies	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses						
MTA Internal Subsidy	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.041	0.098	0.127	0.130	0.134	0.137
Other Business Expenses	0.041	0.098	0.127	0.130	0.134	0.137
Total Non-Labor Expenses	\$42.910	\$22.891	\$24.736	\$18.868	\$12.830	\$6.992
Other Expense Adjustments:						
Other Expense Adjustments	\$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	\$127.162	\$128.539	\$124.807	\$117.912	\$114.041	\$109.123
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Non-Reimbursable / Reimbursable</u>						
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Other Operating Revenue:</i>						
Rental Income	53.310	48.818	47.584	50.007	52.007	54.088
Advertising	0.000	0.000	0.000	0.000	0.000	0.000
Other	7.617	11.051	5.370	5.444	5.576	5.743
Other Operating Revenue	60.926	59.869	52.954	55.451	57.584	59.831
Capital and Other Reimbursements	127.162	128.539	124.807	117.912	114.041	109.123
Total Revenues	\$188.088	\$188.408	\$177.761	\$173.363	\$171.624	\$168.953
Operating Expense						
<u>Labor:</u>						
Payroll	\$255.934	\$282.787	\$291.224	\$299.420	\$308.578	\$315.299
Overtime	19.197	17.301	15.255	15.424	15.468	12.906
Health and Welfare	52.972	55.696	63.291	66.800	70.416	73.545
OPEB Current Payments	12.020	13.073	14.263	14.576	15.276	16.009
Pension	64.052	70.139	74.746	77.969	80.270	81.571
Other Fringe Benefits	24.973	29.472	30.491	31.475	32.836	33.963
Reimbursable Overhead	0.000	(0.001)	0.000	0.000	0.000	0.000
Total Labor Expenses	\$429.150	\$468.467	\$489.270	\$505.665	\$522.843	\$533.293
<u>Non-Labor:</u>						
Electric Power	\$5.958	\$6.881	\$7.273	\$7.572	\$8.053	\$8.407
Fuel	0.751	1.272	1.125	1.106	1.282	1.452
Insurance	4.215	4.791	4.948	2.171	2.313	2.526
Claims	2.655	0.951	2.463	2.475	2.419	2.356
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	66.358	74.250	81.301	77.506	80.959	82.890
Professional Services Contracts	194.059	243.500	190.180	182.409	178.061	175.892
Materials and Supplies	0.044	0.075	1.098	0.436	0.449	0.461
<u>Other Business Expenses</u>						
MTA Internal Subsidy	12.300	12.316	12.316	12.316	12.316	12.316
Other	6.564	8.497	9.672	9.131	10.228	10.737
Other Business Expenses	18.864	20.813	21.988	21.447	22.544	23.053
Total Non-Labor Expenses	\$292.903	\$352.534	\$310.377	\$295.122	\$296.080	\$297.037
<u>Other Expense Adjustments:</u>						
Other Expense Adjustments	\$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.	\$722.052	\$821.001	\$799.647	\$800.787	\$818.923	\$830.330
Depreciation	\$22.922	\$63.144	\$59.526	\$65.210	\$67.746	\$65.442
OPEB Liability Adjustment	84.736	86.539	94.414	96.492	101.123	105.977
GASB 68 Pension Expense Adjustment	0.393	4.300	6.200	5.500	4.000	(1.200)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$830.104	\$974.985	\$959.787	\$967.988	\$991.792	\$1,000.549
Net Surplus/(Deficit)	(\$642.015)	(\$786.577)	(\$782.026)	(\$794.626)	(\$820.167)	(\$831.596)

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Other Operating Revenue:</i>						
Rental Income	52.960	48.818	47.584	50.007	52.007	54.088
Advertising Revenue	155.563	155.442	158.267	162.087	166.527	170.970
Other Revenue	<u>3.392</u>	<u>11.051</u>	<u>105.966</u>	<u>10.350</u>	<u>25.067</u>	<u>5.743</u>
Other Operating Revenue	211.915	215.311	311.817	222.443	243.601	230.801
Capital and Other Reimbursements	113.614	128.538	124.807	117.912	114.041	109.123
Total Receipts	\$325.529	\$343.850	\$436.624	\$340.355	\$357.642	\$339.923
Expenditures						
<i>Labor:</i>						
Payroll	\$248.881	\$273.899	\$284.724	\$292.920	\$302.078	\$308.799
Overtime	19.197	17.301	15.255	15.424	15.468	12.906
Health and Welfare	52.923	55.114	63.291	66.800	70.416	73.545
OPEB Current Payments	16.896	13.073	14.263	14.576	15.276	16.009
Pension	64.165	67.346	71.420	74.668	76.989	78.693
Other Fringe Benefits	30.262	29.492	30.491	31.475	32.836	33.963
Contribution to GASB Fund	0.000	0.000	0.238	0.301	0.441	0.587
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$432.324	\$456.224	\$479.682	\$496.165	\$513.503	\$524.502
<i>Non-Labor:</i>						
Electric Power	\$4.903	\$8.081	\$7.273	\$7.572	\$8.053	\$8.407
Fuel	0.844	1.272	1.125	1.106	1.282	1.452
Insurance	6.408	4.968	4.923	2.144	2.284	2.494
Claims	4.352	0.951	2.463	2.475	2.419	2.356
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	63.669	77.964	78.344	74.506	77.859	79.790
Professional Services Contracts	148.557	257.419	183.889	176.509	172.461	170.692
Materials and Supplies	0.013	0.075	1.098	0.436	0.449	0.461
<i>Other Business Expenses:</i>						
MTA Internal Subsidy	12.300	12.316	12.316	12.316	12.316	12.316
Other	<u>18.341</u>	<u>16.310</u>	<u>13.906</u>	<u>12.809</u>	<u>9.648</u>	<u>10.157</u>
Other Business Expenses	30.641	28.626	26.222	25.125	21.964	22.473
Total Non-Labor Expenditures	\$259.387	\$379.356	\$305.338	\$289.873	\$286.771	\$288.125
<i>Other Expenditure Adjustments:</i>						
Operating Capital	70.169	136.264	117.858	61.926	66.767	73.896
Total Other Expenditure Adjustments	\$70.169	\$136.264	\$117.858	\$61.926	\$66.767	\$73.896
Total Expenditures	\$761.880	\$971.844	\$902.878	\$847.964	\$867.041	\$886.523
Net Cash Balance	(\$436.351)	(\$627.995)	(\$466.254)	(\$507.609)	(\$509.399)	(\$546.600)

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Cash Conversion (Cash Flow Adjustments)
Favorable/(Unfavorable)
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Flow Adjustments						
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Rent and Utilities</i>	(0.350)	0.000	0.000	0.000	0.000	0.000
<i>Advertising</i>	155.563	155.442	158.267	162.087	166.527	170.970
<i>Other Revenue</i>	(4.225)	0.000	100.596	4.906	19.490	0.000
Other Operating Revenue	150.989	155.442	258.863	166.993	186.017	170.970
Capital and Other Reimbursements	(13.548)	0.000	0.000	0.000	0.000	0.000
Total Receipts	\$137.441	\$155.442	\$258.863	\$166.993	\$186.017	\$170.970
Expenditures						
<u>Labor:</u>						
Payroll	\$7.053	\$8.888	\$6.500	\$6.500	\$6.500	\$6.500
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.049	0.583	0.000	0.000	0.000	0.000
OPEB Current Payments	(4.876)	0.000	0.000	0.000	0.000	0.000
Pension	(0.113)	2.793	3.326	3.301	3.281	2.878
Other Fringe Benefits	(5.289)	(0.020)	0.000	0.000	0.000	0.000
Contribution to GASB Fund	0.000	0.000	(0.238)	(0.301)	(0.441)	(0.587)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$3.175)	\$12.243	\$9.588	\$9.500	\$9.340	\$8.791
<u>Non-Labor:</u>						
Electric Power	\$1.055	(\$1.200)	0.000	\$0.000	\$0.000	\$0.000
Fuel	(0.093)	0.000	0.000	0.000	0.000	0.000
Insurance	(2.193)	(0.177)	0.025	0.027	0.029	0.032
Claims	(1.697)	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	2.689	(3.714)	2.957	3.000	3.100	3.100
Professional Services Contracts	45.502	(13.918)	6.291	5.900	5.600	5.200
Materials and Supplies	0.031	0.000	0.000	0.000	0.000	0.000
<u>Other Business Expenses</u>						
<i>MTA Internal Subsidy</i>	0.000	0.000	0.000	0.000	0.000	0.000
<i>Other Business Expenses</i>	(11.777)	(7.813)	(4.234)	(3.678)	0.580	0.580
Total Other Business Expenses	(11.777)	(7.813)	(4.234)	(3.678)	0.580	0.580
Total Non-Labor Expenditures	\$33.516	(\$26.822)	\$5.039	\$5.249	\$9.309	\$8.912
<u>Other Expenditure Adjustments:</u>						
Operating Capital	(70.169)	(136.264)	(117.858)	(61.926)	(66.767)	(73.896)
Total Other Expenditure Adjustments	(\$70.169)	(\$136.264)	(\$117.858)	(\$61.926)	(\$66.767)	(\$73.896)
Total Expenditures	(\$39.828)	(\$150.843)	(\$103.232)	(\$47.177)	(\$48.118)	(\$56.193)
Total Cash Conversion Adjustments before Depreciation	\$97.612	\$4.599	\$155.632	\$119.816	\$137.899	\$114.777
Depreciation	\$22.922	\$63.144	\$59.526	\$65.210	\$67.746	\$65.442
OPEB Liability Adjustment	84.736	86.539	94.414	96.492	101.123	105.977
GASB 68 Pension Expense Adjustment	0.393	4.300	6.200	5.500	4.000	(1.200)
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$205.664	\$158.582	\$315.772	\$287.017	\$310.768	\$284.996

MTA HEADQUARTERS
2017 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime Hours and Expenses
(\$ in millions)

	Total		
	Hours	\$	%
<i>NON-REIMBURSABLE OVERTIME</i>			
Scheduled Service	0	\$0.000	0.0%
Unscheduled Service	0	0.000	0.0%
Programmatic/Routine Maintenance	0	0.000	0.0%
Unscheduled Maintenance	0	0.000	0.0%
Vacancy/Absentee Coverage (1)	48,090	2.601	21.0%
Weather Emergencies	0	0.000	0.0%
Safety/Security/Law Enforcement	115,718	5.947	48.0%
Other	99,777	3.849	31.1%
Subtotal	263,585	\$12.397	100.0%
<i>REIMBURSABLE OVERTIME</i>	94,120	\$4.903	
TOTAL OVERTIME	357,705	\$17.301	

(1) Offset by lower payroll and associated fringe benefits

**MTA HEADQUARTERS
JULY FINANCIAL PLAN 2018 - 2021
Year-to-Year Changes by Category - Baseline**

Receipts:

Rental and Other Income and Reimbursements

- A reduction in Other Reimbursement revenue for each year is driven by lower recovery for work performed for MTA Agencies, including West Side Yard development activities which begin to wind-down by 2020.
- Higher advertising revenue in 2018 and beyond grow by CPI-U from the prior year.
- Rental revenue grows consistent annually for 2019 through 2021.
- Other Revenue includes one-time grant funding in 2017 for grade crossing safety work being performed by LIRR and MNR. For 2018 and beyond, Transit Museum revenues show growth resulting from the additional pop-up shops, while the remainder of other revenues grow by CPI-U. Additional adjustments in 2018, 2019 and 2020 reflect the reimbursement of consolidation/relocation expenses from the disposition of the Madison Avenue buildings.

Expenditures:

Payroll

- Payroll increases in 2018 over 2017 primarily reflects full-year staffing and MTA Headquarters non-represented employee salaries and MTA Police civilian salaries inflated by 2% on July 1.
- Payroll expenses in 2019 through 2021 reflect MTA Headquarters and MTA Police civilian salaries inflated by wage growth assumptions of 2% annually on July 1.
- MTA Police and other represented Headquarters salaries will increase in accordance with the terms agreed through the collective bargaining process.
- The Plan also reflects the patrol force necessary to provide greater coverage for officers to perform counter terrorism patrols, the establishment of a Homeless Outreach Unit and the ESA Project with hiring beginning in 2019.

Overtime

- Overtime expenses throughout the July Financial Plan are primarily related to MTA Police operations with a lesser amount attributable to the operations of MTA IT and the BSC. Modest overtime costs are included annually for administrative personnel in other Headquarters' departments
- Expenses in 2018 through 2021 are primarily inflated by prevailing inflator assumptions. Adjustments to MTAPD overtime beginning in 2020, recognize savings with the utilization of new police officers prior to ESA coverage assignment. Additional reduction adjustments recognize savings resulting from the full implementation of the Police Radio Project beginning in 2021.

Health and Welfare

- Based on revised Empire Plan cost assumptions provided by the NYS Department of Civil Service, Health and Welfare medical insurance family coverage rates in

2018 are projected to increase at a rate of 9.1% over 2017, 2.2% in 2019, and 4.8% in 2020 in each year thereafter. Individual coverage rates in 2018 are projected to increase at a rate of 8.3%, 0.9% in 2019, 3.6% in 2020, and each year thereafter.

- Health and Welfare rates also reflect changes in the level of budgeted personnel.

OPEB Current Payment

- Year-to-year increases are based on the projected medical insurance coverage rates to reflect higher coverage for retiree health benefit costs.

Pensions

- Pension costs in 2017 primarily are based on New York State and Local Employees System (NYSLERS) and MTA Defined Benefits contributions and estimated agency rates for those MTA Headquarters' employees currently on other agency payrolls.
- NYSLERS 2017 estimate is inflated at a 3-year average CPI +1%. These rates are 3.32% in 2018, 3.60% in 2019, 3.70% in 2020 and 3.69% in 2021. Additional assumptions are made to capture Tier 6 employees who instead elect to participate in the Voluntary Defined Contribution program.
- MTA Defined Benefits contributions estimates are based on actuarial growth assumptions through 2021.
- GASB 68 adjustments are reflected separately and represent the difference between the actuarially required contribution and the total pension liability.

Other Fringe Benefits

- Projections are consistent with payroll rate increase assumptions and reflect contributions to Social Security or Railroad Retirement based on individual employees.

Insurance and Claims

- The core of excess liability and automotive policies are inflated at 10% annually. Re-forecasted Claims expenses in 2017 reflect significantly lower activity than originally budgeted. Claims for 2018 through 2021 return to February Plan levels.

Maintenance and Other Operating Contracts

- Maintenance expenses increase in all years of the plan reflecting CPI-U growth on baseline expenses with adjustments for BRP reductions primarily from the EAM contingency elimination, changing levels of required maintenance and communication costs. Beginning in 2019, Madison Avenue building maintenance expenses are eliminated, which assumes the disposition of the property.

Professional Service Contracts

- Professional services in 2017 include adjustments of \$30.4 million related to payments for 2016 expenses as well the timing of work supporting on-going MTA initiatives such as EAM, EMS, Executive Order 88 work and replacement of customer information screens at the Fulton Transit Center.

- Professional Service needs in 2018 are lower mainly due to the level of IT-related investments required, partially offset by higher on-going software maintenance costs and West Side Yard related charges.
- In 2019 through 2021, the majority of expenses reflect the effect of CPI-U rates of 2.36%, 2.73% and 2.64%, respectively, with annual adjustments corresponding to the needs of the West Side Yards development which concludes in 2020.

Materials and Supplies

- Higher expenses for the Preliminary 2018 Budget primarily reflects a reclassification of Two Broadway expenses from other expense categories based on expected needs for the facility next year.
- Expenses in 2019 return to a lower level, with 2020, and 2021 are inflated by CPI-U rates of 2.73%, and 2.64%, respectively.

MTA Internal Subsidy

- In all plan years, the MTA Internal Subsidy includes annual support requirements for the Rockaway Resident Discount Program of \$5.3 million, and \$7.0 million for the Verrazano-Narrows Bridge toll rebate program.

Other Business Expenses

- Baseline expenses in 2018, 2019, 2020 and 2021 are inflated by CPI-U rates of 1.92%, 2.36%, 2.73% and 2.64%, respectively.
- Adjustments in 2017 through 2019 reflect some on-going expenditures resulting from the relocation of MTA Headquarters.

Other Expenditure Adjustments:

Capital Expenditures

- Capital expenditures of \$117.9 million in 2018 are lower than the 2017 level of \$136.3 million. Primarily driven by the timing of spending of Priority Initiatives and necessary MTA IT projects in the current year.
- Capital expenditures over the remaining plan years decrease to \$61.9 million in 2019, \$66.8 million in 2020 and \$73.9 million in 2021 and mostly reflecting spending for IT projects and MTAPD vehicle replacements.

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast	Preliminary Budget	Change	Change	Change	Change	Change	Change	Change
	2017	2018	2017 - 2018	2019	2018 - 2019	2020	2019 - 2020	2021	2020 - 2021
<u>Non-Reimbursable</u>									
Operating Revenues									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Rental Income	48.818	47.584	(1.234)	50.007	2.423	52.007	2.000	54.088	2.080
Advertising	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	11.051	5.370	(5.681)	5.444	0.073	5.576	0.133	5.743	0.167
Other Operating Revenue	59.869	52.954	(6.915)	55.451	2.497	57.584	2.133	59.831	2.247
Total Revenues	\$59.869	\$52.954	(\$6.915)	\$55.451	\$2.497	\$57.584	\$2.133	\$59.831	\$2.247
Operating Expenses									
<u>Labor:</u>									
Payroll	\$277.404	\$284.986	(\$7.581)	\$293.080	(\$8.094)	\$302.129	(\$9.049)	\$308.744	(\$6.615)
Overtime	12.397	12.397	0.000	12.609	(0.212)	12.697	(0.087)	10.179	2.517
Health and Welfare	54.743	62.010	(7.267)	65.487	(3.477)	69.042	(3.555)	72.107	(3.064)
OPEB Current Payments	13.073	14.263	(1.190)	14.576	(0.313)	15.276	(0.700)	16.009	(0.733)
Pension	69.448	73.929	(4.481)	77.116	(3.187)	79.383	(2.267)	80.649	(1.266)
Other Fringe Benefits	28.988	29.856	(0.868)	30.823	(0.967)	32.165	(1.342)	33.273	(1.108)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(93.234)	(88.242)	(4.993)	(87.070)	(1.171)	(89.059)	1.989	(89.799)	0.739
Total Labor Expenses	\$362.819	\$389.199	(\$26.380)	\$406.621	(\$17.421)	\$421.633	(\$15.012)	\$431.162	(\$9.530)
<u>Non-Labor:</u>									
Electric Power	\$6.881	\$7.273	(\$0.393)	\$7.572	(\$0.298)	\$8.053	(\$0.481)	\$8.407	(\$0.354)
Fuel	1.272	1.125	0.147	1.106	0.019	1.282	(0.175)	1.452	(0.171)
Insurance	4.791	4.948	(0.157)	2.171	2.777	2.313	(0.142)	2.526	(0.213)
Claims	0.951	2.463	(1.512)	2.475	(0.012)	2.419	0.056	2.356	0.063
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	74.230	81.280	(7.051)	77.484	3.796	80.937	(3.453)	82.868	(1.931)
Professional Services Contracts	220.729	165.593	55.136	163.693	1.900	165.387	(1.694)	169.060	(3.673)
Materials and Supplies	0.075	1.098	(1.023)	0.436	0.662	0.449	(0.012)	0.461	(0.012)
Other Business Expenses	20.715	21.861	(1.146)	21.317	0.544	22.411	(1.094)	22.916	(0.505)
Total Non-Labor Expenses	\$329.643	\$285.641	\$44.002	\$276.254	\$9.387	\$283.250	(\$6.996)	\$290.045	(\$6.796)
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$692.462	\$674.840	\$17.622	\$682.875	(\$8.035)	\$704.882	(\$22.007)	\$721.208	(\$16.325)
Depreciation	\$63.144	\$59.526	\$3.619	\$65.210	(\$5.684)	\$67.746	(\$2.536)	\$65.442	\$2.304
OPEB Liability Adjustment	86.539	94.414	(7.875)	96.492	(2.077)	101.123	(4.632)	105.977	(4.854)
GASB 68 Pension Expense Adjustment	4.300	6.200	(1.900)	5.500	0.700	4.000	1.500	(1.200)	5.200
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$846.446	\$834.980	\$11.466	\$850.076	(\$15.096)	\$877.751	(\$27.675)	\$891.427	(\$13.675)
Net Surplus/(Deficit)	(\$786.577)	(\$782.026)	\$4.551	(\$794.626)	(\$12.599)	(\$820.167)	(\$25.542)	(\$831.596)	(\$11.428)

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

Reimbursable

Operating Revenues

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Rental Income	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Advertising	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.000	0.000	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	0.000	0.000
Capital and Other Reimbursements	128.539	124.807	(3.732)	117.912	(6.895)	114.041	(3.871)	109.123	(4.918)
Total Revenues	\$128.539	\$124.807	(\$3.732)	\$117.912	(\$6.895)	\$114.041	(\$3.871)	\$109.123	(\$4.918)

Operating Expenses

Labor:

Payroll	\$5.383	\$6.238	(\$0.856)	\$6.341	(\$0.102)	\$6.449	(\$0.108)	\$6.555	(\$0.107)
Overtime	4.903	2.858	2.045	2.815	0.043	2.771	0.044	2.727	0.045
Health and Welfare	0.953	1.281	(0.328)	1.313	(0.031)	1.374	(0.061)	1.438	(0.064)
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.691	0.817	(0.126)	0.853	(0.036)	0.887	(0.033)	0.922	(0.035)
Other Fringe Benefits	0.484	0.634	(0.150)	0.652	(0.018)	0.671	(0.019)	0.690	(0.019)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	93.234	88.242	4.992	87.070	1.171	89.059	(1.989)	89.799	(0.739)
Total Labor Expenses	\$105.648	\$100.071	\$5.577	\$99.044	\$1.026	\$101.211	(\$2.166)	\$102.131	(\$0.921)

Non-Labor:

Electric Power	\$0.000	\$0.000	\$0.000	\$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	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	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	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.021	0.021	0.000	0.022	(0.001)	0.022	(0.001)	0.023	(0.001)
Professional Services Contracts	22.772	24.588	(1.816)	18.716	5.872	12.674	6.042	6.832	5.842
Materials and Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.098	0.127	(0.029)	0.130	(0.003)	0.134	(0.003)	0.137	(0.003)
Total Non-Labor Expenses	\$22.891	\$24.736	(\$1.845)	\$18.868	\$5.868	\$12.830	\$6.038	\$6.992	\$5.838

Other Expense Adjustments:

Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000

Total Expenses Before Depreciation

	\$128.539	\$124.807	\$3.732	\$117.912	\$6.895	\$114.041	\$3.871	\$109.123	\$4.918
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Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	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	0.000	0.000	0.000

Total Expenses After Depreciation and GASB Adjs.

	\$128.539	\$124.807	\$3.732	\$117.912	\$6.895	\$114.041	\$3.871	\$109.123	\$4.918
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Net Surplus/(Deficit)

	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
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MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Non-Reimbursable and Reimbursable</u>									
Operating Revenues									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Rental Income	48.818	47.584	(1.234)	50.007	2.423	52.007	2.000	54.088	2.080
Advertising	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	11.051	5.370	(5.681)	5.444	0.073	5.576	0.133	5.743	0.167
Other Operating Revenue	59.869	52.954	(6.915)	55.451	2.497	57.584	2.133	59.831	2.247
Capital and Other Reimbursements	128.539	124.807	(3.732)	117.912	(6.895)	114.041	(3.871)	109.123	(4.918)
Total Revenues	\$188.408	\$177.761	(\$10.647)	\$173.363	(\$4.398)	\$171.624	(\$1.738)	\$168.953	(\$2.671)
Operating Expenses									
<u>Labor:</u>									
Payroll	\$282.787	\$291.224	(\$8.437)	\$299.420	(\$8.196)	\$308.578	(\$9.157)	\$315.299	(\$6.722)
Overtime	17.301	15.255	2.046	15.424	(0.170)	15.468	(0.044)	12.906	2.562
Health and Welfare	55.696	63.291	(7.595)	66.800	(3.509)	70.416	(3.616)	73.545	(3.129)
OPEB Current Payments	13.073	14.263	(1.190)	14.576	(0.313)	15.276	(0.700)	16.009	(0.733)
Pension	70.139	74.746	(4.607)	77.969	(3.223)	80.270	(2.300)	81.571	(1.302)
Other Fringe Benefits	29.472	30.491	(1.019)	31.475	(0.984)	32.836	(1.361)	33.963	(1.127)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(0.001)	0.000	(0.001)	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$468.467	\$489.270	(\$20.803)	\$505.665	(\$16.395)	\$522.843	(\$17.178)	\$533.293	(\$10.450)
<u>Non-Labor:</u>									
Electric Power	\$6.881	\$7.273	(\$0.393)	\$7.572	(\$0.298)	\$8.053	(\$0.481)	\$8.407	(\$0.354)
Fuel	1.272	1.125	0.147	1.106	0.019	1.282	(0.175)	1.452	(0.171)
Insurance	4.791	4.948	(0.157)	2.171	2.777	2.313	(0.142)	2.526	(0.213)
Claims	0.951	2.463	(1.512)	2.475	(0.012)	2.419	0.056	2.356	0.063
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	74.250	81.301	(7.051)	77.506	3.796	80.959	(3.453)	82.890	(1.932)
Professional Services Contracts	243.500	190.180	53.320	182.409	7.771	178.061	4.348	175.892	2.169
Materials and Supplies	0.075	1.098	(1.023)	0.436	0.662	0.449	(0.012)	0.461	(0.012)
Other Business Expenses	20.813	21.988	(1.175)	21.447	0.541	22.544	(1.097)	23.053	(0.509)
Total Non-Labor Expenses	\$352.534	\$310.377	\$42.157	\$295.122	\$15.255	\$296.080	(\$0.958)	\$297.037	(\$0.957)
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$821.001	\$799.647	\$21.354	\$800.787	(\$1.140)	\$818.923	(\$18.136)	\$830.330	(\$11.407)
Depreciation	\$63.144	\$59.526	\$3.619	\$65.210	(\$5.684)	\$67.746	(\$2.536)	\$65.442	\$2.304
OPEB Liability Adjustment	86.539	94.414	(7.875)	96.492	(2.077)	101.123	(4.632)	105.977	(4.854)
GASB 68 Pension Expense Adjustment	4.300	6.200	(1.900)	5.500	0.700	4.000	1.500	(1.200)	5.200
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$974.985	\$959.787	\$15.198	\$967.988	(\$8.201)	\$991.792	(\$23.804)	\$1,000.549	(\$8.757)
Net Surplus/(Deficit)	(\$786.577)	(\$782.026)	\$4.551	(\$794.626)	(\$12.599)	(\$820.167)	(\$25.542)	(\$831.596)	(\$11.428)

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Cash Receipts and Expenditures									
Receipts									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Rental Income	48.818	47.584	(1.234)	50.007	2.423	52.007	2.000	54.088	2.080
Advertising	155.442	158.267	2.825	162.087	3.819	166.527	4.440	170.970	4.443
Other	11.051	105.966	94.915	10.350	(95.617)	25.067	14.717	5.743	(19.324)
Other Operating Revenue	215.311	311.817	96.506	222.443	(89.374)	243.601	21.158	230.801	(12.800)
Capital and Other Reimbursements	128.538	124.807	(3.732)	117.912	(6.895)	114.041	(3.871)	109.123	(4.918)
Total Receipts	\$343.850	\$436.624	\$92.774	\$340.355	(\$96.269)	\$357.642	\$17.286	\$339.923	(\$17.718)
Expenditures									
<u>Labor Expenditures:</u>									
Payroll	\$273.899	\$284.724	(\$10.825)	\$292.920	(\$8.196)	\$302.078	(\$9.157)	\$308.799	(\$6.722)
Overtime	17.301	15.255	2.046	15.424	(0.170)	15.468	(0.044)	12.906	2.562
Health and Welfare	55.114	63.291	(8.177)	66.800	(3.509)	70.416	(3.616)	73.545	(3.129)
OPEB Current Payments	13.073	14.263	(1.190)	14.576	(0.313)	15.276	(0.700)	16.009	(0.733)
Pension	67.346	71.420	(4.074)	74.668	(3.248)	76.989	(2.320)	78.693	(1.705)
Other Fringe Benefits	29.492	30.491	(0.999)	31.475	(0.984)	32.836	(1.361)	33.963	(1.127)
Contribution to GASB Fund	0.000	0.238	(0.238)	0.301	(0.063)	0.441	(0.140)	0.587	(0.146)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$456.224	\$479.682	(\$23.458)	\$496.165	(\$16.483)	\$513.503	(\$17.338)	\$524.502	(\$10.999)
<u>Non-Labor Expenditures:</u>									
Electric Power	\$8.081	\$7.273	\$0.807	\$7.572	(\$0.298)	\$8.053	(\$0.481)	\$8.407	(\$0.354)
Fuel	1.272	1.125	0.147	1.106	0.019	1.282	(0.175)	1.452	(0.171)
Insurance	4.968	4.923	0.045	2.144	2.779	2.284	(0.140)	2.494	(0.210)
Claims	0.951	2.463	(1.512)	2.475	(0.012)	2.419	0.056	2.356	0.063
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	77.964	78.344	(0.380)	74.506	3.839	77.859	(3.353)	79.790	(1.932)
Professional Services Contracts	257.419	183.889	73.530	176.509	7.380	172.461	4.048	170.692	1.769
Materials and Supplies	0.075	1.098	(1.023)	0.436	0.662	0.449	(0.012)	0.461	(0.012)
Other Business Expenses	28.626	26.222	2.404	25.125	1.097	21.964	3.161	22.473	(0.509)
Total Non-Labor Expenditures	\$379.356	\$305.338	\$74.018	\$289.873	\$15.465	\$286.771	\$3.102	\$288.125	(\$1.354)
<u>Other Expenditure Adjustments:</u>									
Other	136.264	117.858	18.406	61.926	55.932	66.767	(4.841)	73.896	(7.129)
Total Other Expenditure Adjustments	\$136.264	\$117.858	\$18.406	\$61.926	\$55.932	\$66.767	(\$4.841)	\$73.896	(\$7.129)
Total Expenditures	\$971.844	\$902.878	\$68.966	\$847.964	\$54.914	\$867.041	(\$19.077)	\$886.523	(\$19.482)
Net Cash Surplus/(Deficit)	(\$627.995)	(\$466.254)	\$161.740	(\$507.609)	(\$41.354)	(\$509.399)	(\$1.791)	(\$546.600)	(\$37.200)

MTA HEADQUARTERS
JULY FINANCIAL PLAN 2018 - 2021
Summary of Plan-to-Plan Changes by Generic Category

2017: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Other operating revenues are projected to increase from the Adopted Budget by \$0.9 million.

- Rental income is projected to decrease by \$0.6 million due to lower rental revenue received from the Agencies based on occupancy levels of 2 Broadway and revised levels of commercial rental.
- Other revenues are projected to increase by \$1.4 million primarily from an increase in Transit Museum revenue.

Operating Expense Changes

Excluding depreciation, GASB 68 and post-employment benefits increases of \$2.2 million, operating expenses decreased by \$45.2 million.

Major generic category changes include:

- Professional services decrease by \$11.0 million mainly as a result of re-estimates related to IT activities offset by timing from 2016 of on-going MTA Initiatives.
- Revised overtime expenses result in a \$5.0 million increase. Of this amount, \$2.1 million reflects a re-classification from MTA IT straight time, with the remainder addressing increased MTAPD and Headquarters administrative needs.
- Lower Health and Welfare costs of \$1.5 million are mainly attributable to higher than forecasted vacancies.
- Lower Maintenance and Other Operating Contracts of \$26.6 million due to BRP reductions in the EAM program, combined with lower Gowanus Expressway High-occupancy vehicle (HOV) lane costs due to a revised start date for the program and re-estimates related to IT activities.
- Lower Pension costs of \$1.9 million are mainly due to higher vacancies.
- Lower Insurance and Claims of \$1.9 million due to lower claims activity and revised insurance premiums.

2018: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Other operating revenues are projected to increase from the Adopted Budget by \$0.8 million.

- Rental income is projected to decrease by \$0.5 million due to lower rental revenue received from the Agencies based on occupancy levels of 2 Broadway and revised levels of commercial rental.
- Other revenues are projected to increase by \$1.3 million as a result of increased Transit Museum revenues.

Operating Expense Changes

Excluding depreciation and post-employment benefits decreases of \$2.7 million, operating expenses increased by \$2.3 million.

Major generic category changes include:

- Revised Payroll of \$1.3 million reflects the additional positions at the Office of Health and Safety and new administrative positions offset by an adjustment in vacancy rates.
- Revised overtime expenses result in a \$4.9 million increase. Of this amount, \$2.1 million reflects a re-classification from MTA IT straight time, with the remainder addressing increased MTAPD and Headquarters administrative needs.
- Higher Fringe and OPEB expenses of \$2.6 million result primarily from the increase in positions and higher medical insurance rates relative to the February Plan.
- Lower Maintenance and Other Operating Contracts of \$7.6 million is primarily due to BRP reductions in the EAM program and MTA IT software maintenance expenses off-set by slightly higher annual support costs than originally anticipated for the Gowanus Expressway HOV lane.
- Higher Professional Services of \$2.6 million result from new needs such as All-Agency sleep apnea testing support, support of new MTA IT initiatives and re-estimates of legal and financial services.

2019 and 2020: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues in 2018 and 2019 are projected to increase from the February Plan by \$1.4 million annually due to higher Transit Museum income.

Operating Expense Changes

Excluding depreciation and post-employment benefits decreases of \$5.2 million in 2019 and \$5.1 million in 2020, operating expenses are unfavorable by \$1.8 million in 2019, and \$2.8 million in 2020.

Major generic category changes include:

- Lower Payroll of \$1.3 million in 2019 results from an adjustment in vacancy rates offset by the additional positions at the Office of Health and Safety and new administrative positions. Payroll remains relatively flat in 2020 with higher vacancy savings being off-set by additional positions and revised salary mix and rate assumptions.
- Revised overtime expenses result in a \$5.0 million annual increase. Of this amount, \$2.1 million reflects a re-classification from MTA IT straight time, with the remainder addressing increased MTAPD and Headquarters administrative needs.
- Higher Fringe and OPEB expenses of \$2.6 million and \$3.4 million in 2019 and 2020 respectively, are a result of the increase in positions and higher medical insurance rates.
- Lower Maintenance and Other Operating Contracts of \$13.0 million in 2019 and \$12.3 million in 2020 are primarily due to BRP reductions in the EAM program and MTA IT software maintenance expenses, off-set by slightly higher annual support costs than originally anticipated for the Gowanus Expressway HOV lane.
- Higher Professional Services of \$7.4 million in 2019 and \$7.8 million in 2020 result from new needs such as All-Agency sleep apnea testing support, support of new MTA IT initiatives and re-estimates of legal and financial services.

MTA HEADQUARTERS
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	(\$598.510)	(\$432.026)	(\$511.230)	(\$514.582)
Baseline Changes				
Revenue				
Farebox Revenue	\$0.00	\$0.00	\$0.00	\$0.00
Vehicle Toll Revenue	-	-	-	-
Rental Income	(0.556)	(0.500)	0.000	0.000
Advertising Revenue	-	-	-	-
Other	1.433	1.340	1.371	1.403
Capital and Other Reimbursement	-	-	-	-
Total Revenue Changes	\$0.876	\$0.840	\$1.371	\$1.403
Expenses				
<i>Labor:</i>				
Payroll	\$0.434	\$1.284	\$1.280	\$0.037
Overtime	(4.996)	(4.874)	(4.978)	(4.956)
Health and Welfare	1.462	(2.387)	(2.499)	(2.586)
OPEB Current Payment	0.632	(0.243)	0.061	0.005
Pensions	1.923	0.357	0.232	0.177
Other Fringe Benefits	(0.413)	(0.324)	(0.432)	(1.014)
Contribution to GASB Fund	0.000	0.000	0.000	0.000
Reimbursable Overhead	5.242	(0.458)	(1.169)	0.881
Total Labor Expense Changes	\$4.283	(\$6.646)	(\$7.505)	(\$7.455)
<i>Non-Labor:</i>				
Electric Power	(\$0.068)	(\$0.784)	(\$0.933)	(\$0.973)
Fuel	0.410	0.598	0.646	0.660
Insurance	0.317	0.386	0.332	0.461
Claims	1.567	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	26.559	7.609	12.981	12.228
Professional Service Contracts	10.955	(2.557)	(7.363)	(7.774)
Materials & Supplies	0.129	(0.832)	(0.127)	(0.084)
MTA Internal Subsidy	(0.016)	(0.016)	(0.016)	(0.016)
Other Business Expenses	1.093	(0.017)	0.208	0.202
Total Non-Labor Expense Changes	\$40.946	\$4.387	\$5.728	\$4.703
Gap Closing Expenses :				
Total Gap Closing Expenses	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenses before Depreciation and GASB Adjs.	\$45.229	(\$2.259)	(\$1.778)	(\$2.752)
Depreciation	(\$12.466)	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	\$18.993	\$13.334	\$16.105	\$16.540
GASB 68 Pension Expense Adjustment	(\$8.700)	(\$10.600)	(\$10.900)	(\$11.400)
Total Expense Changes	\$43.056	\$0.474	\$3.428	\$2.388
Cash Adjustment Changes				
Revenue Adjustments	(3.873)	(5.660)	(6.587)	(7.032)
Expense Adjustments	(\$69.545)	(\$29.883)	\$5.410	\$8.423
Total Cash Adjustment Changes	(\$73.418)	(\$35.543)	(\$1.178)	\$1.391
Total Baseline Changes	(\$29.485)	(\$34.229)	\$3.621	\$5.182
July Financial Plan - Cash Surplus/(Deficit)	(\$627.995)	(\$466.254)	(\$507.609)	(\$509.399)

MTA HEADQUARTERS
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	-	-	-	-
Vehicle Toll Revenue	-	-	-	-
Rental Income	-	-	-	-
Advertising Revenue	-	-	-	-
Other	-	-	-	-
<u>Capital and Other Reimbursement</u>	<u>1.283</u>	<u>(0.274)</u>	<u>(0.978)</u>	<u>1.138</u>
Total Revenue Changes	\$1.283	(\$0.274)	(\$0.978)	\$1.138
Expenses				
<i>Labor:</i>				
Payroll	\$0.770	\$0.003	(\$0.009)	(\$0.022)
Overtime	(0.003)	-	-	-
Health and Welfare	0.066	(0.246)	(0.239)	(0.261)
OPEB Current Payment	-	-	-	-
Pensions	0.247	0.166	0.165	0.165
Other Fringe Benefits	(0.005)	(0.146)	(0.155)	(0.164)
Contribution to GASB Fund	-	-	-	-
<u>Reimbursable Overhead</u>	<u>(5.242)</u>	<u>0.458</u>	<u>1.169</u>	<u>(0.881)</u>
Total Labor Expense Changes	(\$4.168)	\$0.236	\$0.931	(\$1.163)
<i>Non-Labor:</i>				
Electric Power	-	-	-	-
Fuel	-	-	-	-
Insurance	-	-	-	-
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	-	0.000	0.000	0.000
Professional Services	2.857	0.037	0.046	0.024
Materials & Supplies	-	-	-	-
MTA Internal Subsidy	-	-	-	-
<u>Other Business Expenses</u>	<u>0.028</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>
Total Non-Labor Expense Changes	\$2.884	\$0.039	\$0.047	\$0.026
Gap Closing Expenses :				
Total Gap Closing Expenses	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	(\$1.283)	\$0.274	\$0.978	(\$1.138)
Depreciation	-	-	-	-
Total Expense Changes	(\$1.283)	\$0.274	\$0.978	(\$1.138)
Cash Adjustment Changes	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$0.000)	(\$0.000)	\$0.000	\$0.000
July Financial Plan - Cash Surplus/(Deficit)	(\$0.000)	(\$0.000)	\$0.000	\$0.000

MTA HEADQUARTERS
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON REIMBURSABLE/REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	(\$598.510)	(\$432.026)	(\$511.230)	(\$514.582)
Baseline Changes				
Revenue				
Farebox Revenue	-	-	-	-
Vehicle Toll Revenue	-	-	-	-
Rental Income	(0.56)	(0.50)	-	-
Advertising Revenue	-	-	-	-
Other	1.43	1.34	1.37	1.40
Capital and Other Reimbursement	1.28	(0.27)	(0.98)	1.14
Total Revenue Changes	\$2.159	\$0.565	\$0.393	\$2.541
Expenses				
<i>Labor:</i>				
Payroll	\$1.204	\$1.287	\$1.270	\$0.015
Overtime	(5.000)	(4.874)	(4.978)	(4.956)
Health and Welfare	1.528	(2.633)	(2.738)	(2.846)
OPEB Current Payment	0.632	(0.243)	0.061	0.005
Pensions	2.169	0.523	0.397	0.342
Other Fringe Benefits	(0.418)	(0.469)	(0.586)	(1.177)
Reimbursable Overhead	(0.000)	(0.000)	0.000	(0.000)
Total Labor Expense Changes	\$0.115	(\$6.411)	(\$6.574)	(\$8.618)
<i>Non-Labor:</i>				
Electric Power	(\$0.068)	(\$0.784)	(\$0.933)	(\$0.973)
Fuel	0.410	0.598	0.646	0.660
Insurance	0.317	0.386	0.332	0.461
Claims	1.567	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	26.559	7.609	12.981	12.228
Professional Services	13.812	(2.520)	(7.318)	(7.750)
Materials & Supplies	0.129	(0.832)	(0.127)	(0.084)
MTA Internal Subsidy	(0.016)	(0.016)	(0.016)	(0.016)
Other Business Expenses	1.120	(0.016)	0.209	0.203
Total Non-Labor Expense Changes	\$43.831	\$4.426	\$5.775	\$4.728
Gap Closing Expenses :				
Total Gap Closing Expenses	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$43.95	(\$1.98)	(\$0.80)	(\$3.89)
Depreciation	(12.466)	-	-	-
OPEB Liability Adjustment	18.993	13.334	16.105	16.540
GASB 68 Pension Expense Adjustment	(8.700)	(10.600)	(10.900)	(11.400)
Total Expense Changes	\$41.773	\$0.749	\$4.406	1.251
Cash Adjustment Changes				
Revenue Adjustments	(3.873)	(5.660)	(6.587)	(7.032)
Expense Adjustments	(69.545)	(29.883)	5.410	8.423
Total Cash Adjustment Changes	(\$73.418)	(\$35.543)	(\$1.178)	\$1.391
Total Baseline Changes	(\$29.486)	(\$34.229)	\$3.621	\$5.182
July Financial Plan - Cash Surplus/(Deficit)	(\$627.995)	(\$466.254)	(\$507.609)	(\$509.399)

MTA HEADQUARTERS
JULY FINANCIAL PLAN 2018 - 2021
Summary of Major Plan-to-Plan Changes

2017: July Financial Plan vs. February Financial Plan

Revenue Changes

Total revenue is projected to increase from the Adopted Budget by \$2.2 million primarily due to slightly more favorable recoverable revenue combined with additional revenues generated by the Transit Museum.

Expense Changes

Total accrued expenses decreased by \$41.8 million in 2017 from the Adopted Budget.

Major changes include:

Unfavorable

- Governor's Priority initiatives such as the MTA Genius Award.
- Annual support for MTA initiatives such as sleep apnea testing support, higher legal and financial service costs.
- MTAPD New Needs of \$4.0 million for overtime patrolling needs and support for the radio project.
- Higher salary and benefits resulting from additional positions at the Office of Health and Safety and new administrative positions.

Favorable

- BRPs of \$21.1 million (excluding revenue generating BRPs) as discussed in detail in the BRP section.
- Re-estimate of MTA IT current year funding needs resulted in \$25.0 million in relief to the required budget levels.

Cash Adjustments

- Cash adjustments are unfavorable by \$73.4 million mainly due to higher unfavorable Operating Capital requirements of \$46.3 million, \$2.2 million favorable adjustments for non-cash items, unfavorable advertising revenue of \$3.9 million and all other unfavorable adjustments of \$2.5 million which includes timing of payments for 2016 expenses.

2018: July Financial Plan vs. February Financial Plan

Revenue Changes

Revenues are projected to increase from the February Plan by \$0.6 million.

Major changes include:

- Higher Other Revenue from Transit Museum retail shop sales of \$1.3 million
- Lower reimbursable overhead of \$0.3 million and lower rental revenue of \$0.5 million.

Expense Changes

Total expenses are projected to increase by \$2.0 million.

Major changes include:

Unfavorable

- Ongoing annual support for MTA initiatives and annual maintenance costs for MTA IT.
- MTAPD New Needs of \$6.0 million for overtime patrolling needs and support for the radio project.
- Higher salary and benefits resulting from additional positions at the Office of Health and Safety and new administrative positions.

Favorable

- BRPs of \$16.5 million (excluding revenue generating BRPs) as discussed in detail in the BRP section.

Cash Adjustments

- Cash adjustments are unfavorable by \$35.5 million mainly due to higher unfavorable Operating Capital requirements of \$27.7 million, \$2.7 million unfavorable adjustments for non-cash items, unfavorable advertising revenue of \$5.6 million and all other adjustments for a \$0.6 million favorable change.

2019 and 2020: July Financial Plan vs. February Financial Plan

Revenue Changes

Other operating revenues are projected to increase from the February Plan by \$0.4 million in 2019 and \$2.5 million in 2020.

Major changes include:

- Lower reimbursable overhead of \$1.0 million in 2019, and higher by \$5.1 million 2020, mainly reflects adjustments to recoverable expenses from the benefiting agencies.
- Higher Other Revenue from Transit Museum retail shop sales of \$1.4 million annually.

Expense Changes

Expenses increase by \$0.8 million in 2019 and \$3.9 million in 2020.

Major changes include:

Unfavorable

- Ongoing annual support for MTA initiatives such as sleep apnea testing support, higher legal and financial service costs and annual maintenance costs for MTA IT.
- MTAPD New Needs of \$6.2 million in 2019 and \$7.8 million for overtime patrolling needs and support for the radio project.
- Higher salary and benefits resulting from additional positions at the Office of Health and Safety and new administrative positions.

Favorable

- BRPs of \$18.6 million and \$18.7 million in 2019 and 2020, respectively, (excluding revenue generating BRPs) as discussed in detail in the BRP section.

Cash Adjustments

- Cash adjustments are projected to be unfavorable by \$1.2 million in 2019 and favorable by \$1.4 million in 2020 primarily reflecting favorable changes in the level of operating capital spending and unfavorable changes in advertising revenue.

MTA HEADQUARTERS
July Financial Plan 2018-2021
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	(\$598.510)	(\$432.026)	(\$511.230)	(\$514.582)
Non-Reimbursable Major Changes				
Revenue				
Lower Rental Income 2 Broadway	(\$0.644)	(\$0.500)	(\$0.500)	(\$0.500)
Higher rental revenue - Leasing of space on MTA PD Radio towers	\$0.000	\$0.000	\$0.500	\$0.500
Additional Transit Museum Pop-up Shop Revenue	\$0.462	\$1.092	\$1.118	\$1.144
Other Revenue changes	1.058	0.248	0.253	0.259
Sub-Total Non-Reimbursable Revenue Changes	\$0.876	\$0.840	\$1.371	\$1.403
Expenses				
Revised Advertising Needs	(1.065)	-	-	-
Occupation Health Services - LIRR Consolidation (phase 3)	(0.871)	(1.492)	(1.534)	(1.576)
Outside Financial advisors - Chairman's request	(0.100)	(0.100)	(0.100)	(0.100)
MTA HQ Overtime for administrative departments	(0.376)	(0.399)	(0.423)	(0.447)
Correction of MTA IT/NYCT Capital Expense Recovery budget	(3.132)	(3.686)	(1.786)	(1.701)
MTA PD CBRE managing additional facilities	(0.049)	(0.085)	(0.087)	(0.089)
MTA Corp Account higher PWEF Assessment	(1.365)	-	-	-
Higher Gowanus HOV lane expenses	0.567	(0.266)	(0.266)	(0.266)
2 Broadway - higher facilities operating expenses	-	(2.500)	(2.661)	(2.734)
Revised salary mix and rates	(0.072)	(0.447)	(0.699)	(1.546)
Revised Health and Welfare (non-New Need/BRP)	2.668	(1.482)	(1.939)	(1.951)
Revised Other Employee Fringe Benefits (non-New Need/BRP)	(0.366)	(0.427)	(0.543)	(1.132)
Re-estimate of outside legal expenses	-	(0.250)	(0.154)	(0.158)
Re-estimate of Executive Order 88 related expenses	-	(0.297)	-	-
OPEB Current / GASB 45	0.632	(0.418)	(0.053)	(0.121)
MTA IT revision of current year spending levels	25.000	-	-	-
Re-estimate of MTA Law E-Discovery system costs	1.308	1.870	1.099	1.137
MTA PD elimination of outside medical contracts	0.300	0.308	0.315	0.323
MTA PD Overtime due to additional hiring for ESA opening	-	-	-	0.225
Revised OPEB expenses	0.632	(0.243)	0.061	0.005
Change due to revised Pension assumptions	0.850	0.684	0.567	0.521
All Other Changes to Recoverable levels	4.414	3.412	0.808	2.839
Lower current year Salary	3.000	-	-	-
Timing of MTA PD COA comp time payout	1.784	(0.674)	(0.442)	(0.299)
Revised Insurance premiums	0.316	0.385	0.331	0.460
Rate Change - CPI-U	-	0.591	1.346	0.945
Revised Fuel rate assumptions	-	0.071	0.145	0.140
Revised Electric rate assumptions	-	(0.132)	(0.422)	(0.436)
MTA PD position reduction and reduction of various non-personnel expenses	0.892	0.843	0.868	0.908
Additional Vacancy Savings - MTA PD, MTAHQ, MTA BSC	1.400	2.765	2.823	2.329
MTA IT lower maintenance expenses	1.603	1.635	1.668	1.701
Marketing - position reduction	0.092	0.093	0.096	0.099
Real Estate - position reduction	0.062	0.111	0.114	0.117
Various expense reductions throughout MTA HQ administrative departments	0.944	0.650	0.665	0.682
Elimination of EAM contingency funding at MTA HQ	16.078	10.442	12.372	12.817
Genius Award	(2.300)	-	-	-
Safety Management/Occupational Health: Sleep Apnea contract	(1.500)	(1.500)	(1.500)	(1.500)
Market Research	-	(0.150)	-	-
MTA Police overtime needs	(4.304)	(6.445)	(6.641)	(8.250)
Strategic Initiative	-	(0.250)	(0.154)	(0.158)
Dept. of Diversity and Civil Right additional personnel	(0.128)	(0.129)	(0.132)	(0.136)
NY Transit Museum additional contingent staff	0.295	0.271	0.281	0.292
Facilities space management and densification needs	(1.925)	(1.500)	(1.535)	(1.577)
Additional Human Resources personnel	(0.171)	(0.300)	(0.308)	(0.316)
Additional Audit personnel	(0.037)	(0.076)	(0.078)	(0.080)
Conversion of MTA Arts & Design contingent employees to FTEs	(0.067)	(0.105)	(0.109)	(0.112)
Required PeopleSoft and Pension system upgrades at MTA BSC	0.000	(3.500)	(3.500)	(3.500)
Depreciation	(12.466)	-	-	-
OPEB Liability Adjustment	18.993	13.334	16.105	16.540
GASB 68 Pension Expense Adjustment	(8.700)	(10.600)	(10.900)	(11.400)
All other changes	0.219	0.563	(0.270)	(0.106)
Sub-Total Non-Reimbursable Expense Changes	\$43.056	\$0.474	\$3.428	\$2.388
Total Non-Reimbursable Major Changes	\$43.933	\$1.314	\$4.799	\$3.792
Reimbursable Major Changes				
Capital and Other Reimbursement	1.283	(0.274)	(0.978)	1.138
Sub-Total Reimbursable Revenue Changes	\$1.283	(\$0.274)	(\$0.978)	\$1.138
Change in Reimbursable expenses	(1.283)	0.274	0.978	(1.138)
Sub-Total Reimbursable Expense Changes	(\$1.283)	\$0.274	\$0.978	(\$1.138)
Total Reimbursable Major Changes	(\$0.000)	(\$0.000)	\$0.000	\$0.000
Total Accrual Changes	\$43.932	\$1.314	\$4.799	\$3.792
Cash Adjustment Changes				
Lower Advertising Revenue based on contract assumptions	(3.873)	(5.660)	(6.587)	(7.032)
Timing of existing Operating Capital projects spending	8.840	2.632	12.496	15.249
New Operating Capital Projects	(55.066)	(30.349)	(2.473)	(2.215)
All Other CFA Changes	(23.319)	(2.166)	(4.614)	(4.611)
Total Cash Adjustment Changes	(\$73.418)	(\$35.543)	(\$1.178)	\$1.391
Total Baseline Changes	(\$29.486)	(\$34.229)	\$3.621	\$5.182
July Financial Plan - Cash Surplus/(Deficit)	(\$627.995)	(\$466.254)	(\$507.609)	(\$509.399)

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
2017 Budget Reduction Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	2017		2018		2019		2020		2021	
	Positions	Expenses	Positions	Expenses	Positions	Expenses	Positions	Expenses	Positions	Expenses
Administration										
EAM Contingency	-	16.078	-	10.442	-	12.372	-	12.817	-	17.185
Vacancy Savings	-	1.400	-	2.765	-	2.823	-	2.329	-	2.398
Marketing Headcount Reduction	1	0.092	1	0.093	1	0.096	1	0.099	1	0.102
Real Estate Headcount Reduction	1	0.062	1	0.111	0	0.114	1	0.117	1	0.120
Subtotal Administration	2	17.632	2	13.411	2	15.405	2	15.362	2	19.805
Customer Convenience/Amenities										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Customer Convenience/Amenities	-	-	-	-	-	-	-	-	-	-
Maintenance										
IT Reduced Maintenance	-	1.603	-	1.635	-	1.668	-	1.701	-	1.735
Subtotal Maintenance	-	1.603	-	1.635	-	1.668	-	1.701	-	1.735
Revenue Enhancement										
Transit Museum Additional Revenue	-	0.167	-	0.821	-	0.837	-	0.852	-	0.868
Subtotal Revenue Enhancement	-	0.167	-	0.821	-	0.837	-	0.852	-	0.868
Safety										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Safety	-	-	-	-	-	-	-	-	-	-
Security										
MTA PD - Higher Tower Revenue	-	-	-	-	-	0.500	-	0.500	-	0.500
MTA PD - Other Expense Reductions	-	0.806	-	0.756	-	0.779	-	0.816	-	0.828
MTA PD - Headcount Reduction	1	0.086	1	0.087	1	0.089	1	0.092	1	0.095
Subtotal Security	1	0.892	1	0.843	1	1.368	1	1.408	1	1.423
Service										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Services	-	-	-	-	-	-	-	-	-	-
Service Support										
None	-	-	-	-	-	-	-	-	-	-
Subtotal Service Support	-	-	-	-	-	-	-	-	-	-
Other										
HQ Expense Reduction	-	0.944	-	0.650	-	0.665	-	0.682	-	0.700
Subtotal Other	-	0.944	-	0.650	-	0.665	-	0.682	-	0.700
Total	3	21.238	3	17.360	3	19.943	3	20.005	3	24.531

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet

Category by Function: Administrative
Program: Reduce Contingency

Background Details:	EAM Contingency Elimination
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Program Description/ Implementation Plan:	Elimination of EAM contingency funding at MTA HQ
--	--

Program Implementation Date:	When will savings begin?:	07/01/17
	Are these savings recurring?	Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating)</i>	\$16.078	\$10.442	\$12.372	\$12.817	\$17.185
Net Cash Savings (in millions)	\$16.078	\$10.442	\$12.372	\$12.817	\$17.185

Total Positions Required:
(List specific titles of positions)

**MTA HEADQUARTERS
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Administrative
Program: MTA PD/HQ/BSC

Background Details:	Multiple Vacancy Savings		
Program Description/ Implementation Plan:	Additional vacancy savings identified for MTA Police, Headquarters and the Business Service Center.		
Program Implementation Date:	When will savings begin?:	07/01/17	
	Are these savings recurring?	Yes	
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating)</i>	\$1.400	\$2.765	\$2.823	\$2.329	\$2.398
Net Cash Savings (in millions)	\$1.400	\$2.765	\$2.823	\$2.329	\$2.398

*Total Positions Required:
(List specific titles of positions)*

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet

Category by Function: Administrative
Program: Marketing Headcount Reduction

Background Details:	Elimination of Administrative Assistant Position
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Program Description/ Implementation Plan:	Elimination of administrative assistant position.
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Program Implementation Date:	When will savings begin?:	07/01/17
	Are these savings recurring?	Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating)</i>	\$0.092	\$0.093	\$0.096	\$0.099	\$0.102
Net Cash Savings (in millions)	\$0.092	\$0.093	\$0.096	\$0.099	\$0.102
<i>Total Positions Required: (List specific titles of positions)</i>	1	1	1	1	1

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet

Category by Function: Administrative
Program: Headcount Reduction

Background Details:	Elimination of Sr Manager Position
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Program Description/ Implementation Plan:	Elimination of Sr Manager position
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Program Implementation Date:	When will savings begin?:	07/01/17
	Are these savings recurring?	Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating)</i>	\$0.062	\$0.111	\$0.114	\$0.117	\$0.120
Net Cash Savings (in millions)	\$0.062	\$0.111	\$0.114	\$0.117	\$0.120
<i>Total Positions Required: (List specific titles of positions)</i>	1	1	1	1	1

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet

Category by Function: Maintenance
Program: Reduced Maintenance Expenses

Background Details:	IT Reduced Maintenance Expenses
----------------------------	---------------------------------

Program Description/ Implementation Plan:	Lower expected maintenance expenses.
--	--------------------------------------

Program Implementation Date:	When will savings begin?:	07/01/17
	Are these savings recurring?	Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating)</i>	\$1.603	\$1.635	\$1.668	\$1.701	\$1.735
Net Cash Savings (in millions)	\$1.603	\$1.635	\$1.668	\$1.701	\$1.735

Total Positions Required:
(List specific titles of positions)

**MTA HEADQUARTERS
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Revenue Enhancement

Program: Additional Revenue

Background Details:	Additional Revenue/Staffing and Pop-up shops
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Program Description/ Implementation Plan:	Additional pop-up shop opportunities including the Fulton Center and adjacent to the 2 Broadway building. Contingent staffing increase will result in significant revenue increases.
--	--

Program Implementation Date:	When will savings begin?:	07/01/17
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	Are these savings recurring?	Yes
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Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating)</i>	\$0.167	\$0.821	\$0.837	\$0.852	\$0.868
Net Cash Savings (in millions)	\$0.167	\$0.821	\$0.837	\$0.852	\$0.868

*Total Positions Required:
(List specific titles of positions)*

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet

Category by Function: Security
Program: MTA PD

Background Details:	Rental Revenue
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Program Description/ Implementation Plan:	Leasing of space on MTAPD Radio towers will result in increased revenue.
--	--

Program Implementation Date:	When will savings begin?:	07/01/17
	Are these savings recurring?	Yes
Other Issues:		

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating)</i>	\$0.000	\$0.000	\$0.500	\$0.500	\$0.500
Net Cash Savings (in millions)	\$0.000	\$0.000	\$0.500	\$0.500	\$0.500

Total Positions Required:
(List specific titles of positions)

**MTA HEADQUARTERS
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Security

Program: MTA PD

Background Details:	Headcount Reduction and Operating Cost Reductions
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Program Description/ Implementation Plan:	The department identified areas where reductions could be made without disrupting the ability to maintain operations. These reductions are taken from Maintenance and Other Operating Contracts, Professional Service Contracts and Other Business expenses. There is also an elimination of 1 analyst position.
--	--

Program Implementation Date:	When will savings begin?:	07/01/17
	Are these savings recurring?	Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating)</i>	\$0.892	\$0.843	\$1.368	\$1.408	\$1.422
Net Cash Savings (in millions)	\$0.892	\$0.843	\$1.368	\$1.408	\$1.422
<i>Total Positions Required: (List specific titles of positions)</i>	1	1	1	1	1

**MTA HEADQUARTERS
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Other
Program: Various

Background Details:	HQ Expense Reduction
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Program Description/ Implementation Plan:	Various expense reductions throughout MTA HQ administrative departments
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Program Implementation Date:	When will savings begin?:	07/01/17
	Are these savings recurring?	Yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating)</i>	\$0.944	\$0.650	\$0.665	\$0.682	\$0.700
Net Cash Savings (in millions)	\$0.944	\$0.650	\$0.665	\$0.682	\$0.700

*Total Positions Required:
(List specific titles of positions)*

**MTA HEADQUARTERS
2018 Preliminary Budget
July Financial Plan 2018 - 2021
Positions**

POSITION ASSUMPTIONS

2017-2020: July Financial Plan vs. February Plan

Total baseline positions are projected to increase by 19 positions, due to an increase of 17 Non-Reimbursable and two Reimbursable positions.

Administration (17 positions)

- The addition of 13 positions in the MTA Occupational Health and Safety office to support LIRR employees.
- Three Auditor positions for pension calculations. Two of these positions are reimbursable from the Corpus fund.
- One Assistant Deputy Chief Diversity Officer of EEO Compliance to meet the new regulatory requirements of the FTA EEO Circular 4704.1A, State, Federal laws and regulations.
- Two positions for Human Resources due to the added responsibilities and work from consolidations.
- Two manager positions for Arts and Design to support the growing capital program (positions converted from contingency employees).
- Two positions eliminated (Marketing and Real Estate)
- Two Procurement positions transferred back to LIRR

Public Safety/MTAPD (2 positions)

- Two Chief of Operations positions for MTA Police.

The net increase of 19 positions by function included 17 in Administration and two in Public Safety.

Position changes by occupational group are: Managers/Supervisors increase by 10 positions, Professional, Technical, Clerical positions increase by 9 positions in 2017.

Year over Year

2018 over 2017

In 2018, total headcount increases by 4 positions to 3,096 positions due to the addition of 4 non-reimbursable Information Technology positions. Non-reimbursable positions are

2,953 in 2018, and reimbursable positions are 139. Occupational group increases include 4 positions for Professional, Technical, and Clerical to 1,812 positions. Managers/Supervisors remain at 649 positions and Operational Hourlies remain at 635 positions.

2019 over 2018

In 2019, total headcount increases by 24 positions to 3,120 positions mainly due to the addition of 4 non-reimbursable Information Technology positions and the hiring of 20 additional Police Officers for ESA. Non-reimbursable positions are 2,981 in 2019, and reimbursable positions remain unchanged at 139. Occupational group increases include 4 positions for Professional, Technical, and Clerical to 1,816 positions. Managers/Supervisors remain unchanged at 649 positions and Operational Hourlies increase by 20 positions to 655 positions.

2020 over 2019

In 2020, headcount increases by 54 non-reimbursable positions due to the MTAPD hiring plan for ESA that anticipates a projected opening in 2022 and four Information Technology positions. Total non-reimbursable headcount increases to 3,035 positions while reimbursable positions remain unchanged at 139. Operational Hourly positions increase by 39 positions to 694, Managers/Supervisors increase by 14 to 663 and Professional, Technical, Clerical increase by 1 to 1,817.

2021 over 2020

In 2021, headcount increases by 10 non-reimbursable positions due to the MTAPD hiring plan for ESA that anticipates a projected opening in 2022. Total non-reimbursable headcount increases to 3,045 positions while reimbursable positions remain unchanged at 139. Operational Hourly positions increase by 16 positions to 710 while Managers/Supervisors decrease by 3 to 660 and Professional, Technical, Clerical decrease by 3 to 1,814.

MTA HEADQUARTERS				
July Financial Plan 2018-2021				
Favorable/(Unfavorable)				
Total Position Changes at a Glance				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
2017 February Plan - Total Baseline Positions	3,073	3,077	3,101	3,155
Total Plan-to-Plan Changes	(19)	(19)	(19)	(19)
2017 July Plan - Total Baseline Positions	3,092	3,096	3,120	3,174
Total Year-to-Year Changes, July Plan		(4)	(24)	(54)

Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(17)	(17)	(17)	(17)
<i>Reimbursable</i>	(2)	(2)	(2)	(2)
Total	(19)	(19)	(19)	(19)
<i>Full-Time</i>	(19)	(19)	(19)	(19)
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(19)	(19)	(19)	(19)
By Function Category				
- Administration	(17)	(17)	(17)	(17)
- Operations	0	0	0	0
- Maintenance	0	0	0	0
- Engineering/Capital	0	0	0	0
- Public Safety	(2)	(2)	(2)	(2)
Total	(19)	(19)	(19)	(19)
By Occupational Group				
- Managers/Supervisors	(10)	(10)	(10)	(10)
- Professional, Technical, Clerical	(9)	(9)	(9)	(9)
- Operational Hourlies	0	0	0	0
Total	(19)	(19)	(19)	(19)

Total Plan-to-Plan Changes by Major Category:				
<i>2017 BRPs</i>	3	3	3	3
<i>New Needs</i>	(9)	(9)	(9)	(9)
<i>Change in Reimbursable Positions</i>	(2)	(2)	(2)	(2)
<i>Re-estimates & All Other</i>	(11)	(11)	(11)	(11)
Total	(19)	(19)	(19)	(19)

¹ Includes Full-time Equivalents

MTA HEADQUARTERS
July Financial Plan 2018-2021
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

	2016 Actual	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
Administration						
Office of Chairman	4	6	6	6	6	6
Chief Operating Officer	1	1	1	1	1	1
New Fare Payment System	12	21	21	21	21	21
Govt Affairs & Community Relat	0	1	1	1	1	1
Agency Operations & Initiative	2	1	1	1	1	1
Chief Safety Officer	5	12	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	1	1	1	1	1	1
Intergovernmental Relations	5	5	5	5	5	5
Spec. Project Develop/Planning	6	8	8	8	8	8
Corporate Account	0	3	3	3	3	3
Human Resources	21	34	34	34	34	34
PCAC	5	5	5	5	5	5
Labor Relations						
Office of Labor Relations	9	14	14	14	14	14
Labor Relations	9	14	14	14	14	14
General Counsel						
Office of Ded General Counsel	32	37	37	37	37	37
Record Management	2	2	2	2	2	2
General Counsel	34	39	39	39	39	39
Office of Diversity						
Office of Diversity	3	4	4	4	4	4
Office of Civil Rights	13	14	14	14	14	14
Office of Diversity	16	18	18	18	18	18
Corporate & Internal Communications						
Office of DED Corp. Affairs and Comm.	1	2	2	2	2	2
Marketing	8	10	10	10	10	10
Corporate & Internal Communications	9	12	12	12	12	12
Chief Financial Officer						
Office of Chief Financial Officer	4	4	4	4	4	4
Comptroller's Office	21	23	23	23	23	23
Management & Budget	19	23	23	23	23	23
Strategic Initiatives	7	9	9	9	9	9
Chief Financial Officer	51	59	59	59	59	59
Capital Programs						
Environmental, Sustainability & Compliance	5	6	6	6	6	6
Capital Programs	5	6	6	6	6	6

MTA HEADQUARTERS
July Financial Plan 2018-2021
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

	2016 Actual	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
Total MTA HQ, Policy & Oversight	194	255	255	255	255	255
MTA Consolidated Functions						
External Communication	11	16	16	16	16	16
Audit	81	86	86	86	86	86
Office of Diversity - MWDBE/ DBE Contract Integrity	14	15	15	15	15	15
Pensions	54	65	65	65	65	65
Occupational Health & Safety	15	30	30	30	30	30
General Counsel/Compliance						
Compliance	8	11	11	11	11	11
Chief Financial Officer						
Director of Finance	6	6	6	6	6	6
Treasury	18	18	18	18	18	18
Risk and Insurance Management	18	23	23	23	23	23
Real Estate	62	71	71	71	71	71
Procurement	0	106	106	106	106	106
Information Technology	911	1,128	1,132	1,136	1,136	1,130
Chief Financial Officer	1,015	1,352	1,356	1,360	1,360	1,354
Capital Programs						
Office of Capital Programs	1	1	1	1	1	1
Construction Oversight	5	5	5	5	5	5
Federal Policy	0	1	1	1	1	1
Enterprise Asset Management	3	9	9	9	9	9
Capital Program Management	14	15	15	15	15	15
Capital Program Funding	11	11	11	11	11	11
Total Capital Programs	34	42	42	42	42	42
Corporate and Internal Communications						
Internal Communications	2	3	3	3	3	3
Arts for Transit	8	10	10	10	10	10
Transit Museum Operations	10	13	13	13	13	13
Retail Operations	3	5	5	5	5	5
Corporate and Internal Communications	23	31	31	31	31	31
Total MTA Consolidated Functions	1,255	1,648	1,652	1,656	1,656	1,650
Business Service Center	313	316	316	316	316	316
Total Administration Positions	1,762	2,219	2,223	2,227	2,227	2,221
Public Safety	755	873	873	893	947	963
Baseline Total Positions	2,517	3,092	3,096	3,120	3,174	3,184
<i>Non-Reimbursable</i>	2,411	2,953	2,957	2,981	3,035	3,045
<i>Reimbursable</i>	106	139	139	139	139	139
<i>Full-Time</i>	2,517	3,092	3,096	3,120	3,174	3,184
<i>Full-Time Equivalents</i>	-	-	-	-	-	-

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Total Positions by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION / OCCUPATIONAL GROUP	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Administration						
Managers/Supervisors	417	490	490	490	490	487
Professional/Technical/Clerical	1,345	1,729	1,733	1,737	1,737	1,734
Operational Hourlies	0	0	0	0	0	0
Total Administration Headcount	1,762	2,219	2,223	2,227	2,227	2,221
Operations						
Managers/Supervisors	0	0	0	0	0	0
Professional/Technical/Clerical	0	0	0	0	0	0
Operational Hourlies	0	0	0	0	0	0
Total Operations Headcount	0	0	0	0	0	0
Maintenance						
Managers/Supervisors	0	0	0	0	0	0
Professional/Technical/Clerical	0	0	0	0	0	0
Operational Hourlies	0	0	0	0	0	0
Total Maintenance Headcount	0	0	0	0	0	0
Engineering / Capital						
Managers/Supervisors	0	0	0	0	0	0
Professional/Technical/Clerical	0	0	0	0	0	0
Operational Hourlies	0	0	0	0	0	0
Total Engineering Headcount	0	0	0	0	0	0
Public Safety						
Managers/Supervisors	158	159	159	159	173	173
Professional, Technical, Clerical	62	79	79	79	80	80
Operational Hourlies	535	635	635	655	694	710
Total Public Safety Headcount	755	873	873	893	947	963
Total Positions						
Managers/Supervisors	575	649	649	649	663	660
Professional, Technical, Clerical	1,407	1,808	1,812	1,816	1,817	1,814
Operational Hourlies	535	635	635	655	694	710
Total Positions	2,517	3,092	3,096	3,120	3,174	3,184

MTA Headquarters

MTA Headquarters includes four distinct components: Policy & Oversight, MTA Consolidated Functions including Information Technology and Non-Information Technology, the Business Service Center, and MTA Security:

- MTA HQ, Policy & Oversight includes MTA Executive Leadership and policy/oversight functions. All aspects of Administration strive to identify opportunities to streamline expenses and increase efficiencies.
- MTA Consolidated Functions includes areas where savings have been achieved through function consolidations or areas where the work can be more efficiently performed at Headquarters. This Plan includes the consolidation of the Information Technology functions. Future consolidations will include the Procurement and Treasury functions. As MTA consolidates functions across the Agencies, it is likely that the net budget change associated with those functions will increase Headquarters' costs, while staffing and expense levels decrease at a higher level at the Agencies.
- The Business Service Center provides shared back-office financial, payroll, procurement, and human resource services to all agencies.
- Public Safety includes the MTA Police which patrols the MTA's commuter railroads, and provides MTA-wide oversight of security and safety services. Public Safety also leads emergency preparedness, and interfaces with multiple city, state and federal law enforcement agencies.

The following table breaks out the MTA HQ personnel Budgets by these categories.

MTA HEADQUARTERS
July Financial Plan 2018 - 2021
Accrual Statement of Operations by Major Function
(\$ in millions)

NON-REIMBURSABLE	2017 Mid-Year Forecast	2018	2019	2020	2021
<u>MTA Consolidated Functions</u>					
Operating Revenue	\$6.617	\$5.370	\$5.444	\$5.576	\$5.743
Labor Expenses	\$164.676	\$174.746	\$185.978	\$190.875	\$196.410
Non-Labor Expenses	167.665	156.926	147.333	149.355	153.381
Depreciation / OPEB Obligation	24.840	46.449	52.133	56.146	53.861
Total Expenses	\$357.181	\$378.121	\$385.444	\$396.376	\$403.652
Baseline Deficit	(\$350.564)	(\$372.751)	(\$380.001)	(\$390.799)	(\$397.908)
<u>MTA HQ, Policy & Oversight</u>					
Operating Revenue	\$53.252	\$47.584	\$50.007	\$52.007	\$54.088
Labor Expenses	\$39.369	\$45.624	\$48.439	\$49.870	\$50.023
Non-Labor Expenses	139.136	107.518	106.558	108.758	111.531
Depreciation / OPEB Obligation / GASB 68	121.046	107.689	109.066	112.198	111.852
Total Expenses	\$299.551	\$260.831	\$264.063	\$270.826	\$273.406
Baseline Deficit	(\$246.299)	(\$213.247)	(\$214.056)	(\$218.819)	(\$219.318)
<u>Business Service Center</u>					
Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expenses	\$31.712	\$32.250	\$33.156	\$34.148	\$35.112
Non-Labor Expenses	14.746	8.947	9.139	9.585	9.826
Depreciation / OPEB Obligation	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$46.458	\$41.197	\$42.295	\$43.733	\$44.938
Baseline Deficit	(\$46.458)	(\$41.197)	(\$42.295)	(\$43.733)	(\$44.938)
<u>Public Safety</u>					
Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Labor Expenses	\$127.062	\$136.580	\$139.048	\$146.740	\$149.618
Non-Labor Expenses	8.097	12.249	13.224	15.551	15.307
Depreciation / OPEB Obligation	8.097	6.002	6.002	4.526	4.506
Total Expenses	\$143.257	\$154.831	\$158.274	\$166.817	\$169.431
Baseline Deficit	(\$143.257)	(\$154.831)	(\$158.274)	(\$166.817)	(\$169.431)

MTA HEADQUARTERS
July Financial Plan 2018-2021
Total Positions by Function
Non-Reimbursable/Reimbursable and Full-Time Positions/Full-Time Equivalents

FUNCTION	2016 Actual	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
MTA Consolidated Functions	1,255	1,648	1,652	1,656	1,656	1,650
MTA HQ, Policy & Oversight	194	255	255	255	255	255
Business Service Center	313	316	316	316	316	316
Public Safety	755	873	873	893	947	963
Baseline Total Positions	2,517	3,092	3,096	3,120	3,174	3,184
Non-Reimbursable						
MTA Consolidated Functions						
MTA HQ, Policy & Oversight	194	255	255	255	255	255
Business Service Center	313	316	316	316	316	316
Public Safety	755	873	873	893	947	963
	-	-	-	-	-	-
Reimbursable						
MTA Consolidated Functions	107	139	139	139	139	139
MTA HQ, Policy & Oversight		-	-	-	-	-
Business Service Center		-	-	-	-	-
Public Safety	-	-	-	-	-	-
	-	-	-	-	-	-
<i>Full-Time</i>	2,517	3,092	3,096	3,120	3,174	3,184
<i>Full-Time Equivalents</i>	-	-	-	-	-	-

**MTA INSPECTOR GENERAL
2018 Preliminary Budget
July Financial Plan 2018-2021**

Financial Overview

The forecast for the Office of Inspector General for the years 2018-2021 reflect the guidelines and assumptions used by MTA Headquarters, and provides adequate resources used to investigate and audit matters of concern throughout the MTA and its subsidiaries.

2017 Mid-Year Forecast

In the 2017 Mid-Year Forecast a total of \$13.0 million is projected in baseline expenses, compared to \$14.6 million in the 2017 Adopted Budget. The favorable variance is the mainly the result of vacancy savings.

2018 Preliminary Budget – Baseline

In the 2018 Preliminary Budget, a total of \$14.2 million is projected in baseline expenses compared to \$15.0 million in the February Plan. The favorable variance results from a re-estimation of employee salaries and fringe benefit expenses.

2019-2021 Projections

The forecast for the Office of Inspector General for the years 2019-2021 reflects inflationary growth according to the prevailing guidelines and assumptions.

MTA INSPECTOR GENERAL
July Financial Plan 2018 - 2021
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2016	2017	2018			
	Actual	Mid-Year	Preliminary	2019	2020	2021
		Forecast	Budget			
Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	12.872	13.008	14.198	14.517	14.879	15.249
Total Revenue	\$12.872	\$13.008	\$14.198	\$14.517	\$14.879	\$15.249
Expenses						
<u>Labor:</u>						
Payroll	\$7.289	\$7.714	\$8.421	\$8.590	\$8.762	\$8.937
Overtime	-	-	-	-	-	-
Health and Welfare	0.990	0.996	1.214	1.244	1.303	1.364
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.957	0.613	0.692	0.726	0.753	0.783
Other Fringe Benefits	0.537	0.530	0.585	0.596	0.608	0.620
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$9.773	\$9.853	\$10.912	\$11.156	\$11.426	\$11.704
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.029	0.005	0.032	0.031	0.034	0.037
Insurance	0.025	0.024	0.026	0.028	0.031	0.034
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.715	2.782	2.869	2.936	3.013	3.090
Professional Service Contracts	0.206	0.239	0.240	0.244	0.250	0.256
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.123	0.105	0.120	0.122	0.125	0.128
Total Non-Labor Expenses	\$3.098	\$3.155	\$3.287	\$3.361	\$3.453	\$3.545
<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	\$12.872	\$13.008	\$14.198	\$14.517	\$14.879	\$15.249
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$12.872	\$13.008	\$14.198	\$14.517	\$14.879	\$15.249
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
July Financial Plan 2018 - 2021
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2016	2017	2018			
	<u>Actual</u>	<u>Forecast</u>	<u>Preliminary Budget</u>	<u>2019</u>	<u>2020</u>	<u>2021</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	12.872	13.008	14.198	14.517	14.879	15.249
Total Receipts	\$12.872	\$13.008	\$14.198	\$14.517	\$14.879	\$15.249
Expenditures						
<u>Labor:</u>						
Payroll	\$7.289	\$7.714	\$8.421	\$8.590	\$8.762	\$8.937
Overtime	-	-	-	-	-	-
Health and Welfare	0.990	0.996	1.214	1.244	1.303	1.364
OPEB Current Payment	-	-	-	-	-	-
Pensions	0.957	0.613	0.692	0.726	0.753	0.783
Other Fringe Benefits	0.537	0.530	0.585	0.596	0.608	0.620
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$9.773	\$9.853	\$10.912	\$11.156	\$11.426	\$11.704
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.029	0.005	0.032	0.031	0.034	0.037
Insurance	0.025	0.024	0.026	0.028	0.031	0.034
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	2.715	2.782	2.869	2.936	3.013	3.090
Professional Service Contracts	0.206	0.239	0.240	0.244	0.250	0.256
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	0.123	0.105	0.120	0.122	0.125	0.128
Total Non-Labor Expenditures	\$3.098	\$3.155	\$3.287	\$3.361	\$3.453	\$3.545
<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	\$12.872	\$13.008	\$14.198	\$14.517	\$14.879	\$15.249
Net Cash Deficit	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
July Financial Plan 2018 - 2021
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2016	2017	2018			
	Actual	Mid-Year Forecast	Preliminary Budget	2019	2020	2021
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
OPEB Current Payment	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
GASB Account	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor:</u>						
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expenditures Adjustments:</u>						
Other - Operating Capital	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditures Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA INSPECTOR GENERAL
July Financial Plan 2018 - 2021
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2017	2018	Change 2018 - 2017	2019	Change 2019 - 2018	2020	Change 2020 - 2019	2021	Change 2021 - 2020
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	13.008	14.198	1.190	14.517	0.319	14.879	0.362	15.249	0.370
Total Revenue	\$13.008	\$14.198	\$1.190	\$14.517	\$0.319	\$14.879	\$0.362	\$15.249	\$0.370
Expenses									
Labor:									
Payroll	\$7.714	\$8.421	(\$0.707)	\$8.590	(\$0.169)	\$8.762	(\$0.172)	\$8.937	(\$0.175)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.996	1.214	(0.218)	1.244	(0.030)	1.303	(0.059)	1.364	(0.061)
OPEB Current Payment	-	-	-	-	-	-	-	-	-
Pensions	0.613	0.692	(0.079)	0.726	(0.034)	0.753	(0.027)	0.783	(0.030)
Other Fringe Benefits	0.530	0.585	(0.055)	0.596	(0.011)	0.608	(0.012)	0.620	(0.012)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$9.853	\$10.912	(\$1.059)	\$11.156	(\$0.244)	\$11.426	(\$0.270)	\$11.704	(\$0.278)
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.005	0.032	(0.027)	0.031	0.001	0.034	(0.003)	0.037	(0.003)
Insurance	0.024	0.026	(0.002)	0.028	(0.002)	0.031	(0.003)	0.034	(0.003)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other	-	-	-	-	-	-	-	-	-
Operating Contracts	2.782	2.869	(0.087)	2.936	(0.067)	3.013	(0.077)	3.090	(0.077)
Professional Service Contracts	0.239	0.240	(0.001)	0.244	(0.004)	0.250	(0.006)	0.256	(0.006)
Materials & Supplies	-	-	-	-	-	-	-	-	-
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other Business Expenses	0.105	0.120	(0.015)	0.122	(0.002)	0.125	(0.003)	0.128	(0.003)
Total Non-Labor Expenses	\$3.155	\$3.287	(\$0.132)	\$3.361	(\$0.074)	\$3.453	(\$0.092)	\$3.545	(\$0.092)
Other Expenses Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$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	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$13.008	\$14.199	(\$1.191)	\$14.517	(\$0.318)	\$14.879	(\$0.362)	\$15.249	(\$0.370)
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$13.01	\$14.20	(\$1.191)	\$14.52	(\$0.318)	\$14.879	(\$0.362)	\$15.249	(\$0.370)
Net Surplus/(Deficit)	\$0.000	(\$0.001)	(\$0.001)	\$0.000	\$0.001	\$0.000	\$0.000	\$0.000	(\$0.000)

MTA INSPECTOR GENERAL
July Financial Plan 2018 - 2021
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2017	2018	Change 2018 - 2017	2019	Change 2019 - 2018	2020	Change 2020 - 2019	2021	Change 2021 - 2020
Receipts									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	13.008	14.198	1.190	14.517	0.319	14.879	0.362	15.249	0.370
Total Receipts	\$13.008	\$14.198	\$1.190	\$14.517	\$0.319	\$14.879	\$0.362	\$15.249	\$0.370
Expenditures									
Labor:									
Payroll	\$7.714	\$8.421	(\$0.707)	\$8.590	(\$0.169)	\$8.762	(\$0.172)	\$8.937	(\$0.175)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.996	1.214	(0.218)	1.244	(0.030)	1.303	(0.059)	1.364	(0.061)
OPEB Current Payment	-	-	0.000	-	0.000	-	0.000	-	0.000
Pensions	0.613	0.692	(0.079)	0.726	(0.034)	0.753	(0.027)	0.783	(0.030)
Other Fringe Benefits	0.530	0.585	(0.055)	0.596	(0.011)	0.608	(0.012)	0.620	(0.012)
GASB Account	-	-	-	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$9.853	\$10.912	(\$1.059)	\$11.156	(\$0.244)	\$11.426	(\$0.270)	\$11.704	(\$0.278)
Non-Labor:									
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.005	0.032	(0.027)	0.031	0.001	0.034	(0.003)	0.037	(0.003)
Insurance	0.024	0.026	(0.002)	0.028	(0.002)	0.031	(0.003)	0.034	(0.003)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other									
Operating Contracts	2.782	2.869	(0.087)	2.936	(0.067)	3.013	(0.077)	3.090	(0.077)
Professional Service Contracts	0.239	0.240	(0.001)	0.244	(0.004)	0.250	(0.006)	0.256	(0.006)
Materials & Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other Business Expenses	0.105	0.120	(0.015)	0.122	(0.002)	0.125	(0.003)	0.128	(0.003)
Total Non-Labor Expenditures	\$3.155	\$3.287	(\$0.132)	\$3.361	(\$0.074)	\$3.453	(\$0.092)	\$3.545	(\$0.092)
Other Expenditure Adjustments:									
Other	\$0.000	\$0.000	\$0.000	\$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	\$0.000	\$0.000	\$0.000
Total Expenditures	\$13.008	\$14.199	(\$1.191)	\$14.517	(\$0.318)	\$14.879	(\$0.362)	\$15.249	(\$0.370)
Net Cash Surplus/Deficit	\$0.000	(\$0.001)	(0.001)	\$0.000	0.001	\$0.000	0.000	\$0.000	0.000

MTA INSPECTOR GENERAL
July Financial Plan 2018 - 2021
Summary of Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2017	2018	2019	2020
2017 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Revenue:				
Capital and Other Reimbursements	(1.621)	(0.772)	(0.812)	(0.816)
Sub-Total Revenue Changes	(\$1.621)	(\$0.772)	(\$0.812)	(\$0.816)
Expenses:				
Payroll	\$0.492	(\$0.052)	(\$0.055)	(\$0.057)
Overtime	-	-	-	-
Health and Welfare	0.427	0.234	0.260	0.258
OPEB Current Payment	-	-	-	-
Pensions	0.359	0.340	0.347	0.356
Other Fringe Benefits	0.186	0.146	0.149	0.153
Reimbursable Overhead	-	-	-	-
Fuel	0.027	0.001	0.003	0.003
Insurance	0.001	0.002	0.003	0.003
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other				
Operating Contracts	0.052	0.032	0.035	0.031
Professional Service Contracts	0.052	0.056	0.057	0.057
Materials & Supplies	-	-	-	-
Other Business Expenses	0.024	0.011	0.012	0.012
Depreciation	0.000	0.000	0.000	0.000
Sub-Total Expense Changes	\$1.620	\$0.770	\$0.811	\$0.816
Cash Adjustments:				
Revenue				
Expense				
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$0.001)	(\$0.002)	-\$0.001	\$0.000
Total Changes	(\$0.001)	(\$0.002)	-\$0.001	\$0.000
2017 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.001)	(\$0.002)	-\$0.001	\$0.000

MTA INSPECTOR GENERAL
July Financial Plan 2018 - 2021
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time Positions/Full Time Equivalents

FUNCTION/DEPARTMENT	2016 Actual	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
Administration						
Office of the Inspector General	86	86	86	86	86	86
Total Administration	86	86	86	86	86	86
Total Positions	86	86	86	86	86	86
Non-Reimbursable	-	-	-	-	-	-
Reimbursable	-	-	-	-	-	-
Total	0	0	0	0	0	0
Total Full-Time	86	86	86	86	86	86
Total Full-Time Equivalents	-	-	-	-	-	-

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

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2018 Preliminary Budget
July Financial Plan for 2018 – 2021

Mission Statement and Highlights of Operations

The mission of the First Mutual Transportation Assurance Company (FMTAC) is to act as a pure captive insurance company under Section 7005, Article 70 of the Insurance Law and Section 1266 subdivision 5 of the Public Authorities Law of the State of New York. FMTAC's mission is to continue, develop, and improve the insurance and risk management needs as required by the MTA. FMTAC was established to maximize the flexibility and effectiveness of the MTA's insurance program, while minimizing costs.

FINANCIAL OVERVIEW

FMTAC continues to utilize dedicated resources to efficiently address the challenges related to insurance and risk management for the MTA. FMTAC continues to draw from the expertise and support services available in other MTA agencies and outside service providers to support risk management. This is reflected in the current budget proposal.

For all years, on a cash basis, FMTAC generates a net cash deficit of zero, which is the true cash impact of FMTAC 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.

Insurance premiums from the Agencies (revenue) are recorded as credits to the Insurance expense line. Premiums are increasing an average of 12% annually with the exception of the Casualty Owner-Controlled Insurance Program (OCIP) programs which earn premium based on a percentage of contract completion calculation.

Additional expenses consist primarily of Claims and Other Business Expenses.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
2018 Preliminary Budget
July Financial Plan 2018 - 2021

2017 Mid-Year Forecast

In the 2017 Mid-Year Forecast, a total of \$6.3 million is projected in baseline deficit compared to the \$17.7 million Baseline Surplus in the 2017 Adopted Budget. This consists of a \$10.9 million decrease in revenues and \$13.1 million increase in expenses. The unfavorable outcome is a result of lower Investment Income (change in net unrealized gains and losses from investments) than projected in the 2017 Adopted Budget. Claims are based on actuarial analysis of claim activity on an estimated basis. Estimated claim expense is higher than the 2017 Adopted Budget. Revenue is based on prior year actual results. Other Business Expenses are based on trending actual results through April 2017 and were higher due to additional OCIP safety costs that were not known when the 2017 Adopted Budget was prepared.

2018 Preliminary Budget

In the 2018 Preliminary Budget, a total of \$2.0 million is projected in baseline deficit compared to the \$22.2 million Baseline Surplus in the February Plan. This consists of an \$11.2 million decrease in revenues and \$13.0 million increase in expenses. The unfavorable outcome is a result of lower Investment Income (change in net unrealized gains and losses from investments) than projected in the 2017 Adopted Budget. Investment Income and Other Operating Revenue are estimated to increase over 2017 projections at a rate equal to CPI. Claims are based on actuarial analysis of claim activity on an estimated basis. Other Business Expenses are estimated to increase over 2017 at a rate of 2% each year.

2019 – 2021 Projections

2019 – 2021 Projections are representative of 2017 projections with market increases. Investment Income and Other Operating Revenue are estimated to increase over 2017 projections at a rate equal to CPI. Claims are based on actuarial analysis of projected claim activities and adjustments, whether favorable or unfavorable in required reserves. Other Business Expenses are estimated to increase over 2017 at a rate of 2% each year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY

July Financial Plan 2018 - 2021

Accrual Statement of Operations By Category

(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Non-Reimbursable</u>						
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	10.110	9.585	9.759	9.994	10.267	10.540
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	2.693	2.500	2.546	2.607	2.678	2.749
Total Revenues	\$12.803	\$12.085	\$12.305	\$12.600	\$12.944	\$13.289
Operating Expense						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
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	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	(162.559)	(103.444)	(110.382)	(119.159)	(129.833)	(142.503)
Claims	124.134	108.096	110.720	116.872	116.105	116.224
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 Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials and Supplies	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	15.465	13.692	13.966	14.245	14.530	14.821
Total Non-Labor Expenses	(\$22.960)	\$18.344	\$14.304	\$11.958	\$0.802	(\$11.458)
<u>Other Expense Adjustments:</u>						
Other Expense Adjustments	\$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.	(\$22.960)	\$18.344	\$14.304	\$11.958	\$0.802	(\$11.458)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	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	(\$22.960)	\$18.344	\$14.304	\$11.958	\$0.802	(\$11.458)
Net Surplus/(Deficit)	\$35.763	(\$6.259)	(\$1.999)	\$0.642	\$12.142	\$24.747

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2018 - 2021
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Receipts and Expenditures						
Receipts						
Other Operating Revenue	\$10.110	\$9.585	\$9.759	\$9.994	\$10.267	\$10.540
Investment Income	2.693	2.500	2.546	2.607	2.678	2.749
Total Receipts	\$12.803	\$12.085	\$12.305	\$12.600	\$12.944	\$13.289
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
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	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	(162.559)	(103.444)	(110.382)	(119.159)	(129.833)	(142.503)
Claims	124.134	96.514	98.858	104.350	103.665	103.771
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 Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials and Supplies	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	15.465	13.692	13.966	14.245	14.530	14.821
Total Non-Labor Expenditures	(\$22.960)	\$6.762	\$2.442	(\$0.564)	(\$11.638)	(\$23.911)
<u>Other Expenditure Adjustments:</u>						
Other	\$35.763	\$5.323	\$9.863	\$13.164	\$24.582	\$37.200
Total Other Expenditure Adjustments	\$35.763	\$5.323	\$9.863	\$13.164	\$24.582	\$37.200
Total Expenditures	\$12.803	\$12.085	\$12.305	\$12.600	\$12.944	\$13.289
Net Cash Balance	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY

July Financial Plan 2018 - 2021
Cash Conversion (Cash Flow Adjustments)
 Favorable/(Unfavorable)
 (\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Flow Adjustments						
Receipts						
Farebox 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	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
Labor:						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
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	11.582	11.862	12.522	12.440	12.453
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 Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials and 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 Expenditures	\$0.000	\$11.582	\$11.862	\$12.522	\$12.440	\$12.453
Other Expenditure Adjustments:						
Other Expense Adjustments	(\$35.763)	(\$5.323)	(\$9.863)	(\$13.164)	(\$24.582)	(\$37.200)
Total Other Expenditure Adjustments	(\$35.763)	(\$5.323)	(\$9.863)	(\$13.164)	(\$24.582)	(\$37.200)
Total Expenditures	(\$35.763)	\$6.259	\$1.999	(\$0.642)	(\$12.142)	(\$24.747)
Total Cash Conversion Adjustments before Depreciation	(\$35.763)	\$6.259	\$1.999	(\$0.642)	(\$12.142)	(\$24.747)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	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 Cash Conversion Adjustments	(\$35.763)	\$6.259	\$1.999	(\$0.642)	(\$12.142)	(\$24.747)

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2018 - 2021
Year-to-Year Changes by Category Baseline Narrative

Revenue

Investment Income

- Investment income is the change in net unrealized gains or losses on investments.
- Investment income is projected based on the MTA Region All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts, dated March 9, 2017.

Other Operating Revenue

- This is the realized gains or earned investment income from bonds and equity investments (dividends, interest).
- Other Operating Revenue is projected based on the MTA Region All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts dated March 9, 2017.

Expenses

Insurance

- Insurance (premiums paid to FMTAC) is from the 2017 Mid-Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets and are based on increases in the market and exposure, as well as increases in the claims expense and reserve adjustments. For the Casualty Owner-Controlled Insurance Program (OCIP) programs, an estimated of earned premium is also included, which is calculated based on percentage of contract completion.
- Insurance (premiums) are estimated to increase an average of 12%.

Claims

- Claims expenses are determined by actuarial projection for 2018 – 2021 actual claim expense paid and any adjustment either favorable or unfavorable to reserves. In addition to the actuarial analysis, the claims increase follows

simultaneously with the factors of the growth in exposure (i.e. vehicle count) and higher insurance premiums.

Other Business Expenses

- Other Business Expenses increased 2% for 2018 – 2021 and are representative of general increases for professional services provided and expenses not directly related to claims.

Restricted Cash Adjustment

- Restricted cash grows as the net baseline surplus increases. Factors attributing to this growth are insurance premiums and related claims expenses.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Non-Reimbursable									
Operating Revenues									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	9.585	9.759	0.174	9.994	0.234	10.267	0.273	10.540	0.273
Investment Income	2.500	2.546	0.046	2.607	0.061	2.678	0.071	2.749	0.071
Total Revenues	\$12.085	\$12.305	\$0.220	\$12.600	\$0.295	\$12.944	\$0.344	\$13.289	\$0.344
Operating Expenses									
<u>Labor:</u>									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$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	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	(103.444)	(110.382)	6.938	(119.159)	8.777	(129.833)	10.674	(142.503)	12.670
Claims	108.096	110.720	(2.624)	116.872	(6.152)	116.105	0.767	116.224	(0.119)
Paratransit Service Contracts	0.000	0.000	0.000	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	0.000	0.000	0.000
Professional Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Materials and Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	13.692	13.966	(0.274)	14.245	(0.279)	14.530	(0.285)	14.821	(0.291)
Total Non-Labor Expenses	\$18.344	\$14.304	\$4.040	\$11.958	\$2.346	\$0.802	\$11.156	(\$11.458)	\$12.260
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$18.344	\$14.304	\$4.040	\$11.958	\$2.346	\$0.802	\$11.156	(\$11.458)	\$12.260
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	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	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$18.344	\$14.304	\$4.040	\$11.958	\$2.346	\$0.802	\$11.156	(\$11.458)	\$12.260
Net Surplus/(Deficit)	(\$6.259)	(\$1.999)	\$4.260	\$0.642	\$2.641	\$12.142	\$11.500	\$24.747	\$12.605

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Cash Receipts and Expenditures</u>									
Receipts									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	9.585	9.759	0.174	9.994	0.234	10.267	0.273	10.540	0.273
Investment Income	2.500	2.546	0.046	2.607	0.061	2.678	0.071	2.749	0.071
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Receipts	\$12.085	\$12.305	\$0.220	\$12.600	\$0.295	\$12.944	\$0.344	\$13.289	\$0.344
Expenditures									
<u>Labor Expenditures:</u>									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Non-Labor Expenditures:</u>									
Electric Power	\$0.000	\$0.000	\$0.000	\$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	0.000	0.000	0.000
Insurance	(103.444)	(110.382)	6.938	(119.159)	8.777	(129.833)	10.674	(142.503)	12.670
Claims	96.514	98.858	(2.344)	104.350	(5.492)	103.665	0.685	103.771	(0.106)
Paratransit Service Contracts	0.000	0.000	0.000	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	0.000	0.000	0.000
Professional Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Materials and Supplies	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	13.692	13.966	(0.274)	14.245	(0.279)	14.530	(0.285)	14.821	(0.291)
Total Non-Labor Expenditures	\$6.762	\$2.442	\$4.320	(\$0.564)	\$3.006	(\$11.638)	\$11.074	(\$23.911)	\$12.273
<u>Other Expenditure Adjustments:</u>									
Other	5.323	9.863	(4.540)	13.164	(3.301)	24.582	(11.418)	37.200	(12.618)
Total Other Expenditure Adjustments	\$5.323	\$9.863	(\$4.540)	\$13.164	(\$3.301)	\$24.582	(\$11.418)	\$37.200	(\$12.618)
Total Expenditures	\$12.085	\$12.305	(\$0.220)	\$12.600	(\$0.295)	\$12.944	(\$0.344)	\$13.289	(\$0.344)
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

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MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2018 - 2021
Summary of Changes Between Financial Plans by Category

2017 – 2020 July Financial Plan vs. February Financial Plan

Revenue

Revenue changes from the February Plan over the 2017 – 2020 periods include:

- The decreased baseline estimate for 2017 is due to a decrease in Investment Income (change in net unrealized gains and losses from investments) and a decrease in Other Operating Revenue for the first three months of 2017. For 2018 – 2020, the decreased baseline estimate for 2017 is then projected based on the MTA Region All Urban Consumer CPI inflation rates as provided in the Economic and Demographic Forecasts March 09, 2017.

Expenses

Expense changes from the February Plan over the 2017 – 2020 periods include:

- A slight decrease in Insurance (premium revenue) as projected in the 2017 Mid-Year Forecast of the MTA Summary & Detailed Agency Insurance Cash Budgets.
- Claim expenses resulted in unfavorable developments due to updated loss projections from actuarial projections.
- Other Business Expenses increased due to updated estimates based prior year actual results. Expenses are based on trending actual results through April 2017 and were higher due to additional OCIP safety costs that were not known when the 2017 Adopted Budget was prepared. The inflation rate for Other Business Expenses is expected to increase 2% per year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2018 - 2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	(1.036)	(1.110)	(1.147)	(1.165)
Investment Income	(9.814)	(10.057)	(10.310)	(10.576)
Capital and Other Reimbursement	-	-	-	-
Total Revenue Changes	(\$10.851)	(\$11.167)	(\$11.456)	(\$11.740)
Expenses				
<i>Labor:</i>				
Payroll	\$0.000	\$0.000	\$0.000	\$0.000
Health and Welfare	-	-	-	-
OPEB Current Payment	-	-	-	-
Pensions	-	-	-	-
Other Fringe Benefits	-	-	-	-
Reimbursable Overhead	-	-	-	-
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	(0.278)	(0.446)	(0.068)	0.888
Claims	(10.895)	(10.543)	(11.351)	(5.724)
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-
Materials & Supplies	-	-	-	-
Other Business Expenses	(1.962)	(2.001)	(2.041)	(2.082)
Total Non-Labor Expense Changes	(\$13.135)	(\$12.990)	(\$13.460)	(\$6.918)
<i>Total Expenses before Depreciation and GASB Adjs.</i>				
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Obligation	-	-	-	-
Environmental Remediation	-	-	-	-
Total Expense Changes	(\$13.135)	(\$12.990)	(\$13.460)	(\$6.918)
Cash Adjustment Changes				
<i>Revenue:</i>				
Other Operating Revenue	0.000	0.000	0.000	0.000
<i>Expenses:</i>				
Claims	2.746	2.755	2.929	2.405
Other Business Expenses	0.000	0.000	0.000	0.000
Total Expense Changes	2.746	2.755	2.929	2.405
Restricted Cash Adjustment	21.240	21.403	21.988	16.253
Total Cash Adjustment Changes	\$23.986	\$24.158	\$24.917	\$18.658
Total Baseline Changes	\$0.00	\$0.000	\$0.000	\$0.000
July Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

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New York City Transit

MTA NEW YORK CITY TRANSIT
2018 Preliminary Budget
July Financial Plan 2018 – 2021

FINANCIAL OVERVIEW

New York City Transit's July Financial Plan maintains funding to sustain current operations, as well as targeted initiatives that advance the agency's mission to provide safe, reliable, and customer-oriented transit service. Historic ridership growth over the past few years, combined with the hurdle of aging infrastructure, has challenged the agency to maintain service quality, and deal with the critical issue of subway service delays. In response, investments are being made to address the causes of delays and to improve the travel experience for our customers.

System Investments

As recently amended, New York City Transit's \$16.3 billion 2015-2019 Capital Program provides funding for essential investments to maintain key assets in a state of good repair, including rolling stock and mainline track and switches, as well as investments in signals, stations, and other infrastructure that will steadily build toward state of good repair in these asset categories. Some of the major initiatives in the 2015-2019 Capital Program that impact New York City Transit's operating environment include the upgrade of signals on several lines to Communication Based Train Control, the normal replacement of aging buses and railcars, the replacement of MetroCard with a modernized fare payment system, and key component repairs at over 150 subway stations. Key actions include:

- **System Expansion.** The Second Avenue Subway (SAS) Phase 1 went into revenue service on schedule on January 1st, 2017. This new convenient rail service for residents of Manhattan's previously under-served upper East Side has accomplished a major service improvement milestone—eliminating severe overcrowding on the Lexington Avenue lines. The 2010-15 capital program includes funding for SAS Phase 2 which will extend the line from 96th Street to 125th Street and connect to the Lexington Avenue lines.
- **Rolling Stock.** R179 test trains are currently undergoing in service testing with delivery of the 300 new cars expected during 2017-2018. The 2015-2019 Capital program includes funding to purchase 450 R211 cars and 1,441 new buses. New buses will come equipped with new safety features including a pedestrian turn warning system, collision avoidance system, and re-designed windows that improve driver visibility. They will feature customer amenities including Wi-Fi service, USB charging ports, and digital information screens. Operating funds are being used to retrofit new buses in the existing fleet with many of these enhancements to accelerate their fleet-wide rollout.

- **Customer Amenities.** The **Beacon Project** will provide train arrival information through installation of countdown clocks in stations on the “B” Division, similar to the customer information already standard on the “A” Division. **HelpPoints**—intercoms that instantly connect customers to information and emergency services—are being installed at all 472 subway stations. To date, 414 stations are done with completion of the full system installation expected in 2018. The **Enhanced Station Initiative (ESI)**, which will renovate 31 stations over three years to make them cleaner, brighter, and easier to navigate, is ongoing.
- **Sandy Recovery and Resiliency Projects.** New York City Transit continues its major investment in recovery and resiliency projects related to Super Storm Sandy. Major recovery projects already completed include restoration of the Rockaway Line and rehabilitation of the Montague, Greenpoint, and Steinway tubes. The reconstructed South Ferry Station has recently opened. Projects scheduled for completion this year and next include rehabilitation of the Cranberry, 53rd Street, Joralemon, and Clark Street tubes. Upcoming projects include major yard improvement projects, rehabilitation of the Rutgers tube, and most important, rehabilitation of the Canarsie tube planned to start in 2019. Under the resiliency program, multi-phase projects to seal street-level openings to the subway and augment pump train capabilities have dramatically improved the system’s flood resilience.

Service Quality and Safety

Providing safe and reliable service is NYCT’s first priority. Thus, minimizing subway delays is crucial and is being addressed through a multi-faceted approach that builds on previous initiatives in this area. Key elements of this strategy include:

- **Combined Action Teams** are in place to quickly address repair issues and resume service quickly.
- **Platform Controllers** stationed along the line are instrumental in reducing dwell time at high-volume stations by instructing waiting customers to step aside from the train doors to allow alighting passengers to exit the train before attempting to board; evenly distributing passengers on platforms to avoid boarding choke points at certain cars; and providing customer assistance and information.
- **Track defect reduction and track bed cleanliness** are two other components of ensuring timely train operation. As we increase the stringency of standards and frequency of inspections, track defects will be identified earlier. Track maintenance has been augmented with seven more rail teams (as well as a team dedicated to the 8th Avenue corridor). The July Plan also includes the addition of mobile track vacuums and Operation Track Sweep, a twice yearly intensive cleaning “blitz” of the track bed at each station, to reduce track fires and improve right of way cleanliness.

For the first time, a fully integrated plan to improve subway service quality is being rolled out under the aegis of the **Eighth Avenue Corridor Improvement Program**. Beginning July 2017, the first phase of this system-wide initiative will begin on the 8th Avenue corridor from 125th Street to Fulton Street. The plan targets the main causes of subway system delays: track and signal issues, sick passengers and police activity, subway car equipment failures, loading and unloading in stations, and bottlenecks that occur at critical points in the system where lines merge.

The July Plan also continues the expansion of the **Select Bus Service (SBS) program**, which significantly reduces bus travel time. SBS service started on the M79 earlier this year increasing the total number of routes with SBS service to 12. One new SBS route (BX6) is planned to start this fall, and three new routes are planned to start in 2018.

The primary investment initiatives included in this plan are summarized as follows:

- **Eighth Avenue Corridor Improvement.** This plan will address major causes of subway delays in order to reduce the number and severity of service disruptions. The first phase of this system-wide initiative will begin immediately on the 8th Avenue corridor from 125th Street to Fulton Street, a total of 19 stations on the A, C, and E lines; and the two key hubs in the South Bronx, 149th Street-Grand Concourse and 3rd Avenue -138 Street. The plan targets key causes of subway system delays, including track and signal issues; sick passengers and police activity; subway car equipment failures; loading and unloading in stations; and bottlenecks that occur at critical points in the system where lines merge. The initiative is effective 7/1/17 with the addition of 160 positions with costs of \$12.5 million in 2017, \$20.4 million in 2018, and \$19.9 million for each year 2019, 2020, and 2021.
- **Track Defect Reduction.** 11 track personnel in 2017 (effective 7/1/17) and 76 track personnel in subsequent years, comprised of 6 defect repair gangs and 1 rail gang, are required in order to reduce the track defects backlog and combat the growing number of defects that have been re-categorized to a higher priority after the Queens Blvd. derailment in 2014. The focus to reduce track defects will be targeted on base corroded rails and broken plates under joints, along with resolving rail grinder, lubricator defect and maintenance issues. Projected costs are \$0.6 million in 2017, \$13.1 million in 2018, \$12.9 million in 2019 and 2020, and \$9.5 million in 2021.
- **Service Management Reorganization.** This reorganization will strengthen the service delivery managerial structure by creating dedicated Special Operations units focused on service management of core trunk lines in the area where service is most concentrated -- from 125th Street to the Barclays Center. This initiative requires an addition of 13 Field Operation managerial positions. Projected costs are \$0.5 million in 2017 and \$2.1 million in subsequent years.

- **Transit Wireless Dark Fiber – 184 Facilities.** This investment of \$5.5 million for each year from 2018 through 2021 expands Transit Wireless Dark Fiber to 184 facilities including above-ground stations, administrative buildings and facilities in the Department of Buses. The project will provide expanded and improved data connectivity for a variety of applications, including Enterprise Asset Management (EAM), and the Alternative Desktop Solution (ADS).
- **WIFI Data Charges.** Additional costs of \$2.9 million in 2017, \$0.8 million in 2018, \$1.3 million in 2019, \$1.5 million in 2020 and \$1.7 million in 2021 due mainly to a higher unit cost of equipment and higher data costs reflecting anticipated higher monthly usage.
- **Mobile Vacuum Cleaners.** In order to more thoroughly clean subway tracks throughout the year, 10 new mobile vacuums will be purchased, supported by 5 Track Equipment Maintainers and analytical support. Projected cost is \$3.1 million in 2017 and \$0.5 million in subsequent years.
- **Operation Track Sweep.** As part of the Priority Initiative to improve cleanliness in stations, NYCT has committed to twice yearly “blitzes” during which all station tracks system-wide are cleaned using Track Workers reassigned from maintenance work. This work will be done on overtime. Projected costs are \$1.4 million in 2017 and \$1.6 million in subsequent years.
- **Car Maintenance-HVAC.** 13 positions and costs of \$1.0 million in 2017 and \$1.5 million in subsequent years are required to increase capacity at Car Equipment’s 207th St. HVAC Modular Unit Shop to address unscheduled repairs of HVAC systems on all new Technology cars (R142, R142A, R143 and R160). Effective July 2017, Car Equipment will add 8 maintainers and 1 supervisor and 4 positions will be added to Supply Logistics to transport HVAC units between the barns and the unit shop.
- **Underground Storage Tanks Inspection and Testing.** In an effort to meet the October 2018 compliance standards mandated by Federal EPA, eight additional positions and OTPS expenses are required to repair, inspect, and test underground storage tanks and related equipment. Projected costs are \$0.9 million in 2017, \$1.5 million in 2018, \$1.1 million in 2019 and \$0.3 million in subsequent years.

The 2018 BUDGET REDUCTION PROGRAM includes the following primary reductions:

- **Health & Welfare Medical Rebid.** In 2017, Aetna replaced Empire Blue Cross and United Healthcare for the hourly and supervisory personnel medical coverage. Although still preliminary, savings from this contractual change have exceeded budget estimates resulting in additional savings of \$17.4 million in

2017, \$6.0 million in 2018, \$6.4 million in 2019, \$6.8 million in 2020, and \$7.2 million in 2021.

- **Eagle Team Redeployment.** Projected savings of \$3.7 million in 2017 and \$6.7 million in subsequent years are based on the redeployment of Regular Bus Service (RBS) Eagle Teams including a net reduction of 64 positions. The RBS initiative was designed to reduce fare evasion on regular bus service. It has been determined that this effort, which relied on intermittent fare evasion enforcement, did not result in significant or lasting reductions in fare evasion.
- **Health & Welfare NYSHIP DEVA.** In 2016, NYSHIP conducted a Dependent Eligibility Verification Audit (DEVA), which produces savings by removing ineligible dependents from medical coverage. Projected savings are \$2.5 million in 2017, \$2.6 million in 2018, \$2.8 million in 2019, \$2.9 million in 2020 and \$3.1 million in 2021.
- **Enterprise Asset Management (EAM) Adjustment.** The EAM project was initiated to maximize the effectiveness of NYCT assets, and a significant investment was made in previous plans to fund this project. A current review of EAM's organizational structure has resulted in the disbanding of NYCT's central Project Management Office, resulting in the reduction of 12 positions. Vacancy savings from a slower staff build-up and reduced consultant expenses add to the total savings projected at \$5.1 million in 2017, \$2.8 million in 2018, \$1.6 million in 2019 and \$2.0 million in subsequent years.
- **Additional Paratransit Savings** (Applicable to prior year Budget Reduction Program). Additional savings of \$7.4 million in 2017, \$10.1 million in 2018, \$17.5 million in 2019, \$21.9 million in 2020 and \$30.8 million in 2021 are due to a re-estimate of 2017 completed trip projections and a reduction in the long term trip growth assumption from 6.5% to 4.5% per year.

2017 Mid-Year Forecast

MTA NYC Transit's 2017 Mid-Year-Forecast includes total expenses before Depreciation, OPEB, and GASB #68 Pension Adjustment, of \$9,331.0 million, consisting of \$8,054.5 million of non-reimbursable expenses and \$1,276.5 million of reimbursable expenses. Total revenues are projected to be \$6,247.6 million, of which \$4,971.1 million are operating revenues and \$1,276.5 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 49,533 (43,997 non-reimbursable positions and 5,536 reimbursable positions).

The 2017 net operating cash deficit is projected to decrease by a net \$109.5 million from the 2017 Adopted Budget.

Major operating cash changes include:

- Updated inflation assumptions, resulting in savings of \$101.7 million, mainly from projected lower health & welfare and energy costs.
- Budget reduction program savings of \$51.1 million (as detailed at the beginning of this narrative).
- The favorable cash timing from 2016 year-end results of \$29.2 million and the favorable timing of NYC student fare reimbursements from 2018 of \$30.0 million.
- Reduced farebox revenue of \$45.5 million, caused by lower than projected ridership, mostly from a lower ridership trend and adverse weather.
- Investments in new programmatic initiatives of \$25.6 million (as detailed at the beginning of this narrative).
- Additional costs required in dealing with adverse weather of \$21.4 million.

Reimbursable expenses are projected to increase in 2017 by \$26.0 million, due to the unfavorable timing of 2016 expenses and programmatic construction/engineering requirements.

Plan-to-Plan, total baseline positions are projected to increase by 223, including a non-reimbursable increase of 32 and a reimbursable increase of 191. The non-reimbursable increase includes an increase of 209 mainly in support of new programmatic initiatives, offset by a decrease of 151 mainly from the impact of budget reduction initiatives (see beginning of this narrative for more detailed information and the position assumptions section for a detailed listing). The reimbursable position increase is due mostly to increased capital program support requirements.

2018 Preliminary Budget

MTA New York City Transit's 2018 Preliminary Budget includes total expenses before depreciation, other post-employment benefits and GASB #68 Pension Adjustment, of \$9,458.2 million, consisting of \$8,257.7 million of non-reimbursable expenses and \$1,200.5 million of reimbursable expenses. Total revenues are projected to be \$6,259.7 million, of which \$5,059.2 million are operating revenues and \$1,200.5 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 49,052, including 44,052 non-reimbursable positions and 5,000 reimbursable positions.

The 2018 net operating cash deficit is projected to decrease by \$56.6 million from the February Financial Plan.

Major operating cash variances include:

- Updated inflation assumptions, resulting in savings of \$65.5 million, mainly from projected lower health & welfare and energy costs.
- Budget reduction program savings of \$42.2 million (as detailed at the beginning of this narrative).
- The favorable capital reimbursement cash timing from 2016 year-end results of \$60.0 million, partly offset by the unfavorable timing of NYC student fare reimbursements from 2017 of \$30.0 million.
- Investments in new programmatic initiatives of \$37.9 million (as detailed at the beginning of this narrative).
- Reduced farebox revenue of \$32.3 million, caused by the lower 2017 baseline ridership trend.

Reimbursable expenses are projected to increase in 2018 by \$17.9 million, due primarily to programmatic construction/engineering requirements and labor cost adjustments.

Plan-to-Plan, total baseline positions are projected to increase by 280, including a non-reimbursable increase of 225 and a reimbursable increase of 55. The non-reimbursable increase includes an increase of 290 in support of new programmatic initiatives offset by a decrease of 121 due to budget reduction initiatives (see beginning of this narrative for more detailed information and the position assumptions section for a detailed breakout). The reimbursable increase is due mostly to additional capital program support requirements.

2019-2020 Projections

Net operating cash deficits are projected to decrease by \$25.3 million in 2019 and \$40.4 million in 2020, relative to the February Financial Plan.

Major operating cash changes include:

- Updated inflation assumptions, resulting in savings of \$84.7 million in 2019 and \$55.3 million in 2020, mainly from projected lower health & welfare and energy costs.
- Budget reduction program savings of \$48.1 million in 2019 and \$60.9 million in 2020 (as detailed at the beginning of this narrative).
- Investments in new programmatic initiatives of \$44.3 million in 2019 and \$41.9 million in 2020 (as detailed at the beginning of this narrative).

- Reduced farebox revenue of \$25.6 million in 2019 and \$25.6 million in 2020, caused by the lower 2017 baseline ridership trend.

Reimbursable expenses are projected to increase in 2019 by \$15.2 million and by \$14.6 million in 2020, due to programmatic construction/engineering requirements and labor cost adjustments.

Plan-to-Plan, total baseline positions are projected to increase by 254 in 2019 and 272 in 2020, including non-reimbursable increases of 232 in 2019 and 260 in 2020. Reimbursable increases are 22 in 2019 and 12 in 2020. The non-reimbursable increases are due mostly to new programmatic initiatives offset by budget reduction plans (see beginning of this narrative for more detailed information and the position assumptions section for a detailed breakdown). The reimbursable increases were due mostly to additional capital program support requirements.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Non-Reimbursable						
Operating Revenue						
<i>Farebox Revenue:</i>						
Subway	\$3,351.083	\$3,473.622	\$3,534.335	\$3,553.482	\$3,574.447	\$3,567.115
Bus	966.344	958.788	969.522	971.127	974.735	971.473
Paratransit	17.620	18.357	19.276	20.144	21.050	21.998
Fare Media Liability	<u>79.993</u>	<u>73.500</u>	<u>73.500</u>	<u>73.500</u>	<u>73.500</u>	<u>73.500</u>
Farebox Revenue	\$4,415.041	\$4,524.267	\$4,596.633	\$4,618.253	\$4,643.732	\$4,634.086
<i>Other Operating Revenue:</i>						
Fare Reimbursement	84.016	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	178.877	180.200	184.519	197.592	209.396	223.046
Other	<u>181.014</u>	<u>182.618</u>	<u>194.027</u>	<u>202.855</u>	<u>208.878</u>	<u>214.710</u>
Other Operating Revenue	\$443.907	\$446.834	\$462.562	\$484.463	\$502.290	\$521.772
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenues	\$4,858.948	\$4,971.101	\$5,059.195	\$5,102.716	\$5,146.022	\$5,155.858
Operating Expense						
<i>Labor:</i>						
Payroll	\$3,168.098	\$3,285.970	\$3,397.719	\$3,465.954	\$3,543.000	\$3,587.894
Overtime	<u>464.337</u>	<u>482.309</u>	<u>445.921</u>	<u>449.132</u>	<u>457.461</u>	<u>465.784</u>
Total Salaries and Wages	\$3,632.435	\$3,768.279	\$3,843.641	\$3,915.086	\$4,000.461	\$4,053.678
Health and Welfare	829.974	864.444	928.875	994.113	1,061.498	1,133.351
OPEB Current Payments	420.715	418.323	462.378	508.673	558.197	612.366
Pension	984.192	927.571	943.997	942.603	939.096	953.663
Other Fringe Benefits	<u>591.545</u>	<u>508.419</u>	<u>520.646</u>	<u>533.774</u>	<u>554.076</u>	<u>565.418</u>
Total Fringe Benefits	\$2,826.425	\$2,718.756	\$2,855.897	\$2,979.162	\$3,112.867	\$3,264.798
Reimbursable Overhead	(262.840)	(260.837)	(246.489)	(244.450)	(238.441)	(238.438)
Total Labor Expenses	\$6,196.020	\$6,226.197	\$6,453.049	\$6,649.798	\$6,874.887	\$7,080.039
<i>Non-Labor:</i>						
Electric Power	\$250.256	\$280.446	\$309.755	\$316.883	\$339.259	\$357.939
Fuel	78.076	87.339	89.762	90.046	98.189	105.800
Insurance	73.427	73.087	76.790	85.526	96.142	108.179
Claims	251.372	168.455	171.333	172.909	174.484	174.484
Paratransit Service Contracts	383.704	399.459	415.261	439.534	467.469	492.100
Maintenance and Other Operating Contracts	222.509	253.708	206.620	220.078	217.274	216.939
Professional Services Contracts	134.344	174.339	159.833	161.233	165.314	165.186
Materials and Supplies	311.860	313.621	296.415	309.627	323.076	314.005
Other Business Expenses	79.921	77.848	78.834	80.327	81.973	82.528
Total Non-Labor Expenses	\$1,785.469	\$1,828.301	\$1,804.602	\$1,876.163	\$1,963.179	\$2,017.160
<i>Other Expense Adjustments:</i>						
Other Expense Adjustments	\$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.	\$7,981.489	\$8,054.499	\$8,257.650	\$8,525.961	\$8,838.067	\$9,097.199
Depreciation	\$1,650.337	\$1,778.062	\$1,828.062	\$1,878.062	\$1,928.062	\$1,978.062
OPEB Liability Adjustment	1,192.543	1,268.921	1,350.191	1,436.666	1,528.680	1,626.587
GASB 68 Pension Expense Adjustment	(183.805)	(296.003)	(305.534)	(296.398)	(303.171)	(308.944)
Environmental Remediation	9.662	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$10,650.227	\$10,805.478	\$11,130.369	\$11,544.291	\$11,991.638	\$12,392.904
Net Surplus/(Deficit)	(\$5,791.279)	(\$5,834.377)	(\$6,071.174)	(\$6,441.575)	(\$6,845.616)	(\$7,237.046)

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Reimbursable						
Operating Revenue						
Farebox 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	1,215.852	1,276.460	1,200.515	1,199.842	1,161.380	1,167.586
Total Revenues	\$1,215.852	\$1,276.460	\$1,200.515	\$1,199.842	\$1,161.380	\$1,167.586
Operating Expense						
Labor:						
Payroll	\$447.543	\$513.566	\$489.014	\$487.337	\$465.349	\$467.642
Overtime	153.059	111.986	108.947	110.023	109.170	110.391
Total Salaries and Wages	\$600.602	\$625.551	\$597.961	\$597.360	\$574.518	\$578.033
Health and Welfare	22.445	22.409	24.239	25.562	25.257	26.467
OPEB Current Payments	7.939	9.171	9.234	9.862	10.410	10.988
Pension	24.329	36.386	37.488	38.010	36.776	37.312
Other Fringe Benefits	181.914	201.932	191.852	191.696	183.727	184.099
Total Fringe Benefits	\$236.627	\$269.897	\$262.813	\$265.130	\$256.170	\$258.866
Reimbursable Overhead	262.840	260.837	246.489	244.450	238.441	238.438
Total Labor Expenses	\$1,100.070	\$1,156.286	\$1,107.263	\$1,106.941	\$1,069.130	\$1,075.336
Non-Labor:						
Electric Power	\$0.549	\$0.252	\$0.252	\$0.252	\$0.252	\$0.252
Fuel	0.020	0.119	0.027	(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	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	35.883	34.377	31.670	31.658	31.686	31.686
Professional Services Contracts	14.192	11.189	9.159	9.509	9.509	9.509
Materials and Supplies	62.503	74.278	52.186	51.547	50.868	50.868
Other Business Expenses	2.635	(0.042)	(0.042)	(0.042)	(0.042)	(0.042)
Total Non-Labor Expenses	\$115.782	\$120.174	\$93.252	\$92.901	\$92.250	\$92.250
Other Expense Adjustments:						
Other Expense Adjustments	\$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	\$1,215.852	\$1,276.460	\$1,200.515	\$1,199.842	\$1,161.380	\$1,167.586
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

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July Financial Plan 2018 - 2021
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(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Non-Reimbursable / Reimbursable</u>						
Operating Revenue						
<i>Farebox Revenue:</i>						
Subway	\$3,351.083	\$3,473.622	\$3,534.335	\$3,553.482	\$3,574.447	\$3,567.115
Bus	966.344	958.788	969.522	971.127	974.735	971.473
Paratransit	17.620	18.357	19.276	20.144	21.050	21.998
Fare Media Liability	<u>79.993</u>	<u>73.500</u>	<u>73.500</u>	<u>73.500</u>	<u>73.500</u>	<u>73.500</u>
Farebox Revenue	\$4,415.041	\$4,524.267	\$4,596.633	\$4,618.253	\$4,643.732	\$4,634.086
<i>Other Operating Revenue:</i>						
Fare Reimbursement	84.016	84.016	84.016	84.016	84.016	84.016
Paratransit Reimbursement	178.877	180.200	184.519	197.592	209.396	223.046
Other	<u>181.014</u>	<u>182.618</u>	<u>194.027</u>	<u>202.855</u>	<u>208.878</u>	<u>214.710</u>
Other Operating Revenue	\$443.907	\$446.834	\$462.562	\$484.463	\$502.290	\$521.772
Capital and Other Reimbursements	1,215.852	1,276.460	1,200.515	1,199.842	1,161.380	1,167.586
Total Revenues	\$6,074.799	\$6,247.561	\$6,259.710	\$6,302.558	\$6,307.402	\$6,323.444
Operating Expense						
<i>Labor:</i>						
Payroll	\$3,615.641	\$3,799.535	\$3,886.733	\$3,953.292	\$4,008.349	\$4,055.536
Overtime	<u>617.396</u>	<u>594.295</u>	<u>554.868</u>	<u>559.155</u>	<u>566.631</u>	<u>576.175</u>
Total Salaries and Wages	\$4,233.037	\$4,393.830	\$4,441.602	\$4,512.447	\$4,574.980	\$4,631.711
Health and Welfare	852.419	886.852	953.114	1,019.675	1,086.755	1,159.818
OPEB Current Payments	428.654	427.493	471.612	518.534	568.607	623.354
Pension	1,008.521	963.958	981.486	980.613	975.872	990.975
Other Fringe Benefits	<u>773.459</u>	<u>710.350</u>	<u>712.499</u>	<u>725.470</u>	<u>737.803</u>	<u>749.517</u>
Total Fringe Benefits	\$3,063.053	\$2,988.654	\$3,118.710	\$3,244.293	\$3,369.037	\$3,523.664
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$7,296.090	\$7,382.483	\$7,560.312	\$7,756.739	\$7,944.017	\$8,155.375
<i>Non-Labor:</i>						
Electric Power	\$250.805	\$280.698	\$310.007	\$317.135	\$339.511	\$358.191
Fuel	78.096	87.458	89.789	90.023	98.166	105.777
Insurance	73.427	73.087	76.790	85.526	96.142	108.179
Claims	251.372	168.455	171.333	172.909	174.484	174.484
Paratransit Service Contracts	383.704	399.459	415.261	439.534	467.469	492.100
Maintenance and Other Operating Contracts	258.392	288.085	238.290	251.736	248.960	248.625
Professional Services Contracts	148.536	185.528	168.992	170.742	174.823	174.695
Materials and Supplies	374.364	387.899	348.601	361.173	373.943	364.873
Other Business Expenses	82.556	77.806	78.792	80.285	81.931	82.486
Total Non-Labor Expenses	\$1,901.251	\$1,948.475	\$1,897.854	\$1,969.064	\$2,055.429	\$2,109.410
<i>Other Expense Adjustments:</i>						
Other Expense Adjustments	\$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.	\$9,197.341	\$9,330.958	\$9,458.166	\$9,725.803	\$9,999.447	\$10,264.785
Depreciation	\$1,650.337	\$1,778.062	\$1,828.062	\$1,878.062	\$1,928.062	\$1,978.062
OPEB Liability Adjustment	1,192.543	1,268.921	1,350.191	1,436.666	1,528.680	1,626.587
GASB 68 Pension Expense Adjustment	(183.805)	(296.003)	(305.534)	(296.398)	(303.171)	(308.944)
Environmental Remediation	9.662	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$11,866.079	\$12,081.938	\$12,330.885	\$12,744.133	\$13,153.018	\$13,560.490
Net Surplus/(Deficit)	(\$5,791.280)	(\$5,834.377)	(\$6,071.174)	(\$6,441.575)	(\$6,845.616)	(\$7,237.046)

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	\$4,426.346	\$4,534.467	\$4,596.833	\$4,618.453	\$4,643.932	\$4,634.286
<u>Other Operating Revenue:</u>						
Fare Reimbursement	84.052	84.016	54.016	84.016	84.016	84.016
Paratransit Reimbursement	182.410	176.920	184.400	197.498	209.314	222.929
Other Revenue	<u>57.047</u>	<u>60.543</u>	<u>69.687</u>	<u>75.514</u>	<u>78.049</u>	<u>80.390</u>
Other Operating Revenue	323.509	321.479	308.103	357.028	371.379	387.335
Capital and Other Reimbursements	1,067.981	1,409.620	1,274.470	1,199.453	1,168.445	1,165.784
Total Receipts	\$5,817.836	\$6,265.566	\$6,179.406	\$6,174.934	\$6,183.756	\$6,187.405
Expenditures						
<u>Labor:</u>						
Payroll	\$3,585.777	\$3,772.691	\$3,855.186	\$3,921.180	\$3,976.278	\$4,021.027
Overtime	<u>617.396</u>	<u>594.295</u>	<u>554.868</u>	<u>559.155</u>	<u>566.631</u>	<u>576.175</u>
Total Salaries & Wages	\$4,203.173	\$4,366.986	\$4,410.055	\$4,480.335	\$4,542.909	\$4,597.202
Health and Welfare	828.875	885.315	945.156	1,011.121	1,077.559	1,149.932
OPEB Current Payments	428.654	427.493	471.612	518.534	568.607	623.354
Pension	1,008.683	963.958	981.486	980.613	975.872	990.975
Other Fringe Benefits	<u>466.168</u>	<u>477.766</u>	<u>477.511</u>	<u>485.786</u>	<u>493.377</u>	<u>500.067</u>
Total Fringe Benefits	\$2,732.380	\$2,754.532	\$2,875.764	\$2,996.055	\$3,115.416	\$3,264.328
Contribution to GASB Fund	0.000	0.000	7.162	16.310	26.224	37.297
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$6,935.553	\$7,121.518	\$7,292.981	\$7,492.700	\$7,684.549	\$7,898.827
<u>Non-Labor:</u>						
Electric Power	\$250.143	\$280.698	\$310.007	\$317.135	\$339.511	\$358.191
Fuel	76.870	87.458	89.789	90.023	98.166	105.777
Insurance	71.364	74.919	75.809	83.860	96.761	106.164
Claims	119.113	119.594	120.572	123.016	125.508	128.052
Paratransit Service Contracts	378.960	399.782	413.261	437.534	465.469	490.100
Maintenance and Other Operating Contracts	259.401	307.185	248.990	262.436	259.660	259.325
Professional Services Contracts	149.039	178.781	156.992	158.742	162.823	162.695
Materials and Supplies	356.538	372.321	347.101	359.673	372.443	363.373
Other Business Expenses	80.995	77.806	78.792	80.285	81.931	82.486
Total Non-Labor Expenditures	\$1,742.423	\$1,898.544	\$1,841.312	\$1,912.704	\$2,002.273	\$2,056.163
<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	\$8,677.976	\$9,020.061	\$9,134.293	\$9,405.404	\$9,686.822	\$9,954.990
Net Cash Balance	(\$2,860.140)	(\$2,754.496)	(\$2,954.887)	(\$3,230.470)	(\$3,503.066)	(\$3,767.585)

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Cash Conversion (Cash Flow Adjustments)
Favorable/(Unfavorable)
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Flow Adjustments						
Receipts						
Farebox Revenue	\$11.305	\$10.200	\$0.200	\$0.200	\$0.200	\$0.200
<i>Other Operating Revenue:</i>						
Fare Reimbursement	0.036	0.000	(30.000)	0.000	0.000	0.000
Paratransit Reimbursement	3.533	(3.280)	(0.119)	(0.094)	(0.082)	(0.117)
Other Revenue	(123.967)	(122.075)	(124.340)	(127.341)	(130.829)	(134.320)
Other Operating Revenue	(\$120.398)	(\$125.355)	(\$154.459)	(\$127.435)	(\$130.911)	(\$134.437)
Capital and Other Reimbursements	(147.871)	133.160	73.954	(0.389)	7.065	(1.802)
Total Receipts	(\$256.963)	\$18.005	(\$80.305)	(\$127.624)	(\$123.646)	(\$136.039)
Expenditures						
Labor:						
Payroll	\$29.864	\$26.844	\$31.547	\$32.112	\$32.071	\$34.509
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Total Salaries and Wages	\$29.864	\$26.844	\$31.547	\$32.112	\$32.071	\$34.509
Health and Welfare	23.544	1.538	7.958	8.555	9.196	9.886
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	(0.162)	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	307.291	232.584	234.988	239.683	244.426	249.450
Total Fringe Benefits	\$330.673	\$234.122	\$242.946	\$248.238	\$253.622	\$259.336
Contribution to GASB Fund	0.000	0.000	(7.162)	(16.310)	(26.224)	(37.297)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$360.537	\$260.966	\$267.331	\$264.039	\$259.468	\$256.548
Non-Labor:						
Electric Power	\$0.662	\$0.000	0.000	\$0.000	\$0.000	\$0.000
Fuel	1.226	0.000	0.000	0.000	0.000	0.000
Insurance	2.063	(1.832)	0.981	1.666	(0.619)	2.015
Claims	132.259	48.861	50.761	49.893	48.976	46.432
Paratransit Service Contracts	4.744	(0.323)	2.000	2.000	2.000	2.000
Maintenance and Other Operating Contracts	(1.009)	(19.100)	(10.700)	(10.700)	(10.700)	(10.700)
Professional Services Contracts	(0.503)	6.747	12.000	12.000	12.000	12.000
Materials and Supplies	17.826	15.578	1.500	1.500	1.500	1.500
Other Business Expenses	1.561	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$158.828	\$49.931	\$56.542	\$56.359	\$53.157	\$53.247
Other Expenditure Adjustments:						
Other Expense Adjustments	\$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	\$519.365	\$310.897	\$323.873	\$320.399	\$312.625	\$309.795
Total Cash Conversion Adjustments before Depreciation	\$262.402	\$328.902	\$243.568	\$192.775	\$188.979	\$173.756
Depreciation	\$1,650.337	\$1,778.062	\$1,828.062	\$1,878.062	\$1,928.062	\$1,978.062
OPEB Liability Adjustment	1,192.543	1,268.921	1,350.191	1,436.666	1,528.680	1,626.587
GASB 68 Pension Expense Adjustment	(183.805)	(296.003)	(305.534)	(296.398)	(303.171)	(308.944)
Environmental Remediation	9.662	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$2,931.140	\$3,079.881	\$3,116.287	\$3,211.105	\$3,342.550	\$3,469.461

MTA NEW YORK CITY TRANSIT
2017 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime Hours and Expenses
(\$ in millions)

<i>NON-REIMBURSABLE OVERTIME</i>	Total		
	Hours	\$	%
Scheduled Service	4,305,599	\$138.844	28.8%
Unscheduled Service	3,721,014	124.038	25.7%
Programmatic/Routine Maintenance	4,311,342	149.242	30.9%
Unscheduled Maintenance	0	0.000	0.0%
Vacancy/Absentee Coverage (1)	1,316,784	41.252	8.6%
Weather Emergencies	603,797	20.082	4.2%
Safety/Security/Law Enforcement	129,769	3.787	0.8%
Other	161,547	5.063	1.0%
Subtotal	14,549,852	\$482.309	100.0%
<i>REIMBURSABLE OVERTIME</i>	3,257,149	\$111.986	
TOTAL OVERTIME	17,807,002	\$594.295	

(1) Offset by lower payroll and associated fringe benefits

No hours for PTEs are included.

MTA NEW YORK CITY TRANSIT
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Year-to-Year Changes by Category-Baseline

TOTAL REVENUE/RECEIPTS

Farebox Revenue

- Subway/bus farebox revenue annual growth is based largely on the regional economy and updated NYC employment projections. The increase in 2018 from 2017 of \$72.4 million includes the impact of severe winter weather in early 2017 not recurring in 2018.
- Farebox cash receipts include adjustments for expired MetroCards and the timing of cash receipts from counting and depositing, which can cause some fluctuations in cash received from year to year.

Other Operating Revenue

- NYC paratransit reimbursements are calculated based on 33% of the current year net deficit in paratransit operations.
- Other revenues include annual increases mostly from advertising revenues.
- 2017 includes the favorable timing of \$15.0 million of student fare reimbursements from 2016.

Capital and Other Reimbursements

- Annual reimbursement levels fluctuate year-to-year based upon reimbursable expense levels driven mostly by capital project requirements.
- Annual cash adjustments are included to recognize changes in the timing of receipts.

TOTAL EXPENSES/EXPENDITURES

Payroll

- Represented employee wage increase assumptions are contracts in place or 2.00% for each plan.
- Wage increases for non-represented employees are projected at 2.00% for each plan year.
- The increase in 2018 payroll over 2017 of \$111.8 million includes new needs such as the Eighth Avenue Corridor Improvement and the Track Defect Reduction as well as vacancies reflected in 2017 not recurring in 2018 and the wage inflation impact. Subsequent year over year increases are primarily due to wage inflation impacts.
- 2017 includes \$1.2 million of unfavorable cash timing adjustments from 2016.

Overtime

- 2018-2021 payroll wage rate increase assumptions apply.

- The decrease in expenses in 2018 from 2017 was due to adverse weather in 2017 and vacancy coverage not recurring in 2018. Subsequent year-over-year increases are due mostly to planned wage increases.

Health & Welfare

- Inflation assumptions for 2018-2021: Annual employees: 9.0% in 2018, 4.5% in subsequent years; hourly employees: 7.5% per year.
- 2017 includes \$2.3 million of unfavorable cash timing adjustments from 2016.

Pension

- Projections are consistent with current actuarial information.

Other Fringe Benefits

- Projected increases year-to-year reflect staffing levels, programmatic changes, inflationary payroll rate assumptions and Workers' Compensation cost assumptions.
- 2017 includes \$2.0 million of favorable cash timing adjustments from 2016.

Electric Power

- The financial plan reflects projected New York Power Authority and Con Edison energy rate increases for both traction and non-traction power.

Fuel

- The financial plan reflects diesel, CNG and heating fuel price assumptions.

Insurance

- Annual expenses include premium rates provided by MTA.

Paratransit Service Contracts

- The primary driver of expense increases is projected annual ridership growth of 4.5% effective 2018.
- Cost-per-trip inflation projections reflect carrier contracts, which provide for annual rate increases based on CPI.
- 2017 includes \$2.3 million of unfavorable cash timing adjustments from 2016.

Maintenance and Other Operating Contracts

- Inflation assumptions are as follows: 2018=1.92%, 2019=2.36%, 2020=2.73% and 2021=2.64%.
- The decrease of \$47.1 million in 2018 from 2017 is mostly due to lower requirements/timing from the bus shop, car fleet SMS, and R160 car retro-fitting work. The increase of \$13.5 million in 2019 over 2018 is due mostly to paratransit vehicle purchases and bus shop requirements. The decrease from 2019 to 2020 of \$2.8 million is due to the timing of paratransit vehicle purchases.
- 2017 includes \$4.2 million of unfavorable cash timing adjustments from 2016.

Professional Service Contracts

- Inflation assumptions are as follows: 2018=1.92%, 2019=2.36%, 2020=2.73% and 2021=2.64%.
- A reduction in expenses in 2018 from 2017 of \$14.5 million represents the favorable timing of the Enhanced Station Initiative expenses, bus safety-related priority investments, and expense rollovers. A 2020 over 2019 increase of \$4.1 million is due to the timing of bus collision avoidance technology initiative expenses, along with subway fleet scheduled maintenance development work.
- 2017 includes \$7.0 million of unfavorable cash timing adjustments from 2016.

Materials and Supplies

- Inflation assumptions are as follows: 2018=0.00%, 2019=1.39%, 2020=1.70% and 2021=1.45%.
- Non-reimbursable expense levels fluctuate year-to-year, primarily due to the timing of subway and bus fleet maintenance program requirements.
- The decrease in 2018 from 2017 of \$17.2 million is due mainly to the timing of fleet SMS requirements. The increase in 2019 over 2018 of \$13.2 million is mostly due to the timing of bus shop requirements. The increase of \$13.4 million in 2020 over 2019 is mostly due to the timing of subways fleet maintenance requirements. The decrease of \$9.1 million in 2021 from 2020 is due primarily to the favorable timing of subways fleet maintenance requirements.

Other Business Expenses

- Inflation assumptions are as follows: 2018=1.92%, 2019=2.36%, 2020=2.73% and 2021=2.64%.
- Increases in expenses of \$1.0 million in 2018 over 2017, \$1.5 million in 2019 over 2018, \$1.6 million in 2020 over 2019 and \$0.6 million in 2021 over 2020 are largely due to increases in MVM debit/credit card charges.

Depreciation (non-cash)

- Annual expense increases are due to projections of additional capital assets reaching beneficial use. Examples of these assets include subway station rehabilitations, track & switches, and new subway cars and buses.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Non-Reimbursable									
Operating Revenues									
Subway	3,473.622	3,534.335	60.713	3,553.482	19.147	3,574.447	20.965	3,567.115	(7.332)
Bus	958.788	969.522	10.734	971.127	1.605	974.735	3.608	971.473	(3.262)
Paratransit	18.357	19.276	0.919	20.144	0.868	21.050	0.906	21.998	0.948
Fare Media Liability	73.500	73.500	0.000	73.500	0.000	73.500	0.000	73.500	0.000
Total Farebox Revenue	\$4,524.267	\$4,596.633	\$72.366	\$4,618.253	\$21.620	\$4,643.732	\$25.479	\$4,634.086	(\$9.646)
Fare Reimbursement	84.016	84.016	0.000	84.016	0.000	84.016	0.000	84.016	0.000
Paratransit Reimbursement	180.200	184.519	4.319	197.592	13.073	209.396	11.804	223.046	13.650
Other	182.618	194.027	11.409	202.855	8.828	208.878	6.023	214.710	5.832
Total Other Operating Revenue	446.834	462.562	15.728	484.463	21.901	502.290	17.827	521.772	19.482
Total Revenues	\$4,971.101	\$5,059.195	\$88.094	\$5,102.716	\$43.521	\$5,146.022	\$43.306	\$5,155.858	\$9.836
Operating Expenses									
Labor:									
Payroll	\$3,285.970	\$3,397.719	(\$111.750)	\$3,465.954	(\$68.235)	\$3,543.000	(\$77.046)	\$3,587.894	(\$44.893)
Overtime	482.309	445.921	36.387	449.132	(3.210)	457.461	(8.329)	465.784	(8.323)
Health and Welfare	864.444	928.875	(64.432)	994.113	(65.238)	1,061.498	(67.384)	1,133.351	(71.853)
OPEB Current Payments	418.323	462.378	(44.056)	508.673	(46.294)	558.197	(49.524)	612.366	(54.169)
Pension	927.571	943.997	(16.426)	942.603	1.395	939.096	3.506	953.663	(14.567)
Other Fringe Benefits	508.419	520.646	(12.228)	533.774	(13.127)	554.076	(20.302)	565.418	(11.342)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(260.837)	(246.489)	(14.348)	(244.450)	(2.039)	(238.441)	(6.009)	(238.438)	(0.004)
Total Labor Expenses	\$6,226.197	\$6,453.049	(\$226.851)	\$6,649.798	(\$196.750)	\$6,874.887	(\$225.089)	\$7,080.039	(\$205.151)
Non-Labor:									
Electric Power	\$280.446	\$309.755	(\$29.308)	\$316.883	(\$7.128)	\$339.259	(\$22.376)	\$357.939	(\$18.680)
Fuel	87.339	89.762	(2.423)	90.046	(0.284)	98.189	(8.143)	105.800	(7.611)
Insurance	73.087	76.790	(3.703)	85.526	(8.736)	96.142	(10.616)	108.179	(12.037)
Claims	168.455	171.333	(2.878)	172.909	(1.576)	174.484	(1.575)	174.484	0.000
Paratransit Service Contracts	399.459	415.261	(15.802)	439.534	(24.273)	467.469	(27.935)	492.100	(24.631)
Maintenance and Other Operating Contracts	253.708	206.620	47.088	220.078	(13.459)	217.274	2.804	216.939	0.335
Professional Services Contracts	174.339	159.833	14.506	161.233	(1.400)	165.314	(4.082)	165.186	0.128
Materials and Supplies	313.621	296.415	17.206	309.627	(13.212)	323.076	(13.449)	314.005	9.070
Other Business Expenses	77.848	78.834	(0.986)	80.327	(1.493)	81.973	(1.646)	82.528	(0.555)
Total Non-Labor Expenses	\$1,828.301	\$1,804.602	\$23.700	\$1,876.163	(\$71.561)	\$1,963.179	(\$87.017)	\$2,017.160	(\$53.981)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$8,054.499	\$8,257.650	(\$203.152)	\$8,525.961	(\$268.311)	\$8,838.067	(\$312.106)	\$9,097.199	(\$259.132)
Depreciation	\$1,778.062	\$1,828.062	(\$50.000)	\$1,878.062	(\$50.000)	\$1,928.062	(\$50.000)	\$1,978.062	(\$50.000)
OPEB Liability Adjustment	1,268.921	1,350.191	(81.270)	1,436.666	(86.475)	1,528.680	(92.014)	1,626.587	(97.907)
GASB 68 Pension Expense Adjustment	(296.003)	(305.534)	9.531	(296.398)	(9.136)	(303.171)	6.773	(308.944)	5.773
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$10,805.478	\$11,130.369	(\$324.891)	\$11,544.291	(\$413.922)	\$11,991.638	(\$447.347)	\$12,392.904	(\$401.266)
Net Surplus/(Deficit)	(\$5,834.377)	(\$6,071.174)	(\$236.797)	(\$6,441.575)	(\$370.401)	(\$6,845.616)	(\$404.041)	(\$7,237.046)	(\$391.430)

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Reimbursable									
Operating Revenues									
Subway	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Bus	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fare Media Liability	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fare Reimbursement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	1,276.460	1,200.515	(75.944)	1,199.842	(0.674)	1,161.380	(38.462)	1,167.586	6.206
Total Revenues	\$1,276.460	\$1,200.515	(\$75.944)	\$1,199.842	(\$0.674)	\$1,161.380	(\$38.462)	\$1,167.586	\$6.206
Operating Expenses									
<u>Labor:</u>									
Payroll	\$513.566	\$489.014	\$24.552	\$487.337	\$1.677	\$465.349	\$21.989	\$467.642	(\$2.293)
Overtime	111.986	108.947	3.039	110.023	(1.076)	109.170	0.853	110.391	(1.221)
Health and Welfare	22.409	24.239	(1.830)	25.562	(1.323)	25.257	0.305	26.467	(1.210)
OPEB Current Payments	9.171	9.234	(0.063)	9.862	(0.628)	10.410	(0.548)	10.988	(0.578)
Pension	36.386	37.488	(1.102)	38.010	(0.522)	36.776	1.235	37.312	(0.536)
Other Fringe Benefits	201.932	191.852	10.079	191.696	0.156	183.727	7.969	184.099	(0.372)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	260.837	246.489	14.348	244.450	2.039	238.441	6.009	238.438	0.004
Total Labor Expenses	\$1,156.286	\$1,107.263	\$49.023	\$1,106.941	\$0.323	\$1,069.130	\$37.811	\$1,075.336	(\$6.206)
<u>Non-Labor:</u>									
Electric Power	\$0.252	\$0.252	\$0.000	\$0.252	\$0.000	\$0.252	\$0.000	\$0.252	\$0.000
Fuel	0.119	0.027	0.092	(0.023)	0.050	(0.023)	0.000	(0.023)	0.000
Insurance	0.000	0.000	0.000	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	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	34.377	31.670	2.707	31.658	0.012	31.686	(0.028)	31.686	0.000
Professional Services Contracts	11.189	9.159	2.030	9.509	(0.350)	9.509	0.000	9.509	0.000
Materials and Supplies	74.278	52.186	22.093	51.547	0.639	50.868	0.679	50.868	0.000
Other Business Expenses	(0.042)	(0.042)	0.000	(0.042)	0.000	(0.042)	0.000	(0.042)	0.000
Total Non-Labor Expenses	\$120.174	\$93.252	\$26.922	\$92.901	\$0.351	\$92.250	\$0.651	\$92.250	\$0.000
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation	\$1,276.460	\$1,200.515	\$75.944	\$1,199.842	\$0.674	\$1,161.380	\$38.462	\$1,167.586	(\$6.206)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	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	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$1,276.460	\$1,200.515	\$75.944	\$1,199.842	\$0.674	\$1,161.380	\$38.462	\$1,167.586	(\$6.206)
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast	Preliminary Budget	Change	Change	Change	Change	Change	Change	Change
	2017	2018	2017 - 2018	2019	2018 - 2019	2020	2019 - 2020	2021	2020 - 2021
Non-Reimbursable and Reimbursable									
Operating Revenues									
Subway	3,473.622	3,534.335	60.713	3,553.482	19.147	3,574.447	20.965	3,567.115	(7.332)
Bus	958.788	969.522	10.734	971.127	1.605	974.735	3.608	971.473	(3.262)
Paratransit	18.357	19.276	0.919	20.144	0.868	21.050	0.906	21.998	0.948
Fare Media Liability	73.500	73.500	0.000	73.500	0.000	73.500	0.000	73.500	0.000
Total Farebox Revenue	\$4,524.267	\$4,596.633	\$72.366	\$4,618.253	\$21.620	\$4,643.732	\$25.479	\$4,634.086	(\$9.646)
Fare Reimbursement	84.016	84.016	0.000	84.016	0.000	84.016	0.000	84.016	0.000
Paratransit Reimbursement	180.200	184.519	4.319	197.592	13.073	209.396	11.804	223.046	13.650
Other	182.618	194.027	11.409	202.855	8.828	208.878	6.023	214.710	5.832
Total Other Operating Revenue	446.834	462.562	15.728	484.463	21.901	502.290	17.827	521.772	19.482
Capital and Other Reimbursements	1,276.460	1,200.515	(75.944)	1,199.842	(0.674)	1,161.380	(38.462)	1,167.586	6.206
Total Revenues	\$6,247.561	\$6,259.710	\$12.150	\$6,302.558	\$42.847	\$6,307.402	\$4.844	\$6,323.444	\$16.042
Operating Expenses									
Labor:									
Payroll	\$3,799.535	\$3,886.733	(\$87.198)	\$3,953.292	(\$66.559)	\$4,008.349	(\$55.057)	\$4,055.536	(\$47.187)
Overtime	594.295	554.868	39.426	559.155	(4.287)	566.631	(7.476)	576.175	(9.545)
Health and Welfare	886.852	953.114	(66.261)	1,019.675	(66.562)	1,086.755	(67.080)	1,159.818	(73.063)
OPEB Current Payments	427.493	471.612	(44.119)	518.534	(46.922)	568.607	(50.073)	623.354	(54.747)
Pension	963.958	981.486	(17.528)	980.613	0.873	975.872	4.741	990.975	(15.103)
Other Fringe Benefits	710.350	712.499	(2.149)	725.470	(12.971)	737.803	(12.333)	749.517	(11.714)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$7,382.483	\$7,560.312	(\$177.829)	\$7,756.739	(\$196.427)	\$7,944.017	(\$187.278)	\$8,155.375	(\$211.358)
Non-Labor:									
Electric Power	\$280.698	\$310.007	(\$29.308)	\$317.135	(\$7.128)	\$339.511	(\$22.376)	\$358.191	(\$18.680)
Fuel	87.458	89.789	(2.331)	90.023	(0.234)	98.166	(8.143)	105.777	(7.611)
Insurance	73.087	76.790	(3.703)	85.526	(8.736)	96.142	(10.616)	108.179	(12.037)
Claims	168.455	171.333	(2.878)	172.909	(1.576)	174.484	(1.575)	174.484	0.000
Paratransit Service Contracts	399.459	415.261	(15.802)	439.534	(24.273)	467.469	(27.935)	492.100	(24.631)
Maintenance and Other Operating Contracts	288.085	238.290	49.795	251.736	(13.447)	248.960	2.776	248.625	0.335
Professional Services Contracts	185.528	168.992	16.536	170.742	(1.750)	174.823	(4.082)	174.695	0.128
Materials and Supplies	387.899	348.601	39.298	361.173	(12.573)	373.943	(12.770)	364.873	9.070
Other Business Expenses	77.806	78.792	(0.986)	80.285	(1.493)	81.931	(1.646)	82.486	(0.555)
Total Non-Labor Expenses	\$1,948.475	\$1,897.854	\$50.621	\$1,969.064	(\$71.210)	\$2,055.429	(\$86.366)	\$2,109.410	(\$53.981)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$9,330.958	\$9,458.166	(\$127.207)	\$9,725.803	(\$267.637)	\$9,999.447	(\$273.644)	\$10,264.785	(\$265.338)
Depreciation	\$1,778.062	\$1,828.062	(\$50.000)	\$1,878.062	(\$50.000)	\$1,928.062	(\$50.000)	\$1,978.062	(\$50.000)
OPEB Liability Adjustment	1,268.921	1,350.191	(81.270)	1,436.666	(86.475)	1,528.680	(92.014)	1,626.587	(97.907)
GASB 68 Pension Expense Adjustment	(296.003)	(305.534)	9.531	(296.398)	(9.136)	(303.171)	6.773	(308.944)	5.773
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$12,081.938	\$12,330.885	(\$248.947)	\$12,744.133	(\$413.248)	\$13,153.018	(\$408.885)	\$13,560.490	(\$407.472)
Net Surplus/(Deficit)	(\$5,834.377)	(\$6,071.174)	(\$236.797)	(\$6,441.575)	(\$370.401)	(\$6,845.616)	(\$404.041)	(\$7,237.046)	(\$391.430)

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MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Cash Receipts and Expenditures</u>									
Receipts									
Farebox Receipts	\$4,534.467	\$4,596.833	\$62.366	\$4,618.453	\$21.620	\$4,643.932	\$25.479	\$4,634.286	(\$9.646)
Fare Reimbursement	84.016	54.016	(30.000)	84.016	30.000	84.016	0.000	84.016	0.000
Paratransit Reimbursement	176.920	184.400	7.480	197.498	13.098	209.314	11.816	222.929	13.615
Other	60.543	69.687	9.144	75.514	5.827	78.049	2.535	80.390	2.341
Total Other Operating Revenue	321.479	308.103	(13.376)	357.028	48.925	371.379	14.351	387.335	15.956
Capital and Other Reimbursements	1,409.620	1,274.470	(135.150)	1,199.453	(75.017)	1,168.445	(31.008)	1,165.784	(2.661)
Total Receipts	\$6,265.566	\$6,179.406	(\$86.160)	\$6,174.934	(\$4.472)	\$6,183.756	\$8.822	\$6,187.405	\$3.649
Expenditures									
<u>Labor Expenditures:</u>									
Payroll	\$3,772.691	\$3,855.186	(\$82.495)	\$3,921.180	(\$65.993)	\$3,976.278	(\$55.098)	\$4,021.027	(\$44.748)
Overtime	594.295	554.868	39.426	559.155	(4.287)	566.631	(7.476)	576.175	(9.545)
Health and Welfare	885.315	945.156	(59.841)	1,011.121	(65.965)	1,077.559	(66.438)	1,149.932	(72.373)
OPEB Current Payments	427.493	471.612	(44.119)	518.534	(46.922)	568.607	(50.073)	623.354	(54.747)
Pension	963.958	981.486	(17.528)	980.613	0.873	975.872	4.741	990.975	(15.103)
Other Fringe Benefits	477.766	477.511	0.256	485.786	(8.276)	493.377	(7.591)	500.067	(6.689)
Contribution to GASB Fund	0.000	7.162	(7.162)	16.310	(9.149)	26.224	(9.914)	37.297	(11.073)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$7,121.518	\$7,292.981	(\$171.463)	\$7,492.700	(\$199.719)	\$7,684.549	(\$191.849)	\$7,898.827	(\$214.278)
<u>Non-Labor Expenditures:</u>									
Electric Power	\$280.698	\$310.007	(\$29.308)	\$317.135	(\$7.128)	\$339.511	(\$22.376)	\$358.191	(\$18.680)
Fuel	87.458	89.789	(2.331)	90.023	(0.234)	98.166	(8.143)	105.777	(7.611)
Insurance	74.919	75.809	(0.890)	83.860	(8.051)	96.761	(12.901)	106.164	(9.403)
Claims	119.594	120.572	(0.978)	123.016	(2.444)	125.508	(2.493)	128.052	(2.543)
Paratransit Service Contracts	399.782	413.261	(13.479)	437.534	(24.273)	465.469	(27.935)	490.100	(24.631)
Maintenance and Other Operating Contracts	307.185	248.990	58.195	262.436	(13.447)	259.660	2.776	259.325	0.335
Professional Services Contracts	178.781	156.992	21.789	158.742	(1.750)	162.823	(4.082)	162.695	0.128
Materials and Supplies	372.321	347.101	25.220	359.673	(12.573)	372.443	(12.770)	363.373	9.070
Other Business Expenses	77.806	78.792	(0.986)	80.285	(1.493)	81.931	(1.646)	82.486	(0.555)
Total Non-Labor Expenditures	\$1,898.544	\$1,841.312	\$57.232	\$1,912.704	(\$71.393)	\$2,002.273	(\$89.569)	\$2,056.163	(\$53.890)
<u>Other Expenditure Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenditures	\$9,020.061	\$9,134.293	(\$114.231)	\$9,405.404	(\$271.111)	\$9,686.822	(\$281.418)	\$9,954.990	(\$268.168)
Net Cash Surplus/(Deficit)	(\$2,754.496)	(\$2,954.887)	(\$200.391)	(\$3,230.470)	(\$275.583)	(\$3,503.066)	(\$272.596)	(\$3,767.585)	(\$264.519)

MTA NEW YORK CITY TRANSIT
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Summary of Major Plan-to-Plan Changes by Generic Categories

2017: Mid-Year Forecast vs. Adopted Budget

Operating Revenue Changes

Operating revenues are projected to decrease from the February Financial Plan by \$53.9 million.

Major generic category changes include:

- Farebox revenue decreased by \$45.5 million, caused by lower than projected ridership, mostly from a lower ridership trend and adverse weather.

Operating Expense Changes

Operating expenses are projected to decrease by \$86.6 million from the February Financial Plan.

Major generic category changes include:

- Payroll is projected to decrease by \$15.6 million, due mostly to vacancies.
- Overtime is projected to increase by \$38.7 million, due primarily to the impact of adverse weather in early 2017.
- Health & welfare/OPEB current payment expenses are projected to decrease by \$65.8 million, due mainly to more favorable rates in 2017, as Aetna has replaced Empire Blue Cross Blue Shield and United Healthcare for the hourly and supervisory personnel medical coverage.
- Pension expenses are projected to decrease by \$16.0 million, based on current actuarial information.
- Electric power expenses are projected to decrease by \$32.4 million, due mostly to a decrease in projected prices.
- Fuel expenses are projected to decrease by \$11.0 million, due mainly due to projected lower prices.
- Insurance expenses are projected to decrease by \$7.9 million, due to reduced insurance premiums.

- Claims expenses are projected to increase by \$22.0 million, based on higher anticipated reserve requirements.
- Paratransit service contract expenses are projected to decrease by \$11.9 million, due mostly to lower trip growth projections.
- Maintenance contract expenses are projected to increase by \$9.4 million, due mostly to Second Avenue Subway maintenance requirements.
- Professional service contract expenses are projected to increase by \$8.7 million, due mostly to the timing of bus priority initiative projects, the bus warning collision-avoidance initiative, and rollovers.

2018-2020: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating revenues are projected to decrease from the February Financial Plan by \$51.4 million in 2018, \$48.2 million in 2019 and by \$54.5 million in 2020:

Major generic category changes include:

- Farebox revenue is projected to decrease in 2018 by \$32.3 million, \$25.6 million in 2019, and \$25.6 million in 2020, due primarily to projected lower ridership based on a lower 2017 ridership trend.
- Other operating revenue decreased by \$19.1 million in 2018, \$22.6 million in 2019 and \$28.9 million in 2020, due largely to projected decreases in Paratransit Urban Tax collections and NYC reimbursements.

Operating Expense Changes

Operating expenses decreased from the February Financial Plan by \$55.3 million in 2018, \$48.2 million in 2019 and \$72.9 million in 2020.

Major generic category changes include:

- Payroll is projected to increase by \$18.5 million in 2018, \$15.9 million in 2019 and \$15.0 million in 2020, due to additional position requirements in support of important new initiatives, such as the Eighth Avenue Corridor Improvement, Track Defect Reduction, Operation Track Sweep, Mobile Vacuum Operations, Car Maintenance HVAC, Underground Storage Tanks Inspection & Testing, and Bus Safety Initiatives.
- Overtime is projected to decrease by \$3.2 million in 2019 and \$3.8 million in 2020, due to the projected management of overtime requirements.

- Health & welfare/OPEB current expenses are projected to decrease by \$33.0 million in 2018, \$33.9 million in 2019 and \$36.4 million in 2020, due mainly to more favorable rates and the inclusion of Aetna which has replaced Empire Blue Cross and United Healthcare for the hourly and supervisory personnel medical coverage.
- Pension expenses are projected to increase by \$3.1 million in 2018, \$13.8 million in 2019 and \$23.7 million in 2020, based on updated actuarial information.
- Electric power expenses are projected to decrease by \$12.7 million in 2018, \$15.9 million in 2019 and \$18.4 million in 2020, due largely to projected lower prices.
- Fuel expenses are projected to decrease by \$11.4 million in 2018, \$14.3 million in 2019 and \$16.0 million in 2020, due largely to projected lower prices.
- Insurance expenses are projected to decrease by \$14.3 million in 2018, \$17.0 million in 2019 and \$19.8 million in 2020, due to lower projected premiums.
- Claims expenses are projected to increase by \$22.0 million for each of the years 2018, 2019 and 2020, based on projected reserve requirements.
- Paratransit service contract expenses are projected to decrease by \$19.8 million in 2018, \$32.8 million in 2019 and \$43.8 million in 2020, due primarily to reductions in completed trip levels.
- Maintenance contract costs are projected to increase by \$3.5 million in 2018 due to Second Avenue Subway maintenance contract requirements. In 2019, costs are projected to increase by \$17.9 million, due largely to bus shop requirements, Second Avenue Subway maintenance contract requirements, and paratransit vehicle purchases. An increase of \$10.4 million in 2020 is also due to bus shop requirements and Second Avenue Subway maintenance contract requirements.
- Professional service contract expenses are projected to decrease in 2018 by \$2.5 million, due mostly to the favorable timing of bus priority initiatives and bus safety initiatives, partly offset by the unfavorable timing of Transit Wireless and the Wellness Program expenses, and increase by \$5.6 million in 2019 and \$4.7 million in 2020, due mostly to the unfavorable timing of Transit Wireless requirements along with requirements for a Wellness Program.
- Materials & supplies expenses are projected to decrease by \$2.0 million in 2018, \$1.2 million in 2019, and \$6.1 million in 2020, due largely to scrap credit savings and additional bus shop expense reductions in 2020.

MTA New York City Transit
July Financial Plan 2018 - 2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	(\$2,863.977)	(\$3,011.522)	(\$3,255.743)	(\$3,543.421)
Baseline Changes				
Revenue				
Farebox Revenue	(\$45.515)	(\$32.278)	(\$25.603)	(\$25.553)
Other Operating Revenue	(8.421)	(19.127)	(22.645)	(28.949)
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$53.936)	(\$51.405)	(\$48.248)	(\$54.502)
Expenses				
<i>Labor:</i>				
Payroll	\$15.596	(\$18.520)	(\$15.865)	(\$15.031)
Overtime	(38.736)	0.495	3.228	3.770
Health and Welfare	53.115	28.592	29.994	32.505
OPEB Current Payment	12.658	4.413	3.861	3.906
Pensions	15.960	(3.102)	(13.756)	(23.703)
Other Fringe Benefits	(0.369)	0.373	0.733	0.495
Reimbursable Overhead	5.119	5.145	3.400	3.005
Total Labor Expense Changes	\$63.343	\$17.396	\$11.595	\$4.947
<i>Non-Labor:</i>				
Electric Power	\$32.432	\$12.657	\$15.943	\$18.448
Fuel	10.969	11.402	14.346	15.984
Insurance	7.905	14.266	17.002	19.796
Claims	(22.000)	(22.000)	(22.000)	(22.000)
Paratransit Service Contracts	11.879	19.805	32.779	43.804
Maintenance and Other Operating Contracts	(9.426)	(3.528)	(17.907)	(10.393)
Professional Service Contracts	(8.728)	2.493	(5.583)	(4.696)
Materials & Supplies	0.143	2.010	1.216	6.142
Other Business Expenses	0.052	0.767	0.849	0.913
Total Non-Labor Expense Changes	\$23.226	\$37.872	\$36.645	\$67.998
Depreciation/GASB Adjustments	\$232.174	\$210.948	\$186.918	\$159.848
Total Expense Changes	\$318.743	\$266.216	\$235.158	\$232.793
Cash Adjustment Changes				
Revenue	50.178	(30.274)	0.537	0.972
Expense	6.569	21.364	24.188	20.802
Depreciation/GASB Adjustments	(232.174)	(210.948)	(186.918)	(159.848)
Total Cash Adjustment Changes	(\$175.427)	(\$219.858)	(\$162.193)	(\$138.074)
Total Baseline Changes	\$89.380	(\$5.047)	\$24.717	\$40.217
July Financial Plan - Cash Surplus/(Deficit)	(\$2,774.597)	(\$3,016.569)	(\$3,231.026)	(\$3,503.204)

MTA New York City Transit
July Financial Plan 2018 - 2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue				
Other Operating Revenue				
Capital and Other Reimbursement	25.961	17.886	15.217	14.559
Total Revenue Changes	\$25.961	\$17.886	\$15.217	\$14.559
Expenses				
<i>Labor:</i>				
Payroll	(\$2.822)	(\$3.099)	(\$0.858)	(\$0.649)
Overtime	(3.525)	(2.665)	(2.580)	(2.693)
Health and Welfare	(0.123)	(0.950)	(1.295)	(1.371)
OPEB Current Payment	(0.824)	(0.438)	(0.608)	(0.676)
Pensions	(2.769)	(3.617)	(4.542)	(4.836)
Other Fringe Benefits	(1.858)	(1.973)	(1.935)	(1.330)
Reimbursable Overhead	(5.119)	(5.145)	(3.400)	(3.005)
Total Labor Expense Changes	(\$17.040)	(\$17.887)	(\$15.218)	(\$14.560)
<i>Non-Labor:</i>				
Electric Power	\$0.000	\$0.000	\$0.000	\$0.000
Fuel	0.000	0.023	0.023	0.023
Insurance	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.389)	0.000	0.000	0.000
Professional Service Contracts	(2.069)	0.000	0.000	0.000
Materials & Supplies	(6.463)	(0.022)	(0.022)	(0.022)
Other Business Expenses	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	(\$8.921)	\$0.001	\$0.001	\$0.001
Total Expense Changes	(\$25.961)	(\$17.886)	(\$15.217)	(\$14.559)
Cash Adjustment Changes				
Capital Reimbursement Timing	20.101	61.682	0.556	0.139
Total Cash Adjustment Changes	\$20.101	\$61.682	\$0.556	\$0.139
Total Baseline Changes	\$20.101	\$61.682	\$0.556	\$0.139
July Financial Plan - Cash Surplus/(Deficit)	\$20.101	\$61.682	\$0.556	\$0.139

MTA New York City Transit
July Financial Plan 2018 - 2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	(\$2,863.977)	(\$3,011.522)	(\$3,255.743)	(\$3,543.421)
Baseline Changes				
Revenue				
Farebox Revenue	(\$45.515)	(\$32.278)	(\$25.603)	(\$25.553)
Other Operating Revenue	(8.421)	(19.127)	(22.645)	(28.949)
Capital and Other Reimbursement	25.961	17.886	15.217	14.559
Total Revenue Changes	(\$27.975)	(\$33.519)	(\$33.031)	(\$39.943)
Expenses				
<i>Labor:</i>				
Payroll	\$12.774	(\$21.619)	(\$16.723)	(\$15.680)
Overtime	(42.261)	(2.170)	0.648	1.077
Health and Welfare	52.992	27.642	28.699	31.134
OPEB Current Payment	11.834	3.975	3.253	3.230
Pensions	13.191	(6.719)	(18.298)	(28.539)
Other Fringe Benefits	(2.227)	(1.600)	(1.202)	(0.835)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$46.303	(\$0.491)	(\$3.623)	(\$9.613)
<i>Non-Labor:</i>				
Electric Power	\$32.432	\$12.657	\$15.943	\$18.448
Fuel	10.969	11.425	14.369	16.007
Insurance	7.905	14.266	17.002	19.796
Claims	(22.000)	(22.000)	(22.000)	(22.000)
Paratransit Service Contracts	11.879	19.805	32.779	43.804
Maintenance and Other Operating Contracts	(9.815)	(3.528)	(17.907)	(10.393)
Professional Service Contracts	(10.797)	2.493	(5.583)	(4.696)
Materials & Supplies	(6.320)	1.988	1.194	6.120
Other Business Expenses	0.052	0.767	0.849	0.913
Total Non-Labor Expense Changes	\$14.305	\$37.873	\$36.646	\$67.999
Depreciation	\$232.174	\$210.948	\$186.918	\$159.848
Total Expense Changes	\$292.782	\$248.330	\$219.941	\$218.234
Cash Adjustment Changes				
Revenue	50.178	(30.274)	0.537	0.972
Expense	6.569	21.364	24.188	20.802
Capital Reimbursement Timing	20.101	61.682	0.556	0.139
Depreciation	(232.174)	(210.948)	(186.918)	(159.848)
Total Cash Adjustment Changes	(\$155.326)	(\$158.176)	(\$161.637)	(\$137.935)
Total Baseline Changes	\$109.481	\$56.635	\$25.273	\$40.356
July Financial Plan - Cash Surplus/(Deficit)	(\$2,754.496)	(\$2,954.887)	(\$3,230.470)	(\$3,503.065)

MTA NEW YORK CITY TRANSIT
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Summary of Major Plan-to-Plan Changes

2017: Mid-Year Forecast vs. Adopted Budget

Revenue Changes

Total revenues decrease from the February Financial Plan by \$28.0 million.

Major changes include:

- Reduced farebox revenue of \$45.5 million, caused by lower than projected ridership, mostly from a lower ridership trend and adverse weather.
- Capital reimbursements increase by \$26.0 million to provide for reimbursement of reimbursable expense increases.

Expense Changes

Total expenses decrease from the February Financial Plan by \$60.6 million.

Major changes include:

- Updated inflation assumptions, resulting in savings of \$101.7 million, mainly from projected lower health & welfare and energy costs.
- Budget reduction program savings of \$51.1 million (as detailed at the beginning of this narrative).
- Investments in new programmatic initiatives of \$25.6 million (as detailed at the beginning of this narrative).
- Additional costs required in dealing with adverse weather of \$21.4 million.
- Projected public liability additional claims reserve requirements of \$22.0 million.
- Reimbursable expenses increase by \$26.0 million, due to the unfavorable timing of expenses from 2016 and programmatic construction/engineering requirements.

Cash Adjustments

Cash adjustments are projected to be a favorable by \$76.8 million.

Major changes include:

- The favorable cash timing of 2016 year-end results of \$29.2 million.
- The favorable timing of NYC student fare reimbursements from 2018 of \$30.0 million.

2018-2020: July Financial Plan vs. February Financial Plan

Revenue Changes

Total revenue changes from the February Financial Plan represent decreases of \$33.5 million in 2018, \$33.0 million in 2019 and \$39.9 million in 2020.

Major changes include:

- Farebox revenue is projected to decrease by \$32.3 million in 2018, \$25.6 million in 2019, and \$25.6 million in 2020, due primarily to the lower 2017 baseline ridership trend.
- Other operating revenue decreased by \$19.1 million in 2018, \$22.6 million in 2019 and \$28.9 million in 2020, due largely to projected lower Paratransit Urban Tax collections and NYC reimbursements.
- Capital reimbursements increased by \$17.9 million in 2018, \$15.2 million in 2019, and \$14.6 million in 2020 to provide for reimbursement of reimbursable expense increases.

Expense Changes

Total expenses decrease by \$37.4 million in 2018, \$33.0 million in 2019 and \$58.3 million in 2020

Major changes include:

- Updated inflation assumptions, resulting in savings of \$65.5 million in 2018, \$84.7 million in 2019 and \$55.3 million in 2020, mainly from projected lower health & welfare and energy costs.
- Budget reduction program savings of \$42.2 million in 2018, \$48.1 million in 2019 and \$60.9 million in 2020 (as detailed at the beginning of this narrative).

- Investments in new programmatic initiatives of \$37.9 million in 2018, \$44.3 million in 2019 and \$41.9 million in 2020 (as detailed at the beginning of this narrative).
- Projected public liability additional claims reserve requirements of \$22.0 million each year.
- Reimbursable expenses increase by \$17.9 million in 2018, \$15.2 million in 2019 and \$14.6 million in 2020, due to programmatic construction/engineering requirements and labor cost adjustments.

Cash Adjustments

Cash adjustments are projected to be favorable by \$52.8 million in 2018, \$25.3 million in 2019 and by \$21.9 million in 2020.

Major changes include:

- The favorable cash adjustment in 2018 was due to favorable capital reimbursement cash timing from 2016 year-end results of \$60.0 million and the cash offset to projected public liability additional reserve requirements of \$20.1 million, partly offset by the unfavorable timing of student fare reimbursements from 2017 of \$30.0 million.
- The favorable cash adjustments in both 2019 and 2020 were due primarily to the cash offset to projected public liability additional reserve requirements.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Cash Surplus/(Deficit)	(\$2,863.977)	(\$3,011.522)	(\$3,255.743)	(\$3,543.421)
Non-Reimbursable Major Changes				
Revenue				
Farebox Revenue	(\$45.515)	(\$32.278)	(\$25.603)	(\$25.553)
Other Operating Revenue	(8.421)	(19.127)	(22.645)	(28.949)
Sub-Total Non-Reimbursable Revenue Changes	(\$53.936)	(\$51.405)	(\$48.248)	(\$54.502)
Expenses				
Inflation-Related:				
Health & Welfare/OPEB Current	39.834	26.872	28.412	30.593
Energy-Electric Power	32.431	12.657	15.943	18.448
Energy-Fuel	10.078	11.403	34.347	15.985
Insurance	3.437	10.922	14.071	10.605
Pension	15.961	(0.428)	(11.938)	(22.058)
Other	0.000	4.041	3.844	1.711
Sub-total Inflation-Related	101.741	65.467	84.679	55.284
Programmatic Initiatives:				
Eighth Avenue Corridor Improvement	(\$12.495)	(\$20.425)	(\$19.009)	(\$19.009)
Track Defect Reduction	(0.553)	(13.052)	(12.852)	(12.852)
Transit Wireless Dark Fiber-184 Facilities	0.000	(5.500)	(5.500)	(5.500)
Service Management Reorganization	(0.470)	(2.065)	(2.065)	(2.065)
Operation Track Sweep	(1.419)	(1.600)	(1.600)	(1.600)
Car Maintenance HVAC	(0.990)	(1.470)	(1.470)	(1.470)
Underground Storage Tanks	(0.867)	(1.485)	(1.125)	(0.273)
WiFi Implementation Data Charges	(2.895)	(0.780)	(1.251)	(1.547)
Mobil Vacuum Cleaners	(3.122)	(0.537)	(0.537)	(0.537)
Other (including favorable re-estimates of some prior plan initiatives)	(2.778)	8.973	1.076	2.937
Sub-total Programmatic Initiatives	(\$25.589)	(\$37.941)	(\$44.333)	(\$41.916)
Budget Reduction Program:				
Health & Welfare Medical Rebid	\$17.397	\$5.981	\$6.362	\$6.768
Eagle Team Deployment	\$3.718	\$6.723	\$6.723	\$6.723
Transit Adjudication Bureau Fees	4.077	0.000	0.000	0.000
Health & Welfare NYSHIP Eligibility Confirmation Process	2.463	2.614	2.779	2.949
Enterprise Asset Management Savings	5.102	2.839	1.629	1.958
Mandated Training	2.635	2.982	2.982	2.982
Power Maintainer Vacancies	2.057	2.037	0.000	0.000
Maintenance Material and Contract Savings	1.620	2.847	4.347	4.347
Paratransit Trips Shifted to Voucher/Taxi E-Hail Modes	2.392	5.742	4.857	12.332
Other	2.192	0.383	0.915	0.915
Sub-total Budget Reduction Program	\$43.653	\$32.148	\$30.594	\$38.974
Additional Paratransit Savings-Previous Year Bud. Red. Prog.	\$7.430	\$10.076	\$17.527	\$21.920
Total Savings-Both Programs	\$51.083	\$42.224	\$48.121	\$60.894
Technical Adjustments/Re-estimates:				
Adverse Weather	(21.365)	0.000	0.000	0.000
TWU Overtime Offset Adjustment	0.445	3.658	3.775	3.775
TWU MOU-sick leave incentives	(4.062)	(8.392)	(1.264)	0.000
Public Liability	(3.904)	(1.928)	(1.343)	(0.731)
Bus Shop Plan Reforecast	2.384	5.241	(14.234)	(3.225)
Other Re-estimates	(3.241)	(0.308)	(1.032)	(1.032)
OTPS Adjustments	(5.293)	2.209	1.148	0.778
Reimbursable Adjustments	(0.876)	5.737	3.171	2.078
Training Float Reforecast	(9.784)	0.000	0.000	0.000
MTA Homeless Outreach	5.973	0.000	0.000	0.000
2016 Expense Timing Impacting 2017	7.780	0.000	0.000	0.000
Additional Projected Public liability Claims Requirements	(22.000)	(22.000)	(22.000)	(22.000)
Other	13.277	1.301	(8.449)	19.041
Sub-total Technical Adjustments/Re-estimates	(40.666)	(14.482)	(40.228)	(1.316)
Sub-Total Non-Reimbursable Expense Changes	\$86.569	\$55.268	\$48.239	\$72.946
Total Non-Reimbursable Major Changes	\$32.633	\$3.863	(\$0.009)	\$18.444
Reimbursable Major Changes				
Revenue				
Increased Reimbursements-Higher Expenses	25.961	17.886	15.217	14.559
Sub-Total Reimbursable Revenue Changes	\$25.961	\$17.886	\$15.217	\$14.559
Expenses				
Increased Expenses	(25.961)	(17.886)	(15.217)	(14.559)
Sub-Total Reimbursable Expense Changes	(\$25.961)	(\$17.886)	(\$15.217)	(\$14.559)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$32.633	\$3.863	(\$0.009)	\$18.444
Cash Adjustments				
Year-End 2016 Cash Timing Results Impacting 2017	\$29.190	\$60.000	\$0.000	\$0.000
Operating Revenue Timing	\$30.000	(\$30.000)	\$0.570	\$0.917
Capital Reimbursements	(15.359)	1.682	0.566	0.139
Claims Adjustments Mostly Offsetting Increased Reserve Projections	18.095	20.072	20.657	21.269
Projected increase in Fare Media Liability Cash Receipts	10.000	0.000	0.000	0.000
Other	4.922	1.018	3.499	(0.414)
Total Cash Adjustment Changes	\$76.848	\$52.772	\$25.282	\$21.911
Total Baseline Changes	\$109.481	\$56.635	\$25.273	\$40.355
July Financial Plan - Cash Surplus/(Deficit)	(\$2,754.496)	(\$2,954.887)	(\$3,230.470)	(\$3,503.066)

MTA NEW YORK CITY TRANSIT
2018 Preliminary Budget
July Financial Plan 2018 – 2021

RIDERSHIP/ (UTILIZATION)

The July 2017 Financial Plan ridership forecast projects that 2017 subway ridership will be 1.0 percent below budget and 2017 bus ridership will be 4.3 percent below budget, based on January-April 2017 weather and calendar adjusted ridership compared to the same period in 2016. The revised 2017 forecast includes preliminary actual ridership through April 2017, which was 2.0 percent below budget on subway and 5.2 percent below budget on bus, due mainly to unfavorable ridership trends and in part to snowstorms in January, February, and March of 2017, the latter resulting in the suspension of above-ground subway service and reduced bus service on March 14, 2017. As a result of lower subway and bus baseline ridership, and the winter storms, projected 2017 subway and bus ridership is 44.7 million lower than the February 2017 Plan.

In developing the 2018 ridership forecast, subway ridership is projected to increase by approximately 1.1 percent over 2017, based on the revised February 2017 employment forecast, which projects a higher percentage increase from 2017 to 2018 than the August 2016 forecast used in the February 2017 Plan. In 2018, bus ridership is projected to increase by approximately 0.6 percent, despite lower-than-budgeted economic growth assumed in the bus forecast, compared to a slight increase assumed in the February Plan. The 2018 bus ridership increase is mainly due to positive adjustments to the baseline forecast to account for lower ridership in early 2017 resulting from adverse weather. As a result of lower 2017 subway and bus ridership, and the lower-than-budgeted economic growth assumed in the bus forecast, projected 2018 subway and bus ridership is 32.7 million lower than the February Plan.

Working off the revised 2018 baseline projection, 2019-2021 subway and bus ridership growth forecasts are based on the February 2017 employment forecast, which projects a larger percent increase in employment for 2019 and slower growth for 2020 and 2021 compared to the forecast used in the February 2016 Plan. The resulting ridership is expected to be 29.1 million lower than the February Plan in 2019, 28.9 million lower in 2020, and 31.2 million lower in 2021.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Ridership (Utilization)
(in millions)

	Actual	Mid-Year	Preliminary			
	2016	Forecast	Budget	2019	2020	2021
		2017	2018			

RIDERSHIP

Subway	1,756.815	1,756.349	1,776.267	1,785.543	1,795.700	1,792.148
Bus	638.413	611.969	615.593	616.527	618.629	616.729
Paratransit	8.938	9.163	9.576	10.007	10.457	10.927
Total Ridership	2,404.166	2,377.481	2,401.436	2,412.077	2,424.786	2,419.804

FAREBOX REVENUE (Excluding fare media liability)

Subway	\$3,351.083	\$3,473.622	\$3,534.335	\$3,553.482	\$3,574.447	\$3,567.115
Bus	966.344	958.788	969.522	971.127	974.735	971.473
Paratransit	17.620	18.357	19.276	20.144	21.050	21.998
Total Revenue	\$4,335.047	\$4,450.767	\$4,523.133	\$4,544.753	\$4,570.232	\$4,560.586

NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020	Pos.	2021
Administration										
Additional Transit Adjudication Bureau Revenue		4.077								
Administrative & OTPS Savings	2	1.758	2	2.275	2	2.275	2	2.275	2	2.275
Cancel BRP-Paratransit Zero Fare Revenue		(2.100)		(3.600)		(3.600)		(3.600)		(3.600)
EAM Adjustments	17	5.102	18	2.839	12	1.629	12	1.958	12	1.958
Health & Welfare-Medical Rebid		17.397		5.981		6.362		6.768		7.202
Health & Welfare-NYSHIP DEVA		2.463		2.614		2.779		2.949		3.130
Mandated Training		2.635		2.982		2.982		2.982		2.982
None		0.000		0.000		0.000		0.000		0.000
Subtotal Administration	19	31.332	20	13.091	14	12.427	14	13.332	14	13.947
<i>% of Total Proposed</i>		<i>71.8%</i>		<i>40.7%</i>		<i>40.6%</i>		<i>34.2%</i>		<i>34.8%</i>
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
<i>% of Total Proposed</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>
Maintenance										
Power Maintainer Vacancies	31	2.057		2.037						
Maintenance Material and Contract Savings		1.620		2.847		4.347		4.347		4.347
Subtotal Maintenance	31	3.677	-	4.884	-	4.347	-	4.347	-	4.347
<i>% of Total Proposed</i>		<i>8.4%</i>		<i>15.2%</i>		<i>14.2%</i>		<i>11.2%</i>		<i>10.8%</i>
Revenue Enhancement										
Revenue Control Efficiencies	10	0.858	10	0.954	10	0.954	10	0.954	10	0.954
Subtotal Revenue Enhancement	10	0.858	10	0.954	10	0.954	10	0.954	10	0.954
<i>% of Total Proposed</i>		<i>2.0%</i>		<i>3.0%</i>		<i>3.1%</i>		<i>2.4%</i>		<i>2.4%</i>
Safety										
None		0.000		0.000		0.000		0.000		0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>% of Total Proposed</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>
Security										
EAGLE TEAM Deployment	64	3.718	64	6.723	64	6.723	64	6.723	64	6.723
Subtotal Security	64	3.718	64	6.723	64	6.723	64	6.723	64	6.723
<i>% of Total Proposed</i>		<i>8.5%</i>		<i>20.9%</i>		<i>22.0%</i>		<i>17.2%</i>		<i>16.8%</i>
Service										
Bus Operator Hours of Service/OT Adjustments	50	2.354	50	2.608	50	2.608	50	2.608	50	2.608
Cancel BRP-Destaff Auxillary Full-time Booth	(42)	(2.329)	(42)	(3.879)	(42)	(3.879)	(42)	(3.879)	(42)	(3.879)
Paratransit Shift Trips to Voucher/Taxi/E-Hail Prov.		2.392		5.742		4.857		12.332		12.868
Tower Operator Economy	19	1.652	19	2.025	24	2.557	24	2.557	24	2.557
None		0.000		0.000		0.000		0.000		0.000
Subtotal Service	27	4.069	27	6.496	32	6.143	32	13.618	32	14.154
<i>% of Total Proposed</i>		<i>9.3%</i>		<i>20.2%</i>		<i>20.1%</i>		<i>34.9%</i>		<i>35.3%</i>
Service Support										
None		(0.001)		0.000		0.000		0.000		0.000
Subtotal Service Support	-	(0.001)	-	0.000	-	0.000	-	0.000	-	0.000
<i>% of Total Proposed</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>
Other										
None		0.000		0.000		0.000		0.000		0.000
Subtotal Other	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
<i>% of Total Proposed</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>		<i>0.0%</i>
Agency Submission	151	\$43.653	121	\$32.148	120	\$30.594	120	\$38.974	120	\$40.125

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Additional Transit Adjudication Bureau (TAB) Revenue

Background Details:	Savings is generated from the Transit Adjudication Bureau participation in NYS' Statewide Offset Program (SWOP). This program was launched in 2016 and is based on a systematic review of unpaid summonses that could be potentially eligible for collection through the SWOP program.
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Program Description/ Implementation Plan:	The Law Department's Transit Adjudication Bureau (TAB) will increase the recovery of unpaid summonses by participating in the Statewide Offset Program (SWOP). The process is two-fold in that TAB generates a warning letter for all unpaid summonses; and then transmits information of non-respondents to the NYS Department of Taxation. Payments are then deducted from a non-responders tax return.
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Program Implementation Date:	7/1/2017	When will savings begin?:	7/1/2017
		Are these savings recurring?:	No

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$4.076	\$0.000	\$0.000	\$0.000	\$0.000

Total Positions Required:

NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet

Category by Function: Administration
Program: Administrative & OTPS Savings

Background Details:	This initiative reflects full and part time position reductions in the Human Resources, System Safety and Operations Planning divisions. In addition, the initiative also reflects price discounts gained from rapid invoice payments as well as reduced contractual costs through more effective management in the Materiel, Human Resources and Corporate Communications departments.
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Program Description/ Implementation Plan:	Efficiency savings gained through productivity measures.
--	--

Program Implementation Date:	When will savings begin?:
	Are these savings recurring?:
Other Issues:	

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.758	\$2.275	\$2.275	\$2.275	\$2.275
<i>Total Positions Required:</i>	2	2	2	2	2

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Administration
Program: EAM Adjustments

Background Details:	EAM will maximize the safety, service life, and efficiency of each and every physical asset at NYCT. Investments were made in prior Financial Plan and were allocated to the Central Project Management Office (PMO), Department of Subways (DOS), and Department of Buses (DOB) .
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Program Description/ Implementation Plan:	Review of EAM's organizational structure has resulted in disbanding the PMO and moving staff into DOS and DOB. In addition, due to hiring delays, vacancy savings can also be achieved in 2017 and 2018.
--	--

Program Implementation Date:	1/1/2017	When will savings begin?:	1/1/2017
		Are these savings recurring?:	yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$5.102	\$2.839	\$1.629	\$1.958	\$1.958
<i>Total Positions Required:</i>	17	18	12	12	12

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Administration
Program: Health & Welfare - Medical Rebid

Background Details:	In 2017, Aetna replaced Empire Blue Cross Blue Shield and United Healthcare for the hourly and supervisory medical coverage. The Medical Rebid savings initiative was created to factor in cost reductions from changing vendors.
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Program Description/ Implementation Plan:	Starting in 1/1/2017. Health and Welfare claims are well below budget, and below prior year levels. Further, the budget had anticipated a transition loss in 2017 which did not materialize.
--	--

Program Implementation Date:	1/1/2017	When will savings begin?:	1/1/2017
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$17.397	\$5.981	\$6.362	\$6.768	\$7.202

Total Positions Required:

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Administration
Program: Health & Welfare - NYSHIP DEVA

Background Details:	In 2016, NYSHIP conducted a Dependent Eligibility Audit (DEVA), which produces savings by reducing coverage costs as members update their plans from Family to individual.
----------------------------	--

Program Description/ Implementation Plan:	NYSHIP DEVA savings initiative is effective in 2017 and continues through the out-years.
--	--

Program Implementation Date:	1/1/2017	When will savings begin?:	1/1/2017
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$2.463	\$2.614	\$2.779	\$2.949	\$3.130
<i>Total Positions Required:</i>					

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Administration

Program: Mandated Training

Background Details:	The New York State Mandated Training program began in 2015. The program was extensive including 399,615 individual course enrollments for NYCT and was budgeted on overtime for Supervisory and Hourly employees accordingly. Based on changes in course requirements and enrollment population, savings can be achieved.
----------------------------	---

Program Description/ Implementation Plan:	A reduction in overtime expense based off of the updated 2017 MTA Mandated Annual Training & Policy Certification requirements for Supervisory and Hourly employees.
--	--

Program Implementation Date:	7/1/2017	When will savings begin?:	7/1/2017
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$2.635	\$2.982	\$2.982	\$2.982	\$2.982
<i>Total Positions Required:</i>					

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Maintenance

Program: Power Maintainer Vacancies

Background Details:	Due to difficulty in hiring Power Maintainers, savings can be achieved. It is expected that hiring will be at budgeted headcount by the end of 2018. This initiative reduces headcount to reflect vacancies and increases overtime in order to accommodate maintenance requirements during the hiring period.
----------------------------	---

Program Description/ Implementation Plan:	Starting in 2017 and ending in 2018 a swap of budgeted positions for overtime hours to reflect a savings.
--	---

Program Implementation Date:	1/1/2017	When will savings begin?:	1/1/2017
		Are these savings recurring?:	No

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$2.057	\$2.037			

Total Positions Required: 31

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Maintenance

Program: Maintenance Material and Contract Savings

Background Details:	After review of historical actuals and projected OTPS needs, the Dept of Subways and Buses reduced their materials and R&M budgets. Reductions include bus depot materials, DOB's Veeder Root Contract, and material savings in DCE.
----------------------------	--

Program Description/ Implementation Plan:	Starting in 2017 for DOB and 2018 for DOS, each department will take budget reductions in their M&S and R&M budgets to reflect annual needs. These will be permanent savings.
--	---

Program Implementation Date:	1/1/2017	When will savings begin?:	1/1/2017
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.620	\$2.847	\$4.347	\$4.347	\$4.347

Total Positions Required:

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Revenue Enhancement
Program: Revenue Control Efficiencies

Background Details:	Savings in revenue collections reflects position vacancies and a reduction in the number of collecting agents (5) based on review of current operations.
----------------------------	--

Program Description/ Implementation Plan:	Reduce 11 positions of various titles in Revenue Control's operations beginning 1/1/2017.
--	---

Program Implementation Date:	1/1/2017	When will savings begin?:	1/1/2017
		Are these savings recurring?:	Yes
Other Issues:			

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.858	\$0.954	\$0.954	\$0.954	\$0.954
<i>Total Positions Reduced:</i>	10	10	10	10	10

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Security
Program: Eagle Team Deployment

Background Details:	Savings is based on the reduction and redeployment of RBS Eagle Teams. These teams were originally created to limit fare evasion on regular bus service.
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Program Description/ Implementation Plan:	This program has been revised in subsequent financial plans because it is difficult to determine the impact on local bus fare evasion. Through redeployment to SBS and attrition, savings can be achieved.
--	--

Program Implementation Date:	1/1/2017	When will savings begin?: January 1, 2017
Other Issues:	Are these savings recurring?: Yes	

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$3.718	\$6.723	\$6.723	\$6.723	\$6.723
<i>Total Positions Required:</i>	64	64	64	64	64

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Service

Program: Bus Operator Hours of Service/OT Adjustment

Background Details:	The FTA tasked the Transit Advisory Committee for Safety (TRACS) with establishing a Fatigue Management Program for the Bus and Rail Transit Industry. Senior managers of various public transportation agencies, including NYCT, are members of the National Safety Panel which provides inputs and support TRACS's efforts. The 2015 Financial Plan included an Hours of Service (HOS) provision while efforts continued to determine the appropriate policy regarding maximum tour length, minimum rest between tours, maximum number of consecutive working days and maximum number of on-duty hours over the consecutive working days.
----------------------------	---

Program Description/ Implementation Plan:	The consecutive RDO policy is near completion and the gap to bring us to full compliance is smaller than anticipated. Consequently, the reserve for HOS is no longer required based on the current policy.
--	--

Program Implementation Date:	1/1/2017	When will savings begin?:	Jan-17
Other Issues:		Are these savings recurring?:	Yes

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$2.354	\$2.608	\$2.608	\$2.608	\$2.608

Total Positions Required:

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Service
Program: Paratransit Shift Trips to Voucher/Taxi/E-Hail Providers

Background Details:	Continued shift of trips from higher cost Primary service providers to lower cost providers including brokered car service, taxis and E-Hail services.
----------------------------	--

Program Description/ Implementation Plan:	Shifting trips to the lower cost providers allows NYCT to take advantage of beneficial pricing by selecting providers with lower overhead costs. In addition, this action creates competition for the Primary service providers which may facilitate better rates.
--	--

Program Implementation Date:	7/1/2017	When will savings begin?:	7/1/2017
Other Issues:	Are these savings recurring?:		

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$2.392	\$5.742	\$4.857	\$12.332	\$12.868
<i>Total Positions Required:</i>	0	0	0	0	0

**NEW YORK CITY TRANSIT
July Financial Plan 2018-2021
2017 Budget Reduction Plan Worksheet**

Category by Function: Service
Program: Tower Operator Economy

Background Details: Using the work program effective 12/18/2016, an analysis was completed to calculate how many tower operators were needed to operate the towers. The FTE calculation was then compared to the tower operators in the 2017 adopted budget. The budget included 24 positions more than the calculated tower operators required per the work program. Five of these tower operators are needed until the Fan Plant SCADA cut over is completed in 2019: the initial savings is 19 tower operators, and in 2019 the savings will increase to 24 tower operators.

Program Description/Implementation Plan: To more closely align with the work program, 19 tower operators will be removed from the budget in 2017, and an additional 5 tower operator positions will be saved in 2019.

Program Implementation Date: 1/1/2017 **When will savings begin?:** 1/1/2017
Are these savings recurring?: yes

Other Issues:

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$1.652	\$2.025	\$2.557	\$2.557	\$2.557
<i>Total Positions Required:</i>	19	19	24	24	24

MTA NEW YORK CITY TRANSIT
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Positions

POSITION ASSUMPTIONS

2017: Mid-Year Forecast vs. Adopted Budget

Total baseline positions are projected to increase by 223, including a non-reimbursable increase of 32 and a reimbursable increase of 191. Specifically:

BRPs (total decrease of 151 positions) includes:

- -64 positions for Eagle Team Redeployment
- -50 positions for Bus Operator Hours of Service
- -31 positions for Power Maintainer Vacancies
- -19 positions for Tower Operator Economy
- -17 positions for EAM Adjustments
- -10 positions for Revenue Control Savings
- -2 positions for Administrative Savings
- 42 positions for Cancel BRP – Destaff Auxiliary Full-time Booths

New Needs (total increase of 209 positions) includes:

- 160 positions for Eighth Avenue Corridor Improvement
- 13 positions for Service Management Reorganization
- 13 positions for Car Maintenance HVAC
- 11 positions for Track Defect Reduction
- 8 positions for Underground Storage Tanks
- 4 positions for Beacons Maintenance & Support

(These initiatives are summarized at the beginning of the introductory narrative.)

Reimbursable (total increase of 191 positions) includes:

- 94 positions for Platform Budget/TA Labor Adjustments
- 74 positions for Capital Program Support
- 23 positions for SBS MTA Bus Support

Re-estimates (decrease of 26 positions) include:

- 24 positions for SBS Rollout
- 9 positions for Reimbursable Adjustments/Capital Support
- -29 positions for OBI – Second Ave. Subway E&E Maintenance Contract
- -14 positions for OBI support for HVAC Comm Room and Inergen Fire Suppression, offset by PACIS delay
- -8 positions for Platform Budget Normal Business
- -8 positions for miscellaneous other

The breakdown of the 223 position increase by function is as follows:

Administration (total decrease of 18 positions) includes:

- -18 positions for mainly EAM adjustments in PMO

Operations (total increase of 172 positions) include:

- 107 positions for TA Labor adjustments
- 105 positions for Eighth Avenue Corridor Improvement
- 42 positions for Cancel BRP – Destaff Auxiliary Full-time Booths
- 13 positions for Service Management Reorganization
- -50 positions for Bus Operator Hours of Service
- -21 positions for Platform Budget – Normal Business/Bushwick Cut
- -19 positions for Tower Operator Economy
- -10 positions for Revenue Control Savings
- +5 positions for miscellaneous other

Maintenance (total increase of 88 positions) includes:

- 75 positions Subways Capital Support
- 54 positions for Eighth Avenue Corridor Improvement
- 13 positions for Car Maintenance HVAC
- 11 positions for Track Defect Reduction
- 8 positions for Underground Storage Tanks
- -29 positions for SAS – E&E Maintenance Contract
- -31 positions for Power Maintainer Vacancies
- -14 positions for OBI support for HVAC Comm Room and Inergen Fire Suppression, offset by PACIS delay
- +1 positions for miscellaneous other

Public Safety (total decrease of 19 positions) includes:

- -19 positions for Eagle Team Support

Position increases by occupational group are: Managers/Supervisors +49, Professional, Technical, Clerical -22, and Operational Hourlies +196.

For further details, please see position tables.

2018: July Financial Plan vs. February Financial Plan

BRPs (total decrease of 121 positions) includes:

- -64 positions for Eagle Team Deployment
- -50 positions for Bus Operator Hours of Service

- -19 positions for Tower Operator Economy
- -18 positions for EAM Adjustments
- -10 positions for Revenue Control Savings
- -2 positions for Administrative Savings
- 42 positions for Cancel BRP – Destaff Auxiliary Full-time Booths

New Needs (total increase of 290 positions) includes:

- 160 positions for Eighth Avenue Corridor Improvement
- 76 positions for Track Defect Reduction
- 13 positions for Service Management Reorganization
- 13 positions for Car Maintenance HVAC
- 8 positions for Underground Storage Tanks
- 6 positions for Beacons Maintenance & Support
- 5 positions for Security – Field Supervision
- 9 positions for miscellaneous other

Reimbursable (total increase of 55 positions) includes:

- 45 positions for Capital Program Support
- 34 positions for Platform Budget/TA Labor Adjustments
- 25 positions for SBS MTA Bus Support
- -44 positions for TWU MOU – OTO Adjustment
- -5 positions for miscellaneous other

Re-estimates (increase of 56 positions) include:

- 44 positions for TWU MOU – OTO Adjustment
- 34 positions for SBS Rollout
- 11 positions for OBI support for HVAC Comm Room and Inergen Fire Suppression, offset by PACIS delay
- 6 positions for Reimbursable Adjustments/Capital Support
- -29 positions for OBI – Second Ave. Subway E&E Maintenance Contract
- -8 positions for Platform Budget Normal Business
- -2 positions for miscellaneous other

The breakdown of the 280 position increase by function is as follows:

- Administration (no change)
- Operations (total increase of 122 positions) – mainly due to eighth avenue corridor improvement.
- Maintenance (total increase of 172 positions) – mainly due to reimbursable adjustments noted above, and eighth avenue corridor improvement
- Engineering (no change)
- Public Safety (total decrease of 14 positions) – mainly due to reduction in eagle teams.

Position increases by occupational group are: Managers/Supervisors +58, Professional, Technical, Clerical -10, and Operational Hourlies +232.

2019 - 2020: July Financial Plan vs. February Financial Plan

BRPs (total decrease of 120 positions in 2019 - 2020) includes:

- -64 positions for Eagle Team Deployment
- -50 positions for Bus Operator Hours of Service
- -24 positions for Tower Operator Economy
- -12 positions for EAM Adjustments
- -10 positions for Revenue Control Savings
- -2 positions for Administrative Savings
- 42 positions for Cancel BRP – Destaff Auxiliary Full-time Booths

New Needs (total increase of 290 positions in 2019, 284 positions 2020) includes:

- 160 positions for Eighth Avenue Corridor Improvement
- 76 positions for Track Defect Reduction
- 13 positions for Service Management Reorganization
- 13 positions for Car Maintenance HVAC
- 8 positions for Underground Storage Tanks
- 6 position for Beacons Maintenance & Support
- 5 positions for Security – Field Supervision
- 9 positions for miscellaneous other (3 in 2020)

Reimbursable (total increase of 22 positions in 2019, 12 positions in 2020) includes:

- 34 positions for Platform Budget/TA Labor Adjustments
- 25 positions for SBS MTA Bus Support
- 24 positions for Capital Program Support (21 positions in 2020)
- -44 positions for TWU MOU – OTO Adjustment
- -15 positions for TRT Critter Savings (-22 positions in 2020)
- -2 positions for miscellaneous other

Re-estimates (total increase of 62 positions in 2019, 96 positions in 2020) include:

- 44 positions for TWU MOU – OTO Adjustment
- 34 positions for SBS Rollout
- 11 positions for OBI support for HVAC Comm Room and Inergen Fire Suppression, offset by PACIS delay
- 6 positions for Reimbursable Adjustments/Capital Support
- -29 positions for OBI – Second Ave. Subway E&E Maintenance Contract for 2019 only
- -8 positions for Platform Budget Normal Business
- 4 positions for miscellaneous other (9 positions in 2020)

The breakdown of the 254 position increase in 2019 and 272 positions in 2020 is as follows:

- Administration (total increase of 1 position in 2019 and 2020)
- Operations (total increase of 97 positions in 2019 and 2020) – mainly due to eighth avenue corridor improvement.
- Maintenance (total increase 172 positions in 2019, 190 positions 2020) – mainly due to reimbursable adjustments noted above and SMS program changes.
- Engineering (no change)
- Public Safety (total decrease of 14 positions) mainly due to reduction in eagle teams.

Position increases by occupational group in 2019 are: Managers/Supervisors +52, Professional, Technical, Clerical -15, and Operational Hourlies +217. In 2020, positions increase among Managers/Supervisors +84, and Professional, Technical, Clerical -62 and Operational Hourlies +250.

Year over Year

2018 over 2017

Total positions decrease by 481 positions, mainly due to Capital Program support, training float adjustments and changes in the Subways SMS program.

2019 over 2018

Total positions decrease by 117 positions, mainly due to Capital Program support, training float adjustments and changes in the Subways SMS program.

2020 over 2019

Total positions decrease by 251 positions, mainly due to changes in capital project completion and Sandy Recovery & Resiliency program.

2021 over 2020

Total positions decrease by 295 positions, mainly due to changes in capital project completion, changes in the Subways SMS program and bus shop plan.

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Favorable/(Unfavorable)

Total Position Changes at a Glance

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
2017 February Plan - Total Baseline Positions	49,310	48,772	48,681	48,412
Total Plan-to-Plan Changes	(223)	(280)	(254)	(272)
2017 July Plan - Total Baseline Positions	49,533	49,052	48,935	48,684
Total Year-to-Year Changes, July Plan		481	117	251

Total Plan-to-Plan Changes by Reporting Category:

<i>Non-Reimbursable</i>	(32)	(225)	(232)	(260)
<i>Reimbursable</i>	(191)	(55)	(22)	(12)
Total	(223)	(280)	(254)	(272)
<i>Full-Time</i>	(234)	(291)	(265)	(283)
<i>Full-Time Equivalents</i>	11	11	11	11
Total	(223)	(280)	(254)	(272)
<i>By Function Category</i>				
- Administration	18	0	1	1
- Operations	(172)	(122)	(97)	(97)
- Maintenance	(88)	(172)	(172)	(190)
- Engineering/Capital	0	0	0	0
- Public Safety	19	14	14	14
Total	(223)	(280)	(254)	(272)
<i>By Occupational Group</i>				
- Managers/Supervisors	(49)	(58)	(52)	(84)
- Professional, Technical, Clerical	22	10	15	62
- Operational Hourlies	(196)	(232)	(217)	(250)
Total	(223)	(280)	(254)	(272)

Total Plan-to-Plan Changes by Major Category:

<i>2017 BRPs</i>	151	121	120	120
<i>New Needs</i>	(209)	(290)	(290)	(284)
<i>Change in Reimbursable Positions</i>	(191)	(55)	(22)	(12)
<i>Re-estimates & All Other</i> ¹	26	(56)	(62)	(96)
Total	(223)	(280)	(254)	(272)

¹ Includes Full-time Equivalents

MTA New York City Transit
July Financial Plan 2018 - 2021
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

	2016	2017	2018	2019	2020	2021
	Actual	Mid-Year Forecast	Preliminary Budget			
Administration						
Office of the President	46	33	33	33	33	33
Law	294	320	320	320	320	320
Office of the EVP	43	54	54	54	52	52
Human Resources	236	238	242	241	241	241
Office of Management and Budget	43	43	43	43	42	42
Capital Planning & Budget	31	35	35	35	35	35
Corporate Communications	245	278	278	278	276	276
Non-Departmental	3	(32)	(24)	(24)	(24)	(24)
Labor Relations	92	97	101	101	101	101
Materiel	272	239	238	236	207	207
Controller	128	128	128	128	125	125
Total Administration	1,433	1,433	1,448	1,445	1,408	1,408
Operations						
Subways Service Delivery	8,540	8,773	8,569	8,532	8,408	8,340
Subways Operation Support /Admin	404	403	403	403	403	403
Subways Stations	2,617	2,638	2,634	2,634	2,634	2,634
Subtotal - Subways	11,561	11,814	11,606	11,569	11,445	11,377
Buses	10,982	11,113	11,072	11,058	11,058	11,058
Paratransit	197	213	213	213	213	213
Operations Planning	377	399	399	398	391	391
Revenue Control	555	573	575	575	575	575
Non-Departmental	-	-	-	-	-	-
Total Operations	23,672	24,112	23,865	23,813	23,682	23,614
Maintenance						
Subways Operation Support /Admin	148	146	134	131	124	123
Subways Engineering	352	391	368	341	315	312
Subways Car Equipment	4,436	4,473	4,387	4,307	4,335	4,213
Subways Infrastructure	1,542	1,702	1,565	1,561	1,552	1,552
Subways Elevator & Escalators	424	479	471	458	489	489
Subways Stations	3,723	3,857	3,864	3,851	3,851	3,856
Subways Track	2,836	2,889	2,926	2,914	2,909	2,891
Subways Power	602	598	616	604	598	598
Subways Signals	1,482	1,536	1,503	1,479	1,461	1,461
Subways Electronics Maintenance	1,562	1,664	1,607	1,586	1,579	1,579
Subtotal - Subways	17,107	17,735	17,441	17,232	17,213	17,074
Buses	3,671	3,680	3,676	3,801	3,815	3,727
Supply Logistics	569	574	571	571	571	571
System Safety	83	98	98	98	95	95
Non-Departmental	15	(111)	(64)	(42)	(42)	(42)
Total Maintenance	21,445	21,976	21,722	21,660	21,652	21,425
Engineering/Capital						
Capital Program Management	1,398	1,358	1,358	1,358	1,283	1,283
Total Engineering/Capital	1,398	1,358	1,358	1,358	1,283	1,283
Public Safety						
Security	663	654	659	659	659	659
Total Public Safety	663	654	659	659	659	659
Total Baseline Positions	48,611	49,533	49,052	48,935	48,684	48,389
Non-Reimbursable	44,256	43,997	44,052	44,060	44,164	43,956
Reimbursable	4,355	5,536	5,000	4,875	4,520	4,433
Total Full-Time	48,355	49,331	48,850	48,733	48,482	48,187
Total Full-Time Equivalents	256	202	202	202	202	202

MTA NEW YORK CITY TRANSIT
July Financial Plan 2018 - 2021
Total Positions by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION / OCCUPATIONAL GROUP	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Administration						
Managers/Supervisors	452	509	513	510	491	491
Professional/Technical/Clerical	958	895	906	906	888	888
Operational Hourlies	23	29	29	29	29	29
Total Administration Headcount	1,433	1,433	1,448	1,445	1,408	1,408
Operations						
Managers/Supervisors	2,725	2,843	2,832	2,821	2,799	2,796
Professional/Technical/Clerical	486	508	510	509	508	508
Operational Hourlies	20,461	20,761	20,523	20,483	20,375	20,310
Total Operations Headcount	23,672	24,112	23,865	23,813	23,682	23,614
Maintenance						
Managers/Supervisors	3,914	3,963	3,877	3,863	3,855	3,833
Professional/Technical/Clerical	1,034	1,149	1,104	1,089	1,054	1,041
Operational Hourlies	16,498	16,864	16,741	16,708	16,743	16,551
Total Maintenance Headcount	21,446	21,976	21,722	21,660	21,652	21,425
Engineering / Capital						
Managers/Supervisors	339	339	339	339	327	327
Professional/Technical/Clerical	1,057	1,017	1,017	1,017	954	954
Operational Hourlies	2	2	2	2	2	2
Total Engineering Headcount	1,398	1,358	1,358	1,358	1,283	1,283
Public Safety						
Managers/Supervisors	277	276	281	281	281	281
Professional, Technical, Clerical	39	42	42	42	42	42
Operational Hourlies	347	336	336	336	336	336
Total Public Safety Headcount	663	654	659	659	659	659
Total Positions						
Managers/Supervisors	7,707	7,930	7,842	7,814	7,753	7,728
Professional, Technical, Clerical	3,573	3,611	3,579	3,563	3,446	3,433
Operational Hourlies	37,331	37,992	37,631	37,558	37,485	37,228
Total Positions	48,611	49,533	49,052	48,935	48,684	48,389

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MTA Bus Company

MTA BUS COMPANY
2018 Preliminary Budget
July Financial Plan 2018 – 2021

FINANCIAL OVERVIEW

MTA Bus Company (MTA BC) remains committed to providing safe, secure, reliable and cost efficient transportation service that fosters the continued vibrancy and prosperity of the New York region. To that end, the July Financial Plan presents the means to meet those needs and includes funding for several important programmatic initiatives critical to meeting the MTA Bus Company's operational and maintenance needs. All other expense/cash changes result from either re-estimates, adjustments reflecting the impact of inflation, or the projected timing of expenses, payments or reimbursements.

The primary investment initiatives included in this plan are summarized as follows:

- **Traffic** – Increased traffic due to NYC Department of Transportation (NYC DOT) construction, accidents and detours, will result in increased “run-time” overtime in the amount of \$3.8 million in 2017, \$3.9 million in 2018, \$4.0 million in 2019, \$4.0 million in 2020, and \$4.1 million in 2021.
- **NYC DOT Contract** – A Memorandum of Understanding (MOU) with NYC-DOT was signed and renewed late in 2016 for the maintenance of bus stops, bus stop markers, and the movement of bus stops. NYCT and MTABC share the cost of the contract proportionately; the MOU covers a retroactive payment going back to 2011 and extends the agreement through 2019. To accomplish this, approximately \$3.3 million is needed in 2017 and \$0.7 million per year from 2018 - 2021.
- **Bus Operator Training Float** – Due to the increased need for bus operators and associated training, an additional 26 positions are required, costing \$2.6 million in 2017, \$2.7 million in 2018 and 2019, and \$2.8 million in 2020 and 2021.
- **New Security Contract** – This request covers the increase in cost of a new 5-year security contract over the existing one, averaging \$1.7 million each year.
- **Overage Fleet** – There are no new bus purchases scheduled for MTABC until the 4th Quarter of 2019. This will result in a large part of the fleet being overage, a situation that is not expected to improve until the end of 2020. At the end of 2017, approximately 258 buses (25% of the fleet), will be over 12 years of age. By the end of 2018, this number will increase to approximately 600 buses (50% of the fleet). In order to maintain this aging fleet in a state of good repair, 8

additional positions are required with costs of \$0.5 million in 2017 and with average annual costs of \$1.5 million thereafter.

- **Legal Staffing** - MTABC's Legal Department is responsible for all litigation and other proceedings to assure that the agency's legal rights are protected and pursued. The department provides legal direction in the development of contracts, and responds to personal injury, property damage, no-fault and workers' compensation claims, as well as environmental, labor and employment-related matters. Additional staffing of three positions are needed in each year to manage increasing caseloads, costing \$0.1 million in 2017 and approximately \$0.4 million in the out years.

The 2018 BUDGET REDUCTION PROGRAM includes the following primary reductions:

- **Other Than Personal Service (OTPS)** - These savings are based on a review of controllable non-labor OTPS categories resulting in recurring savings of \$3.5 million in 2017 (cash only) and \$1.0 million per year in 2018 – 2021.
- **Facility Maintainers** - Facilities will not be able to fill these maintenance positions until 2019, resulting in savings of \$0.9 million in 2017, \$0.6 million in 2018 and \$0.3 million in 2019.
- **Bus Operator Relief** - A relief reduction starting in 2017, resulting in savings of \$0.7 million in 2017, \$1.4 million in 2018, and \$1.5 million for the out years 2019 - 2021.
- **Shop Scopes Reliability Maintenance** - Labor and material savings due to transformer, wiper motor/starter and starting batteries replacement reduction from 100% to 5% (50% of buses) in 2018. These include scope labor reductions of 10 hours and material reductions of \$2,500 per bus for all fleets.

2017 Mid-Year Forecast

MTA Bus Company's 2017 Mid-Year Forecast includes Total Expenses before Depreciation and Other Post-employment Benefits of \$735.8 million, consisting of \$730.0 million of non-reimbursable expenses and \$5.9 million of reimbursable expenses. Total Revenue is projected to be \$240.3 million, of which \$213.3 million is Farebox Revenue, \$21.1 million is Other Operating Revenue, and \$5.9 million is Capital and Other Reimbursements. There is a total baseline of 3,952 Full-Time and Full-Time Equivalent positions (3,912 non-reimbursable positions and 40 reimbursable positions).

The 2017 net operating cash deficit is projected to increase by \$27.5 million from the Adopted Budget.

Major operating cash changes include:

- A Farebox Revenue decrease of \$6.5 million due to lower projected ridership.
- Investment increases of \$3.2 million, which include the Bus Operator Training Float, Traffic, and the DOT contract initiatives discussed previously.
- The unfavorable cash timing from 2016 year-end results of \$19.9 million.
- Capital and Other Reimbursement decreases of \$3.1 million.
- OTPS, Bus Operator Relief, Facility Maintainers and Shop Scopes Reliability Maintenance BRP savings of \$5.6 million.

Plan-to-Plan, total baseline non-reimbursable positions are projected to increase by 13.

2018 Preliminary Budget

MTA Bus Company's 2018 Preliminary Budget includes Total Expenses before Depreciation and Other Post-employment Benefits of \$763.4 million, consisting of \$757.5 million of non-reimbursable expenses and \$6.0 million of reimbursable expenses. Total Revenue is projected to be \$244.2 million, of which \$216.7 million is Farebox Revenue, \$21.5 million is Other Operating Revenue, and \$6.0 million is Capital and Other Reimbursements. There is a total baseline of 3,936 Full-Time and Full-Time Equivalent positions (3,896 non-reimbursable positions and 40 reimbursable positions).

The 2018 net operating cash deficit is projected to increase by \$16.8 million from the February Financial Plan.

Major operating cash changes include:

- Farebox Revenue decrease of \$5.4 million due to projected lower ridership.
- Investment increases of \$8.4 million, which include the Bus Operator Training Float, Traffic, and Allied Security initiatives discussed previously.
- Re-estimate increase of \$2.5 million, which includes increased Pension expense and the GASB 68 Pension Expense adjustment, partially offset by decreases in H&W/OPEB and Fuel.
- Capital and Other Reimbursement decreases of \$3.2 million.

- OTPS, Bus Operator Relief, Facility Maintainers, and Shop Scopes Reliability Maintenance BRP savings of \$3.8 million

Plan-to-Plan, total baseline positions are projected to increase by 16.

2019 – 2020 Projections

Net operating cash deficits are projected to increase by \$17.0 million in 2019 and \$10.3 million in 2020, relative to the February Plan.

Major operating cash changes include:

- Farebox Revenue decrease of \$3.3 million in 2019 and \$3.2 million in 2020, mainly due to lower ridership.
- Investment increases of \$9.7 million in 2019 and \$9.5 million in 2020, which are a continuation of the initiatives discussed above.
- Re-estimates/inflationary increases of \$0.8 million in 2019 and a decrease of \$5.7 million in 2020, which includes changes in Pension, H&W/OPEB, Insurance, and Fuel.
- Capital and Other Reimbursement decreases of \$3.3 million in 2019 and 2020.
- OTPS, Bus Operator Relief, Facility Maintainers and Shop Scopes Reliability Maintenance BRP savings of \$2.8 million in 2019 and \$2.5 million in 2020.

Plan-to-Plan, total baseline positions are projected to increase by 21 in 2019 and 24 in 2020.

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Non-Reimbursable</u>						
Operating Revenue						
Farebox Revenue	\$212.483	\$213.322	\$216.744	\$219.301	\$220.246	\$219.591
Other Operating Revenue	21.991	21.089	21.471	21.650	21.832	22.595
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenues	\$234.474	\$234.411	\$238.215	\$240.951	\$242.078	\$242.186
Operating Expense						
<u>Labor:</u>						
Payroll	\$275.379	\$280.110	\$283.053	\$288.073	\$289.234	\$292.256
Overtime	58.556	60.174	61.152	61.402	60.735	61.450
Health and Welfare	66.151	63.080	67.717	74.059	75.773	79.637
OPEB Current Payments	20.945	25.892	27.825	30.387	31.197	32.783
Pension	44.365	51.940	52.333	53.267	52.403	50.812
Other Fringe Benefits	61.609	66.953	69.475	71.405	70.869	71.474
Reimbursable Overhead	(1.450)	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$525.556	\$548.149	\$561.555	\$578.593	\$580.211	\$588.413
<u>Non-Labor:</u>						
Electric Power	\$1.542	\$1.972	\$2.174	\$2.224	\$2.382	\$2.517
Fuel	15.565	20.779	21.700	22.041	23.892	25.872
Insurance	7.714	5.763	6.581	7.710	8.364	9.457
Claims	63.400	29.447	29.977	30.490	30.502	30.807
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	28.125	38.927	41.659	34.007	30.893	34.975
Professional Services Contracts	27.748	29.250	29.671	33.518	33.315	33.658
Materials and Supplies	43.812	50.893	58.851	51.883	49.382	49.975
Other Business Expenses	3.907	4.798	5.286	5.494	5.498	5.589
Total Non-Labor Expenses	\$191.812	\$181.830	\$195.898	\$187.367	\$184.228	\$192.851
<u>Other Expense Adjustments:</u>						
Other Expense Adjustments	\$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.	\$717.368	\$729.979	\$757.452	\$765.961	\$764.439	\$781.264
Depreciation	\$57.158	\$53.901	\$54.341	\$54.341	\$54.341	\$54.778
OPEB Liability Adjustment	63.516	100.150	100.150	100.150	100.150	100.150
GASB 68 Pension Expense Adjustment	(5.686)	114.600	45.600	44.600	40.400	30.700
Environmental Remediation	0.041	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$832.398	\$998.630	\$957.543	\$965.052	\$959.330	\$966.892
Net Surplus/(Deficit)	(\$597.924)	(\$764.219)	(\$719.328)	(\$724.101)	(\$717.252)	(\$724.706)

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Reimbursable						
Operating Revenue						
Farebox 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	4.258	5.857	5.960	5.925	5.871	5.966
Total Revenues	\$4.258	\$5.857	\$5.960	\$5.925	\$5.871	\$5.966
Operating Expense						
Labor:						
Payroll	\$2.612	\$2.682	\$2.731	\$2.586	\$2.430	\$2.395
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.780	1.101	1.121	1.214	1.314	1.422
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.378	0.498	0.508	0.508	0.509	0.514
Other Fringe Benefits	0.374	0.486	0.495	0.495	0.495	0.501
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$4.144	\$4.767	\$4.855	\$4.803	\$4.748	\$4.832
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	0.235	0.238	0.242	0.242	0.244
Professional Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials and Supplies	0.114	0.855	0.867	0.881	0.881	0.890
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenses	\$0.114	\$1.090	\$1.105	\$1.122	\$1.123	\$1.134
Other Expense Adjustments:						
Other Expense Adjustments	\$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	\$4.258	\$5.857	\$5.960	\$5.925	\$5.871	\$5.966
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Non-Reimbursable / Reimbursable</u>						
Operating Revenue						
Farebox Revenue	\$212.483	\$213.322	\$216.744	\$219.301	\$220.246	\$219.591
Other Operating Revenue	21.991	21.089	21.471	21.650	21.832	22.595
Capital and Other Reimbursements	4.258	5.857	5.960	5.925	5.871	5.966
Total Revenues	\$238.732	\$240.268	\$244.175	\$246.876	\$247.949	\$248.152
Operating Expense						
<u>Labor:</u>						
Payroll	\$277.991	\$282.792	\$285.784	\$290.659	\$291.664	\$294.651
Overtime	58.556	60.174	61.152	61.402	60.735	61.450
Health and Welfare	66.931	64.181	68.838	75.272	77.087	81.060
OPEB Current Payments	20.945	25.892	27.825	30.387	31.197	32.783
Pension	44.743	52.438	52.841	53.776	52.912	51.327
Other Fringe Benefits	61.983	67.438	69.970	71.900	71.364	71.975
Reimbursable Overhead	(1.450)	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$529.700	\$552.916	\$566.409	\$583.396	\$584.959	\$593.245
<u>Non-Labor:</u>						
Electric Power	\$1.542	\$1.972	\$2.174	\$2.224	\$2.382	\$2.517
Fuel	15.565	20.779	21.700	22.041	23.892	25.872
Insurance	7.714	5.763	6.581	7.710	8.364	9.457
Claims	63.400	29.447	29.977	30.490	30.502	30.807
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	28.125	39.162	41.897	34.249	31.135	35.219
Professional Services Contracts	27.748	29.250	29.671	33.518	33.315	33.658
Materials and Supplies	43.926	51.748	59.718	52.763	50.263	50.865
Other Business Expenses	3.907	4.798	5.286	5.494	5.498	5.589
Total Non-Labor Expenses	\$191.926	\$182.920	\$197.003	\$188.489	\$185.351	\$193.985
<u>Other Expense Adjustments:</u>						
Other Expense Adjustments	\$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.	\$721.626	\$735.836	\$763.412	\$771.886	\$770.310	\$787.230
Depreciation	\$57.158	\$53.901	\$54.341	\$54.341	\$54.341	\$54.778
OPEB Liability Adjustment	63.516	100.150	100.150	100.150	100.150	100.150
GASB 68 Pension Expense Adjustment	(5.686)	114.600	45.600	44.600	40.400	30.700
Environmental Remediation	0.041	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$836.656	\$1,004.487	\$963.503	\$970.977	\$965.201	\$972.858
Net Surplus/(Deficit)	(\$597.924)	(\$764.219)	(\$719.328)	(\$724.101)	(\$717.252)	(\$724.706)

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	\$211.450	\$214.568	\$216.744	\$219.301	\$220.246	\$219.591
Other Operating Revenue	21.703	21.089	21.471	21.650	21.832	22.595
Capital and Other Reimbursements	4.905	7.908	8.042	11.308	11.247	11.328
Total Receipts	\$238.058	\$243.565	\$246.257	\$252.259	\$253.325	\$253.514
Expenditures						
<u>Labor:</u>						
Payroll	\$284.836	\$276.965	\$283.705	\$292.038	\$293.202	\$294.245
Overtime	58.595	60.174	61.152	61.402	60.735	61.450
Health and Welfare	61.580	63.761	68.410	75.272	77.088	81.060
OPEB Current Payments	22.355	25.892	27.825	30.387	31.197	32.783
Pension	44.365	50.473	52.667	53.602	52.738	51.151
Other Fringe Benefits	47.719	55.544	54.793	56.723	56.187	56.796
Contribution to GASB Fund	0.000	0.000	0.000	0.094	0.205	0.318
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$519.450	\$532.810	\$548.551	\$569.518	\$571.352	\$577.802
<u>Non-Labor:</u>						
Electric Power	\$1.542	\$1.972	\$2.174	\$2.224	\$2.382	\$2.517
Fuel	15.480	20.779	21.700	20.618	22.469	25.873
Insurance	9.071	5.763	6.581	7.710	8.364	9.457
Claims	27.967	25.385	25.842	26.355	26.367	26.631
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	27.156	44.663	41.897	32.760	29.646	35.219
Professional Services Contracts	22.820	38.750	29.671	33.518	33.315	33.658
Materials and Supplies	41.887	54.948	59.718	52.764	50.263	50.865
Other Business Expenses	3.776	4.798	5.285	5.494	5.498	5.589
Total Non-Labor Expenditures	\$149.699	\$197.059	\$192.866	\$181.443	\$178.304	\$189.810
<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	\$669.149	\$729.869	\$741.418	\$750.962	\$749.656	\$767.612
Net Cash Balance	(\$431.091)	(\$486.304)	(\$495.161)	(\$498.703)	(\$496.331)	(\$514.098)

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Cash Conversion (Cash Flow Adjustments)
Favorable/(Unfavorable)
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Flow Adjustments						
Receipts						
Farebox Revenue	(\$1.033)	\$1.246	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	(0.288)	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	0.647	2.051	2.082	5.383	5.376	5.362
Total Receipts	(\$0.674)	\$3.297	\$2.082	\$5.383	\$5.376	\$5.362
Expenditures						
Labor:						
Payroll	(\$6.845)	\$5.827	\$2.079	(\$1.379)	(\$1.538)	\$0.406
Overtime	(0.039)	0.000	0.000	0.000	0.000	0.000
Health and Welfare	5.351	0.420	0.428	0.000	(0.001)	0.000
OPEB Current Payments	(1.410)	0.000	0.000	0.000	0.000	0.000
Pension	0.378	1.965	0.174	0.174	0.174	0.176
Other Fringe Benefits	14.264	11.894	15.177	15.177	15.177	15.179
Contribution to GASB Fund	0.000	0.000	0.000	(0.094)	(0.205)	(0.318)
Reimbursable Overhead	(1.450)	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$10.250	\$20.106	\$17.858	\$13.878	\$13.607	\$15.443
Non-Labor:						
Electric Power	\$0.000	\$0.000	0.000	\$0.000	\$0.000	\$0.000
Fuel	0.085	0.000	0.000	1.423	1.423	(0.001)
Insurance	(1.357)	0.000	0.000	0.000	0.000	0.000
Claims	35.433	4.062	4.135	4.135	4.135	4.176
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.969	(5.501)	0.000	1.489	1.489	0.000
Professional Services Contracts	4.928	(9.500)	0.000	0.000	0.000	0.000
Materials and Supplies	2.039	(3.200)	0.000	(0.001)	0.000	0.000
Other Business Expenses	0.131	0.000	0.001	0.000	0.000	0.000
Total Non-Labor Expenditures	\$42.227	(\$14.139)	\$4.136	\$7.046	\$7.047	\$4.175
Other Expenditure Adjustments:						
Other Expense Adjustments	\$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	\$52.477	\$5.967	\$21.994	\$20.924	\$20.654	\$19.618
Total Cash Conversion Adjustments before Depreciation	\$51.803	\$9.264	\$24.076	\$26.307	\$26.030	\$24.980
Depreciation	\$57.158	\$53.901	\$54.341	\$54.341	\$54.341	\$54.778
OPEB Liability Adjustment	63.516	100.150	100.150	100.150	100.150	100.150
GASB 68 Pension Expense Adjustment	(5.686)	114.600	45.600	44.600	40.400	30.700
Environmental Remediation	0.041	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$166.833	\$277.915	\$224.167	\$225.398	\$220.921	\$210.608

MTA BUS COMPANY
2017 Mid-Year Forecast
Non-Reimbursable/Reimbursable Overtime Hours and Expenses
(\$ in millions)

	Total		
	Hours	\$	%
NON-REIMBURSABLE OVERTIME			
Scheduled Service	651,920	\$27.117	45.1%
Unscheduled Service	204,167	9.375	15.6%
Programmatic/Routine Maintenance	262,992	11.259	18.7%
Unscheduled Maintenance	0	0.000	-
Vacancy/Absentee Coverage (1)	201,250	10.269	17.1%
Weather Emergencies	45,130	1.709	2.8%
Safety/Security/Law Enforcement	2,641	0.128	0.2%
Other	3,802	0.316	0.5%
Subtotal	1,371,902	\$60.174	100.0%
REIMBURSABLE OVERTIME	0	\$0.000	
TOTAL OVERTIME	1,371,902	\$60.174	

(1) Offset by lower payroll and associated fringe benefits

MTA BUS COMPANY
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Year-to-Year Changes by Category-Baseline

TOTAL REVENUE/RECEIPTS

Farebox Revenue

- MTA Bus Farebox Revenue is tied to annual growth forecasts based largely on the regional economy and updated NYC employment projections.
- Changes in Farebox Revenue are as follows: increases of \$3.4 million, or 1.6% in 2018, \$2.6 million, or 1.2% in 2019, and \$0.9 million, or 0.4% in 2020, and a decrease of \$0.7 million, or 0.3% in 2021.

Other Operating Revenue

- Year-to-Year increases in Other Operating Revenue are as follows: \$0.4 million in 2018, \$0.2 million in 2019, \$0.2 million in 2020, and \$0.8 million in 2021. The year to year changes are primarily due to annual increases in advertising revenues, which are based on current contracts.

Capital and Other Reimbursements

- Capital and Other Reimbursements are projected to essentially remain the same.

TOTAL EXPENSES/EXPENDITURES

Payroll

- Non-Reimbursable payroll expenses are projected to increase by \$2.9 million in 2018, \$5.0 million in 2019, \$1.2 million in 2020, and \$3.0 million in 2021.
- Represented employee wage increase assumptions follow the TWU pattern upon expiration of existing contracts starting in January 2017 as follows: 2.5% for 13 months, and then 2.5% through May 2019. An additional one-time non-pensionable payment of \$500 will be awarded in 2019 and CPI-based increases of 2.0% are assumed for each year past May 2019.
- Wage increases for non-represented employees are projected at 2.00% for each Plan year.

Overtime

- Non-Reimbursable Overtime Expenses are projected to increase by \$1.0 million in 2018, \$0.3 million in 2019, decrease by \$0.7 million in 2020, and increase by \$0.7 million in 2021. The year to year increases in 2018, 2019, and 2021 are mainly due to the impact of maintaining the overage fleet, while the decrease in 2020 is due to the completion of the “Bus Tech” project.

Health & Welfare and OPEB Current

- Inflation assumptions for non-represented employees in 2018 - 2021 are: 7.8% in 2018, 9.1% in 2019, 2.2% in 2020, and 4.8% in 2021. For represented employees, forecasts were aligned with current spending levels.

Pension

- Pension expenses are projected to increase by \$0.4 million in 2018 and \$0.9 million in 2019, and decrease by \$0.9 million in 2020 and \$1.6 million in 2021. The 2018 - 2021 changes are consistent with current actuarial information and headcount related program changes.

Other Fringe Benefits

- Projected year-to-year increases reflect staffing levels, programmatic changes, and inflationary payroll rate assumptions.

Electric Power

- The financial plan reflects the projected NYPA, LIPA, and Con Ed delivery energy forecast guidelines.

Fuel

- Changes in fuel costs are primarily due to revised diesel fuel year-to-year guideline changes of: 2.1% in 2018, 1.1% in 2019, 10.2% in 2020, and 8.7% in 2021.

Insurance

- Insurance expenses reflect paid and revised insurance premium estimates.

Claims

- Projections are consistent with current actuarial information.

Maintenance and Other Operating Contracts

- Year to year changes are mainly due to changing requirements of the Shop Program. The increase in 2018 is net of a \$5.2 million expense reduction adjustment to better align forecasted expenditures with actuals.

Professional Service Contracts

- The 2018 - 2021 changes are mainly due to SBS Routes and Bus Diagnostic Software Licenses. The increase in 2018 is net of a \$1.3 million expense reduction adjustment to better align forecasted expenditures with actuals.

Materials and Supplies

- Year-to-Year changes in Materials and Supplies are primarily due to Shop Program changes and Continuously Regenerating Technology (CRT) filters. The increase in 2018 is net of a \$3.2 million expense reduction adjustment to better align forecasted expenditures with actuals.

Other Business Expenses

- Expenses are relatively unchanged over the 2018 – 2021 time period. The slight increase in 2018 is net of a \$0.4 million expense reduction adjustment to better align forecasted expenditures with actuals.

Depreciation (non-cash)

- Annual expense changes are due to projections of additional assets reaching beneficial use.

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Non-Reimbursable</u>									
Operating Revenues									
Farebox Revenue	\$213.322	\$216.744	\$3.422	\$219.301	\$2.557	\$220.246	\$0.945	\$219.591	(\$0.655)
Other Operating Revenue	21.089	21.471	0.382	21.650	0.179	21.832	0.182	22.595	0.763
Total Revenues	\$234.411	\$238.215	\$3.804	\$240.951	\$2.736	\$242.078	\$1.127	\$242.186	\$0.108
Operating Expenses									
<u>Labor:</u>									
Payroll	\$280.110	\$283.053	(\$2.942)	\$288.073	(\$5.021)	\$289.234	(\$1.161)	\$292.256	(\$3.022)
Overtime	60.174	61.152	(0.977)	61.402	(0.251)	60.735	0.667	61.450	(0.715)
Health and Welfare	63.080	67.717	(4.637)	74.059	(6.342)	75.773	(1.715)	79.637	(3.864)
OPEB Current Payments	25.892	27.825	(1.933)	30.387	(2.562)	31.197	(0.810)	32.783	(1.586)
Pension	51.940	52.333	(0.393)	53.267	(0.934)	52.403	0.864	50.812	1.591
Other Fringe Benefits	66.953	69.475	(2.523)	71.405	(1.930)	70.869	0.537	71.474	(0.606)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$548.149	\$561.555	(\$13.406)	\$578.593	(\$17.039)	\$580.211	(\$1.618)	\$588.413	(\$8.201)
<u>Non-Labor:</u>									
Electric Power	\$1.972	\$2.174	(\$0.201)	\$2.224	(\$0.051)	\$2.382	(\$0.158)	\$2.517	(\$0.135)
Fuel	20.779	21.700	(0.922)	22.041	(0.340)	23.892	(1.851)	25.872	(1.981)
Insurance	5.763	6.581	(0.818)	7.710	(1.129)	8.364	(0.654)	9.457	(1.093)
Claims	29.447	29.977	(0.530)	30.490	(0.513)	30.502	(0.012)	30.807	(0.305)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	38.927	41.659	(2.731)	34.007	7.652	30.893	3.114	34.975	(4.082)
Professional Services Contracts	29.250	29.671	(0.421)	33.518	(3.848)	33.315	0.203	33.658	(0.343)
Materials and Supplies	50.893	58.851	(7.957)	51.883	6.968	49.382	2.501	49.975	(0.594)
Other Business Expenses	4.798	5.286	(0.488)	5.494	(0.209)	5.498	(0.003)	5.589	(0.091)
Total Non-Labor Expenses	\$181.830	\$195.898	(\$14.068)	\$187.367	\$8.530	\$184.228	\$3.140	\$192.851	(\$8.623)
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$729.979	\$757.452	(\$27.474)	\$765.961	(\$8.508)	\$764.439	\$1.522	\$781.264	(\$16.825)
Depreciation	\$53.901	\$54.341	(\$0.440)	\$54.341	\$0.000	\$54.341	\$0.000	\$54.778	(\$0.437)
OPEB Liability Adjustment	100.150	100.150	0.000	100.150	0.000	100.150	0.000	100.150	0.000
GASB 68 Pension Expense Adjustment	114.600	45.600	69.000	44.600	1.000	40.400	4.200	30.700	9.700
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$998.630	\$957.543	\$41.086	\$965.052	(\$7.508)	\$959.330	\$5.722	\$966.892	(\$7.562)
Net Surplus/(Deficit)	(\$764.219)	(\$719.328)	\$44.891	(\$724.101)	(\$4.773)	(\$717.252)	\$6.849	(\$724.706)	(\$7.454)

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Reimbursable									
Operating Revenues									
Farebox Revenue	\$0.000	\$0.000	\$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	0.000	0.000
Capital and Other Reimbursements	5.857	5.960	0.103	5.925	(0.034)	5.871	(0.054)	5.966	0.096
Total Revenues	\$5.857	\$5.960	\$0.103	\$5.925	(\$0.034)	\$5.871	(\$0.054)	\$5.966	\$0.096
Operating Expenses									
<u>Labor:</u>									
Payroll	\$2.682	\$2.731	(\$0.049)	\$2.586	\$0.145	\$2.430	\$0.156	\$2.395	\$0.035
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	1.101	1.121	(0.020)	1.214	(0.093)	1.314	(0.100)	1.422	(0.109)
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.498	0.508	(0.009)	0.508	0.000	0.509	0.000	0.514	(0.005)
Other Fringe Benefits	0.486	0.495	(0.009)	0.495	0.000	0.495	0.000	0.501	(0.005)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$4.767	\$4.855	(\$0.088)	\$4.803	\$0.051	\$4.748	\$0.055	\$4.832	(\$0.085)
<u>Non-Labor:</u>									
Electric Power	\$0.000	\$0.000	\$0.000	\$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	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	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	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.235	0.238	(0.003)	0.242	(0.004)	0.242	(0.001)	0.244	(0.002)
Professional Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Materials and Supplies	0.855	0.867	(0.012)	0.881	(0.014)	0.881	(0.001)	0.890	(0.009)
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenses	\$1.090	\$1.105	(\$0.015)	\$1.122	(\$0.017)	\$1.123	(\$0.001)	\$1.134	(\$0.011)
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation	\$5.857	\$5.960	(\$0.103)	\$5.925	\$0.034	\$5.871	\$0.054	\$5.966	(\$0.096)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	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	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$5.857	\$5.960	(\$0.103)	\$5.925	\$0.034	\$5.871	\$0.054	\$5.966	(\$0.096)
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Non-Reimbursable and Reimbursable</u>									
Operating Revenues									
Farebox Revenue	\$213.322	\$216.744	\$3.422	\$219.301	\$2.557	\$220.246	\$0.945	\$219.591	(\$0.655)
Other Operating Revenue	21.089	21.471	0.382	21.650	0.179	21.832	0.182	22.595	0.763
Capital and Other Reimbursements	5.857	5.960	0.103	5.925	(0.034)	5.871	(0.054)	5.966	0.096
Total Revenues	\$240.268	\$244.175	\$3.907	\$246.876	\$2.701	\$247.949	\$1.073	\$248.152	\$0.204
Operating Expenses									
<u>Labor:</u>									
Payroll	\$282.792	\$285.784	(\$2.991)	\$290.659	(\$4.876)	\$291.664	(\$1.005)	\$294.651	(\$2.987)
Overtime	60.174	61.152	(0.977)	61.402	(0.251)	60.735	0.667	61.450	(0.715)
Health and Welfare	64.181	68.838	(4.657)	75.272	(6.434)	77.087	(1.814)	81.060	(3.973)
OPEB Current Payments	25.892	27.825	(1.933)	30.387	(2.562)	31.197	(0.810)	32.783	(1.586)
Pension	52.438	52.841	(0.403)	53.776	(0.935)	52.912	0.863	51.327	1.586
Other Fringe Benefits	67.438	69.970	(2.532)	71.900	(1.930)	71.364	0.536	71.975	(0.611)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$552.916	\$566.409	(\$13.493)	\$583.396	(\$16.987)	\$584.959	(\$1.563)	\$593.245	(\$8.286)
<u>Non-Labor:</u>									
Electric Power	\$1.972	\$2.174	(\$0.201)	\$2.224	(\$0.051)	\$2.382	(\$0.158)	\$2.517	(\$0.135)
Fuel	20.779	21.700	(0.922)	22.041	(0.340)	23.892	(1.851)	25.872	(1.981)
Insurance	5.763	6.581	(0.818)	7.710	(1.129)	8.364	(0.654)	9.457	(1.093)
Claims	29.447	29.977	(0.530)	30.490	(0.513)	30.502	(0.012)	30.807	(0.305)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	39.162	41.897	(2.734)	34.249	7.648	31.135	3.113	35.219	(4.084)
Professional Services Contracts	29.250	29.671	(0.421)	33.518	(3.848)	33.315	0.203	33.658	(0.343)
Materials and Supplies	51.748	59.718	(7.969)	52.763	6.954	50.263	2.501	50.865	(0.603)
Other Business Expenses	4.798	5.286	(0.488)	5.494	(0.209)	5.498	(0.003)	5.589	(0.091)
Total Non-Labor Expenses	\$182.920	\$197.003	(\$14.083)	\$188.489	\$8.513	\$185.351	\$3.139	\$193.985	(\$8.634)
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$735.836	\$763.412	(\$27.576)	\$771.886	(\$8.474)	\$770.310	\$1.576	\$787.230	(\$16.920)
Depreciation	\$53.901	\$54.341	(\$0.440)	\$54.341	\$0.000	\$54.341	\$0.000	\$54.778	(\$0.437)
OPEB Liability Adjustment	100.150	100.150	0.000	100.150	0.000	100.150	0.000	100.150	0.000
GASB 68 Pension Expense Adjustment	114.600	45.600	69.000	44.600	1.000	40.400	4.200	30.700	9.700
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$1,004.487	\$963.503	\$40.984	\$970.977	(\$7.474)	\$965.201	\$5.776	\$972.858	(\$7.657)
Net Surplus/(Deficit)	(\$764.219)	(\$719.328)	\$44.891	(\$724.101)	(\$4.773)	(\$717.252)	\$6.849	(\$724.706)	(\$7.454)

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Cash Receipts and Expenditures</u>									
Receipts									
Farebox Revenue	\$214.568	\$216.744	\$2.176	\$219.301	\$2.557	\$220.246	\$0.945	\$219.591	(\$0.655)
Other Operating Revenue	21.089	21.471	0.382	21.650	0.179	21.832	0.182	22.595	0.763
Capital and Other Reimbursements	7.908	8.042	0.134	11.308	3.267	11.247	(0.061)	11.328	0.082
Total Receipts	\$243.565	\$246.257	\$2.692	\$252.259	\$6.002	\$253.325	\$1.066	\$253.514	\$0.190
Expenditures									
<u>Labor Expenditures:</u>									
Payroll	\$276.965	\$283.705	(\$6.739)	\$292.038	(\$8.334)	\$293.202	(\$1.164)	\$294.245	(\$1.043)
Overtime	60.174	61.152	(0.977)	61.402	(0.251)	60.735	0.667	61.450	(0.715)
Health and Welfare	63.761	68.410	(4.649)	75.272	(6.862)	77.088	(1.815)	81.060	(3.972)
OPEB Current Payments	25.892	27.825	(1.933)	30.387	(2.562)	31.197	(0.810)	32.783	(1.586)
Pension	50.473	52.667	(2.194)	53.602	(0.935)	52.738	0.863	51.151	1.588
Other Fringe Benefits	55.544	54.793	0.751	56.723	(1.930)	56.187	0.536	56.796	(0.609)
Contribution to GASB Fund	0.000	0.000	0.000	0.094	(0.094)	0.205	(0.111)	0.318	(0.113)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$532.810	\$548.551	(\$15.741)	\$569.518	(\$20.967)	\$571.352	(\$1.834)	\$577.802	(\$6.450)
<u>Non-Labor Expenditures:</u>									
Electric Power	\$1.972	\$2.174	(\$0.201)	\$2.224	(\$0.051)	\$2.382	(\$0.158)	\$2.517	(\$0.135)
Fuel	20.779	21.700	(0.922)	20.618	1.083	22.469	(1.851)	25.873	(3.405)
Insurance	5.763	6.581	(0.818)	7.710	(1.129)	8.364	(0.654)	9.457	(1.093)
Claims	25.385	25.842	(0.457)	26.355	(0.513)	26.367	(0.012)	26.631	(0.264)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	44.663	41.897	2.767	32.760	9.137	29.646	3.114	35.219	(5.573)
Professional Services Contracts	38.750	29.671	9.079	33.518	(3.848)	33.315	0.203	33.658	(0.343)
Materials and Supplies	54.948	59.718	(4.769)	52.764	6.954	50.263	2.501	50.865	(0.603)
Other Business Expenses	4.798	5.285	(0.486)	5.494	(0.210)	5.498	(0.003)	5.589	(0.091)
Total Non-Labor Expenditures	\$197.059	\$192.866	\$4.192	\$181.443	\$11.423	\$178.304	\$3.140	\$189.810	(\$11.506)
<u>Other Expenditure Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenditures	\$729.869	\$741.418	(\$11.548)	\$750.962	(\$9.544)	\$749.656	\$1.306	\$767.612	(\$17.956)
Net Cash Surplus/(Deficit)	(\$486.304)	(\$495.161)	(\$8.857)	(\$498.703)	(\$3.542)	(\$496.331)	\$2.372	(\$514.098)	(\$17.767)

MTA BUS COMPANY
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Summary of Major Plan-to-Plan Changes by Generic Category

2017: Mid-Year Forecast vs. Adopted Budget

Operating Revenue Changes

Operating Revenues are projected to decrease from the Adopted Budget by \$6.5 million.

Major generic category changes include:

- A decrease of \$6.5 million in Farebox Revenue due to lower ridership as a result of winter storms in the first quarter of 2017 and lower ridership projections for the remainder of 2017.

Operating Expense Changes

Total Expenses before Depreciation & GASB Adjustment increase from the Adopted Budget by \$3.2 million.

Major generic category changes include:

- Payroll is projected to increase by \$1.8 million. The July Plan assumes the TWU pattern settlement for employees represented by unions without contract agreements, and includes the investment initiatives discussed previously.
- Overtime is projected to increase by \$4.7 million primarily due to requirements attributable to Traffic and the Bus Operator TWU contract adjustment.
- Health & Welfare/OPEB current payment expenses are projected to decrease by \$2.6 million.
- Pension expenses are projected to increase by \$7.2 million based on the latest third party actuarial report.
- Fuel expenses are projected to decrease by \$2.8 million as a result of lower fuel prices.
- Maintenance and Other Operating Contract expenses are projected to decrease by \$3.5 million primarily due to a \$5.2 million adjustment to better align forecasted expenditures with actuals, partially offset by Facility Wi-Fi and the new contract with Allied Security.

- Professional Service Contract expenses are projected to increase by \$2.0 million due to the new DOT Bus Stop Contract, partially offset by a \$1.3 million adjustment to better align forecasted expenditures with actuals.
- Material and Supplies expenses are projected to decrease by \$3.6 million as a result of the timing of planned work and a \$3.2 million adjustment to better align forecasted expenditures with actuals.

2018 - 2020: July Financial Plan vs. February Financial Plan

Operating Revenue Changes

Operating Revenues are projected to decrease from the February Financial Plan by \$5.4 million in 2018, \$3.3 million in 2019, and \$3.2 million in 2020.

Major generic category changes include:

- A decrease in Farebox Revenue of \$5.4 million in 2018, \$3.3 million in 2019, and \$3.2 million 2020, in accordance with the latest ridership projections.
- There are no changes to Other Operating Revenue projections.

Operating Expense Changes

Total Expenses before Depreciation & GASB Adjustments increase from the February Plan by \$8.2 million in 2018, \$10.5 million in 2019, and \$3.8 million in 2020.

Major generic category changes include:

- Payroll is projected to increase by \$1.2 million in 2018, \$1.6 million in 2019, and \$1.8 million in 2020, primarily due to labor settlement assumptions and the investment initiatives discussed previously.
- Overtime is projected to increase by approximately \$4.3 million in each of the years 2018 - 2020, due to requirements for the overage fleet and maintenance training float.
- Health & Welfare/OPEB current payment expenses are projected to decrease by \$2.4 million in 2018, \$1.0 million in 2019, and \$6.2 million in 2020, based on the latest projected inflation rates.
- Pension expenses, based on the current actuarial re-estimate, are projected to increase by \$7.4 million in 2018, \$7.9 million in 2019, and \$8.2 million in 2020.
- Fuel expenses are projected to decrease by \$3.0 million in 2018, \$5.0 million in 2019, and \$6.2 million in 2020, due to revised forecast assumptions.

- Maintenance and Other Operating Contract expenses are projected to increase by \$1.1 million in 2018, \$1.6 million in 2019, and \$1.0 million in 2020, primarily due to the new security contract with Allied Security.
- Materials and Supplies expenses are projected to decrease by \$0.9 million in 2018, remain relatively flat in 2019, and increase by \$0.1 million in 2020, mainly due to CPI adjustments.

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Net Cash Surplus/(Deficit)	(\$458.766)	(\$478.374)	(\$481.684)	(\$485.995)
Baseline Changes				
Revenue				
Farebox Revenue	(\$6.535)	(\$5.416)	(\$3.262)	(\$3.234)
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	-	-	-	-
Capital and Other Reimbursements	-	-	-	-
Total Revenue Changes	(\$6.535)	(\$5.416)	(\$3.262)	(\$3.234)
Expenses				
Labor:				
Payroll	(\$1.838)	(\$1.194)	(\$1.567)	(\$1.809)
Overtime	(\$4.733)	(\$4.330)	(\$4.213)	(\$4.251)
Health and Welfare	\$2.544	\$2.256	\$1.022	\$4.574
OPEB Current Payment	\$0.036	\$0.191	(\$0.063)	\$1.627
Pensions	(\$7.197)	(\$7.387)	(\$7.903)	(\$8.223)
Other Fringe Benefits	(\$0.604)	(\$0.534)	(\$1.483)	(\$1.510)
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000
Total Labor Expense Changes	(\$11.792)	(\$10.998)	(\$14.207)	(\$9.592)
Non-Labor:				
Electric Power	(\$0.035)	(\$0.146)	(\$0.097)	(\$0.098)
Fuel	2.776	2.955	5.001	6.213
Insurance	0.338	0.497	(0.028)	0.522
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	3.452	(1.060)	(1.553)	(1.047)
Professional Service Contracts	(1.974)	(0.321)	(0.488)	(0.580)
Materials & Supplies	3.649	0.874	(0.046)	(0.102)
Other Business Expenses	0.374	0.030	0.928	0.914
Total Non-Labor Expense Changes	\$8.580	\$2.829	\$3.717	\$5.823
Other Expenditure Adjustments:				
Other	-	-	-	-
Total Other Expenditure Adjustments	-	-	-	-
Total Expenses before Depreciation and GASB A:	(\$3.212)	(\$8.169)	(\$10.490)	(\$3.770)
Depreciation	-	-	-	-
OPEB Liability Adjustment	-	-	-	-
GASB 68 Pension Expense Adjustment	(71.300)	(2.700)	(3.000)	(3.100)
Environmental Remediation	-	-	-	-
Total Expense Changes	(\$81.047)	(\$16.285)	(\$16.752)	(\$10.104)
Cash Adjustment Changes				
Cash Timing	(19.946)	-	-	-
Capital And Other Reimbursement	(3.140)	(3.203)	(3.267)	(3.333)
OTPS BRP	3.500	-	-	-
Pension Adjustment	1.795	-	-	-
GASB 68 Pension Expense Adjustment	71.300	2.700	3.000	3.100
Total Expense Changes	\$53.509	(\$0.503)	(\$0.267)	(\$0.233)
Total Cash Adjustment Changes	\$53.509	(\$0.503)	(\$0.267)	(\$0.233)
Total Baseline Changes	(\$27.538)	(\$16.788)	(\$17.019)	(\$10.337)
July Financial Plan - Net Cash Surplus/(Deficit)	(\$486.304)	(\$495.162)	(\$498.703)	(\$496.332)

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue	-	-	-	-
Vehicle Toll Revenue	-	-	-	-
Capital and Other Reimbursements	-	-	-	-
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000
Expenses				
Labor:				
Payroll	-	-	-	-
Overtime	-	-	-	-
Health and Welfare	-	-	-	-
OPEB Current Payment	-	-	-	-
Pensions	-	-	-	-
Other Fringe Benefits	-	-	-	-
Reimbursable Overhead	-	-	-	-
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:				
Electric Power	-	-	-	-
Fuel	-	-	-	-
Insurance	-	-	-	-
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-
Professional Service Contracts	-	-	-	-
Materials & Supplies	-	-	-	-
Other Business Expenses	-	-	-	-
Total Non-Labor Expense Changes	-	-	-	-
<i>Total Expenses before Depreciation</i>				
Depreciation				
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA Bus Company
July Financial Plan 2018 - 2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE	2017	2018	2019	2020
February Financial Plan - Net Cash Surplus/(Deficit)	(\$458.766)	(\$478.374)	(\$481.684)	(\$485.995)
Baseline Changes				
Revenue				
Farebox Revenue	(\$6.535)	(\$5.416)	(\$3.262)	(\$3.234)
Vehicle Toll Revenue	-	-	-	-
Other Operating Revenue	-	-	-	-
Capital and Other Reimbursements	-	-	-	-
Total Revenue Changes	(\$6.535)	(\$5.416)	(\$3.262)	(\$3.234)
Expenses				
Labor:				
Payroll	(\$1.838)	(\$1.194)	(\$1.567)	(\$1.809)
Overtime	(\$4.733)	(\$4.330)	(\$4.213)	(\$4.251)
Health and Welfare	\$2.544	\$2.256	\$1.022	\$4.574
OPEB Current Payment	\$0.036	\$0.191	(\$0.063)	\$1.627
Pensions	(\$7.197)	(\$7.387)	(\$7.903)	(\$8.223)
Other Fringe Benefits	(\$0.604)	(\$0.534)	(\$1.483)	(\$1.510)
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000
Total Labor Expense Changes	(\$11.792)	(\$10.998)	(\$14.207)	(\$9.592)
Non-Labor:				
Electric Power	(\$0.035)	(\$0.146)	(\$0.097)	(\$0.098)
Fuel	2.776	2.955	5.001	6.213
Insurance	0.338	0.497	(0.028)	0.522
Claims	-	-	-	-
Paratransit Service Contracts	-	-	-	-
Maintenance and Other Operating Contracts	3.452	(1.060)	(1.553)	(1.047)
Professional Service Contracts	(1.974)	(0.321)	(0.488)	(0.580)
Materials & Supplies	3.649	0.874	(0.046)	(0.102)
Other Business Expenses	0.374	0.030	0.928	0.914
Total Non-Labor Expense Changes	\$8.580	\$2.829	\$3.717	\$5.823
Other Expenditure Adjustments:				
Other	-	-	-	-
Total Other Expenditure Adjustments	-	-	-	-
Total Expenses before Depreciation and GASB A	(\$3.212)	(\$8.169)	(\$10.490)	(\$3.770)
Depreciation				
OPEB Liability Adjustment	-	-	-	-
GASB 68 Pension Expense Adjustment	(71.300)	(2.700)	(3.000)	(3.100)
Environmental Remediation	-	-	-	-
Total Expense Changes	(\$74.512)	(\$10.869)	(\$13.490)	(\$6.870)
Cash Adjustment Changes				
Expenses				
Cash Timing	(19.946)	-	-	-
Capital And Other Reimbursement	(3.140)	(3.203)	(3.267)	(3.333)
OTPS BRP	3.500	-	-	-
Pension Adjustment	1.795	-	-	-
GASB 68 Pension Expense Adjustment	71.300	2.700	3.000	3.100
Total Expense Changes	\$53.509	(\$0.503)	(\$0.267)	(\$0.233)
Total Cash Adjustment Changes	\$53.509	(\$0.503)	(\$0.267)	(\$0.233)
Total Baseline Changes	(\$27.538)	(\$16.788)	(\$17.019)	(\$10.337)
July Financial Plan - Net Cash Surplus/(Deficit)	(\$486.304)	(\$495.162)	(\$498.703)	(\$496.332)

MTA BUS COMPANY
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Summary of Major Plan-to-Plan Changes

2017: Mid-Year Forecast vs. Adopted Budget

Revenue Changes

Total Revenue decreases from the Adopted Budget by \$6.5 million.

Major changes include:

- A decrease of \$6.5 million in Farebox Revenue due to lower ridership as a result of winter storms in the first quarter of 2017 and lower ridership projections.

Expense Changes

Total Expenses increase from the Adopted Budget by \$74.5 million.

Major changes include:

- Investment initiatives of \$3.2 million, mainly to meet contractual, service, and administrative requirements.
- An unfavorable GASB 68 Pension Expense adjustment of \$71.3 million.
- A pension increase of \$6.4 million, based primarily on updated pension rates.
- Favorable inflation assumptions resulting in savings of \$3.0 million, mainly from projected lower fuel prices.
- A Health and Welfare decrease of \$3.0 million.

Cash Adjustments

Cash Adjustments are projected to be favorable by \$53.5 million.

Major changes include:

- An increase of \$19.9 million due to the 2016 timing of expenses.
- A decrease of \$71.3 million due to GASB 68 Pension Expense Adjustment.

2018-2020: July Financial Plan vs. February Financial Plan

Revenue Changes

Total Revenue changes from the February Financial Plan result in a decrease of \$5.4 million in 2018, \$3.3 million in 2019, and \$3.2 million in 2020.

Major changes include:

- A decrease in Farebox Revenue of \$5.4 million in 2018, \$3.3 million in 2019, and \$3.2 million in 2020, due to revised ridership projections.
- There are no changes to the Other Operating Revenue projections.

Expense Changes

Total Expenses increase by \$10.9 million in 2018, \$13.5 million in 2019, and \$6.9 million in 2020. Changes are due to the latest projected inflation rates, forecast assumptions and other operating initiatives.

Major changes include:

- Investment initiatives costing \$8.4 million in 2018, \$9.7 million in 2019 and \$9.5 million in 2020, mainly to meet contractual, service, and administrative requirements.
- An unfavorable GASB 68 Pension Expense adjustment of \$2.7 million in 2018, \$3.0 million in 2019, and \$3.1 million in 2020.
- A pension increase of \$6.6 million in 2018, \$7.1 million in 2019 and \$7.4 million in 2020, based on updated pension rates.
- Favorable inflation assumptions resulting in savings of \$3.6 million in 2018, \$5.0 million in 2019, and \$5.9 million in 2020, mainly from lower projected energy costs.
- Insurance decreases by \$0.5 million in 2018, remains relatively unchanged in 2019, and decreases by \$0.5 million in 2020, based on updated insurance projections.
- Health and Welfare decreases of \$2.8 million in 2018, \$1.4 in 2019, and \$6.7 million in 2020.

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

TOTAL NON-REIMBURSABLE and REIMBURSABLE	2017	2018	2019	2020
February Financial Plan - Net Cash Surplus/(Deficit)	(\$458.766)	(\$478.374)	(\$481.684)	(\$485.995)
<i>Non-Reimbursable Major Changes</i>				
Revenue				
Farebox Revenue	(6.535)	(5.416)	(3.262)	(3.234)
Other Operating Revenue	-	-	-	-
Sub-Total Non-Reimbursable Revenue Changes	(\$6.535)	(\$5.416)	(\$3.262)	(\$3.234)
Expenses				
Programs:				
Underground Storage - MOU	(\$0.047)	(\$0.048)	(\$0.048)	(\$0.049)
Legal Staffing	(0.133)	(0.407)	(0.415)	(0.424)
Overage Fleet	(0.516)	(1.562)	(1.416)	(1.444)
Maintenance Training Float	(0.549)	(0.562)	(0.571)	(0.582)
Hi-Vis Windows	-	(0.111)	(0.146)	(0.038)
DOT Bus Stop Contract	(3.324)	(0.688)	(0.705)	(0.724)
Bus Operator Attendance Recognition Program	(0.020)	(0.049)	(0.050)	(0.051)
Non-Fixed Asset Management	-	-	-	-
Timekeeper - Facility	(0.038)	(0.118)	(0.119)	(0.122)
Progression Rate Adjustment	(0.894)	-	-	-
Bus Operator TWU Contract Adjustment	(1.262)	-	-	-
Bus Operator Training Float	(2.627)	(2.688)	(2.730)	(2.784)
Traffic	(3.808)	(3.895)	(3.955)	(4.034)
Shop Program	-	(0.052)	(0.064)	(0.077)
Bus Security Camera	-	(0.100)	(0.317)	-
Vacation Buy Back	(0.321)	-	-	-
Facility WiFi Installation	(0.200)	(0.307)	(0.316)	-
Allied Security	(1.600)	(1.629)	(1.668)	(1.714)
BRP Shop	0.485	0.735	-	-
Veeder Root _BRP	0.010	0.046	0.046	0.046
Facility _BRP	0.899	0.612	0.311	-
Bus Operator BRP	0.707	1.448	1.469	1.499
OTPS	-	1.000	1.000	1.000
OTPS Reductions As per HQ 2017 only	10.000	-	-	-
Sub-Total Programs	(\$3.237)	(\$8.375)	(\$9.694)	(\$9.498)
Major Re-estimates/Technical Adjustments/Other:				
Pension	(6.359)	(6.646)	(7.128)	(7.410)
Guidance - Insurance	\$0.338	\$0.497	(\$0.028)	\$0.522
Energy - Electric Power	(\$0.035)	(\$0.146)	(\$0.097)	(\$0.098)
Energy - Fuel	\$2.808	\$2.955	\$5.001	\$6.214
CPI - Maintenance and Other Operating Contracts - CPI	-	-	-	-
CPI - Materials & Supplies - CPI	-	-	-	-
CPI - Other Business Expense - CPI	0.272	0.768	0.062	(0.202)
CPI - Professional Service Contracts - CPI	-	-	-	-
H&W - H&W	3.001	2.778	1.394	6.703
GASB 68 Pension Expense Adjustment	(71.300)	(2.700)	(3.000)	(3.100)
Sub-Total Non-Reimbursable Expense Changes	(\$71.275)	(\$2.494)	(\$3.796)	\$2.629
Total Non-Reimbursable Major Changes	(\$81.047)	(\$16.285)	(\$16.752)	(\$10.103)
<i>Reimbursable Major Changes</i>				
Revenue	0.000	0.000	0.000	0.000
Reimbursement of Increased Expense Requirements	-	-	-	-
Sub-Total Reimbursable Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000
Expenses				
Sub-Total Reimbursable Expense Changes	0.000	0.000	0.000	0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$81.047)	(\$16.285)	(\$16.752)	(\$10.103)
<i>Cash Adjustment Changes</i>				
EOY	(19.946)	0.000	0.000	0.000
Capital & Other Reimbursement	(3.140)	(3.203)	(3.267)	(3.333)
OTPS BRP	3.500	-	-	-
Pension Adjustment	1.795	-	-	-
GASB 68 Pension Expense Adjustment	71.300	2.700	3.000	3.100
Total Cash Adjustment Changes	\$53.509	(\$0.503)	(\$0.267)	(\$0.233)
Total Baseline Changes	(\$27.538)	(\$16.788)	(\$17.019)	(\$10.336)
July Financial Plan - Net Cash Surplus/(Deficit)	(\$486.304)	(\$495.162)	(\$498.703)	(\$496.331)

MTA BUS COMPANY
2018 Preliminary Budget
July Financial Plan 2018 – 2021

RIDERSHIP / (UTILIZATION)

Ridership

The July 2017 Financial Plan ridership forecast assumes that the February - April 2017 weather-adjusted, non-student local bus ridership variance from budget (down 2.4%), and the April year-to-date express bus variance (down 5.2%), will continue through the remainder of the year. As a result of the year-to-date unfavorable ridership results – including the impact of the January 7th, February 9th and March 14th snowstorms – and the lower ridership forecast for the remainder of the year, the 2017 Mid-Year Forecast for ridership is 4.0 million lower than the Adopted Budget projection.

Ridership for 2018 is projected to increase by 1.0% over 2017, reflecting a positive baseline ridership adjustment to account for the January, February, and March 2017 snowstorms and employment growth. Employment growth is projected to be slightly higher than assumed in the February Plan. The resulting 2018 ridership is 3.1 million lower than the February Plan forecast.

Ridership forecasts for 2019 through 2021 are based on the revised 2018 ridership forecast and the February 2017 employment forecast, which projects higher employment increases than projected in the February Plan in 2019, and slightly lower increases in 2020 and 2021. The resulting ridership is expected to be 2.0 million lower than the February Plan in 2019 and 2020, and 2.1 million lower in 2021.

Revenue

Projected farebox revenue is \$6.5 million lower than the February Plan in 2017, \$5.4 million lower in 2018, \$3.3 million lower 2019, \$3.2 million lower in 2020, and \$3.4 million lower in 2021. These changes reflect lower ridership levels. Partially offsetting the reduction in ridership is an increase in the assumed average fare per pass, which is based on recent usage statistics showing fewer trips per pass.

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Ridership (Utilization)
(in millions)

	Actual	Mid-Year Forecast	Preliminary Budget			
	2016	2017	2018	2019	2020	2021

RIDERSHIP

Fixed Route	125.617	121.565	122.797	124.050	124.535	124.200
Total Ridership	125.617	121.565	122.797	124.050	124.535	124.200

FAREBOX REVENUE

Fixed Route Farebox Revenue	\$212.483	\$213.322	\$216.744	\$219.301	\$220.246	\$219.591
Farebox Revenue	\$212.483	\$213.322	\$216.744	\$219.301	\$220.246	\$219.591

MTA BUS COMPANY
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Summary
(\$ in millions)

	Favorable/(Unfavorable)									
	Pos.	2017	Pos.	2018	Pos.	2019	Pos.	2020	Pos.	2021
Administration										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Administration	-	0.000	-	0.000	-	\$0.000	-	\$0.000	-	\$0.000
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										
BRP - Shop Scope Reliability Maintenance Savings	-	0.485	2	0.735	-	0.000	-	0.000	-	0.000
Veeder Root Contract	-	0.010	-	0.046	-	0.046	-	0.046	-	0.046
BRP - Facilities Maintainers	9	0.899	6	0.612	3	0.311	-	0.000	-	0.000
Subtotal Maintenance	9	1.394	8	1.393	3	0.357	-	0.046	-	0.046
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										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Safety	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Security										
None	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Subtotal Security	-	0.000	-	0.000	-	0.000	-	0.000	-	0.000
Service										
Bus Operator Relief	14	0.707	14	1.448	14	1.469	14	1.499	14	1.529
Subtotal Service	14	0.707	14	1.448	14	1.469	14	1.499	14	1.529
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										
OTPS	-	3.500	-	1.000	-	1.000	-	1.000	-	1.000
Subtotal Other	-	3.500	-	1.000	-	1.000	-	1.000	-	1.000
Agency Submission	23	\$5.601	22	\$3.841	17	\$2.826	14	\$2.545	14	\$2.575

MTA BUS COMPANY
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet

Category by Function: Maintenance
Program: BRP - Shop Scope Reliability Maintenance Savings

Background Details:	2017 labor and material savings due to Transducer, wiper motor/starter and starting batteries from 100% replacement to 5% (50% of buses). 2018 includes scope labor reduction by 10 hours and material reduction by \$2,500 per bus for all fleets.
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Program Description/ Implementation Plan:		
Program Implementation Date:	When will savings begin?:	Jan-17
	Are these savings recurring?:	Yes
Other Issues:		

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.485	\$0.735	\$0.000	\$0.000	\$0.000
<i>Total Positions Required:</i>		2			

MTA BUS COMPANY
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet

Category by Function: OTPS
Program: Veeder Root Contract

Background Details:	Savings due to system automation upgrade eliminating the vendor as a middle man on alarm responses.
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Program Description/ Implementation Plan:		
Program Implementation Date:	When will savings begin?:	Jul-17
	Are these savings recurring?:	Yes
Other Issues:		

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.010	\$0.046	\$0.046	\$0.046	\$0.046
<i>Total Positions Required:</i>					

MTA BUS COMPANY
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet

Category by Function: Maintenance
Program: BRP - Facilities Maintainers

Background Details:	Due to the specialized skills and test requirements, Facilities will not be able to fill these maintenance positions until 2019.
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Program Description/ Implementation Plan:		
Program Implementation Date:	When will savings begin?:	Jun-17
	Are these savings recurring?:	Yes
Other Issues:		

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.899	\$0.612	\$0.311	\$0.000	\$0.000
<i>Total Positions Required:</i>	9	6	3		

MTA BUS COMPANY
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet

Category by Function: Operations
Program: Bus Operator Relief Reduction

Background Details:	Bus Operator relief has increased to match the pace of declining availability. A comprehensive review of Transportation practices revealed that some level of availability decrease is the result of decisions regarding Bus Operator assignments that have unforeseen negative impact on availability, which in turn results in increased relief. To accomplish this relief reduction, management will exercise strict oversight of Bus Operator Extra List assignment and policy guidance on Extra List Operator assignments.
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Program Description/ Implementation Plan:		
Program Implementation Date:	When will savings begin?:	Jun-17
	Are these savings recurring?:	Yes
Other Issues:		

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$0.707	\$1.448	\$1.469	\$1.499	\$1.529
<i>Total Positions Required:</i>	14	14	14	14	14

MTA BUS COMPANY
July Financial Plan 2018 - 2021
2017 Budget Reduction Plan Worksheet

Category by Function: Maintenance

Program: BRP - OTPS

Background Details:	These savings are based on a review of controllable non-labor OTPS categories resulting in recurring savings from 2018.
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Program Description/ Implementation Plan:		
Program Implementation Date:	When will savings begin?:	Jan-17
	Are these savings recurring?:	Yes
Other Issues:		

	Favorable/(Unfavorable)				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<i>Financial Impact (Operating):</i>					
Net Cash Savings (in millions)	\$3.500	\$1.000	\$1.000	\$1.000	\$1.000
<i>Total Positions Required:</i>					

MTA BUS COMPANY
2018 Preliminary Budget
July Financial Plan 2018 – 2021
Positions

POSITION ASSUMPTIONS

2017: Mid-Year Forecast vs. Adopted Budget

Total positions are projected to increase by 13, (all non-reimbursable). The changes are as follows:

New Needs (total increase of 4 positions) include:

- 3 positions - Legal Staffing
- 1 position - Facility Timekeeper

(These initiatives are summarized at the beginning of the introductory narrative.)

Other Increases (total of 32 positions) include:

- 6 positions - Bus Operator's TWU contract adjustment
- 26 positions - Bus Operator Training Float

Internal title swap of 1 PTE for 1 Manager

BRPs (total decrease of 23 positions) include:

- -9 positions - Facilities Maintainers
- -14 positions - Bus Operator Relief

Position increases by occupational group are: Managers/Supervisors +2, Professional, Technical, Clerical +2 and Operational Hourlies +9.

2018: July Financial Plan vs. February Financial Plan

Total positions are projected to increase by 16, (all non-reimbursable). The changes are as follows:

New Needs (total increase of 12 positions) include:

- 3 positions - Legal Staffing
- 8 positions - Overage Fleet
- 1 position - Facility Timekeeper

(These initiatives are summarized at the beginning of the introductory narrative.)

Other Increases (total of 26 positions) include:

- 26 positions - Bus Operator's Training Float

Internal title swap of 1 PTE for 1 Manager

BRPs (total decrease of 22 positions) include:

- -2 positions - Shop BRP
- -6 positions - Facilities Maintainers
- -14 positions - Bus Operator Relief

Position increases by occupational group are: Managers/Supervisors +2, Professional, Technical, Clerical +2 and Operational Hourlies +12.

2019: July Financial Plan vs. February Financial Plan

Total positions are projected to increase by 21, (all non-reimbursable). The changes are as follows:

New Needs (total increase of 12 positions) include:

- 3 positions - Legal Staffing
- 8 positions - Overage Fleet
- 1 position - Facility Timekeeper

(These initiatives are summarized at the beginning of the introductory narrative.)

Other Increases (total of 26 positions) include:

- 26 positions - Bus Operator Training Float

Internal title swap of 1 PTE for 1 Manager

BRPs (total decrease of 17 positions) include:

- -3 positions - Facilities Maintainers
- -14 positions - Bus Operator Relief

Position increases by occupational group are: Managers/Supervisors +2, Professional, Technical, Clerical +2 and Operational Hourlies +17.

2020: July Financial Plan vs. February Financial Plan

Total positions are projected to increase by 24 (all non-reimbursable). The changes are as follows:

New Needs (total increase of 12 positions) include:

- 3 positions - Legal Staffing
- 8 positions - Overage Fleet

- 1 position - Facility Timekeeper

(These initiatives are summarized at the beginning of the introductory narrative.)

Other Increases (total of 26 positions) include:

- 26 positions - Bus Operator Training Float

Internal title swap of 1 PTE for 1 Manager

BRPs (total decrease of 14 positions) include:

- -14 positions - Bus Operator Relief

Position increases by occupational group are: Managers/Supervisors +2, Professional, Technical, Clerical +2 and Operational Hourlies +20.

Year-to-Year Changes

2018 over 2017:

Total positions decrease by 16. The changes are as follows:

- Increase of 2 positions - Non-Fixed Asset Management
- Increase of 8 positions - Overage buses
- Decrease of 23 positions - Overhaul Program
- Decrease of 3 positions - Facilities

2019 over 2018:

Total positions increase by 28. The changes are as follows:

- Increase of 24 positions - Shop Overhaul Program
- Increase of 3 positions - Facilities
- Increase of 2 positions - Asset Management
- Decrease of 1 position - Bus Technology

2020 over 2019:

Total positions decrease by 7. The changes are as follows:

- Increase of 3 positions - Facilities
- Decrease of 10 positions - Shop Overhaul Program

2021 over 2020:

Total positions increase by 4. The changes are as follows:

- Decrease of 2 positions - Facilities
- Increase of 6 positions - Shop Overhaul Program

MTA BUS COMPANY
July Financial Plan 2018-2021
Favorable/(Unfavorable)

Total Position Changes at a Glance

	2017	2018	2019	2020
2017 February Plan - Total Baseline Positions	3,939	3,920	3,943	3,933
Total Plan-to-Plan Changes	(13)	(16)	(21)	(24)
2017 July Plan - Total Baseline Positions	3,952	3,936	3,964	3,957
Total Year-to-Year Changes, July Plan		16	(28)	7

Total Plan-to-Plan Changes by Reporting Category:

<i>Non-Reimbursable</i>	(13)	(16)	(21)	(24)
<i>Reimbursable</i>	0	0	0	0
Total	(13)	(16)	(21)	(24)
<i>Full-Time</i>	(13)	(16)	(21)	(24)
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(13)	(16)	(21)	(24)
<i>By Function Category</i>				
- Administration	12	18	8	3
- Operations	(19)	(13)	(13)	(13)
- Maintenance	(3)	(18)	(13)	(11)
- Engineering/Capital	0	0	0	0
- Public Safety	(3)	(3)	(3)	(3)
Total	(13)	(16)	(21)	(24)
<i>By Occupational Group</i>				
- Managers/Supervisors	(2)	(2)	(2)	(2)
- Professional, Technical, Clerical	(2)	(2)	(2)	(2)
- Operational Hourlies	(9)	(12)	(17)	(20)
Total	(13)	(16)	(21)	(24)

Total Plan-to-Plan Changes by Major Category:

<i>2017 BRPs</i>	23	22	17	14
<i>New Needs</i>	(4)	(12)	(12)	(12)
<i>Change in Reimbursable Positions</i>	0	0	0	0
<i>Re-estimates & All Other</i> ¹	(32)	(26)	(26)	(26)
Total	(13)	(16)	(21)	(24)

¹Includes Full Time Equivalents

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Total Positions by Function & Department
Non-Reimbursable/Reimbursable and Full-Time/Full-Time Equivalents

FUNCTION/DEPARTMENT	2016 Actual	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
Administration						
Office of the EVP	3	3	3	3	3	3
Human Resources	15	18	18	18	18	18
Office of Management and Budget	12	13	13	13	13	13
Technology & Information Services	-	-	-	-	-	-
Material	15	17	17	17	17	17
Controller	19	17	17	17	17	17
Office of the President	3	7	7	7	7	7
System Safety Administration	1	5	5	5	5	5
Law	23	25	25	25	25	25
Corporate Communications	-	-	-	-	-	-
Strategic Office	17	27	29	30	30	30
Labor Relations	4	4	4	4	4	4
Non Departmental	-	15	6	33	38	6
Total Administration	112	151	144	172	177	145
Operations						
Buses	2,237	2,295	2,289	2,289	2,289	2,289
Office of the Executive Vice President, Regional	5	4	4	4	4	4
Safety & Training	67	55	55	55	55	55
Road Operations	124	123	123	123	123	123
Transportation Support	25	22	22	22	22	22
Operations Planning	30	33	33	33	33	33
Revenue Control	28	30	30	30	30	30
Total Operations	2,516	2,562	2,556	2,556	2,556	2,556
Maintenance						
Buses	749	757	765	765	765	765
Maintenance Support/CMF	207	246	232	229	214	252
Facilities	66	75	78	81	84	82
Supply Logistics	89	99	99	99	99	99
Total Maintenance	1,111	1,177	1,174	1,174	1,162	1,198
Engineering/Capital						
Capital Program Management	26	37	37	37	37	37
Public Safety						
Office of the Senior Vice President	19	25	25	25	25	25
Total Positions	3,784	3,952	3,936	3,964	3,957	3,961
Non-Reimbursable	3,748	3,912	3,896	3,924	3,917	3,921
Reimbursable	36	40	40	40	40	40
Total Full-Time	3,770	3,937	3,921	3,949	3,942	3,946
Total Full-Time Equivalents	14	15	15	15	15	15

MTA BUS COMPANY
July Financial Plan 2018 - 2021
Total Positions by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION / OCCUPATIONAL GROUP	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Administration						
Managers/Supervisors	46	67	65	65	65	65
Professional/Technical/Clerical	66	73	75	76	76	76
Operational Hourlies	0	11	4	31	36	4
Total Administration Headcount	112	151	144	172	177	145
Operations						
Managers/Supervisors	307	308	308	308	308	308
Professional/Technical/Clerical	50	51	51	51	51	51
Operational Hourlies	2,159	2,203	2,197	2,197	2,197	2,197
Total Operations Headcount	2,516	2,562	2,556	2,556	2,556	2,556
Maintenance						
Managers/Supervisors	222	229	229	229	229	229
Professional/Technical/Clerical	22	29	29	29	29	27
Operational Hourlies	867	919	916	916	904	942
Total Maintenance Headcount	1,111	1,177	1,174	1,174	1,162	1,198
Engineering / Capital						
Managers/Supervisors	14	21	21	21	21	21
Professional/Technical/Clerical	12	16	16	16	16	16
Operational Hourlies	0	0	0	0	0	0
Total Engineering Headcount	26	37	37	37	37	37
Public Safety						
Managers/Supervisors	15	17	17	17	17	17
Professional, Technical, Clerical	4	5	5	5	5	5
Operational Hourlies	0	3	3	3	3	3
Total Public Safety Headcount	19	25	25	25	25	25
Total Positions						
Managers/Supervisors	604	642	640	640	640	640
Professional, Technical, Clerical	154	174	176	177	177	175
Operational Hourlies	3,026	3,136	3,120	3,147	3,140	3,146
Total Positions	3,784	3,952	3,936	3,964	3,957	3,961

Staten Island Railway

MTA STATEN ISLAND RAILWAY
2018 Preliminary Budget
July Financial Plan 2018 - 2021

FINANCIAL OVERVIEW

The 2017 Mid-Year Forecast, 2018 Preliminary Budget and projections for the years 2019-2021 provide sufficient funding to maintain current service levels as well as to maintain MTA's commitment to safety and security. Performance indicators including mean distance between failures and on-time performance remain within targeted levels.

It is important to note that the significant **SIR R44 Car Fleet Maintenance Project**, which began in December 2015, is now planned to be completed by the end of this year. This project is mandatory in order to maintain the safety and reliability of SIR's 46 year old fleet until fleet replacement, now estimated for around 2022 on an operational basis.

In this Financial Plan, another important project has been identified for implementation, specifically the **Track Spot Tie Replacement Program Phase 1**. Based on a recent SIR-wide assessment of the current condition of track spot ties that serve to maintain the stability of the track, it has been determined that this program needs to be implemented to replace most of the ties over several years, starting with those ties that are in the most worn condition. To begin this process as an initial step, an additional 12 track-related personnel will need to be added initially for one year effective 7/1/17, with a total cost of \$1.737 million, including labor cost of \$1.487 million and material requirements of \$0.250 million. Subsequently, an evaluation of this initial process will be undertaken to determine what additional resources will be required.

2017 Mid-Year Forecast

MTA Staten Island Railway's 2017 Mid-Year Forecast reflects total expenses, before depreciation, other post-employment benefits (OPEB) and GASB #68 Pension Expense Adjustment, of \$78.869 million, including \$76.359 million of non-reimbursable expenses and \$2.510 million of reimbursable expenses. Total revenues are projected to be \$11.710 million, of which \$9.200 million are operating revenues and \$2.510 million represent capital reimbursements. Total full-time positions are 330, including 316 non-reimbursable positions and 14 reimbursable positions.

The 2017 Mid-Year Forecast operating cash deficit is projected to increase by \$7.283 million, in comparison with the 2017 Adopted Budget. Major variances include:

- A cash net expenditure increase of \$4.310 million in 2017, representing the timing of favorable cash results in 2016 now planned to be spent in 2017.
- A projected increase of \$1.757 million in health & welfare/OPEB current expenditures to bring planned spending to current actual levels, including projected annual inflation growth rates.

- Cost requirements of \$0.844 million for the second half of 2017 in support of the new SIR Track Spot Tie Replacement Program implementation, including the addition of 12 positions.
- Additional overtime requirements of \$0.276 million, resulting from the impact of adverse weather.
- \$0.230 million is required in order to purchase two new non-revenue vehicles, replacing a 2002 F450 truck and a 2005 dump truck.
- Net savings/inflation adjustments of \$0.134 million, including \$0.100 million of vacancy savings to be achieved by delaying the hiring of some non-priority personnel.

Reimbursable expenses did not change in this plan cycle. In the upcoming November Plan Cycle, there will be an update of projected reimbursable projects and support requirements.

2018 Preliminary Budget

MTA Staten Island Railway's 2018 Preliminary Budget reflects total expenses before depreciation, other post-employment benefits (OPEB) and GASB #68 Pension Expense Adjustment, of \$58.638 million, including \$56.628 million of non-reimbursable expenses and \$2.010 million of reimbursable expenses. Total revenues are projected to be \$11.331 million, of which \$9.321 million are operating revenues and \$2.010 million represent capital reimbursements. Total full-time positions are 319, including 305 non-reimbursable positions and 14 reimbursable positions.

The 2018 Preliminary Budget operating cash deficit is projected to increase by \$3.396 million. Major changes include:

- A projected increase of \$1.936 million in health & welfare/OPEB current expenditures to bring planned spending to current actual levels, including projected annual inflation growth rates.
- Cost requirements of \$0.893 million for the first half of 2018 in support of the new SIR Track Spot Tie Replacement Program implementation, including the addition of 12 positions.
- Net negative inflation/other adjustments of \$0.567 million, including \$0.100 million of vacancy savings to be achieved by delaying the hiring of some non-priority personnel.

Reimbursable expenses did not change in this plan cycle. In the upcoming November Plan Cycle, there will be an update of projected reimbursable projects and support requirements.

Financial Plan 2019-2020 Projections

Operating cash deficits are projected to increase by \$2.584 million in 2019 and by \$2.553 million in 2020. Major changes include:

- Projected increases in health & welfare/OPEB current expenditures of \$2.085 million in 2019 and \$2.182 million in 2020 to bring planned spending to current actual levels including projected annual inflation growth rates.
- Net negative inflation/other adjustments of \$0.499 million in 2019 and \$0.371 million in 2020, including \$0.100 million per year of vacancy savings to be achieved by delaying the hiring of some non-priority personnel.

Reimbursable expenses did not change in this plan cycle. In the upcoming November Plan Cycle, there will be an update of projected reimbursable projects and support requirements.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Non-Reimbursable</u>						
Operating Revenue						
Farebox Revenue	\$6.522	\$6.793	\$6.914	\$6.950	\$6.994	\$6.979
Other Operating Revenue	2.798	2.407	2.407	2.408	2.408	2.409
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenues	\$9.319	\$9.200	\$9.321	\$9.358	\$9.402	\$9.388
Operating Expense						
<u>Labor:</u>						
Payroll	\$21.409	\$23.148	\$23.467	\$23.372	\$23.831	\$24.303
Overtime	2.686	3.384	1.703	1.655	1.669	1.588
Health and Welfare	5.291	5.674	6.175	6.284	6.561	6.850
OPEB Current Payments	2.215	2.375	2.585	2.631	2.747	2.867
Pension	5.885	6.789	6.789	6.829	6.730	6.529
Other Fringe Benefits	5.848	5.649	5.600	5.638	5.739	5.834
Reimbursable Overhead	(2.119)	(0.489)	(0.489)	(0.489)	0.000	0.000
Total Labor Expenses	\$41.215	\$46.530	\$45.830	\$45.920	\$47.277	\$47.971
<u>Non-Labor:</u>						
Electric Power	\$3.381	\$3.797	\$4.247	\$4.333	\$4.638	\$4.890
Fuel	0.179	0.217	0.220	0.213	0.233	0.264
Insurance	1.307	0.935	1.192	1.373	1.364	1.461
Claims	0.475	0.088	0.088	0.090	0.092	0.095
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	14.044	21.738	2.506	2.068	1.941	2.013
Professional Services Contracts	0.762	1.112	1.042	1.060	1.080	1.103
Materials and Supplies	2.433	1.912	1.473	1.334	1.348	1.161
Other Business Expenses	0.149	0.030	0.030	0.030	0.030	0.029
Total Non-Labor Expenses	\$22.730	\$29.829	\$10.798	\$10.501	\$10.726	\$11.016
<u>Other Expense Adjustments:</u>						
Other Expense Adjustments	\$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.	\$63.945	\$76.359	\$56.628	\$56.421	\$58.003	\$58.987
Depreciation	\$7.803	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Liability Adjustment	7.229	7.500	7.500	7.500	7.500	7.500
GASB 68 Pension Expense Adjustment	(0.293)	0.300	0.600	0.500	(0.100)	(1.100)
Environmental Remediation	0.050	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$78.733	\$92.459	\$73.028	\$72.721	\$73.703	\$73.687
Net Surplus/(Deficit)	(\$69.414)	(\$83.259)	(\$63.707)	(\$63.363)	(\$64.301)	(\$64.299)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Reimbursable						
Operating Revenue						
Farebox 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	4.534	2.510	2.010	2.010	0.900	0.900
Total Revenues	\$4.534	\$2.510	\$2.010	\$2.010	\$0.900	\$0.900
Operating Expense						
Labor:						
Payroll	\$1.432	\$0.521	\$0.521	\$0.521	\$0.000	\$0.000
Overtime	0.831	1.500	1.000	1.000	0.900	0.900
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payments	0.013	0.000	0.000	0.000	0.000	0.000
Pension	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	2.120	0.489	0.489	0.489	0.000	0.000
Total Labor Expenses	\$4.396	\$2.510	\$2.010	\$2.010	\$0.900	\$0.900
Non-Labor:						
Electric Power	\$0.009	\$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 Services Contracts	0.018	0.000	0.000	0.000	0.000	0.000
Materials and Supplies	0.111	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	\$0.138	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expense Adjustments:						
Other Expense Adjustments	\$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	\$4.534	\$2.510	\$2.010	\$2.010	\$0.900	\$0.900
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Accrual Statement of Operations By Category
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
<u>Non-Reimbursable / Reimbursable</u>						
Operating Revenue						
Farebox Revenue	\$6.522	\$6.793	\$6.914	\$6.950	\$6.994	\$6.979
Other Operating Revenue	2.798	2.407	2.407	2.408	2.408	2.409
Capital and Other Reimbursements	4.534	2.510	2.010	2.010	0.900	0.900
Total Revenues	\$13.853	\$11.710	\$11.331	\$11.368	\$10.302	\$10.288
Operating Expense						
<u>Labor:</u>						
Payroll	\$22.841	\$23.669	\$23.988	\$23.893	\$23.831	\$24.303
Overtime	3.517	4.884	2.703	2.655	2.569	2.488
Health and Welfare	5.291	5.674	6.175	6.284	6.561	6.850
OPEB Current Payments	2.228	2.375	2.585	2.631	2.747	2.867
Pension	5.885	6.789	6.789	6.829	6.730	6.529
Other Fringe Benefits	5.848	5.649	5.600	5.638	5.739	5.834
Reimbursable Overhead	0.001	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$45.611	\$49.040	\$47.840	\$47.930	\$48.177	\$48.871
<u>Non-Labor:</u>						
Electric Power	\$3.390	\$3.797	\$4.247	\$4.333	\$4.638	\$4.890
Fuel	0.179	0.217	0.220	0.213	0.233	0.264
Insurance	1.307	0.935	1.192	1.373	1.364	1.461
Claims	0.475	0.088	0.088	0.090	0.092	0.095
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	14.044	21.738	2.506	2.068	1.941	2.013
Professional Services Contracts	0.780	1.112	1.042	1.060	1.080	1.103
Materials and Supplies	2.544	1.912	1.473	1.334	1.348	1.161
Other Business Expenses	0.149	0.030	0.030	0.030	0.030	0.029
Total Non-Labor Expenses	\$22.868	\$29.829	\$10.798	\$10.501	\$10.726	\$11.016
<u>Other Expense Adjustments:</u>						
Other Expense Adjustments	\$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.	\$68.479	\$78.869	\$58.638	\$58.431	\$58.903	\$59.887
Depreciation	\$7.803	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Liability Adjustment	7.229	7.500	7.500	7.500	7.500	7.500
GASB 68 Pension Expense Adjustment	(0.293)	0.300	0.600	0.500	(0.100)	(1.100)
Environmental Remediation	0.050	0.000	0.000	0.000	0.000	0.000
Total Expenses	\$83.267	\$94.969	\$75.038	\$74.731	\$74.603	\$74.587
Net Surplus/(Deficit)	(\$69.414)	(\$83.259)	(\$63.707)	(\$63.363)	(\$64.301)	(\$64.299)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	\$6.551	\$6.387	\$6.914	\$6.951	\$6.994	\$6.979
Other Operating Revenue	2.890	3.676	2.407	2.408	2.407	2.409
Capital and Other Reimbursements	3.520	4.307	2.010	2.010	0.900	0.900
Total Receipts	\$12.961	\$14.370	\$11.331	\$11.369	\$10.301	\$10.288
Expenditures						
<u>Labor:</u>						
Payroll	\$30.936	\$23.669	\$23.988	\$23.893	\$23.829	\$24.303
Overtime	3.359	4.884	2.703	2.655	2.569	2.488
Health and Welfare	5.750	5.674	6.175	6.284	6.559	6.850
OPEB Current Payments	1.853	2.375	2.585	2.631	2.747	2.867
Pension	5.885	6.789	6.789	6.829	6.731	6.529
Other Fringe Benefits	4.877	4.149	4.100	4.140	4.243	4.334
Contribution to GASB Fund	0.000	0.000	0.027	0.032	0.047	0.062
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$52.660	\$47.540	\$46.367	\$46.464	\$46.725	\$47.433
<u>Non-Labor:</u>						
Electric Power	\$3.641	\$3.797	\$4.247	\$4.333	\$4.638	\$4.891
Fuel	0.118	0.217	0.220	0.213	0.233	0.264
Insurance	0.990	0.935	1.192	1.373	1.364	1.461
Claims	0.154	0.088	0.088	0.090	0.092	0.095
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	9.524	28.238	2.506	2.068	1.941	2.013
Professional Services Contracts	1.041	1.112	1.042	1.060	1.080	1.103
Materials and Supplies	1.990	2.382	1.473	1.334	1.348	1.161
Other Business Expenses	0.123	0.030	0.030	0.030	0.030	0.030
Total Non-Labor Expenditures	\$17.581	\$36.799	\$10.798	\$10.501	\$10.726	\$11.018
<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	\$70.241	\$84.339	\$57.165	\$56.965	\$57.451	\$58.451
Net Cash Balance	(\$57.280)	(\$69.969)	(\$45.834)	(\$45.596)	(\$47.150)	(\$48.163)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Cash Conversion (Cash Flow Adjustments)
Favorable/(Unfavorable)
(\$ in millions)

	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Cash Flow Adjustments						
Receipts						
Farebox Revenue	\$0.029	(\$0.406)	\$0.000	\$0.001	\$0.000	\$0.000
Other Operating Revenue	0.092	1.269	0.000	0.000	(0.001)	0.000
Capital and Other Reimbursements	(1.014)	1.797	0.000	0.000	0.000	0.000
Total Receipts	(\$0.892)	\$2.660	\$0.000	\$0.001	(\$0.001)	\$0.000
Expenditures						
Labor:						
Payroll	(\$8.095)	\$0.000	\$0.000	\$0.000	\$0.002	\$0.000
Overtime	0.158	0.000	0.000	0.000	0.000	0.000
Health and Welfare	(0.459)	0.000	0.000	0.000	0.002	0.000
OPEB Current Payments	0.375	0.000	0.000	0.000	0.000	0.000
Pension	0.000	0.000	0.000	0.000	(0.001)	0.000
Other Fringe Benefits	0.971	1.500	1.500	1.498	1.496	1.500
Contribution to GASB Fund	0.000	0.000	(0.027)	(0.032)	(0.047)	(0.062)
Reimbursable Overhead	0.001	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$7.049)	\$1.500	\$1.473	\$1.466	\$1.452	\$1.438
Non-Labor:						
Electric Power	(\$0.251)	\$0.000	0.000	\$0.000	\$0.000	(\$0.001)
Fuel	0.061	0.000	0.000	0.000	0.000	0.000
Insurance	0.317	0.000	0.000	0.000	0.000	0.000
Claims	0.321	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	4.520	(6.500)	0.000	0.000	0.000	0.000
Professional Services Contracts	(0.261)	0.000	0.000	0.000	0.000	0.000
Materials and Supplies	0.554	(0.470)	0.000	0.000	0.000	0.000
Other Business Expenses	0.026	0.000	0.000	0.000	0.000	(0.001)
Total Non-Labor Expenditures	\$5.287	(\$6.970)	\$0.000	\$0.000	\$0.000	(\$0.002)
Other Expenditure Adjustments:						
Other Expense Adjustments	\$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	(\$1.762)	(\$5.470)	\$1.473	\$1.466	\$1.452	\$1.436
Total Cash Conversion Adjustments before Depreciation	(\$2.654)	(\$2.810)	\$1.473	\$1.467	\$1.451	\$1.436
Depreciation	\$7.803	\$8.300	\$8.300	\$8.300	\$8.300	\$8.300
OPEB Liability Adjustment	7.229	7.500	7.500	7.500	7.500	7.500
GASB 68 Pension Expense Adjustment	(0.293)	0.300	0.600	0.500	(0.100)	(1.100)
Environmental Remediation	0.050	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$12.134	\$13.290	\$17.873	\$17.767	\$17.151	\$16.136

MTA STATEN ISLAND RAILWAY
2018 Preliminary Budget
July Financial Plan 2018 - 2021
Year-to-Year Changes by Category-Baseline

TOTAL REVENUES/RECEIPTS

Farebox Revenue

- Farebox revenue is projected to increase by \$0.121 million or 1.8% in 2018, \$0.037 million or 0.5% in 2019, \$0.044 or 0.6% in 2020 and a reduction of \$0.014 million or 0.2% in 2021, due mostly to projected increases in employment through 2020. 2018 includes a favorable cash timing adjustment of \$0.527 million, due mostly to the favorable timing in 2016 year-end results of \$0.406 million of cash settlements with NYCT, now planned be to offset in 2017 by a corresponding negative \$0.406 million which is not planned to recur in 2018.

Other Operating Revenue

- There were essentially no changes in revenue year-over-year. The major unfavorable cash change in 2018 over 2017 of \$1.269 million was due to an unfavorable timing of student fare reimbursements in 2016 now planned to be reimbursed in 2017 but not recurring in 2018.

Capital and Other Reimbursements

- Changes in capital reimbursements year-over-year are due to projected changes in reimbursable project work requirements. The unfavorable timing of capital reimbursements in 2016 of \$1.797 million is now planned to be received in 2017, which will not recur in 2018.

TOTAL EXPENSES/EXPENDITURES

Payroll

- Represented employee wage increases are based on current contract settlements with the effective annual rate of 2.00% per year.
- Salaries for non-represented employees are projected at 2.00% for each plan year effective 7/1 of each year.

Overtime

- Includes projected wage inflation increases as noted above for represented employees.

Health & Welfare/OPEB Current Payment

- 2018-2021 includes projected rate increases of 8.83%, 1.77%, 4.40% and 4.40%, respectively.

Pension

- Projections are based on current actuarial information.

Other Fringe Benefits

- 2018-2021 includes inflation increases of 1.92%, 2.36%, 2.73% and 2.64%, respectively.

Electric Power (Traction/Non-Traction)

- 2018-2021 inflation assumptions are based on projected New York Power Authority (NYPA)/Con Edison rate increases.

Fuel (Heating/Diesel)

- 2018-2021 reflects inflationary assumptions.

Insurance

- 2018-2021 reflects inflationary assumptions.

Claims

- 2018-2021 reflects inflationary assumptions of 1.92%, 2.36%, 2.73% and 2.64%, respectively.

Maintenance and Other Operating Contracts

- 2018-2021 reflects inflationary increases of 1.92%, 2.36%, 2.73% and 2.64%, respectively. The decrease in 2018 from 2017 of \$19.232 million of expenses and \$25.732 million of cash expenditures are due mostly to the planned completion of the R44 fleet maintenance project work by the end of 2017, of which \$6.5 million of the favorable cash timing in 2018 was due to favorable timing in 2016 and now planned to be paid out in 2017, but becomes a favorable non-recurring impact in 2018.

Professional Service Contracts

- 2018-2021 reflects inflationary increases of 1.92%, 2.36%, 2.73% and 2.64%, respectively.

Materials and Supplies

- 2018-2021 reflects inflationary increases of 1.00%, 1.39%, 1.70% and 1.45%, respectively.
- \$0.470 million of favorable cash timing results in 2016 are now planned to be spent in 2017, and is non-recurring in 2018. Other year-over-year cash changes are mostly from the timing of maintenance material requirements.

Other Business Expenses

- 2018-2021 reflects inflationary increases of 1.92%, 2.36%, 2.73% and 2.64%, respectively.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Non-Reimbursable</u>									
Operating Revenues									
Farebox Revenue	\$6.793	\$6.914	\$0.121	\$6.950	\$0.036	\$6.994	\$0.044	\$6.979	(\$0.015)
Other Operating Revenue	2.407	2.407	0.000	2.408	0.001	2.408	0.000	2.409	0.001
Total Revenues	\$9.200	\$9.321	\$0.121	\$9.358	\$0.037	\$9.402	\$0.044	\$9.388	(\$0.014)
Operating Expenses									
<u>Labor:</u>									
Payroll	\$23.148	\$23.467	(\$0.319)	\$23.372	\$0.095	\$23.831	(\$0.459)	\$24.303	(\$0.472)
Overtime	3.384	1.703	1.681	1.655	0.048	1.669	(0.014)	1.588	0.081
Health and Welfare	5.674	6.175	(0.501)	6.284	(0.109)	6.561	(0.277)	6.850	(0.289)
OPEB Current Payments	2.375	2.585	(0.210)	2.631	(0.046)	2.747	(0.116)	2.867	(0.120)
Pension	6.789	6.789	0.000	6.829	(0.040)	6.730	0.099	6.529	0.201
Other Fringe Benefits	5.649	5.600	0.049	5.638	(0.038)	5.739	(0.101)	5.834	(0.095)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	(0.489)	(0.489)	0.000	(0.489)	0.000	0.000	(0.489)	0.000	0.000
Total Labor Expenses	\$46.530	\$45.830	\$0.700	\$45.920	(\$0.090)	\$47.277	(\$1.357)	\$47.971	(\$0.694)
<u>Non-Labor:</u>									
Electric Power	\$3.797	\$4.247	(\$0.450)	\$4.333	(\$0.086)	\$4.638	(\$0.305)	\$4.890	(\$0.252)
Fuel	0.217	0.220	(0.003)	0.213	0.007	0.233	(0.020)	0.264	(0.031)
Insurance	0.935	1.192	(0.257)	1.373	(0.181)	1.364	0.009	1.461	(0.097)
Claims	0.088	0.088	0.000	0.090	(0.002)	0.092	(0.002)	0.095	(0.003)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	21.738	2.506	19.232	2.068	0.438	1.941	0.127	2.013	(0.072)
Professional Services Contracts	1.112	1.042	0.070	1.060	(0.018)	1.080	(0.020)	1.103	(0.023)
Materials and Supplies	1.912	1.473	0.439	1.334	0.139	1.348	(0.014)	1.161	0.187
Other Business Expenses	0.030	0.030	0.000	0.030	0.000	0.030	0.000	0.029	0.001
Total Non-Labor Expenses	\$29.829	\$10.798	\$19.031	\$10.501	\$0.297	\$10.726	(\$0.225)	\$11.016	(\$0.290)
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$76.359	\$56.628	\$19.731	\$56.421	\$0.207	\$58.003	(\$1.582)	\$58.987	(\$0.984)
Depreciation	\$8.300	\$8.300	\$0.000	\$8.300	\$0.000	\$8.300	\$0.000	\$8.300	\$0.000
OPEB Liability Adjustment	7.500	7.500	0.000	7.500	0.000	7.500	0.000	7.500	0.000
GASB 68 Pension Expense Adjustment	0.300	0.600	(0.300)	0.500	0.100	(0.100)	0.600	(1.100)	1.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$92.459	\$73.028	\$19.431	\$72.721	\$0.307	\$73.703	(\$0.982)	\$73.687	\$0.016
Net Surplus/(Deficit)	(\$83.259)	(\$63.707)	\$19.552	(\$63.363)	\$0.344	(\$64.301)	(\$0.938)	(\$64.299)	\$0.002

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
Reimbursable									
Operating Revenues									
Farebox Revenue	\$0.000	\$0.000	\$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	0.000	0.000
Capital and Other Reimbursements	2.510	2.010	(0.500)	2.010	0.000	0.900	(1.110)	0.900	0.000
Total Revenues	\$2.510	\$2.010	(\$0.500)	\$2.010	\$0.000	\$0.900	(\$1.110)	\$0.900	\$0.000
Operating Expenses									
<u>Labor:</u>									
Payroll	\$0.521	\$0.521	\$0.000	\$0.521	\$0.000	\$0.000	\$0.521	\$0.000	\$0.000
Overtime	1.500	1.000	0.500	1.000	0.000	0.900	0.100	0.900	0.000
Health and Welfare	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
OPEB Current Payments	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pension	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.489	0.489	0.000	0.489	0.000	0.000	0.489	0.000	0.000
Total Labor Expenses	\$2.510	\$2.010	\$0.500	\$2.010	\$0.000	\$0.900	\$1.110	\$0.900	\$0.000
<u>Non-Labor:</u>									
Electric Power	\$0.000	\$0.000	\$0.000	\$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	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	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	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	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	0.000	0.000	0.000
Professional Services Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Materials and Supplies	0.000	0.000	0.000	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	0.000	0.000	0.000
Total Non-Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation	\$2.510	\$2.010	\$0.500	\$2.010	\$0.000	\$0.900	\$1.110	\$0.900	\$0.000
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	0.000	0.000	0.000	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	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$2.510	\$2.010	\$0.500	\$2.010	\$0.000	\$0.900	\$1.110	\$0.900	\$0.000
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Non-Reimbursable and Reimbursable</u>									
Operating Revenues									
Farebox Revenue	\$6.793	\$6.914	\$0.121	\$6.950	\$0.036	\$6.994	\$0.044	\$6.979	(\$0.015)
Other Operating Revenue	2.407	2.407	0.000	2.408	0.001	2.408	0.000	2.409	0.001
Capital and Other Reimbursements	2.510	2.010	(0.500)	2.010	0.000	0.900	(1.110)	0.900	0.000
Total Revenues	\$11.710	\$11.331	(\$0.379)	\$11.368	\$0.037	\$10.302	(\$1.066)	\$10.288	(\$0.014)
Operating Expenses									
<u>Labor:</u>									
Payroll	\$23.669	\$23.988	(\$0.319)	\$23.893	\$0.095	\$23.831	\$0.062	\$24.303	(\$0.472)
Overtime	4.884	2.703	2.181	2.655	0.048	2.569	0.086	2.488	0.081
Health and Welfare	5.674	6.175	(0.501)	6.284	(0.109)	6.561	(0.277)	6.850	(0.289)
OPEB Current Payments	2.375	2.585	(0.210)	2.631	(0.046)	2.747	(0.116)	2.867	(0.120)
Pension	6.789	6.789	0.000	6.829	(0.040)	6.730	0.099	6.529	0.201
Other Fringe Benefits	5.649	5.600	0.049	5.638	(0.038)	5.739	(0.101)	5.834	(0.095)
Contribution to GASB Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$49.040	\$47.840	\$1.200	\$47.930	(\$0.090)	\$48.177	(\$0.247)	\$48.871	(\$0.694)
<u>Non-Labor:</u>									
Electric Power	\$3.797	\$4.247	(\$0.450)	\$4.333	(\$0.086)	\$4.638	(\$0.305)	\$4.890	(\$0.252)
Fuel	0.217	0.220	(0.003)	0.213	0.007	0.233	(0.020)	0.264	(0.031)
Insurance	0.935	1.192	(0.257)	1.373	(0.181)	1.364	0.009	1.461	(0.097)
Claims	0.088	0.088	0.000	0.090	(0.002)	0.092	(0.002)	0.095	(0.003)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	21.738	2.506	19.232	2.068	0.438	1.941	0.127	2.013	(0.072)
Professional Services Contracts	1.112	1.042	0.070	1.060	(0.018)	1.080	(0.020)	1.103	(0.023)
Materials and Supplies	1.912	1.473	0.439	1.334	0.139	1.348	(0.014)	1.161	0.187
Other Business Expenses	0.030	0.030	0.000	0.030	0.000	0.030	0.000	0.029	0.001
Total Non-Labor Expenses	\$29.829	\$10.798	\$19.031	\$10.501	\$0.297	\$10.726	(\$0.225)	\$11.016	(\$0.290)
<u>Other Expense Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenses Before Depreciation and GASB Adjs.	\$78.869	\$58.638	\$20.231	\$58.431	\$0.207	\$58.903	(\$0.472)	\$59.887	(\$0.984)
Depreciation	\$8.300	\$8.300	\$0.000	\$8.300	\$0.000	\$8.300	\$0.000	\$8.300	\$0.000
OPEB Liability Adjustment	7.500	7.500	0.000	7.500	0.000	7.500	0.000	7.500	0.000
GASB 68 Pension Expense Adjustment	0.300	0.600	(0.300)	0.500	0.100	(0.100)	0.600	(1.100)	1.000
Environmental Remediation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenses After Depreciation and GASB Adjs.	\$94.969	\$75.038	\$19.931	\$74.731	\$0.307	\$74.603	\$0.128	\$74.587	\$0.016
Net Surplus/(Deficit)	(\$83.259)	(\$63.707)	\$19.552	(\$63.363)	\$0.344	(\$64.301)	(\$0.938)	(\$64.299)	\$0.002

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Changes Year-to-Year by Category
Favorable/(Unfavorable)
(\$ in millions)

	Mid-Year Forecast 2017	Preliminary Budget 2018	Change 2017 - 2018	2019	Change 2018 - 2019	2020	Change 2019 - 2020	2021	Change 2020 - 2021
<u>Cash Receipts and Expenditures</u>									
Receipts									
Farebox Revenue	\$6.387	\$6.914	\$0.527	\$6.951	\$0.037	\$6.994	\$0.043	\$6.979	(\$0.015)
Other Operating Revenue	3.676	2.407	(1.269)	2.408	0.001	2.407	(0.001)	2.409	0.002
Capital and Other Reimbursements	4.307	2.010	(2.297)	2.010	0.000	0.900	(1.110)	0.900	0.000
Total Receipts	\$14.370	\$11.331	(\$3.039)	\$11.369	\$0.038	\$10.301	(\$1.068)	\$10.288	(\$0.013)
Expenditures									
<u>Labor Expenditures:</u>									
Payroll	\$23.669	\$23.988	(\$0.319)	\$23.893	\$0.095	\$23.829	\$0.064	\$24.303	(\$0.474)
Overtime	4.884	2.703	2.181	2.655	0.048	2.569	0.086	2.488	0.081
Health and Welfare	5.674	6.175	(0.501)	6.284	(0.109)	6.559	(0.275)	6.850	(0.291)
OPEB Current Payments	2.375	2.585	(0.210)	2.631	(0.046)	2.747	(0.116)	2.867	(0.120)
Pension	6.789	6.789	0.000	6.829	(0.040)	6.731	0.098	6.529	0.202
Other Fringe Benefits	4.149	4.100	0.049	4.140	(0.040)	4.243	(0.103)	4.334	(0.091)
Contribution to GASB Fund	0.000	0.027	(0.027)	0.032	(0.005)	0.047	(0.015)	0.062	(0.015)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$47.540	\$46.367	\$1.173	\$46.464	(\$0.097)	\$46.725	(\$0.261)	\$47.433	(\$0.708)
<u>Non-Labor Expenditures:</u>									
Electric Power	\$3.797	\$4.247	(\$0.450)	\$4.333	(\$0.086)	\$4.638	(\$0.305)	\$4.891	(\$0.253)
Fuel	0.217	0.220	(0.003)	0.213	0.007	0.233	(0.020)	0.264	(0.031)
Insurance	0.935	1.192	(0.257)	1.373	(0.181)	1.364	0.009	1.461	(0.097)
Claims	0.088	0.088	0.000	0.090	(0.002)	0.092	(0.002)	0.095	(0.003)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	28.238	2.506	25.732	2.068	0.438	1.941	0.127	2.013	(0.072)
Professional Services Contracts	1.112	1.042	0.070	1.060	(0.018)	1.080	(0.020)	1.103	(0.023)
Materials and Supplies	2.382	1.473	0.909	1.334	0.139	1.348	(0.014)	1.161	0.187
Other Business Expenses	0.030	0.030	0.000	0.030	0.000	0.030	0.000	0.030	0.000
Total Non-Labor Expenditures	\$36.799	\$10.798	\$26.001	\$10.501	\$0.297	\$10.726	(\$0.225)	\$11.018	(\$0.292)
<u>Other Expenditure Adjustments:</u>									
Other	0.000	0.000	0.000	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	\$0.000	\$0.000	\$0.000
Total Expenditures	\$84.339	\$57.165	\$27.174	\$56.965	\$0.200	\$57.451	(\$0.486)	\$58.451	(\$1.000)
Net Cash Surplus/(Deficit)	(\$69.969)	(\$45.834)	\$24.135	(\$45.596)	\$0.238	(\$47.150)	(\$1.554)	(\$48.163)	(\$1.013)

MTA STATEN ISLAND RAILWAY
2018 Preliminary Budget
July Financial Plan 2018-2021
Summary of Plan to Plan Changes-Baseline

2017: Mid-Year Forecast vs. Adopted Budget

Major Revenue Re-estimates

- A decrease in farebox revenue of \$0.056 million, due mostly to projected lower ridership including the impact of adverse weather.
- A decrease in other operating revenue of \$0.043 million, due mostly to a projected reduction in advertising revenue.

Major Expense Re-estimates

- A projected increase of \$1.757 million in health & welfare/OPEB current expenses to bring planned spending to current actual levels including projected annual inflation growth rates.
- A projected increase in Workers' Compensation expense/reserve requirements (included in the Other Fringe Benefits account) of \$1.500 million, consistent with 2016 actuarial reserve adjustments. No change to projected cash payments.
- Expenses of \$0.844 million for the second half of 2017 in support of the new SIR Track Spot Tie Replacement Program implementation, including the addition of 12 positions.
- Additional overtime requirements of \$0.276 million, resulting from the impact of adverse weather.
- \$0.230 million is required in order to purchase two new non-revenue vehicles, replacing a 2002 F450 truck and a 2005 dump truck.
- Net savings/inflation adjustments of \$0.233 million, including \$0.100 million of vacancy savings to be achieved by delaying the hiring of some non-priority personnel.

Cash Adjustments

- Unfavorable net cash timing adjustments originating from 2016 of \$4.310 million, now planned to be offset in 2017.
- Cash offset of \$1.500 million to the projected Workers' Compensation expense/reserve requirements presented above.

2018-2020: July Financial Plan vs. February Financial Plan

Major Revenue Re-estimates

- Decreases in farebox revenue of \$0.041 million in 2018, \$0.028 million in 2019 and \$0.031 million in 2020, due to projected lower ridership levels.
- Other operating revenues are projected to decrease by \$0.066 million in 2018, \$0.088 million in 2019, and \$0.112 million in 2020 due to projected lower advertising revenue.

Major Expense Re-estimates

- Projected increases in health & welfare/OPEB current expenses to bring planned spending to current actual levels including projected annual inflation growth rates. The projected increases are: \$1.936 million in 2018; \$2.085 million in 2019 and \$2.182 million in 2020.
- Projected increases in Workers' Compensation expense/reserve requirements (included in the Other Fringe Benefits account) of \$1.500 million each year, consistent with 2016 actuarial reserve adjustments. No change to projected cash payments.
- Expenses of \$0.893 million for the first half of 2018 in support of the new SIR Track Spot Tie Replacement Program implementation, including the addition of 12 positions effective 7/1/17.
- Projected additional vacancy savings of \$0.100 million each year, to be achieved by delaying the hiring of some non-priority personnel.
- Net inflation expense increases of \$0.538 million in 2018, \$0.469 million in 2019 and \$0.312 million in 2020.

Cash Adjustments

- Cash offset of \$1.500 million to the projected Workers' Compensation expense/reserve requirements presented above for each year.
- GASB OPEB projected cash payments of \$0.022 million in 2018, \$0.014 million in 2019 and \$0.016 million in 2020.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE	2017	2018	2019	2020
February Financial Plan - Net Cash Surplus/(Deficit)	(\$62.686)	(\$42.438)	(\$43.012)	(\$44.597)
Baseline Changes				
Revenue				
Farebox Revenue	(\$0.056)	(\$0.041)	(\$0.028)	(\$0.031)
Other Operating Revenue	(0.043)	(0.066)	(0.088)	(0.112)
Capital and Other Reimbursement	0.000	0.000	0.000	0.000
Total Revenue Changes	(\$0.099)	(\$0.107)	(\$0.116)	(\$0.143)
Expenses				
<i>Labor:</i>				
Payroll	(\$0.422)	(\$0.376)	\$0.093	\$0.093
Overtime	(0.322)	(0.062)	0.000	0.000
Health and Welfare	(1.025)	(1.445)	(1.371)	(1.458)
OPEB Current Payment	(0.878)	(1.061)	(1.046)	(1.097)
Pensions	(0.661)	(0.661)	(0.600)	(0.600)
Other Fringe Benefits	(1.556)	(1.518)	(1.473)	(1.478)
Reimbursable Overhead	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$4.864)	(\$5.123)	(\$4.397)	(\$4.540)
<i>Non-Labor:</i>				
Electric Power	\$0.228	(\$0.056)	\$0.031	\$0.040
Fuel	0.063	0.071	0.081	0.085
Insurance	0.527	0.468	0.307	0.506
Claims	0.000	0.000	0.001	0.001
Paratransit Service Contracts	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.231)	0.011	0.013	0.009
Professional Service Contracts	0.000	0.004	0.004	0.003
Materials & Supplies	(0.097)	(0.142)	0.006	0.002
Other Business Expenses	0.000	0.000	0.000	0.000
Total Non-Labor Expense Changes	\$0.490	\$0.356	\$0.443	\$0.646
Total Expense Changes before Depreciation & GASB Adjs.	(\$4.374)	(\$4.767)	(\$3.954)	(\$3.894)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000
OPEB Liability Adjustment	0.000	0.000	0.000	0.000
GASB 68 Pension Expense Adjustment	(0.800)	(1.100)	(1.000)	(0.400)
Environmental Remediation	0.000	0.000	0.000	0.000
Total Depreciation and GASB Adjs. Changes	(\$0.800)	(\$1.100)	(\$1.000)	(\$0.400)
Cash Adjustment Changes				
Year-End 2016 Cash Timing Adjustments offset in 2017	(\$4.310)	\$0.000	\$0.000	\$0.000
Workers' Compensation Reserve Projection Cash Offset	1.500	1.500	1.500	1.500
GASB 68 Pension Expense Adjustment Offset	0.800	1.100	1.000	0.400
GASB OPEB Cash Payments	0.000	(0.022)	(0.014)	(0.016)
Total Cash Adjustment Changes	(\$2.010)	\$2.578	\$2.486	\$1.884
Total Baseline Changes	(\$7.283)	(\$3.396)	(\$2.584)	(\$2.553)
July Financial Plan - Net Cash Surplus/(Deficit)	(\$69.969)	(\$45.834)	(\$45.596)	(\$47.150)

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018-2021
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE	2017	2018	2019	2020
February Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes				
Revenue				
Farebox Revenue				
Other Operating Revenue				
Capital and Other Reimbursement				
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000
Expenses				
<i>Labor:</i>				
Payroll				
Overtime				
Health and Welfare				
OPEB Current Payment				
Pensions				
Other Fringe Benefits				
Reimbursable Overhead				
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>				
Electric Power				
Fuel				
Insurance				
Claims				
Paratransit Service Contracts				
Maintenance and Other Operating Contracts				
Materials & Supplies				
Other Business Expenses				
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes				
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
July Financial Plan - Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA Staten Island Railway
July Financial Plan 2018-2021
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2017	2018	2019	2020
February Financial Plan - Net Cash Surplus/(Deficit)	(\$62.686)	(\$42.438)	(\$43.012)	(\$44.597)
Non-Reimbursable Major Changes				
Revenue				
Farebox Revenue	(\$0.056)	(\$0.041)	(\$0.028)	(\$0.031)
Other Operating Revenue	(0.043)	(0.066)	(0.088)	(0.112)
Sub-Total Non-Reimbursable Revenue Changes	(\$0.099)	(\$0.107)	(\$0.116)	(\$0.143)
Expenses				
Additional Health & Welfare/OPEB Current Expense Requirements	(\$1.757)	(\$1.936)	(\$2.085)	(\$2.182)
Workers' Compensation Projected Reserve Adjustments-Non Cash	(1.500)	(1.500)	(1.500)	(1.500)
SIR Spot Tie Track Program Phase 1	(0.844)	(0.893)	0.000	0.000
Overtime Requirements-Adverse Weather	(0.276)	0.000	0.000	0.000
Additional Non-Revenue Vehicle Purchases	(0.230)	0.000	0.000	0.000
Vacancy Savings	0.100	0.100	0.100	0.100
Inflation/other Adjustments	0.133	(0.538)	(0.469)	(0.312)
Sub-Total Non-Reimbursable Expense Changes	(\$4.374)	(\$4.767)	(\$3.954)	(\$3.894)
Total Non-Reimbursable Major Changes	(\$4.473)	(\$4.874)	(\$4.070)	(\$4.037)
Reimbursable Major Changes				
Sub-Total Reimbursable Revenue Changes	0.000	0.000	0.000	0.000
Sub-Total Reimbursable Expense Changes	0.000	0.000	0.000	0.000
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	(\$4.473)	(\$4.874)	(\$4.070)	(\$4.037)
Cash Adjustment Changes				
Year-end 2016 Cash Timing Adjustments offset in 2017	(\$4.310)	\$0.000	\$0.000	\$0.000
Workers' Compensation Reserve Projection Cash Offset	1.500	1.500	1.500	1.500
GASB OPEB Cash Payments	0.000	(0.022)	(0.014)	(0.016)
Total Cash Adjustment Changes	(\$2.810)	\$1.478	\$1.486	\$1.484
Total Baseline Changes	(\$7.283)	(\$3.396)	(\$2.584)	(\$2.553)
July Financial Plan - Net Cash Surplus/(Deficit)	(\$69.969)	(\$45.834)	(\$45.596)	(\$47.150)

**MTA STATEN ISLAND RAILWAY
2018 Preliminary Budget
July Financial Plan 2018-2021**

RIDERSHIP/ (UTILIZATION)

- A re-estimate of non-student ridership is projected to decrease ridership below the February Financial Plan by 0.071 million in 2017, based on lower than budgeted ridership growth in January through April 2017.
- Economic growth in the July Plan is slightly higher than the February Plan in 2018 and 2019, and slightly lower in 2020 and 2021.
- Annual ridership is projected to be below the February Financial Plan by 0.052 million in 2018, 0.046 million in 2019, 0.047 million in 2020 and 0.052 million in 2021.

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Ridership (Utilization)
(in millions)

	Actual	Mid-Year	Preliminary			
	2016	Forecast	Budget	2019	2020	2021
		2017	2018			

RIDERSHIP

Fixed Route	4.532	4.519	4.563	4.583	4.608	4.600
Total Ridership	4.532	4.519	4.563	4.583	4.608	4.600

FAREBOX REVENUE

Fixed Route Farebox Revenue	\$6.522	\$6.793	\$6.914	\$6.950	\$6.994	\$6.979
Farebox Revenue	\$6.522	\$6.793	\$6.914	\$6.950	\$6.994	\$6.979

MTA STATEN ISLAND RAILWAY
2018 Preliminary Budget
July Financial Plan 2018-2021
Positions

2017-2020: July Financial Plan vs. February Financial Plan

Non-reimbursable positions are projected to increase in 2017 by 12 Maintenance of Way positions, including 2 managers and 10 hourlies. These 12 positions are planned as of 7/1/17 for one year through 6/18 in support of the new SIR Track Spot Tie Replacement Program. Further assessment of this Program's requirements will be addressed in subsequent plan cycles.

Reimbursable positions will not change during this Financial Plan cycle. In the upcoming November plan, an update of projected reimbursable project requirements and supporting needs are expected to be identified.

MTA Staten Island Railroad
July Financial Plan 2018-2021
Favorable/(Unfavorable)

Total Position Changes at a Glance				
	2017	2018	2019	2020
2017 February Plan - Total Baseline Positions	318	319	305	305
Total Plan-to-Plan Changes	(12)	0		
2017 July Plan - Total Baseline Positions	330	319	305	305
Total Year-to-Year Changes, July Plan		11	14	0

Total Plan-to-Plan Changes by Reporting Category:				
<i>Non-Reimbursable</i>	(12)	0	0	0
<i>Reimbursable</i>	0	0	0	0
Total	(12)	0	0	0
<i>Full-Time</i>	(12)	0	0	0
<i>Full-Time Equivalents</i>	0	0	0	0
Total	(12)	0	0	0
<i>By Function Category</i>				
<i>- Administration</i>	0	0	0	0
<i>- Operations</i>	0	0	0	0
<i>- Maintenance</i>	(12)	0	0	0
<i>- Engineering/Capital</i>	0	0	0	0
<i>- Public Safety</i>	0	0	0	0
Total	(12)	0	0	0
<i>By Occupational Group</i>				
<i>- Managers/Supervisors</i>	(2)	0	0	0
<i>- Professional, Technical, Clerical</i>	0	0	0	0
<i>- Operational Hourlies</i>	(10)	0	0	0
Total	(12)	0	0	0

Total Plan-to-Plan Changes by Major Category:				
<i>2017 BRPs</i>	0	0	0	0
<i>New Needs</i>	(12)	0	0	0
<i>Change in Reimbursable Positions</i>	0	0	0	0
<i>Re-estimates & All Other¹</i>	0	0	0	0
Total	(12)	0	0	0

¹Includes Full Time Equivalents

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018-2021
Total Positions by Function and Department
Non-Reimbursable/Reimbursable and Full-Time/Full Time Equivalents

FUNCTION/DEPARTMENT	2016 Actual	2017 Mid-Year Forecast	2018 Preliminary Budget	2019	2020	2021
Administration						
Executive	9	13	13	13	13	13
General Office	7	10	10	10	10	10
Purchasing/Stores	4	6	6	6	6	6
Total Administration	20	29	29	29	29	29
Operations						
Transportation	111	107	107	107	107	107
Maintenance						
Mechanical	50	52	52	52	52	52
Electronic/Electrical	13	15	15	15	15	15
Power/Signals	20	27	27	27	27	27
Maintenance of Way	51	60	49	49	49	49
Infrastructure	27	26	26	26	26	26
Total Maintenance	161	180	169	169	169	169
Engineering/Capital						
None	5	14	14	-	-	-
Public Safety						
Police					-	-
Baseline Total Positions	297	330	319	305	305	305
Non-Reimbursable	292	316	305	305	305	305
Reimbursable	5	14	14	-	-	-
Total Full-Time	297	330	319	305	305	305
Total Full-Time Equivalents	-	-	-	-	-	-

MTA STATEN ISLAND RAILWAY
July Financial Plan 2018 - 2021
Total Positions by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION / OCCUPATIONAL GROUP	Actual 2016	Mid-Year Forecast 2017	Preliminary Budget 2018	2019	2020	2021
Administration						
Managers/Supervisors	13	17	17	17	17	17
Professional/Technical/Clerical	7	12	12	12	12	12
Operational Hourlies	0	0	0	0	0	0
Total Administration Headcount	20	29	29	29	29	29
Operations						
Managers/Supervisors	3	5	5	5	5	5
Professional/Technical/Clerical	2	3	3	3	3	3
Operational Hourlies	106	99	99	99	99	99
Total Operations Headcount	111	107	107	107	107	107
Maintenance						
Managers/Supervisors	13	15	13	13	13	13
Professional/Technical/Clerical	4	6	6	6	6	6
Operational Hourlies	144	159	150	150	150	150
Total Maintenance Headcount	161	180	169	169	169	169
Engineering / Capital						
Managers/Supervisors	2	3	3	0	0	0
Professional/Technical/Clerical	0	2	2	0	0	0
Operational Hourlies	3	9	9	0	0	0
Total Engineering Headcount	5	14	14	0	0	0
Public Safety						
Managers/Supervisors	0	0	0	0	0	0
Professional, Technical, Clerical	0	0	0	0	0	0
Operational Hourlies	0	0	0	0	0	0
Total Public Safety Headcount	0	0	0	0	0	0
Total Positions						
Managers/Supervisors	31	40	38	35	35	35
Professional, Technical, Clerical	13	23	23	21	21	21
Operational Hourlies	253	267	258	249	249	249
Total Positions	297	330	319	305	305	305

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