

## **VII. Agency Financial Plans**

# **Bridges and Tunnels**

**MTA Bridges and Tunnels**  
**2006 Preliminary Budget**  
**July Financial Plan 2006–2009**

**MISSION STATEMENT/MAJOR HIGHLIGHTS**

MTA Bridges and Tunnels (B&T) operates seven bridges and two tunnels that form essential links for vehicular highway transportation in the New York City metropolitan region, and also provide financial support for mass transit. On an average day, more than 800,000 vehicles use the nine crossings, generating more than \$1.2 billion in annual toll revenue. With nearly two-thirds of this toll revenue dedicated to mass transit, B&T performs a unique and vital function on behalf of regional mobility.

B&T's mission is carried out through 14 different departments, including the Operations workforce that manages the facilities on a day-to-day basis, and the Engineering and Construction Department that is responsible for maintaining the structural integrity of the facilities. The Operations Department employs 70 percent of the workforce, with Engineering and Construction employing another 10 percent. Each of the other B&T departments perform a wide variety of critical functions in support of B&T's dual responsibilities of moving vehicles across its facilities as efficiently as possible and providing essential and significant financial assistance to the other MTA agencies.

MTA Bridges & Tunnels continues to be successful in achieving its primary goals in 2005.

From a financial perspective, Total Support to Mass Transit for 2005 Mid-Year Forecast is now projected to be \$746.8 million, \$23.7 million higher than what was projected in the Adopted Budget. Compared to the Adopted Budget, revenue is projected to be \$10.3 million higher, while expenses are expected to be \$13.5 million lower. Since 1968, when B&T became part of the MTA, approximately \$14.0 billion has been provided to the MTA for support to mass transit.

As part of its effort to meet its financial goals, in 2005, B&T began implementing the Executive Director's request to reduce non-mission critical OTPS expenditures. These efforts include instituting new purchasing procedures that place limits on procurement credit card spending, changing the replacement cycle for some B&T vehicles from five to six years, extending the replacement cycle for computer equipment an additional year, and placing new restrictions on travel and furniture purchases. In addition to these changes in procedures, B&T has reduced the vehicle fleet size resulting in the elimination of ten vehicles, brought the process of inspecting

vehicles in-house, and began purchasing smaller-sized vehicles, including more hybrid vehicles and more light-duty, rather than medium-duty, wreckers.

Operationally, safety is the agency's first priority. The number of lost-time injuries for B&T employees is down significantly from 2004; through March 2005, the year-to-date lost time injuries were just 8, as compared to 11 during the same period a year ago. Collisions at the facilities were reduced significantly from 2003 to 2004, and B&T is maintaining that success so far this year. Through the first quarter of 2005, the average number of collisions with serious injury per million vehicles was 0.59, as compared to 0.56 during the same period in 2004, and the overall average collision rate for the first quarter 2005 was 4.33 collisions per million vehicles as compared to 4.39 collisions per million vehicles during the same period in 2004.

Customer satisfaction is also a key goal for B&T. In its most recent survey, B&T's customers rated their overall satisfaction at 7.4 out of 10, the agency's second highest rating ever. Overall satisfaction with the agency's E-ZPass system was 8.6 and the overall satisfaction of B&T's cash customers was 7.2, both among the highest ever recorded. A new survey will be carried out in the fall of this year.

One factor driving the improvement in customer satisfaction is the reduction in median queue time during peak periods. E-ZPass enabled B&T to maintain low average peak hour queue times while managing record level traffic volumes in 2004. This trend is continuing so far this year. Through the first quarter 2005, the median queue time was 10.0 seconds. Almost 74% of all weekday B&T traffic and nearly 84% of all weekday truck traffic uses E-ZPass.

Finally, the E-ZPass Tag Replacement Program, begun in 2002, continues to be successful. E-ZPass tags are being replaced prior to the end of their useful service lives (ensuring that customers are not delayed in the toll lanes due to an expired tag) with new tags that include a number of features that improve tag performance and battery life. These new tags currently account for approximately 70% of the total active tags held by B&T customers. The Mid-Year Forecast anticipates the completion of the tag replacement program by the end of 2006.

## **FINANCIAL OVERVIEW**

B&T's Financial Plan, consistent with its strategic operating and financial goals, is projecting net operating income of \$4.5 billion for the next five

years (2005-2009) before factoring in the Program to Eliminate the Gap (PEG).

B&T's pre-PEG headcount is expected to be 1,818 by 2006. Between 1994 and 2000, B&T reduced its headcount by over 200 positions primarily due to the implementation of E-ZPass and other initiatives. Since September 11, 2001, B&T has been asked to play an increasing security role and has added 269 positions (through 2005) to the budget for that purpose, primarily to secure its bridges and tunnels. The pre-PEG headcount will grow modestly by three positions—all security related—by the end of 2006.

For the 2004 to 2006 period, B&T projects a total of \$2,615.0 million in net operating income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$3,714.1 million in revenue offset by \$1,099.1 million in expenses. Taken together, 2004-2006 net operating income is \$53.4 million better than the February Financial Plan level. This financial success is being achieved while maintaining both the current service levels and B&T's continued commitment to safety and security.

- In 2007, B&T projects a total of \$899.6 million in net operating income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,314.1 million in revenue offset by \$414.5 million in expenses.
- In 2008, B&T estimates \$898.2 million in net operating income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,322.2 million in revenue offset by \$423.9 million in expenses.
- In 2009, B&T projects a total of \$886.3 million in net operating income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,326.6 million in revenue offset by \$440.3 million in expenses.

### **2005 Mid-Year Forecast**

In the 2005 Mid-Year Forecast, a total of \$898.4 million is projected in net operating income compared to \$874.6 in the 2005 Adopted Budget. This consists of \$1,261.0 million in revenues, offset by \$362.5 million in expenses.

Revenues are higher than the Adopted Budget by \$10.3 million. This is due primarily to higher toll revenue as a result of lower elasticity than expected from the toll increase implemented on March 13, 2005. These gains in revenue are offset by an adjustment downward of the reimbursements received for both security expenses, due to the reduction in security-related overtime, and capital construction, due to the reduction in the 2005 PEG for

reimbursement of the traffic control overtime performed. However, recent developments involving international terrorist attacks are resulting in the need to increase security MTA-wide. MTA has established funding at the corporate level, but these monies have not been allocated by Agency as of yet. Should B&T security requirements exceed the costs in the Mid-Year Forecast, MTA will fund the difference.

The expenses are composed of \$184.0 million in labor costs and \$178.5 million in non-labor expenses. Total expenses are lower by \$13.5 million when compared to the Adopted Budget due to higher than planned retirements; lower expenses due to a reduction in security-related overtime; lower corresponding fringe benefits; and reduced non-labor costs mainly from the reduction of 2 Broadway lease costs. These activities will be discussed in the Plan-to-Plan Summary of Changes.

In 2005, the total planned headcount is 1,815, which includes 45 capital reimbursable positions.

There are no new proposed PEGs in 2005.

### **2006 Preliminary Budget - Baseline**

In the 2006 Final Proposed Budget, a total of \$904.5 million is projected in net operating income for 2006 before factoring in the savings from PEGs. This consists of \$1,309.4 million in revenues, offset by \$404.9 million in expenses. The expenses are composed of \$197.8 million in labor costs and \$207.1 million in non-labor expenses.

In 2006, the total pre-PEG planned headcount will be 1,818, which includes 45 capital reimbursable positions. The 2006 Preliminary Budget also includes below-the-line gap closing actions of \$0.269 million for the reduction of three administrative and supervisory positions to bring total headcount to 1,815 in 2006. These actions will be discussed later in this document, under Gap Closing Measures. No new needs are anticipated in 2006.

Details regarding the reconciliation of the July Financial Plan to the Adopted Budget and the assumptions for traffic and headcount are discussed in the Plan-to-Plan Summary of Changes and the Other Assumptions sections.

### **2007-2009 Projections**

The 2007 projection for net operating income is \$899.6 million before factoring in the savings from PEGs. This consists of \$1,314.1 million in revenues, offset by \$414.5 million in expenses. The expenses are

comprised of \$207.9 million in labor costs and \$206.6 million in non-labor expenses.

In 2007, the total pre-PEG planned headcount remains at 1,818, which includes 45 capital reimbursable positions. The 2007 projection also includes below-the-line gap closing actions of \$0.396 million and the reduction of two additional administrative positions to bring the total headcount to 1,813 in 2007. These actions are discussed later in this document under Gap Closing Measures. No new needs are anticipated at this time for 2007.

The 2008 and 2009 projections for net operating income are \$898.2 million and \$886.3 million, respectively, before factoring in the savings from PEGs. For 2008, this consists of \$1,322.2 million in revenues, offset by \$423.9 million in expenses. The expenses are composed of \$217.6 million in labor costs and \$206.4 million in non-labor expenses. For 2009, net operating income consists of \$1,326.6 million in revenues, offset by \$440.3 million in expenses. The expenses are composed of \$228.1 million in labor costs and \$212.2 million in non-labor expenses.

In 2008 and 2009, the total pre-PEG planned headcount remains at 1,818, which continues to include the 45 capital reimbursable positions. The 2008 and 2009 projections also include below-the-line gap closing actions of \$0.396 million for the respective years, continuing with headcount at 1,813. These actions are discussed later in this document under Gap Closing Measures. As was the case for previous years, no new needs are anticipated at this time for 2008 and 2009.

Details for the reconciliations of the July Financial Plan to the Adopted Budget are discussed in the Plan-to-Plan Summary of Changes, and the assumptions guiding traffic and headcount projections are discussed in the Other Assumptions section.

## **GAP CLOSING MEASURES**

### **2006 PEG Actions**

Total PEG actions beginning in 2006 are projected to generate \$0.269 million. The major proposed initiatives are:

- A reduction of three positions: two administrative and one supervisory. These are comprised of (a) an administrative reduction in the Payroll Department due to payroll process efficiencies totaling \$0.041 million; and (b) two positions in Revenue Management, one administrative and

one supervisory, totaling \$0.084 million, due to efficiencies in the revenue audit process.

- A reduction in baseline overtime due to processing efficiencies in the arrest procedure by having access to the NYPD's on-line booking system, thus reducing the amount of time required per arrest. This will result in an overtime reduction of \$0.144 million.

### **2007 PEG Actions**

Total PEG actions beginning in 2007 are projected to generate an additional \$0.087 million in expense reductions. The proposed initiatives are:

- A reduction of one additional administrative positions in the Payroll Department, totaling \$0.045 million, due to efficiencies in the payroll process brought about by the implementation of the Kronos Timecard System now being developed.
- A reduction of an administrative position in the Accounts Payable Department resulting from new administrative budget controls and the use of the procurement credit card, totaling \$0.042 million.

### **2008 and 2009 PEG Projections**

Assuming all of the above initiatives are adopted and can be implemented, total PEG savings will amount to \$0.396 million in 2007 to 2009.

No new PEGs are scheduled to begin in 2008 or 2009.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	<b>2004</b>	<b>2005</b>	<b>2006</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Revenue</b>						
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,096.988	1,206.892	1,244.320	1,247.171	1,254.848	1,256.824
Other Operating Revenue	9.719	16.874	23.964	23.061	20.915	21.036
Capital and Other Reimbursements	23.242	22.644	24.683	26.548	28.414	30.038
Investment Income	1.368	1.949	2.419	2.424	2.529	2.709
<b>Total Revenue</b>	<b>\$1,131.317</b>	<b>\$1,248.359</b>	<b>\$1,295.386</b>	<b>\$1,299.204</b>	<b>\$1,306.707</b>	<b>\$1,310.607</b>
<b>Expenses</b>						
Labor:						
Payroll	100.061	106.185	110.612	114.870	119.515	124.588
Overtime	23.391	21.813	22.242	21.778	22.394	23.098
Health and Welfare	23.461	25.988	28.465	31.106	33.997	37.155
Pensions	4.561	10.028	14.908	17.247	17.684	18.319
Other Fringe Benefits	12.292	12.809	13.818	14.437	15.094	15.705
Reimbursable Overhead	(5.361)	(5.430)	(6.254)	(6.415)	(6.594)	(6.788)
<b>Total Labor Expenses</b>	<b>\$158.405</b>	<b>\$171.393</b>	<b>\$183.791</b>	<b>\$193.023</b>	<b>\$202.090</b>	<b>\$212.078</b>
Non-Labor:						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	8.486	9.345	10.557	11.561	12.666	13.883
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	118.332	123.170	149.092	157.688	153.056	156.867
Professional Service Contracts	13.483	15.451	16.658	16.912	17.249	17.624
Materials & Supplies	18.324	28.485	28.672	18.297	21.201	21.613
Other Business Expenses	2.187	2.095	2.139	2.169	2.204	2.242
<b>Total Non-Labor Expenses</b>	<b>\$160.811</b>	<b>\$178.546</b>	<b>\$207.118</b>	<b>\$206.628</b>	<b>\$206.375</b>	<b>\$212.230</b>
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$319.216</b>	<b>\$349.939</b>	<b>\$390.909</b>	<b>\$399.651</b>	<b>\$408.465</b>	<b>\$424.308</b>
Add: Depreciation	45.594	47.600	50.200	56.500	61.200	66.700
<b>Total Expenses after Depreciation</b>	<b>\$364.810</b>	<b>\$397.539</b>	<b>\$441.109</b>	<b>\$456.151</b>	<b>\$469.665</b>	<b>\$491.008</b>
Less: Depreciation	45.594	47.600	50.200	56.500	61.200	66.700
<b>Total Expenses</b>	<b>\$319.216</b>	<b>\$349.939</b>	<b>\$390.909</b>	<b>\$399.651</b>	<b>\$408.465</b>	<b>\$424.308</b>
<b>Baseline Net Income/(Deficit)</b>	<b>\$812.102</b>	<b>\$898.420</b>	<b>\$904.477</b>	<b>\$899.553</b>	<b>\$898.242</b>	<b>\$886.299</b>
Program to Eliminate the Gap (PEG)	-	-	0.269	0.396	0.396	0.396
<b>Net Income/(Deficit)</b>	<b>\$812.102</b>	<b>\$898.420</b>	<b>\$904.746</b>	<b>\$899.949</b>	<b>\$898.638</b>	<b>\$886.695</b>



**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

**NON-REIMBURSABLE AND  
REIMBURSABLE (Page 1 of 2)**

	<b>2004</b>	<b>2005</b>	<b>2006</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Revenue</b>						
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,096.988	1,206.892	1,244.320	1,247.171	1,254.848	1,256.824
Other Operating Revenue	9.719	16.874	23.964	23.061	20.915	21.036
Capital and Other Reimbursements	35.753	35.236	38.656	41.404	43.887	46.068
Investment Income	1.368	1.949	2.419	2.424	2.529	2.709
<b>Total Revenue</b>	<b>\$1,143.828</b>	<b>\$1,260.951</b>	<b>\$1,309.359</b>	<b>\$1,314.060</b>	<b>\$1,322.180</b>	<b>\$1,326.637</b>
<b>Expenses</b>						
Labor:						
Payroll	105.178	111.095	115.577	119.963	124.750	129.977
Overtime	23.391	21.850	22.449	22.178	22.794	23.498
Health and Welfare	24.552	27.211	29.823	32.593	35.625	38.938
Pensions	4.793	10.459	15.430	18.017	18.583	19.246
Other Fringe Benefits	13.002	13.370	14.486	15.128	15.811	16.448
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$170.916</b>	<b>\$183.985</b>	<b>\$197.764</b>	<b>\$207.879</b>	<b>\$217.563</b>	<b>\$228.108</b>
Non-Labor:						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	8.486	9.345	10.557	11.561	12.666	13.883
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	118.332	123.170	149.092	157.688	153.056	156.867
Professional Service Contracts	13.483	15.451	16.658	16.912	17.249	17.624
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Other Business Expenses	2.187	2.095	2.139	2.169	2.204	2.242
<b>Total Non-Labor Expenses</b>	<b>\$160.811</b>	<b>\$178.546</b>	<b>\$207.118</b>	<b>\$206.628</b>	<b>\$206.375</b>	<b>\$212.230</b>
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$331.727</b>	<b>\$362.531</b>	<b>\$404.882</b>	<b>\$414.507</b>	<b>\$423.938</b>	<b>\$440.338</b>
Add: Depreciation	45.594	47.600	50.200	56.500	61.200	66.700
<b>Total Expenses after Depreciation</b>	<b>\$377.321</b>	<b>\$410.131</b>	<b>\$455.082</b>	<b>\$471.007</b>	<b>\$485.138</b>	<b>\$507.038</b>
Less: Depreciation	45.594	47.600	50.200	56.500	61.200	66.700
<b>Total Expenses</b>	<b>\$331.727</b>	<b>\$362.531</b>	<b>\$404.882</b>	<b>\$414.507</b>	<b>\$423.938</b>	<b>\$440.338</b>
<b>Baseline Net Income/(Deficit)</b>	<b>\$812.102</b>	<b>\$898.420</b>	<b>\$904.477</b>	<b>\$899.553</b>	<b>\$898.242</b>	<b>\$886.299</b>
Program to Eliminate the Gap (PEG)	-	-	0.269	0.396	0.396	0.396
<b>Net Income/(Deficit)</b>	<b>\$812.102</b>	<b>\$898.420</b>	<b>\$904.746</b>	<b>\$899.949</b>	<b>\$898.638</b>	<b>\$886.695</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Accrual Statement of Operations by Category**  
**(\$ in millions)**

**NON-REIMBURSABLE AND  
REIMBURSABLE (Page 2 of 2)**

	2004 Actuals	2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
<b>Baseline Net Income/(Deficit)</b>	\$ 812.102	\$ 898.420	\$ 904.477	\$ 899.553	\$ 898.242	\$ 886.299
<u>Deductions from Income:</u>						
Less: Capitalized Assets	4.184	11.167	10.991	11.217	11.477	11.766
Reserves	17.676	14.402	14.693	14.996	15.342	15.729
<b>Adjusted Baseline Net Income/(Deficit)</b>	\$ 790.242	\$ 872.851	\$ 878.793	\$ 873.340	\$ 871.423	\$ 858.805
Less: Debt Service	393.356	419.344	465.849	478.580	493.389	507.849
<b>Income Available for Distribution</b>	\$ 396.886	\$ 453.507	\$ 412.944	\$ 394.760	\$ 378.034	\$ 350.956
<b>Distributable To:</b>						
MTA - Investment Income	1.368	1.949	2.419	2.424	2.529	2.709
MTA - Distributable Income	241.938	271.911	256.880	247.847	239.438	225.802
NYCT - Distributable Income	153.579	179.646	153.644	144.488	136.066	122.444
<b>Total Distributable Income:</b>	\$ 396.885	\$ 453.506	\$ 412.943	\$ 394.759	\$ 378.033	\$ 350.955
<b>SUPPORT TO MASS TRANSIT:</b>						
Total Revenues	1,143.828	1,260.951	1,309.359	1,314.060	1,322.180	1,326.637
Less: Net Operating Expenses	331.727	362.531	404.882	414.507	423.938	440.338
2006-2007 Program to Eliminate the GAP	-	-	0.269	0.396	0.396	0.396
<b>Net Operating Income:</b>	\$ 812.102	\$ 898.420	\$ 904.746	\$ 899.949	\$ 898.638	\$ 886.695
<b>Deductions from Operating Income:</b>						
B&T Debt Service	100.206	116.981	134.974	147.382	162.163	176.656
Capitalized Assets	4.184	11.167	10.991	11.217	11.477	11.766
Reserves	17.676	14.402	14.693	14.996	15.342	15.729
<b>Total Deductions from Operating Inc:</b>	\$ 122.066	\$ 142.550	\$ 160.658	\$ 173.595	\$ 188.982	\$ 204.150
<b>Total Support to Mass Transit:</b>	\$ 690.035	\$ 755.870	\$ 744.088	\$ 726.354	\$ 709.656	\$ 682.545

**MTA Bridges and Tunnels**  
**July Financial Plan 2006-2009**  
**Year-to-Year Changes by Category - Accrual Basis**

**YEAR-TO-YEAR CHANGES: 2005-2009**

**Toll Revenue**

- Revenues are estimated to reach \$1,206.9 million in 2005 and \$1,244.3 million in 2006. The growth of \$37.428 million is based on a full year's impact from the toll increase implemented on March 13, 2005, current traffic trends and economic forecasts provided by Global Insight.
- Projected revenues rise by \$2.9 million in 2007, \$7.7 million in 2008 (a leap year), and \$2.0 million in 2009, reflecting modest growth in regional (New York City, Long Island and Westchester) employment and other economic and operational considerations.
- Paid traffic is expected to reach 299.9 million vehicles in 2005, 301.4 million vehicles in 2006, 302.6 million in 2007, 305.0 million in 2008, and 306.0 million in 2009.

**Other Operating Revenue**

- Beginning in July, 2005, B&T will charge an E-ZPass account fee of \$1 per month. Income from this fee is projected to account for 46% of total other operating revenue in 2005 and over 60% of the total each year thereafter. The other major revenue sources in this category are income from the Battery Parking Garage, various E-ZPass administrative fees (charges for lost or non-returned tags, retained tags, returned checks, etc.), and E-ZPass Plus fees.
- Other Operating Revenue is projected at \$16.9 million in 2005 and is estimated to increase by \$7.0 million in 2006 primarily due to a full year's collection of the \$1 per month E-ZPass account fee.
- Total Other Operating Revenue declines by \$0.9 million in 2007 because the current E-ZPass Tag Swap Program, which routinely identifies accounts with lost tags that are subsequently assessed the appropriate fee, will be completed in 2006.
- There is a projected reduction of \$2.1 million in E-ZPass account maintenance fees beginning in 2008 based on potential changes in allocation formulas among E-ZPass agencies.

**Capital and Other Reimbursements**

- Income from Capital and Other Reimbursements are projected to increase by approximately \$3.4 million in 2006, \$2.7 million in 2007, \$2.5 million in 2008, and \$2.2 million in 2009, due to CPIU adjustments and higher reimbursements from the capital program.

## **Investment Income**

- The investment income plan for 2005 through 2009 reflects potential earnings on estimated fund balances based on Global Insight's forecasts for short-term investment yields.

## **Payroll**

- In 2006, there is an increase of \$4.5 million in payroll for contractual step-up increases, CPIU increases, and for the 2005 new need for additional personnel to repair and maintain the centralized access and monitoring control system.
- Expenses grow by \$4.4 million in 2007, \$4.8 million in 2008, and \$5.2 million in 2009 due to CPIU and contractual step-up increases.
- Increases for pattern bargaining of 3% have been included in 2005 due to pending contract settlements. Out-year projections are 2.57% in 2006, 2.79% in 2007, 2.94% in 2008, and 3.18% in 2009, based on Global Insight's forecasts for national inflation applied to salaries and overtime.

## **Overtime**

- The increase of \$0.6 million between 2005 and 2006 is a result of CPIU adjustments.
- The decrease of \$0.3 million between 2006 and 2007 is due to a CPIU increase, offset by a decrease in the overtime associated with capital construction.
- Thereafter, the year-over-year increases of \$0.6 million, \$0.7 million and \$0.8 million in growth from 2007 to 2009 are a result of CPIU adjustments.

## **Health and Welfare**

- The year-over-year increases from 2006 to 2009 are \$2.6 million, \$2.8 million, \$3.0 million, and \$3.3 million. These increases are due to a 9.3% CPIU for medical expenses that has been added to each year, based on estimates provided by the MTA, and for the 2005 new need for additional personnel to repair and maintain the centralized access and monitoring control system.

## **Pensions**

- The 2006 to 2008 increases reflect the latest NYCERS estimates received from the MTA. The increase for 2009 is due to CPIU.

## **Other Fringe Benefits**

- The year-over-year increases from 2006 to 2009 are \$1.1 million, \$0.6 million, \$0.7 million, and \$0.6 million. These increases are due to the effect

of CPIU inflators and estimates for Worker's Compensation based on information received from MTA Risk Management.

### **Insurance**

- The increases of approximately \$1.1 million per year from 2006 through 2009 incorporate MTA Risk Management's estimates for property and general liability insurance.

### **Maintenance and Other Operating Contracts**

- In 2006, expenses are \$25.9 million higher than 2005 primarily due to bridge painting requirements at the Throgs Neck, Verrazano-Narrows and Triborough Bridges (\$13.7 million) and potential start-up and transition cost for the new E-ZPass Customer Service Center contract (approximately \$10.0 million) and CPIU increases.
- The 2007 expenses increased by \$8.6 million over 2006 primarily due to additional bridge painting requirements (\$9.4 million) and CPIU increases offset by a net decline of \$2.3 million in estimated costs associated with the implementation of the new contract for running the E-ZPass Customer Service Center.
- In 2008, there is a decrease of \$4.6 million from 2007 primarily due to the expected completion of transitioning a new vendor for the E-ZPass Customer Service Center contract in 2007 (\$8.0 million) offset by CPIU increases.
- CPIU increases are 2.67% in 2005, 2.02% in 2006, 2.06% in 2007, 2.31% in 2008, and 2.52% in 2009, based on forecasts for national inflation provided by Global Insight.

### **Professional Service Contracts**

- In 2006, expenses are \$1.2 million higher than 2005 primarily due to re-estimate of Bond insurance fees (\$0.6 million), legal services (\$0.2 million) training and planning studies (\$0.2 million) and CPIU increases.
- For 2007 to 2009, the higher expenses (\$0.3 million in both 2007 and 2008 and \$0.4 million in 2009) are a result of CPIU increases.
- CPIU increases are 2.67% in 2005, 2.02% in 2006, 2.06% in 2007, 2.31% in 2008, and 2.52% in 2009, based on forecasts for national inflation provided by Global Insight.

## **Materials and Supplies**

- In 2006, expenses are \$0.2 million higher than 2005 primarily due to a reduction in security surveillance equipment purchases (\$0.1 million) and E-ZPass tag purchases (\$0.3 million), and offsetting increases from CPIU.
- In 2007, expenses are \$10.4 million lower than 2006 primarily due to the completion of the E-ZPass tag replacement program (\$11.1 million). This is offset by increases from CPIU.
- The 2008 expenses are \$2.9 million higher primarily to cover the estimated inventory flows required to meet the tag needs associated with new and existing accounts (\$2.5 million). In addition, there are CPIU increases.
- For 2009, the increase of \$0.4 million in expenses is a result of CPIU increases.
- CPIU increases are 2.67% in 2005, 2.02% in 2006, 2.06% in 2007, 2.31% in 2008, and 2.52% in 2009, based on forecasts for national inflation provided by Global Insight.

## **Other Business Expenses**

- For 2006 through 2008, the higher expenses reflect CPIU increases.
- CPIU increases are 2.67% in 2005, 2.02% in 2006, 2.06% in 2007, 2.31% in 2008, and 2.52% in 2009, based on forecasts for national inflation provided by Global Insight.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE and  
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<b>Revenue</b>									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,206.892	1,244.320	37.428	1,247.171	2.851	1,254.848	7.677	1,256.824	1.976
Other Operating Revenue	16.874	23.964	7.090	23.061	(0.903)	20.915	(2.146)	21.036	0.121
Capital and Other Reimbursements	35.236	38.656	3.420	41.404	2.748	43.887	2.483	46.068	2.181
Investment Income	1.949	2.419	0.470	2.424	0.005	2.529	0.105	2.709	0.180
<b>Total Revenue</b>	<b>\$ 1,260.951</b>	<b>\$ 1,309.359</b>	<b>\$ 48.408</b>	<b>\$ 1,314.060</b>	<b>\$ 4.701</b>	<b>\$ 1,322.180</b>	<b>\$ 8.119</b>	<b>\$ 1,326.637</b>	<b>\$ 4.458</b>
<b>Expenses</b>									
<b>Labor:</b>									
Payroll	\$ 111.095	\$ 115.577	\$ (4.482)	\$ 119.963	\$ (4.387)	\$ 124.750	\$ (4.787)	\$ 129.977	\$ (5.227)
Overtime	21.850	22.449	(0.599)	22.178	0.271	22.794	(0.616)	23.498	(0.704)
Health and Welfare	27.211	29.823	(2.612)	32.593	(2.770)	35.625	(3.032)	38.938	(3.314)
Pensions	10.459	15.430	(4.971)	18.017	(2.587)	18.583	(0.566)	19.246	(0.663)
Other Fringe Benefits	13.370	14.486	(1.116)	15.128	(0.642)	15.811	(0.683)	16.448	(0.637)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$ 183.985</b>	<b>\$ 197.764</b>	<b>\$ (13.779)</b>	<b>\$ 207.879</b>	<b>\$ (10.115)</b>	<b>\$ 217.563</b>	<b>\$ (9.684)</b>	<b>\$ 228.108</b>	<b>\$ (10.546)</b>
<b>Non-Labor:</b>									
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	9.345	10.557	(1.212)	11.561	(1.004)	12.666	(1.105)	13.883	(1.217)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	123.170	149.092	(25.922)	157.688	(8.596)	153.056	4.633	156.867	(3.812)
Professional Service Contracts	15.451	16.658	(1.207)	16.912	(0.254)	17.249	(0.337)	17.624	(0.375)
Materials & Supplies	28.485	28.672	(0.187)	18.297	10.375	21.201	(2.904)	21.613	(0.412)
Other Business Expenses	2.095	2.139	(0.044)	2.169	(0.030)	2.204	(0.035)	2.242	(0.038)
<b>Total Non-Labor Expenses</b>	<b>\$ 178.546</b>	<b>\$ 207.118</b>	<b>\$ (28.572)</b>	<b>\$ 206.628</b>	<b>\$ 0.490</b>	<b>\$ 206.375</b>	<b>\$ 0.252</b>	<b>\$ 212.230</b>	<b>\$ (5.855)</b>
<b>Other Expenses Adjustments:</b>									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Expenses before Depreciation</b>	<b>\$ 362.531</b>	<b>\$ 404.882</b>	<b>\$ (42.351)</b>	<b>\$ 414.507</b>	<b>\$ (9.624)</b>	<b>\$ 423.938</b>	<b>\$ (9.431)</b>	<b>\$ 440.338</b>	<b>\$ (16.400)</b>
Add: Depreciation	47.600	50.200	(2.600)	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)
<b>Total Expenses after Depreciation</b>	<b>\$ 410.131</b>	<b>\$ 455.082</b>	<b>\$ (39.751)</b>	<b>\$ 471.007</b>	<b>\$ (3.324)</b>	<b>\$ 485.138</b>	<b>\$ (4.731)</b>	<b>\$ 507.038</b>	<b>\$ (10.900)</b>
Less: Depreciation	47.600	50.200	(2.600)	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)
<b>Total Expenses</b>	<b>\$ 362.531</b>	<b>\$ 404.882</b>	<b>\$ (42.351)</b>	<b>\$ 414.507</b>	<b>\$ (9.624)</b>	<b>\$ 423.938</b>	<b>\$ (9.431)</b>	<b>\$ 440.338</b>	<b>\$ (16.400)</b>
<b>Baseline Net Income/(Deficit)</b>	<b>\$ 898.420</b>	<b>\$ 904.477</b>	<b>\$ 6.057</b>	<b>\$ 899.553</b>	<b>\$ (4.924)</b>	<b>\$ 898.242</b>	<b>\$ (1.312)</b>	<b>\$ 886.299</b>	<b>\$ (11.943)</b>
Program to Eliminate the Gap (PEG)	-	0.269	0.269	0.396	0.127	0.396	-	0.396	-
<b>Net Income/(Deficit)</b>	<b>\$ 898.420</b>	<b>\$ 904.746</b>	<b>\$ 6.326</b>	<b>\$ 899.949</b>	<b>\$ (4.797)</b>	<b>\$ 898.638</b>	<b>\$ (1.312)</b>	<b>\$ 886.695</b>	<b>\$ (11.943)</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE and  
REIMBURSABLE (Page 2 of 2)**

	Favorable/(Unfavorable)									
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	
<b>Baseline Net Income/(Deficit)</b>	\$ 898.420	\$ 904.477	\$ 6.057	\$ 899.553	\$ (4.924)	\$ 898.242	\$ (1.312)	\$ 886.299	\$ (11.943)	
<u>Deductions from Income:</u>										
Less: Capitalized Assets	11.167	10.991	0.176	11.217	(0.226)	11.477	(0.259)	11.766	(0.289)	
Reserves	14.402	14.693	(0.291)	14.996	(0.303)	15.342	(0.346)	15.729	(0.387)	
<b>Adjusted Baseline Net Income/(Deficit)</b>	\$ 872.851	\$ 878.793	\$ 5.942	\$ 873.340	\$ (5.453)	\$ 871.423	\$ (1.917)	\$ 858.805	\$ (12.618)	
Less: Debt Service	419.344	465.849	(46.505)	478.580	(12.731)	493.389	(14.809)	507.849	(14.460)	
<b>Income Available for Distribution</b>	\$ 453.507	\$ 412.944	\$ (40.563)	\$ 394.760	\$ (18.184)	\$ 378.034	\$ (16.726)	\$ 350.956	\$ (27.078)	
<b>Distributable To:</b>										
MTA - Investment Income	1.949	2.419	0.470	2.424	0.005	2.529	0.105	2.709	0.180	
MTA - Distributable Income	271.911	256.880	(15.030)	247.847	(9.033)	239.438	(8.410)	225.802	(13.636)	
NYCT - Distributable Income	179.646	153.644	(26.002)	144.488	(9.156)	136.066	(8.422)	122.444	(13.622)	
<b>Total Distributable Income:</b>	\$ 453.506	\$ 412.943	\$ (40.562)	\$ 394.759	\$ (18.184)	\$ 378.033	\$ (16.727)	\$ 350.955	\$ (27.078)	
<b>Actual Cash Transfers:</b>										
MTA - Investment Income	1.368	1.949	0.581	2.419	0.470	2.424	0.005	2.529	0.105	
MTA - Transfers	296.783	258.383	38.400	248.750	9.633	240.279	8.472	227.165	13.113	
NYCT - Transfers	190.074	156.245	33.829	145.403	10.842	136.908	8.495	123.807	13.101	
<b>Total Cash Transfers:</b>	\$ 488.225	\$ 416.577	\$ 72.810	\$ 396.572	\$ 20.945	\$ 379.611	\$ 16.972	\$ 353.501	\$ 26.319	
<b>SUPPORT TO MASS TRANSIT:</b>										
Total Revenues	1,260.951	1,309.359	48.408	1,314.060	4.701	1,322.180	8.120	1,326.637	4.458	
Less: Net Operating Expenses	362.531	404.882	42.351	414.507	9.624	423.938	9.431	440.338	16.400	
Program to Eliminate the Gap	-	0.269	0.269	0.396	0.127	0.396	-	0.396	-	
<b>Net Operating Income:</b>	\$ 898.420	\$ 904.746	\$ 6.326	\$ 899.949	\$ (4.797)	\$ 898.638	\$ (1.312)	\$ 886.695	\$ (11.943)	
<b>Deductions from Operating Income:</b>										
B&T Debt Service	116.981	134.974	(17.993)	147.382	12.408	162.163	14.781	176.656	14.493	
Capitalized Assets	11.167	10.991	0.176	11.217	0.226	11.477	0.259	11.766	0.289	
Reserves	14.402	14.693	(0.291)	14.996	0.303	15.342	0.346	15.729	0.387	
<b>Total Deductions from Operating Inc:</b>	\$ 142.550	\$ 160.658	\$ (18.108)	\$ 173.595	\$ 12.937	\$ 188.982	\$ 15.387	\$ 204.150	\$ 15.169	
<b>Total Support to Mass Transit:</b>	\$ 755.870	\$ 744.088	\$ (11.782)	\$ 726.354	\$ (17.734)	\$ 709.656	\$ (16.698)	\$ 682.545	\$ (27.111)	

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)									
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	
<b>Revenue</b>										
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,206.892	1,244.320	37.428	1,247.171	2.851	1,254.848	7.677	1,256.824	1.976	
Other Operating Revenue	16.874	23.964	7.090	23.061	(0.903)	20.915	(2.146)	21.036	0.121	
Capital and Other Reimbursements	22.644	24.683	2.039	26.548	1.865	28.414	1.866	30.038	1.624	
Investment Income	1.949	2.419	0.470	2.424	0.005	2.529	0.105	2.709	0.180	
<b>Total Revenue</b>	<b>\$ 1,248.359</b>	<b>\$ 1,295.386</b>	<b>\$ 47.027</b>	<b>\$ 1,299.204</b>	<b>\$ 3.818</b>	<b>\$ 1,306.707</b>	<b>\$ 7.502</b>	<b>\$ 1,310.607</b>	<b>\$ 3.901</b>	
<b>Expenses</b>										
<b>Labor:</b>										
Payroll	\$ 106.185	\$ 110.612	\$ (4.426)	\$ 114.870	\$ (4.259)	\$ 119.515	\$ (4.645)	\$ 124.588	\$ (5.074)	
Overtime	21.813	22.242	(0.429)	21.778	0.464	22.394	(0.616)	23.098	(0.704)	
Health and Welfare	25.988	28.465	(2.477)	31.106	(2.641)	33.997	(2.891)	37.155	(3.159)	
Pensions	10.028	14.908	(4.880)	17.247	(2.339)	17.684	(0.437)	18.319	(0.635)	
Other Fringe Benefits	12.809	13.818	(1.009)	14.437	(0.619)	15.094	(0.657)	15.705	(0.611)	
Reimbursable Overhead	(5.430)	(6.254)	0.824	(6.415)	0.161	(6.594)	0.179	(6.788)	0.194	
<b>Total Labor Expenses</b>	<b>\$ 171.393</b>	<b>\$ 183.791</b>	<b>\$ (12.398)</b>	<b>\$ 193.023</b>	<b>\$ (9.232)</b>	<b>\$ 202.090</b>	<b>\$ (9.067)</b>	<b>\$ 212.078</b>	<b>\$ (9.989)</b>	
<b>Non-Labor:</b>										
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-	
Insurance	9.345	10.557	(1.212)	11.561	(1.004)	12.666	(1.105)	13.883	(1.217)	
Claims	-	-	-	-	-	-	-	-	-	
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Contracts	123.170	149.092	(25.922)	157.688	(8.596)	153.056	4.633	156.867	(3.812)	
Professional Service Contracts	15.451	16.658	(1.207)	16.912	(0.254)	17.249	(0.337)	17.624	(0.375)	
Materials & Supplies	28.485	28.672	(0.187)	28.297	10.375	21.201	(2.904)	21.613	(0.412)	
Other Business Expenses	2.095	2.139	(0.044)	2.169	(0.030)	2.204	(0.035)	2.242	(0.038)	
<b>Total Non-Labor Expenses</b>	<b>\$ 178.546</b>	<b>\$ 207.118</b>	<b>\$ (28.572)</b>	<b>\$ 206.628</b>	<b>\$ 0.490</b>	<b>\$ 206.375</b>	<b>\$ 0.252</b>	<b>\$ 212.230</b>	<b>\$ (5.855)</b>	
<b>Other Expenses Adjustments:</b>										
Other	-	-	-	-	-	-	-	-	-	
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses before Depreciation</b>	<b>\$ 349.939</b>	<b>\$ 390.909</b>	<b>\$ (40.970)</b>	<b>\$ 399.651</b>	<b>\$ (8.742)</b>	<b>\$ 408.465</b>	<b>\$ (8.814)</b>	<b>\$ 424.308</b>	<b>\$ (15.843)</b>	
Add: Depreciation	47.600	50.200	(2.600)	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)	
<b>Total Expenses after Depreciation</b>	<b>\$ 397.539</b>	<b>\$ 441.109</b>	<b>\$ (38.370)</b>	<b>\$ 456.151</b>	<b>\$ (2.442)</b>	<b>\$ 469.665</b>	<b>\$ (4.114)</b>	<b>\$ 491.008</b>	<b>\$ (10.343)</b>	
Less: Depreciation	47.600	50.200	(2.600)	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)	
<b>Total Expenses</b>	<b>\$ 349.939</b>	<b>\$ 390.909</b>	<b>\$ (40.970)</b>	<b>\$ 399.651</b>	<b>\$ (8.742)</b>	<b>\$ 408.465</b>	<b>\$ (8.814)</b>	<b>\$ 424.308</b>	<b>\$ (15.843)</b>	
<b>Baseline Net Income/(Deficit)</b>	<b>\$ 898.420</b>	<b>\$ 904.477</b>	<b>\$ 6.057</b>	<b>\$ 899.553</b>	<b>\$ (4.924)</b>	<b>\$ 898.242</b>	<b>\$ (1.312)</b>	<b>\$ 886.299</b>	<b>\$ (11.943)</b>	
Program to Eliminate the Gap (PEG)	-	0.269	0.269	0.396	0.127	0.396	-	0.396	-	
<b>Net Income/(Deficit)</b>	<b>\$ 898.420</b>	<b>\$ 904.746</b>	<b>\$ 6.326</b>	<b>\$ 899.949</b>	<b>\$ (4.797)</b>	<b>\$ 898.638</b>	<b>\$ (1.312)</b>	<b>\$ 886.695</b>	<b>\$ (11.943)</b>	

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**REIMBURSABLE**

	Favorable/(Unfavorable)									
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	
<b>Revenue</b>										
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	12.592	13.974	1.382	14.856	0.882	15.473	0.617	16.030	0.557	
Investment Income	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 12.592</b>	<b>\$ 13.974</b>	<b>\$ 1.382</b>	<b>\$ 14.856</b>	<b>\$ 0.882</b>	<b>\$ 15.473</b>	<b>\$ 0.617</b>	<b>\$ 16.030</b>	<b>\$ 0.557</b>	
<b>Expenses</b>										
<b>Labor:</b>										
Payroll	\$ 4.910	\$ 4.965	\$ (0.055)	\$ 5.093	\$ (0.128)	\$ 5.235	\$ (0.142)	\$ 5.389	\$ (0.154)	
Overtime	0.037	0.207	(0.170)	0.400	(0.193)	0.400	-	0.400	-	
Health and Welfare	1.223	1.358	(0.135)	1.487	(0.129)	1.628	(0.141)	1.783	(0.155)	
Pensions	0.431	0.522	(0.091)	0.770	(0.248)	0.899	(0.129)	0.927	(0.028)	
Other Fringe Benefits	0.561	0.668	(0.107)	0.691	(0.023)	0.717	(0.026)	0.743	(0.026)	
Reimbursable Overhead	5.430	6.254	(0.824)	6.415	(0.161)	6.594	(0.179)	6.788	(0.194)	
<b>Total Labor Expenses</b>	<b>\$ 12.592</b>	<b>\$ 13.974</b>	<b>\$ (1.382)</b>	<b>\$ 14.856</b>	<b>\$ (0.882)</b>	<b>\$ 15.473</b>	<b>\$ (0.617)</b>	<b>\$ 16.030</b>	<b>\$ (0.557)</b>	
<b>Non-Labor:</b>										
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Claims	-	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-	-	-	-	-
Other Business Expenses	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Labor Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Other Expenses Adjustments:</b>										
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total Expenses before Depreciation</b>	<b>\$ 12.592</b>	<b>\$ 13.974</b>	<b>\$ (1.382)</b>	<b>\$ 14.856</b>	<b>\$ (0.882)</b>	<b>\$ 15.473</b>	<b>\$ (0.617)</b>	<b>\$ 16.030</b>	<b>\$ (0.557)</b>	
Add: Depreciation	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses after Depreciation</b>	<b>\$ 12.592</b>	<b>\$ 13.974</b>	<b>\$ (1.382)</b>	<b>\$ 14.856</b>	<b>\$ (0.882)</b>	<b>\$ 15.473</b>	<b>\$ (0.617)</b>	<b>\$ 16.030</b>	<b>\$ (0.557)</b>	
Less: Depreciation	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 12.592</b>	<b>\$ 13.974</b>	<b>\$ (1.382)</b>	<b>\$ 14.856</b>	<b>\$ (0.882)</b>	<b>\$ 15.473</b>	<b>\$ (0.617)</b>	<b>\$ 16.030</b>	<b>\$ (0.557)</b>	
<b>Baseline Net Income/(Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0.000)</b>	
Program to Eliminate the Gap (PEG)	-	-	-	-	-	-	-	-	-	-
<b>Net Income/(Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0.000)</b>	

**MTA Bridges and Tunnels**  
**July Financial Plan 2006-2009**  
**Summary of Changes Between Financial Plans**

<b><u>PLAN-TO-PLAN</u></b>	<b><u>Favorable/ (Unfavorable) (\$ in millions)</u></b>
<b>2005: July Financial Plan vs. February Financial Plan</b>	<b>\$23.8</b>
<ul style="list-style-type: none"> <li>● Re-estimates in toll revenue resulting from lower than expected elasticity from the toll increase implemented in March 2005 and revised economic projections provided by Global Insight</li> <li>● Other reimbursements re-estimated to reflect reduction in security-related overtime</li> <li>● 2005 PEG: Reduction in capital reimbursement for traffic control performed for capital construction</li> <li>● Reduction in overtime for traffic control performed for capital construction</li> <li>● Lower payroll expenses resulting from higher than planned retirements</li> <li>● Lower overtime expenses due to the reduction in security-related overtime</li> <li>● Higher overtime expenses primarily from increases in law enforcement activities plus CPIU adjustments</li> <li>● Lower fringe benefits resulting from adjustments in payroll and overtime plus medical CPIU</li> <li>● Re-estimate of insurance expenses (from MTA Risk Management)</li> <li>● Reduction in E-ZPass Customer Service Center due to continued efficiencies in headcount needed to staff the facility</li> <li>● Savings realized from the lower E-ZPass credit card fees</li> <li>● Revised share of lease and rental expenses at 2 Broadway, as per MTA Real Estate.</li> <li>● Increase in Bond Insurance Service Fees</li> <li>● Reduction in procurement credit card purchases due to change in procedures that placed restrictions on spending limits.</li> <li>● Other</li> </ul>	<ul style="list-style-type: none"> <li>\$14.2</li> <li>(\$4.6)</li> <li>(\$0.5)</li> <li>\$0.6</li> <li>\$2.5</li> <li>\$3.2</li> <li>(\$0.6)</li> <li>\$2.7</li> <li>\$1.1</li> <li>\$1.0</li> <li>\$0.5</li> <li>\$4.0</li> <li>(\$2.0)</li> <li>\$0.3</li> <li>\$1.4</li> </ul>

	<u>Favorable/ (Unfavorable) (\$ in millions)</u>
<b>2006: July Financial Plan vs. February Financial Plan</b>	<b>\$11.8</b>
<ul style="list-style-type: none"> <li>● Re-estimates in toll revenue resulting from lower than expected elasticity from the toll increase implemented in March 2005 and revised economic projections provided by Global Insight</li> <li>● Re-estimate of the 2005 PEG for the E-ZPass Account Maintenance fee</li> <li>● Other reimbursements re-estimated to reflect reduction in security-related overtime</li> <li>● 2005 PEG: Reduction in capital reimbursement for traffic control performed for capital construction</li> <li>● Reduction in overtime for traffic control performed for capital construction</li> <li>● Lower payroll expenses resulting from higher than planned retirements, offset by CPIU increases</li> <li>● Lower overtime expenses due to the reduction in security-related overtime</li> <li>● Higher overtime expenses primarily from increases in law enforcement activities plus CPIU adjustments</li> <li>● Lower fringe benefits resulting from adjustments in payroll and overtime plus medical CPIU</li> <li>● Re-estimate of insurance expenses (from MTA Risk Mgmt.)</li> <li>● E-ZPass Customer Service Center (CSC) funding has been increased to cover: (a) potential start-up and transition costs in the event that a new vendor is selected as a result of the current procurement process, and (b) higher administrative costs for the acceleration of the current E-ZPass Tag Replacement Program. These increases are partially offset by a re-estimate of baseline operations due to staffing efficiencies.</li> <li>● Savings realized from the lower E-ZPass credit card fees</li> <li>● Revised share of lease and rental expenses at 2 Broadway, as per MTA Real Estate.</li> <li>● Increase in Bond Insurance Service Fees</li> <li>● E-ZPass Tag expenses are higher due to the acceleration of the tag replacement program, which will now be completed in 2006 rather than 2007.</li> <li>● Change in the replacement cycle of fleet vehicles</li> <li>● Reduction in procurement credit card purchases due to change in procedures that placed restrictions on spending limits.</li> <li>● Other</li> </ul>	<ul style="list-style-type: none"> <li>\$19.8</li> <li>\$2.3</li> <li>(\$3.9)</li> <li>(\$1.6)</li> <li>\$0.3</li> <li>\$0.8</li> <li>\$3.2</li> <li>(\$1.1)</li> <li>\$2.6</li> <li>\$1.0</li> <li>(\$9.1)</li> <li>\$1.0</li> <li>\$4.0</li> <li>(\$2.6)</li> <li>(\$4.6)</li> <li>\$0.5</li> <li>\$0.3</li> <li>(\$1.2)</li> </ul>

	<u>Favorable/ (Unfavorable) (\$ in millions)</u>
<b>2007: July Financial Plan vs. February Financial Plan</b>	<b>\$26.0</b>
<ul style="list-style-type: none"> <li>● Re-estimates in toll revenue resulting from lower than expected elasticity from the toll increase implemented in March 2005 and revised economic projections provided by Global Insight</li> <li>● Re-estimate of the 2005 PEG for the E-ZPass Account Maintenance fee</li> <li>● Other reimbursements re-estimated to reflect reduction in security-related overtime</li> <li>● 2005 PEG: Reduction in capital reimbursement for traffic control performed for capital construction</li> <li>● Reduction in overtime for traffic control performed for capital construction</li> <li>● Higher payroll expenses resulting from CPIU adjustments</li> <li>● Lower overtime expenses due to the reduction in security-related overtime</li> <li>● Higher overtime expenses primarily from increases in law enforcement activities plus CPIU adjustments</li> <li>● Lower fringe benefits resulting from adjustments in medical CPIU</li> <li>● Re-estimate of insurance expenses (from MTA Risk Mgmt.)</li> <li>● E-ZPass Customer Service Center (CSC) funding has been increased to cover six months of parallel operations between the current and potential future vendor, offset by a reduction of the administrative costs for the E-ZPass tag replacement program, which will have been completed in 2006.</li> <li>● Savings realized from the lower E-ZPass credit card fees</li> <li>● Revised share of lease and rental expenses at 2 Broadway, as per MTA Real Estate.</li> <li>● Increase in Bond Insurance Service Fees</li> <li>● Fewer E-ZPass Tag purchases due to the acceleration of the tag replacement program, which will have been completed in 2006 rather than 2007.</li> <li>● Change in the replacement cycle of fleet vehicles</li> <li>● Reduction in procurement credit card purchases due to change in procedures that placed restrictions on spending limits.</li> <li>● Other</li> </ul>	<ul style="list-style-type: none"> <li>\$20.1</li> <li>\$2.3</li> <li>(\$3.9)</li> <li>(\$1.4)</li> <li>\$1.4</li> <li>(\$0.1)</li> <li>\$3.2</li> <li>(\$1.5)</li> <li>\$2.9</li> <li>\$1.2</li> <li>(\$5.9)</li> <li>\$1.0</li> <li>\$4.1</li> <li>(\$2.6)</li> <li>\$7.2</li> <li>(\$0.1)</li> <li>\$0.3</li> <li>(\$2.1)</li> </ul>

	<u>Favorable/ (Unfavorable) (\$ in millions)</u>
<b>2008: July Financial Plan vs. February Financial Plan</b>	<b>\$35.0</b>
<ul style="list-style-type: none"> <li>● Re-estimates in toll revenue resulting from lower than expected elasticity from the toll increase implemented in March 2005 and revised economic projections provided by Global Insight</li> <li>● Other reimbursements re-estimated to reflect reduction in security-related overtime</li> <li>● 2005 PEG: Reduction in capital reimbursement for traffic control performed for capital construction</li> <li>● Reduction in overtime for traffic control performed for capital construction</li> <li>● Higher payroll expenses resulting from CPIU adjustments and step-up increases</li> <li>● Lower overtime expenses due to the reduction in security-related overtime</li> <li>● Higher overtime expenses primarily from increases in law enforcement activities plus CPIU adjustments</li> <li>● Lower fringe benefits resulting from adjustments in medical CPIU</li> <li>● Re-estimate of insurance expenses (from MTA Risk Management)</li> <li>● Lower E-ZPass Customer Service Center (CSC) expenses</li> <li>● Savings realized from the lower E-ZPass credit card fees</li> <li>● Revised share of lease and rental expenses at 2 Broadway, as per MTA Real Estate</li> <li>● Increase in Bond Insurance Service Fees</li> <li>● E-ZPass Tags are lower due to a revised estimate of inventory flows</li> <li>● Change in the replacement cycle of fleet vehicles</li> <li>● Reduction in procurement credit card purchases due to change in procedures that placed restrictions on spending limits.</li> <li>● Other</li> </ul>	<ul style="list-style-type: none"> <li>\$25.5</li> <li>(\$3.8)</li> <li>(\$1.4)</li> <li>\$1.4</li> <li>(\$1.1)</li> <li>\$3.2</li> <li>(\$1.5)</li> <li>\$3.2</li> <li>\$1.3</li> <li>\$2.1</li> <li>\$0.9</li> <li>\$4.1</li> <li>(\$2.6)</li> <li>\$5.0</li> <li>(\$0.2)</li> <li>\$0.2</li> <li>(\$1.3)</li> </ul>

Favorable/  
(Unfavorable)  
(\$ in millions)

<b>2009: July Financial Plan vs. February Financial Plan</b>	<b>\$33.1</b>
• Re-estimates in toll revenue resulting from lower than expected elasticity from the toll increase implemented in March 2005 and revised economic projections provided by Global Insight	\$25.2
• Other reimbursements re-estimated to reflect reduction in security-related overtime	(\$3.8)
• 2005 PEG: Reduction in capital reimbursement for traffic control performed for capital construction	(\$1.4)
• Reduction in overtime for traffic control performed for capital construction	\$1.4
• Higher payroll expenses resulting from CPIU adjustments and step-up increases	(\$2.3)
• Lower overtime expenses due to the reduction in security-related overtime	\$3.2
• Higher overtime expenses primarily from increases in law enforcement activities plus CPIU adjustments	(\$1.7)
• Lower fringe benefits resulting from adjustments in medical CPIU	\$3.5
• Re-estimate of insurance expenses (from MTA Risk Management)	\$1.5
• Lower E-ZPass Customer Service Center (CSC) expenses	\$2.0
• Savings realized from the lower E-ZPass credit card fees	\$0.8
• Revised share of lease and rental expenses at 2 Broadway, as per MTA Real Estate	\$4.2
• Increase in Bond Insurance Service Fees	(\$2.6)
• E-ZPass Tags are lower due to a revised estimate of inventory flows	\$5.0
• Reduction in procurement credit card purchases due to change in procedures that placed restrictions on spending limits.	\$0.2
• Other	(\$2.0)

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Summary of Changes Between Financial Plans by Category**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	2005	2006	2007	2008	2009
<b>2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$874.600</b>	<b>\$892.681</b>	<b>\$873.504</b>	<b>\$863.281</b>	<b>\$853.161</b>
<b>Add Back: February Plan Unspecified PEG's</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$874.600</b>	<b>\$892.681</b>	<b>\$873.504</b>	<b>\$863.281</b>	<b>\$853.161</b>
<b>Baseline:</b>					
<b>Changes</b>					
<i>Vehicle Toll Revenue</i>	14.211	19.827	20.084	25.531	25.162
<i>Other Revenue: 2005 PEG: E-ZPass Account Mtce Fee</i>	0.000	2.255	2.255	0.000	0.000
<i>Other Reimbursements (security-related)</i>	(4.601)	(3.880)	(3.855)	(3.841)	(3.824)
<i>Capital Reimbursement for Traffic Control OT</i>	0.000	0.000	0.000	0.000	0.000
<i>Payroll Expenses</i>	2.453	0.770	(0.133)	(1.187)	(2.420)
<i>Overtime expenses (security-related)</i>	3.152	3.184	3.227	3.184	3.227
<i>Overtime expenses for capital construction traffic contro</i>	0.151	(0.698)	0.893	1.141	1.295
<i>Other Overtime</i>	(0.557)	(1.062)	(1.481)	(1.525)	(1.703)
<i>Fringe Benefits</i>	2.725	2.646	2.735	2.865	3.123
<i>Insurance</i>	1.106	1.016	1.157	1.340	1.484
<i>E-ZPass Customer Service Center</i>	0.981	(9.068)	(5.913)	2.070	2.022
<i>E-ZPass Credit Card Fees</i>	0.500	1.000	0.961	0.915	0.846
<i>2 Broadway Lease Expenses</i>	3.977	4.008	4.070	4.140	4.238
<i>Bond Insurance Service Fees</i>	(2.000)	(2.600)	(2.600)	(2.600)	(2.600)
<i>E-ZPass Tags</i>	(0.037)	(4.574)	7.221	5.000	5.000
<i>Fleet Purchases</i>	0.000	0.499	(0.070)	(0.199)	(0.010)
<i>Procurement Credit Card Expenses</i>	0.347	0.300	0.265	0.230	0.200
<i>Other</i>	1.412	(1.827)	(2.767)	(2.103)	(2.902)
<b>Total Changes</b>	<b>\$23.820</b>	<b>\$11.796</b>	<b>\$26.049</b>	<b>\$34.961</b>	<b>\$33.138</b>
<b>Cash Adjustments:</b>					
<i>None</i>					
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$23.820</b>	<b>\$11.796</b>	<b>\$26.049</b>	<b>\$34.961</b>	<b>\$33.138</b>
<b>PEG Program</b>					
<i>Program to Eliminate the Gap (PEG)</i>	N/A	0.269	0.396	0.396	0.396
<b>Sub-Total PEG Changes</b>	<b>\$0.000</b>	<b>\$0.269</b>	<b>\$0.396</b>	<b>\$0.396</b>	<b>\$0.396</b>
<b>Total Changes</b>	<b>\$23.820</b>	<b>\$12.065</b>	<b>\$26.445</b>	<b>\$35.357</b>	<b>\$33.534</b>
<b>2005 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$898.420</b>	<b>\$904.746</b>	<b>\$899.949</b>	<b>\$898.638</b>	<b>\$886.695</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Summary of Changes Between Financial Plans by Category**  
**(\$ in millions)**

**REIMBURSABLE**

	2005	2006	2007	2008	2009
<b>2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Add Back: February Plan Unspecified PEG's</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline:</b>					
<b>Changes</b>					
<i>Vehicle Toll Revenue</i>	0.000	0.000	0.000	0.000	0.000
<i>Other Revenue: 2005 PEG: E-ZPass Account Mtce Fee</i>	0.000	0.000	0.000	0.000	0.000
<i>Other Reimbursements (security-related)</i>	0.000	0.000	0.000	0.000	0.000
<i>Capital Reimbursement for Traffic Control OT</i>	(0.470)	(1.589)	(1.396)	(1.396)	(1.396)
<i>Payroll Expenses</i>	0.000	(0.005)	0.027	0.062	0.100
<i>Overtime expenses (security-related)</i>	0.000	0.000	0.000	0.000	0.000
<i>Overtime expenses for capital construction traffic control</i>	0.470	0.973	0.503	0.255	0.101
<i>Other Overtime</i>	0.000	0.000	0.000	0.000	0.000
<i>Fringe Benefits</i>	0.000	(0.010)	0.155	0.293	0.328
<i>Insurance</i>	0.000	0.000	0.000	0.000	0.000
<i>E-ZPass Customer Service Center</i>	0.000	0.000	0.000	0.000	0.000
<i>E-ZPass Credit Card Fees</i>	0.000	0.000	0.000	0.000	0.000
<i>2 Broadway Lease Expenses</i>	0.000	0.000	0.000	0.000	0.000
<i>Bond Insurance Service Fees</i>	0.000	0.000	0.000	0.000	0.000
<i>E-ZPass Tags</i>	0.000	0.000	0.000	0.000	0.000
<i>Fleet Purchases</i>	0.000	0.000	0.000	0.000	0.000
<i>Procurement Credit Card Expenses</i>	0.000	0.000	0.000	0.000	0.000
<i>Other</i>	0.000	0.631	0.711	0.786	0.867
<b>Total Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Cash Adjustments:</b>					
<i>None</i>					
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>PEG Program</b>					
<i>Program to Eliminate the Gap (PEG)</i>	N/A	0.000	0.000	0.000	0.000
<b>Sub-Total PEG Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>2005 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Summary of Changes Between Financial Plans by Category**  
(\$ in millions)

**NON-REIMBURSABLE and  
REIMBURSABLE**

	2005	2006	2007	2008	2009
<b>2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$874.600</b>	<b>\$892.681</b>	<b>\$873.504</b>	<b>\$863.281</b>	<b>\$853.161</b>
<b>Add Back: February Plan Unspecified PEG's</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$874.600</b>	<b>\$892.681</b>	<b>\$873.504</b>	<b>\$863.281</b>	<b>\$853.161</b>
<b>Baseline:</b>					
<b>Changes</b>					
<i>Vehicle Toll Revenue</i>	14.211	19.827	20.084	25.531	25.162
<i>Other Revenue: 2005 PEG: E-ZPass Account Mtce Fee</i>	0.000	2.255	2.255	0.000	0.000
<i>Other Reimbursements (security-related)</i>	(4.601)	(3.880)	(3.855)	(3.841)	(3.824)
<i>Capital Reimbursement for Traffic Control OT</i>	(0.470)	(1.589)	(1.396)	(1.396)	(1.396)
<i>Payroll Expenses</i>	2.453	0.765	(0.106)	(1.125)	(2.320)
<i>Overtime expenses (security-related)</i>	3.152	3.184	3.227	3.184	3.227
<i>Overtime expenses for capital construction traffic control</i>	0.621	0.275	1.396	1.396	1.396
<i>Other Overtime</i>	(0.557)	(1.062)	(1.481)	(1.525)	(1.703)
<i>Fringe Benefits</i>	2.725	2.636	2.890	3.158	3.451
<i>Insurance</i>	1.106	1.016	1.157	1.340	1.484
<i>E-ZPass Customer Service Center</i>	0.981	(9.068)	(5.913)	2.070	2.022
<i>E-ZPass Credit Card Fees</i>	0.500	1.000	0.961	0.915	0.846
<i>2 Broadway Lease Expenses</i>	3.977	4.008	4.070	4.140	4.238
<i>Bond Insurance Service Fees</i>	(2.000)	(2.600)	(2.600)	(2.600)	(2.600)
<i>E-ZPass Tags</i>	(0.037)	(4.574)	7.221	5.000	5.000
<i>Fleet Purchases</i>	0.000	0.499	(0.070)	(0.199)	(0.010)
<i>Procurement Credit Card Expenses</i>	0.347	0.300	0.265	0.230	0.200
<i>Other</i>	1.412	(1.196)	(2.056)	(1.317)	(2.035)
<b>Total Changes</b>	<b>\$23.820</b>	<b>\$11.796</b>	<b>\$26.049</b>	<b>\$34.961</b>	<b>\$33.138</b>
<b>Cash Adjustments:</b>					
<i>None</i>					
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Baseline Changes</b>	<b>\$23.820</b>	<b>\$11.796</b>	<b>\$26.049</b>	<b>\$34.961</b>	<b>\$33.138</b>
<b>PEG Program</b>					
<i>Program to Eliminate the Gap (PEG)</i>	N/A	0.269	0.396	0.396	0.396
<b>Sub-Total PEG Changes</b>	<b>\$0.000</b>	<b>\$0.269</b>	<b>\$0.396</b>	<b>\$0.396</b>	<b>\$0.396</b>
<b>Total Changes</b>	<b>\$23.820</b>	<b>\$12.065</b>	<b>\$26.445</b>	<b>\$35.357</b>	<b>\$33.534</b>
<b>2005 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$898.420</b>	<b>\$904.746</b>	<b>\$899.949</b>	<b>\$898.638</b>	<b>\$886.695</b>

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Summary of PEGs**  
**(\$ in millions)**

	Favorable/(Unfavorable)									
	2005		2006		2007		2008		2009	
	Positions <sup>1</sup>	Dollars	Positions <sup>1</sup>	Dollars	Positions <sup>1</sup>	Dollars	Positions <sup>1</sup>	Dollars	Positions <sup>1</sup>	Dollars
<b>LIST of PROGRAMS</b>										
<b>Administration:</b>										
- Reduction of supervisory position in Rev Mgmt.			1	0.071	1	0.071	1	0.071	1	0.071
- Reduction of admin position in Payroll Dept.			1	0.041	1	0.041	1	0.041	1	0.041
- Reduction of admin position in Revenue Mgmt.			1	0.013	1	0.053	1	0.053	1	0.053
- Reduce overtime for law-enforcing activities by decreasing arrest processing time			0	0.144	0	0.144	0	0.144	0	0.144
- Reduction of admin position in Payroll Dept.					1	0.045	1	0.045	1	0.045
- Reduction of admin position in Accts Payable					1	0.042	1	0.042	1	0.042
<b>Sub-Total Administration</b>	<b>0</b>	<b>\$0.000</b>	<b>3</b>	<b>\$0.269</b>	<b>5</b>	<b>\$0.396</b>	<b>5</b>	<b>\$0.396</b>	<b>5</b>	<b>\$0.396</b>
<b>Customer Convenience &amp; Amenities:</b>										
<i>None</i>										
<b>Sub-Total Customer Convenience &amp; Amenities</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>
<b>Service:</b>										
<i>None</i>										
<b>Sub-Total Service</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>
<b>Maintenance:</b>										
<i>None</i>										
<b>Sub-Total Maintenance</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>
<b>Revenue Enhancements:</b>										
<i>None</i>										
<b>Sub-Total Revenue Enhancements</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>
<b>Other:</b>										
<i>None</i>										
<b>Sub-Total Other</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>	<b>0</b>	<b>\$0.000</b>
<b>Total PEGs</b>	<b>0</b>	<b>\$0.000</b>	<b>3</b>	<b>\$0.269</b>	<b>5</b>	<b>\$0.396</b>	<b>5</b>	<b>\$0.396</b>	<b>5</b>	<b>\$0.396</b>

<sup>1</sup> Reflects the impact of amendments on year-end positions.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**PEG Worksheet**

**PEG Program Category:**

Administrative

**Program:**

Reduction of one administrative position in the Payroll Department

**Background Details:**

Elimination of an administrative position in the Payroll Department due to efficiencies brought about by the re-engineering of the timecard reconciliation process.

**PEG Description and Implementation Plan:**

Elimination of one administrative position in the Payroll Department resulting from efficiencies realized by re-engineering of the timecard reconciliation process.

**PEG Implementation Date:**

July 2005

**When will PEG savings begin?:** July 2005

	2004 Actuals	2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)		\$0.021	\$0.041	\$0.041	\$0.041	\$0.041
<i>Total Reduction in Positions Required</i>		1	1	1	1	1
<i>(List title of positions)</i>						
Clerical Aide						
<i>Current Vacancies</i>		0	0	0	0	0
<i>(List title of vacant positions)</i>						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other						
(Identify Appropriate Indicator)						

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**PEG Worksheet**

**PEG Program Category:** Supervisory  
**Program:** Reduction of one supervisory position in Revenue Mgmt

<b>Background Details:</b>	Elimination of a Revenue Audit Supervisor position through the reallocation of supervisory responsibilities to the three remaining Audit Supervisors.
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<b>PEG Description and Implementation Plan:</b>	Reduction of one supervisory position in Revenue Mgmt resulting from the re-engineering of the audit process.	
<b>PEG Implementation Date:</b>	January 2006	<b>When will PEG savings begin?:</b> January 2006

	2004 Actuals	2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)		\$0.000	\$0.071	\$0.071	\$0.071	\$0.071
<i>Total Reduction in Positions Required</i>						
(List title of positions)		0	1	1	1	1
Revenue Audit Supervisor						
<i>Current Vacancies</i>						
(List title of vacant positions)		0	0	0	0	0
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other						
(Identify Appropriate Indicator)						





**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**PEG Worksheet**

**PEG Program Category:** Administration  
**Program:** Reduction of one administrative position in Accounts Payable

**Background Details:** Elimination of a accounts payable position. It is expected that current payment voucher trends as a result of the Procurement Credit Card, a reduction in capital vouchers, and an anticipated reduction in invoices due to new administrative budget controls will allow the agency to reduce one of eight Accounts Payable positions.

**PEG Description and Implementation Plan:** B&T proposes the reduction of one accounts payable position in 2007.

**PEG Implementation Date:** January 2007 **When will PEG savings begin?:** January 2007

	2004 Actuals	2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)		\$0.000	\$0.000	\$0.042	\$0.042	\$0.042
<i>Total Reduction in Positions Required</i>						
<i>(List title of positions)</i>						
Current Vacancies		0	0	0	0	0
<i>(List title of vacant positions)</i>						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other						
<i>(Identify Appropriate Indicator)</i>						

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**PEG Worksheet**

**PEG Program Category:** Administration  
**Program:** Reduce overtime associated with law-enforcement activities by improving arrest processing time.

**Background Details:** Bridge and Tunnel Officers (BTOs) make approximately 1,500 arrests per year. Overtime is often necessary to either cover the normally scheduled duties for the arresting BTO or to extend his or her workday to enable the completion of the procedural requirements. During the first quarter of 2005, BTOs made 384 arrests and paid 5,993 overtime hours for related coverage.

**PEG Description and Implementation Plan:** B&T proposes securing access to the NYPD's on-line booking system and establishing arrest processing centers at the Verrazano-Narrows Bridge and the Triborough Bridge. These changes would reduce arrest processing time by an estimated two hours per arrest, which would subsequently result in lower associated overtime costs.

**PEG Implementation Date:** January 2006 **When will PEG savings begin?:** First quarter 2006

**Other Issues:** None

	<b>2004 Actuals</b>	<b>2005 Mid-Year Forecast</b>	<b>2006 Preliminary Budget</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)		\$0.000	\$0.144	\$0.144	\$0.144	\$0.144
<i>Total Reduction in Positions Required</i>						
<i>(List title of positions)</i>						
Current Vacancies		0	0	0	0	0
<i>(List title of vacant positions)</i>						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other						
<i>(Identify Appropriate Indicator)</i>						

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Total Non-Reimbursable - Reimbursable Positions at End-of-Year**  
**Full-Time Positions and Full Time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
	<b>Actuals</b>	<b>Mid-Year</b>	<b>Preliminary</b>			
		<b>Forecast</b>	<b>Budget</b>			
<b>Administration</b>						
Executive	4	4	4	4	4	4
Law	9	10	10	10	10	10
CFO <sup>(1)</sup>	36	38	38	38	38	38
Labor Relations	4	5	5	5	5	5
Procurement & Materials	41	41	41	41	41	41
Staff Services <sup>(2)</sup>	49	49	49	49	49	49
EEO	1	1	1	1	1	1
<b>Operations</b>						
Revenue Management	45	48	48	48	48	48
Operations (Non-Security)	775	750	750	750	750	750
<b>Maintenance</b>						
Maintenance	86	91	91	91	91	91
Operations - Maintainers	186	190	190	190	190	190
Procurement & Materials	14	14	14	14	14	14
Technology	56	58	58	58	58	58
Internal Security - Tech Svcs	30	33	36	36	36	36
<b>Engineering/Capital</b>						
Engineering & Construction	163	167	167	167	167	167
Health & Safety	10	10	10	10	10	10
Planning & Budget Capital	9	9	9	9	9	9
<b>Public Safety</b>						
Operations (Security)	259	261	261	261	261	261
Internal Security - Operations	34	36	36	36	36	36
<b>Baseline Total Positions</b>	<b>1811</b>	<b>1815</b>	<b>1818</b>	<b>1818</b>	<b>1818</b>	<b>1818</b>
<i>Non-Reimbursable</i>	1766	1770	1773	1773	1773	1773
<i>Reimbursable</i>	45	45	45	45	45	45
<i>Total Full-Time</i>	1811	1815	1818	1818	1818	1818
<i>Total Full-Time-Equivalents</i>						
<b>Impact of:</b>						
PEG Program	0	0	(3)	(5)	(5)	(5)
<b>Total Positions</b>	<b>1811</b>	<b>1815</b>	<b>1815</b>	<b>1813</b>	<b>1813</b>	<b>1813</b>
<i>Non-Reimbursable</i>	1766	1770	1770	1768	1768	1768
<i>Reimbursable</i>	45	45	45	45	45	45
<i>Total Full-Time</i>	1811	1815	1815	1813	1813	1813
<i>Total Full-Time-Equivalents</i>	0	0	0	0	0	0

<sup>(1)</sup> includes Accounts Payable, Accounting, Payroll and Operating Budget staff.

<sup>(2)</sup> includes Human Resources and Administration staff.

**MTA BRIDGES AND TUNNELS**  
**July Financial Plan 2006 - 2009**  
**Ridership/Traffic Volume (Utilization)**  
(in millions)

	<b>2004 Actuals</b>	<b>2005 Mid-Year Forecast</b>	<b>2006 Preliminary Budget</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Baseline Total Toll Revenue</b>	\$1,096.988	\$1,206.892	\$1,244.320	\$1,247.171	\$1,254.848	\$1,256.824
<i>Impact of:</i>						
Program to Eliminate the Gap (PEG)	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Toll Revenue</b>	\$1,096.988	\$1,206.892	\$1,244.320	\$1,247.171	\$1,254.848	\$1,256.824
<b>Baseline Total Traffic</b>	302.995	299.891	301.434	302.638	305.019	306.020
<i>Impact of:</i>						
Program to Eliminate the Gap (PEG)	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Traffic</b>	302.995	299.891	301.434	302.638	305.019	306.02

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# **Capital Construction Company**

**MTA Capital Construction Company**  
**2006 Preliminary Budget**  
**July Financial Plan 2006-2009**

Mission Statement

The mission of the MTA Capital Construction Company (MTACC) is to serve the mobility needs of customers of the Metropolitan Transportation Authority (MTA) for the 21<sup>st</sup> Century by planning, designing, and building projects that expand the reach and capacity of the MTA network while meeting the MTA's obligation to serve the changing transportation needs of its customers in a timely, creative and cost-effective manner.

MTACC is responsible for managing all activities associated with the design and construction of East Side Access, the Second Avenue Subway, #7 Line Extension, Lower Manhattan Fulton Transit Center, the new South Ferry station complex, and system-wide capital security projects. All MTACC costs are 100% reimbursable from the MTA Capital Program.

Financial Overview

MTACC continues to utilize dedicated resources to efficiently address the challenges related to the planning, design, construction, regulatory framework, and community participation requirements of large complex capital projects. It is the goal of MTACC to minimize the number of full-time employees in order to maintain a cost efficient program management structure. MTACC continues to draw from the expertise and support services available in other MTA agencies to support design and construction management. The preliminary budget proposal reflects this philosophy.

Currently, both MTA NYCT and MTA Headquarters are providing many support services. This budget proposal assumes that many of these services will continue to be provided.

2005 Mid-Year Forecast

MTACC's 2005 Mid-Year Forecast is approximately 42% lower than the 2005 Adopted Budget due to delays in the start of major construction. As a result, there is an overall decrease in company expenditures forecast for 2005. Approximately 70% of this reduction is due to revised year-end 2005 staffing levels and associated labor expenses. Staffing needs are being timed to meet the needs of the capital construction projects. The 2005 Mid-Year Forecast is projecting a staffing level of 82 by year end, 45% lower than the 2005 Adopted Budget of 150. Matrixed\* employees and consultants will continue

to support MTACC in lieu of hiring full time staff. As of June 2005, approximately 100 matrixed employees are supporting MTACC projects.

### 2006 Preliminary Budget - Baseline

In 2006, MTACC's main objective will be to continue major construction and design of the MTA's system expansion projects. To accomplish these objectives, MTACC projects 2006 costs at \$26.216 million and a year end headcount of 150.

Labor and fringe expenses are projected at \$16.635 million. The 2006 year end staffing level of 150 employees reflects an increase of 68 positions over the 2005 year end projection. Staff includes 49 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 50 for the East Side Access project; 15 for the Second Avenue Subway project; 17 for the Lower Manhattan projects; and 19 for Security projects.

Non-Labor costs are projected at \$9.581 million. Funds have been budgeted for engineering and legal services, reimbursement of NYCT for administrative support staff and services, lease of the 8<sup>th</sup> floor at 2 Broadway and other project office costs such as communications and supplies. Major assumptions and reconciliations to the February Plan are discussed later.

### 2006 - 2009 Projections

With the anticipated award of major construction contracts, MTACC costs are projected to increase by 43.0% in 2006 and 16.9% in 2007. In 2008 costs will decrease by 1.1% and then increase by 3.3% in 2009. Year-end staffing levels remain constant at 150.

Labor costs increase in 2006 reflecting an increase in staffing from 82 to 150. Labor costs peak out in 2007 reflecting the first year of full staffing. In 2008 and 2009 labor costs remain constant and increase only by inflation. Due to some one-time agency setup costs in 2005 for furniture, equipment and intranet services, non-labor costs decline in 2006 by approximately 5%. Funding is also provided in 2005, 2006 and 2007 for project related legal and real estate services that may not be eligible for reimbursement by the Federal Transit Administration. Costs continue to decrease in 2007 and 2008 by 1.8% and 10.5%, respectively. In 2009 non-labor costs increase slightly by 3.3% to adjust for inflation.

These assumptions will be monitored and revised as the MTACC organization structure and processes are finalized and actual expenditures are realized.

\*Matrixed employees are employees of other agencies under temporary management of MTACC.





**MTA Capital Construction Company  
July Financial Plan 2006-2009  
Year-to-Year Changes by Category 2005-2009  
Non-Reimbursable and Reimbursable**

**Revenue**

**Capital and Other Reimbursements**

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

**Expenses**

**Payroll**

- 2005 payroll costs reflect a projected year-end staffing level of 82. This is a reduction of 68 positions, 45%, from the February Adopted Budget.
- Costs are based on 2005 annualized projected salaries.
- 2006, 2007, 2008 and 2009 year-end staffing levels remain constant at 150. Payroll costs are escalated from the prior year's base salary by 2.57%, 2.79%, 2.94% and 3.18% respectively.

**Other Fringe Benefits**

- Benefits in 2005 were reduced due to the lower than planned year-end staffing levels.
- Pension costs in 2005 increased due to an overall increase in MTA pension rates.
- Health and Welfare costs have been inflated by 9.3% in 2006 through 2009.
- Pension and other benefits have been escalated by 2.57%, 2.79%, 2.94% and 3.18% from 2006 through 2009 respectively.

**Insurance**

- 2005 includes insurance expenses for the All-Agency Protective Liability Program for the South Ferry project.

- 2006 through 2009 costs are based on 2005 projections. Costs are escalated by approximately 10% from 2006 through 2009.

### **Professional Service Contracts**

- Costs decrease by 16.0% in 2006 due to lower projected real estate costs.
- Costs are escalated by 2.57%, 2.79%, 2.94% and 3.18% for 2006 through 2009 respectively.
- Costs remain fairly constant in 2007, reducing by 4%. Projected legal costs are reduced significantly in 2008 resulting in an overall decrease in professional services of 22.6%. Due to escalation rates, costs slightly increase in 2009.

### **Materials and Supplies**

- Supplies costs increase in 2006 by 42% to reflect increased staffing levels.
- 2006 through 2009 costs are based on 2005 projections and remain fairly constant. Costs are escalated by 2.57%, 2.79%, 2.94% and 3.18% in 2006, 2007, 2008 and 2009 respectively.

### **Other Business Expenses**

- 2005 assumed agency set up costs such as procurement of copy machines, telephones, miscellaneous office furniture, computer equipment and to establish an MTACC intranet and 2 Broadway 8<sup>th</sup> floor lease.
- Costs decrease 3.26% in 2006 because agency set up costs are not included.
- Costs remain fairly constant in 2007, 2008 and 2009.
- 2005 through 2009 costs are escalated by 2.57%, 2.79%, 2.94% and 3.18% respectively.

**MTA Capital Construction**  
**July Financial Plan 2006 - 2009**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

REIMBURSABLE	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<b>Revenue</b>									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Capital and Other Reimbursements	\$18.412	\$26.216	\$7.804	\$30.669	\$4.453	\$30.321	(\$0.348)	\$31.313	\$0.992
<b>Total Revenue</b>	<b>\$18.412</b>	<b>\$26.216</b>	<b>\$7.804</b>	<b>\$30.669</b>	<b>\$4.453</b>	<b>\$30.321</b>	<b>(\$0.348)</b>	<b>\$31.313</b>	<b>\$0.992</b>
<b>Expenses</b>									
Labor:									
Payroll	\$5.603	\$11.178	(\$5.575)	\$14.405	(\$3.226)	\$14.770	(\$0.366)	\$15.240	(\$0.470)
Overtime	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Health and Welfare	\$0.839	\$1.718	(\$0.878)	\$2.139	(\$0.422)	\$2.194	(\$0.054)	\$2.263	(\$0.070)
Pensions	\$1.030	\$2.303	(\$1.273)	\$3.037	(\$0.734)	\$3.118	(\$0.081)	\$3.225	(\$0.107)
Other Fringe Benefits	\$0.892	\$1.437	(\$0.545)	\$1.673	(\$0.236)	\$1.718	(\$0.045)	\$1.777	(\$0.059)
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Labor Expenses</b>	<b>\$8.364</b>	<b>\$16.635</b>	<b>(\$8.272)</b>	<b>\$21.254</b>	<b>(\$4.619)</b>	<b>\$21.801</b>	<b>(\$0.546)</b>	<b>\$22.506</b>	<b>(\$0.705)</b>
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains									
Insurance	\$0.497	\$0.538	(\$0.041)	\$0.592	(\$0.054)	\$0.651	(\$0.059)	\$0.716	(\$0.065)
Claims									
Paratransit Service Contracts									
Maintenance and Other									
Professional Service Contracts	\$5.417	\$4.553	\$0.865	\$4.388	\$0.164	\$3.397	\$0.991	\$3.437	(\$0.039)
Materials & Supplies	\$1.083	\$1.538	(\$0.455)	\$1.586	(\$0.048)	\$1.625	(\$0.039)	\$1.675	(\$0.050)
Other Business Expenses	\$3.052	\$2.952	\$0.099	\$2.849	\$0.103	\$2.847	\$0.002	\$2.979	(\$0.132)
<b>Total Non-Labor Expenses</b>	<b>\$10.048</b>	<b>\$9.581</b>	<b>\$0.467</b>	<b>\$9.415</b>	<b>\$0.166</b>	<b>\$8.520</b>	<b>\$0.894</b>	<b>\$8.807</b>	<b>(\$0.287)</b>
Other Expenses Adjustments:									
Other									
<b>Total Other Expense Adjustments</b>									
<b>Total Expenses before Depreciation</b>									
Depreciation									
<b>Total Expenses</b>	<b>\$18.412</b>	<b>\$26.216</b>	<b>(\$7.804)</b>	<b>\$30.669</b>	<b>(\$4.453)</b>	<b>\$30.321</b>	<b>\$0.348</b>	<b>\$31.313</b>	<b>(\$0.992)</b>
<b>Baseline Net Surplus/(Deficit)</b>									
New Needs									
PEG Program									
<b>Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA Capital Construction**  
**July Financial Plan 2006 - 2009**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<b>Cash Receipts &amp; Expenditures</b>									
<b><u>Receipts</u></b>									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Capital and Other Reimbursements	\$18.412	\$26.216	\$7.804	\$30.669	\$4.453	\$30.321	(\$0.348)	\$31.313	\$0.992
<b>Total Receipts</b>	<b>\$18.412</b>	<b>\$26.216</b>	<b>\$7.804</b>	<b>\$30.669</b>	<b>\$4.453</b>	<b>\$30.321</b>	<b>(\$0.348)</b>	<b>\$31.313</b>	<b>\$0.992</b>
<b><u>Expenditures</u></b>									
<b>Labor:</b>									
Payroll	\$5.603	\$11.178	(\$5.575)	\$14.405	(\$3.226)	\$14.770	(\$0.366)	\$15.240	(\$0.470)
Overtime									
Health and Welfare	\$0.839	\$1.718	(\$0.878)	\$2.139	(\$0.422)	\$2.194	(\$0.054)	\$2.263	(\$0.070)
Pensions	\$1.030	\$2.303	(\$1.273)	\$3.037	(\$0.734)	\$3.118	(\$0.081)	\$3.225	(\$0.107)
Other Fringe Benefits	\$0.892	\$1.437	(\$0.545)	\$1.673	(\$0.236)	\$1.718	(\$0.045)	\$1.777	(\$0.059)
Reimbursable Overhead									
<b>Total Labor Expenditures</b>	<b>\$8.364</b>	<b>\$16.635</b>	<b>(\$8.272)</b>	<b>\$21.254</b>	<b>(\$4.619)</b>	<b>\$21.801</b>	<b>(\$0.546)</b>	<b>\$22.506</b>	<b>(\$0.705)</b>
<b>Non-Labor:</b>									
Traction and Propulsion Power									
Fuel for Buses and Trains									
Insurance	\$0.497	\$0.538	(\$0.041)	\$0.592	(\$0.054)	\$0.651	(\$0.059)	\$0.716	(\$0.065)
Claims									
Paratransit Service Contracts									
Maintenance and Other Operating Contracts									
Professional Service Contracts	\$5.417	\$4.553	\$0.865	\$4.388	\$0.164	\$3.397	\$0.991	\$3.437	(\$0.039)
Materials & Supplies	\$1.083	\$1.538	(\$0.455)	\$1.586	(\$0.048)	\$1.625	(\$0.039)	\$1.675	(\$0.050)
Other Business Expenses	\$3.052	\$2.952	\$0.099	\$2.849	\$0.103	\$2.847	\$0.002	\$2.979	(\$0.132)
<b>Total Non-Labor Expenditures</b>	<b>\$10.048</b>	<b>\$9.581</b>	<b>\$0.467</b>	<b>\$9.415</b>	<b>\$0.166</b>	<b>\$8.520</b>	<b>\$0.894</b>	<b>\$8.807</b>	<b>(\$0.287)</b>
<b>Other Expenditure Adjustments:</b>									
Other									
<b>Total Other Expenditure Adjustments</b>									
<b>Total Expenditures</b>	<b>\$18.412</b>	<b>\$26.216</b>	<b>(\$7.804)</b>	<b>\$30.669</b>	<b>(\$4.453)</b>	<b>\$30.321</b>	<b>\$0.348</b>	<b>\$31.313</b>	<b>(\$0.992)</b>
<b>Baseline Net Cash Deficit</b>									
<b>PEG Program</b>									
<b>Net Cash Deficit</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA Capital Construction Company  
July Financial Plan 2006-2009  
Summary of Changes Between Financial Plans 2005-2009**

**2005: July Financial Plan vs. February Financial Plan**

The July Financial Plan is \$13.160 million (42%) lower than the February Adopted Budget. This decrease in expenditures is due to delays in the start of major construction. Staffing needs are being timed to meet the needs of the capital construction projects. Therefore, the 2005 July Plan is projecting a staffing level of 82 by year end, 45% lower than the 2005 February Financial Plan.

**2006: July Financial Plan vs. February Financial Plan**

Projections for 2006 are reduced by \$4.248, 14% lower than the February Adopted Budget. MTACC costs reflect anticipated progress in major construction of capital projects and full staff levels of 150 by year end. Labor expenses are 19% lower than the Plan because full staffing levels are not reached until year end. Non-labor expenditures are reduced 4% due to a re-estimate of costs for materials and supplies, legal and real estate services and lease costs at 2 Broadway.

**2007: July Financial Plan vs. February Financial Plan**

Projections for 2007 are 1.6% lower than the February Plan. Staffing remains constant at 150 employees. Costs for supplies and the lease at 2 Broadway were re-estimated.

**2008: July Financial Plan vs. February Financial Plan**

The 2008 July Financial Plan assumes a full staff level of 150. Costs are projected at 4.8% lower than the February Plan. Costs for furniture, equipment, supplies, legal, and lease costs at 2 Broadway have been reduced.

**2009: July Financial Plan vs. February Financial Plan**

Staffing remains constant at 150 employees. Costs are consistent with 2008 projections adjusted for inflation.

**MTA Capital Construction**  
**July Financial Plan 2006 - 2009**  
**Summary of Changes Between Financial Plans by Category**  
**(\$ in millions)**

REIMBURSABLE	2005	2006	2007	2008	2009
2005 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Add Back: February Plan Unspecified PEG's					
Baseline 2005 February Financial Plan - Operating Cash Income/(Deficit)					
<b>Baseline:</b>					
<b>Changes</b>					
Revenue	(\$13.160)	(\$4.248)	(\$.491)	(\$1.513)	(\$1.160)
Sub-Total Revenue Changes	(\$13.160)	(\$4.248)	(\$.491)	(\$1.513)	(\$1.160)
Expenses	\$13.160	\$4.248	\$.491	\$1.513	\$1.160
Sub-Total Expense Changes	\$13.160	\$4.248	\$.491	\$1.513	\$1.160
Cash Adjustments:					
Revenue					
Expense					
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Programmatic New Needs					
PEG Program					
<b>Total Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

**MTA Capital Construction**  
**July Financial Plan 2006 - 2009**  
**Total Non-Reimbursable - Reimbursable Positions at End-of-Year**  
**Full-Time Positions and Full Time Equivalents**  
(\$ in millions)

<b>FUNCTION/DEPARTMENT</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
	<b>Actuals</b>	<b>Mid-Year</b>	<b>Preliminary</b>			
		<b>Forecast</b>	<b>Budget</b>			
Administration						
MTACC	13	17	48	48	48	48
Operations (list departments)						
Maintenance (list departments)						
Engineering/Capital						
MTACC	1	1	1	1	1	1
East Side Access	22	33	50	50	50	50
Security	2	14	19	19	19	19
Second Avenue Subway	2	6	15	15	15	15
Lower Manhattan Projects	4	11	17	17	17	17
Public Safety (list departments)						
<b>Baseline Total Positions</b>	44	82	150	150	150	150
<i>Non-Reimbursable</i>						
<i>Reimbursable</i>	44	82	150	150	150	150
<i>Total Full-Time</i>	44	82	150	150	150	150
<i>Total Full-Time-Equivalents</i>						
<hr style="border: 1px solid gray;"/>						
Impact of: PEG Program						
<b>Total Positions</b>	44	82	150	150	150	150
<i>Non-Reimbursable</i>						
<i>Reimbursable</i>	44	82	150	150	150	150
<i>Total Full-Time</i>	44	82	150	150	150	150
<i>Total Full-Time-Equivalents</i>						

## **Summary of Assumptions Regarding Staffing Positions**

All MTACC costs are reimbursable from the MTA Capital Program. The July Financial Plan reduces the 2005 projected year end staffing from 150 to 82. This reflects the delay in the award of major construction contracts. Staffing levels reach 150 in 2006 and remain constant at that level.

The 2006 Year-End Staffing level includes 49 MTACC administrative positions; 50 East Side Access project employees; 15 for Second Avenue Subway project; 17 for the Lower Manhattan projects; and 19 support security projects.

# **Long Island Bus**

# **MTA Long Island Bus 2006 Preliminary Budget July Financial Plan 2006 - 2009**

## **MISSION STATEMENT**

MTA Long Island Bus (LI Bus) is committed to providing a safe, reliable, convenient and efficient transit bus service throughout Nassau, eastern Queens and western Suffolk counties.

## **AGENCY OVERVIEW**

LI Bus operates 333 fixed route buses serving 96 communities, 47 Long Island Rail Road stations, 5 New York City Transit subway stations, shopping centers, colleges, museums, parks, theaters and beaches throughout our area. Fixed route ridership is projected to reach 30.0 million in 2005 and increase by 0.5% annually during the next three years.

In 1995, LI Bus began operating the Able-Ride paratransit program. This program offers curb-to-curb transportation for eligible customers who, because of their disabilities, are unable to use the fixed route bus system. Demands for this service continue to grow. Currently, there are 86 Able-Ride buses, which provided 318,000 trips in 2004. The historically high annual growth rate has slowed, but a 1.0% increase is projected for the 2006-2008 period.

During 2004, LI Bus completed the conversion of its fixed route fleet to operate on compressed natural gas fuel (CNG). CNG provides significant environmental benefit by reducing tail pipe emissions. The conversion was achieved through the committed and aggressive work of LI Bus personnel in securing County, State and Federal support for this program.

LI Bus continues to be at the forefront in implementing new technologies to enhance the safety and reliability of our fleet and convenience to its customers. With capital funding, LI Bus installed a new scheduling system, an Automatic Vehicle Locator (AVL) system, on-board vehicle systems, and various other modules to enhance existing support.

The safety of customers, personnel, the fleet, and facilities, is a priority, and, as such, we have enhanced electronic surveillance systems, physical structures and implemented safety awareness training of all employees.

## **FINANCIAL OVERVIEW**

In recent years, LI Bus has implemented cost savings programs aimed at containing expenses and maximizing subsidies and other revenue during a period in which service demands have increased.

### **Administrative Reductions**

#### ***Labor***

Since 1999, LI Bus reduced administrative headcount from 121 to 104, a 14.0% reduction of administrative positions.

LI Bus implemented a combined strategy of delayed hiring, freezing vacancies and consolidating job functions in each of the past five years. In 2004, payroll expenses were reduced by \$1.0 million, costs that have been eliminated from LI Bus's current budget plan.

### ***Non-Labor***

OTPS expenses have also been subject to cost reductions:

- Training – utilization of less expensive training methods
- Seminars – elimination of non-essential seminars
- Travel – elimination of non-essential travel
- Recruitment advertisement – utilization of less expensive recruiting methods
- Schedule printing – revision of format to reduce printing costs
- Surveys – utilization of employees in place of outside services
- Data storage costs – elimination of data files no longer required

### ***Preventative Maintenance***

LI Bus has in place a very effective preventative maintenance program. This program is pro active in nature and adheres to scheduled maintenance procedures and programs. This reduces the need for more expensive overhaul and repair programs.

The paratransit fleet is maintained through maintenance contracts with vendors and is supported by a small in-house maintenance staff that performs light preventative maintenance functions. The in-house maintenance staff also monitors and tracks the work done by the vendors to insure compliance and quality.

### ***Warranty Tracking System***

A major enhancement to improve bus parts warranty tracking was developed and implemented in late 2004. This system provides LI Bus the ability to recover the cost of replacing bus parts covered under manufacturer's warranty. Annual savings of approximately \$100,000 are estimated.

### ***Innovative Funding to Improve Service***

The Scheduling Department continuously monitors passenger demands for services. Through the use of various grants, LI Bus has been able to meet the needs of job access and reverse commuters on several routes. Innovative funding has also been used to respond to gap closures, bus/rail connections, and service enhancement needs. Various shuttle routes have also been implemented to reduce private vehicle use, congestion and pollution. These service enhancements were done without adding to the operating deficit.

### ***Maintaining Performance Standards***

LI Bus has been able to react to the needs of the riding public and maintain a superb level of performance. Pullout, availability, safety, and Mean Distance Between Failure (MDBF) goals have been improved over prior years.

## **2005 MID YEAR FORECAST**

The 2005 Mid Year Forecast increased the 2005 net deficit by \$2.3 million over the February Adopted Budget. The main contributor to this increase is the rising cost of fuel and utilities, which account for \$2.1 million. Fuel and utility rates did not fall as predicted by the CPI used to develop the February Plan, instead, rates have continued to increase.

Ridership is expected to meet the February Plan but revenue has been lowered due to a decrease in the estimated average fare. Other Operating Revenue has also been lowered based on current projections.

There are no administrative or other programmatic increases in the Mid Year Plan. LI Bus is on target to achieve the 2005 \$1.4 million PEG. In addition, savings of \$0.7 million in Payroll and Health and Welfare expenses were included in 2005 net deficit.

## **2006 – 2009 PROJECTIONS**

The 2006 – 2009 expense projections reflect the change in indices in the New York State all Urban Consumer Price Index (CPI).

Fuel and utilities costs were adjusted upward in the Mid Year Plan as the 2005 baseline numbers were increased due to raising prices.

Revenue in the Mid Year Plan was affected by current projections in ridership and average fares. Fixed route ridership is projected to increase 0.5% annually. Paratransit ridership growth was adjusted to a 1% annual growth rate reflecting the normalization in growth trends. Revenue was impacted accordingly.

Other Operating Revenue and Capital Reimbursements are reviewed as each grant or reimbursable program is approved and secured by LI Bus. The Mid Year Plan reflects the grant funding LI Bus projects receiving approval for in the out-years.

In 2006, a \$0.3 million service contract for contingent Paratransit services has been added.

Based on current lower rates, Health and Welfare expenses were lowered in each successive year of the plan.

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE**

	<b>2004</b>	<b>2005</b>	<b>2006</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Revenue</b>						
Farebox Revenue	\$37.459	\$38.332	\$38.515	\$38.720	\$38.929	\$39.128
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	3.787	3.544	3.699	3.199	2.549	2.454
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$41.246</b>	<b>\$41.876</b>	<b>\$42.214</b>	<b>\$41.919</b>	<b>\$41.478</b>	<b>\$41.582</b>
<b>Expenses</b>						
Labor:						
Payroll	\$55.774	\$57.377	\$59.187	\$60.838	\$62.627	\$64.618
Overtime	5.200	4.984	5.112	5.255	5.409	5.581
Health and Welfare	9.796	10.646	11.686	12.773	13.961	15.259
Pensions	4.603	5.911	6.063	6.232	6.415	6.619
Other Fringe Benefits	6.370	6.377	6.541	6.723	6.921	7.141
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$81.743</b>	<b>\$85.295</b>	<b>\$88.589</b>	<b>\$91.821</b>	<b>\$95.333</b>	<b>\$99.219</b>
Non-Labor:						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	6.565	7.676	7.786	7.592	7.138	6.965
Insurance	0.091	0.107	0.118	0.130	0.143	0.157
Claims	4.431	2.894	2.845	2.946	3.125	3.220
Paratransit Service Contracts	0.000	0.062	0.312	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.206	3.488	3.578	3.677	3.786	3.906
Professional Service Contracts	1.576	1.606	1.648	1.694	1.743	1.798
Materials & Supplies	1.051	2.149	2.289	2.445	2.614	2.802
Other Business Expenses	3.065	3.968	4.039	4.055	4.035	4.076
<b>Total Non-Labor Expenses</b>	<b>\$19.985</b>	<b>\$21.950</b>	<b>\$22.614</b>	<b>\$22.539</b>	<b>\$22.583</b>	<b>\$22.924</b>
Other Expenses Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$101.728</b>	<b>\$107.245</b>	<b>\$111.203</b>	<b>\$114.360</b>	<b>\$117.916</b>	<b>\$122.143</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$101.728</b>	<b>\$107.245</b>	<b>\$111.203</b>	<b>\$114.360</b>	<b>\$117.916</b>	<b>\$122.143</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$60.482)</b>	<b>(\$65.369)</b>	<b>(\$68.989)</b>	<b>(\$72.441)</b>	<b>(\$76.438)</b>	<b>(\$80.561)</b>
PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net Surplus/(Deficit)</b>	<b>(\$60.482)</b>	<b>(\$65.369)</b>	<b>(\$68.989)</b>	<b>(\$72.441)</b>	<b>(\$76.438)</b>	<b>(\$80.561)</b>

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**REIMBURSABLE**

	2004	2005	2006			
	Actuals	Mid-Year Forecast	Preliminary Budget	2007	2008	2009
<b>Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	4.233	5.533	5.683	5.820	5.986	6.138
<b>Total Revenue</b>	<b>\$4.233</b>	<b>\$5.533</b>	<b>\$5.683</b>	<b>\$5.820</b>	<b>\$5.986</b>	<b>\$6.138</b>
<b>Expenses</b>						
Labor:						
Payroll	\$0.598	\$0.830	\$0.858	\$0.938	\$0.959	\$1.029
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.176	1.274	1.392	1.447	1.589	1.668
Pensions	0.088	0.069	0.071	0.072	0.074	0.076
Other Fringe Benefits	0.071	0.060	0.062	0.063	0.064	0.065
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$0.933</b>	<b>\$2.233</b>	<b>\$2.383</b>	<b>\$2.520</b>	<b>\$2.686</b>	<b>\$2.838</b>
Non-Labor:						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	3.300	3.300	3.300	3.300	3.300	3.300
Other Business Expenses	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expenses</b>	<b>\$3.300</b>	<b>\$3.300</b>	<b>\$3.300</b>	<b>\$3.300</b>	<b>\$3.300</b>	<b>\$3.300</b>
Other Expenses Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$4.233</b>	<b>\$5.533</b>	<b>\$5.683</b>	<b>\$5.820</b>	<b>\$5.986</b>	<b>\$6.138</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$4.233</b>	<b>\$5.533</b>	<b>\$5.683</b>	<b>\$5.820</b>	<b>\$5.986</b>	<b>\$6.138</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

**NON-REIMBURSABLE and  
REIMBURSABLE**

	<b>2004</b>	<b>2005</b>	<b>2006</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Revenue</b>						
Farebox Revenue	\$37.459	\$38.332	\$38.515	\$38.720	\$38.929	\$39.128
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	3.787	3.544	3.699	3.199	2.549	2.454
Capital and Other Reimbursements	4.233	5.533	5.683	5.820	5.986	6.138
<b>Total Revenue</b>	<b>\$45.479</b>	<b>\$47.409</b>	<b>\$47.897</b>	<b>\$47.739</b>	<b>\$47.464</b>	<b>\$47.720</b>
<b>Expenses</b>						
<b>Labor:</b>						
Payroll	\$56.372	\$58.207	\$60.045	\$61.776	\$63.586	\$65.647
Overtime	5.200	4.984	5.112	5.255	5.409	5.581
Health and Welfare	9.972	11.920	13.079	14.220	15.550	16.927
Pensions	4.691	5.980	6.134	6.304	6.489	6.695
Other Fringe Benefits	6.441	6.437	6.603	6.786	6.985	7.206
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$82.676</b>	<b>\$87.528</b>	<b>\$90.972</b>	<b>\$94.341</b>	<b>\$98.019</b>	<b>\$102.057</b>
<b>Non-Labor:</b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	6.565	7.676	7.786	7.592	7.138	6.965
Insurance	0.091	0.107	0.118	0.130	0.143	0.157
Claims	4.431	2.894	2.845	2.946	3.125	3.220
Paratransit Service Contracts	0.000	0.062	0.312	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.206	3.488	3.578	3.677	3.786	3.906
Professional Service Contracts	1.576	1.606	1.648	1.694	1.743	1.798
Materials & Supplies	4.351	5.449	5.589	5.745	5.914	6.102
Other Business Expenses	3.065	3.968	4.039	4.055	4.035	4.076
<b>Total Non-Labor Expenses</b>	<b>\$23.285</b>	<b>\$25.250</b>	<b>\$25.914</b>	<b>\$25.839</b>	<b>\$25.883</b>	<b>\$26.224</b>
Other Expenses Adjustments:	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
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$105.961</b>	<b>\$112.778</b>	<b>\$116.886</b>	<b>\$120.180</b>	<b>\$123.902</b>	<b>\$128.281</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$105.961</b>	<b>\$112.778</b>	<b>\$116.886</b>	<b>\$120.180</b>	<b>\$123.902</b>	<b>\$128.281</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$60.482)</b>	<b>(\$65.369)</b>	<b>(\$68.989)</b>	<b>(\$72.441)</b>	<b>(\$76.438)</b>	<b>(\$80.561)</b>
PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net Surplus/(Deficit)</b>	<b>(\$60.482)</b>	<b>(\$65.369)</b>	<b>(\$68.989)</b>	<b>(\$72.441)</b>	<b>(\$76.438)</b>	<b>(\$80.561)</b>

**MTA Long Island Bus  
July Financial Plan 2006 - 2009  
Cash Receipts & Expenditures  
(\$ in millions)**

	<b>2004</b>	<b>2005</b>	<b>2006</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b><u>Receipts</u></b>						
Farebox Revenue	\$37.040	\$37.880	\$38.075	\$38.270	\$38.467	\$38.664
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	5.988	3.899	3.748	3.249	2.599	2.504
Capital and Other Reimbursements	4.205	5.448	5.579	5.638	5.785	5.913
<b>Total Receipts</b>	<b>\$47.233</b>	<b>\$47.227</b>	<b>\$47.402</b>	<b>\$47.157</b>	<b>\$46.851</b>	<b>\$47.081</b>
<b><u>Expenditures</u></b>						
Labor:						
Payroll	\$56.802	\$57.877	\$59.775	\$61.442	\$63.249	\$67.760
Overtime	4.665	4.964	5.092	5.234	5.387	5.773
Health and Welfare	10.867	11.929	13.038	14.175	15.501	16.870
Pensions	0.000	5.806	5.955	6.121	6.301	6.502
Other Fringe Benefits	6.022	6.414	6.579	6.762	6.961	7.459
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$78.356</b>	<b>\$86.990</b>	<b>\$90.439</b>	<b>\$93.734</b>	<b>\$97.399</b>	<b>\$104.364</b>
Non-Labor:						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	6.112	7.590	7.704	7.514	7.064	6.890
Insurance	0.000	0.206	0.118	0.130	0.143	0.157
Claims	2.291	4.500	2.800	2.900	3.077	3.169
Paratransit Service Contracts	0.000	0.062	0.312	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.269	3.292	3.377	3.471	3.573	3.686
Professional Service Contracts	1.197	1.856	1.592	1.636	1.684	1.738
Materials & Supplies	5.042	5.401	5.540	5.694	5.862	6.048
Other Business Expenses	3.233	3.936	4.006	4.023	4.003	4.044
<b>Total Non-Labor Expenditures</b>	<b>\$21.144</b>	<b>\$26.843</b>	<b>\$25.449</b>	<b>\$25.368</b>	<b>\$25.406</b>	<b>\$25.732</b>
Other Expenditure Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$99.500</b>	<b>\$113.833</b>	<b>\$115.888</b>	<b>\$119.102</b>	<b>\$122.805</b>	<b>\$130.096</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$52.267)</b>	<b>(\$66.606)</b>	<b>(\$68.486)</b>	<b>(\$71.945)</b>	<b>(\$75.954)</b>	<b>(\$83.015)</b>
PEG Program	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Net Cash Deficit</b>	<b>(\$52.267)</b>	<b>(\$66.606)</b>	<b>(\$68.486)</b>	<b>(\$71.945)</b>	<b>(\$75.954)</b>	<b>(\$83.015)</b>

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Cash Conversion (Cash Flow Adjustments)**  
**(\$ in millions)**

	<b>2004</b>	<b>2005</b>	<b>2006</b>			
	<b>Actuals</b>	<b>Mid-Year</b>	<b>Preliminary</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
		<b>Forecast</b>	<b>Budget</b>			
<b><u>Receipts</u></b>						
Farebox Revenue	(\$0.419)	(\$0.452)	(\$0.440)	(\$0.450)	(\$0.462)	(\$0.464)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.201	0.355	0.049	0.050	0.050	0.050
Capital and Other Reimbursements	(0.028)	(0.085)	(0.104)	(0.182)	(0.201)	(0.225)
<b>Total Receipt Adjustments</b>	<b>\$1.754</b>	<b>(\$0.182)</b>	<b>(\$0.495)</b>	<b>(\$0.582)</b>	<b>(\$0.613)</b>	<b>(\$0.639)</b>
<b><u>Expenditures</u></b>						
Labor:						
Payroll	(\$0.430)	\$0.330	\$0.270	\$0.334	\$0.337	(\$2.113)
Overtime	0.535	0.020	0.020	0.021	0.022	(0.192)
Health and Welfare	(0.895)	(0.009)	0.041	0.045	0.049	0.057
Pensions	4.691	0.174	0.179	0.183	0.188	0.193
Other Fringe Benefits	0.419	0.023	0.024	0.024	0.024	(0.253)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$4.320</b>	<b>\$0.538</b>	<b>\$0.533</b>	<b>\$0.607</b>	<b>\$0.620</b>	<b>(\$2.307)</b>
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$0.453	\$0.086	\$0.082	\$0.078	\$0.074	\$0.075
Insurance	0.091	(0.099)	0.000	0.000	0.000	0.000
Claims	2.140	(1.606)	0.045	0.046	0.048	0.051
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.063)	0.196	0.201	0.206	0.213	0.220
Professional Service Contracts	0.379	(0.250)	0.056	0.058	0.059	0.060
Materials & Supplies	(0.691)	0.048	0.049	0.051	0.052	0.054
Other Business Expenditures	(0.168)	0.032	0.033	0.032	0.032	0.032
<b>Total Non-Labor Expenditures</b>	<b>\$2.141</b>	<b>(\$1.593)</b>	<b>\$0.465</b>	<b>\$0.471</b>	<b>\$0.477</b>	<b>\$0.492</b>
Other Expenditure Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>\$6.461</b>	<b>(\$1.055)</b>	<b>\$0.998</b>	<b>\$1.078</b>	<b>\$1.097</b>	<b>(\$1.815)</b>
<b>Depreciation Adjustment</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$8.215</b>	<b>(\$1.237)</b>	<b>\$0.503</b>	<b>\$0.496</b>	<b>\$0.484</b>	<b>(\$2.454)</b>
PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$8.215</b>	<b>(\$1.237)</b>	<b>\$0.503</b>	<b>\$0.496</b>	<b>\$0.484</b>	<b>(\$2.454)</b>



# Long Island Bus

## Summary of Changes Between Years: 2005 –2009

### 1. REVENUE

- **Farebox:**
  - **2005 – 2006:** There is a net change of \$.195 million from the adjusted 2005 base that reflects a slight reduction in Paratransit revenue (\$.012m) due to projected lower ridership growth.
  - **2006 – 2009:** Projected annual average growth rate of .5% against the 2005 July Plan.
- **Other Operating Revenue**
  - **2005 – 2009:** Other operating revenue was lowered in the July plan based on current projections.
- **Capital & Other Reimbursements**
  - **2006 – 2009:** Annual changes are due to CPI factors affecting labor expenses for reimbursable employees.

### 2. LABOR EXPENSES

- **Payroll/Overtime:**
  - **2005 – 2006:** Baseline 2005 includes a \$.400 million projected savings. The revised CPI was adjusted up to 2.57% from 1.94%.
  - **2006 – 2009:** Current inflators (CPI's) used were higher than those used in the Adopted budget. There is an extra pay period in 2009, requiring an additional cash disbursement.
- **Health & Welfare**
  - Variance between years due to:
  - **2005 – 2009:** A rate increase of 9.3% for each year was utilized.
- **Pension**
  - Variance between years due to:
  - **2005 – 2006:** Baseline changes in 2005 were relative to changes in payroll.
  - **2006 – 2009:** Changes shown are due to the higher CPI's used that mirrored those used in payroll.
- **Other Fringe**
  - **2005 – 2009:** Year to year changes are due to new inflators used, which mirror payroll.

### 3. NON LABOR EXPENSES

- **Fuel:**
  - **2005 – 2009:** The 2005 February Plan had projected lower average fuel prices for the 2005 – 2009 period. Actual rates have continued to rise in 2005. The July 2005 Plan includes an increase of \$1.7 million. Current CPI's were applied to future years.
- **Insurance**
  - **2005 – 2009:** Variance between years are relative to the projected rates that have been issued and included in the budget. A cash timing adjustment of \$.099 million is included in the 2005 July baseline.
- **Claims**
  - **2005 – 2009:** A \$1.7 million cash adjustment was made to the July 2005 Plan to cover an outstanding claim that is nearing a settlement.

- **Paratransit Service Contract**
  - *2005 – 2006:* As a contingency, \$.062 and \$.312 million were added to the 2005 and 2006 budgets, respectively, to cover the cost of a service contract.
- **Maintenance & Other Operating Contracts**
  - *2005 – 2009:* The use of higher prevailing CPI's is responsible for the increase between years.
- **Professional Service Contracts**
  - *2005 – 2009:* A timing cash adjustment of \$.304 million was included in the July 2005 Plan to cover payments from 2004. All other changes were relative to the new CPI's applied.
- **Material & Supplies**
  - *2005 – 2009:* The most recent regional CPI's were applied to project expenses for the out years.
- **Other Business Expenses**
  - *2005 – 2009:* As was the case with propulsion fuel, utilities and heating fuels rates increased contrary to the projections in the February Plan. 2005 projected expenses were adjusted to reflect current rates. The relevant CPI's were then applied to project costs in the later years.

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Year-to-Year Changes by Category - Accrual Basis**  
**(\$ in millions)**

**NON-REIMBURSABLE and  
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<b>Revenue</b>									
Farebox Revenue	\$38.332	\$38.515	\$0.183	\$38.720	\$0.205	\$38.929	\$0.209	\$39.128	\$0.199
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	3.544	3.699	0.155	3.199	(0.500)	2.549	(0.650)	2.454	(0.095)
Capital and Other Reimbursements	5.533	5.683	0.150	5.820	0.137	5.986	0.166	6.138	0.152
<b>Total Revenue</b>	<b>\$47.409</b>	<b>\$47.897</b>	<b>\$0.488</b>	<b>\$47.739</b>	<b>(\$0.158)</b>	<b>\$47.464</b>	<b>(\$0.275)</b>	<b>\$47.720</b>	<b>\$0.256</b>
<b>Expenses</b>									
<b>Labor:</b>									
Payroll	\$58.207	\$60.045	\$1.838	\$61.776	\$1.731	\$63.586	\$1.810	\$65.647	\$2.062
Overtime	4.984	5.112	0.128	5.255	0.143	5.409	0.154	5.581	0.172
Health and Welfare	11.920	13.079	1.159	14.220	1.141	15.550	1.330	16.927	1.377
Pensions	5.980	6.134	0.154	6.304	0.170	6.489	0.185	6.695	0.206
Other Fringe Benefits	6.437	6.603	0.166	6.786	0.183	6.985	0.199	7.206	0.221
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$87.528</b>	<b>\$90.972</b>	<b>\$3.444</b>	<b>\$94.341</b>	<b>\$3.369</b>	<b>\$98.019</b>	<b>\$3.678</b>	<b>\$102.057</b>	<b>\$4.038</b>
<b>Non-Labor:</b>									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	7.676	7.786	0.110	7.592	(0.194)	7.138	(0.454)	6.965	(0.173)
Insurance	0.107	0.118	0.011	0.130	0.012	0.143	0.013	0.157	0.014
Claims	2.894	2.845	(0.049)	2.946	0.101	3.125	0.179	3.220	0.095
Paratransit Service Contracts	0.062	0.312	0.250	0.000	(0.312)	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.488	3.578	0.090	3.677	0.100	3.786	0.108	3.906	0.120
Professional Service Contracts	1.606	1.648	0.042	1.694	0.046	1.743	0.049	1.798	0.055
Materials & Supplies	5.449	5.589	0.140	5.745	0.156	5.914	0.169	6.102	0.188
Other Business Expenses	3.968	4.039	0.071	4.055	0.016	4.035	(0.020)	4.076	0.041
<b>Total Non-Labor Expenses</b>	<b>\$25.250</b>	<b>\$25.914</b>	<b>\$0.664</b>	<b>\$25.839</b>	<b>(\$0.075)</b>	<b>\$25.883</b>	<b>\$0.044</b>	<b>\$26.224</b>	<b>\$0.341</b>
<b>Other Expenses Adjustments:</b>									
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$112.778</b>	<b>\$116.886</b>	<b>\$4.108</b>	<b>\$120.180</b>	<b>\$3.294</b>	<b>\$123.902</b>	<b>\$3.722</b>	<b>\$128.281</b>	<b>\$4.379</b>
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenses</b>	<b>\$112.778</b>	<b>\$116.886</b>	<b>\$4.108</b>	<b>\$120.180</b>	<b>\$3.294</b>	<b>\$123.902</b>	<b>\$3.722</b>	<b>\$128.281</b>	<b>\$4.379</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$65.369)</b>	<b>(\$68.989)</b>	<b>(\$3.620)</b>	<b>(\$72.441)</b>	<b>(\$3.452)</b>	<b>(\$76.438)</b>	<b>(\$3.997)</b>	<b>(\$80.561)</b>	<b>(\$4.123)</b>
PEG Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net Surplus/(Deficit)</b>	<b>(\$65.369)</b>	<b>(\$68.989)</b>	<b>(\$3.620)</b>	<b>(\$72.441)</b>	<b>(\$3.452)</b>	<b>(\$76.438)</b>	<b>(\$3.997)</b>	<b>(\$80.561)</b>	<b>(\$4.123)</b>

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<b>Cash Receipts &amp; Expenditures</b>									
<b>Receipts</b>									
Farebox Revenue	\$37.880	\$38.075	\$0.195	\$38.270	\$0.195	\$38.467	\$0.197	\$38.664	\$0.197
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	3.899	3.748	(0.151)	3.249	(0.499)	2.599	(0.650)	2.504	(0.095)
Capital and Other Reimbursements	5.448	5.579	0.131	5.638	0.059	5.785	0.147	5.913	0.128
<b>Total Receipts</b>	<b>\$47.227</b>	<b>\$47.402</b>	<b>\$0.175</b>	<b>\$47.157</b>	<b>(\$0.245)</b>	<b>\$46.851</b>	<b>(\$0.306)</b>	<b>\$47.081</b>	<b>\$0.230</b>
<b>Expenditures</b>									
Labor:									
Payroll	\$57.877	\$59.775	\$1.898	\$61.442	\$1.667	\$63.249	\$1.807	\$67.760	\$4.511
Overtime	4.964	5.092	0.128	5.234	0.142	5.387	0.153	5.773	0.386
Health and Welfare	11.929	13.038	1.109	14.175	1.137	15.501	1.326	16.870	1.369
Pensions	5.806	5.955	0.149	6.121	0.166	6.301	0.180	6.502	0.201
Other Fringe Benefits	6.414	6.579	0.165	6.762	0.183	6.961	0.199	7.459	0.498
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$86.990</b>	<b>\$90.439</b>	<b>\$3.449</b>	<b>\$93.734</b>	<b>\$3.295</b>	<b>\$97.399</b>	<b>\$3.665</b>	<b>\$104.364</b>	<b>\$6.965</b>
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	7.590	7.704	0.114	7.514	(0.190)	7.064	(0.450)	6.890	(0.174)
Insurance	0.206	0.118	(0.088)	0.130	0.012	0.143	0.013	0.157	0.014
Claims	4.500	2.800	(1.700)	2.900	0.100	3.077	0.177	3.169	0.092
Paratransit Service Contracts	0.062	0.312	0.250	0.000	(0.312)	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.292	3.377	0.085	3.471	0.094	3.573	0.102	3.686	0.113
Professional Service Contracts	1.856	1.592	(0.264)	1.636	0.044	1.684	0.048	1.738	0.054
Materials & Supplies	5.401	5.540	0.139	5.694	0.154	5.862	0.168	6.048	0.186
Other Business Expenses	3.936	4.006	0.070	4.023	0.017	4.003	(0.020)	4.044	0.041
<b>Total Non-Labor Expenditures</b>	<b>\$26.843</b>	<b>\$25.449</b>	<b>(\$1.394)</b>	<b>\$25.368</b>	<b>(\$0.081)</b>	<b>\$25.406</b>	<b>\$0.038</b>	<b>\$25.732</b>	<b>\$0.326</b>
Other Expenditure Adjustments:	\$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
<b>Total Other Expenditure Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$113.833</b>	<b>\$115.888</b>	<b>\$2.055</b>	<b>\$119.102</b>	<b>\$3.214</b>	<b>\$122.805</b>	<b>\$3.703</b>	<b>\$130.096</b>	<b>\$7.291</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$66.606)</b>	<b>(\$68.486)</b>	<b>(\$1.880)</b>	<b>(\$71.945)</b>	<b>(\$3.459)</b>	<b>(\$75.954)</b>	<b>(\$4.009)</b>	<b>(\$83.015)</b>	<b>(\$7.061)</b>
PEG Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net Cash Deficit</b>	<b>(\$66.606)</b>	<b>(\$68.486)</b>	<b>(\$1.880)</b>	<b>(\$71.945)</b>	<b>(\$3.459)</b>	<b>(\$75.954)</b>	<b>(\$4.009)</b>	<b>(\$83.015)</b>	<b>(\$7.061)</b>



# Long Island Bus

## Summary of Changes Between February – July 2005 Plan

### Changes made to the July Plan

#### 2. REVENUE

- **Farebox:**
  - Revenue increased by a net \$.013 from the February Plan. This was due to a re-assessment of projected average fares and ridership for fixed route and paratransit. Fixed route ridership is expected to increase by 211,000 riders while Paratransit will decrease by approximately 4,000.
  - The 2006 – 2009 period reflects the changes in the 2005 July Plan. In addition, a reduction in the annual projected ridership growth rate for Paratransit was decreased from 2.5% to 1%.
- **Other Operating Revenue**
  - Based on current data, the projections made in the February Plan were adjusted down. This centers around the approval of new grants that make up the greater portion of this line item. Each year was looked at separately and a projection made in conjunction with grant data for that year.
- **Capital & Other Reimbursements**
  - The July Plan reflects changes in the reimbursable expenses due to the revised CPI, and changes in the health and welfare costs.

#### 2. LABOR EXPENSES

- **Payroll/Overtime:**
  - Higher vacancies lowered the 2005 projected payroll expenses. Higher inflators were applied to the 2006 – 2009 expenses that produced variances from the February Plan.
- **Health & Welfare**
  - Due to lower actual rates for 2005, health and welfare expenses were lowered in all the plan years.
- **Pension**
  - There was no change in Pension expenses in 2005 from the February plan. A minor change in the future year is due to the changes in the CPI's used.
- **Other Fringe**
  - Other Fringe costs projections mirrored the changes made in payroll. This was dictated by the CPI's used which were higher than the February plan.

### 3. NON LABOR EXPENSES

- **Fuel:**
  - Due to higher fuel prices than projected in the February plan, 2005 projected costs increased by \$1.7 million. Increases in the CPI's from the April 15<sup>th</sup> 2005 Global Insight Inc., were used to determine future expenses, resulting in higher costs each year.
- **Insurance**
  - A timing adjustment of \$.099 million was included in 2005. There were no other variances between plans in the future years.
- **Claims**
  - An additional \$1.7 million was added to the cash budget to cover an anticipated 2005 payment.
- **Maintenance & Other Operating Contracts**
  - Changes from the February Plan in all years is due to the impact of higher CPI rates that were applied to the July 2005 Plan.
- **Professional Service Contracts**
  - A timing adjustment of \$.304 million was included in 2005. Other changes between plans are due to the use of higher CPI's in the July 2005 Plan.
- **Material & Supplies**
  - Changes from the February Plan in all years is due to the impact of higher CPI rates that were applied to the July 2005 Plan.
- **Other Business Expenses**
  - Utilities expenses in the July 2005 Plan increased by \$.245 million due to higher than planned. Other changes between plans are due to the use of higher CPI's in the July plan.

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Summary of Changes Between Financial Plans by Category**  
**(\$ in millions)**

**NON-REIMBURSABLE**

	2005	2006	2007	2008	2009
<b>2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$62.624)</b>	<b>(\$65.473)</b>	<b>(\$68.672)</b>	<b>(\$71.681)</b>	<b>(\$77.817)</b>
<b>Add Back: February Plan Unspecified PEG's</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$62.624)</b>	<b>(\$65.473)</b>	<b>(\$68.672)</b>	<b>(\$71.681)</b>	<b>(\$77.817)</b>
<b>Baseline:</b>					
<b>Changes</b>					
<b>Revenue</b>					
Farebox Revenue - Fixed Route	\$0.025	(\$0.099)	(\$0.071)	(\$0.041)	(\$0.014)
Farebox Revenue - Paratransit	(0.012)	(0.027)	(0.043)	(0.060)	(0.077)
Decrease in Operating Grants	(0.853)	(0.756)	(0.486)	(1.029)	(1.002)
Less Revenue due to lower Health & Welfare costs	0.000	0.000	0.000	0.000	0.000
<b>Sub-Total Revenue Changes</b>	<b>(\$0.840)</b>	<b>(\$0.882)</b>	<b>(\$0.600)</b>	<b>(\$1.130)</b>	<b>(\$1.093)</b>
<b>Expenses</b>					
Payroll Savings	\$0.400	\$0.189	(\$0.356)	(\$0.866)	(\$1.439)
Overtime	0.000	0.022	(0.022)	(0.066)	(0.139)
Health and Welfare Saving	0.298	0.422	0.475	0.532	0.642
Lower Health & Welfare Savings	0.000	0.000	0.000	0.000	0.000
Pension	0.000	(0.111)	(0.153)	(0.199)	(0.224)
Other Fringe Benefit	0.000	0.158	0.108	0.055	(0.150)
Fuel Additional Expenses	(1.756)	(2.096)	(2.198)	(1.991)	(1.793)
Maintenance and Operating Contracts	0.000	(0.109)	(0.141)	(0.176)	(0.214)
Professional Service Contracts	0.000	0.004	(0.010)	(0.025)	(0.042)
Material & Supplies	0.000	(0.062)	(0.110)	(0.161)	(0.219)
Utilities Expenses	(0.245)	(0.286)	(0.284)	(0.237)	(0.235)
Paratransit Service Contracts	(0.062)	(0.312)	0.000	0.000	0.000
<b>Sub-Total Expense Changes</b>	<b>(\$1.365)</b>	<b>(\$2.181)</b>	<b>(\$2.691)</b>	<b>(\$3.134)</b>	<b>(\$3.813)</b>
<b>Cash Adjustments:</b>					
<b>Revenue</b>					
Timing of Receipt of Grants	\$0.327	\$0.000	(\$0.079)	(\$0.098)	(\$0.121)
<b>Expense</b>					
Insurance	(0.099)	0.000	0.000	0.000	0.000
Claims	(1.700)	0.000	0.000	0.000	0.000
Professional Service Contract Timing	(0.304)	0.000	0.000	0.000	0.000
Rounding	(0.001)	0.000	0.000	0.000	0.000
Payroll Savings	0.000	(0.006)	0.049	0.044	0.138
Overtime	0.000	(0.001)	0.000	0.000	(0.090)
Health and Welfare Saving	0.000	(0.014)	(0.015)	(0.016)	(0.014)
Pension	0.000	0.063	0.055	0.049	0.060
Other Fringe Benefit	0.000	(0.004)	(0.005)	(0.006)	(0.284)
Fuel Additional Expenses	0.000	0.000	0.000	0.000	0.001
Maintenance and Operating Contracts	0.000	0.065	0.068	0.072	0.075
Professional Service Contracts	0.000	(0.024)	(0.024)	(0.023)	(0.024)
Material & Supplies	0.000	(0.010)	(0.010)	(0.010)	(0.011)
Utilities Expenses	0.000	(0.019)	(0.021)	(0.021)	(0.022)
<b>Sub-Total Cash Adjustment Changes</b>	<b>(\$1.777)</b>	<b>\$0.050</b>	<b>\$0.018</b>	<b>(\$0.009)</b>	<b>(\$0.292)</b>
<b>Total Baseline Changes</b>	<b>(\$3.982)</b>	<b>(\$3.013)</b>	<b>(\$3.273)</b>	<b>(\$4.273)</b>	<b>(\$5.198)</b>
PEG Program	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Changes</b>	<b>(\$3.982)</b>	<b>(\$3.013)</b>	<b>(\$3.273)</b>	<b>(\$4.273)</b>	<b>(\$5.198)</b>
<b>2005 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$66.606)</b>	<b>(\$68.486)</b>	<b>(\$71.945)</b>	<b>(\$75.954)</b>	<b>(\$83.015)</b>

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Summary of Changes Between Financial Plans by Category**  
**(\$ in millions)**

<b>REIMBURSABLE</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Add Back: February Plan Unspecified PEG's</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline:</b>					
<b>Changes</b>					
<b>Revenue</b>					
Less Revenue due to lower Health & Welfare costs	(0.036)	(0.041)	(0.119)	(0.122)	(0.154)
<b>Sub-Total Revenue Changes</b>	<b>(\$0.036)</b>	<b>(\$0.041)</b>	<b>(\$0.119)</b>	<b>(\$0.122)</b>	<b>(\$0.154)</b>
<b>Expenses</b>					
Lower Health & Welfare Savings	.036	.041	.119	.122	.154
<b>Sub-Total Expense Changes</b>	<b>0.036</b>	<b>0.041</b>	<b>0.119</b>	<b>0.122</b>	<b>0.154</b>
<b>Cash Adjustments:</b>					
<b>Revenue</b>					
<b>Expense</b>					
<b>Sub-Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
PEG Program	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>2005 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Summary of Changes Between Financial Plans by Category**  
**(\$ in millions)**

**NON-REIMBURSABLE and  
REIMBURSABLE**

	2005	2006	2007	2008	2009
<b>2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$62.624)</b>	<b>(\$65.473)</b>	<b>(\$68.672)</b>	<b>(\$71.681)</b>	<b>(\$77.817)</b>
<b>Add Back: February Plan Unspecified PEG's</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2005 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$62.624)</b>	<b>(\$65.473)</b>	<b>(\$68.672)</b>	<b>(\$71.681)</b>	<b>(\$77.817)</b>
<b>Baseline:</b>					
<b>Changes</b>					
<b>Revenue</b>					
Farebox Revenue - Fixed Route	\$0.025	(\$0.099)	(\$0.071)	(\$0.041)	(\$0.014)
Farebox Revenue - Paratransit	0.012	(0.027)	(0.043)	(0.060)	(0.077)
Decrease in Operating Grants	(0.853)	(0.756)	(0.486)	(1.029)	(1.002)
Less Revenue due to lower Health & Welfare costs	(0.036)	(0.041)	(0.119)	(0.122)	(0.154)
<b>Sub-Total Revenue Changes</b>	<b>(\$0.876)</b>	<b>(\$0.923)</b>	<b>(\$0.719)</b>	<b>(\$1.252)</b>	<b>(\$1.247)</b>
<b>Expenses</b>					
Payroll Savings	\$0.400	\$0.189	(\$0.356)	(\$0.866)	(\$1.439)
Overtime	0.000	0.022	(0.022)	(0.066)	(0.139)
Health and Welfare Saving	0.298	0.422	0.475	0.532	0.642
Lower Health & Welfare Savings 401h & Cap. Reimb.	0.036	0.041	0.119	0.122	0.154
Pension	0.000	(0.111)	(0.153)	(0.199)	(0.224)
Other Fringe Benefit	0.000	0.158	0.108	0.055	(0.150)
Fuel Additional Expenses	(1.756)	(2.096)	(2.198)	(1.991)	(1.793)
Maintenance and Operating Contracts	0.000	(0.109)	(0.141)	(0.176)	(0.214)
Professional Service Contracts	0.000	0.004	(0.010)	(0.025)	(0.042)
Material & Supplies	0.000	(0.062)	(0.110)	(0.161)	(0.219)
Utilities Expenses	(0.245)	(0.286)	(0.284)	(0.237)	(0.235)
Paratransit Service Contracts	(0.062)	(0.312)	0.000	0.000	0.000
<b>Sub-Total Expense Changes</b>	<b>(\$1.329)</b>	<b>(\$2.140)</b>	<b>(\$2.572)</b>	<b>(\$3.012)</b>	<b>(\$3.659)</b>
<b>Cash Adjustments:</b>					
<b>Revenue</b>					
Timing of Receipt of Grants	\$0.327	\$0.000	(\$0.079)	(\$0.098)	(\$0.121)
<b>Expense</b>					
Insurance	(0.099)	0.000	0.000	0.000	0.000
Claims	(1.700)	0.000	0.000	0.000	0.000
Professional Service Contract Timing	(0.304)	0.000	0.000	0.000	0.000
Rounding	(0.001)	0.000	0.000	0.000	0.000
Payroll Savings	0.000	(0.006)	0.049	0.044	0.138
Overtime	0.000	(0.001)	0.000	0.000	(0.090)
Health and Welfare Saving	0.000	(0.014)	(0.015)	(0.016)	(0.014)
Pension	0.000	0.063	0.055	0.049	0.060
Other Fringe Benefit	0.000	(0.004)	(0.005)	(0.006)	(0.284)
Fuel Additional Expenses	0.000	0.000	0.000	0.000	0.001
Maintenance and Operating Contracts	0.000	0.065	0.068	0.072	0.075
Professional Service Contracts	0.000	(0.024)	(0.024)	(0.023)	(0.024)
Material & Supplies	0.000	(0.010)	(0.010)	(0.010)	(0.011)
Utilities Expenses	0.000	(0.019)	(0.021)	(0.021)	(0.022)
<b>Sub-Total Cash Adjustment Changes</b>	<b>(\$1.777)</b>	<b>\$0.050</b>	<b>\$0.018</b>	<b>(\$0.009)</b>	<b>(\$0.292)</b>
<b>Total Baseline Changes</b>	<b>(\$3.982)</b>	<b>(\$3.013)</b>	<b>(\$3.273)</b>	<b>(\$4.273)</b>	<b>(\$5.198)</b>
Programmatic New Needs					
PEG Program	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Changes</b>	<b>(\$3.982)</b>	<b>(\$3.013)</b>	<b>(\$3.273)</b>	<b>(\$4.273)</b>	<b>(\$5.198)</b>
<b>2005 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$66.606)</b>	<b>(\$68.486)</b>	<b>(\$71.945)</b>	<b>(\$75.954)</b>	<b>(\$83.015)</b>

**MTA Long Island Bus  
2006 Preliminary Budget  
July Financial Plan 2006 – 2009**

**POSITION ASSUMPTIONS**

There is no change in headcount (full-time equivalents) from the February adopted budget. In both plans, the 9 positions in support of the PEG program were removed.

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Total Non-Reimbursable - Reimbursable Positions at End-of-Year**  
**Full-Time Positions and Full Time Equivalents**

<b>FUNCTION/DEPARTMENT</b>	<b>2004 Actuals</b>	<b>2005 Mid-Year Forecast</b>	<b>2006 Preliminary Budget</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Administration</b>						
Administration - All Other	25	28	28	28	28	28
Administration - Safety	8	8	8	8	8	8
Finance	23	23	23	23	23	23
Legal	13	13	13	13	13	13
IT	15	19	19	19	19	19
<b>Total Administration</b>	<b>84</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>	<b>91</b>
<b>Operations</b>						
Admin (F/R)	33	34	34	34	34	34
Admin (Para)	5	5	5	5	5	5
Bus stops	2	2	2	2	2	2
Scheduling (F/R)	3	3	3	3	3	3
Scheduling (Para)	13	13	13	13	13	13
Reservationists (Para)	13	13	13	13	13	13
TIC	9	9	9	9	9	9
Dipatchers	35	36	36	36	36	36
Bus Operators (F/R)	527	530	530	530	530	530
Bus Operators (Para)	112	130	130	130	130	130
<b>Total Operations</b>	<b>752</b>	<b>775</b>	<b>775</b>	<b>775</b>	<b>775</b>	<b>775</b>
<b>Maintenance</b>						
Admin	7	7	7	7	7	7
Line Supervisors	18	19	19	19	19	19
Mechanics (F/R)	122	125	125	125	125	125
Mechanics (Para)	10	10	10	10	10	10
Mech. Helpers/Cleaners (F/R)	56	65	65	65	65	65
Cleaners (Para)	1	1	1	1	1	1
Storeroom	12	12	12	12	12	12
P & E (F/R)	12	13	13	13	13	13
P & E ( Para)	1	1	1	1	1	1
Farebox	6	6	6	6	6	6
<b>Total Maintenance</b>	<b>245</b>	<b>259</b>	<b>259</b>	<b>259</b>	<b>259</b>	<b>259</b>
<b>Engineering/Capital</b>						
Engineers	5	5	5	5	5	5
Capital	13	14	14	14	14	14
<b>Total Engineering/Capital</b>	<b>18</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>
<b>Public Safety</b>						
Security	3	3	3	3	3	3
<b>Total Public Safety</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Grand Total</b>	<b>1,102</b>	<b>1,147</b>	<b>1,147</b>	<b>1,147</b>	<b>1,147</b>	<b>1,147</b>
<b>Non-Reimbursable</b>	<b>1,089</b>	<b>1,133</b>	<b>1,133</b>	<b>1,133</b>	<b>1,133</b>	<b>1,133</b>
<b>Reimbursable</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>Total Full-Time</b>	<b>996</b>	<b>1,033</b>	<b>1,033</b>	<b>1,033</b>	<b>1,033</b>	<b>1,033</b>
<b>Total Full-Time Equivalents</b>	<b>106</b>	<b>114</b>	<b>114</b>	<b>114</b>	<b>114</b>	<b>114</b>

**MTA Long Island Bus  
2006 Preliminary Budget  
July Financial Plan 2006 – 2009**

**RIDERSHIP/UTLIZATION ASSUMPTIONS**

**Fixed Route Ridership:**

LI Bus operates 333 fixed route buses serving 96 communities, 47 Long Island Rail Road stations, 5 NYC Transit subway stations, shopping centers, colleges, museums, parks, theaters and beaches throughout our area.

May 2005 year-to-date fixed route ridership is better than plan by 1.5% and by 2.0% compared to May 2004 year-to-date actual. This is due to the positive response to the innovative use of Job Access Reverse Commute (JARC) and NYS Innovative Mobility Demonstration Funds to provide job access/reverse commute service, gap closures and bus-rail connection services. The improving Nassau County economy and better Spring 2005 weather also contributed to the better results. The full-year 2005 forecast have been increased to 30.1 million riders.

Annual increases are projected at 0.5% over the next three years.

**Fixed Route Revenue:**

Although total ridership is better than plan, average fares are below budget. The expected shift in usage to the higher margin fare media did not materialize resulting in lower actual revenue. Revenue from the increased ridership is expected to offset the shortfall caused by the lower actual average fare. The net change from the adopted budget was \$0.021 million.

The projected revenue in the 2006 – 2008 period is reflective of the 0.5% annual increase in riders.

**Para-Transit (Demand Response) Ridership:**

Demands for this service has normalized compared to the double-digit increases in prior years. Currently, there are 86 Able-Ride buses that provided 318,000 trips in 2004. May 2005 year-to-date ridership data shows a shortfall of 1.9% against plan and 0.4% compared to 2004 actual for the same period. The July plan was lowered by four thousand riders and a modest 1.0% increase is projected for the 2006 – 2008 period.

**Para-Transit (Demand Response) Revenue:**

During the first five months in 2005, revenue has been lower than budget due to the decrease in ridership growth than originally budgeted. Net full-year revenue projections were adjusted to reflect this trend.

**MTA Long Island Bus**  
**July Financial Plan 2006 - 2009**  
**Ridership/Traffic Volume (Utilization)**  
(in millions)

	<b>2004</b>	<b>2005</b>	<b>2006</b>			
	<b>Actuals</b>	<b>Mid-Year</b>	<b>Preliminary</b>			
<u>RIDERSHIP</u>		<b>Forecast</b>	<b>Budget</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Fixed Route	30.241	30.173	30.324	30.475	30.628	30.636
Paratransit	0.318	0.322	0.325	0.328	0.332	0.335
<b>Baseline Total Ridership</b>	<b>30.559</b>	<b>30.495</b>	<b>30.649</b>	<b>30.804</b>	<b>30.960</b>	<b>30.971</b>
<i>Impact of:</i>						
PEG Program	-	-	-	-	-	-
<b>Total Ridership</b>	<b>30.559</b>	<b>30.495</b>	<b>30.649</b>	<b>30.804</b>	<b>30.960</b>	<b>30.971</b>
<u>FAREBOX REVENUE</u>						
Fixed Route	\$36.470	\$37.333	\$37.506	\$37.701	\$37.900	\$38.088
Paratransit	0.989	0.999	1.009	1.019	1.029	1.040
<b>Baseline Total Revenue</b>	<b>\$37.459</b>	<b>\$38.332</b>	<b>\$38.515</b>	<b>\$38.720</b>	<b>\$38.929</b>	<b>\$39.128</b>
<i>Impact of:</i>						
PEG Program	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$37.459</b>	<b>\$38.332</b>	<b>\$38.515</b>	<b>\$38.720</b>	<b>\$38.929</b>	<b>\$39.128</b>

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