

Long Island Rail Road

MTA LONG ISLAND RAIL ROAD
2009 Final Proposed Budget
November Financial Plan 2009-2012

Mission Statement and Highlights of Operations

The mission of the MTA Long Island Rail Road is to provide a safe, accessible, clean, cost-effective, customer-focused rail transportation system that runs on time, is comfortable, user-friendly and provides the region with a valued and indispensable service. In order to accomplish this mission, it strategically allocates limited resources to achieve eight critical goals that are linked to the seven MTA's core values/priorities. They are:

- Improve customer and employee safety and security
- Improve customer satisfaction
- Improve service reliability
- Improve cost-effectiveness
- Improve the customer experience through infrastructure investment
- Develop and expand regional approaches to transportation issues
- Maintain a professional, well-trained and motivated workforce
- Contribute to the establishment of an environmentally "green" community

FINANCIAL OVERVIEW

While external factors such as a sluggish regional economy continue to place pressure on the MTA's finances, the LIRR has worked diligently to prepare this 2009 Final Proposed Budget and 2009-2012 Financial Plan, to advance its core goals while at the same time exhibiting fiscal constraint. The Budget and Plan demonstrate the Rail Road's commitment to its customers, by including funding for a series of targeted initiatives that will dramatically improve their experience.

Customer Safety and Security: The LIRR's recent record in the area of safety and security has been excellent. 2007 customer injury and employee lost time and restricted duty injury rates were the lowest in years at 6.58 customer injuries per one million customers and 2.31 accidents per 200,000 worker hours, respectively. Through the second quarter of 2008, customer injuries were down by 18% and employee by 26% over the same period last year.

The 2009 Final Proposed Budget contains substantial resources dedicated to continuing this progress. In 2009, the railroad will continue safety initiatives such as the T.R.A.C.K.S Program and Operation Lifesaver. This is part of the Safety Department's \$8.5 million budget. In addition, more than \$30 million is earmarked in the 2009 – 2012 Financial Plan for the LIRR's Platform Gap Mitigation Strategy, including installing new

and wider threshold plates on rail cars and adding rubbing board to station platforms to achieve a smaller Gap standard.

Customer Satisfaction: There are numerous ways in which the LIRR has improved the experience of the more than 85 million customers that ride its trains each year. They run the gamut from improving customer service to upgrading existing facilities. President Helena E. Williams has identified customer service as a critical priority and the 2009 Final Proposed Budget reflects this reality. The railroad continues to implement the Customer Communication Initiative that was launched in 2008. This includes providing train crews with cell phones, the creation of a 24/7 Public Information Office, and the installation of new message boards in Penn Station and Jamaica Station. Through 2009, this effort is expected to cost \$6.9 million. In addition, customer satisfaction is achieved through deploying 118 station cleaners and 372 car cleaners to clean and maintain the parts of the railroad customer's use on a daily basis. In 2009, key departments that impact Customer Satisfaction include Passenger Services, \$60.0 million and Public Affairs, \$12.1 million.

Service Reliability: The LIRR's on-time performance record of 94.1 percent for 2007 was the best since modern record keeping started in 1979. This was made possible by the dedicated work of its employees, particularly those responsible for maintaining the fleet and right of way in a state of good repair. The Railroad's fleet of M7 cars was especially reliable, achieving a mean distance between failures of 325,203 miles – far better than expected. Through the second quarter of 2008, on-time performance and mean distance between failures was even better than it was in the prior year. For the first six months of 2008, on-time performance was 95.56% versus 94.53% for the same period last year. Fleet-wide mean distance between failures increased from 105,668 to 124,327.

The 2009 Final Proposed Budget contains the resources necessary for the LIRR to maintain a high level of service reliability. In 2009, the Maintenance of Equipment Department, which is responsible for maintaining all rolling stock equipment, has a budget of \$334.1 million. This level supports the ongoing Life Cycle Maintenance (LCM) program. The Engineering Department, which has a \$160.9 million budget in 2009, maintains all infrastructure elements, such as track, signals, and power. Over the past few years, the LIRR has made investments to upgrade and expand the signal system. The 2009 budget reflects additional resources to ensure that the new systems are properly maintained. Another key ingredient of the LIRR's service reliability initiative is its Low Adhesion Mitigation Strategy, which is necessary to prevent slip-slide conditions and extend wheel life.

Infrastructure Investment: Planning for capital projects must include identifying and providing for ongoing operating needs. Several capital projects with new state of the art technology components are coming on line during the financial plan. These projects were evaluated, and additional resources are being provided, to ensure that the railroad is prepared to operate and maintain the new assets.

In addition to the new initiatives outlined above, the railroad is poised to undergo many system infrastructure changes and improvements that will alter the operational footprint of the railroad during the next few years. East Side Access, Hudson River Yard Development, and Brookfield Overbuild are just a few of the major changes that will transform the railroad. The railroad has made several internal changes in order to ensure the necessary resources and organizational structure is in place to support these major projects.

Environmental Sustainability: Contributing to the establishment of an environmentally “green” community is a key priority guiding future investment and strategic planning. As a critical piece of the New York Metropolitan Area’s public transportation network, the LIRR is committed to drawing increasing numbers of people away from energy inefficient and highly pollutant automobiles for their travel.

The LIRR will dedicate funding toward environmentally friendly cleaning products. In addition, the railroad will further advance its effort to achieve a light duty vehicle fleet that is 100 percent hybrid by 2011 by allocating \$0.6 million to purchase 23 hybrid vehicles in 2009.

Cost-Effectiveness: As noted earlier, the LIRR will pursue these efforts while at the same time streamlining operations and containing costs. The Final Proposed 2009 Budget achieves the LIRR’s 1.5 percent targeted reduction through several initiatives, including those designed to right-size inventory and contains employee health and welfare costs. The introduction of new technology will further streamline operations.

The financial projections in the attached statements reflect the most current projections by the LIRR for the balance of 2008, carrying out into 2012.

2008 November Forecast

The LIRR’s 2008 November Forecast is comprised of non-reimbursable revenue totaling \$544.9 million and non-reimbursable expenses including depreciation, other post employment benefits and environmental remediation of \$1.514 billion that generate an operating deficit of \$(969.2) million. The 2008 November Forecast reimbursable revenue and expenses each total \$209.7 million.

The Baseline Accrued Deficit is \$13.7 million better than the 2008 Mid-Year Forecast. The Baseline Cash Deficit is favorable \$23.8 million to the Mid-Year Forecast, which is mainly due to timing of program activity and material purchases.

Total Non-Reimbursable revenue is \$7.5 million favorable to the 2008 Mid-Year Forecast. Farebox Revenue is favorable by \$6.9 million due to higher commutation ridership. Other Operating Revenue is favorable by \$0.6 million due to higher advertising guarantee, scrap sales and rent.

Total Non-Reimbursable Non-Labor expenses (excluding depreciation, OPEB and environmental remediation) are favorable by \$16.2 million, or 4.5%, and Labor expenses are on plan. The favorable non-labor expenses are driven by materials.

The major cash adjustment from the Mid-Year forecast is a shift in operating funded capital to 2009, partially offset by higher East Side Access materials.

2009 Final Proposed Budget - Baseline

The goals and objectives contained in the 2009 Final Proposed Budget are consistent with the LIRR's mission and its aim to continue to improve service attributes. Among the key goals for 2009 are improving on-time performance to 94.5% and maintaining fleet-wide mean distance between failures (MDBF) of 100,000 miles. The budget plan also reflects a continuing commitment to improve both employee and customer safety, with projected improvements of 5% for each. Other key assumptions incorporated in the baseline are discussed in a later section, along with reconciliation to the July Financial Plan.

The 2009 Revenue budget totals \$771.6 million; Non-reimbursable revenue makes up \$543.6 million of the total and Reimbursable revenues are \$228.1 million. The total expense budget is \$1.826 billion, of which \$1.447 billion is for operating expenses and the balance is associated with such non-cash items as depreciation, other post employment benefits and environmental remediation. Non-reimbursable operating expenses total \$1.219 billion in 2009, while Reimbursable expenses are \$228.1 million in the accrued statements.

The cash budget for 2009 incorporates \$845.8 million in cash receipts and \$1.530 billion in cash disbursements. The baseline net cash requirement is \$(684.5) million, as driven by operating expenses paid for in 2009, revenues received in 2009, and other adjustments to cash flow. While much of the operating budget has a direct impact on cash flow, there are some items such as material purchases for capital work that only appear in the cash budget. In addition, the differences between accrued and cash budgets reflect natural lags between when costs are incurred and when they will be paid for.

On an accrued basis, both revenues and expenses in the 2009 Final Proposed Budget are higher than in the 2008 November Forecast. Total revenues of \$771.6 million are \$17.0 million higher than in the November Forecast, with Non-reimbursable revenues declining by \$(1.4) million and Reimbursable revenues up by \$18.4 million. Baseline Ridership in 2009 remains flat over the 2008 November Forecast. Overall, Farebox Revenue declines due to a lower yield per passenger. Operating expenses before depreciation of \$1.447 billion reflect growth of \$95.7 million over the 2008 November Forecast, \$77.3 million of which is in non-reimbursable expenses. While the resulting total operating baseline deficit rises \$84.8 million to \$(1.054) billion in 2009, the projected baseline cash deficit (or subsidy requirement) of \$(684.5) million in 2009 is

higher by \$106.1 million, driven by a full year of pension costs and East Side Access Material.

Full-time positions total 6,910 in the 2009 Final Proposed Budget, with 6,134 non-reimbursable positions and 776 reimbursable positions. Compared to the 2008 November Forecast, this reflects a total decrease of 51 year-end positions, of which 49 are reimbursable positions, consistent with anticipated levels of capital and other reimbursable funded activity in 2009.

The major New Needs identified in the 2009 Budget focus on safety and security, customer service and financial stability. Additional resources are being dedicated to several FRA Mandates including 2B inspections of the Public Address System and Emergency Access windows on C3 coaches, a combined \$2.4 million. Several new needs either directly or indirectly focus on customer service, including dedicating more resources to improving diesel fleet operations, maintenance support of the first phase of the Centralized Train Control Systems, increased Transportation management on the East End and for Train Movement through Jamaica.

2010-2012 Projections

The baseline projections for 2010 through 2012 reflect no notable changes to the LIRR's commitment to its customers. Goals are still in place to continue improving key performance measures in safety, with annual 5% improvements for both employees and customers, and MDBF, which remains at 100,000 miles fleet-wide. Projections are to maintain an on-time performance rating of 94.5%. During this period, the LIRR will continue its LCM for its M7 fleet, as many components start to enter key maintenance stages. Fulfillment of LCM requirements will continue to place growing demands on resources, in both labor and maintenance materials.

The baseline projections for 2010-2012 reflect these various impacts. Non-reimbursable revenues grow less than 1.2% in any year, while Reimbursable revenues decrease by 1.6% in 2010, 11.7% in 2011 and then increase by 6.4% in 2012.

The pace of expense growth is higher, driven by high rates of increase above normal inflation in health and welfare (active and retirees), Traction and Propulsion power, and insurance throughout the plan. Non-reimbursable expenses (before depreciation) grow by 0.5% from \$1.219 billion in 2009 to \$1.225 billion in 2010. They continue to rise by 2.3% in 2011 and 3.2% in 2012, reaching \$1.295 billion. Reimbursable expenses decline by 1.6% (\$3.7 million) in 2010 and 11.7% in 2011, and then increase by 6.4% in 2012, reaching \$210.8 million.

The baseline positions in these projections increase in 2010 by 233 positions over 2009, and then a decrease of 23 positions in 2011 and another decrease of 6 positions in 2012. The increase in 2010 is primarily associated with project activity, with reimbursable increasing by 186 positions. The decrease in 2011 and 2012 represent

completion of such initiatives as the threshold plates, M7 horns and armrests, as well as changes in Capital reimbursable activity. For the period from 2009 to 2012, reimbursable positions increase by 22.6%, or 175 positions. For the same period, non-reimbursable positions increase by 29 positions.

Appearing in a separate section is a discussion of the major assumptions in the 2010-2012 forecasts and reconciliations to the July plan for the years through 2012.

GAP CLOSING MEASURES

2009 PEG Actions

For 2009, Programs to Eliminate the Gaps (PEGs) totaling \$7.9 million have been identified in a below-the-line section of the Proposed Budget, all but \$0.8 million of which are expense based. \$5.1 million of these PEGs have been identified to start in 2008.

On the expense side, these PEGs include the decision to have only one gang assigned to tree trimming (remaining work to be conducted by third party vendors), based on preliminary test results not moving forward with outfitting the M7 fleet with sanders, evaluation of off peak service and other supporting services to identify savings which are consistent with current service guidelines and better management of health and welfare retiree payments.

On the revenue side, a greater emphasis will be placed on generating higher real estate revenue and better oversight of the free rail pass policy.

Post 2009 PEG Actions

The PEG actions taken in 2009 are largely carried forward into 2010 – 2012. Several new PEGs include the Jay, Hall and Dunton Tower consolidation as part of the first phase of the Centralized Train Control project and savings as a result of implementing a corporate wide time and attendance system as well as changing the Diesel Fuel mixture. The identified PEGs total \$1.2 million in 2010 – 2012, respectively. In addition, there are unspecified PEGs of \$20.8 million in 2010, \$17.0 million in 2011 and \$39.1 million in 2012.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

Non-Reimbursable						
	2007	2008	2009			
	Actual	November Forecast	Final Proposed Budget	2010	2011	2012
Operating Revenue						
Farebox Revenue	\$479.4	\$508.5	\$506.8	\$505.9	\$510.4	\$515.0
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	33.4	36.4	36.7	38.0	39.9	41.6
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$512.8	\$544.9	\$543.6	\$543.8	\$550.2	\$556.5
Operating Expenses						
<u>Labor:</u>						
Payroll	\$384.0	\$413.0	\$434.3	\$442.0	\$452.8	\$464.6
Overtime	84.1	93.3	83.7	83.0	84.3	85.1
Health and Welfare	66.7	73.2	82.8	89.4	95.8	103.0
OPEB Current Payment	40.4	46.7	51.2	55.6	60.5	65.7
Pensions	113.9	108.7	116.1	118.7	119.2	120.9
Other Fringe Benefits	81.6	89.9	93.5	95.1	97.3	99.8
Reimbursable Overhead	(26.8)	(29.3)	(29.0)	(29.0)	(31.0)	(32.3)
Total Labor Expenses	\$744.0	\$795.5	\$832.7	\$854.8	\$878.9	\$906.8
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$70.7	\$75.1	\$80.8	\$87.2	\$92.3	\$97.3
Fuel for Buses and Trains	16.3	26.0	26.3	25.2	24.3	25.6
Insurance	17.3	15.5	16.6	17.9	19.3	20.8
Claims	11.0	15.1	15.4	15.8	15.8	16.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	65.1	66.1	85.3	75.9	75.6	78.2
Professional Service Contracts	16.8	26.9	31.4	28.6	23.8	24.0
Materials & Supplies	100.0	112.5	121.4	110.7	114.5	116.3
Other Business Expenses	5.3	8.8	9.0	9.2	9.3	9.5
Total Non-Labor Expenses	\$302.5	\$346.1	\$386.3	\$370.6	\$374.8	\$387.9
<u>Other Expenses Adjustments:</u>						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs	\$1,046.4	\$1,141.6	\$1,218.9	\$1,225.4	\$1,253.8	\$1,294.7
Depreciation	276.0	283.4	297.9	310.6	307.7	303.4
OPEB Obligation	77.5	76.1	79.2	82.4	85.7	89.1
Environmental Remediation	0.0	13.0	1.5	1.5	1.5	1.5
Total Expenses	\$1,399.9	\$1,514.1	\$1,597.5	\$1,619.8	\$1,648.6	\$1,688.7
Baseline Surplus/(Deficit)	(\$887.1)	(\$969.2)	(\$1,054.0)	(\$1,076.0)	(\$1,098.4)	(\$1,132.1)
2009 Program to Eliminate the Gap (PEGs)	0.0	5.1	7.9	6.1	5.7	5.8
Post 2009 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	22.0	18.2	40.3
Net Surplus/(Deficit)	(\$887.1)	(\$964.1)	(\$1,046.1)	(\$1,047.8)	(\$1,074.4)	(\$1,086.0)
Business Service Center	\$0.0	\$5.0	\$5.0	\$5.0	\$6.7	\$7.4

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2009- 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE						
	2007	2008	2009			
	Actual	November	Final Proposed	2010	2011	2012
		Forecast	Budget			
Revenue						
Farebox Revenue	\$479.4	\$508.5	\$506.8	\$505.9	\$510.4	\$515.0
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	33.4	36.4	36.7	38.0	39.9	41.6
Capital and Other Reimbursements	164.7	209.7	228.1	224.4	198.1	210.8
Total Revenue	\$677.5	\$754.6	\$771.6	\$768.2	\$748.3	\$767.3
Expenses						
<u>Labor:</u>						
Payroll	\$446.4	\$486.9	\$519.2	\$526.3	\$538.5	\$552.5
Overtime	99.3	109.8	93.8	93.2	94.4	95.4
Health and Welfare	77.1	86.3	97.1	104.5	111.8	119.9
OPEB Current Payment	40.4	46.7	51.2	55.6	60.5	65.7
Pensions	137.1	137.1	136.8	137.0	137.4	139.1
Other Fringe Benefits	95.0	106.0	110.8	113.4	116.5	120.3
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	\$895.3	\$972.7	\$1,008.8	\$1,030.1	\$1,059.1	\$1,093.0
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$70.8	\$75.2	\$80.8	\$87.2	\$92.3	\$97.3
Fuel for Buses and Trains	16.3	26.0	26.3	25.2	24.3	25.6
Insurance	17.7	16.4	17.2	18.6	20.0	21.5
Claims	11.0	15.1	15.4	15.8	15.8	16.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	72.2	75.9	93.8	84.6	84.2	86.9
Professional Service Contracts	17.3	28.2	31.9	29.2	24.3	24.6
Materials & Supplies	105.0	132.9	163.6	149.8	122.5	130.8
Other Business Expenses	5.6	9.0	9.1	9.3	9.4	9.6
Total Non-Labor Expenses	\$315.8	\$378.6	\$438.2	\$419.6	\$392.7	\$412.5
<u>Other Expenses Adjustments:</u>						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs	\$1,211.1	\$1,351.3	\$1,447.0	\$1,449.7	\$1,451.9	\$1,505.5
Depreciation	276.0	283.4	297.9	310.6	307.7	303.4
OPEB Obligation	77.5	76.1	79.2	82.4	85.7	89.1
Environmental Remediation	0.0	13.0	1.5	1.5	1.5	1.5
Total Expenses	\$1,564.6	\$1,723.8	\$1,825.6	\$1,844.2	\$1,846.7	\$1,899.4
Baseline Surplus/(Deficit)	(\$887.1)	(\$969.2)	(\$1,054.0)	(\$1,076.0)	(\$1,098.4)	(\$1,132.1)
2008/9 Program to Eliminate the Gap (PEGs)	0.0	5.1	7.9	6.1	5.7	5.8
Post 2009 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	22.0	18.2	40.3
Net Surplus/(Deficit)	(\$887.1)	(\$964.1)	(\$1,046.1)	(\$1,047.8)	(\$1,074.4)	(\$1,086.0)
Business Service Center	\$0.0	\$5.0	\$5.0	\$5.0	\$6.7	\$7.4

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2009- 2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2007	2008	2009			
	Actual	November	Final Proposed	2010	2011	2012
		Forecast	Budget			
Receipts						
Farebox Revenue	\$510.6	\$538.5	\$536.8	\$535.9	\$540.4	\$545.0
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	33.9	83.6	53.1	54.1	56.0	57.9
Capital and Other Reimbursements	189.5	234.0	255.8	246.9	243.7	239.4
Total Receipts	\$734.0	\$856.1	\$845.8	\$836.9	\$840.1	\$842.2
Expenditures						
<u>Labor:</u>						
Payroll	\$426.2	\$501.8	\$517.8	\$524.9	\$537.1	\$551.1
Overtime	95.0	109.8	93.8	93.2	94.4	95.4
Health and Welfare	72.1	92.7	97.1	104.5	111.8	119.9
OPEB Current Payment	36.5	50.5	51.2	55.6	60.5	65.7
Pensions	138.2	62.6	136.8	137.0	137.4	139.1
Other Fringe Benefits	93.4	107.3	110.8	113.4	116.5	120.3
GASB Account	6.7	7.5	7.8	8.2	8.9	9.6
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$868.1	\$932.1	\$1,015.2	\$1,036.9	\$1,066.7	\$1,101.1
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$72.4	\$112.7	\$90.1	\$96.5	\$101.6	\$106.6
Fuel for Buses and Trains	15.2	26.8	26.3	25.2	24.3	25.6
Insurance	22.7	25.2	23.1	24.7	27.3	28.3
Claims	13.5	17.6	13.6	14.0	14.0	14.3
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	68.7	85.1	104.2	88.1	88.3	89.8
Professional Service Contracts	22.8	34.4	34.5	31.2	24.1	23.6
Materials & Supplies	149.1	162.2	184.7	177.3	148.4	156.7
Other Business Expenses	6.7	8.4	8.5	8.7	8.8	9.0
Total Non-Labor Expenditures	\$371.1	\$472.4	\$485.0	\$465.7	\$436.8	\$453.9
<u>Other Expenditure Adjustments:</u>						
Other	29.7	30.0	30.0	30.0	30.0	30.0
Total Other Expenditure Adjustments	\$29.7	\$30.0	\$30.0	\$30.0	\$30.0	\$30.0
Total Expenditures	\$1,269.0	\$1,434.5	\$1,530.3	\$1,532.7	\$1,533.5	\$1,585.0
Cash Timing and Availability Adjustment	(4.3)	0.0	0.0	0.0	0.0	0.0
Baseline Cash Deficit	(\$539.3)	(\$578.4)	(\$684.5)	(\$695.8)	(\$693.4)	(\$742.8)
2008/9 Program to Eliminate the Gap (PEGs)	0.0	5.1	7.9	6.1	5.7	5.8
Post 2009 Program to Eliminate the Gap (PEGs)	0.0	0.0	0.0	22.0	18.2	40.3
Net Cash Deficit	(\$539.3)	(\$573.3)	(\$676.6)	(\$667.6)	(\$669.4)	(\$696.7)
Business Service Center	\$0.0	\$5.0	\$5.0	\$5.0	\$6.7	\$7.4

**MTA Long Island Rail Road
2009 Final Proposed Budget
November Financial Plan 2009 – 2012
Year-to-Year Changes by Category - Accrual and Cash**

Revenue

Farebox Revenue

- The regional economy and employment trends are the primary drivers.
- Farebox revenue is decreasing by (0.3%) in 2009 and (0.2%) in 2010, due to lower projected NYC and Nassau/Suffolk employment.
- Passenger revenue forecasts in the outer years 2011 - 2012 reveal modest annual growth due to increases in ridership.

Other Operating Revenue

- Other revenues (rent, station privileges, etc.) are higher than what was projected in the 2008 budget, primarily due to scrap sales, Mineola Parking and rental revenue.
- Projected to grow each year primarily through contractual and inflationary increases.

Capital and Other Reimbursements

- Reflects the 2005 - 2009 Capital Program and other project activity including overbuilds and East Side Access materials.

Expenses

Payroll

- 2009 - 2012 includes increases for management employees of 3.0%, 1.87%, 2.23% and 2.20%, respectively.
- 2009 - 2012 includes increases for represented employees of 3.0%, 1.87%, 2.23% and 2.20%, respectively.
- Headcount changes each year are associated with new needs, changes in programs and Capital Program activity.

Overtime

- 2008 - 2009 decrease is primarily associated with lower maintenance overtime, change in Capital Program activity and reduction in open job coverage as vacant positions are filled.
- 2010 - 2012 reflects CPI increases, changes in Capital Program activity and other programmatic changes.

Health & Welfare

- 2009 - 2012 reflects an annual rate increase of approximately 7.8% over 2008.
- 2010 - 2012 reflects annual rate increases based on 2005-2009 five-year averages.
- Reflects impact of headcount changes each year.

Pensions

- Reflects the latest actuarial valuation for each year.

Other Fringe Benefits

- Railroad Retirement Tax maximum limits are based on the December 2007 projected maximum earnings bases from the Railroad Retirement Board; the tax rate for each tier is expected to remain unchanged.
- Railroad Unemployment reflects a slight annual increase in the monthly amount per employee each year.

Traction and Propulsion Power

- 2008 is based on actuals through July.
- 2009 - 2012 reflects price inflators provided by MTA and historical performance.

Fuel

- 2008 is based on actuals through July.
- 2009 - 2012 reflects price inflators and historical performance.

Insurance

- 2008 is based on actual results through July.
- 2009 - 2012 reflects price inflators.

Claims

- 2008 reflects actual experience through July and the anticipated settlement and payout of claims for the balance of the year.
- 2009 - 2012 reflects inflationary increases.

Maintenance and Other Operating Contracts

- 2008 – 2009 reflects additional expenses for M7 Threshold plates.
- 2009 – 2010 reflects completion of M7 Threshold plates.
- 2010 - 2012 reflects inflationary increases.

Professional Service Contracts

- The change from 2008 to 2009 is primarily associated with expenses related to various Information Technology initiatives, as well as the Network Strategy and Origin/Destination Studies to be conducted in 2009.
- 2010 – 2011 reflects the completion of the PeopleSoft Financial Software Implementation.
- 2009 – 2011 reflects changes in System Initiative projects.

Material and Supplies

- The increase in materials from 2008 - 2009 is primarily East Side Access material and LCM/production plan activities.
- 2010 – 2012 reflects lower East Side Access material costs and LCM/production plan activities.

Other Business Expenses

- 2008 - 2009 reflects changes in credit/debit card authorization fees.
- 2009 - 2012 includes inflationary increases.

Depreciation

- Reflects depreciation of current assets as well as estimates for capital projects based on their beneficial use.

Cash Adjustments

Expense

- Pension – cash payments versus accrued expenses.
- Insurance and Claims & Suits – payments versus accrued expenses.
- 2008 - 2012 - timing of material purchases versus charge-outs.
- Depreciation and other non-cash adjustments for each year 2008 - 2012.
- Traction and Propulsion Power – 2008 includes potential prior period payments, 2004 – 2007, for LIPA.
- 2008 reflects replacement of the Queens and Hall In-Tie switches.
- 2008 – 2012 reflects capitalization of various IT Initiatives.

MTA LONG ISLAND RAILROAD
November Financial Plan 2009- 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$508.5	\$506.8	(\$1.7)	\$505.9	(\$1.0)	\$510.4	\$4.5	\$515.0	\$4.6
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	36.4	36.7	0.3	38.0	1.2	39.9	1.9	41.6	1.7
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$544.9	\$543.6	(\$1.4)	\$543.8	\$0.3	\$550.2	\$6.4	\$556.5	\$6.3
Expenses									
Labor:									
Payroll	\$413.0	\$434.3	(\$21.3)	\$442.0	(\$7.7)	\$452.8	(\$10.8)	\$464.6	(\$11.8)
Overtime	93.3	83.7	9.6	83.0	0.8	84.3	(1.3)	85.1	(0.8)
Health and Welfare	73.2	82.8	(9.6)	89.4	(6.6)	95.8	(6.4)	103.0	(7.1)
OPEB Current Payment	46.7	51.2	(4.5)	55.6	(4.4)	60.5	(4.8)	65.7	(5.2)
Pensions	108.7	116.1	(7.5)	118.7	(2.5)	119.2	(0.5)	120.9	(1.7)
Other Fringe Benefits	89.9	93.5	(3.6)	95.1	(1.6)	97.3	(2.1)	99.8	(2.6)
Reimbursable Overhead	(29.3)	(29.0)	(0.3)	(29.0)	(0.0)	(31.0)	2.0	(32.3)	1.3
Total Labor Expenses	\$795.5	\$832.7	(\$37.2)	\$854.8	(\$22.2)	\$878.9	(\$24.1)	\$906.8	(\$27.9)
Non-Labor:									
Traction and Propulsion Power	\$75.1	\$80.8	(\$5.7)	\$87.2	(\$6.4)	\$92.3	(\$5.0)	\$97.3	(\$5.1)
Fuel for Buses and Trains	26.0	26.3	(0.3)	25.2	1.1	24.3	0.9	25.6	(1.4)
Insurance	15.5	16.6	(1.1)	17.9	(1.3)	19.3	(1.4)	20.8	(1.5)
Claims	15.1	15.4	(0.4)	15.8	(0.4)	15.8	0.0	16.1	(0.3)
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	66.1	85.3	(19.2)	75.9	9.4	75.6	0.3	78.2	(2.5)
Professional Service Contracts	26.9	31.4	(4.5)	28.6	2.7	23.8	4.8	24.0	(0.2)
Materials & Supplies	112.5	121.4	(8.9)	110.7	10.6	114.5	(3.8)	116.3	(1.8)
Other Business Expenses	8.8	9.0	(0.2)	9.2	(0.1)	9.3	(0.1)	9.5	(0.2)
Total Non-Labor Expenses	\$346.1	\$386.3	(\$40.2)	\$370.6	\$15.7	\$374.8	(\$4.3)	\$387.9	(\$13.1)
Other Expenses Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	\$1,141.6	\$1,218.9	(\$77.3)	\$1,225.4	(\$6.4)	\$1,253.8	(\$28.4)	\$1,294.7	(\$40.9)
Depreciation	283.4	297.9	(14.5)	310.6	(12.7)	307.7	2.8	303.4	4.4
OPEB Obligation	76.1	79.2	(3.0)	82.4	(3.2)	85.7	(3.3)	89.1	(3.4)
Environmental Remediation	13.0	1.5	11.5	1.5	0.0	1.5	0.0	1.5	0.0
Total Expenses	\$1,514.1	\$1,597.5	(\$83.4)	\$1,619.8	(\$22.3)	\$1,648.6	(\$28.9)	\$1,688.7	(\$40.0)
Baseline Net Surplus/(Deficit)	(\$969.2)	(\$1,054.0)	(\$84.8)	(\$1,076.0)	(\$22.0)	(\$1,098.4)	(\$22.4)	(\$1,132.1)	(\$33.7)
2009 PEG Program									
	5.1	7.9	2.8	6.1	(1.7)	5.7	(0.4)	5.8	0.1
Post 2009 PEGs									
	0.0	0.0	0.0	22.0	22.0	18.2	(3.7)	40.3	22.0
Net Surplus/(Deficit)	(\$964.1)	(\$1,046.1)	(\$82.0)	(\$1,047.8)	(\$1.8)	(\$1,074.4)	(\$26.6)	(\$1,086.0)	(\$11.6)
Business Service Center	5.0	5.0	-	5.0	-	6.7	1.7	7.4	0.7

MTA LONG ISLAND RAILROAD
Baseline Surplus/(Deficit)
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$508.5	\$506.8	(\$1.7)	\$505.9	(\$1.0)	\$510.4	\$4.5	\$515.0	\$4.6
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	36.4	36.7	0.3	38.0	1.2	39.9	1.9	41.6	1.7
Capital and Other Reimbursements	209.7	228.1	18.4	224.4	(3.7)	198.1	(26.3)	210.8	12.7
Total Revenue	\$754.6	\$771.6	\$17.0	\$768.2	(\$3.4)	\$748.3	(\$19.9)	\$767.3	\$19.0
Expenses									
Labor:									
Payroll	\$486.9	\$519.2	(\$32.3)	\$526.3	(\$7.2)	\$538.5	(\$12.2)	\$552.5	(\$14.0)
Overtime	109.8	93.8	16.0	93.2	0.6	94.4	(1.2)	95.4	(1.0)
Health and Welfare	86.3	97.1	(10.8)	104.5	(7.4)	111.8	(7.3)	119.9	(8.1)
OPEB Current Payment	46.7	51.2	(4.5)	55.6	(4.4)	60.5	(4.8)	65.7	(5.2)
Pensions	137.1	136.8	0.3	137.0	(0.2)	137.4	(0.3)	139.1	(1.7)
Other Fringe Benefits	106.0	110.8	(4.8)	113.4	(2.6)	116.5	(3.2)	120.3	(3.7)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenses	\$972.7	\$1,008.8	(\$36.2)	\$1,030.1	(\$21.2)	\$1,059.1	(\$29.1)	\$1,093.0	(\$33.8)
Non-Labor:									
Traction and Propulsion Power	\$75.2	\$80.8	(\$5.6)	\$87.2	(\$6.4)	\$92.3	(\$5.0)	\$97.3	(\$5.1)
Fuel for Buses and Trains	26.0	26.3	(0.3)	25.2	1.1	24.3	0.9	25.6	(1.4)
Insurance	16.4	17.2	(0.8)	18.6	(1.4)	20.0	(1.4)	21.5	(1.5)
Claims	15.1	15.4	(0.4)	15.8	(0.4)	15.8	0.0	16.1	(0.3)
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	75.9	93.8	(17.9)	84.6	9.2	84.2	0.4	86.9	(2.7)
Professional Service Contracts	28.2	31.9	(3.7)	29.2	2.7	24.3	4.9	24.6	(0.3)
Materials & Supplies	132.9	163.6	(30.7)	149.8	13.8	122.5	27.3	130.8	(8.3)
Other Business Expenses	9.0	9.1	(0.1)	9.3	(0.1)	9.4	(0.1)	9.6	(0.3)
Total Non-Labor Expenses	\$378.6	\$438.2	(\$59.5)	\$419.6	\$18.5	\$392.7	\$26.9	\$412.5	(\$19.8)
Other Expenses Adjustments:									
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	\$1,351.3	\$1,447.0	(\$95.7)	\$1,449.7	(\$2.7)	\$1,451.9	(\$2.1)	\$1,505.5	(\$53.6)
Depreciation	283.4	297.9	(14.5)	310.6	(12.7)	307.7	2.8	303.4	4.4
OPEB Obligation	76.1	79.2	(3.0)	82.4	(3.2)	85.7	(3.3)	89.1	(3.4)
Environmental Remediation	13.0	1.5	11.5	1.5	0.0	1.5	0.0	1.5	0.0
Total Expenses	\$1,723.8	\$1,825.6	(\$101.8)	\$1,844.2	(\$18.6)	\$1,846.7	(\$2.6)	\$1,899.4	(\$52.7)
Baseline Net Surplus/(Deficit)	(\$969.2)	(\$1,054.0)	(\$84.8)	(\$1,076.0)	(\$22.0)	(\$1,098.4)	(\$22.4)	(\$1,132.1)	(\$33.7)
2009 PEG Program	5.1	7.9	2.8	6.1	(1.7)	5.7	(0.4)	5.8	0.1
Post 2009 PEGs	0.0	0.0	0.0	22.0	22.0	18.2	(3.7)	40.3	22.0
Net Surplus/(Deficit)	(\$964.1)	(\$1,046.1)	(\$82.0)	(\$1,047.8)	(\$1.8)	(\$1,074.4)	(\$26.6)	(\$1,086.0)	(\$11.6)
Business Service Center	\$5.0	\$5.0	\$0.0	\$5.0	\$0.0	\$6.7	\$1.7	\$7.4	\$0.7

MTA LONG ISLAND RAILROAD
November Financial Plan 2009- 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Receipts									
Farebox Revenue	\$538.5	\$536.8	(\$1.7)	\$535.9	(\$1.0)	\$540.4	\$4.5	\$545.0	\$4.6
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	83.6	53.1	(30.5)	54.1	1.0	56.0	1.9	57.9	1.8
Capital and Other Reimbursements	234.0	255.8	21.8	246.9	(8.9)	243.7	(3.3)	239.4	(4.3)
Total Receipts	\$856.1	\$845.8	(\$10.4)	\$836.9	(\$8.9)	\$840.1	\$3.2	\$842.2	\$2.1
Expenditures									
Labor:									
Payroll	\$501.8	\$517.8	(\$15.9)	\$524.9	(\$7.2)	\$537.1	(\$12.2)	\$551.1	(\$14.0)
Overtime	109.8	93.8	16.0	93.2	0.6	94.4	(1.2)	95.4	(1.0)
Health and Welfare	92.7	97.1	(4.4)	104.5	(7.4)	111.8	(7.3)	119.9	(8.1)
OPEB Current Payment	50.5	51.2	(0.7)	55.6	(4.4)	60.5	(4.8)	65.7	(5.2)
Pensions	62.6	136.8	(74.2)	137.0	(0.2)	137.4	(0.3)	139.1	(1.7)
Other Fringe Benefits	107.3	110.8	(3.5)	113.4	(2.6)	116.5	(3.2)	120.3	(3.7)
GASB Account	7.5	7.8	(0.3)	8.2	(0.5)	8.9	(0.7)	9.6	(0.6)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$932.1	\$1,015.2	(\$83.1)	\$1,036.9	(\$21.7)	\$1,066.7	(\$29.7)	\$1,101.1	(\$34.4)
Non-Labor:									
Traction and Propulsion Power	\$112.7	\$90.1	\$22.5	\$96.5	(\$6.4)	\$101.6	(\$5.0)	\$106.6	(\$5.0)
Fuel for Buses and Trains	26.8	26.3	0.5	25.2	1.1	24.3	0.9	25.6	(1.4)
Insurance	25.2	23.1	2.1	24.7	(1.7)	27.3	(2.6)	28.3	(1.0)
Claims	17.6	13.6	4.0	14.0	(0.4)	14.0	0.0	14.3	(0.3)
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	85.1	104.2	(19.1)	88.1	16.1	88.3	(0.2)	89.8	(1.5)
Professional Service Contracts	34.4	34.5	(0.1)	31.2	3.2	24.1	7.1	23.6	0.5
Materials & Supplies	162.2	184.7	(22.5)	177.3	7.4	148.4	28.9	156.7	(8.3)
Other Business Expenses	8.4	8.5	(0.1)	8.7	(0.1)	8.8	(0.1)	9.0	(0.2)
Total Non-Labor Expenditures	\$472.4	\$485.0	(\$12.7)	\$465.7	\$19.3	\$436.8	\$28.9	\$453.9	(\$17.2)
Other Expenditure Adjustments:									
Other	30.0	30.0	0.0	30.0	0.0	30.0	0.0	30.0	0.0
Total Other Expenditure Adjustments	\$30.0	\$30.0	\$0.0	\$30.0	\$0.0	\$30.0	\$0.0	\$30.0	\$0.0
Total Expenditures	\$1,434.5	\$1,530.3	(\$95.8)	\$1,532.7	(\$2.4)	\$1,533.5	(\$0.8)	\$1,585.0	(\$51.6)
Baseline Net Cash Deficit	(\$578.4)	(\$684.5)	(\$106.1)	(\$695.8)	(\$11.3)	(\$693.4)	\$2.4	(\$742.8)	(\$49.5)
2009 PEG Program									
2009 PEG Program	5.1	7.9	2.8	6.1	(1.7)	5.7	(0.4)	5.8	0.1
Post 2009 PEGs	0.0	0.0	0.0	22.0	22.0	18.2	(3.7)	40.3	22.0
Net Cash Deficit	(\$573.3)	(\$676.6)	(\$103.3)	(\$667.6)	\$9.0	(\$669.4)	(\$1.7)	(\$696.7)	(\$27.3)
Business Service Center	5.0	5.0	0.0	5.0	0.0	6.7	(1.7)	7.4	(0.7)

**MTA Long Island Rail Road
2009 Final Proposed Budget
November Financial Plan 2009 - 2012
Summary of Changes between Financial Plans by Category**

2008: November Financial Plan vs. July Financial Plan

2008 November Financial Plan is based on actual performance through July with projections for August through December based on current trends and known activities.

Revenue

- Ridership, 1.9 million, and Passenger Revenue, \$6.9 million, favorable to plan.
- Higher advertising guarantee, rentals and scrap sales.
- Capital and other reimbursements are higher primarily resulting from changes in capital project activity.

Expense

- Payroll and benefits – increased from July Plan due to an increase in project and maintenance overtime.
- Higher Traction and Propulsion Power due to rates.
- Lower Fuel for Trains due to lower diesel rates.
- Lower professional services due to a shifting of the network strategy study to 2009.
- Lower materials due to shifting of various LCM and production Plan activities to 2009 – 2012.
- All other non-payroll expenses have been re-estimated based on planned activities and timing of service contracts.

2009 - 2012: November Financial Plan vs. July Financial Plan

Revenue

- 2009 increase in ridership of approximately 0.7%, decreasing (0.31%) 2010 - 2012.
- Lower Special Services revenue, partially offset by higher Mineola Parking revenue.
- Capital and other reimbursements are higher primarily resulting from changes in capital project activity and East Side Access Material.

Expense

- Payroll and benefits – increased from July Plan due to new needs, revised labor rates and capital program activity, partially offset by lower rates for health and welfare.
- Traction Power and Diesel fuel changes based on latest guidance from MTA.
- Material & Supplies changes each year due to re-estimate of material costs associated with LCM.
- All other non-payroll expenses have been re-estimated based on planned activities, changes in service contracts and adjustments to inflationary increases.

MTA LONG ISLAND RAILROAD
November Financial Plan 2009- 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$593.0)	(\$660.5)	(\$673.1)	(\$693.1)	(\$723.0)
IESS Adjustment	(1.8)	(5.6)	(6.0)	(5.4)	(5.6)
Fuel Adjustment	(3.6)	(5.3)	1.2	2.6	3.3
Baseline Adjusted 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$598.4)	(\$671.4)	(\$677.9)	(\$695.9)	(\$725.3)
Baseline Changes					
Revenue					
Farebox Revenue	\$6.9	\$1.6	(\$3.3)	(\$3.4)	(\$3.4)
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.6	(0.2)	(0.2)	(0.2)	(0.3)
Capital and Other Reimbursement	0.0	0.0	0.0	0.0	0.0
Total Revenue Changes	\$7.5	\$1.4	(\$3.6)	(\$3.6)	(\$3.7)
Expenses					
<i>Labor:</i>					
Payroll and Overtime	(\$7.3)	(\$1.8)	(\$1.8)	(\$3.9)	(\$4.1)
Health and Welfare	0.2	1.6	1.8	1.4	1.2
OPEB Current Payment	0.0	1.3	1.4	1.4	1.4
Pensions	4.5	(0.6)	(0.3)	(0.7)	(0.7)
Other Fringe Benefits	(2.1)	(1.1)	0.2	(0.5)	(0.5)
Reimbursable Overhead	4.7	2.9	0.8	1.3	1.4
Total Labor Expense Changes	(\$0.0)	\$2.2	\$2.2	(\$1.0)	(\$1.3)
<i>Non-Labor:</i>					
Traction and Propulsion Power	(\$3.8)	(\$3.7)	(\$3.8)	(\$4.9)	(\$5.7)
Fuel for Buses and Trains	1.6	3.4	(2.0)	(2.4)	(4.5)
Insurance	0.1	0.0	0.0	0.0	0.0
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	3.3	(6.8)	(1.3)	(0.6)	(0.7)
Professional Service Contracts	2.4	(2.8)	0.1	0.4	0.5
Materials & Supplies	12.6	(8.1)	(1.7)	(1.4)	(1.0)
Other Business Expenses	0.0	(0.5)	(0.5)	(0.4)	(0.4)
Total Non-Labor Expense Changes	\$16.2	(\$18.4)	(\$9.1)	(\$9.3)	(\$11.8)
Total Expense Changes before Depreciation and GASB Adjs.	\$16.2	(\$16.2)	(\$6.9)	(\$10.3)	(\$13.1)
Depreciation	\$0.0	\$0.0	\$0.0	(\$0.0)	\$0.0
OPEB Obligation	1.5	1.5	1.6	1.6	1.7
Environmental Remediation	(11.5)	0.0	0.0	0.0	0.0
Total Expense Changes	\$6.2	(\$14.7)	(\$5.3)	(\$8.7)	(\$11.3)
Cash Adjustment Changes					
GASB account re-estimates	(\$0.3)	\$0.0	\$0.2	\$0.2	\$0.2
Insurance - payment of prior year Station Liability audit	(0.2)	0.0	0.1	0.1	0.1
Claims & Suits - higher settlements	(1.6)	0.0	0.0	0.0	0.0
Timing of Maint & Other Op Contracts	0.4	(0.4)	0.0	0.0	0.0
Other material adjustments	(4.7)	9.5	0.0	0.0	0.0
Operating Funded Capital shift and savings	6.7	(5.0)	0.0	0.0	0.0
Depreciation, OPEB & Envir. Remediation	10.0	(1.5)	(1.6)	(1.6)	(1.7)
Non-cash expense adjustments (Misc. Charges & Credits)	1.6	0.5	0.5	0.5	0.5
All Other	(0.0)	(0.0)	0.0	(0.0)	0.0
Total Cash Adjustment Changes	\$11.9	\$3.1	(\$0.8)	(\$0.8)	(\$0.9)
Total Baseline Changes	\$25.6	(\$10.1)	(\$9.7)	(\$13.1)	(\$15.9)
Baseline 2008 November Financial Plan - Operating Cash Income/(Deficit)	(\$572.8)	(\$681.6)	(\$687.6)	(\$709.0)	(\$741.2)

MTA LONG ISLAND RAILROAD
November Financial Plan 2009- 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$3.7)	(\$4.8)	(\$8.2)	\$15.6	(\$1.6)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	13.9	2.8	3.9	4.3	4.5
Total Revenue Changes	\$13.9	\$2.8	\$3.9	\$4.3	\$4.5
Expenses					
<i>Labor:</i>					
Payroll and Overtime	(\$1.1)	(\$1.8)	(\$1.8)	(\$1.5)	(\$1.7)
Health and Welfare	0.3	0.4	(0.5)	(0.2)	(0.3)
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0
Pensions	(4.5)	0.6	0.3	0.7	0.7
Other Fringe Benefits	0.6	0.7	(0.4)	(0.0)	(0.0)
Reimbursable Overhead	(4.7)	(2.9)	(0.8)	(1.3)	(1.4)
Total Labor Expense Changes	(\$9.4)	(\$2.9)	(\$3.2)	(\$2.4)	(\$2.7)
<i>Non-Labor:</i>					
Traction and Propulsion Power	(0.0)	0.0	0.0	0.0	0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0
Insurance	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	(0.2)	(0.5)	(0.5)	(1.2)	(1.1)
Professional Service Contracts	(0.4)	(0.2)	(0.2)	(0.2)	(0.3)
Materials & Supplies	(3.6)	0.4	(0.4)	(0.7)	(0.8)
Other Business Expenses	(0.2)	0.4	0.5	0.4	0.4
Total Non-Labor Expense Changes	(\$4.5)	\$0.1	(\$0.7)	(\$1.9)	(\$1.8)
Total Expense Changes	(\$13.9)	(\$2.8)	(\$3.9)	(\$4.3)	(\$4.5)
Cash Adjustment Changes					
ESA Funding /Reimbursement lag adjustment	(\$1.9)	\$1.9	(\$0.0)	\$0.0	\$0.0
Total Cash Adjustment Changes	(\$1.9)	\$1.9	(\$0.0)	\$0.0	\$0.0
Total Baseline Changes	(\$1.9)	\$1.9	(\$0.0)	\$0.0	(\$0.0)
Baseline 2008 November Financial Plan - Operating Cash Income/(Deficit)	(\$5.6)	(\$2.9)	(\$8.2)	\$15.6	(\$1.6)

MTA LONG ISLAND RAILROAD
November Financial Plan 2009- 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE/REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$596.8)	(\$665.3)	(\$681.2)	(\$677.5)	(\$724.6)
IESS Adjustment	(1.8)	(5.6)	(6.0)	(5.4)	(5.6)
Fuel Adjustment	(3.6)	(5.3)	1.2	2.6	3.3
Baseline Adjusted 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$602.2)	(\$676.2)	(\$686.1)	(\$680.3)	(\$726.9)
Baseline Changes					
Revenue					
Farebox Revenue	\$6.9	\$1.6	(\$3.3)	(\$3.4)	(\$3.4)
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.6	(0.2)	(0.2)	(0.2)	(0.3)
Capital and Other Reimbursement	13.9	2.8	3.9	4.3	4.5
Total Revenue Changes	\$21.4	\$4.3	\$0.4	\$0.6	\$0.8
Expenses					
<i>Labor:</i>					
Payroll and Overtime	(\$8.3)	(\$3.6)	(\$3.5)	(\$5.4)	(\$5.8)
Health and Welfare	0.5	1.9	1.3	1.2	0.9
OPEB Current Payment	0.0	1.3	1.4	1.4	1.4
Pensions	(0.0)	0.0	0.0	0.0	0.0
Other Fringe Benefits	(1.5)	(0.4)	(0.2)	(0.5)	(0.5)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0
Total Labor Expense Changes	(\$9.4)	(\$0.8)	(\$1.0)	(\$3.3)	(\$4.0)
<i>Non-Labor:</i>					
Traction and Propulsion Power	(\$3.9)	(\$3.7)	(\$3.8)	(\$4.9)	(\$5.7)
Fuel for Buses and Trains	1.6	3.4	(2.0)	(2.4)	(4.5)
Insurance	0.0	(0.0)	(0.1)	(0.1)	(0.1)
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	3.1	(7.3)	(1.8)	(1.8)	(1.8)
Professional Service Contracts	2.0	(3.0)	(0.2)	0.1	0.2
Materials & Supplies	9.0	(7.7)	(2.1)	(2.2)	(1.8)
Other Business Expenses	(0.2)	(0.0)	0.0	0.0	(0.0)
Total Non-Labor Expense Changes	\$11.7	(\$18.3)	(\$9.8)	(\$11.2)	(\$13.6)
Total Expense Changes before Depreciation and GASB Adjs.	\$2.3	(\$19.1)	(\$10.9)	(\$14.5)	(\$17.6)
Depreciation	\$0.0	\$0.0	\$0.0	(\$0.0)	\$0.0
OPEB Obligation	1.5	1.5	1.6	1.6	1.7
Environmental Remediation	(11.5)	0.0	0.0	0.0	0.0
Total Expense Changes	(\$7.7)	(\$17.5)	(\$9.3)	(\$12.9)	(\$15.9)
Cash Adjustment Changes					
GASB account re-estimates	(\$0.3)	\$0.0	\$0.2	\$0.2	\$0.2
ESA Funding /Reimbursement lag adjustment	(1.9)	1.9	(0.0)	0.0	0.0
Insurance - payment of prior year Station Liability audit	(0.2)	0.0	0.1	0.1	0.1
Claims & Suits - higher settlements	(1.6)	0.0	0.0	0.0	0.0
Timing of Maint & Other Op Contracts	0.4	(0.4)	0.0	0.0	0.0
Other material adjustments	(4.7)	9.5	0.0	0.0	0.0
Operating Funded Capital shift and savings	6.7	(5.0)	0.0	0.0	0.0
Depreciation, OPEB & Envir. Remediation	10.0	(1.5)	(1.6)	(1.6)	(1.7)
Non-cash expense adjustments (Misc. Charges & Credits)	1.6	0.5	0.5	0.5	0.5
All Other	(0.0)	(0.0)	0.0	(0.0)	0.0
Total Cash Adjustment Changes	\$10.1	\$5.0	(\$0.8)	(\$0.8)	(\$0.9)
Total Baseline Changes	\$23.8	(\$8.3)	(\$9.7)	(\$13.1)	(\$15.9)
Baseline 2008 November Financial Plan - Operating Cash Income/(Deficit)	(\$578.4)	(\$684.5)	(\$695.8)	(\$693.4)	(\$742.8)

MTA LONG ISLAND RAILROAD
November Financial Plan 2009- 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$596.8)	(\$665.3)	(\$681.2)	(\$677.5)	(\$724.6)
IESS Adjustment	(1.8)	(5.6)	(6.0)	(5.4)	(5.6)
Fuel Adjustment	(3.6)	(5.3)	1.2	2.6	3.3
Baseline Adjusted 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$602.2)	(\$676.2)	(\$686.1)	(\$680.3)	(\$726.9)
Non-Reimbursable Major Changes					
Farebox Revenue	6.9	1.6	(3.3)	(3.4)	(3.4)
Other Operating Revenue (primarily Special Services and Rent)	0.6	(0.2)	(0.2)	(0.2)	(0.3)
Sub-Total Non-Reimbursable Revenue Changes	\$7.5	\$1.4	(\$3.6)	(\$3.6)	(\$3.7)
Remote elevator/escalator sensors		(0.5)			
LIRR Portion of ADA Grant		(0.4)	(0.4)		
Low Adhesion monitoring and support	(0.5)	(0.2)	(0.2)	(0.2)	(0.2)
Assistant Conductor Trainee Program change		(0.3)	(0.3)	(0.3)	(0.3)
Toilet Maintenance Gang		(0.6)	(0.6)	(0.6)	(0.6)
Diesel Fleet Initiatives		(0.6)	(0.3)		
Arch Street Maintenance Facility		2.4	(0.5)	(0.6)	(0.6)
US Golf Open in 2009		(1.1)			
Additional Warehouse Space		(0.3)	(0.3)	(0.3)	(0.3)
Production Plan and LCM changes	5.4	(2.3)	(0.8)	(1.2)	(1.2)
M7 5yr Coupler to 10 Yr Coupler	1.9	3.8	1.6	1.8	1.8
Disability and OT/Penalty Payment Management & Oversight		(0.3)	(0.3)	(0.3)	(0.3)
Traction Power and Fuel rate adjustments	(2.3)	(0.2)	(5.6)	(7.3)	(10.2)
Health & Welfare Active and Retiree re-estimate (rate adjustments)		3.5	3.2	3.1	3.0
Inflationary Increases (Materials, utilities, etc.)	(1.7)	(2.3)	(2.8)	(2.8)	(2.8)
Timing of Program activity (primarily deferred to 2009)	11.8	(11.4)		(0.3)	
Miscellaneous Other	1.6	(5.4)	0.4	(1.4)	(1.5)
Sub-Total Non-Reimbursable Expense Changes	\$16.2	(\$16.2)	(\$6.9)	(\$10.3)	(\$13.1)
Total Non-Reimbursable Major Changes	\$23.7	(\$14.8)	(\$10.5)	(\$13.9)	(\$16.8)
Reimbursable Major Changes					
Revenue					
Capital and Other Reimbursement	13.9	2.8	3.9	4.3	4.5
Sub-Total Reimbursable Revenue Changes	\$13.9	\$2.8	\$3.9	\$4.3	\$4.5
Expenses					
Project Activity	(13.9)	(2.8)	(3.9)	(4.3)	(4.5)
Sub-Total Reimbursable Expense Changes	(\$13.9)	(\$2.8)	(\$3.9)	(\$4.3)	(\$4.5)
Total Reimbursable Major Changes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Accrual Changes	\$23.7	(\$14.8)	(\$10.5)	(\$13.9)	(\$16.8)
Cash Adjustment Changes					
GASB account re-estimates	(0.3)	0.0	0.2	0.2	0.2
Insurance - payment of prior year Station Liability audit	(0.2)	0.0	0.1	0.1	0.1
Claims & Suits - higher settlements	(1.6)	0.0	0.0	0.0	0.0
Timing of Maint & Other Op Contracts	0.4	(0.4)	0.0	0.0	0.0
Other material adjustments	(4.7)	9.5	0.0	0.0	0.0
Operating Funded Capital shift and savings	6.7	(5.0)	0.0	0.0	0.0
Non-cash expense adjustments (Misc. Charges & Credits)	1.6	0.5	0.5	0.5	0.5
All Other	(0.0)	(0.0)	0.0	(0.0)	0.0
Reimbursable					
ESA Funding /Reimbursement lag adjustment	(\$1.9)	\$1.9	(\$0.0)	\$0.0	\$0.0
Total Cash Adjustment Changes	\$0.1	\$6.5	\$0.8	\$0.8	\$0.9
Total Baseline Changes	\$23.8	(\$8.3)	(\$9.7)	(\$13.1)	(\$15.9)
Baseline 2008 November Financial Plan - Operating Cash Income/(Deficit)	(\$578.4)	(\$684.5)	(\$695.8)	(\$693.4)	(\$742.8)

**MTA Long Island Rail Road
2009 Final Proposed Budget
November Financial Plan 2009 – 2012**

RIDERSHIP/UTILIZATION PROJECTIONS

- The regional economy and employment are the primary drivers of passenger ridership and revenue in 2009.
- Ridership projections for the outer years 2010-2012 reveal modest annual growth.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2009- 2012
Ridership/Traffic Volume (Utilization)

	2007 Actual	2008 November Forecast	2009 Final Proposed Budget	2010	2011	2012
Baseline Ridership	86.1	88.8	87.7	87.6	88.2	89.2
Total	86.1	88.8	87.7	87.6	88.2	89.2
<i>Impact of:</i>						
2009 Program to Eliminate the Gap (PEGs)			0.1	0.2	0.2	0.2
Post 2009 Program to Eliminate the Gap (PEGs)						
Total Ridership	86.1	88.8	87.8	87.7	88.3	89.3

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Administration											
Defer Origin and Destination Study		0	0.000	0	1.000	0	0.000	0	0.000	0	0.000
Eliminate Mail Messenger in Penn Station		0	0.000	1	0.081	1	0.083	1	0.086	1	0.090
Eliminate Main Line Advertising Campaign		0	0.500	0	0.000	0	0.000	0	0.000	0	0.000
Health Insurance "Opt Out" Buy Back Program		0	0.000	0	0.500	0	0.500	0	0.500	0	0.500
Improved Oversight of Health & Welfare Retiree		0	0.000	0	0.500	0	0.500	0	0.500	0	0.500
Sub-Total	Administration	0	\$ 0.500	1	\$ 2.081	1	\$ 1.083	1	\$ 1.086	1	\$ 1.090
Maintenance											
Defer Low Profile Crane		0	0.959	0	0.000	0	0.000	0	0.000	0	0.000
MU Sanders		2	2.885	4	3.044	4	0.263	4	0.270	4	0.279
Modify Tree Trimming Program		9	0.750	9	1.000	9	1.000	9	0.500	9	0.500
Sub-Total	Maintenance	11	\$ 4.594	13	\$ 4.044	13	\$ 1.263	13	\$ 0.770	13	\$ 0.779
Other											
Increase Real Estate Revenue		0	0.000	0	0.250	0	0.500	0	0.500	0	0.500
Increased Oversight of Free Rail Pass Policy		0	0.000	0	0.400	0	0.800	0	0.800	0	0.800
Sub-Total	Other	0	\$ 0.000	0	\$ 0.650	0	\$ 1.300	0	\$ 1.300	0	\$ 1.300
Revenue Enhancement											
Real Estate Revenue		0	0.000	0	0.111	0	0.114	0	0.117	0	0.121
Sub-Total	Revenue Enhancement	0	\$ 0.000	0	\$ 0.111	0	\$ 0.114	0	\$ 0.117	0	\$ 0.121
Service											
Service Adjustments		0	0.000	0	0.925	0	2.303	0	2.373	0	2.443

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Sub-Total	Service	0	\$ 0.000	0	\$ 0.925	0	\$ 2.303	0	\$ 2.373	0	\$ 2.443
Service Support											
Passenger Services-	Ticket Receiver (Penn Station)	0	0.000	1	0.080	1	0.082	1	0.085	1	0.087
Sub-Total	Service Support	0	\$ 0.000	1	\$ 0.080	1	\$ 0.082	1	\$ 0.085	1	\$ 0.087
Total Programs		11	\$ 5.094	15	\$ 7.891	15	\$ 6.145	15	\$ 5.731	15	\$ 5.820

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000079	Current Budget Year	2008	Status	Open
Program:	Defer Origin and Destination Study			Agency Status	Pending
Description and Implementation Pla	Funding was made available in the Nov. 2007 Financial Plan to update the Origin & Destination Study. The O & D Study consists of two components: station passenger counts and survey data.				
Background Details	Defer updating the Origin and Destination study and reallocate funding towards the Network Strategy Study.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000079	FINAL08	\$ 0.000	\$ 1.000	\$ 0.000	\$ 0.000	\$ 0.000

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000071	Current Budget Year	2008	Status	Open
Program:	Eliminate Mail Messenger in Penn Station			Agency Status	Pending
Description and Implementation Pla	Eliminate the mail messenger position at Penn Station.				
Background Details	Reduction is based on new procedures for the handling of paychecks and lost and found.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000071	FINAL08	0	1	1	1	1
Financial Impact	LIRRD	0000000071	FINAL08	\$ 0.000	\$ 0.081	\$ 0.083	\$ 0.086	\$ 0.090

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	FINAL08	Category	Administration	Savings Date	7/1/2008
PEG / New Need ID	0000000080	Current Budget Year	2008	Status	Open
Program:	Eliminate Main Line Advertising Campaign			Agency Status	Pending
Description and Implementation Pla	Funding was made available in the November 2007 Financial Plan to support the ESA Operational Readiness/ Public Awareness Program.				
Background Details	Public awareness funding is not needed in 2008. Funding will be reallocated for the Network Strategy Study.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000080	FINAL08	\$ 0.500	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000078	Current Budget Year	2008	Status	Open
Program:	Health Insurance "Opt Out" Buy Back Program			Agency Status	Pending
Description and Implementation Pla	Increase Health Insurance "Opt-Out" Buyback Level to reduce Health Insurance enrollment costs to \$2000 (family) and \$750 (individual). Also, offer an Opt-out to employees who are going from Family to Single coverage.				
Background Details	Present Opt-Out Benefit level is \$1100 (family) and \$500 (individual) which have not change since inception of program. This is offered to employees to Opt-Out of coverage for Health Insurance. Also, there presently is no Opt-out incentive for employees to reduce coverage from Family to Single.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000078	FINAL08	\$ 0.000	\$ 0.500	\$ 0.500	\$ 0.500	\$ 0.500

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Administration	Savings Date	1/1/2009
PEG / New Need ID	0000000082	Current Budget Year	2008	Status	Open
Program:	Improved Oversight of Health & Welfare Retiree			Agency Status	Pending
Description and Implementation Pla	Health and Welfare payments made to retirees are based on eligibility requirements that change over time. As a result, it is necessary to recalculate projected Health and Welfare payments for retirees on a periodic basis.				
Background Details	Savings based on Process Re-Engineering Study of 2007 payments and baseline retiree eligibility.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000082	FINAL08	\$ 0.000	\$ 0.500	\$ 0.500	\$ 0.500	\$ 0.500

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	FINAL08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000081	Current Budget Year	2008	Status	Open
Program:	Defer Low Profile Crane			Agency Status	Pending
Description and Implementation Pla	The purchase of a Low Profile crane to be used for train derailments in tunnels was funded in the 2007 November Financial Plan.				
Background Details	The Long Island Rail Road has determined that the Low Profile crane that had been initially identified does not meet operating requirements.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000081	FINAL08	\$ 0.959	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	FINAL08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000070	Current Budget Year	2008	Status	Open
Program:	MU Sanders			Agency Status	Pending
Description and Implementation Pla	Planned installation of sanders on the M7 fleet to improve rail adhesion and prevent slip slide and flat wheels.				
Background Details	Based on preliminary findings of the Low Adhesion Study and the results of a pilot MU sander initiative, the Long Island Rail Road will defer future installation.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000070	FINAL08	2	4	4	4	4
Financial Impact	LIRRD	0000000070	FINAL08	\$ 2.885	\$ 3.044	\$ 0.263	\$ 0.270	\$ 0.279

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	7/1/2008
Budget Reference	FINAL08	Category	Maintenance	Savings Date	7/1/2008
PEG / New Need ID	0000000074	Current Budget Year	2008	Status	Open
Program:	Modify Tree Trimming Program			Agency Status	Pending
Description and Implementation Pla	Currently 2 gangs (18 positions) are scheduled to begin tree trimming during the second half of 2008. This was to supplement tree trimming work performed by private contractors.				
Background Details	This reduction will reduce the in-house tree trimming forces from 2 gangs to 1 gang. The LIRR will continue to use private contractors to do tree trimming.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000074	FINAL08	9	9	9	9	9
Financial Impact	LIRRD	0000000074	FINAL08	\$ 0.750	\$ 1.000	\$ 1.000	\$ 0.500	\$ 0.500

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	6/1/2009
Budget Reference	FINAL08	Category	Other	Savings Date	6/1/2009
PEG / New Need ID	0000000075	Current Budget Year	2008	Status	Open
Program:	Increase Real Estate Revenue			Agency Status	Pending
Description and Implementation Pla	The LIRR currently generates approximately \$5.0 million in real estate revenue exclusive of Penn Station.				
Background Details	Identify stations where excess space is underutilized and to seek out potential vendors. The PEG assumes a 5% increase in revenue in 2009 and a 10% increase in 2010.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000075	FINAL08	\$ 0.000	\$ 0.250	\$ 0.500	\$ 0.500	\$ 0.500

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	6/1/2009
Budget Reference	FINAL08	Category	Other	Savings Date	6/1/2009
PEG / New Need ID	0000000076	Current Budget Year	2008	Status	Open
Program:	Increased Oversight of Free Rail Pass Policy			Agency Status	Pending
Description and Implementation Pla	Current policy and regulatory requirements require the Railroad to issue free rail passes.				
Background Details	Increase oversight of Free Rail Pass application process in order to eliminate potential fare abuse.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000076	FINAL08	\$ 0.000	\$ 0.400	\$ 0.800	\$ 0.800	\$ 0.800

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Revenue Enhancement	Savings Date	1/1/2009
PEG / New Need ID	0000000086	Current Budget Year	2008	Status	Open
Program:	Real Estate Revenue			Agency Status	Pending
Description and Implementation Pla	Upon completion of the review, the Market Director is anticipated to create additional revenue from existing deals and new deals (l.e Hamptons, Bethpage, newstands, etc.)				
Background Details	As part of the new needs, the LIRR has proposed hiring a new Market Director who will first complete a full market/assessment of existing and future revenue sources.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000086	FINAL08	\$ 0.000	\$ 0.111	\$ 0.114	\$ 0.117	\$ 0.121

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	6/1/2009
Budget Reference	FINAL08	Category	Service	Savings Date	6/1/2009
PEG / New Need ID	0000000077	Current Budget Year	2008	Status	Open
Program:	Service Adjustments			Agency Status	Ready
Description and Implementation Pla	The Long Island Rail Road provides a range of services to customers. The Railroad provides a substantial level of off-peak train service during mid-day, evenings and on weekends.				
Background Details	To achieve budget savings, the Railroad will evaluate off peak and other supporting services and identify potential opportunities for savings which are consistent with current service guidelines. Service adjustments would be managed to avoid any negative impact to ridership.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000077	FINAL08	\$ 0.000	\$ 0.925	\$ 2.303	\$ 2.373	\$ 2.443

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Service Support	Savings Date	1/1/2009
PEG / New Need ID	0000000072	Current Budget Year	2008	Status	Open
Program:	Passenger Services- Ticket Receiver (Penn Station)			Agency Status	Pending
Description and Implementation Pla	Eliminate a Ticket Receiver position at Penn Station.				
Background Details	The LIRR will eliminate one Ticket Receiver position at Penn Station. The Ticket Receiver position handles ticket stock and receipts for train crews. The operational impact will be minimal.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000072	FINAL08	0	1	1	1	1
Financial Impact	LIRRD	0000000072	FINAL08	\$ 0.000	\$ 0.080	\$ 0.082	\$ 0.085	\$ 0.087

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Post 2009 PEGs
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Administration											
	Reduce Timekeeping/ Payroll Coordinators	0	0.000	0	0.000	4	0.400	4	0.412	4	0.424
	Sub-Total Administration	0	\$ 0.000	0	\$ 0.000	4	\$ 0.400	4	\$ 0.412	4	\$ 0.424
Other											
	Diesel Fuel	0	0.000	0	0.000	0	0.068	0	0.068	0	0.068
	Jay/Hall/Dunton Tower Consolidation	0	0.000	0	0.000	5	0.500	5	0.510	5	0.520
	LIC Wayside Power or Smartcard	0	0.000	0	0.000	0	0.176	0	0.176	0	0.176
	Unspecified Other PEGs	0	0.000	0	0.000	0	20.747	0	16.996	0	38.996
	Sub-Total Other	0	\$ 0.000	0	\$ 0.000	5	\$ 21.491	5	\$ 17.750	5	\$ 39.760
Service Support											
	Passenger Services-Ticket Clerk (Penn Station)	0	0.000	0	0.000	1	0.082	1	0.085	1	0.087
	Sub-Total Service Support	0	\$ 0.000	0	\$ 0.000	1	\$ 0.082	1	\$ 0.085	1	\$ 0.087
	Total Programs	0	\$ 0.000	0	\$ 0.000	10	\$ 21.973	10	\$ 18.247	10	\$ 40.271

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	FINAL08	Category	Administration	Savings Date	1/1/2010
PEG / New Need ID	0000000084	Current Budget Year	2008	Status	Open
Program:	Reduce Timekeeping/ Payroll Coordinators			Agency Status	Pending
Description and Implementation Pla	The initiative to establish a unified Corporate Time and Attendance system is scheduled to achieve beneficial use starting in 2009 with full corporate wide implementation by mid 2010.				
Background Details	The new system is expected to reduce the number of payroll coordinators by 25%.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000084	FINAL08	0	0	4	4	4
Financial Impact	LIRRD	0000000084	FINAL08	\$ 0.000	\$ 0.000	\$ 0.400	\$ 0.412	\$ 0.424

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	FINAL08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000087	Current Budget Year	2008	Status	Open
Program:	Diesel Fuel			Agency Status	Pending
Description and Implementation Pla	The LIRR will revise its winter and summer cloud point temperature in order to achieve an annual saving of approximately \$68k. The cloud point change will have no impact on engine reliability.				
Background Details	The LIRR will adjust its cloud point (blend of diesel fuel) requirements which will improve fuel economy.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000087	FINAL08	\$ 0.000	\$ 0.000	\$ 0.068	\$ 0.068	\$ 0.068

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	FINAL08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000083	Current Budget Year	2008	Status	Open
Program:	Jay/Hall/Dunton Tower Consolidation			Agency Status	Pending
Description and Implementation Pla	In 2009, the LIRR will be taking the current Jay, Hall, and Dunton towers off line and replacing them with a new state of the art "Mini-Theater" located in the Jamaica Central Control building.				
Background Details	The consolidation of operations will result in the elimination of five Transportation positions.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000083	FINAL08	0	0	5	5	5
Financial Impact	LIRRD	0000000083	FINAL08	\$ 0.000	\$ 0.000	\$ 0.500	\$ 0.510	\$ 0.520

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	FINAL08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000088	Current Budget Year	2008	Status	Open
Program:	LIC Wayside Power or Smartcard			Agency Status	Pending
Description and Implementation Pla	LIRR to either provide wayside power or use a Smart Start System (automatically manages locomotive shutdown and restarts).				
Background Details	There are eight daily diesel trains that are scheduled to be laid up at the Long Island City Yard anywhere from 1 - 9.5 hours before they depart as scheduled. During this time, the trains are left idling.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000088	FINAL08	\$ 0.000	\$ 0.000	\$ 0.176	\$ 0.176	\$ 0.176

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	FINAL08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000085	Current Budget Year	2008	Status	Open
Program:	Unspecified Other PEGs			Agency Status	Pending

Description and Implementation Pla

Background Details

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	LIRRD	0000000085	FINAL08	\$ 0.000	\$ 0.000	\$ 20.747	\$ 16.996	\$ 38.996

MTA LONG ISLAND RAIL ROAD
November Plan 2009 - 2012
Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	LIRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	FINAL08	Category	Service Support	Savings Date	1/1/2010
PEG / New Need ID	0000000073	Current Budget Year	2008	Status	Open
Program:	Passenger Services-Ticket Clerk (Penn Station)			Agency Status	Pending
Description and Implementation Pla	Eliminate a Ticket Clerk position at Penn Station.				
Background Details	The LIRR will eliminate one Ticket Clerk position at Penn Station. The Ticket Clerk position will not be eliminated until 2010. The operational impact will be minimal.				

				2008	2009	2010	2011	2012
Total Headcount	LIRRD	0000000073	FINAL08	0	0	1	1	1
Financial Impact	LIRRD	0000000073	FINAL08	\$ 0.000	\$ 0.000	\$ 0.082	\$ 0.085	\$ 0.087

**MTA Long Island Rail Road
2009 Final Proposed Budget
November Financial Plan 2009 – 2012**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS:

- Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required to meet/achieve corporate goals.
- Annual staffing levels include the impact of new needs and re-estimates consistent with the associated cost changes incorporated in the financial plan.

REIMBURSABLE POSITIONS:

- Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required for reimbursable activity.
- Annual staffing levels represent the positions required to support the Capital Program, as well as changes in other reimbursable projects.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2009- 2012
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 November Forecast	2009 Final Proposed Budget	2010	2011	2012
Administration						
Executive VP	3	2	2	2	2	2
Labor Relations	11	11	11	11	11	11
Procurement & Logistics (excl. Stores)	78	88	93	93	93	93
Human Resources	101	118	110	103	103	103
Strategic Investments	36	43	43	43	43	43
Diversity Management	3	3	3	3	3	3
President	4	4	4	4	4	4
VP & Chief Financial Officer	104	110	112	111	111	111
Information Technology	151	179	182	184	184	184
VP - East Side Access & Special Projects	2	23	29	29	29	29
Market Dev. & Public Affairs	63	70	71	71	71	71
Gen. Counsel & Secretary	30	35	35	35	35	35
System Safety	19	22	23	23	23	23
VP Operations/Oper. S/A & Serv. Planning	44	45	45	45	45	45
	649	753	763	757	757	757
Operations						
Transportation	1,849	1,922	1,894	1,893	1,893	1,893
Passenger Service (Ticket Clerks & Agents)	194	186	187	187	187	187
Total Operations	2,043	2,108	2,081	2,080	2,080	2,080
Maintenance						
Engineering	1,558	1,700	1,585	1,778	1,769	1,763
Equipment	1,815	1,967	2,044	2,091	2,077	2,077
Passenger Service (excl. Ticket Selling)	197	197	196	196	196	196
Procurement (Stores)	93	97	98	98	98	98
Total Maintenance	3,663	3,961	3,923	4,163	4,140	4,134
Engineering/Capital						
Capital Program Management	61	66	68	68	68	68
Force Acct Mgmt	55	73	75	75	75	75
Total Engineering/Capital	116	139	143	143	143	143
Total Baseline Positions	6,471	6,961	6,910	7,143	7,120	7,114
<i>Non-Reimbursable</i>	5,829	6,136	6,134	6,181	6,169	6,163
<i>Reimbursable</i>	642	825	776	962	951	951
<i>Total Full-Time</i>	6,471	6,961	6,910	7,143	7,120	7,114
<i>Total Full-Time Equivalents</i>	-	-	0	0	0	0
Impact of:						
2009 Program to Eliminate the Gap	-	11	15	15	15	15
Post 2009 Program to Eliminate the Gap	-	-	-	10	10	10
Total Positions	6,471	6,950	6,895	7,118	7,095	7,089
<i>Non-Reimbursable</i>	5,829	6,125	6,119	6,156	6,144	6,138
<i>Reimbursable</i>	642	825	776	962	951	951
<i>Total Full-Time</i>	6,471	6,950	6,895	7,118	7,095	7,089
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-
Business Service Center	0	0	0	0	61	61

MTA LONG ISLAND RAILROAD
November Financial Plan 2009- 2012
Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP	2007 Actual	2008 November Forecast	2009 Final Proposed Budget	2010	2011	2012
Administration						
Managers/Supervisors	288	357	363	363	363	363
Professional, Technical, Clerical	361	396	400	394	394	394
Operational Hourlies	0	0	0	0	0	0
Total Administration	649	753	763	757	757	757
Operations						
Managers/Supervisors	247	276	276	275	275	275
Professional, Technical, Clerical	183	172	176	176	176	176
Operational Hourlies	1,613	1,660	1,629	1,629	1,629	1,629
Total Operations	2,043	2,108	2,081	2,080	2,080	2,080
Maintenance						
Managers/Supervisors	676	687	723	747	747	747
Professional, Technical, Clerical	250	278	286	286	286	286
Operational Hourlies	2,737	2,996	2,914	3,130	3,107	3,101
Total Maintenance	3,663	3,961	3,923	4,163	4,140	4,134
Engineering/Capital						
Managers/Supervisors	105	117	127	127	127	127
Professional, Technical, Clerical	11	22	16	16	16	16
Operational Hourlies	0	0	0	0	0	0
Total Engineering/Capital	116	139	143	143	143	143
Public Safety						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Public Safety	0	0	0	0	0	0
Total Baseline Positions						
Managers/Supervisors	1,316	1,437	1,489	1,512	1,512	1,512
Professional, Technical, Clerical	805	868	878	872	872	872
Operational Hourlies	4,350	4,656	4,543	4,759	4,736	4,730
Total Baseline Positions	6,471	6,961	6,910	7,143	7,120	7,114

Metro-North Railroad

**MTA METRO-NORTH RAILROAD
2009 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2009-2012**

MISSION STATEMENT

The mission of MTA Metro-North Railroad is to preserve and enhance the quality of life and economic health of the region we serve through the efficient provision of transportation service of the highest quality.

This mission statement and its accompanying statement of values have guided Metro-North's decision making for two decades. Today, the railroad is additionally guided by seven strategic areas identified by the MTA as essential elements each agency must use to create and execute effective goals and objectives. They provide and define a broader framework for the MTA family as a whole. These seven areas are: customer service, safety & security, workforce development, projects & planning, financial stability, sustainability, and institutional transformation.

DESCRIPTION OF SERVICES

MTA Metro-North Railroad provides passenger rail service to five suburban counties in New York State (Westchester, Putnam, Dutchess, Rockland, and Orange), two in Connecticut (Fairfield and New Haven), and two urban counties in New York City (Bronx and Manhattan). East of Hudson train service extends 85 miles from Manhattan, with terminals to the northeast in New Haven, Waterbury, Danbury, and New Canaan on the New Haven Line; to the north in Wassaic on the Harlem Line, and Poughkeepsie on the Hudson Line. The Harlem, Hudson, and New Haven Lines converge in the Bronx and terminate at Grand Central Terminal in Manhattan. West of the Hudson River, the Pascack Valley Line extends to Spring Valley, New York and the Port Jervis Line to Port Jervis, 95 miles from Hoboken at the border of New York and Pennsylvania. Both lines terminate in Hoboken, New Jersey. Service on the New Haven line is provided by Metro-North pursuant to a contract between the Connecticut Department of Transportation (ConnDOT) and Metro-North/MTA. Service on the Port Jervis and Pascack Valley Lines is operated by New Jersey Transit under contract to Metro-North. The railroad plans to carry 85.2 million customers in 2009 over 385 route miles, to and from 121 stations, operating 664 trains on an average weekday East of Hudson, and 62 trains on an average weekday West of Hudson.

FINANCIAL OVERVIEW

Each year within Metro-North's planning process, issues impacting the performance of the railroad are reviewed and initiatives developed to achieve the railroad's goals in

support of the strategic focus areas noted above. Consequently, operating resource estimates included in each budget are based on the consideration of factors which affect all aspects of the railroad including current operating trends, projected changes in costs, new initiatives/business decisions which affect service quantity, quality or efficiency, and the impacts of capital improvements on operating expenditures. Each of these factors is also carefully reviewed in the context of funding availability from MTA and ConnDOT, the agencies subsidizing Metro-North.

Metro-North's resource requirements in the November Financial Plan 2009-2012 reflect the savings/cost avoidance measures implemented in the 2008 adopted budget. They also reflect measures for 2009-2012 presented as "Programs to Eliminate the Gap" (PEGs) and other cost reduction measures (net of increases) detailed later in this document. The reductions were achieved through savings generated by lower than projected cost trends as well as changes in program schedules and project eliminations. In addition to expenditure reductions, higher Farebox revenues are also projected reflecting Metro-North's coordinated strategies to increase service quality and quantity tempered by current regional economic forecasts.

As part of its strategic planning, Metro-North has also identified emerging new needs that support strategic focus areas. Examples of these programs are highlighted below:

Customer Service

- New train service is added each year during the 2010-2012 period.
- Equipment overhauls, M7 life cycle maintenance, expanded Gearbox overhauls and labor and material resources to support the new M8 cars are new needs that ensure service reliability.
- In 2009, New Haven Line mechanical forces will be added at the New Haven service and inspection shop to improve the availability of the M2 fleet for AM Peak service. In 2010 these forces will be transferred to support the new M8 car fleet.
- A new Interactive Voice Response system (IVR) will be implemented by 2009 to increase the capacity and reliability of the outdated customer telephone information system.
- Upgrades to Metro-North's Fiber Optic Network will improve efficiency of communication systems.
- The phased replacement of Hudson Rail Link shuttle buses will begin in 2010 and will continue through 2012 to ensure the reliability and adequate capacity of this successful connecting service.
- Hand Held Computers for On-Board Ticket Sales were implemented in July 2008 to replace the issuance of manually generated tickets. This system will increase the efficiency of revenue collection and reporting, and will eventually provide customers with additional payment options through the acceptance of credit cards, and create another mode of communication for on-board personnel.

- Continue rolling stock overhaul programs and initiate M7 life cycle maintenance to ensure equipment reliability is maintained and daily consist needs are met.

Safety and Security

- Metro-North has incorporated the resources to support the maintenance and monitoring functions associated with the implementation of new security systems in New York and Connecticut.
- Security services at outlying yard locations will be fully implemented by the end of 2008.

Workforce Development

- Increased staff to develop employee training and recruitment programs has been added in 2009-2012 in anticipation of significant employee turnover of the Metro-North workforce over the next five years.
- Funding to improve the delivery (via employee electronic access to training programs across the railroad) and management of training programs has been included in the 2009 Proposed Budget.

Project and Planning

- To maintain and improve the efficiency of Metro-North's information communication network, upgrades to support equipment, increases in capacity, and the installation of additional security features have been planned for implementation starting in 2009.

Financial Stability

- Increase passenger revenues through the implementation of new train service starting in 2010 that improves financial performance and accelerates long-term ridership growth.
- Incorporate new sources of non-passenger revenue as a result of recently negotiated agreements for the placement of advertising in bar cars and GCT passageways.
- Expand the implementation of Kronos timekeeping at all facilities to improve the tracking and reporting on personnel costs.
- Remove completed program costs from the financial plan. In 2010, labor and material resources for the M3 CSR program have been phased-out as this program winds down and locomotive overhaul and expanded Gearbox maintenance costs have been removed from the financial plan as scheduled work is completed.

The Financial Plan also includes current expenditure trends and continuation of critical operating functions. Consequently, rising costs for energy, steel prices and insurance coverage, as well the financial impact of negotiated wage agreements through June 2010 is incorporated. In addition to these economic factors, cost provisions have been added or maintained for West of Hudson subsidies, security projects, revenue-generating service initiatives, and operating support costs to maintain capital-funded improvements to infrastructure and facilities. To preserve the retail revenue stream in GCT and maintain this facility in landmark status, several GCT renovation projects have also been added through 2012. Similar to the costs required for the overall GCT retail

operation and its management, the cost of GCT restoration/renovation projects are netted in the Financial Plan against GCT Retail Revenue.

2008 NOVEMBER FORECAST

The 2008 November Non-Reimbursable Forecast reflects revenue projections totaling \$540.9 million, and expenses, including depreciation, of \$1,186.7 million that generate an operating deficit of \$645.8 million. Cash adjustments of \$282.2 million reduce that amount to a cash deficit of \$363.6 million, of which \$291.7 million represents MTA share and \$71.9 million ConnDOT share. The 2008 November Reimbursable revenue and expense projections total \$196.3 million.

The November Forecast subsidy requirements for non-reimbursable operations are \$9.3 million lower than the July Forecast. The reduction reflects higher revenues of \$4.6 million, lower contract and professional service requirements and higher cash receipts due to the timing of payments. These favorable changes are offset by higher overtime for equipment, facilities, and right-of-way maintenance and increasing diesel fuel cost projections.

The 2008 November Forecast includes Customer Service improvements that have been completed, or will be completed by year-end, including the initiation of additional train service in April, the introduction of hand held computers for on-board ticket sales, equipment overhaul programs, the integration of new buses into the Hudson Rail Link connecting service, and the continued progress in upgrading the telephone information system. Safety and Security program funding has been maintained for the use of security services at outlying locations. To maintain Financial Stability, the 2008 November Forecast incorporates financial trend adjustments that ensure subsidy requirements reflect the most current information. These adjustments include refined energy estimates, changes in the timing of certain expenditures, increases in passenger revenues based on higher ridership, and higher non-passenger revenues from GCT retail operations.

2009 FINAL PROPOSED BUDGET-BASELINE

The 2009 Proposed Non-Reimbursable Budget reflects revenue projections totaling \$548.9 million, and expenses, including depreciation, of \$1,307.2 million that generate an operating deficit of \$758.3 million. Cash adjustments of \$302.8 million reduce that amount to a cash deficit of \$455.6 million, of which \$366.9 million represents the MTA share and \$88.7 million the ConnDOT share. The 2009 Proposed Reimbursable revenues and expenses total \$180.4 million.

The Non-Reimbursable revenue projections reflect current fares and current trends in both Farebox and Other Operating Revenue. In 2009, ridership growth slows to 0.5%

due to a projected decline in regional employment and economic activity. To mitigate this downward trend, 2009 Customer Service initiatives to increase parking and maintain connecting services to Metro-North stations have been retained. In addition, funding of new programs that ensure reliable customer service include expanding the fiber optic information network, establishing a five-year M7 life cycle maintenance program, and increasing maintenance support staff for M2 cars to ensure equipment availability is consistent with service demands. In consideration of current financial constraints, planned additions to East and West of Hudson train service has been eliminated. As noted above, Safety and Security support for new security monitoring systems in New York State and Connecticut have been included in 2009 and a full-time staff position addition to the all-volunteer GCT Fire Brigade is included. Workforce Development efforts will be strengthened by the addition of one training and one recruiting position to address the anticipated changes in Metro-North's employee base. Project and Planning initiatives in the Non-Reimbursable 2009 Financial Plan include the funding of improvements to Metro-North's information communication network via upgrades to outdated equipment, increases in capacity and the installation of additional security features. In addition, upgrades are planned to timekeeping systems that will improve the collection and reporting of payroll data. To maintain Financial Stability, current cost trends are incorporated to reflect rising energy and healthcare costs, increasing material prices, and the rescheduling of several provisional programs. Also, expenditure reductions have been made to eliminate new train service initiatives. In addition, non-passenger revenues have been increased in 2009 to reflect full year of 2008 price increases for commissary services and newly instituted advertising in bar cars and GCT passageways, as well as the resumption of a full year for GCT retail revenue income with the completion of the Vanderbilt Hall renovation project.

2010-2012 PROJECTIONS

The Non-Reimbursable revenue projections total \$558.1 million in 2010, \$575.0 million in 2011, and \$592.7 million in 2012. Non-Reimbursable expense projections, including depreciation, total \$1,357.1 million in 2010, \$1,411.5 million in 2011, and \$1,463.4 million in 2012. These revenue and expense projections generate a baseline operating deficit of \$799.0 million in 2010, \$836.6 million in 2011, and \$870.7 million in 2012. Cash adjustments of \$319.1 million in 2010, \$322.4 million in 2011, and \$335.3 million in 2012 reduce the amounts to a baseline cash deficit projection of \$479.9 million in 2010, \$514.2 million in 2011, and \$535.4 million in 2012. The MTA share of the baseline cash deficits totals \$381.0 million in 2010, \$401.6 million in 2011, and \$414.2 million in 2012, while the ConnDOT share totals \$98.9 million, \$112.6 million, and \$121.2 million, respectively. The Reimbursable revenues and expenses total \$ 178.0 million in 2010, \$169.1 million in 2011, and \$172.0 million in 2012.

The 2010-2012 expenditure projections will allow Metro-North to continue Customer Service initiatives that maintain existing train service levels, add new service on all lines, and continue service reliability programs that maintain rolling stock. Financial Stability

measures include continued revenue growth projections from passenger and non passenger revenues, negotiated wage agreement costs, and the latest cost growth estimates. Major assumptions reflected in the 2010-2012 projections and reconciliation to the July Plan is furnished later in this document.

GAP CLOSING MEASURES

2009 – 2012 PROGRAMS TO ELIMINATE THE GAP (PEGs)

Specific PEG reductions proposed for 2009 – 2012 consist of savings realized due to a change in equipment Metro-North now plans to use for the shuttle service to Yankee Stadium (and the resulting elimination of the M1 CSR Program, \$5.4 million in 2009), the incorporation of the Metro-North station at Yankee Stadium into full service (a net subsidy reduction of \$1.0 million in 2009), and the elimination of three cost increase provisions. The provisions were to increase maintenance forces to support the new Harmon Shop complex (\$.8 million, starting in 2009), MTA Police Service costs on the NH Line (\$1.3 million, starting in 2009), provide a placeholder for GCT Landmark Preservation Programs (\$.5 million, starting in 2009), and a provision for staff to maintain GCT barrier separations (\$.2 million). Metro-North now believes that these items, included in the February Plan, will not be required.

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2007	2008	2009			
	Actual	November Forecast	Final Proposed Budget	2010	2011	2012
Operating Revenue						
Farebox Revenue	\$476.6	\$507.2	\$512.0	\$519.2	\$533.7	\$549.5
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	34.5	33.7	36.9	38.9	41.2	43.2
MNR - MTA	0.0	0.0	0.0	0.0	0.0	0.0
MNR - CDOT	0.0	0.0	0.0	0.0	0.0	0.0
MNR - Other	0.0	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursements	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	\$511.1	\$540.9	\$548.9	\$558.1	\$574.9	\$592.7
Operating Expenses						
Labor:						
Payroll	\$358.9	\$380.1	\$400.0	\$409.1	\$421.5	\$434.2
Overtime	49.1	55.2	55.7	57.0	58.5	60.0
Health and Welfare	68.8	67.7	73.1	80.1	86.9	94.2
OPEB Current Payment	0.0	9.4	10.2	11.1	12.1	13.1
Pensions	40.6	38.7	40.7	42.7	45.4	47.4
Other Fringe Benefits	72.1	77.0	80.6	82.6	85.7	88.5
Reimbursable Overhead	(40.8)	(42.1)	(42.2)	(40.7)	(41.1)	(41.8)
Total Labor	\$548.7	\$585.9	\$618.2	\$642.1	\$668.9	\$695.7
Non-Labor:						
Traction and Propulsion Power	\$61.0	\$64.8	\$71.7	\$80.4	\$86.2	\$94.2
Fuel for Buses and Trains	15.1	25.5	25.3	24.8	24.4	25.8
Insurance	13.1	12.2	13.0	14.2	15.6	17.1
Claims	10.8	12.6	12.0	12.0	12.0	12.0
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	80.6	91.5	114.4	115.2	118.5	117.6
Professional Service Contracts	19.2	20.2	24.3	25.2	25.6	26.1
Materials & Supplies	75.7	80.2	89.4	90.5	95.0	96.2
Other Business Expenses	11.9	13.0	13.7	15.7	16.5	17.7
Total Non-Labor	\$287.4	\$319.9	\$363.9	\$378.0	\$393.8	\$406.7
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$836.0	\$905.8	\$982.1	\$1,020.1	\$1,062.7	\$1,102.4
Depreciation	\$213.6	\$223.4	\$265.6	\$275.6	\$285.6	\$295.6
OPEB Obligation	48.9	51.0	53.0	54.7	56.3	58.2
Environmental Remediation	0.0	6.5	6.5	6.7	6.9	7.1
Total Expenses	\$1,098.5	\$1,186.7	\$1,307.3	\$1,357.1	\$1,411.5	\$1,463.4
Baseline Surplus/(Deficit)	(\$587.5)	(\$645.8)	(\$758.3)	(\$799.0)	(\$836.6)	(\$870.7)
Cash Conversion Adjustments:						
Depreciation	\$213.6	\$223.4	\$265.6	\$275.6	\$285.6	\$295.6
Operating/Capital	(11.9)	(22.0)	(18.7)	(17.2)	(15.7)	(16.0)
Other Cash Adjustments	(15.2)	80.8	55.8	60.7	52.4	55.6
Total Cash Conversion Adjustments	\$186.4	\$282.2	\$302.8	\$319.1	\$322.4	\$335.3
Baseline Cash Surplus/(Deficit)	(\$401.0)	(\$363.6)	(\$455.6)	(\$479.9)	(\$514.2)	(\$535.4)
2009 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$9.2	\$9.3	\$9.3	\$9.3
Post-2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	9.3	18.5	27.8
Total PEG's	\$0.0	\$0.0	\$9.2	\$18.5	\$27.8	\$37.0
Net Surplus/(Deficit)	(\$401.0)	(\$363.6)	(\$446.3)	(\$461.4)	(\$486.5)	(\$498.4)
Business Service Center	\$0.0	\$0.4	\$2.5	\$2.5	\$8.7	\$9.2

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2007	2008	2009			
	Actual	November	Final Proposed	2010	2011	2012
		Forecast	Budget			
Revenue						
Farebox Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.0	0.0	0.0	0.0	0.0	0.0
MNR - MTA	105.5	101.1	113.2	115.4	118.5	121.6
MNR - CDOT	47.7	72.6	49.0	45.8	40.2	39.7
MNR - Other	26.5	22.7	18.2	16.8	10.5	10.7
Capital and Other Reimbursements	179.6	196.3	180.4	178.0	169.1	171.9
Total Revenue	\$179.6	\$196.3	\$180.4	\$178.0	\$169.1	\$171.9
Expenses						
Labor:						
Payroll	\$38.1	\$39.5	\$42.3	\$42.9	\$43.6	\$44.3
Overtime	17.2	14.1	13.0	13.2	13.3	13.5
Health and Welfare	9.2	8.9	9.5	10.4	11.1	11.9
OPEB Current Payment						
Pensions	5.6	4.8	5.1	5.3	5.6	5.8
Other Fringe Benefits	9.1	9.0	9.2	9.4	9.6	9.7
Reimbursable Overhead	42.1	40.6	39.7	40.2	40.9	41.5
Total Labor	\$121.3	\$117.0	\$118.9	\$121.3	\$124.0	\$126.7
Non-Labor:						
Traction and Propulsion Power	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	5.2	4.5	4.4	4.5	4.5	4.6
Claims	0.0	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	19.8	35.4	31.9	26.0	13.1	12.1
Professional Service Contracts	3.0	7.0	3.6	3.7	3.8	3.9
Materials & Supplies	30.8	33.1	21.4	22.3	23.5	24.4
Other Business Expenses	(0.4)	(0.7)	0.2	0.2	0.2	0.2
Total Non-Labor	\$58.3	\$79.3	\$61.5	\$56.7	\$45.1	\$45.2
Other Adjustments:						
Other						
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$179.6	\$196.3	\$180.4	\$178.0	\$169.1	\$171.9
Depreciation						
OPEB Obligation						
Environmental Remediation						
Total Expenses	\$179.6	\$196.3	\$180.4	\$178.0	\$169.1	\$171.9
Baseline Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cash Conversion Adjustments:						
Depreciation	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating/Capital	0.0	0.0	0.0	0.0	0.0	0.0
Other Cash Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Conversion Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Baseline Cash Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Post-2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Total PEG's	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Business Service Center *	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
* Reimbursable Business Service Center amounts are included in receipts and disbursements in the amounts noted below:						
	\$0.0	\$0.1	\$0.7	\$0.8	\$0.8	\$0.8

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE	2007	2008	2009	2010	2011	2012
	Actual	November Forecast	Final Proposed Budget			
Revenue						
Farebox Revenue	\$476.6	\$507.2	\$512.0	\$519.2	\$533.7	\$549.5
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	34.5	33.7	36.9	38.9	41.2	43.2
MNR - MTA	105.5	101.1	113.2	115.4	118.5	121.6
MNR - CDOT	47.7	72.6	49.0	45.8	40.2	39.7
MNR - Other	26.5	22.7	18.2	16.8	10.5	10.7
Capital and Other Reimbursements	179.6	196.3	180.4	178.0	169.1	171.9
Total Revenue	\$690.7	\$737.2	\$729.3	\$736.1	\$744.1	\$764.6
Expenses						
Labor:						
Payroll	\$397.0	\$419.6	\$442.3	\$452.0	\$465.1	\$478.5
Overtime	\$66.3	\$69.3	\$68.7	\$70.2	\$71.8	\$73.5
Health and Welfare	\$78.0	\$76.6	\$82.6	\$90.5	\$98.0	\$106.0
OPEB Current Payment	\$0.0	\$9.4	\$10.2	\$11.1	\$12.1	\$13.1
Pensions	\$46.2	\$43.5	\$45.8	\$48.1	\$51.0	\$53.2
Other Fringe Benefits	\$81.2	\$86.0	\$89.9	\$92.0	\$95.2	\$98.3
Reimbursable Overhead	\$1.2	-\$1.5	-\$2.4	-\$0.4	-\$0.2	-\$0.2
Total Labor	\$670.0	\$702.9	\$737.1	\$763.4	\$793.0	\$822.4
Non-Labor:						
Traction and Propulsion Power	\$61.0	\$64.8	\$71.7	\$80.4	\$86.2	\$94.2
Fuel for Buses and Trains	\$15.1	\$25.5	\$25.3	\$24.8	\$24.4	\$25.8
Insurance	\$18.3	\$16.7	\$17.4	\$18.7	\$20.1	\$21.7
Claims	\$10.8	\$12.6	\$12.0	\$12.0	\$12.0	\$12.0
Paratransit Service Contracts	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Maintenance and Other Operating Contracts	\$100.4	\$126.9	\$146.3	\$141.3	\$131.6	\$129.8
Professional Service Contracts	\$22.2	\$27.2	\$28.0	\$28.9	\$29.4	\$30.0
Materials & Supplies	\$106.4	\$113.3	\$110.8	\$112.8	\$118.4	\$120.6
Other Business Expenses	\$11.5	\$12.2	\$13.9	\$15.8	\$16.7	\$17.9
Total Non-Labor	\$345.7	\$399.2	\$425.4	\$434.7	\$438.9	\$452.0
Other Adjustments:						
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$1,015.7	\$1,102.1	\$1,162.5	\$1,198.1	\$1,231.8	\$1,274.4
Depreciation	213.6	223.4	265.6	275.6	285.6	295.6
OPEB Obligation	48.9	51.0	53.0	54.7	56.3	58.2
Environmental Remediation	0.0	6.5	6.5	6.7	6.9	7.1
Total Expenses	\$1,278.2	\$1,383.0	\$1,487.6	\$1,535.1	\$1,580.6	\$1,635.3
Baseline Surplus/(Deficit)	(\$587.5)	(\$645.8)	(\$758.3)	(\$799.0)	(\$836.6)	(\$870.7)
Cash Conversion Adjustments:						
Depreciation	\$213.6	\$223.4	\$265.6	\$275.6	\$285.6	\$295.6
Operating/Capital	(11.9)	(22.0)	(18.7)	(17.2)	(15.7)	(16.0)
Other Cash Adjustments	(15.2)	80.8	55.8	60.7	52.4	55.6
Total Cash Conversion Adjustments	\$186.4	\$282.2	\$302.8	\$319.1	\$322.4	\$335.3
Baseline Cash Surplus/(Deficit)	(\$401.0)	(\$363.6)	(\$455.6)	(\$479.9)	(\$514.2)	(\$535.4)
2009 Agency Program to Eliminate the Gap	0.0	0.0	9.2	9.3	9.3	9.3
Post-2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	9.3	18.5	27.8
Total PEG's	\$0.0	\$0.0	\$9.2	\$18.5	\$27.8	\$37.0
Net Surplus/(Deficit)	(\$401.0)	(\$363.6)	(\$446.3)	(\$461.4)	(\$486.5)	(\$498.4)
Business Service Center	\$0.0	\$0.4	\$2.5	\$2.5	\$8.7	\$9.2

**MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Cash Receipts & Expenditures
(\$ in millions)**

CASH RECEIPTS AND EXPENDITURES

	2007 Actual	2008 November Forecast	2009 Final Proposed Budget	2010	2011	2012
Receipts						
Farebox Revenue	\$485.5	\$513.9	\$517.8	\$525.8	\$540.3	\$556.1
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	57.3	56.4	55.5	60.4	62.7	64.7
MNR - MTA	99.6	111.3	110.1	114.5	117.4	120.5
MNR - CDOT	36.7	77.1	51.2	46.0	40.3	39.8
MNR - Other	30.3	18.2	15.6	18.9	11.6	10.6
Capital and Other Reimbursements	166.6	206.6	177.0	179.4	169.3	171.0
Total Receipts	\$709.4	\$776.8	\$750.3	\$765.5	\$772.4	\$791.7
Expenditures						
Labor:						
Payroll	\$417.5	\$413.0	\$438.7	\$449.1	\$462.9	\$479.6
Overtime	63.2	71.1	69.1	70.5	72.5	74.8
Health and Welfare	86.8	88.6	95.4	104.5	112.9	122.0
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0	0.0
Pensions	61.8	35.6	40.4	48.1	51.0	53.2
Other Fringe Benefits	86.6	87.4	89.5	91.8	95.2	99.1
GASB Account	0.0	5.8	6.5	7.2	8.0	8.7
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor	\$715.8	\$701.5	\$739.7	\$771.3	\$802.5	\$837.5
Non-Labor:						
Traction and Propulsion Power	\$63.7	\$64.8	\$71.7	\$80.4	\$86.2	\$94.2
Fuel for Buses and Trains	15.1	25.5	25.3	24.8	24.4	25.8
Insurance	18.9	19.3	17.4	18.7	21.0	21.6
Claims	11.1	11.3	12.1	12.1	12.1	12.1
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	115.4	146.1	174.3	162.1	150.8	148.9
Professional Service Contracts	22.6	29.8	28.6	29.4	31.1	31.6
Materials & Supplies	130.3	122.1	116.7	120.1	126.5	129.0
Other Business Expenses	21.7	20.1	20.0	26.5	32.1	26.3
Total Non-Labor	\$398.8	\$438.9	\$466.2	\$474.1	\$484.1	\$489.7
Other Adjustments:						
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cash Timing and Availability Adjustment	(4.2)	0.0	0.0	0.0	0.0	0.0
Total Other Adjustments	(\$4.2)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures	\$1,110.4	\$1,140.4	\$1,205.9	\$1,245.4	\$1,286.6	\$1,327.2
Baseline Cash Deficit	(\$401.0)	(\$363.6)	(\$455.6)	(\$479.9)	(\$514.2)	(\$535.4)
Subsidies						
MTA	(\$339.9)	(\$291.7)	(\$366.9)	(\$381.0)	(\$401.6)	(\$414.2)
CDOT	(61.2)	(71.9)	(88.7)	(98.9)	(112.7)	(121.3)
Total Subsidies	(\$401.0)	(\$363.6)	(\$455.6)	(\$479.9)	(\$514.2)	(\$535.4)
2009 Agency Program to Eliminate the Gap	0.0	0.0	9.2	9.3	9.3	9.3
Post-2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	9.3	18.5	27.8
Total PEG's	0.0	0.0	9.2	18.5	27.8	37.0
Net Surplus/Deficit	(\$401.0)	(\$363.6)	(\$446.3)	(\$461.4)	(\$486.5)	(\$498.4)
MTA share of PEGS	0.0	0.0	6.8	13.6	20.4	27.2
CDOT share of PEGS	0.0	0.0	2.4	4.9	7.4	9.8
Total PEGS	\$0.0	\$0.0	\$9.2	\$18.5	\$27.8	\$37.0
Subsidies						
MTA	(\$339.9)	(\$291.7)	(\$360.1)	(\$367.4)	(\$381.2)	(\$387.0)
CDOT	(61.2)	(71.9)	(86.3)	(93.9)	(105.3)	(111.4)
Total Subsidies	(\$401.0)	(\$363.6)	(\$446.3)	(\$461.4)	(\$486.5)	(\$498.4)

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2007 Actual	2008 November Forecast	2009 Final Proposed Budget	2010	2011	2012
Receipts						
Farebox Revenue	\$9.0	\$6.7	\$5.8	\$6.6	\$6.6	\$6.6
Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	22.8	22.7	18.6	21.5	21.5	21.5
MNR - MTA	(5.8)	10.2	(3.1)	(0.9)	(1.1)	(1.1)
MNR - CDOT	(11.0)	4.5	2.3	0.2	0.2	0.2
MNR - Other	3.8	(4.5)	(2.6)	2.1	1.1	(0.1)
Capital and Other Reimbursements	(13.0)	10.3	(3.4)	1.4	0.2	(1.0)
Total Receipts	\$18.7	\$39.6	\$21.0	\$29.4	\$28.3	\$27.1
Expenditures						
Labor:						
Payroll	(\$20.5)	\$6.6	\$3.6	\$2.9	\$2.2	(\$1.1)
Overtime	3.2	(1.8)	(0.4)	(0.4)	(0.7)	(1.3)
Health and Welfare	(8.8)	(12.0)	(12.8)	(14.0)	(14.9)	(16.0)
OPEB Current Payment	0.0	9.4	10.2	11.1	12.1	13.1
Pensions	(15.5)	7.9	5.4	(0.1)	(0.0)	(0.0)
Other Fringe Benefits	(5.4)	(1.4)	0.4	0.2	(0.0)	(0.8)
GASB Account	0.0	(5.8)	(6.5)	(7.2)	(8.0)	(8.7)
Reimbursable Overhead	1.2	(1.5)	(2.4)	(0.4)	(0.2)	(0.2)
Total Labor	(\$45.8)	\$1.4	(\$2.6)	(\$7.9)	(\$9.5)	(\$15.1)
Non-Labor:						
Traction and Propulsion Power	(\$2.7)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	(0.6)	(2.6)	(0.0)	0.0	(0.8)	0.1
Claims	(0.3)	1.4	(0.1)	(0.1)	(0.1)	(0.1)
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	(15.0)	(19.2)	(28.0)	(20.9)	(19.2)	(19.2)
Professional Service Contracts	(0.4)	(2.7)	(0.7)	(0.5)	(1.6)	(1.7)
Materials & Supplies	(23.9)	(8.8)	(5.9)	(7.3)	(8.1)	(8.3)
Other Business Expenditures	(10.2)	(7.8)	(6.1)	(10.6)	(15.4)	(8.5)
Total Non-Labor	(\$53.1)	(\$39.7)	(\$40.8)	(\$39.4)	(\$45.3)	(\$37.7)
Other Adjustments:						
Other	(\$76.0)	\$1.3	(\$22.4)	(\$17.9)	(\$26.5)	(\$25.7)
Total Other Expenditure Adjustments	(\$76.0)	\$1.3	(\$22.4)	(\$17.9)	(\$26.5)	(\$25.7)
Total Cash Conversion Adjustments before Depreciation and GASB Adjs.	(\$156.3)	\$2.6	(\$44.7)	(\$35.8)	(\$52.9)	(\$51.3)
Depreciation Adjustment	\$213.6	\$223.4	\$265.6	\$275.6	\$285.6	\$295.6
OPEB Obligation	48.9	51.0	53.0	54.7	56.3	58.2
Environmental Remediation	0.0	6.5	6.5	6.7	6.9	7.1
Baseline Total Cash Conversion Adjustments	\$186.4	\$282.2	\$302.8	\$319.1	\$322.4	\$335.3
2009 Agency Program to Eliminate the Gap	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Post-2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Total PEG's	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Cash Conversion Adjustments	\$186.4	\$282.2	\$302.8	\$319.1	\$322.4	\$335.3

**MTA METRO-NORTH RAILROAD
2009 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2009-2012
YEAR-TO-YEAR CHANGES BY CATEGORY BASELINE NARRATIVE**

FAREBOX REVENUE

Non-Reimbursable

- Projected ridership growth of .05% in 2009, 1.4% in 2010 2.7% in 2011, and 2.8% in 2012 are primarily responsible for higher Farebox Revenue.
- Reduced rate of customer growth in 2009 reflects projected declines in regional employment and economic growth indicators.
- 2009-2012 ridership growth includes the impacts of customer service initiatives for station improvements and new train service initiatives starting in 2010.

Cash

- 2008-2012 cash adjustments include receipts from the sale of Metro Cards, Westchester County bus fares, and special event promotions, partially offset by credit card fees associated with the purchase of passenger tickets.

OTHER OPERATING REVENUE

Non-Reimbursable

- 2008 increase reflects higher net GCT retail tenant revenues, an increase in revenues from Vanderbilt Hall prior to the start of the restoration project, increases from other station rentals and concessions, higher advertising fees, as well as an increase in commissary prices effective May 1, 2008.
- 2009 revenue increase reflects the resumption of retail and event activities in Vanderbilt Hall (under restoration in 2008) a lower level of revenue-funded GCT renovation projects, higher revenues from parking expansions, and new advertising initiatives including bar car wraps and framed advertising posters in GCT North and other passageways.
- 2010-2012 reflects contracted escalations in advertising revenues and higher GCT retail revenue, offset by a higher provision for GCT restoration projects.

Cash

- 2008-2012 adjustments include the reclassifications of Amtrak and other railroad reimbursements (from the Maintenance and Other Operating Contracts category), and revenue offsets for GCT revenue funded projects to expenditure categories. Also included are reimbursements from CDOT for station facilities and unitickets, the MTA for electricity charges, payments by former employees

for health insurance coverage, reimbursements for claims settlements, scrap sale receipts, settlement for defective concrete ties, and other miscellaneous items.

CAPITAL AND OTHER REIMBURSEMENTS

Reimbursable

Capital project cost reimbursements in each year of the financial plan are based on recouping 100% of accrued project expenditures.

- 2009 accrued expenditures (and receipts) are based upon the latest projection of capital project activity. Lower reimbursements in 2009 are attributed to the completion of the Shell Flyover and NHL Diesel Locomotive Acquisition projects plus the winding down of the NHL Concrete Tie project. These were offset by the start up of the GCT Leaks Remediation – NYCDOT Share.
- 2010-2012 accrued expenditures (and receipts) are based on a continuation of 2009 project cost levels adjusted for the elimination of significant project changes and the impact of inflation. The 2010 reimbursements reflect the winding down of the NHL End Door Bombardier Coach Mid Life Overhaul and GCT Leaks Remediation – NYCDOT Share projects. The 2011 reimbursements reflect the completion of the NHL End Door Bombardier Coach Mid Life Overhaul and GCT Leaks Remediation – NYCDOT Share projects offset by the re-start of the NHL Concrete Tie project. The 2012 reimbursements reflect the completion of the NHL Concrete Tie project.

Cash

- 2008 and 2009 include adjustments for receipt timing differences. In addition, 2008-2012 includes cash adjustments to MTA and CDOT receipts for reimbursable portion of GASB contribution.

PAYROLL

Non-Reimbursable

- Non Agreement salaries in 2009 include cost of living increases of 3.00%. In 2010-2012 Non Agreement salaries include CPI-based increases of 1.87%, 2.23% and 2.20% respectively.
- 2009 includes additional management personnel to support the development of computer based training, safety and security programs, GCT building maintenance, and fleet management (\$.6 million).
- Agreement wages include a negotiated salary increase of 3.0% spanning January 2009 through June 15, 2010. For 2010–2012 CPI-based increases are applied starting June 16 of each year at annual rates of 1.87% in 2010, 2.23% in 2011 and 2.20% in 2012.
- 2009 includes additional labor costs for Safety and Security improvements that support new security monitoring systems in New York and Connecticut (\$.2

million) and additional maintenance personnel to support the new M7 five-year life cycle maintenance program (\$.5 million), and increased maintenance for the New Haven Line car fleet (\$1.1 million).

- 2010 includes staffing for Customer Service programs which include staff additions to support new M8 cars and the New Haven Shop complex (\$1.7 million), additional maintenance forces for a second shift coach shop at Harmon (\$.5 million), new interlocking lighting on the Harlem and Hudson lines, the new Highbridge car washer facility, and new train service on all lines (\$1.2 million). Support staff for various Safety and Security projects include, Train Sheds/Halls fire safety and security system maintenance (\$1.2 million). These increases are partially offset by a reduction in maintenance forces due to the winding down of the M3 CSR program (\$1.0 million).
- 2011-2012 includes additional staff to increase service on all lines (\$1.6 and \$1.4 million respectively), support signal improvements on the Danbury branch. (\$.4 million) and continue the staffing for additional M8 cars and the New Haven Shop complex (\$1.9 million and 1.2 million) respectively. These increases are partially offset by a reduction in maintenance forces of \$.3 million in 2011 due to completion of the M3 CSR program.

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above

Cash

- Cash includes payments of \$.6 million in 2008 (excluding fringe) for 2007 accrued RWA for one unsettled union. 2008-2012 cash adjustments also include differences between expense accruals and cash disbursements for the number of days paid, vacation and sick day provisions, employee health club memberships, agreement employee allowance for tools and safety shoes, employee contribution to health care coverage. 2008 Payroll includes a reclassification to the Pension category of agreement employee contributions to the Defined Benefit Pension Plan (\$10.3 million). Starting in 2009 these contributions will be retained in the Payroll category.

OVERTIME

Non-Reimbursable

- Agreement wages include a negotiated salary increase of 3.0% spanning January 2009 through June 15, 2010. For 2010–2012 CPI-based increases are applied starting June 16 of each year at annual rates of 1.87% in 2010, 2.23% in 2011 and 2.20% in 2012.
- In 2010-2012 also includes additional overtime for on-board coverage requirements due to increases in service levels and on all lines.

Reimbursable

- Annual cost of living increases and wage contract increases for agreement employees follow the same rate assumptions as the non-reimbursable costs noted above

HEALTH AND WELFARE

Non-Reimbursable

- 2008 forecast reflects revised net premium rate increases for the NYS Empire Plan for employees with family coverage of 5.9% and for individual coverage of 4.5%.
- 2009-2012 include estimated annual premium increases for NYS Empire Plan health care and insurance premiums of 7.5% in 2009 and 7.1 % for 2010-2012, and as well as changes in enrollment levels, retirees and employees on leave of absence status. Adjustments in staffing levels due to programmatic changes are incorporated into each year of the financial plan for Maintenance Improvements, Service Enhancements, Customer Service Amenities, Security, and Administration.

Reimbursable

- Projected inflationary increases follow the same pattern as non-reimbursable costs noted above.

Cash

- 2008-2012 cash adjustments include current and former management employee contributions toward health insurance costs.

OPEB CURRENT PAYMENT (GASB 45)

Non-Reimbursable

- Other Post Employment Benefit (OPEB) current payments reflect Metro-North's estimated annual cost of healthcare for current retirees. The estimated annual costs for 2009-2012 are \$9.4 million in 2009, \$10.2 million in 2010, \$11.1 million in 2011 and \$12.0 million in 2012.

PENSIONS

Non-Reimbursable and Reimbursable

- The 2008-2012 pension costs represent the inclusion of all non-represented and most represented Metro-North employees in the MTA Defined Benefit Plan (DB Plan). Those employees not joining the DB Plan are participants in the MTA 401K Plan. Metro-North's projected share of the incremental funding requirements for the DB Plan is based on a draft projection prepared by actuarial consultants several years ago, adjusted for increases in employee levels. Future

actuarial valuations are expected to reflect more accurate estimates of the pension liabilities on behalf of these employees.

Cash

- 2008 and 2009 includes a reduction to cash requirements (\$18.3 million and \$5.5 million respectively) due to the prepayment of 2008 pension costs by the MTA in 2007.
- 2008-2012 adjustments include the difference between expense accruals and cash disbursements as well a reclassification of funds from the Payroll category for agreement employee contributions to the Defined Benefit Pension Plan (\$10.3 million). Starting in 2009 these contributions will be retained in the Payroll category.

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2009-2012 at 7.65% and 12.1%, respectively.
- Maximum earnings level for Tier I is estimated at \$106,500 in 2009, \$109,695 in 2010, \$112,986 in 2011, and \$116,375 in 2012.
- Maximum earnings level for Tier II is estimated at \$79,200 in 2009, \$81,576, in 2010, and \$ 84,023 in 2011, and \$86,544 in 2012.
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Reimbursable

- Railroad Retirement tax rates and earnings' maximums follow the same assumptions as the non-reimbursable costs noted above.

Cash

- 2008-2012 adjustments include difference between expense accruals and cash disbursements.

GASB ACCOUNT

Cash

- 2008-2012 includes cash expenditures to fund a contribution to a special GASB 45 (Government Accounting Standards Board) fund earmarked for post-retirement liabilities of "Other than Pension Benefits".

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Overhead Cost Recoveries are derived from Reimbursable Capital Project Estimates. Assumptions are described in the Reimbursable section below.

Reimbursable

- Overhead costs for 2009 are based on a percentage share of direct labor costs charged to reimbursable projects. 2010-2012 overhead costs are based on the continuation of 2009 forecast levels, adjusted for inflation-based increases in labor costs.
- Material handling and equipment recovery increases are predicated on CPI-based inflation rates from 2010-2012 at 2.02%, 2.40%, and 2.39% respectively.

TRACTION AND PROPULSION POWER

Non-Reimbursable

- 2008 forecasted prices reflect a 6.0% increase in NYPA supplied power and an 9.0% increase in CL&P rates and a 24% increase in Con Ed delivery rates.
- In 2009-2012 cost increases reflect anticipated price increases from NYPA, CL&P and NYSEG. As a result, annual increases are estimated at 7.8% in 2009, 10.3% in 2010, 5.3% in 2011, and 5.3% in 2012.
- 2009-2012 incorporates the net effect of the Equipment Replacement Plans for the NHL and H&H service, which adds \$.5 million in 2010 and 2011, and \$1.7 million in 2012. Changes over this period are primarily due to the incorporation of the new M8 cars into NHL service offset by the gradual retirement of the M2 car fleet.
- Service additions increase propulsion costs by \$.6 million in 2010, \$.8 million in 2011, and \$1.0 million in 2012.

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2008 estimated prices have been increased by 23.9% over the 2008 Budget.
- Fuel Prices reflect declining rates in 2009 through 2011 of 2.3%, 4.4%, and 3.7% respectively followed by an increase of 5.8% in 2012.
- 2010-2012 incorporates the cost of Service Plan increases.

INSURANCE

Non-Reimbursable and Reimbursable

- Increases in 2009-2012 reflect revised insurance premium estimates.

Cash

- 2009-2012 reflects increase in force account payments as well as All-Agency insurance costs. 2008-2012 also includes the difference between expense accruals and cash payments.

CLAIMS

Non-Reimbursable

- 2009 - 2012 reflect current claims trends.

Cash

- 2009-2012 payments reflect current claim settlement trends.

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- CPI increases in 2009-2012 of 2.53% (applied selectively), 2.02% 2.40%, and 2.39% are applied respectively.
- 2009-2012 includes costs for East and West of Hudson locomotive overhauls as work is performed or completed; in 2009 these costs increase \$3.6 million; 2010-2012 include reductions of \$3.0 million, \$1.2 million and \$5.6 million respectively as program costs wind down or are completed.
- 2009 includes cost provisions for office space renovations (\$1.0 million), security monitoring services (\$.9 million), and football train service to the Meadowlands (\$.6 million).
- 2009–2012 includes rising West of Hudson subsidy payments related to contract cost escalations and increases in service.
- 2010-2012 includes equipment disposal costs primarily for M2 cars of \$.8 million, \$1.8 million, and \$1.2 million respectively.

Reimbursable

- CPI increases in 2009-2012 follow the same pattern as non-reimbursable costs noted above
- In 2009, expenditures reflect the completion of the Shell-At-Grade and NHL Diesel Locomotive Purchase projects offset by the start up of the GCT Leaks Remediation–NYCDOT Share project. In 2010, expenditures reflect the winding down of the NHL End Door Bombardier Mid Life Overhaul and GCT Leaks Remediation–NYCDOT Share projects. With the completion of these two projects, expenditures in 2011 are reduced and offset by the re-start of the NHL Concrete Tie project. Similarly, in 2012 with the completion of the NHL Concrete Tie project, expenditures are further reduced.

Cash

- 2008 cash adjustments include the elimination of non-cash GASB 49 environmental accruals and payment of 2007 accruals for equipment overhauls and computer maintenance. 2008-2012 also includes the reclassifications of Amtrak and other railroad reimbursements to Other Operating Revenue and revenue offsets for GCT revenue funded projects to expenditure categories. 2008-2012 also include payments on behalf of CDOT for station facilities and the MTA for electricity charges.

PROFESSIONAL SERVICE CONTRACTS

Non-Reimbursable

- CPI increases in 2009-2012 of 2.53% (applied selectively), 2.02% 2.40%, and 2.39% are applied respectively.
- 2009-2010 includes the restoration of a cost provision for general advertising fees (\$.4 million added in each year).

Reimbursable

- CPI increases in 2009-2012 follow the same pattern as non-reimbursable costs noted above.
- The 2009 decrease is due to the completion of several signal system projects including: NHL Communication and Signal Replacement, Signal System Replacement (NYSDOT Share). And Danbury Branch Signal System.

MATERIAL AND SUPPLIES

Non-Reimbursable

- In 2009 inflationary increases were selectively applied based on the Regional CPI for standard material of 2.94%, and the National Price Index for metals of 4.87% and transportation products of 3.88%. In 2010-2012 the index for Industrial Building Material provided by Global Insight was applied at 4.36%, 4.54% and 4.70% respectively.
- 2009 includes \$2.0 million earmarked for office space renovations.
- 2008-2012 includes the net cost impacts of Metro-North's equipment maintenance and replacement strategies to maintain and improve service reliability and performance.
 - 2008 includes \$3.0 million for Gear Box Overhauls, which is to be completed in 2010.
 - 2009 includes \$7.2 million for M7 five-year life cycle maintenance, \$5.2 million for the overhaul of 30 M1 cars, and a reduction of \$.6 million in funds for the M3 overhaul program.
 - 2010 includes additional material requirements for the M7 seat change-out program (\$5.1 million), and the NHL Equipment Replacement program (\$4.9 million for new M8 cars), offset by cost reductions for the winding down of the M3 overhaul program (\$4.7

million) and the completion of expanded maintenance requirements for Gear Boxes.

- 2011 includes additional material requirements for the NHL Equipment Replacement program (\$5.3 million for new M8 cars) and operating costs, offset by cost reductions for the completion of the M3 CSR program (\$2.4 million) and the retirement of 30 M1 cars from H&H service (\$2.4 million).
- 2012 includes a net reduction in M8 car material expenditures (\$2.7 million) related to the completion of the inventory pool build-up, offset by the increase in material usage as the new cars are phased into service.

Reimbursable

- CPI increases in 2009-2012 follow the same pattern as non-reimbursable costs noted above.
- In 2009 reduced expenditures reflect the winding down of the NHL Concrete Tie project.

Cash

- Cash adjustments reflect differences between expense accruals and cash requirements:
 - 2008-2009 include reductions in cash requirements due to 2007 advance inventory purchases (\$2.8 million in 2008 and \$1.8 million in 2009)
 - 2008-2012 adjustment for obsolete material reserve (\$.6 million per year)

OTHER BUSINESS EXPENSES

Non-Reimbursable

- CPI increases in 2009-2012 of 2.53%, 2.02%, 2.40%, and 2.39% are applied respectively
- 2009-2012 primarily reflects increasing credit card fees due to higher ridership and an increase in customer use of credit cards to purchase tickets and football train service to the Meadowlands.

Reimbursable

- CPI increases in 2009-2012 follow the same pattern as non-reimbursable costs noted above.

Cash

- 2008-2012 cash adjustments include payments for receipt of MetroCards, Westchester County bus fares, special promotions, and employee health club memberships, partially offset by the reclassification of credit card fees as an

offset to Farebox Revenue, the reclassification of a credit for defective concrete ties as a receipt to Other Operating Revenue, and safety shoe and tool allowance to the Payroll category.

DEPRECIATION

Non-Reimbursable

- 2009-2012 includes provisions for the incorporation of new assets including the introduction of M8s in the latter part of 2009.

OPEB OBLIGATION (GASB 45)

Non-Reimbursable

- 2009 -2012 includes provisions of \$53.0 million, \$54.7 million, \$56.3 million, and \$58.2 million respectively representing the estimated annual cost of post retirement health care benefits for future retirees.

ENVIRONMENTAL REMEDIATION (GASB 49)

Non-Reimbursable

- 2009-2012 includes provisions of \$6.5 million, \$6.7 million, \$6.9 million, and \$7.1 million respectively pertaining to estimated expected outlays for pollution remediation associated with capital projects.

MTA METRO-NORTH RAILROAD
November Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$507.2	\$512.0	\$4.8	\$519.2	\$7.2	\$533.7	\$14.5	\$549.5	\$15.8
Vehicle Toll Revenue									
Other Operating Revenue	33.7	36.9	3.2	38.9	2.0	41.2	2.3	43.2	2.0
Capital and Other Reimbursements									
Total Revenue	\$540.9	\$548.9	\$8.0	\$558.1	\$9.2	\$574.9	\$16.8	\$592.7	\$17.7
Expenses									
Labor:									
Payroll	\$380.1	\$400.0	-\$19.9	\$409.1	-\$9.1	\$421.5	-\$12.4	\$434.2	-\$12.7
Overtime	55.2	55.7	(0.5)	57.0	(1.3)	58.5	(1.5)	60.0	(1.5)
Health and Welfare	67.7	73.1	(5.4)	80.1	(7.1)	86.9	(6.8)	94.2	(7.2)
OPEB Current Payment	9.4	10.2	(0.8)	11.1	(0.9)	12.1	(0.9)	13.1	(1.0)
Pensions	38.7	40.7	(2.1)	42.7	(2.0)	45.4	(2.6)	47.4	(2.1)
Other Fringe Benefits	77.0	80.6	(3.7)	82.6	(2.0)	85.7	(3.0)	88.5	(2.9)
Reimbursable Overhead	(42.1)	(42.2)	0.1	(40.7)	(1.5)	(41.1)	0.4	(41.8)	0.7
Total Labor Expenses	\$585.9	\$618.2	(\$32.4)	\$642.1	(\$23.9)	\$668.9	(\$26.8)	\$695.7	(\$26.8)
Non-Labor:									
Traction and Propulsion Power	64.8	71.7	(7.0)	80.4	(8.7)	86.2	(5.8)	94.2	(8.0)
Fuel for Buses and Trains	25.5	25.3	0.2	24.8	0.5	24.4	0.5	25.8	(1.5)
Insurance	12.2	13.0	(0.7)	14.2	(1.3)	15.6	(1.4)	17.1	(1.5)
Claims	12.6	12.0	0.6	12.0	0.0	12.0	0.0	12.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other	91.5	114.4	(23.0)	115.2	(0.8)	118.5	(3.3)	117.6	0.9
Professional Service Contracts	20.2	24.3	(4.1)	25.2	(0.8)	25.6	(0.5)	26.1	(0.5)
Materials & Supplies	80.2	89.4	(9.2)	90.5	(1.1)	95.0	(4.5)	96.2	(1.2)
Other Business Expenses	13.0	13.7	(0.8)	15.7	(1.9)	16.5	(0.8)	17.7	(1.2)
Total Non-Labor Expenses	\$319.9	\$363.9	(\$44.0)	\$378.0	(\$14.1)	\$393.8	(\$15.8)	\$406.7	(\$13.0)
Other Expenses Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation and GASB Adjs.	\$905.8	\$982.1	(\$76.3)	\$1,020.1	(\$38.0)	\$1,062.7	(\$42.6)	\$1,102.4	(\$39.7)
Depreciation	223.4	265.6	(42.2)	275.6	(10.0)	285.6	(10.0)	295.6	(10.0)
OPEB Obligation	51.0	53.0	(2.0)	54.7	(1.7)	56.3	(1.6)	58.2	(1.9)
Environmental Remediation	6.5	6.5	0.0	6.7	(0.2)	6.9	(0.2)	7.1	(0.2)
Total Expenses	\$1,186.7	\$1,307.3	(\$120.6)	\$1,357.1	(\$49.9)	\$1,411.5	(\$54.4)	\$1,463.4	(\$51.8)
Baseline Net Surplus/(Deficit)	(\$645.8)	(\$758.3)	(\$112.6)	(\$799.0)	(\$40.7)	(\$836.6)	(\$37.6)	(\$870.7)	(\$34.1)
2009 Agency Program to Eliminate the Gap (PEGs)									
2009 Agency Program to Eliminate the Gap (PEGs)	0.0	9.2	9.2	9.3	0.0	9.3	0.0	9.3	0.0
Post 2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	9.3	9.3	18.5	9.3	27.8	9.3
Total PEGS	0.0	9.2	9.2	18.5	9.3	27.8	9.3	37.0	9.3
Net Surplus/(Deficit)	(\$645.8)	(\$749.1)	(\$103.3)	(\$780.5)	(\$31.4)	(\$808.8)	(\$28.3)	(\$833.7)	(\$24.8)

MTA METRO-NORTH RAILROAD
November Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$507.2	\$512.0	\$4.8	\$519.2	\$7.2	\$533.7	\$14.5	\$549.5	\$15.8
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	33.7	36.9	3.2	38.9	2.0	41.2	2.3	43.2	2.0
Capital and Other Reimbursements	196.3	180.4	(15.9)	178.0	(2.4)	169.1	(8.9)	171.9	2.8
Total Revenue	\$737.2	\$729.3	-\$7.9	\$736.1	\$6.8	\$744.1	\$8.0	\$764.6	\$20.6
Expenses									
Labor:									
Payroll	\$419.6	\$442.3	(\$22.7)	\$452.0	(\$9.7)	\$465.1	(\$13.1)	\$478.5	(\$13.4)
Overtime	69.3	68.7	0.6	70.2	(1.4)	71.8	(1.6)	73.5	(1.7)
Health and Welfare	76.6	82.6	(6.0)	90.5	(7.9)	98.0	(7.5)	106.0	(8.0)
OPEB Current Payment	9.4	10.2	(0.8)	11.1	(0.9)	12.1	(0.9)	13.1	(1.0)
Pensions	43.5	45.8	(2.3)	48.1	(2.3)	51.0	(2.9)	53.2	(2.2)
Other Fringe Benefits	86.0	89.9	(3.9)	92.0	(2.1)	95.2	(3.2)	98.3	(3.1)
Reimbursable Overhead	(1.5)	(2.4)	1.0	(0.4)	(2.0)	(0.2)	(0.2)	(0.2)	0.0
Total Labor Expenses	\$702.9	\$737.1	(\$34.2)	\$763.4	(\$26.3)	\$793.0	(\$29.6)	\$822.4	(\$29.4)
Non-Labor:									
Traction and Propulsion Power	\$64.8	\$71.7	(\$7.0)	\$80.4	(\$8.7)	\$86.2	(\$5.8)	\$94.2	(\$8.0)
Fuel for Buses and Trains	25.5	25.3	0.2	24.8	0.5	24.4	0.5	25.8	(1.5)
Insurance	16.7	17.4	(0.6)	18.7	(1.3)	20.1	(1.4)	21.7	(1.6)
Claims	12.6	12.0	0.6	12.0	0.0	12.0	0.0	12.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Contracts	126.9	146.3	(19.4)	141.3	5.1	131.6	9.6	129.8	1.8
Professional Service Contracts	27.2	28.0	(0.8)	28.9	(0.9)	29.4	(0.6)	30.0	(0.6)
Materials & Supplies	113.3	110.8	2.5	112.8	(2.0)	118.4	(5.7)	120.6	(2.2)
Other Business Expenses	12.2	13.9	(1.7)	15.8	(1.9)	16.7	(0.9)	17.9	(1.2)
Total Non-Labor Expenses	\$399.2	\$425.4	(\$26.2)	\$434.7	(\$9.3)	\$438.9	(\$4.2)	\$452.0	(\$13.1)
Other Expenses Adjustments:									
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$1,102.1	\$1,162.5	(\$60.4)	\$1,198.1	(\$35.6)	\$1,231.8	(\$33.7)	\$1,274.4	(\$42.5)
Depreciation	223.4	265.6	(42.2)	275.6	(10.0)	285.6	(10.0)	295.6	(10.0)
OPEB Obligation	51.0	53.0	(2.0)	54.7	(1.7)	56.3	(1.6)	58.2	(1.9)
Environmental Remediation	6.5	6.5	0.0	6.7	(0.2)	6.9	(0.2)	7.1	(0.2)
Total Expenses	\$1,383.0	\$1,487.6	(\$104.6)	\$1,535.1	(\$47.5)	\$1,580.6	(\$45.6)	\$1,635.3	(\$54.7)
Baseline Net Surplus/(Deficit)	(\$645.8)	(\$758.3)	(\$112.6)	(\$799.0)	(\$40.7)	(\$836.6)	(\$37.6)	(\$870.7)	(\$34.1)
2009 Agency Program to Eliminate the Gap (PEGs)									
2009 Agency Program to Eliminate the Gap (PEGs)	0.0	9.2	9.2	9.3	0.0	9.3	0.0	9.3	0.0
Post 2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	9.3	9.3	18.5	9.3	27.8	9.3
Total PEGS	0.0	9.2	9.2	18.5	9.3	27.8	9.3	37.0	9.3
Net Surplus/(Deficit)	(\$645.8)	(\$749.1)	(\$103.3)	(\$780.5)	(\$31.4)	(\$808.8)	(\$28.3)	(\$833.7)	(\$24.8)

MTA METRO-NORTH RAILROAD
November Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Cash Receipts & Expenditures									
Receipts									
Farebox Revenue	\$513.9	\$517.8	\$3.9	\$525.8	\$7.9	\$540.3	\$14.5	\$556.1	\$15.8
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	56.4	55.5	(0.8)	60.4	4.8	62.7	2.4	64.7	1.9
Capital and Other Reimbursements	206.6	177.0	(29.6)	179.4	2.4	169.3	(10.1)	171.0	1.7
Total Receipts	\$776.8	\$750.3	(\$26.5)	\$765.5	\$15.2	\$772.4	\$6.8	\$791.7	\$19.4
Expenditures									
Labor:									
Payroll	\$413.0	\$438.7	(\$25.6)	\$449.1	(\$10.4)	\$462.9	(\$13.8)	\$479.6	(\$16.7)
Overtime	71.1	69.1	2.0	70.5	(1.4)	72.5	(1.9)	74.8	(2.4)
Health and Welfare	94.4	101.9	(7.5)	111.7	(9.8)	120.9	(9.1)	130.7	(9.8)
OPEB Current Payment									
Pensions	35.6	40.4	(4.9)	48.1	(7.7)	51.0	(2.8)	53.2	(2.2)
Other Fringe Benefits	87.4	89.5	(2.1)	91.8	(2.3)	95.2	(3.4)	99.1	(3.9)
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$701.5	\$739.7	(\$38.2)	\$771.3	(\$31.6)	\$802.5	(\$31.2)	\$837.5	(\$35.0)
Non-Labor:									
Traction and Propulsion Power	\$64.8	\$71.7	-\$7.0	\$80.4	-\$8.7	\$86.2	-\$5.8	\$94.2	-\$8.0
Fuel for Buses and Trains	25.5	25.3	0.2	24.8	0.5	24.4	0.5	25.8	(1.5)
Insurance	19.3	17.4	2.0	18.7	(1.3)	21.0	(2.3)	21.6	(0.6)
Claims	11.3	12.1	(0.9)	12.1	0.0	12.1	0.0	12.1	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance and Other									
Operating Contracts	146.1	174.3	(28.2)	162.1	12.2	150.8	11.3	148.9	1.8
Professional Service Contracts	29.8	28.6	1.2	29.4	(0.7)	31.1	(1.7)	31.6	(0.6)
Materials & Supplies	122.1	116.7	5.4	120.1	(3.4)	126.5	(6.4)	129.0	(2.4)
Other Business Expenses	20.1	20.0	0.0	26.5	(6.5)	32.1	(5.6)	26.3	5.7
Total Non-Labor Expenditures	\$438.9	\$466.2	(\$27.3)	\$474.1	(\$7.9)	\$484.1	(\$10.0)	\$489.7	(\$5.5)
Other Expenditure Adjustments:									
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Expenditure Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures	\$1,140.4	\$1,205.9	(\$65.5)	\$1,245.4	(\$39.5)	\$1,286.6	(\$41.2)	\$1,327.2	(\$40.6)
Baseline Net Cash Deficit	(\$363.6)	(\$455.6)	(\$92.0)	(\$479.9)	(\$24.3)	(\$514.2)	(\$34.3)	(\$535.4)	(\$21.2)
Subsidies									
MTA	(\$291.7)	(\$366.9)	(\$75.2)	(\$381.0)	(\$14.2)	(\$401.6)	(\$20.5)	(\$414.2)	(\$12.6)
CDOT	(\$71.9)	(\$88.7)	(\$16.8)	(\$98.9)	(\$10.1)	(\$112.7)	(\$13.8)	(\$121.3)	(\$8.6)
Total Subsidies	(\$363.6)	(\$455.6)	(\$92.0)	(\$479.9)	(\$24.3)	(\$514.2)	(\$34.3)	(\$535.4)	(\$21.2)
2009 Agency Program to Eliminate the Gap (PEGs)									
2009 Agency Program to Eliminate the Gap (PEGs)	0.0	9.2	9.2	9.3	0.0	9.3	0.0	9.3	0.0
Post 2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	9.3	9.3	18.5	9.3	27.8	9.3
Total PEGs	\$0.0	\$9.2	\$9.2	\$18.5	\$9.3	\$27.8	\$9.3	\$37.0	\$9.3
Net Cash Deficit	(\$363.6)	(\$446.3)	(\$82.8)	(\$461.4)	(\$15.0)	(\$486.5)	(\$25.1)	(\$498.4)	(\$11.9)
MTA share of PEGS									
MTA share of PEGS	0.0	6.8	6.8	13.6	6.8	20.4	6.8	27.2	6.8
CDOT share of PEGS									
CDOT share of PEGS	0.0	2.4	2.4	4.9	2.5	7.4	2.5	9.8	2.5
Total PEGS	\$0.0	\$9.2	\$9.2	\$18.5	\$9.3	\$27.8	\$9.3	\$37.0	\$9.3
Subsidies									
MTA	(\$291.7)	(\$360.1)	(\$68.4)	(\$367.4)	(\$7.4)	(\$381.2)	(\$13.7)	(\$387.0)	(\$5.8)
CDOT	(\$71.9)	(\$86.3)	(\$14.3)	(\$93.9)	(\$7.7)	(\$105.3)	(\$11.4)	(\$111.4)	(\$6.1)
Total Subsidies	(\$363.6)	(\$446.3)	(\$82.8)	(\$461.4)	(\$15.0)	(\$486.5)	(\$25.1)	(\$498.4)	(\$11.9)

**MTA METRO-NORTH RAILROAD
2009 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2009-2012
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

Revisions to Metro-North's financial plan for the 2009-2012 period reflect adjustments resulting from evolving economic conditions, changing cost assumptions and resource allocations, as well as the impact of changes in project schedules.

2008: NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL PLAN

The November Forecast subsidy requirements for non-reimbursable operations are \$9.3 million lower than the July Forecast. The reduction reflects higher revenues of \$4.6 million due to increases in ridership (\$3.2 million) and GCT retail revenue (\$1.2 million). Expenses are \$5.3 million lower than the 2008 July Forecast due primarily to the rescheduling of the Kronos timekeeping project to 2009; lower contract and professional service requirements, and higher cash receipts due to the timing of payments. These favorable changes are offset by higher overtime for equipment, facilities and right-of-way maintenance, and increasing diesel fuel cost projections.

Reimbursable project costs (and receipts) are \$16.7 million lower than the July Plan primarily due to production delays on the NHL End Door Bombardier Coach Mid Life Overhaul plus multiple project cost refinements and minor scheduling changes.

2009: NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL PLAN

The 2009 November Financial Plan subsidy requirements are \$4.8 million lower than in the July Financial Plan adjusted for diesel fuel surcharges. This decrease reflects improving fuel and electric propulsion prices (\$7.5 million), higher passenger revenues associated with an increase in ridership, higher non-passenger revenues from commissary operations and advertising, as well as lower costs due to the elimination of new train service and lower health care insurance premiums. Offsetting these reductions are increased cash requirements due to timing differences in force account receipts, and a net increase (after reclassifications between cost categories) in material usage costs.

Reimbursable project costs (and receipts) are \$4.7 million higher than the July Plan essentially due to the inclusion of the GCT Leaks Remediation – NYCDOT Share project offset by the earlier completion of the Shell Flyover project plus other project cost refinements and re-scheduling.

2010 - 2012: NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL

The 2010 - 2012 November Financial Plan subsidy requirements are lower than the July Financial Plan adjusted for diesel fuel surcharges by \$7.4 million in 2010, \$12.8 million in 2011, and \$11.2 million in 2012. These decreases reflect reductions in electric traction power price escalations and insurance premiums, higher passenger revenues in 2011 and 2012 associated with an increase in ridership, and lower health and welfare costs. Partially offsetting these decreases are lower recoveries of overhead costs associated with capital projects and higher diesel fuel prices.

Reimbursable project costs (and receipts) compared to the July Plan are higher by \$2.1 million in 2010 reflecting a continuation of project levels similar to the 2009 Proposed Budget; and, lower by \$16.0 million in 2011 and lower by \$18.8 million in 2012 due to the successive completions of the NHL End Door Bombardier Coach Mid Life Overhaul project, GCT Leaks Remediation–NYCDOT Share project and the NHL Concrete Tie project.

MTA METRO-NORTH RAILROAD
November Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$372.6)	(\$451.7)	(\$485.4)	(\$527.1)	(\$547.8)
Fuel Adjustment	(4.4)	(8.6)	(1.8)	0.1	1.3
Adjusted July Financial Plan	(\$377.0)	(\$460.3)	(\$487.3)	(\$527.1)	(\$546.6)
Baseline Changes					
Revenue					
Farebox Revenue	\$3.2	\$1.3	(\$2.3)	\$0.1	\$3.5
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	1.4	0.6	2.3	3.3	3.3
Capital and Other Reimbursement	(16.7)	4.7	2.1	(16.0)	(18.8)
Total Revenue Changes	(\$12.0)	\$6.6	\$2.1	(\$12.7)	(\$12.0)
Expenses					
<i>Labor:</i>					
Payroll	\$.8	(\$4.1)	(\$2.3)	(\$2.4)	(\$3.2)
Overtime	(2.4)	0.9	1.1	1.1	1.1
Health and Welfare	0.0	2.9	2.5	2.8	3.0
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0
Pensions	(0.0)	0.1	(0.1)	(0.1)	(0.2)
Other Fringe Benefits	(0.4)	(0.8)	(0.6)	(0.7)	(1.0)
Reimbursable Overhead	(0.7)	1.4	(0.7)	(0.2)	(0.3)
Total Labor Expense Changes	(\$2.6)	\$.4	(\$1)	\$.5	(\$.5)
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$.7	\$2.4	\$7.5	\$11.0	\$8.0
Fuel for Buses and Trains	2.7	5.1	(1.2)	(2.1)	(4.3)
Insurance	(0.1)	0.4	0.3	0.4	4.1
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	(11.9)	(24.7)	(20.7)	(6.9)	(6.5)
Professional Service Contracts	31.5	0.6	0.5	0.4	0.3
Materials & Supplies	1.3	20.0	17.7	21.2	22.2
Other Business Expenses	2.0	0.2	0.3	0.5	0.5
Total Non-Labor Expense Changes	\$26.1	\$4.0	\$4.4	\$24.5	\$24.2
Total Expenses before Depreciation and GASB Adjustments	\$23.5	\$4.4	\$4.4	\$25.0	\$23.8
Depreciation	\$2.6	(\$29.6)	(\$29.6)	(\$29.6)	(\$29.6)
OPEB Obligations	0.0	0.0	0.0	0.0	0.0
Environmental Remediation	0.0	0.0	0.5	0.7	1.1
Total Expense Changes	\$26.2	(\$25.2)	(\$24.7)	(\$3.9)	(\$4.7)
Cash Conversion Adjustment Changes					
Depreciation	(\$2.6)	\$29.6	\$29.6	\$29.6	\$29.6
Operating/Capital	3.7	(1.1)	(0.7)	0.0	0.0
Other Cash Adjustments	(1.8)	(5.1)	1.1	(0.2)	(1.7)
Total Cash Conversion Adjustments	(\$.7)	\$23.4	\$30.1	\$29.4	\$27.9
Total Baseline Changes	\$13.4	\$4.8	\$7.4	\$12.8	\$11.2
Baseline 2008 November Financial Plan - Operating Cash Income/(Deficit)	(\$363.6)	(\$455.6)	(\$479.9)	(\$514.2)	(\$535.4)

MTA METRO-NORTH RAILROAD
November Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Fuel Adjustment	0.0	0.0	0.0	0.0	0.0
Adjusted July Financial Plan	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Baseline Changes					
Revenue					
Farebox Revenue	\$0	\$0	\$0	\$0	\$0
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	0.0	0.0	0.0	0.0	0.0
Capital and Other Reimbursement	(16.7)	4.7	2.1	(16.0)	(18.8)
Total Revenue Changes	(\$16.7)	\$4.7	\$2.1	(\$16.0)	(\$18.8)
Expenses					
Labor:					
Payroll	\$2	(\$2.4)	(\$2.7)	(\$2.3)	(\$2.2)
Overtime	(0.4)	0.9	0.9	1.0	1.1
Health and Welfare	(0.1)	0.4	0.5	0.8	1.2
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0
Pensions	(0.0)	(0.2)	(0.3)	(0.3)	(0.2)
Other Fringe Benefits	(0.0)	(0.3)	(0.4)	(0.3)	(0.3)
Reimbursable Overhead	(0.7)	1.3	1.2	1.3	1.5
Total Labor Expense Changes	(\$1.1)	(\$4)	(\$9)	\$2	\$1.1
Non-Labor:					
Traction and Propulsion Power	\$0	\$0	\$0	\$0	\$0
Fuel for Buses and Trains	0.0	0.0	0.0	0.0	0.0
Insurance	(0.0)	0.2	0.1	0.2	0.2
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	(15.5)	(16.8)	(11.8)	2.6	3.9
Professional Service Contracts	30.0	0.4	0.4	0.4	0.4
Materials & Supplies	1.6	11.1	9.2	11.8	12.4
Other Business Expenses	1.7	0.8	0.8	0.8	0.8
Total Non-Labor Expense Changes	\$17.8	(\$4.3)	(\$1.2)	\$15.8	\$17.8
Total Expenses before Depreciation and GASB Adjustments	\$16.7	(\$4.7)	(\$2.1)	\$16.0	\$18.8
Depreciation	0.0	0.0	0.0	0.0	0.0
OPEB Obligations	0.0	0.0	0.0	0.0	0.0
Environmental Remediation	0.0	0.0	0.0	0.0	0.0
Total Expense Changes	\$16.7	(\$4.7)	(\$2.1)	\$16.0	\$18.8
Cash Conversion Adjustment Changes					
Depreciation	0.0	0.0	0.0	0.0	0.0
Operating/Capital	0.0	0.0	0.0	0.0	0.0
Other Cash Adjustments	0.0	0.0	0.0	0.0	0.0
Total Cash Conversion Adjustments	\$0	\$0	\$0	\$0	\$0
Total Baseline Changes	\$0	\$0	(\$0)	(\$0)	\$0
Baseline 2008 November Financial Plan - Operating Cash Income/(Deficit)	\$0	\$0	(\$0)	(\$0)	\$0

MTA METRO-NORTH RAILROAD
November Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$372.6)	(\$451.7)	(\$485.4)	(\$527.1)	(\$547.8)
Fuel Adjustment	(4.4)	(8.6)	(1.8)	0.1	1.3
Adjusted July Financial Plan	(\$377.0)	(\$460.3)	(\$487.3)	(\$527.1)	(\$546.6)
Baseline Changes					
Revenue					
Farebox Revenue	\$3.2	\$1.3	(\$2.3)	\$0.1	\$3.5
Vehicle Toll Revenue	0.0	0.0	0.0	0.0	0.0
Other Operating Revenue	1.4	0.6	2.3	3.3	3.3
Capital and Other Reimbursement	0.0	0.0	0.0	0.0	0.0
Total Revenue Changes	\$4.6	\$1.9	(\$0.0)	\$3.3	\$6.8
Expenses					
<i>Labor:</i>					
Payroll	\$0.6	(\$1.7)	\$0.4	(\$0.1)	(\$1.0)
Overtime	(2.0)	0.1	0.2	0.2	0.0
Health and Welfare	0.1	2.5	2.0	2.0	1.8
OPEB Current Payment	0.0	0.0	0.0	0.0	0.0
Pensions	0.0	0.4	0.2	0.1	0.0
Other Fringe Benefits	(0.3)	(0.5)	(0.2)	(0.4)	(0.7)
Reimbursable Overhead	0.1	0.1	(1.8)	(1.6)	(1.8)
Total Labor Expense Changes	(\$1.5)	\$0.8	\$0.8	\$0.3	(\$1.5)
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.7	\$2.4	\$7.5	\$11.0	\$8.0
Fuel for Buses and Trains	2.7	5.1	(1.2)	(2.1)	(4.3)
Insurance	(0.0)	0.2	0.2	0.2	3.8
Claims	0.0	0.0	0.0	0.0	0.0
Paratransit Service Contracts	0.0	0.0	0.0	0.0	0.0
Maintenance and Other Operating Contracts	3.6	(8.0)	(8.9)	(9.5)	(10.4)
Professional Service Contracts	1.4	0.2	0.1	(0.0)	(0.1)
Materials & Supplies	(0.3)	8.9	8.5	9.4	9.8
Other Business Expenses	0.2	(0.6)	(0.5)	(0.4)	(0.4)
Total Non-Labor Expense Changes	\$8.4	\$8.2	\$5.6	\$8.7	\$6.5
Total Expenses before Depreciation and GASB Adjustments	\$6.8	\$9.1	\$6.4	\$9.0	\$4.9
Depreciation	\$2.6	(\$29.6)	(\$29.6)	(\$29.6)	(\$29.6)
OPEB Obligations	0.0	0.0	0.0	0.0	0.0
Environmental Remediation	0.0	0.0	0.5	0.7	1.1
Total Expense Changes	\$9.5	(\$20.6)	(\$22.7)	(\$19.9)	(\$23.5)
Cash Conversion Adjustment Changes					
Depreciation	(\$2.6)	\$29.6	\$29.6	\$29.6	\$29.6
Operating/Capital	3.7	(1.1)	(0.7)	0.0	0.0
Other Cash Adjustments	(1.8)	(5.1)	1.1	(0.2)	(1.7)
Total Cash Conversion Adjustments	(\$0.7)	\$23.4	\$30.1	\$29.4	\$27.9
Total Baseline Changes	\$13.4	\$4.8	\$7.4	\$12.8	\$11.2
Baseline 2008 November Financial Plan - Operating Cash Income/(Deficit)	(\$363.6)	(\$455.6)	(\$479.9)	(\$514.2)	(\$535.4)

MTA METRO-NORTH RAILROAD
November Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$372.6)	(\$451.7)	(\$485.4)	(\$527.1)	(\$547.8)
Fuel Adjustment	(4.4)	(8.6)	(1.8)	0.1	1.3
Adjusted July Financial Plan	(\$377.0)	(\$460.3)	(\$487.3)	(\$527.1)	(\$546.6)
Non-Reimbursable Major Changes					
Revenue					
Passenger Revenue - Ridership Growth	3.2	1.3	(2.3)	0.1	3.5
Non Passenger Revenue Changes	1.4	0.6	2.3	3.3	3.3
Sub-Total Non-Reimbursable Revenue Changes	\$4.6	\$1.9	(\$0)	\$3.3	\$6.8
Expenses					
Programmatic Changes					
NEW HAVEN- MAINTENANCE FACILITY SHOP	0.0	(1.3)	0.0	0.0	0.0
RTC ARBITRARIES ADJUSTMENTS	0.0	(0.3)	(0.3)	(0.3)	(0.3)
PANTOGRAPH MONITORING SYSTEM	0.0	(0.2)	(0.2)	(0.2)	(0.2)
FOOTBALL GAME THROUGH SERVICE	0.0	(0.8)	(0.8)	(0.8)	(0.8)
HUMAN RESOURCES RECRUITING	0.0	(0.0)	(0.0)	(0.0)	(0.0)
REAL ESTATE ADMIN FEES	0.0	(0.3)	(0.3)	(0.3)	(0.3)
HIGHER OVERTIME	(2.0)	(1.7)	(1.7)	(1.7)	(1.7)
2009 SERVICE PLAN	0.0	2.6	3.4	3.4	3.4
TRAINING DEPARTMENT STAFFING	0.0	0.4	0.4	0.4	0.4
Expenditure Level Changes					
INFLATION CHANGE (EXCLUDING PROPULSION & FUEL)	0.0	(0.3)	(0.7)	(2.6)	(4.7) #
HEALTH & WELFARE	0.1	2.5	2.0	2.0	1.8
LOWER OVERHEAD RECOVERY	0.1	0.1	(1.8)	(1.6)	(1.8)
CHANGE IN DIESEL FUEL PRICES	2.7	5.1	(1.2)	(2.1)	(4.3)
TRACTION AND PROPULSION	0.7	2.4	7.5	11.0	8.0
PROFESSIONAL SERVICE CONTRACTS (CLAIMS , IT & BUS DEV)	1.4	0.0	0.0	0.0	0.0
INSURANCE	(0.0)	0.2	0.2	0.2	3.8
MATERIAL, MTCE & OTH OPER & PROF SVC CONTRACTS	4.7	0.0	0.0	0.0	0.0
DEPRECIATION	2.6	(29.6)	(29.6)	(29.6)	(29.6)
ALL OTHER EXPENSE CHANGES	(0.9)	0.8	0.6	2.3	2.7
Sub-Total Non-Reimbursable Expense Changes	9.5	(20.6)	(22.7)	(19.9)	(23.5)
Total Non-Reimbursable Major Changes	\$14.1	(\$18.6)	(\$22.7)	(\$16.6)	(\$16.7)
Reimbursable Major Changes					
Revenue					
Projections for 2009-2012 assume capital project activity levels similar to 2008 MYF adjusted for changes to project scopes, schedules and cost refinements	(\$16.7)	\$4.7	\$2.1	(\$16.0)	(\$18.8)
Sub-Total Reimbursable Revenue Changes					
Expenses					
Projections for 2009-2012 assume capital project activity levels similar to 2008 MYF adjusted for changes to project scopes, schedules and cost refinements	16.7	(4.7)	(2.1)	16.0	18.8
Sub-Total Reimbursable Expense Changes	\$16.7	(\$4.7)	(\$2.1)	\$16.0	\$18.8
Total Reimbursable Major Changes	\$0	\$0	\$0	\$0	\$0
Total Accrual Changes	\$14.1	(\$18.6)	(\$22.7)	(\$16.6)	(\$16.7)
Cash Adjustment Changes					
TIMING OF FORCE ACCOUNT RECEIPTS & OTHER CASH ADJ	(1.8)	(0.7)	(1.9)	(1.5)	(1.9)
OPERATING CAPITAL PROJECTS	3.8	(5.6)	2.4	1.3	0.2
Sub-Total Cash Adjustments	1.9	(6.2)	0.4	(0.2)	(1.7)
DEPRECIATION	(2.6)	29.6	29.6	29.6	29.6
Total Cash Adjustment Changes	(\$0.7)	\$23.4	\$30.1	\$29.4	\$27.9
Total Baseline Changes	\$13.4	\$4.8	\$7.4	\$12.8	\$11.2
Baseline 2008 November Financial Plan - Operating Cash Income/(Deficit)	(\$363.6)	(\$455.6)	(\$479.9)	(\$514.3)	(\$535.4)

**MTA METRO-NORTH RAILROAD
2009 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2009-2012**

RIDERSHIP/UTILIZATION PROJECTIONS

Ridership projections are developed primarily by the application of line segment ridership forecasting models that incorporate current trends and the impact of economic and demographic factors and government-supported mass transit initiatives. In addition, internal programs that affect service, customer awareness, and access to Metro-North are also incorporated into ridership forecasts.

The 2008 November Forecast reflects East of Hudson service ridership that is 4.7% higher than 2007 actual results. In 2009 - 2012, ridership is projected to grow 0.5%, 1.4%, 2.7% and 2.8% respectively and reflects Customer Service improvements that provide new service as well as parking and connecting service initiatives. The lower growth rate in 2009 reflects a downturn in the regional economy that is projected to temporarily slow down the attraction of new customers.

West of Hudson utilization reflects customer levels that are 10.4% higher than 2007 actual results. In 2009 - 2012, West of Hudson ridership is projected to grow 2.3%, 5.9%, 6.9% and 4.3%, respectively. The substantial growth rates during the 2008–2012 period reflect service expansion on the Pascack Valley line, made possible by the completion of right-of-way passing sidings that were completed in the fourth quarter of 2007, as well as service improvements on the Port Jervis line through the period.

**MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Ridership (Utilization)
(in millions)**

	2007	2008	2009			
	Actual	November Forecast	Final Proposed Budget	2010	2011	2012
<u>Farebox Revenue</u>						
Harlem Line	\$137.9	\$147.7	\$147.9	\$149.6	\$153.6	\$158.4
Hudson Line	99.6	108.6	110.0	112.3	116.4	120.3
New Haven Line	238.4	250.4	253.4	256.6	263.0	270.1
West of Hudson Mail & Ride	0.7	0.6	0.7	0.7	0.7	0.8
Baseline Total Farebox Revenue	\$476.6	\$507.2	\$512.0	\$519.2	\$533.7	\$549.5
<i>Impact of:</i>						
2009 Agency Program to Eliminate the Gap	0.0	0.0	8.5	9.1	9.1	9.1
Post-2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Total PEG's	0.0	0.0	8.5	9.1	9.1	9.2
Total Farebox Revenue	\$476.6	\$507.2	\$520.5	\$528.2	\$542.8	\$558.7
<u>Ridership</u>						
Harlem Line	26.4	27.5	27.5	27.8	28.5	29.3
Hudson Line	15.5	16.3	16.4	16.7	17.3	17.8
New Haven Line	36.4	38.2	38.6	39.1	40.1	41.2
Baseline Total Ridership	78.2	82.0	82.5	83.6	85.9	88.3
<i>Impact of:</i>						
2009 Agency Program to Eliminate the Gap	0.0	0.0	1.1	1.1	1.1	1.1
Post-2009 Agency Program to Eliminate the Gap	0.0	0.0	0.0	0.0	0.0	0.0
Total PEG's	0.0	0.0	1.1	1.1	1.1	1.1
Total Ridership	78.2	82.0	83.6	84.8	87.0	89.5

MTA METRO-NORTH RAILROAD
November Plan 2009 - 2012
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Customer Convenience/Amenities											
Equipment Strategy - M1 CSR Program		0	0.000	0	5.354	0	0.000	0	0.000	0	0.000
Sub-Total	Customer Convenience/Amenities	0	\$ 0.000	0	\$ 5.354	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000
Maintenance											
Harmon Shop Replacement - Master Plan		0	0.000	8	0.790	8	0.801	8	0.816	8	0.833
Sub-Total	Maintenance	0	\$ 0.000	8	\$ 0.790	8	\$ 0.801	8	\$ 0.816	8	\$ 0.833
Other											
Cost Reduction Measures to be Determined		0	0.000	0	0.000	0	4.984	0	5.097	0	5.135
Provision for Landmark Preservation Maintenance		0	0.000	0	0.518	0	0.526	0	0.535	0	0.545
Provision to Increase MTA Police Service Costs - NH		0	0.000	0	1.346	0	1.368	0	1.391	0	1.418
Security Plan - GCT Barrier Separations Maintenance		0	0.000	2	0.172	2	0.178	2	0.183	2	0.188
Sub-Total	Other	0	\$ 0.000	2	\$ 2.036	2	\$ 7.056	2	\$ 7.206	2	\$ 7.286
Revenue Enhancement											
Yankee Stadium Station -Impact of Additional Reven		0	0.000	(62)	1.046	(62)	1.394	(62)	1.229	(62)	1.132
Sub-Total	Revenue Enhancement	0	\$ 0.000	(62)	\$ 1.046	(62)	\$ 1.394	(62)	\$ 1.229	(62)	\$ 1.132
Total Programs		0	\$ 0.000	(52)	\$ 9.226	(52)	\$ 9.251	(52)	\$ 9.251	(52)	\$ 9.251

MTA METRO-NORTH RAILROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Customer Convenience/Amenit	Savings Date	1/1/2009
PEG / New Need ID	0000000035	Current Budget Year	2008	Status	Open
Program:	Equipment Strategy - M1 CSR Program			Agency Status	Pending
Description and Implementation Pla	The July Financial Plan update removes the funds earmarked for the CSR Program for 30 M1s. Metro-North now plans to use newer equipment to provide the service, therefore, the funds will no longer be required.				
Background Details	In the 2006 Financial Plan, the Equipment Strategy Plan proposed to retain 30 M1 cars for planned shuttle service to the new Yankee Stadium station. Before the old equipment could be used (it is after all well beyond its useful file), the proposal called for the cars to undergo a major CSR (Component System Replacement) Program. The 2007 and 2008 February Financial Plans included \$5.169 million in 2009 for this purpose.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MNRRD	0000000035	FINAL08	\$ 0.000	\$ 5.354	\$ 0.000	\$ 0.000	\$ 0.000

MTA METRO-NORTH RAILROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Maintenance	Savings Date	1/1/2009
PEG / New Need ID	0000000034	Current Budget Year	2008	Status	Open
Program:	Harmon Shop Replacement - Master Plan			Agency Status	Pending
Description and Implementation Pla	The February Plan included the addition of three Power maintainers and five storeroom personnel (2 management and 3 agreement) starting in January 2009. The current update delays the staff additions until 2013.				
Background Details	The replacement of the Harmon Shop complex will result in the establishment of new maintenance and support facilities and an increased track capacity for equipment storage and maneuvering. Consequently, additional staffing will be required to maintain or operate many of the new or expanded functions needed to support the shop complex. Specific staff increases already identified include personnel to support third rail power maintenance needs as well as additional storeroom personnel for material distribution functions.				

				2008	2009	2010	2011	2012
Total Headcount	MNRRD	0000000034	FINAL08	0	8	8	8	8
Financial Impact	MNRRD	0000000034	FINAL08	\$ 0.000	\$ 0.790	\$ 0.801	\$ 0.816	\$ 0.833

MTA METRO-NORTH RAILROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000041	Current Budget Year	2008	Status	Open
Program:	Cost Reduction Measures to be Determined			Agency Status	Pending

Description and Implementation Pla

Background Details

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MNRRD	0000000041	FINAL08	\$ 0.000	\$ 0.000	\$ 4.984	\$ 5.097	\$ 5.135

MTA METRO-NORTH RAILROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000036	Current Budget Year	2008	Status	Open
Program:	Provision for Landmark Preservation Maintenance			Agency Status	Pending
Description and Implementation Pla	Metro-North's 2008 February Financial Plan identified four new projects that should be funded through dedicated GCT Retail Revenue. Consequently, the placeholder will no longer be required.				

Background Details

The 2007 Budget and February Financial Plan included funds to add the staff necessary to finish setting up the programmed maintenance effort required to perform the extraordinary landmark maintenance prescribed by Beyer Blinder Bell (BBB). Expense funds were also added to the GCT Department to address the deteriorating floor conditions in the Terminal on an ongoing basis. To address larger (capitalizable) projects, in 2007 and 2008 GCT Retail revenues were dedicated to fund the GCT Lower Level East Restroom Renovation, and the GCT Vanderbilt Hall Restoration. Beyond 2008, only a small "placeholder" provision referenced above was included in the Plan. The "Landmark Renovations" in the Terminal were officially completed in 1998, ten years ago, and several large projects are waiting for funding and attention. In the 2007 July Financial Plan update Metro-North identified four new projects that should be funded through the dedicated GCT Retail Revenue.

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MNRRD	0000000036	FINAL08	\$ 0.000	\$ 0.518	\$ 0.526	\$ 0.535	\$ 0.545

MTA METRO-NORTH RAILROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000037	Current Budget Year	2008	Status	Open
Program:	Provision to Increase MTA Police Service Costs - NHL			Agency Status	Pending
Description and Implementation Pla	The 2007 February Financial Plan contained the provision to increase NHL MTA Police Services effective 1/2009. The 2008 July Financial Plan update removes the provision.				
Background Details	Several years ago a rigorous PEG "Program to Eliminate the (funding) Gap" process targeted reductions in Administrative staff and expenditures. One of these reductions, from a planning prospective, was a MN proposal to reduce the rate of increase in costs for NHL MTA Police Services which have been increasing at a rate greater than inflation. The Financial Plan assumed the reduction to last several years, and then to increase (eliminating the reduction) effective 1/2009. The increase was to fund additional labor and fringe costs as well as other incremental security costs that MN thought MTA Police Services would bill back to MN. Over the last few years, the intercompany bills for the NHL Police Services grew at a lower rate than projected.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MNRRD	0000000037	FINAL08	\$ 0.000	\$ 1.346	\$ 1.368	\$ 1.391	\$ 1.418

MTA METRO-NORTH RAILROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Other	Savings Date	1/1/2009
PEG / New Need ID	0000000038	Current Budget Year	2008	Status	Open
Program:	Security Plan - GCT Barrier Separations Maintenance			Agency Status	Pending
Description and Implementation Pla	The July Financial Plan update removes the above requirement. The operating impact of the Security Plan with respect to physical hardening of GCT has been re-evaluated and is included under the new need, "Security Plan-IESS/3C Sys & Physical Hardening".				
Background Details	The February Financial Plan contained a number of expense impacts to support MN's Security Plan. One of these impacts was the addition of 2 positions in GCT to maintain the GCT Barriers.				

				2008	2009	2010	2011	2012
Total Headcount	MNRRD	0000000038	FINAL08	0	2	2	2	2
Financial Impact	MNRRD	0000000038	FINAL08	\$ 0.000	\$ 0.172	\$ 0.178	\$ 0.183	\$ 0.188

MTA METRO-NORTH RAILROAD
November Plan 2009 - 2012
Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	FINAL08	Category	Revenue Enhancement	Savings Date	7/1/2009
PEG / New Need ID	0000000040	Current Budget Year	2008	Status	Open
Program:	Yankee Stadium Station -Impact of Additional Revenue & Costs			Agency Status	Pending
Description and Implementation Pla	Metro-North plans to add a total of 62 positions, as follows: 50 T&E, 1 N/A Operations Svcs Mgr, 6 (OTE) Customer Service, 2 N/A Customer Service Mgrs, 2 M of E (OT&E), 1 N/A M of E Mgr, all effective on/before 1/2009.				

Background Details

In Spring 2006, the MTA Board approved the project to construct a new train station at Yankee Stadium. The pedestrian overpass, which will replace the existing overpass, will provide access from the stadium to the station, parking and ferry facilities and new parkland on the west side of the right-of-way. Metro-North will provide a combination of shuttle and through service to/from the station on the Harlem, Hudson and New Haven Lines and Manhattan for Yankee home games. Regular year-round Hudson Line service will also be provided to/from the station and other destinations to the north such as Tarrytown and Croton-Harmon and South to Harlem -125th Street and Grand Central Terminal. Also to be incurred are contractual services for stations cleaning & snow removal, occupancy costs and costs for customer counting. With the inauguration of this station, MN expects to generate approximately \$9.0 million of incremental revenue each year beginning in 2010. The opening of the new stadium is targeted for the 2nd quarter of 2009. Consequently, incremental 2009 revenue is projected at \$8.5 million.

				2008	2009	2010	2011	2012
Total Headcount	MNRRD	0000000040	FINAL08	0	(62)	(62)	(62)	(62)
Financial Impact	MNRRD	0000000040	FINAL08	\$ 0.000	\$ 1.046	\$ 1.394	\$ 1.229	\$ 1.132

MTA METRO-NORTH RAILROAD
November Plan 2009 - 2012
Summary of Post 2009 PEGs
(\$ in millions)

		2008		2009		2010		2011		2012	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
Other											
Unspecified		0	0.000	0	0.000	0	9.251	0	18.502	0	27.753
Sub-Total	Other	0	\$ 0.000	0	\$ 0.000	0	\$ 9.251	0	\$ 18.502	0	\$ 27.753
Total Programs		0	\$ 0.000	0	\$ 0.000	0	\$ 9.251	0	\$ 18.502	0	\$ 27.753

MTA METRO-NORTH RAILROAD

November Plan 2009 - 2012

Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	MNRRD	Financial Plan Category	Post PEG	Implementation Date	1/1/2010
Budget Reference	FINAL08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000043	Current Budget Year	2008	Status	Open
Program:	Unspecified			Agency Status	Pending
Description and Implementation Pla	Unspecified				
Background Details	unspecified				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MNRRD	0000000043	FINAL08	\$ 0.000	\$ 0.000	\$ 9.251	\$ 18.502	\$ 27.753

**MTA METRO-NORTH RAILROAD
2009 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2009-2012**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS

Positions are stated as of December 31 of each year and reflect employees projected to be paid. Consequently, position totals incorporate existing vacancy and turnover estimates, as well as seasonal fluctuations in staffing requirements for capital projects.

Annual non-reimbursable staffing levels also include the impact of new program additions, deferrals, eliminations, or re-estimates, consistent with the associated cost changes incorporated into the financial plan.

2008 reimbursable staffing levels reflect changes in on-going project requirements. The 2009 Budget reflects the continuation of 2008 projects and new project starts. 2010 - 2012 staffing levels assume a continuation of 2009 project activity levels.

YEAR-TO-YEAR CHANGES

2008 - 2009

The 2008 November Forecast of paid positions includes a slight increase in the level of paid positions compared to the 2008 July Forecast due primarily to a change in vacancy assumptions. 2008 projections also include the reallocation of staff between non-reimbursable and reimbursable program requirements at year end, and the reorganization of capital program administration support staff.

The 2009 Proposed Budget increase compared to 2008 assumes a lower level of vacancies by the end of the year and the addition of 51 non reimbursable positions, which is primarily comprised of 28 positions in support of increased maintenance for the New Haven Line car fleet and the start of an M7 life cycle maintenance program. The remaining position additions support maintenance of GCT, new security systems, and Mid-Hudson Station Improvements, as well additions for Fleet Management, Training and recruiting efforts.

2009 - 2010

The increase of 69 non-reimbursable paid positions primarily reflects the addition of 46 maintenance positions to support the acquisition of new M8 cars and establishing a second-shift coach shop at Harmon, 17 T&E positions for new train service, 18 positions

to support security improvements, and additional maintenance personnel to support completed right-of-way and facility improvements. These increases are offset by the reduction of 23 positions due to the completion of the M3 overhaul program.

2010 - 2011

The increase of 53 non-reimbursable paid positions reflects 28 staffing additions for the maintenance of new M8 cars, 17 T&E positions for the Service Plan, six positions in support of signal improvements on the Danbury Branch, and one additional position each for GCT Fire/Life Safety Emergency Generators program and Training.

2011 - 2012

The increase of 48 non-reimbursable paid positions reflects 30 staffing additions for the maintenance of new M8 cars, 14 T&E Service Plan additions, three positions to support H&H Power improvements, and one additional Training position.

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 November Forecast	2009 Final Proposed Budget	2010	2011	2012
Administration						
President	6	6	6	6	6	6
Labor Relations	10	13	12	12	12	12
Safety	15	19	20	28	28	28
Corporate Communications	15	17	18	18	18	18
Customer Service	236	250	257	257	257	257
Legal	15	16	16	16	16	16
Claims Services	17	17	22	22	22	22
Environmental Compliance & Serv	6	6	7	7	7	7
VP Human Resources	2	4	4	4	4	4
Human Resources & Diversity	44	49	48	48	48	48
Training	31	31	32	33	34	35
Employee Relations & Diversity	4	4	4	4	4	4
VP Planning Procurem't & Bus Dev Admin	3	3	3	3	3	3
Operations Planning & Analysis	18	21	21	21	21	21
Capital Planning & Programming	10	14	14	14	14	14
Business Development Facilities & Mktg	15	22	22	22	22	22
Marketing	3	-	-	-	-	-
Long Range Planning	9	10	10	10	10	10
VP Finance & Info Systems	10	2	2	2	2	2
Controller	117	122	121	122	122	122
Information Technology & Project Mgmt	111	133	136	136	136	136
Budget	13	16	16	16	16	16
Corporate *	-	(16)	(45)	(45)	(45)	(45)
Total Administration	710	759	746	756	757	758
Operations						
VP Operations	50	52	54	54	54	54
Operations Services	1,676	1,784	1,759	1,780	1,801	1,819
Metro-North West	29	28	27	27	27	27
Total Operations	1,755	1,864	1,840	1,861	1,882	1,900
Maintenance						
GCT	345	348	354	358	358	358
Maintenance of Equipment	1,257	1,281	1,327	1,331	1,355	1,381
Maintenance of Way	1,514	1,530	1,585	1,615	1,622	1,625
Procurement & Material Management	169	167	181	181	181	181
Total Maintenance	3,285	3,326	3,447	3,485	3,516	3,545
Engineering/Capital						
Project Budget	13	-	-	-	-	-
Construction Management	34	39	39	39	39	39
Engineering & Design	58	66	68	68	68	68
Total Engineering/Capital	105	105	107	107	107	107
Baseline Total Positions	5,855	6,054	6,140	6,209	6,262	6,310
<i>Non-Reimbursable</i>	5,386	5,466	5,511	5,580	5,633	5,681
<i>Reimbursable</i>	469	588	629	629	629	629
<i>Total Full-Time</i>	5,850	6,049	6,135	6,204	6,257	6,305
<i>Total Full-Time-Equivalents</i>	5	5	5	5	5	5
Impact of:						
2009 Program to Eliminate the Gap			(52)	(52)	(52)	(52)
Post 2009 Program to Eliminate the Gap						
Total Positions	5,855	6,054	6,192	6,261	6,314	6,362
<i>Non-Reimbursable</i>	5,386	5,466	5,563	5,632	5,685	5,733
<i>Reimbursable</i>	469	588	629	629	629	629
<i>Total Full-Time</i>	5,850	6,049	6,187	6,256	6,309	6,357
<i>Total Full-Time-Equivalents</i>	5	5	5	5	5	5
Business Service Center	-	24	24	24	84	84

* Reflects turnover vacancies in December not included in department totals.

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2007 Actual	2008 November Forecast	2009 Final Proposed Budget	2010	2011	2012
Administration						
Managers/Supervisors	44	45	49	49	49	49
Professional, Technical, Clerical	638	687	673	675	676	677
Operational Hourlies	28	27	24	32	32	32
Total Administration	710	759	746	756	757	758
Operations						
Managers/Supervisors	26	27	24	24	24	24
Professional, Technical, Clerical	322	330	337	337	337	337
Operational Hourlies	1,407	1,507	1,479	1,500	1,521	1,539
Total Operations	1,755	1,864	1,840	1,861	1,882	1,900
Maintenance						
Managers/Supervisors	37	41	41	41	41	41
Professional, Technical, Clerical	1,015	1,052	1,070	1,076	1,076	1,076
Operational Hourlies	2,233	2,233	2,336	2,368	2,399	2,428
Total Maintenance	3,285	3,326	3,447	3,485	3,516	3,545
Engineering/Capital						
Managers/Supervisors	27	29	29	29	29	29
Professional, Technical, Clerical	78	76	78	78	78	78
Operational Hourlies	-	-	-	-	-	-
Total Engineering/Capital	105	105	107	107	107	107
Public Safety						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Clerical	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
Total Public Safety	-	-	-	-	-	-
MTA Metro-North Consolidated						
Managers/Supervisors	134	142	143	143	143	143
Professional, Technical, Clerical	2,053	2,145	2,158	2,166	2,167	2,168
Operational Hourlies	3,668	3,767	3,839	3,900	3,952	3,999
Total MTA Metro-North Consolidated	5,855	6,054	6,140	6,209	6,262	6,310

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