



Metropolitan Transportation Authority

Meeting of Metro-North and Long Island Committees

April 2012

Members

M. Pally, Co-Chair
J. Sedore, Co-Chair
J. Ballan
R. Bickford
J. Blair
N. Brown
I. Greenberg
J. Kay
S. Metzger
C. Moerdler
A. Saul
V. Tessitore, Jr.
C. Wortendyke



Metropolitan Transportation Authority

MEETING AGENDA

METRO-NORTH/LONG ISLAND COMMITTEES

April 23, 2012 – 8:30 a.m.

347 Madison Avenue

Fifth Floor Board Room
New York, NY

<u>AGENDA ITEMS</u>	<u>Page</u>
PUBLIC COMMENTS PERIOD	
APPROVAL OF MINUTES – MARCH 26, 2012	4
2012 WORK PLAN	15
<u>AGENCY PRESIDENTS'/ CHIEF'S REPORTS</u>	
LIRR Report (No material)	
MNR Report (No material)	
MTA Capital Construction Report	20
MTA Police Report	26
<u>AGENCY INFORMATION AND ACTION ITEMS</u>	
1. LIRR INFORMATION ITEMS	33
• Final Review of 2011 Operating Results	34
• Annual Inventory Report	67
• 2012 Spring/Summer Schedule Change	73
2. MNR INFORMATION ITEMS	76
• Final Review of 2011 Operating Results	77
• Annual Inventory Report	115
• Net Lease with Heartland Brewery Holdings Inc. for the Port Chester Station Building (material to be distributed)	
3. MNR ACTION ITEMS	123
• Supplemental Agreement between MNR & NYSDOT for replacement of the Bridge Street Bridge in Town of Poughkeepsie	
<u>PROCUREMENTS</u>	126
1. LIRR Procurements	
• Non-Competitive	130
• Competitive	133
• Ratifications - none	

2. MNR Procurements	
• Non-Competitive - none	
• Competitive -	135
• Ratifications - none	
3. East Side Access Procurements	
• Non-Competitive - none	
• Competitive	140
• Ratifications	146

AGENCY REPORTS ON OPERATIONS, FINANCE, RIDERSHIP AND CAPITAL PROGRAM

1. LIRR	
• Operations	148
• Finance and Ridership	160
• Capital Program	186
2. MNR	
• Operations	189
• Finance and Ridership	199
• Capital Program	229

Date of next meeting: **Monday, May 21, 2012 at 8:30 AM**

**Minutes of the Regular Meeting
Long Island Committee
Monday, March 26, 2012
Meeting held at
347 Madison Avenue
New York, New York 10017
8:30 a.m.**

The following members were present:

Hon. Mitchell H. Pally, Co-Chairman of the Committee
Hon. James L. Sedore, Co-Chairman of the Committee
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Norman Brown
Hon. Ira R. Greenberg
Hon. Charles G. Moerdler
Hon. Vincent Tessitore, Jr.
Hon. Carl V. Wortendyke

Not present:

Hon. Jeffrey A. Kay
Hon. Susan G. Metzger

Representing Long Island Rail Road: Helena E. Williams, Michael Gelormino, Mark Young

Representing MTA Capital Construction Company: Michael Horodniceanu

Representing MTA Police: Michael Coan

The members met jointly as the Metro-North Committee and the Long Island Committee. Chairman Joseph Lhota was also present.

Co-Chairman Sedore called the joint meeting to order.

There were two public speakers, Murray Bodin and Orin Getz, both of whom spoke on matters particular to Metro-North.

Executive Session

Upon motion duly made and seconded, the members of the Committee present voted to convene an executive session to consider proposed, pending or current litigation and the employment of corporations. Upon motion duly made and seconded, the members of the Committee present voted to reconvene in public session. Board Member Moerdler was not present for the vote.

March 26, 2012

After re-convening in public session, and upon motion duly made and seconded, the minutes of the February Committee meeting were approved. Board Member Moerdler was not present for the vote.

Co-Chairman Sedore noted that the 2012 Work Plan has been adjusted to include quarterly reporting of Diversity and Equal Employment Opportunity status on an agency basis.

METRO-NORTH RAIL ROAD

Metro-North President Howard Permut reported that both Metro-North and LIRR have completed their analysis of the changes implemented to the ticket validity and refund of ticket policies which were put in place after the last fare increase. The changes have been working as intended, generating \$8.6 million in additional annual revenues. The Railroads will continue monitoring this and will consider making further modifications to these policies at the next fare increase hearings. The report of President Permut and comments made by Board Members and the responses thereto are contained in the minutes of Metro-North Railroad held this day.

MTA LONG ISLAND RAIL ROAD

LIRR President Helena Williams recognized LIRR employee Gabrielle Rodriguez, who manages the LIRR Travel Information Center. Ms. Rodriguez competed in the American Transportation Association Call Center Challenge and won. President Williams presented Ms. Rodriguez with a trophy in recognition of her excellent work in customer service.

President Williams reported an increase in LIRR ridership of 6.1% in February, not including the adjustment for leap year, which if included would result in an increase of 9.2%. This represents the sixth consecutive monthly growth in ridership for LIRR. Non-commutation ridership increased 10.6% in February 2012 compared to February 2011, the second best percentage growth in the past five years. There was a surge in ridership on February 7th for the Giants Super Bowl Victory Parade and on March 17th for the St. Patrick's Day Parade. On March 17th we carried an estimated 76,000 customers above LIRR's average. President Williams thanked MTA Police and LIRR crews and support staff for the tremendous job they did. President Williams noted that the alcohol ban helped reduce incidents substantially. The President also noted that there was a St. Patrick's Day parade in Montauk this past weekend. LIRR worked hard with the local Chamber of Commerce to avoid the incidents which had taken place in prior years. All these efforts paid off and the Montauk St. Patrick's Day parade was a family friendly event without incident.

President Williams reported that we achieved the best on-time performance for the month of February in our history with 96.4% of our trains operating on time. President Williams also congratulated President Permut on Metro-North's outstanding on-time performance. LIRR had six 100% on-time performance rush hours in February; five a.m. and one p.m. rush hour out of Penn Station. President Williams stated review of OTP goals is still ongoing and LIRR is analyzing delays by segment. President Williams stated she will share a more formal report on this next month. LIRR is analyzing segments where we don't achieve our OTP goal. The most frequent location for delays is in Harold between Penn and Jamaica.

President Williams next spoke about LIRR's Quiet Car Pilot Program, which like Metro-North's program has had success. LIRR introduced the Quiet Car Program on the Far Rockaway Branch last December. It encompassed peak Far Rockaway Branch trains operating to and from Brooklyn during rush hours. The program is voluntary and self-monitoring. Starting April 2nd we will be expanding the Quiet Car Program to include all peak Far Rockaway Branch trains operating to and from Penn Station during rush hours. Simultaneously Quiet Car

Programs will be introduced on the Hempstead, Long Beach and West Hempstead Branches that operate to and from Atlantic Terminal in Brooklyn. Previously the Quiet Car location was in the eastern most car but now the location will be in the western most car; first car in the morning; last car at night. This change is being made because the western end cars at Penn are less crowded than the eastern end cars. LIRR is working to inform customers where they can find Quiet Cars and will monitor the progress of this program. LIRR is working with Mark Epstein's group, the Permanent Citizens Advisory Committee to the MTA, with regard to compliance of the program.

President Williams reported that while there was a growth in overtime hours in 2012 as compared to January 2011, this was due to additional work days in January this year versus last January. We are monitoring where our overtime spending is as against our budget even though when adjusted the overtime hours are less than last year. We are faced with a number of vacancies. We have 99 vacancies in the Maintenance of Equipment Department and we had an unexpected surge of retirements in both 2010 and 2011. President Williams also noted that there were some unscheduled maintenance expenses related to the Atlantic Terminal Tunnel tie replacement program.

President Williams next spoke about actions LIRR is taking with regard to the tragic escalator accident that occurred on March 13th. The incident is currently under Police and Safety investigation. LIRR has begun a comprehensive review of all of our escalator safety procedures including the maintenance and inspection practices and reporting procedures. LIRR will be instituting new reporting procedures that will be done on a periodic basis regarding escalator and elevator in-service requirements and any incidents that occur. President Williams is taking immediate steps to ensure safety and to monitor the operation of our escalators. In the coming months LIRR will begin to install additional safety sensors on 12 of the older escalators to improve the sensitivity of the escalators to stop in any emergency situation.

Board Member Moerdler noted the 400,000 loss in ridership in 2011 reflected in the Ridership Report on pages 89-90 of the Committee Book, and in particular the loss due to the service reductions on the Port Washington branch. He questioned what efforts have been made and what studies have been conducted as to whether or not service should be restored. President Williams responded that LIRR is in the process of looking into ridership losses on the Port Washington Branch.

Board Member Moerdler asked if there is any estimate as to the cost in restoring service to recapture the 400,000 riders. President Williams noted that this issue is being reviewed at the MTA level. Chairman Lhota noted that if we determine there is a way to restore service with an increase in revenues and to the bottom line, we will do it. Chairman Lhota will report back to the Committee on this.

Board Member Moerdler asked if LIRR could include the protocol for the care and attention to the escalators in its report. President Williams responded that she will include this information in the report.

MTA CAPITAL CONSTRUCTION

MTACC President Michael Horodniceanu presented a slide show to update the Committee on the progress of the East Side Access Project. A copy of this Power Pont presentation is included in the records of the meeting. President Horodniceanu reported the work in Manhattan on the caverns at Grand Central is slightly ahead of the plan. Half of the western cavern is already down to the lower level of the tracks. The last well way for the escalators has been excavated and two of the well ways have been totally concreted and they are looking to finish that concrete work in advance of the work in the cavern. The tunnels are being concreted and the work at the 50th Street Vent Plant is proceeding to steel erection

and concreting. The 50th Street Vent Plant will be used as an access point for the next contract. They are moving the TBM pieces into their new location in preparation for re-launch of the TBM, either today or tomorrow, to start boring Tunnel D. They will start boring the B/C Tunnel toward the end of April. This work is on track to be completed on schedule.

With regard to the Northern Boulevard crossing, they are working on the freezing which is a very complex endeavor. They expect to start excavating in about six weeks, later than they wanted to, but again they want to make sure work is being done in a safe manner. The work in Harold continues to advance with the installation of catenary poles.

MTA Capital Construction will be opening bids tomorrow for the 55th Street Vent Plant and they expect to continue work on the procurement of the systems contracts, which will take a few months to complete. The CM-012R contract to fit out the GCT cavern will be advertised at the end of the month.

MTA POLICE DEPARTMENT

Chief Coan reported that LIRR had 14 incidents compared to 15 in 2011, with 2 robberies compared to 4 last year. LIRR had 10 larcenies in 2012 compared to 9 last year. LIRR had 2 forced robberies, one in Copiague and one in East New York. Of the 10 larcenies, 4 of those involved electronic devices. The one burglary was at the Lynbrook Coffee Shop. An arrest was made on that incident.

Chief Coan stated that system wide for February 2012 compared to January 2012, we had 6 electronic devices taken this February compared to 11 in January, a drop attributable not only to enforcement but also to the educational campaign which was started when we began to see a rise. February 2012 compared to January 2012, we saw a reduction at 40 incidents this past January compared to 26 which represents a 35% decrease month to month. Chief Coan attributes this to awareness and enforcement. Arrests were up year to date 16% with 177 arrests compared to 2011.

Chief Coan thanked both LIRR and Metro-North for their assistance on St. Patrick's Day. It was a busy day. MTA Police had a full complement of officers on both tours and the force worked late and well with the agencies with information going back and forth. They issued 25 criminal court summonses and unfortunately there were 9 assaults. MTA Police aided 36, mainly intoxicated individuals, and made 3 arrests.

Chief Coan gave an update on the No Smoking Ban. He reported that since the ban went into effect the MTA Police have issued 39 summonses, 21 in LIRR territory, 15 on Metro-North territory, and 3 in Staten Island, where smoking has always been banned. Three no smoking summonses were issued on St. Patrick's Day.

Details of the MTA Police Department Report are on file with the records of this meeting.

MTA LONG ISLAND RAIL ROAD

Information Items

There were three LIRR information items:

- 2011 Ridership Report
- April Schedule Change
- 2011 Human Resources EEO Report

In connection with the 2011 Human Resources and EEO Report, President Williams noted that as a result of the retirements at Metro-North, there will be a ripple effect on the other agencies, particularly NYCT and LIRR. President Williams is looking to Chairman Lhota for help in retaining experienced staff. LIRR's EEO report shows a slight decrease in employees from 6,461 in 2010 to 6,309 as of December 31, 2011. There was a decrease in the female head count down from 15.4% to 15.2% in 2011, in part attributable to the transfer of employees to the BSC.

President Williams noted that the April Schedule change will support bridge rehabilitation work on the Montauk Branch. There will be three separate weekday outages from Tuesday through Friday for waterproofing of the Shinnecock Canal Bridge and two other bridges in the Hampton Bays.

Details of the information items are included in the records of the meeting.

Action Items

There were no LIRR action items.

LIRR Reports on Operations, Finance, Ridership and Capital Program.

In connection with the LIRR Operating Report for February 2012, Board Member Moerdler noted the recurring problems with broken rail and circuit problems in East River Tunnel Line 4 and the resulting service delays referenced on page 192 of the Committee Book. Board Member Moerdler asked President Williams what can be done to address this problem. President Williams responded that broken rail in the East River tunnels are the responsibility of Amtrak. Track and signal problems are also Amtrak's responsibility. All of the trackage in Line 4 is being replaced by Amtrak.

Board Member Moerdler also noted that the Mean Distance Between Failures (MDBF) has deteriorated across the board. President Williams responded that although the MDBF decreased slightly in February, LIRR met its goals except for the DE Fleet, which has experienced a problem with radio power supply. Senior Vice President-Operations Michael Gelormino noted that although there was an increase in the number of failures for the DM fleet, the railroad still met its MDBF goal. Board Member Greenberg noted the historical problem with failure rates with the diesel fleet and thanked Mr. Gelormino for the improvements that have been made in this regard. Board Member Moerdler noted the number of standees on various lines and made a suggestion that we give hand-outs to commuters to explain why there are so many standees.

There was discussion about whether the reported number of standees included consideration of persons who do not like to sit in middle seats. Board Member Greenberg pointed out that the standee report assumes

people are using the middle seat and that the actual numbers are higher. Board Member Greenberg recommended that the additional standee problem is something we should look at as a serious problem and that we need to look at Huntington and Port Jefferson.

Chairman Lhota stated that he is concerned about East Side Access and the amount of problems we will incur with Harold in trying to squeeze through many more trains. President Williams stated we are working very hard with President Horodniceanu's team to try to evaluate those impacts.

Board Member Moerdler asked if the Huntington problem is primarily because the length of the station platform prohibits use of the longer cars and that in turn is the responsibility of the Town of Huntington. President Williams responded that it is not the length of the platform that is causing the problem. She explained that Huntington is a connecting point for diesel service that goes from Huntington east to Port Jefferson and electrified service from Huntington west. We have no yard in Huntington and no yard for electric equipment. We have to depend on storing the diesel equipment in Port Jefferson so when the equipment comes in we are short a couple of things: one, a yard; and two, platform space. The problem isn't so much the length of the platform as it is the width. What we actually would benefit from is an arrangement where we would have another island so that another track could be placed alongside the two existing tracks so the diesel could come in, customers could transfer to the electric service, and you could go forward from there. Huntington is a major point of congestion, so there are a number of operational improvements that could be made if the infrastructure changed. One of the things we are looking at is where we could lay the third track operation in the station. The existing platform is a 12 car platform.

Board Member Moerdler asked if anyone has started to put all that in writing. President Williams responded we are already working on a number of plans. We have met with the Town of Huntington and she can brief him on what we have as a strategic vision for improving Huntington. Board Member Moerdler noted his concern is that this problem comes up at every meeting. President Williams responded that it will continue to come up until we get a programmatic infrastructure investment.

The details of the reports on Operations, Finance, Ridership and the Capital Program are contained in the reports filed with the records of the meeting.

Procurements

There were no LIRR procurements.

Metro-North had two procurement items which were listed on pages 137 and 138 of the Committee Book. During the presentation of Metro-North procurement actions, President Permut on behalf of both Railroads, presented a miscellaneous service contract with Sissco Material Handling, Inc., for preventative and remedial maintenance, inspection services and parts replacement for Metro-North's portable railcar floor jacks and LIRR's overhead cranes, turntables and car hoists.

President Horodniceanu presented three ESA procurement actions detailed on pages 139-142 of the Committee Book: a modification to the Tutor Perini CH 053 Contract to add work related to the location of Amtrak Signal and Communications utility lines; a modification to the Granite-Taylor Frontier contract CQ031 to provide additional geotechnical and structural instrumentation as well as improvements to the structure of the GM Bridge; and ratification of the modification of the Tutor Perini CH053 Contract for replacement of the Mixed Face Cutterhead for the Microtunnel Boring Machine with a Rock-Face Cutterhead.

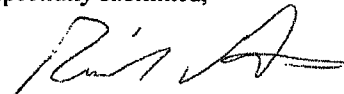
March 26, 2012

Upon motion duly made and seconded, all procurement items were approved for recommendation to the Board. Details of the above items are set forth in the Staff Summaries and other materials, copies of which are on file with records of this meeting.

Adjournment

Upon motion duly made and seconded, the Committee unanimously voted to adjourn the meeting.

Respectfully submitted,



Richard L. Gans
Secretary

Minutes of the Regular Meeting
Metro-North Committee

Monday, March 26, 2012

Meeting Held at
347 Madison Avenue
New York, New York 10017

8:30 a.m.

The following members were present:

Hon. Mitchell H. Pally, Co-Chairman of the Committee
Hon. James L. Sedore, Jr., Co-Chairman of the Committee
Hon. Jonathan A. Ballan
Hon. Robert C. Bickford
Hon. James F. Blair
Hon. Norman Brown
Hon. Ira R. Greenberg
Hon. Charles G. Moerdler
Hon. Vincent Tessitore, Jr.
Hon. Carl V. Wortendyke

Not Present:

Hon. Jeffrey A. Kay
Hon. Susan G. Metzger

Also Present:

Joseph J. Lhota – Executive Director, MTA
Howard R. Permut – President, Metro-North Railroad
Raymond Burney – Sr. Vice President, Administration, Metro-North Railroad
Michael R. Coan – Chief, MTA Police Department
Seth J. Cummins – Vice President and General Counsel, Metro-North Railroad
Anne Kirsch – Chief Safety and Security Officer, Metro-North Railroad
Robert Lieblong – Senior Vice President, Operations, Metro-North Railroad
Robert C. MacLagger – Vice President, Planning, Metro-North Railroad
Timothy McCarthy – Senior Director, Capital Programs, Metro-North Railroad
Kim Porcelain – Vice President - Finance and Information Systems, Metro-North Railroad

1. Co-Chairman Sedore called the meeting to order.
2. Public Comments: There were two public speakers.

Murray Bodin of Concerned Grandparents offered a suggestion for constructing a new Hudson Line station under the Tappan Zee Bridge toll plaza in Tarrytown on an expedited schedule.

Orrin Getz of NJ-ARP shared a photograph of Cardinal Dolan at the Pearl River Station on the day of the Pearl River St. Patrick's Day parade. He noted that over 80,000 people participated in the parade. He noted that an extra train was run on the Pt. Jervis Line but not on the Pascack Valley Line, and asked President Permut why Metro-North had not added service to accommodate additional riders. He asked President Permut why train 9653 had not been added to the on April 5 and September 25 schedules to accommodate riders who leave early the day before Good Friday/Passover and Yom Kippur.

3. Executive Session: Upon motion duly made and seconded, the members of the Committee present voted to convene in Executive Session to discuss potential, pending and current litigation. Upon motion duly made and seconded, the members of the Committee present voted to re-convene in Public Session. Board Member Moerdler was not present for the vote.
4. Approval of Minutes - Upon motion duly made and seconded, the members of the Committee present approved the minutes of the regular meeting of February 27, 2012. Board Member Moerdler was not present for the vote.
5. 2012 Work Plan -- Co-Chairman Sedore noted the work plan has been adjusted to review diversity on a continuing basis. A copy of the work plan is filed with the records of this meeting.
6. Agency Presidents/Chiefs Reports

Metro-North President Howard Permut's Opening Remarks --

President Permut announced appointments in Metro-North's Maintenance of Way Department. He noted that Robert Puciloski, who has spent 28 years at Long Island Rail Road, has been appointed Metro-North's Assistant Vice President of Maintenance of Way & Chief Engineer. John Wagner has been promoted to Deputy Chief Engineer, in which position he will assist Mr. Puciloski and be responsible for creating and implementing opportunities to improve the cost effectiveness of maintenance activities and developing the technical expertise and leadership skills of employees within the Maintenance of Way Department. Dave Melillo, formerly Director of Construction Management - Capital Programs, will become Director, Track & Structures. He is a licensed Professional Engineer with 19 years of experience at Metro-North. President Permut announced the upcoming retirement of Robert Saraceni, General Superintendent for Grand Central Terminal, who played a significant role in the Terminal's restoration and has been a major reason for the high customer satisfaction ratings.

President Permut reported that the on-time performance in February 2012 of 98.7% represents the best February on-time performance in Metro-North's history. He noted

that beginning March 19, 2012, there will be a 2 track outage on the New Haven Line to accommodate Connecticut catenary replacement. He reported that consist compliance is at 99% and above on most lines.

President Permut noted St. Patrick's Day has become a most challenging day for Metro-North due to the high volume of commuters and unruly crowds. To accommodate this, Metro-North utilized extra cars and had special MTA police teams in Beacon, Poughkeepsie and New Haven, where riders were required to display their tickets and were screened. There were about 56,000 riders on St. Patrick's Day, including over 7,000 standees, and about \$140,000 of expenses related to vandalism to railcars on the upper Hudson Line.

On the safety front, President Permut noted that the total number of injuries in January 2012 was 36% lower than in the comparable period of 2011. Ridership increases were seen in all markets. In February 2012, year-to-date ridership was 4.9% higher than in the comparable period of 2011. Ridership on the Pt. Jervis Line is increasing but is still down approximately 20% from 2011. Overtime is on target to budget; Metro-North continues to monitor overtime. Metro-North and Long Island Rail Road have analyzed the effect of changes to the refund and ticket validity policies and have found the changes to be working as intended resulting in increased revenue. On April 1, the quiet car program will be extended to all a.m. and p.m. peak trains. New timetables will also go into effect on April 1 that contain a number of changes to accommodate work along the right-of-way. A press conference was held to announce the GCT Centennial, members of its committee and to unveil the new Grand Central Terminal centennial logo.

Long Island Rail Road President Helena Williams' Opening Remarks –The details of the comments made by Board members and the responses thereto are contained in the minutes of the Long Island Rail Road held this day.

The details of the agency presidents' opening remarks and Board Member comments are contained in the Webcast located at <http://www.mta.info/mta/webcasts/archive.htm>

7. MTA Police Report – Chief Coan reported on specific incidents, as well as arrest data. The details of Chief Coan's report are contained in the MTA Police Department report filed with the records of this meeting.
8. Metro-North Information Items:
 - 2011 Annual Ridership Report – In reply to Board Member Ballan's question regarding intermediate ridership, President Permut noted that it is a challenge to collect tickets from riders who board at Fordham Station due to the short time they are on the train. He also noted that there have been capacity issues on the reverse commute from Grand Central Terminal which are being addressed by lengthening the consists.

- 2011 Annual Human Resources & EEO Report –He noted that Metro-North faces a significant challenge in 2013 when a number of critical employees will reach retirement under the Railroad Retirement Board and MTA retirement plans. He noted that Metro-North is reviewing all options to retain experienced staff.

Reports setting forth the details of the above items are filed with the records of this meeting.

9. Procurements for Board Action

Metro-North Procurements:

Upon motion duly made and seconded, the members of the Committee recommended to the Board approval of the following competitive procurements requiring majority vote by the Board.

Miscellaneous Service Contracts

- Walco Electric Company, Ram Industrial Svc. And Sherwood Electromotion, Inc. _ Repair and return of DC powered traction motors used on Metro-North's M-2/M-3/M-4 and M-6 commuter railcar fleets.
- Sissco Material Handling, Inc. – Inspection, maintenance and parts replacement – Metro-North and Long Island Rail Road portable railcar floor jacks, overhead cranes, turntables and car hoists.

Staff summaries and reports setting forth the details of the above items are filed with the records of this meeting.

10. Metro-North Railroad Status Reports on: Operations, Safety, Financial, Ridership and the Capital Program

The details of the Operations, Safety, Financial, Ridership and Capital Program reports are contained in reports filed with the records of the meeting.

11. Upon motion duly made and seconded, the members of the Committee present voted to adjourn the meeting.

Respectfully submitted,



Linda Montanino
Assistant Secretary

2012 Metro-North/Long Island Rail Road Committee Work Plan

I. RECURRING AGENDA ITEMS

Responsibility

Approval of Minutes
 2012 Committee Work Plan
 Agency Presidents'/Chief's Reports
 Information Items (if any)
 Action Items (if any)
 Procurements
 Performance Summaries
 Status of Operations/Safety
 Financial/Ridership
 Capital Program Report

Committee Chairs & Members
 Committee Chairs & Members
 Presidents/Senior Staffs

II. SPECIFIC AGENDA ITEMS

Responsibility

April 2012

Final Review of 2011 Operating Results
 Annual Inventory Report

Finance
 Procurement

May 2012

2011 Annual Safety Report
 Positive Train Control
 RCM Fleet Maintenance
 Diversity/EEO Report – 1st Quarter 2012

Safety/Engineering
 Presidents
 Operations
 Administration/Diversity

June 2012

Grand Central Terminal Retail Development
 Penn Station Retail Development

MTA Real Estate

July 2012

Environmental Audit

Legal/System Safety

September 2012

2012 Final Mid-Year Forecast
 2013 Preliminary Operating Budget
 2012 Fall Construction Schedule Change
 Diversity/EEO Report – 2nd Quarter 2012

Finance
 Finance
 Service/Operations Planning
 Administration/Diversity

October 2012

2013 Preliminary Budget (Public Comment)

Finance

November 2012

Annual Committee Charter Review
Holiday Schedule
Diversity/EEO Report – 3rd Quarter 2012

Committee Chairs & Members
Service/Operations Planning
Administration/Diversity

December 2012

2013 Final Proposed Budget
2013 Proposed Committee Work Plan

Finance
Committee Chairs & Members

METRO-NORTH AND LONG ISLAND RAIL ROAD COMMITTEE WORK PLAN

DETAILED SUMMARY

I. RECURRING AGENDA ITEMS

Approval of Minutes

The Committee Chair will request a motion to approve the minutes of the prior month's meeting.

2012 Work Plan

The Work Plan will list, by month, the topics scheduled for review. The Committee will be advised if any changes have been made to the plan.

Information Items (if any)

Materials presented to the Committee for review pertaining to certain agency initiatives and functions.

Action Items (if any)

Staff summary documents presented to the Board for approval of items affecting business standards and practices.

Procurements

List of procurement action items requiring Board approval. The Non-Competitive items will be first, followed by the Competitive items and then the Ratifications. The list will include items that need a 2/3 vote of the Board for approval.

Police Activity Report

MTA Police will highlight the significant police activities incurred during the month reported.

Report on Operations/Safety

A monthly report will be given highlighting key operating and safety performance statistics and indicators.

Monthly Financial & Ridership Report

A monthly report will be provided that compares the Railroad's actual financial performance against its budget and/or forecast both on an accrual and cash basis. It will also include a comparison of actual monthly ticket sales, ridership and revenues with the budget and prior year results.

Capital Program Progress Report

A report will be provided highlighting significant capital program accomplishment in the month reported.

II. SPECIFIC AGENDA ITEMS

Detailed Summary

APRIL 2012

Final Review of 2011 Operating Budget Results

The customary review of prior year's Agency budget results and their implications for current and future budget performance will be presented to the Committee.

Annual Inventory Report

A report will be provided to the Committee on the Agency's inventory activity during the prior year.

MAY 2012

2012 Annual Safety Report

An annual report will be provided to the Committee on Agency's customer and employee injuries and initiatives underway and planned to address safety.

Positive Train Control

A brief presentation on Positive Train Control (PTC) will be provided to the committee. The status of PTC, including activities to date and the current strategy to meet critical milestones identified in the Rail Safety Improvement Act of 2008 will be discussed. Highlights to include cost of PTC along with operational and implementation risks.

RCM Fleet Maintenance

An annual report will be provided to the Committee on the Agency's fleet maintenance plan to address fleet reliability and availability

Diversity/EEO Report – 1st Quarter 2012

Review and discuss EEO-4 Employee Summary, report of state and local government required by the US Equal Employment Opportunity Commission ("EEOC"), noting workforce analysis as presented to the Board's Diversity Committee quarterly meeting.

JUNE 2012

Grand Central Terminal Retail Development

MTA Real Estate will provide an annual report on leasing and construction opportunities and financial and marketing information related to retail development in Grand Central Terminal.

Penn Station Retail Development

MTA Real Estate will provide an annual report on leasing and construction opportunities and financial and marketing information related to retail development in Penn Station.

JULY 2012

Environmental Audit

The Committee will be briefed on the results of the Agency's 2011 environmental audit report which is submitted to NYS Department of Environmental Conservation as required by the Environmental Audit Act, as well as the actions implemented to enhance overall compliance, monitoring and reporting.

SEPTEMBER 2012

2012 Final Mid-Year Forecast

Agency will provide the Committee with the 2012 Mid-Year Forecast financial information for revenue and expense by month.

2013 Preliminary Operating Budget

Agency will present highlights of the 2013 Preliminary Operating Budget to the Committee. Public comment will be accepted on the 2013 Preliminary Operating Budget.

2012 Fall Construction Schedule Change

The Committee will be advised of Agency plans to adjust schedules to support construction projects during the fall of 2012.

Diversity/EEO Report – 1st Quarter 2012

Review and discuss EEO-4 Employee Summary, report of state and local government required by the US Equal Employment Opportunity Commission ("EEOC"), noting workforce analysis as presented to the Board's Diversity Committee quarterly meeting.

OCTOBER 2012

2013 Preliminary Operating Budget

Public comment will be accepted on the Agency's 2013 Preliminary Operating Budget.

NOVEMBER 2012

Annual Committee Charter Review

The Committee will review and assess the adequacy of the Committee Charter.

Holiday Schedule

The Committee will be informed of Agency's service plans for the Thanksgiving and Christmas/New Year's holiday periods.

Diversity/EEO Report – 1st Quarter 2012

Review and discuss EEO-4 Employee Summary, report of state and local government required by the US Equal Employment Opportunity Commission ("EEOC"), noting workforce analysis as presented to the Board's Diversity Committee quarterly meeting.

DECEMBER 2012

2013 Final Proposed Operating Budget

The Committee will recommend action to the MTA Board on the Final Proposed Operating Budget for 2013.

Proposed 2011 Committee Work Plan

The Committee Chairs will present a draft Metro-North/Long Island Railroad Committee Work Plan for 2013 that will address initiatives to be reported throughout the year.

MTA CAPITAL CONSTRUCTION

PROJECT UPDATE

EAST SIDE ACCESS

MTA CAPITAL CONSTRUCTION PROJECT UPDATE

East Side Access

April 2012

Project Description

The East Side Access project brings Long Island Rail Road (LIRR) train service to a new lower level of Grand Central Terminal. The connection significantly improves travel times for Long Island and Queens commuters to the Midtown business district and alleviates pressure at a crowded Penn Station.

Budget and Estimate at Completion (EAC)

	<u>Budget</u>	<u>Last Reported EAC</u>	<u>Current Month EAC</u>	<u>Expenditures</u>
Design	\$ 590,666,749	\$ 590,666,749	\$ 590,666,749	\$557,048,093
Construction	5,748,180,416	5,759,991,386	5,748,180,416	2,503,555,114
Project Management	620,834,520	609,023,551	620,834,520	404,096,622
Real Estate	166,318,314	166,318,314	166,318,314	100,113,683
Rolling Stock*	202,000,000	202,000,000	202,000,000	0
Total Project Cost	\$ 7,328,000,000	\$ 7,328,000,000	\$ 7,328,000,000	\$3,564,813,512

* An additional \$463 million budgeted for ESA rolling stock is included in a reserve in the Board-approved 2010-2014 Capital Plan pending completion of a simulation of opening day service and fleet need.

Major Milestones and Forecasts

	<u>Original Schedule</u>	<u>Previous Month Schedule</u>	<u>Current Month Schedule</u>
Project Design Start	Mar 1999	Mar 31, 1999	Mar 31, 1999
Project Design Completion	4 th Q 2008	Dec 2012	Feb 2013
Project Construction Start	Sep 2001	Sep 5, 2001	Sep 5, 2001
Revenue Service Date	2 nd Q 2012	TBD	TBD

Current Issues/Highlights

- In Queens, mining of Tunnel D started on March 26, 2012. The second TBM is being moved into position in order to start mining of Tunnel B/C before the end of the month. All main tunnel drives are planned to be completed this summer.
- Grouting outside of the frozen arch at the Northern Boulevard Crossing (CQ039) continued. Working with the contractor to evaluate all options to allow excavation to begin by May.
- A major weekend track outage took place in the last weekend of March which allowed for 19 catenary poles and structures to be erected. Additional outages are being planned with LIRR and AMTRAK in order to get the majority of Stage 1 catenary poles erected this year.
- AMTRAK will resume installation of new switches in May after two months when new rail was installed in the ERT.

- Concrete lining of the Eastbound GCT cavern was completed. Excavation continues in both caverns as well as in the tail Tracks and at 55th Street. The contractor continues to perform better as compared to the schedule established as part of the settlement agreement.
- All excavation was completed at the 50th Street Vent Facility. Contractor is continuing concrete work in all areas including the shaft, service tunnel and main vent plant
- Bids were received on March 27, 2012 for the 55th Street Vent Plant Facility Contract (CM13A). The award on this contract is anticipated by late Spring.
- The Selection Committee is currently reviewing the four technical proposals received for Systems Package 1 – Facilities Systems (Contract CS179). The entire review process is expected to be completed in early summer with the contract anticipated to be awarded in August. Subsequent system contracts (CS284 and VS086) will be advertised later this spring.
- Manhattan Structures 2 and Facilities Fit-Out (CM012) was re-advertised in early March. A pre-bid meeting was held on March 22, 2012. Notice to Proceed is anticipated for August.

East Side Access Active and Future Construction Contracts

Report to the Railroad Committee - April 2012

Expenditures thru March 2012; \$s in million

	Budget	Expenditures
Construction	\$ 5,748.2	\$ 2,503.6
Design	\$ 590.7	\$ 557.0
Project Management	\$ 620.8	\$ 404.1
Real Estate	\$ 166.3	\$ 100.1
Rolling Stock [†]	\$ 202.0	\$ -
Total	\$ 7,328.0	\$ 3,564.8

[†] An additional \$463 million budgeted for ESA rolling stock is included in a reserve in the Board-approved 2010-2014 Capital Plan pending completion of a simulation of opening day service and fleet need.

Project Description	Budget (Bid + Contingency)	Current Contract (Bid + Approved AWOs)	Remaining Contingency	Expenditures	Re-Baseline Award Date	Actual/ Forecast Award Date**	Planned Completion at Award*	Forecast Completion**
Manhattan Construction								
CM009: Manhattan Tunnel Excavation & Lining <i>Dragados Judlau, JV</i>	\$ 456.3	\$ 448.4	\$ 7.9	\$ 366.5	Jul-2006	Jul-2006	Oct-2012	Aug-2013
CM019: GCT Concourse Civil & Structural <i>Dragados Judlau, JV</i>	775.2	752.3	\$ 16.8	554.3	Apr-2008	Apr-2008	Oct-2012	Aug-2013
<i>Note: Budget includes funding for scope not yet contractually obligated but not available for contingency.</i>								
CM014A: GCT Concourse Finishes Early Work <i>Yonkers Contracting</i>	46.5	43.5	3.0	-	Feb-2011	Nov-2011	Apr-2013	Apr-2013
CM013A: 55th St Vent Facility		In Procurement			Aug-2010	Jun-2012	N/A	Jul-2014
CM012: Manhattan Struct Pt 2 & Cavern MEP & Finishes		In Procurement			Feb-2011	Aug-2012	N/A	Jun-2015
Queens Construction								
CQ031: Queens Bored Tunnel & Structures <i>Granite-Traylor-Frontier, JV</i>	789.1	762.8	26.3	530.2	Aug-2009	Sep-2009	Sep-2012	Apr-2013
<i>Notes: Contract includes \$11M of Regional Investments scope. Budget includes funding for scope not yet contractually obligated but not available for contingency.</i>								
CQ039: Northern Blvd Crossing <i>Schiavone Construction / Kiewit</i>	101.0	96.1	2.4	46.2	Oct-2009	Feb-2010	Oct-2011	Dec-2012
<i>Note: Budget includes funding for scope not yet contractually obligated but not available for contingency.</i>								
CQ032: Plaza Substation & Queens Struct Construction <i>Tutor Perini Corporation</i>	162.1	147.7	14.4	3.9	Dec-2010	Aug-2011	Aug-2014	Aug-2014
Harold Construction								
CH053: Harold Structures (Part 1) <i>Perini Corporation</i>	\$ 203.9	\$ 173.4	\$ 27.0	\$ 105.3	Jan-2008	Jan-2008	Feb-2011	Feb-2014
<i>Note: Budget includes funding for scope not yet contractually obligated but not available for contingency.</i>								
CH058: Harold Structures - Part 3: Eastbound Reroute		In Design			Jun-2012	Aug-2013	N/A	Jul-2016
Systems Contracts								
Systems Package 1: Tunnel Ventilation, Facility Power, Communications, Controls, Security, Fire Detection		In Procurement			Apr-2011	Aug-2012	N/A	Nov-2015
Systems Package 2: Trackwork and Traction Power		In Design			Sep-2010	Oct-2012	N/A	Jul-2015
Systems Package 3: Signal Equipment		In Design			Apr-2012	Jul-2012	N/A	May-2014

*Planned Completion at Award dates for contracts CM009, CM019, and CH053 are adjusted to the re-baseline plan.

**Forecast award and completion dates reflect current integrated project schedule. However, overall project rebaselining efforts are underway as reported to the Board in September 2011. Once complete, the contract milestones may be adjusted.

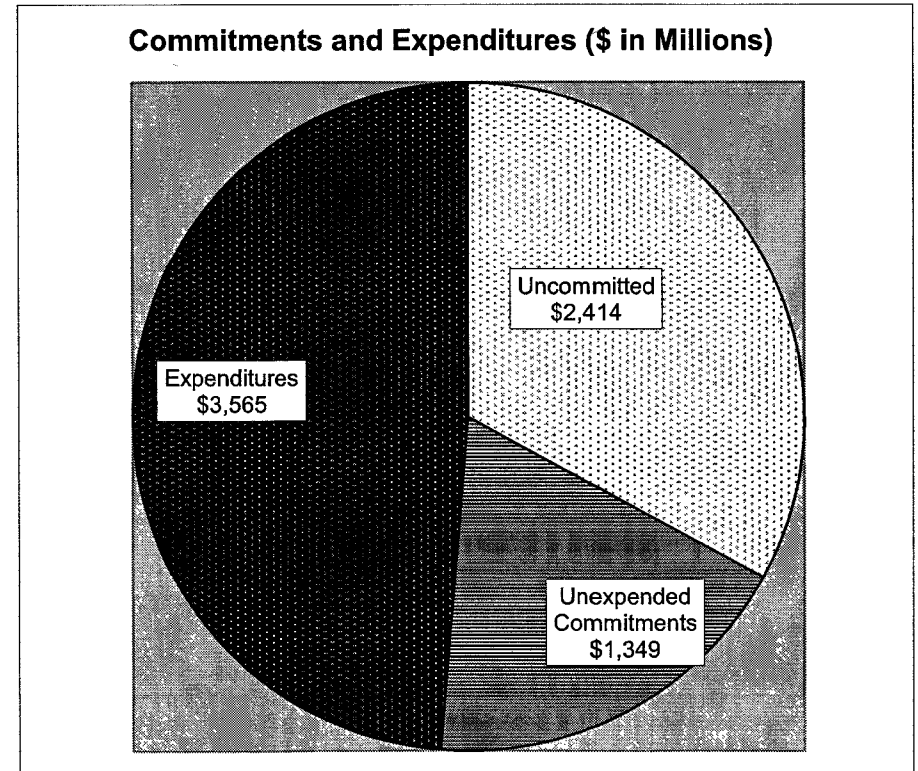
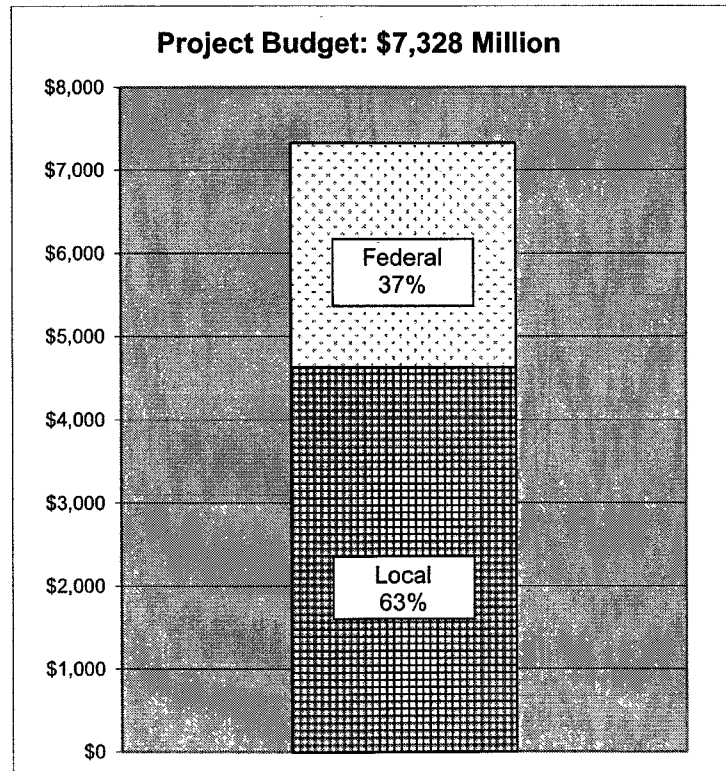
East Side Access Status

Report to the Railroad Committee - April 2012

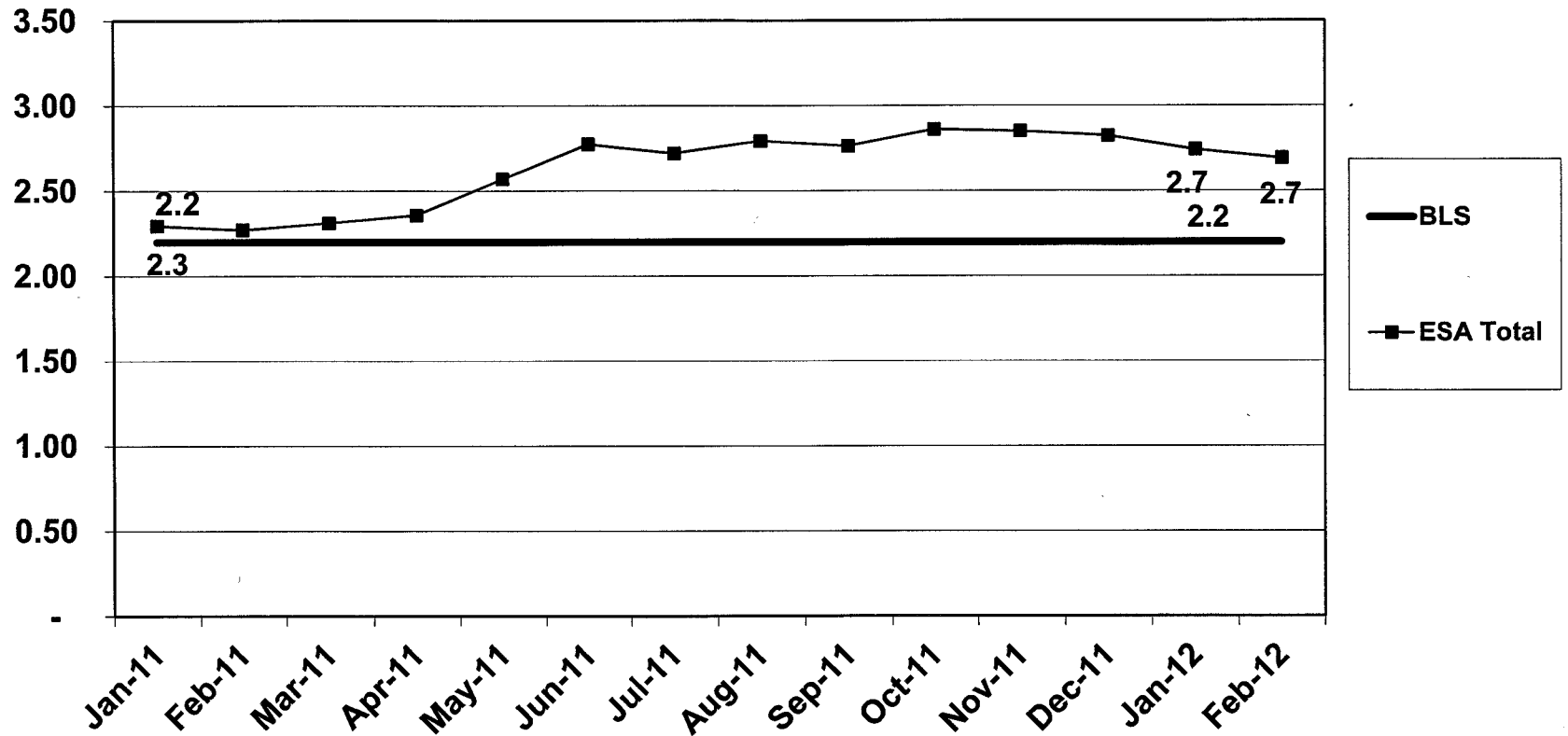
(data thru March 2012)

MTA Capital Program \$ in Millions	Budgeted	Funding Sources			Status of Commitments		
		Local Funding	Federal Funding*	Federal Received	Committed	Uncommitted	Expended
1995-1999	\$ 158	\$ 94	\$ 64	\$ 64	\$ 158	\$ -	\$ 157
2000-2004	1,534	747	785	785	1,496	37	1,397
2005-2009	2,683	839	1,845	961	2,632	51	1,904
2010-2014	2,954	2,949	5	-	627	2,326	107
Total	\$ 7,328	\$ 4,629	\$ 2,699	\$ 1,810	\$ 4,914	\$ 2,414	\$ 3,565

* All Federal funding is approved through a Full Funding Grant Agreement with the FTA.

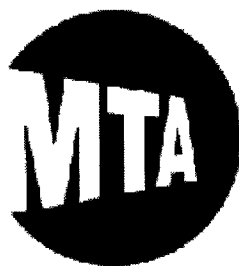


Lost Time Injury Rate East Side Access Project, 2011-2012 vs. US BLS National Standard for Heavy & Civil Construction



Note:

Lost Time Injury Rate = Number of Lost Time Injuries per 200,000 Workhours (equivalent to 100 full-time workers)



Police Report

April 2012



METROPOLITAN TRANSPORTATION AUTHORITY
Police Department
System Wide

March 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	0	6	-6	-100%
Felony Assault	7	5	2	40%
Burglary	2	0	2	0%
Grand Larceny	19	20	-1	-5%
GLA	0	0	0	0%
Total Major Felonies	28	31	-3	-10%

Year to Date 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	1	-1	-100%
Robbery	10	16	-6	-38%
Felony Assault	11	10	1	10%
Burglary	7	0	7	0%
Grand Larceny	63	53	10	19%
GLA	1	1	0	0%
Total Major Felonies	92	81	11	14%



METROPOLITAN TRANSPORTATION AUTHORITY
Police Department
Long Island Rail Road

March 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	0	3	-3	-100%
Felony Assault	4	3	1	33%
Burglary	0	0	0	0%
Grand Larceny	7	9	-2	-22%
GLA	0	0	0	0%
Total Major Felonies	11	15	-4	-27%

Year to Date 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	1	-1	-100%
Robbery	5	10	-5	-50%
Felony Assault	6	7	-1	-14%
Burglary	1	0	1	0%
Grand Larceny	29	25	4	16%
GLA	0	0	0	0%
Total Major Felonies	41	43	-2	-5%



METROPOLITAN TRANSPORTATION AUTHORITY

Police Department Metro North Railroad

March 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	0	2	-2	-100%
Felony Assault	2	2	0	0%
Burglary	2	0	2	0%
Grand Larceny	11	11	0	0%
GLA	0	0	0	0%
Total Major Felonies	15	15	0	0%

Year to Date 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	3	3	0	0%
Felony Assault	4	3	1	33%
Burglary	6	0	6	0%
Grand Larceny	30	28	2	7%
GLA	1	1	0	0%
Total Major Felonies	44	35	9	26%



METROPOLITAN TRANSPORTATION AUTHORITY
Police Department
Staten Island Rapid Transit

March 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	0	1	-1	-100%
Felony Assault	1	0	1	0%
Burglary	0	0	0	0%
Grand Larceny	1	0	1	0%
GLA	0	0	0	0%
Total Major Felonies	2	1	1	100%

Year to Date 2012 vs. 2011

	2012	2011	Diff	% Change
Murder	0	0	0	0%
Rape	0	0	0	0%
Robbery	2	3	-1	-33%
Felony Assault	1	0	1	0%
Burglary	0	0	0	0%
Grand Larceny	4	0	4	0%
GLA	0	0	0	0%
Total Major Felonies	7	3	4	133%

INDEX CRIME REPORT
Per Day Average
March 2012

	Systemwide	LIRR	MNRR	SIRT
Murder	0	0	0	0
Rape	0	0	0	0
Robbery	0	0	0	0
Fel. Assault	7	4	2	1
Burglary	2	0	2	0
Grand Larceny	19	7	11	1
GLA	0	0	0	0
Total	28	11	15	2
Crimes Per Day	0.90	0.35	0.48	0.06



MTA Police Department
Arrest Summary: Department Totals

4/3/2012
8:55:18AM

1/1/2012 to 3/31/2012

Arrest Classification	Total Arrests
Robbery	7
Felony Assault	11
Burglary	3
Grand Larceny	19
Aggravated Harassment	2
Aggravated Unlicensed Operator	10
Assault-Misdemeanor	12
Breach of Peace	3
Child Endangerment	2
Criminal Contempt	1
Criminal Impersonation	3
Criminal Mischief	10
Criminal Possession Stolen Property	8
Criminal Trespass	16
Drug Offenses	9
DUI Offenses	5
Falsely Reporting an Incident	5
Forgery	9
Graffiti	4
Harassment	3
Menacing	5
Obstruct Government	1
Petit Larceny	35
Public Lewdness	19
Reckless Endangerment	3
Resisting Arrest	18
Sex Offenses	2
Theft of Services	24
Warrant Arrest	17
Weapons Offenses	3
Arrest Totals	269



Long Island Rail Road

INFORMATION

ITEMS

**MTA LONG ISLAND RAIL ROAD
2011 YEAR-END REPORT
SUMMARY**

2011 was a very challenging year for the Long Island Rail Road as the overall economic environment continued to place pressure to control costs and maintain service. To minimize the impact to customers, the LIRR strove to reduce costs through initiatives that aimed to improve productivity and efficiency without affecting service to customers.

The MTA Long Island Rail Road's financial performance in comparison to the 2011 Adopted Budget was favorable. The net operating deficit of \$(923.1) million was \$37.4 million or 3.9% less than was anticipated in the budget. The operating cash deficit of \$(517.1) million was \$39.1 million or 7.0% favorable to budget.

The non-reimbursable net deficit of \$(923.1) million was favorable to the 2011 Final Estimate by \$54.3 million. This improvement in the final result was due to the fact that actual 2011 expenses of \$1,529.0 million were \$49.9 million lower than the Final Estimate. Total Operating Revenue of \$605.9 million was \$4.4 million higher than the Final Estimate. Farebox revenues accounted for \$571.7 million and other sources generated \$34.2 million.

In order to achieve these positive results, the LIRR subjected key cost centers to review. Critical areas of focus were overtime, inventory and materials management, and administrative costs. In each of these areas, the LIRR developed and implemented an action plan to reduce costs while ensuring a high standard for performance.

Total Operating Revenues were \$4.4 million higher than the estimate attributed to higher Farebox revenue of \$4.3 million associated with higher ridership (0.7 million passengers) from September through December of 2011 and favorable other operating revenue driven by higher rental income and scrap sales \$0.2 million.

Total Non-Reimbursable Expenses were \$52.3 million lower than estimate as a result of several factors including a continued focus on cost control. Labor expenses of \$838.3 million were \$16.0 million lower than the estimate primarily due to lower pension costs as a result of the decision in 2011 not to reduce the pension investment rate of return from 8.0% to 7.5%. This adjustment to the budget will be made in 2012.

Non-labor expenses of \$296.4 million were \$36.3 million favorable primarily due to lower rates for Traction and Propulsion Power, lower corporate inventory adjustments for material obsolescence, pool material reclaims greater than charge-outs, lower fleet modification and running repair costs, the timing of payments for legal claims, and lower overall maintenance and other operating contracts.

Depreciation of \$316.2 million was \$(1.2) million higher than the estimate. Other post-employment benefits for future retirees and Environmental Remediation of \$78.1 million were \$(1.2) million higher than estimate primarily due to higher than originally estimated reserve for environmental remediation.

Adjustments for Environmental Remediation, Depreciation, Other Post-Employment Benefits, Materials, Maintenance and Professional Services, Claims and Farebox Revenue were the only significant post close adjustments.

Total Reimbursable revenues and expenses were \$(7.7) million lower than the Final Estimate primarily resulting from the timing of project activity for East Side Access, Positive Train Control and material for the five year capital program.

LIRR's cash deficit of \$517.1 million was \$49.8 million lower than the Final Estimate. This variance consists of a real favorable variance of \$24.7 million and favorable timing variances of \$25.1 million. Cash Receipts of \$816.5 million were lower than the Final Estimate by \$(19.5) million, comprised of \$(10.0) million in real variances and \$(9.5) million in timing variances. The timing variance is primarily attributed to a delay in the settlement and collection of Right of Way leased line fees, partially offset by receipt of capital and other reimbursements. The real variance is due to unfavorable Other Operating Revenue and unfavorable capital reimbursements resulting from lower project activity.

Cash expenditures of \$1,335.5 million were \$66.7 million lower than the Final Estimate, comprised of \$32.2 million in real spending and \$34.6 million in timing variances. The real variance is attributed to lower OPEB Current Payments, Pension, Other Fringe, Traction Power, Diesel Power, Claims, Maintenance and Other Operating Contracts, Materials & Supplies and Other Business Expenses, partially offset by higher overtime costs. The timing variance is mainly attributed to potential outstanding liability payments for Traction Power and Insurance.

The overall favorable 2011 financial performance reflects the LIRR's continued focus on maximizing scarce financial resources. Heading into 2012, the LIRR will continue to monitor its operations and cost structure in order to operate as cost efficiently as possible.

**MTA LONG ISLAND RAIL ROAD
2011 YEAR-END REPORT
EXPLANATIONS OF REVENUE AND EXPENSE VARIANCES
ACCRUAL BASIS**

2011 Final Estimate vs. Actual

Non-Reimbursable

Revenue:

- **Farebox Revenue** was \$4.3 million or 0.7% higher than estimate. Ridership of 81.0 million was 0.8% above estimate resulting in an increase of \$4.8 million, partially offset by a lower yield per passenger resulting in a decrease of \$(0.5) million.
- **Other Operating Revenue** was \$0.2 million or 0.5% higher than estimate primarily due to higher rent and scrap sales income.

Expenses:

- **Payroll** was \$3.2 million or 0.8% below the estimate primarily due to favorable vacation pay and sick leave year-end accrual adjustments, partially offset by the fact that Engineering workforce performed greater maintenance activities and less project activity than originally projected, higher average wage rates, constructive allowances and differential payments.
- **Overtime** was (\$2.9) million or (3.5)% above the estimate primarily due to higher vacancy/absentee coverage and average wage rates, partially offset by lower maintenance and weather-related overtime. Corporate initiatives to monitor and control overtime spending are outlined in the Result of Operations section below.
- **Health & Welfare** was \$0.1 million or 0.0% below the estimate due to lower headcount and rates.
- **OPEB Current Payment** was \$1.1 million or 2.0% below estimate due to lower rates and fewer retirees/beneficiaries than forecasted.
- **Pension** was \$15.7 million or 10.0% below estimate primarily due to a higher pension rate of return than originally estimated and the percentage of pension allocated to reimbursable was under-estimated compared to the actual.
- **Other Fringe Benefits** were \$1.4 million or 1.6% below estimate primarily due to lower Railroad Unemployment Insurance.
- **Traction and Propulsion Power** was \$4.6 million or 5.5% below the estimate primarily due to lower rates and consumption.
- **Fuel for Buses and Trains** was \$0.8 million or 3.3% below the estimate primarily due to lower rates and consumption.

- **Insurance** was \$0.2 million or 1.1% below estimate primarily due to lower premiums.
- **Claims** were \$5.9 million or 37.1% below estimate primarily due to lower employee and non-employee payments and reserves.
- **Maintenance and Other Operating Contracts** were \$5.4 million or 7.5% below estimate. The lower expenses were primarily associated with lower payments and activities for utilities, vehicle and plant equipment maintenance, toilet servicing, telecommunication services, TVM maintenance, HVAC maintenance, and the timing of payments for parking facilities. This was partially offset by higher rental expenses for equipment and vehicles, software and hardware leases, vegetation management and joint facilities maintenance. Corporate initiatives to monitor and control spending are outlined in the Results of Operations section below.
- **Professional Service Contracts** were \$0.1 million or 0.6% below estimate. The lower expenses were primarily associated with lower MTA Chargebacks and various consulting, third party security and outside legal counsel services.
- **Materials & Supplies** were \$18.9 million or 20.1% below estimate. The savings were primarily due to corporate inventory adjustments, pool material reclaims greater than charge-outs (resulting in an accrued credit), lower unit costs for running repair material in the Support Shops, timing of fleet modifications, lower usage of MU running repair material and the timing of charges for various Engineering materials. This was partially offset by higher charge-outs of sundry items and vendor repair/return items. An overview of the corporate Inventory Task Force is provided in the Results of Operations section below.
- **Other Business Expenses** were \$0.4 million or 3.9% below estimate primarily due to lower metro mobility taxes, employee expenses, credit/debit card fees and higher restitution of property damage reimbursement, partially offset by higher bad debt.
- **Depreciation** was \$(1.2) million or (0.4%) above estimate primarily due to timing.
- **Other Post Employee Benefits** were \$0.3 million or 0.4% below estimate primarily due to lower GASB adjustment to reflect the value associated with unfunded accrued liability for post - employment benefits.
- **Environmental Remediation** was \$(1.5) million or (74.8)% above estimate due to higher than anticipated reserve for environmental remediation.

From the year-end preliminary actuals to the final close, total non-reimbursable revenues increased by \$0.4 million and total non-reimbursable expenses including non-cash liability adjustments increased by \$(33.1) million for a net change of \$(32.7) million. The revenue increase consisted of farebox and other miscellaneous revenue. The expense increase was primarily due to the latest actuarial estimate for Other Post-Employment Benefits \$(15.8) million, Depreciation adjustments \$(8.8) million, environmental remediation \$(1.5) million, materials (\$1.5) million, maintenance and

other operating contracts (\$3.4) million, Professional service contracts (\$1.3) million, claims (\$0.3) million, Traction Power (\$0.4) million and labor related (\$0.2) million.

The impact of 2011 results should not have a substantial impact on the 2012 accrued budget. Many of the variances in 2011 are not expected to recur in 2012.

Reimbursable:

- **Total Capital and Other Reimbursements** were lower than estimate by \$(7.7) million or (3.8)%. This was primarily due to delays in East Side Access, Positive Train Control and material purchases for the Five Year Capital Program.

2011 Adopted Budget vs. Actual

Non-Reimbursable:

Revenue:

- **Farebox Revenue** was \$(3.0) million or (0.5)% below budget primarily due to lower ridership \$(6.3) million, partially offset by higher yield per passenger \$3.3 million.
- **Other Operating Revenue** was \$(3.4) million or (9.0)% lower than budget primarily due to lower advertising revenue than expected \$(2.9) million, delay in the anticipated sale of air rights \$(3.0), miscellaneous \$(2.2) million and special services revenue \$(0.3) million, partially offset by higher rental and freight revenue \$2.0 million.

Expenses:

- **Payroll** was \$(4.9) million or (1.2)% above budget. This was due to the Engineering workforce performing greater maintenance activities and less project activity than originally projected, lower average vacancy credit, unbudgeted management vacation buyback, higher wage claim accruals and differential expenses, partially offset lower full-time headcount in the Maintenance of Equipment Department, by reduced reserves for sick leave (per actuarial estimate) and vacation pay accrued balances.
- **Overtime** was \$(14.9) million or (21.3)% above budget. This was due to higher vacancy/absentee coverage (\$10.2) million and weather-related overtime (\$5.6) million, partially offset by lower maintenance-related overtime \$1.0 million.
- **Health & Welfare** was \$1.2 million or 1.4% below budget primarily due to lower headcount and rates.
- **OPEB Current Payment** was \$4.5 million or 7.7% below budget due to lower rates and fewer retirees/beneficiaries.
- **Pension** was \$11.5 million or 7.5% below budget primarily due to a higher pension rate of return than originally estimated and the percentage of pension allocated to reimbursable was under-estimated compared to the actual.

- **Other Fringe Benefits** were \$1.0 million or 1.1% below budget due primarily to lower Railroad Unemployment Insurance (lower rates and headcount) and reduced Rail Road Retirement Tax reserves for sick leave (per actuarial estimate) and vacation pay accrued balances.
- **Traction and Propulsion Power** was \$9.6 million or 10.8% below budget primarily due to lower rates, partially offset by higher consumption and accrual for unread meters.
- **Fuel for Trains** was \$(5.2) million or (29.5)% above budget due to higher rates.
- **Insurance** was \$1.5 million or 8.9% below budget primarily due to lower Casualty premiums.
- **Claims** were \$5.9 million or 37.1% below budget primarily due to lower employee payments and miscellaneous claims and suits.
- **Maintenance and Other Operating Contracts** were \$11.9 million or 15.1% below budget resulting from lower activities and timing of expenses for utilities, DERA replacement and non-revenue vehicle maintenance, IESS security initiative, environmental services, IT related, toilet servicing, telecommunication services, and various other maintenance and other operating contracts, partially offset by higher emergency bussing and Amtrak joint facilities payments.
- **Professional Service Contracts** were \$2.6 million or 12.6% below budget primarily due to MTA Chargebacks, audit services, third party security, outside legal counsel, printing, medical contract and other consulting services.
- **Materials & Supplies** were \$24.9 million or 24.8% below budget. The savings were primarily due to lower corporate inventory adjustments, pool material reclaims greater than charge-outs (resulting in an accrued credit), lower unit costs for running repair material in the Support Shops, timing of fleet modifications, delayed purchase of bench test equipment, the timing of charges for various Engineering materials and miscellaneous other materials and supplies. An overview of corporate Inventory Task Force initiatives is provided in the Results of Operations section below.
- **Other Business Expense** was \$2.4 million or 21.0% below budget primarily due to higher restitution of property damage payments including FEMA payment from December 2010 snowstorm and insurance payment for damaged M7 equipment and lower miscellaneous employee expenses, partially offset by higher debit/cred card fees and bad debt expenses.
- **Depreciation** was \$1.8 million or 0.6% below budget primarily due to timing.
- **Other Post Employee Benefits** were \$0.4 million or 0.5% below budget primarily due to lower GASB adjustment to reflect the value associated with unfunded accrued liability for post-employment benefits.

- **Environmental Remediation** was \$(1.5) million or (74.8)% above budget due to higher than anticipated reserve for environmental remediation.

Reimbursable:

- **Total Capital and Other Reimbursements** were lower than budget by \$(38.9) million, or (16.5)%. This was primarily due to delays in East Side Access, Positive Train Control, Operating Funded Capital and material purchases for the Five Year Capital Program.

MTA LONG ISLAND RAIL ROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
ACCRUAL STATEMENT OF OPERATIONS by CATEGORY
(\$ in millions)

NON-REIMBURSABLE							
	2011			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2011 Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$574.736	\$567.454	\$571.706	(\$3.030)	(0.5)	\$4.252	0.7
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	37.580	34.030	34.185	(3.395)	(9.0)	0.155	0.5
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	-	0.000	-
Total Revenue	\$612.316	\$601.484	\$605.891	(\$6.425)	(1.0)	\$4.407	0.7
Expenses							
Labor:							
Payroll	\$404.308	\$412.411	\$409.228	(\$4.920)	(1.2)	\$3.183	0.8
Overtime	69.837	81.830	84.707	(14.870)	(21.3)	(2.877)	(3.5)
Health and Welfare	84.557	83.409	83.356	1.201	1.4	0.053	0.0
OPEB Current Payment	58.797	55.394	54.292	4.505	7.7	1.102	2.0
Pensions	153.695	157.887	142.163	11.532	7.5	15.724	10.0
Other Fringe Benefits	88.840	89.247	87.819	1.021	1.1	1.428	1.6
Reimbursable Overhead	(31.964)	(25.930)	(23.305)	(8.659)	(27.1)	(2.625)	(10.1)
Total Labor Expenses	\$828.070	\$854.248	\$838.261	(\$10.191)	(1.2)	\$15.987	1.9
Non-Labor:							
Traction and Propulsion Power	\$88.729	\$83.815	\$79.169	\$9.560	10.8	\$4.646	5.5
Fuel for Buses and Trains	17.726	23.741	22.963	(5.237)	(29.5)	0.778	3.3
Insurance	16.320	15.034	14.869	1.451	8.9	0.165	1.1
Claims	15.813	15.810	9.946	5.867	37.1	5.864	37.1
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	78.964	72.473	67.067	11.897	15.1	5.406	7.5
Professional Service Contracts	20.376	17.923	17.811	2.565	12.6	0.112	0.6
Materials & Supplies	100.241	94.310	75.386	24.855	24.8	18.924	20.1
Other Business Expenses	11.628	9.566	9.190	2.438	21.0	0.376	3.9
Total Non-Labor Expenses	\$349.797	\$332.672	\$296.400	\$53.397	15.3	\$36.272	10.9
Other Expense Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses Before Depreciation	\$1,177.867	\$1,186.920	\$1,134.661	\$43.206	3.7	\$52.259	4.4
Depreciation	\$317.991	\$314.997	\$316.199	\$1.792	0.6	(\$1.202)	(0.4)
Other Post Employee Benefits	75.000	74.940	74.628	0.372	0.5	0.312	0.4
Environmental Remediation	2.000	2.000	3.497	(1.497)	(74.8)	(1.497)	(74.8)
Total Expenses	\$1,572.858	\$1,578.857	\$1,528.984	\$43.874	2.8	\$49.873	3.2
Net Surplus/(Deficit)							
<i>(Excluding Subsidies and Debt Service)</i>	(\$960.542)	(\$977.373)	(\$923.093)	\$37.449	3.9	\$54.280	5.6
Cash Depreciation Adjustments							
Depreciation	317.991	314.997	316.199	(\$1.792)	(0.6)	\$1.202	0.4
Operating/Capital	(9.592)	(3.428)	(2.435)	7.157	74.6	0.993	29.0
Other Cash Adjustments	95.884	98.901	92.190	(3.694)	(3.9)	(6.711)	(6.8)
Total Cash Conversion Adjustments	\$404.283	\$410.470	\$405.954	\$1.671	0.4	(\$4.516)	(1.1)
Net Cash Surplus/(Deficit)	(\$556.259)	(\$566.903)	(\$517.139)	\$39.120	7.0	\$49.764	8.8

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
(\$ in millions)

REIMBURSABLE							
	2011			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2011 Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue							
Vehicle Toll Revenue							
Other Operating Revenue							
Capital and Other Reimbursements	235.975	204.810	197.075	(38.900)	(16.5)	(7.735)	(3.8)
Total Revenue	\$235.975	\$204.810	\$197.075	(38.900)	(16.5)	(7.735)	(3.8)
Expenses							
Labor:							
Payroll	\$76.271	\$67.588	\$65.039	\$11.232	14.7	\$2.549	3.8
Overtime	10.720	10.426	12.595	(1.875)	(17.5)	(2.169)	(20.8)
Health and Welfare	12.504	11.720	11.925	0.579	4.6	(0.205)	(1.8)
OPEB Current Payment	0.000	0.000	0.000	0.000	-	0.000	-
Pensions	20.273	20.750	22.410	(2.137)	(10.5)	(1.660)	(8.0)
Other Fringe Benefits	15.059	13.920	14.034	1.025	6.8	(0.114)	(0.8)
Reimbursable Overhead	31.964	25.930	23.305	8.659	27.1	2.625	10.1
Total Labor Expenses	\$166.791	\$150.334	\$149.308	\$17.483	10.5	\$1.026	0.7
Non-Labor:							
Traction and Propulsion Power	\$0.000	\$0.159	\$0.206	(\$0.206)	-	(\$0.047)	(29.7)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	-	0.000	-
Insurance	6.339	5.122	4.736	1.603	25.3	0.386	7.5
Claims	0.000	0.000	0.000	0.000	-	0.000	-
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	12.381	10.789	11.154	1.227	9.9	(0.365)	(3.4)
Professional Service Contracts	2.812	1.864	2.801	0.011	0.4	(0.937)	(50.3)
Materials & Supplies	47.572	36.182	28.486	19.086	40.1	7.696	21.3
Other Business Expenses	0.080	0.106	0.108	(0.028)	(34.5)	(0.002)	(1.5)
Total Non-Labor Expenses	\$69.184	\$54.222	\$47.491	\$21.693	31.4	\$6.731	12.4
Other Expense Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses Before Depreciation	\$235.975	\$204.556	\$196.799	\$39.176	16.6	\$7.757	3.8
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Other Post Employee Benefits	0.000	0.000	0.000	0.000	-	0.000	-
Environmental Remediation	0.000	0.254	0.277	(0.277)	-	(0.023)	(9.0)
Total Expenses	\$235.975	\$204.810	\$197.075	\$38.900	16.5	\$7.735	3.8
Net Surplus/(Deficit)							
<i>(Excluding Subsidies and Debt Service)</i>	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Cash Depreciation Adjustments							
Depreciation	0.000	0.000	0.000	\$0.000	-	\$0.000	-
Operating/Capital	0.000	0.000	0.000	0.000	-	0.000	-
Other Cash Adjustments	0.000	0.000	0.000	0.000	-	0.000	-
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Net Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
(\$ in millions)

NON-REIMBURSABLE/ REIMBURSABLE	2011			Favorable/(Unfavorable) Variance			
	Adopted	Final	Actual	2011 Adopted Budget		Final Estimate	
	Budget	Estimate		\$	%	\$	%
Revenue							
Farebox Revenue	\$574.736	\$567.454	\$571.706	(\$3.030)	(0.5)	\$4.252	0.7
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	37.580	34.030	34.185	(3.395)	(9.0)	0.155	0.5
Capital and Other Reimbursements	235.975	204.810	197.075	(38.900)	(16.5)	(7.735)	(3.8)
Total Revenue	\$848.291	\$806.294	\$802.967	(\$45.325)	(5.3)	(\$3.327)	(0.4)
Expenses							
Labor:							
Payroll	\$480.579	\$479.999	\$474.267	\$6.312	1.3	\$5.732	1.2
Overtime	80.557	92.256	97.302	(16.745)	(20.8)	(5.046)	(5.5)
Health and Welfare	97.061	95.129	95.282	1.779	1.8	(0.153)	(0.2)
OPEB Current Payment	58.797	55.394	54.292	4.505	7.7	1.102	2.0
Pensions	173.968	178.637	164.573	9.395	5.4	14.064	7.9
Other Fringe Benefits	103.899	103.167	101.853	2.046	2.0	1.314	1.3
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenses	\$994.861	\$1,004.582	\$987.569	\$7.292	0.7	\$17.013	1.7
Non-Labor:							
Traction and Propulsion Power	\$88.729	\$83.974	\$79.375	\$9.354	10.5	\$4.599	5.5
Fuel for Buses and Trains	17.726	23.741	22.963	(5.237)	(29.5)	0.778	3.3
Insurance	22.659	20.156	19.605	3.054	13.5	0.551	2.7
Claims	15.813	15.810	9.946	5.867	37.1	5.864	37.1
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	91.345	83.262	78.221	13.124	14.4	5.041	6.1
Professional Service Contracts	23.188	19.787	20.612	2.576	11.1	(0.825)	(4.2)
Materials & Supplies	147.813	130.492	103.871	43.942	29.7	26.621	20.4
Other Business Expenses	11.708	9.672	9.298	2.410	20.6	0.374	3.9
Total Non-Labor Expenses	\$418.981	\$386.894	\$343.891	\$75.090	17.9	\$43.003	11.1
Other Expense Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses Before Depreciation	\$1,413.842	\$1,391.476	\$1,331.459	\$82.383	5.8	\$60.017	4.3
Depreciation	\$317.991	\$314.997	\$316.199	\$1.792	0.6	(\$1.202)	(0.4)
Other Post Employee Benefits	75.000	74.940	74.628	0.372	0.5	0.312	0.4
Environmental Remediation	2.000	2.254	3.773	(1.773)	(88.7)	(1.519)	(67.4)
Total Expenses	\$1,808.833	\$1,783.667	\$1,726.059	\$82.774	4.6	\$57.608	3.2
Net Surplus/(Deficit) <i>(Excluding Subsidies and Debt Service)</i>	(\$960.542)	(\$977.373)	(\$923.093)	\$37.449	3.9	\$54.280	5.6
Cash Depreciation Adjustments							
Depreciation	317.991	314.997	316.199	(\$1.792)	(0.6)	\$1.202	0.4
Operating/Capital	(9.592)	(3.428)	(2.435)	7.157	74.6	0.993	29.0
Other Cash Adjustments	95.884	98.901	92.190	(3.694)	(3.9)	(6.711)	(6.8)
Total Cash Conversion Adjustments	\$404.283	\$410.470	\$405.954	\$1.671	0.4	(\$4.516)	(1.1)
Net Cash Surplus/(Deficit)	(\$556.259)	(\$566.903)	(\$517.139)	\$39.120	7.0	\$49.764	8.8

Totals may not add due to rounding

**MTA LONG ISLAND RAIL ROAD
2011 YEAR-END REPORT
EXPLANATIONS OF CASH RECEIPTS AND EXPENDITURE VARIANCES**

2011 Final Estimate vs. Actual

Receipts

- **Farebox Revenue** was \$(1.5) million or (0.2)% lower than the estimate due to lower advance sales impact \$(1.1) million and lower Metrocard/AirTrain sales \$(0.3) million.
- **Other Operating Revenue** was \$(42.0) million or (54.3)% lower than the estimate primarily due to a delay in the settlement and collection of Right of Way leased line fees and the timing of intercompany and scrap sale receipts.
- **Capital and Other Reimbursements** were \$24.0 million or 15.0% higher than estimate due to the timing of activity and reimbursement for capital and other reimbursements.

Expenditures

- **Payroll** was \$(2.3) million or (0.5)% higher than the estimate primarily due to higher average wage rates, constructive allowances and differential payments and the timing of mobility tax payments.
- **Overtime** was \$(5.1) million or (5.4)% higher than the estimate primarily related to higher vacancy/absentee coverage and higher project overtime, partially offset by lower maintenance and weather-related overtime.
- **Health and Welfare** was \$(1.5) million or (1.6)% higher than the estimate primarily due to the timing of payments and higher average rates, partially offset by lower heads.
- **OPEB Current Payment** was \$2.5 million or 4.6% lower than the estimate primarily due to fewer retirees and the timing of payments.
- **Pensions** were \$14.2 million or 7.9% lower than the estimate due to decreased contributions as per latest actuarial estimate.
- **Other Fringe Benefits** were \$0.7 million or 0.7% lower than the estimate due to lower Railroad Unemployment and Railroad Retirement Tax payments.
- **Traction and Propulsion Power** was \$34.6 million or 32.3% lower than the estimate primarily due to the timing of the potential retroactive liability payments of \$27.4 million, unbilled meters, lower consumption and lower rates.

- **Fuel for Buses and Trains** were \$1.9 million or 8.9% lower than the estimate due to the timing of payments and lower rates and consumption.
- **Insurance** was \$5.7 million or 26.8% lower than estimate due to the timing of payments.
- **Claims** were \$3.5 million or 26.4% below the estimate due to lower claim payments.
- **Maintenance and Other Operating Contracts** was \$7.7 million or 10.1% lower than the estimate primarily due to lower overall maintenance service, utility, and communication payments, and the timing of payments for joint facilities, other maintenance services and operating services, partially offset by higher payments for leases and rentals.
- **Professional Service Contracts** were \$0.9 million or 5.0% lower than estimate due to the timing of MTA chargeback payments and consulting service payments.
- **Materials and Supplies** were \$2.4 million or 2.4% lower than estimate primarily due to lower payments for program material and the timing of other material and supply payments.
- **Other Business Expenses** were \$1.5 million or 16.9% lower than estimate primarily due to lower metro mobility tax and credit/debit card fees payments, the timing of and lower employee expenses payments and the timing of tuition payments.
- **Cash Timing and Availability Adjustment** was \$2.5 million higher than the estimate in order to align to the daily cash balance as reported to the MTA.

The total cash deficit variance of \$49.8 million, as detailed above, represents a real variance of \$24.7 million and a timing variance of \$25.1 million. The timing variance includes a \$(37.3) million Right of Way leased line revenue variance and \$27.4 million of potential retroactive Traction payments, a Capital and Other Reimbursement revenue variance of \$31.7 million which had been planned for collection in 2012, \$5.7 million of delayed Insurance premium payments and \$3.5 million of maintenance, other operating and professional services, partially offset by \$(5.3) million of materials and supplies.

2011 Modified Adopted Budget vs. Actual

Receipts

- **Farebox Revenue** was \$(10.0) million or (1.7)% lower than budget due to lower ridership, advance sales and Metrolink/AirTrain sales, partially offset by higher yields.
- **Other Operating Revenue** was \$(15.2) million or (30.1)% lower than budget primarily due to non-collection of Right of Way leased line fees and air rights revenue, and the timing of intercompany and scrap sale receipts, partially offset by higher freight revenue.
- **Capital and Other Reimbursements** were \$(36.5) million or (16.5)% the timing of activity and reimbursement for capital and other reimbursements.

Expenditures

- **Payroll** was \$0.9 million or 0.2% lower than budget due to lower payments.
- **Overtime** was \$(18.6) million or (23.1)% higher than budget primarily due to higher vacancy/absentee coverage, weather-related overtime, average wage rates and prior year payments, partially offset by lower maintenance overtime.
- **Health and Welfare** was \$0.4 million or 0.4% lower than budget primarily due to lower headcount.
- **OPEB Current Payment** was \$5.9 million or 10.1% lower than budget primarily due to fewer retirees.
- **Pensions** were \$9.5 million or 5.5% lower than budget due to decreased contributions as per latest actuarial estimate.
- **Other Fringe Benefits** were \$1.3 million or 1.2% lower than budget primarily due to lower Railroad Retirement Tax and Railroad Unemployment payments.
- **Traction and Propulsion Power** was \$19.0 million or 20.8% lower than budget primarily due to lower rates and the timing of payments, partially offset by increased consumption.
- **Fuel for Trains** was \$(2.1) million or (11.8)% higher than budget primarily due to higher rates, partially offset by the timing of payments and decreased consumption.
- **Insurance** was \$5.3 million or 25.4% lower than budget primarily due to the timing of payments.
- **Claims** were \$4.2 million or 30.3% lower than budget primarily due to lower claim payments.

- **Maintenance and Other Operating Contracts** was \$23.9 million or 26.1% lower than budget primarily due to the timing of payments for maintenance, joint facility and operating services, lower utility, lease and rental, communication and other maintenance service payments, partially offset by higher payments for construction services.
- **Professional Service Contracts** were \$3.6 or 17.6% lower than budget primarily due to lower payments for and the timing of contracted and MTA chargeback services.
- **Materials and Supplies** were \$38.0 million or 28.4% lower than budget due to lower purchases and the timing of program and production plan, operating funded capital, and ESA material.
- **Other Business Expenses** were \$3.7 million or 33.1% lower than budget primarily due to higher restitution of property damages payments and lower employee expense payments, partially offset by lower credit/debit card fee payments.
- **Other Expense Adjustments** were \$3.0 million or 9.4% lower than budget due to lower Metrocard/AirTrain sales pass-through payments.
- **Cash Timing and Availability Adjustment** was \$1.9 million higher than budget in order to align to the daily cash balance as reported to the MTA.

MTA LONG ISLAND RAIL ROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
CASH RECEIPTS AND EXPENDITURES
(\$ in millions)

	2011			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2011 Adopted Budget		Final Estimate	
				\$	%	\$	%
Receipts							
Farebox Revenue	\$606.736	\$598.173	\$596.699	(\$10.037)	(1.7)	(\$1.474)	(0.2)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	50.592	77.357	35.350	(15.242)	(30.1)	(42.007)	(54.3)
Capital and Other Reimbursements	220.873	160.399	184.416	(36.457)	(16.5)	24.017	15.0
Total Receipts	\$878.201	\$835.929	\$816.465	(\$61.736)	(7.0)	(\$19.464)	(2.3)
Expenditures							
Labor:							
Payroll	\$478.341	\$475.117	\$477.441	\$0.900	0.2	(\$2.324)	(0.5)
Overtime	80.557	94.064	99.126	(18.569)	(23.1)	(5.062)	(5.4)
Health and Welfare	97.061	95.129	96.648	0.413	0.4	(1.519)	(1.6)
OPEB Current Payment	58.797	55.394	52.858	5.939	10.1	2.536	4.6
Pensions	173.968	178.637	164.450	9.518	5.5	14.187	7.9
Other Fringe Benefits	103.899	103.305	102.630	1.269	1.2	0.675	0.7
GASB Account	7.948	7.233	7.233	0.715	9.0	0.000	0.0
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenditures	\$1,000.571	\$1,008.879	\$1,000.385	\$0.186	0.0	\$8.494	0.8
Non-Labor:							
Traction and Propulsion Power	\$91.465	\$107.051	\$72.461	\$19.004	20.8	\$34.590	32.3
Fuel for Buses and Trains	17.726	21.741	19.812	(2.086)	(11.8)	1.929	8.9
Insurance	20.966	21.372	15.649	5.317	25.4	5.723	26.8
Claims	13.978	13.233	9.742	4.236	30.3	3.491	26.4
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	91.645	75.394	67.743	23.902	26.1	7.651	10.1
Professional Service Contracts	20.688	17.944	17.042	3.646	17.6	0.902	5.0
Materials & Supplies	134.113	98.460	96.090	38.023	28.4	2.370	2.4
Other Business Expenses	11.308	9.097	7.561	3.747	33.1	1.536	16.9
Total Non-Labor Expenditures	\$401.889	\$364.292	\$306.100	\$95.789	23.8	\$58.192	16.0
Other Expense Adjustments:							
B&T Capital Transfer				\$0.000	-	\$0.000	-
General Reserve				0.000	-	0.000	-
Interagency Subsidy				0.000	-	0.000	-
Other	32.000	29.000	28.982	3.018	9.4	0.018	0.0
Total Other Expenditure Adjustments	\$32.000	\$29.000	\$28.982	\$3.018	9.4	\$0.018	0.0
Total Expenditures	\$1,434.460	\$1,402.171	\$1,335.467	\$98.993	6.9	\$66.704	4.8
Cash Timing and Availability Adjustment	0.000	(0.661)	1.863	1.863	-	2.524	*
Operating Cash Deficit	(\$556.259)	(\$566.903)	(\$517.139)	\$39.120	7.0	\$49.764	8.8

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
CASH CONVERSION (CASH FLOW ADJUSTMENTS)
(\$ in millions)

	2011			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2011 Adopted Budget		Final Estimate	
				\$	%	\$	%
Receipts							
Farebox Revenue	\$32.000	\$30.719	\$24.993	(\$7.007)	(21.9)	(\$5.726)	(18.6)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	13.012	43.327	1.165	(11.847)	(91.0)	(42.162)	(97.3)
Capital and Other Reimbursements	(15.102)	(44.411)	(12.659)	2.443	16.2	31.752	71.5
Total Receipts	\$29.910	\$29.635	\$13.498	(\$16.411)	(54.9)	(\$16.137)	(54.5)
Expenditures							
Labor:							
Payroll	\$2.238	\$4.882	(\$3.175)	(\$5.413)	*	(\$8.057)	*
Overtime	0.000	(1.808)	(1.823)	(1.823)	-	(0.015)	(0.8)
Health and Welfare	0.000	0.000	(1.366)	(1.366)	-	(1.366)	-
OPEB Current Payment	0.000	0.000	1.434	1.434	-	1.434	-
Pensions	0.000	0.000	0.123	0.123	-	0.123	-
Other Fringe Benefits	0.000	(0.138)	(0.776)	(0.776)	-	(0.638)	*
GASB Account	(7.948)	(7.233)	(7.233)	0.715	9.0	0.000	0.0
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor Expenditures	(\$5.710)	(\$4.297)	(\$12.816)	(\$7.106)	*	(\$8.519)	*
Non-Labor:							
Traction and Propulsion Power	(\$2.736)	(\$23.077)	\$6.914	\$9.650	*	\$29.991	*
Fuel for Buses and Trains	0.000	2.000	3.151	3.151	-	1.151	57.6
Insurance	1.693	(1.216)	3.956	2.263	*	5.172	*
Claims	1.835	2.577	0.204	(1.631)	(88.9)	(2.373)	(92.1)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	(0.300)	7.868	10.478	10.778	*	2.610	33.2
Professional Service Contracts	2.500	1.843	3.570	1.070	42.8	1.727	93.7
Materials & Supplies	13.700	32.032	7.782	(5.918)	(43.2)	(24.250)	(75.7)
Other Business Expenses	0.400	0.575	1.737	1.337	*	1.162	*
Total Non-Labor Expenditures	\$17.092	\$22.602	\$37.791	\$20.699	*	\$15.189	67.2
Other Expense Adjustments:							
B&T Capital Transfer	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
General Reserve	0.000	0.000	0.000	0.000	-	0.000	-
Interagency Subsidy	0.000	0.000	0.000	0.000	-	0.000	-
Other	(32.000)	(29.000)	(28.982)	3.018	9.4	0.018	0.0
Total Other Expenditure Adjustments	(\$32.000)	(\$29.000)	(\$28.982)	\$3.018	9.4	\$0.018	0.0
Total Expenditures Before Depreciation	(\$20.618)	(\$10.695)	(\$4.008)	\$16.610	80.6	\$6.687	62.5
Depreciation	\$317.991	\$314.997	\$316.199	(\$1.792)	(0.6)	\$1.202	0.4
Other Post Employee Benefits	75.000	74.940	74.628	(0.372)	(0.5)	(0.312)	(0.4)
Environmental Remediation	2.000	2.254	3.773	1.773	88.7	1.519	67.4
Total Expenditures	\$374.373	\$381.496	\$390.593	\$16.220	4.3	\$9.097	2.4
Cash Timing and Availability Adjustment	0.000	(0.661)	1.863	1.863	-	2.524	*
Baseline Total Cash Conversion Adjustments	\$404.283	\$410.470	\$405.954	\$1.671	0.4	(\$4.516)	(1.1)

Totals may not add due to rounding

MTA LONG ISLAND RAIL ROAD
2011 YEAR-END RESULTS
CASH RESULTS - ACTUAL vs. FINAL ESTIMATE
(\$ in millions)

	2011		Favorable/(Unfavorable) Variance		
	Final Estimate	Actual	Total	Real	Timing
Receipts					
Farebox Revenue	\$598.173	\$596.699	(\$1.474)	(\$0.346)	(\$1.128)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	77.357	35.350	(42.007)	(1.922)	(40.085)
Capital and Other Reimbursements	160.399	184.416	24.017	(7.700)	31.717
Total Receipts	\$835.929	\$816.465	(\$19.464)	(\$9.968)	(\$9.496)
Expenditures					
Labor:					
Payroll	\$475.117	\$477.441	(\$2.324)	(\$1.348)	(\$0.976)
Overtime	94.064	99.126	(5.062)	(5.062)	0.000
Health and Welfare	95.129	96.648	(1.519)	(0.085)	(1.434)
OPEB Current Payment	55.394	52.858	2.536	1.102	1.434
Pensions	178.637	164.450	14.187	14.187	0.000
Other Fringe Benefits	103.305	102.630	0.675	0.675	0.000
GASB Account	7.233	7.233	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$1,008.879	\$1,000.385	\$8.494	\$9.470	(\$0.976)
Non-Labor:					
Traction and Propulsion Power	\$107.051	\$72.461	\$34.590	\$4.981	\$29.609
Fuel for Buses and Trains	21.741	19.812	1.929	0.778	1.151
Insurance	21.372	15.649	5.723	0.000	5.723
Claims	13.233	9.742	3.491	3.491	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	75.394	67.743	7.651	5.860	1.791
Professional Service Contracts	17.944	17.042	0.902	(0.905)	1.807
Materials & Supplies	98.460	96.090	2.370	7.700	(5.330)
Other Business Expenses	9.097	7.561	1.536	0.757	0.779
Total Non-Labor Expenditures	\$364.292	\$306.100	\$58.192	\$22.662	\$35.530
Other Expenditure Adjustments:					
Other	29.000	28.982	0.018	0.018	0.000
Total Other Expenditure Adjustments	\$29.000	\$28.982	\$0.018	\$0.018	\$0.000
Total Expenditures	\$1,402.171	\$1,335.467	\$66.704	\$32.150	\$34.554
Cash Timing and Availability Adjustment	(\$0.661)	\$1.863	\$2.524	\$2.524	\$0.000
Baseline Cash Deficit	(\$566.903)	(\$517.139)	\$49.764	\$24.706	\$25.058

**MTA LONG ISLAND RAIL ROAD
2011 YEAR-END REPORT
EXPLANATIONS OF VARIANCES on POSITIONS
By FUNCTION and DEPARTMENT
NON-REIMBURSABLE/ REIMBURSABLE and FULL-TIME/ FULL-TIME
EQUIVALENTS**

2011 Final Estimate vs. Actual

At the end of 2011, the Long Island Rail Road had 6,312 total paid employees, which consisted of 5,765 non-reimbursable and 547 reimbursable positions. The total headcount was 168 positions or 2.6% below the final estimate of 6,480. Employee headcount as compared to 2010 showed a decrease of 141 positions or 2.2%.

The lower number of actual positions as compared to the final estimate was associated with greater than expected headcount attrition and hiring delays. Hiring plans were developed and implemented for operational positions to achieve full headcount by the fourth quarter of 2012. Significant portions of the headcount vacancies versus final estimate were found in Engineering, Maintenance of Equipment, Transportation Services, Department of Program Management and several Administrative departments.

MTA LONG ISLAND RAIL ROAD
2011 YEAR-END REPORT
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
December 31, 2011

Department	2011 Adopted Budget	2011 Final Estimate	Actual	Favorable/(Unfavorable)			
				2011 Adopted Budget Variance	%	2011 Final Estimate Variance	%
Administration							
Executive VP	2	2	2	-	0.0%	-	0.0%
Labor Relations	9	10	10	(1)	-11.1%	-	0.0%
Procurement & Logistics (excl. Stores)	84	84	83	1	1.2%	1	1.2%
Human Resources	75	76	78	(3)	-4.0%	(2)	-2.6%
Sr VP Administration	2	2	2	-	0.0%	-	0.0%
Strategic Investments	39	39	30	9	23.1%	9	23.1%
President	4	4	4	-	0.0%	-	0.0%
VP & CFO/Pension	9	9	9	-	0.0%	-	0.0%
Information Technology	160	160	157	3	1.9%	3	1.9%
Controller	42	41	39	3	7.1%	2	4.9%
Management & Budget	17	18	18	(1)	-5.9%	-	0.0%
Process Re-Engineering	6	6	6	-	0.0%	-	0.0%
VP - East Side Access & Special Projects	26	26	19	7	26.9%	7	26.9%
Market Dev. & Public Affairs	54	61	59	(5)	-9.3%	2	3.3%
Gen. Counsel & Secretary	31	30	30	1	3.2%	-	0.0%
Diversity Management	2	2	2	-	0.0%	-	0.0%
System Safety	19	20	20	(1)	-5.3%	-	0.0%
Security	5	5	6	(1)	-20.0%	(1)	-20.0%
Sr VP Operations/Oper. Support & Analysis	39	39	37	2	5.1%	2	5.1%
Total Administration	625	634	611	14	2.2%	23	3.6%
Operations							
Transportation Services - Train Operations	1,788	1,792	1,784	4	0.2%	8	0.4%
Transportation Services - Station Operations	291	294	274	17	5.8%	20	6.8%
Total Operations	2,079	2,086	2,058	21	1.0%	28	1.3%
Maintenance							
Engineering	1,625	1,591	1,532	93	5.7%	59	3.7%
Equipment	1,948	1,958	1,912	36	1.8%	46	2.3%
Procurement (Stores)	94	94	93	1	1.1%	1	1.1%
Total Maintenance	3,667	3,643	3,537	130	3.5%	106	2.9%
Engineering/Capital							
Department of Project Management	117	117	106	11	9.4%	11	9.4%
Total Engineering/Capital	117	117	106	11	9.4%	11	9.4%
Total Positions	6,488	6,480	6,312	176	2.7%	168	2.6%
Non-Reimbursable	5,853	5,849	5,765	88	1.5%	84	1.4%
Reimbursable	635	631	547	88	13.9%	84	13.3%
Total Full-Time	6,488	6,480	6,312	176	2.7%	168	2.6%
Total Full-Time-Equivalents (of part-time positions)					0.0%		0.0%

**MTA LONG ISLAND RAIL ROAD
2011 YEAR-END REPORT
EXPLANATIONS of VARIANCES
By FUNCTION AND OCCUPATION GROUP**

2011 Final Estimate vs. Actual

At the end of 2011, the Long Island Rail Road had 6,312 total paid employees, which consisted of 1,307 Managers/Supervisors, 733 Professional, Technical & Clerical and 4,272 Operational Hourlies. The total headcount was 168 positions or 2.6% below the year-end estimate of 6,480. Headcount vacancies at year-end were primarily found in Managers/Supervisors and Operational Hourlies titles. The vast majority of vacant positions were in Maintenance of Equipment due to greater than expected headcount attrition and hiring delays. Hiring plans were developed and implemented for operational positions to achieve full headcount by the fourth quarter of 2012.

MTA LONG ISLAND RAIL ROAD
2011 YEAR-END REPORT
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
December 31, 2011

FUNCTION/OCCUPATION	2011 Adopted Budget	2011 Final Estimate	Actual	Favorable/(Unfavorable)			
				2011 Adopted Budget Variance	%	2011 Final Estimate Variance	%
Administration							
Managers/Supervisors	319	326	287	32	10.0%	39	12.0%
Professional, Technical, Clerical	306	308	324	(18)	-5.9%	(16)	-5.2%
Operational Hourlies	-	-	-	0	0.0%	0	0.0%
Total Administration	625	634	611	14	2.2%	23	3.6%
Operations							
Managers/Supervisors	289	299	287	2	0.7%	12	4.0%
Professional, Technical, Clerical	155	159	155	0	0.0%	4	2.5%
Operational Hourlies	1,635	1,628	1,616	19	1.2%	12	0.7%
Total Operations	2,079	2,086	2,058	21	1.0%	28	1.3%
Maintenance							
Managers/Supervisors	698	682	643	55	7.9%	39	5.7%
Professional, Technical, Clerical	249	256	238	11	4.4%	18	7.0%
Operational Hourlies	2,720	2,705	2,656	64	2.4%	49	1.8%
Total Maintenance	3,667	3,643	3,537	130	3.5%	106	2.9%
Engineering/Capital							
Managers/Supervisors	98	97	90	8	8.2%	7	7.2%
Professional, Technical, Clerical	19	20	16	3	15.8%	4	20.0%
Operational Hourlies	-	-	-	0	0.0%	0	0.0%
Total Engineering/Capital	117	117	106	11	9.4%	11	9.4%
Public Safety							
Managers/Supervisors	-	-	-	0	0.0%	0	0.0%
Professional, Technical, Clerical	-	-	-	0	0.0%	0	0.0%
Operational Hourlies	-	-	-	0	0.0%	0	0.0%
Total Public Safety	-	-	-	0	0.0%	0	0.0%
Total Positions							
Managers/Supervisors	1,404	1,404	1,307	97	6.9%	97	6.9%
Professional, Technical, Clerical	729	743	733	(4)	-0.5%	10	1.3%
Operational Hourlies	4,355	4,333	4,272	83	1.9%	61	1.4%
Total Positions	6,488	6,480	6,312	176	2.7%	168	0.0%

**MTA LONG ISLAND RAIL ROAD
2011 YEAR-END REPORT
EXPLANATIONS OF VARIANCES ON RIDERSHIP/ (UTILIZATION)**

2011 Final Estimate vs. Actual

Ridership of 81.0 million was 0.8% above final estimate resulting in an increase of \$4.8 million, partially offset by a lower yield per passenger resulting in a decrease of \$(0.5) million.

2011 Adopted Budget vs. Actual

In comparison to budget, actual Farebox revenue was below budget by \$3.0 million. Ridership was (1.1)% below budget resulting in a decrease of \$(6.3) million, partially offset by a higher yield per passenger resulting in an increase of \$3.3 million.

Compared to 2010, ridership decreased by (0.6)% or (0.6) million passengers resulting from decreased commutation and ten trip off peak ticket types. However, in the last four months of 2011 the Rail Road began to see positive growth in ridership compared to 2010.

MTA LONG ISLAND RAIL ROAD
2011 YEAR-END REPORT
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
UTILIZATION
(in millions)

				Variance Favorable/(Unfavorable)			
	Budget	Final Estimate	Actual	vs. Budget		vs. Final Estimate	
				\$	%	\$	%
Farebox Revenue							
Monthly	\$288.265	\$284.092	\$285.236	(\$3.029)	(1.1)	\$1.145	0.4
Weekly	15.365	13.437	13.967	(1.398)	(9.1)	0.530	3.9
Total Commutation	\$303.630	\$297.529	\$299.204	(\$4.427)	(1.5)	\$1.675	0.6
One Way Full	\$69.874	\$70.625	\$72.036	\$2.162	3.1	\$1.411	2.0
One Way Off Peak	141.676	140.860	141.391	(0.285)	(0.2)	0.531	0.4
All Other	59.556	58.440	59.075	(0.480)	(0.8)	0.635	1.1
Total Non Commutation	\$271.106	\$269.926	\$272.503	\$1.396	0.5	\$2.577	1.0
Total Farebox Revenue	\$574.736	\$567.454	\$571.706	(3.030)	(0.5)	\$4.252	0.7
Ridership							
Monthly	46.088	45.092	45.292	(0.796)	(1.7)	0.200	0.4
Weekly	1.851	1.605	1.668	(0.183)	(9.9)	0.062	3.9
Total Commutation	47.939	46.698	46.960	(0.979)	(2.0)	0.262	0.6
One Way Full	7.306	7.493	7.697	0.391	5.4	0.204	2.7
One Way Off Peak	17.275	17.109	17.132	(0.144)	(0.8)	0.023	0.1
All Other	9.406	9.050	9.239	(0.167)	(1.8)	0.189	2.1
Total Non Commutation	33.987	33.652	34.067	0.080	0.2	0.415	1.2
Total Ridership	81.926	80.350	81.027 ⁽¹⁾	(0.899)	(1.1)	0.677	0.8

(1) Includes estimated loss of 380,000 rides due to Tropical Storm Irene and Amtrak Derailment (May)

**MTA LONG ISLAND RAIL ROAD
2011 YEAR-END REPORT
RESULTS OF OPERATIONS**

FINANCIAL PERFORMANCE

Overall, the LIRR finished 2011 favorable to the Adopted Budget. Total spending of \$1,726 million was \$82.8 million favorable to the budget of \$1,809 million. The net deficit was \$(923.1) million, or 3.9% favorable to budget. The operating cash deficit was \$(517.1) million or 7.0% favorable to budget.

In order to achieve these savings, the LIRR strove to reduce costs through initiatives that aim to improve productivity and efficiency without affecting service to customers,, continuing efforts begun in 2010. Areas of special focus include: overtime, inventory and material acquisition, revenue protection, and administrative costs. Equally important, savings were achieved while the LIRR maintained sufficient funding for infrastructure and rolling stock maintenance and providing for increased investment in customer communication initiatives.

Overtime: The reductions in spending and hours worked that the Rail Road achieved during 2010 were sustained during 2011, but the LIRR did not achieve its more aggressive budget target for 2011. This is due in large part to the series of extreme weather events. Excluding weather-related overtime, total spending increased by \$1.9 million (2.2%) when compared to 2010. The increase in spending from 2010 to 2011 was due primarily to open jobs in the Maintenance of Equipment department (\$1.1) million and a higher reimbursable overtime in Engineering (\$1.8) million associated with capital and other reimbursable project activity.

Regarding open job related overtime, the vast majority of vacant positions was in the Maintenance of Equipment Department and stemmed from greater than expected headcount attrition in 2010 and 2011. The time required to backfill vacant position is contingent on training requirements and capacity. Hiring plans were developed and implemented for operational positions to achieve full headcount by mid-2012. The Overtime Task Force will continue to monitor all overtime in 2012 as well as progress with achieving the hiring plan.

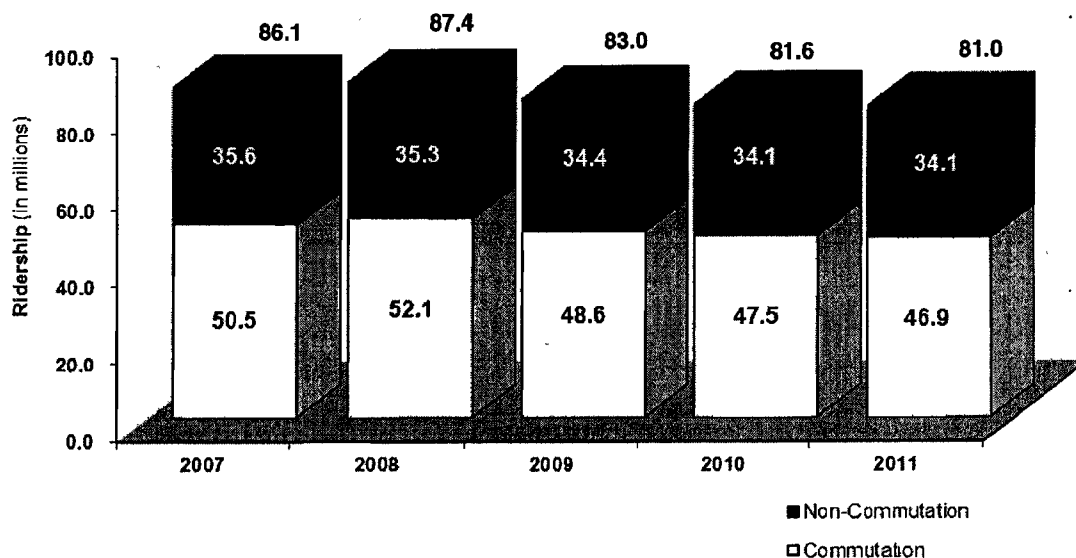
Inventory and Material Acquisition: In 2009, the LIRR established an Inventory Task Force to improve the management of inventory and material acquisition. The goals were to ensure financial resources were maximized, surplus and excess material was avoided, and inventory levels were reduced while also ensuring that material is available to meet departmental work plans and infrastructure maintenance needs. Success is evident in that overall inventory levels have decreased dramatically when compared to prior years, and the LIRR has achieved the inventory draw down budget targets included in the 2010 and 2011 budgets. 2011 year-end total inventory level for Engineering and Maintenance of Equipment is \$7.5 million lower than the December 2010 level, a 5 percent reduction. The Adopted Budget cash savings target of \$10.0 million was achieved.

Revenue Protection: The LIRR launched an initiative in 2011 to reduce the potential for credit card fraud. This entailed establishing an Address Verification System on all Ticket Vending Machines, requiring customers using credit and debit cards to enter their zip code during the ticket purchase process. Initial results have shown that this has led to a substantial reduction in credit card “chargebacks,” resulting in increased revenue for the LIRR.

Administrative Costs: The LIRR successfully maintained the 15% reduction in administrative expenditures that started in 2010.

Farebox Operating Ratio and Cost Per Passenger: The LIRR’s farebox operating ratio increased from 46.1% in 2010 to 50.5% in 2011. This increase is due to higher passenger revenue. It is important to note that excluding the LIRR’s unfunded pension liability expenses, the LIRR’s farebox operating ratio would have been 61.3% in 2011. The LIRR’s operating cost per passenger increased from \$13.97 in 2010 to \$14.03 in 2011. While expenses remained relatively flat, ridership dropped from 2010 levels.

RIDERSHIP AND REVENUE



LIRR Ridership & NYC Employment

	2007	2008	2009	2010	2011	11 vs. 10
Commutation	50.5	52.1	48.6	47.5	47.0	-1.0%
Non-Commutation	35.6	35.3	34.4	34.1	34.1	-0.1%
Total Ridership	86.1	87.4	83.0	81.6	81.0	-0.6%
NYC Employment	3,744.6	3,794.3	3,693.4	3,707.9	3,741.3	0.9%

* 2011 NYC Employment preliminary

Note: These figures do not reflect the year end adjusted ridership figures.

In 2011, the LIRR experienced its lowest annual ridership since 2004. Total 2011 ridership was 81.0 million, 0.8% favorable to the final estimate and (1.1)% below the budget. Compared to 2010, ridership decreased by (0.6)% or 0.6 million passengers resulting from decreased in commutation, ten trip off peak and one way off peak ticket types.

The lower ridership was driven largely by the residual impact of weak regional economy. While there was an improvement in NYC Employment in 2011, an analysis of historical data implies that there is a lag between employment growth and LIRR ridership growth. This is consistent with the fact that the railroad began to experience positive ridership growth in the final four months of 2011.

In addition to economic factors, there were several events that reduced ridership in 2011. These included several weather-related events and an Amtrak derailment. Separately, the 2010 service reductions, including those to service to Brooklyn, West Hempstead and Port Washington also contributed to reduced ridership.

In 2011, the LIRR remained focused on improving customer service – as evidenced by the improved operational performance outlined below - and attracting new customers through several initiatives. 2011 LIRR's leisure business experienced ridership growth of 2.2% over 2010 despite the overall declining ridership trend in 2011, generating \$2.3 million or 13.4% stemming from a comprehensive mix of promotional Getaways and Packages.

The Rail Road continued its program providing service to the Meadowland's MetLife Stadium carrying 17,008 customers and generating \$223,761 (down from 24,058 customers and \$281,971 in 2010 due to fewer special events/concerts).

In addition, the LIRR has made a major effort in community outreach to help grow overall ridership. These activities included:

- The 2011 Sales Outreach Program established a presence at major conferences, corporate and community events including the Long Island Convention & Visitors Bureau, the East End/North Fork Promotional Group, Fire Island Promotional Group, and the Chambers of Commerce in our region.
- Promotional tables were manned at events such as the annual Oyster Bay Oyster Festival and some of the major shows at the Jacob Javits Convention Center including: the New York International Auto Show, New York Times Travel Show, and GLBT Expo.
- Sales outreach also included visits to schools for education in safety and group travel. A bi-annual newsletter is distributed to over 7,000 school teachers and other group leaders.
- Social media posts were completed on a regular basis for Facebook, Twitter and YouTube. The LIRR utilizes a segmented approach to obtain followers for our LIRRTrain2Game and LIRR Deals4U twitter accounts. Emails/blasts are also sent to groups in various segments.
- A tourism cart continued to provide literature at our new Atlantic Terminal.

CUSTOMER SATISFACTION

The Long Island Rail Road achieved customer satisfaction rating with an overall score of 78%, indicating the majority of customers were satisfied with the LIRR. Train service received a score of 79%. Boarding stations received an 86% overall satisfaction rating. It is possible that lower satisfaction was attributable to service disruptions caused by the Amtrak derailment and unusually harsh winter weather. Safety from accidents on-board trains (93%) and conductor courtesy and responsiveness (92%) both received the highest scores.

Customer Communication

As part of an ongoing effort to improve customer communications, the LIRR expanded staffing in its around-the-clock Public Information Office (PIO) and opened a new PIO space inside the LIRR's command center. This effort is designed to ensure that the customer receives a timely and consistent message across all available media platforms. The LIRR also increased timing points along the Right of Way and is installing GPS on remaining part of its fleet by the end of 2012 to enhance the quality of train information displayed on automated electronic signs that now have been installed at all 121 branch line stations.

New smart phone and web applications have been developed to provide improved real time train reporting information to the new LIRR Public Information Office (PIO) and LIRR customers. Enhanced GPS data units will also provide improved train location information and will be installed on the entire fleet by the end of 2012.

In 2011, the MTA Customer Service Working Group worked together to accomplish several goals at the Chairman's request. This included establishing 511 as a single telephone number entry point for callers for all MTA Agencies. (Although each agency's number was not eliminated, it is no longer advertised separately.)

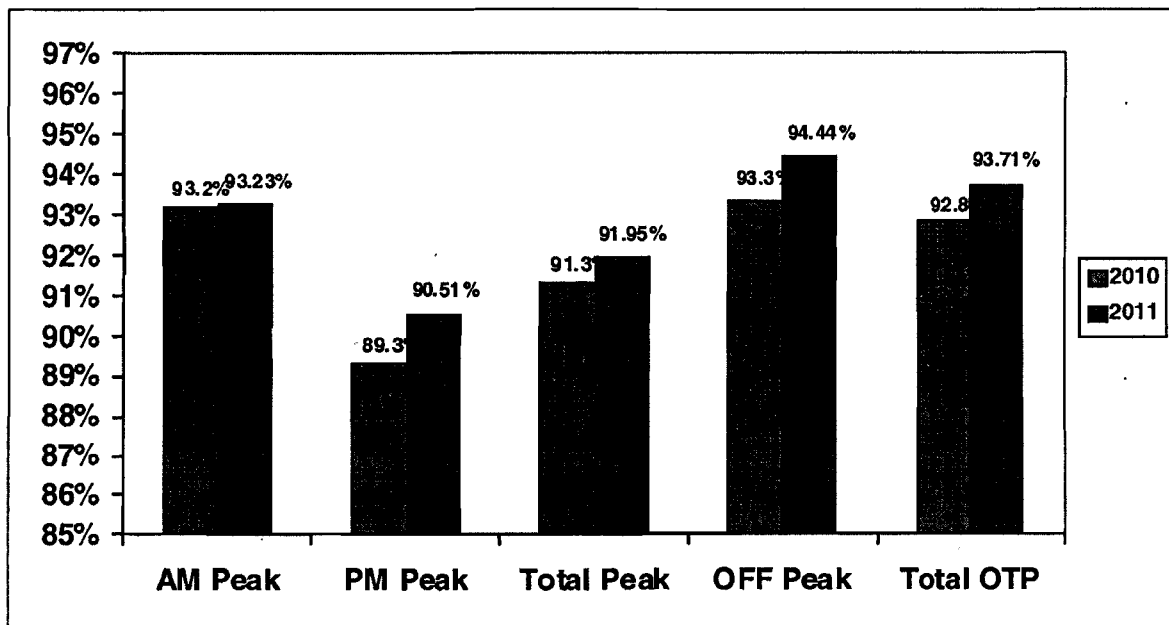
The Travel Information Call Center also made improvements in 2011. Better coordination with third party providers of LIRR information including CooCoo, Trip Planner+ by providing them with continuous updates during service disruptions. Expanded coverage at the Travel Information Call Center during major service disruptions, storms or as required to handle additional call volume.

ON-TIME PERFORMANCE

One of the most important predictors of customer satisfaction is the ability of the LIRR to deliver passengers to their intended destinations on time.

For 2011, the LIRR's overall On-Time Performance (OTP) was 93.7%. This exceeded the 2010 performance by nearly a full percentage point, with 2,714 fewer trains running late. An improvement was seen in all categories of delay, with the exception of vandalism.

System-wide, in 2011 each period of the day, (AM Peak, PM Peak, Off Peak Weekday and Weekend) was either equal or better than during the same period in 2010. In addition, an improvement was seen for every branch, except Montauk. New monthly records were set in two months in 2011, December at 95.97% and March at 95.62%. There was a 15% reduction in cancellations compared to 2010. All good news for the customer.



EQUIPMENT RELIABILITY

A key factor driving the higher OTP level is improved equipment reliability. Mean Distance Between Failure (MDBF) for the entire fleet in 2011 was 169,724 miles, which exceeded the 2011 goal of 150,000 miles by 13.1%. This represents a 13.4% increase from 2010 and was the highest annual fleet-wide MDBF since tracking was initiated.

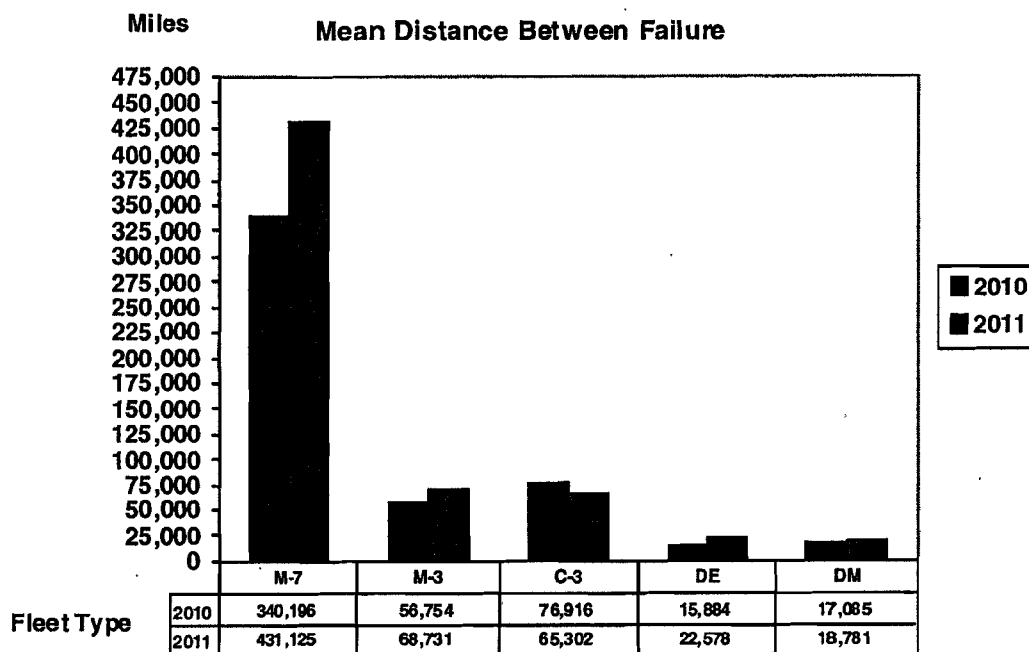
As of the end of 2011, the MU electric fleet consisted of 832 M-7 and 150 M-3 cars available for revenue service. The diesel fleet consisted of 134 C-3 coach cars and 45 diesel locomotives. The MU (M-7 & M-3) and diesel (C-3 Coach) spare ratio was 13.2% and 14.9% respectively. The AM peak requirement was 852 for the MU fleet and 114 for the C-3 coaches.

The M-7 fleet MDBF continues to be the driving factor in the LIRR's fleet MDBF achievements. The M-7 fleet MDBF was 431,125 miles, which exceeded the goal of 350,000 miles by 23%. The Reliability Centered Maintenance (RCM) program and rigorous maintenance programs resulted in the reduction of mechanical MDBF primary failures related to the Automatic Speed Control (ATC) and brake issues.

The Maintenance of Equipment Department's efforts have also lead to improved reliability of the 25 year old M-3 fleet. The M3 MDBF of 68,731 miles exceeded the goal

by 13,731 miles or 25% and exceeded the 2010 actuals by 21%. It was also the highest MDBF ever recorded for the M-3 fleet. The Automatic Train Control modification initiative conducted in 2010 yielded excellent results. This modification successfully eliminated the mechanical delays.

The diesel fleet MDBF was 45,770 miles, which exceeded the goal by 1,770 miles or 4.0%.



Diesel Fleet Reliability Plan

Many improvements in diesel passenger locomotive and coach maintenance have taken place in the past four years with several large programs only now coming to fruition after extensive review and testing. Some of the modifications/improvements include:

- Door maintenance and reliability improvements with enhanced door parts and modified maintenance procedures. Door prototyping is in progress and upon successful testing the entire C-3 fleet will be upgraded.
- Locomotive weather-proofing included the installation of side filters to eliminate snow ingestion into the generator room and cover on couplers to prevent freezing in storm conditions.
- Truck and under-car re-cabling.
- Electrical cabinet cooling.
- Upgraded C-3 Coach Automated Station Identification/Radio Public Address in development.
- Siemens gate unit replacement and software upgrade for improved reliability of electronic systems.

CAPITAL IMPROVEMENTS

In 2011, the LIRR advanced construction on important segments within its infrastructure asset categories. The normal replacement schedule was maintained as many projects were completed while system improvement projects were also progressed.

- The installation and cutover of a new microprocessor based signal system at Wantagh and Amityville Interlockings was completed. The work included new switches, signals, relays, and electronic equipment as well as the replacement of outdated control machines with microprocessor technology. The new signal system will reduce maintenance and increase the reliability and efficiency of service.
- The Audio Visual Paging System (AVPS) Expansion was completed with the installation of electronic signage on all station platforms. This work contributes to the railroad's efforts to enhance the quality and content of audio and visual messages to the public, including automated, pre-recorded, and live information.
- The Bellaire Substation was completed and energized.
- The replacement of the escalators at Merrick, Bellmore, and Massapequa Park Stations was completed. The work also included new electrical services, structural support work, new mechanical rooms, and upper & lower landings. General site work at each station involved replacement of the platform level parapet walls, windscreen enclosures, and lighting in the escalator plaza areas. The new escalators will increase reliability and reduce escalator maintenance.
- Parking lot rehabilitations were completed at Kew Gardens and Stony Brook Stations.
- The 2011 Annual Track Program continued the LIRR's cyclical replacement of track assets, including replacement of over 30,000 mechanized ties on the Montauk, Far Rockaway, and Main Line Branches, 102 miles of track surfacing, rehabilitation of 21 highway grade crossings, as well as other upgrades.
- The replacement of the existing Direct Fixation Track Fastening System along the Amityville, Copiague, and Lindenhurst (ACL) Viaducts on the Babylon Branch was completed.
- Atlantic Avenue Viaduct, Phase 2B rehabilitation was completed with the replacement of the final 17 deteriorated spans (out of 199). The work included replacement of the upper portion of the existing columns and the structural steel members above the column caps, addition of exterior safety walkways, track replacement and relocation of utilities.
- Rehabilitation of 6 bridge abutments and a pedestrian underpass, as well as 8,600 LF of semi-gravity retaining walls on the Port Washington Branch in

Elmhurst and Corona, Queens was completed. The work included concrete repairs due to cracking, spalling (cracking or flaking), water infiltration, and loss of section. This project is part of the LIRR's program to maintain bridges and other substructures in a state of Good Repair.

- The above-deck rehabilitation of Queens Boulevard Bridge, a 10-span structure that carries Main Line Tracks 1 through 4 and Port Washington Tracks 1 and 2 was completed. The work included track removal and replacement, waterproofing of the bridge deck, and installation of track drainage.
- The bridge painting contract was completed, which included 10 bridges. Also, a new bridge painting contract for 5 additional bridges in Queens and Nassau was awarded and is currently in-progress.

In addition, a number of other capital investments were progressed during 2011. This includes new elevators at Queens Village Station and Atlantic Terminal, Massapequa Station Platform Rehabilitation, a new 12-car electrified and interlocked pocket track in the Massapequa vicinity; rehabilitation of North Highway, Montauk Highway, and Shinnecock Canal Bridges on the Montauk Branch; and rehabilitation of the Queens Blvd. Bridge (below deck).

CUSTOMER/EMPLOYEE SAFETY & SECURITY

Safety

The LIRR's goal is to provide the most reliable service possible while ensuring the safety of customers and employees. Transporting customers to their destinations in a safe and secure manner is the LIRR's highest priority.

In 2011, the LIRR experienced an increase of 34 customer accidents from 2010, to a total of 474 incidents. The difficult winter weather conditions during the beginning of the calendar year appear to be the primary reason for this increase.

The LIRR's gap remediation program produced significant positive results. Customers' gap-related incidents were reduced by 21%, from 62 incidents in 2010 to 49 incidents in 2011. These results were achieved by a combination of modifications made to train cars, platforms, and tracks, as well as initiatives to enhance customer awareness of safety when entering and exiting trains. Additionally, the LIRR has modified the station inspection process, reporting forms, and the corresponding database. The result has been an improved ability to address deficiencies that may exist at stations.

2011 saw the number of lost time and restricted duty cases remain essentially flat. While the total number of cases was reduced by 2, from 184 in 2010 to 182 in 2011, the case rate (per 200,000 hours worked) increased 4% from 2.77 in 2010 to 2.86 in 2011. To address this matter, the LIRR has initiated a new campaign to increase employee awareness, "Think Safety / Act Safely: Working towards an accident-free workplace." This company-wide program is a multi-faceted approach to ensure accountability in

safety. The program utilizes goal setting and trend analysis, field observations, training and employee feedback to establish a foundation for personal safety and organizational excellence.

Security

During 2011, the LIRR Office of Security increased security at railroad facilities through the installation of high security electronic gates, CCTV and access control device installations at several facilities. By the end of 2011, there were 290 total access control devices located at doors, gates and yards, an increase of 200 or 222% over 2010. This provides the LIRR Regional Security Command Center with the capability to access these devices remotely, reducing the need for additional personnel to allow access to these facilities. These locations included Hillside Support Facility, Jamaica Central Control Building, West Side Storage Yard, Jay Hall & Dutton Signal Towers, Johnson Ave Storage Yard, Fresh Pond Yard, Jamaica Commissary, Upper Holban Yard, Arch Street Facility and Atlantic Avenue Terminal.

During 2011, the Regional Security Command Center reacted to a series of extraordinary weather events: multiple major snowstorms, an earthquake and Hurricane Irene, coordinating closely with both internal and external departments and law enforcement agencies. The Regional Security Command Center reviewed and produced 1,572 hours of video as compared to 86 hours in 2010 and retrieved 440 video clips (up from 52 in 2010) to support investigations to assist multiple agencies, including MTAPD, MTA Legal, NYPD and Amtrak police, ranging from criminal investigations to civil litigation.

MTA LONG ISLAND RAIL ROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs ACTUALS
MONTHLY PERFORMANCE INDICATORS
December 2011

		YEAR-TO-DATE			VARIANCE	
		<u>2011</u>	<u>Final Estimate</u>	<u>2010</u>	<u>vs. Final</u>	<u>vs. 2010</u>
Farebox Operating Ratio						
	Standard ⁽¹⁾	50.5%	47.9%	46.1%	2.6%	4.4%
	Adjusted ⁽²⁾	61.3%	58.4%	n/a	2.9%	n/a
Cost Per Passenger						
	Standard ⁽¹⁾	\$14.03	\$14.81	\$13.97	\$0.78	(\$0.06)
	Adjusted ⁽²⁾	\$12.19	\$12.81	n/a	\$0.62	n/a
Passenger Revenue/Passenger ⁽³⁾		\$7.08	\$7.09	\$6.44	(\$0.01)	\$0.64
		YEAR-TO-DATE			VARIANCE	
		<u>2011</u>	<u>Adopted Budget</u>	<u>2010</u>	<u>vs. Budget</u>	<u>vs. 2010</u>
Farebox Operating Ratio						
	Standard ⁽¹⁾	50.5%	48.6%	46.1%	1.9%	4.4%
	Adjusted ⁽²⁾	61.3%	59.9%	n/a	1.4%	n/a
Cost Per Passenger						
	Standard ⁽¹⁾	\$14.03	\$14.49	\$13.97	\$0.46	(\$0.06)
	Adjusted ⁽²⁾	\$12.19	\$12.49	n/a	\$0.30	n/a
Passenger Revenue/Passenger ⁽³⁾		\$7.08	\$7.05	\$6.44	\$0.03	\$0.64

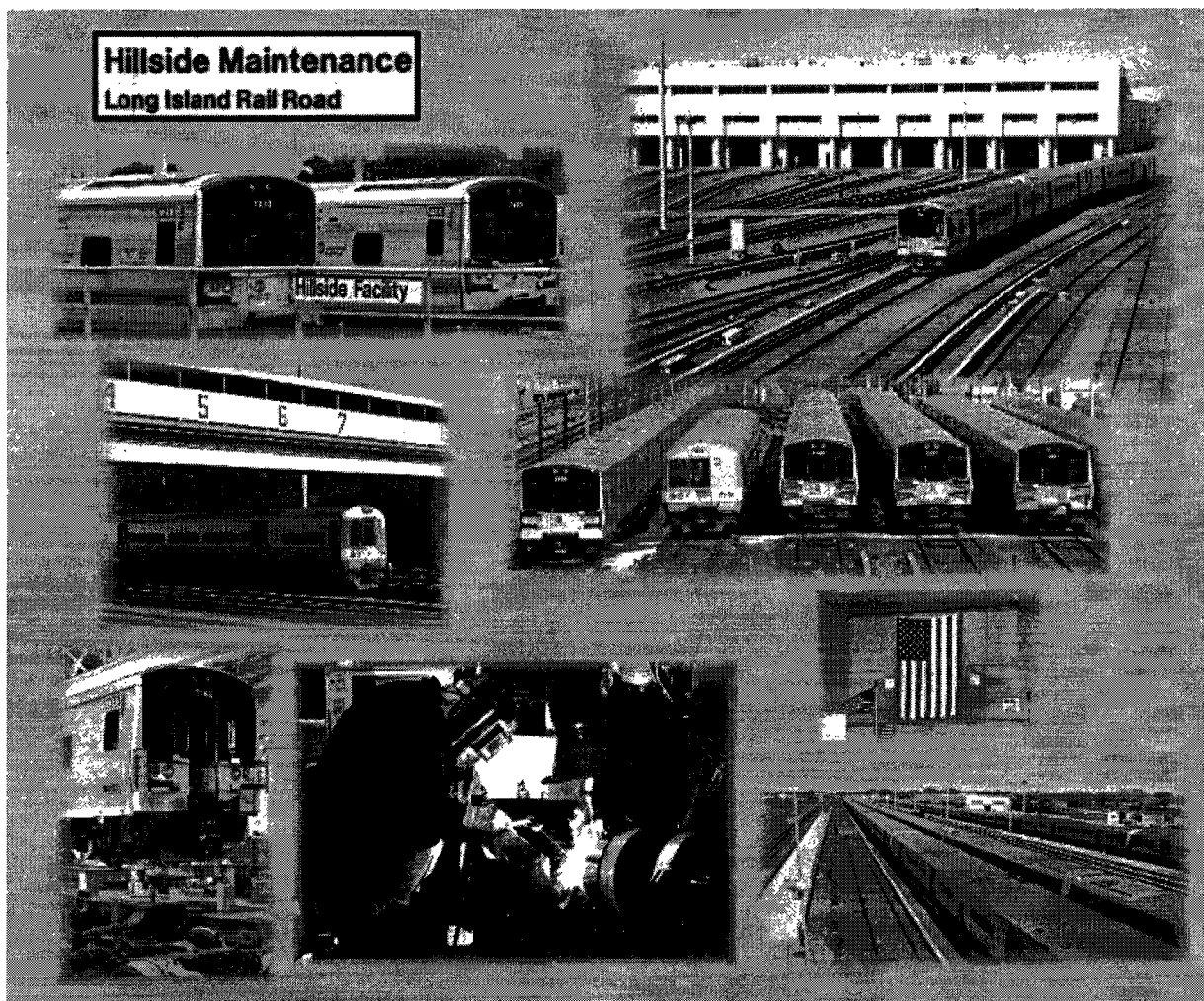
(1) The Standard Farebox Operating Ratio and Cost Per Passenger indicators reflect MTA-wide adopted calculations that exclude non-cash liability adjustments: Depreciation, Other Post Employment Benefits and Environmental Remediation (GASB-49).

(2) Adjusted Fare Box Operating Ratio and Cost Per Passenger indicators have been adjusted for comparability between the Long Island Rail Road and Metro-North Railroad and are being presented only at the railroad operating committees. These adjustments are not being used MTA-wide. Adjustments have been made to reflect all operating revenue and significant financial impacts that are outside management's control. These adjustments include: Inclusion of Other Operating Revenue, Removal of OPEB Current Payment expenses for retirees, and Removal of the UAAL associated with the LIRR's closed pension plan.

(3) Passenger Revenue/Passenger includes Bar Car Services

MTA Long Island Rail Road Inventory Report

April 2012



Mission Statement

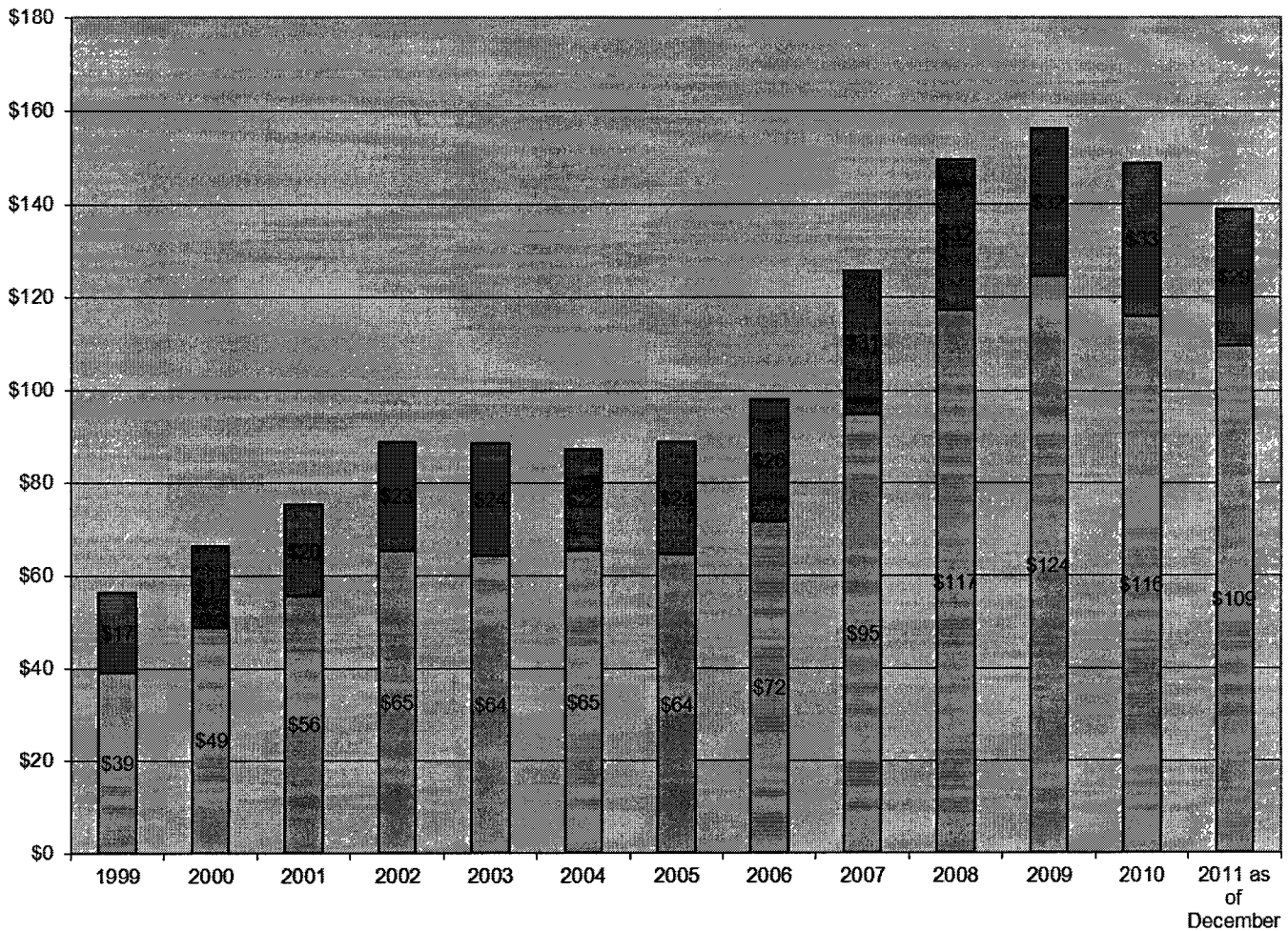


The mission of the Procurement and Logistics Department is to effectively support the overall LIRR goal of providing a safe, clean and excellent rail transportation service. The availability of material and supplies is critical to this endeavor. P&L is committed to maintaining adequate inventory levels, providing an accurate accounting of all material activity, establishing and maintaining optimal replenishment levels, while ensuring inventory management practices are cost efficient and cost effective.

Inventory Task Force

LIRR established an Inventory Task Force in April 2009. The Task Force established an action plan focused on root cause identification of issues and solutions for controlling inventory. For 2011, actions recommended by the Task Force have resulted in a budget-recognized cash savings of \$10.4M and a YE inventory value reduction of \$7.5M. (excluding diesel fuel)

Inventory by Category



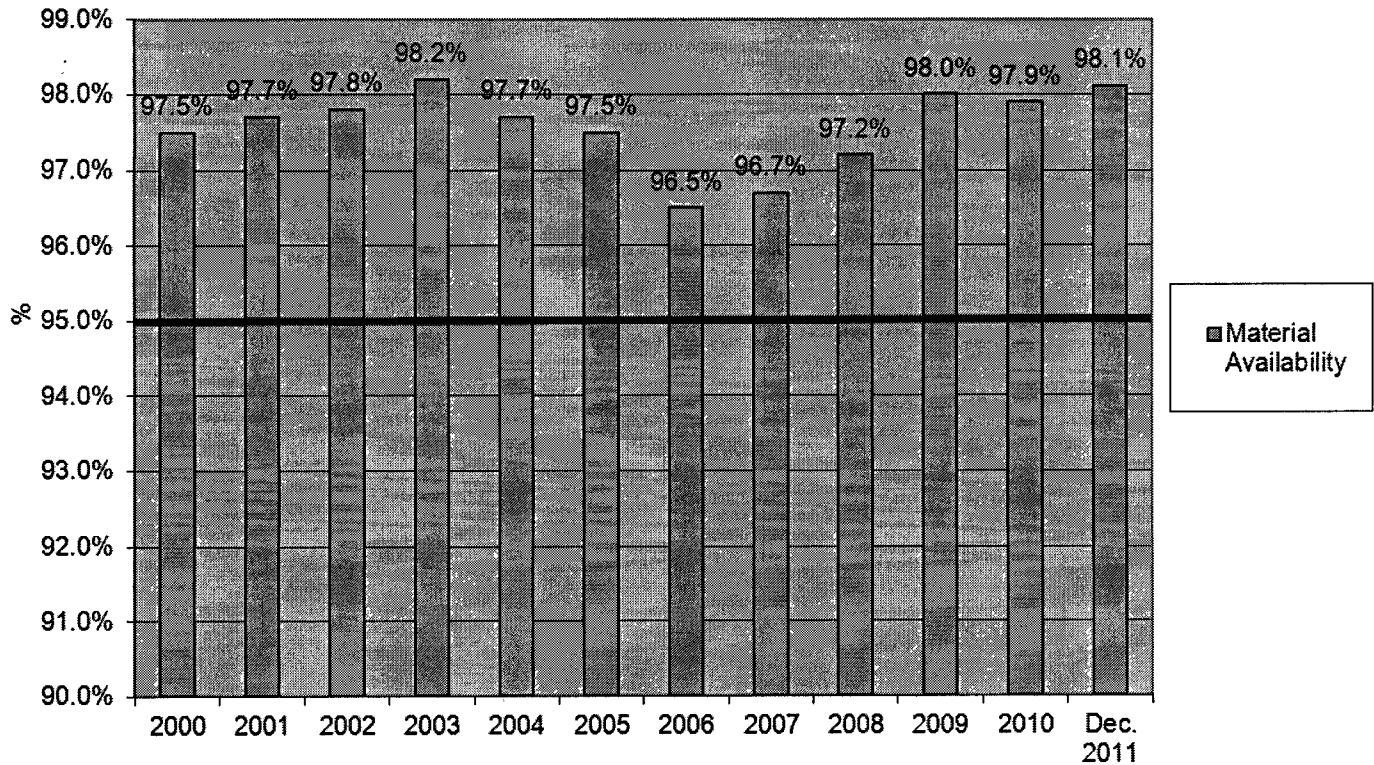
M of E

YTD decrease of \$4.3 million in total inventory value has been a direct result of optimizing the replenishment reorder point calculation along with the tightening of ordering parameters. In addition, delivery schedules were modified to smooth and improve cash outlay distribution.

M of W

The decrease in total inventory value of \$3.2 million is due to ongoing project initiatives and closely monitoring unplanned replenishment commodities.

Inventory Service Level 2000 thru Dec. 2011



- The LIRR service goal is 95%. This is computed as the percentage of times repair parts (“car part availability”) and working inventory is available when needed. Currently we are averaging **97.6%** over the last 12 years.
- Car Part Availability – Commodities on hand for the MU/Diesel Fleet to be placed in service.
- Working Inventory – Inventoried Commodities with Reorder Level assignments that have material on hand and available for use.

2011 Action Plan

Challenge	Plan	2011 Goal	2011 YE Accomplishments
Maintain adequate inventory levels to support service level goals	<ul style="list-style-type: none"> • Daily review of Reorder Levels • Schedule JIT deliveries • Improve planning/coordination with Using Departments 	<ul style="list-style-type: none"> ➤ Reduce Inventory of current items by \$7.0M by 12/2011 ➤ Ensure Material Availability in support of RCM Program needs ➤ Roll out Task Force initiatives to include M/W assets 	<ul style="list-style-type: none"> ✓ YE reduction of inventory valued at \$7.5M versus 2011 goal of \$7.0M ✓ Realized cash savings in excess of \$ 10.0 M ✓ Material availability - 98.1% ✓ Task force initiatives under way for M/W include: <ul style="list-style-type: none"> • Improved material planning avoiding surplus inventory • Strengthen relationship between accrued budget and cash expenditures ✓ Exceeded 2011 targets
Reduce Excess / Inactive inventory	<ul style="list-style-type: none"> • Determine disposition of Inactive Material • Coordinate with Using departments tagging of material for sell/scrap or protect status 	<ul style="list-style-type: none"> ➤ Identify appropriate actions for excess / inactive material reduction opportunities ➤ 2011 Goal = \$2.5M 	<ul style="list-style-type: none"> ✓ Task Team continues to review and scrub data to identify areas for excess / inactive materials. YE sale/scrap of \$3.5M achieved. ✓ Exceeded 2011 target
		Q2 - \$834K	
		Q3 - \$833K	
		Q4 - \$833K	
Non-Inventory Accountability	<ul style="list-style-type: none"> • Deploy Task Team to review 2010 non-stock purchases • Determine candidate Non-Stock Material that should be established into inventory • Review spending patterns for disassociated non-stock purchases 	<ul style="list-style-type: none"> ➤ Enact plan in Q3 and Reduce annual spend on Operating funded non-stock purchases by 5% <ul style="list-style-type: none"> Q3 - \$150K Q4 - \$150K ➤ Ensure commodities are properly linked to commodity classifications defined in PeopleSoft to ensure all purchases for same commodities are consolidated 	<ul style="list-style-type: none"> ✓ Annual spend on non-stock purchases continues to trend favorably. ✓ Reductions in non-stock spending, over time, will increase overall inventory values as more items become "stock" and managed through the Task Force process ✓ Over 80,000 items linked to a LIRR stock account
Regular Tracking and Reporting	<ul style="list-style-type: none"> • Establish indicators and corresponding reports for regular review and action 	<ul style="list-style-type: none"> ➤ Make proactive corrections prior to procurement process begins to ensure purchases meet actual need 	<ul style="list-style-type: none"> ✓ 100% of replenishment requisitions are analyzed before processing ✓ Key performance indicators established , reported and tracked monthly

2012 Action Plan

Challenge	Plan	2012 Goal
Maintain adequate inventory levels to support service level goals	<ul style="list-style-type: none"> • Daily review of Reorder Levels • Schedule JIT deliveries • Improve planning/ coordination with Using Departments • Address changes to the Production Plan in a timely manner. 	<ul style="list-style-type: none"> ➤ Reduce Inventory of current items by \$7.5M by 12/2012 ➤ Ensure Material Availability in support of RCM Program needs ➤ Roll out Task Force Initiatives to include M/W assets
Reduce Excess / Inactive inventory	<ul style="list-style-type: none"> • Review excess/inactive material and identify commodities for sale/scrap • Coordinate with Using departments tagging of material for sell/scrap or protect status 	<ul style="list-style-type: none"> ➤ Identify appropriate actions for excess / inactive material reduction opportunities ➤ 2012 Goal = \$1.7M <ul style="list-style-type: none"> Q1 - \$425K Q2 - \$425K Q3 - \$425K Q4 - \$425K
Non-Inventory Accountability	<ul style="list-style-type: none"> • Task Team continues review of non-stock purchases • Determine candidate Non-Stock Material that should be established into inventory • Review spending patterns for disassociated non-stock purchases 	<ul style="list-style-type: none"> ➤ Reduce Y/E 2012 annual spend on Operating funded non-stock purchases by 5% <ul style="list-style-type: none"> Q1 - \$150K Q2 - \$150K Q3 - \$150K Q4 - \$150K ➤ Ensure commodities are properly linked to commodity classifications defined in PeopleSoft to ensure all purchases for same commodities are consolidated
Regular Tracking and Reporting	<ul style="list-style-type: none"> • Establish indicators and corresponding reports for regular review and action 	<ul style="list-style-type: none"> ➤ Make proactive corrections prior to beginning the procurement process to ensure purchases meet actual need ➤ Reduce/Re-Plan/Reject Requirements

Staff Summary

Subject MAY TIMETABLE CHANGE/TRACK WORK PROGRAMS						Date APRIL 23, 2012	
Department SR. VICE PRESIDENT – OPERATIONS						Vendor Name	
Department Head Name M. GELORMINO <i>Michael Gelormino</i>						Contract Number	
Department Head Signature						Contract Manager Signature	
Project Manager Name							
Board Action						Internal Approval	
Order	To	Date	Approval	Info	Other	Order	Approval
1	LI COMM	4/23				4	President <i>[Signature]</i>
						3	Executive VP <i>[Signature]</i>
						2	VP Mktg & PA <i>[Signature]</i>

PURPOSE:

This is to inform the Metro North/Long Island Committees of the MTA Long Island Rail Road's plan to adjust schedules beginning May 14, 2012, through September 4, 2012 to support construction projects and address various service guidelines regarding service levels. East Side Access special track work is scheduled to begin on July 6th and run for approximately four weeks to allow tunnel construction to occur in Harold Interlocking. LIRR will remove a switch requiring a reduction of three PM peak trains and other service adjustments for the PM Peak period. Continuing projects include Direct Fixation work between Freeport and Wantagh on weekends and various single track scenarios for other East Side Access work.

SUMMER CONSTRUCTION ACTIVITIES

- Main Line Mechanized Tie installation – Weekday midday single-track outage Farmingdale to Ronkonkoma. Program completed in three phases to minimize customer impact.
- Port Jefferson Branch Huntington Switch work and Mechanized tie prep work - single track outage Syosset to Huntington.
- Far Rockaway Branch Grade Crossing Renewal and miscellaneous track work – Weekday single-track outage Valley Stream – Far Rockaway.
- Main Line – Harold Interlocking – Time adjustments to create work windows for East Side Access overhead Steel and tunneling work.
- Atlantic Branch Cable Replacement – Overnight single-track outage between East New York and Jamaica.
- The following projects have been completed and schedules have been restored to their normal times at all affected stations. The projects and their locations are described below:
 - Atlantic branch Mechanized Tie Installation Jamaica – Valley Stream.
 - Oyster Bay Branch Crossing Renewal projects Mineola – Locust Valley
 - Main Line – Grade Crossing Renewals Farmingdale to Brentwood

SERVICE GUIDELINE REVIEW

After a review of service guidelines and ridership patterns, the LIRR has determined that the following service improvements are required.

Port Washington Branch

- Half-hourly midday service is restored on the Port Washington Branch on weekdays, with 14 trains returned to the schedule. The restored eastbound trains depart Penn Station at 20 after each hour, from 9:20 AM through 3:19 PM. The restored westbound trains depart Port Washington at 40 after each hour, from 9:40 AM through 3:40 PM. This service restoration will be implemented with no additional Crew cost.

Ronkonkoma Branch - September 2012

- Train 2096 (4:34 PM), an Atlantic Terminal to Ronkonkoma PM Peak train, will be restored September 4 2012. This train was discontinued as part of the September 2010 service cuts. Although the improvement would be utilized by customers this summer, the tunnel construction project in Harold Interlocking requires significant schedule modifications and would prohibit the operation of this train during that time period. Therefore, a September restoration has been scheduled providing a direct, one-seat ride Brooklyn to Ronkonkoma opportunity, with local Main Line stops between New Hyde Park and Hicksville providing an intra-Island service opportunity. All schedule adjustments previously enacted to limit customer impact will be restored to their original schedules.

TRACK WORK PROGRAM

- Tunnel construction within Harold Interlocking to construct B/C Tunnel will require trains to be re-routed between Penn Station and Jamaica. This work will eliminate one of the three eastbound tracks normally used during the PM Peak period. Long Island Rail Road trains will operate using two main tracks between Penn Station and Jamaica instead of three during this time period. This reduction in capacity will require three eastbound PM Peak period trains to be cancelled and seven other PM Peak trains will have schedules adjusted between 1 and 3 minutes to allow trains to be re-routed to the two remaining Main Line tracks. Coordination with MTA Capital Construction is ongoing and details of the required schedule adjustments will be provided to the committee in June.

DISCUSSION – TIMETABLE CHANGES BEGINNING MAY 14

Summer Construction Activities

- Main Line Mechanized Tie installation – Weekday midday single-track outage Farmingdale to Ronkonkoma. This program will be completed over three phases to minimize customer impact.
 - Phase one will take place beginning May 14 through June 22 and will require bussing between Brentwood and Ronkonkoma stations. Six eastbound and six westbound trains will originate and terminate at Brentwood station. Trains will operate on normal schedules between Ronkonkoma and Greenport. Eastbound customers will have express bus service from Brentwood and westbound customers will be bused to Hicksville where they will transfer to train service for the remainder of their trip.
 - Phase two will occur from June 25 through July 20 and requires single track between Deer Park and Brentwood. Five westbound Ronkonkoma trains are adjusted to operate 30 minutes later and minor adjustments are made to midday Long Beach, Far Rockaway and Montauk branch trains to accommodate this work.

- Phase three of this project takes place between July 23 and August 10. Bussing will be required between Hicksville and Ronkonkoma as midday trains will terminate and originate at Farmingdale. Customers traveling east of Ronkonkoma will have express bus service between Hicksville and their home station as the trains between Ronkonkoma and Greenport will operate on normal schedules.
- Schedules will return to the phase two scenario from August 13 through August 31 to allow for increased service levels for the Barclay's Golf event which will be held in Bethpage State Park. Details of the service plans for this event will be explained as the event approaches.
- Port Jefferson Branch Huntington Switch work and Mechanized tie prep work will require a single track outage between Syosset and Huntington. Huntington and Port Jefferson branch trains are adjusted between 1 and 20 minutes to accommodate this work.
- Far Rockaway Branch Grade Crossing Renewal and miscellaneous track work requires a weekday single track outage between Valley Stream and Far Rockaway. Midday Far Rockaway, Long Beach, Hempstead and Oyster Bay are adjusted between 3 and 30 minutes to accommodate this track outage.
- Atlantic Branch single track outage between East New York and Jamaica is required to allow engineering forces to replace cable in the tunnel. Six trains that operate to Atlantic Terminal are adjusted between 3 and 12 minutes to accommodate this work.
- Main Line – Harold Interlocking work will require time adjustments to create work windows for East Side Access overhead Steel and Tunneling work. Four trains have been adjusted to allow contractors time during the overnight period to work without interference from passing trains. Three eastbound trains are adjusted 15 minutes later and one westbound train is adjusted 30 minutes later to create the necessary window.

Public Timetables and other informational material will be issued providing details of service.

IMPACT ON FUNDING

Funding for these projects is contained in the Long Island Rail Road Operating and Capital budgets.



Metro-North Railroad

Information Items

April 2012

**MTA METRO-NORTH RAILROAD
2011 YEAR-END REPORT
SUMMARY**

2011 financial results were favorable as compared to the Final Estimate. For the year, the net operating deficit of \$620.2 million was \$37.6 million lower than projected driven by \$4.1 million (0.7%) in higher revenues and \$33.6 million (2.6%) in lower expenses.

In these results, Metro-North exceeded its 2011 budget reduction plan and achieved an increase in ridership despite the severe weather emergencies that caused numerous service disruptions and outages during the year. In 2011, East and West of Hudson ridership totaled 82.0 million rides, 0.3% higher than projected and 1.4% better than 2010. Ridership growth was achieved in commutation and non-commutation categories and across all service lines, except for the Port Jervis Line which incurred a three-day shut down of service and a three-month alternate bus service schedule due to infrastructure damages from Tropical Storm Irene.

Total Operating Revenue of \$615.3 million was \$4.1 million higher than the 2011 Final Estimate. Farebox Revenue of \$567.5 million for East of Hudson service was \$1.5 million (0.3%) higher due to the ridership increases noted above. Other Operating Revenue of \$47.8 million was \$2.6 million higher than projected and 2% higher than 2010.

Total Operating Expenses of \$1,235.4 million were \$33.5 million lower than the 2011 Final Estimate. Of that amount, \$24.7 million is due to lower non-labor expenses, \$5.9 million is comprised of lower non-cash expense accruals for Depreciation and Environmental Remediation; and \$3.0 million represents lower labor costs.

Lower labor costs were primarily due to vacancies and lower contributions for pensions and health & welfare premiums. These favorable results were offset by higher overtime costs due to the October snow storm and service coverage requirements. Non-labor costs reflect favorable results across most cost categories. Of particular note are lower claims costs (\$3.3 million) due to employee and customer safety programs which continue to reduce the incidence and cost of injury claims; lower material & supplies costs (\$8.4 million) due to the continuation of strategic procurement and material management efforts; and lower contract service expenditures (\$15.6 million) due to the timing of locomotive overhauls, reduced shop and right-of-way maintenance service requirements, and lower telecommunication costs.

The net cash deficit for the year of \$399.3 million was slightly higher than the 2011 Final Estimate (0.4% or \$1.4 million). Cash receipts totaling \$792.5 million were \$34.0 million lower than the 2011 Final Estimate for the year, of which \$29.7 million is a timing variance primarily related to MTA and CDOT capital program reimbursements, partially offset by a \$4.3 million permanent ("real") decrease. Cash disbursements of \$1,191.8 million were \$32.5 million lower than the 2011 Final Estimate of which \$20.2 million is a "real" (permanent) variance that is not projected to recur in 2012 and a timing variance of \$12.3 million resulting in lower expenditures for health & welfare costs, fuel,

maintenance contracts, professional services, and insurance costs, partially offset by an advance payment for 2012 pension obligations.

The net cash deficit was partially funded by \$4.2 million in available cash balances resulting in subsidy requirements that were \$2.8 million (0.7%) lower than projected.

Detailed explanations for differences between actual results and both the 2011 Final Estimate and 2011 Adopted Budget are included in the following pages.

As always, Metro-North will continue to monitor its financial performance and requirements throughout the year to assess what changes to the projections will be required in each Financial Plan update.

MTA METRO-NORTH RAILROAD
2011 YEAR-END REPORT
DETAILED EXPLANATIONS OF REVENUE AND EXPENSES VARIANCES
BY GENERIC CATEGORY – ACCRUAL BASIS

2011 FINAL ESTIMATE VS ACTUALS

NON-REIMBURSABLE

Total Revenue of \$615.3 million was \$4.1 million higher than the 2011 Final Estimate. **Farebox Revenue** of \$567.5 million was \$1.5 million higher than the 2011 Final Estimate reflecting 80.4 million East of Hudson customers, 0.3% higher than projected. **Other Operating Revenue** of \$47.8 million was \$2.6 million higher than the 2011 Final Estimate and reflects higher than projected net revenues from GCT retail operations.

Total Expenses, including non-cash expenses for Depreciation, OPEB Obligation, and Environmental Remediation, were \$1,235.4 million; \$33.5 million (2.6%) lower than the 2011 Final Estimate.

Payroll expenses were \$4.1 million lower than the 2011 Final Estimate primarily due to additional vacancies. **Overtime** costs, \$1.9 million (3.3%) higher than projected, reflect October snow storm coverage, right-of-way maintenance, and service coverage requirements. **Health and Welfare costs** (including OPEB Current Payments) were \$0.6 million favorable due to fewer paid positions than projected. **Pensions** were \$2.3 million lower due to revised actuarial forecasts for the Defined Benefit Plan. **Other Fringe** expenses (payroll taxes) were slightly higher than the Final 2011 Estimate (\$0.6 million). **Reimbursable Overhead** cost recoveries were \$1.6 million lower than the 2011 Final Estimate reflecting lower capital project activity and adjustments to correct the allocation of fringe and overhead costs charged to billable projects.

Traction and Propulsion Power expenditures were lower than the 2011 Final Estimate by \$1.1 million primarily due to favorable rates. **Fuel for Buses and Trains** was \$1.6 million higher than the Final 2011 Estimate due to unfavorable price fluctuations. **Insurance** costs were \$0.2 million lower than projected due to favorable premiums. **Claims** expenses, \$3.2 million lower than the Final 2011 Estimate, reflect lower payments and adjustments due to lower than anticipated cost and incidence of injury claim settlements. **Maintenance and Other Operating Contracts** were \$15.5 million under the Final 2011 Estimate, primarily due to lower payments for West of Hudson operating subsidies and Port Jervis Line alternate service costs (\$4.2 million), building and facility utilities (\$2.0 million), shop equipment repairs (\$1.2 million), Harlem River Lift Bridge repairs (\$0.9 million), and telecommunication fees (\$0.9 million). In addition, there were timing differences in locomotive overhauls (\$2.7 million), office space renovations (\$1.8 million), and GCT water tank and steam line repairs (\$1.2 million). **Professional Services** were \$3.0 million below the 2011 Final Estimate primarily due to lower than expected expenditures for bridge inspections and other engineering services (\$1.0 million), information technology fees for data center and other service charges (\$0.5 million), outside audit fees (\$0.5 million), and security services primarily due to timing differences in expenditures for guard services at outlying shops and yards (\$1.4

million). **Material & Supplies** were \$8.4 million lower than the 2011 Final Estimate primarily due to lower expenditures on rolling stock parts and supplies (\$3.0 million), lower inventory valuation adjustments (\$1.5 million) and timing differences for the purchase of station information display monitors, snow melters, and other equipment (\$3.2 million). **Other Business Expenses** were \$ 5.3 million higher than the Final 2011 Estimate primarily due to write-offs of West of Hudson infrastructure losses from Tropical Storm Irene damages (\$3.6 million), a higher than projected provision for bad debt reserves (\$0.8 million), and other miscellaneous expenditures. **Depreciation** expense was \$4.5 million lower than the Final 2011 Estimate due to timing differences in the completion of a number of capital projects, including schedule changes in the delivery of M-8 cars. **OPEB Obligation** was unfavorable by \$0.7 million due to updated actuarial estimates. **Environmental Remediation** expense estimate was \$2.1 million lower than anticipated.

REIMBURSABLE

Capital program expenditures (and reimbursements) were \$4.5 million higher than the Final 2011 Estimate. **Labor** expenses (including fringes and overhead) were \$0.5 million higher than the 2011 Final Estimate due to higher overtime requirements for MTA and CDOT funded track programs as a result of an increase in work scope and track availability constraints, offset by timing differences in costs charged to the Port Jervis Line Reconstruction project. **Non-Payroll** expenditures were \$4.0 million higher than the Final 2011 Estimate. They reflect higher activity for **Maintenance Contracts** due to timing differences in equipment expenditures on the Danbury Branch Signal System project, prior period cost settlements on the NHL Bombardier Coach Overhaul project, and higher costs for Upper Hudson Station Improvements and Overhead Bridge Rehabilitation/Replacement projects. These were offset by: lower activity for **Materials & Supplies** for Danbury Branch Signal System, Peck Bridge Mitre Rail and Positive Train Control projects; and, lower activity for **Professional Services Contracts** for Pt Jervis Reconstruction Phase 1.

2011 ADOPTED BUDGET VS. ACTUALS

NON-REIMBURSABLE

Total Revenue of \$615.3 million was \$9.3 million higher than the 2011 Adopted Budget. **Farebox Revenue** of \$567.5 million was \$4.7 million higher than the 2011 Adopted Budget, and reflects an 0.8% increase in East of Hudson ridership (1.7% increase vs. 2010). **Other Operating Revenue** of \$47.8 million was \$4.7 million (10.8%) higher than the 2011 Adopted Budget due primarily to increased GCT net retail revenues.

Total Expenses, including non-cash expenses for Depreciation, OPEB Obligation, and Environmental Remediation of \$1,235.4 million were \$62.0 million lower than the 2011 Adopted Budget.

Payroll expenses were \$9.8 million below the 2011 Adopted Budget primarily due to vacancies and the elimination of the management wage increase. **Overtime** costs were

\$7.0 million (13.2%) higher than the 2011 Adopted Budget reflecting weather emergency coverage for snow storms and Tropical Storm Irene, extensive repair work on the NHL car fleet due to snow-related damages, as well as right-of-way mud spot repairs, and unanticipated overtime to cover train and engine crew requirements and protect the collection of on-board revenue as we work towards increasing employee availability. **Health&Welfare** (including OPEB current payments) were \$2.4 million below the 2011 Adopted Budget primarily due to vacancies. **Pension** expenses were \$4.1 million higher than the Adopted Budget as a result of revised actuarial forecasts for the Defined Benefit Plan. **Other Fringe Benefits** expenses were virtually on-target to budget (\$0.1 million lower). **Reimbursable Overhead** cost recoveries were on-target to the 2011 Adopted Budget.

Traction and Propulsion Power expenditures were \$7.2 million lower than the 2011 Adopted Budget due primarily to lower than projected prices. **Fuel for Buses and Trains** was \$7.9 million above the 2011 Adopted Budget due to higher prices and consumption. **Insurance** costs were \$1.9 million below the 2011 Adopted Budget as a result of lower property and automobile insurance premiums. **Claims** expenses, \$3.3 million below the 2011 Adopted Budget, were due to lower than anticipated cost and incidence of injury claim settlements. **Maintenance and Other Operating Contracts** expenditures were \$10.5 million under the 2011 Adopted Budget. They reflect timing differences for the Genesis locomotive overhaul program (\$5.1 million), M-2 car disposals (\$1.3 million), and GPS installation (\$1.0 million), as well as and lower costs for: right-of-way weed control and sanitation services (\$2.0 million), office space renovations (\$1.6 million), shop equipment repairs (\$1.2 million), and telecommunication services (\$1.6 million). Partially offsetting these reductions were costs for Harlem River Lift Bridge repairs (\$1.5 million) and unanticipated Port Jervis Line alternate service costs (\$2.6 million). **Professional Services** were \$5.3 million favorable vs. the 2011 Adopted Budget due primarily to lower expenditures for bridge inspections and other engineering services (\$2.7 million), information technology services (\$0.8 million), medical fees (\$0.5 million), as well as the rescheduling of security service expenditures at outlying shops and yards (\$0.9 million). **Material & Supplies** were \$7.9 million under the 2011 Adopted Budget reflecting lower expenditures for rolling stock parts & supplies and maintenance material (\$5.4 million), IT hardware and other miscellaneous equipment (\$1.3 million) and office furniture and supplies (\$0.7 million). **Other Business Expenses** were \$5.3 million above the 2011 Adopted Budget primarily due to write-offs of West of Hudson infrastructure losses from Tropical Storm Irene (\$3.6 million) and obsolete material (\$0.9 million), as well as an increase in bad debt reserves (\$0.8 million). **Depreciation** expense was \$34.9 million below the 2011 Adopted Budget due to timing differences in the completion of capital projects, including schedule changes in the delivery of M-8 cars. **OPEB Obligation** was unfavorable by \$0.7 million due to updated actuarial estimates. **Environmental Remediation** expenses were favorable by \$3.5 million due to lower than anticipated accruals and payments.

REIMBURSABLE

Capital program expenditures (and reimbursements) were \$0.9 million lower than the 2011 Adopted Budget. **Labor Expenses** (including fringes and overhead) were \$11.3 million lower than the 2011 Adopted Budget due to a 15% reduction in the reimbursable

administrative workforce (\$2.0 million), as well as lower costs for track program projects and scheduling changes in the start-up of the Undergrade Bridge program and the West Haven Station project. Offsetting these decreases were unanticipated expenditures for the Port Jervis Line Reconstruction project (\$2.2 million). **Non Payroll** expenditures were \$10.4 million higher than the 2011 Adopted Budget. They reflect; higher **Maintenance Contracts** for the Danbury Branch Signal System due to scheduling changes and post-budget funding approval by CDOT (\$21.2 million) and unanticipated expenditures for the Port Jervis Line Reconstruction; higher **Professional Service Contracts** for the Positive Train Control project; and lower **Materials & Supplies** due to a reduced scope of work for the M-4 Remanufacture project and scheduling changes on the following projects: West Haven Station, Danbury Branch Signal System, Signal System Replacement, New Haven Rail Yard Component Change Out Shop, and several track projects.

MTA METRO NORTH RAILROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
DECEMBER YEAR-TO-DATE
(\$ in millions)

NON-REIMBURSABLE

	2011			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual (1)	2011 Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$562.883	\$566.059	\$567.533	\$4.650	0.8	\$1.474	0.3
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	43.094	45.158	47.757	4.663	10.8	2.599	5.8
MTA	0.000	0.000	0.000	0.000	-	0.000	-
CDOT	0.000	0.000	0.000	0.000	-	0.000	-
Other	0.000	0.000	0.000	0.000	-	0.000	-
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	-	0.000	-
Total Revenue	\$605.977	\$611.217	\$615.290	\$9.313	1.5	\$4.073	0.7
Expenses							
<u>Labor:</u>							
Payroll	\$394.897	\$389.175	\$385.062	\$9.835	2.5	\$4.113	1.1
Overtime	53.102	58.161	60.094	(6.992)	(13.2)	(1.933)	(3.3)
Health and Welfare	85.547	78.922	76.861	8.686	10.2	2.061	2.6
OPEB Current Payment	10.467	15.250	16.748	(6.281)	(60.0)	(1.498)	(9.8)
Pensions	46.839	53.233	50.895	(4.056)	(8.7)	2.338	4.4
Other Fringe Benefits	80.748	80.081	80.625	0.123	0.2	(0.544)	(0.7)
Reimbursable Overhead	(36.906)	(38.445)	(36.894)	(0.012)	0.0	(1.551)	(4.0)
Total Labor Expenses	\$634.694	\$636.377	\$633.391	\$1.303	0.2	\$2.986	0.5
<u>Non-Labor:</u>							
Traction and Propulsion Power	\$68.757	\$62.725	\$61.558	\$7.199	10.5	\$1.167	1.9
Fuel for Buses and Trains	17.292	23.564	25.144	(7.852)	(45.4)	(1.580)	(6.7)
Insurance	11.950	10.249	10.027	1.923	16.1	0.222	2.2
Claims	11.000	11.001	7.717	3.283	29.8	3.284	29.9
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	103.905	108.869	93.394	10.511	10.1	15.475	14.2
Professional Service Contracts	36.998	34.705	31.674	5.324	14.4	3.031	8.7
Materials & Supplies	87.308	87.748	79.384	7.924	9.1	8.364	9.5
Other Business Expenses	16.193	16.255	21.527	(5.334)	(32.9)	(5.272)	(32.4)
Total Non-Labor Expenses	\$353.403	\$355.116	\$330.425	\$22.978	6.5	\$24.691	7.0
<u>Other Expense Adjustments:</u>							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses before Depreciation and GASB Adj.	\$988.097	\$991.493	\$963.816	\$24.281	2.5	\$27.677	2.8
Depreciation	\$245.062	\$214.677	\$210.152	\$34.910	14.2	\$4.525	2.1
OPEB Obligation	56.275	56.275	57.015	(0.740)	(1.3)	(0.740)	(1.3)
Environmental Remediation	8.000	6.527	4.460	3.540	44.3	2.067	31.7
Total Expenses	\$1,297.434	\$1,268.972	\$1,235.443	\$61.991	4.8	\$33.529	2.6
Baseline Surplus/(Deficit)	(\$691.457)	(\$657.755)	(\$620.153)	\$71.304	10.3	\$37.602	5.7
Cash Conversion Adjustments:							
Depreciation	\$245.062	\$214.677	\$210.152	(\$34.910)	(14.2)	(\$4.525)	(2.1)
Operating/Capital	(13.012)	(8.524)	(8.324)	4.688	36.0	0.200	2.3
Other Cash Adjustments	40.684	53.716	18.998	(21.686)	(53.3)	(34.718)	(64.6)
Total Cash Conversion Adjustments	\$272.734	\$259.869	\$220.826	(\$51.908)	(19.0)	(\$39.043)	(15.0)
Baseline Cash Surplus/(Deficit)	(\$418.723)	(\$397.886)	(\$399.327)	\$19.396	4.6	(\$1.441)	(0.4)

* Variance exceeds 100%.

MTA METRO NORTH RAILROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
DECEMBER YEAR-TO-DATE
(\$ in millions)

REIMBURSABLE

	2011			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual (1)	2011 Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	0.000	0.000	0.000	0.000	-	0.000	-
MTA	125.317	104.719	94.510	(30.807)	(24.6)	(10.209)	(9.7)
CDOT	73.776	84.564	96.857	23.081	31.3	12.293	14.5
Other	12.331	16.774	19.198	6.867	55.7	2.424	14.5
Capital and Other Reimbursements	211.424	206.057	210.565	(0.859)	(0.4)	4.508	2.2
Total Revenue	\$211.424	\$206.057	\$210.565	(\$0.859)	(0.4)	\$4.508	2.2
Expenses							
<u>Labor:</u>							
Payroll	\$47.509	\$43.940	\$42.298	\$5.211	11.0	\$1.642	3.7
Overtime	19.250	16.403	18.488	0.762	4.0	(2.085)	(12.7)
Health and Welfare	13.166	11.112	11.264	1.902	14.4	(0.152)	(1.4)
OPEB Current Payment	0.000	0.000	0.000	0.000	-	0.000	-
Pensions	7.041	5.694	5.385	1.656	23.5	0.309	5.4
Other Fringe Benefits	11.210	10.526	11.136	0.074	0.7	(0.610)	(5.8)
Reimbursable Overhead	39.730	38.444	38.062	1.668	4.2	0.382	1.0
Total Labor Expenses	\$137.906	\$126.119	\$126.633	\$11.273	8.2	(\$0.514)	(0.4)
<u>Non-Labor:</u>							
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	-	0.000	-
Insurance	5.104	3.913	4.302	0.802	15.7	(0.389)	(9.9)
Claims	0.000	0.000	0.000	0.000	-	0.000	-
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	26.561	45.774	55.391	(28.830)	*	(9.617)	(21.0)
Professional Service Contracts	5.263	6.071	5.901	(0.638)	(12.1)	0.170	2.8
Materials & Supplies	36.286	24.559	19.355	16.931	46.7	5.204	21.2
Other Business Expenses	0.304	(0.379)	(1.017)	1.321	*	0.638	*
Total Non-Labor Expenses	\$73.518	\$79.938	\$83.932	(\$10.414)	(14.2)	(\$3.994)	(5.0)
<u>Other Expense Adjustments:</u>							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses before Depreciation	\$211.424	\$206.057	\$210.565	\$0.859	0.4	(\$4.508)	(2.2)
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
OPEB Obligation	0.000	0.000	0.000	0.000	-	0.000	-
Environmental Remediation	0.000	0.000	0.000	0.000	-	0.000	-
Total Expenses	\$211.424	\$206.057	\$210.565	\$0.859	0.4	(\$4.508)	(2.2)
Baseline Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Cash Conversion Adjustments:							
Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Operating/Capital	0.000	0.000	0.000	0.000	-	0.000	-
Other Cash Adjustments	0.000	0.000	0.000	0.000	-	0.000	-
Total Cash Conversion Adjustments	0.000	0.000	0.000	\$0.000	-	\$0.000	-
Baseline Cash Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-

* Variance exceeds 100%.
(1) Results are subject to final audit

MTA METRO NORTH RAILROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
DECEMBER YEAR-TO-DATE
(\$ in millions)

				Favorable/(Unfavorable) Variance			
	2011						
	Adopted Budget	Final Estimate	Actual (1)	2011 Adopted Budget		Final Estimate	
				\$	%	\$	%
Revenue							
Farebox Revenue	\$562.883	\$566.059	\$567.533	\$4.650	0.8	\$1.474	0.3
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	43.094	45.158	47.757	4.663	10.8	2.599	5.8
MTA	125.317	104.719	94.510	(30.807)	(24.6)	(10.209)	(9.7)
CDOT	73.776	84.564	96.857	23.081	31.3	12.293	14.5
Other	12.331	16.774	19.198	6.867	55.7	2.424	14.5
Capital and Other Reimbursements	211.424	206.057	210.565	(0.859)	(0.4)	4.508	2.2
Total Revenue	\$817.401	\$817.274	\$825.855	\$8.454	1.0	\$8.581	1.0
Expenses							
Labor:							
Payroll	\$442.406	\$433.115	\$427.360	\$15.046	3.4	\$5.755	1.3
Overtime	72.352	74.564	78.582	(6.230)	(8.6)	(4.018)	(5.4)
Health and Welfare	98.713	90.034	88.125	10.588	10.7	1.909	2.1
OPEB Current Payment	10.467	15.250	16.748	(6.281)	(60.0)	(1.498)	(9.8)
Pensions	53.880	58.927	56.280	(2.400)	(4.5)	2.647	4.5
Other Fringe Benefits	91.958	90.607	91.761	0.197	0.2	(1.154)	(1.3)
Reimbursable Overhead	2.824	(0.001)	1.168	1.656	58.6	(1.169)	*
Total Labor Expenses	\$772.600	\$762.496	\$760.024	\$12.576	1.6	\$2.472	0.3
Non-Labor:							
Traction and Propulsion Power	\$68.757	\$62.725	\$61.558	\$7.199	10.5	\$1.167	1.9
Fuel for Buses and Trains	17.292	23.564	25.144	(7.852)	(45.4)	(1.580)	(6.7)
Insurance	17.054	14.162	14.329	2.725	16.0	(0.167)	(1.2)
Claims	11.000	11.001	7.717	3.283	29.8	3.284	29.9
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	130.466	154.643	148.785	(18.319)	(14.0)	5.858	3.8
Professional Service Contracts	42.261	40.776	37.575	4.686	11.1	3.201	7.9
Materials & Supplies	123.594	112.307	98.739	24.855	20.1	13.568	12.1
Other Business Expenses	16.497	15.876	20.510	(4.013)	(24.3)	(4.634)	(29.2)
Total Non-Labor Expenses	\$426.921	\$435.054	\$414.357	\$12.564	2.9	\$20.697	4.8
Other Expense Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenses before Depreciation and GASB Adjs.	\$1,199.521	\$1,197.550	\$1,174.381	\$25.140	2.1	\$23.169	1.9
Depreciation	\$245.062	\$214.677	\$210.152	\$34.910	14.2	\$4.525	2.1
OPEB Obligation	56.275	56.275	57.015	(0.740)	(1.3)	(0.740)	(1.3)
Environmental Remediation	8.000	6.527	4.460	3.540	44.3	2.067	31.7
Total Expenses	\$1,508.858	\$1,475.029	\$1,446.008	\$62.850	4.2	\$29.021	2.0
Net Surplus/(Deficit)	(\$691.457)	(\$657.755)	(\$620.153)	\$71.304	10.3	\$37.602	5.7
Cash Conversion Adjustments:							
Depreciation	\$245.062	\$214.677	\$210.152	(\$34.910)	(14.2)	(\$4.525)	(2.1)
Operating/Capital	(13.012)	(8.524)	(8.324)	4.688	36.0	0.200	2.3
Other Cash Adjustments	40.684	53.716	18.998	(21.696)	(53.3)	(34.718)	(64.6)
Total Cash Conversion Adjustments	272.734	259.869	220.826	(\$51.908)	(19.0)	(\$39.043)	(15.0)
Baseline Cash Surplus/(Deficit)	(\$418.723)	(\$397.886)	(\$399.327)	\$19.396	4.6	(\$1.441)	(0.4)

* Variance exceeds 100%.

(1) Results are subject to final audit

**MTA METRO-NORTH RAILROAD
2011 YEAR-END REPORT
DETAILED EXPLANATIONS OF CASH RECEIPT AND EXPENDITURE
VARIANCES BY GENERIC CATEGORY**

2011 FINAL ESTIMATE VS. ACTUALS

RECEIPTS

Cash receipts of \$792.5 million were \$34.0 million lower than the 2011 Final Estimate for the year, of which \$29.7 million is a timing variance that increased 2011 subsidies, and \$4.3 million permanent ("real") subsidy decrease variance that is not projected to recur in 2012.

Receipts from **Farebox Revenue** and **Other Operating Revenue** were slightly higher than the 2011 Final Estimate (0.3% or \$1.7 million higher). **Capital and Other Reimbursements** were \$35.7 million lower than the 2011 Final Estimate primarily due to receipt timing differences.

EXPENDITURES

Total expenditures of \$1,191.8 million were \$32.5 million lower than the 2011 Final Estimate of which \$20.2 million is a permanent ("real") subsidy decrease and \$12.3 million is a "timing" variance which will be incurred in 2012. Cash timing differences reflect contractual services payments for West of Hudson operations, capital project construction costs, insurance costs, engineering services, data center charges, and health & welfare payments. These decreases are partially offset by a year-end advance payment for 2012 pension obligations.

Payroll expenditures were \$4.3 million lower than the 2011 Final Estimate primarily due to a higher level of vacancies than projected and the elimination of a management wage increase. Expenditures for **Overtime** were \$5.1 million higher than the 2011 Final Estimate primarily due to October snow storm coverage, right-of-way maintenance, and service coverage requirements. **Health & Welfare** expenditures (including OPEB Current Payment) were \$3.3 million lower than the 2011 Final Estimate as a result of payment timing for Empire Plan/NYSHIP premiums, partially offset by higher OPEB payments due to additional retirees. **Pension** payments, \$13.6 million higher than the 2011 Final Estimate, reflects year-end advance payments for 2012 pension plan obligations. Expenditures for **Other Fringe Benefits** were \$0.4 million lower than the 2011 Final Estimate due to lower Railroad Retirement tax payments. **Traction and Propulsion Power** expenditures were \$1.1 million lower than the 2011 Final Estimate due to lower price and usage. **Fuel for Buses and Trains** were \$0.7 million lower than the 2011 Final Estimate primarily due to payment timing differences for New Haven fuel charges. Expenditures for **Insurance**, \$2.1 million lower than the 2011 Final Estimate, reflect payment timing differences for force account and all-agency automobile insurance premiums. **Claims** were \$3.7 million lower than the 2011 Final Estimate due to lower personal injury claims during the year. **Maintenance and Other Operating Contracts** expenditures were \$21.9 million lower than the 2011 Final Estimate. They

reflect lower payments during the period for NJ Transit subsidy, locomotive overhauls, and GCT water tank leaks, as well as lower expenditures for Port Jervis Line reconstruction and alternate service costs, telecommunication expenditures, utilities, and other miscellaneous services. **Professional Service Contracts**, \$8.2 million lower than the 2011 Final Estimate, reflect lower costs due to rescheduling of security services, lower costs for bridge inspections, information technology services and M-8 car procurement project costs. Expenditures for **Material and Supplies**, \$3.2 million lower than the 2011 Final Estimate, reflect lower than forecasted purchases of capital-program material (primarily for the Danbury Branch Signal project) as well as lower expenditures for switch heaters, office furniture, printed matter, and rolling stock material & supplies (primarily propulsion, HVAC, carbody, truck/suspension material). **Other Business Expenses** were \$2.4 million lower than 2011 Final Estimate due to lower payments for uniforms, employee travel, financial services, as well as other miscellaneous expenses.

The cash receipts and disbursements activity noted above resulted in a net cash deficit of \$399.3 million; \$1.4 million higher than the 2011 Final Estimate.

2011 ADOPTED BUDGET VS. ACTUALS

RECEIPTS

Cash receipts of \$792.5 million were \$44.2 million lower than the 2011 Adopted Budget. **Farebox Revenue**, \$3.7 million higher than budget, reflects higher ridership. Collections from **Other Operating Revenue** were \$3.4 million higher than the 2011 Adopted Budget due to higher net GCT revenues, fiber optic right-of-way lease fees, parking, scrap sale receipts and other miscellaneous revenues, partially offset by timing differences for Amtrak reimbursements. **Capital and Other Reimbursements** were \$51.3 million lower than the 2011 Adopted Budget due to timing differences in payments and lower MTA capital project activity for several track projects, Bridge programs, Yankee Stadium construction, East Side access modifications, and various other projects, partially offset by higher CDOT project activity (primarily Danbury Branch Signal).

EXPENDITURES

Total expenditures of \$1,191.8 million were \$63.6 million lower than the 2011 Adopted Budget.

Payroll expenditures were \$12.9 million lower than the 2011 Adopted Budget primarily due to vacancies and the elimination of a management wage increase. Also contributing was lower reimbursable project costs due to the 15% staff reduction initiative (\$2.0 million), lower track program costs and scheduling changes in the start-up of the Undergrade Bridge program and the West Haven Station project. Expenditures for **Overtime** were \$7.5 million higher than the 2011 Adopted Budget due to weather emergency coverage and clean-up efforts, extraordinary repairs to the snow damaged NHL car fleet in the early part of the year, and emergency coverage and reconstruction costs due to damages from tropical storm Irene. **Health & Welfare**

(including OPEB current payments) expenditures were \$14.6 million lower than the 2011 Adopted Budget due to advance payment for 2011 GASB 45 (post retirement benefit) liability (\$7.2 million), as well as lower payments for the NYSHIP/Empire health plan, partially offset by higher OPEB current payments for retirees. **Pension** payments were \$18.7 million higher than the 2011 Adopted Budget due to year-end advance payments for 2012 as well as increased funding requirement to the Defined Benefit Pension Plan. Expenditures for **Other Fringe Benefits**, \$1.7 million lower than the 2011 Adopted Budget, reflect lower Railroad Retirement Tax payments due to lower payroll costs. **Traction and Propulsion Power** expenditures were \$7.2 million lower than the 2011 Adopted Budget due to lower prices on both Harlem/Hudson and New Haven Line, partially offset by higher consumption on the New Haven Line. Expenditures for **Fuel for Buses and Trains** were \$5.5 million higher than the 2011 Adopted Budget due to rising fuel prices, and higher consumption due to increased usage of locomotives during the early part of the year due to winter storms. Expenditures for **Insurance** were \$5.6 million lower than the 2011 Adopted Budget due to lower costs for force account and prepaid insurance costs, as well as payment timing differences for automobile, excess liability, and force account premiums. **Claims** were \$3.7 million lower than the 2011 Adopted Budget due to lower than projected personal injury payments. **Maintenance and Other Operating Contracts**, \$8.3 million lower than the 2011 Adopted Budget, reflect lower payments for NJ Transit subsidy, telecommunications, weed control, equipment overhauls, and other miscellaneous services, partially offset by Port Jervis reconstruction costs and emergency bus & transfer services. **Professional Service Contracts** were \$10.5 million under the 2011 Adopted Budget due to lower payments for bridge inspections, capital program engineering services, information technology services, audit fees, and the rescheduling of security services at outlying locations. **Material and Supplies**, \$20.9 million lower than the 2011 Adopted Budget, were the result of lower capital project expenditures due to a reduced scope of work for the M-4 Remanufacture project and vehicle replacements as well as scheduling changes on the following projects: West Haven Station, Signal System Replacement, New Haven Rail Yard Component Change Out Shop, several track projects, the Danbury Branch Signal System project, and Wreck Crane Replacement. In addition, there were lower expenditures for rolling stock parts & supplies, IT hardware, and commissary supplies. **Other Business Expenses**, \$9.9 million lower than the 2011 Adopted Budget, reflect payments for uniforms, real estate and other various taxes, travel, as well as other operating and other miscellaneous expenses.

Net cash deficit was \$19.4 million lower than the 2011 Adopted Budget; cash subsidy requirements were \$23.6 million lower (MTA subsidy \$19.1 million lower, and CDOT subsidy \$4.5 million lower).

MTA METRO NORTH RAILROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
CASH RECEIPTS AND EXPENDITURES
DECEMBER YEAR-TO-DATE
(\$ In millions)

	2011			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2011 Adopted Budget		Final Estimate	
				\$	%	\$	%
Receipts							
Farebox Revenue	\$570.949	\$573.494	\$574.623	\$3.674	0.6	\$1.129	0.2
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	65.247	68.040	68.645	3.398	5.2	0.605	0.9
MTA	113.849	77.805	54.611	(59.238)	(52.0)	(23.194)	(29.8)
CDOT	71.319	84.949	78.599	7.280	10.2	(6.350)	(7.5)
Other	15.347	22.200	16.037	0.690	4.5	(6.163)	(27.8)
Capital & Other Reimbursements	200.515	184.954	149.247	(51.268)	(25.6)	(35.707)	(19.3)
Total Receipts	\$836.711	\$826.488	\$792.515	(\$44.196)	(5.3)	(\$33.973)	(4.1)
Expenditures							
Labor:							
Payroll	\$440.043	\$431.408	\$427.153	\$12.890	2.9	\$4.255	1.0
Overtime	72.058	74.506	79.601	(7.543)	(10.5)	(5.095)	(6.8)
Health and Welfare	101.468	93.322	89.595	11.873	11.7	3.727	4.0
OPEB Current Payment	10.467	15.250	15.699	(5.232)	(50.0)	(0.449)	(2.9)
Pensions	53.979	59.043	72.659	(18.680)	(34.6)	(13.616)	(23.1)
Other Fringe Benefits	91.843	90.475	90.105	1.738	1.9	0.370	0.4
GASB Account	7.984	0.000	0.000	7.984	100.0	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	0.000	-	0.000	-
Total Labor	\$777.842	\$764.004	\$774.812	\$3.030	0.4	(\$10.808)	(1.4)
Non-Labor:							
Traction and Propulsion Power	\$68.757	\$62.725	\$61.600	\$7.157	10.4	\$1.125	1.8
Fuel for Buses and Trains	17.292	23.564	22.830	(5.538)	(32.0)	0.734	3.1
Insurance	17.824	14.330	12.222	5.602	31.4	2.108	14.7
Claims	11.146	11.147	7.446	3.700	33.2	3.701	33.2
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	154.771	168.335	146.450	8.321	5.4	21.885	13.0
Professional Service Contracts	44.283	41.940	33.773	10.510	23.7	8.167	19.5
Materials & Supplies	131.025	113.333	110.141	20.884	15.9	3.192	2.8
Other Business Expenditures	32.494	24.996	22.568	9.926	30.5	2.428	9.7
Total Non-Labor	\$477.592	\$460.370	\$417.030	\$60.562	12.7	\$43.340	9.4
Other Expenditure Adjustments:							
Other	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Expenditures	\$1,255.434	\$1,224.374	\$1,191.842	\$63.592	5.1	\$32.532	2.7
Baseline Cash Deficit	(\$418.723)	(\$397.886)	(\$399.327)	\$19.396	4.6	(\$1.441)	(0.4)
Subsidies							
MTA	\$325.177	\$297.499	\$306.042	(19.135)	(5.9)	8.543	2.9
CDOT	93.546	100.387	\$89.076	(4.470)	(4.8)	(11.311)	(11.3)
Total Subsidies	\$418.723	\$397.886	\$395.118	(\$23.605)	(5.6)	(\$2.768)	(0.7)
Opening Cash Balance	0.000	0.000	0.000	0.000		0.000	
Cash Timing and Availability Adjustment	0.000	0.000	4.209	4.209		4.209	
Closing Cash Balance	0.000	0.000	0.000	0.000		0.000	

MTA METRO NORTH RAILROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
CASH CONVERSION (CASH FLOW ADJUSTMENTS)
DECEMBER YEAR-TO-DATE
(\$ in millions)

	2011			Favorable/(Unfavorable) Variance			
	Adopted Budget	Final Estimate	Actual	2011 Adopted Budget		Final Estimate	
				\$	%	\$	%
Receipts							
Farebox Revenue	\$8.066	\$7.435	\$7.090	(\$0.976)	(12.1)	(\$0.345)	(4.6)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	-	0.000	-
Other Operating Revenue	22.153	22.882	20.888	(1.265)	(5.7)	(1.994)	(8.7)
MTA	(11.468)	(26.914)	(39.899)	(28.431)	*	(12.985)	(48.2)
CDOT	(2.457)	0.385	(18.258)	(15.801)	*	(18.643)	*
Other	3.016	5.426	(3.161)	(6.177)	*	(8.587)	*
Capital & Other Reimbursements	(10.909)	(21.103)	(61.318)	(50.409)	*	(40.215)	*
Total Receipts	\$19.310	\$9.214	(\$33.340)	(\$52.650)	*	(\$42.554)	*
Expenditures							
Labor:							
Payroll	\$2.363	\$1.707	\$0.207	(\$2.156)	(91.2)	(\$1.500)	(87.9)
Overtime	0.294	0.058	(1.019)	(1.313)	*	(1.077)	*
Health and Welfare	(2.755)	(3.288)	(1.470)	1.285	46.6	1.818	55.3
OPEB Current Payment	0.000	0.000	1.049	1.049	-	1.049	-
Pensions	(0.099)	(0.116)	(16.379)	(16.280)	*	(16.263)	*
Other Fringe Benefits	0.115	0.132	1.656	1.541	*	1.524	*
GASB Account	(7.984)	0.000	0.000	7.984	100.0	0.000	-
Reimbursable Overhead	2.824	(0.001)	1.168	(1.656)	(58.6)	1.169	*
Total Labor	(\$5.242)	(\$1.508)	(\$14.788)	(\$9.546)	*	(\$13.280)	*
Non-Labor:							
Traction and Propulsion Power	\$0.000	\$0.000	(\$0.042)	(\$0.042)	-	(\$0.042)	-
Fuel for Buses and Trains	0.000	0.000	2.314	2.314	-	2.314	-
Insurance	(0.770)	(0.168)	2.107	2.877	*	2.275	*
Claims	(0.146)	(0.146)	0.271	0.417	*	0.417	*
Paratransit Service Contracts	0.000	0.000	0.000	0.000	-	0.000	-
Maintenance and Other Operating Contracts	(24.305)	(13.692)	2.335	26.640	*	16.027	*
Professional Service Contracts	(2.022)	(1.164)	3.802	5.824	*	4.966	*
Materials & Supplies	(7.431)	(1.026)	(11.402)	(3.971)	(53.4)	(10.376)	*
Other Business Expenditures	(15.997)	(9.120)	(2.058)	13.939	87.1	7.062	77.4
Total Non-Labor	(\$50.671)	(\$25.316)	(\$2.673)	\$47.998	94.7	\$22.643	89.4
Other Expenditure Adjustments:							
Other	0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	-	\$0.000	-
Total Cash Conversion Adjustments before Non-Cash Liability Adjs.	(\$36.603)	(\$17.610)	(\$50.801)	(\$14.198)	(38.8)	(\$33.191)	*
Depreciation	\$245.062	\$214.677	\$210.152	(\$34.910)	(14.2)	(\$4.525)	(2.1)
OPEB Obligation	56.275	56.275	56.990	0.715	1.3	0.715	1.3
Environmental Remediation	8.000	6.527	4.460	(3.540)	(44.3)	(2.067)	(31.7)
Baseline Total Cash Conversion Adjustments	\$272.734	\$259.869	\$220.801	(\$51.933)	(19.0)	(\$39.068)	(15.0)

* Variance exceeds 100%.

MTA METRO NORTH RAILROAD
2011 YEAR-END RESULTS
CASH RESULTS - ACTUAL vs. FINAL ESTIMATE
(\$ in millions)

	2011		Favorable/(Unfavorable) Variance		
	Final Estimate	Actual	Total	Real	Timing
<u>Receipts</u>					
Farebox Revenue	\$573.494	\$574.623	\$1.129	\$1.129	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	68.040	68.645	0.605	0.605	0.000
Capital and Other Reimbursements	184.954	149.247	(35.707)	(6.000)	(29.707)
Total Receipts	\$826.488	\$792.515	(\$33.973)	(\$4.266)	(\$29.707)
<u>Expenditures</u>					
Labor:					
Payroll	\$431.408	\$427.153	\$4.255	\$4.255	\$0.000
Overtime	74.506	79.601	(5.095)	(5.095)	0.000
Health and Welfare	93.322	89.595	3.727	(1.273)	5.000
OPEB Current Payment	15.250	15.699	(0.449)	(2.449)	2.000
Pensions	59.043	72.659	(13.616)	1.384	(15.000)
Other Fringe Benefits	90.475	90.105	0.370	0.370	0.000
GASB Account	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$764.004	\$774.812	(\$10.808)	(\$2.808)	(\$8.000)
Non-Labor:					
Traction and Propulsion Power	\$62.725	\$61.600	\$1.125	\$1.125	\$0.000
Fuel for Buses and Trains	23.564	22.830	0.734	(0.466)	1.200
Insurance	14.330	12.222	2.108	0.000	2.108
Claims	11.147	7.446	3.701	3.701	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	168.335	146.450	21.885	7.954	13.931
Professional Service Contracts	41.940	33.773	8.167	6.114	2.053
Materials & Supplies	113.333	110.141	3.192	2.192	1.000
Other Business Expenses	24.996	22.568	2.428	2.428	0.000
Total Non-Labor Expenditures	\$460.370	\$417.030	\$43.340	\$23.048	\$20.292
Other Expenditure Adjustments:					
Other	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$1,224.374	\$1,191.842	\$32.532	\$20.240	\$12.292
Baseline Cash Deficit	(\$397.886)	(\$399.327)	(\$1.441)	\$15.974	(\$17.415)
<u>Subsidies</u>					
MTA	\$297.499	\$306.042	\$8.543	(\$8.872)	\$17.415
CDOT	\$100.387	\$89.076	(\$11.311)	(\$11.311)	\$0.000
Total Subsidies	\$397.886	\$395.118	(\$2.768)	(\$20.183)	\$17.415
Opening Cash Balance	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Timing and Availability Adjustment	\$0.000	\$4.209	\$4.209	4.209	\$0.000
Closing Cash Balance	\$0.000	\$0.000	\$0.000	0.000	\$0.000

**MTA METRO-NORTH RAILROAD
2011 YEAR-END REPORT
DETAILED EXPLANATION OF VARIANCES ON
NON-REIMBURSABLE AND REIMBURSABLE POSITIONS
By FUNCTION and DEPARTMENT**

2011 FINAL ESTIMATE VS. ACTUALS

Total positions paid at year-end were 410 positions lower than the Final 2011 Estimate.

The number of **Administration** positions paid was 32 fewer than the Final 2011 Estimate primarily due to management vacancies in the IT, Human Resources, Training and Procurement departments that are under recruitment. The number of **Operations** positions paid was 81 fewer than the 2011 Final Estimate primarily due to turnover vacancies in car cleaning and dispatchers, as well as timing differences in scheduling T&E training classes and hiring management vacancies. **Maintenance** positions paid were 291 fewer than the 2011 Final Estimate primarily due to vacancies in management and agreement positions that support structures, power, track, and equipment maintenance functions. **Engineering/Capital** positions paid were six less than the 2011 Final Estimate primarily due to management turnover vacancies.

MTA METRO-NORTH RAILROAD
2011 FINAL ESTIMATE VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
December 31, 2011

<u>Department</u>	<u>2011 Final Estimate</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Administration			
President	3	3	-
Labor Relations	9	8	1
Safety	16	15	1
COS/Corporate & Public Affairs	15	13	2
Legal	17	16	1
Claims Services	14	14	-
Environmental Compliance & Svce	7	7	-
VP Administration	3	3	-
VP Human Resources	3	3	-
Human Resources	25	20	5
Training	37	33	4
Employee Relations & Diversity	4	4	-
VP Planning	2	2	-
Operations Planning & Analysis	17	16	1
Capital Planning & Programming	13	10	3
Business Development, Facilities & Mktg (3)	21	20	1
Long Range Planning	8	8	-
VP Finance & Information Systems	2	1	1
Controller	78	79	(1)
Information Technology & Project Mgmt	96	91	5
Budget	18	15	3
Customer Service (1) (2)	45	44	1
Procurement & Material Mgmt (4)	42	38	4
Total Administration	495	463	32
Operations			
Operations Administration	55	50	5
Operations Services	1,729	1,660	69
Customer Service (1) (2)	236	227	9
Business Development, Facilities & Mktg (3)	38	37	1
Metro-North West	29	32	(3)
Total Operations	2,087	2,006	81
Maintenance			
GCT	368	360	8
Maintenance of Equipment	1,334	1,251	83
Maintenance of Way	1,734	1,534	200
Procurement & Material Mgmt (4)	120	120	-
Total Maintenance	3,556	3,265	291
Engineering/Capital			
Construction Management	37	36	1
Engineering & Design	60	55	5
Total Engineering/Capital	97	91	6
Total Positions	6,235	5,825	410
Non-Reimbursable	5,589	5,469	120
Reimbursable	646	356	290
Total Full-Time	6,234	5,824	410
Total Full-Time-Equivalents (of part-time positions)	1	1	-

(1) Includes 2 part-time positions equal to 1 FTE.

(2) Customer Service positions includes administrative positions for Customer Info. Center and operations positions for Ticket Selling & Station Cleaning functions.

(3) Business Development, Facilities and Marketing includes administrative positions and operations positions for Commissary services.

(4) Procurement & Material Management positions includes maintenance positions for material distribution/storeroom functions and administrative positions for Contracts Mgmt, Purchasing, and Procurement Administration functions.

MTA METRO-NORTH RAILROAD
2011 YEAR-END REPORT
DETAILED EXPLANATIONS of VARIANCES on
FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
By OCCUPATIONAL GROUP

2011 FINAL ESTIMATE VS. ACTUALS

Total positions paid at year-end were 410 positions lower than the Final 2011 Estimate.

The number of **Administration** positions paid was 32 lower than the Final 2011 Estimate primarily in the Professional, Technical, Clerical category due to management vacancies in the IT, Human Resources, Training and Procurement departments that are under recruitment. **Operations** positions paid were 81 fewer than the 2011 Final Estimate primarily due to Compliance Officer and Road Foremen vacancies in the Professional, Technical, & Clerical category as well as Coach Cleaner and Train Dispatcher vacancies in the Operational Hourlies category. **Maintenance** positions paid were 291 fewer than the 2011 Final Estimate primarily due to vacant Engineers, Inspectors, and Technical Support staff and Operational Hourlies vacancies in signalmen, electricians, trackmen, carmen and machine operator crafts that support right-of-way and rolling stock maintenance. **Engineering/Capital** positions paid were six fewer than the 2011 Final Estimate primarily due vacancies in Program Management and Engineer positions.

MTA METRO-NORTH RAILROAD
2011 FINAL ESTIMATE VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
December 31, 2011

FUNCTION/OCCUPATION	2011 Final Estimate	Actual	Favorable (Unfavorable) Variance
Administration (1)			
Managers/Supervisors	57	55	2
Professional, Technical, Clerical	438	408	30
Operational Hourlies	-	-	-
Total Administration	495	463	32
Operations (1)			
Managers/Supervisors	27	24	3
Professional, Technical, Clerical	499	461	38
Operational Hourlies	1,561	1,521	40
Total Operations	2,087	2,006	81
Maintenance (1)			
Managers/Supervisors	57	56	1
Professional, Technical, Clerical	1,019	956	63
Operational Hourlies	2,480	2,253	227
Total Maintenance	3,556	3,265	291
Engineering/Capital			
Managers/Supervisors	27	23	4
Professional, Technical, Clerical	70	68	2
Operational Hourlies	-	-	-
Total Engineering/Capital	97	91	6
Public Safety			
Managers/Supervisors	-	-	-
Professional, Technical, Clerical	-	-	-
Operational Hourlies	-	-	-
Total Public Safety	-	-	-
Total Positions			
Managers/Supervisors	168	158	10
Professional, Technical, Clerical	2,026	1,893	133
Operational Hourlies	4,041	3,774	267
Total Positions	6,235	5,825	410

Notes

(1) Reflects allocation of Customer Service, Business Development and Procurement & Material Management functions between Administration, Operations and Maintenance categories.

**MTA METRO-NORTH RAILROAD
2011 YEAR-END REPORT
DETAILED EXPLANATIONS OF VARIANCES ON
RIDERSHIP (UTILIZATION)**

Metro-North achieved a system-wide rail ridership of 82.0 million which was 0.3% higher than the Final Estimate, 0.4% higher than the Adopted Budget, and 1.4% increase over 2010. This increase occurred despite a series of winter snowstorms, an unprecedented three-day shutdown of service due to Tropical Storm Irene in August, and yet another late October snowstorm.

Metro-North's high level of service reliability and the beginnings of an economic recovery combined with the high price of gasoline, the cost and inconvenience of parking, and rising toll prices, all contributed to boosting ridership in 2011.

East of Hudson ridership increased 1.7% to 80.4 million rides which was which was 0.3% higher than the Final Estimate and 0.4% higher than the Adopted Budget. Compared to 2010, ridership was higher on all three lines, with the largest increase on the New Haven Line at 2.7%, followed by the Hudson Line at 0.9% and on the Harlem Line at 0.7%.

Year-to-date commutation ridership was 0.2% higher vs. the Final Estimate and 1.0% higher than the adopted budget. Non-commutation ridership for the year was 0.5% higher than the Final Estimate and 0.4% higher than the Adopted Budget due to higher ridership during the Christmas and New Years holiday period.

Compared to 2010, ridership increases occurred across all market segments in both commutation and non-commutation categories:

Commutation to Manhattan	+1%
Weekday Off-Peak	+2%
Weekend	+1%
Reverse Commutation	+1%
Intermediate	+3%

West-of-Hudson ridership of 1.7 million was 11.2% lower than 2010 due to the three-month disruption of service on the Port Jervis Line caused by extreme damage from tropical storm Irene. As a result, Port Jervis Line ridership decreased by 17.2%; however, the Pascack Valley Line increased by 2.9% vs. 2010.

MTA METRO-NORTH RAILROAD
2011 ADOPTED BUDGET AND FINAL ESTIMATE vs. ACTUAL
UTILIZATION
(in millions)

	Year-to-Date as of December 2011			Variance Favorable/(Unfavorable)			
	Budget	Final Estimate	Actual	vs. Budget		vs. Final Estimate	
				\$	%	\$	%
Farebox Revenue							
Harlem Line	\$172.234	\$171.877	\$172.341	\$0.107	0.1	\$0.464	0.3
Hudson Line	\$124.731	\$125.935	\$126.169	\$1.438	1.2	\$0.234	0.2
New Haven Line	\$264.893	\$267.469	\$268.249	\$3.356	1.3	\$0.780	0.3
Total Farebox Revenue	\$561.858	\$565.281	\$566.759 ⁽¹⁾	4.901	0.9	\$1.478	0.3
Ridership							
Harlem Line	26.421	26.252	26.364	(0.057)	(0.2)	0.112	0.4
Hudson Line	15.604	15.755	15.760	0.156	1.0	0.005	0.0
New Haven Line	37.727	38.091	38.240	0.513	1.4	0.149	0.4
Total Ridership East of Hudson	79.752	80.098	80.364 ⁽²⁾⁽³⁾	0.612	0.8	0.266	0.3
West of Hudson	1.919	1.655	1.673 ⁽⁴⁾	(0.246)	(12.8)	0.018	1.1
Total Ridership	81.671	81.753	82.037	0.366	0.4	0.284	0.3

(1) Excludes West of Hudson Mail & Ride revenue totaling \$0.047 million for the month and \$0.744 million year-to-date.

(2) Includes estimated loss of 85,000 rides due to October 29th snow storm.

(3) Includes estimated loss of 465,000 rides due to Tropical Storm Irene.

(4) Includes estimated loss of 200,000 rides due to suspension of service from 8/27/11 thru 11/27/11 due to extensive infrastructure damage from Tropical Storm Irene.

MTA METRO-NORTH RAILROAD 2011 YEAR-END REPORT RESULTS OF OPERATIONS

Metro-North Railroad faced extraordinary challenges on several fronts in 2011. These challenges included several blizzards, record-breaking heat, a tropical storm that required the organized suspension of all service and that resulted in catastrophic damage to the Port Jervis Line, and a freak October snowstorm. Nonetheless, the railroad continued to make progress towards its Vision 2013 goal of becoming a brand name for excellence.

Illustrative of this progress, Metro-North was awarded the prestigious 2011 Jury Prize for Overall Design Excellence from The Watford Group and The Center for Industrial Design at the Brunel Awards ceremony in Washington, D.C. by United States Secretary of Transportation Ray LaHood.

This award recognizes our continuing work toward becoming a more efficient operation, our commitment to sustainability, and our focus on providing excellent customer service. **Metro-North was the first American railroad to win this coveted award in its 26-year history.** The competition is open to all passenger and freight railroads in the world. Forty-three railways from 15 countries on three continents entered 150 projects for consideration.

The Jury Prize is only eligible to a railroad that enters project in all five categories, which Metro-North did. Our other entries included:

- The Harmon Coach and Locomotive Shops (First place award recipient in the "Freight and Railway Support Buildings" category) - These two modern facilities are designed for a 21st century fleet, with ultra-modern equipment maintenance capability that provides employees with a safe, clean, efficient work environment. They represent the largest capital and engineering project ever undertaken by Metro-North.
- Yankees-E. 153rd Street Station (Passenger Station Buildings category) - This built-from-scratch station, which was constructed on time and within budget, was designed to provide Yankees fans as well as Bronx customers with yet another transportation gateway. Contemporary lines and high-tech features define the facility which is a regular stop on the Hudson Line.
- Operations Control Center (Technical Infrastructure and Design category) - Rail traffic control was brought into the 21st century with construction of the new OCC. New hardware and software such as a two-story-high wall display of the

entire territory and larger, easier-to-use digital monitors for rail traffic controllers help to make directing 100s of trains daily a simpler task.

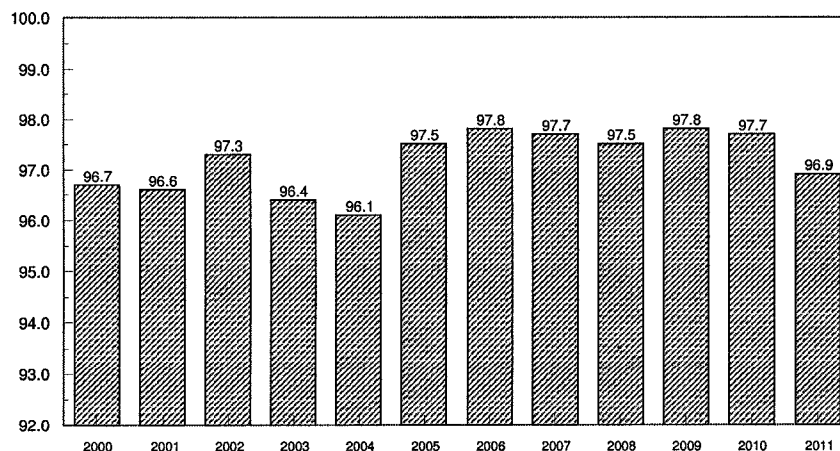
- M8 Rail Cars (Rolling Stock category) - The sleek contemporary M8s are built exclusively for our New Haven Line. Designed with computerized software and built for better weather resistance, the M8s also provide customers with a host of amenities including wider and more comfortable seats, convenience outlets, bigger windows and better lighting.
- "The Home of the Stars" MTA Arts for Transit (Industrial Design, Graphics and Art Branding category) - This public art work installed on the south wall of the Yankees-E. 153rd Street Station pedestrian overpass is based on an ideally spectacular Bronx sky in April. The 11-panel, 200-foot-long mosaic depicts the sky at intervals from bright afternoon to starry night. It is sited to mask a fire wall that separates the new construction from an adjacent warehouse.

On-Time Performance

Metro-North's overall On-Time Performance in East of Hudson service was 96.9% for the year, despite severe weather conditions that impacted reliability throughout the year. On-Time Performance in the AM peak was 95.8%; PM peak, 96.9%; reverse AM peak, 96.4%; weekday off-peak, 97.3%, and 97.0% on weekends. For eight days in 2011 system-wide on-time performance was 100%.

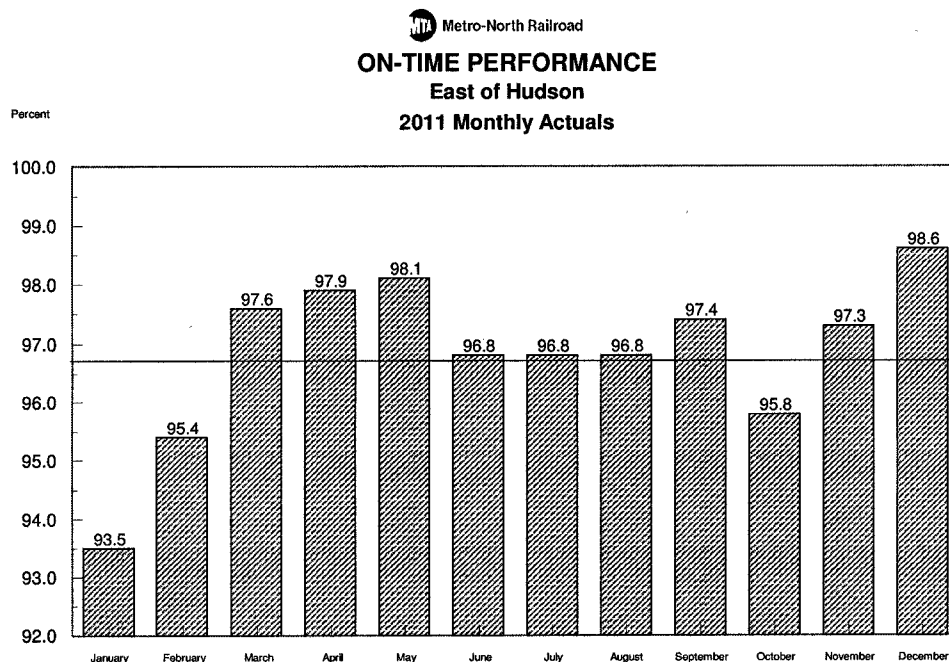


ON-TIME PERFORMANCE East of Hudson



By service line, the Hudson Line posted the best overall on-time performance achieving 98.0%, followed by the Harlem Line at 97.7%, and the New Haven Line at 95.6%. New Haven Line performance was adversely impacted by the numerous snow emergencies and spring rain storms that caused severe damage to the M-2, M-4 and M-6 car fleets and the washout of a section of the Danbury Branch in March.

West of Hudson Service, operated by New Jersey Transit on Metro-North's behalf, was also a record at 96.6% which was 0.1% better than 2010, despite the fact that the Port Jervis Line ran on an alternate service schedule for over two months due to the extraordinary infrastructure damages caused by Tropical Storm Irene. For the year the Pascack Valley Line's on-time performance was 97.6% and the Port Jervis Line's rate was 95.0%.

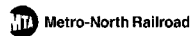


Equipment Reliability

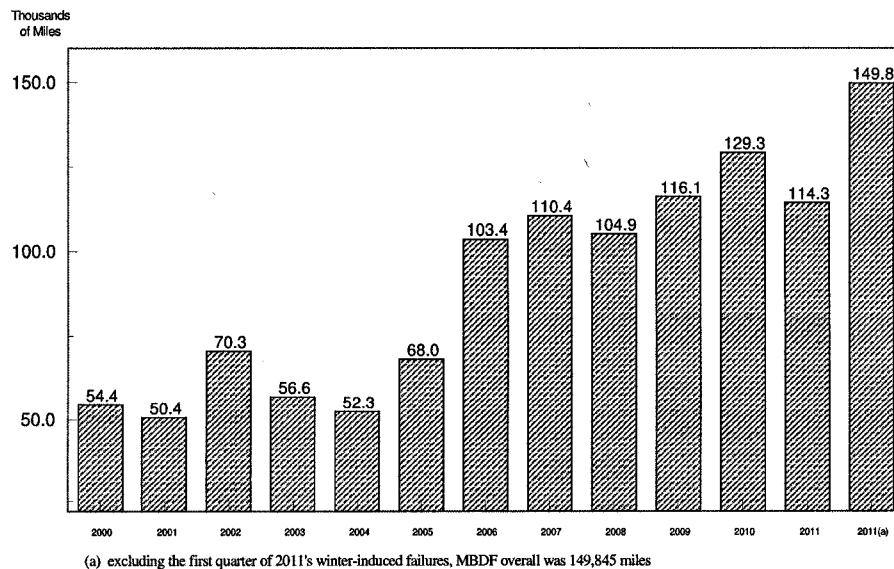
In 2011, Metro-North's fleets attained an average Mean Distance Between Failure (MDBF) of 114,347 miles vs. a goal of 125,000 miles – again reflecting the negative effects of the extraordinary winter weather on the performance of the New Haven Line fleets (M-2/M-4/M-6). The performance of the other fleets, however, shows the result of continued investment in and the revitalization of Metro-North's car fleets. Specific programs to improve fleet performance include:

M-3 Performance Improvement Program (PIP):

By the end of April 2012, 138 M-3s will have passed through this program, which includes improvements to mechanical systems (propulsion & brakes) and car interiors (windows, seats & floors). These efforts have improved the customer environment and increased reliability as evidenced by the 2011 MDBF of 240,266, a 300% improvement over the 2002-2006 pre-PIP average MDBF of 58,700 miles. The impact of this program as well as the continued excellent performance of the M-7 cars resulted in a combined M-3/M-7 MDBF of 502,718 miles.



MEAN DISTANCE BETWEEN FAILURE



Overhaul of 31 Genesis Dual-Mode Locomotives:

By the end of 2011, 22 Genesis Locomotives were overhauled and returned to service with nine remaining units scheduled for completion in 2013. MDBF for the overhauled locomotives is 38,634 miles, exceeding the designed reliability goal of 25,000 miles, by over 50 percent.

Diesel Service

Coaches operated at a MDBF of 357,159 miles for the year which allowed the diesel service to operate at an MDBF of 134,006 miles in 2011

M-2 Critical Systems Replacement (CSR) Program:

Overall M-2 car MDBF for 2011 was 66,742 miles, down from the 95,308 mile average in 2010. However, the 144 M-2 cars that were included in the CSR program performed

substantially better with an MDBF of 78,672 miles vs. 52,219 miles averaged by the non-CSR fleet.

M-8 Cars

The roll out of the new M-8 cars in service on the New Haven Line began in 2011 and continues through 2012. To date, a total of 86 M8 cars support the 70 M-8s (two 10-car train, four 8-car train sets and three 6-car train sets) operating in regularly scheduled train service as of April 2, 2012.

Customers have the opportunity to ride one or more of the 407 weekly trains (318 weekday and 89 weekend) operating in scheduled New Haven Line service with the nine M8 train sets. The new M-8 trains represent 28.8% of the total New Haven Line main line Monday -Thursday weekday service, 27.7% of the total Friday weekday service, 42% of the total service on Saturdays and 30.8% on Sundays.

In 2011, 25 M-8 single cars were added to the original 380 M-8 rail car order. Adding these single cars will ensure the best possible New Haven Line Service at the lowest cost. These cars provide the advantage of being able to add one car instead of two, an efficient way to add capacity and flexibility on trains to meet ridership growth and scheduling needs.

Excluding the first quarter, MDBF for the NHL Fleets was 81,705 miles, and in the fourth quarter of 2011 NHL equipment operated above goal at an MDBF of 103,366 miles.

Overhaul of F40 Locomotives (West of Hudson):

The overhaul of eight three-thousand horsepower F-40 locomotives continues. The work includes rebuilding the main engines and generators, replacing the 1,800 gallon fuel tanks with 2,500 gallon tanks (increases range so we can run two Port Jervis round trips), and the installation of new power generators for on-board lights, heating, and air conditioning. These modifications will also give the locomotives "greener" (reduced) emissions. To date, five locomotives were overhauled and are back in service with the remainder targeted for completion by October 2012.

Capital Program

In 2011, East of Hudson track forces installed 36,639 new wood ties, 17,025 concrete ties, and over 3.8 miles of continuous welded rail (CWR). In addition, 157 miles of track was surfaced and 44 switches were installed. In West of Hudson territory the 2011 tie and surfacing program was cancelled due to tropical storm Irene; however, there were two new switches installed, one near Sloatsburg and another near Harriman.

The Connecticut Department of Transportation's (ConnDOT) catenary program, has been restructured to improve efficiency of project work. Of the 172 miles of main New Haven Line catenary in the State of Connecticut, 63% is now under the new constant tension system, leaving 37% in the original antiquated system or out-of-service for repair. Work is underway on the seven mile stretch between Southport and Bridgeport. Of four tracks in that area, 2 were taken out of service for catenary replacement and bridge work. All trains, therefore, must operate on the other two tracks under old the

catenary, thereby hampering Metro-North's operational flexibility in this area. This winter, to combat potential service disruptions during weather events, work was suspended on one of these two tracks.

Numerous station improvements took place during 2011:

Fairfield Metro Station:

This new station was opened on December 5. Every train that stops at Fairfield now stops at Fairfield Metro which is in the same fare zone. Located midway between the Fairfield and Bridgeport stations, Fairfield Metro has 1,400 parking spaces and was built by the Connecticut Department of Transportation and the Town of Fairfield. The station is ADA accessible with elevators on each platform and has two high-level platforms with full-length canopies that can accommodate 12 rail cars each. Other amenities include ticket vending machines, and a fully enclosed pedestrian overpass with elevators for easy passage between platforms.

Construction Improvements at Cortlandt Station:

Work to develop this Hudson Line station into a strategic passenger intermodal facility was completed in early 2012. Improvements included modifications to Route 9A interchange extension of existing pedestrian overpass, new intermodal areas, and storm water management measures. In addition, a new parking facility was built on the west side of the tracks that added 720 spaces (increasing parking from 885 spaces to 1,605).

Tarrytown Station Improvements:

These improvements, which began in June 2009, are nearly complete and include new center island and side platforms, as well as new north and south overpasses that will be enclosed and heated. Funded through the American Recovery and Reinvestment Act (ARRA), this work is scheduled for completion in summer 2012.

Hudson Line Station Improvements:

The Greater New York Construction User Council selected station improvement projects at Philipse Manor, Scarborough and Ossining as the 2011 Top Projects in their Infrastructure Category. The \$89 million project included new inbound and outbound platforms, canopies, and shelters at all three stations. Philipse Manor's overpass was rehabilitated and a new one was built at Scarborough. At Ossining, elevators were installed along with new stairs and parking, and the elevated walkway on the North and West sides of the station building were rebuilt. All three stations also received permanent artwork under the auspices of the MTA Arts for Transit program.

Poughkeepsie and other Historic Stations:

Replacement of Poughkeepsie's windows and doors was completed, adding to previous refurbishments of the wooden ceiling, brick walls, marble floor and terra cotta. Rehabilitation of four other historic station buildings at Port Chester, Tarrytown, Mamaroneck and Fordham was also completed in 2011.

Croton-Harmon and Peekskill Upper Hudson Line Stations:

Work continues at Harmon and includes the replacement of a two-car length segment of the platform roofing over the north overpass, canopy extensions, and other amenities. At Peekskill, improvements underway include rehabilitation of the overpass and

platforms, replacement of the outbound platform canopy roof, and the construction of two new staircases to the overpass. Elevators will be rehabilitated in conjunction with the overpass work.

New Haven Line:

The first phase of rehabilitation of Port Chester and Rye stations was completed in March 2011.

Port Jervis Line Damage and Repair:

In late August, Tropical Storm Irene caused catastrophic damage, devastating 14 miles of Port Jervis Line right-of-way between Harriman and Suffern. Damage, which included 50 washouts in the two-mile section between Suffern and Harriman, was caused by fast-moving water that covered the tracks and washed away ballast, sub-base and earth, to depths of up to 7 feet. Track damage was extensive, with sections that were left hanging in mid-air or grossly twisted out of alignment. Initial predictions indicated service would be out for at least a year and experts claimed they had never seen such severe damage in the region.

Within two days, along with Metro-North's partners at MTA Bus and NJTRANSIT, a plan was developed and implemented to provide a multi-staged bus operation service to all Port Jervis Line stations. Metro-North established the equivalent of a new bus company by drawing on the resources of MTA Bus and local bus operators.

Each day, more than 60 buses operated on six routes, making more than 140 trips. Additional travel options were quickly established, including parking improvements, relaxed parking policies and expanded fare reciprocity policies for the railroad's Port Jervis Line customers.

On the engineering front, Metro-North received emergency procurement powers from the MTA Chairman, whereby railroad forces were immediately dispatched to begin making repairs, while contracts were simultaneously being established with an engineering firm to make an emergency condition assessment of the line.

Metro-North developed a phased rebuilding plan to restore service as quickly as possible. After assessment of the track, service was restored between Port Jervis and Harriman on September 19, with bus service provided from Harriman to Ramsey/Route 17. Full Port Jervis train service began on November 28 with 26 trains on weekdays and 14 on weekends, much earlier than anyone had predicted. Below is a synopsis of what was accomplished in that short time:

- Thousands of feet of washed out track were restored (requiring many tons of fill material), and resurfaced with new ballast. (Track ballast is crushed stone forming the track bed upon which railroad ties are laid.) Also, tons of debris was removed from along the tracks.

- Several new culverts were installed, and two bridge back walls were completely rebuilt. (A culvert is a device used to channel water and may allow water to pass underneath a road, railway, or embankment.)
- Some 150,000 tons of ballast and other fill was salvaged for the rebuilding effort.
- An abandoned damaged stone bridge was filled with concrete to stabilize it while maintaining the historic features of the structure.
- A scour hole beneath a bridge pier was filled in and protected with riprap (rock or other material used to armor shorelines, stream beds, bridge abutments, pilings and other shoreline structures against erosion; scour holes are caused by swiftly moving water, compromising the integrity of a structure).
- Riprap was placed on embankment sections prone to washouts to help protect against future flooding events.
- Surfacing and grading of the remaining track was completed.
- Fill was added in washed out areas of the embankment, slope protection was installed and two new drainage and piping structures were added to help prevent future track washouts.

Completion of the slope protection and placement of riprap, along with additional track resurfacing will be finished this spring.

The progress of the railroad's effort was so demanding that the amount of work that had to be done by a third party contractor was significantly reduced and Metro-North was able to restore service to its full pre-storm level on January 15. The original estimate for completion of all Port Jervis Line repairs has also been accelerated from Fall 2012 to June 2012. And, a tribute to good planning, the substitute bus service and the efficiency of the work performed by Metro-North's employees, the cost of repairs, and lost revenue is now estimated between \$30 million and \$40 million, less than the original \$60 million estimate.

Safety & Security

Due to a series of crippling blizzards early in the year, Metro-North incurred four times the number of injuries in January 2011 vs. January 2010. However, due to the high priority placed on safety throughout the organization, by year-end total injuries dropped to just 13% over the prior year. In recognition of these efforts, Metro-North was honored with the MTA Chairman's Safety Award for having the most improved lost-time injury and restricted duty injury rate of any MTA agency.

Facilities and/or groups exhibiting the best safety records in 2011 included: the North White Plains District (42 % reduction in total injuries); the GCT District (2% reduction); the Maintenance of Way's Track & Structure Group (14.3% reduction), and with just one injury, the Administrative group which had a 33% reduction versus 2010.

Contributing to the "safety comeback" after the January storms was the continued empowerment and expansion of Local Safety committees:

- The employee Local Safety Committee network has been expanded, and have taken ownership in their respective districts to a new level with yard walk inspections in their districts and promotion of the "I'm a Lifesaver" program, which consisted of peer to peer responsibility for identifying and eliminating unsafe behavior. Coordination of "Safety Awareness Days" in local districts, enhancing safety communications, and "clean-up days" in various locations all contributed to removing hazards which reduces the chances of accidents and injuries. Local and District Chairman bi-annual meetings were also scheduled to promote the exchange of ideas and best safety practices.
- Successful Safety Accident Prevention Programs also continued and were expanded in 2011. Early Intervention sessions addressing unsafe behavior with employees who have less than three years service were presented on three different occasions for approximately thirty employees. The "Work Group Risk Reduction" program was also expanded, addressing safety concerns within certain crafts that tend to exhibit higher than average accident rates.
- A multi-department effort was established to enhance Job Safety Briefings to include all Departments and Districts via audits, "meet-and-greets", handouts, and the development of a Job Safety Briefing instructional video.
- The Safety message was actively promoted using Metro-North's media network. Regular features promoting safety accomplishments and Safety Awareness days appeared in *On Track, the Weekly News*, and on the Employee Video monitors. Several special safety and security campaigns were specifically designed to make use of these monitors, which enabled the department to communicate safety information to shops and other locations immediately.
- Customer Safety reminders were communicated via media *Mileposts*, the internet, and "Best Foot Forward" (slip, trip fall reminders) seat drops. As with employee injuries, 2011 also saw customer injuries rise at the start of the year due to conditions created by the severe winter weather. However, a strong recovery was made during the remainder of the year due in part to campaigns that were brought to the customer level.
- Training Metro-North's first responders continues to be a priority and an annual full-scale emergency preparedness exercise was held in the town of New Canaan, Connecticut in November.
- Finally, the railroad's community Safety Awareness Program continued in 2011 which includes the "METRO MAN" robot to communicate to younger audiences the dangers of trespassing on railroad property.

Human Resources:

Metro-North continued its efforts to increase employee teamwork and development, improve communications, and enhance the work environment by implementing several actions in 2011 including:

- The 28,000-square-foot Grand Central Terminal Crew Facility opened its doors in August, providing a contemporary and amenity-filled space for Conductors, Engineers, GCT Customer Service Representatives and Fire Brigade staff. Situated in Halls C and D (Main entrance in Hall D, at the southwest corner of Grand Central nearby the 42nd Street & Vanderbilt entrance), the new facility spans three floors and offers ample space and dedicated features. Throughout the process, from the design phase through construction, feedback was elicited from representatives from the ACRE union and GCT Building Services.
- Metro-North launched a Pilot Mentoring Program, which is open to all non-agreement employees. This ground-breaking initiative will help with the development of future leaders which is critical to our continued success. The three-month program pairs participants (protégés) with key decision-makers (mentors) to help them develop leadership skills and strengthen management abilities. Participants also become familiar with the vital network of resources and contacts needed to get things done. Two Pilot sessions were completed in 2011 and a total of 17 Mentors and 24 Protégés participated. .
- Metro-North's *Inclusion Council* was created to share and implement ideas by promoting an "inclusive corporate environment" through projects, programs and events. The Inclusion Council is comprised of 12 agreement and non-agreement employees from various divisions and locations across the organization and is led by two co-facilitators.
- Metro-North continues to invest in the training of its employees with the goal of ensuring that all have the skills and experience necessary to deliver on our customer commitments. Specifically designed programs are aimed at meeting the training needs of new hires, staff who are looking to increase their skills and abilities, as well as those who are working toward promotions. Efforts focus on four critical areas: technical skills training, management and leadership development, performance management, and succession planning.

SUSTAINABILITY

In 2011, Metro-North continued sustainability efforts which not only focused on being "Greener" but also leveraged these efforts to a "Leaner" or less costly way of doing business. 2011 accomplishments include:

- Continuation of work with the New York Power Authority (NYPA) on energy efficiency projects at the North White Plains and Brewster Yards involving the installation of energy efficient lighting, occupancy detectors and upgraded heating and ventilation systems - projects that should be completed by the end of

2012. Energy efficient lighting has also been installed at the New Hamburg and Beacon Stations and will continue with the Garrison, Cortlandt and Cold Spring stations

- Metro-North's partnership with NYPA is also making Grand Central Terminal more energy efficient as it continues with the installation of new lighting, upgraded metering, highly efficient motors, state of the art chillers and improved compressed air systems. The constellation ceiling above Grand Central Terminal's Main Concourse is alive with new environmentally-friendly Light Emitting Diodes (LED's) that are expected to last 50,000 hours, and consume 60% less electricity than the old lights - just 4 watts. This is also a system that will pay for itself in less than three years.
- Roof replacement projects at two major facilities - the Harmon Material Distribution Center, and Brewster Shop, will incorporate natural lighting via skylights to improve the work setting and reduce energy consumption.
- Brewster Yard and the Harmon Main Shop have been retro-fitted with low flow hygiene fixtures and automatic shut-off faucets. This conservation effort is being expanded to other locations as force account and funding become available, with the remainder of Harmon Yard scheduled to be the next site to be retrofitted. (All new construction is required to use water saving fixtures.)
- Recycling bins have been placed at employee facilities at Wassaic, Poughkeepsie, Beacon, Brewster, North White Plains, and Harmon. Contracts have been issued to several companies to remove the trash and cart "source separated" recyclable glass, metal, plastic and paper.
- Metro-North issued its first solicitation for a Transit-Oriented Development (TOD) at the Harrison Station to improve access to trains by replacing three surface parking lots with a mixed-use development that includes retail space and housing units wrapped around a new parking structure. The project, intended to serve as a catalyst for downtown revitalization in Harrison, also enjoys broad support from the community, local government, and the New York State Department of State, which awarded a Smart Growth Grant to support this project.

Customer Service

Metro-North continues to make improvements to provide real-time and more useful information to customers 24 hours a day, seven days a week. To this end, 2011 initiatives included:

- The merging of the Customer Service Department with the Stations Department of Operations Services created a single department to focus on improving customer communications and provide service alternatives during disruptions.

- The creation of the new Customer Communications Center at 525 North Broadway in White Plains now provides a centralized location for all real-time and other customer communications. This center manages the PA system, electronic station signage, Train-Time, e-mail, text alerts, service status on the web and in the stations, as well as customer complaints on social media. It provides 24 hour/day information to our customers alerting them of real-time service interruptions. Metro-North's customer service staff also works with Corporate & Public Affairs to promote new services such as the "quiet cars", new schedules, special events, promotions, and general travel related assistance.
- Station Management Auxiliary Response Team (SMARTs) was recreated. When called upon, SMARTs are now ready to assist our customers during service disruptions and other events. Participants provide updated contact information and receive specific assignments and on-line training.
- The Communications and Technology group completed several key initiatives to improve real time information communications to customers. Thus included the creation of "511", the single phone number for all MTA services (dial 511). By simply using a few prompts, Metro-North customers are able to obtain information about schedules, fares, promotions, Mail & Ride, group sales, Lost & Found, ticket machine assistance, and can also reach a Customer Service Specialist whenever requested. (Connecticut customers can call 877-690-5114).
- The all agency Regional Trip Planner was developed in 2011, which integrates travel information from various agencies (train, bus, & subway), thereby providing increased options to customers. Additional communications improvements include: information on the ticket vending machines, electronic station signage, upgraded LCD monitors at Croton-Harmon, Poughkeepsie and Stamford stations, and, participating in the "On the Go" Touch Screen Pilot Program – an interactive information system resembling a giant iPad in Grand Central Terminal (and several other locations at various MTA agencies).
- Quiet CALMmute, Metro-North's new Quiet Car pilot program was launched on select peak hour trains on the Hudson and Harlem lines on October 17, and was later expanded to include the New Haven Line in January. The last car on select AM peak trains and the first on select PM peak trains have been designated for customers who prefer an environment free of cell phones, loud conversations and most audible disturbances. The program is voluntary in nature with customers self-monitoring – although conductors issue "shh" cards to those who are non-compliant. The pilot program has been a resounding success with 90% of customers surveyed satisfied with the program, and, as a result, it has since been expanded in 2012 to include all inbound AM peak trains and outbound PM peak trains.
- Metro-North's customers can now get train schedules via text message thanks to "CooCoo", a Long Island-based text scheduling company. CooCoo's text messaging service is the perfect complement to TrainTime, the internet-based service developed in-house for users of smart phones and desk-top computers.

- After the second complete season of operation, Metro-North's Yankee Stadium-E.153rd Street station continues to be a major success, for us and Yankee fans. For the 85 regular and post-season home games, 541,000 customers travelled with Metro-North, thereby greatly reducing automobile traffic in the stadium neighborhood. Yankee Stadium was also host to two concerts, resulting in over 14,000 additional rides. In November, Army football returned to Yankee Stadium with their game against Rutgers, and the New Era Pinstripe Bowl was played there in late December, resulting in almost 6,000 rides.
- For the third year, Metro-North operated direct train service on the New Haven Line to the New Jersey Meadowlands Sports Complex for NFL football games. For the first time ever, this service was provided to a Saturday football game. Average ridership on the Direct New Haven Line trains to/from the Meadowlands is about 300 customers per game.
- The ever popular and convenient Hudson Rail Link bus service to Riverdale and Spuyten Duyvil train stations expanded with a new bus stop at the Hebrew Home for the Aged to give their employees better options for commuting to work, as well as offering visitors a new travel option. In addition, the Home agreed to several infrastructure improvements that will stabilize the steep slope adjacent to the facility that has been prone to mudslides that have fouled tracks. Metro-North also took delivery of two new 30-seat buses, as part of the ongoing effort to upgrade the Hudson Rail Link bus fleet.
- After the original dock was damaged from icing, construction was completed on a new dock at Ossining for the Haverstraw-Ossining Ferry. The new dock is larger and heavier, and has wider ramps for faster embarking and disembarking, in addition to being more stable during inclement weather.
- Metro-North provided its customers with service to Newark Airport via a package with Newark Airport Express Bus Service that stops near Grand Central on 41st Street. The trip is approximately 50 minutes, depending on weather, traffic conditions, and airport terminal location.

Ridership and Revenue

In 2011, Metro-North drew a system-wide ridership of 82.6 million, or a 1.4% increase over 2010, making Metro-North the busiest commuter railroad in the country. This increase occurred despite a series of winter snowstorms, an unprecedented three-day shutdown of service due to Tropical Storm Irene in August, and yet another late October snowstorm.

Metro-North's high level of service reliability and the beginnings of an economic recovery combined with the high price of gasoline, the cost and inconvenience of parking, and rising toll prices, all contributed to boosting ridership in 2011.

East of Hudson ridership increased 1.7% to 80.4 million rides. Ridership was higher on all three lines, with the largest increase on the New Haven Line at 2.7%, followed by the Hudson Line at 0.9% and on the Harlem Line at 0.7%.

2011 Ridership grew across all market segments vs. 2010:

Commutation to Manhattan	+1%
Weekday Off-Peak	+2%
Weekend	+1%
Reverse Commutation	+1%
Intermediate	+3%

West-of-Hudson ridership of 1.7 million was 11.2% lower than 2010 due to the three-month disruption of service on the Port Jervis Line caused by extreme damage from tropical storm Irene. As a result, Port Jervis Line ridership decreased by 17.2%; however, the Pascack Valley Line increased by 2.9% vs. 2010.

The three Metro-North operated connecting services (Haverstraw/Ossining Ferry, Newburgh/Beacon Ferry, and Hudson Rail Link) have not yet rebounded from the effects of the recession. Combined ridership on the three services was approximately 555,000 – a decrease of 1.6% vs. 2010. Ridership increased by 2% on the Haverstraw-Ossining Ferry, and remained essentially unchanged on the Newburgh/Beacon Ferry, but decreased by 3% on the Hudson Rail Link.

The ridership increases boosted our bottom line as total East of Hudson passenger revenues of \$567.5 million exceeded goal by \$4.7 million (0.8%).

Other Operating Revenue

Metro-North continued to take steps to increase non-passenger revenue, that enabled us to exceed goal by \$4.7 million:

- GCT advertising entered the digital age by converting dioramas to digital displays that present multiple advertisements. Also, upgraded advertising display frames were installed in the GCT Trainshed on the upper and lower levels.
- The Beverage and Snack System-wide Vending Program continued throughout the year, providing a consistent customer amenity at outlying stations and employee facilities. Guaranteed compensation over the ten-year term is estimated to be \$1.7 million, plus brand exclusivity compensation of up to \$1.2 million. As of November 2011, 10 employee locations, 45 passenger stations and five North End Access locations have vending machines.
- A competitive award has been finalized with Anheuser-Busch and Coca-Cola for corporate sponsorship of portable commissary sales carts and non-alcoholic beverage pouring rights. This agreement is expected to provide an 80%

increase in cart sponsorship revenue, estimated to be \$0.4 million over the next five years. In addition, the carts have been upgraded and refurbished. The Commissary is also market-testing a range of new menu offerings to increase sales and revenue.

- Metro-North's Manhattan and Hudson Valley, Connecticut and Beyond promotional joint partnership "Getaway" programs continue to boost off-peak/weekend discretionary ridership. In 2011, Getaways generated revenue of almost \$0.5 million, and increased ridership by more than 82,000. Advertising opportunities in the promotional brochures helped offset printing costs, and Getaway Days in Grand Central generated additional business.
- The use of self-guided audio tours of Grand Central Terminal tripled between January and October. By mid-December, 15,000 tours were sold, generating \$65,000 in sales.
- Work toward building a wireless cellular commercial network in GCT continued in 2011. A design/build contract is being awarded for installation which is led by a Carrier Team composed of Verizon Wireless, Sprint-Nextel, AT&T-Cingular and T-Mobile. This will include new services such as WiFi, improved cellular coverage, and a stand-alone emergency communications network. In addition to the installation of the commercial cellular network, Metro-North will gain \$24.3 million in value from license fees and capital investment (new MNR radio network) over the next twenty years. Construction is scheduled to begin in 2012 and be completed by 2014.

Financial Performance

Financial results for the year were very favorable vs. the 2011 Operating Budget. Farebox Revenue of \$567.5 million exceeded projections by \$4.6 million (0.8%) due to higher ridership, Other Operating Revenue of \$47.8 million exceeded the budget by \$4.7 million (10.8%) due primarily to higher GCT retail revenues, and operating expenses, excluding non-cash accruals for Depreciation, OPEB and Environmental Remediation, were lower by \$24.3 million (2.5%). As a result, the cash deficit of \$399.3 million was \$19.4 million (4.6%) below budget.

Although we achieved these favorable results, 2011 did not go without its financial challenges. The frequent and severe snow and ice storms during the winter, and higher than average rainfalls in the spring and summer damaged rolling stock and the right-of-way leading to service disruptions, track and power outages, and car fleet shortages. Snow-damaged repairs to a large portion of the New Haven Line electric car fleet, the washout of Danbury Branch track, and weather emergency preparation and recovery tasks through the year, required an increase in overtime expenditures to return service back to normal levels quickly and efficiently. In addition to these events, tropical storm Irene paralyzed the region's transportation system in late August and inflicted significant damage to the Port Jervis Line requiring an alternate bus service plan and the rebuilding of the infrastructure.

These events made it virtually impossible for Metro-North to continue the progress made in 2010 in lowering overtime costs. Total 2011 overtime expenditures of \$60.1 million exceeded the adopted budget of \$53.1 million by \$7.0m (13%). In conjunction with extraordinary weather emergency coverage noted above, our Maintenance of Equipment Department expended additional overtime hours to repair the snow-damaged New Haven Line car fleet to ensure daily consist compliance, especially in light of growing ridership. In addition to weather-related emergencies, there was a higher level of spending for Maintenance of Way right-of-way repairs, mainly due to mud spot repairs in the Bronx, and unanticipated overtime to cover train and engine crew requirements and protect the collection of on-board revenue as we work towards increasing employee availability.

To offset these increases Metro-North took the following actions to increase straight-time hours and reduce overtime:

- Distribute the use of vacation more evenly throughout the year and increasing the pool of vacation relief positions in the Mechanical Department - \$1.2 million savings.
- Establish a third trick straight-time track maintenance rail vacuum gang to perform track excavation, drainage (mud spot) work and garbage clean up maintenance - \$0.7 million savings.
- Aggressively filling vacant positions - \$0.2 million savings.

Initiatives that decreased the use of overtime included:

- Distributing some NHL storm-related M-2 traction motor repair work to the new Harmon Shop.
- Extending maintenance schedules in Grand Central Terminal.
- When possible, limiting sick and vacation overtime coverage from full shift to half shift coverage for the 2nd and 3rd shift for MofW C&S, MofW Power, and GCT employees.
- When feasible, reduced stand-by and emergency weather event coverage through focusing the response effort to areas anticipated to be most heavily impacted.

In addition to overtime controls, other strategic initiatives continued to reduce 2011 costs:

- Improved control over stock inventory purchases and material usage continued through the implementation of strategic procurement and inventory planning initiatives that partner maintenance needs with material management efforts. Actions that were successfully implemented in 2011 include:
 - Utilization of the new material forecasting system to provide historically based forecast demand analysis. This system was used to manage safety stock levels, provide reorder points for defined service levels, and calculate reductions for M-2/M-4/M-6 inventory parts, and identify excess inventory.
 - Continue the development of the Maintenance of Way Material Management Unit.

- Establish GCT inventory controls to create a just-in-time inventory that will reduce inventory stock and storage locations.

These actions resulted in \$2.8 million of savings over prior year spending levels.

- Information Technology efficiencies were realized through all-agency consolidation of security, data center and network functions. These economies of scale resulted in over \$0.7 million in savings to Metro-North.
- A review of the non-revenue (rubber tire) vehicle fleet resulted in over \$3 million of savings in 2011 with a reduction in the size of the vehicle fleet and changes in the frequency of replacements. Annual savings of \$0.9 million will be realized from reductions in insurance, maintenance, and fueling costs for a smaller and more efficient fleet.
- A 15% reduction in the reimbursable administrative workforce was enacted resulting in annual savings of \$2.5 million.

These efforts helped Metro-North achieved a Fare Operating Ratio of 60.8%* which compares favorably to the 2011 Adopted Budget of 58.6% and to 2010 (58.9%). The Cost per Passenger of \$11.77* is also lower than the 2011 budget of \$12.20 and slightly higher than 2010 (\$11.44). Adjusted for several significant financial impacts that are outside of management's control (fare equalization between New York and Connecticut and retiree healthcare payments) and the inclusion of all operating revenues, the adjusted 2011 Fare Operating Ratio is 68.3% and the adjusted 2011 Cost per Passenger is \$11.63.

*Excluding the cost and revenue impacts of winter snow storms and Tropical Storm Irene, the 2011 Fare Operating Ratio would have been 62% and the Cost per Passenger would have been \$11.56.

MTA Metro North Railroad



P&MM Inventory Report 2001-2011

Mission



The Material Management and Storeroom Operations subgroup of the Procurement and Material Management Department, is tasked with the planning, storage, control and distribution of all material at MNR's storeroom locations. The material stored includes various railcar parts, equipment and support materials.

The subgroup supports and promotes the corporate objective of providing an efficient and safe service to Metro-North's customers by providing appropriate levels of inventory to facilitate scheduled and unscheduled maintenance and repairs, and by working closely with both the Procurement groups and the Operations Division on projected needs and overseeing accurate efforts in forecasting inventory.

Major Efforts and Initiatives (2011)

Strategic Inventory Planning & Procurement

In 2011, MNR's Procurement & Material Management Department continued to work closely with Internal Customers focusing on opportunities for overall inventory savings and reductions, while improving service levels. This led to leveraging of excess inventory which reduced Cash needed for inventory replenishment. These were accomplished through a number of focused initiatives on our 2011 action plan.

2011 Action Plan Summary

•Algorithmic Forecasting System for Strategic Inventory Forecasting

Coinciding with, and supplementing Strategic Procurement initiatives, MNR installed in 4Q 2011 an Algorithmic Forecasting System which began the task of "right-sizing" the inventory. This system gives MNR the capability to manage highly volatile items ensuring availability of critical parts and appropriate safety stock levels while minimizing overstocking. This application has decreased forecasting errors while increasing service levels to internal operations customers and has also resulted in stock reductions for retiring fleets. The implementation of the forecasting system has been instrumental in MNR's \$4M reduction of inventory from 2010-2011.

•Minimize Cash-Flow and Right-size Inventory

In 2011 MNR established a goal of reducing cash needed for replenishment of inventory by \$4.0M. The effort was deeply affected by snowstorm recovery as well as washouts caused by Tropical Storm Irene. Even with these impacts the Material Management Team was successful in reducing cash-flow by \$2.8M while simultaneously increasing the service level to a 5 year high. There is a forecasted growth in inventory requirements in 2012 due to the new fleet arrival and in the existing fleets due to major maintenance cycle points being achieved.

•Joint Procurement Initiatives for Cost Reduction

Joint Procurement opportunities are pursued and reviewed as part of the procurement standard operating procedures on a daily basis with peer agencies. The goal is to identify items that can be purchased in tandem throughout the MTA, while reducing redundancy and improving economies of scale.

Success has been achieved with a number of items involving fleet parts; TVM maintenance; and automotive fuel. Total value of all MTA joint/multi-agency procurements in 2011 was \$123.5M; MNR led \$104.7M or 85% of the joint procurements in value. MNR's actual spend portion is valued at \$55.3M

•Asset Disposition

In 2011, a total of \$897K was received for the sale of excess/obsolete and scrap materials. The 2011 projected revenue of \$345K was exceeded by 160%. In addition, the disposal of M-2, 4 & 6 railcars, a joint procurement with NYCT, was awarded. To date, 7 M-2 cars have been removed and up to 78 are expected for disposal in 2012.

•MofW and GCT Inventory Optimization

In 2011, MNR centralized management of its material actions under a newly formed MofW Team. This group is working towards consolidation, strategic planning and cataloging material requirements formerly performed by various independent units. The effort is piloting "Just-in-Time" contracts for commonly found materials to minimize the need for stocking material. GCT material requirements are moving to a Just-in-time, (JIT) process to minimize stocking requirements and minimize cash spend.

2011 Detailed Accomplishments

2012 Goals

Challenge	Plan	2011 Detailed Accomplishments	2012 Goal
Right-size Stock Inventory investment to support service level and budgetary goals for MofE and MofW operations.	<ul style="list-style-type: none"> • Implement Smart Software to proactively forecast future needs. • Provide method for strategic look-ahead forecast to allow for multi-year contract solicitation. • Collaborate with internal customers to improve administrative Lead-time. • Support MofW Initiatives for centralized management of inventory. 	<ul style="list-style-type: none"> ✓ Reduced Inventory value by \$4M or 4% while increasing fill-rate to 97.7%. ✓ Realized cash-flow savings in excess of \$2.8M. ✓ Continued 4 year trend of inventory reduction by 22%. ✓ Continued 4 year trend of increased service improvement by 2.2%. ✓ Assisted in start-up for MofW management of inventory involving technical and procedurally development. 	<ul style="list-style-type: none"> ➤ Finalize full utilization of Smart Software to proactively right-size stock Inventory matching demand. ➤ Increase fill-rate by .2% overall for internal customers. ➤ Ensure material availability in support of Maintenance & Program needs. ➤ Conduct MofW Planner, Catalog and Forecast software training with new staff. ➤ Convert GCT material acquisition methods to Just-in-time (JIT)
Optimize Inventory for Inactive and Excess	<ul style="list-style-type: none"> • Determine disposition of inactive material. • Collaborate with internal customers in validation of excess/inactive stock material for final disposition. • Use of Forecasting system to identify excess and implement plan for right-sizing levels. 	<ul style="list-style-type: none"> ✓ Identified excess material, eliminated open PO's and requisitions capturing \$250K in savings. ✓ MofW utilizing non-stock material prior to acquiring stock material contributing to Cash savings. ✓ Increased asset disposition stream by 160% over 2010 netting \$897K 	<ul style="list-style-type: none"> ➤ Use of Smart Software to perform excess analysis identifying 12 and 24 month future needs, implement strategy to minimize replenishment investment producing Cost Avoidance of \$500K. ➤ Use of Smart Software to analyze inventory needs for retiring fleet and compare matching proportional stock replenishment to retirement schedules. Goal = \$500K in Cost Avoidance.
Joint Procurement Initiatives	<ul style="list-style-type: none"> • Identify items that can be purchased in tandem throughout the MTA, while reducing redundancy and improving economies of scale. • Pursue opportunities as part of the procurement operating procedures with peer agencies. 	<ul style="list-style-type: none"> ✓ Success achieved with common items such as GE spare parts for M-3 fleet Genesis locomotives, wheel bearings for the M-2,3,4,7 and Coach fleet, ballast rock, TVM maintenance, hardware fasteners, etc. Total value of ALL MTA joint/multi-agency procurements in 2011 was \$123.5M; MNR led \$104.7M or 85% of the spend value. MNR's actual spend portion is valued at \$55.3M ✓ Conducted joint procurement and award for disposition of retiring fleets with NYCT. 	<ul style="list-style-type: none"> ➤ Continue efforts consistent with expiring contracts and planned needs. ➤ Implement Multi-year contracts based on long-term forecast needs and trends.

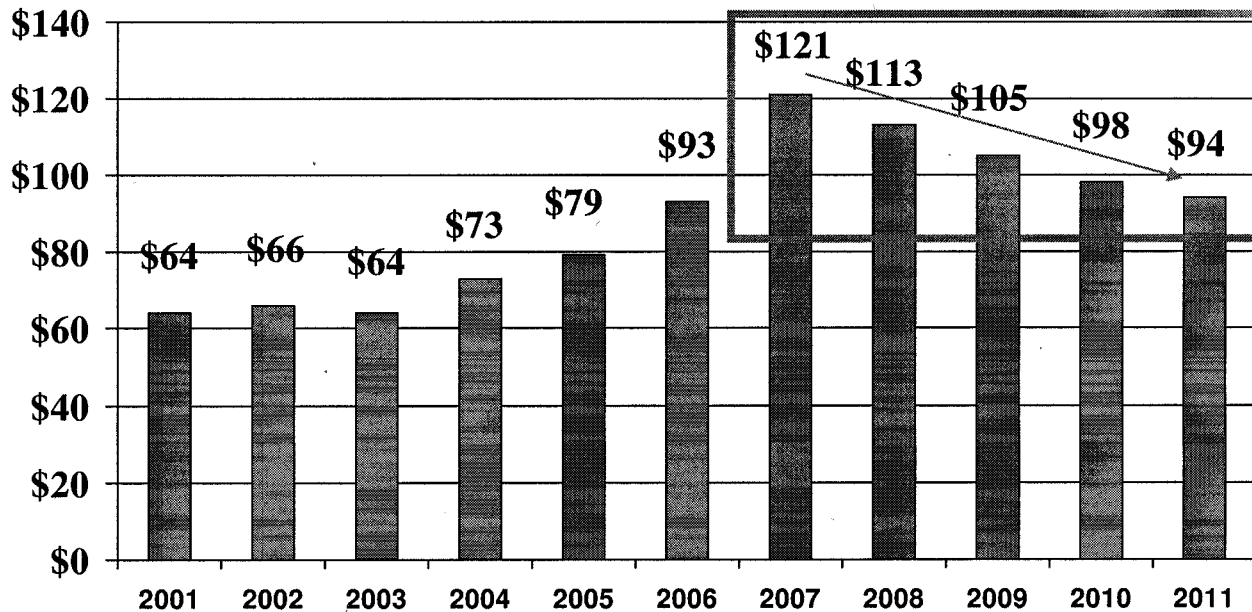
Inventory Service Level

Year	Service Level
2011	97.7%
2010	97.0%
2009	96.8%
2008	95.9%
2007	96.6%
2006	96.8%
2005	97.4%
2004	96.3%
2003	97.0%
2002	96.6%
2001	95.7%

Service level is a performance measurement goal of the percent of time a part is available for use when requested by the internal customer. The MNR Service Level goal for 2011 was 97%. As can be seen improvements have been trending upward since 2008 and are .7% above goal.

Total Historical Inventory Trends (Constant 2011 \$'s)

In Millions



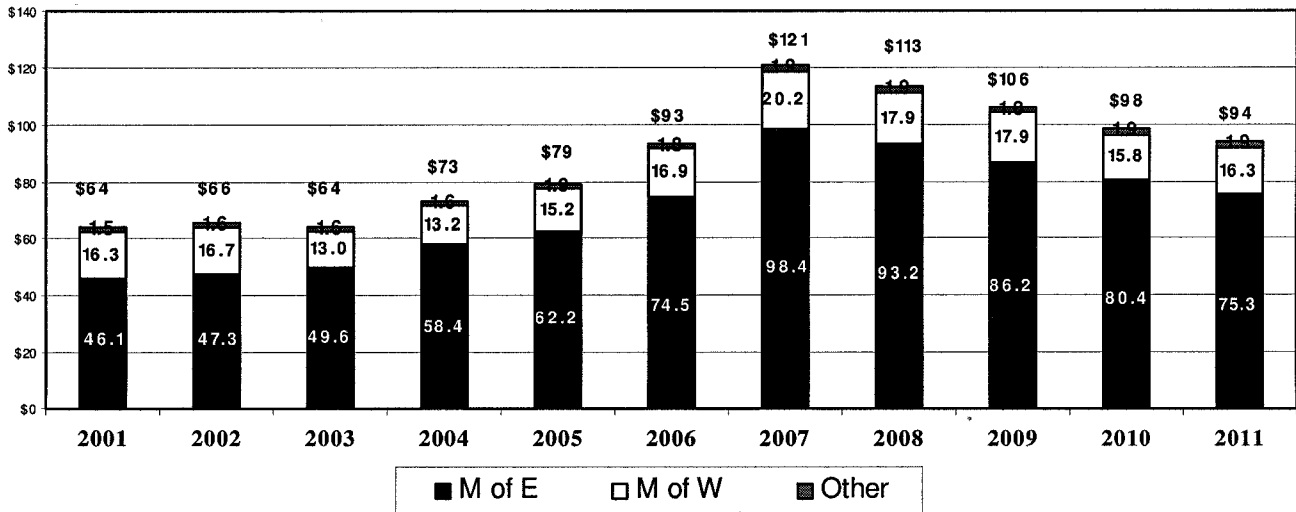
Inventory levels have consistently gone down over the last 5 years to it's current \$94M position. 2011 Results achieved a 4% reduction over 2010.

This has been accomplished through aggressive monitoring of stock levels matching them more precisely to future demand. Cash spend reductions of \$2.8M in 2011 have been achieved during significant service impact challenges such as West of Hudson washout; and 2010 Winter recovery efforts.

2012 inventory levels are projected to increase in the \$1-2M range. Factors causing this is the continued arrival of the M8 fleet with required inventory support, as well as the M7 and Brookville Locomotive fleets reaching required maintenance intervals.

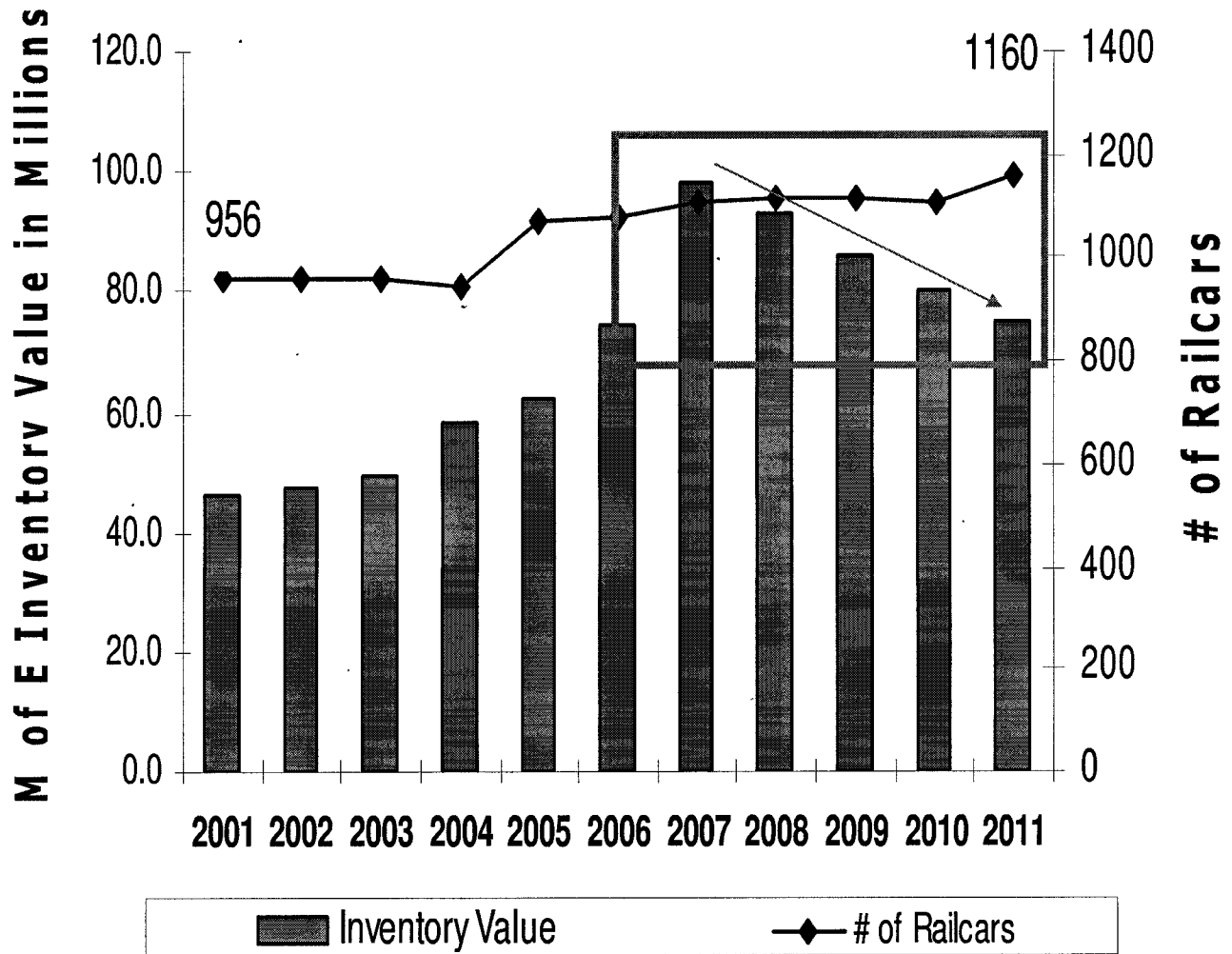
Inventory By MTA Category

(Constant 2011 \$'s)
In Millions



The illustration above breaks out the inventory value by the 3 major MTA categories monitored and reported. As can be seen the major change in inventory value which causing the overall reduction is within the MofE category. Values are: MofE (\$75.3M) experiencing a 6% reduction in 2011 over 2010; MofW (\$16.3M) experiencing a 3% increase due mostly to timing of program material arrival; and Other (\$1.9M) remained constant.

MofE Inventory Value vs # of Railcars (Constant 2011 \$) in millions



In closer examination of the MofE Category trend, the graph illustrates the success achieved to date with the decline in MofE inventory since 2007 by 23%. This was accomplished simultaneously while improving service levels to internal customers and an overall increase in fleet size.



Metro-North Railroad

Action Items

April 2012

STAFF SUMMARY

Page 1 of 2

Subject: Supplemental Agreement between Metro-North Railroad and New York State Department of Transportation for the Replacement of Bridge Street Bridge (HU 65.18) in New Hamburg (Town of Poughkeepsie), Dutchess County, New York

Department: Capital Engineering

Department Head Name: Timothy McCarthy

Department Head Signature:

Project Manager Name: Ziona Rubin

Program Manager Name: Ronald Bottacari

Board Action

Order	To	Date	Approval	Info	Other
1	M-N Comm. Mtg.				
2	MTA Fin. Comm.				
3	MTA Board Mtg.				

Date: 3/15/12

Vendor Name N/A

Contract Number N/A

Contract Manager Name N/A

Table of Contents Ref# N/A

Internal Approvals

Order	Approval	Order	Approval
5	President	4	Budget
	VP Operations	1	Sr. Director Capital Programs
	VP Financial Admin		Engr/Const
	Controller		Project Reporting

Internal Approvals (cont.)

Order	Approval	Order	Approval	Order	Approval	Order	Approval
3	Sr. VP Planning		Government Relations		Labor Relations	2	General Counsel
	Press		VP Human Resources		Personnel		Other

Narrative:

- Purpose:** To obtain Board approval to execute a supplemental agreement for \$5,678,000 between New York State Department of Transportation (NYSDOT) and Metro-North Railroad for the following:
 - The design costs (\$32,000) associated with the conversion of the construction contract documents from a lump sum contract to a unit price item contract, as per NYSDOT's requirements.
 - The construction phase costs (\$5,646,000) associated with the replacement of Bridge Street Bridge, located in the Hamlet of New Hamburg, Town of Poughkeepsie in Dutchess County, New York.
- Background and Discussion:** Bridge Street Bridge serves as one of two access routes across the railroad tracks in New Hamburg, at Milepost 65.18 of the Hudson Line. The bridge, which was built in 1930, is 168 feet long. The bridge superstructure and substructure are in poor and deteriorated condition. The bridge has a restricted load limit of 15 tons and the railroad clearance under it is substandard. In 2006 Metro-North signed a grant agreement with NYSDOT for the design phase costs associated with the replacement of Bridge Street Bridge over Metro-North. The design was completed and approved by NYSDOT.

STAFF SUMMARY

Page 1 of 2

Metro-North, as the administrating agency is responsible for performing the design and construction according to Federal Highway Administration (FHWA) Guidelines. NYSDOT provides federal funding for 80% of all the costs, and Metro-North is funding the remaining 20%. MNR has to execute the supplemental agreement with NYSDOT in order to obtain the federal funding and be reimbursed for the project related costs.

3. Budget Impacts: NYSDOT provides federal funding for 80% of the project costs, and the remainder is funded by MNR's Capital Budget. The total amount of this agreement is \$5,678,000. NYSDOT share is \$4,542,400 and Metro-North's share is \$1,135,600 of which \$1,000,000 was contributed by Hon. S. Saland through the MTA Capital Program Legislative Reserve Funding.
4. Recommendations: That the board authorizes Metro-North to execute a supplemental agreement with NYSDOT for the design associated with the conversion and for construction phase costs for the replacement of Bridge Street Bridge, located in the Hamlet of New Hamburg, Town of Poughkeepsie in Dutchess County.

Approved for Submission to the Board



President

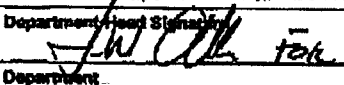
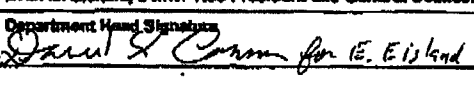
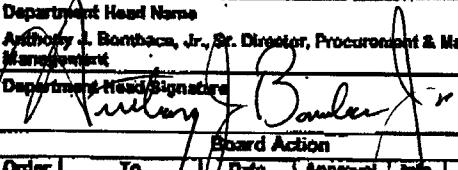
**LONG ISLAND/METRO NORTH
COMMITTEES**

PROCUREMENTS

FOR

BOARD ACTION

April 25, 2012

Subject Request for Authorization to Award Various Procurements						Date April 25, 2012			
Department Procurement and Logistics - LIRR						Department Law and Procurement - MTACC			
Department Head Name Dennis L. Mahon, Chief Procurement and Logistics Officer						Department Head Name Evan M. Eiland, Senior Vice President and General Counsel			
Department Head Signature 						Department Head Signature 			
Department Procurement and Material Management - MNR									
Department Head Name Anthony J. Bonham, Jr., Sr. Director, Procurement & Material Management									
Department Head Signature 									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	LIRR/MNR Committee	4.23.12				X	President, LIRR		
2	MTA Board	4.25.12				X	President, MNR		
						X	President, MTACC		

PURPOSE:

To obtain approval of the Board to award various contracts and purchase orders, and to inform the Metro-North/Long Island Committee of these procurement actions.

DISCUSSION:

LIRR proposes to award Non-Competitive procurements in the following categories:

Schedules Requiring Two-Thirds Vote	# of Actions	\$ Amount
Schedule A: Non-Competitive Purchase and Public Works	1	\$750,000
Schedule G: Miscellaneous Service Contracts	1	\$461,022.60
SUBTOTAL:	2	\$1,211,022.60

MNR proposes to award Non-Competitive procurements in the following categories: None

MTACC proposes to award Non-Competitive procurements in the following categories: None

LIRR proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote	# of Actions	\$ Amount
Schedule G: Miscellaneous Service Contracts	3	\$2,363,530
SUBTOTAL:	3	\$2,363,530

MNR proposes to award Competitive procurements in the following categories:

		<u># of Actions</u>	<u>\$ Amount</u>
Schedule G:	Miscellaneous Service Contracts	1	\$34,080,000
	SUBTOTAL:	1	\$34,080,000

MTACC proposes to award Competitive procurements in the following categories:

Schedules Requiring Majority Vote

		<u># of Actions</u>	<u>\$ Amount</u>
Schedule G:	Miscellaneous Service Contracts	1	\$827,725
	SUBTOTAL:	1	\$827,725

		<u># of Actions</u>	<u>\$ Amount</u>
Schedule H:	Mods. to Personal Service Contracts and Miscellaneous Service Contracts	1	\$7,418,433
	SUBTOTAL:	1	\$7,418,433

		<u># of Actions</u>	<u>\$ Amount</u>
Schedule I:	Mods. To Purchase and Public Work Contracts	4	\$7,163,356.50
	SUBTOTAL:	4	\$7,163,356.50

LIRR proposes to award Ratifications in the following categories:

None

MNR proposes to award Ratifications in the following categories:

None

MTACC proposes to award Ratifications in the following categories:

		<u># of Actions</u>	<u>\$ Amount</u>
Schedule D:	Ratification of Completed Procurement Actions	1	\$1,531,403
	SUBTOTAL:	1	\$1,531,403
	TOTAL:	13	\$54,595,470.10

The contractors noted above and on the following Staff Summary Sheets have been found in all respects responsive and responsible, and are in compliance with State laws and regulations concerning procurements.

BUDGET IMPACT:

The purchases/contracts will result in obligating Long Island Rail Road, Metro-North Railroad and MTA Capital Construction operating and capital funds in the amount listed. Funds are available in the current operating/capital budgets for this purpose.

RECOMMENDATION:

That the purchases/contracts be approved as proposed. (Items are included in the resolution of approval at the beginning of the Procurement Section.)

METROPOLITAN TRANSPORTATION AUTHORITY

WHEREAS, in accordance with Section 1265-a and Section 1209 of the Public Authorities law and the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive purchase and public work contracts, and the solicitation and award of request for proposals in regard to purchase and public work contracts; and

WHEREAS, in accordance with the All Agency Procurement Guidelines, the Board authorizes the award of certain non-competitive miscellaneous procurement contracts, and certain change orders to procurement, public work, and miscellaneous procurement contracts; and

WHEREAS, in accordance with Section 2879 of the Public Authorities Law and the All Agency Guidelines for Procurement of Services, the Board authorizes the award of certain service contracts and certain change orders to service contracts.

NOW, the Board resolves as follows:

1. As to each purchase and public work contract set forth in the annexed Schedule A, the Board declares competitive bidding to be impractical or inappropriate for the reasons specified therein and authorizes the execution of each such contract.
2. As to each request for proposals (for purchase and public work contracts) set forth in Schedule B for which it is deemed in the public interest to obtain authorization to solicit competitive proposals through a publicly advertised RFP for the reasons specified therein the Board declares it to be impractical or inappropriate to utilize a procurement process inviting sealed bids with award to the lowest responsive/responsible bidder.
3. As to each request for proposals (for purchase and public work contracts) set forth in Schedule C for which a recommendation is made to award the contract, the Board authorizes the execution of said contract.
4. The Board ratifies each action taken set forth in Schedule D for which ratification is requested.
5. The Board authorizes the execution of each of the following for which Board authorization is required: i) the miscellaneous procurement contracts set forth in Schedule E; ii) the personal service contracts set forth in Schedule F; iii) the miscellaneous service contracts set forth in Schedule G; iv) the modifications to personal/miscellaneous service contracts set forth in Schedule H; v) the contract modifications to purchase and public work contracts set forth in Schedule I; and vi) the modifications to miscellaneous procurement contracts set forth in Schedule J.
6. The Board ratifies each action taken set forth in Schedule K for which ratification is requested.



APRIL 2012

MTA LONG ISLAND RAIL ROAD

LIST OF NON-COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote

Schedule A: Non-Competitive Purchase and Public Works Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source: \$250K Other Non-Competitive)

- | | | | |
|----|-----------------------------|---|--------------------------------------|
| 1. | Knox Kershaw Inc. | \$450,000 - LIRR | <u>Staff Summary Attached</u> |
| | Sole Source | <u>300,000 - MNR</u> | |
| | Contract No. IT01537 | <u>\$750,000 - Not-to-Exceed</u> | |

LIRR, on behalf of itself, and Metro-North Railroad ("Railroads"), requests MTA Board approval to award Sole Source Contracts to Knox Kershaw (Kershaw), for a three-year period in the total not-to-exceed amount of \$750,000 (LIRR, \$450,000/MNR \$300,000) to provide various replacement parts required by the Railroads to maintain their fleet of Knox Kershaw track equipment. LIRR's fleet includes 13 Tie Cranes and 2 Ballast Regulators while MNR's fleet consists of 2 Ballast Regulators and 1 Tie Handler. These highly specialized pieces of track equipment are used by the Railroads for various infrastructure maintenance projects and must be maintained in good operating order. Knox Kershaw is the Original Equipment Manufacturer of this equipment and the sole responsible source for the replacement parts. Kershaw has provided these repair and replacement parts on a sole-source basis to the Railroads for the past three years.

Procurements Requiring Majority Vote

Schedule G: Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP; No Staff Summary required if Sealed Bid Procurement)

- | | | | |
|----|--|---------------------|--------------------------------------|
| 2. | Industries for the Disabled, New York | \$461,022.60 | <u>Staff Summary Attached</u> |
| | Sole Source | Fixed Price | |
| | Contract No. TBD | | |

LIRR requests MTA Board approval to issue a Miscellaneous Service Contract to the New York State Industries for the Disabled (NYSID) in the fixed price amount of \$461,022.60 to provide data entry and data conversion services for LIRR's cash fare duplex tickets for a three-year period. The work to be performed under this Contract includes all labor, materials, equipment, facilities and transportation necessary to perform Data Conversion services for the LIRR's on-board cash fare duplex tickets. This service is required to capture onboard ticket information used to reconcile and audit on-board fare collections. The term of the contract will be from May 1, 2012 through April 30, 2015. There are no options included in the contract.

Schedule A: Non-Competitive Purchases and Public Works

Staff Summary



Item Number: 1

Vendor Name Knox Kershaw Inc. – Montgomery, AL
Description Various Replacement Parts
Contract Term (including Options, if any) 3 Year Blanket Purchase Order
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Sole Source

Contact Number IT01537	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: \$	LIRR: \$450,000 MNR: 300,000 Not-to-Exceed \$750,000
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Maintenance of Way – Kevin Tomlinson, Chief Engineer	
Contract Manager: Richard Barone	

Discussion:

LIRR, on behalf of itself, and Metro-North Railroad ("Railroads"), requests MTA Board approval to award Sole Source Contracts to Knox Kershaw (Kershaw), for a three-year period in the total not-to-exceed amount of \$750,000 (LIRR, \$450,000 /MNR \$300,000) to provide various replacement parts required by the Railroads to maintain their fleet of Knox Kershaw track equipment. LIRR's fleet includes 13 Tie Cranes and 2 Ballast Regulators while MNR's fleet consists of 2 Ballast Regulators and 1 Tie Handler. These highly specialized pieces of track equipment are used by the Railroads for various infrastructure maintenance projects and must be maintained in good operating order. Knox Kershaw is the Original Equipment Manufacturer of this equipment and the sole responsible source for the replacement parts. Kershaw has provided these repair and replacement parts on a sole-source basis to the Railroads for the past three years.

In accordance with Public Authorities Law Sections 1265-a(3) and 1265-a(4)(b), LIRR advertised its intent to award a Sole Source Procurement in the NYS Contract Reporter and in the New York Post, and no other vendor expressed an interest in competing for this contract.

As a result of negotiations, the Railroads will receive a 1% discount off the Knox Kershaw price book during the life of the contract. The prices proposed by Knox Kershaw were reviewed and compared to previous prices paid to Knox Kershaw, and after applying the appropriate Producer Price Index (PPI), the prices for this award have been determined to be within the acceptable industry standards of 3.49%. Additionally, Knox Kershaw has certified that the prices quoted the Railroads are not greater than the prices they charge their most favored customers. Based on the above, the prices have been determined to be fair and reasonable. Each agency's operating budget will fund these contracts.

Schedule G - Miscellaneous Service Contracts

Staff Summary



Item Number: 2

Vendor Name (& Location) Industries for the Disabled, New York, NY
Description Data Input Data Conversion
Contract Term (including Options, if any) May 1, 2012 – April 30, 2015
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Procurement Type <input type="checkbox"/> Competitive <input checked="" type="checkbox"/> Non-Competitive
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Preferred Source

Contact Number TBD	Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total Amount: \$461,022.60 NTE	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	
Requesting Dept/Div & Dept/Div Head Name: Treasury, Michael Reilly	
Contract Manager: Louis R. Drago/Cliff De Risi	

Discussion:

LIRR requests MTA Board approval to issue a Miscellaneous Service Contract to the New York State Industries for the Disabled (NYSID) in the fixed price amount of \$461,022.60 to provide data entry and data conversion services for LIRR's cash fare duplex tickets for a three-year period. The work to be performed under this Contract includes all labor, materials, equipment, facilities and transportation necessary to perform Data Conversion services for the LIRR's on-board cash fare duplex tickets. This service is required to capture onboard ticket information used to reconcile and audit on-board fare collections. The term of the contract will be from May 1, 2012 through April 30, 2015. There are no options included in the contract.

In accordance with New York State Finance Law, "All State agencies, political subdivisions and public benefit corporations are required to purchase commodities and services from preferred sources when such commodities and services are on the List of Preferred Source Offerings and when they meet form, function and utility requirements as determined by the agency provided the price is within 15% of the fair market value."

NYSID, through their preferred source provider, Fedcap Rehabilitation Services (Fedcap) proposed a total price of \$477,529.20 for the three year period of performance. This amount represented an increase of 13% from the current contract price the LIRR has with Ardem Incorporated, who was awarded their contract through a competitive procurement. LIRR negotiated Fedcap's proposed price down to a fixed price of \$461,022.60, which reflected a 3.5% reduction. MTA Audit conducted a review on NYSID's revised cost proposal and determined that it was fair and reasonable.

Based upon the fact that NYSID/Fedcap meets the form, function, and utility requirements of the LIRR, and the negotiated fixed price is within the 15% of the fair market value and deemed fair and reasonable, it is recommended that the MTA Board approve a miscellaneous service contract to NYSID in the fixed amount of \$461,022.60 for a three year period.

APRIL 2012MTA LONG ISLAND RAIL ROADLIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVALProcurements Requiring Majority Vote**Schedule G: Miscellaneous Service Contracts**

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP;
No Staff Summary required if Sealed Bid Procurement)

- | | | |
|----|-----------------------------------|---|
| 3. | Royal Waste Service, Inc. | \$ 1,342,556 (LIRR \$1,309,212; MTAHQ \$33,344) |
| | IESI NY (Winter Bros.) | \$ 374,985 (LIRR) |
| | Jamaica Ash & Rubbish Removal Co. | \$ 110,297 (LIRR) |
| | Jet Sanitation Service Corp. | \$ 198,218 (LIRR) |
| | | <u>\$2,026,056 Not-to-Exceed</u> |

In accordance with MTA All-Agency Procurement Initiatives, and pursuant to sealed competitive bidding, the MTA Long Island Rail Road, on behalf of itself and MTA Headquarters, requests MTA Board approval to award four separate Miscellaneous Service Contracts for Scheduled Rubbish Removal and On-Call Container Services to Royal Waste Services (\$1,342,556), Winter Bros. (\$374,985), Jamaica Ash (\$110,297) and Jet Sanitation (\$198,218) in the combined not-to-exceed amount of \$2,026,056. The named companies are all licensed in the counties in which the work will be performed. These renewal contracts will be effective for a period of fourteen months, from May 1, 2012 through June 30, 2013 in order to be co-terminus and re-solicited together with New York City Transit's rubbish removal contracts. Scheduled rubbish removal service consists of a defined number of pick-ups on specific size containers located at the listed stations, facilities, and yards. The current scope of work consolidated the previous fourteen groupings into eight geographical groupings and updated the container sizes and frequency of pick-ups to meet LIRR's current needs. On-call container service consists of supplying, delivering and removing as required and on-call 10, 20, and 30 cubic yard containers required to support engineering, track, and grade crossing work along the right of way. The solicitation allowed bidders to submit sealed bids on any, or all, eight geographical groupings. Eight bidders responded to this solicitation, with a minimum of three bids being received for each group. Awards are recommended for the low bidders for each Group as follows: Royal Waste, Groups 1 and 8, IESI NY, Groups 4 and 6, Jamaica Ash, Groups 2 and 3 and Jet Sanitation, Group 5. All groups are presented for award with the exception of Group 7, On-Call Containers in Nassau/Suffolk. The bid evaluations for this group showed a potential for significant cost savings if Nassau and Suffolk were separated and re-bid. The aggregate award values for Groups 1 thru 5 represent a 33% savings from previous contract, 20% savings for Group 6, and a 27% aggregate savings from current pricing of Group 8. Based on the above, the pricing as quoted is deemed to be fair and reasonable. These Contracts will be funded by each agency's Operating Budget.

- | | | |
|----|-----------------------|---|
| 4. | Cummins Allison Corp. | \$129,974 (LIRR \$54,008; MNR \$75,966) |
| | Competitive Bid | Not-To-Exceed |
| | Three Year Contract | |
| | Contract No. TBD | |

In accordance with MTA All-Agency Procurement Initiatives, and pursuant to sealed, competitive bidding, the MTA Long Island Rail Road (LIRR) on behalf of itself and Metro North Railroad (MNR) requests MTA Board approval to award separate Miscellaneous Service Contracts to Cummins Allison Corp. (Cummins) for Scheduled Maintenance, and On-Call Repair Services for Cummins Currency Sorters and Counters, in the combined not-to-exceed amount of \$129,974. This three year renewal contract will be effective from May 1, 2012 through April 30, 2015. LIRR's Customer Service Department requires scheduled, and on-call repair service for a total of thirty Cummins units located at various LIRR facilities. MNR's Customer Service Department

requires these same services for a total of thirty-six Cummins units throughout their facilities. The Invitation for Bid was advertised in the New York Contract Report on 1/19/12 and in the New York Post on 1/26/12. One bid was received from Cummins, the original equipment manufacturer. Cummins bid pricing is in accordance with their published 2012 Preventive Maintenance Insurance Agreement (PMIA) effective 1/1/12. The quoted rates remain unchanged for the entire three year period of performance. The \$230/Hr. labor rate for on-call repairs is unchanged from the previous contract. The combined agencies award of \$129,974 is \$4,017 or 3.1% more than the prior three year contract pricing of \$125,957 for the same equipment. The 3.1% increase represents an average increase of .52 % per year over the contracts six year periods of performance. Based on the above, the pricing as quoted is deemed to be fair and reasonable. These Contracts will be funded by each agency's Operating Budget.

5. **United Cesspool Service** **\$207,500**
Two-Year Contract **Not-to-Exceed**
Contract No: TBD

LIRR requests approval to award a competitively bid Miscellaneous Service contract to United Cesspool Service, Inc. (United Cesspool) for the daily removal, transport, neutralization and lawful disposal of wastewater from the Railroad's Ronkonkoma Train Wash Facility, to the Bergen Point Waste Facility, in the not-to-exceed amount of \$207,500. This renewal contract is for a two-year period, beginning May 1, 2012. The solicitation was advertised in the NYS Contract Reporter on February 8, 2012 and the New York Post on February 9, 2012. A site tour was held February 21, 2012. The price schedule is based on a fixed rate multiplied by an estimated 1,000,000 gallons per year, for two years. Seven bids were publically opened on February 21, 2012 as follows; incumbent United Cesspool (\$207,500), Tully Environmental (\$212,940), Russell Reid Co. (\$221,400), Environmental Services, Inc. (\$236,730), Go Green Environmental (\$332,370), AB Oil Service Ltd. (\$395,000), and Fenley & Nicol Co., Inc. (\$410,000). United Cesspool's bid of \$207,500 represents a 4.2% price decrease, per gallon from their current two-year contract, and is 2.5% less than second lowest bidder. United Cesspool's price is therefore considered to be fair & reasonable. LIRR's Operating Budget will fund this contract.

APRIL 2012

METRO-NORTH RAILROAD

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP; No Staff Summary required if Sealed Bid Procurement.)

1. Automotive Resources International (ARI) \$34,080,000 (estimated) Staff Summary Attached
Multi-Agency Fleet Maintenance and Management Services

Approval is requested to award a competitively solicited RFP for a 5 year miscellaneous service contract to Automotive Resources International (ARI) to provide Fleet Maintenance and Management Services for the participating agencies' rubber tire fleet. MNR led the multi-agency procurement and the participating agencies are Metro-North Railroad (MNR), Long Island Rail Road (LIRR), and New York City Transit Paratransit Division (NYCT Paratransit). The combined agency total estimate includes reimbursement for the cost of repairs (\$33,158,650) based on projected annual fleet repair cost, plus a fixed management fee due to ARI (\$921,350). NYCT Support Fleet, MTA Bus and Bridges & Tunnels fleet are maintained predominately by in-house resources. In the event a decision is made by the non-participating agencies to utilize ARI's services, the contract permits the ability to take advantage of all terms, conditions and negotiated prices.

As part of an MTA strategic review of non-revenue fleet, an MTA All-Agency Non-Revenue Fleet (NRF) Council was established with mandated goals to reduce vehicle maintenance spending, standardize NRF policies to reflect industry best practices, and improve vehicle reliability. The participating Agencies require Fleet Maintenance and Management Services with a vendor who will manage cost effective vehicle repair work, coordinate invoicing from a network of service repair stations located within the MTA operating territory, and provide invoice summaries for each agency with detailed vehicle maintenance reporting data for MTA agency fleet managers. The solicitation was structured as a Request for Proposal (RFP) based on the requirement to evaluate service qualifications, technical expertise as well as cost. An advertisement of the procurement was placed in required publications as well as direct outreach to vendors known to perform these services.

The RFP Selection Committee consisting of representatives from each participating agency's Automotive/Fleet Department, unanimously selected ARI to support MTA's Fleet Maintenance & Management Program. ARI possessed the optimal combination of required qualifications, lowest cost, the best overall technical level of maintenance and management expertise, and experience. ARI ensures low repair costs by negotiating labor rates and hours with the repair shops, compares each repair activity with industry standards to control costs and coordinates MTA fleet managers' approval of detailed repair expenses (labor hours, rates and parts) if the repair exceeds \$450. Other than the monthly administrative fees, no other charges are allowed. All fees will be fixed for the 5 year period of performance and all pricing and terms were deemed fair and reasonable by the agencies.

ARI's lower overall fees of approximately 15% (versus the current contract) represent a potential \$125K savings over the 5 year contract term. Additionally, it is anticipated that there will be a 2% savings on

overall repair cost (due to improved repair cost detail), representing a potential \$660K savings over the 5 year contract term; accordingly there is a total projected 5 year savings of \$785K under this contract. The estimated cost of the 5 year contract is \$34,080,000, (MNR \$11,000,000, LIRR \$18,080,000, Paratransit \$5,000,000) and is to be funded by each agency's Operating Budget.

Staff Summary

Item Number G					
Dept & Dept Head Name: Procurement & Material Management, Anthony J. Bombace, Jr.					
Division & Division Head Name: Sen. VP – Administration, Raymond Burney					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	M-N Comm.Mtg.	4-23-12	X		
2	MTA Board Mtg.	4-25-12	X		
Internal Approvals					
Order	Approval	Order	Approval		
X	President	X	Sr. V.P. Operations		
X	Sr. V.P. Admin.	X	V.P. Planning		
X	V.P. Finance & IT	X	General Counsel		
	Capital Programs				

SUMMARY INFORMATION	
Vendor Name Automotive Resources International (ARI)	Contract Number 1000009713
Description Multi-Agency Fleet Maintenance and Management Services	
Total Amount \$34,080,000 (estimated)	
Contract Term (Including Options, if any) 5 years	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Renewal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION:

To obtain MTA Board approval to award a competitively negotiated miscellaneous service contract to Automotive Resources International (ARI) to provide Fleet Maintenance and Management Services for a period of 5 years at an estimated cost of \$34,080,000. MNR led the multi-agency procurement and the participating agencies are Metro-North Railroad (MNR), Long Island Rail Road (LIRR) and New York City Transit Paratransit Division (NYCT Paratransit).

Of the MTA's total non-revenue fleet size of 3,535 vehicles, this contract will be awarded specifically for the 1,419 vehicles for MNR, LIRR, and NYCT Paratransit Division. The remaining 2,116 vehicles owned by NYCT Support Fleet, MTA Bus and Bridges & Tunnels are maintained predominately by in-house resources. In the event a decision is made by the non-participating agencies to utilize ARI's services, the contract permits the ability to take advantage of all terms, conditions and negotiated prices.

II. BACKGROUND and DISCUSSION:

As a result of an MTA Strategic Sourcing Initiative, opportunities for savings within non-revenue fleet was reviewed and implemented as follows: standardization of non-revenue vehicle specifications, advance forecasting of fleet requirements, reducing the fleet size and the downgrading of certain vehicles, and extending life of selected vehicles with review of maintenance and repair practices. As part of the 2011 fleet reduction exercise, new vehicle purchases were suspended for all agencies - 326 vehicles were removed from the MTA fleet and 193 vehicles were identified for downsizing to less expensive models. In September 2011, an MTA All-Agency Non-Revenue Fleet (NRF) Council was established to create a more efficient non-revenue fleet operation, with mandated goals to reduce vehicle maintenance spending, standardize NRF policies to reflect industry best practices, and improve vehicle reliability.

The NRF Council took an active role in identifying critical services that the fleet management vendor was required to provide, and encouraged the MTA fleet managers to detail maintenance practices that would contain maintenance costs (labor rates and parts markups) to achieve real savings. The Council was instrumental in revising the scope of work and conducting a market analysis which revealed that there are 3 primary vendors who can provide specialized services to help manage a large geographically dispersed fleet, with specific requirements for specialized and heavy duty vehicles. Participating MTA Agencies manage separate fleets in vehicle categories determined by weight as detailed on the chart below:

Staff Summary

Vehicle Category	MNR	LIRR	Paratransit	Total
Vehicle weight <10K lbs	347	219	23	589
Vehicle weight 10K-16K lbs	165	181	154	500
Vehicle weight >16K lbs	76	175	0	251
Off Road / Special Equipment*	4	75	0	79
Total Vehicles	592	650	177	1,419

* Special equipment includes mobile cranes, trailers, flatbeds, backhoes, const/shop vehicles.

In October 2011, a Request for Expression of Interest (RFEI) was issued in advance of the Request for Proposal (RFP) to notify the vendors of the pending solicitation, maximize competition, and enhance the scope of work requirements. Responses were received from GE Fleet Services (GEFS), ARI and PHH Arval (PHH).

The NRF/RFP team met with these firms to informally discuss business practices and price control mechanisms with the intention of having the best, most cost effective solution for the MTA fleet management services. Some of the areas discussed were how a fleet maintenance management company could ensure that MTA pays fair and reasonable price for repairs, if they could work with MTA pre-negotiated labor rate contracts and what strategies they could offer that would contain MTA maintenance expenses. Most critical to the fleet managers was the ability to get detailed data about labor rates, parts prices and the number of hours for repairs. The Agencies also wanted to have a flexible and simple process where vehicles could be added or removed from the contract, and accessibility to data and reports. Service Level Agreements (SLA) and data needed to develop metrics typically found in the industry were also discussed.

III. PROCUREMENT:

In November 2011, a multi-agency RFP solicitation was issued to cover requirements for all participating agencies anticipated over the next five years. The RFP was advertised in the New York State Contract Reporter, the New York Post, the Daily Challenge, and the Metro-North website, and issued to 12 firms.

A Pre-proposal conference was held on November 11, 2011 with a total of 3 firms attending. The RFP established minimum vendor requirements and requested supporting information that provided evidence of the firms' capability to meet the requirements of each agency. Proposers were required to submit their listing of repair shops to show coverage of the MTA service area, their negotiation processes to ensure low repair costs, and their software management tool for effective tracking and reporting.

Concurrently, a Selection Committee was formed consisting of representatives from each participating agency's Automotive/Fleet Maintenance Departments. The Selection Committee agreed to evaluate proposals based on the vendor's 1) presentation of realistic and effective Maintenance Cost Containment approaches, optimal overall service levels, cost for direct service fees and demonstrated understanding of the Work Scope requirements; 2) Data management capability that provides remote (on-line) access to fleet maintenance repair data, the ability to merge operational data with maintenance data, interfaces to MTA asset management systems and available online reports; and 3) Proposed project plan, past experience with large enterprise clients, confidence level, commitment of relevant resources to the project.

Three proposals were received on December 16, 2011 from GEFS, ARI, and PHH. The Selection Committee short-listed all 3 firms, GEFS, ARI and PHH to give presentations. Oral presentations for the 3 short-listed firms were held in January 2012. The results were very competitive. After considerable internal discussions and vendor negotiations, the Selection Committee unanimously selected ARI to support MTA's Fleet Maintenance and Management Program. ARI possessed the optimal combination of required qualifications, the best overall technical level of maintenance and management expertise, a substantial and flexible network of repair vendors, broad experience and lowest overall cost.

The combined agency total contract amount of \$34,080,000 is an estimated amount and is not guaranteed. ARI will receive approximately \$921,350 in direct fees for managing all aspects of vehicle repair approvals, recording repair details, payment of invoices from maintenance repair vendors who service MTA vehicles and the consolidation of monthly

Staff Summary

invoices for payment by each participating MTA agency. The remaining \$33,158,650 is the 5 year estimate based on projected fleet repair costs.

ARI ensures low repair costs by negotiating labor rates and hours with the repair shops, compares each repair activity with industry standards to control costs and coordinates MTA fleet managers' approval of detailed repair expenses (labor hours, rates and parts) if the repair exceeds \$450. Other than the monthly administrative fees, no other charges are allowed. All fees will be fixed for the 5 year term and all pricing and terms were deemed fair and reasonable by the agencies.

ARI's lower overall fees of approximately 15% (versus the current contract) represent a potential \$125K savings over the 5 year contract term. Additionally, it is anticipated that there will be a 2% savings on overall repair cost (due to improved repair cost detail), representing a potential \$660K savings over the 5 year contract term; accordingly there is a total projected 5 year savings of \$785K under this contract.

IV. D/M/WBE INFORMATION:

M/WBE goals were established by the MTA Department of Diversity and Civil Rights (DDCR) at 10% MBE, 10% WBE. DDCR will work with the MTA fleet managers to identify and qualify certified M/WBE repair shops within their specific fleet service areas. ARI will support increased M/WBE participation through monthly reporting of spend with certified vendors, who will be flagged and added to ARI's database as requested. MTA agency participation goals will be reviewed annually to reflect the availability of M/WBE repair shops in the MTA geographic service area and adjusted as warranted.

V. IMPACT ON FUNDING:

The multi-agency total contract amount is an estimated \$34,080,000. Funding is included in the respective agency's Operating Budgets and is based on the maintenance and repair expenditures by participating agencies over the last 5 years, broken down as follows.

	5 Yr Estimated Amount
MTA LIRR	\$18,080,000
MTA MNR	\$11,000,000
MTA NYCT Paratransit	<u>\$ 5,000,000</u>
Total	\$34,080,000

VI. ALTERNATIVES:

Each MTA Agency independently manages repair and maintenance for all of its fleet, and contracts with individual repair shops. This approach does not leverage the volume of MTA business and would not result in all MTA agencies receiving most favorable maintenance and repair rates. ARI is contracted to look at MTA as a whole, which significantly lessens the overall maintenance administration for all MTA.

April 2012

LIST OF COMPETITIVE PROCUREMENTS FOR BOARD APPROVAL

Procurements Requiring Majority Vote

Schedule G. Miscellaneous Service Contracts

(Staff Summaries required for all items greater than: \$100K Sole Source; \$250K Other Non-Competitive; \$1M RFP; No Staff Summary required if Sealed Bid Procurement)

- | | | | |
|----|--|-------------------------------------|--------------------------------------|
| 1. | Henry Brothers Electronics, Inc.
Contract No. PS836 | \$ 827,725
Not-to-Exceed | <u>Staff Summary Attached</u> |
|----|--|-------------------------------------|--------------------------------------|

Pursuant to Article VC of the MTA All-Agency Guidelines for the Procurement of Services and the Emergency Declaration for Security Projects, MTACC requests that the Board approve the award of negotiated and competitively solicited miscellaneous service contract for the Upgrade of CISCO Video Surveillance System for the MTA Police Department with subsequent post implementation support options. This is a joint procurement for MTACC and MTAHQ.

Schedule H. Modifications to Personal Service Contracts and Miscellaneous Service Contracts

(Staff Summaries required for substantial change orders and change orders that cause the original contract to equal or exceed the monetary or durational threshold required for Board approval.)

- | | | | |
|----|---|--------------------|--------------------------------------|
| 2. | PB America/STV/Parsons Transportation
Group, Joint Venture
(General Engineering Consultant)
Contract No. 98-0040-01R
Modification No. 31 | \$7,418,433 | <u>Staff Summary Attached</u> |
|----|---|--------------------|--------------------------------------|

Pursuant to Article XIII of the All-Agency Procurement Guidelines for Services, Board approval is requested to modify the Contract for various design changes

Schedule I. Modifications To Purchase and Public Work Contracts

(Staff Summaries required for individual change orders greater than \$250K. Approval without Staff Summary required for change orders greater than 15% of the adjusted contract amount which are also at least \$50K)

- | | | | |
|--------|---|--------------------|--------------------------------------|
| 3 & 4. | Tutor Perini Corporation
Contract No. CH054A
Modification Nos. 25 & 27 | \$1,391,226 | <u>Staff Summary Attached</u> |
|--------|---|--------------------|--------------------------------------|

Pursuant to Article IX of the All-Agency Procurement Guidelines, Board approval is requested to modify the contract for the construction of the foundation for a Signal Bridge (this is a scope and budget transfer) and to furnish and install temporary guy anchors on catenary structures.


- | | | | |
|--------|--|-----------------------|--------------------------------------|
| 5 & 6. | Granite-Traylor-Frontier ("GTF"), JV
Contract No. CQ031
Modification Nos. 63 & 64 | \$5,772,130.50 | <u>Staff Summary Attached</u> |
|--------|--|-----------------------|--------------------------------------|

Pursuant to Article IX of the MTA All-Agency Procurement Guidelines, MTACC seeks Board approval to modify the scope of work for work related to underpinning of the Harold CIL structure and the reconciliation of the unit quantity for bored tunnel excavation.

Schedule G: Miscellaneous Service Contracts
Staff Summary



Page 1 of 2

Item Number 1					
Department and Department Head Name: Security Program, Thomas Reed, Acting Chief					
 4/11/2012					
Board Reviews					
Order	To	Date	Approval	Info	Other
1	MNR & LIRR Committee	04/23/12	X		
2	Board	04/25/12	X		
Internal Approvals					
Order	Approval	Order	Approval		
1 <i>DXe</i>	Chief Procurement Officer	4 <i>SEA</i>	Sr. Vice President & General Counsel		
2	Vice President & Chief Engineer	5 <i>ME</i>	Executive Vice President		
3 <i>AD</i>	Chief Financial Officer	6 <i>G</i>	President		

SUMMARY INFORMATION	
Vendor Name Henry Brothers Electronics, Inc.	Contract Number PS836
Description Upgrade of Cisco Surveillance System	
Total Amount \$827,725 (NTE)	
Contract Term 1 Year with Options to extend for 5 Years	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other:	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	

I. PURPOSE/RECOMMENDATION:

Pursuant to Article VC of the MTA All-Agency Guidelines for the Procurement of Services and the Emergency Declaration for Security Projects, MTACC requests that the Board approve the award of negotiated and competitively solicited miscellaneous service Contract PS836, Upgrade of CISCO Video Surveillance System, to Henry Brothers Electronics (HBE), Inc. in the amount of \$710,000 and a contract duration of 12 months. The Contract also includes two support options with costs of \$90,000 and \$27,725 respectively. This is a joint procurement for MTACC and MTAHQ.

II. DISCUSSION:

This Contract will provide an upgraded and supported Cisco Enterprise Video Surveillance Subsystem compatible with the Intergraph Security System and other interfaces within the Integrated Electronic Security System. In addition, there are two options. Option 1 is for an additional 5 years of maintenance after the initial one year covered under the Base and Option 2 is for On Call support and Software Development. The options will be executed, if at all, by MTAHQ upon completion of the base work.

The work under this Contract must be performed by a CISCO certified Value Added Reseller (VAR) in order to work on this type of system. Six firms Arinc, IPLOGIC, Blackbox, ePlus, World Wide Technology and Henry Brothers ("HBE"), were identified as CISCO VARs who had the required expertise, experience and track record for providing this type of services. In accordance with Article IV C of the MTA All-Agency Guidelines and the Emergency Declaration for Security Projects, a Request for Proposal was issued to the six firms on November 7, 2011. Proposals were due on December 22, 2011 and HBE submitted the only proposal. The other firms were contacted and indicated that they did not propose due to unfamiliarity with the existing components of the system and the amount of integration and testing necessary to get the system working properly.

The Selection Committee evaluated the proposal based on the RFP evaluation criteria and found HBE's technical proposal to be acceptable and recommended entering into negotiations.

HBE submitted a cost proposal of \$761,935 for the base work, \$187,903 for Option 1 and \$27,849 for Option 2 for a total of \$977,687. The internal cost estimates was \$685,340 for the base work, \$90,000 for Option 1 and \$25,000 for Option 2 for a total of \$800,340. Negotiations were held and at the conclusion, HBE was requested to submit a Best and Final Offer ("BAFO"). HBE submitted a BAFO that reflected a cost of \$710,000 for the base, \$90,000 for Option 1 and \$27,725 leading to a total of \$827,725. Overall the BAFO resulted in an overall savings of \$149,962. A Cost/Price analysis was conducted and the negotiated cost of with the options is considered to be fair and reasonable as it falls within an acceptable parameter of the estimate.

Please note that the intent is for Options 1 – Additional 5 Year Maintenance after the initial one year covered under the Base and option 2 – On Call support and Software Development to be exercised by MTAHQ under a separate Contract upon completion of the base work.

HBE submitted a Responsibility Questionnaire and responsibility and integrity checks were performed by MTACC Procurement. No SAI within the meaning of the All-Agency Responsibility Guidelines was found. HBE is considered to be financially stable and technically qualified.

III. IMPACT ON FUNDING:

Funding for the base work under this Contract is available in the 2000 – 2004 Capital Program for the Security Program. Funding for Options 1 and 2, if exercised, will come from MTA-PD budget.

IV. ALTERNATIVES:

There are no viable alternatives for performing this critical work.

Schedule H: Modifications to Personal/Miscellaneous Service Contract



Item Number: 2

Vendor Name (& Location) PB America/STV/Parsons Transportation Group, Joint Venture		Contract Number 98-0040-01R	AWO/Modification 35
Description East Side Access General Engineering Consultant Services		Original Amount:	\$ 140,000,000
Contract Term (including Options, if any) December 2016		Prior Modifications:	\$ 177,839,434
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> n/a		Prior Budgetary Increases:	\$
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	Current Amount:		\$ 317,839,434
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input type="checkbox"/> Other: Modification	This Request		\$ 7,418,433
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:	% of This Request to Current Amount:		2.3 %
Requesting Dept/Div & Dept/Div Head Name East Side Access, A. Paskoff	% of Modifications (including This Request) to Original Amount:		132 %

Discussion:

This Contract is for design and engineering services for the LIRR East Side Access project. Pursuant to Article XIII of the MTA All-Agency Guidelines for the Procurement of Services, Board approval is requested to modify the Contract for additional design changes.

The Contract has been modified several times to incorporate changes to the scope of Final Design. These changes have been to satisfy various Program objectives such as implementation of Railroad operating requirements, realization of construction cost savings, resolution of schedule conflicts, mitigation of technical and contractual risk, and retroactive adjustment to overhead rates. In addition, funding for Construction Phase Services has been increased. The table below shows the allocation of the current and proposed Contract amounts.

Work Category	Original Contract	Previous Modifications	Current Contract	Proposed Modification	Proposed Contract
Final Design	\$120,000,000	\$ 133,695,022	\$ 253,520,022	\$ 7,418,433	\$ 261,113,455
Construction Phase Services	\$ 20,000,000	\$ 43,609,782	\$ 63,609,782	\$ -0-	\$ 63,609,782
Misc Technical Support	\$ -0-	\$ 534,630	\$ 534,630	\$ -0-	\$ 534,630
TOTAL	\$ 140,000,000	\$ 177,839,434	\$ 317,839,434	\$ 7,418,433	\$ 326,257,867

The Current Contract and Proposed Contract amounts do not include \$5,002,779 previously approved by the Board for task orders and repackaging work which has not yet been allocated.

This modification is required to incorporate changes for, among other things, a major effort involving the GCT Concourse and Caverns, rehabilitation work in the existing 63rd St Tunnel, requests from LIRR and Amtrak to reconfigure various track and infrastructure in Harold, the addition of an elevator connecting the LIRR and MNR station operations centers, and the extension of existing elevators to the mezzanine level of the Caverns.

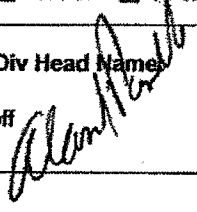
The Consultant proposed \$8,897,289 for these changes while the MTACC's estimate totaled \$7,015,546. Negotiations were held and the parties agreed to a cost of \$7,418,433 which leads to a savings of \$1,478,856. The negotiated price is considered fair and reasonable as it falls within an acceptable parameter of the estimate.

Funding for this modification is available in the Project's contingency. This request addresses the need for the additional Final Design services described above only. MTACC intends to return to the Board in the future for additional funding for other changes that will result from its on-going efforts to mitigate construction risks, and for continuation of Construction Phase Services.

Schedule I: Modifications to Purchase or Public Work Contracts



Item Numbers 3 & 4

Vendor Name (& Location) Tutor Perini Corporation (Peekskill, New York)		Contract Number CH054A	AWO/Modification # 25 & 27
Description Construct Harold Structures Part IIA for the ESA Project		Original Amount: \$ 21,777,777	
Contract Term (including Options, if any) 28 Months		Prior Modifications: \$ 2,327,753	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		Prior Budgetary Increases: \$ 0	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		Current Amount: \$ 24,105,530	
Solicitation Type <input type="checkbox"/> RFP <input checked="" type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification		This Request \$ 1,391,226	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other:		% of This Request to Current Amount: 5.8%	
Requesting Dept/Div&Dept/Div Head Name East Side Access, Alan Paskoff 		% of Modifications (including This Request) to Original Amount: 26.7%	

Discussion:

The work under this Contract involves civil construction work consisting of demolition, clearing, grubbing and grading, construction of retaining walls, storm sewers and utility relocation in the Harold Interlocking area for the East Side Access Project. Pursuant to Article IX of the MTA All-Agency Procurement Guidelines, MTACC seeks Board approval for the following modifications.

MOD #25 – Signal Bridge #11 Foundations and Installation

Signal Bridge #11 is required to be installed this year in order to complete the Point interlocking cutover by the 1st Qtr. of 2013. In order to meet this deadline, the foundation work, which was originally to be installed under future Contract CH057, is being moved to this Contract because the Contractor is already mobilized, on site and has the required experience to perform the work.

Perini submitted a cost proposal in the amount of \$497,429 and the project estimate is \$296,138. Negotiations were held and the parties agreed to a cost of \$309,133 for the work leading to a savings of \$188,296. The negotiated cost is considered fair and reasonable as it falls within an acceptable parameter of the estimate. There is no time impact associated with this modification. The Budget for this modification will be transferred from Contract CH057.

MOD #27 - Furnish & Install Temporary Guy Anchors on Catenary Structures

The location of the existing catenary guy anchors conflicts with the alignment of the 12kV ductbank and storm sewer. Due to delays in approval of the mainline catenary package, the permanent replacements for the catenary guy anchors will not be installed in time to meet the construction schedule of the 12kV ductbank and storm sewer that are to be constructed under this Contract. It is therefore necessary to temporarily relocate nine (9) guy anchors. Failure to do this work now will delay other work and result in delays in excess of the cost of this change.

Perini submitted a cost proposal in the amount of \$1,500,631 and the project estimate is \$1,007,833. Negotiations were held and the parties agreed to a cost of \$1,082,093 for the work leading to a savings of \$418,538. The negotiated cost is considered fair and reasonable as it falls within an acceptable parameter (within 10%) of the estimate. There is no time impact associated with this modification. An errors and omissions analysis will be conducted to determine if the cost for this modification is recoverable from the designer.

Schedule I: Modifications to Purchase or Public Work Contracts



Item Number: 5 & 6

Vendor Name (& Location) Granite-Traylor-Frontier ("GTF"), Joint Venture	
Description Queens Bored Tunnels and Structures	
Contract Term (including Options, if any) 31 Months	
Option(s) included in Total Amount? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> n/a	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive	
Solicitation Type <input type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Modification	
Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input checked="" type="checkbox"/> Federal <input type="checkbox"/> Other: <i>Handwritten signature</i>	
Requesting Dept/Div & Dept/Div Head Name: East Side Access, A. Paskoff, P.E. <i>Handwritten signature</i>	

Contract Number	AWO/Modification #
CQ031	63 & 64
Original Amount: \$ 659,200,700.00	
Prior Modifications: \$ 106,200,917.12 (includes an option of \$58,400,700)	
Prior Budgetary Increases: \$ 0	
Current Amount: \$ 765,401,617.12	
This Request \$ 5,772,130.50	
% of This Request to Current Amount: 7.5%	
% of Modifications (including This Request) to Original Amount: 17%	

Discussion:

The work under this contract includes the construction of four soft-ground bored tunnels and miscellaneous demolition of surface structures for the East Side Access project. In accordance with Articles IX of the All-Agency Procurement Guidelines, MTACC seeks Board approval for the following modifications:

Modification No. 63 Underpinning of the Harold CIL Structure

During mining operations for the B/C Tunnel, the Tunnel Boring Machine will pass directly beneath the Harold Central Interlocking House (CIL). The Harold CIL houses sensitive railroad relay equipment that controls signals and switches in the Harold Interlocking. Any damage to this relay equipment could cause major system disruption and adversely impact the ability to safely maneuver trains through the interlocking and beyond. To minimize settlement of the CIL during mining, and thus further protect this sensitive equipment, underpinning of the structure is required.

ESA's estimate for this underpinning work was \$793,755. The Contractor's cost proposal was \$1,072,557. Negotiations were held and the parties agreed to a cost of \$873,130.50 leading to a savings of \$278,802. The negotiated price is considered to be fair and reasonable as it falls within an acceptable parameter of the estimate. The budget for this modification will come from the contract's contingency and there will be no additional cost to the overall Project's budget.

Modification No. 64 Reconciliation of Bored Tunnel Excavation

The Contract provides for 9,961 linear feet of bored tunnel excavation through soil for the four tunnel drives (A, YL, D & B/C). However, refinements in design and actual conditions encountered have resulted in some variation in the total linear feet bored. Tunnel B/C drive was increased by 492 linear feet to reduce the quantity of open cut construction, reduce railroad impacts and resource requirements and reduce construction durations. Tunnel A drive was reduced by 232 linear feet to mitigate critical and expensive delays to tunneling operations. Tunnel YL drive increased by 11 linear feet to avoid existing catenary foundations. The Tunnel D drive increased by 5 linear feet due to the elimination of the Tunnel D reception pit.

The Contract unit price for TBM tunnel excavation is \$17,750 per linear foot. The Contract provides that the Unit Price of an item shall apply if the actual quantity does not vary above or below 25% of the estimated quantity in the Contract. Because the net increase here is less than 25% of the estimated quantity in the contract, the contract's existing unit price will be utilized causing an increase to the Contract of \$4,899,000 which is considered to be fair and reasonable.

This change will result in no increase to the Program cost as budgets will be adjusted for scope moved in and out of this contract.

April 2012

LIST OF RATIFICATIONS FOR BOARD APPROVAL

Procurements Requiring Two-Thirds Vote:

Schedule D. Ratification of Completed Procurement Actions
(Staff Summaries required for items requiring Board approval.)

- | | | | |
|----|--|--------------|-------------------------------|
| 7. | Skanska USA Civil Northeast, Inc.
Contract No. PS837
Emergency Declaration | \$ 1,531,403 | <u>Staff Summary Attached</u> |
|----|--|--------------|-------------------------------|

Pursuant to Article III of the All Agency Procurement Guidelines, MTACC request the Board ratify award of a public work contract to furnish and install an ACTIVU Video Wall and associated electrical enhancements and incidentals for the MTA Police Department

Schedule D: Ratification of Completed Procurement Actions

Item No. 7

Vendor Name (& Location) Skanska USA Civil Northeast, Inc. (Whitestone, NY)	Contract Number PS837	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Description Furnish and Install an ACTIVU Video Wall with Associated Electrical Enhancements and Other Incidentals	Total Amount: \$1,531,403	
Contract Term (including Options, if any) 12 Months (excluding options)	Funding Source <input type="checkbox"/> Operating <input checked="" type="checkbox"/> Capital <input type="checkbox"/> Federal <input checked="" type="checkbox"/> Other: Homeland Security	
Option(s) included in Total Amount? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> n/a	Requesting Dept./Div & Dept./Div Head Name: Security Program, Tom Reed	
Procurement Type <input checked="" type="checkbox"/> Competitive <input type="checkbox"/> Non-competitive		
Solicitation Type <input checked="" type="checkbox"/> RFP <input type="checkbox"/> Bid <input checked="" type="checkbox"/> Other: Emergency Declaration		

DISCUSSION:

In accordance with Article III of the All Agency Guidelines for the Procurement of Services, MTACC requests the Board ratify award of a public work contract to Skanska USA Civil Northeast, Inc. ("Skanska"). The Contract is for the furnishing and installation of an ACTIVU Video Wall with associated electrical enhancement and other incidentals for the MTA Police Department ("MTAPD"), in the amount of \$1,531,403.

The scope of work for this contract includes, among other things, providing all labor, equipment and material required to furnish and install the ACTIVU Video Wall. The material will include but is not limited to monitors, workstation consoles, electronic equipment, conduits, cables, and any other electrical and communications equipment and incidentals. MTAHQ's IT department through the MTAPD's Support Unit will provide system administration, support and maintenance of the ACTIVU Video Wall after installation and upgrade.

MTACC has processed this procurement pursuant to the Emergency Declaration for Security Projects and in accordance with Articles II (C) and III (A) (1) of the MTA's All Agency Procurement Guidelines as this equipment will increase the functionality of the security sensitive IESS system as well as provide additional situational awareness which are essential to the efficient operation of the MTAPD. MTACC identified three firms, ARINC, Henry Brothers Electronics, Inc. (HBE) and Skanska USA Civil Northeast (Skanska), which possess the expertise, experience and track record for performing this type of work. Each of these firms had previously signed MTA Security Sensitive Non-Disclosure Agreements, worked with IESS and/or in the secure MTAPD facility. A Request for Proposal was issued to the three firms. All three firms submitted proposals on the RFP closing date of March 9, 2012. The Selection Committee evaluated the proposals based on the RFP evaluation criteria and found all proposals to be acceptable and recommended entering into negotiations with all three firms.

The Cost Proposals received for the work were as follows:

Skanska	\$1,543,215
HBE	\$1,570,894
Arinc	\$1,851,875

MTACC's estimate was for \$1,605,025. Negotiations were held and at their conclusion, the following Best and Final Offers (BAFOs) were received:

Skanska	\$1,531,403
HBE	\$1,565,000
ARINC	\$1,641,310

The Selection Committee recommended award to Skanska as the Committee determined their BAFO represented the best overall value to the MTA. In connection with a previous contract award, Skanska was found to have Significant Adverse Information (SAI) within the meaning of the All Agency Responsibility Guidelines. The Chairman approved a recommendation that they be found responsible for that award and future awards provided no new SAI was found. No new SAI has been found. Skanska is considered to be financially stable.

In order to expedite the lead time associated with this essential equipment, MTACC authorized Skanska to proceed with the work.



LONG ISLAND RAIL ROAD

**MONTHLY
OPERATING
REPORT**

The graphic features the title "MONTHLY OPERATING REPORT" in large, bold, black, sans-serif capital letters. The text is centered within a rectangular frame that has a background of a dotted grid. A diagonal line of dots runs from the bottom-left corner to the top-right corner of the frame.

March 2012

**Helena E. Williams
President**

04/23/12 *****

Performance Summary

			2012 Data			2011 Data	
			Annual	YTD thru		YTD thru	
			Goal	March	March	March	March
On Time Performance <i>(Trains that arrive at their final destination within 5 minutes 59 seconds of scheduled arrival time)</i>	System	Overall	95.1%	96.1%	96.2%	95.6%	93.3%
		AM Peak		95.0%	94.7%	94.9%	89.6%
		PM Peak		95.7%	94.8%	94.2%	90.9%
		Total Peak		95.3%	94.8%	94.6%	90.3%
		Off Peak Weekday		96.5%	96.5%	96.0%	93.4%
		Weekend		96.2%	97.3%	96.3%	96.9%
	Babylon Branch	Overall	95.1%	96.0%	95.7%	95.1%	92.7%
		AM Peak		96.7%	96.1%	96.5%	89.5%
		PM Peak		96.9%	94.4%	91.5%	89.3%
		Total Peak		96.8%	95.4%	94.2%	89.4%
		Off Peak Weekday		96.1%	95.4%	95.3%	92.7%
		Weekend		94.4%	96.9%	96.5%	98.0%
	Far Rockaway Branch	Overall	95.1%	97.2%	98.1%	98.0%	96.7%
		AM Peak		93.4%	94.5%	95.7%	92.0%
		PM Peak		95.5%	96.8%	97.1%	96.0%
		Total Peak		94.3%	95.6%	96.3%	93.9%
		Off Peak Weekday		98.1%	98.8%	98.2%	96.8%
		Weekend		98.5%	99.0%	99.7%	99.1%
	Huntington Branch	Overall	95.1%	95.4%	96.0%	94.8%	91.9%
		AM Peak		95.2%	93.8%	92.5%	88.0%
		PM Peak		93.5%	92.9%	93.8%	87.7%
		Total Peak		94.4%	93.3%	93.1%	87.9%
		Off Peak Weekday		95.6%	96.7%	95.2%	90.5%
		Weekend		96.0%	97.2%	96.0%	97.1%
	Hempstead Branch	Overall	95.1%	97.7%	97.6%	98.0%	96.3%
		AM Peak		97.7%	95.6%	97.0%	93.2%
		PM Peak		97.0%	96.8%	96.6%	94.4%
		Total Peak		97.4%	96.2%	96.8%	93.8%
		Off Peak Weekday		97.6%	97.7%	97.8%	96.3%
		Weekend		98.5%	98.9%	100.0%	98.5%
	Long Beach Branch	Overall	95.1%	96.9%	97.3%	96.7%	95.7%
		AM Peak		95.5%	96.1%	97.6%	91.9%
		PM Peak		94.6%	96.2%	97.0%	94.7%
		Total Peak		95.0%	96.2%	97.3%	93.2%
		Off Peak Weekday		97.7%	97.7%	96.1%	95.5%
		Weekend		97.4%	97.8%	97.3%	98.6%
	Montauk Branch	Overall	95.1%	94.5%	95.1%	92.2%	89.9%
		AM Peak		93.2%	94.6%	95.1%	88.3%
		PM Peak		94.7%	91.3%	91.3%	89.5%
		Total Peak		93.8%	93.2%	93.5%	88.8%
		Off Peak Weekday		95.4%	95.7%	92.6%	89.6%
		Weekend		93.3%	95.7%	89.8%	91.4%
	Oyster Bay Branch	Overall	95.1%	96.5%	96.0%	96.9%	91.9%
		AM Peak		97.4%	96.4%	96.3%	89.4%
		PM Peak		95.5%	93.7%	93.5%	84.6%
		Total Peak		96.5%	95.1%	95.0%	87.2%
		Off Peak Weekday		95.5%	95.8%	97.8%	93.1%
		Weekend		98.9%	97.9%	97.5%	95.9%

Performance Summary		2012 Data			2011 Data	
		Annual	YTD thru		YTD thru	
		Goal	March	March	March	March
Port Jefferson Branch	Overall	95.1%	93.9%	93.3%	93.7%	88.5%
	AM Peak		90.3%	92.5%	90.2%	85.9%
	PM Peak		91.6%	89.1%	92.6%	82.9%
	Total Peak		90.9%	90.9%	91.3%	84.5%
	Off Peak Weekday		93.9%	93.0%	93.7%	88.4%
	Weekend		98.0%	96.7%	97.3%	93.4%
Port Washington Branch	Overall	95.1%	97.6%	97.0%	97.3%	95.5%
	AM Peak		95.2%	93.8%	95.2%	91.6%
	PM Peak		96.9%	96.4%	96.3%	93.6%
	Total Peak		96.1%	95.2%	95.8%	92.6%
	Off Peak Weekday		98.4%	97.5%	98.2%	96.3%
	Weekend		98.5%	99.1%	98.0%	98.5%
Ronkonkoma Branch	Overall	95.1%	93.7%	94.7%	92.4%	90.5%
	AM Peak		92.2%	92.6%	91.3%	86.0%
	PM Peak		96.8%	96.7%	92.6%	90.5%
	Total Peak		94.2%	94.4%	91.9%	88.0%
	Off Peak Weekday		94.4%	95.0%	93.5%	90.4%
	Weekend		91.1%	94.3%	90.1%	94.8%
West Hempstead Branch	Overall	95.1%	97.0%	97.3%	98.1%	96.2%
	AM Peak		96.4%	96.5%	97.4%	92.7%
	PM Peak		95.5%	95.5%	96.4%	96.0%
	Total Peak		95.9%	96.0%	96.8%	94.5%
	Off Peak Weekday		97.6%	98.1%	98.9%	97.3%
	Weekend		100.0%	100.0%	100.0%	92.3%
Operating Statistics						
Trains Scheduled			19,809	57,892	19,962	56,812
Avg. Delay per Late Train (min)			-11.8	-12.3	-13.3	-13.7
excluding trains canceled or terminated						
Trains Over 15 min. Late			131	397	195	629
excluding trains canceled or terminated						
Trains Canceled			21	79	37	421
Trains Terminated			20	62	22	145
Percent of Scheduled Trips Completed			99.8%	99.8%	99.7%	99.0%
Consist Compliance						
(Percent of trains where the		AM Peak	99.5%			
number of seats provided		PM Peak	99.3%			
was greater than or equal		Total Peak	99.4%			
to the required number of						
seats per loading standards)						

Categories Of Delay		2012 Data			2011 Data		YTD 2012 Vs 2011
		February	March	YTD Thru March	March	YTD Thru March	
Late Train Incidents	National Rail Passenger Corp	86	51	192	28	172	20
	Capital Programs	5	13	21	24	25	(4)
	Engineering	108	70	342	85	347	(5)
	Penn Station Central Control	6	7	20	7	25	(5)
	Maintenance of Equipment	131	140	436	231	870	(434)
	** Other / Miscellaneous	47	98	241	87	1,372	(1,131)
	Public	241	354	817	331	769	48
	Transportation	27	35	98	39	143	(45)
	Vandalism	8	4	27	28	60	(33)
	Maintenance of Way (Sched.)	9	9	22	15	27	(5)



EVENTS RESULTING IN 10 or MORE LATE (L), CANCELED (C) OR TERMINATED (T) TRAINS

Date	Day	DESCRIPTION OF EVENT	Number of Late Trains									TOTAL		
			AM Peak			PM Peak			Off Peak			Late	Cxld	Term
			L	C	T	L	C	T	L	C	T			
3/1	Thu	Amtrak 94 with equipment trouble in Line 1, Penn Station				10	2		7			17	2	
3/2	Fri	Train 1617 with equipment trouble west of Huntington	13		2				2			15		2
3/7	Wed	Track circuit failure on ML 3 east of Woodside due to defective IJ	17						3			20		
3/9	Fri	Train 2704 struck unauthorized person at Bayport Avenue							8	1	5	8	1	5
3/16	Fri	Track condition in Line 4, Penn Station	15						2			17		
3/17	Sat	Heavy holiday loading for St. Patricks day parade							38			38		
3/20	Tue	Train 668 with a pulled dump cord				14			2			16		
3/21	Wed	Smoke condition in tunnel between Dunton and East New York				3			16			19		
3/29	Thu	Broken crossing gates at New Hyde Park Road	15						1			16		
TOTAL FOR MONTH			60	0	2	27	2	0	79	1	5	166	3	7
												176		

Long Island Rail Road

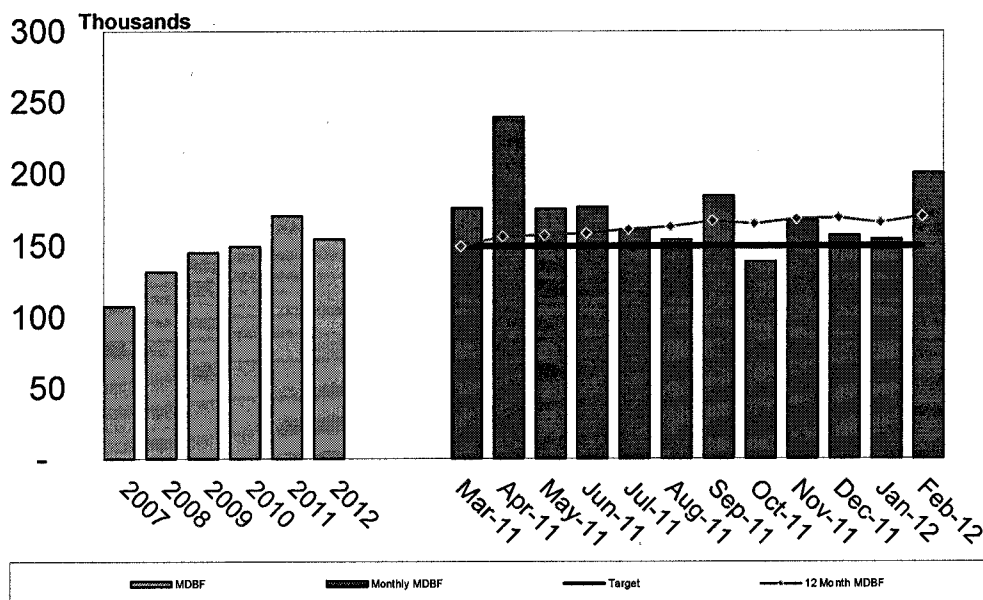
MEAN DISTANCE BETWEEN FAILURES

	2012 Data							2011 Data		
	Equip- ment Type	Total Fleet Size	MDBF Goal (miles)	February MDBF (miles)	February No. of Primary Failures	YTD MDBF thru February (miles)	12 month MDBF Rolling Avg (miles)	February MDBF (miles)	February No. of Primary Failures	YTD MDBF thru February (miles)
Mean Distance Between Failures	M-3	150	55,000	102,968	5	75,107	73,017	44,822	11	53,351
	M-7	836	350,000	508,059	9	429,353	435,605	368,144	12	403,521
	DM	22	18,000	32,595	2	22,929	18,029	22,727	3	34,211
	DE	23	18,000	11,507	7	11,743	20,846	14,359	5	15,551
	C-3	134	70,000	97,530	6	93,029	66,281	69,436	8	83,007
	Diesel	179	44,000	48,728	15	45,799	44,955	43,466	16	51,945
	Fleet	1,165	150,000	200,631	29	174,038	170,715	143,749	39	167,844

Mean Distance Between Failures (MDBF) is the average number of miles a railcar or locomotive travels before breaking down and causing a delay. The higher the MDBF, the more reliable the equipment and the service.

ALL FLEETS Mean Distance Between Failure

2007 - 2012





OPERATING REPORT FOR MONTH OF MARCH 2012

Standee Report

East Of Jamaica

			2012 Data	
			March	
			AM Peak	PM Peak
Daily Average	Babylon Branch	Program Standees	0	0
		Add'l Standees	0	4
		Total Standees	0	4
	Far Rockaway Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Huntington Branch	Program Standees	40	0
		Add'l Standees	9	4
		Total Standees	49	4
	Hempstead Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Long Beach Branch	Program Standees	0	0
		Add'l Standees	4	0
		Total Standees	4	0
	Montauk Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Oyster Bay Branch	Program Standees	0	0
		Add'l Standees	5	0
		Total Standees	5	0
	Port Jefferson Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Port Washington Branch	Program Standees	0	0
		Add'l Standees	6	2
		Total Standees	6	2
	Ronkonkoma Branch	Program Standees	0	28
		Add'l Standees	12	3
		Total Standees	12	31
	West Hempstead Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
System Wide PEAK			76	41

Definitions

Weekday standees are calculated based on the most recent average weekday customer counts

"Program Standees" is the average number of customers in excess of programmed seating capacity.

"Additional Standees" reflect the impact of reduced train car consists (as reported in the weekday equipment reports).

Note: These statistics do not include the effects of daily ridership variation or uneven distribution of customers within trains.

Holidays and Special Events for which there are special equipment programs are not included.



Long Island Rail Road

OPERATING REPORT FOR MONTH OF MARCH 2012

Standee Report

West Of Jamaica

			2012 Data	
			March	
			AM Peak	PM Peak
Daily Average	Babylon Branch	Program Standees	0	0
		Add'l Standees	0	24
		Total Standees	0	24
	Far Rockaway Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Huntington Branch	Program Standees	40	0
		Add'l Standees	2	24
		Total Standees	42	24
	Hempstead Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Long Beach Branch	Program Standees	78	0
		Add'l Standees	21	0
		Total Standees	99	0
	Montauk Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Oyster Bay Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Port Jefferson Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
	Port Washington Branch	Program Standees	0	0
		Add'l Standees	6	2
		Total Standees	6	2
	Ronkonkoma Branch	Program Standees	0	38
		Add'l Standees	7	3
		Total Standees	7	41
	West Hempstead Branch	Program Standees	0	0
		Add'l Standees	0	0
		Total Standees	0	0
System Wide PEAK			154	91

Definitions

Weekday standees are calculated based on the most recent average weekday customer counts

"Program Standees" is the average number of customers in excess of programmed seating capacity.

"Additional Standees" reflect the impact of reduced train car consists (as reported in the weekday equipment reports).

Note: These statistics do not include the effects of daily ridership variation or uneven distribution of customers within trains.

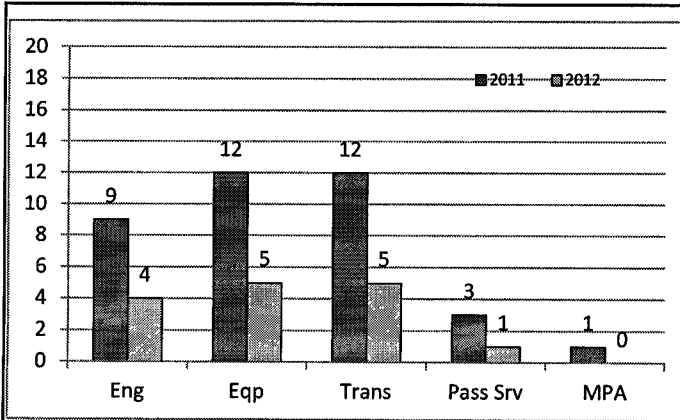
Holidays and Special Events for which there are special equipment programs are not included.

MTA Long Island Rail Road Summary of Employee Injuries thru February

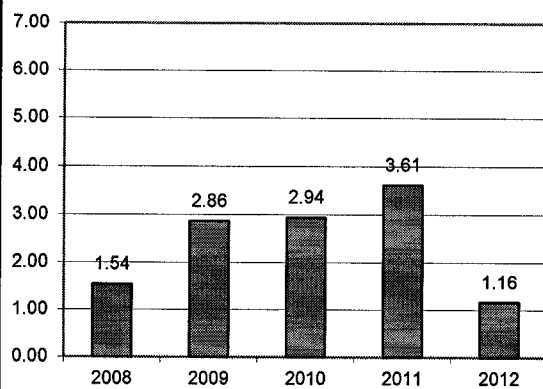


**OPERATING REPORT
FOR MONTH OF MARCH 2012**

MTA Long Island Rail Road Summary of Employee Injuries thru February



Employee Reportable Accidents Comparison by Department			
Department	2011	2012	% Change
Engineering	9	4	-56%
Equipment	12	5	-58%
Transportation	12	5	-58%
Pass Serv	3	1	-67%
MPA	1	-	-100%



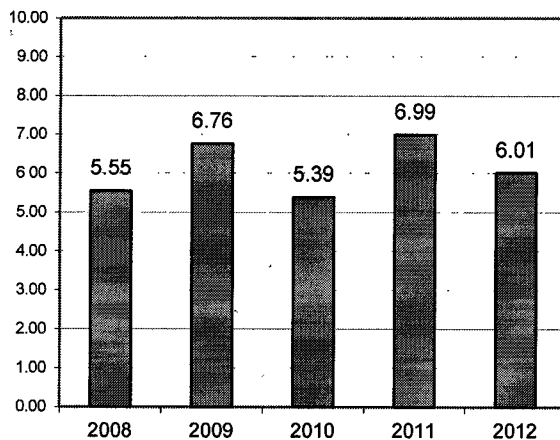
Employee Lost Time and Restricted Duty Injuries					
Year	LT	RD	LT FI*	RD FI*	LT&RD FI*
2008	16	0	1.54	0.00	1.54
2009	30	0	2.86	0.00	2.86
2010	32	1	2.85	0.09	2.94
2011	34	2	3.41	0.20	3.61
2012	12	0	1.16	0.00	1.16

% change from last year: -67.9%

* - Injuries per 200,000 hours worked

**OPERATING REPORT
FOR MONTH OF MARCH 2012**

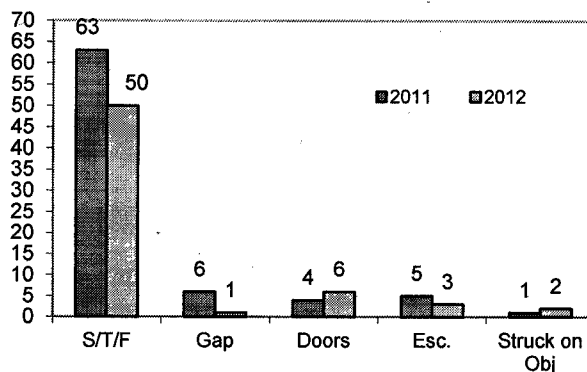
MTA Long Island Rail Road Summary of Customer Injuries thru February



Total Customer Injuries

Year	Total	FI*
2008	76	5.55
2009	86	6.76
2010	65	5.39
2011	82	6.99
2012	77	6.01

% change from last year: -6.1%



Top 5 Customer Injuries by Type

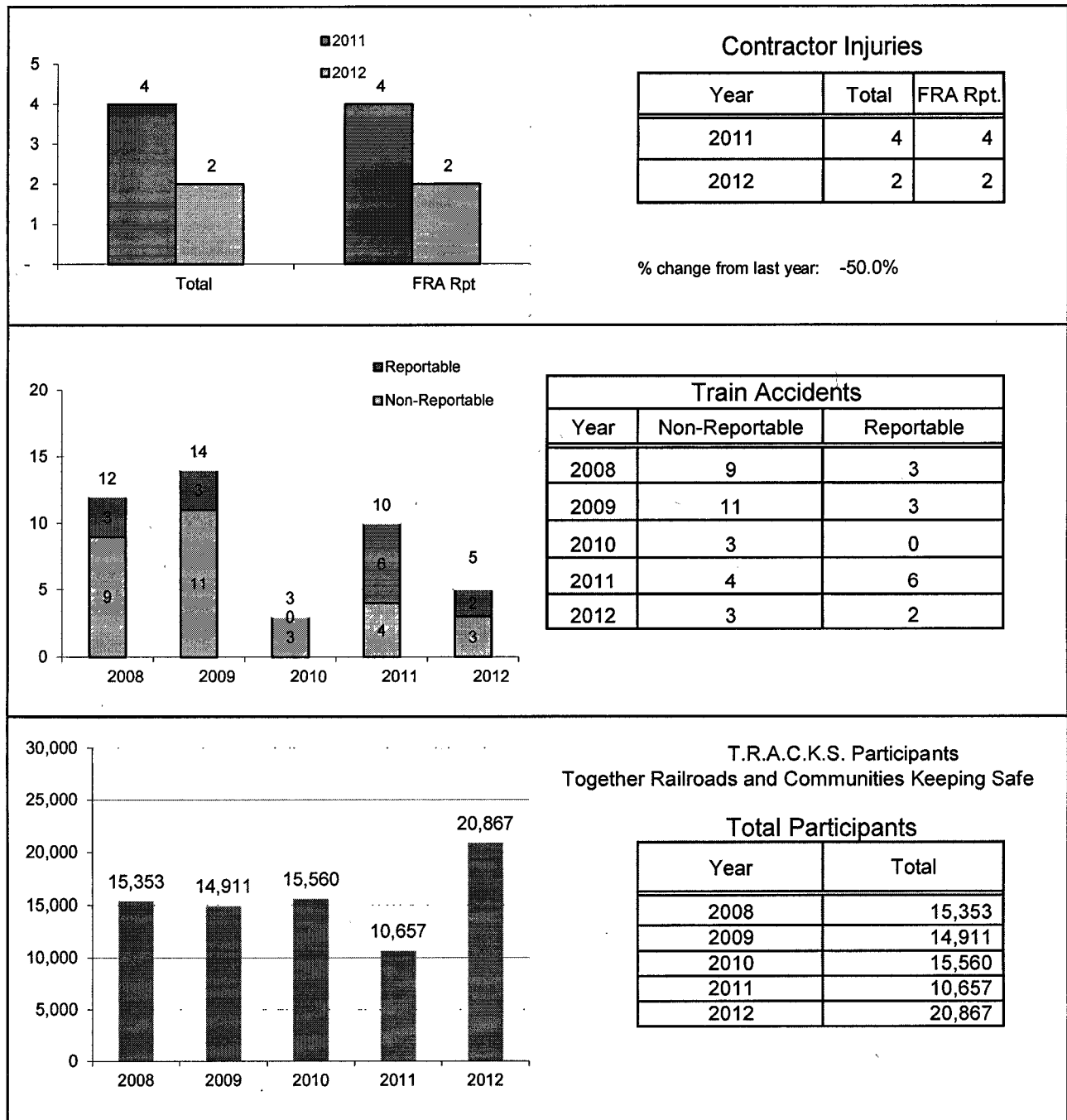
Year	Slip Trip Fall	Gap	Train Doors	Escalators	Struck on Obj
2011	63	6	4	5	1
2012	50	1	6	3	2
% Chg	-20.6%	-83.3%	50.0%	-40.0%	100.0%

*- Injuries per 1,000,000 rides

**OPERATING REPORT
FOR MONTH OF MARCH 2012**

MTA Long Island Rail Road

Summary of Contractor Injuries, Train Accidents & T.R.A.C.K.S. thru February





Long Island Rail Road

Monthly Financial Report

February 2012

MTA LONG ISLAND RAIL ROAD

February Ridership and Financial Report

Executive Summary

April 23, 2012

Ridership

- During the month of February, total ridership was 6.4 million, which was 6.1% higher than February 2011 (adjusted for same number of work days) and 6.4% above the adopted budget. This represents the sixth consecutive month of growth and the largest year-to-year growth since 2008.
 - 2012 Total ridership through February was 12.8 million. This was 6.3% higher than 2011 and 5% higher than the 2012 budget.
 - Through February 2012, commutation ridership was 3.0% higher than 2011 (work day adjusted) and 2.1% above the 2012 adopted budget, likely reflecting recent employment growth in the professional and financial sectors.
 - Through February 2012, non-commutation ridership was 11.5% higher than 2011 and 9.6% above the adopted budget. Warmer temperatures and the improving economy are the primary drivers.
-

Revenues

- Farebox revenue through February totaling \$91.3 million was \$4.4 million above the budget, reflecting continued strong ridership growth.
- Capital & Other Revenue of \$32.2 million was \$0.8 million less than budget due to timing of East Side Access material.
- In summary, total LIRR revenue of \$123.5 million was \$3.6 million higher than budget.

Expenses

- Through February 2012, total expenses of \$292.1 million were \$19.6 million less than budget.
- Straight-time payroll spending was \$1.5 million favorable to budget due to vacant positions and timing of retiree sick/vacation payouts and other accruals. 128 of 6,520 positions were vacant. These vacancies consisted primarily of management/supervisor positions and operational vacancies in Maintenance of Equipment. There is a hiring plan in place to fill these operational positions by fourth quarter 2012.
- Overtime hours decreased by 10.8% in 2012 compared to 2011. However, it should be noted that there were six additional days in the 2012 payroll calendar when compared to 2011. Adjusting for this difference, overtime hours decreased by 17.6%.
- Overtime hours worked was 3.3% greater than budget. The vast majority was due to vacancy coverage. The LIRR has established a corporate initiative to fill all vacant positions that contribute to overtime.
- Other favorable variances include: non-cash items Depreciation and OPEB \$4.5 million, materials not purchased/used \$3.5 million and timing of various other expenses.

Financial Performance Measures

- Through February, the Adjusted Farebox Operating Ratio was 56.3% due to lower expenses and higher revenue.
- Through February, the Adjusted Cost per Passenger was \$13.53, which is less than expected due to lower expenses and higher ridership.
- Through February, the Revenue per Passenger was \$7.15 on budget.

FINANCIAL REPORT
(\$ In Millions)
For the Month Ending February 29, 2012

REVENUE

Year-to-date February **Total Revenues** (including Capital and Other Reimbursements) of \$123.5 were \$3.6 or 3.0% favorable to the budget. The month of February of \$64.3 was favorable to budget by \$5.5 million or 9.3%.

- **Y-T-D Farebox Revenues** were \$4.4 favorable to the budget. The month was \$2.8 favorable to budget primarily due to higher ridership.
- **Y-T-D Other Operating Revenues** were \$0.5 favorable to budget. The month was \$3.4 favorable due to accrual adjustment corrections from January.
- **Y-T-D Capital and Other Reimbursements** were \$(1.3) unfavorable to the budget. The month was \$(0.8) unfavorable due to timing of project activity.

OPERATING EXPENSES

Year-to-date February **Total Expenses** (including depreciation and other) of \$292.1 were favorable to the budget by \$19.6 or 6.3%. The total expenses for the month of \$144.1 were favorable to the budget by \$11.3 or 7.3%.

Labor Expenses, \$5.0 favorable Y-T-D; \$3.4 favorable for the month.

- Payroll, \$1.5 favorable Y-T-D; \$1.1 favorable for the month (primarily vacant positions, constructive allowance payments and timing of retiree sick/vacation payments).
- Overtime, \$(0.8) unfavorable Y-T-D; \$0.2 favorable for the month (primarily favorable maintenance and weather-related overtime, partially offset by open jobs in Maintenance of Equipment due to higher than expected attrition/promotions in 2011 and relief-day overtime in the Transportation department).
- Health & Welfare, \$1.7 favorable Y-T-D; \$0.8 favorable for the month (lower rates and vacant positions).
- OPEB Current Payment, \$1.0 favorable Y-T-D; \$0.6 favorable for the month (lower rates and retirees).
- Pension, on budget.
- Other Fringe, \$1.7 favorable Y-T-D; \$0.6 favorable for the month (primarily Rail Road Retirement taxes and Rail Road Unemployment Insurance).

Non-Labor Expenses, \$10.1 favorable Y-T-D; \$7.1 favorable for the month.

- Electric Power, \$1.8 favorable Y-T-D; \$2.2 favorable for the month (lower rates, consumption and accrual adjustments).
- Fuel, \$0.3 favorable Y-T-D; \$0.1 favorable for the month (primarily lower consumption).
- Insurance, \$0.1 favorable Y-T-D; \$0.1 favorable for the month (primarily timing).
- Claims, \$0.3 favorable Y-T-D; \$0.9 favorable for the month (primarily re-classification of employee claims to Other Fringe).
- Maintenance and Other Operating Contracts, \$1.7 favorable Y-T-D; \$1.3 favorable for the month (primarily timing of vegetation management, emergency busing and joint facilities).
- Professional Services, \$2.2 favorable Y-T-D; \$1.6 favorable for the month (primarily timing of MTA chargebacks, various IT and other professional service contracts).
- Materials and Supplies, \$3.5 favorable Y-T-D; \$0.9 favorable for the month (primarily timing of capital activity).
- Other Business Expenses, \$0.2 favorable Y-T-D; \$0.2 favorable for the month (primarily timing of expenses).

Depreciation and Other, \$4.5 favorable Y-T-D; \$0.8 favorable for the month (timing of Other Post-Employment Benefits and Depreciation).

FAREBOX OPERATING RATIO

The year-to-date Farebox Operating Ratio was 44.7%, 1.0 percentage point higher than January. The Farebox Operating Ratio for the month of February of 45.9% was 6.9 percentage points above the budget resulting from higher revenue and lower expenses. The adjusted year-to-date Farebox Operating Ratio was 56.3%. The adjusted Farebox Operating Ratio reflects the removal of the UAAL associated with the LIRR's closed pension plan and OPEB retiree expenses and the inclusion of Other Operating Revenue to reflect operational actions at the Rail Road.

TABLE 1

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
February 2012
(\$ In millions)

	Nonreimbursable				Reimbursable				Total			
	Favorable (Unfavorable)				Favorable (Unfavorable)				Favorable (Unfavorable)			
	Budget	Actual	Variance	Percent	Budget	Actual	Variance	Percent	Budget	Actual	Variance	Percent
Revenue												
Farebox Revenue	\$42.674	\$45.501	\$2.827	6.6	\$0.000	\$0.000	\$0.000	-	\$42.674	\$45.501	\$2.827	6.6
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	2.937	6.374	3.437	*	0.000	0.000	0.000	-	2.937	6.374	3.437	*
Capital & Other Reimbursements	0.000	0.000	0.000	-	13.213	\$12.445	(0.768)	(5.8)	13.213	12.445	(0.768)	(5.8)
Total Revenue	\$45.611	\$51.875	\$6.264	13.7	\$13.213	\$12.445	(\$0.768)	(5.8)	\$58.824	\$64.320	\$5.496	9.3
Expenses												
Labor:												
Payroll	\$34.716	\$33.899	\$0.817	2.4	\$4.482	\$4.200	\$0.282	6.3	\$39.198	\$38.099	\$1.099	2.8
Overtime	6.466	6.300	0.166	2.6	0.415	0.357	0.058	13.9	6.881	6.657	0.224	3.3
Health and Welfare	8.031	7.204	0.827	10.3	0.747	0.747	0.000	0.1	8.778	7.951	0.827	9.4
OPEB Current Payment	5.078	4.457	0.621	12.2	0.000	0.000	0.000	-	5.078	4.457	0.621	12.2
Pensions	16.878	16.579	0.299	1.8	1.129	1.410	(0.281)	(24.9)	18.007	17.989	0.018	0.1
Other Fringe Benefits	9.317	8.765	0.552	5.9	0.899	0.853	0.046	5.1	10.216	9.618	0.598	5.9
Reimbursable Overhead	(1.691)	(1.429)	(0.262)	(15.5)	1.691	1.429	0.262	15.5	0.000	0.000	0.000	-
Total Labor Expenses	\$78.795	\$75.774	\$3.021	3.8	\$9.363	\$8.996	\$0.367	3.9	\$88.158	\$84.770	\$3.388	3.8
Non-Labor:												
Electric Power	\$9.154	\$6.917	\$2.237	24.4	\$0.000	\$0.000	\$0.000	-	\$9.154	\$6.917	\$2.237	24.4
Fuel	1.975	1.925	0.050	2.5	0.000	0.000	0.000	-	1.975	1.925	0.050	2.5
Insurance	1.309	1.265	0.044	3.4	0.240	0.222	0.018	7.5	1.549	1.487	0.062	4.0
Claims	0.283	(0.599)	0.882	*	0.000	0.000	0.000	-	0.283	(0.599)	0.882	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	5.233	3.433	1.800	34.4	0.511	1.032	(0.521)	*	5.744	4.465	1.279	22.3
Professional Service Contracts	2.848	1.155	1.693	59.4	0.212	0.322	(0.110)	(52.0)	3.060	1.477	1.583	51.7
Materials & Supplies	8.402	8.573	(0.171)	(2.0)	2.882	1.852	1.030	35.8	11.284	10.425	0.859	7.6
Other Business Expenses	1.141	0.973	0.168	14.7	0.005	0.021	(0.016)	*	1.146	0.994	0.152	13.3
Total Non-Labor Expenses	\$30.345	\$23.641	\$6.704	22.1	\$3.850	\$3.449	\$0.401	10.4	\$34.195	\$27.090	\$7.105	20.8
Other Expense Adjustments:												
Other	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenses before Depreciation & Other Post Employment Benefits	\$109.140	\$99.415	\$9.725	8.9	\$13.213	\$12.445	\$0.768	5.8	\$122.353	\$111.860	\$10.493	8.6
Depreciation	\$26.422	\$24.483	\$1.939	7.3	\$0.000	\$0.000	\$0.000	-	\$26.422	\$24.483	\$1.939	7.3
Other Post Employment Benefits	6.438	7.605	(1.167)	(18.1)	0.000	0.000	0.000	-	6.438	7.605	(1.167)	(18.1)
Environmental Remediation	0.167	0.167	0.000	0.2	0.000	0.000	0.000	-	0.167	0.167	0.000	0.2
Total Expenses	\$142.167	\$131.670	\$10.497	7.4	\$13.213	\$12.445	\$0.768	5.8	\$155.380	\$144.115	\$11.265	7.3
Net Surplus/(Deficit)	(\$96.556)	(\$79.794)	\$16.762	17.4	\$0.000	\$0.000	\$0.000	-	(\$96.556)	(\$79.794)	\$16.762	17.4
Cash Conversion Adjustments												
Depreciation	26.422	24.483	(1.939)	(7.3)	0.000	0.000	0.000	-	26.422	24.483	(1.939)	(7.3)
Operating/Capital	(0.544)	(0.188)	0.356	65.4	0.000	0.000	0.000	-	(0.544)	(0.188)	0.356	65.4
Other Cash Adjustments	7.338	(0.210)	(7.548)	*	0.000	0.000	0.000	-	7.338	(0.210)	(7.548)	*
Total Cash Conversion Adjustments	\$33.216	\$24.085	(\$9.131)	(27.5)	0.000	\$0.000	\$0.000	-	\$33.216	\$24.085	(\$9.131)	(27.5)
Net Cash Surplus/(Deficit)	(\$63.340)	(\$55.710)	\$7.630	12.0	\$0.000	\$0.000	\$0.000	-	(\$63.340)	(\$55.710)	\$7.630	12.0

TABLE 2

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
February Year-To-Date
(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
	Favorable (Unfavorable)				Favorable (Unfavorable)				Favorable (Unfavorable)			
	Budget	Actual	Variance	Percent	Budget	Actual	Variance	Percent	Budget	Actual	Variance	Percent
Revenue												
Farebox Revenue	\$86.848	\$91.266	\$4.418	5.1	\$0.000	\$0.000	\$0.000	-	\$86.848	\$91.266	\$4.418	5.1
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	5.828	6.320	0.492	8.4	0.000	0.000	0.000	-	5.828	6.320	0.492	8.4
Capital & Other Reimbursements	0.000	0.000	0.000	-	27.216	25.929	(1.287)	(4.7)	27.216	25.929	(1.287)	(4.7)
Total Revenue	\$92.676	\$97.586	\$4.910	5.3	\$27.216	\$25.929	(\$1.287)	(4.7)	\$119.892	\$123.515	\$3.623	3.0
Expenses												
Labor:												
Payroll	\$70.225	\$68.779	\$1.446	2.1	\$9.440	\$9.389	\$0.041	0.4	\$79.665	\$78.177	\$1.488	1.9
Overtime	12.706	13.576	(0.870)	(6.8)	0.847	0.739	0.108	12.7	13.553	14.315	(0.762)	(5.6)
Health and Welfare	16.009	14.272	1.737	10.9	1.570	1.654	(0.084)	(5.4)	17.579	15.926	1.653	9.4
OPEB Current Payment	10.156	9.187	0.969	9.5	0.000	0.000	0.000	-	10.156	9.187	0.969	9.5
Pensions	33.642	32.876	0.766	2.3	2.373	3.120	(0.747)	(31.5)	36.015	35.996	0.019	0.1
Other Fringe Benefits	19.045	17.378	1.667	8.8	1.890	1.893	(0.003)	(0.2)	20.935	19.272	1.663	7.9
Reimbursable Overhead	(3.572)	(3.167)	(0.405)	(11.3)	3.572	3.167	0.405	11.3	0.000	0.000	0.000	-
Total Labor Expenses	\$158.211	\$152.901	\$5.310	3.4	\$19.692	\$19.973	(\$0.281)	(1.4)	\$177.903	\$172.874	\$5.029	2.8
Non-Labor:												
Electric Power	\$18.268	\$16.455	\$1.813	9.9	\$0.000	\$0.000	\$0.000	-	\$18.268	\$16.455	\$1.813	9.9
Fuel	4.163	3.888	0.275	6.6	0.000	0.000	0.000	-	4.163	3.888	0.275	6.6
Insurance	2.618	2.530	0.088	3.4	0.511	0.505	0.006	1.2	3.129	3.035	0.094	3.0
Claims	0.566	0.220	0.346	61.2	0.000	0.000	0.000	-	0.566	0.220	0.346	61.2
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	10.345	8.052	2.293	22.2	1.076	1.715	(0.639)	(59.4)	11.421	9.767	1.654	14.5
Professional Service Contracts	5.061	2.812	2.249	44.4	0.426	0.432	(0.006)	(1.4)	5.487	3.244	2.243	40.9
Materials & Supplies	16.782	15.544	1.238	7.4	5.501	3.270	2.231	40.6	22.283	18.815	3.468	15.6
Other Business Expenses	2.417	2.170	0.247	10.2	0.010	0.034	(0.024)	*	2.427	2.204	0.223	9.2
Total Non-Labor Expenses	\$60.220	\$51.671	\$8.549	14.2	\$7.524	\$5.956	\$1.568	20.8	\$67.744	\$57.628	\$10.116	14.9
Other Expense Adjustments												
Other	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenses before Depreciation & Other Post Employment Benefits	\$218.431	\$204.573	\$13.858	6.3	\$27.216	\$25.929	\$1.287	4.7	\$245.647	\$230.502	\$15.145	6.2
Depreciation	\$52.844	\$48.966	3.878	7.3	\$0.000	\$0.000	\$0.000	-	\$52.844	\$48.966	\$3.878	7.3
Other Post Employment Benefits	12.875	12.299	0.576	4.5	0.000	0.000	0.000	-	12.875	12.299	0.576	4.5
Environmental Remediation	0.334	0.333	0.001	0.2	0.000	0.000	0.000	-	0.334	0.333	0.001	0.2
Total Expenses	\$284.484	\$266.171	\$18.313	6.4	\$27.216	\$25.929	\$1.287	4.7	\$311.700	\$292.100	\$19.600	6.3
Net Surplus/(Deficit)	(\$191.808)	(\$168.585)	\$23.223	12.1	\$0.000	\$0.000	(\$0.000)	-	(\$191.808)	(\$168.585)	\$23.223	12.1
Cash Conversion Adjustments												
Depreciation	52.844	48.966	(3.878)	(7.3)	0.000	0.000	0.000	-	52.844	48.966	(3.878)	(7.3)
Operating/Capital	(0.544)	(0.225)	0.319	58.6	0.000	0.000	0.000	-	(0.544)	(0.225)	0.319	58.6
Other Cash Adjustments	7.338	16.005	8.667	*	0.000	0.000	0.000	-	7.338	16.005	8.667	*
Total Cash Conversion Adjustments	\$59.638	\$64.746	\$5.108	8.6	\$0.000	\$0.000	\$0.000	-	\$59.638	\$64.746	\$5.108	8.6
Net Cash Surplus/(Deficit)	(\$132.170)	(\$103.839)	\$28.331	21.4	\$0.000	\$0.000	\$0.000	-	(\$132.170)	(\$103.839)	\$28.331	21.4

TABLE 3

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN FORECAST AND ACTUAL: ACCRUAL BASIS

February 2012				Year-to-Date February 2012			
Generic Revenue or Expense Category	Non Reimb. Or Reimb.	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
		\$	%		\$	%	
Revenue							
Farebox Revenue	Non Reimb.	2.827	6.6	Higher ridership \$2.721 and yield \$0.106.	4.418	5.1	Higher ridership \$4.336 and yield \$0.082.
Other Operating Revenue	Non Reimb.	3.437	*	Primarily due to rental technical accounting adjustment, higher rental and advertising revenue, partially offset by timing of miscellaneous revenue.	0.492	8.4	Primarily due higher rent and advertising revenue, partially offset by timing of miscellaneous and freight revenue.
Capital & Other Reimbursements	Reimb.	(0.768)	(5.8)	Primarily due to the timing of project activity and other reimbursements.	(1.287)	(4.7)	Primarily due to the timing of project activity and other reimbursements.
Expenses							
Payroll	Non Reimb.	0.817	2.4	Shift of Engineering work force to project activity, vacant craft positions, lower penalty payments and lower retiree payments.	1.446	2.1	Shift of Engineering work force to project activity, vacant craft positions, lower penalty payments, rates and lower retiree payments.
	Reimb.	0.282	6.3	Primarily due to the timing of project activity and other reimbursements.	0.041	0.4	Primarily due to the timing of project activity and other reimbursements.
Overtime	Non Reimb.	0.166	2.6	Lower weather and maintenance-related overtime, partially offset by higher open job coverage.	(0.870)	(6.8)	Higher open job coverage and rates, partially offset by lower maintenance and weather-related overtime.
	Reimb.	0.058	13.9	Primarily due to timing of project activity and more work done on straight-time.	0.108	12.7	Primarily due to timing of project activity and more work done on straight-time.
Health and Welfare	Non Reimb.	0.827	10.3	Primarily lower rates and vacant positions	1.737	10.9	Primarily lower rates and vacant positions
	Reimb.	0.000	0.1	Primarily due to timing of project activity.	(0.084)	(5.4)	Primarily due to timing of project activity.
OPEB Current Payment	Non Reimb.	0.621	12.2	Lower rates and fewer retirees/beneficiaries.	0.969	9.5	Lower rates and fewer retirees/beneficiaries.

TABLE 3

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN FORECAST AND ACTUAL: ACCRUAL BASIS

February 2012				Year-to-Date February 2012			
Generic Revenue or Expense Category	Non Reimb. Or Reimb.	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
		\$	%		\$	%	
Pensions	Non Reimb.	0.299	1.8	Total pension actual to forecast variance is on plan, however the estimated percentage of pension allocated to reimbursable was under-estimated.	0.766	2.3	Total pension actual to forecast variance is on plan, however the estimated percentage of pension allocated to reimbursable was under-estimated.
	Reimb.	(0.281)	(24.9)	Total pension actual to forecast variance is on plan, however the estimated percentage of pension allocated to reimbursable was under-estimated.	(0.747)	(31.5)	Total pension actual to forecast variance is on plan, however the estimated percentage of pension allocated to reimbursable was under-estimated.
Other Fringe Benefits	Non Reimb.	0.552	5.9	Primarily lower rates and vacant positions	1.667	8.8	Due to claims indemnity payment
	Reimb.	0.046	5.1	Primarily due to timing of project activity.	(0.003)	(0.2)	Primarily due to timing of project activity.
Electric Power	Non Reimb.	2.237	24.4	Primarily due to lower rates, consumption and timing of accrual adjustments.	1.813	9.9	Primarily due to lower rates, consumption and timing of accrual adjustments.
Fuel	Non Reimb.	0.050	2.5	Primarily due to lower consumption, partially offset by higher rates.	0.275	6.6	Primarily due to lower consumption, partially offset by higher rates.
Insurance	Non Reimb.	0.044	3.4	Timing of premium payments.	0.088	3.4	Timing of premium payments.
	Reimb.	0.018	7.5	Force Account Insurance associated with project activity.	0.006	1.2	Force Account Insurance associated with project activity.
Claims	Non Reimb.	0.882	*	Primarily timing of payments.	0.346	61.2	Primarily timing of payments.
Maintenance & Other Operating Contracts	Non Reimb.	1.800	34.4	Primarily due to the timing of activities and payments for joint facilities, emergency bussing, telephone/data services and vegetation management.	2.293	22.2	Timing of activities and payments for security initiatives, emergency bussing, rubbish removal, telephone/data services and plant maintenance services.
	Reimb.	(0.521)	*	Primarily due to timing of project activity.	(0.639)	(59.4)	Primarily due to timing of project activity.

TABLE 3

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN FORECAST AND ACTUAL: ACCRUAL BASIS

February 2012				Year-to-Date February 2012			
Generic Revenue or Expense Category	Non Reimb. Or Reimb.	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
		\$	%		\$	%	
Professional Service Contracts	Non Reimb.	1.693	59.4	Primarily due to the timing of payments and activities for IT initiatives and timing of MTA Chargebacks.	2.249	44.4	Primarily due to the timing of payments and activities for IT initiatives.
	Reimb.	(0.110)	(52.0)	Primarily due to timing of project activity.	(0.006)	(1.4)	Primarily due to timing of project activity.
Materials & Supplies	Non Reimb.	(0.171)	(2.0)	Primarily timing of material chargeouts for the Engineering department and timing of charge-outs of pool material in the Equipment department, partially offset by corporate inventory adjustments, delayed Diesel fleet RCM initiatives and lower usage of Support Shop running repair material.	1.238	7.4	Primarily due to timing of corporate inventory adjustments, lower usage of running repair material in the Support Shops (AC and Wheel), delayed diesel fleet RCM and fleet modification initiatives, partially offset by timing of payments for various materials utilized in the Engineering department.
	Reimb.	1.030	35.8	Primarily due to timing of project activity and timing of payments for project material.	2.231	40.6	Primarily due to timing of project activity and timing of payments for project material.
Other Business Expenses	Non Reimb.	0.168	14.7	Primarily due to timing of expenses.	0.247	10.2	Primarily due to timing of expenses.
Depreciation	Non Reimb.	1.939	7.3	Primarily timing.	3.878	7.3	Primarily timing.
Other Post Employment Benefits	Non Reimb.	(1.167)	(18.1)	Higher GASB adjustment to reflect the value associated with unfunded accrued liability for post employment benefits.	0.576	4.5	Lower GASB adjustment to reflect the value associated with unfunded accrued liability for post employment benefits.

Table 4

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
CASH RECEIPTS and EXPENDITURES
February 2012
(\$ in millions)

	Month				Year-to-Date			
	Budget	Actual	Favorable (Unfavorable)		Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
Receipts								
Farebox Revenue	\$45.091	\$48.313	\$3.222	7.1	\$91.682	\$96.912	\$5.230	5.7
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	3.858	3.419	(0.439)	(11.4)	7.703	5.418	(2.285)	(29.7)
Capital & Other Reimbursements	16.643	7.867	(8.776)	(52.7)	33.178	27.967	(5.211)	(15.7)
Total Receipts	\$65.592	\$59.600	(\$5.992)	(9.1)	\$132.563	\$130.297	(\$2.266)	(1.7)
Expenditures								
<i>Labor:</i>								
Payroll	\$37.616	\$37.200	\$0.416	1.1	\$74.288	\$74.849	(\$0.561)	(0.8)
Overtime	6.880	6.791	0.089	1.3	13.552	13.572	(0.020)	(0.1)
Health and Welfare	8.777	1.725	7.052	80.3	17.577	17.575	0.002	0.0
OPEB Current Payment	5.078	1.876	3.202	63.0	10.156	10.485	(0.329)	(3.2)
Pensions	18.007	18.005	0.002	0.0	36.014	36.004	0.010	0.0
Other Fringe Benefits	10.244	9.121	1.123	11.0	21.130	17.590	3.540	16.8
GASB	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Labor Expenditures	\$86.602	\$74.719	\$11.883	13.7	\$172.717	\$170.074	\$2.643	1.5
<i>Non-Labor:</i>								
Electric Power	\$10.429	\$13.387	(\$2.958)	(28.4)	\$20.517	\$13.801	\$6.716	32.7
Fuel	2.356	1.266	1.090	46.3	4.925	2.754	2.171	44.1
Insurance	2.125	1.375	0.750	35.3	6.644	3.494	3.150	47.4
Claims	0.344	0.459	(0.115)	(33.4)	0.688	0.676	0.012	1.8
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	7.268	6.844	0.424	5.8	13.970	11.336	2.634	18.9
Professional Service Contracts	2.576	1.692	0.884	34.3	5.520	2.563	2.957	53.6
Materials & Supplies	12.095	13.377	(1.282)	(10.6)	24.158	23.272	0.886	3.7
Other Business Expenses	1.105	0.517	0.588	53.2	2.352	1.388	0.964	41.0
Total Non-Labor Expenditures	\$38.298	\$38.917	(\$0.619)	(1.6)	\$78.774	\$59.283	\$19.491	24.7
<i>Other Expenditure Adjustments:</i>								
Other	2.417	2.235	0.182	7.5	4.834	4.646	0.188	3.9
Total Other Expenditure Adjustments	\$2.417	\$2.235	\$0.182	7.5	\$4.834	\$4.646	\$0.188	3.9
Total Expenditures	\$127.317	\$115.872	\$11.445	9.0	\$256.325	\$234.003	\$22.322	8.7
Cash Timing and Availability Adjustment	0.000	0.562	0.562	-	0.000	(0.133)	(0.133)	-
Net Cash Deficit (excludes opening balance)	(\$61.725)	(\$55.710)	\$6.015	9.7	(\$123.762)	(\$103.839)	\$19.923	16.1
Subsidies								
MTA	61.725	55.710	(6.015)	(9.7)	123.762	100.590	(23.172)	(18.7)

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN FEBRUARY BUDGET AND ACTUAL CASH BASIS

Table 5

Generic Revenue or Expense Category	February 2012			Year-to-Date as of February 29, 2012		
	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
	\$	%		\$	%	
Receipts						
Farebox Revenue	\$3.222	7.1	Higher ridership \$2.721, higher advance sales impac, \$0.883, and higher yields \$0.106, partially offset by lower Metrocard/AirTrain sales \$(0.488).	\$5.230	5.7%	Higher ridership \$4.336, higher advance sales impact \$1.491 and higher yields \$0.082, partially offset by lower Metrocard/AirTrain sales \$(0.679).
Other Operating Revenue	(\$0.439)	(11.4)	Primarily due to the timing of intercompany receipts and freight revenue, partially offset by the timing of rental revenue.	(\$2.285)	-29.7%	Primarily due to the timing of intercompany receipts, rental and freight revenue.
Capital and Other Reimbursements	(\$8.776)	(52.7)	Timing of activity and reimbursement for capital and other reimbursements.	(\$5.211)	-15.7%	Timing of activity and reimbursement for capital and other reimbursements.
Expenditures						
Labor:						
Payroll	\$0.416	1.1	Primarily due to lower penalty and retiree payments.	(\$0.561)	-0.8%	Primarily due to the timing of payments, partially offset by lower penalty and retiree payments.
Health and Welfare	\$7.052	80.3	Primarily due to the timing of payments.	\$0.002	0.0%	
OPEB Current Payment	\$3.202	63.0	Primarily due to the timing of payments.	(\$0.329)	-3.2%	Primarily due to the timing of payments.
Other Fringe Benefits	\$1.123	11.0	Primarily the timing of payments.	\$3.540	16.8%	Primarily the timing of payments.

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
EXPLANATION OF VARIANCES BETWEEN FEBRUARY BUDGET AND ACTUAL CASH BASIS

Table 5

	February 2012			Year-to-Date as of February 29, 2012		
Generic Revenue or Expense Category	Favorable/ (Unfavorable) Variance		Reason for Variance	Favorable/ (Unfavorable) Variance		Reason for Variance
	\$	%		\$	%	
Non-Labor:						
Electric Power	(\$2.958)	(28.4)	Primarily due to the timing of payments, partially offset by lower rates and lower consumption.	\$6.716	32.7%	Primarily due to the timing of payments, lower rates and lower usage.
Fuel	\$1.090	46.3%	Timing of payments and lower consumption, partially offset by higher rates.	\$2.171	44.1%	Timing of payments and lower consumption.
Insurance	\$0.750	35.3	Timing of payments.	\$3.150	47.4%	Timing of payments.
Claims	(\$0.115)	(33.4)	Timing of payment for claims.	\$0.012	1.8%	Timing of payment for claims.
Maintenance and Other Operating Contracts	\$0.424	5.8	Timing of payments.	\$2.634	18.9%	Timing of payments.
Professional Service Contracts	\$0.884	34.3	Timing of and payment for consulting services.	\$2.957	53.6%	Timing of MTA chargeback payments and the timing of and payment for consulting services.
Materials and Supplies	(\$1.282)	(10.6)	Primarily the timing of program, production plan, and operating funded capital material and supplies.	\$0.886	3.7%	Primarily the timing of program, production plan, and operating funded capital material and supplies.
Other Business Expenses	\$0.588	53.2%	Primarily due to the timing of payments.	\$0.964	41.0%	Primarily due to the timing of payments.

Table 6

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
CASH CONVERSION (CASH FLOW ADJUSTMENTS)

February 2012

(\$ in millions)

	Month				Year-to-Date			
	Budget	Actual	Favorable (Unfavorable)		Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
Receipts								
Farebox Revenue	\$2.417	\$2.812	\$0.395	16.3	\$4.834	\$5.646	\$0.812	16.8
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	0.921	(2.955)	(3.876)	*	1.875	(0.902)	(2.777)	*
Capital & Other Reimbursements	3.430	(4.578)	(8.008)	*	5.962	2.038	(3.924)	(65.8)
Total Receipts	\$6.768	(\$4.721)	(\$11.489)	*	\$12.671	\$6.783	(\$5.888)	(46.5)
Expenditures								
<i>Labor:</i>								
Payroll	\$1.582	\$0.899	(\$0.683)	(43.2)	\$5.377	\$3.329	(\$2.048)	(38.1)
Overtime	0.001	(0.134)	(0.135)	*	0.001	0.744	0.743	*
Health and Welfare	0.001	6.226	6.225	*	0.002	(1.649)	(1.651)	*
OPEB Current Payment	0.000	2.580	2.580	-	0.000	(1.298)	(1.298)	-
Pensions	0.000	(0.016)	(0.016)	-	0.001	(0.007)	(0.008)	*
Other Fringe Benefits	(0.028)	0.496	0.524	*	(0.195)	1.682	1.877	*
GASB	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Reimbursable Overhead	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Labor Expenditures	\$1.556	\$10.051	\$8.495	*	\$5.186	\$2.800	(\$2.386)	(46.0)
<i>Non-Labor:</i>								
Electric Power	(\$1.275)	(\$6.470)	(\$5.195)	*	(\$2.249)	\$2.654	\$4.903	*
Fuel	(0.381)	0.659	1.040	*	(0.762)	1.134	1.896	*
Insurance	(0.576)	0.112	0.688	*	(3.515)	(0.459)	3.056	87.0
Claims	(0.061)	(1.058)	(0.997)	*	(0.122)	(0.456)	(0.334)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	(1.524)	(2.379)	(0.855)	(56.1)	(2.549)	(1.569)	0.980	38.5
Professional Service Contracts	0.484	(0.215)	(0.699)	*	(0.033)	0.681	0.714	*
Materials & Supplies	(0.811)	(2.953)	(2.142)	*	(1.875)	(4.458)	(2.583)	*
Other Business Expenses	0.041	0.476	0.435	*	0.075	0.816	0.741	*
Total Non-Labor Expenditures	(\$4.103)	(\$11.827)	(\$7.724)	*	(\$11.030)	(\$1.656)	\$9.374	85.0
<i>Other Expenditure Adjustments:</i>								
Other	(2.417)	(2.235)	0.182	7.5	(4.834)	(4.646)	0.188	3.9
Total Other Expenditure Adjustments	(\$2.417)	(\$2.235)	\$0.182	7.5	(\$4.834)	(\$4.646)	\$0.188	3.9
Total Expenditures before Depreciation	(\$4.964)	(\$4.012)	\$0.952	19.2	(\$10.678)	(\$3.502)	\$7.176	67.2
Depreciation Adjustment	26.422	24.483	(1.939)	(7.3)	52.844	48.966	(3.878)	(7.3)
Other Post Employment Benefits	6.438	7.605	1.167	18.1	12.875	12.299	(0.576)	(4.5)
Environmental Remediation	0.167	0.167	(0.000)	(0.2)	0.334	0.333	(0.001)	(0.2)
Total Expenditures	\$28.063	\$28.243	\$0.180	0.6	\$55.375	\$58.097	\$2.722	4.9
Cash Timing and Availability Adjustment	0.000	0.562	0.562	-	0.000	(0.133)	(0.133)	-
Total Cash Conversion Adjustments	\$34.831	\$24.085	(\$10.746)	(30.9)	\$68.046	\$64.746	(\$3.300)	(4.8)

MTA LONG ISLAND RAIL ROAD
February Financial Plan - 2012 Adopted Budget
2012 Non-Reimbursable/Reimbursable Overtime
February 2012
(\$ in millions)

	Monthly						Year-to-Date					
	Adopted Budget		Actuals		Var. - Fav./(Unfav)		Adopted Budget		Actuals		Var. - Fav./(Unfav)	
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
NON-REIMBURSABLE OVERTIME												
SCHEDULED:												
<u>Direct Service</u> ¹	53,396	\$2.7	48,420	\$2.4	4,976 9.3%	\$0.3 9.5%	103,396	\$5.2	99,513	\$5.0	3,883 3.8%	\$0.2 4.4%
<u>Programmed Maintenance</u>	1,624	0.1	1,322	0.1	302 18.6%	0.0 18.6%	3,579	0.2	4,539	0.2	(960) -26.8%	(\$0.0) -26.8%
Total Scheduled	55,020	\$2.7	49,742	\$2.5	5,278 9.6%	\$0.3 9.8%	106,975	\$5.4	104,052	\$5.2	2,923 2.7%	\$0.2 3.5%
UNSCHEDULED:												
<u>Vacancy/Absentee Coverage</u>	30,468	\$1.5	44,042	\$2.1	(13,574) -44.6%	(\$0.7) -45.4%	55,955	\$2.7	81,838	\$3.9	(25,883) -46.3%	(\$1.2) -44.8%
<u>Weather Emergencies</u>	12,372	0.6	4,626	0.2	7,746 62.6%	0.4 63.8%	24,775	1.2	18,932	0.9	5,843 23.6%	\$0.3 24.8%
<u>Maintenance</u>	35,072	1.6	27,327	1.3	7,745 22.1%	0.3 21.0%	72,237	3.3	66,155	3.1	6,082 8.4%	\$0.2 6.3%
<u>Emergencies</u>	500	0.0	517	0.0	(17) -3.4%	(0.0) -3.0%	1,125	0.1	1,080	0.0	45 4.0%	\$0.0 4.2%
<u>Safety/Security/Law Enforcement</u> ²	-	-	-	-	-	-	-	-	-	-	-	-
<u>All Other</u> ³	1,473	0.1	1,385	0.2	88 6.0%	(0.1) *	3,361	0.1	3,105	0.5	256 7.6%	(\$0.3) *
Total Unscheduled	79,885	\$3.7	77,897	\$3.8	1,988 2.5%	(\$0.1) -2.7%	157,453	\$7.4	171,110	\$8.4	(13,657) -8.7%	(\$1.1) -14.4%
TOTAL NON-REIMBURSABLE OVERTIME:	134,905	\$6.5	127,639	\$6.3	7,266 5.4%	\$0.2 2.6%	264,428	\$12.7	275,163	\$13.6	(10,735) -4.1%	(\$0.9) -6.8%
REIMBURSABLE OVERTIME												
	8,142	\$0.4	6,887	0.4	1,255 15.4%	0.1 13.9%	16,607	\$0.8	14,250	0.7	2,356 14.2%	0.1 12.7%
TOTAL OVERTIME	143,047	\$6.9	134,526	\$6.7	8,521 6.0%	\$0.2 3.3%	281,035	\$13.6	289,413	\$14.3	(8,378) -3.0%	(\$0.8) -5.6%

¹ Includes Service Delay, Tour Length and Holiday overtime.

² Not Applicable

³ Reflects overtime for customer service, material management and other administrative functions.

* Exceeds 100%

MTA LONG ISLAND RAIL ROAD
February Financial Plan - 2012 Adopted Budget
2012 Non-Reimbursable/Reimbursable Overtime
February 2012
(\$ in millions)

	Monthly			Year-to-Date		
	Var. - Fav./Unfav)		Explanations	Var. - Fav./Unfav)		Explanations
	Hours	\$		Hours	\$	
SCHEDULED:						
<u>Direct Service</u> ¹	4,976	\$0.3		3,883	\$0.2	
	9.3%	9.5%		3.8%	4.4%	
<u>Programmed Maintenance</u>	302	0.0		(960)	(0.0)	
	19%	18.6%		-26.8%	-26.8%	
Total Scheduled	5,278	\$0.3		2,923	\$0.2	
	9.6%	9.8%		2.7%	3.5%	
UNSCHEDULED:						
<u>Vacancy/Absentee Coverage</u>	(13,574)	(\$0.7)	Open craft positions in Maintenance of Equipment, Unfavorable availability in Transportation for Engineers and Train Service positions.	(25,883)	(\$1.2)	Maintenance of Equipment is averaging 89 Open Craft/Supv Jobs YTD. Unfavorable availability in Transportation for Engineers and Train Service positions.
	-44.6%	-45.4%		-46.3%	-44.8%	
<u>Weather Emergencies</u>	7,746	\$0.4	Less than expected inclement weather in February 2012.	5,843	\$0.3	Less than expected inclement weather during 2012 YTD.
	62.6%	63.8%		23.6%	24.8%	
<u>Maintenance</u>	7,745	0.3	Lower maintenance overtime in the Maintenance of Equipment department due to effective management oversight.	6,082	0.2	Lower maintenance overtime in the Maintenance of Equipment department due to effective management oversight.
	22.1%	21.0%		8.4%	6.3%	
<u>Emergencies</u>	(17)	(0.0)		45	0.0	
	-3.4%	-3.0%		4.0%	4.2%	
<u>Safety/Security/Law Enforcement</u> ²	-	-		-	-	
<u>All Other</u> ³	88	(0.1)		256	(0.3)	
	6.0%	*		7.6%	*	
Total Unscheduled	1,968	(\$0.1)		(13,657)	(\$1.1)	
	2.5%	-2.7%		-8.7%	-14.4%	
TOTAL NON-REIMBURSABLE OVERTIME:	7,266	\$0.2		(10,735)	(\$0.9)	
	5.4%	2.6%		-4.1%	-6.8%	
REIMBURSABLE OVERTIME	1,255	0.1		2,356	0.1	
	15.4%	13.9%		14.2%	12.7%	
TOTAL OVERTIME	8,521	\$0.2		(8,378)	(\$0.8)	
	6.0%	3.3%		-3.0%	-5.6%	

¹ Includes Service Delay, Tour Length and Holiday overtime.

² Not Applicable

³ Reflects overtime for customer service, material management and other administrative functions.

* Exceeds 100%

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN-2012 ADOPTED BUDGET
TOTAL FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS by FUNCTION and DEPARTMENT
NON-REIMBURSABLE and REIMBURSABLE
END-of -MONTH FEBRUARY 2012

	Budget	Actual	Favorable/ (Unfavorable) Variance
Administration			
Executive VP	2	3	(1)
Labor Relations	10	10	0
Procurement & Logistics (excl. Stores)	82	85	(3)
Human Resources	32	29	3
Sr VP Administration	2	2	0
Strategic Investments	38	30	8
President	4	4	0
VP & CFO/Pension	9	9	0
Information Technology	160	157	3
Controller	41	38	3
Management & Budget	18	18	0
Process Re-Engineering	6	6	0
VP - East Side Access & Special Projects	26	20	6
Market Dev. & Public Affairs	61	59	2
Gen. Counsel & Secretary	30	30	0
Diversity Management	2	2	0
System Safety/Training	64	71	(7)
Security	5	7	(2)
Sr VP Operations/Oper. S/A & Serv Planning	39	38	1
Total Administration	631	618	13
Operations			
Train Operations	1,831	1,799	32
Customer Services	290	298	(8)
Total Operations	2,121	2,097	24
Maintenance			
Engineering	1,533	1,526	7
Equipment	2,029	1,949	80
Procurement (Stores)	94	95	(1)
Total Maintenance	3,656	3,570	86
Engineering/Capital			
Department of Project Management	112	107	5
Total Engineering/Capital	112	107	5
Baseline Total Positions	6,520	6,392	128
Non-Reimbursable	5,921	5,768	153
Reimbursable	599	624	(25)
Total Full-Time	6,520	6,392	128
Total Full-Time-Equivalents	-	-	-

**MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS
NON-REIMBURSABLE and REIMBURSABLE
END-OF-MONTH FEBRUARY 2012**

Explanation of Variances
NON-REIMBURSABLE POSITIONS - favorable 153 positions due to hiring delays in the Maintenance of Equipment and Transportation Departments and a shift of Engineering's labor force from maintenance to project work.
REIMBURSABLE POSITIONS - unfavorable (25) positions primarily due to the timing of project activity.

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
TOTAL FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS by FUNCTION and OCCUPATION
END-of-MONTH FEBRUARY 2012

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Administration			
Managers/Supervisors	327	298	29
Professional, Technical, Clerical	304	320	(16)
Operational Hourlies	-	-	-
Total Administration	631	618	13
Operations			
Managers/Supervisors	304	289	15
Professional, Technical, Clerical	157	158	(1)
Operational Hourlies	1,660	1,650	10
Total Operations	2,121	2,097	24
Maintenance			
Managers/Supervisors	684	641	43
Professional, Technical, Clerical	261	236	25
Operational Hourlies	2,711	2,693	18
Total Maintenance	3,656	3,570	86
Engineering/Capital			
Managers/Supervisors	94	92	2
Professional, Technical, Clerical	18	15	3
Operational Hourlies	-	-	-
Total Engineering/Capital	112	107	5
Total Positions			
Managers/Supervisors	1,409	1,320	89
Professional, Technical, Clerical	740	729	11
Operational Hourlies	4,371	4,343	28
Total Positions	6,520	6,392	128

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
RIDERSHIP
(In Thousands)

RIDERSHIP	February 2012				Year-to-date February 2012			
	Budget	Actual	Favorable/ (Unfavorable) Variance	%	Budget	Actual	Favorable/ (Unfavorable) Variance	%
Monthly	3.629	3.726	0.097	2.7%	7.261	7.420	0.159	2.2%
Weekly	0.114	0.106	(0.008)	-6.8%	0.236	0.234	(0.002)	-1.0%
Total Commutation	3.743	3.833	0.090	2.4%	7.497	7.653	0.157	2.1%
One-Way Full Fare	0.515	0.603	0.088	17.1%	1.063	1.185	0.122	11.5%
One-Way Off-Peak	1.117	1.233	0.116	10.4%	2.379	2.551	0.172	7.2%
All Other	0.616	0.704	0.088	14.3%	1.257	1.415	0.158	12.5%
Total Non-Commutation	2.248	2.540	0.292	13.0%	4.699	5.151	0.452	9.6%
Total	5.991	6.373	0.382	6.4%	12.196	12.805	0.609	5.0%

MTA LONG ISLAND RAIL ROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
MONTHLY PERFORMANCE INDICATORS
February 2012

		<u>MONTH</u>			<u>VARIANCE</u>	
		<u>2012</u>	<u>Adopted Budget</u>	<u>2011</u>	<u>vs. Budget</u>	<u>vs. 2011</u>
Farebox Operating Ratio	Standard ⁽¹⁾	45.9%	39.0%	41.7%	6.9%	4.2%
	Adjusted ⁽²⁾	61.9%	48.9%	n/a	13.0%	n/a
Cost Per Passenger	Standard ⁽¹⁾	\$15.63	\$18.35	\$17.63	\$2.72	\$2.00
	Adjusted ⁽²⁾	\$13.16	\$15.58	n/a	\$2.42	n/a
Passenger Revenue/Passenger ⁽³⁾		\$7.17	\$7.15	\$7.36	\$0.02	(\$0.19)
		<u>YEAR-TO-DATE</u>			<u>VARIANCE</u>	
		<u>2012</u>	<u>Adopted Budget</u>	<u>2011</u>	<u>vs. Budget</u>	<u>vs. 2011</u>
Farebox Operating Ratio	Standard ⁽¹⁾	44.7%	39.7%	41.6%	5.0%	3.1%
	Adjusted ⁽²⁾	56.3%	49.6%	n/a	6.7%	n/a
Cost Per Passenger	Standard ⁽¹⁾	\$15.99	\$18.02	\$17.60	\$2.03	\$1.61
	Adjusted ⁽²⁾	\$13.53	\$15.31	n/a	\$1.78	n/a
Passenger Revenue/Passenger ⁽³⁾		\$7.15	\$7.15	\$7.32	\$0.00	(\$0.17)

(1) The Standard Farebox Operating Ratio and Cost Per Passenger indicators reflect MTA-wide adopted calculations that exclude non-cash liability adjustments: Depreciation, Other Post Employment Benefits and Environmental Remediation (GASB-49).

(2) Adjusted Fare Box Operating Ratio and Cost Per Passenger indicators have been adjusted for comparability between the Long Island Rail Road and Metro-North Railroad and are being presented only at the railroad operating committees. These adjustments are not being used MTA-wide. Adjustments have been made to reflect all operating revenue and significant financial impacts that are outside management's control. These adjustments include: Inclusion of Other Operating Revenue, Removal of OPEB Current Payment expenses for retirees, and Removal of the UAAL associated with the LIRR's closed pension plan.

(3) Passenger Revenue/Passenger includes Bar Car Services

MTA LONG ISLAND RAIL ROAD

MONTHLY RIDERSHIP REPORT

FEBRUARY 2012

FEBRUARY 2012 RIDERSHIP AND REVENUE REPORT

MTA LONG ISLAND RAIL ROAD

EXECUTIVE SUMMARY

February

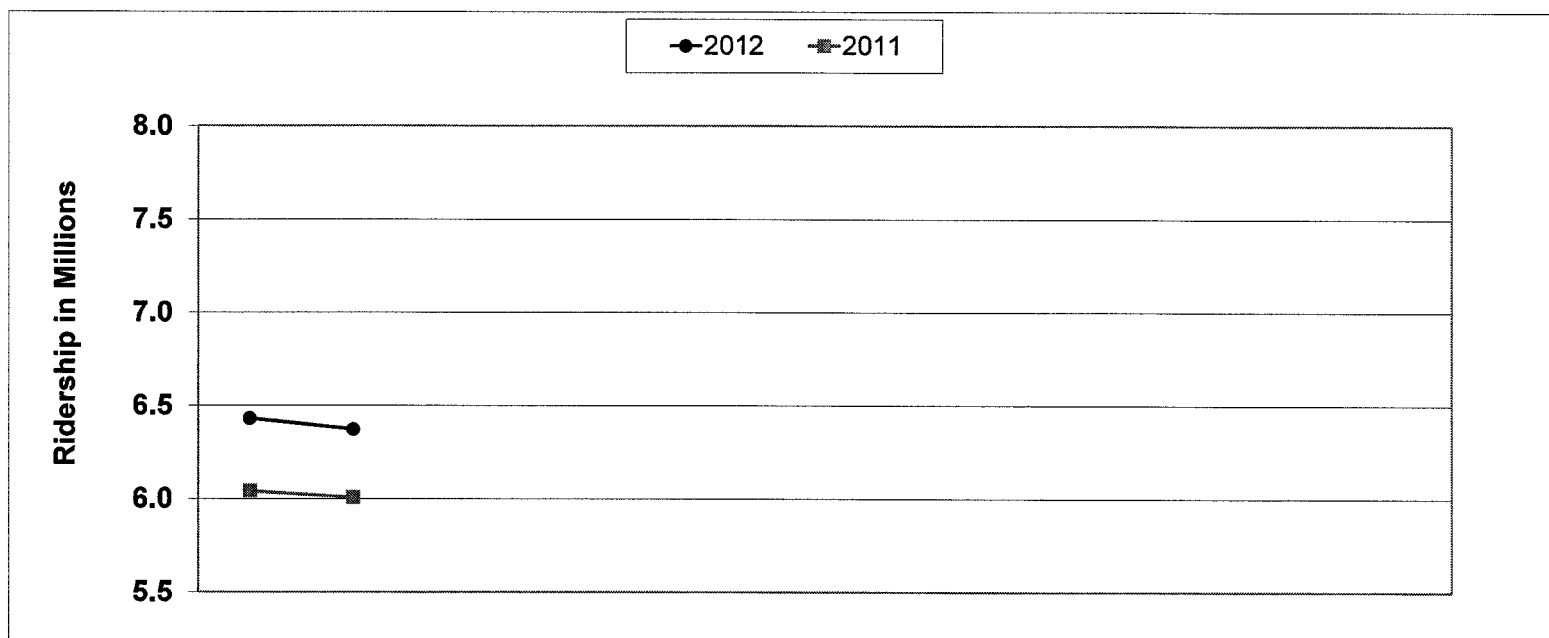
- February 2012 total ridership was 6.4 million vs. 6.0 million in February 2011, an increase of 364,807 passengers, or a 6.1% increase compared to February 2011.
- February 2012 commutation ridership was 3.8 million vs. 3.7 million in January 2011, an increase of 120,564 passengers, or an increase of 3.2%.
- February 2012 non-commutation ridership was 2.5 million vs. 2.3 million in January 2011, an increase of 244,243 passengers, or an increase of 10.6%.
- February 2012 revenue was \$45.5 million vs. \$42.8 million, an increase of \$2,719,125 or an increase of 6.4% compared to February 2011.

Year-To-Date

- 2012 YTD total ridership was 12.8 million vs. 12.1 million in 2011, an increase of 754,374 or a 6.3% increase compared to 2011, and 5.0% above budget.
- 2012 YTD commutation ridership was 7.7 million vs. 7.4 million in 2011, an increase of 223,132 or a 3.0% increase compared to 2011, and 2.1% above budget.
- 2012 YTD non-commutation ridership was 5.2 million vs. 4.6 million in 2011, an increase of 531,242 or an increase of 11.5% compared to 2011, and 9.6% above budget.
- 2012 YTD revenue was \$91.3 million vs. \$85.6 million in 2011, an increase of \$5,707,235 or an increase of 6.7% compared to 2011 and 5.1% above budget.

FEBRUARY RIDERSHIP

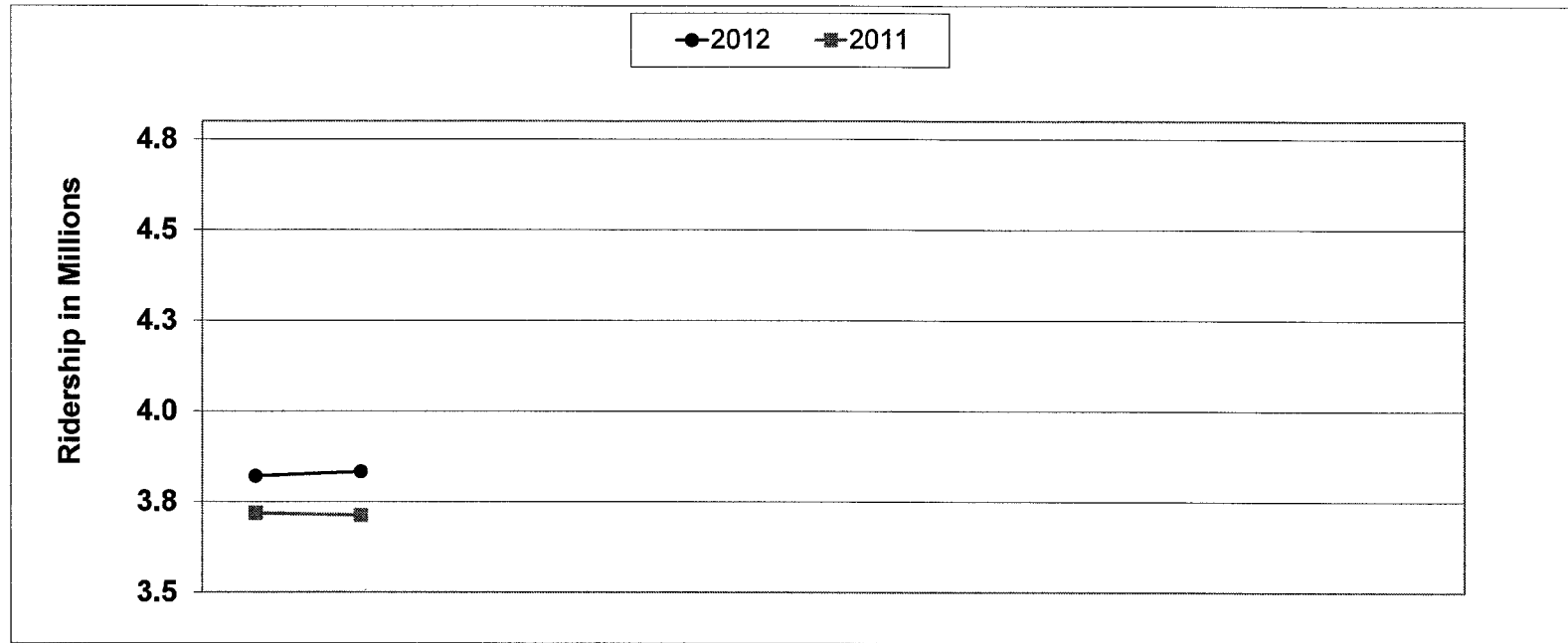
- February's Total Ridership was 6.1% above '11 and 6.4% above budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	6.4	6.4											12.8
2011	6.0	6.0											12.1
PCT CHG.	6.4%	6.1%											6.3%

FEBRUARY COMMUTATION RIDERSHIP

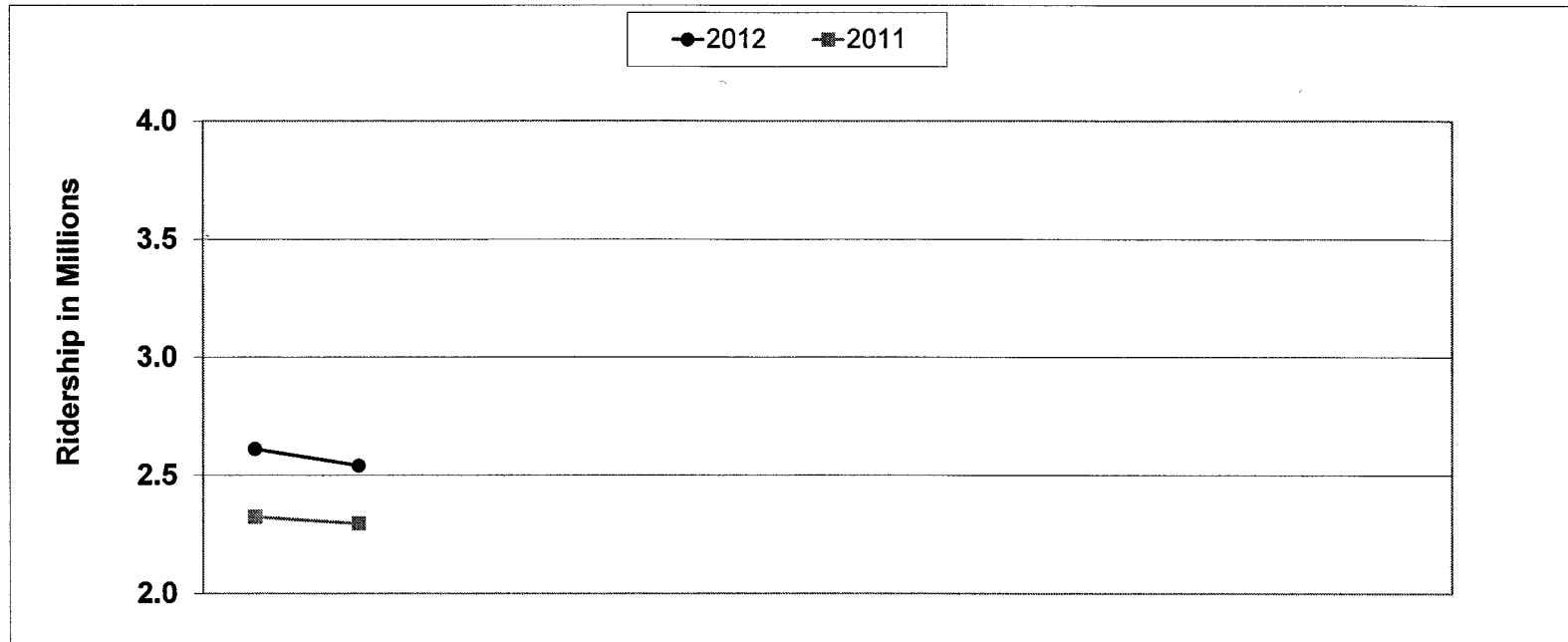
- February's Commutation Ridership was 3.2% above '11 and 2.4% above budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	3.8	3.8											7.7
2011	3.7	3.7											7.4
PCT CHG.	2.8%	3.2%											3.0%

FEBRUARY NON-COMMUTATION RIDERSHIP

- February's Non-Commutation Ridership was 10.6% above '11 and 13.0% above budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	2.6	2.5											5.2
2011	2.3	2.3											4.6
PCT CHG.	12.3%	10.6%											11.5%

FEBRUARY REVENUE

- February's Total Revenue was 6.4% above '11 and 6.6% above budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	\$45.8	\$45.5											\$91.3
2011	\$42.8	\$42.8											\$85.6
PCT CHG.	7.0%	6.4%											6.7%

**MTA LONG ISLAND RAIL ROAD
RIDERSHIP SUMMARY
FEBRUARY 2012**

TICKET TYPE/SERVICE	FEBRUARY 2012	FEBRUARY 2011	CHANGE VS. 2011	
			NUMBER	PERCENT
COMMUTATION RIDERSHIP	3,832,652	3,712,088	120,564	3.2%
NON-COMMUTATION RIDERSHIP	2,540,376	2,296,133	244,243	10.6%
TOTAL RIDERSHIP	6,373,028	6,008,221	364,807	6.1%

**MTA LONG ISLAND RAIL ROAD
RIDERSHIP SUMMARY
2012 YEAR-TO-DATE**

TICKET TYPE/SERVICE	FEBRUARY 2012	FEBRUARY 2011	CHANGE VS. 2011	
			NUMBER	PERCENT
COMMUTATION RIDERSHIP	7,653,396	7,430,264	223,132	3.0%
NON-COMMUTATION RIDERSHIP	5,151,290	4,620,048	531,242	11.5%
TOTAL RIDERSHIP	12,804,686	12,050,312	754,374	6.3%

**MTA LONG ISLAND RAIL ROAD
REVENUE SUMMARY
FEBRUARY 2012**

REVENUE	FEBRUARY 2012	FEBRUARY 2011	CHANGE VS. 2011	
			AMOUNT	PERCENT
COMMUTATION REVENUE	\$ 25,387,078.18	\$ 24,597,493.54	\$ 789,584.64	3.2%
NON-COMMUTATION REVENUE	\$ 20,114,322.63	\$ 18,184,782.68	\$ 1,929,539.95	10.6%
TOTAL REVENUE	\$ 45,501,400.81	\$ 42,782,276.22	\$ 2,719,124.59	6.4%

**MTA LONG ISLAND RAIL ROAD
REVENUE SUMMARY
2012 YEAR-TO-DATE**

REVENUE	FEBRUARY 2012	FEBRUARY 2011	CHANGE VS. 2011	
			AMOUNT	PERCENT
COMMUTATION REVENUE	\$50,489,267	\$48,998,849	\$ 1,490,417.25	3.0%
NON-COMMUTATION REVENUE	\$40,776,823	\$36,560,006	\$ 4,216,817.37	11.5%
TOTAL REVENUE	\$ 91,266,090.05	\$ 85,558,855.43	\$ 5,707,234.62	6.7%



Long Island Rail Road

CAPITAL PROGRAM

HIGHLIGHTS

**LONG ISLAND RAIL ROAD
CAPITAL PROGRAM HIGHLIGHTS & UPDATES
MARCH 2012**

HIGHLIGHTS

PN-6Y

IMPROVEMENTS TO RELIABILITY CENTERED MAINTENANCE SHOPS

Project Budget: \$46.51M

Milestone: Beneficial Use

Phases 1 and 2 of shop improvements to the equipment maintenance facilities at Hillside are complete. Selected maintenance support shops were reconfigured to sustain the RCM program and the growth in rolling stock. The modifications to the shops and the new specialized shop equipment will enable the LIRR to effectively service and maintain the new technologically advanced fleet and rolling stock.

PROJECT UPDATES

EAST SIDE ACCESS - LIRR ACTIVITIES

- The Harold Interlocking Central Instrument Locations (CIL) and Harold Tower Supervisory Control Systems (HTSCS) development continues with an updated delivery and cutover schedule to be an integral part of the new rebaselined ESA Integrated Project Schedule (IPS). The new IPS was received and is under review. Cutover of HTSCS scheduled for the 4th Quarter 2012. Equipment delivery for F Interlocking Harold Interlocking Alternate Control Room (FHACS) scheduled for this Spring with testing and cutover following in the 4th Quarter 2012.
- LIRR F/A work at Harold continues. Signal performed cable pulls and terminations at Point CIL, installed conduits and cable for conversion of 16 bridge to pedestal signals, and conducted various signal work support of H1, H3, and H4 CIL locations. LIRR F/A provided support to MTACC Third Party and Amtrak installations. Track Department continued IJ work at 16 bridge. LIRR HT performed bracket and guy work at Towers 27 and 32 in support of Third Party and Signal Power cutover activities.

BABYLON TRAIN WASH (ARRA funded)

- Train Wash equipment testing continued and test washing commenced.
- Paving and fencing continued.
- Project Beneficial Use remains scheduled for April 2012.

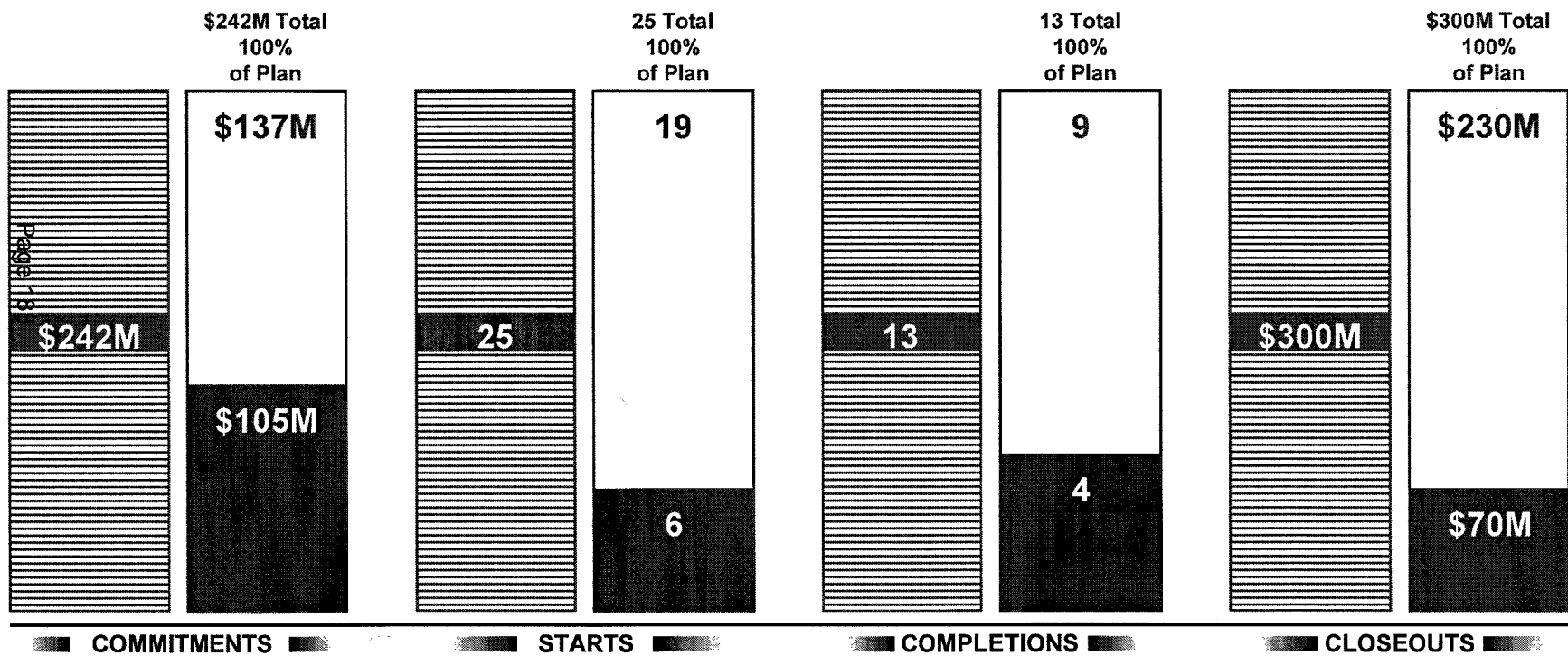
MENTORING ACTIVITIES

- Station Enhancements: Atlantic Terminal work continued.
- West Side Yard Reconfiguration: Pre-engineered building installation commenced.
- Hillside Support Facility Platform Elevator Replacements: Elevator components in fabrication.
- Richmond Hill Shop Reconfiguration: Mechanical ductwork installation and electrical work commenced.
- Jamaica Main Office Building Roof: Construction commenced. Submittals and Project Meetings continued for the Communication Building Roof.

MAIN LINE CORRIDOR IMPROVEMENTS

- Work progresses on internal review.
- LIRR had discussions with DOT and local officials regarding conditions of related infrastructure.

2012 LIRR Capital Program Goals



2012 PLAN



ACTUAL as of March 31, 2012



FORECAST as of December 31, 2012



Metro-North Railroad

**Status of Operations &
Safety Report
April 2012**



MONTHLY OPERATING REPORT

April 2012

Performance Summary			2012 Data			2011 Data	
			Annual Goal	March	YTD thru March	March	YTD thru March
On Time Performance <i>(Trains that arrive at their final destination within 5 minutes 59 seconds of scheduled arrival time)</i>	System	Overall	97.8%	98.8%	98.8%	97.6%	95.6%
		AM Peak	97.0%	98.9%	98.7%	95.3%	91.9%
		AM Reverse Peak	97.6%	98.4%	98.4%	95.1%	93.9%
		PM Peak	98.0%	99.2%	99.1%	97.8%	95.4%
		Total Peak		99.0%	98.8%	96.3%	93.6%
		Off Peak Weekday	97.9%	98.8%	98.8%	98.4%	96.7%
		Weekend	97.9%	98.8%	99.0%	98.9%	96.9%
	Hudson Line	Overall	98.2%	98.8%	98.9%	98.3%	97.9%
		AM Peak	98.0%	99.0%	99.0%	96.3%	96.1%
		AM Reverse Peak	98.5%	99.1%	98.4%	96.5%	96.3%
		PM Peak	98.4%	99.2%	99.0%	99.2%	98.9%
		Total Peak		99.1%	99.0%	97.6%	97.3%
		Off Peak Weekday	98.1%	98.8%	98.8%	98.8%	98.5%
		Weekend	98.2%	98.3%	99.0%	99.1%	98.3%
	Harlem Line	Overall	98.3%	99.2%	99.0%	98.1%	97.5%
		AM Peak	98.0%	99.3%	98.4%	95.9%	96.0%
		AM Reverse Peak	98.0%	97.9%	98.0%	94.9%	96.0%
		PM Peak	98.5%	99.7%	99.6%	98.6%	97.0%
		Total Peak		99.2%	98.8%	96.8%	96.4%
		Off Peak Weekday	98.4%	99.3%	99.1%	98.8%	98.1%
		Weekend	98.5%	99.2%	99.1%	99.7%	98.5%
	New Haven Line	Overall	97.2%	98.6%	98.7%	96.8%	92.7%
		AM Peak	95.7%	98.6%	98.7%	94.1%	85.8%
		AM Reverse Peak	96.8%	98.5%	98.8%	94.5%	90.3%
		PM Peak	97.5%	98.8%	98.8%	96.3%	91.8%
		Total Peak		98.7%	98.7%	95.1%	88.9%
		Off Peak Weekday	97.5%	98.4%	98.5%	97.8%	94.9%
		Weekend	97.4%	98.8%	98.9%	98.3%	94.8%
Operating Statistics							
Trains Scheduled				18,222	52,756	18,134	50,539
Avg. Delay per Late Train (min) <small>excluding trains canceled or terminated</small>				15.4	13.9	13.4	15.8
Trains Over 15 min. Late <small>excluding trains canceled or terminated</small>			1,000	59	136	98	644
Trains Canceled			160	6	21	12	165
Trains Terminated			160	6	26	40	123
Percent of Scheduled Trips Completed			99.8%	99.9%	99.9%	99.7%	99.4%
Consist Compliance <i>(Percent of trains where the number of seats provided was greater than or equal to the required number of seats per loading standards)</i>	System	Overall	98.6%	99.9%	99.8%	99.0%	97.5%
		AM Peak	97.7%	99.6%	99.5%	98.1%	95.1%
		AM Reverse Peak	97.7%	100.0%	100.0%	99.4%	97.7%
		PM Peak	97.3%	99.9%	99.9%	97.9%	95.2%
		Total Peak		99.8%	99.7%	98.2%	95.5%
		Off Peak Weekday	99.3%	99.9%	99.9%	99.5%	98.7%
		Weekend	99.3%	99.9%	99.8%	99.5%	99.1%
	Hudson Line	AM Peak	99.0%	100.0%	100.0%	99.9%	99.5%
		PM Peak	99.0%	99.9%	99.9%	100.0%	99.7%
	Harlem Line	AM Peak	99.0%	100.0%	99.9%	100.0%	99.2%
		PM Peak	99.0%	100.0%	99.9%	99.4%	98.6%
	New Haven Line	AM Peak	96.0%	99.0%	98.8%	95.0%	88.0%
		PM Peak	95.0%	99.9%	99.8%	95.1%	89.1%

Categories of Delay		2012 Data			2011 Data	
		February	March	YTD thru March	March	YTD thru March
Train Delay Incidents Resulting in Late Trains. <i>(Each delay incurred by a late train is considered a separate train delay incident. Therefore, the number of train delay incidents is higher than the number of late trains for the month.)</i>	Maintenance of Way	73	69	244	76	345
	Capital Projects	4	3	7	10	10
	Maintenance of Equipment	77	116	264	130	869
	Operations Services	2	3	16	4	55
	Police Incidents	32	37	80	35	113
	Other	4	3	7	140	188
	Customers	11	33	68	21	82
	3rd Party Operations <i>(Other railroads, marine traffic, etc.)</i>	0	4	5	13	105
	Weather and Environmental	16	3	22	44	744



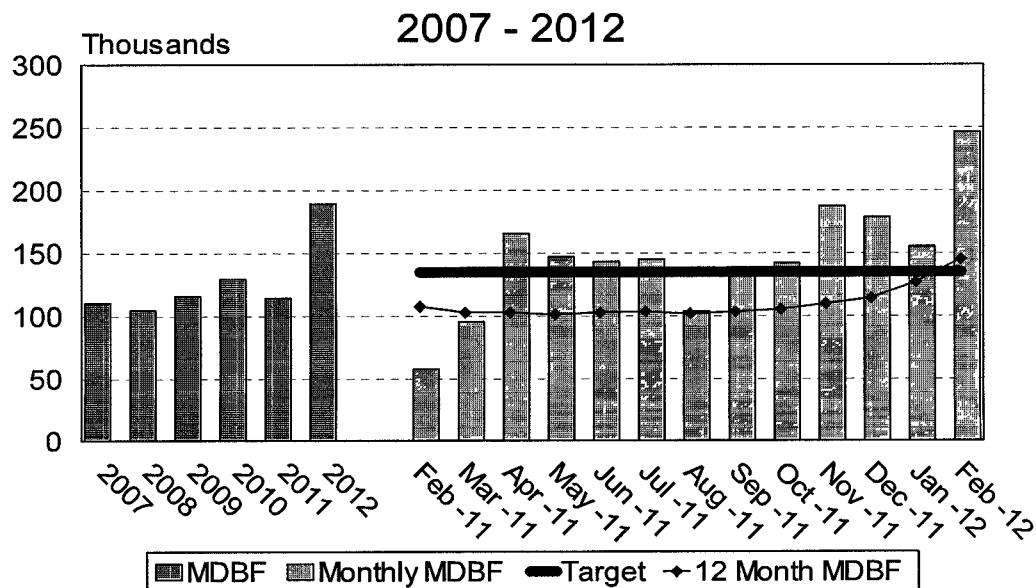
EVENTS RESULTING IN 10 or MORE LATE (L), CANCELED (C) OR TERMINATED (T) TRAINS

Date	Day	DESCRIPTION OF EVENT	Number of Late Trains															TOTAL		
			AM Peak			AM Reverse			PM Peak			Off Peak			Weekend			Late	Cxd	Term
			L	C	T	L	C	T	L	C	T	L	C	T	L	C	T			
03/12	Mon	Train 515 was unable to take power on track 3 south of 86th Street, causing congestion.	9	1	0	2	0	0	0	0	0	0	0	0	0	0	0	11	1	0
TOTAL FOR MONTH			9	1	0	2	0	0	0	0	0	0	0	0	0	0	0	11	1	0
																		12		

	Equip- ment Type	Total Fleet Size	2012 Data						2011 Data		
			MDBF Goal (miles)	Feb MDBF (miles)	Primary Failure Goal	Feb Primary Failures	YTD MDBF thru Feb (miles)	12 month MDBF Rolling Avg (miles)	Feb MDBF (miles)	Feb No. of Primary Failures	YTD MDBF thru Feb (miles)
Mean Distance Between Failures	M2	228	80,000	191,802	11	6	151,659	87,470	32,109	39	32,872
	M4/M6	102	60,000	514,086	9	1	102,078	62,508	17,694	23	17,281
	M8	80	200,000	490,550	2	1	230,851	161,896	N/A	N/A	N/A
	M3	140	120,000	287,262	3	0	556,327	422,946	275,011	0	89,413
	M7	336	440,000	568,622	4	3	588,172	693,009	322,290	5	331,522
	Coach	213	290,000	432,205	5	3	265,180	372,865	182,611	7	222,920
	P-32	31	35,000	57,609	5	3	50,754	39,928	29,010	6	24,316
	BL-20	12	12,000	7,223	3	6	10,797	12,150	4,000	7	5,489
	Fleet	1142	135,000	246,146	42	23	189,337	145,278	57,770	87	57,252
	M2/4/6/8		100,000	269,431	22	8	145,691	83,232	26,761	62	26,857
	M3/7		300,000	664,376	7	3	680,894	637,612	377,292	5	240,731
	Diesel/Coach		120,000	126,065	13	12	123,738	147,459	74,017	20	81,583

Mean Distance Between Failures (MDBF) is the average number of miles a railcar or locomotive travels in revenue service before breaking down and causing a delay. The higher the MDBF, the more reliable the equipment and the service.

ALL FLEETS Mean Distance Between Failure



West of Hudson Performance Summary			2012 Data			2011 Data	
			Annual Goal	March	YTD thru March	March	YTD thru March
On Time Performance <i>(Trains that arrive at their final destination within 5 minutes 59 seconds of scheduled arrival time)</i>	West of Hudson Total	Overall	96.4%	95.0%	97.0%	96.9%	94.6%
		AM Peak	97.3%	94.8%	97.0%	96.5%	91.7%
		PM Peak	96.8%	98.3%	98.8%	98.0%	94.7%
		Total Peak		96.5%	97.8%	97.2%	93.2%
		Off Peak Weekday	95.9%	96.5%	97.4%	97.6%	95.7%
		Weekend	95.9%	89.2%	95.2%	94.4%	95.1%
	Pascack Line	Overall	97.0%	96.0%	97.9%	97.1%	96.5%
		Valley Line	AM Peak	98.0%	97.2%	98.2%	97.1%
	PM Peak		97.5%	99.4%	98.8%	98.1%	97.0%
	Total Peak			98.2%	98.5%	97.6%	96.5%
	Off Peak Weekday		96.5%	96.8%	98.5%	98.4%	97.2%
	Weekend		96.5%	91.2%	96.1%	93.2%	95.2%
	Port Jervis Line	Overall	95.5%	93.6%	95.8%	96.6%	92.0%
		AM Peak	96.0%	91.7%	95.4%	95.7%	85.2%
		PM Peak	96.0%	97.0%	98.7%	97.8%	92.7%
		Total Peak		94.3%	97.0%	96.9%	89.5%
		Off Peak Weekday	95.0%	96.1%	95.7%	96.4%	93.3%
		Weekend	95.0%	85.9%	93.5%	96.4%	94.9%
Operating Statistics							
Trains Scheduled			1,686	4,897	1,707	4,852	
Avg. Delay per Late Train (min) <small>excluding trains canceled or terminated</small>			18.6	20.3	15.7	18.1	
Trains Over 15 min. Late <small>excluding trains canceled or terminated</small>		80	26	52	20	99	
Trains Canceled			2	4	5	10	
Trains Terminated			7	11	5	19	
Percent of Scheduled Trips Completed			99.8%	99.5%	99.7%	99.4%	99.4%

MARCH 2012 STANDEE REPORT

East of Hudson

			MAR 2011	YTD 2011	MAR 2012	YTD 2012
Daily Average AM Peak	Hudson Line	Program Standees	0	0	0	0
		Add'l Standees	2	7	0	0
		Total Standees	2	7	0	0
	Harlem Line	Program Standees	0	0	0	0
		Add'l Standees	0	20	0	0
		Total Standees	0	20	0	0
	New Haven Line	Program Standees	0	217 **	0	0
		Add'l Standees	76	328	18	23
		Total Standees	76	545	18	23
	EAST OF HUDSON TOTAL - AM PEAK		78	572	18	23
Daily Average PM Peak	Hudson Line	Program Standees	0	0	0	0
		Add'l Standees	5	4	0	0
		Total Standees	5	4	0	0
	Harlem Line	Program Standees	0	0	0	0
		Add'l Standees	5	19	0	1
		Total Standees	5	19	0	1
	New Haven Line	Program Standees	41	242 **	0	0
		Add'l Standees	85	241	1	1
		Total Standees	126	483	1	1
	EAST OF HUDSON TOTAL - PM PEAK		136	506	1	2

West of Hudson

			MAR 2011	YTD 2011	MAR 2012	YTD 2012
Daily Average AM Peak	Port Jervis Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	6	2
		Total Standees	0	0	6	2
	Pascack Valley Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	0	0
		Total Standees	0	0	0	0
	WEST OF HUDSON TOTAL - AM PEAK		0	0	6	2
Daily Average PM Peak	Port Jervis Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	0	0
		Total Standees	0	0	0	0
	Pascack Valley Line	Program Standees	0	0	0	0
		Add'l Standees	0	0	0	0
		Total Standees	0	0	0	0
	WEST OF HUDSON TOTAL - PM PEAK		0	0	0	0

Definitions

Weekday standees are calculated based on the most recent average weekday customer counts for the train's maximum load point. For Hudson, Harlem and most New Haven Line trains, this point occurs at GCT/125th St.. However, for certain New Haven Line trains, this maximum load point is east of Stamford.

"Program Standees" is the average number of customers in excess of programmed seating capacity.

"Additional Standees" reflect the impact of reduced train car consists (as reported in the weekday equipment reports).

Note: These statistics do not include the effects of daily ridership variation or uneven distribution of customers within trains. Holidays and Special Events for which there are special equipment programs are not included.

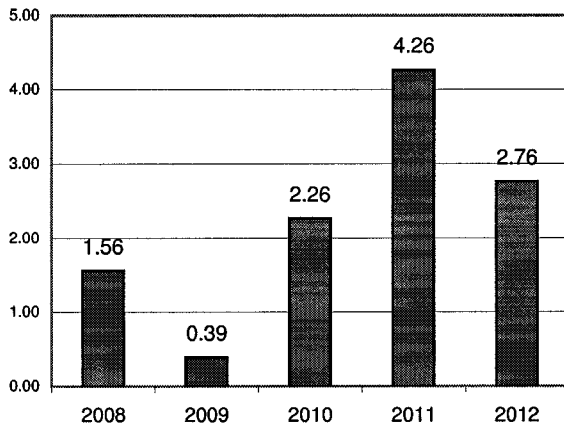
**** Programmed Standees based on reduced winter schedule effective February 7 through March 6, 2011 on the New Haven Line.**

Based on data through 3/31/11.

Operations Planning and Analysis/jp

MTA Metro-North Railroad

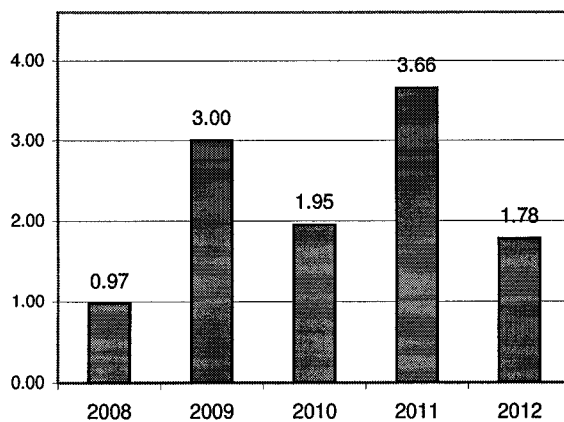
Summary of Employee Injuries thru February



Total Employee Injuries

Year	Total	Total FI*
2008	16	1.56
2009	4	0.39
2010	22	2.26
2011	42	4.26
2012	28	2.76

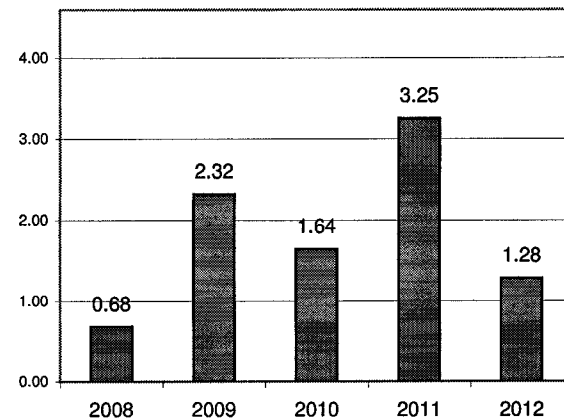
% change from last year: -35.2%
2012 Total FI Goal 2.90



Employee FRA Reportable Injuries

Year	Total	FRA FI*
2008	10	0.97
2009	31	3.00
2010	19	1.95
2011	36	3.66
2012	18	1.78

% change from last year: -51.4%
2012 FRA FI Goal 2.50



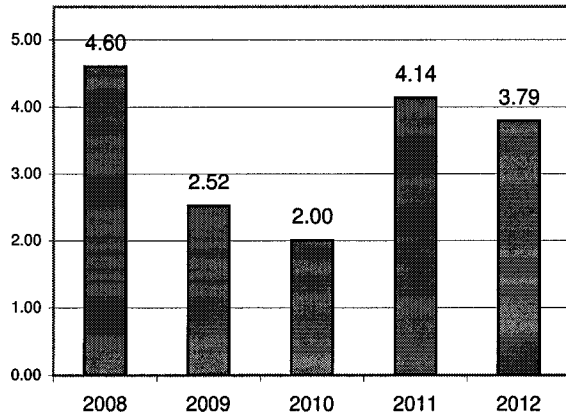
Employee Lost Time and Restricted Duty Injuries

Year	LT	RD	LT FI*	RD FI*	LT&RD FI*
2008	4	3	0.39	0.29	0.68
2009	21	3	2.03	0.29	2.32
2010	14	2	1.44	0.21	1.64
2011	26	6	2.64	0.61	3.25
2012	12	1	1.18	0.10	1.28

% change from last year: -60.5%
2012 LT&RD FI Goal 2.00

* - Injuries per 200,000 hours worked

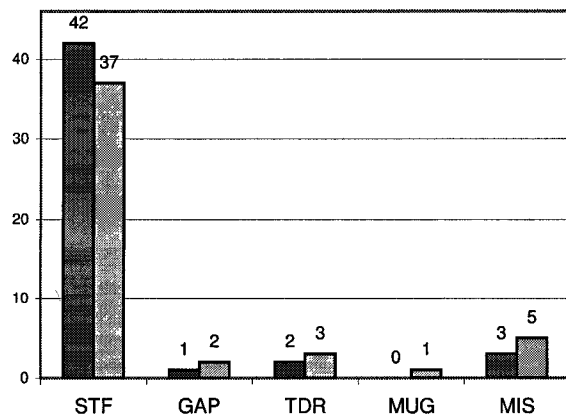
MTA Metro-North Railroad Summary of Customer/Contractor Injuries thru February



Total Customer Injuries

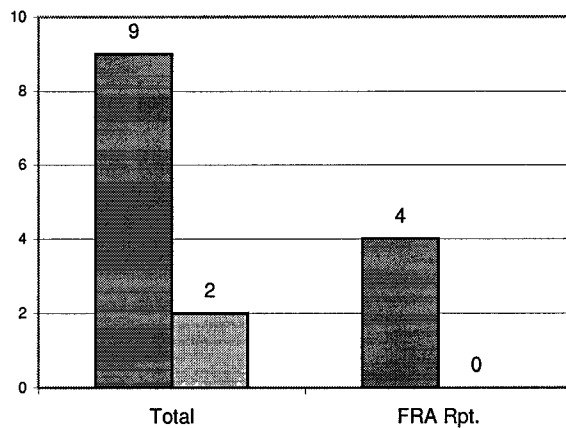
Year	Total	Total FI*
2008	58	4.60
2009	30	2.52
2010	23	2.00
2011	48	4.14
2012	48	3.79

% change from last year: -8.4%
2012 Total FI Goal 2.70



Top 5 Customer Injuries by Type

Year	Slip/Trip/Fall	Gap	Train Doors	Mugging	Misc.
2011	42	1	2	0	3
2012	37	2	3	1	5
% Chg	-11.9%	100.0%	50.0%	100.0%	66.7%



Contractor Injuries

Year	Total	FRA Rpt.
2011	9	4
2012	2	0
% Chg	-77.8%	-100.0%

* - Injuries per 1,000,000 rides



Metro-North Railroad

Financial and Ridership Report

April 2012

MTA METRO-NORTH RAILROAD

FINANCIAL STATEMENTS

MONTH ENDED: FEBRUARY 29, 2012

OFFICE OF VICE PRESIDENT OF FINANCE & INFORMATION SYSTEMS

**MTA METRO-NORTH RAILROAD
FEBRUARY 2012 FINANCIAL AND RIDERSHIP REPORT
EXECUTIVE SUMMARY**

February financial results were favorable as compared to the Adopted Budget. Total operating revenue was 4.6% higher due to continued improvement in ridership. Operating expenses were 6.5% lower than budget primarily due to timing versus plan. Capital program expenditures (and reimbursements) were \$9.0 million lower than Budget also due to timing differences and the rescheduling of project activity.

Ridership

Total rail ridership was 6.4 million riders for the month and 12.9 million riders year-to-date resulting in a 5% increase over 2011. These results reflect the impact of an unusually mild winter, continued regional economic growth, as well as consistently high levels of service reliability and on-time performance.

East of Hudson

- Month of February ridership of 6.3 million was 4.2% higher than budget and 5.4% higher than 2011.
- February year-to-date ridership was 12.7 million, or 4.2% higher than Budget and 5.4% higher than 2011.
- Commutation ridership was 2.2% higher year-to-date and 2.8% higher for the month vs. budget. Compared to 2011, February year-to-date commutation ridership was 3.6% higher.
- Non-commutation ridership was 7.4% above budget year-to-date and 9.1% higher than 2011. Non-commutation ridership for the month was 6.4% higher and 8.2% over last year.

West of Hudson

- February year-to-date ridership was 2.0% lower than the Budget and 11.0% lower than 2011 due to slower than projected recovery of ridership losses following the three month suspension of Port Jervis Line service.

Revenue

- Total Revenue of \$124.4 million through February was \$4.4 million, or 3.4% lower than Budget.
- Fare Box Revenue of \$ 91.8 million was \$3.6 million higher than Budget due to increased ridership.
- Other Operating Revenue of \$8.6 million was \$1.0 million above budget due to a continuation of favorable revenue trends in GCT retail operations.
- Capital and Other Reimbursements of \$24 million was \$9 million lower than budget due to timing differences in project scheduling. (New Haven Component Change-out Shop, and Port Jervis Line Reconstruction.)

Expenses

- Total Expenses of \$233.4 million through February were \$23.6 million lower than Budget. Most of this was due to timing differences in non-payroll expenditures (\$18 million) for non-reimbursable and reimbursable material usage, contract service costs, and as well as lower electric power rates.
- Labor costs were \$5.6 million or 4.1% below budget primarily due to vacancies, lower overtime requirements, and associated fringe expense.

Financial Performance Measures

- Adjusted Farebox Operating Ratio of 65.7% for February year-to-date was 8.1% better than budget due to the combined impact of lower expenses and higher farebox revenues.
- Adjusted Cost per Passenger of \$12.32 for the period was \$1.66 higher than budget due to the lower expenses and higher ridership levels.
- Revenue per Passenger of \$7.33 for the period was \$0.01 lower to the Budget.

**MTA METRO-NORTH RAILROAD
FEBRUARY 2012 FINANCIAL REPORT
YEAR-TO-DATE ACTUAL VERSUS ADOPTED BUDGET**

REVENUE

Total Revenue – \$4.4 million (3.4%) lower than the Budget through February.

- **Fare Box Revenue** – \$3.6 million (4.0%) higher than the Budget primarily due to higher commutation and non-commutation ridership due to mild winter weather conditions and continuing positive growth trends across all three East of Hudson commuter lines. Fare Box Revenue was \$1.6 million (3.7%) higher for the month.
- **Other Operating Revenue** – \$1.0 million higher year-to-date and \$0.8 million higher for the month compared to budget due to higher GCT net retail revenues and commissary sales, as well as timing differences in parking and advertising revenues.
- **Capital and Other Reimbursements** – \$9.0 million lower year-to-date and \$3.0 million lower for the month due primarily to timing differences/rescheduling in expenditures for capital projects (Port Jervis Line Reconstruction, NH Component Change-out Shop, Cyclical Track Program 2012 and Replace 3rd Rail Switches).

EXPENSES

Total Expenses – Year-to-date was \$23.6 million (9.2%) lower than Budget due primarily to lower labor costs and timing differences in non-payroll expenditures for material usage, contract service costs and electric power costs. For the month, expenses were \$10.8 million (8.6%) lower than the Budget.

- **Labor expenses** (including fringes and overhead recoveries) were \$5.6 million (4.1%) lower than the Budget through February primarily due to lower payroll and fringe costs due to vacancies. For the month, labor expenses were \$3.3 million lower than the Budget.

• **Non-Labor Expenses**

Total non-labor expenses were \$18.0 million lower than Budget year-to-date and \$7.5 million lower for the month.

- **Electric Power** – \$2.7 million lower for the year and \$1.5 million lower for the month vs. Budget due to lower traction power expenses resulting from lower prices and lower consumption.
- **Fuel** – \$1.0 million lower for the year and \$0.3 million lower for the month vs. Budget due to lower diesel fuel consumption for the revenue vehicle fleet and reduced heating fuel expenditures due to mild winter weather.
- **Maintenance & Other Operating Contracts** – year-to-date expenditures were \$5.8 million lower than Budget primarily due to timing differences for the Port Jervis Line Reconstruction project, the Genesis locomotive overhaul program and maintenance services, as well as lower costs for Harlem River Lift Bridge repairs and building utilities. For the month, expenditures were \$3.0 million lower than the Budget primarily due to timing differences in payments for the Port Jervis Line Reconstruction project and Genesis locomotive overhaul.
- **Professional Services** – \$1.1 million over budget primarily due to timing differences for the following capital projects: West Haven Station, Guard Booths at Stamford & East Bridgeport Yards and Positive Train Control. For the month, expenditures were \$0.9 million higher than the Budget.
- **Materials & Supplies** – year-to-date expenditures were \$9.5 million below the Budget due to timing differences in reimbursable capital project activity (\$6.3 million related to Danbury Branch Signal System, NH Yard Component Change-out Shop, and 3rd Rail Security Switches projects), lower usage and timing of rolling stock parts & supplies due to mild winter weather, and favorable inventory valuation adjustments.
- **Other Business Expenses** – costs were on-target year-to-date and \$0.3 million lower for the month vs. budget.
- **Depreciation and Other Non Cash Liability Adjustments** – year-to-date and current month costs were based on budget estimates.

CASH DEFICIT

Cash Deficit through February was \$19.9 million below the Budget primarily due to timing differences in non-reimbursable non-payroll expenditures and reimbursements for capital projects.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
ACCRUAL STATEMENT OF OPERATIONS by CATEGORY
February 2012
(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$43.667	\$45.304	\$1.637	3.7	\$0.000	\$0.000	\$0.000	-	\$43.667	\$45.304	\$1.637	3.7
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	3.880	4.680	0.800	20.6	0.000	0.000	0.000	-	3.880	4.680	0.800	20.6
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	9.273	6.583	(2.690)	(29.0)	9.273	6.583	(2.690)	(29.0)
CDOT	0.000	0.000	0.000	-	5.530	5.544	0.014	0.2	5.530	5.544	0.014	0.2
Other	0.000	0.000	0.000	-	0.984	0.618	(0.366)	(37.2)	0.984	0.618	(0.366)	(37.2)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	15.787	12.745	(3.042)	(19.3)	15.787	12.745	(3.042)	(19.3)
Total Revenue/Receipts	\$47.547	\$49.984	\$2.437	5.1	\$15.787	\$12.745	(\$3.042)	(19.3)	\$63.333	\$62.729	(\$0.605)	(1.0)
Expenses												
<i>Labor:</i>												
Payroll	\$32.573	\$32.052	\$0.521	1.6	\$3.439	\$3.089	\$0.350	10.2	\$36.012	\$35.141	\$0.871	2.4
Overtime	4.533	3.761	0.772	17.0	1.108	1.209	(0.101)	(9.2)	5.640	4.970	0.670	11.9
Health and Welfare	7.389	6.931	0.458	6.2	0.946	0.871	0.075	8.0	8.335	7.802	0.533	6.4
OP&B Current Payment	1.333	1.466	(0.133)	(10.0)	0.000	0.000	0.000	-	1.333	1.466	(0.133)	(10.0)
Pensions	5.338	5.264	0.074	1.4	0.676	0.488	0.188	27.8	6.013	5.752	0.261	4.3
Other Fringe Benefits	7.683	6.505	1.178	15.3	0.764	0.844	(0.080)	(10.5)	8.447	7.349	1.098	13.0
Reimbursable Overhead	(2.668)	(2.366)	(0.302)	(11.3)	2.671	2.368	0.303	11.3	0.003	0.002	0.001	38.2
Total Labor	\$56.181	\$53.614	\$2.568	4.6	\$9.602	\$8.869	\$0.733	7.6	\$65.784	\$62.483	\$3.301	5.0
<i>Non-Labor:</i>												
Electric Power	\$7.511	\$5.993	\$1.518	20.2	\$0.000	\$0.062	(\$0.062)	-	\$7.511	\$6.055	\$1.456	19.4
Fuel	\$2.730	\$2.460	\$0.270	9.9	\$0.000	\$0.000	\$0.000	-	\$2.730	\$2.460	\$0.270	9.9
Insurance	0.872	0.880	(0.008)	(1.0)	0.346	0.299	0.047	13.6	1.218	1.179	0.039	3.2
Claims	0.054	0.021	0.034	61.8	0.000	0.000	0.000	-	0.054	0.021	0.034	61.8
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	8.649	6.468	2.182	25.2	2.187	1.379	0.808	36.9	10.836	7.847	2.989	27.6
Professional Service Contracts	1.902	2.153	(0.251)	(13.2)	0.200	0.815	(0.615)	*	2.102	2.968	(0.866)	(41.2)
Materials & Supplies	6.510	5.412	1.098	16.9	3.413	1.214	2.199	64.4	9.923	6.626	3.297	33.2
Other Business Expenses	2.412	2.016	0.397	16.4	0.039	0.107	(0.068)	*	2.451	2.123	0.328	13.4
Total Non-Labor	\$30.641	\$25.403	\$5.238	17.1	\$6.185	\$3.876	\$2.309	37.3	\$36.825	\$29.279	\$7.547	20.5
<i>Other Adjustments:</i>												
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenses before Non-Cash Liability Adjs.	\$86.822	\$79.016	\$7.806	9.0	\$15.787	\$12.745	\$3.042	19.3	\$102.609	\$91.761	\$10.848	10.6
Depreciation	18.763	18.763	0.000	0.0	0.000	0.000	0.000	-	18.763	18.763	0.000	0.0
OP&B Obligation	5.000	5.000	0.000	0.0	0.000	0.000	0.000	-	5.000	5.000	0.000	0.0
Environmental Remediation	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Expenses	\$110.585	\$102.779	\$7.806	7.1	\$15.787	\$12.745	\$3.042	19.3	\$126.372	\$115.524	\$10.848	8.6
Net Surplus/(Deficit)	(\$63.038)	(\$52.795)	\$10.243	16.2	\$0.000	\$0.000	\$0.000	-	(\$63.038)	(\$52.795)	\$10.243	16.2
<i>Cash Conversion Adjustments:</i>												
Depreciation	18.763	18.763	0.000	0.0	0.000	0.000	0.000	-	18.763	18.763	0.000	0.0
Operating/Capital	(0.221)	(0.845)	(0.624)	*	0.000	0.000	0.000	-	(0.221)	(0.845)	(0.624)	*
Other Cash Adjustments	15.686	27.905	12.219	77.9	0.000	0.000	0.000	-	15.686	27.905	12.219	77.9
Total Cash Conversion Adjustments	\$34.228	\$45.823	\$11.595	33.9	\$0.000	\$0.000	\$0.000	-	\$34.228	\$45.823	\$11.595	33.9
Net Cash Surplus/(Deficit)	(\$28.810)	(\$6.972)	\$21.838	75.8	\$0.000	\$0.000	\$0.000	-	(\$28.810)	(\$6.972)	\$21.838	75.8

- Results are preliminary and subject to audit review.

- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
ACCRUAL STATEMENT of OPERATIONS by CATEGORY
February Year-To-Date
(\$ in millions)

	Nonreimbursable				Reimbursable				Total			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent			Variance	Percent
Revenue												
Farebox Revenue	\$88,239	\$91,806	\$3,567	4.0	\$0.000	\$0.000	\$0.000	-	\$88,239	\$91,806	\$3,567	4.0
Vehicle Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	7,562	8,596	1,034	13.7	0.000	0.000	0.000	-	7,562	8,596	1,034	13.7
<i>Capital & Other Reimbursements:</i>												
MTA	0.000	0.000	0.000	-	18,939	12,189	(6,750)	(35.6)	18,939	12,189	(6,750)	(35.6)
CDOT	0.000	0.000	0.000	-	12,108	10,359	(1,749)	(14.4)	12,108	10,359	(1,749)	(14.4)
Other	0.000	0.000	0.000	-	1,957	1,462	(0,495)	(25.3)	1,957	1,462	(0,495)	(25.3)
Total Capital and Other Reimbursements	0.000	0.000	0.000	-	33,004	24,010	(8,994)	(27.3)	33,004	24,010	(8,994)	(27.3)
Total Revenue/Receipts	\$95,801	\$100,402	\$4,601	4.8	\$33,004	\$24,010	(\$8,994)	(27.3)	\$128,805	\$124,412	(\$4,393)	(3.4)
Expenses												
<i>Labor:</i>												
Payroll	\$67,421	\$66,219	\$1,203	1.8	\$6,842	\$6,400	\$0,442	6.5	\$74,264	\$72,619	\$1,645	2.2
Overtime	9,489	8,571	0,918	9.7	2,200	2,461	(0,261)	(11.8)	11,690	11,032	0,657	5.6
Health and Welfare	15,373	13,861	1,511	9.8	1,881	1,793	0,088	4.7	17,253	15,654	1,599	9.3
OPEB Current Payment	2,667	3,012	(0,345)	(13.0)	0.000	0.000	0.000	-	2,667	3,012	(0,345)	(13.0)
Pensions	11,056	10,954	0,102	0.9	1,345	1,013	0,332	24.7	12,400	11,967	0,433	3.5
Other Fringe Benefits	15,916	14,039	1,877	11.8	1,518	1,730	(0,212)	(13.9)	17,434	15,769	1,665	9.6
Reimbursable Overhead	(5,277)	(4,807)	(0,470)	(8.9)	5,281	4,893	0,388	7.3	0.004	0.086	(0,082)	*
Total Labor	\$116,544	\$111,849	\$4,795	4.1	\$19,067	\$18,290	\$0,777	4.1	\$135,712	\$130,139	\$5,573	4.1
<i>Non-Labor:</i>												
Electric Power	\$14,994	\$12,281	\$2,714	18.1	\$0.000	\$0,062	(\$0,062)	-	\$14,994	\$12,343	\$2,652	17.7
Fuel	\$5,438	\$4,482	\$0,956	17.6	\$0.000	\$0,000	\$0,000	-	\$5,438	\$4,482	\$0,956	17.6
Insurance	1,744	1,761	(0,017)	(1.0)	0,684	0,630	0,054	7.9	2,428	2,391	0,037	1.5
Claims	0,106	0,031	0,076	71.2	0,000	0,000	0,000	-	0,106	0,031	0,076	71.2
Paratransit Service Contracts	0,000	0,000	0,000	-	0,000	0,000	0,000	-	0,000	0,000	0,000	-
Maintenance and Other Operating Contracts	16,265	13,420	2,845	17.5	4,309	1,320	2,989	69.4	20,575	14,740	5,835	28.4
Professional Service Contracts	3,666	3,589	0,077	2.1	0,287	1,420	(1,133)	*	3,953	5,009	(1,056)	(26.7)
Materials & Supplies	13,161	10,138	3,024	23.0	8,551	2,083	6,468	75.6	21,712	12,221	9,491	43.7
Other Business Expenses	4,388	4,296	0,092	2.1	0,105	0,205	(0,100)	(94.5)	4,494	4,501	(0,007)	(0.2)
Total Non-Labor	\$59,763	\$49,997	\$9,766	16.3	\$13,937	\$5,720	\$8,217	59.0	\$73,700	\$55,717	\$17,983	24.4
<i>Other Adjustments</i>												
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenses before Non-Cash Liability Adjs.	\$176,407	\$161,846	\$14,562	8.3	\$33,004	\$24,010	\$8,994	27.3	\$209,412	\$185,856	\$23,556	11.2
Depreciation	37,526	37,526	0.000	0.0	0.000	0.000	0.000	-	37,526	37,526	0.000	0.0
OPEB Obligation	10,000	10,000	0.000	0.0	0.000	0.000	0.000	-	10,000	10,000	0.000	0.0
Environmental Remediation	0.000	0.000	0.000	-	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Expenses	\$223,933	\$209,371	\$14,562	6.5	\$33,004	\$24,010	\$8,994	27.3	\$256,937	\$233,381	\$23,556	9.2
Net Surplus/(Deficit)	(\$128,132)	(\$108,969)	\$19,163	15.0	\$0.000	\$0.000	\$0.000	-	(\$128,132)	(\$108,969)	\$19,163	15.0
<i>Cash Conversion Adjustments:</i>												
Depreciation	37,526	37,526	0.000	0.0	0.000	0.000	0.000	-	37,526	37,526	0.000	0.0
Operating/Capital	(0,668)	(1,317)	(0,649)	(97.2)	0.000	0.000	0.000	-	(0,668)	(1,317)	(0,649)	(97.2)
Other Cash Adjustments	28,144	29,531	1,387	4.9	0.000	0.000	0.000	-	28,144	29,531	1,387	4.9
Total Cash Conversion Adjustments	\$65,002	\$65,740	\$0,738	1.1	\$0.000	\$0.000	\$0.000	-	\$65,002	\$65,740	\$0,738	1.1
Net Cash Surplus/(Deficit)	(\$63,130)	(\$43,229)	\$19,901	31.5	\$0.000	\$0.000	\$0.000	-	(\$63,130)	(\$43,229)	\$19,901	31.5

- Results are preliminary and subject to audit review.

- Differences are due to rounding.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN BUDGET AND ACTUAL RESULTS
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
FEBRUARY, 2012
(\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Budget			Year to Date vs. Budget		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
OTHER OPERATING REVENUE	Non-Reimb	\$0.800	20.6%	Reflects higher GCT net retail revenues, favorable advertising proceeds (timing) and higher commissary sales.	\$1.034	13.7%	Reflects higher GCT net retail revenues and commissary sales and timing differences in parking and advertising revenues.
CAPITAL AND OTHER REIMBURSEMENTS	Reimb	(\$3.042)	(19.3%)	Lower reimbursements reflect scheduling changes in capital project expenditures (primarily the Danbury Signal and Port Jervis Reconstruction projects)	(\$8.994)	(27.3%)	Lower reimbursements reflect scheduling changes in capital project expenditures (primarily the Danbury Signal, NH Component Change-out Shop and Port Jervis Reconstruction projects).
PAYROLL	Reimb	\$0.350	10.2%	Reflects lower than projected activity on the Cyclical Track Program, PT Jervis Reconstruction Phase II and the Capital Administration.	\$0.442	6.5%	Reflects lower than projected activity on the Cyclical Track Program.
OVERTIME	Non-Reimb	\$0.772	17.0%	Lower overtime requirements, primarily due to favorable weather conditions, reduced the need for right-of-way and unscheduled car fleet maintenance on the older New Haven Line car fleet (M-2s, M-4s, and M-6s).	\$0.918	9.7%	Lower overtime requirements, primarily due to favorable weather conditions, reduced the need for right-of-way and unscheduled car fleet maintenance on the older New Haven Line car fleet (M-2s, M-4s, and M-6s).
	Reimb	(\$0.101)	(9.2%)	Reflects shift in work to nights and weekends due to track availability and operations constraints in the GCT Trainshed for the East Side Access project and the Danbury Branch Signal project, partially offset by timing differences in expenditures for track program work.	(\$0.261)	(11.8%)	Reflects shift in work to nights and weekends due to track availability and operations constraints in the GCT Trainshed for the East Side Access project and the Danbury Branch Signal project, partially offset by timing differences in expenditures for the NH Component Change-out Shop project.
HEALTH AND WELFARE	Non-Reimb	\$0.458	6.2%	Primarily lower than projected rates, partially offset by Shoe & Tool Reimbursement expenses coded to H&W category in error - \$0.1m (should be in Other Business Expense and will be corrected in March).	\$1.511	9.8%	Primarily lower than projected rates.
	Reimb	\$0.075	8.0%	Reflects lower project activity.	\$0.088	4.7%	Reflects lower project activity.
OPEB CURRENT PAYMENT	Non-Reimb	(\$0.133)	(10.0%)	Reflects additional retirees.	(\$0.345)	(13.0%)	Reflects additional retirees.
PENSIONS	Reimb	\$0.188	27.8%	Reflects lower project activity.	\$0.332	24.7%	Reflects lower project activity.
OTHER FRINGE BENEFITS	Non-Reimb	\$1.178	15.3%	Reflects primarily lower than projected employee claim payments (\$1.1 million) and lower payroll and overtime costs.	\$1.877	11.8%	Reflects primarily lower than projected employee claim payments (\$1.5 million) and lower payroll and overtime costs.
	Reimb	(\$0.080)	(10.5%)	Reflects higher project activity.	(\$0.212)	(13.9%)	Reflects higher project activity.

MTA METRO-NORTH RAILROAD
ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN BUDGET AND ACTUAL RESULTS
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
FEBRUARY, 2012
(\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Budget			Year to Date vs. Budget		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
REIMBURSABLE OVERHEAD	Non-Reimb	(\$0.302)	(11.3%)	The variances in the non-reimbursable and reimbursable budgets reflects lower activity on the following capital projects: Cyclical Track Program, Miscellaneous I&C H&H, Pt. Jervis Reconstruction Phase 2 and CDOT Bridge & Catenary, that are partially offset by higher activity for East Side Access in GCT.	(\$0.470)	(8.9%)	The variances in the non-reimbursable and reimbursable budgets reflects lower activity on the following capital projects: Cyclical Track Program 2012, Miscellaneous I&C H&H, Pt. Jervis Reconstruction Phase 2 and CDOT Bridge & Catenary "C1B", that are partially offset by higher activity for East Side Access - GCT Civil/Structural Mods and Danbury Branch Signal System.
	Reimb	\$0.303	11.3%		\$0.388	7.3%	
ELECTRIC POWER	Non-Reimb	\$1.518	20.2%	Primarily due to lower than budgeted prices and consumption.	\$2.714	18.1%	Primarily due to lower than budgeted prices and consumption.
FUEL	Non-Reim	\$0.270	9.9%	Primarily due to lower usage on the H&H lines and reduced heating fuel consumption due to mild weather.	\$0.956	17.6%	Reflects lower diesel fuel consumption for the revenue vehicle fleet and reduced heating fuel consumption for buildings and facilities due to mild winter weather.
INSURANCE	Reimb	\$0.047	13.6%	Reflects lower project activity.	\$0.054	7.9%	Reflects lower project activity.
CLAIMS	Non-Reimb	\$0.034	61.8%	Lower than anticipated claims settlements.	\$0.076	71.2%	Lower than anticipated claims settlements.
MAINTENANCE AND OTHER OPERATING CONTRACTS	Non-Reimb	\$2.182	25.2%	Lower than projected expenditures reflect timing differences for Genesis Locomotive Overhaul (\$1.4m), track, building and equipment maintenance expenditures (\$.3m), and lower costs for Harlem River Bridge repairs (\$.2m).	\$2.845	17.5%	Lower than projected expenditures reflect timing differences for Genesis Locomotive Overhaul (\$1.4m), track, building and equipment maintenance expenditures (\$.4 mil), and lower costs for Harlem River Bridge repairs (\$.4 mil) and favorable utility costs (\$.4m).
	Reimb	\$0.808	36.9%	Reflects lower activity on the Pt Jervis Reconstruction Phase 2, partially offset by costs for the 525 N. Broadway, White Plains project.	\$2.989	69.4%	Reflects lower activity on the Pt Jervis Reconstruction Phase 2, and timing differences expenditures for Ferry Operations, the NHL Concrete Tie Program project and Mail & Ride production costs.

MTA METRO-NORTH RAILROAD
ACCRUAL STATEMENT OF OPERATIONS BY CATEGORY
EXPLANATION OF VARIANCE BETWEEN BUDGET AND ACTUAL RESULTS
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
FEBRUARY, 2012
(\$ in millions)

Generic Revenue or Expense Category	Non Reimb. or Reimb.	Current Month vs. Budget			Year to Date vs. Budget		
		Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
		\$	%		\$	%	
PROFESSIONAL SERVICE CONTRACTS	Non-Reimb	(\$0.251)	(13.2%)	Higher expenditures for IT consultant services (\$0.2 mil) and bridge inspections (\$0.2 mil), partly offset by lower Legal & Witness fees (\$0.1 mil).			
	Reimb	(\$0.615)	(*)	Reflects higher activity on the West Haven Station project.	(\$1.133)	(*)	Reflects higher activity on the West Haven Station project, M8 Specifications and the Design of Guard Booths at Stamford & East Bridgeport.
MATERIAL AND SUPPLIES	Non-Reimb	\$1.098	16.9%	Primarily reflects lower costs due to timing differences for the purchase of rolling stock parts & supplies (\$0.7 mil), radio equipment (\$0.3 mil), and favorable inventory valuation adjustments (\$0.2 mil).	\$3.024	23.0%	Primarily reflects both favorable timing differences and lower usage due to mild winter weather for the purchase of rolling stock parts & supplies (\$2.2 mil) as well as favorable inventory valuation adjustments (\$0.7 mil).
	Reimb	\$2.199	64.4%	Reflects lower activity on the Danbury Branch Signal System.	\$6.468	75.6%	Reflects lower activity on the Danbury Branch Signal System, NH Rail Yard - Component Change Out Shop and the Replacement of 3rd Rail Sectionalized Switches.
OTHER BUSINESS EXPENSES	Non-Reimb	\$0.397	16.4%	Favorable variance reflects the cost of Shoe & Tool Reimbursement, Meal Allowance and Uniforms being charged to Other Fringe that were budgeted in other Business expenses due to LA reformatting and higher Amtrak recoveries (\$0.6 mil). Partially offsetting are higher NJT Subsidy Payments (\$0.5 mil).			
	Reimb	(\$0.068)	(*)	Reflects higher activity on the Danbury Branch Signal System.	(\$0.100)	(94.5%)	Reflects higher activity on the Danbury Branch Signal System and the Signal System Replacement project.
OPERATING CAPITAL	Non-Reimb	(\$0.624)	(*)	Reflects the capitalization of the Snowmelter Cabinets and MoTW roadway equipment and higher activity on the Harmon Material Distribution Center Roof Replacement project, partially offset by lower than projected activity on the Microsoft Office Upgrade project.	(\$0.649)	(97.2%)	Reflects the capitalization of the Snowmelter Cabinets and MoTW roadway equipment and higher activity on the Pave Mott Haven Complex Yard, Steel Track Dozer and Harmon Material Distribution Center Roof Replacement projects. These increases are partially offset by lower activity on the Crew Management System, NYPA Improvement Support, and Microsoft Office Upgrade projects.

* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
CASH RECEIPTS AND EXPENDITURES
(\$ in millions)

	February 2012				Year-to-Date			
	Adopted Budget	Actual	Favorable (Unfavorable)		Adopted Budget	Actual	Favorable (Unfavorable)	
			Variance	Percent			Variance	Percent
Receipts								
Farebox Receipts	\$44.282	\$45.892	\$1.610	3.6	\$89.455	\$93.535	\$4.080	4.6
Toll Receipts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Receipts	5.343	8.171	2.828	52.9	11.631	14.337	2.706	23.3
Capital & Other Reimbursements:								
MTA	14.000	18.535	4.535	32.4	20.682	22.403	1.721	8.3
CDOT	5.775	6.000	0.225	3.9	12.233	6.010	(6.223)	(50.9)
Other	0.964	2.023	1.059	*	1.963	2.805	0.842	42.9
Total Capital and Other Reimbursements	20.739	26.558	5.819	28.1	34.878	31.218	(3.660)	(10.5)
Total Receipts	\$70.364	\$80.621	\$10.257	14.6	\$135.964	\$139.090	\$3.126	2.3
Expenditures								
Labor:								
Payroll	\$35.878	\$33.160	\$2.718	7.6	\$71.106	\$67.558	\$3.548	5.0
Overtime	5.340	4.665	0.675	12.6	11.580	10.577	1.003	8.7
Health and Welfare	9.002	8.115	0.887	9.9	18.003	21.780	(3.777)	(21.0)
OPEB Current Payment	1.333	1.537	(0.204)	(15.3)	2.667	4.283	(1.616)	(60.6)
Pensions	0.000	0.228	(0.228)	-	0.000	0.474	(0.474)	-
Other Fringe Benefits	8.564	9.474	(0.910)	(10.6)	18.602	17.835	0.767	4.1
GASB Account	0.729	1.458	(0.729)	(100.0)	1.458	1.458	0.000	0.0
Reimbursable Overhead	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Labor	\$60.846	\$58.637	\$2.209	3.6	\$123.416	\$123.965	(\$0.549)	(0.4)
Non-Labor:								
Electric Power	\$7.648	\$6.002	\$1.646	21.5	\$15.268	\$8.707	\$6.561	43.0
Fuel	\$2.730	\$1.496	1.234	45.2	\$5.438	\$3.343	\$2.095	38.5
Insurance	1.422	0.001	1.421	99.9	1.422	1.973	(0.551)	(38.7)
Claims	0.054	0.073	(0.019)	(35.2)	0.106	0.073	0.033	31.1
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	10.021	9.245	0.776	7.7	18.958	18.337	0.621	3.3
Professional Service Contracts	1.830	1.966	(0.136)	(7.4)	3.618	5.231	(1.613)	(44.6)
Materials & Supplies	10.558	7.210	3.348	31.7	22.917	14.629	8.288	36.2
Other Business Expenditures	4.065	2.963	1.102	27.1	7.951	6.061	1.890	23.8
Total Non-Labor	\$38.328	\$28.956	\$9.372	24.5	\$75.678	\$58.354	\$17.324	22.9
Other Adjustments:								
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Post Employment Benefits	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenditures	\$99.174	\$87.593	\$11.581	11.7	\$199.094	\$182.319	\$16.775	8.4
Net Cash Deficit (excludes Opening Cash Balance)	(\$28.810)	(\$6.972)	\$21.838	75.8	(\$63.130)	(\$43.229)	\$19.901	31.5
Subsidies								
MTA	18.707	8.054	(10.653)	(56.9)	42.382	34.860	(7.522)	(17.7)
CDOT	10.103	8.993	(1.110)	(11.0)	20.748	16.720	(4.028)	(19.4)
Total Subsidies	\$28.810	\$17.047	(\$11.763)	(40.8)	\$63.130	\$51.580	(\$11.550)	(18.3)
Cash Timing and Availability Adjustment	\$0.000	(\$0.798)	(\$0.798)	-	\$0.000	1.074	\$1.074	-

-- Results are preliminary and subject to audit review.
-- Differences are due to rounding.
* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2012 BUDGET
CASH RECEIPTS AND EXPENDITURES
EXPLANATION OF VARIANCE BETWEEN BUDGET AND ACTUAL RESULTS
(\$ in millions)

Generic Receipt or Expense Category	February, 2012			Year-To-Date as of February 29, 2010		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
FARE REVENUE	1.610	3.6%	Higher than projected commutation and non-commutation ridership.	4.080	4.6%	Higher than projected commutation and non-commutation ridership, as well timing in receipts.
OTHER REVENUE	2.828	52.9%	Timing difference for parking revenue receipts, higher net GCT revenues due to payment timing of GCT retail expenses, higher advertising receipts, as well as higher Amtrak reimbursements (timing) and miscellaneous receipts.	2.706	23.3%	Higher net GCT revenues due to payment timing of GCT retail expenses, and higher Amtrak reimbursements for the period (three payments received; two in budget).
CAPITAL AND OTHER REIMBURSEMENTS:						
MTA	4.535	32.4%	Receipt timing differences	1.721	8.3%	Receipt timing differences
CDOT				(6.223)	(50.9%)	Receipt timing differences as well as lower project activity.
OTHER	1.059	*	Receipt timing differences and higher project activity	0.842	42.9%	Higher project activity, partially offset by receipt timing differences.
PAYROLL	2.718	7.6%	Higher vacancies than assumed in the budget, as well as lower capital project activity.	3.548	5.0%	Higher vacancies than assumed in the budget, as well as lower capital project activity.
OVERTIME	0.675	12.6%	Lower overtime requirements primarily due to decrease level of weather emergency coverage, reduced the need for right-of-way and unscheduled car fleet maintenance on the older New Haven Line car fleet.	1.003	8.7%	Lower overtime requirements primarily due to decrease level of weather emergency coverage, reduced the need for right-of-way and unscheduled car fleet maintenance on the older New Haven Line car fleet, partially offset by higher capital project activity.
HEALTH & WELFARE	0.887	9.9%	Lower payments for NYSHIP/Empire Plan and Metlife dental/vision.	(3.777)	(21.0%)	Timing for NYSHIP/Empire Plan payments.
OPEB CURRENT PAYMENT	(0.204)	(15.3%)	Higher payments for retiree health benefits.	(1.616)	(60.6%)	Timing for payment of retiree health benefits.
PENSIONS	(0.228)	*	Timing for payment of 401k employer contribution	(0.474)	*	Timing for payment of 401k employer contribution
OTHER FRINGE BENEFITS	(0.910)	(10.6%)	Primarily due to payment timing differences for sick and unemployment insurance.			
GASB ACCOUNT	(0.729)	(100.0%)	Payment timing difference (Two months paid in February).			
ELECTRIC POWER	1.646	21.5%	Reflects timing difference in payments for New Haven Line power as well as lower price and usage, partially offset by higher electric utility charges.	6.561	43.0%	Timing difference in payments for Harlem/Hudson and New Haven Line power, as well as lower price and usage.

* Variance exceeds 100%

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2012 BUDGET
CASH RECEIPTS AND EXPENDITURES
EXPLANATION OF VARIANCE BETWEEN BUDGET AND ACTUAL RESULTS
(\$ in millions)

Generic Receipt or Expense Category	February, 2012			Year-To-Date as of February 29, 2010		
	Variance Fav (Unfav)		Reason for Variance	Variance Fav (Unfav)		Reason for Variance
	\$	%		\$	%	
FUEL	1.234	45.2%	Timing differences in payment and lower consumption for NHL Revenue Vehicle Fuel, as well as lower consumption of heating oil as a result of milder than normal weather..	2.095	38.5%	Timing differences in payment and lower consumption for NHL Revenue Vehicle Fuel, as well as lower consumption of heating oil as a result of milder than normal weather..
INSURANCE	1.421	99.9%	Timing difference in payments for station liability and automobile insurance premiums.	(0.551)	(38.7%)	Net payment timing difference for force account, property, station liability, and automobile insurance premiums.
CLAIMS	(0.019)	(35.2%)	Nothing material to report.	0.033	31.1%	Nothing material to report.
MAINTENANCE & OTHER OPERATING CONTRACTS	0.776	7.7%	Payment timing differences for vehicle maintenance and repairs and other miscellaneous contract services, partially offset by higher payments in the month for real estate, rents, and telephone costs.			
PROFESSIONAL SERVICE CONTRACTS	(0.136)	(7.4%)	Payment timing difference for capital engineering services (West Haven Station) and higher IT consultant fees, partially offset by lower legal fees and other miscellaneous services. .	(1.613)	(44.6%)	Payment timing difference engineering services (West Haven Station, Port Jervis reconstruction), and higher IT consultant fees and other miscellaneous payments , partially offset by lower legal fees.
MATERIALS & SUPPLIES	3.348	31.7%	Payment timing differences for Connecticut capital projects, (primarily Danbury Signal System), and other various material purchases (truck/suspension, power and propulsion, brake, and radio equipment).	8.288	36.2%	Payment timing differences for MTA and Connecticut capital projects, (Danbury Signal System, New Haven Component Change-out Shop, 3rd rail switches), as well as truck/suspension, propulsion, brake material, and other various material purchases.
OTHER BUSINESS EXPENSES	1.102	27.1%	Payment timing differences for New Jersey Transit subsidy, employee health club memberships, as well as lower miscellaneous expenses.	1.890	23.8%	Payment timing differences for New Jersey Transit subsidy, employee health club memberships, as well as lower payments for miscellaneous expenses.
MTA SUBSIDY RECEIPTS	(10.653)	(56.9%)	Lower subsidy draw due to lower net cash deficit, partially offset by the unfavorable change in available bank balance, as well as lower CDOT subsidy payments.	(7.522)	(17.7%)	Lower subsidy draw due to lower net cash deficit, partially offset by the unfavorable change in available bank balance as well as lower CDOT subsidy payments.
CDOT SUBSIDY RECEIPTS	(1.110)	(11.0%)	Lower due to payment timing differences.	(4.028)	(19.4%)	Lower due to payment timing differences.
TOTAL SUBSIDY RECEIPTS	(11.763)	(40.8%)		(11.550)	(18.3%)	

* Variance exceeds 100%

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
CASH CONVERSION (CASH FLOW ADJUSTMENT)
(\$ in millions)

	February 2012				Year-to-Date			
			Favorable (Unfavorable)				Favorable (Unfavorable)	
	Adopted Budget	Actual	Variance	Percent	Adopted Budget	Actual	Variance	Percent
Receipts								
Farebox Revenue	\$0.615	\$0.588	(\$0.027)	(4.4)	\$1.216	\$1.729	\$0.513	42.2
Toll Revenue	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Other Operating Revenue	1.463	3.491	2.028	*	4.069	5.741	1.672	41.1
Capital & Other Reimbursements:		0.000			0.000	0.000		
MTA	4.727	11.952	7.225	*	1.743	10.214	8.471	*
CDOT	0.245	0.456	0.211	86.4	0.125	(4.349)	(4.474)	*
Other	(0.020)	1.405	1.425	*	0.006	1.343	1.337	*
Total Capital and Other Reimbursements	4.952	13.813	8.861	*	1.874	7.208	5.334	*
Total Revenue/Receipts	\$7.031	\$17.892	\$10.862	*	\$7.159	\$14.678	\$7.519	*
Expenditures								
Labor:								
Payroll	\$0.134	\$1.981	\$1.847	*	\$3.158	\$5.061	\$1.903	60.3
Overtime	0.300	0.305	0.005	1.5	0.110	0.455	0.346	*
Health and Welfare	(0.666)	(0.313)	0.354	53.1	(0.750)	(6.126)	(5.376)	*
OPEB Current Payment	0.000	(0.071)	0.000		0.000	(1.271)	(1.271)	-
Pensions	6.013	5.524	(0.489)	(8.1)	12.400	11.493	(0.907)	(7.3)
Other Fringe Benefits	(0.117)	(2.125)	(2.008)	*	(1.168)	(2.066)	(0.898)	(76.9)
GASB Account	(0.729)	(1.458)	(0.729)	(100.0)	(1.458)	(1.458)	0.000	0.0
Reimbursable Overhead	0.003	0.002	(0.001)	(38.2)	0.004	0.086	0.082	*
Total Labor	\$4.938	\$3.846	(\$1.092)	(22.1)	\$12.296	\$6.174	(\$6.122)	(49.8)
Non-Labor:								
Electric Power	(\$0.137)	\$0.053	\$0.190	*	(\$0.274)	\$3.636	\$3.909	*
Fuel	(\$0.000)	\$0.964	\$0.964	*	\$0.000	\$1.139	\$1.139	*
Insurance	(0.204)	1.178	1.382	*	1.006	0.418	(0.588)	(58.5)
Claims	0.000	(0.052)	(0.053)	*	0.000	(0.042)	(0.043)	*
Paratransit Service Contracts	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Maintenance and Other Operating Contracts	0.815	(1.398)	(2.213)	*	1.617	(3.597)	(5.214)	*
Professional Service Contracts	0.272	1.002	0.730	*	0.335	(0.222)	(0.557)	*
Materials & Supplies	(0.635)	(0.584)	0.051	8.1	(1.205)	(2.408)	(1.203)	(99.8)
Other Business Expenses	(1.614)	(0.840)	0.774	47.9	(3.457)	(1.560)	1.897	54.9
Total Non-Labor	(\$1.503)	\$0.323	\$1.825	*	(\$1.978)	(\$2.637)	(\$0.659)	(33.3)
Other Adjustments:								
Other	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Other Adjustments	\$0.000	\$0.000	\$0.000	-	\$0.000	\$0.000	\$0.000	-
Total Expenditures Adjustments before Non-Cash Liability Adj's.								
	\$3.435	\$4.168	\$0.733	21.3	\$10.318	\$3.537	(\$6.781)	(65.7)
Depreciation	18.763	18.763	0.000	0.0	37.526	37.526	0.000	0.0
OPEB Obligation	5.000	5.000	0.000	0.0	10.000	10.000	0.000	0.0
Environmental Remediation	0.000	0.000	0.000	-	0.000	0.000	0.000	-
Total Expenditures Adjustments	\$27.198	\$27.931	\$0.733	2.7	\$57.843	\$51.062	(\$6.781)	(11.7)
Total Cash Conversion Adjustments	\$34.228	\$45.823	\$11.595	33.9	\$65.002	\$65.740	\$0.738	1.1

-- Results are preliminary and subject to audit review.
-- Differences are due to rounding.
* Variance exceeds 100%.

MTA METRO-NORTH RAILROAD
February Financial Plan - 2012 Adopted Budget
2012 Non-Reimbursable/Reimbursable Overtime
February 2012

	Monthly (\$ in millions)				Year-to-Date			
	Var. - Fav./(Unfav)		Explanations		Var. - Fav./(Unfav)		Explanations	
	Hours	\$			Hours	\$		
SCHEDULED:								
<u>Direct Service</u> ¹	617	\$0.1			(1,350)	\$0.1		
	1.7%	4.9%			(1.6%)	2.3%		
<u>Programmed Maintenance</u>	6,692	0.3	Lower overtime requirements for right-of-way and car fleet maintenance		11,191	0.5	Lower overtime requirements for right-of-way and car fleet maintenance	
	41.4%	43.4%			33.8%	35.5%		
Total Scheduled	7,309	\$0.4			9,841	\$0.6		
	13.7%	15.3%			8.5%	10.6%		
UNSCHEDULED:								
<u>Vacancy/Absentee Coverage</u> ³	439	0.0			1,271	0.1		
	2.9%	3.4%			4.3%	4.7%		
<u>Weather Emergencies</u>	8,463	0.4	Favorable results due to lower than anticipated winter events		13,210	0.6	Favorable results due to lower than anticipated winter events	
	47.0%	46.6%			37.1%	36.9%		
<u>Maintenance</u>	4,076	0.2	Better than anticipated traction motor performance due to mild winter led to favorable results		7,027	0.3	Better than anticipated traction motor performance due to mild winter led to favorable results	
	72.7%	72.3%			67.1%	66.7%		
<u>Emergencies</u>	-	-			-	-		
<u>Safety/Security/Law Enforcement</u> ²	-	-			-	-		
<u>All Other</u> ⁴	(4,741)	(0.2)	Reflects timing differences related to payroll and calendar cutoff dates.		(14,693)	(0.7)	Reflects timing differences related to payroll and calendar cutoff dates.	
	(171.6%)	(183.5%)			(199.7%)	(212.8%)		
Total Unscheduled	8,237	\$0.4			6,816	\$0.3		
	19.7%	19.7%			8.2%	8.2%		
TOTAL NON-REIMBURSABLE OVERTIME:	15,547	\$0.8			16,657	\$0.9		
	16.4%	17.1%			8.4%	9.7%		
REIMBURSABLE OVERTIME	(1,273)	(0.0)			(796)	(0.2)	Reflects shift in work to nights and weekends due to track availability and operations constraints in the GCT Trainshed for the East Side Access project and the Danbury Branch Signal project, partially offset by timing differences in expenditures for the NH Component Change-out Shop project.	
	(5.8%)	(2.9%)			(1.8%)	(10.9%)		
TOTAL OVERTIME	14,274	\$0.7			15,861	\$0.7		
	12.2%	13.2%			6.5%	5.8%		

¹ Includes Service Delay and Tour Length related overtime.

² Not Applicable

³ Excludes T&E crew coverage (included in Direct Service category)

⁴ Reflects overtime for Customer Service and Material Management Depts as well as other administrative functions. Also reflects timing differences related to payroll and calendar cutoff dates.

MTA METRO-NORTH RAILROAD
February Financial Plan - 2012 Adopted Budget
2012 Non-Reimbursable/Reimbursable Overtime
February 2012

	Monthly (\$ in millions)						Year-to-Date					
	Adopted Budget		Actuals		Var. - Fav./Unfav)		Adopted Budget		Actuals		Var. - Fav./Unfav)	
	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
NON-REIMBURSABLE OVERTIME												
SCHEDULED:												
<u>Direct Service</u> ¹	37,163	\$2.0	36,546	\$1.9	617	\$0.1	82,782	\$4.4	84,132	\$4.3	(1,350)	\$0.1
					1.66%	4.95%					(1.63%)	2.29%
<u>Programmed Maintenance</u>	16,148	\$0.7	9,456	0.4	6,692	0.3	33,071	\$1.5	21,880	\$0.9	11,191	0.5
					41.44%	43.42%					33.84%	35.46%
Total Scheduled	53,311	\$2.7	46,002	\$2.3	7309	\$0.4	115,853	\$5.8	106,012	\$5.2	9841	\$0.6
					13.71%	15.27%					8.49%	10.64%
UNSCHEDULED:												
<u>Vacancy/Absentee Coverage</u> ³	15,388	\$0.7	14,949	\$0.7	439	\$0.0	29,389	\$1.3	28,118	\$1.2	1,271	\$0.1
					2.9%	3.4%					4.3%	4.7%
<u>Weather Emergencies</u>	17,996	\$0.8	9,533	0.4	8,463	0.4	35,622	\$1.6	22,412	1.0	13,210	0.6
					47.0%	46.6%					37.1%	36.9%
<u>Maintenance</u>	5,604	\$0.2	1,528	0.1	4,076	0.2	10,469	\$0.5	3,442	0.2	7,027	0.3
					72.7%	72.3%					67.1%	66.7%
<u>Emergencies</u>	-	-	-	-	-	-	-	-	-	-	-	-
<u>Safety/Security/Law Enforcement</u> ²	-	-	-	-	-	-	-	-	-	-	-	-
<u>All Other</u> ⁴	2,763	\$0.1	7,503	0.3	(4,741)	(0.2)	7,357	\$0.3	22,049	1.0	(14,693)	(0.7)
					(171.6%)	(183.5%)					(199.7%)	(212.8%)
Total Unscheduled	41,751	\$1.8	33,513	\$1.5	8,237	\$0.4	82,837	\$3.7	76,021	\$3.4	6,816	\$0.3
					19.7%	19.7%					8.2%	8.2%
TOTAL NON-REIMBURSABLE OVERTIME:	95,062	\$4.5	79,515	\$3.8	15,547	\$0.8	198,690	\$9.5	182,033	\$8.6	16,657	\$0.9
					16.4%	17.1%					8.4%	9.7%
REIMBURSABLE OVERTIME	21,915	\$1.1	23,188	1.1	(1,273)	(0.0)	44,770	\$2.2	45,566	2.4	(796)	(0.2)
					(5.8%)	(2.9%)					(1.8%)	(10.9%)
TOTAL OVERTIME	116,977	\$5.6	102,703	\$4.9	14,274	\$0.7	243,460	\$11.7	227,599	\$11.0	15,861	\$0.7
					12.2%	13.2%					6.5%	5.8%

¹ Includes Service Delay and Tour Length related overtime.

² Not Applicable

³ Excludes T&E crew coverage (included in Direct Service category)

⁴ Reflects overtime for Customer Service and Material Management Depts as well as other administrative functions. Also reflects timing differences related to payroll and calendar cutoff dates.

MTA METRO-NORTH RAILROAD
2012 AUTHORIZED BUDGET VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
February 29, 2012

<u>Department</u>	<u>2012 Authorized Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Administration			
President	3	4	(1)
Labor Relations	9	8	1
Safety	19	15	4
COS/Corporate & Public Affairs	17	13	4
Legal	17	16	1
Claims Services	14	13	1
Environmental Compliance & Svce	7	7	-
VP Administration	3	3	-
VP Human Resources	3	2	1
Human Resources	24	24	0
Training	47	36	11
Employee Relations & Diversity	4	3	1
VP Planning	2	2	-
Operations Planning & Analysis	17	16	1
Capital Planning & Programming	13	10	3
Business Development, Facilities & Mktg (4)	21	21	-
Long Range Planning	8	8	-
VP Finance & Information Systems	2	1	1
Controller	78	79	(1)
Information Technology & Project Mgmt	97	91	6
Budget	18	16	2
Customer Service (2) (3)	45	45	0
Procurement & Material Mgmt (5)	41	38	3
Total Administration	509	471	38
Operations			
Operations Administration	55	50	5
Operations Services	1,742	1,678	64
Customer Service (2) (3)	236	227	9
Business Development, Facilities & Mktg (4)	38	38	-
Metro-North West	28	29	(1)
Total Operations	2,099	2,022	77
Maintenance			
GCT	375	361	14
Maintenance of Equipment	1,330	1,247	83
Maintenance of Way	1,749	1,547	202
Procurement & Material Mgmt (5)	120	118	2
Total Maintenance	3,574	3,273	301
Engineering/Capital			
Construction Management	37	36	1
Engineering & Design	60	55	5
Total Engineering/Capital	97	91	6
Total Positions	6,279	5,857	422 (1)
Non-Reimbursable	5,729	5,517	212
Reimbursable	550	340	210
Total Full-Time	6,278	5,856	422
Total Full-Time-Equivalents (of part-time positions)	1	1	-

(1) Includes 157 projected vacancies that are reflected as a reduction in the budget for straight-time labor costs. Excluding projected vacancies reduces the favorable variance to 265 positions.

(2) Includes 2 part-time positions equal to 1 FTE.

(3) Customer Service positions includes administrative positions for Customer Info. Center and operations positions for Ticket Selling & Station Cleaning functions.

(4) Business Development, Facilities and Marketing includes administrative positions and operations positions for Commissary services.

(5) Procurement & Material Management positions includes maintenance positions for material distribution/storeroom functions and

MTA METRO-NORTH RAILROAD
2012 AUTHORIZED BUDGET VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
February 29, 2012

FUNCTION/OCCUPATION	2012 Authorized Budget	Actual	Favorable (Unfavorable) Variance
Administration (1)			
Managers/Supervisors	57	57	-
Professional, Technical, Clerical	452	414	38
Operational Hourlies	-	-	-
Total Administration	509	471	38
Operations (1)			
Managers/Supervisors	27	25	2
Professional, Technical, Clerical	505	462	43
Operational Hourlies	1,567	1,535	32
Total Operations	2,099	2,022	77
Maintenance (1)			
Managers/Supervisors	57	56	1
Professional, Technical, Clerical	1,028	953	75
Operational Hourlies	2,489	2,264	225
Total Maintenance	3,574	3,273	301
Engineering/Capital			
Managers/Supervisors	27	23	4
Professional, Technical, Clerical	70	68	2
Operational Hourlies	-	-	-
Total Engineering/Capital	97	91	6
Public Safety			
Managers/Supervisors	-	-	-
Professional, Technical, Clerical	-	-	-
Operational Hourlies	-	-	-
Total Public Safety	-	-	-
Total Positions			
Managers/Supervisors	168	161	7
Professional, Technical, Clerical	2,055	1,897	158
Operational Hourlies	4,056	3,799	257
Total Positions	6,279	5,857	422

Notes

(1) Reflects allocation of Customer Service, Business Development and Procurement & Material Management functions between Administration, Operations and Maintenance categories.

Totals may differ due to rounding.

MTA METRO-NORTH RAILROAD
2012 AUTHORIZED BUDGET VS. ACTUALS
TOTAL FULL-TIME POSITIONS AND FULL-TIME EQUIVALENTS
February 29, 2012

<u>Agency-wide (Non-Reimbursable and Reimbursable)</u>	<u>2012 Authorized Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>	<u>Explanation of Variances</u>
<i>Functional Classification:</i>				
Operations (1)	2,099	2,022	77	Higher than projected vacancies primarily in train service positions (training class scheduled for March), as well as car cleaners, customer service staff and operations managers in recruitment.
Maintenance (1)	3,574	3,273	301	Higher than projected vacancies primarily in Maintenance of Equipment non-reimbursable and Maintenance of Way reimbursable craft positions (electricians, trackmen, signalmen and building mechanics) as well as Engineers and Technical support staff.
Administration (1)	509	471	38	Higher than projected Professional and Technical position vacancies in various departments.
Engineering / Capital	97	91	6	Higher than projected reimbursable managerial positions in the Engineering & Design Dept.
Total Agency-wide Headcount	6,279	5,857	422	
Non-Reimbursable	5,729	5,517	212	
Reimbursable	550	340	210	

Notes

(1) Reflects allocation of Customer Service, Business Development and Procurement & Material Management functions between Administration, Operations and Maintenance categories.

MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
UTILIZATION
(in millions)

	<u>Month of February</u>		<u>Variance</u>		<u>Year-to-Date February</u>		<u>Variance</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Fav (Unfav)</u>		<u>Budget</u>	<u>Actual</u>	<u>Fav (Unfav)</u>	
			<u>Amount</u>	<u>%</u>			<u>Amount</u>	<u>%</u>
<u>Farebox Revenue</u>								
Harlem Line	\$13.447	\$13.630	\$0.183	1.4	\$27.091	\$27.693	\$0.602	2.2
Hudson Line	\$9.636	\$9.756	\$0.120	1.2	\$19.529	\$19.721	\$0.192	1.0
New Haven Line	\$20.512	\$21.870	\$1.358	6.6	\$41.478	\$44.295	\$2.817	6.8
Total Farebox Revenue	\$43.595	\$45.256 ⁽¹⁾	\$1.661	3.8	\$88.098	\$91.709 ⁽¹⁾	\$3.611	4.1
 <u>Ridership</u>								
Harlem Line	2.032	2.076	0.044	2.2	4.093	4.203	0.110	2.7
Hudson Line	1.186	1.202	0.016	1.3	2.405	2.430	0.025	1.0
New Haven Line	2.795	2.987	0.192	6.9	5.663	6.040	0.377	6.7
Total Ridership East of Hudson	6.013	6.265	0.252	4.2	12.161	12.673	0.512	4.2
West of Hudson	0.132	0.131	(0.002)	-1.2	0.266	0.260	(0.005)	-2.0
Total Ridership	6.145	6.396	0.250	4.1	12.427	12.933	0.507	4.1

(1) Excludes West of Hudson Mail & Ride revenue totaling \$0.047 million for the month and \$0.097 million year-to-date.

East of Hudson:

Through February, East of Hudson ridership has been very favorable across all three commuter lines, reflecting the impact of an unusually mild winter, continued regional economic growth, as well as consistently high levels of service reliability and on-time performance. Year-to-date ridership was 12.7 million, 4.2% higher than Budget and 5.4% higher than 2011. For the month ridership of 6.3 million was 4.2% higher than budget and 5.4% higher than February 2011.

Commutation ridership was 2.2% higher year-to-date and 2.8% higher for the month vs. budget. Compared to 2011, February year-to-date commutation ridership was 3.6% higher. Non-commutation ridership was 7.4% above budget year-to-date and 9.1% higher than 2011; for the month non-commutation ridership was 6.4% higher than budget and 8.2% better than 2011.

West of Hudson:

West of Hudson ridership was 1.2% lower for the month and 2.0% lower year-to-date vs. 2012 Budget due to slower than projected recovery of ridership losses following the three month suspension of Port Jervis Line service.

**MTA METRO-NORTH RAILROAD
FEBRUARY FINANCIAL PLAN - 2012 ADOPTED BUDGET
MONTHLY PERFORMANCE INDICATORS *
FEBRUARY 2012**

	MONTH			VARIANCE	
	2012	BUDGET	2011	BUDGET	2011
Farebox Operating Ratio					
Standard ⁽¹⁾	59.1%	52.2%	55.6%	6.9%	3.5%
Adjusted ⁽²⁾	66.8%	58.2%	63.5%	8.6%	3.3%
Cost per Passenger					
Standard ⁽¹⁾	\$12.38	\$14.05	\$13.31	\$1.67	\$0.93
Adjusted ⁽²⁾	\$12.19	\$13.89	\$13.18	\$1.70	\$0.99
Passenger Revenue/Passenger ⁽³⁾	\$7.32	\$7.34	\$7.39	(\$0.02)	(\$0.07)
	YEAR-TO-DATE			VARIANCE	
	2012	BUDGET	2011	BUDGET	2011
Farebox Operating Ratio					
Standard ⁽¹⁾	58.6%	51.9%	56.4%	6.7%	2.2%
Adjusted ⁽²⁾	65.7%	57.6%	63.9%	8.1%	1.8%
Cost per Passenger					
Standard ⁽¹⁾	\$12.51	\$14.14	\$13.09	\$1.63	\$0.58
Adjusted ⁽²⁾	\$12.32	\$13.98	\$12.97	\$1.66	\$0.65
Passenger Revenue/Passenger ⁽³⁾	\$7.33	\$7.34	\$7.38	(\$0.01)	(\$0.05)

(1) Standard Farebox Operating Ratio and Cost Per Passenger indicators reflect MTA-wide adopted calculations that exclude non-cash liability adjustments: Depreciation, Other Post Employment Benefits, Environmental Remediation (GASB-49), and the NHL share of MTA Police and Business Service Center costs.

(2) Adjusted Fare Operating Ratio and Cost Per Passenger indicators have been adjusted for comparability between Metro-North and the LIRR and are being presented only at the railroad operating committees. These adjustments are not being used MTA-wide. Adjustments have been made to reflect all operating revenues and significant financial impacts that are outside management's control. These adjustments include: Inclusion of Other Operating Revenue, Removal of OPEB retiree expenses, and Inclusion of estimated farebox revenue from an equalization of the Connecticut fare structure.

(3) Includes Bar Car Services.

* Includes East and West of Hudson revenues and expenses.

MTA METRO-NORTH RAILROAD

MONTHLY RIDERSHIP REPORT

FEBRUARY 2012

Operations Planning & Analysis Department
April, 2012

FEBRUARY 2012 RIDERSHIP REPORT MTA METRO-NORTH RAILROAD

EXECUTIVE SUMMARY

February

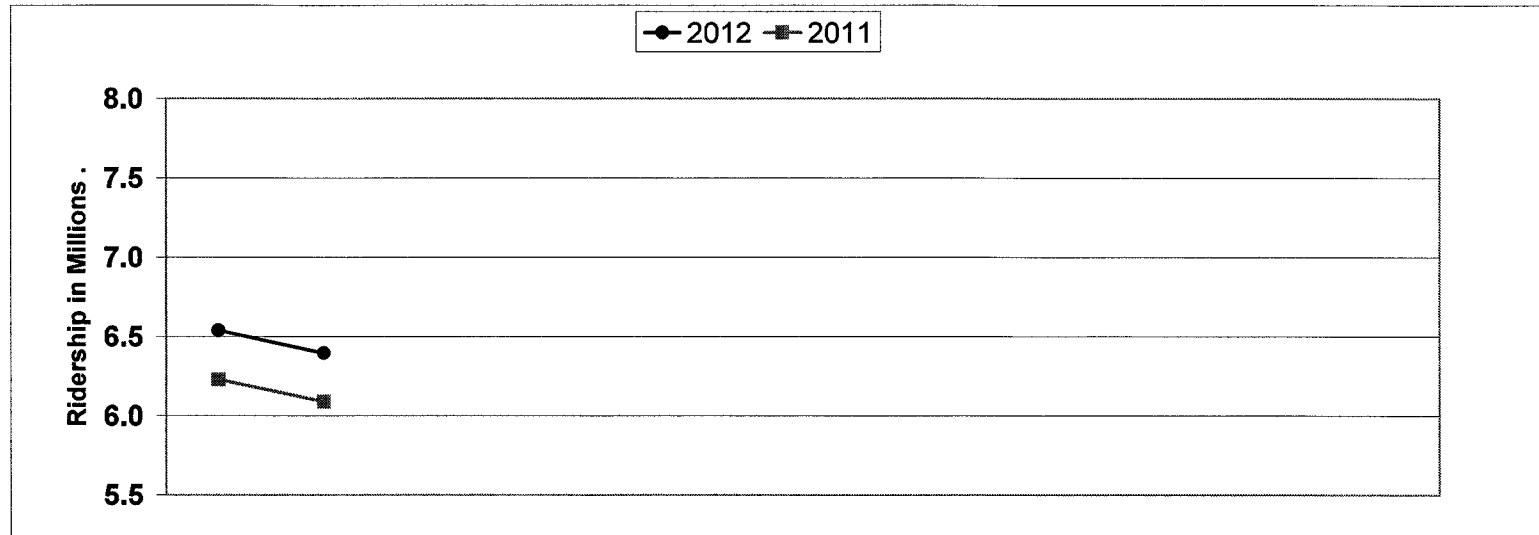
- February 2012 **Total MNR System Ridership** was 6.441 million vs. 6.131 million in February 2011, an increase of 310,000 passengers (+5.1%).
- February 2012 **Total Rail Ridership** was 6.396 million vs. 6.088 million in February 2011, an increase of 307,564 passengers (+5.1%).
 - **Rail Commutation Ridership** was +3.2% vs. 2011
 - **Rail Non-commutation Ridership** was +8.0% vs. 2011
- February 2012 **East of Hudson Ridership** was 6.265 million vs. 5.944 million in February 2011, an increase of 321,511 passengers (+5.4%).
- February 2012 **West of Hudson Ridership** was 0.131 million vs. 0.145 million in February 2011, a decrease of 13,947 passengers (-9.6%).
- February 2012 **Connecting Services Ridership** was 0.045 million vs. 0.043 million in February 2011, an increase of 2,436 passengers (+5.7%).
- February 2012 **Rail Revenue** was \$46.3 million vs. \$42.6 million in February 2011, an increase of \$3,711,574 (+8.7%).

Year To Date

- 2012 YTD **Total MNR System Ridership** was 5.0% above '11 and +4.1% above budget.
- 2012 YTD **Total Rail Ridership** was 5.0% above '11 and +4.1% above budget.
- 2012 YTD **East of Hudson Ridership** was 5.4% above '11 and +4.2% above budget.
- 2012 YTD **West of Hudson ridership** was 11.0% below '11 and 2.0% below budget.
- 2012 YTD **Connecting Services Ridership** was 5.9% above '11 and 2.8% above budget.
- 2012 YTD **Rail Revenue** was 7.5% above '11 and 4.2% above budget.

FEBRUARY RAIL RIDERSHIP⁽¹⁾

- FEBRUARY's Total Rail Ridership was 5.1% above 2011 and 4.1% above budget.

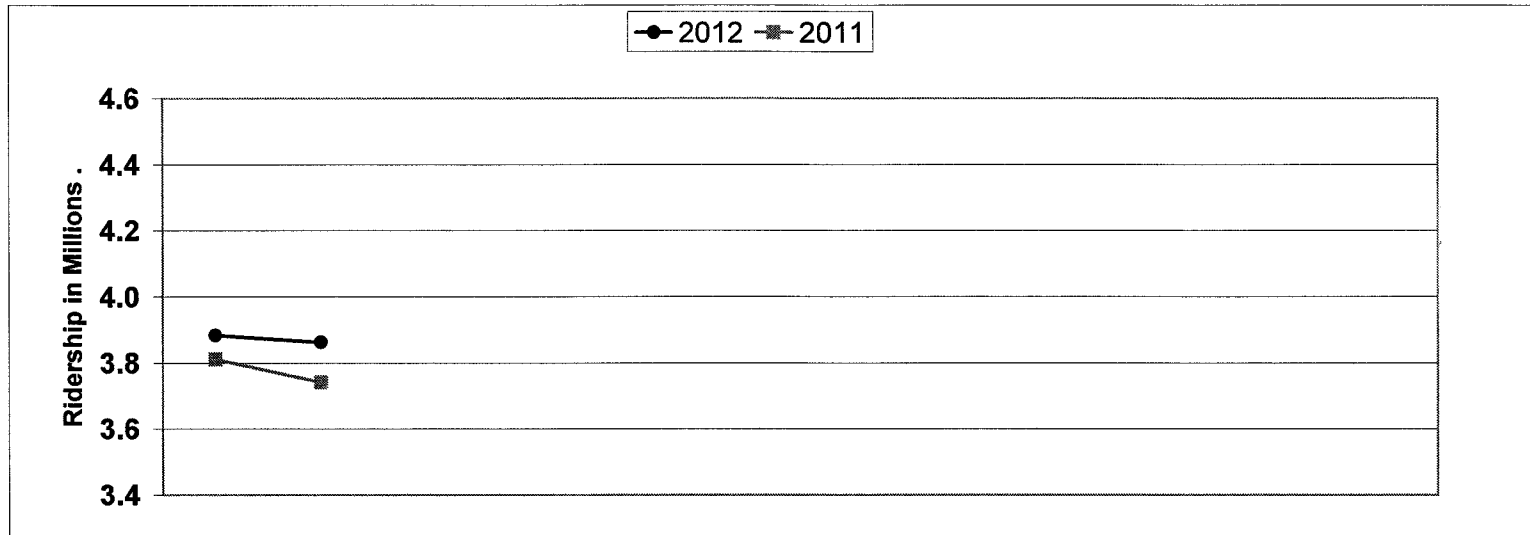


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	6.5	6.4											12.9
2011	6.2	6.1											12.3
PCT CHG.	4.9%	5.1%											5.0%

1) Includes East and West of Hudson.

FEBRUARY RAIL COMMUTATION RIDERSHIP ⁽¹⁾

- FEBRUARY's Rail Commutation Ridership was 3.2% above 2011 and 2.6% above budget.

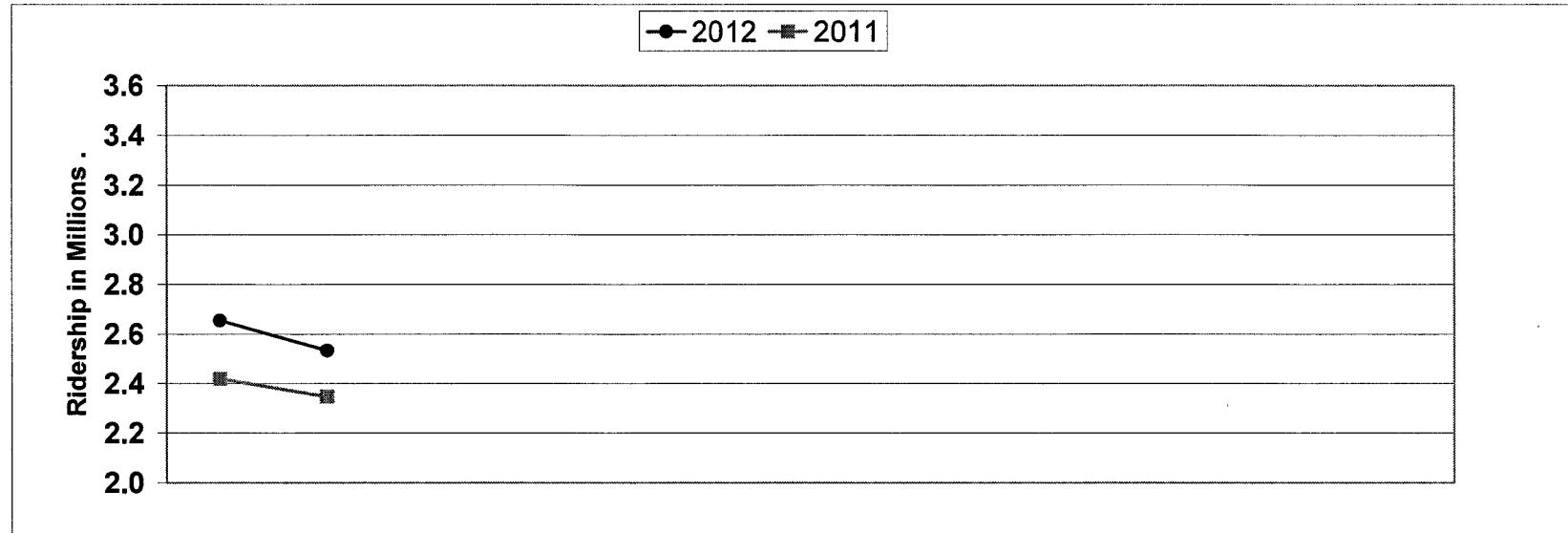


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	3.9	3.9											7.7
2011	3.8	3.7											7.6
PCT CHG.	1.9%	3.2%											2.6%

1) Includes East and West of Hudson.

FEBRUARY RAIL NON-COMMUTATION RIDERSHIP ⁽¹⁾

- FEBRUARY's Rail Non-Commutation Ridership was 8.0% above 2011 and 6.5% above budget.

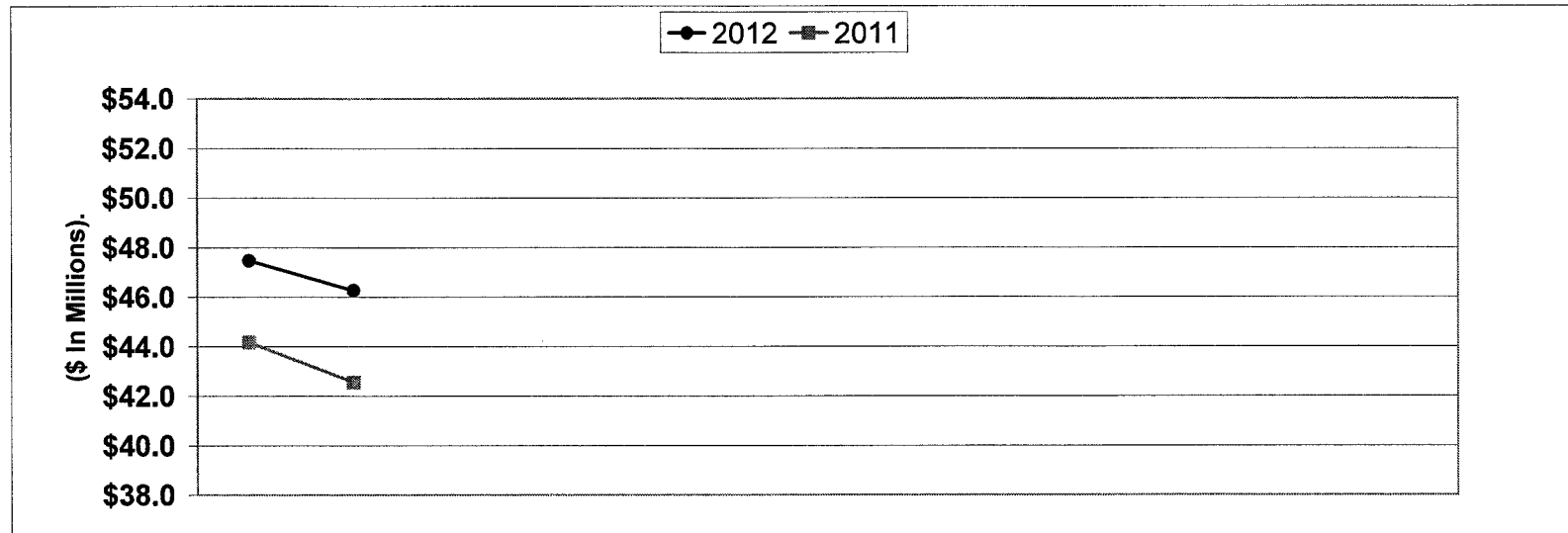


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	2.7	2.5											5.2
2011	2.4	2.3											4.8
PCT CHG.	9.7%	8.0%											8.8%

1) Includes East and West of Hudson.

FEBRUARY RAIL REVENUE ⁽¹⁾

- FEBRUARY's Total Rail Revenue was 8.7% above 2011 and 3.7% above budget.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D Total
2012	\$47.5	\$46.3											\$93.7
2011	\$44.2	\$42.6											\$86.7
PCT CHG.	7.5%	8.7%											8.1%

1) Includes East and West of Hudson

MTA METRO-NORTH RAILROAD

RIDERSHIP SUMMARY

FEBRUARY 2012

TICKET TYPE/SERVICE	FEBRUARY 2012	FEBRUARY 2011 (1)	CHANGE VS. 2011	
			AMOUNT	PERCENT
RAIL COMMUTATION RIDERSHIP				
East of Hudson	3,779,988	3,647,225	132,763	3.6%
West of Hudson	82,105	94,200	(12,095)	-12.8%
Total Rail Commutation Ridership	3,862,093	3,741,425	120,668	3.2%
RAIL NON-COMMUTATION RIDERSHIP				
East of Hudson	2,485,048	2,296,300	188,748	8.2%
West of Hudson	48,752	50,604	(1,852)	-3.7%
Total Rail Non-Commutation Ridership	2,533,800	2,346,904	186,896	8.0%
TOTAL RAIL RIDERSHIP				
East of Hudson	6,265,036	5,943,525	321,511	5.4%
West of Hudson	130,857	144,804	(13,947)	-9.6%
TOTAL RAIL RIDERSHIP	6,395,893	6,088,329	307,564	5.1%
CONNECTING SERVICES RIDERSHIP (2)	45,076	42,640	2,436	5.7%
TOTAL MNR SYSTEM RIDERSHIP	6,440,969	6,130,969	310,000	5.1%

Notes:

1) 2011 ridership figures have been restated to eliminate calendar impacts on ridership

2) Includes Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry

MTA METRO-NORTH RAILROAD

RIDERSHIP SUMMARY

2012 YEAR-TO-DATE

TICKET TYPE/SERVICE	2012 YTD	2011 YTD (1)	CHANGE VS. 2011	
			AMOUNT	PERCENT
RAIL COMMUTATION RIDERSHIP				
East of Hudson	7,583,093	7,362,335	220,758	3.0%
West of Hudson	162,314	189,485	(27,171)	-14.3%
Total Rail Commutation Ridership	7,745,407	7,551,820	193,587	2.6%
RAIL NON-COMMUTATION RIDERSHIP				
East of Hudson	5,089,919	4,663,325	426,594	9.1%
West of Hudson	98,139	103,031	(4,892)	-4.7%
Total Rail Non-Commutation Ridership	5,188,058	4,766,356	421,702	8.8%
TOTAL RAIL RIDERSHIP				
East of Hudson	12,673,012	12,025,660	647,352	5.4%
West of Hudson	260,453	292,516	(32,063)	-11.0%
TOTAL RAIL RIDERSHIP	12,933,465	12,318,176	615,289	5.0%
CONNECTING SERVICES RIDERSHIP (2)	91,822	86,686	5,136	5.9%
TOTAL MNR SYSTEM RIDERSHIP	13,025,287	12,404,862	620,425	5.0%

Notes

- 1) 2011 ridership figures have been restated to eliminate calendar impacts on ridership.
2) Includes Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry.

**MTA METRO-NORTH RAILROAD
RIDERSHIP BY LINE
FEBRUARY 2012**

LINE	FEBRUARY 2012 ACTUAL	FEBRUARY 2012 BUDGET	VARIANCE VS. BUDGET		FEBRUARY 2011 RESTATED (1)	CHANGE FROM 2011	
			AMOUNT	PERCENT		AMOUNT	PERCENT
EAST OF HUDSON							
Harlem Line	2,075,606	2,031,432	44,174	2.2%	2,000,194	75,412	3.8%
Hudson Line	1,201,829	1,186,331	15,498	1.3%	1,159,888	41,941	3.6%
New Haven Line	2,987,601	2,795,398	192,203	6.9%	2,783,443	204,158	7.3%
Total East of Hudson	6,265,036	6,013,161	251,875	4.2%	5,943,525	321,511	5.4%
WEST OF HUDSON							
Port Jervis Line	81,766	87,522	(5,756)	-6.6%	99,570	(17,804)	-17.9%
Pascack Valley Line	49,091	44,878	4,213	9.4%	45,234	3,857	8.5%
Total West of Hudson	130,857	132,400	(1,543)	-1.2%	144,804	(13,947)	-9.6%
TOTAL RAIL RIDERSHIP	6,395,893	6,145,561	250,332	4.1%	6,088,329	307,564	5.1%
CONNECTING SERVICES PROVIDED BY METRO-NORTH CONTRACTORS							
Hudson Rail Link	29,355	32,223	(2,868)	-8.9%	31,284	(1,929)	-6.2%
Haverstraw-Ossining Ferry	9,212	7,677	1,535	20.0%	7,454	1,758	23.6%
Newburgh-Beacon Ferry	6,509	4,019	2,490	62.0%	3,902	2,607	66.8%
Total Connecting Services	45,076	43,919	1,157	2.6%	42,640	2,436	5.7%
TOTAL MNR SYSTEM	6,440,969	6,189,480	251,489	4.1%	6,130,969	310,000	5.1%

Notes:

1) 2011 ridership figures have been restated to eliminate calendar impacts on ridership

MTA METRO-NORTH RAILROAD
RIDERSHIP BY LINE
2012 YEAR-TO-DATE

TICKET TYPE/SERVICE	2012 YTD ACTUAL	2012 YTD BUDGET	VARIANCE VS. BUDGET		2011 YTD RESTATED (1)	CHANGE FROM 2011	
			AMOUNT	PERCENT		AMOUNT	PERCENT
EAST OF HUDSON							
Harlem Line	4,202,939	4,092,956	109,983	2.7%	4,031,796	171,143	4.2%
Hudson Line	2,430,112	2,405,171	24,941	1.0%	2,352,466	77,646	3.3%
New Haven Line	6,039,961	5,662,878	377,083	6.7%	5,641,398	398,563	7.1%
Total East of Hudson	12,673,012	12,161,005	512,007	4.2%	12,025,660	647,352	5.4%
WEST OF HUDSON							
Port Jervis Line	162,336	174,697	(12,361)	-7.1%	200,907	(38,571)	-19.2%
Pascack Valley Line	98,117	91,106	7,011	7.7%	91,609	6,508	7.1%
Total West of Hudson	260,453	265,803	(5,350)	-2.0%	292,516	(32,063)	-11.0%
TOTAL RAIL RIDERSHIP	12,933,465	12,426,808	506,657	4.1%	12,318,176	615,289	5.0%
CONNECTING SERVICES PROVIDED BY METRO-NORTH CONTRACTORS							
Hudson Rail Link	59,368	64,591	(5,223)	-8.1%	62,709	(3,341)	-5.3%
Haverstraw-Ossining Ferry	18,958	16,239	2,719	16.7%	15,767	3,191	20.2%
Newburgh-Beacon Ferry	13,496	8,457	5,039	59.6%	8,210	5,286	64.4%
Total Connecting Services	91,822	89,287	2,535	2.8%	86,686	5,136	5.9%
TOTAL MNR SYSTEM	13,025,287	12,516,095	509,192	4.1%	12,404,862	620,425	5.0%

Notes:

1) 2011 ridership figures have been restated to eliminate calendar impacts on ridership



Metro-North Railroad

Capital Program Report

April 2012

**CAPITAL PROGRAM
HIGHLIGHTS
April 23, 2012 Meeting**

STATIONS

Tarrytown Station Improvements

Federal ID: NY-56-0001 ARRA Section 5309

Work in Progress:

- Installation of south overpass ceiling.
- Installation of bird netting.
- Installation of under platform fencing.
- Light and heat fixture installation in south overpass.
- Off site fabrication of south overpass windows.

Work Complete:

- Demolition of the remaining 75 ft of the old track 2/4 island platform.

Croton-Harmon/Peekskill Improvements

Croton-Harmon Station Status:

Work in Progress:

- Concrete column cover installation.
- Pouring concrete for the southern canopy columns.
- Under platform electrical conduit work.
- Repair to existing station overpass column covers.

Work Complete:

- Metal wall panel framing on the Track 2/4 electric room.
- Precast bent installation.

Peekskill Station Status:

Work in Progress:

- Installation of the northern outbound stair windows.
- Steel framing supports for overpass deck.
- Installation of under platform fencing.
- New steel awning work in front of the elevators.

Work Complete:

- Installation of tactile warning strip on the southern section of platform.

Poughkeepsie Station Improvements

Pedestrian Walkway and Pavilion Repair:

Work in Progress:

- Delivery of steel to site is scheduled for the week of April 9, 2012.

New Haven Line Station Improvements

Small Business Mentoring Program

Work in Progress:

At Mamaroneck and Harrison; and at Mt Vernon East, Pelham, and New Rochelle Stations

- Submission of construction submittals.
- Field survey and layout for guardrail replacement work.

Construction 6-Stations (Mt Vernon East, Pelham, New Rochelle, Larchmont, Mamaroneck and Harrison)

Work in Progress:

- Bids for the construction of the six stations are due May 2012.

POWER

Bridge – 23 Substation Replacement

Work in Progress:

- Bids for construction are due April 13, 2012.
- Fabrication of the long lead equipment.
- Acquisition of real estate for the Pelham Circuit Breaker House is underway.

86th Street Substation Replacement

Work in Progress:

- The 100% design package has been submitted for Metro-North's review. Coordination for the new Con Edison services continues.

110th Street Reactor Replacement Project

Work in Progress:

- The 100% design package has been submitted for Metro-North's review.

TRACK AND STRUCTURES

Bridge Rehabilitation – Moodna and Woodbury Viaducts

Moodna Viaduct:

Work in Progress:

- Work resumed from winter shut-down on March 19, 2012.

Woodbury Viaduct:

Work in Progress:

- The bid solicitation for construction is expected in April 2012.

Harlem River Lift Bridge Cable Replacement

Work in Progress:

- 90% plans and specifications are under review by US Coast Guard. MNR awaiting their comments.
- Design plans and specifications will be finalized after receipt of comments from the US Coast Guard and the establishment of an easement for the use of the adjacent NYC park for construction staging.

Inspection and Rehabilitation of Retaining Walls

Work in Progress:

- Army Corp of Engineers, NYS DEC and the United States Coast Guard are reviewing documentation for applicable permits for the new wall at milepost HU43.8 (North of Peekskill).
- 90% plans and specifications have been submitted and are under review by MNR.

Inspection, Load Rating and Underwater Inspection of Select Undergrade Bridges West of Hudson

Work in Progress:

- Consultant's inspection and underwater inspection of select undergrade bridges is complete. Thirty-four (34) of the thirty-nine (39) inspection reports were submitted. All remaining reports will be submitted by mid-April 2012.

Undergrade Bridges – East of Hudson

Work in Progress: Painting Work

- The contract for painting 5 undergrade bridges was signed on March 28, 2012. The kick off meeting is scheduled for April 10, 2012. The contractor commenced the preparation of Health and Safety Plan and Lead Health and Safety Plan.

Work in Progress: Design of select Undergrade Bridges

- The RFP for the design of 5 undergrade bridge repairs by GEC was advertised on March 20, 2012. The prospective consultants attended a site tour on March 28, 2012, and a pre-bid conference on March 29, 2012. Proposals are due on April 23, 2012.

SHOPS AND YARDS

Harmon Shop Improvements – Phase IV Stage 1

Work in Progress:

- Excavation for communication conduit at the south yard, fenced storage areas.
- Re-grading of the tie storage yard commenced.

Work Complete:

- Installation of the truck rotator and jib crane slabs and equipment was completed in the Main Shop (Bldg. #6).

Employee Welfare & Storage Facilities – Brewster Roof Replacement

Work in Progress:

- Health and Safety Plan review.
- Contractor mobilization.

GRAND CENTRAL TERMINAL

Grand Central Terminal Train Shed and Park Avenue Tunnel

Work in Progress: Inspection and Design

- Preparation of a report documenting train shed inspection findings, results, and recommendations continue.
- A requisition was approved for incorporation of high priority repair work in the train shed into the Park Avenue Tunnel rehabilitation project.
- A contract award for the construction supervision and inspection of both the emergency exit repair work and the overall tunnel rehabilitation project is in process.

Work in Progress: Small Business Mentoring Program – Park Avenue Tunnel Emergency Exit Steel Repair Work

- Contractor is preparing various submittals for review and approval.

ROLLING STOCK

M-8 Car Program

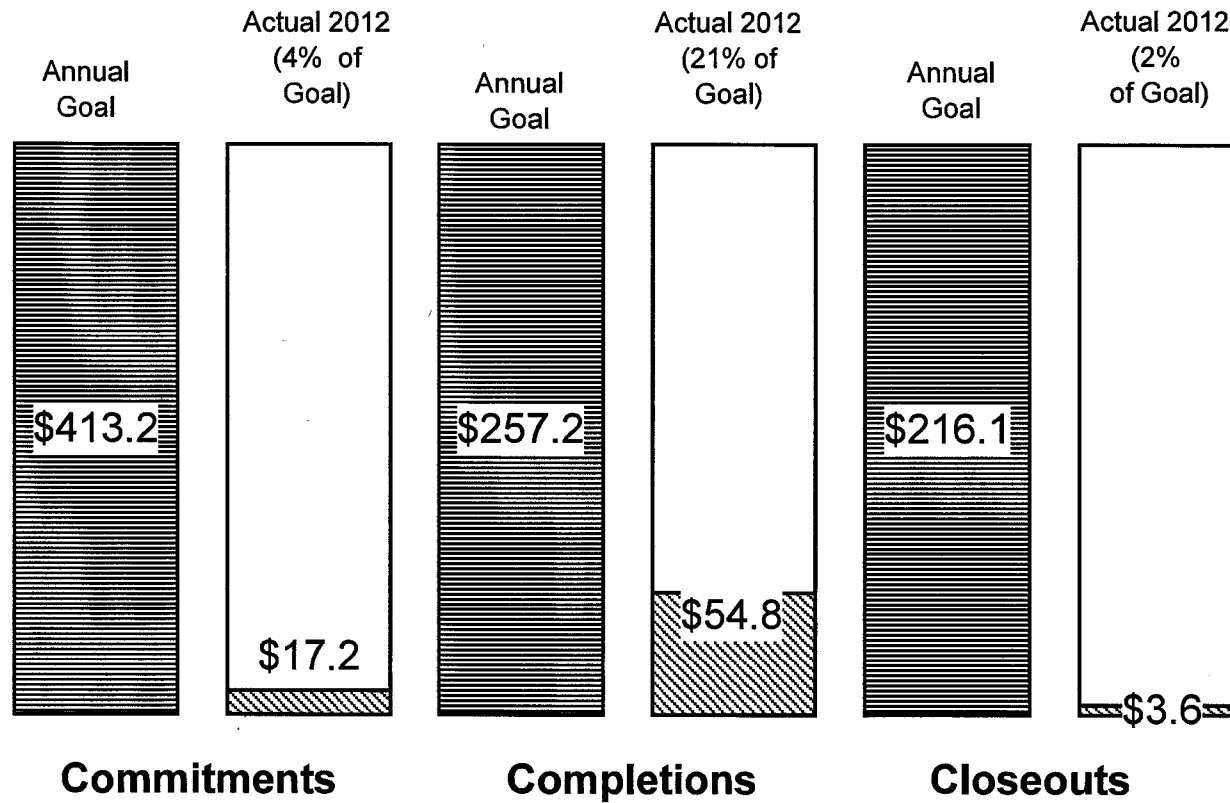
Work in Progress:

- As of March 31, 2012, 86 Cars have been conditionally accepted and were placed into revenue service, which includes 38 Kobe Cars and 48 Lincoln Cars. 10 cars are expected for acceptance in the month of April.

2012 MNR Capital Program Goals

As of March 31, 2012

In Millions



☐ Forecast - April 2012 - December 2012
☒ Actual as of March 31, 2012
☒ 2012 Goals