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Preliminary Fiscal Year 2016 Budget Update

Standing Committee on Finance & Audit

February 5, 2015

*Leading the Nation in Transportation Excellence*

Massachusetts Bay Transportation Authority  
Ten Park Plaza, Suite 3910, Boston, MA 02111  
[www.mbta.com](http://www.mbta.com)

# Agenda

- Statement of Revenue & Expenses - Departmental Budget Requests
- Revenue Overview
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  - Fare Revenue & Ridership
  - Non-Operating Revenue
  - Advertising Programs
- Expenses Overview
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  - Principal, Interest and Lease Expenses
  - Prior Obligations Amortization
- Initial Cuts to Budget Requests
- Draft Preliminary Budget - Aligning Revenues with Expenses

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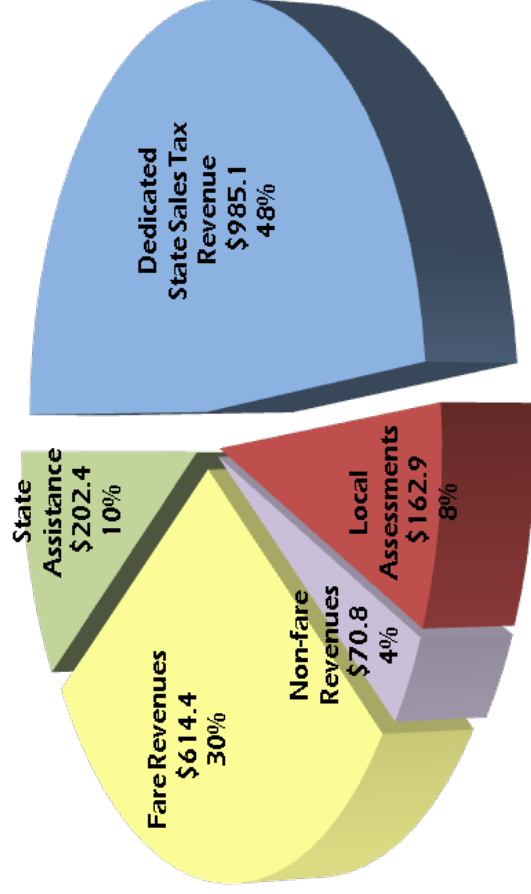
# FY16 Statement of Revenue & Expenses – Departmental Budget Requests

| MBTA FY16 SORE                                 |                      |                                  |                                   |                                    | FY 16 Financial Plan                  |                     |
|--|----------------------|----------------------------------|-----------------------------------|------------------------------------|---------------------------------------|---------------------|
| REVENUE  | FY15 Budget          | FY16 Departmental Budget Request | FY16 % Incr/Decr over FY15 Budget | FY16 \$ Incr/Decr over FY15 Budget | FY16 \$ Incr/Decr over Financial Plan |                     |
| <b>Operating Revenues</b>                      |                      |                                  |                                   |                                    |                                       |                     |
| Revenue from Transportation                    | 597,647,752          | 614,351,569                      | 2.8%                              | 16,703,817                         | 16,703,817                            |                     |
| Other Operating Revenue                        | 48,527,035           | 48,068,060                       | -0.9%                             | (458,975)                          | (2,920,612)                           |                     |
| <b>Total Operating Revenue</b>                 | <b>646,174,787</b>   | <b>662,419,629</b>               | <b>2.5%</b>                       | <b>16,244,842</b>                  | <b>13,783,205</b>                     |                     |
| <b>Non-Operating Revenues</b>                  |                      |                                  |                                   |                                    |                                       |                     |
| Dedicated Local Assessments                    | 163,135,712          | 162,858,019                      | 1.7%                              | 2,722,307                          | (460,407)                             |                     |
| Dedicated Sales Tax                            | 970,637,174          | 985,077,246                      | 1.5%                              | 14,440,072                         | 1,469,877                             |                     |
| Other Income                                   | 31,045,029           | 22,767,700                       | -28.7%                            | (8,277,329)                        | (23,090,283)                          |                     |
| <b>Total Non-Operating</b>                     | <b>1,164,817,915</b> | <b>1,170,702,965</b>             | <b>0.8%</b>                       | <b>8,885,050</b>                   | <b>(22,100,813)</b>                   |                     |
| <b>TOTAL REVENUES</b>                          | <b>1,811,992,703</b> | <b>1,833,122,594</b>             | <b>1.4%</b>                       | <b>25,129,891</b>                  | <b>(8,317,608)</b>                    |                     |
| <b>EXPENSES</b>                                |                      |                                  |                                   |                                    |                                       |                     |
| <b>Operating Expenses</b>                      |                      |                                  |                                   |                                    |                                       |                     |
| Wages  | 483,470,467          | 520,817,603                      | 5.5%                              | 27,347,136                         | (13,065,682)                          |                     |
| Fringe Benefits                                |                      |                                  |                                   |                                    |                                       |                     |
| Pensions                                       | 76,874,711           | 83,981,353                       | 9.2%                              | 7,106,642                          | 4,738,318                             |                     |
| Healthcare                                     | 110,187,626          | 110,483,760                      | 0.3%                              | 296,134                            | (929,043)                             |                     |
| Group Life                                     | 584,316              | 600,679                          | 2.8%                              | 16,363                             | (80,221)                              |                     |
| Disability Insurance                           | 0                    | 0                                | 0.0%                              | 0                                  | 0                                     |                     |
| Workers' Comp                                  | 11,170,527           | 11,077,079                       | -0.8%                             | (92,448)                           | (537,173)                             |                     |
| Other Fringe Benefits                          | 234,171              | 237,069                          | 1.2%                              | 2,898                              | 4,752                                 |                     |
| <b>Total Fringe Benefits</b>                   | <b>199,851,351</b>   | <b>206,380,660</b>               | <b>3.7%</b>                       | <b>7,329,209</b>                   | <b>3,246,613</b>                      |                     |
| Health & Welfare Fund                          | 10,436,865           | 11,474,324                       | 0.0%                              | 1,038,059                          | 773,760                               |                     |
| Payroll Taxes                                  | 37,750,491           | 39,637,846                       | 5.0%                              | 1,887,355                          | 1,024,779                             |                     |
| FICA   | 1,020,087            | 1,339,665                        | 1.5%                              | 319,578                            | 38,691                                |                     |
| Unemployment                                   | 39,670,378           | 40,977,511                       | 4.8%                              | 1,306,933                          | 1,063,470                             |                     |
| <b>Total Payroll Taxes</b>                     | <b>78,440,956</b>    | <b>81,955,022</b>                | <b>4.8%</b>                       | <b>3,613,486</b>                   | <b>2,146,940</b>                      |                     |
| Materials, Supplies and Services               | 237,872,565          | 276,116,805                      | 16.1%                             | 38,238,240                         | 21,249,801                            |                     |
| Casualty and Liability                         | 16,566,513           | 16,810,409                       | 1.5%                              | 243,896                            | (276,409)                             |                     |
| Purchased Commuter Rail Service                | 384,346,300          | 400,792,273                      | 4.3%                              | 16,445,973                         | 733,649                               |                     |
| Purchased Local Service Subsidy                | 122,116,771          | 126,512,940                      | 3.6%                              | 4,396,169                          | (1,245,627)                           |                     |
| Financial Service Charges                      | 5,990,050            | 6,490,000                        | 8.3%                              | 500,000                            | 820,360                               |                     |
| <b>Total Operating Expenses</b>                | <b>1,598,921,410</b> | <b>1,695,967,024</b>             | <b>6.5%</b>                       | <b>97,045,614</b>                  | <b>12,799,695</b>                     |                     |
| <b>Debt Service Expenses</b>                   |                      |                                  |                                   |                                    |                                       |                     |
| Interest                                       | 240,945,845          | 238,256,615                      | -1.1%                             | (2,689,230)                        | (6,515,219)                           |                     |
| Principal Payments                             | 178,625,803          | 209,277,065                      | 17.1%                             | 30,581,262                         | 14,306,606                            |                     |
| Lease Payments                                 | 4,296,777            | 4,575,488                        | 6.5%                              | 278,711                            | 937                                   |                     |
| <b>Total Debt Service Expenses</b>             | <b>423,938,425</b>   | <b>452,109,168</b>               | <b>6.5%</b>                       | <b>28,170,743</b>                  | <b>7,794,325</b>                      |                     |
| <b>TOTAL EXPENSES</b>                          | <b>1,992,859,835</b> | <b>2,098,076,193</b>             | <b>6.5%</b>                       | <b>125,816,358</b>                 | <b>20,594,020</b>                     |                     |
| <b>Net Revenue</b>                             | <b>(124,867,132)</b> | <b>(235,353,599)</b>             | <b>Recovery Ratios</b>            |                                    | <b>(28,911,628)</b>                   |                     |
| Additional Assistance                          | 135,100,000          | 202,400,000                      | Revenue                           | 33.25%                             | 0                                     |                     |
| <b>NET Revenue after Additional Assistance</b> | <b>10,232,868</b>    | <b>(22,953,599)</b>              | Exp                               | 29.84%                             | <b>5,956,629</b>                      | <b>(28,911,628)</b> |
|  |                      |                                  | NonDOT Projects FY16              | 33.25%                             |                                       |                     |

# FY 2016 Revenue Overview

**State and Local Funding = \$1.35 Billion**

**Total Revenue = \$2.03 Billion**



## State Contribution

**\$ Amount      % of Revenue**

**\$1.2 Billion      58%**

### Dedicated Sales Tax Revenue

Pursuant to MBTA's enabling act, Dedicated Sales Tax receipts to MBTA are the greater of the base revenue amount (BRA) or the dedicated sales tax revenue amount, which is 16% of statewide sales tax excluding the meals tax. An additional \$160 million (previously a separate appropriation) was added to the BRA (\$810,637,174) commencing in FY2015 and resetting the BRA to the amount of \$970,637,174.

### State Assistance

Additional assistance projected to be provided by the Commonwealth from Transportation Finance legislation.

### Fare Revenues

Revenue generated from transportation services provided by the Authority.

### Non-fare Revenues

Revenue generated from advertising, parking and income from real estate operations.

### Local Assessments

Revenue generated from the communities served by the MBTA. All communities associated with the Authority must contribute to the MBTA.

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# FY 2016 Dedicated Sales Tax Revenue



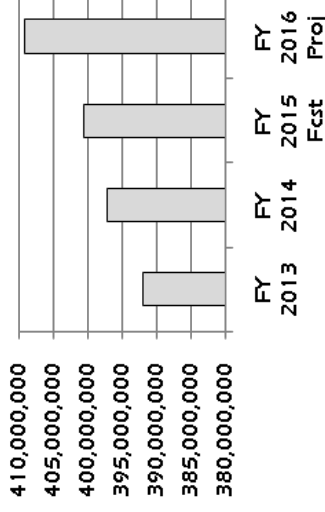
|                                     | 2001 | 2002  | 2003 | 2004 | 2005 | 2006 | 2007 | 2008  | 2009  | 2010  | 2011 | 2012 | 2013 | 2014 | 2015      |
|-------------------------------------|------|-------|------|------|------|------|------|-------|-------|-------|------|------|------|------|-----------|
| \$ In Millions                      |      |       |      |      |      |      |      |       |       |       |      |      |      |      |           |
| BRA <sup>1</sup>                    | 645  | 664   | 684  | 684  | 705  | 713  | 734  | 756   | 767   | 767   | 767  | 779  | 787  | 799  | 811       |
| Dedicated Sales Tax <sup>1</sup>    | 655  | 639   | 639  | 642  | 666  | 684  | 692  | 691   | 648   | 637   | 655  | 670  | 682  | 728  | 771 est.  |
| YOY % Change in Dedicated Sales Tax | 5.3% | -2.5% | 0.1% | 0.5% | 3.6% | 2.6% | 1.1% | -0.1% | -6.6% | -1.7% | 2.7% | 2.4% | 1.7% | 6.7% | 5.9% est. |

<sup>1</sup> Amounts are from POS; BRA for FY15 was confirmed February 28, 2014. FY15 Dedicated Sales Tax is an estimate based upon Office of Comptroller report dated February 28, 2014.

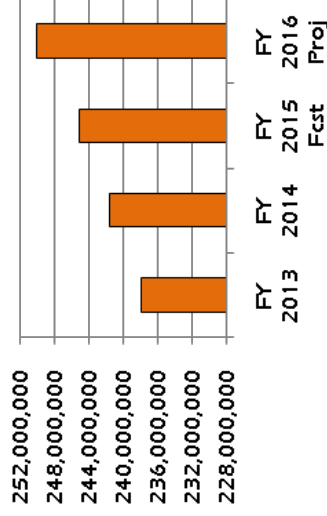
# FY 2016 Fare Revenue & Ridership

| Total - All Modes |                   |             |              |               |
|-------------------|-------------------|-------------|--------------|---------------|
| Fiscal Year       | Actual/Projection | Ridership   | Average Fare | Fare Revenue  |
| FY 2013           | Actual            | 391,879,047 | \$1.44       | \$564,560,142 |
| FY 2014           | Actual            | 397,161,378 | \$1.45       | \$576,686,288 |
| FY 2015           | Forecast          | 400,527,210 | \$1.51       | \$606,007,645 |
| FY 2016           | Projection        | 409,123,337 | \$1.51       | \$617,848,214 |

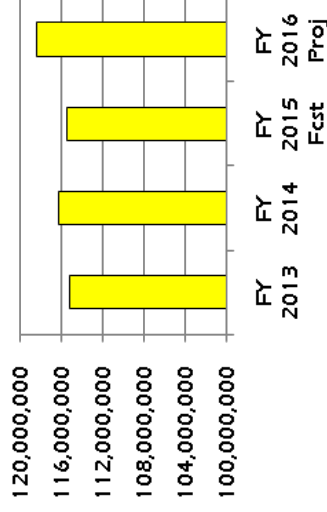
Total - All Modes



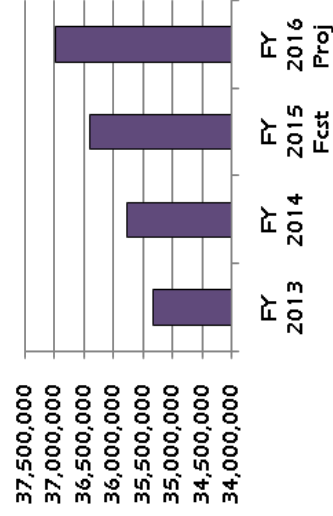
Rapid Transit



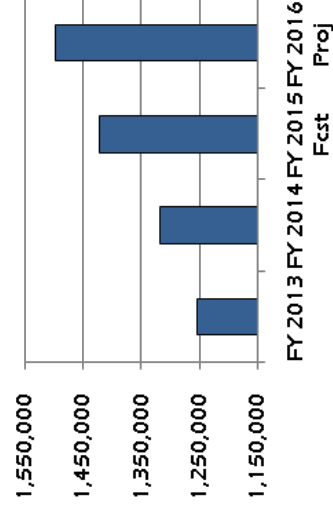
Bus



Commuter Rail



Commuter Boat



System-wide ridership from FY2013 to FY2014 increased by 1.3%. FY2015 is forecast to increase at more moderate levels—0.8%, which is lower than FY2014 due to impacts from the July 2014 fare increase. FY2016 is expected to see ridership growth at a rate of 2.1% if recent trends hold.

For most modes, the baseline ridership growth is sufficient to offset impacts of the 5% fare increase from July 2014. In the case of bus, growth rate from FY2013 to FY2014 was lower than other modes at 0.9%, and so when combined with the July 2014 fare increase, the FY2015 forecast is for a slight 0.7% decrease in ridership. Without a fare increase in FY2016 bus ridership is projected to grow by 2.6%.

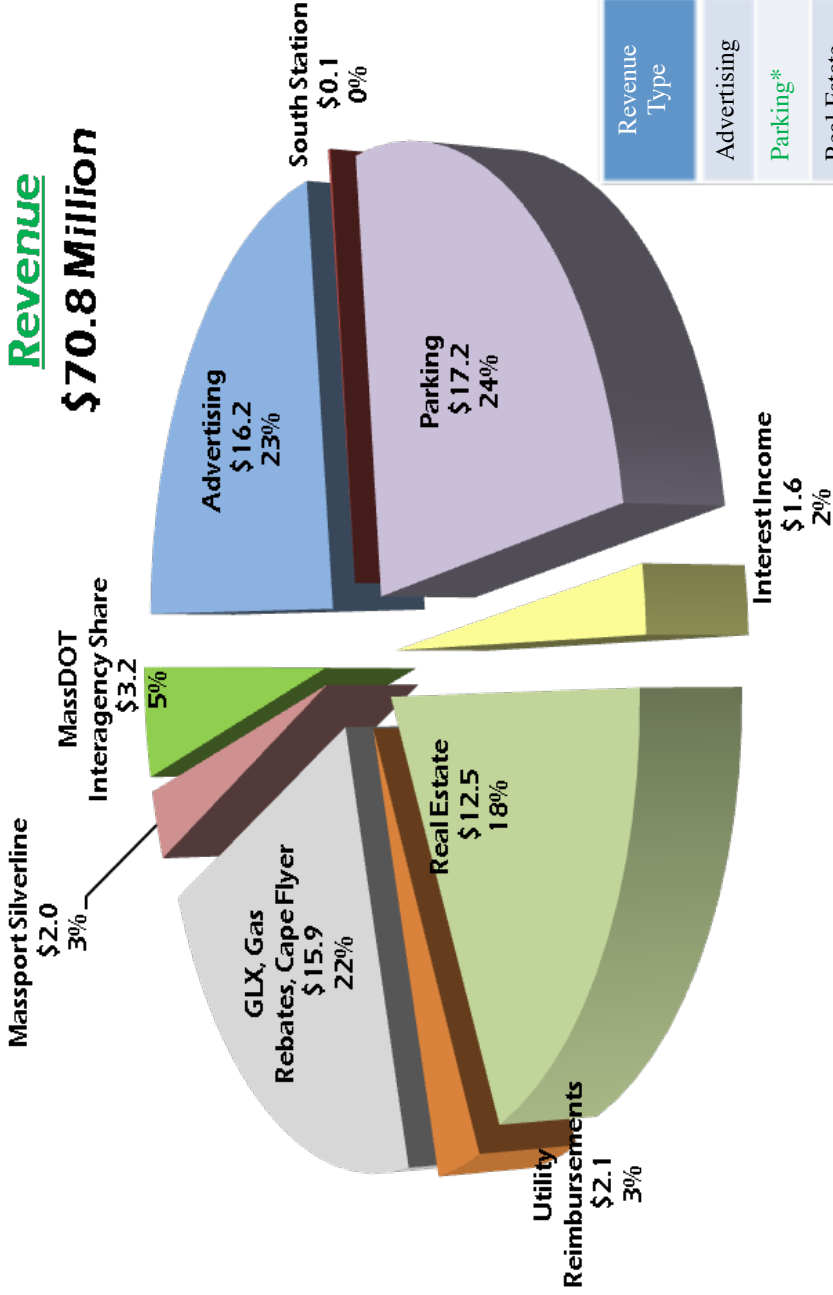
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# FY 2016 Other Revenue

## Total Non-Operating Revenue

**\$70.8 Million**



| Revenue Type | FY 12 Actual | FY13 Actual | FY14 Actual | FY15 Budget | FY16 Budget |
|--------------|--------------|-------------|-------------|-------------|-------------|
| Advertising  | \$11.4       | \$13.5      | \$14.9      | \$16.2      | \$16.2      |
| Parking*     | \$15.3       | \$17.2      | \$16.4      | \$16.2      | \$17.2      |
| Real Estate  | \$14.2       | \$16.1      | \$13.6      | \$13.3      | \$12.5      |
| All Other    | \$57.4       | \$80.2      | \$25.9      | \$33.9      | \$24.9      |

Operating Revenue\*      \$31.1    \$32.6    \$31.8    \$31.6    \$32.6  
 Parking Securitization    (\$15.8)    (\$15.4)    (\$15.4)    (\$15.4)    (\$15.4)  
**Parking Net Revenue**    \$15.3    \$17.2    \$16.4    \$16.2    \$17.2

\*Note: Operating Revenue is net of Operating Costs

# FY 2016 Advertising Programs

| Contractor   | Type of Revenue  | Description   |
|--|--|---|
| Titan  | Systemwide advertising   | Sells all advertising on all rapid transit, trolley, bus and commuter rail stations and platforms, both above and below ground. Includes carcards, bus kings, bus queens, vehicle wraps, digital. |
| Clear Channel  | Advertising in "New Stations" which includes Airport, Courthouse, World Trade Stations and display screen system of the South Station Kiosk system | Sells all advertising at the following stations: Airport, Courthouse, World Trade Stations and display screen system of the South Station Kiosk system  |
| Municipal Media Solutions                                | Web Advertising  | License for all web advertising on mba.com  |
| WardMaps   | Merchandising sales  | License to develop, manage, and market MBTA branded merchandise online and through third-party retailers  |
| Filming and Sampling                                     | Systemwide   | Includes revenue from films using MBTA property, and organizations that provide sample products to MBTA riders on the premises  |
| Cemusa Inc.  | Bus Shelters   | License for 207 current bus shelters & 25 freestanding panels at MBTA stops. An additional 35 bus shelters will be installed during FY16.   |
| Clear Channel  | Billboards   | License for 165 outdoor billboard locations (both static and digital).  |
| CBS Outdoor (Formerly known as Van Wagner Communication) | Sponsorship  | License for advertising rights on 5 MBTA buildings/structure locations where there is a total of 8 outdoor advertising panels.  |

Marketing

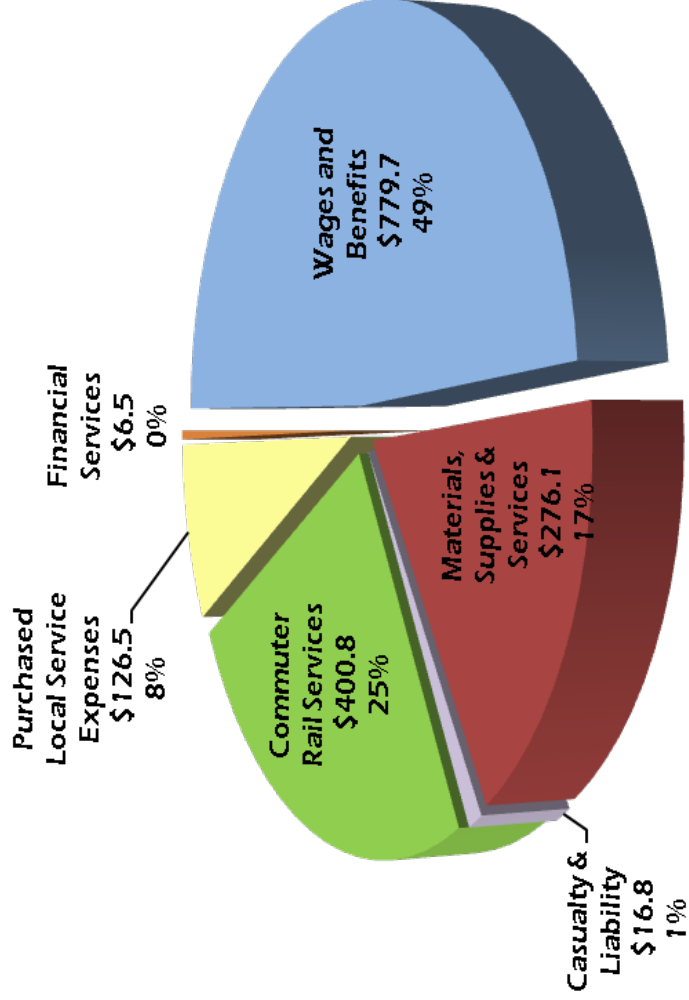
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# FY 2016 Operating Expenses

## Total Operating Expenses

**\$1.606 Billion**



| Wages & Benefits      | FY 16 Budget    | % of Total Budget |
|-----------------------|-----------------|-------------------|
| Wages                 | \$520.8M        | 32%               |
| Healthcare            | \$110.5M        | 7%                |
| Pensions              | \$84.0M         | 5%                |
| Payroll Taxes         | \$41.2M         | 3%                |
| Health & Welfare Fund | \$11.5M         | 1%                |
| Workers Comp          | \$11.1M         | 1%                |
| Group Life Insurance  | \$0.6M          | .07%              |
| <b>Total</b>          | <b>\$779.7M</b> | <b>49%</b>        |

| Health & Welfare Fund | FY 16 Budget   | Description        |
|-----------------------|----------------|--------------------|
| Medicare Part B       | \$5.8 M        | Arbitrator's Award |
| Dental                | \$2.9M         | Status Quo         |
| Vision                | \$1.1M         | Status Quo         |
| Life Insurance        | \$1.6M         | Status Quo         |
| <b>Total</b>          | <b>\$11.5M</b> |                    |

Medical: Group Insurance Commission

Pensions: Grandfathered 23 years  
New Hires 25 years , Age 55

# FY 2016 Headcount & Wages

## Headcount Increases

- Bus Transportation +71
- Light Rail +62
- Police +21
- ITD +14
- Transit Facility Maintenance +11
- Vehicle Maintenance +19

| Headcount    | FY15 Budget  | FY 16 Budget | Difference |
|--------------|--------------|--------------|------------|
| Operating    | 6,046        | 6,285        | 239        |
| Capital      | 532          | 532          | 0          |
| <b>Total</b> | <b>6,578</b> | <b>6,817</b> | <b>239</b> |

## Wage Increases

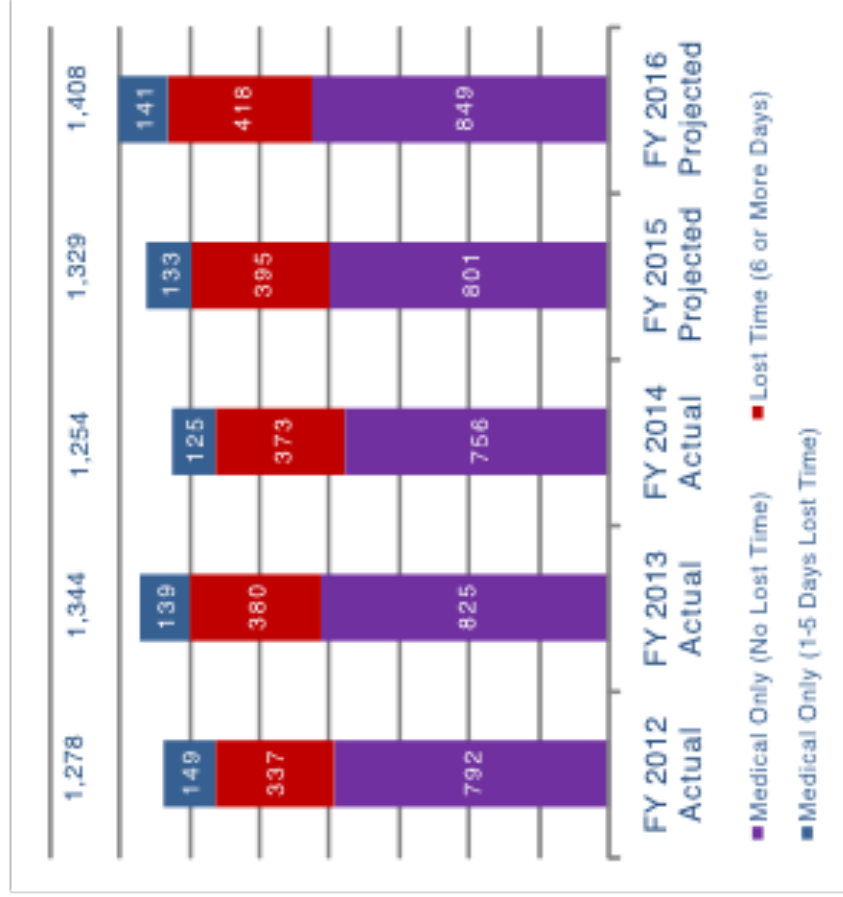
- Collective Bargaining \$15.7M
- Bus Transportation \$3.8M
- Light Rail \$4.6M
- Police \$1.7M
- Bus Maintenance \$1.1M
- Rail Maintenance \$653K

|             | FY15 Budget   | FY 16 Budget  | Difference   |
|-------------|---------------|---------------|--------------|
| Total Wages | \$493,470,467 | \$520,817,603 | \$27,347,136 |

# FY 2016 Workers' Compensation

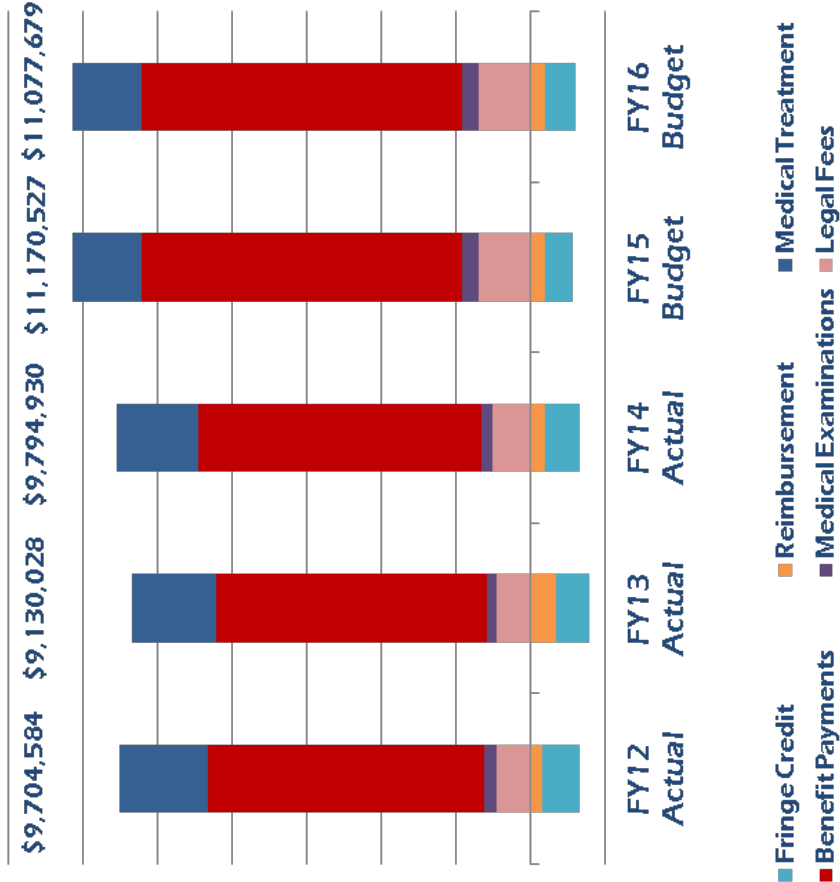
Workers' Compensation Caseload

FY 2012 – FY 2016



Workers' Compensation Budget

FY 2012 – FY 2016



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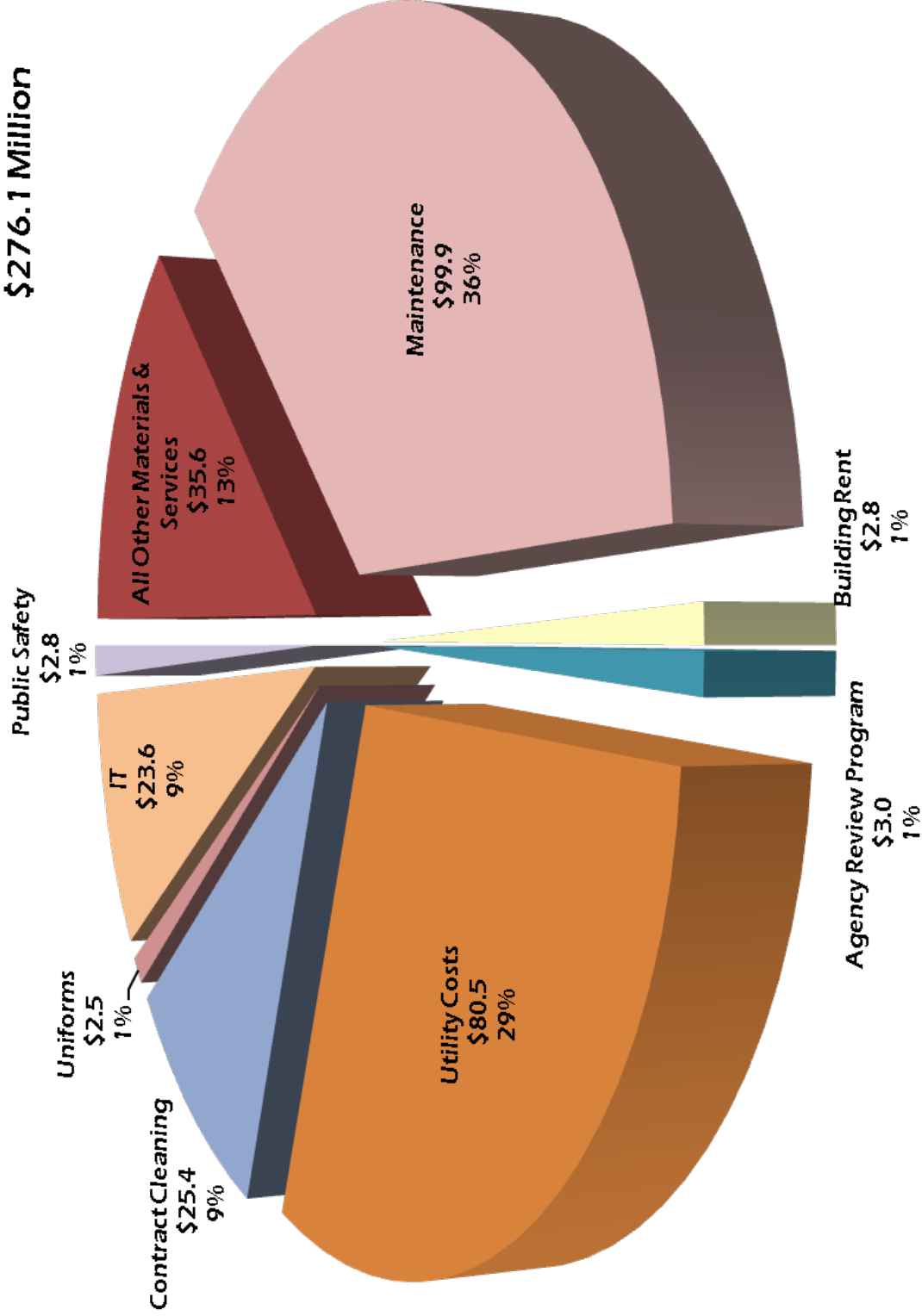


# FY 2016 Materials & Services

By Spending Category

## Total Materials & Services Expenses

\$276.1 Million



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# FY 2016 Materials & Services

By Department and Category

| Department                      | E&M Maintenance   | Utilities         | Uniforms         | Contract Cleaning | Agency Review Program | Rent             | IT                | Public Safety    | Other Materials & Services | Total              |
|---------------------------------|-------------------|-------------------|------------------|-------------------|-----------------------|------------------|-------------------|------------------|----------------------------|--------------------|
| Operations                      | 99,894,655        | 22,758,086        | 2,044,730        | 25,384,702        | 0                     | 0                | 0                 | 0                | 6,668,625                  | 156,750,798        |
| Environment                     | 0                 | 53,821,301        | 0                | 0                 | 0                     | 0                | 0                 | 0                | 1,238,544                  | 55,059,845         |
| Information Technology          | 0                 | 3,823,272         | 0                | 0                 | 0                     | 0                | 23,551,339        | 0                | 0                          | 27,374,612         |
| Strategic Innovation            | 0                 | 0                 | 0                | 0                 | 0                     | 0                | 0                 | 0                | 6,967,708                  | 6,967,708          |
| Finance                         | 0                 | 10,200            | 25,000           | 0                 | 3,000,000             | 0                | 0                 | 0                | 2,810,761                  | 5,845,961          |
| Legal                           | 0                 | 0                 | 0                | 0                 | 0                     | 0                | 0                 | 0                | 4,623,572                  | 4,623,572          |
| Interagency                     | 0                 | 0                 | 0                | 0                 | 0                     | 0                | 0                 | 0                | 3,711,345                  | 3,711,345          |
| Public Safety                   | 0                 | 107,820           | 436,532          | 8,556             | 0                     | 0                | 0                 | 2,807,632        | 0                          | 3,360,540          |
| Real Estate                     | 0                 | 0                 | 0                | 0                 | 0                     | 2,813,894        | 0                 | 0                | 33,428                     | 2,847,322          |
| Design & Construction           | 0                 | 0                 | 0                | 0                 | 0                     | 0                | 0                 | 0                | 2,107,410                  | 2,107,410          |
| System-Wide Accessibility       | 0                 | 0                 | 0                | 0                 | 0                     | 0                | 0                 | 0                | 1,832,620                  | 1,832,620          |
| Materials                       | 0                 | 2,500             | 3,800            | 0                 | 0                     | 0                | 0                 | 0                | 1,604,304                  | 1,610,604          |
| Human Resources                 | 0                 | 1,200             | 0                | 0                 | 0                     | 0                | 0                 | 0                | 1,589,438                  | 1,590,638          |
| Diversity                       | 0                 | 0                 | 0                | 0                 | 0                     | 0                | 0                 | 0                | 857,223                    | 857,223            |
| Public Affairs/Customer Service | 0                 | 0                 | 5,000            | 0                 | 0                     | 0                | 0                 | 0                | 779,678                    | 784,678            |
| General Manager                 | 0                 | 600               | 0                | 0                 | 0                     | 0                | 0                 | 0                | 565,700                    | 566,300            |
| OCC & Training                  | 0                 | 0                 | 0                | 0                 | 0                     | 0                | 0                 | 0                | 219,630                    | 219,630            |
| <b>Total</b>                    | <b>99,894,655</b> | <b>80,524,980</b> | <b>2,515,062</b> | <b>25,393,258</b> | <b>3,000,000</b>      | <b>2,813,894</b> | <b>23,551,339</b> | <b>2,807,632</b> | <b>35,609,986</b>          | <b>276,110,805</b> |

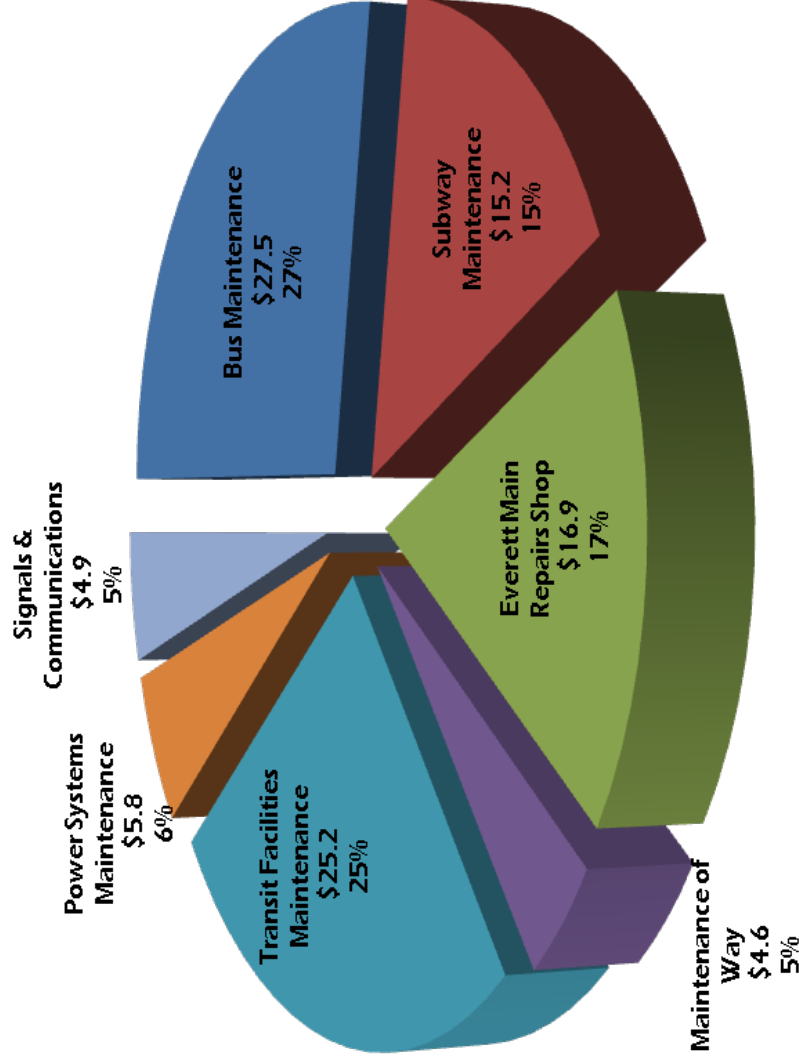
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# FY 2016 Materials & Services

**Maintenance Costs - \$99.9 Million**

- Bus Maintenance - \$27.5M  
Preventive & Corrective Maintenance for Bus Fleet, Tires, Rims, Lubricants
- Subway Maintenance - \$15.1M  
**Red Line**  
Spin Slide Unit, Floor Blower, Door Locks  
**Orange Line**  
Door Locks, Propulsion Relay, HVAC, Air Compressors  
**Blue Line**  
Door Monitoring System, Tread Brakes  
**Green Line**  
Air Compressor Assemblies, Battery Replacement, ASI Control Boards
- Everett Main Repairs Shop - \$16.8M  
Replace and Repair Truck Motors, Painting and Body Repair on 200 Buses, Brakes, Suspensions, Axels, A/C & Heating Supplies
- Maintenance of Way - \$4.5M  
Rail Grinding, Platform Gap Analysis, Ties, Tree Service, Rubbish Removal
- Transit Facilities Maintenance - \$25.2M  
Roof Repairs, Emergency Environmental Services, Ventilation, Hazardous Material Transport & Disposal, Support for Fareboxes and Sales Devices
- Power Systems Maintenance - \$5.8M  
Distribution Cables, Duct Bank Repair, Manhole Repairs, Gas Turbine Repairs
- Signals & Communications - \$4.9M  
Signal Bungalows Upgrade, Tunnel Lighting, Rewiring Woodland, Waban, Eliot, Newton Highlands, Newton Centre and Chestnut Hill, Signal Cutover at Reservoir and Beaconsfield Stations, System-Wide Upgrades for Vent Fans, Elevators, Escalators and Controls



# FY 2016 Materials & Services

## FY16 Other Materials & Services by Department

| Department                      | Professional Services | Training       | Interns          | Office Supplies & Equipment | Other Expenses*  | Printing & Postage | Temp Help      | Total             |
|---------------------------------|-----------------------|----------------|------------------|-----------------------------|------------------|--------------------|----------------|-------------------|
| Operations                      | 4,856,947             | 134,160        | 191,016          | 1,208,751                   | 0                | 172,751            | 105,000        | 6,668,625         |
| Public Safety                   | 0                     | 0              | 0                | 0                           | 0                | 0                  | 0              | 0                 |
| Public Affairs/Customer Service | 288,786               | 14,684         | 19,560           | 179,108                     | 0                | 153,540            | 124,000        | 779,678           |
| Finance                         | 854,299               | 75,400         | 43,200           | 1,683,463                   | 0                | 2,200              | 152,199        | 2,810,761         |
| Human Resources                 | 1,146,989             | 115,100        | 112,337          | 81,498                      | 0                | 121,010            | 12,505         | 1,589,439         |
| Interagency                     | 0                     | 0              | 0                | 2,000                       | 3,706,345        | 3,000              | 0              | 3,711,345         |
| Legal                           | 4,547,462             | 16,150         | 12,500           | 31,960                      | 0                | 10,500             | 5,000          | 4,623,572         |
| Environment                     | 855,644               | 155,600        | 43,300           | 84,000                      | 0                | 0                  | 100,000        | 1,238,544         |
| Strategic Innovation            | 6,400,644             | 18,875         | 227,200          | 47,700                      | 0                | 273,289            | 0              | 6,967,708         |
| Design & Construction           | 134,300               | 50,750         | 196,360          | 35,000                      | 1,680,000        | 11,000             | 0              | 2,107,410         |
| Real Estate                     | 2,915                 | 10,200         | 15,600           | 4,713                       | 0                | 0                  | 0              | 33,428            |
| Materials                       | 828,907               | 10,150         | 67,360           | 160,400                     | 0                | 537,487            | 0              | 1,604,304         |
| General Manager                 | 225,000               | 60,600         | 148,000          | 22,100                      | 0                | 10,000             | 100,000        | 565,700           |
| Diversity                       | 665,800               | 59,753         | 26,700           | 32,970                      | 0                | 22,000             | 50,000         | 857,223           |
| Information Technology          | 0                     | 0              | 0                | 0                           | 0                | 0                  | 0              | 0                 |
| System-Wide Accessibility       | 1,506,000             | 257,600        | 36,300           | 26,720                      | 0                | 6,000              | 0              | 1,832,620         |
| OCC & Training                  | 119,630               | 5,000          | 0                | 90,000                      | 0                | 5,000              | 0              | 219,630           |
| <b>Total</b>                    | <b>22,433,323</b>     | <b>984,022</b> | <b>1,139,433</b> | <b>3,690,383</b>            | <b>5,386,345</b> | <b>1,327,777</b>   | <b>648,704</b> | <b>35,609,987</b> |

\*Note: \$5.3M in “Other Expenses” consists of \$3.2M MassDOT Cost-Sharing ISA, \$406K agreement with MBTA Advisory Board and \$1.6M lease payment for 100 Summer St.

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# FY 2016 Materials & Services

## FY16 Professional Services by Department

| Department                      | Engineering Services | Project Support   | Background Checks | Trade Organization Memberships | Audit Services | Legal Services   | Advertising    | Maintaining Property/ Equipment | Security      | Total             |
|---------------------------------|----------------------|-------------------|-------------------|--------------------------------|----------------|------------------|----------------|---------------------------------|---------------|-------------------|
| Operations                      | 527,018              | 2,617,823         | 0                 | 0                              | 0              | 0                | 29,500         | 1,606,706                       | 75,000        | 4,856,947         |
| Public Safety                   | 0                    | 0                 | 0                 | 0                              | 0              | 0                | 0              | 0                               | 0             | 0                 |
| Public Affairs/Customer Service | 0                    | 212,500           | 120               | 4,500                          | 0              | 0                | 40,000         | 31,666                          | 0             | 288,786           |
| Finance                         | 0                    | 306,932           | 0                 | 13,200                         | 484,865        | 0                | 12,000         | 16,302                          | 9,000         | 864,299           |
| Human Resources                 | 0                    | 1,013,264         | 1,000             | 6,500                          | 0              | 0                | 5,500          | 120,725                         | 0             | 1,145,989         |
| Interagency                     | 0                    | 0                 | 0                 | 0                              | 0              | 0                | 0              | 0                               | 0             | 0                 |
| Legal                           | 0                    | 827,562           | 0                 | 21,800                         | 0              | 3,698,100        | 0              | 0                               | 0             | 4,547,462         |
| Environment                     | 0                    | 50,000            | 0                 | 0                              | 0              | 134,144          | 0              | 671,500                         | 0             | 855,644           |
| Strategic Innovation            | 0                    | 4,146,488         | 0                 | 232,670                        | 0              | 0                | 8,000          | 2,013,485                       | 0             | 6,400,644         |
| Design & Construction           | 0                    | 134,300           | 0                 | 0                              | 0              | 0                | 0              | 0                               | 0             | 134,300           |
| Real Estate                     | 0                    | 0                 | 0                 | 0                              | 0              | 0                | 0              | 2,915                           | 0             | 2,915             |
| Materials                       | 0                    | 806,000           | 0                 | 6,500                          | 0              | 0                | 0              | 14,407                          | 0             | 828,907           |
| General Manager                 | 0                    | 168,500           | 1,000             | 25,000                         | 0              | 10,000           | 15,000         | 5,500                           | 0             | 225,000           |
| Diversity                       | 0                    | 635,500           | 0                 | 15,300                         | 0              | 15,000           | 0              | 0                               | 0             | 665,800           |
| Information Technology          | 0                    | 0                 | 0                 | 0                              | 0              | 0                | 0              | 0                               | 0             | 0                 |
| System-Wide Accessibility       | 0                    | 1,429,000         | 0                 | 0                              | 0              | 75,000           | 1,000          | 1,000                           | 0             | 1,506,000         |
| OCC & Training                  | 0                    | 119,630           | 0                 | 0                              | 0              | 0                | 0              | 0                               | 0             | 119,630           |
| <b>Totals</b>                   | <b>527,018</b>       | <b>12,469,600</b> | <b>2,120</b>      | <b>327,470</b>                 | <b>484,865</b> | <b>3,932,244</b> | <b>111,000</b> | <b>4,484,206</b>                | <b>64,000</b> | <b>22,433,323</b> |



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# FY 2016 Materials & Services

| Department                | Project Support Costs  |
|---------------------------|--|
| Operations                | Sign Language Interpreters (\$150K OTA), RIDE In-Person Assessments (\$1.7M OTA), Field Studies & Drainage Issues (\$500K Commuter Rail), Contract for Staffing Agency (\$70K Bus Transportation)  |
| Public Affairs            | Annual Customer Satisfaction Survey (\$205K Marketing)   |
| Finance                   | Corporate Pass Program (\$300K Treasurer's Office), Psychological Testing (\$10K Treasurer's Office)   |
| Human Resources           | Hiring Lottery Services (\$265K HR), Workforce Development Initiatives (\$238K HR), Medical Services (\$320K OHS), Retirement Plan Actuarial Services (\$100K HR), Health and Welfare Trust Reviews (\$30K HR)   |
| Legal                     | Various Medical Services, Actuarial Services, Labor Negotiation Services & Appraisal Services (\$800K Law & Labor Relations)   |
| Environment               | 3rd Party Audit (\$50K Environment)  |
| Innovation                | On-Board Passenger Survey (\$1.2M SBI), Title VI Ridecheck (\$225K OPSS), Datawarehousing (\$2M SBI), Evaluation Services (\$500K), Section 15 FTA Requirement Studies (\$205K OPSS)   |
| Design & Construction     | Certifications, SSPP Tracking System (\$168K D&C)  |
| Materials                 | Business Analysis of Purchasing Specialists (\$320K Materials), IT Consulting (\$350K Materials), Supplier Diversity Web Portal - How to Do Business with MBTA (\$135K Supplier Diversity)   |
| General Manager           | Workforce Recruitment (\$115K)   |
| Diversity                 | Telephonic Interpreting (\$98K Diversity), Translation Services at Public Meetings (\$50K Diversity), DBE & Small Business Development (\$480K Diversity)  |
| System-Wide Accessibility | DRS Technologies Monitors (\$250K SWA), Testing of Applications to Meet Accessibility Standards (\$170K SWA), Sign Language Services (\$50K SWA), Boston Center for Independent Living Coordinator (\$30K SWA), Design Guide to Website Access (\$500K SWA), |
| OCC & Training            | Automated External Defibrillator Services (\$44K OCC), Bus Simulator Warranty (\$46K OCC), All Traffic Solutions (\$6K OCC), BP Logix (\$10K OCC), AlterSense (\$13K OCC)  |

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# FY 2016 Purchased Local Services

| Service             | FY13 Actual   | FY14 Actual   | FY15 Budget   | FY16 Budget   | \$ Increase over prior year | % Increase over prior year |
|---------------------|---------------|---------------|---------------|---------------|-----------------------------|----------------------------|
| THE RIDE            | \$100,730,091 | \$105,923,101 | \$105,373,056 | \$110,936,812 | \$5,563,756                 | 5.28%                      |
| Commuter Boat       | \$10,003,730  | \$12,854,128  | \$14,282,703  | \$13,072,639  | (\$1,210,064)               | -8.47%                     |
| Private Carrier Bus | \$2,082,554   | \$2,217,765   | \$2,261,600   | \$2,296,100   | \$34,500                    | 1.53%                      |
| Suburban Bus        | \$199,119     | \$184,413     | \$199,412     | \$207,390     | \$7,978                     | 4.00%                      |
| Total Subsidy       | \$113,015,494 | \$121,179,407 | \$122,116,771 | \$126,512,941 | \$4,396,170                 | 3.60%                      |

## THE RIDE

Provides door-to-door, shared-ride transportation to eligible people who cannot use fixed-route transit all or some of the time because of a physical or cognitive disability. By combining an innovative Request for Proposals process, and in-depth and rigorous procurement process, and strategic policy changes, the MBTA secured three contracts to provide RIDE services through 2019.

## Commuter Boat

The MBTA's ferry services are provided by a contract operator and governed by operating agreements administered by the MBTA Railroad Operations & Water Transportation Department. The service is comprised of three routes and seven docks categorized into two service types: Inner Harbor Ferry (Charlestown Navy Yard to Long Wharf) & Commuter Boats (serve Hingham, Rowes Wharf, Long Wharf, Hull, and Logan Airport).

## Private Carrier Bus

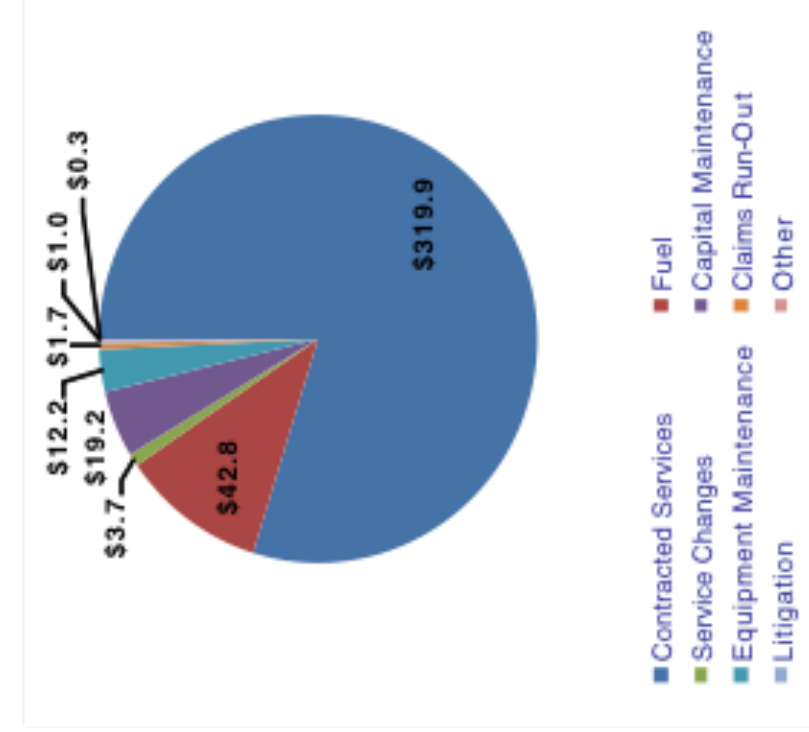
Consists of MBTA-funded bus routes which were taken over by the MBTA when previous operators were no longer able to continue. These routes are operated by private contractors (Paul Revere & Joseph's Transportation currently) and were awarded through a bidding process. The Winthrop routes are operated using 35-foot transit buses, while the others are operated with smaller vehicles.

## Suburban Bus

A subsidy program that provides partial support to municipalities that contract to provide transportation services, typically in areas which are not extensively served by MBTA transit services.

# FY 2016 Commuter Rail Expenses

## FY 16 Budget



| Description            | FY 2016 Budget  |
|------------------------|-----------------|
| Contracted Services    | \$319.9M        |
| Fuel                   | \$42.8M         |
| Service Changes        | \$3.7M          |
| Capital Maintenance    | \$19.2M         |
| Equipment Maintenance  | \$12.2M         |
| Claims Run-Out         | \$1.7M          |
| Litigation Contingency | \$1.0M          |
| Other                  | \$0.3M          |
| <b>Total</b>           | <b>\$400.8M</b> |

Service Changes

|                                   |               |
|-----------------------------------|---------------|
| New Service                       | \$1.0M        |
| Cape Flyer Weekend Summer Service | \$0.3M        |
| Worcester Layover Facility        | \$0.2M        |
| Wachusett Layover Facility        | \$0.5M        |
| Fairmount Weekend Service         | \$0.5M        |
| Old Colony Weekend Service        | \$1.2M        |
| <b>Total</b>                      | <b>\$3.7M</b> |

Capital Maintenance

|                              |                |
|------------------------------|----------------|
| Amtrak Northeast Corridor    | \$1.3M         |
| MBTA Capital Support Costs   | \$12.7M        |
| Mansfield Secondary Line     | \$2.0M         |
| CSX - Annual Trackage Rights | \$1.2M         |
| Other                        | \$2.0M         |
| <b>Total</b>                 | <b>\$19.2M</b> |

Equipment Maintenance

|                |                |
|----------------|----------------|
| 15 Locomotives | \$3.5M         |
| 65 Coaches     | \$8.7M         |
| <b>Total</b>   | <b>\$12.2M</b> |

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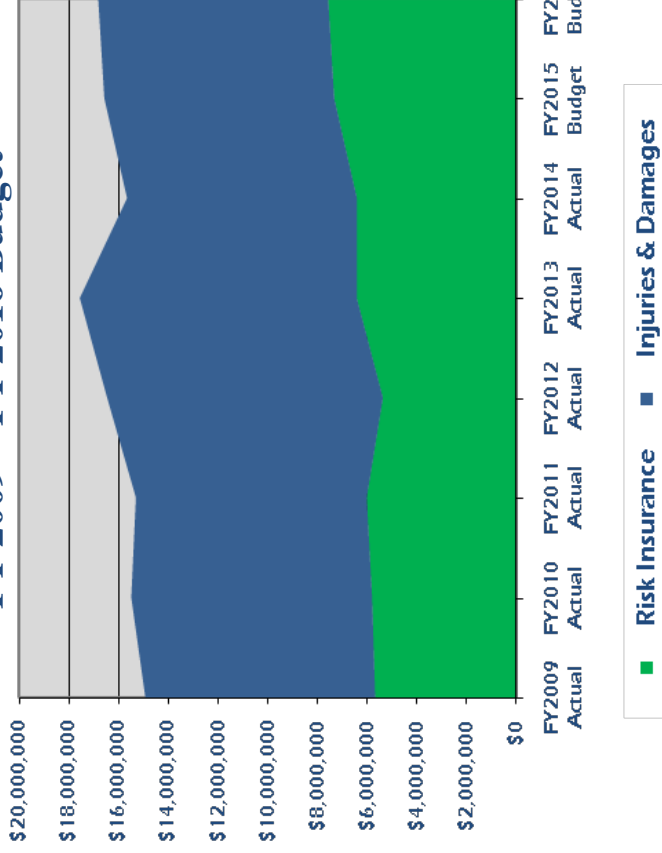
# FY 2016 Financial Service Charges

| Account Description                | FY 2015 Budget     | Increase / (Decrease) | FY 2016 Budget     |
|------------------------------------|--------------------|-----------------------|--------------------|
| Remarketing Fees                   | \$170,000          | -                     | \$170,000          |
| Liquidity Fees                     | \$470,000          | -                     | \$470,000          |
| Bond Counsel                       | \$700,000          | -                     | \$700,000          |
| Credit Card Processing Fees        | \$4,400,000        | \$500,000             | \$4,900,000        |
| Other Finance Service Charges Fees | \$250,000          | -                     | \$250,000          |
| <b>Total</b>                       | <b>\$5,990,000</b> | <b>\$500,000</b>      | <b>\$6,490,000</b> |

# FY 2016 Casualty & Liability

## Casualty and Liability

FY 2009 – FY 2016 Budget



## Transportation Reform legislation

### Punitive Damages & Interest

Pursuant to Transportation Reform

legislation enacted in 2009 and subsequent amendments, the MBTA is no longer liable at all for punitive damages or any interest pre-judgement or post-judgement and is capped at \$100,000. There is no limitation on compensatory damages involving serious bodily injury.

|                               | FY2009 Actual | FY2010 Actual | FY2011 Actual | FY2012 Actual | FY2013 Actual | FY2014 Actual | FY2015 Budget | FY2016 Budget |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Risk Insurance</b>         | \$5,709,821   | \$5,833,874   | \$6,050,194   | \$5,398,695   | \$6,441,889   | \$7,352,900   | \$7,596,795   | \$7,596,795   |
| <b>Injuries &amp; Damages</b> | \$9,213,614   | \$9,651,830   | \$9,250,211   | \$11,054,631  | \$11,099,298  | \$9,213,614   | \$9,213,613   | \$9,213,613   |
| <b>Total</b>                  | \$14,923,435  | \$15,485,704  | \$15,300,405  | \$16,453,326  | \$17,548,437  | \$16,566,513  | \$16,810,408  | \$16,810,408  |

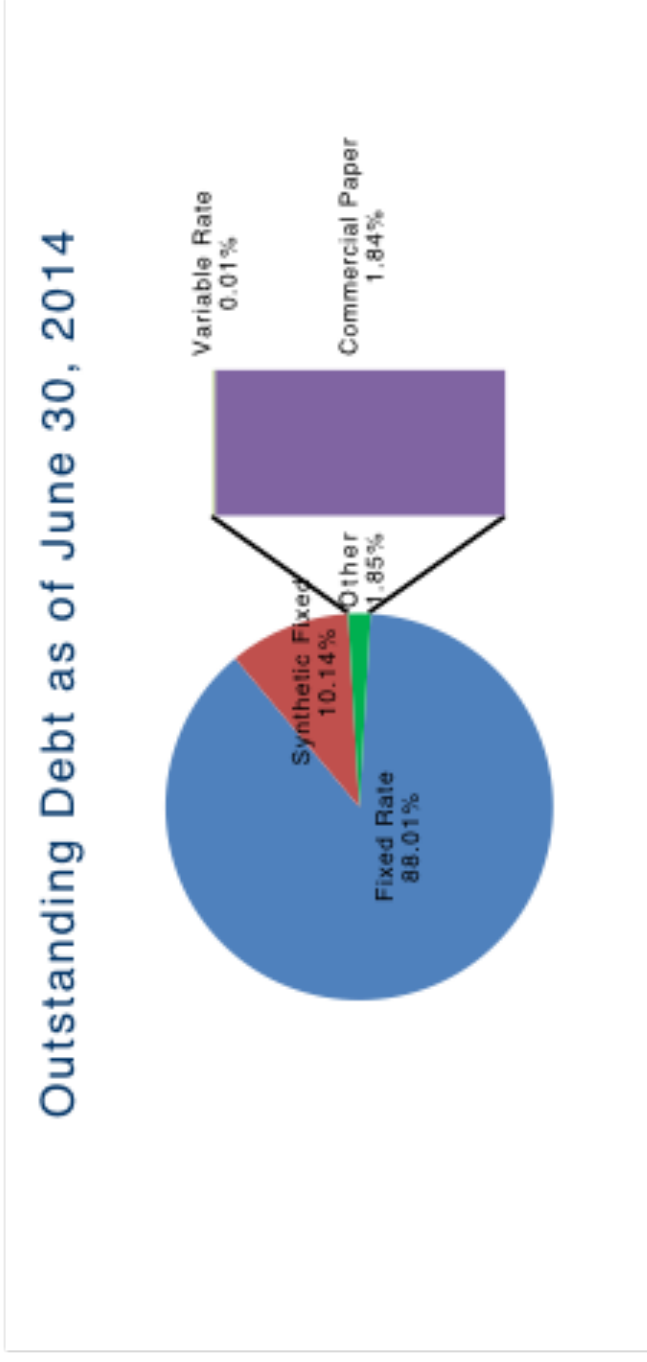
# FY 2016 Risk Insurance

| Account Description            | FY 2015 Budget     | Increase / (Decrease) | FY 2016 Budget     |
|--------------------------------|--------------------|-----------------------|--------------------|
| Terrorism Property Supplement  | \$321,701          | \$(46,701)            | \$275,000          |
| Property Insurance             | \$1,197,800        | \$35,934              | \$1,233,734        |
| Travel and Accident Insurance  | \$25,535           | -                     | \$25,535           |
| Director and Officer Insurance | \$50,380           | -                     | \$50,380           |
| Claims Administration          | \$160,000          | \$15,000              | \$175,000          |
| Crime Designated Employee      | \$31,276           | \$10,724              | \$42,000           |
| Liability*                     | \$5,515,197        | \$228,909             | \$5,744,106        |
| Miscellaneous Insurance        | \$51,010           | \$30                  | \$51,040           |
| <b>Total</b>                   | <b>\$7,352,899</b> | <b>\$243,896</b>      | <b>\$7,596,795</b> |

\*Note: The increase in liability costs are related to added MBTA exposure (ridership going up and services added). Future liability insurance increases anticipated are due to limited rail/transit markets, anticipated claims/losses due to greater exposure and continued expansion of services and ridership. Based on market conditions over the past few years other rail/transit systems have experienced premium increases between 8-10% over expiring premiums. The MBTA has been able to negotiate with underwriters to keep premiums within 3-5% increase.

# FY 2016 Debt Profile

- MBTA currently has approximately \$5.5 Billion in outstanding debt
- \$4.8 Billion fixed
- \$659.18 Million variable including \$101.03 Commercial Paper
- \$557.55 Million swapped to fixed



| Fiscal Year | Principal Outstanding | Additional CIP New Money Bonds* | Principal Payments | CP Amortization Payments | FYE 6/30 Principal Outstanding | Accumulative Net Change |
|-------------|-----------------------|---------------------------------|--------------------|--------------------------|--------------------------------|-------------------------|
| 2014        | 5,475,648             | 200,000                         | 177,815            | 6,350                    | 5,499,989                      | 24,341                  |
| 2015        | 5,499,989             | -                               | 173,620            | 6,675                    | 5,319,694                      | (155,954)               |
| 2016        | 5,319,694             | 200,000                         | 150,520            | 7,050                    | 5,362,124                      | (113,524)               |

# FY 2016 Debt Profile

## Massachusetts Bay Transportation Authority

### Debt Service Budget Fiscal Year 2016

| <u>Debt</u>                         | <u>Principal</u>   | <u>Interest</u>    | <u>Leases &amp; Fees</u> | <u>Total</u>       |
|-------------------------------------|--------------------|--------------------|--------------------------|--------------------|
| Prior Obligations                   | 18,843,333         | 15,364,932         | -                        | 34,208,265         |
| Assessment Bonds                    | 1,985,000          | 39,881,293         | -                        | 41,866,293         |
| Sales Tax Bonds                     | 179,997,584        | 163,533,084        | -                        | 343,530,667        |
| New Money Issue                     | 1,159,484          | 5,500,000          | -                        | 6,659,484          |
| Commercial Paper                    | 7,291,667          | 100,000            | -                        | 7,391,667          |
| Synthetic Fixed Interest Expense    | -                  | 10,103,699         | -                        | 10,103,699         |
| Operating Leases                    | -                  | -                  | 4,575,488                | 4,575,488          |
| Liquidity Facility/Remarketing Fees | -                  | 3,360,707          | -                        | 3,360,707          |
| Rebate Liability                    | -                  | 412,900            | -                        | 412,900            |
| <b>Total</b>                        | <b>209,277,068</b> | <b>238,256,615</b> | <b>4,575,488</b>         | <b>447,533,683</b> |



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# FY 2016 Debt Profile

Debt Assumed on 7/1/2000 Under Forward Funding Legislation = \$3.6 Billion

| <b>Prior Obligations</b> |                               |
|--------------------------|-------------------------------|
| <b>Date</b>              | <b>Principal Amortization</b> |
| March 1, 2015            | 66,725,000                    |
| March 1, 2016            | 23,450,000                    |
| March 1, 2017            | 9,630,000                     |
| March 1, 2018            | 17,315,000                    |
| March 1, 2019            | 18,840,000                    |
| March 1, 2020            | 19,095,000                    |
| March 1, 2021            | 20,420,000                    |
| March 1, 2022            | 10,955,000                    |
| March 1, 2023            | 10,740,000                    |
| March 1, 2024            | 11,495,000                    |
| March 1, 2025            | 12,300,000                    |
| March 1, 2026            | 13,160,000                    |
| March 1, 2027            | 14,080,000                    |
| March 1, 2028            | 15,065,000                    |
| March 1, 2029            | 16,120,000                    |
| March 1, 2030            | 17,250,000                    |
| <b>Total</b>             | <b>296,640,000</b>            |

# FY16 Suggested Cuts

## Initial FY16 Budget Request - Departmental Requests Cut

| Keep/Cut           | Program                          | Department                              | 02/05/15  |     | Amount            |
|--------------------|----------------------------------|---|-----------|-----|-------------------|
|                    |                                  |   | Headcount |     |                   |
|                    |                                  | Beginning Balances >>>>                 | 239       |     | \$ (22,953,600)   |
| <b>Keep</b>        |                                  |   | Keep      | Cut | Savings           |
|                    | GLX Service Mitigation           | Operations - Bus & Light Rail           | 99        |     | -                 |
|                    | Service Management               | OCC Dispatchers                         | 4         |     | -                 |
|                    | Maintenance State of Good Repair | Power Systems Maintenance (E&M)         | 24        |     | (2,255,925)       |
| <b>Cut</b>         |                                  |   |           |     |                   |
|                    | Cover List                       | Bus Transportation                      |           | -50 | 2,450,348         |
|                    | Technology                       | ITD (14), Diversity (1), SBII (1)       |           | -16 | 1,277,735         |
|                    | Police                           | Police                                  |           | -20 | 1,186,578         |
|                    | Environmental                    | Environmental                           |           | -5  | 401,040           |
|                    | Vehicle Maintenance              | TFM (11), Everett (5), Rail Maint(1)    |           | -17 | 1,355,700         |
|                    | Asset Management                 | Everett main repair                     |           | -4  | 328,140           |
|                    | Materials Management & Other     | Bus Maintenance                         |           | -19 | 1,337,395         |
|                    | Administrative                   | Diversity (2), MassDOT U (3)            |           | -5  | 454,907           |
|                    |                                  | <b>Total Cut/add</b>                    | 103       | 24  | <b>6,535,918</b>  |
| <b>Fringe Cuts</b> |                                  |   |           |     |                   |
|                    | Healthcare average premium       |   |           |     | 1,456,000         |
|                    | Pensions @                       |   |           |     | 1,049,087         |
|                    | FICA @                           |   |           |     | 499,998           |
|                    |                                  | <b>Total Fringe Cuts</b>                |           |     | <b>3,005,084</b>  |
| <b>Other</b>       |                                  |   |           |     |                   |
|                    | Materials & Services             | ITD/ITD Development                     |           |     | 2,150,000         |
|                    | Materials & Services             | SBII                                    |           |     | 1,000,000         |
|                    | Commuter Rail                    | Locomotive & Coach Maintenance          |           |     | 12,200,000        |
|                    | Commuter Rail                    | Service Changes                         |           |     | 1,000,000         |
|                    | Commuter Rail                    | CSX                                     |           |     | 815,073           |
|                    | Services to MassDOT U            | Duplicate Request                       |           |     | 100,000           |
|                    |                                  | <b>Total Other</b>                      |           |     | <b>17,265,073</b> |
| <b>Revenue</b>     |                                  |   |           |     |                   |
|                    | Fare Revenue                     | Revised number based on ridership       |           |     | 3,496,645         |
|                    | Advertising                      | Increase from TITAN                     |           |     | 840,852           |
|                    | Real Estate                      | Tenant Revenue                          |           |     | 750,722           |
|                    |                                  | <b>Revenue Increases</b>                |           |     | <b>5,088,219</b>  |
|                    |                                  |   | 103       | 24  | \$ 31,894,294     |
|                    |                                  | <b>Ending Balances &gt;&gt;&gt;&gt;</b> |           | 127 | \$ 8,940,694      |

# FY16 Draft Budget

| MBTA FY16 SORE                                 |                      |                      |                                   |                                    | FY 16 Financial Plan |                                       |
|--|----------------------|----------------------|-----------------------------------|------------------------------------|----------------------|---------------------------------------|
|  | FY16 Budget          | FY16 Draft Budget    | FY16 % Incr/Decr over FY15 Budget | FY16 \$ Incr/Decr over FY15 Budget | FY16 Financial Plan  | FY16 \$ Incr/Decr over Financial Plan |
| <b>REVENUE</b>                                 |                      |                      |                                   |                                    |                      |                                       |
| <b>Operating Revenues</b>                      |                      |                      |                                   |                                    |                      |                                       |
| Revenue from Transportation                    | 597,647,752          | 617,848,214          | 3.4%                              | 20,200,462                         | 597,647,752          | 20,200,462                            |
| Other Operating Revenue                        | 48,927,035           | 48,928,912           | 0.0%                              | 381,877                            | 50,988,672           | (2,079,760)                           |
| <b>Total Operating Revenue</b>                 | <b>646,574,787</b>   | <b>666,777,126</b>   | <b>3.2%</b>                       | <b>20,682,339</b>                  | <b>648,636,424</b>   | <b>18,129,702</b>                     |
| <b>Non-Operating Revenues</b>                  |                      |                      |                                   |                                    |                      |                                       |
| Dedicated Local Assessments                    | 160,135,712          | 162,858,019          | 1.7%                              | 2,722,307                          | 163,338,426          | (480,407)                             |
| Dedicated Sales Tax                            | 970,637,174          | 985,077,245          | 1.5%                              | 14,440,072                         | 983,607,369          | 1,469,877                             |
| Other Income                                   | 31,045,029           | 23,518,422           | -24.2%                            | (7,526,607)                        | 45,857,983           | (22,339,561)                          |
| <b>Total Non-Operating</b>                     | <b>1,161,817,915</b> | <b>1,171,453,687</b> | <b>0.8%</b>                       | <b>9,635,772</b>                   | <b>1,192,693,778</b> | <b>(21,959,091)</b>                   |
| <b>TOTAL REVENUES</b>                          | <b>1,807,992,703</b> | <b>1,839,210,813</b> | <b>1.7%</b>                       | <b>30,218,110</b>                  | <b>1,841,440,202</b> | <b>(3,229,389)</b>                    |
| <b>EXPENSES</b>                                |                      |                      |                                   |                                    |                      |                                       |
| <b>Operating Expenses</b>                      |                      |                      |                                   |                                    |                      |                                       |
| Wages  | 493,470,487          | 514,281,686          | 4.2%                              | 20,811,219                         | 533,853,485          | (19,601,799)                          |
| Fringe Benefits                                |                      |                      |                                   |                                    |                      |                                       |
| Pensions                                       | 76,874,711           | 82,932,266           | 7.9%                              | 6,057,555                          | 79,243,035           | 3,689,231                             |
| Healthcare                                     | 110,187,826          | 109,027,780          | -1.1%                             | (1,159,846)                        | 111,412,843          | (2,385,063)                           |
| Group Life                                     | 584,318              | 600,679              | 2.6%                              | 16,363                             | 630,900              | (30,221)                              |
| Disability Insurance                           | 0                    | 0                    | 0.0%                              | 0                                  | 0                    | 0                                     |
| Workers' Comp                                  | 11,170,527           | 11,077,679           | -0.8%                             | (92,848)                           | 11,614,852           | (537,173)                             |
| Other Fringe Benefits                          | 234,171              | 237,069              | 1.2%                              | 2,898                              | 232,317              | 4,752                                 |
| <b>Total Fringe Benefits</b>                   | <b>199,051,351</b>   | <b>203,876,473</b>   | <b>2.4%</b>                       | <b>4,824,122</b>                   | <b>203,133,947</b>   | <b>741,526</b>                        |
| Health & Welfare Fund                          | 10,438,865           | 11,474,924           | 9.9%                              | 1,036,059                          | 10,701,144           | 773,780                               |
| Payroll Taxes                                  | 37,750,491           | 39,137,848           | 3.7%                              | 1,387,357                          | 38,613,067           | 524,781                               |
| FICA   | 1,320,087            | 1,339,865            | 1.5%                              | 19,578                             | 1,300,974            | 38,891                                |
| Unemployment                                   |                      |                      |                                   |                                    |                      |                                       |
| <b>Total Payroll Taxes</b>                     | <b>39,070,578</b>    | <b>40,477,513</b>    | <b>3.6%</b>                       | <b>1,406,935</b>                   | <b>39,914,041</b>    | <b>563,472</b>                        |
| Materials, Supplies and Services               | 237,872,595          | 272,860,806          | 14.7%                             | 34,988,240                         | 254,861,004          | 17,999,801                            |
| Casualty and Liability                         | 16,586,513           | 16,810,459           | 1.3%                              | 243,896                            | 17,086,818           | (276,409)                             |
| Purchased Commuter Rail Service                | 384,346,300          | 386,777,200          | 0.6%                              | 2,430,900                          | 400,058,624          | (19,281,424)                          |
| Purchased Local Service Subsidy                | 122,116,771          | 126,512,940          | 3.6%                              | 4,396,169                          | 127,758,567          | (1,245,627)                           |
| Financial Service Charges                      | 5,990,000            | 6,490,000            | 8.3%                              | 500,000                            | 6,169,700            | 320,300                               |
| <b>Total Operating Expenses</b>                | <b>1,508,921,410</b> | <b>1,579,560,940</b> | <b>4.7%</b>                       | <b>70,639,540</b>                  | <b>1,593,567,330</b> | <b>(14,006,380)</b>                   |
| <b>Debt Service Expenses</b>                   |                      |                      |                                   |                                    |                      |                                       |
| Interest                                       | 240,945,845          | 238,256,615          | -1.1%                             | (2,689,230)                        | 244,771,834          | (6,515,219)                           |
| Principal Payments                             | 178,695,803          | 209,277,065          | 17.1%                             | 30,581,262                         | 194,968,459          | 14,308,606                            |
| Lease Payments                                 | 4,298,777            | 4,575,488            | 6.5%                              | 276,711                            | 4,574,551            | 937                                   |
| <b>Total Debt Service Expenses</b>             | <b>423,939,425</b>   | <b>452,109,168</b>   | <b>6.6%</b>                       | <b>28,176,743</b>                  | <b>444,314,843</b>   | <b>7,794,325</b>                      |
| <b>TOTAL EXPENSES</b>                          | <b>1,932,860,835</b> | <b>2,031,670,118</b> | <b>5.1%</b>                       | <b>98,810,283</b>                  | <b>2,037,882,173</b> | <b>(6,212,055)</b>                    |
| <b>Net Revenue</b>                             | <b>(124,867,132)</b> | <b>(190,459,305)</b> |                                   |                                    | <b>(196,441,971)</b> | <b>2,982,666</b>                      |
| Additional Assistance                          | 135,100,000          | 202,400,000          | Revenue                           | 50.34%                             | 202,400,000          | 0                                     |
| <b>NET Revenue after Additional Assistance</b> | <b>10,232,868</b>    | <b>8,940,695</b>     | MBTA DOT Projects FY16            | 59.25%                             | <b>5,958,029</b>     | <b>2,982,666</b>                      |