



**Massachusetts Bay
Transportation Authority**

Operating Budget Stability

April FY16 YTD Financial Update

Report to Fiscal and Management Control Board



Agenda

- **Executive Summary**
- **April FY16 YTD Performance Against FY16 Budget**
- **April FY16 YTD Performance Against Same Period Last Year**
- **Appendix**
 - Financial Detail: April FY16 YTD Performance Against FY16 Budget and Recast
 - Financial Detail: April FY16 YTD Performance Against Same Period Last Year
 - Revenue Detail: Own-Source, Fare Collection and Sales Tax



Executive Summary

- **Structural deficit is 50% (\$85M) below budget** and 29% (\$34M) below FY15 YTD
- April has maintained a **low rate of operating expense growth at -0.1%** YTD compared with FY15
 - Operating expense controlled by **active management of employee costs** (4% below budget) **and Materials & Services expenses** (14% below budget)
- **Own-Source revenues are up 36%** (\$11.9M) over FY15 YTD



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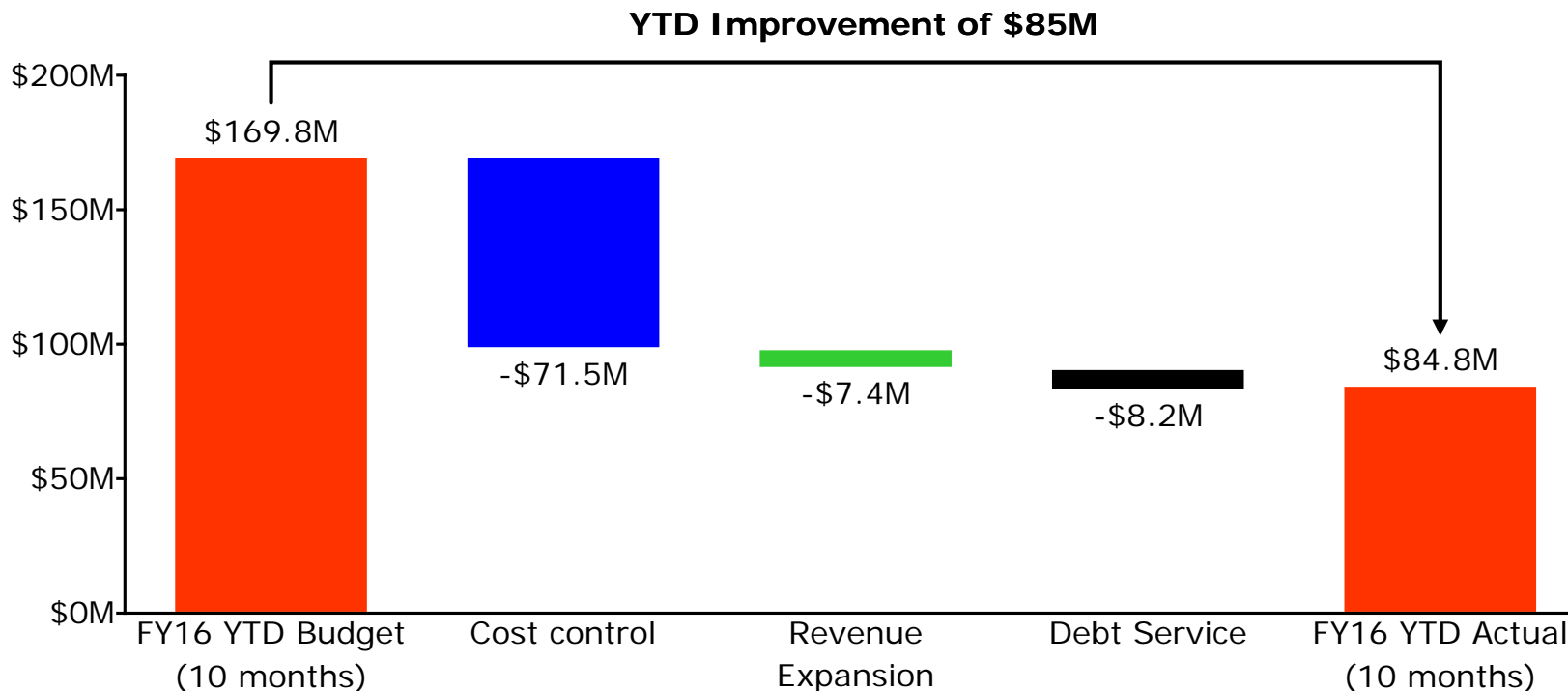
Structural deficit has been reduced by 50.1% (\$85.1M) YTD

APRIL FY16 YTD PERFORMANCE AGAINST FY16 BUDGET					
	<i>(\$M)</i>	FY16 YTD BUDGET	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
REVENUES	Operating Revenues	\$555.1	\$559.4	\$4.3	0.8%
	Non-Operating Revenues	\$956.3	\$959.3	\$3.1	0.3%
	Total Revenues	\$1,511.4	\$1,518.8	\$7.4	0.5%
EXPENSES	Wages, Benefits and Payroll Taxes	\$638.9	\$611.8	(\$27.1)	-4.2%
	Non-Wage	\$664.1	\$621.7	(\$42.4)	-6.4%
	Operating Expenses	\$1,303.0	\$1,233.5	(\$69.5)	-5.3%
	Debt Service	\$378.2	\$370.0	(\$8.2)	-2.2%
	Total Expenses	\$1,681.2	\$1,603.5	(\$77.7)	-4.6%
Structural Deficit		(\$169.8)	(\$84.8)	\$85.1	-50.1%
Fare Recovery Ratio		40%	42%		



Structural deficit has been reduced by \$85M YTD

April FY16 YTD Budget to Actual Structural Deficit

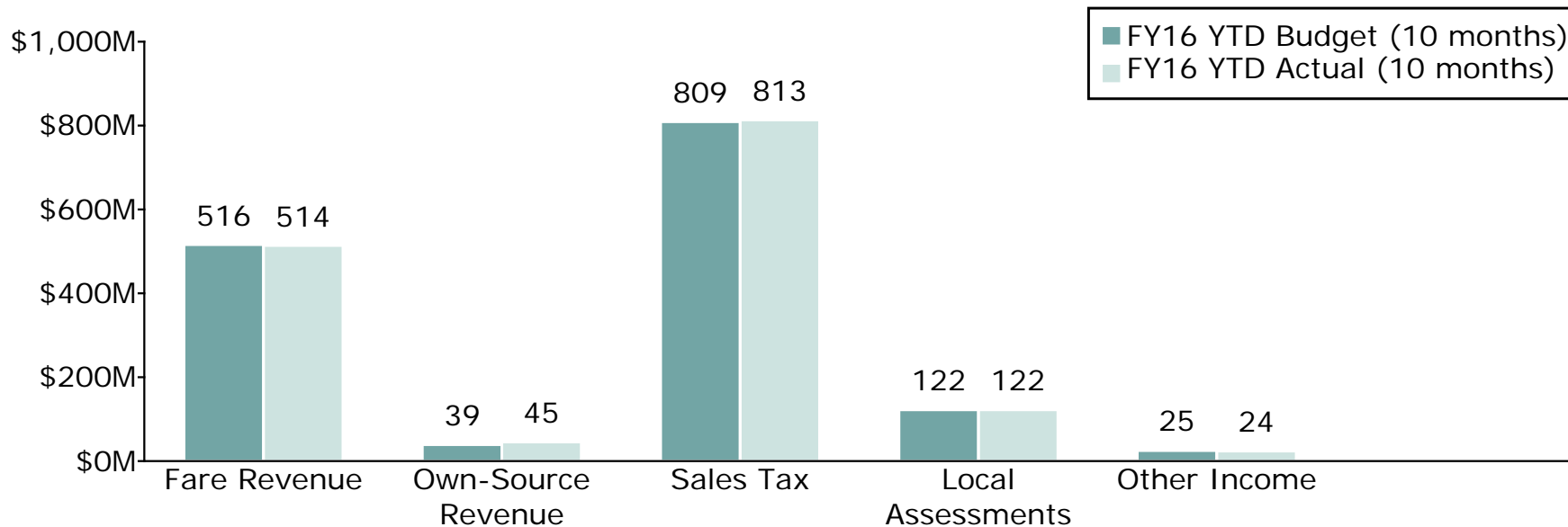


Source: MBTA Internal Data. Analysis above excludes revenue from monthly FY16 Additional Assistance payments (forecast at \$187M for full FY16).



Revenues have exceeded budget by 0.5% (\$7.4M), driven by Own-Source growth

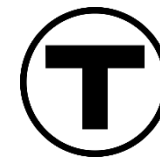
Total Revenues - Budget vs. Actual Comparison



						Total
\$ Variance	-\$2.1M	\$6.4M	\$4.3M	\$0.0M	-\$1.2M	\$7.4M
% Variance	-0.4%	16.3%	0.5%	0.0%	-4.8%	0.5%

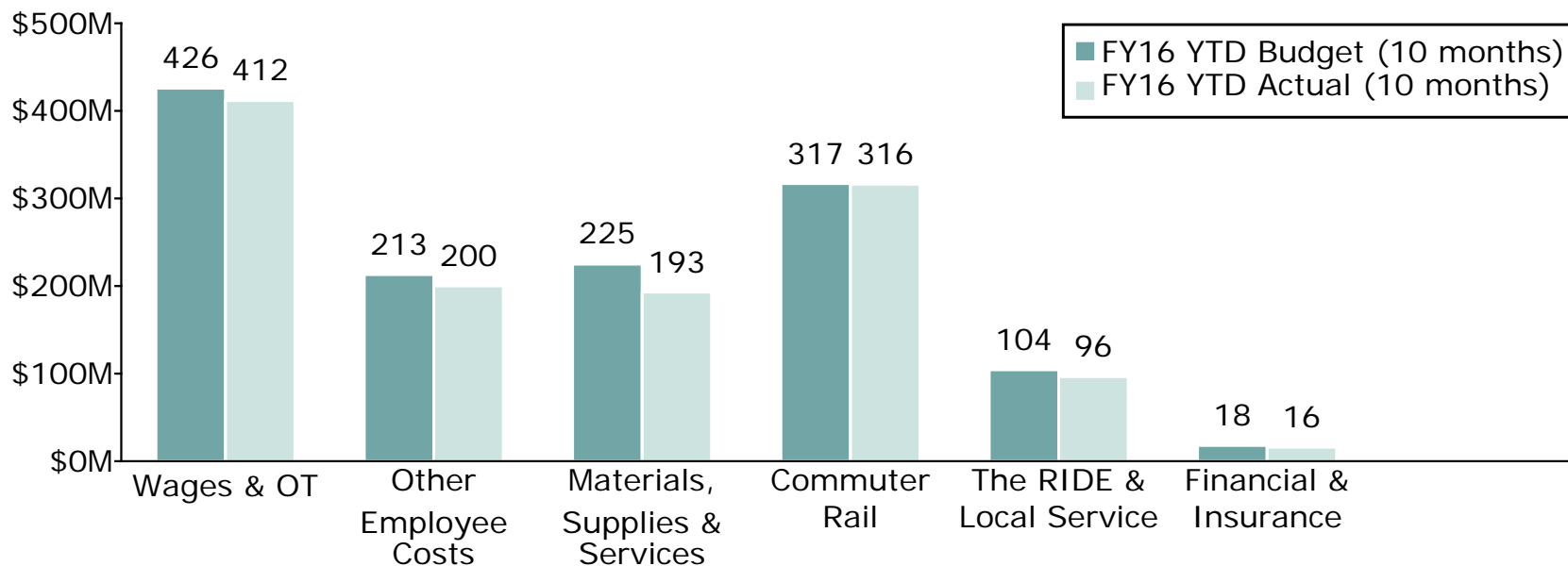
Source: MBTA Internal Data
Fiscal and Management Control Board

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Operating expenses are under budget by 5.3% (\$69.5M), due to decreases across the Authority

Operating Expense (Excluding Debt Service) Budget vs. Actual Comparison



	Wages & OT	Other Employee Costs	Materials, Supplies & Services	Commuter Rail	The RIDE & Local Service	Financial & Insurance	Total
\$ Variance	-\$14.2M	-\$12.9M	-\$31.9M	-\$0.7M	-\$7.8M	-\$2.0M	-\$69.5M
% Variance	-3.3%	-6.1%	-14.2%	-0.2%	-7.5%	-11.3%	-5.3%

Note: Lower energy costs contributed \$17.6M of the \$71.5M operating expense positive variance against budget (\$5.6M CR fuel; \$3.8M bus fuel; \$8.2M power/utilities).

Source: MBTA Internal Data



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Structural deficit is down 28.6% (\$33.9) YTD from FY15

APRIL FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR					
<i>(\$M)</i>		FY15 YTD ACTUAL	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
REVENUES	Operating Revenues	\$538.0	\$559.4	\$21.4	4.0%
	Non-Operating Revenues	\$931.8	\$959.3	\$27.6	3.0%
	Total Revenues	\$1,469.8	\$1,518.8	\$49.0	3.3%
EXPENSES	Wages, Benefits and Payroll Taxes	\$607.1	\$611.8	\$4.7	0.8%
	Non-Wage	\$625.1	\$621.7	(\$3.4)	-0.5%
	Operating Expenses	\$1,232.2	\$1,233.5	\$1.3	0.1%
	Debt Service	\$356.2	\$370.0	\$13.8	3.9%
	Total Expenses	\$1,588.4	\$1,603.5	\$15.1	1.0%
Structural Deficit		(\$118.6)	(\$84.8)	\$33.9	-28.6%

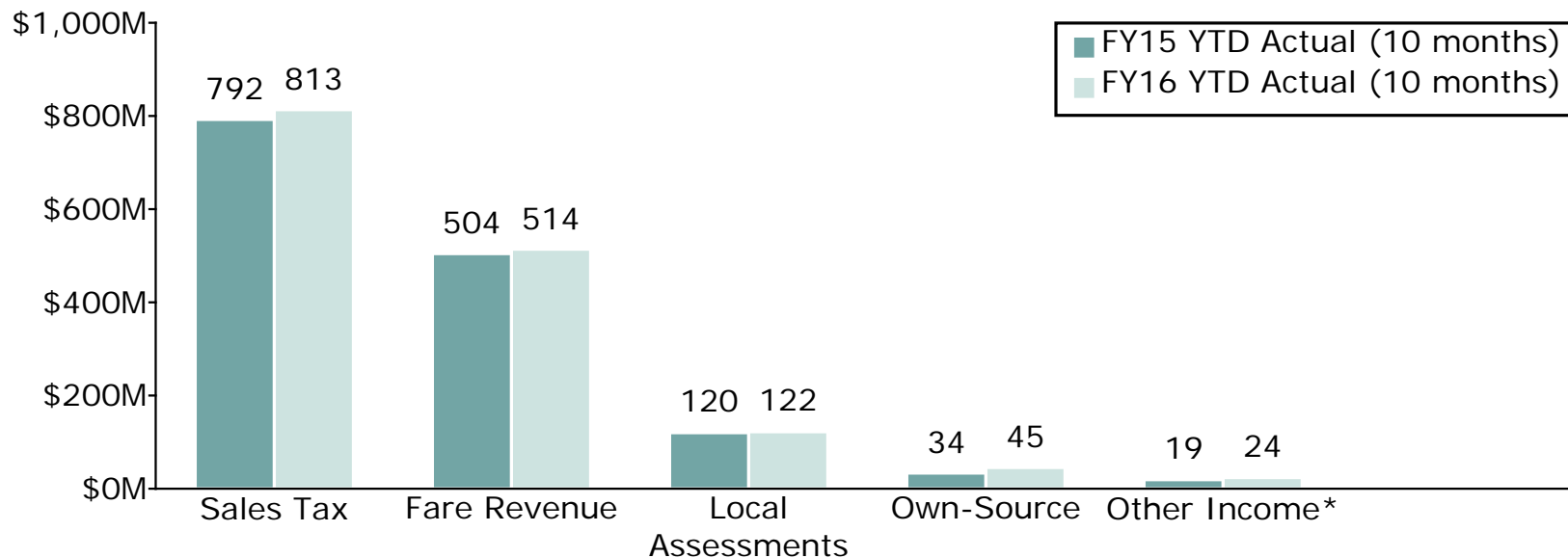
Fare Recovery Ratio **41%** **42%**

Note: April structural deficit higher than year-end deficit due to timing of incurred revenues and expenses; MBTA still on track to hit target FY16 recast



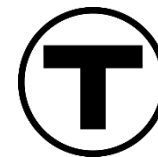
Total revenue has increased 3.3% (\$49.0M) YTD

Total Revenue - FY16 YTD vs. FY15 YTD



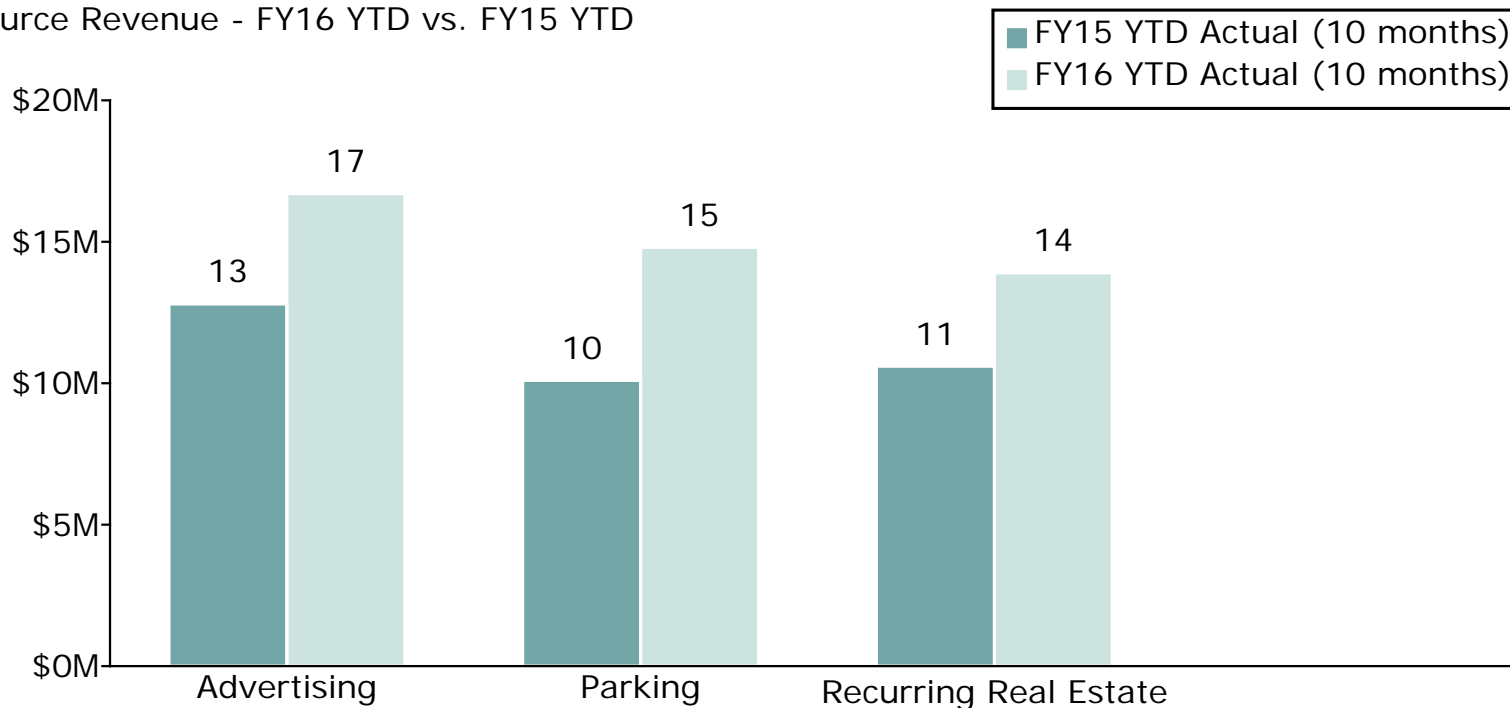
	Sales Tax	Fare Revenue	Local Assessments	Own-Source	Other Income*	Total
\$ Change	\$20.9M	\$9.5M	\$2.0M	\$11.9M	\$4.6M	\$49.0M
% Change	2.6%	1.9%	1.7%	35.5%	23.8%	3.3%

*GLX Mitigation income from Mass DOT
Source: MBTA Internal Data



Own-Source revenue is up 35.5% (\$11.9M) YTD due to advertising and recurring real estate

Own-Source Revenue - FY16 YTD vs. FY15 YTD



\$ Change	\$3.9M	\$4.7M	\$3.3M	Total \$11.9M
% Change	30.4%	46.2%	31.5%	35.5%

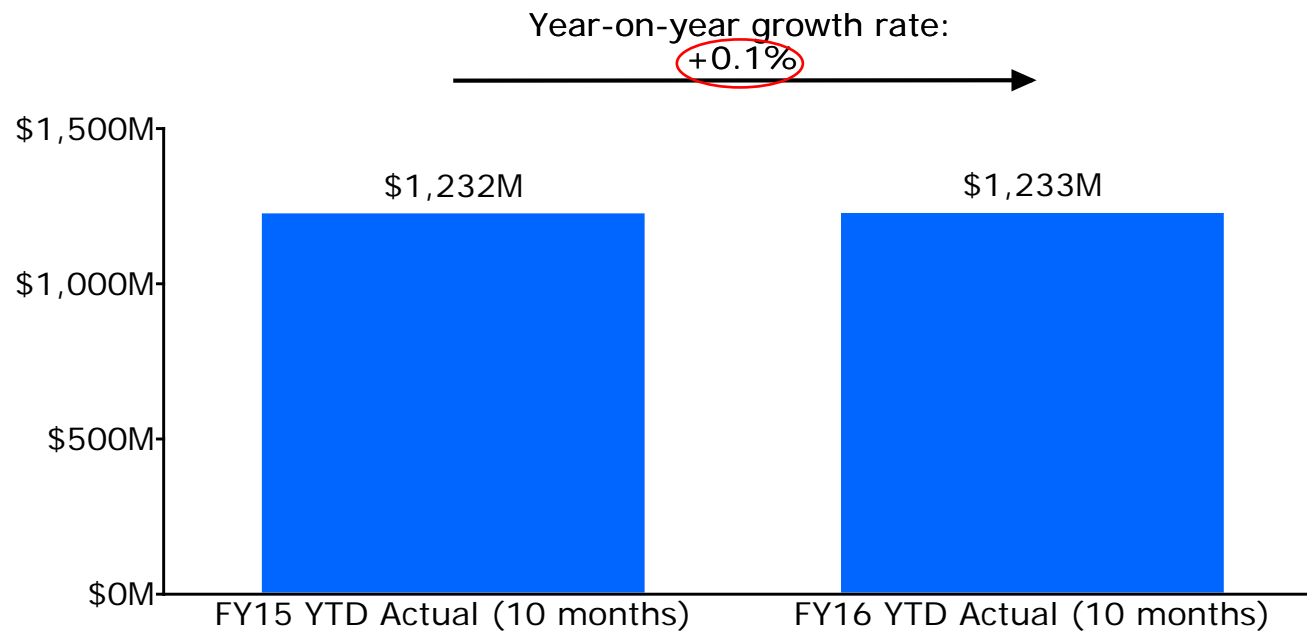
Note: Parking booked a large snow removal charge in April 2015 causing a large gap between FY15 and FY16

Source: MBTA Internal Data



Operating expense growth near zero over first 10 months

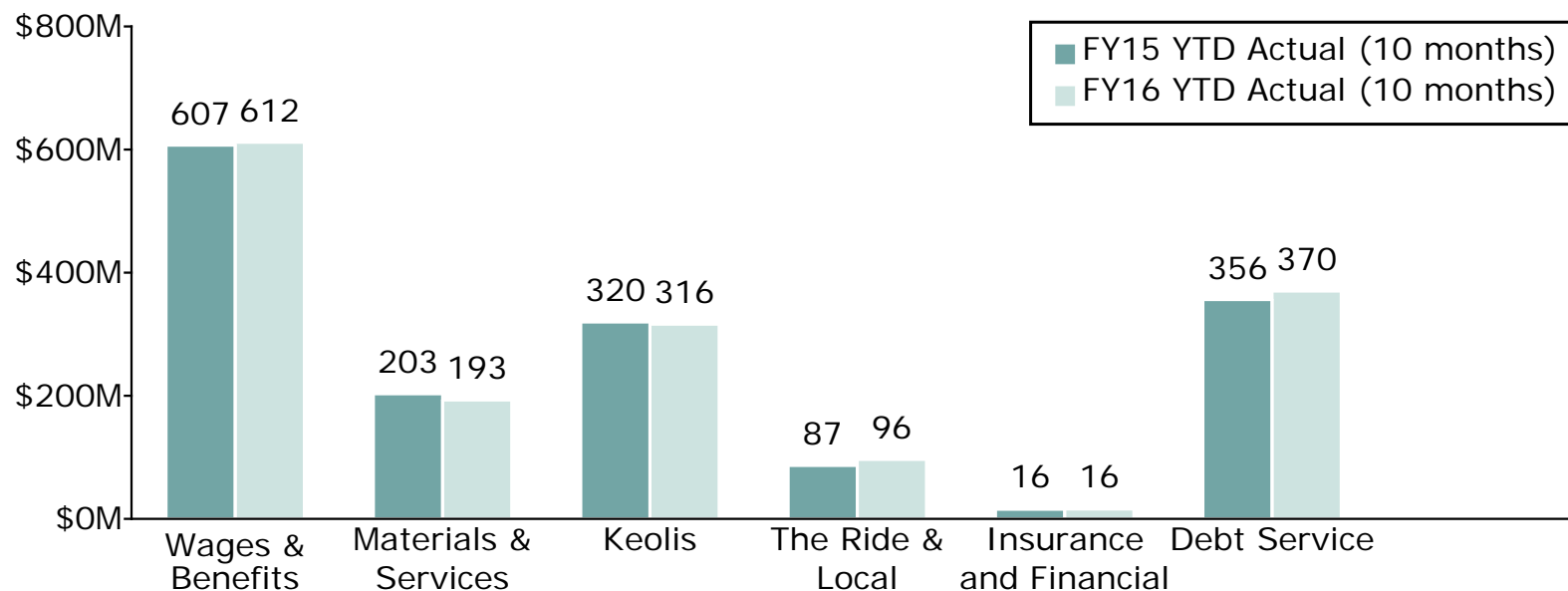
Operating Expense (Excluding Debt Service)





Total Expenses (Including Debt Service) up 1.0% (\$15.1M) YTD

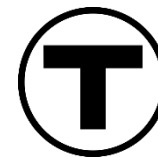
Total Expenses (Including Debt Service) - FY16 YTD vs. FY15 YTD



	Wages & Benefits	Materials & Services	Keolis	The Ride & Local Service	Insurance and Financial Svcs.	Debt Service	Total
\$ Change	\$4.7M	-\$10.1M	-\$3.5M	\$9.8M	\$0.4M	\$13.8M	\$15.1M
% Change	0.8%	-5.0%	-1.1%	11.3%	2.5%	3.9%	1.0%

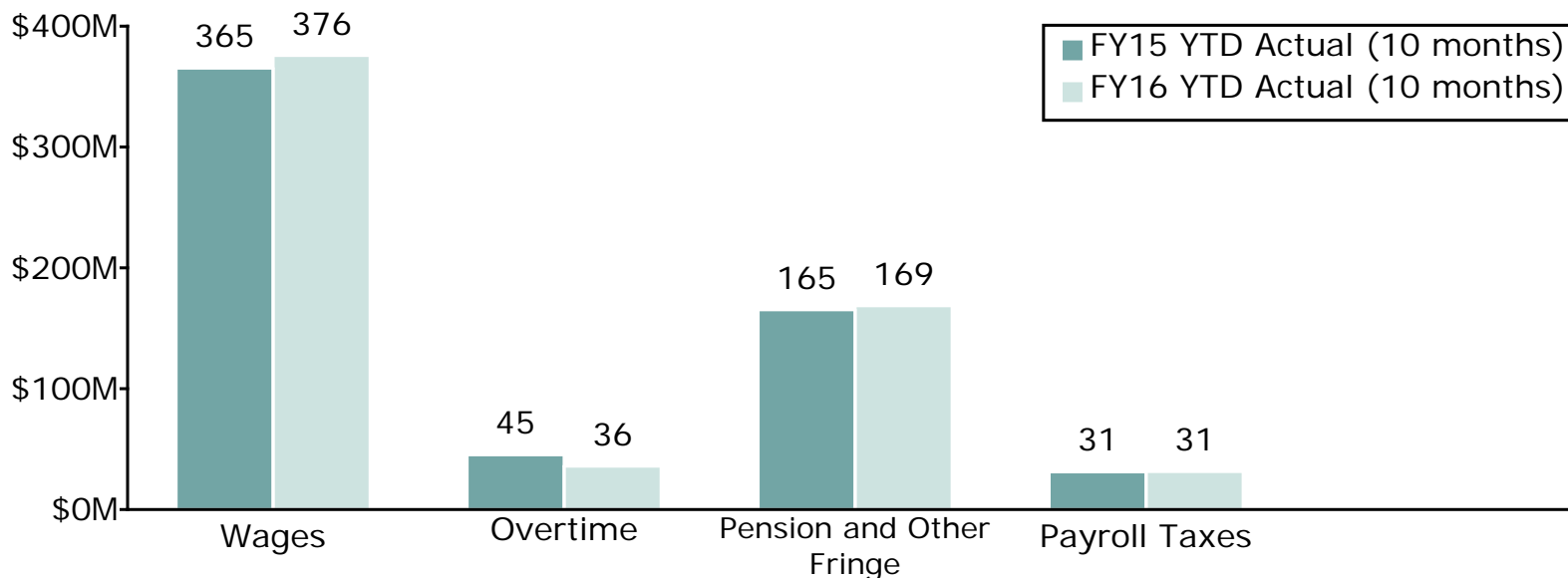
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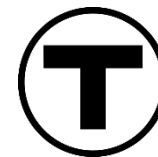


Employee costs up 0.8% (\$4.7M) YTD, with wage increases offset by lower overtime

Total Employee Costs - FY16 YTD vs. FY15 YTD

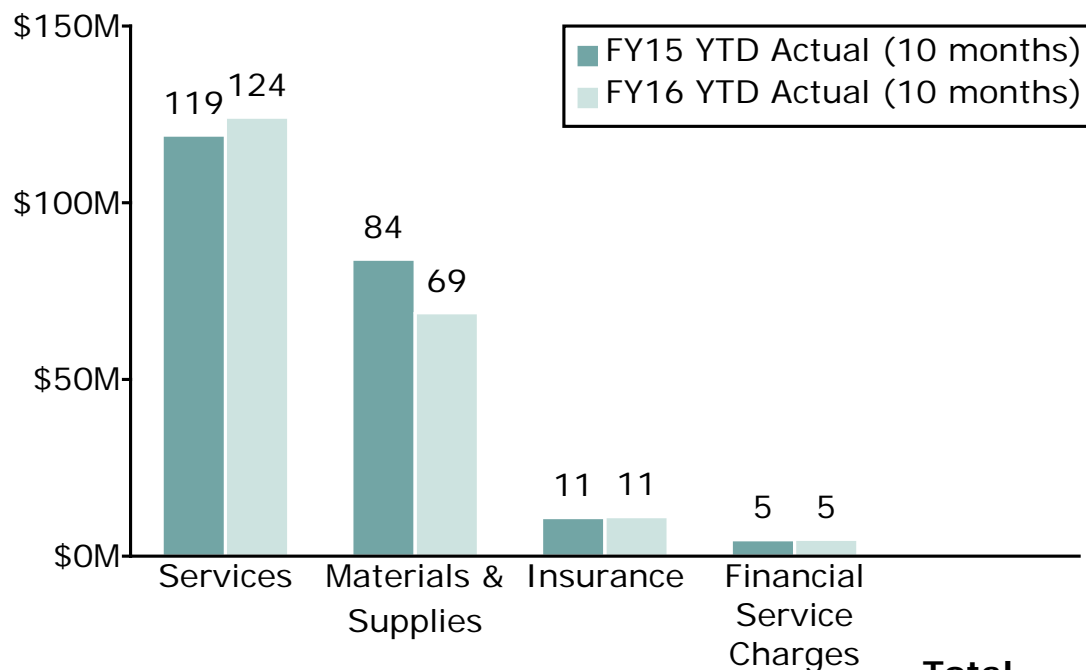


					Total
\$ Change	\$10.5M	-\$9.4M	\$3.3M	\$0.3M	\$4.7M
% Change	2.9%	-20.7%	2.0%	0.9%	0.8%



Materials and services costs down 5.0% (\$10.1M)

Materials and Services - FY16 YTD vs. FY15 YTD



					Total
\$ Change	\$5.1M	-\$15.2M	\$0.3M	\$0.1M	-\$9.7M
% Change	4.3%	-18.0%	2.4%	2.7%	-4.4%

Change in Materials and Services		(\$10.1M)
Services		\$5.1M
Computer services		\$3.5
Contract cleaning		(\$0.7)
Engineering		\$3.7
Utilities		(\$5.9)
Temporary help		\$1.8
Other services		\$2.7
Materials and Supplies		(\$15.2M)
Equipment components		(\$11.4)
Fuel		(\$2.0)
Maint. supplies/other materials		(\$1.7)
Insurance		\$0.3M
Financial Service Charges		\$0.1M

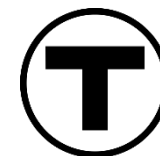
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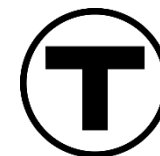
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MBTA remains on track to reach year-end \$95M Structural Deficit

		APRIL FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				APRIL FY16 YTD PERFORMANCE AGAINST FY16 RECAST			
(\$M)		FY16 YTD BUDGET	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	FY16 YTD RECAST	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
REVENUES	Operating Revenues	\$555.1	\$559.4	\$4.3	0.8%	\$557.1	\$559.4	\$2.3	0.4%
	Non-Operating Revenues	\$956.3	\$959.3	\$3.1	0.3%	\$964.4	\$959.3	(\$5.1)	-0.5%
	Total Revenues	\$1,511.4	\$1,518.8	\$7.4	0.5%	\$1,521.5	\$1,518.8	(\$2.8)	-0.2%
EXPENSES	Wages, Benefits and Payroll Taxes	\$638.9	\$611.8	(\$27.1)	-4.2%	\$614.8	\$611.8	(\$3.0)	-0.5%
	Non-Wage	\$664.1	\$621.7	(\$42.4)	-6.4%	\$623.0	\$621.7	(\$1.3)	-0.2%
	Operating Expenses	\$1,303.0	\$1,233.5	(\$69.5)	-5.3%	\$1,237.9	\$1,233.5	(\$4.4)	-0.4%
	Debt Service	\$378.2	\$370.0	(\$8.2)	-2.2%	\$371.8	\$370.0	(\$1.7)	-0.5%
	Total Expenses	\$1,681.2	\$1,603.5	(\$77.7)	-4.6%	\$1,609.6	\$1,603.5	(\$6.1)	-0.4%
Structural Deficit		(\$169.8)	(\$84.8)	\$85.1	-50.1%	(\$88.1)	(\$84.8)	\$3.3	-3.8%
<i>Fare recovery ratio</i>		<i>40%</i>	<i>42%</i>			<i>42%</i>	<i>42%</i>		



Total Revenues are above budget by 0.5% (\$7.4M)

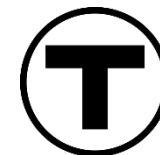
		APRIL FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				APRIL FY16 YTD PERFORMANCE AGAINST FY16 RECAST			
(\$M)		FY16 YTD BUDGET	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	FY16 YTD RECAST	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
OPERATING	Fares, all modes	\$516.1	\$514.0	(\$2.1)	-0.4%	\$514.0	\$514.0	(\$0.1)	-0.0%
	Own-Source	\$39.1	\$45.5	\$6.4	16.3%	\$43.1	\$45.5	\$2.4	5.5%
	Operating	\$555.1	\$559.4	\$4.3	0.8%	\$557.1	\$559.4	\$2.3	0.4%
NON-OPERATING	Sales Tax	\$809.1	\$813.4	\$4.3	0.5%	\$817.6	\$813.4	(\$4.2)	-0.5%
	Local Assessment	\$122.1	\$122.2	\$0.0	0.0%	\$122.1	\$122.2	\$0.0	0.0%
	Other	\$25.0	\$23.8	(\$1.2)	-4.8%	\$24.7	\$23.8	(\$0.9)	-3.5%
	Non-Operating	\$956.3	\$959.3	\$3.1	0.3%	\$964.4	\$959.3	(\$5.1)	-0.5%
Total Revenues		\$1,511.4	\$1,518.8	\$7.4	0.5%	\$1,521.5	\$1,518.8	(\$2.8)	-0.2%
<i>Fare recovery ratio</i>		<i>40%</i>	<i>42%</i>			<i>42%</i>	<i>42%</i>		



Employee expenses are below budget by 4.2% (\$27.1M)

		APRIL FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				APRIL FY16 YTD PERFORMANCE AGAINST FY16 RECAST			
(\$M)		FY16 YTD BUDGET	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	FY16 YTD RECAST	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
WAGES	Regular Wages	\$395.1	\$375.8	(\$19.3)	-4.9%	\$375.9	\$375.8	(\$0.1)	-0.0%
	Overtime	\$30.7	\$35.9	\$5.2	16.8%	\$40.7	\$35.9	(\$4.8)	-11.9%
	Wages	\$425.8	\$411.7	(\$14.2)	-3.3%	\$416.6	\$411.7	(\$5.0)	-1.2%
BENEFITS AND TAXES	Pension*	\$68.5	\$68.5	(\$0.0)	-0.0%	\$65.3	\$68.5	\$3.2	4.9%
	Health	\$91.5	\$82.5	(\$9.0)	-9.9%	\$84.3	\$82.5	(\$1.9)	-2.2%
	Retiree Health	\$37.4	\$33.7	(\$3.7)	-9.9%	\$34.5	\$33.7	(\$0.8)	-2.2%
	Health & Welfare Fund	\$9.6	\$8.0	(\$1.5)	-16.2%	\$9.7	\$9.7	\$0.0	0.0%
	Other Fringes	\$10.0	\$9.7	(\$0.4)	-3.6%	\$8.1	\$8.0	(\$0.1)	-0.8%
	Payroll Taxes	\$33.5	\$31.5	(\$2.0)	-6.0%	\$30.9	\$31.5	\$0.6	2.0%
	Benefits and taxes	\$213.0	\$200.1	(\$12.9)	-6.1%	\$198.2	\$200.1	\$1.9	1.0%
Total Wages, Benefits, Taxes		\$638.9	\$611.8	(\$27.1)	-4.2%	\$614.8	\$611.8	(\$3.0)	-0.5%

*Pension includes Main Fund, Police, Deferred Compensation Supplement, 401(a) MBTA Match



Total Non-Wage Expenses are below budget by 6.4% (\$42.4M) [pp. 1/2]

		APRIL FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				APRIL FY16 YTD PERFORMANCE AGAINST FY16 RECAST			
(\$M)		FY16 YTD BUDGET	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	FY16 YTD RECAST	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
MATERIALS AND SERVICES	Materials	\$57.6	\$51.3	(\$6.3)	11%	\$56.0	\$51.6	(\$4.4)	-7.9%
	Services	\$80.5	\$68.7	(\$11.8)	15%	\$68.5	\$68.7	\$0.1	0.2%
	Fuel	\$21.4	\$17.6	(\$3.8)	-18%	\$16.6	\$17.3	\$0.7	4.3%
	Utilities	\$44.3	\$36.2	(\$8.2)	18%	\$35.7	\$36.2	\$0.5	1.3%
	Contract Cleaning	\$21.2	\$19.4	(\$1.8)	8%	\$21.0	\$19.4	(\$1.7)	-7.9%
	Materials and Services	\$225.0	\$193.1	(\$31.9)	-14%	\$197.9	\$193.1	(\$4.8)	-2.4%
INSURANCE	Insurance	\$12.6	\$11.2	(\$1.4)	-11.2%	\$12.5	\$11.2	(\$1.3)	-10.8%



Total Non-Wage Expenses are below budget by 6.4% (\$42.4M) [pp. 2/2]

		APRIL FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				APRIL FY16 YTD PERFORMANCE AGAINST FY16 RECAST			
(\$M)		FY16 YTD BUDGET	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	FY16 YTD RECAST	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
COMMUTER RAIL	Fixed Price	\$256.2	\$256.2	\$0.0	0.0%	\$256.2	\$256.2	\$0.0	0.0%
	Extra Work and Services	\$27.2	\$32.1	\$5.0	18.3%	\$26.7	\$32.1	\$5.5	20.5%
	Fuel	\$33.5	\$27.9	(\$5.6)	-16.8%	\$26.2	\$27.9	\$1.7	6.6%
	Commuter Rail	\$316.9	\$316.2	(\$0.7)	-0.2%	\$309.0	\$316.2	\$7.2	2.3%
LOCAL SERVICE	THE RIDE	\$91.4	\$83.8	(\$7.6)	-8.3%	\$85.7	\$83.8	(\$1.9)	-2.2%
	Ferry	\$10.8	\$10.7	(\$0.1)	-1.3%	\$10.7	\$10.7	\$0.0	0.0%
	LSS Other	\$2.1	\$2.0	(\$0.1)	-4.5%	\$2.0	\$2.0	(\$0.0)	-0.7%
	Local Service	\$104.3	\$96.5	(\$7.8)	-7.5%	\$98.4	\$96.5	(\$1.9)	-2.0%
OTHER	Financial Service Charges	\$5.4	\$4.7	(\$0.6)	-11.6%	\$5.2	\$4.7	(\$0.4)	-8.5%
Non-Wage Expenses:		\$664.1	\$621.7	(\$42.4)	(6.4%)	\$623.0	\$621.7	(\$1.3)	(\$0.2)



Debt Service expense is below budget by 2.2% (\$8.2M)

(\$M)	APRIL FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				APRIL FY16 YTD PERFORMANCE AGAINST FY16 RECAST			
	<u>FY16 YTD BUDGET</u>	<u>FY16 YTD ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>FY16 YTD RECAST</u>	<u>FY16 YTD ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>
Interest	\$198.5	\$191.4	(\$7.1)	-3.6%	\$193.1	\$191.4	(\$1.7)	-0.9%
Principal	\$175.9	\$174.9	(\$1.0)	-0.6%	\$174.9	\$174.9	(\$0.0)	0.0%
Lease	\$3.8	\$3.8	(\$0.0)	-0.8%	\$3.8	\$3.8	\$0.0	0.0%
Debt Service	\$378.2	\$370.0	(\$8.2)	-2.2%	\$371.8	\$370.0	(\$1.7)	-0.5%

DEBT SERVICE



Agenda

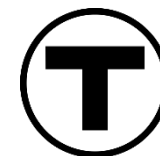
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Total Revenues are above FY15 YTD by 3.3% (\$49.0M)

APRIL FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR						
	(<i>\$M</i>)	FY15 YTD <u>ACTUAL</u>	FY16 YTD <u>ACTUAL</u>	<u>\$</u> <u>VARIANCE</u>	<u>%</u> <u>VARIANCE</u>	<u>EXPLANATION</u>
OPERATING	Fares, all modes	\$504.5	\$514.0	\$9.5	1.9%	• Ridership improvement
	Own-source	\$33.5	\$45.5	\$11.9	35.5%	• Stronger advertising and real estate proceeds
	Operating	\$538.0	\$559.4	\$21.4	4.0%	
NON-OPERATING	Sales Tax	\$792.4	\$813.4	\$20.9	2.6%	• Increase in sales tax revenues
	Local Assessment	\$120.1	\$122.2	\$2.0	1.7%	• Higher statutory amount
	Other	\$19.2	\$23.8	\$4.6	23.8%	• Federal preventative maintenance funds • GLX mitigation income
	Non-Operating	\$931.8	\$959.3	\$27.6	3.0%	
Total Revenues		\$1,469.8	\$1,518.8	\$49.0	3.3%	

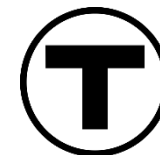
Fare recovery ratio **41%** **42%**



Total Wage, Benefit and Tax expenses are above FY15 YTD by 0.4% (\$2.7M)

APRIL FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR						
	FY15 YTD ACTUAL	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	EXPLANATION	
WAGES	Regular Wages	\$365.3	\$375.8	\$10.5	2.9%	• Collective bargaining increases
	Overtime	\$45.3	\$35.9	(\$9.4)	-20.7%	• Storm overtime down
	Wages	\$410.6	\$411.7	\$1.1	0.3%	
BENEFITS AND TAXES	Pension*	\$59.1	\$68.5	\$9.4	15.8%	• Tied to higher wage spending and higher contribution rate
	Health	\$88.7	\$82.5	(\$6.3)	-7.1%	• GIC cost control
	Retiree Health	\$36.3	\$33.7	(\$2.6)	-7.1%	• GIC cost control
	Health & Welfare Fund	\$5.6	\$8.0	\$2.4	42.5%	• Higher participation rates
	Other Fringes	\$11.8	\$9.7	(\$2.2)	-18.4%	
	Payroll Taxes	\$31.2	\$31.5	\$0.3	0.9%	• FICA tied to wages
Benefits and taxes	\$196.5	\$200.1	\$3.6	1.8%		
Total Wages, Benefits and Taxes						
	\$607.1	\$611.8	\$4.7	0.8%		

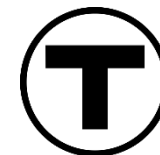
*Pension includes Main Fund, Police, Deferred Compensation Supplement, 401(a) MBTA Match



Non-Wage Expenses are below FY15 YTD by 0.5% (\$3.4M) [pp. 1/2]

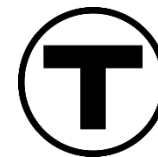
APRIL FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR

	(\$M)	<u>FY15 YTD ACTUAL</u>	<u>FY16 YTD ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>EXPLANATION</u>
MATERIALS AND SERVICES	Materials	\$64.7	\$51.3	(\$13.1)	-20.3%	• Equipment components and maintenance supplies
	Services	\$57.0	\$68.7	\$11.7	20.5%	• Computer engineering, temporary help, consulting services
	Fuel	\$19.3	\$17.6	(\$2.0)	-10.6%	• Bus fuel savings
	Utilities	\$42.1	\$36.2	(\$5.9)	-14.1%	• Electricity and traction power savings
	Contract Cleaning	\$20.0	\$19.4	(\$0.7)	-3.3%	• Contractual
	Materials and Services	\$203.1	\$193.1	(\$10.1)	-5.0%	
INSURANCE	Insurance	\$10.9	\$11.2	\$0.3	2.4%	• Added underground station coverage



Non-Wage Expenses are below FY15 YTD by 0.5% (\$3.4M) [pp. 2/2]

APRIL FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR						
	(\$M)	<u>FY15 YTD ACTUAL</u>	<u>FY16 YTD ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>EXPLANATION</u>
COMMUTER RAIL	Fixed Price	\$240.4	\$256.2	\$15.8	6.6%	• Contractual increases
	Extra Work and Services	\$49.7	\$32.1	(\$17.5)	-35.3%	• Contractual increases
	Fuel	\$29.7	\$27.9	(\$1.8)	-6.2%	• Train fuel prices
	Commuter Rail	\$319.8	\$316.2	(\$3.5)	-1.1%	
LOCAL SERVICE	THE RIDE	\$74.4	\$83.8	\$9.4	12.6%	• Contractual increases
	Ferry	\$10.5	\$10.7	\$0.2	1.5%	• Contractual increases
	LSS Other	\$1.7	\$2.0	\$0.3	14.4%	• Contractual increases
	Local Service	\$86.7	\$96.5	\$9.8	11.3%	
OTHER	Financial Service Charges	\$4.6	\$4.7	\$0.1	2.7%	• Credit Card fees from higher fare revenue
Non-Wage Expenses:		\$625.1	\$621.7	(\$3.4)	-0.5%	



Debt Service Expense is above FY15 YTD by 3.9% (\$13.8M)

APRIL FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR						
(\$M)	<u>FY15 YTD ACTUAL</u>	<u>FY16 YTD ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>EXPLANATION</u>	
DEBT SERVICE	Interest	\$199.9	\$191.4	(\$8.6)	-4.3%	• Contractual per amortization schedule
	Principal	\$152.2	\$174.9	\$22.7	14.9%	• Contractual per amortization schedule
	Lease	\$4.1	\$3.8	(\$0.3)	-7.8%	• Contractual per amortization schedule
	Debt Service	\$356.2	\$370.0	\$13.8	3.9%	



Agenda

- **Executive Summary**
- **April FY16 YTD Performance Against FY16 Budget**
- **April FY16 YTD Performance Against Same Period Last Year**
- **Appendix**
 - Financial Detail: April FY16 YTD Performance Against FY16 Budget and Recast
 - Financial Detail: April FY16 YTD Performance Against Same Period Last Year
 - Revenue Detail: Own-Source, Fare Collection and Sales Tax

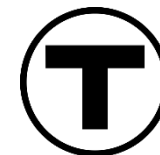


Own-Source revenues are above FY15 YTD by 35.5% (\$11.9M)

April FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR

OWN-SOURCE REVENUE

(\$M)	<u>FY15 YTD ACTUAL</u>	<u>FY16 YTD ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>EXPLANATION</u>
Advertising	\$12.8	\$16.7	\$3.9	30.4%	<ul style="list-style-type: none"> Steady static advertising growth, maturity of digital urban panels
Parking	\$10.1	\$14.8	\$4.7	46.2%	<ul style="list-style-type: none"> Decrease in snow removal expense from FY15 due to better weather
Recurring Real Estate (non-parking)	\$10.6	\$13.9	\$3.3	31.5%	
Own-Source revenue	\$33.5	\$45.5	\$11.9	35.5%	



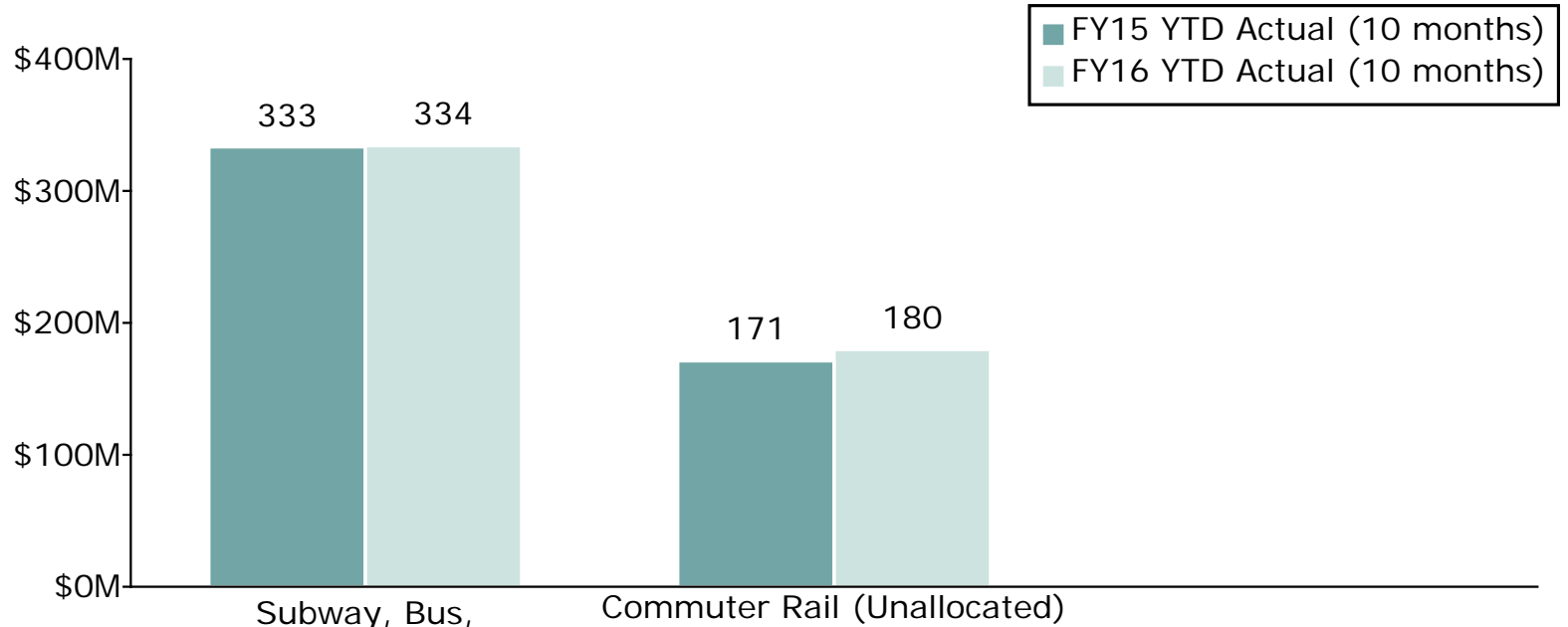
Recurring Real Estate revenues are above FY15 by 31.5% (\$3.3M)

		APRIL FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR (10 MONTHS)				
	(\$M)	FY15 YTD ACTUAL	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	EXPLANATION
RECURRING REAL ESTATE REVENUE	Massport (airport) shuttle	\$1.6	\$1.7	\$0.0	1.3%	• Consistent with prior year
	South Station Intermodal+CR	\$0.7	\$1.5	\$0.8	121.5%	• 1x non-repeatable accounting adjustment in FY16 for \$550K.
	Net MRG (Mass Realty Group) Revenue	\$8.3	\$10.8	\$2.5	30.3%	
	<i>Land Rental</i>	\$2.2	\$2.5	\$0.2	10.9%	• Renegotiation of rental/lease.
	<i>Utilities</i>	\$0.9	\$1.0	\$0.2	19.0%	• Renegotiation of utility agreements.
	<i>Telecom</i>	\$4.6	\$5.8	\$1.2	26.4%	• Renegotiation of contract (Verizon)
	<i>Concessions</i>	\$2.2	\$1.9	(\$0.2)	-10.2%	• Concessions ITB delayed, on track for 4QFY16
	<i>Advertising</i>	\$2.5	\$3.1	\$0.6	22.0%	• Increased collection.
	<i>MRG fees and expenses</i>	(\$4.1)	(\$3.6)	\$0.5	-13.4%	• FY15 had overlap expenses (TRA & MRG)
	Recurring Real Estate Revenue		\$10.6	\$13.9	\$3.3	31.5%



Fare revenue is up 1.9% (\$9.5M) YTD

Fare Revenue - FY16 YTD vs. FY15 YTD



	Subway, Bus, Ferry, RIDE	Commuter Rail (Unallocated)	Total
\$ Change	\$0.9M	\$8.6M	\$9.5M
% Change	0.3%	5.0%	1.9%

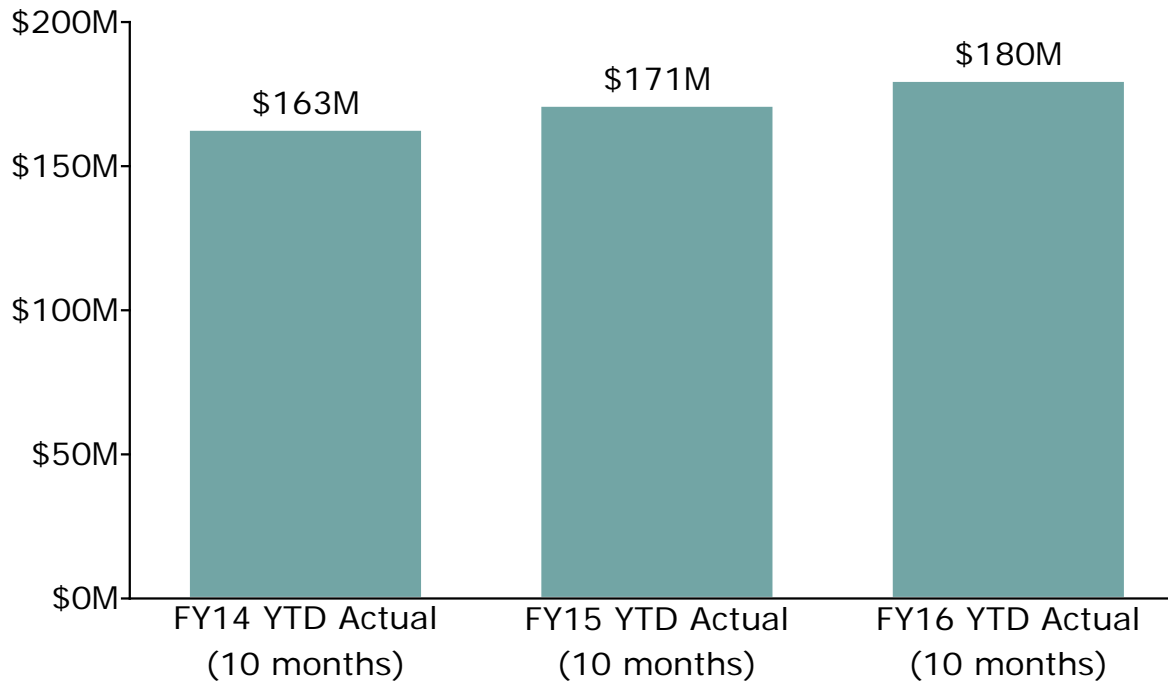
Note: Chart above shows "unallocated" commuter rail revenue, prior to CTPS allocation for linked trips to other modes; Subway, Bus, Ferry RIDE Revenue includes adjustments to total fare revenue

Source: MBTA Internal Data



Commuter rail revenue is up 5% over FY15, and up 10% over FY14

YTD (10 months) Commuter Rail Fare Revenue (Unallocated)



YTD Commuter Rail Revenue Growth (10 months)	
FY16 / FY15:	5.0%
FY16 / FY14:	10.4%

Note: Chart above shows “unallocated” commuter rail revenue, prior to CTPS allocation for linked trips to other modes. Subway, Bus, Ferry, RIDE revenue includes all adjustments to total fare revenue. Includes ~5% fare increase on 7/1/14

Source: MBTA Internal Data



Commuter rail fare revenue could reach \$215M in FY16

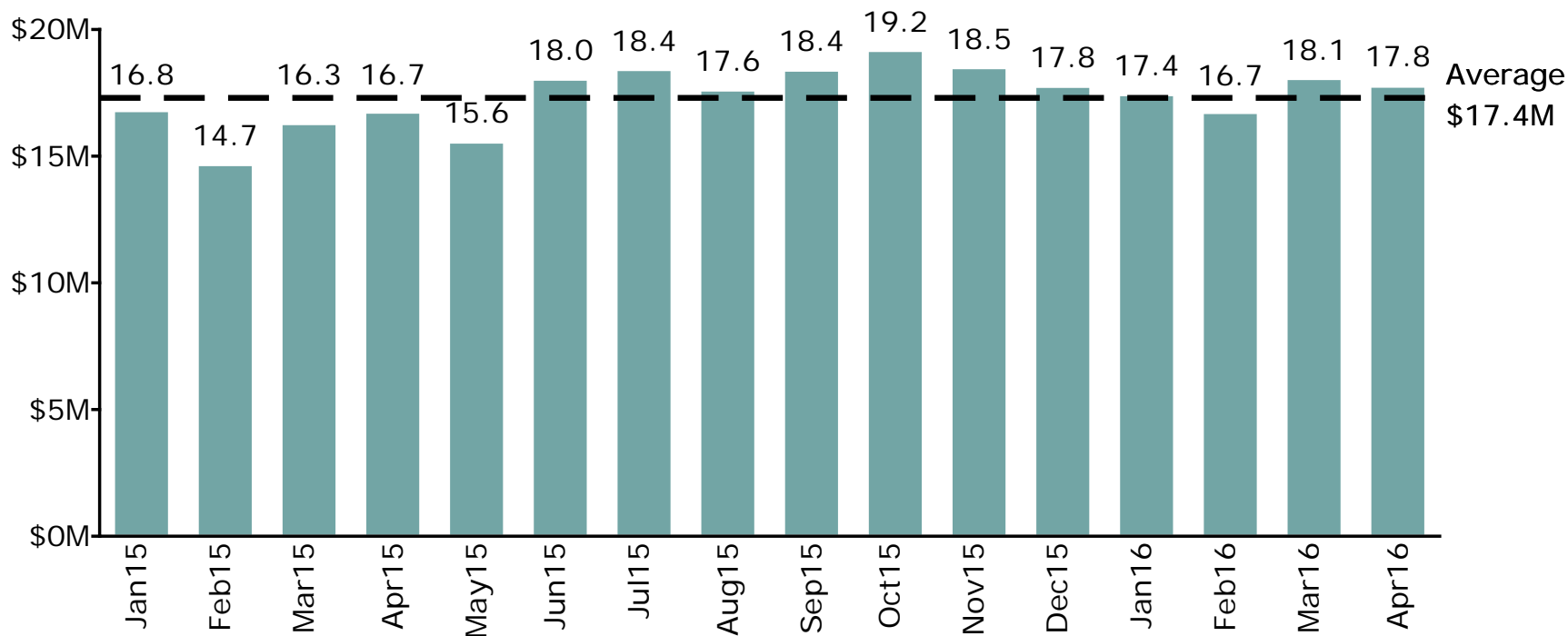
- Total annual (12 month) unallocated commuter rail revenue:
 - › FY12: \$152M
 - › FY13: \$186M
 - › FY14: \$196M
 - › FY15: \$205M
 - › Apr FY16 TTM: \$213M (May 2015 to April 2016)
- If current growth trend continues (5% year-on-year), FY16 commuter rail revenue could reach \$215M by fiscal-year end



Monthly trend in commuter rail revenue has been positive

Monthly MBTA Commuter Rail Revenue (unallocated)

YTD FY16/FY15 Growth: 5.0%



Monthly Unallocated Commuter Rail Revenue
Year-over-Year Growth by Month

4.4% 2.0% 0.9% 1.5% 5.2% 3.8% 3.8% 14.0% 10.9% 6.1%

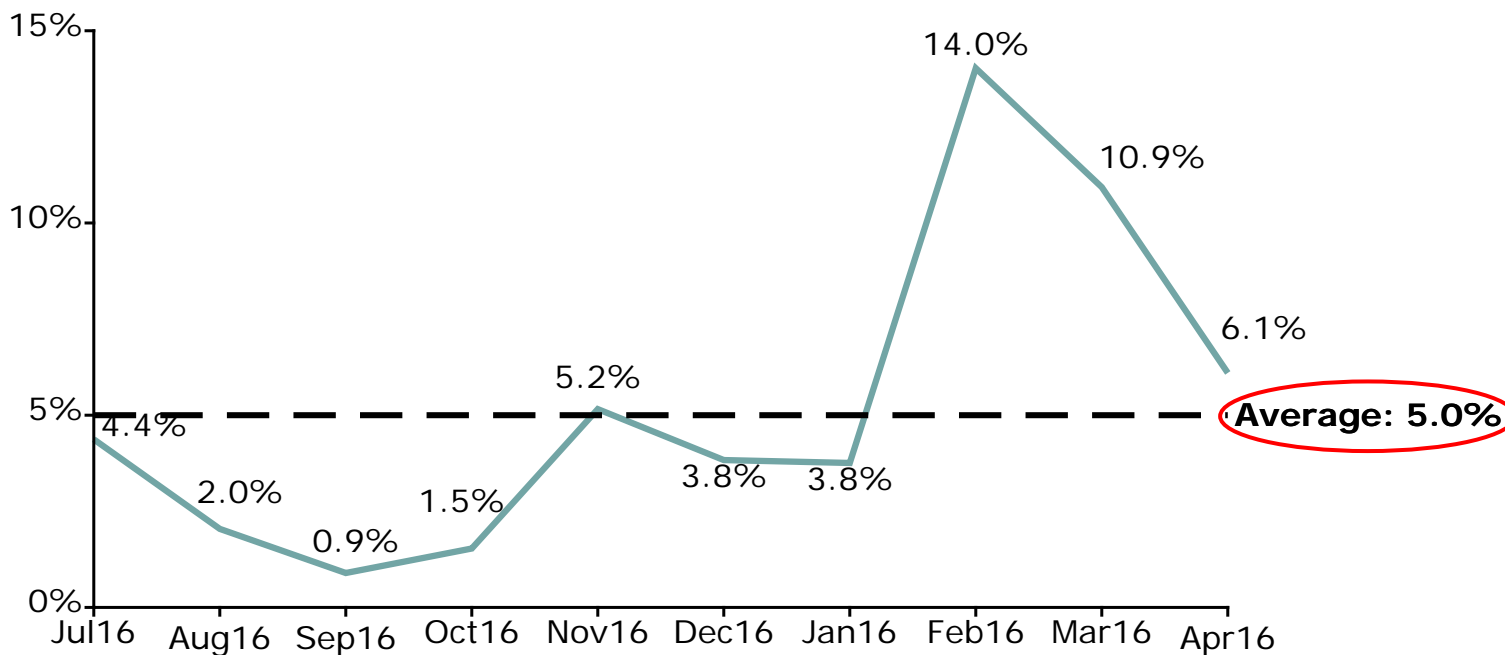
Note: Chart above shows “unallocated” commuter rail revenue, prior to CTPS allocation for linked trips to other modes; April 2015 included “fare free day”

Source: MBTA Internal Data



Commuter rail revenue is up 5.0% for the first 10 months of FY16

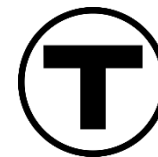
Commuter Rail Fare Revenue (Unallocated) □
 Monthly Revenue Growth Rate over FY15



Commuter Rail Monthly Revenue Growth Rate

Note: Chart above shows “unallocated” commuter rail revenue, prior to CTPS allocation for linked trips to other modes; April 2015 included “fare free day”

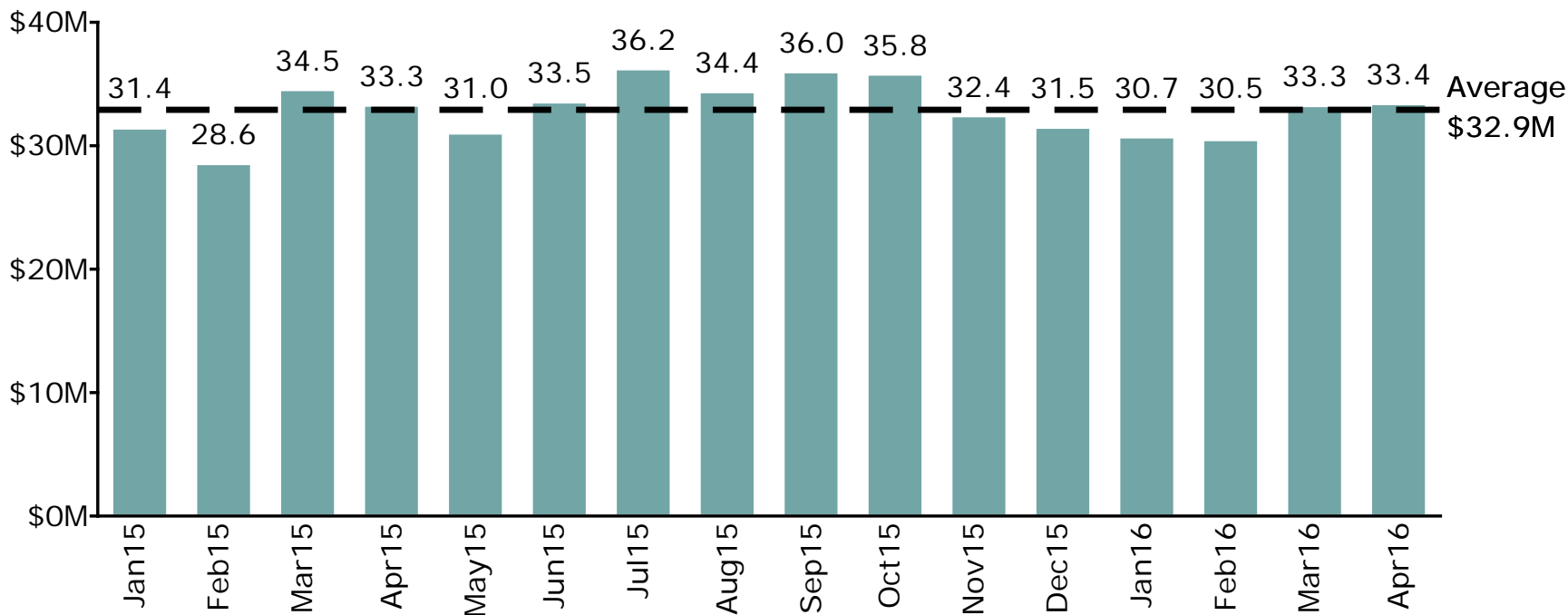
Source: MBTA Internal Data



Subway, Bus, Ferry & RIDE total revenue is level for the first 10 months

Monthly Subway, Bus, Ferry & RIDE Revenue

YTD FY16/FY15 Growth: 0.3%



Monthly Unallocated Subway, Bus, Ferry & RIDE revenue

Year-over-Year Growth by Month

0.5% -1.7% 1.0% 1.8% -0.1% 0.8% -2.3% 6.8% -3.7% 0.4%

Note: Includes adjustments to total fare revenue ; April 2015 included "fare free day"

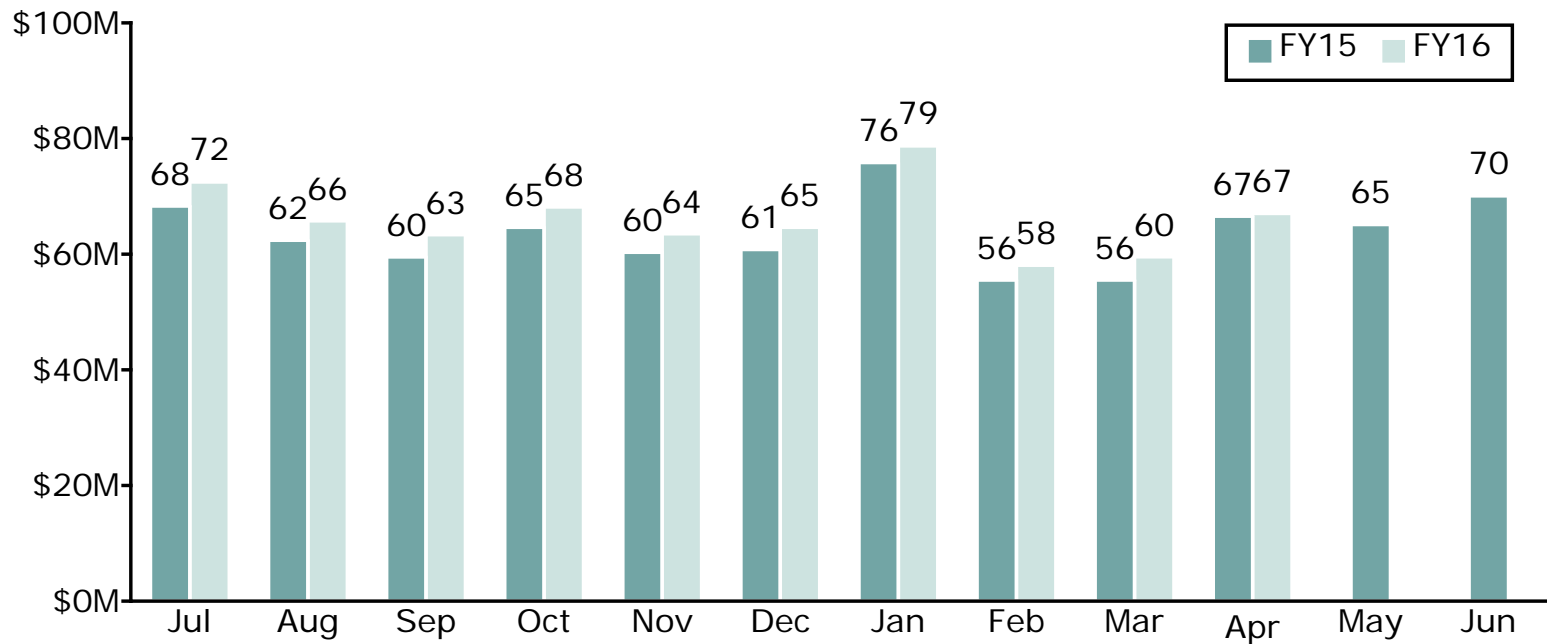
Source: MBTA Internal Data



Dedicated sales tax up 5.1% over FY15 YTD (not including BRA)

Sales and Use Tax Collections (Exclusive of Meals) dedicated to MBTA*

YTD FY16/FY15 Growth: 5.1%



Growth % (month-on-month): 6.1% 5.4% 6.5% 5.4% 5.3% 6.3% 3.8% 4.6% 7.2% 0.7%

*MBTA receives 16% of Sales and Use Tax Collections excluding Meals Tax

^Does not include \$160M in annual additional dedicated revenue or quarterly true-up to BRA

Source: MBTA Internal Data; MA Monthly Revenue Collection