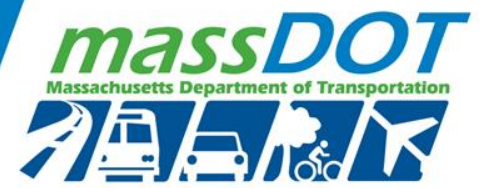




MassDOT
FY17 Preliminary Year End Budget Update
October 16, 2017



Fiscal Year 2017 Highlights

- FY17 results have been impacted as a result of three major events that occurred subsequent to the recast budget being approved by the Board on January 23, 2017 :
 - Non-toll snow and ice totals are \$126M , \$34M greater than budgeted (which included \$30M in supplemental funding)
 - Toll Operating Revenue exceeded budget by \$29M or 5.5%
 - Toll Operating Expenditures below budget by \$25M or 6.0%
- Excess Revenues over Expenditures in Toll Operating are redirected to Pay-Go Capital to fund improvements on the roadway
- In aggregate, our results are nearly \$7 million ahead of our recast budget



FY17 Revenue and Expenditures Statement

(\$ in 000's)	Non-Toll Operating	Toll Operating	Federal Grants	MVITF	Total FY17 Actual	FY17 Budget	\$ Variance	% Variance
REVENUE:								
Toll Revenue	0	436,999	0	0	436,999	411,286	25,713	6.3%
Operating Revenue	58,524	0	0	0	58,524	69,898	(11,375)	(16.3%)
Commonwealth Transfers	434,781	125,000	0	0	559,781	575,781	(16,000)	(2.8%)
Federal Grants	0	0	41,714	0	41,714	49,357	(7,642)	(15.5%)
Motor Vehicle Inspection Trust Fund	0	0	0	57,815	57,815	54,607	3,208	5.9%
Investment Income	818	7,081	0	164	8,062	3,452	4,611	133.6%
TOTAL REVENUES	494,122	569,080	41,714	57,979	1,162,896	1,164,380	(1,485)	(0.1%)
EXPENDITURES:								
Employee Payroll, Fringe and Other Benefits	298,543	90,400	757	3,623	393,323	415,849	(22,526)	(5.4%)
Materials, Supplies, Services	29,154	75,797	3,547	12,927	121,424	124,505	(3,081)	(2.5%)
Office and Administrative Expenses	55,126	40,162	509	477	96,275	101,875	(5,600)	(5.5%)
Construction and Maintenance	117,793	12,459	6,563	0	136,815	113,989	22,826	20.0%
Grants, Subsidies, Contract Assistance	83,135	2,138	30,956	0	116,228	116,304	(75)	(0.1%)
Debt Service	0	167,740	0	0	167,740	167,472	269	0.2%
TOTAL EXPENDITURES	583,751	388,695	42,331	17,028	1,031,805	1,039,993	(8,187)	(0.8%)
Excess (deficit) Revenue over Expenditures before OFS	(89,629)	180,385	(617)	40,952	131,091	124,388	6,703	5.4%
Other Financing Sources (OFS):								
Transfer In/(Out)	44,082	0	0	(44,082)	0	0		
Reserves	0	0	0		0	0	0	
Total Other financing Sources	44,082	0	0	(44,082)	0	0	0	
							0	
Net Revenue (Expense)	(45,547)	180,385	(617)	(3,130)	131,091	124,388	6,703	

Notes: Expenditures excluding PayGO Capital



FY17 Non-Toll Operating Revenue

(\$ in 000's)	FY16 Actual	FY17 Actual	FY17 Budget	\$ FY 17 Actual vs Budget	% FY 17 Actual vs Budget
REVENUE:					
Operating Revenue:	89,435	58,524	69,898	(11,375)	(16.3%)
Commonwealth Transfers:	408,021	434,781	450,781	(16,000)	(3.5%)
Investment Income	389	818	90	728	808.5%
TOTAL OPERATING REVENUE	497,845	494,122	520,769	(26,647)	(5.1%)

- (\$11M) Operating Revenue below budget due to real estate transaction pushed to FY18 and lease income and federal reimbursements coming in over budget
- (\$16M) Commonwealth Transfers below budget
 - The budget assumed \$30M for supplemental. At this time only \$14M has been received and another \$50M is anticipated to cover the Snow and Ice shortfall



FY17 Non-Toll Operating Expenditures

(\$ in 000's)	FY16 Actual	FY17 Actual	FY17 Budget	\$ FY 17 Actual vs Budget	% FY 17 Actual vs Budget
EXPENDITURES:					
Employee Payroll, Fringe and Other Benefits	282,239	298,543	299,371	(828)	(0.3%)
Materials, Supplies, Services	31,791	29,154	32,418	(3,264)	(10.1%)
Office and Administrative Expenses	55,806	55,126	57,577	(2,451)	(4.3%)
Construction and Maintenance	77,363	117,793	86,870	30,923	35.6%
Grants, Subsidies, Contract Assistance	82,800	83,135	83,626	(491)	(0.6%)
TOTAL OPERATING EXPENDITURES	529,999	583,751	559,862	23,889	4.3%

- (\$3M) Materials, Supplies, Services below budget
 - (\$2M) Moving expenses for 10 Park Plaza tenants added to budget but not spent
- (\$2M) Office and Administrative Expenses
 - IT and Utilities expenses below budget
- \$31M Construction and Maintenance exceeds budget
 - \$31M snow and ice materials and hired equipment expenses



FY17 Toll Operating Revenue

(\$ in 000's)	FY16 Actual	FY17 Actual	FY17 Budget	\$ FY 17 Actual vs Budget	% FY 17 Actual vs Budget
REVENUE:					
Toll Revenue	450,694	436,999	411,286	25,713	6.3%
Commonwealth Transfers	125,000	125,000	125,000	0	0.0%
Investment Income	5,000	7,081	3,362	3,719	110.6%
TOTAL OPERATING REVENUE	580,693	569,080	539,648	29,432	5.5%

- \$26M Toll Revenue exceed budget
 - Transaction volumes are greater than projected by Jacobs and collections of pre-AET and post-AET violations are greater than projected
- \$3.7M Investment income exceed budget
 - \$3.7M in Mass Municipal Depository Trust yields in FY17
- Excess Revenues over Expenditures in Toll Operating are redirected to Pay-Go Capital to fund improvements on the roadway



FY17 Toll Operating Expenditures

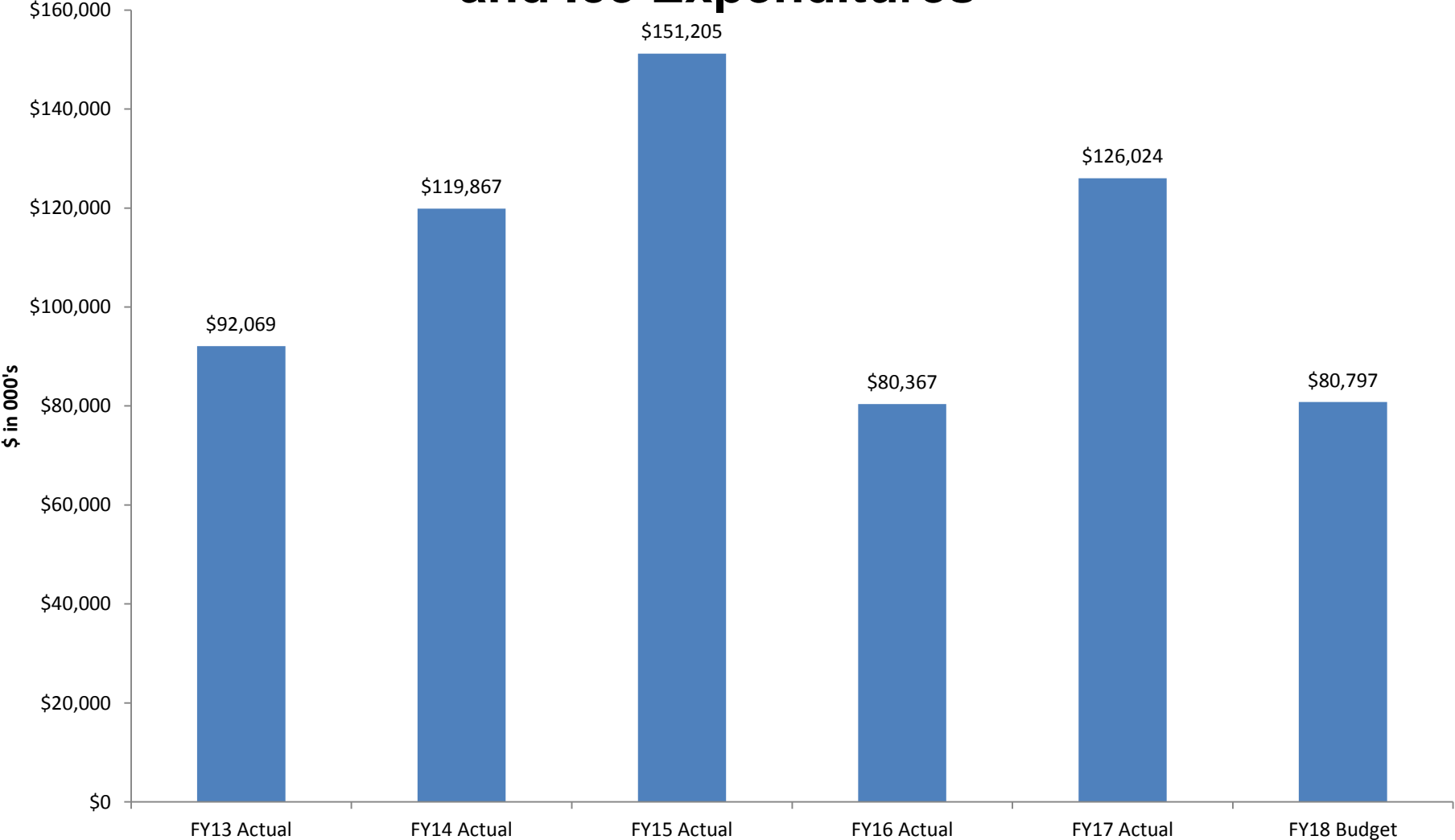
(\$ in 000's)	FY16 Actual	FY17 Actual	FY17 Budget	\$ FY 17 Actual vs Budget	% FY 17 Actual vs Budget
EXPENDITURES:					
Employee Payroll, Fringe and Other Benefits	94,127	90,400	112,145	(21,745)	(19.4%)
Materials, Supplies, Services	63,320	75,797	72,589	3,208	4.4%
Office and Administrative Expenses	44,780	40,162	43,506	(3,344)	(7.7%)
Construction and Maintenance	14,052	12,459	15,512	(3,054)	(19.7%)
Grants, Subsidies, Contract Assistance	1,988	2,138	2,138	(0)	(0.0%)
Debt Service	170,112	167,740	167,472	269	0.2%
TOTAL OPERATING EXPENDITURES	388,380	388,695	413,362	(24,667)	(6.0%)

- (\$22M) Employee Payroll, Fringe and Other Benefits under budget
 - Delays in staff hiring and pension payout less than anticipated
- \$3M Materials, Supplies, Services over budget offset by (\$3M) Office and Admin under budget
 - Variances due to how AET credit card fees were budgeted vs how the actual expenses were recorded
- (\$3M) Construction and Maintenance under budget
 - (\$2M) Insurance expenses on toll booths no longer needed due to AET

Notes: Expenditures excluding PayGO Capital



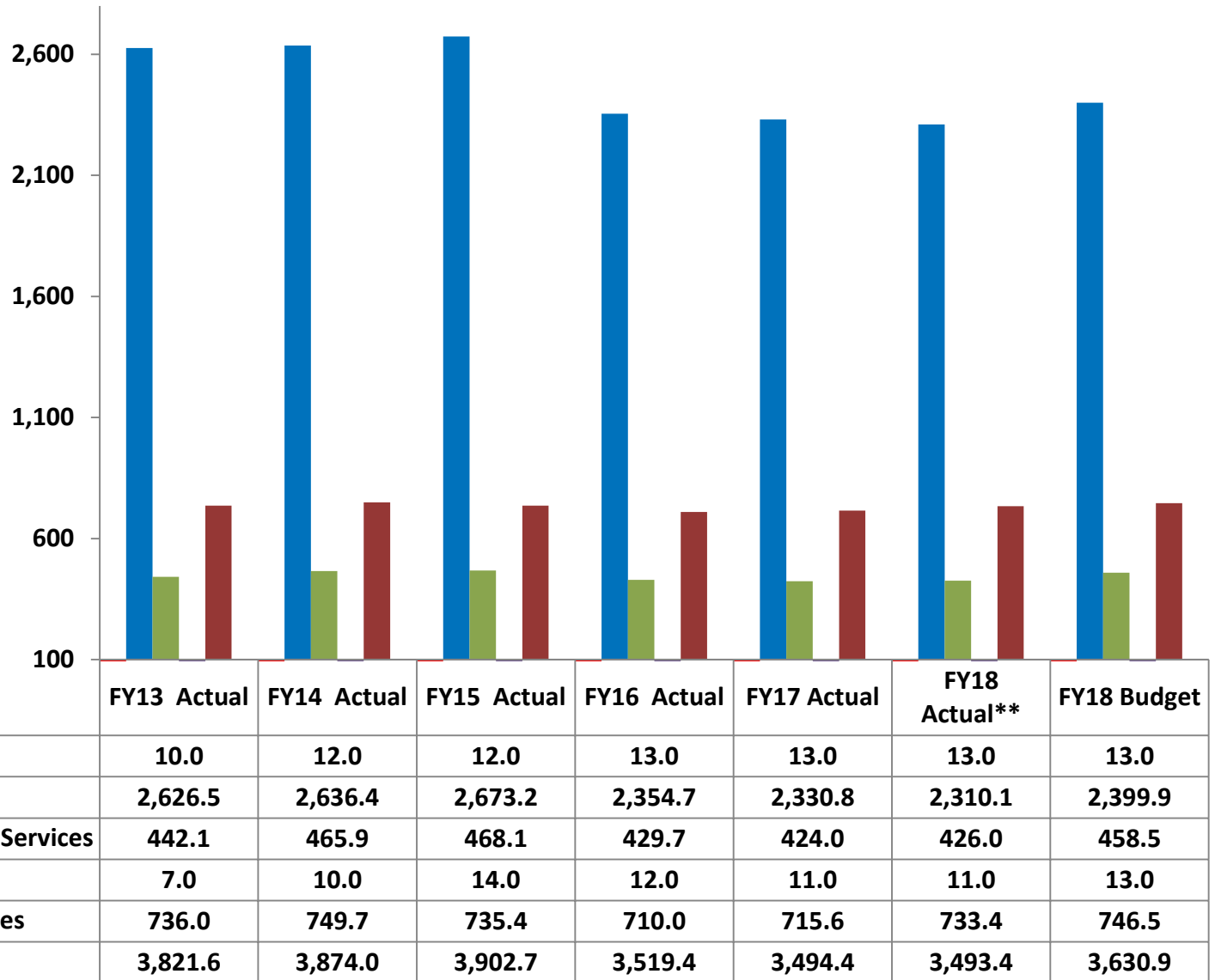
Historical Non-Toll Operating 5 Years Snow and Ice Expenditures



Notes: The FY18 Snow and Ice budget includes \$19.1M in supplemental funding



Historical 5 Year MassDOT FTE



*Adjusted to exclude toll takers from Highway FY13– FY17 for comparison purposes

**FY18 Actual FTE count is FTE payroll count as of September 30, 2017

