



Massachusetts Bay Transportation Authority

Operating Budget Stability

February FY16 YTD Financial Update

Report to Fiscal and Management Control Board



Agenda

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



Executive Summary

- **Structural deficit is 48% (\$75M) below budget** and 37% (\$44M) below FY15 YTD
- February has maintained a **low rate of operating expense growth at -0.4%** YTD compared with FY15
 - Operating expense controlled by **active management of employee costs** (5% below budget) **and Materials & Services expenses** (15% below budget)
- **Own-Source revenues are up 19%** (\$5.6M) over FY15 YTD



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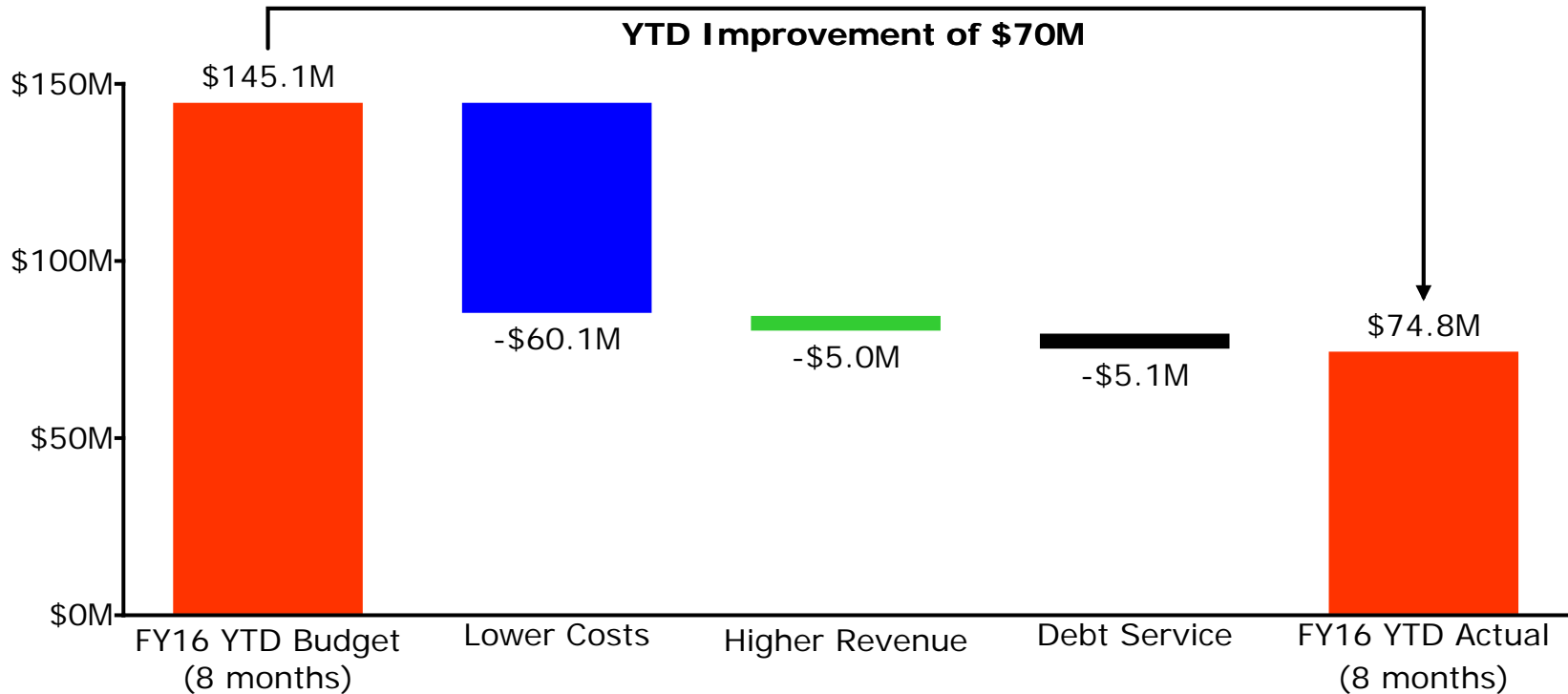
Structural deficit has been reduced by 48.4% (\$70.2M) YTD

		FEBRUARY FY16 YTD PERFORMANCE AGAINST FY16 BUDGET			
(\$M)		FY16 YTD BUDGET	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
REVENUES	Operating Revenues	\$442.6	\$447.5	\$4.9	1.1%
	Non-Operating Revenues	\$759.5	\$759.5	\$0.1	0.0%
	Total Revenues	\$1,202.1	\$1,207.1	\$5.0	0.4%
EXPENSES	Wages, Benefits and Payroll Taxes	\$512.4	\$488.9	(\$23.5)	(4.6%)
	Non-Wage	\$530.4	\$493.7	(\$36.7)	(6.9%)
	Operating Expenses	\$1,042.7	\$982.6	(\$60.1)	(5.8%)
	Debt Service	\$304.4	\$299.3	(\$5.1)	(1.7%)
	Total Expenses	\$1,347.1	\$1,281.9	(\$65.2)	(4.8%)
Structural Deficit		(\$145.1)	(\$74.8)	\$70.2	(48.4%)
<i>Fare Recovery Ratio</i>		<i>39%</i>	<i>42%</i>		



Structural deficit has been reduced by \$70M YTD

February FY16 YTD Budget to Actual Structural Deficit

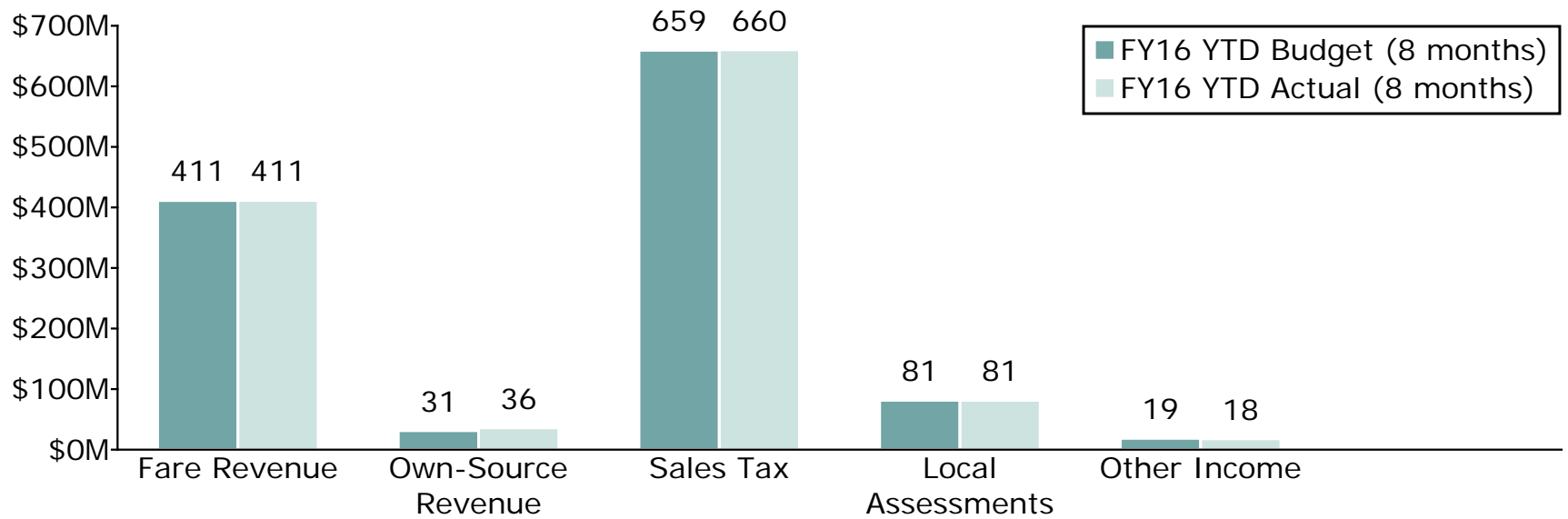


Source: MBTA Internal Data. Analysis above excludes revenue from monthly FY16 Additional Assistance payments (forecast at \$187M for full FY16).



Revenues have exceeded budget by 0.4% (\$5.0M), driven by Own-Source growth

Total Revenues - Budget vs. Actual Comparison



						Total
\$ Variance	\$0.1M	\$4.8M	\$0.8M	\$0.0M	-\$0.7M	\$5.0M
% Variance	0.0%	15.3%	0.1%	0.0%	-3.9%	0.4%

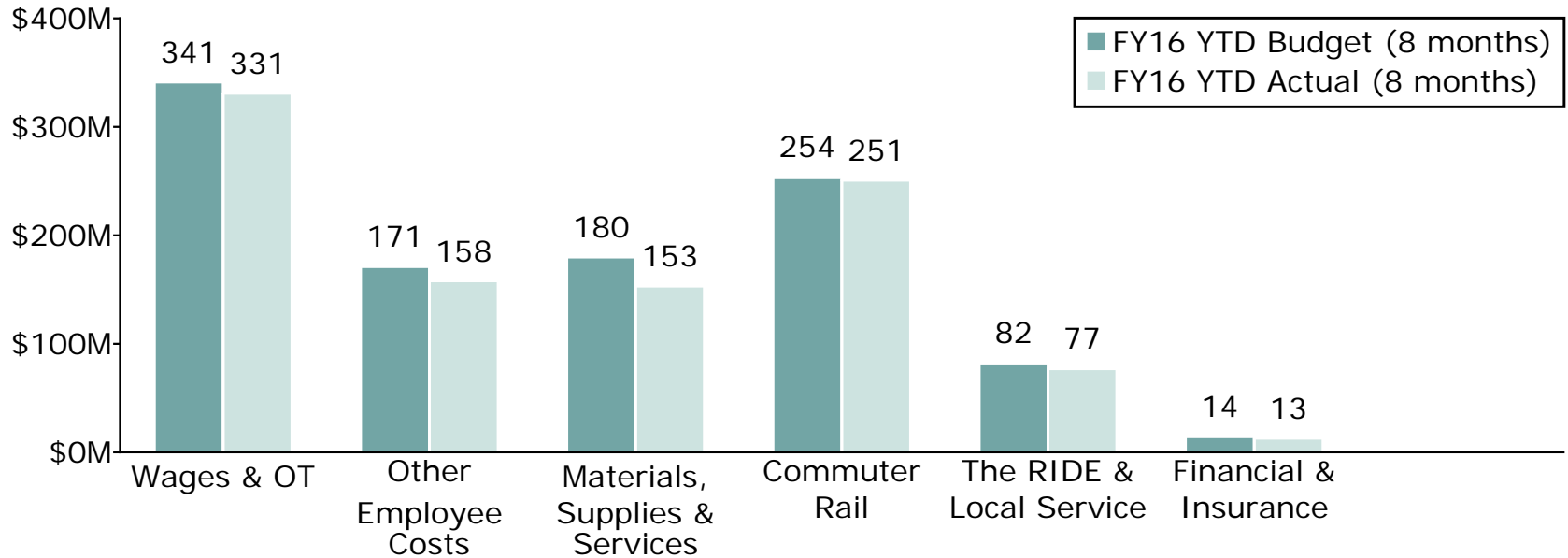
Source: MBTA Internal Data
Fiscal and Management Control Board

Draft for Discussion & Policy Purposes Only



Operating expenses are under budget by 5.8% (\$60.1M), due to decreases across the Authority

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



	Total						
\$ Variance	-\$10.4M	-\$13.1M	-\$26.8M	-\$3.2M	-\$5.3M	-\$1.4M	-\$60.1M
% Variance	-3.0%	-7.7%	-14.9%	-1.3%	-6.4%	-9.8%	-5.8%

Note: Lower energy costs contributed \$13.7M of the \$60.1M operating expense positive variance against budget (\$5.1M CR fuel; \$3.1M bus fuel; \$5.5M power/utilities).

Source: MBTA Internal Data



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Structural deficit is down 37.1% (\$44.1M) YTD from FY15

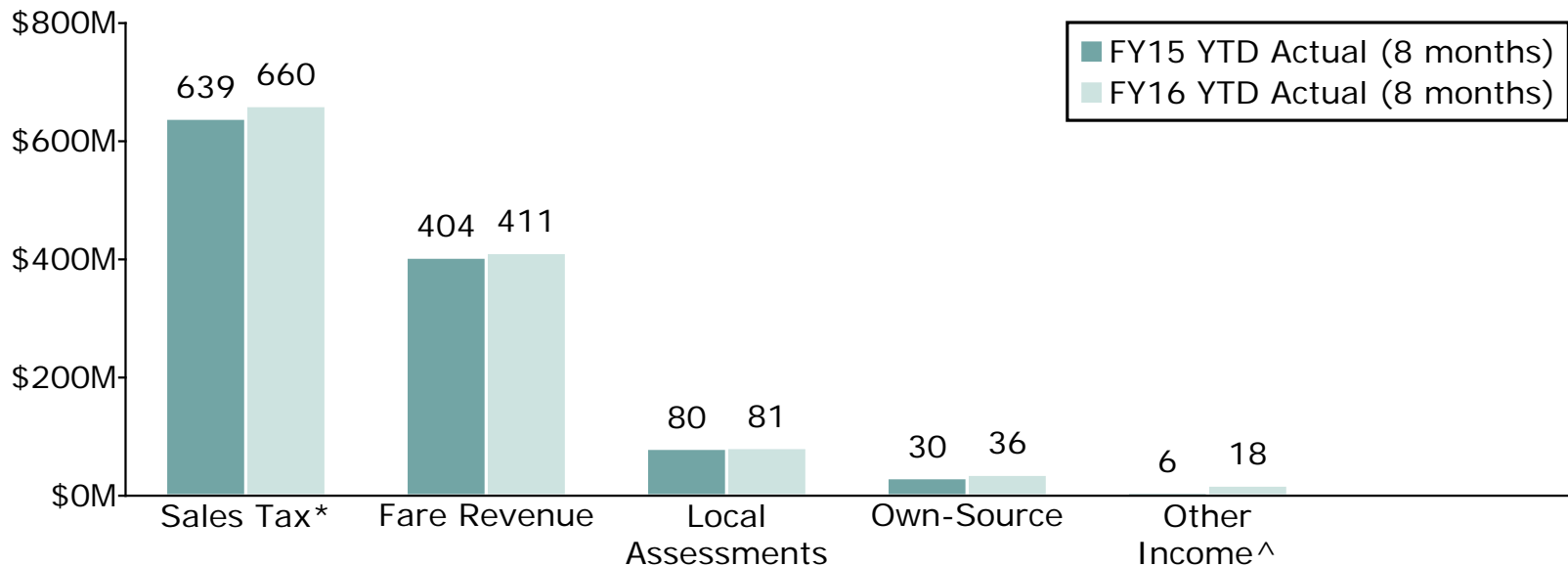
FEBRUARY FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR

	(\$M)	FY15 YTD ACTUAL	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
REVENUES	Operating Revenues	\$434.0	\$447.5	\$13.5	3.1%
	Non-Operating Revenues	\$724.5	\$759.5	\$35.0	4.8%
	Total Revenues	\$1,158.6	\$1,207.1	\$48.5	4.2%
EXPENSES	Wages, Benefits and Payroll Taxes	\$485.4	\$488.9	\$3.5	0.7%
	Non-Wage	\$500.9	\$493.7	(\$7.2)	(1.4%)
	Operating Expenses	\$986.2	\$982.6	(\$3.6)	(0.4%)
	Debt Service	\$291.3	\$299.3	\$8.0	2.7%
	Total Expenses	\$1,277.5	\$1,281.9	\$4.4	0.3%
Structural Deficit		(\$118.9)	(\$74.8)	\$44.1	(37.1%)
Fare Recovery Ratio		41%	42%		



Total revenue has increased 4.2% (\$48.5M) YTD

Total Revenue - FY16 YTD vs. FY15 YTD

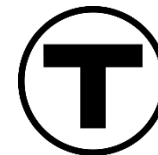


	Sales Tax*	Fare Revenue	Local Assessments	Own-Source	Other Income^	Total
\$ Change	\$21.5M	\$7.8M	\$1.4M	\$5.6M	\$12.2M	\$48.5M
% Change	3.4%	1.9%	1.7%	18.5%	214.9%	4.2%

* ~\$11M in difference between FY16 and FY15 due to increase in Base Tax Revenue; ~\$10M due to timing of booked revenue; timing discrepancy to be corrected in March

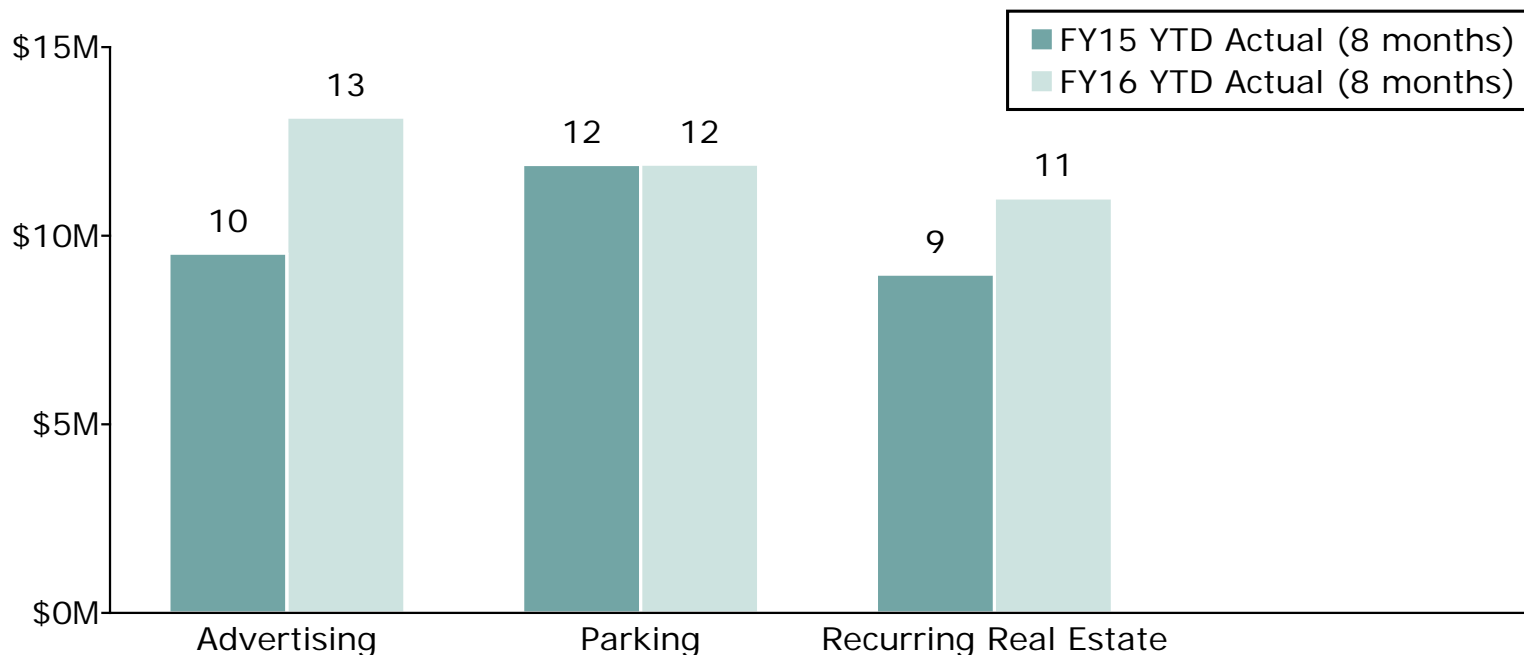
^ GLX Mitigation income from Mass DOT

Source: MBTA Internal Data



Own-Source revenue is up 18.5% (\$5.6M) YTD due to advertising and recurring real estate

Own-Source Revenue - FY16 YTD vs. FY15 YTD



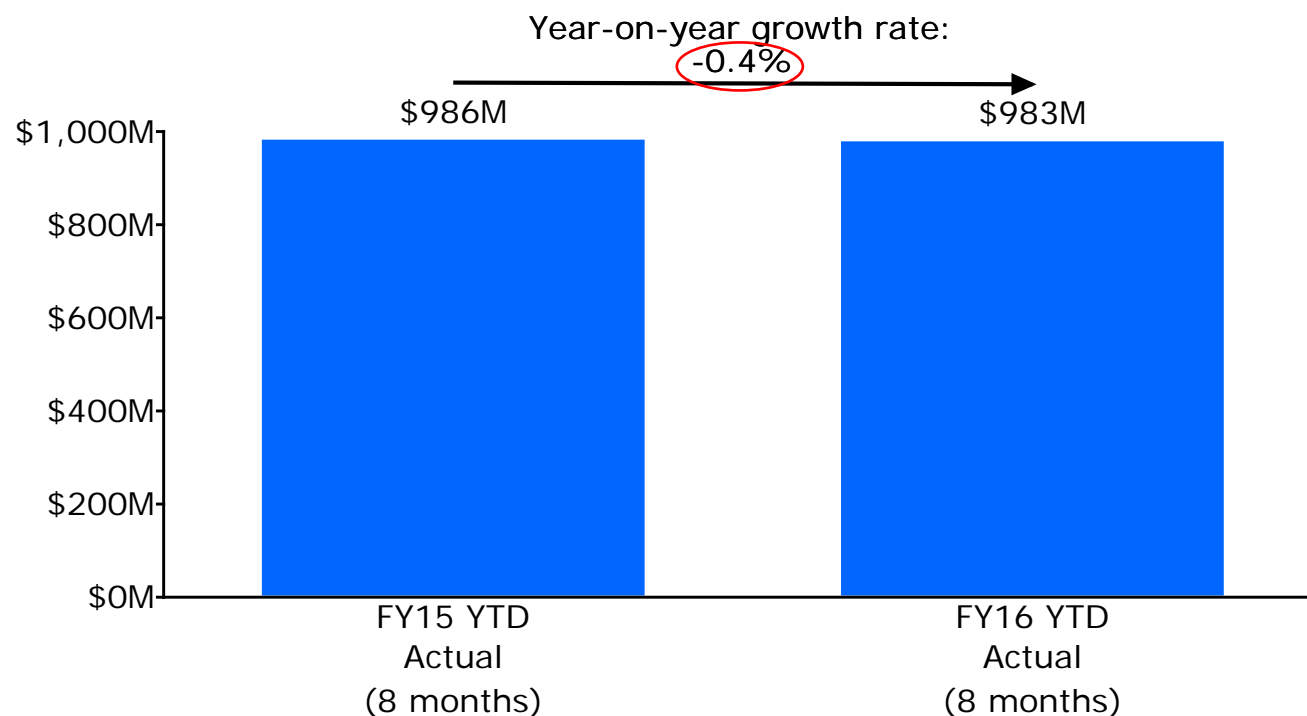
				Total
\$ Change	\$3.6M	\$0.0M	\$2.0M	\$5.6M
% Change	37.8%	0.1%	22.5%	18.5%

Source: MBTA Internal Data
Fiscal and Management Control Board



Operating expense growth near zero over first 8 months

Operating Expense (Excluding Debt Service)



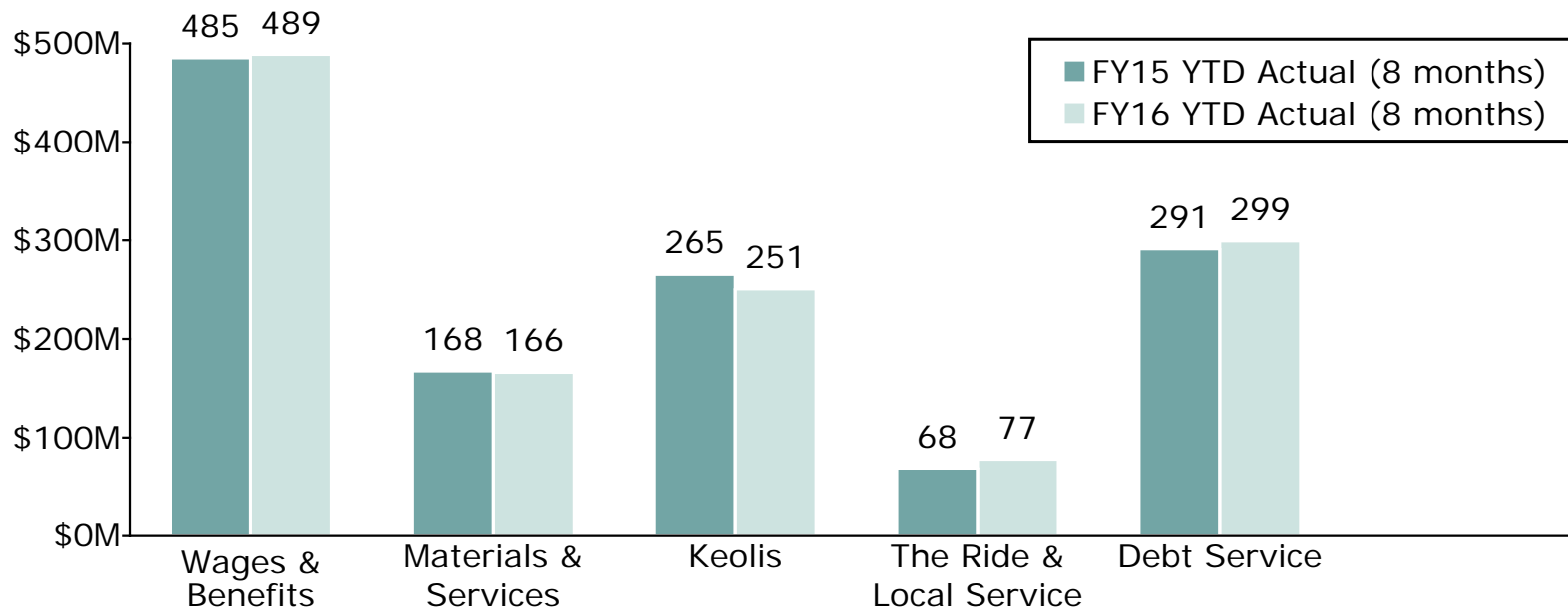
Note: Energy costs were \$4.0M lower in YTD FY16 than in YTD FY15 (decrease of \$2.2M for CR fuel and \$1.9M for bus fuel off set by \$0.1M increase for power/utilities)

Source: MBTA Internal Data



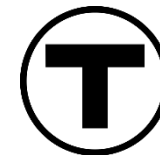
Total Expenses (Including Debt Service) up 0.3% (\$4.4M) YTD

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



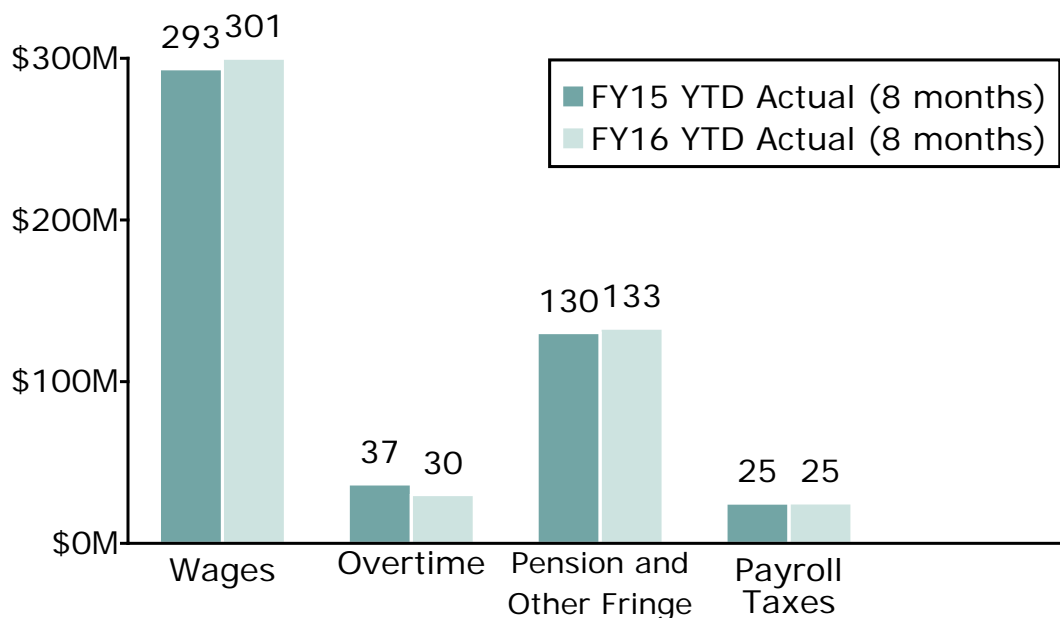
	Wages & Benefits	Materials & Services	Keolis	The Ride & Local Service	Debt Service	Total
\$ Change	\$3.5M	-\$1.4M	-\$14.7M	\$9.0M	\$8.0M	\$4.4M
% Change	0.7%	-0.9%	-5.5%	13.3%	2.7%	0.3%

Source: MBTA Internal Data
Fiscal and Management Control Board



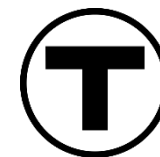
Employee costs up 0.7% (\$3.5M) YTD, with wage increases offset by lower overtime

Total Employee Costs - FY16 YTD vs. FY15 YTD



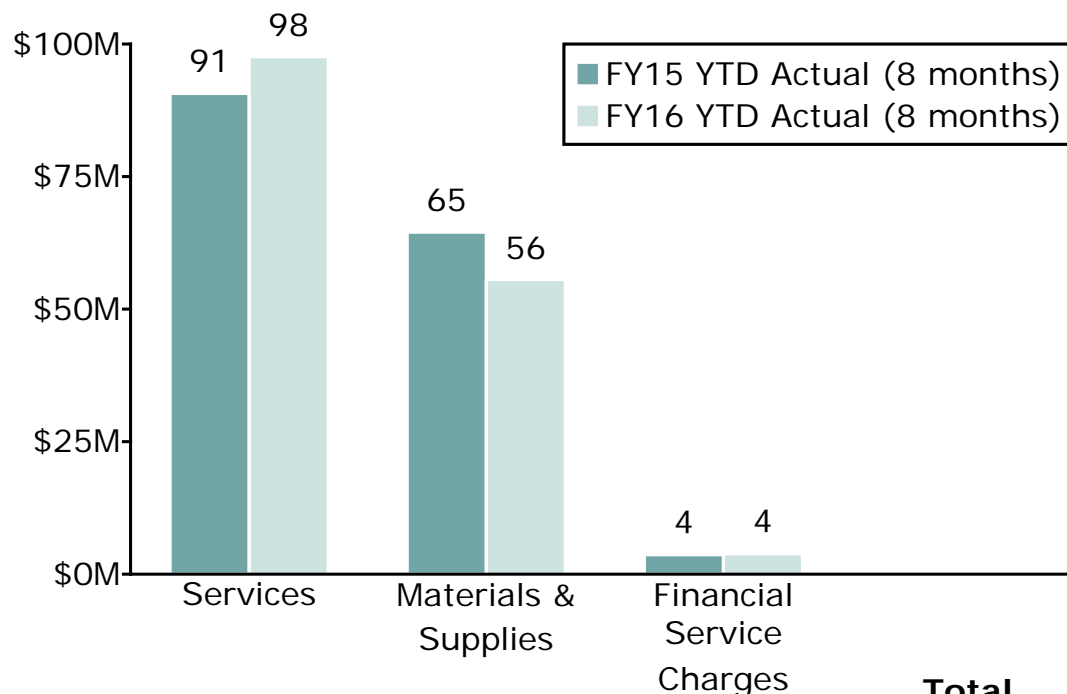
Change in employee costs	\$3.5M
Wages	\$7.3M
Overtime	(\$6.6M)
Fringe expense	\$2.7M
Payroll taxes	\$0.1M

					Total
\$ Change	\$7.3M	-\$6.6M	\$2.7M	\$0.1M	\$3.5M
% Change	2.5%	-17.9%	2.1%	0.4%	0.7%



Materials and services costs down 1.2% (\$1.8M)

Materials and Services - FY16 YTD vs. FY15 YTD



\$ Change	\$6.9M	-\$8.9M	\$0.2M	<u>Total</u>	-\$1.8M
% Change	7.6%	-13.9%	4.5%		-1.2%

Change in Materials and Services

(\$1.8M)

Services

\$6.9M

Computer services	\$2.0M
Contract cleaning	\$0.1M
Engineering	\$3.3M
Utilities	(\$1.6M)
Temporary help	\$1.8M
Other services	\$1.3M

Materials and Supplies

(\$8.9M)

Equipment components	(\$10.8M)
Fuel	(\$1.9M)
Maint. supplies/other materials	\$3.7M

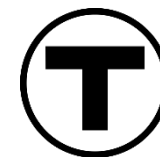
Financial Service Charges

\$0.2M



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Against Recast, Structural Deficit is 9.4% (\$7.7M) lower than expected

		FEBRUARY FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				FEBRUARY FY16 YTD PERFORMANCE AGAINST FY16 RECAST			
(\$M)		FY16 YTD RECAST	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	FY16 YTD RECAST	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
REVENUES	Operating Revenues	\$442.6	\$447.5	\$4.9	1.1%	\$444.8	\$447.5	\$2.7	0.6%
	Non-Operating Revenues	\$759.5	\$759.5	\$0.1	0.0%	\$751.4	\$759.5	\$8.1	1.1%
	Total Revenues	\$1,202.1	\$1,207.1	\$5.0	0.4%	\$1,196.2	\$1,207.1	\$10.8	0.9%
EXPENSES	Wages, Benefits and Payroll Taxes	\$512.4	\$488.9	(\$23.5)	(4.6%)	\$490.1	\$488.9	(\$1.2)	(0.3%)
	Non-Wage	\$530.4	\$493.7	(\$36.7)	(6.9%)	\$492.6	\$493.7	\$1.1	0.2%
	Operating Expenses	\$1,042.7	\$982.6	(\$60.1)	(5.8%)	\$982.7	\$982.6	(\$0.1)	0.0%
	Debt Service	\$304.4	\$299.3	(\$5.1)	(1.7%)	\$298.6	\$299.3	\$0.7	0.2%
	Total Expenses	\$1,347.1	\$1,281.9	(\$65.2)	(4.8%)	\$1,281.2	\$1,281.9	\$0.7	0.1%
Structural Deficit		(\$145.1)	(\$74.8)	\$70.2	(48.4%)	(\$85.0)	(\$74.8)	\$10.2	(12.0%)
Fare recovery ratio		39%	42%			42%	42%		



Total Revenues are above budget by 0.4% (\$5.0M)

		FEBRUARY FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				FEBRUARY 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	\$411.3	\$411.5	\$0.1	0.0%	\$409.3	\$411.5	\$2.2	0.5%
	Own-Source	\$31.3	\$36.0	\$4.8	15.3%	\$35.5	\$36.0	\$0.5	1.5%
	Operating	\$442.6	\$447.5	\$4.9	1.1%	\$444.8	\$447.5	\$2.7	0.6%
NON-OPERATING	Sales Tax	\$659.5	\$660.3	\$0.8	0.1%	\$649.0	\$660.3	\$11.3	1.7%
	Local Assessment	\$81.4	\$81.4	\$0.0	0.0%	\$81.4	\$81.4	\$0.0	0.0%
	Other	\$18.6	\$17.8	(\$0.7)	(3.9%)	\$21.0	\$17.8	(\$3.2)	(15.0%)
	Non-Operating	\$759.5	\$759.5	\$0.1	0.0%	\$751.4	\$759.5	\$8.1	1.1%
Total Revenues		\$1,202.1	\$1,207.1	\$5.0	0.4%	\$1,196.2	\$1,207.1	\$10.8	0.9%
<i>Fare recovery ratio</i>		39%	42%			42%	42%		



Employee expenses are below budget by 4.6% (\$23.5M)

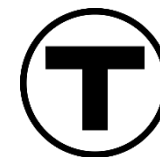
		FEBRUARY FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				FEBRUARY FY16 YTD PERFORMANCE AGAINST FY16 RECAST			
(\$M)		FY16 YTD BUDGET	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	FY16 YTD RECAST	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
WAGES	Regular Wages	\$316.6	\$300.7	(\$15.9)	(5.0%)	\$300.1	\$300.7	\$0.6	0.2%
	Overtime	\$24.6	\$30.1	\$5.5	22.3%	\$32.4	\$30.1	(\$2.3)	(7.1%)
	Wages	\$341.3	\$330.9	(\$10.4)	(3.0%)	\$332.6	\$330.9	(\$1.7)	(0.5%)
BENEFITS AND TAXES	Pension*	\$54.6	\$51.9	(\$2.8)	(5.0%)	\$51.5	\$51.9	\$0.4	0.7%
	Health	\$74.2	\$67.2	(\$7.0)	(9.4%)	\$67.2	\$67.2	(\$0.0)	(0.0%)
	Retiree Health	\$30.3	\$27.5	(\$2.8)	-9.4%	\$27.5	\$27.5	(\$0.0)	(0.0%)
	Health & Welfare Fund	\$7.6	\$6.3	(\$1.4)	(18.0%)	\$6.4	\$6.3	(\$0.1)	(1.6%)
	Other Fringes	\$7.9	\$7.7	(\$0.2)	(3.1%)	\$7.7	\$7.7	(\$0.0)	(0.5%)
	Payroll Taxes	\$26.7	\$25.0	(\$1.8)	(6.6%)	\$24.7	\$25.0	\$0.3	1.1%
	Benefits and taxes	\$171.1	\$158.0	(\$13.1)	(7.7%)	\$157.5	\$158.0	\$0.5	0.3%
Total Wages, Benefits and Taxes		\$512.4	\$488.9	(\$23.5)	(4.6%)	\$490.1	\$488.9	(\$1.2)	(0.3%)

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



Total Non-Wage Expenses are below budget by 6.9% (\$36.7M) [pp. 1/2]

		FEBRUARY FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				FEBRUARY 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	\$46.2	\$41.4	(\$4.8)	(10.4%)	\$42.4	\$41.4	(\$1.0)	(2.4%)
	Services	\$64.1	\$51.6	(\$12.5)	(19.5%)	\$52.8	\$51.6	(\$1.3)	(2.4%)
	Fuel	\$17.0	\$13.9	(\$3.1)	(18.2%)	\$13.5	\$13.9	\$0.4	2.6%
	Utilities	\$35.8	\$30.5	(\$5.3)	(14.8%)	\$28.0	\$30.5	\$2.5	9.0%
	Contract Cleaning	\$16.9	\$15.8	(\$1.1)	(6.4%)	\$16.3	\$15.8	(\$0.5)	(3.0%)
	Materials and Services	\$179.9	\$153.2	(\$26.8)	(14.9%)	\$153.1	\$153.2	\$0.1	0.1%
INSURANCE	Insurance	\$10.0	\$9.1	(\$0.9)	(9.5%)	\$9.8	\$9.1	(\$0.8)	(7.7%)



Total Non-Wage Expenses are below budget by 6.9% (\$36.7M) [pp. 2/2]

		FEBRUARY FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				FEBRUARY 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	\$205.0	\$205.0	(\$0.0)	(0.0%)	\$205.0	\$205.0	\$0.0	0.0%
	Extra Work and Services	\$21.6	\$23.5	\$1.9	8.9%	\$21.8	\$23.5	\$1.7	8.0%
	Fuel	\$27.3	\$22.2	(\$5.1)	(18.6%)	\$21.5	\$22.2	\$0.7	3.3%
	Commuter Rail	\$253.9	\$250.7	(\$3.2)	(1.3%)	\$248.2	\$250.7	\$2.4	1.0%
LOCAL SERVICE	THE RIDE	\$71.9	\$66.8	(\$5.1)	(7.1%)	\$67.2	\$66.8	(\$0.4)	(0.6%)
	Ferry	\$8.7	\$8.5	(\$0.1)	(1.6%)	\$8.5	\$8.5	\$0.0	0.0%
	LSS Other	\$1.7	\$1.6	(\$0.0)	(3.0%)	\$1.6	\$1.6	(\$0.0)	(1.3%)
	Local Service	\$82.3	\$77.0	(\$5.3)	(6.4%)	\$77.4	\$77.0	(\$0.4)	(0.6%)
OTHER	Financial Service Charges	\$4.3	\$3.8	(\$0.5)	(10.6%)	\$4.0	\$3.8	(\$0.2)	(4.8%)
Non-Wage Expenses:		\$530.4	\$493.7	(\$36.7)	(6.9%)	\$492.6	\$493.7	\$1.1	0.2%



Debt Service expense is below budget by 0.2% (\$5.1M)

	FEBRUARY FY16 YTD PERFORMANCE AGAINST FY16 BUDGET				FEBRUARY FY16 YTD PERFORMANCE AGAINST FY16 RECAST			
	FY16 YTD BUDGET	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	FY16 YTD RECAST	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE
Interest	\$158.8	\$154.6	(\$4.1)	(2.6%)	\$153.9	\$154.6	\$0.7	0.5%
Principal	\$142.6	\$141.7	(\$0.9)	(0.7%)	\$141.7	\$141.7	\$0.0	0.0%
Lease	\$3.1	\$3.0	(\$0.0)	(0.8%)	\$3.0	\$3.0	\$0.0	0.0%
Debt Service	\$304.4	\$299.3	(\$5.1)	(1.7%)	\$298.6	\$299.3	\$0.7	0.2%

DEBT SERVICE



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Total Revenues are above FY15 YTD by 4.2% (\$48.5M)

FEBRUARY 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>
OPERATING	Fares, all modes	\$403.6	\$411.5	\$7.8	1.9%	• Ridership improvement
	Own-source	\$30.4	\$36.0	\$5.6	18.5%	• Stronger advertising and real estate proceeds
	Operating	\$434.0	\$447.5	\$13.5	3.1%	
NON-OPERATING	Sales Tax	\$638.8	\$660.3	\$21.5	3.4%	• ~\$11M in difference between FY16 and FY15 due to increase in Base Tax Revenue; ~\$10M due to timing of booked revenue; timing discrepancy to be corrected in March
	Local Assessment	\$80.1	\$81.4	\$1.4	1.7%	• Higher statutory amount
	Other	\$5.7	\$17.8	\$12.2	214.9%	• Federal preventative maintenance funds • GLX mitigation income
	Non-Operating	\$724.5	\$759.5	\$35.0	4.8%	
Total Revenues		\$1,158.6	\$1,207.1	\$48.5	4.2%	

<i>Fare recovery ratio</i>	41%	42%
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Total Wage, Benefit and Tax expenses are below FY15 YTD by 0.7% (\$3.5M)

FEBRUARY FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR

(\$M)

WAGES

BENEFITS AND TAXES

	<u>FY15 YTD ACTUAL</u>	<u>FY16 YTD ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>EXPLANATION</u>
Regular Wages	\$293.5	\$300.7	\$7.3	2.5%	• Collective bargaining increases
Overtime	\$36.7	\$30.1	(\$6.6)	(17.9%)	• Storm overtime down
Wages	\$330.2	\$330.9	\$0.7	0.2%	
Pension*	\$46.5	\$51.9	\$5.4	11.6%	• Tied to higher wage spending and higher contribution rate
Health	\$69.7	\$67.2	(\$2.5)	(3.5%)	• GIC cost control
<i>Retiree Health</i>	<i>\$28.5</i>	<i>\$27.5</i>	<i>(\$1.0)</i>	<i>(3.5%)</i>	• GIC cost control
Health & Welfare Fund	\$4.4	\$6.3	\$1.8	41.2%	• Higher participation rates
Other Fringes	\$9.7	\$7.7	(\$2.0)	(20.8%)	
Payroll Taxes	\$24.9	\$25.0	\$0.1	0.4%	• FICA tied to wages
Benefits and taxes	\$155.2	\$158.0	\$2.8	1.8%	
Total Wages, Benefits and Taxes	\$485.4	\$488.9	\$3.5	0.7%	

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



Non-Wage Expenses are below FY15 YTD by 1.4% (\$7.2M) [pp. 1/2]

FEBRUARY FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR

(\$M)

	FY15 YTD ACTUAL	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	EXPLANATION
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**MATERIALS AND
SERVICES**

Materials	\$48.3	\$41.4	(\$7.0)	(14.4%)	• Equipment components and maintenance supplies
Services	\$43.2	\$51.6	\$8.4	19.4%	• Computer engineering, temporary help, consulting services
Fuel	\$15.8	\$13.9	(\$1.9)	(11.8%)	• Bus fuel savings
Utilities	\$32.2	\$30.5	(\$1.7)	(5.2%)	• Electricity and traction power savings
Contract Cleaning	\$15.7	\$15.8	\$0.1	0.9%	• Contractual
Materials and Services	\$155.2	\$153.2	(\$2.0)	(1.3%)	

INSURANCE

Insurance	\$8.7	\$9.1	\$0.4	4.7%	• Added underground station coverage
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Non-Wage Expenses are below FY15 YTD by 1.4% (\$7.2M) [pp. 2/2]

FEBRUARY FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR						
	(\$M)	FY15 YTD ACTUAL	FY16 YTD ACTUAL	\$ VARIANCE	% VARIANCE	EXPLANATION
COMMUTER RAIL	Fixed Price	\$191.8	\$205.0	\$13.2	6.9%	• Contractual increases
	Extra Work and Services	\$49.2	\$23.5	(\$25.7)	(52.2%)	• Contractual increases
	Fuel	\$24.4	\$22.2	(\$2.2)	(9.0%)	• Train fuel prices
	Commuter Rail	\$265.4	\$250.7	(\$14.7)	(5.5%)	
LOCAL SERVICE	THE RIDE	\$58.2	\$66.8	\$8.6	14.9%	• Contractual increases
	Ferry	\$8.4	\$8.5	\$0.1	1.5%	• Contractual increases
	LSS Other	\$1.4	\$1.6	\$0.2	17.2%	• Contractual increases
	Local Service	\$67.9	\$77.0	\$9.0	13.3%	
OTHER	Financial Service Charges	\$3.7	\$3.8	\$0.2	4.5%	• Credit Card fees from higher fare revenue
Non-Wage Expenses:		\$500.9	\$493.7	(\$7.2)	(1.4%)	



Debt Service Expense is below FY15 YTD by 2.7% (\$8.0M)

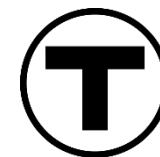
FEBRUARY FY16 YTD PERFORMANCE AGAINST SAME PERIOD LAST YEAR					
(\$M)	<u>FY15 YTD ACTUAL</u>	<u>FY16 YTD ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>EXPLANATION</u>
Interest	\$160.4	\$154.6	(\$5.7)	(3.6%)	• Contractual per amortization schedule
Principal	\$127.7	\$141.7	\$14.0	10.9%	• Contractual per amortization schedule
Lease	\$3.3	\$3.0	(\$0.2)	(7.1%)	• Contractual per amortization schedule
Debt Service	\$291.3	\$299.3	\$8.0	2.7%	

DEBT SERVICE



Agenda

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

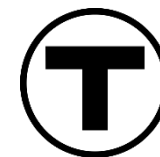


Own-Source revenues are above FY15 YTD by 18.5% (\$5.6M)

FEBRUARY 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	\$9.5	\$13.1	\$3.6	37.8%	• Stronger advertising receipts
Parking	\$11.9	\$11.9	\$0.0	0.1%	• Developing parking strategy to increase revenues
Recurring Real Estate (non-parking)	\$9.0	\$11.0	\$2.0	22.5%	• Stronger tenant revenue for real estate operations <i>[see next slide for detail]</i>
Own-Source revenue	\$30.4	\$36.0	\$5.6	18.5%	



Recurring Real Estate revenues are above FY15 by 23.6% (\$2.1M)

FEBRUARY FY16 YTD Performance Against Same Period Last Year (8 MONTHS)

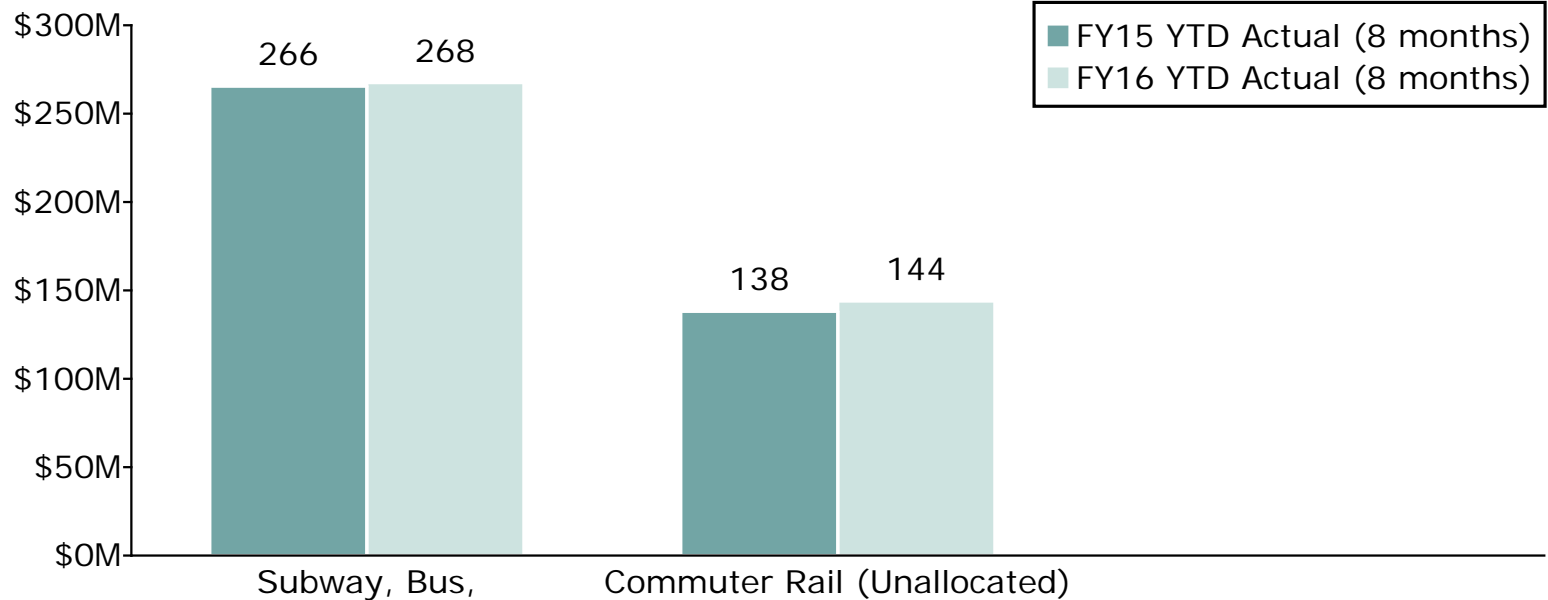
RECURRING REAL ESTATE REVENUE

(\$M)	<u>FY15 YTD ACTUAL</u>	<u>FY16 YTD ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>EXPLANATION</u>
Massport (airport) shuttle	\$1.3	\$1.3	\$0.0	0%	• Consistent with prior year
South Station Intermodal	\$0.6	\$0.6	\$0.0	0%	• Consistent with prior year
Net MRG (Mass Realty Group) Revenue	\$7.0	\$9.1	\$2.1	30%	
<i>Land Rental</i>	\$1.6	\$1.9	\$0.3	18.8%	• Renegotiation of contract
<i>Utilities</i>	\$0.8	\$0.8	\$0.0	0%	• Consistent with prior year
<i>Telecom</i>	\$4.3	\$5.4	\$1.1	25.6%	• Renegotiation of contract
<i>Concessions</i>	\$1.7	\$1.6	(\$0.1)	(5.9%)	• Lease expirations
<i>Advertising</i>	\$1.9	\$2.2	\$0.3	15.8%	• New lease rollout
<i>MRG fees and expenses</i>	(\$3.3)	(\$2.8)	\$0.5	15.2%	• Transition costs in FY15 with TRA
Recurring Real Estate Revenue	\$8.9	\$11.0	\$2.1	23.6%	



Fare revenue is up 1.9% (\$7.8M) YTD

Fare Revenue - FY16 YTD vs. FY15 YTD



	Subway, Bus, Ferry, RIDE	Commuter Rail (Unallocated)	Total
\$ Change	\$2.0M	\$5.8M	\$7.8M
% Change	0.8%	4.2%	1.9%

Note: Chart above shows “unallocated” commuter rail revenue, prior to CTPS allocation for linked trips to other modes.

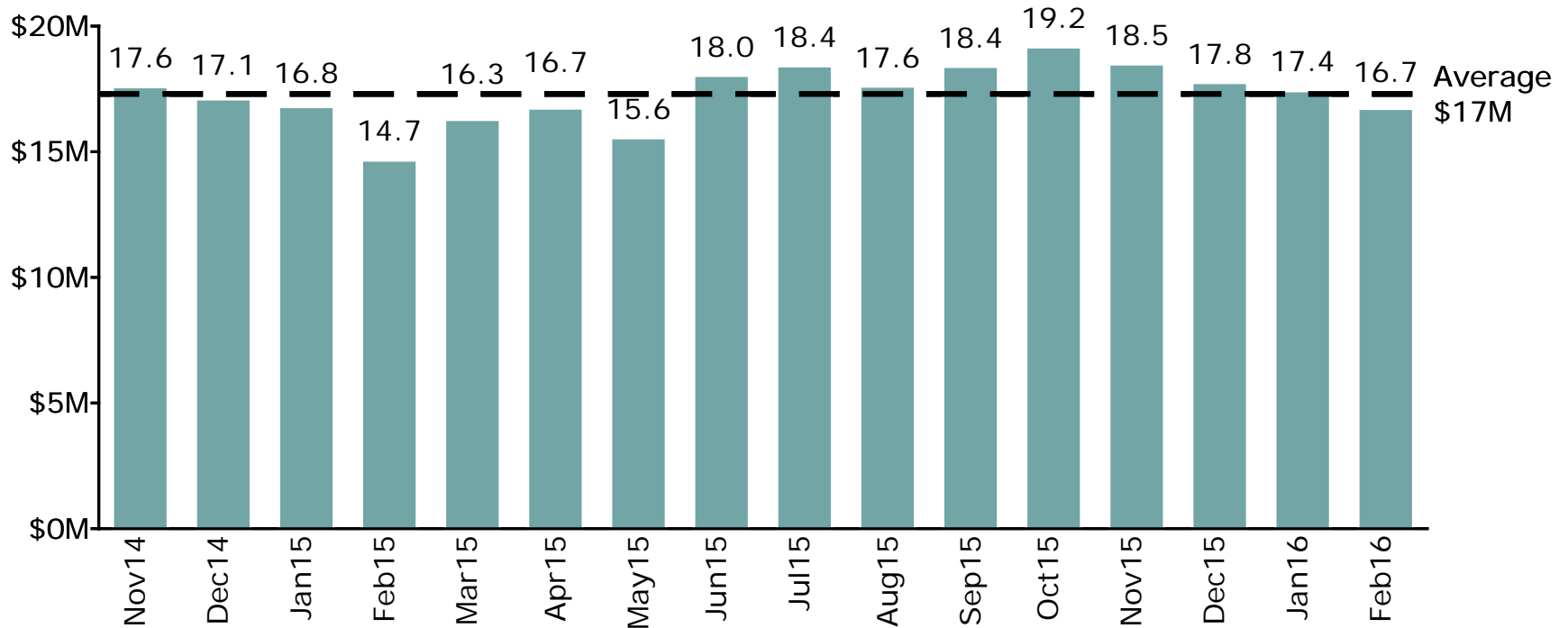
Source: MBTA Internal Data



Commuter rail revenue is up 4.2% for the first 8 months of FY16

Monthly MBTA Commuter Rail Revenue (unallocated)

YTD FY16/FY15 Growth: 4.2%



Year-over Year Growth

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

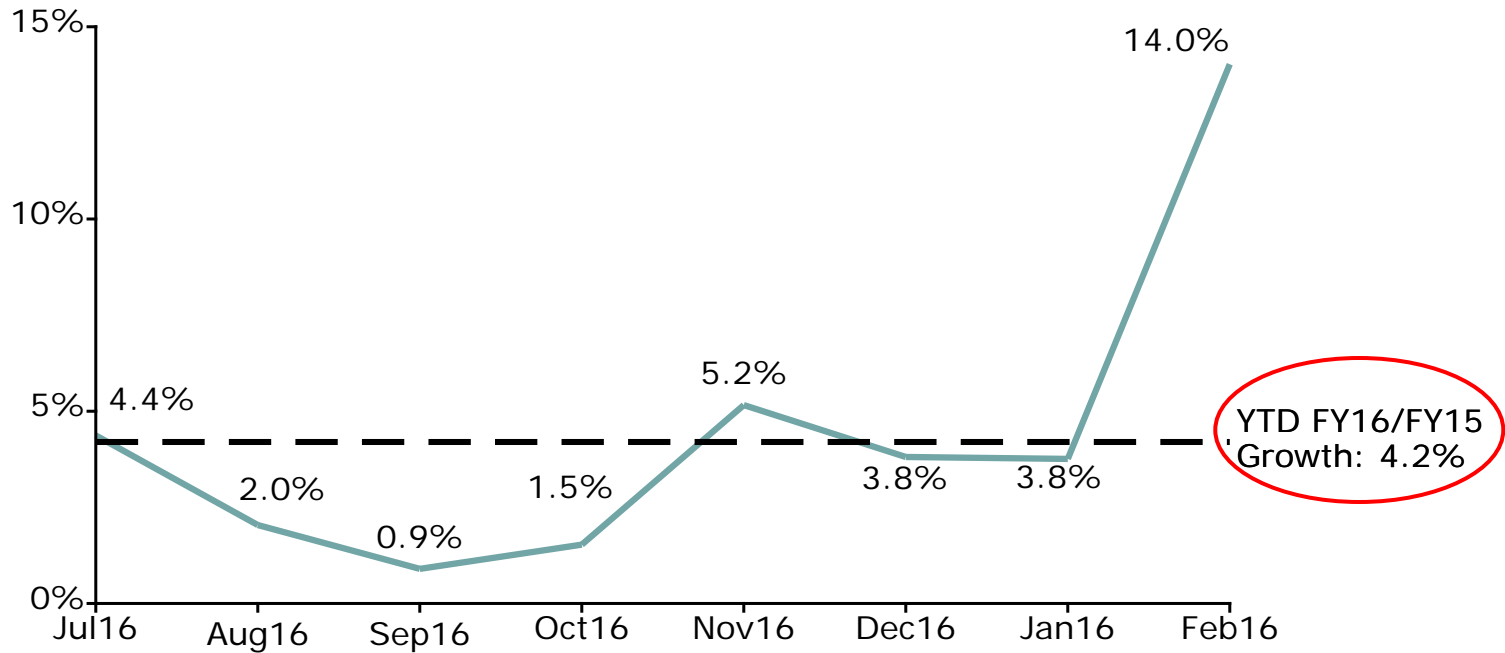
Note: Chart above shows “unallocated” commuter rail revenue, prior to CTPS allocation for linked trips to other modes.

Source: MBTA Internal Data



Commuter rail fare revenue is 4.2% higher in FY16

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



Commuter Rail Revenue (Unallocated) - Monthly Growth Rate

Note: Chart above shows “unallocated” commuter rail revenue, prior to CTPS allocation for linked trips to other modes.

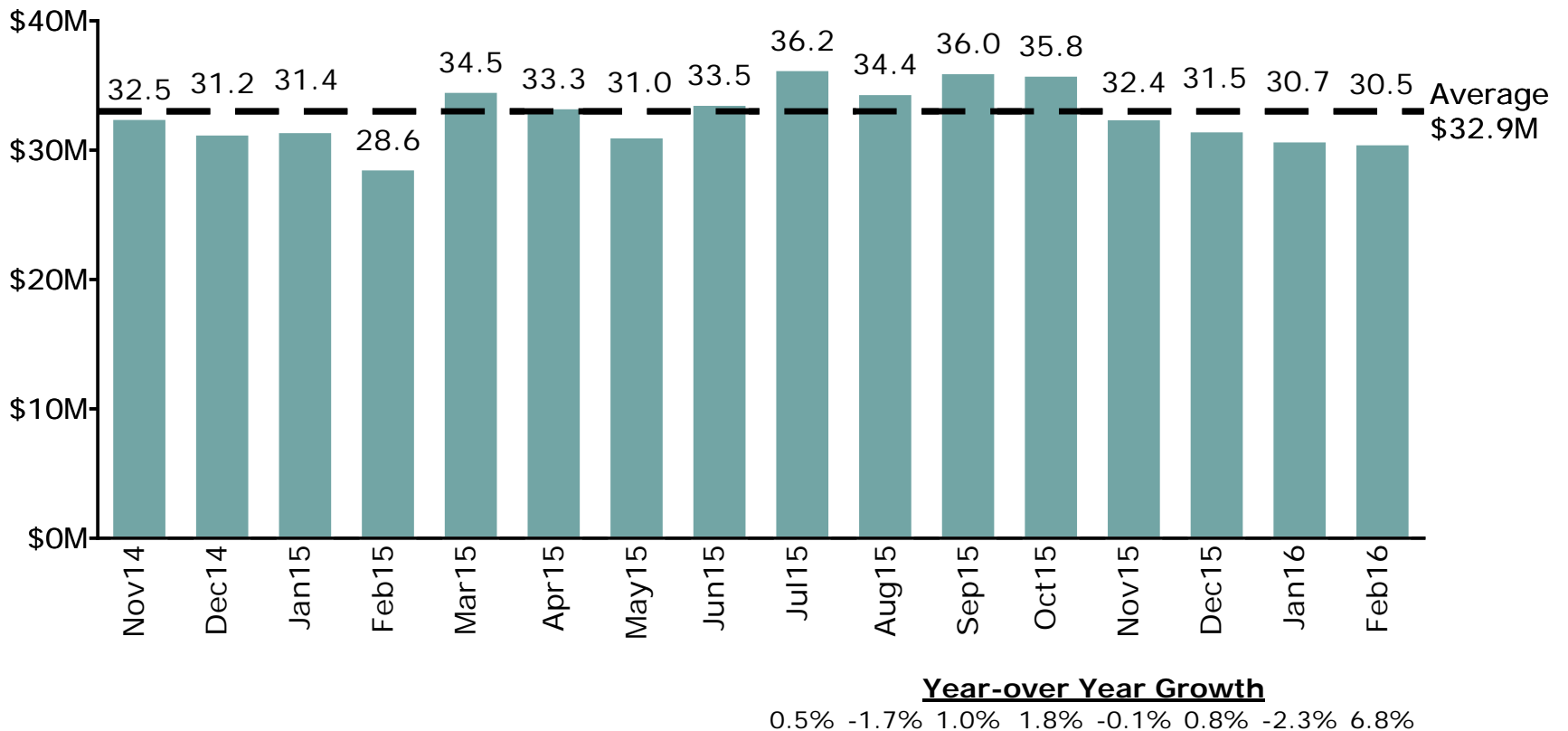
Source: MBTA Internal Data



Subway, Bus, Ferry & RIDE total revenue is level for the first 7 months

Monthly Subway, Bus, Ferry & RIDE Revenue

YTD FY16/FY15 Growth: 0.8%



Source: MBTA Internal Data
Fiscal and Management Control Board

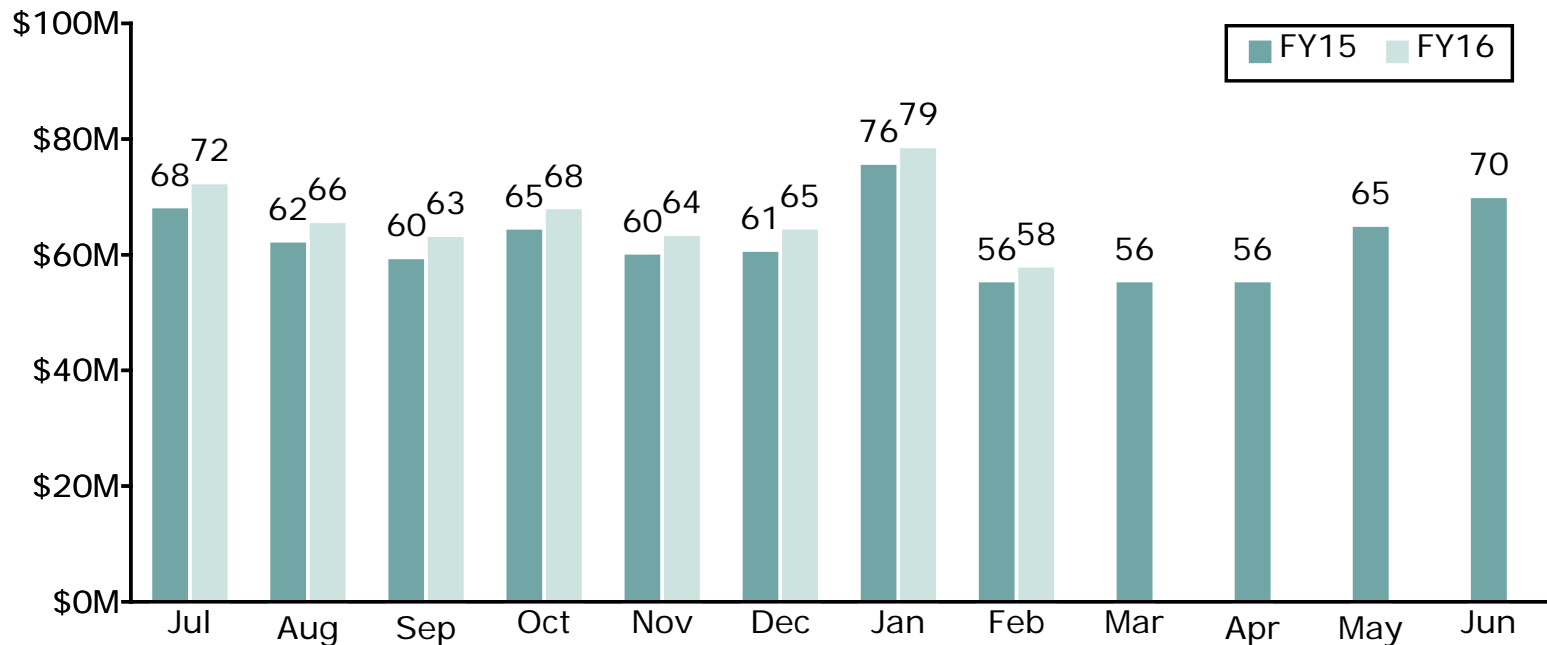
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Dedicated sales tax up 5.4% over FY15 YTD

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

YTD FY16/FY15 Growth: 5.4%



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

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

^Does not include \$160M in annual additional dedicated revenue