



**Massachusetts Bay
Transportation Authority**

Operating Budget Stability

FY17 Financial Update

Report to Fiscal and Management Control Board



Agenda

- **Executive Summary**
- **FY17 Budget and Recast vs. FY17 Actual Results**
- **FY16 Actual Results vs. FY17 Actual Results**
- **Appendix**
 - Additional Detail: FY16 Actual Results vs. FY17 Actual Results
 - Revenue Detail: Own-Source, Fares and Dedicated Sales Tax



Executive Summary

- MBTA operating budget performance exceeded expectations in FY17
- FY17 structural deficit of \$30M was a 65% improvement over FY16 deficit
 - Deficit 63% favorable to FY17 approved structural deficit of \$80M
 - **No significant service cuts**
- MBTA continues to hold the line on expense growth
 - For second straight year, core operating expense growth was flat
 - Core operating expenses controlled by headcount reductions and active management of materials & services
- Revenue solid despite \$35M shortfall in budgeted Statewide Sales Tax Receipts
 - Total revenue -0.8% (-\$16M) versus budget
 - Own-source revenue slightly lower due to contract transitions
- Results are draft pending audit by KPMG; no material adjustments expected
- **Forward funding goal that dedicated revenues cover operating expense still not met**



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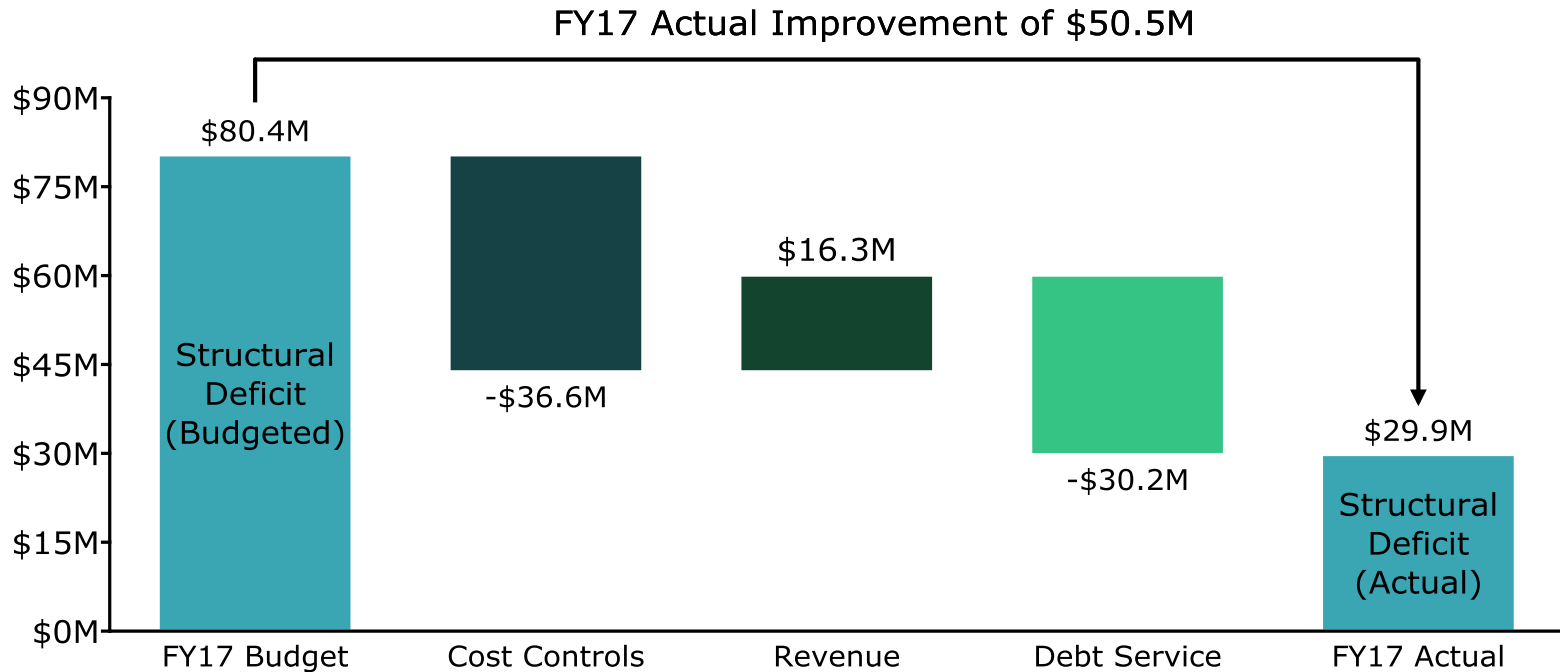


Structural deficit (\$29.9M) is 63% below budget (\$80.4M) and 40.3% below recast (\$50.1M)

		FY17 Budget vs. FY17 Actual Results				FY17 Recast vs. FY17 Actual Results			
(\$M)		<u>FY17 BUDGET</u>	<u>FY17 ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>FY17 RECAST</u>	<u>FY17 ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>
REVENUE	Operating Revenues	\$722.7	\$715.6	(\$7.0)	-1.0%	\$717.4	\$715.6	(\$1.8)	-0.2%
	Non-Operating Revenues	\$1,218.8	\$1,209.5	(\$9.3)	-0.8%	\$1,203.1	\$1,209.5	\$6.4	0.5%
	Total Revenues	\$1,941.5	\$1,925.2	(\$16.3)	-0.8%	\$1,920.5	\$1,925.2	\$4.7	0.2%
EXPENSES	Wages, Benefits and Payroll Taxes	\$784.1	\$771.8	(\$12.3)	-1.6%	\$767.0	\$771.8	\$4.8	0.6%
	Non-Wage	\$779.6	\$755.3	(\$24.3)	-3.1%	\$774.9	\$755.3	(\$19.6)	-2.5%
	Operating Expenses	\$1,563.7	\$1,527.1	(\$36.6)	-2.3%	\$1,541.9	\$1,527.1	(\$14.8)	-1.0%
	Debt Service	\$458.1	\$427.9	(\$30.2)	-6.6%	\$428.7	\$427.9	(\$0.8)	-0.2%
	Total Expenses	\$2,021.9	\$1,955.1	(\$66.8)	-3.3%	\$1,970.6	\$1,955.1	(\$15.5)	-0.8%
	Structural Deficit	(\$80.4)	(\$29.9)	\$50.5	-62.8%	(\$50.1)	(\$29.9)	\$20.2	-40.3%
	<i>Fare recovery ratio</i>	<i>42.2%</i>	<i>43.2%</i>			<i>42.7%</i>	<i>43.2%</i>		



Decline in structural deficit continues with strong cost control oversight



Source: MBTA Internal Data. Analysis above excludes revenue from monthly FY17 Additional Assistance payments.



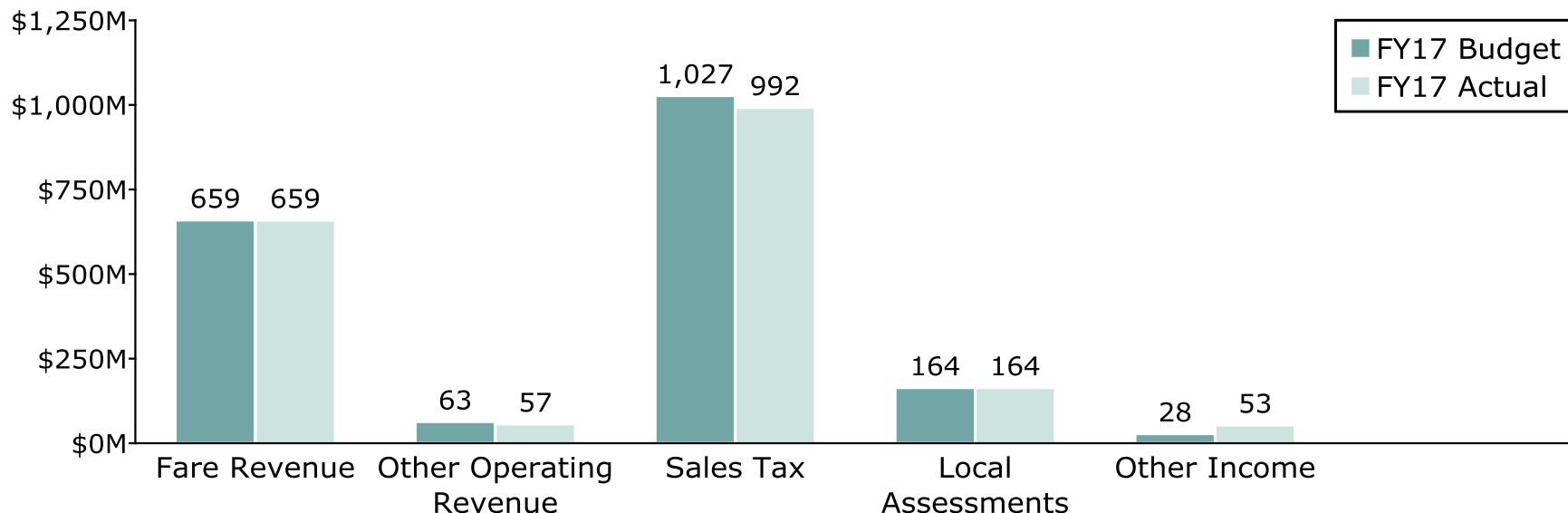
Total revenue solid despite \$35M shortfall in Statewide Sales Tax Receipts

		FY17 Budget vs. FY17 Actual Results				FY17 Recast vs. FY17 Actual Results			
(\$M)		FY17 BUDGET	FY17 ACTUAL	\$ VARIANCE	% VARIANCE	FY17 RECAST	FY17 ACTUAL	\$ VARIANCE	% VARIANCE
OPERATING	Fares, all modes	\$659.2	\$659.0	(\$0.2)	0.0%	\$658.4	\$659.0	\$0.6	0.1%
	Other Operating Revenue	\$63.4	\$56.6	(\$6.8)	-10.7%	\$59.0	\$56.6	(\$2.4)	-3.9%
	Operating	\$722.7	\$715.6	(\$7.0)	-1.0%	\$717.4	\$715.6	(\$1.8)	-0.3%
NON-OPERATING	Sales Tax	\$1027.1	\$992.2	(\$34.9)	-3.4%	\$992.2	\$992.2	\$0.0	0.0%
	Local Assessment	\$164.0	\$164.0	\$0.0	0.0%	\$164.0	\$164.0	\$0.0	0.0%
	Other	\$27.8	\$53.3	\$25.6	92.0%	\$46.9	\$53.3	\$6.4	13.8%
	Non-Operating	\$1,218.9	\$1,209.5	(\$9.3)	-0.8%	\$1,203.1	\$1,209.5	\$6.4	0.5%
Total Revenues		\$1,941.5	\$1,925.2	(\$16.3)	-0.8%	\$1,920.5	\$1,925.2	\$4.7	0.2%
<i>Fare recovery ratio</i>		42.2%	43.2%			42.7%	43.2%		



Statewide Sales Tax shortfall partially offset by one-time gains in Other Income

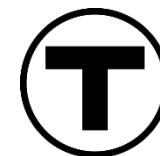
Total Revenues - Budget vs. Actual Comparison



	Fare Revenue	Other Operating Revenue	Sales Tax	Local Assessments	Other Income	Total
\$ Variance	-\$0.2M	-\$6.8M	-\$34.9M	\$0.0M	\$25.6M	-\$16.3M
% Variance	0.0%	-10.7%	-3.4%	0.0%	91.7%	-0.8%

Note: Other income increased from budget by \$12.0M in one-time South Station payment, \$5.9M from Massport (Silver Line Reconciliation), \$3.0M from Property Sales

Source: MBTA Internal Data



Wage and benefit expenses \$12.3M below budget and in line with recast

	FY17 Budget vs. FY17 Actual Results				FY17 Recast vs. FY17 Actual Results			
	FY17 BUDGET	FY17 ACTUAL	\$ VARIANCE	% VARIANCE	FY17 RECAST	FY17 ACTUAL	\$ VARIANCE	% VARIANCE
<i>(\$M)</i>								
WAGES								
Regular Wages	\$485.3	\$471.2	(\$14.1)	-2.9%	\$468.0	\$471.2	\$3.2	0.7%
Overtime	\$37.4	\$46.5	\$9.1	24.3%	\$42.2	\$46.5	\$4.3	10.4%
Wages	\$522.7	\$517.7	(\$5.0)	-1.0%	\$510.1	\$517.7	\$7.6	1.5%
BENEFITS AND TAXES								
Pension*	\$92.8	\$90.8	(\$2.0)	-2.1%	\$89.4	\$90.8	\$1.4	1.5%
Health	\$104.1	\$101.0	(\$3.1)	-3.0%	\$104.3	\$101.0	(\$3.3)	-3.2%
Retiree Health	\$44.4	\$40.4	(\$4.0)	-9.0%	\$41.2	\$40.4	(\$0.8)	-1.9%
Health & Welfare Fund	\$10.3	\$8.8	(\$1.5)	-14.2%	\$9.9	\$8.8	(\$1.1)	-11.2%
Other Fringes	\$13.2	\$12.2	(\$1.0)	-7.8%	\$13.0	\$12.2	(\$0.8)	-6.2%
Payroll Taxes	\$41.1	\$41.3	\$0.2	0.5%	\$40.2	\$41.3	\$1.1	2.8%
Benefits and taxes	\$261.5	\$254.1	(\$7.4)	-2.8%	\$256.8	\$254.1	(\$2.7)	-1.1%
Total Wages, Benefits, Taxes	\$784.1	\$771.8	(\$12.3)	-1.6%	\$767.0	\$771.8	\$4.8	0.6%

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



Non-wage expenses significantly below budget and recast (cont.)

		FY17 Budget vs. FY17 Actual Results				FY17 Recast vs. FY17 Actual Results			
(\$M)		FY17 BUDGET	FY17 ACTUAL	\$ VARIANCE	% VARIANCE	FY17 RECAST	FY17 ACTUAL	\$ VARIANCE	% VARIANCE
MATERIALS AND SERVICES	Materials	\$70.4	\$61.0	(\$9.4)	-13.4%	\$62.2	\$61.0	(\$1.2)	-1.9%
	Services	\$98.3	\$95.6	(\$2.7)	-2.8%	\$103.8	\$95.6	(\$8.2)	-8.0%
	Fuel	\$19.6	\$15.0	(\$4.6)	-23.6%	\$17.6	\$15.0	(\$2.6)	-14.8%
	Utilities	\$48.5	\$35.1	(\$13.4)	-27.7%	\$38.0	\$35.1	(\$2.9)	-7.7%
	Contract Cleaning	\$24.5	\$20.5	(\$4.0)	-16.3%	\$23.8	\$20.5	(\$3.3)	-13.8%
	Materials and Services	\$261.3	\$227.2	(\$34.1)	-13.1%	\$245.4	\$227.2	(\$18.2)	-7.4%
INSURANCE	Insurance	\$14.7	\$12.5	(\$2.2)	-15.2%	\$13.8	\$12.5	(\$1.3)	-9.9%



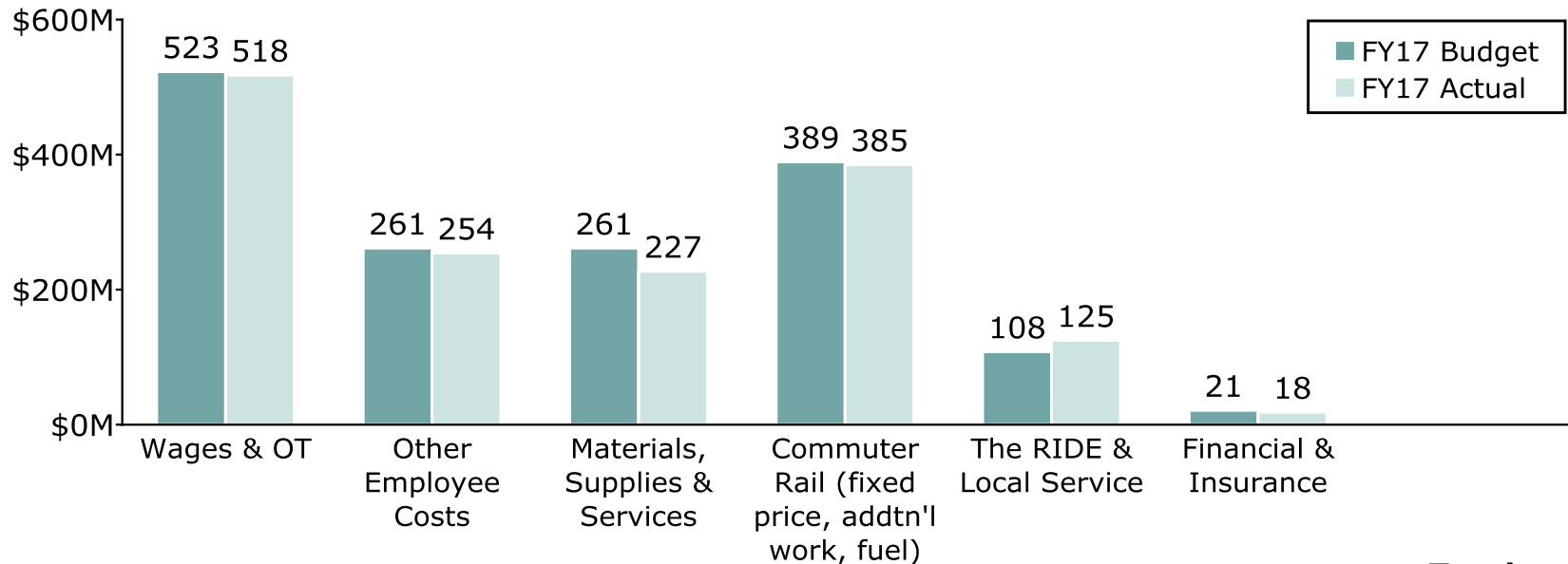
Non-wage expenses significantly below budget and recast

		FY17 Budget vs. FY17 Actual Results				FY17 Recast vs. FY17 Actual Results			
(\$M)		FY17 BUDGET	FY17 ACTUAL	\$ VARIANCE	% VARIANCE	FY17 RECAST	FY17 ACTUAL	\$ VARIANCE	% VARIANCE
COMMUTER RAIL	Fixed Price	\$314.7	\$314.7	\$0.0	0.0%	\$314.7	\$314.7	\$0.0	0.0%
	Extra Work and Services	\$46.1	\$47.0	\$0.9	2.1%	\$54.2	\$47.0	(\$7.2)	-13.2%
	Fuel	\$28.3	\$23.2	(\$5.1)	-18.0%	\$24.1	\$23.2	(\$0.9)	-3.5%
	Commuter Rail	\$389.1	\$385.0	(\$4.1)	-1.1%	\$393.0	\$385.0	(\$8.1)	-2.0%
LOCAL SERVICE	THE RIDE	\$92.0	\$109.3	\$17.3	18.8%	\$99.8	\$109.3	\$9.5	9.4%
	Ferry	\$13.4	\$13.2	(\$0.2)	-1.5%	\$13.3	\$13.2	(\$0.1)	-1.3%
	LSS Other	\$2.5	\$2.3	(\$0.2)	-9.7%	\$2.5	\$2.3	(\$0.2)	-7.5%
	Local Service	\$107.9	\$124.7	\$16.9	15.6%	\$115.6	\$124.7	\$9.2	7.8%
OTHER	Financial Service Charges	\$6.5	\$6.0	(\$0.5)	-8.0%	\$7.0	\$6.0	(\$1.0)	-14.9%
Non-Wage Expenses:		\$779.6	\$755.3	(\$24.3)	-3.1%	\$774.9	\$755.3	(\$19.6)	-2.5%



Operating expenses below budget by 2.3% (\$36.6M), led by Materials and Services

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



	Wages & OT	Other Employee Costs	Materials, Supplies & Services	Commuter Rail (fixed price, addn'l work, fuel)	The RIDE & Local Service	Financial & Insurance	Total
\$ Variance	-\$5.0M	-\$7.4M	-\$34.1M	-\$4.2M	\$16.9M	-\$2.8M	-\$36.6M
% Variance	-1.0%	-2.8%	-13.1%	-1.1%	15.6%	-13.0%	-2.3%

Note: Other employee costs \$7.4M lower than budgeted, all other fuel (in materials, supplies & services) is trending lower.

Source: MBTA Internal Data



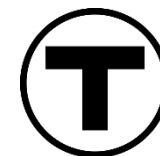
Debt service expense below budget by \$30.2M

	FY17 Budget vs. FY17 Actual Results				FY17 Recast vs. FY17 Actual Results			
	FY17 BUDGET	FY17 ACTUAL	\$ VARIANCE	% VARIANCE	FY17 RECAST	FY17 ACTUAL	\$ VARIANCE	% VARIANCE
(\$M)								
DEBT SERVICE								
Interest	\$237.0	\$210.1	(\$26.9)	-11.4%	\$215.4	\$210.1	(\$5.3)	-2.4%
Principal	\$215.0	\$213.7	(\$1.3)	-0.6%	\$208.6	\$213.7	\$5.1	2.4%
Lease	\$6.1	\$4.1	(\$2.0)	-32.8%	\$4.6	\$4.1	(\$0.5)	-11.6%
Debt Service	\$458.1	\$427.9	(\$30.2)	-6.6%	\$428.7	\$427.9	(\$0.8)	-0.2%



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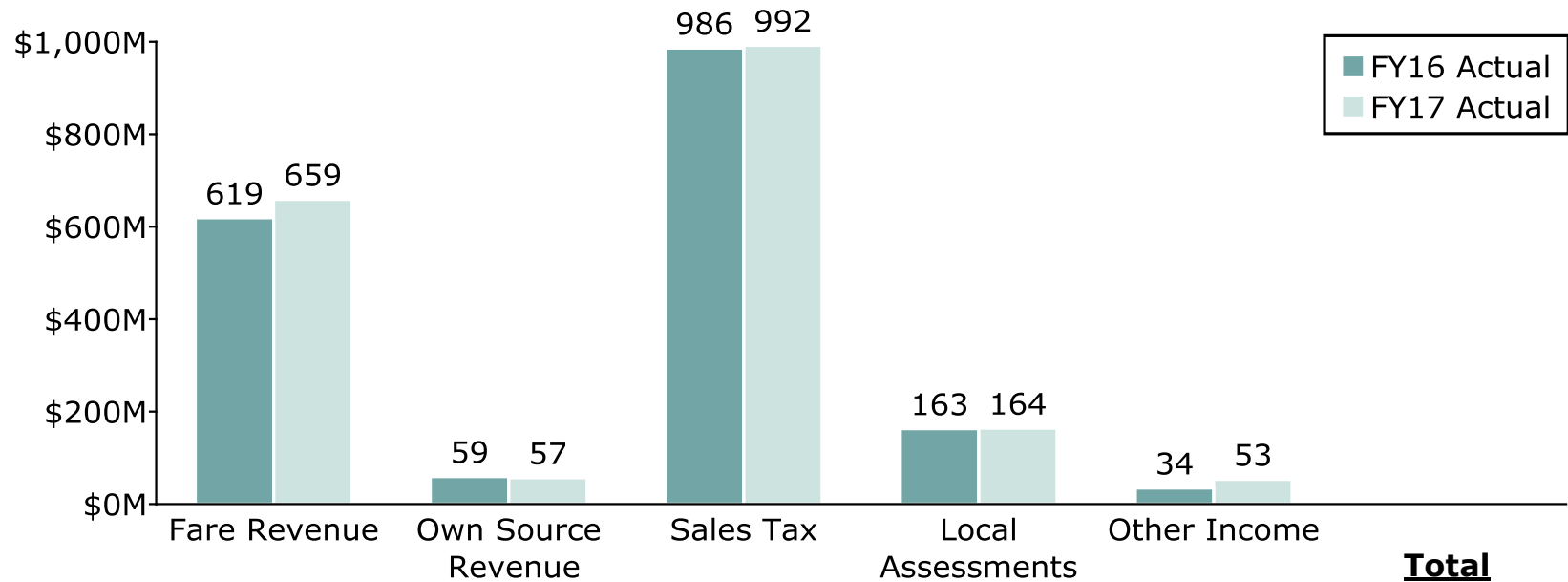
**Core operating expense down 0.4% in FY17;
Structural deficit down 65% compared to FY16 – fare recovery ratio increased to 43%**

		FY16 Actual Results vs. FY17 Actual Results			
(\$M)		<u>FY16 ACTUAL</u>	<u>FY17 ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% Variance</u>
REVENUES	Operating Revenues	\$678.5	\$715.6	\$37.2	5.5%
	Non-Operating Revenues	\$1,183.7	\$1,209.5	\$25.8	2.2%
	Total Revenues	\$1,862.1	\$1,925.2	\$63.1	3.4%
EXPENSES	Wages, Benefits and Payroll	\$735.7	\$742.8	\$7.1	1.0%
	Taxes				
	Non-Wage	\$768.6	\$755.3	(\$13.3)	-1.7%
	Core Operating Expenses	\$1,504.3	\$1,498.1	(\$6.2)	-0.4%
	Capital Employee Transfer	-	\$29.0	\$29.0	
	Total Operating Expenses	\$1504.3	\$1527.1	\$22.8	1.5%
	Debt Service	\$443.7	\$427.9	(\$15.8)	-3.6%
Total Expenses	\$1,948.0	\$1,955.0	\$7.1	0.4%	
	Structural Deficit	(\$85.9)	(\$29.9)	\$56.1	65.3%
	Fare Recovery Ratio	41.2%	43.2%		
	Revenue Recovery Ratio	47.4%	50.4%		



Total revenue increased 3% (\$63M) over same period last year

Total Revenue - FY16 vs. FY17



\$ Variance	\$39.8M	-\$2.6M	\$5.9M	\$1.1M	\$18.8M	\$63.1M
% Variance	6.4%	-4.4%	0.6%	0.7%	54.6%	3.4%

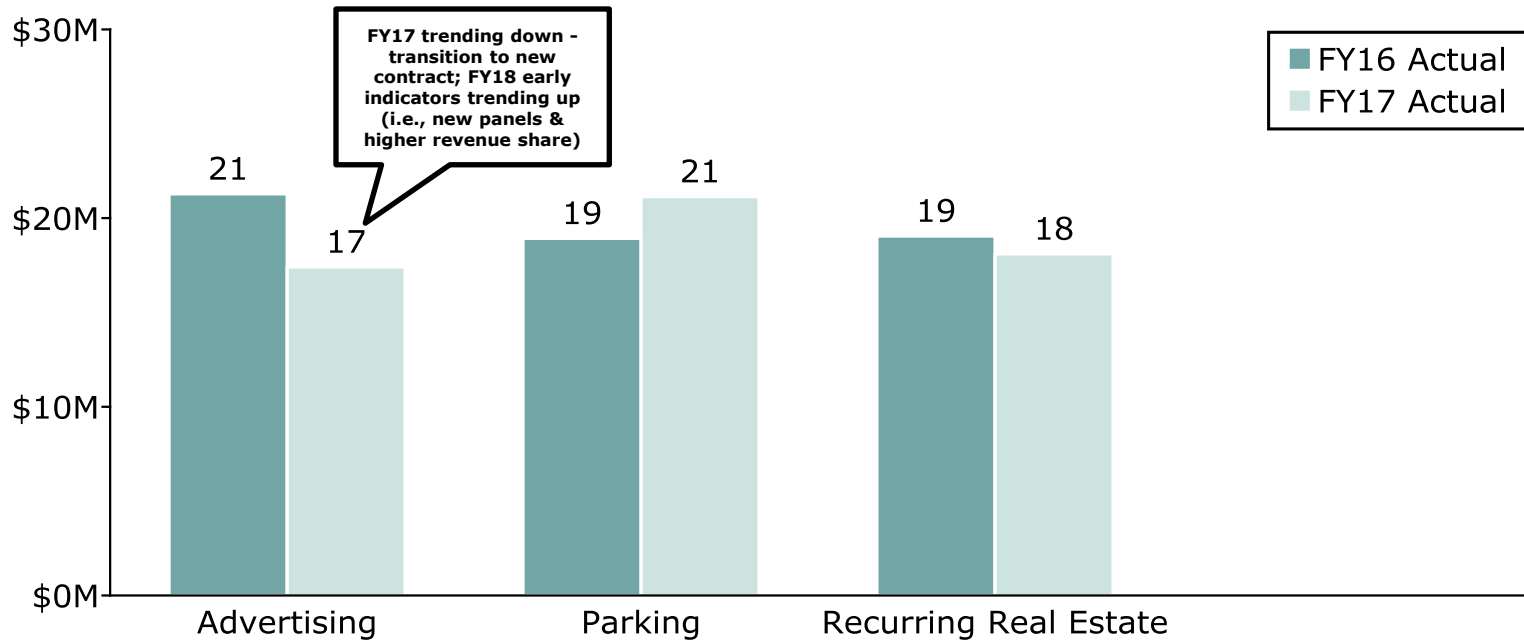
Note: Other income increase over FY16 primarily due to \$12.0M in one-time South Station payment from Equity Office, \$5.9M from Massport (Silver Line)

Source: MBTA Internal Data



Own-source revenue is down 4% (\$3M) due to contract transitions

Own-Source Revenue - FY16 vs. FY17



\$ Change	-\$3.8M	\$2.2M	-\$1.0M	Total -\$2.6M
% Change	-18.2%	11.7%	-5.0%	-4.4%

Note: FY17 transitional year in Advertising/Parking contracts

Source: MBTA Internal Data

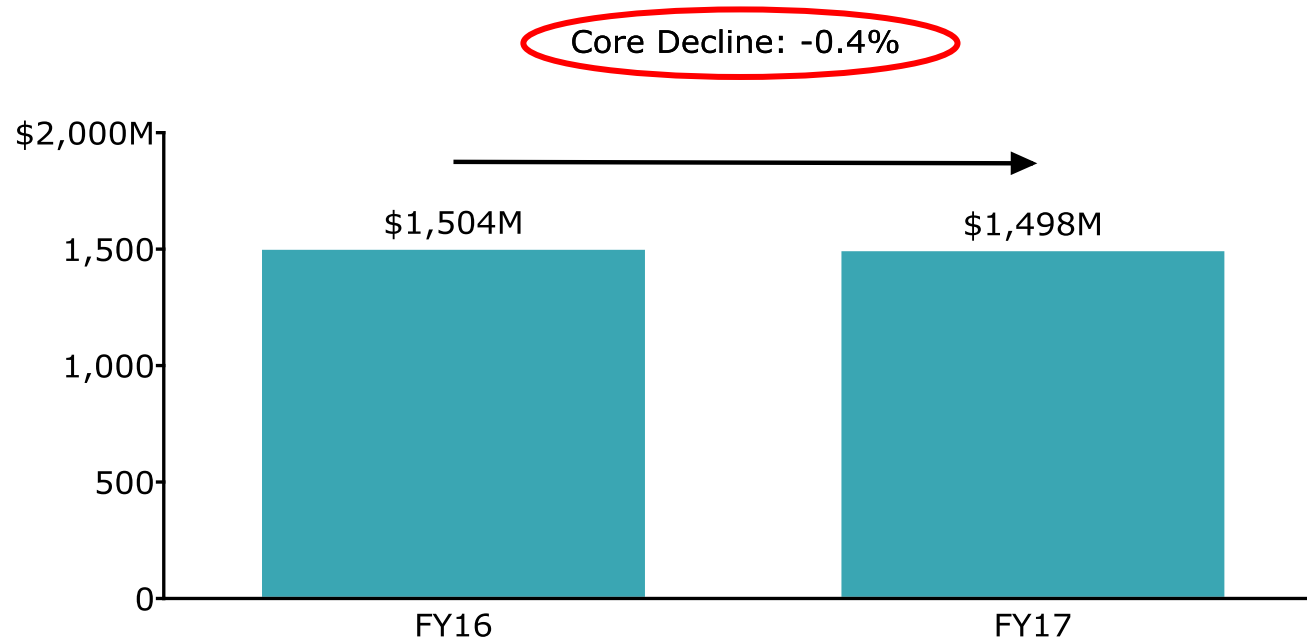
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Core operating expense lower than FY16 (excluding debt service)

Core Operating Expense (Excluding Debt Service)



Note:

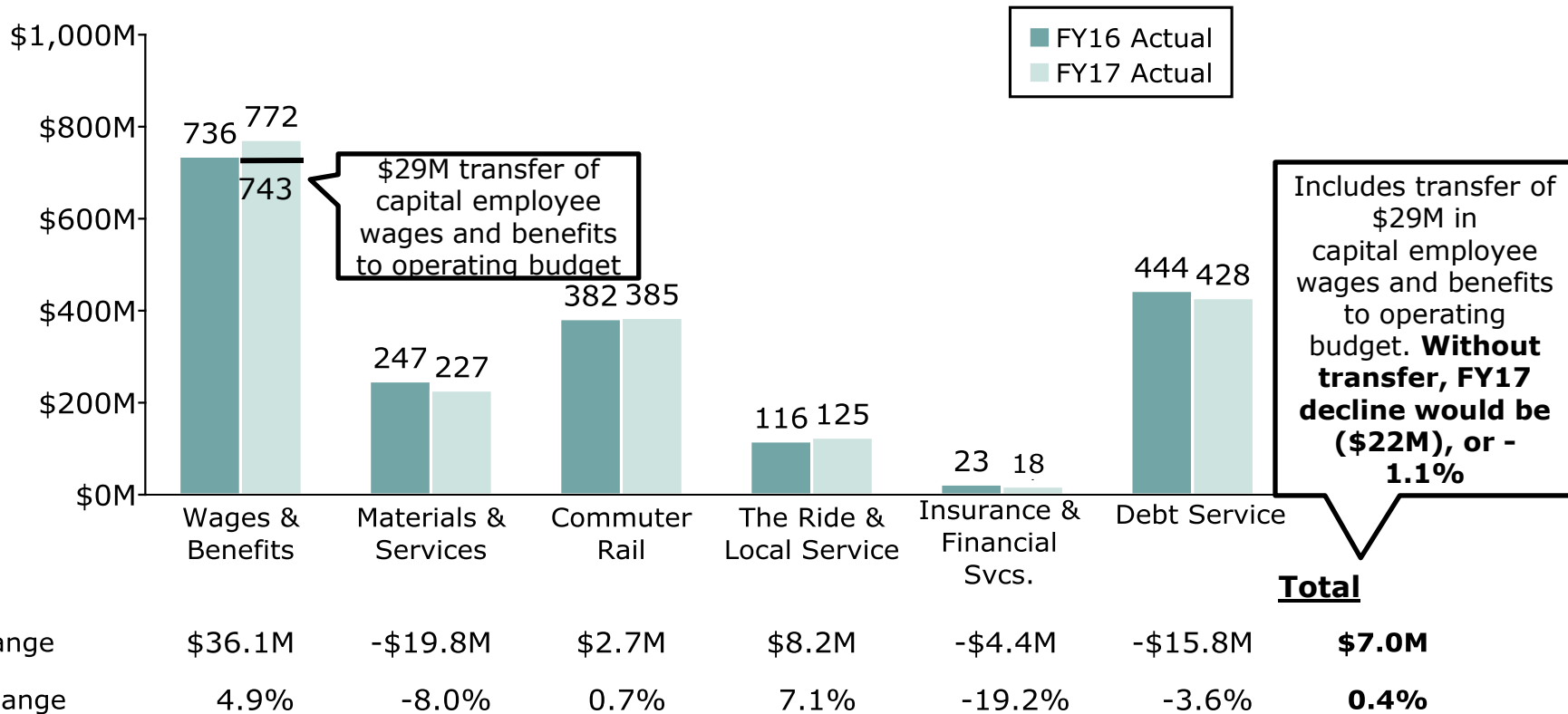
- (a) 1.5% growth in total operating expenses for FY17 when including one-time transfer of capital employee wages and benefits (\$29M);
- (b) Lower Energy & fuel costs of \$13.8 M and reduction in materials, services and insurance of \$10.4 M contributed to essentially flat year over year growth

Source: MBTA Internal Data



Total Expenses (Including Debt Service) up \$7.0M

Total Expenses (Including Debt Service) - FY17 vs. FY16



Source: MBTA Internal Data

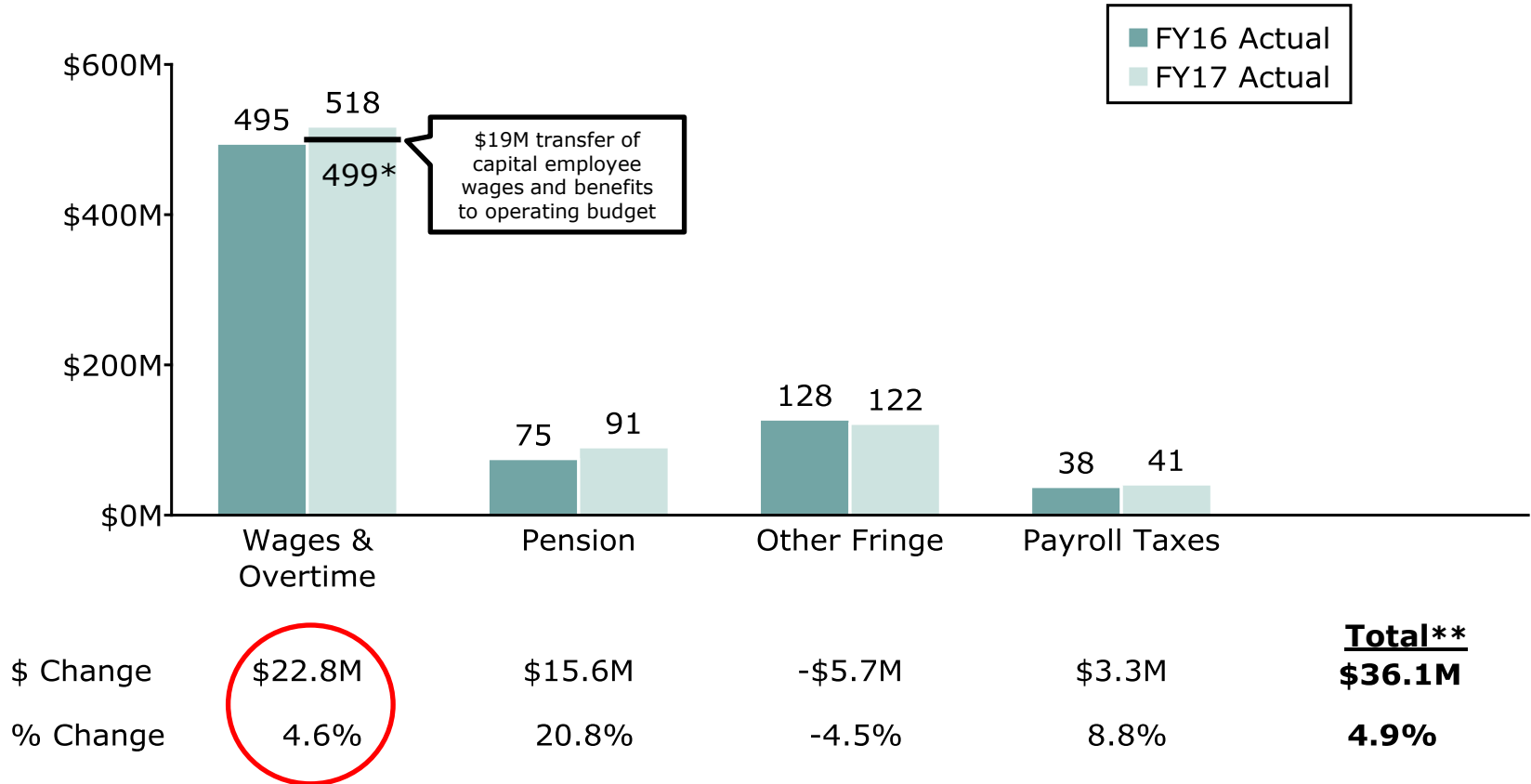
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Core employee costs grew 1% (\$7M) in FY17, with an increase across all categories

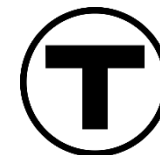
Total Employee Costs - FY16 vs. FY17



Source: MBTA Internal Data

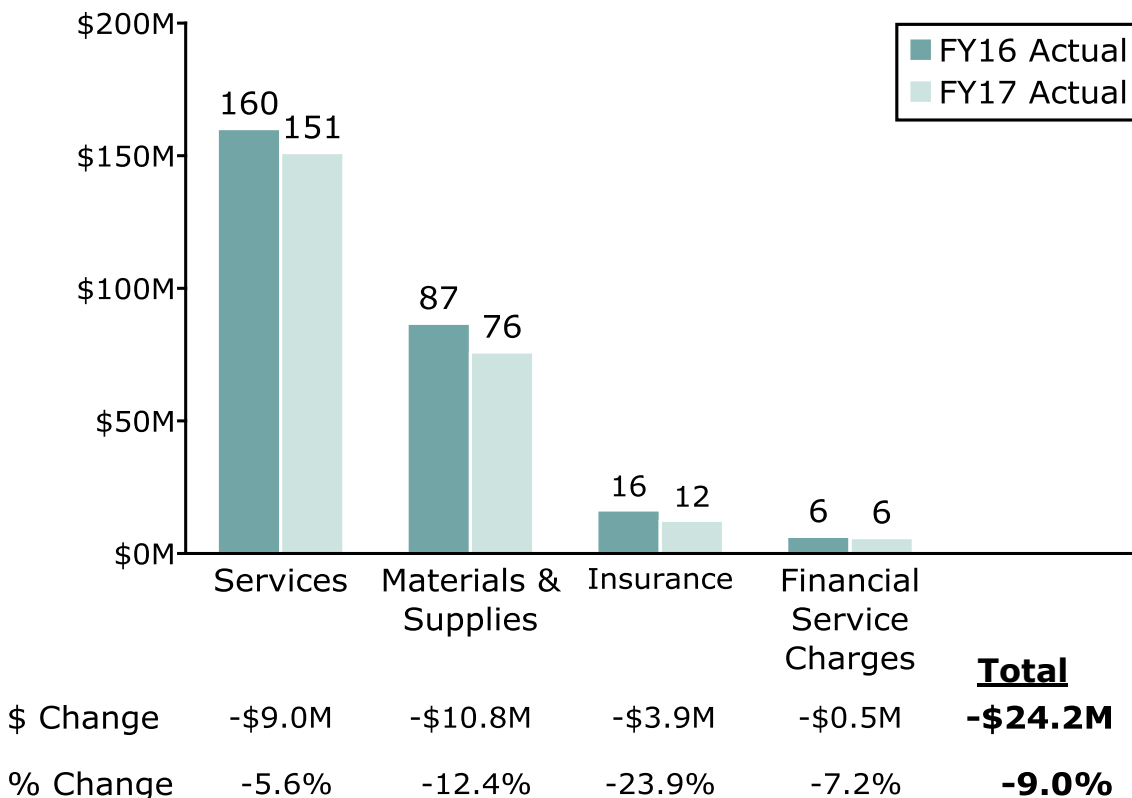
*\$19M wages transfer to operating budget; without transfer, core wage and OT growth was 0.8%; \$10M pension/fringe transfer to operating budget

**Includes transfer of \$29M in capital employee wages and benefits to operating budget. Without transfer, FY17 growth would be \$7.1M, or 1.0% growth



Materials, services, and financial costs down 9% (\$24M)

Materials and Services - FY16 vs. FY17



Change in Materials and Services	(24.2)
Services	(9.0)
Computer services	(\$3.5)
Contract cleaning	(\$2.4)
Engineering	(\$2.7)
Utilities	(\$7.2)
Temporary help	(\$0.6)
Other services	\$7.4
Materials and Supplies	(10.8)
Equipment components	\$3.1
Fuel	(\$6.6)
Inventory Adjustment	\$0.0
Maint. Supplies/other materials	(\$7.3)
Insurance	(3.9)
Financial Services	(0.5)

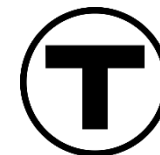
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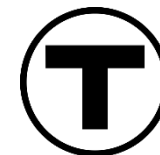
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Total revenues are greater than FY16 by \$63M

FY16 Actual Results vs. FY17 Actual Results						
	(\$M)	FY16 ACTUAL	FY17 ACTUAL	\$ VARIANCE	% VARIANCE	Notes
OPERATING	Fares, all modes	\$619.2	\$659.0	\$39.8	6.4%	• Partial year impact of fare increases
	Own-source	\$59.2	\$56.6	(\$2.6)	-4.4%	• Transition year for Advertising/Parking Contracts in FY17
	Operating	\$678.5	\$715.6	\$37.1	5.5%	
NON-OPERATING	Sales Tax	\$986.3	\$992.2	\$5.9	0.6%	
	Local Assessment	\$162.9	\$164.0	\$1.1	0.7%	
	Other	\$34.5	\$53.3	\$18.8	54.6%	• One time property transaction
	Non-Operating	\$1,183.7	\$1,209.5	\$25.8	2.2%	
Total Revenues		\$1,862.1	\$1,925.2	\$63.1	3.4%	

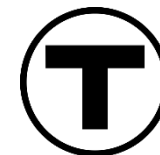
Fare recovery ratio **41%** **43%**



Total wage, benefit and tax expenses are above FY16 by \$36M

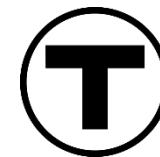
		FY16 Actual Results vs. FY17 Actual Results				
(\$M)		FY16 ACTUAL	FY17 ACTUAL	\$ VARIANCE	% VARIANCE	Notes
WAGES	Regular Wages	\$453.4	\$471.2	\$17.8	3.9%	• Impact of VRIP, VSIP, CBA adjustments
	Overtime	\$41.5	\$46.5	\$5.0	12.1%	• Vacancy Coverage
	Wages	\$494.9	\$517.7	\$22.8	4.6%	
BENEFITS AND TAXES	Pension*	\$75.1	\$90.8	\$15.7	20.8%	• Impact of actuarial study requiring contribution increase
	Health	\$98.8	\$101.0	\$2.2	2.2%	
	<i>Retiree Health</i>	\$40.4	\$40.4	0	0%	
	Health & Welfare Fund	\$9.5	\$8.8	(\$0.7)	-7.0%	
	Other Fringes	\$19.4	\$12.2	(\$7.2)	-37.1%	• Headcount reductions
	Payroll Taxes	\$38.0	\$41.3	\$3.3	8.8%	• Resulting wage increase from headcount reductions
	Benefits and taxes	\$240.8	\$254.1	\$13.3	5.5%	
Total Wages, Benefits and Taxes		\$735.7	\$771.8	\$36.1	4.9%	

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



Non-wage expenses are below FY16 by \$13M [pp. 1/2]

		FY16 Actual Results vs. FY17 Actual Results				
	(\$M)	FY16 ACTUAL	FY17 ACTUAL	\$ VARIANCE	% VARIANCE	Notes
MATERIALS AND SERVICES	Materials	\$65.2	\$61.0	(\$4.2)	-6.5%	
	Services	\$95.0	\$95.6	\$0.6	0.5%	• Active management
	Fuel	\$21.6	\$15.0	(\$6.6)	-30.5%	• Favorable fuel hedge
	Utilities	\$42.3	\$35.1	(\$7.2)	-17.0%	• Impact of hedging
	Contract Cleaning	\$22.9	\$20.5	(\$2.4)	-10.3%	
	Materials and Services		\$247.0	\$227.2	(\$19.8)	-8.0%
INSURANCE	Insurance	\$16.4	\$12.5	(\$3.9)	-23.9%	



Non-wage expenses are below FY16 by \$13M [pp. 2/2]

		FY16 Actual Results vs. FY17 Actual Results				
	(\$M)	FY16 ACTUAL	FY17 ACTUAL	\$ VARIANCE	% VARIANCE	Notes
COMMUTER RAIL	Fixed Price	\$307.4	\$314.7	\$7.3	2.4%	• Contractual
	Extra Work and Services	\$39.5	\$47.0	\$7.5	19.1%	• Service changes/projects
	Fuel	\$35.4	\$23.2	(\$12.2)	-34.4%	• Fuel Savings
	Commuter Rail	\$382.3	\$385.0	\$2.7	0.7%	
LOCAL SERVICE	THE RIDE	\$101.9	\$109.3	\$7.4	7.2%	• Contractual/Pilot
	Ferry	\$12.3	\$13.2	\$0.9	7.4%	• Contractual
	LSS Other	\$2.3	\$2.3	\$0.0	-1.5%	
	Local Service	\$116.5	\$124.7	\$8.2	7.1%	
OTHER	Financial Service Charges	\$6.4	\$6.0	(\$0.4)	-7.2%	
Non-Wage Expenses:		\$768.6	\$755.3	(\$13.3)	-1.7%	



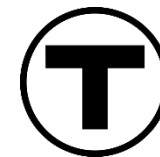
Debt service expense is below FY16 by \$16M

FY16 Actual Results vs. FY17 Actual Results						
(\$M)	<u>FY16 ACTUAL</u>	<u>FY17 ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>Notes</u>	
DEBT SERVICE	Interest	\$231.0	\$210.1	(\$20.9)	-9.1%	
	Principal	\$208.1	\$213.7	\$5.6	2.7%	
	Lease	\$4.5	\$4.1	(\$0.4)	-9.5%	
	Debt Service	\$443.7	\$427.9	(\$15.8)	-3.6%	



Agenda

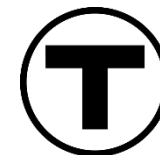
- **Executive Summary**
- **FY17 Budget and Recast vs. FY17 Actual Results**
- **FY16 Actual Results vs. FY17 Actual Results**
- **Appendix**
 - Additional Detail: FY16 Actual Results vs. FY17 Actual Results
 - Revenue Detail: Own-Source, Fares and Dedicated Sales Tax



Own-source revenues are below FY16 by 3M

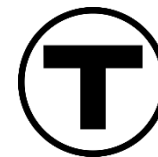
OWN-SOURCE REVENUE

FY16 Actual Results vs. FY17 Actual Results					
(\$M)	<u>FY16 ACTUAL</u>	<u>FY17 ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>Notes</u>
Advertising	\$21.3	\$17.4	(\$3.8)	18.2%	• Transition to a new contract in FY17
Parking	\$18.9	\$21.1	\$2.2	11.7%	• Transition to a new contract in FY17
Recurring Real Estate (non-parking)	\$19.0	\$18.1	(\$1.0)	-5.0%	• <i>Timing of sale of assets</i>
Own-Source revenue	\$59.2	\$56.6	(\$2.6)	-4.4%	



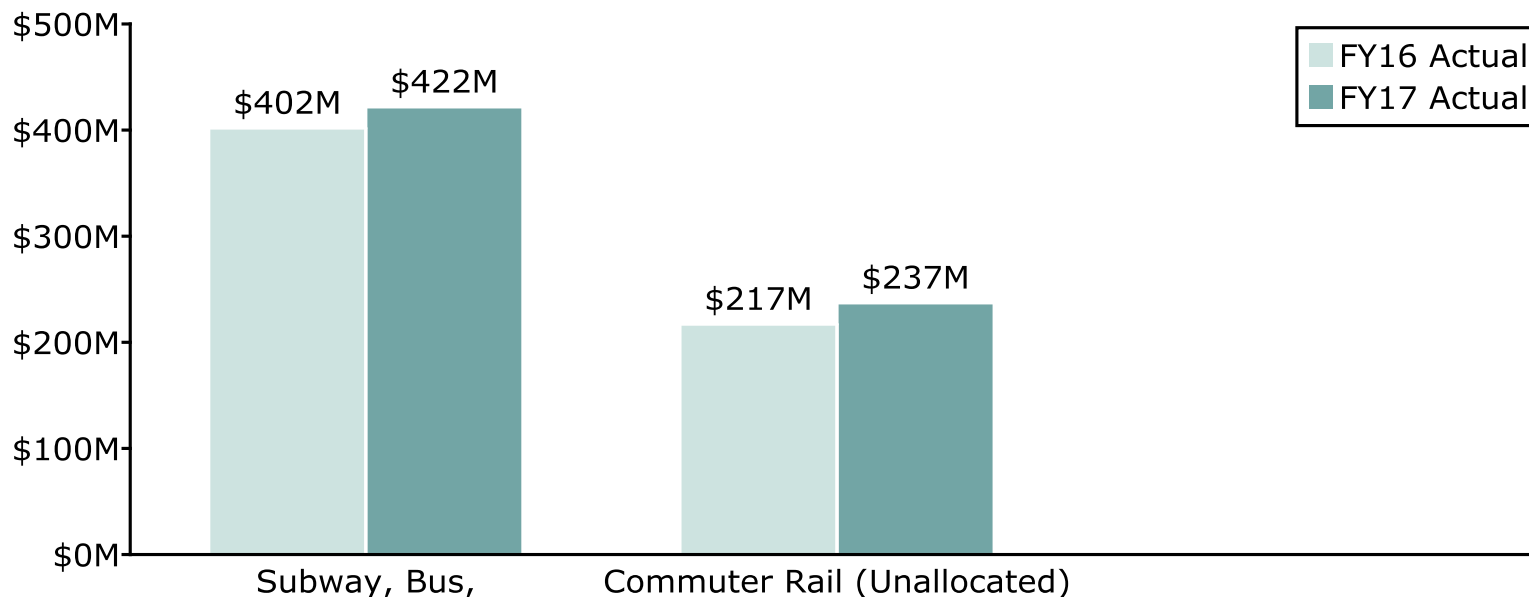
Recurring real estate revenues are below FY16 by \$1M

		FY16 Actual Results vs. FY17 Actual Results				
	(\$M)	<u>FY16 ACTUAL</u>	<u>FY17 ACTUAL</u>	<u>\$ VARIANCE</u>	<u>% VARIANCE</u>	<u>NOTES</u>
RECURRING REAL ESTATE REVENUE	Massport (airport) shuttle	\$2.0	\$2.7	\$0.7	35.0%	
	South Station Intermodal+CR	\$1.7	\$0.5	(\$1.2)	-70.6%	
	Net MRG (Mass Realty Group) Revenue	\$15.3	\$14.8	\$0.0	0.0%	
	<i>Land Rental</i>	\$3.9	\$3.4	(\$0.5)	-12.8%	
	<i>Utilities</i>	\$1.1	\$1.2	\$0.1	9.1%	
	<i>Telecom</i>	\$8.6	\$8.2	(\$0.4)	-4.7%	
	<i>Concessions</i>	\$2.3	\$2.3	\$0.0	0.0%	
	<i>Advertising</i>	\$3.8	\$3.4	(\$0.4)	-10.5%	
	<i>MRG fees and expenses</i>	(\$4.4)	(\$4.7)	\$0.3	6.8%	
	Recurring Real Estate Revenue		\$19.0	\$18.1	(\$0.9)	-4.7%



Fare revenue is up 6.5% (\$40M)

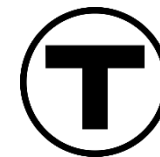
Fare Revenue - FY17 vs. FY16



	Subway, Bus, Ferry, RIDE	Commuter Rail (Unallocated)	Total
\$ Change	\$19.9M	\$20.0M	\$40.0M
% Change	5.0%	9.2%	6.5%

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

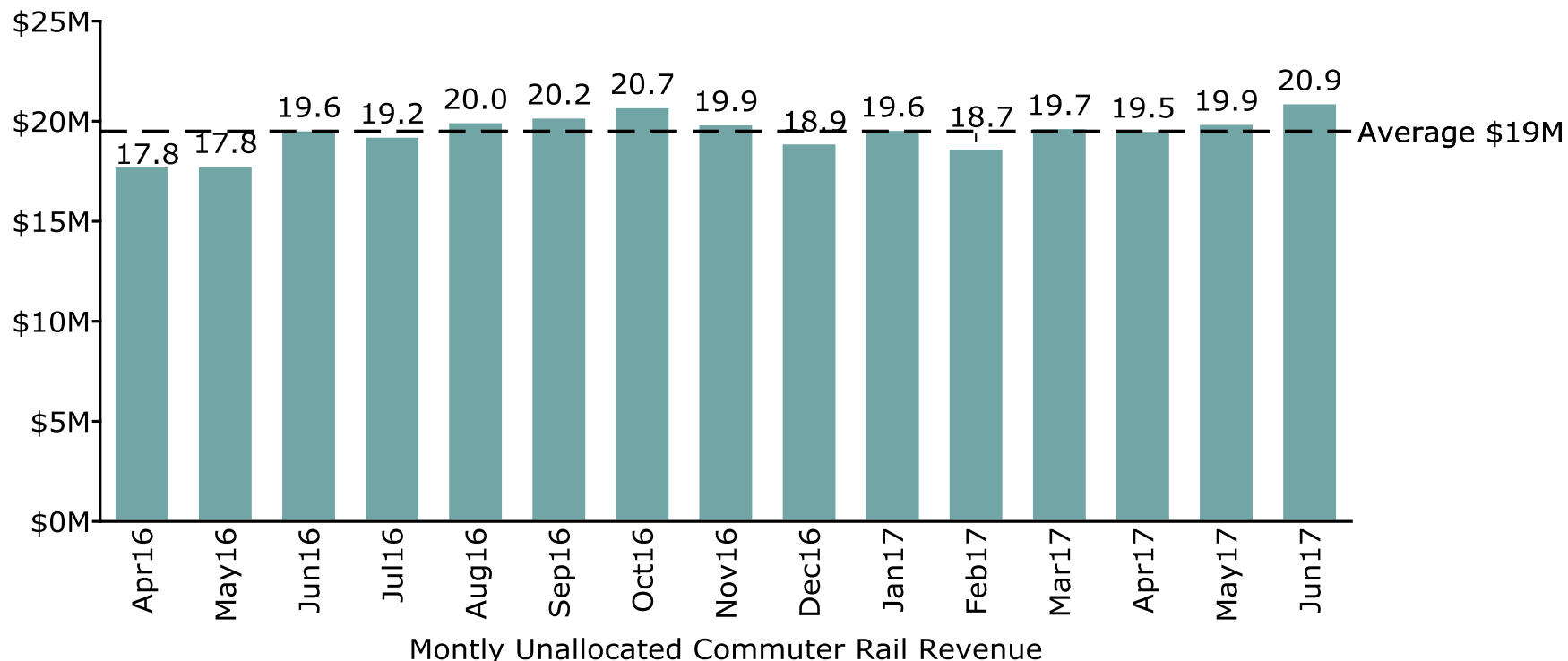
Source: MBTA Internal Data



Commuter rail revenue has grown 9.2% in FY17 June monthly revenue was up 6.9% year-on-year

FY17/FY16 Growth: 9.2%

Monthly MBTA Commuter Rail Revenue (unallocated)



Year-over-Year Growth by Month: 4.5% 13.4% 9.9% 8.1% 7.4% 6.5% 12.4% 11.6% 8.9% 10.0% 11.9% 6.9%

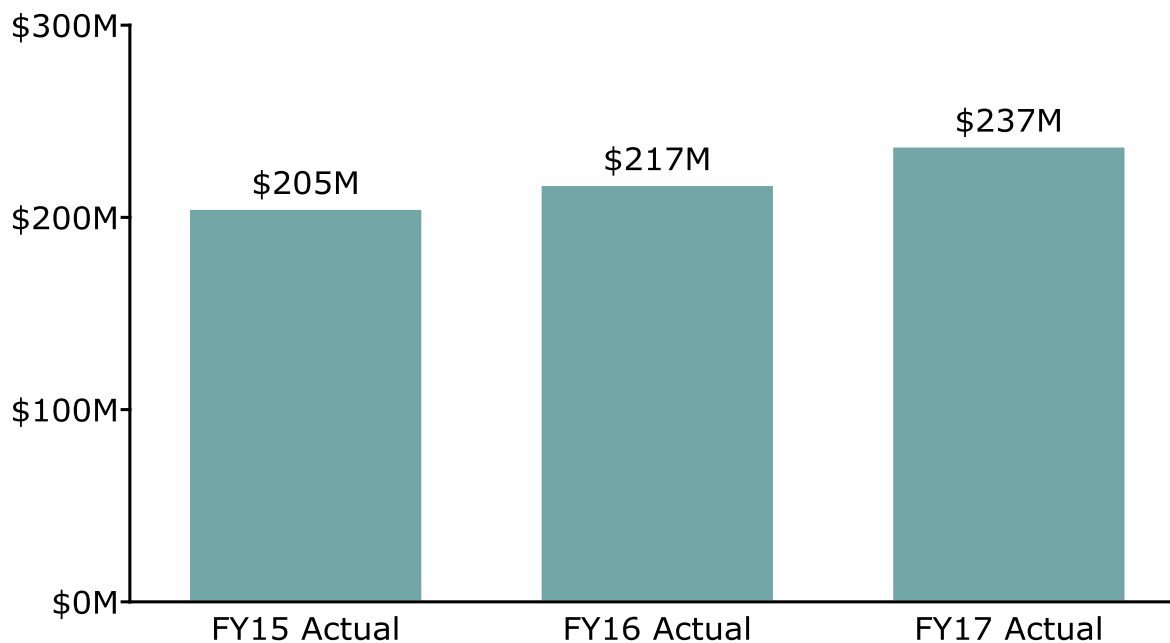
Note: Chart above shows “unallocated” commuter rail revenue, prior to CTPS allocation for linked trips to other model

Source: MBTA Internal Data



FY17 Commuter rail revenue is up 9.2% over FY16, and up 15.8% over FY15

Commuter Rail Fare Revenue
(Unallocated)



Commuter Rail Revenue Growth	
FY17 / FY16:	9.2%
FY17 / FY15:	15.8%

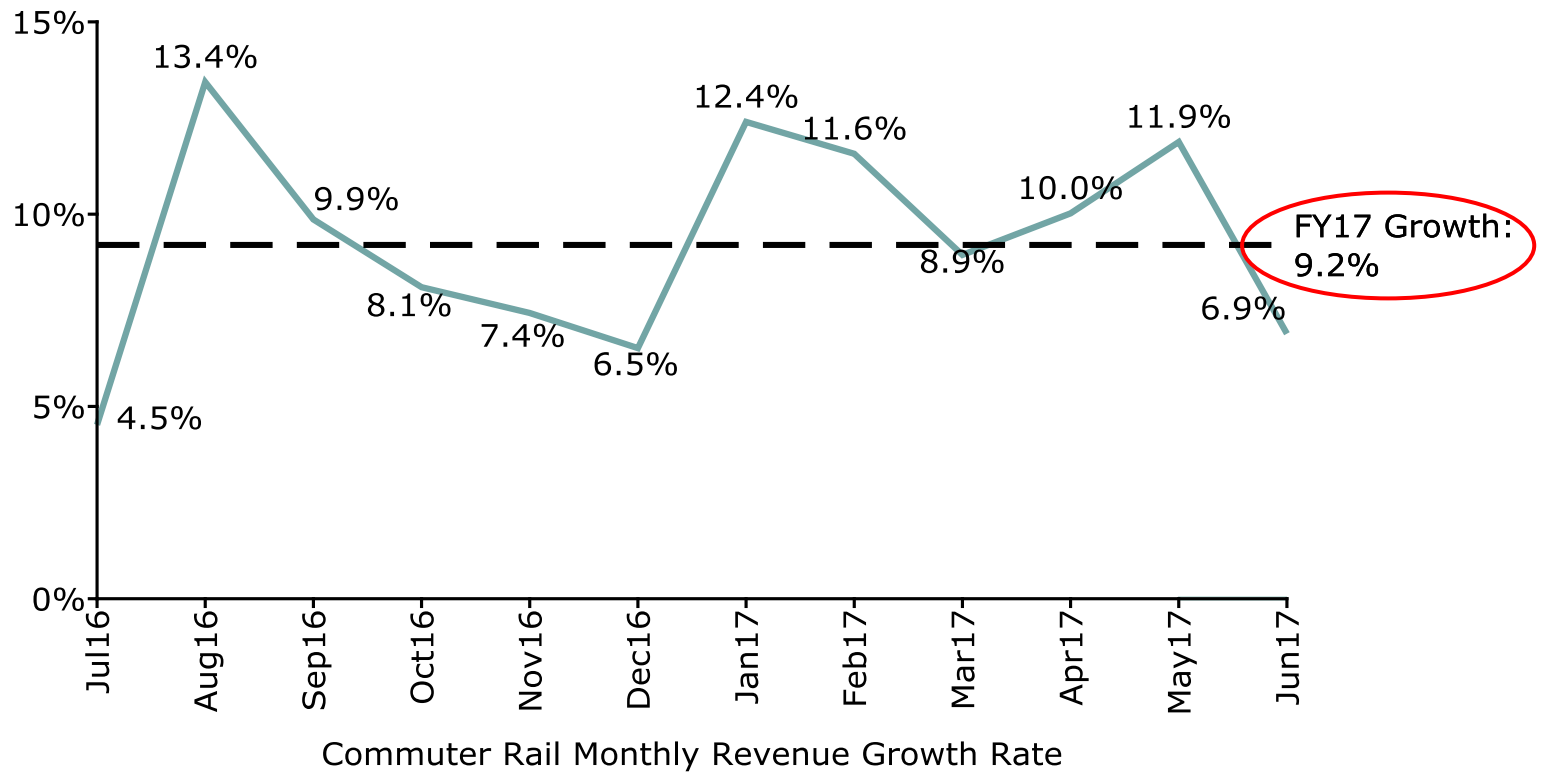
Note: Chart above shows “unallocated” commuter rail revenue, prior to CTPS allocation for linked trips to other modes.

Source: MBTA Internal Data

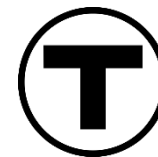


Commuter rail revenue up 9.2% for FY17

Commuter Rail Fare Revenue (Unallocated)
 Monthly Revenue Growth Rate over FY16



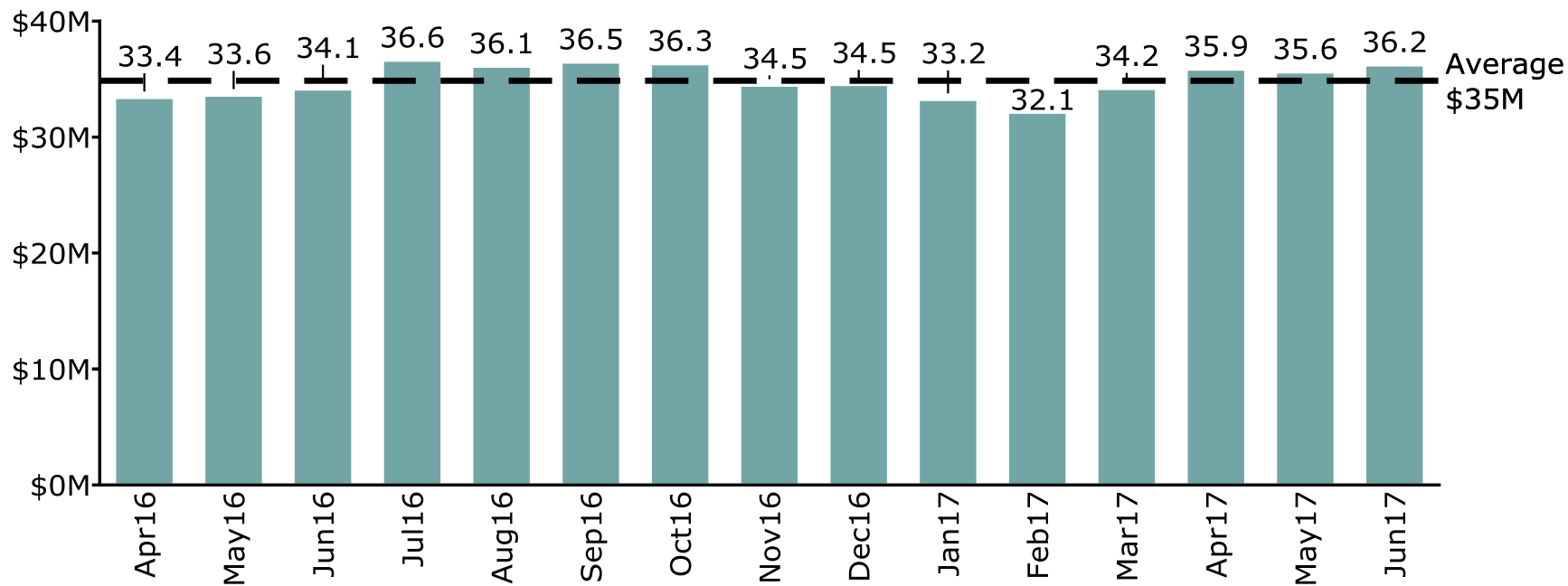
Note: Chart above shows “unallocated” commuter rail revenue, prior to CTPS allocation for linked trips to other modes
 Source: MBTA Internal Data



Subway, Bus, Ferry & RIDE revenue is up 5%

Monthly Subway, Bus, Ferry & RIDE Revenue

FY17/FY16 Growth: 5%



Monthly Unallocated Subway, Bus, Ferry & RIDE Revenue

Year-over-Year Growth by Month: 1.3% 5.2% 1.4% 1.5% 6.3% 9.7% 8.2% 5.4% 2.8% 7.3% 6.0% 6.1%

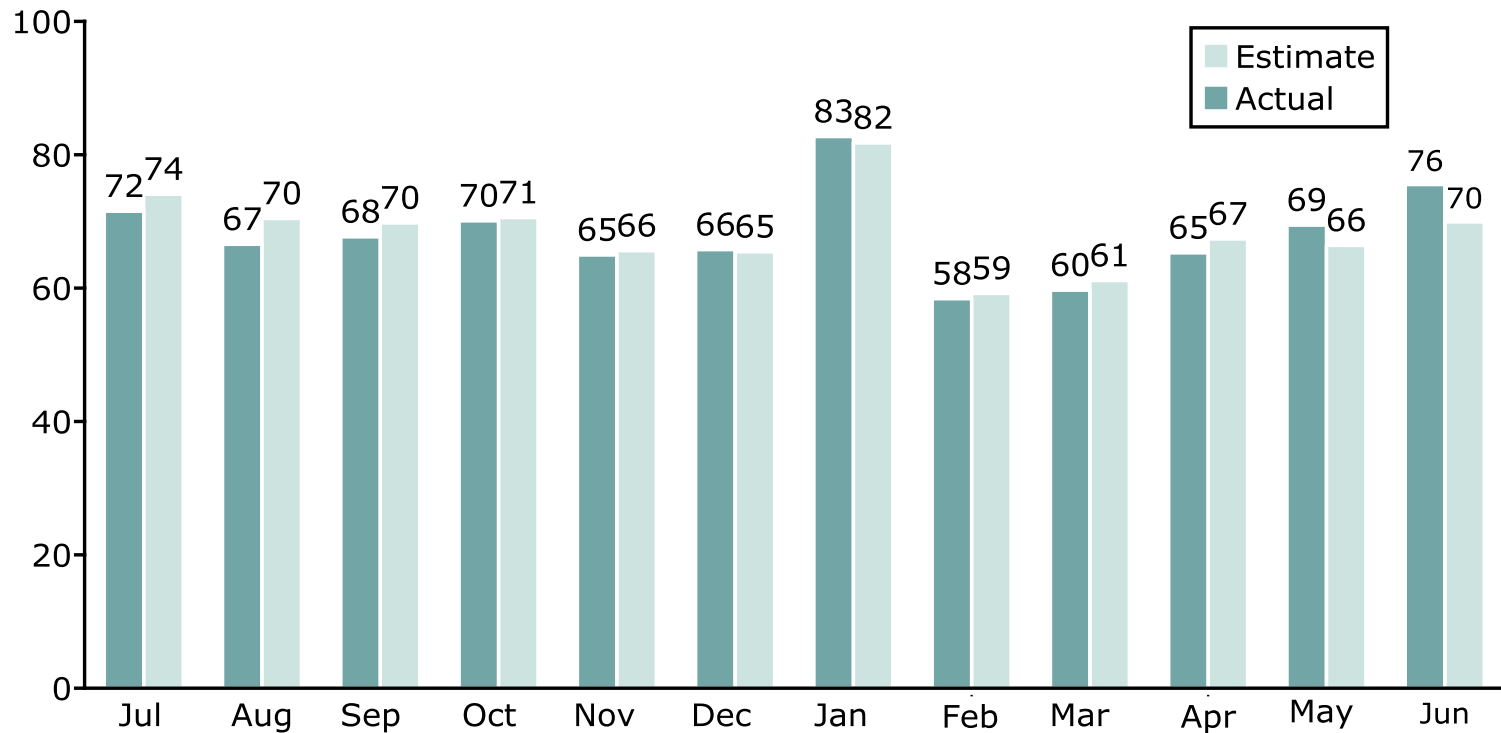
Note: Includes all adjustments to total fare revenue

Source: MBTA Internal Data



Dedicated sales tax revenue is 0.5% FYTD below forecast

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



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

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

Source: MBTA Internal Data; MA Monthly Revenue Collection