



**Massachusetts Bay  
Transportation Authority**

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## **FY19 Q3 Operating Performance**

**Report to Fiscal and Management Control Board**



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## YTD results reflect an ongoing commitment to fiscal discipline and continued progress towards revenue goals

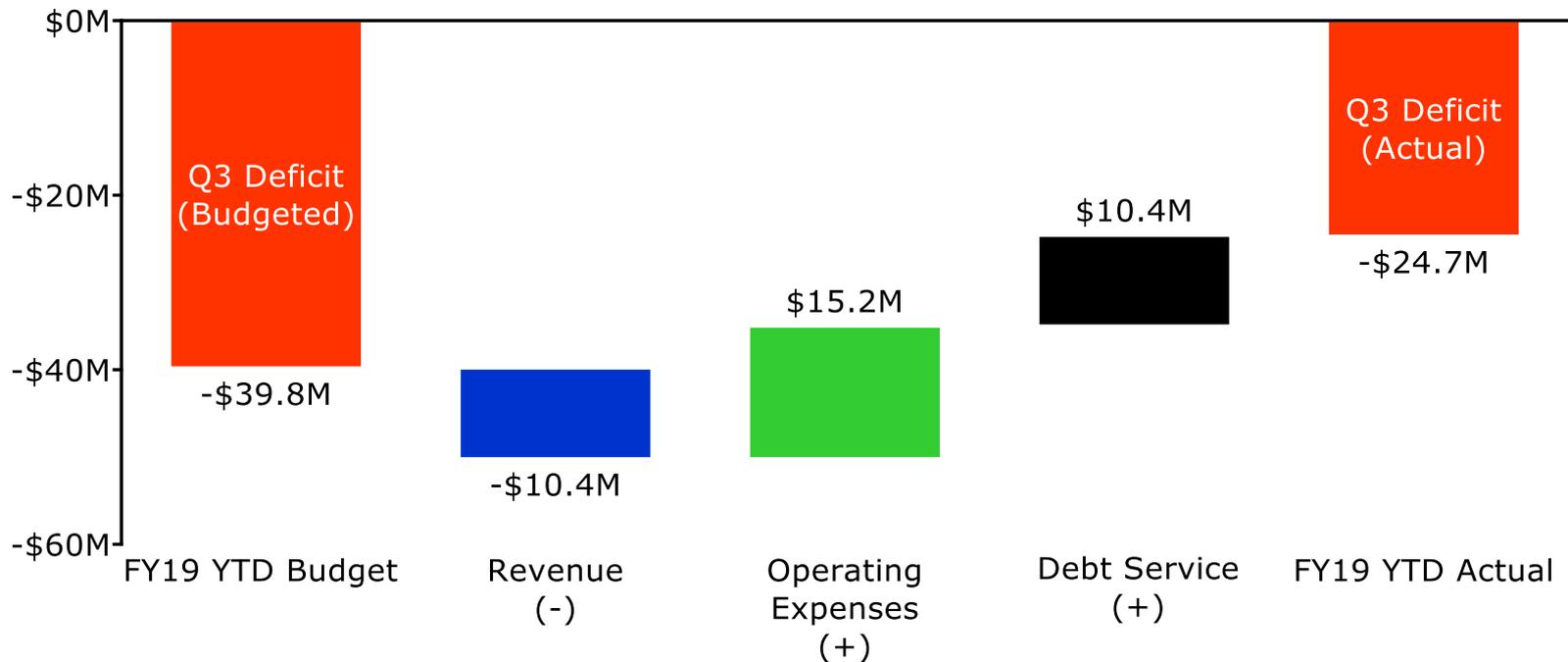
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- Structural deficit of \$24.7M through Q3 (32.9M annualized)
- Operating and non-operating revenue \$10.4M below budget year-to-date
  - › Monthly parking collections up 8% since rate changes went into effect
  - › Commuter rail and ferry revenue exceeding budget estimates
  - › Bus, subway and RIDE revenue trail forecasts but in line with FY18
  - › Investment income \$6.5M above budget
- Operating expenses \$15.2M favorable to budget and remain an authority-wide focus
  - › Materials and services \$10.3M favorable to budget
  - › Wages and benefits \$11.7M favorable to budget
  - › RIDE \$4.7M above forecast and likely to exceed budget for the full year
- Debt service \$10.4M below budget year-to-date
  - › New debt issuance delayed by realizing other funding efficiencies



**Results driven by lower than expected revenue; partially offset by operating expenses & debt service savings**

Q3 Budget to Actuals (\$M)



Source: MBTA Internal Data.



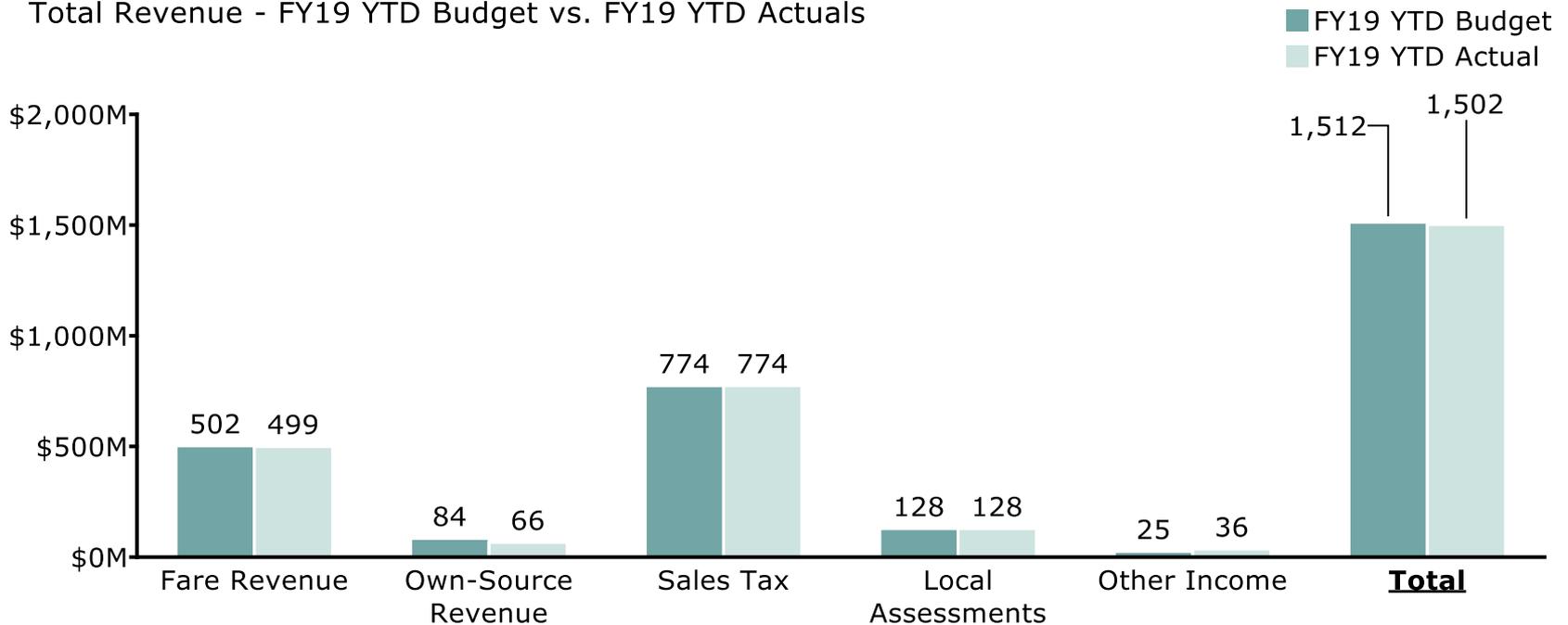
**YTD performance is \$15.1M favorable to budget**

	(\$M)	<b>FY19 YTD ACTUAL</b>	<b>FY19 YTD BUDGET</b>	<b>\$ VARIANCE</b>	<b>NOTES</b>
<b>REVENUES</b>	<b>Operating Revenues</b>	\$564.7	\$586.1	(\$21.4)	Advertising and parking trail aggressive FY19 targets. Fare revenue trending to budget.
	<b>Non-Operating Revenues</b>	\$937.2	\$926.2	\$11.0	Investment income exceeding forecasts through Q3.
	<b>Total Revenues</b>	<b>\$1,501.9</b>	<b>\$1,512.3</b>	<b>(\$10.4)</b>	
<b>EXPENSES</b>	Wages, Benefits and Payroll Taxes	\$565.5	\$577.2	\$11.7	Savings in regular wages partially offset by overtime and pension costs.
	Non-Wage	\$601.8	\$605.3	\$3.5	Materials, services and commuter rail remain favorable to budget through winter.
	<b>Operating Expenses</b>	<b>\$1,167.3</b>	<b>\$1,182.5</b>	<b>\$15.2</b>	
	<b>Debt Service</b>	\$359.2	\$369.6	\$10.4	No new long-term debt issued YTD. Commercial paper issuance expected in May/June.
	<b>Total Expenses</b>	<b>\$1,526.5</b>	<b>\$1,552.1</b>	<b>\$25.6</b>	
<b>Net Revenue</b>		<b>(\$24.7)</b>	<b>(\$39.8)</b>	<b>\$15.1</b>	
<b>Fare Recovery Ratio</b>		42.7%	42.5%		
<b>Revenue Recovery Ratio</b>		51.4%	51.6%		



## Own source revenues trailing YTD budget targets; partially offset by higher investment income

Total Revenue - FY19 YTD Budget vs. FY19 YTD Actuals



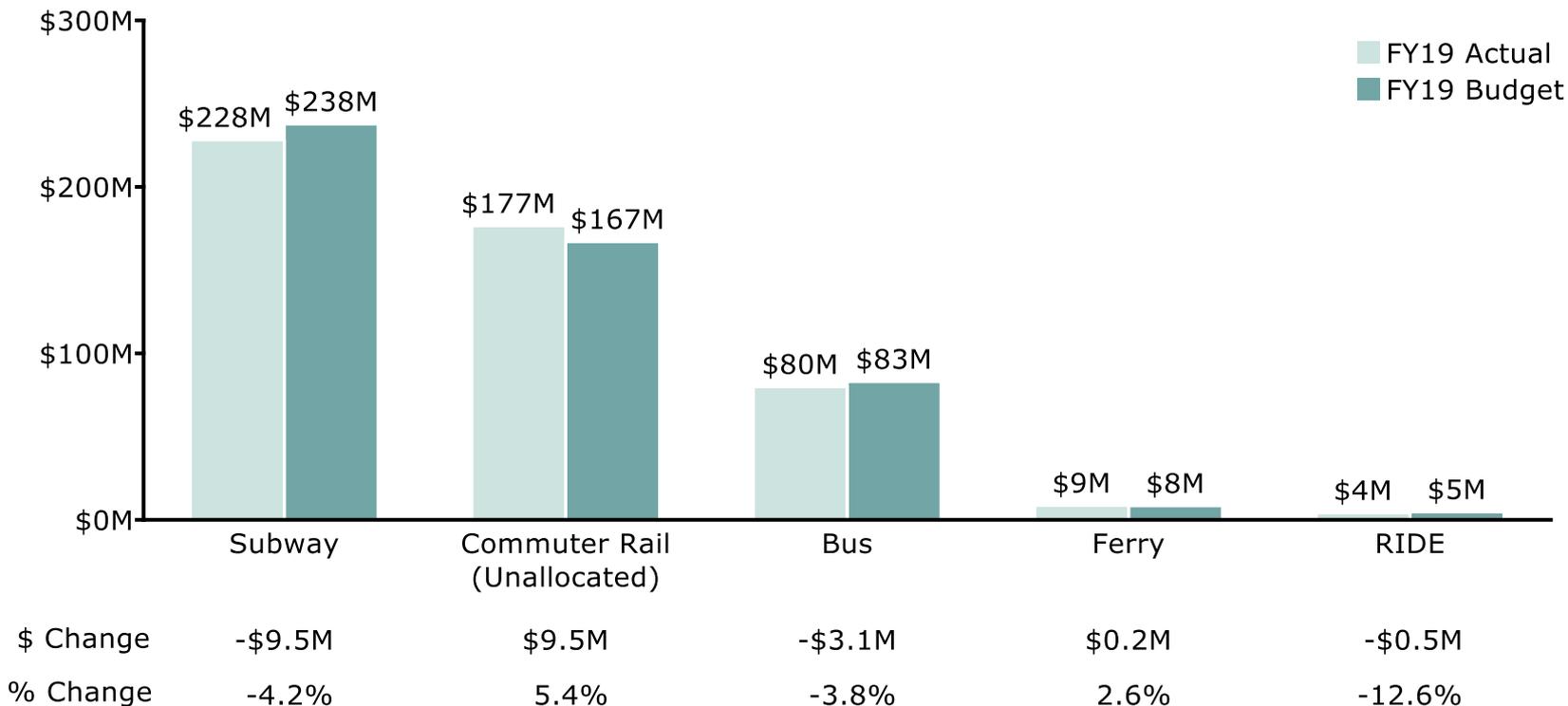
\$ Change	-\$3.5M	-\$17.9M	\$0.0M	\$0.0M	\$10.9M	-\$10.4M
% Change	-0.7%	-21.4%	0.0%	0.0%	44.5%	-0.7%

Source: MBTA Internal Data



## Fare revenue trailing budget through Q3; commuter rail and ferry revenue ahead of forecasts

Fare Revenue by Mode - FY19A vs. FY19B



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

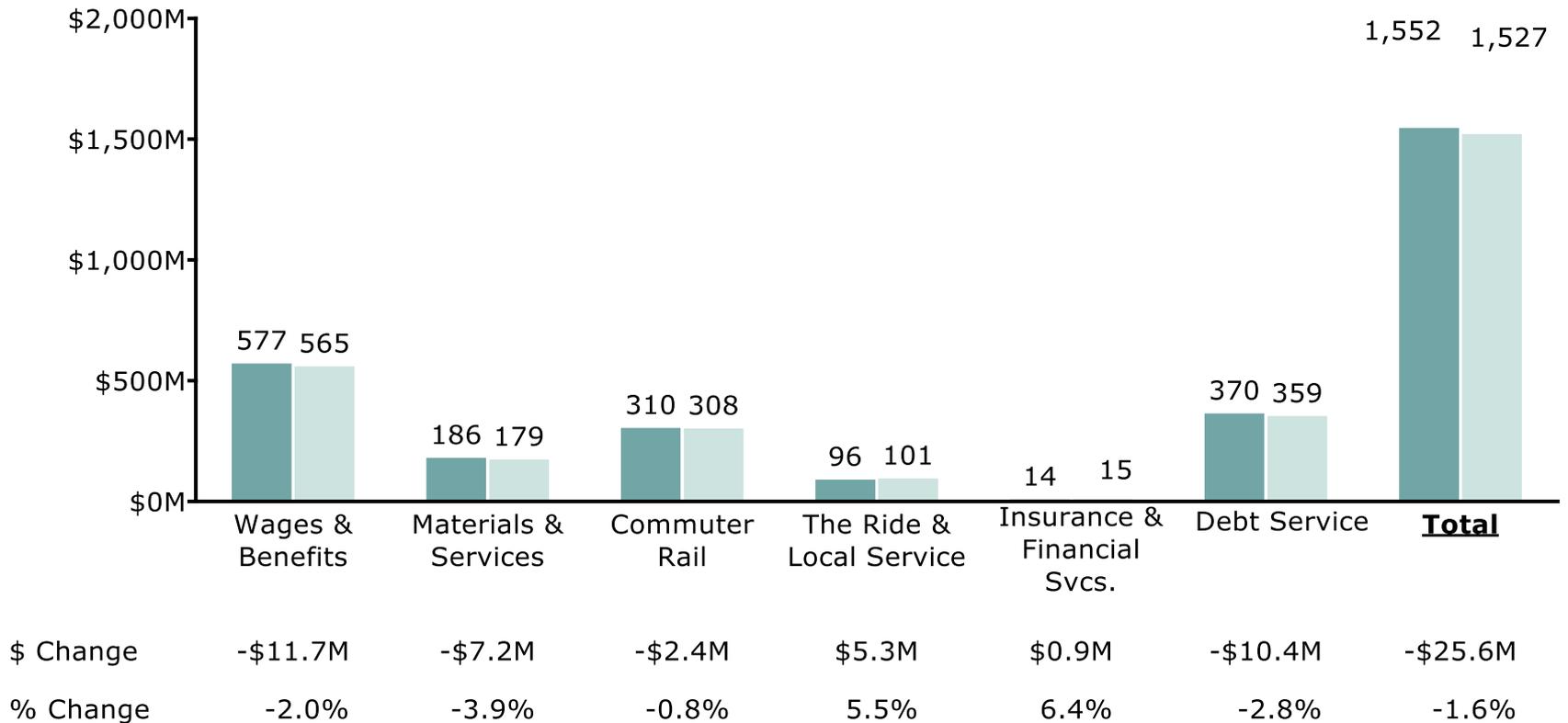
Source: MBTA Internal Data



## Total expenses (including debt service) below budget year-to-date

Total Expenses - FY19 YTD Budget vs. FY19 YTD Actuals

FY19 YTD Budget  
FY19 YTD Actual



Source: MBTA Internal Data



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## Appendix

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# Appendix



## FY19 YTD Actual Results vs FY18 YTD Actual Results

FY19 YTD Actual Results vs. FY18 YTD Actual Results					
	(\$M)	FY19 YTD <u>ACTUAL</u>	FY18 YTD <u>ACTUAL</u>	\$ <u>VARIANCE</u>	<u>NOTES</u>
<b>REVENUES</b>	<b>Operating Revenues</b>	\$564.7	\$556.4	\$8.3	Commuter Rail, Ferry and RIDE revenue higher than FY18.
	<b>Non-Operating Revenues</b>	\$937.2	\$926.1	\$11.1	Sales tax (BRA) and Assessment gains offset by FY18 one-time items.
	<b>Total Revenues</b>	<b>\$1,501.9</b>	<b>\$1,482.5</b>	<b>\$19.4</b>	
<b>EXPENSES</b>	Wages, Benefits and Payroll Taxes	\$565.5	\$577.2	\$11.7	Regular wages and overtime lower in FY19 than FY18. Pension expense increased.
	Non-Wage	\$601.8	\$585.1	(\$16.7)	Keolis fixed fee and RIDE costs driving incremental costs in FY19.
	<b>Operating Expenses</b>	<b>\$1,167.3</b>	<b>\$1,162.3</b>	<b>(\$5.0)</b>	
	<b>Debt Service</b>	<b>\$359.2</b>	<b>\$356.6</b>	<b>(\$2.7)</b>	Increased payments reflect additional principal amortization. Lower YTD interest expense.
	<b>Total Expenses</b>	<b>\$1,526.5</b>	<b>\$1,518.9</b>	<b>(\$7.6)</b>	
<b>Net Revenue</b>		<b>(\$24.7)</b>	<b>(\$36.4)</b>	<b>\$11.7</b>	
<b>Fare Recovery Ratio</b>		42.7%	42.3%		
<b>Revenue Recovery Ratio</b>		51.4%	51.8%		