



The City of New York
Office of Management and Budget
75 Park Place - New York, New York 10007 - 2146
(212) 788-5900

Mark Page
Director

November 16, 2009

TO THE FINANCIAL CONTROL BOARD

Pursuant to Section 8.3 of the Financial Emergency Act (the "Act"), the City hereby submits for review by the Financial Control Board, Modification No. 10-1 to the Financial Plan for the City and Covered Organizations for fiscal years 2010-2013 (the "Modification"). The Modification as it relates to the City is attached hereto as Exhibit A. Any Covered Organization which requires modification will be forwarded to you under separate cover.

The Four Year Financial Plan has been prepared in accordance with generally accepted accounting principles ("GAAP") except for the application of Statement No. 49 of the Government Accounting Standards Board ("GASB 49"), and with the exception of that portion of the plan related to certain Covered Organizations, which are prepared on a cash basis.

The City hereby certifies that, in its judgement, the Modification is complete and complies with the standards set forth in Section 8.1 of the Act.

Yours truly,

A handwritten signature in black ink, appearing to read "Mark Page".

Mark Page

TABLE OF CONTENTS

EXHIBIT A

CITY OF NEW YORK - FINANCIAL PLAN

A-1	Projection of Revenues and Expenditures
A-2	Projections of Cash Sources and Uses
A-3	Capital Plan Funding Source
A-4	Borrowing Schedule
A-5	Capital Plan

Four Year Financial Plan Revenues and Expenditures
(\$ in millions)

REVENUES	FY 2010	FY 2011	FY 2012	FY 2013
Taxes				
General Property Tax	\$ 16,064	\$ 17,140	\$ 17,730	\$ 18,118
Other Taxes	19,183	20,316	21,791	23,091
Tax Audit Revenue	746	596	595	594
Subtotal: Taxes	\$ 35,993	\$ 38,052	\$ 40,116	\$ 41,803
Miscellaneous Revenues	6,135	5,760	5,796	5,837
Unrestricted Intergovernmental Aid	340	340	340	340
Less: Intra-City Revenue	(1,768)	(1,565)	(1,568)	(1,572)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 40,685	\$ 42,572	\$ 44,669	\$ 46,393
Other Categorical Grants	1,163	1,033	1,037	1,035
Inter-Fund Revenues	486	453	443	443
Total City, Capital IFA & Oth. Cat. Funds	\$ 42,334	\$ 44,058	\$ 46,149	\$ 47,871
Federal Categorical Grants	7,256	6,454	5,382	5,370
State Categorical Grants	11,518	11,926	12,386	13,059
Total Revenues	\$ 61,108	\$ 62,438	\$ 63,917	\$ 66,300
EXPENDITURES				
Personal Service				
Salaries and Wages	\$ 22,880	\$ 23,335	\$ 22,895	\$ 23,741
Pensions	6,700	7,009	7,311	7,562
Fringe Benefits ¹	7,054	6,705	6,774	7,708
Subtotal - Personal Service	\$ 36,634	\$ 37,049	\$ 36,980	\$ 39,011
Other Than Personal Service				
Medical Assistance	\$ 4,916	\$ 5,622	\$ 6,091	\$ 6,271
Public Assistance	1,399	1,299	1,299	1,299
All Other ¹	19,394	18,839	19,493	20,007
Subtotal - Other Than Personal Service	\$ 25,709	\$ 25,760	\$ 26,883	\$ 27,577
General Obligation, Lease and TFA Debt Service ^{1,2,3}	\$ 5,233	\$ 5,576	\$ 6,225	\$ 6,541
General Obligation and TFA Debt Defeasances (Net) ³	(2,726)	-	-	-
FY 2009 Budget Stabilization & Discretionary Transfers ¹	(2,813)	-	-	-
FY 2010 Budget Stabilization ²	539	(539)	-	-
General Reserve	300	300	300	300
Subtotal	\$ 62,876	\$ 68,146	\$ 70,388	\$ 73,429
Less: Intra-City Expenses	(1,768)	(1,565)	(1,568)	(1,572)
Total Expenditures	\$ 61,108	\$ 66,581	\$ 68,820	\$ 71,857
Gap To Be Closed	\$ -	\$ (4,143)	\$ (4,903)	\$ (5,557)

¹ Fiscal Year 2009 Budget Stabilization and Discretionary Transfers total \$2.813 billion, including Budget Stabilization of \$1.286 billion, lease debt service of \$110 million, Retiree Health Benefits of \$225 million, subsidies of \$643 million, net equity contribution in bond refunding of \$3 million and TFA debt service of \$546 million.

² Fiscal Year 2010 Budget Stabilization of \$539 million.

³ FY 2007 GO debt defeasance of \$536 million reduced debt service by \$27 million, \$279 million and \$277 million in FY 2008 through FY 2010, respectively. FY 2008 GO debt defeasance of \$1.986 billion reduced debt service by \$2.036 billion in FY 2010. FY 2007 TFA debt defeasance of \$718 million reduced debt service by \$33 million, \$362 million and \$382 million in FY 2008 through FY 2010, respectively. FY 2007 JSDC debt defeasance of \$65 million reduced debt service by \$34 million and \$31 million in FY 2009 and FY 2010.

**New York City Financial Plan
Four Year Projections of Cash Sources and Uses
(\$ in millions)**

Sources of Cash	FY 2010	FY 2011	FY 2012	FY 2013
Funds Provided/(Used) from Operations	\$ (127)	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	9,730	9,838	9,039	8,125
Total Sources	\$ 9,603	\$ 12,238	\$ 11,439	\$ 10,525
Uses of Cash				
Capital Disbursements	9,730	9,838	9,039	8,125
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400
Total Uses	\$ 9,730	\$ 12,238	\$ 11,439	\$ 10,525
Net Sources/(Uses) of Cash	\$ (127)	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 5,839	\$ 5,712	\$ 5,712	\$ 5,712
Cash Balance - End of Period	\$ 5,712	\$ 5,712	\$ 5,712	\$ 5,712

**New York City Financial Plan
Four Year Capital Plan Funding Sources
(\$ in millions)**

Sources of Capital Cash	FY 2010	FY 2011	FY 2012	FY 2013
New York City General Obligation Bonds	\$ 3,445	\$ 3,022	\$ 2,682	\$ 2,392
Other Long-Term Sources:				
TFA-PIT	\$ 3,200	\$ 3,023	\$ 2,683	\$ 2,392
Water Authority	2,296	1,997	1,803	1,525
Total Long-Term Sources	\$ 8,941	\$ 8,042	\$ 7,168	\$ 6,309
Four Year Education Capital Plan				
TFA - Building Aid Revenue Bonds	236	889	917	960
Other Non-City Funds	781	829	832	706
Reimbursable Capital	\$ 1,017	\$ 1,718	\$ 1,749	\$ 1,666
Financial Plan Adjustment	(228)	78	122	150
Total Capital Plan Funding Sources	\$ 9,730	\$ 9,838	\$ 9,039	\$ 8,125

**New York City Financial Plan
Fiscal Year 2010 Borrowing Schedule
(\$ in millions)**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
Short-Term Borrowing:					
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment	-	-	-	-	-
Total Short-Term Borrowing (Repayment)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Borrowing:					
New York City General Obligation	\$ -	\$ 1,845	\$ 800	\$ 800	\$ 3,445
Transitional Financial Authority ¹	900	775	800	725	3,200
Water Authority ¹	300	700	620	676	2,296
Total Borrowing to Finance City Capital Program	\$ 1,200	\$ 3,320	\$ 2,220	\$ 2,201	\$ 8,941

Notes:

1. Excludes costs of issuance and reserve fund allocations and reflects Water Authority Commercial Paper and revenue bonds issued to finance the water and sewer system's capital program. Amounts do not include revenue bonds issued to permanently finance previously issued commercial paper.

**New York City Financial Plan
Four Year Capital Plan
(\$ in millions)**

Projected Capital Commitments

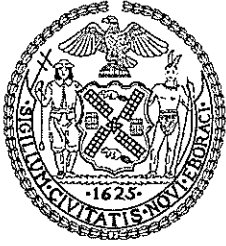
	FY 2010	FY 2011	FY 2012	FY 2013	Total
City	\$ 11,143	\$ 6,927	\$ 4,511	\$ 5,157	\$ 27,738
Non-City	3,356	1,715	1,466	1,301	7,838
Total	<u>\$ 14,499</u>	<u>\$ 8,642</u>	<u>\$ 5,977</u>	<u>\$ 6,458</u>	<u>\$ 35,576</u>

Projected Capital Expenditures

	FY 2010	FY 2011	FY 2012	FY 2013	Total
City	\$ 8,713	\$ 8,120	\$ 7,290	\$ 6,459	\$ 30,582
Non-City ¹	1,017	1,718	1,749	1,666	6,150
Total	<u>\$ 9,730</u>	<u>\$ 9,838</u>	<u>\$ 9,039</u>	<u>\$ 8,125</u>	<u>\$ 36,732</u>

Notes:

1. Includes Federal, State and other Reimbursable Capital.



The City of New York
Office of Management and Budget
75 Park Place - New York, New York 10007 - 2146
(212) 788-5904

Stuart Klein
First Deputy Director

December 14, 2009

Mr. Jeffrey Sommer
Acting Executive Director
Financial Control Board
123 William Street, 23rd Floor
New York, New York 10038

Dear Mr. Sommer:

Enclosed please find Exhibit B1-B3 on behalf of the Covered Organizations. This completes Modification No. 10-1.

Yours truly,


Stuart Klein

TABLE OF CONTENTS

EXHIBIT B

COVERED ORGANIZATIONS - FINANCIAL PLAN

B-1	New York City Transit Authority
B-2	Staten Island Rapid Transit Operating Authority
B-3	New York City Educational Construction Fund

**NEW YORK CITY TRANSIT
2009-2012 FINANCIAL PLAN SUMMARY - MODIFIED ACCRUAL BASED
(Calendar Years, \$ in Millions)**

EXHIBIT B-1

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
REVENUES				
Operating Revenue				
Farebox Revenue ⁽¹⁾	\$3,139.0	\$3,279.2	\$3,342.7	\$3,398.8
Other Operating Revenue	260.6	306.1	329.8	351.7
Total Operating Revenue	\$3,399.6	\$3,585.3	\$3,672.5	\$3,750.5
Capital & Police Reimbursement	\$936.8	\$935.9	\$898.6	\$901.8
Subsidies				
Bridges & Tunnels Surplus Transfer	\$82.9	\$91.9	\$81.7	\$69.9
Operating Assistance	316.3	316.3	316.3	316.3
Tax-Supported Subsidies	2,520.8	2,964.9	3,245.7	3,601.0
NYCT Charge Back of MTA Bus Debt Service ⁽²⁾	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)
Forward Energy Contracts ⁽³⁾	\$76.2	\$0.0	\$0.0	\$0.0
55/25 Pension Funding ⁽⁴⁾	\$34.4	\$0.0	\$0.0	\$0.0
Inter-Agency Loan ⁽⁵⁾	\$134.5	\$134.5	(\$134.5)	(\$134.5)
Total Subsidies	3,153.6	3,496.1	3,497.7	3,841.2
TOTAL REVENUES AND SUBSIDIES	\$7,490.0	\$8,017.3	\$8,068.8	\$8,493.5
EXPENSES				
Nonreimbursable Expenses				
Personal Services				
Salaries and Wages	\$3,057.6	\$3,108.7	\$3,171.8	\$3,230.4
Fringe Benefits	\$1,713.6	\$1,784.6	\$1,896.9	\$2,028.0
Reimbursable Overhead	(\$210.1)	(\$208.8)	(\$197.6)	(\$196.6)
Total Personal Services	\$4,561.1	\$4,684.5	\$4,871.1	\$5,061.8
OTPS TOTAL	\$1,513.8	\$1,664.7	\$1,778.6	\$1,945.1
Debt Service ⁽⁶⁾	\$656.7	\$865.5	\$960.1	\$1,003.5
Depreciation	\$1,250.0	\$1,325.0	\$1,400.0	\$1,475.0
Other Post Employment Benefits (OPEB)	1,055.4	1,098.9	1,144.8	1,191.6
Environmental Remediation	0.0	0.0	0.0	0.0
Total Nonreimbursable Expenses	\$9,037.0	\$9,638.6	\$10,154.6	\$10,677.0
Total Reimbursable Expenses	\$936.8	\$935.9	\$898.6	\$901.8
TOTAL EXPENSES	\$9,973.8	\$10,574.5	\$11,053.2	\$11,578.8
BALANCE BEFORE OTHER MTA ACTIONS AND CASH FLOW ADJUSTMENTS	(\$2,483.8)	(\$2,557.2)	(\$2,984.4)	(\$3,085.3)
Post-2009 Agency Program to Eliminate Gap ⁽⁷⁾	\$16.2	\$51.7	\$116.2	\$178.3
OTHER ACTIONS AVAILABLE TO OFFSET OUTYEAR BUDGET GAPS⁽⁸⁾	\$0.0	\$0.0	\$298.5	\$224.4
CASH FLOW ADJUSTMENTS	\$97.2	\$56.4	\$23.9	\$16.0
DEPRECIATION ADJUSTMENT	\$1,250.0	\$1,325.0	\$1,400.0	\$1,475.0
OPEB ADJUSTMENT	\$1,055.4	\$1,098.9	\$1,144.8	\$1,191.6
ENVIRONMENTAL REMEDIATION⁽⁹⁾	\$0.0	\$0.0	\$0.0	\$0.0
CASH SURPLUS FROM PREVIOUS YEAR	\$91.1	\$26.1	\$0.9	\$0.0
SURPLUS / (DEFICIT)⁽¹⁰⁾	\$26.1	\$0.9	\$0.0	\$0.0

NOTE: The Calendar Year is the Fiscal Year used by MTA-New York City Transit
SOURCE: MTA 2010 Final Proposed Budget 2010-2013, dated November 2010. This report is an accrual based operating report statement excluding amounts for debt service and subsidies, which are reported on a cash basis. Please note that on May 6, 2009 the New York State Legislature passed legislation which the Governor signed on May 7, 2009, addressing MTA revenue needs. The legislation provided additional revenues from taxes and fees to the MTA which, along with the implementation of an average 10% fare and toll increase are projected to help the MTA meet its operating needs for 2009 and 2010. On May 11, 2009 the MTA voted to rescind its former 23% fare and toll increase packages and instead adopted the average 10% fare and toll increases.

- (1) This increase includes revenues from the 10% fare hike to start in July 2009.
- (2) These amounts reflect reimbursement to MTA Bus under a swap agreement with NYCT in which Federal capital grant monies are paid to NYCT for the benefit of MTA Bus. The additional portion of MTA Bus debt service is funded from MRT-2.
- (3) Reflects the \$150M that was prepaid in 2007 for NYCT, LIRR, and Metro-North to implement a forward energy contract to lock-in fuel prices. \$76 million in 2009 reflects savings to NYCT.
- (4) This is a reimbursement payment to NYCERS and MaBSTOA pension plans from the GASB account for payments by them to union employees who previously made contributions to the 55/25 pension program. This is the result of a 12/05 Labor agreement and arbitration with union employees and NYCT.
- (5) The MTA will be borrowing these amounts in 2009 and 2010 and paying these Inter-Agency Loans back in 2011 and 2012.
- (6) Debt Service includes NYCT Base Debt Service plus Debt Service assumed by the MTA on behalf of NYCT. It equals the Sub-Total MTA Paid Debt Service. The total debt service amount is cash-based. For the 2010-2013 November Plan, cash defeasance is incorporated into the baseline amount.
- (7) MTA PEGs (Program to Eliminate the Gap) includes various initiatives included in the MTA 2010 Final Proposed Budget approved by the MTA Board in the November 2009 Financial Plan. It mainly includes efficiencies in the areas of administration, maintenance, service support, security post reductions, and title downgrades.
- (8) Includes items not yet provided by the MTA. Typically includes Increased Ridership, Fare Collection, Expense Reductions, Management Initiatives, Cash Reserve, & Other Governmental Assistance.
- (9) Reflects implementation of GASB 49 which requires governmental bodies to provide the public with better information about the financial impact of environmental cleanup. This number was estimated using an "expected cash flow" measurement technique.
- (10) May be revised to reflect allocations for other MTA Actions.

**STATEN ISLAND RAILWAY (SIRTOA)
2009-2012 FINANCIAL PLAN
(Calendar Years; \$ in Millions)**

EXHIBIT B-2

<u>REVENUES</u>				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Operating Revenue				
Farebox Revenue	\$4.422	\$5.258	\$5.345	\$5.417
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	\$2.071	\$2.071	\$2.071	\$2.071
Capital and Other Reimbursements	\$1.487	\$1.545	\$1.605	\$1.672
Total Revenue	\$7.980	\$8.874	\$9.021	\$9.160
Subsidies				
Metro Account Tax Subsidy	\$3.100	\$3.100	\$3.100	\$3.300
Federal Operating Assistance	\$0.000	\$0.000	\$0.000	\$0.000
Mortgage Recording Tax	\$0.000	\$0.000	\$0.000	\$0.000
State 18b Operating Assistance	\$0.500	\$0.500	\$0.500	\$0.500
City 18b Operating Assistance	\$0.500	\$0.500	\$0.500	\$0.500
MTA Subsidy	\$34.042	\$29.700	\$27.000	\$29.200
Total Tax & Operating Assistance	\$38.142	\$33.800	\$31.100	\$33.500
Total Operating Revenue & Subsidies	\$46.122	\$42.674	\$40.121	\$42.660
EXPENSES				
Nonreimbursable Expenses				
Personal Services				
Payroll	\$15.537	\$16.057	\$16.266	\$16.626
Overtime	\$0.762	\$0.776	\$0.794	\$0.812
Total Salaries & Wages	\$16.299	\$16.833	\$17.060	\$17.438
Health and Welfare	\$2.825	\$3.024	\$3.237	\$3.464
OPEB Current Payment	\$0.508	\$0.545	\$0.585	\$0.628
Pensions	\$5.434	\$6.415	\$7.227	\$8.276
Other Fringe Benefits	\$1.240	\$1.266	\$1.271	\$1.324
Total Fringe Benefits	\$10.007	\$11.213	\$12.280	\$13.649
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000
Total Labor Expenses	\$26.306	\$28.046	\$29.340	\$31.087
Non-Labor				
Traction and Propulsion Power	\$3.128	\$3.513	\$3.969	\$4.485
Fuel for Buses and Trains	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	\$0.269	\$0.303	\$0.436	\$0.361
Claims	\$0.265	\$0.268	\$0.270	\$0.281
Paratransit Service Contracts	\$0.000	\$0.000	\$0.000	\$0.000
Misc. And Other Operating Contracts ⁽¹⁾	\$11.202	\$7.212	\$2.720	\$2.907
Professional Service Contracts	\$0.401	\$0.406	\$0.352	\$0.366
Materials & Supplies	\$1.014	\$1.077	\$1.108	\$1.133
Other Business Expenses	\$0.005	\$0.005	\$0.005	\$0.005
Total Non-Labor Expenses	\$16.284	\$12.784	\$8.860	\$9.538
Total Nonreimbursable Expenses before Depreciation	\$42.590	\$40.830	\$38.200	\$40.625
Total Gap Closing Actions ⁽²⁾	\$0.090	\$0.330	\$0.770	\$1.120
Reimbursable Expenses	\$1.487	\$1.545	\$1.605	\$1.672
Depreciation	\$7.700	\$7.700	\$7.700	\$7.700
Other Post Employment Benefits (OPEB) Obligation	\$2.700	\$2.800	\$2.800	\$3.000
Environmental Remediation	\$0.000	\$0.000	\$0.000	\$0.000
TOTAL EXPENSES	\$54.567	\$53.205	\$51.075	\$54.117
Baseline Net Surplus/(Deficit)	(\$8.445)	(\$10.531)	(\$10.954)	(\$11.457)
Operating Cash Flow Adjustment	(\$2.045)	(\$0.290)	(\$0.317)	(\$0.347)
Depreciation Adjustment	\$7.700	\$7.700	\$7.700	\$7.700
OPEB Adjustment	\$2.700	\$2.800	\$2.800	\$3.000
Environmental Remediation Adjustment	\$0.000	\$0.000	\$0.000	\$0.000
2010 & Post 2010 Program to Eliminate the Gap (PEGs)	\$0.090	\$0.330	\$0.771	\$1.120
Net Surplus/(Deficit)	(\$0.000)	\$0.009	\$0.000	\$0.016

NOTE: The Calendar Year is the Fiscal Year used by MTA-Staten Island Railway.

NOTE: This MTA Baseline includes Gap Closing Actions .

SOURCES: MTA 2010 Final Proposed Budget November Financial Plan 2010-2013

(1) Reflects a delay in the timing of R-44 fleet maintenance work resulting in the deferral of expenses to 2009 and 2010.

(2) Actions adopted by the Board in December in response to reduced dedicated tax forecasts and declining state and local aid.

EXHIBIT B-3

**NYC EDUCATIONAL CONSTRUCTION FUND
FY10-FY13 BUDGET (\$ in 000's)**

	FY 10	FY 11	FY 12	FY 13
<u>RECEIPTS</u>				
NON-SCHOOL RENTALS & TAX PAYMENTS	19,705	20,296	20,905	21,532
INTEREST INCOME	4,300	4,386	4,474	4,563
TOTAL	24,005	24,682	25,379	26,095
<u>DISBURSEMENTS</u>				
PERSONAL SERVICE (INCL. HEALTH, RETIREMENT--ETC.)	383	402	422	443
OTHER THAN PERSONAL SERVICES (Note 1)	405	425	447	469
INSURANCE	557	573	590	608
DEBT SERVICE (Note 2)				
PRINCIPAL	6,135	6,075	6,750	6,390
INTEREST	4,616	4,421	4,228	3,894
TOTAL	12,096	11,897	12,437	11,804
SURPLUS/(DEFICIT)	11,910	12,786	12,942	14,291

NOTES:

- 1) OTPS includes Operations, Legal & Development Fees.
- 2) Debt Service pertains to the 2005 A Series Revenue Bond Issue in Original Amounts of \$99,140,000 Replacing Revenue Bonds 1994 and 1996 and they also pertain to Bond Series 2007A issued in January 2007.