

Staff Summary



Subject MTA Bus 2024 Budget and 2024 – 2027 Financial Plan Adoption
Department Office of the Chief Financial Officer
Department Head Name Kevin Willens, Chief Financial Officer
Department Head Signature
Project Manager Name David Keller

Date December 18, 2023
Vendor Name NA
Contract Number NA
Contract Manager Name NA
Table of Contents Ref #

Board Action					
Order	To	Date	Approval	Info	Other
1	TA Committee	12/18/23			
2	Finance Committee	12/18/23			
3	MTA Board	12/20/23			

Internal Approvals			
Order	Approval	Order	Approval
1	OMB		
2	Financial Liaison		
3	President		

Purpose

To secure MTA Board adoption of MTA Bus Company's 2023 November Forecast, 2024 Final Proposed Budget, and the Four-Year Financial Plan for 2024-2027.

Discussion

The 2024 Final Proposed Budget, which is consistent with information presented to the Board in December 2023, provides funding to maintain MTA Bus Company's commitment to delivering safe, secure, and reliable transportation and first-class customer service. The MTA Bus projections do not include MTA consolidated below-the-line adjustments, including the estimated impacts of projected fare increases, which are presented as part of MTA consolidated materials.

Key Initiative

The 2024 Final Proposed Budget reflects key initiatives deemed essential to providing safe and reliable service to customers while ensuring assets remain in a state of good repair. Starting in 2025, the Financial Plan projections include the following key initiative:

- *Enterprise Asset Management system* - Replace aging and obsolete applications utilized for various EAM systems to manage vehicle assets, maintenance work orders, labor and material expenses for bus and non-revenue fleets to ensure operational continuity.

2023 November Forecast – Baseline

The 2023 non-reimbursable Forecast reflects operating revenues budgeted at \$196.7 million, including farebox revenues of \$176.3 million and \$20.4 million of Other Operating Revenue. Total non-reimbursable expenses before depreciation and GASB adjustments are budgeted to be \$934.3 million, consisting of labor expenses of \$709.7 million and non-labor expenses of \$224.6 million. Non-cash depreciation expense is projected at \$56.2 million, GASB 75 OPEB expense adjustment is projected at \$76.1 million and GASB 68 Pension expense adjustment is projected at \$77.7 million. Projected reimbursable expenses of \$7.3 million are fully offset by capital reimbursements. Total end-of-year positions are projected at 3,906 consisting of 3,868 non-reimbursable positions and 38 reimbursable positions.

2024 Final Proposed Budget – Baseline

The 2024 Final Proposed Budget reflects non-reimbursable operating revenues budgeted at \$209.9 million, including farebox revenues of \$190.0 million and \$19.9 million of Other Operating Revenue. Total non-reimbursable expenses before depreciation and GASB adjustments are budgeted to be \$966.5 million in 2024, consisting of labor expenses of \$724.2 million and non-labor expenses of \$242.3 million. Non-cash depreciation expense is projected at \$56.2 million, GASB 75 OPEB expense adjustment is projected at \$78.4 million and GASB 68 Pension expense adjustment is projected at \$66.5 million. Projected reimbursable expenses of \$7.5 million are fully offset by capital reimbursements. Total end-of-year positions are projected at 3,908 consisting of 3,870 non-reimbursable positions and 38 reimbursable positions.

Impact on Funding

The 2023 November Forecast, the 2024 Final Proposed Budget and the Four-Year Financial Plan for 2024-2027, which are presented in the attached tables, are consistent with the proposed MTA Financial Plan.

Recommendation

It is recommended that the MTA Board adopt the 2023 November Forecast, the 2024 Final Proposed Budget, and the Four-Year Financial Plan for 2024-2027 for MTA Bus Company.