

MTA ANNUAL OVERTIME REPORT 2021 RESULTS



April 2022

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Executive Summary

For a second consecutive year, the COVID-19 pandemic posed unprecedented challenges for the MTA, both operational and fiscal. Mindful of the large role it plays in driving the New York region's economic recovery, the MTA's primary focus during 2021 was on welcoming customers back to mass transportation by delivering service that was safe, reliable and convenient for customers. At the same time, the fragile fiscal environment required that the MTA be as vigilant as ever when it comes to controlling costs, eliminating unnecessary spending and operating efficiently. As always, effectively managing overtime usage and spending drew special attention.

Despite the significant operational challenges faced by the MTA and its operating agencies, the MTA successfully reduced its overtime spending in 2021 when compared to pre-pandemic levels. Overtime spending was \$217 million less than it was in 2018 and \$94 million less than it was in 2019 - reductions of 16% and 8%, respectively. These positive results were achieved through a variety of initiatives put in place over the last three years, including the adoption of strengthened policies, practices and procedures and the introduction of new tools designed to help the MTA better manage the strategic use of overtime.

Since 2019, the MTA's Overtime Task Force (OTTF) has provided executive leadership and direction across the entire Agency to reform and strengthen its overtime management practices and procedures. In August 2019 Morrison & Foerster LLP issued its **"Overtime Policies and Procedures"** Report that recommended 15 concrete steps that the MTA should take to improve its overtime management oversight. The MTA Inspector General's Office (MTAIG) issued another four recommendations. As of the end of 2021, the MTAIG had confirmed that 14 of the 15 Morrison & Foerster recommendations had been implemented.

Some of the key recommendations that have been implemented include:

- **establishment of MTA wide policies on Timekeeping & Attendance and Overtime and implementation of agency specific procedures consistent with those policies;**
- **requirement that all employees utilize the Kronos timekeeping system to record their attendance;**
- **development of advanced interactive performance dashboards that provide managers and decision-makers with additional tools to effectively manage their employees;**
- **establishment of a consistent approach to monitoring employees who work the most overtime;**
- **development of a consistent methodology to calculate employee availability across agencies;**
- **introduction of more transparent reporting, both internal and external to the Board and the public; and**
- **issuance of this annual report, which analyzes budget to actual overtime expenditures and explains the drivers of overtime at formal monthly reporting and review of overtime trends, causes and budget performance.**

The one open recommendation - full integration of scheduling, timekeeping and payroll systems – continues to be an ongoing effort. However, the MTA has made great strides with the systems it currently has in place, and now can verify an employee's attendance and identify red flags regardless of the particular timekeeping system used at each agency.

Operating a mass transportation and bridges/ tunnels system the size of the MTA – 24 hours per day and seven days per week – requires the use of overtime. The most obvious examples involve responding to emergencies and other unplanned events. In other cases, operational needs and service schedules entail extending existing employee work tours on overtime rather than hiring new staff. Another factor is the need to protect service during traditional peak time periods, which results in work performed when ridership is lower, such as during nights and weekends, which entails the utilization of overtime. Employee availability also plays a role, as backfilling critical positions on overtime is sometimes required to deliver service. All of this takes place in the context of existing collective bargaining agreements. Moreover, the use of overtime can be cost-effective in some circumstances.

In short, the use of overtime is an important tool for the MTA. The key is to make sure that it is used when essential and that it represents an efficient use of resources. The development of strong policies and procedures, robust reporting tools and a management focus on cost effectiveness make this possible.

This MTA Annual Overtime Report examines trends in overtime spending across the MTA agencies over the past four years (2018-2021), comparing actuals both to prior years and to budget. It details spending by overtime category and identifies the factors that contributed to these trends. Additionally, it explores how overtime is distributed across the workforce, measuring how much overtime employees are earning versus their base salary.

MTA-wide, overtime spending increased slightly in 2021 versus 2020, by 3% or \$37 million, from \$1.13 billion to \$1.16 billion.¹ This was after two years of consecutive reductions - 9% in 2019 and 10% in 2020.

The results for 2021 versus 2020 reflect the impacts of the pandemic, most notably enhanced vacancy/ absentee coverage at New York City Transit and the MTA Bus Company and increased train service levels at the commuter railroads. These increases were partially offset by reduced reimbursable overtime due to slower than projected capital project activity. The MTA ended the year within 3% of its overtime budget, a mark that was much better than the years immediately preceding the pandemic.

¹ Note that these figures are unadjusted for the general wage increases awarded during 2021.

Another area that the MTA has paid special attention to is the so-called “high earners” – employees who earn a high amount of overtime and/or a large amount overtime versus their base pay. **During 2021, approximately 12.3% of overtime eligible employees earned overtime at a level greater than 50% of their base salary. This percent is slightly less than 2020 and significantly less than the pre-pandemic years of 2018 and 2019.** At the other end of the spectrum, the percent of employees who earned overtime at a level less than 10% of their base salary has steadily grown over the last two years from 29.5% in 2018 to 44.9% in 2021. Several factors contributed to this trend, including reduced NYCT Subway Action Plan activity and reduced LIRR capital project activity (East Side Access, Main Line Double Track) – each of these efforts previously concentrated a large amount of overtime on a smaller cadre of employees and titles. At B&T, efficiencies achieved through Open Road Cashless Tolling helped reduce overtime earnings rates.

Improving employee availability is a particular focus at the MTA, as low availability can impact service levels and result in increased overtime spending. **During 2021, MTA wide availability (excluding MTA Police Department employees and non-represented New York City Transit and MTA Bus employees) was 77%.² This was 3 percentage points (or 7.2 days) better than 2020.** The improvement was almost entirely attributable to reduced COVID-19-related leave. The MTA has formed a project team to review agency availability performance in detail and work with management to share best practices and identify opportunities to improve availability.

The MTA's work is not over. Overtime expenses continue to make up a significant portion of the MTA's budget, and efforts that reduce overtime will play a major role in addressing the MTA's financial challenges. Areas of focus during 2022 and beyond include adhering to an aggressive hiring that will lead to reduced vacancy overtime; developing an Agency-wide strategic approach to improving availability that will lead to reduced absentee overtime; and using digital timeclocks to accurately record time and attendance.

² Due to data collection challenges as a result of the Kronos outage that occurred in December 2021, availability rates and data are through November.

Report Definitions

When comparing overtime actuals to budget, the Adopted Budget is used as reference (excluding NYCT, which uses an adjusted Adopted Budget that contains updates for Subway Action Plan related items). 2021 actuals reflect preliminary unaudited results. Final audited results will be published in April 2022. When comparing the overtime earned to an employee's annual base rate, the base salary is defined as the employee's annual rate on the last day of the period under review (it does not include any additional contractual obligations) – rather than the actual regular earnings of the employee during the period under review. Overtime earned is defined as per the 2020 Freedom of Information Law (FOIL) employee earnings report. Overtime eligibility is determined by the employee's union code on the last day of the period under review and whether that union code is eligible for overtime.

Overtime can be classified as reimbursable or non-reimbursable. Reimbursable overtime includes work done to support projects that are reimbursed, primarily from the MTA's Capital Program, as well as through various security grant programs. Another less common source of reimbursement is work performed on behalf of third parties. Non-reimbursable overtime supports operating activities.

MTA overtime is classified under one of the ten categories listed below. Except for "Reimbursable", all categories support operating activities and are considered non-reimbursable overtime.

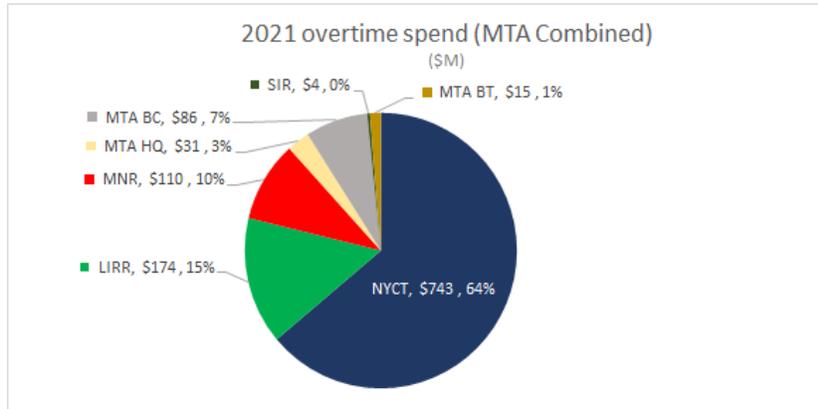
Not all agencies use each of the categories listed below and some agencies combine lesser used categories in their reporting. The relevant charts in each agency section list the categories used (if a category is not specified, it can be assumed to be included in "Other" or is not used by the agency).

- 1. Scheduled service** – Scheduled overtime applies primarily to service delivery employees (e.g., Bus Operators, Train Operators and Conductors) who are scheduled to work crew book/regular run/shift tours over 8 hours. It includes crew book/ regular run/ shift hours that are above their regular straight time tour. Scheduled overtime does not apply to most maintenance and non-service delivery titles (e.g., track workers, bus maintainers, security personnel, administrative/ clerical staff) even if that overtime was planned in advance. Since scheduled overtime only applies to service delivery roles, some agencies do not use it
- 2. Unscheduled service** – Overtime used to support service resulting from non-weather-related extraordinary events such as mechanical breakdowns and traffic delays
- 3. Programmatic/ Routine maintenance** – Overtime used for planned program maintenance work, usually performed during hours that are deemed more practical in order to minimize service disruptions
- 4. Unscheduled maintenance** – Overtime used for unplanned maintenance work resulting from non-weather-related extraordinary events such as emergency repairs and derailments
- 5. Absentee/ Vacancy coverage** – Overtime used to provide coverage for an absent employee (vacation, sickness, etc.) or a vacant position
- 6. Weather** – Overtime necessitated by extreme weather conditions (e.g., snow, flooding, hurricane, tornadoes), as well as preparatory and residual costs

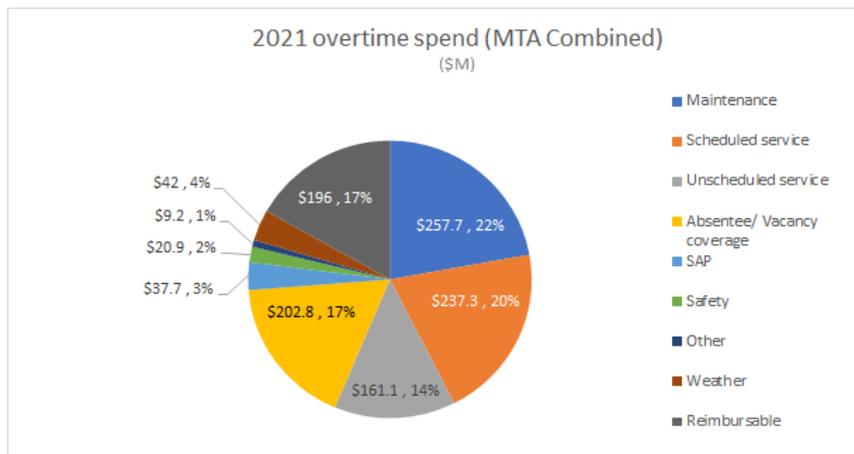
7. **Safety** – Overtime used to provide additional customer/ employee protection and to secure MTA facilities and transportation routes
8. **Other** – Overtime coverage for clerical and administrative positions that are eligible for overtime and miscellaneous overtime
9. **Reimbursable** – As noted above, overtime incurred to support projects that are reimbursed from the MTA Capital Program and other third-party funding sources
10. **Subway Action Plan (SAP) – (NYCT only)** Overtime used as part of the SAP program launched in July 2017 to stabilize the Subway system and to quickly implement systemwide improvements

MTA (All Agencies)

The MTA's total overtime spending in 2021 was \$1.16 billion. The largest portion (64%) occurred at NYCT, which is by far the biggest agency. This was followed by LIRR at 15% and MNR at 10%. It is important to note that the MTAHQ actuals of \$31 million include overtime costs incurred by the MTA Police Department.



The largest category of overtime across the MTA was maintenance. This was followed by scheduled service and unscheduled service and reimbursable. The only other category that made up more than 10% of the total was absentee/vacancy coverage. While response to weather events attracts a lot of public attention, it comprises a relatively small portion (1%) of the total overtime budget.

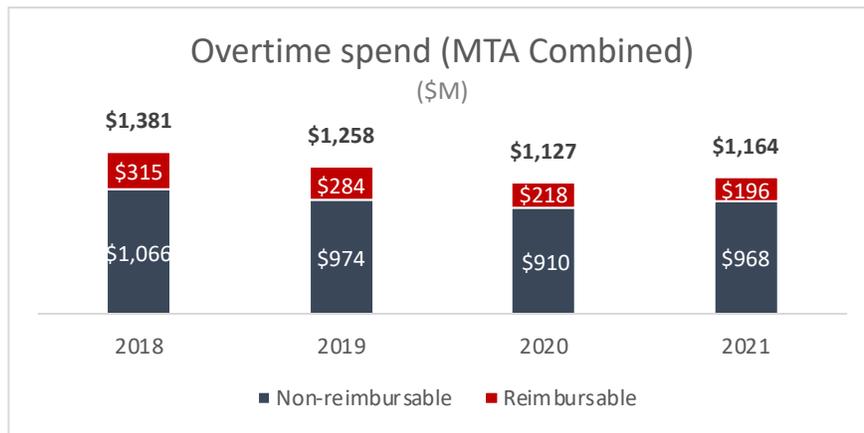


MTA Overtime Trends

After two consecutive years of significant declines (9% in 2019 and another 10% in 2020), overtime spending increased slightly by approximately 3% or \$37 million in 2021. The unpredictability of the past two years of the pandemic are reflected in these results. In 2020, scheduled overtime was less at the railroads as they scaled back train service levels due to the pandemic. On the other hand, enhanced station and fleet sanitization efforts contributed to significant increases in overtime that year. In 2021, scheduled overtime at the railroads increased as service levels were partially restored, while sanitization overtime dropped as the MTA became more efficient at performing those functions. Vacancy/absentee overtime was a significant component of overtime spending in both years, particularly at NYCT and MTA Bus, as agencies grappled with low employee availability and high vacancy rates.

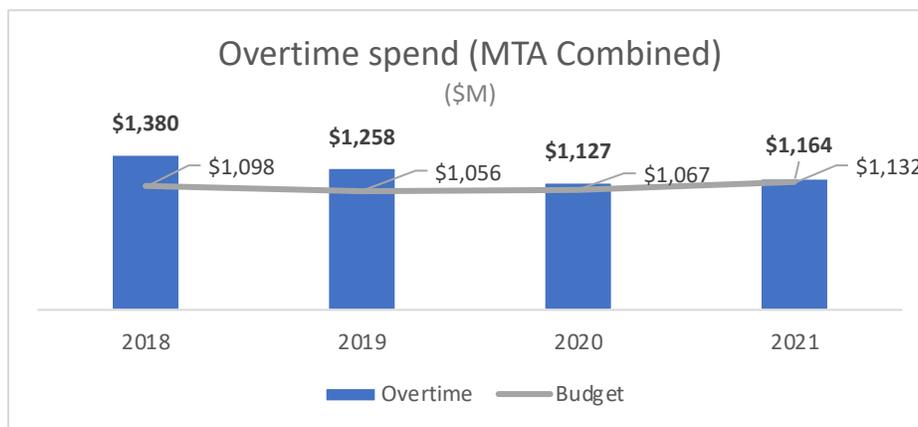
Still, despite the modest increase in 2021, overtime spending remained well below the pre-pandemic levels of 2018 (\$1.38 billion) and 2019 (\$1.26 billion). Management focus on overtime control played an important role in the improvement. The Overtime Task Force implemented several key procedural reforms. Additional data analytics tools were introduced to assist management in monitoring overtime usage. Agency Presidents meet with the Chair’s Office and Executive Leadership monthly to review overtime performance, discuss trends, and assess strategies.

Over the four-year period between 2018 and 2021, both non-reimbursable and reimbursable overtime spending decreased. In 2021, while non-reimbursable overtime grew, reimbursable overtime dropped.

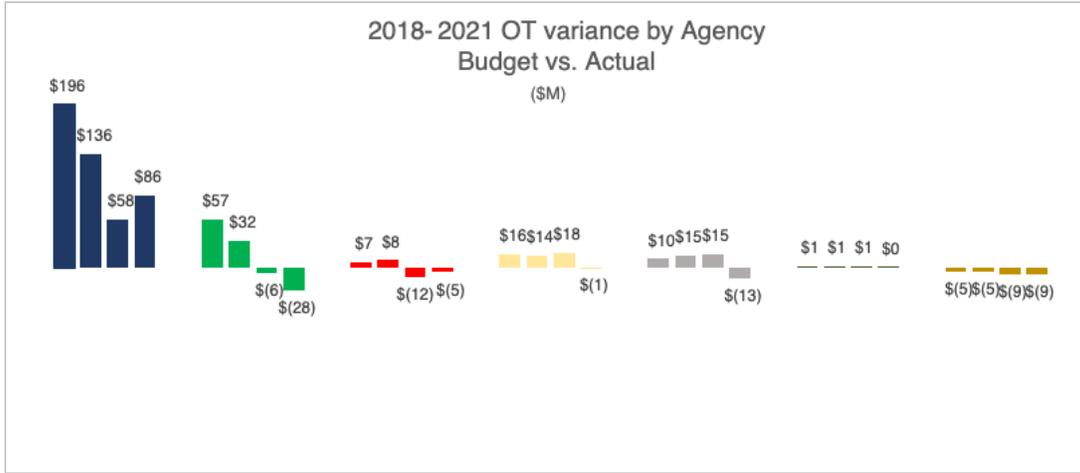


MTA Overtime Performance versus Budget

Comparing actual overtime costs to budgeted overtime costs allows management to assess both the reasonableness of the adopted budget and its ability to manage to that budget. In 2018, the MTA exceeded its original budget by \$282 million (26%). In 2019, it reduced its original budget overage to \$202 million (19%). In 2020, the MTA reduced it further to only \$60 million (6%), and in 2021, the overage was only \$32 million (3%). These improvements are evidence of the MTA’s improvements in developing a budget based on reasonable assumptions and in assigning accountability to managers and supervisors for achieving that budget.



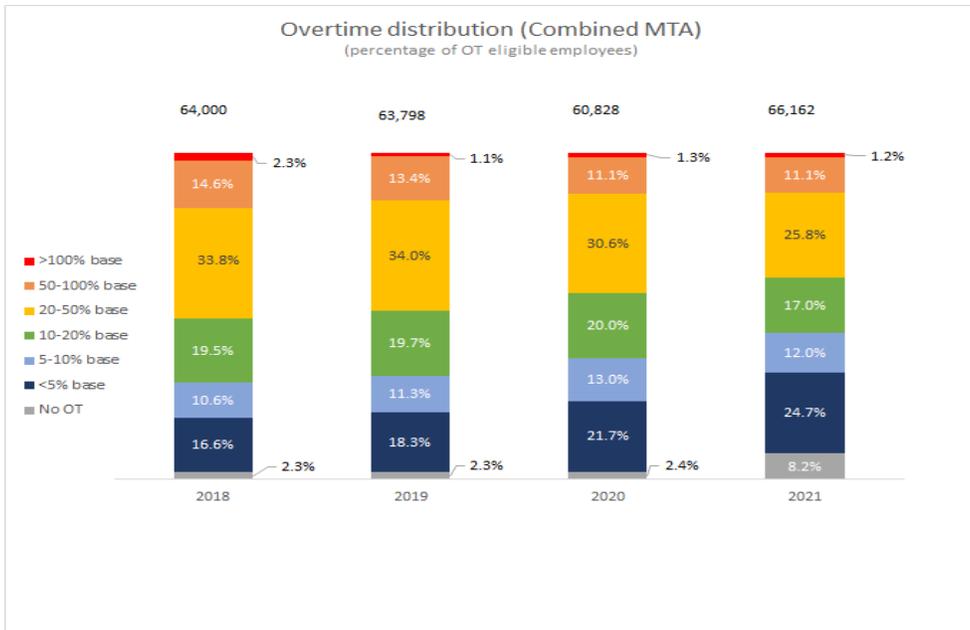
A review of agency budget performance reveals that six of the seven MTA agencies ended the year below budget. Only NYCT was over budget, reflecting low employee availability as the agency struggled to mitigate the impacts of COVID-19 and the existence of an average of 1,950 full-time vacancies, mostly in the train and bus operator, conductor and maintainer titles.



MTA Distribution of Overtime

The distribution of overtime among the workforce impacts both short-term and long-term costs, and for this reason, it is important for management to monitor how overtime is assigned. In many cases, the terms of existing collective bargaining agreements establish the procedures a department must follow when filling overtime assignments, and in many circumstances, priority is given to employees with the highest seniority. This can contribute to an environment where total overtime spending can drop but the overtime earnings for a smaller number of senior and “high earner” employees can increase. This reality must be factored into the calculation when management decides when and how to perform work.

In 2021, approximately 12.3% of overtime eligible employees earned overtime at a level greater than 50% of their base salary. This percent is slightly less than 2020 but significantly less than the pre-pandemic years of 2018 and 2019. Several factors contributed to this trend, including reduced NYCT Subway Action Plan activity and reduced LIRR capital project activity (East Side Access, Main Line Double Track) – each of these efforts previously concentrated a large amount of overtime on a smaller cadre of employees and titles. At B&T, efficiencies achieved through Open Road Cashless Tolling helped reduce overtime earnings rates. At the other end of the spectrum, the percent of employees who earned overtime at a level less than 10% of their base salary has steadily grown over the last two years from 29.5% in 2018 to 44.9% in 2021

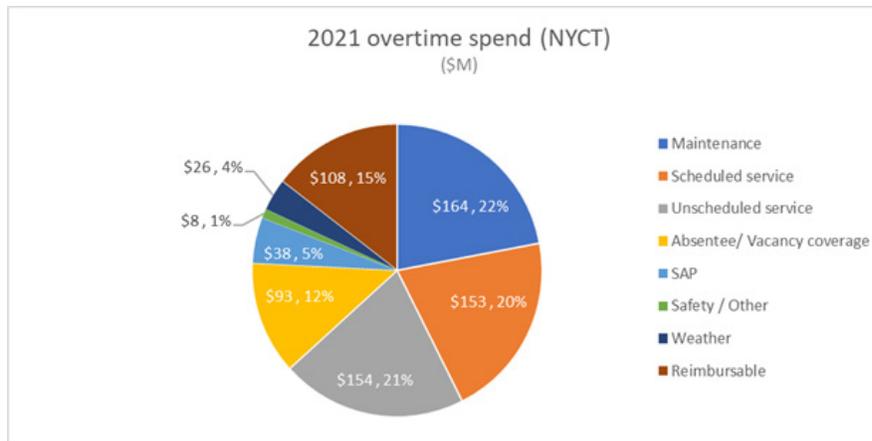


New York City Transit (NYCT)

Overview

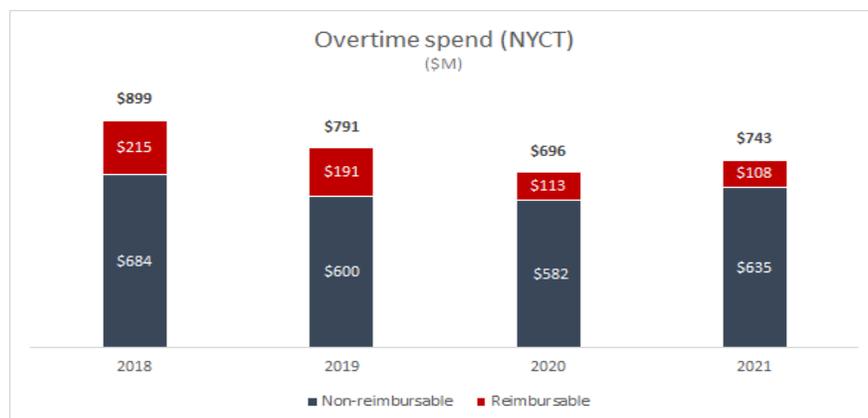
Overtime at NYCT is driven by three main overtime functions: service, maintenance and capital work. NYCT uses overtime coverage to maintain the fleet and the right-of-way, deliver scheduled and unscheduled bus and train service, provide vacancy/ absentee coverage, response to weather events and support capital reimbursable projects.

NYCT overtime spending totaled \$743 million in 2021. The largest category of overtime spending was maintenance, which included the Agency's COVID-19 response (enhanced cleaning and disinfection) and the prioritization of inspection and maintenance. Approximately one fifth of overtime expenses were related to scheduled and unscheduled service each. The absentee/vacancy share was 12%.



NYCT Overtime Trends

NYCT classifies overtime as non-reimbursable or reimbursable, and within those two categories distinguishes between scheduled and unscheduled overtime. Scheduled overtime applies primarily to service delivery titles (e.g., Bus Operators, Train Operators and Conductors) who are scheduled to work a shift that is over 8 hours. Scheduled overtime does not apply to most maintenance and non-service delivery titles (e.g., track workers, bus maintainers) even if that overtime was planned. While this distinction does not map directly onto whether overtime is planned or unplanned, it is industry practice to budget overtime as scheduled or unscheduled in this way.



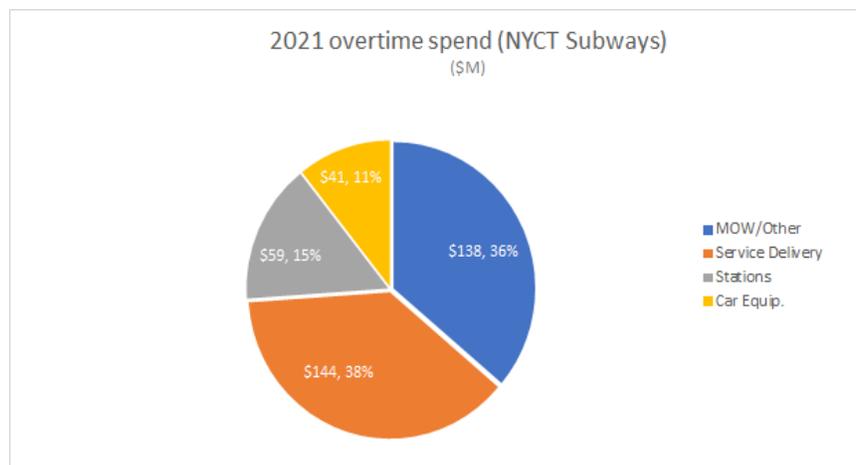
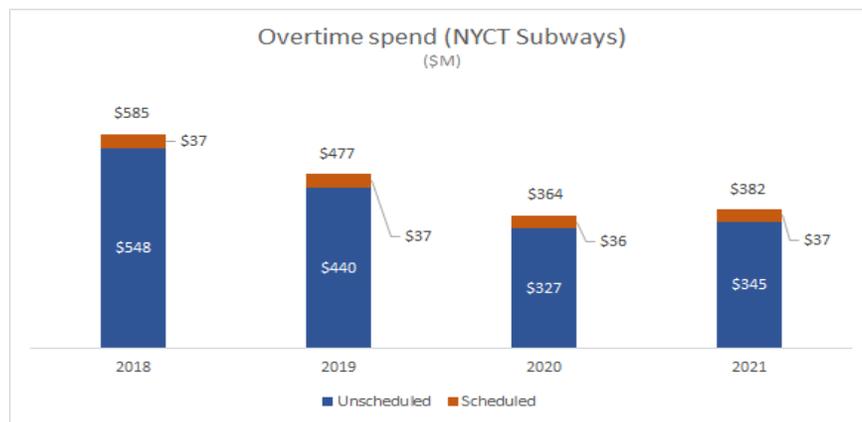
For 2018-2021, non-reimbursable overtime accounted for 80% of total overtime expenses (average \$625 million annually). The vast majority of that was unscheduled overtime (\$478 million average) compared to scheduled overtime (\$147 million average). Reimbursable overtime accounted for 20% of overtime expenses (\$157 million average), virtually all of which was unscheduled overtime (\$155 million average).

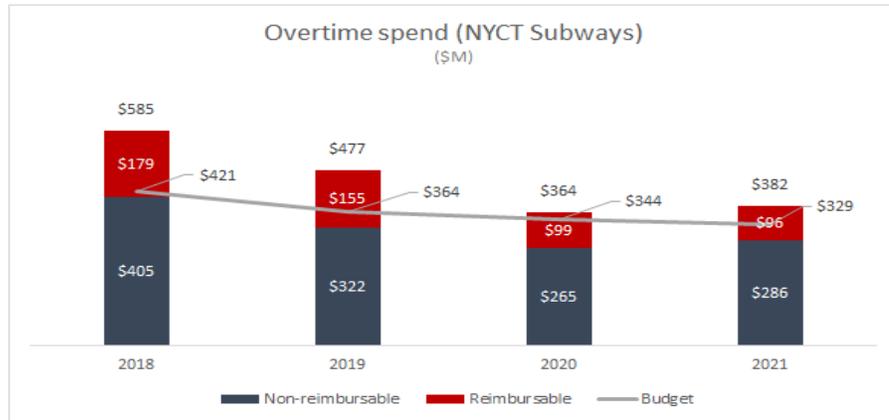
NYCT overtime spending increased by \$47 million (7%) between 2020 and 2021. This increase was driven primarily by absentee/vacancy coverage overtime, which grew by \$72 million, and was largely attributable to the existence of an average of 1,950 full-time vacancies, mostly in the train and bus operators, conductor and maintainer titles. Partially offsetting the spending growth were decreases in scheduled and unscheduled service.

Still, 2021 overtime spending remained below the pre-pandemic levels of 2018 and 2019. Total overtime expense decreased by \$156 million (17%) from 2018 to 2021, with total non-reimbursable overtime down by \$49 million (7%) and reimbursable overtime lower by \$107 million (50%). The decrease in non-reimbursable overtime was mainly due to lower Subway Action Plan (SAP) overtime, which decreased by \$79 million (-68%) from 2018 to 2021, reflecting the completion of major one-time SAP initiatives in 2018. The reduction in reimbursable overtime was mainly due to reduced capital program activity due to the pandemic.

Department of Subways

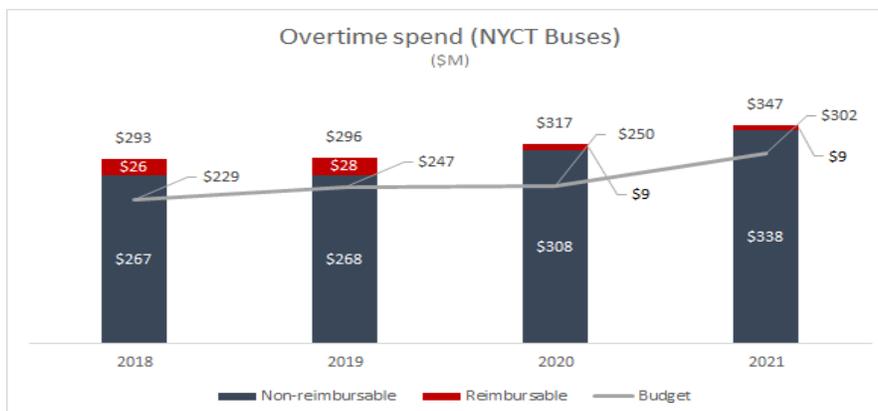
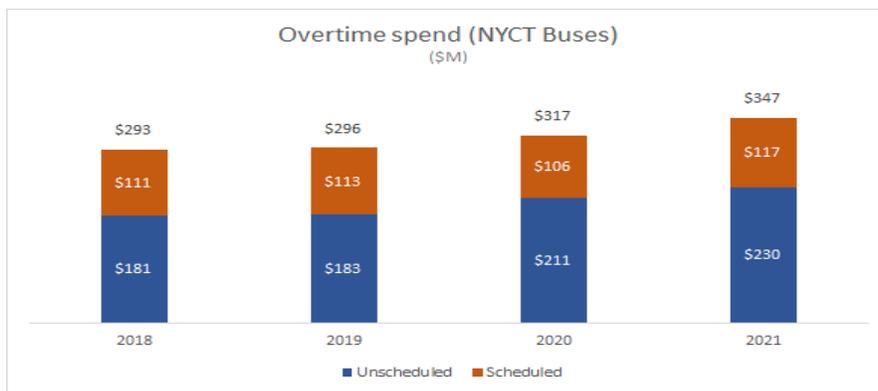
Despite growth in 2021, Subways overtime remained well below pre-pandemic levels. Overtime expenses decreased by \$203 million from 2018 to 2021. This reflects both the impact of the pandemic on operations overtime and the completion of much of SAP, which totaled \$117 million in 2018 but only \$38 million in 2021 (68% decline).



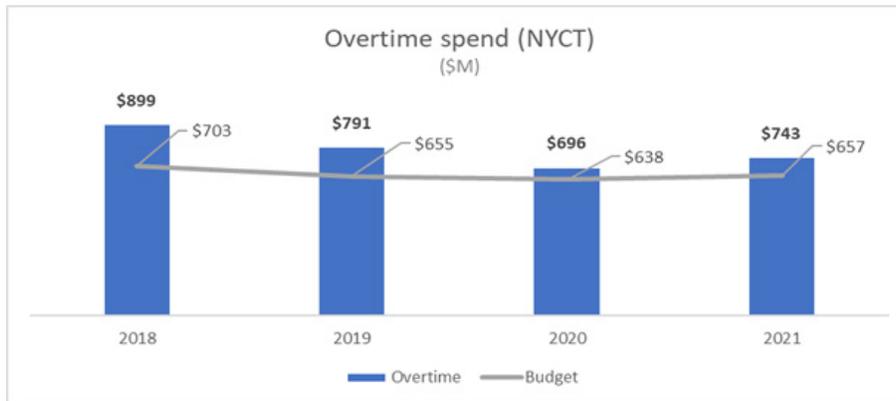


Department of Buses

Overtime spending increased by \$30 million from 2020 (\$317 million) to 2021 (\$347 million). Buses overtime spending increased by \$54 million (18%) from 2018 to 2021. Non-reimbursable costs increased by \$71 million (27%), with scheduled overtime up \$6 million (6%) and unscheduled overtime up \$64 million (41%). The increase in non-reimbursable unscheduled overtime was largely due to the vacancies (269 full-time, mainly hourlies) and worsening availability, and COVID-19 cleaning/disinfecting requirements. Reimbursable overtime costs decreased by \$17 million (67%), mainly due to a decrease in capital project activity as a result of the pandemic.



NYCT Overtime Performance versus Budget



2021 Total NYCT overtime was \$86 million over budget.

Scheduled Service – Variances from budget were minor as the budget is adjusted for changes in running time and other service adjustments, such as guideline changes, on an annual basis. In 2021, NYCT was \$9 million under budget due to COVID-19, vacancy and availability issues. COVID-19 related leave/sick time reduced scheduled service overtime and increased unscheduled backfill overtime.

Unscheduled service – This category primarily reflects the impacts of subway service delays and bus traffic congestion, which increase running times and generate delay overtime, as well as overruns in service supervision resulting from intensified efforts to reduce delays and mitigate delay impacts. In 2021, the Agency was \$14 million over budget due to COVID-19-related leave/sick time, lower than anticipated availability and the existence of a large number of vacancies. While still over budget, the 2021 overrun was \$14 million less than overrun in 2020. The Department attributes this improvement to tighter management controls.

Maintenance (Planned & Emergency) – This category includes overtime used for rolling stock maintenance, station, car, bus and facility cleaning, and Right of Way (ROW) maintenance. NYCT ended 2021 \$1 million over budget, mainly due to the cost of implementing COVID-19 preventive measures.

Subway Action Plan (SAP) – SAP was launched in July 2017 to stabilize the Subway system and to quickly implement systemwide improvements over an initial 18-month period from mid-2017 through 2018. From 2018 to 2019 all divisions saw major declines except for Stations, as major SAP elements were completed by the end of 2018. 2021 SAP overtime was under budget by \$4 million due to other priority initiatives taking precedence such as enhanced cleaning and disinfecting.

Absentee/ Vacancy Coverage – This category accounted for approximately 7% of non-reimbursable overtime expenses between 2018-2021. While NYCT has been largely successful in maintaining an overall low vacancy rate of less than 1%, vacancies for specific titles in certain periods can be greater than forecast and this requires additional overtime to meet requirements.

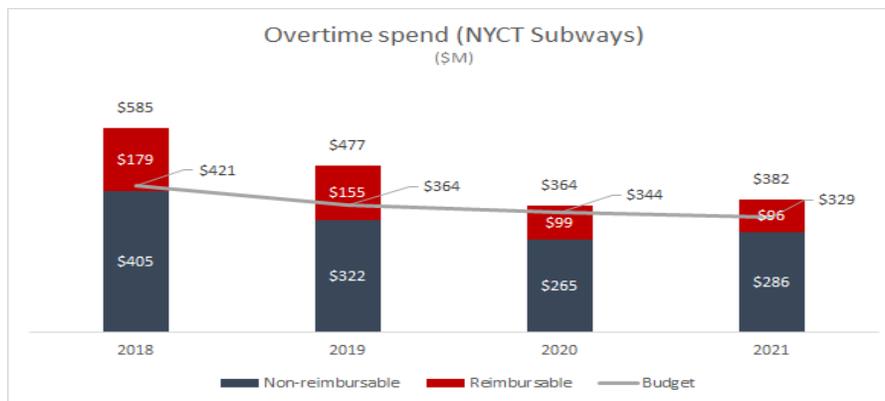
Absentee coverage exceeded budget by \$78 million in 2021. This was due to the severe impacts that the pandemic had on availability and the existence of an average 1,950 full-time vacant positions during the year.

Weather – This category accounted for approximately 4% of non-reimbursable overtime expenses between 2018 and 2021. Maintaining service during significant weather events, such as snowstorms, requires extra shifts from employees to clear snow from stations, move vehicles to protected locations, and respond to an increased number of incidents. Weather events can also result in overtime due to slower service (e.g., bus routes take longer to complete than originally scheduled). While some overtime work for weather is budgeted, since weather is unpredictable by nature, the extra work that results is completed on overtime. Two consecutive mild winters contributed to overtime spending in this category falling below budget in 2019 and 2020, however this trend reversed in 2021.

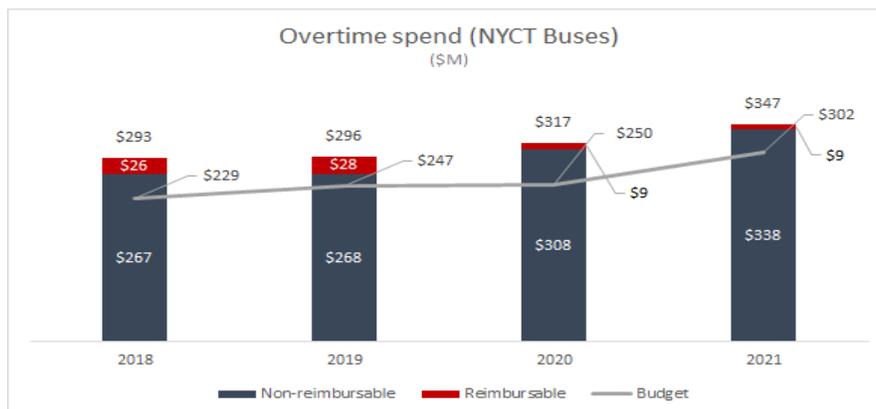
Other – Accounted for approximately 1% of non-reimbursable overtime expenses from 2018-2021. This category includes overtime used to provide additional customer/ employee protection and to secure facilities and transportation routes, and overtime coverage for professional positions that are eligible for overtime, and miscellaneous overtime. Overtime results in this category are usually favorable compared to budget.

Reimbursable – This category accounted for 20% of total overtime expenses between 2018 and 2021. Reimbursable overtime is used to support projects that are reimbursed from the MTA Capital Program and other funding sources. Subways has a significantly larger proportion of reimbursable overtime than Buses due to the number of subway capital projects and the complexities associated with capital construction in the subway environment. In 2021 Reimbursable overtime ended the year \$17 million under budget, due to delays in progressing capital projects as a result of the pandemic.

While Subways historically has struggled to achieve its budget target, overruns have declined in recent years compared to pre-pandemic levels. Overtime spending increased by \$18 million from 2020 (\$364 million) to 2021 (\$382 million). In 2021, the total overrun was \$53 million (16%), an improvement compared with the 2018 overrun of \$163 million (39%). Although overtime spending from 2018 to 2021 has declined, actual spending has overrun the budget.

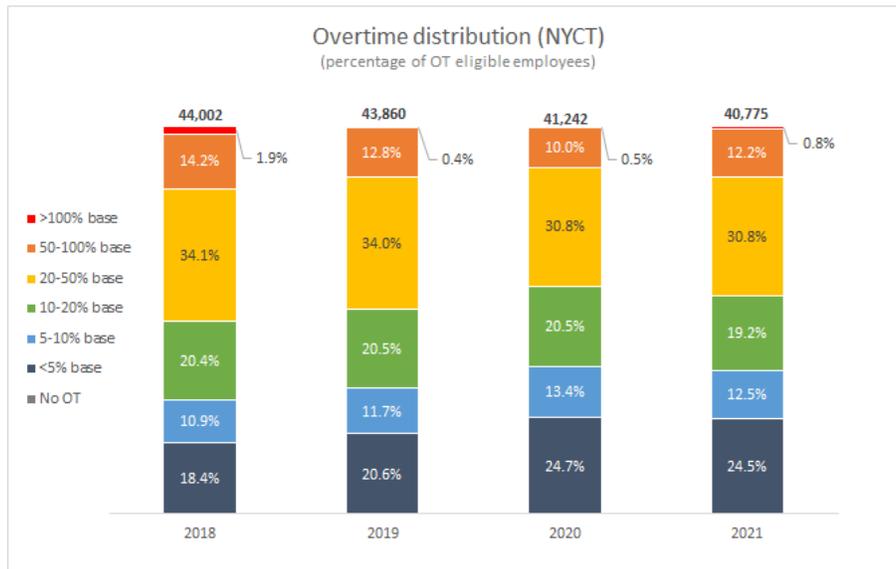


Achieving budget targets also has been difficult for Buses. In 2021, the total overrun was \$45 million (15%), an improvement when compared to all three prior years. In particular, non-reimbursable overruns increased from \$46 million (21%) in 2018 to \$51 million (18%) in 2021. Availability continued to be a challenge. Buses continues to strengthen the budget adherence process and to investigate overtime drivers.



NYCT Distribution of Overtime

Average overtime earnings for full-year active operating employees declined from approximately \$19,000 in 2018 to \$17,000 in 2021. Average overtime earnings as a percentage of base pay decreased from 29.0% in 2018 to 24.3% in 2021. In terms of high overtime earners, 12.2% of employees had overtime earnings equivalent to 50% or more of their base pay in 2021, which was much less than the 2018 spike of 16%. In 2018, 854 employees (1.9%) had earnings over 100% of base pay, but in 2021 this figure was just 311 employees (0.8%). The 2018 results included the first full year of overtime expenses for the Subway Action Plan (SAP) and resulted in higher average overtime earnings per employee. Since this initial period, SAP overtime has declined, resulting in improvements in average overtime earnings compared to 2021.



Ongoing NYCT Overtime Management Efforts

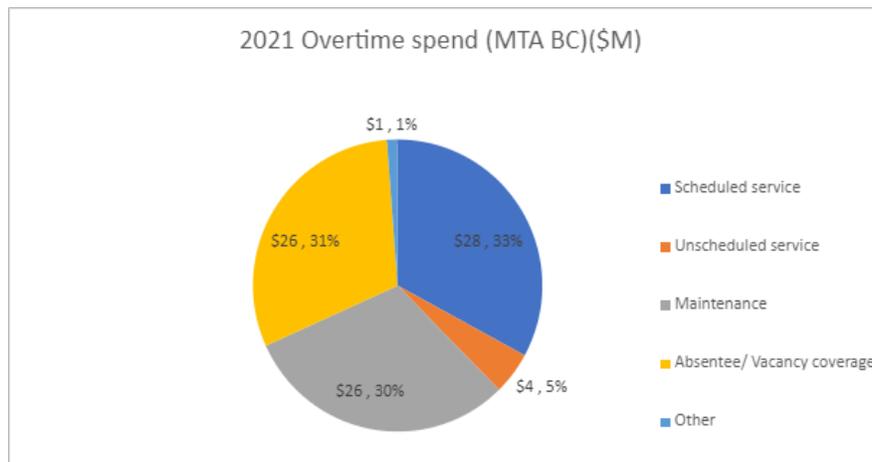
NYCT's focus going forward will be in two critical areas. First, it is continuing to sharpen its emergency response and infrastructure repair efforts to ensure that overtime resources are deployed judiciously and only when needed. Second, to address its high number of vacancies, it has embarked on an aggressive hiring campaign, designed to focus on titles such as for Stationary Engineers, Dispatchers, Train Operators and Conductors, whose work frequently must be covered on overtime when staffing shortages exist.

MTA Bus Company (MTA BC)

Overview

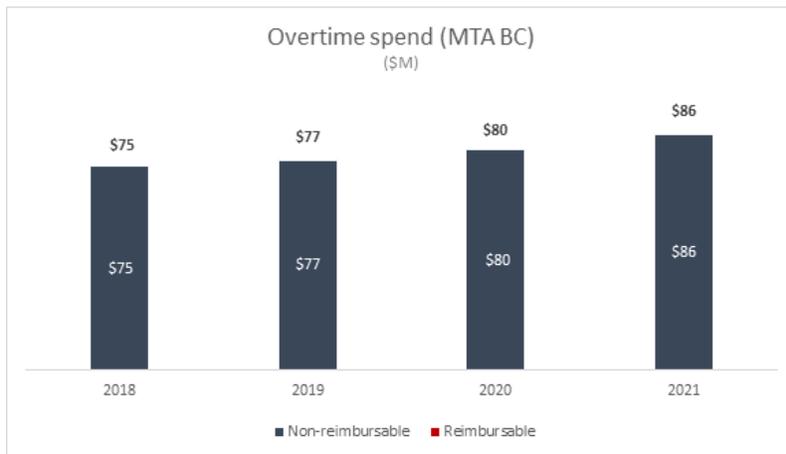
Overtime at the MTA Bus Company (MTA BC) is driven by two overtime eligible departments: Transportation and Maintenance. MTA BC uses overtime coverage to assist with providing service, vacancy / absentee coverage, bus maintenance (planned and unscheduled) and more recently to perform daily overnight COVID-19 cleaning and disinfection of each bus in service.

MTA BC overtime spending totaled \$86 million in 2021. The largest categories of overtime spending were Scheduled Service, Vacancy / Absentee coverage and Programmatic Maintenance. Scheduled service represented approximately one-third of overtime expenses and is a normal component of the required daily work hours; it is planned work that ensures that bus operators and dispatchers are most efficiently used to meet scheduled bus service. Absentee / Vacancy coverage and maintenance activities each represented approximately 30% overtime expenses. The balance of the overtime spending was incurred for Unscheduled Service and Other. Other was incurred primarily for weather.



MTA BC Overtime Trends

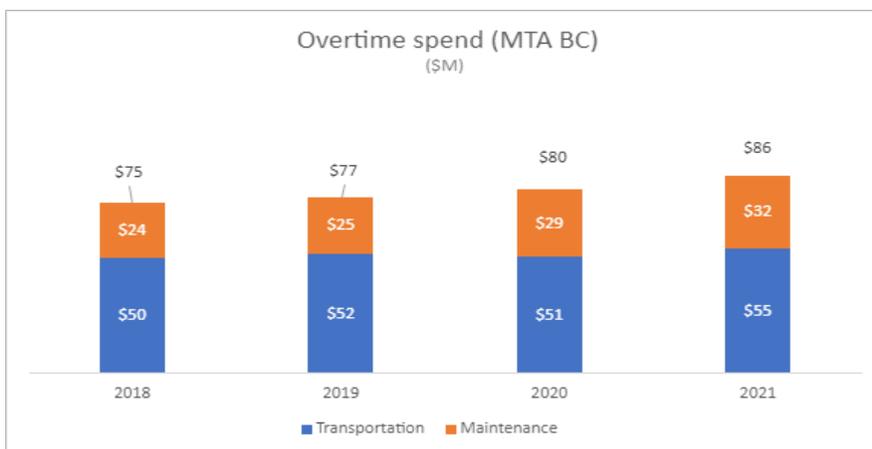
Overtime falls into one of two funding categories – Non-reimbursable and Reimbursable. Non-reimbursable refers to overtime expenses that are paid from MTA BC’s operating budget. Reimbursable refers to overtime expenses that can be charged to a funding source other than the operating budget such as budgeted capital funding. Historically, MTA BC has not budgeted for reimbursable overtime hours or dollars and has experienced minimal usage. No reimbursable overtime was incurred in 2018 and 2020; 2019 reimbursable overtime was less than \$0.1 million. In 2021, reimbursable overtime was less than \$0.2 million. Due to the minimal reimbursable OT spending, the 2019 and 2021 reimbursable overtime amounts are excluded from the remainder of the MTA BC’s overtime discussion.



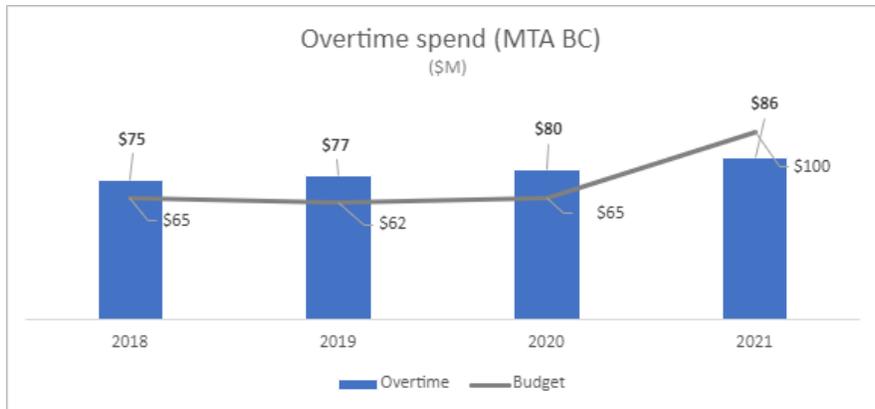
Total MTA BC overtime expense increased by \$12 million (15.6%) between 2018 and 2021. The increase was driven primarily by several factors including: 1) higher vacancy/absentee coverage resulting from increased retirements, vacancies, and lower availability, 2) increased bus maintenance due to the greater maintenance needs for MTA BC’s older fleet, 3) the completion of the protective driver bus barrier installation on buses started in 2020, 4) the installation of safety equipment on the fleet, and 5) the continuation of the daily overnight COVID-19 bus cleaning and disinfecting. Scheduled and Unscheduled Service overtime was favorable due to lower running time, favorable traffic and road conditions partially offset by the overnight bus service provided during the shutdown of the NYC subway system.

From 2020 to 2021 overtime increased by \$6 million (7.4%). This increase was primarily the result of increased Maintenance overtime of \$2 million (8.6%) due mainly to the increasing maintenance requirements of the older fleet, the continuation of daily overnight COVID-19 bus cleaning and disinfecting and safety measures mentioned above and increased vacancy /absence coverage of approximately \$2 million (6.6%) due to lower availability, vacancies and retirements. Unscheduled Service overtime increased by \$1.5 million (56%) over 2020 levels as ridership levels and traffic gradually increased over the prior year’s levels.

Overtime usage at MTA BC is driven mainly by the Transportation and Maintenance hourly and supervisory employee groups that are represented by various labor unions. The hourly population primarily consists of Bus Operators and Bus Maintainers. The Supervisory group consists of Bus Maintenance, Facilities, Storeroom and Fare Revenue Line Supervisors and Transportation Dispatchers. Overtime for bus service is the largest contributor to overtime usage. As noted above, the chart data below excludes reimbursable overtime.



MTA BC Overtime Performance versus Budget



2021 Total MTA BC overtime was \$14 million under budget.

Scheduled Service – Scheduled overtime is a normal component of Bus Operator and Dispatcher daily work requirements. It is planned and is earned for all hours above 8 hours worked. Scheduled overtime is included in bus operations schedules and is part of a picked assignment. The average tour of duty for a bus operator is 9.9 hours; dispatchers may also pick work that can exceed 8 hours and thus earn scheduled overtime.

Scheduled service overtime was favorable in 2021 and 2020 primarily due to the impacts of COVID-19 as there was less street congestion and traffic, and bus operator staffing shortages drove limited reductions in service.

Unscheduled Service – Unscheduled Overtime is earned in the same manner but is unplanned and the result of unanticipated service / operating / emergency needs. Factors such as traffic, running time and shuttle service may lead to unscheduled overtime for bus operators and dispatchers.

The drivers for Unscheduled Service overtime are similar to the Scheduled Service drivers. Unscheduled Service overtime was favorable by \$10 million in 2021 primarily due to the impact of COVID-19 service reductions, less traffic and reduced congestion. These reductions offset the cost of supporting essential overnight service as mandated by the former Governor. The same trend held true in 2020. In 2018 and 2019, increased running time, traffic and additional service were the main drivers of Unscheduled Service overtime.

Programmatic / Routine Maintenance – This category includes regularly scheduled and unscheduled fleet maintenance, campaigns and training. The majority of programmatic / routine bus maintenance overtime is incurred when Buses are inspected and serviced during regularly scheduled inspections (SO). During SOs, regular scheduled maintenance procedures such as oil and filter changes, brake inspections, etc. occur. However, additional maintenance and / or potential bus systems / components issues are often discovered during inspections and must be addressed immediately to ensure the safe, reliable operation of the bus and its timely return to service. This work is referred to as “SO pickup” (SOPU) work and often needs to be completed on unscheduled overtime.

In 2021 and 2020, because of the COVID-19 pandemic, all buses that operated in service during the day were required to be cleaned and disinfected daily. The daily disinfecting work was completed by employees primarily on overtime either before or after their regular work shift. Additionally, the installation of COVID-19 bus barriers and curtains which began in 2020 on all local buses was completed in 2021. In 2020, the white line on the bus floor was moved further back from the bus operator to protect the bus operator, seats near the bus driver were chained off and restricted from passenger use and rear door boarding was employed to ensure safe social distancing between the bus operator and customers. Programmatic and routine maintenance is mileage-based and declined during the pandemic as bus operator staffing shortages drove some limited reductions in scheduled service.

In 2021, Maintenance (Scheduled, Unscheduled and Programmatic Routine Maintenance) overtime was \$12 million under budget primarily due to favorable daily COVID-19 bus cleaning, disinfection, and other COVID-19 safety procedures due to the use of adoption of handheld disinfecting sprayers when possible and the timing of the scheduled inspections and the Shop overhaul program due to the COVID-19 service reductions.

The expected life of a bus is 12 years. As of January 2022, the average age of the MTA BC fleet was 11.5 years of age and 62% of the fleet was over the 12-year expected bus life. MTA BC has limited capital funding to acquire new buses on a schedule lifecycle basis. MTA BC has developed comprehensive maintenance programs to extend bus life beyond 12 years to ensure the safe and reliable operation of these overage buses.

Additional programmatic maintenance overtime can arise from urgent campaigns that are required to address a broad range of preventative or corrective situations including safety, repairs / replacement of bus components due to defect and or life cycle needs, federal or state mandated changes, technology improvements, retrofits, safety and security, customer information system improvement, warranty, etc.

Training is a component of overtime usage due to the diverse composition of the bus fleet. Training classes are provided to all MTA BC employees to ensure that employees are knowledgeable about the bus fleet, the specialized equipment they work with and, critically more important, on how to perform their duties safely. Training may be required to be completed outside of the employee's regularly scheduled hours and on overtime.

Vacancy / Absentee Coverage – This category of overtime was \$9 million over budget as low availability, the existence of vacancies (an average of 109 during 2021), a high number of retirements, and COVID-19 cleaning requirements increased the number of open positions / works which had to be filled in addition to meeting service and maintenance needs. Availability against goal for all titles was unfavorable; all titles, except Line Supervisors, declined further in 2021 from 2020 levels.

Overall Bus Operator availability was 6.3 days unfavorable. Sick unpaid and workers compensation / injury on duty (IOD) related absences were the primary drivers for bus operator availability. Maintenance hourly availability was 5.7 days less than goal; Yonkers and LaGuardia were 18.9 days and 15.5 days under goal, respectively. This was partially offset by Eastchester maintenance availability which exceed goal by 7.1 days.

For supervisory titles, Dispatchers were 11.4 days under goal and Line Supervisor availability was 6.5 days unfavorable. Workers' compensation / IOD, vacation and sick related absences being the primarily drivers for Dispatchers; for Line Supervisors, vacation, military leave, and sick related absences were the major drivers.

Weather Emergencies, Safety, Security, Law Enforcement & Other – As noted above, these categories are consolidated and reported as a single category for this discussion. Overtime for Safety, Security, Law Enforcement and Other has been minimal over the 2018 – 2021 period.

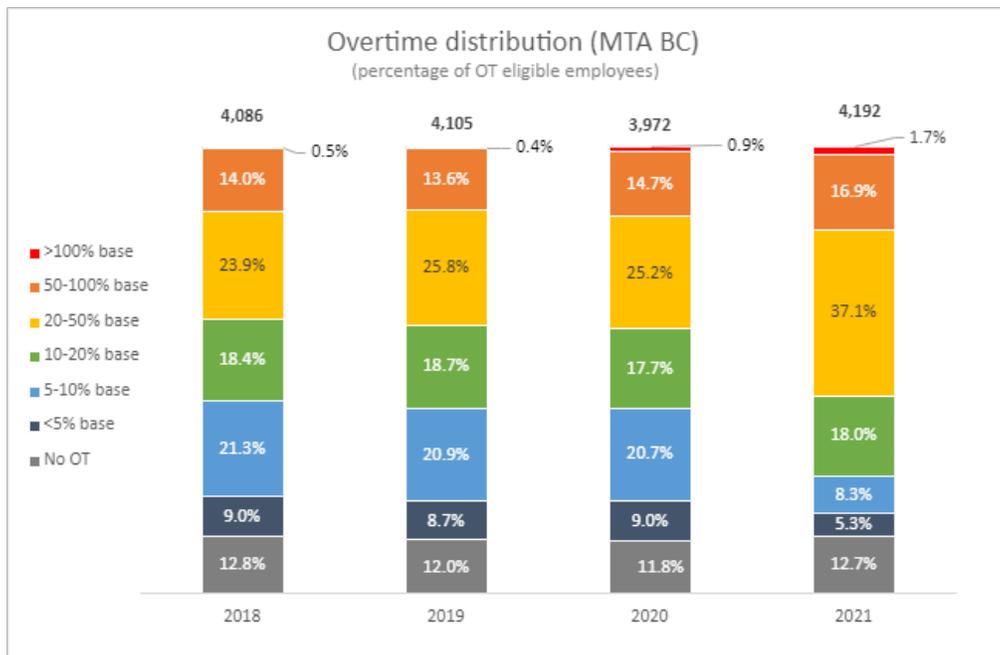
Weather emergencies are the largest overtime component in this category. Although contingencies are budgeted for overtime usage during weather emergencies, it is difficult to predict / budget an exact amount due to the associated variables relative to frequency and intensity of storm events. As weather events approach our service areas, preparatory responses that might include the hiring of overtime are initiated relative to the updated alerts. The most adverse weather conditions occur during the winter season but significant rain and hurricane events at other times of the year also contribute to overtime usage. Normal examples of such needs are; forecasts of wintery conditions, freezing rain, ice and significant snow accumulations that dictates the preparation of snow fighting vehicles, salting, inspection of drains, sewers, pumps, generators and, if needed, the installation of snow chains on buses to ensure safe bus operations during icy and significant snow conditions.

MTA BC has four stages of alerts (yellow, blue, orange, and red) and different actions are taken as the alert status changes. It is of note that while forecasts dictate the alert status and corresponding adverse weather preparations, the forecasted weather conditions may not materialize; however, because advanced preparations must be set in motion, significant overtime might still be incurred.

Safety, Security, and Law Enforcement is overtime coverage used to provide additional customer and employee protection and to secure MTA fleets, facilities, and transportation routes. Certain operating scenarios per CBA's, might require additional security elements that are usually covered on overtime.

Other includes overtime coverage for clerical, administrative positions that are eligible for overtime.

MTA BC Distribution of Overtime



In 2021, there were 72 employees (1.7%) with overtime earnings over 100% of base pay. In 2018, 19 operating employees (0.5%) had overtime earnings over 100% of base pay versus 15 operating employees (0.4%) in 2019 and 37 operating employees (0.9%) in 2020. When examining employees who earned 50% or greater of base pay, the percent grew from 14% to 19%. These trends reflect the impact of the pandemic on overtime distribution.

Average overtime earnings for eligible operating employees earning greater than \$100,000 in 2021 was approximately \$118,000, reflecting a 28.3% increase over the 2020 average of approximately \$92,000. The increase was driven primarily by the daily cleaning of buses, vacancy coverage, the large number of retirements and poor availability.

Average overtime earnings for eligible operating employees earning greater than \$100,000 in 2020 was approximately \$92,000 reflecting a 10.8% increase over the 2019 average of approximately \$83,000.

Ongoing MTA BC Overtime Management Efforts

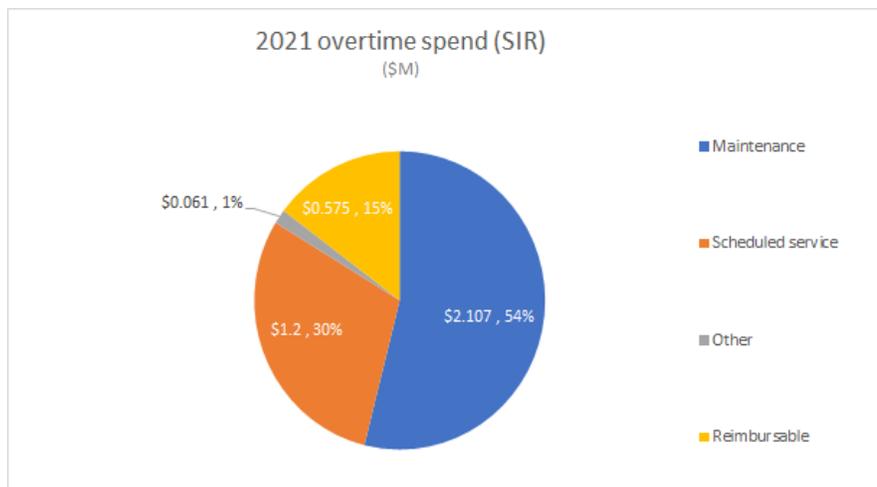
MTA BC will continue its efforts to aggressively manage overtime through the hiring of hourly and supervisory personnel to fill vacancies and to meet its service and maintenance needs. Although hiring to fill vacancies is underway; overtime will continue to be incurred until budgeted staffing levels are attained. MTA Bus will continue to identify and implement opportunities to improve productivity. Additionally, FMLA targeted programs, which focus on improving availability, will continue to reach out to employees that have been absent to determine a return-to-work date.

Staten Island Railway (SIR)

Overview

Overtime at the Staten Island Railroad (SIR) is driven by two main overtime eligible departments: Maintenance and Service. The SIR uses overtime to address acute labor demand and to expand work shifts to accommodate scheduled runs.

SIR overtime spending totaled \$4 million in 2021. Approximately one half of overtime expenses were related to maintenance activities, and 30% was attributable to scheduled service. Most of the remaining overtime spending was for reimbursable overtime, reflecting the Agency's ongoing capital programs.



SIR Overtime Trends

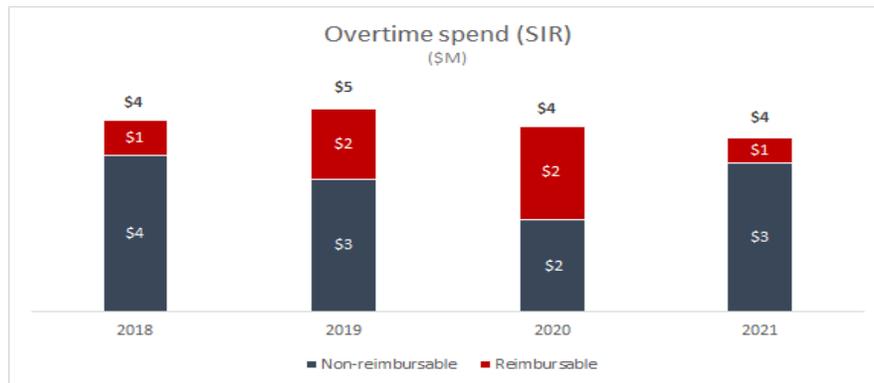
SIR operates passenger rail service 24/7 on Staten Island, moving 1.47 million riders in 2021 on a single captive line. Pursuant to lease and operating agreement with the City of New York, annual operating losses are funded by New York City while capital investments are funded by the MTA Capital Program.

Although SIR is managed by NYCT Department of Subways, which numbers nearly thirty-thousand employees, SIR does not share the same three-shift-daily staffing assignment model. Instead, with ~350 employees, SIR is predominately staffed Monday through Friday. Therefore, the following requisite facets of system operation are handled on an overtime assignment basis:

1. Weekend service
2. Adverse weather preparation/ response
3. Emergency response
4. Reimbursable project support

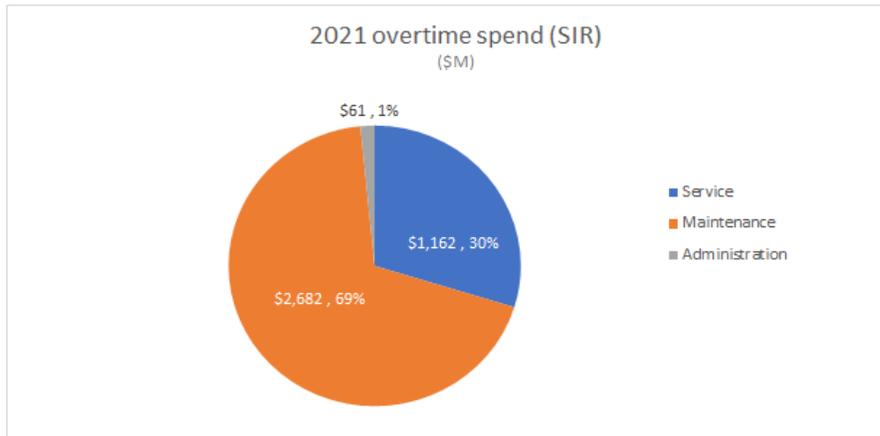
Overtime at SIR is used to address acute labor demand and to expand work shifts to accommodate scheduled runs. This flexibility allows the agency to more dynamically meet work requirements (planned or otherwise), while striking the right balance between headcount with embedded fringe costs for paid leaves, employee health and retirement benefits, and overtime, which includes a bonus premium.

SIR classifies overtime by funding source as either non-reimbursable from operating sources funding operating activities, or reimbursable in support of projects that will be reimbursed and funded by the MTA's Capital Program or another institutional customer. Furthermore, overtime expense at SIR may be categorized by organizational division, which rolls up along two principal functions of passenger service or system maintenance.



Total overtime expenses at SIR have remained relatively consistent over the past four years, decreasing \$399,000 from 2018 to 2021. However, during 2019-2020, the funding composition shifted significantly away from being mainly operating funded in support of maintenance activities towards capital projects with a reimbursable funding source. Annual reimbursable overtime grew by \$1.3 million from 2018, when it amounted to just 19% of total overtime expense. In 2020, the percentage share increased to 49% due to major capital work on tracks, infrastructure, and facilities. Gross overtime results were over budget by \$0.9 million for 2020, mainly due to work shifting from straight time to overtime due to the pandemic and less backfill of vacancies. In 2021, the funding composition shifted back to mainly operating funded to support backfill of vacancies, conduct COVID-19 cleaning and disinfection and handle weather related activities including Tropical Storm Ida and COVID-19 related absences restricted SIR's ability to perform capital work.

Annual budgets have seen major revisions during this same period reflecting evolving requirements as the agency undertakes the preparation work necessary for acceptance of its next-generation fleet (seventy-five new R211 passenger rail cars). Upgrading SIR rolling stock requires system upgrades to existing infrastructure in multiple asset categories including new power substations and mainline track replacement. In late 2017 and early 2018, as many of the Hurricane Sandy projects were reaching completion, SIR began actively engaging the preparation work for receipt of the R211's scheduled for arrival in 2022. As mainline track assets on Staten Island have aged through their useful lifecycle, SIR has continued a Track Tie Maintenance Program performing spot replacement of deteriorated railroad track ties to sustain reliable service operation. In 2019, SIR began a new phase in support of major mainline track replacement projects, as well as track and switch work undertaken around the Clifton Shop, which was damaged during Hurricane Sandy. These asset replacement projects are among the major contributors to the shift in overtime expense from operating to capital, especially in 2019 and 2020. In 2021 the pattern reversed again with operating requirements increasing due of vacancies and COVID-19 cleaning requirements while capital needs declined.



Total overtime expense categorized by function has tracked consistently over the period while also reflecting the impact of the changing requirements of the capital program profile.

Maintenance – On average 70% of total overtime incurred

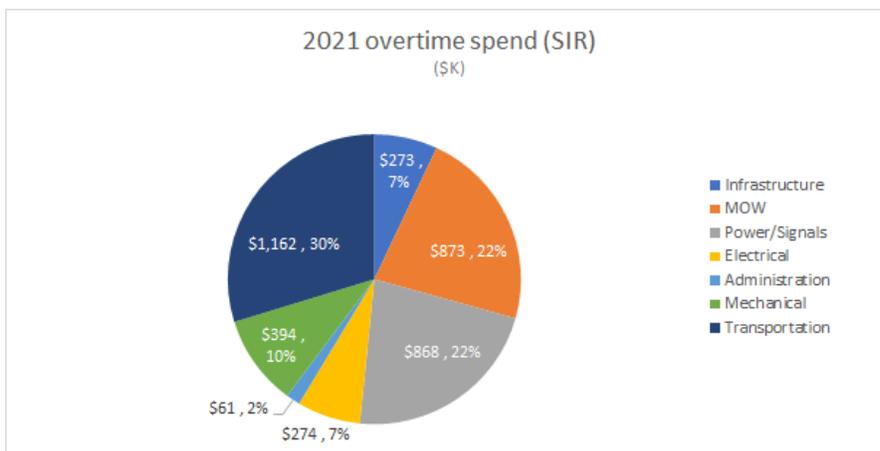
Service – On average 29% of total overtime incurred

Administration – Small residual of total overtime incurred

Functional categorization of overtime expense in conjunction with funding shows:

Reimbursable/Maintenance – 70% of overtime is booked to reimbursable and maintenance functions in 2021. Decreased by \$480,000 (15%) from \$3.2 million in 2018, to \$2.7 million in 2021. In 2018/2019 the maintenance trades (particularly track workers and electronic equipment maintainers) engaged track replacement and the Clifton Shop track/ switch projects

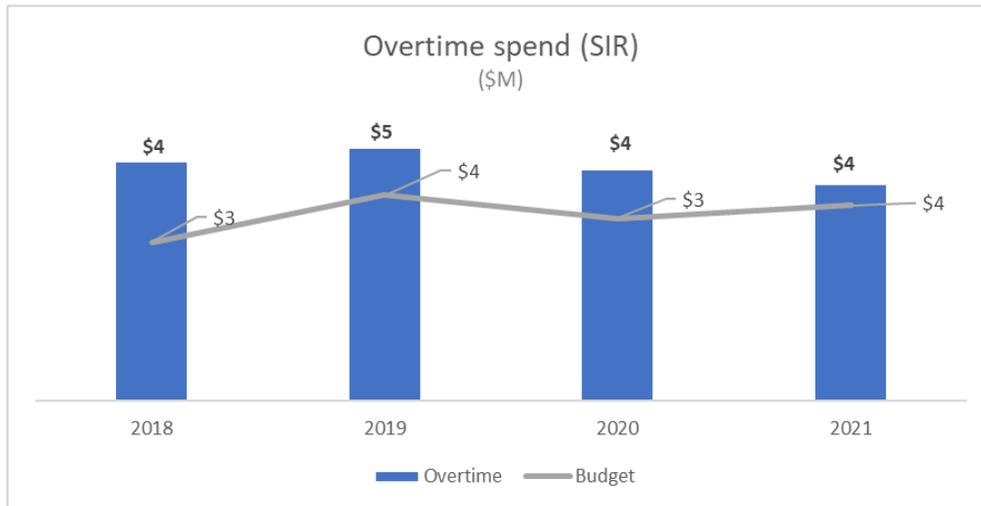
Service – 28% of overtime is for service, which increased \$103,000 (10%) in 2021 from 2018. Such growth was due to capital requirements that resulted in night and weekend service shutdowns, and mainline track capital work that has required conductors for construction flagging, locomotive engineers operating work trains, and MOW 'Pilots' to support equipment used by project contractors.



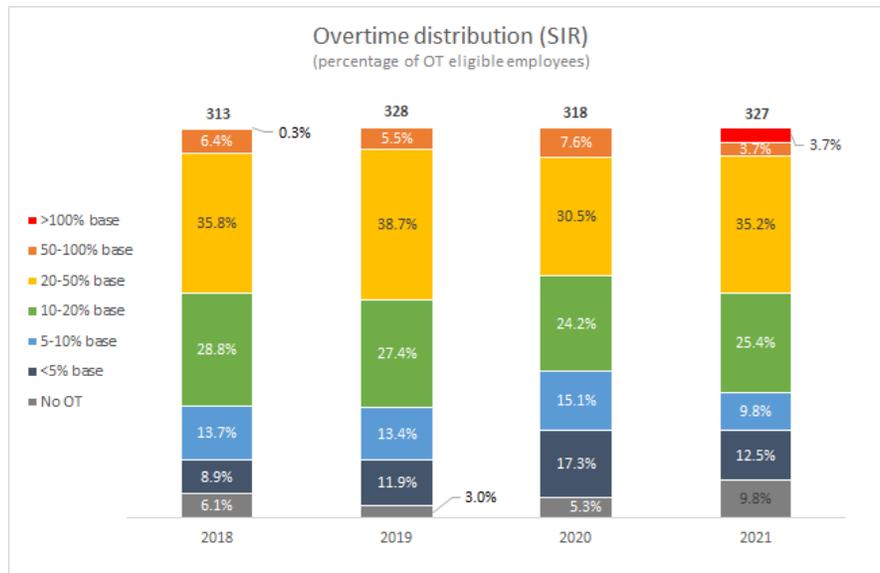
Overtime expense results at SIR may be shown further by division of operation in which the overtime work is being assigned and performed. Of course, overtime fluctuates from year to year due to the specific project requirements enumerated in prior sections of this report. Contributing factors also include adverse weather and vacancy coverage, which tend to be specific to each division. SIR's three largest divisions are Transportation, Power and Signals, and Maintenance of Way (MOW). Together, these divisions account for roughly 75% of total overtime at SIR for 2018-2021.

- **MOW** – Increased \$177,000 (25%) over the period
- **Transportation** – Increased \$103,000 (10.0%) over the period
- **Power and Signals** – On average 25% of total overtime 2018-2021. Decreased \$356,000 in annual overtime expense from 2018 to 2021
- Significant annual reductions in other remaining departments (**Electrical, Mechanical, Infrastructure**) totaling -\$404,000 helped offset the growth in overtime from maintenance and transportation divisions.

SIR Overtime Performance versus Budget



SIR Distribution of Overtime



Average overtime earnings for full-year active operating employees declined for the period 2018-2021 from \$13,760 in 2018 to \$12,116 in 2021, representing approximately a 12% decrease. Overtime as a percentage of base pay increased slightly from 17% in 2018 to 19% in 2021. In terms of high overtime earners, 7% of employees had overtime earnings equivalent to 50% or more of their base pay in 2018, although that figure decreased to 5% in 2019 and increased to 8% in 2021. In 2018, one employee (<1%) had overtime earnings greater than 100% of base pay, 12 in 2021 (4%).

SIR has a contractual agreement in place with the analyst bargaining unit (SSSA) to limit OT earnings by individual employees through overtime caps. However, overtime incurred by analyst titles between 2018-2021 was minimal during this period.

Ongoing SIR Overtime Management Efforts

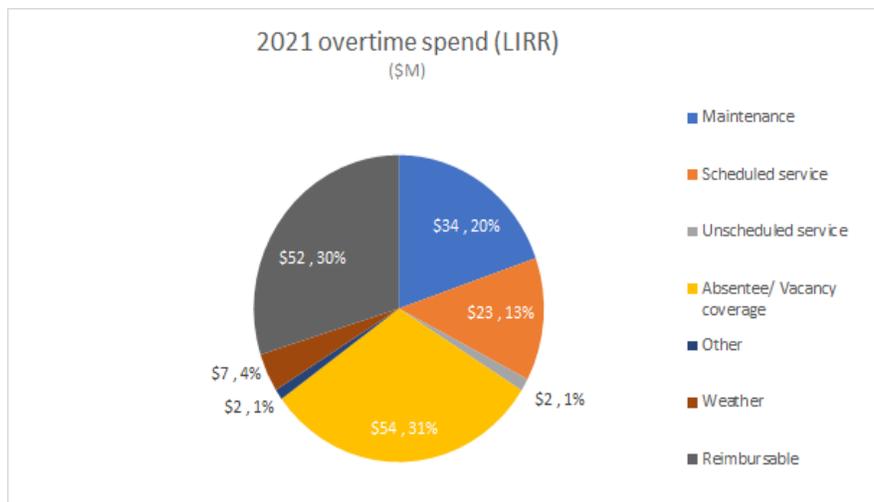
SIR will continue its efforts to aggressively manage overtime through the hiring of hourly and supervisory personnel to fill vacancies and to meet its service and maintenance needs. In addition, it will work with the MTA IT Department to develop the capability to track overtime spending by cause.

Long Island Rail Road (LIRR)

Overview

Overtime at the Long Island Rail Road (LIRR) is driven by four main overtime eligible departments: Engineering, Equipment, Transportation, and Stations. The LIRR uses overtime coverage to assist with providing scheduled and unscheduled service, maintenance (planned and emergency), vacancy/ absentee coverage, weather, and capital reimbursable project activities.

LIRR overtime spending totaled \$174 million in 2021. The largest category of overtime spending was absentee/vacancy coverage overtime. Approximately one third of overtime expenses were related to reimbursable overtime reflecting the Agency's aggressive capital program, and about one fifth was attributable to maintenance activities.



LIRR Overtime Trends

For the fourth consecutive year, the LIRR achieved significant reductions in overtime spending. Expenditures dropped from \$219 million (2018) to \$188 million (2020). In 2021, they dropped again by another \$14 million (8%) to \$174 million. Non-reimbursable overtime was reduced by \$2 million (1%), attributable to lower enhanced sanitizing/cleaning costs, lower train service and a reduction in the amount of Right of Way maintenance required to be completed on overtime, partially offset by higher vacancy/absentee coverage and higher weather overtime related to Tropical Storms, Elsa, Ida and Henri.

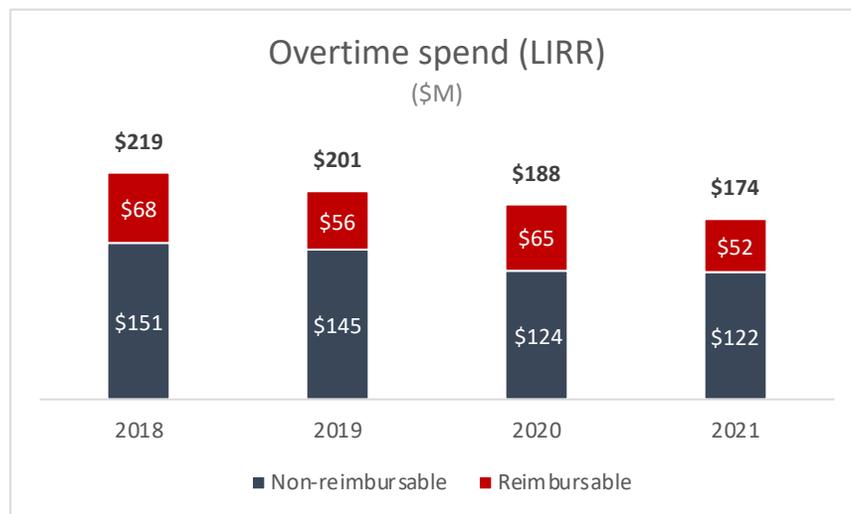
Key to the LIRR's overtime management strategy was executive leadership's strong and clear communication to staff at all levels of the importance of effectively controlling overtime usage and spending. Management in the operating departments incorporated this philosophy into their daily activities. Rigorous monthly reviews of overtime approval, time and attendance and payroll records enhanced internal controls.

The pandemic posed continued challenges in 2021. Extra demands were placed on the LIRR, particularly in the areas of station and fleet sanitizing. Much of this work had to be performed on overtime especially considering increased unavailability due to the large number of employees who needed to be quarantined for health/safety reasons. The departments managed their resources effectively, and the net impact of the pandemic was a reduction of \$2.8 million in overtime.

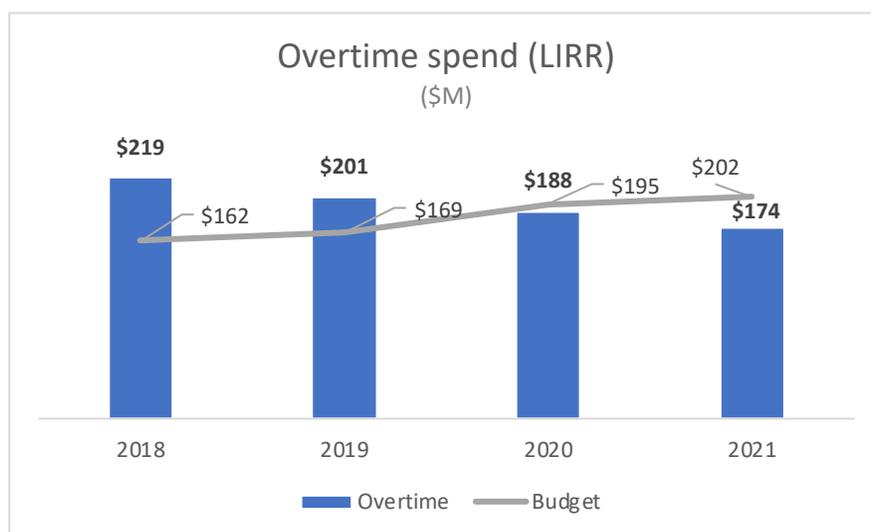
Another critical factor in the LIRR's 2021 success was the continued focus on maintaining assets in a state of good repair. These capital investments simultaneously reduced the frequency of unplanned maintenance on overtime, and improved train service thereby decreasing unplanned overtime due to perturbed situations.

In the Engineering (MOW) Track Department, managers pre-planned and prioritized their work projects, including staffing needs and took advantage of more daytime track outages when possible, to limit overtime expenses and allow for more productive use of time by minimizing time to mobilize and demobilize during shorter time outages.

Total reimbursable overtime has fluctuated somewhat dramatically in the last four years due to the timing of work on several large capital projects. In 2018, spending reached \$68 million due to the intensive effort to complete the Main Line Double Track Project as well as other projects including East Side Access. In 2019, spending dropped to \$56 million after the completion of the Main Line Double Track Project. Reimbursable overtime grew to \$65 million in 2020 due to the LIRR's ambitious Annual Track Program, Concrete Tie Project, Main Line Expansion Project alongside continued East Side Access efforts. 2021 reimbursable spend dropped to \$52 million mainly due to the reduction in the amount of MOW reimbursable required to be completed on overtime. 2020 also included a major Concrete Tie Project which was not included in 2021.



LIRR Overtime Performance versus Budget



2021 Total LIRR overtime was \$28 million under budget.

Scheduled service – After two consecutive years of ending the year over budget, the LIRR was able to bring this category below budget in 2020 & 2021. This was largely attributable to the Agency's success at better aligning to the crew book to train service levels. The LIRR's effective management of staffing resources during the pandemic also played an important role in achieving these efficiencies and savings. In 2021, scheduled service was \$3 million under budget, primarily due to reduced train service levels being at 85% of pre-pandemic levels when the budget assumed 90%.

Unscheduled service – This category was under budget in three of the last four years and reflects the improving condition of the LIRR's assets and enhanced service reliability. The significant 2020 & 2021 reduction were driven by the improved service reliability. The spike in 2018 was largely driven by additional staffing necessary to support the US Open Golf Tournament at Shinnecock Hills. In 2021, unscheduled service was \$2 million under budget due to improved train service reliability and the impacts of maintaining assets in a state of good repair.

Maintenance (Planned & Emergency) – Overtime used for planned program maintenance work, usually performed during hours that are deemed more practical to minimize service disruptions, and overtime used to complete unplanned/emergency maintenance work resulting from a non-weather-related extraordinary events, was brought well below budget in 2020 & 2021. Progress in this area was attributable to tighter management controls, particularly in the Track Department, and the Agency's effective management of resources during the pandemic. These gains were partially offset by unscheduled maintenance related to enhanced sanitizing efforts that were not anticipated in the budget. The overages in 2018 and 2019 were largely driven by unanticipated Amtrak state of good repair work at Penn Station and LIRR Forward initiatives. In 2021, maintenance overtime was \$18 million under budget due to a reduction in the amount of Right of Way maintenance required to be completed on overtime partially offset by unscheduled maintenance related to enhanced sanitizing efforts.

Absentee/ Vacancy coverage – The LIRR experienced significant improvement in its budget performance in this category in 2020 & 2021. Again, this was largely attributable to the Agency's efforts at managing its workforce during the pandemic. In prior years, the LIRR experienced a large number of vacancies, particularly in the Maintenance of Equipment Department, which required staff to be assigned on overtime to complete required work. In addition, there were delays in training train crews in the physical characteristics of the new East Side Access territory. When in training, the normal crew assignment is backfilled on overtime.

Weather – For the first time in two years the LIRR was over budget in the weather category in 2021 due three major weather events related to tropical storms Ida, Henri, and Elsa. Mild winters contributed to overtime spending in this category falling below budget in 2019 and 2020. The LIRR will continue to explore ways to minimize weather-related overtime expenses, even when storm events arise. When weather events do arise, the LIRR will continue to apply enhanced management oversight to restore service as rapidly as possible.

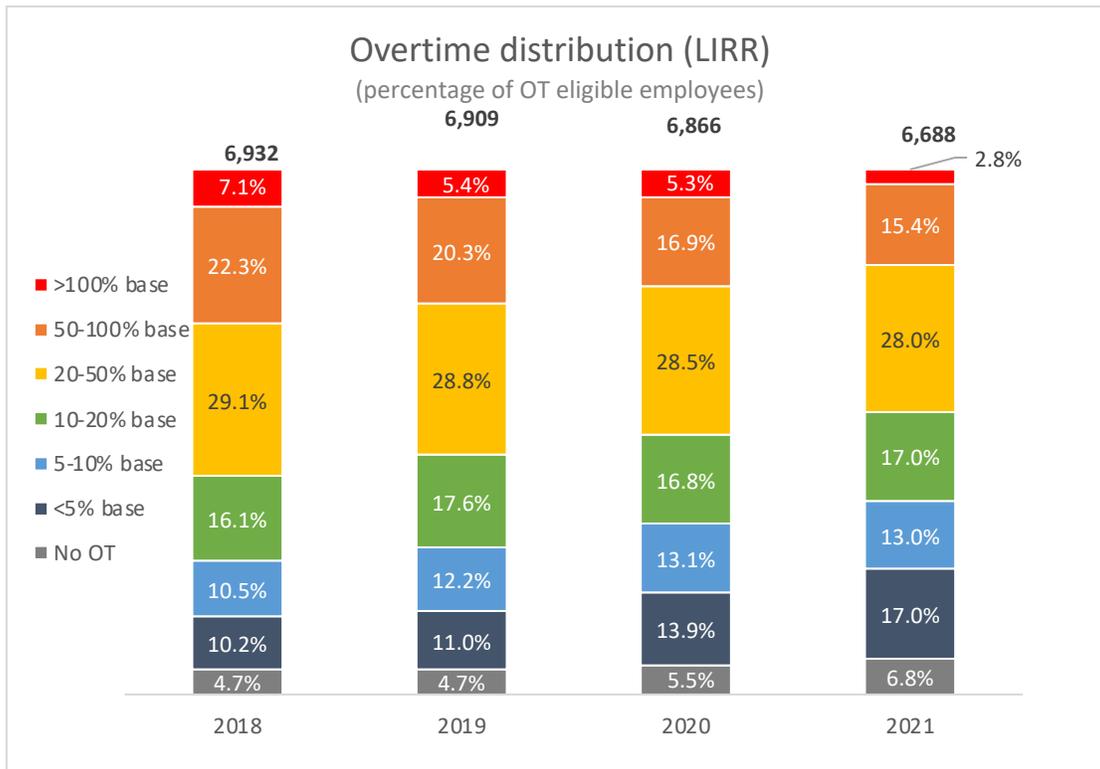
Other – The primary causes of overtime in this category relates to employee pay rates, which are difficult for the Agency to accurately forecast in advance, thereby producing budget variances.

Reimbursable – The vast majority of the LIRR's reimbursable overtime is related to capital project activity. A smaller amount relates to work performed by LIRR forces to support the work of private entities including businesses real estate developers and outside government agencies.

The LIRR has been working hard to better forecast reimbursable capital activity in its original budget and budget performance has steadily improved over the last three years. Still, it is a challenge as the timing of numerous system expansion projects such as Main Line Double Track, Main Line Expansion and East Side Access.

In 2021, reimbursable overtime was under budget by \$4 million related to less than planned to capital project activity related to East Side Access, Annual Track Program, Third Track Expansion and Jamaica Capacity Improvements. The continued pandemic also was a contributing factor to the underspend in 2021.

LIRR Distribution of Overtime



For many crafts at the LIRR, overtime assignments are determined based on seniority per existing collective bargaining agreements (CBAs). In some cases, the respective collective bargaining unit conducts the call-out itself for staff to work overtime, as opposed to management. While existing work rules exert a significant impact on the LIRR's overtime usage and spending patterns, LIRR management has learned to operate within these parameters and perform work properly, safely and in a timely manner.

Overtime top earners (those earning greater than 50% of their base salary in overtime) decreased from 29.4% in 2018 to 18.20% in 2021. These top earners were primary in the Engineering Track Department where overtime was mostly driven by East Side Access, Eastern/Western Rail Yard, Main Line Double Track, programmatic routine maintenance, and emergency repairs. The other groupings have remained relatively static.

Preliminary year-end data reveals that the number of employees who earned between \$150,000 and \$300,000 in decreased by 32 employees between 2020 and 2021. Employees earning between \$100,000 and \$150,000 in overtime decreased by 70 employees and employees earning between \$25,000 and \$149,000 decreased by 124 employees. The 2020 high earners were primarily Maintenance of Way employees. The LIRR has made significant capital investments in the right of way infrastructure over the last several years. As a result, the overall right of way maintenance work performed on overtime has decreased from 2020 to 2021.

Ongoing LIRR Overtime Management Efforts

LIRR will continue its overtime initiatives with a rigorous approval process, tightened procedures, and a comprehensive project prioritization in 2022. It aims to develop a new form to electronically capture overtime requests and their approval as appropriate; develop a report that more effectively captures data on employees who work “continuous hours” in excess of 24 hours; and pilot a mobile timekeeping program in Transportation. The LIRR will also continue to conduct monthly management overtime meetings and high earners reviews.

Metro-North Railroad (MNR)

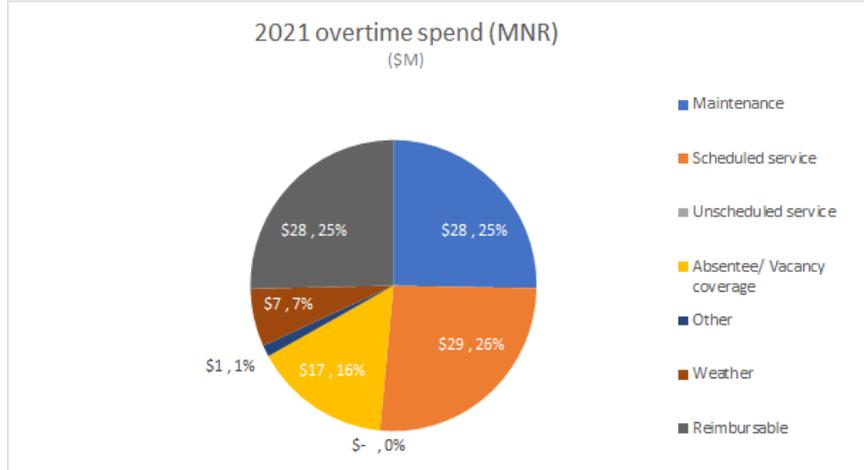
Overview

Overtime at Metro North Railroad (MNR) is driven by four main overtime eligible departments: Maintenance of Way, Maintenance of Equipment, Transportation, and Stations. MNR uses overtime to assist with providing scheduled and unscheduled service, maintenance (planned and emergency), vacancy/ absentee coverage, weather, and long-term infrastructure investment activities.

Metro-North Railroad (MNR) uses overtime to ensure the safety of MNR employees, customers and infrastructure, and the reliability of MNR service. Overtime at MNR is distributed by craft per each of their specific collective bargaining agreements. Overtime use consists of two elements: operational and infrastructure investment. Operational needs include train service, maintenance programs, and job coverage, as well as emergency response. Much of this overtime is allocated based on the distribution of staff to cover train schedules and asset maintenance plans. If the use of overtime was not available at current budgeted levels, a much higher full-time represented staff would be needed to provide the quantity of service and address necessary state-of-good repair and system improvement requirements. Weather overtime is incurred to prepare for or recover from significant weather events. The second overtime aspect supports the long-term infrastructure investments throughout the Metro-North territory, both in New York and Connecticut.

MNR's operations overtime budget process looks to maintain a consistent annual amount of total overtime hours. Therefore, changes in hourly wages generally make up most of the year-over-year increases in a financial plan cycle. On the rare occasions when a department requests an increase to overtime budgets, MNR executive leadership evaluates the relevancy of the need during regular scheduled financial plan reviews. In 2021, the MTA Board approved an MNR request to increase train service from 63% of pre-COVID-19 levels to 82%. The service increase went into effect at the end of August. Incremental overtime was added into the 2021 July Financial Plan to account for additional train service. The infrastructure investment overtime is driven by the scheduled projects. The functions include various construction crafts, as well as qualified flagging personnel needed to ensure right-of-way worker safety. Due to the nature of the projects, much of the productive time for these projects occurs when service levels are low or are not running such as overnight and weekends.

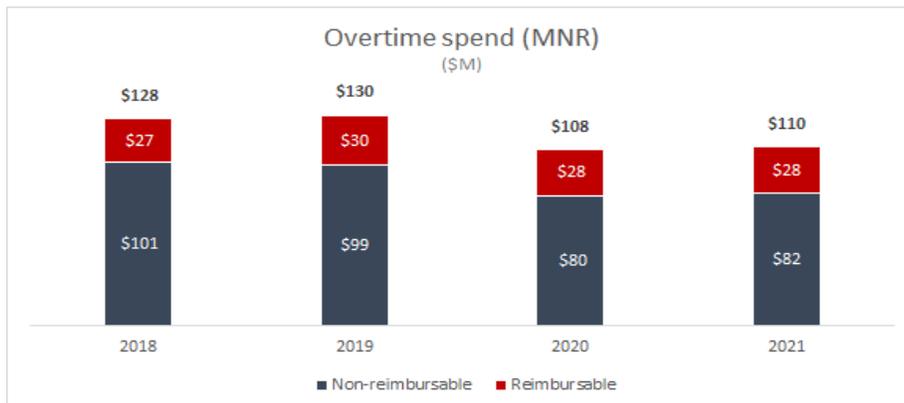
MNR overtime spending totaled \$110 million in 2021. The largest category of overtime spending at 26% of total overtime was related to providing and supporting scheduled train service. The next two categories of overtime spending at 25% each of the total were in maintenance activities and reimbursable project overtime, reflecting the Agency's investment in scheduled infrastructure projects. Approximately 16% of overtime expenses were related to absentee/vacancy coverage. Weather spend reflects impacts from remnants of Hurricane IDA in early September which contributed to a redistribution of overtime needs from other causalities.

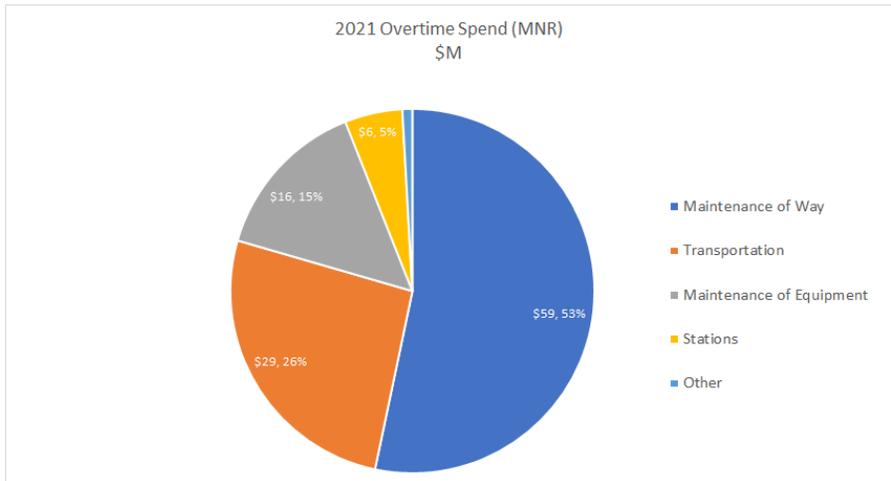


MNR Overtime Trends

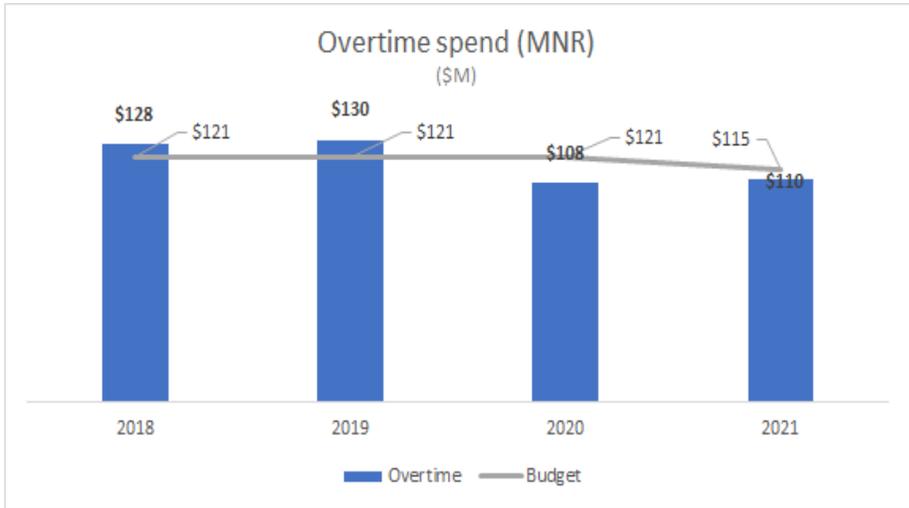
MNR overtime was \$110 million in 2021 compared to \$108 million in 2020, \$130 million in 2019 and \$128 million in 2018. Decreases to overtime usage were offset by increased COVID-19 cleaning and disinfection protocols and overtime needs at stations and on rolling stock. The 2019 unfavorable amount compared to budget of \$9 million (7%) was due to increased state-of-good-repair and new infrastructure work, and coverage of required staff positions. The year-over-year increase from 2020 to 2021 is mainly due to the increase in train service.

2021 Non-Reimbursable overtime accounts for 75% of annual overtime costs. The State of Connecticut paid 26% of the non-reimbursable overtime and 100% of Connecticut specific reimbursable overtime, which equates to approximately 35% of the annual reimbursable total. Connecticut paid 28% of the total overtime in 2021.





MNR Overtime Performance versus Budget



2021 Total MNR overtime was \$5 million under budget.

Scheduled Service – MNR’s 2021 Scheduled Service overtime was \$2 million under budget due to the impacts of reduced service due to the pandemic. MNR ran train service at 63% of pre-COVID19 service levels from January through the end of August. Service was increased to 82% of pre-COVID-19 from the end of August through the end of 2021 and continued into 2022. Savings reflect increased availability among Train & Engine staff, minimizing the need to pay overtime for staff to cover scheduled shifts during their relief days.

Maintenance (Planned/Emergency) – MNR’s 2021 Planned Maintenance Overtime ended the year \$2 million under budget. While much of this overtime was allocated to enhanced cleaning of stations and rolling stock, there was a large in this category due to the diversion of forces to respond to remnants of Hurricane Ida and other fourth quarter weather events.

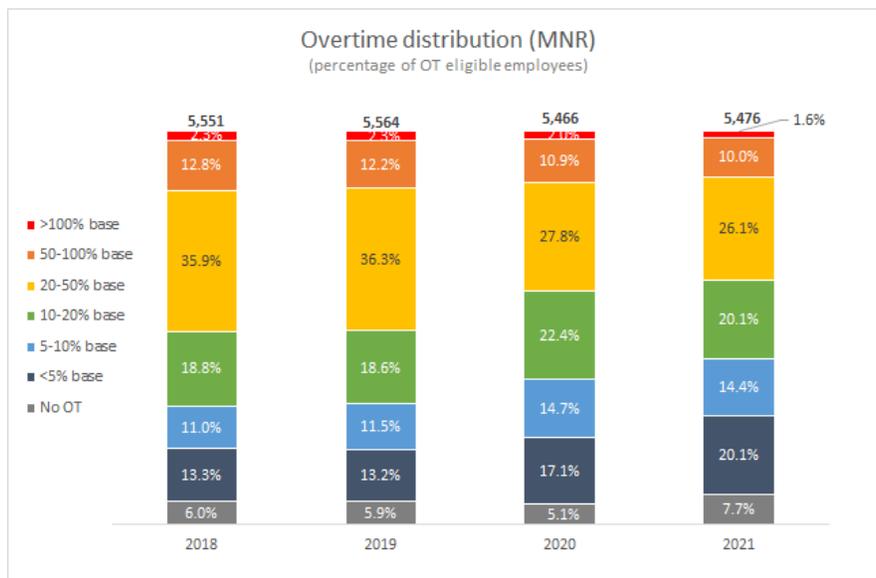
Absentee/ Vacancy Coverage – MNR’s 2021 Absentee/ Vacancy overtime was \$2 million under budget mostly as a result of lower service and equipment requirements.

Weather – Metro-North’s 2021 Weather overtime was unfavorable by \$2 million primarily due to the preparation and response to the remnants of Hurricane Ida at the beginning of September as well several other fourth quarter weather events.

Other – MNR’s Other overtime was unfavorable for each of the years included in this report, including \$1 million in 2021. The primary factor is that MNR records the difference between calendar payroll activity and actual payroll transactions recorded to this causality. Acceleration of the monthly close cycle has increased the amount of overtime in this category. Also contributing the variance are confirmed settlements of collective bargaining agreements, which may have been accounted for in prior periods.

Reimbursable – Metro-North Reimbursable overtime supports the long-term infrastructure investments throughout the Metro-North territory, both in New York and Connecticut. The infrastructure investment overtime is driven by the scheduled projects. The functions include various construction crafts, as well as qualified flagging personnel needed to ensure right-of-way worker safety. Due to the nature of the projects, much of the productive time for these projects occurs when service levels are low or are not running such as overnight and weekends. In 2021, MNR’s reimbursable overtime ended the year \$2 million under budget due to the retiming of capital projects.

MNR Distribution of Overtime



Employees that earn more than 100% of their base salary in overtime are generally the most senior members in their respective crafts, as well as the most experienced in specialized machine operations. The majority of MNR’s collective bargaining agreements (CBAs) with its crafts dictate that overtime is distributed by seniority. The result of these contractual arrangements means that more senior employees end up working more overtime hours and therefore earning more overtime pay. Also, many infrastructure projects require a Foreman, who is characteristically among the more experienced and tenured employees, also resulting in overtime hours incurred at a higher rate of pay.

For MNR, overtime earnings in 2021 were less than 24% of regular pay for overtime eligible employees. Of the overtime earned in 2021, nearly 75% was attributable to train operations, fleet and infrastructure maintenance, operational and weather emergencies including enhanced sanitization measures, and coverage for absences or vacant positions. The remaining 25% of earned overtime was attributable to reimbursable projects.

In 2020-2021, the percentage of overtime eligible employees earning overtime at 50% or more of regular pay decreased from 13% to 12%. The percentage of overtime eligible employees earning no overtime pay increased from 5.1% to 7.7% of the population.

Overall, the number of employees that earned overtime at MNR in 2021 compared to 2020 decreased by 5.3%. This decrease in overtime earners is the result of year-to-year decrease of represented employees. Most of the decrease is attributable to reductions to quantity of employees earning up to \$25,000 of overtime in 2021 compared to 2020.

Ongoing MNR Overtime Management Efforts

While the level and distribution of overtime is dictated by a combination of the overall level of required work and the specific union agreements, MNR continues to put a strong focus on ensuring management controls and reporting are in place to prevent fraud, waste, and abuse.

In 2021, Metro-North continued the level of overtime reporting that was expanded in 2019 with numerous views, including high-earner reports, available to management and department users. The reporting includes consolidated summaries based on causality and departments as well as details on individual's earnings and hours in a month. MNR continues to distribute the overtime reporting to department heads and managers with monthly details. Additional Overtime reporting also continues via a weekly distribution of Overtime payroll activity by department and type. In addition to payroll activity, the weekly file also includes a view of overtime hours for the related pay period as reported in the MTA Overtime Dashboard (WEBFOCUS application). This report is distributed to nearly 90 senior staff and mid-level managers.

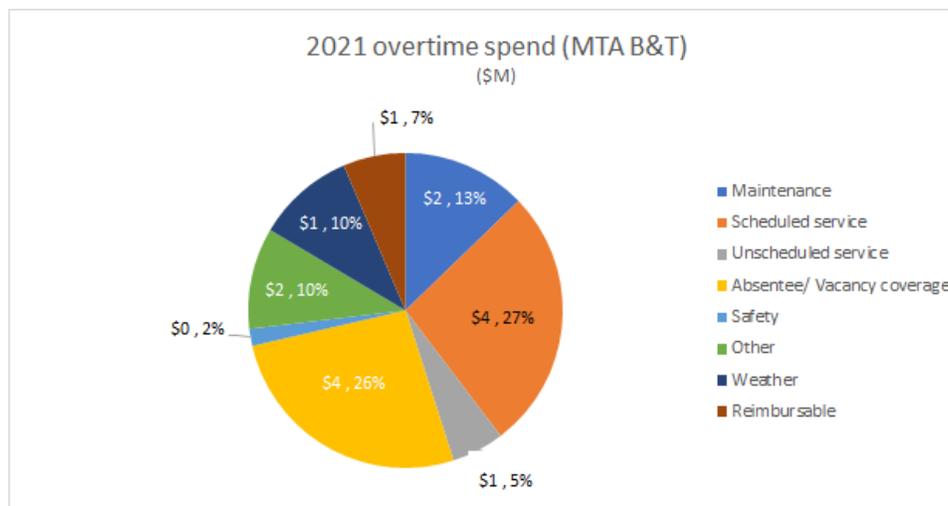
Departments review overtime High Earners monthly, checking to confirm appropriate management approvals have been obtained before authorizing overtime. In 2021, Overtime High Earner reporting continued monthly through November. MNR Policy also requires specific executive level pre-approval of overtime that will result in work shifts exceeding 24 continuous hours. The instances of employees working in excess of 24 hours and the reasons for this work are collected and reported in a monthly report which is distributed to the President and MTA's Office of the Chief Operating Officer. For 2021, over 93% of the instances and total hours attributed to shifts that were in excess of 24 hours were attributable to storms and weather events. MNR continues to look for opportunities to minimize non-weather-related instances of shifts in excess of 24 hours whenever possible.

MTA Bridges and Tunnels (B&T)

Overview

Overtime at MTA Bridges and Tunnels (B&T) is driven by the Operations and Maintenance departments which contain the most overtime eligible employees. Additionally, modest overtime budgets are included annually for administrative personnel in other departments. B&T uses overtime coverage to assist with providing scheduled and unscheduled service, maintenance (planned and emergency), vacancy/absentee coverage, inclement weather events, law enforcement activity, and capital reimbursable projects.

B&T overtime spending totaled nearly \$15 million in 2021. The largest category of overtime spending was Scheduled Service, equating to 27% of the total. The remaining overtime expenses of note include Absentee/Vacancy Coverage (26%) and Maintenance (13%).



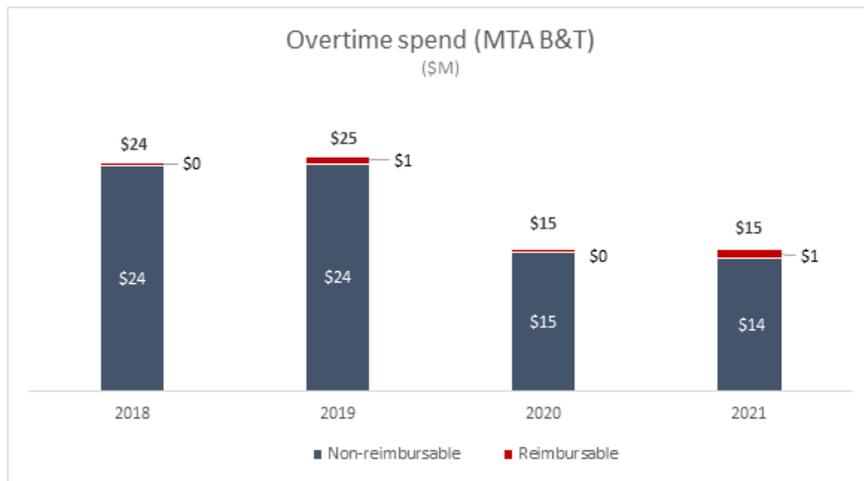
B&T Overtime Trends

B&T's overtime management strategy ensures safety and security, cost containment, and operational effectiveness across its seven bridges and two tunnels. Operations overtime drivers include weather events, law enforcement activity, special events such as the NYC Marathon, labor relations work rules, and availability due to temporary vacancies in schedules. Maintenance Department drivers include weather storm preparedness and maintenance, capital construction projects, major maintenance, labor relations work rules, special events such as the NYC Marathon, and availability due to temporary vacancies in schedules.

Overtime is one tactic utilized to address operational challenges such as:

- Reduction in the number of employees available in the workforce due to scheduled and unplanned absences, temporary vacancies, training, and attrition of the workforce (retirements and/or other separations from service)
- Safety and operationally sensitive work requiring immediate attention that cannot be deferred until the next tour when straight time staff are available (e.g., law enforcement interdiction, removal of debris, response to vehicle collisions and other safety related incidents)
- Environmental conditions adversely impacting operations (e.g., inclement weather, heavy traffic, security, construction, maintenance, technical services)
- Work undertaken during non-peak hours to minimize impacts to our customers

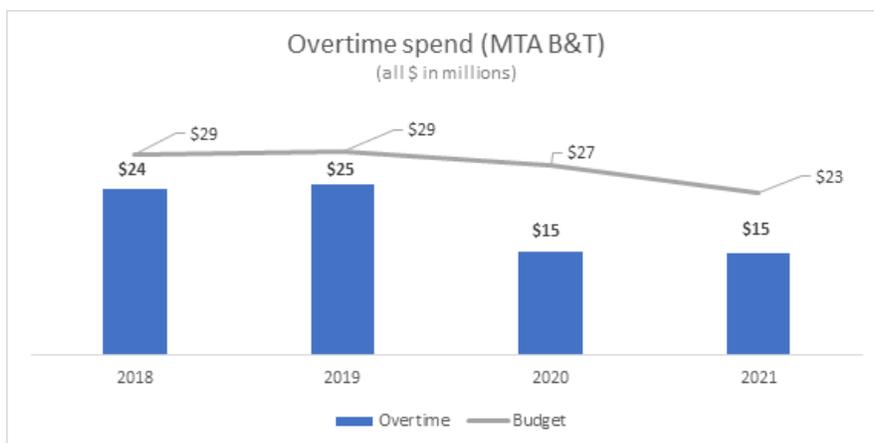
B&T internally categorizes overtime into five main categories, titled SWEAP; Security, Weather, Emergency, Availability, Pre-Planned/Scheduled. This is done to standardize and categorize our overtime codes, as well as allow facilities to prioritize and control overtime costs.



Reimbursable overtime indicates work done to support projects that are reimbursed, and attributable to the MTA's Capital Program. Non-reimbursable overtime supports operating activities.

The "Other" category includes coverage for clerical and administrative positions that are eligible for overtime and miscellaneous overtime.

B&T Overtime Performance versus Budget



2021 Total B&T overtime was \$8.5 million under budget.

Scheduled Service – Scheduled service has been under budget the last four years. In 2021, B&T ended the year \$0.1 million under budget. It again realized substantial overtime savings attributed to reorganization and scheduling efficiencies, as well as the deferral of non-critical maintenance work, due to the COVID-19 pandemic. Additionally, traffic volumes at B&T crossings in 2021 were down 6.7% from pre-pandemic levels, freeing up resources, allowing more tasks to be completed without the use of overtime.

Unscheduled Service – This category was under budget in three of the last four years and reflects the implementation of scheduling efficiencies and the effective management of resources. In 2021, part of the underrun was attributable to lower traffic volumes.

Maintenance (Planned & Emergency) – Overtime used for planned program maintenance work, usually performed during hours that are deemed more practical in order to minimize roadway disruptions and overtime used to complete unplanned/emergency maintenance work resulting from a non-weather-related extraordinary events was brought \$3 million below budget in 2021. Progress in this area was attributable to tighter management controls and the Agency’s effective management of resources during the pandemic. The agency deferred non-critical tasks as it focused on pandemic-related efforts.

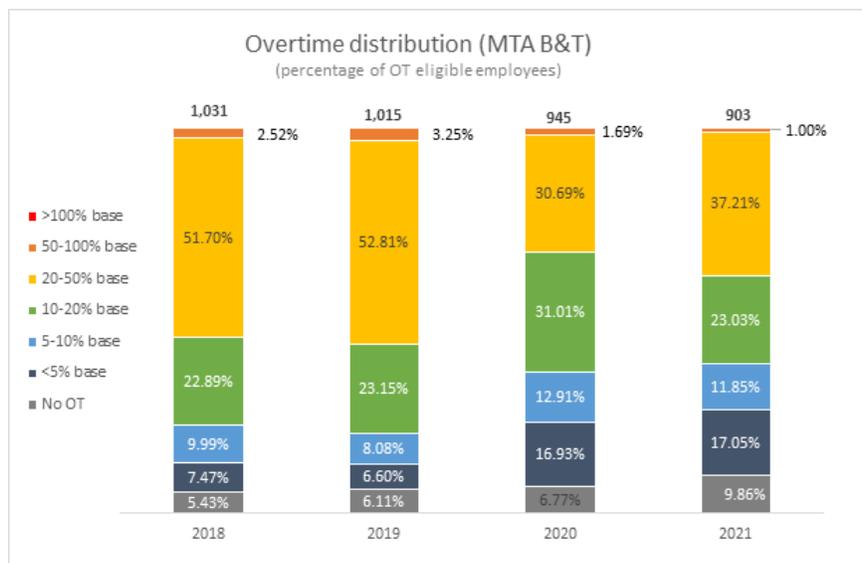
Absentee/ Vacancy Coverage – B&T continued its improved budget performance in this category during 2021. Again, this was largely attributable to the Agency’s efforts at managing its workforce during the pandemic. In prior years, the B&T experienced a large number of vacancies, which required staff to be assigned on overtime to complete required work. The strategic scheduling and rescheduling of employees as well as dynamic deployment of personnel also contributed to this improvement in overtime spending.

Weather – Unfavorable weather patterns including an increase 12.6 inches of snow from 2020 to 2021 cause a mild increase in weather related overtime spending and a 2021 overrun of \$0.4 million. B&T will continue to explore ways to minimize weather-related overtime expenses, even when storm events arise.

Other and All Other Departments and Accruals – The Agency ended 2021 \$0.5 million under budget primarily due to adjustments for the 28-day payroll lag.

Reimbursable – The primary causes of such overtime in the past four years include, but are not limited to tunnel rehabilitation, tunnel fan motors, new roadway monitoring system, tunnel flood mitigation, and updating transmit readers. The Agency was essentially right on budget in 2021.

B&T Distribution of Overtime



B&T continues to focus on the overtime distribution among its eligible employees. From 2020 to 2021, B&T decreased the number of employees earning more than \$50,000 in overtime from 45 to 29. Most represented B&T employees go through an overtime equalization process, designed to ensure overtime pay is spread equitably throughout the organization. A list is generated based on the number of hours worked by represented employees, sorted from the least number of hours worked to the most amount of hours worked for the current year. Based on this list, employees are offered the option to work overtime. If an employee declines, management will continue down the list until an employee accepts. This is done to ensure fair and equitable opportunities to work overtime across represented employees. As seen in the chart above, this process has assisted in keeping the overtime available spread consistently across B&T employees.

With the implementation of Open Road Cashless Tolling, B&T has transformed into a more efficient organization. B&T's operational needs have changed with the elimination of gated tolling plazas, which has removed staffing and labor needs in this area. Additionally, over the last four years B&T has seen numerous senior members of represented operations and maintenance forces retire, which coupled with the elimination of tolling plazas and the staffing needs associated with them, has increased operating efficiencies through rescheduling and redeployment of resources. Along with the tracking and monitoring of overtime assignments mentioned previously, B&T utilizes the built-in audit trail and other tools in the Kronos timekeeping system to verify payroll for represented employees, keeping overtime spending efficient.

B&T reviewed 2017-2020 top earners missed punches, edited punches, time and attendance standardized overtime codes, and overtime budget for discrepancies. Overtime is processed after preauthorization by a supervisor/ manager, and it is reconciled, approved, and signed-off by supervisor/ manager before payment is made. Employee data is reconciled, validated, and confirmed through Central Control (Timekeeping) Unit. All B&T overtime payments were validated and paid.

Ongoing B&T Overtime Management Efforts

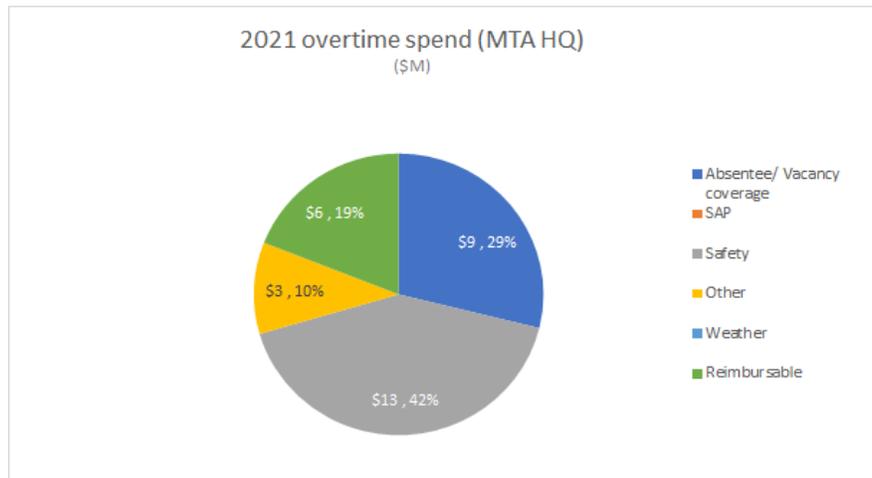
B&T will continue its initiatives on controllable overtime in 2022, including scheduling and managerial efficiencies, and its focus on safety and security. While the Agency recovers from the COVID-19 pandemic, it will resume a schedule of necessary routine maintenance. Throughout the pandemic, B&T shifted away from performing routine maintenance tasks and focused on the completion of mission critical activities. These mission critical activities will still be addressed within the schedule of necessary routine maintenance as they have always been addressed prior to the COVID-19 pandemic. B&T will continue to review the changing environment and prioritize the needs for overtime.

MTA Headquarters (MTA HQ)

Overview

Overtime at MTA Headquarters (MTA HQ) is primarily driven by the MTA Police Department (MTA PD) and MTA Information Technology (MTA IT). MTA HQ uses overtime to assist with MTA-wide security and safety services as well as ensuring that critical information technology infrastructure is available on a 24/7 basis.

MTA HQ's overtime spending for 2021 totaled \$31 million, mainly due to overtime deployment for MTA PD (\$28 million) with a lesser amount attributable to MTA IT and other smaller administrative departments (\$3 million). The largest category for overtime usage was Safety related, equating to 42% and primarily reflecting enhanced security, quality of life and COVID-19 deployments. Remaining overtime expenses include Absentee/Vacancy Coverage at 29%, reimbursable overtime at 19% and other non-MTA PD overtime at 11%.



MTA HQ Overtime Trends

MTA HQ's overtime allocations are primarily related to MTA PD's operations with a lesser amount attributable to the operations of MTA IT, the Business Service Center (BSC) and other administrative departments. In late 2020, savings actions eliminated the modest administrative overtime budgets, however offsetting this was an increase in overtime usage in Occupational Health Services as MTA responded to the COVID-19 pandemic.

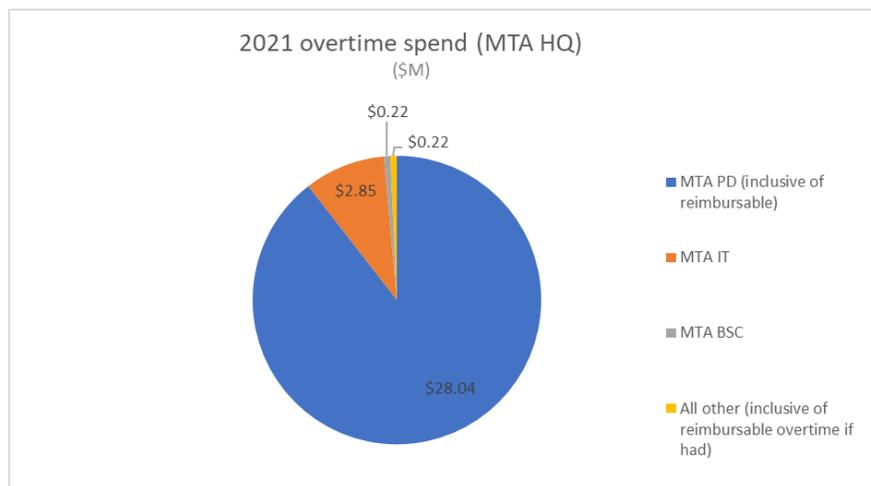
The MTA PD utilizes overtime coverage to assist with providing MTA-wide oversight of security and safety services inclusive of patrolling the MTA's railroads, Staten Island Railway and supplemental patrol of the transit system. MTA PD trends in overtime are based on the necessity of coverage for specific posts due to absentee/vacancy coverage, deployment initiatives and responses arising from safety and security needs.

In 2018 and 2019, the MTA PD was tasked with two high priority initiatives, quality of life issues, which includes outreach to homeless individuals in the system and enhanced station security, both of which required the assignment of overtime to implement quickly and effectively. These initiatives provide safer and more secure environment for the MTA's customers and employees. Additional management controls implemented in the past year have allowed the extra list to be used more effectively and have resulted in reductions in overtime to support homeless outreach.

Unlike previous years, 2020 differed due to MTA's response to the COVID-19 pandemic. While the MTA PD continued to deploy personnel throughout the MTA Region deployment levels included coverage for the Overnight Subway shutdown, enhanced security and quality of life deployments resulting in an 18% increase over 2019. In 2021, MTA PD continued its deployment efforts, though on a lesser scale for the overnight Subway Shutdown and support of the COVID-19 mask initiative. Coverage also continued for Enhanced Security, Quality of Life and other security needs. With the gradual re-opening of venues, the department saw an over 100% increase in special event coverage versus 2020.

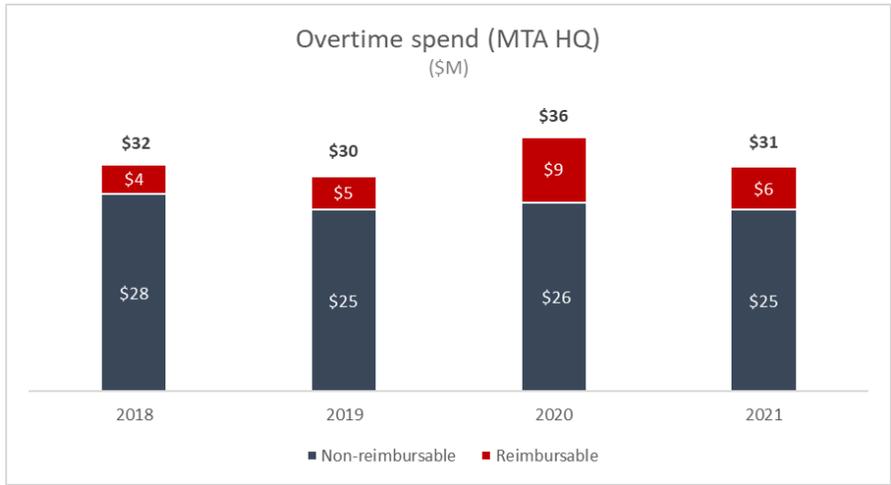
MTA IT operates on a 24/7 basis. Many of its services are integrated into the daily operations of the MTA's constituent agencies and their systems are crucial to service delivery and the operations of trains, buses, and bridges/tunnels. In addition, communications between the MTA and its employees, customers, and the public-at-large are supported and delivered by MTA IT.

Year-end 2021 showed a slight increase for other administrative departments by 2%, primarily due to but not limited to Occupational Health Services. This increase was offset with lower overtime spending at the BSC by limiting overtime assignments to only high priority production challenges, which usually occur outside of standard business operating hours, (e.g., weekend payroll processing, evening/weekend applicant testing activities). These controls on BSC overtime resulted in favorable variances from 2018 through 2021 versus budget by 10%, 52%, 57%, and 43% respectively.

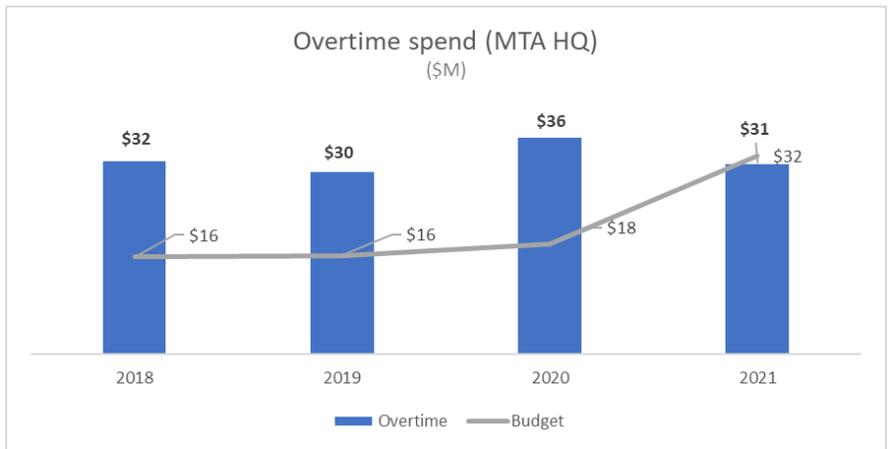


As previously noted, MTA HQ overtime is primary attributable to MTA PD (regularly accounting for approximately 89% of overtime spent), with significantly lesser amounts attributable to MTA IT, the BSC, and other Headquarters functions.

Reimbursable overtime indicates work done to support projects that are reimbursed, primarily MTA PD deployments from the Transit Security Grant Program (TSGP) and the MTA's Capital Program for MTA Rail Agencies. Non-reimbursable overtime supports operating activities.



MTAHQ Overtime Performance versus Budget



2021 Total MTA HQ overtime was \$1 million under budget.

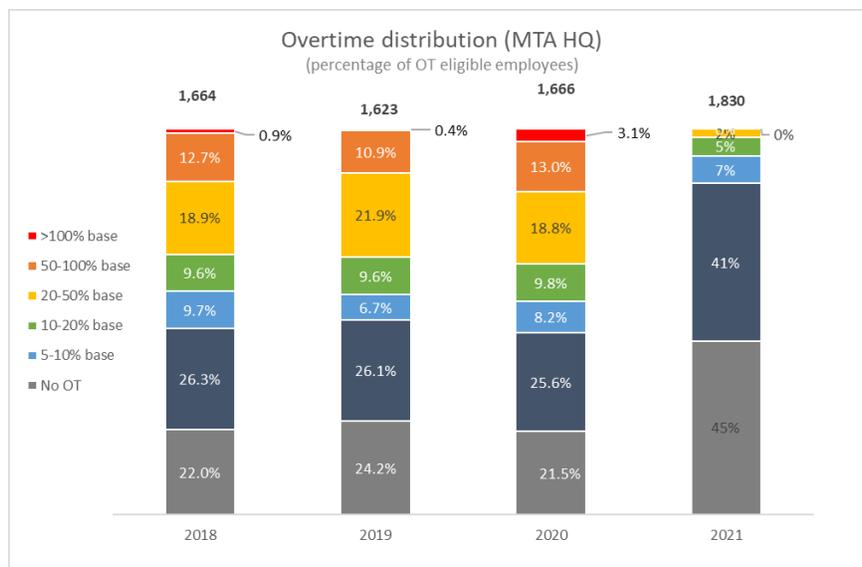
Absentee/Vacancy coverage – This category of overtime includes, but is not limited to, vacations, bereavement, reassignments, sickness and/or training for members of the MTA Police Benevolent Association. In 2021, absentee/vacancy coverage overtime was over budget by \$5 million. This unfavorable variance was due in part to a collective bargaining change approved in late 2020 for PBA members, which increased allotments for time off. Additionally, increased coverage included but was not limited due, to retirements, coverage for COVID-19 related illness and two-car patrol mandate mainly within high activity districts.

Safety – Used to provide overtime coverage for, but not limited to, corporate security, handling incidents, public hearings, arrest processing, special events. While the department continued their due diligence in deploying personnel throughout the MTA Region, 2020 coverage differed than previous years due to Pandemic closures. This slowly changed during 2021, with the department continuing their deployment for initiatives, while increasing security deployments as the region re-opened. In 2021, MTA PD Safety/Security overtime was under budget by \$10 million due to lower deployment levels required on overtime than originally forecasted. Year-to-date through December coverage included, but was not limited to, deployment for the overnight Subway shutdown/COVID-19 \$0.6 million, enhanced security \$4 million, quality of life \$3 million and COVID-19 Mask Initiative \$0.4 million.

Other – The primary causes of overtime in this category relates to administrative costs primarily for MTA IT and BSC, to provide in part, coverage for MTA IT-wide security and safety services, employee call center and additional administrative services. In 2021, overtime coverage for this category was over budget by \$0.04 million mainly due but not limited to coverage for Occupational Health Services.

Reimbursable – This category includes overtime related to coverage mainly performed by the MTA PD utilizing the Transportation Security Grant Program (TSGP grant) and to a lesser degree for both Reimbursable – other MTA agency and increased non TSGP grants. It is anticipated that all overtime classified as reimbursable overtime will have an offsetting reimbursement. The MTA ended the year \$3 million over budget in this area due to increased usage of the TSGP.

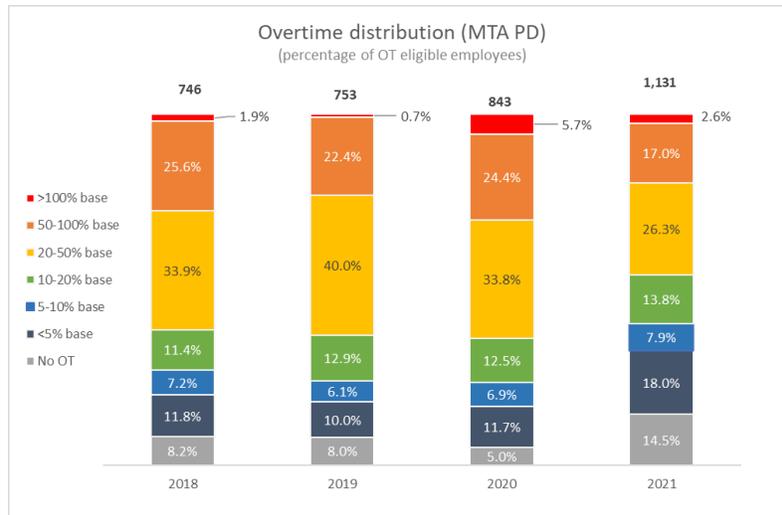
MTAHQ Distribution of Overtime



MTA HQ's overtime is based upon deployment approved by MTA PD, MTA IT, the BSC and other MTA HQ departments. The distribution of overtime amongst employees is based upon collective bargaining agreements. In addition, there is a small percentage of non-represented employees who can earn overtime based upon their non-exempt classification and supervisors' approval.

While approximately 89% of overtime spending is attributable to MTA PD, the department accounts for less than 50% of overtime eligible employees at MTA HQ. As such, it heavily influences the distribution of overtime across employees.

Most of the overtime worked for civilian employees is due to MTA IT and the BSC providing 24/7 support. Employees providing coverage on overtime are often part of a specific project or specialty so they cannot be easily replaced by other team members.



The distribution of MTA PD overtime earnings remained relatively static from 2018 to 2021, with small fluctuations in each grouping – with the notable increase in high earners in 2018 and 2019 in line with the spike in overtime costs that year. Year-end 2021, showed an increase in personnel earning 5% or less in overtime due to the hiring of new recruits. From 2020 to 2021, MTA PD decreased the number of employees receiving more than \$100,000 in overtime from 72 to 44.

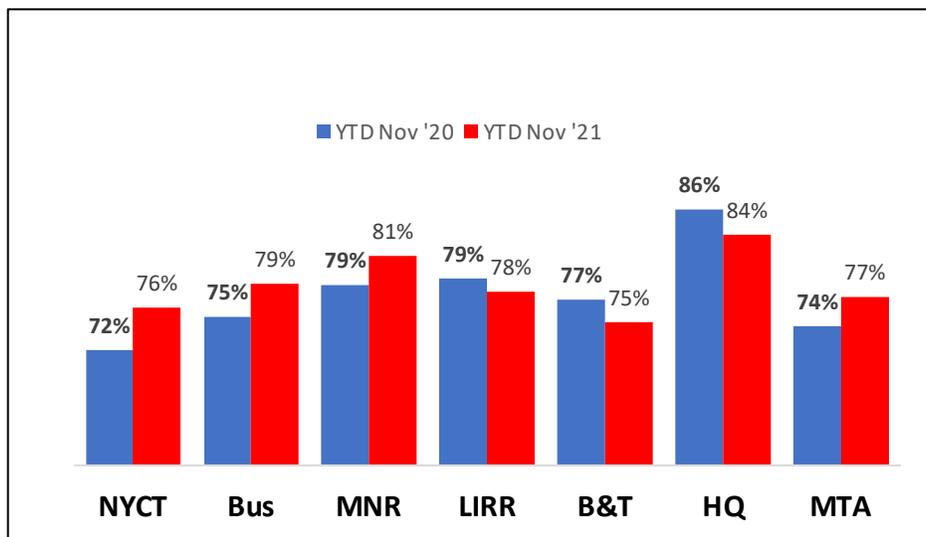
Ongoing MTA HQ Overtime Management Efforts

The MTA Police Department has incorporated more stringent overtime approval and management mechanisms. MTA PD Regional Chiefs now review the necessity for all overtime requests, rather than District Commanders. In addition, the department now tracks and analyzes current overtime spending using a new tool developed by MTA IT’s Police Support Unit.

MTA Availability

One of the initial objectives of the MTA Overtime Task Force was to develop a consistent methodology to calculate employee availability across all agencies and to report this information to leadership and management on a regular basis. Led by representatives of the MTA Office of Management and Budget, this multi-disciplinary team was formed. It succeeded in establishing a consistent definition of availability (both attendance-based and productivity-based) and of all of the sub-categories of leave. Since 2020, the team has been issuing a quarterly report detailing availability trends and causes.

MTA Employee Availability by Agency (Preliminary Results)



2021 availability (MTA-wide, excluding MTA PD employees and non-represented NYCT and MTA Bus employees) was 77%.³ This was 3 percentage points (or 7.2 days) better than 2020. Availability through December 2019 (the last pre-pandemic year) was 80%.

The year-to-year improvement was almost entirely attributable to reduced COVID-19 related leave (11.3 days better when compared to 2020). NYCT, MTA Bus and MNR showed the greatest improvement in this category. The LIRR did not experience as significant an improvement in this category because the deployment strategy it employed in 2020 resulted in less COVID-19 leave that year.

Partly offsetting the trend related to COVID-19 related leave, vacation/personal leave increased by an average of 2.5 days during 2021. Each agency experienced an increase, with B&T and MTA HQ's average growing by more than 7 days on average. A significant factor in this growth was that many employees did not take vacation leave during the height of the pandemic and "caught up" in 2021. An additional factor at B&T was a surge in retirements that resulted in many employees taking banked vacation leave.

³ Due to data collection challenges as a result of the Kronos outage that occurred in December 2021, availability rates and data are through November.

YTD Avg. Unavailable Days H/-L than YTD 2020

	MTA	NYCT	Bus	MNR	LIRR	B&T	HQ
Sick	0.1	-0.2	1.2	0.9	0.2	0.8	0.5
CoV19	-11.3	-14.3	-13.8	-9.2	-0.5	-2.2	0.0
Vac/Pers	2.5	2.4	3.5	1.0	1.7	7.7	7.1
Holidays	0.8	1.0	-1.8	-0.1	2.0	0.9	-1.0
IOD	0.6	0.7	2.1	NA	0.3	0.8	0.0
LOA	0.0	0.1	0.2	-0.5	0.0	-3.0	0.3
All Other	0.1	-0.1	0.4	0.9	0.3	0.0	-0.8
Agency Totals	-7.2	-10.4	-8.2	-7.0	4.0	4.9	6.1

Through November 2021, the average MTA employee was unavailable for 54 days. All but 6.6 of these days were in four categories of leave: vacation, sick, holiday and injured on duty. Recognizing that vacation and holiday leave are largely outside of management control, the MTA has targeted sick leave and injured on duty as opportunities for improvement. A joint team, consisting of representatives of the Office of Strategic Initiatives, the Office of Management and Budget, the Office of the Chief People Officer, the Office of Labor Relations, and the Office of the General Counsel has been established and begun exploring these issues.

Overall MTA
Average 54 Days Unavailable per Employee by Category
(attendance based, through Nov. 2021)

