

MTA Bridges & Tunnel

MTA Bridges and Tunnels
2005 Preliminary Budget
July Financial Plan 2005 – 2008

Mission Statement

MTA Bridges and Tunnels operates seven bridges and two tunnels that form essential links for vehicular highway transportation in the New York City metropolitan region, and also provide financial support for mass transit. On an average day more than 800,000 vehicles use the nine crossings, generating more than \$1 billion in annual toll revenue. With approximately two-thirds of this toll revenue dedicated to mass transit, Bridges and Tunnels performs a unique and vital function on behalf of regional mobility.

B&T's mission is carried out through 14 different departments, including the Operations workforce that manages the facilities on a day-to-day basis, and the Engineering and Construction Department that is responsible for maintaining the structural integrity of the facilities. The Operations Department employs 70 percent of the workforce, with Engineering and Construction employing another 10 percent. Each of the other B&T departments report directly to the agency president and perform a wide variety of critical functions in support of B&T's dual responsibilities of moving vehicles across its facilities as efficiently as possible and providing essential and significant financial assistance to the other MTA agencies.

Financial Overview

Overall, for the 2004-2005 period, B&T projects a total of \$1,551.2 million in net operating income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$2,272.6 million in revenues, offset by \$721.4 million in expenses. Together with the savings at year-end 2003, these expenses are \$28.4 million better than the expense reduction target of \$34.1 million established by the MTA for the period from 2003-2005, while maintaining the current service levels and MTA's commitment to safety and security. For 2006 to 2008, B&T will continue to meet the financial goals set by the MTA, and projects that a total of almost \$2.2 billion before PEGs will be provided in net operating income over that three-year period. The budget being submitted enables B&T to continue to meet its strategic business plan goals in the areas of safety, customer service, and cost effectiveness. However, in order to meet the funding targets, significant new fees will need to be imposed that could have an impact on overall customer satisfaction.

Highlights of the preliminary budget are outlined below.

2005 Preliminary Budget - Baseline

In the 2005 Preliminary Budget, a total of \$770.1 million is projected in net operating income for 2005 before factoring in the savings from PEGs. This consists of \$1,138.7 million in revenues, offset by \$368.6 million in expenses. The expenses are composed of \$192.4 million in labor costs, which include a new need for the maintenance of the centralized access and monitoring control system (\$0.3 million in 2005 for 3 maintainers and 1 security analyst with 3 additional maintainers to be added in 2006), and \$176.3 million in non-labor expenses, which include a new need for critical painting requirements at the Verrazano-Narrows Bridge (\$2.1 million in 2005).

In 2005, total headcount is 1,816, which includes 45 reimbursable positions and 4 new positions for the new need mentioned above.

The 2005 Preliminary Budget also includes below-the-line gap closing actions of \$9.3 million, which are discussed later in this document, under Gap Closing Measures.

Year-to-year, the 2005 Preliminary Budget is \$11.0 million below the 2004 Forecast for net operating income of \$781.1 million before PEGs and reflects a \$4.8 million increase in revenues (\$0.9 million in toll revenue, \$2.8 million in capital reimbursements, \$1.1 million in investment income). The revenue increases are offset by a \$9.9 million increase in labor expenses as a result of annualizing salaries and associated fringe benefits for the 2004 hires and incorporating contractual step-up and CPIU increases of 2.03%, and a \$5.9 million increase in non-labor expenses resulting from E-ZPass tag purchases.

Further details regarding the reconciliations to the February Plan and major assumptions are discussed in a later section.

2006-2008 Projections

The 2006 projection for net operating income is \$751.8 million before factoring in the savings from PEGs. This consists of \$1,146.1 million in revenues, offset by \$394.3 million in expenses. The expenses are composed of \$204.5 million in labor costs, which include a new need for the maintenance of the centralized access and monitoring control system (\$0.5 million for 6 maintainers and 1 security analyst), and \$189.8 million in non-labor expenses.

In 2006, the total headcount increases to 1,819, which includes 45 reimbursable positions, and 3 additional positions for the new need mentioned above.

The 2006 projection also includes below-the-line gap closing actions of \$18.5 million, which are discussed later in this document under Gap Closing Measures.

The 2006 projection is \$18.2 million below the 2005 Preliminary Budget Forecast for net operating income of \$770.1 million before PEGs and reflects a \$7.4 million increase in revenues (\$4.4 million in toll revenue, \$2.6 million in capital reimbursements, \$0.6 million in investment income). The revenue increases are offset by a \$12.1 million increase in labor expenses as a result of contractual step-up and CPIU increases of 2.20%, and a \$13.5 million increase in non-labor expenses resulting from bridge painting requirements at the Verrazano-Narrows Bridge, offset by lower CPIU increases.

Further details regarding the reconciliations to the February Plan and major assumptions are discussed in a later section.

The 2007 and 2008 projections for net operating income are \$734.4 million and \$726.6 million, respectively, before factoring in the savings from PEGs. For 2007, this consists of \$1,152.6 million in revenues, offset by \$418.1 million in expenses. The expenses are composed of \$215.0 million in labor costs, which include the aforementioned new need for the maintenance of the centralized access and monitoring control system (\$0.5 million for 6 maintainers and 1 security analyst), and \$203.1 million in non-labor expenses. For 2008, this consists of \$1,158.4 million in revenues, offset by \$431.9 million in expenses. The expenses are composed of \$224.3 million in labor costs, including the new need for the maintenance of the centralized access and monitoring control system (\$0.5 million for 6 Maintainers and 1 Security Analyst), and \$207.5 million in non-labor expenses.

In 2007 and 2008, the total headcount remains at 1,819, which continues to include the 45 reimbursable positions.

The 2007 and 2008 projections also include below-the-line gap closing actions of \$18.5 million per year, which are discussed later in this document under Gap Closing Measures.

Details for the reconciliations to the February Plan and major assumptions are discussed in a later section.

GAP CLOSING MEASURES

2005 PEG Actions

Total PEG actions beginning in 2005 are projected to generate \$9.3 million. The major proposed initiatives are:

- Establish a \$1/monthly E-ZPass account fee, effective July 2005. This fee would generate an estimated \$6.6 million in 2005 and \$13.2 million annually thereafter. An estimated 15% of current E-ZPass account holders who are very infrequent travelers are projected to opt out of the program, but total traffic is not expected to change significantly.
- Fund all traffic control capital construction overtime from the capital budget, which would generate \$2.2 million annually.
- Other actions totaling \$0.5 million in 2005 and \$1.0 million annually thereafter include:
 - Establish an E-ZPass administrative fee in July 2005 for tags issued to an outside agency receiving toll free passage (\$0.2 million in 2005, \$0.3 million annually thereafter);
 - Increase current E-ZPass fees as of July 2005 for returned checks and retained tag fees (\$0.1 million in 2005, \$0.2 million annually thereafter);
 - Reduce administrative headcount by 1 position (\$0.04 million annually).

2006 PEG Actions

If adopted and implemented, the programs initiated in 2005 will contribute \$14.4 million in 2006, and the following proposed actions would generate an additional \$2.3 million:

- Negotiate a more favorable MasterCard rate on E-ZPass account replenishments. Annual savings of \$1.3 million on E-ZPass credit card fees will be realized if the MTA and B&T can successfully secure the service industry incentive rate from MasterCard as opposed to B&T's current group classification, which carries a higher rate.
- Charge a fee to any customer who necessitates a lane intervention due to an improperly mounted E-ZPass tag. The fee income will go towards offsetting the labor costs associated with E-ZPass lane interventions, which are estimated to total \$0.7 million.
- Reduce the Bridge Painting Program by \$0.2 million.

2007 and 2008 PEG Projections

Assuming all of the above initiatives are adopted and can be implemented, total PEG savings will amount to \$18.5 million annually in 2007 and 2008.

No new PEGs are scheduled to begin in either 2007 or 2008.

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MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2003	2004	2005			
	Actuals	Mid-Year Forecast	Preliminary Budget	2006	2007	2008
Revenue						
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,021.938	1,086.587	1,087.455	1,091.872	1,095.502	1,099.139
Other Operating Revenue	10.706	8.916	8.998	8.756	8.852	8.009
Capital and Other Reimbursements	85.735	24.973	27.314	29.428	31.509	33.246
Investment Income	2.334	1.081	2.172	2.750	2.920	3.760
Total Revenue	\$ 1,120.713	\$ 1,121.557	\$ 1,125.939	\$ 1,132.806	\$ 1,138.783	\$ 1,144.154
Expenses						
Labor:						
Payroll	97.636	104.105	108.646	112.049	115.765	119.855
Overtime	25.884	25.419	24.546	25.085	25.727	26.448
Health and Welfare	21.156	25.310	28.673	31.165	33.935	36.987
Pensions	1.819	5.397	10.663	15.178	17.743	18.343
Other Fringe Benefits	18.182	16.457	13.761	14.536	15.076	15.671
Reimbursable Overhead	(4.090)	(6.580)	(6.714)	(6.861)	(7.038)	(7.235)
Total Labor Expenses	\$ 160.587	\$ 170.108	\$ 179.576	\$ 191.152	\$ 201.208	\$ 210.068
Non-Labor:						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	8.247	9.081	8.422	9.270	9.459	9.666
Claims	-	0.006	0.006	0.006	0.006	0.006
Paratransit Service Contracts	-	-	-	-	-	-
Operating Contracts	116.870	125.844	126.461	141.128	153.126	156.480
Professional Service Contracts	10.840	14.908	14.291	14.213	14.472	14.755
Materials & Supplies	31.429	19.315	25.238	23.311	24.167	24.702
Other Business Expenses	1.044	1.223	1.860	1.878	1.900	1.925
Total Non-Labor Expenses	\$ 168.430	\$ 170.377	\$ 176.278	\$ 189.806	\$ 203.130	\$ 207.534
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation	\$ 329.017	\$ 340.485	\$ 355.854	\$ 380.958	\$ 404.339	\$ 417.602
Add: Depreciation	41.160	42.000	45.780	49.900	54.390	59.300
Total Expenses after Depreciation	\$ 370.177	\$ 382.485	\$ 401.634	\$ 430.858	\$ 458.729	\$ 476.902
Less: Depreciation	(41.160)	(42.000)	(45.780)	(49.900)	(54.390)	(59.300)
Total Expenses	\$ 329.017	\$ 340.485	\$ 355.854	\$ 380.958	\$ 404.339	\$ 417.602
Baseline Net Income/(Deficit)	\$ 791.696	\$ 781.072	\$ 770.085	\$ 751.848	\$ 734.445	\$ 726.552
Program to Eliminate the Gap	-	-	9.252	18.503	18.503	18.503
Net Income/(Deficit)	\$ 791.696	\$ 781.072	\$ 779.337	\$ 770.351	\$ 752.947	\$ 745.055

REIMBURSABLE

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MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE (Page 1 of 2)**

	2003	2004	2005			
	Actuals	Mid-Year	Preliminary	2006	2007	2008
		Forecast	Budget			
Revenue						
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,021.938	1,086.587	1,087.455	1,091.872	1,095.502	1,099.139
Other Operating Revenue	10.706	8.916	8.998	8.756	8.852	8.009
Capital and Other Reimbursements	94.218	37.334	40.090	42.739	45.294	47.508
Investment Income	2.334	1.081	2.172	2.750	2.920	3.760
Total Revenue	\$ 1,129.196	\$ 1,133.918	\$ 1,138.715	\$ 1,146.117	\$ 1,152.568	\$ 1,158.416
Expenses						
Labor:						
Payroll	100.889	108.175	112.799	116.293	120.118	124.330
Overtime	25.884	25.419	24.546	25.085	25.727	26.448
Health and Welfare	21.816	26.228	29.698	32.349	35.220	38.356
Pensions	1.869	5.593	10.882	15.430	18.017	18.635
Other Fringe Benefits	18.612	17.054	14.427	15.306	15.911	16.561
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$ 169.070	\$ 182.469	\$ 192.352	\$ 204.463	\$ 214.993	\$ 224.330
Non-Labor:						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	8.247	9.081	8.422	9.270	9.459	9.666
Claims	0.000	0.006	0.006	0.006	0.006	0.006
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	116.870	125.844	126.461	141.128	153.126	156.480
Professional Service Contracts	10.840	14.908	14.291	14.213	14.472	14.755
Materials & Supplies	31.429	19.315	25.238	23.311	24.167	24.702
Other Business Expenses	1.044	1.223	1.860	1.878	1.900	1.925
Total Non-Labor Expenses	\$ 168.430	\$ 170.377	\$ 176.278	\$ 189.806	\$ 203.130	\$ 207.534
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation	\$ 337.500	\$ 352.846	\$ 368.630	\$ 394.269	\$ 418.123	\$ 431.864
Depreciation	41.160	42.000	45.780	49.900	54.390	59.300
Total Expenses after Depreciation	\$ 378.660	\$ 394.846	\$ 414.410	\$ 444.169	\$ 472.513	\$ 491.164
Depreciation	(41.160)	(42.000)	(45.780)	(49.900)	(54.390)	(59.300)
Total Expenses	\$ 337.500	\$ 352.846	\$ 368.630	\$ 394.269	\$ 418.123	\$ 431.864
Baseline Net Income/(Deficit)	\$ 791.696	\$ 781.072	\$ 770.085	\$ 751.848	\$ 734.445	\$ 726.552
Program to Eliminate the Gap	-	-	9.252	18.503	18.503	18.503
Net Income/(Deficit)	\$ 791.696	\$ 781.072	\$ 779.337	\$ 770.351	\$ 752.948	\$ 745.055

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Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE (Page 2 of 2)**

	2003 Actuals	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
Baseline Net Income/(Deficit)	\$ 791.696	\$ 781.072	\$ 770.085	\$ 751.848	\$ 734.445	\$ 726.552
<u>Deductions from Income:</u>						
Less: Capitalized Assets	4.178	10.476	10.161	10.363	10.594	10.849
Reserves	10.411	14.140	14.402	14.689	15.017	15.379
Adjusted Baseline Net Income/(Deficit)	\$ 777.107	\$ 756.456	\$ 745.522	\$ 726.796	\$ 708.834	\$ 700.324
Less: Debt Service	319.613	404.502	464.362	471.472	483.684	495.807
Less: Gain on Escrow: Transfer to MTA (*)	25.013					
Income Available for Distribution	\$ 432.481	\$ 351.954	\$ 281.160	\$ 255.324	\$ 225.150	\$ 204.517
Distributable To:						
MTA - Investment Income	2.334	1.081	2.172	2.750	2.920	3.760
MTA - Distributable Income	251.871	220.225	191.033	177.721	162.624	151.919
NYCT - Distributable Income	178.276	130.648	87.955	74.853	59.606	48.838
Total Distributable Income:	\$ 432.481	\$ 351.954	\$ 281.160	\$ 255.324	\$ 225.150	\$ 204.517
Actual Cash Transfers:						
MTA - Investment Income	14.727	2.334	1.081	2.172	2.750	2.920
MTA - Transfers	327.780	236.499	193.953	179.052	164.134	152.989
NYCT - Transfers	231.178	139.302	92.225	76.164	61.130	49.915
Total Cash Transfers:	\$ 573.685	\$ 378.135	\$ 287.259	\$ 257.388	\$ 228.014	\$ 205.824
SUPPORT TO MASS TRANSIT:						
Total Revenues	1,129.196	1,133.918	1,138.715	1,146.117	1,152.568	1,158.416
Less: Net Operating Expenses	337.500	352.846	368.630	394.269	418.123	431.864
Program to Eliminate the Gap	-	-	9.252	18.503	18.503	18.503
Net Operating Income:	\$ 791.696	\$ 781.072	\$ 779.337	\$ 770.351	\$ 752.947	\$ 745.055
Deductions from Operating Income:						
B&T Debt Service	75.107	109.570	124.794	132.446	144.261	156.234
Capitalized Assets	4.178	10.476	10.161	10.363	10.594	10.849
Reserves	10.411	14.140	14.402	14.689	15.017	15.379
Total Deductions from Operating Inc:	\$ 89.696	\$ 134.186	\$ 149.357	\$ 157.498	\$ 169.872	\$ 182.462
Total Support to Mass Transit:	\$ 702.000	\$ 646.886	\$ 629.980	\$ 612.853	\$ 583.075	\$ 562.593

(*) Excess escrow balance investments from the bond restructuring program, transferred to the MTA for the capital program.

MTA Bridges and Tunnels
2005 Preliminary Budget
July Financial Plan 2005 – 2008

Year-to-Year Changes: 2004-2008

Toll Revenue

- Revenues are estimated to reach \$1,086.6 million in 2004 and \$1,087.5 million in 2005 based on current traffic trends, an increase of \$0.9 million.
- Projected revenues grow by \$4.4 million in 2006, and by \$3.6 million per year in 2007 and 2008, reflecting modest growth in regional (New York City, Long Island and Westchester) employment and other economic and operational considerations. The Global Insight forecast projects a 1.2% average annual growth in regional employment for the 2006 to 2008 period.

Other Operating Revenue

- Other income primarily consists of Battery Parking Garage revenue, various E-ZPass fees (charges for lost or non-returned tags, returned checks, etc.), and E-ZPass Plus fees.
- Modest increases are projected each year for Battery Parking Garage receipts, reflecting expected economic improvements in lower Manhattan, and for E-ZPass Plus usage.

Capital and Other Reimbursements

- Income from Capital and Other Reimbursements have increased by approximately \$2.8 million in 2005, \$2.6 million in 2006 and 2007, and \$2.2 million in 2008, due to step-up increases for Bridge and Tunnel Officers and CPIU increases applied to reimbursable salaries.

Investment Income

- The 2004 investment income is based on actual interest earnings on fund balances through April annualized.
- For 2005 through 2008, the investment income reflects potential earnings on estimated fund balances based on Global Insight's forecasts for short-term investment yields.

Payroll

- The 2004 to 2005 increases in payroll are a result of annualizing salaries for 2004 hires, contractual step increases and CPIU increases.

- In 2005 and 2006, there is an increase in payroll as a result of a new need for the maintenance of the centralized access and monitoring control system.
- For 2006 to 2008 increases in payroll reflect CPIU and contractual step increases.
- CPIU increases are 2.03% in 2005, 2.20% in 2006, 2.57% in 2007 and 2.81% in 2008, obtained from Global Insight's forecasts, and are applied to salaries and overtime.

Overtime

- The 2004 to 2005 reduction is due to decreases in the Operations Department's overtime, as more tasks are performed on straight time by the 2004 new hires.
- The 2006 to 2008 increases are due to CPIU.

Health and Welfare

- The 2004 to 2005 increases are due to increases based on estimates from the medical services providers and full-year benefits for 2004 hires.
- The 2006 to 2008 increases are due to increases based on estimates from the medical services providers.

Pensions

- The 2004 to 2008 increases reflect the latest NYCERS estimates.

Other Fringe Benefits

- The 2004 to 2005 increases are due to CPIU, full year benefits for 2004 hires and actuarial estimates for Worker's Compensation.
- The 2006 to 2008 increases are due to CPIU and estimates for Worker's Compensation based on information received for 2004 and 2005.

Insurance

- The 2004 through 2006 projections are largely based on MTA Risk Management estimates for property and general liability insurance.
- The increases for 2007 and 2008 are due to CPIU.
- CPIU increases are 1.28% in 2005, 1.60% in 2006, 2.07% in 2007 and 2.22% in 2008, obtained from Global Insight's forecasts.

Maintenance and Other

- 2005 expenses are \$0.6 million higher than 2004 primarily due to lower major maintenance (\$2.0 million) and bridge painting requirements (\$0.4

million), which includes a new need for painting of the Verrazano-Narrows Bridge (increase of \$2.1 million), offset by increases in E-ZPass Customer Service Center expenses and CPIU increases.

- 2006 expenses are \$14.7 million higher than 2005 primarily due to bridge painting requirements at the Verrazano-Narrows Bridge (\$14.1 million) and CPIU increases.
- 2007 expenses increase by \$12.0 million over 2006 primarily due to additional bridge painting requirements (\$9.5 million) and CPIU increases.
- In 2008, there is an increase of \$3.4 million from 2007 primarily due to CPIU increases.
- CPIU increases are 1.28% in 2005, 1.60% in 2006, 2.07% in 2007 and 2.22% in 2008, obtained from Global Insight's forecasts.

Professional Service Contracts

- In 2005, expenses are \$0.6 million lower than 2004 mainly due to a re-estimate of bond insurance fees (\$0.3 million) and a reduction in planning studies (\$0.3 million).
- For 2006 to 2008, the higher expenses are a result of CPIU increases.
- CPIU increases are 1.28% in 2005, 1.60% in 2006, 2.07% in 2007 and 2.22% in 2008, obtained from Global Insight's forecasts.

Materials and Supplies

- In 2005, there is an increase of \$5.9 million over 2004 primarily due to E-ZPass tag purchases. These increased expenses, along with inflationary adjustments, are offset by modest reductions in equipment purchases.
- 2006 expenses are \$1.9 million lower than 2005 primarily due to fewer E-ZPass tag purchases in 2006 (\$2.2 million). This decline is partially offset by CPIU increases.
- In 2007, expenses are \$0.9 million higher than 2006 primarily due to an increase in E-ZPass tag needs (\$0.7 million) for the tag swap program; all other expenses in this category grow by the CPIU rate.
- The 2008 expenses are higher due to CPIU increases.
- CPIU increases are 1.28% in 2005, 1.60% in 2006, 2.07% in 2007 and 2.22% in 2008, obtained from Global Insight's forecasts.

Other Business Expenses

- In 2005, expenses in this category increase by \$0.6 million due to a one-time reimbursement received in 2004 from New York State Department of Transportation for installation of a sign gantry on the Long Island Expressway.
- For 2006 through 2008, the higher expenses reflect CPIU increases.
- CPIU increases are 1.28% in 2005, 1.60% in 2006, 2.07% in 2007 and 2.22% in 2008, obtained from Global Insight's forecasts.

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE (Page 1 of 2)**

	Favorable/(Unfavorable)								
	2004	2005	Change 2005 - 2004	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007
Revenue									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,086.587	1,087.455	0.868	1,091.872	4.417	1,095.502	3.630	1,099.139	3.637
Other Operating Revenue	8.916	8.998	0.082	8.756	(0.242)	8.852	0.096	8.009	(0.843)
Capital and Other Reimbursements	37.334	40.090	2.756	42.739	2.649	45.294	2.555	47.508	2.214
Investment Income	1.081	2.172	1.091	2.750	0.578	2.920	0.170	3.760	0.840
Total Revenue	\$ 1,133.918	\$ 1,138.715	\$ 4.797	\$ 1,146.117	\$ 7.402	\$ 1,152.568	\$ 6.451	\$ 1,158.416	\$ 5.848
Expenses									
Labor:									
Payroll	108.175	112.799	(4.624)	116.293	(3.494)	120.118	(3.825)	124.330	(4.212)
Overtime	25.419	24.546	0.873	25.085	(0.539)	25.727	(0.642)	26.448	(0.721)
Health and Welfare	26.228	29.698	(3.470)	32.349	(2.651)	35.220	(2.871)	38.356	(3.136)
Pensions	5.593	10.882	(5.289)	15.430	(4.548)	18.017	(2.587)	18.635	(0.618)
Other Fringe Benefits	17.054	14.427	2.627	15.306	(0.879)	15.911	(0.605)	16.561	(0.650)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$ 182.469	\$ 192.352	\$ (9.883)	\$ 204.463	\$ (12.111)	\$ 214.993	\$ (10.530)	\$ 224.330	\$ (9.337)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	9.081	8.422	0.659	9.270	(0.848)	9.459	(0.189)	9.666	(0.207)
Claims	0.006	0.006	-	0.006	-	0.006	-	0.006	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other	125.844	126.461	(0.617)	141.128	(14.667)	153.126	(11.998)	156.480	(3.354)
Professional Service Contracts	14.908	14.291	0.617	14.213	0.078	14.472	(0.259)	14.755	(0.283)
Materials & Supplies	19.315	25.238	(5.923)	23.311	1.927	24.167	(0.856)	24.702	(0.535)
Other Business Expenses	1.223	1.860	(0.637)	1.878	(0.018)	1.900	(0.022)	1.925	(0.025)
Total Non-Labor Expenses	\$ 170.377	\$ 176.278	\$ (5.901)	\$ 189.806	\$ (13.528)	\$ 203.130	\$ (13.324)	\$ 207.534	\$ (4.404)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation	\$ 352.846	\$ 368.630	\$ (15.784)	\$ 394.269	\$ (25.639)	\$ 418.123	\$ (23.854)	\$ 431.864	\$ (13.741)
Add: Depreciation	42.000	45.780	(3.780)	49.900	(4.120)	54.390	(4.490)	59.300	(4.910)
Total Expenses after Depreciation	\$ 394.846	\$ 414.410	\$ (19.564)	\$ 444.169	\$ (29.759)	\$ 472.513	\$ (28.344)	\$ 491.164	\$ (18.651)
Less: Depreciation	(42.000)	(45.780)	3.780	(49.900)	4.120	(54.390)	4.490	(59.300)	4.910
Total Expenses	\$ 352.846	\$ 368.630	\$ (15.784)	\$ 394.269	\$ (25.639)	\$ 418.123	\$ (23.854)	\$ 431.864	\$ (13.741)
Baseline Net Income/(Deficit)	\$ 781.072	\$ 770.085	\$ (10.987)	\$ 751.848	\$ (18.237)	\$ 734.445	\$ (17.403)	\$ 726.552	\$ (7.893)
Program to Eliminate the Gap	-	9.252	(9.252)	18.503	(9.250)	18.503	-	18.503	-
Net Income/(Deficit)	\$ 781.072	\$ 779.337	\$ (1.735)	\$ 770.351	\$ (8.987)	\$ 752.947	\$ (17.403)	\$ 745.055	\$ (7.893)

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE (Page 2 of 2)**

	Favorable/(Unfavorable)								
	2004	2005	Change 2005 - 2004	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007
Baseline Net Income/(Deficit)	\$ 781.072	\$ 770.085	\$ (10.987)	\$ 751.848	\$ (18.237)	\$ 734.445	\$ (17.403)	\$ 726.552	\$ (7.893)
<u>Deductions from Income:</u>									
Less: Capitalized Assets	10.476	10.161	0.315	10.363	(0.202)	10.594	(0.231)	10.849	(0.255)
Reserves	14.140	14.402	(0.262)	14.689	(0.287)	15.017	(0.328)	15.379	(0.362)
Adjusted Baseline Net Income/(Deficit)	\$ 756.456	\$ 745.522	\$ (10.934)	\$ 726.796	\$ (18.726)	\$ 708.834	\$ (17.962)	\$ 700.324	\$ (8.510)
Less: Debt Service	404.502	464.362	(59.860)	471.472	(7.110)	483.684	(12.212)	495.807	(12.123)
Income Available for Distribution	\$ 351.954	\$ 281.160	\$ (70.794)	\$ 255.324	\$ (25.836)	\$ 225.150	\$ (30.174)	\$ 204.517	\$ (20.633)
Distributable To:									
MTA - Investment Income	1.081	2.172	1.091	2.750	0.578	2.920	0.170	3.760	0.840
MTA - Distributable Income	220.225	191.033	(29.192)	177.721	(13.312)	162.624	(15.097)	151.919	(10.705)
NYCT - Distributable Income	130.648	87.955	(42.693)	74.853	(13.102)	59.606	(15.247)	48.838	(10.768)
Total Distributable Income:	\$ 351.954	\$ 281.160	\$ (70.794)	\$ 255.324	\$ (25.836)	\$ 225.150	\$ (30.174)	\$ 204.517	\$ (20.633)
SUPPORT TO MASS TRANSIT:									
Total Revenues	1,133.918	1,138.715	(4.797)	1,146.117	(7.402)	1,152.568	(6.451)	1,158.416	(5.848)
Less: Net Operating Expenses	352.846	368.630	(15.784)	394.269	(25.639)	418.123	(23.854)	431.864	(13.741)
Program to Eliminate the Gap	-	9.252	(9.252)	18.503	(9.250)	18.503	-	18.503	-
Net Operating Income:	\$ 781.072	\$ 779.337	\$ 1.735	\$ 770.351	\$ 8.987	\$ 752.947	\$ 17.403	\$ 745.055	\$ 7.893
Deductions from Operating Income:									
B&T Debt Service	109.570	124.794	(15.224)	132.446	(7.652)	144.261	(11.815)	156.234	(11.973)
Capitalized Assets	10.476	10.161	0.315	10.363	(0.202)	10.594	(0.231)	10.849	(0.255)
Reserves	14.140	14.402	(0.262)	14.689	(0.287)	15.017	(0.328)	15.379	(0.362)
Total Deductions from Operating Inc:	\$ 134.186	\$ 149.357	\$ (15.171)	\$ 157.498	\$ (8.141)	\$ 169.872	\$ (12.374)	\$ 182.462	\$ (12.590)
Total Support to Mass Transit:	\$ 646.886	\$ 629.980	\$ 16.906	\$ 612.853	\$ 17.128	\$ 583.075	\$ 29.777	\$ 562.593	\$ 20.483

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Ridership/Traffic Volume (Utilization)
(in millions)

	2003	2004	2005			
	Actuals	Mid-Year	Preliminary	2006	2007	2008
		Forecast	Budget			
Baseline Total Toll Revenue	\$1,021.938	\$1,086.587	\$1,087.455	\$1,091.872	\$1,095.502	\$1,099.139
<i>Impact of:</i>						
Program to Eliminate the Gap	0.000	0.000	0.000	0.000	0.000	0.000
Total Toll Revenue	1,021.938	1,086.587	1,087.455	1,091.872	1,095.502	1,099.139
 Baseline Total Traffic Volume	 296.647	 300.914	 301.652	 303.382	 304.899	 306.423
<i>Impact of:</i>						
Program to Eliminate the Gap	0.000	0.000	0.000	0.000	0.000	0.000
Total Traffic Volume	296.647	300.914	301.652	303.382	304.899	306.423

MTA Bridges and Tunnels
2005 Preliminary Budget
July Financial Plan – 2005 to 2008

<u>Plan-to-Plan</u>	<u>Favorable/ Unfavorable</u> (\$ in millions)
2004: July Financial Plan vs. February Financial Plan	\$24.3
<ul style="list-style-type: none"> There are no programmatic changes for 2004, other than those outlined as PEGs. All adjustments to the plan are re-estimates. 	
2005: July Financial Plan vs. February Financial Plan	\$21.2
<ul style="list-style-type: none"> The painting program has identified critical painting needs at the Verrazano-Narrows Bridge upper towers due to corrosion and rust in the area. 	\$2.1
<ul style="list-style-type: none"> New equipment, including surveillance cameras, alarm systems, video recorders and detection monitors and fiber optic lines at all Authority bridges and tunnels, will be integrated into a centralized access and monitoring control system. Three maintainers will be hired in 2005 to service the equipment as the systems are put in place and a security analyst will be added at the centralized monitoring station. 	\$0.3
<ul style="list-style-type: none"> There are no other programmatic changes for 2005, other than those outlined as PEGs. 	
2006: July Financial Plan vs. February Financial Plan	\$23.1
<ul style="list-style-type: none"> An additional three maintainer positions will be hired in 2006 for the centralized access and monitoring control system. 	\$0.5
<ul style="list-style-type: none"> There are no other programmatic changes for 2006, other than those outlined as PEGs. 	
2007: July Financial Plan vs. February Financial Plan	\$22.0
<ul style="list-style-type: none"> Ongoing costs for six maintainers and a security analyst for the centralized access and monitoring control system. 	\$0.5
<ul style="list-style-type: none"> There are no other programmatic changes for 2007, other than those outlined as PEGs. 	

**MTA Bridges and Tunnels
2005 Preliminary Budget
July Financial Plan 2005 – 2008**

Other Assumptions

Position Table: 2005 through 2008

Total 2004 headcount was 1,811, which includes reimbursable headcount of 45. In 2005, there is an increase of 1 non-represented position and 4 positions for the new need involving the maintenance of the centralized access and monitoring control system. These adjustments bring total headcount to 1,816 positions in 2005. In 2006, there is an increase of an additional 3 positions for the aforementioned new need, increasing headcount to 1,819 positions. From 2007 through 2008, the number of positions remains constant.

Ridership/Traffic Volume (Utilization): 2003 through 2008

Paid traffic volume reached 296.6 million vehicles in 2003 and is projected to rise to a record high of 300.9 million vehicles in 2004, an increase of 1.4%. The year-to-year growth in traffic is attributed to favorable weather trends through May 2004 as compared to 2003, as well as to the blackout that occurred in August of last year. Traffic volumes are estimated to grow 0.25% in 2005 and an average of 0.50% per year from 2006 through 2008 and incorporate the current forecasts for regional employment and national inflation provided by Global Insight.

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

NON-REIMBURSABLE

	2004	2005	2006	2007
2004 February Financial Plan - Operating Cash Income/(Deficit)	\$756.772	\$748.893	\$728.717	\$712.414
Add Back: February Plan Unspecified PEGS	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2004 February Financial Plan - Operating Cash Income/(Deficit)	\$756.772	\$748.893	\$728.717	\$712.414
Baseline:				
Changes				
Revenue				
- Increases in Toll Revenue	11.167	8.266	4.675	2.774
- Adjustments in Other Income	-	(0.022)	(0.040)	(0.048)
- Re-estimate of Capital Reimbursements due to revised O/H rate	-	-	-	-
- Adjustments in inflation for Capital Reimbursements	-	-	-	-
- Adjustments in Other Reimbursements	0.292	(0.650)	(0.824)	(0.923)
- Adjustments in Investment Income	(3.504)	(3.272)	(3.267)	(4.816)
Sub-Total Revenue Changes	\$7.955	\$4.322	\$5.444	(\$3.013)
Expenses				
- Re-estimate of Salary & Wages (Non-Reimb)	0.828	1.148	2.332	3.160
- Re-estimate of Salary & Wages (Reimb)	3.794	3.931	4.180	4.360
- Re-estimate of Overtime	0.009	1.762	2.070	2.300
- Re-estimate of Fringe Benefits	0.804	2.778	3.219	3.989
- Increase in PS costs for the maintenance and operation of surveillance equipment	-	(0.265)	(0.469)	(0.469)
- Re-estimate of OTPS Expenses	10.527	8.482	10.694	11.113
- Re-estimate of Insurance Expenses	0.383	1.217	0.561	0.591
- Increase in Surveillance Equipment	-	(0.083)	-	-
- Increase in Bridge Painting	-	(2.100)	-	-
Sub-Total Expense Changes	\$16.345	\$16.870	\$22.587	\$25.044
Cash Adjustments:				
Revenue				
None				
Expense				
None				
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$24.300	\$21.192	\$23.131	\$22.031
Program to Eliminate the Gap	\$0.000	\$9.252	\$18.503	\$18.503
Total Changes	\$24.300	\$30.444	\$41.634	\$40.534
2004 July Financial Plan - Operating Cash Income/(Deficit)	\$781.072	\$779.337	\$770.351	\$752.948

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

REIMBURSABLE

	2004	2005	2006	2007
2004 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Add Back: February Plan Unspecified PEGS	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2004 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline:				
Changes				
Revenue				
- Increases in Toll Revenue	-	-	-	-
- Adjustments in Other Income	-	-	-	-
- Re-estimate of Capital Reimbursements due to revised O/H rate	3.794	3.794	3.794	3.794
- Adjustments in inflation for Capital Reimbursements	-	0.137	0.386	0.566
- Adjustments in Other Reimbursements	-	-	-	-
- Adjustments in Investment Income	-	-	-	-
Sub-Total Revenue Changes	\$3.794	\$3.931	\$4.180	\$4.360
Expenses				
- Re-estimate of Salary & Wages (Reimb)	(3.794)	(3.931)	(4.180)	(4.360)
- Re-estimate of Overtime	-	-	-	-
- Re-estimate of Fringe Benefits	-	-	-	-
- Increase in PS costs for the maintenance and operation of surveillance equipment	-	-	-	-
- Re-estimate of OTPS Expenses	-	-	-	-
- Re-estimate of Insurance Expenses	-	-	-	-
- Increase in Surveillance Equipment	-	-	-	-
- Increase in Bridge Painting	-	-	-	-
Sub-Total Expense Changes	(\$3.794)	(\$3.931)	(\$4.180)	(\$4.360)
Cash Adjustments:				
Revenue				
None				
Expense				
None				
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000
Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.000
Total Changes	\$0.000	\$0.000	\$0.000	\$0.000
2004 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2004	2005	2006	2007
2004 February Financial Plan - Operating Cash Income/(Deficit)	\$756.772	\$748.893	\$728.717	\$712.414
Add Back: February Plan Unspecified PEGS	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2004 February Financial Plan - Operating Cash Income/(Deficit)	\$756.772	\$748.893	\$728.717	\$712.414
Baseline:				
Changes				
Revenue				
- Increases in Toll Revenue	11.167	8.266	4.675	2.774
- Adjustments in Other Income	-	(0.022)	(0.040)	(0.048)
- Re-estimate of Capital Reimbursements due to revised O/H rate	3.794	3.794	3.794	3.794
- Adjustments in inflation for Capital Reimbursements	-	0.137	0.386	0.566
- Adjustments in Other Reimbursements	0.292	(0.650)	(0.824)	(0.923)
- Adjustments in Investment Income	(3.504)	(3.272)	(3.267)	(4.816)
Sub-Total Revenue Changes	\$11.749	\$8.253	\$4.724	\$1.347
Expenses				
- Re-estimate of Salary & Wages (Non-Reimb)	0.828	1.148	2.332	3.160
- Re-estimate of Salary & Wages (Reimb)	-	-	-	-
- Re-estimate of Overtime	0.009	1.762	2.070	2.300
- Re-estimate of Fringe Benefits	0.804	2.778	3.219	3.989
- Increase in PS costs for the maintenance and operation of surveillance equipment	-	(0.265)	(0.469)	(0.469)
- Re-estimate of OTPS Expenses	10.527	8.482	10.694	11.113
- Re-estimate of Insurance Expenses	0.383	1.217	0.561	0.591
- Increase in Surveillance Equipment	-	(0.083)	-	-
- Increase in Bridge Painting	-	(2.100)	-	-
Sub-Total Expense Changes	\$12.551	\$12.939	\$18.407	\$20.684
Cash Adjustments:				
Revenue				
None				
Expense				
None				
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$24.300	\$21.192	\$23.131	\$22.031
Program to Eliminate the Gap	\$0.000	\$9.252	\$18.503	\$18.503
Total Changes	\$24.300	\$30.444	\$41.634	\$40.534
2004 July Financial Plan - Operating Cash Income/(Deficit)	\$781.072	\$779.337	\$770.351	\$752.948

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Summary of the Programs to Eliminate the Gap
(\$ in millions)

Favorable/(Unfavorable)										
2004		2005		2006		2007		2008		
Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	
LIST of PROGRAMS										
Administration:										
- Reduce 1 administrative position	0	\$.000	1	\$.040	1	\$.040	1	\$.040	1	\$.040
- Negotiate a more favorable credit card rate for the E-ZPass program	0	\$.000	0	\$.000	0	\$ 1.371	0	\$ 1.371	0	\$ 1.371
Sub-Total Administration	0	\$.000	1	\$.040	1	\$ 1.411	1	\$ 1.411	1	\$ 1.411
Customer Convenience & Amenities:										
None	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Sub-Total Customer Convenience & Amenities	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Service:										
None										
Sub-Total Service	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Maintenance:										
- Reduction in bridge painting	0	\$.000	0	\$.000	0	\$.241	0	\$.241	0	\$.241
Sub-Total Maintenance	0	\$.000	0	\$.000	0	\$.241	0	\$.241	0	\$.241
Revenue Enhancements:										
- Establish a monthly E-ZPass account fee	0	\$.000	0	\$ 6.598	0	\$ 13.195	0	\$ 13.195	0	\$ 13.195
- Fund B&T traffic control for capital construction projects	0	\$.000	0	\$ 2.217	0	\$ 2.217	0	\$ 2.217	0	\$ 2.217
- Establish an E-ZPass administrative fee for each tag issued to an outside agency receiving toll free passage	0	\$.000	0	\$.163	0	\$.325	0	\$.325	0	\$.325
- Increase the current fee for retained tags	0	\$.000	0	\$.092	0	\$.183	0	\$.183	0	\$.183
- Establish an administrative fee for deferred toll payment	0	\$.000	0	\$.036	0	\$.073	0	\$.073	0	\$.073
- Increase the current fee for returned checks	0	\$.000	0	\$.017	0	\$.035	0	\$.035	0	\$.035
- Charge a fee for improperly-mounted E-ZPass tags	0	\$.000	0	\$.000	0	\$.733	0	\$.733	0	\$.733
Sub-Total Revenue Enhancements	0	\$.000	0	\$ 9.122	0	\$ 16.760	0	\$ 16.760	0	\$ 16.760
Other:										
- Eliminate DuPont Training Program	0	\$.000	0	\$.090	0	\$.090	0	\$.090	0	\$.090
Sub-Total Other	0	\$.000	0	\$.090	0	\$.090	0	\$.090	0	\$.090
Total PEGS	0	\$.000	1	\$ 9.252	1	\$ 18.503	1	\$ 18.503	1	\$ 18.503

¹ Reflects the impact of amendments on year-end positions.

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category: Administrative

Program: Reduction of one secretarial position in Engineering & Construction Executive Office

Background Details:	The position of secretary to the Chief of Staff will be eliminated.
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PEG Description and Implementation Plan:	Eliminate the position. The work that was performed by this position will be absorbed by other clerical positions in the department.	
PEG Implementation Date:	January 2005	When will PEG savings begin?: January 2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.040	\$0.040	\$0.040	\$0.040
<i>Total Reduction in Positions Required</i>	0	1	1	1	1
Current Vacancies	0	1	1	1	1
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category: Revenue Enhancement
Program: Establish a monthly E-ZPass account fee

Background Details:	From the inception of E-ZPass, B&T customers have received tags and account maintenance services (payment processing, tag replacement mailings, etc.) free of charge. Currently, there are approximately 1.3 million B&T private (non-commercial) E-ZPass accounts. New Jersey toll agencies have been charging a one-dollar per month account fee since 2002. In April 2004, the Port Authority of New York and New Jersey began charging a comparable fee.
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PEG Description and Implementation Plan:	B&T proposes charging private E-ZPass accounts a \$1 per month fee.	
PEG Implementation Date:	July 2005	When will PEG savings begin?: July 2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$6.598	\$13.195	\$13.195	\$13.195
<i>Total Reduction in Positions Required</i>	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category: Revenue Enhancement
Program: Fund B&T Traffic Control for Capital Construction Projects

Background Details:	Capital construction projects require BTO and Sergeant coverage of traffic control and other posts directly related to capital construction. Unlike all other capital construction-related expenses, this overtime is not currently funded out of the capital program. To control operating expenses, accurately reflect expenses by proper funding source and provide an incentive for better planning of the customer impact of construction, this proposal would fund all traffic control capital construction overtime costs from the capital budget.
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PEG Description and Implementation Plan:	Fund all traffic control capital construction overtime from the capital budget.	
PEG Implementation Date:	January 2005	When will PEG savings begin?: Fiscal year 2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$2.217	\$2.217	\$2.217	\$2.217
<i>Total Reduction in Positions Required</i>	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category:

Revenue Enhancement

Program:

Establish an E-ZPass administrative fee for each tag issued to an outside agency receiving toll free passage

Background Details:

Emergency and law enforcement organizations, numerous city and state governmental agencies, and other public service entities, including ambulances, currently have E-ZPass tags that allow free passage over all of MTA Bridges and Tunnels' facilities. There are over 19,000 such tags currently in circulation. It costs B&T approximately \$25 for each tag, and B&T incurs administrative costs for ongoing account maintenance.

PEG Description and Implementation Plan:

Modeled after New York State Thruway Authority's program, MTA Bridges and Tunnels proposes establishing an annual \$25 per tag fee for entities with free passage privileges.

PEG Implementation Date:

July 2005

When will PEG savings begin?: July 2005

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
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\$0.000	\$0.163	\$0.325	\$0.325	\$0.325
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Total Reduction in Positions Required

0	0	0	0	0
---	---	---	---	---

Current Vacancies

0	0	0	0	0
---	---	---	---	---

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category: Revenue Enhancement
Program: Increase the current fee for retained tags

Background Details: A customer may be required to surrender an E-ZPass tag if the tag has been reported as lost or stolen, or if it is linked to an account that has been suspended, revoked, or has a negative balance. MTA Bridges and Tunnels currently charges a fee of \$25 to offset the processing costs associated with retaining the tag. A total of 36,650 tags were retained in 2003.

PEG Description and Implementation Plan: MTA Bridges and Tunnels proposes raising the retained tag fee from \$25 to \$30 to cover the processing costs in full.
PEG Implementation Date: July 2005 **When will PEG savings begin?:** July 2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.092	\$0.183	\$0.183	\$0.183
<i>Total Reduction in Positions Required</i>	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category: Revenue Enhancement
Program: Establish an administrative fee for deferred toll payment

Background Details: Currently, all passenger vehicles that are unable to pay their cash toll are permitted to cross B&T facilities after completing the appropriate deferred toll form and receiving instructions on how to mail in payment.

PEG Description and Implementation Plan: MTA Bridges and Tunnels proposes instituting a \$2 fee for deferred toll transactions to offset processing costs.

PEG Implementation Date: July 2005 **When will PEG savings begin?:** July 2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.036	\$0.073	\$0.073	\$0.073
<i>Total Reduction in Positions Required</i>	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category: Revenue Enhancement
Program: Increase the current fee for returned checks

Background Details:	Approximately 8% of all E-ZPass customers replenish their accounts by check. A \$15 fee is currently charged for each check returned unpaid from the customer's banking institution. There were 3,473 returned checks in 2003.
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PEG Description and Implementation Plan:	After analysis of cost, MTA Bridges and Tunnels proposes raising the returned check fee from \$15 to \$25. The additional fee income will go toward offsetting associated administrative costs.	
PEG Implementation Date:	July 2005	When will PEG savings begin?: July 2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.017	\$0.035	\$0.035	\$0.035
<i>Total Reduction in Positions Required</i>	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category: Other
Program: DuPont Training

Background Details:	In 2003, TBTA assumed payment of Dupont consultant services. These training services are not mandatory and are currently performed by in-house instructors.
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PEG Description and Implementation Plan:	We are currently providing safety training by in-house staff and plan to discontinue safety training services by DuPont.	
PEG Implementation Date:	January 2005	When will PEG savings begin?: Fiscal year 2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.090	\$0.090	\$0.090	\$0.090
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator)					

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category:

Administration

Program:

Negotiate a more favorable MasterCard rate on E-ZPass account replenishments

Background Details:

The MTA entered into an all-agency procurement for credit card services. B&T uses these services for its E-ZPass program. The contract with MasterCard has classified the E-ZPass program as "Merit 1: Internet Rate Group" for the purposes of determining the fees which are charged. B&T has learned that there is a category called the "Service Industry Incentive Rate" for which B&T meets 9 of the 10 criteria. The rates for this group are 75 basis points and \$0.05 per transaction lower than the current group's rates.

PEG Description and Implementation Plan:

Savings on E-ZPass credit card fees will be realized against what is budgeted in the February Financial Plan if the MTA and B&T can successfully secure the service industry incentive rate from MasterCard.

PEG Implementation Date:

January 2006

When will PEG savings begin?: January 2006

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
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\$0.000	\$0.000	\$1.371	\$1.371	\$1.371
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Total Reduction in Positions Required

0	0	0	0	0
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Current Vacancies

0	0	0	0	0
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Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category: Maintenance
Program: Reduction in Bridge Painting

Background Details:	Bridge painting must be performed on a regular basis to preserve the structural integrity of the bridge and is a fundamental form of bridge maintenance. The costs are increasing significantly due to the age of B&T's structures and the environmental safeguard that must be maintained as part of a painting program. Aggressive measures to eliminate all lead and corrosion by applying undercoatings and outer coatings are necessary to protect the steel structures of the bridges. To meet the budget targets, B&T is reducing the program in the out-years.
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PEG Description and Implementation Plan:	B&T is proposing to reduce the painting program from 2006 to 2009.	
PEG Implementation Date:	January 2006	When will PEG savings begin?: Fiscal year 2006

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.241	\$0.241	\$0.241
<i>Total Reduction in Positions Required</i>	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					

MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Program to Eliminate the Gap (PEG) Worksheet

PEG Category: Revenue Enhancement
Program: Charge a fee for improperly mounted E-ZPass tags

Background Details: All new E-ZPass customers are provided with an information guidebook, which includes instructions on required tag placement. Improperly mounted tags often cannot be read in the toll lane. In these instances, a Bridge and Tunnel Officer needs to intervene, which causes delays in traffic flow. A total of 222,000 interventions were made in 2003, of which an estimated 33% were due to improperly mounted tags.

PEG Description and Implementation Plan: MTA Bridges and Tunnels proposes charging a \$10 fee to any customer who necessitates a lane intervention due to an improperly mounted E-ZPass tag. The fee income will go towards offsetting the labor costs associated with E-ZPass lane interventions.

PEG Implementation Date: January 2006 **When will PEG savings begin?:** January 2006

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.733	\$0.733	\$0.733
<i>Total Reduction in Positions Required</i>	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					

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MTA Bridges and Tunnels
July Financial Plan 2005 - 2008
Total Non-Reimbursable/Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

Departments	2003 Actuals	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
Executive	3	4	4	4	4	4
EEO	1	1	1	1	1	1
Law	9	10	10	10	10	10
Engineering & Construction	161	168	168	168	168	168
Procurement & Materials	53	55	55	55	55	55
Labor Relations	5	5	5	5	5	5
Internal Security	64	64	69	72	72	72
Health & Safety	10	10	10	10	10	10
Technology	55	58	58	58	58	58
Total CFO:	91	95	95	95	95	95
Total Staff Services:	46	50	50	50	50	50
Total Operations/Maintenance:	1234	1291	1291	1291	1291	1291
Baseline Total Positions	1732	1811	1816	1819	1819	1819
<i>Non-Reimbursable</i>	1687	1766	1771	1774	1774	1774
<i>Reimbursable</i>	45	45	45	45	45	45
<i>Total Full-Time</i>	1732	1811	1816	1819	1819	1819
<i>Total Full-Time-Equivalents</i>	0	0	0	0	0	0
Impact of: Program to Eliminate the Gap	0	0	-1	0	0	0
Total Positions	1732	1811	1815	1819	1819	1819

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