

MTA B&T

MTA Bridges and Tunnels
2005 Final Proposed Budget
November Financial Plan 2005 – 2008

MISSION STATEMENT

MTA Bridges and Tunnels (B&T) 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 nearly two-thirds of this toll revenue, based on historical data, 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 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.

MAJOR HIGHLIGHTS

MTA Bridges & Tunnels was successful in achieving its primary goals in 2004.

Total Support to Mass Transit for 2004 is projected to be \$664.6 million, \$17.7 million higher than what was projected in the July Financial Plan. Since 1968, when B&T became part of the MTA, \$13.0 billion has been provided to the MTA for support to mass transit.

In the 2004 Customer Satisfaction Survey, B&T's customers rated their overall satisfaction at 7.4 out of 10, the agency's second highest rating ever, and up from 7.3 in 2003. Overall satisfaction with the agency's E-ZPass system was 8.6, which was consistent with the score received in 2003. More impressively, the overall satisfaction of B&T's cash customers rose from 6.7 in 2003 to 7.2 in 2004.

One factor driving the improvement in customer satisfaction is the reduction in median queue time during peak periods. In September 2004, the year-to-

date median queue time was 12 seconds, well below the agency's goal of 20 seconds for the year. The E-ZPass electronic toll system enabled B&T facilities to maintain low average peak hour queue times while managing record level traffic volumes in 2004. Through September 2004, 72% of all B&T traffic and 82% of all trucks used E-ZPass on an average weekday. E-ZPass traffic is expected to reach a record high of over 210 million vehicles by year-end 2004, and total traffic is expected to also reach a record high level of over 300 million vehicles.

Safety is the agency's first priority. Through September 2004, the year-to-date number of collisions with serious injury per million vehicles was 0.76, as compared to 0.83 during the same period in 2003. The overall collision rate showed even greater improvement with a year-to-date rate of 5.11 collisions per million vehicles as compared to 6.11 collisions per million vehicles during the same period in 2003.

The number of lost-time injuries for B&T employees is also down significantly from 2003. Through September 2004, the year-to-date lost time injuries were just 36, as compared to 47 during the same period a year ago.

FINANCIAL OVERVIEW

B&T's Financial Plan, consistent with its strategic operating and financial goals, is projecting net operating income of \$3.8 billion for the next five years (2004-2008) before factoring in the Program to Eliminate the Gap (PEG). This reflects higher revenue and moderate expense growth without compromising the operation and exceeding the MTA's net income target.

This financial plan increases B&T's headcount from 1,811 to 1,815. Between 1994 and 2000, B&T reduced its headcount by over 200 positions due to E-ZPass and other initiatives; since September 11, 2001, however, B&T has been asked to play an increasing role in securing its facilities and has added over 250 positions for this purpose. The 2005 headcount change includes a reduction of 1 administrative position and the addition of 5 positions to operate and maintain a new centralized access and monitoring control system.

For the 2004-2005 period, B&T projects a total of \$1,563.8 million in net operating income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$2,281.6 million in revenue offset by \$717.8 million in expenses. Taken together, 2004-2005 net operating income is \$12.6 million better than the July Financial Plan target, while maintaining the current service levels and MTA's continued 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 over \$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.

2004 November Final Forecast

In the 2004 November Final Forecast, a total of \$794.3 million is projected in net operating income. This consists of \$1,135.9 million in revenues, offset by \$341.6 million in expenses. The expenses are composed of \$172.7 million in labor costs and \$168.9 million in non-labor expenses, which include \$0.4 million in prospective expenses related to a potential toll rate increase, primarily for the Environmental Assessment Study.

In 2004, the total planned headcount is 1,811, which includes 45 reimbursable positions.

There are no proposed PEGs in 2004.

2005 Final Proposed Budget - Baseline

In the 2005 Final Proposed Budget, a total of \$769.5 million is projected in net operating income for 2005 before factoring in the savings from PEGs. This consists of \$1,145.7 million in revenues, offset by \$376.2 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 4 positions with 3 additional positions to be added in 2006), and \$183.8 million in non-labor expenses, which include a new need for critical painting requirements at the Verrazano-Narrows Bridge (\$2.1 million in 2005), increased property insurance (\$2.1 million) and prospective expenses related to a potential toll rate increase (\$4.2 million). The prospective revenues associated with potential rate increases are not included.

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

The 2005 Final Proposed Budget also includes below-the-line gap closing actions of \$7.4 million and the reduction of 1 position to bring total headcount to 1,815 in 2005. These actions will be discussed later in this document, under Gap Closing Measures.

Year-to-year, the 2005 Final Proposed Budget reflects a \$9.7 million increase in revenues (\$5.0 million in toll revenue, \$4.2 million in capital and other reimbursements, and \$0.5 million from other sources). The revenue increases are offset by a \$19.7 million increase in labor expenses as a result of annualizing salaries and associated fringe benefits for the 2004 hires, incorporating contractual step-up and CPIU increases of 2.03%, in addition to a \$14.9 million increase in non-labor expenses, which includes a \$4.1 million increase in expenses for the potential toll increase, primarily for E-ZPass tag purchases and credit card fees.

Further details regarding the reconciliations to the July Financial Plan and major assumptions are discussed in the Plan-to-Plan Summary of Changes.

2006-2008 Projections

The 2006 projection for net operating income is \$751.9 million before factoring in the savings from PEGs. This consists of \$1,151.8 million in revenues, offset by \$399.9 million in expenses. The expenses are comprised of \$203.6 million in labor costs, which incorporate the new need for the maintenance of the centralized access and monitoring control system (\$0.5 million), and \$196.3 million in non-labor expenses.

In 2006, the total planned headcount increases to 1,819 pre-PEG, 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 \$19.5 million and the continued reduction of 1 position to bring total headcount to 1,818 in 2006. These actions are discussed later in this document under Gap Closing Measures.

Year to year, the 2006 projection includes a \$6.1 million increase in revenues (\$4.2 million in toll revenue and \$1.9 million in capital and other reimbursements). The revenue increases are offset by an \$11.2 million increase in labor expenses as a result of contractual step-up and CPIU increases of 2.20%. In addition, there is a \$12.5 million increase in non-labor expenses resulting from ongoing bridge painting requirements at the Verrazano-Narrows Bridge, which includes an increase in credit card expenses of \$1.8 million due to the potential toll increase, offset by lower CPIU increases.

Further details regarding the reconciliations to the July Financial Plan and major assumptions are discussed in the Plan-to-Plan Summary of Changes.

The 2007 and 2008 projections for net operating income are \$732.5 million and \$722.1 million, respectively, before factoring in the savings from PEGs.

For 2007, this consists of \$1,156.5 million in revenues, offset by \$423.9 million in expenses. The expenses are composed of \$213.8 million in labor costs, which include the aforementioned new need for the maintenance of the centralized access and monitoring control system (\$0.5 million), and \$210.1 million in non-labor expenses, which includes \$1.8 million in increased credit card expenses for the potential toll increase. For 2008, this consists of \$1,160.0 million in revenues, offset by \$438.0 million in expenses. The expenses are composed of \$222.7 million in labor costs, including the new need for the maintenance of the centralized access and monitoring control system (\$0.5 million), and \$215.3 million in non-labor expenses, which includes an increase in credit card expenses of \$1.9 million due to the potential toll increase, offset by lower CPIU increases.

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

The 2007 and 2008 projections also include below-the-line gap closing actions of \$18.0 million and \$17.8 million, respectively, and the continued reduction of 1 position to bring total headcount to 1,818 for both years. These actions are discussed later in this document under Gap Closing Measures.

Details for the reconciliations to the July Financial Plan and major assumptions are discussed in the Plan-to-Plan Summary of Changes.

GAP CLOSING MEASURES

2005 PEG Actions

Total PEG actions beginning in 2005 are projected to generate \$7.4 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.
- Fund all traffic control capital construction overtime from the capital budget, which would generate \$0.5 million in 2005 and \$1.8 million annually thereafter.
- Other actions totaling \$0.3 million in 2005 and \$0.4 million annually thereafter include:
 - 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);

- Establish an administrative fee for deferred toll payment (\$0.04 million in 2005, \$0.07 million annually thereafter);
- Continue in-house safety training and eliminate the contract for DuPont Training (\$0.09 million annually);
- Reduce administrative headcount by 1 position (\$0.04 million annually).

2006 PEG Actions

If adopted and implemented, the programs initiated in 2005 will contribute \$15.4 million in 2006, and the following proposed actions would generate an additional \$4.1 million:

- Negotiate a more favorable MasterCard rate on E-ZPass account replenishments, generating a potential annual savings of \$1.4 million.
- 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.
- Unspecified PEGs totaling \$1.8 million.

2007 and 2008 PEG Projections

Assuming all of the above initiatives are adopted and can be implemented, total PEG savings will amount to \$18.0 million in 2007, which includes unspecified PEGs of \$0.3 million, and \$17.8 million in 2008.

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

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

NON-REIMBURSABLE

	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
<u>Revenue</u>					
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,089.936	1,094.911	1,099.162	1,101.499	1,103.509
Other Operating Revenue	9.327	8.998	8.756	8.852	8.009
Capital and Other Reimbursements	23.233	27.073	28.563	30.403	32.255
Investment Income	1.080	1.949	2.175	2.134	2.337
Total Revenue	\$ 1,123.576	\$ 1,132.931	\$ 1,138.655	\$ 1,142.887	\$ 1,146.110
<u>Expenses</u>					
Labor:					
Payroll	102.256	109.439	112.182	115.616	119.294
Overtime	24.440	25.066	24.846	25.320	25.849
Health and Welfare	23.314	28.681	31.293	34.204	37.431
Pensions	4.597	10.245	15.183	17.747	18.298
Other Fringe Benefits	12.295	12.967	13.738	14.316	14.954
Reimbursable Overhead	(6.580)	(6.707)	(6.790)	(6.922)	(7.067)
Total Labor Expenses	\$ 160.321	\$ 179.692	\$ 190.451	\$ 200.281	\$ 208.759
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	9.492	10.452	11.573	12.718	14.005
Claims	0.006	0.006	0.006	0.006	0.006
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	124.819	129.010	144.912	156.532	159.638
Professional Service Contracts	13.659	14.282	14.120	14.347	14.606
Materials & Supplies	19.634	28.080	23.680	24.504	25.016
Other Business Expenses	1.322	1.958	1.974	1.995	2.018
Total Non-Labor Expenses	\$ 168.933	\$ 183.789	\$ 196.266	\$ 210.103	\$ 215.291
Other Expenses Adjustments:					
Other	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation	\$ 329.254	\$ 363.480	\$ 386.717	\$ 410.384	\$ 424.050
Add: Depreciation	42.000	45.780	49.900	54.390	59.300
Total Expenses after Depreciation	\$ 371.254	\$ 409.260	\$ 436.617	\$ 464.774	\$ 483.350
Less: Depreciation	(42.000)	(45.780)	(49.900)	(54.390)	(59.300)
Total Expenses	\$ 329.254	\$ 363.480	\$ 386.717	\$ 410.384	\$ 424.050
Baseline Net Income/(Deficit)	\$ 794.322	\$ 769.451	\$ 751.938	\$ 732.504	\$ 722.061
2005 Program to Eliminate the Gap (PEGs)					
	-	7.380	15.412	15.412	15.412
2006 Program to Eliminate the Gap (PEGs)					
	-	-	2.345	2.345	2.345
Unspecified PEGs					
	-	-	1.784	0.288	-
Net Income/(Deficit)	\$ 794.322	\$ 776.831	\$ 771.479	\$ 750.548	\$ 739.817

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

REIMBURSABLE

	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
<u>Revenue</u>					
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue					
Other Operating Revenue					
Capital and Other Reimbursements	12.361	12.728	13.151	13.564	13.932
Investment Income					
Total Revenue	\$ 12.361	\$ 12.728	\$ 13.151	\$ 13.564	\$ 13.932
<u>Expenses</u>					
Labor:					
Payroll	4.070	4.149	4.200	4.281	4.371
Overtime	-	-	-	-	-
Health and Welfare	0.918	1.005	1.160	1.267	1.339
Pensions	0.196	0.214	0.247	0.270	0.285
Other Fringe Benefits	0.597	0.653	0.754	0.824	0.870
Reimbursable Overhead	6.580	6.707	6.790	6.922	7.067
Total Labor Expenses	\$ 12.361	\$ 12.728	\$ 13.151	\$ 13.564	\$ 13.932
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	-	-	-	-	-
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-
Materials & Supplies	-	-	-	-	-
Other Business Expenses	-	-	-	-	-
Total Non-Labor Expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses Adjustments:					
Other					
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation	\$ 12.361	\$ 12.728	\$ 13.151	\$ 13.564	\$ 13.932
Add: Depreciation	-	-	-	-	-
Total Expenses after Depreciation	\$ 12.361	\$ 12.728	\$ 13.151	\$ 13.564	\$ 13.932
Less: Depreciation	-	-	-	-	-
Total Expenses	\$ 12.361	\$ 12.728	\$ 13.151	\$ 13.564	\$ 13.932
Baseline Net Income/(Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Program to Eliminate the Gap (PEGs)					
2006 Program to Eliminate the Gap (PEGs)					
Unspecified PEGs					
Net Income/(Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

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November Financial Plan 2005 - 2008
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**NON-REIMBURSABLE and
REIMBURSABLE (Page 1 of 2)**

	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
Revenue					
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,089.936	1,094.911	1,099.162	1,101.499	1,103.509
Other Operating Revenue	9.327	8.998	8.756	8.852	8.009
Capital and Other Reimbursements	35.594	39.800	41.714	43.967	46.187
Investment Income	1.080	1.949	2.175	2.134	2.337
Total Revenue	\$ 1,135.937	\$ 1,145.658	\$ 1,151.806	\$ 1,156.452	\$ 1,160.042
Expenses					
Labor:					
Payroll	106.326	113.588	116.382	119.897	123.665
Overtime	24.440	25.066	24.846	25.320	25.849
Health and Welfare	24.232	29.686	32.453	35.471	38.770
Pensions	4.793	10.459	15.430	18.017	18.583
Other Fringe Benefits	12.892	13.620	14.492	15.140	15.824
Reimbursable Overhead	-	-	-	-	-
Total Labor Expenses	\$ 172.682	\$ 192.419	\$ 203.602	\$ 213.845	\$ 222.691
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	9.492	10.452	11.573	12.718	14.005
Claims	0.006	0.006	0.006	0.006	0.006
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	124.819	129.010	144.912	156.532	159.638
Professional Service Contracts	13.659	14.282	14.120	14.347	14.606
Materials & Supplies	19.634	28.080	23.680	24.504	25.016
Other Business Expenses	1.322	1.958	1.974	1.995	2.018
Total Non-Labor Expenses	\$ 168.933	\$ 183.789	\$ 196.266	\$ 210.103	\$ 215.291
Other Expenses Adjustments:					
Other	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation	\$ 341.615	\$ 376.208	\$ 399.868	\$ 423.948	\$ 437.981
Depreciation	42.000	45.780	49.900	54.390	59.300
Total Expenses after Depreciation	\$ 383.615	\$ 421.988	\$ 449.768	\$ 478.338	\$ 497.281
Depreciation	(42.000)	(45.780)	(49.900)	(54.390)	(59.300)
Total Expenses	\$ 341.615	\$ 376.208	\$ 399.868	\$ 423.948	\$ 437.981
Baseline Net Income/(Deficit)	\$ 794.322	\$ 769.450	\$ 751.938	\$ 732.504	\$ 722.061
2005 Program to Eliminate the Gap (PEGs)	-	7.380	15.412	15.412	15.412
2006 Program to Eliminate the Gap (PEGs)	-	-	2.345	2.345	2.345
Unspecified PEGs	-	-	1.784	0.288	-
Net Income/(Deficit)	\$ 794.322	\$ 776.830	\$ 771.479	\$ 750.549	\$ 739.818

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(\$ in millions)

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

	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
Baseline Net Income/(Deficit)	\$ 794.322	\$ 769.450	\$ 751.938	\$ 732.504	\$ 722.061
<u>Deductions from Income:</u>					
Less: Capitalized Assets	6.550	11.014	10.669	10.864	11.086
Reserves	14.140	14.402	14.614	14.881	15.186
Adjusted Baseline Net Income/(Deficit)	\$ 773.632	\$ 744.034	\$ 726.656	\$ 706.759	\$ 695.788
Less: Debt Service	411.598	463.775	472.928	487.242	501.862
Less: Gain on Escrow: Transfer to MTA (*)	-	-	-	-	-
Income Available for Distribution	\$ 362.034	\$ 280.259	\$ 253.728	\$ 219.517	\$ 193.926
Distributable To:					
MTA - Investment Income	1.080	1.949	2.175	2.134	2.337
MTA - Distributable Income	226.640	192.085	178.599	161.589	148.711
NYCT - Distributable Income	134.314	86.225	72.954	55.794	42.878
Total Distributable Income:	\$ 362.034	\$ 280.259	\$ 253.728	\$ 219.517	\$ 193.926
Actual Cash Transfers:					
MTA - Investment Income	2.334	1.080	1.949	2.175	2.134
MTA - Transfers	242.272	195.541	179.948	163.290	149.999
NYCT - Transfers	142.602	91.034	74.282	57.510	44.169
Total Cash Transfers:	\$ 387.208	\$ 287.655	\$ 256.179	\$ 222.975	\$ 196.302
SUPPORT TO MASS TRANSIT:					
Total Revenues	1,135.937	1,145.658	1,151.806	1,156.452	1,160.042
Less: Net Operating Expenses	341.615	376.208	399.868	423.948	437.981
2005 Program to Eliminate the Gap (PEGs)	-	7.380	15.412	15.412	15.412
Net Operating Income:	\$ 794.322	\$ 776.831	\$ 767.350	\$ 747.916	\$ 737.473
Deductions from Operating Income:					
B&T Debt Service	109.061	126.030	135.742	149.666	164.190
Capitalized Assets	6.550	11.014	10.669	10.864	11.086
Reserves	14.140	14.402	14.614	14.881	15.186
Total Deductions from Operating Inc:	\$ 129.751	\$ 151.446	\$ 161.024	\$ 175.411	\$ 190.463
Total Support to Mass Transit:	\$ 664.571	\$ 625.385	\$ 606.326	\$ 572.505	\$ 547.010

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

**MTA Bridges and Tunnels
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November Financial Plan 2005 – 2008**

YEAR-TO-YEAR CHANGES: 2004-2008

Toll Revenue

- Revenues are estimated to reach \$1,089.9 million in 2004 and \$1,094.9 million in 2005 based on current traffic trends and economic forecasts provided by Global Insight, an increase of \$5.0 million.
- Projected revenues grow by \$4.3 million in 2006, \$2.3 million in 2007 and \$2.0 million in 2008, reflecting modest growth in regional (New York City, Long Island and Westchester) employment and other economic and operational considerations.
- Paid traffic is expected to reach record high levels of 300.5 million vehicles in 2004, 302.4 million vehicles in 2005, 304.1 million in 2006, 305.2 million in 2007, and 306.3 million in 2008.
- Economic projections for CPIU are 1.65% in 2005, 1.47% in 2006, 1.83% in 2007 and 2.05% in 2008, provided by Global Insight.

Other Operating Revenue

- Other income primarily consists of Battery Parking Garage revenue, various E-ZPass fees (charges for lost or non-returned tags, retained tags, returned checks, etc.), and E-ZPass Plus fees.
- Other Operating Revenue is forecast at \$9.3 million in 2004 and is projected to decline by \$0.3 million in 2005 due to a re-estimation of E-ZPass fees. Year-to-year changes from 2006 through 2008 are primarily influenced by fees collected for lost tags associated with the E-ZPass Tag Swap Program, which will wind down in 2007 and end by 2008. No revenue from this source is expected. The decreases will be partially offset by increases due to CPIU.

Capital and Other Reimbursements

- Income from Capital and Other Reimbursements are projected to increase by approximately \$4.2 million in 2005, \$1.9 million in 2006, \$2.3 million in 2007, and \$2.2 million in 2008, due primarily to CPIU adjustments.

Investment Income

- The 2004 investment income is based on actual interest earnings on fund balances through August and expected earnings for the remainder of the year.

- For 2005 through 2008, 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 increase of \$7.3 million in payroll is a result of annualizing salaries for 2004 hires, an increase in payroll as a result of a new need for the repair and maintenance of the equipment for the centralized access and monitoring control system (designed to serve and monitor key control points at two of our facilities and other critical locations), contractual step-up increases, expected adjustments in salaries due to pending contract settlements, as well as CPIU increases.
- In 2006, there is an increase of \$2.8 million in payroll for contractual step-up increases, CPIU increases, and for additional personnel to repair and maintain additional equipment for the aforementioned new need.
- For 2007 to 2008, an increase of \$3.5 million in payroll reflects CPIU and contractual step-up increases.
- Increases for pattern bargaining of 3% have been included in 2005 due to pending contract settlements. Out-year projections are 1.24% in 2006, 1.94% in 2007 and 2.09% in 2008, based on forecasts for national inflation provided by Global Insight, and are applied to salaries and overtime.

Overtime

- The increase of \$0.6 million from 2004 to 2005 is due to CPIU adjustments.
- The decrease of \$0.2 million between 2005 and 2006 is a result of revised overtime workload requirements. The increases in the out-years are a result of CPIU adjustments.

Health and Welfare

- The change from 2004 to 2005 is due to a 12.9% estimated increase from the health insurance providers and full-year benefits for 2004 hires and 2005 new needs.
- In 2006 through 2008, a 9.3% CPIU has been added to each year, based on estimates provided by the MTA, in addition to increases due to new needs.

Pensions

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

Other Fringe Benefits

- The 2004 to 2005 increases are due to CPIU adjustments, full year benefits for 2004 hires, and revised actuarial estimates for Worker's Compensation.

- The 2006 to 2008 increases are a result of CPIU inflators and estimates for Worker's Compensation based on information received from MTA Risk Management.

Insurance

- The 2004 through 2008 projections incorporate MTA Risk Management's estimates for property and general liability insurance.
- The increases for 2007 and 2008 are due to CPIU.
- CPIU increases are 1.65% in 2005, 1.47% in 2006, 1.83% in 2007 and 2.05% in 2008, based on forecasts for national inflation provided by Global Insight.

Maintenance and Other

- The 2005 expenses are \$4.2 million higher than 2004, primarily due to higher major maintenance expenses (\$1.3 million), increases in E-ZPass expenses (\$4.3 million) and CPIU increases for other expenses (\$1.4 million higher), offset by lower bridge painting (\$2.6 million) due to new bridge painting requirements.
- In 2006, expenses are \$15.9 million higher than 2005 primarily due to bridge painting requirements at the Henry Hudson, Verrazano-Narrows and Triborough Bridges (\$14.1 million) and CPIU increases.
- The 2007 expenses increase by \$11.6 million over 2006 primarily due to additional bridge painting requirements (\$9.4 million) and CPIU increases.
- In 2008, there is an increase of \$3.1 million from 2007 primarily due to CPIU increases.
- CPIU increases are 1.65% in 2005, 1.47% in 2006, 1.83% in 2007 and 2.05% in 2008, based on forecasts for national inflation provided by Global Insight.

Professional Service Contracts

- In 2005, expenses are \$0.6 million higher than 2004 mainly due to a re-estimate of bond insurance fees (\$0.7 million higher), increase in General Engineering Services (\$0.4 million), offset by a reduction in planning studies (\$0.6 million).
- For 2006 to 2008, the higher expenses are a result of CPIU increases.
- CPIU increases are 1.65% in 2005, 1.47% in 2006, 1.83% in 2007 and 2.05% in 2008, based on forecasts for national inflation provided by Global Insight.

Materials and Supplies

- In 2005, there is an increase of \$8.4 million over 2004 primarily due to a greater requirement for tag purchases (\$8.6 million) for the E-ZPass tag swap program and for the toll increase. These increases are offset by modest reductions in equipment purchases.

- 2006 expenses are \$4.4 million lower than 2005 primarily due to fewer tag purchases for the E-ZPass tag swap program (\$4.2 million) and a reduction in security surveillance equipment purchases and de-icing materials (\$0.3 million), offsetting increases from CPIU.
- In 2007, expenses are \$0.8 million higher than 2006 primarily due to an increase in E-ZPass tag needs (\$0.7 million) for the tag swap program, in addition to increases from CPIU.
- The 2008 expenses are higher due to CPIU increases.
- CPIU increases are 1.65% in 2005, 1.47% in 2006, 1.83% in 2007 and 2.05% in 2008, based on forecasts for national inflation provided by Global Insight.

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 1.65% in 2005, 1.47% in 2006, 1.83% in 2007 and 2.05% in 2008, based on forecasts for national inflation provided by Global Insight.

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

NON-REIMBURSABLE

	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	1,089.936	1,094.911	4.975	1,099.162	4.251	1,101.499	2.337	1,103.509	2.010	
Other Operating Revenue	9.327	8.998	(0.329)	8.756	(0.242)	8.852	0.096	8.009	(0.843)	
Capital and Other Reimbursements	23.233	27.073	3.840	28.563	1.490	30.403	1.840	32.255	1.853	
Investment Income	1.080	1.949	0.869	2.175	0.226	2.134	(0.041)	2.337	0.203	
Total Revenue	\$ 1,123.576	\$ 1,132.931	\$ 9.355	\$ 1,138.655	\$ 5.724	\$ 1,142.887	\$ 4.232	\$ 1,146.110	\$ 3.223	
Expenses										
Labor:										
Payroll	102.256	109.439	(7.183)	112.182	(2.743)	115.616	(3.434)	119.294	(3.678)	
Overtime	24.440	25.066	(0.626)	24.846	0.220	25.320	(0.474)	25.849	(0.529)	
Health and Welfare	23.314	28.681	(5.368)	31.293	(2.611)	34.204	(2.911)	37.431	(3.227)	
Pensions	4.597	10.245	(5.648)	15.183	(4.937)	17.747	(2.565)	18.298	(0.551)	
Other Fringe Benefits	12.295	12.967	(0.672)	13.738	(0.772)	14.316	(0.578)	14.954	(0.637)	
Reimbursable Overhead	(6.580)	(6.707)	0.127	(6.790)	0.083	(6.922)	0.132	(7.067)	0.145	
Total Labor Expenses	\$ 160.321	\$ 179.692	\$ (19.371)	\$ 190.451	\$ (10.759)	\$ 200.281	\$ (9.830)	\$ 208.759	\$ (8.478)	
Non-Labor:										
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-	
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-	
Insurance	9.492	10.452	(0.959)	11.573	(1.122)	12.718	(1.145)	14.005	(1.287)	
Claims	0.006	0.006	(0.000)	0.006	(0.000)	0.006	(0.000)	0.006	(0.000)	
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Contracts	124.819	129.010	(4.191)	144.912	(15.902)	156.532	(11.620)	159.638	(3.106)	
Professional Service Contracts	13.659	14.282	(0.623)	14.120	0.162	14.347	(0.227)	14.606	(0.259)	
Materials & Supplies	19.634	28.080	(8.446)	23.680	4.401	24.504	(0.824)	25.016	(0.513)	
Other Business Expenses	1.322	1.958	(0.636)	1.974	(0.016)	1.995	(0.021)	2.018	(0.023)	
Total Non-Labor Expenses	\$ 168.933	\$ 183.789	\$ (14.855)	\$ 196.266	\$ (12.477)	\$ 210.103	\$ (13.837)	\$ 215.291	\$ (5.188)	
Other Expenses Adjustments:										
Other	-	-	-	-	-	-	-	-	-	
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses before Depreciation	\$ 329.254	\$ 363.480	\$ (34.226)	\$ 386.717	\$ (23.237)	\$ 410.384	\$ (23.667)	\$ 424.050	\$ (13.666)	
Add: Depreciation	42.000	45.780	(3.780)	49.900	(4.120)	54.390	(4.490)	59.300	(4.910)	
Total Expenses after Depreciation	\$ 371.254	\$ 409.260	\$ (38.006)	\$ 436.617	\$ (27.357)	\$ 464.774	\$ (28.157)	\$ 483.350	\$ (18.576)	
Less: Depreciation	(42.000)	(45.780)	3.780	(49.900)	4.120	(54.390)	4.490	(59.300)	4.910	
Total Expenses	\$ 329.254	\$ 363.480	\$ (34.226)	\$ 386.717	\$ (23.237)	\$ 410.384	\$ (23.667)	\$ 424.050	\$ (13.666)	
Baseline Net Income/(Deficit)	\$ 794.322	\$ 769.451	\$ (24.871)	\$ 751.938	\$ (17.512)	\$ 732.504	\$ (19.434)	\$ 722.061	\$ (10.443)	
2005 Program to Eliminate the Gap (PEGs)	-	7.380	7.380	15.412	8.032	15.412	-	15.412	-	
2006 Program to Eliminate the Gap (PEGs)	-	-	-	2.345	2.345	2.345	-	2.345	-	
Unspecified PEGs	-	-	-	1.784	1.784	0.288	(1.496)	-	(0.288)	
Net Income/(Deficit)	\$ 794.322	\$ 776.831	\$ (17.491)	\$ 771.479	\$ (5.352)	\$ 750.548	\$ (20.930)	\$ 739.817	\$ (10.731)	

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

REIMBURSABLE

	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	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	12.361	12.728	0.367	13.151	0.424	13.564	0.413	13.932	0.367
Investment Income	-	-	-	-	-	-	-	-	-
Total Revenue	\$ 12.361	\$ 12.728	\$ 0.367	\$ 13.151	\$ 0.424	\$ 13.564	\$ 0.413	\$ 13.932	\$ 0.367
Expenses									
Labor:									
Payroll	4.070	4.149	(0.079)	4.200	(0.051)	4.281	(0.081)	4.371	(0.089)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.918	1.005	(0.087)	1.160	(0.155)	1.267	(0.107)	1.339	(0.072)
Pensions	0.196	0.214	(0.018)	0.247	(0.033)	0.270	(0.023)	0.285	(0.015)
Other Fringe Benefits	0.597	0.653	(0.056)	0.754	(0.101)	0.824	(0.070)	0.870	(0.046)
Reimbursable Overhead	6.580	6.707	(0.127)	6.790	(0.083)	6.922	(0.132)	7.067	(0.145)
Total Labor Expenses	\$ 12.361	\$ 12.728	\$ (0.367)	\$ 13.151	\$ (0.424)	\$ 13.564	\$ (0.413)	\$ 13.932	\$ (0.367)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-	-	-	-
Other Business Expenses	-	-	-	-	-	-	-	-	-
Total Non-Labor Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation	\$ 12.361	\$ 12.728	\$ (0.367)	\$ 13.151	\$ (0.424)	\$ 13.564	\$ (0.413)	\$ 13.932	\$ (0.367)
Add: Depreciation	-	-	-	-	-	-	-	-	-
Total Expenses after Depreciation	\$ 12.361	\$ 12.728	\$ (0.367)	\$ 13.151	\$ (0.424)	\$ 13.564	\$ (0.413)	\$ 13.932	\$ (0.367)
Less: Depreciation	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 12.361	\$ 12.728	\$ (0.367)	\$ 13.151	\$ (0.424)	\$ 13.564	\$ (0.413)	\$ 13.932	\$ (0.367)
Baseline Net Income/(Deficit)	\$ -	\$ -	\$ 0.000	\$ -	\$ 0.000	\$ -	\$ -	\$ -	\$ 0.000
2005 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
2006 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Unspecified PEGs	-	-	-	-	-	-	-	-	-
Net Income/(Deficit)	\$ -	\$ -	\$ 0.000	\$ -	\$ 0.000	\$ -	\$ -	\$ -	\$ 0.000

MTA Bridges and Tunnels
November 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	1,089.936	1,094.911	4.975	1,099.162	4.251	1,101.499	2.337	1,103.509	2.010	
Other Operating Revenue	9.327	8.998	(0.329)	8.756	(0.242)	8.852	0.096	8.009	(0.843)	
Capital and Other Reimbursements	35.594	39.800	4.207	41.714	1.913	43.967	2.253	46.187	2.220	
Investment Income	1.080	1.949	0.869	2.175	0.226	2.134	(0.041)	2.337	0.203	
Total Revenue	\$ 1,135.937	\$ 1,145.658	\$ 9.722	\$ 1,151.806	\$ 6.148	\$ 1,156.452	\$ 4.645	\$ 1,160.042	\$ 3.590	
Expenses										
Labor:										
Payroll	106.326	113.588	(7.262)	116.382	(2.794)	119.897	(3.515)	123.665	(3.768)	
Overtime	24.440	25.066	(0.626)	24.846	0.220	25.320	(0.474)	25.849	(0.529)	
Health and Welfare	24.232	29.686	(5.455)	32.453	(2.766)	35.471	(3.018)	38.770	(3.299)	
Pensions	4.793	10.459	(5.666)	15.430	(4.970)	18.017	(2.588)	18.583	(0.566)	
Other Fringe Benefits	12.892	13.620	(0.728)	14.492	(0.873)	15.140	(0.648)	15.824	(0.683)	
Reimbursable Overhead	-	-	-	-	-	-	-	-	-	
Total Labor Expenses	\$ 172.682	\$ 192.419	\$ (19.737)	\$ 203.602	\$ (11.183)	\$ 213.845	\$ (10.243)	\$ 222.691	\$ (8.845)	
Non-Labor:										
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-	
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-	
Insurance	9.492	10.452	(0.959)	11.573	(1.122)	12.718	(1.145)	14.005	(1.287)	
Claims	0.006	0.006	(0.000)	0.006	(0.000)	0.006	(0.000)	0.006	(0.000)	
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-	
Maintenance and Other Operating Contracts	124.819	129.010	(4.191)	144.912	(15.902)	156.532	(11.620)	159.638	(3.106)	
Professional Service Contracts	13.659	14.282	(0.623)	14.120	0.162	14.347	(0.227)	14.606	(0.259)	
Materials & Supplies	19.634	28.080	(8.446)	23.680	4.401	24.504	(0.824)	25.016	(0.513)	
Other Business Expenses	1.322	1.958	(0.636)	1.974	(0.016)	1.995	(0.021)	2.018	(0.023)	
Total Non-Labor Expenses	\$ 168.933	\$ 183.789	\$ (14.855)	\$ 196.266	\$ (12.477)	\$ 210.103	\$ (13.837)	\$ 215.291	\$ (5.188)	
Other Expenses Adjustments:										
Other	-	-	-	-	-	-	-	-	-	
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Expenses before Depreciation	\$ 341.615	\$ 376.208	\$ (34.593)	\$ 399.868	\$ (23.660)	\$ 423.948	\$ (24.080)	\$ 437.981	\$ (14.033)	
Add: Depreciation	42.000	45.780	(3.780)	49.900	(4.120)	54.390	(4.490)	59.300	(4.910)	
Total Expenses after Depreciation	\$ 383.615	\$ 421.988	\$ (38.373)	\$ 449.768	\$ (27.780)	\$ 478.338	\$ (28.570)	\$ 497.281	\$ (18.943)	
Less: Depreciation	(42.000)	(45.780)	3.780	(49.900)	4.120	(54.390)	4.490	(59.300)	4.910	
Total Expenses	\$ 341.615	\$ 376.208	\$ (34.593)	\$ 399.868	\$ (23.660)	\$ 423.948	\$ (24.080)	\$ 437.981	\$ (14.033)	
Baseline Net Income/(Deficit)	\$ 794.322	\$ 769.451	\$ (24.871)	\$ 751.938	\$ (17.512)	\$ 732.504	\$ (19.434)	\$ 722.061	\$ (10.443)	
2005 Program to Eliminate the Gap (PEGs)	-	7.380	7.380	15.412	8.032	15.412	-	15.412	-	
2006 Program to Eliminate the Gap (PEGs)	-	-	-	2.345	2.345	2.345	-	2.345	-	
Unspecified PEGs	-	-	-	1.784	1.784	0.288	(1.496)	-	(0.288)	
Net Income/(Deficit)	\$ 794.322	\$ 776.831	\$ (17.491)	\$ 771.479	\$ (5.352)	\$ 750.548	\$ (20.930)	\$ 739.817	\$ (10.731)	

MTA Bridges and Tunnels
November 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)	\$ 794.322	\$ 769.451	\$ (24.871)	\$ 751.938	\$ (17.512)	\$ 732.504	\$ (19.434)	\$ 722.061	\$ (10.443)	
<u>Deductions from Income:</u>										
Less: Capitalized Assets	6.550	11.014	(4.464)	10.669	0.345	10.864	(0.195)	11.086	(0.223)	
Reserves	14.140	14.402	(0.262)	14.614	(0.212)	14.881	(0.267)	15.186	(0.305)	
Adjusted Baseline Net Income/(Deficit)	\$ 773.632	\$ 744.035	\$ (29.597)	\$ 726.656	\$ (17.379)	\$ 706.759	\$ (19.897)	\$ 695.788	\$ (10.971)	
Less: Debt Service	411.598	463.775	(52.177)	472.928	(9.153)	487.242	(14.314)	501.862	(14.620)	
Income Available for Distribution	\$ 362.034	\$ 280.260	\$ (81.774)	\$ 253.728	\$ (26.532)	\$ 219.517	\$ (34.211)	\$ 193.926	\$ (25.591)	
Distributable To:										
MTA - Investment Income	1.080	1.949	0.869	2.175	0.226	2.134	(0.041)	2.337	0.203	
MTA - Distributable Income	226.640	192.085	(34.555)	178.599	(13.486)	161.589	(17.010)	148.711	(12.878)	
NYCT - Distributable Income	134.314	86.225	(48.089)	72.954	(13.271)	55.794	(17.160)	42.878	(12.916)	
Total Distributable Income:	\$ 362.034	\$ 280.259	\$ (81.775)	\$ 253.728	\$ (26.531)	\$ 219.517	\$ (34.211)	\$ 193.926	\$ (25.591)	
Actual Cash Transfers:										
MTA - Investment Income	14.727	2.334	12.393	1.080	1.254	1.949	(0.869)	2.175	(0.226)	
MTA - Transfers	327.780	242.272	85.508	195.541	46.731	179.948	15.593	163.290	16.658	
NYCT - Transfers	231.178	142.602	88.576	91.034	51.568	74.282	16.752	57.510	16.772	
Total Cash Transfers:	\$ 573.685	\$ 387.208	\$ 186.477	\$ 287.655	\$ 99.553	\$ 256.179	\$ 31.476	\$ 222.975	\$ 33.204	
SUPPORT TO MASS TRANSIT:										
Total Revenues	1,135.937	1,145.658	(9.722)	1,151.806	(6.148)	1,156.452	(4.645)	1,160.042	(3.590)	
Less: Net Operating Expenses	341.615	376.208	(34.593)	399.868	(23.660)	423.948	(24.080)	437.981	(14.033)	
Program to Eliminate the Gap	-	7.380	(7.380)	15.412	(8.032)	15.412	-	15.412	-	
Net Operating Income:	\$ 794.322	\$ 776.831	\$ 17.491	\$ 767.350	\$ 9.480	\$ 747.916	\$ 19.434	\$ 737.473	\$ 10.443	
Deductions from Operating Income:										
B&T Debt Service	109.061	126.030	(16.969)	135.742	(9.712)	149.666	(13.924)	164.190	(14.524)	
Capitalized Assets	6.550	11.014	(4.464)	10.669	0.345	10.864	(0.195)	11.086	(0.223)	
Reserves	14.140	14.402	(0.262)	14.614	(0.212)	14.881	(0.267)	15.186	(0.305)	
Total Deductions from Operating Inc:	\$ 129.751	\$ 151.446	\$ (21.695)	\$ 161.024	\$ (9.578)	\$ 175.411	\$ (14.387)	\$ 190.463	\$ (15.052)	
Total Support to Mass Transit:	\$ 664.571	\$ 625.385	\$ 39.186	\$ 606.326	\$ 19.059	\$ 572.505	\$ 33.821	\$ 547.010	\$ 25.495	

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

	2003 Actuals	2004 November Forecast	2005 Final Proposed Budget	2006	2007	2008
Baseline Total Toll Revenue	\$1,021.938	\$1,089.936	\$1,094.911	\$1,099.162	\$1,101.499	\$1,103.509
<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	\$1,089.936	\$1,094.911	\$1,099.162	\$1,101.499	\$1,103.509
 Baseline Total Traffic Volume	 296.647	 300.505	 302.378	 304.056	 305.209	 306.275
<i>Impact of:</i>						
2005 Program to Eliminate the Gap	0.000	0.000	0.000	0.000	0.000	0.000
2006 Program to Eliminate the Gap	0.000	0.000	0.000	0.000	0.000	0.000
Total Traffic Volume	296.647	300.505	302.378	304.056	305.209	306.275

MTA Bridges and Tunnels
2005 Final Proposed Budget
November Financial Plan – 2005 to 2008

<u>PLAN-TO-PLAN</u>	<u>Favorable/ Unfavorable</u> <u>(\$ in millions)</u>
2004: November Financial Plan vs. July Financial Plan	\$13.2
<ul style="list-style-type: none"> • Increase in toll revenue due to higher average tolls resulting from a slight shift in the ratio of traffic from the minor to the major facilities. \$3.3 • Other Operating Revenue is higher primarily due to a re-estimation of E-ZPass fees. \$0.4 • Security Reimbursement re-estimated to reflect a decrease in estimated security expenses in 2004 as a result of lower overtime and a corresponding reduction in fringe benefits. (\$1.7) • Security expense (offset to reimbursement) \$1.7 • Lower payroll expenses due to higher vacancies and the timing of promotions. \$1.8 • Lower expenses in fringe benefits due to the re-estimate of pension (\$0.8 million) and workers' compensation costs (\$3.2 million); and lower health & welfare (\$2.0 million) and FICA costs due to Sergeant, Lieutenant and BTO vacancies (\$1.0 million). \$7.0 • The major maintenance program has been revised primarily due to the deferral of a suspender rope maintenance project at the VN. This project is included in the 2005 program. \$3.2 • Additional painting work required at the Henry Hudson Bridge due to unexpected steel repairs uncovered during an inspection. (\$2.3) • Lower than planned Bond Insurance fees. \$1.0 • Additional expenses resulting from a potential toll increase, primarily for a required Environmental Assessment Study. (\$0.4) • Other (\$0.8) 	
2004: PEGs: November Financial Plan vs. July Financial Plan	\$0.0
2005: November Financial Plan vs. July Financial Plan	(\$0.6)
<ul style="list-style-type: none"> • Toll revenues have been re-forecast to reflect higher average tolls experienced in 2004 and to incorporate traffic re-estimations derived from changes in the economic forecasts provided by Global Insight. \$7.5 	

- Investment Income has been re-estimated to reflect current expectations for fund balances and Global Insight's forecasts for short-term investment yields. (\$0.2)
- Revised assessments by MTA Risk Management for property and general liability insurance. (\$2.0)
- Security Reimbursement re-estimated to reflect a decrease in estimated security expenses during the plan period resulting from the lower salaries of new hires. (\$0.2)
- Security expense (offset to reimbursement) \$0.2
- Increased expenses for the E-ZPass Customer Service Center. (\$0.7)
- Additional expenses due to the potential toll increase, primarily for increased credit card fees and E-ZPass tag requirements. (\$4.2)
- Other (\$1.0)

2005: PEGs: November Financial Plan vs. July Financial Plan (\$1.9)

- Elimination of PEG to establish an annual fee of \$25 per tag, per year, to outside agencies receiving toll-free passage. (\$0.2)
- Re-estimate of reimbursable overtime from the capital program. (\$1.7)

2006: November Financial Plan vs. July Financial Plan \$0.1

- Toll revenues have been re-forecast to reflect higher average tolls experienced in 2004 and to incorporate traffic re-estimations derived from changes in the economic forecasts provided by Global Insight. \$7.3
- Investment Income has been re-estimated to reflect current expectations for fund balances and Global Insight's forecasts for short-term investment yields. (\$0.6)
- Security Reimbursement re-estimated to reflect a decrease in estimated security expenses during the plan period resulting from the lower salaries of new hires. (\$0.9)
- Security expense (offset to reimbursement). \$0.9
- Revised assessments by MTA Risk Management for property and general liability insurance. (\$2.3)
- Increased expenses for the E-ZPass Customer Service Center. (\$0.7)
- Re-estimate of E-ZPass Equipment Maintenance. (\$0.6)
- Additional expenses due to the potential toll increase for increased credit card fees. (\$1.8)
- Other (\$1.2)

2006: PEGs: November Financial Plan vs. July Financial Plan **\$1.1**

- Elimination of PEG to establish an annual fee of \$25 per tag, per year, to outside agencies receiving toll-free passage. (\$0.3)
- Re-estimate of reimbursable overtime from the capital program. (\$0.4)
- Unspecified PEGs \$1.8

2007: November Financial Plan vs. July Financial Plan **(\$1.9)**

- Toll revenues have been re-forecast to reflect higher average tolls experienced in 2004 and to incorporate traffic re-estimations derived from changes in the economic forecasts provided by Global Insight. \$6.0
- Investment Income has been re-estimated to reflect current expectations for fund balances and Global Insight's forecasts for short-term investment yields. (\$0.8)
- Security Reimbursement re-estimated to reflect a decrease in estimated security expenses during the plan period resulting from the lower salaries of new hires. (\$1.1)
- Security expense (offset to reimbursement) \$1.1
- Revised assessments by MTA Risk Management for property and general liability insurance. (\$3.3)
- Increased expenses for the E-ZPass Customer Service Center. (\$0.6)
- Additional expenses due to the potential toll increase for increased credit card fees. (\$1.8)
- Other. (\$1.4)

2007: PEGs: November Financial Plan vs. July Financial Plan **(\$0.4)**

- Elimination of PEG to establish an annual fee of \$25 per tag, per year, to outside agencies receiving toll-free passage. (\$0.3)
- Re-estimate of reimbursable overtime from the capital program. (\$0.4)
- Unspecified PEGs \$0.3

2008: November Financial Plan vs. July Financial Plan **(\$4.5)**

- Toll revenues have been re-forecast to reflect higher average tolls experienced in 2004 and to incorporate traffic re-estimations derived from changes in the economic forecasts provided by Global Insight. \$4.4
- Investment Income has been re-estimated to reflect current expectations for fund balances and Global Insight's forecasts for short-term investment yields. (\$1.4)
- Security Reimbursement re-estimated to reflect a decrease in estimated security expenses during the plan period resulting from the lower salaries of new hires. (\$1.0)
- Security expense (offset to reimbursement) \$1.0
- Increases in personnel expenses due to change in CPIU. (\$0.6)
- Revised assessments by MTA Risk Management for property and general liability insurance. (\$4.3)
- Increased expenses for the E-ZPass Customer Service Center. (\$0.6)
- Expenses due to the potential toll increase for increased credit card fees. (\$1.9)
- Other (\$0.1)

2008: PEGs: November Financial Plan vs. July Financial Plan **(\$0.7)**

- Elimination of PEG to establish an annual fee of \$25 per tag, per year, to outside agencies receiving toll-free passage. (\$0.3)
- Re-estimate of reimbursable overtime from the capital program. (\$0.4)

**MTA Bridges and Tunnels
2005 Final Proposed Budget
November Financial Plan 2005 – 2008**

OTHER ASSUMPTIONS

Position Table

Total 2004 headcount is 1,811, which includes reimbursable headcount of 45. In 2005, there is an increase of 5 positions, which are for the new need involving the repair and maintenance of the equipment for the centralized access and monitoring control system, designed to serve and monitor key control points at two of our facilities and other critical locations. These adjustments bring total headcount to 1,816 positions in 2005, offset by the elimination of 1 position proposed for the Program to Eliminate the Gap, bringing the final headcount for 2005 to 1,815. In 2006, there is an increase of an additional 3 positions to repair and maintain additional equipment for the aforementioned new need, increasing headcount to 1,818 positions. From 2007 through 2008, the number of positions remains constant.

Ridership/Traffic Volume (Utilization)

Paid traffic volume is projected to reach a record high of 300.5 million vehicles in 2004. Traffic volumes are estimated to grow 0.6% in 2005 and an average of 0.4% per year from 2006 through 2008 and incorporate the current forecasts for regional employment and national inflation provided by Global Insight.

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

NON-REIMBURSABLE

	2004	2005	2006	2007	2008
2004 July Financial Plan - Baseline Net Income/(Deficit)	\$781.072	\$770.085	\$751.848	\$734.445	\$726.552
Baseline Changes (List):					
Revenue					
<i>Toll Revenue</i>	3.349	7.456	7.290	5.997	4.370
<i>Other Operating Revenue</i>	0.411	0.000	0.000	0.000	0.000
<i>Capital Reimbursement</i>	0.000	0.000	0.000	0.000	0.000
<i>Security Reimbursement (offset: Security Exp)</i>	(1.740)	(0.242)	(0.865)	(1.106)	(0.991)
<i>Investment Income</i>	(0.001)	(0.223)	(0.575)	(0.786)	(1.423)
Sub-Total Revenue Changes	\$2.019	\$6.991	\$5.850	\$4.105	\$1.956
Expenses					
Labor:					
<i>Payroll</i>	1.849	(0.792)	(0.133)	0.149	0.561
<i>Overtime</i>	0.987	(0.381)	0.239	0.408	0.599
<i>Health & Welfare</i>	1.996	(0.009)	(0.128)	(0.269)	(0.444)
<i>Pension</i>	0.800	0.418	(0.005)	(0.004)	0.045
<i>Other Fringe Benefits</i>	4.163	0.808	0.798	0.759	0.717
<i>Reimbursable Overhead</i>	0.000	(0.006)	(0.071)	(0.116)	(0.169)
OTPS:					
<i>Insurance</i>	(0.411)	(2.030)	(2.303)	(3.259)	(4.340)
<i>Claims</i>	0.000	(0.000)	(0.000)	(0.000)	0.000
<i>Maintenance & Other Operating Contracts</i>	1.135	(1.103)	(2.001)	(1.590)	(1.305)
<i>Professional Services Contracts</i>	1.539	0.075	0.093	0.124	0.149
<i>Materials & Supplies</i>	(0.318)	(0.282)	(0.368)	(0.336)	(0.314)
<i>Other Business Expenses</i>	(0.099)	(0.098)	(0.097)	(0.095)	(0.093)
<i>Expenses due to Toll Increase</i>	(0.409)	(4.226)	(1.783)	(1.816)	(1.853)
Sub-Total Expense Changes	\$11.231	(\$7.625)	(\$5.759)	(\$6.046)	(\$6.447)
Cash Adjustments:					
<i>None</i>					
Sub-Total Cash Adjustment Changes	0.000	0.000	0.000	0.000	0.000
Total Baseline Changes	\$13.249	(\$0.634)	\$0.091	(\$1.941)	(\$4.491)
2004 November Financial Plan - Baseline Net Income/(Deficit)	\$794.322	\$769.450	\$751.938	\$732.504	\$722.061
July Financial Plan - Program to Eliminate the GAP	0.000	9.252	18.503	18.503	18.503
PEG Changes:					
2005 PEG Changes (List):					
<i>Establish an E-ZPass administrative fee for each tag issued to an outside agency receiving toll free passage</i>	0.000	(0.162)	(0.325)	(0.325)	(0.325)
<i>Adjustment to capital reimbursement for overtime performed for capital construction projects</i>	0.000	(1.710)	(0.421)	(0.421)	(0.421)
2006 PEG Changes (List)					
Unspecified PEGs	0.000	0.000	1.784	0.288	0.000
Sub-Total PEG Changes	\$0.000	(\$1.872)	\$1.038	(\$0.458)	(\$0.746)
GAP	\$0.000	\$7.380	\$19.541	\$18.045	\$17.757
2004 November Financial Plan - Net Income/(Deficit)	\$794.322	\$776.830	\$771.479	\$750.549	\$739.818

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

REIMBURSABLE

	2004	2005	2006	2007	2008
2004 July Financial Plan - Baseline Net Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Baseline Changes (List):</i>					
Revenue					
- Re-estimate of Capital Reimb due to revised O/H rate	-	(0.048)	(0.160)	(0.221)	(0.330)
Sub-Total Revenue Changes	\$0.000	(\$0.048)	(\$0.160)	(\$0.221)	(\$0.330)
Expenses					
<i>Labor:</i>					
<i>Payroll</i>	0.000	0.004	0.044	0.072	0.104
<i>Overtime</i>	0.000	0.000	0.000	0.000	0.000
<i>Health & Welfare</i>	0.000	0.020	0.024	0.018	0.030
<i>Pension</i>	0.000	0.005	0.005	0.004	0.007
<i>Other Fringe Benefits</i>	0.000	0.013	0.016	0.011	0.020
<i>Reimbursable Overhead</i>	0.000	0.006	0.071	0.116	0.169
Sub-Total Expense Changes	\$0.000	\$0.048	\$0.160	\$0.221	\$0.330
Cash Adjustments:					
<i>None</i>					
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Baseline Changes</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>	<i>\$0.000</i>
2004 November Financial Plan - Baseline Net Income/(Deficit)	\$0.000 0	\$0.000 0	\$0.000 0	\$0.000	\$0.000
July Financial Plan - Program to Eliminate the Gap					
<i>PEG Changes:</i>					
<i>Sub-Total PEG Changes</i>	<i>\$0.000 0</i>	<i>\$0.000 0</i>	<i>\$0.000 0</i>	<i>\$0.000</i>	<i>\$0.000</i>
Gap	\$0.000 0	\$0.000 0	\$0.000 0	\$0.000	\$0.000
2004 November Financial Plan - Net Cash Income/(Deficit)	\$0.000 0	\$0.000 0	\$0.000 0	\$0.000	\$0.000

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

**NON-REIMBURSABLE/
REIMBURSABLE**

	2004	2005	2006	2007	2008
2004 July Financial Plan - Baseline Net Income/(Deficit)	\$781.072	\$770.085	\$751.848	\$734.445	\$726.552
Baseline Changes (List):					
Revenue					
<i>Toll Revenue</i>	3.349	7.456	7.290	5.997	4.370
<i>Other Operating Revenue</i>	0.411	0.000	0.000	0.000	0.000
<i>Capital Reimbursement</i>	0.000	(0.048)	(0.160)	(0.221)	(0.330)
<i>Security Reimbursement (offset: Security Exp)</i>	(1.740)	(0.242)	(0.865)	(1.106)	(0.991)
<i>Investment Income</i>	(0.001)	(0.223)	(0.575)	(0.786)	(1.423)
Sub-Total Revenue Changes	\$2.019	\$6.943	\$5.690	\$3.884	\$1.626
Expenses					
Labor:					
<i>Payroll</i>	1.849	(0.788)	(0.089)	0.221	0.665
<i>Overtime</i>	0.987	(0.381)	0.239	0.408	0.599
<i>Health & Welfare</i>	1.996	0.011	(0.104)	(0.251)	(0.414)
<i>Pension</i>	0.800	0.423	0.000	0.000	0.052
<i>Other Fringe Benefits</i>	4.163	0.821	0.814	0.770	0.737
<i>Reimbursable Overhead</i>	0.000	0.000	0.000	0.000	0.000
OTPS:					
<i>Insurance</i>	(0.411)	(2.030)	(2.303)	(3.259)	(4.340)
<i>Claims</i>	0.000	(0.000)	(0.000)	(0.000)	0.000
<i>Maintenance & Other Operating Contracts</i>	1.135	(1.103)	(2.001)	(1.590)	(1.305)
<i>Professional Services Contracts</i>	1.539	0.075	0.093	0.124	0.149
<i>Materials & Supplies</i>	(0.318)	(0.282)	(0.368)	(0.336)	(0.314)
<i>Other Business Expenses</i>	(0.099)	(0.098)	(0.097)	(0.095)	(0.093)
<i>Expenses due to Toll Increase</i>	(0.409)	(4.226)	(1.783)	(1.816)	(1.853)
Sub-Total Expense Changes	\$11.231	(\$7.577)	(\$5.599)	(\$5.825)	(\$6.117)
Cash Adjustments:					
None					
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$13.249	(\$0.634)	\$0.091	(\$1.941)	(\$4.491)
2004 November Financial Plan - Baseline Net Income/(Deficit)	\$794.322	\$769.450	\$751.938	\$732.504	\$722.061
July Financial Plan - Program to Eliminate the GAP	\$0.000	\$9.252	\$18.503	\$18.503	\$18.503
PEG Changes:					
2005 PEG Changes (List):					
<i>Establish an E-ZPass admin. fee for each tag issued to an outside agency receiving toll free passage</i>	\$0.000	(\$0.162)	(\$0.325)	(\$0.325)	(\$0.325)
<i>Adjustment to capital reimbursement for overtime performed for capital construction projects</i>	\$0.000	(\$1.710)	(\$0.421)	(\$0.421)	(\$0.421)
2006 PEG Changes (List)					
Unspecified PEGs	\$0.000	\$0.000	\$1.784	\$0.288	\$0.000
Sub-Total PEG Changes	\$0.000	(\$1.872)	\$1.038	(\$0.458)	(\$0.746)
November Financial Plan - Program to Eliminate the	\$0.000	\$7.380	\$19.541	\$18.045	\$17.757
2004 November Financial Plan - Net Income/(Deficit)	\$794.322	\$776.830	\$771.479	\$750.549	\$739.818

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

	2004		2005		2006		2007		2008	
	Positions¹	Dollars	Positions¹	Dollars	Positions¹	Dollars	Positions¹	Dollars	Positions¹	Dollars
LIST of PROGRAMS										
Administration:										
- Reduce 1 administrative position	0	\$.000	1	\$.040	1	\$.040	1	\$.040	1	\$.040
Sub-Total Administration	0	\$.000	1	\$.040	1	\$.040	1	\$.040	1	\$.040
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:										
None										
Sub-Total Maintenance	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
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	\$.507	0	\$1.796	0	\$1.796	0	\$1.796
- 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
Sub-Total Revenue Enhancements	0	\$.000	0	\$7.250	0	\$15.282	0	\$15.282	0	\$15.282
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	\$7.380	1	\$15.412	1	\$15.412	1	\$15.412

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

MTA Bridges and Tunnels
November Financial Plan 2005 - 2008
Summary of 2006 Program to Eliminate the Gap
(\$ in millions)

	2004		2005		2006		2007		2008	
	Positions¹	Dollars	Positions¹	Dollars	Positions¹	Dollars	Positions¹	Dollars	Positions¹	Dollars
LIST of PROGRAMS										
Administration:										
- 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	0	\$.000	0	\$1.371	0	\$1.371	0	\$1.371
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:										
- 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	\$.000	0	\$.733	0	\$.733	0	\$.733
Other:										
None	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Sub-Total Other	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Total PEGS	0	\$.000	0	\$.000	0	\$2.345	0	\$2.345	0	\$2.345
Unspecified PEGs	0	\$.000	0	\$.000	0	\$1.784	0	\$.288	0	\$.000
Total PEGS	0	\$.000	1	\$7.380	1	\$19.541	1	\$18.045	1	\$17.757

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

MTA Bridges & Tunnels
November Financial Plan 2005 - 2008
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents
(\$ in millions)

Departments	2003 Actuals	2004 November Forecast	2005 Final Proposed 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	49	49	49	49
Total Operations/Maintenance:	1234	1291	1292	1292	1292	1292
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:						
2005 Program to Eliminate the Gap	0	0	-1	-1	-1	-1
2006 Program to Eliminate the Gap	0	0	0	0	0	0
Total Positions	1732	1811	1815	1818	1818	1818
<i>Non-Reimbursable</i>	1687	1766	1770	1773	1773	1773
<i>Reimbursable</i>	45	45	45	45	45	45
<i>Total Full-Time</i>	1732	1811	1815	1818	1818	1818
<i>Total Full-Time-Equivalents</i>	0	0	0	0	0	0