



NYS



Bridge Authority



2005 Annual Report



Bear Mountain Bridge

Newburgh-Beacon Bridge

Mid-Hudson Bridge

Kingston-Rhinecliff Bridge

Rip Van Winkle Bridge



Board Members

New

York

State

Bridge

Authority

James P. Sproat, Chairman



James P. Sproat, appointed as a Commissioner to the New York State Bridge Authority Board by Governor George E. Pataki in 1999, became Chairman of the Board in May 2004. Mr. Sproat is a licensed real estate broker specializing in commercial real estate and holds the Certified Commercial Investment Member professional designation. He is presently employed by the Division of Real Estate Planning & Development with the Office of General Services. He has also been an active member of the Dutchess County community for many years including serving on many not-for-profit boards and he has served as a member of the Dutchess County Legislature.

Mr. Sproat is a resident of the Town of Beekman in Dutchess County, where he resides with his wife, Christine, and their two children.

His appointment is through January 2009.

Roderick O. Dressel, Vice-Chairman

Roderick O. Dressel was first appointed to the New York State Bridge Authority Board by Governor George E. Pataki in 1997. In May 2004, he was elected Vice-Chairman of the Board. His new appointment to the Board is through 2110.

Mr. Dressel is a businessman residing in Ulster County.



David A. Teator, Commissioner



David A. Teator, appointed to fill a vacancy on the Bridge Authority Board in March 2002, was reappointed to a 5-year term in 2003.

Mr. Teator is employed by the New York State Department of Correctional Services as Supervisor of Audio-Visual Training & Production. He graduated cum laude from Marist College with a degree in Communication Arts.

Mr. Teator and his family reside in Columbia County where he is active in many sport and community organizations.

Walter A. Paradies, Commissioner

Walter A. Paradies was appointed to the Bridge Authority Board by Governor Pataki in 2004. Mr. Paradies holds a degree in mechanical engineering from Rensselaer Polytechnic Institute.

A native of New Paltz, Mr. Paradies spent his career in construction and engineering and has overseen many major public sector construction projects.

Mr. Paradies has been active in many community endeavors having served on the New Paltz Town Board, the New Paltz Planning Board and the New Paltz School Board. He presently serves as Treasurer of the New Paltz Rural Cemetery.



Management

George C. Sinnott - Executive Director



Governor George E. Pataki announced that George C. Sinnott was named Executive Director of the New York State Bridge Authority in 2004. He oversees the management and operation of five major bridges carrying nearly 60 million vehicles annually across the Hudson River.

“Commissioner Sinnott is an outstanding public administrator, having served the people of New York State with distinction as Commissioner of Civil Service for the last nine years,” Governor Pataki said. “I am pleased that George will now be a key member of our transportation initiative team to help coordinate the management of the state’s transportation agencies and authorities. The Bridge Authority will benefit immensely from his tremendous experience.”

Mr. Sinnott, who has served as Commissioner of the state Department of Civil Service since 1995, is the recipient of numerous awards, including the National Public Service Award from the American Society for Public Administration and the Governor Nelson A. Rockefeller Award for Distinguished Public Service from the State Academy of Public Administration. In 1998, *Governing* magazine selected Mr. Sinnott as Public Official of the Year for his successful turnaround of the Civil Service Department. He is a Vietnam veteran and earned his Masters degree in Industrial Relations from Vermont College.

As Chief Executive Officer of the State Bridge Authority, Mr. Sinnott serves as a strategic partner with the state Department of Transportation and the Thruway Authority, in an alliance to more efficiently move people and goods throughout the State’s transportation system.

He was appointed to the Executive Director position by the Bridge Authority Board, following the recommendation of Governor Pataki.

James J. Bresnan, Deputy Executive Director



James J. Bresnan, a lifelong resident of Orange County, had a distinguished career as an executive with IBM, before retiring in 1990.

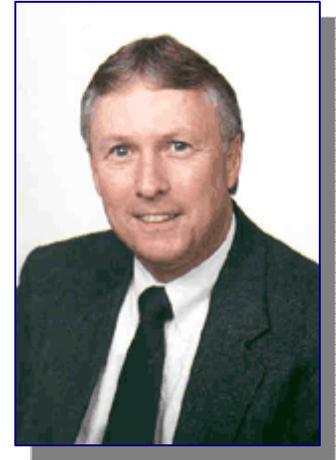
Prior to his appointment as Deputy Executive Director, he held consulting positions at IBM and the Garden State Paper Company.

A resident of New Windsor, Mr. Bresnan is married with four children.

John R. Sewell, Treasurer

John Sewell serves as both Treasurer of the Authority and as Director of Finance. Prior to joining the Bridge Authority in 1975, he was an accountant in the private sector.

A graduate of Seton Hall University with a Bachelor of Science in Business Administration, Mr. Sewell is a native of Poughkeepsie where he resides with his wife and daughter.



William J. Moreau, P.E., Chief Engineer



William Moreau, P.E., has been the Chief Engineer for the New York State Bridge Authority since 1987.

Active in many professional organizations, Mr. Moreau is a member of the National Society of Professional Engineers, the Association for Bridge Construction & Design, the International Bridge, Tunnel, and Turnpike Association, and the American Association of State Highway and Transportation Officials.

Mr. Moreau is a graduate of the State University of New York at Buffalo with a Bachelor of Science in Civil Engineering. He is a resident of the Town of LaGrange where he resides with his family.

Robert Russo, Administration

Robert Russo serves the New York State Bridge Authority as Director of Administrative Services. He has been with the Bridge Authority in various capacities since 1983.

Mr. Russo is a 1983 graduate of Potsdam College where he earned a Bachelor of Arts degree in Mathematics.

He is a lifelong resident of Highland with his wife and three children.



Thomas M. Cavallino, Information Technology



Thomas M. Cavallino came to the Authority in March 2002 as the Director of Information Technology. A graduate of Niagara University with a Bachelor of Arts degree, Mr. Cavallino brought the benefit of over 26 years of experience in service to New York State agencies to the Bridge Authority.

He was involved in the operation, planning, design and implementation of communication and computer systems for the NYS Thruway Authority and the NYS Office of Mental Retardation. Mr. Cavallino oversees all aspects of the Bridge Authority's information technology services.

He and his family reside in New Baltimore.

Barbara J. Haywood, Human Resources

Barbara Haywood is the Authority's Director of Human Resources. Ms. Haywood joined the Bridge Authority in 2000. She previously worked for Columbia County as Director of Personnel.

A resident of Columbia County, Ms. Haywood has a Bachelor of Arts in Psychology from the State University of New York at Plattsburgh and a Masters in Public Administration - Personnel from Marist College.



Mark E. Sheedy, Planning and Public Relations



Mark E. Sheedy was appointed Director of Planning and Public Relations in 2000. Prior to his appointment, Mr. Sheedy was a non-technical writer for a large civil engineering firm in upstate New York before entering the insurance industry in 1977.

He attended the State University of New York at Oswego and earned a Bachelor of Arts in Education with a concentration in English.

He served Dutchess County with distinction from 1992 through 2003 on the Dutchess County Legislature, including four years as Majority Leader. He has a broad record of community service in many volunteer organizations in the Town of Hyde Park where he makes his home.



2005 Accomplishments

Bear Mountain Bridge

Pavement milling and repaving of the Bear Mountain Bridge Toll Plaza roadway created minimal traffic delays since the work was performed on overnight shifts. The resurfacing covered from the west bridge abutment back to the Route 9-W traffic circle at a cost of \$250,000.



Pavement milling and repaving operations at the Bear Mountain Bridge Toll Plaza were conducted overnight between 7:00pm and 6:00am assuring that traffic interruptions were minimal. The milling machine shown above grinds off a layer of asphalt.



Repaving immediately followed the pavement milling and normal traffic flow resumed the next morning.

Hamilton Fish Newburgh - Beacon Bridge

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South Span Resurfacing

The three traffic lanes and the emergency breakdown lane of the newer of the two Newburgh-Beacon spans were resurfaced using the Nova Chip process. Completed at a cost of \$250,000, the project was completed during night hours to minimize impact on traffic.

Two New Lanes Added to Newburgh-Beacon Plaza

The toll plaza of the Newburgh-Beacon Bridge underwent its largest construction renovation since the opening of the south span in 1980. Recognizing the need to expand the plaza and desiring to relieve congestion, the Authority added two new toll lanes. This expansion provides an additional dedicated E-ZPass lane and greater flexibility to adjust to traffic conditions. The Authority also split Interstate thru-traffic and Route 9-D traffic in the plaza to better serve both groups of bridge patrons. The total project cost was \$6,100,000 and included modifications to Route 84 and bridge approaches.



Bridge toll plaza median prior to construction of two new lanes.



Site preparation for the Newburgh-Beacon Toll Plaza expansion.

Cement pour at Newburgh-Beacon Plaza.



Cement pour in existing lane of the plaza.



Newburgh-Beacon traffic flow was maintained by utilizing the two new lanes while pavement and underground lane equipment was replaced in the existing lanes.



New lanes 9 & 10 completed in the plaza.



Franklin D. Roosevelt Mid - Hudson Bridge

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Replacement of the safety cables on the main suspension cables of the bridge was completed in 2005. The \$1,000,000 project had no impact on traffic. All of the Authority's maintenance climbers rely on the safety cables to latch onto to prevent falls while working on the bridge's high steel.

A section of the old safety cable is on the left. A newly replaced section of cable is on the right. Climbers wearing safety harnesses latch onto the cables to prevent falls.



Employees of Piasecki Steel Construction Corporation tighten a new safety cable on the Mid-Hudson Bridge.

Safety cable or "hand rope", as referred to by some, is fed out to new stanchions on the bridge main suspension cable.



George Clinton Kingston - Rhinecliff Bridge

Lead Abatement and Painting

Lead abatement and painting of the structural steel, including the under-deck truss, was completed on the Kingston-Rhinecliff Bridge. A shoulder lane protected with jersey barriers was used by the Aulson Painting Company, Inc. for staging equipment on the bridge deck. Originally scheduled to take three years to complete, the project was finished in two years.

Containment structures were built to protect the environment during the lead abatement and painting operations. The total project cost over its two-year duration was \$12,100,000.



Containment enclosure wraps a portion of the under-deck truss at the Kingston-Rhinecliff Bridge.



Inside containment area on the Kingston-Rhinecliff Bridge.



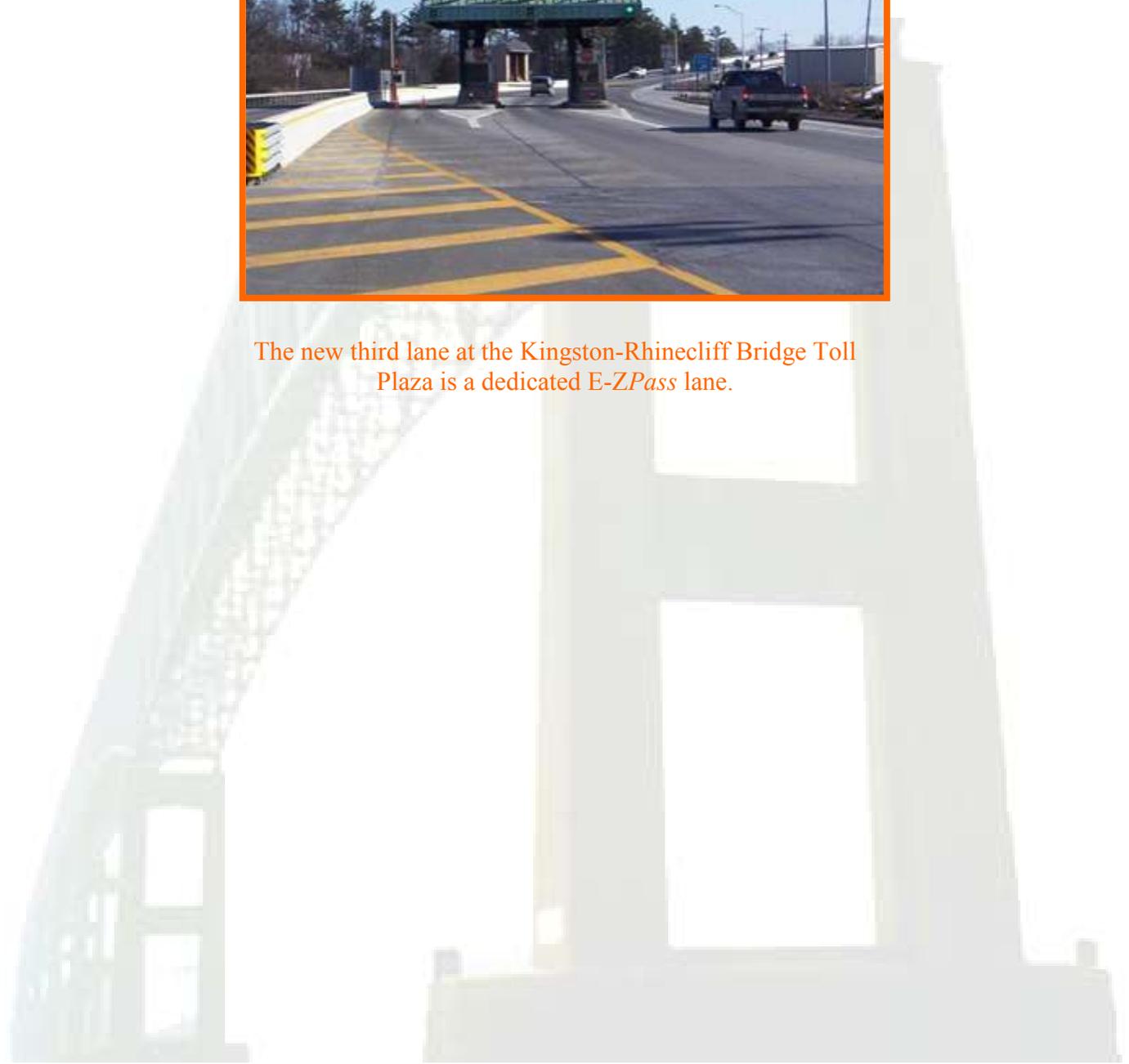
View of painting operations on under-deck of the Kingston-Rhinecliff Bridge.

Third Lane Opened in Kingston-Rhinecliff Bridge Toll Plaza

Responding to peak traffic demands in the northern reaches of Ulster and Dutchess counties, the Authority proceeded with the construction of a third lane in the Kingston-Rhinecliff Bridge Toll Plaza. Constructed at a cost of \$699,000, the new lane will be a dedicated *E-ZPass* lane and used during peak traffic periods allowing lanes 1 & 2 to be staffed for full service toll transactions.



The new third lane at the Kingston-Rhinecliff Bridge Toll Plaza is a dedicated *E-ZPass* lane.



Rip Van Winkle Bridge

Tack weld removal, approach road resurfacing and portal steel modifications made for a busy year for the Authority's Engineering and Maintenance Department.

Portal steel modifications

Structural steel modifications to the portals on the Rip Van Winkle Bridge began in 2005 and will run through 2006. Angled steel beams prevented today's large trucks from using the full width of the bridge deck. Many regular maintenance activities on the bridge deck demanded one-way alternating traffic because large trucks were unable to utilize the deck shoulder. Modification of the portals will now allow for two lanes of traffic under most routine maintenance situations. The Authority will spend \$1,500,000 on this two-year project.

Modified steel sections are to the left. Portals yet to be modified are on the right side of the bridge roadway.



Close-up of modified portal steel section.

Tack weld removal

Tack welds are welds made on the steel at the time the bridge was constructed. Their purpose is similar to basting stitches made by a seamstress in fabric. They act to hold steel pieces together until final bolts are inserted.

Research over the years and recent developments in metallurgy have shown that it is best to remove some tack welds as they can become starting points of metal corrosion. The project cost for this is \$950,000.



Tack welds are removed from diagonal under-deck truss members on the Rip Van Winkle Bridge.

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OVERVIEW

Toll revenue, which accounted for 96.0 percent of the Authority's income, fell 1.0 percent, totaling \$39.4 million for the year. Traffic volume showed a similar 1.3 percent drop and was off 785,438 vehicles in 2005. Despite these small declines it was the Authority's second best year on record for traffic and revenue.

Operating expenses of \$43.6 million posted a \$10.9 million increase as a result, for the most part, of the increased costs for rehabilitation, reconstruction and bridge repairs.

Interest earned on investments and interest paid on outstanding bonds, together classified as non-operating revenue and expenses, showed a deficit of \$1.9 million. While interest income was up \$.8 million, to \$1.5 million, interest on Authority debt totaled \$3.4 million, and was down \$.2 million.

At year end, net assets were down \$6.0 million and stood at \$56.0 million.

TRAFFIC

Following ten consecutive years of increased traffic, the 2005 count fell victim to a combination of ever increasing fuel costs and adverse weather. Annual crossings totaled 58,415,708, down 785,438, or 1.33 percent. The year began with much more adverse winter weather than in 2004 as traffic was off in each of the first three months. By the end of the first quarter, 290,460, or 2.21 percent, fewer vehicles had traveled the five bridges. Though gasoline prices were rising, traffic rebounded through the summer, until late August when Hurricane Katrina interrupted gasoline supplies. As gasoline prices rose, discretionary travel was affected and September passenger car crossings decreased 106,084, or 2.73 percent. Then rain, the first three weekends in October, typically among the Hudson Valley's busiest for tourism, reduced crossings by over 151,000 vehicles.

On a facility basis, the Authority's two northernmost bridges posted small gains for the year and actually set new annual traffic records. At Rip Van Winkle, the 5,410,774 crossings were 17,208, or .32 percent, over the previous year. While 15 miles to the south, the Kingston-Rhinecliff span carried 2,404, or .03%, additional vehicles as the annual count there stood at 7,475,152. Traffic declines ranged from .07 percent, equaling 10,424 vehicles, at Mid-Hudson to 2.51 percent at Newburgh-Beacon, which showed a 648,774 drop.

A classification analysis disclosed commuter vehicles as the only category to post a positive number over the previous year. The 9,638,920 commuters, who took advantage of the Authority's E-ZPass frequent user discount, rose 25,658, or .27 percent, and equaled 16.5 percent of the total traffic.

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Passenger vehicles, other than commuters, made up 75.7 of Authority traffic and totaled 44,199,368. This was 706,306, or 1.57 percent, below the 2004 figure.

With the exception of Mid-Hudson, commercial traffic, off 2.24 percent, was down at all facilities. The 4,577,420 crossings was a decline of 104,790 trucks. The twin spans of the Newburgh-Beacon Bridge, which carry Interstate 84 over the Hudson River, accounted for 74.4 percent of the Authority's commercial vehicles.

<u>TRAFFIC</u>	<u>2005</u>	<u>2004</u>	<u>INCR/(DECR)</u>	<u>PERCENT</u>
Rip Van Winkle Bridge	5,410,774	5,393,566	17,208	0.32%
Kingston-Rhinecliff Bridge	7,475,152	7,472,748	2,404	0.03%
Mid-Hudson Bridge	14,008,802	14,019,226	(10,424)	- 0.07%
Newburgh-Beacon Bridge	25,180,272	25,829,046	(648,774)	- 2.51%
Bear Mountain Bridge	<u>6,340,708</u>	<u>6,486,560</u>	<u>(145,852)</u>	- 2.25%
Total Traffic	58,415,708	59,201,146	(785,438)	- 1.33%

REVENUE

New annual collection records, set at the Authority's three northernmost spans, were not sufficient to offset declines at the Newburgh-Beacon and Bear Mountain bridges. Overall toll revenue equaled \$39,407,447, a \$378,948 decrease for the year. The Mid-Hudson Bridge posted the largest advance taking in \$7,084,090, up .85 percent, or \$59,374. The Newburgh-Beacon Bridge, where collections were down \$406,009, or 1.81 percent, took in \$21,976,529, or \$.56 of every Authority toll dollar.

Though the amount available for investment fell 16 percent during the year, interest income on investments more than doubled to \$1,537,697. This \$805,550 rise was a result of year-long increases in rates paid on U.S. Treasury securities and bank deposits in which the Authority invests.

Other income stood at \$141,347, bringing total revenue for the year to \$41,086,491, or \$358,781 above the 2004 figure.

<u>TOLL REVENUE</u>	<u>2005</u>	<u>2004</u>	<u>INCR/(DECR)</u>	<u>PERCENT</u>
Rip Van Winkle Bridge	\$ 3,125,116	\$ 3,109,768	\$ 15,348	0.49%
Kingston-Rhinecliff Bridge	\$ 3,909,563	\$ 3,891,528	\$ 18,035	0.46%
Mid-Hudson Bridge	\$ 7,084,090	\$ 7,024,716	\$ 59,374	0.85%
Newburgh-Beacon Bridge	\$21,976,529	\$22,382,538	\$(406,009)	- 1.81%
Bear Mountain Bridge	<u>\$ 3,312,149</u>	<u>\$ 3,377,845</u>	<u>\$(65,696)</u>	- 1.94%
Total Toll Revenue	\$39,407,447	\$39,786,395	\$(378,948)	- 0.95%

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OPERATIONS

The cost of maintaining the bridge facilities can vary dramatically depending on the contracts let and work completed from year to year. In 2005, operating expenses of \$43.6 million grew by \$10.9 million over the prior year. Much of this resulted from a \$9.2 million increase in rehabilitation, reconstruction and bridge repairs. The reinvestment section of this report serves to explain these capital improvement expenditures.

The day-to-day operating results included \$10.7 million for salaries, which rose \$258,000 as a result of a new collectively bargained four year contract that raised basic salaries by 3.25 percent. The \$3.0 million cost of health insurance, included in employee benefit expenses, rose by \$1.0 million following another year of double digit percentage increases in premiums and a recalculation of current retirees' future benefits, which added \$738,000 to the cost.

The expense to collect tolls electronically through E-ZPass remained at the \$2.4 million level as customers taking advantage of this technology accounted for 53 percent of all Authority vehicle crossings. Utility expenditures rose \$92,000, or 18 percent, due to the increasing cost of energy, which is passed on through gas and electric charges.

For the second consecutive year, commercial insurance premiums were lower. The \$1.57 million in outlays fell \$121,000 as rates declined after exorbitant increases in 2002 and 2003, throughout the industry, had tripled the cost of the Authority's policies.

REINVESTMENT

The Bridge Authority's capital improvement program is driven by annual bridge inspections conducted by independent engineers. Each year, three bridges receive in-depth detailed biennial inspections that meet or exceed the criteria of both federal and state mandatory bridge inspection programs. The inspectors also do a thorough, but less intensive, inspection of the other three bridges to review the maintenance work done since the last biennial inspection and to identify changing conditions that may require an immediate response.

In 2005, the Kingston-Rhinecliff Bridge and the twin spans at Newburgh-Beacon received detailed inspections. In even numbered years, the major inspections cover the two suspension bridges at Mid-Hudson and Bear Mountain as well as the Rip Van Winkle Bridge.

All of the 2005 inspections resulted in good overall ratings, but the inspectors called attention to the fact that the ratings were in a large part due to the Authority's continuing

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efforts to keep ahead of age and wear related deterioration. As usual, the inspection results were translated into a twelve month maintenance program for the Authority's own forces and an updated five-year rehabilitation program that would require specialized skills not available in-house.

During 2005, the Authority invested \$19,710,446 through its capital improvement program. Much of this goes back into the six superstructures, which have a replacement value of over \$1.16 billion. Significant outlays during the year included:

At the Rip Van Winkle Bridge, a \$2.1 million contract to repair bridge steelwork was let and \$742,000 was spent during the year. Also, rehabilitation of the approach roadway was completed for \$771,000.

Lead abatement and painting of the substructure metalwork beneath the Kingston-Rhinecliff Bridge deck was completed at a cost of \$12.1 million, of which \$8.5 million was spent in 2005. This facility also saw the completion of a \$2.0 million project to rehabilitate the toll plaza roadway and add a third lane. \$1.5 million was expended in 2005.

Replacement of the hand ropes and stanchions on the main cable at the Mid-Hudson Bridge at a cost of \$698,000. The total project cost just over \$900,000.

Completion of a \$6.0 million reconstruction of the toll plaza, at the Newburgh-Beacon facility included the addition of new toll lanes 9 and 10. The costs in 2005 were \$5,746,000.

FINANCE

The Authority provided for \$8,187,206, including \$4,690,000 of principal due January 1, 2006, in debt service on its outstanding bonds. As of January 1, 2006, \$68,735,000 of debt remained outstanding. These are General Revenue Bonds, Series 1997 and 2002, with final maturities in January 2012 and 2017, respectively.

The Authority's bonds enjoy an AA-rating from Standard & Poor's and an Aa2 rating from Moody's Investors Service. Moody's rating, upon the sale of the \$50,000,000 Series 2002 Bonds, made the Bridge Authority the only Aa2 rated toll facility in the country at that time. In October of this year, Standard & Poor's affirmed the Authority's AA-rating indicating the bonds have a stable outlook, which reflects a healthy financial profile, with strong legal provisions, modest traffic growth trends and an experienced and proactive management team that has kept the five bridges in sound physical condition as a result of its vigilant maintenance practices.

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ORGANIZATIONAL PURPOSE AND FINANCIAL POLICY

The mission of the New York State Bridge Authority is that imposed by the Bridge Authority Act, currently Sections 525 to 542 of the New York Public Authorities Law, to maintain and operate the vehicle crossings of the Hudson River entrusted to its jurisdiction for the economic and social benefit of the people of the State.

The crossings enumerated in the statute are: the Rip Van Winkle Bridge between Hudson and Catskill; the Kingston-Rhinecliff Bridge; the Mid-Hudson Bridge between Poughkeepsie and Highland; the parallel Newburgh-Beacon Bridges; and the Bear Mountain Bridge.

The Authority believes its mandate imposes a responsibility to provide reliable, safe and convenient access across the river to all lawful traffic and to achieve that goal within the framework of a sound long-term financial policy. The elements of that policy are:

An unqualified commitment to meet all obligations to the bondholders in the full letter and spirit of the Authority's General Revenue Bond Resolution and the covenants made therein;

A vigorous, integrated program of inspection, maintenance, repair and rehabilitation to insure the structural integrity of its facilities and the safety of its patrons;

Control of expenditures to the extent consistent with prudent stewardship and responsible administration; and

The lowest possible toll rates which at the same time enable the Authority to meet its obligations and responsibilities as well as provide for adequate financial reserves.

This annual report of operations, which includes the Authority's audited financial statements for the year ended December 31, 2005, reflects the Authority's efforts to meet its organizational and financial goals.