

New
York
State
Bridge
Authority

***“THE FIVE STATE BRIDGE AUTHORITY BRIDGES ARE
AMONG THE BEST MAINTAINED IN THE NATION.”***



Annual Report
2007

2007 Annual Report of the New York State Bridge Authority



Board of Commissioners

James P. Sproat, Chairman
Roderick O. Dressel, Vice-Chairman
Robert P. Carter
Richard A. Gerentine
Thomas J. Madison, Jr.
Walter A. Paradies
David A. Teator, Jr.

David A. Paterson
Governor

George C. Sinnott
Executive Director

James J. Bresnan
Deputy Executive Director

A Special Note for a New Style of Annual Report

At NYSBA, we want to do our part to save resources and cut down on paper usage.

We have designed this Annual Report with a number of interactive links so that it incorporates our entire updated web site into the report and provides access to greater detail and more content.

When you see this type of highlight – [NYSBA](#) – you can link to a specific page on our web site.

While the report, as it exists, coupled with our annual auditor's report, would comprise a traditional Annual Report, we believe this new format will provide greater access to information about NYSBA as well as ensure continued open and transparent operation.

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From the Chairman and the Executive Director

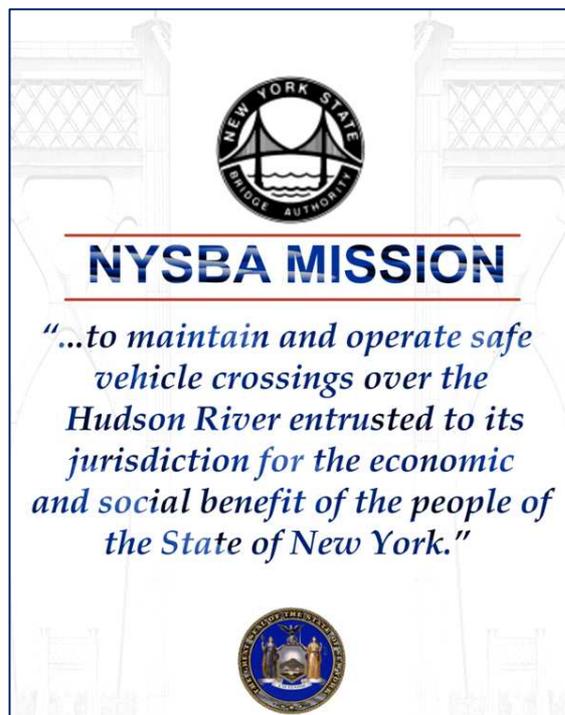
Our Mission Statement says it all - “... *maintain and operate safe vehicle crossings over the Hudson River...*” and we are able to report that the six spans of the New York State Bridge Authority truly are “...***among the best maintained bridges in the nation.***”

That quote from Barney Martin, President of Modjeski & Masters, Inc. became a source of pride for the Bridge Authority and comfort for the public that travel our bridges. Martin supervises the team of inspectors and engineers that provide annual reports on the structural integrity and safety of each of our bridges.

After the tragic collapse of a Minnesota bridge in August of 2007, there was renewed focus on bridge safety and maintenance throughout our nation. The public was justifiably concerned and government leaders called for investigations and a critical analysis of all bridges.

NYSBA led the way. We hosted a meeting of engineers from major transportation operators in New York and lent our expertise to the effort to make sure New York’s bridges were safe.

We were also pleased to report to the Governor that there were no issues of concern on any of our bridges, that there were no ‘flags’ and that our inspection procedures and maintenance protocols were above and beyond all federal and state requirements.



2007 brought other challenges as well as recognition and accolades for the Bridge Authority. We detail some of these items in this report and more information can be found on our web site.

On behalf of the Board of Commissioners, our Executive staff and all our dedicated employees, we present our 2007 Annual Report with an emphasis on Bridge Safety, which has been - and will continue to be - our highest priority.

James P. Sproat, Chairman

George C. Sinnott, Executive Director

Board of Commissioners

The Board of Commissioners is the governing board of the New York State Bridge Authority. The Board consists of seven members appointed by the Governor and confirmed by the NYS Senate. They serve five-year terms and receive no compensation.

James P. Sproat, Chairman

Mr. Sproat has served as a Commissioner of the New York State Bridge Authority since June of 1999. A resident of Dutchess County, he has a long history of community service and civic involvement.

Roderick O. Dressel, Vice Chairman

Mr. Dressel has served as a Commissioner of the New York State Bridge Authority since June of 1997. A resident of Ulster County, Mr. Dressel has more than 30 years of experience in financial matters and fiscal planning. He is also active in the Hudson Valley agricultural industry.

Robert P. Carter **Richard A. Gerentine**
Thomas J. Madison, Jr. **Walter A. Paradies** **David A. Teator, Jr.**

Executive Staff

George C. Sinnott, Executive Director

George Sinnott is an accomplished public administrator who has served as the chief executive of three state agencies under four New York State governors.

In 1993, Sinnott was appointed by Governor Mario Cuomo to the New York State Employment Relations Board where he was responsible for the administration of the State Labor Relations Act.

In January 1995, Sinnott was appointed by Governor George Pataki and unanimously confirmed by the Senate as Commissioner of the New York State Department of Civil Service and President of the Civil Service Commission. Serving as a member of the Governor's Cabinet, Sinnott headed the central personnel/HR agency for the State of New York and its nearly 600,000 state and municipal civil employees.

In April 2004, Commissioner Sinnott was unanimously appointed by the Board of Commissioners as the Chief Executive Officer of the New York State Bridge Authority.

The Commissioner earned a M.A. in Industrial Relations from Vermont College and a B.S. in Human Resources Management from Empire State College. Mr. Sinnott is a Certified Professional in Public Management (IPMA-CP). A former arbitrator, mediator, and member of the Board of The International Public Management Association, he is a subject matter expert in public sector staffing and compensation.

James J. Bresnan, Deputy Executive Director

Mr. Bresnan has served the New York State Bridge Authority since 1997. A life-long resident of Orange County, he had a distinguished career with IBM and served as Acting Executive Director from June 2003 to April 2004.

Directors & Managers

William Moreau, Chief Engineer	John Sewell, Treasurer & Director of Finance
Robert Russo, Director of Administrative Services	Gregory J. Herd, Director of Information Technology
John Bellucci, Director of Planning & Public Relations	Frederick Pizzuto, Director of Human Resources
	Carl G. Whitbeck, Jr., General Counsel
Peter Bielawski, Mgr. of Application Development	Francine Byrne, Mgr. of PC Services
Wayne V. Ferguson, Mgr. of Bridge Operations	George Fong, Mgr. of Contract Maintenance
Craig Gardner, Mgr. of Maintenance	Douglas D. Garrison, Mgr. of Admin. Services
Frank Mazzella, Mgr. of Technical Services	Barry Mickle, Internal Auditor
	Mark M. Morgese, Mgr. of Toll Systems

Bridge Safety

There is no higher priority than safe and reliable bridges.

The spans over the Hudson River are vital links to the livelihood of millions of regional residents. The Newburgh-Beacon Bridge is also a major national interstate link between the Northeast and the rest of the nation.



Under protocols developed by our Chief Engineer, a recognized international expert in bridge maintenance, and the guidelines of both state and federal highway authorities, we follow a rigorous schedule of annual inspections, preventative maintenance and comprehensive evaluation of all aspects of structural and operational safety.

We are pleased to report that no Bridge Authority structure has any “flag” indicating a defect or item requiring immediate attention. Each bridge receives a full inspection every two years under federal and state guidelines and the Bridge Authority goes a step further by having that inspection report updated annually.

In 2007, all five bridges received a rating of ‘good condition’ and ‘functioning as designed’.

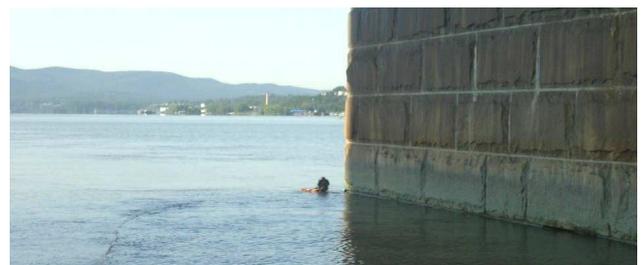
Bridge inspections are performed by independent engineers from Modjeski & Masters, Inc., a national firm with over a century of experience in bridge design, engineering and inspections. Barney Martin, President of Modjeski & Masters said, “The five state Bridge Authority bridges are among the best maintained in the nation. The Bridge Authority’s policy of proactive maintenance and their extensive program results in problems being prevented rather than reacting after problems develop.”

In addition to the annual inspections, we conduct underwater pier inspections every five years under protocols developed by NYSBA. State laws making this a legal requirement were modeled after NYSBA’s long-standing practice.



NYSBA also performs other inspections not required by law, such as ultrasonic inspections of steel integrity in hinge pin connections and we are constantly looking for innovative ways to continually provide the safest transportations structures possible.

NYSBA’s commitment to bridge safety truly is our “highest priority”.



Suicide Prevention

Suicides from bridges are, while thankfully rare, an extremely public and tragic event. The impact goes far beyond the individual involved and their family.

In early 2007, responding to two suicides in a short period of time on one of its five structures, the New York State Bridge Authority implemented a comprehensive [Suicide Prevention Plan](#) in conjunction with local, state and national suicide prevention experts.



Under the direction of the Bridge Authority, the project includes components of public awareness and education, implementation of a system of phones allowing for a direct link between a suicidal individual and a mental health crisis counselor and coordination between mental health services, law enforcement, emergency services and the Bridge Authority.

The phone number for the [National Suicide Prevention Lifeline](#) is:

1-800-273-TALK (8255).

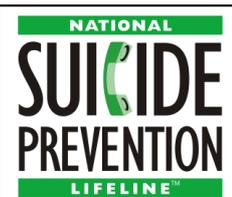
For more information on Suicide Prevention and the Bridge Authority's program, please visit our web site at www.NYSBA.net.

Since implementation, the project has received [wide praise](#) from the public, media and suicide prevention advocates as a stellar example of interagency cooperation utilizing national, state and local resources.

Most importantly, the program has verifiably saved lives. Shortly after implementation of the program, two suicides were prevented on one structure. Since that time, several other suicides have been prevented.

NYSBA will continue to uphold its moral and public responsibility to take every reasonable action to prevent suicides. We believe ***we have made a difference.***

When it *seems* like
there is *no hope*,
.....***THERE IS HELP.***



2007 Milestones and Highlights

- **It's 50 Years and Counting for the [Kingston-Rhinecliff Bridge](#):** February 2, 1957 marked the opening of the Kingston-Rhinecliff Bridge. Fifty years later, the link between northern Ulster and Dutchess counties continues to live up to all expectations.
- **Moody's Gives Authority Highest Rating for Toll Bridges - Bridge Authority Finances called "Stable, Strong":** Moody's Investor Services Global Credit Research reaffirmed the State Bridge Authority as one of only three toll-funded public or government transportation agencies in the nation to achieve an Aa2 rating. According to Moody's March 6th statement, "The rating outlook is stable and is based on the very strong historical financial performance of the authority and the stability of transaction levels at its five bridge facilities".
- **NYS Bridge Authority – 75 Years of Service:** From humble beginnings in 1932 to more than 58 million crossings in 2007, the spans of the NYS Bridge Authority have served a vital role in the prosperity and cultural heritage of the Hudson Valley.



(L-R) With the Mid-Hudson Bridge in the background, Executive Director George C. Sinnott and Commissioners Richard Gerentine, Robert Carter, David Teator, James Sproat, Walter Paradies, Thomas Madison and Roderick Dressel commemorate the 75th anniversary of NYSBA.

- **Bridge Authority Named a Patriotic Employer:** "For contributing to National Security and Protecting Liberty and Freedom", the NYS Bridge Authority was recently cited as a "Patriotic Employer" by the Department of Defense and the National Committee for Employer Support of the Guard and Reserve for "Supporting Employee Participation in America's National Guard and Reserve Force"



- **Kingston-Rhinecliff Bridge gets Innovative Surface:** Recycled tires, combined with traditional asphalt will extend the life of the roadway on the Kingston-Rhinecliff Bridge. In addition to being environmentally friendly, the use of NovaChip technology makes roads more flexible under traffic loads and reduces ice formation, noise level, rutting and cracking.
- **[Bridge Authority Meetings Live on the WorldWide Web](#):** Beginning in July, the Bridge Authority's monthly meetings were broadcast live to provide greater public access and transparency to the public authority's decisions and operations.

2007 Annual Report Summary

ORGANIZATION PURPOSE & FINANCE POLICY

The mission of the New York State Bridge Authority is found in the Bridge Authority Act, currently Sections 525 to 542 of the New York Public Authorities Law and is

... to maintain and operate safe vehicle crossings over 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 ending December 31, 2007, reflects the Authority's efforts to meet its organizational and financial goals.

OVERVIEW

For the second straight year, small annual traffic increases resulted in lower toll revenues as the 58,956,976 crossings accounted for collections of \$39,305,999.

Operating expenses totaled \$40,224,183, increasing \$9,235,389 above the 2006 figure. Most of this increase was for rehabilitation, reconstruction and bridge repairs, up \$6,727,985.

Interest earned on investments and interest paid on the Authority's outstanding bonds, together classified as non-operating revenue and expenses, posted a deficit of \$564,715.

Net assets at the end of the year of \$62,208,191 were off \$1,221,452 from the 2006 close.

OPERATIONS

Expenses for the operation and maintenance of Authority facilities can vary greatly from one year to the next if major rehabilitation is undertaken. In 2007, expenses totaled \$40,224,183, an increase of \$9,235,389. As expected, costs rose in a number of categories, but the most significant was a \$6,727,985 increase in rehabilitation, reconstruction and bridge repairs. This is detailed in the reinvestment section of this report.

Daily operating results showed salaries of \$11,460,560 increasing \$384,714, or 3.5 percent, which was the same percentage increase in basic salaries provided for in this final year of the collectively bargained contract with Authority employees.

The \$6,069,843 for employee benefits rose \$1,706,903 as a result of a new Governmental Accounting Standards Board (GASB) mandate requiring post-employment benefits be expensed not only for present retirees but also current employees. Since, in the past, the Authority included in expenses the future health insurance costs of only retired employees this added approximately \$1,700,000 to the employee benefits costs.

Expenses of \$894,681 for professional services increased by \$257,607 as the annual bridge inspections totaled \$496,554, up \$156,426. Every year, three of the bridges are subjected to an in-depth detailed biennial inspection that meets or exceeds the criteria of both federal and state mandatory bridge inspection programs. When, as this year, this is done at the larger Newburgh-Beacon twin spans and the Kingston-Rhinecliff Bridge, as opposed to the smaller Bear Mountain and Mid-Hudson bridges, the cost is significantly higher.

Electronic toll costs through E-ZPass rose \$221,625, totaling \$2,840,024 as customers taking advantage of this technology continued to increase.

The Authority took advantage of a softening in the insurance market and realized a \$137,451, or 7.5 percent, reduction in premiums which aggregated \$1,692,357 in 2007.

REINVESTMENT

Capital improvements to facilities are a direct result of the Authority's annual inspection program conducted by independent engineers and the in-house engineering and maintenance department. The Authority believes its attention to the preservation of its six superstructures, with a replacement value of \$1.2 billion and an average age of 60 years, make them among the most well maintained anywhere.

In 2007, \$14,021,956 was invested in facility rehabilitation, reconstruction and improvements while another \$1,430,049 was expensed for capital additions.

Major bridge projects this year included: \$8.4 million for lead abatement and bridge painting at the Rip Van Winkle Bridge; variable message signage and lane use signaling replacement as well as security systems and cameras at a cost of \$2.0 million at the Mid-Hudson Bridge; \$.8 million to provide municipal water and sewer to the Mid-Hudson Bridge facility; a full electrical upgrade and power modification on the Bear Mountain Bridge totaling \$1.4 million; \$1.0 million for the periodic evaluation of the main cable of the Bear Mountain Bridge; and, \$.5 million for roadway widening at the Kingston-Rhinecliff Bridge.

TRAFFIC

The 58,956,976 crossings for the year were 296,924, or .51 percent, above the 2006 figure as rising gasoline prices and an unsettled economy weighed on traffic as the year came to a close.

The only significant volume increase this year was at the Newburgh-Beacon Bridge, which carries Interstate Route 84 across the Hudson River. An additional 367,842, or 1.46 percent, vehicles brought the annual total over the twin spans to 25,478,506, equaling 43 percent of all Authority traffic. The Kingston-Rhinecliff and Bear Mountain bridges posted gains of .08 percent and .66 percent, respectively.

Declines were posted at the Authority's northernmost facility at Rip Van Winkle where the 5,412,518 crossings were down 81,790, or 1.49 percent, and at the Mid-Hudson Bridge where traffic fell below 14 million, to 13,976,750, with 37,088, or .26 percent, fewer vehicles.

A breakdown of the traffic by classification showed vehicles taking advantage of the Authority's commuter discount fell slightly to 9,725,204, a 14,302, or .15 percent, decrease. Commercial traffic, which accounts for 8 percent of the Authority's volume, was off 1.53 percent, or 69,252 vehicles. Trucks accounted for 4,453,526 trips in 2007. These declines were compensated for by an increase in non-commuter passenger vehicles which were up 380,478, or .86 percent, and totaled 44,778,246.

REVENUE

Considering significantly increased gasoline costs and a softening economy, traffic and revenue held up well in 2007.... until December. Much colder weather, compared with 2006, and one less shopping weekend before Christmas, combined to send traffic and revenue down over 7 percent for the month causing annual collections to decrease for the third consecutive year. The \$39,305,999 taken for the year was off \$70,002, or .18 percent.

While the Authority's southern spans at Newburgh-Beacon and Bear Mountain posted small increases of .36 percent and .30 percent, respectively, the other three bridges saw declines ranging between .31 percent, or \$12,369, at Mid-Hudson and 3.08 percent, or \$97,916, at the Rip Van Winkle Bridge.

As in 2006, revenue declined despite a traffic increase due to a lower share of commercial vehicles in the Authority's traffic mix. The 69,252 fewer truck crossings, resulted in reduced revenue of \$220,024. The Newburgh-Beacon Bridge, which accounts for 75 percent of all Authority truck traffic, saw commercial revenue decline by \$98,479. The Rip Van Winkle Bridge also posted \$67,159 less truck revenue on 6.20 percent fewer crossings. This, however, was due to size restrictions placed on vehicles as a result of a painting and lead abatement project.

Investment income rose \$211,176 as interest totaled \$2,399,170. Miscellaneous income sources brought in another \$261,447 as total annual revenue came to \$42,012,292, an increase of \$332,446 over the prior year.

FINANCE

During the year, the Authority provided for \$8,189,666 in debt service on its outstanding bonds. This included \$5,155,000 of principal due January 1, 2008, at which time \$58,465,000 of debt remained outstanding. These are General Revenue Bonds, Series 1997 and 2002, with final maturities in January 2012 and 2017, respectively.

In March 2007, Moody's Investment Service reaffirmed the Bridge Authority bonds Aa2 rating. The bonds of only three toll funded public transportation agencies in this country have achieved such a rating. Standard & Poor's had affirmed the Authority AA- bond rating in 2005.