



**STATE OF LOUISIANA
LEGISLATIVE FISCAL OFFICE
BATON ROUGE**

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TO: The Honorable John A. Alario, Jr., Chairman and
Honorable Members of the Joint Legislative Committee on the Budget

FROM: Gordon Monk, Legislative Fiscal Officer
Robert E. Hosse, LFO Staff Director

DATE: March 13, 2007

SUBJECT: Joint Legislative Committee on the Budget Meeting

Attached is the Legislative Fiscal Office analysis of the Greater New Orleans Expressway Commission budget request for Fiscal Year 2006-2007. This budget request will be considered by the JLCB at your meeting this Friday, March 16, 2007. Please contact us if you have any questions.

Attachments



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To: The Honorable John A. Alario, Jr., Chairman
Joint Legislative Committee on the Budget
The Honorable Members of the Joint Legislative Committee on the Budget

From: H. Gordon Monk, Legislative Fiscal Officer
Evan J. Brasseaux, Section Director

Date: March 16, 2007

Subject: GREATER NEW ORLEANS EXPRESSWAY COMMISSION
FY 06-07 BUDGET ANALYSIS

The Greater New Orleans Expressway Commission (GNOEC) staff annually prepares its budget for approval by the Commissioners in accordance with its bond indenture. Upon approval by the GNOEC, the budget is then submitted to the Legislative Fiscal Office. The GNOEC approved the original budget on October 3, 2006 and submitted the approved budget to the Legislative Fiscal Office on November 7, 2006.

Prior to the submission of the annual operating budget to the Joint Legislative Committee on the Budget for its approval or rejection, the Legislative Fiscal Office reviews the submission of the budget for mathematical accuracy and content. The Legislative Fiscal Office prepares an analysis of the budget submitted by the GNOEC and provides this report to the Joint Legislative Committee on the Budget for its consideration.

BUDGET SUMMARY, FISCAL YEAR 06-07
Greater New Orleans Expressway Commission

	Actual	Actual	Approved	Estimated	Requested	FY 06	Page
	<u>FY 03-04</u>	<u>FY 04-05</u>	<u>FY 05-06</u>	<u>Year End</u>	<u>FY 06-07</u>	<u>vs. 07</u>	<u>No. Notes</u>
				<u>FY 05-06</u>			
Means of Finance							
Highway Fund No. 2	\$5,429,586	\$4,968,696	\$5,350,000	\$5,901,748	\$5,650,000	6%	3 6% increase over FY 06
Tolls	\$15,633,720	\$13,780,613	\$16,938,000	\$18,209,986	\$18,885,000	11%	3,4 6.7 million crossings in FY 07
Interest Income	\$458,579	\$1,026,702	\$400,000	\$400,000	\$575,000	44%	4 Higher int. rates and fund bal.
Other Revenue	\$416,280	\$495,864	\$479,906	\$479,906	\$459,480	-4%	4
Total MOF	\$21,938,165	\$20,271,875	\$23,167,906	\$24,991,640	\$25,569,480	10%	
Expenditures							
Salaries	\$2,928,878	\$3,181,844	\$3,485,654	\$3,254,998	\$3,917,882	12%	4,8 5.5 additional FTEs
Related Benefits	\$1,041,682	\$1,087,281	\$1,115,608	\$1,062,749	\$1,315,108	18%	4,8 Increases 18%
Other Compensation	<u>\$34,180</u>	<u>\$34,180</u>	<u>\$34,180</u>	<u>\$34,180</u>	<u>\$34,180</u>	0%	8 Commissioner's salaries
Personnel Svcs.	\$4,004,740	\$4,303,305	\$4,635,442	\$4,351,927	\$5,267,170	14%	
Operating Services	\$2,049,121	\$1,925,566	\$2,155,500	\$2,147,280	\$2,367,500	10%	5,9 Insurance costs increase 10%
Supplies	\$1,051,565	\$1,179,799	\$1,315,000	\$1,710,458	\$1,526,025	16%	10 Fuel allocation increases
Operating Expenses	\$3,100,686	\$3,105,365	\$3,470,500	\$3,857,738	\$3,893,525	12%	
Professional Services	\$320,348	\$251,067	\$315,000	\$258,505	\$260,000	-17%	11 17% decrease from FY 06
Debt Service	\$4,763,201	\$4,720,701	\$4,741,002	\$4,720,702	\$4,753,376	0%	13 Schedule on page 13
State Surplus-HPL	<u>\$1,175,482</u>	<u>\$1,374,203</u>	<u>\$1,897,039</u>	<u>\$1,742,174</u>	<u>\$1,604,698</u>	-15%	5,14 Decrease in acquisitions exps.
Other Charges	\$5,938,683	\$6,094,904	\$6,638,041	\$6,462,876	\$6,358,074	-4%	
Acquisitions	\$471,440	\$520,284	\$637,400	\$637,400	\$675,870	6%	16 6% increase
Major Repairs/Cap Im	\$8,102,268	\$5,996,950	\$7,471,523	\$9,423,194	\$9,114,841	22%	16-18 22% inc. in cap improvements
Acquisitions/Repairs	\$8,573,708	\$6,517,234	\$8,108,923	\$10,060,594	\$9,790,711	21%	
Total Expenditures	\$21,938,165	\$20,271,875	\$23,167,906	\$24,991,640	\$25,569,480	10%	

BUDGET REVIEW AUTHORITY

Section 2 of Act 875 of 1988 requires the GNOEC to submit its annual operating budget to the Joint Legislative Committee of the Budget for its approval or rejection prior to the expenditure of funds contained in such budget. Historically, the Joint Legislative Committee on the Budget has approved the Commission's budget in February or March after the beginning of the Commission's fiscal year.

Section 4 of Act 875 of 1988 provides that the Commission may secure bonds by a trust agreement and that any revenues of the Commission remaining at the end of each fiscal year after (1) payment of all expenses of maintaining and operating the facilities of the Commission and (2) satisfaction of all obligations of the Commission shall be considered surplus. This

surplus shall be transferred to the Treasurer of the State of Louisiana for deposit in the Treasury, provided that prior to the transfer of surplus funds the Commission shall use said funds first for its officers to police the Huey P. Long Bridge, and transfer \$50,000 each fiscal year to each of the parishes of St. Charles, St. John the Baptist, and Tangipahoa. Act 1227 of 1995 provides that the Commission use surplus funds to provide \$50,000 per year beginning in FY 95 to the following: Jefferson and St. Tammany parishes, the City of New Orleans for use by the New Orleans Recreation Department, and the Washington Parish Infrastructure and Park Fund.

BUDGET SUMMARY

The Greater New Orleans Expressway Commission (GNOEC) is requesting approval of a FY 06-07 budget which represents a 10.4% increase from the budget approved by the JLCB for FY 05-06. This increase is largely due to an anticipated increase in toll revenues of approximately \$2 million, and anticipated revenues from Highway Fund #2 which are budgeted at \$300,000 greater than the budget for FY 06. This is based on the latest projection for Highway Fund #2 adopted by the Revenue Estimating Conference at its December 5, 2006 meeting. This additional funding will be used primarily for capital improvement projects.

The GNOEC has lost approximately \$2 million in toll revenue due to Hurricane Katrina and has submitted a claim to its business interruption insurance. In addition, the GNOEC has also submitted a claim for reimbursement for approximately \$13 million for hurricane related damages. Should the GNOEC not receive reimbursement from its insurance company, it will submit a claim to the Federal Highway Administration (FHWA) and FEMA (if necessary) for necessary repairs and rehabilitation work resulting from damage caused by Hurricane Katrina.

MEANS OF FINANCING

Highway Fund Number 2

Highway Fund Number 2 revenues are derived from vehicular license taxes collected in the parishes of Orleans, Jefferson, St. John, St. Charles, Tangipahoa and St. Tammany. These revenues are divided equally at year-end between the Greater New Orleans Expressway Commission and the Crescent City Connection Division. The GNOEC anticipates a total of \$5.65 million in Highway Fund #2 dollars in FY 06-07. As in the previous fiscal year, the GNOEC portion of Highway Fund #2 is greater than its annual debt service. The GNOEC once again requests using this "surplus" for its capital improvement program (formerly called the rehabilitation program). As stated in previous reports, the LFO has previously requested and received an Attorney General opinion on this matter of whether these "surplus" funds could be utilized in its budget for use in capital improvements.

Attorney General Opinion Number 05-0059, and its subsequent clarification, notes that "the act (ACT 875 of the 1988 Regular Session) does not specifically reference a rehabilitation program but if the rehabilitation program consists of expenditures related to maintaining and operating the Commission facilities or the renewal or replacement of the Commission facilities then such expenditures would be authorized by the Act and could be used prior to deposit of any surplus into the State Treasury".

Toll Revenues

Toll revenues are budgeted based on historical collections and trends in traffic patterns. Current estimates indicate revenues for Fiscal Year 06-07 will increase by nearly 12% over the amount projected for last fiscal year. Toll revenues are budgeted at \$18.9 million for FY 06-07.

The GNOEC speculates that this increase is due to displaced citizens from New Orleans which have moved to the North Shore as well as increased truck traffic which has taken this route due to weight limitations on the I-10 twin spans. The GNOEC anticipates that this increased toll revenue will be permanent. The total number of one-way crossings on the expressway is anticipated to be approximately 6,700,000. Tolls collected depend upon vehicle type and payment method, which includes full fare and discounted fare programs.

Interest Income and Other Revenue

Interest income is projected to increase from the amount approved last fiscal year. This is a result of higher interest rates and maintaining larger fund balances.

EXPENDITURES

Personnel Expense

The salary expenditure category is budgeted at 12.4% greater than the amount approved last fiscal year. This budget includes the addition of 5.5 FTE's. This increase in personnel includes 2 toll collectors (1 FTE), two full-time maintenance workers for the motorist assistance patrol (2 FTEs), two full-time causeway police (2 FTEs), and elimination of the rover position in the accounting department and the addition of one full-time employee for monitoring the security cameras throughout the bridge and plazas (.5 FTE).

Due to the significant increase in traffic and cash customers continuing after Hurricane Katrina, two part-time toll collectors were added on the north shore to help traffic move through the north shore toll lanes more smoothly, alleviating backup and delays. Also, due to the increase in traffic, including the number of 18 eighteen wheel tractor trailer trucks, it has become necessary to increase enforcement and police patrols. Compliance of truck weight limits has been incorporated into enforcement. Additional officers are being deployed during peak traffic hours and other critical times on the bridge. As a result, two police positions have been added. Finally, two positions have been added to operate the two GNOEC wreckers which are used in the Motorist Assistance Patrol (MAP) program.

The budget request includes 94 full-time equivalent positions for causeway operations. A portion of the personnel count for administration (3 FTE positions) and operations (13.0) are allocated to Huey P. Long Bridge expenditures. Adding these sixteen positions brings the total FTE positions to 116.

Pay increases to employees are earned through a level and step program approved by the Commission. Administrative and supervisory personnel receive merit increases as a flat percentage based upon individual job performances. Merit increases generally range from 3% to 5% and are approved each year through the Commission's budget approval process.

Related benefits expenses will increase by 18% as a result of an increase in the contribution rate mandated by Parochial Employees' Retirement System from 12.75 to 13.25%. In addition, the percentage of participation by the commission in health insurance costs was adjusted from 65% to 70%. A corresponding decrease in employee participation from 35% to 30% will occur.

Operating Expenses

Operating Expenses include advertising, the publication of public notices and minutes, insurance, travel, telephone and radio expenses, utilities and other operating services. Other operating services include unused vacation and sick leave, dues and subscriptions, trustee fees, bank and visa charges for toll deposits, and other miscellaneous expenses. Operating Expenses

will increase by 9.8% or approximately \$200,000 over the total approved in FY 06. The increase is due primarily to a \$150,000 or 10% increase in insurance costs on the structure and a \$20,000 or 8% increase in estimated utilities costs. Other cost increases include a \$35,000 increase (100%) in the amount allocated for unused vacation and sick leave due to the anticipated retirement of a long-time employee.

Other Charges

Per Act 875 of 1988, the Commission will provide \$50,000 each to the parishes of St. Charles, St. John the Baptist, and Tangipahoa. Per Act 1227 of 1995, the Commission will provide \$50,000 to each of the following: Jefferson Parish, St. Tammany Parish, the City of New Orleans for use by the New Orleans Recreation Department, and the Washington Parish Infrastructure and Park Fund.

The Commission is responsible for the policing of the Huey P. Long Bridge and budgets \$1,254,698 for expenditures paid from anticipated excess revenues to the State. This represents a decrease of \$292,341 (19%) from the approved FY 06 budget. This decrease can be attributed to significant decrease (84%) in the acquisitions budget from the previous fiscal year when a thirty ton wrecker and four variable message signs were purchased. The FY 07 acquisitions budget includes only \$81,150 for the purchase of two Ford Crown Victoria units and associated equipment including radar, light bar, in car computers, and communications equipment.

Total Acquisitions & Major Repairs

This category includes capital acquisitions and the major repairs/capital improvement program. This category increases by 22% over the amount approved by the Committee last fiscal year. The amount budgeted for acquisitions has increased by 6% over FY 06, while the total amount budgeted for major repairs/capital improvements has increased by approximately 22%.

The budget for Major Repairs/Capital Improvement is \$9,114,841 in FY 07. This category was previously called the rehabilitation program. As the GNOEC has largely completed this program over the last twelve years, it will now expend these funds in a category that combines the Extraordinary Repair and Maintenance Fund and the rehabilitation program. The Extraordinary Repair and Maintenance Fund is an account required by the GNOEC bond indenture and calls for the commission to maintain at least \$800,000. Previously, this mechanism was utilized for those costs necessary for maintenance needs not addressed in the rehabilitation program. However, with the approval of this budget, this revised format will address all issues related to major repairs/capital improvements.

The approved budget request for the capital improvements/rehabilitation program includes fifteen (18) projects scheduled to cost approximately \$15.7 million. These projects include north toll plaza building renovations, causeway bridge lighting, Monroe Street Overpass lighting, north shore merge lanes, west approach road & LA. 22 capacity modifications, and bascule span motor replacement. This request carries forward \$12.9 million from previous years. The capital improvement program also proposes to carry forward \$6.4 million to future fiscal years (see page 15).

BUDGET ISSUES

The GNOEC lost approximately \$2 million in toll revenue due to Hurricane Katrina and has filed a claim with its insurer seeking reimbursement from its business interruption insurance. In addition, the GNOEC has also filed a claim with the same insurer seeking reimbursement for approximately \$13 million for necessary repairs and rehabilitation work resulting from damage caused by Hurricane Katrina. The GNOEC has yet to receive any

response related to these claims. Should these claims not be covered by the insurer, the GNOEC will submit these same requests to the Federal Highway Administration (FHWA) and then to FEMA if the FHWA does not provide a positive response.

Approximately \$4 million of this work has already been completed. The FHWA and GNOEC engineers concluded that the remaining repair work for damage caused by Katrina should be included in future projects rather than contracting smaller individual projects, which would be more costly. For example, the repairs to the spans that are slightly out of alignment (but pose no danger to vehicles crossing the spans) because of Katrina will be included in the replacement of bearing pads projects to be scheduled in subsequent years.

TOLL INCREASE AND REHABILITATION PROJECTS

In February 1995, the Greater New Orleans Expressway Commission increased tolls and charges on the Lake Pontchartrain Causeway. The revenues generated from the increase are dedicated for the purpose of funding major repairs/capital improvement projects. The schedule of tolls and charges below became effective February 1, 1995.

NOTE: The GNOEC began one-way toll collections in May 1999. Tolls have been collected only on the North Shore since that time.

PRIOR AND CURRENT TOLL SCHEDULE

<u>Height</u>	<u>Type</u>	<u>Axles</u>	<u>Current Toll</u>	<u>Prior Toll</u>
Under 7'6"	Commuter	2	\$2.00	\$0.50
		Cash		
	2	\$3.00	\$1.00	
	3	\$4.50	\$1.50	
	4	\$6.00	\$2.00	
		5+	\$7.50	\$2.50
Over 7'6"	Cash	2	\$6.00	\$2.35
		3	\$9.00	\$2.90
		4	\$12.00	\$3.75
		5+	\$15.00	\$4.00

PERSONNEL EXPENSE

		<u>Actual</u>		<u>Actual</u>		<u>Approved</u>		<u>Requested</u>
SALARIES	<u>FTE</u>	<u>FY 03-04</u>	<u>FTE</u>	<u>FY 04-05</u>	<u>FTE</u>	<u>FY 05-06</u>	<u>FTE</u>	<u>FY 06-07</u>
General Manager	1.0	\$105,254	1.0	\$108,938	1.0	\$114,385	1.0	\$121,196
Asst. Gen. Manager	1.0	\$62,547	1.0	\$66,475	1.0	\$73,262	1.0	\$79,503
N. Shore Supervisor	1.0	\$46,013	1.0	\$48,947	1.0	\$51,883	1.0	\$56,099
Office Personnel	16.0	\$560,987	16.5	\$587,688	15.5	\$600,541	16.0	\$635,090
Less: HPL Adm.	<u>(3.0)</u>	<u>(\$90,376)</u>	<u>(3.0)</u>	<u>(\$120,662)</u>	<u>(3.0)</u>	<u>(\$127,431)</u>	<u>(3.0)</u>	<u>(\$137,578)</u>
Total Administrative	16.0	\$684,425	16.5	\$691,386	15.5	\$712,640	16.0	\$754,310
Toll Collectors	12.0	\$305,412	12.0	\$334,031	12.5	\$334,137	13.5	\$402,819
Bridge Monitors	5.0	\$105,419	5.0	\$119,154	5.0	\$125,758	5.0	\$137,575
Maintenance	25.0	\$635,957	25.0	\$662,494	25.0	\$720,117	27.0	\$796,560
Dispatch/Basculer Oper.	19.5	\$441,835	19.5	\$505,850	19.5	\$592,713	19.5	\$690,091
Police	30.0	\$1,173,460	30.0	\$1,360,934	30.0	\$1,580,392	32.0	\$1,813,482
Less: HPL Operations	<u>(12.0)</u>	<u>(\$417,630)</u>	<u>(12.0)</u>	<u>(\$492,005)</u>	<u>(13.0)</u>	<u>(\$580,103)</u>	<u>(13.0)</u>	<u>(\$676,955)</u>
Total Operations	79.5	\$2,244,453	79.5	\$2,490,458	79.0	\$2,773,014	84.0	\$3,163,572
TOTAL SALARIES	95.5	\$2,928,878	96.0	\$3,181,844	94.5	\$3,485,654	100.0	\$3,917,882
Related Benefits								
Parochial (Retirement)		\$421,664		\$512,178		\$582,259		\$674,556
Group Insurance		\$564,598		\$570,229		\$547,538		\$700,451
Retirees Group Benefits		\$108,989		\$97,013		\$87,216		\$87,216
Gov. Def. Comp. Plan		\$86,400		\$86,400		\$86,400		\$86,400
Less: HPL Rel. Benef.		<u>(\$139,969)</u>		<u>(\$178,539)</u>		<u>(\$187,805)</u>		<u>(\$233,515)</u>
Total Related Benefits		\$1,041,682		\$1,087,281		\$1,115,608		\$1,315,108
Other Compensation*		\$34,180		\$34,180		\$34,180		\$34,180
Total Personnel Expense		\$4,004,740		\$4,303,305		\$4,635,442		\$5,267,170

* Other Compensation represents the salaries of the Greater New Orleans Expressway Commissioners. The five appointed commissioners are paid \$569.66 per month for Commission duties as provided by an amendment to the Articles of Incorporation of the Great Expressway Commission. The Articles of Incorporation were executed by the Parishes of Jefferson and St. Tammany on October 20, 1954, with the above amendment being approved on August 7, 1986.

Requested Adjustments to Full Time Equivalency Position (FTE) Count:	<u>FTEs</u>
Fiscal Year 2006 FTEs Approved (Including HPL Personnel)	110.5
Net increase of personnel (FTEs)	<u>5.5</u>
Requested Fiscal Year 2007 FTEs (Including HPL Personnel)	116.0

OPERATING EXPENSES

OPERATING SERVICES	Actual FY 03-04	Actual FY 04-05	Approved FY 05-06	Requested FY 06-07	FY 06 to FY 07
Advertising	\$15,071	\$4,791	\$15,000	\$15,000	0.0%
Publication of Public Notices and Minutes	\$2,834	\$2,687	\$5,000	\$5,000	0.0%
Insurance	\$1,389,437	\$1,324,967	\$1,475,000	\$1,622,500	10.0%
Travel	\$2,433	\$685	\$5,000	\$7,500	50.0%
Telephone and Radio	\$174,794	\$179,501	\$180,000	\$187,000	3.9%
Utilities	\$222,221	\$226,352	\$250,000	\$270,000	8.0%
Other Operating Services	<u>\$242,331</u>	<u>\$186,583</u>	<u>\$225,500</u>	<u>\$260,500</u>	15.5%
TOTAL OPER. SERVICES	\$2,049,121	\$1,925,566	\$2,155,500	\$2,367,500	9.8%

The increase in this category is largely due to an increase in insurance expenses of 10% or \$147,500, an increase in utilities costs of 8% or \$20,000.

OTHER OPERATING SERVICES SUMMARY

Other Operating Services	Actual FY 03-04	Actual FY 04-05	Approved FY 05-06	Requested FY 06-07	FY 06 to FY 07
Unused Vacation & Sick Leave	\$55,799	\$31,488	\$35,000	\$70,000	100.0%
Dues and Subscriptions	\$10,618	\$8,204	\$18,000	\$18,000	0.0%
Trustee Fees	\$14,000	\$7,500	\$15,000	\$15,000	0.0%
Bank & Visa Charges on Toll Deposits	\$161,914	\$139,391	\$157,500	\$157,500	0.0%
All Other	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	0.0%
TOTAL OTHER OP. SVC.	\$242,331	\$186,583	\$225,500	\$260,500	15.5%

This category also includes dues to the International Bridge, Tunnel and Turnpike Authority and for memberships in various police associations and chambers of commerce. A significant increase in expenses related to unused vacation and sick leave is anticipated as an employee who has been with the Causeway for thirty years is set to retire in 2007.

SUPPLIES EXPENSE

Supplies Expense Items	Actual FY 03-04	Actual FY 04-05	Approved FY 05-06	Requested FY 06-07	FY 06 to FY 07
Ofc. Expense and Supplies	\$133,234	\$126,256	\$130,000	\$255,712	96.7%
Oper. Expenses & Supplies	\$374,626	\$475,444	\$585,000	\$634,313	8.4%
Repair & Maint./Supplies	<u>\$543,705</u>	<u>\$578,099</u>	<u>\$600,000</u>	<u>\$636,000</u>	6.0%
TOTAL SUPPLIES EXP.	\$1,051,565	\$1,179,799	\$1,315,000	\$1,526,025	16.0%

Office Expense and Supplies:

The GNOEC is requesting a 96.7% increase in its office expense and supply budget. Because of the significant increase in costs of labor and materials following Hurricane Katrina, the construction of a new building to house Administration and Dispatch departments, previously included in the South Toll Plaza Renovations project, has been cancelled and deleted from the project. Office space will be leased to accommodate these departments, with the cost being included in this expenditure category.

Included in this general ledger account are the costs related to disposal services, postage, extermination and termite control, office machine repairs and maintenance contracts, and other general administrative office supplies.

Operating Expenses and Supplies:

The approved budget for FY 07 is \$634,313, which is an 8.4% increase from the previous approved budget.

Included in the general ledger account Operating Supplies are the costs associated with vehicle and truck repairs and their routine preventative maintenance. All gasoline, oil, auto parts, tires, lubricants, diesel fuel and any other similar costs are in this account. All police equipment on the vehicles and related maintenance is in this account. Also included in this account are all police uniforms and protective equipment and any expenditures for police car retrofitting. Finally, 9/11 security patrols that were initiated in FY 03 are included in this category.

Repair and Maintenance Supplies:

The amount budgeted in this category shows a 6% increase over the amount budgeted in FY 06. Because of the continued increase in traffic and toll tag users, it has been necessary to purchase additional toll tags.

Included in this account are the costs for general maintenance and supplies needed on the bridge, toll tags, toll system software maintenance, computer and electronic repairs on all bridge equipment, plumbing and janitorial supplies for the entire operation, and air conditioning contracts and other miscellaneous items dealing with operations maintenance. Also included are the components of the crash attenuators on the bridge which must be kept in stock and used by maintenance personnel in repairing damaged attenuators.

PROFESSIONAL SERVICES

Professional Service Items	Actual <u>FY 03-04</u>	Actual <u>FY 04-05</u>	Approved <u>FY 05-06</u>	Requested <u>FY 06-07</u>	FY 06 to FY 07
Accounting and Finance					
Independent Audit	\$10,000	\$9,960	\$15,000	\$15,000	0.0%
Accounting Services	<u>\$98,631</u>	<u>\$84,405</u>	<u>\$115,000</u>	<u>\$100,000</u>	-13.0%
Total Accounting and Finan.	\$108,631	\$94,365	\$130,000	\$115,000	-11.5%
Engineering *					
Engineering Traffic Consultant	<u>\$40,535</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	0.0%
Total Engineering	\$40,535	\$5,000	\$5,000	\$5,000	0.0%
Litigation & Legal Representation					
Prior Litigation	\$0	\$0	\$0	\$0	0.0%
Gen. Counsels	<u>\$81,805</u>	<u>\$73,646</u>	<u>\$90,000</u>	<u>\$75,000</u>	-16.7%
Total Litigation/Legal	\$81,805	\$73,646	\$90,000	\$75,000	-16.7%
Other Professional Services					
Investment Consultant-Sisung	\$85,397	\$78,056	\$90,000	\$65,000	-27.8%
Police Integrity & Ethics	<u>\$3,980</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	0.0%
Total Other Prof. Services	\$89,377	\$78,056	\$90,000	\$65,000	-27.8%
TOTAL PROF. SERV.	\$320,348	\$251,067	\$315,000	\$260,000	-17.5%

* Not included in this category are the engineering costs associated with Major Repairs and the Capital Improvement Program projects. These costs generally range from 5 to 6% of the total project cost.

Beginning in FY 99-00, the Legislative Auditor began performing an annual audit of Commission's financial statements. That review is now being performed by an independent CPA firm. The Commission, with the recommendation of the Legislative Auditor, has budgeted \$15,000 for this activity.

Accounting Services includes preparation of the financial statements and budget documents.

The traffic engineer provides information pertaining to annual traffic studies and toll analyses which are used mainly for budget and operations planning.

Litigation and legal representation includes general legal consultation and litigation unrelated to insurance matters.

The budget for the Investment Consultant will remain constant. This fee is based upon the amount of the rehabilitation fund investments under the consultant's management.

OTHER CHARGES

Other Charges Expenditures	Actual FY 03-04	Actual FY 04-05	Approved FY 05-06	Requested FY 06-07	FY 06 to FY 07
Debt Service	\$4,763,201	\$4,720,701	\$4,741,002	\$4,753,376	0.3%
Interagency Expense					
Act 875 of 1988					
St. Charles Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
St. John the Baptist Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Tangipahoa Parish	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	0.0%
Total Act 875	\$150,000	\$150,000	\$150,000	\$150,000	0.0%
Act 1227 of 1995					
City of New Orleans	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Jefferson Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
St. Tammany Parish	\$50,000	\$50,000	\$50,000	\$50,000	0.0%
Washington Parish	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	0.0%
Total Act 1227	\$200,000	\$200,000	\$200,000	\$200,000	0.0%
Huey P. Long Bridge	\$825,482	\$1,024,203	\$1,547,039	\$1,254,698	-18.9%
Total Interagency Expense	\$5,938,683	\$6,094,904	\$6,638,041	\$6,358,074	-4.2%
Transfer to State of Louisiana (excess GNOEC collections)	\$0	\$0	\$0	\$0	0.0%
TOTAL OTHER CHARGES	\$5,938,683	\$6,094,904	\$6,638,041	\$6,358,074	-4.2%

Other Charges consist of Debt Service, Interagency Expense, and State Surplus. Interagency Expense includes expenditures Per Act 875 of 1988 and Act 1227 of 1995. These Acts provide, prior to the transfer of surplus funds to the State of Louisiana, funding for the policing of the Huey P. Long Bridge and for the transfer of funds to the above local agencies. The Commission last returned surplus revenues to the State of Louisiana in FY 94 in the amount of \$104,748. Act 875 of 1988 requires the Commission to use surplus funds to police the Huey P. Long Bridge.

DEBT SERVICE REQUIREMENTS

1-Nov	Series 1999A Bonds Total Debt Service	Series 2003 Bonds Principal	Series 2003 Bonds Interest	Series 2003 Bonds Total Debt Service	Combined Total Debt Service Requirements
2003	\$1,334,513	\$550,000	\$1,306,361	\$1,856,361	\$4,741,002
2004	\$1,324,763	\$1,050,000	\$2,388,439	\$3,438,439	\$4,763,201
2005	\$1,343,263	\$1,010,000	\$2,367,439	\$3,377,439	\$4,720,701
2006	\$1,333,763	\$1,060,000	\$2,347,239	\$3,407,239	\$4,741,001
2007	\$1,347,338	\$1,080,000	\$2,326,039	\$3,406,039	\$4,753,376
2008	\$1,333,150	\$1,105,000	\$2,301,739	\$3,406,739	\$4,739,889
2009	\$1,342,350	\$1,130,000	\$2,276,876	\$3,406,876	\$4,749,226
2010	\$1,347,800	\$1,160,000	\$2,244,389	\$3,404,389	\$4,752,189
2011	\$1,326,488	\$1,200,000	\$2,207,269	\$3,407,269	\$4,733,756
2012	\$1,330,300	\$1,240,000	\$2,166,769	\$3,406,769	\$4,737,069
2013	\$1,331,225	\$1,285,000	\$2,123,369	\$3,408,369	\$4,739,594
2014	\$1,329,263	\$1,330,000	\$2,076,788	\$3,406,788	\$4,736,050
2015	\$1,329,413	\$1,375,000	\$2,030,238	\$3,405,238	\$4,734,650
2016	\$1,331,413	\$1,450,000	\$1,958,050	\$3,408,050	\$4,739,463
2017	-	\$1,525,000	\$1,881,925	\$3,406,925	\$3,406,925
2018	-	\$1,605,000	\$1,801,863	\$3,406,863	\$3,406,863
2019	-	\$1,685,000	\$1,721,613	\$3,406,613	\$3,406,613
2020	-	\$1,770,000	\$1,637,363	\$3,407,363	\$3,407,363
2021	-	\$1,840,000	\$1,564,350	\$3,404,350	\$3,404,350
2022	-	\$1,920,000	\$1,486,150	\$3,406,150	\$3,406,150
2023	-	\$2,005,000	\$1,402,150	\$3,407,150	\$3,407,150
2024	-	\$2,105,000	\$1,301,900	\$3,406,900	\$3,406,900
2025	-	\$2,210,000	\$1,196,650	\$3,406,650	\$3,406,650
2026	-	\$2,320,000	\$1,086,150	\$3,406,150	\$3,406,150
2027	-	\$2,435,000	\$970,150	\$3,405,150	\$3,405,150
2028	-	\$2,560,000	\$848,400	\$3,408,400	\$3,408,400
2029	-	\$2,640,000	\$730,000	\$3,370,000	\$3,370,000
2030	-	\$2,775,000	\$598,000	\$3,373,000	\$3,373,000
2031	-	\$2,915,000	\$459,250	\$3,374,250	\$3,374,250
2032	-	\$3,060,000	\$313,500	\$3,373,500	\$3,373,500
2033	-	\$3,210,000	\$160,500	\$3,370,500	\$3,370,500
Total	\$18,685,038	\$54,605,000	\$49,280,914	\$103,885,914	\$124,121,079

HUEY P. LONG BRIDGE

Huey P. Long	Approved	Requested	FY 06
<u>Bridge</u>	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>to FY 07</u>
Administrative			
Administrative Salaries	\$127,431	\$137,578	8.0%
Payroll Taxes	\$17,488	\$19,449	11.2%
Payroll Benefits	\$21,124	\$23,284	10.2%
Materials, Supplies, Contract Work	<u>\$0</u>	<u>\$0</u>	0.0%
Total Administrative Function	\$166,043	\$180,311	8.6%
Operations			
Police Patrol	\$465,816	\$542,626	16.5%
Dispatch	\$67,688	\$76,813	13.5%
Payroll Taxes	\$75,757	\$90,542	19.5%
Payroll Benefits	\$56,707	\$73,096	28.9%
Materials, Supplies, and Maint.	\$75,000	\$75,000	0.0%
Telephone and Radio	\$18,000	\$25,000	38.9%
Unused Vacation and Sick Leave	\$5,500	\$5,500	
Insurance	<u>\$20,000</u>	<u>\$20,000</u>	0.0%
Total Operations	\$784,468	\$908,577	15.8%
Maintenance			
Maintenance Personnel	\$46,599	\$57,516	23.4%
Payroll Taxes	\$6,617	\$8,311	25.6%
Payroll Benefits	<u>\$10,112</u>	<u>\$18,833</u>	86.2%
Total Maintenance	\$63,328	\$84,660	33.7%
Capital Acquisitions	\$533,200	\$81,150	-84.8%
TOTAL HUEY P. LONG BRIDGE	\$1,547,039	\$1,254,698	-18.9%

Since Act 875 of 1988, the Commission has budgeted expenditures for the policing of the Huey P. Long Bridge not as a part of its operating budget but as a reduction to surplus. A percentage of the Commission's administrative, police, and maintenance salaries and benefits, equipment, and acquisitions comprise total expenditures associated with the policing function.

Total expenditures for policing the Huey P. Long Bridge will decrease by nearly 20% or \$300,000 due to an 85% decrease in capital acquisitions. FY 06 acquisitions included the purchase of four variable messaging signs and a thirty ton wrecker to provide improved traffic flow over this structure.

ACQUISITIONS AND MAJOR REPAIRS

Causeway Acquisitions, Major Repairs and Capital Improvement Program	Approved FY 06-07
Capital Acquisitions	
Police	\$257,850
Maintenance	\$371,900
Operations & Administration	\$46,120
Total Capital Acquisitions	\$675,870
Major Repairs	
Consulting Engineering	\$400,000
Annual AASHTO Inspection	\$200,000
Emergency and Periodic Repairs	\$250,000
Prev Maint of Mech & Elect Sys	\$50,000
System Improvement	\$200,000
Total Major Repairs	\$1,100,000
Capital Imp./Rehabilitation Program	
North Toll Plaza Access/Egress & Overlay	\$100,000
South Toll Plaza Renovations- Bldg Add.	\$1,000,000
North Channel Bascule Span Repairs	\$25,000
North Shore Merge Lanes	\$1,800,000
North Causeway Capacity Improvements	\$250,000
North Approach Road Rehab-Drainage	\$3,000,000
Replacement of Collision Avoid. Radar Sys	\$150,000
West Approach Road & LA 22 Striping Mod	\$50,000
West Approach Road & LA 22 Capacity	\$2,750,000
North Toll Plaza Building Renovations	\$150,000
South Toll Plaza Rem of Diesel Fuel Cont.	\$50,000
CCTV Cameras for Security on Bridge Cross	\$250,000
North Shore Approach Road Drainage	\$150,000
Variable Message Signs (Maint. Agreement)	\$180,000
Fender Replacement North Channel	\$900,000
Bascule Span Motor Replacement	\$250,000
Causeway Bridge Lighting	\$2,500,000
Monroe Street Overpass Lighting	\$1,000,000
Funds carried forward from Prior Year	(\$12,972,186)
Funds carried forward to Next Year	<u>\$6,432,027</u>
Total Cap. Imp./Rehabilitation Program	\$8,014,841

Acquisitions, Major Repairs/Capital Improvement Expenditure Category

Capital Acquisitions

Capital Acquisitions totals \$675,870 in FY 06-07 and includes items such as police automobiles, maintenance vehicles, and office acquisitions. This category is budgeted at 6% more than the amount approved last fiscal year.

Causeway police acquisitions in FY 07 total \$257,850 and include the purchase of six police vehicles and related equipment. In addition, this request includes six mobile in-car video cameras at a total expense of \$44,400 and three in-car computers costing \$30,000.

Maintenance acquisitions for FY 07 total \$371,900 and includes the purchase of a bobcat with trencher for \$70,000, one Ford F-150 truck with associated equipment totaling \$24,000, three F-350 trucks with a utility body at a cost of \$156,900 (including overhead VMS, portable 800 radio, and associated equipment), a 1 ton truck with lift and associated equipment at \$76,500 and a zero turn lawnmower at \$8,000.

Administrative acquisitions total \$41,300 and includes the purchase of one vehicle for \$26,500, a fax machine for \$2,000, a copier/printer/scanner/fax at a cost of \$2,300, and four plasma wall units for security cameras totaling \$10,000.

Operations acquisitions total \$4,820 and include the purchase of a fax/copier for the north shore toll plaza (\$3,000) and one for communications/dispatch (\$1,800).

Major Repairs / Capital Improvement Program

Total expenditures anticipated on this program for FY 06-07 is \$15,655,000. Funds carried forward represent \$12.97 million in funds budgeted in prior years for FY 06-07 major repairs and capital improvement projects. In addition, the GNOEC will carry forward a total of \$6.43 million for future projects. The GNOEC is required to have all funds available prior to the start of any projects. A complete list of the GNOEC Rehabilitation Projects with a brief description of each project may be found on page 15 of this report. The above costs include design, construction, and construction management. Consulting engineering firms provide all engineering services for Major Repairs and the Rehabilitation Program. The design engineering work generally costs approximately 5-6% of the construction cost. The cost of consulting engineers employed in the management of construction contracts is approximately 5.25%-6% of the construction cost.

The budget approved by the GNOEC on December 6, 2005 includes the capital improvement projects listed below. The projects approved by the GNOEC for a typical fiscal year often are changed in the course of the year due to changing priorities and other factors which require projects be moved (either delayed or moved forward).

Project 1201C South Toll Plaza Renovations-Building Additions & Modifications (\$1,000,000) involves renovation of the existing space for the Police Department, Records Department, Maintenance, Engineering, and Human Resources and a drive-through lane to be constructed at the existing commuter sales office. The GNOEC originally budgeted \$2.85 million in FY 05 for the construction of a new administration/dispatch building and renovation of existing buildings to provide additional space for the operations of the GNOEC. However, following Hurricane Katrina, the GNOEC has decided not to construct a new administration building at this time, but will go forward with its original plan to renovate its existing buildings and space. Due to the affect that Hurricane Katrina has had on building costs in the New

Orleans area, the GNOEC cannot at this time provide the final building plans and costs for this renovation and will continue to address this issue with the existing budget.

North Toll Plaza Access and Egress & Overlay of Maintenance Building Parking Lot (\$100,000) – This project is designed to improve safety at the North Toll Plaza through the addition of an access road to Copal Street. This access road will allow traffic at the toll plaza to return to Mandeville without entering Causeway Bridge traffic. This project also includes the overlay of the parking lot of the Maintenance Building.

Variable Message Sign (VMS) Maintenance (\$180,000)- This provides for the inspection and maintenance of the variable message signs and call box systems on the bridge.

North Channel Bascule Span Repairs (\$25,000)-This project includes the replacement of the lock bar operators on the North Channel Bascule spans. Additional work includes balancing the spans and repair of broken girder welds.

South Toll Plaza Diesel Fuel Contamination- Phase Product Removal (\$50,000) -This project provides for the removal of phase product at the former site of an underground diesel storage tank at the South Toll Plaza.

Replacement of Collision Avoidance Radar System- Phase 1 (\$150,000) -This project provides for the replacement of the marine radar located at the North Channel Bascule. All radar equipment will be replaced. New antenna will be installed at the Bascule and Crossover 5.

North Toll Plaza Building Renovations (\$150,000) -Provides for the completion of the renovations of the North Toll Plaza Building Complex. Renovations will include new space for police and employees. In addition, new public restrooms will be provided.

North Shore Merge Lanes (\$1,800,000) – Includes the widening of the southbound bridge at the North Toll Plaza to provide a longer merge lane between the four-lane toll plaza and the two-lane bridge. The project will also repair hurricane damage, install retaining walls, resurface the approach roadway and improve roadway lighting between the toll plaza and the bridge.

North Causeway Capacity Improvements- Monroe Street to Brookside Drive (\$250,000) -This project provides improved traffic flow on North Causeway Approach as well as providing improved traffic movement for the City of Mandeville. There will be extensive adjustments to the geometry of traffic at Florida Street, modifications to existing signals and adding new signals where needed.

North Approach Road Rehabilitation- Drainage Part B, Brookside Modifications, LA 22 U-turn & Third Lane (\$3,000,000) – In addition to rehabilitation of the pavement on the North Approach Road, this project includes modifications to the Brookside Drive intersection, installation of an additional lane from Florida Street to LA 22, installation of a U-turn at LA 22, and drainage improvements to the corridor. This is approximately 50% of the total cost of this project.

Causeway Bridge Lighting (\$2,500,000) – In order to provide consistent daytime and nighttime speed limits, lighting the humps of the southbound bridge is necessary.

West Approach Road & LA 22 Interim Striping Modifications (\$50,000) – Provides for increased capacity of the West Causeway Approach/LA 22 intersection by re-striping the shoulder into an additional lane.

West Approach Road & LA 22 Capacity Modifications (\$2,750,000) – Will increase capacity of the West Causeway Approach/LA 22 intersection.

Bascule Span Motor Replacement (\$250,000) – This project provides for installation of emergency span motors at the North Channel Bascule. In the summer of 2005, operation of the southwest leaf of the North Channel Bascule was interrupted due to a damaged submarine cable. While emergency repairs were being made to the submarine cable, a backup span motor was installed to restore operation in the interim. This project provides for the installation of emergency backup span motors on the three remaining leaves. In addition to providing emergency backup, these motors will provide for the primary operation of the bascule during the control system replacement project.

CCTV Cameras for Security on Bridge and Marine Crossings (\$250,000)- This project provides for the installation of twenty-five security cameras at strategic locations along the Causeway Bridge.

Fender Replacement North Channel (\$900,000)- Replacement of the existing fender system at the North Channel Bascule. The new fender, to be constructed of composite materials, will be increased in length and size to afford additional protection to the Causeway. In addition, steel dolphins will be added at the ends of the fender and access walkways from the towers will be installed. The new fender will also have improved navigation lighting and signs to assist marine traffic.

North Shore Approach Road Drainage – Part A- West Approach Road (\$150,000)- This project will improve the drainage hydraulics and make maintenance easier on the south side of the West Causeway Approach.

Monroe Street Overpass Lighting (\$1,000,000)- Replacement of the existing low-level lighting on the overpass with more contemporary streetlights. The existing lights are approaching thirty years old and are gradually failing. The present fixtures are no longer manufactured. The new lighting will be pole-mounted streetlights that will comply with Mandeville's "Dark Skies" provisions.

Finally, in the approved GNOEC budget request, the Commission intends to carry forward \$6.4 million in order to fund future projects on the major repair and improvements program. The GNOEC anticipates directing these funds to projects scheduled to begin in 2007. These projects include the following: North Channel Bascule Control System Replacement, South Toll Plaza Diesel Fuel Contamination-Next Phase of removal, Piling Restoration Part E, and North Toll Plaza Fuel & Wash Facility. Funds are often carried forward to future fiscal years as the GNOEC is required by its bond indenture to have all construction funds available before a project can be initiated.