



Maintaining the Financial and Operational Health of the Rhode Island Turnpike and Bridge Authority:

A Study of Options





Today's Agenda

- Baseline forecast assumptions
- Analysis and results
- Opportunities to maintain financial and operational health



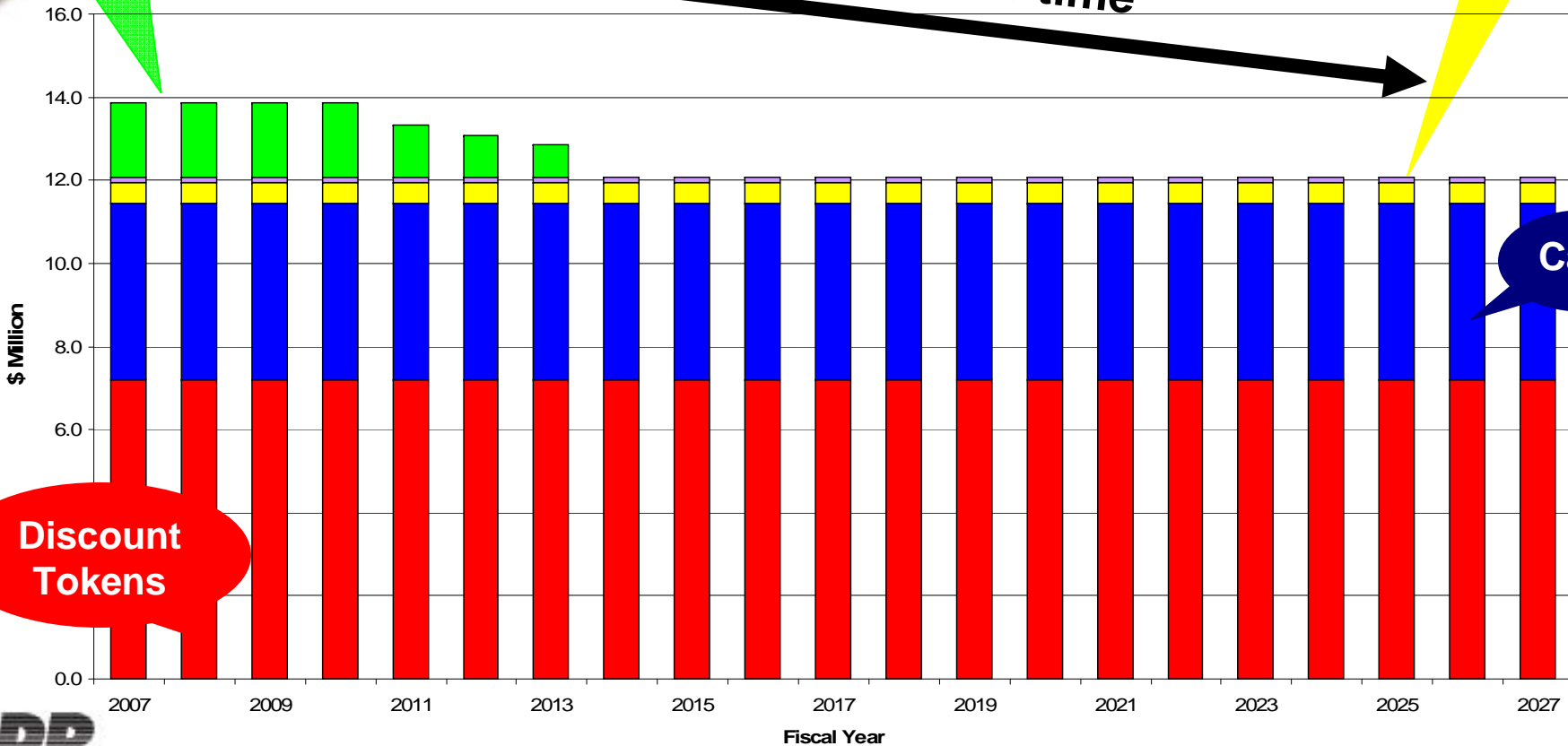
Annual revenues

Investment Income

Income decreases over time

Other Vehicles

Cash



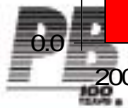
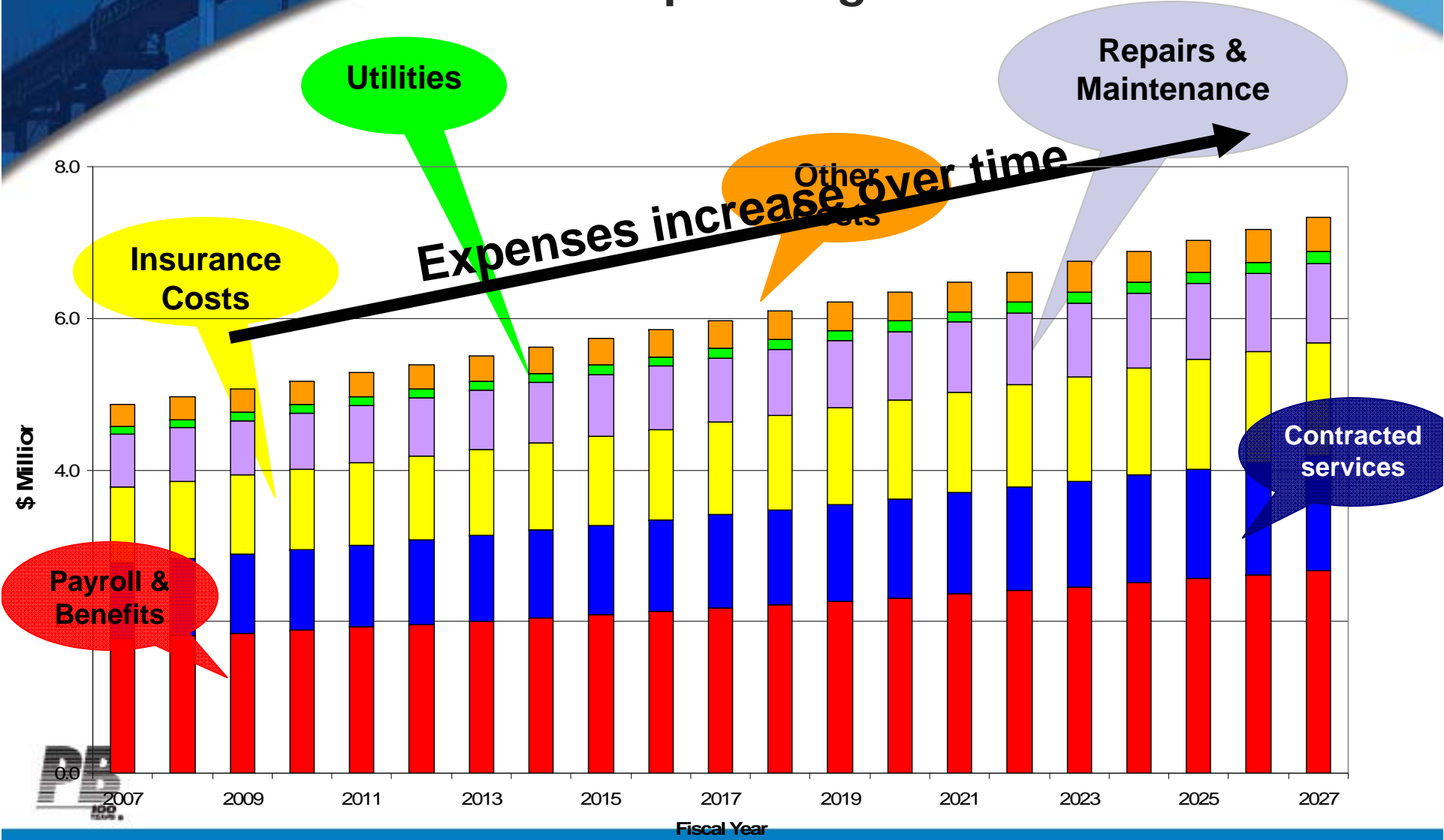


Three Categories of Expenses

- Operating
- Debt Service
- Capital

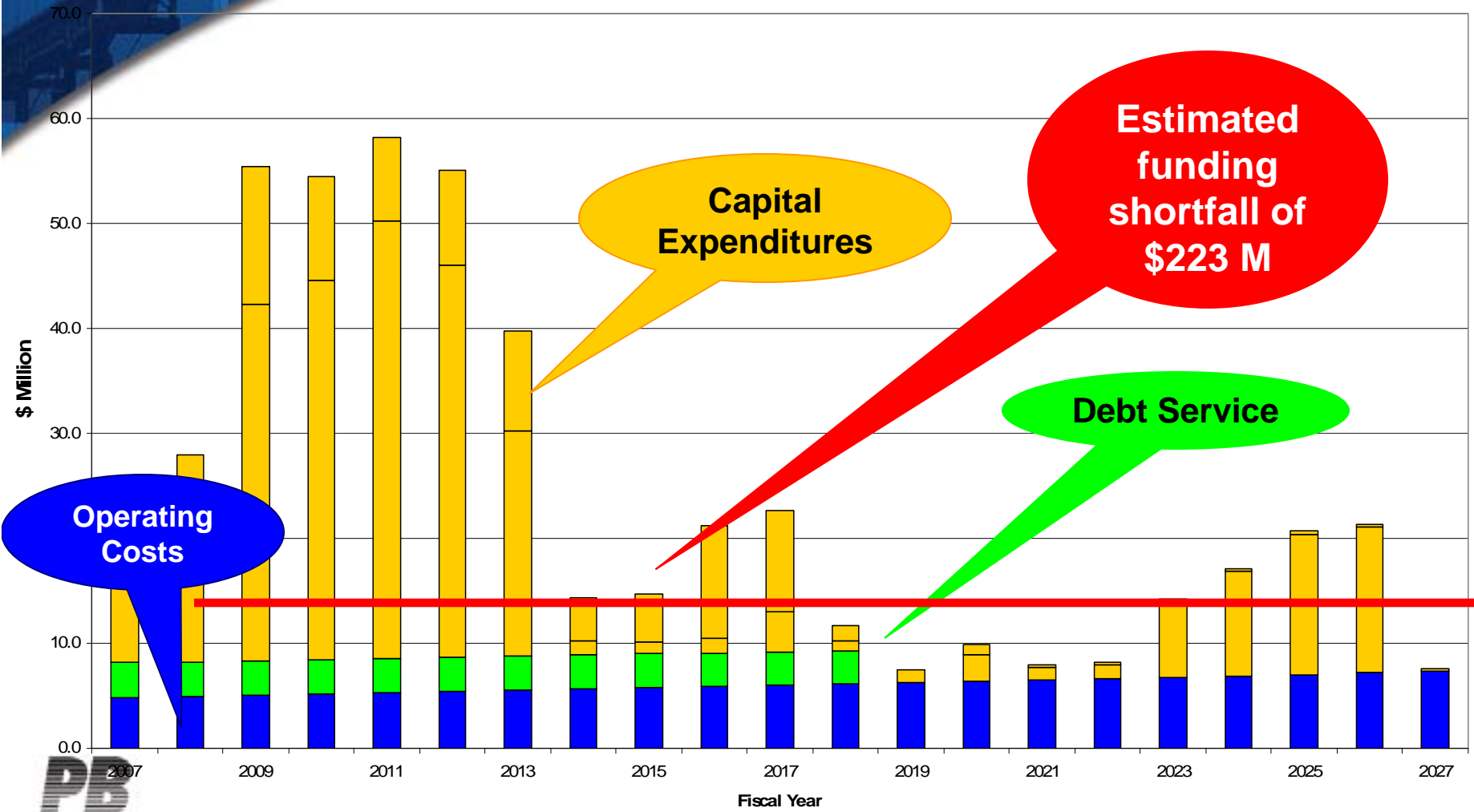


Annual Operating Costs





Baseline Forecast Results for Both Bridges





Options to Maintain Financial and Operational Health

- **Cost Reduction Strategies**
 - Outsourcing of O&M Functions
 - One-Way Tolling
 - Staffing Costs Reduction
 - Insurance Premium Reduction



Options to Maintain Financial and Operational Health

- **Cost Reduction Strategies**
- **Modifications to Current Operating Strategy**
 - Reinstitution of Mount Hope Tolls
 - Eliminate Free Token Discount



Options to Maintain Financial and Operational Health

- **Cost Reduction Strategies**
- **Modifications to Current Operating Strategy**
- **Non-Toll Increase Revenue Enhancement Strategies**
 - Leveraging of Conduits
 - Cellular Antenna Installation
 - Advertising



Options to Maintain Financial and Operational Health

- **Cost Reduction Strategies**
- **Modifications to Current Operating Strategy**
- **Non-Toll Increase Revenue Enhancement Strategies**
- **Toll Increase Revenue Enhancement Strategies**
 - One Time, Stepped and/or Seasonal Toll Rate Increases
 - All Vehicle Classes vs. Only Commercial Vehicles

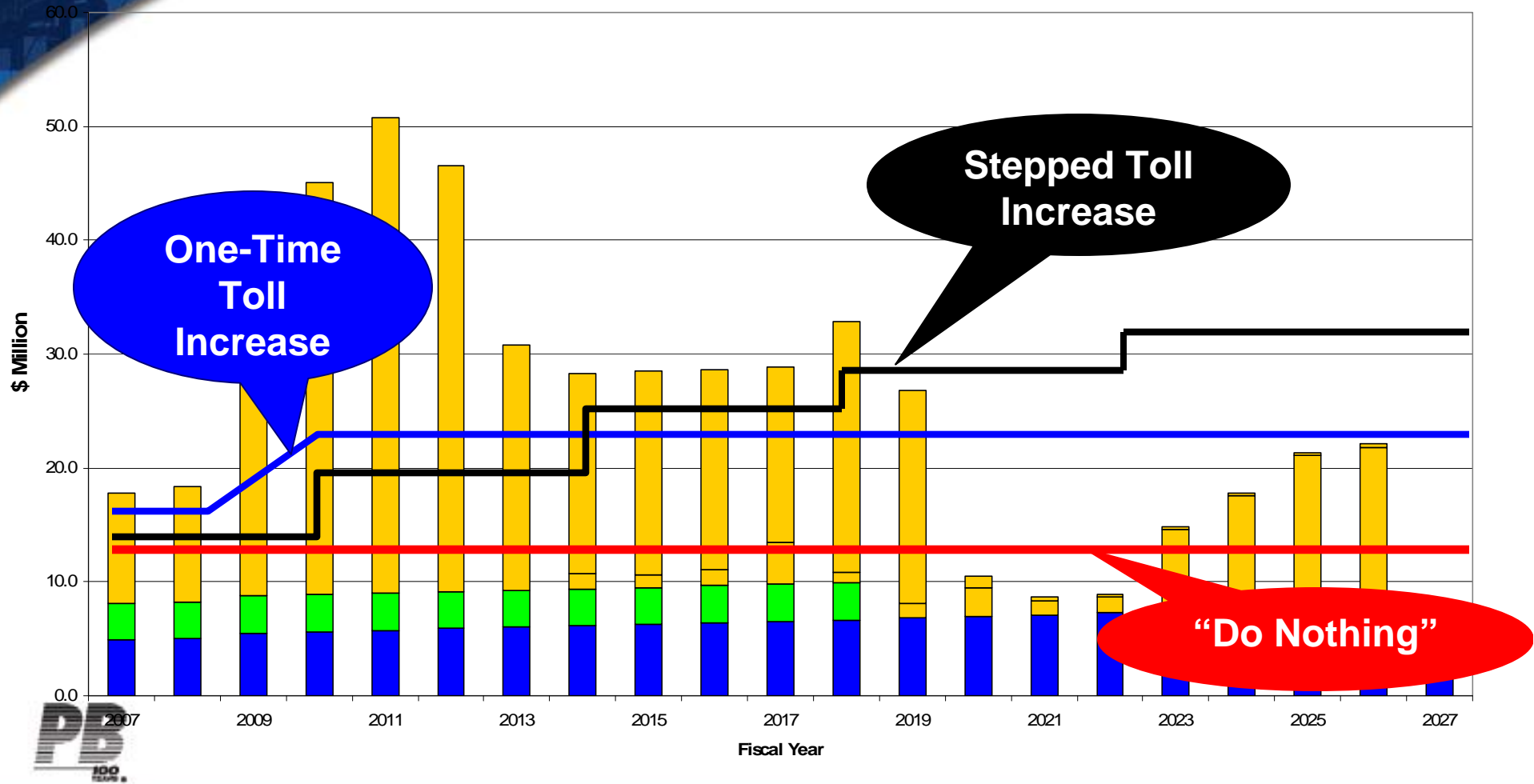


Options to Maintain Financial and Operational Health

- **Cost Reduction Strategies**
- **Modifications to Current Operating Strategy**
- **Non-Toll Increase Revenue Enhancement Strategies**
- **Toll Increase Revenue Enhancement Strategies**
- **Other Strategies**
 - Non-Traditional Finance
 - Alternative Procurement
 - Federal/State/Local Subsidy



20-Year Outlook





Scenario Alternative*	Estimated Contingent Cash Flow (\$ Millions)**
Alternative #1: State Subsidy (\$194 to \$223 million)	\$0 - \$0



Scenario Alternative*	Estimated Contingent Cash Flow (\$ Millions)**
Alternative #2: One time toll increase in FY09 (\$0.25/0.50/1.50) and periodic toll increases every five years beginning in FY13 (\$0.125/0.25/0.25)	\$24 - \$90
Alternative #3: One time toll increase in FY09 (\$0.25/0.50/1.50), periodic toll increases every five years beginning in FY13 (\$0.125/0.25/0.25) and retain free token discount	\$3 - \$67
Alternative #4: One time toll increase in FY09 (\$0.25/0.50/1.50), one time toll increase in FY13 (\$0.125/0.25/0.00), periodic toll increases every five years beginning in FY13 (\$0.125/0.25/0.25) and retain free token discount	\$51 - \$121
Alternative #5: Decrease 2-axle ETC toll (relative to Alternative #2) to eliminate contingent cash flow assuming exponential smoothing traffic forecast	(\$57) - \$0
Alternative #6: One time toll increase in FY09 (\$0.25/0.50/1.50) and periodic toll increases every five years beginning in FY13 (\$0.25/0.50/0.50)	\$127 - \$209
Alternative #7: One time toll increase in FY09 (\$0.125/0.25/0.70) and periodic toll increases every five years beginning in FY13 (\$0.125/0.25/0.25)	(\$48) - \$10
Alternative #8: One time toll increase in FY09 (\$0.25/0.50/1.50) and periodic toll increases every eight years beginning in FY13 (\$0.25/0.50/0.50)	\$73 - \$146
Alternative #9: One time toll increase in FY09 (\$0.25/0.50/1.50) and periodic toll increases every eight years beginning in FY13 (\$0.125/0.25/0.25)	(\$4) - \$58





Scenario Alternative*	Estimated Contingent Cash Flow (\$ Millions)**
Alternative #10: One-time toll increase on both NP and MH to generate similar contingent cash flow as in Alternative #2	\$22 - \$86
Alternative #11: Decrease one-time toll increase (relative to Alternative #10) for passenger vehicles using E-ZPass on NP to eliminate contingent cash flow assuming exponential smoothing traffic forecast	(\$50) - \$0



Summary

Problem

\$223 M revenue gap

Potential Solutions

State Subsidy

One-Time Toll Increase

Stepped Toll Increases

