



New Jersey Turnpike Authority

MEMORANDUM

December 1, 2012

MEMORANDUM TO: Veronique Hakim
Executive Director

RE: Authorization to Adopt the 2013 Annual Budget

Attached for your consideration is the 2013 Annual Budget, which includes the Authority's Operating Budget, Maintenance Reserve Fund Budget, Special Project Reserve Fund Budget, and Supplemental Capital/General Reserve Fund Budget. The Authority arrived at the 2013 Annual Budget proposal by engaging in a comprehensive budget preparation process, which directed departmental managers to think strategically and identify all opportunities to achieve operational efficiencies. With a critical eye, directors reviewed their respective departmental budgets and evaluated all positions and line item expenditures, as well as all proposed project budgets.

The proposed 2013 Operating Budget of \$474,000,000 is \$1.5 million, or 0.3%, lower than the 2012 Operating Budget. A schedule detailing departmental operating expenses is attached. As a result of the departmental reviews, the proposed 2013 Operating Budget of \$474,000,000 represents the lowest Operating Budget that the Authority has had since 2007. The reduction in the 2013 Operating Budget has been achieved from the cost saving initiatives and controls implemented over the past two years. The 2013 Operating Budget includes an authorized headcount of 2,010 positions, which is one (1) position lower than the headcount authorized in the 2012 Operating Budget. This is the tenth consecutive year that the Authority has reduced its authorized headcount. The 2013 Operating Budget includes continued control of expenses within the Authority's discretion thereby offsetting expected increases in insurance premiums, settlements, and health benefit costs as well as increased E-ZPass operating costs due to contractual increases and transaction volume increases.

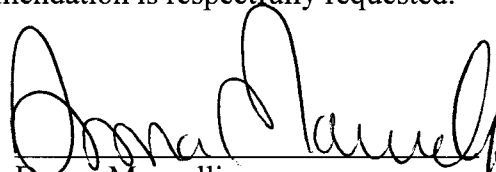
Also attached for your consideration is the 2013 Maintenance Reserve Fund budget totaling \$99,193,000, which includes spending for the maintenance and resurfacing of roadway and bridges on the New Jersey Turnpike and Garden State Parkway. The 2013 Maintenance Reserve Fund budget includes \$72,635,000 of new funding in 2013, and a carry over of an estimated \$26,558,000 of unspent funds from the 2012 Maintenance Reserve Fund budget. Approval is also requested to have any additional unspent funds from the 2012 Maintenance Reserve Fund Budget carried over and added to the approved 2013 Maintenance Reserve Fund budget. Should the amount of unspent funds from the 2012 Maintenance Reserve Fund budget be less than

Authorization to Adopt the 2013 Annual Budget
Page 2

\$26,558,000, the 2013 Maintenance Reserve Fund budget will be reduced accordingly. The 2013 Special Project Reserve Fund budget totaling \$37,044,000 is also attached, and includes spending for the Authority's environmental remediation work and guardrail/guiderrail replacement along the roadways. Finally, the 2013 Supplemental Capital/General Reserve Fund budget totaling \$408,501,000 is attached. This budget includes Supplemental Capital Projects totaling \$50,000,000, including the funding for Advanced Traffic Management Software for the Statewide Transportation Management Center, LED lighting upgrades, and extraordinary snow costs. This budget also provides for \$358,501,000 in General Reserve Fund payments, which include the Authority's contractual payments to the Transportation Trust Fund and Statewide Transportation Capital Plan.

The Authority's proposed 2013 Annual Budget reduces Operating Budget costs, maintains the quality of roads and services, and adequately funds the Authority's other project and reserve accounts. It is recommended that the Authority adopt the attached 2013 Annual Budget, which includes the Operating Budget, the Maintenance Reserve Fund Budget, the Special Project Reserve Fund Budget, and Supplemental Capital/General Reserve Fund Budget. The Authority's General Engineering Consultant, HNTB Corporation, concurs with this recommendation.

Your approval of this recommendation is respectfully requested.



Donna Manuelli
Chief Financial Officer

CERTIFIED FOR CONSIDERATION:



Veronique Hakim
Executive Director

**New Jersey Turnpike Authority
Operating Budget**

	2012 <u>Budget</u>	2013 <u>Budget</u>	Increase <u>(Decrease)</u>
Executive Office	\$ 722,000	729,400	7,400
Law	1,323,500	1,370,300	46,800
Purchasing & Materials Management	4,210,800	4,272,900	62,100
Human Resources & Office Services	3,467,000	3,504,600	37,600
Finance	5,817,400	5,863,200	45,800
Integrated Technology Services	15,274,100	16,091,200	817,100
Maintenance	67,222,100	66,944,700	(277,400)
Tolls	51,994,900	48,875,400	(3,119,500)
Operations	6,381,700	6,715,000	333,300
Patron & Customer Services	1,240,500	1,253,900	13,400
Automotive Services	1,799,900	1,867,200	67,300
Engineering	3,325,600	3,349,300	23,700
Internal Audit	1,558,600	1,607,600	49,000
Non-Departmental	21,121,000	23,657,200	2,536,200
Utilities	18,165,000	16,312,400	(1,852,600)
Snow	8,183,100	7,929,100	(254,000)
	<u>211,807,200</u>	<u>210,343,400</u>	<u>(1,463,800)</u>
State Police	61,642,700	60,908,400	(734,300)
Pension & Retirement	29,485,000	26,980,400	(2,504,600)
Health Benefits	73,884,700	74,601,500	716,800
ETC Operating	98,680,400	101,166,300	2,485,900
	<u>\$ 475,500,000</u>	<u>474,000,000</u>	<u>(1,500,000)</u>
% Decrease from 2012			-0.3%

Approved:



Veronique Hakim, Executive Director



James Beattie, Vice President, HNTB Corp.

**New Jersey Turnpike Authority
Maintenance Reserve Fund**

<u>Project Number</u>	<u>Project Name</u>	<u>2013 Budget</u>
03010001	TPK - Bridge Repairs	\$ 35,891,000
03010002	TPK Resurfacing	23,498,400
03020001	GSP - Bridge Repairs	20,855,000
03020005	GSP - Resurfacing	11,202,300
03010005	Bridge Inspections	7,746,300
		<u>\$ 99,193,000 *</u>

*Includes projected carryover. Authorization is given to adjust the above total based on the final audited MRF carryover at 12/31/2012.

Approved:



Veronique Hakim, Executive Director



James Beattie, Vice President, HNTB Corp.

New Jersey Turnpike Authority
Special Projects Fund

<u>Project Number</u>	<u>Project Name</u>	<u>Total</u>
04000010	Linestriping	\$ 1,100,000
04000011	Energy Conservation Program	204,000
04000012	Solar Panels	58,600
04000022	IBM Servers Project	80,000
04008003	Design Standards	878,100
04008019	CapEx System Improvements	325,400
04008022	Claims Settlement	2,000,000
04008028	Guardrail/Guiderail Replacement Program	3,600,000
04008030	Clear Zone	1,775,100
04008033	Equipment Replacement Under \$50,000	4,845,000
04008043	Right of Way Fencing	852,400
04008053	Repair of Security Gates	175,000
04008056	Lane Closing Application	100,000
04008062	Ent GIS Dev/tmp Phase III	431,400
04008066	PeopleSoft Upgrades & Support	400,000
04008067	Rutgers Assignment	200,000
04008068	Paint Sandblast Building	1,600,800
04008094	CMS Repairs on Turnpike No & So Mixing Bowls	100,000
04008095	GSP & Turnpike Roadway Improvements	35,000
04008102	Construction Safety Video	15,000
04010001	Surplus Property	25,000
04010002	State Police Fleet Replacement Vehicles	3,200,000
04010003	Roofing Upgrades	528,700
04010019	Environmental Remediation	4,708,200
04010022	Bird Repellent	25,000
04010027	Immediate Facility Repairs & Other Misc. Building Improvements	770,400
04010062	Engineering Studies	538,500
04018044	Electronic Bid Implementation	199,300
04018045	Beaver Brook Dam	751,600
04028038	Touch Screen Terminal Replacement	48,600
04028053	Parkway Audit	200,000
04999999	Contingency	1,212,000
NEW	Chromate Remediation	1,000,000
NEW	Int 40 Study	100,000
NEW	Origin Destination Study - Skyway	250,000
NEW	Revenue Enhancement Project	100,000
NEW	Engineering Project Review	100,000
NEW	STMC Workstation Replacement	287,100
NEW	CommVault Backup	20,000
NEW	Social Media	50,000
NEW	XIV Expansion	100,000
NEW	UPS Replacements at Parkway Ramp Plazas Phase IV	123,500
NEW	Integrated Env Monitor & Control	125,000
NEW	Import Invoices into FileNet	150,000
NEW	Lawson Data Archive	150,000
NEW	EMC DataDomain Expansion	160,000
NEW	Datamart / BI Pilot	200,000
NEW	Update of ITS Master Plan	100,000
NEW	Streaming Video	500,000
NEW	RFPs	500,000
NEW	CSC RFP Assistance	501,300
NEW	Continued Dev. Traffic Permitting / Lane Closure Sys	250,000
NEW	Fuel Cell Research	50,000
NEW	Review of Z turn design	150,000
NEW	Accident data records and new accident record system	200,000
NEW	Overturn warning system for ramps	175,000
NEW	Lane control signals at the toll plazas	175,000
NEW	Purchase installation and training of flood modeling software	150,000
NEW	Construction video implementation	75,000
NEW	Commuter Park and Ride studies	225,000
NEW	NJTA Guide Rail Study	100,000
		<u>\$ 37,044,000</u>

Approved:



Veronique Hakim, Executive Director



James Beattie, Vice President, HNTB Corp.

New Jersey Turnpike Authority
Supplemental Capital/General Reserve Fund

Project Number	Project Name	Total
08000010	GIS - Subsurface Utility Engineering Program	\$ 450,000
08000011	Upgrade Gas Boy System	435,000
08000012	IR Drainage Repair	1,500,000
08000013	Telephone Architecture Upgrade	4,000,000
08000017	Advanced Traffic Management Program	7,377,800
08007000	Extraordinary Snow	8,000,000
08007003	Immediate Repair Contracts	1,004,800
08007019	Roofing Replacements	1,250,000
08007021	Major Fleet Augmentation	8,000,000
08007022	Salt Storage Facilities	1,450,000
08007023	Vehicle Washing Systems	800,000
08007025	Microwave Replacement	18,400
08007029	Wi Max	1,400,000
08007032	Parkway & Turnpike Plaza Server Upgrade & Replacement	220,400
08007033	Security Systems/C Cure	1,000,000
08007040	ORT Network Based Cameras	300,000
08007041	UPS Upgrade Phase II & III	941,900
08007042	Enterprise Info Tech Found	113,800
08007043	Enter IT Infrastructure Rehab	4,000
08010012	Rt 120 to Rt 3 East Ramp	1,200
08010017	Const of PreFab Storage Bldg	2,200,000
08017027	Building Improvements	897,500
08020012	Driscoll Bridge Security	56,000
08020018	Replace EZPass Readers/Antennas	500,000
08027013	GSAC Recovery	(300,000)
08030001	Interchange 16W / Route 3 Ramps Improvements	9,900
08030040	Slope Stabilization & Shoulder	139,000
08030041	Development of Policy and Guidelines for Accelerated Bridge Construction	243,500
08999999	Contingency	5,000,000
NEW	CAD	750,000
NEW	Network Upgrade	700,000
NEW	Peoplesoft HCM Upgrade	300,000
NEW	ETC Host SAN Upgrade	1,000,000
NEW	OCR Servers on GSP	489,000
NEW	LED Lighting Upgrades	1,000,000
NEW	HVAC Equipment Upgrade	750,000
Reimbursable Projects		
08007044	IAS - Janus Reader	9,000 (9,000) -
08007045	Super Bowl Signs PANYNJ	250,000 (250,000) -
08017026	PTC Bridge Security Fencing	90,600 (90,600) -
08017028	PTC - Design Services - A3291	438,800 (438,800) -
08017029	PTC Delaware River Bridge	3,108,200 (3,108,200) -
08017030	PTC Inspection	121,500 (121,500) -
08017031	PTC P5 Security Cameras	16,700,000 (16,700,000) -
80170320	PTC P4 Arch Hardening	121,500 (121,500) -
08027014	CUGNET North/Rt 37	146,000 (146,000) -
08027015	Route 20 DWDN Connection	421,000 (421,000) -
08027016	DWDN Clifton to TOC Elmwood Pt	22,000 (22,000) -
08027019	NJDOT Rt 42 Fiber Connection	135,900 (135,900) -
08027021	Fiber Relocation Newark Airport	300,000 (300,000) -
08027022	Amphitheater Roof - Arts Center	3,500,000 (3,500,000) -
08027023	NBHCE Expansion - Pulaski Skyway - NJDOT	15,000,000 (15,000,000) -
	Total Supplemental Capital/General Reserve Fund	50,000,000
08007007	Transportation Trust Fund	22,000,000
08007015	Feeder Road Cost Sharing	8,001,000
08007018	North Avenue Corridor Improvement	4,500,000
08007037	State TCP	324,000,000
		<u>\$408,501,000</u>

Approved:



Veronique Hakim, Executive Director



James Beattie, Vice President, HNTB Corp.