

NEW JERSEY TURNPIKE AUTHORITY

ANNUAL BUDGET

Prepared by the Finance Department:
Donna Manuelli, Chief Financial Officer
Pamela Varga, Deputy Chief Financial Officer
Katherine Johnstone, Comptroller



2015

581 Main Street
Woodbridge, NJ 07095

Table of Contents

Table of Contents	1
Transmittal Letter	3
Mission Statement.....	4
Background	5
The Turnpike	5
The Parkway	6
\$7 Billion Capital Investment Plan and Financial Management Principles and Guidelines	8
Executive Summary	11
Organization Chart	17
Fund Structure	18
Description of Funds	18
Flow of Funds.....	19
Revenue Requirement	20
Budget Procedures	21
Summary of Major Revenues and Expenses.....	23
Sources of Revenue.....	23
Allocation of Revenue	24
Revenue	25
2015 Revenue Budget	25
Toll Statistics	26
Toll Transactions by Vehicle Type and Roadway	26
Toll Revenue by Vehicle Type and Roadway	27
2015 Operating Budget.....	28
Budget by Functional Area.....	29
Budget by Expense Type	30
2015 Operating Budget Summary by Line Item.....	31
Budgeted Full Time Employees	32
Department Budgets	33
Maintenance.....	33
Engineering	37
Toll Collection.....	40
Operations.....	43
State Police	46
Integrated Technology Services	48
Executive Offices	52

Law and Insurance Services	54
Procurement and Materials Management.....	56
Human Resources and Office Services	59
Finance.....	62
Internal Audit	67
Debt Service Fund Budget.....	69
Debt Reserve Fund	71
Charges Fund Budget.....	71
Capital and General Reserve Spending Budgets	72
Maintenance Reserve Fund	73
Special Project Reserve Fund.....	74
General Reserve Fund.....	76
Supplemental Capital Fund.....	78
Construction Fund.....	79
Capital Investment Plan	79
Debt.....	86
Bond Indebtedness	86
Aggregate Bond Debt Service Requirements	86
Debt Limit	87
Appendices	88
Appendix A: Engineer's Approval	88
Appendix B: Management Salaries.....	89
Appendix C: NJTA Non-Bargaining Salary Scale	90
Appendix D: Statistical Data.....	94
New Jersey State Highway System	94
New Jersey Turnpike Authority	95
New Jersey Turnpike	95
Garden State Parkway	95
Population	96
Employment	97
Glossary	99
Acronyms	101

Transmittal Letter

November 18, 2014

To: The Board of Commissioners of the New Jersey Turnpike Authority:

We are pleased to submit for your review the New Jersey Turnpike Authority's (the Authority's) 2015 Annual Budget. Section 710 of the Authority's Turnpike Revenue Bond Resolution requires the Board of Commissioners to adopt, on or before January 15th of each fiscal year, an Annual Budget for such year, and promptly file the Annual Budget with the Trustee, for inspection by the bondholders. The Annual Budget must include, at a minimum, appropriations for all anticipated Operating Expenses and reserves therefor, and provisions for Maintenance Reserve Payments and Special Project Reserve Payments. The Annual Budget may set forth such additional material as the Authority may determine and shall contain a certificate of the Consulting Engineer approving such Annual Budget.

As you are aware, in 2014 the Authority completed the \$2.3 billion widening of the New Jersey Turnpike between Interchanges 6-9. This project added 3 travel lanes in each direction between Interchanges 6 to 9. This project was completed on time and under budget, and added 170 lane miles to the roadway. The 6-9 widening project is designed to relieve heavy and recurring traffic congestion on this section of the New Jersey Turnpike, improve operational and maintenance performance, and provide for the increased demand for capacity in the future. The 6-9 widening project, combined with the completed widening of the Garden State Parkway between mileposts 52 and 80, has added 230 lane miles to the entire system, an increase of approximately 10%. The 2015 Annual Budget is driven by the capacity added by the completion of these projects and includes the resultant increase in both revenues and operations and maintenance expenditures.

The 2015 Annual Budget provides for the necessary personnel and expenditures to operate and maintain the New Jersey Turnpike and Garden State Parkway, two of the nation's busiest and safest toll roads. In addition, the 2015 Annual Budget provides bond covenant coverage in excess of that required by the Turnpike Revenue Bond Resolution and the Authority's Financial Management Principles and Guidelines, as well as meets all contractual payment obligations.



Joseph Mrozek
Executive Director

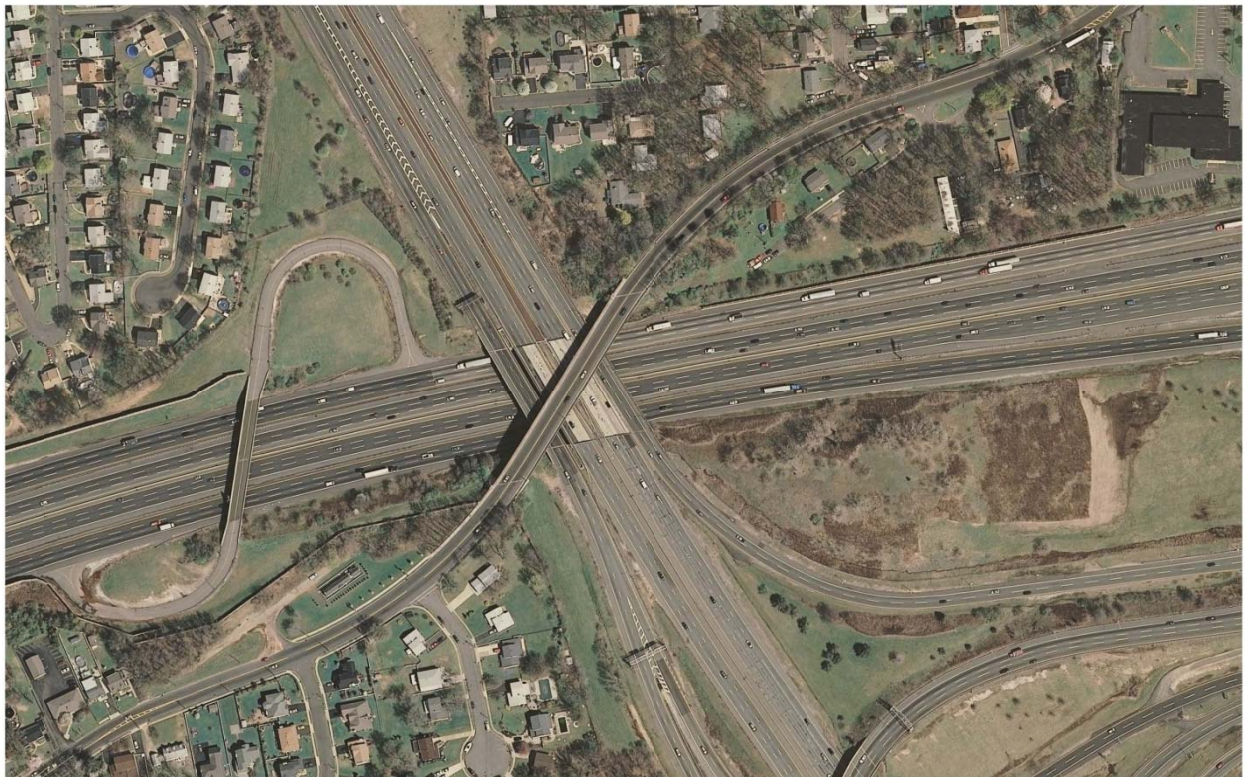


Donna Manuelli
Chief Financial Officer

Mission Statement

The New Jersey Turnpike Authority is dedicated to the safe and efficient movement of people and goods over two of the busiest toll roads in America, the New Jersey Turnpike and the Garden State Parkway. Our highways are a critical link in the transportation network of the Northeastern United States and the safest, quickest and most convenient route for hundreds of thousands of commuters, truckers and recreational travelers every day.

The intersection of the New Jersey Turnpike and Garden State Parkway in Woodbridge is pictured below.



Background

The New Jersey Turnpike Authority (the “Authority”) is a body corporate and politic of the State of New Jersey (the “State”) organized and existing by virtue of the New Jersey Turnpike Act of 1948, constituting Chapter 454 of the Laws of New Jersey of 1948, as amended and supplemented (the “Act”). Pursuant to the Act, the Authority has owned and operated the New Jersey Turnpike (the “Turnpike”) since the time the Turnpike opened for traffic in 1951. In July 2003, the New Jersey Highway Authority (the “Highway Authority”) was abolished and the Authority assumed all of the powers, rights, obligations, assets, debts, liabilities and statutory responsibilities and duties of the Highway Authority, including the ownership and operation of the Garden State Parkway (the “Parkway” and, together with the Turnpike, the “Turnpike System”). As a result, the assets and liabilities of the Authority and the Highway Authority and the ongoing operations, expenses and revenues of the Turnpike and the Parkway are now combined under the ownership and operation of the Authority.

The Turnpike

The Turnpike is a limited access toll road that serves as part of the I-95 corridor linking the major economic centers of the East Coast. Its connections to a major seaport in Newark and Elizabeth and a major airport in Newark make it an important route for both commercial and passenger vehicles. It also serves New Jersey commuters traveling to and from the major metropolitan areas surrounding Philadelphia and New York City and other employment centers in the State.

The Turnpike consists of a 122-mile mainline and two extensions. Originally, the mainline ran from Deepwater, Salem County, to US Route 46 in Ridgefield Park, Bergen County, a distance of approximately 117.5 miles. In 1992, the Authority acquired the 4.4-mile section of Interstate 95 extending from the northern terminus of the Turnpike mainline to Fort Lee, Bergen County, at the crossing of Route 9W (Fletcher Avenue), a short distance west of the George Washington Bridge toll plaza (the “I-95 Extension”). Approximately three miles west of this location is a full directional interchange with Interstate 80, a significant traffic generator for the Turnpike. At the southern terminus, the Turnpike connects, via a short section of US Route 40, with the Delaware Memorial Bridge.

The Newark Bay-Hudson County extension, which opened in 1956, is a four-lane, 8.3-mile spur that extends from Interchange 14 on the mainline Turnpike to the Holland Tunnel plaza in Jersey City, Hudson County. It includes a high-level bridge over Newark Bay. There are three interchanges on the extension: Interchange 14A (Bayonne), Interchange 14B (Jersey City), and Interchange 14C (Holland Tunnel).

The Pearl Harbor Memorial Turnpike extension, which opened in 1956, is a 6.6-mile, six-lane spur that connects the Turnpike to the Pennsylvania Turnpike. The extension begins at a junction with the mainline Turnpike at Interchange 6 (approximately two miles south of Bordentown, Burlington County) and ends at the Delaware River. The bridge across the Delaware River at that point was bonded and constructed jointly by the Authority and the Pennsylvania Turnpike Commission. A full interchange connecting the extension to Route 130 in Florence Township, New Jersey, was opened in 1999.

The Turnpike roadway is four lanes in each direction from Interchange 1 (Deepwater) to Interchange 4 (Camden-Philadelphia) and six lanes in each direction from Interchange 4 to Interchange 6 (Mansfield Township).

From Interchange 6 (Mansfield Township, Burlington County) to north of Interchange 14 (Newark), the Turnpike is configured as a “dual/dual” highway; it has two distinct sets of lanes in each direction, an inner roadway and an outer roadway. Under normal operating conditions, truck, bus, and passenger car traffic is permitted on the outer roadways, but only passenger car traffic is permitted on the inner roadways. Ramps at the interchanges enable traffic to enter or exit the Turnpike from any of the four sets of lanes.

Vehicles are prevented from crossing back and forth between the inner and outer roadways by a median with a guardrail. Crossovers have been provided on those medians to allow access to emergency and

maintenance vehicles and to provide for the detouring of traffic under police control if an accident should block one of the roadways. The northbound and southbound roadways are separated by a specially designed, crash-tested, heavy concrete barrier to prevent cross-over traffic. Grade-separated U-turn structures have been provided at appropriate locations so that police, maintenance, and other vehicles can change direction safely.

Between Interchanges 6 (Mansfield Township) and 11 (Woodbridge), there are 12 lanes total, three outer and three inner in each direction. And from Interchange 11 to Interchange 14 (Newark), there are 14 total lanes, four lanes in each direction on the outer roadways and three in each direction on the inner roadways.

North of Interchange 14, the inner and outer roadways of the Turnpike merge and divide through a complex configuration referred to as the "Southern Mixing Bowl" to follow two separate alignments, one west of the Hackensack River, the other, east of the Hackensack River. The Westerly Alignment is six lanes from north of the Southern Mixing Bowl to the NJ Route 3 crossing; it narrows to four lanes from north of this point to the point where it rejoins the Easterly Alignment just south of US Route 46. The Easterly Alignment is six lanes from the Southern Mixing Bowl to the confluence with the Westerly Alignment. North of northbound US Route 46, the roadway separates into dual express and local roadways leading to the George Washington Bridge.

A ground breaking ceremony was held in July 2009 for the construction of the Turnpike's Interchange 6 – 9 Widening Program. The Program widened the Turnpike from Interchange 6 (Mansfield Township, Burlington County) to Interchange 9 (East Brunswick Township, Middlesex County), a linear distance of 35 miles. The Program was designed to relieve heavy and recurring congestion on this section of the Turnpike, improve operational and maintenance performance, and provide for the increased demand for capacity in the future. The construction added 170 lane miles to the roadway by widening it from six to 12 lanes from two miles south of Interchange 6 (Mansfield Township, Burlington County) to Interchange 8A (South Brunswick Township, Middlesex County), a distance of approximately 25 miles, and from 10 lanes to 12 lanes between Interchange 8A and Interchange 9, a distance of 10 miles. The Program created a dual/dual roadway between Interchange 6 and Interchange 8A and expanded the outer roadway in each direction between Interchange 8A and Interchange 9. The work included improvements at Interchange 7A and the construction of a new toll plaza at Interchange 8. The Program was completed in the fall of 2014 at an estimated cost of \$2.3 billion. The northbound lanes opened on October 26, 2014 and the southbound lanes on November 2, 2014.

The Parkway

The Parkway is a 173-mile limited access toll road with connections in the south to Route 9 near Cape May, New Jersey, and in the north to the New York State Thruway at the New York-New Jersey border near Spring Valley, New York. The Parkway interchanges are numbered according to their distance from the southern terminus.

The northern section of the Parkway serves the metropolitan suburban areas in Bergen, Union, Essex, and Passaic Counties near Newark and New York City. In addition to being heavily used by commuters, the location of many businesses and industrial complexes in or near the Parkway corridor has resulted in significant local business traffic. The Parkway also is the principal highway route between metropolitan Newark-New York City and the New Jersey seashore. Heavy trucks are not allowed north of Interchange 105.

For approximately 135 miles, the Parkway is distinguished by a wide natural-area median separating northbound from southbound traffic. The purpose of the median is threefold: to prevent head-on collisions between traffic traveling in opposite directions, to prevent visual interference by opposing traffic, and to provide areas that allow extensive flexibility in road configuration. The wide natural-area median is a distinctive feature of the Parkway.

Three sections of the Parkway were constructed by NJDOT and maintained by that agency until June 30, 1987. On July 1, 1987, the Highway Authority took ownership of those sections together with all previous responsibilities and obligations. These sections total approximately 19 miles and include a 13-mile link between US Route 22 and US Route 9 in Union and Middlesex Counties, a two-mile link in Ocean County, and a four-mile link in Cape May County. These portions of the road are known collectively as the "State Sections." The term "Parkway" as used herein includes the State Sections. No tolls are charged on the State Sections.

The Parkway is four lanes (two in each direction) from Cape May to Milepost 52, six lanes to Interchange 91, eight lanes to Interchange 102, 10 lanes to Interchange 117, 12 lanes to Interchange 127, 10 lanes to Interchange 140, eight lanes to Interchange 145, six lanes to Interchange 168, and four lanes to the New York border.

In May 2011, the Authority opened the widened Parkway from Milepost 63 in Stafford Township to Milepost 80 in South Toms River at an estimated cost of \$235,000,000, \$135,000,000 of which has been funded as part of the Authority's \$7 Billion Capital Investment Plan. This widening program was designed to relieve heavy traffic congestion and to improve motorist safety by adding one new travel lane in both the northbound and southbound directions and full-width shoulders. In addition to the widening from Mileposts 63-80, widening of the Parkway has begun further south and is currently underway from Mileposts 48-63. In the summer of 2013, the Authority opened the widened Parkway from Mileposts 63 to 52. The remaining widening of this section to Milepost 48 is expected to be open in May 2015 upon the completion of the rehabilitation of the Bass River Bridge. This widening will add one lane in each direction at an estimated cost of \$220,000,000. The Authority has awarded the construction contracts for the final phase of the Parkway widening from Mileposts 48-35. The project is scheduled to be complete in 2017.

\$7 Billion Capital Investment Plan and Financial Management Principles and Guidelines

The Authority is in the midst of a \$7 billion ten-year Capital Investment Plan (the CIP), which was approved by the Board of Commissioners in October 2008. Also in October of 2008, the Board of Commissioners approved a two-step toll increase that is expected to fully fund the debt service incurred from the financing of the \$7 billion CIP. The \$7 billion CIP includes large-scale projects, including widening stretches of both the Turnpike and Parkway, as well as projects that improve interchanges, rehabilitate bridges and facilities and deploy new technologies. Due to strict project management and favorable construction pricing, the Authority has been able to expand the scope of the program without increasing the overall \$7 billion budget. The program is divided between capacity, state of good repair and safety projects.

The projects currently included in the \$7 billion CIP are the following:

Turnpike Interchanges 6-9 Widening	\$ 2,324,984,000
Bridge Improvements	1,700,300,000
Roadway Improvements	793,555,000
Interchange Improvements	1,091,061,000
Facility Improvements	500,100,000
Parkway Mileposts 35-80 Widening	<u>590,000,000</u>
Total CIP	\$ 7,000,000,000

Actual and targeted completion dates for the widening of the Turnpike and Parkway and major bridge rehabilitations are as follows:

Turnpike Widening – The Turnpike Interchanges 6-9 Widening fully opened on November 2, 2014. The Turnpike widening added three travel lanes in each direction between Interchanges 6 and 8A, and one additional lane in each direction between Interchanges 8A and 9, as well as constructed a new toll plaza at Interchange 8. The project was completed on time and under the original \$2.5 million budget.

Garden State Parkway Widening – The Parkway widening project will add a third travel lane and full shoulders between Mileposts 35 and 80 and was or will be completed as follows:

- o Phase I – Milepost 63 to 80 – Construction completed and open to motorists in May 2011.
- o Phase II – Milepost 48 to 63 – Construction underway on the second phase of the widening and in the summer of 2013 the third travel lane was opened to traffic from Mileposts 52 to 63. Upon completion of the rehabilitation of the Bass River Bridge in the summer of 2015, the remaining widening of this section of the Parkway will be completed with the third lane open to traffic to Interchange 48.
- o Phase III – Milepost 35 to 48 – Construction contracts were awarded in the summer of 2014 and construction will be completed in 2017.

Only the Parkway Phase I widening between Milepost 63-80 was in the original scope of the \$7 billion CIP. Phase II and Phase III were added to the program at a cost of \$390,000,000, without increasing the overall \$7 billion CIP.

In addition to the widening projects, the re-decking of two major bridges on the Turnpike – the Newark Bay Bridge and the Hackensack River Bridge, were completed in 2014. Four of the six major Parkway Bridges – Bass River Bridge, Mullica River Bridge, Patcong Creek Bridge and Great Egg Harbor Bridge – have been or are being rehabilitated as part of the CIP. Three of the four bridges will be completed by 2015.

Recognizing the significance of undertaking a debt financed \$7 billion CIP, the Authority's Board of Commissioners adopted Financial Management Principles and Guidelines (the Guidelines) in December 2012, which represent management's commitment to fiscal prudence, credit quality and long term repayment of outstanding debt. The Guidelines are intended to serve as a management tool to enable the Authority to communicate its commitment to a sound financial decision making process, and affirm to investors and the credit rating agencies management's commitment to the long term financial viability of the Authority and the repayment of its bonds. The Guidelines are also intended to serve as guidance for the issuance and management of debt in appropriate amounts with the goals of achieving the lowest possible costs of capital within prudent risk parameters and ensuring ongoing access to the capital markets. Finally, the Guidelines emphasize the Authority's commitment to compliance with all provisions of the New Jersey Turnpike Authority Act and the Turnpike Revenue Bond Resolution, adopted August 21, 1991, as amended, restated and supplemented ("Bond Resolution"), as well as all other federal, state and local laws. The Guidelines are comprehensive and include items such as:

- Control of operating costs while maintaining the quality of roads and services
- Establish a five-year financial plan based upon conservative revenue projections from the Authority's Traffic Engineer
- Continue the Capital Investment Program with the lowest possible cost of capital
- Adequately fund the Maintenance Reserve, Special Project Reserve, and other capital needs
- Maintain a minimum General Reserve Fund balance of \$75 million
- Maintain a minimum debt service coverage ratio of 1.4 times, and a minimum total requirements coverage ratio of 1.2 times without transfers from the General Reserve Fund

The Guidelines, which were implemented at the Authority's discretion, are not a legal covenant with Bondholders. A full copy of the Guidelines can be found on the Authority's website at <http://www.state.nj.us/turnpike/>. The 2015 Annual Budget has been formulated in conformance with these Guidelines.

The Authority's current financial plan, which includes the full funding of the \$7 billion CIP, is shown on the following page.

New Jersey Turnpike Authority
Financial Plan

Fiscal Year Ending 12/31 (000's omitted)

Revenues	Actual 2013	Actual / Est. 2014	Budget 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Toll Revenue	1,006,720	1,025,999	1,060,894	1,071,169	1,087,984	1,102,542	1,117,422	1,134,263	1,151,566
Turnpike	407,043	409,084	419,715	424,231	428,772	433,048	438,972	443,953	448,476
Parkway	51,372	52,400	53,448	54,517	55,607	56,719	57,854	59,011	60,191
ETC Project Fees	75,173	75,785	75,785	75,785	75,785	75,785	75,785	75,785	75,785
Federal Subsidy for Series 2009 F and 2010 Bonds	34,961	35,100	36,800	37,500	38,300	39,100	39,900	40,700	41,514
Concession Revenue	26,140	28,232	31,117	31,200	31,392	31,533	31,709	31,872	32,031
Other Revenue	1,601,409	1,626,600	1,677,759	1,694,402	1,717,840	1,738,727	1,761,642	1,785,584	1,809,563
Total Revenues	(473,035)	(473,800)	(485,593)	(494,593)	(500,590)	(505,963)	(511,286)	(516,398)	(521,562)
Operating Expenses									
Total Revenues Available for Debt Service	1,128,374	1,152,800	1,192,166	1,199,809	1,217,250	1,232,764	1,250,356	1,269,186	1,288,001
Future Debt Issuance			750,000	525,000	500,000	300,000			
Net Debt Service	(584,772)	(610,330)	(688,970)	(794,758)	(848,070)	(822,355)	(860,194)	(883,372)	(873,740)
Total Revenues Available After Debt Service	543,602	542,470	503,196	405,051	369,180	410,409	390,162	385,814	414,261
Payments to Charges Fund	(1,646)	(1,150)	(1,150)	(1,150)	(1,150)	(1,150)	(1,150)	(1,150)	(1,150)
Cash Flow Available for Reserves	541,956	541,320	502,046	403,901	368,030	409,259	389,012	384,664	413,111
Maintenance Reserve Fund	(72,635)	(74,814)	(87,058)	(89,370)	(116,751)	(119,086)	(121,468)	(123,897)	(126,375)
Special Project Reserve Fund	(27,783)	(28,800)	(20,900)	(38,918)	(39,696)	(40,490)	(41,300)	(42,126)	(42,969)
Net Revenues Available for General Reserve Fund	441,538	437,706	394,088	275,613	211,583	249,683	226,244	218,641	243,767
TIF Payments	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Feeder Road Projects with DOT	(8,001)	(8,001)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)	(12,500)
Existing State TCP Funding Agreement	(324,000)	(324,000)	(324,000)	(162,000)	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)
Assumed Amounts for Additional State Transfers	(52,220)	(63,155)	(80,444)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Supplemental Capital/General Reserve	35,317	20,550	(44,856)	(35,387)	(1,917)	36,183	12,744	5,141	30,267
Net Annual General Reserve Fund Increase									
Ending General Reserve Fund Balance	214,518	235,068	190,212	154,825	152,909	189,092	201,836	206,977	237,244
Debt Service Coverage Ratio									
Net Revenues/Debt Service	1.93	1.89	1.73	1.51	1.44	1.50	1.45	1.44	1.47
Net Revenues/Debt Service and Reserves	1.64	1.61	1.49	1.30	1.21	1.25	1.22	1.21	1.23

Executive Summary

The Authority operates two well-established highways one of which serves as a critical link along the I-95/Northeast Corridor and both of which allow for north south travel in New Jersey. The roads serve a densely populated and extremely wealthy region. Most of the traffic is non-discretionary and the demand for the roads has proven to be inelastic.

In July 2003, the New Jersey Turnpike Authority and New Jersey Highway Authority were consolidated. Combining two major agencies -- each of which was operating a premier toll road, the New Jersey Turnpike and the Garden State Parkway -- into a single agency was no small order. But more than eleven years later, the singular agency continues to be recognized as a first-class agency among peer public agencies in the transportation and tolling industries.

The Authority's \$7 billion CIP, which started in 2009, is 60% complete, and with the opening of the Turnpike Interchange 6-9 widening and the widening of the Parkway between mileposts 52-80, has added about 230 lane miles to the roadway system, an increase of nearly 10%. The 2015 Annual Budget is driven by the added revenues and operations and maintenance expenses generated by this additional capacity. Based upon expected revenues, and the funding to operate and maintain the additional capacity, revenues are anticipated to be sufficient to meet the requirements of the Bond Resolution without the need for a toll increase.

A summary of the 2015 Annual Budget is as follows:

REVENUES

	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2015 Budget</u>
Toll Revenue	\$ 1,413,763,000	\$ 1,432,877,000	\$ 1,480,609,000
Other Revenue	<u>187,646,000</u>	<u>191,517,000</u>	<u>197,150,000</u>
Total	<u>\$ 1,601,409,000</u>	<u>\$ 1,624,394,000</u>	<u>\$ 1,677,759,000</u>

SIGNIFICANT REVENUE HIGHLIGHTS/CHALLENGES:

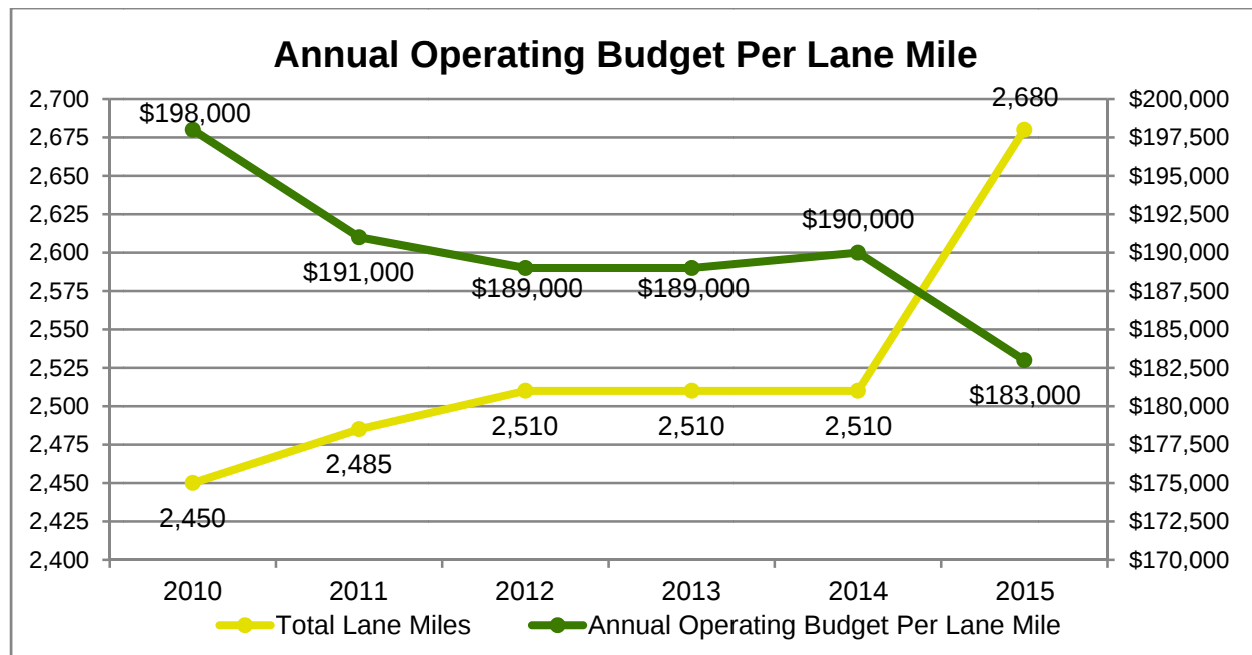
- Toll Revenue is expected to increase by 3.3% in 2015, reflecting normal growth based on ten year historical averages, recovery from the unusually harsh winter of 2014, and increased traffic upon completion of the Turnpike 6-9 widening. Gas prices, weather and economic conditions all will play key roles in traffic and revenue growth.
- The Federal Build America Bond interest subsidy for the Series 2009F and 2010A bonds is expected to once again be reduced in 2015 by 7.2%, or \$5,880,000, from its original levels based upon the automatic federal deficit spending cuts. The magnitude of the reductions, if any, beyond 2015 are not known at this time.
- Interest income is expected to increase as short term interest rates are predicted to increase over their historical low levels. Difficulties in obtaining high credit quality investments, however, will continue to constrain interest income.

SPENDING	2013 Actual	2014 Budget	2015 Budget
Operating Expenses	\$ 473,034,700	\$ 476,125,000	\$ 485,593,100
Debt Service and Charges	586,418,000	613,009,000	688,970,300
Maintenance Reserve	94,328,000	89,120,800	84,609,700
Special Project Reserve	37,044,000	38,155,000	38,155,000
General Reserve	371,501,000	396,501,000	404,501,000
Supplemental Capital	37,000,000	25,000,000	50,000,000

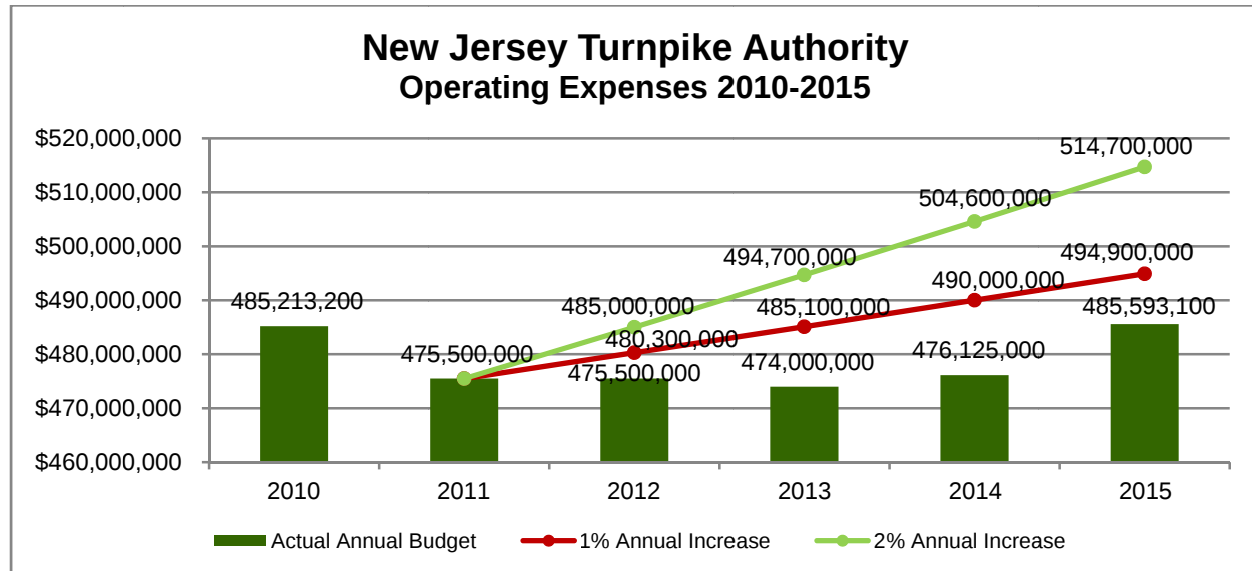
SIGNIFICANT SPENDING HIGHLIGHTS/CHALLENGES

- 2015 budgeted Operating Expenses are increasing by only 2% while the Authority has increased total lane miles by nearly 10%. The budget also includes funding for costs to maintain the significant technology investments, which have been made to improve efficiency and safety for patrons, and an additional twenty-two state troopers to patrol the increased capacity, as well as improve safety for patrons.
- Authorized headcount is increasing to 2,022 positions in 2015 from 2,004 positions in 2014, representing the first increase in authorized headcount in 12 years. Authorized headcount includes an additional 21 positions to maintain the widened roadways.
- Expenses to maintain the roadways are increasing by 7%. Toll collection costs, primarily electronic toll collection, however, are declining by 4.6% and general and administrative costs are declining by 2.2%, reflecting savings from the extension of the *E-ZPass* Customer Service Center contract, and control of discretionary expenses. Higher than expected pension, health benefits, snow and severe weather, or electronic toll collection variable costs will put pressure on the Operating Budget.

As mentioned, the Authority has increased roadway capacity in the past few years. Despite a 10% increase in capacity, the Authority's Operating Budget per Lane Mile has decreased by 8.6% as the Authority continues to maintain safe and efficient roadways while controlling operating expenses.

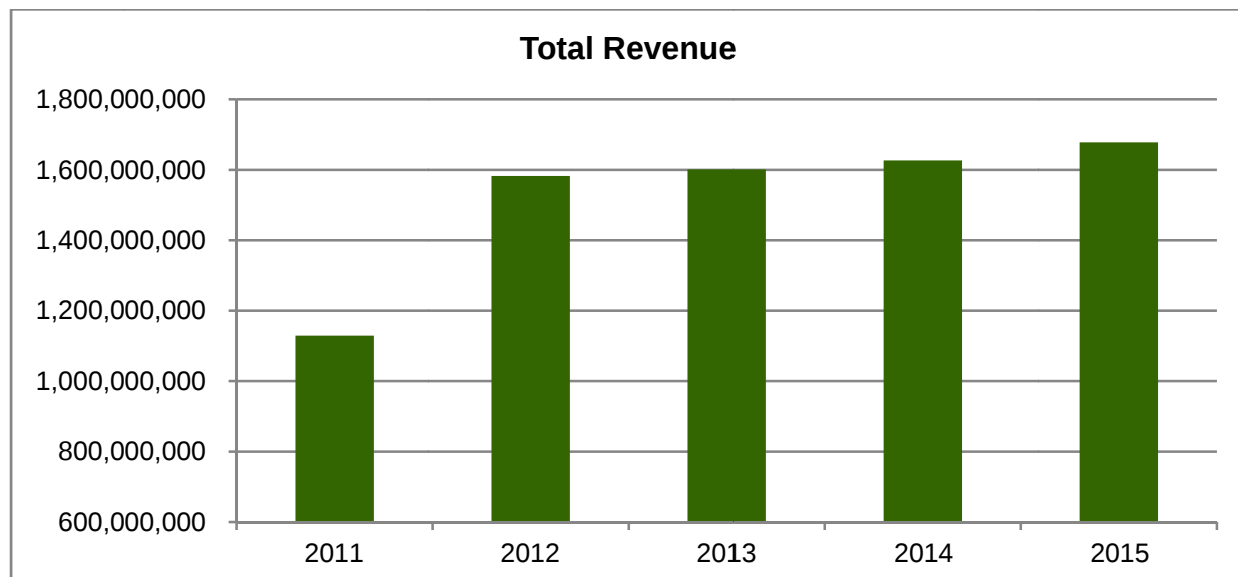


Had the Operating Budget grown by 1% or 2% a year since 2011, the 2015 Operating Budget would have been significantly higher than the \$485,593,100 proposed. Indeed, comparing to a 2% annual increase since 2011, the Authority has saved nearly \$90 million over the past four years from control of operating expenses.



REVENUE BUDGET

Total revenue in 2015 is budgeted at \$1,677,759,000, a 3.3% increase from 2014 budgeted revenues, driven primarily by an increase in toll revenue. Total revenue trends are shown below.



Toll revenue continues to be the largest component of total revenue, comprising 88.2% of total revenue. Toll revenue in 2015 is budgeted at \$1,480,609,000, which represents an increase of 3.3% compared to the 2014 budget. Turnpike toll revenue is expected to increase by 3.6%, while Parkway toll revenue is expected to increase by 2.6%, driven by traffic increases of 3.7% on the Turnpike and 2.6% on the Parkway. Traffic and revenue is expected to increase based on normal growth from forecasted population and employment trends and recovery from the severe winter weather of 2014. In addition,

Turnpike traffic and revenue is expected to benefit from additional volume generated by the opening of the Turnpike widening from Interchanges 6-9. Traffic and revenue forecasts are contained in the May 2014 traffic and revenue study by CDM Smith. The forecasts for 2015 represent the third consecutive year that traffic and revenue have increased on the roadways.

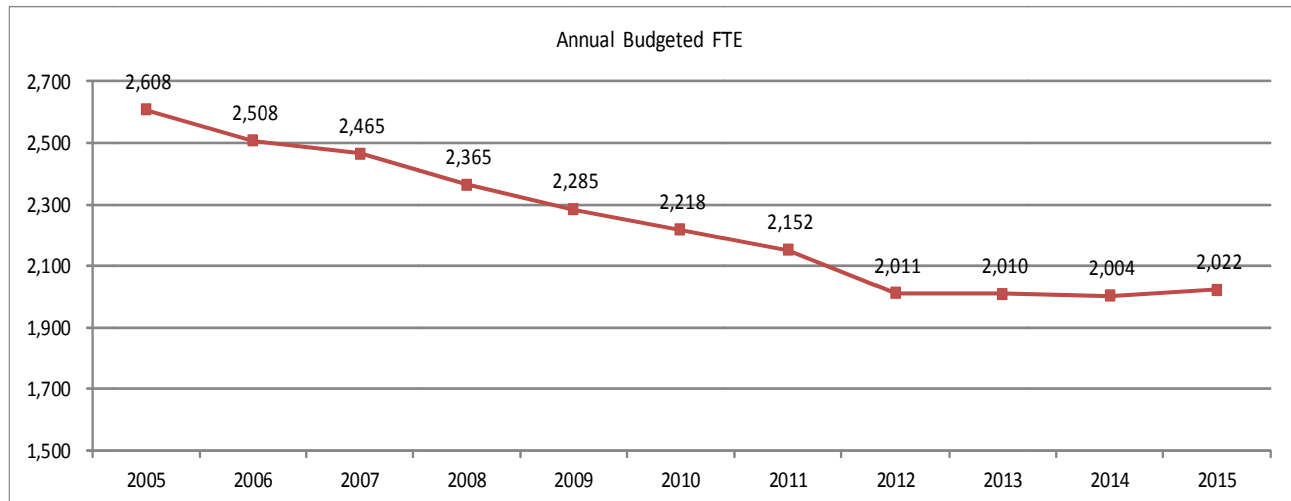
OPERATING EXPENSE BUDGET

The 2015 Operating Budget of \$485,593,100 is increasing by \$9.5 million, or 2.0%, compared to the 2014 Operating Budget, after a decrease in 2011, flat budgets in 2012 and 2013, and a minor 0.4% increase in 2014. Key cost factors in the 2015 Operating Budget are as follows:

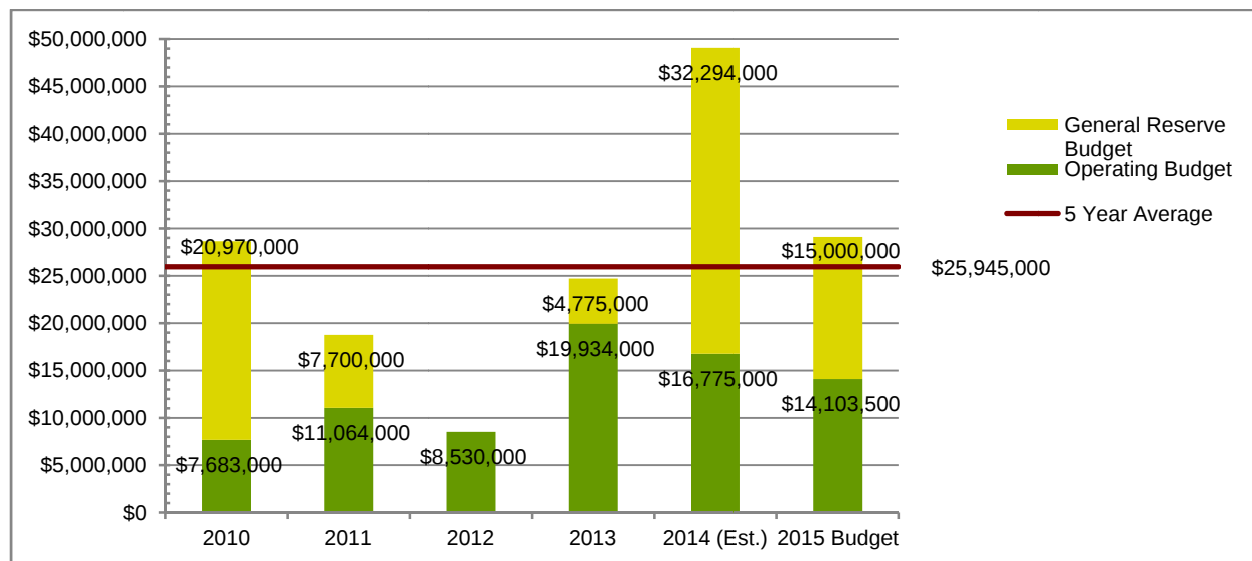
- Maintenance of roadway, buildings and equipment is increasing by \$12.3 million due to:
 - Increased snow and severe weather costs of \$4.2 million based upon the five year average.
 - Increased personnel costs of \$1.5 million related to the addition of 21 maintenance positions and \$1.7 million related to filling positions that were previously vacant.
 - Increased roadway maintenance costs of \$2.6 million due to outsourcing of guiderail repair on the Turnpike. Existing staff will be redirected to maintain the widened roadways, thereby eliminating the need to increase staff beyond the 21 additional maintenance positions budgeted in 2015.
 - Increased utility costs of \$500,000 based upon current trends.
 - Increase in the premium for Property Insurance based upon the increased asset values created from the \$7 billion CIP.
- Contractual wage increases projected at \$1.5 million across all departments.
- Increase of \$2.4 million in State Police costs due to budgeting for an additional 22 troopers assigned to the roadways.
- Increase of \$1.8 million in software licensing costs required to maintain the new software investments made by the Authority over the past several years.
- The proposed 2015 Operating Budget is increasing by \$9.5 million, driven by \$17.2 million in increases in the key cost factors. The total Operating Budget increase is lower than the \$17.2 million, primarily due to savings in electronic toll collection costs due to the renegotiated pricing terms from the Customer Service Center Operator's second contract extension. To a lesser extent there are savings in manual toll collection, outside legal, insurance (other than property), property taxes, and control of headcount and costs in all other areas.

After eleven consecutive years of decline following the merger of the New Jersey Turnpike Authority and New Jersey Highway Authority, authorized headcount is increasing due to the need to add maintenance personnel to handle the increased capacity.

Authorized headcount since 2005 is shown below:



Snow and severe weather costs are budgeted based upon the five year historical average. These costs are increasing in 2015 based upon the high spending levels of 2010, 2013 and 2014 and adjusting for the increased lane miles.



DEBT SERVICE BUDGET

Total Debt Service in 2015 is budgeted at \$687,820,800, which is a \$75,961,800 increase from the 2014 Debt Service Budget. Debt service is increasing primarily due to interest on the \$1.4 billion Series 2013A bonds because interest expense on these bonds will be funded from revenues beginning on 1/1/15 after being previously paid from bond proceeds (capitalized interest). Total Debt Service in 2015 also includes assumed interest expense on \$750,000,000 of new money bonds expected to be issued in 2015 to continue to fund the \$7 billion CIP.

CHARGES BUDGET

Total costs for auction agent, broker/dealer and remarketing fees on the Series 2000B-G and 2009A bonds are budgeted at \$1,150,000 for 2015, consistent with 2014 levels as no changes are anticipated in 2015.

MAINTENANCE RESERVE FUND BUDGET

Total 2015 spending budget for Maintenance Reserve Fund is budgeted at \$84,609,700, representing a slight decrease from 2014 budgeted levels. Major expenditures include the resurfacing of the Pearl Harbor Memorial Bridge on the Turnpike, and the resurfacing of Parkway minor bridges between mileposts 80-142.

SPECIAL PROJECT RESERVE FUND BUDGET

Total 2015 spending budget for Special Project Reserve Fund is \$38,155,000, consistent with 2014 levels. Major projects budgeted for 2015 include Major Fleet Augmentation, which replaces rolling stock with a value of \$50,000 or higher on a rotating basis, and additional equipment to maintain the Turnpike Interchanges 6-9 widening.

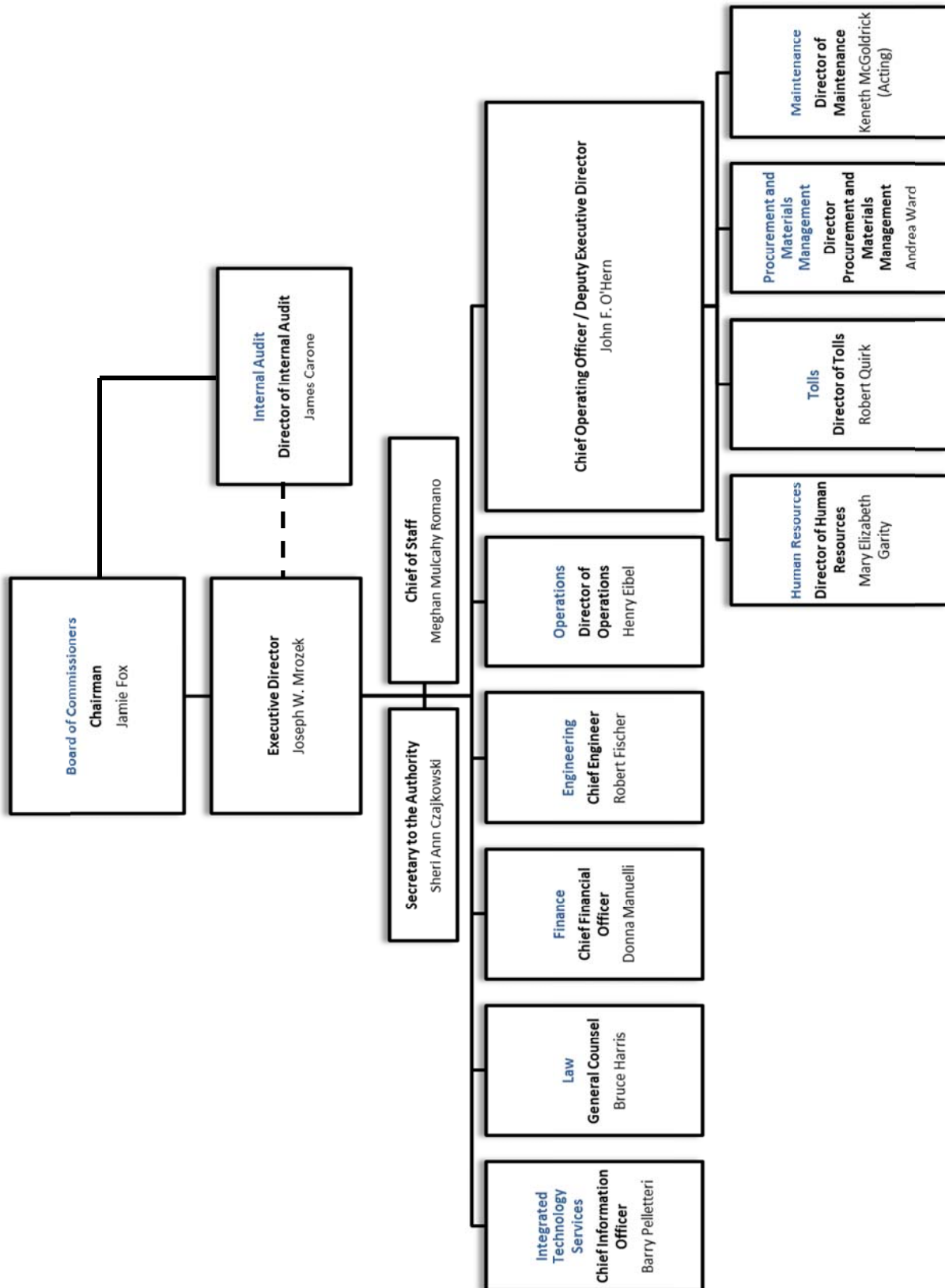
GENERAL RESERVE FUND (INCLUDING SUPPLEMENTAL CAPITAL) BUDGET

Total 2015 spending budget for General Reserve Fund, which includes the supplemental capital fund, is \$454,501,000, which is an increase from 2014 levels due to the need to fund two new, critical projects: (i) the radio replacement project and (ii) the Statewide Traffic Management Center floor, console and monitor replacement project. In addition, the snow or severe weather budget was increased based upon the five year historical average, adjusted for additional lane miles. All contractual payments to the State of New Jersey are budgeted at contractual levels.

SUMMARY

The 2015 Annual Budget provides the necessary funds to operate and maintain the additional capacity created by the Turnpike and Parkway widening projects. In addition, funds are provided to meet all debt service obligations to bondholders and all contractual payment obligations. The 2015 Annual Budget indicates that the Authority will exceed all required debt coverage covenants in its Bond Resolution, as well as exceed all targets established in its Guidelines without the need for a toll increase.

Organization Chart



Fund Structure

Description of Funds

The Bond Resolution establishes the following funds:

Revenue Fund – is the general operating fund of the Authority. The fund is used to account for all pledged revenues and operating expenses. Pledged Revenue includes, among other things, all tolls, revenues, fees, rents, charges and other income and receipts derived from the operation of the Turnpike System. Operating expenses are for operation, maintenance, repairs, ordinary replacement and ordinary reconstruction of the Turnpike System and ordinary acquisition of equipment for the Turnpike System.

Debt Service Fund - accumulates the amounts required for payment of interest, maturing principal amounts and sinking fund installments on all outstanding bonds and for amounts due and payable under Interest Rate Swap Agreements.

Debt Reserve Fund – holds an amount equal to the greatest amount of interest accruing on all outstanding bonds in any calendar year.

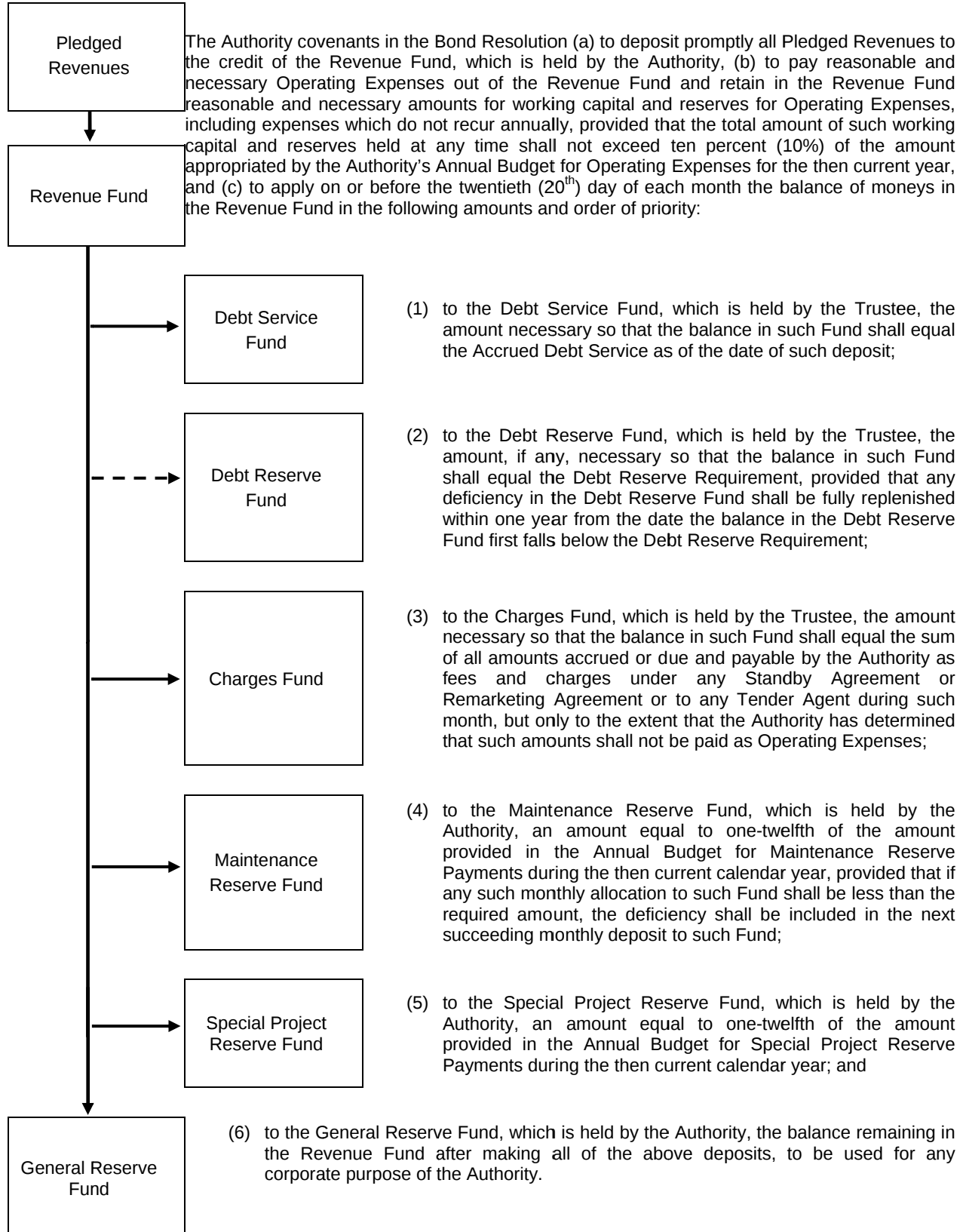
Charges Fund – used to pay fees for any variable rate bond liquidity agreement, remarketing fees and tender agent fees.

Maintenance Reserve Fund – used to pay for the cost of major resurfacing, replacement or reconstruction of the Turnpike System and major or extraordinary repairs, renewals or replacements of the Turnpike System necessary to restore or prevent physical damage to the Turnpike System, for the safe and efficient operation of the Turnpike System or to prevent loss of Pledged Revenues.

Special Project Reserve Fund – used to pay for any major resurfacing, renewals or replacements of the Turnpike System and for studies, surveys, estimates and investigations.

General Reserve Fund – used to make payments under any agreements with the State of New Jersey or for any other corporate purpose. For budgeting purposes only, the Authority has established a “Supplemental Capital Fund” within the General Reserve Fund that is used to fund short to medium term projects not financed through bond proceeds. The Supplemental Capital Fund is not a legal fund, is not recognized under the Bond Resolution, and its activity is reported as General Reserve Fund activity in the Authority’s financial statements.

Flow of Funds



Revenue Requirement

The Revenue Requirement under section 713(b) of the Bond Resolution states that in each calendar year Net Revenues shall at least equal the Net Revenue Requirement for such year. Under Section 101 of the Bond Resolution, Net Revenues are defined as "... for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement is defined as, "an amount equal to the greater of:

(i) The Sum of the Aggregate Debt Service, Maintenance Reserve Payments, Special Project Reserve Payments, and payments, if any, to the Charges Fund for such period; or

(ii) 1.20 times the Aggregate Debt Service for such period (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

On or before December 1 in each year, the Authority will review its financial condition in order to estimate whether the Net Revenues for such year and for the next succeeding year will be sufficient to comply with the toll covenant. The required calculations are shown below.

	<u>2013 Actual</u>	<u>2014 Estimated / Actual</u>	<u>2015 Projected</u>
Revenues	\$1,601,409,520	\$1,626,600,300	\$1,677,759,000
Operating Expenses	<u>473,034,818</u>	<u>473,800,000</u>	<u>485,593,100</u>
Net Revenues	1,128,374,702	1,152,800,300	1,192,165,900
Debt Service Requirements	584,772,249	610,331,000	687,820,300
Charges Fund	1,645,866	1,150,000	1,150,000
Maintenance Reserve Payments	72,635,000	74,814,000	87,058,000
Special Project Reserve Payments	<u>27,783,000</u>	<u>28,800,000</u>	<u>20,900,000</u>
Total Requirements	\$686,836,115	\$715,095,000	\$796,928,300
Net Revenues	\$1,128,374,702	\$1,152,800,300	\$1,192,165,900
1.2 Times Debt Service	701,726,699	732,397,200	825,384,360
Excess Revenues	441,538,587	437,705,300	395,237,600
Debt Service Coverage	1.93	1.89	1.73

Based on the above review, Net Revenues for 2014 and 2015 will be sufficient to meet the Net Revenue Requirement.

Budget Procedures

The Authority's annual budget provides the basis for expenditures during the year. The Authority operates on a calendar-year basis. Not fewer than 40 days before the end of the year, the Authority must submit a preliminary budget of operating expenses and reserves to the Trustee as required by the Resolution. The budget is subject to the Trustee's examination, and the Authority is required to comply with all reasonable requests from the Trustee for classifications and clarifications. Each annual budget must include funding for operating expenses and reserves and provisions for deposits to the Maintenance Reserve Fund and the Special Project Reserve Fund. The preliminary budget and the annual budget may provide additional information, as the Authority may determine, and each shall contain a certificate of the Consulting Engineer approving the preliminary budget and the annual budget, as the case may be.

The annual budget must be adopted by the Commissioners of the Authority by January 15th of each fiscal year and made a part of the Authority's minutes. In the event that the Authority does not adopt an annual budget by January 15th of the fiscal year or the Governor vetoes the adopted budget, the preceding year's budget remains in effect until such adoption and approval. The minutes of all meetings are subject to a 10-day review and veto period by the Governor of the State of New Jersey prior to final approval. The adoption and approval of the annual budget does not in itself authorize any specific expenditure. Specific expenditures must be submitted, adopted and approved under the Authority's adopted procedure and must be consistent with the statutory, contractual and other commitments of the Authority, including agreements with the holders of its obligations, including bonds. Adoption and approval of the annual budget does not limit or preclude the Authority from submitting an amended budget to the Commissioners for adoption. Copies of the annual budget and all amendments must be filed promptly with the Trustee. If at any time the annual budget and amendments thereto exceed the preliminary budget by 10% or more, the Authority must file a detailed report with the Trustee, stating specifically the reason for the increase, and hold a public hearing thereon.

Although the Authority is restricted from expending funds in excess of the annual budget allocation for operating expenses (other than through amendment to the annual budget), the Authority may allocate additional funds for operating expenses if such funds are obtained from sources other than Pledged Revenues.

The Authority's Annual Budget is prepared on the accrual basis of accounting, consistent with the Authority's audited year-end financial statements, with the exception of the following non-cash items which are not budgeted:

- Depreciation and Amortization
- Accretion
- Change in Fair Market Value of Investments
- GASB 53 Interest Rate Swap Adjustments
- OPEB Annual Required Contribution (except for current pay retiree benefits and reserves for OPEB which are budgeted)
- Uncompensated Absences
- GASB 48 Pollution Remediation Liability Reserve

According to the Authority's capitalization policy, the cost to construct, acquire or replace an existing asset (or otherwise prolong the useful life of an existing asset) is capitalized. The capitalization threshold is \$50,000 and includes equipment valued over \$50,000 or any purchase related to a capital project whose project value exceeds \$50,000. Based on this policy, there are no capitalized assets included in the Operating Budget. The Maintenance Reserve Fund, Special Project Reserve Fund and General Reserve Fund (including the Supplemental Capital Fund within the General Reserve Fund) may contain capitalized projects. The budget for each fund groups projects into expense projects and capitalized projects in accordance with the Authority's capitalization policy.

The annual budget process begins in August each year with a review of the Authority's financial projections, current results compared to budget, and a preliminary estimated budget for the next calendar year. The review is completed by the Authority's Chief Financial Officer, the Deputy Chief Financial Officer, Comptroller, Chief Operating Officer/Deputy Executive Director and the Executive Director. Based on this review, the Authority's strategic directives, financial policies and bond covenants, overall and specific departmental guidelines for the upcoming budget year are established. The Finance Department, through its Chief Financial Officer or Deputy Chief Financial Officer, communicates the budget guidelines to each department, as well as a call for capital projects. Departments must submit a detailed operating budget with spending justification, departmental organization, accomplishments for the current year, and goals for the next year. Departments must also submit all capital project requests, including total costs by year and justifications for each project. Based on these requests, a detailed preliminary operating and capital budget is prepared by the Finance Department, and approved by the Chief Operating Officer/Deputy Executive Director, the Executive Director, and the Authority's General Engineering Consultant. The budgets are then reviewed with the Authority's Commissioners at committee meetings. Once approved by the board committees, the annual budget, consisting of budgets for Revenue, Operating Expenses, Debt Service, Charges, Maintenance Reserve Fund, Special Project Reserve Fund, Supplemental Capital and the General Reserve Fund, is presented to the Board of Commissioners in public session for adoption at the November Board of Commissioners meeting.

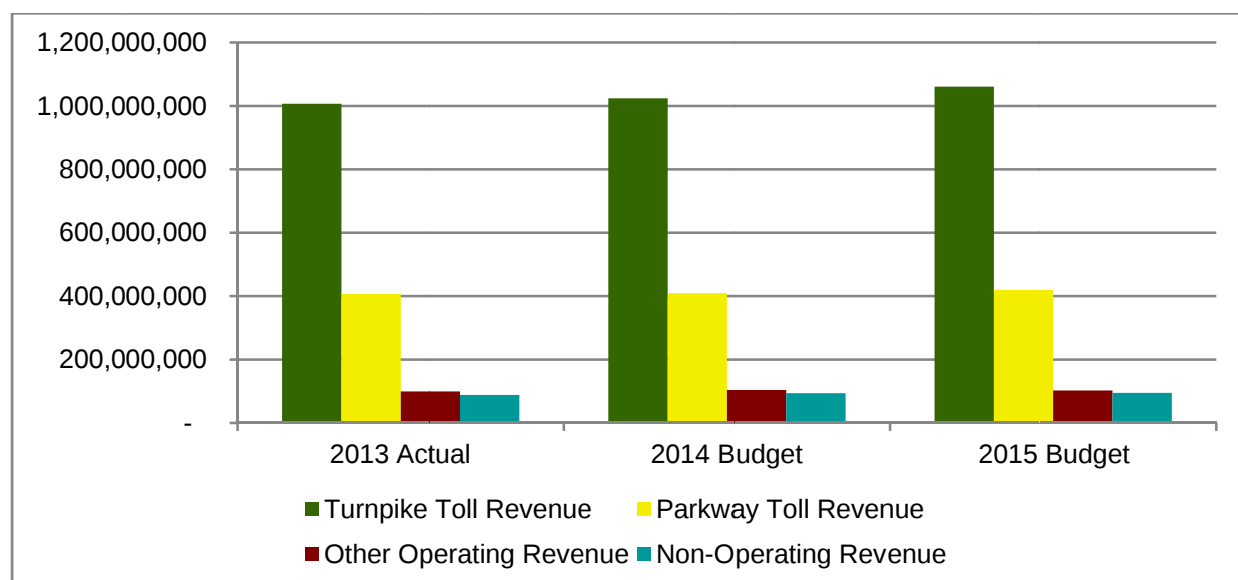
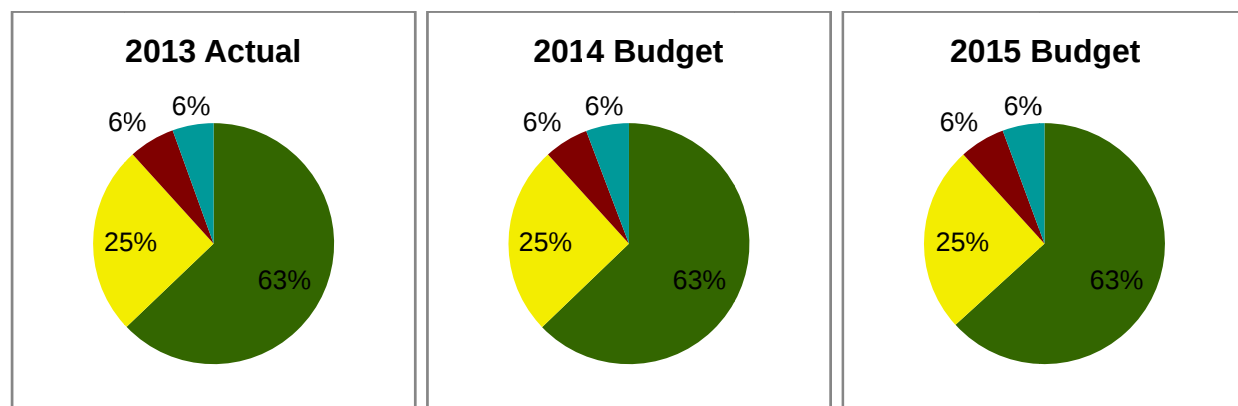
A summary of the 2015 Annual Budget calendar is as follows:

Action	Date
2015 Annual Budget Preparation Kickoff	9/09/14
Distribution of Capital Budget Material for Existing Projects to Departments	9/18/14
Executive Budget Planning Meeting	9/19/14
Distribution of Budget Documents to Departments	9/24/14
Maintenance Reserve Fund Budget Review Meeting	9/29/14
Response from Departments for Capital Budget – existing projects	9/25/14
Response from Departments for Operating Budget	10/08/14
Individual Department Budget Meetings	10/09/14 - 10/22/14
Response from Departments for Capital Budget – new projects	10/17/14
Executive Budget Review Meeting	10/24/14
Budget Presentation to Commissioners	11/03/14
Budget Approved at Meeting of Board of Commissioners	11/18/14
Governor's 10-day veto period expires without Governor exercising said power	(estimated) 12/05/14

Summary of Major Revenues and Expenses

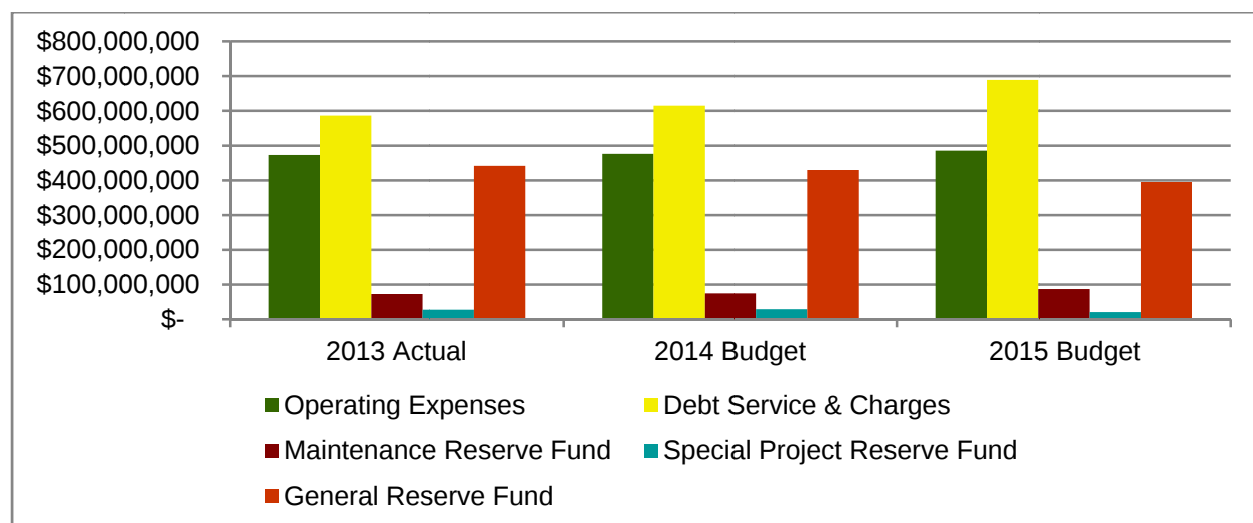
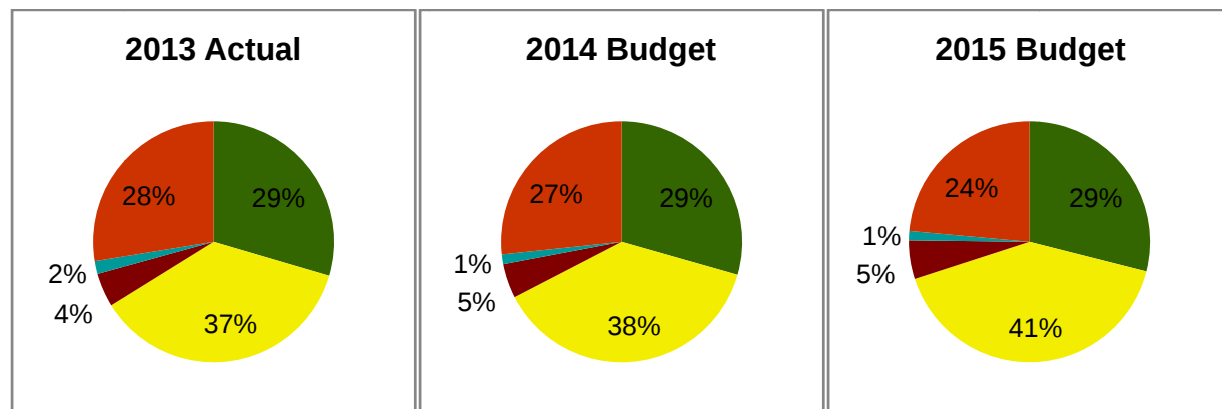
Sources of Revenue

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Toll Revenue					
Turnpike	\$1,006,719,750	\$1,023,793,000	\$1,060,894,000	\$37,101,000	3.6%
Parkway	407,043,560	409,084,000	419,715,000	10,631,000	2.6%
Total Toll Revenue	1,413,763,310	1,432,877,000	1,480,609,000	47,732,000	3.3%
Other Operating Revenue	99,200,433	97,500,000	102,477,000	4,977,000	5.1%
Non-Operating Revenue	88,445,777	94,017,000	94,673,000	656,000	0.7%
Total Revenues	<u>\$1,601,409,520</u>	<u>\$1,624,394,000</u>	<u>\$1,677,759,000</u>	<u>\$53,365,000</u>	<u>3.3%</u>



Allocation of Revenue

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Operating Expenses	\$ 473,034,818	\$ 476,125,000	\$ 485,593,100	\$ 9,468,100	2.0%
Transfers to:					
Debt Service & Charges	586,418,115	614,967,200	688,970,300	74,003,100	12.0%
Maintenance Reserve Fund	72,635,000	74,814,000	87,058,000	12,244,000	16.4%
Special Project Reserve Fund	27,783,000	28,800,000	20,900,000	(7,900,000)	-27.4%
General Reserve Fund	441,538,587	429,687,800	395,237,600	(34,450,200)	-8.0%
Total Allocation of Revenue	<u>\$ 1,601,409,520</u>	<u>\$ 1,624,394,000</u>	<u>\$ 1,677,759,000</u>	<u>\$ 53,365,000</u>	<u>3.3%</u>



Revenue

2015 Revenue Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Operating Revenue					
Turnpike Toll Revenue	\$ 1,006,719,750	\$ 1,023,793,000	\$ 1,060,894,000	\$ 37,101,000	3.6%
Parkway Toll Revenue	407,043,560	409,084,000	419,715,000	10,631,000	2.6%
E-ZPass Fees	51,372,009	52,400,000	53,448,000	1,048,000	2.0%
Concessions	34,961,184	35,100,000	36,800,000	1,700,000	4.8%
Miscellaneous	13,367,090	10,000,000	12,229,000	2,229,000	22.3%
Total Operating Revenue	1,513,463,593	1,530,377,000	1,583,086,000	52,709,000	3.4%
Non-Operating Revenue					
Federal Subsidy for Build America Bonds	75,172,932	75,785,000	75,785,000	-	0.0%
Interest Income	10,094,917	15,000,000	15,600,000	600,000	4.0%
Arts Center Revenues	3,177,928	3,232,000	3,288,000	56,000	1.7%
Total Non-Operating Revenue	88,445,777	94,017,000	94,673,000	656,000	0.7%
Total Revenues	<u>\$ 1,601,909,370</u>	<u>\$ 1,624,394,000</u>	<u>\$ 1,677,759,000</u>	<u>\$ 53,365,000</u>	<u>3.3%</u>

Key Assumptions:

- Turnpike Toll Revenue is expected to increase by 3.6% in 2015, reflecting growth based on normal growth, recovery from the winter of 2014, and the opening of an additional 170 lane miles from the Interchanges 6 – 9 Widening Project. Gas prices, weather and economic conditions all will play key roles in traffic and revenue growth.
- Parkway Toll Revenue is expected to increase by 2.6% in 2015, reflecting growth based on normal growth and a recovery from the winter of 2014.
- Key population and employment trends can be found on Appendix D: Statistical data.
- Miscellaneous revenue is expected to increase due to surplus property sales.
- The Federal Build America Bond interest subsidy for the Series 2009F and 2010A bonds is expected to be reduced by 7.2%, or \$5,880,000, consistent with the 2014 reductions based upon the automatic federal deficit spending cuts. The magnitude of the reductions, if any, beyond 2015 are not known at this time.
- Historically low short term interest rates and the difficulties in obtaining high credit quality investments will continue to constrain interest income. An increase in short term rates is expected in 2015.

Revenue Fund Balance					
	2013 Actual	2014 Est. / Actuals	2015 Budget	2014 to 2015 \$ Change	2014 to 2015 % Change
Beginning Balance	\$ 84,657,845	\$ 84,657,845	\$ 84,657,845	\$ -	
Revenues	1,601,409,520	1,626,600,300	1,677,759,000	51,158,700	
Expenses	(473,034,818)	(473,800,000)	(485,593,100)	(11,793,100)	
Transfers to Funds	(1,128,374,702)	(1,152,800,300)	(1,192,165,900)	(39,365,600)	
Ending Balance	\$ 84,657,845	\$ 84,657,845	\$ 84,657,845	\$ -	0.0%

Toll Statistics

Toll Transactions by Vehicle Type and Roadway

Toll Transactions (in Thousands):

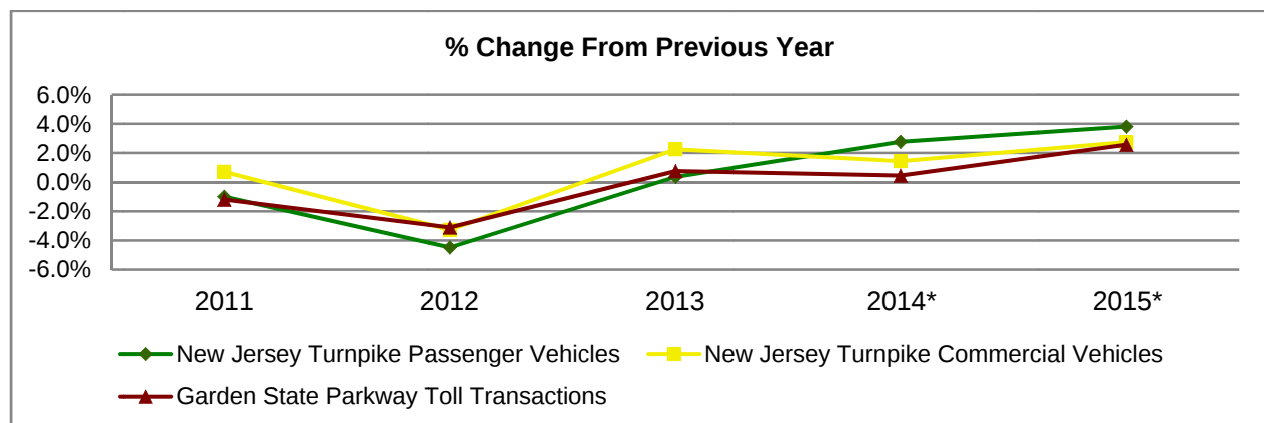
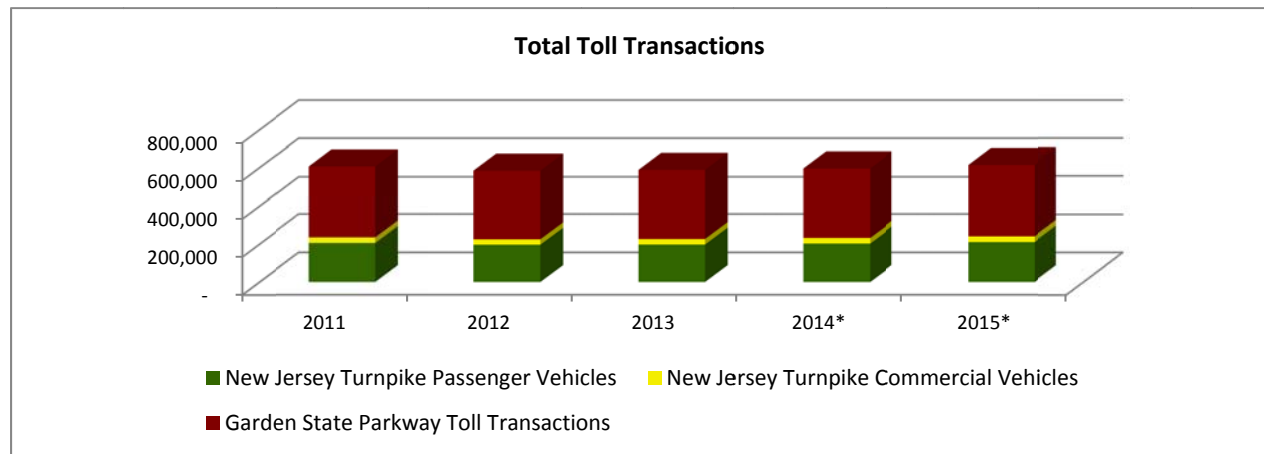
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015*</u>
New Jersey Turnpike Passenger Vehicles	203,627	194,508	195,208	200,609	208,242
New Jersey Turnpike Commercial Vehicles	29,601	28,634	29,278	29,699	30,513
Total New Jersey Turnpike	233,228	223,142	224,486	230,308	238,755
Garden State Parkway Toll Transactions	377,891	366,157	368,918	370,571	380,105
Total Turnpike System Transactions	611,119	589,299	593,404	600,879	618,860

* Projected Traffic is based on data used for the CDM Smith Investor Grade Traffic & Revenue Study released in May 2014.

Percentage Change in Toll Transactions from Previous Year:

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015*</u>
New Jersey Turnpike Passenger Vehicles	-1.0%	-4.5%	0.4%	2.8%	3.8%
New Jersey Turnpike Commercial Vehicles	0.7%	-3.3%	2.2%	1.4%	2.7%
Total New Jersey Turnpike	-0.8%	-4.3%	0.6%	2.6%	3.7%
Garden State Parkway Toll Transactions	-1.2%	-3.1%	0.8%	0.4%	2.6%
Total Turnpike System Transactions	-1.0%	-3.6%	0.7%	1.3%	3.0%

* Projected Traffic is based on data used for the CDM Smith Investor Grade Traffic & Revenue Study released in May 2014.



Toll Revenue by Vehicle Type and Roadway

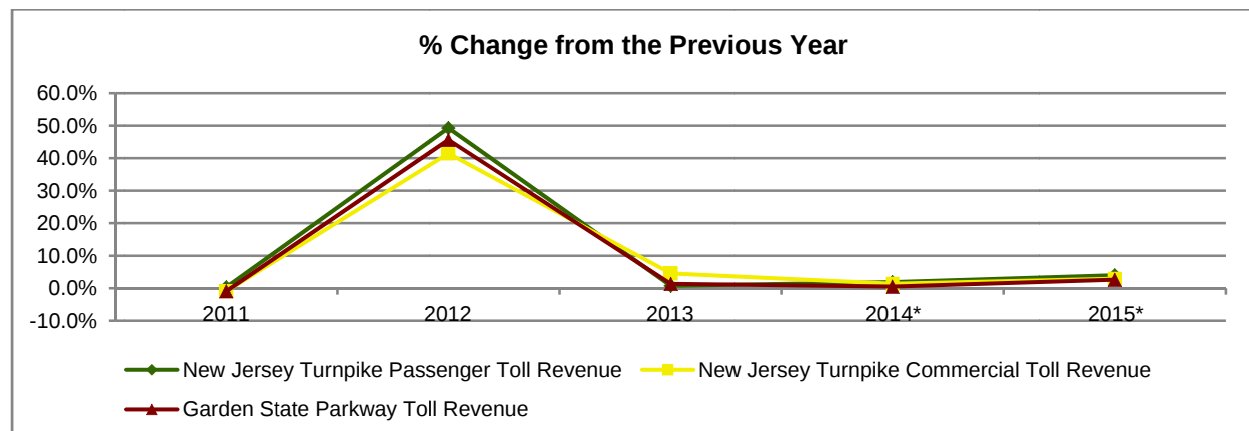
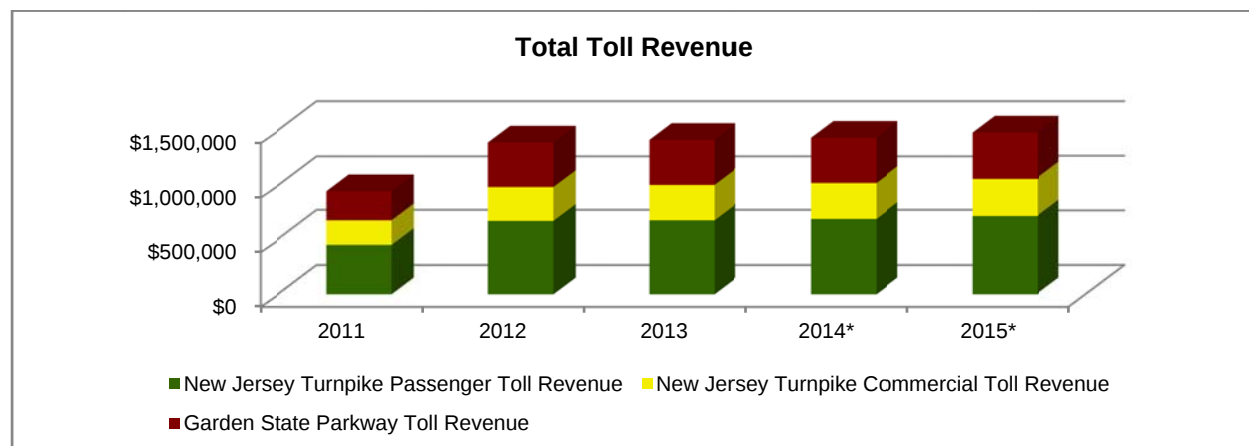
Toll Revenue (in Thousands):

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015*</u>
New Jersey Turnpike Passenger Toll Revenue	\$447,434	\$667,987	\$672,828	\$685,342	\$712,598
New Jersey Turnpike Commercial Toll Revenue	225,716	319,357	333,892	338,451	348,296
Total New Jersey Turnpike Toll Revenue	673,150	987,344	1,006,720	1,023,793	1,060,894
Garden State Parkway Toll Revenue	275,730	401,650	407,043	409,084	419,715
Total Turnpike System Toll Revenue	<u>\$948,880</u>	<u>\$1,388,994</u>	<u>\$1,413,763</u>	<u>\$1,432,877</u>	<u>\$1,480,609</u>

* Projected Revenue is based on data used for the CDM Smith Investor Grade Traffic & Revenue Study released in May 2014.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015*</u>
New Jersey Turnpike Passenger Toll Revenue	0.3%	49.3%	0.7%	1.9%	4.0%
New Jersey Turnpike Commercial Toll Revenue	-0.9%	41.5%	4.6%	1.4%	2.9%
Total New Jersey Turnpike Toll Revenue	-0.1%	46.7%	2.0%	1.7%	3.6%
Garden State Parkway Toll Revenue	-0.9%	45.7%	1.3%	0.5%	2.6%
Total Turnpike System Toll Revenue	<u>-0.3%</u>	<u>46.4%</u>	<u>1.8%</u>	<u>1.4%</u>	<u>3.3%</u>

* Projected Revenue is based on data used for the CDM Smith Investor Grade Traffic & Revenue Study released in May 2014.



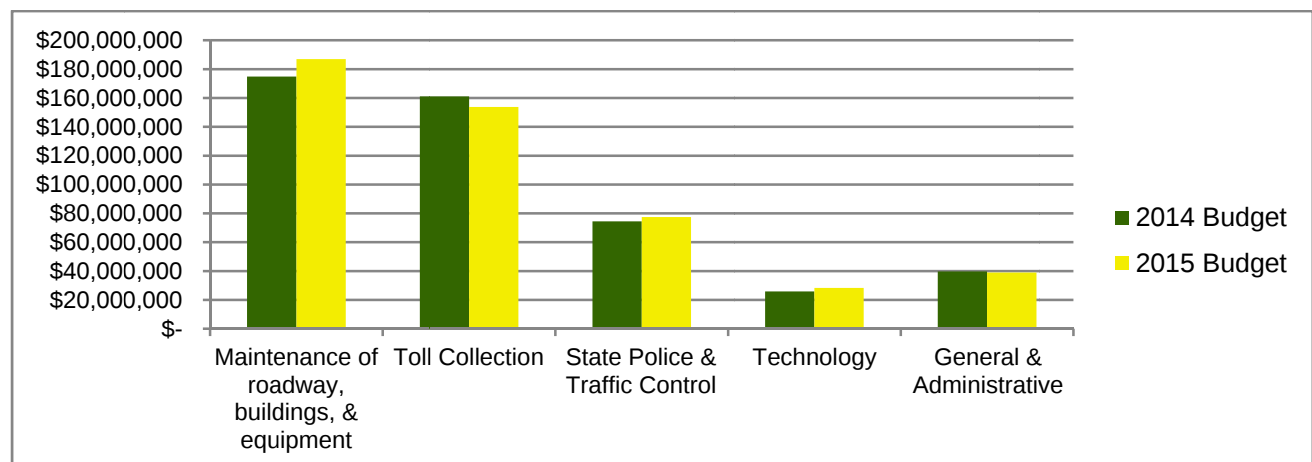
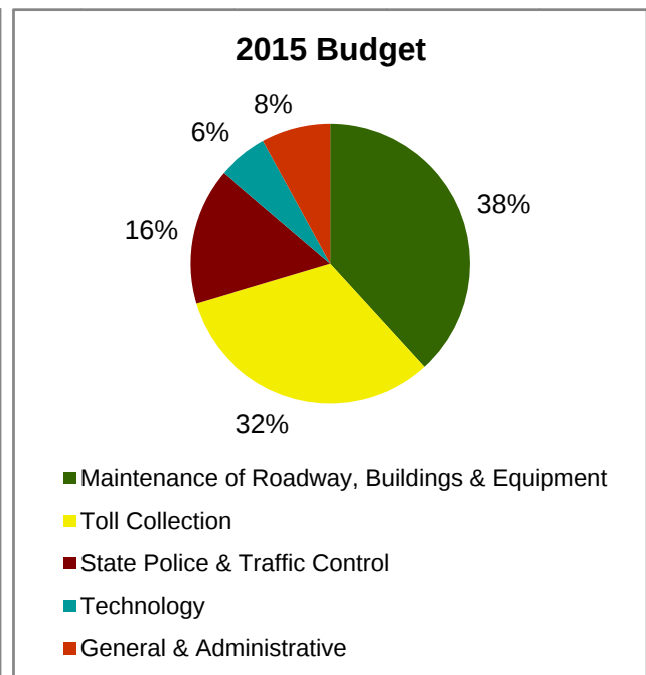
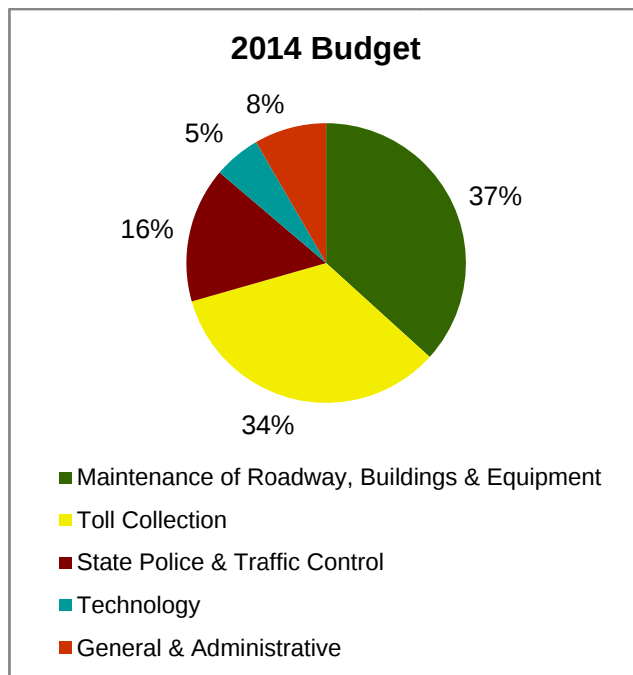
2015 Operating Budget

	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2015 Budget</u>	<u>\$ Change from 2014 Budget</u>	<u>% Change from 2014 Budget</u>
<u>Maintenance of Roadway, Buildings & Equipment</u>					
Maintenance	\$ 168,521,900	\$ 165,209,900	\$ 177,495,000	\$ 12,285,100	7.4%
Engineering	11,027,000	9,614,200	9,497,900	(116,300)	-1.2%
	179,548,900	174,824,100	186,992,900	12,168,800	7.0%
<u>Toll Collection</u>					
Toll Collection	160,312,200	161,149,800	153,800,800	(7,349,000)	-4.6%
<u>State Police & Traffic Control</u>					
Operations	10,441,600	10,715,200	11,332,700	617,500	5.8%
State Police	59,826,000	63,781,500	66,148,200	2,366,700	3.7%
	70,267,600	74,496,700	77,480,900	2,984,200	4.0%
<u>Technology</u>					
Integrated Technology Services	23,727,500	25,846,200	28,381,400	2,535,200	9.8%
<u>General & Administrative</u>					
Executive Office	1,230,800	1,243,600	1,228,300	(15,300)	-1.2%
Law & Insurance Services	8,855,600	9,046,300	7,980,600	(1,065,700)	-11.8%
Purchasing & Materials Management	7,154,700	7,031,900	7,120,900	89,000	1.3%
Human Resources & Office Services	5,676,200	5,790,200	5,796,900	6,700	0.1%
Finance	11,824,300	12,252,600	12,262,300	9,700	0.1%
Patron & Customer Services	1,751,300	1,757,400	1,810,200	52,800	3.0%
Internal Audit	2,685,600	2,686,200	2,737,900	51,700	1.9%
	39,178,500	39,808,200	38,937,100	(871,100)	-2.2%
Total Operating Budget	\$ 473,034,700	\$ 476,125,000	\$ 485,593,100	\$ 9,468,100	2.0%

- The 2015 Operating Budget is \$485.6 million, and provides additional funds to maintain the widened Turnpike and Parkway, as the Authority has added more than 230 lane miles, an increase in total system miles of nearly 10%.
 - o The budget also provides for costs to maintain the significant technology investments that have been made over the past several years to improve efficiency and safety for our patrons
 - o The budget also includes funding for an additional 22 state troopers to patrol the roadways after several years of reduced staffing prior to 2014, again improving safety for our patrons.
- The proposed 2015 Operating Budget is increasing by \$9.5 million, driven by the \$17.2 million increases in the key cost factors. The total Operating Budget increase is lower than the \$17.2 million primarily due to savings in electronic toll collection, due to the renegotiated pricing terms from the first and second contract extensions. To a lesser extent there are savings in manual toll collection, outside legal, insurance (other than property), property taxes, and control of headcount and costs in all other areas.
- The 2015 Operating Budget represents a 2.0% increase from the 2014 Operating Budget, after a decrease in 2011, flat budgets in 2012 and 2013, and a minor 0.4% increase in 2014.

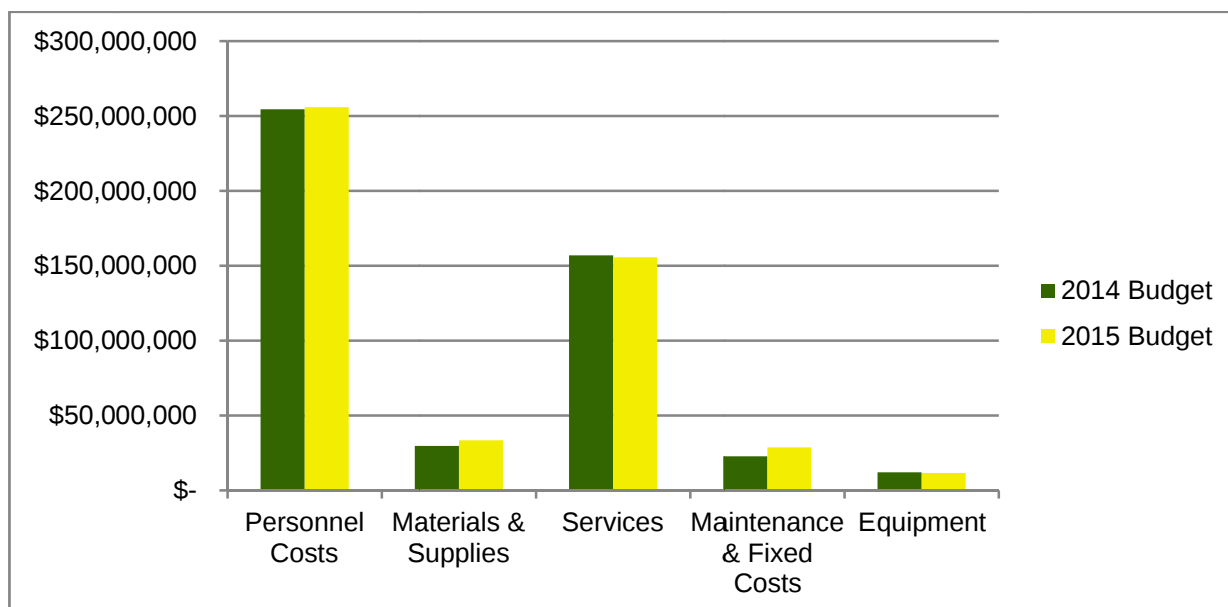
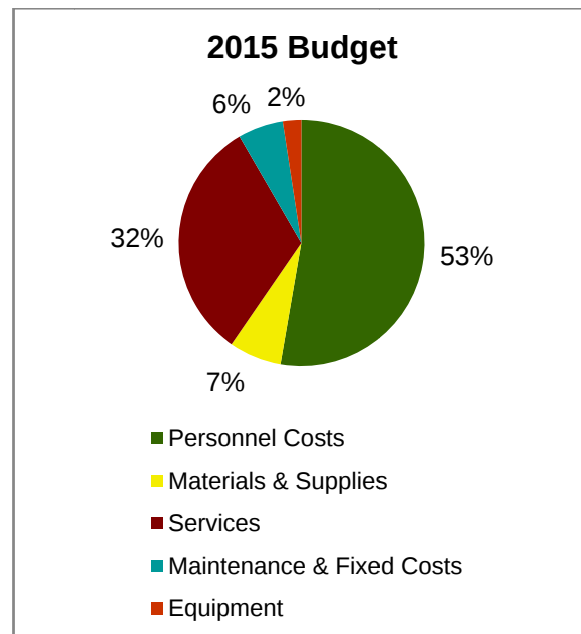
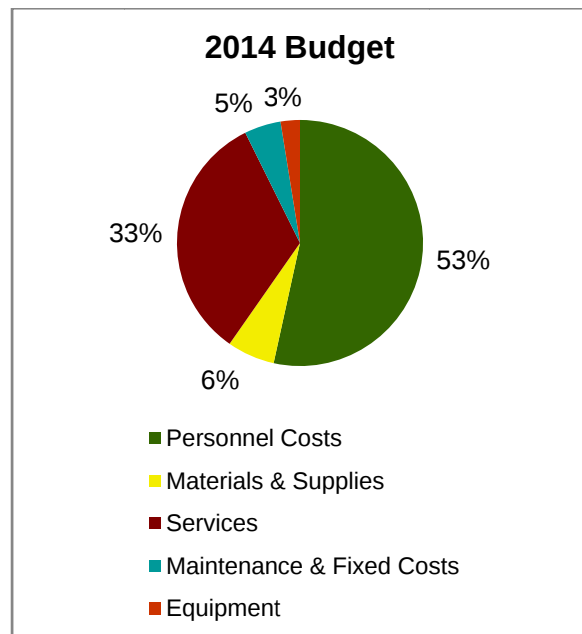
Budget by Functional Area

	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2015 Budget</u>	<u>\$ Change from 2014 Budget</u>	<u>% Change from 2014 Budget</u>
Maintenance of roadway, buildings, & equipment	\$ 179,548,900	\$ 174,824,100	\$ 186,992,900	\$ 12,168,800	7.0%
Toll Collection	160,312,200	161,149,800	153,800,800	(7,349,000)	-4.6%
State Police & Traffic Control	70,267,600	74,496,700	77,480,900	2,984,200	4.0%
Technology	23,727,500	25,846,200	28,381,400	2,535,200	9.8%
General & Administrative	39,178,500	39,808,200	38,937,100	(871,100)	-2.2%
Total Operating Budget	473,034,700	476,125,000	485,593,100	9,468,100	2.0%



Budget by Expense Type

	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2015 Budget</u>	<u>\$ Change from</u> <u>2014 Budget</u>	<u>% Change from</u> <u>2014 Budget</u>
Personnel Costs	\$ 246,521,400	\$ 254,491,200	\$ 255,929,000	\$ 1,437,800	0.6%
Materials & Supplies	34,492,900	29,735,500	33,440,400	3,704,900	12.5%
Services	150,795,100	157,005,600	155,702,500	(1,303,100)	-0.8%
Maintenance & Fixed Costs	27,886,500	22,800,800	28,835,800	6,035,000	26.5%
Equipment	13,338,800	12,091,900	11,685,400	(406,500)	-3.4%
Total Operating Budget	473,034,700	476,125,000	485,593,100	9,468,100	2.0%



2015 Operating Budget Summary by Line Item

	2013 Actuals	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Personnel Costs					
Salaries & Wages	\$146,920,100	\$149,478,900	\$151,657,800	\$2,178,900	1.5%
Allowances	1,041,200	994,300	935,900	(58,400)	-5.9%
Pension & Payroll Taxes	26,024,700	27,567,400	27,077,800	(489,600)	-1.8%
Health Benefits	71,903,200	75,811,000	75,640,200	(170,800)	-0.2%
Tuition	89,600	102,000	80,400	(21,600)	-21.2%
Travel/Reg-Non overnight	542,600	537,600	536,900	(700)	-0.1%
Total Personnel Costs	246,521,400	254,491,200	255,929,000	1,437,800	0.6%
Materials & Supplies					
Printing & Office Supplies	420,800	438,300	479,900	41,600	9.5%
Vehicle Supplies	6,516,000	6,557,400	6,524,800	(32,600)	-0.5%
Medical Supplies	4,700	5,200	8,200	3,000	57.7%
Operating Supplies	1,286,700	1,242,500	1,202,900	(39,600)	-3.2%
Toll Tickets	311,300	357,800	312,500	(45,300)	-12.7%
Utilities	11,389,400	10,691,500	11,236,800	545,300	5.1%
Snow/Ice Materials	6,505,400	3,220,500	3,860,200	639,700	19.9%
Software	1,590,800	1,437,600	3,262,900	1,825,300	127.0%
Operating Materials	6,467,800	5,784,700	6,552,200	767,500	13.3%
Total Materials & Supplies	34,492,900	29,735,500	33,440,400	3,704,900	12.5%
Services					
Troopers	56,367,200	59,642,800	61,566,900	1,924,100	3.2%
Credit Card, Trustee & Banking Fees	24,666,000	25,648,000	25,017,500	(630,500)	-2.5%
Insurance	9,686,400	9,159,300	9,681,600	522,300	5.7%
Facilities Services	2,383,100	2,402,700	2,370,700	(32,000)	-1.3%
Legal Services	1,469,300	1,552,500	1,229,500	(323,000)	-20.8%
Consulting Services	2,275,500	2,634,800	2,377,300	(257,500)	-9.8%
Other Professional Services	49,039,300	51,032,000	48,317,900	(2,714,100)	-5.3%
Environmental Services	4,682,000	4,746,800	4,893,800	147,000	3.1%
Other Services	226,300	186,700	247,300	60,600	32.5%
Total Services	150,795,100	157,005,600	155,702,500	(1,303,100)	-0.8%
Maintenance & Fixed Costs					
Vehicle Maintenance	628,700	557,700	602,800	45,100	8.1%
Roadway Maintenance	9,325,600	4,355,200	10,561,500	6,206,300	142.5%
Bridge Maintenance	37,300	44,500	54,500	10,000	22.5%
Building Maintenance	734,500	689,500	701,100	11,600	1.7%
Toll Booth Maintenance	23,700	39,900	17,700	(22,200)	-55.6%
Equipment Maintenance	13,600,700	13,562,000	13,573,600	11,600	0.1%
Building & Equipment Rental	3,154,400	3,121,700	3,115,400	(6,300)	-0.2%
Taxes	381,600	430,300	209,200	(221,100)	-51.4%
Total Maintenance & Fixed Costs	27,886,500	22,800,800	28,835,800	6,035,000	26.5%
Equipment					
Equipment	7,383,600	7,918,300	8,103,100	184,800	2.3%
Transponders	5,955,200	4,173,600	3,582,300	(591,300)	-14.2%
Total Equipment	13,338,800	12,091,900	11,685,400	(406,500)	-3.4%
Total Operating Budget by Line Item	\$ 473,034,700	\$ 476,125,000	\$ 485,593,100	\$ 9,468,100	2.0%

Budgeted Full Time Employees

<u>Departments</u>	<u>2013</u>	<u>2014</u>	<u>Net Change</u> <u>2013 -2014</u>	<u>2015</u>	<u>Net Change</u> <u>2014 -2015</u>
Maintenance	928	934	6	955	21
Engineering	79	79	-	78	(1)
Toll Collection*	565	529	(36)	528	(1)
Operations	76	76	-	75	(1)
State Police	7	7	-	7	-
Integrated Technology Services*	116	144	28	144	-
Executive Office	7	6	(1)	6	-
Law & Insurance Services	22	21	(1)	21	-
Procurement & Materials Management	52	51	(1)	51	-
Human Resources & Office Services	46	46	-	46	-
Finance	81	81	-	81	-
Patron & Customer Services	12	11	(1)	11	-
Internal Audit	19	19	-	19	-
TOTALS	2,010	2,004	(6)	2,022	18

* Toll Equipment Maintenance was transferred from Toll Collection to Integrated Technology Services Department in 2014.

2015 Authorized Headcount is increasing due to an additional 21 positions being added to the Maintenance Department required to service the additional 230 lane miles added from widening the Turnpike and Parkway. The decrease in Engineering, Toll Collection and Operations is due to the elimination of clerical vacancies no longer needed due to technology changes.

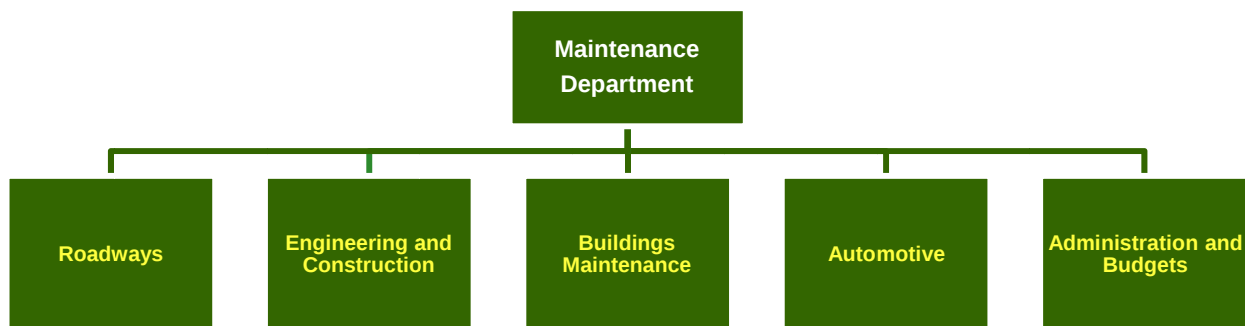
Department Budgets

Maintenance

Department Description:

The Maintenance Department is responsible for overseeing the maintenance and care of the Turnpike and Parkway roadways, infrastructure and Authority buildings and facilities. Specifically, the Maintenance Department is responsible for the following: the inspection, maintenance and repair of the Authority's maintenance vehicle fleet and equipment; maintenance and repair of approximately 500 facility locations and critical utilities along 321 miles of roadway; HVAC maintenance, inspection and repair; line striping; construction of small structures and facilities; coordination and implementation of snow and ice removal operations; roadway litter and debris removal, and maintenance and care of all roadway vegetation.

Department Organization:



Senior Staff:

Director of Maintenance: Kenneth McGoldrick (Acting)

Assistant Director of Maintenance – Turnpike: Robert Matthews

Assistant Director of Maintenance – Parkway: William Pena (Acting)

2014 Accomplishments:

- The Authority's automated fleet fueling system (Gasboy) was upgraded to a networked, web-based program allowing immediate global changes from a central location.
- Construction began on modern design and efficient salt storage facilities.
- Successful winter weather season storm operations.
- Complete utilization of the Rutgers Storm Management Program.
- Design and construction of the prefabricated storage buildings.

2015: Goals:

- Increase the usage of LED lighting on the roadways.
- Implement enhancements to the Rutgers Storm Management Program.
- Increase Guiderail mileage repair and replacement.
- Implement an electronic equipment accountability system.
- Construct an additional pre-fabricated storage building.

Maintenance Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 67,276,400	\$ 70,078,800	\$ 72,535,600	\$ 2,456,800	3.5%
Allowances	762,300	699,500	700,600	1,100	0.2%
Pension & Payroll Taxes	12,072,900	13,191,700	13,266,200	74,500	0.6%
Health Benefits	33,355,600	36,277,700	37,058,300	780,600	2.2%
Travel	33,300	28,300	37,100	8,800	31.1%
Printing & Office Supplies	79,100	73,000	79,400	6,400	8.8%
Vehicle Supplies	6,502,400	6,542,400	6,510,200	(32,200)	-0.5%
Operating Supplies	1,087,100	1,042,900	995,100	(47,800)	-4.6%
Utilities	11,389,400	10,691,500	11,236,800	545,300	5.1%
Snow & Ice Removal Materials	6,505,400	3,220,500	3,860,200	639,700	19.9%
Software	13,100	12,600	9,100	(3,500)	-27.8%
Operating Materials	5,541,100	4,865,500	5,662,500	797,000	16.4%
Landscape Materials	4,463,300	4,238,900	5,274,600	1,035,700	24.4%
Insurance	61,600	58,700	70,700	12,000	20.4%
Facilities Services	-	80,000	3,700	(76,300)	-95.4%
Environmental Services	686,200	647,200	683,700	36,500	5.6%
Other Services	70,400	46,800	46,000	(800)	-1.7%
Vehicle Maintenance	412,600	360,000	434,500	74,500	20.7%
Roadway Maintenance	9,325,600	4,355,200	10,560,900	6,205,700	142.5%
Bridge Maintenance	37,300	44,500	54,500	10,000	22.5%
Building Maintenance	689,500	613,700	630,000	16,300	2.7%
Equipment Maintenance	145,500	120,800	112,000	(8,800)	-7.3%
Equipment Rental	2,966,800	2,917,300	2,979,400	62,100	2.1%
Equipment	5,045,000	5,002,400	4,693,900	(308,500)	-6.2%
	<u>\$ 168,521,900</u>	<u>\$ 165,209,900</u>	<u>\$ 177,495,000</u>	<u>\$ 12,285,100</u>	<u>7.4%</u>

2015 Budget Highlights:

- Increased snow costs of \$4.2 million compared to the 2014 budget based on the five year average.
- Increased roadway maintenance costs of \$2.6 million due to outsourcing guiderail repair on the Turnpike.
- Increased personnel costs of \$1.5 million related to the addition of 21 positions in the maintenance department and \$1.7 million related to filling positions that were previously vacant.
- Increased utility costs of \$500,000, based upon current trends.
- Increase of \$1 million in Property Insurance, based upon the increased values created from the \$7 billion CIP.

Maintenance Department Budgeted Headcount

	2013	2014	2015	Net Change 2014 -2015
Administrative Assistant	4	4	4	0
Administrative Manager	1	1	1	0
Administrative Secretary	1	1	1	0
Apprentice	6	6	6	0
Assistant Building Maintenance Manager	2	1	1	0
Assistant Director Maintenance	2	2	2	0
Assistant Foreman	30	30	32	2
Assistant Maintenance Engineer	2	2	2	0
Assistant Project Supervisor	1	1	1	0
Automotive Manager	0	0	1	1
Automotive Assistant	1	1	1	0
Automotive Craftperson 1	1	1	1	0
Automotive Foreman	3	3	3	0
Automotive Manager	1	1	0	-1
Automotive Technician	42	42	41	-1
Automotive Training Manager	1	1	1	0
Body Repairperson	3	3	3	0
Building Craftperson 3	3	3	3	0
Building Maintenance Coordinator	1	1	1	0
Building Maintenance Foreman	3	3	3	0
Building Maintenance Mechanic	14	13	13	0
Buildings Division Coordinator	1	1	1	0
Carpenter	10	10	10	0
Carpenter/Paint Foreman	2	2	2	0
Clerk 2	1	1	1	0
Code Compliance Officer	1	1	1	0
Confidential Secretary	0	1	1	0
Construction Supervisor, Maintenance	1	1	1	0
Craftperson Assistant - Automotive	2	2	2	0
Craftperson, Automotive	11	11	11	0
Craftsperson Field Supervisor	3	6	6	0
Crew Manager	6	6	6	0
Crew Supervisor	41	40	41	1
Director of Maintenance	1	1	1	0
District Equipment Manager	3	3	3	0
District Manager	3	3	3	0
Division Manager - Maintenance	0	1	1	0
Electrical Craftperson 2	15	15	15	0
Electrical Engineer	0	1	1	0
Electrician	20	20	21	1
Equipment Trainer	3	3	3	0
Executive Secretary 2	2	2	2	0
Financial & Office Manager	1	1	1	0
Fleet Administrator	1	1	1	0
General Clerk	1	1	1	0
General Foreman	5	5	5	0
General Foreman - Automotive	2	2	2	0
General Foreman - Buildings	2	0	0	0
Heavy Equipment Operator	23	24	23	-1
Inventory Quality Assurance Manager & Materials Expert	1	1	1	0
Janitor	6	6	9	3
Janitorial Foreman	1	1	1	0
Landscape Specialist	1	1	1	0
Landscaper	8	8	8	0
Landscaping Foreman	2	2	2	0
Linestriper	3	2	2	0
Maintenance Coordinator	1	1	1	0
Maintenance District Coordinator	3	3	3	0
Maintenance Engineer	1	0	1	1

Maintenance Department Budgeted Headcount - Continued

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Net Change</u> <u>2014 -2015</u>
Maintenance Person	209	212	219	7
Maintenance Person - General	31	32	32	0
Maintenance Person 1	187	188	194	6
Maintenance Person 2	16	16	16	0
Maintenance Person 3	2	2	2	0
Maintenance Person 4	2	2	2	0
Maintenance Records Clerk	20	21	22	1
Maintenance Roadway Specialist	8	7	7	0
Maintenance Specialist - Landscape	4	4	4	0
Manager Buildings	1	0	0	0
Mark Out Coordinator	1	1	1	0
Mason	5	4	4	0
Mechanic 1	34	34	34	0
Mechanic 2	1	1	1	0
Mechanic Specialist	3	3	3	0
Mechanical Craftperson 2	17	17	17	0
Motor Vehicle Supervisor	1	1	1	0
Office Assistant	1	1	1	0
One Call Coordinator Turnpike	2	2	2	0
Painter	3	4	4	0
Power Electric Foreman	3	3	2	-1
Procedure Analyst	1	1	1	0
Project Analyst	1	2	2	0
Project Engineer	1	2	3	1
Project Manager	1	1	0	-1
Project Supervisor	9	9	9	0
Property Inspector	1	1	1	0
Roadway Foreman	14	14	16	2
Roadway Manager	2	1	1	0
Roadway Superintendent	2	2	2	0
Senior Administrative Assistant - Division	1	1	1	0
Senior Clerk	18	18	18	0
Senior Maintenance Budget Supervisor	1	1	1	0
Senior Maintenance Engineer	0	1	0	-1
Senior Maintenance Lighting Specialist	1	1	1	0
Sign Fabricator 1	6	7	7	0
Sign Shop Manager	1	1	1	0
Sign Structures Coordinator	1	1	1	0
Systems Supervisor	1	0	0	0
Training Equipment Supervisor	1	1	1	0
Welder	4	4	5	1
	928	934	955	21

Engineering

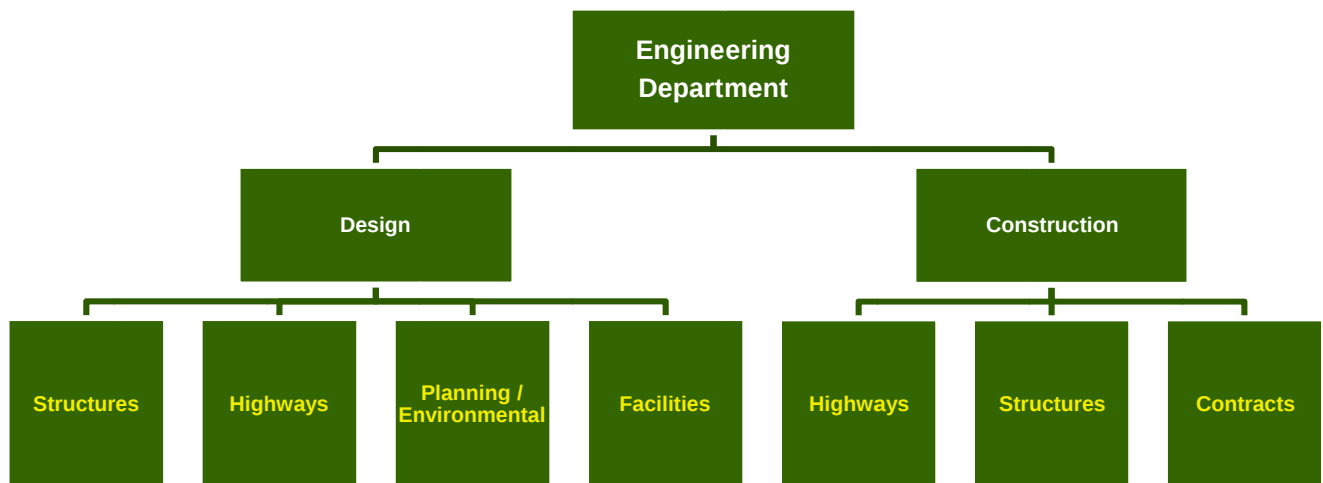
Department Description:

The Engineering Department's mission is focused on preservation and improvement of the Authority's roadways, structures, buildings and other facilities. Responsibilities include planning, design, and construction management. In-house staff is supplemented by engineers from outside consulting engineering firms who work under direct Authority supervision. The Engineering Department is comprised of two main divisions -- Design Division and Construction Division.

The Design Division is focused on delivery of the Capital Improvement Program. Specifically, the planning and design of projects within the current 10-Year, \$7 billion Capital Improvement Program, which include widening projects, bridge, roadway, interchange, and facility improvement projects. In addition to the Capital Improvements Program, the design Division is also responsible for design of various maintenance contracts including annual bridge deck and pavement resurfacing contracts.

The Construction Division is organized into three (3) sections; Contracts, Highways and Structures. The Contracts Section is responsible for transitioning a construction contract from design to construction through the public bid process, for maintaining the Authority's standard specifications and provides current supplemental specifications and for prequalifying all construction contractors interested in bidding on Authority construction contracts. The Highways and Structures Construction Division is responsible for ensuring that the Authority's roadway and structural repair/improvement construction contracts are constructed in accordance with the contract plans and specifications.

Department Organization:



Senior Staff:

Chief Engineer: Robert J. Fischer, PE

Deputy Chief Engineer – Construction: J. Lawrence Williams, PE

Deputy Chief Engineer – Design: John Keller, PE (Acting)

2014 Accomplishments:

- Opening of additional capacity from the completed Interchange 6 to 9 Widening Project on the Turnpike.
- Award of Construction Contracts for Phase III of the Parkway Widening Project to Milepost 35.
- Completion of Bridge Deck Reconstruction and Painting of the Easterly Hackensack River Bridge.

- Completion of Bridge Deck Reconstruction, Miscellaneous Structural, Roadway and Lighting Improvements on the Newark Bay Hudson County Extension (NB-HCE).
- Completion of Parkway Interchange 41 Improvements.
- Completion of Installation of Variable Message Sign Program on both the Parkway and Turnpike.
- Completion of Deck Replacement of the Mullica River Bridge.
- Award of the Parkway Interchange 163 Improvements Construction Contract.
- Award of the Turnpike Interchange 14A Improvements Construction Contract.
- Awarded (as of 9/2014) 24 Construction Contracts in the amount of \$867 million.
- Issued (as of 9/2014) 46 OPS' in the amount of \$226 million.

2015 Goals:

- Update Various Manuals:
 - o Standard Specifications
 - o Design and Procedures Manuals
 - o Construction Manual
- Continue Implementation of the Current Capital Improvement Program.
- Develop a new Capital Improvement Program.
- Implement a Geospatial Information System (GIS) for Authority-wide use.
- Integrate all Engineering OPS and Construction processes into the Engineering Departments Electronic Contract Management system - CapEx Manager.

Engineering Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 3,061,300	\$ 1,963,800	\$ 1,999,400	\$ 35,600	1.8%
Allowances	100	-	-	-	N/A
Pension & Payroll Taxes	536,200	355,500	349,000	(6,500)	-1.8%
Health Benefits	1,481,500	977,600	974,900	(2,700)	-0.3%
Travel	5,400	5,300	2,800	(2,500)	-47.2%
Printing & Office Supplies	21,300	24,900	20,500	(4,400)	-17.7%
Operating Supplies	300	300	1,100	800	266.7%
Other Materials	200	300	100	(200)	-66.7%
Consulting Services	1,915,200	2,175,100	1,948,900	(226,200)	-10.4%
Environmental Services	3,995,400	4,099,000	4,190,000	91,000	2.2%
Other Services	8,200	10,500	10,000	(500)	-4.8%
Equipment Maintenance-Outside Vendor	1,900	1,900	1,200	(700)	-36.8%
	\$ 11,027,000	\$ 9,614,200	\$ 9,497,900	\$ (116,300)	-1.2%

2015 Budget Highlights:

The 10 year, \$7 billion CIP, adopted in 2009, continues to be the driving force of the Engineering Department budget. In addition to the \$7 billion CIP, work overseen by the department is funded through the Maintenance Reserve fund and the Special Projects Reserve Fund. In 2015 Engineering anticipates awarding 32 construction contracts with an estimated value of \$544 million and 20 Orders for Professional Service with an estimated value of \$41 million, from the various funding sources.

Highlights of some of the major activities anticipated to be overseen by the Engineering Department in 2015 are:

- Facilities Improvements Program to include Maintenance and Utility Buildings as well as State Police Barracks.

- Interchange and Capacity Improvements.
- Bridge Deck Repair & Replacement.
- Various Safety Improvements including Guide Sign Improvements.
- Supervision of Construction for the various contracts.
- Design of Bridge Repairs for the Various Bridges on both the Parkway and Turnpike.
- Inspection of Various Bridges on the Turnpike.
- Environmental Services for Remedial investigation and Remedial Action at Chromate Sites.
- Decrease in Consulting Services \$226,000, due to fewer General Consulting Engineer tasks.
- Increase in Environmental Costs \$91,000, based upon additional work required.

Engineering Department Budgeted Headcount

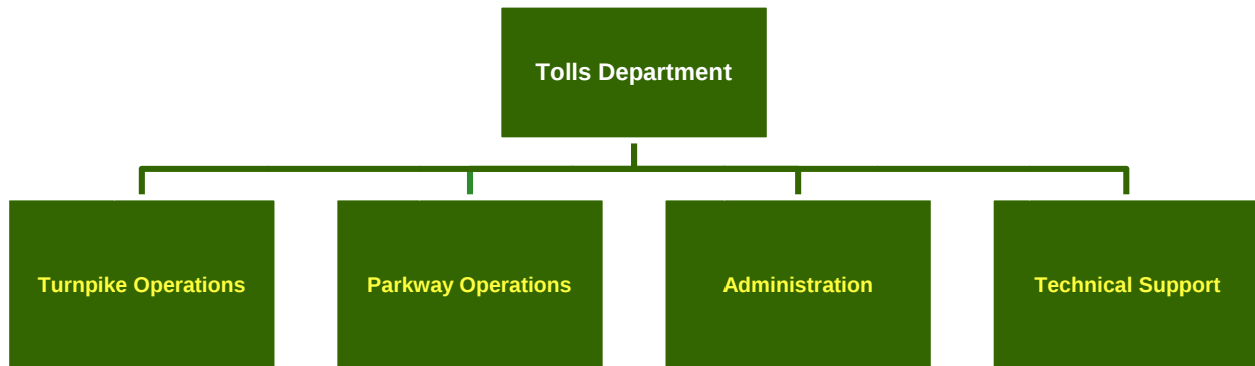
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Net Change</u> <u>2014 -2015</u>
Administrative Secretary/Assistant	8	6	6	0
Assistant/Deputy Chief Engineer	2	2	2	0
Assistant Project Supervisor	1	2	3	1
Assistant Traffic Engineer	1	1	1	0
CAAD Engineering Technician	1	1	1	0
Chief Engineer	1	1	1	0
Chief File Clerk	1	1	1	0
Clerk	1	2	2	0
Confidential Secretary	1	2	2	0
Contracts Division Manager	1	1	1	0
Coordinator, Bargaining	1	1	1	0
Engineering Project Analyst	1	1	1	0
Engineering Administrative Aide	1	1	1	0
Engineering Assistant	1	1	1	0
Engineering Coordinator	1	2	2	0
Engineering Technician	0	0	1	1
Field Environmental Engineer	1	1	0	-1
Field Environmental Manager	0	0	1	1
Highway Engineer	1	1	1	0
Land Surveyor Assistant	1	0	0	0
Manager Environmental Quality & Resources	1	1	1	0
Office Administrator, Engineering	1	1	1	0
Planner	1	1	1	0
Project Engineer	14	14	13	-1
Project Manager	2	2	2	0
Project Supervisor	8	9	9	0
Right of Way Manager	1	1	1	0
Senior CADD Engineering Technician	1	1	1	0
Senior Clerk	2	1	1	0
Senior Clerk Typist	1	1	0	-1
Senior Construction Engineer	1	1	1	0
Senior Engineer	5	5	5	0
Senior Environmental Supervisor	4	4	3	-1
Senior File Room Supervisor	1	1	1	0
Senior Structures Engineer	2	1	1	0
Structures Engineer	2	2	2	0
Supervising Engineer	6	6	6	0
	<u>79</u>	<u>79</u>	<u>78</u>	<u>-1</u>

Toll Collection

Department Description:

The Toll Collection Department oversees the collection of toll revenue through manual and automatic coin machine methods for the New Jersey Turnpike and the Garden State Parkway. The Department currently has 528 full-time employees and 514 part-time employees. In addition, the budget includes the costs associated with Electronic Toll Collection although oversight for this function is spread over several departments.

Department Organization:



Senior Staff:

Director of Tolls: Robert B. Quirk

Deputy Director of Tolls: James L. Roberts

Assistant Director, Technical Services: Colleen L. Lentini

2014 Accomplishments:

- Improved training for new employees.
- Insured adequate manpower was available at the multiple plazas affected by the closing of the Pulaski Skyway.
- Maintained plaza operations and adequate manpower to ensure smooth traffic flow during Super Bowl XLVIII.
- Implemented and distribute a "Frequently Asked Questions" brochure for union employees.

2015 Goals:

- Upgrade all toll lanes to LED Lighting.
- Complete the installation of overhead signage at all Turnpike toll plazas.
- Maintain a safe and efficient toll collection points while continuing to provide superior customer service.
- Procure standardized uniforms for toll collectors.
- Replace all cash draws and locks with upgraded equipment.
- Install flag poles at the remaining eight plazas that do not have them.

Tolls Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 42,165,700	\$ 41,433,200	\$ 39,966,200	\$ (1,467,000)	-3.5%
Allowances	203,100	223,600	162,900	(60,700)	-27.1%
Pension & Payroll Taxes	7,385,600	7,500,600	6,975,800	(524,800)	-7.0%
Health Benefits	20,405,600	20,626,900	19,486,500	(1,140,400)	-5.5%
Travel/Reg-Non overnight	478,800	473,100	481,600	8,500	1.8%
Printing & Office Supplies	70,500	69,600	46,200	(23,400)	-33.6%
Operating Supplies	141,100	136,600	138,200	1,600	1.2%
Toll Tickets	311,300	357,800	312,500	(45,300)	-12.7%
Operating Materials	60,400	72,600	77,800	5,200	7.2%
Credit Card, Trustee & Banking Fees	22,660,500	23,643,000	23,112,000	(531,000)	-2.2%
Facilities Services	1,843,200	1,882,900	1,835,600	(47,300)	-2.5%
Other Professional Services	47,107,000	48,983,200	46,214,800	(2,768,400)	-5.7%
Toll Booth Maintenance	23,700	39,900	17,700	(22,200)	-55.6%
Equipment Maintenance	11,497,100	11,529,100	11,387,500	(141,600)	-1.2%
Equipment	3,400	4,100	3,200	(900)	-22.0%
Transponders	5,955,200	4,173,600	3,582,300	(591,300)	-14.2%
	<u>\$ 160,312,200</u>	<u>\$ 161,149,800</u>	<u>\$ 153,800,800</u>	<u>\$ (7,349,000)</u>	<u>-4.6%</u>

2015 Budget Highlights:

- Salaries and wages, pension and health benefits are decreasing due to the shift in toll collector mix to more new hires at \$12/hour and a higher percentage of part time toll collectors as more experienced toll collectors move to maintenance or retire.
- Other professional services are decreasing due to the renegotiated terms from the contract extension with the Customer Service Center Operator.
- Transponder costs are decreasing due to lower projected issuances based on current issuance trends.
- Credit Card, Trustee and Banking Fees are declining due to a decrease in credit card fees based on current usage trends.

Toll Collection Department Budgeted Headcount

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Net Change</u> <u>2014 -2015</u>
Administrative Assistant	1	1	1	0
Administrative Secretary	4	3	3	0
Administration Toll Collection Manager	1	1	1	0
Area Manager	6	5	5	0
Assistant Director, Technical Services Parkway	1	1	1	0
Assistant Division Manager	2	2	2	0
Assistant Manager, Toll Facilities	1	1	1	0
Assistant Plaza Supervisor	19	20	20	0
Assistant/Deputy Director Tolls	1	1	1	0
Director of Tolls	1	1	1	0
Distribution Clerk	1	1	1	0
Field Operations Manager	1	1	1	0
Foreman, Inventory Control - TEM*	1	0	0	0
General Clerk	1	1	1	0
Interchange Manager	8	8	8	0
Manager, Toll Systems Reconciliation	1	1	1	0
Senior Clerk	1	1	1	0
Stock Control Toll Collection Supervisor	1	1	1	0
Stock Service Clerk	2	2	2	0
TEM Manager*	1	0	0	0
Toll Collector - Parkway	137	136	136	0
Toll Collector - Turnpike	199	194	194	0
Toll Maintenance Foreman*	5	0	0	0
Toll Plaza Supervisor - Parkway	44	44	44	0
Toll Plaza Supervisor - Turnpike	95	95	95	0
Toll Records Clerk	4	5	4	-1
Toll System Mechanic*	1	0	0	0
Toll Technician Turnpike*	22	0	0	0
Tolls Field Coordinator	2	2	2	0
Tolls Inventory & Staffing Manager	1	1	1	0
	565	529	528	-1

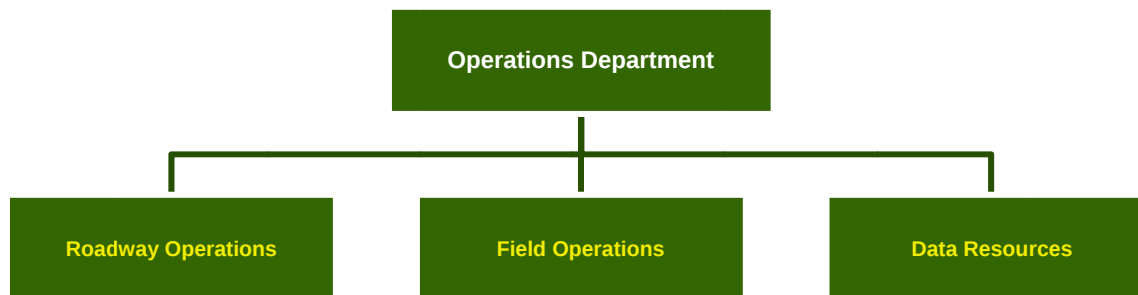
* Toll Equipment Maintenance was transferred to Integrated Technology Services in 2014

Operations

Department Description:

The Operations Department ensures the continuous, safe and efficient movement of traffic on the Turnpike and Parkway by developing and implementing programs and by scheduling and coordinating activities of other Authority operating departments, contractors and outside agencies. The department is responsible for all contracts with authorized towers, fire squads, first aid squads, and hazardous material clean-up contractors and coordinates and interacts with the State Police.

Department Organization:



Senior Staff:

Director of Operations: Henry (Chip) Eibel

Deputy Director of Operations: (vacant)

2014 Accomplishments:

- Re-organization of the Department – Department now consists of 6 areas of expertise which includes divisions of Construction Scheduling:
 - o Construction/Safety Policy and Procedures
 - o Data/Modeling/Analytics.
 - o Design
 - o Emergency Services
 - o Traffic Management
- IBM Core Software: Testing, training, implementation of phase 0, 1 & 2.
- Lane Closure implementation and Scheduling Software phase 1.

2015 Goals:

- Motorist Aid Software: Implementation and training of phase 1.
- Overhaul of Winter Event information dissemination.
- Staff evaluation: Work with existing staff providing education, training etc. to better assist the department with work load and goals.
- Core Software: designing, testing, training, implementation of future phases of the IBM Platform, this would include the automated sign response and activation to downstream roadway issues.

- Motorist Aid Software: Implementation Phase 2: Electronically sending aids to Service providers, Provide service providers with an app to provide location of wrecker etc. This will also provide performance measures on our Service Providers to our Emergency Service Division (response times etc.)
- Develop plan for ESW sign format and usage: (roadway warnings) and VMS sign format and usage (information (TT) / safety / public awareness (Amber alert) - including extensive library.
- Roadway Crash Analysis: Implementing and providing all stake holders reports on problem areas in regards to enforcement, design, etc.

Operations Department Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 5,726,100	\$ 5,811,800	\$ 6,207,500	\$ 395,700	6.8%
Allowances	24,600	24,200	20,900	(3,300)	-13.6%
Pension & Payroll Taxes	1,003,000	1,052,100	1,083,500	31,400	3.0%
Health Benefits	2,771,100	2,893,300	3,026,600	133,300	4.6%
Travel	4,000	4,400	1,500	(2,900)	-65.9%
Printing & Office Supplies	13,400	15,800	11,300	(4,500)	-28.5%
Operating Supplies	1,700	2,300	1,000	(1,300)	-56.5%
Operating Materials	1,900	2,200	1,500	(700)	-31.8%
Facility Services	478,300	461,100	464,400	3,300	0.7%
Other Professional Services	393,200	431,000	510,800	79,800	18.5%
Other Services	1,500	1,500	1,500	-	0.0%
Vehicle Maintenance	1,700	2,300	400	(1,900)	-82.6%
Roadway Maintenance	-	-	600	600	N/A
Equipment	21,100	13,200	1,200	(12,000)	-90.9%
	\$ 10,441,600	\$ 10,715,200	\$ 11,332,700	\$ 617,500	5.8%

2015 Budget Highlights:

- Increase in personnel costs related to filling previously vacant positions of \$529,000.
- Increase in costs for the I-95 Corridor Coalition, Transcom and weather services.

Operations Department Budgeted Headcount

	<u>2013</u>	<u>2014</u>	<u>2015</u>	Net Change <u>2014 -2015</u>
Accident Records Clerk	1	1	0	-1
Administrative Assistant	1	1	1	0
Administrative Secretary	2	2	2	0
Assistant Traffic Engineer	2	1	1	0
Assistant/Deputy Director of Operations	1	1	1	0
Communications Dispatcher	22	22	23	1
Director of Operations	1	1	1	0
Emergency Services Assistant	1	1	1	0
Emergency Services Manager	1	1	1	0
Emergency Services Supervisor	2	2	1	-1
Engineering Aide - Traffic	1	1	1	0
Executive Secretary 2	2	2	2	0
Incident Management Coordinator	1	1	1	0
Manager, Traffic Operations	1	1	1	0
Operations Administrative Supervisor	1	1	1	0
Operations Center Manager	0	1	0	-1
Operations Coordinator	0	0	1	1
Operations Engineer	2	1	1	0
Roadway Services Administrator	1	1	1	0
Senior Clerk	1	1	1	0
Senior Engineering Technician	1	1	1	0
Senior Shift Supervisor	0	0	1	1
Senior Traffic Control Supervisor	0	0	1	1
Senior Traffic Operations Specialist	1	1	1	0
Shift Supervisor	11	11	12	1
Strategic Planning Manager	1	1	0	-1
Traffic Analyst	1	1	0	-1
Traffic Control Supervisor	10	11	10	-1
Traffic Coordinator	1	1	0	-1
Traffic Engineer	1	1	3	2
Traffic Operations Aide	1	1	1	0
Traffic Operations Assistant	1	1	0	-1
Traffic Operations Specialist	1	1	1	0
Traffic Technician	1	1	1	0
Trailblazer Supervisor	1	1	1	0
	76	76	75	-1

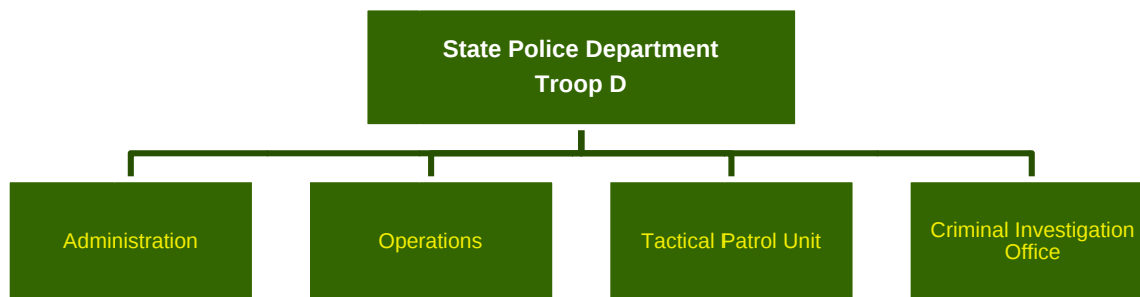
State Police

Department Description:

The New Jersey State Police Troop D is dedicated to a commitment to protect, preserve and safeguard the constitutional and civil rights of all citizens while providing effective and courteous law enforcement with integrity and professionalism. Troop D provides the following functions on both the Turnpike and Parkway through its stations in Cranbury, Moorestown, Newark, Bass River, Bloomfield and Holmdel. All general police services which include, but are not limited to, the statewide enforcement of laws, the prevention of crime, the pursuit and apprehension of offenders, providing stranded motorists with assistance and policing of all service areas.

The strict enforcement of all motor vehicle laws inclusive of Driving While Intoxicated, investigation of motor vehicle accidents and the conduct of inspection and enforcement programs essential to improving traffic safety and reducing motor vehicle crashes occurring on both roadways as well as the resulting fatalities, injuries and property damage.

Department Organization:



Senior Staff:

Major Eric Heitmann, Troop Commander
 Captain Robert Bekefi, Deputy Troop Commander
 Captain Ernie Giampietro, Regional Commander

The New Jersey Turnpike Authority's State Police Department is the liaison responsible for supporting the New Jersey State Police Troop D assigned to patrol the Turnpike and the Parkway. The State Troopers and their superiors are contracted through an agreement with the New Jersey State Police. Although the costs associated with the Troopers are budgeted in the Authority's State Police Department, the Authority does not exercise control over the Troop assigned to patrol its roadways and does not include the Troop roster in the Authority's headcount. The cost of Troopers is a contractual service.

2014 Accomplishments:

- Motor vehicle stops increased by 15%;
- Summonses issued increased by 25%
- Warnings increased by 20%;
- Arrests increased by 53%.

2015 Goals:

- Enhance the safety and overall well-being of patrons attending the PNC Bank Arts Center during the concert season;
- Maintain the Construction and Incident Management field initiative, with the emphasis on safety;
- Increase the level of training for troopers in all aspects of construction through various schools and certification programs;
- Re-establish the Crash Reduction Action for Safer Highways detail, utilizing statistical analysis data to administer specialized enforcement events in the Cranbury station area;
- Saturate high motor vehicle accident areas with a dedicated patrol.

State Police Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 467,600	\$ 512,200	\$ 508,100	\$ (4,100)	-0.8%
Troopers	56,367,200	59,642,800	61,566,900	1,924,100	3.2%
Pension & Payroll Taxes	81,900	92,700	88,700	(4,000)	-4.3%
Health Benefits	226,300	255,000	247,700	(7,300)	-2.9%
Travel	-	-	400	400	N/A
Printing & Office Supplies	48,600	51,900	66,100	14,200	27.4%
Vehicle Supplies	13,600	15,000	14,600	(400)	-2.7%
Operating Supplies	17,000	16,400	22,900	6,500	39.6%
Operating Materials	508,300	520,100	452,000	(68,100)	-13.1%
Vehicle Maintenance	214,400	195,400	167,900	(27,500)	-14.1%
Equipment Maintenance	20,000	25,200	10,900	(14,300)	-56.7%
Equipment Rental	3,600	4,600	2,000	(2,600)	-56.5%
Equipment	1,857,500	2,450,200	3,000,000	549,800	22.4%
	\$ 59,826,000	\$ 63,781,500	\$ 66,148,200	\$ 2,366,700	3.7%

2015 Budget Highlights:

- Increase of \$2.4 million due to expected increase in the number of troopers assigned to the roadways from 350 to 372.

State Police Department Budgeted Headcount

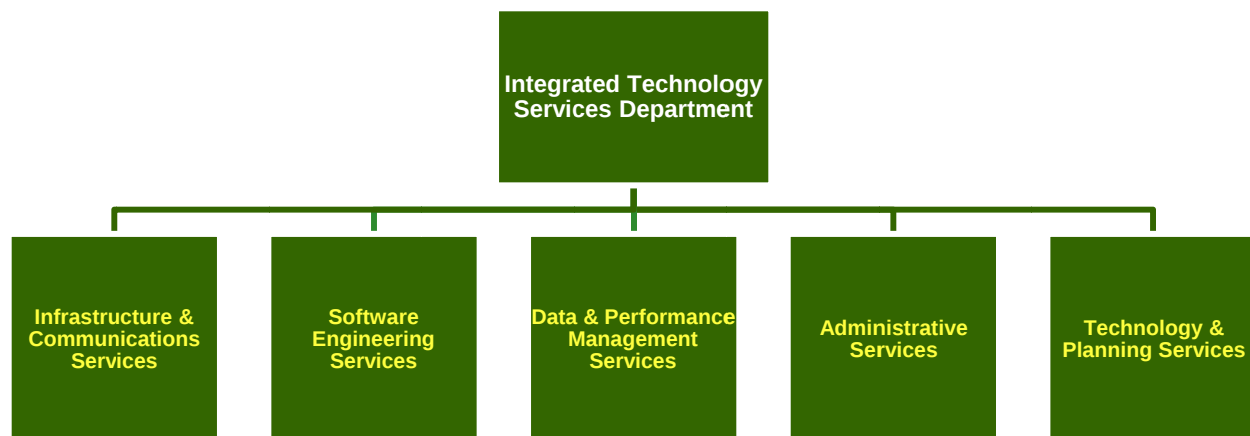
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Net Change</u> <u>2014 -2015</u>
Confidential Secretarial Aide	2	2	1	-1
Motor Pool Fleet Specialist	1	1	1	0
Motor Vehicle Supervisor	1	1	1	0
Police Operations Clerk	1	1	2	1
Police Services Manager	1	1	1	0
Secretary	1	1	1	0
	7	7	7	0

Integrated Technology Services

Department Description:

The Integrated Technology Services (ITS) organization was officially launched on January 1, 2013 combining the Technology and Administrative Services (TAS) and Electronic Toll Collections (ETC) teams under a new unified technology investment, service and delivery model. The ITS Department is responsible for conducting the business of information technology which includes: the discovery, procurement, delivery and maintenance of all technology assets throughout the Authority.

Department Organization:



Senior Staff:

Chief Information Officer: Barry M. Pellettieri
Deputy Chief Information Officer: Jose Dios
Assistant Director, Software Engineering: Gregory Megow
Assistant Director, ETC Planning: Stanley J. Ciszewski

2014 Accomplishments:

- Introduction of new Employee Self-Service features for paycheck and W2 view/print.
- Three new software releases delivered as part of our Advanced Traffic Management Program for the STMC Traffic Operations Center.
- First release of new Lane Closing Software.
- Aggressive commissioning of new VMS signs, cameras and traffic detection devices to meet deadlines for the opening of the additional roadway capacity on both the Turnpike and parkway.
- Aggressive design review and technology implementation for new State Police and Maintenance Facilities.
- UPS upgrades at our Toll Plazas.
- Successful use of new wireless technology adding much needed communications capacity for roadway ITS devices.
- RFP completed for redesign of the current NJTA website.
- RFP completed for a new Enterprise Asset Management Solution.
- Completed upgrades to our telephone infrastructure (IP with new Unified Messaging features).

- Launched initial version of a new Enterprise GIS Platform.
- Launched new ITS Service Desk for all technology related questions and service requests.

2015 Goals:

The ITS Team is bringing Risk Management to the forefront of its planning ensuring that all technology assets (Hardware, Software and Facilities) are maintained in a "Good State of Repair". In addition, ITS will continue efforts related to a number of projects that will extend into 2015, introduce a new streamlined project management procedure, reinforce cost control efforts and initiate security assessment activities.

- Reduce risk of business interruption by improving disaster recovery and business continuity plans for our main offices, as well as, the state of good repair for our critical infrastructure.
- Complete planning/design and gain approval for a backup TMC and Data Center.
- Complete *E-ZPass* Back office RFP rewrite and prepare operational transition.
- Complete lane Maintenance Service Model and evaluate resource requirements.
- Complete the transition of select Electronic Toll Collection Administrative Functions to specific departments within the Authority.
- Procure and install new Radio Infrastructure (voice/data) and related software.
- Move our Advanced Traffic Management Program beyond device control to data-driven intelligent roadway operations.
- Implement Kronos Timekeeping solution at all NJTA Locations.
- Establish basic Business Intelligence Platform and reaffirm capabilities that were part of the 2013 Pilot Project.
- Actively pursue new cost effective education and training opportunities for the entire ITS team.
- Leverage Key Supplier Relationships to consolidate maintenance and licensing agreements and to reduce Total Cost of Ownership (TCO).
- Continue to position key personnel in leadership roles as part of the ITS active succession plan.

Integrated Technology Services Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 11,016,000	\$ 12,310,700	\$ 12,796,800	\$ 486,100	3.9%
Allowances	31,500	27,600	37,900	10,300	37.3%
Pension & Payroll Taxes	1,929,500	2,228,600	2,233,600	5,000	0.2%
Health Benefits	5,331,100	6,128,700	6,239,400	110,700	1.8%
Travel	6,700	8,800	3,000	(5,800)	-65.9%
Printing & Office Supplies	20,800	19,500	19,800	300	1.5%
Operating Supplies	11,700	21,800	16,900	(4,900)	-22.5%
Software	1,577,700	1,425,000	3,253,800	1,828,800	128.3%
Operating Materials	354,400	322,400	357,400	35,000	10.9%
Other Professional Services	980,200	921,600	921,600	-	0.0%
Other Services	1,200	1,100	2,500	1,400	127.3%
Equipment Maintenance	1,847,500	1,808,500	1,979,800	171,300	9.5%
Equipment Rental	178,400	189,500	124,100	(65,400)	-34.5%
Equipment	440,800	432,400	394,800	(37,600)	-8.7%
	<u>\$ 23,727,500</u>	<u>\$ 25,846,200</u>	<u>\$ 28,381,400</u>	<u>\$ 2,535,200</u>	<u>9.8%</u>

2015 Budget Highlights:

- Increased Software Licensing costs of \$1,800,000.
- Increase in personnel costs related to filling previously vacant positions of \$600,000.
- Increase in Equipment Maintenance costs due to increased hardware of \$171,000.

Information Technology Services Department Budgeted Headcount

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Net Change</u> <u>2014 -2015</u>
Administrative/Executive Assistant	3	1	1	0
Administrative Secretary	1	3	3	0
AIX Administrator	0	1	1	0
Assistant Director	3	2	2	0
Assistant Telecom Manager	1	1	1	0
Chief Information Officer	1	1	1	0
Clerk	0	1	1	0
Communications Systems Analyst	1	1	1	0
Configuration/Software Quality Assurance Manager	1	1	1	0
CSC/VPC Operations Manager	1	1	1	0
Data Processing Operating Coordinator	1	1	1	0
Database Administrator	1	2	2	0
Deputy Chief Information Officer	0	1	1	0
Electrical Engineer	1	1	1	0
Electronic Project Supervisor	1	1	1	0
Electronic Toll Collection Director	1	1	0	-1
Electronic Toll Collection System Manager	1	1	0	-1
ERP Application Supervisor	1	0	0	0
ETC Customer Relations Representative	1	1	1	0
ETC Database Manager	1	1	1	0
ETC Hardware Installation Specialist	2	2	2	0
ETC Programmer	4	4	4	0
ETC Project Engineer	1	1	1	0
ETC Systems Manager	1	0	0	0
Fiber Optic Engineer	0	1	1	0
Field Electronics Manager	1	1	1	0
Field Supervisor	2	2	2	0
Foreman, Inventory Control - TEM*	0	1	1	0
Hardware Engineer	1	1	1	0
Information Technology Facilities Manager	1	0	0	0
Information Technology Manager	1	0	0	0
Infrastructure Administrative Support Specialist	1	1	1	0
ITS Program Supervising Engineer	1	1	1	0
LAN/WAN Network Administrator	1	1	1	0
Local/Wide Area Network Administrative Manager	1	1	1	0
Manager, Administration Software	0	1	1	0
Manager, Communication Services	0	1	1	0
Manager, Field Operations and Special Projects	1	1	1	0
Manager, Infrastructure/User Support	1	1	1	0
Manager, Network Design and Administration	1	0	0	0
Manager, Technical Services	1	1	1	0
Manager, Technology Leased Assets	1	1	1	0
Manager, Traffic Operations Software	0	1	1	0
Network Engineer	0	1	1	0
Network Engineer, Voice, Video & Data	1	1	1	0
Networking Fiber Optic Engineer	1	0	0	0

Information Technology Services Department Budgeted Headcount

	<u>2013</u>	<u>2014</u>	<u>2015</u>	Net Change <u>2014 -2015</u>
Peoplesoft Developer	1	1	0	-1
Program Analyst	1	1	1	0
Programmer	5	3	2	-1
Project Change Manager	1	1	1	0
Project Engineer, ITS	1	1	1	0
Project Manager Telecommunications	1	1	1	0
Radio Communications Supervisor	1	1	1	0
Senior Database Administrator	1	0	0	0
Senior Engineer, Voice & Coliab Services	0	1	1	0
Senior ETC Analyst	1	1	1	0
Senior ETC Programmer	1	1	2	1
Senior ETC Project Analyst	1	1	1	0
Senior Network Administrator	6	6	8	2
Senior Project Manager Network Engineering	1	0	0	0
Senior Secretary	0	1	1	0
Senior Telecom Technical Assistant	1	1	1	0
Software Engineer	2	2	3	1
Systems Administrator	2	2	3	1
Systems Operation Supervisor	1	1	1	0
Systems Supervisor Parkway	2	2	2	0
Systems Technician	11	10	10	0
TAS Office & Budget Administrator	1	1	1	0
Technology Device Technician	22	22	22	0
Technology Support & Operations Manager	1	0	0	0
Telecom Systems Administrator	1	1	1	0
TEM Manager*	0	1	1	0
Toll Equipment Supervisor	1	1	1	0
Toll Maintenance Foreman*	0	5	5	0
Toll System Mechanic*	0	1	1	0
Toll Technician Turnpike*	0	21	21	0
User Support Administrator	1	1	1	0
Voice Engineer	1	1	1	0
Windows Administrator	0	1	0	-1
Windows Platform Support Manager	1	1	1	0
	116	144	144	0

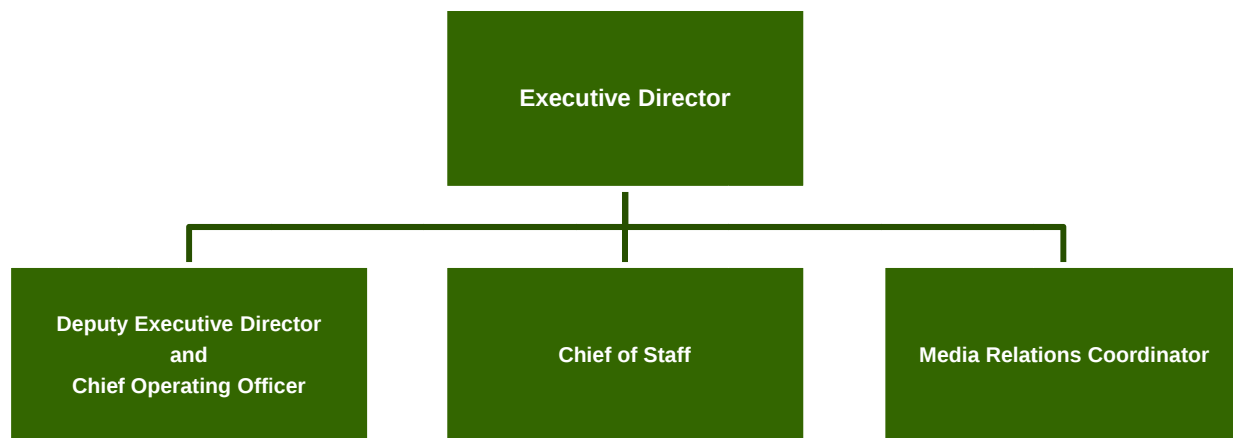
* Toll Equipment Maintenance was transferred from Tolls in 2014

Executive Offices

Department Description:

The Executive Office is the primary liaison with the Board of Commissioners and is responsible for the daily and long-term administration and functioning of the Authority, including coordination and prioritization of policy, strategic planning and special projects. The Department provides leadership and oversight in the development and implementation of efficient solutions and responses to matters concerning both internal and external departmental operations and Authority initiatives.

Department Organization:



Senior Staff:

Executive Director: Joseph W. Mrozek

Deputy Executive Director and Chief Operating Officer: John F. O'Hern

Chief of Staff: Megan E. Mulcahy

Media Relations Coordinator: Thomas C. Feeney

2014 Accomplishments:

- Negotiated contracts with both Tolls Supervisors unions to achieve cost savings and work rule changes.

2015 Goals:

- Settle all expired labor contracts.
- Open new travel service plazas at the Atlantic Service Area on the Parkway and the Grover Cleveland Service Area on the Turnpike

Executive Offices Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 693,900	\$ 680,800	\$ 686,700	\$ 5,900	0.9%
Pension & Payroll Taxes	121,500	123,200	119,900	(3,300)	-2.7%
Health Benefits	335,800	338,900	334,800	(4,100)	-1.2%
Travel	3,800	3,500	-	(3,500)	-100.0%
Printing & Office Supplies	8,400	8,100	8,000	(100)	-1.2%
Other Professional Services	60,200	80,300	78,900	(1,400)	-1.7%
Other Services	400	600	-	(600)	-100.0%
Equipment	6,800	8,200	-	(8,200)	-100.0%
	<u>\$ 1,230,800</u>	<u>\$ 1,243,600</u>	<u>\$ 1,228,300</u>	<u>\$ (15,300)</u>	<u>-1.2%</u>

2015 Budget Highlights:

- No equipment purchases needed.

Executive Offices Department Budgeted Headcount

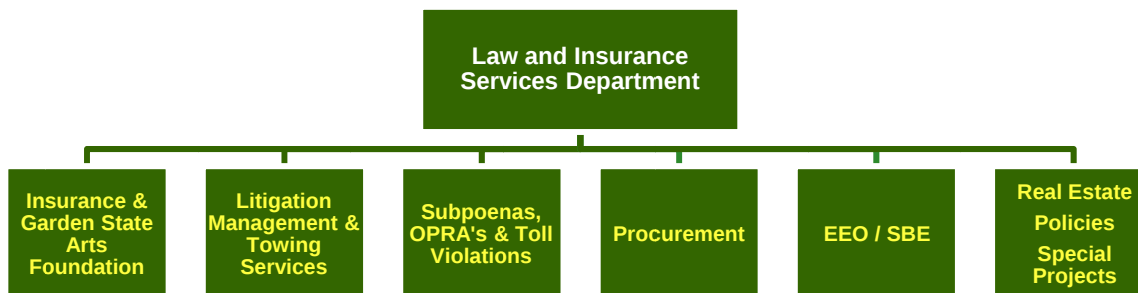
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Net Change 2014 -2015</u>
Administrative/Executive Assistant	1	1	1	0
Assistant Secretary	1	1	0	-1
Chief of Staff	1	1	1	0
Chief Operating Officer & Deputy Executive Director	1	1	1	0
Confidential Secretary	1	0	0	0
Executive Director	1	1	1	0
Media Relations Coordinator	1	1	1	0
Secretary to the Authority	0	0	1	1
	<u>7</u>	<u>6</u>	<u>6</u>	<u>0</u>

Law and Insurance Services

Department Description:

The Law and Insurance Services Department manages all legal, insurance and real estate matters for the Authority as well as EEO and SBE compliance. Duties include supervising and managing of outside counsel, insurance risk manager, insurance brokers and third party administrators. The departmental budget includes all insurance costs other than property and worker's compensation, which are budgeted elsewhere.

Department Organization:



Senior Staff:

General Counsel: Bruce A. Harris
 Deputy General Counsel: Maura Tully
 Assistant Director of Law: Ann Monica

2014 Accomplishments:

- Litigation management was centralized and costs are now tracked by matter.
- Reviewed and updated surplus property lists, removing properties from the list that are being used by the NJTA and removing those properties from municipal tax rolls providing a savings of nearly \$200,000 in property taxes.
- Issued an RFQ for outside counsel and interviewed and selected new counsel covering a broader range of practice areas.
- Processed over 400 OPRA requests, nearly 300 subpoenas and investigated approximately 40 EEO workforce complaints.

2015: Goals:

- Require outside counsel to prepare a litigation strategy and budget for each matter and manage each matter accordingly for the purposes of achieving better, less costly outcomes.
- Re-evaluate the structure of the property insurance coverage to eliminate insurance redundancies with respect to service areas and to further confirm overall coverage and deductible amounts.
- Identify repetitive OPRA requests and structure data gathering to facilitate faster response by making the collecting of the data (especially on accidents) a routine procedure.
- Work with Human Resources and other departments to develop and implement procedures to increase workforce diversity.
- Review and revise litigation hold procedures to ensure appropriate preservation of data, especially with respect to electronic data.

Law and Insurance Services Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 1,025,900	\$ 1,222,200	\$ 1,189,700	\$ (32,500)	-2.7%
Pension & Payroll Taxes	179,700	221,300	207,700	(13,600)	-6.1%
Health Benefits	496,500	608,500	580,100	(28,400)	-4.7%
Travel	3,100	5,000	5,000	-	0.0%
Printing & Office Supplies	31,000	35,700	30,900	(4,800)	-13.4%
Insurance	5,223,100	4,920,400	4,407,000	(513,400)	-10.4%
Legal Services	1,469,300	1,552,500	1,229,500	(323,000)	-20.8%
Other Professional Services	41,400	45,100	114,700	69,600	154.3%
Other Services	4,000	5,300	6,800	1,500	28.3%
Taxes	381,600	430,300	209,200	(221,100)	-51.4%
	<u>\$ 8,855,600</u>	<u>\$ 9,046,300</u>	<u>\$ 7,980,600</u>	<u>\$ (1,065,700)</u>	<u>-11.8%</u>

2015 Budget Highlights:

- Decrease in Non Property Insurance of \$513,000.
- Decrease in Legal Costs of \$323,000.
- Decrease in Property Taxes of \$221,000.

Law and Insurance Services Department Budgeted Headcount

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Net Change 2014 -2015</u>
Administrative Assistant	2	1	2	1
Assistant Director of Law	1	1	1	0
Attorney	8	8	8	0
Claims Manager	1	0	0	0
Claims Specialist	1	1	1	0
Compliance Manager	1	1	1	0
Confidential Secretarial Staff	4	5	4	-1
Deputy General Counsel	1	1	1	0
Equal Employment Opportunity Officer	1	1	1	0
General Counsel	1	1	1	0
Legal Document Support Specialist	1	1	1	0
	<u>22</u>	<u>21</u>	<u>21</u>	<u>0</u>

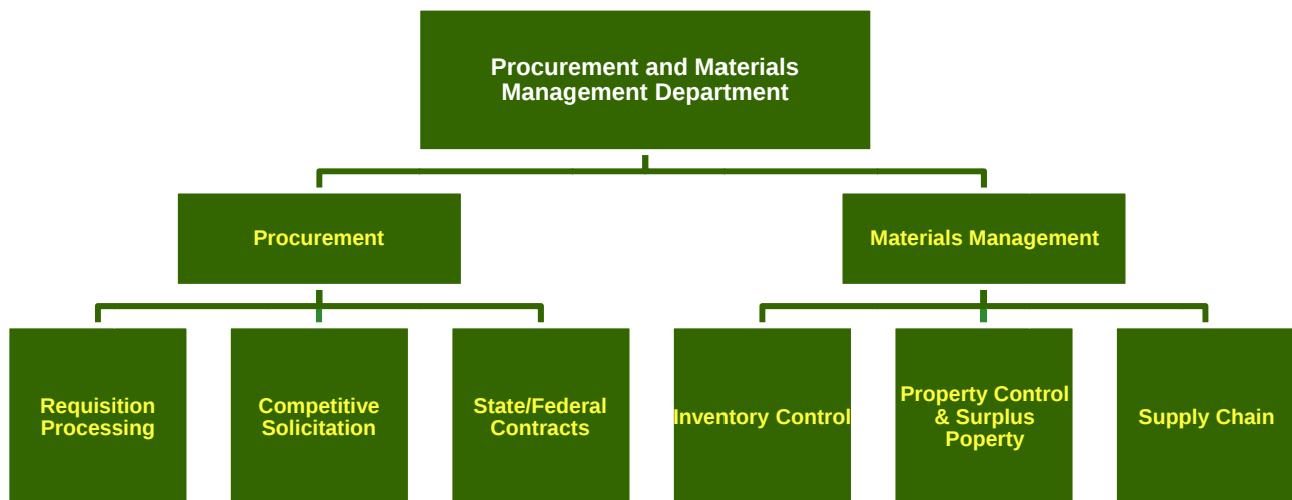
Procurement and Materials Management

Department Description:

Procurement and Materials Management is tasked with procuring goods and services and managing the flow of inventory items in the most efficient and cost effective manner. Objectives include: enhancing all procurement and materials management processes; reducing spending on contracts; monitoring compliance with procurement laws, policies, and procedures; reducing percentage rate of exceptions for physical inventory of goods; increasing revenue via surplus property sales and significantly reducing paper/manual processes.

The Department is separated into two primary functional areas: 1) Procurement, and 2) Materials Management. Procurement is further divided into staff generally dedicated to types of commodities/services as well as methods of procurement. For examples, most of technology goods and services are procured via the New Jersey State Contract system and most of maintenance equipment and services are procured via competitive (public bid or informal) solicitations. The Materials Management Section is separated into Inventory Control at four main warehouses on both Roadways; Office Supply and Toll Ticket Distribution and Management and Asset Control and Surplus Equipment Sales.

Department Organization:



Senior Staff:

Director of Procurement and Materials Management: Andrea Ward

Deputy Director of Procurement and Materials Management: Donna Wilser

2014 Accomplishments:

- Coordinated the Authority's Annual Procurement Plan (an active document) that listed all procurement contracts that needed Board approval.
- Conducted three surplus sales of roadway equipment, inventory and miscellaneous items with proceeds estimated at \$450,000.
- Assumed tracking of fuel and rock salt receipts in the Authority's integrated financial accounting system. (This was previously performed by the Maintenance Department.)

- Implement electronic bidding system via "Bid Express" for competitive solicitations. Create a Materials Management Manual to document all policies and inventory operating procedures.
- Identify inventory items currently being processed differently between the Parkway and the Turnpike and implement uniform procedures.
- Continued participation in the Authority's Facilities' Program – defining all design and operational requirements for a consolidated Central Warehouse.

Procurement and Materials Management Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 4,187,900	\$ 4,079,800	\$ 4,140,200	\$ 60,400	1.5%
Allowances	9,200	9,700	4,300	(5,400)	-55.7%
Pension & Payroll Taxes	733,500	738,600	722,600	(16,000)	-2.2%
Health Benefits	2,026,700	2,031,100	2,018,700	(12,400)	-0.6%
Travel/Reg-Non overnight	1,300	1,800	2,300	500	27.8%
Printing & Office Supplies	36,300	32,300	32,900	600	1.9%
Operating Supplies	8,800	9,500	12,000	2,500	26.3%
Operating Materials	400	400	300	(100)	-25.0%
Consulting Services	11,600	9,500	12,000	2,500	26.3%
Other Services	137,400	117,400	175,600	58,200	49.6%
Equipment	1,600	1,800	-	(1,800)	-100.0%
	<u>\$ 7,154,700</u>	<u>\$ 7,031,900</u>	<u>\$ 7,120,900</u>	<u>\$ 89,000</u>	<u>1.3%</u>

2015 Budget Highlights:

- Reducing office supplies.
- Reducing overtime for Inventory personnel.
- Increase in personnel costs related to filling previously vacant position of \$32,000.
- Increase in advertising costs of \$58,000, due to an anticipated increase in the number of public solicitations.

Procurement & Materials Management Department Budgeted Headcount

	2013	2014	2015	Net Change 2014 -2015
Administrative Assistant	1	0	0	0
Administrative Secretary - Inventory	1	1	1	0
Asset Administrator	1	1	1	0
Assistant Buyer	2	2	2	0
Assistant Manager, Inventory Control	1	1	0	-1
Assistant Property / Materials Supervisor	1	0	0	0
Assistant Warehouse Supervisor	1	1	1	0
Buyer	4	3	3	0
Confidential Secretary	0	1	0	-1
Deputy Director Procurement & Materials Management	1	1	1	0
Director Procurement & Materials Management	1	1	1	0
General Manager Property / Materials	1	0	0	0
Inventory and Field Buyer	1	1	1	0
Inventory Control Manager	0	0	1	1
Inventory Control Supervisor	2	2	2	0
Maintenance Records Clerk	2	2	2	0
Materials Supervisor	2	2	2	0
Office Services Aide	1	1	1	0
Office Services Clerk	2	1	1	0
Parts/Inventory Counter Clerk	10	10	10	0
Procurement Coordinator	0	0	1	1
Procurement Specialist	1	1	1	0
Procurement Specialist Assistant	0	1	0	-1
Procurements Specialist Manager	0	1	1	0
Property & Materials Supervisor	3	3	3	0
Property Control Manager	1	1	1	0
Property Control Specialist	1	1	1	0
Purchasing Assistant	1	1	1	0
Purchasing Manager	1	1	1	0
Senior Buyer	1	0	0	0
Senior Clerk	1	1	0	-1
Senior Confidential Secretary	0	0	1	1
Senior Secretary Parkway	0	1	1	0
Senior Stockperson	1	1	1	0
Stock Control Supervisor	1	1	1	0
Stockperson	1	1	1	0
Storekeeper 2	3	3	3	0
Supply Chain Manager	0	1	1	0
Supply Chain Supervisor	0	0	1	1
Warehouse Inventory Control Coordinator	1	1	1	0
	52	51	51	0

Human Resources and Office Services

Department Description:

The Human Resources & Office Services Department supports the activities of the Authority by providing employment services which include hiring, development & training, labor relations management, health administration, safety administration and benefits administration.

Department Organization:



Senior Staff:

Director of Human Resources: Mary-Elizabeth Garrity

2014 Accomplishments:

- Annual Health & Safety Training, including fitness testing and CPR Training for approximately 750 Employees.
- Developed and executed a training program on Substance Abuse for the staff at no additional cost to the Authority.
- Held a job fair that saw over 500 people seeking employment.
- Open enrollment options for medical benefits offered for both active and retired employees.

2015 Goals:

- Initiate upgrade onto the Authority's fiber network of the current Operations Department fire alarm receiver. The upgrade will improve monitoring of Authority buildings.
- Update and interface a confined space entry procedure.
- Create an unemployment tool box discussion database.
- Streamline the hiring process through the annual job fair program.
- Cross-train staff to improve response time to the Authority's needs.
- Prepare and implement a vendor search for health and welfare coverage administrators.
- Develop an Administrative Secretary Training Program.

Human Resources & Office Services Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 3,253,400	\$ 3,244,500	\$ 3,231,300	\$ (13,200)	-0.4%
Allowances	5,900	5,800	6,100	300	5.2%
Pension & Payroll Taxes	569,900	587,400	564,000	(23,400)	-4.0%
Health Benefits	1,574,400	1,615,200	1,575,500	(39,700)	-2.5%
Tuition	89,600	102,000	80,400	(21,600)	-21.2%
Travel	2,700	3,000	2,000	(1,000)	-33.3%
Printing & Office Supplies	44,500	57,500	118,600	61,100	106.3%
Medical Supplies	4,700	5,200	8,200	3,000	57.7%
Operating Supplies	7,800	5,500	7,900	2,400	43.6%
Operating Materials	400	400	-	(400)	-100.0%
Consulting Services	17,200	17,200	27,200	10,000	58.1%
Other Professional Services	41,400	45,100	54,700	9,600	21.3%
Environmental Services	400	600	20,100	19,500	3250.0%
Other Services	1,600	1,500	1,600	100	6.7%
Building Maintenance	45,000	75,800	71,100	(4,700)	-6.2%
Equipment Maintenance	9,000	11,500	17,000	5,500	47.8%
Equipment Rental	1,800	7,100	1,200	(5,900)	-83.1%
Equipment	6,500	4,900	10,000	5,100	104.1%
	<u>\$ 5,676,200</u>	<u>\$ 5,790,200</u>	<u>\$ 5,796,900</u>	<u>\$ 6,700</u>	<u>0.1%</u>

2015 Budget Highlights:

- Increase in printing and office supplies related to expenditures for safety training.
- Increase in Environmental Services for mold remediation.

Human Resources & Office Services Department Budgeted Headcount

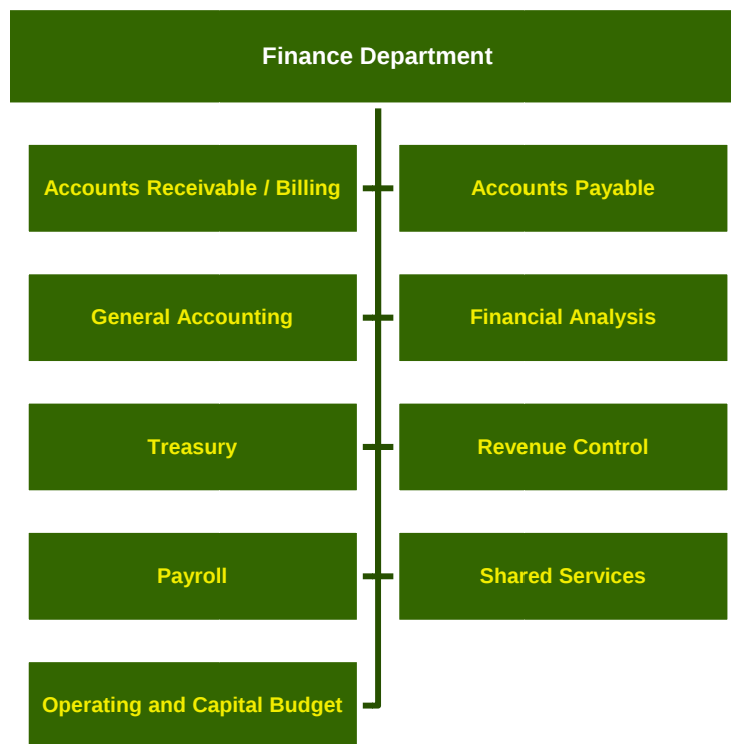
	<u>2013</u>	<u>2014</u>	<u>2015</u>	Net Change <u>2014 -2015</u>
Administrative Assistant	1	1	1	0
Assistant Director, HR Policy & Training	1	1	1	0
Assistant Director, HR Safety & Benefits	1	0	0	0
Assistant Employment Manager	1	0	0	0
Assistant Office Services Manager	1	1	1	0
Benefits Administrator	2	1	1	0
Benefits Manager	0	1	1	0
Camera Person	1	1	1	0
Clerk	1	1	1	0
Computer Graphics Coordinator	1	1	1	0
Confidential Secretary	0	2	2	0
Director of Human Resources	1	1	1	0
Employment Manager	0	0	1	1
Employment Supervisor	0	1	0	-1
Human Resources Aide	1	0	0	0
Human Resources Assistant	2	1	1	0
Human Resources Clerk	0	1	1	0
Human Resources Generalist	0	4	5	1
Human Resources Office Administrator	0	1	0	-1
Junior Personnel Administrator	1	0	0	0
Junior Printer	1	1	1	0
Mail Clerk	1	1	1	0
Manager - Safety Programs	1	1	1	0
Nurse	1	1	1	0
Office Services Assistant	1	1	1	0
Office Supervisor	1	0	0	0
Paste-Up / Graphic Artist	1	1	1	0
Personnel Administrator	2	0	0	0
Print & Support Specialist	1	1	1	0
Print Shop Coordinator	1	1	1	0
Print Shop Manager	1	1	1	0
Printer	1	1	1	0
Receptionist	1	2	2	0
Safety Manager	2	2	2	0
Secretary	1	0	0	0
Senior Benefits Assistant	1	0	0	0
Senior Benefits Manager	0	1	1	0
Senior Clerk	1	1	1	0
Senior Confidential Secretarial Aide	1	1	1	0
Senior HR Office Administrator	0	0	1	1
Senior Human Resources Clerk	1	0	0	0
Senior Human Resources Manager	0	1	0	-1
Senior Mail/Messenger/Shipping Clerk	2	2	2	0
Senior Nurse	1	1	1	0
Senior Printer	2	2	2	0
Senior Safety Inspector	1	1	1	0
Senior Secretary Parkway	1	1	1	0
Senior Secretary Turnpike	1	0	0	0
Senior Telephone/Receptionist Operator	0	1	1	0
Senior Ticket Supply Clerk	1	0	0	0
Telephone Receptionist Operator	1	1	1	0
	<u>46</u>	<u>46</u>	<u>46</u>	<u>0</u>

Finance

Department Description:

The Finance Department is responsible for all fiscal matters of the Authority. The department ensures compliance with trust agreements, manages the Authority's resources, structures financial plans to maintain debt service coverage, and works with all departments to manage costs. Overall financial policies and reporting requirements are dictated by the terms of the Authority's Bond Resolution, and also mandated by statute or Executive Order. Responsibility for meeting the deadlines and financial covenants of the bond resolution lie with the Finance Department. Financial policies approved by the Board of Commissioners include the Guidelines, Debt Management Plan, Investment Policy and Swap Management Plan.

Department Organization:



Senior Staff:

Chief Financial Officer: Donna Manuelli
 Deputy Chief Financial Officer: Pamela J. Varga
 Comptroller: Katherine M. Johnstone

2014 Accomplishments:

- Successfully issued \$1 billion of Series 2014A Turnpike Revenue Bonds to continue to fund the \$7 billion CIP.
- Successfully issued the Series 2014B and Series 2014C Turnpike Revenue Bonds to refund existing debt for savings.

- Completed a review of all required bond disclosure filings for the last 10 years as part of the SEC's Municipal Continuing Disclosure Compliance initiative, with no unreported deficiencies noted.
- Instituted a pilot program for department staff to utilize the Kronos system for time reporting.
- Successfully transitioned to new outside Bond Counsel.

2015 Goals:

- Refund Series 2009A and 2009B bonds to replace terminating letters of credit.
- Issue RFP to select underwriting team for upcoming bond issues.
- Refund Series 2012G and Series 2013G bonds to meet mandatory tender dates.
- Implement Kronos system for fully automated time and attendance reporting, and make necessary changes to payroll procedures and reporting as required.
- Submit 2015 Annual Budget for GFOA Distinguished Budget Presentation Award.
- Complete a Comprehensive Annual Financial Report for the year ended December 31, 2014 and submit for GFOA Excellence in Financial Reporting Award.

Finance Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 5,558,600	\$ 5,671,900	\$ 5,846,500	\$ 174,600	3.1%
Allowances	500	300	200	(100)	-33.3%
Pension & Payroll Taxes	975,400	1,028,700	1,021,800	(6,900)	-0.7%
Health Benefits	2,694,900	2,828,800	2,854,500	25,700	0.9%
Travel	2,000	2,500	1,200	(1,300)	-52.0%
Printing & Office Supplies	35,500	36,700	35,400	(1,300)	-3.5%
Other Materials	700	800	600	(200)	-25.0%
Banking Fees	2,005,500	2,005,000	1,905,500	(99,500)	-5.0%
Consulting Services	181,500	198,000	220,000	22,000	11.1%
Other Professional Services	368,400	478,200	374,900	(103,300)	-21.6%
Other Services	1,300	1,700	1,700	-	0.0%
	<u>\$ 11,824,300</u>	<u>\$ 12,252,600</u>	<u>\$ 12,262,300</u>	<u>\$ 9,700</u>	<u>0.1%</u>

2015 Budget Highlights:

- All vacancies will be filled in 2015 and fully funded, resulting in an increase in salary expense
- Consulting services, particularly financial advisory services, are reduced based on estimated usage.
- Savings in banking fees due to projected reduction in letter of credit fees.

Finance Department Budgeted Headcount

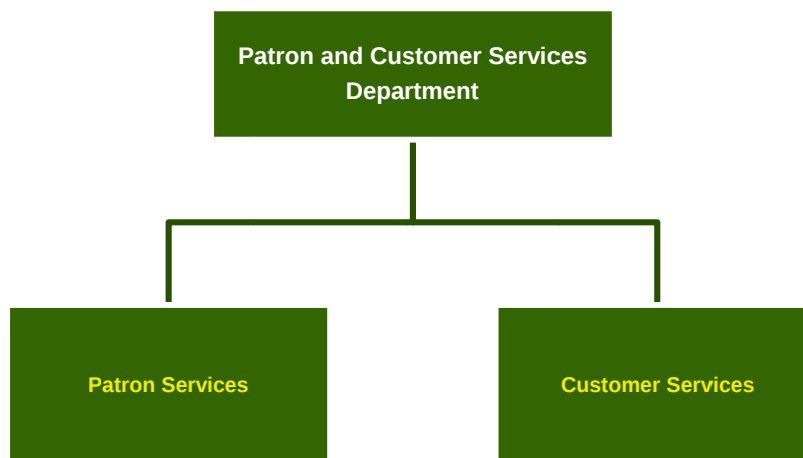
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Net Change</u> <u>2014 -2015</u>
Accountant	1	3	2	-1
Accounting Manager, Internal Control	1	1	1	0
Accounts Clerk	4	2	2	0
Accounts Payable Analyst	1	1	1	0
Accounts Payable/Disbursements Manager	1	1	1	0
Accounts Payable Supervisor	1	1	0	-1
Accounts Receivable Manager	1	1	1	0
Accounts Receivable Supervisor	1	1	1	0
Administrative Assistant	2	1	1	0
Assistant Comptroller	1	1	0	-1
Audit Data Inspector	0	0	1	1
Audit Data Specialist	3	3	3	0
Audit Operations Manager	1	1	1	0
Billings Manager	0	0	1	1
Billings Supervisor	0	0	1	1
Budget Coordinator, Finance	1	1	1	0
Budget Supervisor	1	1	1	0
Cash Manager	1	1	1	0
Cash Management Supervisor	1	1	1	0
Cash Toll Audit Manager	0	0	1	1
Chief Financial Officer	1	1	1	0
Clerk 1, 70	3	3	3	0
Comptroller	1	1	1	0
Cost Accountant, Turnpike	1	1	0	-1
Data Analyst	5	5	4	-1
Deputy Chief Financial Officer	0	0	1	1
Disbursements Clerk	0	0	1	1
Disbursements Section Supervisor	2	2	1	-1
Documents Services Coordinator	1	1	1	0
ETC Audit Supervisor	1	2	1	-1
Executive Secretary	1	1	1	0
Financial Manager	2	2	2	0
General Clerk	1	1	0	-1
Human Capital Management Analyst	0	1	1	0
Human Capital Management Manager	0	1	1	0
Inventory and Fixed Assets Supervisor	1	0	0	0
Junior Accountant	6	5	5	0
Junior Accounting Analyst	1	2	6	4
Payroll Administrator/Manager	1	1	1	0
Payroll Assistant	1	0	0	0
Payroll Coordinator	3	3	3	0
Payroll Section Supervisor	1	0	0	0
Payroll Specialist	1	1	1	0
Revenue Control Manager	1	1	1	0
Senior Accounting Analyst	1	1	0	-1
Senior Accounts Clerk	0	1	1	0
Senior Accounts Payable Supervisor	0	0	1	1
Senior Budget Supervisor	2	2	2	0
Senior Clerk	10	10	9	-1
Senior Confidential Secretary	0	1	1	0
Senior Data Analyst	1	1	1	0
Senior Financial Auditor	1	1	0	-1
Senior F&B Document Specialist	1	1	1	0
Senior Toll Audit Coordinator	3	3	3	0
Senior Toll Collection Credit & Collections Clerk	1	0	0	0
Toll Audit Coordinator	1	1	1	0
Treasury Manager	1	1	1	0
Variance Analyzer Coordinator	2	2	2	0
	81	81	81	0

Patron and Customer Services

Department Description:

The primary function of the Patron Services and Customer Services sections is to provide world class customer service to the Authority's internal and external customers through the utilization of the "One Touch Model". These sections provide personal, timely and appropriate assistance to all customers and patrons. In addition, these sections maintain the various messages placed on two billboards located at the PNC Bank Arts Center, and manage and maintain the Authority's archive room which provides a photographic history of the roadways. The sections also provide contract administration for all Authority contracts for service areas, billboard advertising, and park and ride lots.

Department Organization:



Senior Staff:

Patron Services Manager: Erika Vargas

Customer Services Manager: Denise DeSante

2014 Accomplishments:

- Responded to all patron letters from the Governor's Office or Legislature within 30 days;
- Reviewed all billboard advertising contracts and new business;
- Worked with HMS to obtain all *E-ZPass* on the go transponders which were at the service areas.
- Contacted repeat patrons who send in mail payments to convert them to *E-ZPass*.
- Oversaw the re-opening of the Oceanview Service Plaza on the Parkway.

2015 Goals:

- Respond to all Governor's Office and legislative requests within 30 days;
- Contact patrons who repeatedly send mail tolls and convert them to *E-ZPass*;
- Explore options for charging a processing fee for patrons who do not pay in the lane but rather send in mail tolls.

Patron and Customer Services Department Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 934,200	\$ 923,600	\$ 961,500	\$ 37,900	4.1%
Allowances	100	100	100	-	0.0%
Pension & Payroll Taxes	163,600	167,200	167,800	600	0.4%
Health Benefits	452,100	459,800	468,800	9,000	2.0%
Printing & Office Supplies	3,800	4,100	5,000	900	22.0%
Operating Supplies	-	100	-	(100)	-100.0%
Consulting Services	150,000	155,000	159,500	4,500	2.9%
Other Professional Services	47,500	47,500	47,500	-	0.0%
	<u>\$ 1,751,300</u>	<u>\$ 1,757,400</u>	<u>\$ 1,810,200</u>	<u>\$ 52,800</u>	<u>3.0%</u>

2015 Budget Highlights:

- Increase in personnel costs due to contractual wage increases.

Patron and Customer Services Budgeted Headcount

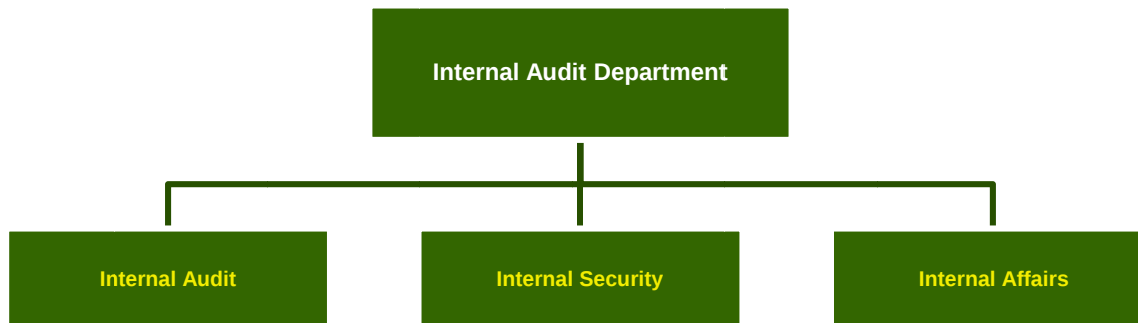
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Net Change 2014 -2015</u>
Assistant Customer Service Manager	2	2	2	0
Assistant Patron Services Manager	1	1	1	0
Clerk	1	1	1	0
Contract Services Supervisor	1	1	1	0
Customer Service Manager	1	1	1	0
Marketing Coordinator	1	1	1	0
Patron Services Contract Manager	1	1	1	0
Patron Services Manager	1	1	1	0
Senior Patron Services Aide	3	2	2	0
	<u>12</u>	<u>11</u>	<u>11</u>	<u>0</u>

Internal Audit

Department Description:

The Internal Audit Department reports functionally to the Audit Committee and the Authority's Commissioners and administratively to the Executive Director. The department is responsible for providing an independent appraisal of Authority financial and operating activities. In addition, the department is responsible for safeguarding the Authority's assets as well as its employees.

Department Organization:



Senior Staff:

Director of Internal Audit: James Carone

Deputy Director of Internal Audit: Tracey Walters

2014 Accomplishments:

- A complete C Cure system (controlled access system) software upgrade from C Cure 800 to C Cure 9000.
- The NJTA Audit Committee complied with all provisions of Executive Order 122.
- Completed 2014 major audits to include Property Damage Claims Review, Senior Citizen Discount Review, GSAC Lease Agreement, Authority-wide Risk Assessment, Toll Collector Variance Investigations, annual physical inventories and Reject Coin analysis.
- Installation of three new security gates along the NJ Turnpike.

2015 Goals:

- Perform a fraud risk assessment across the entire Authority.
- Identify Turnpike Interchanges for security improvements.
- In conjunction with an outside vendor, perform preventative maintenance on all security gates.
- Coordinate Toll Plaza/Interchange inspections with the New Jersey State Police.

Internal Audit Department Operating Budget

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Salaries & Wages	\$ 1,553,100	\$ 1,545,600	\$ 1,588,300	\$ 42,700	2.8%
Allowances	3,900	3,500	2,900	(600)	-17.1%
Pension & Payroll Taxes	272,000	279,800	277,200	(2,600)	-0.9%
Health Benefits	751,600	769,500	774,400	4,900	0.6%
Travel	1,500	1,900	-	(1,900)	-100.0%
Printing & Office Supplies	7,600	9,200	5,800	(3,400)	-37.0%
Operating Supplies	11,200	7,100	7,800	700	9.9%
Consulting Services	-	-	6,000	6,000	N/A
Other Services	300	300	1,600	1,300	433.3%
Equipment Maintenance	79,700	65,000	65,200	200	0.3%
Equipment Rental	3,800	3,200	8,700	5,500	171.9%
Equipment	900	1,100	-	(1,100)	-100.0%
	<u>\$ 2,685,600</u>	<u>\$ 2,686,200</u>	<u>\$ 2,737,900</u>	<u>\$ 51,700</u>	<u>1.9%</u>

2015 Budget Highlights:

- Increase in personnel costs related to filling previously vacant positions of \$45,000.

Internal Audit Department Budgeted Headcount

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Net Change</u> <u>2014 -2015</u>
Administrative Assistant	1	1	1	0
Audit Manager	0	1	1	0
Auditor	4	2	3	1
Case Manager	1	1	1	0
Clerk	2	2	2	0
Confidential Secretary	1	1	1	0
Deputy Director Internal Audit	1	1	1	0
Director Internal Audit	1	1	1	0
Security Inspector	2	1	1	0
Security Manager	1	1	1	0
Security Supervisor	1	1	1	0
Senior Auditor	2	3	2	-1
Senior Security Inspector	0	1	1	0
Tolls Investigation Manager	1	1	1	0
Tolls Investigation Supervisor	1	1	1	0
	<u>19</u>	<u>19</u>	<u>19</u>	<u>0</u>

Debt Service Fund Budget

Bond Series	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
1991 Series C	\$ 4,365,400	\$ 4,365,400	\$ 71,525,400	\$ 67,160,000	
2000 Series B-G (1)	14,741,300	15,874,700	17,248,000	1,373,300	
2003 Series B	164,840,600	174,163,600	72,981,600	(101,182,000)	
2003 Series C	3,059,900	-	-	-	
2004 Series B	-	-	8,685,200	8,685,200	
2004 Series C-2	7,306,800	7,306,800	7,306,800	-	
2005 Series A	20,893,100	18,930,400	9,116,600	(9,813,800)	
2005 Series B	1,563,300	1,563,200	1,563,300	100	
2005 Series C	1,877,700	-	-	-	
2005 Series D1-4	10,897,700	10,958,600	10,958,600	-	
2009 Series A	2,728,400	2,871,700	3,324,800	453,100	
2009 Series B	1,646,300	1,644,700	1,647,000	2,300	
2009 Series E	15,750,000	15,750,000	15,750,000	-	
2009 Series F	101,942,500	101,942,500	101,942,500	-	
2009 Series G	1,738,500	1,738,500	1,738,500	-	
2009 Series H	15,193,400	15,193,400	15,193,400	-	
2009 Series I	8,900,300	8,900,200	8,900,200	-	
2010 Series A	131,387,000	131,387,000	131,387,000	-	
2011 Series A	5,187,000	1,679,500	-	(1,679,500)	
2011 Series B	1,983,700	1,156,600	-	(1,156,600)	
2012 Series A	6,894,000	6,894,000	6,894,000	-	
2012 Series B	23,663,900	39,771,800	39,771,700	(100)	
2012 Series C	1,801,700	-	-	-	
2012 Series D	3,897,000	-	-	-	
2012 Series E	3,772,600	-	-	-	
2012 Series F	616,300	-	-	-	
2012 Series G (1)(2)	1,292,600	1,743,800	1,745,600	1,800	
2013 Series A (4)	-	-	72,919,000	72,919,000	
2013 Series B (1)(2)	3,782,400	6,184,400	6,165,300	(19,100)	
2013 Series C (1)	10,169,400	16,615,800	16,633,300	17,500	
2013 Series D 1-3 (1)	5,520,100	9,010,800	9,135,800	125,000	
2013 Series E 1-3 (1)	3,625,400	5,812,800	6,090,500	277,700	
2013 Series F	2,662,600	4,357,000	4,357,000	-	
2013 Series G (1)(2)	1,071,300	1,745,500	1,747,200	1,700	
2014 Series A(5)	-	-	-	-	
2014 Series B (1)	-	1,941,300	4,750,000	2,808,700	
2014 Series C	-	2,355,000	10,093,000	7,738,000	
2015 Series A (6)	-	-	28,249,000	28,249,000	
	\$584,772,200	\$611,859,000	\$687,820,300	75,961,300	12.4%

(1) Variable rate debt with an associated Interest Swap Agreement has interest included at the fixed swap rate.

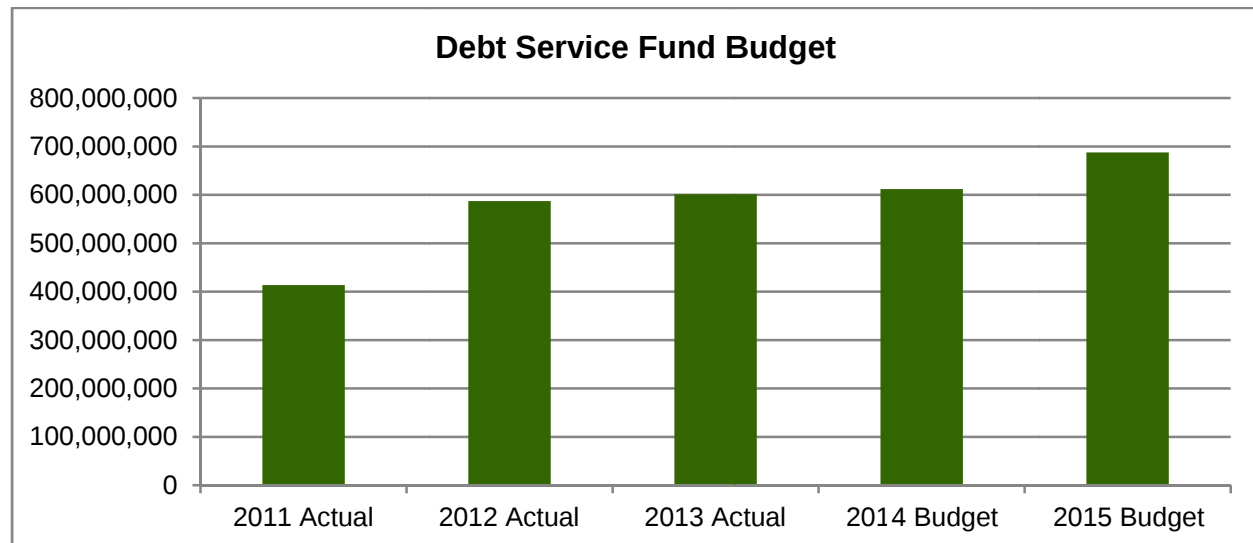
(2) Floating rate notes also include the fixed credit spread as interest expense.

(3) Interest on the \$5,000,000 unhedged portion is calculated at the maximum rate of 12%.

(4) The Series 2013A bond funding included capitalized interest from the date of the bond issuance through January 1, 2015. Therefore, there is no interest payable from Revenues in 2014.

(5) The Series 2014A bond funding included capitalized interest from the date of the bond issuance through May 2016. Therefore, there is no interest payable from Revenues in 2014.

The Debt Service Fund Budget continues to increase as interest expense on bonds issued to fund the \$7 billion CIP become current pay interest bonds after varying terms of capitalized interest from bond proceeds end. The 2015 budget assumes the issuance of up to \$750 million of new money Turnpike Revenue Bonds to provide additional funds for the \$7 billion CIP at an interest rate of 5%.



Debt Service Fund Balance					
	2013	2014	2015	2014 to 2015	2014 to 2015
	Actual	Est. / Actuals	Budget	\$ Change	% Change
Beginning Balance	\$ 145,072,165	\$ 148,565,000	\$ 164,205,000	\$ 15,640,000	
Interfund Transfers	589,359,133	628,971,000	665,730,300	36,759,300	
Interest Expense	(452,891,298)	(464,766,000)	(523,615,300)	(58,849,300)	
Bond Payments	(132,975,000)	(148,565,000)	(164,205,000)	(15,640,000)	
Ending Balance	\$ 148,565,000	\$ 164,205,000	\$ 142,115,000	\$ (22,090,000)	-13.5%

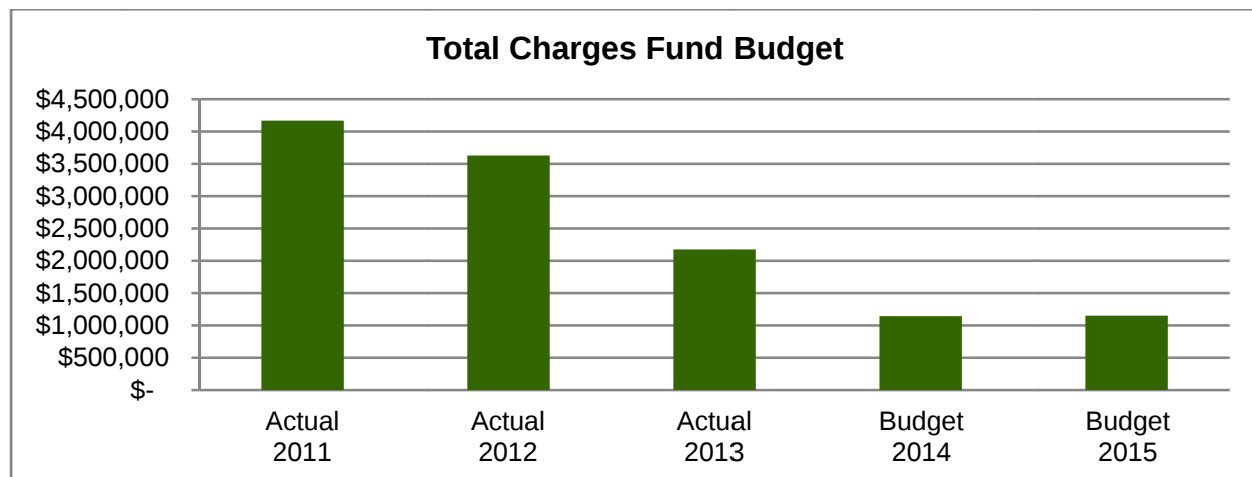
Debt Reserve Fund

No spending budget is required for the Debt Reserve Fund, as no draws on the Debt Reserve Fund are anticipated for 2015. The Authority does expect to issue up to \$750 million of new money Turnpike Revenue Bonds in 2015 which would increase the debt reserve requirement. Any increase in the Debt Reserve requirement will be funded with bond proceeds.

Debt Reserve Fund Balance					
	2013	2014	2015	2014 to 2015	2014 to 2015
	Actual	Est. / Actuals	Budget	\$ Change	% Change
Beginning Balance	\$ 406,168,240	\$ 518,029,839	\$ 562,843,839	\$ 44,814,000	
Interfund Transfers	111,861,599	44,814,000	10,300,000	(34,514,000)	
Ending Balance	\$ 518,029,839	\$ 562,843,839	\$ 573,143,839	\$ 10,300,000	1.8%

Charges Fund Budget

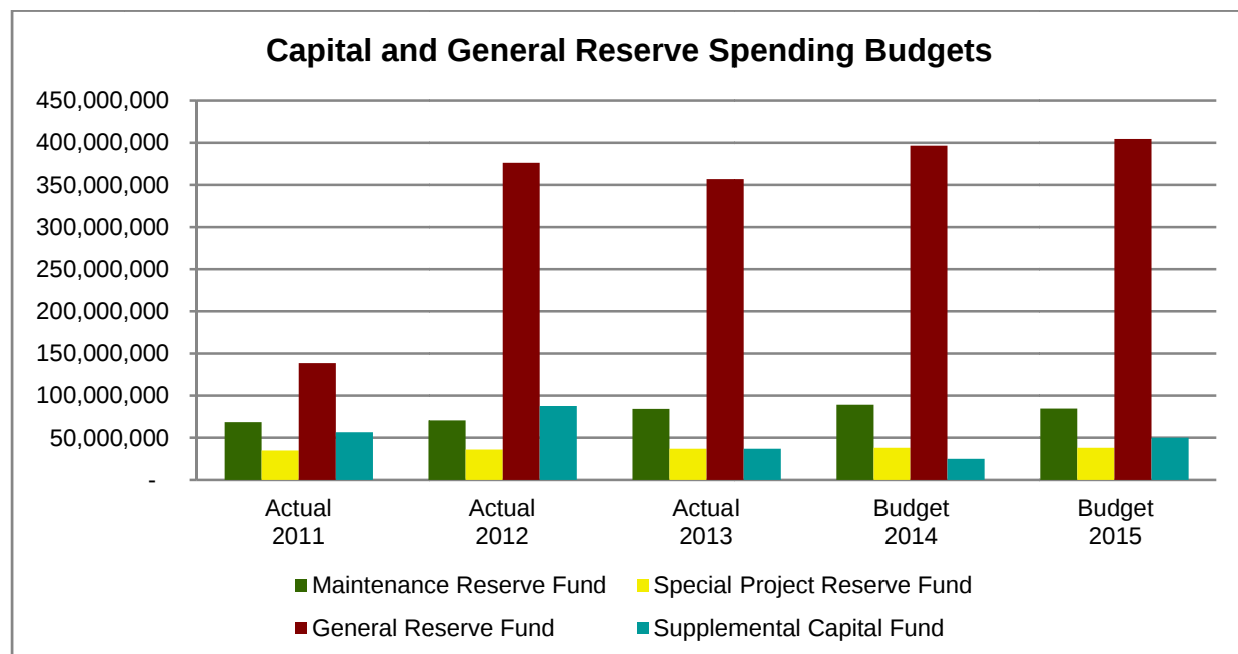
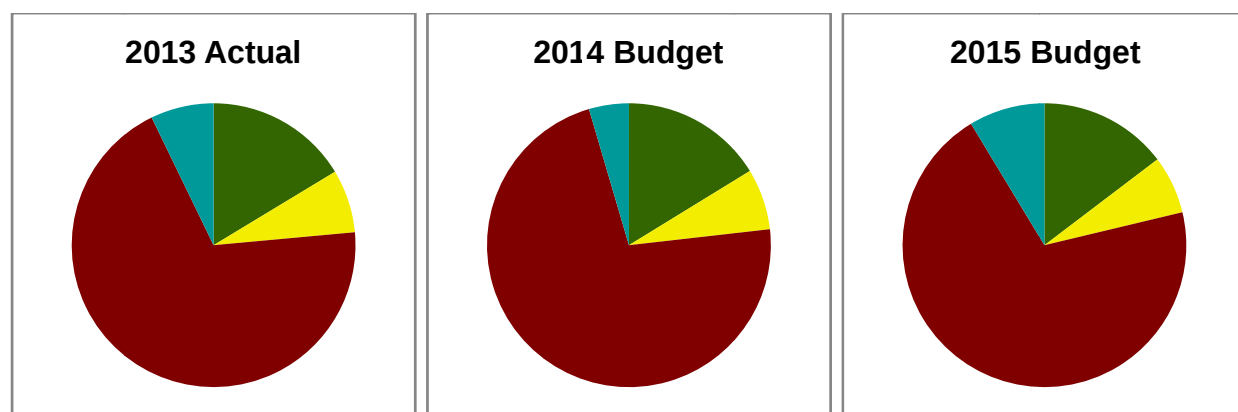
Bond Series	2013	2014	2015	\$ Change from	% Change from
	Actual	Budget	Budget	2014 Budget	2014 Budget
2000B-G	\$ 997,300	\$ 1,000,000	\$ 1,000,000	\$ -	0%
2003-C1	1,034,600	-	-	-	0%
2009A-B	144,900	143,000	150,000	7,000	5%
Total Charges Fund	\$ 2,176,800	\$ 1,143,000	\$ 1,150,000	\$ 7,000	0.6%



Charges Fund Balance					
	2013	2014	2015	2014 to 2015	2014 to 2015
	Actual	Est. / Actuals	Budget	\$ Change	% Change
Beginning Balance	\$ 654,180	\$ 118,337	\$ 120,337	\$ 2,000	
Interfund Transfers	1,645,875	1,150,000	1,150,000	-	
Interest Expense	(2,181,718)	(1,148,000)	(1,150,000)	(2,000)	
Ending Balance	\$ 118,337	\$ 120,337	\$ 120,337	\$ -	0.0%

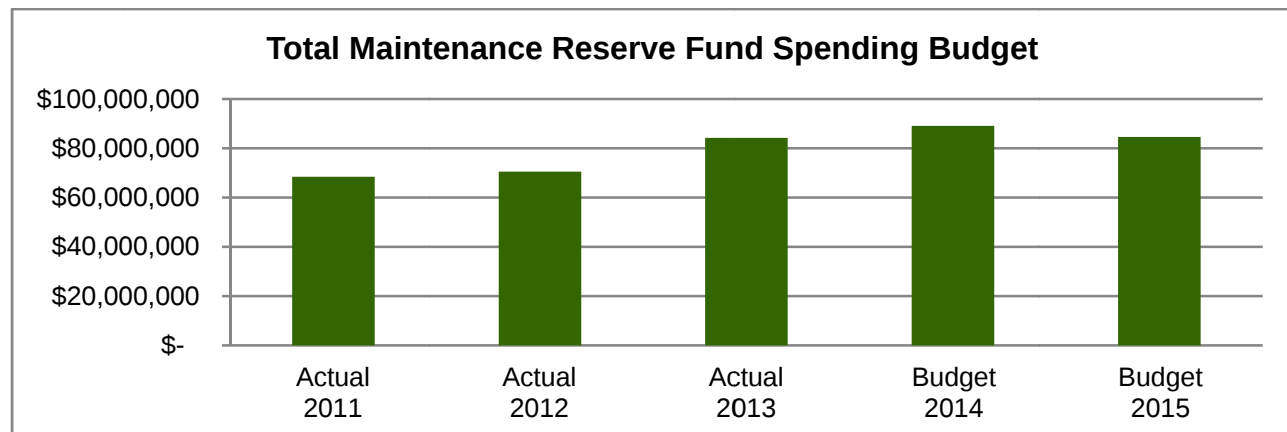
Capital and General Reserve Spending Budgets

	2013 <u>Actual</u>	2014 <u>Budget</u>	2015 <u>Budget</u>	\$ Change from 2014 Budget	% Change from 2014 Budget
Maintenance Reserve Fund	\$ 84,214,400	\$ 89,120,800	\$ 84,609,700	\$ (4,511,100)	-5%
Special Project Reserve Fund	37,043,400	38,155,000	38,155,000	-	0%
General Reserve Fund:					
General Reserve Fund	356,910,100	396,501,000	404,501,000	8,000,000	2%
Supplemental Capital Fund	37,000,000	25,000,000	50,000,000	25,000,000	100%
Total Capital and General Reserve Funds	\$ 515,167,900	\$ 548,776,800	\$ 577,265,700	\$ 28,488,900	5.2%



Maintenance Reserve Fund

	2013 Actual	2014 Budget	2015 Budget	\$ Change from 2014 Budget	% Change from 2014 Budget
Capital Projects					
Turnpike Bridge Repairs	\$ 28,095,600	\$ 34,425,800	\$ 24,151,900	\$ (10,273,900)	-29.8%
Turnpike Resurfacing	16,062,700	15,925,600	21,033,200	5,107,600	32.1%
Parkway Bridge Repairs	16,817,600	7,699,700	19,576,400	11,876,700	154.2%
Parkway Resurfacing	9,382,200	20,453,300	13,190,600	(7,262,700)	-35.5%
Emergency Maintenance	7,500,000	-	-	-	N/A
Total Capital Projects	77,858,100	78,504,400	77,952,100	(552,300)	-0.7%
Expense Projects					
Authority Bridge Inspections	6,356,300	10,616,400	6,657,600	(3,958,800)	-37.3%
Total Expense Projects	6,356,300	10,616,400	6,657,600	(3,958,800)	-37.3%
Total Maintenance Reserve Fund	\$ 84,214,400	\$ 89,120,800	\$ 84,609,700	\$ (4,511,100)	-5.1%

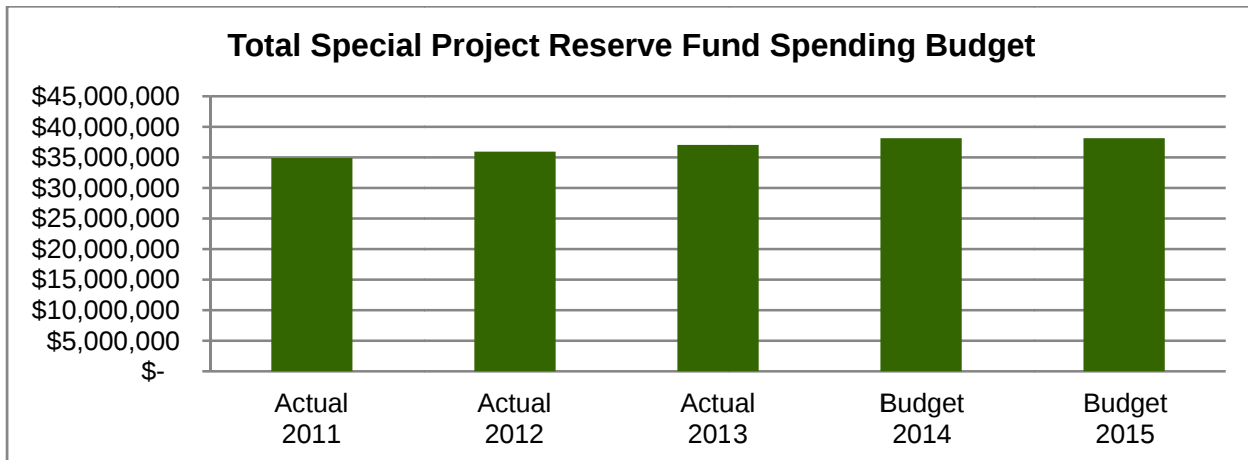


Maintenance Reserve Fund Balance					
	2013 Actual	2014 Est. / Actuals	2015 Budget	2014 to 2015 \$ Change	2014 to 2015 % Change
Beginning Balance	\$ 21,717,697	\$ 10,138,303	\$ 13,495,003	\$ 3,356,700	
Transfer from Revenue Fund	72,622,726	74,798,600	87,058,000	12,259,400	
Project Expenses	(84,202,120)	(71,441,900)	(84,609,700)	(13,167,800)	
Ending Balance	\$ 10,138,303	\$ 13,495,003	\$ 15,943,303	\$ 2,448,300	18.1%

*Does not agree to fund balance in the Authority's financial statement as this chart excludes capitalized assets.

Special Project Reserve Fund

Category	2013 <u>Actual</u>	2014 <u>Budget</u>	2015 <u>Budget</u>	\$ Change from 2014 Budget	% Change from 2014 Budget
Technology Improvements	\$ 15,951,000	\$ 13,156,000	\$ 11,069,500	\$ (2,086,500)	-16%
Roadway Improvements	9,201,000	11,883,000	8,310,500	(3,572,500)	-30%
Facility Improvements	7,145,700	6,816,000	10,650,000	3,834,000	56%
Fleet Upgrades	4,745,700	6,300,000	8,125,000	1,825,000	29%
Total Special Project Reserve Fund	\$ 37,043,400	\$ 38,155,000	\$ 38,155,000	\$ -	0.0%



Special Project Reserve Fund Balance					
	2013 <u>Actual</u>	2014 <u>Est. / Actuals</u>	2015 <u>Budget</u>	2014 to 2015 <u>\$ Change</u>	2014 to 2015 <u>% Change</u>
Beginning Balance	\$ 30,463,972	\$ 20,623,424	\$ 29,113,565	\$ 8,490,141	
Transfer from Revenue Fund	27,733,048	28,770,300	20,900,000	(7,870,300)	
Project Expenses	(37,573,596)	(20,280,159)	(38,155,000)	(17,874,841)	
Ending Balance*	\$ 20,623,424	\$ 29,113,565	\$ 11,858,565	\$ (17,255,000)	-59.3%

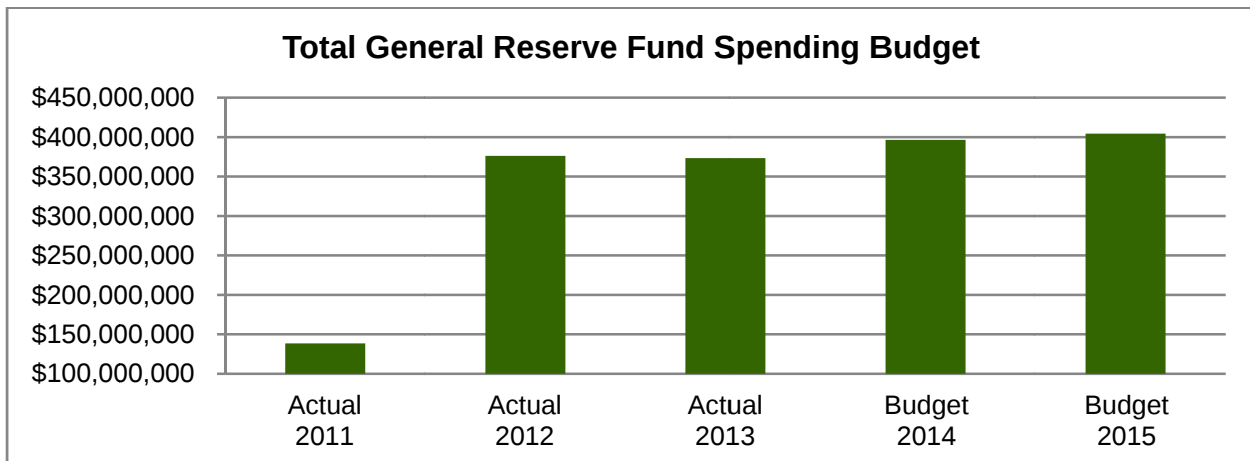
*Does not agree to fund balance in the Authority's financial statement as this chart excludes capitalized assets.

Special Projects Reserve Fund 2015 Projects

<u>Department</u>	<u>Project Number</u>	<u>Capital Projects</u>	<u>2015 Total</u>
Maintenance	04007021	Major Fleet Augmentation	\$ 6,475,000
Maintenance	04007051	HVAC Equipment Upgrade	2,130,000
Maintenance	04008142	Replacement of Swing Gates	2,500,000
Maintenance	04008153	Widening Equipment	1,650,000
ITS	04008056	Lane Closing Application	600,000
ITS	04000118	KRONOS	700,000
Engineering	04008062	Ent GIS Dev/Imp Phase III	360,000
Engineering	04008117	Commuter Park & Ride Design and Construction	825,000
Total Capital Projects			\$ 15,240,000
Expense Projects			
Human Resources	NEW	Confined Space/Safety Equipment	\$ 170,000
Office Services	04008150	Print Shop Equipment	40,000
Toll Collection	04008152	Coin Counting Machines	43,000
Toll Collection	NEW	Toll Collection 15W Supervisors Office	25,000
Toll Collection	NEW	16E/18E Canopy Structure	150,000
Toll Collection	NEW	Toll Plaza Canopy Signs	250,000
Maintenance	04000110	Surface Utility Engineering GIS PRO	500,000
Maintenance	04000111	Upgrade to Gasboy System	340,000
Maintenance	04000113	NJSP Temporary Garage Union	40,000
Maintenance	04007001	IR Drainage Repair	1,400,000
Maintenance	04007052	AC Improvement Program	25,000
Maintenance	04007054	Water Heater/Tank Replacement	35,000
Maintenance	04008087	Rutgers Assignment	200,000
Maintenance	04008124	Mobile Lane Closures	365,000
Maintenance	04008138	Security & Accountability	350,000
Maintenance	04008139	Drainage Assessment	250,000
Maintenance	04008140	GSP Toll Booth Rehabilitation	550,000
Maintenance	04008143	Living Snow Fence	50,000
Maintenance	04010003	Roofing Repairs	840,000
Maintenance	04010027	Immediate Facility Repairs & Other Misc. Building Improvements	700,000
Maintenance	04017027	Building Improvements	985,000
Maintenance	04018050	LED Toll Lane Lights for Turnpike	150,000
Maintenance	NEW	On Call HVAC Service	400,000
Maintenance	NEW	Roadway Lighting Repairs	400,000
Maintenance	NEW	On-call Detention/Retention Basins	300,000
Operations	NEW	On Call Services - Michael Baker	150,000
Operations	NEW	Safety Exploration - Rutgers	150,000
Operations	NEW	Origin & Destination Studies for Parkway Capacity Improvements	250,000
Operations	NEW	Point Detection Fill In	300,000
Operations	NEW	Feasibility Study - Int 114 Park & Ride	100,000
ITS	04000031	Integrated Env Monitor & Control	100,000
ITS	04000038	Fiber RFP	250,000
ITS	04000039	CSC/Lane Management RFP Assistance	250,000
ITS	04008086	PeopleSoft Upgrades & Support	675,000
ITS	04008134	Camera Replacement	400,000
ITS	04008135	ETC Field Improvements	700,000
ITS	04008136	Plaza Server Replacement	200,000
ITS	04008137	Website Redesign	350,000
ITS	NEW	IT Security Audit	300,000
ITS	NEW	Fire Alarm	500,000
ITS	NEW	Document Management	100,000
ITS	NEW	CSC Back Office Transition	500,000
ITS	NEW	Commuter Aid Dispatch System	100,000
Engineering	04000043	Pavement Management System	560,500
Engineering	04000044	Implementation of Energy Cons	150,000
Engineering	04007003	Immediate Repairs Contract	100,000
Engineering	04008003	Design Standards	80,000
Engineering	04008121	Construction Manual	800,000
Engineering	04008122	Building Demolition Study	4,000
Engineering	04008123	SHPO Oceanview Service Area	1,000
Engineering	04008126	Toll Lane Signage	50,000
Engineering	04008127	License to Cross Oversight	50,000
Engineering	04008129	Traffic Manual Updates	50,000
Engineering	04008130	Revisions to various manuals	400,000
Engineering	04008144	Tech Support and Review Projects	300,000
Engineering	04010062	Engineering Studies	625,000
Engineering	04018045	Beaver Brook Dam	325,000
Engineering	04018049	Pavement Settlement Correction	1,500,000
Engineering	NEW	Drainage Pipe Inspections GSP MP 63-80 & MP 30-35	100,000
Engineering	NEW	Evaluation of Interchange 136	200,000
Engineering	NEW	Communication Tower Management Program	570,000
Engineering	04999999	Contingency	3,116,500
Total Expense Projects			\$ 22,915,000

General Reserve Fund

Category	2013 <u>Actual</u>	2014 <u>Budget</u>	2015 <u>Budget</u>	\$ Change from 2014 Budget	% Change from 2014 Budget
Extraordinary Events	\$ 4,775,000	\$ 6,500,000	\$ 15,000,000	\$ 8,500,000	131%
Claim Settlements	2,000,000	2,500,000	2,500,000	-	0%
Other Post-Employment Benefits	15,500,000	28,000,000	27,500,000	(500,000)	-2%
Bond Cost of Issuance	(2,831,055)	1,000,000	1,000,000	-	0%
State Payments	354,001,000	358,501,000	358,501,000	-	0%
Total General Reserve Fund	\$ 373,444,945	\$ 396,501,000	\$ 404,501,000	\$ 8,000,000	2.0%



General Reserve Fund Balance					
	2013 <u>Actual</u>	2014 <u>Est. / Actuals</u>	2015 <u>Budget</u>	2014 to 2015 <u>\$ Change</u>	2014 to 2015 <u>% Change</u>
Beginning Balance	\$ 178,689,454	\$ 214,509,442	\$ 240,062,629	\$ 25,553,187	
Transfer from Revenue Fund	434,444,366	437,705,000	395,237,600	(42,467,400)	
Project Expenses	(374,410,137)	(395,061,704)	(404,501,000)	(9,439,296)	
Supplemental Project Expenses	(24,214,241)	(17,090,109)	(50,000,000)	(32,909,891)	
Ending Balance*	\$ 214,509,442	\$ 240,062,629	\$ 180,799,229	\$ (59,263,400)	-24.7%

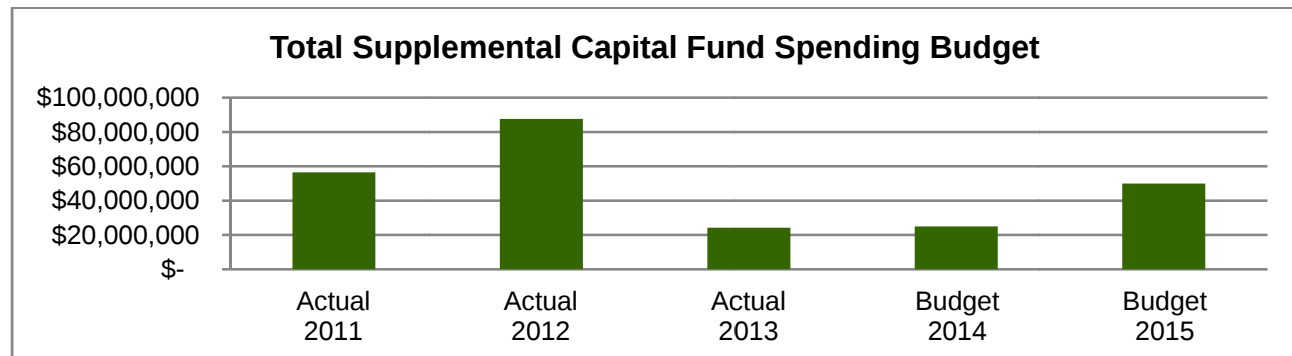
*Does not agree to fund balance in the Authority's financial statement as this chart excludes capitalized assets.

General Reserve Fund 2015 Projects

<u>Department</u>	<u>Project #</u>	<u>Expense Projects</u>	<u>Budget</u>
Finance	08000014	Bond Cost of Issuance	\$ 1,000,000
Executive	08007000	Extraordinary Snow / Severe Weather	15,000,000
Executive	08007990	Claim Settlements	2,500,000
Executive	08007991	Other Post-employment benefits	27,500,000
Executive	08007015	Feeder Road Reimbursement NJDOT	8,001,000
Executive	08007018	North Avenue Corridor	4,500,000
Executive	08007007	Transportation Trust Fund	22,000,000
Executive	08007037	State Transportation Capital Plan	324,000,000
Engineering	08007045	I-95 GWB Approach Signs PANYNJ	1,938,000
Engineering	08007045R	I-95 GWB Approach Signs PANYNJ- Reimbursable	(1,938,000)
Engineering	08017028	PTC Design Service- A3291	251,200
Engineering	08017028R	PTC Reimbursement Design Service- A3291	(251,200)
Engineering	08017029	PTC Delaware River Bridge	3,089,000
Engineering	08017029R	PTC Delaware River Bridge - Reimbursement	(3,089,000)
Engineering	08017030	PTC In-depth Inspection	121,500
Engineering	08017030R	PTC In-depth Inspection - Reimbursable	(121,500)
Engineering	08017031	PTC Security Cameras	1,201,500
Engineering	08017031R	PTC Security Cameras - Reimbursable	(1,201,500)
Engineering	08017032	PTC Arch Hardening	160,300
Engineering	08017032R	PTC Arch Hardening - Reimbursable	(160,300)
Engineering	08017033	PTC Repaint and Improvements	25,000,000
Engineering	08017033R	PTC Repaint and Improvements - Reimbursable	(25,000,000)
ITS	08027016	DWDM Clifton to TOC Elmwood Park	22,000
ITS	08027016R	DWDM Clifton to TOC Elmwood Park- Reimbursable	(22,000)
Engineering	08027021	Fiber Relocation Newark Airport	130,000
Engineering	08027021R	Fiber Relocation Newark Airport - Reimbursable	(130,000)
Engineering	08027023	NBHCE Expansion-Pulaski Skyway-NJDOT - Reimbursable	4,035,500
Engineering	08027023R	NBHCE Expansion-Pulaski Skyway-NJDOT	(4,035,500)
Engineering	08027025	Beesley's Point	3,000,000
Engineering	08027025R	Beesley's Point Reimbursable	(3,000,000)
Engineering	08027026	Goethals Bridge Project	175,300
Engineering	08027026R	Goethals Bridge Project Reimbursable	(175,300)
Total General Reserve Fund Expense Projects			<u>\$ 404,501,000</u>

Supplemental Capital Fund

Category	2013 <u>Actual</u>	2014 <u>Budget</u>	2015 <u>Budget</u>	\$ Change from 2014 Budget	% Change from 2014 Budget
Roadway Improvements	\$ 20,011,219	\$ 670,000	\$ 5,740,000	\$ 5,070,000	757%
Facility Improvements	4,074,595	11,380,000	6,300,000	(5,080,000)	-45%
Technology Improvements	129,427	12,950,000	37,960,000	25,010,000	193%
Total Supplemental Capital Fund	\$ 24,215,241	\$ 25,000,000	\$ 50,000,000	\$ 25,000,000	100.0%



Supplemental Capital Fund 2015 Projects

<u>Department</u>	<u>Project Number</u>	<u>Capital Projects</u>	<u>2015 Total</u>
ITS	08000017	Advanced Traffic Management Program - ITS Project	\$ 2,500,000
ITS	08007029	Wireless Infrastructure Improvements	500,000
ITS	08007033	Security Systems/ C Cure	750,000
ITS	08007107	ETC/TAS Consolidation Project	550,000
ITS	08007108	Radio Replacement Project	15,500,000
ITS	NEW	STMC Floor, Radio Console & Monitor Replacement	4,500,000
ITS	NEW	Coin machine replacement	5,000,000
ITS	NEW	Blade Technology Hardware Migration	1,500,000
ITS	NEW	Enterprise Asset Management System	500,000
ITS	NEW	High Speed Lane Support	1,000,000
ITS	NEW	Capex	1,000,000
Maintenance	08007019	Roofing Replacements	1,050,000
Maintenance	08007050	LED Lighting Upgrades	750,000
Maintenance	08010017	Construction of Pre Fab Storage Bldg.	1,300,000
Maintenance	NEW	Boiler Replacement	1,950,000
Inventory	08018047	Basset Building Reconstruction	2,000,000
Executive	08000016	National Toll Interoperability	3,750,000
Total Capital Projects			\$ 44,100,000
Expense Projects			
Maintenance	NEW	Non-Vegetative Management	\$ 1,000,000
Operations	08000020	NBHCE Pulaski Skyway - stand-by	240,000
Executive	08999999	Contingency	4,660,000
Total Expense Projects			\$ 5,900,000

Construction Fund

Capital Investment Plan

The New Jersey Turnpike Authority's 10 year, \$7 billion CIP was adopted in October 2008. The program includes projects focused on capacity, state of good repair, safety and security. These projects are separated into the following categories: Turnpike Interchanges 6-9 Widening, Bridge Construction, Preservation and Security, Roadway Improvements, Interchange Improvements, Facilities Improvements, and Widening of the Garden State Parkway (Exits 35-80). To date, the Authority has issued \$5.625 billion of the Turnpike revenue Bonds to fund the \$7 billion CIP. An additional \$2.0 billion of bonds are expected to be issued through 2018.

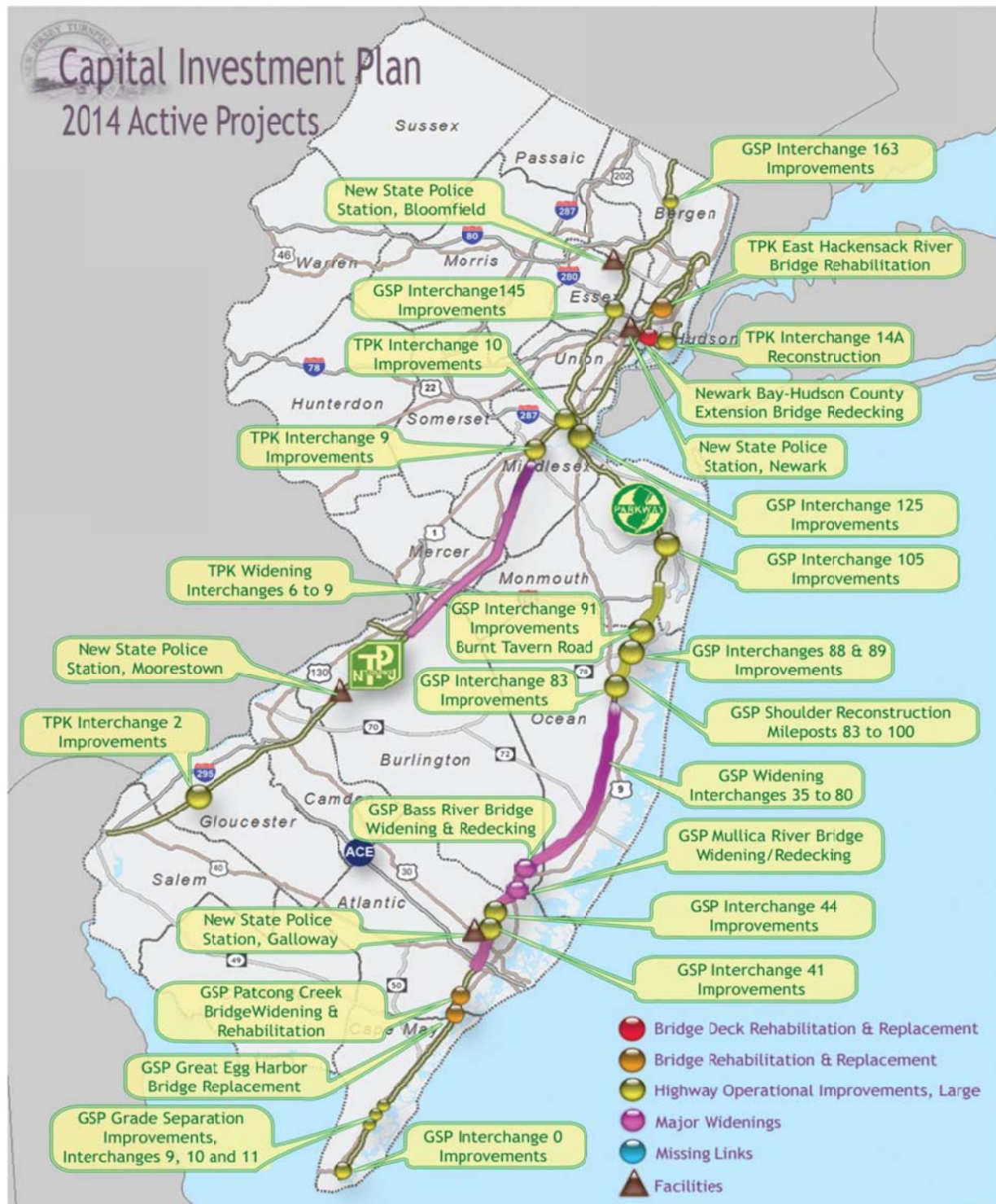
A summary of the projects in the \$7 billion CIP is shown below:

<u>Tier I Project Groups</u>	<u>Current Budget</u>	<u>Project Amount Spent or Committed Through 10/31/14</u>	<u>Percentage of Budget</u>
Turnpike Interchange 6-9 Widening	\$ 2,324,984,000	\$ 2,153,143,000	92.6%
Bridge Construction, Preservation & Security	1,700,300,000	1,136,918,000	66.9%
Roadway Improvements	793,555,000	753,431,000	94.9%
Interchange Improvements	1,091,061,000	530,829,000	48.7%
Facilities Improvements	500,100,000	202,058,000	40.4%
Parkway Mileposts 35-80 Widening*	590,000,000	535,744,000	90.8%
	\$ 7,000,000,000	\$ 5,312,123,000	75.9%

* The total Parkway Mileposts 35-80 Widening cost is \$690,000,000, but \$100,000,000 was financed with Bond Anticipation Notes proceeds prior to the first series of bonds being issued for the CIP.

Construction Fund Balance					
	2013 Actual	2014 Est. / Actuals	2015 Budget	2014 to 2015 \$ Change	2014 to 2015 % Change
Beginning Cash and Investments	\$ 253,531,000	\$ 603,790,000	\$ 795,397,000	\$ 191,607,000	
Bond Proceeds	1,429,110,000	1,074,407,000	750,000,000	(324,407,000)	
Interest Income	3,123,000	2,500,000	2,500,000	-	
Spending	(1,081,974,000)	(885,300,000)	(1,042,507,000)	(157,207,000)	
Ending Available Cash and Investments	\$ 603,790,000	\$ 795,397,000	\$ 505,390,000	\$ (290,007,000)	-36.5%

Does not agree to fund balance in financial statement as this chart excludes capitalized assets.



Funding for the 10-year CIP began with the issuance of \$160 million of Series 2008A Subordinate Bond Anticipation Notes. In April 2009, the Authority issued \$1.75 billion of Turnpike Revenue Bonds, which included \$1.375 billion of Federally Taxable, Issuer Subsidy, Build America Bonds, which were authorized under the American Recovery and Reinvestment Act of 2009. The Authority was one of the first issuers in the country to take advantage of this financing option.

The \$7 billion CIP includes the following projects:

New Jersey Turnpike

1. Interchanges 6 to 9 Widening

- a. **Location:** Burlington, Mercer, and Middlesex counties
- b. **Description:** Some 170 new lane miles of roadway will be added to this chronically congested stretch of the Turnpike. Three additional lanes will be added in each direction between Interchanges 6 and 8A, and one additional lane will be added in each direction between Interchanges 8A and 9. A new toll plaza will be built at Interchange 8.
- c. **Schedule:** Construction began in June 2009 and was completed in 2014. The new Interchange 8 was completed in February 2013.

2. Interchange 9 Improvements

- a. **Location:** Middlesex County
- b. **Description:** Interchange 9 will be improved to better accommodate existing and future projected traffic volumes utilizing the interchange and along Route 18. The ramp from Route 18 southbound to the Turnpike will be widened to two lanes and Route 18 will be shifted to the east to minimize impacts to the adjacent residential neighborhood. The merge of Route 18 northbound traffic with vehicles entering from the Turnpike will also be modified to improve traffic flow.
- c. **Schedule:** Construction began in 2012 and is scheduled to be completed in 2015.

3. Interchange 10 Improvements

- a. **Location:** Middlesex County
- b. **Description:** Ramp improvements will be undertaken to accommodate existing and future projected traffic volumes utilizing the interchange. The ramp carrying traffic from the toll plaza to the southbound Turnpike will be widened to two lanes and other ramps will be realigned to minimize traffic weaving and improve traffic flow.
- c. **Schedule:** Construction began in 2013 and is scheduled to be completed in 2015.

4. Newark Bay-Hudson County Extension Bridge Deck Reconstruction, Between Interchanges 14 and 14A

- a. **Location:** Essex and Hudson counties.
- b. **Description:** The bridge deck is being replaced in two phases between Interchanges 14 and 14A under ongoing Contract No. T100.034 and proposed Contract No. T100.184.
- c. **Schedule:** Construction on the first phase began in 2010 and is now substantially complete. Construction on the second phase is scheduled to begin in mid-2016 and be substantially completed by late 2020.

5. Newark Bay-Hudson County Extension Bridge Deck Reconstruction, Between Interchange 14C and Jersey Avenue

- a. **Location:** Hudson County
- b. **Description:** The bridge deck is being replaced in the westbound roadway from the intersection of 14th Street and Jersey Avenue in Jersey City to interchange 14C. The scope of work involves reconstruction of the six viaduct and ramp structures located within the project limits.
- c. **Schedule:** Construction started in 2012 and is expected to be completed in 2016.

6. Interchange 14A Improvements

- a. **Location:** Hudson County
- b. **Description:** The interchange will be reconfigured to accommodate existing traffic volumes and the future growth in traffic volume resulting from the expansion of an adjacent port facility and a large residential/commercial development.
- c. **Schedule:** A construction contract was awarded in late 2014. Construction is scheduled to be completed in 2018.

7. Interchange 15W Improvements

- a. **Location:** Hudson County
- b. **Description:** Minor ramp realignments and signing improvements will be undertaken to improve traffic flow and reduce the potential for truck overturns.
- c. **Schedule:** Pending permit approval, construction began in 2014 and is expected to be completed in 2016.

8. Interchange 16W Improvements

- a. **Location:** Bergen County
- b. **Description:** The interchange ramps will be modified to improve traffic operations and safety. The improvements will include widening the ramp from the toll plaza to the southbound Turnpike to provide for two acceleration lanes and signing improvements to address truck overturns.
- c. **Schedule:** Pending permit approval, construction began in 2014 and is expected to be completed in 2016.

Garden State Parkway**1. Interchanges 9, 10, and 11 Improvements**

- a. **Location:** Cape May County
- b. **Description:** The Garden State Parkway connects to local roads at these at-grade, signalized interchanges. This project will create true grade-separated intersections. Bridges will carry the Parkway over the local streets. Access to the Parkway northbound and southbound will be available at all three interchanges. The project will eliminate a traffic hazard and reduce congestion.
- c. **Schedule:** Construction began in 2013 and is scheduled to be completed in 2015.

2. Great Egg Harbor Bridge Improvements

- a. **Location:** Atlantic and Cape May counties
- b. **Description:** A new southbound span will be built to the west of the existing southbound span over Great Egg Harbor and Drag Channel. The existing southbound span will be demolished. The nearby Beasley's Point Bridge on Route 9 will also be demolished as part of this project.
- c. **Schedule:** Construction of the new span began in 2013 and is scheduled to be completed in 2016.

3. Bass River Bridge Widening

- a. **Location:** Burlington County
- b. **Description:** A new span will be built alongside the existing span, and the existing span will be redecked, repaired, and upgraded. The project is part of the second phase of the MP 30-80 Widening Project.
- c. **Schedule:** Construction of the new span was completed in 2013. Rehabilitation of the existing span is scheduled to be completed in 2015.

4. Milepost 35 to 80 Widening

- a. **Location:** Atlantic, Burlington, and Ocean counties

- b. **Description:** The Parkway will be widened from two to three lanes in each direction. *Express E-ZPass* will be added at the Barnegat Toll Plaza.
- c. **Schedule:** The project is being built in phases. Construction on the first phase of the widening (adding a lane in each direction between Mileposts 63 and 80 and installing *Express E-ZPass* at the Barnegat Toll Plaza) was completed in May 2011. Construction on the second phase (adding one travel lane in each direction from Mileposts 48 to 63 and making grading and drainage improvements from mileposts 30 to 48) began in 2011. The new lanes were completed and opened to traffic from Mileposts 52 to 63 in the summer of 2013. The remainder of the second phase will not open to traffic until the completion of the Bass River Bridge rehabilitation in 2015. Construction on the third phase of the Widening (Mileposts 35 to 48) began in 2014 and is scheduled to be completed in 2017.

5. Interchanges 36, 37 and 38 Improvements

- a. **Location:** Atlantic County
- b. **Description:** This project will improve traffic operations at these closely grouped interchanges by adding a deceleration lane on the southbound Parkway and an acceleration lane on Tilton Road at Interchange 36 and by separating the traffic entering the Parkway at Interchange 38 (Atlantic City Expressway) from traffic exiting the Parkway at Interchange 37 (Washington Avenue CR 608).
- c. **Schedule:** Pending permits and other necessary approvals, construction began in 2014 and will continue until 2017.

6. Interchange 41 Improvements

- a. **Location:** Atlantic County
- b. **Description:** This interchange will provide northbound and southbound access to and from Jimmie Leeds Road.
- c. **Schedule:** Construction began in July 2013 and was completed in late 2014.

7. Interchange 44 Improvements

- a. **Location:** Atlantic County
- b. **Description:** The project will add two non-tolled ramps to provide access to the Parkway to and from the south. Access is now available only to and from the north.
- c. **Schedule:** Construction began in July 2013 and is scheduled to be completed in 2015.

8. Interchanges 83 to 100 Shoulder Installation

- a. **Location:** Ocean and Monmouth counties
- b. **Description:** Full-width shoulders will be built. Sight distances will be improved and obstructions eliminated. This section of road currently has a reduced speed limit because of safety concerns.
- c. **Schedule:** Construction began in the fall of 2012 and is scheduled to be completed in 2015.

9. Interchange 88 Improvements

- a. **Location:** Ocean County
- b. **Description:** A joint effort between the Turnpike Authority and Ocean County, this project will provide ramp movements currently missing at the interchange, along with modifications to existing movements to and from the north, and relocation of ramp toll facilities.
- c. **Schedule:** Construction began in the fall of 2012 and is scheduled to be completed in 2015.

10. Interchange 91 Improvements

- a. **Location:** Ocean County
- b. **Description:** A joint effort between the Turnpike Authority and Ocean County, this project will provide ramp movements currently missing at the interchange, reconstruction and safety improvements to the existing northbound ramp toll plaza, construction of two extended services roads, and improvements to nearby county roads to simplify the traffic flow pattern and relieve congestion on local roads.

- c. **Schedule:** Construction began in late 2014 and be completed in 2016.

11. Interchange 105 Improvements

- a. **Location:** Monmouth County
- b. **Description:** This project is intended to improve access to and from the Parkway at Interchange 105 as well as safety and operations at the Hope Road/NJ Route 36 intersection. The improvements include a new southbound connection from the Parkway outer roadway to Wayside Road, the addition of a second northbound deceleration lane from the Parkway outer roadway to Interchange 105 and the reconstruction of the Hope Road/NJ Route 36 intersection.
- c. **Schedule:** Construction began in the spring of 2014 and is scheduled to be completed in 2017. The *Hope Road / NJ Rte. 36* portion of the project is expected to be completed in 2015.

12. Interchange 125

- a. **Location:** Middlesex County
- b. **Description:** The interchange will be reconfigured to accommodate existing traffic volumes and the future growth resulting from the development of the waterfront. New ramps from the Parkway southbound and to the Parkway northbound will provide full access to Chevalier Avenue and the waterfront development.
- c. **Schedule:** Construction is expected to begin in 2016 and be completed in 2018.

13. Interchange 163 Improvements

- a. **Location:** Bergen County
- b. **Description:** In order to improve traffic operations, this project will relocate the exits onto Route 17 from the left side of the road to the right side of the road by realigning the Parkway into the existing median in the vicinity of Interchange 163.
- c. **Schedule:** Construction began in 2014 and is scheduled to be completed in 2016.

Individual projects within the \$7 billion CIP along with budget status is shown below:

Project	Current Budget	Total Expended or Committed	Future Anticipated Additional Expenses	% Spent or Committed
<u>Turnpike Interchange 6-9 Widening</u>				
Turnpike Int 6-9 Widening	2,324,984,000	2,153,143,000	171,841,000	92.6%
Total Turnpike Widening	\$ 2,324,984,000	\$ 2,153,143,000	\$ 171,841,000	92.6%
<u>Bridge Construction, Preservation & Security</u>				
Bridge Painting Phase I	110,000,000	106,982,000	3,018,000	97.3%
Deck Reconstruction Phase I	208,000,000	203,696,000	4,304,000	97.9%
Bridge Preservation & Security	162,000,000	120,509,000	41,491,000	74.4%
Deck Reconstruction Phase II	141,300,000	21,699,000	119,601,000	15.4%
Bridge Painting Phase II	100,000,000	54,627,000	45,373,000	54.6%
Turnpike 16E-18E Bridge Improvement	16,000,000	15,166,000	834,000	94.8%
Hackensack East Bridge Rehabilitation	153,000,000	135,214,000	17,786,000	88.4%
NBHCE Bridge Redecking	400,000,000	149,080,000	250,920,000	37.3%
Turnpike Special Bridge Structure	15,000,000	6,476,000	8,524,000	43.2%
Tremley Point Connector Road	9,000,000	4,966,000	4,034,000	55.2%
Parkway Bass River Bridge	79,000,000	78,815,000	185,000	99.8%
Parkway Mullica River Bridge	50,000,000	49,571,000	429,000	99.1%
Parkway Substructure Repairs	36,000,000	34,155,000	1,845,000	94.9%
Great Egg Harbor/Drag Channel	221,000,000	155,962,000	65,038,000	70.6%
Total Bridge Improvements	\$ 1,700,300,000	\$ 1,136,918,000	\$ 563,382,000	66.9%
<u>Roadway Improvements</u>				
Drainage Improvements	55,500,000	55,500,000	-	100.0%
Roadway Appurtenances Improvements	47,000,000	44,737,000	2,263,000	95.2%
Median Barrier Improvements	50,105,000	50,105,000	-	100.0%
Sign Replacements Phase I	136,500,000	107,554,000	28,946,000	78.8%
Sign Replacements Phase II	126,500,000	123,058,000	3,442,000	97.3%
Turnpike/Parkway Southern Improvement	17,250,000	16,447,000	803,000	95.3%
Parkway Mainline Shoulder Improvements	360,700,000	356,030,000	4,670,000	98.7%
Total Roadway Improvements	\$ 793,555,000	\$ 753,431,000	\$ 40,124,000	94.9%
<u>Interchange Improvements</u>				
Facilities Improvements Phase II	295,750,000	226,884,000	68,866,000	76.7%
Turnpike Int 8A to Rte 130 Connection	62,000,000	7,259,000	54,741,000	11.7%
Turnpike Interchange 14A Reconstruction	400,000,000	52,115,000	347,885,000	13.0%
Parkway Interchange 41 Improvements	32,000,000	22,495,000	9,505,000	70.3%
Parkway Interchange 142 Improvements	13,500,000	636,000	12,864,000	4.7%
Parkway Interchange 44 Improvements	30,000,000	26,340,000	3,660,000	87.8%
Parkway I/C 9, 10 & 11 Improvements	107,651,000	80,489,000	27,162,000	74.8%
Parkway Interchange 125 Phase I	40,000,000	5,048,000	34,952,000	12.6%
Parkway Interchange 88 Improvements	98,160,000	98,160,000	-	100.0%
Parkway Interchange 91 Improvements	12,000,000	11,403,000	597,000	95.0%
Total Interchange Improvements	\$ 1,091,061,000	\$ 530,829,000	\$ 560,232,000	48.7%
<u>Facilities Improvements</u>				
Salt Storage Facilities	5,100,000	5,083,000	17,000	99.7%
Facilities Improvements Phase I	495,000,000	196,975,000	298,025,000	39.8%
Total Facilities Improvements	\$ 500,100,000	\$ 202,058,000	\$ 298,042,000	40.4%
<u>Parkway Mileposts 35-80 Widening</u>				
Parkway Widening Interchanges 63 - 80	135,000,000	133,211,000	1,789,000	98.7%
Parkway Widening Interchanges 35 - 63	455,000,000	402,533,000	52,467,000	88.5%
Total Parkway Widening	\$ 590,000,000	\$ 535,744,000	\$ 54,256,000	90.8%
10 Year CIP Total	\$ 7,000,000,000	\$ 5,312,123,000	\$ 1,687,877,000	75.9%

Estimated budgets, expenses & commitments as of October 31, 2014

Debt

Bond Indebtedness

<u>Bond Series</u>	<u>Outstanding Balance*</u>
Series 1991 C	\$ 67,160,000
Series 2000 B-G	400,000,000
Series 2003 B	234,210,000
Series 2004 B	164,410,000
Series 2004 C-2	132,850,000
Series 2005 A	173,650,000
Series 2005 B	32,500,000
Series 2005 D1-D4	208,735,000
Series 2009 A	92,500,000
Series 2009 B	50,000,000
Series 2009 E	300,000,000
Series 2009 F	1,375,000,000
Series 2009 G	34,770,000
Series 2009 H	306,170,000
Series 2009 I	178,005,000
Series 2010 A	1,850,000,000
Series 2012A	141,255,000
Series 2012B	804,435,000
Series 2012G	43,750,000
Series 2013A	1,400,000,000
Series 2013B	100,000,000
Series 2013C	271,000,000
Series 2013D	225,000,000
Series 2013E	150,000,000
Series 2013F	90,880,000
Series 2013G	43,750,000
Series 2014A	1,000,000,000
Series 2014B1-3	125,000,000
Series 2014C	201,860,000
Premiums and discounts	563,652,000
Amortization	(129,010,000)
Outstanding Debt	\$ 10,631,532,000

Aggregate Bond Debt Service Requirements

<u>Year Ending December 31</u>	<u>Debt Service</u>
2014	\$ 614,359,565
2015	659,571,254
2016	737,447,297
2017	765,446,678
2018	733,481,441
2019	771,320,741
2020	786,999,115
2021	785,056,770
2022	815,944,167
2023	819,662,922
2024	812,300,220
2025	817,749,600
2026	724,342,790
2027	786,593,089
2028	709,599,702
2029	704,493,044
2030	621,271,218
2031	615,711,173
2032	610,166,180
2033	604,614,213
2034	788,849,550
2035	833,196,506
2036	833,138,565
2037	833,112,682
2038	833,086,230
2039	833,062,910
2040	833,031,490
2041	104,916,300
2042	104,917,350
Total	\$ 20,493,442,763

* Outstanding as of October 31, 2014

Debt Limit

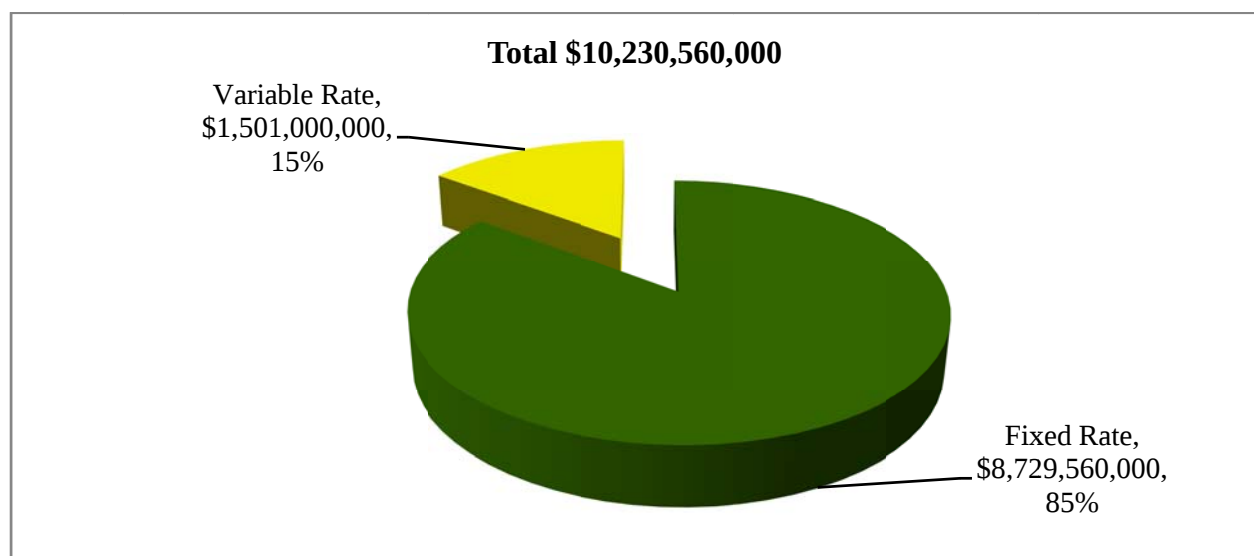
In accordance with the Bond Resolution, the amount of bonds to be issued is limited by the following:

- 1) **Additional Bonds Test - New Money Purposes:** In accordance with Section 203 of the Bond Resolution, in order for the Authority to issue and sell its bonds for new money purposes, the Authority must, among other things, satisfy the following tests:
 - a) the Net Revenues of the Authority (Pledged Revenues minus Operating Expenses) for any period of twelve (12) consecutive calendar months out of the twenty-four (24) calendar months next preceding the issuance of such bonds must equal or exceed the Net Revenue Requirement for such twelve (12) month period without regard to the bonds proposed to be issued; and
 - b) the estimated Net Revenues for the first full five (5) calendar years after the financed asset is estimated to be placed in service must equal or exceed the Net Revenue Requirement for each such year and the estimated Net Revenues in the 5th such calendar year must equal or exceed the future maximum Aggregate Debt Service in any year.

In addition, all other requirements of the Bond Resolution relating to the issuance of bonds for new money purposes must be satisfied.

For purposes of the Bond Resolution, the "Net Revenue Requirement" in any year is the greater of:

- (i) the sum of the Aggregate Debt Service on all outstanding Authority bonds, the Maintenance Reserve Payments, the Special Project Reserve Payment and all deposits to the Charges Fund in such year; or
 - (ii) 1.20 times the Aggregate Debt Service on all outstanding Authority bonds in such year.
- 2) **Additional Bonds Test - Refunding:** In accordance with Section 204 of the Bond Resolution, in order for the Authority to issue and sell its bonds for refunding purposes, the Authority must, among other things, either:
 - a) demonstrate that the Aggregate Debt Service on all outstanding Authority bonds is not increased in the then current or any future calendar year as a result of the issuance of such refunding bonds, or
 - b) satisfy both of the tests described in clauses (a) and (b) of the preceding subsection of this policy entitled "Additional Bonds Test – New Money Purposes".



Appendices

Appendix A: Engineer's Approval

HNTB Corporation
The HNTB Companies
Infrastructure Solutions

9 Entin Road
Suite 202
Parsippany, NJ 07054

Telephone (973) 434-3100
Facsimile (973) 434-3101
www.hntb.com

November 5, 2014



Mr. Joseph Mrozek
Executive Director
New Jersey Turnpike Authority
P. O. Box 5042
Woodbridge, NJ 07095-5042

Re: 2015 Annual Budget

Dear Mr. Mrozek:

HNTB Corporation has reviewed the Authority's 2015 Budget.

In accordance with the provisions of Section 710 (a) of the Turnpike Revenue Bond Resolution, adopted August 20, 1991, as amended and restated, HNTB Corp. hereby approves the New Jersey Turnpike Authority's 2015 Annual Budget. The 2015 Budget includes Operating Expenses of \$485,593,100, Maintenance Reserve Payments of \$84,609,700, and Special Project Reserve Payments of \$38,155,000.

Very truly yours,

A handwritten signature in blue ink that reads "James J. Beattie".

James J. Beattie, PE
Vice President - Northeast Division

cc: Ms. Donna Manuelli

Appendix B: Management Salaries

Pay Grade	Job Title	Employee's Name	Annual Salary	Employee's Department
V	Executive Director	Mrozek, Joseph	\$174,000.00	Executive
U	General Counsel	Harris, Bruce	\$165,000.00	Law
U	Chief Engineer	Fischer, Robert J.	\$140,000.00	Engineering
U	Chief Information Officer	Barry Pelletieri	\$140,000.00	IT S
U	Chief Financial Officer	Manuelli, Donna	\$136,991.39	Finance
U	Chief Operating Officer & DED	O'Hern, John	\$130,000.00	Executive
T	Director of Human Resources	Garity, Mary-Elizabeth	\$123,270.38	Human Resources
T	Director of Internal Audit	Carone, James D.	\$120,922.07	Internal Audit
T	Director of Operations	Eibel, Henry	\$119,000.00	Operations
T	Director of Procurement and Materials Management	Ward, Andrea	\$123,270.68	PMM
T	Director of Tolls	Quirk, Robert B.	\$120,783.34	Tolls
S	Deputy Chief Engineer - Construction	Williams, James L.	\$128,741.09	Engineering
S	Deputy Chief Engineer - Design	Keller, John	\$126,000.00	Engineering
S	Deputy Chief Financial Officer	Varga, Pamela J.	\$124,000.00	Finance
S	Deputy Chief Information Officer	Dios, Jose	\$120,000.00	IT S
S	Deputy Director Internal Audit	Walters, Tracey	\$126,917.38	Internal Audit
S	Deputy Director Maintenance - Administration	McGoldrick, Kenneth	\$112,000.00	Maintenance
S	Deputy Director Tolls	Roberts, James L.	\$110,459.42	Tolls
S	Deputy Director Procurement and Materials Management	Wilser, Donna C.	\$110,459.42	PMM
S	Deputy General Counsel	Tully, Maura K.	\$114,987.60	Law
S	Chief of Staff	Romano, Megan Mulcahy	\$105,000.00	Executive
R	Assistant Director of Finance	Johnstone, Katherine M.	\$104,940.00	Finance
R	Assistant Director of Maintenance - Roadway	Matthews, Robert E.	\$116,500.00	Maintenance
N	Secretary to the Authority	Czajkowski, Sheri A.	\$93,315.03	Executive

Appendix C: NJTA Non-Bargaining Salary Scale

Pay Grade	35 Hours/ week	40 Hours/ week	Minimum Base Annual Salary	Maximum Base Annual Salary	Job Title
B	B35	B40	\$20,913	\$32,938	
					Confidential Aide
					Human Resources Aide
C	C35	C40	\$23,057	\$36,314	
					Senior Confidential Aide
					Senior Human Resources Aide
D	D35	D40	\$25,420	\$40,036	
					Confidential Clerk
					Human Resources Clerk
E	E35	E40	\$28,025	\$44,140	
					Senior Confidential Clerk
					Senior Human Resources Clerk
F	F35	F40	\$30,898	\$48,644	
					Confidential Secretarial Aide
					Human Resources Coordinator
G	G35	G40	\$34,065	\$53,652	
					Human Resources Floater
					Senior Confidential Secretarial Aide
					Senior Human Resources Coordinator
H	H35	H40	\$37,557	\$59,152	
					Human Resources Assistant
					Legal Document Support Specialist
I	I35	I40	\$41,406	\$65,215	
					Confidential Secretary
					Security Inspector
					Senior Human Resources Assistant
J	J35	J40	\$45,650	\$71,899	
					Benefits Administrator
					Human Resources Generalist
					Human Resources Office Administrator
					Senior Confidential Secretary
K	K35	K40	\$50,330	\$79,269	
					Auditor
					Benefits Analyst
					Nurse
					Senior Benefits Administrator
					Senior Human Resources Generalist
					Senior Human Resources Office Administrator
					Senior Security Inspector
					Staff Attorney

Pay Grade	35 Hours/ week	40 Hours/ week	Minimum Base Annual Salary	Maximum Base Annual Salary	Job Title
L	L35	L40	\$55,488	\$87,394	
					Administrative Assistant
					Benefits Supervisor
					Claims Specialist
					Employment Supervisor
					Security Supervisor
					Tolls Investigation Supervisor
M	M35	M40	\$61,176	\$96,352	
					Assistant Secretary to the Authority
					Benefits Manager
					Claims Manager
					Compliance Manager
					Employment Manager
					Executive Assistant
					Manager - Safety Programs
					Security Manager
					Senior Auditor
					Senior Nurse
					Senior Payroll Manager
N	N35	N40	\$67,447	\$106,366	
					Audit Manager
					Case Manager
					Human Resources Manager
					Secretary to the Authority
					Senior Security Manager
					Tolls Investigation Manager
O	O35	O40	\$74,360	\$117,117	
					Maintenance Administrative Manager
					Maintenance Automotive Manager
					Maintenance Financial and Office Manager
					Senior Audit Manager
					Senior Human Resources Manager
P	P35	P40	\$81,982	\$129,121	
					Assistant Comptroller
					Attorney
					Manager of Business Admin Software
					Media Relations Coordinator
					Senior Benefits Manager
Q	Q35	Q40	\$90,385	\$135,577	
					Comptroller
					Equal Employment Opportunity Officer
					Supervising Engineer

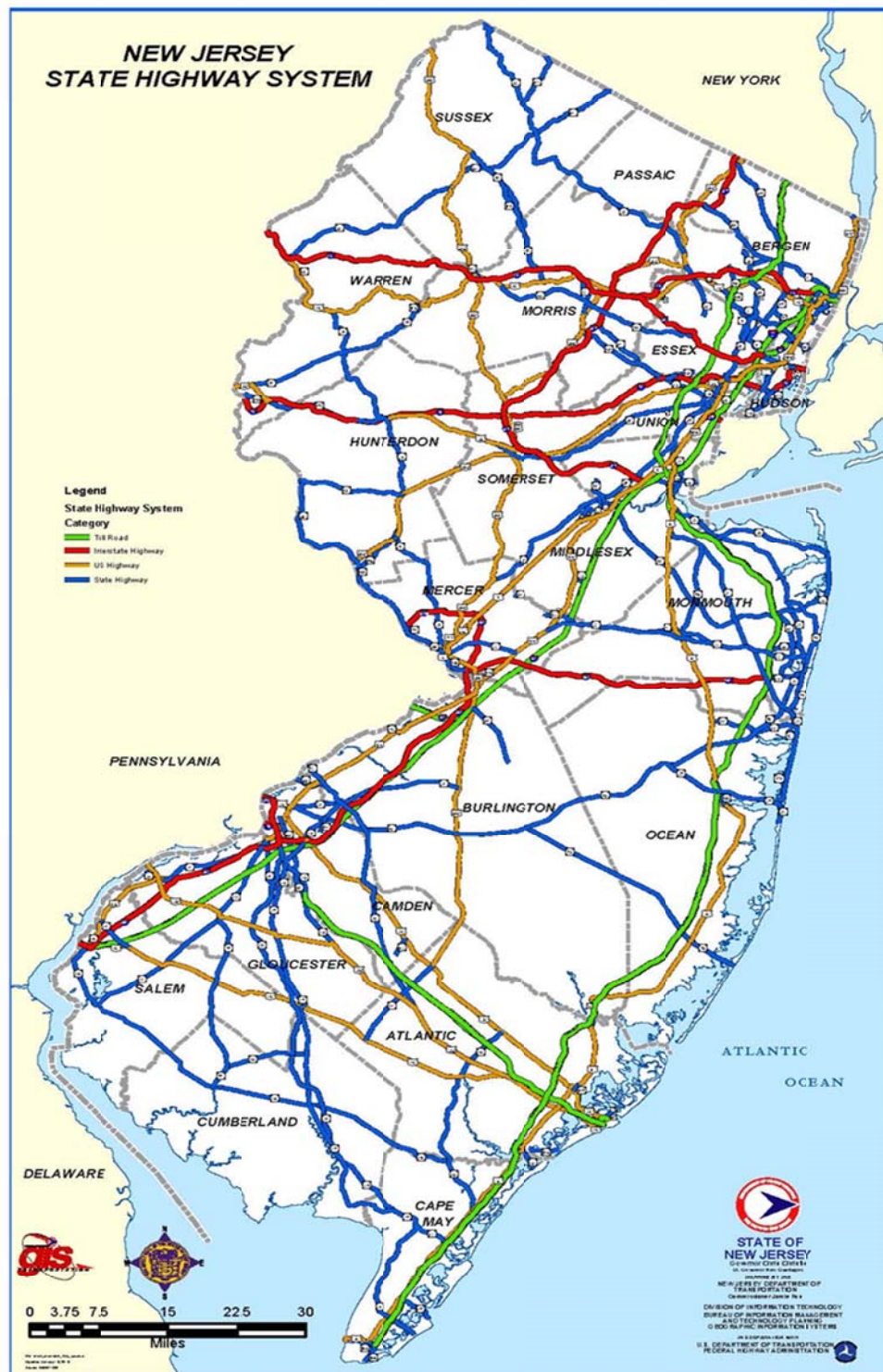
Pay Grade	35 Hours/ week	40 Hours/ week	Minimum Base Annual Salary	Maximum Base Annual Salary	Job Title
R	R35	R40	\$97,163	\$142,356	
					Assistant Director of Finance
					Assistant Director HR Policy & Training
					Assistant Director ITS - Data and Performance Management Services
					Assistant Director ITS - Software Engineering
					Assistant Director of Law
					Assistant Director of Maintenance -- Roadway
					Assistant Director of Maintenance -- Buildings
					Assistant Director Tolls - Technical Services
					Senior Supervising Engineer
S	S35	S40	\$104,207	\$149,474	
					Chief of Staff
					Deputy Chief Engineer - Construction
					Deputy Chief Engineer - Design
					Deputy Chief Financial Officer
					Deputy Chief Information Officer
					Deputy Director of Human Resources
					Deputy Director of Internal Audit
					Deputy Director of Maintenance - Administration
					Deputy Director of Maintenance - Roadway
					Deputy Director of Operations
					Deputy Director of Procurement and Materials Management
					Deputy Director of Tolls
					Deputy General Counsel
T	T35	T40	\$111,762	\$156,948	
					Deputy Executive Director
					Director of Human Resources
					Director of Internal Audit
					Director of Maintenance
					Director of Operations
					Director of Procurement and Materials Management
					Director of Tolls
U	U35	U40	\$119,865	\$165,000	
					Chief Engineer
					Chief Financial Officer
					Chief Information Officer
					Chief Operating Officer & DED
					General Counsel
V	V35	V40	\$128,555	\$174,000	
					Executive Director

NJTA Non-Bargaining Salary Scale

- All employees assigned to the Maintenance Department shall be 40 hours/week employees
- Pay Grades M and above are considered Management job titles
- Pay Grades L and below are eligible to be compensated at overtime rate when work beyond regularly scheduled shift or work on an unscheduled day
- Pay Grades M, N, and O are eligible to be compensated at straight time rate when work beyond regularly scheduled shift or work on an unscheduled day
- Pay Grades P and above are ineligible to be compensated when work beyond regular scheduled shift or work on an unscheduled day
- No employee can earn an annual salary, with or without longevity, of more than \$174,000

Appendix D: Statistical Data

New Jersey State Highway System



New Jersey Turnpike Authority

The Authority operates the States two busiest toll roads in the United States -- the New Jersey Turnpike and the Garden State Parkway. These two roadways run through 15 of New Jersey's 21 counties. The two Roadways intersect with each other in Woodbridge Township in Middlesex County and have intersections with every interstate and many major roadways across the State. The highways effectively serve as links for the entire State, Air and Sea Ports, and the Northeast Corridor.

New Jersey Turnpike

The Turnpike was the first toll road in New Jersey and the third in the nation when it opened in 1951. It has grown over time from 118 miles to 148 with the addition of the Newark Bay Hudson County Extension (1956), the Pearl Harbor Memorial Turnpike Extension (1956), the Western Spur (1970) and the I-95 Extension (1992). The road has also grown wider over the years. Originally, it was four lanes for its full length. Today, it is as wide as 14 lanes in some areas and as of November 2014 includes approximately 1,350 lane miles. There are 28 toll interchanges and 375 toll lanes -- 145 entry lanes and 230 exit lanes.

This roadway serves as a major corridor for I-95 linking travel:

- 1) between three states -- New York, New Jersey and Delaware;
- 2) Two major cities -- New York and Philadelphia;
- 3) Military roadway use for Fort Dix and McGuire AFB; and
- 4) Access to the port of New Jersey for use in transporting goods for global trade along the east coast.

Garden State Parkway

The Parkway, which opened to traffic in 1954, passes through 10 counties between the Cape May-Lewes Ferry in Cape May County and the New York State Thruway at the New York State line in Bergen County. Originally four lanes wide, the Parkway is now 12 lanes at its widest point in Monmouth and Middlesex counties and has approximately 1,280 lane miles. The Parkway has a total of 359 exit and entrance points.

The Parkway is a major commuter highway throughout the year and during the summer months is the principal travel route to the Jersey Shore. It also provides access to the Delmarva Peninsula via the Cape May – Lewes Ferry.

Population

The two roadways pass through 15 of New Jersey's 21 counties, they include: Atlantic, Bergen, Burlington, Camden, Cape May, Essex, Gloucester, Hudson, Mercer, Middlesex, Monmouth, Ocean, Passaic, Salem and Union. Population growth serves as one indicator of roadway usage. The chart below provides the official United States Census Bureau statistics from April 1, 2010 and its estimate as of July 1, 2013. Additionally, Monmouth, Ocean, Atlantic and Cape May counties experience seasonal population growth as the Jersey Shore is a popular destination site for vacationers from neighboring States and around the World. While the State has seen a population growth of 1.2% over the time period measured, the counties served by the Authority experienced above average growth rates with the counties that either roadway passes through increased in population by an average of 1.7%. Whereas counties that neither roadway passes through increased by an average of only 0.6%. These statistics demonstrate the importance of the roadways to the State's overall economic well-being.

County	2013 Population	2010 Population	Increase/ (Decrease)	% Change
Atlantic	275,862	274,549	1,313	0.5%
Bergen	925,328	905,116	20,212	2.2%
Burlington	450,838	448,734	2,104	0.5%
Camden	512,854	513,657	(803)	-0.2%
Cape May	95,789	97,265	(1,476)	-1.5%
Cumberland	157,332	156,898	434	0.3%
Essex	789,565	783,969	5,596	0.7%
Gloucester	290,265	288,288	1,977	0.7%
Hudson	660,282	634,266	26,016	4.1%
Hunterdon	126,250	128,349	(2,099)	-1.6%
Mercer	370,414	366,513	3,901	1.1%
Middlesex	828,919	809,858	19,061	2.4%
Monmouth	629,672	630,380	(708)	-0.1%
Morris	499,397	492,276	7,121	1.4%
Ocean	583,414	576,567	6,847	1.2%
Passaic	505,672	501,226	4,446	0.9%
Salem	65,166	66,083	(917)	-1.4%
Somerset	330,585	323,444	7,141	2.2%
Sussex	145,992	149,265	(3,273)	-2.2%
Union	548,256	536,499	11,757	2.2%
Warren	107,379	108,692	(1,313)	-1.2%
Total	8,899,231	8,791,894	107,337	1.2%
Counties Served by Parkway Only	1,814,547	1,805,438	9,109	0.5%
All Counties Served by Parkway	5,633,315	5,564,163	69,152	1.2%
Counties Served by Turnpike Only	1,898,981	1,868,807	30,174	1.6%
All Counties Served by Turnpike	5,441,887	5,352,983	88,904	1.7%
Counties Served by Both Roadways	3,542,906	3,484,176	58,730	1.7%
Counties Not Served by Either Roadway	1,366,935	1,358,924	8,011	0.6%
Dk Green Parkway	Light Green Turnpike and Parkway		Chartreuse Turnpike	

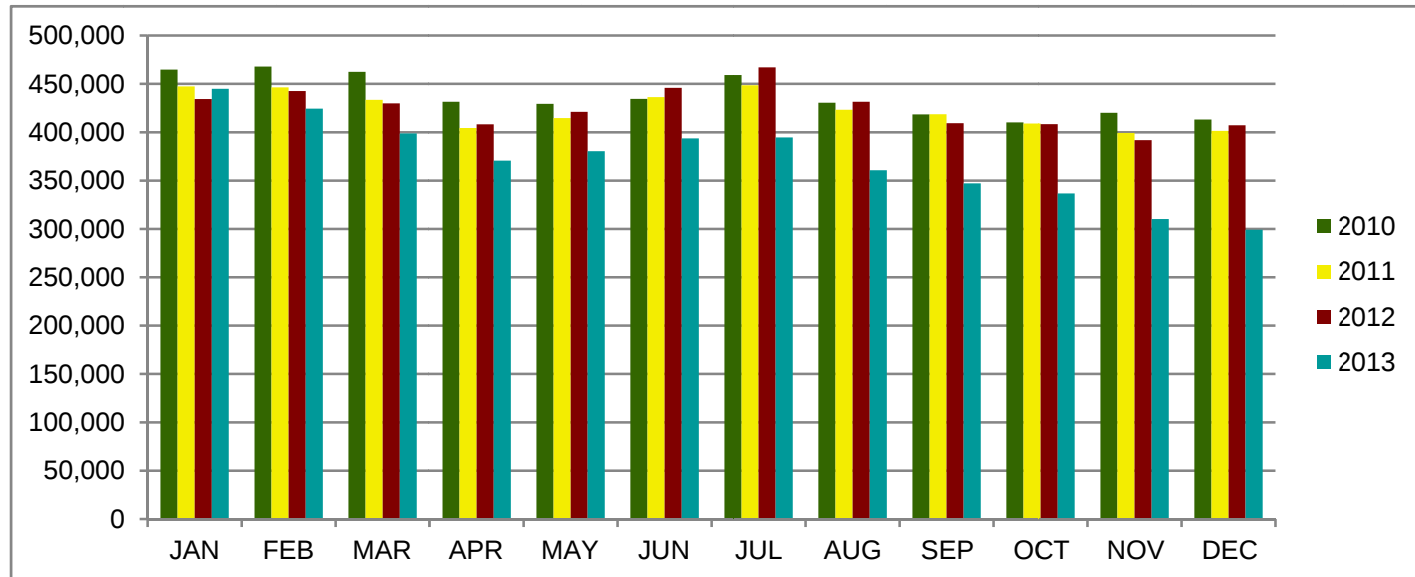
Employment

Employment growth is a key indicator of service and economic growth. The total number of residents who both reside and work in New Jersey is 4,122,554 and the number of residents who commute to work out of state is 534,343. According the New Jersey Department of Labor and Workforce Development, Bergen, Essex, Hudson, Monmouth and Union counties have shown an increase in employment.

The importance of the Authority's roadways in providing key connections to neighboring states is highlighted by the percentage of residents who work out of state. The chart below indicates the 2006-2010 five year average of where the residences of each county are employed as reported by the New Jersey State Data Center. Overall, 13% of New Jersey state workers are employed out of state while more than 16% of employees working out of state are living in counties served by the New Jersey Turnpike. Further, only 7% of employees residing in counties that are not directly served by either roadway work out of state.

County	In State	Out of State	% in State	% Out of State
Atlantic	121,812	4,091	96.8%	3.2%
Bergen	340,816	96,319	78.0%	22.0%
Burlington	187,888	29,799	86.3%	13.7%
Camden	195,650	44,010	81.6%	18.4%
Cape May	41,182	2,514	94.2%	5.8%
Cumberland	60,230	1,784	97.1%	2.9%
Essex	302,897	44,620	87.2%	12.8%
Gloucester	110,311	27,564	80.0%	20.0%
Hudson	225,506	88,204	71.9%	28.1%
Hunterdon	58,045	5,214	91.8%	8.2%
Mercer	154,765	16,333	90.5%	9.5%
Middlesex	342,310	42,899	88.9%	11.1%
Monmouth	266,719	36,241	88.0%	12.0%
Morris	227,027	18,149	92.6%	7.4%
Ocean	227,805	9,445	96.0%	4.0%
Passaic	207,868	16,282	92.7%	7.3%
Salem	24,588	4,622	84.2%	15.8%
Somerset	146,727	12,563	92.1%	7.9%
Sussex	71,295	4,553	94.0%	6.0%
Union	225,554	25,308	89.9%	10.1%
Warren	49,176	3,869	92.7%	7.3%
Total	3,588,171	534,383	87.0%	13.0%
Counties Served by Parkway Only	743,574	64,482	92.0%	8.0%
All Counties Served by Parkway	2,264,851	307,518	88.0%	12.0%
Counties Served by Turnpike Only	710,820	180,733	79.7%	20.3%
All Counties Served by Turnpike	2,110,285	419,678	83.4%	16.6%
Counties Served by Both Roadways	1,399,465	238,945	85.4%	14.6%
Counties Not Served by Either Roadway	612,500	46,132	93.0%	7.0%
Dk Green Parkway	Light Green Turnpike and Parkway		Chartreuse Turnpike	

With the increase in employment reported by the New Jersey Department of Labor, the State has experienced a steady decline in unemployment since 2010.



Employment in the 21 counties in New Jersey during 2012 and 2013 has increased 28,600 since 2013 as unemployment has decreased by 51,850. The county reporting the largest increase in employment was Middlesex, which reported an increase of 4,800 jobs. Middlesex was followed by Monmouth at 3,600, Ocean 2,850 and Bergen 2,600. The top 4 counties reporting a decrease in unemployment were Bergen, which reported a decrease of 4,700 unemployed, followed by Monmouth at 4,550, Ocean 4,250 and Essex at 4,000.

County	2012	2013	Change	2012	2013	Change
	Employed	Employed		Unemployed	Unemployed	
Atlantic County	117,750	116,900	(850)	17,850	15,950	(1,900)
Bergen County	441,150	443,750	2,600	38,400	33,700	(4,700)
Burlington County	219,800	220,200	400	21,650	19,000	(2,650)
Camden County	237,850	238,250	400	27,450	23,700	(3,750)
Cape May County	49,750	50,250	500	7,550	6,850	(700)
Cumberland County	59,900	59,600	(300)	9,500	8,300	(1,200)
Essex County	330,000	332,400	2,400	39,100	35,100	(4,000)
Gloucester County	142,100	142,350	250	15,300	13,250	(2,050)
Hudson County	283,900	285,550	1,650	32,400	28,750	(3,650)
Hunterdon County	65,300	65,800	500	4,950	4,150	(800)
Mercer County	192,250	194,550	2,300	16,000	13,950	(2,050)
Middlesex County	406,100	410,900	4,800	36,800	32,900	(3,900)
Monmouth County	300,800	304,400	3,600	29,050	24,500	(4,550)
Morris County	255,150	257,000	1,850	19,600	17,150	(2,450)
Ocean County	241,950	244,800	2,850	27,150	22,900	(4,250)
Passaic County	216,100	217,350	1,250	27,200	24,000	(3,200)
Somerset County	169,350	171,400	2,050	13,300	11,500	(1,800)
Sussex County	74,700	75,250	550	7,350	6,400	(950)
Union County	251,250	253,050	1,800	26,250	22,950	(3,300)
Grand Total	4,055,150	4,083,750	28,600	416,850	365,000	(51,850)

Glossary

ANNUAL BUDGET – Includes the Authority's Revenue Budget, Operating Budget, Debt Service Fund Budget, Charges Fund Budget, Maintenance Reserve Fund Budget, Special Project Reserve Fund Budget, General Reserve Fund Budget, and Supplemental Capital Fund Budget.

BASIS OF ACCOUNTING – The method of accounting used to track and report revenues and expenses, for example, cash or accrual.

BONDS - A written guarantee to pay a principal amount and/or interest at a specified date or dates known as the maturity date(s).

BOND RATING - An assessment of the credit risk with respect to a specific bond issue.

BUDGET – Plan of coordinating estimated expenses and income for a given period of time.

CAPITAL ASSETS – Land and improvements, easements, building and improvements, vehicles, machinery, equipment, infrastructure, and all other tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

CAPITAL EXPENDITURE – The costs in the acquisition of fixed assets and the non-recurring expenditures for the preservation, replacement, repair, renewal, reconstruction, modification or expansion of the roadway.

CHARGES FUND – Funds held for the purpose of paying accrued fees and charges of any credit issuer, remarketing agent, and tender agent not otherwise paid as an operating expense.

CONSTRUCTION FUND – Fund created for the purpose of paying all costs of acquiring or constructing new projects and for the capital improvements of the roadway.

DEPARTMENT - A major administrative division of the Authority that has overall management responsibility for an operation or group of related operations within a functional area.

DEPARTMENTAL REQUEST – This request represents the various departmental budgets to be presented to the budget section of the Finance Department.

DEBT SERVICE - Payment of principal, interest and other obligations associated with the retirement of debt.

DEBT SERVICE FUND – Amounts held to pay the principal and accrued interest due on all outstanding bonds.

ELECTRONIC TOLL COLLECTION - An electronic means for motorists to pay toll charges without using coins or currency. Motorists attach an electronic signal device, known as a transponder, on their windshield to automatically deduct the toll charge as they drive through a toll plaza.

E-ZPASS – Brand name by which the New Jersey Turnpike Authority collects tolls electronically.

FISCAL YEAR - The New Jersey Turnpike's fiscal year is January 1 through December 31. This is the period used for the annual operating budget and the reporting of financial position and results of operations of the Authority. The State of New Jersey's fiscal year is July 1 through June 30.

FULL-TIME EMPLOYEE - A full-time employee's work is based on a 35-hour or a 40-hour work week for 52 weeks depending on job title and function.

FUND - An account established to hold money for specific programs, activities or objectives.

FUND BALANCE – Represents the difference between fund assets and fund liabilities at year-end. For budgetary presentation purposes, fund balance excludes capitalized assets.

GENERAL RESERVE FUND – Used to make payments under any agreements with the State of New Jersey or for any other corporate purpose. The General Reserve Fund includes the Supplemental Capital Fund, which was established only for budgetary purposes..

HEADCOUNT - A statement or description of the number of employees for a specific time period in each department.

LANE MILES – The total length of a road multiplied by the number of lanes. For example a 6-lane road that is 10 miles long has a total of 60 lane miles.

MAINTENANCE RESERVE FUND – Used to pay for the cost of major resurfacing, replacement or reconstruction of the Turnpike System and major or extraordinary repairs, renewals or replacements of the Turnpike System necessary to restore or prevent physical damage to the Turnpike System, for the safe and efficient operation of the Turnpike System or to prevent loss of Pledged Revenues.

RESERVE – Funds set aside to pay future liabilities

REVENUE FUND – Is the general operating fund of the Authority. The fund is used to account for all pledged revenues and operating expenses.

REVENUES - All tolls, fees, charges, rents and other income and receipts derived from the operations of the Turnpike and the Parkway. Revenues also include Investment income from any monies or securities and the Federal Subsidy for Build America Bonds.

SPECIAL PROJECT RESERVE FUND – Used to pay for any major resurfacing, renewals or replacements of the Turnpike System and for studies, surveys, estimates and investigations.

SUPPLEMENTAL CAPITAL FUND - For budgeting purposes only, the Authority has established a "Supplemental Capital Fund" within the General Reserve Fund that is used to fund short to medium term projects not financed through bond proceeds. The Supplemental Capital Fund is not a legal fund, is not recognized under the Bond Resolution, and its activity is reported as General Reserve Fund activity in the Authority's financial statements.

TOLL - A fee for usage or passage over a toll roadway.

TOLL BOOTH - A booth on a highway where tolls are taken.

TOLL COLLECTOR - An employee hired to take tolls manually from customers.

TOLL TRANSACTION – A passenger or commercial vehicle that passes through a toll plaza causing a toll to be collected.

TOLL REVENUE - The revenue from the tolls collected by the Authority. It is the main source of revenue for the Authority

TRANSPONDER – An electronic device placed in a vehicle to communicate through radio signals with the toll plaza collection equipment as the vehicle passes through the lane, making a record of a paid toll.

Acronyms

CAAD Computer Aided Architecture Design
CIP Capital Investment Plan
CPR Cardiopulmonary resuscitation
CSC Customer Service Center
DED Deputy Executive Director
DWDM Dense Wavelength Division Multiplexing (fiber optic communications)
EEO Equal Employment Opportunity
ETC Electronic Toll Collection
ERP Enterprise Resource Planning
FTE Full Time Employees
GAAP Generally Accepted Accounting Principles
GASB Governmental Accounting Standards Board
GFOA Government Finance Officers Association
GIS Geospatial Information System
GSP Garden State Parkway
GSAC Garden State Arts Center
GWB George Washington Bridge
HR Human Resources
HVAC Heating, Ventilation and Cooling
IP Internet Phone
ITS Integrated Technology Services
LAN Local Area Network
LED Light Emitting Diode
NBHCE Newark Bay Hudson County Extension
NJTA New Jersey Turnpike Authority
NJDOT New Jersey Department of Transportation
OPEB Other Post-employment Benefits
OPS Order for Professional Services
OPRA Open Public Records Act
PANYNJ Port Authority of New York and New Jersey
PTC Pennsylvania Turnpike Commission
RFP Request for Proposal
RFQ Request for Quotation
SBE Small Business Enterprise
STMC State Transportation Management Center
TAS Technology and Administrative Services
TCO Total Cost of Ownership
TEM Toll Equipment Maintenance
TMC Transportation Management Center
UPS Uninterruptible Power Supply
VMS Variable Messaging System
VSL Variable Speed Limit
WAN Wide Area Network