



New Jersey Turnpike Authority



ANNUAL BUDGET 2016

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Transmittal Letter



New Jersey Turnpike Authority

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November 24, 2015

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) 2016 Annual Budget. Section 7 10 of the Authority's Turnpike Revenue Bond Resolution requires the Authority's 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 Engineers approving such Annual Budget.

As you are aware, 2015 is the first full year that the Authority operated the \$2.3 billion widening of the New Jersey Turnpike between Interchanges 6 and 9, adding three lanes in each direction. This project was completed on time and under budget and added 170 lane miles to the roadway. The 6-9 widening project was 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. In addition, in May 2015 the Authority completed the widening of the Garden State Parkway between mileposts 48 and 52. The Interchange 6 to 9 widening project, combined with the completed widening of the Garden State Parkway between mileposts 48 and 80, has added 237 lane miles to the entire system, an increase of approximately 10%. The Authority has seen significant traffic volume increases from the widenings, especially on the New Jersey Turnpike which has experienced traffic growth of over 6% in 2015. The 2016 Annual Budget is driven by the capacity added by the completion of these projects and includes the resultant increase in revenue as well as operations and maintenance expenditures, and the Authority's continued commitment to safety on its roadways.

The 2016 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, provide bond covenant coverage in excess of levels required by the Turnpike Revenue Bond Resolution and the Authority's Financial Management Principles and Guidelines, as well as meet all contractual payment obligations without the need for a toll increase.

Respectfully submitted,

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Executive Director

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Chief Financial Officer

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Distinguished Budgets Presentation Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **New Jersey Turnpike Authority, New Jersey** for its annual budget for the fiscal year beginning **January 1, 2015**. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Vision Statement

To provide a safe, reliable and modern toll road system that offers a top-quality travel experience for customers and to be regarded as a premier public agency in the operation and management of that system.

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 the United States – the New Jersey Turnpike and the Garden State Parkway.

Core Values

The Authority's core values are a commitment to:

- safety
- customer service
- agency and roadway system integrity
- innovation
- sustainability

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

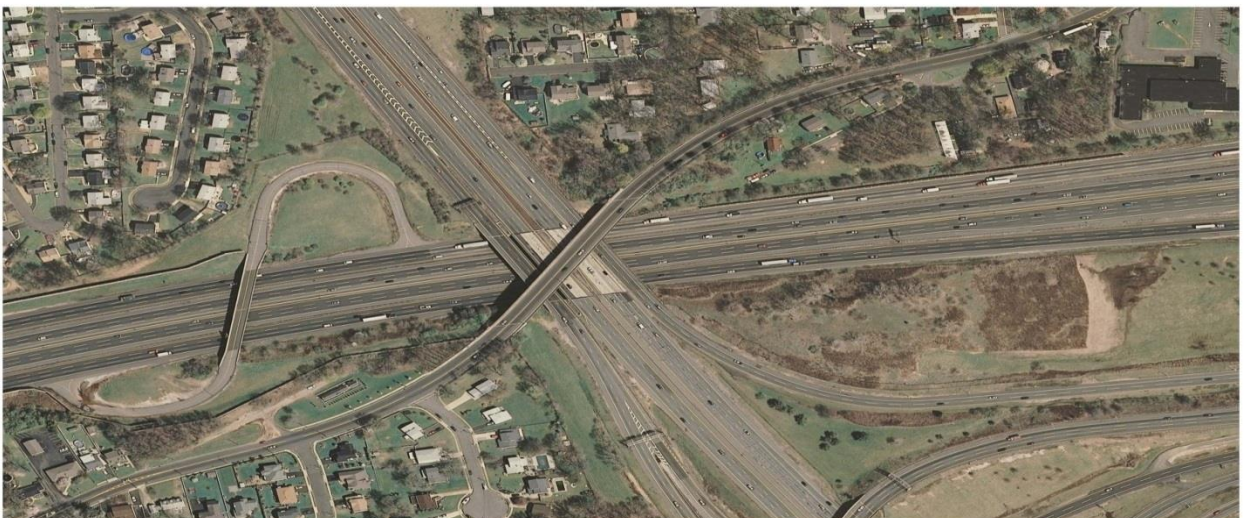


Figure 1: Woodbridge Aerial View

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 lies 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, near Newark Liberty Airport, 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 (Mansfield, 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 two lanes in each direction from Interchange 1 (Deepwater) to Interchange 4 (Camden-Philadelphia) and three lanes in each direction from Interchange 4 to Interchange 6 (Pennsylvania Turnpike).

From Interchange 6 to north of Interchange 14 (Newark), the Turnpike is configured as a “dual/dual” highway; it has two distinct sets of roadways 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 roadways.

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) 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 to 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 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 with the opening of the northbound lanes on October 26, 2014, and the southbound lanes on November 2, 2014 at an estimated cost of \$2.3 billion.

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 48, six lanes to milepost 91, eight lanes to milepost 102, 10 lanes to milepost 117, 12 lanes to milepost 127, 10 lanes to milepost 140, eight lanes to milepost 145, six lanes to milepost 168, and four lanes to the New York border.

The widening of the Parkway from milepost 63 in Stafford Township to milepost 80 in South Toms River opened in May 2011 was funded as part of the Capital Improvement Program. This widening program, from milepost 35 to 80 was designed to relieve heavy traffic congestion and to improve motorist safety by the addition of one new lane in both the northbound and southbound directions and full-width shoulders. In addition to the widening from milepost 63 to 80, the Parkway was widened from milepost 48 to 63. The widening to milepost 52 opened in the spring of 2014. The remaining widening of this section to milepost 48 was opened in May 2015 upon the completion of the rehabilitation of the Bass River Bridge. The final phase of the Parkway widening from milepost 48 to 35 is under construction with a projected completion from milepost 48 to 41 in late 2016 and the remainder in the spring of 2018.

\$7 Billion Capital Improvement Program and Financial Management Principles and Guidelines

The Authority is in the midst of a \$7 billion ten-year Capital Improvement Program (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	\$ 2,278,059,000
Bridge Improvements	1,699,447,000
Roadway Improvements	802,333,000
Interchange Improvements	1,042,986,000
Facility Improvements	587,175,000
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:

- Phase I – Milepost 63 to 80 – Construction completed and open to motorists in May 2011.
- Phase II – Milepost 48 to 63 – Construction completed and open to motorists in May 2015
- Phase III – Milepost 35 to 48 – Construction began in 2014 and will be completed in 2018.

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 were completed in 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 Improvement 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 2016 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**
Projected Revenue, Expenditure, Debt Service Coverage (\$000s)

Fiscal Year Ending 12/31 (000's omitted)	Actual 2014	Actual / Est. 2015	Budget 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
Revenues									
Toll Revenue									
Turnpike (1)	1,037,743	1,113,530	1,135,690	1,124,302	1,139,772	1,155,458	1,173,175	1,191,246	1,209,680
Parkway (1)	408,005	414,526	417,996	422,057	427,230	432,082	436,963	441,419	445,919
E-Z Pass Fees	52,773	54,599	55,100	56,200	57,300	58,500	59,700	60,900	62,100
Federal Subsidy for Series 2009 F and 2010 Bonds (2)	75,745	75,888	75,703	75,703	75,703	75,703	75,703	75,703	75,703
Concession Revenue	36,842	38,326	38,400	39,200	40,000	40,800	41,600	42,400	43,200
Other Revenue	28,573	27,779	31,200	31,392	31,533	31,709	31,872	32,031	32,200
Total Revenues	1,639,681	1,724,648	1,754,089	1,748,854	1,771,538	1,794,252	1,819,013	1,843,699	1,868,802
Operating Expenses (3)	(472,772)	(509,593)	(519,424)	(529,399)	(539,594)	(549,989)	(560,589)	(571,396)	(582,415)
Total Revenues Available for Debt Service	1,166,909	1,215,055	1,234,665	1,219,455	1,231,944	1,244,263	1,258,424	1,272,303	1,286,387
Future Debt Issuance		750,000	525,000	500,000	300,000				
Net Debt Service (4) (5) (6)	(608,896)	(661,065)	(794,359)	(847,671)	(833,206)	(874,795)	(890,224)	(887,946)	(918,775)
Total Revenues Available After Debt Service	558,013	553,990	440,306	371,784	398,738	369,468	368,200	384,357	367,612
Payments to Charges Fund (7)	(1,150)	(575)	(155)	(155)	(155)	(155)	(155)	(155)	(155)
Cash Flow Available for Reserves	556,863	553,415	440,151	371,629	398,583	369,313	368,045	384,202	367,457
Maintenance Reserve Fund (3)	(74,814)	(87,058)	(89,370)	(116,751)	(119,086)	(121,468)	(123,897)	(126,375)	(126,375)
Special Project Reserve Fund (3)	(28,800)	(50,301)	(38,918)	(39,696)	(40,490)	(41,300)	(42,126)	(42,969)	(42,969)
Net Revenues Available for General Reserve Fund	453,249	416,056	311,863	215,182	239,007	206,545	202,022	214,858	198,113
TTF 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)	(162,000)						
Assumed Amounts for Additional State Transfers (8)			(64,500)	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)	(129,000)
Supplemental Capital/General Reserve	(67,761)	(63,042)	(89,867)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Net Annual General Reserve Fund Increase	31,487	(987)	(39,004)	1,682	25,507	(6,955)	(11,478)	1,358	(15,387)
Ending General Reserve Fund Balance	246,006	245,019	206,015	207,697	233,204	226,249	214,771	216,129	200,742
Debt Service Coverage Ratio									
Net Revenues/Debt Service	1.92	1.84	1.55	1.44	1.48	1.42	1.41	1.43	1.40
Net Revenues/Debt Service and Reserves	1.64	1.52	1.34	1.21	1.24	1.20	1.19	1.20	1.18

Totals may not add to due to rounding

Footnotes

- (1) From Draw down Letter by CDM Smith dated October 2, 2015
- (2) Assumes 7.3% reduction in BAB subsidy throughout projection period
- (3) From Consulting Engineer Report by HNTB Corporation dated October 2, 2015
- (4) Existing debt service includes applicable spread of variable rate bonds and unhedged portions of the 2015A Bonds at maximum rate of 12% and assumes swapped debt will achieve synthetic fixed rates
- (5) Debt Service for future planned capital program borrowing is assumed at 5.0% for all future borrowings
- (6) Bonds with mandatory tender dates are assumed to roll-over at their respective current spreads through maturity
- (7) Reflects projected on-going annual fees and charges related to auction rate bonds of the Authority
- (8) Represents amounts the Authority has assumed for payment to the State after the expiration of the State Transportation Funding Agreement. There can be no assurance that the Authority will not be requested to accelerate, increase or otherwise modify any such payments either before or after the expiration of the State Transportation Projects Funding Agreement

Figure 2: NJTA Financial Plan

New Jersey Turnpike Authority 2015 Accomplishments and 2016 Goals

The Authority is in the process of developing a Strategic Plan for the next five years. The Strategic Plan will incorporate the Authority's vision, mission statement and core values. It is expected that this Strategic Plan will be completed and adopted by the Board of Commissioners in 2016. Although still in the development stage, the Authority's strategic plan will be established based upon the following:

- Improve Financial Strength
- Decrease Congestion/Improve Mobility for Patrons
- Maintain a State of Good Repair for All Assets
- Improve Safety for Patrons and Employees
- Maintain and Attract a Quality Workforce

A summary of major accomplishments in 2015 and goals for 2016 in each of these areas is as follows:

Improve Financial Strength

2015 Accomplishments

- Identified and sold surplus real estate, producing \$1.7 million in revenue.
- Awarded a contract for the New Jersey E-ZPass Customer Service Center, The contract includes customer service back office operations, violation processing and collections and financial back office services and has a 10-year operating period to begin on February 1, 2017.
- Successfully refunded several series of variable rate bonds to either replace expiring letters of credit for savings or meet mandatory tender dates on Direct Purchase Bonds. The Authority eliminated rollover risk on the new variable rate bonds, and basis risk between the bonds and the Interest Rate Swaps that hedge the variable rate risk on the bonds.

2016 Goals

- Continue to identify and market surplus real estate, generating at least \$1.7 million in proceeds.
- Implement the newly awarded New Jersey E-Z Pass Customer Service Center contract to be prepared to be fully operational on February 1, 2017.
- Successfully refund variable rate debt to meet the mandatory tender dates on the bonds, eliminating roll-over risk on the variable rate bonds that will be issued. Eliminate Interest Rate Swap basis risk on any swaps that hedge the variable rate refunding bonds.

Decrease Congestion/Improve Mobility for Patrons

2015 Accomplishments

- Began New Jersey Turnpike Interchange 14A, 15W & 16W improvements which will not only improve interchange safety, but will also increase interchange capacity and decrease travel times thereby making the interchange a more viable alternative to motorists.
- Completed the Garden State Parkway Bass River Bridge Widening and the Widening of the Garden State Parkway between Mileposts 48 and 52 which improved safety, increased capacity and decreased travel times thereby making the Parkway a more viable alternative to motorists.
- Completed Garden State Parkway Interchange 41 and Interchange 88/89 improvements improving interchange safety, increasing interchange capacity and decreasing travel times thereby making the interchange a more viable alternative to motorists.

2016 Goals

- Complete New Jersey Turnpike Interchange 9 and 10 improvements which will not only improve interchange safety, but increase interchange capacity and decrease travel times thereby making the interchange a more viable alternative to motorists.
- Complete Garden State Parkway Interchange 9, 10 and 11, Interchange 44, and Interchange 91 improvements which will improve interchange safety, increase capacity and decrease travel times thereby making the Parkway a more viable alternative to motorists.

Maintain a State of Good Repair for All Assets

2015 Accomplishments

- The risk of business interruption was reduced by improving disaster recovery and business continuity plans for the Authority's main offices, as well as, the state of good repair for critical infrastructure.
- Successfully issued \$750 million of new money bonds. Proceeds of the bonds will be used to continue to fund the \$7 Billion Capital Investment Program which includes state of good repair projects.
- Completed \$72 million of roadway resurfacing and bridge repair on both roadways.

2016 Goals

- Issue \$525 million of new money bonds in the second half of 2016 to provide additional funding for the Capital Improvement Program.
- Complete \$76 million of Roadway Resurfacing and Bridge Maintenance on both roadways.

Improve Safety for Patrons and Employees

2015 Accomplishments

- Increased guiderail mileage repair and replacement by almost 20%.
- Initiate program to increase overhead signage at all Turnpike toll plazas (3 year program).
- Initiated upgrade onto the Authority's fiber network of the current Operations Department fire alarm receiver to improve the monitoring of Authority facilities.
- Completed the Garden State Parkway Interchange 83 to 100 Shoulder Installation improving safety on the roadway.

2016 Goals

- Increase roadway illumination levels while reducing energy usage through the LED Roadway lighting purchase program.
- Continue the installation of overhead signage at all Turnpike toll plazas.
- Upgrade all toll lanes to LED lighting to increase illumination and reduce energy usage.

Maintain and Attract a Quality Workforce

2015 Accomplishments

- Settled two expired labor contracts.
- Initiated use of Kronos Time Clocks at all NJTA Locations.
- Developed and implemented procedures to increase workforce diversity.

2016 Goals

- Upgrade the PeopleSoft Human Capital Management system increasing employee self - service opportunities.
- Settle five expired labor contracts.
- Continue to work to increase workforce diversity utilizing expanded outreach programs.
- Solicit and award new contracts for all Authority health benefit programs.

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 twelve 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 nearly 70% complete, and with the opening of the Turnpike Interchange 6 to 9 widening and the widening of the Parkway between mileposts 48 and 80, has added about 237 lane miles to the roadway system, an increase of nearly 10%. The 2016 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 2016 Annual Budget is as follows:

REVENUE

	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2016 Budget</u>
Toll Revenue	\$ 1,445,748,000	\$ 1,514,833,000	\$ 1,553,686,000
Other Revenue	<u>193,933,000</u>	<u>197,150,000</u>	<u>200,403,000</u>
Total	<u>\$ 1,639,681,000</u>	<u>\$ 1,711,983,000</u>	<u>\$ 1,754,089,000</u>

Figure 3: Annual Budget Revenue Summary (2014-2016)

SIGNIFICANT REVENUE HIGHLIGHTS:

- Toll Revenue is expected to increase by 2.6% in 2016 compared to the 2015 budget due to normal growth, stable economic conditions and gas prices, as well as increased traffic from the extra capacity provided by the widenings on both the New Jersey Turnpike and the Garden State Parkway.
- E-ZPass fees are expected to increase by \$4.3 million as compared to the 2015 budget due to an increase in administrative fees collected from toll violators due to enhanced collection efforts, and an increase in monthly membership fees due to continued growth in the customer base.
- Concession revenue is expected to increase by \$2.1 million due to higher food and fuel sales at the service areas due to increased travel on the roadways.

SPENDING	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2016 Budget</u>
Operating Expenses	\$ 472,772,200	\$ 509,593,100	\$ 519,423,900
Debt Service and Charges	610,046,000	669,470,000	794,514,000
Maintenance Reserve	72,272,000	84,609,100	93,500,000
Special Project Reserve	19,867,800	38,155,000	38,756,300
General Reserve	401,901,000	400,001,000	310,086,000
Supplemental Capital	19,861,700	50,000,000	40,782,000

Figure 4: Annual Budget Spending Summary (2014-2016)

SIGNIFICANT SPENDING HIGHLIGHTS/CHALLENGES

- The 2016 Operating Expense Budget is \$519.4 million, or an increase of only 1.9%, and is driven by the increased volumes of traffic on the roadways as the Authority has added more than 237 lane miles on both the New Jersey Turnpike and Garden State Parkway, an increase in total system miles of nearly 10%. The budget also provides funding for the Authority's continued commitment to improving safety for our patrons.
- The 2016 Operating Expense Budget provides \$38.1 million for snow and severe weather costs, which represents the highest estimated total annual spending in the past five (5) years. The number and severity of weather events is unpredictable, and could put pressure on the Operating Expense Budget. In addition, the budget includes assumptions on pension payments, health benefit costs and credit card processing fees, all of which are highly variable. Changes from the current budget assumptions in any of these areas could put pressure on the 2016 Operating Expense Budget.
- The 2016 Debt Service Budget is increasing by over \$125 million to almost \$800 million, or nearly 20%, as compared to the 2015 Debt Service Budget. Debt service is increasing primarily due to higher interest expense from the continued borrowing to fund the \$7 Billion Capital Improvement Program. By the end of 2016, it is expected that the Authority will have over \$11 billion of debt outstanding. Debt Service represents the largest spending component of the Authority's 2016 Annual Budget.

As mentioned, the Authority has increased roadway capacity in the past few years. Despite an 8% increase in capacity, the Authority's Operating Budget per Lane Mile has only increased by 0.3% as the Authority continues to maintain safe and efficient roadways while controlling operating expenses.

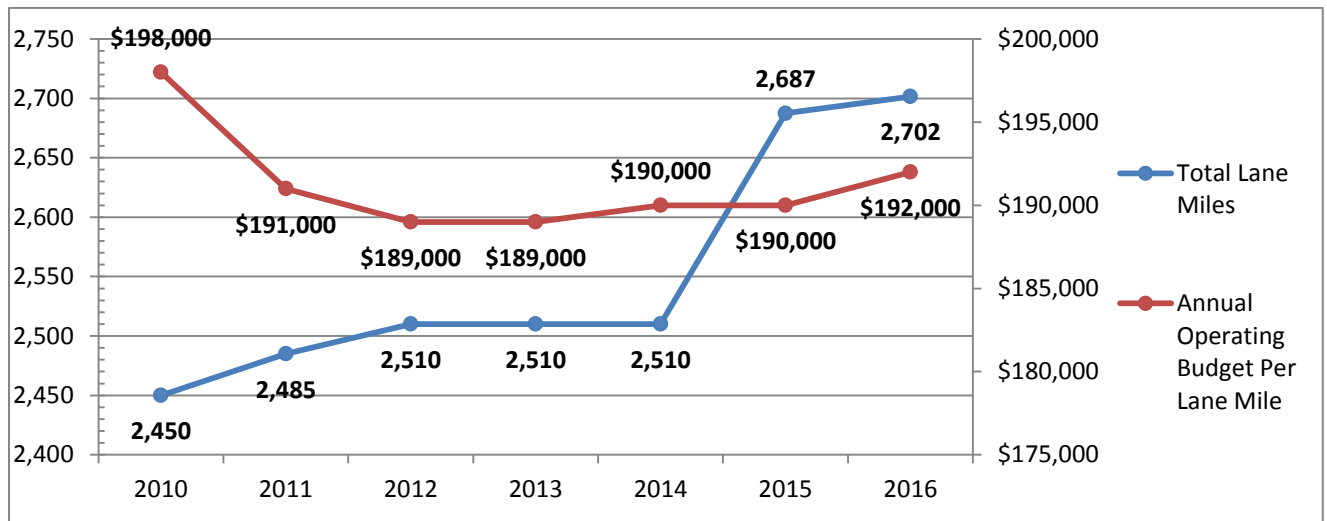


Figure 5: Total Lane Miles and Operating Budget Per Lane Mile (2010-2016)

When excluding the budget for costs associated with snow removal and severe weather, the 2016 budget for all other operating expenses of \$481,420,400 is less than \$3,900,000 higher than the 2010 budget for all other operating expenses of \$477,530,500, an increase of only 0.8% over the six year period. This is a result of the Authority's success in controlling its operating expenses.

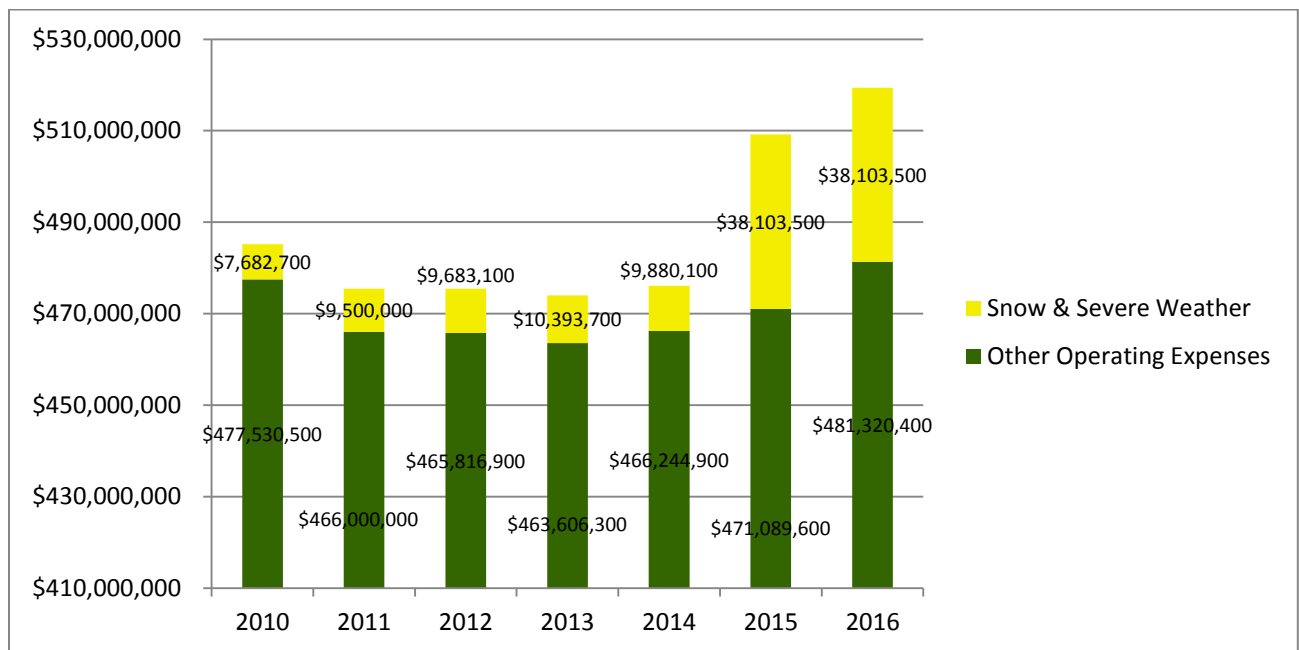


Figure 6: Operating Expenses with Snow and Severe Weather (2010-2016)

REVENUE BUDGET

Total revenue in 2016 is budgeted at \$1,754,089,000, a 2.5% increase from 2015 budgeted revenues, driven primarily by an increase in toll revenue. Total revenue trends are shown below.

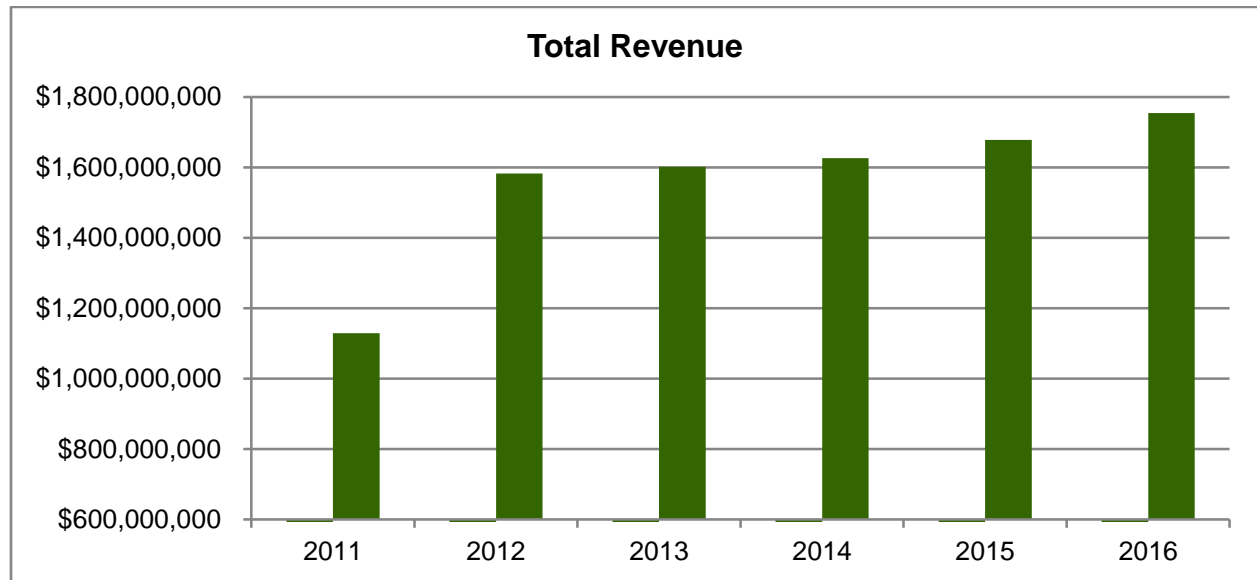


Figure 7: Total Annual Revenue (2011-2016)

Toll revenue continues to be the largest component of total revenue, comprising 88.6% of total revenue. Toll revenue in 2016 is budgeted at \$1,553,686,000, which represents an increase of 2.6% compared to the 2015 budget. Turnpike toll revenue is expected to increase by 3.1%, while Parkway toll revenue is expected to increase by 1.2%, driven by traffic increases of 3.1% on the Turnpike and 1.1% 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 2015. In addition, Turnpike traffic and revenue is expected to benefit from additional volume generated from the Turnpike widening between Interchanges 6 and 9. Traffic and revenue forecasts are contained in the October 2015 drawdown letter by CDM Smith. The forecasts for 2016 represent the third consecutive year that traffic and revenue have increased on the roadways. Both passenger car and commercial traffic are expected to exceed 2008 pre-recession levels.

OPERATING EXPENSE BUDGET

The 2016 Operating Expense Budget of \$519,423,900 is increasing by \$9,830,800, or 1.9%, compared to the 2015 Operating Expense Budget. Key cost factors in the 2016 Operating Expense Budget are as follows:

- Increased credit card fees of \$3,500,000 based on increased toll revenue volumes processed through E-ZPass.
- Increased E-ZPass transaction processing costs of \$2,500,000 based upon increased toll transaction volumes and violation processing costs based upon increased violation collections from enhanced collection efforts.
- Pension costs are increasing by \$2,400,000 based upon estimated PERS payments.
- Health benefit costs are increasing by \$2,000,000 million based upon estimated usage and medical and prescription inflation rates.
- Wage increases projected at \$2,200,000.
- Increased roadway maintenance costs of \$1,700,000 primarily due to an additional 25,000 linear feet of guiderail being replaced on both roadways.
- Increased utility costs of \$1,400,000 based upon increased usage and a projected rate increase for electricity.
- Increase of \$1,300,000 in State Police costs due to budgeting for an additional 15 troopers assigned to the roadways.

The proposed 2016 Operating Expense Budget is increasing by \$9,800,000, driven by approximately \$17,000,000 in increases in the key cost factors. The total Operating Expense Budget increase is lower than the \$17,000,000 primarily due to savings in fuel costs from low gas prices, and the elimination of letter of credit fees due to the refunding of certain variable rate debt for savings. In addition, there are savings in wages due to the benefits of the renegotiated contracts with the toll collectors and toll supervisors.

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. In addition, headcount is being added in anticipation of performing lane maintenance in house upon expiration of the Xerox contract on January 31, 2017.

Authorized headcount since 2003 is shown below:

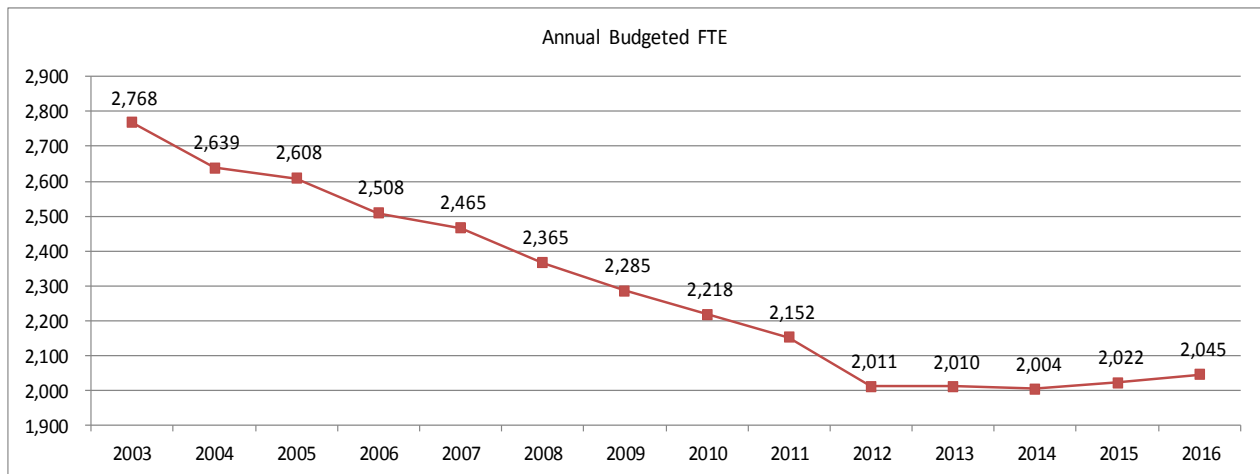


Figure 8: Authorized Headcount (2003-2016)

Snow and severe weather costs are budgeted based upon the highest cost of the previous five years. These costs are increasing in 2016 based upon the high spending levels of 2010, 2013 and 2014 and adjusting for the increase in lane miles.

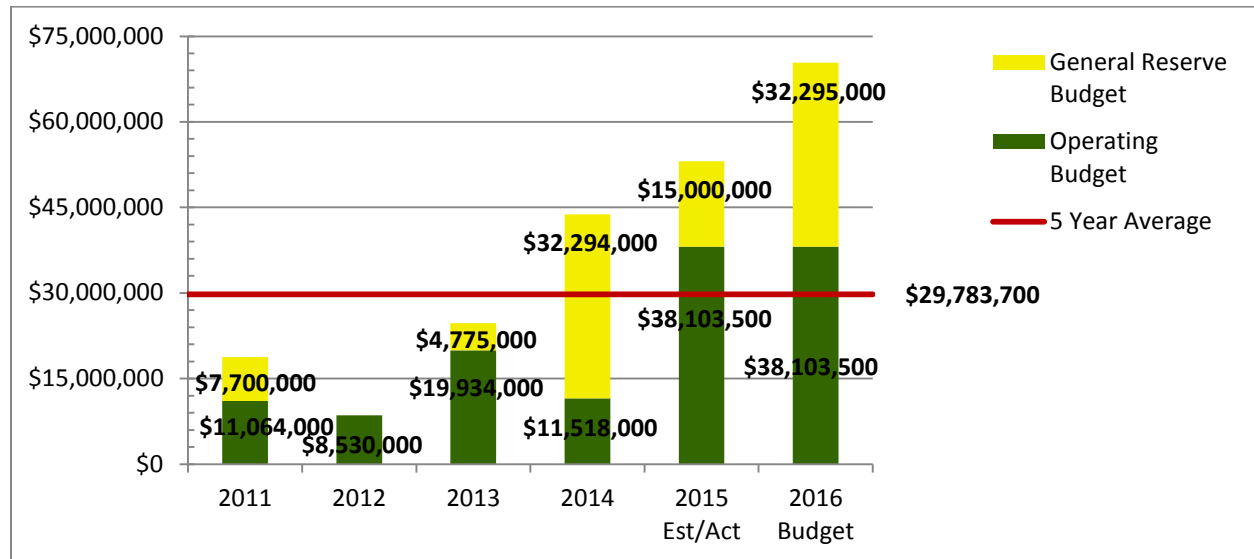


Figure 9: Snow and Severe Weather Expenses (2011-2016)

DEBT SERVICE BUDGET

Total Debt Service in 2016 is budgeted at \$794,359,000, which is a \$125,456,000 increase from the 2015 Debt Service Budget. Debt service is increasing primarily due to higher interest expense on \$750,000,000 of new money bonds issued in November 2015 to continue to fund the \$7 billion CIP and principle payments on Series 2009G and Series 2013 B-C.

CHARGES BUDGET

Total costs for auction agent, broker/dealer and remarketing fees on the Series 2000B-G are budgeted at \$155,000 for 2016, a decrease of \$420,000 from 2015 primarily due to the rebid and renegotiation of the broker/dealer agreements.

MAINTENANCE RESERVE FUND BUDGET

The total 2016 spending budget for the Maintenance Reserve Fund is \$93,500,000, representing an increase of \$8,890,300 from 2015 budgeted levels. Major expenditures include the resurfacing of the New Jersey Turnpike lanes between mileposts 3 and 8, mileposts 26 and 40, mileposts 76 and 82, mileposts 84 and 92 and mileposts 109 and 113 for a total of 83 lane miles. In addition, 22 bridges on each roadway will be repaired.

SPECIAL PROJECT RESERVE FUND BUDGET

The total 2016 spending budget for the Special Project Reserve Fund is \$38,756,300, representing a slight increase from 2015 budgeted levels. Major projects budgeted for 2016 include Major Fleet Augmentation, which replaces rolling stock with a value of \$50,000 or higher on a rotating basis, and both scheduled and emergency drainage repair on both roadways.

GENERAL RESERVE FUND (INCLUDING SUPPLEMENTAL CAPITAL) BUDGET

The total 2016 spending budget for the General Reserve Fund, which includes the Supplemental Capital Fund, is \$350,868,000, which is a decrease of \$99,133,000 from 2015 levels primarily due to the expiration of the State Transportation Projects Funding Agreement on June 30, 2016, requiring only six months of payments.

SUMMARY

The 2016 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 2016 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

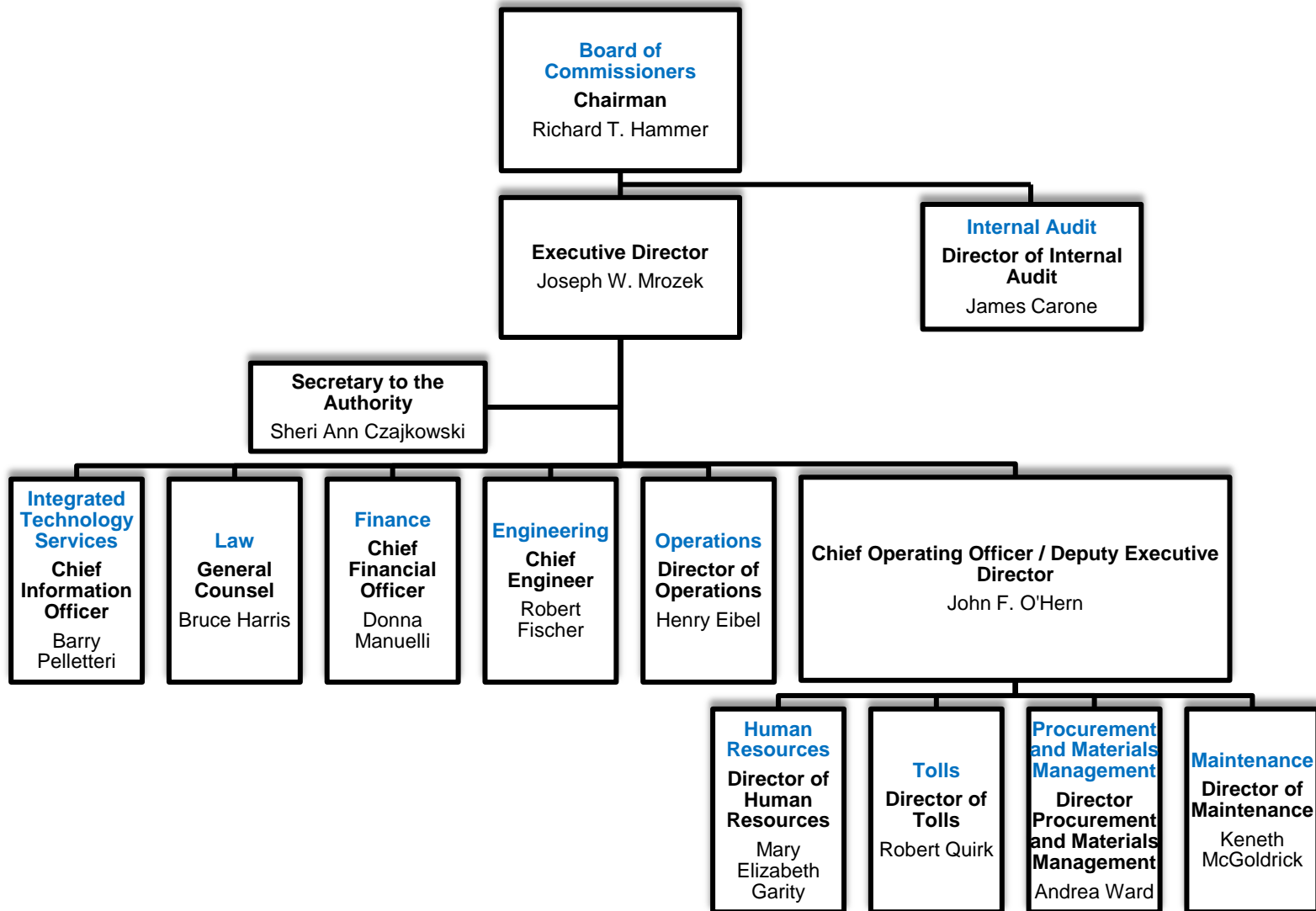


Figure 10: Organization Chart

Fund Structure

Description of Funds

For financial statement purposes, the Authority's activities are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, net position, revenues and expenses are accounted for as an enterprise fund with revenue recorded when earned and expenses recorded at the time liabilities are incurred. NCGAS 1 defines the purpose of enterprise funds as, "to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through users charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes."

However, the Authority's Bond Resolution established the following funds, and the activities of the funds are reported in schedules included in the Authority's financial statements.

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.

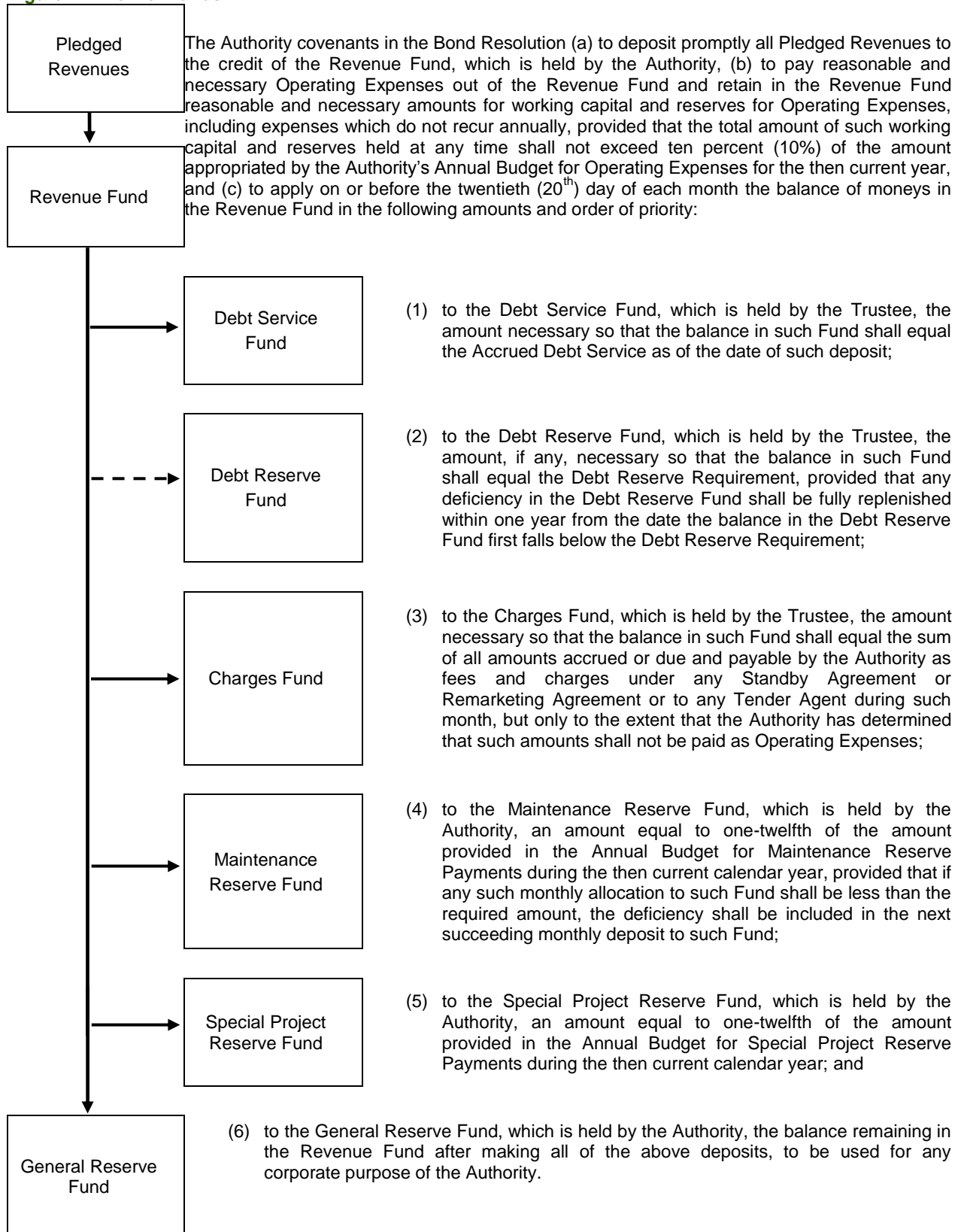
Maintenance Reserve Fund – used to pay for the cost of major resurfacing, replacement or reconstruction of the Turnpike System and major or extraordinary repairs, renewals or replacements of the Turnpike System necessary to restore or prevent physical damage to the Turnpike System, for the safe and efficient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

Figure 11: 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.

Net Revenue Requirement			
(in Thousands)			
	<u>2014 Actual</u>	<u>2015 Est./ Actual</u>	<u>2016 Projected</u>
Revenues	\$1,639,681	\$1,724,648	\$1,754,089
Operating Expenses	<u>472,772</u>	<u>509,593</u>	<u>519,400</u>
Net Revenues	1,166,909	1,215,055	1,234,689
Debt Service Requirements	608,896	661,065	794,359
Charges Fund	1,150	575	155
Maintenance Reserve Payments	74,814	87,058	89,370
Special Project Reserve Payments	<u>28,800</u>	<u>50,301</u>	<u>38,918</u>
Total Requirements	\$713,660	\$798,999	\$922,802
Net Revenues	\$1,166,909	\$1,215,055	\$1,234,689
1.2 Times Debt Service	<u>730,675</u>	<u>793,278</u>	<u>953,231</u>
Excess Revenues	\$453,249	\$416,056	\$311,887
Debt Service Coverage	1.92	1.84	1.55

Figure 12: Net Revenue Requirement (2014-2016)

Based on the above review, Net Revenues for 2015 and 2016 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. No 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.

It should be noted that the Authority's financial statements are presented as an enterprise fund with the activity of the Bond Resolution Funds shown on schedules to the financial statements. The Authority's Annual Budget is prepared based upon the Bond Resolution Funds.

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, Assistant Director of Finance, 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 2016 Annual Budget calendar is as follows:

Action	Date
2016 Annual Budget Preparation Kickoff	9/17/2015
Executive Budget Planning Meeting	9/28/2015
Maintenance Reserve Fund Budget Review Meeting	9/29/2015
Distribution of Budget Documents to Departments	10/6/2015
Distribution of Capital Budget Material for Existing Projects to Departments	10/7/2015
Response from Departments for Capital Budget – existing projects	10/16/2015
Response from Departments for Operating Budget	10/16/2015
Response from Departments for Capital Budget – new projects	10/16/2015
Individual Department Budget Meetings	10/19/15 - 10/30/15
Executive Budget Review Meeting	11/4/2015
Budget Presentation to Commissioners	11/10/2015
Budget Approved at Meeting of Board of Commissioners	11/24/2015
Governor's 10-day veto period expires without Governor exercising said power	(estimated) 12/11/15

Figure 13: 2016 Annual Budget Calendar

Summary of Major Revenues and Expenses

Sources of Revenue

(in Thousands)

	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2016 Budget</u>	<u>\$ Change from 2015 Budget</u>	<u>% Change from 2015 Budget</u>
Toll Revenue					
Turnpike	\$1,037,743	\$1,101,612	\$1,135,690	\$34,078	3.1%
Parkway	408,005	413,221	417,996	4,775	1.2%
Total Toll Revenue	<u>1,445,748</u>	<u>1,514,833</u>	<u>1,553,686</u>	<u>38,853</u>	<u>2.6%</u>
Other Operating Revenue	103,468	102,477	109,656	7,179	7.0%
Non-Operating Revenue	90,465	94,673	90,747	(3,926)	-4.1%
Total Revenues	<u>\$1,639,681</u>	<u>\$1,711,983</u>	<u>\$1,754,089</u>	<u>\$42,106</u>	<u>2.5%</u>

Figure 14: Sources of Revenue (2014-2016)

Figure 15: Sources of Revenue Percentages (2014-2016)

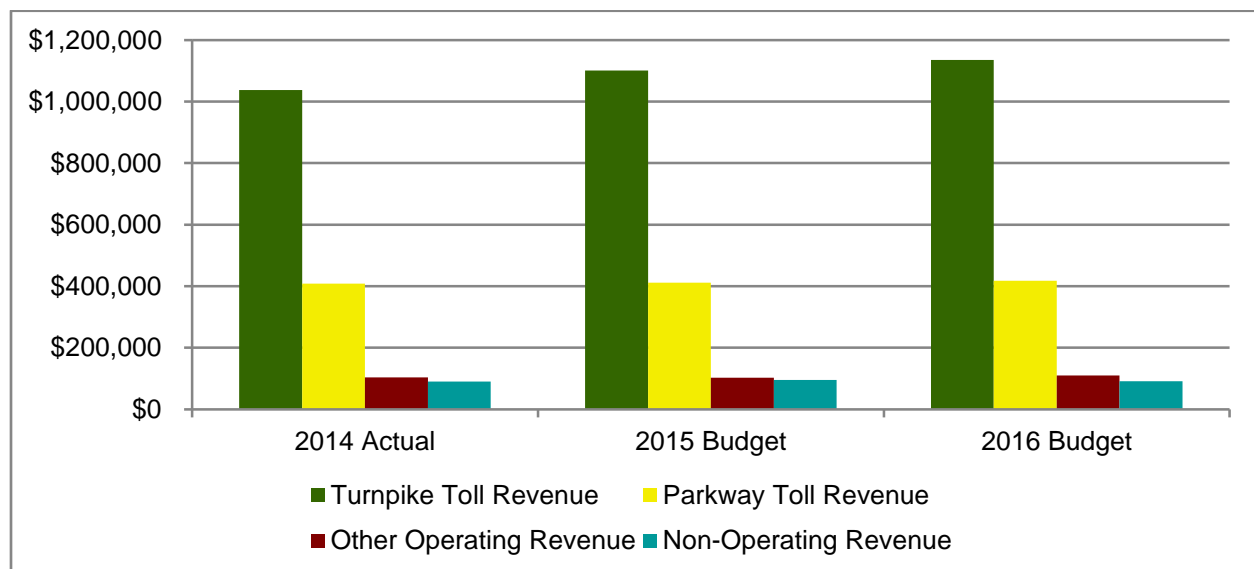
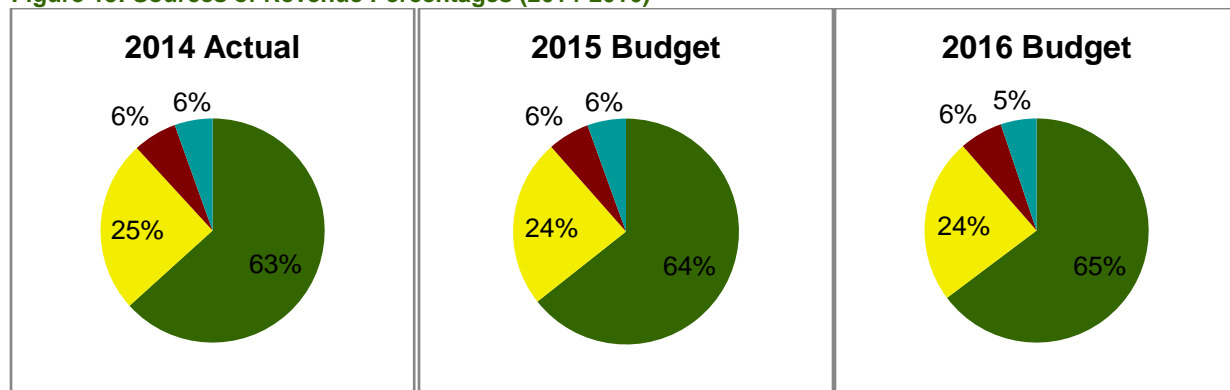


Figure 16: Sources of Revenue Graph (2014-2016)

Allocation of Revenue

	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2016 Budget</u>	<u>\$ Change from 2015 Budget</u>	<u>% Change from 2015 Budget</u>
Operating Expenses	\$ 472,772,000	\$ 509,593,100	\$ 519,423,900	\$ 9,830,800	1.9%
Transfers to:					
Debt Service & Charges	610,046,000	669,470,000	794,514,000	125,044,000	18.7%
Maintenance Reserve Fund	74,814,000	87,058,000	89,370,000	2,312,000	2.7%
Special Project Reserve Fund	28,800,000	20,900,000	38,918,000	18,018,000	86.2%
General Reserve Fund	453,249,000	424,962,000	311,863,000	(113,099,000)	-26.6%
Total Allocation of Revenue	<u>\$ 1,639,681,000</u>	<u>\$ 1,711,983,100</u>	<u>\$ 1,754,088,900</u>	<u>\$ 42,105,800</u>	<u>2.5%</u>

Figure 17: Allocation of Revenue (2014-2016)

Figure 18: Allocation of Revenue Percentages (2014-2016)

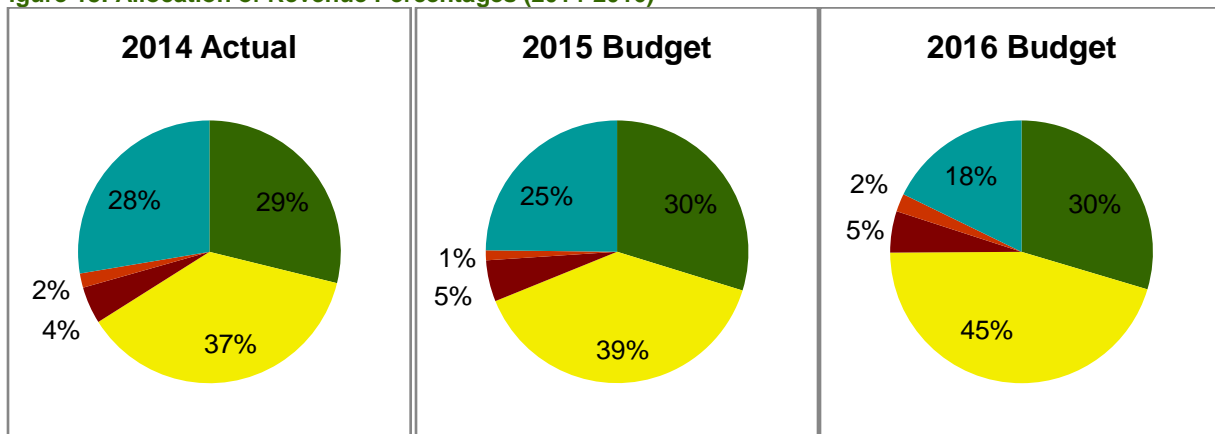
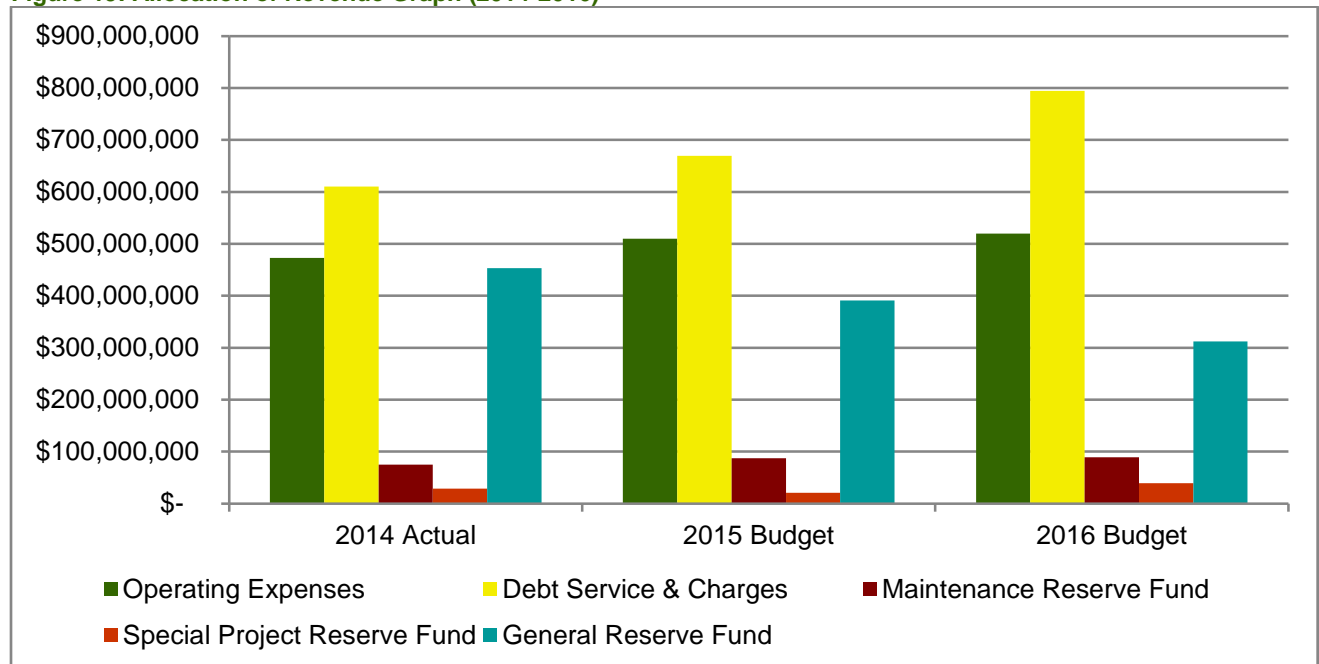


Figure 19: Allocation of Revenue Graph (2014-2016)



Revenue

2016 Revenue Budget

	(in Thousand's)			\$ Change from	% Change from
	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2016 Budget</u>	<u>2015 Budget</u>	<u>2015 Budget</u>
Operating Revenue					
Turnpike Toll Revenue	\$ 1,037,743	\$ 1,101,612	\$ 1,135,690	\$ 34,078	3.1%
Parkway Toll Revenue	408,005	413,221	417,996	4,775	1.2%
E-ZPass Fees	52,773	53,448	57,756	4,308	8.1%
Concessions	36,842	36,800	38,900	2,100	5.7%
Miscellaneous	13,853	12,229	13,000	771	6.3%
Total Operating Revenue	1,549,216	1,617,310	1,663,342	46,032	2.8%
Non-Operating Revenue					
Federal Subsidy for Build America Bonds	75,745	75,785	75,703	(82)	-0.1%
Interest Income	11,190	15,600	11,700	(3,900)	-25.0%
Arts Center Revenues	3,530	3,288	3,344	56	1.7%
Total Non-Operating Revenue	90,465	94,673	90,747	(3,926)	-4.1%
Total Revenues	\$ 1,639,681	\$ 1,711,983	\$ 1,754,089	\$ 42,106	2.5%

Figure 20: Revenue Budget (2014-2016)

Key Assumptions:

- Toll Revenue is expected to increase by 2.6% compared to the 2015 Budget, reflecting normal growth and the added capacity to the Turnpike system created by both Turnpike and Parkway widening projects completed in the last two years, as well as stable economic conditions and continued low gas prices.
- E-ZPass Fees are expected to increase due to an increase in administrative fees collected from toll violators due to enhanced collection efforts, and to a lesser extent an increase in monthly membership fees due to continued growth in the customer base.
- Concession revenue is expected to increase due to continued increases in food and gasoline sales on both roadways.
- Interest income is expected to decrease as short term interest rates were budgeted to increase in 2015 but have remained at historical lows. The 2016 Budget assumes no significant increases in short term interest rates.

Revenue Fund Balance					
	2014	2015	2016	2015 to 2016	2015 to 2016
	Actual	Est. / Actuals	Budget	\$ Change	% Change
Beginning Balance	\$ 84,657,845	\$ 84,657,845	\$ 84,657,845	\$ -	
Revenues	1,639,681,000	1,724,648,000	1,754,089,000	29,441,000	
Expenses	(472,772,000)	(509,593,000)	(519,400,000)	(9,807,000)	
Transfers to Funds	(1,166,909,000)	(1,215,055,000)	(1,234,689,000)	(19,634,000)	
Ending Balance	\$ 84,657,845	\$ 84,657,845	\$ 84,657,845	\$ -	0.0%

Figure 21: Revenue Fund Balance (2014-2016)

Toll Statistics

Toll Transactions by Vehicle Type and Roadway

Toll Transactions (in Thousands):

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015*</u>	<u>2016*</u>
New Jersey Turnpike Passenger Vehicles	194,508	195,208	202,347	213,969	220,550
New Jersey Turnpike Commercial Vehicles	<u>28,633</u>	<u>29,278</u>	<u>29,896</u>	<u>31,079</u>	<u>32,016</u>
Total New Jersey Turnpike	223,141	224,486	232,243	245,048	252,566
Garden State Parkway Toll Transactions	<u>366,157</u>	<u>368,918</u>	<u>370,349</u>	<u>374,902</u>	<u>379,184</u>
Total Turnpike System Transactions	<u>589,298</u>	<u>593,404</u>	<u>602,592</u>	<u>619,950</u>	<u>631,750</u>

* Projected Traffic is based on the CDM Smith Draw Down Letter issued in October 2015 which updated the short-term projections of their Investor Grade Traffic & Revenue Study released in May 2014.

Percentage Change in Toll Transactions from Previous Year:

	<u>2012⁽¹⁾</u>	<u>2013</u>	<u>2014</u>	<u>2015⁽²⁾</u>	<u>2016⁽²⁾</u>
New Jersey Turnpike Passenger Vehicles	-4.5%	0.4%	3.7%	5.7%	3.1%
New Jersey Turnpike Commercial Vehicles	<u>-3.3%</u>	<u>2.3%</u>	<u>2.1%</u>	<u>4.0%</u>	<u>3.0%</u>
Total New Jersey Turnpike	-4.3%	0.6%	3.5%	5.5%	3.1%
Garden State Parkway Toll Transactions	<u>-3.1%</u>	<u>0.8%</u>	<u>0.4%</u>	<u>1.2%</u>	<u>1.1%</u>
Total Turnpike System Transactions	<u>-3.6%</u>	<u>0.7%</u>	<u>1.5%</u>	<u>2.9%</u>	<u>1.9%</u>

(1) A toll increase of 53% on the Turnpike and 50% on the Parkway was implemented effective 1/1/2012

(2) Projected Traffic is based on the CDM Smith Draw Down Letter issued in October 2015 which updated the short-term projections of their Investor Grade Traffic & Revenue Study released in May 2014.

Figure 22: Toll Transactions by Vehicle Type and Roadway (2012-2016)

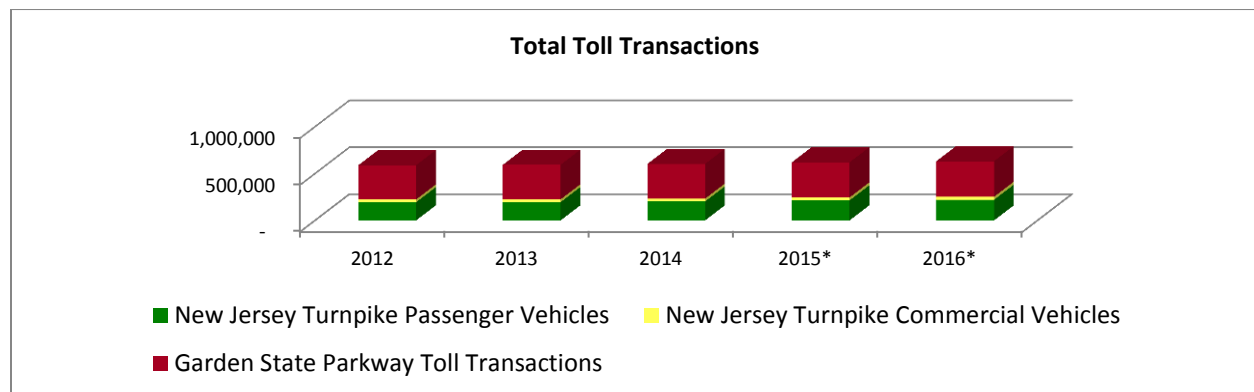


Figure 23: Total Toll Transactions (2012-2016)

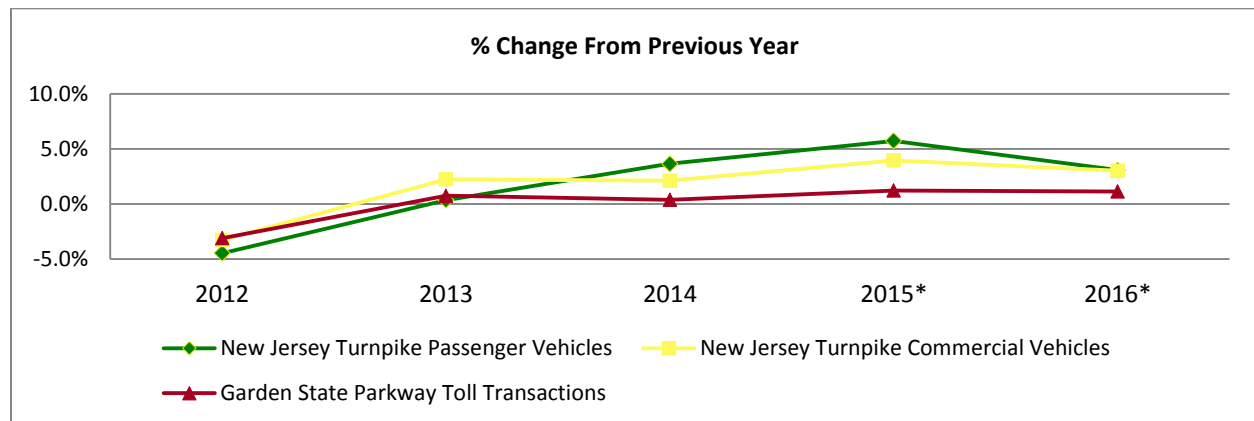


Figure 24: Toll Transactions Percent Change (2012-2016)

Toll Revenue by Vehicle Type and Roadway

Toll Revenue (in Thousands):

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015*</u>	<u>2016*</u>
New Jersey Turnpike Passenger Toll Revenue	\$667,987	\$672,828	\$695,129	\$739,804	\$763,712
New Jersey Turnpike Commercial Toll Revenue	319,357	333,892	342,614	361,808	371,978
Total New Jersey Turnpike Toll Revenue	987,344	1,006,720	1,037,743	1,101,612	1,135,690
Garden State Parkway Toll Revenue	401,650	407,044	408,005	413,221	417,996
Total Turnpike System Toll Revenue	<u>\$1,388,994</u>	<u>\$1,413,764</u>	<u>\$1,445,748</u>	<u>\$1,514,833</u>	<u>\$1,553,686</u>

* Projected Revenue is based on the CDM Smith Draw Down Letter issued in October 2015 which updated the short-term projections of their Investor Grade Traffic & Revenue Study released in May 2014.

	<u>2012(1)</u>	<u>2013</u>	<u>2014</u>	<u>2015(2)</u>	<u>2016(2)</u>
New Jersey Turnpike Passenger Toll Revenue	49.3%	0.7%	3.3%	6.4%	3.2%
New Jersey Turnpike Commercial Toll Revenue	<u>41.5%</u>	<u>4.6%</u>	<u>2.6%</u>	<u>5.6%</u>	<u>2.8%</u>
Total New Jersey Turnpike Toll Revenue	46.7%	2.0%	3.1%	6.2%	3.1%
Garden State Parkway Toll Revenue	<u>45.7%</u>	<u>1.3%</u>	<u>0.2%</u>	<u>1.3%</u>	<u>1.2%</u>
Total Turnpike System Toll Revenue	<u>46.4%</u>	<u>1.8%</u>	<u>2.3%</u>	<u>4.8%</u>	<u>2.6%</u>

(1) A toll increase of 50% on the Turnpike and 53% on the Parkway was implemented effective 1/1/2012

(2) Projected Traffic is based on the CDM Smith Draw Down Letter issued in October 2015 which updated the short-term projections

Figure 25: Toll Revenue by Vehicle Type and Roadway (2012-2016)

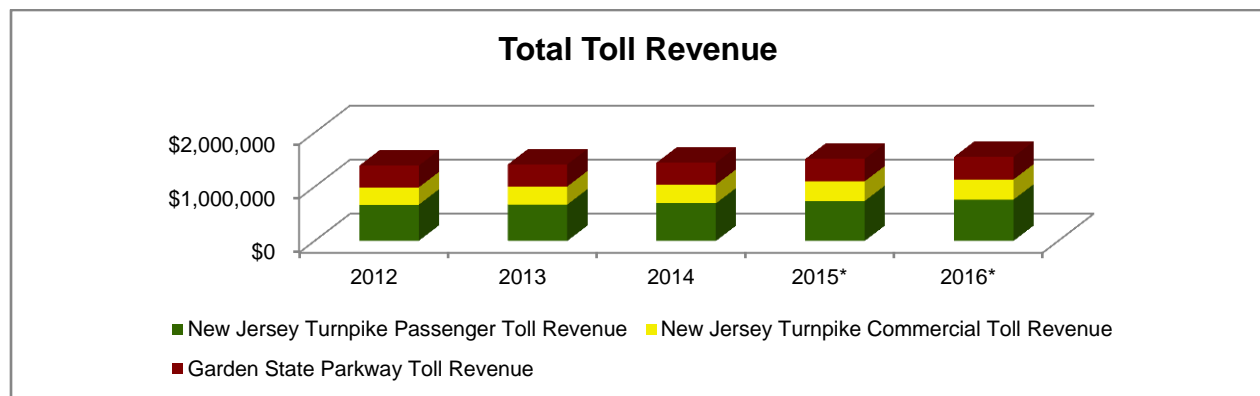


Figure 26: Total Toll Revenue (2012-2016)

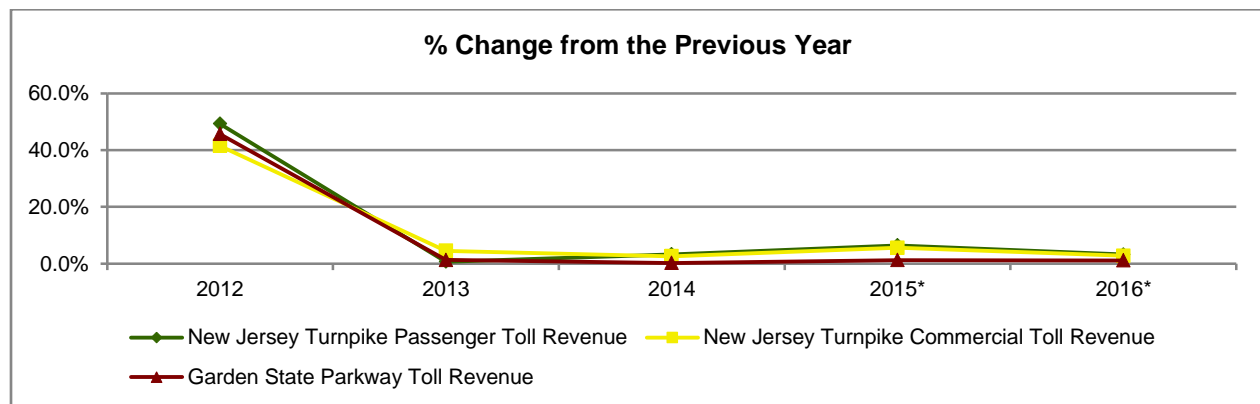


Figure 27: Toll Revenue Percent Change (2012-2016)

2016 Operating Budget

	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2016 Budget</u>	<u>\$ Change from 2015 Budget</u>	<u>% Change from 2015 Budget</u>
<u>Maintenance of Roadway, Buildings & Equipment</u>					
Maintenance	\$ 168,619,600	\$ 198,424,600	\$ 201,301,400	\$ 2,876,800	1.4%
Engineering	9,115,400	12,858,700	12,488,300	(370,400)	-2.9%
	<u>177,735,000</u>	<u>211,283,300</u>	<u>213,789,700</u>	<u>2,506,400</u>	<u>1.2%</u>
<u>Toll Collection</u>					
Toll Collection	157,869,200	151,626,700	156,828,100	5,201,400	3.4%
<u>State Police & Traffic Control</u>					
Operations	10,209,900	11,420,200	11,404,200	(16,000)	-0.1%
State Police	64,238,500	66,749,700	68,076,600	1,326,900	2.0%
	<u>74,448,400</u>	<u>78,169,900</u>	<u>79,480,800</u>	<u>1,310,900</u>	<u>1.7%</u>
<u>Technology</u>					
Integrated Technology Services	26,077,600	28,574,200	29,321,300	747,100	2.6%
<u>General & Administrative</u>					
Executive Office	1,135,800	1,061,100	1,047,300	(13,800)	-1.3%
Law & Insurance Services	7,146,700	8,773,300	9,375,000	601,700	6.9%
Purchasing & Materials Management	6,914,100	7,112,400	7,082,300	(30,100)	-0.4%
Human Resources & Office Services	5,552,700	5,993,300	6,157,000	163,700	2.7%
Finance	11,622,400	12,489,300	11,682,900	(806,400)	-6.5%
Patron & Customer Services	1,693,000	1,795,700	1,883,200	87,500	4.9%
Internal Audit	2,577,300	2,713,900	2,776,300	62,400	2.3%
	<u>36,642,000</u>	<u>39,939,000</u>	<u>40,004,000</u>	<u>65,000</u>	<u>0.2%</u>
Total Operating Budget	\$ 472,772,200	\$ 509,593,100	\$ 519,423,900	\$ 9,830,800	1.9%

Figure 28: Operating Budget (2014-2016)

- Key cost factors in the 2016 Operating Expense Budget are as follows:
 - Increased credit card fees of \$3.5 million based on increased toll revenue volumes processed through *E-ZPass*.
 - Increased *E-ZPass* transaction processing costs of \$2.5 million based upon increased toll transaction volumes and violation processing costs based upon increased violation collections from enhanced collection efforts.
 - Pension costs are increasing by \$2.4 million based upon estimated PERS payments.
 - Health benefit costs are increasing by \$2.0 million based upon estimated usage and medical and prescription inflation rates.
 - Wages include salary increases totaling \$2.2 million.
 - Increased roadway maintenance costs of \$1.7 million primarily due to an additional 25,000 linear feet of guiderail being replaced on both roadways.
 - Increased utility costs of \$1.4 million based upon increased usage and a projected rate increase for electricity.
 - State Police costs are increasing by \$1.3 million due to an anticipated additional 15 troopers assigned to the roadways.

- The proposed 2016 Operating Expense Budget is increasing by \$9.8 million, driven by approximately \$17 million in increases in the key cost factors. The total Operating Expense Budget increase is lower than the \$17 million primarily due to savings in fuel costs from low gas prices, and the elimination of letter of credit fees due to the refunding of certain variable rate debt for savings. In addition, there are savings in wages due to the benefits of the renegotiated contracts with the toll collectors and toll supervisors.

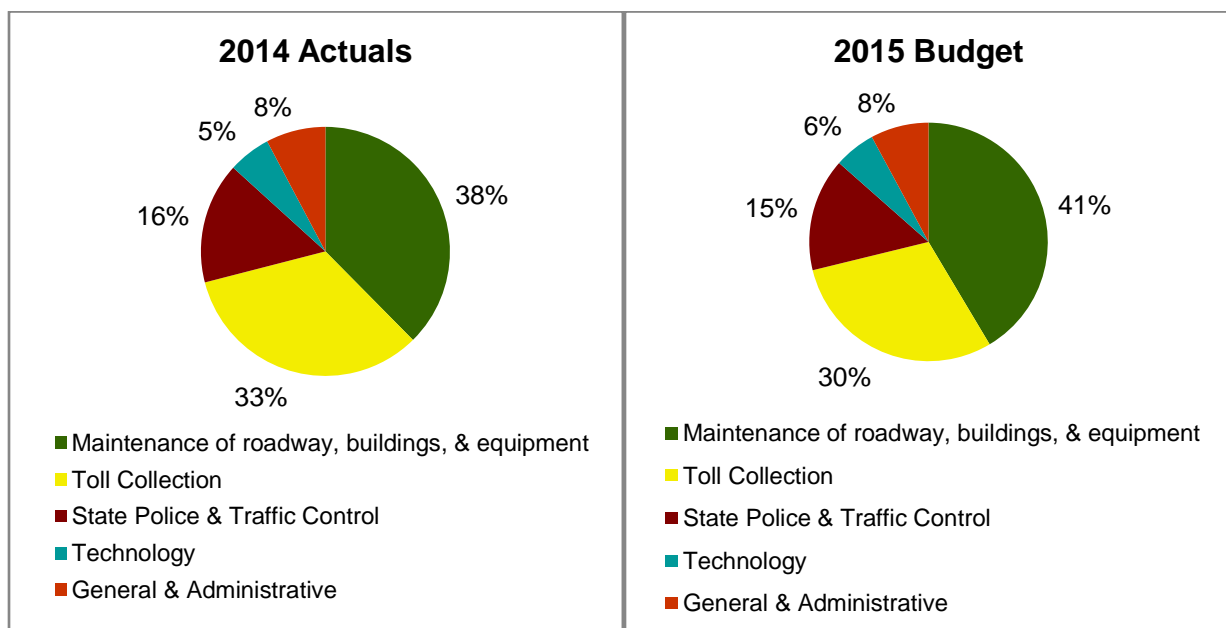
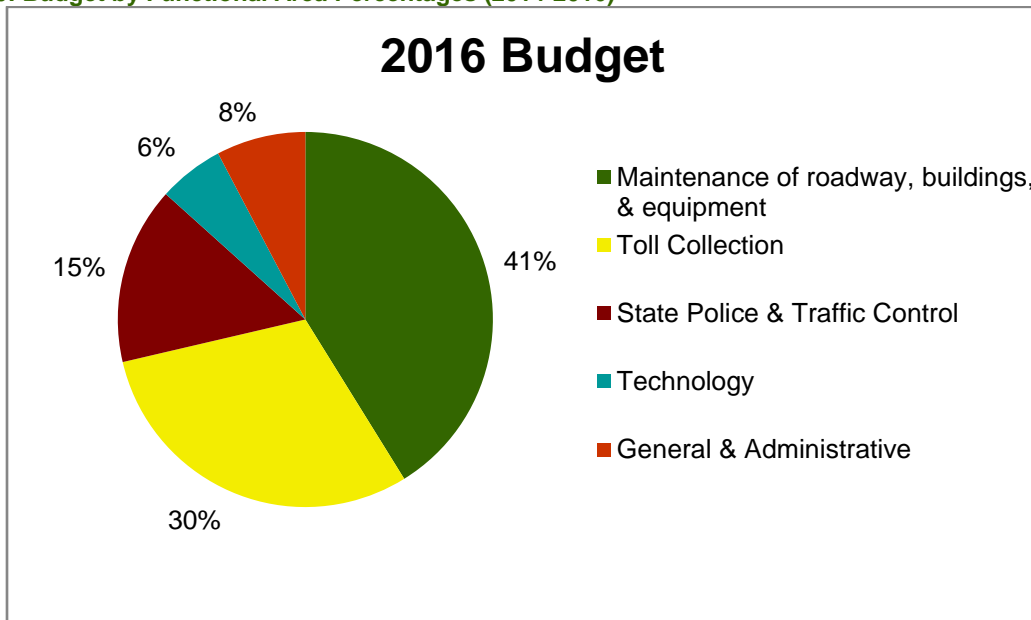
- The 2016 Operating Budget represents a 1.9% increase from the 2015 Operating Budget, after flat budgets in 2012 and 2013, a minor 0.4% increase in 2014, and a 2.0% increase in 2015. In fact, when eliminating the budgeted amounts for snow and severe weather, the 2016 budget for all other operating expenses of \$480.9 million is less than \$3.4 million higher than the 2010 budget for all other operating expenses of \$477.5 million, an increase of only 0.7% over the entire six year period.

Budget by Functional Area

	<u>2014 Actuals</u>	<u>2015 Budget</u>	<u>2016 Budget</u>	<u>\$ Change from 2015 Budget</u>	<u>% Change from 2015 Budget</u>
Maintenance of roadway, buildings, & equipment	\$ 177,735,000	\$ 211,283,300	\$ 213,789,700	\$ 2,506,400	1.2%
Toll Collection	157,869,200	151,626,700	156,828,100	5,201,400	3.4%
State Police & Traffic Control	74,448,400	78,169,900	79,480,800	1,310,900	1.7%
Technology	26,077,600	28,574,200	29,321,300	747,100	2.6%
General & Administrative	36,642,000	39,939,000	40,004,000	65,000	0.2%
Total Operating Budget	\$ 472,772,200	\$ 509,593,100	\$ 519,423,900	\$ 9,830,800	1.9%

Figure 29: Budget by Functional Area (2014-2016)

Figure 30: Budget by Functional Area Percentages (2014-2016)

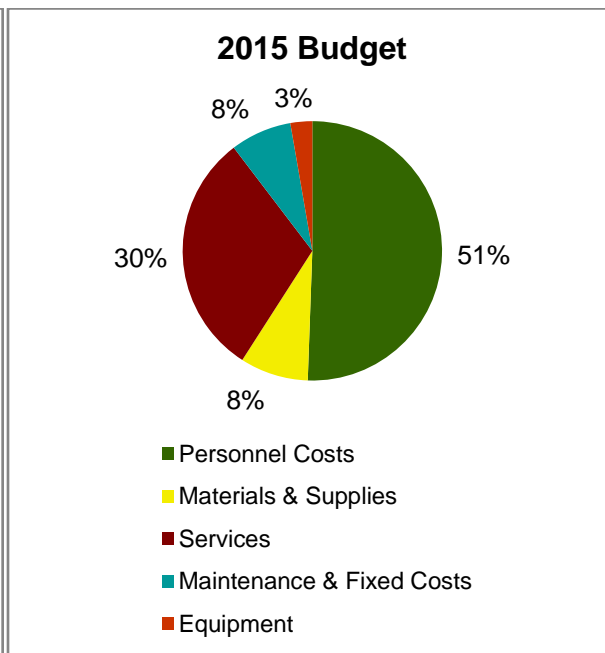
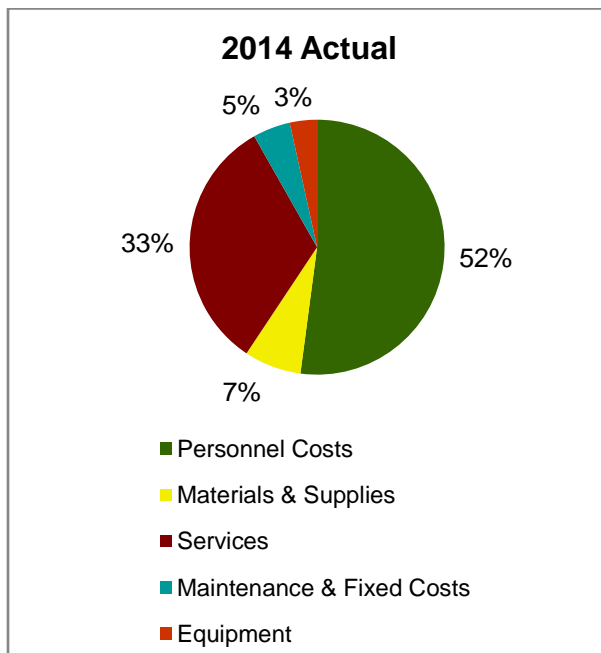
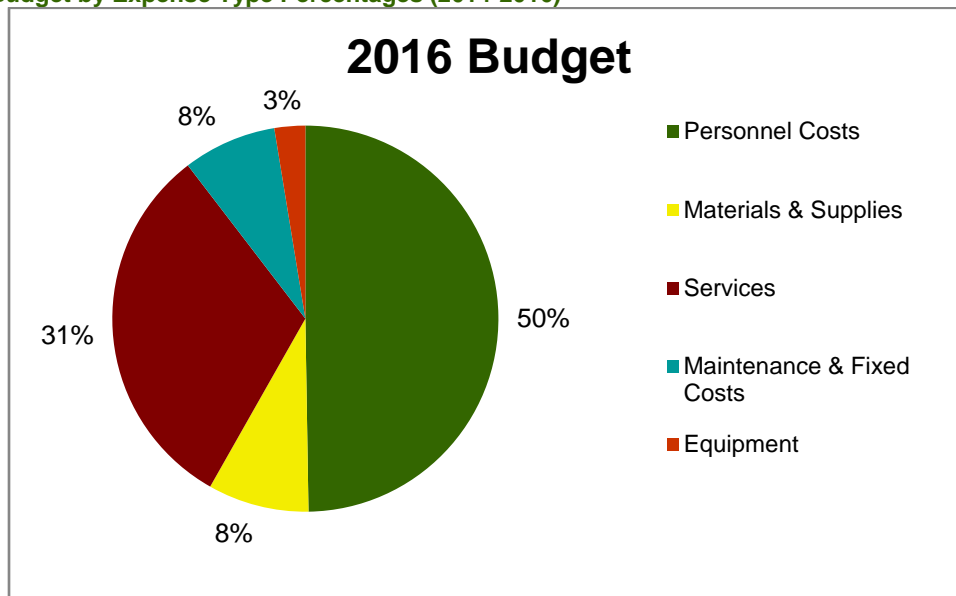


Budget by Expense Type

	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2016 Budget</u>	<u>\$ Change from 2015 Budget</u>	<u>% Change from 2015 Budget</u>
Personnel Costs	\$ 246,270,500	\$ 257,666,200	\$ 258,361,900	\$ 695,700	0.3%
Materials & Supplies	34,269,000	43,424,076	43,983,700	559,624	1.3%
Services	153,462,800	155,732,100	162,993,600	7,261,500	4.7%
Maintenance & Fixed Costs	22,445,300	38,891,024	40,693,700	1,802,676	4.6%
Equipment	16,324,600	13,879,700	13,391,000	(488,700)	-3.5%
Total Operating Budget	\$ 472,772,200	\$ 509,593,100	\$ 519,423,900	\$ 9,830,800	1.9%

Figure 31: Budget by Expense Type (2014-2016)

Figure 32: Budget by Expense Type Percentages (2014-2016)



2016 Operating Budget Summary by Line Item

	<u>2014</u> <u>Actuals</u>	<u>2015</u> <u>Budget</u>	<u>2016</u> <u>Budget</u>	<u>\$ Change from</u> <u>2015 Budget</u>	<u>% Change from</u> <u>2015 Budget</u>
<u>Personnel Costs</u>					
Salaries & Wages	\$146,145,600	\$154,736,400	\$150,700,400	(\$4,036,000)	-2.6%
Allowances	1,124,400	1,116,000	1,303,100	187,100	16.8%
Pension & Payroll Taxes	25,723,100	27,077,800	29,475,400	2,397,600	8.9%
Health Benefits	72,633,200	74,040,200	76,061,900	2,021,700	2.7%
Tuition	80,400	150,400	142,000	(8,400)	-5.6%
Training & Transportation	563,800	545,400	679,100	133,700	24.5%
Total Personnel Costs	246,270,500	257,666,200	258,361,900	695,700	0.3%
<u>Materials & Supplies</u>					
Printing & Office Supplies	421,600	482,300	442,700	(39,600)	-8.2%
Vehicle Fuel	6,429,000	6,524,800	4,773,800	(1,751,000)	-26.8%
Medical Supplies	7,400	8,200	5,200	(3,000)	-36.6%
Operating Supplies	1,383,600	1,256,076	1,350,900	94,824	7.5%
Toll Tickets	310,400	312,500	322,300	9,800	3.1%
Utilities	11,581,000	11,236,800	12,612,600	1,375,800	12.2%
Snow/Ice Materials	3,857,500	12,045,200	11,770,800	(274,400)	-2.3%
Software	2,690,900	3,262,900	3,684,800	421,900	12.9%
Operating Materials	7,587,600	8,295,300	9,020,600	725,300	8.7%
Total Materials & Supplies	34,269,000	43,424,076	43,983,700	559,624	1.3%
<u>Services</u>					
Troopers	59,555,300	60,966,900	62,015,600	1,048,700	1.7%
Credit Card, Trustee & Banking Fees	25,629,200	25,509,400	28,827,200	3,317,800	13.0%
Insurance	8,759,500	9,281,600	9,235,900	(45,700)	-0.5%
Facilities Services	2,390,100	2,370,700	2,542,000	171,300	7.2%
Legal Services	1,422,500	1,629,500	1,807,200	177,700	10.9%
Consulting Services	2,505,000	2,377,300	2,530,600	153,300	6.4%
Other Professional Services	48,161,700	48,277,900	51,201,000	2,923,100	6.1%
Environmental Services	4,784,700	5,068,800	4,629,700	(439,100)	-8.7%
Other Services	254,800	250,000	204,400	(45,600)	-18.2%
Total Services	153,462,800	155,732,100	162,993,600	7,261,500	4.7%
<u>Maintenance & Fixed Costs</u>					
Vehicle Maintenance	634,700	602,600	564,200	(38,400)	-6.4%
Roadway Maintenance	5,096,800	21,551,500	23,236,200	1,684,700	7.8%
Bridge Maintenance	158,000	64,500	74,500	10,000	15.5%
Building Maintenance	752,400	719,100	663,500	(55,600)	-7.7%
Toll Booth Maintenance	17,000	17,700	18,300	600	3.4%
Equipment Maintenance	12,522,600	12,599,024	12,729,200	130,176	1.0%
Building & Equipment Rental	3,082,100	3,127,400	3,152,500	25,100	0.8%
Taxes	181,700	209,200	255,300	46,100	22.0%
Total Maintenance & Fixed Costs	22,445,300	38,891,024	40,693,700	1,802,676	4.6%
<u>Equipment</u>					
Equipment	8,368,700	9,797,400	9,978,600	181,200	1.8%
Transponders	7,955,900	4,082,300	3,412,400	(669,900)	-16.4%
Total Equipment	16,324,600	13,879,700	13,391,000	(488,700)	-3.5%
Total Operating Budget by Line Item	\$ 472,772,200	\$ 509,593,100	\$ 519,423,900	\$ 9,830,800	1.9%

Figure 33: Operating Budget by Line Item (2014-2016)

Budgeted Full Time Employees

<u>Departments</u>	<u>2014</u>	<u>2015</u>	<u>Net Change 2014 -2015</u>	<u>2016</u>	<u>Net Change 2015 -2016</u>
Maintenance	934	961	27	968	7
Engineering	79	76	(3)	76	-
Toll Collection	529	527	(2)	528	1
Operations	76	73	(3)	73	-
State Police	7	7	-	7	-
Integrated Technology Services	144	143	(1)	153	10
Executive Office	6	5	(1)	5	-
Law & Insurance Services	21	21	-	21	-
Procurement & Materials Managemer	51	50	(1)	50	-
Human Resources & Office Services	46	47	1	47	-
Finance	81	82	1	85	3
Patron & Customer Services	11	11	-	11	-
Internal Audit	19	19	-	21	2
TOTALS	2,004	2,022	18	2,045	23

Figure 34: Budgeted Full Time Employees (2014-2016)

The 2016 Authorized Headcount includes a continued commitment to increase maintenance staff to handle the added capacity of both the Turnpike and Parkway after the significant widening projects of the previous two years. The ITS department is adding staff in anticipation of bringing lane maintenance in house upon expiration of the Xerox contract on January 31, 2017. Staff is also being added in other departments in anticipation of the active management and realignment of responsibilities between departments to occur with the New Jersey E-ZPass contract which will begin on February 1, 2017.

Department Budgets

Maintenance

Department Description:

The Maintenance Department is responsible for overseeing the maintenance and care of the Turnpike and Parkway roadways and infrastructure as well as 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:

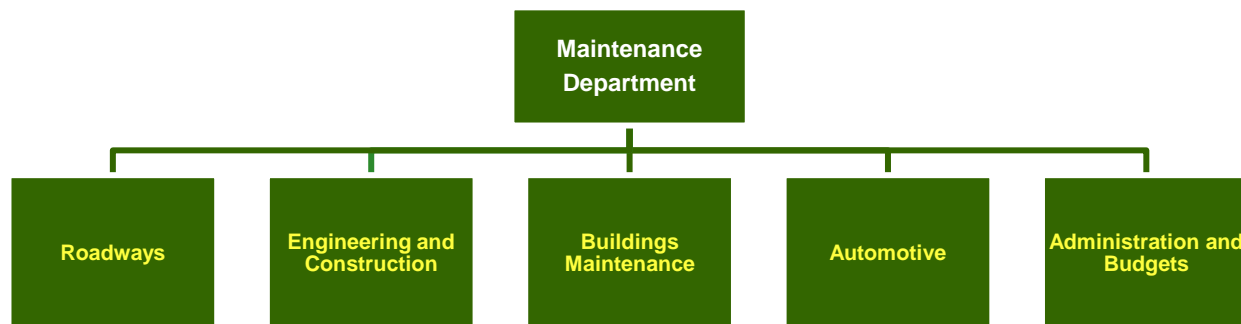


Figure 35: Maintenance Department Organization Chart

Senior Staff:

Director of Maintenance: Kenneth McGoldrick
Deputy Director of Maintenance: William Perna

2015 Accomplishments:

- Implemented enhancements to the Rutgers Storm Management Program.
- Increased Guiderail mileage repair and replacement.
- Constructed an additional pre-fabricated storage building.

2016 Goals:

- Expand the Authority's EGIS system with collection of field data and the implementation of tablets.
- Launch a fleet wide equipment lifecycle cost and analysis program.
- Expand maintenance construction and service contracts to parallel all department functions
- Launch a HVAC upgrade and service program.
- Increase roadway illumination levels while reducing energy usage through the LED Roadway lighting purchase program.
- Complete installation of electronic equipment accountability systems at each facility.

Maintenance Department Operating Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 69,489,400	\$ 75,719,200	\$ 75,568,000	\$ (151,200)	-0.2%
Allow ances	864,300	880,700	1,062,600	181,900	20.7%
Pension & Payroll Taxes	12,638,100	12,483,700	13,447,000	963,300	7.7%
Health Benefits	35,685,800	34,135,400	34,700,000	564,600	1.7%
Training & Transportation	36,000	45,600	96,200	50,600	111.0%
Printing & Office Supplies	77,100	81,800	73,000	(8,800)	-10.8%
Vehicle Fuel	6,423,400	6,510,200	4,766,400	(1,743,800)	-26.8%
Operating Supplies	1,180,100	1,048,276	1,116,100	67,824	6.5%
Utilities	11,581,000	11,236,800	12,612,600	1,375,800	12.2%
Snow /Ice Materials	3,857,500	12,045,200	11,770,800	(274,400)	-2.3%
Softw are	9,800	9,100	15,500	6,400	70.3%
Operating Materials	6,619,600	7,365,600	7,843,900	478,300	6.5%
Insurance	5,115,200	4,874,600	4,795,800	(78,800)	-1.6%
Facilities Services	74,500	70,700	73,600	2,900	4.1%
Consulting Services	23,700	3,700	97,000	93,300	2521.6%
Environmental Services	671,100	858,700	711,700	(147,000)	-17.1%
Other Services	48,500	48,700	48,700	-	0.0%
Vehicle Maintenance	424,600	434,300	413,500	(20,800)	-4.8%
Roadw ay Maintenance	5,096,400	21,550,900	23,236,200	1,685,300	7.8%
Bridge Maintenance	158,000	64,500	74,500	10,000	15.5%
Building Maintenance	684,000	648,000	613,200	(34,800)	-5.4%
Equipment Maintenance	88,000	129,324	115,400	(13,924)	-10.8%
Equipment Rental	2,939,800	2,991,400	2,985,600	(5,800)	-0.2%
Equipment	4,833,700	5,188,200	5,064,100	(124,100)	-2.4%
	\$ 168,619,600	\$ 198,424,600	\$ 201,301,400	\$ 2,876,800	1.4%

Figure 36: Maintenance Department Operating Budget (2014-2016)**2016 Budget Highlights:**

- Increased Roadway Maintenance costs primarily due to an additional 25,000 linear feet of guiderail being replaced on both roadways.
- Increased Utility Costs of \$1.4 million based upon increased usage and a projected rate increase for electricity.
- Decrease in Vehicle Fuel due to lower prices per gallon.
- Salaries are decreasing slightly by \$151,200 as higher salaried employees are retiring and the positions are filled with new hires at the start rate of the salary scale.
- Pension and health benefits are increasing due to Authority-wide projected cost increases in these items.

Figure 37: Maintenance Department Headcount (2014-2016)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Net Change 2015 -2016</u>
Administrative Assistant	4	3	3	0
Administrative Manager	1	1	1	0
Administrative Secretary	1	1	1	0
Apprentice	6	6	6	0
Assistant Building Maintenance Manager	1	0	2	2
Assistant/Deputy Director Maintenance	2	2	2	0
Assistant Foreman	30	32	32	0
Assistant Maintenance Engineer	2	1	1	0
Assistant Project Supervisor	1	1	1	0
Automotive Manager	0	1	1	0
Automotive Assistant	1	1	1	0
Automotive Craftperson 1	1	1	1	0
Automotive Foreman	3	3	3	0
Automotive Manager	1	0	0	0
Automotive Technician	42	41	41	0
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
Buildings Maintenance Manager	0	1	1	0
Building Maintenance Mechanic	13	13	13	0
Buildings Division Coordinator	1	1	1	0
Carpenter	10	12	12	0
Carpenter/Paint Foreman	2	2	2	0
Clerk 2	1	1	1	0
Code Compliance Officer	1	1	1	0
Confidential Secretary	1	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	6	6	6	0
Crew Manager	6	6	6	0
Crew Supervisor	40	41	41	0
Director of Maintenance	1	1	1	0
District Equipment Manager	3	3	3	0
District Manager	3	3	3	0
Division Manager - Maintenance	1	0	0	0
Electrical Craftperson 2	15	15	15	0
Electrical Engineer	1	1	1	0
Electrician	20	20	20	0
Equipment Trainer	3	4	4	0
Executive Secretary 2	2	2	2	0
Financial & Office Manager	1	1	1	0
Fleet Administrator	1	1	1	0
General Clerk	1	0	0	0
General Foreman	5	6	6	0
General Foreman - Automotive	2	2	2	0
Heavy Equipment Operator	24	25	25	0
Inventory Quality Assurance Manager & Materials Expe	1	1	1	0
Janitor	6	6	6	0
Janitorial Foreman	1	1	1	0
Landscape Specialist	1	1	1	0
Landscaper	8	8	8	0
Landscaping Foreman	2	2	2	0
Linestriper	2	2	2	0
Maintenance Coordinator	1	1	1	0
Maintenance District Coordinator	3	2	2	0

Maintenance Department Budgeted Headcount- Continued

	2014	2015	2016	Net Change 2015 -2016
Maintenance Engineer	0	2	2	0
Maintenance Person	212	220	220	0
Maintenance Person - General	32	35	35	0
Maintenance Person 1	188	197	200	3
Maintenance Person 2	16	16	16	0
Maintenance Person 3	2	2	4	2
Maintenance Person 4	2	3	3	0
Maintenance Records Clerk	21	21	21	0
Maintenance Roadway Specialist	7	5	5	0
Maintenance Specialist - Landscape	4	4	4	0
Mark Out Coordinator	1	1	1	0
Mason	4	5	5	0
Mechanic 1	34	36	36	0
Mechanic 2	1	0	0	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	1	1	0
Painter	4	4	4	0
Power Electric Foreman	3	4	4	0
Procedure Analyst	1	1	1	0
Project Analyst	2	2	2	0
Project Engineer	2	0	0	0
Project Manager	1	0	0	0
Project Supervisor	9	12	12	0
Property Inspector	1	1	1	0
Roadway Foreman	14	14	14	0
Roadway Manager	1	0	0	0
Roadway Superintendent	2	4	4	0
Senior Administrative Assistant - Division	1	1	1	0
Senior Clerk	18	17	17	0
Senior Maintenance Budget Supervisor	1	1	1	0
Senior Maintenance Engineer	1	1	1	0
Senior Maintenance Lighting Specialist	1	1	1	0
Sign Fabricator 1	7	6	6	0
Sign Fabricator 2	0	1	1	0
Sign Fabricator Specialist	0	1	1	0
Sign Shop Manager	1	1	1	0
Sign Structures Coordinator	1	0	0	0
Superintendent of Snow Operations	0	1	1	0
Training Equipment Supervisor	1	1	1	0
Welder	4	5	5	0
	934	961	968	7

Engineering

Department Description:

The Engineering Department's mission is focused on the 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, bridge, roadway, interchange, and facility improvement projects. In addition to the Capital Improvements Program, the design Division is also responsible for the 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 construction contracts from design to construction through the public bid process, maintaining the Authority's standard specifications and providing current supplemental specifications, and prequalifying all contractors interested in bidding on Authority construction contracts. The Highways and Structures Division is responsible for ensuring that the Authority's roadway and structural repair/improvement construction contracts are constructed in accordance with the contract's plans and specifications.

Department Organization:

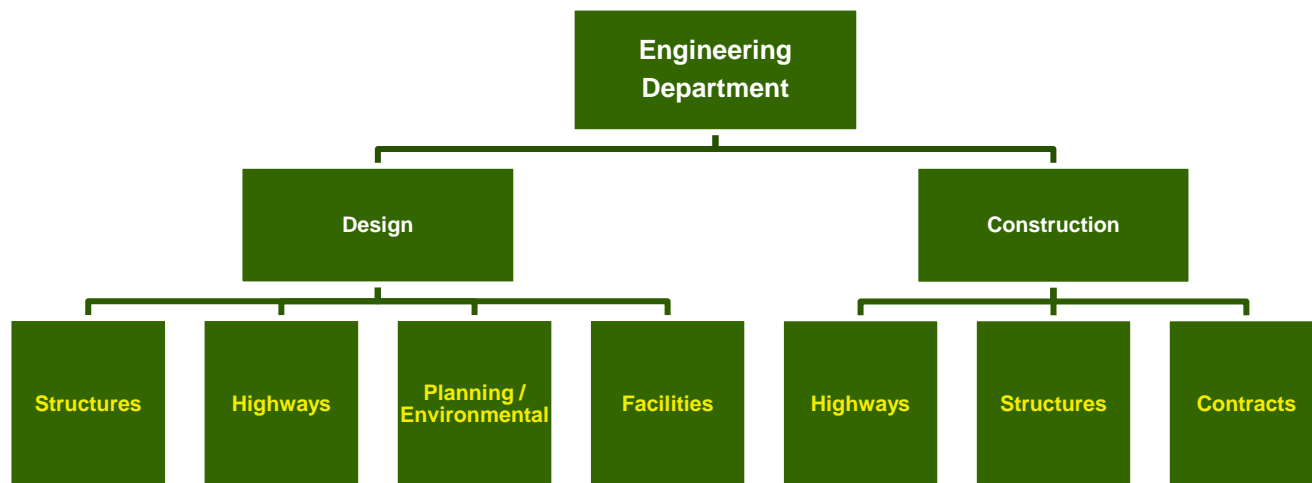


Figure 38: Engineering Department Organization Chart

Senior Staff:

Chief Engineer: Robert J. Fischer
 Deputy Chief Engineer – Construction: J. Lawrence Williams
 Deputy Chief Engineer – Design: John Keller

2015 Accomplishments:

- Updated Standard Specifications, Design and Procedures, and Construction Manuals
- Began to develop a new Capital Improvement Program.

- Implemented a Geospatial Information System (GIS) for Authority-wide use.
- Integrated the majority of Engineering OPS and Construction processes into the Engineering Departments Electronic Contract Management system - CapEx Manager.

2016 Goals:

- Continue Implementation of the current Capital Improvement Program
- Finalize development of a new Capital Improvement Program
- Create and Implement a Quality Products List (QPL)
- Populate the Geographic Information System (GIS) for Authority-wide use
- Standardize the Engineering Department's processes and procedures thru the Continuous Quality Initiative (CQI) Committee
- Develop an Internal Procedures Manual for departmental staff

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 1,891,600	\$ 1,999,400	\$ 1,919,700	\$ (79,700)	-4.0%
Allow ances	200	-	600	600	N/A
Pension & Payroll Taxes	280,400	1,254,500	1,318,300	63,800	5.1%
Health Benefits	791,600	3,430,200	3,402,000	(28,200)	-0.8%
Training & Transportation	3,800	2,800	11,200	8,400	300.0%
Printing & Office Supplies	23,500	20,500	37,200	16,700	81.5%
Operating Supplies	1,000	1,100	100	(1,000)	-90.9%
Operating Materials	-	100	200	100	100.0%
Consulting Services	2,013,600	1,948,900	1,878,400	(70,500)	-3.6%
Environmental Services	4,098,500	4,190,000	3,910,500	(279,500)	-6.7%
Other Services	9,800	10,000	10,100	100	1.0%
Equipment Maintenance	900	1,200	-	(1,200)	-100.0%
Equipment	500	-	-	-	N/A
	<u>\$ 9,115,400</u>	<u>\$ 12,858,700</u>	<u>\$ 12,488,300</u>	<u>\$ (370,400)</u>	<u>-2.9%</u>

Figure 39: Engineering Department Operating Budget (2014-2016)

2016 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.
- Decrease in Environmental Services consistent with 2014 & 2015 spending levels. The projected increase in 2015 did not occur and is not expected to occur in 2016.
- Various Safety Improvements including Guide Sign Improvements.

Engineering Department Budgeted Headcount

	<u>2014</u>	<u>2015</u>	<u>2016</u>	Net Change <u>2015-2016</u>
Administrative Secretary/Assistant	6	6	6	0
Assistant/Deputy Chief Engineer	2	2	2	0
Assistant Project Supervisor	2	3	3	0
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	2	2	2	0
Confidential Secretary	2	1	1	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	2	2	2	0
Engineering Technician	0	1	1	0
Field Environmental Engineer	1	0	0	0
Field Environmental Manager	0	1	1	0
Highway Engineer	1	1	1	0
Manager Environmental Quality & Resources	1	0	0	0
Office Administrator, Engineering	1	1	1	0
Planner	1	1	1	0
Project Engineer	14	12	12	0
Project Manager	2	2	2	0
Project Supervisor	9	8	8	0
Right of Way Manager	1	1	1	0
Senior CADD Engineering Technician	1	1	1	0
Senior Clerk	1	1	1	0
Senior Clerk Typist	1	0	0	0
Senior Construction Engineer	1	1	1	0
Senior Engineer	5	6	6	0
Senior Environmental Supervisor	4	3	3	0
Senior Environmental Manager	0	1	1	0
Senior File Room Supervisor	1	1	1	0
Senior Structures Engineer	1	0	0	0
Structures Engineer	2	2	2	0
Supervising Engineer	6	5	5	0
Senior Supervising Engineer	0	2	2	0
	79	76	76	0

Figure 40: Engineering Department Headcount (2014-2016)

Toll Collection

Department Description:

The Toll Collection Department oversees the collection of toll revenue through both 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:

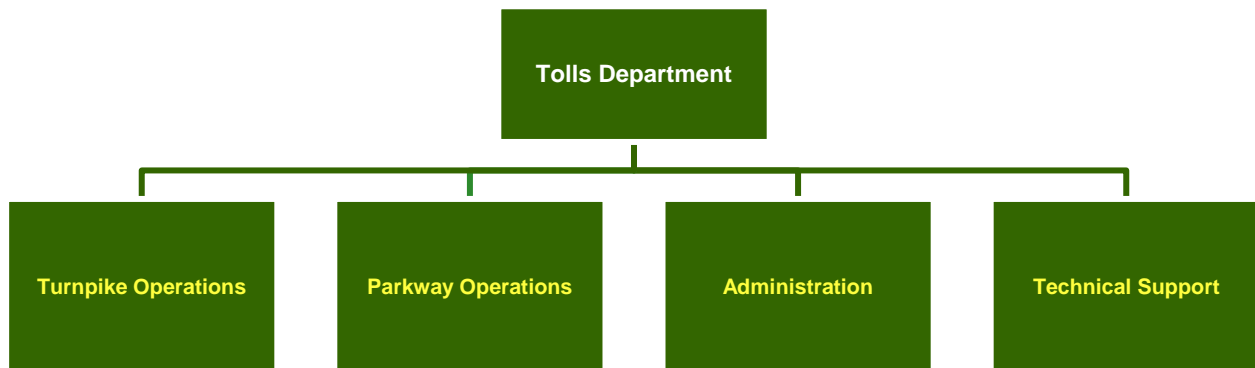


Figure 41: Tolls Department Organization Chart

Senior Staff:

Director of Tolls: Robert B. Quirk

Deputy Director of Tolls: James L. Roberts

Assistant Director, Technical Services: Colleen L. Lentini

2015 Accomplishments:

- Began the installation of overhead signage at all Turnpike toll plazas to be completed in 2017.
- Replaced all cash draws and locks with upgraded equipment.
- Installed flag poles at the remaining eight plazas that do not have them.

2016 Goals:

- Replace PDQ Lifts.
- Standardize Toll Collection uniforms on both roadways through a rental agreement program.
- Install key Audit Boxes at toll plazas which will provide security of toll keys.
- Upgrade all toll lanes to LED Lighting
- Continue the installation of overhead signage at all Turnpike toll plazas to be completed in 2017
- Maintain safe and efficient toll collection points and continue to provide superior customer service.

Tolls Department Operating Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 39,514,600	\$ 39,966,200	\$ 37,884,200	\$ (2,082,000)	-5.2%
Allowances	183,000	162,900	175,400	12,500	7.7%
Pension & Payroll Taxes	6,888,300	6,504,000	6,936,900	432,900	6.7%
Health Benefits	19,450,300	17,784,200	17,900,800	116,600	0.7%
Training & Transportation	510,100	481,600	486,700	5,100	1.1%
Printing & Office Supplies	61,300	46,200	77,500	31,300	67.7%
Operating Supplies	134,900	138,200	151,000	12,800	9.3%
Toll Tickets	310,400	312,500	322,300	9,800	3.1%
Operating Materials	65,000	117,800	71,700	(46,100)	-39.1%
Credit Card, Trustee & Banking Fees	23,793,200	23,603,900	28,177,200	4,573,300	19.4%
Facilities Services	1,862,400	1,835,600	1,978,500	142,900	7.8%
Other Professional Services	46,314,500	46,174,800	48,698,200	2,523,400	5.5%
Other Services	500	-	-	-	N/A
Toll Booth Maintenance	17,000	17,700	18,300	600	3.4%
Equipment Maintenance	10,807,300	10,395,600	10,537,000	141,400	1.4%
Equipment	500	3,200	-	(3,200)	-100.0%
Transponders	7,955,900	4,082,300	3,412,400	(669,900)	-16.4%
	\$ 157,869,200	\$ 151,626,700	\$ 156,828,100	\$ 5,201,400	3.4%

Figure 42: Tolls Department Operating Budget (2014-2016)

2016 Budget Highlights:

- Salaries and wages 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. Pension and health benefits are increasing due to overall projected increases in these items
- Increased Credit Card, Trustee and Banking Fees due to the higher credit card fees based on increased toll revenue volumes processed through E-ZPass, and banking fees related to higher currency counting costs based on toll revenue increases.
- Increased Professional Services due to increased E-ZPass transaction processing costs of \$2.5 million based upon increased toll transaction volumes and violation processing costs based upon increased violation collections from enhanced collection efforts.

Toll Collection Department Budgeted Headcount

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Net Change</u> <u>2015 -2016</u>
Administrative Assistant	1	1	1	0
Administrative Secretary	3	3	3	0
Administration Toll Collection Manager	1	1	1	0
Area Manager	5	5	6	1
Assistant Director, Technical Services Parkw	1	1	1	0
Assistant Division Manager	2	2	2	0
Assistant Manager, Toll Facilities	1	1	1	0
Assistant Plaza Supervisor	20	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
General Clerk	1	0	0	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
Toll Collector - Parkway	136	136	136	0
Toll Collector - Turnpike	194	194	194	0
Toll Plaza Supervisor - Parkway	44	44	44	0
Toll Plaza Supervisor - Turnpike	95	95	95	0
Toll Records Clerk	5	4	4	0
Tolls Field Coordinator	2	2	2	0
Tolls Inventory & Staffing Manager	1	1	1	0
	529	527	528	1

Figure 43: Tolls Department Headcount (2014-2016)

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:

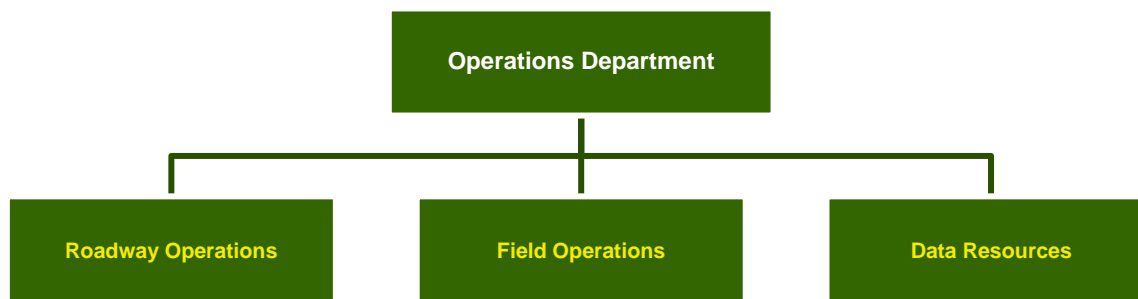


Figure 44: Operations Department Organization Chart

Senior Staff:

Director of Operations: Henry (Chip) Eibel
Deputy Director of Operations: Kevin Dunn

2015 Accomplishments:

- Completed phase 1 and began implementation of phase 2 for Motorist Aid Software.
- Overhauled Winter Event information dissemination.
- Began designing, testing, training, and implementation of future phases of the IBM Platform, this would include the automated sign response and activation to downstream roadway issues.
- Developed 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: Began implementing and providing all stake holders reports on problem areas in regards to enforcement, design, etc.

2016 Goals:

- Motorist Aid Software: Implementation and training of phase 3.
- Tweaking 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.
- Extensive reorganization of Operations Central Filling system.
- Publish reports and technical briefs i.e.: annual crash reports study.

Operations Department Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 5,684,700	\$ 6,207,500	\$ 6,065,700	\$ (141,800)	-2.3%
Allowances	22,200	20,900	19,700	(1,200)	-5.7%
Pension & Payroll Taxes	926,300	1,110,300	1,204,500	94,200	8.5%
Health Benefits	2,615,600	3,035,800	3,108,300	72,500	2.4%
Training & Transportation	1,600	1,500	10,400	8,900	593.3%
Printing & Office Supplies	12,100	11,300	10,400	(900)	-8.0%
Operating Supplies	1,500	1,000	1,000	-	0.0%
Operating Materials	1,300	1,500	1,900	400	26.7%
Facilities Services	453,200	464,400	489,900	25,500	5.5%
Other Professional Services	480,100	510,800	434,700	(76,100)	-14.9%
Other Services	1,100	53,000	54,500	1,500	2.8%
Vehicle Maintenance	2,400	400	700	300	75.0%
Roadway Maintenance	400	600	-	(600)	-100.0%
Equipment	7,400	1,200	2,500	1,300	108.3%
	<u>\$ 10,209,900</u>	<u>\$ 11,420,200</u>	<u>\$ 11,404,200</u>	<u>\$ (16,000)</u>	<u>-0.1%</u>

Figure 45: Operations Department Operating Budget (2014-2016)

2016 Budget Highlights:

- Decrease in Salaries & Wages of \$141,800 due to more dispatchers at lower pay rates due to turnover, partially offset by increases in Pension and Health Benefits which are increasing due to general Authority-wide projected increases in these items.
- Other Professional Services are decreasing due to a lower allocation for the costs of the Traffic Engineering Consulting Contract.

Operations Department Budgeted Headcount				Net Change
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2015 -2016</u>
Accident Records Clerk	1	0	0	0
Administrative Assistant	1	1	1	0
Administrative Secretary	2	1	1	0
Assistant Traffic Engineer	1	2	2	0
Assistant/Deputy Director of Operations	1	1	1	0
Communications Dispatcher	22	23	23	0
Director of Operations	1	1	1	0
Emergency Services Assistant	1	0	0	0
Emergency Services Manager	1	0	0	0
Emergency Services Supervisor	2	1	1	0
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	1	0	0	0
Operations Coordinator	0	1	1	0
Operations Engineer	1	1	1	0
Roadway Services Administrator	1	1	1	0
Senior Clerk	1	1	1	0
Senior Emergency Services Manager	0	1	1	0
Senior Engineering Technician	1	1	1	0
Senior Shift Supervisor	0	1	1	0
Senior Traffic Control Supervisor	0	1	1	0
Senior Traffic Operations Specialist	1	0	0	0
Shift Supervisor	11	12	12	0
Supervisor, Statewide Traffic Management Center	0	1	1	0
Strategic Planning Manager	1	0	0	0
Traffic Analyst	1	0	0	0
Traffic Control Supervisor	11	10	10	0
Traffic Coordinator	1	0	0	0
Traffic Engineer	1	3	3	0
Traffic Operations Aide	1	0	0	0
Traffic Operations Assistant	1	0	0	0
Traffic Operations Specialist	1	1	1	0
Traffic Technician	1	1	1	0
Trailblazer Supervisor	1	1	1	0
	76	73	73	0

Figure 46: Operations Department Headcount (2014-2016)

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 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 service areas, for both the Turnpike and Parkway through its stations in Cranbury, Moorestown, Newark, Bass River, Bloomfield and Holmdel.

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:

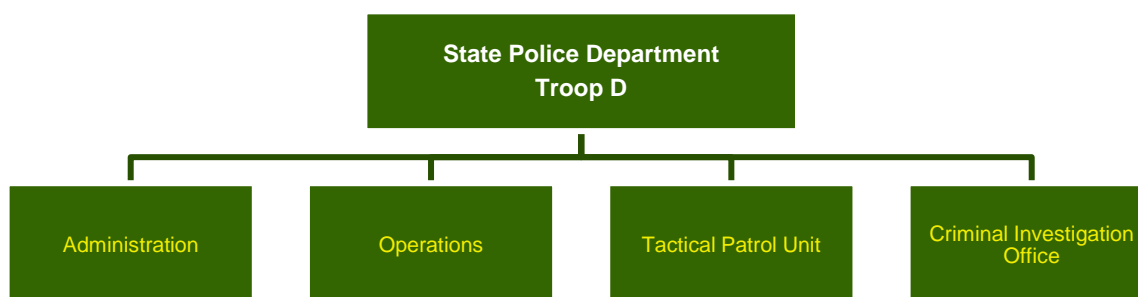


Figure 47: State Police Department Organization Chart

Senior Staff:

Major Eric Heitmann, Troop Commander
 Captain Ernie Giampietro, Deputy Troop Commander
 Captain Manuel Blasco, 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.

2015 Accomplishments:

- Motor vehicle stops increased by 13%;
- Summonses issued increased by 15%
- Warnings increased by 17%;
- Arrests increased by 22%.

2016 Goals:

- Enhance the safety and overall well-being of employees and patrons attending the PNC Bank Arts Center during the concert season;
- Conduct frequent plain clothes Intelligence Led Policing (SAFE) Details at Troop D Service Areas, commuter and construction lots to detect, thwart, and apprehend criminals.
- Serve as a liaison with Federal, State, and Local law enforcement agencies regarding crimes committed on the roadways and the surrounding jurisdictions.
- Implement 'Crash Details' to focus on specific violations known to precipitate crashes in an effort to reduce motor vehicle accidents on the roadways.
- Establish a 'Hot Line' where service area managers and employees can directly contact Troop D about suspicious activity as well as reports of possible intoxicated drivers.

State Police Department Operating Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 472,000	\$ 508,100	\$ 523,200	\$ 15,100	3.0%
Troopers	59,555,300	60,966,900	62,015,600	1,048,700	1.7%
Pension & Payroll Taxes	85,200	90,500	104,400	13,900	15.4%
Health Benefits	240,400	247,400	269,400	22,000	8.9%
Training & Transportation	1,100	400	-	(400)	-100.0%
Printing & Office Supplies	56,400	66,100	50,000	(16,100)	-24.4%
Vehicle Fuel	5,600	14,600	7,400	(7,200)	-49.3%
Operating Supplies	28,200	22,900	31,200	8,300	36.2%
Software	3,000	-	3,300	3,300	N/A
Operating Materials	524,400	452,000	665,700	213,700	47.3%
Consulting Services	-	-	13,200	13,200	N/A
Vehicle Maintenance	207,700	167,900	150,000	(17,900)	-10.7%
Equipment Maintenance	9,900	10,900	30,000	19,100	175.2%
Equipment Rental	1,600	2,000	1,000	(1,000)	-50.0%
Equipment	3,047,700	4,200,000	4,212,200	12,200	0.3%
	\$ 64,238,500	\$ 66,749,700	\$ 68,076,600	\$ 1,326,900	2.0%

Figure 48: State Police Department Operating Budget (2014-2016)**2016 Budget Highlights:**

- Increased Trooper costs of \$1.3 million due to an anticipated additional 15 troopers assigned to the roadways.

State Police Department Budgeted Headcount

	<u>2014</u>	<u>2015</u>	<u>2016</u>	Net Change <u>2015 -2016</u>
Confidential Secretarial Aide	2	1	1	0
Motor Pool Fleet Specialist	1	1	1	0
Motor Vehicle Supervisor	1	1	1	0
Police Operations Clerk	1	2	2	0
Police Services Manager	1	1	1	0
Secretary	1	1	1	0
	7	7	7	0

Figure 49: State Police Department Headcount (2014-2016)

Integrated Technology Services

Department Description:

The Integrated Technology Services (ITS) department is responsible for conducting the business of information technology including the discovery, procurement, delivery and maintenance of all technology assets throughout the Authority.

Department Organization:

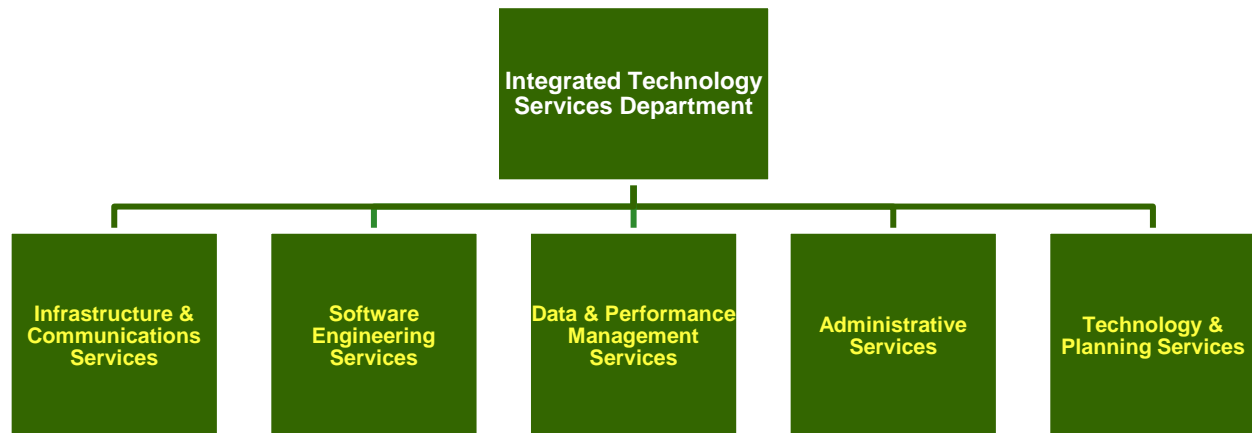


Figure 50: ITS Department Organization Chart

Senior Staff:

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

2015 Accomplishments:

- Reduced 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.
- Completed planning/design and gained approval for a backup TMC and Data Center.
- Completed E-ZPass Back office RFP rewrite and prepared operational transition.

- Completed Lane Maintenance Service Model and evaluated resource requirements.
- Completed the transition of select Electronic Toll Collection Administrative Functions to specific departments within the Authority.
- Procured and installed new Radio Infrastructure (voice/data) and related software.
- Moved our Advanced Traffic Management Program beyond device control to data-driven intelligent roadway operations.
- Initiated use of Kronos Time Clocks at all NJTA Locations.
- Continued to position key personnel in leadership roles as part of the ITS active succession plan.

2016 Goals:

- Substantially complete the implementation of Phase One of the E-ZPass Customer Service initiative in preparation for a February 1, 2017 go-live.
- Enhance the ITS Organization Model to accommodate in-house Lane Management Activities for both Roadways.
- Complete the development, test and implementation of new High-Speed E-ZPass Software.
- Successfully relocate 450 employees and related technology to new headquarters location minimizing service interruptions.
- Initiate design and construction of a backup Traffic Management Center and a new active Data Center at the headquarters location.
- Finalize Radio infrastructure and all related software.
- Go-Live with new radio system and related services - 4th quarter 2016.
- Continue Network upgrades to ensure GSOR and add capacity as necessary.
- Complete technology installations for all new buildings within the facilities program.
- Select and install specialized software to support warehouse management functions.
- Identify best use of data assets for improvement of traffic management. Initiate a pilot program to enhance the timeliness and accuracy of messaging for our motorists.
- Redesign and publish a new NJTA Website with enhanced services for a wide variety of stakeholders.
- Complete upgrade of PeopleSoft Human Capital Management (HCM).

Integrated Technology Services Department Operating Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 12,213,300	\$ 12,796,800	\$ 11,618,800	\$ (1,178,000)	-9.2%
Allowances	38,500	37,900	30,100	(7,800)	-20.6%
Pension & Payroll Taxes	2,046,700	2,320,600	2,689,100	368,500	15.9%
Health Benefits	5,779,100	6,345,200	6,939,200	594,000	9.4%
Training & Transportation	2,600	3,000	9,200	6,200	206.7%
Printing & Office Supplies	19,100	19,800	16,500	(3,300)	-16.7%
Operating Supplies	15,500	16,900	26,200	9,300	55.0%
Software	2,678,100	3,253,800	3,666,000	412,200	12.7%
Operating Materials	376,300	357,400	435,000	77,600	21.7%
Other Profession Serv	800,800	921,600	1,095,000	173,400	18.8%
Other Services	2,900	2,500	300	(2,200)	-88.0%
Equipment Maintenance	1,542,600	1,979,800	1,958,100	(21,700)	-1.1%
Equipment Rental	132,100	124,100	151,300	27,200	21.9%
Equipment	430,000	394,800	686,500	291,700	73.9%
	\$ 26,077,600	\$ 28,574,200	\$ 29,321,300	\$ 747,100	2.6%

Figure 51: ITS Department Operating Budget (2014-2016)**2016 Budget Highlights:**

- Increased Software Licensing costs of \$400,000.
- Increase in Professional Services for managed services contracts related to PeopleSoft, Kronos, Spear & Advanced Traffic Management software platforms.
- Increase in equipment replacement to keep hardware current and capable of supporting technology.
- Salaries are decreasing due to a higher percentage of salary charged to Capital Budget and Construction Fund projects based on anticipated time spent on projects.
- Pension and Health Benefits are increasing due to Authority-wide general increases in these items.

Figure 52: ITS Department Headcount (2014-2016)

	Information Technology Services Department Budgeted Headcount			Net Change
	2014	2015	2016	2015 -2016
Administrative/Executive Assistant	1	1	1	0
Administrative Secretary	3	3	3	0
AIX Administrator	1	1	1	0
Assistant Director	2	2	2	0
Assistant Telecom Manager	1	1	1	0
Chief Information Officer	1	1	1	0
Clerk	1	1	1	0
Collaboration Services Manager	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	2	2	2	0
Deputy Chief Information Officer	1	1	1	0
Electrical Engineer	1	1	1	0
Electronic Project Supervisor	1	1	1	0
Electronic Toll Collection Director	1	0	0	0
Electronic Toll Collection System Manager	1	0	0	0
ETC Customer Relations Representative	1	1	1	0
ETC Database Manager	1	1	1	0
ETC Hardware Installation Specialist	2	1	1	0
ETC Programmer	4	4	4	0
ETC Project Engineer	1	1	1	0
Fiber Optic Engineer	1	1	1	0
Field Electronics Manager	1	1	1	0
Field Supervisor	2	2	2	0
Foreman, Inventory Control - TEM	1	1	1	0
Electronic Data Capturing Devices Manager	0	1	1	0
Hardware Engineer	1	1	1	0
Infrastructure Administrative Support Specialist	1	1	1	0
ITS Program Supervising Engineer	1	1	1	0
Kronos Administrator	0	1	1	0
LAN/WAN Network Administrator	1	1	1	0
Local/Wide Area Network Administrative Manager	1	1	1	0
Manager, Administration Software	1	1	1	0
Manager, Communication Services	1	1	1	0
Manager, Field Operations and Special Projects	1	1	1	0
Manager, Infrastructure/User Support	1	1	1	0
Manager, Technical Services	1	1	1	0
Manager, Technology Leased Assets	1	1	1	0
Manager, Traffic Operations Software	1	1	1	0
Network Engineer	1	1	1	0
Network Engineer, Voice, Video & Data	1	1	1	0
Peoplesoft Developer	1	0	0	0
Program Analyst	1	1	1	0

Information Technology Services Department Budgeted Headcount - Continued

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Net Change</u> <u>2015 -2016</u>
Programmer	3	2	2	0
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	0	0	0
Senior Engineer, Voice & Coliab Services	1	1	1	0
Senior ETC Analyst	1	1	1	0
Senior ETC Programmer	1	2	2	0
Senior ETC Project Analyst	1	1	1	0
Senior Network Administrator	6	8	8	0
Senior Secretary	1	1	1	0
Senior Telecom Technical Assistant	1	1	1	0
Software Engineer	2	3	3	0
Systems Administrator	2	3	3	0
Systems Operation Supervisor	1	0	0	0
Systems Supervisor Parkway	2	2	2	0
Systems Technician	10	10	10	0
TAS Office & Budget Administrator	1	0	0	0
Technology Device Technician	22	22	32	10
Telecom Systems Administrator	1	1	1	0
TEM Manager	1	1	1	0
Toll Equipment Supervisor	1	1	1	0
Toll Maintenance Foreman	5	5	5	0
Toll System Mechanic	1	1	1	0
Toll Technician Turnpike	21	21	21	0
User Support Administrator	1	1	1	0
Voice Engineer	1	1	1	0
Windows Administrator	1	0	0	0
Windows Platform Support Manager	1	1	1	0
	144	143	153	10

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:

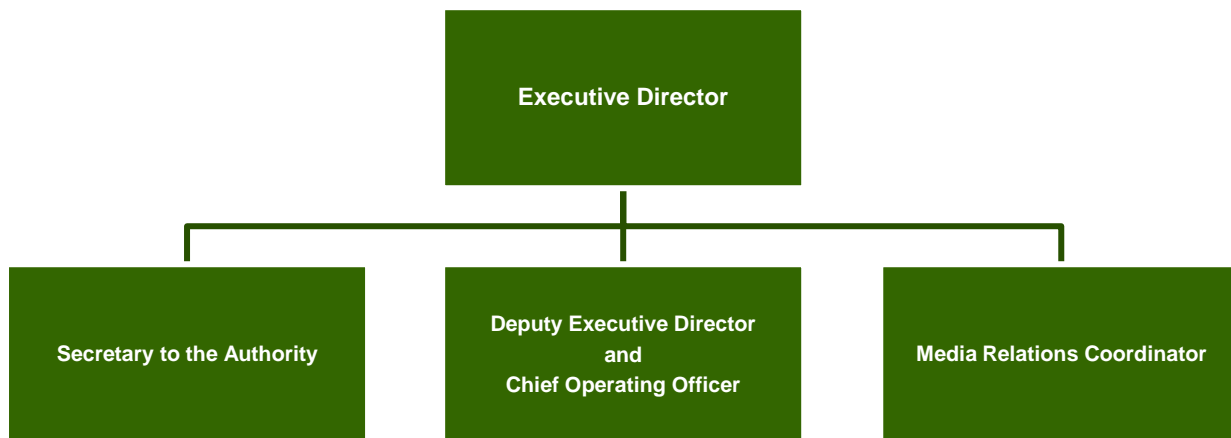


Figure 53: Executive Offices Department Organization Chart

Senior Staff:

Executive Director: Joseph W. Mrozek
 Chief Operating Officer and Deputy Executive Director and: John F. O'Hern
 Media Relations Coordinator: Thomas C. Feeney
 Secretary to the Authority: Sheri Czajkowski

2015 Accomplishments:

- Settled two (2) expired labor contracts.
- Opened new travel service plazas at the Atlantic Service Area on the Parkway and the Grover Cleveland Service Area on the Turnpike

2016 Goals:

- Settle five (5) expired labor contracts.
- Increase salt storage capacity on both roadways.
- Secure future Authority headquarters building.

Executive Offices Department Operating Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 634,800	\$ 581,700	\$ 567,100	\$ (14,600)	-2.5%
Pension & Payroll Taxes	110,700	105,100	115,000	9,900	9.4%
Health Benefits	312,600	287,400	296,800	9,400	3.3%
Training & Transportation	100	-	-	-	N/A
Printing & Office Supplies	7,000	8,000	5,100	(2,900)	-36.3%
Consulting Services	11,500	-	-	-	N/A
Other Professional Services	59,100	78,900	59,600	(19,300)	-24.5%
Other Services	-	-	2,500	2,500	N/A
Equipment	-	-	1,200	1,200	N/A
	<u>\$ 1,135,800</u>	<u>\$ 1,061,100</u>	<u>\$ 1,047,300</u>	<u>\$ (13,800)</u>	<u>-1.3%</u>

Figure 54: Executive Offices Department Operating Budget (2014-2016)**2016 Budget Highlights:**

- Decrease in Professional Services consistent with 2014 & 2015 spending levels. The projected increase in 2015 did not occur and is not expected to occur in 2016.
- Increases in Pension and Health Benefits costs due to Authority-wide projected increases in these items.

Executive Offices Department Budgeted Headcount

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Net Change 2015 -2016</u>
Administrative/Executive Assistant	1	1	1	0
Assistant Secretary	1	0	0	0
Chief of Staff	1	0	0	0
Chief Operating Officer & Deputy Executive Director	1	1	1	0
Executive Director	1	1	1	0
Media Relations Coordinator	1	1	1	0
Secretary to the Authority	0	1	1	0
	<u>6</u>	<u>5</u>	<u>5</u>	<u>0</u>

Figure 55: Executive Offices Department Headcount (2014-2016)

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 providing or supervising the provision of legal advice to the Authority's departments, supervising and managing of outside counsel, insurance and risk management consultant, insurance brokers and third party administrators. The departmental budget includes all insurance costs other than property, professional liability, OCIP and worker's compensation, which are budgeted elsewhere.

Department Organization:

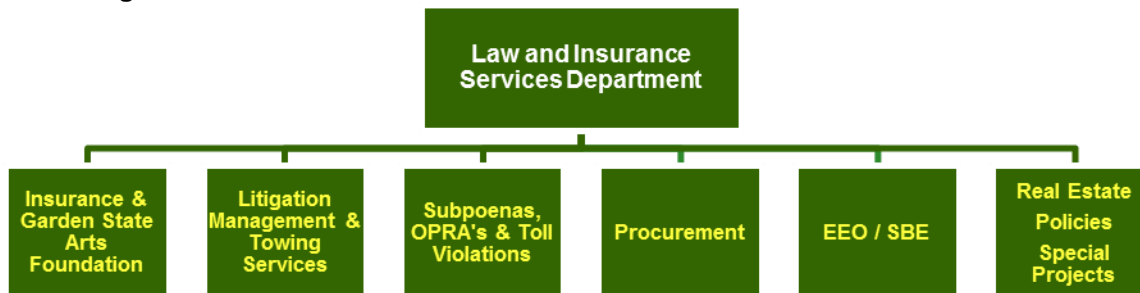


Figure 56: Law and Insurance Services Department Organization Chart

Senior Staff:

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

2015 Accomplishments:

- Required 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-evaluated portions of the property insurance coverage to eliminate insurance redundancies with respect to service areas and to further confirm overall coverage and deductible amounts.
- Worked with Human Resources and other departments to develop and implement procedures to increase workforce diversity.
- Identified and sold surplus real estate, producing \$1.7 million.
- Investigated 25 EEO complaints.
- Processed 641 OPRA requests and 244 Subpoenas (through Sept. 30).

2016 Goals:

- Review and revise litigation hold procedures to ensure appropriate preservation of data, especially with respect to electronic data.
- Continue to identify and market surplus real estate.
- Investigate the potential sale of judgments (as surplus personal property).
- Work with Human Resources and other departments to increase workforce diversity; expand outreach.
- Litigation Management – Review Third-Party Administrator (“TPA”) role in claim and litigation process. Ensure superior supervision of TPA activities, as well as Outside Counsel management, through revised procedures and reporting practices that provide In-House Counsel greater awareness of claim and litigation activity.

- Continue to work with the Risk Management Committee to advance a full review of the Authority's operations, for the purpose of creating a master plan to prioritize the Authority's enterprise risk management goals, including a timetable for implementing all goals, actions and recommendations identified in the master plan.
- Revise and update NJTA's regulations and bylaws.
- Assist Engineering in the review and update of Division 100 of the 2004 Standard Specifications and assist Procurement in the update of the "Instructions to Bidders".
- Continue to evaluate the Authority's insurance program and ensure timely renewal of insurance policies.
- Coordinate right of way acquisitions necessary to finalize the Authority's Ten Year Capital Program.

Law and Insurance Services Department Operating Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 1,007,400	\$ 1,189,700	1,264,100	\$ 1,264,100	106.3%
Pension & Payroll Taxes	208,600	316,100	372,800	372,800	117.9%
Health Benefits	589,000	864,400	962,000	962,000	111.3%
Training & Transportation	3,200	5,000	5,500	5,500	110.0%
Printing & Office Supplies	29,600	30,900	28,000	28,000	90.6%
Insurance	3,644,300	4,407,000	4,440,100	4,440,100	100.8%
Legal Services	1,422,500	1,629,500	1,807,200	1,807,200	110.9%
Other Professional Services	52,000	114,700	232,600	232,600	202.8%
Other Services	8,400	6,800	7,400	7,400	108.8%
Taxes	181,700	209,200	255,300	255,300	122.0%
	\$ 7,146,700	\$ 8,773,300	\$ 9,375,000	\$ 601,700	6.9%

Figure 57: Law and Insurance Services Department Operating Budget (2014-2016)

2016 Budget Highlights:

- Increase in Salaries & Wages due to vacancies being filled during 2015.
- Increase in Pension and Health Benefits as allocations are based on salaries, and general Authority-wide projected increases in these items.
- Increase in Legal Services and Other Professional Services reflect costs related to the sale of surplus property parcels. The Authority has increased property sales and gains revenue as a result of these actions.

Law and Insurance Services Department Budgeted Headcount

	<u>2014</u>	<u>2015</u>	<u>2016</u>	Net Change <u>2015 -2016</u>
Administrative Assistant	1	1	1	0
Administrative Secretary	0	1	1	0
Assistant Director of Law	1	1	1	0
Attorney	8	7	7	0
Claims Coordinator	0	1	1	0
Claims Specialist	1	0	0	0
Compliance Manager	1	1	1	0
Confidential Secretary	5	1	1	0
Coordinator	0	1	1	0
Deputy General Counsel	1	1	1	0
Document Services Coordinator	0	1	1	0
Equal Employment Opportunity Office	1	1	1	0
General Counsel	1	1	1	0
Legal Document Support Specialist	1	0	0	0
Senior Secretary	0	2	2	0
Staff Attorney	0	1	1	0
	21	21	21	0

Figure 58: Law and Insurance Services Department Headcount (2014-2016)

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. Materials Management Section is separated into Inventory Control at four main warehouses on both Roadways; Supply Chain Management and Asset Control and Surplus Equipment Sales.

Department Organization:

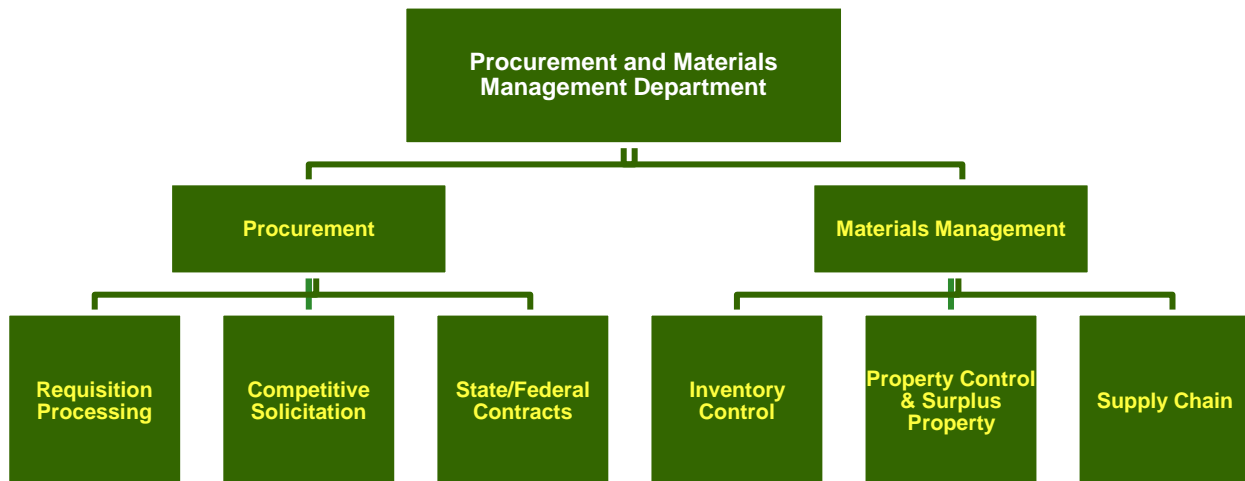


Figure 59: Procurement and Materials Management Department Organization Chart

Senior Staff:

Director of Procurement and Materials Management: Andrea Ward
 Deputy Director of Procurement and Materials Management: Donna Wilser

2015 Accomplishments:

- Completed solicitation of NJ E-ZPass CSC Contractor (without bid protest), plus conducted solicitations for a record eight other professional services contracts.
- Surveyed select vendors and tested electronic bidding system via “Bid Express” for competitive solicitations.
- Continued participation in the Authority’s Facilities’ Program – defining all design and operational requirements for a consolidated Central Warehouse.

2016 Goals:

- Complete implementation of Bid Express with intent of using electronic bidding primarily for equipment contracts
- Commence vendor registration program on new website
- Selection and implementation of a state of the art Warehouse Management System (WMS) for the new centralized Inventory facility. This includes design and operational requirements for the new facility.
- Clean up and surplus of obsolete inventory items for transition and move in of the new facility with a scheduled operational date of November 1, 2016.

Procurement and Materials Management Department Operating Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 4,075,800	\$ 4,140,200	\$ 4,002,000	\$ (138,200)	-3.3%
Allowances	6,800	4,300	4,500	200	4.7%
Pension & Payroll Taxes	678,300	745,600	814,400	68,800	9.2%
Health Benefits	1,915,200	2,038,700	2,101,700	63,000	3.1%
Training & Transportation	2,000	2,300	1,300	(1,000)	-43.5%
Printing & Office Supplies	34,700	32,900	36,000	3,100	9.4%
Operating Supplies	8,800	12,000	4,800	(7,200)	-60.0%
Operating Materials	300	300	300	-	0.0%
Consulting Services	13,000	12,000	33,000	21,000	175.0%
Other Services	178,600	124,100	73,800	(50,300)	-40.5%
Equipment Rental	-	-	10,000	10,000	N/A
Equipment	600	-	500	500	N/A
	\$ 6,914,100	\$ 7,112,400	\$ 7,082,300	\$ (30,100)	-0.4%

Figure 60: Procurement and Materials Management Department Operating Budget (2014-2016)**2016 Budget Highlights:**

- Decrease in Salaries & Wages due to replacing employees who retired with new employees at lower salaries. Pension and Health Benefits are increasing due to Authority-wide projected increases in these items.
- Decrease in Other Services related to advertising costs consistent with 2014 and 2015 spending levels. The projected increase in 2015 did not occur and is not expected to occur in 2016.

Procurement & Materials Management Department Budgeted Headcount

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Net Change</u> <u>2015 -2016</u>
Administrative Secretary - Inventory	1	1	1	0
Asset Administrator	1	0	0	0
Assistant Buyer	2	2	2	0
Assistant Manager, Inventory Control	1	0	0	0
Assistant Warehouse Supervisor	1	1	1	0
Buyer	3	3	3	0
Confidential Secretary	1	0	0	0
Deputy Director Procurement & Materials Manageme	1	1	1	0
Director Procurement & Materials Management	1	1	1	0
Inventory and Field Buyer	1	1	1	0
Inventory Control Supervisor	2	2	2	0
Maintenance Records Clerk	2	2	2	0
Materials Supervisor	2	2	2	0
Office Services Aide	1	0	0	0
Office Services Clerk	1	1	1	0
Parts/Inventory Counter Clerk	10	11	11	0
Procurement Coordinator	0	1	1	0
Procurement Specialist	1	2	2	0
Procurement Specialist Assistant	1	0	0	0
Procurements Specialist Manager	1	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 Clerk	1	0	0	0
Senior Confidential Secretary	0	1	1	0
Senior Secretary Parkway	1	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	1	1	1	0
Supply Chain Supervisor	0	1	1	0
Warehouse Inventory Control Coordinator	1	1	1	0
	51	50	50	0

Figure 61: Procurement and Materials Management Department Headcount (2014-2016)

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:



Figure 62: Human Resources and Office Services Department Organization Chart

Senior Staff:

Director of Human Resources: Mary-Elizabeth Garrity

2015 Accomplishments:

- Initiated upgrade onto the Authority's fiber network of the current Operations Department fire alarm receiver to improve monitoring of Authority buildings.
- Updated a confined space entry procedure.
- Created an unemployment tool box discussion database.
- Streamlined the hiring process through the annual job fair program.
- Trained staff to improve response time to the Authority's needs.
- Implemented a vendor search for health and welfare coverage administrators.
- Developed an Administrative Secretary Training Program.

2016 Goals:

- Develop and deliver supervisory training program.
- Update the policy and procedures manual.
- Streamline the print shop job process.
- Update the on-boarding process.
- Deliver safety training through a variety of different mediums including eLearning.
- Implement vendor search for Workers Compensation third party administration.

Human Resources & Office Services Department Operating Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 3,159,900	\$ 3,231,300	\$ 3,234,000	\$ 2,700	0.1%
Allowances	6,300	6,100	6,900	800	13.1%
Pension & Payroll Taxes	536,900	606,800	683,500	76,700	12.6%
Health Benefits	1,516,100	1,659,100	1,763,800	104,700	6.3%
Tuition	80,400	150,400	142,000	(8,400)	-5.6%
Training & Transportation	2,100	2,000	53,000	51,000	2550.0%
Printing & Office Supplies	67,000	118,600	66,900	(51,700)	-43.6%
Medical Supplies	7,400	8,200	5,200	(3,000)	-36.6%
Operating Supplies	7,600	7,900	11,100	3,200	40.5%
Operating Materials	-	-	1,200	1,200	N/A
Consulting Services	14,200	27,200	17,000	(10,200)	-37.5%
Other Professional Services	52,000	54,700	80,300	25,600	46.8%
Environmental Services	15,100	20,100	7,500	(12,600)	-62.7%
Other Services	1,900	1,600	1,800	200	12.5%
Building Maintenance	68,400	71,100	50,300	(20,800)	-29.3%
Equipment Maintenance	14,200	17,000	21,500	4,500	26.5%
Equipment Rental	900	1,200	-	(1,200)	-100.0%
Equipment	2,300	10,000	11,000	1,000	10.0%
	<u>\$ 5,552,700</u>	<u>\$ 5,993,300</u>	<u>\$ 6,157,000</u>	<u>\$ 163,700</u>	<u>2.7%</u>

Figure 63: Human Resources and Office Services Department Operating Budget (2014-2016)

2016 Budget Highlights:

- Increase in Pension costs based on estimated PERS payment and Health Benefits costs based upon usage and estimated medical and dental inflation rates.
- Increase in training due to the Authority's commitment to increase training for its employees.
- Decrease in Printing and Office Supplies due to lower projected usage as 2015 spending was lower than budgeted.

Human Resources & Office Services Department Budgeted Headcount				Net Change
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2015-2016</u>
Administrative Assistant	1	1	1	0
Assistant Director, HR Policy & Training	1	1	1	0
Assistant Office Services Manager	1	1	1	0
Benefits Administrator	1	1	1	0
Benefits Manager	1	1	1	0
Camera Person	1	1	1	0
Clerk	1	1	1	0
Computer Graphics Coordinator	1	1	1	0
Confidential Secretary	2	2	2	0
Director of Human Resources	1	1	1	0
Employment Manager	0	1	1	0
Employment Supervisor	1	0	0	0
Human Resources Aide	0	1	1	0
Human Resources Assistant	1	0	0	0
Human Resources Clerk	1	1	1	0
Human Resources Generalist	4	6	6	0
Human Resources Office 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
Paste-Up / Graphic Artist	1	1	1	0
Print & Support Specialist	1	1	1	0
Print Shop Cordinator	1	1	1	0
Print Shop Manager	1	1	1	0
Printer	1	1	1	0
Receptionist	2	2	2	0
Safety Manager	2	2	2	0
Senior Benefits Manager	1	1	1	0
Senior Clerk	1	1	1	0
Senior Confidential Secretarial Aide	1	1	1	0
Senior HR Office Administrator	0	1	1	0
Senior Human Resources Manager	1	0	0	0
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 Telephone/Receptionist Operator	1	1	1	0
Telephone Receptionist Operator	1	1	1	0
	46	47	47	0

Figure 64: Human Resources and Office Services Department Headcount (2014-2016)

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:

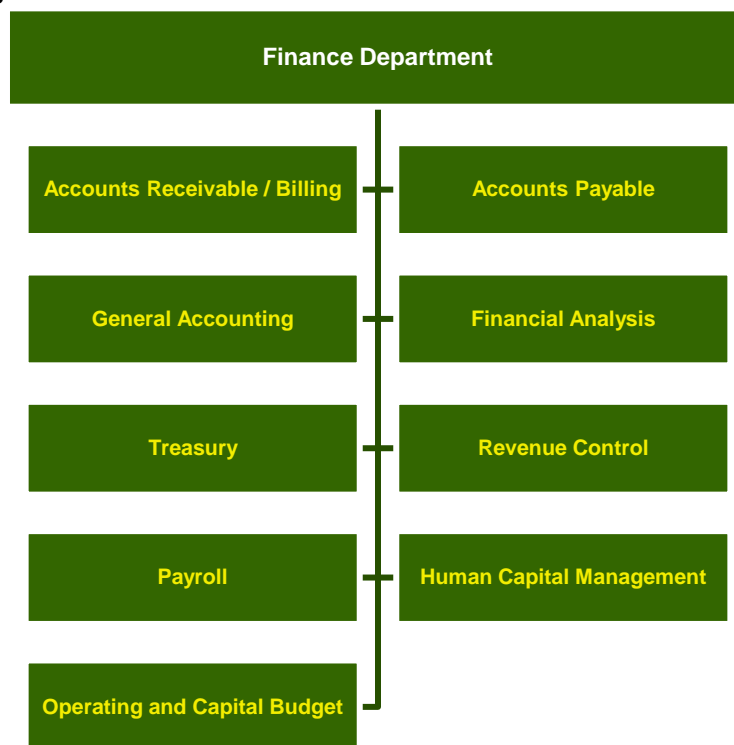


Figure 65: Finance Department Organization Chart

Senior Staff:

Chief Financial Officer: Donna Manuelli
 Deputy Chief Financial Officer: Pamela J. Varga
 Assistant Director of Finance: Katherine M. Johnstone

2015 Accomplishments:

- Successfully refunded the Series 2009A and Series 2009B Bonds by issuing the Series 2015A and Series 2015B bonds, allowing the Authority to achieve savings by terminating the letter of credit which was required for the refunded bonds.
- Successfully issued \$750 million of new money bonds to continue to fund the CIP.
- Successfully refunded the Series 2012G and Series 2013G bonds to meet the mandatory tender dates by issuing Series 2015C and Series 2015D bonds.

- Deployed the Kronos time keeping system throughout the Authority.
- In its first ever submission, the Authority received the GFOA Distinguished Budget Presentation Award for the 2015 Annual Budget.
- Completed the Authority's first Comprehensive Annual Financial Report (CAFR) and submitted the CAFR for the GFOA Excellence in Financial Reporting Award.

2016 Goals:

- Issue \$525 million of new money bonds in the second half of 2016 to provide additional funding for the CIP.
- Fully implement Kronos into the Authority's enterprise software program.
- Refund Series 2013D-1, Series 2013E-1 and Series 2013B-1 bonds to meet mandatory tender dates.
- Provide leadership during the implementation of the E-ZPass Customer Service Center contract signed with Xerox, ensuring that all financial operations are working in accordance with the agreement. Prepare to take lead role in violation collection efforts.
- Institute regular quarterly financial reporting in the Authority's investor relations section of the website.

Finance Department Operating Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 5,596,400	\$ 5,846,500	\$ 5,528,200	\$ (318,300)	-5.4%
Allow ances	100	200	-	(200)	-100.0%
Pension & Payroll Taxes	907,300	1,098,800	1,286,500	187,700	17.1%
Health Benefits	2,561,900	3,004,500	3,319,900	315,400	10.5%
Training & Transportation	1,200	1,200	5,200	4,000	333.3%
Printing & Office Supplies	22,000	35,400	28,500	(6,900)	-19.5%
Operating Materials	700	600	700	100	16.7%
Banking Fees	1,836,000	1,905,500	650,000	(1,255,500)	-65.9%
Consulting Services	293,800	220,000	306,400	86,400	39.3%
Other Professional Services	355,700	374,900	553,100	178,200	47.5%
Other Services	1,300	1,700	3,800	2,100	123.5%
Equipment	46,000	-	600	600	N/A
	\$ 11,622,400	\$ 12,489,300	\$ 11,682,900	\$ (806,400)	-6.5%

Figure 66: Finance Department Operating Budget (2014-2016)

2016 Budget Highlights:

- Decrease in Banking Fees due to the elimination of letter of credit fees due to the refunding of certain variable rate debt for savings.
- Decrease in salaries due to an increase in salary chargebacks to the Capital and Construction Fund Budgets based on projected time spent on these functions.
- Pension and health benefits increasing due to Authority-wide projected increases in these items.
- Other Professional Services are increasing due to a higher allocation of the costs of the Traffic Engineering Consultant contract.

Finance Department Budgeted Headcount				Net Change
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2015-2016</u>
Accountant	3	0	0	0
Accounting Manager, Internal Control	1	1	1	0
Accounting Manager, General Ledger	0	1	1	0
Accounts Clerk	2	2	2	0
Accounts Payable Analyst	1	1	1	0
Accounts Payable/Disbursements Manager	1	1	1	0
Accounts Payable Supervisor	1	0	0	0
Accounts Receivable Manager	1	1	1	0
Accounts Receivable Supervisor	1	1	1	0
Administrative Assistant	1	1	1	0
Assistant Director of Finance	0	1	1	0
Assistant Comptroller	1	0	0	0
Audit Data Inspector	0	1	1	0
Audit Data Specialist	3	3	3	0
Audit Operations Manager	1	0	0	0
Billings Manager/Administrator	0	1	1	0
Billings Supervisor	0	1	1	0
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	1	1	0
Chief Financial Officer	1	1	1	0
Clerk 1, 70	3	3	3	0
Comptroller	1	0	0	0
Cost Accountant, Turnpike	1	0	0	0
Data Analyst	5	3	3	0
Deputy Chief Financial Officer	0	1	1	0
Disbursements Clerk	0	1	1	0
Disbursements Section Supervisor	2	1	1	0
Documents Services Coordinator	1	1	1	0
ETC Audit Supervisor	2	0	1	1
Executive Secretary	1	1	1	0
Financial Manager	2	2	2	0
Financial Analyst	0	0	2	2
General Clerk	1	0	0	0
Financial Resources Specialist	0	1	1	0
Human Capital Management Specialist	0	1	1	0
Human Capital Management Analyst	1	2	2	0
Human Capital Management Manager	1	1	1	0
Junior Accountant	5	5	5	0
Junior Accounting Analyst	2	8	8	0
Payroll Administrator/Manager	1	1	1	0
Payroll Coordinator	3	3	3	0
Payroll Specialist	1	0	0	0
Revenue Control Manager	1	1	1	0
Senior Accounting Analyst	1	0	0	0
Senior Accounts Clerk	1	1	1	0
Senior Accounts Payable Supervisor	0	1	1	0
Senior Budget Supervisor	2	2	2	0
Senior Clerk	10	9	9	0
Senior Confidential Secretary	1	1	1	0
Senior Data Analyst	1	1	1	0
Senior Financial Auditor	1	0	0	0
Senior F&B Document Specialist	1	1	1	0
Senior Toll Audit Coordinator	3	3	3	0
Staff Accountant	0	2	2	0
Toll Audit Coordinator	1	1	1	0
Treasury Manager	1	0	0	0
Variance Analyzer Coordinator	2	2	2	0
	81	82	85	3

Figure 67: Finance Department Headcount (2014-2016)

Patron and Customer Services

Department Description:

The primary responsibility of Patron Services is to oversee the management and operation of all service area facilities located on the New Jersey Turnpike and Garden State Parkway. The division oversees the majority of lease agreements that produce non-toll revenue for the Authority. The Authority's non-toll revenue programs managed by Patron Services include, but are not limited to, billboard vendors, installation and operation of electric vehicle charging stations, the PNC Bank Arts Center operator, the operation of park-and-ride facilities and commuter bus services provider(s). Patron Services is also responsible for participating in the negotiation of lease agreements and the procurement of services provided by the above-referenced vendors.

Department Organization:

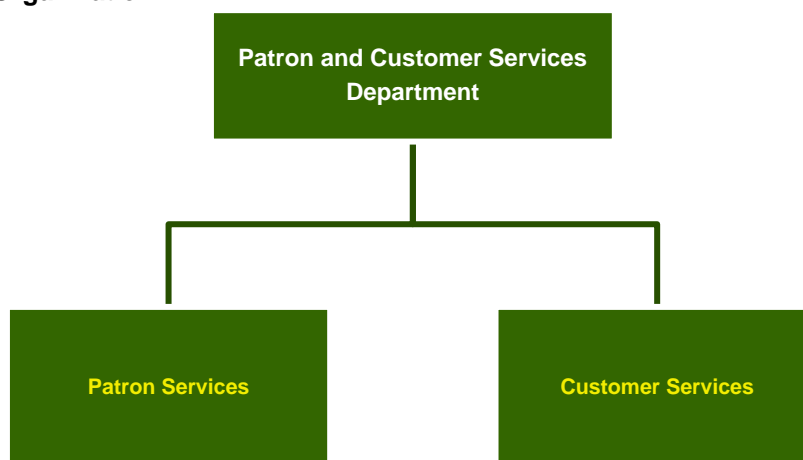


Figure 68: Patron and Customer Services Department Organization Chart

Senior Staff:

Patron Services Manager: Erika Vargas-Garrison

Customer Services Manager: Denise DeSante

2015 Accomplishments:

- Opened new restaurant buildings at the Atlantic and Grover Cleveland Service Areas as well as a new convenience store at the Grover Cleveland Service Area.
- Installed Tesla fast charge electric vehicle charging stations at the Joyce Kilmer and Molly Pitcher Service areas on the Turnpike.
- Procured the installation of non-Tesla direct current fast charge electric vehicle charging stations at select service area locations on both the Turnpike and Parkway.

2016 Goals:

- Continued management of all non-toll revenue lease agreements.
- Open new Sunoco fuel station at the Brookdale North Service Area.
- New procurement for the operation of commuter bus services at the Montvale Service Area.
- Install non-Tesla direct current fast charge electric vehicle charging stations at select service area locations on the New Jersey Turnpike and Garden State Parkway.
- Completion of major capital improvement projects at the McDonald's restaurants located in the Brookdale South and Vauxhall service areas.

- Complete 100% back-up generator power at all Sunoco fuel stations on the Garden State Parkway.
- Negotiate a new fuel station and Starbucks on the Newark Bay Extension.
- Conform to ADA compliance at all service area locations on the New Jersey Turnpike.

Patron and Customer Services Department Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 922,200	\$ 961,500	\$ 959,900	\$ (1,600)	-0.2%
Allowances	-	100	-	(100)	-100.0%
Pension & Payroll Taxes	153,500	166,600	191,100	24,500	14.7%
Health Benefits	433,600	455,500	493,000	37,500	8.2%
Printing & Office Supplies	5,500	5,000	6,100	1,100	22.0%
Consulting Services	130,700	159,500	185,600	26,100	16.4%
Other Professional Services	47,500	47,500	47,500	-	0.0%
	\$ 1,693,000	\$ 1,795,700	\$ 1,883,200	\$ 87,500	4.9%

Figure 69: Patron and Customer Services Department Operating Budget (2014-2016)

2016 Budget Highlights:

- Increase in Pension costs based on estimated PERS payment and Health Benefits costs based upon usage and estimated medical and dental inflation rates.
- Increase in Consulting Services related to payments to the Department of Health for inspections.

Patron and Customer Services Budgeted Headcount

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Net Change 2015 -2016</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	2	2	2	0
	11	11	11	0

Figure 70: Patron and Customer Services Department Headcount (2014-2016)

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:

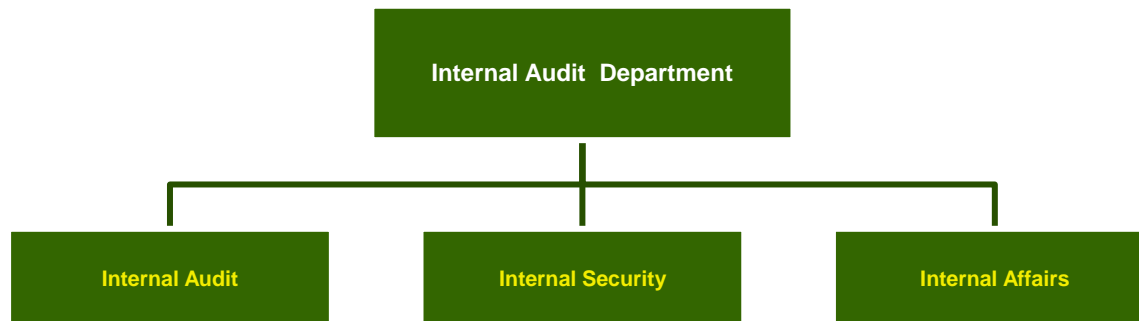


Figure 71: Internal Audit Department Organization Chart

Senior Staff:

Director of Internal Audit: James Carone

Deputy Director of Internal Audit: Tracey Walters

2015 Accomplishments:

- Developed the Department's first fraud risk assessment and will incorporate these results into our 2016 Audit Plan.
- Identified four facilities which will be scheduled for security improvements, in conjunction with the Tolls Department and New Jersey State Police.
- Performed on all NJTA security gates all scheduled preventative maintenance.
- Conducted twenty (20) Toll Plaza/Interchange inspections with the assistance of the New Jersey State Police.

2015 Goals:

- Complete an Authority-wide Enterprise Risk Assessment to provide an efficient and systematic process to determine the universe of auditable areas.
- Develop and implement the 2016 Audit Plan based on the results of the Enterprise Risk Assessment.
- Upgrade the access control system software (C-Cure) necessary as the Authority moves forward with the completion of its Facilities Improvement Program.
- Procure a more efficient way to dispose of foreign, mutilated and other metal coins which are generated from GSP coin machines.

Internal Audit Department Operating Budget

	2014 Actual	2015 Budget	2016 Budget	\$ Change from 2015 Budget	% Change from 2015 Budget
Salaries & Wages	\$ 1,483,500	\$ 1,588,300	\$ 1,565,500	\$ (22,800)	-1.4%
Allowances	3,000	2,900	3,300	400	13.8%
Pension & Payroll Taxes	262,800	275,200	311,900	36,700	13.3%
Health Benefits	742,000	752,400	805,000	52,600	7.0%
Training & Transportation	-	-	400	400	N/A
Printing & Office Supplies	6,300	5,800	7,500	1,700	29.3%
Operating Supplies	6,000	7,800	9,400	1,600	20.5%
Consulting Services	4,500	6,000	-	(6,000)	-100.0%
Other Services	1,800	1,600	1,500	(100)	-6.3%
Equipment Maintenance	59,700	65,200	67,200	2,000	3.1%
Equipment Rental	7,700	8,700	4,600	(4,100)	-47.1%
	\$ 2,577,300	\$ 2,713,900	\$ 2,776,300	\$ 62,400	2.3%

Figure 72: Internal Audit Department Operating Budget (2014-2016)**2016 Budget Highlights:**

- Increase in Pension costs based on estimated PERS payment and Health Benefits costs based upon usage and estimated medical and dental inflation rates.
- Salaries are decreasing due to current vacancies with new hires not expected to occur at the beginning of the year.

Internal Audit Department Budgeted Headcount

	2014	2015	2016	Net Change 2015 -2016
Administrative Assistant	1	1	1	0
Audit Manager	1	1	1	0
Auditor	2	3	3	0
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	1	1	3	2
Security Manager	1	0	0	0
Security Supervisor	1	2	2	0
Senior Auditor	3	2	2	0
Senior Security Inspector	1	0	0	0
Senior Security Manager	0	1	1	0
Tolls Investigation Manager	1	1	1	0
Tolls Investigation Supervisor	1	1	1	0
	19	19	21	2

Figure 73: Internal Audit Department Headcount (2014-2016)

Capital and General Reserve Spending Budgets

The Authority considers its Capital Budget to consist of projects included in the Maintenance Reserve Fund, Special Project Reserve Fund, and Supplemental Capital (a part of the General Reserve Fund) budgets. These budgets include total spending of \$173.0 million in 2016. All projects submitted for consideration for funding in the 2016 Capital Budget were categorized into one of the following nine (9) categories that briefly describe the need for or benefit of the project. They are:

1. Employee Health & Safety
2. Frequent Problems
3. Generates Cost Savings
4. Public Benefit
5. Public Safety
6. Regulatory Mandate
7. State of Good Repair
8. Strategic Goal
9. Synergy with Other Projects

During the evaluation process of determining which projects would be funded, the categories were considered. Priority was given to those projects that maintain a state of good repair of the roadways and facilities, improve the safety of our roadways for our patrons, and provide a high level of service for our patrons. A summary of the 2016 Capital Budget projects by category is as follows:

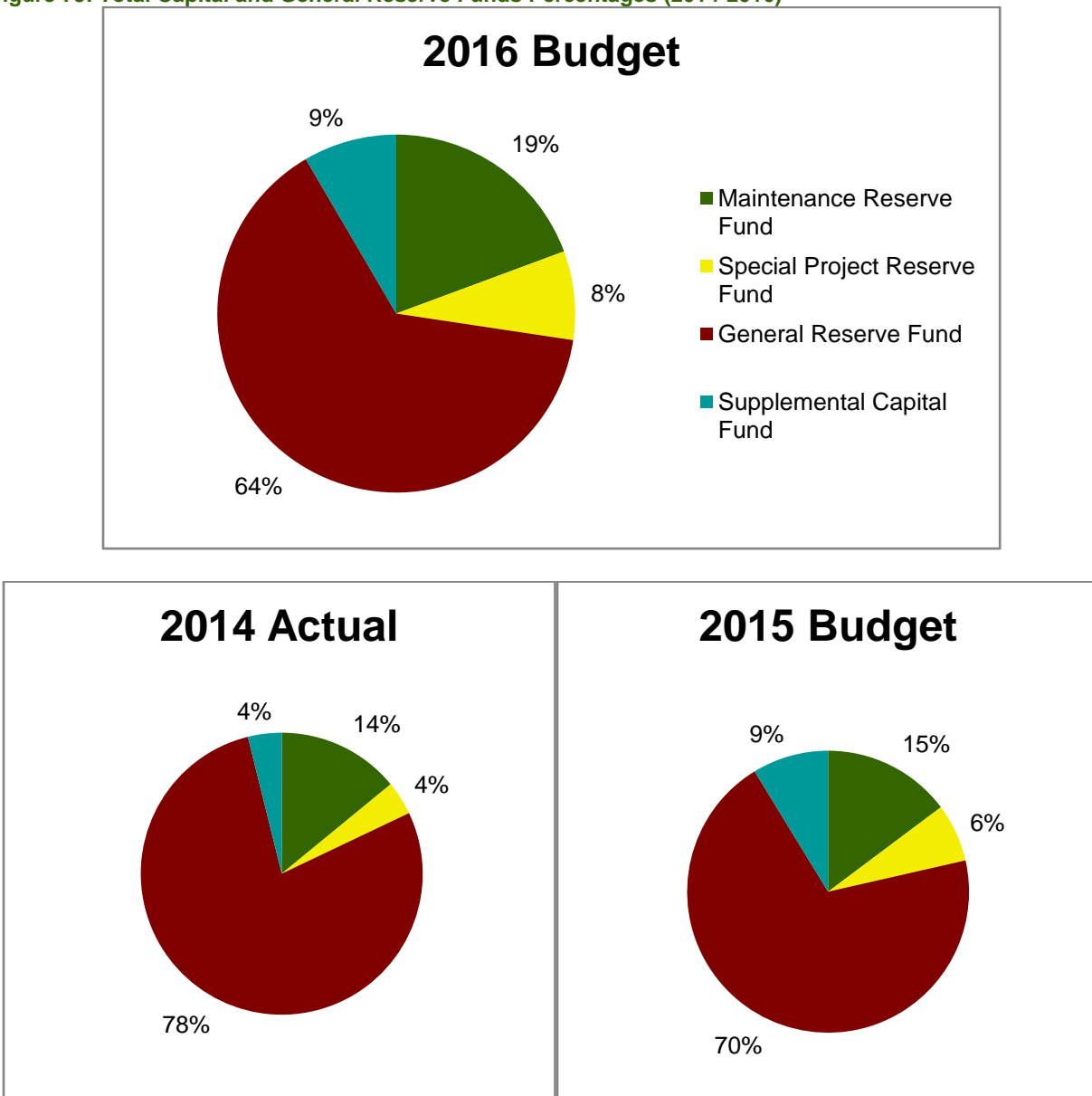
<u>Category</u>	<u>% of Total Capital Budget Funding</u>
State of Good Repair	76%
Public Benefit	9%
Public Safety	7%
Employee Health & Safety	2%
Strategic Goal	2%
Regulatory Mandate	2%
Generates Cost Savings	1%
Synergy with Other Projects	1%
Frequent Problems	0%

Approximately 76% of the total funding for 2016 is intended to maintain our assets in a state of good repair. This includes bridge repair, roadway resurfacing projects and facility improvements. The Authority continues to increase its funding for state of good repair, and by 2017 will provide funding to resurface 200 lane miles per year (12 year repaving cycle) and paint 20,000 tons of steel per year (15 year cycle). Approximately 15% of the total 2016 Capital Budget funding is for projects which are intended to improve Public Safety, such as providing better lighting and more effective signage, and programs that will provide a benefit to the public other than safety, such as Commuter Park & Ride expansion and evaluation of interchanges or sections of the roadway that may be improved to provide patrons with a more efficient travel experience.

	2014 <u>Actual</u>	2015 <u>Budget</u>	2016 <u>Budget</u>	\$ Change from 2015 Budget	% Change from 2015 Budget
Maintenance Reserve Fund	\$ 72,272,000	\$ 84,609,100	\$ 93,500,000	\$ 8,890,900	11%
Special Project Reserve Fund	19,867,800	38,155,000	38,756,300	601,300	2%
General Reserve Fund:					
General Reserve Fund	401,901,000	400,001,000	310,086,000	(89,915,000)	-22%
Supplemental Capital Fund	19,861,700	50,000,000	40,782,000	(9,218,000)	-18%
Total Capital and General Reserve Funds	\$ 513,902,500	\$ 572,765,100	\$ 483,124,300	\$ (89,640,800)	-15.7%

Figure 74: Total Capital and General Reserve Funds Budget (2014-2016)

Figure 75: Total Capital and General Reserve Funds Percentages (2014-2016)



Maintenance Reserve Fund

- The New Jersey Turnpike lanes will be resurfaced at selected locations between mileposts 3 and 8, mileposts 26 and 40, mileposts 76 and 82, mileposts 84 and 92 and mileposts 109 and 113 for a total of 83 lane miles.
- The New Jersey Turnpike is scheduled to have 22 bridge decks repaired.
- The Garden State Parkway lanes will be resurfaced northbound and southbound between mileposts 99.5 and 104.5 for a total of 75 lane miles.
- The Garden State Parkway is scheduled to have 22 bridge decks repaired.

	2014 <u>Actual</u>	2015 <u>Budget</u>	2016 <u>Budget</u>	\$ Change from 2015 Budget	% Change from 2015 Budget
Capital Projects					
Turnpike Bridge Repairs	\$ 25,060,000	\$ 24,151,900	\$ 18,781,200	\$ (5,370,700)	-22.2%
Turnpike Resurfacing	14,083,200	21,033,200	25,588,900	4,555,700	21.7%
Parkway Bridge Repairs	17,782,600	19,576,400	16,947,600	(2,628,800)	-13.4%
Parkway Resurfacing	9,156,700	13,190,000	14,906,400	1,716,400	13.0%
Emergency Maintenance	-	-	8,500,000	8,500,000	NA
Total Capital Projects	66,082,500	77,951,500	84,724,100	6,772,600	8.7%
Expense Projects					
Authority Bridge Inspections	6,189,500	6,657,600	8,145,500	1,487,900	22.3%
Pavement Management	-	-	630,400	630,400	NA
Total Expense Projects	6,189,500	6,657,600	8,775,900	2,118,300	31.8%
Total Maintenance Reserve Fund	\$ 72,272,000	\$ 84,609,100	\$ 93,500,000	\$ 8,890,900	10.5%

Figure 76: Maintenance Reserve Fund Projects (2014-2016)

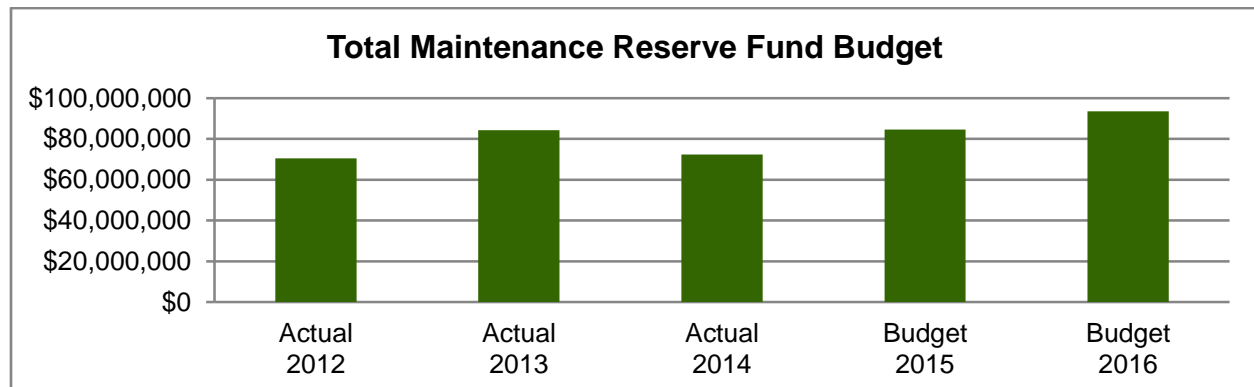


Figure 77: Maintenance Reserve Fund Budget Graph (2012-2016)

Maintenance Reserve Fund Balance					
	2014 <u>Actual</u>	2015 <u>Est. / Actuals</u>	2016 <u>Budget</u>	2015 to 2016 <u>\$ Change</u>	2015 to 2016 <u>% Change</u>
Beginning Balance	\$ 17,638,300	\$ 20,180,300	\$ 28,978,200	\$ 8,797,900	
Transfer from Revenue Fund	74,814,000	87,058,000	89,370,000	2,312,000	
Project Expenses	(72,272,000)	(78,260,100)	(93,500,000)	(15,239,900)	
Ending Balance*	\$ 20,180,300	\$ 28,978,200	\$ 24,848,200	\$ (4,130,000)	-14.3%

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

Figure 78: Maintenance Reserve Fund Balance (2014-2016)

Maintenance Reserve Fund

<u>PROJECT NUMBER</u>	<u>Capital Projects</u>	<u>Description</u>
03010001	Turnpike Bridge Repairs	Inspection, design, construction and construction supervision of all Authority bridges.
03010002	Turnpike Resurfacing	Resurfacing of pavement on the New Jersey Turnpike based upon inspection results.
03020001	Parkway Bridge Repairs	Inspection, design, construction and construction supervision of all Garden State Parkway bridges.
03020005	Parkway Resurfacing	Resurfacing of pavement on the Garden State Parkway based upon inspection results.
NEW	Emergency Maintenance	Emergency/Unanticipated roadway, bridge or structure maintenance.
<u>Expense Projects</u>		
03010005	Authority Bridge Inspections	Inspection of New Jersey Turnpike and Garden State Parkway facilities including but not limited to major bridges, routing bridges, culverts, sign structures, antenna towers and other structural roadway features.
NEW	Pavement Management	Collect data on estimated 3000 lane miles and to analyze with weather, equipment availability, lack of access to targeted site, etc. This will allow the Authority to better identify distressed pavement areas and possible voids under the pavement and better plan pavement

Figure 79: Maintenance Reserve Fund Project Descriptions

Special Project Reserve Fund

Approximately \$12.1 million (31%) is budgeted for Technology Improvements, \$9.9 million (26%) for Roadway Improvements, \$9.7 million (25%) on Fleet Upgrades and \$7.0 million (18%) on Facility Improvements.

Category	2014	2015	2016	\$ Change from	% Change from
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	2015 Budget	2015 Budget
Technology Improvements	\$ 5,855,500	\$ 11,069,500	\$ 12,107,300	\$ 1,037,800	9%
Roadway Improvements	4,503,500	8,310,500	9,927,200	1,616,700	19%
Facility Improvements	3,981,800	10,650,000	7,043,300	(3,606,700)	-34%
Fleet Upgrades	5,527,000	8,125,000	9,678,500	1,553,500	19%
Total Special Project Reserve Fund	\$ 19,867,800	\$ 38,155,000	\$ 38,756,300	\$ 601,300	1.6%

Figure 80: Special Project Reserve Fund Budget (2014-2016)

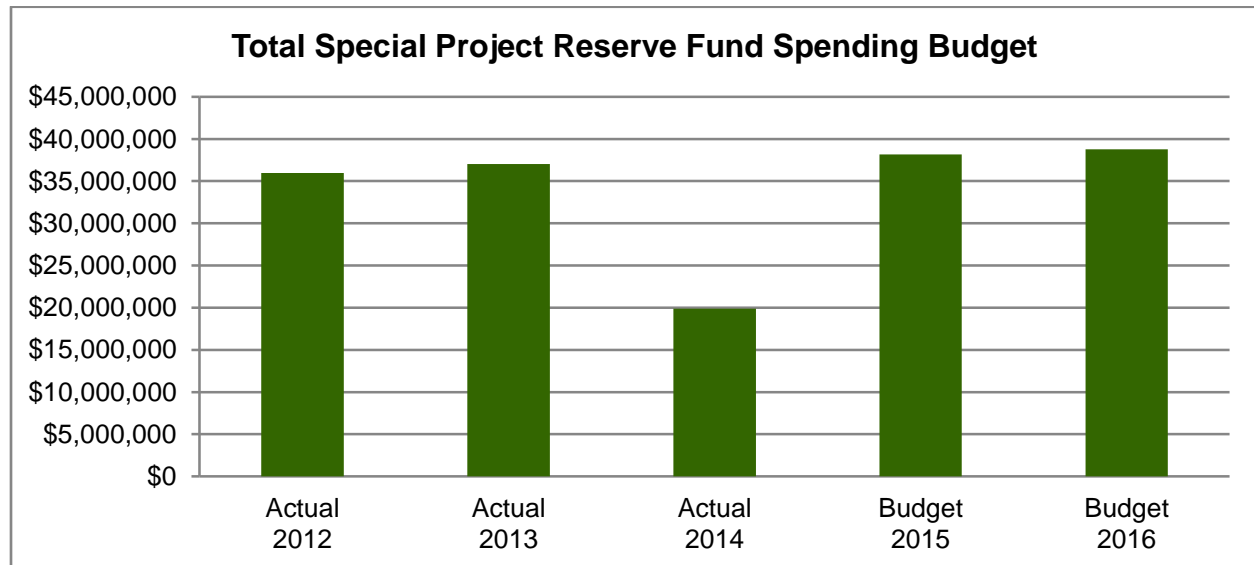


Figure 81: Special Project Reserve Fund Budget Graph (2012-2016)

Special Project Reserve Fund Balance					
	2014	2015	2016	2015 to 2016	2015 to 2016
	<u>Actual</u>	<u>Est. / Actuals</u>	<u>Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Balance	\$ 20,623,400	\$ 29,555,600	\$ 50,814,800	\$ 21,259,200	
Transfer from Revenue Fund	28,800,000	50,301,000	38,918,000	(11,383,000)	
Project Expenses	(19,867,800)	(29,041,800)	(38,756,300)	(9,714,500)	
Ending Balance*	\$ 29,555,600	\$ 50,814,800	\$ 50,976,500	\$ 161,700	0.3%

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

Figure 82: Special Project Reserve Fund Balance (2014-2016)

Special Projects Reserve Fund 2016 Projects		
Project Number	Capital Projects	2016 Total
04000118	KRONOS	\$ 898,700
04007021	Major Fleet Augmentation	3,591,500
04008056	Lane Closing Application	410,000
04008062	Ent GIS Dev/Imp Phase III	500,000
04007021D	Major Fleet Augmentation Dump Trucks	4,382,000
NEW	GSP Taper Point Implementation	553,500
NEW	State Police Body Cameras	1,500,000
NEW	Turnpike Service Area Loading Dock Renovation	871,300
NEW	Major Fleet Augmentation Loaders	1,055,000
NEW	Major Fleet Augmentation Generators	650,000
NEW	Road Weather Information Systems (RWIS)	300,000
NEW	Printing Press	478,900
Total Special Projects Reserve Capital Projects		\$ 15,190,900
Expensed Projects		
04000110	Surface Utility Engineering GIS PRO	\$ 641,300
04000119	Int 12 Signalization Issues	72,000
04007001	Drainage Repair	1,537,500
04007003	Immediate Repairs Contract	500,000
04007055	Generator Replacement Design and Permitting Task	512,500
04007057	Interior Toll Facility Improvements	270,000
04008003	Design Standards	102,500
04008086	PeopleSoft Upgrades & Support	516,600
04008087	Rutgers Assignment	102,500
04008107	Equipment Review	307,500
04008127	License to Cross Oversight	76,900
04008130	Revisions to various manuals	102,500
04008131	Roadside Safety Improvements	500,000
04008132	Guide Rail Design	76,900
04008134	Camera Replacement	205,000
04008135	ETC Field Improvements	512,500
04008137	Website Redesign	563,800
04008138	Security and Accountability	102,500
04008139	Drainage Assessment	377,500
04008140	GSP Toll Booth Rehabilitation	175,000
04008142	Gate Repair and Replacement	256,300
04008143	Living Snow Fence	51,300
04008144	Tech Support and Review Projects	250,000
04008157	Toll Plaza Canopy Signs	820,000
04008159	IT Security Audit	307,500
04008160	Fire Alarm	300,000
04008161	Document Management	76,900
04008163	Commuter Aid Dispatch System	63,900
04010003	Roofing Repairs	450,000
04010027	Immediate Facility Repairs & Other Misc. Building Improvements	450,000
04010062	Engineering Studies	820,000
04017027	Building Improvements	450,000
04018045	Beaver Brook Dam	25,700
04018050	LED Toll Lane Lights for TPK	83,800
04018051	On Call HVAC Service	205,000
04018052	Roadway Lighting Repairs	1,025,000
04018054	On Call Services Traffic Engineering	250,000
04018055	Safety Exploration Rutgers	58,300
04018059	Drainage Pipe Inspections GSP MP 63-80 and MP 30-35	307,500
04018060	Evaluation of Interchange 136	471,500
04018061	Communication Tower Management Program	584,300
04999999	Contingency	1,500,000
NEW	Turnpike CVI	205,000
NEW	Barrier Free TPK Service Areas Design	615,000
NEW	Arts Center Campus Study	350,000
NEW	Administrative Facility Improvements	250,000
NEW	Evaluation of Interchange 129	205,000
NEW	Evaluation of Interchange 139	205,000
NEW	Internal Engineering Procedures Manual	615,000
NEW	ROW Oversight	76,900
NEW	Traffic Detection System Server Expansion	153,800
NEW	Turnpike Widening Program Traffic Detection Fill-in	410,000
NEW	UPS Replacement – Cranbury	256,300
NEW	Bridge Inspection Software	245,000
NEW	EZ Pass Contract Implementation	1,500,000
NEW	Facility Repairs	102,500
NEW	Facilities Air Duct Cleaning	300,000
NEW	Facility Landscaping Design	76,900
NEW	Stormwater Maintenance Compliance	801,300
NEW	Roadway Repairs	400,000
NEW	NJ Turnpike Interchange 16E/18E Geometric Improvements	256,300
NEW	Garden State Parkway Operational Improvements at Asbury Park :	179,400
NEW	Replacement of PDQ Lifts	200,000
NEW	Bird Deterrent System - new locations	100,000
Total Special Projects Reserve Expensed Projects		\$ 23,565,400
Total Special Projects Reserve Fund Budget		\$ 38,756,300

Figure 83: Special Project Reserve Fund Projects

Figure 84: Special Project Reserve Fund Project Descriptions**Special Project Reserve Fund**

<u>PROJECT NUMBER</u>	<u>CAPITAL PROJECTS</u>	<u>Description</u>
04000118	KRONOS	This project will provide time and attendance enhancements such as real-time data collection; cost analysis; workforce management; automation of schedules, timekeeping, paid time off requests, accruals, leave and attendance administration; as well as reporting with Dashboard capabilities. This platform will deliver industry best practices and integrate with the Authority's existing PeopleSoft HCM environment in order to yield greater returns of efficiency and effectiveness.
04007021	Major Fleet Augmentation	The purchase of replacement and supplemental equipment as needed on a priority and lifecycle basis.
04008056	Lane Closing Application	Provide a fully integrated lane closing scheduling system so as to move away from inefficient manual lane closing records.
04008062	Ent GIS Dev/Imp Phase III	Additional GIS services are needed to further enhance the web portal allowing a broader range of Authority staff, consultants, and contractors to access time-saving data, document management applications and dynamic operational applications without the need for specialized desktop software and intensive training.
04007021D	Major Fleet Augmentation Dump Trucks	Annual purchase of twenty seven (27) dump trucks to maintain current lifecycle levels. (Vehicles have a twelve (12) year life cycle). Replace models that have exhausted their life expectancy as well as supplementing the Roadway Divisions fleet due to widening projects on both roadways.
NEW	GSP Taper Point Implementation	Provides for the development of Standardized Taper Point Locations on the Garden State Parkway to permit greater Contractor and Consultant access. Deliverable will include an updateable database and criteria for taper point selection (Left and Right Lane Access).
NEW	State Police Body Cameras	State of New Jersey mandate to provide all State Troopers with body cameras.
NEW	Turnpike Service Area Loading Dock Renovation	Post-design services and construction for the renovation and rehabilitation of the New Jersey Turnpike Service Area loading docks at 6S and 6N.
NEW	Major Fleet Augmentation Loaders	Designated program for Loader Replacement that lack diesel particulate filters, as required by Environmental Protection Agency.
NEW	Major Fleet Augmentation Generators	Designated program for purchase of Stand-by Generators.
NEW	Road Weather Information Systems (RWIS)	Replacement of Roadway Weather Information System Stations, which involves the installation of ITS devices on the New Jersey Turnpike and Garden State Parkway. The work will consist of multiple roadway and weather sensing devices such as Air Temperature, Relative Humidity, Wind Speed and Direction, Barometric Pressure, Precipitation, Visibility, Subsurface and Pavement Sensors. (Phase 1)
NEW	Printing Press	Purchase of a new Heidelberg Printing Press.

Special Project Reserve Fund- Continued

<u>PROJECT NUMBER</u>	<u>CAPITAL PROJECTS</u>	<u>Description</u>
04000110	Surface Utility Engineering GIS PRO	Through On-Call consultant locate, survey, map and integrate field as built data with the Authority's GIS program; all subsurface utilities along the New Jersey Turnpike and Garden State Parkway within the Authority's right of way. Proper use of this project will aid with the Authority's One-Call requirements and eliminate unnecessary utility relocations and unexpected conflicts with utilities, during construction projects, resulting in time and cost savings as well as enhanced safety.
04000119	Int 12 Signalization Issues	To complete the transfer of signal maintenance associated with the construction of New Jersey Turnpike Interchange 12 from the Authority to Middlesex County.
04007001	Drainage Repair	Provide resources to address immediate and scheduled repairs of drainage facilities and underground utilities.
04007003	Immediate Repairs Contract	This project is intended for repairs along both the New Jersey Turnpike and Garden State Parkway or any other Authority facility deemed to be of an emergency nature and whose circumstances will not allow for the advertisement and award of an OPS or Contract. Such repairs include, but are not limited to: sink holes, drainage repairs, bridge deck and/or joint repairs, spall repair, as well as damage to pavement as a result of vehicle (or other types of) fire, etc.
04007055	Generator Replacement Design and Permitting Task	Design and construction of facility and site improvements in coordination with the generator replacement program.
04007057	Interior Toll Facility Improvements	Design, permits and construction documents for the Authority's Maintenance department interior toll facility renovation program.
04008003	Design Standards	For revisions to standard documents, including: Design & Procedures Manuals, Standard & Standard Supplementary Specs and Standard Drawings.
04008086	PeopleSoft Upgrades & Support	Upgrade PeopleSoft HCM module to the latest version.
04008087	Rutgers Assignment	Continued development, upgrades and improvement to the Authority's web based Winter Weather Management Software and continue phases of de-icing liquid testing study.
04008107	Equipment Review	Award design study assignment to On-call consultant to evaluate our dump truck fleet and continue to hone our standard specification package (with drawings) for purchasing. This will supplement and support our dump truck life cycle purchasing program.
04008127	License to Cross Oversight	License to Cross Oversight for projects being performed by entities that have prior agreement with the Authority and do not require escrow accounts.
04008130	Revisions to Various Manuals	Provides services for an on-call consultant to review and revise the design guidelines of the Authority manuals and standard drawings.
04008131	Roadside Safety Improvements	This project will include the evaluation and upgrade of various safety related mechanisms along the New Jersey Turnpike and Garden State Parkway including, but not limited to, placement of guiderail, use of impact attenuators, pavement markings, establishing and maintaining clear zones, as well as other safety related improvements identified, especially those found to be needed in areas along either roadway with high accident rates.
04008132	Guide Rail Design	Design task for several locations on the New Jersey Turnpike and Garden State Parkway to address safety concerns and access issues.
04008134	Camera Replacement	Replacement of existing traffic, security, VES (Violation Enforcement System), and VTDM (Video Transaction Data Multiplexer) cameras. The communications medium used to connect with these cameras will also be upgraded as well. Our existing camera infrastructure is 10 years old. Camera standards will be strictly enforced.
04008135	ETC Field Improvements	Upgrade to existing ETC field electronics such as the Lane Electronics Cabinets (LEC). Much of this equipment is obsolete and no longer available. Specific devices to be upgraded are serial device servers, lane controllers, and interfaces for new cameras and vehicle classification devices. These upgrades are essential in maintaining the viability of our tolling infrastructure.

Special Project Reserve Fund- Continued

<u>PROJECT NUMBER</u>	<u>CAPITAL PROJECTS</u>	<u>Description</u>
04008137	Website Redesign	Redesign the Authority's website to include new consumer driven features and capabilities and plan for Authority to host the site. We expect to significantly improve our ability to communicate with a wide variety of stakeholders via this medium.
04008138	Security and Accountability	Implementation of a key box system for increased accountability and security of equipment. Also, additional swipe cards for Authority structures. Project to be coordinated with Internal Audit.
04008139	Drainage Assessment	Design support with upcoming drainage projects and Authority's stormwater compliance. The consultant provides recommended design, procedures, record keeping, design alternatives, construction plans, construction estimates, and misc. as-directed field assessments.
04008140	GSP Toll Booth Rehabilitation	Preparation of construction documents and further investigation of spray coating options and procedures for the 2017 Phase 2 rehabilitation project.
04008142	Gate Repair and Replacement	Continue the design and preparation of construction documents for the New Jersey Turnpike Interchange 11 pilot site for new railroad style ramp gates.
04008143	Living Snow Fence	Restoration/renovation and installation of new hedges along the Garden State Parkway to act as snow fencing. There is over 8,000 lineal feet of existing hedges in need of restoration, with an estimated need for 1,200 lineal feet of newly proposed hedges. Broken down into a 4 year program at an estimated \$6.00 per foot.
04008144	Tech Support and Review Projects	This project pertains to technical reviews of projects being proposed or undertaken by third parties that have potential impacts on the Authority's facilities. These reviews are typically performed by outside consultants providing on-call engineering support to the Authority.
04008157	Toll Plaza Canopy Signs	Replacement of toll lane signs on the New Jersey Turnpike in priority order as identified by the Tolls department.
04008159	IT Security Audit	The introduction of employee self service capabilities introduces new risks and potential system vulnerabilities. Given these security concerns, ITS is recommending that a third-party security audit be completed with all findings duly documented. Following this audit, appropriate steps will be taken to remediate select findings. If remediation call for new hardware or software, additional funding will be requested.
04008160	Fire Alarm	As a result of the recent Bassett Building fire, evaluation of the Authority's Fire Panels and procure UL rated equipment to notify and respond to incidents. If this project is not funded and a fire occurs on Authority property, Authority personnel may not receive ample notification. This procurement may include hardware, software, and services. It will serve to protect our employees and related property.
04008161	Document Management	Development of FileHold project plan that will include analysis of Authority documents to be catalogued, document types, metadata, and access, as well as retrieval rules. Authority will be provided with a formal document at the completion of this phase outlining a concept of operation regarding document management.
04008163	Commuter Aid Dispatch System	Phase II will allow the STMC to communicate electronically to select towing companies to expedite the delivery of patron services. This second phase will further improve both service delivery time and safety for our patrons. This procurement may include hardware, software, and services.
04010003	Roofing Repairs	Provides for the preventative maintenance, leak detection, emergency leak repairs and specification preparation for all Authority roofs. Also, funds roofing consultant for commissioning as part of the Authority's Facility Improvement Program.
04010027	Immediate Facility Repairs & Other Misc. Building Improvements	Provides for emergency repair work caused by deterioration or accidents.
04010062	Engineering Studies	The study of various engineering projects. The milepost 30 to 35 section of the Garden State Parkway widening is on hold and in advance of a future final design, evaluations of the existing roadway geometry should be performed. It was determined during phases 1-3 of the widening that improvements could be made while maintaining the permitted limits of disturbance. The consultant will evaluate the existing vertical, horizontal and section geometry and make recommendations on improvements for the final design.

Special Project Reserve Fund- Continued

<u>PROJECT NUMBER</u>	<u>CAPITAL PROJECTS</u>	<u>Description</u>
04017027	Building Improvements	Improvements to Authority's buildings with a project cost greater than \$50,000.00.
04018045	Beaver Brook Dam	Construction of improvements required to address a flooding and erosion problem adjacent to the New Jersey Turnpike at Milepost 79.5 northbound.
04018050	LED Toll Lane Lights for TPK	Replacement of New Jersey Turnpike toll lane control signals (arrows and x's) based on priority order as identified by the Tolls Department.
04018051	On Call HVAC Service	Due to poor performance, design and implementation of equipment controls is necessary at multiple NJTA locations. The completion of this project will provide control and monitoring capabilities for the NJTA. Benefits include a reduction of wasted energy, improved maintenance of HVAC equipment, and optimization of HVAC systems.
04018052	Roadway Lighting Repairs	The roadway lighting systems on the New Jersey Turnpike and Garden State Parkway are suffering due to downed light poles and deteriorated underground wiring.
04018054	On Call Services Traffic Engineering	This project will be utilized to provide support and guidance for the Operations department on the following items: 1. The development of software being prepared by IBM for the opening of the Authority's new dual-dual roadway. 2. Memorializing, standardizing, updating and documenting Standard Operating Procedures. 3. Traffic Engineering support as needed.
04018055	Safety Exploration Rutgers	AASHTO Safety Analysis Software to locate areas for safety improvements, areas in need of enforcement, etc. This program will utilize crash data, roadway segments and ramp characteristic data to provide the NJTA and New Jersey State Police the greatest possible safety benefit from each dollar spent. Utilize Rutgers University for On-Call Professional Services to prepare an analysis, using custom designed traffic simulation model of New Jersey Turnpike and Garden State Parkway roadways, interchanges and toll plazas ("The Model"). ("The Model") was developed by Rutgers back in 2006 to facilitate traffic management of the toll roadway network by enhancing the Authority's ability to analyze and evaluate operational, maintenance and capital construction alternatives in advance of implementation; to better evaluate and understand traffic impacts unique to the toll roadway network. ("The Models'") network updates to reflect the widening and other improvements, which took place between 2006 and now, validation and unique calibration methodology to the latest actual ground counts of the ("The Model") will allow Operations to accurately and expeditiously evaluate and test the most effective ways to mitigate traffic problems.
04018059	Drainage Pipe Inspections GSP MP 63-80 and MP 30-	During construction of Phase I of the Garden State Parkway Interchange 63 to 80 widening project, it was discovered through field observations that many of the corrugated metal pipes had met their service life. As a result, inspections had been implemented during Phases 2 and 3 which resulted in the replacement and repair of many of the pipes carrying the Garden State Parkway between milepost 48 and milepost 63. Even though the milepost 30 to 35 widening improvements are on hold, the remaining drainage systems within these milepost limits have, in all likelihood, also met their service life. Inspections should be performed in order to complete drainage evaluations that have been performed on all other areas of the Garden State Parkway.
04018060	Evaluation of Interchange 136	In 2010, improvements to the Garden State Parkway Interchange 135 were completed and shortly thereafter the dynamics between Garden State Parkway Interchanges 135 and 136 had changed. More vehicles were using Interchange 135, however the backups at Interchange 136 still remain often times extending out onto the Garden State Parkway. Interchange 136 should be evaluated for improvements to reduce the mainline queue.
04018061	Communication Tower Management Program	Currently, the structural integrity of the Authority's communication towers are the responsibility of the Engineering department. The towers' equipment and maintenance are the responsibility of the ITS department. Due to the increasing number of tenant installation requests, the Authority has not been able to keep pace with the requests, and as a result can not accurately maintain the equipment inventory. Without an accurate inventory, the structural integrity can not be accurately assessed. This project will provide for program management and support to develop procedures to consolidate and manage tenant installation requests and tower structural information and maintenance history. Coordination between the ITS and Engineering departments will be required.
04999999	Contingency	Contingency to be used for unanticipated project change order needs or new projects.

Special Project Reserve Fund- Continued

<u>PROJECT NUMBER</u>	<u>CAPITAL PROJECTS</u>	<u>Description</u>
NEW	Turnpike CVI	A study to determine the best location on the New Jersey Turnpike for a Commercial Vehicle Inspection facility.
NEW	Barrier Free TPK Service Areas Design	Design of modifications required in accordance with Americans with Disabilities Act regulations for the New Jersey Turnpike service areas.
NEW	Arts Center Campus Study	Evaluation of the condition of the Arts Center Campus in preparation of upcoming lease negotiations.
NEW	Administrative Facility Improvements	Costs related to the start up of the new Administrative Facility.
NEW	Evaluation of Interchange 129	Collect and review existing traffic, operational and safety data of the existing three lane northbound service road north of King Georges Post Road. Develop concepts to address existing deficiencies.
NEW	Evaluation of Interchange 139	Collect and review existing traffic, operational and safety data of the existing northbound exit and entrance ramps. Develop concepts to remove the existing northbound Garden State Parkway to westbound Chestnut Street exit and reconfigure the northbound entrance ramp from eastbound Chestnut Street.
NEW	Internal Engineering Procedures Manual	Develop a manual to compile and create guidance for processing the various deliverables and reports in order to provide consistent approach to project development and reporting through all sections of the department.
NEW	ROW Oversight	Assist the Right of Way Manager as well as the Law Department with issues related to buying and/or selling Authority property or when issues of jurisdiction arise.
NEW	Traffic Detection System Server Expansion	The current servers the Authority uses to collect traffic detection data of volume, occupancy, and speed is near capacity due to the current number of sensors in the road, as well as from the amount of data collected from these sensors. ITS is now installing the last of the sensors and cannot communicate with these devices due to the current server limitations. Additional servers are required to properly manage and store sensor data, as well as a prerequisite to install any additional new sensors. This procurement includes hardware, software, and services.
NEW	Turnpike Widening Program Traffic Detection Fill-in	Install 10 new pole mounted traffic detection stations and other required components. This procurement includes hardware, software, and services.
NEW	UPS Replacement – Cranbury	Replace the UPS system at the Cranbury State Police barracks. This location is now used as a backup center for critical functions. The UPS at this location is at capacity and needs to be replaced.
NEW	Bridge Inspection Software	To remove customizations in order to make the Authority's software compatible with NJDOT software.
NEW	EZ Pass Contract Implementation	Assist the Authority in transitioning to the new EZ-Pass contract.
NEW	Facility Repairs	Improvements to Authority's facilities with a project cost less than \$50,000.00
NEW	Facilities Air Duct Cleaning	Program for as-directed Authority's Facility Air Duct Cleaning.
NEW	Facility Landscaping Design	Provides for the standardized design template for Authority's facilities. (Service Areas, Toll Plazas, etc.)
NEW	Stormwater Maintenance Compliance	This project will help combat the increase in quantity and sophistication of the drainage facilities on New Jersey Turnpike and Garden State Parkway due to recent widening and construction projects nearing completion. Maintenance of the drainage system is mandatory for compliance with New Jersey Department of Environmental Protection.
NEW	Roadway Repairs	Provide resources to address immediate and scheduled repairs of roadway and structural assets.
NEW	NJ Turnpike Interchange 16E/18E Geometric Improvements	This study will analyze existing conditions at the subject toll plaza that contribute to chronic bus delays in the morning peak period. Alternatives for geometric and operational improvements will be completed and are expected to be made available for consideration of capital improvement project.
NEW	Garden State Parkway Operational Improvements at Asbury Park and Raritan Toll Plazas	This study will analyze existing conditions and prepare geometric and operational improvements for the subject toll plazas in order to improve safety and increase capacity at each toll plaza in order to facilitate heavy traffic destined for the respective local roadway. Applicable completed alternative improvements are expected to augment existing contracts in the vicinity currently in design.
NEW	Replacement of PDQ Lifts	Replacement of Dock Scissor Lifts at 8 Garden State Parkway Toll Plazas.
NEW	Bird Deterrent System - new locations	Elimination of nesting & roosting of pigeons and other pest birds on structures in various toll plazas.

General Reserve Fund

The General Reserve Fund includes \$261.1 million (84%) for contractual state payments, including the State Transportation Projects Funding Agreement payments of \$162.0 million. The agreement expires on June 30, 2016. It also includes \$64.5 million that the Authority is budgeting in the event it is required to enter into a new five-year State Transportation Projects Agreement. The 2016 budget also includes \$32.3 million (11%) for Extraordinary Events, which are generally costs for state of emergency weather events, and \$15.5 million (5%) for reserves, primarily OPEB. The 2016 budget also includes all reimbursable projects which net to zero spending.

Category	2014	2015	2016	\$ Change from	% Change from
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	2015 Budget	2015 Budget
Extraordinary Events	\$ 32,294,200	\$ 15,000,000	\$ 32,295,000	\$ 17,295,000	115%
Claim Settlements	2,500,000	2,500,000	2,500,000	-	0%
Other Post-Employment Benefits	10,325,000	27,500,000	13,000,000	(14,500,000)	-53%
Bond Cost of Issuance	2,780,800	1,000,000	1,290,000	290,000	29%
State Payments	354,001,000	354,001,000	261,001,000	(93,000,000)	-26%
Total General Reserve Fund	\$ 401,901,000	\$ 400,001,000	\$ 310,086,000	\$ (89,915,000)	-22.5%

Figure 85: General Reserve Fund Budget (2014-2016)

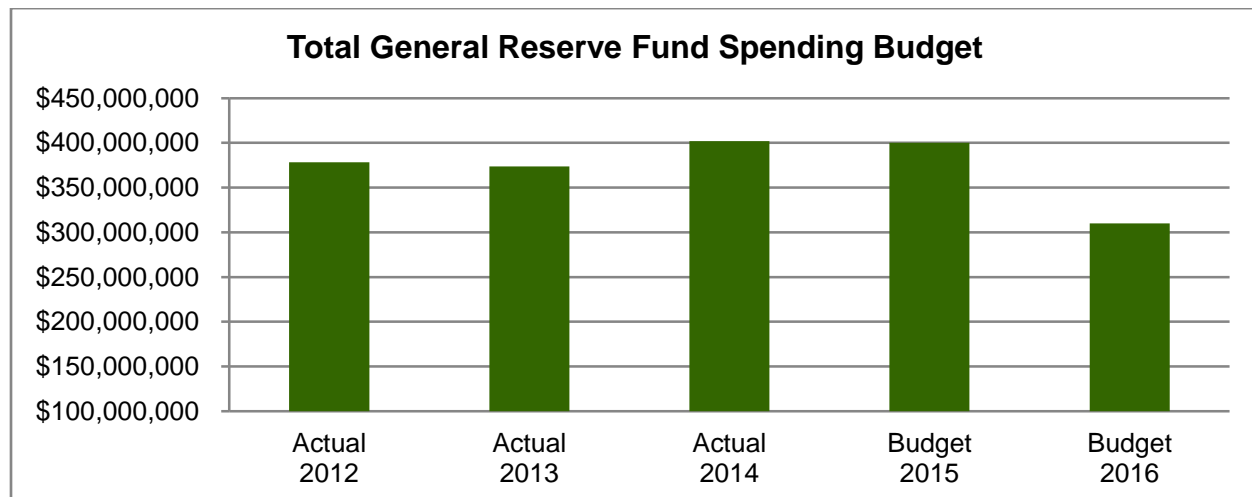


Figure 86: General Reserve Fund Budget Graph (2012-2016)

General Reserve Fund Balance					
	2014	2015	2016	2015 to 2016	2015 to 2016
	<u>Actual</u>	<u>Est. / Actuals</u>	<u>Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Balance	\$ 214,519,500	\$ 246,006,000	\$ 245,019,000	\$ (987,000)	
Transfer from Revenue Fund	453,249,200	416,056,400	311,887,000	(104,169,400)	
Project Expenses	(401,901,000)	(398,359,900)	(310,086,000)	88,273,900	
Supplemental Project Expenses	(19,861,700)	(18,683,500)	(40,782,000)	(22,098,500)	
Ending Balance	\$ 246,006,000	\$ 245,019,000	\$ 206,038,000	\$ (38,981,000)	-15.9%

Figure 87: General Reserve Fund Balance (2014-2016)

General Reserve Fund 2016 Projects

<u>Project #</u>	<u>Expense Projects</u>	<u>2016 Total</u>
08000014	Bond Cost of Issuance	\$ 1,250,000
08007000	Extraordinary Events	32,295,000
08007990	Claim Settlements	2,500,000
08007991	Other Post-employment benefits	13,000,000
08007997	Arbitrage Expense	40,000
08007015	Feeder Road Reimbursement NJDOT	8,001,000
08007018	North Avenue Corridor	4,500,000
08007007	Transportation Trust Fund	22,000,000
08007037	State Transportation Capital Plan	162,000,000
NEW	Maximum Additional State Payments	64,500,000
08007045	I-95 GWB Approach Signs PANYNJ	1,938,000
08007045R	I-95 GWB Approach Signs PANYNJ- Reimbursable	(1,938,000)
08017028	PTC Design Service- A3291	303,000
08017028R	PTC Reimbursement Design Service- A3291	(303,000)
08017029	PTC Delaware River Bridge	3,036,600
08017029R	PTC Delaware River Bridge - Reimbursement	(3,036,600)
08017031	PTC Security Cameras	1,090,700
08017031R	PTC Security Cameras - Reimbursable	(1,090,700)
08017032	PTC Arch Hardening	16,079,800
08017032R	PTC Arch Hardening - Reimbursable	(16,079,800)
08017033	PTC Repaint and Improvements	18,100,000
08017033R	PTC Repaint and Improvements - Reimbursable	(18,100,000)
08018046	Accident Damage	5,000,000
08018046R	Accident Damage	(5,000,000)
08027016	DWDM Clifton to TOC Elmwood Park	9,900
08027016R	DWDM Clifton to TOC Elmwood Park- Reimbursable	(9,900)
08027021	Fiber Relocation Newark Airport	170,300
08027021R	Fiber Relocation Newark Airport - Reimbursable	(170,300)
08027023	NBHCE Expansion-Pulaski Skyway-NJDOT - Reimbursable	1,853,200
08027023R	NBHCE Expansion-Pulaski Skyway-NJDOT	(1,853,200)
08027025	Beesley's Point	3,000,000
08027025R	Beesley's Point Reimbursable	(3,000,000)
08027026	Goethals Bridge Project	409,300
08027026R	Goethals Bridge Project Reimbursable	(409,300)
Total General Reserve Fund Expense Projects		\$ 310,086,000

Figure 88: General Reserve Fund Projects

General Reserve Fund		
Project Number	Project Name	Description
08000014	Bond Cost of Issuance	To pay rating agency, legal, trustee, financial advisor, general consulting engineer and traffic engineer fees incurred in the refunding of 2013D-1, 2013E-1 and 2014B-1 with mandatory tenders of 1/1/2016, as well as any other variable rate debt.
08007000	Extraordinary Events	To pay for the costs of major weather and other events when there is a declared state of emergency
08007990	Claim Settlements	To fund reserve for self-funded liability other claim settlements
08007991	Other Post-employment benefits	To fund reserve for OPEB, representing a portion of the additional funding necessary to meet the difference between actuarially calculated Annual Required Contribution (ARC) and pay-go expense paid through the Operating Expense Budget.
08007997	Arbitrage Expense	To fund reserve for potential arbitrage payments due to the IRS on the Authority's bonds based upon Arbitrage consultant's annual calculations.
08007015	Feeder Road Reimbursement NJDOT	Annually renewable Cost Sharing Agreement to provide reimbursement by the Authority to the NJDOT for reconstruction, maintenance and repair of Feeder Roads at twenty (20) New Jersey Turnpike Interchanges and thirty-six (36) Garden State Parkway Interchanges
08007018	North Avenue Corridor	Authority's board approved annual contribution to roadway improvements that are necessary along North Avenue in the vicinity of Turnpike Interchange 13A. These improvements are required to accommodate recent and continuing development of commercial facilities and anticipated growth in port and airport activity through a project with the PANYNJ and NJDOT. No formal agreement has been executed and work on the project has not begun.
08007007	Transportation Trust Fund	Under an agreement dated 4/27/84, Authority pays the Treasurer of the State of New Jersey. These funds are to be used by the State of New Jersey, or the Transportation Trust Fund, to pay or provide for the development of State transportation projects, in efforts to further satisfy the overall transportation needs of the State. The agreement expires when all obligations of the Transportation Trust Fund have been satisfied.
08007037	State Transportation Capital Plan	The Authority makes annual payments to the State of New Jersey under a five-year Transportation Projects Funding Agreement for the development of transportation purposes. The agreement expires on June 30, 2016.
NEW	Maximum Additional State Payments	To fund budgeted amounts assumed to be available in the event the Authority is required to enter into a replacement Transportation Projects Funding Agreement with the state.
08007045	I-95 GWB Approach Signs PANYNJ	Installation of five (5) new Sign Structures, the installation of fixed sign panels on one (1) existing sign structure and the modification of two (2) existing Changeable Message Signs, within the I-95 Corridor. The locations are MP 117.8, MP 118.24, MP 118.4, MP 120.95, MP 121.16, MP 121.32, MP 121.48 and MP 121.68.
08007045R	I-95 GWB Approach Signs PANYNJ- Reimbursable	Reimbursement to be received from the PANYNJ
08017028	PTC Design Service- A3291	Pennsylvania Turnpikes portion of expenses for Design Services on the Delaware Bridge (OPSA3291)
08017028R	PTC Reimbursement Design Service- A3291	Reimbursement to be received from the Pennsylvania Turnpike
08017029	PTC Delaware River Bridge	Replacement of the suspenders and suspender protection in the main arch truss portion of the bridge
08017029R	PTC Delaware River Bridge - Reimbursement	Reimbursement to be received from the Pennsylvania Turnpike
08017031	PTC Security Cameras	Replacement of cameras on the main arch truss portion of the bridge
08017031R	PTC Security Cameras - Reimbursable	Reimbursement to be received from the Pennsylvania Turnpike
08017032	PTC Arch Hardening	Local hardening of the arch chords in the main arch truss portion of the bridge
08017032R	PTC Arch Hardening - Reimbursable	Reimbursement to be received from the Pennsylvania Turnpike
08017033	PTC Repaint and Improvements	Bridge Painting and seismic retrofit, structural steel repairs, catwalk repairs, and installation of security gates
08017033R	PTC Repaint and Improvements - Reimbursable	Reimbursement to be received from the Pennsylvania Turnpike
08018046	Accident Damage	Work to repair NJTA property as a result of accident. Insurance recovery.
08018046R	Accident Damage - Reimbursable	Reimbursement to be received from the Pennsylvania Turnpike
08027016	DWDM Clifton to TOC Elmwood Park	Relocation of the existing node at the NJTA Clifton Maintenance yard to the NJDOT Traffic Operations Center at Elmwood Park. The DWDM ring provides protection and redundancy for the fiber optic system covering the northern half of the state.
08027016R	DWDM Clifton to TOC Elmwood Park- Reimbursable	Reimbursement to be received from the NJDOT
08027021	Fiber Relocation Newark Airport	Relocation of Existing Fiber Optic Facilities at Newark Liberty Airport. Design and construct an Engineered Material Arresting System (EMAS) for Runway 11 in response to the Federal Aviation Administration Runway Safety Program. As part of this project, the existing perimeter roadway at the airport adjacent to the Turnpike, Brewster Road, needs to be relocated onto the NJTA right-of-way.
08027021R	Fiber Relocation Newark Airport - Reimbursable	Reimbursement to be received from the PANYNJ
08027023	NBHCE Expansion-Pulaski Skyway-NJDOT	Project consists of the conversion of the right shoulder of the eastbound Newark Bay Hudson County Extension as a third traffic lane between interchanges 14 and 14C throughout the Pulaski Skyway project.
08027023R	NBHCE Expansion-Pulaski Skyway-NJDOT - Reimbursable	Reimbursement to be received from the NJDOT
08027025	Beesley's Point	Demolish and remove the Beesley's Point Bridge (Cape May County) in association with the replacement of GSP bridge numbers 28.0S and 28.5S.
08027025R	Beesley's Point Reimbursable	Reimbursement to be received from Cape May County
08027026	Goethals Bridge Project	Project consists of the design, building financing and maintenance of the Replacement Bridge. Demolition and removal of the Existing Bridge (Goethals) and all associated work. Paving, curbing and other modifications to Interchange 13 connecting. Agreement between PANYNJ and NJTA.
08027026R	Goethals Bridge Project Reimbursable	Reimbursement to be received from the PANYNJ

Figure 89: General Reserve Fund Project Descriptions

Supplemental Capital Fund

Approximately \$17.0 million (42%) is budgeted for Technology Improvements, \$15.9 million (39%) for Roadway Improvements, and \$7.9 million (19%) for Facility Improvements.

Category	2014	2015	2016	\$ Change from	% Change from
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	2015 Budget	2015 Budget
Roadway Improvements	\$ 202,500	\$ 5,740,000	\$ 15,850,000	\$ 10,110,000	176%
Facility Improvements	7,056,800	6,300,000	7,872,600	1,572,600	25%
Technology Improvements	12,602,400	37,960,000	17,059,400	(20,900,600)	-55%
Total Supplemental Capital Fund	\$ 19,861,700	\$ 50,000,000	\$ 40,782,000	\$ (9,218,000)	-18.4%

Figure 90: Supplemental Capital Fund Budget (2014-2016)

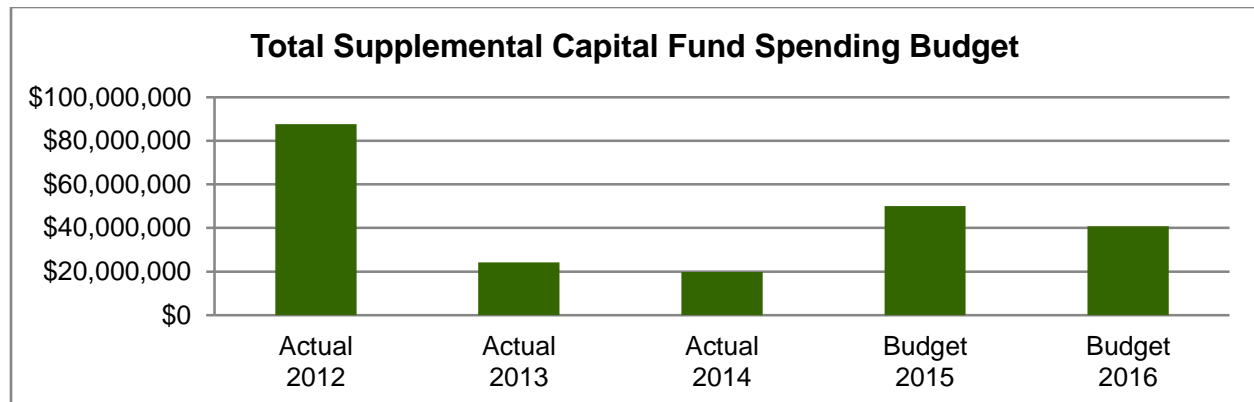


Figure 91: Supplemental Capital Fund Budget Graph (2012-2016)

Project Number	Capital Projects	2016 Total
08000021	ATMP Phase II	\$ 205,000
08007019	Roofing Replacements	1,127,500
08007033	Security Systems/ C Cure	554,700
08007050	LED Lighting Upgrades	1,025,000
08007052	Wireless Infrastructure Improvements	513,200
08007108	Radio Replacement Project	4,991,600
08007113	High Speed Lane Support	740,300
08018047	Basset Building Reconstruction	512,500
08018048	Smith Street/Holmdel Rehabilitation	51,300
08020010	Coin machine replacement	1,537,500
08027030	SAN Decommission HP	339,500
NEW	Overhead Sign Structure Access Improvements	1,281,300
NEW	Congestion and Incident Management	1,896,300
NEW	HVAC & Boiler Replacement Program	4,181,300
NEW	Arts Center Lighting	2,000,000
NEW	Commuter Park & Ride Design & Construction (Int.58)	2,050,000
NEW	Sound Barrier Repair/Replacement	1,500,000
NEW	Morris Canal Bridge	10,000,000
Total Capital Projects		\$ 34,507,000
Expense Projects		
08000020	NBHCE Pulaski Skyway - stand-by	\$ 250,000
08017034	Non-Vegetative Management	1,025,000
08999999	Contingency	5,000,000
Total Expense Projects		\$ 6,275,000
Total Supplemental Capital Fund		\$ 40,782,000

Figure 92: Supplemental Capital Fund Projects

		Supplemental Capital	
<u>PROJECT NUMBER</u>	<u>Capital Projects</u>	<u>Description</u>	
08000021	ATMP Phase II	Proper setup, customize, and integration of all the hardware and software required for the Advanced Traffic Management Program.	
08007019	Roofing Replacements	Several roof systems are 25+ years old and in need of replacement. Failure to replace can result in structural damage and hazardous conditions to patrons and employees. Planned roof replacements are Vince Lombardi Service Area and Interchange 16/18E Toll Plaza Canopy.	
08007033	Security Systems/C Cure	State of the art toll collector distress and security system on the New Jersey Turnpike and Garden State Parkway Toll Interchanges and Plazas.	
08007050	LED Lighting Upgrades	Upgrade multiple locations to LED lights, including New Jersey Turnpike Elizabeth Bridge underpasses, New Jersey Turnpike Interchanges 10,11, and 16/18E tower lighting. Poor lighting in these areas has been the cause of many complaints. The new LED system will provide maintenance free lighting for 10 years as well as a 55% reduction in energy usage.	
08007052	Wireless Infrastructure Improvements	Furnish and install redline equipment that will replace WiMAX communications equipment at eight radio tower sites on the New Jersey Turnpike and Garden State Parkway. The equipment will connect the intelligent transportation data points (signs, cameras and sensors) back to the NJTA's network.	
08007108	Radio Replacement Project	Statewide Public Safety 800 MHz LMR (Land Mobile Radio) trunked radio system for mission critical Public Safety communications for our state of the art control point at the STMC headquartered in Woodbridge, NJ. This radio system will enable the Authority to transition from our currently leased 220 MHz LMR trunked radio system. High capacity and reliable radio communications (audio and data) are mission critical to the operation of the nation's largest toll road system and to the ultimate safety of our patrons on a 24/7/365 basis.	
08007113	High Speed Lane Support	Provide software for the automatic vehicle classification system used in the Authority's high speed toll lanes loop array. To analyze data from the initial test site at Interchange 1 on the New Jersey Turnpike and customize the software to implement on all high speed toll lanes. The software module will then be finalized by the Authority's software development team for integration into all high speed toll lanes on both the New Jersey Turnpike and Garden State Parkway.	
08018047	Bassett Building Restoration	Mandated repairs/upgrades resulting from 2014 fire and subsequent inspections.	
08018048	Smith Street/Holmdel Rehabilitation	Mandatory upgrades at Smith Street & Holmdel resulting from inspections after Bassett Building fire.	
08020010	Coin Machine Replacement	Replace coin machines on the Garden State Parkway	
08027030	SAN Decommission HP	HP (Hewlett Packard) Mature Hardware Onsite Support Services provide mature product diagnosis and mature onsite hardware support for selected products that have reached HP's end of supportability status. This service will be beneficial to the Authority by providing convenient onsite support, a choice of coverage windows and a choice of onsite response times.	
NEW	Overhead Sign Structure Access Improvements	There have been several potential safety issues found during the sign commissioning and inspection process that need to be corrected: 1. Furnish/install retractable lifeline (all sites) 2. Install pedestal rungs (where needed) 3. Replace structure ladder (where needed) 4. Lower ladder guard and/or padlock (where needed) 5. Repair structure door (where needed) 6. Furnish/install padlocks (where needed).	
NEW	Congestion & Incident Management	Utilization of Sensys Data in predefined areas on the New Jersey Turnpike and Garden State Parkway. Data will be presented in a GUI (graphical user interface) on the Operations floor to improve decision making. Procurement consists of software, hardware, and services.	
NEW	HVAC & Boiler Replacement Program	Project will provide control and monitoring capabilities for the Authority. Benefits include a reduction of wasted energy, better maintenance of HVAC equipment, and optimization of HVAC systems. Upgrade existing building management controls at Authority facilities that are in poor condition and need to be upgraded. Service contract will cover new systems that are being installed in the new facilities, New Jersey State Police sites and TMD8. (Design/Installation & Service Contract)	
NEW	Arts Center Lighting	Replace all damaged underground wiring and increase lighting foot-candles to meet all of the New Jersey State Police security lighting needs.	
NEW	Commuter Park and Ride Design & Construction (Int. 58)	In May of 2014, the Authority entered into an Memorandum of Agreement with Ocean County regarding the construction of a new Park-n-Ride at Interchange 58 on the Garden State Parkway. The facility is being designed and constructed by Ocean County on property owned by the Authority. The property will be transferred to Ocean County prior to the completion of design, at no cost, and the Authority will reimburse Ocean County for all design and construction costs pertaining to the project.	
NEW	Sound Barrier Repair/Replacement	Repair or replacement of damaged sound walls. If this is the result of an accident and is recoverable, a reimbursable project will be used instead.	
NEW	Morris Canal Bridge	Design and Construction of vehicular bridge over the Morris Canal; connecting Jersey Avenue and Philip Street in Jersey City.	
		<u>Expense Projects</u>	
08000020	NBHCE Pulaski Skyway (stand by)	Provide stand by wrecker service during the construction on the Pulaski Skyway.	
08017034	Non-Vegetative Management	This contract provides a pervious asphaltic ground surfacing to combat vegetation growth adjacent to Authority roadways. Selected areas are chosen based on priority, significant manhours and resources are spent on maintenance, and/or places our employees in potentially unsafe conditions.	
08999999	Contingency	Contingency to be used for unanticipated project change order needs or new projects.	

Figure 93: Supplemental Capital Fund Project Descriptions

Construction Fund

Capital Improvement Program

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 to 9 Widening, Bridge Construction, Preservation and Security, Roadway Improvements, Interchange Improvements, Facilities Improvements, and Widening of the Garden State Parkway (Mileposts 35 to 80). To date, the Authority has issued \$6.75 billion of the Turnpike revenue Bonds to fund the \$7 billion CIP. Approximately \$1.4 billion of additional 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>	Project Amount		
	Current Budget	Spent or Committed Through 10/31/15	Percentage of Budget
Turnpike Interchange 6-9 Widening	\$ 2,278,059,000	\$ 2,186,206,000	96.0%
Bridge Construction, Preservation & Security	1,699,447,000	1,250,355,000	73.6%
Roadway Improvements	802,333,000	793,184,000	98.9%
Interchange Improvements	1,042,986,000	828,025,000	79.4%
Facilities Improvements	587,175,000	491,698,000	83.7%
Parkway Mileposts 35-80 Widening*	590,000,000	551,159,000	93.4%
	\$ 7,000,000,000	\$ 6,100,627,000	87.2%

* 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.

Figure 94: Capital Improvement Program Projects Summary

	Construction Fund Balance				
	2014 Actual	2015 Est. / Actuals	2016 Budget	2015 to 2016 \$ Change	2015 to 2016 % Change
Beginning Cash and Investments	\$ 603,790,000	\$ 904,705,572	\$ 990,507,091	\$ 85,801,519	
Bond Proceeds	1,074,407,000	797,707,057	525,000,000	(272,707,057)	
Interest Income	2,577,378	2,200,000	2,000,000	(200,000)	
Spending	(776,068,806)	(714,105,538)	(897,798,000)	(183,692,462)	
Ending Available Cash and Investments*	\$ 904,705,572	\$ 990,507,091	\$ 619,709,091	\$ (370,798,000)	-37.4%

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

Figure 95: Construction Fund Balance (2014-2016)

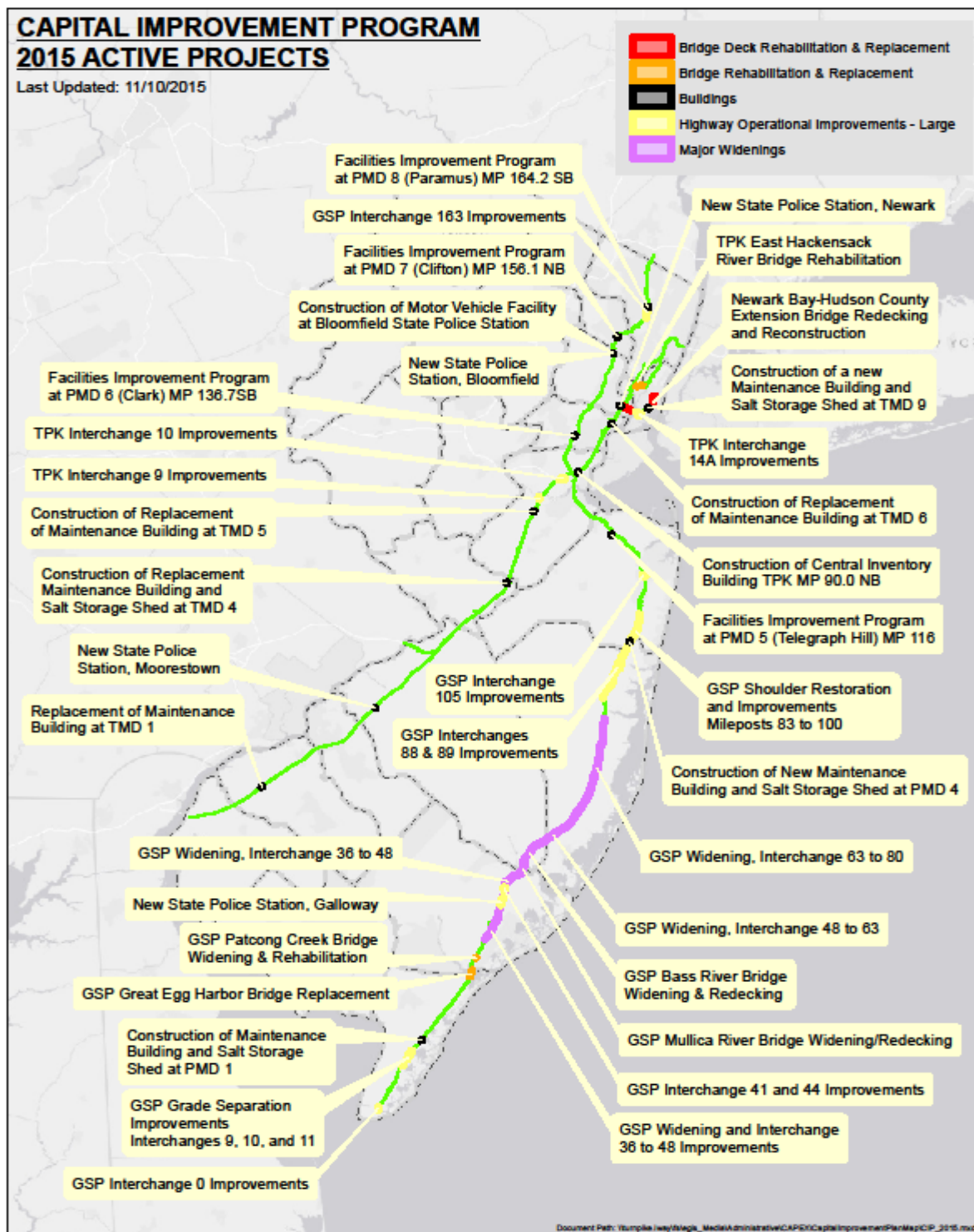


Figure 96: Map of Capital Improvement Program Active Projects

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 and opened to traffic in November 2014. The new Interchange 8 was completed in February 2013.
- d. **Impact on the Operating Budget:** Improved safety and increased roadway capacity which will generate additional revenue, updated bridge inventory which will reduce short term structural repair costs, and decreased travel time thereby making the Turnpike a more viable alternative to motorists.

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 exiting from the Turnpike will also be modified to improve traffic flow.
- c. **Schedule:** Construction began in 2012 and is scheduled to be completed in mid-2016.
- d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

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 March 2016.
- d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

4. Easterly Hackensack River Bridge Deck Reconstruction

- a. **Location:** Essex and Hudson Counties
- b. **Description:** Deck reconstruction, miscellaneous steel and roadway improvements, and repainting structural steel completed in Contract No. T100.137
- c. **Schedule:** Contract No. T100.137 began mid-2011 is now complete.
- d. **Impact on Operating Budget:** Reduced short term maintenance costs.

5. **Newark Bay-Hudson County Extension Bridge Deck Reconstruction, Between Interchanges 14 and 14A**
 - a. **Location:** Essex and Hudson counties.
 - b. **Description:** The major bridge crossing deck is being replaced in two phases between Interchanges 14 and 14A.
 - c. **Schedule:** Construction on the first phase began in 2010 and is now complete. Construction on the second phase is scheduled to begin in 2018 and will be completed by late 2021.
 - d. **Impact on the Operating Budget:** Will reduce short term maintenance costs.

6. **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 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 and will be completed in two phases, the westbound roadway followed by the eastbound roadway.
 - c. **Schedule:** Westbound construction started in 2012 and is expected to be completed in 2016. Eastbound construction will start in 2017 and be completed in 2021.
 - d. **Impact on the Operating Budget:** Will reduce short term maintenance costs.

7. **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 began in early 2015 and is scheduled to be completed in 2018.
 - d. **Impact on Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

8. **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:** Construction began in April 2015 and is scheduled to be completed in September 2016.
 - d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

9. **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:** Construction began in April 2015 and is scheduled to be completed in September 2016.
 - d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

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 early 2016.
- d. **Impact on the Operating Budget:** Improved interchange safety increased capacity and decreased travel times thereby making the Parkway a more viable alternative to motorists.

2. Great Egg Harbor Bridge Improvements

- a. **Location:** Atlantic and Cape May counties
- b. **Description:** As part of the first contract a new southbound span will be built to the west of the existing southbound span over Great Egg Harbor and Drag Channel. The nearby Beasley's Point Bridge on Route 9 will also be demolished as part of this contract. The second contract will demolish the existing southbound span and rehabilitate the existing northbound structure.
- c. **Schedule:** Construction of the first contract began in 2013 and is scheduled to be completed in mid-2016. Construction of the second contract is scheduled to begin in 2016 and be completed in 2018.
- d. **Impact on the Operating Budget:** Improved safety, increased capacity, reduced short term maintenance costs, and decreased travel times thereby making the Parkway a more viable alternative to motorists.

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 was completed in 2015.
- d. **Impact on the Operating Budget:** Improved safety, increased capacity, reduced short term maintenance costs, and decreased travel times thereby making the Parkway a more viable alternative to motorists.

4. Bridge Deck Reconstruction

- a. **Location:** Monmouth, Middlesex, union, Passaic and Bergen Counties
- b. **Description:** Replacement of non-major bridge deck and superstructures on the Parkway. Two on-going Contract Nos. P100.233 and P100.297.
- c. **Schedule:** Contract No. P100.233 began early in 2015 and is scheduled to be completed by late 2017. Contract No. P100.297 began in early 2015 and is scheduled to be completed by late 2018.
- d. **Impact on Operating Budget:** Reduced short term maintenance costs.

5. 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) was completed and opened to traffic from Mileposts 52 to 63 in the summer of 2013. The remainder of the second phase was opened to traffic in May 2015. Construction on the third phase of the Widening (Mileposts 35 to 48) began in 2014. The new lanes will be opened in both directions from Mileposts 48 to 42 at the end of 2016 and the remaining section is scheduled to be completed in 2018.
- d. **Impact on the Operating Budget:** Improved safety and increased roadway capacity which will generate additional revenue, updated bridge inventory which will reduce short term structural repair costs, and decreased travel times thereby making the interchange a more viable alternative to motorists.

6. Interchanges 36, 37 and 38 Improvements

- a. **Location:** Atlantic County
- b. **Description:** This project will improve traffic operations at these closely spaced 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:** Construction began in late 2014 and will continue until 2018 as part of the third phase on the widening of the Garden State Parkway.
- d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

7. 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 2015.
- d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

8. 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 are scheduled to be completed in 2016.
- d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

9. Interchanges 83 to 100 Shoulder Installation

- a. **Location:** Ocean and Monmouth counties
- b. **Description:** The project will restore full-width shoulders on the Parkway and improve roadway geometry to meet current design speed standards. This section of road currently had a reduced speed limit because of safety concerns.
- c. **Schedule:** Construction began in the fall of 2012 and was completed in 2015.
- d. **Impact on the Operating Budget:** improved safety for Parkway motorists.

10. Interchange 88/89 Improvements

- a. **Location:** Ocean County
- b. **Description:** A joint effort between the Turnpike Authority, NJDOT 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 service roads, and improvements to nearby county roads to simplify the traffic flow pattern and relieve congestion on local roads.
- c. **Schedule:** Construction was completed in 2015.
- d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

11. 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, along with modifications to existing movements to and from the north.
- c. **Schedule:** Construction began in late 2014 and is scheduled to be completed in 2016.
- d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

12. 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:** The Hope Road/NJ Route 36 portion of the project was completed in 2015. Construction on the Wayside Road portion began in 2015 and is expected to be completed in 2018.
- d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

13. Interchange 109 Improvements

- a. **Location:** Monmouth County
- b. **Description:** This project will improve operations and safety by reducing traffic queues on the Parkway and local streets at Interchange 109. The improvements include the replacement of four existing GSP Mainline Local and Express Roadway bridges and construction of a new flyover bridge for Newman Springs Road traffic destined for the GSP northbound. Intersection and traffic signal improvements along the Newman Springs Road corridor within vicinity of Interchange 109 are also included to mitigate operational and safety concerns on the GSP Mainline Local roadways.
- c. **Schedule:** Design began in 2014 and is scheduled for completion in late 2016. Construction is anticipated to begin in 2017 and conclude in 2019.
- d. **Impact on Operational Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

14. 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. Replacing the Parkway bridges will eliminate the height restrictions on the Chevalier Avenue.
- c. **Schedule:** Construction is expected to begin in May 2016 and be completed in December 2019.
- d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

15. 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 mid-2017.
- d. **Impact on the Operating Budget:** Improved interchange safety, increased interchange capacity and decreased travel times thereby making the interchange a more viable alternative to motorists.

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 & Committed
Turnpike Interchange 6-9 Widening				
Turnpike Int 6-9 Widening	2,278,059,000	2,186,206,000	91,853,000	96%
Total Turnpike Widening	\$ 2,278,059,000	\$ 2,186,206,000	\$ 91,853,000	96%
Bridge Construction, Preservation & Security				
Bridge Painting Phase I	110,000,000	106,928,000	3,072,000	97%
Deck Reconstruction Phase I	208,000,000	205,070,000	2,930,000	99%
Bridge Preservation & Security	162,000,000	118,603,000	43,397,000	73%
Deck Reconstruction Phase II	141,300,000	122,918,000	18,382,000	87%
Bridge Painting Phase II	100,000,000	55,303,000	44,697,000	55%
Int 16E-18E Bridge Improvement	15,147,000	15,147,000	-	100%
TP Hackensack East Bridge Rehab	153,000,000	135,472,000	17,528,000	89%
NBHCE Bridge Redecking	400,000,000	156,078,000	243,922,000	39%
TP Special Bridge Structure	15,000,000	9,003,000	5,997,000	60%
Tremley Point Connector Road	9,000,000	5,363,000	3,637,000	60%
Parkway Bass River Bridge	79,000,000	77,968,000	1,032,000	99%
Pky Mullica River Bridge	50,000,000	49,553,000	447,000	99%
Parkway Substructure Repairs	36,000,000	34,296,000	1,704,000	95%
Great Egg Harbor/Drag Channel	221,000,000	158,653,000	62,347,000	72%
Total Bridge Improvements	\$ 1,699,447,000	\$ 1,250,355,000	\$ 449,092,000	74%
Roadway Improvements				
Drainage Improvements	55,675,000	55,602,000	73,000	100%
Imp Roadway Appurtenances	47,000,000	42,093,000	4,907,000	90%
Median Barrier Improvements	50,255,000	48,504,000	1,751,000	97%
Sign Replacements Phase I	144,500,000	144,355,000	145,000	100%
Sign Replacements Phase II	124,100,000	123,627,000	473,000	100%
Turnpike/Parkway So Improve	17,250,000	16,684,000	566,000	97%
Parkway Mainline Shoulder Imp	363,553,000	362,319,000	1,234,000	100%
Total Roadway Improvements	\$ 802,333,000	\$ 793,184,000	\$ 9,149,000	99%
Interchange Improvements				
Facilities Improvements Phase II	295,750,000	285,470,000	10,280,000	97%
TP Int 8A to Rte 130 Connect	62,000,000	7,834,000	54,166,000	13%
TPK Int 14A Reconstruction	360,000,000	274,508,000	85,492,000	76%
Pky I/C 41 Improvements	32,000,000	22,299,000	9,701,000	70%
Pky I/C 142 Improvements	1,725,000	667,000	1,058,000	39%
Parkway Int 44 Improvements	30,000,000	28,288,000	1,712,000	94%
Parkway Int 9, 10 & 11 Improve	107,651,000	86,021,000	21,630,000	80%
Parkway Int 125 Phase I	40,000,000	10,085,000	29,915,000	25%
GSP I/C 88 Improvements	101,860,000	101,303,000	557,000	99%
Parkway Int 91 Improvements	12,000,000	11,550,000	450,000	96%
Total Interchange Improvements	\$ 1,042,986,000	\$ 828,025,000	\$ 214,961,000	79%
Facilities Improvements				
Salt Storage Facilities	17,475,000	17,442,000	33,000	100%
Facilities Improvements Phase I	569,700,000	474,256,000	95,444,000	83%
Total Facilities Improvements	\$ 587,175,000	\$ 491,698,000	\$ 95,477,000	84%
Widening of Garden State Parkway				
Parkway Widening Phase Int 63-80	135,000,000	134,335,000	665,000	100%
Parkway Widening Phase Int 35 -63	455,000,000	416,824,000	38,176,000	92%
Total Parkway Widening	\$ 590,000,000	\$ 551,159,000	\$ 38,841,000	93%
10 Year CIP Total	\$ 7,000,000,000	\$ 6,100,627,000	\$ 899,373,000	87%

Figure 97: Capital Improvement Program Projects

Individual projects within the \$7 Billion CIP with spending by year is shown below:

Project Number	Project Name	LTD Expenses					Total CIP Spending
		as of 12/31/2014	Spending Plan 2015	Spending Plan 2016	Spending Plan 2017	Spending Plan 2018	
Turnpike Interchange 6-9 Widening							
39018001	Turnpike Int 6-9 Widening	2,015,490,000	262,569,000	-	-	-	2,278,059,000
		\$ 2,015,490,000	\$ 262,569,000	\$ -	\$ -	\$ -	\$ 2,278,059,000
Bridge Construction, Preservation & Security							
39001008	Bridge Painting Phase I	100,604,000	9,396,000	-	-	-	110,000,000
39001010	Deck Reconstruction Phase I	172,007,000	26,373,000	9,620,000	-	-	208,000,000
39001011	Bridge Preservation & Security	61,522,000	20,062,000	42,700,000	31,846,000	5,870,000	162,000,000
39001033	Deck Reconstruction Phase II	1,070,000	4,060,000	52,415,000	45,480,000	38,275,000	141,300,000
39001034	Bridge Painting Phase II	10,804,000	20,934,000	32,080,000	16,941,000	19,241,000	100,000,000
39011002	Int 16E-18E Bridge Improvement	15,147,000	-	-	-	-	15,147,000
39011012	TP Hackensack East Bridge Rehab	128,802,000	11,243,000	12,955,000	-	-	153,000,000
39011025	NBHCE Bridge Redecking	141,329,000	684,000	34,795,000	47,260,000	175,932,000	400,000,000
39011028	TP Special Bridge Structure	5,297,000	775,000	8,353,000	575,000	-	15,000,000
39012026	Tremley Point Connector Road	1,685,000	-	-	-	7,315,000	9,000,000
39021004	Parkway Bass River Bridge	70,388,000	8,612,000	-	-	-	79,000,000
39021015	Pky Mullica River Bridge	49,507,000	493,000	-	-	-	50,000,000
39021020	Parkway Substructure Repairs	30,803,000	5,197,000	-	-	-	36,000,000
39021036	Great Egg Harbor/Drag Channel	75,262,000	48,897,000	56,885,000	31,256,000	8,700,000	221,000,000
		\$ 864,227,000	\$ 156,726,000	\$ 249,803,000	\$ 173,358,000	\$ 255,333,000	\$ 1,699,447,000
Roadway Improvements							
39002003	Drainage Improvements	48,988,000	6,687,000	-	-	-	55,675,000
39002016	Imp Roadway Appurtenances	40,296,000	6,704,000	-	-	-	47,000,000
39002017	Median Barrier Improvements	47,448,000	2,807,000	-	-	-	50,255,000
39006014	Sign Replacements Phase I	45,241,000	42,674,000	36,972,000	19,613,000	-	144,500,000
39006019	Sign Replacements Phase II	112,806,000	8,698,000	2,596,000	-	-	124,100,000
39009036	Turnpike/Parkway So Improve	15,878,000	1,372,000	-	-	-	17,250,000
39018032	Turnpike Widening Int 16W to Int 18W	-	-	-	-	-	-
39022023	Parkway Mainline Shoulder Imp	283,394,000	51,059,000	26,956,000	512,000	1,632,000	363,553,000
		\$ 594,051,000	\$ 120,001,000	\$ 66,524,000	\$ 20,125,000	\$ 1,632,000	\$ 802,333,000
Interchange Improvements							
39003035	Facilities Improvements Phase II	112,093,000	2,701,000	114,838,000	66,118,000	-	295,750,000
39013005	TP Int 8A to Rte 130 Connect	4,427,000	229,000	35,554,000	21,690,000	100,000	62,000,000
39013027	TPK Int 14A Reconstruction	44,608,000	79,969,000	112,000,000	66,031,000	57,392,000	360,000,000
39023006	Pky I/C 41 Improvements	20,402,000	11,598,000	-	-	-	32,000,000
39023007	Pky I/C 142 Improvements	628,000	1,097,000	-	-	-	1,725,000
39023009	Parkway Int 44 Improvements	18,042,000	11,958,000	-	-	-	30,000,000
39023022	Parkway Int 9, 10 & 11 Improve	50,975,000	39,335,000	7,681,000	9,660,000	-	107,651,000
39023024	Parkway Int 125 Phase I	4,626,000	437,000	293,000	34,644,000	-	40,000,000
39023029	GSP I/C 88 Improvements	76,928,000	15,151,000	9,781,000	-	-	101,860,000
39023030	Parkway Int 91 Improvements	1,044,000	4,465,000	6,491,000	-	-	12,000,000
		\$ 333,773,000	\$ 166,940,000	\$ 286,638,000	\$ 198,143,000	\$ 57,492,000	\$ 1,042,986,000
Facilities Improvements							
39003040	Salt Storage Facilities	5,579,000	-	-	-	11,896,000	17,475,000
39005013	Facilities Improvements Phase I	133,205,000	106,441,000	205,000,000	90,000,000	35,054,000	569,700,000
		\$ 138,784,000	\$ 106,441,000	\$ 205,000,000	\$ 90,000,000	\$ 46,950,000	\$ 587,175,000
Widening of Garden State Parkway							
39028018	Parkway Widening Phase Int 63-80	130,789,000	4,211,000	-	-	-	135,000,000
39028031	Parkway Widening Phase Int 35-63	211,379,000	81,223,000	89,833,000	42,123,000	30,442,000	455,000,000
		\$ 342,168,000	\$ 85,434,000	\$ 89,833,000	\$ 42,123,000	\$ 30,442,000	\$ 590,000,000
GRAND TOTAL:		\$ 4,288,493,000	\$ 898,111,000	\$ 897,798,000	\$ 523,749,000	\$ 391,849,000	\$ 7,000,000,000

Figure 98: Capital Improvement Program Project Spending By Year

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	70,005,000
Series 2004 B	168,645,000
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 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 2012 A	141,255,000
Series 2012 B	804,435,000
Series 2013 A	1,400,000,000
Series 2013 B	100,000,000
Series 2013 C	271,000,000
Series 2013 D	225,000,000
Series 2013 E	150,000,000
Series 2013 F	90,880,000
Series 2014 A	1,000,000,000
Series 2014 B-1	25,000,000
Series 2014 B-2	50,000,000
Series 2014 B-3	50,000,000
Series 2014 C	201,860,000
Series 2015 A	92,500,000
Series 2015 B	50,000,000
Series 2015 C	43,750,000
Series 2015 D	43,750,000
Series 2015 E	750,000,000
Premiums and discounts	639,764,407
Total	\$ 11,426,684,407

* As of November 4, 2015

Figure 99: Outstanding Bonds

Aggregate Bond Debt Service Requirements

<u>Year Ending December 31</u>	<u>Debt Service</u>
2015	\$ 666,107,465
2016 ⁽¹⁾	774,671,489
2017	802,671,148
2018	770,705,772
2019	808,545,072
2020	823,974,183
2021	821,695,859
2022	852,525,078
2023	856,182,007
2024	848,712,720
2025	854,162,100
2026	760,755,290
2027	823,005,589
2028	746,012,202
2029	740,905,544
2030	737,148,718
2031	737,147,923
2032	737,042,430
2033	737,146,713
2034	807,299,550
2035	851,646,506
2036	851,588,565
2037	851,562,682
2038	851,536,230
2039	851,512,910
2040	851,481,490
2041	210,471,300
2042	210,476,750
2043	105,557,800
2044	105,560,000
Total	\$ 21,447,811,085

* As of November 4, 2015

(1) Does not agree to the 2016 Debt Service Fund Budget as the budget includes debt service on projected new money issuance in 2016.

Figure 100: Annual Debt Service Requirements

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”.

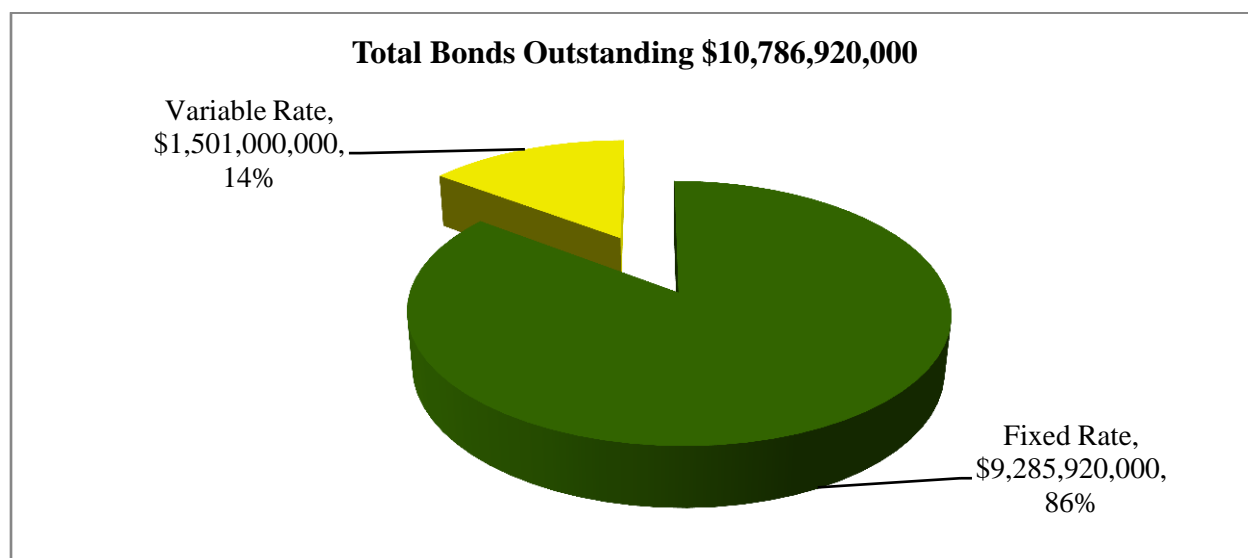


Figure 101: Total Outstanding Bonds

Debt Service Fund Budget

<u>Bond Series</u>	<u>2014 Actual</u>	<u>2015 Budget</u>	<u>2016 Budget</u>	<u>\$ Change from 2015 Budget</u>	<u>% Change from 2015 Budget</u>
1991 Series C	\$ 4,365,000	\$ 71,525,400	\$ -	\$ (71,525,400)	
2000 Series B-G (1)	13,340,000	17,248,000	17,248,000	-	
2003 Series B	174,163,000	72,982,600	-	(72,982,600)	
2004 Series B	-	8,707,000	8,685,000	(22,000)	
2004 Series C-2	7,307,000	7,307,000	7,307,000	-	
2005 Series A	18,930,000	9,117,000	9,117,000	-	
2005 Series B	1,563,000	1,563,000	1,563,000	-	
2005 Series D1-4	10,959,000	10,959,000	10,959,000	-	
2009 Series A (1)(2)	2,722,000	203,000	-	(203,000)	
2009 Series B	1,645,000	121,000	-	(121,000)	
2009 Series E	15,750,000	15,750,000	15,750,000	-	
2009 Series F	101,943,000	101,943,000	101,943,000	-	
2009 Series G	1,739,000	1,739,000	17,384,000	15,645,000	
2009 Series H	15,193,000	15,193,000	15,193,000	-	
2009 Series I	8,900,000	8,900,000	8,900,000	-	
2010 Series A	131,387,000	131,387,000	131,387,000	-	
2011 Series A	1,679,000	-	-	-	
2011 Series B	1,157,000	-	-	-	
2012 Series A	6,808,000	6,894,000	6,894,000	-	
2012 Series B	39,772,000	39,772,000	39,772,000	-	
2012 Series G (1)(3)	1,745,000	1,252,000	-	(1,252,000)	
2013 Series A	-	72,919,000	72,916,000	(3,000)	
2013 Series B (1)(3)	6,196,000	6,171,000	53,665,000	47,494,000	
2013 Series C (1)	16,618,000	16,633,000	146,133,000	129,500,000	
2013 Series D 1-3 (1)	8,992,000	8,930,000	9,136,000	206,000	
2013 Series E 1-3 (1)	5,729,000	6,091,000	6,091,000	-	
2013 Series F	4,241,000	4,357,000	4,357,000	-	
2013 Series G (1)(3)	1,747,000	1,253,000	-	(1,253,000)	
2014 Series A (4)	-	-	29,741,000	29,741,000	
2014 Series B 1-3 (1)	1,951,000	4,750,000	4,750,000	-	
2014 Series C	2,355,000	10,093,000	10,093,000	-	
2015 Series A (1)(2)	-	3,089,000	3,929,000	840,000	
2015 Series B (1)	-	1,746,000	1,891,000	145,000	
2015 Series C (1)(3)	-	488,000	1,728,000	1,240,000	
2015 Series D (1)(3)	-	488,000	1,729,000	1,241,000	
2015 Series E	-	9,324,000	36,413,000	27,089,000	
2016 Series A (5)	-	-	19,685,000	19,685,000	
	<u>\$608,896,000</u>	<u>\$668,895,000</u>	<u>\$794,359,000</u>	<u>125,464,000</u>	<u>18.8%</u>

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

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

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

(4) Funding includes capitalized interest from the date of the bond issuance through May 2016.

Therefore, there is no interest payable from Revenues in 2014 and 2015.

(5) Assumed new money issuance in 2016 of \$525 million to fund the \$7 billion capital program.

Figure 102: Debt Service Fund Budget (2014-2016)

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 and the Authority continues to issue new money bonds to fund the CIP. The 2016 budget assumes the issuance of up to \$525 million of new money Turnpike Revenue Bonds to provide additional funds for the \$7 billion CIP at an interest rate of 5%.

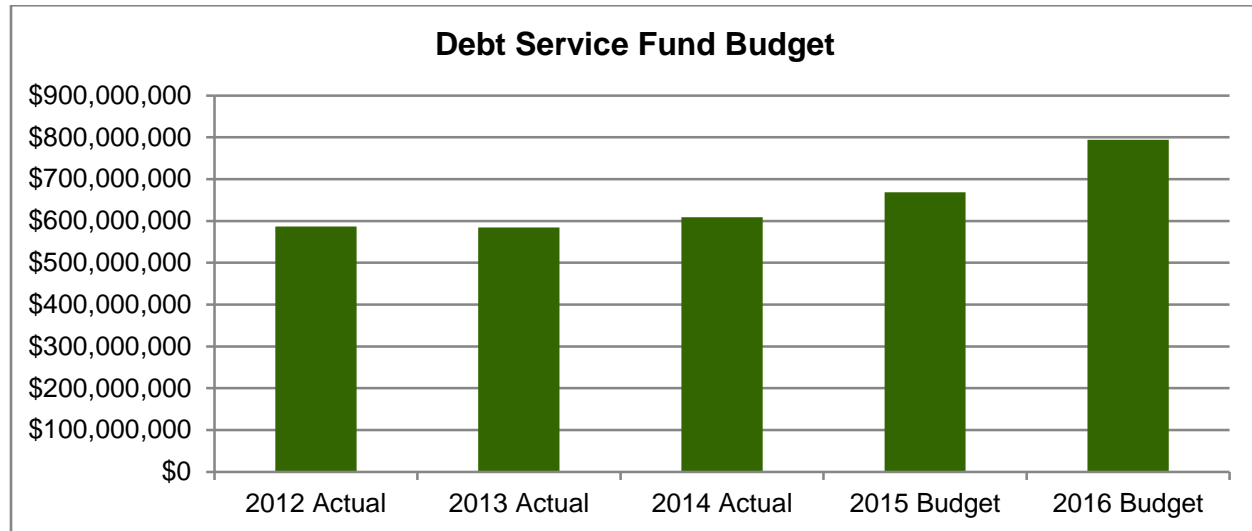


Figure 103: Debt Service Fund Budget Graph (2012-2016)

Debt Service Fund Balance					
	2014	2015	2016	2015 to 2016	2015 to 2016
	Actual	Est. / Actuals	Budget	\$ Change	% Change
Beginning Balance	\$ 148,565,000	\$ 164,205,000	\$ 142,140,900	\$ (22,064,100)	
Interfund Transfers	608,895,900	661,471,300	774,671,500	113,200,200	
Interest Expense	(444,690,900)	(519,330,400)	(576,931,500)	(57,601,100)	
Bond Payments	(148,565,000)	(164,205,000)	(142,115,000)	22,090,000	
Ending Balance	\$ 164,205,000	\$ 142,140,900	\$ 197,765,900	\$ 55,625,000	39.1%

Figure 104: Debt Service Fund Balance (2014-2016)

Debt Reserve Fund

No spending budget is required for the Debt Reserve Fund, as no draws on the Debt Reserve Fund are anticipated for 2016. The Authority does expect to issue up to \$525 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					
	2014	2015	2016	2015 to 2016	2015 to 2016
	Actual	Est. / Actuals	Budget	\$ Change	% Change
Beginning Balance	\$ 518,029,839	\$ 561,307,439	\$ 588,807,439	\$ 27,500,000	
Interfund Transfers	43,277,600	27,500,000	19,500,000	(8,000,000)	
Ending Balance	\$ 561,307,439	\$ 588,807,439	\$ 608,307,439	\$ 19,500,000	3.3%

Figure 105: Debt Reserve Fund Balance (2014-2016)

Charges Fund Budget

The Broker/Dealer fees on the Series 2000B-G Bonds were reduced due to the replacement of one broker/dealer and renegotiation of fees with the second broker/dealer. In addition, the Series 2009A-B Bonds were refunded in early 2015 eliminating the remarketing fees.

Bond Series	2014	2015	2016	\$ Change from	% Change from
	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	2015 Budget	2015 Budget
2000B-G	\$ 1,007,000	\$ 528,000	\$ 155,000	\$ (373,000)	-71%
2009A-B	143,000	47,000	-	(47,000)	-100%
Total Charges Fund	\$ 1,150,000	\$ 575,000	\$ 155,000	\$ (420,000)	-73.0%

Figure 106: Total Charges Fund Budget (2014-2016)

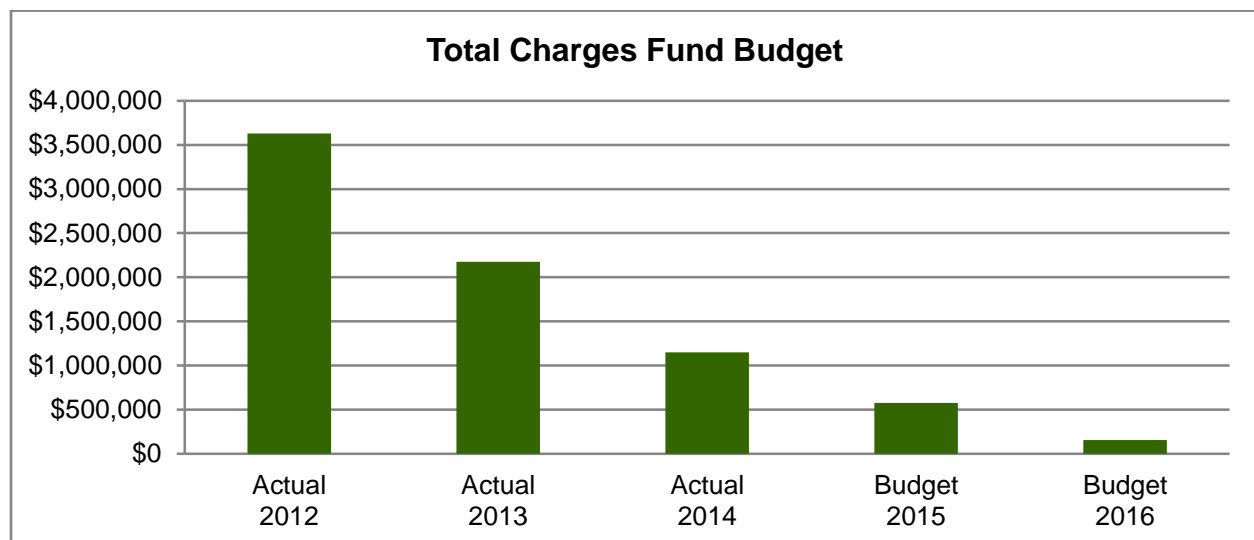


Figure 107: Total Charges Fund Budget Graph (2012-2016)

	Charges Fund Balance				
	2014	2015	2016	2015 to 2016	2015 to 2016
	<u>Actual</u>	<u>Est. / Actuals</u>	<u>Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Balance	\$ 118,000	\$ 129,000	\$ 152,000	\$ 23,000	
Interfund Transfers	1,150,000	575,000	155,000	(420,000)	
Interest Expense	(1,139,000)	(552,000)	(155,000)	397,000	
Ending Balance	\$ 129,000	\$ 152,000	\$ 152,000	\$ -	0.0%

Figure 108: Charges Fund Balance (2014-2016)

Debt Management Policy

I. INTRODUCTION

A. Purpose of Policy

This Debt Management Policy is intended to serve as a management tool to enable the New Jersey Turnpike Authority (the "Authority") to identify circumstances and transactions under which the Authority can issue and manage its bonds, notes and other obligations in the most efficient manner and provide for the full and timely repayment thereof. This policy is also intended to serve as guidance for management of the Authority with respect to:

- (i) the issuance and incurrence of Authority debt in appropriate amounts and types with the goals of achieving the lowest possible costs of capital within prudent risk parameters and ensuring ongoing access to the capital markets;
- (ii) compliance by the Authority with all provisions of the Act (as hereinafter defined) relating to bonds, notes or other obligations of the Authority, as well as all provisions of the Authority's Bond Resolution (as hereinafter defined);
- (iii) preservation of financial flexibility to maintain appropriate resources and funding capacity for present and future capital needs;
- (iv) management of interest rate risk exposure to promote the appropriate diversification within the debt portfolio to balance risk and liquidity and promote and maintain an acceptable balance between interest rate risk and the long-term cost of capital; and
- (v) securing of highly qualified professional services firms to assist with debt issuance in an open and competitive process.

B. The Authority

The Authority is a public body corporate and politic of the State of New Jersey created under and by virtue of the New Jersey Turnpike Authority Act of 1948, constituting Chapter 454 of the Laws of New Jersey of 1948, as amended and supplemented (the "Act").

C. Review

This Policy will be reviewed by the Authority no less than once every (2) two years and any changes to this Policy will be presented to and approved by the Authority's Board of Commissioners. This Policy will also be made available on the Authority's website (<http://www.state.nj.us/turnpike>).

D. Best Interests of the Authority

Although adherence to this policy is desirable, deviations from the policy may be appropriate at times to address: (i) changing financial goals; (ii) emerging financial products/debt structures; and/or (iii) unique market opportunities. Consequently, the general best interests of the Authority shall supersede any provision of the policy.

II. TURNPIKE REVENUE BONDS

A. Legal Authority

Pursuant to the Act, the Authority is authorized and empowered to issue and incur its bonds, notes and other obligations for the purposes and on the terms and conditions set forth in the Act. All currently issued and outstanding bonds of the Authority, and all future bonds, notes or other obligations of the Authority, have been or will be issued and incurred under and pursuant to, and/or in accordance with, the terms and provisions of the Act and a resolution of the Authority adopted on August 20, 1991 and entitled, "Turnpike Revenue Bond Resolution", as amended and restated on September 26, 1991, and as further amended and restated on November 22, 1991, as the same has been and will be further amended, restated and supplemented from time to time (the "Bond Resolution") (Capitalized terms used herein which are not otherwise defined shall have the meaning given to such terms in the Bond Resolution).

B. Approvals of Governor and State Treasurer

Pursuant to Section 3(F) of the Act (N.J.S.A. 27:23-3(F)), no resolution or other action of the Authority providing for the issuance of bonds, refunding bonds or other obligations or the fixing, revising or adjusting of tolls for the use of the Turnpike System shall be adopted or otherwise made effective by the Authority without the prior written approval of the Governor and the State Treasurer. Section 3(F) of the Act further provides that the powers conferred upon the Governor and the State Treasurer pursuant to such Section shall be exercised with due regard of the rights of the holders of the Authority's bonds at any time outstanding and nothing in such Section shall in any way limit, restrict or alter the obligation or powers of the Authority to carry out and perform each and every covenant, agreement or contract at any time made or enter into by or on behalf of the Authority with respect to its bonds or for the benefit, protection and security of the holders thereof.

C. Use of Debt Proceeds

As more fully described in this Policy, bonds, notes and other obligations will be issued by the Authority solely for the purposes of financing its essential capital activities or refunding outstanding debt. Debt will not be issued by the Authority to fund, in whole or in part, operation and maintenance costs of the Turnpike System or capital assets with average useful lives which are shorter than the average maturity of the associated debt. All bonds, notes and other obligations issued by the Authority will comply with the requirements of the Act and the Bond Resolution, as well as all other applicable federal and state laws, rules and regulations.

D. Types of Debt

Under the Bond Resolution, the Authority is authorized to issue Turnpike Revenue Bonds payable from and secured by a lien on and pledge of the Pledged Revenues of the Turnpike System on a parity with all Bonds Outstanding under the Bond Resolution from time to time and the reimbursement and payment obligations under certain Credit Facilities and Qualified Swap (as such terms are defined in the Bond Resolution). Specific types of debt that can be issued are as follows:

(i) Long-Term Debt: Although the Statute and Bond Resolution allow debt to be issued up to forty (40) years, the Authority will limit its maturities to up to thirty (30) years from date of issuance to finance essential capital activities for the Turnpike System, including the acquisition, construction, and rehabilitation of major capital assets for and/or additions to the New Jersey Turnpike, the Garden State Parkway, and any other component of the Turnpike System.

(ii) Short-Term Debt: Short-term debt with maturities of two (2) years or shorter may be used to provide interim financing for the acquisition, construction, and rehabilitation of capital assets for and/or additions to the Turnpike System and/or to reduce or hedge interest rate costs. Short-term debt obligations may include bond anticipation notes and variable rate bonds or notes, as well as any other appropriate instrument(s).

(iii) Variable Rate Debt: In addition to fixed rate debt, the Authority may issue bonds/notes with a variable interest rate to: (i) diversify its debt portfolio; (ii) reduce interest costs; (iii) improve its match of assets to liabilities; and/or (iv) provide budgetary relief. Pursuant to and in accordance with the provisions of the Bond Resolution and its Interest Rate Swap Management Plan, the Authority may also enter Qualified Swap Agreements and/or Exchange Agreements to hedge its interest rate risk on variable rate debt where appropriate.

E. Purposes

The Authority may issue debt for either new money or refunding purposes.

(i) New Money: New money debt may be issued by the Authority to provide funding for essential capital activities as described in the Section entitled "Types of Debt" above.

(ii) Economic Refunding: The Authority may issue refunding debt to achieve debt service savings on its outstanding debt by redeeming outstanding debt with lower interest rate debt. The Authority may structure the savings from these refunding issues on a level, accelerated or deferred basis depending on the Authority's financing goals.

(iii) Non-Economic Refunding: In certain instances, it may be advantageous for the Authority to issue refunding debt that does not produce positive economic savings but serves to restructure existing debt or retire debt in order to remove undesirable debt covenants. Prior to issuing non-economic refunding debt, the Authority will evaluate the benefits (both intangible and tangible) of issuing such debt as well as the economic cost of such debt.

F. Debt Limit

The amount of bonds to be issued is limited by the following in the Bond Resolution:

(i) 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.

(ii) 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 (i) 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 (ii) 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".

G. State Non-Impairment Agreement

Pursuant to Section 7 of the Act (N.J.S.A. 27:23-7), the State of New Jersey has pledged and agreed with the holders of the Authority's bonds that it will not limit or restrict the rights vested in the Authority to acquire, maintain, construct, improve, manage, repair, reconstruct and operate the Turnpike System, or to establish and collect such charges and tolls as may be convenient or necessary to produce sufficient revenue to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the holders of the Authority's bonds or in any way impair the rights and remedies of the holders of such bonds until the bonds, together with interest thereon, are fully paid and discharged.

III. DEBT STRUCTURING

A. Maximum Term

The Authority will limit its maturities to a maximum of thirty (30) years from date of issuance. The average maturity of the Authority's bonds may not exceed the average remaining useful life of the assets being financed or the limitations set forth in the Act.

B. Bond and Debt Service Structure

Turnpike Revenue Bonds can be structured using discount, par, or premium coupons or any combination, utilizing the coupon structure, which produces the lowest True Interest Cost (TIC), taking into consideration the call option value of any callable maturities. When comparing yields associated with callable premium bonds and callable discount bonds of the same maturity, the yield-to-maturity should be evaluated in addition to the yield-to-call date. The use of capital appreciation bonds or zero-coupon bonds should be used only when necessary to meet minimum Net Revenue Requirement targets or minimum General Reserve Fund target balances as specified in the Authority's Financial Management Principles and Guidelines, or if they produce the lowest TIC compared to other structures. The Authority will structure its new money debt maturities to achieve either an overall level debt service structure for its debt portfolio or a standalone level debt service structure. The determination of debt service structure will consider Net Revenue Requirement targeted levels and minimum General Reserve Fund balance target levels as specified in the Authority's Financial Management Principles and Guidelines, as well as the TIC for various debt service structures to achieve the optimum structure.

C. Maturities

Bonds or notes may be serial bonds or notes, or term bonds or notes, or any combination thereof.

D. Composition of Debt

The aggregate amount of the Authority's long-term variable rate debt should not exceed 20% of its outstanding long-term debt.

E. Credit Enhancement

The Authority may secure credit and/or liquidity enhancement for all or a portion of each debt issuance, which may be in the form of municipal bond insurance, a letter/line of credit or a standby purchase arrangement. The Executive Director and the Chief Financial Officer shall make the final recommendation to use bond insurance for a particular debt issuance after taking into account such factors as the economic benefit of the enhancement, the Authority's available insurance capacity with the insurance community, and future secondary market trading conditions. The Authority will not secure credit enhancement through the final maturity date of a particular debt issuance unless it meets the minimum threshold of providing a net economic benefit to the transaction, assuming the debt remains outstanding until its final maturity date. With respect to bond insurance or any other form of credit enhancement which is paid for with an upfront premium, the Authority will analyze the economic benefit both to the final maturity date of the debt and to the first optional redemption date of the debt.

The Authority may also use a letter/line of credit and/or a standby purchase arrangement (collectively, a "Credit/Liquidity Facility") to provide credit and/or liquidity support for its debt. The Authority shall consider the following criteria when selecting the provider of a Credit/Liquidity Facility: (i) the long-term ratings of the provider, which shall be at least equal to or better than the Authority's long-term ratings; (ii) the short-term ratings of the provider, which shall be at least P-1/A-1; (iii) the legal and business terms and conditions of the agreement with the provider, which shall be acceptable to the Authority; (iv) a representative list of clients similar to the Authority for whom the provider has provided credit and/or liquidity support; (v) the costs to the Authority associated with the proposed Credit/Liquidity Facility, including the cost of the Credit/Liquidity Facility itself, the fees associated with any drawings on the Credit/Liquidity Facility, the fees and expenses of counsel to the provider and any other administrative costs associated with the Credit/Liquidity Facility, and (vi) the trading differential cost between the Authority's debt which is supported by the proposed Credit/Liquidity Facility and its unenhanced debt.

F. Capitalized Interest

Capitalized Interest may be used if needed for new money bonds but is limited to two (2) years.

G. Derivative Agreements

The Authority shall maintain an Interest Rate Swap Management Plan and the time to time use by the Authority of any Qualified Swap Agreements, Exchange Agreements, and other derivative agreements and instruments in connection with its debt shall comply with the terms of its Interest Rate Swap Management Plan as in effect. The Authority shall consult with its Bond Counsel and Financial/Swap Advisor in the event that the Authority is considering entering into any Qualified Swap Agreement, Exchange Agreement, and other derivative agreement or instrument in connection with any debt.

H. Call Provisions

Long-term fixed rate tax-exempt debt should generally be callable in ten (10) years. This provides flexibility to refund bonds if interest rates decline. An analysis should be performed to determine the economic benefit of utilizing call provisions shorter than ten (10) years.

I. Tax Status

The Authority may issue debt on a taxable or tax-exempt basis. The Authority has a preference for issuing debt on a tax-exempt basis to take advantage of the expected interest costs savings compared to issuing taxable debt.

IV. DEBT ISSUANCE

A. Sale of Bonds

The Authority shall determine the method of sale of its bonds (competitive versus negotiated) by evaluating the benefits that are associated with each method of sale, in addition to examining financial and market conditions. Due to the size and complexity of the Authority's debt issues, bonds are normally sold on a negotiated basis. Underwriters shall be selected through a Request For Proposal (RFP) process and the Authority will encourage the participation of minority-owned and women-owned business enterprises, and will take into consideration an applicant's presence in New Jersey. The RFP process will be in compliance with the Authority's procurement policies and Executive Order 37 (Corzine). The Authority will use the services of a financial advisor and bond counsel, each of which will be selected through an RFP process.

In accordance with Article IX of the Bond Resolution, the Authority shall appoint a Trustee, Paying Agent, and Registrar for the new bond series. All Fiduciaries shall accept all responsibilities as outlined in Article IX of the Bond Resolution.

B. Credit Ratings

The Authority shall have a ratings strategy that is guided by achieving the best economic results for the Authority, including attaining a proper balance between minimizing borrowing costs and maximizing financial flexibility for the Authority's debt program. The Authority shall strive to maintain or improve the credit ratings for its debt without adversely affecting the levels or types of debt that may be issued by the Authority to finance its essential capital activities, including the acquisition, construction and rehabilitation of major capital assets for and/or additions to the Turnpike System. The Authority recognizes and acknowledges, however, that as market conditions and financing needs change and evolve, so should the Authority's credit ratings strategy. The Authority may accept a lower credit rating or downgrade to its existing ratings (and thus incur a modest financing cost differential) in order to gain the flexibility needed to effect significant policy initiatives. The Authority will periodically review its credit rating strategy to assess whether market or capital plan developments warrant a revision in the Authority's approach to its ratings.

As of January 2014, the Authority is rated A3 by Moody's Investors Services, A+ by Standard and Poor's Ratings Services, and A by Fitch Ratings Inc. The Authority will receive ratings from at least two (2) of the four (4) nationally recognized credit rating agencies, which are currently Moody's Investors Services, Standard and Poor's Rating Services, Fitch Ratings Inc., and Kroll Bond Rating Agency. Selection of the ultimate number of ratings and credit rating agency will be based upon overall cost, service to the Authority, any investor requirements and the recommendation of the Authority's financial advisor.

The Authority will strive to communicate regularly and frequently with the credit rating agencies. To the extent possible and/or necessary, the Authority will forward periodic information to the credit rating agencies, arrange regular conference calls to update the rating analysts on any significant financial developments and communicate with the credit rating agencies prior to each Authority debt issuance. The Authority will also maintain periodic communication with its credit enhancement providers, updating them on financial developments as a means of facilitating future market participation with the credit enhancement community.

C. Economic Refunding Criteria

When identifying potential refunding candidates for economic refunding, the Authority will generally seek a minimum per transaction present value savings threshold of three percent (3%). Notwithstanding the above, the 3% savings threshold shall not apply for debt with a call date between one (1) and three (3) years from their stated maturity, or for small principal maturities and bonds that produce significant negative arbitrage. In addition, for an advance refunding, the Authority will consider the refunding efficiency of potential bond refunding, considering the negative arbitrage, if any, on the refunding escrow and will seek a minimum refunding efficiency percentage of at least seventy percent (70%).

V. DEBT MANAGEMENT

A. Investment of Funds

The Authority shall invest all of its funds (including the proceeds received from the sale of its bonds, notes or other obligations), which are not immediately needed for the purposes of the Authority, in Investment Securities as provided in the Bond Resolution. The Authority shall invest all of its funds in a manner that allows such funds to be available when needed to be applied for their intended purposes. Investments are further governed by the terms of the Authority's Investment Policy.

B. Compliance with Bond Resolution

The Bond Resolution, including specifically Article VII thereof, contains several covenants, requirements and other provisions which the Authority has agreed to comply with for the benefit, protection and security of the holders of its outstanding bonds issued from time to time under and pursuant to the Bond Resolution. The Authority shall at all times manage its debt portfolio and operate and manage the Turnpike System in a manner which results in the Authority being in compliance with all covenants, requirements, and other provisions of the Bond Resolution, including, without limitation, the Sections of the Bond Resolution more fully described below.

(i) Tolls and Charges

Pursuant to Section 713 of the Bond Resolution, the Authority has covenanted to, at all times, fix, charge and collect such tolls for the use of the Turnpike System as shall be required in order that in each calendar year the Net Revenues shall at least equal the Net Revenue Requirement for such year. Section 713 of the Bond Resolution furthers provides that, on or before December 1 in each year, the Authority shall complete a review of its financial condition for the purpose of estimating whether the Net Revenues for such year and the next succeeding year will be sufficient to meet the Net Revenue Requirement and shall by resolution of its Board of Commissioners make a determination with respect thereto. The Authority shall file a copy of its determination with the Trustee under the Bond Resolution on or before December 20 of each year. If the Authority determines that the Net Revenues may not be sufficient to meet the Net Revenue Requirement, the Authority shall cause its Traffic Engineers to make a study for the purpose of recommending a new schedule of tolls which will cause the Authority to have sufficient Net Revenues to meet the Net Revenue Requirement, and, as promptly as practicable, but by no later than the following April 1, the Authority shall adopt and place into effect the schedule of tolls recommended by the Traffic Engineers.

(ii) Annual Budget

Section 710 of the Bond Resolution contains certain covenants, agreements and provisions relating to the preparation, filing and adoption of the Authority's annual budget for each calendar year. The Authority shall at all times comply with the provisions of Section 710 in connection with the adoption of each annual budget.

(iii) Sale, Lease or Disposal of Property

Section 708 of the Bond Resolution provides that no part of the Turnpike System shall be sold, mortgaged, leased or otherwise disposed of, except as permitted by such Section. Among other things, Section 708 permits the Authority to sell, lease or exchange any property or facilities constituting part of the Turnpike System and not useful or necessary in the operations thereof, but any proceeds of any such transaction not used to acquire other property necessary or desirable for the safe and efficient operation of the Turnpike System shall be deposited in the Revenue Fund or the General Reserve Fund as the Authority may determine. The Authority shall at all times comply with the provisions of Section 708 of the Bond Resolution.

(iv) Consulting and Traffic Engineers

As required by Section 709 of the Bond Resolution, the Authority shall employ, at the times and in the manner set forth in Section 709, the services of separate, independently nationally recognized engineering firms or entities to perform the functions and duties of the Consulting Engineers and the Traffic Engineers, respectively, set forth in the Bond Resolution.

(v) Books, Accounts, Records and Reports

As required by Section 717 of the Bond Resolution, the Authority shall keep and maintain proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the Turnpike System and all Funds and Accounts established under the Bond Resolution. The Authority shall also prepare, or caused to be prepared, and file with the Trustee, the Consulting Engineers and, if applicable, the holders of any of the Authority's bonds, all financial and statistical reports, including its annual audited financial statements, required by the provisions of Section 717 at the times and in the manner required by the provisions of such Section. The Authority shall prepare and keep its books of record and accounts and its financial statements and reports in accordance with generally accepted accounting principles applicable to governmental entities in the United States of America. The Authority shall from time to time institute such controls as may be recommended by its independent auditor and other best practices deemed appropriate by its Chief Financial Officer.

(vi) Debt Service Reserve Requirement

In connection with the issuance of any bonds by the Authority, the Bond Resolution also requires that the Debt Reserve Fund created under the Bond Resolution must be funded to the Debt Reserve Requirement, which is the lesser of (i) the greatest amount of interest accruing on all outstanding bonds of the Authority any in calendar year, or (ii) the maximum amount permitted by the provisions of the Internal Revenue Code of 1986, as amended.

B. Compliance with Financial Management Principles and Guidelines

The Authority will comply with its Financial Management Principles and Guidelines as they pertain to the issuance, structure and management of debt.

C. Arbitrage and Rebate

The Authority will engage the services of an Arbitrage and Rebate Consultant to provide written reports to assist the Authority in monitoring yield on investments and calculating any rebate that may be due for all tax-exempt bonds. The consultant will provide written reports on the arbitrage liability, if any, on an annual basis. The Authority will file all required forms with the Internal Revenue Service and make any required payments when due.

D. Continuing Disclosure Agreement

In order to enable the underwriters of its bonds to comply with SEC Rule 15c2-12, the Authority enters into a Continuing Disclosure Agreement for each bond issue to provide for the timely filing of annual financial information, and material event notifications. Under its existing Continuing Disclosure Agreements, the Authority has agreed to provide, by May 1 of each year, its Audited Financial Statements, Annual Budget, and Financial Summary for the Twelve Months Ended December 31 and its Net Revenue Certification. A Continuing Disclosure Agreement will be executed for each bond issue.

E. Investor Relations

The Authority will maintain current and meaningful financial and other information on its website for the benefit of investors, credit enhancement providers and credit rating agencies. At a minimum, the Authority's investor relations website will contain traffic and revenue statistics, audited financial statements, trustee reports, and financial summaries.

VI. POST-ISSUANCE COMPLIANCE POLICY

A. Purpose

This Post-Issuance Compliance Policy (the “Policy”) sets forth policies of the Authority designed to monitor compliance of tax-advantaged obligations (“Obligations”) issued by the Authority with applicable provisions of the Internal Revenue Code of 1986 as amended (the “Code”) and regulations promulgated thereunder (“Treasury Regulations”).

The Policy documents existing practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations be, or continue to be, or would be but for certain provisions of the Code, excludable from gross income for Federal income tax purposes.

The Authority recognizes that compliance with applicable provisions of law is an ongoing process, necessary during the entire term of the Obligations. Accordingly, analysis of information and implementation of this Policy will require continual monitoring and likely, ongoing consultation with bond counsel. Further policies and procedures may be identified from time to time by Authority staff in consultation with bond counsel and the arbitrage and rebate consultant.

B. Policy Statement

After Obligations are issued, the compliance process includes a focus on use and investment of proceeds of the Obligations and includes:

- Tracking bond proceeds spending for qualified and nonqualified purposes;
- Maintaining detailed records of expenditures and investments;
- Ensuring that the facilities financed are used in a manner consistent with legal and tax requirements;
- Providing necessary disclosure information regarding financial and operating status;
- Maintaining adequate records.

C. Organizational Responsibility

The Executive Director has overall responsibility for post-issuance compliance for Obligations issued by the Authority and may delegate such responsibilities to a “Compliance Officer,” who will have primary responsibility for post-issuance compliance to ensure and monitor post-issuance matters with respect to Obligations. The Executive Director shall be responsible for assuring an adequate succession plan for transferring post-issuance compliance responsibility when changes in staff occur.

In the case of Obligations for which the Authority must review and approve requisitions, the Authority’s Finance Department shall review requisitions to assure that proceeds are expended on projects as authorized in the applicable bond documents, that reimbursement of pre-issuance costs are permissible, and to determine when projects are completed and/or placed in service, including for Build America Bonds. The Chief Financial Officer, or designee, shall direct investment of proceeds, review monthly bank statements from trustees or custodians and engage an Arbitrage and Rebate Consultant for each issue of Authority Obligations. The Chief Financial Officer, or designee, shall consult with the Authority’s Bond Counsel if questions should arise.

D. Tracking Expenditures and Investment Earnings

The Authority shall maintain detailed records regarding the use and allocation of bond proceeds, including investment earnings, throughout the term of the bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds. The Authority's Accounting System will maintain copies of approved requisitions and invoices for expenditures, as well as investment earnings records, including bank statements. The Finance Department will maintain copies of bank statements if electronic statements are not available.

The Authority's Compliance Officer will monitor the application and use of bond proceeds on an ongoing basis and inform the Executive Director and bond counsel of events relating to use of bond proceeds which may result in issues which must be analyzed for compliance with Federal tax laws.

E. Records Retention

The Authority will maintain the following documents for the term of each issue of bonds plus at least three (3) years:

- The bond transcript of proceedings;
- All resolutions, including reimbursement resolutions, and minutes pertaining to the projects financed, if not included in the bond transcript;
- All surveys, feasibility or demand studies and any publications, brochures and newspaper articles with respect to the bonds, if not included in the bond transcript;
- All bond yield computations including supporting certificates and investment records, including trustee records, pertaining to the issue price of the bonds, proceeds of the bonds, investment agreements and related bidding documents, credit enhancement and liquidity documents, swap documents, rebate reports and rebate payments;
- All documents pertaining to the expenditure or granting of bond proceeds for the acquisition, construction or renovation of bond financed property including any trustee records, requisitions, reimbursements, draw schedules, draw requests, construction contracts, invoices, bills, land/project related appraisals, payment records, requisition statements, reimbursement records, cancelled checks, a final schedule of property financed by the bonds and final allocations of bond proceeds;
- All formal elections made for the bond financing (e.g., an election to employ an accounting methodology other than specific tracing);
- All records of trade or business use, purchase, lease, sublease or sale of bond financed property including any leasehold improvement contracts and ownership documentations such as joint venture arrangements, limited liability corporation arrangements or partnership arrangements;
- All management contracts and other service agreements, research contracts, and naming rights contracts;
- All accounting audits for bond financed property;
- All information reports filed for the bonds;
- All documentation pertaining to any prior IRS examination of Authority and/or tax-exempt bonds; and
- All correspondence related to the above including faxes, emails, and letters.

The Authority, in the Tax Certificate and/or other documents pertaining to the bonds that are finalized in connection with the issuance of the bonds, shall designate an employee responsible for retaining the records listed above. Records may be retained in electronic format.

F. Arbitrage and Rebate

The Authority will engage the services of an Arbitrage and Rebate Consultant to provide written reports to assist the Authority in monitoring yield on investments and calculating any rebate that may be due. The Consultant will work with the Chief Financial Officer to review the yield on investments to determine if there is a possible rebate liability. If the Consultant provides a written report that rebate is due, the Authority will make any required payments to the IRS and any required filings.

G. Credit Enhancement or Other Agreements Relating to Bonds

The Compliance Officer will monitor any extension or alteration of any credit enhancement relating to the Authority's tax-exempt debt or of any changes to other agreements relating to Authority Obligations such as guaranteed investment contracts or derivative products to assure that any changes meet post-issuance compliance requirements. The Compliance Officer will also monitor information relating to the ratings of counterparties to such agreements to assure that provisions of such agreements are fulfilled. The Compliance Officer will report any questions or issues to bond counsel.

H. Disclosures and Filings

The Authority will, according to the bond documents, enter into Continuing Disclosure Agreements with the trustee for the applicable Obligations and to comply with continuing disclosure requirements. In addition, the Authority will provide bond documents, as applicable, and copies of reports sent to credit providers and insurance companies and other parties to transactions, as well as financial information. The Authority's bond counsel will be responsible for completing any necessary material event notice filings.

I. Continuity and Training

The Compliance Officer will receive periodic training regarding the tax and other requirements applicable to Obligations and provide periodic training to staff with responsibilities relating to the procedures set forth above. Such training will cover the purposes and importance of these procedures. Training may be provided by bond counsel and shall include a review of the IRS Code and the IRS's web site established for the use of the tax-exempt bond community located at:
<http://www.irs.gov/taxexemptbond/index.html?navmenu=menu1>.

To provide for continuity of compliance with post-issuance debt requirements, the Authority will periodically review this policy but no less frequent than once every two (2) years, to assure that it comports with current law.

J. Remedial Action

Should the Authority become aware of events which may affect the permissible use and investment of bond proceeds the Authority will take steps, with advice from bond counsel, to seek remedial action with respect to such events.

Interest Rate Swap Management Plan

1. PURPOSE

This Interest Rate Swap Management Plan sets forth the manner of execution of interest rate swaps and related agreements, provides for security and payment provisions, and sets forth certain other provisions related to interest rate swap agreements between the New Jersey Turnpike Authority (“Authority”) and qualified swap counterparties. The Interest Rate Swap Management Plan also outlines procedures to be followed to insure compliance with all applicable federal and state laws. This Interest Rate Swap Management Plan will be reviewed by the Authority no less than once every two (2) years and any changes to this Interest Rate Swap Management Plan will be presented to the Authority’s Board of Commissioners for approval. This Interest Rate Swap Management Plan will be made available on the Authority’s website, <http://www.state.nj.us/turnpike>.

2. BEST INTERESTS OF THE AUTHORITY

Although adherence to this Interest Rate Swap Management Plan (“Plan”) is desirable, deviations from this Plan may be appropriate from time to time to address: (i) changing financial goals; (ii) emerging financial products/debt structures; and (iii) unique market opportunities. As a result, the general best interests of the Authority shall supersede any provision of this Swap Management Plan.

3. THE AUTHORITY

The Authority is a public body corporate and politic of the State Of New Jersey operated under and by virtue of the New Jersey Turnpike Authority Act of 1948, constituting Chapter 454 of the Laws of New Jersey of 1948, as amended and supplemented (the “Act”). Pursuant to Section 5 of the Act, and Section 201 of the General Bond Resolution, the Authority is authorized to enter into interest rate swap transactions as it deems fit in order to obtain lower costs of capital or other advantages associated with this financing technique. The Authority may only enter into a swap transaction in connection with a specifically identified series of Authority bonds issued under its senior lien General Bond Resolution.

4. INTEREST RATE SWAP MANAGEMENT GOALS

The Authority intends to execute interest rate swaps if the transaction can be expected to result in the following:

- A. Hedging to reduced exposure to changes in interest rates on a particular financial transaction;
- B. Reduction in interest rate risk in order to maintain from the Authority’s overall asset/liability balance;
- C. Obtain a lower net cost of borrowing with respect to the Authority’s debt;
- D. Manage variable interest rate exposure consistent with prudent debt practices.

The Authority shall not enter into interest rate swaps for speculative purposes or not in connection with a specified bond issue.

5. PROCUREMENT OF INTEREST RATE SWAP AGREEMENTS

The Authority will competitively bid an interest rate swap transaction through its financial advisor and/or swap advisor. The Authority shall endeavor to diversify its exposure to counterparties. To that end, before entering into a transaction, the Authority will determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure.

6. INTEREST RATE SWAP RISK FACTORS

The Authority recognizes that there are certain risks associated with interest rate swap transactions that it will consider prior to entering into each transaction. Such risks include:

A. Counterparty risk is the risk that the swap counterparty will not fulfill its obligation to honor its obligations as specified under the contracts. Failure of a counterparty could result in an unplanned change in the expected costs of funds of a particular transaction that could increase debt service costs to the Authority, depending upon the interest rate environment when this occurred.

In order to mitigate against this risk the Authority intends to diversify its counterparties and expects that going forward, no more than 25% of its interest rate swap exposure will be with any one counterparty. An exception will be made for fully collateralized swaps or if market conditions are such that it is not economically feasible to diversify or the interest rate swap market is such that no additional counterparties exist.

In order to diversify the Authority's counterparty risk, and to limit the Authority's credit exposure to any one counterparty, limits will be established by the Executive Director based in part upon the credit rating of the counterparty as well as the relative level of risk associated with each existing interest rate swap transaction.

The Authority shall be authorized to enter into interest swap transactions only with qualified swap counterparties rated at least A1/A+, or equivalent, by any two (2) of the nationally recognized rating agencies (e.g. Moody's, Standard and Poor's, or Fitch); or a "AAA" subsidiary as rated by at least one nationally recognized credit rating agency.

B.) Termination risk is the risk that the interest rate swap could be terminated by the counterparty due to any of several events, which may include issuer or counterparty ratings downgrade, covenant violation by either party, bankruptcy of either party, swap payment default by either party, and default events as defined in the issuer's bond indenture.

In order to mitigate against these risks the Authority will require collateral postings from counterparties if the counterparties ratings decline below A2/A and other protection measures. As a general rule, the Authority will not enter into swaps where the counterparty has any optional right of termination.

The Authority shall consider including in all interest rate swap transactions provisions granting the Authority the right to optionally terminate a swap agreement at any time over the term of the agreement. The Executive Director shall determine if it is financially advantageous for the Authority to terminate a swap agreement.

A termination payment to or from the Authority may be required in the event of termination of a interest rate swap agreement due to a default or a decrease in credit rating of either the Authority or the counterparty. It is the intent of the Authority not to make a termination payment to a counterparty that does not meet its contractual obligations. Prior to making any such termination payment, the Executive

Director shall evaluate whether it is financially advantageous for the Authority to obtain a replacement counterparty to avoid making such termination payment.

As part of any interest rate swap agreement, the Authority may require collateralization or other credit enhancement to secure any or all swap payment obligations. As appropriate, the Authority may require collateral or other credit enhancement to be posted by each swap counterparty under the following circumstances:

- i. Each counterparty to the Authority may be required to post collateral if the credit rating of the counterparty or parent falls below the A2/A category. Additional collateral for further decreases in credit ratings of each counterparty shall be posted by each counterparty in accordance with the provisions contained in the collateral support agreement to each interest rate swap agreement with the Authority.
- ii. The Collateral shall consist of cash, U.S. Treasury securities and Federal agency securities.
- iii. Collateral shall be deposited with a third party trustee, or as mutually agreed upon between the Authority and each counterparty.
- iv. A list of acceptable securities that may be posted as collateral and the valuation of such collateral will be determined and mutually agreed upon during negotiation of the swap agreement with each swap counterparty.
- v. The market value of the collateral shall be determined on at least a monthly basis.
- vi. The Authority will determine reasonable threshold limits for the initial deposit and for increments of collateral posting thereafter.

The Executive Director shall determine on a case by case basis whether other forms of credit enhancement are more beneficial to the Authority

C.) Basis risk refers to a mismatch between the interest rate received from the interest rate swap contract and the interest actually owed on the Authority's variable rate bonds. Prior to the execution of any interest rate swap, the Authority will undertake any analysis of both the starting basis risk match and the historical basis risk match in order to select an index payment of the interest rate swap and a mode mechanic for the variable rate debt that most closely approximates a zero basis risk profile, while still maintaining the economic advantages of the interest rate swap.

D.) Tax event risk. All issuers who issue tax-exempt variable rate bonds that trade accept risk stemming from changes in marginal income tax rates. These risks are best mitigated by limiting the amount of variable rate debt as a percentage of the Authority's total debt outstanding. The Authority does not expect to issue more than 20% of its total debt in a variable rate mode of any form.

E.) Rollover risk is the risk that the swap contract is not coterminous with related bonds. The Executive Director shall determine the appropriate term for an interest rate swap agreement on a case-by-case basis. The slope of the interest rate swap curve, the marginal change in interest rate swap rates from year to year along the interest rate swap curve, and the impact that the term of the interest rate swap has on the overall exposure of the Authority shall be considered in determining the appropriate term of any interest rate swap agreement. In connection with the issuance or carrying of bonds, the term of the interest rate swap agreement between the Authority and a qualified interest rate swap counterparty shall not extend beyond the final maturity date of existing debt of the Authority, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds. The Authority does not intend to execute interest rate swaps that have rollover risk.

F.) Amortization risk represents the cost to the issuer of servicing debt or honoring interest rate swap payments due to a mismatch between bonds and the notional amount of the interest rate swap. The Authority intends to always match the principal amount of bonds with the notional amount of the interest rate swap.

G.) Liquidity risk refers to the issuer's inability to continue or renew a liquidity facility to assist in the sale of outstanding debt. The Authority will endeavor to provide sufficient liquidity available for swapped debt.

7. PAYMENT OBLIGATIONS

Pursuant to Section 201 of the General Bond Resolution, the Authority's payment obligation under any qualified interest rate swap shall be made from the Debt Service Fund.

8. LEGAL MATTERS

Each interest rate swap executed by the Authority shall contain terms and conditions as set forth in the International Swap and Derivatives Association, Inc. ("ISDA") Master Agreement, including any schedules and confirmations. The interest rate swap agreements between the Authority and each qualified swap counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions and provisions as the Executive Director or his/her designee deems necessary or desirable. The Executive Director is authorized to sign all representations and disclosures as required.

9. REGULATORY COMPLIANCE

Following is a list of regulatory requirements imposed at the Federal level with which the Authority shall make every reasonable effort to comply:

A.) Dodd-Frank Compliance. Pursuant to the authority of Section 731 of Title VII of Dodd-Frank Act, which includes amendments to the Commodity Exchange Act ("CEA") regarding over-the-counter derivative instruments, regulations were published by the Commodities Futures Trading Commission ("CFTC") that define business conduct between Swap Dealers or Major Swap Participants and their counterparties, including Swap Dealers or Major Swap Participants engaged in transactions with state and local governmental counterparties such as the Authority (referred to in the regulations as "Special Entities"). The new business conduct rules are far ranging and they can impact the Authority on several fronts as the Authority enters into or modifies transactions. The following sections are included in this Swap Management Plan in order to assist the Authority in complying with the CEA as amended by Dodd-Frank:

(1) Qualified Independent Representative

(a) In accordance with the CEA and as amended by Dodd-Frank, the Authority shall select a QIR that meets the following enumerated criteria:

(i) has sufficient knowledge to evaluate the transaction and risks;

(ii) is not subject to a statutory disqualification;

(iii) is independent of the interest rate swap provider or major interest rate swap participant. To be independent the QIR must currently not, and was not with a one-year look back, an associated person of the swap dealer; has no principal relationship with the swap dealer, provides timely disclosures of all potential conflicts of interest, complies with procedures designed to manage and mitigate conflicts of interest, is not controlled by, in control of, or under common control with the swap dealer, and was not recommended to the issuer by the swap dealer within one year of the transaction date;

- (iv) undertakes a duty to act in the best interests of the Authority;
- (v) makes appropriate and timely disclosures to the Authority;
- (vi) evaluates, consistent with any guidelines provided by the Authority, fair pricing and the appropriateness of the transaction; and
- (vii) is subject to restrictions on certain political contributions imposed by the CFTC, the SEC, or a self-regulatory organization subject to the jurisdiction of the CFTC or the SEC.

(b) At least annually, or as required by the Board of Commissioners, the Authority shall conduct a review of its QIR to ensure that the QIR still meets the above enumerated criteria. In the event that it is determined that the QIR no longer meets the enumerated criteria, then prior to the execution of any transaction the Authority shall select a replacement QIR that meets the enumerated criteria.

(2) Written Representations, In order to ensure that the Authority is in compliance with the new regulations imposed by Dodd-Frank, the Authority may, but is not required to, execute a ISDA August 2012 DF Protocol Agreement with its QIR and each Counterparty prior to executing any transactions. If the Authority elects not to execute a ISDA August 2012 DF Protocol Agreement with a counterparty, then the Authority shall provide an alternate form of written representation to such Counterparty that meets all applicable disclosure requirements as required by Dodd-Frank.

(3) Derivative Clearing Requirement.

(a) The CEA, as amended by Dodd-Frank, requires that certain derivative transactions, including those commonly entered into by state and local governmental entities, must be cleared through a derivatives clearing organization unless otherwise exempt from clearing under the "End User Exception" as specified in Section 2(h)(7) of the CEA. In order to qualify for the End User Exception to the clearing requirements of the CEA, the Special Entity must report to the CFTC on either an annual or a transaction-by-transaction basis that it:

- (i) is not a financial entity;
- (ii) is using swaps to hedge or mitigate commercial risk; and
- (iii) will notify the CFTC, in a manner set forth by the CFTC, how it generally meets its financial obligations associated with entering into non-cleared swaps.

(b) The Authority, in consultation with its QIR, shall make its best efforts to comply with the applicable derivative clearing requirements of the CEA as amended by Dodd-Frank.

10. SELECTION OF QIR

The Authority will competitively procure the services of a financial advisor or a swap advisor, whose scope of work shall include swap advisory services which will allow the firm to serve as the Authority's QIR under Dodd-Frank.

11. RECORD KEEPING

Written records noting the status of all interest rate swap agreements will be maintained by the Authority and shall include the following information:

1. Highlights of all material changes to swap agreements or new swap agreements entered into by the Authority since the last report.
2. Market value of each of the Authority's interest rate swap agreements.
3. For each counterparty, the Authority shall provide the total notional amount position, the average life of each swap agreement, the available capacity to enter into a swap transaction, and the remaining term of each swap agreement.
4. The credit rating of each swap counterparty and credit enhancer insuring swap payments
5. Actual collateral posting by swap counterparty, if any, per swap agreement and in total by swap counterparty.
6. A summary of each swap agreement, including but not limited to the type of swap, the rates paid by the Authority and received by the Authority, and other terms.
7. Information concerning any default by a swap counterparty to the Authority, and the results of the default, including but not limited to the financial impact to the Authority, if any.
8. A summary of any swap agreements that were terminated.

12. COMPLIANCE WITH ACCOUNTING STANDARDS

Any interest rate swap agreement entered into by the Authority under this Interest Rate Swap Management Plan shall be described in the Authority's annual audited financial statements in accordance with applicable accounting standards. This Interest Rate Swap Management plan shall be reviewed on an annual basis with the Authority's external auditor and any necessary changes shall be promptly implemented.

Appendices

Appendix A: General Consulting 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 17, 2015



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

Re: Review of Final 2016 Annual Budget
OPS No. 3352
HNTB Project No. 49929

Dear Mr. Mrozek:

In accordance with the provisions of Section 710(a) of the Turnpike Revenue Bond Resolution, adopted August 20, 1991, as amended and restated, HNTB has reviewed the New Jersey Turnpike Authority Final 2016 Annual Budget.

HNTB hereby approves the New Jersey Turnpike Authority Final 2016 Annual Budget. The Final 2016 Annual Budget includes:

- Operating Expense Budget - \$519,423,900
- Debt Service Budget - \$ 794,359,000
- Charges Fund Budget - \$155,000
- Maintenance Reserve Fund Spending Budget - \$93,500,000
- Special Project Reserve Fund Spending Budget - \$38,756,300
- Supplemental Capital Fund Spending Budget - \$40,782,000
- General Reserve Fund Spending Budget - \$310,086,000

In addition, the Final 2016 Annual Budget includes the following deposits:

- Maintenance Reserve Fund - \$89,370,000
- Special Projects Reserve Fund - \$38,918,000

We appreciate being of service to you in this regard. Should you have any questions or comments related to our review of this budget, please contact us.

Very truly yours,

A handwritten signature in black ink that reads "Gregory A. LeFrois". The signature is written in a cursive, flowing style.

Gregory A. LeFrois, PE
Vice President and Project Manager
cc: Ms. Donna Manuelli

Appendix B: Management Salaries

Pay Grade	Job Title	Employee's Name	Annual Salary	Employee's Department
V35	Executive Director	Mrozek, Joseph	\$174,000.00	Executive
U35	General Counsel	Harris, Bruce	\$165,000.00	Law
U35	Chief Engineer	Fischer, Robert J.	\$142,800.00	Engineering
U35	Chief Information Officer	Barry Pelletteri	\$142,800.00	ITS
U35	Chief Financial Officer	Manuelli, Donna	\$141,443.60	Finance
U35	Chief Operating Officer & DED	O'Hern, John	\$134,225.00	Executive
T35	Director of Human Resources	Garrity, Mary-Elizabeth	\$125,735.78	Human Resources
T35	Director of Internal Audit	Carone, James D.	\$124,247.72	Internal Audit
T35	Director of Maintenance	McGoldrick, Kenneth	\$130,000.00	Maintenance
T35	Director of Operations	Eibel, Henry	\$122,867.50	Operations
T35	Director of Procurement and Materials Management	Ward, Andrea	\$125,736.09	PMM
T35	Director of Tolls	Quirk, Robert B.	\$123,199.00	Tolls
S35	Deputy Chief Engineer - Construction	Williams, James L.	\$132,281.46	Engineering
S35	Deputy Chief Engineer - Design	Keller, John	\$128,520.00	Engineering
S35	Deputy Chief Financial Officer	Varga, Pamela J.	\$128,030.00	Finance
S35	Deputy Chief Information Officer	Dios, Jose	\$123,900.00	ITS
S35	Deputy Director Internal Audit	Walters, Tracey	\$129,455.72	Internal Audit
S35	Deputy Director Maintenance	Perna, William	\$119,000.00	Maintenance
S35	Deputy Director Operations	Dunn, Kevin	\$109,018.00	Operations
S35	Deputy Director Tolls	Roberts, James L.	\$114,049.35	Tolls
S35	Deputy Director Procurement and Materials Management	Wilser, Donna C.	\$114,049.35	PMM
S35	Deputy General Counsel	Tully, Maura K.	\$118,149.76	Law
R35	Assistant Director of Finance	Johnstone, Katherine M.	\$108,350.55	Finance
R35	Senior Supervising Engineer	Buente, Stephen	\$122,347.03	Engineering
R35	Senior Supervising Engineer	Corso, Frank	\$124,193.93	Engineering
R35	Senior Supervising Engineer	Garofalo, Michael	\$124,193.93	Engineering
R35	Senior Supervising Engineer	Wilson, William	\$124,365.26	Engineering
Q35	Supervising Engineer	Malak, Lamis	\$116,843.92	Engineering
N35	Secretary to the Authority	Czajkowski, Sheri A.	\$95,181.33	Executive
N35	Tolls Investigation Manager	Nehrbass, Gary	\$94,476.67	Internal Audit
M35	Employment Manager	Finnie, Chaune	\$82,194.86	HR

Figure 109: Management Salaries

Appendix C: NJTA Non-Bargaining Salary Scale

Figure 110: 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

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
					Manager of Business Admin Software
					Media Relations Coordinator
					Senior Benefits Manager

Pay Grade	35 Hours / week	40 Hours / week	Minimum Base Annual Salary	Maximum Base Annual Salary	Job Title
Q	Q35	Q40	\$90,385	\$135,577	
					Comptroller
					Equal Employment Opportunity Officer
					Supervising Engineer
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
					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

Pay Grade	35 Hours / week	40 Hours / week	Minimum Base Annual Salary	Maximum Base Annual Salary	Job Title
V	V35	V40	\$128,555	\$174,000	
					Executive Director

- Pay Grades M and above are considered Management job titles.
- Pay Grades L and below are eligible to be compensated at overtime rate when they 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 the employee works beyond his/her regularly scheduled shift or works on an unscheduled day according to the following:
 - A. work performed on non-scheduled days when excess hours are:
 - (1) mandatory; or
 - (2) pre-approved; or
 - (3) as the result of an emergency declared by the Executive Director of the Authority.
 - B. work performed on scheduled days when excess hours are:
 - (1) pre-approved by the Department Head; and
 - (2) exceed one (1) hour. In other words, employees shall be paid for all excess hours worked only if they work more than one (1) hour of excess time.
- Pay Grades P and above are ineligible to be compensated when they work beyond their regularly 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

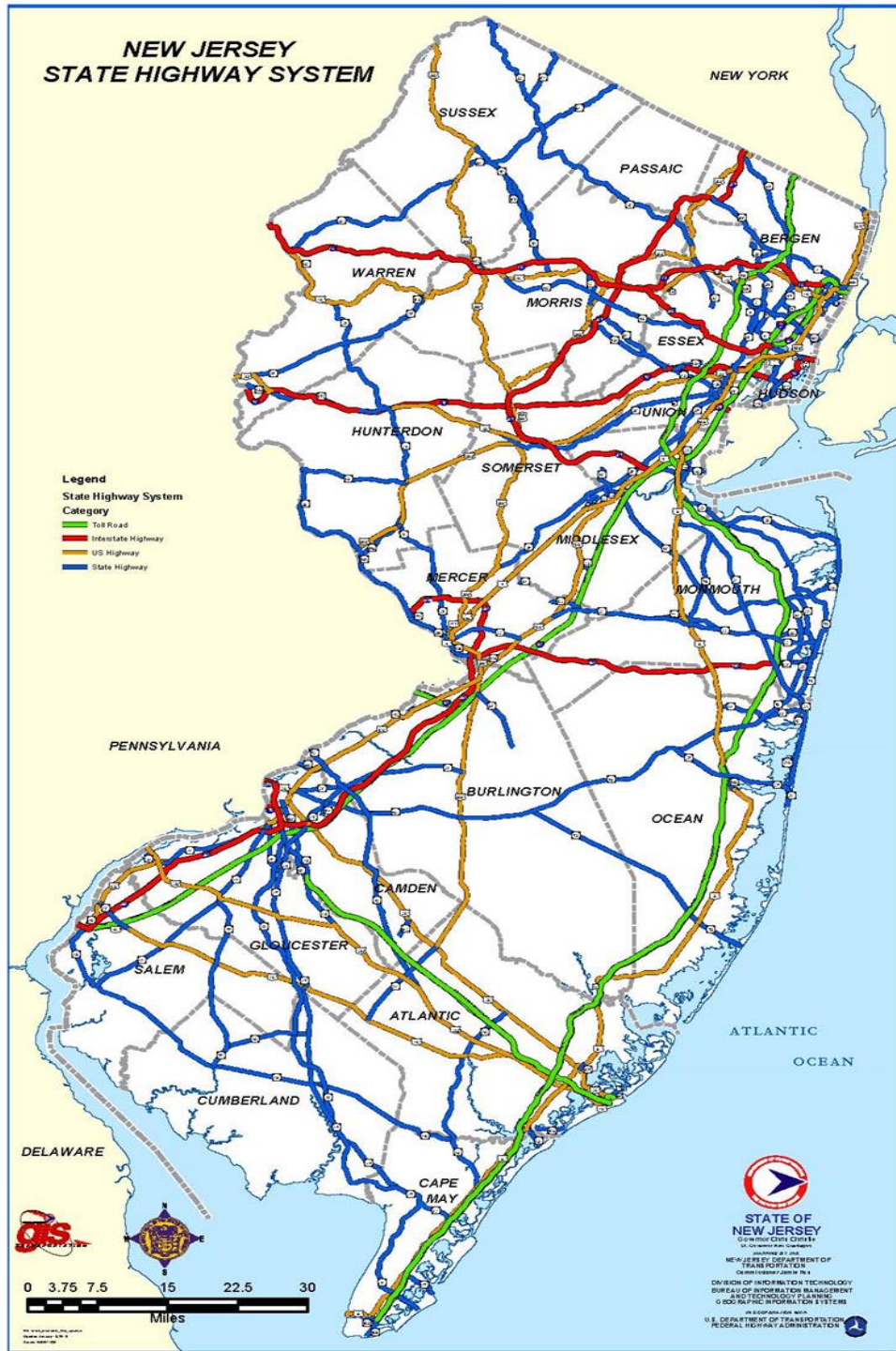


Figure 111: Map of New Jersey State Highway System

New Jersey Turnpike Authority

The Authority operates the State's two busiest toll roads, two of the busiest 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 in Woodbridge Township, Middlesex County and intersect 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 2015 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 four states -- New Jersey, New York, Pennsylvania 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, 2014. 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 1.7% 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 2.4%. 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	2014 Population	2010 Population	Increase/ (Decrease)	% Change
Atlantic	275,209	274,549	660	0.2%
Bergen	933,572	905,116	28,456	3.1%
Burlington	449,722	448,734	988	0.2%
Camden	511,038	513,657	(2,619)	-0.5%
Cape May	95,344	97,265	(1,921)	-2.0%
Cumberland	157,389	156,898	491	0.3%
Essex	795,723	783,969	11,754	1.5%
Gloucester	290,951	288,288	2,663	0.9%
Hudson	669,115	634,266	34,849	5.5%
Hunterdon	126,067	128,349	(2,282)	-1.8%
Mercer	371,537	366,513	5,024	1.4%
Middlesex	836,297	809,858	26,439	3.3%
Monmouth	629,279	630,380	(1,101)	-0.2%
Morris	499,727	492,276	7,451	1.5%
Ocean	586,301	576,567	9,734	1.7%
Passaic	508,856	501,226	7,630	1.5%
Salem	64,715	66,083	(1,368)	-2.1%
Somerset	332,568	323,444	9,124	2.8%
Sussex	144,909	149,265	(4,356)	-2.9%
Union	552,939	536,499	16,440	3.1%
Warren	106,917	108,692	(1,775)	-1.6%
Total	8,938,175	8,791,894	146,281	1.7%
Counties Served by Parkway Only	1,819,780	1,805,438	14,342	0.8%
All Counties Served by Parkway	5,663,242	5,564,163	99,079	1.8%
Counties Served by Turnpike Only	1,907,356	1,868,807	38,549	2.1%
All Counties Served by Turnpike	5,475,609	5,352,983	122,626	2.3%
Counties Served by Both Roadways	3,568,253	3,484,176	84,077	2.4%
Counties Not Served by Either Roadway	1,367,577	1,358,924	8,653	0.6%
Dk Green Parkway	Light Green Turnpike and Parkway	Chartreuse Turnpike		

Figure 112: New Jersey Population by County

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 3,553,070 and the number of residents who commute to work out of state is 554,658. According to 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 2009-2013 five year average of where the residences of each county are employed as reported by the New Jersey State Data Center. Overall, 13.5% of New Jersey state workers are employed out of state while more than 79% of employees working out of state are living in counties served by the New Jersey Turnpike. Further, only 7.1% 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	119,725	4,075	96.7%	3.3%
Bergen	339,069	99,542	77.3%	22.7%
Burlington	187,535	30,777	85.9%	14.1%
Camden	187,407	46,332	80.2%	19.8%
Cape May	40,540	2,170	94.9%	5.1%
Cumberland	57,746	1,873	96.9%	3.1%
Essex	294,344	46,334	86.4%	13.6%
Gloucester	109,309	27,399	80.0%	20.0%
Hudson	223,100	96,430	69.8%	30.2%
Hunterdon	58,387	4,840	92.3%	7.7%
Mercer	156,274	16,575	90.4%	9.6%
Middlesex	340,858	45,150	88.3%	11.7%
Monmouth	263,740	35,323	88.2%	11.8%
Morris	227,443	18,688	92.4%	7.6%
Ocean	226,019	9,522	96.0%	4.0%
Passaic	203,593	17,134	92.2%	7.8%
Salem	23,562	4,553	83.8%	16.2%
Somerset	150,450	11,855	92.7%	7.3%
Sussex	68,709	5,266	92.9%	7.1%
Union	227,680	26,555	89.6%	10.4%
Warren	47,580	4,265	91.8%	8.2%
Total	3,553,070	554,658	86.5%	13.5%
Counties Served by Parkway Only	733,892	64,149	92.0%	8.0%
All Counties Served by Parkway	2,243,103	316,582	87.6%	12.4%
Counties Served by Turnpike Only	699,652	191,289	78.5%	21.5%
All Counties Served by Turnpike	2,089,138	439,647	82.6%	17.4%
Counties Served by Both Roadways	1,389,486	248,358	84.8%	15.2%
Counties Not Served by Either Roadway	610,315	46,787	92.9%	7.1%
Dk Green Parkway	Light Green Turnpike and Parkway	Chartreuse Turnpike		

Figure 113: New Jersey In/Out of State Employment by County

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

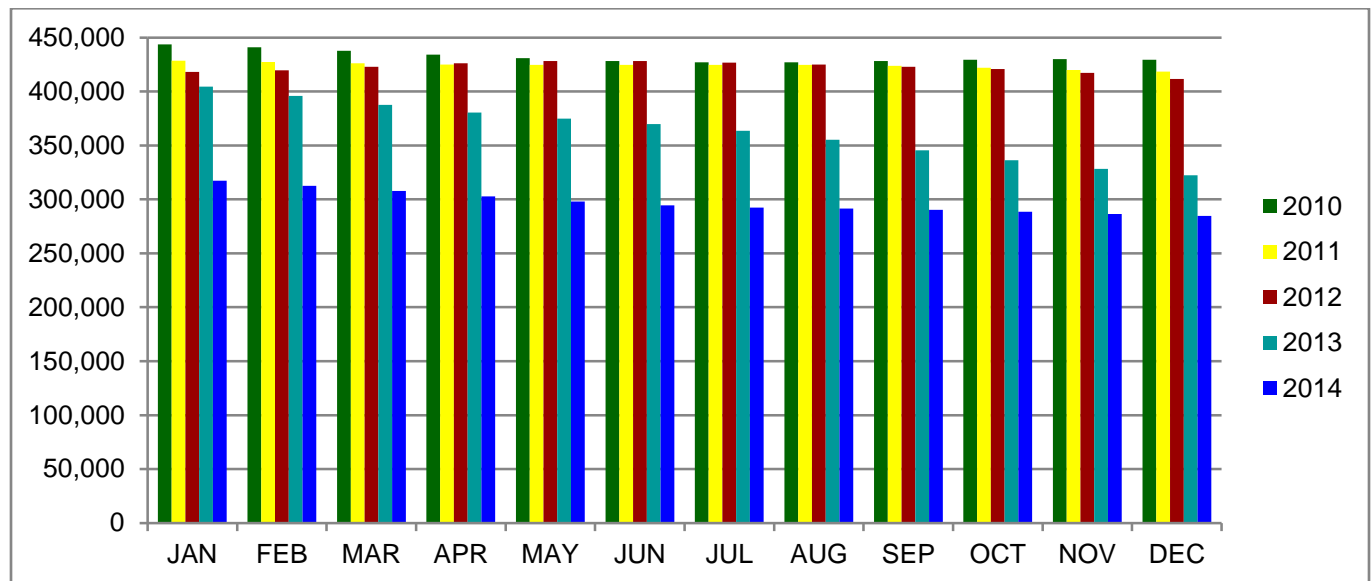


Figure 114: New Jersey Employment Totals (2010-2014)

Employment in the 21 counties in New Jersey increased 54,000 and unemployment decreased by 69,700 between 2013 and 2014. The county reporting the largest increase in employment was Middlesex, which reported an increase of 7,450 jobs. Middlesex was followed by Bergen at 6,250, Monmouth 5,700 and Essex 4,700. The top 4 counties reporting a decrease in unemployment were Essex, which reported a decrease of 6,750 unemployed, followed by Bergen at 6,300, Middlesex 6,050 and Hudson at 5,650.

County	2013			2014		
	Employed	Unemployed	Change	Employed	Unemployed	Change
Atlantic County	121,450	15,850	(2,150)	119,300	13,800	(2,050)
Bergen County	447,450	32,050	6,250	453,700	25,750	(6,300)
Burlington County	215,950	17,800	1,400	217,350	14,650	(3,150)
Camden County	234,800	23,850	1,600	236,400	19,150	(4,700)
Cape May County	42,100	6,850	950	43,050	5,900	(950)
Cumberland County	61,100	8,050	(550)	60,550	6,650	(1,400)
Essex County	341,550	36,350	4,700	346,250	29,600	(6,750)
Gloucester County	137,350	13,250	900	138,250	10,600	(2,650)
Hudson County	330,050	28,900	4,550	334,600	23,250	(5,650)
Hunterdon County	62,400	3,850	800	63,200	3,150	(700)
Mercer County	179,950	13,700	3,450	183,400	11,150	(2,550)
Middlesex County	398,700	32,000	7,450	406,150	25,950	(6,050)
Monmouth County	303,400	24,400	5,700	309,100	19,550	(4,850)
Morris County	247,500	16,100	3,400	250,900	12,950	(3,150)
Ocean County	241,650	24,300	4,600	246,250	19,050	(5,250)
Passaic County	225,200	24,700	3,050	228,250	20,150	(4,550)
Salem County	28,350	3,250	500	28,850	2,600	(650)
Somerset County	162,850	10,900	2,250	165,100	8,900	(2,000)
Sussex County	72,750	6,200	1,000	73,750	4,900	(1,300)
Union County	256,600	23,250	3,500	260,100	19,000	(4,250)
Warren County	53,250	4,300	650	53,900	3,500	(800)
Grand Total	4,164,400	369,900	54,000	4,218,400	300,200	(69,700)

Figure 115: New Jersey Employment by County

Economic Indicators

The latest estimates of state and national GDP growth released by the Bureau of Economic Analysis are for 2014. New Jersey has now seen three consecutive years of growth in the state’s gross domestic product since contractions in 2009 and 2011. However, New Jersey’s GDP growth continues to lag behind that at the national level since emerging from the recent recession at the end of 2009.

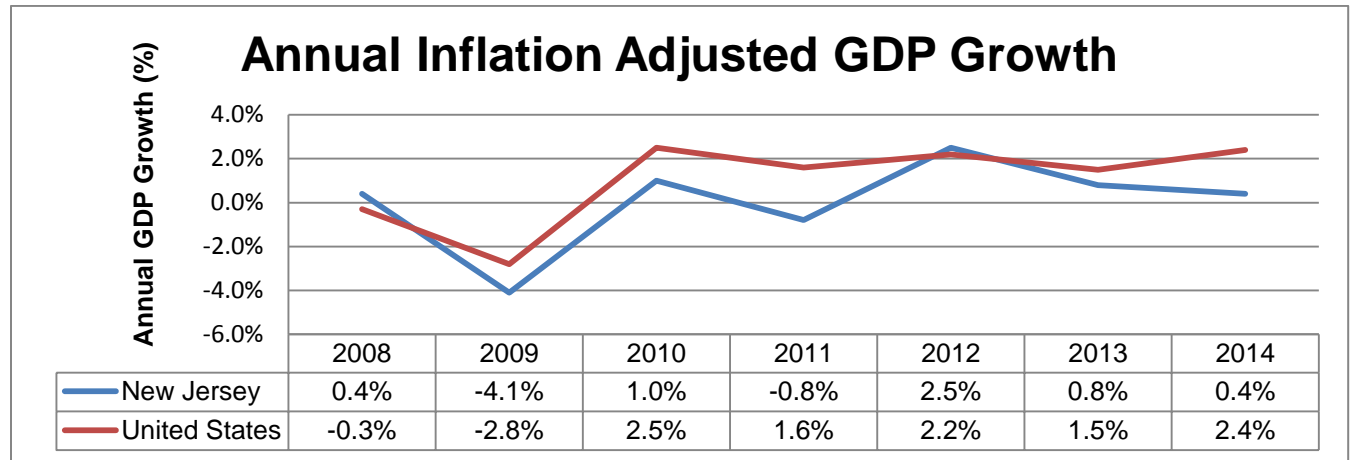


Figure 116: Annual Inflation Adjusted GDP Growth (2008-2014)

The average price for regular grade gasoline reached a 6 year low in 2015. According to projections from the U.S. Energy Information Administration (EIA) the average annual price for regular grade gas will continue to drop in 2016 to a national average of \$2.38 per gallon. This would continue the current four year trend of declining gas prices. New Jersey is included in the EIA’s Central Atlantic Region (PADD 1B), where gas prices have closely tracked the national average for the past 10 years. If fuel prices continue to drop or remain comparatively low, this may drive increased usage of the Turnpike System.

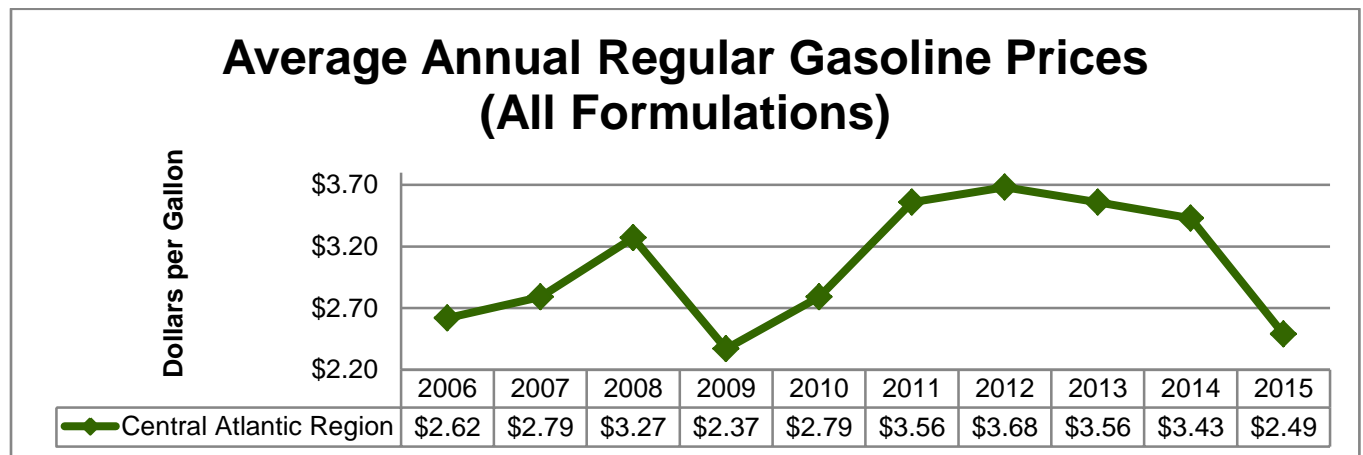


Figure 117: Average Annual Regular Gasoline Prices (2006-2015)

Weather

Snowfall can have a major effect on the Authority’s Operating Budget for the fiscal year. In 2015, the Authority spent approximately \$46 million on snow removal, the highest total in the Authority’s history. 2015 was the second consecutive year of record expenditure on snow removal. According to annual snowfall totals compiled by the New Jersey State Climatologist, snowfall has varied wildly over the previous five winter seasons. The Authority has changed its method of calculating the snow removal budget for the 2016 Annual Budget in an effort to account for the high variance in snow removal costs.

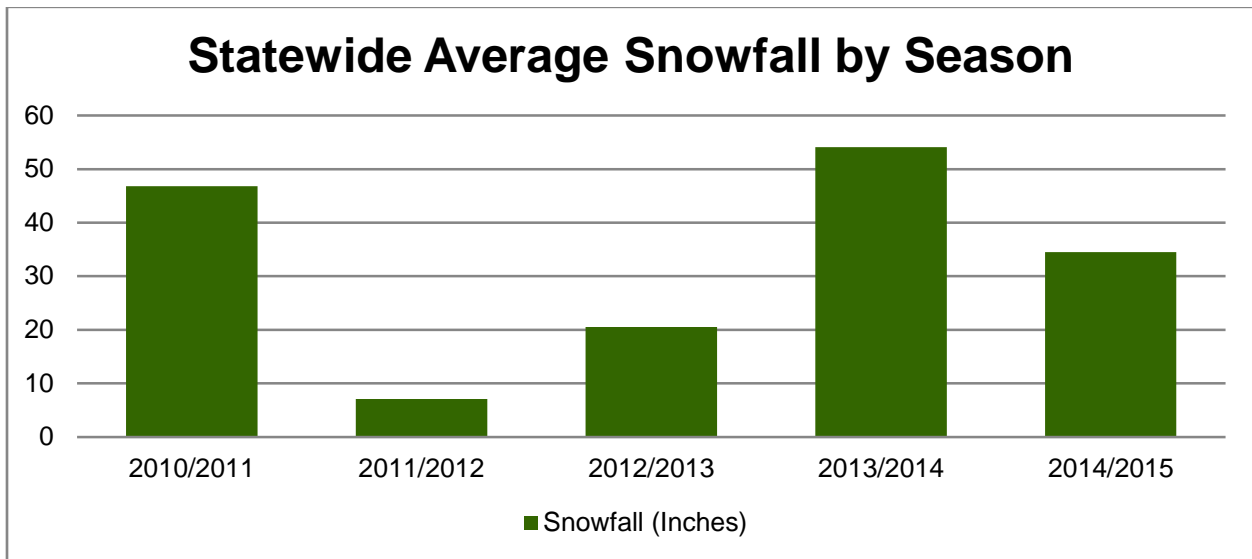


Figure 118: Statewide Average Snowfall by Season (2010-2015)

Glossary

ACCRETION – Accumulation of capital gains on discount bonds.

ACCRUAL BASIS – Accounting practice in which expenses and income are accounted for as they are earned or incurred.

AMORTIZATION – Gradual repayment of debt over a period of time.

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.

ANNUAL PROCUREMENT PLAN – Active document listing all of the Authority's procurement contracts necessitating board approval for the current fiscal year.

APPROPRIATIONS – A sum of money or total of assets devoted to a specific purpose.

ARBITRAGE – The simultaneous purchase and sale of an asset in order to profit from a difference in price.

AUCTION AGENT – A financial institution responsible for conducting the auction used in connection with the periodic interest rate reset and remarketing of the Authority's bonds.

AUDITED YEAR-END FINANCIAL STATEMENTS – The Authority's end of fiscal year financial statements reviewed and audited by an independent auditor.

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 COVENANTS – The Authority's contractual obligations set forth in issued bond contracts.

BOND INSURANCE – Insurance purchased by a bond issuer that guarantees the repayment of principal and all associated interest payments to the bondholders in the event of a default.

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

BOND RESOLUTION – The agreement that defines the Authority's obligations and requirements when issuing new-money bonds.

BROKER/DEALER – A financial institution responsible for both buying and selling securities for the Authority.

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

CALL – An option contract giving the owner the right to buy a specified amount of an underlying security at a specified price within a specified time.

CALL OPTION VALUE – The present value of a call option in light of present market conditions.

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.

CAPITAL IMPROVEMENT PROGRAM – The Authority's 10 year, \$7 billion program to increase investment in projects focused on capacity, state of good repair, safety and security. The program is funded by the issuance of Turnpike Revenue Bonds, of which \$6.75 billion worth of bonds have been issued.

CAPITALIZED INTEREST – A portion of the proceeds from the issue of Turnpike Revenue Bonds set aside to pay interest on those bonds for a set period of time.

CAPITALIZATION – Recordation of a cost as an asset, rather than an expense. This approach is used when a cost is not expected to be entirely consumed in the current period, but rather over an extended period of time. The asset is recorded on the Authority's balance sheet and depreciated over its useful life.

CAPITALIZATION POLICY – The Authority's policy on allowable levels of asset capitalization.

CASH FLOW – The net amount of cash and cash-equivalents moving into and out of the Authority.

CHARGES FUND – Fund 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.

COMMISSIONERS – The eight members of the Authority's governing Board of Commissioners. Commissioners are appointed by the Governor of New Jersey.

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.

COUPONS – The interest rate stated on a bond when it is issued.

CREDIT QUALITY – An assessment of the credit risk with respect to a specific investment.

CREDIT RATING AGENCY – A company that assigns credit ratings for debt financed securities, assessing their credit quality.

CURRENT PAY INTEREST BOND – A bond that pays interest at regular intervals.

DEBT COVERAGE COVENANTS – The Authority's debt coverage obligations as defined by its Bond Resolution.

DEBT FINANCING – Raising money for working capital or capital expenditures by selling bonds.

DEBT ISSUANCE – The process of raising funds through the issue of bonds.

DEBT RESERVE FUND – Fund created to hold an amount equal to the greatest amount of interest accruing on all outstanding bonds in a calendar year to ensure full and timely payments to bond holders.

DEBT RESERVE REQUIREMENT – The amount required to be held in the Debt Reserve Fund under the Authority's Bond Resolution.

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

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

DEBT SERVICE COVERAGE RATIO – A measure of the Authority's cash flow available to pay current debt obligations; the ratio of cash available for debt servicing to interest, principal and lease payments.

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.

DEPRECIATION – Allocation of the cost of a tangible asset over its useful life.

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 toll electronically.

FAIR MARKET VALUE – The accurate valuation or assessment of an asset's worth.

FEDERAL SUBSIDY FOR BUILD AMERICA BONDS – A federal subsidy of payable interest on bonds issued by state or local government agencies to raise necessary capital to pursue infrastructure improvements.

FIDUCIARIES – A party legally appointed and authorized to hold assets in a trust for another party.

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.

FIXED CREDIT SPREAD – The fixed spread between a benchmark interest rate and floating rate notes.

FIXED RATE – An interest rate that does not change over the life of a credit security.

FIXED SWAP RATE – The fixed rate that the receiver of floating rate notes demands in an interest rate swap.

FLOATING RATE NOTES – A debt instrument with a variable interest rate tied to a benchmark interest rate.

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.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) – The source of generally accepted accounting principles (GAAP) used by State and Local governments in the United States.

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

INELASTIC – Insensitive to changes in price or income.

INTEREST INCOME – The Authority's income from interest and investments.

INTEREST RATE SWAP – An agreement between two parties where one stream of future interest payments is exchanged for another based on a specified principal amount.

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.

LIMITED ACCESS TOLL ROAD – A toll highway system in which the user pays tolls at plazas along the toll road.

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.

NET REVENUE REQUIREMENT – The minimum net revenue level allowed under the Authority's Bond Resolution.

NET REVENUE – The Authority's total revenue less its operating expenses for the fiscal year, interest paid, depreciation and taxes.

NEW JERSEY TURNPIKE AUTHORITY ACT – 1948 Act enacted by the State of New Jersey creating the New Jersey Turnpike Authority and bestowing ownership and operational authority over the New Jersey Turnpike upon the Authority.

OPERATING BUDGET – The Authority's Operating Budget consists of funds for Maintenance, Engineering, Toll Collection, State Police and Traffic Control operations, Integrated Technology Services, and General and Administrative Services.

OTHER POSTEMPLOYMENT BENIFITS (OPEB) – are benefits (other than pensions) that the Authority provides to retired employees. These benefits principally involve health care benefits.

OUTSTANDING DEBT – The as-of-yet unpaid portion of the Authority's previously issued Turnpike Revenue Bonds.

PAYING AGENT – An agent who accepts payment from the Authority and then distributes those payments to the holders of the Authority's bonds.

PLEGGED REVENUES – Includes, among other things, all toll revenues, fees, rents, charges and other income and receipts derived from the operation of the Turnpike System.

PNC BANK ARTS CENTER – an outdoor amphitheater in Holmdel, NJ. Owned by the Authority, and leased and operated by Live Nation.

POLLUTION REMEDIATION LIABILITY RESERVE – Fund maintained to meet the obligations of the Government Accounting Standards Board's pollution remediation policy.

PRELIMINARY BUDGET – The draft of the Authority's fiscal year budget of operating expenses and reserves submitted to the Trustee for examination and approval.

REGISTRAR – An institution responsible for keeping records of the Authority’s bondholders.

REMARKETING – A formal underwriting of the Authority’s Revenue Bonds for which the form or structure is being changed.

RESERVE – Funds set aside to pay future liabilities.

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

REVENUE REQUIREMENT – Requirement under the Authority’s Bond Resolution establishing Net Revenue Requirements.

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

SERIAL BONDS – A bond issue in which a portion of the outstanding bonds matures at regular intervals until eventually all the bonds eventually mature.

SHORT TERM INTEREST RATES – The interest rates on loan contract or other debt instruments with a maturity of less than one year.

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.

STANDBY AGREEMENT – An agreement between the Authority and its Revenue Bond underwriters that the underwriters are responsible for any unsold portion of a bond issue.

SUBORDINATE BOND ANTICIPATION NOTES – A short-term interest-bearing security issued by the Authority in advance of a larger bond issue.

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.

SWAP DEALER – An individual who acts as a counterparty in a swap agreement for a fee.

TENDER AGENT – The financial institution responsible for coordinating the process of soliciting bondholders for the issue of the Authority’s bonds.

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

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

TOTAL DEBT SERVICE – The total cash amount required to repay the interest and principal due on the Authority’s issued bonds for the fiscal year.

TOTAL REQUIREMENTS COVERAGE RATIO – A measure of the Authority’s cash flow available to meet all financial requirements for the fiscal year, including debt service, debt reserve and revenue requirements.

TOTAL REVENUE – Includes the Authority’s Toll Revenue, E-Z Pass Fees, Concessions Revenue, Miscellaneous Revenue, Federal Subsidies, Interest Income, and Arts Center Revenues.

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.

TRUE INTEREST COST – The actual cost of issuing a bond including all ancillary fees and costs.

TRUSTEE – The Authority’s Trustee is Bank of New York Mellon. The Authority’s Co-Trustee is US Bank.

USEFUL LIFE – The period of time for which the asset will be economically feasible for use.

VARIABLE RATE DEBT – A tax-exempt short-term investment instrument based on the Authority’s long-term bonds.

Acronyms

ADA Americans with Disabilities Act
AIX Advanced Interactive Executive
ATMP Advanced Traffic Management Program
CAAD Computer Aided Architecture Design
CAFR Comprehensive Annual Report
CEA Commodity Exchange Act
CFTC Commodities Futures Trading Commission
CIP Capital Improvement Program
CQI Continuous Quality Initiative
CSC Customer Service Center
CVI Commercial Vehicle Inspection
DED Deputy Executive Director
DF Dodd-Frank Act
DWDM Dense Wavelength Division Multiplexing (fiber optic communications)
EEO Equal Employment Opportunity
EGIS Enterprise Geographic Information System
ERP Enterprise Resource Planning
ESW Emergency Safety Warnings
ETC Electronic Toll Collection
FTE Full Time Employees
GAAP Generally Accepted Accounting Principles
GASB Government Accounting Standards Board
GDP Gross Domestic Product
GFOA Government Finance Officers Association
GIS Geospatial Information System
GSAC Garden State Arts Center
GSOR General Staff Operational Requirements
GSP Garden State Parkway
GWB George Washington Bridge
HCM Human Capital Management
HR Human Resources
HVAC Heating, Ventilation, and Cooling
IP Internet Phone
IRS Internal Revenue Service
ISDA International Swap and Derivatives Association
ITS Integrated Technology Services
LAN Local Area Network
LED Light Emitting Diode
NBHCE Newark Bay Hudson County Extension
NCGAS National Council on Governmental Accounting Statements
NJDOT New Jersey Department of Transportation
NJTA New Jersey Turnpike Authority
OCIP Owner Controlled Insurance Program
OPEB Other Post-Employment Benefits
OPRA Open Public Records Act

OPS Order for Professional Services
PANYNJ Port Authority of New York and New Jersey
PDQ Portable Dock Scissor Lift
PERS Public Employees Retirement System
PNC Pittsburgh National Corporation
PTC Pennsylvania Turnpike Commission
QIR Qualified Independent Representative
QPL Quality Products List
RFP Request for Proposal
RFQ Request for Quotation
ROW Right of Way
RWIS Road Weather Information System
SAN Storage Area Network
SBE Small Business Enterprise
SEC Securities and Exchange Commission
STMC State Transportation Management Center
TIC True Interest Cost
TCO Total Cost of Ownership
TCP Transportation Capital Program
TOC Traffic Operations Center
TPA Third Party Administrator
TMC Transportation Management Center
UPS Uninterruptible Power Supply
VMS Variable Messaging System
VPC Vehicle Processing Center
WAN Wide Area Network
WMS Warehouse Management System