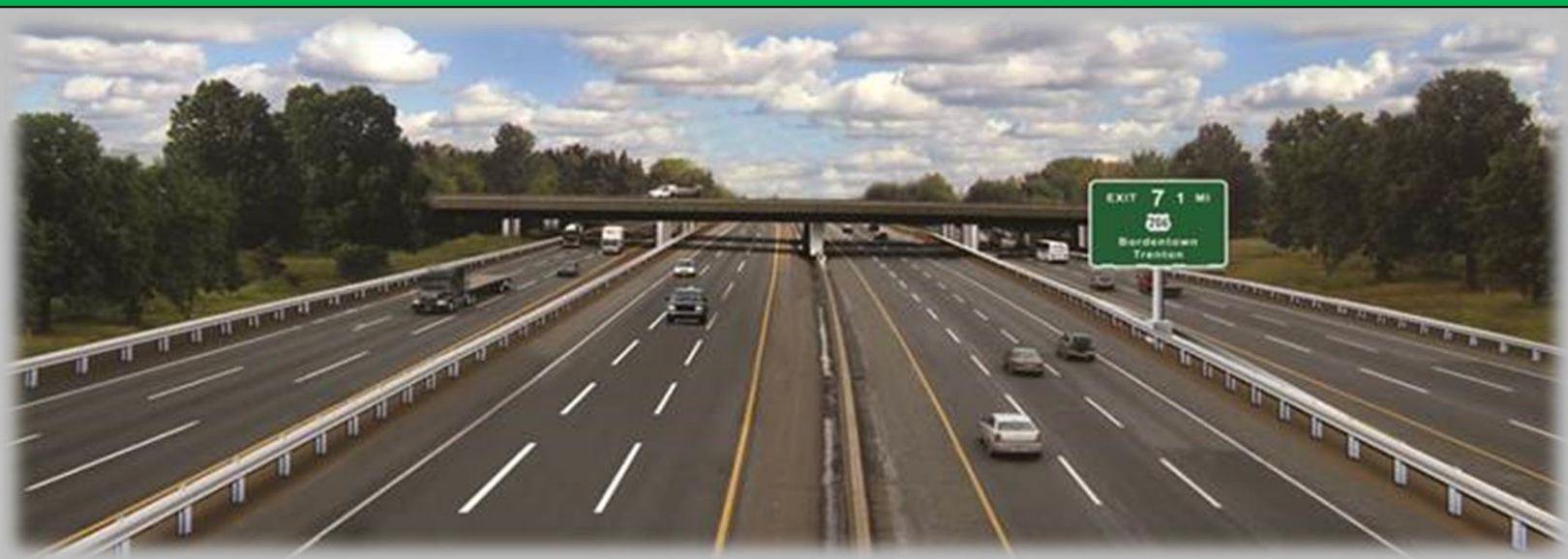




# New Jersey Turnpike Authority



## AMENDED ANNUAL BUDGET 2018

Prepared by the Finance Department:  
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Woodbridge, NJ 07095

## Executive Summary

During 2018, several events have occurred that have had a positive impact on the Authority's finances and operations as compared to the assumptions contained in the approved 2018 Annual Budget. Notably, the Authority has achieved a \$45.4 million increase in revenues above the 2018 Revenue Budget largely due to higher than expected toll revenue from increased traffic volumes. In addition to the positive revenue growth, the Authority will spend approximately \$13.765 million less on debt service in 2018 as compared to the 2018 Debt Service Budget due to savings achieved through refinancing and issuance date changes for new money borrowing. The combined revenue increase and debt service savings total approximately \$59.165 million of additional available funds.

As for operations, the Authority is nearing a financial settlement regarding wage increases with its various unions representing nearly 2,500 full and part-time personnel. The majority of these employees have not had a wage increase in more than eight years. Agreement on these wage increases is a positive step in progressing labor relations and future negotiations on work rules, as many employees have also been working without a contract for over eight years. In addition, the Authority has determined that State Police are spending a higher percentage of their time on patrolling the roadway as opposed to providing maintenance and protection of traffic through construction zones. As such, more of the total State Police costs need to be allocated to the Operating Expense Budget, which reduces the amount charged to capital projects allowing more funds to be spent on construction. Finally, higher toll volumes not only result in increased toll revenue, but also result in higher expenses paid to process and collect tolls electronically. On a combined basis, these changes will increase the 2018 Operating Expense Budget by \$32 million.

Finally, the Authority has plans for several future construction projects that will be included in the next capital program when approved. Authority staff feel now is an opportune time to fund the design work required for these projects. Providing an additional \$25 million to the Supplemental Capital Fund will fund the desired design work thereby laying the foundation for an anticipated \$250 million in new construction work once the next capital program is approved. Beginning the design work now will allow these projects to accelerate the award of construction contracts to late 2019 or early 2020.

In total the Authority has identified \$57 million in additional expenditures associated related to higher traffic volumes, anticipated higher labor costs including taxes and pension, as well as provide funding for needed construction projects to keep the Authority in a high state of good repair. These expenditures will be funded through the additional \$59.165 million of revenue and debt service savings, resulting in a \$307.0 million deposit to the General Reserve Fund, which is \$2.2 million higher than what was included in the 2018 Annual Budget. Finally, debt service coverage in the Amended 2018 Annual Budget is expected to increase to 1.59 times, compared to the original 2018 Annual Budget projection of 1.54 times. Debt service coverage remains above the Bond Resolution requirements of 1.20 times and the Board Adopted Policy target of 1.40 times.

A summary of the changes included in the Amended 2018 Annual Budget follow:

| <b>Revenue</b> | <b>2018 Original<br/>Budget</b> | <b>2018 Amended<br/>Budget</b> | <b>Budget Increase/<br/>(Decrease)</b> |
|----------------|---------------------------------|--------------------------------|--|
| Toll Revenue   | \$ 1,579,167,000                | \$ 1,598,500,000               | \$ 19,333,000                          |
| Other Revenue  | 208,608,000                     | 234,675,000                    | 26,067,000                             |
|                | <b>\$ 1,787,775,000</b>         | <b>\$ 1,833,175,000</b>        | <b>\$ 45,400,000</b>                   |

| <b>Spending</b>           | <b>2018 Original<br/>Budget</b> | <b>2018 Amended<br/>Budget</b> | <b>Budget Increase/<br/>(Decrease)</b> |
|---------------------------|---------------------------------|--------------------------------|--|
| Operating Expenses        | \$ 538,965,000                  | \$ 570,951,000                 | \$ 31,986,000                          |
| Debit Service and Charges | 809,410,000                     | 795,645,000                    | (13,765,000)                           |
| Maintenance Reserve       | 134,247,000                     | 134,247,000                    | -                                      |
| Special Project Reserve   | 61,155,000                      | 61,155,000                     | -                                      |
| General Reserve           | 244,945,000                     | 244,945,000                    | -                                      |
| Supplemental Capital      | 140,627,000                     | 165,627,000                    | 25,000,000                             |
|                           | <b>\$ 1,929,349,000</b>         | <b>\$ 1,972,570,000</b>        | <b>\$ 43,221,000</b>                   |

The Amended 2018 Annual Budget includes amended Financial Plan projections for calendar 2019 through calendar 2023. The Authority's amended financial plan projections indicate the Authority will maintain its Financial Management Principles and Guidelines target of a minimum debt service coverage ratio of 1.40 times, a minimum total requirements coverage ratio of 1.20 times, and a minimum general reserve fund balance of \$150 million as of 12/31/18, \$175 million as of 12/31/19, and 10% of that year's budgeted annual revenue for 12/31/20 and each year thereafter.

## REVENUE BUDGET

The 2018 Revenue Budget is being increased by \$45.4 million to reflect higher than anticipated toll revenue, interest income, miscellaneous revenue and E-ZPass fees. The Toll Revenue budget is being increased by \$19.3 million, reflecting increased traffic, primarily from commercial vehicles, and the reopening of the Pulaski Skyway on July 2, 2018. The 2018 Toll Revenue budget assumed the Pulaski Skyway would be reopened for all of 2018, and that traffic would return to the toll-free route. The Interest Income budget is being increased by \$7.0 million to reflect greater earnings from increased short-term interest rates. The Miscellaneous Revenue budget is being increased by \$6.9 million to reflect advance payments received on the Delaware River Turnpike Bridge insurance claim, and the E-ZPass Fee budget is being increased by \$12.2 million to reflect higher than budgeted collection of administrative and other fees.

## OPERATING EXPENSE BUDGET

The 2018 Operating Expense Budget is being increased by \$32.0 million to reflect higher wage, taxes and pension costs, a higher percentage of State Troopers patrolling the roads rather than in construction work zones, and higher Electronic Toll Collection costs. The 2018 Operating Expense Budget included personnel related costs of \$272.1 million; however, the proposed settlement of union contracts regarding wage increases and other salary and benefit reallocations will require a \$16 million increase in personnel costs, including taxes and pension. The 2018 State

Police Budget will increase by \$11.0 million as State Police presence on the roadways has increased, and more trooper time is spent patrolling the roadways with less time needed for construction details. Finally, the increase in traffic volumes and increase in E-ZPass fees has led to an increase in electronic toll collection costs that are variable and based on volume. The Electronic Toll Collection budget is being increased by \$5 million to cover the variable cost increases.

### **DEBT SERVICE BUDGET**

The 2018 Debt Service Budget is being decreased by \$13.765 million. The approved 2018 Debt Service Budget assumed that the \$525.0 million new money bond issue would occur in June 2018, with interest expense being incurred from that date forward. The Authority, however, had sufficient funds on hand to meet spending needs for the \$7 Billion Capital Improvement Program (CIP) and does not expect to issue the \$525.0 million of bonds and start paying interest until at least November 1, 2018. In addition, the Authority completed several successful advance bond refundings in late 2017 after the 2018 Annual Budget was adopted, which resulted in debt service savings in 2018 and beyond.

### **SUPPLEMENTAL CAPITAL FUND BUDGET**

The Supplemental Capital Budget is being increased by \$25 million. The additional revenue and debt service savings will allow for spending for design work to accelerate future work for the next capital program. Design work being approved as part of the amended budget includes, among other things, the design for re-decking several bridges on both roadways, as well as shoulder widening and reconstruction on the Garden State Parkway between mileposts 30 and 35.

## Amended Financial Plan

Amended For 2018 Annual Budget  
 Projected Revenue, Expenditure, and Debt Service Coverage (\$000s)  
 (Based on General Resolution Provisions, Not in Accordance with GAAP)

| Fiscal Year Ending 12/31 (000's omitted)                   | Actual<br>2017   | Amended Budget<br>2018 | Estimated<br>2019 | Estimated<br>2020 | Estimated<br>2021 | Estimated<br>2022 | Estimated<br>2023 |
|--|------------------|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Revenues</b>  |                  |                        |                   |                   |                   |                   |                   |
| Toll Revenue   |                  |                        |                   |                   |                   |                   |                   |
| Turnpike   | \$ 1,151,738     | \$ 1,165,300           | \$ 1,162,900      | \$ 1,183,799      | \$ 1,199,155      | \$ 1,217,841      | \$ 1,237,107      |
| Parkway  | 428,158          | 433,200                | 436,957           | 443,033           | 446,470           | 451,059           | 455,695           |
| E-ZPass Fees   | 60,505           | 76,000                 | 65,076            | 66,378            | 67,705            | 69,059            | 70,440            |
| Federal Subsidy for Series 2009 F and Series 2010 A Bonds  | 76,153           | 76,275                 | 76,275            | 76,274            | 76,275            | 76,275            | 76,275            |
| Concession Revenue   | 35,591           | 40,000                 | 40,800            | 41,600            | 42,400            | 43,200            | 43,200            |
| Other Revenue  | 46,354           | 42,400                 | 28,709            | 28,872            | 29,031            | 29,200            | 29,200            |
| <b>Total Revenues</b>                                      | <b>1,798,499</b> | <b>1,833,175</b>       | <b>1,810,717</b>  | <b>1,839,956</b>  | <b>1,861,036</b>  | <b>1,886,634</b>  | <b>1,911,917</b>  |
| <b>Operating Expenses</b>                                  | <b>(508,125)</b> | <b>(570,951)</b>       | <b>(582,370)</b>  | <b>(594,017)</b>  | <b>(605,898)</b>  | <b>(618,016)</b>  | <b>(630,376)</b>  |
| <b>Total Revenues Available for Debt Service</b>           | <b>1,290,374</b> | <b>1,262,224</b>       | <b>1,228,347</b>  | <b>1,245,938</b>  | <b>1,255,138</b>  | <b>1,268,618</b>  | <b>1,281,541</b>  |
| Future Debt Issuance                                       |                  | 525,000                |                   |                   |                   |                   |                   |
| Net Debt Service   | (822,984)        | (795,645)              | (832,822)         | (843,491)         | (862,874)         | (861,397)         | (864,323)         |
| <b>Total Revenues Available After Debt Service</b>         | <b>467,390</b>   | <b>466,579</b>         | <b>395,525</b>    | <b>402,447</b>    | <b>392,264</b>    | <b>407,221</b>    | <b>417,218</b>    |
| Payments to Charges Fund                                   | (115)            | -                      | -                 | -                 | -                 | -                 | -                 |
| <b>Cash Flow Available for Reserves</b>                    | <b>467,275</b>   | <b>466,579</b>         | <b>395,525</b>    | <b>402,447</b>    | <b>392,264</b>    | <b>407,221</b>    | <b>417,218</b>    |
| Maintenance Reserve Fund                                   | (116,751)        | (119,086)              | (131,468)         | (134,097)         | (136,779)         | (139,515)         | (142,305)         |
| Special Project Reserve Fund                               | (39,696)         | (40,490)               | (41,300)          | (42,126)          | (42,969)          | (43,828)          | (44,705)          |
| <b>Net Revenues Available for General Reserve Fund</b>     | <b>310,828</b>   | <b>307,003</b>         | <b>222,757</b>    | <b>226,224</b>    | <b>212,516</b>    | <b>223,878</b>    | <b>230,208</b>    |
| TTF Payments   | (22,000)         | (22,000)               | (22,000)          | (22,000)          | (22,000)          | (22,000)          | (22,000)          |
| Feeder Road Maintenance Agreement                          | (6,500)          | (4,500)                | (3,500)           | (2,500)           | (2,500)           | (2,500)           | (2,500)           |
| Prior and Existing State Transportation Funding Agreement  | (204,000)        | (166,500)              | (154,000)         | (129,000)         | (64,500)          |                   |                   |
| Assumed Amounts for Additional State Transfers             |                  |                        |                   |                   | (64,500)          | (129,000)         | (129,000)         |
| Supplemental Capital/General Reserve Spending              | (61,048)         | (217,572)              | (50,000)          | (50,000)          | (50,000)          | (50,000)          | (50,000)          |
| Transfer to Construction Fund Account                      |                  |                        | (25,000)          | (25,000)          | (25,000)          | (25,000)          |                   |
| <b>Net Annual General Reserve Fund Increase (Decrease)</b> | <b>17,280</b>    | <b>(103,569)</b>       | <b>(31,743)</b>   | <b>(2,276)</b>    | <b>(15,984)</b>   | <b>(4,622)</b>    | <b>26,708</b>     |
| <b>Ending General Reserve Fund Balance</b>                 | <b>348,373</b>   | <b>244,804</b>         | <b>213,061</b>    | <b>210,785</b>    | <b>194,801</b>    | <b>190,180</b>    | <b>216,888</b>    |
| <b>Debt Service Coverage Ratio</b>                         |                  |                        |                   |                   |                   |                   |                   |
| Net Revenues / Debt Service                                | 1.57             | 1.59                   | 1.47              | 1.48              | 1.45              | 1.47              | 1.48              |
| Net Revenues / Debt Service and Reserves                   | 1.32             | 1.32                   | 1.22              | 1.22              | 1.20              | 1.21              | 1.22              |

## Amended 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, 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)

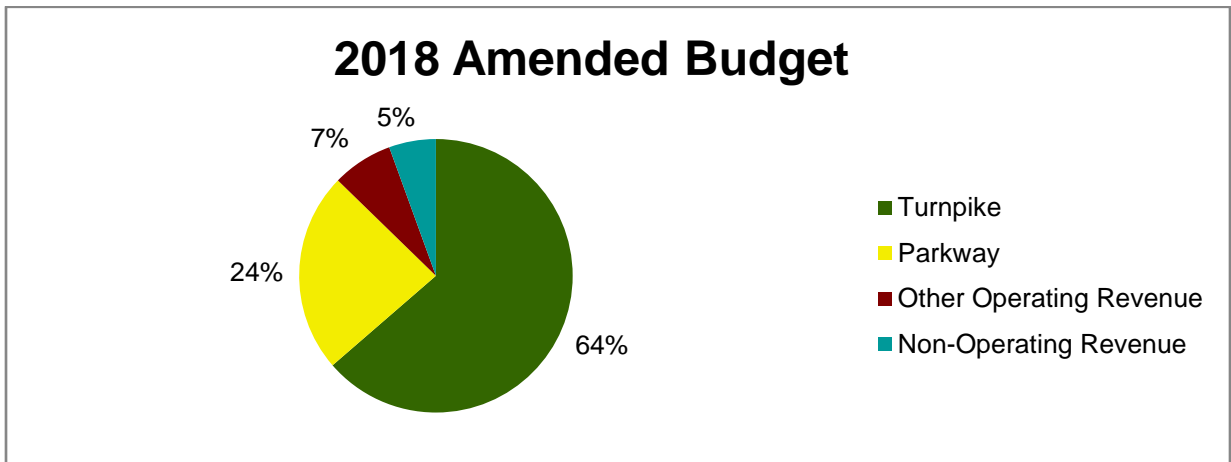
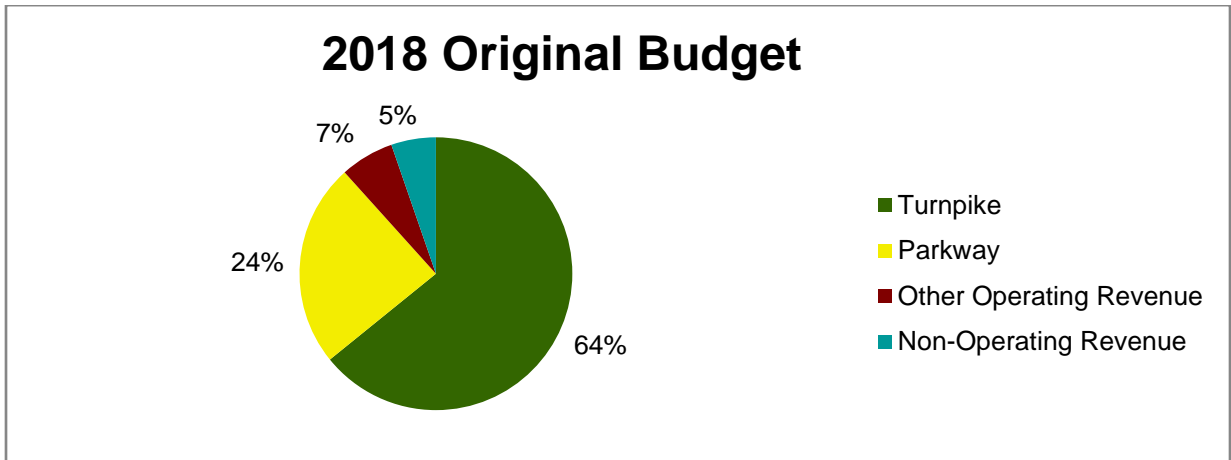
|                                  | <u>2018 Original Budget</u> | <u>2018 Amended Budget</u> |
|----------------------------------|-----------------------------|----------------------------|
| (i) Revenues                     | \$ 1,787,775                | \$ 1,833,175               |
| Operating Expenses               | <u>538,965</u>              | <u>570,951</u>             |
| Net Revenues                     | 1,248,810                   | 1,262,224                  |
| Debt Service Requirements        | 809,410                     | 795,645                    |
| Charges Fund                     | -                           | -                          |
| Maintenance Reserve Payments     | 119,086                     | 119,086                    |
| Special Project Reserve Payments | <u>40,490</u>               | <u>40,490</u>              |
| Total Requirements               | <u>\$ 968,986</u>           | <u>\$ 955,221</u>          |
| Excess Revenues                  | \$ 279,824                  | \$ 307,003                 |
| <hr/>                            |                             |                            |
| (ii) Net Revenues                | \$ 1,248,810                | \$ 1,262,224               |
| 1.2 Times Debt Service           | <u>971,292</u>              | <u>954,774</u>             |
| Excess Revenues                  | \$ 277,518                  | \$ 307,450                 |
| Debt Service Coverage            | 1.54                        | 1.59                       |

## Amended Summary of Major Revenues and Expenses

### Amended Sources of Revenue

(in Thousands)

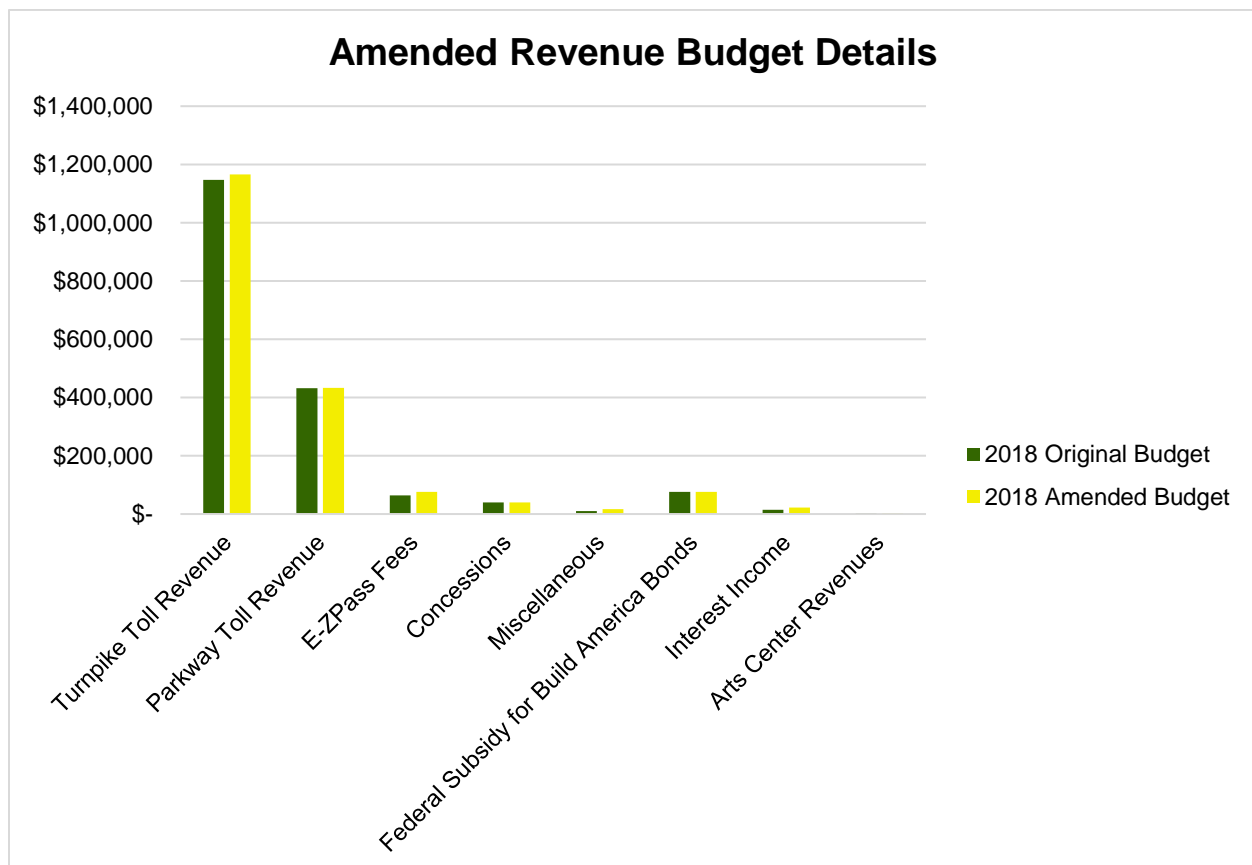
|                         | 2018<br><u>Original Budget</u> | 2018<br><u>Amended Budget</u> | <u>Budget</u><br><u>Increase/(Decrease)</u> |
|-------------------------|--------------------------------|-------------------------------|---|
| Toll Revenue            |                                |                               |   |
| Turnpike                | \$ 1,147,158                   | \$ 1,165,300                  | \$ 18,142                                   |
| Parkway                 | <u>432,009</u>                 | <u>433,200</u>                | <u>1,191</u>                                |
| Total Toll Revenue      | 1,579,167                      | 1,598,500                     | 19,333                                      |
| Other Operating Revenue | 113,931                        | 133,000                       | 19,069                                      |
| Non-Operating Revenue   | <u>94,677</u>                  | <u>101,675</u>                | <u>6,998</u>                                |
| <br>Total Revenues      | <br><u>\$ 1,787,775</u>        | <br><u>\$ 1,833,175</u>       | <br><u>\$ 45,400</u>                        |



### Amended Revenue Budget Details

(in Thousand's)

|   | <b>2018</b>            | <b>2018</b>           | <b>Budget</b>              |
|---|------------------------|-----------------------|----------------------------|
|   | <b>Original Budget</b> | <b>Amended Budget</b> | <b>Increase/(Decrease)</b> |
| <b>Operating Revenue</b>                |                        |                       |                            |
| Turnpike Toll Revenue                   | \$ 1,147,158           | \$ 1,165,300          | \$ 18,142                  |
| Parkway Toll Revenue                    | 432,009                | 433,200               | 1,191                      |
| E-ZPass Fees                            | 63,800                 | 76,000                | 12,200                     |
| Concessions                             | 40,000                 | 40,000                | -                          |
| Miscellaneous                           | 10,131                 | 17,000                | 6,869                      |
| <b>Total Operating Revenue</b>          | <b>1,693,098</b>       | <b>1,731,500</b>      | <b>38,402</b>              |
| <b>Non-Operating Revenue</b>            |                        |                       |                            |
| Federal Subsidy for Build America Bond: | 76,275                 | 76,275                | -                          |
| Interest Income                         | 15,000                 | 21,998                | 6,998                      |
| Arts Center Revenues                    | 3,402                  | 3,402                 | -                          |
| <b>Total Non-Operating Revenue</b>      | <b>94,677</b>          | <b>101,675</b>        | <b>6,998</b>               |
| <b>Total Revenues</b>                   | <b>\$ 1,787,775</b>    | <b>\$ 1,833,175</b>   | <b>\$ 45,400</b>           |

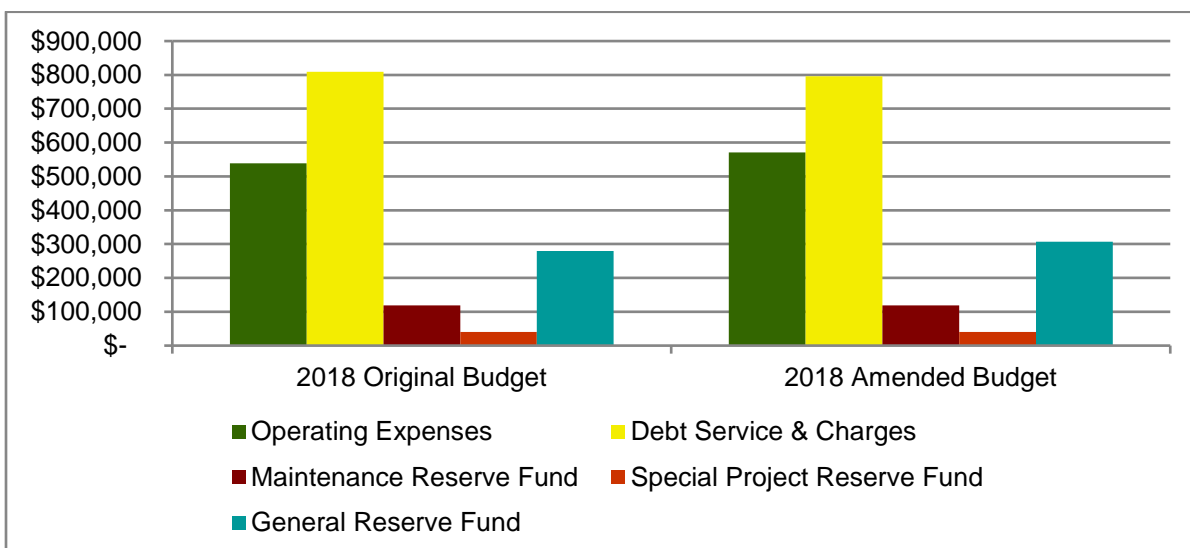
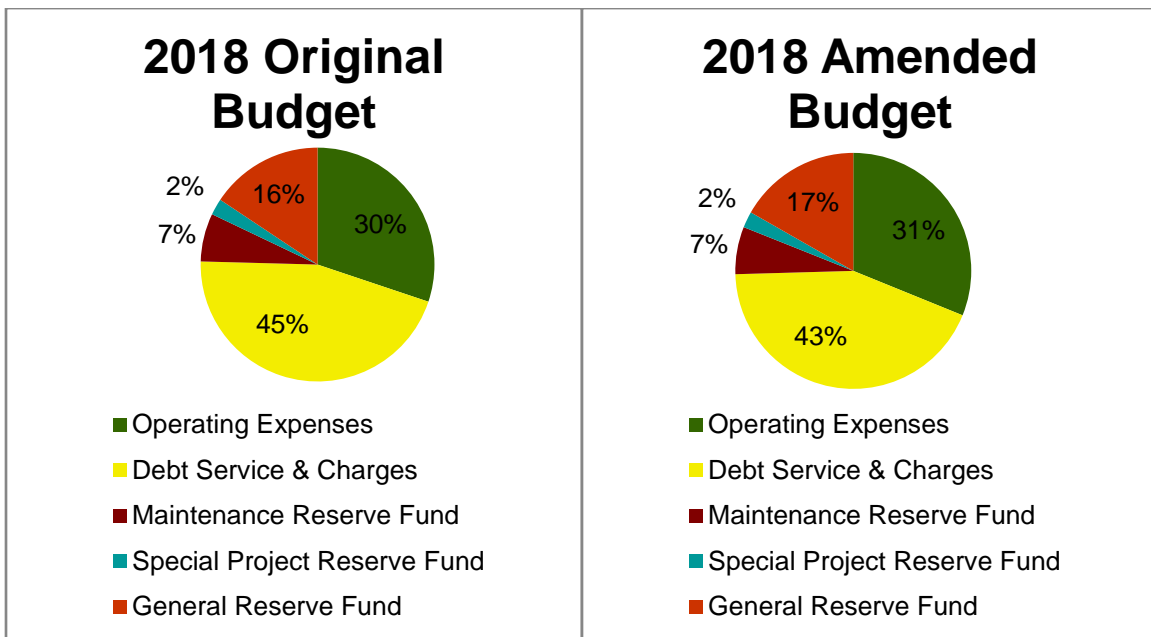




**Amended Allocation of Revenue**

(in Thousands)

|                                    | <u>2018 Original Budget</u> | <u>2018 Amended Budget</u> | <u>\$ Change from 2018 Original Budget</u> |
|------------------------------------|-----------------------------|----------------------------|--|
| Operating Expenses                 | \$ 538,965                  | \$ 570,951                 | \$ 31,986                                  |
| Transfers to:                      |                             |                            |  |
| Debt Service & Charges             | 809,410                     | 795,645                    | (13,765)                                   |
| Maintenance Reserve Fund           | 119,086                     | 119,086                    | -  |
| Special Project Reserve Fund       | 40,490                      | 40,490                     | -  |
| General Reserve Fund               | 279,828                     | 307,007                    | 27,179                                     |
| <b>Total Allocation of Revenue</b> | <b>\$ 1,787,779</b>         | <b>\$ 1,833,179</b>        | <b>\$ 45,400</b>                           |

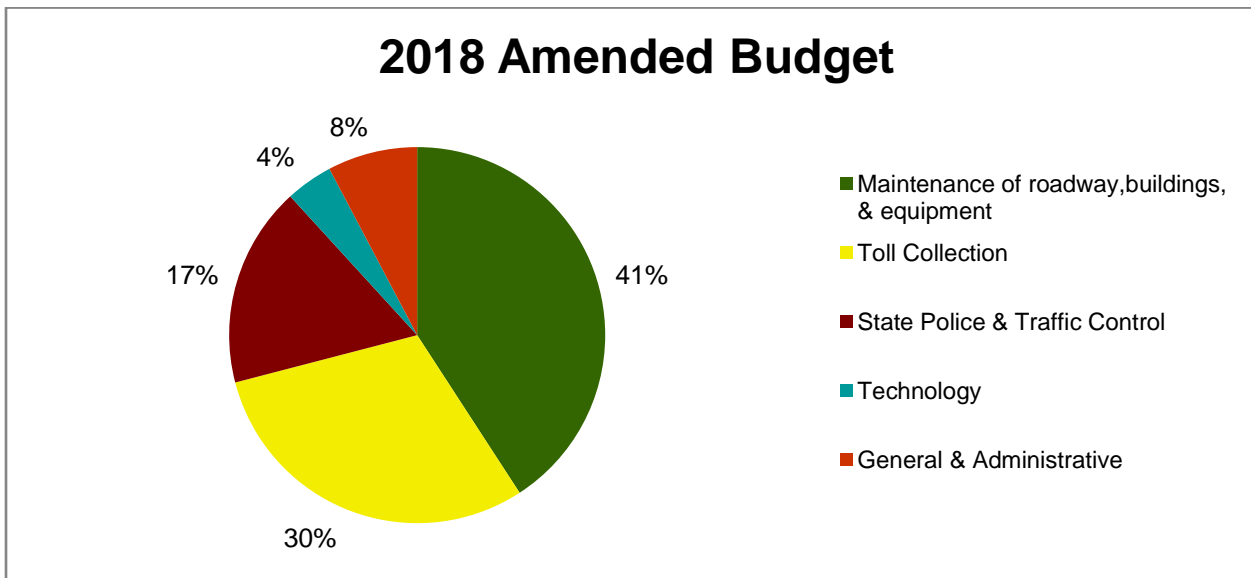
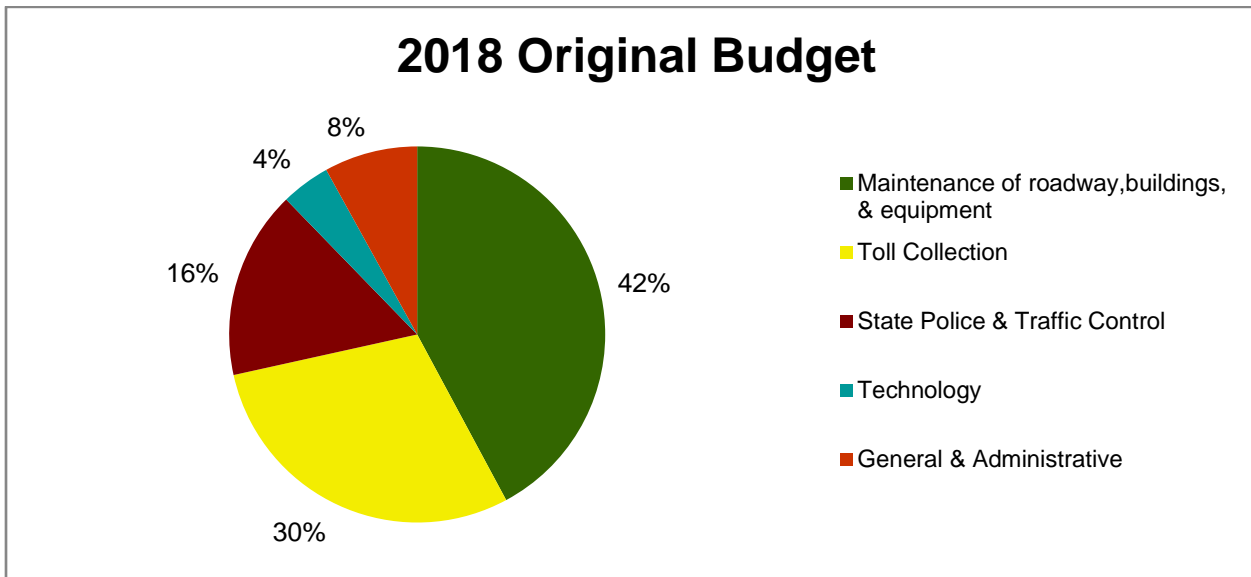


**Amended Operating Budget**

|   | <u>2018</u><br><u>Original Budget</u> | <u>2018</u><br><u>Amended Budget</u> | <u>Budget</u><br><u>Increase/(Decrease)</u> |
|---|---------------------------------------|--------------------------------------|---|
| <b><u>Maintenance of Roadway, Buildings &amp; Equipment</u></b> |                                       |                                      |   |
| Maintenance   | \$ 217,752,500                        | \$ 222,966,500                       | \$ 5,214,000                                |
| Engineering   | 9,418,300                             | 9,717,300                            | 299,000                                     |
|   | <u>227,170,800</u>                    | <u>232,683,800</u>                   | <u>5,513,000</u>                            |
| <b><u>Toll Collection</u></b>                                   |                                       |                                      |   |
| Toll Collection   | 158,383,600                           | 171,122,600                          | 12,739,000                                  |
| <b><u>State Police &amp; Traffic Control</u></b>                |                                       |                                      |   |
| Operations  | 11,787,400                            | 12,140,400                           | 353,000                                     |
| State Police  | 75,532,600                            | 86,525,600                           | 10,993,000                                  |
|   | <u>87,320,000</u>                     | <u>98,666,000</u>                    | <u>11,346,000</u>                           |
| <b><u>Technology</u></b>  |                                       |                                      |   |
| Information Technology Services                                 | 22,793,100                            | 23,168,100                           | 375,000                                     |
| <b><u>General &amp; Administrative</u></b>                      |                                       |                                      |   |
| Executive Office  | 1,095,300                             | 1,095,300                            | -   |
| Law & Insurance Services  | 10,264,000                            | 11,041,000                           | 777,000                                     |
| Purchasing & Materials Management                               | 9,090,600                             | 9,560,600                            | 470,000                                     |
| Human Resources & Office Services                               | 5,666,400                             | 6,028,400                            | 362,000                                     |
| Finance   | 11,688,100                            | 12,011,100                           | 323,000                                     |
| Patron & Customer Services                                      | 1,904,200                             | 1,978,200                            | 74,000                                      |
| Internal Audit  | 3,589,300                             | 3,596,300                            | 7,000                                       |
|   | <u>43,297,900</u>                     | <u>45,310,900</u>                    | <u>2,013,000</u>                            |
| <b>Total Operating Budget</b>                                   | <u>\$ 538,965,400</u>                 | <u>\$ 570,951,400</u>                | <u>\$ 31,986,000</u>                        |

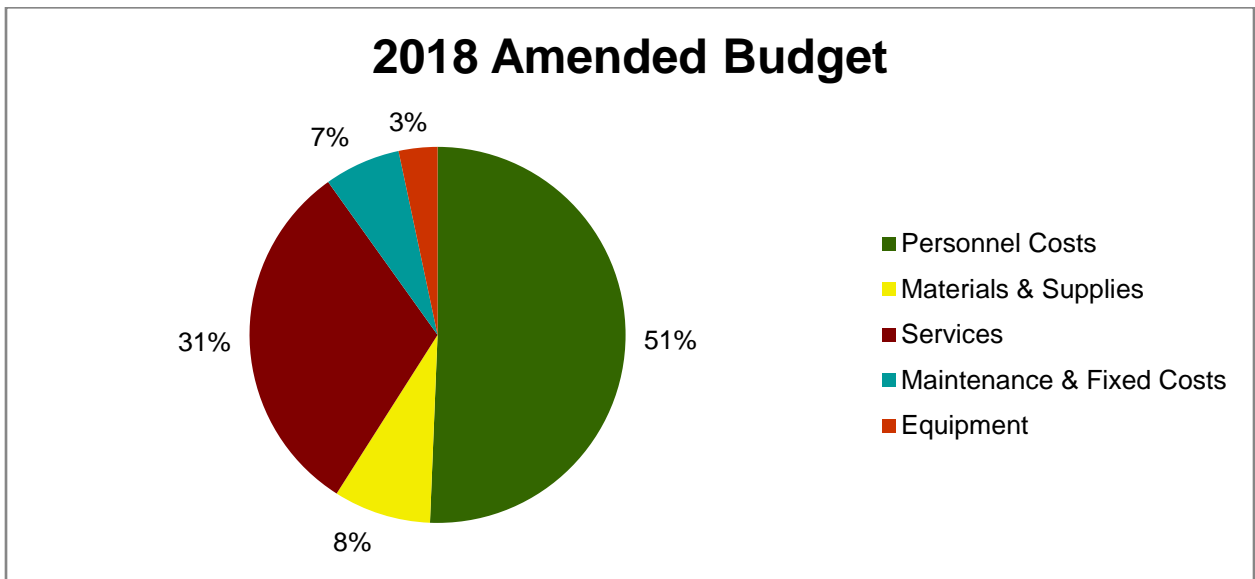
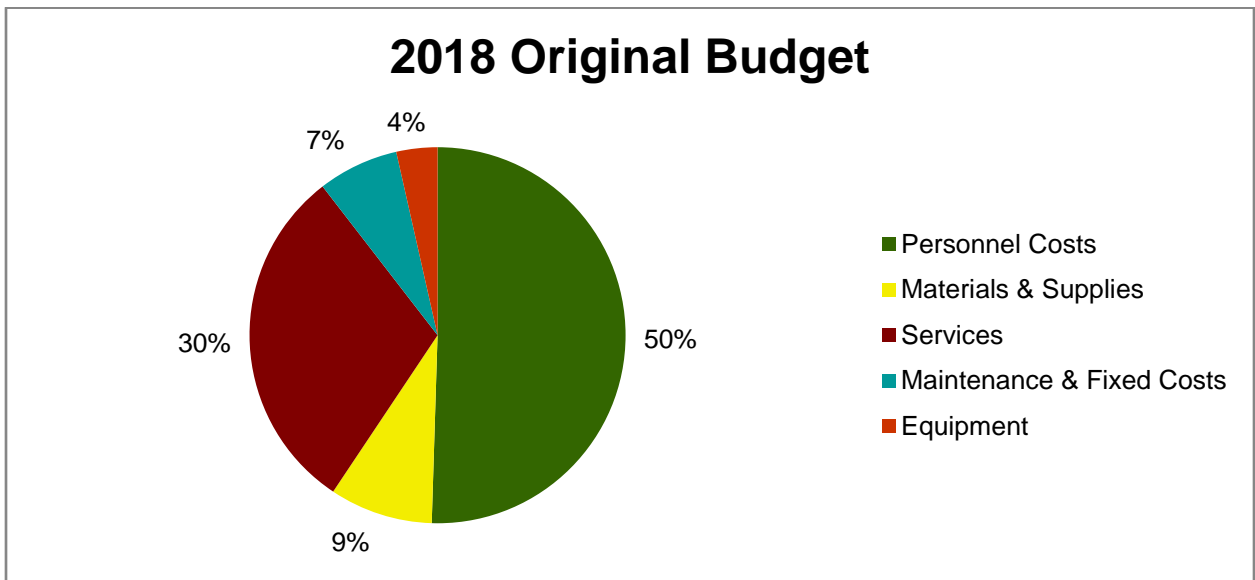
**Amended Budget by Functional Area**

|  | 2018<br>Original Budget | 2018<br>Amended Budget | Budget<br>Increase/(Decrease) |
|--|-------------------------|------------------------|-------------------------------|
| Maintenance of roadway, buildings, & equipment | \$ 227,170,800          | \$232,683,800          | \$ 5,513,000                  |
| Toll Collection                                | 158,383,600             | 171,122,600            | 12,739,000                    |
| State Police & Traffic Control                 | 87,320,000              | 98,666,000             | 11,346,000                    |
| Technology                                     | 22,793,100              | 23,168,100             | 375,000                       |
| General & Administrative                       | 43,297,900              | 45,310,900             | 2,013,000                     |
| <b>Total Operating Budget</b>                  | <b>\$ 538,965,400</b>   | <b>\$ 570,951,400</b>  | <b>\$ 31,986,000</b>          |



**Amended Budget by Expense Type**

|                               | 2018<br><u>Original Budget</u> | 2018<br><u>Amended Budget</u> | Budget<br><u>Increase/(Decrease)</u> |
|-------------------------------|--------------------------------|-------------------------------|--------------------------------------|
| Personnel Costs               | \$ 272,145,800                 | \$ 288,170,800                | \$ 16,025,000                        |
| Materials & Supplies          | 47,843,400                     | 47,843,400                    | -                                    |
| Services                      | 162,540,400                    | 178,501,400                   | 15,961,000                           |
| Maintenance & Fixed Costs     | 37,404,800                     | 37,404,800                    | -                                    |
| Equipment                     | 19,031,000                     | 19,031,000                    | -                                    |
| <b>Total Operating Budget</b> | <b>\$ 538,965,400</b>          | <b>\$ 570,951,400</b>         | <b>\$ 31,986,000</b>                 |

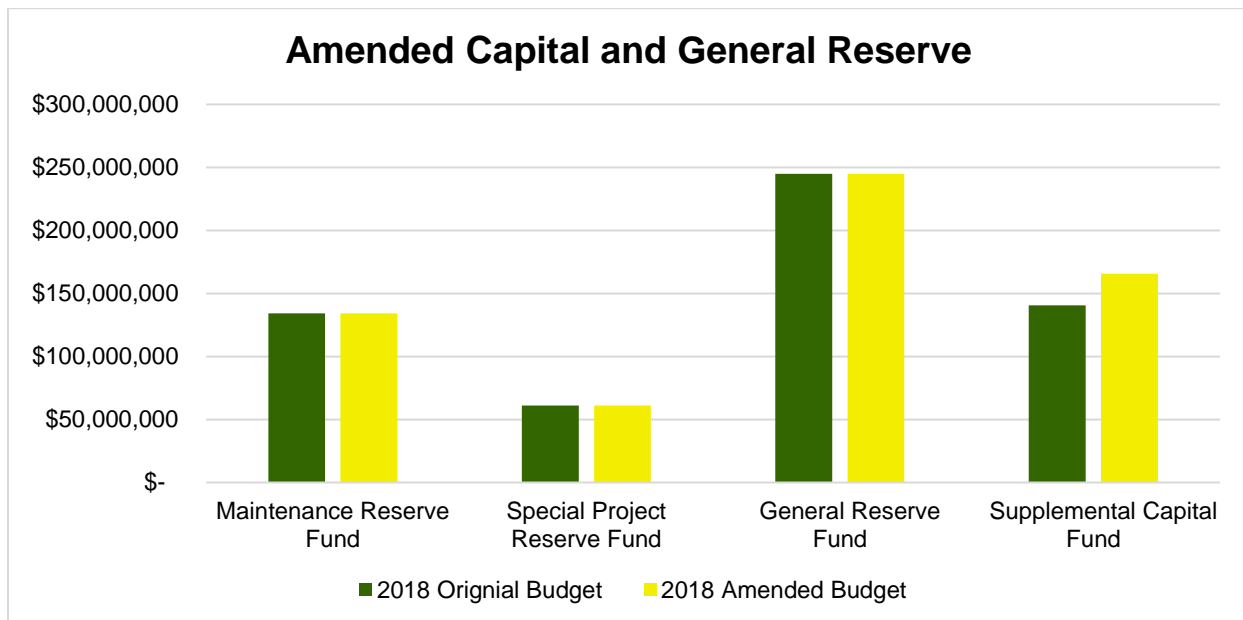
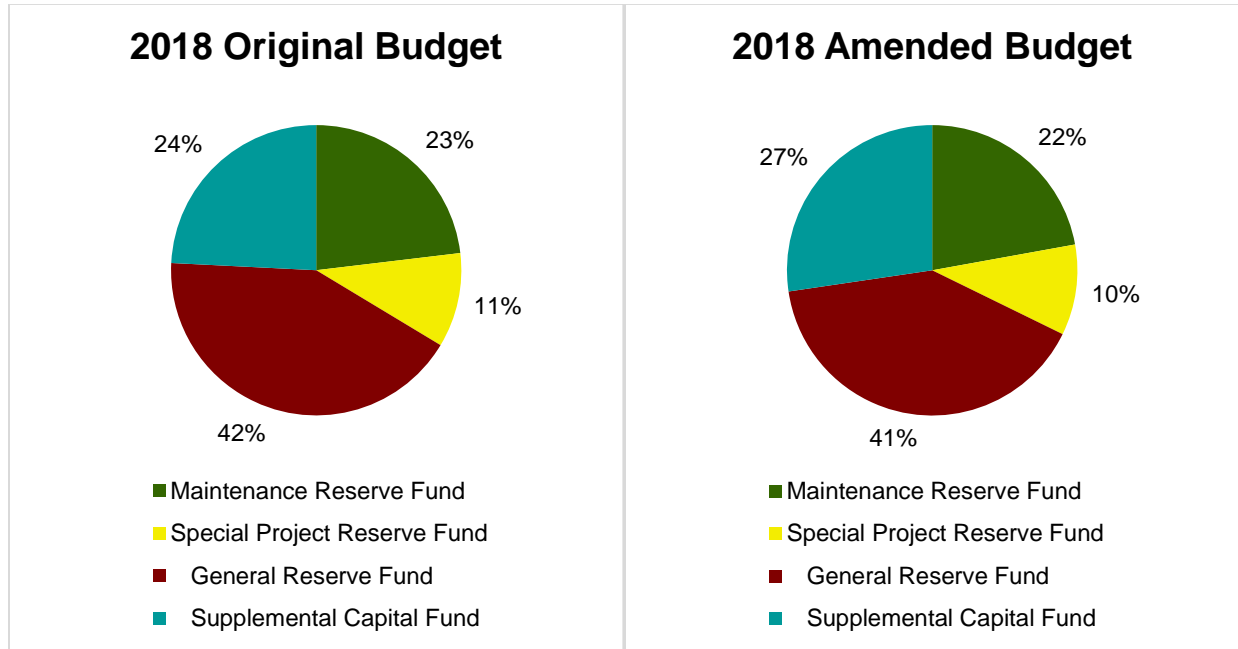


**Amended Operating Budget Summary by Line Item**

|  | <b>2018<br/>Original Budget</b> | <b>2018<br/>Amended Budget</b> | <b>Budget<br/>Increase/(Decrease)</b> |
|--|---------------------------------|--------------------------------|---------------------------------------|
| <b>Personnel Costs</b>                     |                                 |                                |                                       |
| Salaries & Wages                           | \$ 156,643,000                  | \$ 169,885,000                 | 13,242,000                            |
| Allowances                                 | 1,393,000                       | 1,393,000                      | -                                     |
| Pension & Payroll Taxes                    | 32,243,000                      | 35,026,000                     | 2,783,000                             |
| Health Benefits                            | 80,967,700                      | 80,967,700                     | -                                     |
| Tuition                                    | 100,000                         | 100,000                        | -                                     |
| Training & Transportation                  | 799,100                         | 799,100                        | -                                     |
| <b>Total Personal Costs</b>                | <b><u>272,145,800</u></b>       | <b><u>288,170,800</u></b>      | <b><u>16,025,000</u></b>              |
| <b>Materials &amp; Supplies</b>            |                                 |                                |                                       |
| Printing & Office Supplies                 | 480,800                         | 480,800                        | -                                     |
| Vehicle Fuel                               | 4,352,700                       | 4,352,700                      | -                                     |
| Medical Supplies                           | 8,600                           | 8,600                          | -                                     |
| Operating Supplies                         | 1,758,300                       | 1,758,300                      | -                                     |
| Toll Tickets                               | 316,200                         | 316,200                        | -                                     |
| Utilities                                  | 12,662,100                      | 12,662,100                     | -                                     |
| Snow/Ice Materials                         | 10,669,200                      | 10,669,200                     | -                                     |
| Software                                   | 5,534,000                       | 5,534,000                      | -                                     |
| Operating Materials                        | 12,061,500                      | 12,061,500                     | -                                     |
| <b>Total Materials &amp; Supplies</b>      | <b><u>47,843,400</u></b>        | <b><u>47,843,400</u></b>       | <b><u>-</u></b>                       |
| <b>Services</b>                            |                                 |                                |                                       |
| State Police Services                      | 68,868,600                      | 79,829,600                     | 10,961,000                            |
| Credit Card, Trustee & Banking Fees        | 30,189,000                      | 30,189,000                     | -                                     |
| Insurance                                  | 10,945,400                      | 10,945,400                     | -                                     |
| Facilities Services                        | 2,976,300                       | 2,976,300                      | -                                     |
| Legal Services                             | 1,459,400                       | 1,459,400                      | -                                     |
| Consulting Services                        | 3,640,100                       | 3,640,100                      | -                                     |
| Other Professional Services                | 39,371,300                      | 44,371,300                     | 5,000,000                             |
| Environmental Services                     | 4,759,500                       | 4,759,500                      | -                                     |
| Other Services                             | 330,800                         | 330,800                        | -                                     |
| <b>Total Services</b>                      | <b><u>162,540,400</u></b>       | <b><u>178,501,400</u></b>      | <b><u>15,961,000</u></b>              |
| <b>Maintenance &amp; Fixed Costs</b>       |                                 |                                |                                       |
| Vehicle Maintenance                        | 490,200                         | 490,200                        | -                                     |
| Roadway Maintenance                        | 29,598,400                      | 29,598,400                     | -                                     |
| Bridge Maintenance                         | 48,400                          | 48,400                         | -                                     |
| Building Maintenance                       | 1,988,300                       | 1,988,300                      | -                                     |
| Toll Booth Maintenance                     | 76,200                          | 76,200                         | -                                     |
| Equipment Maintenance                      | 4,832,100                       | 4,832,100                      | -                                     |
| Building & Equipment Rental                | 271,500                         | 271,500                        | -                                     |
| Taxes                                      | 99,700                          | 99,700                         | -                                     |
| <b>Total Maintenance &amp; Fixed Costs</b> | <b><u>37,404,800</u></b>        | <b><u>37,404,800</u></b>       | <b><u>-</u></b>                       |
| <b>Equipment</b>                           |                                 |                                |                                       |
| Equipment                                  | 11,726,000                      | 11,726,000                     | -                                     |
| Transponders                               | 7,305,000                       | 7,305,000                      | -                                     |
| <b>Total Equipment</b>                     | <b><u>19,031,000</u></b>        | <b><u>19,031,000</u></b>       | <b><u>-</u></b>                       |
| <b>Total Operating Budget by Line Item</b> | <b><u>\$ 538,965,400</u></b>    | <b><u>\$ 570,951,400</u></b>   | <b><u>\$ 31,986,000</u></b>           |

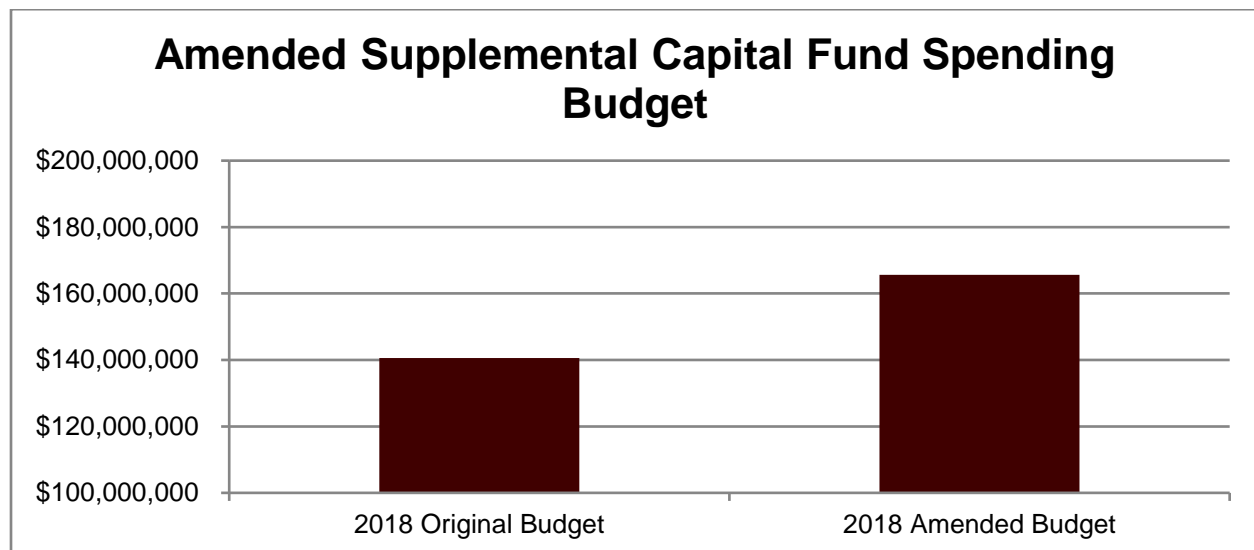
### Amended Capital and General Reserve Spending Budgets

|  | <u>2018<br/>Original Budget</u> | <u>2018<br/>Amended Budget</u> | <u>Budget<br/>Increase/(Decrease)</u> |
|--|---------------------------------|--------------------------------|---------------------------------------|
| Maintenance Reserve Fund                       | \$ 134,246,900                  | \$ 134,246,900                 | \$ -                                  |
| Special Project Reserve Fund                   | 61,154,900                      | 61,154,900                     | -                                     |
| General Reserve Fund:                          |                                 |                                | -                                     |
| General Reserve Fund                           | 244,945,000                     | 244,945,000                    | -                                     |
| Supplemental Capital Fund                      | 140,627,000                     | 165,627,000                    | 25,000,000                            |
| <b>Total Capital and General Reserve Funds</b> | <b>\$ 580,973,800</b>           | <b>\$ 605,973,800</b>          | <b>\$ 25,000,000</b>                  |



**Amended Supplemental Capital Fund**

| Category                               | 2018                  | 2018                  | Budget               |
|--|-----------------------|-----------------------|----------------------|
|  | Original Budget       | Amended Budget        | Increase/(Decrease)  |
| Facility Improvements                  | \$ 32,384,200         | \$ 32,384,200         | \$ -                 |
| Roadway Improvements                   | 80,446,000            | 80,446,000            | -                    |
| Technology Improvements                | 27,796,800            | 52,796,800            | 25,000,000           |
| <b>Total Supplemental Capital Fund</b> | <b>\$ 140,627,000</b> | <b>\$ 165,627,000</b> | <b>\$ 25,000,000</b> |



**General Reserve Fund Balance**

|   | 2018                  | 2018                  | Budget              |
|---|-----------------------|-----------------------|---------------------|
|   | Original Budget       | Amended Budget        | Increase/(Decrease) |
| Beginning Balance                         | \$ 341,536,700        | \$ 341,536,700        | \$ -                |
| Transfer from Revenue Fund                | 279,828,000           | 307,003,000           | 27,175,000          |
| General Reserve Expenditures-             |                       |                       |                     |
| Net of Recoveries & Capital Contributions | (244,945,000)         | (244,945,000)         | -                   |
| Supplemental Capital Expenditures         | (140,627,000)         | (165,627,000)         | (25,000,000)        |
| <b>Ending Balance</b>                     | <b>\$ 235,792,700</b> | <b>\$ 237,967,700</b> | <b>\$ 2,175,000</b> |

### Amended Supplemental Capital Fund Projects

| <u>Project #</u>                | <u>Project Name</u>  | <u>2018 Original<br/>Budget</u> | <u>2018 Amended<br/>Budget</u> | <u>Budget<br/>Increase/(Decrease)</u> |
|---------------------------------|--|---------------------------------|--------------------------------|---------------------------------------|
| 080C00001                       | Toll Plaza Utility Building Improvements at GSP 117 Keyport        | \$1,503,800                     | \$1,503,800                    | -                                     |
| 080C00002                       | Replacement Toll Booths for Turnpike & Parkway                     | 793,100                         | 793,100                        | -                                     |
| 080C00003                       | Major Backup Generator Replacement                                 | 5,000,000                       | 5,000,000                      | -                                     |
| 080C00004                       | Replacement of Concrete Abutments at Interchanges 3 & 4 (15 lanes) | 2,060,000                       | 2,060,000                      | -                                     |
| 080C00005                       | Toll Facility Repairs & Improvements                               | 7,274,400                       | 7,274,400                      | -                                     |
| 080C07019                       | Major Roofing Replacements   | 1,500,000                       | 1,500,000                      | -                                     |
| 080C07033                       | Security Systems/C Cure  | 1,500,000                       | 1,500,000                      | -                                     |
| 080C07117                       | HVAC & Boiler Replacement Program                                  | 4,500,000                       | 4,500,000                      | -                                     |
| 080C07118                       | Arts Center Parking Lot Lighting                                   | 3,678,900                       | 3,678,900                      | -                                     |
| 080C20019                       | Commuter Park and Ride Design & Construction (Int. 58)             | 400,000                         | 400,000                        | -                                     |
| 080C20021                       | Monmouth Service Area Improvements                                 | 24,000                          | 24,000                         | -                                     |
| 080C27033                       | Arts Center Improvements   | 2,750,000                       | 2,750,000                      | -                                     |
| 080C00017                       | TPK Service Area 1S and 1N Driveway Modifications                  | 500,000                         | 500,000                        | -                                     |
| 080C00018                       | Service Area Redevelopment Owners Rep                              | 400,000                         | 400,000                        | -                                     |
| 080C00019                       | Arts Center Traffic Signals and Parking Lot Expansion              | 500,000                         | 500,000                        | -                                     |
| 080C00006                       | Slope Stabilization  | 2,312,000                       | 2,312,000                      | -                                     |
| 080C00007                       | Hybrid Changeable Message Sign Replacement Project                 | 10,897,400                      | 10,897,400                     | -                                     |
| 080C00008                       | Interchange Improvements   | 507,000                         | 507,000                        | -                                     |
| 080C00009                       | Concrete Barrier Repairs   | 18,600                          | 18,600                         | -                                     |
| 080C00015                       | Gate Repair and Replacement  | 2,000,000                       | 2,000,000                      | -                                     |
| 080C07050                       | LED Lighting Upgrades  | 1,000,000                       | 1,000,000                      | -                                     |
| 080C17034                       | Non-Vegetative Management  | 300,000                         | 300,000                        | -                                     |
| 080C18028                       | Morris Canal Bridge  | 3,553,500                       | 3,553,500                      | -                                     |
| 080C18029                       | Sound Barrier Repair/Replacement                                   | 1,109,600                       | 1,109,600                      | -                                     |
| 080E00020                       | NBHCE Pulaski Skyway - stand-by                                    | 240,000                         | 240,000                        | -                                     |
| 080C00020                       | GSP MP 117.4 NB Crossover Tunnel Lighting                          | 650,000                         | 650,000                        | -                                     |
| 080C00021                       | GSP Central Interchange Lighting Installation                      | 750,000                         | 750,000                        | -                                     |
| 080C00022                       | Bridge Fender Reconstruction                                       | 2,026,000                       | 2,026,000                      | -                                     |
| 080C00023                       | Reconstruction of the Westerly Hackensack River Bridge Piers       | 11,669,900                      | 11,669,900                     | -                                     |
| 080C00016                       | Turnpike Interchange 6 Express E-ZPass Improvements                | 2,800,000                       | 2,800,000                      | -                                     |
| 080C00024                       | TPK Int. 14B Canopy Replacement (accident damage)                  | 2,705,000                       | 2,705,000                      | -                                     |
| 080C00025                       | GSP Br. 82.3N beam repair (accident damage)                        | 1,916,000                       | 1,916,000                      | -                                     |
| 080C00026                       | Additional Resurfacing on the Garden State Parkway                 | 30,591,000                      | 30,591,000                     | -                                     |
| 080C00027                       | Interchange 14B Traffic Signal                                     | 400,000                         | 400,000                        | -                                     |
| 080C00028                       | Interchange 18E High Speed E-ZPass/Interchange 16E Improvements    | 1,000,000                       | 1,000,000                      | -                                     |
| 080C00029                       | Horizontal Curve Warning Signs Installation                        | 4,000,000                       | 4,000,000                      | -                                     |
| 080C00011                       | Coin Machine Replacement - GSP                                     | 1,800,000                       | 1,800,000                      | -                                     |
| 080C00012                       | Road Weather Information Systems (RWIS)                            | 2,444,000                       | 2,444,000                      | -                                     |
| 080C00013                       | Production Toll Lane System Refresh                                | 7,860,800                       | 7,860,800                      | -                                     |
| 080C07052                       | Network Infrastructure Improvements                                | 60,000                          | 60,000                         | -                                     |
| 080C07108                       | Radio Replacement Project  | 1,000,000                       | 1,000,000                      | -                                     |
| 080C20020                       | Toll Plaza Cash Recyclers  | 1,500,000                       | 1,500,000                      | -                                     |
| 08999999                        | Contingency  | 5,000,000                       | 5,000,000                      | -                                     |
| 080C00030                       | Traffic Software Upgrade & Improvements                            | 1,332,000                       | 1,332,000                      | -                                     |
| 080C00031                       | Motorola Consolettes NJSP  | 1,100,000                       | 1,100,000                      | -                                     |
| 080C00032                       | Motorola Portable Radios NJSP                                      | 4,200,000                       | 4,200,000                      | -                                     |
| 080C00033                       | State Police Body Cameras  | 1,500,000                       | 1,500,000                      | -                                     |
| NEW                             | GSP Weathering Steel Guiderail Replacement                         | -                               | 1,000,000                      | 1,000,000.00                          |
| NEW                             | GSP Shoulder Widening and Reconstruction MP 30 to 35               | -                               | 10,000,000                     | 10,000,000.00                         |
| NEW                             | TPK Str. No. W112.72B  | -                               | 3,000,000                      | 3,000,000.00                          |
| NEW                             | TPK Redocking Str. No. 87.27S (NSI)                                | -                               | 500,000                        | 500,000.00                            |
| NEW                             | TPK Redocking Str. No. 30.75, Cresson Road over NJTP               | -                               | 750,000                        | 750,000.00                            |
| NEW                             | TPK Str. No. 33.94, Redock, Lengthen and Widening                  | -                               | 1,500,000                      | 1,500,000.00                          |
| NEW                             | GSP Str. No. 160.7N to 161.9N (6 Bridges both NB and SB)           | -                               | 8,250,000                      | 8,250,000.00                          |
| <b>Total Supplement Capital</b> |  | <b>\$140,627,000</b>            | <b>\$165,627,000</b>           | <b>\$25,000,000</b>                   |



**Amended Debt Services Fund Budget**

| <b>Bond Series</b>       | <b>2018</b>            |                       | <b>Budget</b>              |
|--------------------------|------------------------|-----------------------|----------------------------|
|                          | <b>Original Budget</b> | <b>Amended Budget</b> | <b>Increase/(Decrease)</b> |
| 2000 Series B-G (1)      | \$ -                   | \$ -                  | \$ -                       |
| 2004 Series B            | -                      | -                     | -                          |
| 2004 Series C-2          | 7,307,000              | 7,307,000             | -                          |
| 2005 Series A            | 9,117,000              | 9,117,000             | -                          |
| 2005 Series B            | 34,063,000             | 34,063,000            | -                          |
| 2005 Series D1-4         | 10,959,000             | 10,959,000            | -                          |
| 2009 Series E            | -                      | -                     | -                          |
| 2009 Series F            | 101,943,000            | 101,943,000           | -                          |
| 2009 Series G            | -                      | -                     | -                          |
| 2009 Series H            | 9,876,000              | 1,835,000             | (8,041,000)                |
| 2009 Series I            | 79,000                 | -                     | (79,000)                   |
| 2010 Series A            | 131,387,000            | 131,387,000           | -                          |
| 2012 Series A            | 6,894,000              | 581,000               | (6,313,000)                |
| 2012 Series B            | 198,207,000            | 198,207,000           | -                          |
| 2013 Series A            | 67,001,000             | 19,293,000            | (47,708,000)               |
| 2013 Series B (1)(3)     | -                      | -                     | -                          |
| 2013 Series C (1)(3)     | -                      | -                     | -                          |
| 2013 Series D 2-3 (1)(3) | -                      | -                     | -                          |
| 2013 Series E 2-3 (1)(3) | -                      | -                     | -                          |
| 2013 Series F            | 4,357,000              | 4,357,000             | -                          |
| 2014 Series A (4)        | 48,890,000             | 48,890,000            | -                          |
| 2014 Series B 2-3 (1)(3) | -                      | -                     | -                          |
| 2014 Series C            | 13,223,000             | 13,223,000            | -                          |
| 2015 Series A (1)(2)(3)  | 3,929,000              | 3,929,000             | -                          |
| 2015 Series B (1)(3)     | 1,891,000              | 1,891,000             | -                          |
| 2015 Series C (1)(3)     | 1,728,000              | 1,728,000             | -                          |
| 2015 Series D (1)(3)     | 1,729,000              | 1,729,000             | -                          |
| 2015 Series E            | 36,413,000             | 36,413,000            | -                          |
| 2015 Series F (1)(3)     | 2,926,000              | 2,926,000             | -                          |
| 2015 Series G (1)(3)     | 988,000                | 988,000               | -                          |
| 2015 Series H (1)(3)     | 1,951,000              | 1,951,000             | -                          |
| 2016 Series A            | 7,312,000              | 7,312,000             | -                          |
| 2016 Series B (1)(3)     | 3,060,000              | 3,060,000             | -                          |
| 2016 Series C (1)(3)     | 2,040,000              | 2,040,000             | -                          |
| 2016 Series D (1)(3)     | 1,995,000              | 1,995,000             | -                          |
| 2017 Series A            | 29,409,000             | 29,409,000            | -                          |
| 2017 Series B            | 31,304,000             | 31,304,000            | -                          |
| 2017 Series C (1)(3)     | 18,967,000             | 18,967,000            | -                          |
| 2017 Series D (1)(3)     | 7,340,000              | 7,340,000             | -                          |
| 2017 Series E            | -                      | 18,833,000            | 18,833,000                 |
| 2017 Series F            | -                      | 6,966,000             | 6,966,000                  |
| 2017 Series G            | -                      | 31,327,000            | 31,327,000                 |
| 2017 New Money - B       | -                      | -                     | -                          |
| 2018 New Money - A (5)   | 13,125,000             | 4,375,000             | (8,750,000)                |
|                          | <u>\$ 809,410,000</u>  | <u>\$ 795,645,000</u> | <u>\$ (13,765,000)</u>     |

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

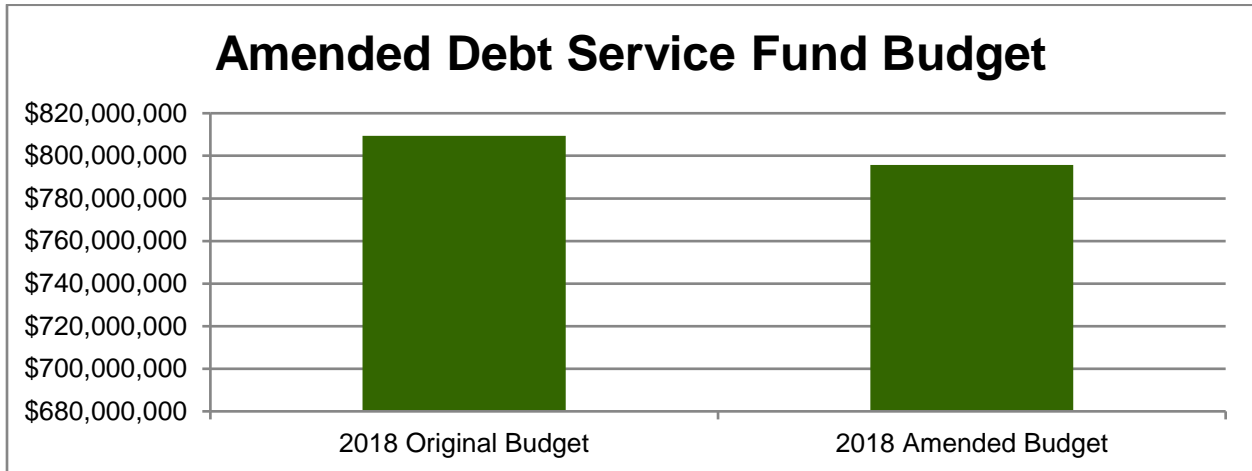
(2) Interest on the \$5,000,000 unhedged portion is calculated at the maximum rate of 12%.

(3) Include the fixed credit spread as interest expense.

(4) Funding includes capitalized interest from the date of the bond issuance through May 2016. Interest is payable from revenue from June 2016 forward.

(5) Assumed new money issuances in 2018 of up to \$525 million to fund the \$7 billion capital program with interest at 5%.

**Amended Debt Services Fund Budget and Fund Balance**



| <b>Debt Service Fund Balance</b> |                             |                            |                                 |
|----------------------------------|-----------------------------|----------------------------|---------------------------------|
|                                  | <b>2018 Original Budget</b> | <b>2018 Amended Budget</b> | <b>Budget Increase/Decrease</b> |
| Beginning Balance                | \$ 218,475,000              | \$ 218,475,000             | \$ -                            |
| Interfund Transfers              | 809,410,000                 | 795,645,000                | (13,765,000)                    |
| Interest Expense                 | (609,721,000)               | (609,721,000)              | -                               |
| Principle Payments               | (218,475,000)               | (218,475,000)              | -                               |
| <b>Ending Balance</b>            | <b>\$ 199,689,000</b>       | <b>\$ 185,924,000</b>      | <b>\$ (13,765,000)</b>          |