

# **New Jersey Turnpike Authority**

## **2021 Annual Budget-in-Brief**

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**Prepared by – Finance Department  
Donna Manuelli, Chief Financial Officer  
Mukta Puranik, Comptroller**



# Transmittal Letter



## New Jersey Turnpike Authority

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PHILIP D. MURPHY  
GOVERNOR

SHEILA Y. OLIVER  
LIEUTENANT GOVERNOR

October 27, 2020

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ULISES E. DIAZ, Vice Chair  
MICHAEL R. DuPONT, Treasurer  
RAYMOND M. POCINO, Commissioner  
RONALD GRAVINO, Commissioner  
JOHN D. MNELLA, Commissioner  
RAPHAEL SALERMO, Commissioner  
JOHN M. KELLER, Executive Director

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

We are pleased to submit the 2021 Annual Budget-in-Brief. The 2021 Annual Budget has been prepared consistent with the Authority's Strategic Plan and its mission. This mission is to prudently manage the finances and operations of the New Jersey Turnpike Authority to provide its customers with a safe, efficient, innovative, and resilient toll road system which facilitates mobility in New Jersey and the Northeast United States of America. Fulfilling this mission was complicated in 2020 by the impacts of the COVID-19 pandemic on the Authority's revenues, operations, and employees, and these impacts are expected to continue in 2021 and beyond. The Authority has responded to these notable impacts both prudently and responsibly while continuing its capital investment plans, as will be demonstrated in the 2021 Annual Budget. As you are aware, in 2020 the Authority approved its 2020 Long-Range Capital Plan and implemented the first toll rate increase in nearly eight years to provide a funding stream for the capital projects included in the plan. The 2021 Annual Budget includes nearly \$1 billion in capital project spending, funding necessary state of good repair, safety and capacity enhancement projects. Also, the 2021 Annual Budget includes net revenues sufficient to cover over \$900 million of debt service payments in 2021 on both existing debt and the potential issuance of new money bonds. Included in the 2021 Annual Budget are interest costs on assumed new money borrowings of \$500 million for the 2019 Capital Improvement Program and \$500 million for the 2021-2025 Capital Improvement Program.

Since the adoption of the Strategic Plan, the Authority has been developing additional strategic goals and looking to create greater workforce and roadway efficiencies to support the Strategic Plan. One of those strategies produced is the merger of the Maintenance, Operations and Patron Services Departments. This merger results in a model that is common through dozens of state transportation agencies nationwide. The 2021 Annual Budget reflects this merger, as the new Operations Department includes both the Traffic Division and Maintenance Division. Also included in the 2021 Annual Budget is the implementation of several leading practice recommendations, including the establishment of a rolling five-year capital program and lowering of certain asset capitalization thresholds. The 2021 Annual Budget holds authorized positions at the 2020 level of 2,125, while providing increased funding for COVID-19 safety measures.

The 2021 Annual Budget provides for the necessary personnel and expenditures to operate and maintain the New Jersey Turnpike and Garden State Parkway, two of the nation's busiest and safest toll roads. In addition, the 2021 Annual Budget provides bond covenant coverage exceeding that required by the Turnpike Revenue Bond Resolution and the Authority's Financial Management Principles and Guidelines, as well as meets all contractual payment obligations. Please refer to the detailed budget book, which will be available on the Authority's website.

John M. Keller  
Executive Director

Donna Manuelli  
Chief Financial Officer

Website address <http://www.njta.com>

## 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”). 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 an international 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 was the first toll road in New Jersey and the third in the nation when it opened in 1951.

At the time the Turnpike opened in 1951, it was 118 miles in length and today consists of 148 center lane miles. The center lane miles have grown over the years 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 mainline connects to the George Washington Bridge in the north, and the Delaware Memorial Bridge in the south. To the east it connects with the Lincoln and Holland Tunnels and the Outerbridge Crossing, and to the west with the Delaware River Turnpike Bridge. Originally four lanes for its full length, the Turnpike is now as wide as 14 lanes in some areas.

### The Parkway

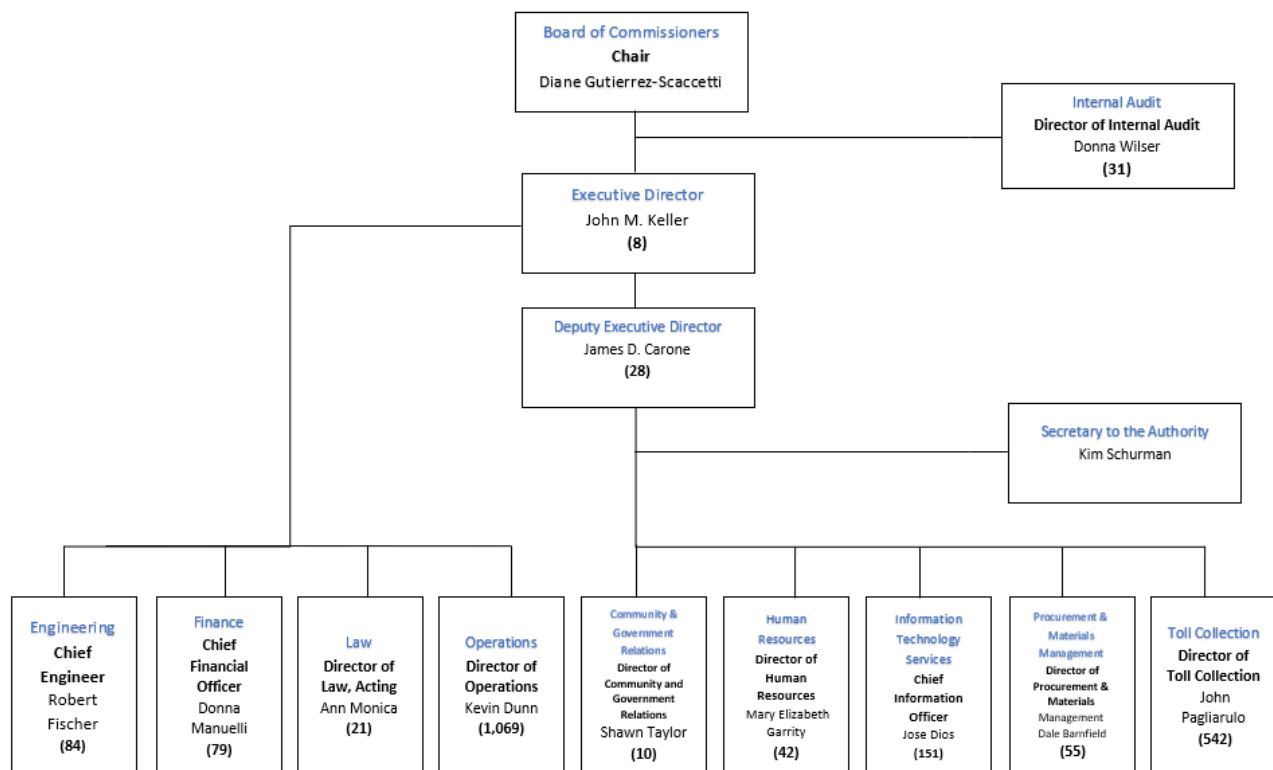
The Parkway opened to traffic in 1954. Originally 168 miles in length, today the Parkway is a 173-mile limited access toll road with connections in the south to Route 9 near Cape May, New Jersey, and in the north to the New York State Thruway at the New York-New Jersey border near Spring Valley, New 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 on the Parkway north of Interchange 105. The Parkway is now as wide as 15 lanes in some areas.

## Leadership

Member	Position
Diane Gutierrez-Scaccetti	Chair
Ulises E. Diaz	Vice Chair
Michael R. Dupont	Treasurer
Raymond M. Pocino	Commissioner
Ronald Gravino	Commissioner
John D. Minella	Commissioner
Raphael Salermo	Commissioner

## Organization Chart



- Departmental full-time employee count is shown in parenthesis
- The Organization chart shows the merger of operations, maintenance and patron service division effective October 19, 2020, to create greater workforce and roadway efficiencies



Exit 125 on the Garden State Parkway looking North Bound



## **Vision Statement**

To be the premier toll road agency in the United States of America

## **Mission Statement**

To prudently manage the finances and operations of the New Jersey Turnpike Authority to provide our customers with a safe, efficient, innovative, and resilient toll road system, which facilitates mobility in New Jersey and the Northeast United States of America.

## **Core Values**

The Authority's core values are a commitment to:

Safety  
Diversity  
Innovation  
Transparency  
State of Good Repair  
Customer Satisfaction  
Resiliency & Sustainability  
Long Term Financial Stability

## The Strategic Plan

The Authority adopted a 10-year Strategic Plan (2020-2029) on August 27, 2019. The plan includes performance measures for the key goals of the Authority, which are listed below. The Authority is working to measure, monitor and report its performance against these key goals on a quarterly basis.

### The Key goals are –

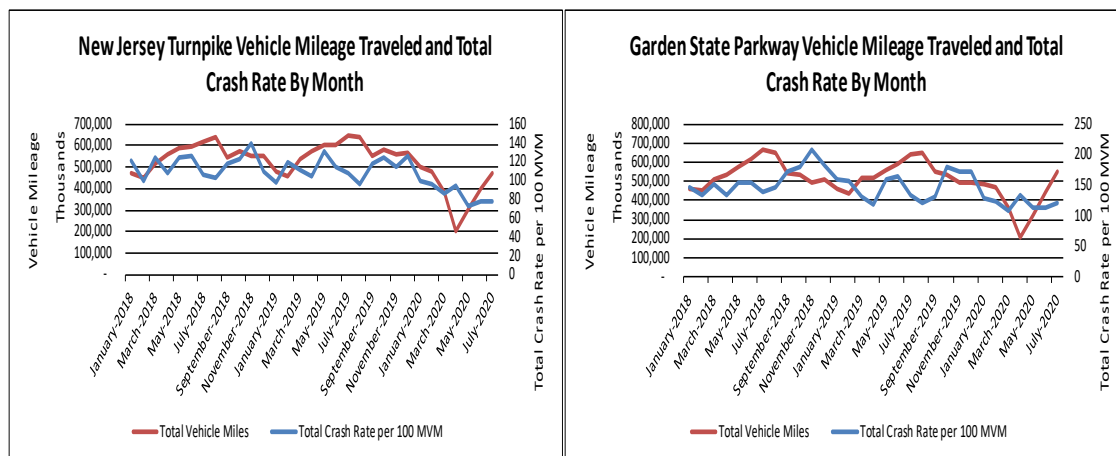
- **Safety** – (Crashes and fatalities, Toll collection personnel incidents, maintenance and contractor personnel incidents, service area and park and ride safety)
- **Financial Strength** – (Credit strength, Cost effective operations, Capital funding approach, Reserve funding and Debt Capacity)
- **Mobility** – (Vehicle throughput, Traffic balancing, Emerging tolling and vehicle technologies, Multi-modal connectivity through regional co-ordination)
- **State of Good Repair** - (Safeguarding Authority's infrastructure assets by maintaining pavements, bridges, drainage system, signage, lighting and facilities)
- **People** – (Customer satisfaction, Staffing needs, Retention of high-quality staff, Succession planning and Talent acquisition)

### Goals and Accomplishments –

#### Safety

**Goal:** Implement new emergency response resources such as helipads and access gate points in Bergen, Burlington, Cape May, Gloucester and Ocean Counties

**Accomplishment:** Total crash rate per 100 Million Vehicle Miles on the Turnpike and Parkway decreased significantly



#### Financial Strength

**Goal:** As of December 31, 2021, have minimum general reserve balance equal to 10% of the 2021 budgeted revenue. The 2021 revenue budget is \$2.15 billion. Therefore, the minimum general reserve balance should be at least \$215 million

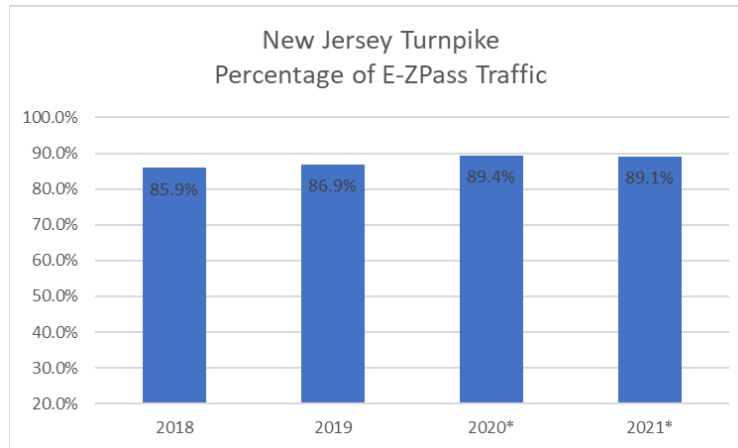
**Accomplishments:** Met all bond covenants and continued funding construction projects despite traffic and revenue losses due to the global pandemic. Fitch has affirmed 'A' rating and maintains the positive outlook on April 2, 2020. Achieved cash flow savings in 2020 of about \$180 million at minimal net present value cost by debt restructuring

New Jersey Turnpike Authority Bond Ratings		
Credit Rating Agency	2019 Bond Ratings	2020 Bond Ratings
Moody's Investors Services Inc	A2 (Stable Outlook)	A2 (Stable Outlook)
S&P Global Ratings	A+ (Stable Outlook)	A+ (Negative Outlook)
Fitch Ratings	A (Positive Outlook)	A (Positive outlook)

## Mobility

**Goal:** Implement the replacement system for OpenREACH to maintain essential regional transportation communications

**Accomplishment:** Installation of High-Speed E-ZPass lanes at Interchange 6 and the New Gretna Toll Plaza and started installation of next generation Hybrid Changeable Messaging Signs

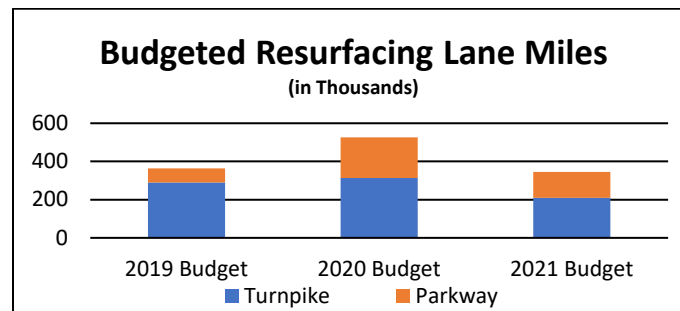


\*Projected Traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.

## State of Good Repair

**Goal:** Maintain and continue to improve the condition of the mainline pavement on the Turnpike and Parkway

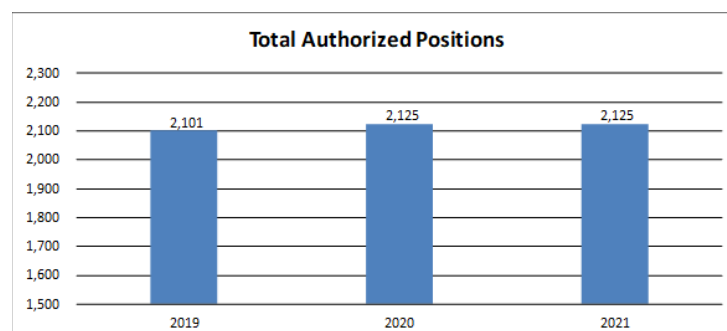
**Accomplishments:** Improved the overall condition of the mainline pavement on the Turnpike and Parkway placing over 400,000 tons of asphalt on both roadways



## People

**Goal:** Implement the new occupational health provider contract for the Authority

**Accomplishments:** Authority preserved its full payroll; retaining all full and part-time employees throughout the pandemic. Adopted Toll by Mail program for approximately 2 months for the safety of the customers and employees. Successfully completed remodeling of three service areas during pandemic to avoid inconvenience to the motoring public on both the roadways



## 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 seventeen 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 is consistently ranked at the top of toll road agencies in the United States for vehicle miles traveled and revenue.

During 2020 the Authority, much like other transportation agencies throughout the United States, has experienced unprecedented impacts from the COVID-19 pandemic on its traffic and revenue. The Authority's prudent financial and operational planning has allowed it to continue to meet all of its financial obligations. The 2021 Annual Budget has been developed consistent with the Authority's Strategic Plan, the 2020 Long-Range Capital Plan, and the 2020 toll rate increases which were designed to provide a stable funding source for capital needs. The 2021 Annual Budget also addresses state of good repair needs, and safety for both customers and employees. The Authority is able to meet its funding needs and obligations in 2021, despite the continued negative impacts of the pandemic. On a budget to budget basis, traffic is expected to decline by 10.1% and toll revenue is forecasted to increase in 2021 compared to the 2020 budget by about 17.6%. Traffic is declining budget to budget as the 2020 budget did not include COVID-19 impacts, while toll revenue is increasing due primarily to the full year impact of the toll rate increase. However, when compared to 2020 estimated actual results, traffic is expected to increase by 14% over 2020 levels, as the reduction in traffic experienced in 2020 from the COVID-19 pandemic is expected to partially return in 2021. Toll revenue is forecasted to increase over 2020 estimated actual amounts by 36% due in part to the increase in traffic but also due to the full year impacts of the toll rate increase that went into effect on September 13, 2020. The 2021 toll revenue budget is based upon projections contained in an updated Traffic and Revenue Forecast by CDM Smith dated October 2020. While toll revenue is expected to increase overall by 36% over 2020 levels, the increase would have been even higher if not for the assumption of continued COVID-19 impacts on travel, commuting and the economy. In 2021, COVID-19 related impacts are expected to reduce revenue by about 10%, compared to an expected reduction of 21% from COVID-19 in 2020. Stated differently, toll revenue would have been projected to increase by 46% in 2021, if not for the lingering impacts of COVID-19 on 2021 traffic volumes.

The Operating Expense budget is increasing by 3.9%, which includes increases in credit card and money counting fees directly related to the toll increase, and additional COVID-19 related costs primarily for cleaning and supplies. When excluding these unusual items, the Operating Expense Budget is increasing by 2.4%, which is lower than the 2020 increase. Additionally, when excluding pension and health benefit increases, the 2021 Operating Expense Budget is increasing by only 1.4%. Authorized positions are being held flat with 2020 budgeted levels.

Most notably, the 2021 Annual Budget includes nearly \$1 billion for capital spending. This includes spending on existing capital programs and on the new 2021-2025 Capital Improvement Program (CIP), which is derived from the 2020 Long-Range Capital Plan. The 2021 Annual Budget provides sufficient revenue and bond proceeds to meet capital spending needs. Finally, the 2021 Annual Budget projects debt service coverage of 1.66%, which is above both Bond Resolution covenants and Financial Policy targets.



A summary of the 2021 Annual Budget is as follows:

<b>Revenue</b>			
<i>(\$ In Thousands)</i>	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2021 Budget</b>
Toll Revenue	\$ 1,612,268	1,633,298	1,920,741
Other Revenue	249,738	231,645	228,727
<b>Total</b>	<b>\$ 1,862,006</b>	<b>1,864,943</b>	<b>2,149,468</b>

#### SIGNIFICANT REVENUE HIGHLIGHTS:

- Toll Revenue on the New Jersey Turnpike is expected to increase 18.6% compared to the 2020 budget and on the Garden State Parkway by 14.8% primarily reflecting the toll rate increase that went into effect on September 13, 2020. In 2020, year-to-date toll revenue is below budget due the impact of the COVID-19 pandemic and when adjusting for estimated actual results, the 2021 budget represents a 36% increase in toll revenue.
- CDM Smith's October 2020 Traffic and Revenue Forecast reduced the prior toll revenue forecast by about \$400 million between 2021 and 2025, due to the lingering impacts of the pandemic on travel, commuting and the economy. The forecast is based on unemployment rates remaining above 4% until 2023, economists' predictions of gradual but protracted growth, and employee's preference for partial telecommuting. The updated forecast now projects a total reduction in traffic and revenue in 2021 from the pandemic of about 10%, compared to the prior estimate of about 6%.
- All other revenue sources in total are down about \$3 million, or less than 2%, compared to the 2020 Budget, due mainly to interest income which is lower based on declining short-term interest rates.

<b>Expenses</b>			
<i>(\$ In Thousands)</i>	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2021 Budget</b>
Operating Expenses	\$ 530,935	598,971	622,324
Debt Service	824,281	842,699	920,757
General Reserve	308,232	415,531	395,841

<b>Capital Budget</b>			
<i>(\$ In Thousands)</i>	<b>2019 Actual</b>	<b>2020 Spending Budget</b>	<b>2021 Spending Budget</b>
Maintenance Reserve Fund	\$ 121,421	195,850	185,292
Special Project Reserve Fund	40,340	73,079	73,912
Supplemental Capital Fund	85,236	143,936	73,380
Passaic River Bridges Rehabilitation	11,979	26,865	-

<b>Capital Improvement Program</b>			
<i>(\$ In Thousands)</i>	<b>Budget</b>	<b>Spent/Committed</b>	<b>% Complete</b>
2021-2025 Capital Improvement Program	\$ 4,513,600	38,255	0.8%
2019 Capital Improvement Program	672,857	445,473	66.2%
2008 \$7 Billion Capital Improvement Program	7,000,000	6,913,993	98.8%

**SIGNIFICANT SPENDING HIGHLIGHTS/CHALLENGES:**

- The 2021 Operating Expense Budget is \$622.3 million, which includes two unusual items totaling about \$8.9 million.
  - Additional funds are needed to cover increased toll collection costs due to higher fees for money counting and credit card processing related to higher dollar volumes due to the recent toll rate increase.
  - Additional funds are also needed to support COVID-19 related expenses for extra cleaning and supplies in anticipation of the pandemic continuing into 2021.
- The 2021 Operating Expense budget also includes provisions for higher pension and health benefit expenses and state police costs, while authorized positions are held flat with 2020 levels. Without the unusual increases, the 2021 Operating Expense budget is only increasing by about 2.4% compared to the 2020 budget. This increase is lower than the 2020 Operating Expense Budget increase of 2.9%. When excluding pension and health benefit increases, the increase in the 2021 budget is only 1.4%.
- The 2021 Operating Expense Budget provides \$38.1 million for snow and severe weather costs, which represents the budget level that has been maintained for the past six 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 E-ZPass transaction 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 2021 Operating Expense Budget.
- The 2021 Debt Service Budget is increasing by about \$78 million to \$921 million, or about 9.3%, as compared to the 2020 Debt Service Budget. Debt service is increasing primarily due to full year of interest on an assumed new money issuance in late 2020 of \$500 million for the 2019 CIP, and an additional \$500 million issuance in 2021 to fund the 2021 – 2025 CIP which is part of the 2020 Long-Range Capital Plan. By the end of 2021, the Authority is expected to have about \$11.8 billion of debt outstanding. Debt Service requirements currently equal 43% of 2021 total budgeted revenue.
- The 2021 General Reserve Fund Budget includes funding for extraordinary weather events, contractual state payments, and transfers for revenue funded capital projects that are part of the Supplemental Capital Program in the Construction Fund. The 2021 budget anticipates a successor State Transportation Projects Funding Agreement to be effective when the current agreement expires on June 30, 2021.
- Both the Operating Expense Budget and the Capital Spending Budgets reflect the adoption of several leading practice recommendations concerning asset capitalization thresholds and adoption of rolling 5-year spending budgets. These recommendations serve to strengthen the Authority's planning, budgeting and financial reporting.
- The Capital Spending Program Budget totals over \$5.2 billion between 2021 – 2025, or an average of just over \$1 billion per year. This spending is about 30% from revenue, and 70% from bond proceeds. The Capital Spending Program Budget includes the revenue funded programs in the Maintenance Reserve Fund, the Special Project Reserve Fund, and the Supplemental Capital Program. It also includes the newly authorized 2021-2025 CIP, which is derived from the 2020 Long-Range Capital Plan, the 2019 CIP, and the 2008 \$7 Billion CIP. These programs include projects which maintain a state of good repair, improve safety and provide capacity enhancements.

# Financial Plan

The Authority's current financial plan includes projected revenues, expenses, deposits to reserve funds and financial covenant calculations through December 31, 2025

New Jersey Turnpike Authority Financial Plan							
<i>Fiscal Year Ending 12/31 (In Thousands)</i>	Actual 2019	Estimated/Actuals 2020	Budget 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Turnpike Tolls	\$ 1,176,476	1,029,206	1,414,971	1,524,507	1,611,284	1,706,871	1,798,581
Parkway Tolls	435,792	380,453	505,770	533,546	559,728	588,559	615,668
E-ZPass Fees	80,329	85,232	84,500	86,190	87,914	89,672	91,466
Federal Subsidy for Series 2009 F and Series 2010 A Bonds	76,725	77,765	77,010	77,010	77,010	77,010	77,010
Concession Revenue	33,104	31,549	31,000	33,000	36,000	38,000	38,760
Other Revenue	59,580	35,699	36,217	35,686	36,399	37,127	37,870
<b>Total Revenues</b>	<b>\$ 1,862,006</b>	<b>1,639,904</b>	<b>2,149,468</b>	<b>2,289,939</b>	<b>2,408,335</b>	<b>2,537,239</b>	<b>2,659,355</b>
Operating Expenses	(530,935)	(558,971)	(622,324)	(637,882)	(653,829)	(670,175)	(686,929)
<b>Total Revenues Available for Debt Service</b>	<b>\$ 1,331,071</b>	<b>1,080,933</b>	<b>1,527,144</b>	<b>1,652,057</b>	<b>1,754,506</b>	<b>1,867,064</b>	<b>1,972,425</b>
Future Debt Issuance	\$ -	500,000	500,000	750,000	1,000,000	1,000,000	1,000,000
Existing Debt Service	(824,281)	(659,401)	(862,957)	(861,480)	(864,409)	(902,279)	(910,055)
Proposed Debt Service on \$500M in 2020 and 2021, \$750M in 2021 & \$1B 2023 onwards	-	(4,817)	(57,800)	(101,150)	(158,950)	(216,750)	(274,550)
<b>Net Debt Service</b>	<b>\$ (824,281)</b>	<b>(664,218)</b>	<b>(920,757)</b>	<b>(962,630)</b>	<b>(1,023,359)</b>	<b>(1,119,029)</b>	<b>(1,184,605)</b>
Total Revenues Available After Debt Service	\$ 506,790	416,715	606,387	689,427	731,147	748,035	787,820
Payments to Charges Fund	-	-	-	-	-	-	-
<b>Cash Flow Available for Reserves</b>	<b>\$ 506,790</b>	<b>416,715</b>	<b>606,387</b>	<b>689,427</b>	<b>731,147</b>	<b>748,035</b>	<b>787,820</b>
Maintenance Reserve Fund	\$ (131,468)	(134,097)	(160,000)	(200,000)	(210,000)	(220,000)	(230,000)
Special Project Reserve Fund	(41,300)	(41,300)	(50,000)	(50,000)	(51,500)	(53,045)	(54,636)
<b>Net Revenues Available for General Reserve Fund</b>	<b>\$ 334,022</b>	<b>241,318</b>	<b>396,387</b>	<b>439,427</b>	<b>469,647</b>	<b>474,990</b>	<b>503,184</b>
TTF Payments	\$ (22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Feeder Road Maintenance Agreement	(3,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Existing State Transportation Funding Agreement <sup>(1)</sup>	(154,000)	(135,250)	(77,000)	-	-	-	-
Anticipated Amounts for Additional State Transfers <sup>(2)</sup>	-	-	(187,500)	(375,000)	(375,000)	(375,000)	(375,000)
General Reserve Spending	(103,732)	(67,242)	(53,345)	(53,345)	(53,345)	(53,345)	(53,345)
Transfer to Construction Fund Account - Net	(25,000)	(114,829)	(53,496)	(31,283)	(30,800)	(30,035)	(29,000)
<b>Net Annual General Reserve Fund Increase (Decrease)</b>	<b>\$ 25,790</b>	<b>(100,503)</b>	<b>546</b>	<b>(44,701)</b>	<b>(13,998)</b>	<b>(7,890)</b>	<b>21,339</b>
<b>Ending General Reserve Fund Balance</b>	<b>\$ 440,129</b>	<b>339,626</b>	<b>340,172</b>	<b>295,471</b>	<b>281,473</b>	<b>273,583</b>	<b>294,922</b>
Net Revenues to Debt Service Coverage Ratio	1.61	1.63	1.66	1.72	1.71	1.67	1.67
Net Revenues to Debt Service and Reserves Coverage Ratio	1.34	1.29	1.35	1.36	1.37	1.34	1.34

(1) Includes \$129 annual payments through 6/30/2021 and potential \$6.25 million and \$12.5 million payment towards the debt service on Portal North Bridge Project for 2020 and 2021 respectively

(2) Anticipates \$375 million annual payments are made from 7/1/2021 forward including \$25 million payment towards debt service on Portal North Bridge Project

**Total revenue** – Includes projected toll revenue as per CDM Smith October 2021 forecast, showing a net impact of increase in toll revenue from the toll rate increase and potential reduction in traffic due to the continued travel, commuting and economic impacts of the pandemic at reduced levels each year through 2025

**Operating expenses** – Includes increase in toll collection costs based on higher dollar volume processed and prudent planning for COVID - 19 related expenses for cleaning and equipment in anticipation of pandemic continuing into 2021. Includes 2.5% increases thereafter

**Debt service** – Includes principal and interest payments on current outstanding bonds as well as interest payment on the potential new money issuance as shown to fund 2021 – 2025 Capital Improvement Program, part of the 2020 Long-Range Capital Plan

**Reserve funding** – Includes funding for the Maintenance Reserve Fund and the Special Project Reserve Fund as required by the Bond Resolution and prescribed by the General Consulting Engineers

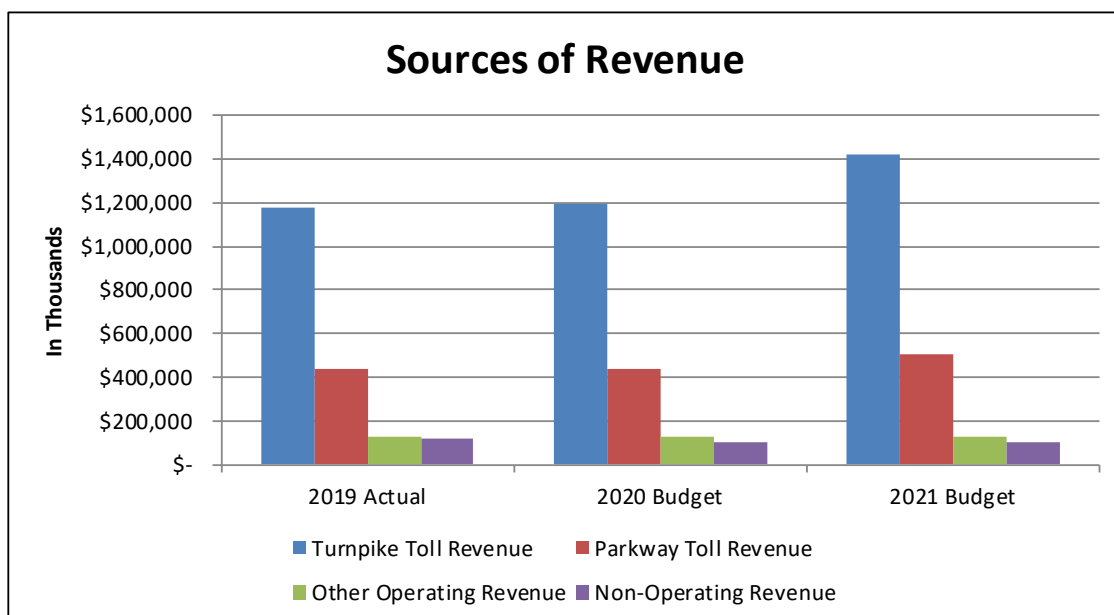
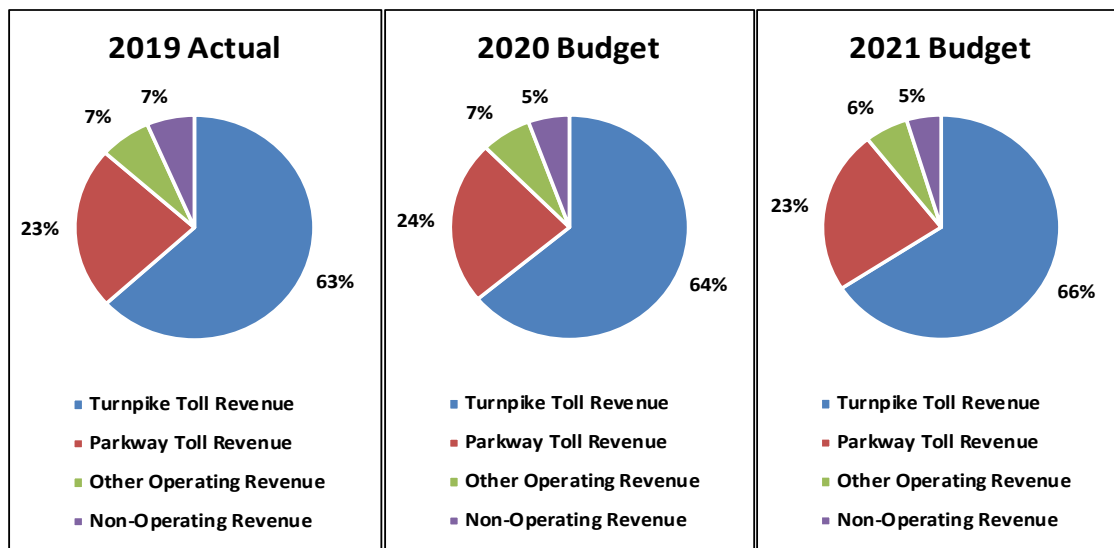
**State payments** – Includes the State Payments based on the existing State Transportation Projects Funding Agreement which will expire on 6/30/2021 and an anticipated successor State Transportation Projects Funding Agreements at \$375 million/year starting 7/1/2021

The Authority's Financial Plan through 2025 projects the Authority to be compliant with its General Bond Resolution Financial covenants, which require debt service coverage of at least 1.20 times and total requirements coverage of at least 1.0 times. In addition, the Authority is projected to be in compliance with its Board approved policies that target debt service coverage of at least 1.40 times, total requirements coverage of 1.20 times, and a minimum unencumbered General Reserve Fund balance of 10% of total annual revenue as of December 31, 2020 and each year thereafter (\$215 million as of December 31, 2021).

## Summary of Major Revenues and Expenses

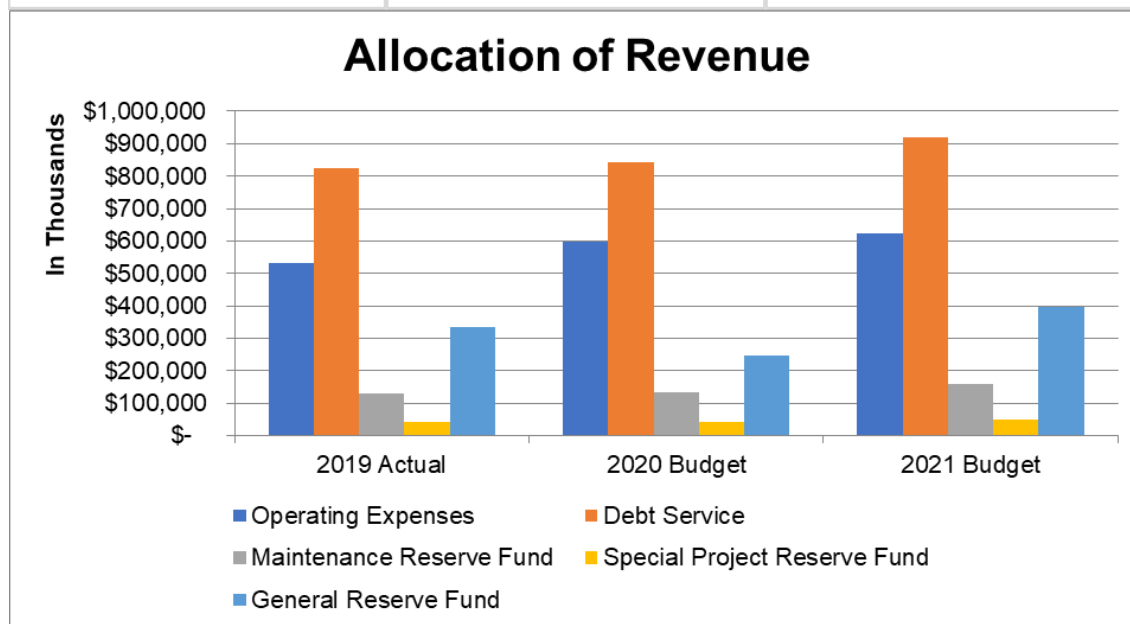
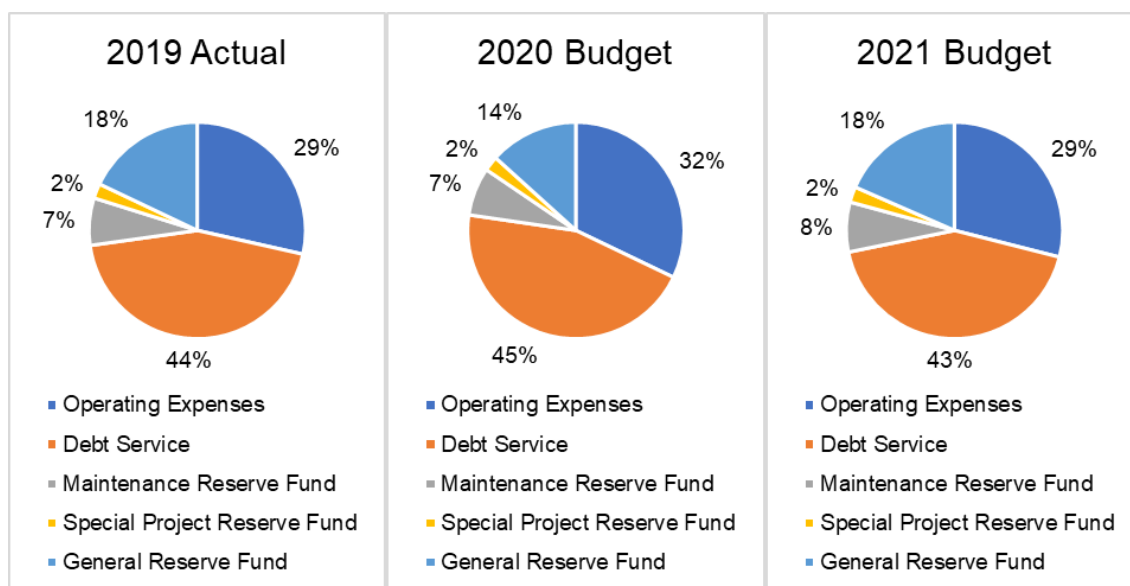
### Sources of Revenue

Sources of Revenue					
(\$ In Thousands)	2019 Actual	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Turnpike Toll Revenue	\$ 1,176,476	1,192,889	1,414,971	222,082	18.6%
Parkway Toll Revenue	435,792	440,409	505,770	65,361	14.8%
Other Operating Revenue	129,550	127,397	127,476	79	0.1%
Non-Operating Revenue	120,187	104,248	101,251	(2,997)	-2.9%
<b>Total Revenue</b>	<b>\$ 1,862,006</b>	<b>1,864,943</b>	<b>2,149,468</b>	<b>284,525</b>	<b>15.3%</b>



## Allocation of Revenue

Allocation of Revenue					
(\$ In Thousands)	2019 Actual	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Operating Expenses	\$ 530,935	598,971	622,324	23,353	3.9%
Debt Service	824,281	842,699	920,757	78,058	9.3%
Maintenance Reserve Fund	131,468	134,097	160,000	25,903	19.3%
Special Project Reserve Fund	41,300	41,300	50,000	8,700	21.1%
General Reserve Fund	334,021	247,876	396,387	148,511	59.9%
<b>Total Allocation of Revenue</b>	<b>\$ 1,862,006</b>	<b>1,864,943</b>	<b>2,149,468</b>	<b>284,525</b>	<b>15.3%</b>





## Revenue Requirement

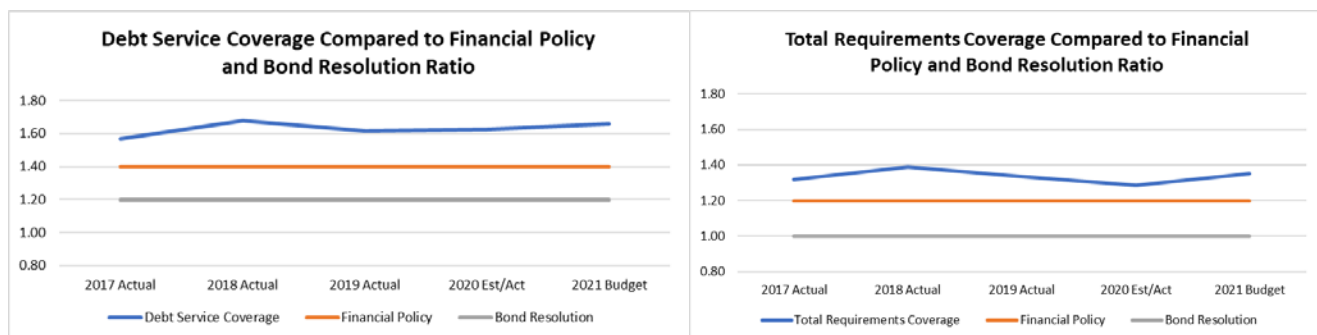
The Revenue Requirement under section 713(b) of the Bond Resolution states that in each calendar year Net Revenue shall at least equal the Net Revenue Requirement for such year. Under Section 101 of the Bond Resolution, Net Revenue is defined as "... for any calendar year or other period of time, the Pledged Revenue 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 of each year, the Authority will review its financial condition in order to estimate whether the Net Revenue 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)	2019 Actual	2020 Est/Act	2021 Budget
(i) Revenue	\$ 1,862,006	1,639,904	2,149,468
Operating Expenses	(530,935)	(558,971)	(622,324)
<b>Net Revenue</b>	<b>\$ 1,331,071</b>	<b>1,080,933</b>	<b>1,527,144</b>
Debt Service Requirements	(824,281)	(664,218)	(920,757)
Maintenance Reserve Payments	(131,468)	(134,097)	(160,000)
Special Project Reserve Payments	(41,300)	(41,300)	(50,000)
<b>Total Requirements</b>	<b>\$ (997,049)</b>	<b>(839,615)</b>	<b>(1,130,757)</b>
<b>Excess Revenue</b>	<b>\$ 334,022</b>	<b>241,318</b>	<b>396,387</b>
(ii) Net Revenue	\$ 1,331,071	1,080,933	1,527,144
1.2X Debt Service	(989,137)	(797,062)	(1,104,908)
<b>Excess Revenue at 1.2X Debt Service</b>	<b>\$ 341,934</b>	<b>283,871</b>	<b>422,236</b>
<b>Debt Service Coverage</b>	<b>1.61</b>	<b>1.63</b>	<b>1.66</b>

Based on the above review, Net Revenue for 2020 and 2021 will be enough to meet the Net Revenue Requirement.



## REVENUE BUDGET

Revenue Budget					
(\$ In Thousands)	2019 Actual	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Turnpike Toll Revenue	\$ 1,176,476	1,192,889	1,414,971	222,082	18.6%
Parkway Toll Revenue	435,792	440,409	505,770	65,361	14.8%
E-ZPass Fees	80,329	80,050	84,500	4,450	5.6%
Concession Revenue	33,104	35,557	31,000	(4,557)	-12.8%
Miscellaneous Revenue	16,117	11,790	11,976	186	1.6%
<b>Total Operating Revenue</b>	<b>\$ 1,741,818</b>	<b>1,760,695</b>	<b>2,048,217</b>	<b>287,522</b>	<b>16.3%</b>
Federal Subsidy for Build America Bonds	76,725	76,847	77,010	163	0.2%
Federal and State reimbursements	1,006	-	-	-	0.0%
Interest Income	37,766	24,000	20,000	(4,000)	-16.7%
Arts Center Revenues	4,690	3,401	4,241	840	24.7%
<b>Total Non-Operating Revenue</b>	<b>\$ 120,187</b>	<b>104,248</b>	<b>101,251</b>	<b>(2,997)</b>	<b>-2.9%</b>
<b>Total Revenues</b>	<b>\$ 1,862,005</b>	<b>1,864,943</b>	<b>2,149,468</b>	<b>284,525</b>	<b>15.3%</b>

## Key Assumptions:

- Toll Revenue increases compared to 2020 budget are due to the full-year impact of the toll rate increase on 9/13/2020, partially offset by the continued COVID-19 traffic and revenue losses.
- E-ZPass fees are expected to increase due to the increase in violations and number of E-ZPass accounts. To date in 2020, actual E-ZPass fees are above budget.
- Concession revenue is expected to decrease in part due to a reduction in the revenue share from the diesel fuel gross profit margin and ongoing effects of COVID-19.
- Interest Income is expected to decrease in 2021. The 2021 budget assumes a decrease in interest rates as well as lower invested balances compared to 2020 actuals. 2020 actuals are expected to be under budget.

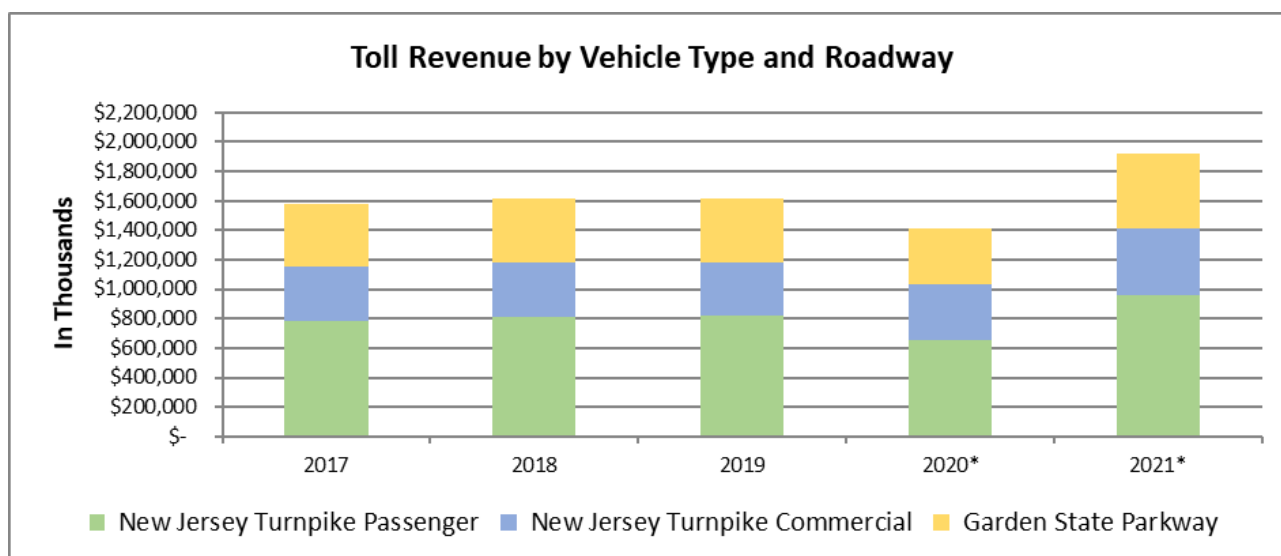
## Toll Statistics

Toll Revenue by Vehicle Type and Roadway					
(\$ In Thousands)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Est/Act*	2021 Budget*
Passenger	\$ 780,182	808,960	816,271	655,604	963,304
Commercial (1)	371,557	370,364	360,205	373,602	451,667
<b>New Jersey Turnpike Total</b>	<b>\$ 1,151,739</b>	<b>1,179,324</b>	<b>1,176,476</b>	<b>1,029,206</b>	<b>1,414,971</b>
<b>Garden State Parkway (2)</b>	<b>\$ 428,157</b>	<b>433,002</b>	<b>435,792</b>	<b>380,453</b>	<b>505,770</b>
<b>Total Authority Toll Revenue</b>	<b>\$ 1,579,896</b>	<b>1,612,326</b>	<b>1,612,268</b>	<b>1,409,659</b>	<b>1,920,741</b>

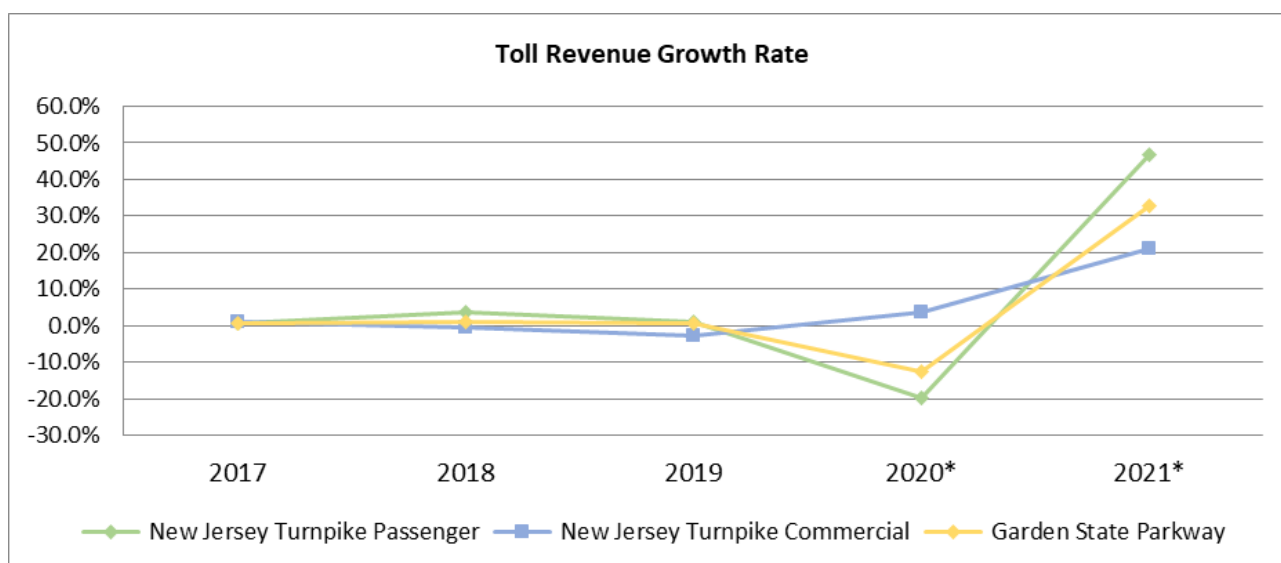
(1) Commercial vehicles include buses

(2) Commercial vehicles (including buses) are not shown separately as they account for less than 4% of total

\*Projected revenue is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020



\*Projected Revenue is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.



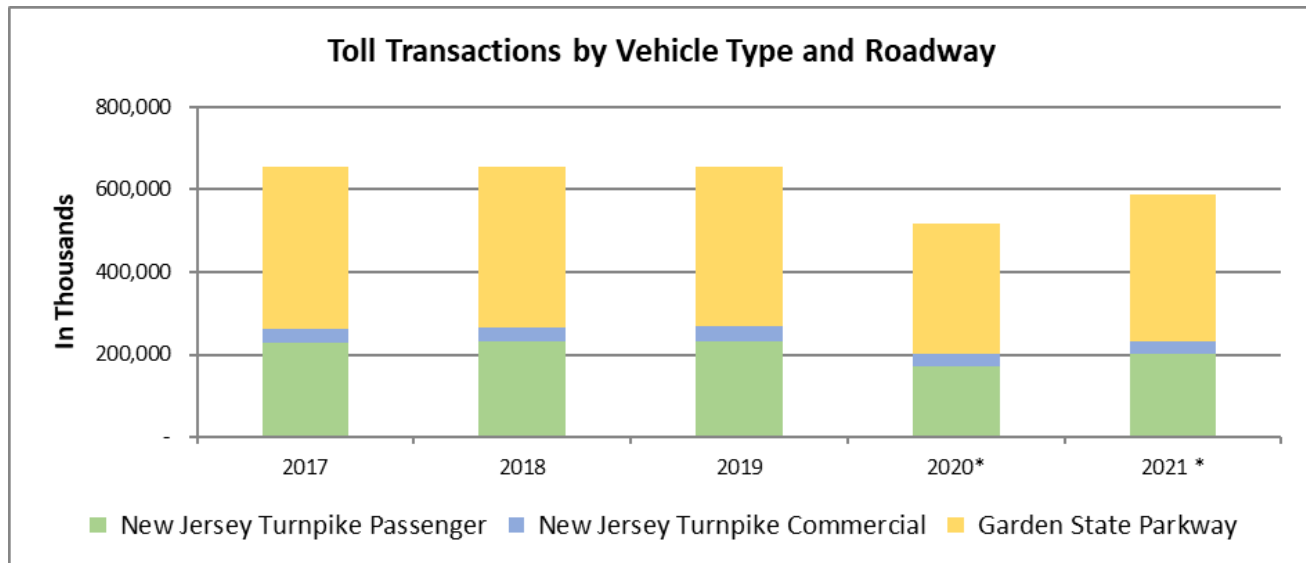
\*Projected Revenue is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.

Toll Transactions by Vehicle Type and Roadway					
(\$ In Thousands)	2017 Actuals	2018 Actuals	2019 Actuals	2020 Est/Act*	2021 Budget*
Passenger	227,979	230,497	233,454	169,834	202,088
Commercial (1)	32,686	34,251	34,318	31,391	30,859
<b>New Jersey Turnpike Total</b>	<b>260,665</b>	<b>264,748</b>	<b>267,772</b>	<b>201,225</b>	<b>232,947</b>
<b>Garden State Parkway (2)</b>	<b>392,895</b>	<b>389,791</b>	<b>386,750</b>	<b>314,685</b>	<b>355,877</b>
<b>Total Authority Toll Revenue</b>	<b>653,560</b>	<b>654,539</b>	<b>654,522</b>	<b>515,910</b>	<b>588,824</b>

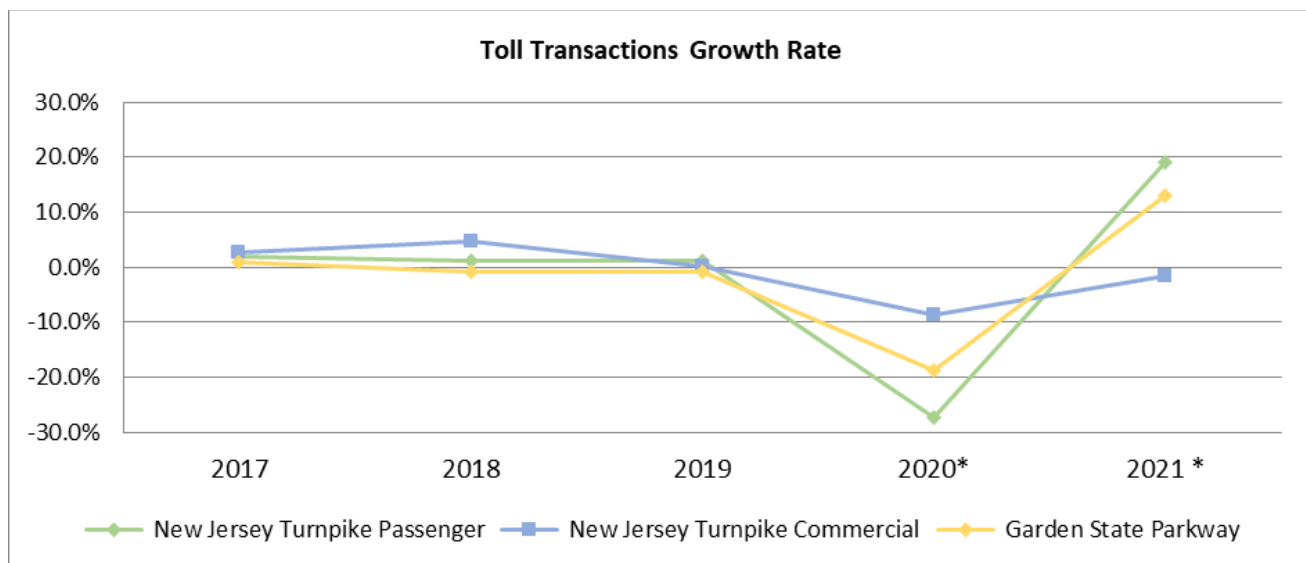
(1) Commercial vehicles include buses

(2) Commercial vehicles (including buses) are not shown separately as they account for less than 4% of total

\*Projected traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020



\*Projected Traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.

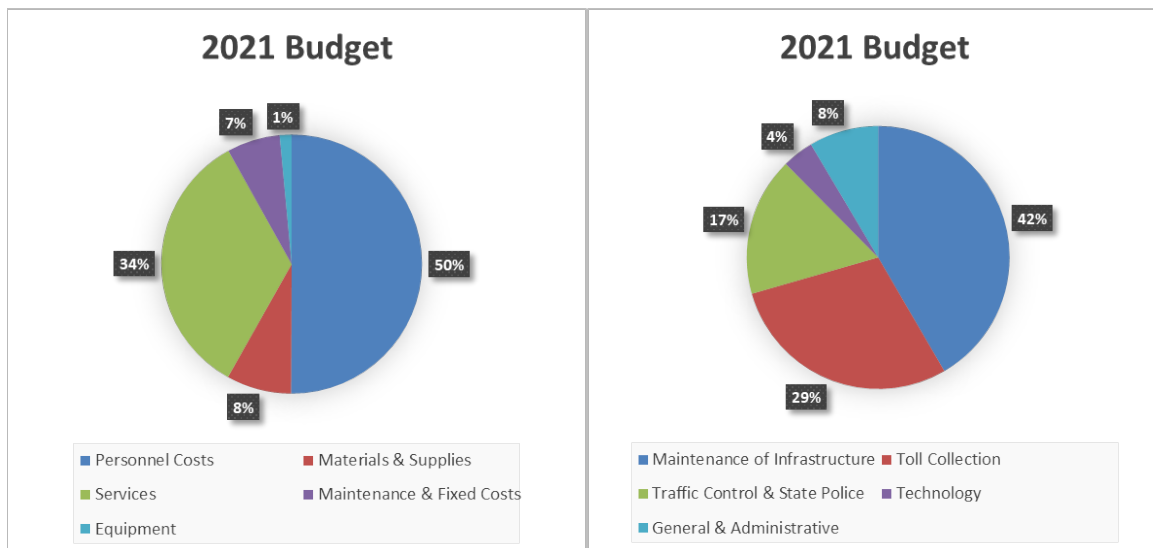


\*Projected Traffic is based on the CDM Smith Toll Revenue Forecast study dated October 6, 2020.

## OPERATING EXPENSE BUDGET

Condensed Operating Expense Budget by Functional Area					
(\$ In Thousands)	2019 Actuals	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Maintenance of Infrastructure	\$ 215,507	250,576	260,940	10,364	4.1%
Toll Collection	156,310	169,995	180,137	10,142	6.0%
Traffic Control & State Police	94,802	103,058	105,302	2,244	2.2%
Technology	19,461	24,445	24,035	(410)	-1.7%
General & Administrative	44,858	50,896	51,910	1,014	2.0%
<b>Total Operating Budget</b>	<b>\$ 530,937</b>	<b>598,971</b>	<b>622,324</b>	<b>23,354</b>	<b>3.9%</b>

Condensed Operating Expense Budget by Expense Type					
(\$ In Thousands)	2019 Actuals	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Personnel Costs	\$ 286,109	305,398	311,665	6,267	2.1%
Materials & Supplies	40,527	47,258	50,052	2,795	5.9%
Services	168,327	188,093	210,479	22,386	11.9%
Maintenance & Fixed Costs	22,520	42,439	40,974	-1,465	-3.5%
Equipment	13,454	15,782	9,154	-6,628	-42.0%
<b>Total Operating Budget</b>	<b>\$ 530,935</b>	<b>598,971</b>	<b>622,324</b>	<b>23,353</b>	<b>3.9%</b>





## Operating Expense - Authorized Positions

Authorized Positions				
Departments/Divisions	2019	2020	2021	Change from 2020
Maintenance Division	1,007	1,014	982	(32)
Traffic Division	82	87	87	-
Total Operations Department	1,089	1,101	1,069	(32)
Engineering	72	70	84	14
Toll Collection	542	542	542	-
State Police	8	11	28	17
Information Technology Services	152	152	151	(1)
Executive Office	6	8	8	-
Law & Insurance Services	19	21	21	-
Procurement & Materials Management	55	55	55	-
Human Resources & Office Services	42	42	42	-
Finance	80	80	79	(1)
Community & Government Relations	9	9	10	1
Internal Audit	27	29	31	2
<b>Subtotal</b>	<b>2,101</b>	<b>2,120</b>	<b>2,120</b>	<b>-</b>
Contingency	-	5	5	-
<b>NJTA Department Total</b>	<b>2,101</b>	<b>2,125</b>	<b>2,125</b>	<b>-</b>

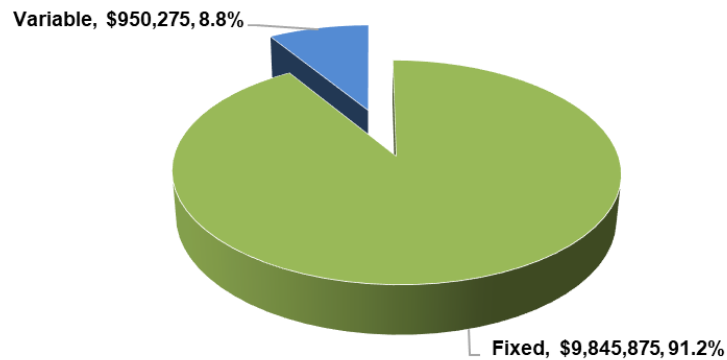
- The 2021 Authorized Positions are remaining at the same level of 2020 Authorized Positions. Although flat, there was movement among the departments
  - The Authority reorganization (effective October 2020) is the basis for the Maintenance position transfers out of the division and into Engineering and State Police
  - Other net transfers between departments represent personnel or vacant position moves
  - 5 contingency positions remain in the budget to account for any staffing needs that may arise during the year

## DEBT SERVICE BUDGET

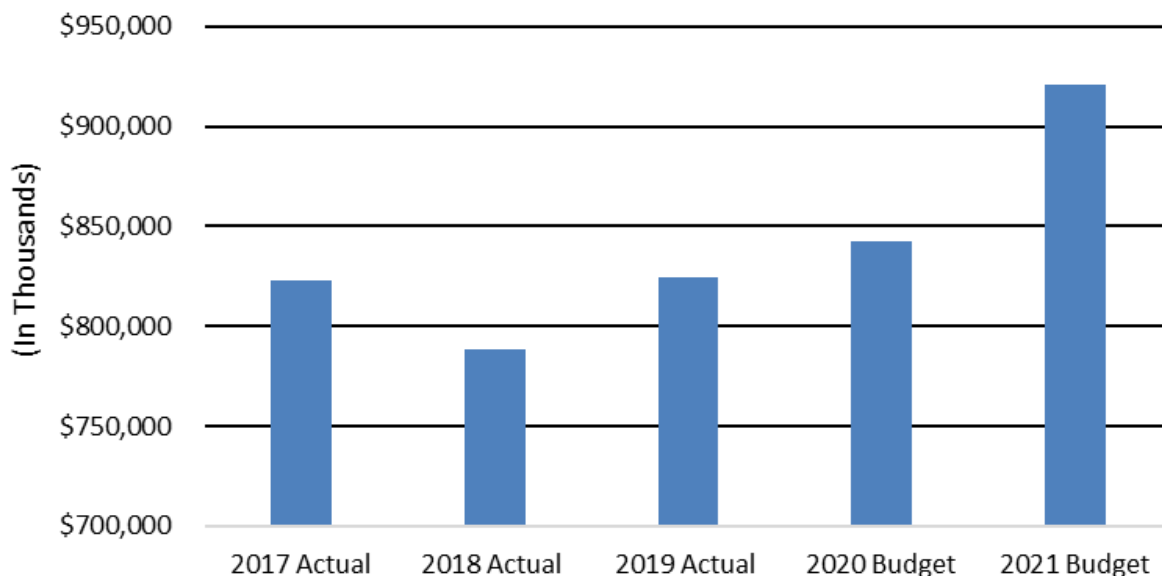
Total Debt Service in 2021 is budgeted at \$921 million, which is about a \$78 million increase from the 2020 Debt Service Budget, mainly due to an increase in interest expense. The budget provides for a full year of interest payments on the assumed new money issuance in late 2020 of \$500 million for the 2019 CIP, and a new money issuance in 2021 of \$500 million to fund the 2021-2025 Capital Improvement Program. Principal payments on existing bonds are also increasing by about \$30 million. By the end of 2021, the Authority is expected to have \$11.8 billion of debt outstanding. Debt Service equals 43% of the total budgeted revenue in 2021 and represents the single largest spending component of the 2021 Annual Budget.

Debt Service Fund Budget					
<i>(\$ In Thousands)</i>	2019 Actual	2020 Budget	2021 Budget	\$ Change from 2020 Budget	% Change from 2020 Budget
Debt Service Interest Payments	\$ 596,078	593,304	642,057	48,753	8.3%
Debt Service Principal Payments	228,205	249,395	278,700	29,305	11.8%
<b>Total Debt Service</b>	<b>\$ 824,283</b>	<b>842,699</b>	<b>920,757</b>	<b>78,058</b>	<b>9.3%</b>

**Total Bonds Outstanding \$10.8 Billion as of September 30, 2020**  
(\$ In Thousands)



**Debt Service Fund Budget**



## GENERAL RESERVE FUND

The total 2021 Budget for the General Reserve Fund is \$396 million, which is a decrease of \$20 million from the 2020 Budget. The 2021 General Reserve Fund Budget includes \$32 million for state of emergency events, and \$15 million in reserves for Other Post-Employment Benefits (OPEB). The 2021 Budget includes both existing payments on the State Transportation Projects Funding Agreement through its expiration on 6/30/21 as well as \$187.5 million (6 months of an annual \$375 million) for the anticipated New State Transportation Agreement to begin on 7/1/21. Also includes net transfers to the Construction Fund for revenue funded capital projects of \$54 million.

General Reserve Fund Budget					
(\$ In Thousands)	2019 Actual	2020 Budget	2021 Budget	\$ Δ from 2020 Budget	% Δ from 2020 Budget
<b>Expenditures</b>					
General Reserve Fund Expenses	\$ 22,126	35,550	16,050	(19,500)	-54.9%
Extraordinary Events	12,852	32,295	32,295	-	0.0%
State Payments	179,500	178,500	289,000	110,500	61.9%
Contingency	-	5,000	5,000	-	0.0%
<b>Total GRF Expenditures</b>	<b>\$ 214,478</b>	<b>251,345</b>	<b>342,345</b>	<b>91,000</b>	<b>36.2%</b>
<b>Transfers</b>					
Transfers In	\$ (4,750)	(4,750)	(19,884)	(15,134)	0.0%
Transfers Out	98,871	168,936	73,380	(95,556)	-56.6%
<b>Total Transfers - Net</b>	<b>\$ 94,121</b>	<b>164,186</b>	<b>53,496</b>	<b>(110,690)</b>	<b>-67.4%</b>
<b>Total General Reserve Fund</b>	<b>\$ 308,599</b>	<b>415,531</b>	<b>395,841</b>	<b>(19,690)</b>	<b>-4.7%</b>

## CAPITAL SPENDING PROGRAM

The Authority's 2021 Annual Budget also includes its Capital Spending Program Budget presented on a rolling five-year basis for the first time in 2021, with spending included for the years 2021-2025. The Capital Spending Program Budget includes revenue funded projects as well as bond funded projects. The revenue funded capital projects, referred to as the Capital Budget, include projects in the Maintenance Reserve Fund, Special Project Reserve Fund and Supplemental Capital Program. The bond funded capital projects, referred to as the Construction Fund, include – (i) 2021 – 2025 Capital Improvement Program, (ii) 2019 Capital Improvement Program and (iii) 2008 \$7 Billion Capital Improvement Program. These capital projects are presented on a rolling five-year (2021-2025) spending basis along with their respective total project budgets. Each year a new rolling five-year spending plan will be approved with the changes, if any, to the total project budgets, as a part of the annual budget approval.

The 2021 rolling five-year Capital Spending Program Budget includes \$5.2 billion to be spent during 2021-2025, or an average of over \$1.0 billion/year. Of this, 84% is planned to be spent on Bridge Repair and Reconstruction, Resurfacing and Drainage Structures. The remaining 16% is budgeted to be spent on technology improvement projects, fleet and facility upgrade projects. Approximately 30%, or \$1.5 billion, will be funded by revenue, while 70%, or \$3.7 billion will be funded by bond proceeds.

2021 - 2025 Rolling 5-Year Capital Spending Plan By Project Type						
Revenue Funded and Bond Funded						
(\$ In Thousands)	Spending Plan					Total
	2021	2022	2023	2024	2025	
Capitalized Project by Category						
Roadway						
Bridge Construction, Preservation & Security	\$ 341,802	451,454	447,974	385,630	375,187	2,002,047
Capacity Enhancements - Turnpike	24,380	94,268	146,603	118,303	115,764	499,318
Capacity Enhancements - Parkway	3,057	2,999	1,144	3,331	9,924	20,455
Pavement Resurfacing	98,471	60,000	120,000	120,000	120,000	518,471
Interchanges	58,514	17,825	9,974	11,929	13,001	111,243
Resiliency	1,000	2,300	13,600	57,200	66,400	140,500
Concrete Barrier	23,130	9,114	8,322	23,379	-	63,945
Drainage Structures	69,736	144,712	105,187	44,156	52,177	415,968
Roadway Lighting	52,931	43,622	36,280	25,603	34,609	193,045
Other Roadway Improvements	86,630	111,322	106,661	118,118	80,981	503,713
Total Roadway	\$ 759,651	937,617	995,745	907,649	868,043	4,468,705
Non Roadway						
Facilities	\$ 66,781	37,891	32,807	32,121	32,121	201,721
Fleet	22,797	23,005	23,745	24,523	25,339	119,408
Service Areas & Arts Center	22,449	18,408	15,750	8,200	5,200	70,006
Technology Improvements	88,459	71,782	65,174	53,444	35,637	314,497
Total Non Roadway	\$ 200,486	151,086	137,476	118,288	98,297	705,633
Total Capitalized Projects	\$ 960,137	1,088,703	1,133,221	1,025,937	966,340	5,174,338
Expensed Project by Functional Area						
Maintenance of Infrastructure	\$ 1,533	200	200	200	200	2,333
Traffic Control & State Police	2,500	1,000	1,000	1,000	1,000	6,500
Technology	8,440	2,500	3,000	3,000	3,000	19,940
General & Administrative	1,500	1,000	1,000	1,000	1,000	5,500
Total Expensed Projects	\$ 13,973	4,700	5,200	5,200	5,200	34,272
Total Spending (Capitalized+Expensed)	\$ 974,110	1,093,402	1,138,421	1,031,137	971,540	5,208,610

## 2021 - 2025 Rolling 5-Year Capital Spending Plan

## Revenue Funded and Bond Funded

## Funding Source

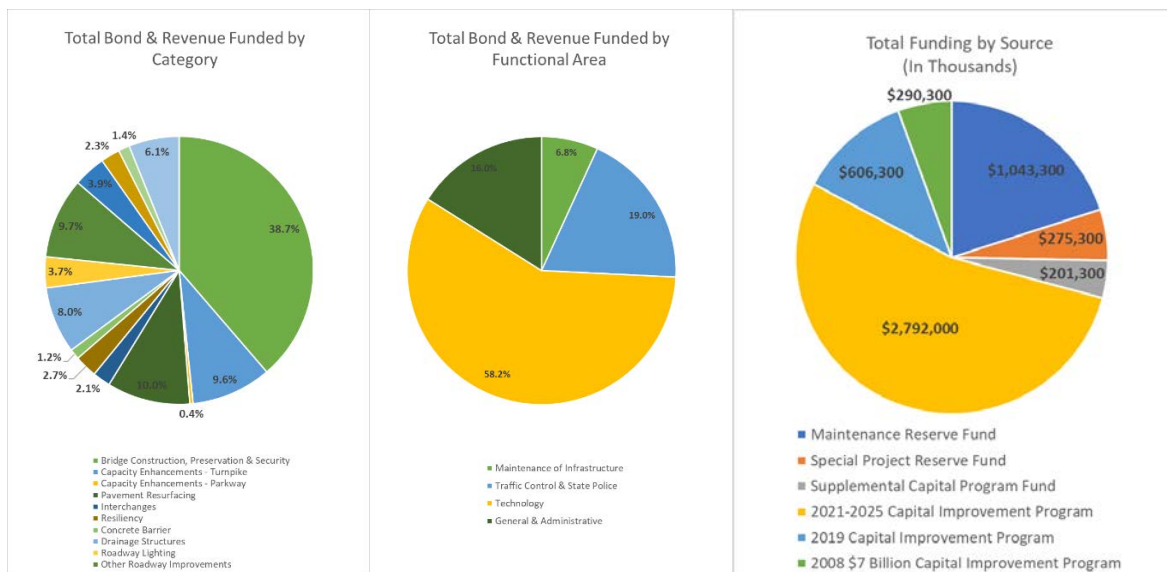
	(\$ In Thousands)		Spending Plan			
Revenue Funded	2021	2022	2023	2024	2025	Total
Maintenance Reserve Fund	\$ 185,292	158,198	246,342	226,750	226,750	1,043,332
Special Project Reserve Fund	73,912	51,347	49,629	49,823	50,639	275,348
Supplemental Capital Program Fund	73,380	38,100	30,800	30,035	29,000	201,315
<b>Total Revenue Funded</b>	<b>\$ 332,584</b>	<b>247,645</b>	<b>326,771</b>	<b>306,608</b>	<b>306,389</b>	<b>1,519,995</b>
<b>Bond Funded</b>						
2021-2025 Capital Improvement Program	227,356	620,975	679,365	629,849	634,425	2,791,970
2019 Capital Improvement Program	268,135	168,910	98,198	55,313	15,770	606,325
2008 \$7 Billion Capital Improvement Program	146,034	55,873	34,088	39,367	14,957	290,319
<b>Total Bond Funded</b>	<b>\$ 641,525</b>	<b>845,758</b>	<b>811,651</b>	<b>724,529</b>	<b>665,151</b>	<b>3,688,614</b>
<b>Total Capital Spending</b>	<b>\$ 974,109</b>	<b>1,093,403</b>	<b>1,138,422</b>	<b>1,031,136</b>	<b>971,540</b>	<b>5,208,610</b>

## Percentage Revenue Funded

34% 23% 29% 30% 32% 29%

## Percentage Bond Funded

66% 77% 71% 70% 68% 71%





**CAPITAL BUDGET (REVENUE FUNDED)**

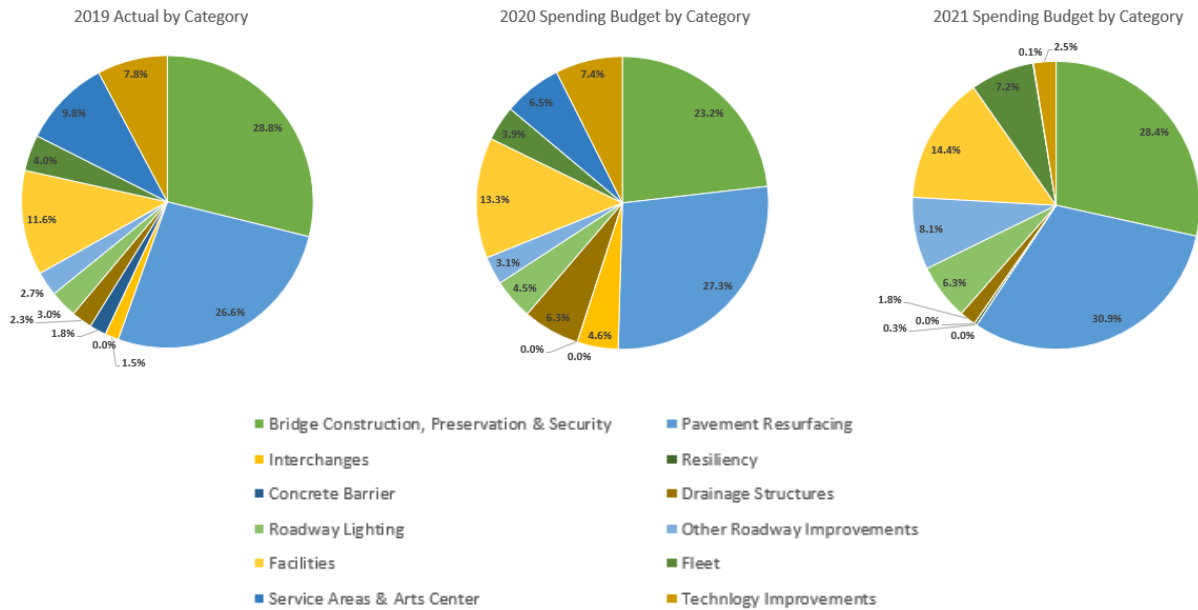
The 2021 Capital Budget includes the Maintenance Reserve Fund, the Special Projects Reserve Fund and the Supplemental Capital Program. The Capital Budget primarily supports the spending for the maintenance of both the roadways and bridges, scheduled fleet augmentation, several multi-year capital program projects such as pavement repairs, replacement of toll collection equipment etc. The work in the Maintenance Reserve Fund and Special Projects Reserve Fund is funded from the Authority's revenue after paying for the operating expenses and debt service. These two funds are separate funds established by the Authority's Bond Resolution. The work in the Supplemental Capital Program is funded by the transfers from the General Reserve Fund. This program is a separate account in the Construction Fund. The Construction Fund is established by the Authority's Bond Resolution.

2021 - 2025 Rolling 5-Year Capital Spending Plan By Project Type						
Revenue Funded						
	Spending Plan					
(\$ In Thousands)	2021	2022	2023	2024	2025	Total
<b>Capitalized Project by Category</b>						
<b>Roadway</b>						
Bridge Construction, Preservation & Security	\$ 90,621	71,590	86,800	69,900	69,900	388,811
Pavement Resurfacing	98,471	60,000	120,000	120,000	120,000	518,471
Resiliency	1,000	-	-	-	-	1,000
Drainage Structures	5,750	15,750	11,250	11,250	11,250	55,250
Roadway Lighting	20,100	9,558	10,192	7,500	7,500	54,850
Other Roadway Improvements	25,852	22,919	34,250	33,485	32,450	148,956
<b>Total Roadway</b>	<b>\$ 241,794</b>	<b>179,817</b>	<b>262,492</b>	<b>242,135</b>	<b>241,100</b>	<b>1,167,338</b>
<b>Non Roadway</b>						
Facilities	\$ 45,781	31,823	27,033	26,450	26,450	157,537
Fleet	22,797	23,005	23,745	24,523	25,339	119,408
Service Areas & Arts Center	200	200	200	200	200	1,000
Technology Improvements	8,040	8,100	8,100	8,100	8,100	40,440
<b>Total Non Roadway</b>	<b>\$ 76,817</b>	<b>63,128</b>	<b>59,079</b>	<b>59,273</b>	<b>60,089</b>	<b>318,385</b>
<b>Total Capitalized Projects</b>	<b>\$ 318,611</b>	<b>242,945</b>	<b>321,571</b>	<b>301,408</b>	<b>301,189</b>	<b>1,485,723</b>
<b>Expensed Project by Functional Area</b>						
Maintenance of Infrastructure	\$ 1,533	200	200	200	200	2,333
Traffic Control & State Police	2,500	1,000	1,000	1,000	1,000	6,500
Technology	8,440	2,500	3,000	3,000	3,000	19,940
General & Administrative	1,500	1,000	1,000	1,000	1,000	5,500
<b>Total Expensed Projects</b>	<b>\$ 13,973</b>	<b>4,700</b>	<b>5,200</b>	<b>5,200</b>	<b>5,200</b>	<b>34,272</b>
<b>Total Spending (Capitalized+Expensed)</b>	<b>\$ 332,584</b>	<b>247,645</b>	<b>326,771</b>	<b>306,608</b>	<b>306,389</b>	<b>1,519,995</b>
<b>Funding Sources</b>						
	Spending Plan					
(\$ In Thousands)	2021	2022	2023	2024	2025	Total
<b>Revenue Funded</b>						
Maintenance Reserve Fund	\$ 185,292	158,198	246,342	226,750	226,750	1,043,332
Special Project Reserve Fund	73,912	51,347	49,629	49,823	50,639	275,348
Supplemental Capital Program Fund	73,380	38,100	30,800	30,035	29,000	201,315
<b>Total Revenue Funded</b>	<b>\$ 332,584</b>	<b>247,645</b>	<b>326,771</b>	<b>306,608</b>	<b>306,389</b>	<b>1,519,995</b>

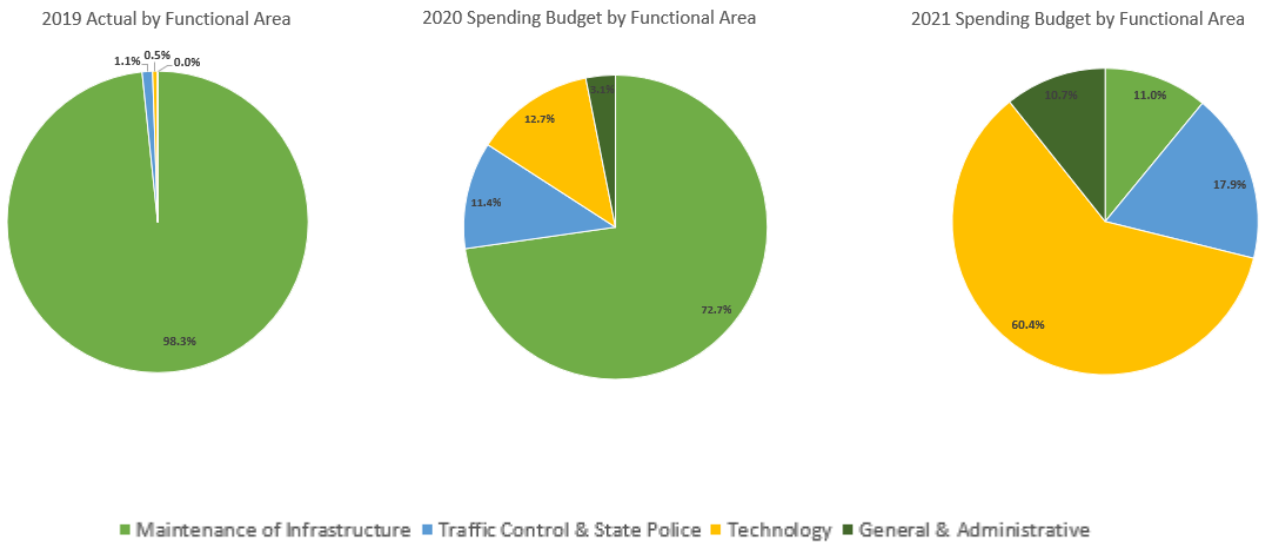
### Capital Budget – Revenue Funded – Spending by Project Type

Includes all revenue funded capital projects contained in the Maintenance Reserve Fund, Special Project Reserve Fund, and Supplemental Capital Program. The combined project budgets in 2021, on a rolling 5-year basis, total \$1.5 billion, or an average spend of about \$300 million/year. Budgeted spending includes 34% for Pavement Resurfacing, 26% for Bridge Construction, Preservation and Security, and 10% on Facilities, which combined total 70% of budgeted spending in 2021.

### Capital Budget – Capitalized Projects – Spending by Category



### Capital Budget - Expensed Projects – Spending by Functional Area



## 1. MAINTENANCE RESERVE FUND BUDGET

The 2021 Maintenance Reserve Fund Budget primarily supports spending for the maintenance and resurfacing of roadway and bridges on the Turnpike and Parkway. These projects have a combined budgeted spending plan for 2021 of \$185.3 million, and a rolling 5-year budgeted spending plan of about \$1 billion. The budgeted spending plan for 2021 is decreasing by about 5% compared to 2020, and includes funding primarily for Bridge Construction, Preservation & Security, and Pavement Resurfacing. Completion of the Concrete Barrier projects will be accelerated and included in the 2021-2025 CIP.

<b>Maintenance Reserve Fund Spending by Category (Capitalized Projects)</b>					
<i>(\$ In Thousands)</i>	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2021 Budget</b>	<b>\$ Δ from 2020</b>	<b>% Δ from 2020</b>
<b>Roadway</b>					
Bridge Construction, Preservation & Security	\$ 52,400	53,547	85,421	31,874	59.5%
Pavement Resurfacing	50,064	86,528	70,471	(16,057)	-18.6%
Concrete Barrier	4,547	2,705	-	(2,705)	-100.0%
Drainage Structures	5,659	32,645	5,750	(26,895)	-82.4%
Roadway Lighting	6,871	17,317	19,600	2,283	13.2%
Other Roadway Improvements	2,063	3,108	4,050	942	30.3%
<b>Total by Category</b>	<b>\$ 121,604</b>	<b>195,850</b>	<b>185,292</b>	<b>(10,558)</b>	<b>-5.4%</b>

<b>Maintenance Reserve Fund</b>								
<b>2021 - 2025 Rolling 5-Year Spending Budget by Project Type</b>							<b>Prior</b>	<b>Total Project</b>
<i>(\$ In Thousands)</i>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total 5-Year</b>	<b>LTD Spending</b>	<b>Budget</b>
<b>Capitalized Projects Category</b>								
<b>Roadway</b>								
Bridge Construction, Preservation & Security	\$ 85,421	66,390	81,900	65,000	65,000	363,711	51,042	414,753
Pavement Resurfacing	70,471	60,000	120,000	120,000	120,000	490,471	86,528	576,999
Drainage Structures	5,750	15,750	11,250	11,250	11,250	55,250	24,156	79,406
Roadway Lighting	19,600	9,558	10,192	7,500	7,500	54,350	17,317	71,667
Other Roadway Improvements	4,050	6,500	9,000	9,000	9,000	37,550	2,508	40,058
<b>Non Roadway</b>								
Facilities	-	-	14,000	14,000	14,000	42,000	-	42,000
<b>Total Maintenance Reserve Fund</b>	<b>\$ 185,292</b>	<b>158,198</b>	<b>246,342</b>	<b>226,750</b>	<b>226,750</b>	<b>1,043,332</b>	<b>181,551</b>	<b>1,224,883</b>

## 2. SPECIAL PROJECT RESERVE FUND BUDGET

The 2021 Special Project Reserve Fund Budget has a budgeted 2021 spending plan of about \$73.9 million and a rolling 5-year spending plan of about \$275 million. The budgeted spending plan for 2021 is flat as compared to 2020. The 2021 Special Project Reserve Fund Project Budget provides spending for the Authority's scheduled major fleet augmentation, which is the Authority's existing scheduled fleet replacement program, as well as funds for Facilities, among other necessary projects. The decrease in Maintenance of Infrastructure is primarily due to the leading practice recommendation changes as is the increase in Fleet

Special Project Reserve Fund Spending By Category (Capitalized Projects)					
<i>(\$ In Thousands)</i>	2019 Actual	2020 Budget	2021 Budget	\$ Δ from 2020	% Δ from 2020
<b>Roadway</b>					
Bridge Construction, Preservation & Security	\$ -	-	500	500	0.0%
Resiliency		-	1,000	1,000	0.0%
Other Roadway Improvements	4,499	1,734	4,910	3,176	183.2%
<b>Non Roadway</b>					
Facilities	10,650	16,507	30,071	13,564	82.2%
Fleet	9,844	15,396	22,797	7,401	48.1%
Technology Improvements	3,990	13,406	2,440	(10,966)	-81.8%
<b>Total by Category</b>	<b>\$ 28,982</b>	<b>47,043</b>	<b>61,717</b>	<b>14,674</b>	<b>31.2%</b>

Special Project Reserve Fund Spending By Functional Area (Expensed Projects)					
<i>(\$ In Thousands)</i>	2019 Actual	2020 Budget	2021 Budget	\$ Δ from 2020	% Δ from 2020
<b>Functional Area</b>					
Maintenance of Infrastructure	\$ 8,899	19,304	1,492	(17,812)	-92.3%
Traffic Control & State Police	628	1,552	1,250	(302)	-19.5%
Technology	1,689	4,185	7,953	3,768	90.0%
General & Administrative	141	995	1,500	505	50.8%
<b>Total by Functional Area</b>	<b>\$ 11,357</b>	<b>26,036</b>	<b>12,195</b>	<b>(13,841)</b>	<b>-53.2%</b>
<b>Total Special Project Reserve Fund</b>	<b>40,340</b>	<b>73,079</b>	<b>73,912</b>	<b>833</b>	<b>1.1%</b>

Special Project Reserve Fund								
2021 - 2025 Rolling 5-Year Spending Budget by Project Type							Prior	Total Project
<i>(\$ In Thousands)</i>	2021	2022	2023	2024	2025	Total 5-Year	LTD Spending	Budget
<b>Capitalized Projects Category</b>								
<b>Roadway</b>								
Bridge Construction, Preservation & Security	\$ 500	800	500	500	500	2,800	-	2,800
Resiliency	1,000	-	-	-	-	1,000	-	1,000
Other Roadway Improvements	4,910	4,109	5,450	5,450	5,450	25,369	1,108	26,477
<b>Non Roadway</b>								
Facilities	30,071	16,233	12,233	11,650	11,650	81,837	15,565	97,403
Fleet	22,797	23,005	23,745	24,523	25,339	119,408	14,899	134,307
Technology	2,440	2,500	2,500	2,500	2,500	12,440	11,582	24,022
<b>Expensed Projects Functional Areas</b>								
Maintenance of Infrastructure	1,492	200	200	200	200	2,292	18,846	21,138
Traffic Control & State Police	1,250	1,000	1,000	1,000	1,000	5,250	1,356	6,606
Technology	7,953	2,500	3,000	3,000	3,000	19,453	3,993	23,446
General & Administrative	1,500	1,000	1,000	1,000	1,000	5,500	984	6,484
<b>Total Special Project Reserve Fund</b>	<b>\$ 73,912</b>	<b>51,347</b>	<b>49,629</b>	<b>49,823</b>	<b>50,639</b>	<b>275,348</b>	<b>68,333</b>	<b>343,682</b>

### 3. SUPPLEMENTAL CAPITAL PROGRAM PROJECT BUDGET (CONSTRUCTION FUND – REVENUE FUNDED)

The 2021 Supplemental Capital Program Budget has a 2021 spending plan budget of \$73.4 million and a rolling 5-year spending plan of about \$201 million. The budgeted spending plan for 2021 is decreasing by about 49% compared to 2020. This budget includes funding to continue 2020 projects and provides about \$100 million for new projects over the 5-year period between 2021 and 2025. The 2021 Supplemental Capital Program Project Budget includes funding to continue several necessary multi-year projects including the replacement of the toll collection equipment on both roadways, additional roadway pavement resurfacing and improvements to the Garden State Arts Center.

Supplemental Capital Program Fund by Category (Capitalized Projects)					
	2019	2020	2021	\$ Δ from	% Δ from
(\$ In Thousands)	Actual	Budget	Budget	2020	2020
Roadway					
Bridge Construction, Preservation & Security	\$ 8,069	5,553	4,700	(853)	-15.4%
Pavement Resurfacing	14,907	18,450	28,000	9,550	51.8%
Interchanges	-	17,540	-	(17,540)	-100.0%
Roadway Lighting	-	-	500	500	0.0%
Other Roadway Improvements	10,613	12,499	16,892	4,393	35.1%
Non Roadway				-	
Facilities	12,787	37,071	15,710	(21,361)	-57.6%
Service Area & Arts Center	26,070	24,877	200	(24,677)	-99.2%
Technology Improvements	12,702	20,085	5,600	(14,485)	-72.1%
Total by Category	\$ 85,148	136,075	71,602	(64,473)	-47.4%

Supplemental Capital Program Fund by Functional Area (Expensed Projects)					
	2019	2020	2021	\$ Δ from	% Δ from
(\$ In Thousands)	Actual	Budget	Budget	2020	2020
Functional Area					
Maintenance of Infrastructure	\$ -	3,949	41	(3,908)	-99.0%
Traffic Control & State Police	90	2,212	1,250	(962)	-43.5%
Technology	-	1,700	487	(1,213)	-71.4%
Total by Functional Area	\$ 90	7,861	1,778	(6,083)	-77.4%
Total Supplemental Capital Program Fund	\$ 85,238	143,936	73,380	(70,556)	-49.0%

Supplemental Capital Program Fund								
2021 - 2025 Rolling 5-Year Spending Budget by Project Type							Prior LTD Spending	Total Project Budget
(\$ In Thousands)	2021	2022	2023	2024	2025	Total 5-Year		
Capitalized Project Category								
Roadway								
Bridge Construction, Preservation & Security	\$ 4,700	4,400	4,400	4,400	4,400	22,300	1,143	23,443
Pavement Resurfacing	28,000	-	-	-	-	28,000	18,450	46,450
Interchanges	-	-	-	-	-	-	17,540	17,540
Roadway Lighting	500	-	-	-	-	500	-	500
Other Roadway Improvements	16,892	12,310	19,800	19,035	18,000	86,037	8,322	94,359
Non Roadway								
Facilities	15,710	15,590	800	800	800	33,700	35,738	69,438
Service Area & Arts Center	200	200	200	200	200	1,000	24,877	25,877
Technology Improvements	5,600	5,600	5,600	5,600	5,600	28,000	14,048	42,048
Expensed Project Functional Areas								
Maintenance of Infrastructure	41	-	-	-	-	41	3,949	3,990
Traffic Control & State Police	1,250	-	-	-	-	1,250	2,212	3,462
Technology	487	-	-	-	-	487	1,500	1,987
Total Supplemental Capital Program Fund	\$ 73,380	38,100	30,800	30,035	29,000	201,315	127,779	329,094



## CONSTRUCTION FUND BUDGET (BOND FUNDED)

The 2021 Construction Fund Budget includes the bond funded programs within the Construction Fund. The Construction Fund currently includes the 2021-2025 Capital Improvement Program, which was derived from the 2020 Long-Range Capital Plan approved in May 2020, the 2019 Capital Improvement Program, approved in April 2019 and the 2008 \$7 Billion Capital Improvement Program approved in October 2008. These programs are funded through bond proceeds derived from the issuance of Turnpike Revenue Bonds.

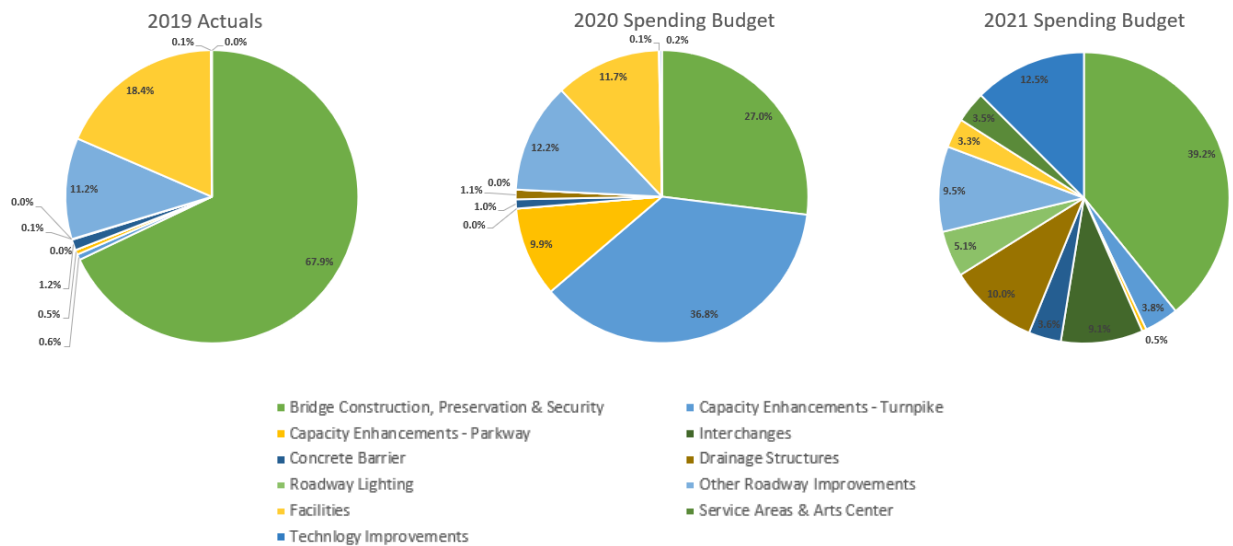
2021 - 2025 Rolling 5-Year Capital Spending Plan By Project Type						
Bond Funded						
	Spending Plan					
(\$ In Thousands)	2021	2022	2023	2024	2025	Total
Capitalized Project by Category						
Roadway						
Bridge Construction, Preservation & Security	\$ 251,181	379,864	361,174	315,730	305,287	1,613,236
Capacity Enhancements - Turnpike	24,380	94,268	146,603	118,303	115,764	499,318
Capacity Enhancements - Parkway	3,057	2,999	1,144	3,331	9,924	20,455
Interchanges	58,514	17,825	9,974	11,929	13,001	111,243
Resiliency	-	2,300	13,600	57,200	66,400	139,500
Concrete Barrier	23,130	9,114	8,322	23,379	-	63,945
Drainage Structures	63,986	128,962	93,937	32,906	40,927	360,718
Roadway Lighting	32,831	34,064	26,088	18,103	27,109	138,195
Other Roadway Improvements	60,778	88,403	72,411	84,633	48,531	354,757
<b>Total Roadway</b>	<b>\$ 517,857</b>	<b>757,800</b>	<b>733,253</b>	<b>665,514</b>	<b>626,943</b>	<b>3,301,367</b>
Non Roadway						
Facilities	\$ 21,000	6,068	5,774	5,671	5,671	44,184
Service Areas & Arts Center	22,249	18,208	15,550	8,000	5,000	69,006
Technology Improvements	80,419	63,682	57,074	45,344	27,537	274,057
<b>Total Non Roadway</b>	<b>\$ 123,668</b>	<b>87,958</b>	<b>78,398</b>	<b>59,015</b>	<b>38,208</b>	<b>387,247</b>
<b>Total Spending (Capitalized)</b>	<b>\$ 641,525</b>	<b>845,758</b>	<b>811,651</b>	<b>724,529</b>	<b>665,151</b>	<b>3,688,614</b>

Funding Source						
Bond Funded	(\$ In Thousands)		Spending Plan			
	2021	2022	2023	2024	2025	Total
2021-2025 Capital Improvement Program	\$ 227,356	620,975	679,365	629,849	634,425	2,791,970
2019 Capital Improvement Program	268,135	168,910	98,198	55,313	15,770	606,325
2008 \$7 Billion Capital Improvement Program	146,034	55,873	34,088	39,367	14,957	290,319
<b>Total Bond Funded</b>	<b>\$ 641,525</b>	<b>845,758</b>	<b>811,651</b>	<b>724,529</b>	<b>665,151</b>	<b>3,688,614</b>

### Construction Fund Budget– Spending by Project Type

This includes all bond funded capital projects contained in the 2021-2025 Capital Improvement Program, the 2019 Capital Improvement Program, and the 2008 \$7 Billion Capital Improvement Program. The combined project budgets in 2021, on a rolling 5-year budget, total \$3.7 billion, or an average spend of about \$738 million/year.

#### Construction Fund Budget – Capitalized Projects – Spending by Category



## 1. 2021-2025 CAPITAL IMPROVEMENT PROGRAM

The 2020 Long-Range Capital Plan was approved by the Board of Commissioners in May 2020. The 2021-2025 Capital Improvement Program was developed from that plan and focuses on maintaining the existing infrastructure in a state of good repair, and targets capacity improvements in critical areas where congestion is already an issue.

2021-2025 Capital Improvement Program Spending by Category					
<i>(\$ In Thousands)</i>	2019 Actual	2020 Budget	2021 Budget	\$ Δ from 2020 Budget	% Δ from 2020 Budget
<b>Roadway</b>					
Bridge Construction, Preservation & Security	\$ -	-	62,117	62,117	-
Capacity Enhancements - Turnpike	-	-	22,915	22,915	-
Interchanges	-	-	1,105	1,105	-
Concrete Barrier	-	-	3,168	3,168	-
Drainage Structures	-	-	63,986	63,986	-
Roadway Lighting	-	-	32,831	32,831	-
Other Roadway Improvements	-	-	3,729	3,729	-
<b>Non Roadway</b>					
Technology Improvements	-	-	37,505	37,505	-
<b>Total by Category</b>	\$ -	-	227,356	227,356	-

2021-2025 Capital Improvement Program								
2021 - 2025 Rolling 5-Year Spending Budget by Project Type							2026 - Beyond	Total Project Budget
<i>(\$ In Thousands)</i>	2021	2022	2023	2024	2025	Total 5-Year		
<b>Capitalized Projects Category</b>								
<b>Roadway</b>								
Bridge Construction, Preservation & Security	\$ 62,117	250,369	298,121	264,566	293,269	1,168,441	437,999	1,606,440
Capacity Enhancements - Turnpike	22,915	94,268	146,603	118,303	115,764	497,852	997,448	1,495,300
Capacity Enhancements - Parkway	-	-	-	3,331	9,924	13,255	71,745	85,000
Interchanges	1,105	1,825	1,874	3,829	5,058	13,690	118,310	132,000
Resiliency	-	2,300	13,600	57,200	66,400	139,500	-	139,500
Concrete Barrier	3,168	7,723	4,170	19,228	-	34,289	111	34,400
Drainage Structures	63,986	128,954	93,844	32,812	40,833	360,429	62,646	423,075
Roadway Lighting	32,831	34,064	26,088	18,103	27,109	138,195	23,790	161,985
Other Roadway Improvements	3,729	51,434	37,991	67,133	48,531	208,819	8,081	216,900
<b>Non Roadway</b>								
Technology Improvements	37,505	50,039	57,074	45,344	27,537	217,500	1,500	219,000
<b>Total 2021-2025 Capital Improvement Program</b>	\$ 227,356	620,975	679,365	629,849	634,425	2,791,970	1,721,630	4,513,600

## 2. 2019 CAPITAL IMPROVEMENT PROGRAM

This program was approved by the Board of Commissioners in April 2019 and includes capital improvement projects focusing on bridge deck improvements, shoulder widening and replacement of hybrid changeable message signs. The 2021 Budgeted Spending Plan for the 2019 CIP is increasing by about \$157 million, due in part to increased spending on projects originally approved in 2019, as well the addition of the remaining Passaic River Bridge Rehabilitation Program projects and the Service Area Improvement (outside the curb line) Project, all being added to the 2019 CIP this year. These projects were previously in revenue funded programs.

2019 Capital Improvement Program Spending by Category					
<i>(\$ In Thousands)</i>	2019 Actual	2020 Budget	2021 Budget	\$ Δ from 2020 Budget	% Δ from 2020 Budget
<b>Roadway</b>					
Bridge Construction, Preservation & Security	\$10,557	32,593	116,763	84,170	258.2%
Interchanges	-	7,873	19,876	12,003	152.5%
Concrete Barrier	-	10,500	19,636	9,136	87.0%
Other Roadway Improvements	6,366	52,874	46,698	(6,176)	-11.7%
<b>Non Roadway</b>					
Service Areas & Arts Center	171	7,188	22,249	15,061	209.5%
Technology Improvements	-	-	42,914	42,914	0.0%
<b>Total by Category</b>	<b>\$ 17,094</b>	<b>111,028</b>	<b>268,135</b>	<b>157,107</b>	<b>141.5%</b>

2019 Capital Improvement Program								
2021 - 2025 Rolling 5-Year Spending Budget by Project Type							Prior	Total Project
<i>(\$ In Thousands)</i>	2021	2022	2023	2024	2025	Total 5-Year	LTD Spending	Budget
<b>Capitalized Projects Category</b>								
<b>Roadway</b>								
Bridge Construction, Preservation & Security	\$ 116,763	100,883	44,087	25,668	10,770	298,170	17,088	315,258
Interchanges	19,876	1,790	-	-	-	21,666	9,163	30,829
Concrete Barrier	19,636	1,371	4,145	4,145	-	29,298	7,260	36,558
Other Roadway Improvements	46,698	33,014	34,416	17,500	-	131,629	12,934	144,563
<b>Non Roadway</b>								
Service Areas & Arts Center	22,249	18,208	15,550	8,000	5,000	69,006	7,737	76,743
Technology Improvements	42,914	13,644	-	-	-	56,557	12,350	68,907
<b>Total 2019 Capital Improvement Program</b>	<b>\$ 268,135</b>	<b>168,910</b>	<b>98,198</b>	<b>55,313</b>	<b>15,770</b>	<b>606,325</b>	<b>66,532</b>	<b>672,857</b>

### 3. 2008 \$7 BILLION CAPITAL IMPROVEMENT PROGRAM

This program was approved by the Board of Commissioners in October 2008. In September 2018, this program was amended to extend the end date of the program to December 31, 2020. It includes projects focused on Roadway Widening, Bridge Construction and Improvements, Roadway Improvements, Interchange Improvements and Facilities Improvements.

2008 \$7 Billion Capital Improvement Program Spending by Category					
<i>(\$ In Thousands)</i>	2019 Actual	2020 Budget	2021 Budget	\$ Δ from 2020 Budget	% Δ from 2020 Budget
<b>Roadway</b>					
Bridge Construction, Preservation & Security	\$ 95,829	101,886	72,302	(29,584)	-29.0%
Capacity Enhancements - Turnpike	973	722	1,466	744	103.0%
Capacity Enhancements - Parkway	824	10,631	3,057	(7,574)	-71.2%
Interchanges	80,524	41,205	37,534	(3,671)	-8.9%
Concrete Barrier	1,854	-	325	325	0.0%
Drainage Structures	122	-	-	-	0.0%
Other Roadway Improvements	11,129	10,207	10,350	143	1.4%
<b>Non Roadway</b>					
Facilities	28,811	29,095	21,000	(8,095)	-27.8%
<b>Total by Category</b>	<b>\$ 220,065</b>	<b>193,746</b>	<b>146,034</b>	<b>(47,712)</b>	<b>-24.6%</b>

2008 \$7 Billion Capital Improvement Program								
2021 - 2025 Rolling 5-Year Spending Budget by Project Type							Prior	Total Project
<i>(\$ In Thousands)</i>	2021	2022	2023	2024	2025	Total 5-Year	LTD Spending	Budget
<b>Capitalized Projects Category</b>								
<b>Roadway</b>								
Bridge Construction, Preservation & Security	\$ 72,302	28,612	18,966	25,496	1,249	146,625	1,545,254	1,691,879
Capacity Enhancements - Turnpike	1,466	-	-	-	-	1,466	2,129,973	2,131,439
Capacity Enhancements - Parkway	3,057	2,999	1,144	-	-	7,200	575,168	582,368
Interchanges	37,534	14,210	8,100	8,100	7,943	75,887	976,024	1,051,911
Concrete Barrier	325	20	6	6	-	358	51,467	51,825
Drainage Structures	-	8	94	94	94	289	61,834	62,123
Other Roadway Improvements	10,350	3,956	4	-	-	14,309	691,239	705,548
<b>Non Roadway</b>								
Facilities	21,000	6,068	5,774	5,671	5,671	44,184	678,722	722,906
<b>Total 2008 \$7 Billion CIP</b>	<b>\$146,034</b>	<b>55,873</b>	<b>34,088</b>	<b>39,367</b>	<b>14,957</b>	<b>290,319</b>	<b>6,709,681</b>	<b>7,000,000</b>