


**CERTIFICATION
OF
NEW JERSEY TURNPIKE AUTHORITY**

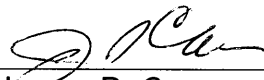
I, James D. Carone, hereby certify that I am the Deputy Executive Director of the New Jersey Turnpike Authority and as such, certify that the attached copy of PROCEEDINGS OF THE NEW JERSEY TURNPIKE AUTHORITY is a true and correct copy of the Minutes of the October 25, 2022 Meeting of the Authority.

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the New Jersey Turnpike Authority **this 25th day of October 2022.**

ATTEST:



Kim Schurman
Secretary to the Authority



James D. Carone
Deputy Executive Director

Corporate Seal

Date: October 25, 2022

Received in the Governor's Office October 25, 2022

Received by:

Print Name

Signature

Veto Period Ends:

November 9, 2022
(Write in the date the veto period ends)



State of New Jersey

OFFICE OF THE GOVERNOR
P.O. Box 001
TRENTON, NJ 08625-0001

PHILIP D. MURPHY
GOVERNOR

NOREEN M. GIBLIN, ESQ.
DEPUTY CHIEF COUNSEL

TO: Kim Schurman Schurman@njta.com
FROM: Kelley Trimble, Authorities Unit, Office of the Governor
DATE: October 25, 2022
RE: New Jersey Turnpike Authority Minutes

This email is confirmation that the Authorities Unit received the minutes from the October 25, 2022 board meeting on October 25, 2022. The calculated veto date is November 9, 2022.

Thank you.

Attachment

cc: Jeffry Nielsen

PROCEEDINGS OF MEETING OF NEW JERSEY TURNPIKE AUTHORITY
BOARD OF COMMISSIONERS
Tuesday, October 25, 2022

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Vice Chair Diaz called the meeting of the Authority's Board of Commissioners (the Board) into session in the Executive Boardroom of the Authority's Headquarters Building at 1 Turnpike Plaza in Woodbridge, New Jersey, at 9:00 A.M.

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Pledge of Allegiance

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PRESENT

Present were Chair Gutierrez-Scaccetti (Absent), Vice Chair Ulises Diaz, Treasurer Michael DuPont (by tele-conference), Commissioner Ronald Gravino (by tele-conference), Commissioner John Minella (Absent), Commissioner Raphael Salermo and Deputy DOT Commissioner Joseph Bertoni (designee for Chair Gutierrez-Scaccetti, by tele-conference). The meeting commenced at 9:00 a.m.

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ALSO PRESENT

Executive Director John Keller (by tele-conference), Deputy Executive Director James Carone (by tele-conference), Chief Financial Officer Donna Manuelli; Chief Engineer Michael Garofalo, Chief Information Officer Jose Dios; Acting Director of Law Ann Christine Monica; Director of Human Resources Mary Elizabeth Garrity; Director of Internal Audit Donna Wilser, Director of Operations Kevin Dunn; Director of Procurement and Materials Management Dale Barnfield, Director of Tolls John Labella; Director of Community and Government Relations Shawn Taylor; New Jersey State Police Captain Michael Krzyzkowski, State Police Troop D; and Secretary to the Authority Kim Schurman.

Also present were: Outside Counsel, Judy Verrone, Esq., of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Governors' Authorities Unit Representative, Jeffry Nielsen and Deputy DOT Commissioner Joseph Bertoni (designee for Chair Gutierrez-Scaccetti) (by tele-conference).

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NOTICE OF MEETING

This is a regular meeting of the New Jersey Turnpike Authority. Adequate notice of this meeting has been provided in accordance with Chapter 231, P.L. 1975 in that notice has been given to The Star Ledger and the Asbury Park Press, as well as numerous other newspapers, posted in the main lobby of the Authority's Administration Offices at 1 Turnpike Plaza, Woodbridge, prominently posted on the New Jersey Turnpike Authority's website at www.njta.com and on various social media platforms, including Facebook and Twitter, and notice has been forwarded to the Secretary of State, Trenton, New Jersey. Additionally, Authority public meetings will be held in-person and telephonically. Information and instructions regarding telephonic access to the meetings by the public has been posted on the Authority's website.

Secretary to the Authority Schurman takes Roll Call and the Following Were Present:

- 1. Vice Chair Diaz
- 2. Treasurer DuPont
- 3. Commissioner Gravino
- 4. Commissioner Minella (Absent)
- 5. Commissioner Salerno (by tele-conference)
- 6. Deputy DOT Commissioner Joseph Bertoni (by tele-conference)

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EXECUTIVE SESSION

Vice Chair Diaz announced there will not be an Executive Sessions at the Board Meeting today

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ACTION ON MINUTES

The Secretary to the Authority reported that ten days, excluding Saturdays, Sundays and holidays, have elapsed since Governor Philip D. Murphy received the proceedings of the regular meeting of September 27, 2022; he did not exercise his power to veto any items in those minutes.

Upon motion made by Treasurer DuPont seconded by Commissioner Salerno the minutes of the meeting was unanimously approved.

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RECUSALS

The Secretary to the Authority reported recusals or abstentions submitted for the record:
There are no recusals noted for this meeting.

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PUBLIC COMMENT (in Person)

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Barry Kushnir, President of Local 194 and Employee

Mr. Kushnir talked about roadway safety. Mr. Kushnir wanted to ask the Turnpike Authority to recommit to do everything we can to improve work zone safety. Mr. Kushnir made reference to the terrible accident that happened to one of our employees, Jonathan Proctor last week.

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PUBLIC COMMENT (remote by tele-conference)

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Angie Haines, Haines Towing

Ms. Haines implored that we look at the towing rates to match the State Police Rates, specifically for specialized recovery equipment, the rotator rate and the labor rate for recovery technicians. Ms. Haines thanked the Authority for the increase the Authority is working on.

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John Tumino, President of Garden State Towing Association

DIAZ	DuPONT	GRAVINO	MINELLA	SALERMO	BERTONI
YES	YES	YES	ABSENT	YES	YES

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LAW

Acting Director of Law, Ann C. Monica, requested approval of item numbers 210-10-2022 through 212-10-2022. Moved are the items as follows:

210-10-2022

In a memorandum dated October 7, 2022, Authorization to Settle the Insurance Claim for property damage and business interruption coverage with respect to an incident on the Delaware River Turnpike Bridge, Total Amount to the Authority: \$15,905,723, Amount received to date: \$12,512,138, Additional Amount to be received: \$3,393,585, was approved.

On January 20, 2017, a crack in the structural support members of the Delaware River Turnpike Bridge (the "DRTB"), which permits traffic to the Authority's Pearl Harbor Memorial Turnpike Extension, was discovered. The DRTB, which is jointly owned and maintained by the Authority and the Pennsylvania Turnpike Commission, was fully closed for a period of about two (2) months. The Authority submitted property damage and business interruption estimates to its insurers for its portion of the damages to and loss of revenue from the DRTB totaling \$21,059,518, or \$19,059,518, after subtracting the Authority's \$2 million deductible. The Authority provided extensive support for its portion of the expenses incurred to repair the bridge, and regarding lost toll revenue.

With respect to the underwriters' review of the property damage portion of the claim, some of the initial estimates included costs which were ultimately not expended; some of the repairs were deemed to be betterments or not needed as a result of the crack. With respect to the business interruption portion of the claim, competing calculations between the insurers' and the Authority's experts, based on estimates or direct comparisons, created a disparity that could not be adequately clarified, and after much discussion, a negotiated compromise was achieved, which incorporated portions of both parties' approach.

A tentative settlement has been agreed to for a total of \$17,905,723, or \$15,905,723, after applying the \$2,000,000 deductible for the combined property damage and business interruption claims, subject to Commissioner approval. This settlement was achieved with input of Marsh USA, Inc., the Authority's property insurance broker, Turner Surety and Insurance Brokerage, the Authority's insurance consultant, and outside counsel, who all recommend that settlement of this claim at this amount is in the best interest of the Authority. The Law and Finance Departments concur. The total amount of reimbursement received by the Authority to date is \$12,512,138, leaving an additional \$3,393,585 to be paid to the Authority. Authorization is requested to settle this matter at this amount. In addition to the amounts mentioned above, an additional amount of \$261,948.19 will be forthcoming to the Authority as

Mr. Tumino said the Authority agreed to increase the rates for towing and recovery on the Turnpike approximately 6 to 9 months ago. Mr. Tumino said the Authority said someone in the Insurance industry made a public comment that some of those rates would be higher than State Police Rates. Mr. Tumino advised that if you are going to lower the rates for recovery, please follow what the State Police rates are.

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Sean Cody, President of B&L Towing

Mr. Cody thanked the Authority for the proposed rate increases. Mr. Cody also commented on the rate decrease for important equipment needed for bad accidents on the Turnpike. Mr. Cody asked the Authority to take an objective look before lowering these rates.

Steve Carrellas, Director of Government and Public Affairs for the National Motorist Assoc.

Mr. Carrellas commented on the annual automatic toll increase. Mr. Carrellas said the public would benefit to know the calculations. Mr. Carrellas noted the public would also like to know if the tolls collected under any of the automated annual toll increases are still being allocated in whole to the capital program or if a portion of it is being allocated to operating expenses or other external commitments. Mr. Carrellas said transparency would be greatly appreciated.

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EXECUTIVE DIRECTOR COMMENTS

Executive Director Keller remarked that Jonathan Proctor, one of our family members, was injured in a serious accident. Mr. Keller said this is very concerning and the Authority will continue to do everything we can to support him and his recovery moving forward. Mr. Keller said we continue to take safety very seriously.

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COMMISSIONER COMMENTS

Vice Chair Diaz said our thoughts and prayers are with Mr. Jonathan Proctor and his family.

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HUMAN RESOURCES

Director of Human Resources, Mary-Elizabeth Garrity requested approval of item number 209-10-2022. Moved is the item as follows:

209-10-2022

Director of Human Resources, Mary-Elizabeth Garrity submitted the **Personnel Agenda**, dated October 25, 2022, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

On motion by Treasurer DuPont and seconded by Commissioner Salerno employment of those named to serve at the pleasure of the Authority and other recommended personnel actions, were approved, ratified and confirmed, to become effective as of the dates specified and at the salaries listed.

a result of a subrogation action brought by the insurers for the Authority and PTC against the contractor who may have caused or contributed to the crack.

Therefore, it is recommended that the Authority's Commissioners approve the settlement of the entire claim pursuant to the terms set forth above. It is also recommended that the Authority's Commissioners authorize the Executive Director to execute any and all documents in necessary to further the intent of the authorization.

211-10-2022

In a memorandum dated October 13, 2022, **Authorization to Extend Lease Agreement with BRM Parkway Center Inc., Ronson Road, Woodbridge, Middlesex County, New Jersey Turnpike Authority 1.47 Acres Adjacent to Block 367, Lot 1B, Amount: \$322,900.04**, was approved.

The New Jersey Turnpike Authority holds a lease (originally entered into by the former New Jersey Highway Authority) with BRM Parkway Center, Inc. ("Tenant"), to lease 1.47 acres of Authority property adjacent to Block 367, Lot 1B, adjacent to Ronson Road in Woodbridge Township, Middlesex County (the "Property"). This lease was for a five (5) year term, with the Tenant having the right to extend the lease for six (6) additional five (5) year terms at the fair market value existing at the time of the exercise of the renewal option.

The Tenant has renewed the lease continuously since the expiration of the initial term and has requested to exercise the fifth (5th) of the six (6) optional five (5) year extension periods, effective March 1, 2020. The Authority has had an appraisal prepared by Integra Realty Resources, the Authority's Real Estate Professional, which has determined that the fair market value for the renewal term is \$72,100.00 per year, commencing November 1, 2022, or \$322,900.04 in the aggregate over the five (5) year term.

Accordingly, it is recommended that the Executive Director be authorized to extend the lease for the Property with the Tenant in accordance with the terms set forth above. It is further recommended that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization.

212-10-2022

In a memorandum dated September 23, 2022, **Authorization to Settle Formal Workers' Compensation Matter – Maria Rannigan v. New Jersey Turnpike Authority, Budget Code: 10-870-405070, Amount: \$154,884.00**, was approved.

Petitioner Maria Rannigan was a Parkway Division Maintenance Person 1, hired August 1995 and retired with a PERS Ordinary Disability Retirement effective December 1, 2014. This recommended settlement will resolve a formal Claim Petition filed in 2012.

The petitioner is represented by Bramnick, Rodriguez, Mitterfloff, Grabas & Woodruff located in Scotch Plains, NJ. The Authority is defended by Special Counsel Claire Y. Ringel, Esq. of Capehart &

Scatchard, P.A, located in Mt. Laurel Township, NJ. The matter is venued in the district office of Plainfield Workers' Compensation Court before the Honorable Judge Maria Del Valle-Koch.

The total settlement award is \$154,884.00.

The Law Department has reviewed this matter and agrees with the recommendation of the Special Counsel, the Authority's third-party workers' compensation administrator and the Authority's Senior Benefits Manager. Authorization is, therefore, requested to allow Special Counsel to settle this matter for the sum of **\$154,884.00**.

This settlement will be payable under Account No. 10-870-405070.

On motion by Commissioner Salerno and seconded by Treasurer DuPont the Board unanimously approved item numbers 210-10-2022 through 212-10-2022; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

DIAZ	DuPONT	GRAVINO	MINELLA	SALERMO	BERTONI
YES	YES	YES	ABSENT	YES	YES

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ENGINEERING

Chief Engineer Michael Garofalo requested approval of item numbers 213-10-2022 through 220-10-2022 and 235-10-2022. Moved are the items as follows:

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PUBLIC BID SOLICITATIONS – AWARD OF CONTRACTS

213-10-2022

In a document dated October 5, 2022, **Recommendation to Award Contract No. P200.606, Garden State Parkway, Carbro Constructors Corp., Culvert Repairs, Milepost 109 to 124, R-174553, Budget Code: 5000010006, Amount: \$17,717,305.70,** was approved.

This contract will provide for the repair of three culverts with structural linings utilizing steel ribs and pneumatically applied mortar, specifically the existing 180-inch diameter corrugated metal pipe (CMP) under the Parkway Northbound and Southbound Express and Local Roadways at Milepost 109.69, the existing 180-inch diameter CMP under the Parkway Northbound and Southbound Express and Local Roadways at Milepost 110.77, and the existing 142" x 102" arch CMP under Ramp NBOX at Milepost 123.7S. Additionally, this contract will provide for the trenchless installation of a new 60-inch diameter centrifugally cast fiberglass reinforced polymer concrete pipe (CCFRPM) under the Parkway Northbound Express and Local Roadways at Milepost 110.73N. The work also involves repairs of concrete headwalls, reconstruction of existing storm drainage features in the vicinity of the culverts, and stream channel modifications. All work is expected to be completed by October 2024.

Six bid proposals were received on September 27, 2022 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal, in the amount of \$17,717,305.70,

may be compared to the second low bidder in the amount of \$18,218,000.00. The bids were significantly lower than the Engineer's Estimate in the amount of \$20,728,487.00 which is likely due to the recent volatility in the cost of materials and labor for items of work associated with the pneumatically applied mortar and structural steel. Additionally, the low bidder's knowledge of the work based on similar current projects may have also contributed to their bid being significantly lower than the Engineer's Estimate. The low bidder, Carbro Constructors Corp. has performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P200.606 be awarded to the low bidder, Carbro Constructors Corp. of Warren, New Jersey in the amount of \$17,717,305.70. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

The General Consultant, HNTB Corporation, concurs with this recommendation.

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ORDER FOR PROFESSIONAL SERVICES (OPS)

214-10-2022

In a document dated October 3, 2022, **Recommendation to Issue Order for Professional Services No. P3861, Garden State Parkway, STV Incorporated, Supervision of Construction Services for Contract No. P200.606, Culvert Repairs, Milepost 109 to 124, R-174552, Budget Code: 5000010006, Amount: \$2,615,000.00,** was approved.

This Order for Professional Services will provide supervision of construction services for Contract No. P200.606, Culvert Repairs between Milepost 109 and 124. These services include construction inspection, material testing, record keeping, preparation of payment estimates, and other services required to ensure compliance with the contract documents.

This assignment is classified as a "Complex Project" since the scope of work is not clearly defined and likely to change during the course of the project, and the cost exceeds \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and fifty-nine (59) engineering firms were prequalified and eligible under Profile Code B153, Roadway Construction Inspection. Twelve (12) firms submitted EOIs by the closing date of July 29, 2022.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking: 1) Aptim Environmental & Infrastructure, Inc.; 2) M&J Engineering P.C.; and 3) STV Incorporated. On September 2, 2022, Technical and sealed Fee Proposals were received from the top three firms. The Review Committee reviewed and evaluated each firm's Technical Proposals and it was determined that oral presentations would not be required. The final scoring resulted in STV Incorporated being the

highest technically ranked firm. The fee submitted by STV Incorporated has been reviewed, negotiated and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3861 be issued to the firm of STV Incorporated of Lawrenceville, New Jersey, in an amount not to exceed \$2,615,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.35 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

215-10-2022

In a document dated October 6, 2022, **Recommendation to Issue Order for Professional Services No. T3905, New Jersey Turnpike, Dewberry Engineers Inc., Design Services for Contract No. T100.646 Rehabilitation of the Westerly Alignment Bridges, R-174554, Budget Code: 5000000015, Amount: \$7,700,000.00**, was approved.

This Order for Professional Services will provide for final design services to prepare a construction contract for bridge deck rehabilitation and miscellaneous repairs of seven (7) high priority bridges located along the Turnpike westerly alignment, which includes major bridge Str. No. W107.87 that carries the Turnpike over the Passaic River. This work is being advanced in order to extend the service life of these structures until they are fully rehabilitated or replaced as part of a future Westerly Alignment Mainline Capacity Enhancement Program.

This assignment is classified as a "Complex Project" since the scope of work is not clearly defined and likely to change during the course of the project, and the cost exceeds \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and fifty (50) engineering firms were prequalified and eligible under Profile Codes: A092, Bridges: Miscellaneous Repairs and A093, Bridges: Deck Replacements and Rehabilitations. Four firms submitted EOIs by the closing date of June 16, 2022.

In accordance with the regulations, for Complex Projects, "If only three or four EOIs have been deemed complete by the Authority, these firms shall receive the RFP and the Review Committee will not conduct an evaluation of the EOIs..." [19:9-2.8.3]. The Review Committee recommended that we proceed directly to the RFP phase of the procurement and solicit Technical and Fee Proposals from the four firms which submitted complete EOIs: Dewberry Engineers Inc.; Michael Baker International, Inc.; TY Lin International; and WSP USA Inc. The Review Committee reviewed and evaluated each firm's Technical Proposal and it was determined that oral presentations would not be required. Final scoring

resulted in Dewberry Engineers Inc. being the highest technically ranked firm. The fee submitted by Dewberry Engineers Inc. has been reviewed and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. T3905 be issued to the firm of Dewberry Engineers Inc. of Bloomfield, New Jersey, in an amount not to exceed \$7,700,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

216-10-2022

In a document dated October 6, 2022, **Recommendation to Issue Order for Professional Services Nos. P3909 and P3910, Garden State Parkway, KS Engineers, P.C. - OPS No. P3909, Arora and Associates, P.C. - OPS No. P3910, Engineering Services for the 2023 New Jersey Turnpike Authority Bridge Inspection Program, Order for Professional Services No. P3909, Garden State Parkway - Group 1, Milepost 0 to 96, R-174555, Budget Code: 010-850-445900, Funding Allocation: \$ 815,000.00 FY 2023, \$ 100,000.00 FY 2024, Amount: \$ 915,000.00, And, Order for Professional Services No. P3910, Garden State Parkway - Group 3, Milepost 123 to 149, R-174861, Budget Code: 010-850-445900, Funding Allocation: \$ 960,000.00 FY 2023, \$ 205,000.00 FY 2024, Amount:\$1,165,000.00**, was approved.

Through this single procurement process, the Authority will select two consultants to furnish engineering services for bridge inspections on the Parkway. The engineering services associated with OPS No. P3909 will include inspection of 139 bridges located in the southern region of the Parkway and OPS No. P3910 will include inspection of 139 bridges located in the northern region of the Parkway. Both OPS' include FHWA Structure Inventory and Appraisal (SI&A) form updates, FHWA Element Level Inspection data collection, and the preparation of bridge inspection reports.

These assignments are classified as "Simple Projects" since the scopes of work are clearly defined and not likely to change during the course of the project, and the cost of each is less than \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and thirty-three (33) engineering firms were prequalified and eligible under Profile Code D280C, Bridges - NBIS Program, Complex. Six firms submitted EOIs by the closing date of September 6, 2022.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking of the three firms: 1) KS Engineers, P.C.; 2) Arora and Associates, P.C.; and 3) Pickering, Corts &

Summerson, Inc. These three firms were requested to submit sealed Fee Proposals, which were received and have been reviewed. A review of the Fee Proposal of the highest technically ranked firm, KS Engineers, P.C. for OPS No. P3909 (their preferred OPS) resulted in acceptance of their original Fee Proposal. Subsequently, a review of the Fee Proposal of the second highest technically ranked firm, Arora and Associates, P.C. for OPS No. P3910 was negotiated which resulted in a reduction in the total fee. Both fees are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3909 be issued to the firm of KS Engineers, P.C. of Newark, New Jersey, not to exceed the amount of \$915,000.00 allocated as follows: \$815,000.00 in FY 2023 and \$100,000.00 in FY 2024. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.59 to cover the cost of fringe benefits, overhead and profit, plus authorized, direct non-salary expenses.

It is further recommended that Order for Professional Services No. P3910 be issued to the firm of Arora and Associates, P.C. of Lawrenceville, New Jersey not to exceed the amount of \$1,165,000.00 allocated as follows: \$960,000.00 in FY 2023 and \$205,000.00 in FY 2024. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80, to cover the cost of fringe benefits, overhead and profit, plus authorized, direct non-salary expenses.

The award of these OPS' are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

217-10-2022

In a document dated October 6, 2022, **Recommendation to Issue Order for Professional Services Nos. T3915 and T3916, New Jersey Turnpike, Greenman-Pedersen, Inc. - OPS T3915, Michael Baker International, Inc. - OPS T3916, Order for Professional Services No. T3915, Design Services for Contract No. T100.651, Bridge Repairs and Resurfacing, Milepost 92 to 122 and the Newark Bay-Hudson County Extension (2024), R-174585, Budget Code: 0390000004, Amount: \$1,940,000.00, And, Order for Professional Services No. T3916, Design Services for Contract No. T100.652, Bridge Repairs and Resurfacing, Milepost 0 to 92 and the Pearl Harbor Memorial Turnpike Extension (2024), R-174862, Budget Code: 0390000005, Amount: \$1,440,000.00**, was approved.

Through this single procurement process the Authority will select two consultants to furnish design services and prepare construction contract documents for the annual bridge deck and miscellaneous structural repair contracts for 2024, which will address the northern and southern portions of the Turnpike.

The design services associated with OPS No. T3915 will include bridge inspection, condition evaluation and the preparation of contract documents for bridge deck repairs, resurfacing and miscellaneous structural repairs on the northern portion of the Turnpike. The design services associated with OPS No. T3916 will include bridge inspection, condition evaluation and the preparation of contract documents for bridge deck repairs, resurfacing and miscellaneous structural repairs on the southern portion of the Turnpike.

These assignments are classified as "Simple Projects" since the scopes of work are clearly defined and not likely to change during the course of the project, and the cost of each is less than \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and forty-nine (49) engineering firms were prequalified and eligible under Profile Codes: A092, Bridges: Miscellaneous Repairs and A093, Bridges: Deck Replacement and Rehabilitation. Two firms submitted EOIs by the closing date of September 6, 2022.

In accordance with the current procurement regulations, if fewer than three (3) EOI's are deemed complete, the EOI solicitation may be rewritten and/or re-solicited, or the procurement may continue with fewer than three firms, as determined by the Executive Director, in consultation with the Director." Authorization was granted to continue with the evaluation of the EOIs received.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking of the two firms: 1) Greenman-Pedersen, Inc. and 2) Michael Baker International, Inc. These two firms were requested to submit sealed Fee Proposals, which were received and have been reviewed. A review of the Fee Proposal of the highest technically ranked firm, Greenman-Pedersen, Inc. for OPS No. T3915 (their preferred OPS) was negotiated and resulted in a reduction in their Fee Proposal. Subsequently, a review of the Fee Proposal of the second highest technically ranked firm, Michael Baker International, Inc. for OPS No. T3916 was negotiated, which resulted in a reduction in their Fee Proposal. Both fees are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. T3915 be issued to the firm of Greenman-Pedersen, Inc. of Lebanon, New Jersey not to exceed the amount of \$1,940,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

It is further recommended that Order for Professional Services No. T3916 be issued to the firm of Michael Baker International, Inc. of Hamilton, New Jersey not to exceed the amount of \$1,440,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.78 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

The issuance of these OPS' are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardees, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firms were

selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

218-10-2022

In a document dated October 6, 2022, **Recommendation to Issue Supplement B to Order for Professional Services No. T3637, New Jersey Turnpike, AECOM Technical Services Inc., Remedial Investigation and Remedial Action at Chromate Sites 20, 21 and 192, R-174604, Budget Code: 040E00006, Original OPS Amount: \$745,000.00, Amount of Supplement A:\$ 0.00 (1-year Time Extension), Amount of Supplement B:\$0.00 (1-year Time Extension), Revised OPS Amount: \$ 745,000.00**, was approved.

This Order for Professional Services was issued at the September 26, 2017 Commission Meeting in the amount of \$745,000.00 to provide for remedial activities at Chromate Sites 20, 21 and 192 including completion of pre-design investigations, preparation of construction contract documents and remediation oversight in accordance with current New Jersey Department of Environmental Protection regulations. The original term of this OPS was for a four (4) year period commencing November 29, 2017, with an expiration date of November 29, 2021.

Supplement A provided for a one (1) year time extension which extended the contract to November 29, 2022 with no cost increase. This extension was required to address negotiations with Conrail regarding the in-progress remediation and access to Conrail's right of way to conduct the work, including but not limited to the development of a cost sharing agreement along with access/remediation agreements.

Supplement B will provide for an additional one (1) year time extension to November 29, 2023 to address these ongoing issues. Chromate Site 192 is located on active railroad property owned by Conrail. Recent discussions held between the Authority's counsel and Conrail representatives have determined that the remediation of chromium impacted soil at Chrome Site 192 and required reporting to the New Jersey Department of Environmental Protection (NJDEP) cannot be completed prior to the contract completion date of November 29, 2022.

It is, therefore, recommended that Supplement B to Order for Professional Services No. T3637 be issued to AECOM Technical Services Inc. without additional compensation. The original contract was procured pursuant to N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

235-10-2022

In a document dated October 20, 2022, **Authorization for Executive Director to Enter into a Memorandum of Understanding with Applegreen Ltd. for Reimbursement Associated with the Service Area Rehabilitation Program – Phase 4 including Option Sites on the Garden State**

Parkway at Vauxhall and Brookdale Service Areas, R-175188/R-175189, Budget Code: 39200018/4000046000, Amount: \$55,000,000.00 was approved.

On September 12, 2017, the Authority entered into an agreement with HMS Host to reconstruct eight service area buildings and remodel seven service area buildings on the New Jersey Turnpike (Turnpike) & Garden State Parkway (Parkway). That agreement was transferred to Applegreen Ltd. on July 23, 2021. A similar agreement was executed with Sunoco to reconstruct fuel facilities at 21 services areas including environmental remediation on the Turnpike and Parkway.

Phase 4 improvements include the Joyce Kilmer, James Fenimore Cooper and Walt Whitman Service Areas. Two Option sites on the Garden State Parkway, Brookdale South and Vauxhall Service Areas, were recently added to the Improvement Program at the October 2021 Commission Meeting. The Assigned Operating Agreement was authorized contingent upon agreed terms listed in a Letter from the NJTA Law Department dated October 25, 2021. Furthermore, under the successor agreement to the 2017 HMS Host Agreement, the Authority is responsible for work outside the curb line, while Applegreen Ltd. is responsible for work within the curb line along the perimeter of the buildings. The current Sunoco Agreement provides that Sunoco is responsible for work that includes the fuel islands and fuel storage tanks. The Authority is responsible for soil remediation at the Turnpike locations.

Having Applegreen Ltd. and Sunoco contractors perform all the respective curb out work associated with the five sites will avoid conflicts and coordination issues with multiple contractors on site, including, but not limited to, parking area paving, curbing, utility relocations, security cameras and lighting, and environmental remediation. Therefore, it is within the Authority's interests to have this work performed by Applegreen Ltd. and Sunoco contractors and, subject to verification of costs, reimburse Applegreen Ltd. and Sunoco, respectively, for all costs incurred for work that is otherwise the Authority's responsibility under the existing Applegreen Ltd. and Sunoco Agreements.

This item will authorize the Executive Director to enter into a Memorandum of Understanding (MOU) memorializing the foregoing and permitting reimbursement to Applegreen Ltd. and Sunoco for completing that portion of the Phase 4 Improvements including the Option Site improvements at Brookdale South and Vauxhall Service Areas that are the Authority's responsibility, in an amount not to exceed \$55,000,000.00. The existing Applegreen Ltd. and Sunoco agreements will be subsequently amended to incorporate the MOU.

FINAL ACCEPTANCES

219-10-2022

In a document dated October 6, 2022, **All work performed on each of the construction contracts listed below have been completed in accordance with the contract documents and to the satisfaction of the Engineering Department. Accordingly, it is recommended that these contracts be deemed complete and approved for Final Acceptance. The table below lists each**

contract and includes pertinent Change Order and financial information including the final payment amount due the Contractor upon Final Acceptance, was approved.

Contract No.	Contractor	Award Total Amount	No. of Change Orders	Additions/ Reductions	Final Total Contract Amount	Final Payment Amount
T200.504	M. L. Ruberton Construction Co., Inc.	\$490,659.50	1	(\$7,622.80)	\$483,036.70	\$4,830.37
T100.518	Ferreira Construction Co., Inc.	\$8,169,171.00	2	\$1,599,704.63	\$9,768,875.63	\$97,688.76
Total						\$102,519.13

The Certification and Recommendation for Final Acceptance has been executed by the Engineers, the General Consultant and the Chief Engineer. All required contract documents including the Engineer's Final Certifications, Maintenance Bonds, Affidavit of Prevailing Wage and the Final Payment certificates have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Contractors have certified that there are no liens outstanding against the Contractors. Accordingly, it is recommended that each contract listed above be accepted and final payment in the amounts shown above be made to the Contractors.

ACKNOWLEDGE REPORTS OF
ENGINEERING EXPENDITURES UNDER DELEGATED AUTHORITY

220-10-2022

The Board acknowledges the reports of Engineering Expenditures Under Delegated Authority as indicated below:

- Construction Contract Progress Summary
- Change Order Summary

On motion by Commissioner Gravino and seconded by Commissioner Salerno the Board unanimously approved item nos. 213-10-2022 through 219-10-2022 and 235-10-2022; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda. The Authority unanimously accepted the reports contained in item number 220-10-2022 and received same for file.

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ROLL CALL

DIAZ DuPONT GRAVINO MINELLA SALERMO BERTONI

YES YES YES ABSENT YES YES

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PROCUREMENT AND MATERIALS MANAGEMENT ("PMM")

Director of Procurement and Materials Management Dale Barnfield, requested approval of item numbers 221-10-2022 and 223-10-2022 through 227-10-2022. Moved are the items as follows:

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PUBLIC BIDS

221-10-2022

In a document dated October 19, 2022, 2022-2025 Snow Removal at various locations on both Roadways (Negotiated/Ratification), Suffolk Recycling Corp., RM-172792 (Operations), Budget Code: Various, Amount: \$199,200.00 (3-year contracts), was approved.

Under these contracts, Suffolk Recycling Corp. will provide front-end loaders for snow removal at three (2) Garden State Parkway locations. The contracts will be for three (3) years with the option to extend for two (2) additional one-year terms.

At the September 27, 2022 Commission Meeting (Agenda No. 191-09-2022), and in accordance with the public bid laws, authorization was granted to negotiate these contracts for the current winter season for the above-referenced contracts. These represent those areas in which no bid proposals were received after two public bid solicitations, *N.J.S.A. 27:23-6.1* and *N.J.A.C. 19:9-2.2*. The authorization also stated that the contracts would be awarded immediately following the negotiations and upon the contractors' compliance with legal and administrative terms, then ratified by this Commission at a proceeding meeting. Staff from the Procurement and Materials Management Department contacted available contractors and successfully negotiated contracts for (2) two required areas. The following vendor has met the terms of the contracts and the parties have agreed as follows:

Contract	Parkway Location	Contractor	Negotiated Hourly Rate	Contract Value (Annual)
LPP-77-22	Toll Plaza INT 77	Suffolk Recycling Corp.		
	Berkley Tolls	South Toms River, NJ	\$365.00	\$33,200.00
LPP-91-22	Toll Plaza INT 91	Suffolk Recycling Corp.		
	Brick Tolls	South Toms River, NJ	\$369.00	\$33,200.00

These contracts were procured and awarded in accordance with *N.J.S.A 27:23-6.1(a)* of the Authority's enabling legislation, *N.J.A.C. 19:9-2.2*, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This vendor is in compliance with Public Law 2005, Chapter 51 and Executive Order No 117 (Corzine 2008).

Accordingly, it is recommended that the award for the three-year contracts listed herein for snow removal services in an amount not to exceed \$199,200.00 be ratified. In addition, it is requested for the Executive Director to approve each of the two, one-year extensions upon satisfactory performance by the vendor. The prices for the succeeding years of the contract will be adjusted yearly based on a Consumer Price Index ("CPI") factor consisting of the average of 1) the New York/ Northern New Jersey CPI and 2) the Philadelphia/Southern New Jersey CPI. The maximum annual increase permitted, however, shall be five percent.

222-10-2022

Item pulled

223-10-2022

In a document dated October 7, 2022, **Swenson Spreader Parts, Trius, Inc., RM-173303 (Inventory), Budget Code: Various, Amount: \$192,026.31**, was approved.

Under this contract, Trius, Inc. will supply Swenson spreader parts that will be stored in inventory for use in repairing Authority owned salt spreaders used on both Roadways. The parts are vital to maintain the equipment that keeps the Roadways clear of snow and ice. Bidders were required to bid on 38 line items, as well as submit a discount off manufacturer's list price for other related miscellaneous parts not listed. The bid was fully advertised and the eight (8) vendors listed in the Authority's database for these parts were notified of the procurement. On September 21, 2022, a sole bid was received from Trius, Inc.

<u>Vendor</u>	<u>Total Bid Price</u>
Trius, Inc., Farmingdale, NJ	\$ 192,026.31

Departmental Estimate: \$200,000.00

Bids were procured and authorization is being sought to award this contract in accordance with *N.J.S.A. 27:23-1 et seq.*, the Authority's enabling legislation, *N.J.A.C. 19:9-2.2*, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee pursuant to Public Law 2005, Chapter 51, and Executive Order No. 117 (Corzine 2008) and having no objection to same.

Accordingly, authorization is requested to award a contract for Swenson spreader parts to Trius, Inc. for a total amount not to exceed \$192,026.31, subject to funding availability at the time of ordering. Authorization is further requested for the Executive Director to approve each of two, optional one-year extensions upon satisfactory performance by the vendor.

224-10-2022

In a document dated October 7, 2022, **Underground Utility Locating and Marking Services (Negotiated/Ratification), USIC Locating Services, LLC, RM-169719 (Operations), Budget Code: Various, Amount: \$ 631,500.00 (2-Year contract)**, was approved.

Under this contract, USIC Locating Services, LLC ("USIC") will provide underground utility locating and marking services ("Mark-Out Services") on both Roadways. These services are essential in marking and identifying all underground utilities in preparation for construction. Utilities include but are not limited to electric, water, gas, forced sewer mains and telephone lines.

This negotiated contract is the result of two previous unsuccessful public bid solicitations. Pursuant to the Authority's enabling statute *N.J.S.A. 27:23-6.1(a)*, since no bids were received on two occasions, staff can negotiate contracts with available responsible contractors. Given the need to establish this essential service in a timely basis, authorization

was granted under delegated authority by the Executive Director to award the contract to the lowest responsible contractor upon receipt and review of the negotiated bid and ratify the award at the proceeding Commission Meeting. Staff from the Procurement and Materials Management Department contacted available contractors and successfully negotiated the following contract. The following USIC has met the terms of the contract and the parties have agreed to pricing for two years as follows:

EST QTY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
12500	EACH CALL	Price for Each Notice of Intent to Excavate Forwarded to the Contractor by The Authority Including 1100 Linear Feet of Marking.	\$ 45.00	\$ 562,500.00
200	EACH	Price for Each Additional 1100 Linear Feet or Less.	\$ 45.00	\$ 9,000.00
100	EACH CALL	Price for Each Emergency Locate Request After Normal Working Hours or on Weekends or Holidays. Including 1100 Linear Feet of Marking.	\$ 75.00	\$ 7,500.00
500	EACH CALL	Price to Permanently Mark 1100 Linear Feet Using Authority Supplied Rhino Soil Marker or Super Grip Stake System.	\$ 90.00	\$ 45,000.00
40	EACH	Price for Each Additional 1100 Linear Feet Using Authority Supplied Rhino Soil Marker or Super Grip Stake System.	\$ 90.00	\$ 3,600.00
60	PER HOUR	Additional Services, Including Stand-By Services.	\$ 65.00	\$ 3,900.00
TWO YEAR TOTAL				\$631,500.00

This contract was procured and awarded in accordance with N.J.S.A 27:23-6.1(a) of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). This vendor is in compliance with Public Law 2005, Chapter 51 and Executive Order No 117 (Corzine 2008).

Accordingly, it is recommended that the award for the two-year contract listed herein for underground utility locating and marking services in an amount not to exceed \$631,500.00 be ratified. The not to exceed amount stated is subject to funding availability at the time of service. In addition, it is requested for the Executive Director to approve each of the two, one-year extensions upon satisfactory performance by the vendor.

225-10-2022

In a document dated October 7, 2022, At a prior Board of Commissioners Meeting, the Authority awarded a contract to the vendor listed herein for the referenced equipment. The contract included a 3-year option to purchase additional equipment which conform to the original specifications for that model year and two additional model years. For the final two years of the options, the vendor is permitted to request a price increase from the Authority if there had been an overall price increase of the equipment in the later model years, provided that the vendor justified the price increase in writing to the Authority. The Operations and Procurement

Departments have reviewed the following option exercised and have determined that any requested price increase was reasonable, was approved.

Original Meeting Date and Item No.	Award Date	Description	Vendor Name	Requisition/ Budget Code	Quantity/ Price	Unit	Total Amount	% Model Year Increase
July 26, 2022 142-07-2022		11 Foot Wide Area Mowers	Central Jersey Equipment, LLC	R-174621 (Operations) 049 00 500 156555 0490016013	13	\$70,690.00	\$918,970.00	0.0%

This contract was originally bid and awarded in accordance with *N.J.S.A. 27:23-6.1* of the Authority's enabling legislation, *N.J.A.C. 19:9-2.2*, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006). The contract is in compliance with Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008).

Accordingly, authorization is requested to exercise this contract option in order to purchase the equipment listed herein, for a total amount not to exceed \$918,970.00.

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STATE/GOVERNMENT CONTRACTS

226-10-2022

In a document dated October 7, 2022, 2022 Computer Hardware Refresh, Dell Marketing, LP RM-174544 (ITS), Budget Code: 010 00 830 480030, State Contract No. 19-TELE-00656 expiring 02/28/2023, Amount: \$700,000.00, was approved.

Under this contract, Dell Marketing, LP ("Dell") will provide the Authority with Dell manufactured computer hardware. These items include computer workstations, laptops, monitors and various accessories that are required to support the Authority's end-user computing hardware refresh initiative. This project replaces an average 15% of the Authority's computer hardware resources on an annual basis. This allows ITS to continually refresh equipment providing the latest technologies in a phased deployment model. This method has the least impact on end-users and allows adjustment to new technologies without adversely affecting productivity and hardware stability. This computer hardware is available from NJ State Contract No. 19-TELE-00656 expiring 02/28/2023.

This procurement, under State Contract No. 19-TELE-00656 is in accordance with *N.J.A.C. 19:9-2.5(a)*, promulgated pursuant to *N.J.S.A. 27:23-1 et seq.*, the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award a contract under State Contract No. 19-TELE-00656 for computer hardware to Dell Marketing, LP for an amount not to exceed \$700,000.00, subject to funding at the time of order.

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PROFESSIONAL SERVICES

227-10-2022

In a document dated October 20, 2022, **Special Counsel - Workers' Compensation, Gluck Walrath LLP, Chasan Lamparello Mallon & Cappuzzo, PC, Weiner Law Group LLP, RM-173265 (Law), Budget Code: Various, Amount: \$1,500,000.00 (2-Year contracts)**, was approved.

The New Jersey Turnpike Authority ("Authority") issued a Request for Qualifications ("RFQ") for Special Counsel - Workers' Compensation ("Counsel") to assist the Law and Human Resource Departments in providing legal services for the Authority's Workers' Compensation program. The services will include consulting with various Authority staff, representing the Authority at various workers' compensation courts, and briefing staff and the Board on workers' compensation cases. The contract is for a period of two (2) years with an option to extend for two additional one-year terms at the discretion of the Authority. Fixed hourly rates for partners (\$140.00) and legal assistants/paralegals (\$75.00) were set forth in the RFQ.

The RFQ was advertised in the Star Ledger, the Asbury Park Press, the New Jersey Law Journal and posted on the websites of the Authority and State of New Jersey. In addition, 23 firms listed on the Authority's vendor database were notified of the procurement. On September 14, 2022, the Authority received Qualifications from the following eight (8) firms:

1. Biancamano & DiStefano, P.C., Edison, NJ
2. Brown & Connery, LLP, Haddonfield, NJ*
3. Chasan Lamparello Mallon & Cappuzzo, PC, Secaucus, NJ
4. Florio Kenny Raval, LLP, Lyndhurst, NJ
5. Gluck Walrath LLP, Freehold, NJ
6. Malamut and Associates, LLC, Cherry Hill, NJ
7. Shaffer Shain Jalloh PC, Bernardsville, NJ
8. Weiner Law Group LLP, Parsippany, NJ

*Withdrew

An Evaluation Committee ("Committee"), established by the Executive Director, consisted of the Deputy Executive Director, Director of Human Resources, Director of Internal Audit, and HR Senior Benefits Manager. The Acting Director of Law and the Director of Procurement and Materials Management served as non-voting members of the Committee. The Committee reviewed the written Qualifications and invited representatives from the following three (3) top-ranked firms, namely: Chasan Lamparello Mallon & Cappuzzo, PC ("Chasan"); Gluck Walrath LLP ("Gluck"); and Weiner Law Group LLP. Oral presentations were held on October 11th and October 19th. Based on the written and oral presentations, the Committee then compiled a report that details the evaluation process and sets forth its findings and recommendations.

After a thorough review of all Qualifications and oral presentations, the Committee recommends that contracts be awarded to Gluck Walrath LLP, Chasan Lamparello Mallon & Cappuzzo PC, and Weiner Law Group LLP as Special Counsel-Workers' Compensation. The Committee found that all three (3) firms have vast experience and are qualified to perform the Services. Both Gluck and Chasan have

served as this Special Counsel for the Authority and are the current incumbents. The Committee also felt that a pool of firms could best serve the Authority for its volume of workers' compensation claims.

This professional services procurement was conducted in accordance with *N.J.S.A. 27:23-6.1*, *N.J.A.C. 19:9-2.9*, Executive Order No. 37 (Corzine 2006), and Executive Order No. 26 (Whitman 1994). These awards are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardees pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to enter into two-year agreements with Gluck Walrath LLP, Chasan Lamparello Mallon & Cappuzzo PC, and Weiner Law Group LLP as Special Counsel-Workers Compensation in an aggregate amount not to exceed \$1,500,000.00 for the two-year contract. Authorization is also requested for the Executive Director to approve each of the two (2) optional one-year extensions upon satisfactory performance by the firms, subject to funding availability at the time of service. It is further requested that the Executive Director be authorized to extend any existing agreements with current Special Counsel – Workers' Compensation in the event it is deemed appropriate and cost-effective to allow representation to continue with respect to pending matters. Finally, it is requested that the Executive Director be authorized to take such actions and execute any documents as may be deemed necessary and appropriate to further the intent and purpose of the within authorizations.

On motion by Commissioner Salerno and seconded by Treasurer DuPont the Board unanimously approved item numbers 221-10-2022 and 223-10-2022 through 227-10-2022 and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

DIAZ	DuPONT	GRAVINO	MINELLA	SALERMO	BERTONI
YES	YES	YES	ABSENT	YES	YES

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GENERAL BUSINESS

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OPERATIONS

Director of Operations Kevin Dunn requested acceptance of item number 228-10-2022. Moved is the item as follows:

228-10-2022

Director of Operations Kevin Dunn requested acceptance of Volumes and Crash Synopses for the Garden State Parkway and New Jersey Turnpike: Period 01/01/2022 through 09/30/2022; with 2021-2022 Yearly Comparisons through September 2022, was approved.

On motion by Treasure DuPont and seconded by Deputy DOT Commissioner Bertoni the Board unanimously accepted item number 228-10-2022; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

Director of Operations Kevin Dunn requested approval of item number 229-10-2022. Moved is the item as follows:

229-10-2022

In a document dated October 17, 2022, **Recommendation to Exercise Second Extension for Contract No. P200.540, Garden State Parkway, J. Fletcher Creamer, Maintenance, Repair, and Installation of Roadside Safety Features and Signs on the Garden State Parkway, in Bergen, Passaic, Essex, Union, Middlesex, Monmouth, Ocean, Burlington, Atlantic, and Cape May Counties, RM- 174903, Budget Code: 010-500-461030, Amount: \$6,162,858.00**, was approved.

Contract No. P200.540 was awarded at the November 19, 2019, Commission Meeting in an amount not to exceed \$9,651,777.00 for a term of two (2) years with two (2), one (1) - year options to extend. This contract consists of furnishing the required labor, equipment, and materials, on an on-call basis, necessary to maintain and repair roadside safety features and signs along the Garden State Parkway. The Authority has exercised the first extension and is seeking the second extension through September 30, 2023 together with a necessary recommended increase of \$6,162,858.00 in funding. The current contract value due to previous change orders is \$9,284,838.26.

The second extension is needed in order for the Authority to further research acceptable replacements for the current material which are no longer approved by federal standards and the Authority, along with its General Engineering Consultant, HNTB, is expediting research for alternative products to meet the federal material requirements. Approved alternative materials with multiple material suppliers should be identified by late spring of 2023 for the Authority to be able to advertise and award a new contract before September 30, 2023.

The additional funding reflects negotiations with the contractor for the current escalated costs of labor, equipment, and sole source materials.

It is, therefore, recommended that the authorized amount of Contract No. P200.540 be increased from \$9,284,838.26 to \$15,447,696.26. It is further recommended that the completion date of this contract be extended to September 30, 2023. All other terms of the contract shall remain in full force and effect.

On motion by Deputy DOT Commissioner Bertoni and seconded by Treasurer DuPont the Board unanimously approved item number 229-10-2022 and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

DIAZ	DuPONT	GRAVINO	MINELLA	SALERMO	BERTONI
YES	YES	YES	ABSENT	YES	YES

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STATE POLICE

Captain Michael Krzyzkowski requested acceptance of item number 230-10-2022. Moved is the item as follows:

230-10-2022

Captain Michael Krzyzkowski requested acceptance of the New Jersey State Police Troop D Activity Reports for September 2022, with 2021– 2022 Yearly Comparisons.

On motion by Commissioner Gravino and seconded by Commissioner Salerno the Board unanimously accepted the reports contained in item number 230-10-2022 and received same for file.

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FINANCE

Chief Financial Officer Donna Manuelli requested acceptance of item number 231-10-2022. Moved is the item as follows:

231-10-2022

Chief Financial Officer Donna Manuelli presented the Financial Summary for the Nine (9) months ended September 30, 2022, was accepted.

On motion by Treasurer DuPont and seconded by Commissioner Salerno the Board unanimously accepted item number 231-10-2022; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

Chief Financial Officer Donna Manuelli requested approval of item number 232-10-2022 and 233-10-2022. Moved are the items as follows

232-10-2022

In a memorandum dated October 20, 2022, Authorization to Adopt the 2023 Annual Budget, was approved.

Attached for your consideration is the 2023 Annual Budget, which includes the Authority's 2023 budgets for Revenue, Operating Expenses, Debt Service, Debt Reserve, and General Reserve. In addition, the 2023 Annual Budget includes the Authority's Capital Spending Program, presented on a rolling five-year basis. The Authority has established a rolling five-year program for all capital projects regardless of funding source for more meaningful, high-level reporting and management of revenue and bond funding. The Authority's Capital Spending Program consists of projects for both the revenue funded

and the bond funded capital programs. The revenue funded program includes i) Maintenance Reserve, ii) Special Project Reserve and iii) Supplemental Capital Program. The bond funded programs include – i) 2023-2027 Capital Improvement Program (2023-2027 CIP), which is derived from the 2020 Long-Range Capital Plan, ii) 2019 Capital Improvement Program (2019 CIP) and iii) 2008 \$7 Billion Capital Improvement Program (2008 \$7 Billion CIP).

The 2023 Annual Budget has been prepared consistent with the Authority's Strategic Plan. Despite the pressures on discretionary travel and costs due to an inflation rate of 8.3%, a level not seen in 40 years, the 2023 Annual Budget continues the mission contained in the Strategic Plan. This mission is to prudently manage the finances and operations of the 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. The 2023 Annual Budget provides enough funding to meet the Authority's goals for two of the busiest toll roads in the United States - the New Jersey Turnpike ("Turnpike") and Garden State Parkway ("Parkway"). The Authority continues to focus on state of good repair, which is the need to maintain and improve aging assets at leading practice standards, as well as the financial and operational needs of a system which includes more than 4,400 lane miles, 1,100 bridges, 130 interchanges and 600 tolling locations. The 2023 budget plans for the (i) traffic increases from the continued traffic recovery from the impacts of the Covid-19 pandemic and normal growth, (ii) award of about \$1.3 billion in design, supervision, and construction contracts (iii) continued capital improvement under the Authority's Capital Spending Program which includes safety and mobility enhancements for its patrons and, (iv) compliance with the financial covenants contained in the bond resolution and board adopted financial policies.

The proposed 2023 Annual Budget accomplishes the following:

- (1) Provides enough funding for operating expenses budgeted at approximately \$714 million to operate and maintain the Turnpike and Parkway during a time inflation levels not seen in 40 years, and growth. Authorized full-time positions are held essentially flat.
- (2) Provides for debt service payments of nearly \$960 million and includes a potential \$1 billion new money bond issuance in 2022. The new money bond issuance will provide needed funds for the various ongoing Capital Improvement Programs.
- (3) Provides nearly \$1.3 billion for spending on capital projects in 2023, including almost \$440 million of spending on revenue funded Capital Budget projects (Maintenance Reserve, Special Project Reserve, and Supplemental Capital Program); and approximately \$841 million of spending on bond funded Construction Fund projects (included in 2023-2027 CIP, 2019 CIP, and 2008 \$7 Billion CIP). In addition, nearly \$1.3 billion in Construction Contracts and Orders for Professional Services are planned to be awarded in 2023.
- (4) Maintains a minimum unencumbered General Reserve Fund balance more than 10% of budgeted total annual revenue (about \$250 million as of 12/31/23) as required by Board policy. This

balance is after all contractual obligations to the state as well as all other financial obligations which are paid for from General Reserve are made; and

(5) Meets General Bond Resolution financial covenants, Board adopted financial targets, and includes 3% annual toll rate indexing effective 1/1/23. The debt service coverage ratio is projected to be 2.00 times in 2023, with a total requirements ratio of 1.52 times.

The 2023 budget for Revenue is about \$2.5 billion or a 7.4% increase from the 2022 budget. This includes a projected increase in toll revenue of 6.8% on the Turnpike and 4.6% on the Parkway, or a combined 6.3% as compared to the 2022 budget. This increase is primarily due to traffic continuing to recover closer to pre-pandemic levels as well as normal growth. The toll revenue increase also assumes toll rate indexing at 3% effective 1/1/2023. The 2023 budget for toll revenue was derived from a report done by the Authority's traffic engineering consultant in July 2022. Fees are budgeted to increase in total by about \$20 million, or 20%, reflecting growth, as New Jersey E-ZPass accounts continue to increase as do administrative fee collections from enhanced collection efforts. Interest income is budgeted to increase by \$19 million or 323% compared to the 2022 budget, based on higher short-term interest rates as investment rates are expected to be higher in response to the Federal Reserve Bank interest rate hikes designed to control inflation. All other revenue sources are budgeted to be essentially flat as compared to the 2022 budget.

The proposed 2023 budget for Operating Expenses of about \$714 million represents a \$42 million, or 6.3%, increase as compared to the 2022 budget. The increase includes four key cost factors as follows: (1) Inflation and global supply chain - \$18.9 million of budgeted increase, or 45% of total budgeted increase; (2) Growth - \$8.6 million of budgeted increase, or 20% of total budgeted increase, (3) Safety - \$7.6 million of budgeted increase, or 18% of total budgeted increase; and (4) Contractual - \$7.0 million of budgeted increase, or 17% of total budgeted increase.

The four key factors noted above are affecting costs primarily in five key areas with significant increases totaling \$31.2 million:

- Health Benefits are budgeted to increase by approximately \$11.9 million due to rising healthcare costs and changes to employee contribution rates
- Other Professional Services are budgeted to increase by approximately \$8.2 million largely due to increased safety inspection tasks (for bridges, overhead sign structures, antenna towers, pavement of all travel lanes, and mechanically stabilized earth walls) and toll collection contractor costs associated with higher traffic numbers
- Roadway maintenance, equipment maintenance and other materials are budgeted to increase by about \$5.9 million due to increased costs primarily due to inflation and supply chain issues, the largest of which is vehicle maintenance
- Insurance is budgeted to increase by \$3 million due to increased cyber insurance coverage and the rise in insured asset values of the Authority's bridges and properties mainly due to increases in the replacement values of insured assets

- Banking services, mainly credit card fees for electronic toll collection, are budgeted to increase by approximately \$2.9 million due to rising toll revenue mostly from increased traffic.

When adjusting for inflation and growth, the 2023 budget for Operating Expenses is only increasing by a modest 2.1%. Authorized positions are held essentially flat at 2,130, and even with assumed across-the board salary increases of 2% in 2023, the Authority's 2023 budget for salaries is essentially flat with 2022.

The 2023 Annual Budget also includes Debt Service which is budgeted at \$958 million and includes principal and interest payments on currently outstanding bonds as well as a potential new money issuance of \$1 billion budgeted for January 2023. The 2023 budget is an increase of about \$55 million compared to 2022 due to higher interest expense from the new money borrowing and increased principal payments on existing debt. The budget assumes that out of the total \$958 million, \$873 million will be funded from net revenue, while \$85 million will be funded from bond proceeds (capitalized interest).

The 2023 Annual Budget includes the Debt Reserve which is budgeted at \$40 million. The \$40 million represents the anticipated increase necessary to bring the total balance in the Debt Reserve to \$641 million and is required under the Bond Resolution based upon the assumed \$1 billion new money bond issuance.

The 2023 budget for General Reserve totals \$760 million and includes the Authority's contractual payments due in calendar 2023 under its various state agreements. This includes \$605 million for the State Public Transportation Projects Funding Agreement (half of state fiscal year 2023 payment of \$746 million and half of state fiscal year 2024 payment of \$465 million) as well as \$24.5 million for the Transportation Trust Fund and Feeder Road Agreements combined. Also included is funding for extraordinary severe weather costs and other postemployment benefit costs, and a net transfer to the Construction Fund of \$60 million to cover the 2023 budgeted spending for the revenue funded Supplemental Capital Program and chargebacks. The 2023 budget is increasing by about \$74 million primarily due to the required payments under the State Public Transportation Projects Funding Agreement which was effective 7/1/2021, and an assumed \$10 million payment to the state for the Gateway Project Tunnel.

The Authority's Capital Spending Program is also part of the 2023 Annual Budget and is presented on a rolling five-year basis, with a spending plan included for the years 2023-2027. The Capital Spending Program includes both revenue funded 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) 2023 – 2027 CIP, derived from the 2020 Long-Range Capital Plan, (ii) 2019 CIP and (iii) 2008 \$7 Billion CIP.

The rolling five-year Capital Spending Program anticipates \$7.0 billion to be spent during 2023-2027, or an average of about \$1.4 billion/year. Of this, approximately 67% is planned to be spent on Bridge Repair and Reconstruction, Capacity Enhancements and Pavement Resurfacing. The remaining

33% is budgeted to be spent on other roadway improvement projects, technology improvements, fleet replacement and facility upgrade projects. Over the five-year period, approximately 28%, or \$1.9 billion, will be funded by revenue, while 72%, or \$5.1 billion, of the \$7.0 billion will be funded by bond proceeds. All projects in the Capital Spending Program include adjustments for actual and anticipated inflation over the five-year period, with a 7% cost increase budgeted in 2023 alone.

The revenue funded Capital Budget projects included in the 2023 rolling five-year Capital Spending Program focus on resurfacing of the roadways, bridge repairs, roadway and technology improvements, fleet replacement and facility upgrades. These projects are funded by net revenue transfers into the Maintenance Reserve Fund, Special Project Reserve Fund, and into the revenue funded account in the Construction Fund for Supplemental Capital Program projects. Average annual spending for these projects is about \$390 million/year.

The Maintenance Reserve Fund has a rolling five-year spending plan of \$1.3 billion, or an average of \$260 million/year, which primarily supports spending for the maintenance and resurfacing of roadway and bridges on the Turnpike and Parkway. All included projects have a combined spending budget for 2023 of about \$280 million, with the remainder planned to be spent in 2024-2027. The budgeted spending for 2023 is an increase of about \$59 million, or 27%, over the 2022 spending budget. The 2023 spending budget includes additional funding for pavement resurfacing and facility upgrades. It should be noted that the Authority is funding for the resurfacing of approximately 620 lane miles, an increase of over 50% compared to 2022, and bridge deck repairs of approximately 45 bridges on both the roadways.

The Special Project Reserve Fund has a rolling five-year spending plan of \$362 million, or an average of \$72 million/year. The 2023 spending budget is about \$109 million with the remainder to be spent in 2024-2027. The budgeted spending for 2023 represents a \$33 million, or 44% increase over 2022 budgeted spending. The spending budget provides funding for the Authority's scheduled fleet replacement program, as well as funds for facility improvements and technology improvements, among other necessary projects. The primary driver of the increased spending is fleet, which has a 39% increase due to both 2022 and 2023 truck orders being delivered in 2023 and price increases.

The Supplemental Capital Program has a rolling five-year spending plan of \$285 million, or an average of \$57 million/year. The 2023 spending budget is about \$52 million with the remainder to be spent in 2024-2027. The 2023 spending budget is declining by about \$23 million compared to 2022 as an additional pavement resurfacing contract on the Parkway will be completed in 2022. The 2023 spending budget includes the curb-out work at the Vaux Hall and Brookdale South service areas on the Parkway, tolling legacy system parts replacement and the design of the Tremley Point Connector Road, among other projects.

The bond funded Construction Fund projects included in the rolling five-year plan focus on maintaining the existing infrastructure in a state of good repair, capacity enhancement projects and bridge rehabilitation and replacement projects. Some important projects are (1) the bridge rehabilitation

and replacement program including the Delaware River Turnpike Bridge and Turnpike mainline widening between Interchanges 1 and 4 as a part of the 2023-2027 CIP; (2) bridge deck reconstruction on both the roadways, shoulder restoration on the Parkway and Phase 3 Service Area Improvements as a part of the 2019 CIP; and (3) the Newark Bay Hudson County Extension Bridge re-decking and facility improvements nearing completion as part of the 2008 \$7 Billion CIP. Average annual spending over the five-year period for all bond funded projects is about \$1.0 billion/year.

The 2023- 2027 CIP, which is derived from the 2020 Long-Range Capital Plan approved in May 2020, has a rolling five-year spending plan of \$4.7 billion, or an average spending of approximately \$942 million each year. This program includes several bridge rehabilitation and replacement projects as well as capacity enhancement projects on the Newark Bay Hudson County Extension and between Interchanges 1 and 4 on the Turnpike. The 2023 spending budget is about \$608 million, which is an increase of \$257 million, or 73% as compared to the 2022 spending budget. Spending is increasing primarily due to the start of the Delaware River Turnpike Bridge Project, among other projects.

The 2019 CIP, approved in April 2019, has a rolling five-year spending plan of \$235 million, of which about \$200 million will be spent between 2023 and 2024. This program includes the rehabilitation of the Passaic River Bridges and service area improvements. The 2023 spending budget is about \$130 million, which is a \$43 million, or 25% decrease from the 2022 spending budget, as projects near completion.

The 2008 \$7 Billion CIP, approved in December 2008, is nearing completion. The rolling five-year spending plan is \$109 million, which includes \$103 million, or nearly all, to be spent in 2023. The 2023 spending budget includes re-decking of various structures on the Newark Bay Hudson County Extension and certain interchange improvements on both the roadways. The 2023 spending budget of \$103 million is a \$29 million, or almost 40% increase from the 2022 spending budget, again as the remaining projects near completion.

In summary, the Authority's 2023 Annual Budget provides funding for the successful navigation of current economic conditions including inflation levels not seen in 40 years which impact discretionary travel on the roads, purchases of operating and capital project goods and services, and borrowing costs. In addition, the 2023 Annual Budget addresses sustainability through adequate funding for the Authority's capital spending programs, with about \$1.3 billion in planned awards for capital projects. Finally, the 2023 Annual Budget demonstrates financial resiliency by exceeding all the bond financial covenants and the Authority's financial management principles and guidelines. The Authority is expected to exceed its financial management principles and guidelines after providing nearly \$1 billion for interest and principal payments on bonds and honoring all other contractual requirements. It is therefore recommended that the Authority adopt the attached 2023 Annual Budget. The Authority's General Consulting Engineer, HNTB, concurs with this recommendation.

Your approval of this recommendation is respectfully requested.

[Budget in Brief Attached to these minutes]

233-10-2022

In a memorandum dated October 7, 2022, **Net Revenue Certification under Turnpike Revenue Bond Resolution Section 713 (c)**, was approved.

Under the provisions of Section 713 (c) of the Turnpike Revenue Bond Resolution adopted by the Authority on August 20, 1991 as amended and supplemented (the "Resolution"), the Authority, on or before December 1 in each year, shall complete a review of its financial condition for the purpose of estimating whether the Net Revenues (as such term is defined in the Resolution) for such year and for the next succeeding year will be sufficient to comply with subsection (b) of Section 713 of the Resolution and shall by resolution make a determination with respect thereto. A copy of such resolution, certified by an Authorized Officer of the Authority, together with a certificate of such Authorized Officer setting forth a reasonably detailed statement of the actual and estimated receipts and the payments to be made therefrom for such year, shall be filed with the Trustees on or before December 20.

If it fails to meet the requirements of Section 713 (b) of the Resolution, the Authority shall have its Traffic Engineers conduct a study for the purpose of recommending a schedule of tolls which will provide the necessary revenues to meet the requirements.

The undersigned has completed the review of the financial condition of the Authority for the years 2022 and 2023. The Authority is now in a position to make the determination showing that the requirements of Section 713 (b) of the Resolution will be met in the years 2022 and 2023.

As the basis for your review, I have prepared the following schedules relative to the two years under review, 2022 and 2023, which accompany this memorandum.

Schedule A

This schedule contains a Resolution which states that a review has been made of the Authority's financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2022 and 2023, including investment income treated as revenues for each year, will be sufficient to provide all of the payments and meet all other requirements as specified in Section 713 (b) of the Resolution.

Schedules B and C

These schedules set forth calculations relative to 2022's revenue requirements. Specifically, the schedule provides actual revenue through September 30, 2022 and projected revenue for the balance of the year (October-December 2022).

Schedules D and G

These schedules set forth figures to support the certification under Section 713(c) of the Resolution demonstrating that in each calendar year (2022 and 2023) "Net Revenues shall at least equal the Net Revenue Requirement for such year" as required by Section 713(b) of the Resolution. Under

Section 101 of said Resolution, Net Revenues are defined as "... for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "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)."

Schedules E and F

These schedules set forth calculations relative to 2023's financial projections and estimated revenue provisions.

Based upon a review of the financial condition of the Authority, it is estimated that Net Revenues (as such term is defined in the Resolution) for 2022 and 2023 will be sufficient to comply with Section 713 (b) of the Resolution.

[Schedule A through Schedule G attached to these minutes]

On motion by Treasurer DuPont and seconded by Commissioner Salerno the Board unanimously approved item numbers 232-10-2022 and 233-10-2022 and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

ooo0ooo

ROLL CALL

DIAZ	DuPONT	GRAVINO	MINELLA	SALERMO	BERTONI
YES	YES	YES	ABSENT	YES	YES

ooo0ooo

EXECUTIVE

Executive Director Keller requested approval of item number 234-10-2022. Moved is the item as follows:

234-10-2022

In a document dated October 25, 2022, Authorization to approve the Annual Meeting Notice, was approved.

Authorization is requested to publish public notice of the 2023 Annual Meeting Notice, in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq. The Annual Meeting Notice will

be forwarded to the Star Ledger and the Asbury Park Press, as well as numerous other newspapers, will be prominently posted in the main lobby of the Authority's Administration Offices at 1 Turnpike Plaza, Woodbridge, will be prominently posted on the Authority's website at www.NJTA.com and on various social media platforms, including Facebook and Twitter, and will be forwarded to the Secretary of State in Trenton. All Board Meetings as set forth below, will be held in person at the New Jersey Turnpike Authority's Administration Offices, 1st Floor, 1 Turnpike Plaza, Woodbridge, New Jersey. Members of the public who do not wish to attend in person may access the meetings telephonically, and the instructions and telephone number for access to the meetings will be posted on the New Jersey Turnpike Authority's website at www.NJTA.com prior to each meeting. Formal action may be taken at any of the meetings listed below.

2023 BOARD MEETING DATES (Tuesdays, 9:00 a.m.)
January 31 st
February 28 th
March 28 th
April 25 th
May 23 rd
June 27 th
July 25 th
August 29 th
September 26 th
October 24 th
November 21 st
December 19 th

On motion by Treasurer DuPont and seconded by Commissioner Salerno the Board unanimously approved item number 234-10-2022 and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

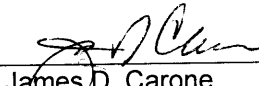
DIAZ DuPONT GRAVINO MINELLA SALERMO BERTONI

YES YES YES ABSENT YES YES

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The motion to adjourn was made by Commissioner Salerno and seconded by Treasurer DuPont and, after the voice vote, the motion was duly adopted. The Board of Commissioners adjourned the meeting at 9:37 a.m. and advised that the next meeting will be held on Tuesday, November 22, 2022, at 9:00 a.m., in person, with optional telephonic public call in (check the website NJTA.com to get call-in information), at the Authority's headquarters building located at 1 Turnpike Plaza in Woodbridge, New Jersey.


Kim Schurman
Secretary to the Authority


James D. Carone
Deputy Executive Director

Date: October 25, 2022

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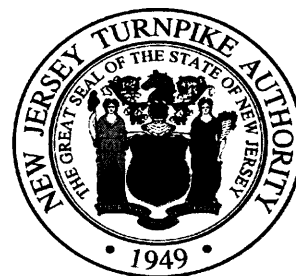
New Jersey Turnpike Authority

2023 Annual Budget-in-Brief

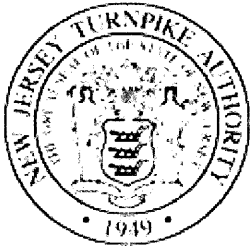


Prepared by the Finance Department
Donna Manuelli, Chief Financial Officer
Erwin Luna, Assistant Comptroller
Stellanie Callanan, Assistant Comptroller

1 Turnpike Plaza, Woodbridge, NJ 07095



Transmittal Letter



PHILIP D. MURPHY
GOVERNOR

SHEILA Y. OLIVER
LIEUTENANT GOVERNOR

New Jersey Turnpike Authority

1 TURNPIKE PLAZA - P.O. BOX 5042 - WOODBRIDGE, NEW JERSEY 07095
TELEPHONE (732) 750-5300

DIANE GUTIERREZ-SCACCETTI, Chair
ULISES E. DIAZ, Vice Chair
MICHAEL R. DuPONT, Treasurer
RONALD GRAVINO, Commissioner
JOHN D. MINELLA, Commissioner
RAPHAEL SALERMO, Commissioner
JOHN M. KELLER, Executive Director

October 25, 2022

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

We are pleased to submit for your review the New Jersey Turnpike Authority's (the Authority's) 2023 Annual Budget. The Authority's Turnpike Revenue Bond Resolution, Section 710, requires the Board of Commissioners to adopt, on or before January 15th of each fiscal year, an Annual Budget for that year, and promptly file the Annual Budget with the Trustee for inspection by the bondholders. The Annual Budget must include, at a minimum, appropriations for all anticipated Operating Expenses and Reserves therefor, and provisions for Maintenance Reserve Payments and Special Project Reserve Payments. The Annual Budget may set forth such additional material as the Authority may determine and shall contain a certificate of the Consulting Engineer approving such Annual Budget.

The 2023 Annual Budget has been prepared in accordance with the Authority's Strategic Plan and its Mission Statement. 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. To this end, the 2023 Annual Budget lays out, in detail, the progress that has been made since the approval of the 2020-2029 Strategic Plan. The 2023 Annual Budget includes total revenue which reflects the continued recovery from the pandemic, along with providing sufficient amounts for operating expenses, debt service and general reserve fund obligations. In addition, the 2023 Annual Budget includes the Authority's Capital Spending Program which is presented on a rolling five-year basis. The Capital Spending Program includes the revenue funded Capital Budget and the bond funded Construction Fund.

In 2023, the Revenue is budgeted at \$2.5 billion, which is a 7.4% increase from the 2022 budget, demonstrating a strong recovery as traffic is projected to return to about 96% of pre-pandemic levels, coupled with annual toll rate indexing at 3%, effective January 1, 2023. Operating Expenses are budgeted at \$713.7 million, which shows a 6.3% increase. Categorically, the increase is a derivative primarily of inflation and supply chain issues, but also of growth, a never-ending focus on the motoring public's safety, and contractual obligations. The national inflation rate is 8.3%, and inflation and supply change issues require budget increases in several areas including health benefits, fuel, utilities, insurance, automotive parts and supplies, and goods purchased for roadway and building maintenance. Also impacting operating expenses are forecasted growth in traffic and revenue which increases variable costs. Without inflation and growth, operating expenses are only budgeted to increase by a modest 2.2%. The 2023 Annual Budget includes Debt Service of \$958 million, an increase of \$55 million over last year's budget reflecting new money borrowings to fund the Capital Improvement Programs. General Reserve spending and transfers in 2023 total nearly \$760 million and include the fulfillment of \$640 million in contractual payments to the State after all debt service payments and bond resolution revenue funded capital requirements are met.

As illustrated in the Capital Spending Program, the Authority projects design, supervision, and construction contract awards to be approximately \$1.3 billion as per its target for the capital and construction projects. In addition, the Capital Spending Program projects a spending budget of nearly \$1.3 billion in 2023 from a combination of its bond and revenue funded programs. The various project budgets have also been increased by about 7% to account for inflation experienced or expected in future awards. Of note, the 2023-2027 Capital Improvement Program's primary focus is the rehabilitation of 19 bridges, as well as planning for the rehabilitation of the Newark Bay Hudson County Extension and Turnpike capacity enhancement between Interchanges 1 to 4. In addition, the Authority anticipates rolling out its All-Electronic Tolling initiative, also included in the 2023-2027 Capital Improvement Program. This program is derived from the 2020 Long-Range Capital Plan and is funded from bond proceeds. Revenue funded projects, on the other hand, focus on maintaining a state of good repair on both roadways. Funds will be utilized largely for the resurfacing of 620 total lane miles, as well as for several New Jersey Turnpike and Garden State Parkway bridge repairs and facility upgrades. The Authority is also starting its resiliency and sustainability initiatives, with projects involving solar panel installations at select Maintenance Districts, electric vehicle charging stations and the purchase of electric vehicles.

The 2023 Annual Budget demonstrates the Authority's continued ability to prudently manage its finances, and showcases its operational strength and resiliency despite the challenges faced by the current economic climate. The 2023 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, yet safest toll roads. Finally, the 2023 Annual Budget provides bond covenant coverage that exceeds what is required by the Turnpike Revenue Bond Resolution and the Authority's Financial Management Principles and Guidelines and meets all contractual payment obligations.



John M. Keller
Executive Director



Donna Manuelli
Chief Financial Officer

Background

The New Jersey Turnpike Authority (the "Authority") is a body corporate and politic of the State of New Jersey (the "State"). The Authority was organized and exists by virtue of the New Jersey Turnpike Act of 1948 (the "Act"), constituting Chapter 454 of the Laws of New Jersey of 1948, as amended and supplemented. 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, liabilities, ongoing operations, expenses, and revenues of the Authority and the Highway Authority 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, 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.

When the Turnpike first opened in 1951, it was 118 miles in length, but has grown to 148 miles. The 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, as well as the Outerbridge Crossing. Lastly, to the west, it connects with the Delaware River Turnpike Toll Bridge. Originally four lanes for its full length, the Turnpike now boasts a width of fourteen lanes in some areas.

The Parkway

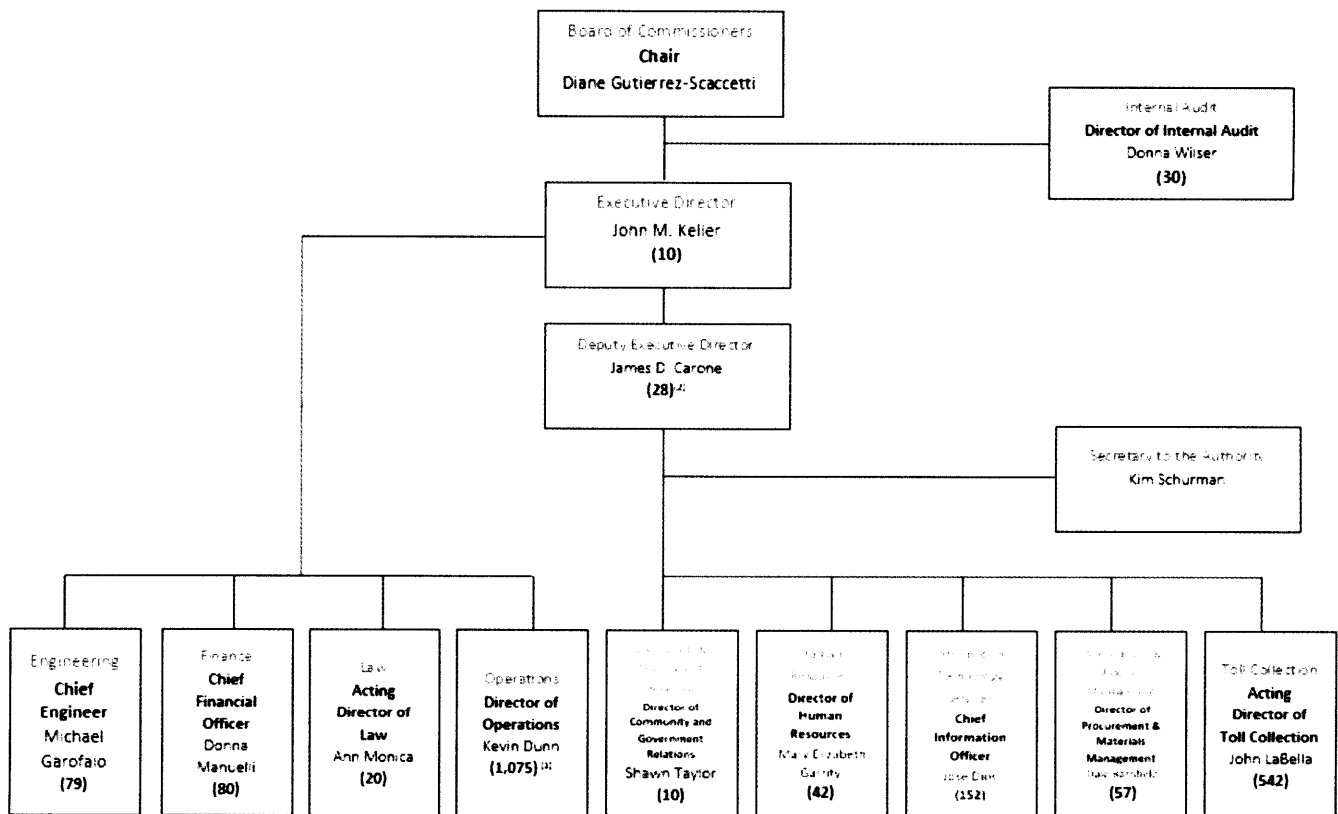
The Parkway first opened to traffic in 1954 with a length of 168 miles. It is now a 173-mile limited access toll road with connections in the north to the New York State Thruway at the New York-New Jersey border near Spring Valley, New York and in the south to Route 9 near Cape May, New Jersey. The Parkway interchanges are numbered according to their distance from the southern terminus.

The northern section of the Parkway serves the metropolitan suburban areas of 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 is also the principal highway route between metropolitan Newark-New York City and the New Jersey seashore. The Parkway is now as wide as 15 lanes in some areas and has a heavy truck restriction north of Interchange 105.

Leadership

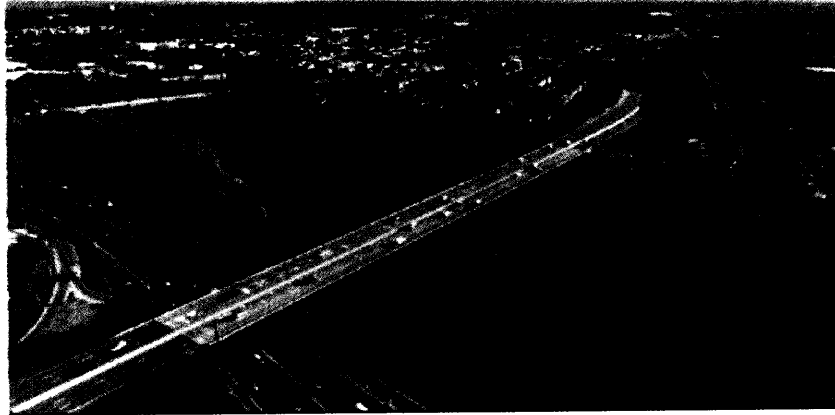
Member	Position
Diane Gutierrez-Scaccetti	Chair
Ulises E. Diaz	Vice Chair
Michael R. Dupont	Treasurer
Ronald Gravino	Commissioner
John D. Minella	Commissioner
Raphael Salerno	Commissioner

Organization Chart



- Departmental full-time employee count is shown in parenthesis
- In addition to the above authorized positions, there are 5 contingency positions budgeted
- (1) Operations includes the Maintenance Division (987) and the Traffic Division (88)
- (2) The 28 full-time employees in the State Police Department report directly to the Deputy Executive Director. This department is not shown in the above organization chart

New Jersey Turnpike and Garden State Parkway Crossing in Woodbridge



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 *(2023 Annual Budget p10)*

The Authority adopted its first ten-year Strategic Plan (2020-2029) in 2019. The Strategic Plan, through its incorporation of the Authority's vision and mission statement, as well as its core values, provides clear direction and measurable goals for the next ten years. The Authority is working to measure, monitor, and report its performance as compared to the key goals on a quarterly basis.

Key Goals

- **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 coordination)
- **State of Good Repair** (Safeguarding Authority's infrastructure assets by maintaining pavements, bridges, drainage systems, signage, lighting, and facilities)
- **People** (Customer satisfaction, staffing needs, retention of high-quality staff, succession planning, and talent acquisition)

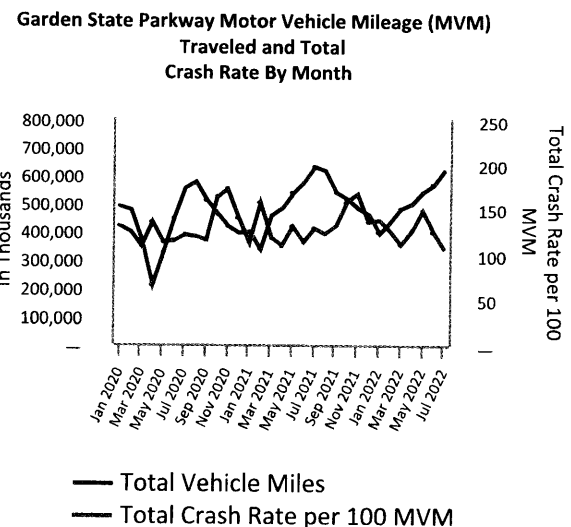
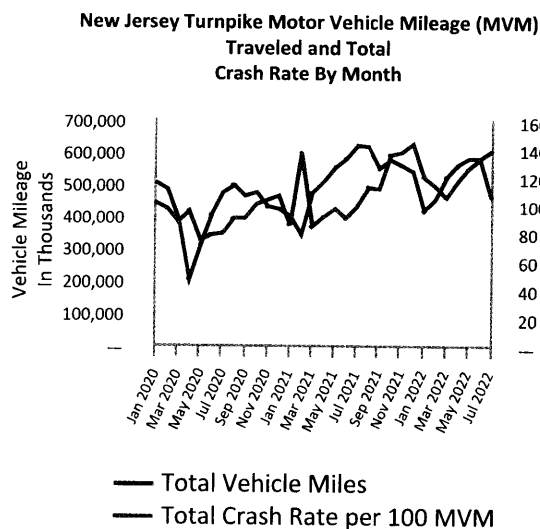
Goals and Accomplishments

Safety

Goal (2023): Increase safety inspections to include not only bridges, but also overhead sign structures, antenna towers, pavement in all travel lanes and MSE walls. The additional inspections are to occur once every four years

Accomplishments (2022): Improved roadway safety by upgrading delineation of select interchanges, upgrading over 60 traffic control devices on ramp terminals to assist in the reduction of run-off road crashes, and publishing new and modern Work Zone Safety Procedures guidance for contractor and Maintenance personnel use

Total Crash Rate per 100 Motor Vehicle Miles (MVM) for the period January thru July 2022 increased 20% on the Turnpike and 1% on the Parkway when comparing the same period in 2021. These trends are similar to the national average.



Financial Strength

Goal (2023): Increase General Reserve balance to no less than \$247 million, which is 10% of the 2023 budgeted revenue

Accomplishments (2022): Successfully issued \$100 million of Series 2022A Turnpike Revenue Bonds to refund and redeem certain maturities of the outstanding Series 2013A. This issuance was part of the forward delivery direct bond purchase agreement between the Authority and Barclays Capital Inc which produced \$15.4 million of upfront savings for the Authority.

In 2022, Moody's, S&P, and Fitch all upgraded The New Jersey Turnpike Authority's Bond Ratings. See below table for details:

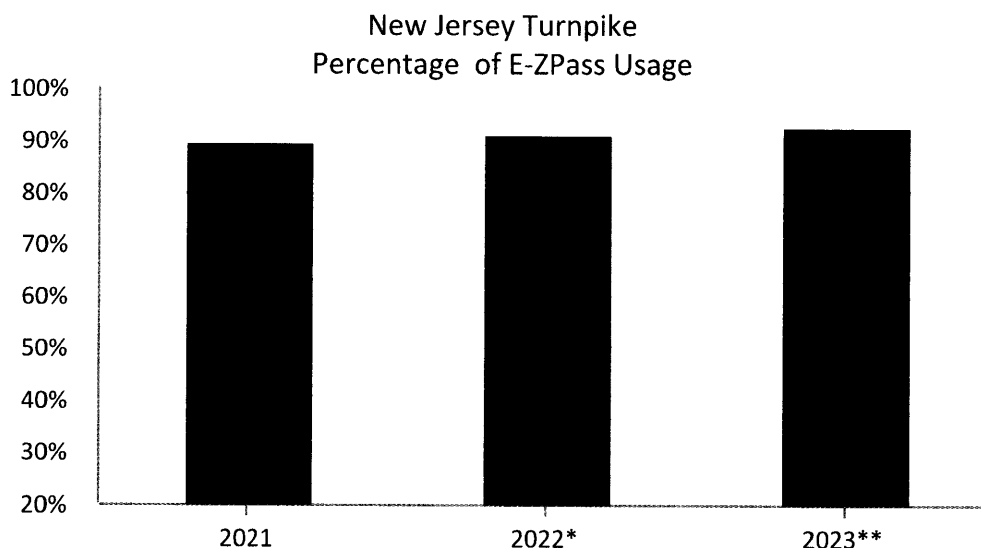
New Jersey Turnpike Authority Bond Ratings		
Credit Rating Agency	2021 Bond Ratings	2022 Bond Ratings
Moody's Investors Service Inc	A2 (Stable Outlook)	A1 (Stable Outlook)
S&P Global Ratings	A+ (Stable Outlook)	AA- (Stable Outlook)
Fitch Ratings	A (Positive Outlook)	A+ (Stable Outlook)

Mobility

Goal (2023): Continue network and server infrastructure upgrades to ensure additional capacity, as required by roadway demand

Accomplishments (2022): Upgraded the Traffic Permitting and Lane Closure Application, completed the tolling data business intelligence and analytics pilot program for E-ZPass process improvements, and enhanced customer experience

E-ZPass usage is expected to increase on the Turnpike by 1.5% in 2023 to almost 93% on a 24/7 basis. The Authority has one of the highest E-ZPass penetration rates in the country.



*Through July 31, 2022

**Estimates based on historical average trend from 2016-YTD July 2022

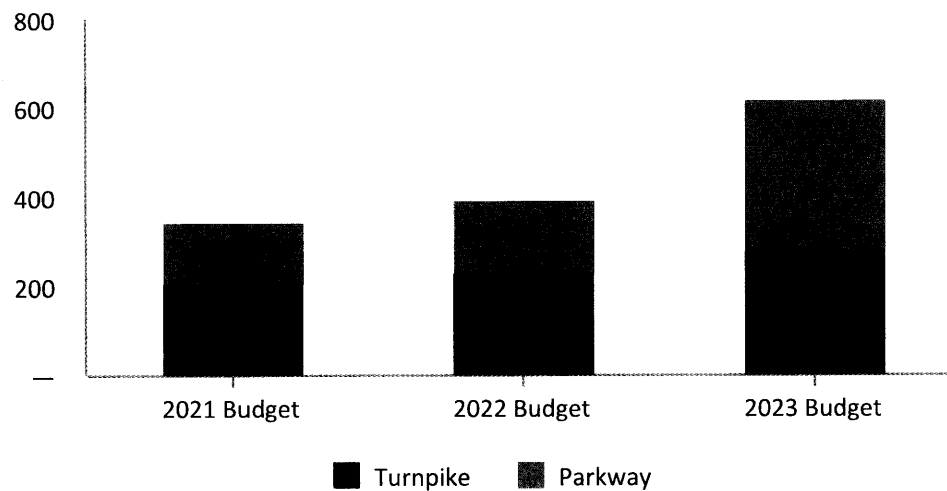
State of Good Repair

Goal (2023): Meet or exceed the overall average condition rating of 3.5 for all the mainline pavement of the Turnpike and Parkway

Accomplishments (2022): Improved the overall condition of mainline pavement and bridges on the Turnpike and Parkway, and managed the rehabilitation and modernization of the Woodrow Wilson and Molly Pitcher service areas

Budgeted resurfacing lane miles will increased by 57% from 2022 to 2023 to a total of 620 lane miles

Budgeted Resurfacing Lane Miles



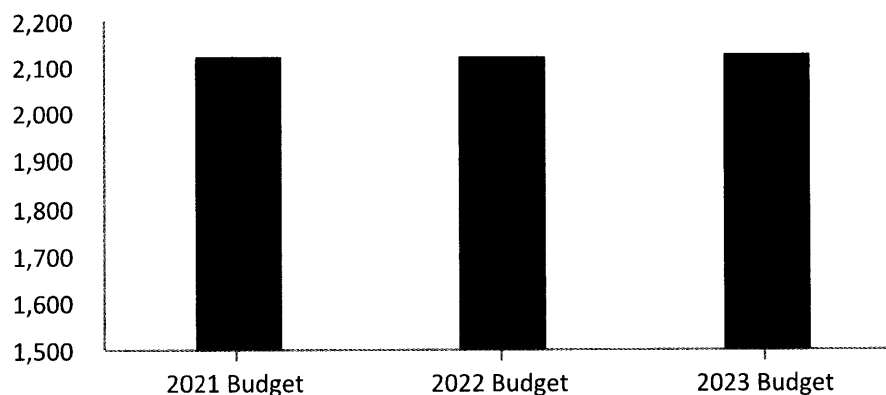
People

Goal (2023): Successfully negotiate successor contracts to all Collective Bargaining Agreements set to expire beginning 6/30/23.

Accomplishments (2022): Implemented a new manager and supervisor training program with a concentration on employment and labor relations

Budgeted authorized positions are essentially flat from 2022 to 2023

Total Authorized Positions



Executive Summary *(2023 Annual Budget p29)*

The Authority operates two well-established highways. Both roadways make up the backbone of north-south travel in New Jersey, with the Turnpike considered a critical link within the I-95/Northeast Corridor. The roads serve a densely populated and 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 premier toll roads like the Turnpike and the Parkway into a single agency was no small order. Almost 20 years later, the singular agency continues to be recognized as a first-class agency among its peers in the transportation and tolling industries. The Authority is consistently ranked at the top of toll road agencies in the United States for both vehicle miles traveled and toll revenue.

The Authority's prudent financial and operational planning has allowed it not only to continue to meet, but exceed all of its financial obligations even during the peak of the COVID-19 pandemic. The 2023 Annual Budget has been developed in accordance with the Authority's mission contained in the Strategic Plan, the 2020 Long-Range Capital Plan, and the 2020 toll rate increase plan, including 3% toll rate indexing, which was designed to provide a stable funding source for capital needs. The 2023 Annual Budget also addresses state of good repair needs and safety for both customers and employees. The Authority can meet its funding needs and obligations in 2023, despite the impacts of inflation, which are at levels not seen in 40 years, and global supply chain issues.

Throughout 2022, the Authority has continued to see improvements in traffic and revenue as a result of increased travel and higher than projected commercial traffic on the New Jersey Turnpike. Notably, commercial traffic reached record levels in June 2022. Toll revenue is expected to increase by 6.3% compared to the 2022 budget for both roadways. The 2023 toll revenue budget is based upon projections in the Draw Down Letter provided by CDM Smith as of July 22, 2022. The updated forecast includes the assumed continuing recovery from the impacts of COVID-19, the 3% toll rate indexing, slightly dampened traffic due to hybrid work schedules, and high fuel prices. On the Turnpike, CDM Smith projects, in 2023, a 6.8% increase in toll revenue and a 4.1% increase in toll transactions compared to the 2022 budget. When compared to the 2022 estimated results, there is a 2.8% increase in toll revenue and a 1.8 % increase in toll transactions. On the Parkway, CDM Smith projects a 4.6% increase in toll revenue and 1.4% increase in toll transactions when compared to the 2022 budget. When compared to the 2022 estimated results, there is a 5.8 % increase in toll revenue and a 2.1% increase in toll transactions.

Operating Expenses are budgeted to increase by 6.3% in 2023 which is driven by record high inflation of over 8.0% nationwide, increased growth in traffic and toll revenues, increased safety inspection tasks, and increased contractual obligations. Inflation and global supply chain issues greatly affect overall maintenance and safety inspections costs which accounts for 44.8% of the total budget increase. Growth, primarily in toll transactions increases banking or credit card fees which accounts for 20.3% of the total budget increase. Due to rising healthcare costs due to medical inflation and a decrease in employee contribution rates in Health Benefits, and additional asset inspections which occur every four years, these factors also contribute to the increase in the Operating Expenses. When excluding these items, Operating Expenses are budgeted to increase by only 2.2% primarily due to contractual salary increases and enhanced safety spending. Despite these assumed across-the-board salary increases, the Authority's overall salary budget is essentially flat compared to 2022. Authorized full-time positions remain flat at 2,130.

Most notably, the 2023 Annual Budget includes nearly \$1.3 billion for spending under its Capital Spending Program. The Capital Spending Program includes both bond funded and revenue funded capital projects. It is expected that the capital investment in these projects will boost mobility and improve safety for generations of New Jersey drivers to come. All Capital Spending Budget project budgets have been adjusted for actual and projected inflationary increases. The 2023 Annual Budget provides sufficient revenue and bond proceeds to meet capital spending needs. Finally, the 2023 Annual Budget projects debt service coverage of 2.0 times, and total requirements coverage of 1.52 times, each above both Bond Resolution covenants and financial policy targets.

2023 Annual Budget Summary

Revenue			
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget
Toll Revenue	\$ 1,998,800	2,067,000	2,196,400
Other Revenue	267,400	231,400	272,300
Total	\$ 2,266,200	2,298,400	2,468,700

Significant Revenue Highlights

- Toll revenue is expected to increase by 6.8% on the Turnpike and 4.6% on the Parkway when compared to the 2023 budget, representing an overall 6.3% increase. This increase is primarily due to traffic increases, as travel patterns continue to return to pre-pandemic levels and normal growth, and toll rate indexing at 3% effective January 1, 2023.
- CDM Smith's July 2022 Traffic and Revenue Forecast increased the prior toll revenue forecast by about \$24 million for the years 2023 and 2024, but decreased the prior toll revenue forecast by about \$38 million between 2025 and 2027. This pattern for the years 2023 to 2027 is due to a greater than expected recovery from COVID-19 impacts in the next few years, then followed by damping demand for travel due to an increase in fuel prices and the prevalence of telecommuting.
- All other revenue sources in total are up about \$40.9 million compared to the 2022 budget, mainly due to more fee income, reflecting both current trends in administrative fee collections and growth in membership fees.

Expenses			
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget
Operating Expense and Reserve ⁽¹⁾	\$ 590,700	676,600	717,900
Debt Service	796,379	902,853	958,160
General Reserve	372,457	685,845	759,845

(1) Operating Expenses and Reserve includes the operating expenses for the year and the working capital reserve of 10% of the annual budgeted operating expenses as per section 504(B) of the Bond Resolution.

Capital Budget			
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget
Maintenance Reserve Fund	\$ 115,920	219,787	278,797
Special Project Reserve Fund	24,920	76,137	109,346
Supplemental Capital Program	42,707	74,950	51,679

Construction Fund			
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget
2023-2027 Capital Improvement Program	\$ 81,032	351,630	608,468
2019 Capital Improvement Program	182,310	172,507	129,645
2008 \$7 Billion Capital Improvement Program	81,972	74,160	103,001

Significant Spending Highlights and Challenges

- Operating Expenses in 2023 are budgeted at \$713.7 million, which includes four key factors that are increasing the budget:
 - Inflation and global supply chain - \$18.9 million or 44.8% of the budgeted increase
 - Growth - \$8.6 million or 20.3% of the budgeted increase
 - Safety - \$7.6 million or 18.1% of the budgeted increase
 - Contractual - \$7.0 million or 16.8% of the budgeted increase
- Without inflation and growth, the Authority's budget for Operating Expenses would only be increasing by a modest 2.2%
- The four key factors are affecting costs primarily in five key areas with significant increases totaling about \$31.2 million
 - Health Benefits are budgeted to increase by approximately \$11.9 million due to medical inflation and decreases in employee contribution rates
 - Other Professional Services are budgeted to increase by approximately \$8.2 million largely due to increased safety inspection tasks (for bridges, overhead sign structures, antenna towers, pavement of all travel lanes, and mechanically stabilized earth walls), increased toll collection costs associated with higher traffic numbers and increased supplemental staff services
 - Roadway Maintenance, Equipment Maintenance, and Other Materials are budgeted to increase by approximately \$5.4 million due to increased maintenance costs primarily due to inflation and supply chain issues, the largest of which is maintaining the Authority's vehicle fleet
 - Insurance is budgeted to increase approximately \$3.0 million due to an increased need for cyber insurance and the increased asset value of the Authority's insured bridges and properties mainly due to increases in replacement values of insured assets
 - Banking Services, mainly credit card fees for electronic toll collection are budgeted to increase by approximately \$2.7 million due to rising toll revenue mostly from increased traffic
- Without these five areas, the Authority's budget for Operating Expenses would only be increasing by 1.5%
- The 2023 Annual Budget includes essentially flat full-time authorized positions at 2,130, including five contingent positions. Even with assumed across-the-board increases of 2.0% in 2023, the Authority's budget for salaries in 2023 is essentially flat with 2022.
- Operating Expenses include \$38.1 million budgeted for snow and severe weather costs, which represents the budget level that has been maintained for the past eight years. The number and severity of weather events is unpredictable and could put pressure on Operating Expenses. 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 also could put pressure on Operating Expenses.
- The 2023 Debt Service Budget is increasing by about \$55.3 million to \$958.2 million, or about 6.1% as compared to the 2022 Debt Service Budget. The Debt Service Interest Budget is increasing by approximately \$28.9 million. The 2023 budget provides for a full year of interest payments on the assumed new money bond issuance in 2022 of \$700.0 million and a full year of interest payments for new money bond issuance in 2023 of \$1.0 billion, both to fund the Authority's various capital programs. The Debt Service Principal Budget is also increasing by approximately \$26.4 million when compared to the 2022 budget. Of the total debt service, \$873.3 million is budgeted to be paid from net revenue and \$85.0 million is budgeted to be paid from capitalized interest. By the end of 2023, the Authority is expected to have \$12.9 billion of debt outstanding. Net Debt Service requirements currently equal 35.4% of 2023 total budgeted revenue.

- The 2023 Annual Budget includes the Debt Reserve which is budgeted at \$40.1 million. The \$40.1 million represents the anticipated increase necessary to bring the total balance in the Debt Reserve to \$640.7 million and is required under the Bond Resolution based upon the assumed \$1.0 billion new money bond issuance.
- The General Reserve 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 most significant increase in budgeted spending comes from payments totaling \$605.5 million under the State Public Transportation Projects Funding Agreement for New Jersey that began on July 1, 2021. This includes a portion of catch up payments for the State Fiscal Year 2023 based on the new agreement. The 2023 budget also includes an assumed increase in the State Public Transportation Projects Funding Agreement for the Gateway Project Tunnel, with an estimated \$10.0 million provided for funding for the Gateway Development Corporation operations.
- The Capital Spending Program (Capital Budget and Construction Fund) totals over \$7.0 billion between 2023 through 2027, or an average of \$1.4 billion of spending per year. Spending is made up of 28% from revenue and 72% from bond proceeds. The Capital Spending Program includes the revenue funded programs in the Maintenance Reserve Fund, the Special Project Reserve Fund, and the Supplemental Capital Program (collectively known as the Capital Budget). It also includes the bond funded programs in the Construction Fund, which include the 2023-2027 Capital Improvement Program, which is derived from the 2020 Long-Range Capital Plan, the 2019 Capital Improvement Program, and the 2008 \$7 Billion Capital Improvement Program. The Construction Fund includes projects which maintain a state of good repair, improve safety, and provide capacity enhancements. All projects in the Capital Spending Program have had their project budgets adjusted to account for actual and projected inflationary price increases in materials and labor.

Financial Plan (2023 Annual Budget p7)

The Authority's current financial plan includes projected revenues, expenses, deposits to reserve funds, and financial covenant calculations through December 31, 2027.

New Jersey Turnpike Authority Financial Plan							
<i>Fiscal Year Ending 12/31</i> <i>(\$ In Thousands, rounded to nearest hundred thousand)</i>	Actual 2021	Est/Act 2022	Budget 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Revenues							
Toll Revenues (1)							
Turnpike Tolls	\$ 1,493,600	1,593,300	1,638,700	1,712,300	1,776,100	1,844,900	1,922,000
Parkway Tolls	505,200	526,900	557,700	582,100	602,800	625,200	648,200
E-ZPass Fees	131,700	128,000	120,000	122,400	124,800	127,300	129,800
Federal Subsidy for Series 2009 F and Series 2010 A Bonds (2)	77,500	77,100	77,000	77,000	77,000	77,000	77,000
Concession Revenue	31,100	35,400	33,000	33,700	34,400	35,100	35,800
Other Revenue	27,100	59,700	42,300	48,600	59,500	66,800	64,500
Total Revenues	\$ 2,266,200	2,420,400	2,468,700	2,576,100	2,674,600	2,776,300	2,877,300
Operating Expenses and Reserve (3)	(590,700)	(627,200)	(717,900)	(753,100)	(786,500)	(817,700)	(845,800)
Total Revenues Available for Debt Service	\$ 1,675,500	1,793,200	1,750,800	1,823,000	1,888,100	1,958,600	2,031,500
Future Debt Issuance	—	700,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Existing Debt Service (4)(5)	(795,500)	(859,200)	(873,300)	(920,200)	(929,600)	(931,200)	(933,000)
Proposed DS on Future Debt Issuance	—	(5,800)	(85,000)	(135,000)	(185,000)	(235,000)	(285,000)
Proposed Capitalized Interest	—	5,800	85,000	135,000	179,200	150,000	150,000
Proposed Forward Delivery Refunding	—	—	—	—	—	—	—
Net Debt Service (6)	(795,500)	(859,200)	(873,300)	(920,200)	(935,400)	(1,016,200)	(1,068,000)
Total Revenues Available After Debt Service	\$ 880,000	934,000	877,500	902,800	952,700	942,400	963,500
Maintenance Reserve Fund (7)	(160,000)	(200,000)	(230,000)	(240,000)	(250,000)	(260,000)	(269,100)
Special Project Reserve Fund (7)	(50,000)	(50,000)	(51,500)	(54,100)	(56,500)	(58,800)	(60,900)
Net Revenues Available for General Reserve Fund	\$ 670,000	684,000	596,000	608,700	646,200	623,600	633,500
TTF Payments	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)	(22,000)
Feeder Road Maintenance Agreement	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
2016 State Transportation Projects Funding Agreement	(64,500)	—	—	—	—	—	—
2021 State Transportation Projects Funding Agreement (8)	(175,000)	(523,000)	(605,500)	(472,500)	(487,500)	(502,500)	(517,500)
Proposed Gateway Project Tunnel	—	—	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
General Reserve Spending	(33,600)	(60,600)	(59,800)	(54,800)	(54,800)	(54,800)	(54,800)
Net Transfer to Construction Fund Account	(63,400)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Funding for Salary Chargeback Bond funded Projects	(11,500)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Other	—	—	—	—	—	—	—
Net Annual General Reserve Fund Increase (Decrease)	297,500	15,900	(163,800)	(13,100)	9,400	(28,200)	(33,300)
Available Ending General Reserve Fund Balance (9)	\$ 637,200	653,100	489,300	476,200	485,600	457,400	424,100
Net Revenues to Debt Service Coverage Ratio	2.11	2.09	2.00	1.98	2.02	1.93	1.90
Net Revenues to Debt Service and Reserves Coverage Ratio	1.67	1.62	1.52	1.50	1.52	1.47	1.45

(1) Toll Revenue from 2023 to 2027 is based on the 2022 Draw Down Letter from CDM Smith dated July 22, 2022.

(2) Assumes a 5.7% reduction in BAB Subsidy throughout projection period.

(3) Operating Expenses and Reserve includes the operating expenses for the year from the HNTB Report dated September 25, 2022 and the annual increase in the working capital reserve which brings the total amount of reserves in the Revenue Fund to 10% of the annual budgeted operating expenses as per section 504 (b) of the Bond Resolution.

(4) Existing debt service assumes swapped debt will achieve synthetic fixed rate and includes the applicable spreads of the FRNs. The unhedged portion of the 2015A Bonds (\$5,000,000) assumes the maximum interest rate of 12%.

(5) Bonds with a mandatory tender dates are assumed to roll over their respective current spreads through maturity.

(6) Net Debt service includes debt service on the existing and future debt netted with the capitalized interest for the years 2022-2027.

(7) From HNTB Report dated September 25, 2022.

(8) State Payments are based on calendar year while the State agreement is on fiscal year basis (6/30).

(9) Beginning General Reserve Fund Balance is adjusted for non-cash interfund balances.

- Totals may not add due to rounding

Financial Plan Assumptions

Total Revenue – Includes projected toll revenue as per CDM Smith’s July 2022 Draw Down Letter, which shows an increase in toll revenue from an increase in traffic due to continued recovery in traffic closer to pre-pandemic levels, and normal growth in conjunction with the annual 3% toll indexing each year, from 2023 - 2027. This increase is tempered by anticipated permanency of telecommuting and increasing gas prices. Most other revenue sources are increasing by about 2% per year from 2024, forward.

Operating Expenses – Projected to increase by 6.3% from 2022 to 2023, primarily driven by general price inflation which has exceeded 8.0%, growth, safety initiatives, and to a lesser extent contractual increases. These increases are seen in Employee Health Benefits due to medical inflation and a decrease in employee contribution rates, Other Professional Services largely due to increased asset inspections beyond bridge inspections, increased toll collection costs associated with higher traffic and revenue numbers and increased supplemental staff services, Insurance premiums due to cyber insurance enhancements and the increased value of the Authority's insured bridges and properties due to higher replacement values and growth, Banking Services for toll collection due to rising toll revenue numbers and Roadway Maintenance, Equipment Maintenance, and Other Materials primarily due to general inflation and supply chain issues, as well as an increase in software due to growth. After 2023, Operating Expenses are projected to increase on average by about 4.3% per year, based upon assumed standard increases in salaries, pension, health benefits and other key cost categories.

Net Debt Service – Projected Net Debt Service (payable from net revenues) includes interest payments on the assumed new money bond issuances of about \$1.0 billion per year to fund the Authority's various capital improvement programs. Projections assume the use of capitalized interest for a period of up to three years on each new money issuance from 2023 through 2027. Net Debt Service isn't projected to increase from future new money issuances until 2026 when the capitalized interest expires on the Series 2022B Bonds.

Maintenance Reserve Fund and Special Project Reserve Fund – Deposits to both the Maintenance Reserve Fund and the Special Project Reserve Fund are determined by the Authority's General Consulting Engineer, HNTB. The deposits are determined based upon necessity from the Consulting Engineer's Report dated October 2022. Maintenance Reserve Fund deposits will increase by \$10 million per year through 2026, and then will increase by 3.5% per year thereafter. Special Project Reserve Fund deposits will increase by 3% in 2023, 5% in 2024, 4% in 2025, and 3.5% per year thereafter. Deposits to these funds have been increased over prior levels to account for needs and inflationary increases in materials and labor

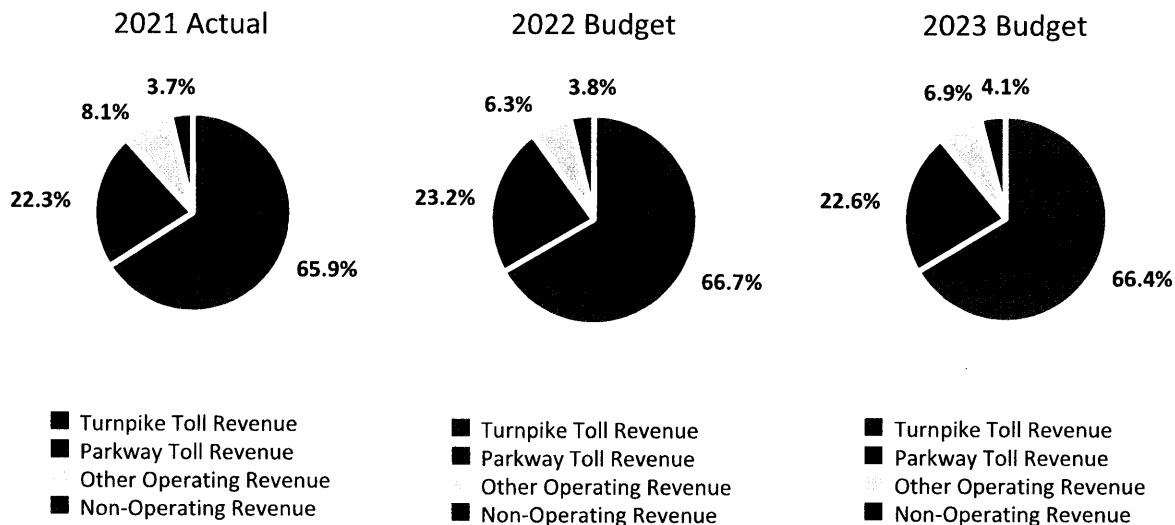
State Payments – Includes payments under the Transportation Trust Fund Agreement, Feeder Road Maintenance Agreement, and the 2021 State Public Transportation Projects Funding Agreement, all between the Authority and the State of New Jersey, with payments subordinate to debt service payments to bondholders and Bond Resolution required deposits to the Maintenance Reserve Fund and the Special Project Reserve Fund. The new State Public Transportation Projects Funding Agreement started on July 1, 2021. This agreement requires payments based on the state fiscal year which begins on July 1st. The 2023 projections include a portion of catch up payments for the state fiscal year 2023 (7/1/2022 - 6/30/2023). It is assumed that the State Public Transportation Projects Funding Agreement will be amended to provide funding to the State for the Gateway Project Tunnel operations estimated at about \$10 million/year during the 10 -year construction period beginning in 2023.

The Authority's Financial Plan through 2027 forecasts the Authority to be in compliance with and exceed its General Bond Resolution Financial covenants, which require a minimum debt service coverage ratio of 1.20 times and total requirements coverage of at least 1.0 times. In addition, the Authority is projected to be in compliance with and also exceed 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, 2022 and each subsequent year thereafter (\$246.9 million as of December 31, 2023 increasing to \$287.7 million as of December 31, 2027).

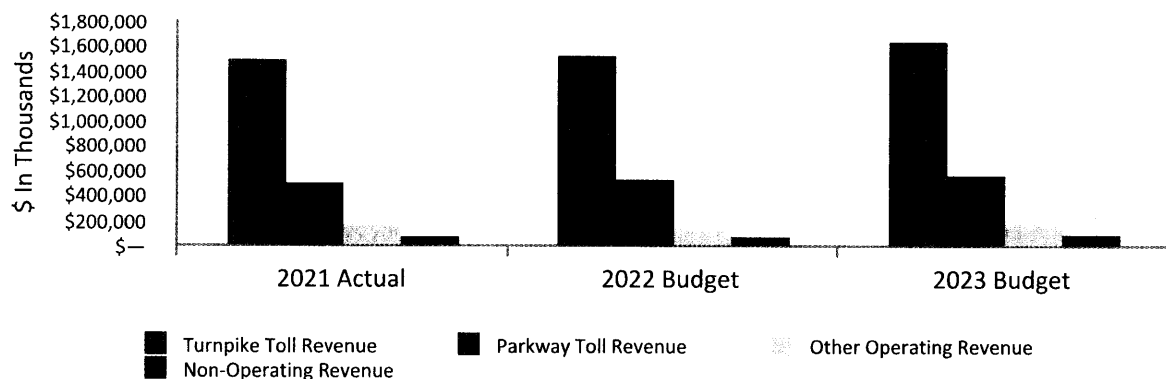
Summary of Major Revenues and Expenses

Sources of Revenue

Sources of Revenue					
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022 Budget	% Δ from 2022 Budget
Turnpike Toll Revenue	\$ 1,493,600	1,533,800	1,638,700	104,900	6.8%
Parkway Toll Revenue	505,200	533,200	557,700	24,500	4.6%
Other Operating Revenue	182,500	144,100	169,900	25,800	17.9%
Non-Operating Revenue	84,900	87,300	102,400	15,100	17.3%
Total Revenue	\$ 2,266,200	2,298,400	2,468,700	170,300	7.4%



Sources of Revenue



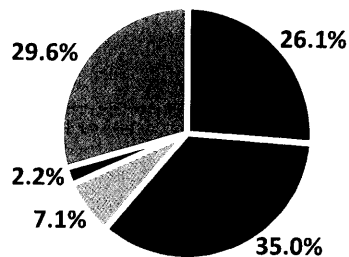
Allocation of Revenue

Allocation of Revenue					
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022 Budget	% Δ from 2022 Budget
Operating Expenses and Reserve ⁽¹⁾	\$ 590,700	676,600	717,900	41,300	6.1%
Net Debt Service ⁽²⁾	795,500	735,200	873,300	138,100	18.8%
Maintenance Reserve Fund	160,000	200,000	230,000	30,000	15.0%
Special Project Reserve Fund	50,000	50,000	51,500	1,500	3.0%
General Reserve	670,000	636,600	596,000	(40,600)	(6.4)%
Total Allocation of Revenue	\$ 2,266,200	2,298,400	2,468,700	170,300	7.4%

(1) Operating Expenses and Reserve includes the operating expenses for the year (\$713,700 in 2023) and the annual increase in the working capital reserve (\$4,200 in 2023) to bring total reserves in the Revenue Fund to of 10% of the annual budgeted operating expenses as allowed per section 504(B) of the Bond Resolution

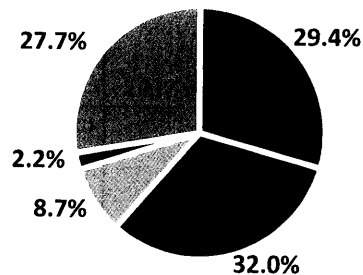
(2) Net Debt Service includes debt service on the existing and future debt netted with the capitalized interest for 2023. Represents debt service payable from net revenues.

2021 Actual



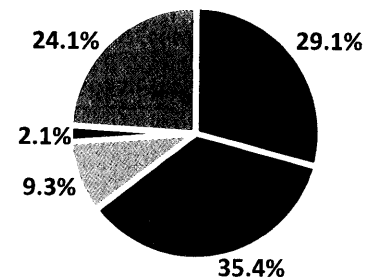
■ Operating Expenses
■ Debt Service
■ Maintenance Reserve Fund
■ Special Project Reserve Fund
■ General Reserve

2022 Budget



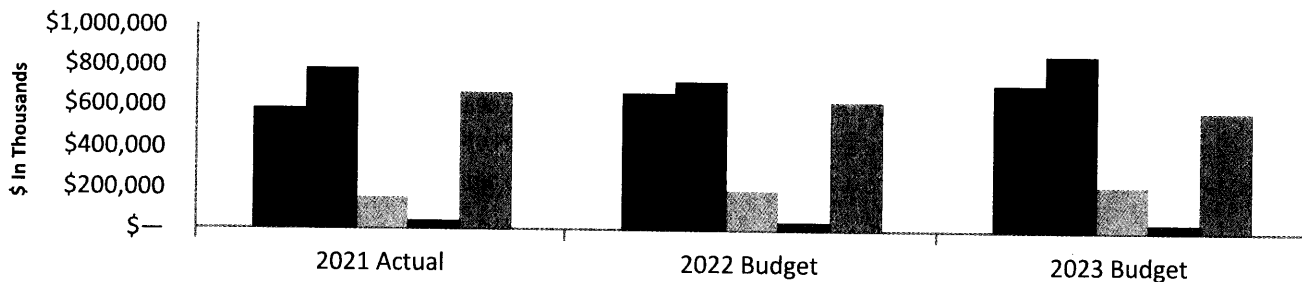
■ Operating Expenses
■ Debt Service
■ Maintenance Reserve Fund
■ Special Project Reserve Fund
■ General Reserve

2023 Budget



■ Operating Expenses
■ Debt Service
■ Maintenance Reserve Fund
■ Special Project Reserve Fund
■ General Reserve

Allocation of Revenue



■ Operating Expenses and Reserve
■ Debt Service
■ Maintenance Reserve Fund
■ Special Project Reserve Fund
■ General Reserve

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)"

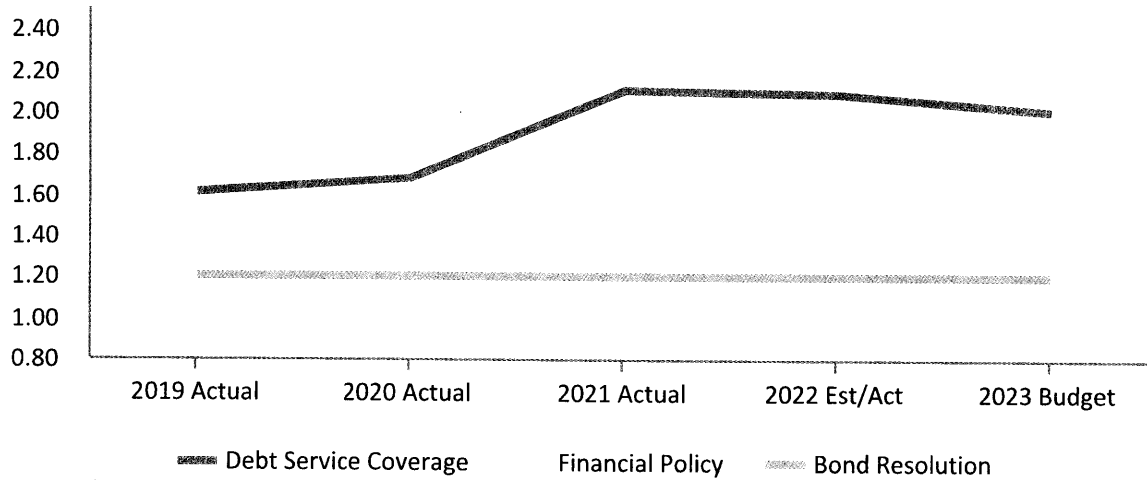
On or before December 1 in each year, the Authority will review its financial condition to estimate whether the net revenue for such year and for the next succeeding year will be sufficient to comply with the toll covenant. The required calculations are shown below.

Net Revenue Requirement			
(\$ In Thousands)	2021 Actual	2022 Est/Act	2023 Budget
Revenue	\$ 2,266,200	2,420,400	2,468,700
Operating Expenses and Reserve ⁽¹⁾	(590,700)	(627,200)	(717,900)
Net Revenue	\$ 1,675,500	1,793,200	1,750,800
Net Debt Service ⁽²⁾	(796,400)	(859,200)	(873,300)
Maintenance Reserve Payments	(160,000)	(200,000)	(230,000)
Special Project Reserve Payments	(50,000)	(50,000)	(51,500)
Total Requirements	\$ (1,006,400)	(1,109,200)	(1,154,800)
Excess Revenue	\$ 669,100	684,000	596,000
Net Revenue	1,675,500	1,793,200	1,750,800
1.2X Debt Service	(955,700)	(1,031,000)	(1,048,000)
Excess Revenue at 1.2X Debt Service	\$ 719,800	762,200	702,800
Debt Service Coverage	2.10	2.09	2.00

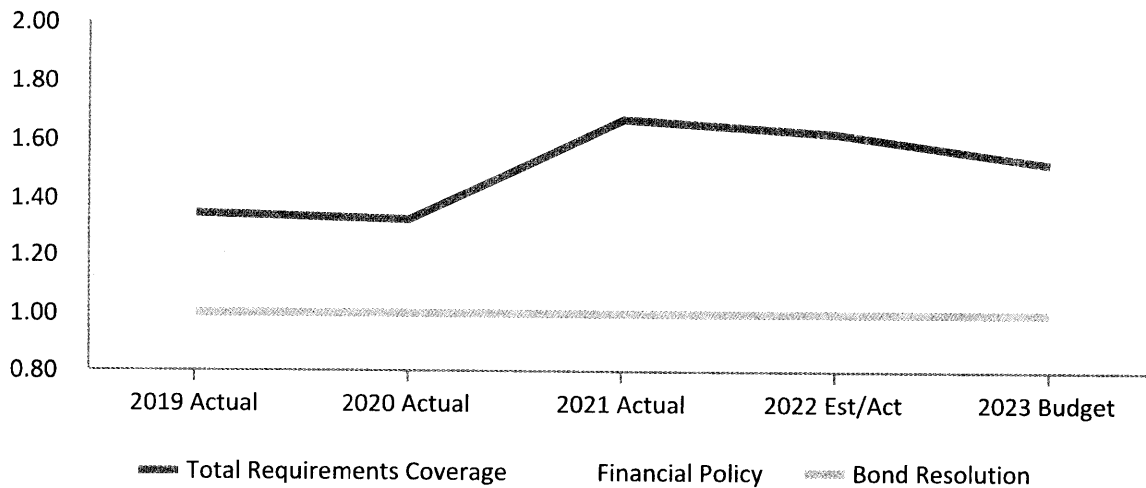
(1) Operating Expenses and Reserve includes the operating expenses for the year (\$713,700 in 2023) and the annual increase in the working capital reserve (\$4,200 in 2023) to bring total reserves in the Revenue Fund to 10% of the annual budgeted operating expenses as allowed per section 504(B) of the Bond Resolution

(2) Net Debt Service includes debt service on the existing and future debt netted with the capitalized interest for 2023 and represents debt service payable from net revenues..

Debt Service Coverage to Financial Policy and Bond Resolution Ratio



Total Requirements Coverage to Financial Policy and Bond Resolution Ratio



Revenue

Revenue					
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022 Budget	% Δ from 2022 Budget
Turnpike Toll Revenue	\$ 1,493,600	1,533,800	1,638,700	104,900	6.8%
Parkway Toll Revenue	505,200	533,200	557,700	24,500	4.6%
Fees	131,700	100,000	120,000	20,000	20.0%
Concession Revenue	31,100	31,500	33,000	1,500	4.8%
Miscellaneous Revenue	19,700	12,600	16,900	4,300	34.1%
Total Operating Revenue	\$ 2,181,300	2,211,100	2,366,300	155,200	7.0%
Federal Subsidy for Build America Bonds	77,500	77,000	77,000	—	—%
Federal and State Reimbursements	700	—	—	—	—%
Interest Income	6,700	6,000	25,400	19,400	323.3%
Arts Center Revenues ⁽¹⁾	—	4,300	—	(4,300)	-100.0%
Total Non-Operating Revenue	\$ 84,900	87,300	102,400	15,100	17.3%
Total Revenue	\$ 2,266,200	2,298,400	2,468,700	170,300	7.4%

(1) The revenue line "Art Center Revenues" was combined with "Miscellaneous Revenue" as of the Annual Comprehensive Report dated December 31, 2021 which was finalized after the production of the 2022 budget. Budgeted Arts Center Revenue of \$4.3 million is included in the Miscellaneous Revenue Line in the 2023 budget and Actual Arts Center Revenue of \$4.4 million is included in the Miscellaneous Revenue Line in 2021.

Key Assumptions:

- Toll Revenue is increasing by 6.3% compared to the prior year budget due primarily to the anticipated continued traffic increases as travel patterns continue to return to pre-pandemic levels as well as toll rate indexing at 3%, effective January 1, 2023.
- Fees are budgeted to increase in total by 20% in 2023 based on the estimated actuals of 2022, which are exceeding budget primarily due to more E-ZPass membership and administrative fees
- Interest Income is budgeted to increase in 2023 based upon an increase in interest rates as experienced in 2022
- Concession Revenue is slightly increasing due to continued increases in travel and sales volumes which are recovering from COVID-19 lows
- No significant change in budget assumptions for Miscellaneous and Federal Subsidy for Build America Bonds Revenues

Toll Statistics

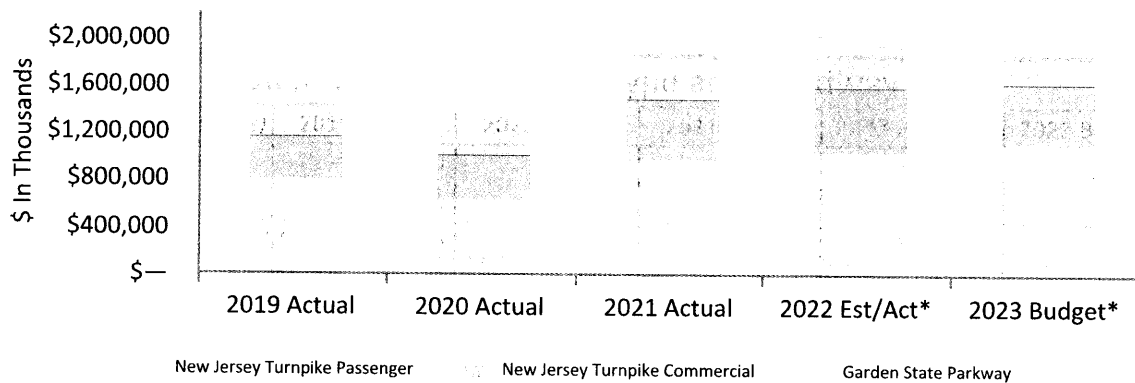
Toll Revenue by Vehicle Type and Roadway					
(\$ In Thousands)	2019 Actual	2020 Actual	2021 Actual	2022 Est/Act*	2023 Budget*
Passenger	\$ 816,300	633,500	985,100	1,052,500	1,117,400
Commercial ⁽¹⁾	360,200	381,400	508,500	540,800	521,300
New Jersey Turnpike Total	\$ 1,176,500	1,014,900	1,493,600	1,593,300	1,638,700
Garden State Parkway ⁽²⁾	435,800	372,500	505,200	526,900	557,700
Total Authority Toll Revenue	\$ 1,612,300	1,387,400	1,998,800	2,120,200	2,196,400

(1) Commercial vehicles include buses

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

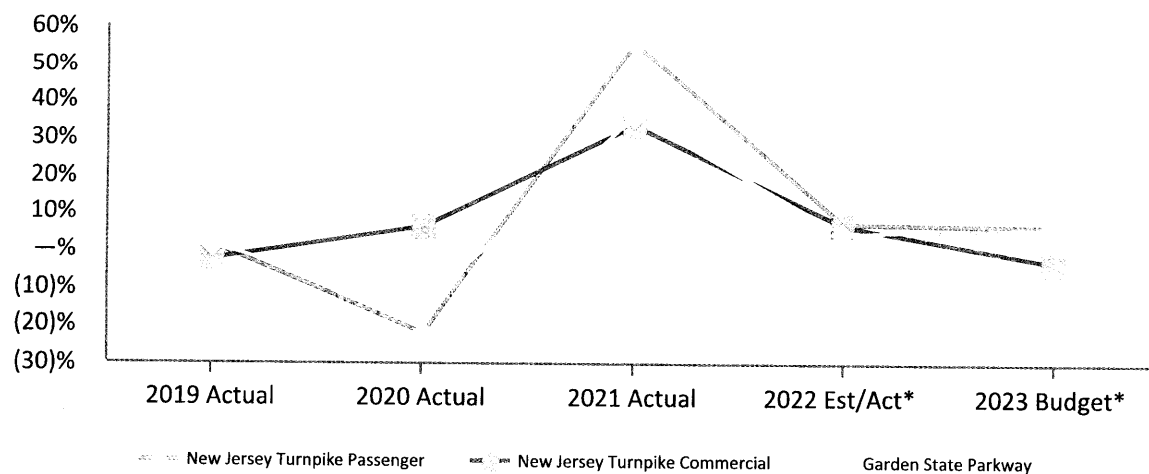
*Projected traffic is based on the July 22, 2022 CDM Smith Draw Down Letter updating the September 21, 2018 Toll Revenue Forecast

Toll Revenue by Vehicle Type and Roadway



*Projected traffic is based on the July 22, 2022 CDM Smith Drawn Down Letter updating the September 21, 2018 Toll Revenue Forecast

Toll Revenue Growth Rate



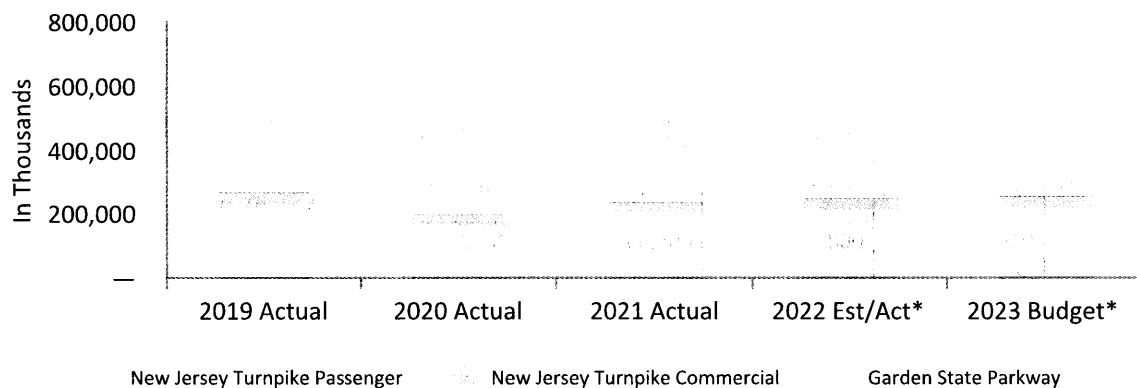
* Projected traffic is based on the July 22, 2022 CDM Smith Draw Down Letter updating the September 21, 2018 Toll Revenue Forecast

Toll Transactions by Vehicle Type and Roadway					
<i>(In Thousands)</i>	2019 Actual	2020 Actual	2021 Actual	2022 Est/Act*	2023 Budget*
Passenger	233,500	166,300	205,800	215,900	223,200
Commercial ⁽¹⁾	34,300	32,300	35,700	36,800	34,100
New Jersey Turnpike Total	267,800	198,600	241,500	252,700	257,300
Garden State Parkway ⁽²⁾	386,800	308,500	353,000	359,300	366,900
Total Authority Toll Transactions	654,600	507,100	594,500	612,000	624,200

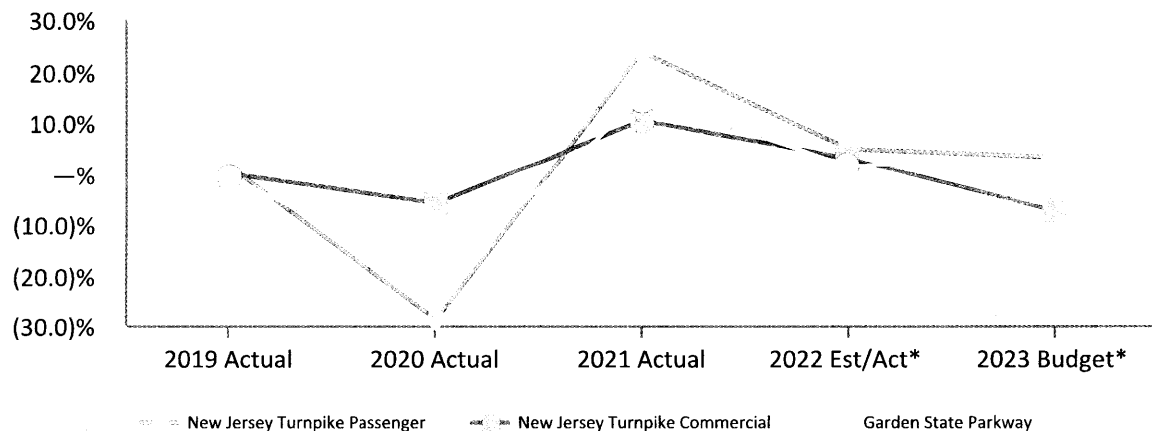
(1) Commercial vehicles include buses

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

*Projected traffic is based on the July 22, 2022 CDM Smith Draw Down Letter updating the September 21, 2018 Toll Revenue Forecast

Toll Transactions by Vehicle Type and Roadway

*Projected traffic is based on the July 22, 2022 CDM Smith Draw Down Letter updating the September 21, 2018 Toll Revenue Forecast

Toll Transactions Growth Rate

*Projected traffic is based on the July 22, 2022 CDM Smith Draw Down Letter updating the September 21, 2018 Toll Revenue Forecast

Operating Expenses (2023 Annual Budget p58)

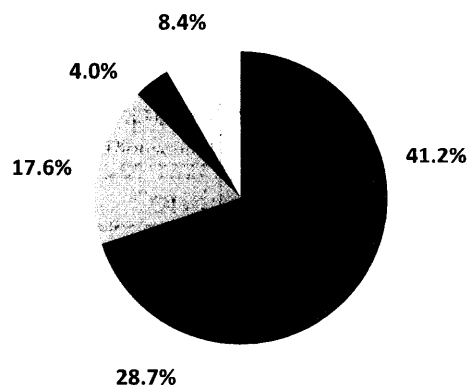
Condensed Operating Expenses by Functional Area					
(\$ in Thousands)	2021 Actuals	2022 Budget	2023 Budget	\$ Δ from 2022 Budget	% Δ from 2022 Budget
Maintenance of Infrastructure	\$ 229,788	273,166	294,220	21,054	7.7%
Toll Collection	179,161	192,021	204,877	12,856	6.7%
Traffic Control & State Police	110,015	124,252	125,957	1,706	1.4%
Technology	23,448	25,877	28,780	2,903	11.2%
General & Administrative	45,962	56,323	59,910	3,587	6.4%
Total Operating Expenses	\$ 588,374	671,639	713,744	42,105	6.3%

- Totals may not add due to rounding

Condensed Operating Expenses by Type					
(\$ In Thousands)	2021 Actuals	2022 Budget	2023 Budget	\$ Δ from 2022 Budget	% Δ from 2022 Budget
Personnel Costs	\$ 282,819	323,091	337,681	14,589	4.5%
Materials & Supplies	41,200	52,982	57,869	4,888	9.2%
Services	219,211	245,705	262,237	16,532	6.7%
Maintenance & Fixed Costs	35,150	40,425	45,474	5,050	12.5%
Equipment	9,994	9,437	10,484	1,047	11.1%
Total Operating Expenses	\$ 588,374	671,639	713,744	42,105	6.3%

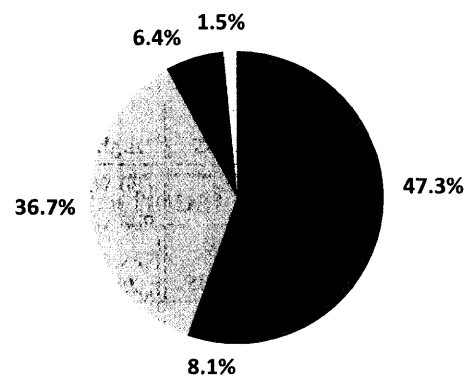
- Totals may not add due to rounding

2023 Budget by Functional Area



Maintenance of Infrastructure
 Toll Collection
 Traffic Control & State Police
 Technology
 General & Administrative

2023 Budget by Expense Type



Personnel Costs
 Materials & Supplies
 Services
 Maintenance & Fixed Costs
 Equipment

Operating Expenses - Authorized Positions

Authorized Positions				
Departments/Divisions	2021	2022	2023	Δ from 2022
Maintenance Division	982	982	987	5
Traffic Division	87	88	88	—
Operations Department	1,069	1,070	1,075	5
Engineering	84	84	79	(5)
Toll Collection	542	542	542	—
State Police	28	28	28	—
Information Technology Services	151	150	152	2
Executive Office	8	9	10	1
Law & Insurance Services	21	21	20	(1)
Procurement & Materials Management	55	56	57	1
Human Resources & Office Services	42	43	42	(1)
Finance	79	80	80	—
Community & Government Relations	10	10	10	—
Internal Audit	31	30	30	—
Subtotal	2,120	2,123	2,125	2
Contingency	5	5	5	—
Total Authorized Positions	2,125	2,128	2,130	2

Overall, 2023 authorized positions are essentially flat. Two positions are added to restore contingent positions used during 2022.

- The Maintenance Division of the Operations Department increased by five positions, representing employees transferred from the Engineering Department. The two positions used from contingency during the year were transferred to the Procurement and Materials Management (1) and the ITS (1) Departments. ITS had an employee transferred in from Law, while Executive Office had a vacant position transferred in from Human Resources.
- Contingent positions have been replenished to five and remain in the budget to account for any staffing needs that may arise during the year

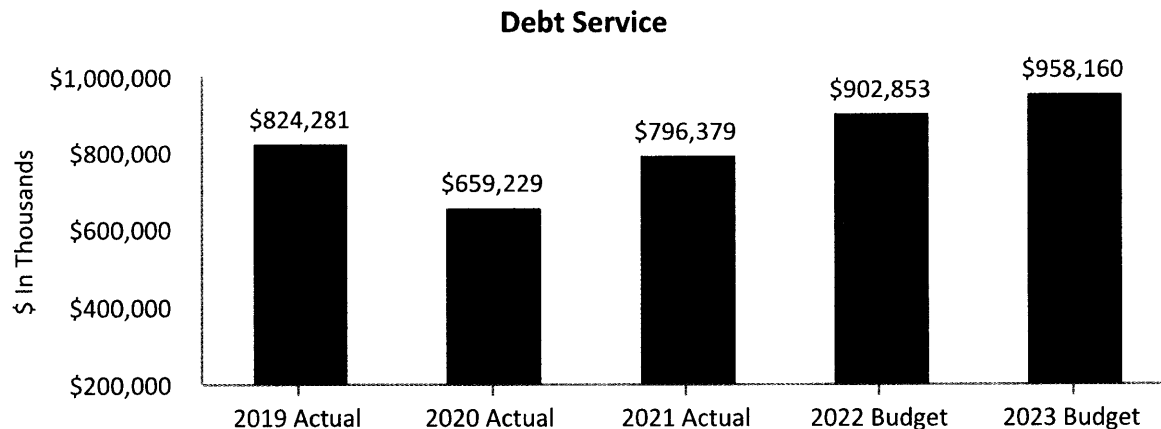
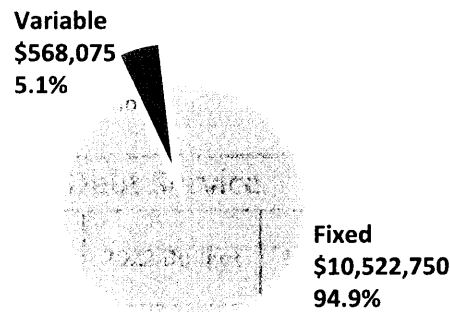
Debt Service (2023 Annual Budget p117)

Debt Service is budgeted to increase in 2023 by \$55.3 million due to an increase in both interest expense and principal payments. The 2023 budget provides for a full year of interest payments on the assumed new money issuance in 2022 of \$700.0 million and a full year of interest payments for new money issuance of \$1.0 billion to fund the Authority's various Capital Improvement Programs. Interest expense will increase by \$28.9 million in 2023 due to interest on the new money issuances offset by the maturity of Series 2012B, Series 2013A, Series 2016B, and Series 2016C. There is also an increase in principal payments of about \$26.4 million when comparing the 2023 budget to the 2022 budget. The 2023 budget includes an increase in transfers from the construction fund, which represent capitalized interest (bond proceeds deposited into the construction fund at the time of bond closing) from the budgeted 2022B and 2023A new money bonds.

Debt Service					
	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022 Budget	% Δ from 2022 Budget
<i>(\$ In Thousands)</i>					
Debt Service Interest Payments	\$ 576,594	611,803	640,670	28,867	4.7%
Debt Service Principal Payments	219,785	291,050	317,490	26,440	9.1%
Total Debt Service	\$ 796,379	902,853	958,160	55,307	6.1%

*Total 2023 Budget for Debt Service includes payments made from capitalized interest of \$85 million

Total Bonds Outstanding \$11.1 Billion as of September 30, 2022
(\$ In Thousands)



Debt Reserve (2023 Annual Budget p119)

The Debt Reserve is expected to have an increase in its fund balance in 2023, as bond proceeds will be deposited to meet increased Debt Reserve requirements from the anticipated additional bonds to be issued.

Debt Reserve Fund Balance					
<i>(\$ In Thousands)</i>	2021 Actual	2022 Est/ Actual	2023 Budget	\$ Δ from 2022 Est/ Actual	% Δ from 2022 Est/ Actual
Beginning Balance	\$ 599,018	600,202	600,536	334	0.1%
Amortized Value Adjustment	1,184	334	23	(311)	(93.1)%
Bond Proceeds	—	—	40,109	40,109	100.0%
Ending Balance	\$ 600,202	600,536	640,668	40,132	6.7%

General Reserve (2023 Annual Budget p124)

General Reserve has a 2023 budget of \$759.8 million, which includes \$699.8 million in spending and \$60.0 million in net transfers out. This represents an increase of approximately \$74.0 million from the 2022 budget. The most significant increase comes from payments totaling \$605.5 million on the new State Public Transportation Projects Funding Agreement that began on July 1, 2021. The agreement is on a state fiscal year basis. The \$605.5 million represents one-half of the \$746.0 million for state FY 2023 and one-half of the \$465.0 million for state FY 2024. The total State Payments of \$640.0 million include the new agreement, as well as two other existing agreements: the Transportation Trust Fund and the Feeder Road Reimbursement Agreements. It also includes assumed payments for the Gateway Project Tunnel of approximately \$10.0 million. It is assumed that the State Public Transportation Projects Funding Agreement will be amended to provide funding to the State for the Gateway Project Tunnel. The amount budgeted in 2023 is the assumed annual contribution by the State to fund the operations of the Gateway Development Corporation during the 10-year construction period. The 2023 budget also includes \$32.3 million for state of emergency events and \$15.0 million in reserves for Other Post-Employment Benefits (OPEB).

General Reserve					
<i>(\$ In Thousands)</i>	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Spending					
Extraordinary Events	\$ 18,527	32,295	32,295	—	—%
State Payments	264,000	572,500	640,000	67,500	11.8%
All Other	15,030	21,050	27,550	6,500	30.9%
Total Spending	\$ 297,557	625,845	699,845	74,000	11.8%
Transfers					
Transfers Out	74,900	60,000	60,000	—	—%
Total Transfers - Net	\$ 74,900	60,000	60,000	—	—%
Total General Reserve	\$ 372,457	685,845	759,845	74,000	10.8%

- Totals may not add due to rounding

Capital Spending Program (2023 Annual Budget p129)

The Authority's 2023 Annual Budget includes its Capital Spending Program, presented on a rolling five-year basis, with spending included for the years 2023-2027. The Capital Spending Program 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, the Special Project Reserve Fund, and the Supplemental Capital Program. The bond funded capital projects, referred to as the Construction Fund, include the 2023-2027 Capital Improvement Program, the 2019 Capital Improvement Program, and the 2008 \$7 Billion Capital Improvement Program. These capital projects are presented on a rolling five-year (2023-2027) 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 process.

Driving the Capital Spending Program are the planned awards, construction contracts, and orders for professional services for design, supervision, and construction of the projects included within the program. In 2023, the Authority plans to award nearly \$1.3 billion for these projects, a 26.5% increase from 2022 awards.

Planned Awards, Construction Contracts, and Order for Professional Services							
(\$ In Thousands)		2021 Awards	2021 Award \$	2022 Awards	2022 Award \$	2023 Awards	2023 Award \$
Fund	Fund Name	Actual		Budget		Budget	
500	2023-2027 Capital Improvement Program	48	\$ 581,587	36	\$ 801,250	41	\$1,214,750
392	2019 Capital Improvement Program	4	118,864	—	—	—	—
400	Supplemental Capital Program	3	24,924	2	38,100	2	2,800
049	Special Project Reserve Fund	4	2,928	3	23,600	1	5,900
039	Maintenance Reserve Fund	21	108,942	28	158,300	10	68,400
Totals		80	\$ 837,245	69	\$1,021,250	54	\$1,291,850

2008 Capital Improvement Program has been fully awarded and not listed in the above chart

The 2023 rolling five-year Capital Spending Program includes \$7.0 billion to be spent during 2023-2027 or an average of \$1.4 billion per year. Approximately 27.8%, or \$1.9 billion, will be funded from revenue, leaving 72.2%, or \$5.1 billion to be funded by bond proceeds. Of the total \$7.0 billion to be spent, 27.1% is budgeted to be spent on Bridge Construction, Preservation, and Security, while 31.3% is for Capacity Enhancements on both roadways. These, along with 16.7% that is budgeted to be spent on Pavement Resurfacing and Other Roadway Improvements, combine for a total of 75.1% of the budgeted spending.

Capital Spending Program — Spending by Category or Functional Area					
	2021	2022	2023	\$ Δ from	% Δ from
(\$ In Thousands)	Actual	Budget	Budget	2022	2022
Capitalized Projects by Category					
Roadway					
Bridge Construction, Preservation & Security	\$ 199,522	355,534	583,691	228,157	64.2%
Capacity Enhancements - Turnpike	16,564	42,636	40,749	(1,887)	(4.4)%
Capacity Enhancements - Parkway	161	500	3,449	2,949	589.8%
Pavement Resurfacing	64,992	111,789	146,946	35,157	31.4%
Interchanges	43,341	24,462	7,701	(16,761)	(68.5)%
Concrete Barrier	17,738	9,338	12,821	3,483	37.3%
Drainage Structures	17,981	79,001	99,435	20,434	25.9%
Roadway Lighting	22,936	18,217	45,668	27,451	150.7%
Other Roadway Improvements	58,045	114,270	109,183	(5,087)	(4.5)%
Total Roadway	\$ 441,279	755,747	1,049,643	293,896	38.9%
Non-Roadway					
Facilities	\$ 20,603	49,014	71,300	22,286	45.5%
Fleet	6,857	36,430	50,598	14,168	38.9%
Service Areas & Arts Center	13,099	48,257	34,396	(13,861)	(28.7)%
Technology Improvements	39,820	65,121	54,226	(10,895)	(16.7)%
Total Non-Roadway	\$ 80,379	198,822	210,520	11,699	5.9%
Total Capitalized Projects	\$ 521,658	954,569	1,260,163	305,594	32.0%
Expensed Projects by Functional Area					
Maintenance of Infrastructure	\$ 2,025	4,960	11,774	6,814	137.4%
Traffic Control & State Police	860	1,437	2,046	609	42.4%
Technology	4,057	7,619	5,173	(2,446)	(32.1)%
General & Administrative	262	590	1,780	1,190	201.7%
Total Expensed Projects	\$ 7,204	14,606	20,773	6,167	42.2%
Total Spending (Capitalized+Expensed)	\$ 528,862	969,173	1,280,936	311,763	32.2%

- Totals may not add due to rounding

Capital Spending Program — Funding Sources					
<i>(\$ in Thousands)</i>	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Revenue Funded					
Maintenance Reserve Fund	\$ 115,920	219,787	278,797	59,010	26.8%
Special Project Reserve Fund	24,920	76,137	109,346	33,209	43.6%
Supplemental Capital Program	42,707	74,950	51,679	(23,271)	(31.0)%
Total Revenue Funded	\$ 183,547	370,875	439,822	68,947	18.6%
Bond Funded					
2023-2027 Capital Improvement Program	\$ 81,032	351,630	608,468	256,838	73.0%
2019 Capital Improvement Program	182,310	172,507	129,645	(42,862)	(24.8)%
2008 \$7 Billion Capital Improvement Program	81,972	74,160	103,001	28,841	38.9%
Total Bond Funded	\$ 345,315	598,297	841,114	242,818	40.6%
Total Funding Sources	\$ 528,862	969,173	1,280,936	311,763	32.2%

- Totals may not add due to rounding

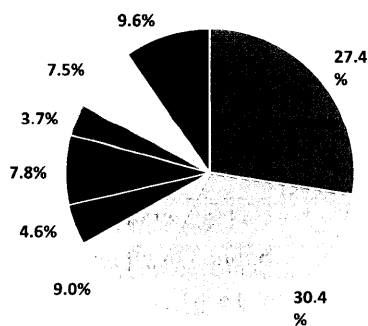
2023-2027 Rolling 5-Year Capital Spending Program by Category or Functional Area Revenue Funded and Bond Funded						
(\$ In Thousands)	Spending Plan					
	2023	2024	2025	2026	2027	Total
Capitalized Projects by Category						
Roadway						
Bridge Construction, Preservation & Security	\$ 583,691	530,522	392,538	210,753	181,676	1,899,180
Capacity Enhancements - Turnpike	40,749	103,317	212,183	500,807	1,249,990	2,107,046
Capacity Enhancements - Parkway	3,449	4,042	—	34,481	42,816	84,788
Pavement Resurfacing	146,946	99,336	125,022	126,000	128,000	625,304
Interchanges	7,701	4,064	—	—	—	11,765
Concrete Barrier	12,821	56,771	32,280	13,648	13,596	129,116
Drainage Structures	99,435	64,763	55,099	51,489	46,127	316,913
Roadway Lighting	45,668	41,980	31,786	29,777	32,006	181,217
Other Roadway Improvements	109,183	173,004	135,997	71,187	51,436	540,807
Total Roadway	\$ 1,049,643	1,077,799	984,905	1,038,142	1,745,647	5,896,136
Non-Roadway						
Facilities	\$ 71,300	61,345	56,024	32,742	33,805	255,216
Fleet	50,598	33,470	34,380	35,974	37,542	191,964
Service Areas & Arts Center	34,396	9,048	10,181	8,444	3,314	65,383
Technology Improvements	54,226	38,447	92,621	156,207	178,472	519,973
Total Non-Roadway	\$ 210,520	142,310	193,206	233,367	253,133	1,032,536
Total Capitalized Projects	\$ 1,260,163	1,220,109	1,178,111	1,271,509	1,998,780	6,928,672
Expensed Projects by Functional Area						
Maintenance of Infrastructure	\$ 11,774	8,450	7,310	5,250	9,370	42,154
Traffic Control & State Police	2,046	1,000	1,000	1,000	1,000	6,046
Technology	5,173	2,367	2,143	2,464	1,288	13,435
General & Administrative	1,780	2,639	1,049	747	749	6,964
Total Expensed Projects	\$ 20,773	14,456	11,502	9,461	12,407	68,599
Total Spending (Capitalized+Expensed)	\$1,280,936	1,234,565	1,189,613	1,280,970	2,011,187	6,997,271

- Totals may not add due to rounding

2023-2027 Rolling 5-Year Capital Spending Program						
Funding Sources						
(\$ In Thousands)	Spending Plan					
Revenue Funded	2023	2024	2025	2026	2027	Total
Maintenance Reserve Fund	\$ 278,797	228,758	260,197	262,794	266,710	1,297,256
Special Project Reserve Fund	109,346	71,778	61,416	57,248	61,812	361,600
Supplemental Capital Program	51,679	68,014	61,458	50,331	53,394	284,876
Total Revenue Funded	\$ 439,822	368,550	383,071	370,373	381,916	1,943,732
Bond Funded	2023	2024	2025	2026	2027	Total
2023-2027 Capital Improvement Program	\$ 608,468	795,142	777,481	901,132	1,626,987	4,709,210
2019 Capital Improvement Program	129,645	67,629	27,410	7,923	2,284	234,891
2008 \$7 Billion Capital Improvement Program	103,001	3,244	1,651	1,542	—	109,438
Total Bond Funded	\$ 841,114	866,015	806,542	910,597	1,629,271	5,053,539
Total Capital Spending	\$ 1,280,936	1,234,565	1,189,613	1,280,970	2,011,187	6,997,271
Percentage Revenue Funded	34.3%	29.9%	32.2%	28.9%	19.0%	27.8%
Percentage Bond Funded	65.7%	70.1%	67.8%	71.1%	81.0%	72.2%

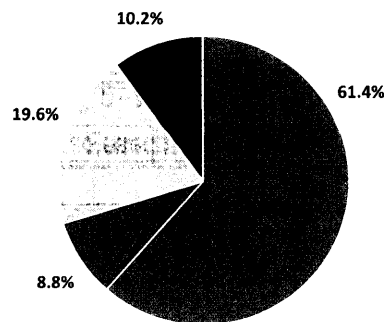
- Totals may not add due to rounding

**Total Bond & Revenue
Funding by Category
(\$6.9 Billion)**



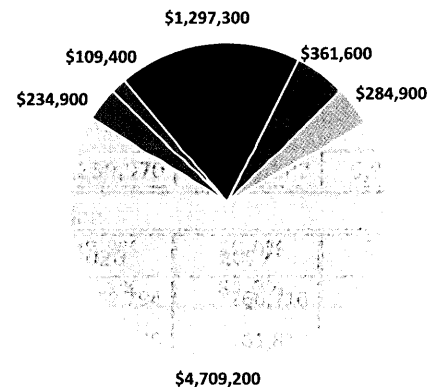
- Bridge Construction, Preservation & Security
- Capacity Enhancements - Turnpike
- Pavement Resurfacing
- Drainage Structures
- Other Roadway Improvements
- Facilities
- Technology Improvements
- Other Program Categories

**Total Bond & Revenue
Funding by Functional Area
(\$68.6 Million)**



- Maintenance of Infrastructure
- Traffic Control & State Police
- Technology
- General & Administrative

**Total Funding by Source
(\$7.0 Billion)
(\$ in Thousands)**



- Maintenance Reserve Fund
- Special Project Reserve Fund
- Supplemental Capital Program
- 2023-2027 Capital Improvement Program
- 2019 Capital Improvement Program
- 2008 \$7 Billion Capital Improvement Program

Capital Budget (Revenue Funded) (2023 Annual Budget p136)

The 2023 Capital Budget includes the Maintenance Reserve Fund, the Special Project Reserve Fund, and the Supplemental Capital Program. The Capital Budget primarily supports the spending for the maintenance of both roadways and bridges, scheduled fleet replacement based on target lifecycles, and several multi-year capital program projects; such as pavement repairs, replacement of toll collection equipment, etc. The spending from the Maintenance Reserve Fund and Special Project Reserve Fund is funded by 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 spending from the Supplemental Capital Program is funded by transfers from the General Reserve Fund. This program is a separate account from the Construction Fund. The Construction Fund is established by the Authority's Bond Resolution.

Capital Budget — Spending by Category or Functional Area					
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Capitalized Projects by Category					
Roadway					
Bridge Construction, Preservation & Security	\$ 51,413	84,499	76,830	(7,669)	(9.1)%
Pavement Resurfacing	64,992	111,789	146,946	35,157	31.4%
Drainage Structures	8,933	5,871	5,421	(450)	(7.7)%
Roadway Lighting	12,260	3,871	3,214	(657)	(17.0)%
Other Roadway Improvements	8,963	39,581	33,746	(5,835)	(14.7)%
Total Roadway	\$ 146,560	245,611	266,157	20,546	8.4%
Non-Roadway					
Facilities	\$ 18,010	39,166	64,812	25,646	65.5%
Fleet	6,857	36,430	50,598	14,168	38.9%
Service Areas & Arts Center	—	17,750	9,708	(8,042)	(45.3)%
Technology Improvements	4,916	17,313	27,774	10,461	60.4%
Total Non-Roadway	\$ 29,783	110,658	152,892	42,233	38.2%
Total Capitalized Projects	\$ 176,343	356,269	419,049	62,780	17.6%
Expensed Projects by Functional Area					
Maintenance of Infrastructure	\$ 2,025	4,960	11,774	6,814	137.4%
Traffic Control & State Police	860	1,437	2,046	609	42.4%
Technology	4,057	7,619	5,173	(2,446)	(32.1)%
General & Administrative	262	590	1,780	1,190	201.7%
Total Expensed Projects	\$ 7,204	14,606	20,773	6,167	42.2%
Total Spending (Capitalized+Expensed)	\$ 183,547	370,875	439,822	68,947	18.6%

- Totals may not add due to rounding

Capital Budget — Funding Sources					
(\$ In Thousands)		2021	2022	2023	\$ Δ from
		Actual	Budget	Budget	2022
Revenue Funded					
Maintenance Reserve Fund	\$	115,920	219,787	278,797	59,010
Special Project Reserve Fund		24,920	76,137	109,346	33,209
Supplemental Capital Program		42,707	74,950	51,679	(23,271)
Total Funding Sources	\$	183,547	370,875	439,822	68,947
					18.6%

2023-2027 Rolling 5-Year Capital Budget by Category or Functional Area						
Revenue Funded						
(\$ In Thousands)	Spending Plan					
	2023	2024	2025	2026	2027	Total
Capitalized Projects by Category						
Roadway						
Bridge Construction, Preservation & Security	\$ 76,830	82,537	87,161	87,965	88,030	422,523
Pavement Resurfacing	146,946	99,336	125,022	126,000	128,000	625,304
Drainage Structures	5,421	5,517	5,682	5,853	6,028	28,501
Roadway Lighting	3,214	3,310	3,409	3,512	3,617	17,062
Other Roadway Improvements	33,746	42,421	38,803	46,330	51,436	212,736
Total Roadway	\$ 266,157	\$ 233,121	260,077	269,660	277,111	1,306,126
Non-Roadway						
Facilities	\$ 64,812	61,345	56,024	32,742	33,805	248,728
Fleet	50,598	33,470	34,380	35,974	37,542	191,964
Service Areas & Arts Center	9,708	536	536	536	1,051	12,367
Technology Improvements	27,774	25,622	20,552	22,000	20,000	115,948
Total Non-Roadway	\$ 152,892	120,973	111,492	91,252	92,398	569,007
Total Capitalized Projects	\$ 419,049	354,094	371,569	360,912	369,509	1,875,133
Expensed Projects by Functional Area						
Maintenance of Infrastructure	\$ 11,774	8,450	7,310	5,250	9,370	42,154
Traffic Control & State Police	2,046	1,000	1,000	1,000	1,000	6,046
Technology	5,173	2,367	2,143	2,464	1,288	13,435
General & Administrative	1,780	2,639	1,049	747	749	6,964
Total Expensed Projects	\$ 20,773	14,456	11,502	9,461	12,407	68,599
Total Spending (Capitalized+Expensed)	\$ 439,822	368,550	383,071	370,373	381,916	1,943,732

- Totals may not add due to rounding

Capital Budget — Funding Sources						
(\$ In Thousands)	Spending Plan					
Revenue Funded	2023	2024	2025	2026	2027	Total
Maintenance Reserve Fund	\$ 278,797	228,758	260,197	262,794	266,710	1,297,256
Special Project Reserve Fund	109,346	71,778	61,416	57,248	61,812	361,600
Supplemental Capital Program	51,679	68,014	61,458	50,331	53,394	284,876
Total Revenue Funded	\$ 439,822	368,550	383,071	370,373	381,916	1,943,732

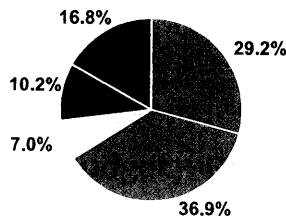
- Totals may not add due to rounding

Capital Budget – Revenue Funded – Spending by Category or Functional Area

The Capital Budget includes all revenue funded capital projects contained in the Maintenance Reserve Fund, Special Project Reserve Fund, and Supplemental Capital Program. The 2023 spending budget is \$439.8 million, an increase of \$68.9 million in comparison to the 2022 spending budget. The 2023 spending budget includes 33.4% for Pavement Resurfacing, 17.5% for Bridge Construction, Preservation, and Security, and 14.7% for Facilities. Together they combine for a total of 68.9% of 2023 capitalized project spending. Maintenance of Infrastructure accounts for 56.7% of 2023 expensed projects.

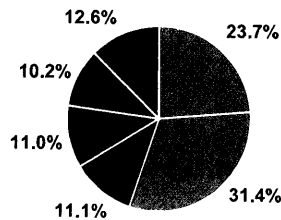
Capital Budget — Capitalized Projects — Spending by Category

2021 Actual by Category
(\$176.3 Million)



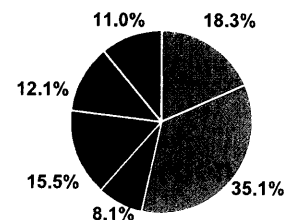
Bridge Construction, Preservation & Security
 Pavement Resurfacing
 Roadway Lighting
 Facilities
 Other Program Categories

2022 Spending Budget by Category
(\$356.3 Million)



Bridge Construction, Preservation & Security
 Pavement Resurfacing
 Other Roadway Improvements
 Facilities
 Fleet
 Other Program Categories

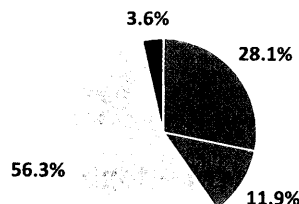
2023 Spending Budget by Category
(\$419.0 Million)



Bridge Construction, Preservation & Security
 Pavement Resurfacing
 Other Roadway Improvements
 Facilities
 Fleet
 Other Program Categories

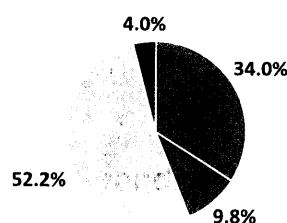
Capital Budget — Expensed Projects — Spending by Functional Area

2021 Actual by Functional Area
(\$7.3 Million)



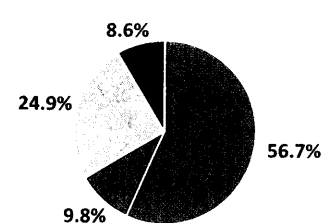
Maintenance of Infrastructure
 Traffic Control & State Police Technology
 General & Administrative

2022 Budget by Functional Area (\$14.6 Million)



Maintenance of Infrastructure
 Traffic Control & State Police Technology
 General & Administrative

2023 Budget by Functional Area (\$20.8 Million)



Maintenance of Infrastructure
 Traffic Control & State Police Technology
 General & Administrative

Maintenance Reserve Fund

The Maintenance Reserve Fund primarily supports spending for the maintenance and resurfacing of roadways and bridges on both the Turnpike and Parkway. These projects have a combined spending budget for 2023 of \$278.8 million, and a rolling five-year spending plan of \$1.3 billion. The spending budget for 2023 is increasing by 26.8% compared to 2022, and includes funding primarily for Bridge Construction, Preservation, and Security, and Pavement Resurfacing. The 2023 Maintenance Reserve Fund also includes several projects that address facilities repairs and upgrades, including major building, roofing, and utility replacements. The majority of the increase in spending in 2023 is for pavement resurfacing on both roadways, which is increasing by over \$59.4 million. The increase in spending is also impacted by assumed inflation of 7.0%.

Maintenance Reserve Fund — Spending by Category					
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Capitalized Projects by Category					
Roadway					
Bridge Construction, Preservation & Security	\$ 51,059	82,459	76,830	(5,629)	(6.8)%
Pavement Resurfacing	42,795	87,053	146,431	59,378	68.2%
Drainage Structures	8,933	5,871	5,421	(450)	(7.7)%
Roadway Lighting	12,245	3,871	3,214	(657)	(17.0)%
Other Roadway Improvements	888	19,506	15,102	(4,404)	(22.6)%
Total Roadway	\$ 115,920	198,760	246,998	48,238	24.3%
Non-Roadway					
Facilities	\$ —	21,028	31,799	10,771	51.2%
Total Non-Roadway	\$ —	21,028	31,799	10,771	51.2%
Total Spending (Capitalized)	\$ 115,920	219,787	278,797	59,009	26.8%

- Totals may not add due to rounding

Maintenance Reserve Fund								
2023-2027 Rolling 5-Year Spending Plan by Category							Prior LTD Spending	Total Project Budget
(\$ In Thousands)	2023	2024	2025	2026	2027	Total 5-Year		
Capitalized Projects by Category								
Roadway								
Bridge Construction, Preservation & Security	\$ 76,830	82,537	87,161	87,965	88,030	422,523	195,872	618,395
Pavement Resurfacing	146,431	99,336	125,022	126,000	128,000	624,789	215,328	840,117
Drainage Structures	5,421	5,517	5,682	5,853	6,028	28,501	34,193	62,694
Roadway Lighting	3,214	3,310	3,409	3,512	3,617	17,062	24,491	41,553
Other Roadway Improvements	15,102	14,797	15,627	15,469	16,319	77,314	9,268	86,582
Total Roadway	\$ 246,998	205,497	236,901	238,799	241,994	1,170,189	479,152	1,649,341
Non-Roadway								
Facilities	\$ 31,799	23,261	23,296	23,995	24,716	127,067	9,894	136,961
Total Non-Roadway	\$ 31,799	23,261	23,296	23,995	24,716	127,067	9,894	136,961
Total Spending (Capitalized)	\$ 278,797	228,758	260,197	262,794	266,710	1,297,256	489,046	1,786,302

- Totals may not add due to rounding

Maintenance Reserve Fund - Significant Project Budgets								
(\$ In Thousands)	Spend Plan						Prior LTD Spending	Total Project Budget
	2023	2024	2025	2026	2027	Rolling 5-Year		
Capitalized Projects								
Prior Approved Projects								
GSP Resurfacing Section 4	\$ 42,230	—	—	—	—	42,230	—	42,230
TPK Resurfacing Section 4 MP 35-48	38,110	—	—	—	—	38,110	—	38,110
GSP Resurfacing Section 14	26,059	—	—	—	—	26,059	—	26,059
TPK Resurfacing Section 2 MP 12-24	22,660	—	—	—	—	22,660	—	22,660
TPK Bridge Repair Milepost 92-122 & NBHCE 2021-2023	20,079	31	—	—	—	20,110	35,872	55,982
TPK Bridge Repair Milepost 0-92 PHM Extension 2021-2023	14,731	21	—	—	—	14,752	27,733	42,485
Roadside Barrier Imp 2023	5,356	—	—	—	—	5,356	—	5,356
Roadway Improvements & Repairs 2023	5,356	—	—	—	—	5,356	—	5,356
Major Building Improvements 2023	4,998	—	—	—	—	4,998	—	4,998
All Other Prior Approved Projects	92,338	228,062	260,197	262,794	266,710	1,110,101	425,314	1,535,415
Total Prior Approved Projects	\$ 271,917	228,114	260,197	262,794	266,710	1,289,732	488,919	1,778,651
New Projects								
HQ Elevator Replacement	\$ 4,380	644	—	—	—	5,024	127	5,151
All Other New Projects	2,500	—	—	—	—	2,500	—	2,500
Total New Projects	\$ 6,880	644	—	—	—	7,524	127	7,651
Total Projects	\$ 278,797	228,758	260,197	262,794	266,710	1,297,256	489,046	1,786,302

- Totals may not add due to rounding

Special Project Reserve Fund

The Special Project Reserve Fund has a 2023 spending budget of over \$109.4 million and a rolling five-year spending plan of nearly \$361.6 million. The spending for 2023 is increasing 43.6% compared to 2022. The 2023 Special Project Reserve Fund provides spending for the Authority's major scheduled fleet replacement program. The increase in Fleet in 2023 is due in large part to vehicle delivery delays rolling over from 2022, as well as significant vehicle price increases between 25-33% across all new purchases. Technology Improvements are increasing with the carryover of initiatives such as the Advanced Traffic Management System, Statewide Traffic Management Center (STMC), Uninterruptible Power Supply (UPS) Replacements, as well as the continued implementation of Capital Program Management System and the Phase 2 of the Enterprise Asset Management System. Maintenance of Infrastructure is increasing mainly due to the Turnpike Westerly Alignment Capacity Enhancement Study, the Phase II Bridge Hydraulic Analysis, and the Facility Improvements Assessment. A portion of the increase in spending is also due to inflation assumed at 7.0%.

Special Project Reserve Fund — Spending by Category or Functional Area					
<i>(\$ In Thousands)</i>	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Capitalized Projects by Category					
Roadway					
Bridge Construction, Preservation & Security	\$ —	2,040	—	(2,040)	(100.0)%
Other Roadway Improvements	277	1,134	5,103	3,969	350.0%
Total Roadway	\$ 277	3,174	5,103	1,929	60.8%
Non-Roadway					
Facilities	\$ 8,175	14,965	18,611	3,646	24.4%
Fleet	6,857	36,430	50,598	14,168	38.9%
Technology Improvements	2,662	6,963	14,261	7,298	104.8%
Total Non-Roadway	\$ 17,694	58,358	83,470	25,112	43.0%
Total Capitalized Projects	\$ 17,971	61,531	88,573	27,041	43.9%
Expensed Projects by Functional Area					
Maintenance of Infrastructure	\$ 2,123	4,960	11,774	6,814	137.4%
Traffic Control & State Police	860	1,437	2,046	609	42.4%
Technology	3,704	7,619	5,173	(2,446)	(32.1)%
General & Administrative	262	590	1,780	1,190	201.7%
Total Expensed Projects	\$ 6,949	14,606	20,773	6,167	42.2%
Total Spending (Capitalized+Expensed)	\$ 24,920	76,137	109,346	33,209	43.6%

- Totals may not add due to rounding

Special Project Reserve Fund								
2023-2027 Rolling 5-Year Spending Plan by Category or Functional Area							Prior LTD Spending	Total Project Budget
(\$ In Thousands)	2023	2024	2025	2026	2027	Total 5-Year		
Capitalized Projects by Category								
Roadway								
Other Roadway Improvements	\$ 5,103	6,600	7,000	6,750	6,800	32,253	1,969	34,222
Total Roadway	\$ 5,103	6,600	7,000	6,750	6,800	32,253	1,969	34,222
Non-Roadway								
Facilities	\$ 18,611	10,051	4,525	3,063	3,063	39,313	25,396	64,709
Fleet	50,598	33,470	34,380	35,974	37,542	191,964	34,351	226,315
Technology Improvements	14,261	7,201	4,009	2,000	2,000	29,471	10,781	40,252
Total Non-Roadway	\$ 83,470	50,722	42,914	41,037	42,605	260,748	70,528	331,276
Total Capitalized Projects								
Total Capitalized Projects	\$ 88,573	57,322	49,914	47,787	49,405	293,001	72,497	365,498
Expensed Projects by Functional Area								
Maintenance of Infrastructure	\$ 11,774	8,450	7,310	5,250	9,370	42,154	5,231	47,385
Traffic Control & State Police	2,046	1,000	1,000	1,000	1,000	6,046	3,512	9,558
Technology	5,173	2,367	2,143	2,464	1,288	13,435	10,207	23,642
General & Administrative	1,780	2,639	1,049	747	749	6,964	1,523	8,487
Total Expensed Projects	\$ 20,773	14,456	11,502	9,461	12,407	68,599	20,473	89,072
Total Spending (Capitalized+Expensed)								
Total Spending (Capitalized+Expensed)	\$109,346	71,778	61,416	57,248	61,812	361,600	92,970	454,570

- Totals may not add due to rounding

Special Project Reserve Fund — Significant Capitalized Project Budgets								
(\$ In Thousands)	Spend Plan						Prior LTD Spending	Total Project Budget 2023
	2023	2024	2025	2026	2027	Rolling 5-Year		
Capitalized Projects								
Prior Approved Projects								
Major Fleet Augmentation - Dump Trucks 2023-2027	\$ 6,890	7,801	8,191	8,600	9,030	40,512	—	40,512
Major Fleet Augmentation - Maintenance Vehicles 2023-2027	5,427	5,448	5,470	5,744	6,031	28,120	—	28,120
State Police Vehicles 2023-2027	5,100	4,500	4,500	4,600	4,600	23,300	—	23,300
Stormwater Pump House Replacement TPK MP 92	6,367	—	—	—	—	6,367	116	6,483
Pleasant Plains Sub-Barracks	454	3,038	731	—	—	4,223	1	4,224
Avalon Plains Sub-Barracks	454	3,038	731	—	—	4,223	1	4,224
All Other Prior Approved Capitalized Projects	61,525	34,136	30,930	29,843	30,744	187,178	72,379	259,557
Total Prior Approved Projects	\$ 86,217	57,961	50,553	48,787	50,405	293,923	72,497	366,420
Expensed Projects								
Total New Projects	\$ 2,356	361	361	—	—	3,078	—	3,078
Total Capitalized Project Budget	\$ 88,573	58,322	50,914	48,787	50,405	297,001	72,497	369,498
Special Project Reserve Fund — Significant Expensed Project Budgets								
(\$ In Thousands)	Spend Plan						Prior LTD Spending	Total Project Budget 2023
	2023	2024	2025	2026	2027	Rolling 5-Year		
Expensed Projects								
Total Prior Approved Expensed Projects	\$ 13,578	9,919	8,329	8,461	7,287	47,574	20,473	68,047
New Projects								
GSP Interchange 154 to 163 Operational Improvements Study	\$ —	2,060	2,060	—	—	4,120	—	4,120
GSP Interchange 98 to 124 Needs Assessment	—	—	—	—	4,120	4,120	—	4,120
Phase II Bridge Hydraulic Analysis	1,545	515	—	—	—	2,060	—	2,060
Facility Improvements Assessment	1,256	444	—	—	—	1,700	—	1,700
All Other New Expensed Projects	4,394	518	113	—	—	5,025	—	5,025
Total New Projects	\$ 7,195	3,537	2,173	—	4,120	17,025	—	17,025
Total Expensed Project Budget	\$ 20,773	13,456	10,502	8,461	11,407	64,599	20,473	85,072
Total Project Budget (Capitalized+Expensed)	\$109,346	71,778	61,416	57,248	61,812	361,600	92,970	454,570

- Totals may not add due to rounding

Supplemental Capital Program (Construction Fund – Revenue Funded)

The Supplemental Capital Program has a 2023 spending budget of almost \$51.7 million and a rolling five-year spending plan of \$284.9 million. The spending budget for 2023 is decreasing by 31.0% compared to 2022 due to the completion of additional resurfacing projects on the Parkway in 2022, as well as less spending on the Vauxhall and Brookdale South Service Areas since they will be completed in 2023. The 2023 budget provides funding to begin several multi-year roadway and facility improvement projects such as those at the Traffic Management Center Administration Building, Chevalier Maintenance Sub-Yard, and Maintenance Districts 3, 5, and 9. Supplemental Capital will also provide funding for Arts Center projects after the Arts Center Long Range Plan is completed and work is prioritized. Finally, this program will be used to fund new technology improvement initiatives such as the Road Weather Information System (RWIS) Expansion, the Advanced Interactive Executive (AIX) Server Upgrade, and Tolling Legacy Parts Replacements. Although spending is decreasing in 2023, the project budgets include increases due to inflation assumed at 7.0% for 2023.

Supplemental Capital Program — Spending by Category or Functional Area					
<i>(\$ In Thousands)</i>	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Capitalized Projects by Category					
Roadway					
Bridge Construction, Preservation & Security	\$ 354	—	—	—	—%
Pavement Resurfacing	22,197	24,736	515	(24,221)	(97.9)%
Roadway Lighting	15	—	—	—	—%
Other Roadway Improvements	7,798	18,942	13,541	(5,401)	(28.5)%
Total Roadway	\$ 30,363	43,678	14,056	(29,622)	(67.8)%
Non-Roadway					
Facilities	\$ 9,835	3,173	14,402	11,229	353.9%
Service Areas & Arts Center	—	17,750	9,708	(8,042)	(45.3)%
Technology Improvements	2,254	10,350	13,513	3,163	30.6%
Total Non-Roadway	\$ 12,089	31,273	37,623	6,350	20.3%
Total Capitalized Projects	\$ 42,452	74,950	51,679	(23,272)	(31.0)%
Expensed Projects by Functional Area					
Maintenance of Infrastructure ⁽¹⁾	\$ (98)	—	—	—	—%
Technology	353	—	—	—	—%
Total Expensed Projects	\$ 255	—	—	—	—%
Total Spending (Capitalized + Expensed)	\$ 42,707	74,950	51,679	(23,272)	(31.0)%

- Totals may not add due to rounding

Supplemental Capital Program									
2023-2027 Rolling 5-Year Spending Plan by Category or Functional Area							Prior LTD Spending	Future Spending	Total Project Budget
(\$ In Thousands)	2023	2024	2025	2026	2027	Total 5-Year			
Capitalized Projects by Category									
Roadway									
Pavement Resurfacing	\$ 515	—	—	—	—	515	42,324	—	42,839
Other Roadway Improvements	13,541	21,024	16,176	24,111	28,317	103,169	35,594	8,549	147,312
Total Roadway	\$ 14,056	21,024	16,176	24,111	28,317	103,684	77,918	8,549	190,151
Non-Roadway									
Facilities	\$ 14,402	28,033	28,203	5,684	6,026	82,348	19,127	2,575	104,050
Service Areas & Arts Center	9,708	536	536	536	1,051	12,367	55,135	2,575	70,077
Technology Improvements	13,513	18,421	16,543	20,000	18,000	86,477	19,469	—	105,946
Total Non-Roadway	\$ 37,623	46,990	45,282	26,220	25,077	181,192	93,731	5,150	280,073
Total Capitalized Projects	\$51,679	68,014	61,458	50,331	53,394	284,876	171,649	13,699	470,224

- Totals may not add due to rounding

Supplemental Capital Program - Significant Project Budgets									
(\$ In Thousands)	Spend Plan						Prior LTD Spending	Future Spending	Total Project Budget
	2023	2024	2025	2026	2027	Rolling 5-Year			
Capitalized Projects									
Prior Approved Projects									
Chevalier Maintenance Sub-Yard	\$ 1,401	7,155	9,779	—	—	18,335	—	—	18,335
TMC Administration Building	1,236	6,934	9,888	173	—	18,231	—	—	18,231
Tremley Point Connector Road Design	5,912	3,708	2,379	1,051	309	13,359	5,677	—	19,036
Service Areas Vauxhall & Brookdale South	9,172	—	—	—	—	9,172	8,755	—	17,927
2022 HVAC & Boiler Replacement	4,206	—	—	—	—	4,206	—	—	4,206
TMD 3 - Storage Building	319	2,972	303	—	—	3,594	11	—	3,605
All Other Prior Approved Projects	10,596	33,960	30,489	41,000	32,000	148,045	157,206	—	305,251
Total Prior Approved Projects	\$32,842	54,729	52,838	42,224	32,309	214,942	171,649	—	386,591
New Projects									
Toll Facility Repairs	\$ 2,730	4,069	5,511	5,511	5,511	23,332	—	—	23,332
Emergency Services Upgrades	—	515	1,030	2,060	7,828	11,433	—	8,549	11,433
Tolling Legacy Parts Replacement	6,180	515	515	—	—	7,210	—	—	7,210
Interchange 9 HQ Site Redevelopment	422	3,183	—	—	—	3,605	—	—	3,605
All Other New Projects	—	—	—	—	—	—	—	5,150	38,053
Total New Projects	\$18,837	13,285	8,620	8,107	21,085	69,934	—	13,699	83,633
Total Projects	\$51,679	68,014	61,458	50,331	53,394	284,876	171,649	13,699	470,224

- Totals may not add due to rounding

Construction Fund (Bond Funded) (2023 Annual Budget p153)

The 2023 Construction Fund includes the bond funded programs within the Capital Spending Program. The Construction Fund currently includes the 2023-2027 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 received from the issuance of Turnpike Revenue Bonds.

Construction Fund — Spending by Category					
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Capitalized Projects by Category					
Roadway					
Bridge Construction, Preservation & Security	\$ 148,109	271,035	506,861	235,826	87.0%
Capacity Enhancements - Turnpike	16,564	42,636	40,749	(1,887)	(4.4)%
Capacity Enhancements - Parkway	161	500	3,449	2,949	589.8%
Interchanges	43,341	24,462	7,701	(16,761)	(68.5)%
Concrete Barrier	17,738	9,338	12,821	3,483	37.3%
Drainage Structures	9,048	73,130	94,014	20,884	28.6%
Roadway Lighting	10,676	14,346	42,454	28,108	195.9%
Other Roadway Improvements	49,082	74,689	75,437	748	1.0%
Total Roadway	\$ 294,719	510,135	783,486	273,351	53.6%
Non-Roadway					
Facilities	\$ 2,593	9,848	6,488	(3,360)	(34.1)%
Service Areas & Arts Center	13,099	30,507	24,688	(5,819)	(19.1)%
Technology Improvements	34,904	47,808	26,452	(21,356)	(44.7)%
Total Non-Roadway	\$ 50,596	88,162	57,628	(30,534)	(34.6)%
Total Spending (Capitalized)	\$ 345,315	598,297	841,114	242,818	40.6%
Construction Fund — Funding Sources					
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Bond Funded					
2023-2027 Capital Improvement Program	\$ 81,032	351,630	608,468	256,838	73.0%
2019 Capital Improvement Program	182,310	172,507	129,645	(42,862)	(24.8)%
2008 \$7 Billion Capital Improvement Program	81,972	74,160	103,001	28,841	38.9%
Total Bond Funded	\$ 345,315	598,297	841,114	242,818	40.6%

- Totals may not add due to rounding

2023-2027 Rolling 5-Year Construction Fund Spending Plan by Category						
Bond Funded						
(\$ In Thousands)	Spending Plan					
	2023	2024	2025	2026	2027	Total
Capitalized Projects by Category						
Roadway						
Bridge Construction, Preservation & Security	\$ 506,861	\$ 447,985	\$ 305,377	\$ 122,788	\$ 93,646	1,476,657
Capacity Enhancements - Turnpike	40,749	103,317	212,183	500,807	1,249,990	2,107,046
Capacity Enhancements - Parkway	3,449	4,042	—	34,481	42,816	84,788
Interchanges	7,701	4,064	—	—	—	11,765
Concrete Barrier	12,821	56,771	32,280	13,648	13,596	129,116
Drainage Structures	94,014	59,246	49,417	45,636	40,099	288,412
Roadway Lighting	42,454	38,670	28,377	26,265	28,389	164,155
Other Roadway Improvements	75,437	130,583	97,194	24,857	—	328,071
Total Roadway	\$ 783,486	844,678	724,828	768,482	1,468,536	4,590,010
Non-Roadway						
Facilities	\$ 6,488	—	—	—	—	6,488
Service Areas & Arts Center	24,688	8,512	9,645	7,908	2,263	53,016
Technology Improvements	26,452	12,825	72,069	134,207	158,472	404,025
Total Non-Roadway	\$ 57,628	21,337	81,714	142,115	160,735	463,529
Total Spending (Capitalized)	\$841,114	866,015	806,542	910,597	1,629,271	5,053,539
Construction Fund — Funding Sources						
(\$ In Thousands)	Spending Plan					
	2023	2024	2025	2026	2027	Total
Bond Funded						
2023-2027 Capital Improvement Program	\$ 608,468	795,142	777,481	901,132	1,626,987	4,709,210
2019 Capital Improvement Program	129,645	67,629	27,410	7,923	2,284	234,891
2008 \$7 Billion Capital Improvement Program	103,001	3,244	1,651	1,542	—	109,438
Total Bond Funded	\$841,114	866,015	806,542	910,597	1,629,271	5,053,539

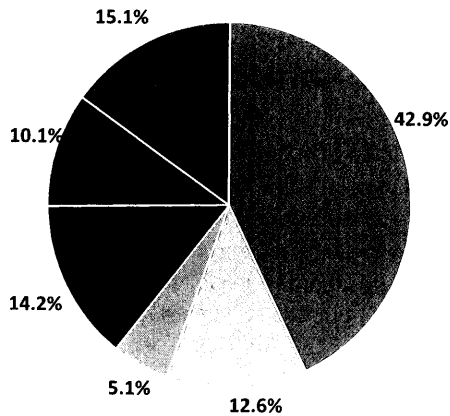
- Totals may not add due to rounding

Construction Fund – Spending by Category

The Construction Fund includes all bond funded capital projects contained in the 2023-2027 Capital Improvement Program, 2019 Capital Improvement Program, and the 2008 \$7 Billion Capital Improvement Program. The 2023 spending budget includes a significant increase in Bridge Construction, Preservation, and Security with the rehabilitation and replacement of bridge decks and superstructures on both roadways. Also increasing significantly in the 2023 budget are multiple Roadway Lighting and Drainage Structure projects accelerated to be completed sooner and ahead of the commencement of the Turnpike Capacity Enhancements between Interchanges 1 to 4 and the Newark Bay-Hudson County Extension.

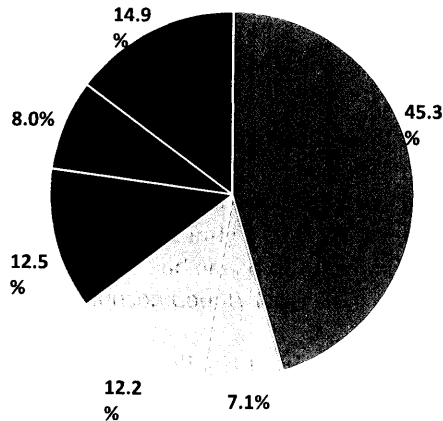
Construction Fund – Capitalized Projects – Spending by Category

2021 Actuals
(\$345.3 million)



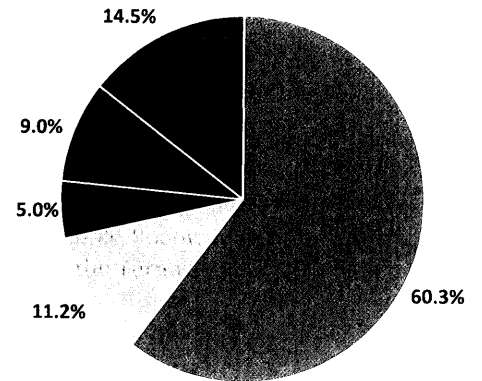
- Bridge Construction, Preservation & Security Interchanges
- Concrete Barrier
- Other Roadway Improvements
- Technology Improvements
- Other Program Categories

2022 Spending Budget
(\$598.3 million)



- Bridge Construction, Preservation & Security Interchanges
- Concrete Barrier
- Other Roadway Improvements
- Technology Improvements
- Other Program Categories

2023 Spending Budget
(\$841.1 million)



- Bridge Construction, Preservation & Security Interchanges
- Concrete Barrier
- Other Roadway Improvements
- Technology Improvements
- Other Program Categories

2023-2027 Capital Improvement Program

The 2020 Long-Range Capital Plan was approved by the Board of Commissioners in May 2020. The 2023-2027 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. This program has a 2023 spending budget of \$608.5 million and a rolling five-year spending plan of \$4.7 billion. The spending budget for 2023 is increasing by about 73.0%, compared to 2022, with significant increases for repairs of bridges on both roadways, drainage structures, and roadway lighting fixtures. On the other hand, facility upgrades are reduced as planned projects moved to Supplemental Capital in 2023. Likewise, roadway projects such as MSE wall replacements for both roadways are reduced as some work, based upon priorities were moved to future years beyond the rolling five-year spend. Project budgets have been increased to account for assumed inflation at 7% in 2023, reducing down to 3.5% in the later years.

2023-2027 Capital Improvement Program — Spending by Category					
<i>(\$ In Thousands)</i>	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Capitalized Projects by Category					
Roadway					
Bridge Construction, Preservation & Security	\$ 26,704	\$ 151,253	338,803	187,550	124.0%
Capacity Enhancements - Turnpike	16,359	42,571	40,749	(1,822)	(4.3)%
Capacity Enhancements - Parkway	—	500	3,449	2,949	589.8%
Interchanges	1,915	3,967	2,981	(986)	(24.9)%
Concrete Barrier	1,684	5,337	12,615	7,278	136.4%
Drainage Structures	9,048	73,130	94,014	20,884	28.6%
Roadway Lighting	10,676	14,346	42,454	28,109	195.9%
Other Roadway Improvements	2,252	25,775	51,846	26,072	101.2%
Total Roadway	\$ 68,638	316,878	586,911	270,033	85.2%
Non-Roadway					
Facilities	\$ —	6,240	—	(6,240)	(100.0)%
Technology Improvements	12,394	28,512	21,557	(6,955)	(24.4)%
Total Non-Roadway	\$ 12,394	34,752	21,557	(13,195)	(38.0)%
Total Spending (Capitalized)	\$ 81,032	351,630	608,468	256,838	73.0%

- Totals may not add due to rounding

2023-2027 Capital Improvement Program									
2023-2027 Rolling 5-Year Spending Plan by Category							Prior LTD Spending	Future Spending	Total Project Budget
(\$ In Thousands)	2023	2024	2025	2026	2027	Total 5-Year			
Capitalized Projects Category									
Roadway									
Bridge Construction, Preservation & Security	\$ 338,803	394,226	286,607	121,231	93,625	1,234,492	246,978	1,327,514	2,808,984
Capacity Enhancements - Turnpike	40,749	103,317	212,183	500,807	1,249,990	2,107,046	33,706	12,412,462	14,553,214
Capacity Enhancements - Parkway	3,449	4,042	—	34,481	42,816	84,788	629	106,418	191,835
Interchanges	2,981	4,064	—	—	—	7,045	9,681	239,800	256,526
Concrete Barrier	12,615	56,771	32,280	13,648	13,596	128,910	5,960	30,385	165,255
Drainage Structures	94,014	59,246	49,417	45,636	40,099	288,412	61,435	100,947	450,794
Roadway Lighting	42,454	38,670	28,377	26,265	28,389	164,155	48,074	9,430	221,659
Other Roadway Improvements	51,846	124,815	97,194	24,857	—	298,712	16,645	61,103	376,460
Total Roadway	\$586,911	785,151	706,058	766,925	1,468,515	4,313,560	423,108	14,288,059	19,024,727
Non-Roadway									
Facilities	\$ —	—	—	—	—	—	508	—	508
Technology Improvements	21,557	9,991	71,423	134,207	158,472	395,650	54,369	181,047	631,066
Total Non-Roadway	\$ 21,557	9,991	71,423	134,207	158,472	395,650	54,877	181,047	631,574
Total Spending (Capitalized)									
	\$608,468	795,142	777,481	901,132	1,626,987	4,709,210	477,985	14,469,106	19,656,301

- Totals may not add due to rounding

2023-2027 Capital Improvement Program - Significant Project Budgets									
	Spend Plan						Prior LTD Spending	Future Spending	Total Project Budget
(\$ In Thousands)	2023	2024	2025	2026	2027	Rolling 5-Year			
Capitalized Projects									
Prior Approved Projects									
TPK NBHCE Capacity Enhancement	\$ 34,426	90,845	166,430	400,713	1,071,908	1,764,322	20,757	8,910,512	10,695,591
TPK I/C 17 Ramp Bridge Replacement	—	39,592	136,371	18,155	—	194,118	8,311		202,429
TPK Rehab Bridges W107_E107_84N&S	87,564	50,213	12,803	—	—	150,580	68,140		218,720
TPK Grade Separated Median U-Turns	8,038	68,571	59,633	—	—	136,242	387		136,629
TPK Capacity I/C 1-4	3,796	8,916	11,200	12,966	86,175	123,053	12,949	3,460,001	3,596,003
Deck Rehab TPK Westerly Bridges	936	9,580	43,345	49,234	19,692	122,787	26		122,813
Deck NBHCE Bridges Zones 2-3	4,294	81,553	23,005	—	—	108,852	4,321		113,173
TPK Bridges W110_111_112	11,484	69,313	22,960	—	—	103,757	6,003		109,760
TPK Superstructure E111.15 Replacement	2,323	4,134	4,702	36,364	55,564	103,087	32	24,265	127,384
GSP 128 A&B, 154.2N, TPK 90-91.37	39,280	33,309	16,296	642	—	89,527	29,694		119,221
All Other Prior Approved Projects	330,523	292,745	143,765	137,535	119,758	1,024,326	309,854	1,082,396	2,416,576
Total Prior Approved Projects	\$ 522,664	748,771	640,510	655,609	1,353,097	3,920,651	460,474	13,477,174	17,858,299
New Projects									
Delaware River Turnpike Bridge Replacement	\$ 77,547	10,239	10,915	11,555	10,930	121,186	17,511	741,596	880,293
GSP All-Electronic Tolling Program	4,731	8,907	70,388	133,192	157,457	374,675	—	178,002	552,677
TPK Tremley Point Connector Road	2,527	3,556	34,553	87,128	91,907	219,671	—	41,949	261,620
TPK Guide Rail Improvement Program	999	23,669	21,115	13,648	13,596	73,027	—	30,385	103,412
Total New Projects	\$ 85,804	46,371	136,971	245,523	273,890	788,559	17,511	991,932	1,798,002
Total Projects									
Total Projects	\$ 608,468	795,142	777,481	901,132	1,626,987	4,709,210	477,985	14,469,106	19,656,301

- Totals may not add due to rounding

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 2023 spending budget for the 2019 Capital Improvement Program is over \$129.6 million and has a rolling five-year spending plan of \$234.9 million. The 2023 spending budget is almost \$42.9 million less than the \$172.5 million budgeted for 2022, representing a decrease of 24.8%. This decrease is due to the substantial completion of projects in 2022. The service area renovations and Passaic River Bridge Rehabilitation are the two primary drivers of the 2019 Capital Improvement Program .

2019 Capital Improvement Program — Spending by Category					
(\$ In Thousands)	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Capitalized Projects by Category					
Roadway					
Bridge Construction, Preservation & Security	\$ 69,319	73,226	75,521	2,295	3.1%
Interchanges	18,019	—	2,135	2,135	100.0%
Concrete Barrier	15,720	3,802	206	(3,596)	-94.6%
Other Roadway Improvements	43,643	45,676	22,200	(23,476)	-51.4%
Total Roadway	\$ 146,701	122,705	100,062	(22,643)	(18.5)%
Non-Roadway					
Service Areas & Arts Center	\$ 13,099	30,507	24,688	(5,819)	-19.1%
Technology Improvements	22,510	19,295	4,895	(14,400)	-74.6%
Total Non-Roadway	\$ 35,609	49,802	29,583	(20,219)	(40.6)%
Total Spending (Capitalized)	\$ 182,310	172,507	129,645	(42,862)	-24.8%

- Totals may not add due to rounding

2019 Capital Improvement Program								
2023-2027 Rolling 5-Year Spending Plan by Category							Prior LTD Spending	Total Project Budget
(\$ In Thousands)	2023	2024	2025	2026	2027	Total 5-Year		
Capitalized Projects Category								
Roadway								
Bridge Construction, Preservation & Security	\$ 75,521	50,898	17,119	15	21	143,574	226,455	370,029
Interchanges	2,135	—	—	—	—	2,135	44,066	46,201
Concrete Barrier	206	—	—	—	—	206	29,971	30,177
Other Roadway Improvements	22,200	5,385	—	—	—	27,585	104,367	131,952
Total Roadway	\$100,062	56,283	17,119	15	21	173,500	404,859	578,359
Non-Roadway								
Service Areas & Arts Center	\$ 24,688	8,512	9,645	7,908	2,263	53,016	36,240	89,256
Technology Improvements	4,895	2,834	646	—	—	8,375	60,615	68,990
Total Non-Roadway	\$ 29,583	11,346	10,291	7,908	2,263	61,391	96,855	158,246
Total Spending (Capitalized)								
	\$129,645	67,629	27,410	7,923	2,284	234,891	501,714	736,605

- Totals may not add due to rounding

2019 Capital Improvement Program - Significant Project Budgets								
	Spend Plan						Prior LTD Spending	Total Project Budget
(\$ In Thousands)	2023	2024	2025	2026	2027	Rolling 5-Year		
Capitalized Projects								
Passaic River Bridge Rehabilitation	\$ 32,839	27,780	17,119	15	21	77,774	52,781	130,555
Service Areas - HMS Host & Sunoco	22,757	8,512	9,645	7,908	2,263	51,085	25,343	76,428
GSP Structures 160.6 to 161.9 NB & SB	17,295	22,221	—	—	—	39,516	41,746	81,262
GSP Shoulder Widening MP30-35	19,618	5,385	—	—	—	25,003	89,036	114,039
GSP Bridge Deck Reconstruction MP 141-142	19,020	897	—	—	—	19,917	39,847	59,764
TPK Install New Hybrid CMS	4,895	2,834	646	—	—	8,375	60,615	68,990
All Other Prior Approved Projects	13,221	—	—	—	—	13,221	192,346	205,567
Total Capitalized Project Budget	\$129,645	67,629	27,410	7,923	2,284	234,891	501,714	736,605

- Totals may not add due to rounding

2008 \$7 Billion Capital Improvement Program

This program was approved by the Board of Commissioners in October 2008. In September 2018, the program was amended to extend the end date of the program to award new contracts until December 31, 2020. The 2023 spending budget is \$103.0 million with a rolling five-year spending plan of only \$6.4 million beyond 2023. This represents the winding down of this Capital Improvement Program as many projects are completed or are nearing completion. The 2008 \$7 Billion Capital Improvement Program includes current active projects such as the Newark Bay-Hudson County Extension redecking as well as miscellaneous facility improvements.

2008 \$7 Billion Capital Improvement Program — Spending by Category					
<i>(\$ In Thousands)</i>	2021 Actual	2022 Budget	2023 Budget	\$ Δ from 2022	% Δ from 2022
Capitalized Projects by Category					
Roadway					
Bridge Construction, Preservation & Security	\$ 52,086	46,555	92,537	45,982	98.8%
Capacity Enhancements - Turnpike	205	65	—	(65)	(100.0)%
Capacity Enhancements - Parkway	161	—	—	—	—%
Interchanges	23,406	20,496	2,585	(17,911)	(87.4)%
Concrete Barrier	334	198	—	(198)	(100.0)%
Other Roadway Improvements	3,188	3,237	1,391	(1,846)	(57.0)%
Total Roadway	\$ 79,380	70,551	96,513	25,962	36.8%
Non-Roadway					
Facilities	\$ 2,593	3,608	6,488	2,880	79.8%
Total Non-Roadway	\$ 2,593	3,608	6,488	2,880	79.8%
Total Spending (Capitalized)	\$ 81,972	74,160	103,001	28,842	38.9%

- Totals may not add due to rounding

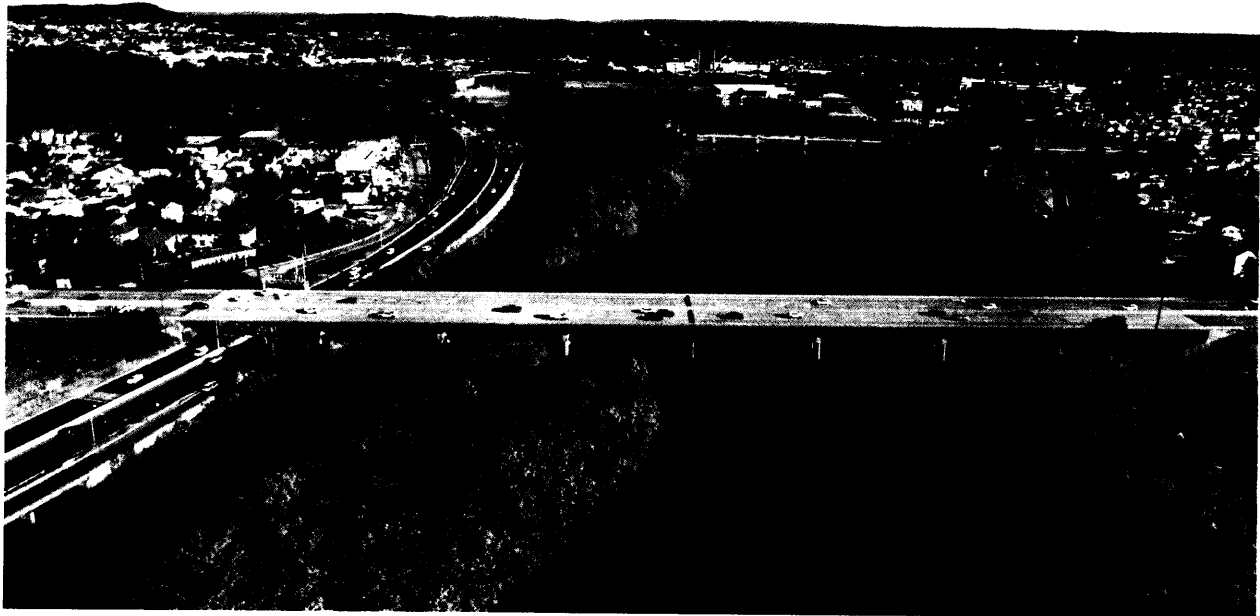
2008 \$7 Billion Capital Improvement Program								
2023-2027 Rolling 5-Year Spending Plan by Category							Prior LTD Spending	Total Project Budget
(\$ In Thousands)	2023	2024	2025	2026	2027	Total 5-Year		
Capitalized Projects Category								
Roadway								
Bridge Construction, Preservation & Security ¹	\$ 92,537	2,861	1,651	1,542	—	98,591	1,646,295	1,744,886
Capacity Enhancements - Turnpike	—	—	—	—	—	—	2,131,547	2,131,547
Capacity Enhancements - Parkway	—	—	—	—	—	—	574,817	574,817
Interchanges	2,585	—	—	—	—	2,585	1,039,308	1,041,893
Concrete Barrier	—	—	—	—	—	—	51,567	51,567
Drainage Structures	—	—	—	—	—	—	61,913	61,913
Other Roadway Improvements	1,391	383	—	—	—	1,774	713,815	715,589
Total Roadway	\$ 96,513	3,244	1,651	1,542	—	102,950	6,219,262	6,322,212
Non-Roadway								
Facilities	\$ 6,488	—	—	—	—	6,488	671,300	677,788
Total Non-Roadway	\$ 6,488	—	—	—	—	6,488	671,300	677,788
Total Spending (Capitalized)	\$103,001	3,244	1,651	1,542	—	109,438	6,890,562	7,000,000

2008 \$7 Billion Capital Improvement Program - Significant Project Budgets								
	Spend Plan						Prior LTD Spending	Total Project Budget
(\$ In Thousands)	2023	2024	2025	2026	2027	Rolling 5-Year		
Capitalized Projects								
Contingency	\$ 60,756	1,542	1,542	1,542	—	65,382	—	65,382
NBHCE Bridge Redecking	31,627	1,319	109	—	—	33,055	461,973	495,028
Facilities Improvement Phase I	6,488	—	—	—	—	6,488	629,129	635,617
Interchange Improvements	2,043	—	—	—	—	2,043	411,877	413,920
Sign Replacements Phase II	1,051	383	—	—	—	1,434	156,259	157,693
Parkway I/C 125 Phase I	542	—	—	—	—	542	97,340	97,882
Parkway Mainline Shoulder Improvement	340	—	—	—	—	340	360,395	360,735
Deck Reconstruction Phase II	154	—	—	—	—	154	140,713	140,867
All Other Projects	—	—	—	—	—	—	4,632,876	4,632,876
Total Capitalized Project Budget	\$103,001	3,244	1,651	1,542	—	109,438	6,890,562	7,000,000

- Totals may not add due to rounding

¹ Due to favorable bid prices and project close outs, the 2008 CIP is anticipated to close below the original funding level of \$7 billion. \$60 million is represented in the 2023 spending budget under the category Bridge, Construction, Preservation, & Security. This not expected to be spent and is included only to maintain the original \$7 billion funding amount

This concludes the New Jersey Turnpike Authority's 2023 Annual Budget in Brief. For a more in-depth review, please see our full-length budget, which can be found on our website, <https://www.njta.com/>



Schedule A

WHEREAS, the Authority, in accordance with subsection (c) of Section 713 of its Turnpike Revenue Bond Resolution adopted August 20, 1991 as amended and supplemented (the "Resolution"), has completed a review of its financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2022 and 2023, including investment income treated as revenues for such year, will be sufficient to provide all of the payments and meet all other requirements as specified in subsection (b) of Section 713 of said Resolution.

NOW, THEREFORE, BE IT RESOLVED by the New Jersey Turnpike Authority as follows:

1. That it is determined based upon the review of the financial condition of the Authority as described in the recital hereof, the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2022 and 2023, including investment income treated as revenues for such year will be sufficient to comply with subsection (b) of Section 713 of the Resolution.
2. That a copy of this resolution certified by the Chief Financial Officer of the Authority, together with a certificate of said Chief Financial Officer setting forth a reasonably detailed statement of the actual and estimated receipts and payments to be made there from for 2022 and 2023 as shown in schedules which were utilized in said review, shall be filed in its entirety with The Bank of New York Mellon and U.S. Bank as Co-Trustees, under the Resolution, all in accordance with said Section 713 of said Resolution.

Schedule B

NEW JERSEY TURNPIKE AUTHORITY

Certificate Required Under Section 713

Turnpike Revenue Bond Resolution

Fiscal Year Ending December 31, 2022

Operating Expenses and Reserve (1)		\$ 627,200,000
Debt Service Requirements (2)		859,200,000
Maintenance Reserve Payments		200,000,000
Special Project Reserve Payments		<u>50,000,000</u>
Total Requirements		1,736,400,000
Deduct Revenue:		
Actual Revenue Provision - January - September 2022	\$ 1,828,900,000	
Estimated Revenue Provision October - December 2022 (Estimate per Schedule C)	<u>591,500,000</u>	<u>2,420,400,000</u>
Revenue Less Requirements		<u>\$ 684,000,000</u>

(2) Net Debt Service Requirement is as follows:

Series 2004 C-2 Debt Service Requirement	\$ 7,300,000
Series 2005 A-D Debt Service Requirement	20,100,000
Series 2009 F Debt Service Requirement	101,900,000
Series 2010 A Debt Service Requirement	131,400,000
Series 2012 A-B Debt Service Requirement	34,900,000
Series 2013 A-F Debt Service Requirement	7,700,000
Series 2014 A-C Debt Service Requirement	71,300,000
Series 2015 A-G Debt Service Requirement (3)(4)	61,200,000
Series 2016 A-D Debt Service Requirement (3)	155,500,000
Series 2017 A-G Debt Service Requirement (3)	189,400,000
Series 2019 A Debt Service Requirement	20,500,000
Series 2020 A-D Debt Service Requirement (3)	17,700,000
Series 2021 A-B Debt Service Requirement	38,300,000
Series 2022 A Debt Service Requirement	2,000,000
Series 2022 New Money Debt Service Requirement (5)	<u>5,800,000</u>
Total Debt Service	<u>865,000,000</u>
Funded from Bond Proceed (capitalized interest)	<u>(5,800,000)</u>
Net Debt Service Funded from Revenue	<u>\$ 859,200,000</u>

- (1) Operating Expenses and Reserve includes the operating expenses of \$622,200,000 for the year, and the increase in the working capital reserve of \$5,000,000. The increase in working capital reserve brings the total amount of reserves in the Revenue Fund to 10% of the annual budgeted operating expenses as per section 504 (B) of the Bond Resolution.
- (2) Amount includes interest and principal payments.
- (3) Variable rate debt with an associated Interest Swap Agreement has interest included at the fixed swap rate and includes the fixed credit spread as interest expense.
- (4) Interest on the \$5,000,000 unhedged portion is calculated at the maximum rate of 12%.
- (5) Assumes New Money issuance in November 2022 of \$700M at 5% w/capitalized interest for first 3 years.

004056

Schedule C

NEW JERSEY TURNPIKE AUTHORITY

Certificate Required Under Section 713

Turnpike Revenue Bond Resolution

Fiscal Year Ending December 31, 2022

Month	Toll Revenue	E-ZPass Fees	Build America Bonds Subsidy	Concession Revenue	Income from Investments	Miscellaneous (1)	Total Revenue
October	181,000,000	9,200,000	6,400,000	2,600,000	3,000,000	1,000,000	203,200,000
November	172,600,000	9,200,000	6,400,000	2,600,000	3,000,000	1,000,000	194,800,000
December	169,900,000	9,200,000	6,400,000	2,700,000	3,500,000	1,800,000	193,500,000
	\$ 523,500,000	\$ 27,600,000	\$ 19,200,000	\$ 7,900,000	\$ 9,500,000	\$ 3,800,000	\$ 591,500,000

NOTE: (1) *Miscellaneous Revenue* includes cellular tower rentals, park & ride facilities, rental income, towing fees, surplus property sales, billboard commissions, video feed licensing, easements, and arts center.

634057

Schedule D**NEW JERSEY TURNPIKE AUTHORITY**

Certificate Required Under Section 713

Turnpike Revenue Bond Resolution

Fiscal Year Ending December 31, 2022

The following are the appropriate calculations which indicate that the Net Revenue Requirement will be satisfied.

Revenue		\$ 2,420,400,000
Operating Expenses and Reserve (1)		<u>627,200,000</u>
Net Revenue		<u>1,793,200,000</u>
(i) Debt Service Requirements	\$ 859,200,000	
(i) Maintenance Reserve Payments	200,000,000	
(i) Special Project Reserve Payments	<u>50,000,000</u>	<u>1,109,200,000</u>
Revenue Less Requirements		<u>\$ 684,000,000</u>
Net Revenue		\$ 1,793,200,000
(ii) "... 1.20 times Aggregate Debt Service"		
1.20 x \$ 859,200,000		<u>1,031,000,000</u>
Excess Revenue (2)		<u>\$ 762,200,000</u>
Debt Service Coverage		<u>2.09</u>

- (1) Operating Expenses and Reserve includes the operating expenses of \$622,200,000 for the year, and the increase in the working capital reserve of \$5,000,000. The increase in working capital reserve brings the total amount of reserves in the Revenue Fund to 10% of the annual budgeted operating expenses as per section 504 (B) of the Bond Resolution.
- (2) Excess revenue will be used to cover budgeted expenses, transfers into Construction Fund and contractual payments from the General Reserve Fund of \$668,100,000.

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenue shall at least equal the Net Revenue Requirements for such year. Under Section 101 of said 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 means with respect to any period of time, "an amount equal to the greater of (i) the sum of 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)."

034058

Schedule E

NEW JERSEY TURNPIKE AUTHORITY

Certificate Required Under Section 713

Turnpike Revenue Bond Resolution

Fiscal Year Ending December 31, 2023

Operating Expenses and Reserve (1)	\$ 717,900,000
Debt Service Requirements (2)	873,300,000
Maintenance Reserve Payments	230,000,000
Special Project Reserve Payments	<u>51,500,000</u>
Total Requirements	1,872,700,000
Deduct Revenue:	
Estimated Revenue Provision (3) January/December 2023 (Estimate per Schedule F)	2,468,700,000
Revenue Less requirements	<u>\$ 596,000,000</u>

(2) Net Debt Service Requirement is as follows:

Series 2004 C-2 Debt Service Requirement	\$ 7,300,000
Series 2005 A-D Debt Service Requirement	20,100,000
Series 2009 F-H Debt Service Requirement	101,900,000
Series 2010 A Debt Service Requirement	131,400,000
Series 2012 A Debt Service Requirement	600,000
Series 2013 F Debt Service Requirement	400,000
Series 2014 A-C Debt Service Requirement	71,000,000
Series 2015 A-G Debt Service Requirement (4)(5)	66,900,000
Series 2016 A-D Debt Service Requirement (4)	25,300,000
Series 2017 A-G Debt Service Requirement (4)	320,700,000
Series 2019 A Debt Service Requirement	20,500,000
Series 2020 A-D Debt Service Requirement (4)	17,900,000
Series 2021 A-B Debt Service Requirement	85,300,000
Series 2022 A Debt Service Requirement	4,000,000
Series 2022 New Money Debt Service Requirement (6)	35,000,000
Series 2023 New Money Debt Service Requirement (7)	50,000,000
Total Debt Service	<u>\$ 958,300,000</u>
Funded from Bond Proceed (capitalized interest)	(85,000,000)
Net Debt Service Funded from Revenue	<u>\$ 873,300,000</u>

- (1) Operating Expenses and Reserve includes the operating expenses of \$713,700,000 for the year, and the increase in the working capital reserve of \$4,200,000. The increase in working capital reserve brings the total amount of reserves in the Revenue Fund to 10% of the annual budgeted operating expenses as per section 504 (B) of the Bond Resolution.
- (2) Amount includes interest and principal payments.
- (3) Revenues include 3% toll rate indexing on 1/1/2023
- (4) Variable rate debt with an associated Interest Swap Agreement has interest included at the fixed swap rate and includes the fixed credit spread as interest expense.
- (5) Interest on the \$5,000,000 unhedged portion is calculated at the maximum rate of 12%.
- (6) Assumes New Money issuance in November 2022 of \$700M at 5% w/capitalized interest for first 3 years.
- (7) Assumes New Money issuances in January 2023 of \$1 billion at 5% w/capitalized interest for first 3 years.

034059

Schedule F

NEW JERSEY TURNPIKE AUTHORITY

Estimated Revenue Provision

January 2023 through December 2023

Month	Toll Revenue (1)	E-ZPass Fees	Build America Bonds Subsidy	Concession Revenue	Income from Investments	Miscellaneous (2)	Total Revenue
January	\$ 157,800,000	\$ 10,000,000	\$ 6,400,000	\$ 2,700,000	\$ 2,100,000	\$ 1,400,000	\$ 180,400,000
February	149,600,000	10,000,000	6,400,000	2,800,000	1,900,000	1,500,000	172,200,000
March	173,300,000	10,000,000	6,400,000	2,700,000	2,100,000	1,400,000	195,900,000
April	182,900,000	10,000,000	6,500,000	2,800,000	2,100,000	1,600,000	205,900,000
May	193,600,000	10,000,000	6,400,000	2,700,000	2,100,000	1,400,000	216,200,000
June	197,200,000	10,000,000	6,400,000	2,800,000	2,100,000	1,300,000	219,800,000
July	201,400,000	10,000,000	6,400,000	2,700,000	2,100,000	1,400,000	224,000,000
August	207,300,000	10,000,000	6,400,000	2,800,000	2,100,000	1,500,000	230,100,000
September	183,000,000	10,000,000	6,500,000	2,700,000	2,100,000	1,300,000	205,600,000
October	190,300,000	10,000,000	6,400,000	2,800,000	2,100,000	1,100,000	212,700,000
November	181,400,000	10,000,000	6,400,000	2,700,000	2,100,000	1,100,000	203,700,000
December	178,600,000	10,000,000	6,400,000	2,800,000	2,500,000	1,900,000	202,200,000
	\$ 2,196,400,000	\$ 120,000,000	\$ 77,000,000	\$ 33,000,000	\$ 25,400,000	\$ 16,900,000	\$ 2,468,700,000

NOTE: (1) Toll Revenue includes 3% toll rate indexing on 1/1/2023

(2) Miscellaneous Revenue includes cellular tower rentals, park & ride facilities, rental income, towing fees, surplus property sales, billboard commissions, video feed licensing, easements, and arts center.

034060

Schedule G

NEW JERSEY TURNPIKE AUTHORITY

Certificate Required Under Section 713

Turnpike Revenue Bond Resolution

Fiscal Year Ending December 31, 2023

The following are the appropriate calculations which indicate that the Net Revenue Requirement will be satisfied.

Revenue (1)		\$ 2,468,700,000
Operating Expenses and Reserve (2)		717,900,000
Net Revenue		<u>1,750,800,000</u>
(i) Debt Service Requirements	\$ 873,300,000	
(i) Maintenance Reserve Payments	230,000,000	
(i) Special Project Reserve Payments	<u>51,500,000</u>	<u>1,154,800,000</u>
Revenue Less Requirements		<u>\$ 596,000,000</u>
Net Revenue		\$ 1,750,800,000
(ii) "... 1.20 times Aggregate Debt Service"		
1.20 x \$ 873,300,000		<u>1,048,000,000</u>
Excess Revenue (3)		<u>\$ 702,800,000</u>
Debt Service Coverage		<u>2.00</u>

- (1) Revenue includes 3% toll rate indexing on 1/1/2023.
- (2) Operating Expenses and Reserve includes the operating expenses of \$713,700,000 for the year, and the increase in the working capital reserve of \$4,200,000. The increase in working capital reserve brings the total amount of reserves in the Revenue Fund to 10% of the annual budgeted operating expenses as per section 504 (B) of the Bond Resolution.
- (3) Excess revenue will be used to cover budgeted expenses, transfers into Construction Fund and contractual payments from the General Reserve Fund of \$759,800,000.

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenue shall at least equal the Net Revenue Requirements for such year. Under Section 101 of said 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 means with respect to any period of time, "an amount equal to the greater of (i) the sum of 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)."