SUMMARY STATEMENT

ITEM NO.    SUBJECT:  2007 DRPA Operating Budgets

COMMITTEE: New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: May 17, 2007

PROPOSAL: That the DRPA Commission adopt an Operating Budget for the year 2007.

PURPOSE: To approve an Operating Budget consistent with anticipated revenues and as required by Bond Indenture

BACKGROUND: The proposed 2007 DRPA Operating Budgets which are attached hereto reflect the priorities of bridge operations, security, maintenance and safety. The Budgets were developed based on input from Department Chiefs, Directors and staff, and further refined through a formal review process led by the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, and the Operating Budget Review Committee.

DRPA Operating Budget
The 2007 DRPA Operating Budget proposes total operating expenditures of $68,938,903. This represents a $2,228,468, or a 3.34%, increase compared to the 2006 proposed budget. (The DRPA operating budget does not include the E-ZPass Customer Service Center, One Port Center, Cruise Terminal and Ferry operations.)

Operating budgets for the One Port Center, E-ZPass Customer Service Center, Ferry, and Cruise Terminal operations are described below:

One Port Center (OPC)
Proposed 2007 Operating Budget for One Port Center for 2007 is $1,591,023 which represents a $35,883 (or 2.31%) increase over the proposed budgeted expenditures for 2006. One Port Center revenues are budgeted to total $1,600,486 for the year.

E-ZPass Customer Service Center
Proposed 2007 Operating Budget for the E-ZPass Customer Service Center (operated by New Jersey ETC operations) is $4,290,276, representing an increase of $393,876 (or 10.11%) from 2006 budgeted expenditures.
Ferry
Proposed 2007 Operating Budget for the Ferry is $56,500, representing a $2,170 (or 3.70%) decrease from 2006 budgeted expenditures. Ferry revenues are anticipated to total $65,000 for 2007 vs. $75,000 budgeted revenues for 2006, thereby creating an estimated small net profit of $8,500 for 2007.

Cruise Terminal
Proposed 2007 Operating Budget for the Cruise Terminal is $1,413,009, representing a $96,464 (or 6.39%) decrease from 2006 budgeted expenditures. Cruise Terminal revenues are anticipated to total $838,034, which represents a $790,334 decrease from the budgeted revenues for 2006. Net loss for the operation is expected to be approximately $575,000 for the year.

SUMMARY:  
Amount for DRPA Operating Budget:  $68,938,903  
Source of Funds:  Revenue Fund, General Fund  
Amount for One Port Center:  $1,591,023  
Source of Funds:  Revenue Fund  
Amount for E-ZPass Customer Service Center:  $4,290,276  
Source of Funds:  Revenue Fund  
Amount for Ferry:  $56,500  
Source of Funds:  General Fund  
Amount for Cruise Terminal:  $1,413,009  
Source of Funds:  General Fund
RESOLUTION

RESOLVED: That the 2007 DRPA Operating Budgets attached hereto are hereby approved;

FURTHER RESOLVED: That the DRPA shall not expend funds in excess of the authorized 2007 Operating Budgets unless such Budgets have been amended by Resolution of the Board of Commissioners to increase said authorization.

SUMMARY: Amount for DRPA Operating Budget: $68,938,903
Source of Funds: Revenue Fund, General Fund
Amount for One Port Center: $1,591,023
Source of Funds: Revenue Fund
Amount for E-ZPass Customer Service Center: $4,290,276
Source of Funds: Revenue Fund
Amount for Ferry: $56,500
Source of Funds: General Fund
Amount for Cruise Terminal: $1,413,009
Source of Funds: General Fund