SUMMARY STATEMENT

ITEM NO.    ITEM NO.    SUBJECT: 2009 DRPA Operating Budgets

COMMITTEE:     Finance

COMMITTEE MEETING DATE:   November 19, 2008

BOARD ACTION DATE:    December 10, 2008

PROPOSAL: That the DRPA Commission adopt an Operating Budget for the year 2009.

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

BACKGROUND: The proposed 2009 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 2009 DRPA Operating Budget proposes total operating expenditures of $74,764,978. This represents a $2,467,899, or a 3.41% increase compared to the 2008 approved budget. (The DRPA operating budget does not include the E-ZPass Customer Service Center, One Port Center, Cruise Terminal and Ferry operations.)

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

One Port Center (OPC)
Proposed 2009 Operating Budget for One Port Center for 2009 is $1,961,278 which represents a $312,544 (or 19.0%) increase over the originally approved budgeted expenditures for 2008. Most of the increase is attributable to substantially higher costs for the building and additional costs of repair attributable to selective replacement of carpeting within the building. One Port Center revenues are budgeted to total $1,782,853 for the year.
For the fiscal year 2008, One Port Center operation is requesting additional authorization for $35,000 to offset significantly higher utility costs during 2008. This would increase the 2008 authorized budget for OPC from $1,648,734 to $1,683,734.

**E-ZPass Customer Service Center**

Proposed 2009 Operating Budget for the E-ZPass Customer Service Center (operated by ACS on behalf of the New Jersey ETC Group) $5,057,369, representing an increase of $645,069 (or 14.6%) from the 2008 approved budget. The increase in the proposed budget is primarily attributable to increases in contractual transaction fees (from $0.067 to an estimated $0.07/transaction), a projected 17% increase in E-ZPass utilization at DRPA facilities, and credit card fees which are a function of higher traffic volumes throughout the system.

**Ferry**

Proposed 2009 Operating Budget for the Ferry is $75,950, representing a $30,000 increase (or 65.3%) from the 2008 approved budget. Ferry revenues are anticipated to total $65,000 for 2009 similar to 2008 revenues. The Ferry operating deficit is expected to total $10,950, for the year.

**Cruise Terminal**

Proposed 2009 Operating Budget for the Cruise Terminal is $1,304,572, representing an $8,027 (or 0.6%) increase from the 2008 approved budget. Cruise Terminal revenues are anticipated to total $551,412, which represents a $68,648 decrease from the budgeted revenues for 2008. Net loss for the operation is expected to be approximately $753,160 for the year.

**SUMMARY:**

Amount for DRPA Operating Budget: $74,764,978  
Source of Funds: Revenue Fund, General Fund  
Amount for One Port Center: $1,961,278  
Source of Funds: Revenue Fund  
Amount for E-ZPass Customer Service Center: $5,057,369  
Source of Funds: Revenue Fund  
Amount for Ferry: $75,950  
Source of Funds: General Fund  
Amount for Cruise Terminal: $1,304,572  
Source of Funds: General Fund
RESOLUTION

RESOLVED: That the 2009 DRPA Operating Budgets attached hereto are hereby approved;

FURTHER RESOLVED: That the DRPA shall not expend funds in excess of the authorized 2009 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: $74,764,978
Source of Funds: Revenue Fund, General Fund
Amount for One Port Center: $1,961,278
Source of Funds: Revenue Fund
Amount for E-ZPass Customer Service Center: $5,057,369
Source of Funds: Revenue Fund
Amount for Ferry: $75,950
Source of Funds: General Fund
Amount for Cruise Terminal: $1,304,572
Source of Funds: General Fund