


**CERTIFICATION
OF
NEW JERSEY TURNPIKE AUTHORITY**

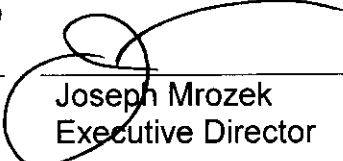
I, Joseph Mrozek, hereby certify that I am the Executive Director of the New Jersey Turnpike Authority and as such, Executive Director certify that the attached copy of PROCEEDINGS OF THE NEW JERSEY TURNPIKE AUTHORITY is a true and correct copy of the Minutes of the **October 24, 2017** Meeting of the Authority.

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the New Jersey Turnpike Authority this **24th day of October, 2017.**

ATTEST:



Kim Schurman
Secretary to the Authority



Joseph Mrozek
Executive Director

Corporate Seal

Date: October 24, 2017

**Received in the Governor's Office October 24, 2017
(hand delivered)**

Received by:

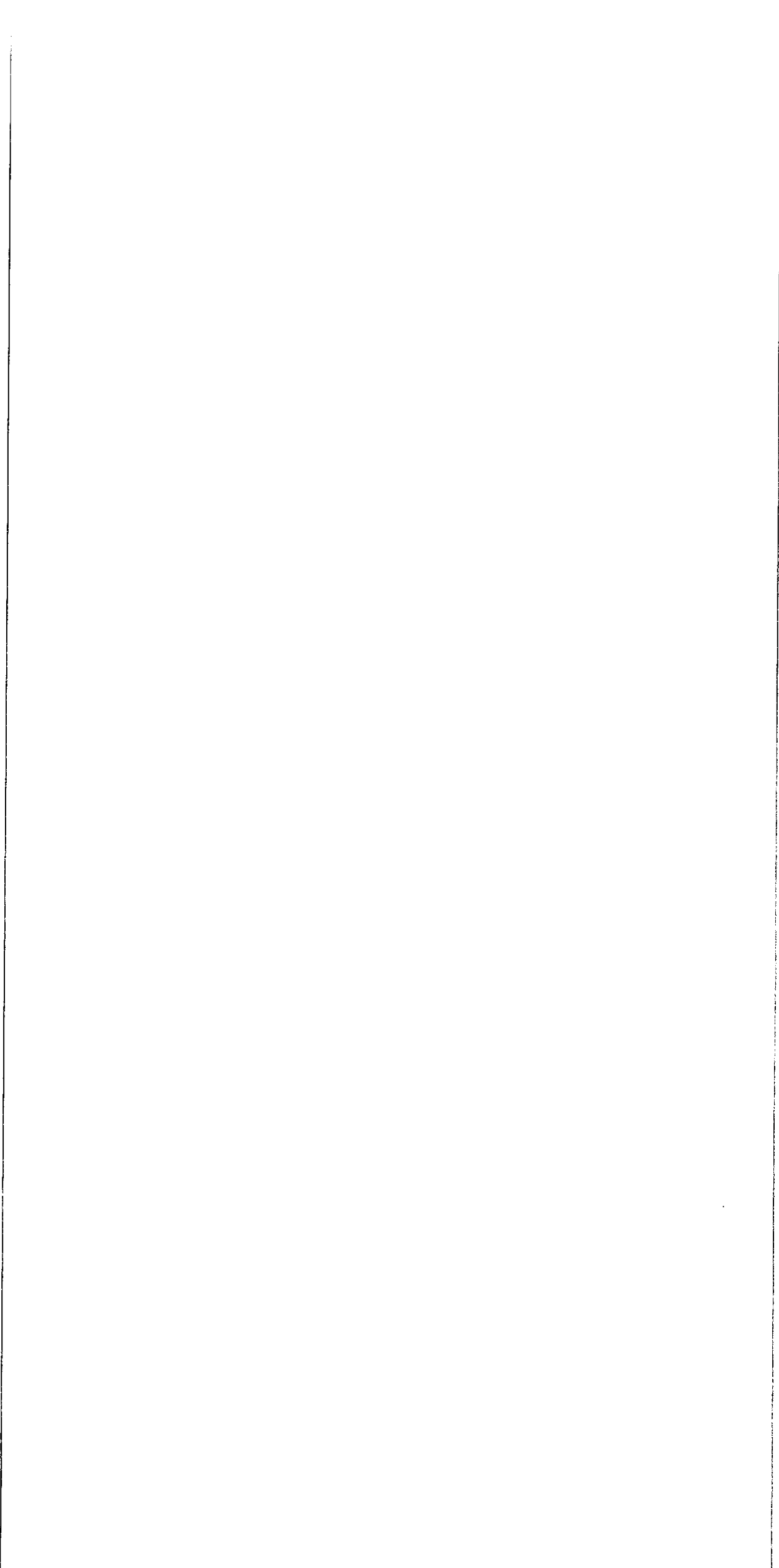


Courtney Soderke
Print Name

Signature

Veto Period Ends:

November 8, 2017
(Write in the date the veto period ends)



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**PROCEEDINGS OF MEETING OF NEW JERSEY TURNPIKE AUTHORITY
BOARD OF COMMISSIONERS**

Tuesday, October 24, 2017

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Chairman Richard Hammer called the meeting of the Authority's Board of Commissioners into session in the Executive Boardroom of the Authority's Headquarters Building at 1 Turnpike Plaza in Woodbridge, New Jersey, at 9:01 A.M.

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PRESENT

Present were Chairman Richard Hammer, Vice Chairman Ronald Gravino, Commissioner Raymond Pocino, Commissioner Ulises Diaz, and Commissioner John Minella. The meeting commenced at 9:01 A.M.

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ALSO PRESENT

Executive Director Joseph Mrozek; Chief Operating Officer John O'Hern; Chief Financial Officer Donna Manuelli; Chief Engineer Robert Fischer; Chief Information Officer Jose Dios; General Counsel Bruce Harris; Director of Human Resources Mary-Elizabeth Garrity; Director of Internal Audit James Carone; Director of Maintenance Kenneth McGoldrick; Director of Operations Henry Eibel; Director of Procurement and Materials Management Andrea Ward; Director of Tolls Robert Quirk; New Jersey State Police Major Eric Heitmann, State Police Troop D; and Secretary to the Authority Kim Schurman.

Also present were: Governors' Authorities Unit Representative Nicholas Kant; additional individuals consisting of other NJTA employees; interested organizations; the general public; and a news reporter from New Jersey Advanced Media.

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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 at least two newspapers and notice has been forwarded to the Secretary of State, Trenton, New Jersey. In addition, notice of said meeting has been and is being displayed in the main lobby of the Authority's Administration Headquarters in Woodbridge.

Executive Director Mrozek takes Roll Call and the Following Were Present:

1. Chairman Hammer
2. Vice Chairman Gravino
3. Treasurer DuPont (not present)
4. Commissioner Pocino
5. Commissioner Diaz
6. Commissioner Minella
7. Commissioner Salerno (not present)

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EXECUTIVE SESSION

A motion to enter into Executive Session, not open to the public in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-12(b), to discuss matters pertaining to:

- Contract Negotiations

The motion was made by Vice Chairman Gravino and seconded by Commissioner Pocino, and, after the voice vote, the motion was duly adopted by the Board of Commissioners of the New Jersey Turnpike Authority.

Executive Session was adjourned at 9:24 a.m. Chairman Hammer resumed the public portion of the meeting at 9:27 a.m.

Executive Director Mrozek takes Roll Call and the Following Were Present:

1. Chairman Hammer
2. Vice Chairman Gravino
3. Treasurer DuPont (via telephone)
4. Commissioner Pocino
5. Commissioner Diaz
6. Commissioner Minella
7. Commissioner Salerno (arrived at 9:05 a.m.)

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ACTION ON MINUTES

The Executive Director reported that ten days, excluding Saturdays, Sundays and holidays, have elapsed since Governor Chris Christie received the proceedings of the regular meeting of September 26, 2017; he did not exercise his power to veto any items in those minutes.

Upon motion made by Commissioner Pocino seconded by Commissioner Diaz the minutes of the meeting was unanimously approved.

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RECUSALS

The Executive Director reported recusals or abstentions submitted for the record:

- Commissioner Pocino Items 258 and 260 through 265
- Commissioner Minella Item 261

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PUBLIC COMMENT

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None

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EXECUTIVE DIRECTOR'S COMMENTS

ED Mrozek advised that as part of the Great Egg Harbor Bridge project, the Authority, pursuant to a reimbursement agreement, demolished the Beesley's Point Bridge. ED Mrozek advised that the Authority recently received the \$3,000,000 reimbursement payment from Cape May County.

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COMMISSIONER'S COMMENTS

VC Gravino commented that the "go-live" for the Authority's new E-ZPass contract with Conduent occurred on October 17, 2017. He said this project, which will improve customer service, required a "herculean" effort. He thanked those who have been the leaders of the project – Barry Pelletteri, Jim Roberts, Lou Polise, Denise deSante, Stanley Ciszewski, and HNTB staff.

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HUMAN RESOURCES

Director of Human Resources Mary-Elizabeth Garrity requested approval of item number 255-10-2017. Moved is the item as follows:

255-10-2017

Human Resources Director Mary Elizabeth Garrity submitted the **Personnel Agenda**, dated October 24, 2017, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

On motion by Vice Chairman Gravino and seconded by Commissioner Pocino 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.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	MINELLA	SALERMO
YES	YES	YES	YES	YES	YES	YES

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LAW

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General Counsel Bruce Harris requested approval of item number 256-10-2017. Moved is the item as follows:

256-10-2017

In a memorandum dated October 12, 2017, **Authorization to Approve the Authority's Agreement with Voya Financial and to Approve an Amendment to the New Jersey Turnpike Authority Employees' Deferred Compensation Plan**, was approved.

The New Jersey Turnpike Authority (the "Authority") maintains a tax deferred savings plan for the benefit of employees and retirees ("Participants") in accordance with Internal Revenue Code Section 457(b) known as the New Jersey Turnpike Authority Employees' Deferred Compensation Plan (the "Plan"). Two other agencies participate in the Plan, namely, the Burlington County Bridge Commission and the South Jersey Transportation Agency. The Plan was amended and restated in 2011 via Agenda Items 350-11-2011, and 432-12-2011, and amended in 2016 via agenda item 403-12-2016 so as to, among other things, comply with IRS regulations and update the contribution limits under the Plan. The Plan is administered by Voya Financial ("Voya"), with the assistance of a Plan Administrator, currently the Authority's Director of Human Resources, Mary-Elizabeth Garrity, and an Administrative Committee, consisting of employees of the Authority (the "Administrative Committee").

Recently, Voya advised the Authority and the Administrative Committee that it was updating its services and moving all of its clients to a new computer platform which would enable Voya to offer the Authority an updated service contract with enhanced services. In early 2017, Voya provided the proposed service contract endorsement to the Authority and the Authority's consultant, The Segal Group, Inc. ("Segal") to review. Segal negotiated a number of features of the contract endorsement to make it more beneficial to the Participants. Changes to the platform and the contract endorsement include the ability for Participants to take actions to their accounts electronically without assistance from Voya or the Authority; more efficient administration procedures; and, more dynamic participation by Participants via the availability of a self-directed brokerage account. All changes to the Plan and the contract endorsement have been reviewed by Authority counsel and approved by the Law department. The changes to the computer platform are scheduled to take place in late October or early November; the changes to the service contract are scheduled to take place in December.

The proposed changes to the contract will require the following amendments to the Plan:

Sections 1.21, 1.22 and 1.23 are changed to Section 1.22, 1.23 and 1.24, respectively. Section 1.21 of the Plan would be amended to read as follows: "Self-Directed Brokerage Account" means a Participant account offered by TD Ameritrade to the Plan which an eligible Participant may elect to use for maximum investment control.

Sections 3.03, 3.04, and 3.05 are changed to Section 3.04, 3.05 and 3.06, respectively. Section 3.03 of the Plan would be amended to read as follows: "Self-Directed Brokerage Account. A Participant may elect to open a Self-Directed Brokerage Account by signing a TD Ameritrade Individual Account Agreement. The Administrative Committee may establish eligibility requirements for a Self-Directed Brokerage Account such as the minimum amount that can be transferred to, the maximum percentage of the Participant's Plan balance that may be held in, the source of the funds transferred to, and the treatment of distributions from the Self-Directed Brokerage Account. The Administrative Committee may also limit the type of assets that can be

held by a Self-Directed Brokerage Account.

A Self-Directed Brokerage Account can only invest in mutual funds. Subject to certain restrictions, the Participant can purchase and sell the funds held in the Self-Directed Brokerage Account at any time. In addition, an annual fee and other service provider fees may be assessed against the Self-Directed Brokerage Account. Additional information regarding a Self-Directed Brokerage Account may be obtained from the Plan Administrator."

Therefore, authorization is requested to amend and adopt the new service contract and the contract endorsement with Voya and to amend the Plan as set forth above. It is further recommended that the Executive Director, Plan Administrator, and the Administrative Committee be authorized to take such actions, execute such documents, and do all things necessary to effectuate the intent of these recommendations.

257-10-2017

Item not used

On motion by Vice Chairman Gravino and seconded by Commissioner Salerno, the Board unanimously approved item number 256-10-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	MINELLA	SALERMO
YES	YES	YES	YES	YES	YES	YES

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ENGINEERING

Chief Engineer Robert Fischer requested approval of item number 261-10-2017. Moved is the item as follows:

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ORDER FOR PROFESSIONAL SERVICES

261-10-2017

In a document dated October 4, 2017, **Recommendation to Issue Supplement A to Order for Professional Services No. T3548, New Jersey Turnpike, Hardesty & Hanover, LLC, Design Services for Contract No. T100.344, Jersey Avenue Vehicular Bridge over the Morris Canal, RM-135004, Budget Code: 080C18028, Original OPS Amount: \$1,260,000.00, Amount of Supplement A: \$380,000.00, Revised OPS Amount: \$1,640,000.00**, was approved.

This Order for Professional Services was approved at the March 2014 Commission Meeting in the amount of \$1,260,000.00 to provide for the project conceptual development, preliminary and final design services, permitting, preparation of contract documents and post-

construction consultation services for the construction of a new bridge carrying the Turnpike feeder road, Jersey Avenue, over the Morris Canal in Jersey City.

Supplement A will fully compensate Hardesty & Hanover, LLC for additional engineering services required for various out of scope tasks that are outside the scope of the original OPS. The additional design services include: 1) assist Jersey City with preparation of documents required to complete a previously unrecorded land swap with NJDEP Green Acres, and to assist Green Acres with the application to National Park Service for conversion of property encumbered by Land & Water Conservation Funding, 2) design and coordinate bridge mounted support hangers to carry PSE&G Electric and Jersey City MUA facilities, 3) design changes to the Preliminary Submission in response to Jersey City and NJDEP comments, 4) coordination with NJ Transit in order to determine required improvements at the Hudson Bergen Light Rail at-grade crossing of Jersey Avenue, 5) coordination and preparation of documents to assist Jersey City in recording a conservation easement for the Hudson River Walkway as required by NJDEP, 6) survey and design services relating to the extension of project limits to incorporate a signal design at the intersection south of the project limits, 7) incorporation of a sidewalk on the bridge and approach roadway, in response to comments made by Liberty State Park/NJDEP Green Acres, 8) revisions to the proposed roadway lighting design as per comments from Liberty State Park and 9) preparation of a NJDEP permit modification based on extension of the project limits and incorporation of sidewalk on the bridge and reapplication for USACOE and US Coast Guard authorizations.

It is, therefore, recommended that Supplement A to Order for Professional Services No. T3548 be issued to Hardesty & Hanover, LLC not to exceed the amount of \$380,000.00 with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$1,260,000.00 to \$1,640,000.00. The original contract was procured pursuant N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.

On motion by Commissioner Diaz and seconded by Vice Chairman Gravino, the Board unanimously approved item numbers 261-10-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	MINELLA	SALERMO
YES	YES	YES	RECUSED	YES	RECUSED	YES

Chief Engineer Robert Fischer requested approval of item numbers 258-10-2017, 260-10-2017 and 262-10-2017 through 264-10-2017. Moved are the items as follows:

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ORDER FOR PROFESSIONAL SERVICES

258-10-2017

In a document dated September 28, 2017, Recommendation to Issue Order for

Professional Services No. P3606 and P3607, Garden State Parkway, LS Engineering Associates Corporation – OPS No. P3606, Cherry, Weber & Associates, P.C. – OPS No. P3607, Engineering Services for the 2018 New Jersey Turnpike Authority Bridge Inspection Program, Order for Professional Services No. P3606, Garden State Parkway - Group 2, Milepost 96 to 123, RM-134994, Budget Code: 040E10018, Funding allocation: \$600,000.00 FY2018, \$110,000.00 FY 2019, Amount \$710,000.00, And, Order for Professional Services No. P3607, Garden State Parkway - Group 4, Milepost 149 to 172, RM-134995, Budget Code: 040E10018, Funding allocation: \$615,000.00 FY2018, \$110,000.00 FY 2019, Amount \$725,000.00, was approved.

Through this single procurement process the Authority will select two consultants to furnish engineering services for annual bridge inspections on the Garden State Parkway.

The engineering services associated with OPS No. P3606 provides for the inspection of 124 bridges in the southern portion of the Garden State Parkway.

The engineering services associated with OPS No. P3607 provides for the inspection of 122 bridges in the northern portion of the Garden State Parkway.

Both OPS' include FHWA Structure Inventory and Appraisal (SI&A) form updates, FHWA Element Level Inspection data collection and 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 33 engineering firms were prequalified and eligible under Profile Code: D280C - Bridges, NBIS Program, Complex. Eleven firms submitted EOIs by the closing date of August 16, 2017.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking: 1) Cherry, Weber & Associates, P.C.; 2) LS Engineering Associates Corporation and 3) Arora and Associates, P.C. These three firms were requested to submit sealed Fee Proposals. Fee Proposals submitted by the three highest ranking firms have been reviewed. A review of the fee proposal of the highest technically ranked firm, Cherry, Weber & Associates, P.C., for OPS No. P3607 (their preferred OPS) resulted in a reduction in their fee proposal. Subsequently, negotiations with the second highest technically ranked firm, LS Engineering Associates Corporation for OPS No. P3606 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. P3606 be issued to the firm of LS Engineering Associates Corporation of Montville, NJ, not to exceed the amount of \$710,000.00 allocated as follows: \$600,000.00 in 2018 and \$110,000.00 in 2019. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.73 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. P3607 be issued to the firm of Cherry, Weber & Associates, P.C. of Freehold, NJ, not to exceed the amount of \$725,000.00 allocated as follows: \$615,000.00 in 2018 and \$110,000.00 in 2019. 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 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 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).

259-10-2017

Item not used

260-10-2017

In a document dated October 4, 2017, Recommendation to Issue Order for Professional Services No. T3663, New Jersey Turnpike, Gannett Fleming, Inc., Design Services for Contract No. T300.463 E-Z Pass Improvements at Interchange 6 Toll Plaza, RM-135703, Budget Code: 080C00016, Amount: \$895,000.00, was approved.

This Order for Professional Services will provide preliminary and final design engineering and permitting services to implement additional Express E-Z Pass toll collection lanes in the eastbound and westbound directions at New Jersey Turnpike Interchange 6 Toll Plaza on the Pearl Harbor Memorial Turnpike Extension in Florence Township, Burlington County. The existing eastbound and westbound toll plazas have one (1) Express E-Z Pass lane in each direction. Anticipated work for this OPS includes toll collection equipment modifications, toll plaza electrical/communications work, approach roadway modifications, ground mounted and overhead signing improvements, permitting and post design services. Once this work is completed, two (2) Express E-Z Pass lanes will operate in each direction.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not exceeding \$2,000,000.00. The solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 23 engineering firms were prequalified and eligible under Profile Codes: A250 – Fully Controlled Access Highways and A256 - Toll Plazas (site, islands, tunnels, canopy). Two firms submitted EOIs by the closing date of September 18, 2017.

Based on language provided in the Authority's Regulation N.J.A.C. 19:9-2.8 which states: "For all projects, if fewer than three EOIs 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 two EOIs received. Subsequent to the scoring of the EOIs by the Review Committee, Fee Proposals were requested from these two firms. The firms in the order of ranking are: 1) Gannett Fleming, Inc. and 2) Stantec Consulting Services, Inc. The fee submitted by Gannett Fleming, 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. T3663 be issued to the firm of Gannett Fleming, Inc. of Piscataway, New Jersey, in an amount not to exceed \$895,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.8 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).

261-10-2017

Item done separately

262-10-2017

In a document dated September 26, 2017, **Recommendation to Issue Supplement B to Order for Professional Services No. P3269, Garden State Parkway, Stantec Consulting Services, Inc., Design and Environmental Permitting for Improvements at GSP Interchange 125, RM-135006, Budget Code: 39023024, Original OPS Amount: \$ 4,354,000.00, Amount of Supplement A: \$ 3,335,000.00, Amount of Supplement B: \$200,000.00, Revised OPS Amount: \$ 7,889,000.00**, was approved.

This Order for Professional Services was approved at the March 30, 2010 Commission Meeting in the amount of \$4,354,000.00. The scope involves professional services for the preliminary engineering, final design and environmental permitting required for the construction of interchange improvements considered necessary to accommodate projected future traffic volumes at Interchange 125 in the Borough of Sayreville, Middlesex County.

Supplement A in the amount of \$3,335,000.00 compensated Stantec Consulting Services, Inc. (Stantec) for extensive unanticipated efforts involving multiple revisions to the project scope during the course of design which resulted in the decision to undertake improvements at the interchange that were substantially more complex and had a significantly

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higher construction cost than what had been provided for in Stantec's original scope. A majority of the unanticipated services were a direct result of the need to accommodate changes made by the adjacent development, Luxury Point (SSA), which proposes a large residential, commercial and retail site adjacent to the interchange. Because of the effect that this development had on the scope of the Authority's interchange improvements, the developer had agreed to contribute \$15,000,000 towards the cost of the project in the form of a Cost Sharing Agreement, the terms of which were ratified at the Authority's November 18, 2014 Commission Meeting.

Supplement B will compensate Stantec for additional design services not originally anticipated for this Order for Professional Services. Additional design services include effort related to the preparation of a change of plan for the removal of the branch toll lanes at the Raritan South Toll Plaza which are no longer necessary due to opening of the new Ramp 125SBX and changes of plan to accommodate the current traffic pattern at Chevalier Avenue adjacent to the development, which is not in its final build condition.

It is, therefore, recommended that Supplement B to Order for Professional Services No. P3269 be issued to Stantec Consulting Services, Inc. not to exceed the amount of \$200,000.00, with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$7,689,000.00 to \$7,889,000.00. The original contract was procured pursuant N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

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FINAL ACCEPTANCES

263-10-2017

In a document dated October 6, 2017, **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
T100.276	Allied Painting, Inc.	\$10,977,062.00	3	(\$359,670.84)	\$10,617,391.16	\$109,951.47
T100.449	Moretrench American Corporation	\$3,500,000.00	1	(\$1,205,118.40)	\$2,294,881.60	\$65,694.98
P300.225	South State, Inc.	\$32,536,509.75	9	\$2,574,862.44	\$35,111,372.19	\$351,113.71
T100.125	El Sol Contracting & Construction Corp.	\$68,217,000.00	11	(\$565,050.76)	\$67,651,949.24	\$693,753.00
Total						\$1,220,513.16

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.

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**ACKNOWLEDGE REPORTS OF
ENGINEERING EXPENDITURES UNDER DELEGATED AUTHORITY**

264-10-2017

Acknowledge Reports of Engineering Expenditures Under Delegated Authority

- Construction Contract Progress Summary
- Change Order Summary

On motion by Vice Chairman Gravino and seconded by Commissioner Diaz, the Board unanimously approved item nos. 258-10-2017, 260-10-2017 and 262-10-2017 through 263-10-2017; 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 264-10-2017 and received same for file.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	MINELLA	SALERMO
YES	YES	YES	RECUSED	YES	YES	YES

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MAINTENANCE

Director of Maintenance, Kenneth McGoldrick requested approval of item number 265-10-2017. Moved is the item as follows:

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ACKNOWLEDGE REPORTS OF

MAINTENANCE EXPENDITURES UNDER DELEGATED AUTHORITY

265-10-2017

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

- Construction Contract Progress Report
- Change Order Summary

On motion by Commissioner Salerno and seconded by Commissioner Diaz, the Board unanimously approved item numbers 265-10-2017; 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 265-10-2017 and received same for file.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	MINELLA	SALERMO
YES	YES	YES	RECUSED	YES	YES	YES

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PROCUREMENT (“PMM”)

Director of Procurement and Materials Management Andrea Ward, requested approval of item numbers 266-10-2017 through 271-10-2017. Moved are the items as follows:

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PUBLIC BIDS SOLICATIONS

266-10-2017

In a document dated October 6, 2017, Uninterruptable Power Supply (UPS) at the Cranbury State Police Facility, Weissco Power, LLC, RM-134194 (ITS), Budget Code: Various, Amount: \$169,904.00, was approved.

Under this contract, Weissco Power, LLC (“Weissco”) will provide and install an Uninterruptable Power Supply (“UPS”) at the NJ State Police facility in Cranbury. The existing UPS at the facility has reached its “End of Life” and replacement parts are not available. This essential equipment provides back-up power to all technology and communications equipment associated with this facility. The bid was fully advertised as brand name or “Approved Equivalent” and the six (6) vendors listed in the Authority’s database for this service were notified of the procurement. On September 26, 2017, bids were received as follows:

<u>Vendor</u>	<u>Total Bid Price</u>
Weissco Power, LLC, Califon, NJ	\$ 169,904.00
HBC Company, Inc.	\$ 179,100.00
Departmental Estimate: \$233,000.00	

Non Compliance:

Weissco also proposed two alternates to the brand name bid, in compliance with the Instructions to Bidders, Section III.E Alternates. Alternate A (Xtream UPS \$158,915.00) and Alternate B (Staco UPS \$160,105.00). The ITS Department reviewed the two alternate bids and deemed both not to be an “Approved Equivalent” to the unit specified in the bid and therefore non-compliant.

Bids were procured, and authorization is being sought to award these contracts 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). These awards are also 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 to Weissco Power, LLC to provide and install a UPS at the NJ State Police facility in Cranbury for a total amount not to exceed \$169,904.00, subject to funding availability at the time of ordering.

267-10-2017

In a document dated October 4, 2017, **Inspection and Maintenance of Elevators and Dumbwaiters, Kencor, Inc., RM-134733 (Maintenance), Budget Code: Various, Amount: \$289,340.00 (2-Year Contract)**, was approved.

Under this contract, Kencor, Inc. will inspect, test, maintain, service and repair the approximately 36 elevators and 11 dumbwaiters located in Authority facilities along both Roadways. Bidders were required to bid a monthly cost for maintenance, inspection and testing at each location, as well as regular and emergency hourly rates for additional services as directed by Authority staff. The bid was fully advertised and the four (4) vendors listed in the Authority's database for this service were notified of the procurement. On September 26, 2017, two (2) bids were received as follows:

<u>Vendor</u>	<u>Total Bid Price</u>
Kencor, Inc. West Chester, PA	\$289,340.00
Slade Industries Inc. Mountainside, NJ	\$864,240.00
Departmental Estimate: \$250,000.00	

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 also 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 to Kencor, Inc. to inspect, test, maintain, service and repair elevators and dumbwaiters for a total amount not to exceed \$289,340.00, subject to funding availability at the time of services. Authorization is further requested for the Executive Director to approve each of the two, one-year extensions upon satisfactory performance by the vendor.

268-10-2017

In a document dated October 10, 2017, **Henderson Snow Plow Parts, Henderson Products, Inc., RM-134984 (Inventory), Budget Code: Various, Amount: \$ 263,289.00 (2-Year Contract)**, was approved.

Under this contract, Henderson Products, Inc. will provide Henderson snow plow parts to be stored in inventory for use on both Roadways. Bidders were required to bid unit and total prices for 34 different plow parts, as well as a discount off manufacturer's list for miscellaneous

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parts. The bid was fully advertised and the 8 vendors listed in the Authority's database for these parts were notified of the procurement. On October 4, 2017, one bid was received as follows (Unit prices are available from the PMM Department):

<u>Vendor</u>	<u>Total Bid Price</u>
Henderson Products, Inc., Kenvil, NJ	\$ 263,289.00

Departmental Estimate: \$250,000.00

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 also 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 two-year contract to Henderson Products, Inc. for snow plow parts for a total amount not to exceed \$263,289.00, subject to funding availability at the time of ordering. Authorization is further requested for the Executive Director to approve each of the two, one-year extensions upon satisfactory performance by the vendor.

269-10-2017

In a document dated October 13, 2017, **Routine Towing Services on the New Jersey Turnpike and Routine Towing and Emergency Services on the Garden State Parkway, Various Towing Contractors, RM-124061 (Operations), Amount: [No cost to the Authority]**, was approved.

The Authority has promulgated uniform regulations for the procurement of contracts for routine towing and emergency services on the Garden State Parkway ("Parkway") and routine towing services on the New Jersey Turnpike ("Turnpike") (collectively "Towing Services") (N.J.A.C 19:9-2.137). Consistent with those regulations, the Authority publicly advertised contracts for Towing Services at several service provider locations (hereinafter referred to as "Zones") on the Roadways. The Request for Bid sought contracts for six (6) Zones on the Parkway (Zones 5, 6, 7, 8, 9 and 10) and nine (9) Zones on the Turnpike (Zones 2, 4, 5, 7, 9, 13, 15E, 15W and 18W). The Authority intends to award up to two contracts per Zone on the Parkway and up to three contracts per Zone on the Turnpike. The resulting contracts will be for a period of four (4) years.

The solicitation process for Towing Services consists of two parts. First, interested contractors must be prequalified by the Authority based on a number of operational and legal/administrative criteria including, but not limited to, experience, location of garage, client references, garage and equipment inspection, and criminal background check. Second, prequalified contractors are then permitted to bid the Towing Service fees for three items to be

charged to patrons who use Towing Services, up to the maximum fee set forth in the Authority's regulations (N.J.A.C 19:9-3.1.): A) Class I Vehicles up to a maximum of \$72.00; B) Straight truck, car with trailer, or trailer without car, up to \$132; and C) Tractor trailer or buses, up to \$250. Bid fees are weighted based on service category, and contracts are awarded to those contractors who bid the lowest weighted prices for the Towing Service fees within each Zone.

The Authority received 21 prequalification applications (some contractors submitted multiple applications for different Zones, as permitted). The prequalification applications were thoroughly reviewed by staff from the Authority's Legal, Operations, Procurement and Materials Management, and State Police Departments ("Evaluation Team"). Twelve contractors were prequalified to bid on both Roadways.

On October 4, 2017, 11 bids were received. The following Contractors were prequalified, submitted bids and are the lowest responsible bidders for the referenced Zones as follows (actual bid rates are provided along with the total weighted price that was used for comparative purposes; **awardees in bold**):

Garden State Parkway

<u>Zone 5</u>	(1 Contract Available)	MM 78.5 to MM 89			
		Class 1 Vehicles Weight Factor (90%)	Straight Trucks, Carsw/Trailers Weight Factor (5%)	Tractor Trailer, Bus Weight Factor (5%)	(Total Weighted Price)
Thomas Makuch, LLC Db Accurate Towing Service Toms River, NJ		\$ 60.00 (\$54.00)	\$ 99.00 (\$4.95)	\$ 220.00 (\$11.00)	(\$ 69.95)

<u>Zone 10</u>	(1 Contract Available)	MM 118.5 to MM 126.6			
		Class 1 Vehicles Weight Factor (90%)	Straight Trucks, Carsw/Trailers Weight Factor (5%)	Tractor Trailer, Bus Weight Factor (5%)	(Total Weighted Price)
P&J Auto Body, Inc. Keasby, NJ		\$ 72.00 (\$64.80)	\$ 132.00 (\$6.60)	\$ 250.00 (\$12.50)	(\$ 83.90)

New Jersey Turnpike

<u>Zone 2</u>	(2 Contracts Available)	INT.1 to INT.2 (Northbound) INT.3 to INT.2 (Southbound)			
		Class 1 Vehicles Weight Factor (80%)	Straight Trucks, Carsw/Trailers Weight Factor (10%)	Tractor Trailer, Bus Weight Factor (10%)	(Total Weighted Price)
Reihl's Towing & Maintenance, Inc. Clarksboro, NJ		\$ 72.00 (\$57.60)	\$ 132.00 (\$13.20)	\$ 250.00 (\$25.00)	(\$ 95.80)

<u>Zone 5</u>	(1 Contract Available)	INT.4 to INT.5 (Northbound) INT.7 to INT.5 (Southbound)			
		Class 1 Vehicles Weight Factor (80%)	Straight Trucks, Cars w/Trailers Weight Factor (10%)	Tractor Trailer, Bus Weight Factor (10%)	(Total Weighted Price)
Johnson Specialized Transportation, Inc. Burlington, NJ		\$ 72.00 (\$57.60)	\$ 132.00 (\$13.20)	\$ 250.00 (\$25.00)	(\$ 95.80)

Zone 9	(3 Contracts Available)	INT.8 to INT.9 (Northbound)		INT.11 to INT.9 (Southbound)	
		Class 1 Vehicles Weight Factor (80%)	Straight Trucks, Cars w/Trailers Weight Factor (10%)	Tractor Trailer, Bus Weight Factor (10%)	(Total Weighted Price)
Puleio's Service Center, Inc. North Brunswick, NJ		\$ 72.00 (\$57.60)	\$ 132.00 (\$13.20)	\$ 250.00 (\$25.00)	(\$ 95.80)

Zone 15E	(3 Contracts Available)	INT.13 to INT.15E (Northbound)		INT.17E to INT.15E (Southbound)	INT.15W to INT.15E (Southbound)	INT.15E to INT.14 (Southbound)	
		Class 1 Vehicles Weight Factor (80%)	Straight Trucks, Cars w/Trailers Weight Factor (10%)	Tractor Trailer, Bus Weight Factor (10%)			(Total Weighted Price)
Dente Bros. Towing, Inc. Newark, NJ		\$ 60.00 (\$48.00)	\$ 100.00 (\$10.00)	\$ 200.00 (\$20.00)			(\$ 78.00)
Moran Automotive & Towing, Inc. Kearney, NJ		\$ 72.00 (\$57.60)	\$ 132.00 (\$13.20)	\$ 250.00 (\$25.00)			(\$ 95.80)

Zone 15W	(2 Contracts Available)	INT. 15E to INT.15W (Northbound)		INT.16W to INT.15W (Southbound)	
		Class 1 Vehicles Weight Factor (80%)	Straight Trucks, Cars w/Trailers Weight Factor (10%)	Tractor Trailer, Bus weight Factor (10%)	(Total Weighted Price)
Moran Automotive & Towing, Inc. Kearney, NJ		\$ 72.00 (\$57.60)	\$ 132.00 (\$13.20)	\$ 250.00 (\$25.00)	(\$ 95.80)
Twin, Inc. Dba Twin Towing Belleville, NJ		\$ 72.00 (\$57.60)	\$ 132.00 (\$13.20)	\$ 250.00 (\$25.00)	(\$ 95.80)

Zone 18W	(2 Contracts Available)	INT. 16W to Route 46 Interchange (Northbound)		INT.16/18E and INT.17E Entry	Route 46 Interchange (North)	
		Class 1 Vehicles Weight Factor (80%)	Straight Trucks, Cars w/Trailers Weight Factor (10%)	Tractor Trailer, Bus Weight Factor (10%)		(Total Weighted Price)
Tumino's Towing, Inc. Ridgefield Park, NJ		\$ 72.00 (\$57.60)	\$ 130.00 (\$13.00)	\$ 250.00 (\$25.00)		(\$ 95.60)
John's Main Auto Body North Bergen, NJ		\$ 72.00 (\$57.60)	\$ 132.00 (\$13.20)	\$ 250.00 (\$25.00)		(\$ 95.80)

As indicated in the Tables above, several Zones on both Roadways did not receive sufficient bids to award the number of contracts required by the Operations Department for those Zones. Where vacancies exist in Zones following this award, the contracts will be re-bid to attempt to obtain the requisite number of contracts per Zone. Accordingly, it is also recommended that Zones in which no bids were received also be rebid (Parkway Zones 6, 7, 8, 9 and Turnpike Zones 4, 7, 13)

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 also 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 four (4) year contracts to the contractors highlighted in **bold** to provide routine towing Services and emergency services on both Roadways.

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PROFESSIONAL SERVICES

270-10-2017

In a document dated October 13, 2017, **Roadway Weather Information System Equipment and Services ("RWIS"), Vaisala, Inc., RM-133818 (ITS), Budget Code: Various, Amount: \$1,845,867.00 (One year with Four 1-year extensions)**, was approved.

The New Jersey Turnpike Authority ("Authority") issued a request for proposal ("RFP") to engage the services of a vendor to provide roadway weather information system ("RWIS") equipment and services. Specifically, the selected proposer will provide the Authority with the required hardware and software, along with system design, equipment configuration, system support, warranty and training services to implement the RWIS along both Roadways. This RWIS will monitor current pavement and atmospheric conditions for improved safety and mobility as well as increased winter operations efficiencies. System hardware will include approximately 24 fixed environmental sensing stations (12 on each of the two Roadways) and two (2) additional portable stations to be used as needed. System software will monitor and distribute each station's data to a centralized location where it will be used to support Authority decision-making.

The RFP was advertised on July 24, 2017 in the Star Ledger and the Asbury Park Press and posted on the Authority's and State of New Jersey websites. In addition, the 7 firms listed in the Authority's database for the referenced services were notified of the procurement. On August 24, 2017, proposals were received from the following three firms:

1. High Sierra Electronics, Grass Valley, CA
2. Traffic Products, Inc., Malvern, PA
3. Vaisala, Inc., Woburn, MA

An Evaluation Committee (the "Committee"), established by the Executive Director, consisted of personnel from the Authority's Information Technology Services ("ITS"), Maintenance and Operations Departments. In addition, staff from the ITS, Law, and Procurement and Materials Management Departments served as non-voting members of the Committee. The Committee reviewed the written proposals based on the criteria set forth in the RFP and scored each firm individually. Based on the Committee's review of the proposals, the Committee invited representatives from all three (3) firms to make oral presentations and provide best and final offers ("BAFO"s). Based upon the written and oral presentations, the Committee prepared a report that detailed the evaluation process and set forth its findings and recommendation.

The Committee found that all three firms were highly qualified and responsive to the Authority's Scope of Services. All three firms provided professional and comprehensive oral presentations and all three met or exceeded the minimum requirements for understanding, experience and technical compliance.

The Committee concluded that the proposal (written and oral presentation) submitted by

Vaisala, Inc. ("Vaisala") demonstrated a clear understanding of the Authority's needs and had a well-defined approach to the services. Vaisala's hardware and software offering met all the major technical requirements. In addition, the Committee was impressed with Vaisala's ability to interpolate thermal mapping data across the Roadways which in turn will provide contiguous overnight pavement forecasting and reporting tools that exceed the RFP requirements. Moreover, Vaisala presented the most extensive list of transportation agency customers throughout the US and local to New Jersey, including NJDOT, PANY/NJ, MTA Bridges and Tunnels, PennDOT and the NY Thruway. Vaisala's BAFO for professional services, equipment, five (5) years of hosted software, and hardware and software maintenance was \$1,845,867.00, lowest of all three proposers (36% lower than the next lowest proposal).

This professional services procurement was conducted in accordance with *N.J.S.A. 27:23-6.1*, *N.J.A.C. 19:9-2.1(b)*, Executive Order No. 37 (Corzine 2006), and Executive Order No. 26 (Whitman 1994). This award is 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 award a contract to Vaisala, Inc. to provide a roadway weather information system and related support services on both Roadways for an amount not to exceed \$1,845,867.00, subject to funding availability at the time of order or service. It is also requested that the Executive Director be authorized to take such actions and to execute any and all documents that may be deemed necessary and appropriate to further the intent and purpose of the authorizations stated herein.

271-10-2017

In a document dated October 10, 2017, **Supplement B to the New Jersey E-ZPass Services Contract–2018/2019 Tag Swap Program, Conduent State & Local Solutions, Inc., R-135419 (ITS), Budget Code: 010 00 950 270097, Amount (Not To Exceed): \$ 9,042,000.00,** was approved.

Authorization is requested to approve Supplement B to the New Jersey E-ZPass Services Contract ("Services Contract") approved under Agenda Item No. 398-09-2015 between the Authority, Conduent State & Local Solutions, Inc. ("Conduent") (formerly Xerox State & Local Solutions, Inc.), and the other agencies of the New Jersey E-ZPass Group. The requested Supplement will compensate Conduent for services which were not included in the original Service Contract, namely the 2018/2019 Tag Swap Program for the period January 1, 2018 to June 30, 2019. This Swap Program will replace an estimated 1,100,000 E-ZPass transponders ("Tags") which have or will soon reach the end of their estimated useful life. The replacement Tags will be procured under a separate contract with Kapsch TrafficCom IVHS, Inc.

The Tag Swap Program services to be provided by Conduent under Supplement B include: 1) account management for the Tag Swap Program; 2) preparation and dissemination of all correspondence to customers associated with the Tag Swap; 3) issuing new Tags; 4) payment of postage costs; and 5) disposal of returned Tags. Conduent will be compensated at a unit cost not to exceed \$8.22 per Tag swapped. The compensation to Conduent for these supplemental services will be in an amount not to exceed \$9,042,000.00. The Authority will seek reimbursement for a portion of these costs from the other agencies of the New Jersey E-ZPass Group.

Accordingly, authorization is requested to authorize Supplement B to the Services Contract with Conduent State and Local Solutions, Inc. for an amount not to exceed \$9,042,000.00.

On motion by Vice Chairman Gravino and seconded by Commissioner Pocino, the Board unanimously approved item numbers 266-10-2017 through 271-10-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	MINELLA	SALERMO
YES	YES	YES	YES	YES	YES	YES

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GENERAL BUSINESS

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OPERATIONS

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Director of Operations Henry Eibel requested approval of item number 272-10-2017. Moved is the item as follows:

272-10-2017

Director of Operations Henry Eibel requested acceptance of the Resume of All Fatal Accidents for the Garden State Parkway and New Jersey Turnpike: Period 01/01/2017 through 9/30/2017; both with 2016-2017 Yearly Comparisons through September 2017.

On motion by Commissioner Pocino and seconded by Commissioner Diaz, the Board unanimously approved item number 272-10-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	MINELLA	SALERMO
YES	YES	YES	YES	YES	YES	YES

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STATE POLICE

273-10-2017

Major Eric Heitmann requested acceptance of the New Jersey State Police Troop D Activity Reports, for September 2017, with 2016 – 2017 Yearly Comparisons.

On motion by Commissioner Pocino and seconded by Vice Chairman Gravino, the Authority unanimously accepted the reports contained in item number 273-10-2017 and received same for file.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	MINELLA	SALERMO
YES	YES	YES	YES	YES	YES	YES

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FINANCE

Chief Financial Officer Donna Manuelli requested approval of item number 274-10-2017. Moved is the item as follows:

274-10-2017

Chief Financial Officer Donna Manuelli presented the Financial Summary for the Nine (9) months ended September 30, 2017.

On motion by Vice Chairman Gravino and seconded by Commissioner Diaz, the Board unanimously approved item number 274-10-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	MINELLA	SALERMO
YES	YES	YES	YES	YES	YES	YES

Chief Financial Officer Donna Manuelli requested approval of item number 275-10-2017 and 276-10-2017. Moved are the items as follows:

275-10-2017

In a memorandum dated October 13, 2017, Authorization to Adopt the 2018 Annual Budget, was approved.

Attached for your consideration is the 2018 Annual Budget, which includes the Authority's Revenue Budget, Operating Expense Budget, Debt Service Fund Budget, Maintenance Reserve Fund Budget, Special Project Reserve Fund Budget, Supplemental Capital Budget, and General Reserve Budget.

In 2018, the Authority will continue its commitment to prudently manage the finances and operations of the Authority to provide its customers with a safe, efficient, innovative and resilient roadway system. The 2018 Annual Budget provides sufficient funding to meet these Authority

goals for its legacy roadway systems as well as the added lane miles from the widenings of the New Jersey Turnpike ("Turnpike") and Garden State Parkway ("Parkway"). The roadway widening programs continue, and the Garden State Parkway widening from Mileposts 35 to 42 is expected to be completed in 2018. The Authority continues to focus on state of good repair, and continues to increase its Maintenance Department staff to meet the demands of the added roadway capacity, while reducing headcount in administrative departments through technology efficiencies. As part of the Authority's commitment to safety, the 2018 Annual Budget provides for potential additional State Troopers to patrol the roadways.

The Authority arrived at the 2018 Annual Budget by engaging in a comprehensive budget preparation process, which began several months ago and directed departmental managers to think strategically as well as identify all opportunities to achieve operational efficiencies. With a critical eye, directors reviewed their respective departmental budgets and evaluated all positions and line item expenditures, as well as all proposed project budgets.

The proposed 2018 Annual Budget accomplishes the following:

- (1) Provides sufficient funding for operating expenses to operate and maintain the legacy roadway system as well as the increased capacity added by the Turnpike and Parkway widening projects. The 2018 Annual Budget also provides funding to maintain the Authority's commitment to safety, while controlling operating expenses in all other functional areas;
- (2) Provides for debt service payments of nearly \$810,000,000, and includes projected interest payments on the final new money bond issuance expected in 2018. This new money issuance of approximately \$525,000,000 is expected to complete the funding of the \$7 Billion Capital Improvement Program;
- (3) Provides more than \$336,000,000 of spending on Maintenance Reserve, Special Project Reserve, and Supplemental Capital projects;
- (4) Maintains a minimum unencumbered General Reserve Fund balance in excess of \$150,000,000 as required by Board policy; and
- (5) Meets General Bond Resolution financial covenants, Board adopted financial targets, and all other financial obligations without the need for a toll increase.

The proposed 2018 Revenue Budget of \$1,787,775,000 includes a projected toll revenue increase of 2.0% on the Turnpike and 2.4 % on the Parkway as compared to the 2017 budget. The 2018 toll revenue budget was derived from a report done by the Authority's traffic engineering consultant in March 2017, while the 2017 toll revenue budget was derived from a report completed in October 2015. The March 2017 report, which was issued after the 2017 budget was adopted, revised the projections for 2017 and 2018 upward reflecting improved economic conditions, stable gas prices and actual results. The expected increase in toll revenue on both roads in 2018 is only about 0.9% higher than the estimate for 2017 included in the March 2017 report. Toll revenue projections for 2018 include the expected re-opening of the Pulaski

Skyway for a full year in 2018 and anticipate that motorists who previously used that toll-free facility prior to its closing would stop traveling the Turnpike and return to the Pulaski Skyway upon its re-opening. E-ZPass fees are budgeted to increase by about \$4,600,000, or 7.8%, as 2017 year-to-date fees have exceeded budget. When adjusting for actual results in 2017, the 2018 budget represents about a 1.5% increase due to higher administrative fees from enhanced collection efforts and increases in monthly membership fees from a continued increase in the number of New Jersey E-ZPass account holders. Interest income is expected to increase by \$3,000,000, or 25%, due to the continued expected rise in short term interest rates. In 2017, year-to-date interest income is nearly 30% above budget. Miscellaneous revenue is expected to decrease by about \$2,900,000 as less surplus property sales are expected in 2018.

The proposed 2018 Operating Expense Budget of \$538,965,400 represents a \$10,203,000 million, or 1.9%, increase as compared to the 2017 Operating Expense Budget. Similar to 2017, the 2018 the Operating Expense Budget will increase by less than 2%. Key cost factors in the 2018 Operating Expense Budget include the following:

- increased State Police costs of \$5,000,000 due to an anticipated additional 17 troopers assigned to the roadways as well as higher wages and pension costs for existing troopers;
- increased salaries and wages of \$3,400,000 reflecting an additional 23 new positions and fully funding vacant positions which were prorated in 2017;
- increased pension costs of \$2,800,000 based upon the Authority's estimated billing from New Jersey PERS;
- increased maintenance costs of \$2,300,000 for necessary work on both the roadways and facilities;
- increased health benefit costs of \$3,400,000 based upon estimated usage and medical and prescription inflation rates;
- Increased insurance costs of \$1,000,000 due to expected premium increases for general liability and property insurance.

Although it must absorb these significant and necessary cost increases, the Authority is able to propose a 2018 Operating Expense Budget with an increase of only \$10,203,000. This modest increase was achieved because the Authority is expected to achieve savings as compared to the 2017 budget from the new E-ZPass Customer Service Center contract, which became effective on February 1, 2017.

The 2018 Annual Budget also includes the 2018 Debt Service Fund Budget of \$809,410,000, which includes principal and interest payments payable through revenues on the Authority's currently outstanding bonds. The 2018 Debt Service Fund Budget is decreasing by about \$37 million, or 4.4%, as compared to the 2017 budget mainly due to lower principal payments on existing bonds. The anticipated new money borrowing in 2018 of up to \$525,000,000 is included in the 2018 Debt Service Fund Budget at an assumed interest rate of 5.0%. Debt service remains the single largest spending component of the annual budget, at 42% in 2018. The 2018 Annual Budget includes zero spending in the Charges Fund Budget, as all

expenditures have been eliminated due to the refunding of the underlying bonds in 2017.

Also included is the 2018 Maintenance Reserve Fund Budget totaling \$134,246,900, which primarily supports spending for the maintenance and resurfacing of roadway and bridges on the Turnpike and Parkway. The 2018 Maintenance Reserve Fund Budget includes all 2017 carry-over projects as well as new work to be completed in 2018. The budget is increasing by 1% compared to 2017, and includes new funding for roadway lighting repairs and increased funding for drainage structure and concrete barrier repairs. It should be noted that roadway resurfacing funding is increasing by 36% to more than \$70,000,000 in 2018 when combining the funding for roadway resurfacing in the Maintenance Reserve Fund with the funding in the Supplemental Capital Fund. The increase is necessary to keep the assets in a state of good repair according to maintenance cycles recommended by the Authority's General Consulting Engineer, HNTB Corporation ("HNTB").

The 2018 Special Project Reserve Fund Budget totaling \$140,627,000 includes all 2017 carry-over projects and is increasing by about 26% compared to the 2017 budget. The 2018 Special Project Reserve Fund Budget provides spending for the Authority's scheduled major fleet augmentation, which is the Authority's existing scheduled fleet replacement program, as well as funds for bridge and structure inspections, the pavement management system, the replacement of toll plaza canopy signs, and replacement of underground storage tanks among other necessary projects.

The 2018 Supplemental Capital Budget totaling \$140,327,000 is also part of the 2018 Annual Budget. This budget includes all 2017 carry-over projects, and provides about \$68,000,000 for new projects. The 2018 Supplemental Capital Budget includes funding to continue several necessary multi-year projects including the replacement of the Turnpike hybrid changeable message signs and the toll collection equipment on both roadways. Also included is funding to begin several new projects such as additional resurfacing on the Garden State Parkway, the installation of horizontal curve warning signs, and reconstruction of the Westerly Hackensack River Bridge piers on the New Jersey Turnpike.

Finally, the 2018 General Reserve Budget totals \$244,945,000 and includes the Authority's contractual payments due in calendar 2018 under the Transportation Trust Fund Agreement and State Transportation Projects Funding Agreement (2016-2021), extraordinary severe weather costs, and reserves for self-insured liability claims and other postemployment benefit costs.

As part of the 2018 Annual Budget, the Authority is updating its non-bargaining salary scale, which was last updated as part of the 2017 Annual Budget, to reflect current authorized position titles. Also included in the 2018 Annual Budget is the Authority's chart of senior staff.

The Authority's proposed 2018 Annual Budget provides the necessary Operating Expense Budget to maintain the widened roadways and existing facilities, cover additional

technology enhancements, and fund ongoing safety initiatives including an increased State Police presence, while controlling costs in all other functional areas. The 2018 Annual Budget also adequately funds the Authority's other project and reserve accounts without the need for a toll increase. The proposed 2018 Annual Budget allows the Authority to meet all General Bond Resolution financial covenants and is consistent with the Authority's Financial Management Principles and Guidelines. It is therefore recommended that the Authority adopt the attached 2018 Annual Budget. The Authority's General Consulting Engineer, HNTB, concurs with this recommendation. Your approval of this recommendation is respectfully requested.

276-10-2017

In a memorandum dated October 12, 2017, **New Jersey Turnpike Revenue Bond Resolution Certification 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 there from 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 2017 and 2018. 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 2017 and 2018.

As the basis for your review, I have prepared the following schedules relative to the two years under review, 2017 and 2018, 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 2017 and 2018, 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 2017's revenue requirements. Specifically, the schedule provides actual revenue through September 30, 2017 and projected revenue for the balance of the year (October-December, 2017).

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 "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 2018'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 2017 and 2018 will be sufficient to comply with Section 713 (b) of the Resolution.

[See Schedule A through G attached to these minutes.]

On motion by Commissioner Pocino and seconded by Treasurer DuPont, the Board unanimously approved item number 275-10-2017 and 276-10-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

HAMMER	GRAVINO	DuPONT	POCINO	DIAZ	MINELLA	SALERMO
YES	YES	YES	YES	YES	YES	YES

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EXECUTIVE

Chief Operating Officer John O'Hern requested approval of item numbers 277-10-2017.

Moved is the item as follows:

277-10-2017

01909

In a document dated October 2, 2017, **2018 Schedule of Board Meeting Dates**, was approved.

Authorization is requested to publish public notice of the 2018 New Jersey Turnpike Authority Board Meetings in accordance with Chapter 231, P.L. 1975, as set forth in the schedule submitted below. All Board Meetings will be held at the New Jersey Turnpike Authority Administration Offices located at 1 Turnpike Plaza, Woodbridge, New Jersey; commencing at 9:00 a.m., unless otherwise notified.

2018 BOARD MEETING DATES (Tuesdays, 9:00 a.m.)
January 30 th
February 27 th
March 27 th
April 24 th
May 22 nd
June 26 th
July 24 th
August 21 st
September 25 th
October 23 rd
November 20 th
December 18 th

On motion by Commissioner Diaz and seconded by Commissioner Minella, the Board unanimously approved item number 277-10-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL


HAMMER GRAVINO DuPONT POCINO DIAZ MINELLA SALERMO

YES YES YES YES YES YES YES


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The motion to adjourn was made by Treasurer DuPont and seconded by Vice Chairman Gravino, and, after the voice vote, the motion was duly adopted. The Board of Commissioners adjourned the meeting at 9:38 a.m., and advised that it will meet again on Tuesday, November 21, 2017, at 9:00 a.m., at the Authority's headquarters building located at 1 Turnpike Plaza in Woodbridge, New Jersey.

ATTEST:



Kim Schurman,
Secretary to the Authority



Joseph W. Mrozek,
Executive Director

Date: October 24, 2017

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 2017 and 2018, 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 2017 and 2018, 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 2017 and 2018 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, 2017

Operating Fund		\$ 508,800,000
Debt Service Requirements (1)		818,867,000
Charges Fund		155,000
Maintenance Reserve		116,751,000
Special Project Reserve		<u>39,696,000</u>
Total Requirements		1,484,269,000
Deduct Revenue:		
Actual Revenue Provision - January - September 2017 Revenue	\$ 1,352,881,000	
Estimated Revenue Provision October - December 2017 (Estimate per Schedule C)	<u>438,315,000</u>	<u>1,791,196,000</u>
Revenue Less Requirements		<u>\$ 306,927,000</u>

(1) Net Debt Service Requirement is as follows:

Series 2000 B-G Debt Service Requirement (2)	\$ 14,577,000
Series 2004 C-2 Debt Service Requirement	7,307,000
Series 2005 A-D Debt Service Requirement	21,638,000
Series 2009 E-I Debt Service Requirement	149,414,000
Series 2010 A Debt Service Requirement	131,387,000
Series 2012 A-B Debt Service Requirement	46,666,000
Series 2013 A-F Debt Service Requirement (2)(3)	285,193,000
Series 2014 A-C Debt Service Requirement (2)(4)	60,585,000
Series 2015 A-H Debt Service Requirement (2)(3)(4)	51,311,000
Series 2016 A-D Debt Service Requirement (2)(3)	14,304,000
Series 2017 A-D Debt Service Requirement (2)(3)	<u>36,485,000</u>
Total Debt Service	<u>\$ 818,867,000</u>

- (2) Variable rate debt with an associated Interest Swap Agreement has interest included at the fixed swap rate.
- (3) Floating rate notes also include the fixed credit spread as interest expense.
- (4) Interest on the \$5,000,000 unhedged portion is calculated at the maximum rate of 12%.

Schedule C

NEW JERSEY TURNPIKE AUTHORITY
 Certificate Required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2017

Month	Toll Revenue	E-ZPass Fees	Build America Bonds Subsidy	Concession Revenue	Income from Investments	Arts Center Revenue	Miscellaneous (1)	Total Revenue
October	\$ 135,397,000	\$ 4,864,000	\$ 6,356,000	\$ 2,952,000	\$ 996,000	\$ 39,000	\$ 1,084,000	\$ 151,688,000
November	126,283,000	5,202,000	6,356,000	2,922,000	1,004,000	38,000	1,084,000	142,889,000
December	127,334,000	4,872,000	6,356,000	2,946,000	1,050,000	96,000	1,084,000	143,738,000
	\$ 389,014,000	\$ 14,938,000	\$ 19,068,000	\$ 8,820,000	\$ 3,050,000	\$ 173,000	\$ 3,252,000	\$ 438,315,000

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

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Schedule D

NEW JERSEY TURNPIKE AUTHORITY
 Certificate Required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2017

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

Revenues		\$ 1,791,196,000
Operating Expenses		508,800,000
Net Revenues		<u>1,282,396,000</u>
(i) Debt Service Requirements	\$ 818,867,000	
(i) Charges Fund	155,000	
(i) Maintenance Reserve	116,751,000	
(i) Special Project Reserve	<u>39,696,000</u>	<u>975,469,000</u>
Excess Revenues		<u>\$ 306,927,000</u>
Net Revenues		\$ 1,282,396,000
(ii) "... 1.20 times Aggregate Debt Service"		
1.20 x \$ 818,867,000		<u>982,640,400</u>
Excess Revenues		<u>\$ 299,755,600</u>
Debt Service Coverage		<u>1.57</u>

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenues shall at least equal the Net Revenue Requirements for such year. 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 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)."

Schedule E

NEW JERSEY TURNPIKE AUTHORITY
 Certificate Required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2018

Operating Fund	\$ 538,965,000
Debt Service Requirements (1)	809,406,000
Charges Fund	-
Maintenance Reserve	119,086,000
Special Project Reserve	<u>40,490,000</u>
Total Requirements	1,507,947,000
Deduct Revenue:	
Estimated Revenue Provision January/December 2017 (Estimate per Schedule F)	1,787,775,000
Revenue Less requirements	<u>\$ 279,828,000</u>

(1) Net Debt Service Requirement is as follows:

Series 2004 C-2 Debt Service Requirement	\$ 7,307,000
Series 2005 A-D Debt Service Requirement	54,138,000
Series 2009 F-I Debt Service Requirement	111,897,000
Series 2010 A Debt Service Requirement	131,387,000
Series 2012 A-B Debt Service Requirement	205,101,000
Series 2013 A-F Debt Service Requirement	71,358,000
Series 2014 A-C Debt Service Requirement	62,113,000
Series 2015 A-H Debt Service Requirement (2)(3)(4)	51,553,000
Series 2016 A-D Debt Service Requirement (2)(3)	14,407,000
Series 2017 A-D Debt Service Requirement (2)(3)	87,020,000
Series 2018 Debt Service Requirement (5)	13,125,000
Total Debt Service	<u>\$ 809,406,000</u>

- (2) Variable rate debt with an associated Interest Swap Agreement has interest included at the fixed swap rate.
- (3) Floating rate notes also include 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) Assumed new money issuance in 2017 of up to \$525 million to fund the \$7 billion capital program.

031915

Schedule F

NEW JERSEY TURNPIKE AUTHORITY
 Estimated Revenue Provision
 January 2018 through December 2018

Month	Toll Revenue	E-ZPass Fees	Build America Bonds Subsidy	Concession Revenue	Income from Investments	Arts Center Revenue	Miscellaneous (1)	Total Revenue
January	\$ 114,114,000	\$ 4,844,000	\$ 6,356,000	\$ 3,180,000	\$ 1,049,000	\$ 423,000	\$ 844,000	\$ 130,810,000
February	104,928,000	4,654,000	6,356,000	2,635,000	1,012,000	423,000	844,000	120,852,000
March	126,583,000	5,109,000	6,356,000	2,359,000	1,122,000	422,000	844,000	142,795,000
April	130,624,000	4,656,000	6,357,000	2,961,000	1,151,000	327,000	845,000	146,921,000
May	139,464,000	5,415,000	6,356,000	3,310,000	1,312,000	327,000	844,000	157,028,000
June	139,333,000	5,265,000	6,356,000	3,681,000	1,638,000	327,000	844,000	157,444,000
July	148,291,000	5,811,000	6,356,000	4,292,000	1,205,000	326,000	844,000	167,125,000
August	148,927,000	5,848,000	6,357,000	4,592,000	1,535,000	327,000	845,000	168,431,000
September	132,670,000	5,375,000	6,356,000	4,069,000	1,224,000	327,000	844,000	150,865,000
October	137,214,000	5,899,000	6,356,000	3,051,000	1,264,000	38,000	844,000	154,666,000
November	127,977,000	5,672,000	6,356,000	2,933,000	1,224,000	39,000	844,000	145,045,000
December	129,042,000	5,252,000	6,357,000	2,937,000	1,264,000	96,000	845,000	145,793,000
	\$ 1,579,167,000	\$ 63,800,000	\$ 76,275,000	\$ 40,000,000	\$ 15,000,000	\$ 3,402,000	\$ 10,131,000	\$ 1,787,775,000

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

Schedule G

NEW JERSEY TURNPIKE AUTHORITY
 Certificate Required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2018

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

Revenues		\$ 1,787,775,000
Operating Expenses		538,965,000
Net Revenues		<u>1,248,810,000</u>
(i) Debt Service Requirements	\$ 809,406,000	
(i) Charges Fund	-	
(i) Maintenance Reserve	119,086,000	
(i) Special Project Reserve	<u>40,490,000</u>	<u>968,982,000</u>
Excess Revenues		<u>\$ 279,828,000</u>
Net Revenues		\$ 1,248,810,000
(ii) "... 1.20 times Aggregate Debt Service"		
1.20 x \$ 809,406,000		<u>971,287,200</u>
Excess Revenues		<u>\$ 277,522,800</u>
Debt Service Coverage		<u>1.54</u>

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenues shall at least equal the Net Revenue Requirements for such year. 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 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)."

