

**PROCEEDINGS OF NEW JERSEY TURNPIKE AUTHORITY  
WEDNESDAY, APRIL 16, 2008**

Chairman Kolluri called the Authority into session in the Executive Boardroom of the Authority's Administration Offices, Woodbridge, New Jersey, at 9:45 A.M.

**PRESENT**

Chairman Kris Kolluri; Commissioner Harold Hodes; Commissioner Clive Cummis; (and participating via telephone) Commissioner David Evans; and Commissioner Raymond Pocino.

Executive Director Michael Lapolla; Deputy Executive Director/Secretary Diane Scaccetti; Chief Engineer Richard Raczynski; Electronic Toll Collection Director Dennis Switaj; Finance Director Benjamin Hayllar; Garden State Art Center Foundation Operations & Programming Director Mary Ruotolo; Human Resources Director Mary Elizabeth Garrity; Internal Audit Director James Carone; Labor Relations Director John O'Hern; Law Director George Caceres; Deputy Law Director Kenneth Rotter; Maintenance Director Daniel McNamara; Operations Director Sean Hill; Purchasing Director Andrea Ward; Tolls Director Robert Quirk; Communications Director Joseph Orlando; New Jersey State Police Troop D Commander, Major Matthew Walker; and Assistant Secretary Rose Stanko.

Also present were: General Counsel John Hoffman and John Kelly; Co-General Counsel Judy Verrone; General Consultant James Beattie; Patricia Snyder, NJDOT Policy and Authorities Coordination; Authority Financial Advisor Dennis Enright; various individuals consisting of other NJTA employees, interested organizations and general public; and from the media: Larry Higgs, Asbury Park Press.

**NOTICE OF MEETING**

This is the rescheduled 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 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.

**APPROVAL OF MINUTES**

The Secretary reported that ten days (excluding Saturdays, Sundays and holidays) have elapsed since Governor Jon S. Corzine received the proceedings of the February 26<sup>th</sup> meeting and the March 11<sup>th</sup> special meeting; he has not exercised his power to veto any items in those minutes.

Upon motion made by Commissioner Pocino, seconded by Commissioner Hodes, the minutes of the meetings of February 26 and March 11, 2008 were unanimously approved.

**RECUSALS**

The Secretary reported that advisements of recusal have been submitted regarding agenda items: 85-08, 86-08 and 91-08 for Commissioner Pocino. She then asked for any further recusals or abstentions to be placed on record for this meeting. There was no response.

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At this juncture, it was determined that a separate Executive Session was not required and Chairman Kolluri opened the floor for comment pertaining to the public items being presented for Board approval. There was no response.

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The Members of the Authority then moved on the following agenda matters:

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## HUMAN RESOURCES

### 70-08

Human Resources Director Garrity submitted the Personnel Agenda, dated April 2008, and requested confirmation of the personnel matters contained therein, as amended.

The Executive Director certified the recommendations for consideration.

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

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### 71-08

Human Resources Director Garrity presented the recommendation contained in her memorandum dated March 3, 2008, concerning Authorization to Increase the Seasonal Employee Salary Rates.

The current hourly rates established in 2004 for seasonal Toll Collection and Maintenance staff are as follows:

	<u>Hire</u>	<u>2<sup>nd</sup> Yr.</u>
Seasonal Maintenance Helpers	\$8.00/hr.	\$8.50/hr.
Seasonal Toll Collectors	\$9.00/hr.	\$9.50/hr.

It is becoming more difficult to recruit and retain the seasonal program employee. The Authority has more stringent job screening requirements than most employers of seasonal help, including testing, driver's license verification, criminal history check, and drug screening; thus making it more difficult to recruit successful candidates. The seasonal program is comprised mainly of college and high school students and teachers on their summer break. Current salary surveys show several toll roads pay \$10.00/hr. for seasonal labor.

It is recommended that the Authority increase its rates for the seasonal employees as follows:

	<u>Hire</u>	<u>2<sup>nd</sup> Yr.</u>
Seasonal Maintenance Helpers	\$9.00/hr.	\$9.50/hr.
Seasonal Toll Collectors	\$10.00/hr.	\$10.50/hr.

This increase will help the Authority recruit and retain the seasonal workforce and also reduce administrative costs of the program. Therefore, authorization is requested to increase the seasonal workforce rates as, set forth above, for the upcoming hiring season.

Reviewed by the Law Director; available funds certified by the Finance Director; the Executive Director certified the recommendation for consideration.

On motion by Commissioner Hodes, seconded by Commissioner Cummis, the Authority unanimously approved the recommendation; authorized increasing the seasonal employee salary rates, as presented; and received and filed the memorandum.

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#### **LAW**

Law Director Caceres requested approval of item numbers 72-08 through 83-08; moved as a group, those items are as follows:

#### **72-08**

In the memorandum dated March 7, 2008, concerning the recommendation for **Settlement in the Litigation Matter of Lary J. Budnick v. New Jersey Turnpike Authority**, Superior Court of New Jersey, Monmouth County, Law Division, Docket No.: MON-L-3075-05, Account No. 10-890-441043

On July 23, 2003, Authority employee David Grant, while operating an Authority vehicle, struck plaintiff Lary Budnick while Mr. Budnick was walking across a roadway leading up to the PNC Bank Arts Center during a touring music event. Mr. Budnick was the owner of a mobile food concession business, operating as "Strawberry Fields" on that day. Mr. Budnick was struck by the Garden State Parkway pick-up truck while facing forward and was knocked backward approximately twenty feet. There were several other concessions in the area on the roadway that day and several witnesses to the accident.

Mr. Budnick claims to have injured his back, knees and left leg. As a result of the injuries, he also claims that he is no longer able to manage his concession business. From the time of the incident until the present, Mr. Budnick continues to seek treatment from physicians for his back, knee and leg and is scheduled to undergo surgery on his spine to relieve the pain and allow him more freedom in movement.

Based on the facts and circumstances, the Authority's liability is unfavorable. The Director of Law and Co-General Counsel have reviewed this case thoroughly and deem it advisable to settle the matter at this time. Co-General Counsel, with the concurrence of the Law Department, recommends the proposed settlement in the amount of \$275,000 to be paid by the Authority.

Accordingly, it is recommended that the New Jersey Turnpike Authority's Commissioners authorize a settlement of the matter of Lary J. Budnick v. New Jersey Turnpike Authority in an amount not to exceed \$275,000. Authorization is also requested to permit the Executive Director to execute and where appropriate, the Law Department and Co-General Counsel to prepare and file with the Court, any and all documents consistent with the foregoing to resolve this litigation.

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**73-08**

In the memorandum dated April 7, 2008, concerning the recommendation for **Settlement in the Litigation Matter of Michael Henn v. New Jersey Turnpike Authority, et al.**, Superior Court of New Jersey, Middlesex County, Law Division, Docket No.: MID-L-8617-05, Account No. 010-270095.

Plaintiff Michael Henn has alleged that on August 28, 2005, while in the course of his employment as an Assistant Prosecutor with the Union County Prosecutor's Office, Plaintiff stopped in the left lane of the RST ramp (a two-lane ramp, with no shoulder) at Interchange 11 on the New Jersey Turnpike in Woodbridge, New Jersey, to assist a disabled vehicle operated by Defendant Kenny Carter. Defendant State Trooper James Varick, whom the Authority is legally obligated to indemnify, shortly thereafter responded to the accident scene and parked his trooper car, with emergency lights activated, 3-5 car lengths behind Plaintiff's vehicle. Plaintiff approached the passenger side of the trooper vehicle, introduced himself as, "I am with the Union County Prosecutor's Office," and "offered" assistance to the Trooper in securing the scene. The Trooper accepted Plaintiff's offer of assistance and asked Plaintiff to remove flares from the trunk of the trooper vehicle and place some in the roadway. As Plaintiff walked toward the trunk to remove the flares, Defendant Davanand Mahabub lost control of his vehicle and struck Plaintiff, while also colliding into the rear of the trooper vehicle.

Trooper Varick was caused to believe that Plaintiff Henn was fellow officer and not a civilian because Plaintiff Henn did not state that he was a prosecutor, and furthermore, before Trooper Varick's arrival on the scene, Plaintiff Henn had activated the emergency lighting on his own vehicle (indicative of an unmarked police vehicle) and had placed cones in the left lane of the ramp prior to the Trooper's arrival. Plaintiff Henn sustained injuries to his right leg, right knee, right ankle, left ankle and also extensive scarring. Mandatory non-binding arbitration in this matter proceeded on January 15, 2008. The Gross Award was \$2,000,000, which included Plaintiff's worker's compensation lien of \$408,286.07, reducing the Net Award to \$1,600,000 since worker's compensation liens are not recoverable against public entities or public employees. The arbitrator assessed 80% of fault against Trooper Varick and 20% of fault against codefendant Mahabub; thus, the net award against the Authority and Trooper Varick was approximately \$1,280,000.

However, considering the severity of Plaintiff's orthopedic injuries as well as Plaintiff's appeal as a Good Samaritan and ongoing efforts to resume his employment with the Union County Prosecutor's Office, General Counsel has advised that the arbitrator's valuation of Plaintiff's injuries was most likely in the conservative range. Based on the facts and circumstances, General Counsel and the Director of Law, upon thorough review of this case, deem it advisable to settle the matter at this time. General Counsel, with the concurrence of the Law Department, recommends the proposed settlement in the amount of \$1,000,000 to be paid

by the Authority to settle all claims against the Authority, Trooper Varick and the New Jersey State Police.

Accordingly, it is recommended that the New Jersey Turnpike Authority's Commissioners authorize a settlement of the matter of Michael Henn v. New Jersey Turnpike Authority, et al. in an amount not to exceed \$1,000,000. Authorization is also requested to permit the Deputy Executive Director to execute and where appropriate, the Law Department and General Counsel to prepare and file with the Court, any and all documents consistent with the foregoing to resolve this litigation.

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**74-08**

In the memorandum dated March 20, 2008, concerning the recommendation for **Settlement in the Litigation Matter of Mary and James Todd v. New Jersey Turnpike Authority et al.**, Superior Court of New Jersey, Ocean County, Law Division, Docket No.: OCN-L-2266-06, Account No. 10-890-441043.

Plaintiff Mary Todd was a patron at the Forked River Service Area on the Garden State Parkway on August 25, 2005, when she tripped and fell in a large hole on the sidewalk directly outside of the rest area entrance/exit. The lease agreement between HMS Host and the Authority provides that the Authority accepts liability for accidents outside of the premises.

Mary Todd's injuries related to this slip and fall are a torn rotator cuff injury in her left shoulder and a torn lateral meniscus in her left knee. The shoulder and knee were the subject of surgical intervention. This matter was arbitrated on October 12, 2007 with a total net award of \$72,000 for the plaintiff. The Authority filed a trial de novo on that award.

Based on the facts and circumstances, Co-General Counsel and the Director of Law upon thorough review of this case, deem it advisable to settle the matter at this time. Co-General Counsel, with the concurrence of the Law Department, recommends the proposed settlement in the amount of \$65,000 to be paid by the Authority.

Accordingly, it is recommended that the New Jersey Turnpike Authority's Commissioners authorize a settlement of the matter of Mary and James Todd v. New Jersey Turnpike Authority, et al. in an amount not to exceed \$65,000. Authorization is also requested to permit the Executive Director to execute and where appropriate, the Law Department and Co-General Counsel to prepare and file with the Court, any and all documents consistent with the foregoing to resolve this litigation.

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**75-08**

In the memorandum dated March 13, 2008, concerning the recommendation to **Settle Formal Workers' Compensation Matter of Susan Poplaski v. N.J. Turnpike Authority,** Account No. 10-870-405070.

Susan Poplaski, 63 years old, retired under an Ordinary Disability on June 1, 2003, after 11 years of employment with the Authority. This proposed settlement is as a result of four claim petitions filed for the following injuries: a re-opener of a right shoulder injury that was previously settled for 22.5%, a forearm/right shoulder injury, an occupational pulmonary claim and an occupational claim for the back and right shoulder.

The petitioner is represented by the law firm of Doyle & Brady. The Authority is defended by Special Counsel Brian Yesalonis of Billek & Yesalonis. The matter is venued in the district office of Toms River before Judge Smith.

Petitioner's attorney was vigorously pursuing 100% total disability for his client. Initially, Judge Smith sided with this position. The fact that Ms. Poplaski is on Social Security Disability, as well as Ordinary Disability with the N.J. Division of Pension, however, did not persuade the Deputy Attorney General, representing the Second Injury Fund, that Ms. Poplaski was 100% disabled. The Deputy Attorney General declined participation on behalf of the Fund. As a result, Judge Smith modified his position and recommended a disability of 66-2/3%, or \$201,200.00. A number of factors are working in the Authority's favor to reduce liability: the credit of 22.5% from the prior settlement, the weekly reduction of \$281.58, which represents the offset from the Ordinary Disability Retirement benefit, and the fact that the four claim petitions are being combined and settled under the lower 1999 rates. The net settlement, after all applicable credits and offsets are applied, amounts to \$68, 216.30.

The Law Department has reviewed this matter and agrees with the recommendation of the Assistant Director, HR, Safety & Benefits and Special Counsel. Authorization is, therefore, requested to allow Special Counsel to settle this matter for the sum of \$68,216.30.

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**76-08**

In the memorandum dated March 13, 2008, concerning the recommendation to **Settle Formal Workers' Compensation Matter of Shirley Walker v. N.J. Turnpike Authority**, Account No. 10-870-405070.

Shirley Walker is a 70 year old former Temporary Toll Collector, who began employment with the Authority on 10/27/03. One month later, on 11/19/03, she was struck by a motor vehicle while crossing the lane. This proposed settlement addresses the claim petition filed for this admitted accident.

The petitioner is represented by Michael Tobin of Tobin, Koster, Oleckna, Reitman, Greenstein & Konray. The Authority is defended by Special Counsel James Jude Plaia, Esq. The matter is venued in the district office of Newark before Judge Oakerson.

When Ms. Walker was struck by the motor vehicle, she was thrown approximately 10 feet and rendered unconscious. She was taken to the hospital where she underwent a left shoulder replacement. She also sustained a fracture of the left ankle and a concussion. After approximately two weeks, Ms. Walker was transferred to the Kessler Institute for three months of

intense therapy – physical, speech, occupational and cognitive/neuropsychiatric. Outpatient rehabilitation continued for an additional year after inpatient discharge. Ms. Walker never returned to employment with the Authority. The Authority asserted its lien against the driver and recovered \$33,333.

While negotiating settlement, Special Counsel had to contend with multiple factors that did not bode in the Authority's favor, i.e. the age of the petitioner, circumstances of the incident and injuries sustained, unusually high permanency numbers from the Authority's conservative medical evaluator, the Second Injury Fund's unwillingness to participate and, finally, the "stacking" component in NJ workers' compensation statutes, which exponentially drives up the permanency rating as more body parts are affected. Given all of these unfavorable factors, defense counsel was highly motivated to reach a settlement agreement, which is strongly recommended in lieu of bringing the case to trial.

Petitioner's demand was for 66 2/3% (\$238,400.00) partial total disability. Special Counsel negotiated a settlement of 50% partial total disability or \$99,372.00. Medicare demanded recovery of a lien of \$2,109.77, bringing the total settlement to \$101,481.77.

The Law Department has reviewed this matter and agrees with the recommendation of the Assistant Director, HR, Safety & Benefits and Special Counsel. Authorization is, therefore, requested to allow Special Counsel to settle this matter for the sum of \$101,481.77.

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#### **77-08**

In the memorandum dated March 25, 2008, concerning the recommendation to **Approve Settlement in the Matter of The New Jersey Turnpike Authority v. Aetna Casualty and Surety Co., et al.**, Superior Court of New Jersey, Mercer County, Law Division, Docket No.: MER-L-003176-96.

The New Jersey Turnpike Authority v. Aetna Casualty and Surety Co., et al. involves a claim by the New Jersey Turnpike Authority against its Comprehensive General Liability Insurance carriers and Umbrella Insurance carriers. The Authority's claim essentially seeks recovery of monitoring and cleanup costs for contamination of groundwater from operation of the service areas, maintenance districts and interchanges on the Turnpike. The subject contamination is largely the result of operations by oil companies rather than due to negligence on the part of the Authority. The Authority's lawsuit against the oil companies was previously settled resulting in a payment totaling \$8,175,000 from the oil companies. Most of these funds, specifically, over \$6,000,000, were allocated to the oil companies' operations on the Turnpike after 1985 as the Authority had taken the position, both in litigation and settlement negotiations, that the majority of the contamination occurred post 1985. The oil companies that operated before 1985 contributed the balance of \$2,175,000 of the settlement total.

Certain of the Authority's own negligent operations also contributed to the contamination and insurance coverage exists through the Authority's Comprehensive General Liability and

Umbrella Insurance policies, for losses up through 1985. In 1986, however, the insurance industry adopted the absolute pollution exclusion clause which was added to these policies and barred any recovery against insurance companies for pollution occurrences after 1985. In the aggregate settlement, the insurance companies responsible for operations by the Authority before 1985 are contributing a total of \$3,701,500 for pre-1985 operations. The New Jersey Property Liability Insurance Guaranty Association ("NJPLIGA"), as guarantor to the currently bankrupt Home Insurance Company ("Home"), the Authority's primary carrier from 1975 through 1985, will pay \$2,000,000 of this total settlement amount with the remaining insurers having already settled the balance of \$1,701,500.

Final settlement with NJPLIGA concluded after a March 12, 2008 judicial mediation with NJPLIGA's final offer of \$2,000,000, net of all policy deductibles. The Authority had demanded \$5,000,000. Outside counsel, Bathgate, Wegener & Wolf, believes the \$2,000,000 is a fair resolution with NJPLIGA in light of the fact NJPLIGA does not have the same liability as Home as its exposure is limited to \$300,000 per occurrence and considering the merits of the Authority's claims, the settlements already paid by the other insurance companies and the costs to continue litigating the case to conclusion. The Law and Insurance Departments have reviewed this settlement and recommend its approval in agreement with outside counsel.

Accordingly, it is recommended that the Commission authorize and accept the total amount of \$2,000,000 to be paid by NJPLIGA which represents settlement of the Authority's last, outstanding claim against its insurance carriers and the full final settlement of The New Jersey Turnpike Authority v. Aetna Casualty and Surety Co., et al., and to further authorize the Executive Director to execute any and all settlement documents, in furtherance thereof, upon review and approval of the Law Department.

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**78-08**

In the memorandum dated April 4, 2008, concerning the recommendation to **Authorize the Executive Director to Take All Steps Necessary to Purchase Certain Property for the Turnpike Interchange 6 to Interchange 9 Widening Program**, Turnpike Design Section 2, Parcel Nos. (to be advised); Block 108; Lot 2.02, 46 Shanahan Lane, Chesterfield Township, Burlington County, Owner: Hans-Jorg Arzt and Cheryl Arzt, Project No. 06510057

The New Jersey Turnpike Authority (the "Authority") is proceeding with its plans to widen the Turnpike between Interchange 6 in Mansfield Township, Burlington County and Interchange 9 in East Brunswick Township, Middlesex County (the "Widening Program"). The roadway will be widened to 12 lanes with major modifications constructed at four interchanges. Final design is currently underway with construction scheduled to commence during 2009.

In order to complete the Widening Program, the Authority must acquire certain property located adjacent to the Turnpike for the purpose of facilitating construction as well as for potential environmental purposes. The Authority has determined that portions of the above referenced



property are necessary for the Widening Program. To that end, the Authority had an appraisal prepared and reviewed by Value Research Group, LLC, which set a value for this property in the amount of Four Hundred Thousand Dollars (\$400,000.00). The Authority then entered into good faith negotiations for the purchase of same based on this appraised value. The property consists of approximately two (2) acres of land improved with (1) a one-story 4 bedroom single family residence; (2) a 1,680 square foot barn; and (3) a 512 square foot barn and horse paddock. As it is a negotiated sale, the owners are not entitled to relocation benefits. Said negotiations resulted in the parties agreeing to a purchase price of Four Hundred Fifty Thousand Dollars (\$450,000.00). The Authority's Law Department in consultation with General Counsel and its Real Estate Manager/Consultant recommend that the Authority acquire the property owned by Hans-Jorg Arzt and Cheryl Arzt as set forth above. Parcel numbers will be assigned upon transfer of the property.

Based on the foregoing, it is requested that the Authority Commissioners authorize the Executive Director and Director of Law to take all steps necessary to purchase the property located at 46 Shanahan Lane, Chesterfield Township for the amount set forth above and to satisfy those other costs required to be paid at closing, said costs not to exceed Five Thousand Dollars (\$5,000.00). It is further recommended that the Executive Director be authorized to take any other steps necessary for the acquisition of the property upon review and approval of such action by the Law Department and General Counsel.

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**79-08**

In the memorandum dated April 7, 2008, concerning the recommendation to **Authorize the Negotiated Purchase of Property, Turnpike Interchange 6 to Interchange 9 Widening Program**, Turnpike Section 4G: Parcel Series No. 950A, 950B, 950C, 950D, 950E, UE950A, UE950D and UE950E; Block 38.01; Lots 15.02, 15.03 and Portions of Lots 15.01 and 15.04; Washington Township, Mercer County; Current Owner: 7A Interchange Associates LP Project No. 06510057.

On November 9, 2007, the Authority's Commissioners granted the Executive Director authority to take all steps necessary to prepare for the acquisition of certain property required for the Interchange 6 to 9 Widening Program (the "Widening Program"), specifically certain real estate known as Turnpike Section 4G, Parcel Series 950, Block 38.01, Lots 15.02, 15.03 and Portions of Block 38.01, Lots 15.02 and 15.04 (the "Property"). The Property is part of a 21.983 acre parcel which has been approved for a four-lot subdivision of which the Property consists of: (1) Parcel 950A, a 3.545 acre Taking in Fee Simple; (2) Parcel 950B, a 3.749 acres Taking in Fee Simple; (3) Parcel 950C, a 6.979 Taking in Fee Simple; (4) Parcel 950D, a 1.565 acre Taking in Fee Simple; (5) Parcel 950E, a 0.784 Taking in Fee Simple; (6) Parcel UE950A, a 0.417 acre Utility Easement; (7) Parcel UE950D, a 0.419 acre Utility Easement; and (8) Parcel UE950E, a 0.058 acre Utility Easement. The remainder consists of three parcels totaling an area of 4.467

acres. The entire property is presently undeveloped but is zoned for Planned Commercial Development. The site is an irregular triangular shape.

The Property is required for the purpose of facilitating construction as well as for potential environmental purposes. In furtherance of this action, appraisals were obtained. The Market Value for the portion taken and the damages to the remainder ranged from a value of One Million Nine Hundred Eight Thousand Dollars (\$1,908,000) to Two Million Three Hundred Twenty Five Thousand Dollars (\$2,325,000). An offer to purchase was made to the owners, 7A Interchange Associates, LP (the "Property Owners"). The Authority undertook good faith negotiations for the purchase of said Property based on the appraised values and in compliance with the laws governing its powers of eminent domain. When said negotiations failed, eminent domain proceedings were initiated.

Subsequent to the filing of said proceedings, settlement discussions were begun anew. After review and consideration by the Authority's Law Department in consultation with General Counsel and its Real Estate Manager/Consultant, the Authority has agreed to pay to the Property Owners the sum of Two Million Seven Hundred Seventy Five Thousand Dollars (\$2,775,000) (the "Settlement Amount") subject to Commissioner approval.

Based upon the foregoing, it is requested that the Authority's Commissioners authorize the Executive Director to take any and all steps necessary to acquire the Property as set forth herein for the amount negotiated and to ratify any and all steps taken by the Executive Director in furtherance of same.

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**80-08**

In the memorandum dated March 27, 2008, concerning the recommendation to **Authorize the Executive Director to Take All Steps Necessary for the Acquisition of Certain Properties Required for the Turnpike Interchange 12 Improvements Project**, Turnpike Section 5G: Parcel Nos. C1023, 1024, C1024 and D1024; Block 11.02; Lots 56.02 and 56.01, Middlesex County, Borough of Carteret; Project No. 08010013.

On May 31, 2005, the New Jersey Turnpike Authority (the "Authority") Commissioners granted the Executive Director authority to take all steps necessary to prepare for acquisition of certain properties required for the Turnpike Interchange 12 Improvements Project. One of the properties listed there was for certain real estate known as Block 11.02, Lot 56.02 in the Borough of Carteret (the "Property") owned by Carteret Holiday Associates (the "Property Owner"). A Holiday Inn (the "Business") is located at this site. This was considered a partial taking, however, as it consisted of: (1) a transfer in ownership of approximately 11,436 square feet or 0.187 acres of the Property (Parcel 1024) from the Owner to the Authority; (2) a temporary construction easement encompassing an area of approximately 64,469 square feet or 1.4 acres located in the front of the Property (Parcel C1024); and (3) a drainage easement consisting of approximately 1,525 square feet or 0.03 acres (Parcel D1024) located along the northerly and rear Property

line having no impact on the utility of the operation of the Business as a full service hotel. The impact on the operation of the Business essentially consisted of the relocation of the outdoor pool and the relocation of an equal number of parking spaces as well as creation of additional spaces.

In furtherance of this acquisition, appraisals were obtained and the Property Owner was contacted by the Authority with an offer to purchase the Property and to obtain the necessary easements as set forth above. Negotiations were then undertaken in good faith, and when these negotiations were unsuccessful, the Authority initiated Eminent Domain proceedings, at which time the appraised value of One Hundred Fifty Five Thousand Two Hundred Dollars (\$155,200), this amount including the value of the Property and the two easements, was deposited with the Court and a Declaration of Taking was filed as required by statute. The Property Owner provided the Authority with an appraisal prepared on it's behalf in the amount of Two Million Six Hundred Eighty Five Thousand Dollars (\$2,685,000). A Condemnation Hearing was held and a judgment of Four Hundred Forty Eight Thousand Dollars (\$448,000) was awarded to the Property Owner. The Property Owner appealed this award and a trial date was set. At the date of trial, the Parties resumed settlement negotiations. Pursuant to these negotiations and after review and consideration by the Authority's Law Department, General Counsel and Real Estate Consultant, the Parties have agreed upon terms of settlement which include a purchase price for the Property and for settlement of the costs of the drainage easement, as described herein, of Five Hundred Seventy Five Thousand Dollars (\$575,000). Since the Property Owner had previously withdrawn the initial deposit of One Hundred Fifty Five Thousand Two Hundred Dollars (\$155,200) from the Superior Court Trust Fund Unit, the Authority now must pay the balance due of Four Hundred Nineteen Thousand Eight Hundred Dollars (\$419,800) to the Owner.

Additionally, I.M.I. of Carteret, the company that operates the Carteret Holiday Inn, (the "Operator") filed a claim for the Authority's extended use of the temporary construction easement. The Authority and the Operator agreed to the amount of Fifty Thousand Dollars (\$50,000) to authorize the Authority's use of this easement through April 15, 2008. It is anticipated that the Authority will finalize construction and should be off the property by April 15, 2008.

The final portion of this settlement involves a construction easement on a vacant lot located adjacent to the Property and owned by Savage Family Limited Partnership (the "Limited Partnership"). The non-exclusive temporary construction easement consisted of approximately 0.995 acres of Block 11.02, Lot 56.01 (Parcel C1023). The Parties originally agreed that the easement would remain in effect for sixty (60) days; however, the Authority's use of this easement extended beyond that period. The Authority's use of the easement has now ended. The Authority has agreed to pay Twenty Five Thousand Eight Hundred Thirty Eight Dollars (\$25,838) to the Limited Partnership in settlement for the use of said easement.

Based upon the foregoing, it is recommended that the Authority's Commissioners authorize the Executive Director to take any and all steps necessary to acquire the Property and

to settle all claims, as described herein, for the amounts negotiated with the Property Owner, the Operator and the Limited Partnership and to ratify any and all steps taken by the Executive Director in furtherance of same.

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**81-08**

In the memorandum dated February 27, 2008, concerning the recommendation to **Enter into an Agreement with the New Jersey Department of Transportation (NJDOT) to Facilitate the Sale and Acquisition of Property for the Turnpike Interchange 6 to Interchange 9 Widening and Other Projects** – by and between the Parties, Projects: TPK Interchange 6 to 9 Widening; and Various (To Be Determined).

The New Jersey Turnpike Authority (the “Authority”) and the New Jersey Department of Transportation (“NJDOT”) (together the “Parties”) continually engage in transportation projects such as the Turnpike Interchange 6 to 9 Widening Program which necessitate the acquisition and transfer of property from one of the Parties to the other. The Parties share a common interest in operating their respective transportation systems in a timely and cost effective manner. In order to complete the Widening Program, the Authority must acquire certain property owned by the State of New Jersey located adjacent to the Turnpike for the purpose of facilitating construction. The Parties have agreed to the terms of this Agreement in an attempt to facilitate the sale and acquisition of property for the Widening Program, as well as other projects, by and between the Parties as they arise. This Agreement is an attempt to avoid significant delays and expenses in transferring property from one Party to the other.

Pursuant to the terms hereof, the Parties agree that the acquisition or sale, as the case may be, of the required property as well as the granting of rights of entry and permits, shall be made at no cost, provided that the property is used for road and bridge purposes only, and provided that the Parties concluded, based on an appraisal, that the value of the property interest proposed for transfer has a value of less than Two Hundred Fifty Thousand Dollars (\$250,000.00). In the event that the property interest proposed for transfer has value of more than this amount, then the regular property transfer procedures shall apply. After review and consideration by the Authority’s Law Department and General Counsel, the agreement, as submitted for Commissioner’s review, has been negotiated and agreed to by the Parties.

Based on the foregoing, it is requested that the Authority Commissioners authorize the Executive Director to take any and all steps necessary to execute this Agreement and effectuate the terms hereof. It is further recommended that the Authority’s Executive Director be authorized to take any other steps necessary for the acquisition of the property upon review and approval of such action by the Law Department and General Counsel.

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**82-08**

In the memorandum dated April 7, 2008, concerning the recommendation to **Declare Certain Property Surplus and Add to the Certified List of Surplus Property**, Parkway Section 9: Parcel 4563 (A Portion of Former Parcel No. R1C); South Toms River, Ocean County.

Pursuant to the New Jersey Turnpike Authority's Surplus Property Disposition Policy which was adopted at the June 25, 1996 Commissioner's Meeting; the Law Department, in coordination with the Chief Engineer, Director of Maintenance, Director of Operations and the Authority's General Consultant, HNTB, has developed a master list of properties which are not needed for any current or future use in the construction, maintenance, repair or operation of a Turnpike Authority project and have been declared Surplus Property by the Authority's Commissioners.

The Chief Engineer, Director of Maintenance, Director of Operations and the Authority's General Consultant have each certified that Parkway Section 9, Parcel No. 4563 (a portion of former Parcel No. R1C) (2.5 acres) located in South Toms River, Ocean County, New Jersey, has no current or future use or value in connection with Turnpike/Parkway construction and/or operations. The Law Department requests authorization to have this property formally declared as surplus.

Accordingly, it is recommended that the Authority's Commissioners authorize the property, as shown in Exhibit I, be declared surplus under the Surplus Property Disposition Policy and that the procedures established in that Policy be implemented to dispose of this property no longer needed or intended for future Turnpike Authority use.

EXHIBIT 1

- Garden State Parkway Section 9, Parcel No. 4563 (a Portion of former Parcel No. R1C) (2.5 acres) South Toms River, Ocean County
  - Property is currently part of GSP ROW Section 9, Parcel R1C and includes a local access road that connects Dover Road and Double Tree Road to Railroad Avenue; a jug handle that provides a direct connection from Dover Road to the access road; the island that is created by this jug handle; and a portion of the property that is bounded on one side by private property and on the other three sides by Dover Road, the access road and Railroad Avenue.
  - Property is irregular in shape
  - Encompasses approximately 2.5 acres in area
  - No structures are located on the property
  - Ocean County, which is the likely recipient of the property, will be required to perform a metes & bounds survey prior to transfer
  - Transferring property to Ocean County will relieve the Authority of maintenance and jurisdiction responsibility for the access road and jug handle

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The following matters were identified in the Public Session agenda:

**LAW**

**83-08**

In the memorandum dated April 7, 2008, concerning a recommendation to **Enter into a Programmatic Agreement with the United States Army Corps of Engineers (ACE), the New Jersey State Historic Preservation Office (SHPO), and the United States Coast Guard (USCG)** – Mitigation of Potential Impacts to Historical Resources, Parkway Milepost 30 to Milepost 80 Widening Project.

The New Jersey Turnpike Authority (the “Authority”) is continuing with its plans to widen the Garden State Parkway (“GSP”) between Interchange 30 and Interchange 80. The GSP has been designated a historic district and the proposed widening will result in adverse effects to characteristics that make the GSP eligible for listing in the National Register of Historic Places as a historic district. It is necessary to enter into an Agreement with the State Historic Preservation Office (“SHPO”) and the Army Corps of Engineers (“ACE”) to implement measures to minimize impacts to historical resources which have been identified by the parties.

On February 26, 2008, through Agenda Item 39-08, the Commissioners granted the Executive Director the authority to enter into a Programmatic Memorandum of Agreement (“PMOA”) to implement these measures.

Because the PMOA was a necessary condition of the Department of Environmental Protection permit, and it was in the best interest of the Authority to move forward expeditiously to secure the authorization of this Agreement so as not to delay other necessary mitigation required by governmental authorities, authorization was sought to move forward with the Agreement as it had been negotiated to date. However, since the Commissioners’ authorization on February 26<sup>th</sup>, the USCG has indicated an interest in being a signatory to the Agreement. In addition, the PMOA will now be retitled as the “Programmatic Agreement” among ACE, SHPO, USCG and the Authority.

Therefore, it is recommended that the Executive Director be authorized to enter into a Programmatic Agreement with the SHPO, the USCG, and the ACE, substantially incorporating the terms authorized and approved on Agenda Item 39-08. It is further recommended that all acts taken to date in furtherance of Agenda Item 39-08 be ratified, confirmed and approved in all respects.

Reviewed by the Human Resources Director where applicable; available funds certified by the Finance Director where applicable; the Executive Director or Deputy Executive Director, as appropriate, certified the recommendations for consideration.

On motion by Commissioner Hodes, seconded by Commissioner Pocino, the Authority unanimously approved the twelve (12) item law agenda; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

## **ENGINEERING**

Chief Engineer Racznyski began by deferring item 85-08 and, noting the recorded reusals, explained the significance of items 86-08 and 91-08 advising that their award at this meeting is necessary. Further, he requested approval of remaining Engineering Items 84-08, 87-08 through 90-08 and the addendum of 100-08.

With regard to Items 86-08 and 91-08, General Counsel Hoffman confirmed his previously submitted Opinion and invoked the "rule of necessity". Since a vote cannot be delayed due to the urgency of the contract awards he opined that, to complete the needed quorum, a vote by Commissioner Pocino would be permitted.

At this time Commissioner Cummis stated his strong disagreement with the State Ethics Commission interpretation which prohibits Commissioner Pocino's vote on certain engineering contracts. Further, he explained that the Authority's inability to use Commissioner Pocino's extensive expertise in these areas was counter productive. The Commissioner concluded by asking that the Authority's outside and inside counsel make another request to the Attorney General's Office and State Ethics Commission to reconsider their determination regarding this matter.

Commissioner Pocino expressed his willingness to participate in the engineering issues and agreed with the request to have another review by the State Ethics Committee.

The Engineering items are as follows:

### **84-08**

In his memorandum dated March 31, 2008, concerning the recommendation to **Concur in the Award of Pennsylvania Turnpike Commission Professional Services Contract No. 08-013-RDPE**, 2008 In-Depth Inspection of Delaware River Turnpike Bridge (NJTA Structure No. P0.00) – DMJM Harris Inc., Maintenance Reserve Fund No. 03010005.

The Delaware River Turnpike Bridge is jointly owned and maintained by the New Jersey Turnpike Authority (NJTA) and the Pennsylvania Turnpike Commission (PTC). The In-Depth Inspection of this major structure is required on a four year cycle as mandated by the National Bridge Inspection Standards (NBIS), with the prior In-Depth Inspection performed in 2004 and administered by NJTA. In accordance with current agreements, PTC is responsible for the administration of the year 2008 In-Depth Inspection, which is included in their Contract No. 08-013-RDPE. The inspection scope was jointly developed by the Engineering Departments of both agencies.

PTC requested Statements of Interest from all prequalified consulting firms, and selected DMJM Harris, Inc. on the basis of being the most technically qualified firm at their November 13, 2007 Commission Meeting. Fee negotiations were conducted by PTC, with input by NJTA Engineering staff, which resulted in a fee of \$185,000 for inspection of the Delaware River Turnpike Bridge. The fee negotiated is considered by staff to be fair and reasonable for the services to be performed. The total cost for the inspection will be shared equally between agencies. Therefore, NJTA's share of the

cost will not exceed \$92,500, and is comprised of half of the cost of inspection, report deliverables, and Bridge Management System (BMS) and Structural Inventory & Appraisal (SI&A) updates. The inspection will be completed in the fall of 2008, with reimbursement to PTC scheduled in the first quarter of 2009, subject to appropriation of the 2009 budget.

It is, therefore, recommended that the Executive Director be authorized to concur with PTC's Award as described above.

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**85-08**

ITEM DEFERRED

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**86-08**

In his memorandum dated March 12, 2008, concerning the recommendation to **Award Contract No. T200.085 – Stavola Contracting Co. Inc.** – Resurfacing, Turnpike Mile 74 to Mile 122, Maintenance Reserve Fund No. 03010002.

This contract will provide for the resurfacing of asphalt pavement on ramps, toll plazas, roadways, shoulders and other incidental work along the Turnpike from Mile 74 to Mile 122 in Middlesex, Union, Essex, Hudson and Bergen Counties.

Six proposals were received on March 10, 2008 for the above publicly advertised contract. The low bid, in the amount of \$5,265,000 may be compared to the Engineer's Estimate in the amount of \$5,666,750. The low bidder, Stavola Contracting Co., Inc., has previously performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. T200.085 be awarded to the low bidder, Stavola Contracting Co., Inc. of Tinton Falls, New Jersey, in the amount of \$5,265,000, allocated as follows: \$4,750,000 in 2008 and \$515,000 in 2009. 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 and N.J.A.C. 19:9-2.2. The General Consultant, HNTB Corporation, concurs with this recommendation.

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**87-08**

In his memorandum dated March 24, 2008, concerning the recommendation to **Issue Order for Professional Services No. T3169 – Kupper Associates** – Supervision of Construction Services for Contract No. T200.085, Resurfacing, Turnpike Mile 74 to Mile 122, Maintenance Reserve Project No. 03010002.

This Order for Professional Services (OPS) provides construction supervision for the referenced contract. This contract will provide for the resurfacing of asphalt pavement of ramps, toll plazas, roadways, shoulders and other incidental work along the Turnpike from Mile 74 to Mile 122 in Middlesex, Union, Essex, Hudson and Bergen Counties.



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 \$1,000,000. Solicitations for Expressions of Interest (EOIs) were sent to 51 engineering firms prequalified and eligible under Profile Code B154: Roadway Resurfacing Inspection. Five firms submitted EOIs by the closing date of February 12, 2008.

Subsequent to the scoring of the Expressions of Interest, Fee Proposals were requested from the top three firms. They are, in the order of technical ranking: 1) Kupper Associates; 2) STV Incorporated; and 3) Urbitran Associates, Inc. The fee submitted by Kupper Associates has been reviewed, negotiated and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that OPS No. T3169 be issued to the firm of Kupper Associates of Piscataway, New Jersey in the maximum amount of \$410,000. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.2 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 this awardee pursuant to Public Law 2005, Chapter 51 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. and N.J.A.C. 19:9-2.8.

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**88-08**

In his memorandum dated April 3, 2008, concerning the recommendation to **Issue Order for Professional Services No. T3173 – DMJM Harris/GPI/PB, a Joint Venture** – Turnpike Interchange 6 to Interchange 9 Widening Program, Constructability Consultant, Construction Fund No. 06510057.

This Order for Professional Services (OPS) provides for the performance of constructability reviews, construction cost estimating, contract sequencing and other ancillary services required during the final design phase of the Interchanges 6 to 9 Widening Program. This assignment does not include the management or oversight of construction associated with the Widening Program.

This assignment is classified as a "Complex Project" because the fee exceeds \$1,000,000. Forty-five engineering consulting firms prequalified and eligible in Profile Codes B151: Construction Management and B152: Project Management (Scheduling) were invited to submit Expressions of Interest (EOIs). Six EOIs were received by the closing date of February 8, 2008.

Subsequent to the scoring of EOIs by the Review Committee, three firms were requested to submit Technical and sealed Fee Proposals. The firms are: 1) DMJM Harris/GPI/PB, a Joint Venture; 2) URS Corporation; and 3) Urban Engineers, Inc. The Review Committee reviewed and evaluated the firms' Technical Proposals and the final scoring resulted in DMJM

Harris/GPI/PB, a Joint Venture being the highest technically ranked firm. The fee submitted has been reviewed and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that OPS No. T3173 be issued to the firm of DMJM Harris/GPI/PB, a Joint Venture, of Iselin, New Jersey in the maximum amount of \$1,550,000. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.60, 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 this awardee pursuant to Public Law 2005, Chapter 51 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. and N.J.A.C. 19:9-2.8.

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**89-08**

In his memorandum dated March 10, 2008, concerning the recommendation **to Issue Order for Professional Services No. A3174 – Yezzi Associates LLC** – On-Call Architectural Services, Various Capital Program Funds.

This Order for Professional Services (OPS) will provide on-call architectural services for a two-year term with an option for a one-year extension. The consultant will be required to provide a variety of task-oriented work assignments of various lengths and scope during the term of this OPS, subject to the availability of funding. The maximum allowable value of an individual work task assignment is \$100,000.

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 \$1,000,000. Solicitations for Expressions of Interest (EOIs) were sent to 23 consulting firms prequalified and eligible under Profile Codes A060 - Architecture: New Buildings and A061 – Architecture: Renovations. Eight firms submitted EOIs by the closing date of February 12, 2008. As a result of a detailed review of the EOIs, Yezzi Associates, LLC. was determined to be the most technically qualified firm to provide the necessary services.

The OPS will be issued in the maximum amount of \$500,000 for a two-year period, with an option for the Executive Director to approve a one-year extension, provided the fee ceiling is not exceeded in the prior two years. Funding for these assignments will be provided through the project budget for which services are required utilizing the Authority's Work Request Authorization Form (WRAF) process.

It is, therefore, recommended that OPS No. A3174 be issued to the firm of Yezzi Associates, LLC. of Toms River, New Jersey for a two-year duration with a one-year extension option, in the maximum amount of \$500,000. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by these awardees

pursuant to Public Law 2005, Chapter 51 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. and N.J.A.C. 19:9-2.8.

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**90-08**

In his memorandum dated February 27, 2008, concerning the recommendation to **Issue Supplement B to Order for Professional Services No. P3060 – TranSystems Corporation** (formerly Lichtenstein Consulting Engineers) – Design Services for Contract No. P100.007, GSP Northern Bridge Deck Repairs and Resurfacing, Parkway Milepost 119.2 to 150.3, Maintenance Reserve Fund No. 03020001.

Order for Professional Services (OPS) No. P3060 was issued at the January 2006 Commission Meeting in the amount of \$390,000 providing engineering services for the inspection, design of repairs, and preparation of contract documents for a select group of bridges in the northern section of the Garden State Parkway (GSP). Supplement A, in the amount of \$35,000, provided for additional engineering and survey services as directed by the Authority to determine the existing pavement thicknesses by taking core samples on ten bridge decks to be included in the construction contract.

Supplement B will provide for additional design and survey services which include: 1) two additional MPT submissions for Contract No. P100.007 and attendance at meetings, as requested by the Authority, to incorporate Operations' revised comments and necessary revisions from updated and recently implemented GSP bridge deck repair construction contracts and 2) localized 3D Laser survey for the bridge decks at Structures 128.0A and 128.0B. This information is required to set a profile and address rideability issues associated with deck joint reconstruction. TranSystems will provide a complete set of plans and specifications for the deck joint reconstruction and pavement profile/elevations, which will be included in the 2009 GSP Northern Bridge Deck Repair Contract.

TranSystems has submitted a proposal for these additional services and upon review and negotiation, the total fee in the amount of \$35,000 is considered fair and reasonable for the services to be provided.

It is, therefore, recommended that Supplemental OPS NO. P3060B be issued to TranSystems Corporation in the amount of \$35,000 with compensation on the same basis as the original OPS. The addition of this amount increases the total authorized fee from \$425,000 to \$460,000. The original contract was procured pursuant to N.J.S.A. 52:34-9.1 et seq. and N.J.S.A. 19:9-2.8.

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**91-08**

In his memorandum dated April 4, 2008, concerning the recommendation to **Issue a Type 3 Change Order to Contract No. P300.054 – Tilcon New York Inc.** – Parkway Interchange 135 Improvements, Emergency Resurfacing - Parkway MP 80.35 to MP 81.75, Construction Fund No. 06560040.

The direction and recommendation to issue a Type 3 Change Order to the referenced contract was presented in a March 31, 2008 memo and received approval. It is necessary to issue this Change Order to undertake emergency roadway resurfacing as described more fully below.

The riding surface of the northbound and southbound Garden State Parkway (GSP) roadways between milepost 80.35 and 81.75 has deteriorated over the winter months. The pavement in this area did not demonstrate severe deterioration when the roadway was surveyed in preparation to develop the annual GSP resurfacing contracts for this year. However, over the past few weeks the riding surface has significantly deteriorated at an accelerated rate causing potential concern for the motoring public's safety as they travel this section of the GSP.

Given the severe deterioration and concern, and with the verbal approval of Chairman Kolluri, the appropriate and necessary actions to immediately correct this roadway condition were taken. The Engineering Department assessed the availability of its contractors qualified to perform the emergency repairs. Ultimately it was determined that Tilcon New York, Inc. is well qualified and has performed pavement resurfacing for the Authority on several projects. Further, they are currently under contract with the Authority and are immediately available to perform the necessary emergency work on an expedited basis in order to restore the roadway to a safe and serviceable condition as soon as reasonably possible. They are currently scheduled to perform the work beginning the week of April 7, 2008 and it will take approximately two weeks to complete. It will be performed under Contract No. P300.054, at a cost of approximately \$1,500,000, through issuance of a Type 3 Change Order as this work is beyond that contract's current scope. It is, therefore, requested that authorization be granted to issue this Type 3 Change Order to Contract No. P300.054 as described above.

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**Addendum Item**

**100-08**

In his memorandum dated April 16, 2008, concerning the recommendation to **Delegate Authority to Executive Director to Negotiate and Execute a Memorandum of Agreement with the Port Authority of New York and New Jersey (PANYNJ)** – Turnpike Interchange 16W and/or Route 3 Ramp Improvements, Borough of East Rutherford, Bergen County.

This project is a collaborative effort between the New Jersey Turnpike Authority (NJTA) and the New Jersey Department of Transportation (NJDOT) for improvements at Turnpike

Interchange 16W and Route 3. At the NJTA Board Meeting of March 12, 2007, the Board authorized the execution of an agreement with the NJDOT in furtherance of this collaboration.

The Port Authority of New York and New Jersey (PANYNJ) has recently agreed to provide financial assistance in an amount not to exceed \$4.605 million towards the project, as it believes the project will help to improve traffic flow in the Lincoln Tunnel Corridor. In addition, the PANYNJ has requested that the NJTA provide it with an appropriate property interest to facilitate emergency evacuations through the Lincoln Tunnel Corridor in the event of a disaster. The financial participation of the PANYNJ, together with the NJTA and the NJDOT, will help expedite the completion of this regionally significant project.

Therefore, it is requested that authority be delegated to the Executive Director to negotiate and execute an agreement with the PANYNJ consistent with the parameters outlined above.

Reviewed by the Law Director; available funds certified by the Finance Director where applicable; the Executive Director certified the recommendations for consideration.

On motion by Commissioner Hodes, seconded by Commissioner Cummis, the Authority unanimously approved engineering items 84-08, 86-08 through 91-08 and 100-08; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

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**PURCHASING**

Purchasing Director Ward identified the purchasing agenda as routine goods and services procured according to public laws, and requested approval. Moved as a group, items 92A-08 through 92E-08 are as follows:

**92A-08 through 92C-08**

**Results of Bidding** in response to public advertisement for the commodities requisitioned by various departments. 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 (formerly Executive Order 134) and having no objection to same. Bids for these items were procured and authorization is sought to award contracts to the lowest responsible bidders, pursuant to N.J.S.A. 27:23-6.1 and N.J.A.C. 19:9-2.2.

Recommendations of contract awards to the low bidders meeting Authority specifications are as follows:

<b>BIDDERS BIDS</b>		<b>COMMODITY</b>	<b>VENDOR</b>	<b>COST</b>
<b>INVITED</b>	<b>REC'D</b>			
3	2	36" Traffic Cones	Traffic Safety Service LLC South Plainfield, NJ	\$113,650.00

This contract includes a 3-Year Option which gives the Authority the right to purchase additional units conforming to the specifications at the same price, terms and conditions for the first model year and adjusted agreed upon price terms for two (2) additional Model Years. (RM 497)

5	4	Roadway and Ramp Line Striping	Traffic Lines Inc. Farmingdale, NJ	\$331,787.64
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Original contract term may be extended for two additional one-year terms each under the same prices, terms and conditions, at the sole discretion of the Authority. (RM 513)

3	2	Guardrail, Slotted Rail and Crash Attenuator Terminals and Extruder-2000 System Elements	M.L. Ruberton Construction Co. Folsom, NJ Chemung Supply Corporation Elmira, NJ	\$ 80,355.00 \$372,698.83
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Original contract terms may be extended for two additional one-year terms each under the same prices, terms and conditions, at the sole discretion of the Authority. (PR's 44466, 44603, 44725, 44723, 44721, 44829 & 44827)

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**92D-08**

In the memorandum dated March 25, 2008, concerning a recommendation to **Increase Amount of Contract No. 744 – Parts Distributors LLC (PDI)** – Aftermarket Auto Parts, New Jersey Interagency Procurement, Requisition Memorandum Award.

At the August 28, 2007 Commission Meeting, authorization was granted to award a contract to PDI for a wide selection of brand named automotive parts for the period September 17, 2007 through September 16, 2008 in an amount not to exceed \$150,000. This contract was a public bid contract procured jointly by members of the New Jersey Interagency Procurement Committee, in accordance with N.J.S.A. 27:23-6.1 and N.J.A.C.19:9-2.2.

This Contract was initially set by the Inventory Division primarily for the Maintenance Department's automotive needs. However, in light of the increased use by the New Jersey State Police for Troops D and E vehicles, the authorized amount allotted for the first year was expended. Thus, the Inventory Division has requested that Contract No. 744 be increased by \$150,000.

Accordingly, authorization is requested to increase Contract No. 744 with Parts Distributors LLC (PDI), Pennsauken, NJ, by \$150,000 for automotive parts for the period through September 16, 2008. This would bring the authorized amount to \$300,000. All monies are subject to funding availability at the time of ordering.

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**92E-08**

In the memorandum dated April 3, 2008, concerning a recommendation to **Increase Amount of Contract No. 6226 – Amerigas Propane** – Liquefied Propane Gas, Requisition Memorandum Award.

At the July 31, 2001 Commission Meeting, authorization was granted to award a contract to Amerigas Propane (Amerigas), Pittsburgh, PA, for the supply of liquefied propane gas for Turnpike facilities for a three-year term. Pursuant to its terms, Contract No. 6226 was extended for another three years through October 21, 2007 in an amount not to exceed \$153,000. In recognition of the expiration of this Contract, Staff publicly bid a new contract for liquefied propane gas. At the January 28, 2008 Commission Meeting, authorization was granted to award a new contract to Suburban Propane Gas (Suburban). The new contract with Suburban was

scheduled to commence shortly thereafter. However, the transition period was delayed due to difficulty in the removal of the tanks owned by Amerigas. As a result, the Maintenance Department had to continue propane deliveries from Amerigas during the change-over to Suburban's tanks. The change-over was completed and Suburban commenced its Contract on April 1, 2008. Thus, it is recommended that Contract No. 6226 with Amerigas be increased by \$55,000 to pay outstanding invoices for deliveries during the transition period.

Accordingly, authorization is requested to increase Contract 6226 awarded to Amerigas Propane Co. in the amount of \$55,000 for the period through March 31, 2008, bringing the new total authorized amount to \$208,000. This contract was procured and awarded in accordance with N.J.S.A. 27:23-6.1 et seq. and N.J.A.C. 19:9-2.2.

Reviewed by the Law Director; available funds certified by the Finance Director where applicable; the Executive Director certified the recommendations for consideration.

On motion by Commissioner Hodes, seconded by Commissioner Evans, the Authority unanimously approved the five (5) item purchasing agenda; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

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#### GENERAL BUSINESS

#### 93-08

Deputy Executive Director Scaccetti presented the recommendation contained in the memorandum dated April 8, 2008, concerning Issue of Utility Order NJFON-Adesta-15 – Adesta LLC – Backbone Fiber Optic Cable Interconnection, Three Locations, Garden State Parkway Mainline Roadway, Budget Codes: 06560015 and 06560015-R.

Authorization is sought to issue a utility order to Adesta LLC. The utility order will provide an interconnect between New Jersey Department of Transportation (NJDOT) fiber optic cable to New Jersey Turnpike Authority (NJTA) fiber optic backbone located on the mainline of the Parkway at three locations. The interconnect will be used to transmit camera images and other Intelligent Transportation Systems (ITS) information to the Statewide Traffic Management Center and other NJDOT locations.

The utility order also provides for engineering, permits, new duct construction, fiber optic cable installation, slicing and testing.

Adesta LLC maintains the fiber optic cable and termination electronics on the NJTA fiber optic ring under an existing maintenance contract. The total amount of the utility order will not exceed \$132,091.

Reviewed by the Law Director; available funds certified by the Finance Director; the Executive Director certified the recommendation for consideration.

On motion by Commissioner Hodes, seconded by Commissioner Pocino, the Authority unanimously approved the recommendation; authorized issue of Utility Order NJFON-Adesta-15 to Adesta LLC, as presented; and received and filed the memorandum.

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**94-08**

Deputy Executive Director Scaccetti presented the recommendation contained in the memorandum dated April 7, 2008, concerning **Authorization to Adopt an Amended Administration Building Policy and Procedures.**

Since Consolidation, of the Garden State Parkway and New Jersey Turnpike, the New Jersey Turnpike Authority (Authority) has reviewed and revised several existing policies regarding employment matters. This is the latest policy to be presented to the Authority Commissioners for their approval. This policy, as submitted, amends the original building security policy by adding the Authority's offices in the Mack-Cali office building and the Traffic Management Center building. The policy sets forth the Authority's procedures on building security for its Administrative offices at the Mack-Cali office building as well as its Traffic Management and Technology Center (TMC).

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**95-08**

Deputy Executive Director Scaccetti presented the recommendation contained in the memorandum dated March 11, 2008, concerning **Ratification of Payment – Inservco Insurance Services** – Third Party Workers' Compensation Claim Administration (TPA) Services, Fourth Year Fee Payment, Account No. 10-870-405070.

At the November 30, 2004 Commission Meeting (Item 474-04), the Authority authorized the award of Third Party Workers' Compensation Claims Administration to Inservco Insurance Services (Inservco).

This will serve to clarify the appropriate fee for the 4<sup>th</sup> year of the Agreement. The figures of \$156,900 and \$159,900 were stated in the memorandum and some of the corresponding materials presented to the Commissioners. The correct fee for the 4<sup>th</sup> year fee is \$159,500.

This request in no way invalidates the award to Inservco as the lowest of all proposals received. This ratification serves to clarify the original agenda item and to pay Inservco the original amount agreed to in their proposal.

Accordingly, ratification is requested to pay the amount of \$159,500 to Inservco Insurance Services, thereby reflecting the correct fee amount for their fourth year for provision of Third Party Workers' Compensation Claim Administration (TPA) Services.

Reviewed by the Law Director; available funds certified by the Finance Director where applicable; the Executive Director certified the recommendations for consideration.

On motion by Commissioner Hodes, seconded by Commissioner Cummis, the Authority unanimously approved items 94-08 and 95-08; and authorized, as presented, the recommendations contained therein; and received and filed the memoranda.

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**96-08**

Executive Director Lapolla presented the recommendation contained in his memorandum dated April 11, 2008, concerning Adoption of a **Resolution Authorizing the Conversion of All or a Portion of the Turnpike Revenue Bonds, Series 2003 D, to Another Interest Rate Period.**

Pursuant to the authorization granted at the Commission Meeting on March 11, 2008, with respect to restructuring the Turnpike Authority's auction rate securities; the staff, in consultation with the Authority's Financial Advisor, NW Financial Services, and General Counsel, recommends that the Authority convert all or a portion of the Turnpike Revenue Bonds, Series 2003 D, to another interest rate period.

The New Jersey Turnpike Authority (the "Authority") has previously issued its currently outstanding \$400,000,000 principal amount of Turnpike Revenue Bonds, Series D-1 through D-9, maturing on January 1, 2024 (the "2003 D Bonds"). The 2003 D Bonds were issued under and pursuant to the Turnpike Act and the Authority's Turnpike Revenue Bond Resolution, adopted on August 20, 1991, as amended and supplemented (the "Bond Resolution"), including as supplemented by a Series Resolution, adopted June 12, 2003, and by a certificate of the Authority dated July 8, 2003 entitled the "Certificate of Determination." The 2003 D Bonds currently bear interest at an Auction Rate and are subject to an Auction Rate Period as provided in the Certificate of Determination. In connection with the issuance of the 2003 D Bonds, the Authority entered into interest rate swap agreements with Morgan Stanley Capital Services, Inc. (for \$175,000,000), UBS AG (for \$175,000,000) and Citibank, N.A. New York (for \$50,000,000) (collectively, the "Existing Swap Agreements") in order to manage its interest rate risk with respect to the 2003 D Bonds.

Due to volatile conditions in the auction rate securities markets over the past several months, the Auction Rates for the 2003 D Bonds have increased significantly and, in certain cases, Auctions of the 2003 D Bonds have failed thereby resulting in the 2003 D Bonds bearing interest at the Maximum Auction Interest Rate. Given the recent significant increases in the Auction Rates for the 2003 D Bonds and the continued volatile conditions in the auction rates securities markets, the Authority now desires to authorize certain officers of the Authority to determine, in accordance with the provisions of this Resolution, whether it would be in the best interest of the Authority to (i) convert the Interest Rate Period for all or a portion of the 2003 D Bonds from an Auction Rate Period to another Interest Rate Period, and/or (ii) terminate all or certain of the Existing Swap Agreements in whole or in part, amend all or certain of the Existing Swap Agreements and/or enter into one or more new Qualified Swaps (as defined in the Bond Resolution) with respect to all or a portion of the 2003 D Bonds in connection therewith, and to authorize such officers of the Authority to approve and execute all contracts, agreements and other documents, and take all other actions, necessary or advisable to carry out any such determinations and consummate the transactions contemplated by this Resolution.

Therefore, the recommendation is made to adopt the Interest Rate Period Conversion Resolution.

At this point, Commissioner Cummis inquired as to whether the fee structure for the financial service professionals was based on a flat fee or hourly rates. Among the resulting responses were that it is a flat fee based on results as answered by Financial Advisor Enright and Bond/General Counsel Kelly. Commissioner Cummis stated that he wanted it known that he questioned the use of flat fees versus billing at hourly rates, and which is more appropriate for government transactions. However, he confirmed that he agreed with the financial recommendations and that financial restructuring steps being taken by the Authority are required.

Chairman Kolluri asked Financial Advisor Enright the size of the transaction to which Mr. Enright responded \$400 million. The Chairman further questioned what the impact of not moving forward was to which Mr. Enright responded approximately \$500 thousand per week.

On motion by Commissioner Hodes, seconded by Commissioner Cummis, the Authority unanimously approved the provisions; authorized the recommendations, as outlined; received and filed the memoranda; and unanimously adopted, as amended, the following **Resolution 96-08**:

**NEW JERSEY TURNPIKE AUTHORITY  
A RESOLUTION AUTHORIZING THE CONVERSION OF ALL OR A PORTION OF THE  
TURNPIKE REVENUE BONDS, SERIES 2003 D, TO ANOTHER INTEREST RATE PERIOD**

**WHEREAS**, the New Jersey Turnpike Authority (the "Authority") has previously issued its currently outstanding \$400,000,000 principal amount of Turnpike Revenue Bonds, Series D-1 through D-9, maturing on January 1, 2024 (the "2003 D Bonds");

**WHEREAS**, the 2003 D Bonds were issued under and pursuant to the Turnpike Act and the Authority's Turnpike Revenue Bond Resolution, adopted on August 20, 1991, as amended and supplemented (the "Bond Resolution"), including as supplemented by a Series Resolution, adopted on June 12, 2003, and by a certificate of the Authority dated July 8, 2003 entitled the "Certificate of Determination" (herein the "Original Certificate of Determination"; capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Original Certificate of Determination or the Bond Resolution, as applicable);

**WHEREAS**, the 2003 D Bonds currently bear interest at an Auction Rate and are subject to an Auction Rate Period as provided in the Original Certificate of Determination;

**WHEREAS**, in connection with the issuance of the 2003 D Bonds, the Authority entered into interest rate swap agreements (each a "Qualified Swap" under the Bond Resolution) with Morgan Stanley Capital Services, Inc. (for \$175,000,000), UBS AG (for \$175,000,000) and Citibank, N.A. New York (for \$50,000,000) (collectively, the "Existing Swap Agreements") in order to manage its interest rate risk with respect to the 2003 D Bonds;

**WHEREAS**, due to volatile conditions in the auction rate securities markets over the past several months, the Auction Rates for the 2003 D Bonds have increased significantly and, in certain cases, Auctions of the 2003 D Bonds have failed thereby resulting in the 2003 D Bonds bearing interest at the Maximum Auction Interest Rate; and

**WHEREAS**, given the recent significant increases in the Auction Rates for the 2003 D Bonds and the continued volatile conditions in the auction rate securities markets, the Authority now desires to authorize certain officers of the Authority to determine, in accordance with the provisions of this Resolution, whether it would be in the best interest of the Authority to (i) convert the Interest Rate Period for all or a portion of the 2003 D Bonds from an Auction Rate Period to another Interest Rate Period, and/or (ii) terminate all or certain of the Existing Swap Agreements in whole or in part, amend all or certain of the Existing Swap Agreements and/or enter into one or more new Qualified Swaps with respect to all or a portion of the 2003 D Bonds in connection therewith, and to authorize such officers of the Authority to approve and execute all contracts, agreements and other documents, and take all other actions, necessary or advisable to carry out any such determinations and consummate the transactions contemplated by this Resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE NEW JERSEY TURNPIKE AUTHORITY AS FOLLOWS:**

ARTICLE I  
AUTHORITY AND DEFINITIONS

**SECTION 101. Authority for this Resolution.**

This Resolution is adopted pursuant to the provisions of the Turnpike Act.

**SECTION 102. Definitions.**

All terms which are defined in the Bond Resolution and in the Original Certificate of Determination, shall have the same meanings, respectively, in this Resolution as such terms are given in the Bond Resolution and in the Original Certificate of Determination, as applicable.

In addition, in this Resolution, the following terms shall have the meanings set forth below:

**“Authorized Officer of the Authority”** shall mean the Executive Director, the Deputy Executive Director, Administration, or any other officer or employee of the Authority authorized to perform the specific act or duty by a resolution duly adopted by the Authority.

**“Bond Counsel”** with respect to the completion of the transactions contemplated by this Resolution shall mean Wilentz, Goldman & Spitzer, P.A., having its offices at 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095, and subsequent thereto, such firm or any other nationally recognized bond counsel reasonably satisfactory to the Authority.

**“Existing Swap Agreements”** shall collectively mean the Qualified Swaps the Authority entered into with Morgan Stanley Capital Services, Inc. (for \$175,000,000), UBS AG (for \$175,000,000) and Citibank, N.A., New York (for \$50,000,000) in connection with the issuance of the 2003 D Bonds.

**“Existing Swap Providers” or “Existing Swap Provider”** shall collectively mean Morgan Stanley Capital Services, Inc., UBS AG and Citibank, N.A., New York, and their respective successors and assigns, or, as applicable, each individual provider.

**“Liquidity Facility Agreement”** shall mean any Liquidity Facility Agreement, by and between the Authority and a Liquidity Facility Issuer, which is executed by the Authority and delivered to a Liquidity Facility Issuer in accordance with Section 205 of this Resolution.

**“Liquidity Facility Issuer”** shall mean the issuer of any Qualified Swap or Credit Facility (including, as applicable, an Insurance Policy).

**“Original Certificate of Determination”** shall mean the certificate of the Authority dated July 8, 2003 entitled the “Certificate of Determination” executed by an Authorized Officer of the Authority in connection with the issuance of the 2003 D Bonds.

**“Preliminary Remarketing Memorandum”** shall have the meaning given to such term in Section 207 of this Resolution.

**“Remarketing Agent”** shall mean the firm or firms selected to serve as a remarketing agent for the 2003 D Bonds to be converted pursuant to Section 202 of this Resolution.

**“Remarketing Agreement”** shall mean a Remarketing Agreement, by and between the Authority and a Remarketing Agent, which is executed by the Authority and delivered to a Remarketing Agent in accordance with Section 203 of this Resolution.

**“Remarketing Memorandum”** shall have the meaning given to such term in clause (b) of Section 210 of this Resolution.

**“2008 Qualified Swap”** shall mean one or more Qualified Swaps entered into by the Authority in connection with the conversion of the Interest Rate Period for all or a portion of the 2003 D Bonds in accordance with Section 209 of this Resolution.

**“2008 Series Certificate”** shall mean the Series Certificate or Certificates to be executed by an Authorized Officer of the Authority in accordance with Section 210 of this Resolution.

**“2003 D Bonds”** shall mean the Authority’s currently outstanding \$400,000,000 principal amount of Turnpike Revenue Bonds, Series D-1 through D-9, maturing on January 1, 2024 .

ARTICLE II  
AUTHORIZATION OF CERTAIN TRANSACTIONS  
RELATING TO THE 2003 D BONDS

**SECTION 201. Authorization of Conversion of 2003 D Bonds, Termination or Amendment of the Existing Swap Agreements and Entry Into 2008 Qualified Swaps.**

1. The Authorized Officers of the Authority are, and each such Authorized Officer of the Authority is, hereby authorized and directed, to determine, based on the market conditions existing at the time of such determination, the availability of Credit Facilities and/or Liquidity

Facilities for the 2003 D Bonds at cost effective prices, consistent with the provisions of the Original Certificate of Determination and the Existing Swap Agreements, and such other factors as such Authorized Officer and the Financial Advisor may deem relevant, whether it would be in the best interest of the Authority to (i) convert the Interest Rate Period for all or a portion of the 2003 D Bonds from an Auction Rate Period to another Interest Rate Period as provided in the Original Certificate of Determination, and/or (ii) terminate the Existing Swap Agreements in whole or in part, amend the Existing Swap Agreements and/or enter into one or more 2008 Qualified Swaps with respect to all or a portion of the 2003 D Bonds in connection therewith. Any such determinations made by an Authorized Officer of the Authority shall be set forth in the 2008 Series Certificate executed by an Authorized Officer of the Authority in accordance with Section 210 of this Resolution.

2. If an Authorized Officer of the Authority shall have determined to convert the Interest Rate Period for all or a portion of the 2003 D Bonds from an Auction Rate Period to another Interest Rate Period as provided in subsection 1 of this Section 201, the Interest Rate Period for the 2003 D Bonds to be so converted shall be converted to the Weekly Interest Rate Period, the Short-Term Interest Rate Term or the Fixed Interest Rate Period, as shall be determined by the Authorized Officer and such determination shall be set forth in the 2008 Series Certificate executed by an Authorized Officer of the Authority in accordance with Section 210 of this Resolution, subject to the provisions of subsection 3 of this Section 201. Any conversion to a new Interest Rate Period for all or a portion of the 2003 D Bonds shall be accomplished in accordance with the provisions of Article II of the Original Certificate of Determination. Any conversion to a new Interest Rate Period for all or a portion of the 2003 D Bonds shall not take place unless the Authority shall deliver, or cause to be delivered, to the Trustee, the applicable Insurer and the Broker-Dealer, all of the documentation required by the Bond Resolution and the Original Certificate of Determination. In addition, unless such requirements are otherwise appropriately waived, a conversion of all or a portion of the 2003 D Bonds to a Weekly Interest Rate Period or a Short-Term Interest Rate Term shall not take place unless the Authority shall deliver, or cause to be delivered, to the Trustee, the applicable Insurer and the applicable Remarketing Agent, a Liquidity Facility satisfying the requirements of the Original Certificate of Determination.

3. Notwithstanding anything contained in the Bond Resolution or this Resolution to the contrary, if all or a portion of the 2003 D Bonds are converted to (i) the Weekly Interest Rate Period or the Short-Term Interest Rate Term, the initial interest rate to be borne by the 2003 D Bonds so converted shall not exceed six percent (6.0%) per annum and the underwriters' discount or Remarketing Agent's fees shall not exceed \$3.00 per \$1,000 of the 2003 D Bonds so converted, or (ii) the Fixed Interest Rate Period, the true interest cost on the 2003 D Bonds so converted shall not exceed six percent (6.0%) per annum and the underwriters' discount or Remarketing Agent's fees shall not exceed \$6.50 per \$1,000 of the 2003 D Bonds so converted.

4. If an Authorized Officer of the Authority shall have determined to terminate the Existing Swap Agreements in whole or in part, amend the Existing Swap Agreements or enter into 2008 Qualified Swaps with respect to all or a portion of the 2003 D Bonds, all as provided in subsection 1 of this Section 201, such termination or amendment of the Existing Swap Agreements and/or the execution and delivery of any 2008 Qualified Swap in connection therewith shall be undertaken in accordance with the authorization therefor contained in this Resolution.

5. In connection with the transactions contemplated by this Resolution, an Authorized Officer of the Authority is hereby authorized to amend, or terminate and instruct the Trustee to return to the applicable Insurer, any Insurance Policy in effect with respect to the 2003 D Bonds, if such Authorized Officer of the Authority, in consultation with the Financial Advisor, determines that such amendment or termination is necessary or desirable. Whether or not any Insurance Policy has been amended, terminated, or returned to the Insurer, an Authorized Officer of the Authority, is hereby authorized to purchase one or more new or additional ("wraparound") municipal bond insurance policies with respect to any or all of the maturities of the 2003 D Bonds if an Authorized Officer of the Authority determines that such wraparound policy of new or additional municipal bond insurance is necessary or desirable, to include in the Remarketing Memorandum such provisions relating to the wraparound insurance policy as such Authorized Officer of the Authority, with the advice of Bond Counsel, deems appropriate and to include on the form of any 2003 D Bond which is insured by such wraparound insurance policy a statement of insurance in the form requested by the issuer of such wraparound insurance policy.

#### **SECTION 202. Selection of Remarketing Agent.**

If all or a portion of the 2003 D Bonds are to be converted from an Auction Rate Period to another Interest Rate Period, an Authorized Officer of the Authority is hereby authorized to select, in consultation with the Financial Advisor and Bond Counsel, one or more Remarketing Agents for the 2003 D Bonds to be so converted, provided, that any Remarketing Agent so selected shall satisfy the requirements of a Remarketing Agent for the 2003 D Bonds set forth in the Bond Resolution. Any such Remarketing Agent may also be an existing Auction Agent for the 2003 D Bonds. Such selections and appointments shall be evidenced by the execution by an Authorized Officer of the Authority of the Remarketing Agreement authorized by Section 203 of this Resolution.

**SECTION 203. Authorization and Approval of Remarketing Agreement.**

If all or a portion of the 2003 D Bonds are to be converted from an Auction Rate Period to another Interest Rate Period, the Authorized Officers of the Authority are, and each such Authorized Officer of the Authority is, hereby authorized and directed, in consultation with Bond Counsel, to prepare, or caused to be prepared, a Remarketing Agreement relating to the 2003 D Bonds to be so converted, by and between the Authority and the Remarketing Agent (the "Remarketing Agreement"), in customary form and in form and substance reasonably satisfactory to the Authorized Officer of the Authority executing the Remarketing Agreement, provided, that (i) the provisions of the Remarketing Agreement shall require the Remarketing Agent to remarket the 2003 D Bonds upon conversion to another Interest Rate Period in accordance with the terms and provisions of the Original Certificate of Determination and shall otherwise be acceptable to counsel to the Authority (including Bond Counsel), and (ii) the amount of the compensation to be paid to the Remarketing Agent for remarketing services relating to the 2003 D Bonds to be converted shall not exceed the limitations set forth in subsection 3 of Section 201 of this Resolution. The Authorized Officers of the Authority are each hereby authorized and directed, in consultation with Bond Counsel, to negotiate the terms and provisions of the Remarketing Agreement with the Remarketing Agent. The Authorized Officers of the Authority are, and each such Authorized Officer of the Authority is, hereby authorized and directed on behalf of the Authority to approve the terms and provisions of the Remarketing Agreement and to execute and deliver the Remarketing Agreement to the Remarketing Agent.

**SECTION 204. Selection of Liquidity Facility Issuer.**

If all or a portion of the 2003 D Bonds are to be converted from an Auction Rate Period to a Weekly Interest Rate Period or a Short-Term Interest Rate Term, an Authorized Officer of the Authority is hereby authorized to select, in consultation with the Financial Advisor and Bond Counsel, one or more Liquidity Facility Issuers to provide a Liquidity Facility for the 2003 D Bonds based upon all factors (including lowest rate, credit quality and proposed terms and conditions), contain the terms and conditions that are the most advantageous to the Authority; provided that (i) any Liquidity Facility Issuer so selected shall have a long-term rating of AA- or Aa3 or better, or a short-term rating of A-1, VMIG-1 or F-1, by any two Rating Agencies, and (ii) the Liquidity Facility issued by such Liquidity Facility Issuer shall comply with the provisions of Section 205 of this Resolution. Such selections and appointments of the Liquidity Facility Issuers shall be evidenced by the execution by an Authorized Officer of the Authority of the Liquidity Facility Agreement relating to the 2003 D Bonds authorized by Section 205 of this Resolution.

**SECTION 205. Authorization and Approval of Liquidity Facility Agreement.**

If all or a portion of the 2003 D Bonds are to be converted from an Auction Rate Period to a Weekly Interest Rate Period or a Short-Term Interest Rate Term, the Authorized Officers of the Authority are, and each such Authorized Officer of the Authority is, hereby authorized and directed, in consultation with Bond Counsel, to prepare, or caused to be prepared, a standby bond purchase agreement, reimbursement agreement or other agreement, contract or arrangement by and between the Authority and each Liquidity Facility Issuer providing a Liquidity Facility for the 2003 D Bonds to be so converted (the "Liquidity Facility Agreement"), in customary form and in form and substance reasonably satisfactory to the Authorized Officer of the Authority executing the Liquidity Facility Agreement; provided, that the provisions of the Liquidity Facility Agreement are acceptable to counsel to the Authority (including Bond Counsel) and in no event shall (i) the interest rate on 2003 D Bonds purchased by the Liquidity Facility Issuer exceed the maximum rate for such 2003 D Bonds set forth in the Bond Resolution, (ii) the term of the Liquidity Facility extend beyond the final maturity date of the applicable 2003 D Bonds, and (iii) the term-out period for the Authority to repay any amounts drawn under the Liquidity Facility to purchase 2003 D Bonds be less than three years. The Authorized Officers of the Authority are each hereby authorized and directed, in consultation with Bond Counsel, to negotiate the terms and provisions of the Liquidity Facility Agreement with the Liquidity Facility Issuers. The Authorized Officers of the Authority are, and each such Authorized Officer of the Authority is, hereby authorized and directed on behalf of the Authority to approve the terms and provisions of the Liquidity Facility Agreement and to execute and deliver the Liquidity Facility Agreement to the Liquidity Facility Issuers.

**SECTION 206. Selection of Bond Counsel and Financial Advisor.**

In accordance with Executive Order No. 26 (Whitman 1994), and the Authority's current Statement of Policy of the New Jersey Turnpike Authority for Compliance with Executive Order No. 26, NW Capital Markets Inc. is hereby appointed as Financial Advisor (the "Financial Advisor") to the Authority and Wilentz, Goldman & Spitzer, P.A. is hereby appointed as Bond Counsel ("Bond Counsel") in connection with the conversion of any 2003 D Bonds from an Auction Rate Period to another Interest Rate Period. Both the Financial Advisor and the Bond Counsel have been previously selected as financial advisor and general counsel to the Authority in connection with prior Authority proposal processes, and each firm has been directly involved in every debt financing undertaken by the Authority since January 2002, including the issuance of the 2003 D Bonds by the Authority. Due to the current volatile auction bond market conditions (which have resulted in unanticipated increases in the Authority's auction bond interest rates on the 2003 D Bonds) and the need to accomplish any desired conversion of the 2003 D Bonds as soon as possible, the Authority has determined that the most expeditious and timely course of action to accomplish such conversion is to immediately proceed with the Financial Advisor and Bond Counsel due to their unique extensive past and current experience in Authority debt financing matters, including the issuance of the 2003 D Bonds and the financial plan approved by the Authority for the restructuring of its auction rate securities.

**SECTION 207. Authorization and Approval of Preliminary Remarketing Memorandum.**

If all or a portion of the 2003 D Bonds are to be converted from an Auction Rate Period to another Interest Rate Period, the Authorized Officers of the Authority are, and each such Authorized Officer of the Authority is, hereby authorized and directed, in consultation with Bond Counsel, to prepare, or cause to be prepared, a preliminary remarketing or reoffering memorandum or other similar disclosure document of the Authority relating to the 2003 D Bonds (the "Preliminary Remarketing Memorandum"), in customary form and in form and substance reasonably satisfactory to the Authorized Officer of the Authority deeming the same final in accordance with this Section 204. An Authorized Officer of the Authority is hereby authorized, with the advice of Bond Counsel, to deem the Preliminary Remarketing Memorandum final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and to provide written evidence relating thereto in form acceptable to Bond Counsel.

**SECTION 208. Authorization of Distribution of Preliminary Remarketing Memorandum.**

The distribution of the Preliminary Remarketing Memorandum by the Remarketing Agent in connection with the remarketing of the 2003 D Bonds to be converted to another Interest Rate Period, in the form deemed final by an Authorized Officer of the Authority in accordance with Section 207 of this Resolution, is hereby authorized. Any Authorized Officer of the Authority is further authorized and directed to take all such other actions as such Authorized Officer of the Authority shall deem necessary or desirable to effect the remarketing of the 2003 D Bonds to be remarketed.

**SECTION 209. Authorization and Approval of 2008 Qualified Swap.**

1. If all or a portion of the 2003 D Bonds are to be converted from an Auction Rate Period to another Interest Rate Period and, in connection therewith, an Authorized Officer of the Authority determines that it would be in the best interest of the Authority to enter into, execute and deliver a 2008 Qualified Swap, the Authorized Officers of the Authority are, and each such Authorized Officer of the Authority is, hereby authorized and directed, in consultation with Bond Counsel and the Financial Advisor, to negotiate and to enter into one or more 2008 Qualified Swaps with Qualified Swap Providers.

2. An Authorized Officer of the Authority, is hereby authorized to amend or terminate, in whole or in part, the Existing Swap Agreements, if such Authorized Officer of the Authority, in consultation with the Financial Advisor and Bond Counsel, determines that such termination or amendment is necessary or desirable. Such amendments to the Existing Swap Agreements may include, without limitation, (a) amendments which result in the Authority both paying and receiving a fixed rate pursuant to the Existing Swap Agreements, and (b) converting the Existing Swap Agreements to a basis swap, for the remainder of the stated term of the Existing Swap Agreements or for such shorter time period as such Authorized Officer of the Authority, in consultation with the Financial Advisor and Bond Counsel, may determine, provided, that (i) in no event shall the notional amount of the Existing Swap Agreements be increased or the stated termination date of the Existing Swap Agreements be extended as a result of any such amendments, (ii) to the extent that such amendments result in the Authority continuing to have an obligation to pay a fixed rate under the Existing Swap Agreements, such fixed rate payable by the Authority shall not exceed six percent (6.0%) per annum, and (iii) to the extent that such amendments, including any amendments converting the Existing Swap Agreements to a basis swap, result in the Authority having an obligation to pay a floating rate under the Existing Swap Agreements, the interest rate or index upon which such floating rate is based shall be the interest rate or index which such Authorized Officer of the Authority shall determine, in consultation with the Financial Advisor and Bond Counsel, to be the most advantageous to the Authority.

3. In addition to any amendments to the Existing Swap Agreements authorized by subsection 2 of this Section 209, an Authorized Officer of the Authority, in consultation with the Financial Advisor and Bond Counsel, is hereby specifically authorized to amend the Existing Swap Agreements to provide the Existing Swap Provider with an option to terminate the Existing Swap Agreements on a future date or dates in exchange for the payment by the Existing Swap

Provider on the effective date of any such amendment of a premium, if such Authorized Officer of the Authority, in consultation with the Financial Advisor and Bond Counsel, determines that such amendment is necessary or desirable.

4. The Authorized Officers of the Authority are each hereby authorized and directed, in consultation with Bond Counsel, to negotiate the terms of and to execute and deliver such documents and instruments as may be necessary or appropriate in connection with the termination of, or any amendments to, the Existing Swap Agreements authorized pursuant to this Section 209, including, without limitation, any agreements and amended and restated confirmations.

#### **SECTION 210. Additional Proceedings.**

As additional proceedings of the Authority in connection with the conversion of the Interest Rate Period for all or a portion of the 2003 D Bonds from an Auction Rate Period to another Interest Rate Period and/or the termination or amendment of the Existing Swap Agreements and the execution and delivery of a 2008 Qualified Swap with respect to all or a portion of the 2003 D Bonds in connection therewith, there is hereby delegated to the Authorized Officers of the Authority the power to take the following actions and make the following determinations by a 2008 Series Certificate or Certificates executed by any one such Authorized Officer of the Authority:

(a) To determine, subject to the provisions of this Resolution, (i) whether the Interest Rate Period for all or a portion of the 2003 D Bonds shall be converted from an Auction Rate Period to the Weekly Interest Rate Period, the Short-Term Interest Rate Term or the Fixed Interest Rate Period, (ii) the principal amount of the 2003 D Bonds which are to be so converted if only a portion of the 2003 D Bonds are to be so converted, (iii) the Interest Rate Period to which such 2003 D Bonds are to be converted, and (iv) any other matters necessary to comply with the Bond Resolution or the Original Certificate of Determination or deemed necessary or advisable by such Authorized Officer of the Authority and which provisions are not in conflict with or in substitution for the provisions of the Bond Resolution or the Original Certificate of Determination;

(b) To execute a final remarketing or reoffering memorandum or other similar disclosure document of the Authority relating to the 2003 D Bonds (the "Remarketing Memorandum"), substantially in the form of the Preliminary Remarketing Memorandum, with such insertions, revisions and omissions as may be authorized by the Authorized Officer of the Authority executing the same, with the advice of Bond Counsel, to deliver such final Remarketing Memorandum to the Remarketing Agent for the 2003 D Bonds and to authorize the use of such final Remarketing Memorandum and the information contained therein in connection with the remarketing of the 2003 D Bonds;

(c) In connection with the conversion of the Interest Rate Period for all or a portion of the 2003 D Bonds from an Auction Rate Period to another Interest Rate Period, to make such amendments, modifications and revisions to the Bond Resolution, this Resolution or the Original Certificate of Determination as (i) may be requested by any Rating Agency in connection with obtaining a rating on the 2003 D Bonds from such Rating Agency, (ii) may be requested by any Insurer or Liquidity Facility Issuer in connection with obtaining any municipal bond wraparound insurance policy or a Liquidity Facility for the 2003 D Bonds to be so converted, or (iii) or as an Authorized Officer of the Authority may determine, in consultation with the Financial Advisor and Bond Counsel, are necessary or advisable in order to facilitate and effectuate a smooth and efficient conversion of such Interest Rate Period and remarketing of the 2003 D Bonds and to provide a mechanism for paying all or a portion of the costs and expenses incurred by the Authority in connection with the transactions contemplated by this Resolution, including, without limitation, the costs and expenses described in clause (l) of this Section 210, provided that no such amendments, modifications or revisions shall be inconsistent with the provisions of the Bond Resolution;

(d) To negotiate and enter into a 2008 Qualified Swap with the Qualified Swap Provider that proposes to accept the lowest fixed rate or rates of interest to be paid or locked into by the Authority in exchange for the payment by the Qualified Swap Provider of its applicable rate; provided that (i) such Authorized Officer of the Authority may accept a proposal stating a higher rate of interest if such Authorized Officer of the Authority, with the advice of the Financial Advisor and Bond Counsel, determines, based on other factors (including, without limitation, the credit quality of the Qualified Swap Provider), that such higher proposal is more advantageous to the Authority, and (ii) any Qualified Swap Provider selected shall have a long-term rating of AA- or Aa3 or better by any two Rating Agencies;

(e) To determine, subject to the provisions of this Resolution, the notional amount, term, interest rate provisions and the effective date or dates and stated termination date or dates of each 2008 Qualified Swap and any other provisions deemed advisable by such Authorized Officer of the Authority which are not in conflict with or in substitution for the provisions of the Bond Resolution; *provided, however*, that (i) the aggregate notional amount of all 2008 Qualified Swaps shall not exceed \$400,000,000, (ii) the maximum term of each 2008 Qualified Swap shall not extend beyond the final maturity date of the 2003 D Bonds, (iii) if the Authority will be paying a fixed rate to the counterparty under any such 2008 Qualified Swap, the maximum

fixed rate to be paid by the Authority under such 2008 Qualified Swap shall not exceed six percent (6.0%) per annum, and (iv) if the Authority will be paying a floating rate to the counterparty under any such 2008 Qualified Swap, the interest rate or index upon which such floating rate is based shall be the interest rate or index which such Authorized Officer of the Authority shall determine, in consultation with the Financial Advisor and with the advice of Bond Counsel, to be the most advantageous to the Authority;

(f) To determine, subject to the provisions of the Bond Resolution and with the advice of Bond Counsel, whether the Authority's respective payment obligations under any 2008 Qualified Swap shall be at parity with its Bond payment obligations or shall constitute Subordinated Indebtedness for purposes of the Bond Resolution;

(g) With the advice of Bond Counsel, to execute such documents, instruments and papers, including, but not limited to, one or more ISDA master agreements and attached counterparty schedules and swap confirmation letters, as may be necessary or advisable in conjunction with any 2008 Qualified Swap;

(h) If such Authorized Officer of the Authority, with the advice of Bond Counsel, so determines, to obtain a commitment or commitments for a swap insurance policy relating to any 2008 Qualified Swap;

(i) To make the determination, after consultation with the Financial Advisor and in accordance with the provisions of this Resolution, whether to optionally terminate the Existing Swap Agreements, in whole or in part, and to pay any termination payment required in connection with such termination from any proceeds of the remarketing of the 2003 D Bonds to be converted which are available to be used for such payment, or from any other source of funds of the Authority and available to be used for such payment;

(j) In consultation with the Financial Advisor and the advice of Bond Counsel, to transfer any 2008 Qualified Swap to another entity when it is in the best interest of the Authority and to enter into any and all documents necessary to effectuate such transfer;

(k) To determine, in consultation with the Financial Advisor, whether to pay any or all of the costs and expenses incurred by the Authority in connection with the transactions contemplated by this Resolution, including, without limitation, any and all legal fees, accounting fees, fees of the Remarketing Agent, Liquidity Facility Issuers, the Financial Advisor, the Bond Counsel, any Insurer, the Existing Swap Provider, the counterparty or counterparties to any 2008 Qualified Swap and any other fees and expenses incurred in connection with the termination or amendment of the Existing Swap Agreements, from any proceeds of the remarketing of the 2003 D Bonds to be converted which are available to be used for such payment, or from any other source of funds of the Authority and available to be used for such payment;

(l) As and if necessary, to submit an excerpt of the minutes of the meeting of the Authority at which this Resolution was adopted to the Governor of the State as may be required pursuant to the Act, and to receive, on behalf of the Authority, an approval letter from the Governor, if delivered to the Authority, of said excerpt as it relates to all actions taken by the Authority in connection with the transactions contemplated by this Resolution; and

(m) To make such other determinations, to execute such other documents, instruments and papers, and to do such acts and things as may be necessary or advisable in connection with the conversion of the Interest Rate Period for all or a portion of the 2003 D Bonds from an Auction Rate Period to another Interest Rate Period and/or the termination or amendment of the Existing Swap Agreements and the execution and delivery of a 2008 Qualified Swap with respect to all or a portion of the 2003 D Bonds in connection therewith and which are not inconsistent with the provisions of the Bond Resolution or this Resolution. Any and all actions heretofore taken by the Authorized Officers of the Authority in connection with the transactions contemplated by this Resolution are hereby ratified.

All matters determined by an Authorized Officer of the Authority under the authority of this Resolution shall constitute and be deemed matters incorporated into this Resolution and approved by the Authority, and, whenever an Authorized Officer of the Authority is authorized or directed to take any action pursuant to this Resolution with or upon the advice, consent or consultation with or by any other person, agency, officer or official, a certificate of such Authorized Officer of the Authority may be relied upon as being determinative that such advice, consultation or consent has in fact occurred and that such actions of the Authorized Officer of the Authority are valid and binding.

### **ARTICLE III EFFECTIVE DATE**

**SECTION 301. Effective Date.** This Resolution shall become effective at the earliest time permitted by law.



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**97-08**

Finance Director Hayllar presented the financial results of the New Jersey Turnpike Authority for the Two Months ended February 29, 2008. On motion by Commissioner Hodes, seconded by Commissioner Cummis, the Authority's **Financial Summary** was unanimously accepted and received for file.

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**98-08**

**Resume of All Fatal Accidents** – Garden State Parkway and New Jersey Turnpike. Submitted by Operations Director Hill, it contains a descriptive account for the Period 1/1/08 to 4/1/08 and each report also includes 2007 – 2008 Yearly Comparisons for the two months through February 2008.

On motion by Commissioner Hodes, seconded by Commissioner Cummis, the Authority unanimously accepted the Resume' and received for file.

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**99-08**

**New Jersey State Police Troops D and E - Reports of Activities** for the month ending February of 2008 with 2007 – 2008 Yearly Comparisons; was submitted by Major Walker, Troop D Commander.

On motion by Commissioner Hodes, seconded by Commissioner Cummis, the Authority unanimously accepted the reports and received for file.

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**Addendum Item**

**100-08**

THIS ITEM WAS PRESENTED IN THE ENGINEERING SECTION OF THESE PROCEEDINGS.

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At this juncture, Chairman Kolluri opened the floor to public comment on other matters. There was no response.

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The motion to adjourn was made by Commissioner Hodes, seconded by Commissioner Cummis and, after the voice vote, the motion was duly adopted. The Authority adjourned at 10:05 A.M., to meet on Wednesday, May 28, 2008, at 9:30 A.M.

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The Assistant Secretary acknowledges receipt of the following documents for file:

**ADDITIONAL REPORTS:**

**Purchases** – under Resolution 40-95, Executive Directors Delegated Authority (EDDA), for the Period: February 1, 2008 – February 29, 2008; and Period: March 1, 2008 – March 31, 2008.

Utility Orders – under EDDA 117-05; Dated April 16, 2008.

Contract Change Order Summary, Type 1 and Type 2 – Period February 8, 2008 through April 3, 2008, Dated April 16, 2008.

Construction Progress – Period Ending April 4, 2008; Dated April 16, 2008.

AGREEMENTS/CONTRACTS:

Utility Order No. 1188-T – Adesta LLC – Underground Fiber Optic Cable Facilities Relocation, Ramp NWC Improvements, Turnpike Interchange 18W; authorized 2/26/08.

Declaration of Taking – NJTA v. 7A Interchange Associates, dated December 13, 2007 – Turnpike Section 4G: Parcels 950A, 950B, 950C, 950D, 950E, UE950A, UE950D, UE950E, 950AX, 950DX, 950EX; Block 38.01; Lots 15.02, 15.03 and parts of 15.01 and 15.04, Washington Township Mercer County, Turnpike Interchange 6 to 9 Widening Program; authorized 11/9/07.

Deed – to New Jersey Turnpike Authority, from Borough of Carteret, NJ, Dated January 1, 2008 – Turnpike Section 5G: Parcels 1019G-1 and 1019G-2; Block 113; Lot (a/k/a/ 1.05), 760 Roosevelt Ave., Carteret, NJ, Turnpike Interchange 12 Final Improvements Project; authorized 5/31/05 and 11/9/07.

Contract Purchase Agreement (No. 870), dated 3/18/08 – Russell Reid Waste Hauling and Disposal Service Company Inc. – Disposal of Hazardous and Non-Hazardous Waste, Grease, TrapOil; authorized 2/26/08.

Snow Removal Contract SPC-10E-07 (RM 368 and Purchase Agreement No. 832) – Eagle Paving Corporation; authorized to negotiate 9/25/07; ratified 2/26/08.

Contract No. P100.007 – Joseph M. Sanzari Inc.; authorized 1/22/08.

Contract No. P100.053 – Kyle Conti Construction LLC.; authorized 1/22/08.

Contract No. P100.007 – Joseph M. Sanzari Inc.; authorized 1/22/08.

Contract No. T200.018 – Creamer-Sanzari, A Joint Venture; authorized 2/26/08.

Contract No. P200.083 – Tilcon New York Inc.; authorized 2/26/08.

Contract No. P200.088 – J. Fletcher Creamer & Son Inc.; authorized 12/10/07.

Contract No. T900.091 – Griffin Sign Inc. – authorized 1/22/08.

ORDERS FOR PROFESSIONAL SERVICES:

OPS No. T3148 – Hatch Mott MacDonald – Remediation Systems Monitoring & Maintenance; authorized 1/22/08.

OPS No. P3158 – Urbitran Associates Inc. – Supervision of Construction Services; authorized 1/22/08.

OPS No. P3164 – IH Engineers PC – Design Services; authorized 1/22/08.

OPS No. P3165 – Kupper Associates – Supervision of Construction Services; authorized 2/26/08.

OPS No. P3166 – KS Engineers PC – Supervision of Construction Services; authorized 2/26/08.

OPS No. T3171 – Chas. H. Sells Inc. – 2008 Bridge Inspection Services – Turnpike, Part B ; authorized 1/22/08.

OPS No. T3172 – LS Engineering Associates Corp. – 2008 Bridge Inspection Services – Turnpike, Part C; authorized 2/26/08.

Supplemental OPS T3041A – HNTB Corporation – Supervision of Construction Services; authorized 2/26/08.

Supplemental OPS. No. A3053G – HNTB Corporation – Design Services; authorized 2/26/08.

Supplemental OPS No. T3071A – Kupper Associates – Supervision of Construction Services;  
authorized 2/26/08.

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Rose Stanko  
Assistant Secretary

APPROVED:

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Kris Kolluri, Chairman and NJ Department of Transportation Commissioner

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Michael R. DuPont, Treasurer (ABSENT)

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Harold L. Hodes, Commissioner

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David G. Evans, Commissioner

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Raymond M. Pocino, Commissioner

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Clive S. Cummis, Commissioner