

**CERTIFICATION
OF
NEW JERSEY TURNPIKE AUTHORITY**

I, John M. Keller, hereby certify that I am the Executive Director of the New Jersey Turnpike Authority and as such, Executive Director certify that the attached copy of PROCEEDINGS OF THE NEW JERSEY TURNPIKE AUTHORITY is a true and correct copy of the Minutes of the October 23, 2018 Meeting of the Authority.

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the New Jersey Turnpike Authority **this 23rd day of October, 2018.**

ATTEST:

Kim Schurman
Kim Schurman
Secretary to the Authority

John M. Keller
John M. Keller
Executive Director

Corporate Seal

Date: October 23, 2018

**Received in the Governor's Office September 25, 2018
(hand delivered)**

Received by:

Samantha Heffelfinger
Print Name

Samantha Heffelfinger
Signature

Veto Period Ends:

November 7, 2018
(Write in the date the veto period ends)

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PROCEEDINGS OF MEETING OF NEW JERSEY TURNPIKE AUTHORITY

BOARD OF COMMISSIONERS

Tuesday, October 23, 2018

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Chair Diane Gutierrez-Scaccetti called the meeting of the Authority's Board of Commissioners (the Board) into session in the Executive Boardroom of the Authority's Headquarters Building at 1 Turnpike Plaza in Woodbridge, New Jersey, at 9:03 A.M.

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PLEDGE OF ALLEGIANCE

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PRESENT

Present were Chair Diane Gutierrez-Scaccetti, Vice Chairman Ronald Gravino, Treasurer Michael DuPont, Commissioner Raymond Pocino, Commissioner Ulises Diaz and Commissioner John Minella and Commissioner Raphael Salerno (Absent). The meeting commenced at 9:03 A.M.

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ALSO PRESENT

Executive Director John Keller, Deputy Executive Director James Carone, Chief Financial Officer Donna Manuelli; Deputy Chief Engineer, Design Larry Williams, Chief Information Officer Jose Dios; Director of Law Robert Carroll; Director of Human Resources Mary-Elizabeth Garrity; Director of Internal Audit Donna Wilser, Director of Maintenance Kenneth McGoldrick; Acting Director of Operations Kevin Dunn; Director of Procurement and Materials Management Andrea Ward; Director of Tolls John Pagliarulo; Director of Community and Government Relations Shawn Taylor; New Jersey State Police Major Ernie Giampietro, State Police Troop D; and Secretary to the Authority Kim Schurman.

Also present were: Outside Counsel Judy Verrone, Esq., of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Governors' Authorities Unit Representative Lauren LaRusso, additional individuals consisting of other NJTA employees; interested organizations; and the general public. New Jersey Advanced Media was present.

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NOTICE OF MEETING

This is a regular meeting of the New Jersey Turnpike Authority. Adequate notice of this meeting has been provided in accordance with Chapter 231, P.L. 1975 in that notice has been given to at least two newspapers and notice has been forwarded to the Secretary of State, Trenton, New Jersey. In addition, notice of said meeting has been and is being displayed in the main lobby of the Authority's Administration Headquarters in Woodbridge.

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

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- 1. Chair Gutierrez-Scaccetti
- 2. Vice Chairman Gravino
- 3. Treasurer DuPont
- 4. Commissioner Pocino
- 5. Commissioner Diaz
- 6. Commissioner Minella
- 7. Commissioner Salerno

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EXECUTIVE SESSION

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

- Collective Bargaining Agreements
- Contract Negotiations

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

Executive Session was adjourned at 9:29 a.m. Chair Gutierrez-Scaccetti resumed the public portion of the meeting at 9:33 a.m.

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

- 1. Chair Gutierrez-Scaccetti
- 2. Vice Chairman Gravino
- 3. Treasurer DuPont
- 4. Commissioner Pocino
- 5. Commissioner Diaz
- 6. Commissioner Minella
- 7. Commissioner Salerno

The Secretary to the Authority reported that ten days, excluding Saturdays, Sundays and holidays, have elapsed since Governor Philip D. Murphy received the proceedings of the regular meeting of September 25, 2018; he did not exercise his power to veto any items in those minutes.

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

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ROLL CALL

| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
|-------------------------|---------|--------|--------|------|---------|---------|
| YES | YES | YES | YES | YES | YES | YES |

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RECUSALS

The Secretary to the Authority reported recusals or abstentions submitted for the record:

- Commissioner Pocino is recused on items 216 through 223

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PUBLIC COMMENT

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Murray Bodin, Concerned Grandparents

Bodin stated that the world has changed, and that the rules that we operated under for many years are now different. Bodin stated he met with the Chair and the Chief of Staff at the Port Authority last week to discuss how much things have changed. Bodin said he spoke earlier to Kevin Dunn our Acting Director of Operations and they are going to sit down and discuss ways to change the Turnpike to make it safer and to save money. Bodin thanked the staff at the New Jersey Turnpike for listening to him all these years.

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EXECUTIVE DIRECTOR'S COMMENTS

None

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CHAIR COMMENTS

None

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HUMAN RESOURCES

Director of Human Resources Mary-Elizabeth Garrity requested approval of item number 214-10-2018. Moved is the item as follows:

214-10-2018

Human Resources Director Mary Elizabeth Garrity submitted the **Personnel Agenda**, dated October 23, 2018, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

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

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ROLL CALL

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|------------------------|---------|--------|--------|------|---------|---------|
| GUTIERREZ- SCACETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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LAW

Director of Law Robert Carroll requested approval of item number 215-10-2018. Moved is the item as follows:

215-10-2018

In a memorandum dated October 9, 2018, Authorization to Amend the State Transportation Projects Funding Agreement, was approved.

At its June 28, 2016 meeting, under Agenda Item Item No. 240-06-2016, the Board of Commissioners authorized the Executive Director to enter into a State Transportation Projects Funding Agreement ("the Funding Agreement") between the New Jersey Turnpike Authority ("the Authority") and the Treasurer of the State of New Jersey. Under the terms of this agreement, the Authority makes payments to the State of New Jersey to be used for statewide transportation purposes for a five-year period which began on July 1, 2016 and ends on June 30, 2021.

The Authority has made annual payments, payable quarterly, of \$204 million in state fiscal years 2017 and 2018, consistent with the terms of the Funding Agreement. In addition, the Funding Agreement obligates the Authority to make payments totaling a lesser amount of only \$129 million per year in state fiscal years 2019, 2020 and 2021. The total payments over the five-year period are \$797 million, nearly half the total of the payments under the previous State Transportation Projects Funding Agreement which covered state fiscal years 2012 – 2016.

The Treasurer has asked the Authority to increase its state fiscal 2019 payment by \$25 million, bringing the total to \$154 million for the year. The additional \$25 million will be payable in two payments of \$12.5 million each on 3/31/19 and 6/30/19. The payments in state fiscal year 2020 and 2021 will remain the same as in the current Funding Agreement at \$129 million each year.

With the proposed amendment, the total payments over the five-year period will be increased by \$25 million to \$822 million. Payments will continue to only be made from legally available revenues in the General Reserve Fund, and are subordinate to the payments required to be made to the Authority's bondholders and all other payments required to be made under the Authority's General Bond Resolution. The additional \$25 million payment in state fiscal 2019 has been included in the Authority's 2019 Annual Budget.

Based on the above, approval of the Authorization to Amend the State Transportation Projects Funding Agreement is requested.

On motion by Treasurer DuPont and seconded by Commissioner Pocino, the Board unanimously approved item number 215-10-2018 and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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|-------------------------|---------|--------|--------|------|---------|---------|
| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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ENGINEERING

Deputy Chief Engineer, Design Larry Williams requested approval of item numbers 216-10-2018 through 220-10-2018. Moved are the items as follows:

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ORDER FOR PROFESSIONAL SERVICES (OPS)

216-10-2018

In a document dated September 21, 2018, Recommendation to Issue Order for Professional Services Nos. T3665 and T3666, New Jersey Turnpike, Greenman-Pedersen, Inc. - OPS No. T3665, Michael Baker International, Inc. - OPS No. T3666, Order for Professional Services No. T3665, Design Services for Contract No. T100.465, Bridge Repairs and Resurfacing, Milepost 92 to 122, and the Newark Bay-Hudson County Extension (2020), RM-143742, Budget Code: 030C10001E, Funding allocation: \$1,310,000.00 FY 2019, \$ 500,000.00 FY 2020, Amount: \$1,810,000.00, and Order for Professional Services No. T3666, Design Services for Contract No. T100.466, Bridge Repairs and Resurfacing, Milepost 0 to 92, and the Pearl Harbor Memorial Turnpike Extension (2020), Budget Code: 030C10001E, RM-142743 Funding Allocation: \$ 800,000.00 FY 2019, \$ 405,000.00 FY 2020, Amount: \$1,205,000.00, was approved.

Through this single procurement process, the Authority will select two consultants to furnish design services and prepare construction contract documents for the annual bridge deck and miscellaneous structural repair contracts for 2020, which will address the northern and southern portions on the Turnpike.

The design services associated with OPS No. T3665 provides for bridge inspection, condition evaluation and preparation of contract documents for Bridge Deck Repairs, Resurfacing and Miscellaneous Structural Repairs on the northern portion of the Turnpike.

The design services associated with OPS No. T3666 provides for bridge inspection, condition evaluation and preparation of contract documents for Bridge Deck Repairs, Resurfacing and Miscellaneous Structural Repairs on the southern portion of the Turnpike.

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These assignments are classified as "Simple Projects" since the scopes of work are clearly defined and not likely to change during the course of the project, and the cost of each is less than \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 46 engineering firms were prequalified and eligible under Profile Codes: A092 – Bridges: Miscellaneous Repairs and A093 – Bridges: Deck Replacement and Rehabilitation. Three firms submitted EOIs by the closing date of August 7, 2018.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking: 1) Greenman-Pedersen, Inc.; 2) Michael Baker International, Inc. and 3) Arora and Associates, P.C. These three firms were requested to submit sealed Fee Proposals. Fee Proposals submitted by the three firms have been reviewed. A review of the fee proposal of the highest technically ranked firm, Greenman-Pedersen, Inc., for OPS No. T3665 (their preferred OPS) was negotiated which resulted in a reduction in their fee proposal. Subsequently, a review of the fee proposal of the second highest technically ranked firm, Michael Baker International, Inc. for OPS No. T3666 resulted in acceptance of their original fee proposal. Both fees are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. T3665 to provide Design Services for Contract No. T100.465 be issued to the firm of Greenman-Pedersen, Inc., of Lebanon, NJ, not to exceed the amount of \$1,810,000.00 allocated as follows: \$1,310,000.00 in FY 2019 and \$500,000.00 in FY 2020. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.80 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

It is further recommended that Order for Professional Services No. T3666 to provide Design Services for Contract No. T100.466 be issued to the firm of Michael Baker International, Inc. of Hamilton, NJ, not to exceed the amount of \$1,205,000.00 allocated as follows: \$800,000.00 in FY 2019 and \$405,000.00 in FY 2020. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.68 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

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

217-10-2018

In a document dated September 26, 2018, **Recommendation to Issue Order for Professional Services Nos. P3670 and P3671, Garden State Parkway, Pickering, Corts & Summerson, Inc. - OPS No. P3670, Cherry, Weber & Associates, P.C. - OPS No. P3671, Engineering Services for the 2019 New Jersey Turnpike Authority Bridge Inspection Program, Order for Professional Services No. P3670, Garden State Parkway – Group 3, Milepost 123 to 149, RM-143746, Budget Code: 040E10018, Funding Allocation: \$765,000.00 FY 2019, \$ 80,000.00 FY 2020, Amount: \$845,000.00, And, Order for Professional Services No. P3671, Garden State Parkway – Group 1, Milepost 0 to 96, RM-143747, Budget Code: 040E10018, Funding Allocation: \$645,000.00 FY 2019, \$74,000.00 FY 2020, Amount: \$719,000.00,** was approved.

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

The engineering services associated with OPS No. P3670 will include inspection of 139 bridges located in the northern region of the Garden State Parkway and OPS No. P3671 will include inspection of 138 bridges located in the southern region of the Garden State Parkway. Both OPS' include FHWA Structure Inventory and Appraisal (SI&A) form updates, FHWA Element Level Inspection data collection, and preparation of bridge inspection reports.

These assignments are classified as "Simple Projects" since the scopes of work are clearly defined and not likely to change during the course of the project, and the cost of each is less than \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and 31 engineering firms were prequalified and eligible under Profile Code: D280C – Bridges, NBIS Program, Complex. Eight firms submitted EOIs by the closing date of August 23, 2018.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking: 1) Cherry, Weber & Associates, P.C.; 2) Pickering, Corts & Summerson, Inc. and 3) KS Engineers, P.C. These three firms were requested to submit sealed Fee Proposals. Fee Proposals submitted by the three highest ranking firms have been reviewed. A review of the fee proposal of the highest technically ranked firm, Cherry, Weber & Associates, P.C., for OPS No. P3671 (their preferred OPS) was negotiated, which resulted in an increase in their fee to accommodate the inspection and load rating of an additional bridge, which was recently added to the Authority's inventory after issuance of the RFEOI. Subsequently, a review of the fee proposal of the second highest technically ranked firm, Pickering, Corts & Summerson, Inc. for OPS No. P3670 was negotiated, which resulted in a reduction in their fee proposal. Both fees are considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3670 be issued to the firm of Pickering, Corts & Summerson, Inc., of Phillipsburg, NJ, not to exceed the amount of \$845,000.00 allocated as follows: \$765,000.00 in FY 2019 and \$80,000.00 in FY 2020. This

032248 amount includes reimbursement of direct salaries times a maximum multiplier of 2.80 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

It is further recommended that Order for Professional Services No. P3671 be issued to the firm of Cherry, Weber & Associates, P.C. of Freehold, NJ, not to exceed the amount of \$719,000.00 allocated as follows: \$645,000.00 in FY 2019 and \$74,000.00 in FY 2020. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.73 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses.

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

218-10-2018

In a document dated October 5, 2018, Recommendation to Issue Supplement C to Order for Professional Services No. A3458, Garden State Parkway and New Jersey Turnpike, Michael Baker Jr., Inc., Supervision of Construction Services for Contract No. T500.192, Replacement of Maintenance Building at Turnpike District 6 Yard, Milepost E111.50, Contract No. T500.272 – Construction of Troop "D" Newark Station, Turnpike Milepost 104 SB, Contract No. A500.274 – Construction of Troop "D" Moorestown Station, Turnpike Milepost 37 NB and Galloway Station, Parkway Milepost 42, Budget Code: 39005013, RM-143748, Original OPS Amount: \$6,500,000.00, Amount of Supplement A: \$2,030,000.00, Amount of Supplement B: \$598,000.00, Amount of Supplement C: \$250,000.00, Revised OPS Amount: \$ 9,378,000.00, was approved.

This Order for Professional Services was issued at the December 2012 Commission Meeting in the amount of \$6,500,000.00 to provide supervision of construction services for Contract Nos. T500.192, T500.272 and A500.274 to ensure that the referenced contracts were constructed in accordance with the Contract Plans and Specifications.

Supplement A authorized Michael Baker Jr., Inc. to provide additional supervision of construction services for the various time extensions to each contract, specifically approximately 1.5 years beyond the original scope of Contract No. T500.192 (Secaucus) and over one year beyond the original scope of Contract No. A500.274 (Moorsetown/Galloway). Furthermore, additional supervision of construction services were required due to the termination of Contract No. T500.272 (Newark) and the resulting rebid and award of Contract No. T500.395 (Newark rebid).

Supplement B provided for additional construction supervision services for various time extensions to two contracts. Contract No. T500.192 (Secaucus) required a nine month extension and support in resolution of contractor claims and outstanding liquidated damages. Contract No. T500.395 (Newark rebid) required a one year extension due to unforeseen site conditions and contractor delays in structural steel erection.

Supplement C will provide for six months of additional construction supervision services for Contract No. T500.395 (Newark rebid) due to significant delays with PSE&G in obtaining permanent power. At the issuance of Supplement B, the new building was to be energized on September 12, 2017. The actual date was June 20, 2018. With the building energized, commissioning and building inspections could then begin. Michael Baker Jr., Inc. has reduced staff to minimize additional costs.

It is, therefore, recommended that Supplement C to Order for Professional Services No. A3458 be issued to Michael Baker Jr., Inc. not to exceed the amount of \$250,000.00 with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$9,128,000.00 to \$9,378,000.00. The original contract was procured pursuant N.J.S.A. 52:34-9.1 et seq. and N.J.A.C. 19:9-2.8.

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FINAL ACCEPTANCES

219-10-2018

In a document dated October 4, 2018, **All work performed on each of the construction contracts listed below have been completed in accordance with the contract documents and to the satisfaction of the Engineering Department. Accordingly, it is recommended that these contracts be deemed complete and approved for Final Acceptance. The table below lists each contract and includes pertinent Change Order and financial information including the final payment amount due the Contractor upon Final Acceptance.** was approved.

| Contract No. | Contractor | Award Total Amount | No. of Change Orders | Additions/ Reductions | Final Total/Contract Amount | Final Payment Amount |
|--------------|---------------------------------------|--------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| P100.377 | Ferreira Construction Co., Inc. | \$7,787,000.00 | 5F | \$917,046.57 | \$8,704,046.57 | \$122,476.90 |
| T869.120.202 | South State, Inc. | \$32,143,255.77 | 11F | \$7,429,741.76 | \$39,572,997.53 | \$395,729.98 |
| Total | | | | | | \$518,206.88 |

The Certification and Recommendation for Final Acceptance has been executed by the Engineers, the General Consultant and the Chief Engineer. All required contract documents including the Engineer's Final Certifications, Maintenance Bonds, Affidavit of Prevailing Wage and

the Final Payment certificates have been submitted to the Law Department and approved as to correctness of form. Furthermore, the Contractors have certified that there are no liens outstanding against the Contractors. Accordingly, it is recommended that each contract listed above be accepted and final payment in the amounts shown above be made to the Contractors.

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ACKNOWLEDGE REPORTS OF
ENGINEERING EXPENDITURES UNDER DELEGATED AUTHORITY

220-10-2018

Acknowledge Reports of Engineering Expenditures Under Delegated Authority

- Construction Contract Progress Summary
- Utility Order Report

On motion by Treasurer DuPont and seconded by Commissioner Diaz, the Board unanimously approved item nos. 216-10-2018 through 219-10-2018; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda. The Authority unanimously accepted the reports contained in item number 220-10-2018 and received same for file.

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ROLL CALL

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| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | RECUSED | YES | YES | YES |

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MAINTENANCE

Director of Maintenance, Kenneth McGoldrick requested approval of item number 221-10-2018 through 223-10-2018. Moved are the items as follows:

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PUBLIC BID-AWARD OF CONTRACTS

221-10-2018

In a document dated October 4, 2018, **Recommendation to Award Contract No. A200.439, New Jersey Turnpike, Union Paving and Construction Co., Interchange 11 Replacement of North Ramp Gates, Middlesex County, RM-144024, Budget Code: 080C00015, Amount: \$3,471,827.35,** was approved.

The work performed under this contract consists of installation of warning gates on the North Ramps at Interchange 11, and installation of lane control system from Milepost 90.6 to MP 91.6 in Woodbridge Township, Middlesex County, New Jersey. The winning bid

Four (4) bid proposals were received on 9/12/18 for the above publicly advertised

contract, as shown on the attached bid summary sheet. The low bid proposal of \$3,471,827.35 is approximately 2% higher than the Engineer's Estimate of \$3,416,617.25.

It is, therefore, recommended that Contract No. A200.439 be awarded to the lowest bidder, Union Paving and Construction Co. of Mountainside, New Jersey, in an amount not to exceed \$3,471,827.35. This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. Bids were procured and authorization is being sought to award this contract in accordance with N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.2, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

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

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FINAL ACCEPTANCES

222-10-2018

In a document dated October 4, 2018, All work performed on each of the construction contracts listed below have been completed in accordance with the contract documents and to the satisfaction of the Engineering Department. Accordingly, it is recommended that these contracts be deemed complete and approved for Final Acceptance. The table below lists each contract and includes pertinent Change Order and financial information including the final payment amount due the Contractor upon Final Acceptance, was approved.

| Contract No. | Contractor | Award Total Amount | No. of Change Orders | Additions/ Reductions | Final Total Contract Amount | Final Payment Amount |
|--------------|-------------------------------|--------------------|----------------------|-----------------------|-----------------------------|----------------------|
| A500.235 | USA General Contractors Corp. | \$150,000.00 | 1 | (\$73,348.48) | \$76,651.52 | \$0 |
| A500.234 | USA General Contractors Corp. | \$150,000.00 | 1 | (\$50,327.49) | \$99,672.51 | \$0 |
| A500.373 | USA General Contractors Corp. | \$400,000.00 | 1 | (\$44,912.89) | \$355,087.11 | \$2,017.73 |
| A500.372 | USA General Contractors Corp. | \$400,000.00 | 1 | (\$39,251.60) | \$360,748.40 | \$978.22 |
| Total | | | | | | \$2,995.95 |

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

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ACKNOWLEDGE REPORTS OF
MAINTENANCE EXPENDITURES UNDER DELEGATED AUTHORITY

223-10-2018

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

- Construction Contract Progress Report
- Change Order Report

On motion by Treasurer DuPont and seconded by Commissioner Diaz, the Board unanimously approved item numbers 221-10-2018 through 222-10-2018; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda. The Authority unanimously accepted the reports contained in item number 223-10-2018 and received same for file.

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ROLL CALL

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| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | RECUSED | YES | YES | YES |

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PROCUREMENT ("PMM")

Director of Procurement and Materials Management Andrea Ward, requested approval of item numbers 224-10-2018 through 230-10-2018. Moved are the items as follows:

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PUBLIC BIDS

224-10-2018

In a document dated October 12, 2018, **"Green" Asphaltic Concrete Cold Patch, Seaboard Asphalt Products Company, RM-142695 (Maintenance/Inventory), Budget Code: Various, Amount: \$104,370.00**, was approved.

Under this contract, Seaboard Asphalt Products Company will supply approximately 21,000 (50lb.) bags of "Green" asphaltic concrete cold patch material annually to the Authority. This product is an eco-friendly high-performance blacktop repair material that is VOC (Volatile Organic Compound) Compliant as well as 100% recycled (manufactured using no virgin materials). Cold patch is used on both Roadways to fill and permanently repair potholes, cracks, and other defects in asphalt and concrete surfaces, thus creating a safer driving environment for

patrons. This cold patch will be kept in inventory and ordered on an as-needed-basis. The bid was fully advertised and the eight (8) vendors listed in the Authority's database for this equipment were notified of the procurement. On September 6, 2018, three (3) bids were received as follows:

| <u>Vendor</u> | <u>Unit Price</u> | <u>Total Bid Price</u> |
|---|-------------------|------------------------|
| Seaboard Asphalt Products Company, Baltimore, MD | \$4.97/Bag | \$104,370.00 |
| Cold Mix Manufacturing Corp., Mount Vernon, NY | \$5.80/Bag | \$121,800.00 |
| American Asphalt Company, Inc., W. Collingswood Heights, NJ | \$12.75/Bag | \$267,750.00 |

Departmental Estimate: \$115,000.00

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

Accordingly, authorization is requested to award a one-year contract to Seaboard Asphalt Products Company for "Green" asphaltic concrete cold patch material for a total amount not to exceed \$104,370.00, subject to funding availability at the time of ordering. Authorization is further requested for the Executive Director to approve each of the two, one-year extensions upon satisfactory performance by the vendor.

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STATE/GOVERNMENT CONTRACTS

225-10-2018

In a document dated October 2, 2018, **Aluminum Sign Material, Garden State Highway Products, Inc., R-144078 (Maintenance), Budget Code: 040 00 710 653010 040E00049, State Contract No. 86462 expiring 10/31/18, Amount: \$147,505.50**, was approved.

Under this contract Garden State Highway Products, Inc. will supply 11,850 reflective silk screens required by the sign shop to produce aluminum signage and markers in various sizes as part of the Authority's Trailblazing Project on the Garden State Parkway. These products are available from NJ State Contract No. 86462 which expires 10/31/18.

This procurement, under State Contract No. 86462, is in accordance with *N.J.A.C. 19:9-2.5(a)*, promulgated pursuant to *N.J.S.A. 27:23-1 et seq.*, the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award a contract under State Contract No. 86462 for reflective silk screens to Garden State Highway Products, Inc. for an amount not to exceed \$147,505.50.

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226-10-2018

In a document dated October 2, 2018, **Annual Computer Hardware Refresh, SHI International Corp., R-144106 (ITS), Budget Code: 010 00 830 480030, State Contract No. 89974 expiring 03/31/20, Amount: \$146,152.00,** was approved.

Under this contract, SHI International Corp. ("SHI") will supply 48 computer workstations, 12 laptop computers and 30 printers. SHI will also provide miscellaneous computer hardware items required to support the Authority's end-user computing hardware infrastructure. This project replaces on average 15% of the Authority's computer hardware resources on an annual basis. This allows the ITS Department to continually refresh equipment providing the latest technologies with the least impact on end-users and allows adjustment to new technologies without adversely effecting productivity and hardware stability. This computer hardware is available from NJ State Contract No. 89974, expiring 3/31/2020.

This procurement, under State Contract No. 89974, is in accordance with *N.J.A.C. 19:9-2.5(a)*, promulgated pursuant to *N.J.S.A. 27:23-1 et seq.*, the Authority's enabling legislation, and Executive Order No. 37 (Corzine 2006) which permits the Authority, without advertising, to purchase goods and services directly from vendors who hold contracts with the State of New Jersey.

Accordingly, authorization is requested to award a contract under State Contract No. 89974 for computer hardware to SHI International Corp. for an amount not to exceed \$146,152.00.

227-10-2018

In a document dated October 2, 2018, **At prior Board of Commissioners meetings, the Authority approved purchases (up to a maximum authorized dollar amount) from the vendor listed herein under the New Jersey State contract referenced below. The term of the referenced State contract has since been extended and additional funds are needed to purchase these necessary goods and/or services through the extended terms of the State contract,** was approved.

| Description / Original Agenda Item | Vendor Name | Requisition Number | NJTA Contract No. | NJ State Contract No. Expiration | Current Authorized Amount | New Authorized Amount | Requested Increase Amount |
|---|---------------------|-------------------------|-------------------|----------------------------------|---------------------------|-----------------------|---------------------------|
| Auto Parts and Accessories 155-04-2014 | Freehold Ford, Inc. | RM-144011 (Maintenance) | 1991 | 86005 Expires 02/25/19 | \$300,000.00 | \$350,000.00 | \$50,000.00 |
| Total | | | | | | | \$50,000.00 |

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

Accordingly, given that the period of time during which the Authority may make additional purchases under the referenced State contract was extended through the new expiration date of that contract, approval is hereby requested to increase the Authority's current authorized amount to the new authorized amount stated above, subject to funding availability at the time of order or service.

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PROFESSIONAL SERVICES

228-10-2018

In a document dated October 4, 2018, **Property Insurance Broker Services, Marsh USA, Inc., RM-142134 (Law), Budget Code: Various, Amount: \$405,000.00 (3-Year contract)**, was approved.

The New Jersey Turnpike Authority ("Authority") issued a request for proposal ("RFP") to engage a firm to provide property insurance broker services. Specifically, the firm will provide insurance broker services for the Authority's property insurance program. This coverage shall include major and minor bridge and all other property located on both Roadways, as well as business interruption insurance. The Scope of Services included, but were not limited to: designing, marketing and implementing the program; claims management, risk management and related administrative services.

The RFP was fully advertised on August 3, 2018 and posted on both the Authority's and State of New Jersey websites. In addition, the sixteen (16) firms listed in the Authority's database for the referenced services were notified of the procurement. On August 28, 2018, proposals were received from the following five (5) firms:

- Alliant Americas, New York, NY
- Aon Risk Services Northeast, Inc. New York, NY ("AON")
- Fairview Insurance Agency Associates, Inc., Verona, NJ
- Marsh USA, Inc., Morristown, NJ ("Marsh")
- Willis Towers Watson – Short Hills, NJ ("Willis")

An Evaluation Committee (the "Committee"), established by the Executive Director, consisted of personnel from the Law, Engineering and Finance Departments. In addition, the Director of the Procurement and Materials Management Department and the Authority's Risk Management Consultant served as non-voting members of the Committee. The Committee reviewed the written proposals based on the criteria set forth in the RFP and scored each firm individually. Based on the Committee's review of the proposals, the Committee invited representatives from the two top-ranked firms, Marsh and Willis, to make oral presentations and provide best and final offers ("BAFOs"). Based upon the written and oral presentations, the

Committee prepared a report that detailed the evaluation process and set forth its findings and recommendation.

The Committee found that both Marsh and Willis demonstrated high levels of experience and were responsive to the RFP Scope of Services. Each firm provided professional and comprehensive oral presentations and both met or exceeded the requirements for the project team and for servicing public sector clients. The Committee, however, concluded that the proposal submitted by Marsh demonstrated the most benefit to the Authority, and thus received the highest score. Marsh submitted a proposal that evidenced a complete and in-depth understanding of the Authority's property risk profile. In addition, Marsh's proposed project team included a Client Executive, a Senior Client Advisor and the Property Practice Leader, all with significant years of experience. In addition, the proposed Property Claims Advocate, Placement Specialist and Client Advisor had solid experience in the insurance field. The Committee was impressed with the project team's experience in providing similar services to other public entities which was well demonstrated in their written proposal, as was their understanding of the tasks required in providing property broker services to the Authority. Marsh submitted a final fee proposal of \$135,000 for each year of the term, including renewal years, if the Authority opts to extend the contract. The Committee found that Marsh scored the highest on the qualitative criteria and proposed the second lowest fees. The Committee recommended Marsh for the underlying brokerage services.

This professional services procurement was conducted in accordance with *N.J.S.A. 27:23-6.1*, *N.J.A.C. 19:9-2.1(b)*, Executive Order No. 37 (Corzine 2006), and Executive Order No. 26 (Whitman 1994). This award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardees pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to award a three-year contract to Marsh USA, Inc. to provide property insurance brokerage services for an amount not to exceed \$405,000. Authorization is further requested for the Executive Director to approve each of the two (2) optional one-year extensions upon satisfactory performance by the firm in the amounts not to exceed \$135,000 for the first extension year and \$135,000 for the second extension year, all subject to funding availability at the time of service. It is also requested that the Executive Director be authorized to take such actions and to execute any-and-all documents that may be deemed necessary and appropriate to further the intent and purpose of the authorizations stated herein.

229-10-2018

In a document dated October 17, 2018, Special Counsel - Workers' Compensation, Gluck Walrath LLP, Chasan Lamparello Mallon & Cappuzzo, PC, RM-138882 (Law), Budget Code: Various, Amount: \$1,500,000.00 (2-Year contracts), was approved.

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

The RFQ was advertised in the Star Ledger, the Asbury Park Press, the New Jersey Law Journal and posted on the websites of the Authority and State of New Jersey. In addition, 25 firms listed on the Authority's vendor database were notified of the procurement. On May 11, 2018, the Authority received Qualifications from the following eleven (11) firms:

1. Biancamano & DiStefano, P.C., Edison, NJ
2. Capehart & Scatchard, P.A., Mt. Laurel, NJ
3. Chartwell Law Offices, LLP, Moorestown, NJ
4. Chasan Lamparello Mallon & Cappuzzo, PC, Secaucus, NJ
5. Florio Kenny Raval, L.L.P., Hoboken, NJ
6. Gluck Walrath LLP, Trenton, NJ
7. Hoagland, Longo, Moran, Dunst & Doukas, LLP, New Brunswick, NJ
8. King, Kitrick, Jackson & McWeeney, LLC, Manasquan, NJ
9. Morgan Melhuish Abrutyn, Livingston, NJ
10. Shain Schaffer PC, Bernardsville, NJ
11. Waters, McPherson, McNeill, P.C., Secaucus, NJ

An Evaluation Committee ("Committee"), established by the Executive Director, consisted of the Deputy Executive Director, Director of Human Resources, Director of Internal Audit and HR Benefits Manager. The Assistant Director of Law and the Director of Procurement and Materials Management served as non-voting members of the Committee. The Committee reviewed the written Qualifications and invited representatives from the following six (6) top-ranked firms, namely: Capehart Scatchard, P.A; Chasan Lamparello Mallon & Cappuzzo, PC; Florio Kenny Raval, L.L.P.; Gluck Walrath LLP; Shain Schaffer PC and Waters, McPherson, McNeill, P.C. Waters, McPherson later declined the invitation and Shain Schaeffer was disqualified due to the inability to meet the State's Chapter 51 requirements. Oral presentations were held on June 4th

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and August 29th. Based on the written and oral presentations, the Committee then compiled a report that details the evaluation process and sets forth its findings and recommendations.

After a thorough review of all Qualifications and oral presentations, the Committee recommends that contracts be awarded to Gluck Walrath LLP and Chasan Lamparello Mallon & Cappuzzo PC as Special Counsel-Workers' Compensation. The Committee found that both firms are experienced and qualified to perform the Services.

This professional services procurement was conducted in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.1(b), Executive Order No. 37 (Corzine 2006), and Executive Order No. 26 (Whitman 1994). These awards are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardees pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

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

230-10-2018

In a document dated October 17, 2018, **Authority Counsel (Conflicts) and Special Counsel-Collections, Various Law Firms, RM-138879 (Law), Budget Code: Various, Amount: Within Funds Already Authorized (2-Year contracts)**, was approved.

The New Jersey Turnpike Authority ("Authority") issued a request for qualifications ("RFQ") for Authority Counsel, Authority Counsel (Conflicts), and Special Counsel-Collections. These Counsels will assist the Law Department in providing legal advice and advocacy for the Authority. The terms of the contracts are for a period of two (2) years with the option to extend for two additional one-year terms at the discretion of the Authority.

The RFQ was advertised in the Star Ledger, the Asbury Park Press, the New Jersey Law Journal, and posted on the websites of the Authority and the State of New Jersey. In addition, 74 law firms listed on the Authority's vendor database were notified of the procurement. On September 5, 2018, the Authority received Qualifications from the 21 firms listed in Exhibit "A"

attached hereto. 20 Firms responded to Authority Counsel (Conflicts) and 6 firms for Special Counsel-Collections.

An Evaluation Committee ("Committee"), established by the Executive Director, consisted of the Deputy Executive Director, Director of Human Resources, and Director of Internal Audit. The Assistant Director of Law and the Director of Procurement and Materials Management served as non-voting members of the Committee.

The RFQ stated clearly that the number of firms receiving specific awards would be determined by the Committee after the completion of its evaluation of all the Responses received. Set hourly rates for partners (\$200), associates (\$150) and legal assistants (\$90) were set forth in the RFQ for Authority Counsel (Conflicts). For Special Counsel-Collections, fees were set forth in the RFQ that included a contingent fee basis for collection work as well as hourly rates for appellate work and appeals.

The Committee reviewed the Responses submitted. This review was extensive, incorporating the general information regarding each firm's profile and experience, as well as the qualifications and experience for each firm in the individual practice area(s) for which they had responded. The Committee scored and ranked each Response based on the evaluation criteria set forth in the RFQ. The top ranked firms were invited for oral presentations on October 2 and October 3, 2018. The top three (3) firms, namely: 1) McManimon, Scotland & Baumann, LLC; 2) Chiesa, Shahinian & Giantomasi PC; and 3) Wilentz, Goldman & Spitzer, P.A. for Authority Counsel (Conflicts) were invited for oral presentations. The top two (2) firms for Special Counsel-Collections, Post Polak, Goodsell & Strauchler, P.A. and Murphy Orlando LLC were invited for oral presentations. Based on the written and oral presentations, the Committee then compiled a report that details the evaluation process and sets forth its findings and recommendations.

The Committee determined that for Authority Counsel (Conflicts), the top firm was McManimon, Scotland & Baumann, LLC. ("McManimon"). McManimon proposed a team of highly qualified attorneys with experience in litigation and police protection. McManimon is a diverse firm with over 40% women and minority ownership.

The Committee determined that for Special Counsel-Collections, the Authority could benefit from having two (2) firms performing work in this practice area. Therefore, the Committee determined that both Post, Polak, Goodsell & Strauchler, P.A ("Post Polak"), and Murphy Orlando LLC ("Murphy Orlando") be awarded contracts for Special Counsel-Collections.

This professional services procurement was conducted in accordance with *N.J.S.A. 27:23-6.1*, *N.J.A.C. 19:9-2.1(b)*, Executive Order No. 37 (Corzine 2006), and Executive Order No. 26 (Whitman 1994). These awards are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardees pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to enter into two-year contracts with McManimon for Authority Counsel (Conflicts), and Post Polak and Murphy Orlando for Special Counsel-Collections. Funds for these contracts were previously authorized by the Board of Commissioners at the June 2018 Meeting. Each firm shall be compensated at the rates as set forth in the RFQ. Authorization is also requested for the Executive Director to approve each of the two (2) optional one-year extensions upon satisfactory performance by the firms, subject to funding availability at the time of service. It is further requested that the Executive Director be authorized to extend any existing agreements with current Conflicts Counsel in the event it is deemed appropriate and cost-effective to allow representation to continue with respect to pending matters. Finally, it is further requested that the Executive Director be authorized to take such actions and to execute any and all documents that may be deemed necessary and appropriate to further the intent and purpose of the authorizations stated herein.

[See Exhibit A – List of Law Firms that submitted Qualifications]

On motion by Treasurer DuPont and seconded by Commissioner Diaz, the Board unanimously approved item numbers 224-10-2018 through 230-10-2018; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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|-------------------------|---------|--------|--------|------|---------|---------|
| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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GENERAL BUSINESS

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OPERATIONS

Acting Director of Operations Kevin Dunn requested approval of item number 231-10-2018. Moved is the item as follows:

231-10-2018

Acting Director of Operations Kevin Dunn requested acceptance of the **Resume of All Fatal Accidents for the Garden State Parkway and New Jersey Turnpike: Period 01/01/2018 through 9/30/2018; both with 2017-2018 Yearly Comparisons through September 2018.**

On motion by Treasurer DuPont and seconded by Commissioner Pocino, the Board unanimously approved item numbers 231-10-2018; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

EXHIBIT A – List of Law Firms that submitted Qualifications

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| Company | Authority Counsel (Conflicts) | Collections |
|---|-------------------------------|-------------|
| Bathgate, Wegener & Wolf, P.C. - Lakewood, NJ | ✓ | |
| Blancamano & DiStefano, P.C. - Edison, NJ | ✓ | |
| Capehart & Scatchard, P.A. - Trenton, NJ | ✓ | |
| Chasan Lamparello Mallon & Cappuzzo, PC - Secaucus, NJ | ✓ | |
| Chiesa, Shahinian & Giantomasi PC - West Orange, NJ | ✓ | |
| Connell Foley LLP - Jersey City, NJ | ✓ | |
| Dvorak & Associates, LLC - New Brunswick, NJ | ✓ | |
| Genova Burns LLC - Newark, NJ | ✓ | |
| Gluck Walrath LLP - Trenton, NJ | ✓ | |
| Hill Wallack LLP - Princeton, NJ | ✓ | ✓ |
| Hoagland, Longo, Moran, Dunst & Doukas, LLP - New Brunswick, NJ | ✓ | |
| Kaufman Semeraro & Leibman LLP - Fort Lee, NJ | ✓ | |
| Lite DePalma Greenberg, LLC - Newark, NJ | ✓ | |
| McElroy, Deutsch, Mulvaney & Carpenter, LLP - Morristown, NJ | ✓ | |
| McManimon, Scotland, & Baumann, LLC - Roseland, NJ | ✓ | ✓ |
| Morgan Melhuish Abrutyn - Livingston, NJ | ✓ | ✓ |
| Murphy Orlando LLC - Jersey City, NJ | ✓ | ✓ |
| Pashman Stein Walder Hayden - Hackensack, NJ | ✓ | |
| Post, Polak, Goodsell & Strauchler, P.A. - Roseland, NJ | ✓ | ✓ |
| Schachter Portnoy, LLC - Princeton, NJ | | ✓ |
| Wilentz, Goldman & Spitzer, P.A. - Woodbridge, NJ | ✓ | |

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|-------------------------|---------|--------|--------|------|---------|---------|
| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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CHAIR COMMENTS

Chair Gutierrez-Scaccetti congratulated Kevin Dunn as being officially named the Director of Operations for the New Jersey Turnpike Authority.

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STATE POLICE

232-10-2018

Major Ernie Giampietro requested acceptance of the **New Jersey State Police Troop D Activity Reports**, for September 2018, with 2017 – 2018 Yearly Comparisons.

On motion by Vice Chairman Gravino and seconded by Commissioner Pocino, the Authority unanimously accepted the reports contained in item number 232-10-2018 and received same for file.

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ROLL CALL

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| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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FINANCE

Chief Financial Officer Donna Manuelli requested approval of item number 233-10-2018. Moved is the item as follows:

233-10-2018

Chief Financial Officer Donna Manuelli presented the **Financial Summary for the Nine (9) months ended September 30, 2018**, was approved.

On motion by Treasurer DuPont and seconded by Commissioner Diaz the Board unanimously approved item number 233-10-2018; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

Chief Financial Officer Donna Manuelli requested approval of item numbers 234-10-2018 and 235-10-2018. Moved are the items as follows:

234-10-2018

In a memorandum dated October 12, 2018, Authorization to Adopt the 2019 Annual Budget, was approved.

Attached for your consideration is the 2019 Annual Budget, which includes the Authority's Revenue Budget, Operating Expense Budget, Debt Service Fund Budget, Maintenance Reserve Fund Budget, Special Project Reserve Fund Budget, Supplemental Capital Budget, and General Reserve Budget.

In 2019, the Authority will continue its commitment to prudently manage the finances and operations of the Authority to provide its customers with a safe, efficient, innovative and resilient roadway system. The 2019 Annual Budget provides sufficient funding to meet these Authority goals for its legacy roadway systems as well as the added lane miles from the widenings of the New Jersey Turnpike ("Turnpike") and Garden State Parkway ("Parkway"). The roadway widening program was completed in 2018 with the Garden State Parkway widening from Mileposts 35 to 42 opened earlier this year. The Authority continues to focus on state of good repair, and continues to increase its Maintenance Department staff to meet the demands of the added roadway capacity, while controlling headcount in administrative departments through technology efficiencies. As part of the Authority's commitment to safety, the 2019 Annual Budget provides for potential additional State Troopers to patrol the roadways.

The Authority arrived at the 2019 Annual Budget by engaging in a comprehensive budget preparation process, which began several months ago and directed departmental managers to think strategically as well as identify all opportunities to achieve operational efficiencies. With a critical eye, directors reviewed their respective departmental budgets and evaluated all positions and line item expenditures, as well as all proposed project budgets.

The proposed 2019 Annual Budget accomplishes the following:

- (1) Provides sufficient funding for operating expenses to operate and maintain the legacy roadway system as well as the increased capacity added by the Turnpike and Parkway widening projects. The 2019 Annual Budget also provides funding to maintain the Authority's commitment to safety, while controlling operating expenses in all other functional areas;
- (2) Provides for debt service payments of nearly \$832,823,000, and includes projected interest payments on the final new money bond issuance expected later in 2018. This new money issuance of approximately \$525,000,000 will complete the funding of the \$7 Billion Capital Improvement Program;
- (3) Provides more than \$376,000,000 of spending on Maintenance Reserve, Special Project Reserve, and Supplemental Capital projects, an increase of 12% from 2018;
- (4) Maintains a minimum unencumbered General Reserve Fund balance in excess of \$175,000,000 as required by Board policy; and

(5) Meets General Bond Resolution financial covenants, Board adopted financial targets, and all other financial obligations without the need for a toll increase.

The proposed 2019 Revenue Budget of \$1,833,405,000 includes a projected increase in toll revenue of 0.6% on the Turnpike and 0.2% on the Parkway as compared to the Amended 2018 Revenue Budget. The 2019 toll revenue budget was derived from a report done by the Authority's traffic engineering consultant in September 2018. Toll revenue projections for 2019 include the full year impacts of the re-opening of the Pulaski Skyway and anticipate that motorists who previously used that toll-free facility prior to its closing would stop traveling the Turnpike and return to the Pulaski Skyway upon its re-opening. The new toll revenue projections are about \$10,000,000 higher each year than the previous projections contained in the prior traffic engineering consultant report. E-ZPass fees are budgeted to increase by about \$1,500,000, or 2.0%, reflecting normal growth as New Jersey E-ZPass accounts continue to increase. Interest income is expected to increase by \$3,000,000, or 13.6%, as stable interest rates and invested balances are projected compared to 2018 actual results. The 2018 actual results have exceeded budget and thus are causing a budget to budget increase. Miscellaneous revenue is expected to decrease by about \$6,000,000, or 35.3% as the Authority received advance insurance payments from the Delaware River Turnpike Bridge claim during 2018 which are not expected to reoccur for budget purposes. Concession revenue is budgeted to decline by \$6,000,000, or 15.0% due to the closure of service areas for remodeling, and an adjustment to budget as 2018 revenue is under budget primarily due to lower gas sales.

The proposed 2019 Operating Expense Budget of \$582,071,000 represents an \$11,120,000 million, or 1.9%, increase as compared to the Amended 2018 Operating Expense Budget. Key cost factors in the 2019 Operating Expense Budget include the following:

- increased medical benefit costs of \$6,700,000 based upon estimated usage and the projected medical inflation rate;
- increased salaries and wages of \$4,000,000 reflecting an additional 28 net new positions, contractual step increases for union employees and potential negotiated wage increases;
- increased maintenance costs of \$3,300,000 primarily for drainage and lighting repairs on the roadways;
- increased electronic toll collection costs of \$2,000,000 related to higher credit card fees and transaction processing and collection costs driven by increased volumes;
- increased insurance costs of \$1,100,000 due to expected premium increases for general liability and property insurance as insured values increase;
- increased State Police costs of \$1,000,000 due to 23 anticipated additional troopers assigned to the roadways as well as higher wages and pension costs for existing

troopers;

Although it must absorb these significant and necessary cost increases, the Authority is able to propose a 2019 Operating Expense Budget with an increase of only \$11,120,000. This modest increase was achieved because the Authority is expected to achieve savings in several areas including lower transponder expenses as a significant tag swap program will be completed in mid-2019, savings from new prescription drug, dental and vision benefit contracts, the elimination of the summer season manual toll collector program through reassignment of existing staff, and lower equipment maintenance costs from the elimination of ACM machines on the Garden State Parkway mainline barriers and the installation of new toll collection equipment at various locations on both roads.

The 2019 Annual Budget also includes the 2019 Debt Service Fund Budget of \$832,823,000, which includes principal and interest payments payable through revenues on the Authority's currently outstanding bonds. The 2019 Debt Service Fund Budget is increasing by about \$37,178,000, or 4.7%, as compared to the Amended 2018 budget mainly due to a full year of interests' costs budgeted at 5% on the projected \$525 million new money borrowing expected to occur in late 2018, as well as higher principal payments on existing bonds. Debt service remains the single largest spending component of the annual budget, at 46% in 2019.

Also included is the 2019 Maintenance Reserve Fund Budget totaling \$185,025,000 which primarily supports spending for the maintenance and resurfacing of roadway and bridges on the Turnpike and Parkway. The 2019 Maintenance Reserve Fund Budget includes all estimated 2018 carry-over projects as well as new work to be completed in 2019. The budget is increasing by about 38% compared to 2018, and includes additional funding for resurfacing as well as roadway lighting, drainage structure and concrete barrier repairs. It should be noted that roadway resurfacing funding from the Maintenance Reserve Fund is increasing in 2019 by about 72% to about \$68,000,000. The increase is necessary to keep the assets in a state of good repair according to maintenance cycles recommended by the Authority's General Consulting Engineer, HNTB Corporation ("HNTB").

The 2019 Special Project Reserve Fund Budget totaling \$65,149,000 includes all estimated 2018 carry-over projects and is increasing by about 7% compared to the amended 2018 budget. The 2019 Special Project Reserve Fund Budget provides spending for the Authority's scheduled major fleet augmentation, which is the Authority's existing scheduled fleet replacement program, as well as funds for bridge and structure inspections, and facility improvements, among other necessary projects.

The 2019 Supplemental Capital Budget totaling \$126,520,000 is also part of the 2019 Annual Budget. This budget includes all estimated 2018 carry-over projects, and provides about \$44,500,000 for new projects. The 2019 Supplemental Capital Budget includes funding to continue several necessary multi-year projects including the replacement of the toll collection

equipment on both roadways and the reconstruction of the Westerly Hackensack River Bridge piers on the New Jersey Turnpike.

Finally, the 2019 General Reserve Budget totals \$256,845,000 and includes the Authority's contractual payments due in calendar 2019 under the Transportation Trust Fund Agreement and State Transportation Projects Funding Agreement (2016-2021) including the \$25 million additional payment from the proposed amendment to the contract, extraordinary severe weather costs, and reserves for self-insured liability claims and other postemployment benefit costs. For the first time, the General Reserve Budget includes \$25 million of funds to be transferred to the Construction Fund to finance the reconstruction of three bridges over the Passaic River. The \$25 million in funding was generated from debt service savings from refinancing Authority bonds during 2017.

The Authority's proposed 2019 Annual Budget provides the necessary Operating Expense Budget to maintain the widened roadways and existing facilities, cover additional technology enhancements, and fund ongoing safety initiatives including an increased State Police presence, while controlling costs in all functional areas. The 2019 Annual Budget also adequately funds the Authority's other project and reserve accounts without the need for a toll increase. The proposed 2019 Annual Budget allows the Authority to meet all General Bond Resolution financial covenants and is consistent with the Authority's Financial Management Principles and Guidelines.

It is therefore recommended that the Authority adopt the attached 2019 Annual Budget. The Authority's General Consulting Engineer, HNTB, concurs with this recommendation.

235-10-2018

In a memorandum dated October 11, 2018, **New Jersey Turnpike Bond Resolution Certification 713 (c)**, was approved.

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

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

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which will provide the necessary revenues to meet the requirements.

The undersigned has completed the review of the financial condition of the Authority for the years 2018 and 2019. The Authority is now in a position to make the determination showing that the requirements of Section 713 (b) of the Resolution will be met in the years 2018 and 2019.

As the basis for your review, I have prepared the following schedules relative to the two years under review, 2018 and 2019, which accompany this memorandum.

Schedule A

This schedule contains a Resolution which states that a review has been made of the Authority's financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2018 and 2019, including investment income treated as revenues for each year, will be sufficient to provide all of the payments and meet all other requirements as specified in Section 713 (b) of the Resolution.

Schedules B and C

These schedules set forth calculations relative to 2018's revenue requirements. Specifically, the schedule provides actual revenue through September 30, 2018 and projected revenue for the balance of the year (October-December 2018).

Schedules D and G

These schedules set forth figures to support the certification under Section 713(c) of the Resolution demonstrating that in each calendar year "Net Revenues shall at least equal the Net Revenue Requirement for such year" as required by Section 713(b) of the Resolution. Under Section 101 of said Resolution, Net Revenues are defined as "... for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of

- (i) The Sum of the Aggregate Debt Service, Maintenance Reserve Payments, Special Project Reserve Payments, and payments, if any, to the Charges Fund for such period

or

- (ii) 1.20 Times the Aggregate Debt Service for such period (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

Schedules E and F

These schedules set forth calculations relative to 2019's financial projections and estimated revenue provisions.

Based upon a review of the financial condition of the Authority, it is estimated that Net Revenues (as such term is defined in the Resolution) for 2018 and 2019 will be sufficient to

comply with Section 713 (b) of the Resolution.

[See Schedule A through G attached to these minutes]

On motion by Treasurer DuPont and seconded by Commissioner Diaz the Board unanimously approved item numbers 234-10-2018 and 235-10-2018; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

| | | | | | | |
|-------------------------|---------|--------|--------|------|---------|---------|
| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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CHAIR COMMENTS

Chair Gutierrez-Scaccetti thanked CFO Manuelli and her team for all the hard work they put into the budget this year.

Deputy Executive Director James Carone requested approval of item number 236-10-2018. Moved is the item as follows:

236-10-2018

In a document dated October 5, 2018, 2019 Schedule of Board Meeting Dates, was approved.

Authorization is requested to publish public notice of the 2019 New Jersey Turnpike Authority Board Meetings in accordance with Chapter 231, P.L. 1975, as set forth in the schedule submitted below. All Board Meetings will be held at the New Jersey Turnpike Authority Administration Offices located at 1 Turnpike Plaza, Woodbridge, New Jersey; commencing at 9:00 a.m., unless otherwise notified.

| 2019 BOARD MEETING DATES (Tuesdays, 9:00 a.m.) |
|---|
| January 29 th |
| February 26 th |
| March 26 th |
| April 23 rd |
| May 21 st |
| June 25 th |
| July 23 rd |
| August 27 th |
| September 24 th |
| October 22 nd |
| November 19 th |
| December 17 th |

On motion by Treasurer DuPont and seconded by Commissioner Diaz the Board unanimously approved item number 236-10-2018; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

032269

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ROLL CALL


| | | | | | | |
|-------------------------|---------|--------|--------|------|---------|---------|
| GUTIERREZ- SCACCETTI | GRAVINO | DuPONT | POCINO | DIAZ | MINELLA | SALERMO |
| YES | YES | YES | YES | YES | YES | YES |

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The motion to adjourn was made by Treasurer DuPont and seconded by Commissioner Diaz, and, after the voice vote, the motion was duly adopted. The Board of Commissioners adjourned the meeting at 9:45 a.m., and advised that it will meet again on Tuesday, November 20, 2018, at 9:00 a.m., at the Authority's headquarters building located at 1 Turnpike Plaza in Woodbridge, New Jersey.

ATTEST:


Kim Schurman
Secretary to the Authority


John M. Keller
Executive Director

Date: October 23, 2018

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Schedule A

WHEREAS, the Authority, in accordance with subsection (c) of Section 713 of its Turnpike Revenue Bond Resolution adopted August 20, 1991 as amended and supplemented (the "Resolution"), has completed a review of its financial condition for the purpose of estimating whether the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2018 and 2019, including investment income treated as revenues for such year, will be sufficient to provide all of the payments and meet all other requirements as specified in subsection (b) of Section 713 of said Resolution.

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

1. That it is determined based upon the review of the financial condition of the Authority as described in the recital hereof, the tolls, revenues, fees, charges, rents and other income and receipts from the operation of the New Jersey Turnpike and the Garden State Parkway during 2018 and 2019, including investment income treated as revenues for such year will be sufficient to comply with subsection (b) of Section 713 of the Resolution.
2. That a copy of this resolution certified by the Chief Financial Officer of the Authority, together with a certificate of said Chief Financial Officer setting forth a reasonably detailed statement of the actual and estimated receipts and payments to be made there from for 2018 and 2019 as shown in schedules which were utilized in said review, shall be filed in its entirety with The Bank of New York Mellon and U.S. Bank as Co-Trustees, under the Resolution, all in accordance with said Section 713 of said Resolution.

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Schedule B

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NEW JERSEY TURNPIKE AUTHORITY

Certificate Required Under Section 713

Turnpike Revenue Bond Resolution

Fiscal Year Ending December 31, 2018

| | | |
|----------------------------------|--------------------|-----------------------|
| Operating Fund | | \$ 557,951,000 |
| Debt Service Requirements (1) | | 792,574,000 |
| Maintenance Reserve | | 119,086,000 |
| Special Project Reserve | | <u>40,490,000</u> |
| Total Requirements | | 1,510,101,000 |
| Deduct Revenue: | | |
| Actual Revenue Provision - | | |
| January - September 2018 Revenue | \$ 1,397,388,000 | |
| Estimated Revenue Provision | | |
| October - December 2018 | | |
| (Estimate per Schedule C) | <u>441,084,000</u> | <u>1,838,472,000</u> |
| Revenue Less Requirements | | <u>\$ 328,371,000</u> |

(1) Net Debt Service Requirement is as follows:

| | |
|--|-----------------------|
| Series 2004 C-2 Debt Service Requirement | \$ 7,307,000 |
| Series 2005 A-D Debt Service Requirement | 54,139,000 |
| Series 2009 F-H Debt Service Requirement | 103,777,000 |
| Series 2010 A Debt Service Requirement | 131,387,000 |
| Series 2012 A-B Debt Service Requirement | 198,788,000 |
| Series 2013 A-F Debt Service Requirement | 23,650,000 |
| Series 2014 A-C Debt Service Requirement | 62,113,000 |
| Series 2015 A-H Debt Service Requirement (2)(3)(4) | 51,162,000 |
| Series 2016 A-D Debt Service Requirement (2)(3) | 14,335,000 |
| Series 2017 A-G Debt Service Requirement (2)(3) | 141,541,000 |
| Series 2018 Debt Service Requirement (5) | <u>4,375,000</u> |
| Total Debt Service | <u>\$ 792,574,000</u> |

(2) Variable rate debt with an associated Interest Swap Agreement has interest included at the fixed swap rate.

(3) Floating rate notes also include the fixed credit spread as interest expense.

(4) Interest on the \$5,000,000 unhedged portion is calculated at the maximum rate of 12%.

(5) Assumed new money issuance in 2018 of up to \$525 million to fund the \$7 billion capital program.

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Schedule C

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

| Month | Toll Revenue | E-ZPass Fees | Build America Bonds Subsidy | Concession Revenue | Income from Investments | Arts Center Revenue | Miscellaneous (1) | Total Revenue |
|----------|----------------|---------------|--------------------------------|-----------------------|----------------------------|------------------------|-------------------|----------------|
| October | \$ 136,594,000 | \$ 4,564,000 | \$ 6,383,000 | \$ 2,275,000 | \$ 2,000,000 | \$ 39,000 | \$ 767,000 | \$ 152,622,000 |
| November | 127,977,000 | 4,372,000 | 6,384,000 | 2,275,000 | 2,000,000 | 38,000 | 767,000 | 143,813,000 |
| December | 128,642,000 | 4,543,000 | 6,383,000 | 2,275,000 | 2,000,000 | 38,000 | 768,000 | 144,649,000 |
| | \$ 393,213,000 | \$ 13,479,000 | \$ 19,150,000 | \$ 6,825,000 | \$ 6,000,000 | \$ 115,000 | \$ 2,302,000 | \$ 441,084,000 |

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

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Schedule D

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

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

| | | |
|--|-------------------|-----------------------|
| Revenues | | \$ 1,838,472,000 |
| Operating Expenses | | <u>557,951,000</u> |
| Net Revenues | | <u>1,280,521,000</u> |
| (i) Debt Service Requirements | \$ 792,574,000 | |
| (i)Maintenance Reserve | 119,086,000 | |
| (i)Special Project Reserve | <u>40,490,000</u> | <u>952,150,000</u> |
| Excess Revenues | | <u>\$ 328,371,000</u> |
| Net Revenues | | \$ 1,280,521,000 |
| (ii) "... 1.20 times Aggregate Debt Service" | | |
| 1.20 x \$ 792,574,000 | | <u>951,088,800</u> |
| Excess Revenues | | <u>\$ 329,432,200</u> |
| Debt Service Coverage | | <u>1.62</u> |

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenues shall at least equal the Net Revenue Requirements for such year. Under Section 101 of said Resolution, Net Revenues are defined as "...for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of (i) the sum of Aggregate Debt Service, Maintenance Reserve Payments, Special Project Reserve Payments, and payments, if any, to the Charges Fund for such period or (ii) 1.20 times the Aggregate Debt Service for such period (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

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Schedule E

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NEW JERSEY TURNPIKE AUTHORITY
Certificate Required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2019

| | |
|---|-----------------------|
| Operating Fund | \$ 582,071,000 |
| Debt Service Requirements (1) | 832,823,000 |
| Maintenance Reserve | 131,468,000 |
| Special Project Reserve | <u>41,300,000</u> |
| Total Requirements | 1,587,662,000 |
| Deduct Revenue: | |
| Estimated Revenue Provision January/December 2018 (Estimate per Schedule F) | 1,833,405,000 |
| Revenue Less requirements | <u>\$ 245,743,000</u> |

| | |
|--|-----------------------|
| (1) Net Debt Service Requirement is as follows: | |
| Series 2004 C-2 Debt Service Requirement | \$ 7,307,000 |
| Series 2005 A-D Debt Service Requirement | 20,075,000 |
| Series 2009 F-H Debt Service Requirement | 140,472,000 |
| Series 2010 A Debt Service Requirement | 131,387,000 |
| Series 2012 A-B Debt Service Requirement | 95,916,000 |
| Series 2013 A-F Debt Service Requirement | 22,571,000 |
| Series 2014 A-C Debt Service Requirement | 107,912,000 |
| Series 2015 A-H Debt Service Requirement (2)(3)(4) | 124,078,000 |
| Series 2016 A-D Debt Service Requirement (2)(3) | 14,407,000 |
| Series 2017 A-G Debt Service Requirement (2)(3) | 142,448,000 |
| Series 2018 Debt Service Requirement (5) | <u>26,250,000</u> |
| Total Debt Service | <u>\$ 832,823,000</u> |

- (2) Variable rate debt with an associated Interest Swap Agreement has interest included at the fixed swap rate.
- (3) Floating rate notes also include the fixed credit spread as interest expense.
- (4) Interest on the \$5,000,000 unhedged portion is calculated at the maximum rate of 12%.
- (5) Assumed new money issuance in 2018 of up to \$525 million to fund the \$7 billion capital program.

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Schedule F

NEW JERSEY TURNPIKE AUTHORITY

Estimated Revenue Provision

January 2019 through December 2019

| Month | Toll Revenue | E-ZPass Fees | Build America Bonds Subsidy | Concession Revenue | Income from Investments | Arts Center Revenue | Miscellaneous (1) | Total Revenue |
|-----------|------------------|---------------|-----------------------------|--------------------|-------------------------|---------------------|-------------------|------------------|
| January | \$ 115,617,000 | \$ 5,385,000 | \$ 6,383,000 | \$ 2,476,000 | \$ 2,123,000 | \$ 430,000 | \$ 917,000 | \$ 133,331,000 |
| February | 107,992,000 | 5,488,000 | 6,384,000 | 2,406,000 | 1,918,000 | 431,000 | 916,000 | 125,515,000 |
| March | 128,056,000 | 6,949,000 | 6,383,000 | 2,414,000 | 2,123,000 | 430,000 | 917,000 | 147,272,000 |
| April | 133,261,000 | 6,296,000 | 6,384,000 | 2,548,000 | 2,056,000 | 333,000 | 917,000 | 151,795,000 |
| May | 140,378,000 | 6,556,000 | 6,383,000 | 2,834,000 | 2,123,000 | 332,000 | 917,000 | 159,523,000 |
| June | 143,170,000 | 6,380,000 | 6,384,000 | 3,483,000 | 2,055,000 | 333,000 | 917,000 | 162,722,000 |
| July | 151,320,000 | 7,564,000 | 6,383,000 | 3,902,000 | 2,123,000 | 332,000 | 917,000 | 172,541,000 |
| August | 150,448,000 | 7,673,000 | 6,384,000 | 3,903,000 | 2,123,000 | 333,000 | 917,000 | 171,781,000 |
| September | 135,312,000 | 6,685,000 | 6,383,000 | 2,495,000 | 2,055,000 | 332,000 | 917,000 | 154,179,000 |
| October | 138,981,000 | 6,069,000 | 6,384,000 | 2,551,000 | 2,123,000 | 39,000 | 917,000 | 157,064,000 |
| November | 129,751,000 | 6,082,000 | 6,383,000 | 2,556,000 | 2,055,000 | 38,000 | 916,000 | 147,781,000 |
| December | 131,614,000 | 6,393,000 | 6,384,000 | 2,432,000 | 2,123,000 | 38,000 | 917,000 | 149,901,000 |
| | \$ 1,605,900,000 | \$ 77,500,000 | \$ 76,602,000 | \$ 34,000,000 | \$ 25,000,000 | \$ 3,401,000 | \$ 11,002,000 | \$ 1,833,405,000 |

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

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Schedule G

NEW JERSEY TURNPIKE AUTHORITY
Certificate Required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2019

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

| | | |
|--|-------------------|-----------------------|
| Revenues | | \$ 1,833,405,000 |
| Operating Expenses | | 582,071,000 |
| Net Revenues | | <u>1,251,334,000</u> |
| (i) Debt Service Requirements | \$ 832,823,000 | |
| (i)Maintenance Reserve | 131,468,000 | |
| (i)Special Project Reserve | <u>41,300,000</u> | <u>1,005,591,000</u> |
| Excess Revenues | | <u>\$ 245,743,000</u> |
| Net Revenues | | \$ 1,251,334,000 |
| (ii) "... 1.20 times Aggregate Debt Service" | | |
| 1.20 x \$ 832,823,000 | | <u>999,387,600</u> |
| Excess Revenues | | <u>\$ 251,946,400</u> |
| Debt Service Coverage | | <u>1.50</u> |

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenues shall at least equal the Net Revenue Requirements for such year. Under Section 101 of said Resolution, Net Revenues are defined as "...for any calendar year or other period of time, the Pledged Revenues during such year or period less the amounts of the Operating Expenses for such year or period." The Net Revenue Requirement means with respect to any period of time, "an amount equal to the greater of (i) the sum of Aggregate Debt Service, Maintenance Reserve Payments, Special Project Reserve Payments, and payments, if any, to the Charges Fund for such period or (ii) 1.20 times the Aggregate Debt Service for such period (excluding, for purposes of clause (ii) only, any payment due and payable by the Authority under a Qualified Swap upon an early termination thereof)."

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