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TO: Kim Schurman Schurman@njta.com

FROM: Jesse Kirkham, Authorities Unit, Governor's Office, Office of the Governor

DATE: October 27, 2020

RE: **New Jersey Turnpike Authority Minutes**

This email is confirmation that the Authorities Unit received the minutes from the October 27, 2020 board meeting on October 27, 2020. The calculated veto date is November 12, 2020.

Thank you.

Attachment

cc: Lauren LaRusso

NOTICE

PLEASE TAKE NOTICE that, in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., and in consideration of Executive Order No. 152 issued by Governor Murphy on June 9, 2020 directing that all indoor gatherings, including public meetings, adhere to occupancy limitations, social distancing, facial mask requirements and stringent sanitation measures, among other mitigation efforts required by prior Executive Orders addressing the Covid-19 health emergency, the New Jersey Turnpike Authority hereby notifies the public that, given the space constraints that would necessarily limit physical attendance in light of Executive Order 152, and to protect the health, safety and welfare of the public in the most effective manner while ensuring the continued functioning of government, the meeting of the New Jersey Turnpike Authority previously advertised and scheduled for Tuesday, October 27, 2020 at 9:00 a.m. at 1 Turnpike Plaza, Woodbridge, New Jersey will be held telephonically only and not in person. Members of the public who wish to attend telephonically may do so by calling 1-800-346-7359 Conference Entry Code: 487219 commencing at 9:00 a.m. Members of the public who wish to comment during the public comment portion of the Board Meeting will be prompted to press *1 when the public comments portion begins. A non-public dial in number will be used by the Board of Commissioners for the executive session portion of the meeting that is closed to the public in accordance with the OPMA at N.J.S.A. 10:4-12b.



PROCEEDINGS OF MEETING OF NEW JERSEY TURNPIKE AUTHORITY

BOARD OF COMMISSIONERS

Tuesday, October 27, 2020

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Chair Diane Gutierrez-Scaccetti (by tele-conference) 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 9:00 A.M.

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Moment of Silence

Chair Gutierrez-Scaccetti asked that we all observe a moment of silence in honor of those who are suffering during these trying times due to the Covid-19 pandemic.

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PRESENT by tele-conference

Present on the call were Chair Diane Gutierrez-Scaccetti, Vice Chair Ulises Diaz, Treasurer Michael DuPont, Commissioner Raymond Pocino, Commissioner Ronald Gravino, Commissioner John Minella (9:05 a.m.) and Commissioner Raphael Salermo. The meeting commenced at 9:00 A.M.

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ALSO PRESENT by tele-conference (Except as indicated)

Executive Director John Keller (in person), Deputy Executive Director James Carone, Chief Financial Officer Donna Manuelli; Chief Engineer Robert Fischer, Chief Information Officer Jose Dios (in person); Acting Director of Law Ann Christine Monica (in person); Director of Human Resources Mary-Elizabeth Garrity; Director of Internal Audit Donna Wilser, Director of Operations Kevin Dunn; Director of Procurement and Materials Management Dale Barnfield, Director of Tolls John Pagliarulo; Director of Community and Government Relations Shawn Taylor; New Jersey State Police Captain Raymond Smink, State Police Troop D; and Secretary to the Authority Kim Schurman (in person).

Also present by tele-conference were: Outside Counsel, Judy Verrone, Esq., of DeCotiis, FitzPatrick, Cole & Giblin, LLP, Governors' Authorities Unit Representative Lauren LaRusso.

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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 by tele-conference:

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1. Chair Gutierrez-Scaccetti
2. Vice Chair Diaz
3. Treasurer DuPont
4. Commissioner Pocino
5. Commissioner Gravino
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:

- Contract Negotiations
- Pending Litigation
- Collective Bargaining Agreements
- Personnel Matters

The motion was made by Vice Chair Diaz and seconded by Treasurer DuPont 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 9:20 a.m. A motion was made by Treasurer Dupont and seconded by Commissioner Pocino to resume the public portion of the meeting at 9:23 a.m.

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

Present by teleconference:

1. Chair Gutierrez-Scaccetti
2. Vice Chair Diaz
3. Treasurer DuPont
4. Commissioner Pocino
5. Commissioner Gravino
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 22, 2020; he did not exercise his power to veto any items in those minutes.

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

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RECUSALS

- The Secretary to the Authority reported recusals or abstentions submitted for the record:
- Commissioner Pocino is recused on Items 254 through 261

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PUBLIC COMMENT

Aleeta Dupree

Ms. Dupree advised she is an ordinary user of the Turnpike since 1970 and is looking forward to the introduction of items regarding the new Capital Program which she supports, including new additional lanes south of Exit 4. Ms. Dupree added we should accelerate the process of All Electronic Tolling on our system at least incrementally on the Parkway. Ms. Dupree said several other agencies are in the process of doing so very soon or have already done so. Ms. Dupree advised she thinks the time is right considering this challenge of coronavirus and that it is best for people to drive their vehicles through toll plazas without stopping. Ms. Dupree said she is in support of the Pay-It app for toll paying, but have not heard much more about it. Ms. Dupree hopes it will be deployed soon along with several other apps to allow people to pay their tolls. Ms. Dupree said she thinks it is time to move past the era of cash and pay for tickets.

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EXECUTIVE DIRECTOR COMMENTS

Executive Director Keller said It's hard to believe that we are entering our 8th month of this Covid 19 crisis – and he would like to express his appreciation to Authority staff, at all levels, who have stepped up to this dynamic challenge to keep our two roadways open, clean and in good repair, all while maintaining proper safety protocols. Executive Director Keller added as we are aware Snow Season officially began on October 15th and this year we will have the unique and daunting challenge of battling the snow in a Covid environment. Executive Director Keller further stated the health and safety of our NJTA Team, as wells as our patrons are paramount, and as such over the past several months we have reviewed our procedures and implemented specific health initiatives to keep our Snow Team safe. Executive Director Keller further added our Health and Safety Team, with the input of so many people, have and will continue, to proactively institute safety measures to keep us healthy and essential activities functioning. Executive Director Keller said he would also like to once again remind our employees, if they are finding it difficult to cope in these trying times, to take advantage of the Authority's Employee Assistance Program resources and concluded by reminding everyone to be safe.

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HUMAN RESOURCES

Director of Human Resources Mary-Elizabeth Garrity requested approval of item number 253-10-2020. Moved is the item as follows:

253-10-2020

Human Resources Director Mary Elizabeth Garrity submitted the **Personnel Agenda**, dated October 27, 2020, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

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On motion by Commissioner Pocino and seconded by Treasurer DuPont 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

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

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ENGINEERING

Chief Engineer, Robert Fischer, requested approval of item numbers 254-10-2020 through 261-10-2020. Moved are the items as follows:

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ORDER FOR PROFESSIONAL SERVICES

254-10-2020

In a document dated October 19, 2020, **Recommendation to Issue Order for Professional Services Nos. T3794 and T3795, New Jersey Turnpike, Greenman-Pedersen, Inc. - OPS No. T3794, Michael Baker International, Inc. - OPS No. T3795, Order for Professional Services No. T3794, Design Services for Contract No. T100.559, Bridge Repairs and Resurfacing, Milepost 92 to 122, and the Newark Bay-Hudson County Extension (2022), R-160199, Budget Code: 030C10001E, Funding allocation: \$1,420,000.00 FY 2021, \$ 500,000.00 FY 2022, Amount: \$1,920,000.00, and Order for Professional Services No. T3795, Design Services for Contract No. T100.560, Bridge Repairs and Resurfacing, Milepost 0 to 92, and the Pearl Harbor Memorial Turnpike Extension (2022), R-160200, Budget Code: 030C10001E, Funding allocation: \$1,250,000.00 FY 2021, \$100,000.00 FY 2022, Amount: \$1,350,000.00**, 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 2022, which will address the northern and southern portions of the Turnpike.

The design services associated with OPS No. T3794 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. T3795 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.

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 51 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 18, 2020.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking of the three firms: 1) Michael Baker International, Inc., 2) Greenman-Pedersen, Inc., and 3) Buchart-Horn, Inc. These three firms were requested to submit sealed Fee Proposals, which were received and have been reviewed. A review of the fee proposal of the highest technically ranked firm, Michael Baker International, Inc. for OPS No. T3795 (their preferred OPS) was negotiated and resulted in a reduction in their proposal. Subsequently, a review of the fee proposal of the second highest technically ranked firm, Greenman-Pedersen, Inc. for OPS No. T3794 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. T3794 be issued to the firm of Greenman-Pedersen, Inc. of Lebanon, NJ, not to exceed the amount of \$1,920,000.00 allocated as follows: \$1,420,000.00 in FY 2021 and \$500,000.00 in FY 2022. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.79 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. T3795 be issued to the firm of Michael Baker International, Inc. of Hamilton, NJ, not to exceed the amount of \$1,350,000.00 allocated as follows: \$1,250,000.00 in FY 2021 and \$100,000.00 in FY 2022. 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 awardees, 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 firms were 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).

255-10-2020

In a document dated September 23, 2020, **Recommendation to Issue Order for Professional Services Nos. P3796 and P3797, Garden State Parkway, Arora & Associates, P.C. - OPS No. P3796, Van Cleef Engineering Associates, LLC - OPS No. P3797, Engineering**

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Services for the 2021 New Jersey Turnpike Authority Bridge Inspection Program, Order for Professional Services No. P3796, Garden State Parkway - Group 1, Milepost 0 to 96, R-160201, Budget Code: 040E10018, Funding Allocation: \$760,000.00 FY 2021, \$102,000.00 FY 2022, Amount: \$862,000.00, and Order for Professional Services No. P3797, Garden State Parkway - Group 3, Milepost 123 to 149, R-160202, Budget Code: 040E10018, Funding Allocation: \$780,000.00 FY 2021, \$149,500.00 FY 2022, Amount: \$929,500.00, 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. P3796 will include inspection of 139 bridges located in the southern region of the Garden State Parkway and OPS No. P3797 will include inspection of 139 bridges located in the northern 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 30 engineering firms were prequalified and eligible under Profile Code: D280C – Bridges, NBIS Program, Complex. Seven firms submitted EOIs by the closing date of August 25, 2020.

The scoring of the EOIs by the Review Committee resulted in the following order of ranking of the top three firms: 1) Van Cleef Engineering Associates, LLC, 2) Arora & Associates, P.C., and 3) LS Engineering Associates Corporation. These three firms were requested to submit sealed Fee Proposals, which were received and have been reviewed. A review of the fee proposal of the highest technically ranked firm, Van Cleef Engineering Associates, LLC for OPS No. P3797 (their preferred OPS) was negotiated and resulted in a reduction in their proposal. Subsequently, a review of the fee proposal of the second highest technically ranked firm, Arora & Associates, P.C. for OPS No. P3796 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. P3796 be issued to the firm of Arora & Associates, P.C. of Lawrenceville, NJ, not to exceed the amount of \$862,000.00 allocated as follows: \$760,000.00 in FY 2021 and \$102,000.00 in FY 2022. 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. P3797 be issued to the firm of Van Cleef Engineering Associates, LLC of Freehold, NJ, not to exceed the amount of \$929,500.00 allocated as follows: \$780,000.00 in FY 2021 and \$149,500.00 in FY 2022. This

amount includes reimbursement of direct salaries times a maximum multiplier of 2.59 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 awardees, 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 firms were 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).

256-10-2020

In a document dated October 5, 2020, **Recommendation to Issue Order for Professional Services No. A3816. New Jersey Turnpike and Garden State Parkway, Michael Baker International, Inc., 2020 Culvert Inspections, R-160203, Budget Code: 040E00032, Amount: \$290,000.00 FY 2021**, was approved.

This Order for Professional Services will provide for the inspection and preparation of Culvert Inspection Reports for forty-eight (48) culverts, with span lengths between 5 to 20 feet, on the New Jersey Turnpike and Garden State Parkway. The services also include recording results into the Authority's inspection management database, developing a prioritized list of repairs, updating the Authority's Culvert Inspection Guidelines, and other related deliverables.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not exceeding \$2,000,000.00. The solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and thirty-seven (37) engineering firms were prequalified and eligible under Profile Codes: D280R: Bridges, NBIS Program, Routine; and A265: Roadway Storm Water Collection Systems. Nine firms submitted EOIs by the closing date of September 1, 2020.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three technically ranked firms. The firms in the order of ranking are: 1) Michael Baker International, Inc.; 2) Johnson, Mirmiran & Thompson, Inc.; and 3) TranSystems Corporation. The fee submitted by Michael Baker International, Inc. has been reviewed, negotiated and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. A3816 be issued to the firm of Michael Baker International, Inc. of Hamilton, New Jersey, in an amount not to exceed \$290,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 1.73 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public

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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).

257-10-2020

In a document dated October 5, 2020, **Recommendation to Issue Order for Professional Services No. T3821, New Jersey Turnpike, Johnson, Mirmiran & Thompson, Inc., Guide Rail Assessment, New Jersey Turnpike, Milepost 0 to 122, R-160204, Budget Code: 080C00035, Funding Allocation: \$ 100,000.00, FY 2020, \$1,181,000.00, FY 2021 Amount: \$1,281,000.00**, was approved.

This Order for Professional Services will provide for field assessment services to inspect the steel guide rail along the New Jersey Turnpike, determine existing conditions and locations that require updating to current standards. A prioritized list of required repairs will be developed. The services will exclude evaluations of guide rail constructed as part of the Authority's recent 10-year Capital Improvement Program.

This assignment is classified as a "Simple Project" based on the scope of work being clearly defined and not likely to change during the course of the project, and the cost not exceeding \$2,000,000.00. The solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and forty-two (42) engineering firms were prequalified and eligible under Profile Code: A257 – Roadside Safety Features. Four firms submitted EOIs by the closing date of September 15, 2020.

Subsequent to the scoring of EOIs by the Review Committee, Fee Proposals were requested from the top three technically ranked firms. The firms in the order of ranking are: 1) Johnson, Mirmiran & Thompson, Inc.; 2) Dewberry Engineers, Inc.; and 3) Boswell Engineering. The fee submitted by Johnson, Mirmiran & Thompson, Inc. has been reviewed, negotiated and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. T3821 be issued to the firm of Johnson, Mirmiran & Thompson, Inc. of Trenton, New Jersey, in an amount not to exceed \$1,281,000.00 which is allocated as follows: \$100,000.00 for FY 2020 and \$1,181,000.00 for FY 2021. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.76 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51 (formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm

was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

258-10-2020

In a document dated October 6, 2020, **Recommendation to Issue Order for Professional Services No. P3822, Garden State Parkway, AECOM, Inc., Design Services for Contract No. P200.578, Garden State Parkway Service Area Ramp Widening, R-160205, Budget Code: 390LONGTRM, Amount: \$3,545,000.00**, was approved.

This Order for Professional Services will provide for the preparation of "site-specific" construction contract documents for the improvement of thirty-five (35) ramps that facilitate access to eleven (11) Service Areas along the Garden State Parkway. The services also include evaluating existing geometric conditions of all ramp elements, preparing recommendations for improvements, design of utility relocations, securing environmental permits, post design services and other related work.

This assignment is classified as a "Complex Project" since the scope of work is not clearly defined and likely to change during the course of the project, and the cost exceeds \$2,000,000.00. The Solicitation for Expressions of Interest (EOIs) was posted on the Authority's website and thirty-two (32) engineering firms were prequalified and eligible under Profile Codes: A250, Fully Controlled Access Highways and A252, Complex Interchanges. Four firms submitted EOIs by the closing date of August 24, 2020.

In accordance with the regulations, for Complex Projects, "If only three or four EOIs have been deemed complete by the Authority, these firms shall receive the RFP and the Review Committee will not conduct an evaluation of the EOIs..." [19:9-2.8.3]. The Review Committee recommended that we proceed directly to the RFP phase of the procurement and solicit Technical and Fee Proposals from the four firms which submitted complete EOIs: AECOM, Inc., Gannett Fleming, Inc., Michael Baker International, Inc.; and STV Inc. The Review Committee reviewed and evaluated each firm's Technical Proposal and it was determined that oral presentations would not be required. Final scoring resulted in AECOM, Inc. being the highest technically ranked firm. The fee submitted by AECOM, Inc. has been reviewed and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3822 be issued to the firm of AECOM, Inc. of Piscataway, New Jersey, in an amount not to exceed 3,545,000.00. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.4 to cover the cost of fringe benefits, overhead and profit, plus authorized direct non-salary expenses. The award is contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardee, pursuant to Public Law 2005, Chapter 51

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(formerly Executive Order 134) and Executive Order 117 (Corzine 2008), and having no objection to same. These professional services were procured, and the recommended firm was selected, in accordance with N.J.S.A. 52:34-9.1, et seq., N.J.S.A. 27:23-6.1 of the Authority's enabling legislation, N.J.A.C. 19:9-2.8, promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006).

259-10-2020

In a document dated September 15, 2020, **Recommendation to Issue Supplement A to Order for Professional Services No. T3615, New Jersey Turnpike, Handex Consulting & Remediation, LLC, Environmental Compliance Services at Molly Pitcher Service Area 7S and Joyce Kilmer Service Area 8N, R-160206, Budget Code: 010-00-892-446050, Original OPS Amount: \$417,812.00, Amount of Supplement A: \$215,000.00 (FY 2021/2022), Revised OPS Amount: \$632,812.00,** was approved.

This Order for Professional Services was issued at the January 31, 2017 Commission Meeting, in the amount of \$417,812.00. It provides for professional services of an Environmental Engineering Consultant to provide groundwater compliance monitoring and reporting and necessary remedial investigations/actions at the above referenced service areas on the New Jersey Turnpike in accordance with current New Jersey Department of Environmental Protection regulations. The original term of the Handex Consulting & Remediation, LLC Agreement was for a four (4) year period commencing on April 12, 2017 with an expiration date of April 12, 2021. Support of the HMS Host/Sunoco Service Area Improvement Program at both the Molly Pitcher (7S) and Joyce Kilmer (8N) Service Areas has and will continue to significantly increase the efforts required as part of this Agreement.

Supplement A will provide for anticipated additional environmental remediation and compliance work that is required to be performed in accordance with the New Jersey Department of Environmental Protection rules and regulations by a Licensed Site Remediation Professional (LSRP) for which Handex Consulting & Remediation, LLC is currently providing these services. This Supplement will extend the Agreement expiration date to April 12, 2022 and provides continuity and effective cost management of environmental conditions/remedial tasks, delivery of in-progress services with the end goal of completing this phase of remediation work with the associated deliverables to the NJDEP, all within the ongoing terms of the professional service Agreement.

It is, therefore, recommended that Supplement A to Order for Professional Services No. T3615 be issued to Handex Consulting & Remediation, LLC not to exceed the amount of \$215,000.00 with compensation on the same basis as the original Order for Professional Services. The addition of this amount increases the total authorized fee from \$417,812.00 to \$632,812.00. The original contract was procured pursuant to 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).

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FINAL ACCEPTANCES

260-10-2020

In a document dated September 14, 2020, **All work performed on the construction contract listed below has been completed in accordance with the contract documents and to the satisfaction of the Engineering Department. Accordingly, it is recommended that this contract be deemed complete and approved for Final Acceptance. The table below 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
P500.495	Joseph M. Sanzari, Inc.	\$1,045,900.00	2	\$34,977.54	\$1,080,877.54	\$49,249.54
P100.413	Joseph M. Sanzari, Inc.	\$11,753,181.00	2	(\$1,710,625.57)	\$10,042,555.43	\$379,633.77
P200.254	Midlantic Construction LLC	\$41,361,717.27	8	\$5,914,512.56	\$47,276,229.83	\$472,762.30
T200.507	Crisdel Group, Inc.	\$5,441,770.00	2	\$1,223,271.07	\$6,665,041.07	\$502,576.96
P100.297	Northeast Remsco Construction, Inc.	\$40,537,044.20	17	\$4,734,020.45	\$45,271,064.65	\$461,351.48
T100.381	J. Fletcher Creamer & Son, Inc. & Joseph M. Sanzari, Inc. A Joint Venture	\$55,726,255.34	11	\$6,240,771.20	\$61,967,026.54	\$613,596.44
Total						\$2,479,170.49

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**

261-10-2020

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

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- Construction Contract Progress Summary
- Change Order Summary
- Utility Order Report

On motion by Vice Chair Diaz and seconded by Treasurer DuPont the Board unanimously approved item nos. 254-10-2020 through 260-10-2020; 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 261-10-2020 and received same for file.

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ROLL CALL

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

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PROCUREMENT AND MATERIALS MANAGEMENT (“PMM”)

Director of Procurement and Materials Management Dale Barnfield, requested approval of item numbers 262-10-2020 through 265-10-2020. Moved are the items as follows:

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PUBLIC BIDS

262-10-2020

In a document dated October 9, 2020, **(2) Skid Steer Backhoe Loaders (Re-bid), Hoffman International, Inc., R-159121 (Maintenance), Budget Code: 049 00 500 156555 040C07021L, Amount: \$201,313.80,** was approved.

Under this contract, Hoffman International, Inc. will provide two (2) rubber-tracked skid steer backhoe loaders with attachments and trailers for use by the Maintenance Division in the Operations Department for various functions on both Roadways. 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 22, 2020 one (1) sole bid was received as follows:

<u>Vendor</u>	<u>Unit Price</u>	<u>Total Bid Price</u>
Hoffman Equipment Co., Piscataway,	\$100,656.90	\$201,313.80

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Departmental Estimate: \$195,000.00

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 contract to Hoffman International, Inc. for two (2) skid steer backhoe loaders in the amount not to exceed \$201,313.80.

263-10-2020

In a document dated October 13, 2020, **2020-2023 Snow Removal and Salting Services at various locations on both Roadways (Re-bid), Sil-Kemp Concrete, Inc. T/A Silvi of Englishtown, RM-156833 (Maintenance), Budget Code: Various, Amount: \$ 1,118,400.00 (3-Year Contracts)**, was approved.

Authorization is requested to award contracts for snow removal and salting services for two (2) designated locations on the Garden State Parkway. These contracts will be for three (3) years with the option to extend for two (2) additional one-year terms. Bidders were required to bid "Regular" operating hourly rates for specific equipment required for each location. The maximum allowable hourly bid rate for loaders capped at \$375.00 with a set Stand-By rate of \$187.50 per hour. The bid also established fixed rates for supervisory and/or back-up vehicles at \$125.00 per hour (for both Regular and Stand-By hours). The bid was fully advertised and the 34 vendors listed in the Authority's database for the referenced services were notified of the procurement. Bids were received on October 6, 2020.

The Maintenance Division of Operations and the Procurement Department thoroughly reviewed all bids and make the following recommendations:

1. Staff recommends that two (2) contracts (PPN-5A-20 and PPN-5B-20) be awarded to the lowest responsible bidder (**highlighted in bold in the attached bid results**).

2. Non-Compliance

An additional bid was submitted by Longford Landscapes and Excavations, Inc., Hamilton, NJ ("Longford") for contracts PPN-5B-20 and LTP-09-20. This bidder, however, failed to provide a valid form of Bid Security at the time of bid submittal, as required in the specifications. Section 1.3 (Bidder Guidelines/Checklist), 1.3.1(c, d) of the RFB states that a "Bid Bond, Letter of Surety or Cashier's Check for 10% of the amount Bid" is a mandatory requirement, and failure to submit one will result in bid rejection. In addition, Longford failed to include the Qualifications Questionnaire, also a mandatory requirement as stated in 1.3.1 (i). Thus, it is recommended that the bid submitted by Longford Landscapes and Excavations, Inc. be rejected.

3. The Authority conducted a re-bid for nine (9) Areas which had received no bids from the prior solicitation, namely LPSA-123-20, LPSA-153-20, LTP-02-20, LTP-03-20, LTP-04-20, LTP-05-20, LTP-09-20, LTP-10-20 and LTP-12-20. For the second time, however, no bids were received for all nine Areas. Pursuant to the Authority's enabling statute N.J.S.A. 27:23-6.1(a), since no bids were received on two occasions, staff can and will negotiate contracts with

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available responsible contractors for the nine outstanding contracts. Given the need to establish these essential service contracts in a timely basis, authorization is requested to grant delegated authority to the Executive Director to award any or all of the contracts to the lowest responsible contractors upon receipt and review of the bids. The awards will be ratified by the Board of Commissioners at a later date.

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 Contract Nos. PPN-5A-20 and PPN-5B-20 to Sil-Kemp Concrete, Inc. T/A Silvi of Englishtown for snow removal and salting services as outlined herein, for a total amount not to exceed \$1,118,400.00 for the three (3) snow seasons, subject to funding availability at the time of service. Authorization is further requested for the Executive Director to approve each of the two, one-year extensions upon satisfactory performance by the vendor. The prices for the succeeding years of the contract will be adjusted yearly based on a Consumer Price Index ("CPI") factor consisting of the average of 1) the New York/ Northern New Jersey CPI and 2) the Philadelphia/Southern New Jersey CPI. The maximum annual increase permitted, however, shall be five percent.

Authorization is also requested to permit direct negotiations with available snow removal vendors for Contract Nos. LPSA-123-20, LPSA-153-20, LTP-02-20, LTP-03-20, LTP-04-20, LTP-05-20, LTP-09-20, LTP-10-20 and LTP-12-20, in accordance with *N.J.S.A. 27:23-6.1(a)*, and to delegate authority to the Executive Director to award the negotiated contracts listed in No. 3 above.

GARDEN STATE PARKWAY LOCATIONS

PPN-5A-20 Location / Area Limits INTERCHANGE 102 (Asbury Tolls) TO MM 116 CUT INNER - PMD5 Estimated Annual Contract Value \$186,400			
Contractor	Hourly Bid Rate Plow & Spreader Truck:	Hourly Bid Rate Plow Truck Only:	All-Inclusive Hourly Bid Rate:
Sil-Kemp Concrete, Inc. T/A Silvi of Englishtown Fairless Hills, PA	\$539.00	\$539.00	\$1,078.00

Contract PPN-5B-20 Location / Area Limits INTERCHANGE 102 (Asbury Tolls) TO INTERCHANGE 116 OUTER PNC - PMD5 Estimated Annual Contract Value \$186,400			
Contractor	Hourly Bid Rate Plow & Spreader Truck:	Hourly Bid Rate Plow Truck Only:	All-Inclusive Hourly Bid Rate:
Sil-Kemp Concrete, Inc. T/A Silvi of Englishtown Fairless Hills, PA	\$539.00	\$539.00	\$1,078.00

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STATE/GOVERNMENT CONTRACTS

264-10-2020

In a document dated October 20, 2020, Trailer-Mounted Generator (500 KW), SBP

Industries, Inc., R-160632 (Maintenance), Budget Code: 049 00 500 156555 040C07021G

State Contract No. 40272, expiring 11/30/2020, Amount: \$293,340.00, was approved.

Under this contract, SBP Industries, Inc. will provide one (1) 500KW diesel-powered, trailer-mounted generator with accessories. This mobile, stand-by generator will be used by the Maintenance Division in the Operations Department to provide supplemental electrical service, in the event of a power outage at Toll Plazas and Service Areas and NJ State Police facilities. The trailer-mounted generator is available from NJ State Contract 40272 expiring 11/30/2020.

This procurement, under State Contract No. 40273, 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. 40272 for one (1) 500 K diesel-powered, trailer-mounted generator with accessories to SBP Industries, Inc. for a total amount not to exceed \$293,340.00.

265-10-2020

In a document dated October 9, 2020, **State Contract Modifications, At prior Board of Commissioners meetings, the Authority approved purchases (up to a maximum authorized dollar amount) from the vendors listed herein under the New Jersey State contracts referenced below. The terms of the referenced State contracts have 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
(T-2188) Parts & Repairs for Road Maintenance Equipment	Lawson Products, Inc. Chicago, IL	RM-159936 (Inventory)	2258	85850 01/29/2021	\$494,000.00	\$584,000.00	\$90,000.00
(T-2085) Automotive Parts for Heavy Duty Vehicles (Class 5 or Higher)	Mid-Atlantic Truck Centre Inc. Linden, NJ	RM-159924 (Inventory)	2715	42075 08/09/2021	\$154,000.00	\$244,000.00	\$90,000.00
Total							\$180,000.00

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 licensing requirements under the referenced State Contract

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has been increased through the expiration date of this 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.

On motion by Commissioner Pocino and seconded by Commissioner Salerno the Board unanimously approved item numbers 262-10-2020 and 265-10-2020; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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

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GENERAL BUSINESS

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OPERATIONS

Director of Operations Kevin Dunn requested acceptance of item number 266-10-2020. Moved is the item as follows:

266-10-2020

Director of Operations Kevin Dunn requested acceptance of **Volumes and Crash Synopses for the Garden State Parkway and New Jersey Turnpike: Period 01/01/2020 through 09/30/2020; with 2019-2020 Yearly Comparisons through September 2020.**

On motion by Treasurer DuPont and seconded by Commissioner Pocino the Board unanimously accepted item number 266-10-2020; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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STATE POLICE

Captain Raymond Smink requested acceptance of item number 267-10-2020. Moved is the item as follows:

267-10-2020

Captain Raymond Smink requested acceptance of the **New Jersey State Police Troop D Activity Reports** for September 2020, with 2019 – 2020 Yearly Comparisons.

On motion by Commissioner Pocino and seconded by Treasurer DuPont the Authority unanimously accepted the reports contained in item number 267-10-2020 and received same for file.

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FINANCE

Chief Financial Officer Donna Manuelli requested acceptance of item number 268-10-2020. Moved is the item as follows:

268-10-2020

Chief Financial Officer Donna Manuelli presented the **Financial Summary for the Nine (9) months ended September 30, 2020**, was accepted.

On motion by Treasurer DuPont and seconded by Commissioner Pocino the Board unanimously accepted item number 268-10-2020; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

Chief Financial Officer Donna Manuelli requested acceptance of item number 269-10-2020 and 270-10-2020. Moved are the items as follows:

269-10-2020

In a document dated October 27, 2020, **Authorization to Adopt the 2021 Annual Budget**, was approved.

Attached for your consideration is the 2021 Annual Budget, which includes the Authority's Revenue Budget, Operating Expense Budget, Debt Service Fund Budget, and General Reserve Fund Budget. In addition, the 2021 Annual Budget includes the Authority's Capital Spending Program Budget, now presented on a rolling five-year basis for the first time in 2021. The Authority has established a rolling five-year program for all capital projects regardless of funding source for more meaningful, high-level reporting and management of funding sources. The Authority's Capital Spending Program consists of project budgets for both the revenue funded and the bond funded capital programs. The revenue funded program includes i) Maintenance Reserve Fund, ii) Special Project Reserve Fund and iii) Supplemental Capital Program. The bond funded programs include – i) 2021-2025 Capital Improvement Program, which is part of the 2020 Long-Range Capital Plan, ii) 2019 Capital Improvement Program and iii) 2008 \$7 Billion Capital Improvement Program.

The 2021 Annual Budget has been prepared consistent with the Authority's Strategic Plan. Even with the potential prolonged impact of the COVID-19 pandemic, the 2021 Annual Budget continues the mission contained in the Strategic Plan. This mission is to prudently manage the finances and operations of the Authority to provide our customers with a safe, efficient, innovative and resilient toll road system, which facilitates mobility in New Jersey and the Northeast United States. The 2021 Annual Budget provides enough funding to meet these Authority goals for two of the busiest toll roads in the United States - the New Jersey Turnpike ("Turnpike") and Garden State Parkway ("Parkway"). The Authority continues to focus on state of good repair, which is the need to maintain and improve ageing assets, as well as the financial and operational needs of a system which includes more than 4,400 lane miles, 1,100 bridges and

130 interchanges and 600 tolling locations. In 2021, the Authority will continue and expand on its revenue protection efforts, continue its commitment to safety by providing sufficient funding for State Trooper patrols and snow and severe weather events, as well as increased funding for the Maintenance Reserve Fund and Special Project Reserve Fund to cover state of good repair projects. The 2021 Annual Budget also includes the first full-year impacts of the September 13, 2020 toll rate increase, the first toll rate increase in nearly eight (8) years. In addition, the 2021 Annual Budget also recognizes the merger of the Maintenance, Operations and Patron Services Departments into the Operations Department. This merger results in a model that is common through dozens of state transportation agencies nationwide.

The Authority arrived at the 2021 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 capital project budgets with their spending plans for the rolling five-year programs.

The proposed 2021 Annual Budget accomplishes the following:

(1) Provides enough funding for operating expenses to operate and maintain the Turnpike and Parkway. Authorized positions are held flat, and the overall salary budget is essentially flat as compared to 2020;

(2) Provides for debt service payments of nearly \$921 million and includes projected interest costs on a potential \$500 million new money bond issuance in late 2020 and a \$500 million new money bond issuance in 2021. These new money issuances will provide needed funds for the 2019 Capital Improvement Program (CIP), approved in April 2019 and the funding required for the 2021-2025 Capital Improvement Program (CIP), approved as part of the 2020 Long-Range Capital Plan which was approved in May 2020;

(3) Provides nearly \$1 billion for spending on capital projects, including \$333 million of spending on revenue funded Capital Budget projects (Maintenance Reserve, Special Project Reserve, Supplemental Capital); and approximately \$642 million of spending on bond funded Construction Fund Budget projects (included in 2021-2025 CIP, 2019 CIP, and 2008 \$7 Billion CIP);

(4) Maintains a minimum unencumbered General Reserve Fund balance more than 10% of total annual revenue (\$215 million) as required by Board policy; and

(5) Meets General Bond Resolution financial covenants, Board adopted financial targets, and all other financial obligations. The debt service coverage ratio is projected to be 1.66 in 2021, with a total requirements ratio of 1.35.

The proposed 2021 Revenue Budget of \$2.1 billion includes a projected increase in toll revenue of 18.6% on the Turnpike and 14.8% on the Parkway as compared to the 2020 Revenue

Budget. This increase is due to the full-year impact of the toll rate increase on September 13, 2020, partially offset by continued COVID-19 traffic and revenue losses. The 2021 toll revenue budget was derived from a report done by the Authority's traffic engineering consultant in October 2020. E-ZPass fees are budgeted to increase by about \$4.4 million, or 5.6%, reflecting normal growth as New Jersey E-ZPass accounts continue to increase as well as an increase in violation fee collections from enhanced collection efforts. Interest income is expected to decrease by \$4 million or 17% compared to the 2020 budget assumptions, based on declining short-term interest rates due to market conditions and lower invested balances. Concession revenue is budgeted to decrease by \$4.6 or 12.8%, due to an assumed reduction in rent received from diesel fuel gross profit margins and the ongoing effects of the pandemic on service area sales.

On a budget to budget basis, total revenue in 2021 is expected to increase by \$285 million, or 15.3% primarily because of the net impact of the toll rate increase effective September 13, 2020 and the reduction in traffic and revenue due to COVID-19. Comparing the 2021 Revenue Budget to the 2020 estimated/actual revenue, the budgeted increase is about \$513 million, or about 31% due to the full-year impact of the toll rate increase and a recovery in traffic as compared to 2020. The negative impact of COVID-19 on toll revenue is projected to be about 21% in 2020, improving to only a 10% reduction in 2021.

The proposed 2021 Operating Expense Budget of \$622.3 million represents a \$23.4 million, or 3.9%, increase as compared to the 2020 Operating Expense Budget. The increase includes two unusual items totaling \$8.9 million for an increase of 1.5%. Toll collection costs are increasing by \$6.7 million due to higher fees for money counting and credit card processing related to greater dollar volumes due to the recent toll rate increase. COVID-19 related expenses are budgeted at \$2.2 million for extra cleaning services and PPE supplies in anticipation of the pandemic continuing into 2021. Excluding these two unusual items, the budget increase is only \$14.4 million, or 2.4%.

Key cost factors in the 2021 Operating Expense Budget include the following:

- increased Pension cost of \$3.6 million based upon on the new experience study by the State PERS, new mortality tables, and change in interest rate assumption and an increase in covered payroll from the 2018 retroactive salary increases
- increased Health Benefit costs of \$2.3 million based upon on medical inflation and usage as projected by the Authority's health benefit consultant
- increased NJ E-ZPass costs of \$1.5 million primarily due to variable costs related to violation processing, and \$.5 million for the MVC registration suspension program
- increased State Police costs of \$1.5 million for the contractual salary increases
- increased Other Professional Services of \$1.3 million due to \$9.5 million for bridge inspection and pavement management being moved into the Operating Expense Budget

from Special Projects, partially offset by \$8.2 million in vehicle purchases moved into Special Projects all based on leading practice recommendations.

- increased Legal Expenses of \$1.3 million as a result of collection counsel expenses for EZ-Pass civil litigation (\$.7 million), other litigation costs and legal expenses for land acquisition
- decrease in Vehicle Supplies by \$0.5 million due to lower fuel costs
- decrease in NJ E-ZPass costs of \$1.0 million due to lower toll transaction volumes processed
- decrease in Salaries by \$1.5 million due to the reduction of 55 part-time toll collector positions and the elimination of all 20 Parkway seasonal and temporary toll collector positions.

Excluding the increases in unusual costs, and pension and health benefit expenses, the 2021 Operating Expense Budget is only increasing by \$8.2 million, or 1.4%.

The 2021 Annual Budget also includes the 2021 Debt Service Fund Budget of \$921 million, which includes principal and interest payments payable through revenues on the Authority's currently outstanding bonds as well as the potential new money issuance of \$500 million in late 2020 and another \$500 million in 2021. The 2021 Debt Service Fund Budget is increasing by about \$78.2 million, or 9.3%, as compared to the 2020 budget mainly due to the additional interest expense from the new money bond issues, and higher principal payments on existing bonds. Debt service remains the single largest spending component of the annual budget, equal to 43% of total budgeted revenue in 2021.

The 2021 General Reserve Budget totals \$395.8 million and includes the Authority's contractual payments due in calendar 2021 under the various state agreements. The current State Transportation Projects Funding Agreement expires on 6/30/21, and the budget anticipates a replacement State Transportation Projects Funding Agreement effective July 1, 2021. In addition to payments under the expiring agreement through 6/30/21, the 2021 budget includes a \$187.5 million payment under an anticipated new agreement. Also included is funding for extraordinary severe weather costs and other postemployment benefit costs, and a net transfer to the Construction Fund of \$53.5 million to cover the 2021 budgeted spending plans for the revenue funded Supplemental Capital Program.

The Authority's 2021 Annual Budget also includes its Capital Spending Program Budget presented on a rolling five-year basis for the first time in 2021, with spending included for the years 2021-2025. The Capital Spending Program Budget includes revenue funded projects as well as bond funded projects. The revenue funded capital projects, referred to as the Capital Budget, include projects in the Maintenance Reserve Fund, Special Project Reserve Fund and Supplemental Capital Program. The bond funded capital projects, referred to as the Construction

Fund, include – (i) 2021 – 2025 Capital Improvement Program, part of the 2020 Long-Range Capital Plan, (ii) 2019 Capital Improvement Program and (iii) 2008 \$7 Billion Capital Improvement Program. These capital projects are presented on a rolling five-year (2021-2025) spending basis along with their respective total project budgets. Each year a new rolling five-year spending plan will be approved with the changes, if any, to the total project budgets, as a part of the annual budget approval.

The 2021 rolling five-year Capital Spending Program Budget includes \$5.2 billion to be spent during 2021-2025, or an average of over \$1.0 billion/year. Of this, 84% is planned to be spent on Bridge Repair and Reconstruction, Resurfacing and Drainage Structures. The remaining 16% is budgeted to be spent on technology improvement projects, fleet and facility upgrade projects. Approximately 29%, or \$1.5 billion, will be funded by revenue, while 71%, or \$3.7 billion, of the \$5.2 billion will be funded by bond proceeds.

The revenue funded Capital Budget projects included in the 2021 rolling five-year Capital Spending Program Budget focus on resurfacing of the roadways, bridge repairs, technology improvements, fleet upgrades and facility upgrades. These projects are funded by net revenue transfers into the Maintenance Reserve Fund, Special Project Reserve Fund, and into the revenue funded accounts in the Construction Fund for Supplemental Capital projects. Average annual spending for these projects is about \$300 million/year.

The 2021 Maintenance Reserve Fund Total Project Budget is \$1.2 billion. The rolling five-year spending plan for these projects is \$1.0 billion, or an average of \$200 million/year, which primarily supports spending for the maintenance and resurfacing of roadway and bridges on the Turnpike and Parkway. These projects have a combined budgeted spending plan for 2021 of \$185 million, with the remainder budgeted to be spent in 2022-2025. Included is additional funding for resurfacing as well as bridge repairs. It should be noted that the Authority is funding for the resurfacing of approximately 345 lane miles and bridge deck repairs of approximately 45 bridges on both the roadways.

The 2021 Special Project Reserve Fund Total Project Budget is \$348.4 million. The rolling five-year spending plan totals \$275.3 million, or an average of \$55.1 million/year. The budgeted 2021 spending plan is about \$73.9 million with the remainder to be spent in 2022-2025. The 2021 Special Project Reserve Fund Project 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 facility improvements, and technology improvements among other necessary projects.

The 2021 Supplemental Capital Program Total Project Budget is \$345.2 million. The rolling five-year spending plans totals \$151.3 million, or an average of \$30.2 million/year. The budgeted 2021 spending plan is about \$73.4 million with the remainder to be spent in 2022-2025. The 2021 Supplemental Capital Program Project Budget includes additional resurfacing, and

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some facility improvement projects.

The bond funded Construction Fund capital projects included in the 2021 rolling five-year plan focus on maintaining the existing infrastructure in a state of good repair, capacity enhancement projects and bridge improvement projects. Some important projects are the bridge rehabilitation and replacement program and Turnpike mainline widening between Interchanges 1 and 4 as a part of the 2021-2025 CIP, bridge deck reconstruction on both the roadways and shoulder restoration on the Parkway as a part of the 2019 Million CIP, and Newark Bay Hudson County Extension Bridge re-decking, and Interchange improvements as part of the 2008 \$7 Billion CIP. Average annual spending for these projects is about \$725 million/year, although these amounts are expected to increase as more projects are added from the 2020 Long-Range Capital Plan.

The 2021- 2025 CIP, which is derived from the 2020 Long-Range Capital Plan which was approved in May 2020, is starting with total project budgets of \$4.5 billion, and a rolling five-year spending plan of \$2.7billion, or an average spending of approximately \$600 million each year. As this program develops further, it is expected that the spending plan may go up to about \$1 billion per year.

The 2019 CIP, approved in April 2019, is underway with about 91% spent or committed. The 2019 CIP has total project budgets of \$673 million which is increasing by \$173 million to include the funding for the remaining Passaic River Bridge Rehabilitation Program spending from 2021-2025 (\$114 million) and the Service Area Improvement projects outside the curb-line (\$58.5 million). The rolling 5-year spending plan is \$606million, or about \$121 million/year.

The 2008 \$7 Billion CIP, approved in December 2008, is 99% spent or committed and is nearing completion. The budget is being amended to reflect minor changes required between projects with no overall increase to the total program budget. The total project budgets are \$7 billion. The rolling 5-year spending plan is \$290 million, with an average annual spend of \$58 million.

In summary, the Authority's 2021 Annual Budget provides the necessary Operating Expense Budget to maintain the roadways and existing facilities and fund ongoing safety and revenue protection initiatives, while controlling costs where possible. The 2021 Annual Budget also adequately funds the Authority's capital project needs, providing nearly \$1 billion in capital project spending. The proposed 2021 Annual Budget includes revenues that allow 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 2021 Annual Budget. The Authority's General Consulting Engineer, HNTB, concurs with this recommendation.

Your approval of this recommendation is respectfully requested.

270-10-2020

In a document dated October 14, 2020, New Jersey Turnpike Revenue Bond Resolution Certification 713 (c), was approved.

Under the provisions of Section 713 (c) of the Turnpike Revenue Bond Resolution adopted by the Authority on August 20, 1991 as amended and supplemented (the "Resolution"), the Authority, on or before December 1 in each year, shall complete a review of its financial condition for the purpose of estimating whether the Net Revenues (as such term is defined in the Resolution) for such year and for the next succeeding year will be sufficient to comply with subsection (b) of Section 713 of the Resolution and shall by resolution make a determination with respect thereto. A copy of such resolution, certified by an Authorized Officer of the Authority, together with a certificate of such Authorized Officer setting forth a reasonably detailed statement of the actual and estimated receipts and the payments to be made 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 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 2020 and 2021. 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 2020 and 2021.

As the basis for your review, I have prepared the following schedules relative to the two years under review, 2020 and 2021, 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 2020 and 2021, 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 2020's revenue requirements. Specifically, the schedule provides actual revenue through September 30, 2020 and projected revenue for the balance of the year (October-December 2020).

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 (2020 and 2021) "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 2021'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 2020 and 2021 will be sufficient to comply with Section 713 (b) of the Resolution.

[Schedule A through G attached to this document]

On motion by Treasurer DuPont and seconded by Commissioner Pocino the Board unanimously approved item number 269-10-2020 and 270-10-2020; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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

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EXECUTIVE

Executive Director John Keller requested approval of item number 271-10-2020. Moved is the item as follows:

271-10-2020

In a memorandum dated October 21, 2020, 2021 Schedule of Board Meeting Dates, was approved.

Authorization is requested to publish public notice of the 2021 New Jersey Turnpike Authority Board Meetings (the "Annual Meeting Notice") in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., as set forth in the schedule submitted below. In accordance with Governor Murphy's Executive Order 186 extending the Public Health Emergency first declared in Executive Order 103, and pursuant to the indoor gathering limits imposed by Executive Order 183 and as authorized by N.J.S.A. 10:4-9.3, unless and until the 2021 Annual Meeting Notice is revised by resolution of the Board of Commissioners and published in

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accordance with law, the following meetings shall be conducted telephonically, and formal action may be taken at any such meeting. Members of the public shall have access to the telephonic meetings, and the instructions and telephone number for access to the meetings will be posted on the New Jersey Turnpike Authority's website at www.NJTA.com prior to each meeting.

2021 BOARD MEETING DATES (Tuesdays, 9:00 a.m.)
January 26 th
February 23 rd
March 23 rd
April 27 th
May 25 th
June 22 nd
July 27 th
August 31 st
September 28 th
October 26 th
November 23 rd
December 21 st

On motion by Treasurer DuPont and seconded by Vice Chair Diaz the Board unanimously approved item number 271-10-2020; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL


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

633087

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The motion to adjourn was made by Treasurer DuPont and seconded by Commissioner Pocino, and, after the voice vote, the motion was duly adopted. The Board of Commissioners adjourned the meeting at 9:51 a.m., and advised that it will be held again on Tuesday, November 24, 2020 at 9:00 a.m., telephonically or 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 27, 2020

Schedule A

633088

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 2020 and 2021, 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 2020 and 2021, 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 2020 and 2021 as shown in schedules which were utilized in said review, shall be filed in its entirety with The Bank of New York Mellon and U.S. Bank as Co-Trustees, under the Resolution, all in accordance with said Section 713 of said Resolution.

Schedule B

NEW JERSEY TURNPIKE AUTHORITY
 Certificate Required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2020

033089

Operating Expenses		\$ 558,971,000
Debt Service Requirements (1)		664,218,000
Maintenance Reserve Payments		134,097,000
Special Project Reserve Payments		<u>41,300,000</u>
Total Requirements		1,398,586,000
Deduct Revenue:		
Actual Revenue Provision - January - September 2020	\$ 1,128,567,000	
Estimated Revenue Provision October - December 2020 (Estimate per Schedule C)	<u>511,337,000</u>	<u>1,639,904,000</u>
Revenue Less Requirements		<u>\$ 241,318,000</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 Debt Service Requirement	101,943,000
Series 2010 A Debt Service Requirement	131,387,000
Series 2012 A-B Debt Service Requirement	28,030,000
Series 2013 A-F Debt Service Requirement	17,359,000
Series 2014 A-C Debt Service Requirement	55,757,000
Series 2015 A-H Debt Service Requirement (2)(3)(4)	45,832,000
Series 2016 A-D Debt Service Requirement (2)(3)	14,321,000
Series 2017 A-G Debt Service Requirement (2)(3)	191,186,000
Series 2019 A Debt Service Requirement	20,456,000
Series 2020 A-C Debt Service Requirement (2)(3)	25,748,000
Series 2020 Debt Service Requirement (5)	<u>4,817,000</u>
Total Debt Service	<u>\$ 664,218,000</u>

- (1) Amount includes interest and principal payments.
- (2) Variable rate debt with an associated Interest Swap Agreement has interest included at the fixed swap rate.
- (3) Includes 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 November 2020 of \$500 million to fund the 2019 capital program with interest at 5.78%.

Schedule C

NEW JERSEY TURNPIKE AUTHORITY
 Certificate Required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2020

Month	Toll Revenue	E-ZPass Fees	Build America Bonds Subsidy	Concession Revenue	Income from Investments	Arts Center Revenue	Miscellaneous (1)	Total Revenue
October	155,571,000	7,607,000	6,418,000	2,596,000	1,000,000	39,000	982,000	174,213,000
November	151,007,000	7,176,000	6,417,000	2,596,000	1,000,000	39,000	983,000	169,218,000
December	150,068,000	6,574,000	6,417,000	2,596,000	1,000,000	268,000	983,000	167,906,000
	\$ 456,646,000	\$ 21,357,000	\$ 19,252,000	\$ 7,788,000	\$ 3,000,000	\$ 346,000	\$ 2,948,000	\$ 511,337,000

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

033090

033091

Schedule D

NEW JERSEY TURNPIKE AUTHORITY
 Certificate Required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2020

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

Revenue		\$ 1,639,904,000
Operating Expenses		<u>558,971,000</u>
Net Revenue		<u>1,080,933,000</u>
(i) Debt Service Requirements	\$ 664,218,000	
(i) Maintenance Reserve Payments	134,097,000	
(i) Special Project Reserve Payments	<u>41,300,000</u>	<u>839,615,000</u>
Revenue Less Requirements		<u>\$ 241,318,000</u>
Net Revenue		\$ 1,080,933,000
(ii) "... 1.20 times Aggregate Debt Service"		
1.20 x \$ 664,218,000		<u>797,061,600</u>
Excess Revenue		<u>\$ 283,871,400</u>
Debt Service Coverage		<u>1.63</u>

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

Schedule E

033092

NEW JERSEY TURNPIKE AUTHORITY
 Certificate Required Under Section 713
 Turnpike Revenue Bond Resolution
 Fiscal Year Ending December 31, 2021

Operating Expenses	\$ 622,324,000
Debt Service Requirements (1)	920,757,000
Maintenance Reserve Payments	160,000,000
Special Project Reserve Payments	<u>50,000,000</u>
Total Requirements	1,753,081,000
Deduct Revenue:	
Estimated Revenue Provision January/December 2020 (Estimate per Schedule F)	2,149,468,000
Revenue Less requirements	<u>\$ 396,387,000</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	20,076,000
Series 2009 F-H Debt Service Requirement	101,943,000
Series 2010 A Debt Service Requirement	131,387,000
Series 2012 A-B Debt Service Requirement	59,758,000
Series 2013 A-F Debt Service Requirement	22,041,000
Series 2014 A-C Debt Service Requirement	77,158,000
Series 2015 A-H Debt Service Requirement (2)(3)(4)	186,329,000
Series 2016 A-D Debt Service Requirement (2)(4)	30,482,000
Series 2017 A-G Debt Service Requirement (2)(4)	195,938,000
Series 2019 A Debt Service Requirement	20,456,000
Series 2020 A-C Debt Service Requirement (2)(4)	10,082,000
Series 2020 Debt Service Requirement (5)	28,900,000
Series 2021 Debt Service Requirement (6)	28,900,000
Total Debt Service	<u>\$ 920,757,000</u>

(1) Amount includes interest and principal payments.

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

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

(4) Includes the fixed credit spread as interest expense.

(5) Assumed new money issuance in November 2020 of \$500 million to fund the 2019 capital program with interest at 5.78%.

(6) Assumed new money issuance for full year in 2021 of \$500 million to fund the long range capital plan with interest at 5.78%.

Schedule F

NEW JERSEY TURNPIKE AUTHORITY
 Estimated Revenue Provision
 January 2021 through December 2021

Month	Toll Revenue	E-ZPass Fees	Build America Bonds Subsidy	Concession Revenue	Income from Investments	Arts Center Revenue	Miscellaneous (1)	Total Revenue
January	\$ 136,837,000	\$ 7,310,000	\$ 6,418,000	\$ 2,583,000	\$ 1,699,000	\$ 447,000	\$ 998,000	\$ 156,292,000
February	129,321,000	6,806,000	6,417,000	2,583,000	1,534,000	447,000	998,000	148,106,000
March	150,538,000	6,930,000	6,418,000	2,583,000	1,699,000	447,000	998,000	169,613,000
April	158,034,000	6,832,000	6,417,000	2,583,000	1,644,000	349,000	998,000	176,857,000
May	168,653,000	6,885,000	6,418,000	2,583,000	1,699,000	349,000	998,000	187,585,000
June	172,487,000	6,301,000	6,417,000	2,584,000	1,644,000	349,000	998,000	190,780,000
July	176,130,000	7,195,000	6,418,000	2,584,000	1,699,000	349,000	998,000	195,373,000
August	181,542,000	7,071,000	6,417,000	2,584,000	1,699,000	349,000	998,000	200,660,000
September	161,465,000	7,341,000	6,418,000	2,584,000	1,644,000	349,000	998,000	180,799,000
October	167,214,000	8,513,000	6,417,000	2,583,000	1,699,000	55,000	998,000	187,479,000
November	160,247,000	7,287,000	6,418,000	2,583,000	1,644,000	55,000	998,000	179,232,000
December	158,273,000	6,029,000	6,417,000	2,583,000	1,696,000	696,000	998,000	176,692,000
	\$ 1,920,741,000	\$ 84,500,000	\$ 77,010,000	\$ 31,000,000	\$ 20,000,000	\$ 4,241,000	\$ 11,976,000	\$ 2,149,468,000

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

033093

Schedule G

G33094

NEW JERSEY TURNPIKE AUTHORITY

Certificate Required Under Section 713
Turnpike Revenue Bond Resolution
Fiscal Year Ending December 31, 2021

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

Revenue		\$ 2,149,468,000
Operating Expenses		622,324,000
Net Revenue		<u>1,527,144,000</u>
(i) Debt Service Requirements	\$ 920,757,000	
(i) Maintenance Reserve Payments	160,000,000	
(i) Special Project Reserve Payments	<u>50,000,000</u>	<u>1,130,757,000</u>
Revenue Less Requirements		<u>\$ 396,387,000</u>
Net Revenue		\$ 1,527,144,000
(ii) "... 1.20 times Aggregate Debt Service"		
1.20 x \$ 920,757,000		<u>1,104,908,400</u>
Excess Revenue		<u>\$ 422,235,600</u>
Debt Service Coverage		<u>1.66</u>

The Revenue Requirement under section 713(b) of the Turnpike Revenue Bond Resolution states that in each calendar year Net Revenue shall at least equal the Net Revenue Requirements for such year. Under Section 101 of said Resolution, Net Revenue is defined as "...for any calendar year or other period of time, the Pledged Revenue 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)."

