

**CERTIFICATION
OF
NEW JERSEY TURNPIKE AUTHORITY**

I, Joseph Mrozek, hereby certify that I am the Executive Director of the New Jersey Turnpike Authority and as such, Executive Director certify that the attached copy of PROCEEDINGS OF THE NEW JERSEY TURNPIKE AUTHORITY is a true and correct copy of the Minutes of the December 19, 2017 Meeting of the Authority.

IN WITNESS THEREOF, I have hereunto set my hand and affixed the official seal of the New Jersey Turnpike Authority this 19th day of December, 2017.

ATTEST:



Kim Schurman
Secretary to the Authority



Joseph Mrozek
Executive Director

Corporate Seal

Date: December 19, 2017

**Received in the Governor's Office December 19, 2017
(hand delivered)**

Received by:

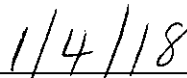


Print Name



Signature

Veto Period Ends:



(Write in the date the veto period ends)

**PROCEEDINGS OF MEETING OF NEW JERSEY TURNPIKE AUTHORITY
BOARD OF COMMISSIONERS
Tuesday, December 19, 2017**

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Chairman Richard Hammer called the meeting of the Authority's Board of Commissioners into session in the Executive Boardroom of the Authority's Headquarters Building at 1 Turnpike Plaza in Woodbridge, New Jersey, at 9:00 A.M.

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PRESENT

Present were Chairman Richard Hammer, Vice Chairman Ronald Gravino, Treasurer Michael DuPont, Commissioner Raymond Pocino, Commissioner Ulises Diaz, Commissioner John Minella and Commissioner Raphael Salerno. The meeting commenced at 9:00 A.M.

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ALSO PRESENT

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

Also present were: Outside Counsel Gage Andretta, Esq., of Chiesa, Shahinian & Giantomasi, Governors' Authorities Unit Representative Nicholas Kant; additional individuals consisting of other NJTA employees; interested organizations; the general public; and a news reporter from New Jersey Advanced Media.

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NOTICE OF MEETING

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

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

1. Chairman Hammer
2. Vice Chairman Gravino
3. Treasurer DuPont
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:

- Contract Negotiations
- Litigation
- Personnel

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

Executive Session was adjourned at 9:44 a.m. Chairman Hammer resumed the public portion of the meeting at 9:46 a.m.

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

1. Chairman Hammer
2. Vice Chairman Gravino
3. Treasurer DuPont
4. Commissioner Pocino
5. Commissioner Diaz
6. Commissioner Minella
7. Commissioner Salerno

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ACTION ON MINUTES

The Executive Director reported that ten days, excluding Saturdays, Sundays and holidays, have elapsed since Governor Chris Christie received the proceedings of the regular meeting of November 21, 2017; he did not exercise his power to veto any items in those minutes.

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

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RECUSALS

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

- Commissioner Pocino is recused on items 309 through 313

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PUBLIC COMMENT

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None

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EXECUTIVE DIRECTOR’S COMMENTS

None

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COMMISSIONER’S COMMENTS

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Vice Chairman Gravino acknowledged Barbara Jones who is retiring at the end of the month after more than 39 years of service. Jones now works in the Finance Department as the HCM Manager. But she began her career with the Highway Authority in the Human Resources Department. The first contact that hundreds of Parkway employees had with someone at the Highway Authority was with Barb. Barbara always impeccably represented the Authority to new employees.

Barb is consummate professional. She treats everyone kindly and with respect. As she has advanced at the Authority, she has always gladly taught and trained those who work for her.

Jones has been an unsung hero at the Authority. She has never drawn attention to herself. But those who have worked with her know that the Authority is losing a great employee and better person. You will be greatly missed.

On behalf of the Board of Commissioners, Vice Chairman Gravino thanked Jones for her service and wished her well on her well-earned retirement.

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Chairman Hammer announced that ED Mrozek will be stepping down as Executive Director of the Turnpike Authority effective December 31, 2017. Chairman Hammer thanked ED Mrozek for all that he has done for the Authority and acknowledged the Authority’s significant accomplishments under ED Mrozek’s leadership. Chairman Hammer stated that he was fortunate to work with Mrozek both at the Department of Transportation for four (4) years and at the Authority for almost (four) 4 years. Chairman Hammer wished ED Mrozek good health and good fortune in the future.

On motion by Chairman Hammer and seconded by Commissioner Pocino for John O’Hern, Chief Operating Officer, to serve as Acting Executive Director effective January 1, 2018.

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ROLL CALL

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

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HUMAN RESOURCES

Director of Human Resources Mary-Elizabeth Garrity requested approval of item number 305-12-2017. Moved is the item as follows:

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305-12-2017

Human Resources Director Mary Elizabeth Garrity submitted the **Personnel Agenda**, dated December 19, 2017, and requested confirmation of the personnel matters contained therein. The Executive Director certified the recommendations for consideration.

On motion by Vice Chairman Gravino and seconded by 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

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

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LAW

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General Counsel Bruce Harris requested approval of item number 307-12-2017 and 308-12-2017. Moved are the items as follows:

306-12-2017

Item not used

307-12-2017

In a document dated December 1, 2017, **Request to (i) Declare Parcels 591A & B, 314EX, 314CX, 584B2X, and 313X Surplus to the Authority's Needs, and (ii) Authorize the Executive Director to Enter into a Memorandum of Agreement with the Port Authority of New York and New Jersey to Facilitate the Goethals Bridge Replacement Project**, was approved.

New Jersey Turnpike Authority Parcels 591A & B, 314EX, 314CX, 584B2X, and 313X, also known as Block 4, Lots 1277B, 331, 330, 329, 1632, 1631, 183, and a portion of Block 4, Lot 183B and a portion of Block 4, Lot 181C, respectively, consisting of approximately 1.68± acres of land located in the City of Elizabeth, County of Union (collectively, the "Property"). In accordance with the Authority's Surplus Property Policy, and N.J.A.C. 19:9-2.6, the Law Department has circulated information regarding the Property to the Chief Engineer, the Director of Maintenance, the Director of Operations, Chief Information Officer, and the Authority's Engineering Consultant, HNTB Corporation, for review. Each has reviewed the information regarding the Property and all have certified that the Authority no longer requires the Property and does not see any future use of the property by the Authority. Accordingly, it is recommended that authorization be given to

declare the Property surplus to the Authority's needs.

It is further recommended that the Executive Director be authorized to convey the Property to the Port Authority of New York and New Jersey ("PANYNJ"). PANYNJ is undertaking a construction project to replace the Goethals Bridge ("Project"). The Authority entered into a Memorandum of Agreement Concerning the Coordination of the Design and Construction of the Goethals Bridge Replacement Project in October 2013 to help facilitate this Project. (See Agenda Item 280-07-2013). PANYNJ and the Authority have since negotiated a supplemental memorandum of agreement ("Agreement") to further define certain conveyances and obligations between PANYNJ and the Authority as they relate to progressions of the Project. (As a precursor to this Agreement, the Authority entered into a Property Transfer Agreement with PSE&G in December 2016 (See Agenda Item 317-09-2016).) The Agreement provides for the exchange of certain permanent and temporary property interests for parcels located in the City of Elizabeth, County of Union between PANYNJ and the Authority, with no monetary compensation to either party.

Under the terms of this Agreement, the Authority will convey to PANYNJ the properties listed in **Exhibit A**, attached hereto and made a part hereof, and receive comparable property from PANYNJ consisting of approximately 1.4+ acres in fee of former Goethals Bridge right of way over the Turnpike, also known as Block 4, Lot 183A in the City of Elizabeth, County of Union.

Under the Authority's Surplus Property Policy and N.J.A.C. 19:9-2.6(b)(5)(i), disposition of surplus property to a public or governmental entity, as well as exchanges of surplus property as a swap for other property the Authority needs to acquire, are exceptions to the public bidding requirement for surplus property.

Accordingly, it is requested that the Board of Commissioners delegate to the Executive Director the authority to execute the Memorandum of Agreement with PANYNJ and to transfer the Property to the PANYNJ, and to accept real property from the PANYNJ, pursuant to the terms outlined above. It is further recommended that the Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization, including the payment of closing and recording costs for the property transfers contemplated therein.

Exhibit A

NJTA Parcel	Block	Lot
Parcel 591A	Block 4	Lot 1277B
Parcel 591B	Block 4	Lot 331
	Block 4	Lot 330
	Block 4	Lot 329
	Block 4	Lot 1632
Parcel 314EX	Block 4	Lot 1631
Parcel 314CX	Block 4	Lot 183
Parcel 584B2X	Block 4	Lot 183B (a portion of)
Parcel 313X	Block 4	Lot 181C (a portion of)
Total Area		1.68 ± acres

308-12-2017

In a document dated December 6, 2017, **Request for Authorization to Extend Arts Center Sponsorship Agreement with PNC Bank, National Association and Live Nation Worldwide, Inc.**, was approved.

The New Jersey Turnpike Authority ("Authority") is a party to a Sponsorship Agreement with PNC Bank, National Association ("PNC") and Live Nation Worldwide, Inc. ("Live Nation") whereby the Garden State Arts Center was re-named as the PNC Bank Arts Center. In exchange, PNC pays to the Authority an annual Sponsorship Fee (currently \$922,708.00 per year), plus an additional \$75,000.00 per year to the Garden State Arts Center Foundation in support of the various free Classic/Cultural Performances offered to the public by the Foundation each season. The Sponsorship Fee (exclusive of the \$75,000.00 for the Foundation) is shared equally with Live Nation under a separate Sharing Agreement. Live Nation is the current Operator of the PNC Bank Arts Center. Live Nation's current Art Center lease expires on December 31, 2017. The Authority's Board of Commissioners approved, in November 2017, under Agenda Item No. 303-11-2017, a new twenty-five (25) year lease with Live Nation for the Arts Center.

The Sponsorship Agreement currently expires on December 31, 2017; however, negotiations to renew the Sponsorship Agreement have been on hold pending the outcome of negotiations to renew the Arts Center lease with Live Nation. Given the recent conclusion of those negotiations, PNC has proposed to extend the Sponsorship Agreement by one year, until December 31, 2018, upon the following terms:

- PNC pays an additional Sponsorship Fee of \$922,708.00 on or before July 26, 2018.
- PNC shall pay the full \$75,000 Classical/Cultural Performances Contribution to the Garden State Arts Foundation in 2017, and shall pay at least \$37,500 to the Foundation in 2018, with an additional Classical/Cultural Performances Contribution in 2018 made subject to review and agreement by PNC in its sole discretion.
- PNC Bank and the Authority shall commence a 180 day exclusivity period to negotiate a new Sponsorship Agreement, in accordance with the current renewal terms of the Sponsorship Agreement.

All other terms and conditions of the Sponsorship Agreement shall remain in full force and effect.

Accordingly, it is requested that Board of Commissioners delegate to the Executive Director the authority to execute an amendment to the Sponsorship Agreement with PNC and Live Nation pursuant to the terms outlined above. It is further recommended that the Commissioners authorize the Executive Director to execute any such other documents and take

any such other actions as are deemed necessary to effectuate the intent of this authorization.

On motion by Commissioner Pocino and seconded by Treasurer DuPont, the Board unanimously approved item numbers 307-12-2017 and 308-12-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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

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ENGINEERING

Chief Engineer Robert Fischer requested approval of item numbers 309-12-2017 through 312-12-2017. Moved are the items as follows:

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PUBLIC BID SOLICITATIONS-AWARD OF CONTRACTS

309-12-2017

In a document dated November 20, 2017, **Recommendation to Award Contract No. P100.409, Garden State Parkway, Joseph M. Sanzari, Inc., Bridge Repairs and Resurfacing, Milepost 126 to 172 (2018), RM-136685, Budget Code: 030C20001, Funding Allocation:\$ 7,000,000.00 FY 2018, \$ 595,500.00 FY 2019, Amount: \$7,595,500.00**, was approved.

This is the first of two Parkway bridge repair contracts to be awarded for the 2018 construction season. This contract is concentrated in the northern portion of the Parkway between Milepost 126 to 172. The work generally involves selective replacement of complete deck panels, bridge barrier parapet replacement, concrete spall repairs, joint repairs, and replacement of existing asphalt wearing surface, bearing replacement and miscellaneous substructure repairs.

Four bid proposals were received on November 14, 2017 for the above publicly advertised contract, as shown on the attached bid summary sheet. The low bid proposal in the amount of \$7,595,500.00 may be compared to the second low bidder in the amount of \$8,294,906.60. The bids were significantly lower than the Engineer's Estimate in the amount of \$8,993,630.00 due to the Contractor's current involvement in the region, ability to take advantage of being fully mobilized and availability of traffic control devices in the area. The low bidder, Joseph M. Sanzari, Inc. has performed work for the Authority and is considered competent to complete this contract.

It is, therefore, recommended that Contract No. P100.409 be awarded to the low bidder, Joseph M. Sanzari, Inc. of Hackensack, New Jersey, in the amount of \$7,595,500.00 which is allocated as follows: \$7,000,000.00 for 2018 and \$595,500.00 for 2019. 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 for this work were procured, and the authorization being sought is to award this contract to the lowest responsible bidder, in accordance with N.J.S.A. 27:23-6.1, N.J.A.C. 19:9-2.2, and Executive Order No. 37 (Corzine 2006).

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

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ORDER FOR PROFESSIONAL SERVICES

310-12-2017

In a document dated December 1, 2017, **Recommendation to Issue Order for Professional Services No. P3648, Garden State Parkway, Dewberry Engineers Inc., Supervision of Construction Services for Contract No. P100.409, Bridge Repairs and Resurfacing, Milepost 126 to 172 (2018), RM-136681, Budget Code: 030C20001, Amount: \$1,817,000.00,** was approved.

This Order for Professional Services provides supervision of construction services for Contract No. P100.409, Bridge Repairs and Resurfacing, Milepost 126 to 172. These services include construction inspection, material testing, record keeping, preparation of payment estimates and other service required to ensure compliance with the contract documents.

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-four (44) engineering firms were prequalified and eligible under Profile Codes: B156, Bridge Repair Inspection and B157, Bridge Deck Repair / Replacement. Four firms submitted EOIs by the closing date of October 24, 2017.

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) Dewberry Engineers Inc.; 2) M&J Engineering P.C. and 3) Hardesty & Hanover Construction Services, LLC. The fee submitted by Dewberry Engineers Inc. in the amount of \$1,890,000.00 has been negotiated to \$1,817,000.00 and is considered to be fair and reasonable for the services to be provided.

It is, therefore, recommended that Order for Professional Services No. P3648 be issued to the firm of Dewberry Engineers Inc. of Bloomfield, New Jersey, in an amount not to exceed \$1,817,000.00 allocated as follows: \$1,417,000.00 in FY 2018 and \$400,000.00 in FY 2019. This amount includes reimbursement of direct salaries times a maximum multiplier of 2.35 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).

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FINAL ACCEPTANCES

In a document dated December 1, 2017, 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.

ContractNo.	Contractor	Award Total Amount	No. of Change Orders	Additions/ Reductions	Final Total Contract Amount	Final Payment Amount
T100.339	Joseph M. Sanzari, Inc.	\$8,674,515.00	2	\$523,587.42	\$9,198,102.42	\$96,690.96
Total						\$96,690.96

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

312-12-2017

Acknowledge Reports of Engineering Expenditures Under Delegated Authority

- Construction Contract Progress Summary
- Change Order Summary

On motion by Treasurer DuPont and seconded by Commissioner Diaz, the Board unanimously approved item nos. 309-12-2017 through 311-12-2017.; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda. The Authority unanimously accepted the reports contained in item number 312-12-2017 and received same for file.

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ROLL CALL

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

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MAINTENANCE

Director of Maintenance, Kenneth McGoldrick requested approval of item number 313-12-2017. Moved is the item as follows:

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ACKNOWLEDGE REPORTS OF

MAINTENANCE EXPENDITURES UNDER DELEGATED AUTHORITY

313-12-2017

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

- Construction Contract Progress Report
- Change Order Summary

On motion by Treasurer DuPont and seconded by Commissioner Salerno, the Board unanimously approved item number 313-12-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda. The Authority unanimously accepted the reports contained in item number 313-12-2017 and received same for file.

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ROLL CALL

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

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PROCUREMENT ("PMM")

Director of Procurement and Materials Management Andrea Ward, requested approval of item number 319-12-2017. Moved is the items as follows:

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PROFESSIONAL SERVICES

319-12-2017

In a document dated December 12, 2017, Investment Banking Services – Senior Managers, Co-Senior Managers and Co-Managers, Modification, Various Firms, Budget Code: Various, Current Authorized Amount: \$3,106,500.00, Requested Amount: \$1,790,000.00, New Authorized Amount: \$ 4,896,500.00, was approved.

At its January 31, 2017 and the February 28, 2017 Board of Commissioners' Meetings the Authority authorized the award of contracts to several firms to perform investment banking services for various fixed and variable rate bond refinancing (Agenda Nos. 025-01-2017 and 079-

02-2017 respectively). Specifically, Loop Capital Markets, Inc. ("Loop Capital") was appointed as Senior Manager for the fixed rate refunding syndicate, with RBC Capital Markets appointed Co-Senior Manager as well as establishing a Co-Manager pool.

In light of the decline in interest rates and the proposed federal tax reform legislation, which could eliminate the ability to advance refund tax exempt bonds after December 31, 2017, staff, in consultation with the Authority's Financial Advisor and Bond Counsel, concluded that it would be in our best interest to take advantage of the favorable economic climate to conduct one or more bond sales before the end of the year. The initial proposed sale included portions of the Series 2009H and Series 2009I Bonds, which were part of the original underwriter award. This sale also would include portions of the Series 2012A and 2013A bonds, which had been previously approved for refunding as part of the Turnpike Revenue Bonds Series 2016 Bond Resolution. The Series 2012A and 2013A bonds, however, had not been included in the January 2017 award to Loop Capital to act as Senior Manager and RBC Capital Markets to act as Co-Senior Manager for the fixed rate refunding syndicate.

Given the condensed timing to execute the bond refunding, which offered a significant savings opportunity to the Authority, it was determined to be in the best financial interests of the Authority for Loop Capital to complete the transaction, including the Series 2012A and 2013A bonds, as Senior Manager, with RBC Capital Markets as Co-Senior Manager for the syndicate. Co-managers were selected from the Authority's existing Co-Manager Pool and consisted of Academy Securities, Ramirez & Co., Janney Montgomery Scott and The Williams Capital Group. The transaction would be performed consistent with the agreed-upon takedown of \$1.20 per thousand, plus underwriting expenses of \$.131 per thousand in the underlying competitive solicitation. On November, 30, 2017, the Authority completed the fixed rate bond refunding sale, which will save the Authority more than \$40 million on a net present value basis. As a result of this transaction, authorization is requested to increase the authorized award amount of the investment banking services contracts by \$625,000.

In addition, by no later than December 31, 2017, the Authority may conduct an additional bond sale, which includes portions of the Series 2012A and 2013A Bonds, with a par value of up to \$840 million. This transaction would also be conducted by Loop Capital as Senior Manager, RBC Capital Markets as Co-Senior Manager, and the same co-managers as those on the November 30, 2017 transaction. Therefore, to perform this transaction, authorization is further requested to increase the authorized award amount of the investment banking services contracts by an amount not to exceed \$1,165,000.

The original procurement for these contracts was conducted in accordance with *N.J.S.A. 27:23-6.1* of the Authority's enabling legislation, *N.J.A.C. 19:19-9-2.1(b)* promulgated pursuant thereto, and Executive Order No. 37 (Corzine 2006), Executive Order No. 122 (McGreevey 2004), and Executive Order No. 26 (Whitman 1994). These contracts are in compliance with

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Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008).

Accordingly, authorization is requested to modify the contracts outlined herein for fixed rate refunding services provided by Loop Capital as Senior Manager, RBC Capital Markets as Co-Senior Manager, Academy Securities, Ramirez & Co., Janney Montgomery Scott and The Williams Capital Group as Co-Managers. Authorization is further requested to increase the authorized total award amount of the investment banking services contracts by an amount not to exceed \$1,790,000 for a total authorized amount not to exceed \$4,896,500, subject to funding availability at the time of service.

On motion by Commissioner Diaz and seconded by Treasurer DuPont, the Board unanimously approved item number 319-12-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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

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GENERAL BUSINESS

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OPERATIONS

Director of Operations Henry Eibel requested approval of item number 314-12-2017. Moved is the item as follows:

314-12-2017

Director of Operations Henry Eibel requested acceptance of the Resume of All Fatal Accidents for the Garden State Parkway and New Jersey Turnpike: Period 01/01/2017 through 11/30/2017; both with 2016-2017 Yearly Comparisons through November 2017.

On motion by Commissioner Pocino and seconded by Treasurer DuPont, the Board unanimously approved item number 314-12-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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

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STATE POLICE

315-12-2017

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

On motion by Vice Chairman Gravino and seconded by Commissioner Pocino, the Authority unanimously accepted the reports contained in item number 315-12-2017 and received same for file.

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ROLL CALL

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

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FINANCE

Chief Financial Officer Donna Manuelli requested approval of item number 316-12-2017. Moved is the item as follows:

316-12-2017

Chief Financial Officer Donna Manuelli presented the Financial Summary for the Eleven (11) months ended November 30, 2017.

On motion by Treasurer DuPont and seconded by Commissioner Pocino, the Board unanimously approved item number 316-12-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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

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EXECUTIVE

Chief Operating Officer John O'Hern requested approval of item numbers 317-12-2017 and 318-12-2017. Moved are the items as follows:

317-12-2017

In a document dated December 12, 2017, Authorization to Modify Garden State Parkway Toll Rate Schedule to Implement Alternate Toll Collection at the East Orange Toll Plaza at Exit 145 in East Orange, County of Essex, was approved.

In furtherance of its efforts to improve traffic flow on the Garden State Parkway ("Parkway"), staff of the New Jersey Turnpike Authority ("Authority") recommends that the Authority modify the Parkway Toll Rate Schedule in order to implement alternate toll collection at the East Orange Toll Plaza at Exit 145 in East Orange, County of Essex, located at approximately milepost 147 on the Parkway. Specifically, staff proposes that the East Orange (Exit 145) Toll Plaza Northbound Exit from the Parkway will be toll free. Staff also proposes that the tolls at the East Orange (Exit 145) Toll Plaza Southbound Entrance to the Parkway be doubled from the existing toll rates for all vehicle classifications. This change to the Parkway Toll Rate schedule will occur on or after March 1, 2018, following the completion of the construction work needed at

the location to allow for the implementation of one-way tolling.

On November 1, 2017, in compliance with N.J.S.A. 27:23-5.10, the Authority held a public hearing to take public comment on the proposed new Parkway Toll Rate Schedule. The public hearing was advertised in eleven (11) newspapers and on the Authority's website. The hearing was held at the Authority's headquarters building located at 1 Turnpike Plaza, in Woodbridge, County of Middlesex. The Authority also advised that it would accept written comments from email and regular mail if they were received by November 9, 2017.

No one appeared at the public hearing to give public comment. No written comments were submitted. In light of there being no objections to modifying the Parkway Toll Rate Schedule to implement alternate toll collection at East Orange (Exit 145) Toll Plaza, staff respectfully recommends that the Parkway Toll Rate Schedule be modified as proposed. A copy of the proposed Parkway Toll Rate Schedule is attached. Except as otherwise modified by this proposal, the current toll rates for all toll plazas and ramps on the Parkway shall remain in full force and effect.

The Authority is in receipt of the pre-approval letters from the Governor and State Treasurer as required by N.J.S.A. 27:23-3(F) to modify the Parkway Toll Rate Schedule. Therefore, it is respectfully recommended that the Board of Commissioners authorize the implementation and commencement of alternate toll collection at the East Orange (Exit 145) Toll Plaza effective on or after March 1, 2018 and the modification of the Parkway Toll Schedule reflecting such alternate toll collection as outlined herein. It is further requested that the Board of Commissioners authorize the Executive Director to execute any such other documents and take any such other actions as are deemed necessary to effectuate the intent of this authorization.

**Proposed Toll Rates Effective March 1, 2018
Garden State Parkway**

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Cash or E-ZPass									
TOLL PLAZA	Milepost	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Bus Class B2 and B3 2-Axle Bus, 3-Axle Bus	
		Passenger Car, Motorcycle, Taxis	2-Axle Dual Tire Vehicle	3-Axle Vehicle or Vehicle/Trailer Combination	4-Axle Vehicle or Vehicle/Trailer Combination	5-Axle Vehicle or Vehicle/Trailer Combination	6-Axle Vehicle or Vehicle/Trailer Combination	Cash	E-ZPass
MAIN LINE BARRIER PLAZA									
*Pascack	166.1	\$1.50	\$3.00	\$4.50	\$6.00	\$7.50	\$9.00	\$8.60	\$4.30
*Bergen NB	160.5	\$1.50	\$3.00	\$4.50	\$6.00	\$7.50	\$9.00	\$8.60	\$4.30
*Essex SB	150.7	\$1.50	\$3.00	\$4.50	\$6.00	\$7.50	\$9.00	\$8.60	\$4.30
*Union NB	142.7	\$1.50	\$3.00	\$4.50	\$6.00	\$7.50	\$9.00	\$8.60	\$4.30
*Raritan SB	125.4	\$1.50	\$3.00	\$4.50	\$6.00	\$7.50	\$9.00	\$8.60	\$4.30
Asbury Park	104.0	\$1.50	\$3.00 - 2.85	\$4.50 - 4.25	\$6.00 - 5.70	\$7.50 - 7.10	\$9.00 - 8.55	\$8.60	\$4.30
Toms River NB	84.7	\$0.75	\$1.50 - 1.40	\$2.25 - 2.15	\$3.00 - 2.85	\$3.75 - 3.55	\$4.50 - 4.25	\$4.30	\$2.15
Barneget SB	68.9	\$1.50	\$3.00 - 2.85	\$4.50 - 4.25	\$6.00 - 5.70	\$7.50 - 7.10	\$9.00 - 8.55	\$8.60	\$4.30
New Gretna NB	53.5	\$1.50	\$3.00 - 2.85	\$4.50 - 4.25	\$6.00 - 5.70	\$7.50 - 7.10	\$9.00 - 8.55	\$8.60	\$4.30
Great Egg SB	28.8	\$1.50	\$3.00 - 2.85	\$4.50 - 4.25	\$6.00 - 5.70	\$7.50 - 7.10	\$9.00 - 8.55	\$8.60	\$4.30
Cape May NB	19.4	\$1.50	\$3.00 - 2.85	\$4.50 - 4.25	\$6.00 - 5.70	\$7.50 - 7.10	\$9.00 - 8.55	\$8.60	\$4.30
RAMP PLAZA									
*Paramus	164.6	\$0.50	\$1.05	\$1.55	\$2.10	\$2.65	\$3.25	\$4.30	\$2.15
*Saddle Brook	160.3	\$1.50	\$3.00	\$4.50	\$6.00	\$7.50	\$9.00	\$8.60	\$4.30
*Clifton	156.1	\$0.50	\$1.05	\$1.55	\$2.10	\$2.65	\$3.25	\$4.30	\$2.15
*Passaic	154.5	\$0.50	\$1.05	\$1.55	\$2.10	\$2.65	\$3.25	\$4.30	\$2.15
*Watchung	152.6	\$0.75	\$1.50	\$2.25	\$3.00	\$3.75	\$4.50	\$4.30	\$2.15
*Bloomfield	148.9	\$0.50	\$1.05	\$1.55	\$2.10	\$2.65	\$3.25	\$4.30	\$2.15
*East Orange	147.1	\$1.00	\$2.10	\$3.10	\$4.20	\$5.30	\$6.50	\$8.60	\$4.30
*Irvington	146.1	\$0.50	\$1.05	\$1.55	\$2.10	\$2.65	\$3.25	\$4.30	\$2.15
*Union Ramp	142.8	\$1.50	\$3.00	\$4.50	\$6.00	\$7.50	\$9.00	\$8.60	\$4.30
*Sayreville SB	126.5	\$1.50	\$3.00	\$4.50	\$6.00	\$7.50	\$9.00	n/a	\$4.30
*Matawan SB	118.9	\$0.50	\$1.05	\$1.55	\$2.10	\$2.65	\$3.25	\$4.30	\$2.15
*Keyport	118.6	\$0.50	\$1.05	\$1.55	\$2.10	\$2.65	\$3.25	\$4.30	\$2.15
*Holmdel	113.6	\$0.50	\$1.05	\$1.55	\$2.10	\$2.65	\$3.25	\$4.30	\$2.15
*Red Bank	110.3	\$0.50	\$1.05	\$1.55	\$2.10	\$2.65	\$3.25	\$4.30	\$2.15
*Eatontown NB	106.5	\$1.50	\$3.00	\$4.50	\$6.00	\$7.50	\$9.00	\$8.60	\$4.30
Belmar/Wall	98.0	\$0.50	\$1.05 - 1.00	\$1.55 - 1.45	\$2.10 - 2.00	\$2.65 - 2.50	\$3.25 - 3.10	\$4.30	\$2.15
Brick	93.0	\$0.50	\$1.05 - 1.00	\$1.55 - 1.45	\$2.10 - 2.00	\$2.65 - 2.50	\$3.25 - 3.10	\$4.30	\$2.15
Lakewood	90.1	\$0.50	\$1.05 - 1.00	\$1.55 - 1.45	\$2.10 - 2.00	\$2.65 - 2.50	\$3.25 - 3.10	\$4.30	\$2.15
Berkeley	77.9	\$0.50	\$1.05 - 1.00	\$1.55 - 1.45	\$2.10 - 2.00	\$2.65 - 2.50	\$3.25 - 3.10	\$4.30	\$2.15
Lacey	75.3	\$0.50	\$1.05 - 1.00	\$1.55 - 1.45	\$2.10 - 2.00	\$2.65 - 2.50	\$3.25 - 3.10	\$4.30	\$2.15
Waretown	70.4	\$0.75	\$1.50 - 1.40	\$2.25 - 2.15	\$3.00 - 2.85	\$3.75 - 3.55	\$4.50 - 4.25	\$4.30	\$2.15
Somers Point	30.2	\$1.50	\$3.00 - 2.85	\$4.50 - 4.25	\$6.00 - 5.70	\$7.50 - 7.10	\$9.00 - 8.55	\$8.60	\$4.30
Wildwood	3.8	\$0.50	\$1.05 - 1.00	\$1.55 - 1.45	\$2.10 - 2.00	\$2.65 - 2.50	\$3.25 - 3.10	\$4.30	\$2.15

318-12-2017

In a document dated December 5, 2017, Authorization to Award a contract for Insured Stop Loss Coverage to Munich Re Stop Loss, Inc., for the Period 1/1/2018 - 12/31/2018 and to negotiate renewal of this coverage for the ensuing one-year period (1/1/2019-12/31/2019), was approved.

The Authority has been working with its Health Benefits Consultant, The Segal Company ("Segal"), to solicit proposals for Stop Loss Insurance. Stop Loss coverage is insurance that protects the Authority's self-insured benefits program from individual claimants with aggregate medical and prescription drug claims paid in excess of \$ 350,000.

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On behalf of the Authority, Segal requested proposals from twenty-five (25) vendors for rates offering stop loss insurance effective January 1, 2018. Vendors were asked to provide proposals to match the provisions of the Authority's existing contract. Three (3) proposals were received from the following entities:

- 1) Munich Re Stop Loss, Inc. ("Munich Re") (Incumbent);
- 2) Berkshire Hathaway, and
- 3) Berkley Accident and Health Insurance Company.

In its Evaluation Report dated November 17, 2017, Segal thoroughly documented its evaluation process, the proposals, and its recommendation. Best and final offers from the three responding carriers, expressed in terms of per participant per month rates and the percentage change from current, expiring rate, are as follows:

- Munich Re (quote #1) – \$38.74 (35.0% increase);
- Munich Re (quote #2) - \$30.13 (with one employee lasered - 5.0% increase);
- Berkshire Hathaway- \$35.59 (with one employee lasered - 24.0% increase);
- Berkley - \$60.56 (66.7% increase).

As set forth above, Munich Re provided two (2) quotes. The first quote is a 35% increase to the current rate, but does not laser any individuals. To "laser" an individual mean that the Authority would not have stop loss insurance at the \$350,000 deductible limit for an identified individual. Therefore, under this proposal, all participants maintain the \$350,000 deductible limit. This would increase the current annual premium by \$328,700 from \$939,500 to \$1,268,200. The second Munich Re quote is a 5% increase to the current rate, which increases the current annual premium by \$46,800, from \$939,500 to \$986,300 annually. This proposal, however, includes setting a separate deductible, of \$750,000 for one employee who is expected to incur this level of claims in the 2018 contract year. This employee is considered as being "lasered" out with the higher deductible amount.

Segal recommends and staff concurs, with placing the stop loss coverage with Munich Re, exercising the second quote with a 5 % increase with the lasered individual having a \$750,000 deductible. This option caps the fixed stop loss insurance cost to the Authority at \$986,300 in 2018, upon which future renewals will be based.

It should be noted that Munich Re is not only the most competitive proposal regarding cost, but it also provides a more favorable insured agreement for the Authority. Munich Re includes a provision that considers all dependent children of an employee as one individual for deductible purposes. The insurance financial strength of American Alternative Insurance Corporate, the insurance subsidiary of Munich Re that will be insuring the coverage, has an A.M. Best rating of A+.

Therefore, authorization is requested to award a contract for insured Stop Loss coverage to Munich Re of Andover Massachusetts, for the policy period of January 1, 2018 through December 31, 2018, for an amount not to exceed \$986,000, which precise premium shall be subject to fluctuation based on enrollment, as the premium is computed on a per participant per

month basis. Authorization is also requested to authorize the Executive Director to negotiate a one-year renewal with an increase not to exceed 15%. It is further recommended that the Executive Director be authorized to take any actions and execute any documents that are necessary to effectuate the purpose of the above authorizations.

On motion by Treasurer DuPont and seconded by Commissioner Salerno, the Board unanimously approved item numbers 317-12-2017 and 318-12-2017; and authorized or ratified, as presented, the recommendations contained therein; and received and filed the memoranda.

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ROLL CALL

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

Chief Operating Officer John O'Hern requested approval of item number 320-12-2017. Moved is the item as follows:

320-12-2017

In a Resolution Dated December 19, 2017, **Resolution of the New Jersey Turnpike Authority, Major Eric Heitmann, New Jersey State Police, Troop D,** was adopted.

[Resolution is attached to these minutes]

On motion by Vice Chairman Gravino and seconded by Commissioner Pocino, the Board unanimously accepted the resolution for the file.

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ROLL CALL

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

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Major Heitmann thanked everyone at the Authority for all that they have done for him over the past few years. He stated it was a humbling experience and an honor to serve as the Troop D Major for the New Jersey Turnpike Authority.

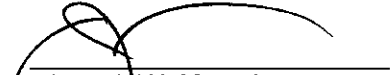
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The motion to adjourn was made by Treasurer DuPont and seconded by Vice Chairman Gravino, and, after the voice vote, the motion was duly adopted. The Board of Commissioners adjourned the meeting at 10:00 a.m., and advised that it will meet again on Tuesday, January 30, 2017, at 9:00 a.m., at the Authority's headquarters building located at 1 Turnpike Plaza in Woodbridge, New Jersey.

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ATTEST:


Kim Schurman,
Secretary to the Authority


Joseph W. Mrozek,
Executive Director

Date: December 19, 2017

NJTA Board Meeting December 19, 2017

AGENDA ITEM NO.: 320-12-2017



*Resolution of the
New Jersey Turnpike Authority*

*Major Eric Heitmann, New Jersey State Police,
Troop D, Major
December 19, 2017*

WHEREAS, Major Eric Heitmann, Badge Number 5066, graduated on January 15, 1993, as a member of the 113th Class of the New Jersey State Police; and

WHEREAS, in recognition of his leadership qualities, Major Heitmann was promoted to Sergeant in 2005, to Sergeant First Class in 2008, to Lieutenant in 2011, to Captain in 2014, and to Major in 2015; and

WHEREAS, Major Heitmann served the New Jersey State Police honorably and with great distinction for over 24 years; and

WHEREAS, during the course of his career, Major Heitmann served and led by example in the Tactical Patrol Unit, the Fatal Accident Unit, the Traffic and Public Safety Unit; and

WHEREAS, Major Heitmann served as Troop D Major since 2015, providing dedication and commitment to the safety of the patrons of the New Jersey Turnpike and the Garden State Parkway; and

WHEREAS, the time has come for Major Heitmann to reflect on an honorable career in law enforcement and embark on a new venture;

NOW, THEREFORE, BE IT RESOLVED, that the Commissioners of the New Jersey Turnpike Authority do hereby recognize and acknowledge the contributions of Major Eric Heitmann, express their thanks and appreciation for his dedicated service to the New Jersey State Police and the New Jersey Turnpike Authority, and wish him happiness, health, and prosperity in his retirement.

BE IT FURTHER RESOLVED, that this Resolution shall be recorded in the minutes of the New Jersey Turnpike Authority and a copy shall be presented to Major Heitmann.

Richard T. Hammer
Chairman

Ronald Gravino
Vice Chairman

Michael R. DuPont
Treasurer

Raymond Pocino
Commissioner

Ulises E. Diaz
Commissioner

John D. Minella
Commissioner

Raphael Salerno
Commissioner

Joseph W. Mrozek
Executive Director

