

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Minutes of the New Jersey Transportation Trust Fund Authority's (the "Authority") Annual Meeting held at the Office of the Commissioner in the Administration Building of the New Jersey Department of Transportation, 1035 Parkway Avenue, Trenton, New Jersey on March 22, 2007 at 11:00 a.m. (E.D.T.)

The following Authority members were present:

Kris Kolluri, Esq., Chairman, Commissioner, Department of Transportation
Robert L. Smartt, Deputy State Treasurer, Designee for The Honorable Bradley I. Abelow
Robert A. Briant, Jr., Public Member
Joseph Ripa, Public Member

Constituting a quorum of the Members of the Authority

There were also present:

Steven Hanson, Executive Director
Sandra Deon, Secretary of the Authority
Mina Tsintzas, Assistant Secretary of the Authority
Aimee Manocchio Nason, Deputy Attorney General
Nancy B. Feldman, Director, Office of Public Finance
Joe Licari, Director, Division of Accounting & Auditing
Mike MacFeeters, Division of Accounting & Auditing
Ivette Santiago-Green, Esq., TTFA Ethics Liaison Officer
James A. Carey, Jr., Esq., Governor's Authorities Unit
Jim Vari, Program Analyst, Office of Management & Budget
David Meek, Information Specialist, Office of Management & Budget
Jennifer Godoski, Chief of Staff, Department of Transportation

Commissioner Kris Kolluri presided at the meeting, and Sandra Deon, Secretary, kept the minutes.

Commissioner Kolluri convened the meeting at 11:10 a.m. Executive Director Hanson called the roll. After acknowledging that a quorum of the members were present, he made the following statement:

I wish to announce that adequate notice of today's meeting of the New Jersey Transportation Trust Authority has been provided in accordance with the Open Public Meetings Act. Notice was filed with the Secretary of State. This notice was also mailed to five newspapers of general distribution (The Trentonian, Trenton Times, Camden Courier Post, Star Ledger, and Atlantic City Press), posted on the Authority's website, and in the main entrance of the New Jersey Department of Transportation's Headquarters.

Mr. Ripa moved the following resolution approving the minutes of the Authority's November 27, 2006 meeting:

WHEREAS, Article II, Section 8 of the Bylaws of the New Jersey Transportation Trust Fund Authority provides that the minutes of actions taken at meetings of the Authority be approved by the Authority.

NOW, THEREFORE, BE IT RESOLVED, that the minutes taken at the meeting of November 27, 2006 of the New Jersey Transportation Trust Fund Authority are hereby approved.

The above resolution was seconded by Mr. Briant and the Executive Director polled the members:

Commissioner Kolluri - Yea

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Smartt – Yea

Nays: 0

Mr. Briant moved the following resolution electing Mr. Ripa, Vice-Chairperson of the Authority for Fiscal Year 2008:

WHEREAS, the Bylaws of the Authority provide for the annual election by the Authority of a Vice-Chairperson:

NOW, THEREFORE, BE IT RESOLVED that the Authority elects Mr. Joe Ripa to serve in the capacity of Vice-Chairperson for the Fiscal Year 2008:

The above resolution was seconded by Mr. Smartt and the Executive Director polled the members:

Commissioner Kolluri – Yea

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Smartt – Yea

Nays: 0

Mr. Smartt moved the following resolution electing Ms. Feldman Treasurer of the Authority for Fiscal Year 2008:

WHEREAS, the Bylaws of the Authority provide for the annual election by the Authority of a Treasurer:

NOW, THEREFORE, BE IT RESOLVED that the Authority elects Ms. Nancy Feldman to serve in the capacity of Treasurer for the Fiscal Year 2008:

The above resolution was seconded by Mr. Briant and the Executive Director polled the members:

Commissioner Kolluri – Yea

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Smartt – Yea

Nays: 0

Mr. Ripa moved the following resolution electing Ms. Deon Secretary of the Authority for Fiscal Year 2008:

WHEREAS, the Bylaws of the Authority provide for the annual election by the Authority of a Secretary:

NOW, THEREFORE, BE IT RESOLVED that the Authority elects Ms. Sandra Deon to serve in the capacity of Secretary for the Fiscal Year 2008:

The above resolution was seconded by Mr. Smartt and the Executive Director polled the members:

Commissioner Kolluri – Yea

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Smartt – Yea

Nays: 0

Mr. Ripa moved the following resolution electing Ms. Tsintzas Assistant Secretary of the Authority for Fiscal Year 2008:

WHEREAS, the Bylaws of the Authority provide for the annual election by the Authority of an Assistant Secretary:

NOW, THEREFORE, BE IT RESOLVED that the Authority elects Ms. Mina Tsintzas to serve in the capacity of Assistant Secretary for the Fiscal Year 2008:

The above resolution was seconded by Mr. Smartt and the Executive Director polled the members:

Commissioner Kolluri - Yea

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Smartt – Yea

Nays: 0

Mr. Briant then moved the following resolution adopting the Authority's annual notice and schedule of meetings for the Fiscal Year 2008. Executive Director Hanson pointed out that although the Authority votes and approves an annual notice and meeting schedule, meetings are only called when the Authority must act on a matter.

WHEREAS, pursuant to Article II, Section 3(a) of the Authority's Bylaws, the Authority is required to adopt an annual notice of meetings consistent with the requirements of the Open Public Meetings Act, N.J.S.A. 10:4-1 et seq.; and

WHEREAS, the adoption of regular meetings will enable the Authority to comply with the provisions of N.J.S.A. 10:4-18 which outlines the requirements for dissemination of the notice of the schedule of meetings adopted by the Authority to the general public for inspection; and

WHEREAS, the Authority has determined that all notices for any regular, special or emergency meetings of the authority be published in the Atlantic City Press, Camden Courier Post, Star Ledger, Trenton Times and Trentonian;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby adopts the following schedule of meetings for Fiscal Year 2008:

The New Jersey Transportation Trust Fund Authority announces in accordance with the "Open Public Meetings Act," N.J.S.A. 10:4-1 et seq., that it will hold regular meetings, open to the public at 10:30 a.m. for the period July 1, 2007 through June 30, 2008, on the following specific dates:

October 18, 2007
January 23, 2008
April 22, 2008 – Annual Meeting
July 24, 2008

Unless otherwise provided, meetings will be held at the New Jersey Department of Transportation, Commissioner's Conference Room, 1035 Parkway Avenue, Trenton, New Jersey.

The above resolution was seconded by Mr. Smartt and the Executive Director polled the members:

Commissioner Kolluri – Yea

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Smartt – Yea

Nays: 0

Commissioner Kolluri called upon Executive Director Hanson to explain and summarize the Fiscal Year 2008 Finance Plan. Executive Director Hanson stated there are two types of revenue sources, constitutionally dedicated revenue and statutorily dedicated revenue. The first constitutionally dedicated revenue source which the Authority receives is an amount equivalent to the revenue derived from 10.5 cents per gallon of the motor fuels or approximately \$483 million per year. For Fiscal Year 2008, there is a new revenue source; the Authority is receiving an amount equivalent to the remaining 1.5 cents per gallon of the motor fuels tax that will yield an additional \$78 million per year. Mr. Briant asked if the remaining 1.5 cents per gallon of the motor fuels tax is constitutionally dedicated? Executive Director Hanson responded that at the November 2007 election, the people of New Jersey approved a constitutional amendment dedicating the remaining 1.5 cents of the motor fuels tax to the funding of the State Transportation System.

The second constitutionally dedicated revenue source is the petroleum gross receipts tax, equating to \$200 million per year. The final constitutionally dedicated revenue source is the general sales tax on new vehicle sales equating to \$200 million per year.

The other revenue sources are dedicated by statute and may be appropriated or not by the Legislature each year. The statutorily dedicated revenues consist of heavy truck fees of \$30 million per year, good driver surcharges of \$60 million per year, and toll road contributions of \$12 million per year. Mr. Hanson explained that all revenue flows into the Authority by Legislative appropriation. The Authority first uses these monies to pay debt service on

obligations of the Authority and New Jersey Transit Corporation (“NJ Transit”). The Authority may not use bond proceeds to pay NJ Transit debt service. Debt service for Fiscal Year 2008 is approximately \$570 million.

Presently, NJ Transit has \$111 million in debt service and it is treated the same way as the Transportation Trust Fund Authority’s debt service. Commissioner Kolluri stated that part of NJ Transit’s \$111 million debt is for the purchase of new rail cars.

Any remaining revenues after debt service is paid become pay-as-you-go capital and are used to pay for capital projects. Cash disbursements of the capital program include all active projects of the Transportation Trust Fund, including old and new projects. The Authority does not bond for contract authority. The Authority issues bonds to cover its cash disbursements.

The Authority’s finance plan and the Department’s capital project list will be submitted to the Legislature on April 1. The capital program size is \$1.6 million. The Authority will be issuing \$1.1 billion in new bonds in Fiscal Year 2008. Pay-as-you-go is a couple of hundred million dollars. Mr. Briant asked what were the authority’s operating costs. Executive Director Hanson responded that they were less than a million dollars. It is undecided at this time if the bond sale taking place in the first quarter of Fiscal Year 2008 will be current interest bonds or capital interest bonds. A decision will be made at the time of the bond sale. It will depend on maturity and interest rates. The Authority will have to rely on the expertise of the underwriters. The Authority will be selling bonds in the amount of \$1.1 billion. The Authority will require a meeting during the first quarter of Fiscal Year 2008 to approve a bond sale.

There being no further discussion from the floor, Mr. Briant then moved the following resolution approving the Authority’s Financial Plan for Fiscal Year 2008.

WHEREAS, by virtue of the provisions of the New Jersey Laws of 1984, as amended (the “Act”), N.J.S.A. 27:1B-1 et seq., the New Jersey Transportation Trust Fund Authority (the “Authority”) is authorized to issue its bonds, notes and other obligations (collectively, the “Obligations”) from time-to-time and to sell such Obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and

WHEREAS, pursuant to the Act, the Commissioner of the Department of Transportation is required to submit a report to the Senate and General Assembly which report shall contain, among other things, a description of projects to be financed in the ensuing fiscal year and a financial plan designed to implement the financing of the proposed projects to be conducted; and

WHEREAS, at the March 22, 2007 meeting of the Authority, the Authority discussed a proposed financing plan for transportation projects for Fiscal Year 2008, attached hereto as Exhibit A (the “2008 Finance Plan”); and

WHEREAS, the Authority has determined that it is desirable and in the best interests of the Authority to adopt the 2008 Finance Plan;

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the 2008 Finance Plan.
2. The Authority hereby authorizes the Executive Director to forward on behalf of the Authority a copy of this Resolution, including Exhibit A, which contains the 2008 Finance Plan, to the Commissioner of the Department of Transportation for submission to the Senate and General Assembly.
3. This Resolution shall take effect upon adoption in accordance with the Act.

The above resolution was seconded by Mr. Ripa and the Executive Director polled the Board members:

Commission Kolluri – Yea

Public Member Robert A. Briant – Yea

Public Member Joe Ripa – Yea

Robert Smartt – Yea

Nays: 0

As the next item of business Commissioner Kolluri stated that Robert Smartt has volunteered to participate on the Authority's Audit Committee and requested a formal resolution approving his appointment as a new member of the Audit Committee.

Mr. Ripa moved the following resolution appointing a new member of the Audit Committee.

WHEREAS, the Transportation Trust Fund Authority (the "Authority") was established pursuant to the New Jersey Transportation Trust Fund Authority Act of 1984, as amended, N.J.S.A. 27:1B-1 et seq., ("Act"); and

WHEREAS, on July 23, 2004, Governor McGreevey issued Executive Order No. 122 which requires the governing body of a State authority to establish an Audit Committee and sets forth certain duties and obligations of the Audit Committee; and

WHEREAS, the Authority amended its By-laws to establish an Audit Committee in compliance with E.O. 122 (McGreevey 2004); and

WHEREAS, there is currently a vacancy on the Audit Committee; and

WHEREAS, the Authority desires to appoint an individual to serve on the Audit Committee in compliance with the requirements of E.O. 122 (McGreevey 2004), who shall be a member of the Board.

NOW, THEREFORE, BE IT RESOLVED that:

1. The Authority hereby appoints Robert L. Smartt to serve on the Audit Committee in accordance with Article VI of the By-laws. Mr. Smartt shall serve until such time as his successor is appointed.
2. This Resolution shall take effect upon adoption in accordance with the Act.

The above resolution was seconded by Mr. Briant and the Executive Director polled the Board members:

Commissioner Kolluri – Yea

Public Member Robert A. Briant – Yea

Public Member Joe Ripa – Yea

Mr. Robert Smartt – Yea

Nays: 0

Executive Director Hanson stated that the Authority's website is now up and running.

Commissioner Kolluri then recused himself from voting on the resolution approving the minutes of the Authority's July 12, 2006 meeting and left the meeting. The Department of Transportation's Chief of Staff, Jennifer Godoski, took over as the chair of the meeting and presided over the adoption of the following resolution.

Mr. Briant moved the following resolution approving the minutes of the Authority's July 12, 2006 meeting:

WHEREAS, Article II, Section 8 of the Bylaws of the New Jersey Transportation Trust Fund Authority provides that the minutes of actions taken at meetings of the Authority be approved by the Authority.

NOW, THEREFORE, BE IT RESOLVED, that the minutes taken at the meeting of July 12, 2006 of the New Jersey Transportation Trust Fund Authority are hereby approved.

The above resolution was seconded by Mr. Ripa and the Executive Director polled the Board members:

Chief of Staff Jennifer Godoski – Yea

Public Member Robert A Briant – Yea

Public Member Joseph Ripa – Yea

Mr. Robert Smartt – Yea

Nays: 0

Commissioner Kolluri then returned to the meeting and resumed chairing the meeting. There being no further business coming before the Authority, Commissioner Kolluri requested a motion to adjourn the meeting. Mr. Ripa moved that March 22, 2007 meeting of the

Transportation Trust Fund Authority be adjourned, and Mr. Briant seconded the motion, which was unanimously adopted.

The New Jersey Transportation Trust Fund Authority Meeting ended at approximately 11:25 a.m.

Respectfully submitted,

Sandra S. Deon
Secretary of the Authority