

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Minutes of the New Jersey Transportation Trust Fund Authority (the "Authority") 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 November 27, 2006 at 2:37 p.m. (E.D.T.)

The following Authority members were present:

Kris Kolluri, Esq., Chairman, Commissioner, Department of Transportation
Michael Lihvarcik, Office of Management and Budget, 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
Erin Phalon, Director, Communications
Tom Davis, The (Bergen) Record
Warren A. Broudy, Principal, Mercadien, P.C. Authority's Accountant

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

Commissioner Kolluri convened the meeting at 2:37 p.m. 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) and posted in the main entrance of the New Jersey Department of Transportation's Headquarters.

Executive Director Steve Hanson called the roll.

Chairman Kolluri deferred the minutes of the Authority's July 12, 2006 meeting until the Authority's next meeting.

Mr. Lihvarcik, Chairman, of the Authority's Audit Committee briefed the Members on Mercadien, P.C.'s audit of the Authority's Fiscal Year 2006 financial statements. The Authority's Audit Committee received a letter from Mercadien, P.C. outlining the procedures and findings relating to the recent annual audit of the TTFA. The annual audit report contains no significant findings and awards the highest review that can be achieved --- a clear finding. The report has been approved by the Office of Management and Budget for inclusion within the State's Comprehensive Annual Financial Report. Mr. Lihvarcik stated that given the sheer number and complexity of the transactions handled by Departmental staff the rating is a tribute to their diligence and hard work.

There being no further discussion or questions, Mr. Briant then moved the following resolution accepting the Authority's audit report for Fiscal Year 2006.

WHEREAS, pursuant to Section 17 of the New Jersey Transportation Trust Fund Authority Act 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 required to conduct an annual audit of its affairs and deliver a written report with respect to such audit to the Legislature and the Governor; and

WHEREAS, the Authority requires the services of a professional accounting firm with respect to the preparation of such audit; and

WHEREAS, the Authority selected the firm of Mercadien, P.C. ("Mercadien") to perform the audit of the Authority for Fiscal Year 2006; and

WHEREAS, Mercadien has prepared the audit for Fiscal Year 2006, a copy of which is attached to this Resolution as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby accepts the audit report of Mercadien attached hereto as Exhibit A.
2. 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 members:

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Lihvarcik – Yea

Mr. Kolluri - Yea

Nays: 0

As the next order of business, Commissioner Kolluri called upon Executive Director Hanson to explain why the Authority requires the services of an evaluation committee, to give a brief overview of the responsibilities of the evaluation committee, and to respond to any questions. Mr. Hanson stated that the Authority is required by law to have an independent accounting firm perform an audit of the Authority's financial transactions each year. The two-year contract with the Authority's current accountant, Mercadien, is finished with the completion of the Fiscal Year 2006 audit. Executive Order No. 122 (McGreevey 2004) requires the Authority to have an evaluation committee to ensure the independence of the auditor selection process.

The evaluation committee will be responsible for drafting requests for proposals (RFPs), soliciting responses to such RFPs, accepting and evaluating proposals, and providing a final written report to the Audit Committee. The role of Authority staff is limited to providing

assistance with the RFP design. The evaluation committee must consist of no less than three Board members.

Mr. Hanson then stated that Steve Petrecca, Office of Management and Budget, and Alemnesh Tessema, Program Supervisor of the Department of Transportation's Internal Audits, volunteered to participate on the evaluation committee. Mr. Petrecca will be the designee for the Honorable Bradley I. Abelow and Ms. Tessema will be the designee for Commissioner Kolluri. Public Member Joseph Ripa also volunteered to serve on the evaluation committee.

There being no further discussion, Mr. Lihvarcik moved the following resolution appointing members 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 Evaluation Committee and sets forth certain duties and obligations of the Evaluation Committee; and

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

WHEREAS, there are currently vacancies on the Evaluation Committee; and

WHEREAS, the Authority desires to appoint individuals to serve on the Evaluation Committee in compliance with the requirements of E.O. 122 (McGreevey 2004), two of whom shall be members of the Board;

NOW, THEREFORE, BE IT RESOLVED that:

1. The Authority hereby appoints three individuals to serve on the Evaluation Committee in accordance with Article VI of the By-laws who shall serve until such time as their successors are appointed. The individuals are:
 - 1) Alemnesh Tessema;
 - 2) Steve Petrecca; and
 - 3) Joseph Ripa.

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 members:

Mr. Briant – Yea

Mr. Ripa – Yea

Mr. Lihvarcik – Yea

Mr. Kolluri - Yea

Nays: 0

Chairman Kolluri then called on Executive Director Hanson to give a brief overview of the Executive Orders affecting the Authority's operations. Mr. Hanson stated that Governor Corzine signed Executive Order No. 37 in 2006, which is intended to ensure that independent authorities such as the Authority are operating in an efficient, transparent, and ethical manner. Executive Order No. 37 requires independent authorities to post their meeting notices, meeting agendas, and minutes on their websites. Independent authorities are also required to post final, approved annual audits to the website and submit the same to the State Treasurer, and the Governor's Authorities Unit. Finally, board members of independent authorities must disclose on an annual basis any outside business dealings that they, their employers, or their immediate family members have had with their authority during the previous year. The Authority is in compliance with all of the requirements of Executive order No. 37, with the exception of posting the various documents to its website. The Authority is in the process of going online with a website. So it will be able to fulfill this requirement in the near future.

Executive Director Hanson also explained that Executive Order No. 134 has been codified as P. L. 2005, Chapter 51.

He also noted that in order for the Authority to be in compliance with Executive Order No. 41, the Executive Director must certify annually to the Governor's Authorities Unit that the Board members have participated in Ethics Training. Since Public Members Briant and Ripa participated in this training in the fall of 2005, they are not required to take this training again. Only new Board members must participate in Ethics training. The training can be taken online until the Governor's Authorities Unit, the Commission on Ethical Standards, and the Inspector General's Office organize another in person training session. In addition, Executive Order No. 41 states that the Executive Director of the Authority must certify annually that the Authority has an active audit committee and is in compliance with the pay-to-play law.

Executive Director then introduced Ivette Santiago-Green as the Transportation Trust Fund Authority's Ethics Liaison Officer.

There being no further business coming before the Authority, Commissioner Kolluri requested a motion to adjourn the meeting. Mr. Lihvarcik moved that the November 27, 2006 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 2:50 p.m.

Respectfully submitted,

Sandra S. Deon
Secretary of the Authority