

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Minutes of the meeting of the New Jersey Transportation Trust Fund Authority ("Authority") held at the Chief Financial Officer's Conference Room of the New Jersey Department of Transportation, 1035 Parkway Avenue, Trenton, New Jersey on September 1, 2011 at 10:34 AM (EDT).¹

The following Authority members were present:

- Joseph Mrozek, Deputy Commissioner and Designee for the Commissioner, New Jersey Department of Transportation (NJDOT); Chairman, New Jersey Transportation Trust Fund Authority (NJ TTFA)
- Steven Petrecca, Assistant State Treasurer, New Jersey Office of the Treasurer – *(Designee for the Honorable Andrew P. Sidamon-Eristoff, New Jersey State Treasurer)*
- Joseph Ripa, County Clerk– Camden County; NJ TTFA Vice Chairman
- Nelson Ferreira, NJ TTFA Public Member

Constituting a quorum of the Members of the Authority.

There were also present:

- Gary J. Brune, NJ TTFA Executive Director; CFO, NJDOT
- Aimee Manocchio Nason, Deputy Attorney General, NJDOL
- Johanna Barba Jones, Esq., Governor's Authorities Unit
- Pam Morone, DAG, NJDOL
- David Moore, Manager, Office of Public Finance
- Anthony Longo, Manager, Office of Public Finance
- Michael J. MacFeeters, Division of Accounting and Auditing, NJDOT
- Andy Pratt, Communications Director, Office of the Treasurer
- Michelle Saupe, Administrative Assistant, NJDOT
- Jacqueline Shanes, McCarter & English, LLP
- Charlie Visconsi, Morgan Stanley

¹ Note that the meeting was originally scheduled for the Office of the Commissioner in the Administration Building. However, the meeting had to be moved to a different location in the building, because the Commissioner's Conference Room was unavailable due to an emergency meeting on Hurricane Irene's aftermath. The public was directed to the new location for the meeting.

Deputy Commissioner Mrozek presided at the meeting and Michelle Saupe served as secretary for the meeting and kept the minutes.

Deputy Commissioner Mrozek /Designee for Chairman Simpson convened the meeting at 10:34 AM. He then introduced himself and made the following statement:

"I wish to announce that adequate notice of today's meeting of the New Jersey Transportation Trust Fund Authority has been provided in accordance with the Open Public Meetings Act. Notice was filed with the Lieutenant Governor/Secretary of State. This notice was also e-mailed to five [5] newspapers of general distribution (Atlantic City Press, Camden Courier Post, Star Ledger, The Trentonian, and Trenton Times); posted on the Authority's website, and posted in the main entrance of the New Jersey Department of Transportation's Headquarters."

Michelle Saupe' called the roll. The following acknowledged their presence: Joseph Mrozek, Steve Petrecca, Joseph Ripa [*Via Telephone*] and Nelson Ferreira.

After acknowledging that a quorum was present, Deputy Commissioner Mrozek /Designee for Chairman Simpson called the first order of business by requesting a motion to approve a resolution requesting approval by the Joint Budget Oversight Committee (JBOC) of the Legislature for the Authority's use of the unused statutory bond cap that has carried forward from prior fiscal years. (Meeting Minutes - Agenda Item "C"). Deputy Commissioner Mrozek/Designee for Commissioner Simpson asked Executive Director Gary Brune and DAG Aimee Manocchio Nason to lead the discussion and summarize the proposed resolution. Executive Director Brune stated that JBOC approval is required for the Authority to use the unused statutory bond cap, in the approximate amount of \$1.6 billion that has been carried forward from prior years. The Authority needs this bonding authority to issue and sell bonds to

pay for project costs in Fiscal Year 2012. The TTFA has presently exhausted its available cash and will be relying on funds from the State's General Fund to pay project costs until a bond issuance can be arranged. The Fiscal 2012 Appropriations Act assumed that the TTFA would use the unused statutory bond cap to issue bonds in the current fiscal year. Executive Director Brune asked DAG Manocchio Nason if she had anything to add. DAG Manocchio Nason agreed with the Executive Director's summary and added that once the resolution is adopted and JBOC approves the use of the unused statutory bond cap, the Authority may proceed with the next step which would be to authorize issuance with the bonds.

Steve Petrecca, Designee to Treasurer Sidamon-Eristoff moved the following resolution:

RESOLUTION AUTHORIZING THE SUBMISSION TO THE JOINT BUDGET
OVERSIGHT COMMITTEE OF A REQUEST FOR APPROVAL PURSUANT TO
SECTION 9I OF THE NEW JERSEY TRANSPORTATION TRUST FUND
AUTHORITY ACT OF 1984 IN CONNECTION WITH THE PROPOSED ISSUANCE
OF THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY'S
TRANSPORTATION SYSTEM BONDS TO BE ISSUED UNDER THE TWENTY-SIXTH
SUPPLEMENTAL TRANSPORTATION SYSTEM BOND RESOLUTION

WHEREAS, by virtue of the provisions of Chapter 73 of the Laws of New Jersey 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 Section 9i of the Act and beginning with the fiscal year beginning on July 1, 2011, the Authority shall only issue Obligations using the portion of the amount of debt permitted by Section 9i of the Act, less certain reductions, that was not used in prior years (the "Carryforward"), subject to the approval of the Joint Oversight Budget Committee (the "Committee"); and

WHEREAS, the Authority has considered the Plan of Finance attached hereto as Exhibit A (the "Plan of Finance") and desires to obtain the Committee's approval to utilize the Carryforward in the amount of \$1,641,259,285 to issue its Transportation System Bonds, 2011 Series in one or more Series at one or more times (collectively the "Bonds") for the purpose of financing State of New Jersey's ("State") transportation system costs; and

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Plan of Finance, in substantially the form presented to this meeting, is hereby approved, provided that the Chairperson of the Authority, the Vice Chairperson of the Authority or the Executive Director of the Authority (collectively, an "Authorized Authority Official"), with the advice of Bond Counsel and the State Attorney General and in consultation with the State Treasurer, is hereby authorized to make such changes, insertions and deletions to the Plan of Finance as may be necessary and appropriate.

2. An Authorized Authority Official is hereby authorized, in consultation with the State Treasurer, to submit the Plan of Finance to the Committee and to request the Committee's written approval of the utilization of the Carryforward, all in accordance with the provisions of Section 9i of the Act.

3. This Resolution shall take effect upon adoption in accordance with the Act.

EXHIBIT "A"
PLAN OF FINANCE

**New Jersey Transportation Trust Fund Authority
Transportation System Bonds**

**Plan of Finance
Subject to JBOC Approval**

As required by the Section 9(i) of the New Jersey Transportation Trust Fund Authority Act of 1984 (P.L. 1984, c. 73) as amended, the New Jersey Transportation Trust Fund Authority (the "Authority") hereby submits its request for approval by the Joint Budget Oversight Committee ("JBOC") to utilize the portion of the amount of debt permitted by Section 9i of the Act, less certain reductions, that was not used in prior years (the "Carryforward") by the Authority in an amount not to exceed \$1,641,259,285 as calculated in Appendix I in order to issue Transportation System Bonds (the "Bonds").

The Authority currently expects that it will issue at one time or from time to time up to \$1,315,000,000 of new money bonds in one or more series, which may include tax-exempt bonds and taxable bonds, but reserves the right to issue bonds up to the full amount of the Carryforward in Fiscal Year 2012 or subsequent fiscal years.

Authority's Capital Plan

The Authority anticipates utilizing the bond proceeds for the Fiscal Year 2012 transportation system costs previously submitted to the New Jersey Legislature. The Bonds will be sold in one or more series throughout the balance of Fiscal Year 2012. Attached as Appendix II are the cashflows for the planned Fiscal Year 2012 bond financing(s).

Appendix I: Debt Calculation

Appendix II: Cash Flows

APPENDIX I

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY
 CALCULATION OF DEBT AUTHORIZATION
 AS OF MAY 13, 2011

AUTHORIZATION

<u>Fiscal Year</u>	<u>Amount</u>
1996	\$ 700,000,000
1997	700,000,000
1998	700,000,000
1999	700,000,000
2000	900,000,000
2001	650,000,000
2002	650,000,000
2003	650,000,000
2004	650,000,000
2005	650,000,000
2006	650,000,000
2007	1,600,000,000
2008	1,600,000,000
2009	1,600,000,000
2010	1,600,000,000
2011	<u>1,600,000,000</u>
	\$15,600,000,000

ISSUANCES
 (Excludes Refundings)

<u>Series</u>	<u>Par</u>
1996 A	\$ 334,065,000
1996 B	714,340,000
1997 A	703,940,000
1998 A	700,000,000
1999 A	450,000,000
2000 A	450,000,000
2001 A	325,000,000
2001 B	690,000,000
2003 C	924,810,000
2004 A	471,655,000
2004 B	3,325,000
2005 C	524,750,000
2005 D	\$ 953,020,000
2006 C	1,115,496,792
2006 A – Garvee	131,555,000

<u>Series</u>	<u>Par</u>
2007 A	1,171,055,000
2008 A	1,122,744,638
2009 A	142,730,924
2009 B	273,500,000
2009 C	150,000,000
2009 D	147,500,000
2010 A	359,253,361
2010 B	500,000,000
2010 C	1,000,000,000
2011 A	600,000,000

\$13,958,740,715

Authorized but unissued as of May 13, 2011

\$1,641,259,285

APPENDIX II

CASH FLOWS

BOND DEBT SERVICE

New Jersey Transportation Trust Fund Authority
 2011 Series B - Transportation System Bonds
 - Preliminary Cash Flows -

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/15/2012			50,463,419.72	50,463,419.72	
06/30/2012					50,463,419.72
12/15/2012			37,534,775.00	37,534,775.00	
06/15/2013	17,875,000.00	3.750%	37,534,775.00	55,409,775.00	
06/30/2013					92,944,550.00
12/15/2013			37,199,618.75	37,199,618.75	
06/15/2014	18,545,000.00	4.750%	37,199,618.75	55,744,618.75	
06/30/2014					92,944,237.50
12/15/2014			36,759,175.00	36,759,175.00	
06/15/2015	19,425,000.00	5.750%	36,759,175.00	56,184,175.00	
06/30/2015					92,943,350.00
12/15/2015			36,200,706.25	36,200,706.25	
06/15/2016	20,540,000.00	5.750%	36,200,706.25	56,740,706.25	
06/30/2016					92,941,412.50
12/15/2016			35,610,181.25	35,610,181.25	
06/15/2017	21,725,000.00	5.750%	35,610,181.25	57,335,181.25	
06/30/2017					92,945,362.50
12/15/2017			34,985,587.50	34,985,587.50	
06/15/2018	22,975,000.00	5.750%	34,985,587.50	57,960,587.50	
06/30/2018					92,946,175.00
12/15/2018			34,325,056.25	34,325,056.25	
06/15/2019	24,295,000.00	5.750%	34,325,056.25	58,620,056.25	
06/30/2019					92,945,112.50
12/15/2019			33,626,575.00	33,626,575.00	
06/15/2020	25,690,000.00	5.750%	33,626,575.00	59,316,575.00	
06/30/2020					92,943,150.00
12/15/2020			32,887,987.50	32,887,987.50	
06/15/2021	27,170,000.00	5.750%	32,887,987.50	60,057,987.50	
06/30/2021					92,945,975.00
12/15/2021			32,106,850.00	32,106,850.00	
06/15/2022	28,730,000.00	5.750%	32,106,850.00	60,836,850.00	
06/30/2022					92,943,700.00
12/15/2022			31,280,862.50	31,280,862.50	
06/15/2023	30,380,000.00	5.750%	31,280,862.50	61,660,862.50	
06/30/2023					92,941,725.00
12/15/2023			30,407,437.50	30,407,437.50	
06/15/2024	32,130,000.00	5.750%	30,407,437.50	62,537,437.50	
06/30/2024					92,944,875.00
12/15/2024			29,483,700.00	29,483,700.00	
06/15/2025	33,975,000.00	5.750%	29,483,700.00	63,458,700.00	
06/30/2025					92,942,400.00
12/15/2025			28,506,918.75	28,506,918.75	
06/15/2026	35,930,000.00	5.750%	28,506,918.75	64,436,918.75	
06/30/2026					92,943,837.50
12/15/2026			27,473,931.25	27,473,931.25	
06/15/2027	37,995,000.00	5.750%	27,473,931.25	65,468,931.25	
06/30/2027					92,942,862.50
12/15/2027			26,381,575.00	26,381,575.00	
06/15/2028	40,180,000.00	5.750%	26,381,575.00	66,561,575.00	
06/30/2028					92,943,150.00
12/15/2028			25,226,400.00	25,226,400.00	
06/15/2029	42,490,000.00	5.750%	25,226,400.00	67,716,400.00	
06/30/2029					92,942,800.00
12/15/2029			24,004,812.50	24,004,812.50	
06/15/2030	44,935,000.00	5.750%	24,004,812.50	68,939,812.50	
06/30/2030					92,944,625.00
12/15/2030			22,712,931.25	22,712,931.25	
06/15/2031	47,520,000.00	5.750%	22,712,931.25	70,232,931.25	
06/30/2031					92,945,862.50
12/15/2031			21,346,731.25	21,346,731.25	
06/15/2032	50,250,000.00	5.750%	21,346,731.25	71,596,731.25	
06/30/2032					92,943,462.50
12/15/2032			19,902,043.75	19,902,043.75	
06/15/2033	53,140,000.00	5.750%	19,902,043.75	73,042,043.75	
06/30/2033					92,944,087.50
12/15/2033			18,374,268.75	18,374,268.75	
06/15/2034	56,195,000.00	5.750%	18,374,268.75	74,569,268.75	
06/30/2034					92,943,537.50
12/15/2034			16,758,662.50	16,758,662.50	
06/15/2035	59,425,000.00	5.750%	16,758,662.50	76,183,662.50	
06/30/2035					92,942,325.00
12/15/2035			15,050,193.75	15,050,193.75	
06/15/2036	62,845,000.00	5.750%	15,050,193.75	77,895,193.75	
06/30/2036					92,945,387.50

BOND DEBT SERVICE

New Jersey Transportation Trust Fund Authority
 2011 Series B - Transportation System Bonds
 - Preliminary Cash Flows -

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/15/2036			13,243,400.00	13,243,400.00	
06/15/2037	66,455,000.00	5.750%	13,243,400.00	79,698,400.00	
06/30/2037					92,941,800.00
12/15/2037			11,332,818.75	11,332,818.75	
06/15/2038	70,275,000.00	5.750%	11,332,818.75	81,607,818.75	
06/30/2038					92,940,637.50
12/15/2038			9,312,412.50	9,312,412.50	
06/15/2039	74,320,000.00	5.750%	9,312,412.50	83,632,412.50	
06/30/2039					92,944,825.00
12/15/2039			7,175,712.50	7,175,712.50	
06/15/2040	78,590,000.00	5.750%	7,175,712.50	85,765,712.50	
06/30/2040					92,941,425.00
12/15/2040			4,916,250.00	4,916,250.00	
06/15/2041	83,110,000.00	5.750%	4,916,250.00	88,026,250.00	
06/30/2041					92,942,500.00
12/15/2041			2,526,837.50	2,526,837.50	
06/15/2042	87,690,000.00	5.750%	2,526,837.50	90,416,837.50	
06/30/2042					92,943,675.00
	1,315,000,000.00		1,523,772,244.72	2,838,772,244.72	2,838,772,244.72

AGGREGATE DEBT SERVICE

New Jersey Transportation Trust Fund Authority
 2011 Series B - Transportation System Bonds
 - Preliminary Cash Flows -

Period Ending	2011 Series B - Transportation System Bonds	Outstanding Net Debt Service	Aggregate Debt Service
06/30/2012	50,463,419.72	922,436,067.38	972,899,487.10
06/30/2013	92,944,550.00	930,300,618.25	1,023,245,168.25
06/30/2014	92,944,237.50	930,299,319.25	1,023,243,556.75
06/30/2015	92,943,350.00	930,298,388.25	1,023,241,738.25
06/30/2016	92,941,412.50	930,290,160.25	1,023,231,572.75
06/30/2017	92,945,362.50	930,295,436.75	1,023,240,799.25
06/30/2018	92,946,175.00	930,288,331.75	1,023,234,506.75
06/30/2019	92,945,112.50	930,293,401.75	1,023,238,514.25
06/30/2020	92,943,150.00	930,293,587.75	1,023,236,737.75
06/30/2021	92,945,975.00	930,305,200.75	1,023,251,175.75
06/30/2022	92,943,700.00	930,297,824.25	1,023,241,524.25
06/30/2023	92,941,725.00	930,300,768.25	1,023,242,493.25
06/30/2024	92,944,875.00	930,289,909.25	1,023,234,784.25
06/30/2025	92,942,400.00	905,415,190.74	998,357,590.74
06/30/2026	92,943,837.50	905,361,799.10	998,305,636.60
06/30/2027	92,942,862.50	905,298,636.77	998,241,499.27
06/30/2028	92,943,150.00	905,847,159.20	998,790,309.20
06/30/2029	92,942,800.00	906,467,795.04	999,410,595.04
06/30/2030	92,944,625.00	699,163,600.25	792,108,225.25
06/30/2031	92,945,862.50	699,521,033.75	792,466,896.25
06/30/2032	92,943,462.50	699,907,441.25	792,850,903.75
06/30/2033	92,944,087.50	677,852,087.25	770,796,174.75
06/30/2034	92,943,537.50	702,916,187.25	795,859,724.75
06/30/2035	92,942,325.00	702,912,131.25	795,854,456.25
06/30/2036	92,945,387.50	734,420,506.25	827,365,893.75
06/30/2037	92,941,800.00	702,161,012.25	795,102,812.25
06/30/2038	92,940,637.50	680,322,844.25	773,263,481.75
06/30/2039	92,944,825.00	740,022,475.25	832,967,300.25
06/30/2040	92,941,425.00	822,448,816.13	915,390,241.13
06/30/2041	92,942,500.00	708,780,550.00	801,723,050.00
06/30/2042	92,943,675.00		92,943,675.00
	2,838,772,244.72	25,184,808,279.86	28,023,580,524.58

The motion was seconded by Public Member Nelson Ferrera. Deputy Commissioner Mrozek/Chairman Simpson's Designee asked if anyone had any questions or further discussion. The members did not have any questions or discussion on the motion.

The members were polled with all members being in favor, and no members were in opposition; therefore the motion was carried.

Following this, Deputy Commissioner Mrozek/Designee for Commissioner Simpson then requested a motion regarding a resolution to approve the amended Fiscal Year 2012 Financial Plan for re-submission to the Legislature. Deputy Commissioner Mrozek/Designee for Commissioner Simpson then asked Executive Director Gary Brune and DAG Aimee Manocchio Nason to summarize and discuss this agenda item. Executive Director Brune stated that the Plan, which was originally submitted in March, 2011, was being amended to account for two changes: to properly reflect the \$10 million reduction in pay as you go funding provided in Fiscal Year 2012 by the NJ Turnpike Authority, from \$76 million to \$66 million, that was contained in the final Fiscal Year 2012 Appropriations Act, and to amend the TTFA Statutory Debt Limit table within the Fiscal Year 2012 TTFA Financial Plan to eliminate the deduction of \$140.3 million from the unused statutory bond cap amount. That amount, which represents the value by which the Fiscal Year 2012 capital appropriation to the TTF exceeds \$895 million, as set forth in Section 9 (i) of the TTFA Act, was originally reflected as a bond cap deduction in the Plan; however, it has since been determined that the TTFA Act does not require that amount to be deducted. Deputy Commissioner Mrozek/Designee for Chairman Simpson asked DAG Manocchio Nason if she had anything else to add. DAG Manocchio Nason said the Plan

originally submitted to the Authority for approval and then to the Legislature, included an assumption that N.J.S.A. 27:1b-9(i) required such a deduction in the bond cap carryforward. Since that assumption has changed, the Plan is being corrected to be consistent with the new assumption.

RESOLUTION AMENDING THE FISCAL YEAR 2012 FINANCIAL PLAN APPROVED
BY THE NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY ON
MARCH 18, 2011

WHEREAS, by virtue of the provisions of Chapter 73 of the Laws of New Jersey 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, the Governor's Office and the Financial Policy Review Board, which report shall contain, among other things, a description of the projects to be financed in the ensuing fiscal year and a financial plan designed to implement the financing of the proposed projects; and

WHEREAS, on March 18, 2011, the Authority approved a financing plan for transportation projects for Fiscal Year 2012 (the "2012 Financial Plan") and authorized the Executive Director of the Authority to submit the 2012 Financial Plan to the Commissioner of the Department of Transportation for submission to the Senate and General Assembly, the Governor's Office and the Financial Policy Review Board; and

WHEREAS, the Authority has determined that it is desirable and in the best interest of the Authority to amend the 2012 Financial Plan as described below and as set forth in the Amended 2010 Financial Plan attached hereto as Exhibit A (the "Amended 2012 Financial Plan").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The 2012 Financial Plan is hereby amended as follows:

(a) The references to "\$76 million in pay-as-you-go capital" contained in Section III of the 2012 Financial Plan entitled "New Jersey Capital Transportation Plan" are amended to refer to the amount of "\$66 million."

(b) The Transportation Trust Fund Authority Statutory Debt Limit table contained in Section IV(D) of the 2012 Financial Plan is amended to (i) eliminate the deduction of \$140,300,000 based upon the assumption that N.J.S.A. 27:1B-9(i) applied in Fiscal Year 2012 and (ii) revise the FY2012 Unused Debt limit from "\$185,959,285" to "\$326,259,285."

2. The Authority hereby approves the Amended 2012 Financial Plan.

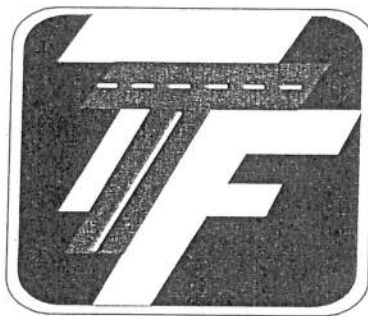
3. The Authority hereby authorizes the Executive Director of the Authority to forward on behalf of the Authority a copy of this Resolution, including the Amended 2012 Financial Plan, to the Commissioner of the Department of Transportation for submission to the Senate and General Assembly, the Governor's Office and the Financial Policy Review Board.

4. This Resolution shall take effect upon adoption in accordance with the Act.

Exhibit A
Amended 2012 Financial Plan

**New Jersey Transportation Trust Fund Authority
Fiscal Year 2012 Financial Plan**

**Plan for Financing Anticipated NJDOT/NJT
Capital Program Outlays for Fiscal Year 2012**



**NEW JERSEY
TRANSPORTATION
TRUST FUND**

*Prepared by
Transportation Trust Fund Authority*

*March, 2011
Amended August, 2011
(Marked to Show Changes From March 2011
Fiscal Year 2012 Financial Plan)*

Chris Christie, Governor

James S. Simpson, Commissioner

Kim Guadagno, Lt. Governor

I. Introduction

The New Jersey Transportation Trust Fund Authority ("NJTTFA", or "Authority") finances the State portion of the capital programs of the New Jersey Department of Transportation ("NJDOT") and New Jersey Transit Corporation ("NJ Transit") as well as the State's Local Aid transportation program. The New Jersey Trust Fund Authority Act, N.J.S.A. 27: 1B-1 et seq. (the "TTFA Act") requires the NJTTFA to adopt a Financial Plan which must meet the following requirements:

"The financial plan shall contain an enumeration of the bonds, notes or other obligations of the authority which the authority intends to issue, including the amounts thereof and the conditions therefor. The financial plan shall set forth a complete operating and financial statement covering the authority's proposed operations during the ensuing fiscal year, including amounts of income from all sources, including but not limited to the proceeds of bonds, notes or other obligations to be issued, as well as interest earned. In addition, the plan shall contain proposed amounts to be appropriated and expended, as well as amounts for which the department anticipates to obligate during the ensuing fiscal year for any future expenditures." [N.J.S.A. 27:1B-22d]

Historically, the NJTTFA has funded its programs through annual State appropriations secured by revenues from the Motor Fuels Tax, Petroleum Gross Receipts Tax, Sales and Use Tax (i.e., new vehicle sales), toll road contributions, heavy truck registrations, good driver surcharges, investment earnings, and the incurrence of debt.

II. Prior Years' Results

The following table summarizes the results of the NJTTFA's operations for fiscal years 1985 through 2010 and the expected results for fiscal year 2011:

Summary of Operations (FY 1985-2011)
(Dollar Amount in Thousands)

<u>Description</u>	<u>1985-2010 Actual</u>	<u>2011 Estimated</u>	<u>Thru 2011 Actual & Est.</u>
Authority Sources:			
Revenue Appropriations	\$12,502,395	\$895,000	\$13,397,395
Build America Bond Tax Credits	11,616	29,041	40,657
Interest Earnings	520,053	1,000	521,053
Bond Premiums	169,591	0	169,591
<u>Net Bond Proceeds</u>	<u>13,853,214</u>	<u>1,600,000</u>	<u>15,453,214</u>
Total Authority Sources	\$27,056,869	\$2,525,041	\$29,581,910
Authority Uses:			
Program Appropriations	\$21,935,450	\$1,600,000	\$23,535,450
Debt Service	7,360,854	812,737	8,173,591
<u>Authority Expenses</u>	<u>14,023</u>	<u>4,200</u>	<u>\$18,223</u>
Total Authority Uses	\$29,310,327	\$2,416,937	\$31,727,264
Net Balance	-\$2,253,458	\$108,104	-\$2,145,354

The \$2.1 billion “balance unfunded” calculation for fiscal years 1985 through 2011 reflects the fact that the NJTTFA only issues bonds to meet cash flow obligations, not the full value of capital program appropriations. The “program appropriations” calculation shows the contract or obligation authority the Legislature has provided to NJDOT/NJ Transit for Transportation Trust Fund (“TTF”) projects since fiscal year 1985. However, the costs of most transportation capital projects are paid out in cash to vendors over a number of years—particularly large road and bridge construction projects. The NJTTFA only issues bonds for anticipated cash outlays in the current year. Accordingly, the \$2.1 billion is a net calculation reflecting the project appropriations since fiscal year 1985 that have not been fully disbursed less any estimated remaining TTFA funds available as of June 30, 2011 to fund those obligations.

III. New Jersey Capital Transportation Plan

In early January, 2011, Governor Christie released a five-year New Jersey Capital Transportation Plan (the “Plan”) to improve the State’s transportation infrastructure. Financed with no new taxes, the Plan maintains the current annual authorization of \$1.59 billion in new projects for FY2012 and \$1.6 billion in new projects from fiscal year 2013 through fiscal year 2016 (i.e., \$7.99 billion in total).

In fiscal year 2012, the funding mix will include \$1.2 billion in TTFA bonds, \$66 million in pay-as-you go capital, and \$343 million from the Port Authority of New York and New Jersey (“PANYNJ” or “Port Authority”) for four specific projects in the Port District (namely, Pulaski Skyway, Route 7/Wittppenn Bridge, Route 139, and New Road/Portway).

New Jersey Capital Transportation Plan (\$millions)

<u>Sources:</u>	<u>FY 12</u>
Bonds	\$1,181
<u>Pay-As-You-Go</u>	\$66
Total TTFA	\$1,247
<u>Port Authority Projects</u>	\$343
Total Sources	\$1,590
<u>Uses:</u>	<u>FY 12</u>
DOT/NJT Projects	\$1,057
<u>Local Projects</u>	\$190
Total TTFA	\$1,247
<u>Port Authority Projects</u>	\$343
Total Uses	\$1,590

To support the TTF portion of the Plan, increased contributions of \$140.3 million will be provided from the State General Fund, specifically the Motor Fuels Tax, Sales and Use Tax, and the Petroleum Gross Receipts Tax, each of which is constitutionally dedicated. In addition, \$66 million of other revenues will be derived from the New Jersey Turnpike Authority (“NJTA”). The General Fund component will increase the State appropriation to the TTF from the current \$895 million to \$1,035.3 million in fiscal year 2012. NJTA funding for the TTF will not be reflected in the annual TTF appropriation but rather will be authorized as a separate, dedicated source of pay-as-you-go funding. The Port Authority portion of the Plan will be supported by PANYNJ revenues which will not be deposited into the TTF.

**FY 12 TTF Appropriation
(\$millions)**

	<u>FY 11</u> <u>Approp</u>	<u>Increased</u> <u>Approp</u>	<u>Final FY 12</u> <u>Approp</u>
Motor Fuels Tax	\$ 483.0	\$ 52.0	\$ 535.0
Petroleum Gross Receipts Tax	200.0	22.5	222.5
Sales & Use Tax	200.0	65.8	265.8
<u>Toll Road Authorities</u>	<u>12.0</u>	<u>0.0</u>	<u>12.0</u>
TOTAL TTF APPROP	\$ 895.0	\$ 140.3	\$ 1,035.3

In fiscal year 2012, the NJTTFA expects to use an estimated \$1.6 billion in unused bond authorization that is projected to carry forward from prior fiscal year authorizations. Approval of the Joint Budget Oversight Committee ("JBOC") will be required for this purpose.

Because the plan proposes to support the debt service for TTF bond issuances from appropriation increases derived from the constitutionally-dedicated General Fund sources, there is no need to seek voter approval of that debt under the State's amended Debt Limitation Clause. In fiscal year 2012, the gross debt service increase on NJTTFA bonds is expected to total approximately \$140 million.

As to the programmatic allocation of funds, NJDOT will receive \$778 million (including \$343 million from the PANYNJ), Local Aid will be \$190 million, and NJ Transit's allotment will total \$622 million.

The Fiscal Year 2012 Governor's Budget Message proposed budget language amendments to implement the Plan during fiscal year 2012, including authorization of the revenue dedications from the General Fund, appropriating the increased contributions from the NJTA and the Port Authority, and establishing the total project authorization from the TTF.

IV. Debt Issuances

A. Debt Issuances - Fiscal Year 2012's \$1.59 Billion Capital Program

The proposed New Jersey Capital Transportation Plan for fiscal year 2012 totals \$1.59 billion. In addition to cash outlays from that proposed program that will occur in fiscal year 2012, the NJTTFA must fund the cash need associated with previously-authorized projects. In keeping with past practice, the NJTTFA plans to limit debt issuances to an amount that satisfies the anticipated cash need during fiscal year 2012. Based upon anticipated cash flows of previously authorized projects and \$1.64 billion in unused, carryforward bonding authority, the NJTTFA expects to issue \$1.315 billion (par value) in new money bonds to generate approximately \$1.30 billion in project proceeds. The bonds will have maturities up to 31 years as authorized by the March 2006 amendments to the New Jersey Transportation Trust Fund Act, enacted on March 23, 2006 as P.L. 2006, c.3 (the "2006 Amendments").

The existing NJTTFA statute specifies that debt service coverage is to be provided by constitutionally-dedicated revenues comprised of an amount equivalent to revenue derived from the Motor Fuels Tax (\$.105) per gallon, but not less than \$483 million in each fiscal year, an amount equivalent to the revenues derived from the tax imposed on the sale of petroleum

products of not less than \$200 million in each fiscal year beginning with fiscal year 2002, and an amount equivalent to the revenues derived from the tax imposed under the Sales and Use Tax Act on the sale of new motor vehicles of not less than \$200 million for fiscal year 2004 and each fiscal year thereafter. As noted in Section III of this document, the fiscal year 2012 appropriations from the Motor Fuels Tax will rise by \$52.0 million to \$535.0 million, from the Sales and Use Tax by \$65.8 million to \$265.8 million and from the Petroleum Gross Receipts Tax by \$22.5 million to \$222.5 million. The Authority also anticipates receipt of no less than \$12 million of the funds collected from toll road contributions which are currently dedicated to the NJTTFA by statute. All of these revenues are subject to annual appropriation by the Legislature.

The NJTTFA may accelerate, decelerate, or split the projected debt issuance based on what it considers to be the best interest of the State, taking into account market conditions and other factors. A summary of the NJTTFA's projected cash flows for fiscal year 2012 is provided below:

Fiscal Year 2012: Statement of Anticipated Changes in Cash Position

<u>Description</u>	<u>Sub-Total</u>	<u>Total</u>
Estimated July 1, 2011 Cash Balance		\$ 272,311,724
Receipts:		
State Appropriations:		
Motor Fuels Tax	535,000,000	
Petroleum Products Tax	222,500,000	
Sales and Use Tax	265,800,000	
Toll Road Authority Contributions	12,000,000	
Net Total		1,035,300,000
Pay As You Go		66,000,000
Interest Income		1,100,000
Bond Proceeds (\$1.315 billion PAR value)		1,300,000,000
<u>Build America Bonds Tax Credit</u>		<u>38,700,000</u>
Total Receipts		\$ 2,441,100,000
Disbursements:		
State Transportation Project Costs		\$ 1,508,800,000
TTF Debt Service		941,056,453
NJT COPs Debt Service		94,400,000
<u>Authority Operating Expenses</u>		<u>4,606,890</u>
Total Disbursements		\$ 2,548,863,343
Estimated July 1, 2012 Cash Balance		\$ 164,548,381

The estimated \$1.315 billion (par) in new money bonds will be issued as "state contract" bonds backed by the existing contract between the State Treasurer and the Authority. This contract pledges that any dedicated NJTTFA revenues appropriated by the Legislature will be made available to the Authority for debt service payments.

B. Constitutional Dedication

Pursuant to Article VIII, Section II, Paragraph 4 of the New Jersey State Constitution, certain revenues are dedicated to the purposes of paying or financing the cost of planning, acquisition, engineering, construction, reconstruction, repair and rehabilitation of the transportation system in the State. The Legislature may not borrow, appropriate or use these amounts or any portion thereof for any other purpose. These constitutionally dedicated revenues include (a) for each State fiscal year commencing on and after July 1, 2007, an amount equivalent to the revenue derived from \$0.105 per gallon from the tax imposed on the sale of motor fuels pursuant to Chapter 39 of Title 54 of the Revised Statutes; (b) for the State fiscal year, commencing on July 1, 2000, an amount not less than \$100,000,000 derived from the State revenues collected from the tax imposed on the sale of petroleum products pursuant to P.L. 1990, c. 42 (C. 54:15B-1 et seq.) as amended and supplemented or any other subsequent law of similar effect, and for each State fiscal year thereafter not less than \$200,000,000; and (c) for the State fiscal year commencing July 1, 2001, an amount not less than \$80,000,000 from the State revenue collected from the State tax imposed under the "Sales and Use Tax Act," pursuant to P.L. 1966, c. 30 (C. 54:32B-1 et seq.), as amended and supplemented, or any other subsequent law of similar effect, for the State fiscal year commencing July 1, 2002, an amount not less than \$140,000,000, and in each State fiscal year thereafter an amount not less than \$200,000,000.

(Note: Article VIII, Section II, paragraph 4 added effective December 6, 1984; amended effective December 7, 1995, amended effective December 7, 2000, and amended effective December 7, 2006.)

The language of this constitutional provision provides for a dedication of "not less than" \$200 million from the petroleum products gross receipts tax and "not less than" \$200 million from the sales and use tax. As noted earlier, the Fiscal Year 2012 Governor's Budget Message provides for an appropriation to the TTF of \$222.5 million from the Petroleum Products Gross Receipts Tax and \$265.8 million from the Sales and Use Tax.

C. Credit Ratings

The NJTTFA debt is currently rated "AA-" by Fitch Investors Service, "Aa3" by Moody's Investors Service, and "A+" by Standard & Poor's Corporation.

In determining the timing, structure and size of each bond issuance, the NJTTFA considers such factors as current market conditions, cash flow needs, and the impact of the added debt on the NJTTFA's appropriation. The NJTTFA's Transportation System Bonds have been and continue to be well received by the market.

D. Fiscal Year 2012 Statutory Debt Limit

The 2006 Amendments to the Transportation Trust Fund Act established new restrictions on the statutory debt limitation. NJ.S.A. 27:1B-9(i), as amended, is set forth below:

"Commencing with the fiscal year beginning July 1, 2006 and ending with the fiscal year beginning on July 1, 2010, the authority shall not incur debt for any fiscal year in excess of \$1,600,000,000, reduced in each of those fiscal years by the amount by which the appropriation of State funds to the Transportation Trust Fund Account for that fiscal year shall exceed \$895,000,000; provided, however, that if a portion of that permitted amount of debt, less any reduction as provided above, is not incurred in a fiscal year, an amount not greater than the unused portion may be incurred in a subsequent fiscal year in addition to the amount otherwise permitted subject to the approval of the Joint Budget Oversight Committee. Debt permitted for the fiscal year beginning July 1, 2006 may be incurred prior

to July 1, 2006. Any increase in this limitation shall only occur if so provided for by law. In computing the foregoing limitation as to the amount of debt the authority may incur, the authority may exclude any bonds, notes or other obligations, including subordinated obligations of the authority, issued for refunding purposes."

As noted in Section III, it is anticipated that unused bond authorization totaling approximately \$1.64 billion will carry forward from the prior fiscal years into fiscal year 2012. Subject to approval by the JBOC, that authorization will be used to support necessary bond issuances for fiscal year 2012.

**Transportation Trust Fund Authority
Statutory Debt Limit**

<u>Description</u>	<u>Sub-Total</u>	<u>Total</u>
Fiscal Year Bonding Credits:		
FY 1996-2005	\$6,950,000,000	
FY 2006	650,000,000	
FY 2007	1,600,000,000	
FY 2008	1,600,000,000	
FY 2009	1,600,000,000	
FY 2010	1,600,000,000	
FY 2011	1,600,000,000	
FY 2012	0	
Total		\$15,600,000,000
Less Authority Bond Issuances:		
1996 Series A Thru 2005 Series C	\$6,291,885,000	
2005 Series D	953,020,000	
2006 Series A Grant Anticipation	131,555,000	
2006 Series C	1,115,496,792	
2007 Series A	1,171,055,000	
2008 Series A	1,122,744,638	
2009 Series A	142,730,924	
2009 Series B	273,500,000	
2009 Series C	150,000,000	
2009 Series D	147,500,000	
2010 Series A	359,253,361	
2010 Series B	500,000,000	
2010 Series C	1,000,000,000	
2011 Series A (Estimated)	600,000,000	
2012 Series A (Estimated)	1,315,000,000	
Total		\$15,273,740,715
 FY 2012 Unused Debt Limit		 \$326,259,285

E. Official Intent for Federal Income Tax Purposes

For the purpose of permitting the proceeds of NJTTFA bonds to be used to reimburse expenditures paid after the date that this plan is adopted by the Authority (or within 60 days prior to such date), in accordance with the applicable regulations of the U.S. Treasury Department, this capital plan, upon its adoption by the Authority in accordance with law, shall constitute a declaration of the intent of the Authority to issue bonds, as more fully described in section IV(A) above, in the expected maximum principal amount of \$1,315,000,000, to pay or reimburse expenditures made prior to the date of issuance of such bonds for the costs of the capital program of NJDOT and NJ Transit for fiscal year 2012 and prior fiscal years.

V. Fiscal Year 2012 Operating Budget

The NJTTFA estimates the following operating expenses will be required to manage the financing operations of the NJTTFA during fiscal year 2012 assuming there will be one bond sale. The operating budget, which does not include costs of issuance relating to bond issuances, is funded from the Legislative appropriations to the NJTTFA:

Anticipated Operating Expenses

<u>Description</u>	<u>Estimate</u>
Legal Notices	\$1,000
Professional Accounting Services	30,000
Trustee Service Fees	60,000
Letter of Credit Fees	4,465,890
Contingency	50,000
Total	\$4,606,890

Fiscal Year 2012 Anticipated Bond Issuance Costs

The Authority plans to issue new money bonds to support fiscal year 2012 project expenditures. At the \$1.3 billion bonding level, the anticipated bond issuance costs for the 2012 Series A new money bonds is estimated to be \$7.6 million for underwriting expenses, up to \$6.3 million for bond insurance, to the extent it is available and cost effective, and \$1.1 million for other costs of issuance such as rating fees, printing fees, financial advisor fees, Trustee's fees, Bond Counsel fees, and Trustee Counsel fees.

In concluding the discussion on this topic, Executive Director Brune inquired as to any questions or comments.

Afterwards, Deputy Commissioner Mrozek/Designee for Chairman Simpson asked if there were any further questions for the board. There being no further discussion from the floor, Deputy Commissioner Mrozek/ Designee for Chairman Simpson requested a motion to approve the following resolution approving the Authority's amended Financial Plan for Fiscal Year 2012 as presented by Executive Director Gary J. Brune. Mr. Petrecca then moved the following resolution:

WHEREAS, by virtue of the provisions of the New Jersey Transportation Trust Fund Authority Act of 1984, as amended (the "Act"), N.J.S.A. 27:1B-1 etseq., 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, the Governor's Office, and the Financial Policy Review Board, 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 September 1, 2011 meeting of the Authority, the Authority discussed a proposed amended financing plan for transportation projects for Fiscal Year 2012, attached hereto as Exhibit A (the "Amended 2012 Financial Plan"); and

WHEREAS, the Authority has determined that it is desirable and in the best interests of the Authority to adopt the amended 2012 Financial Plan;

NOW, THEREFORE, BE IT RESOLVED, that

1. The Authority hereby approves the TTFA's amended 2012 Financial 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 amended 2012 Financial Plan, to the Commissioner of the Department of Transportation for submission to the Senate and General Assembly, the Governor's Office, and the Financial Policy Review Board.

3. This Resolution shall take effect upon adoption in accordance with the Act.

Public Member Ferrera and Vice Chairman Ripa seconded the motion; the members were polled with all members being in favor and with no members in opposition; and, therefore, the motion was carried.

There being no further business coming from the Authority, Deputy Commissioner Mrozek /Designee for Chairman Simpson requested a motion to adjourn the meeting. Vice Chairman Joseph Ripa moved that the September 1, 2011 meeting of the New Jersey Transportation Trust Fund Authority be adjourned and was seconded by Public Member Ferrera.

Finally, Deputy Commissioner Mrozek / Designee for Chairman Simpson asked for any more questions or discussions, there were none, and so with all members in favor and with no members opposed, the motion was carried.

The September 1, 2011 meeting of the New Jersey Transportation Trust Fund Authority ended at approximately 10:43 AM.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Gary J. Brune".

Gary J. Brune
Executive Director