

NEW JERSEY TRANSPORTATION TRUST FUND AUTHORITY

Minutes of the meeting of the New Jersey Transportation Trust Fund Authority (“Authority” or “NJTTFA”) held via GoToMeeting from the Office of the Commissioner in the Main Office Building of the New Jersey Department of Transportation (“NJDOT”), 1035 Parkway Avenue, Trenton, New Jersey on October 17, 2024, at 11:00 AM (ET).

The following Authority Board members were present:

- Francis K. O’ Connor, NJTTFA Chairperson / NJDOT Commissioner
- David Moore, NJTTFA Treasurer / Director, Office of Public Finance, NJ Department of the Treasury (Designee for the Honorable Elizabeth Maher Muoio, New Jersey State Treasurer)
- Khalid Anjum, NJTTFA Public Member
- Robert Briant, Jr., NJTTFA Public Member
- Nelson Ferreira, NJTTFA Public Member - *noted audio malfunction*
- Gregory Lalevee, NJTTFA Public Member,

Constituting a quorum of the Members of the Authority.

There were also present:

- Charles Maciejunes, NJTTFA Executive Director / NJDOT Chief Financial Officer
- Naileen Rodriguez, NJTTFA Comptroller, NJDOT
- Raquel Rangel, NJTTFA Secretary, NJDOT
- Kimberly Minter, NJTTFA Assistant Secretary, NJDOT
- Brian McGarry, Deputy Attorney General, NJ Attorney General’s Office
- Jessica O’Connor, NJ Governor’s Authorities Unit
- Joseph Bertoni, Deputy Commissioner, NJDOT
- Christopher Scales, Chief of Staff, NJDOT

- Christopher Feintheil, Assistant Commissioner of Operations, NJDOT
- Kelly Hutchinson, Assistant Commissioner of Administration, NJDOT
- Eric Powers, Assistant Commissioner of Statewide Planning, Safety and Capital Investment, NJDOT
- Laine Rankin, Assistant Commissioner of Local Resources and Community Development, NJDOT
- John Gerbino, Barclays Capital Inc.
- Dan Blankenship, Barclays Capital Inc.
- Alex McGannon, Barclays Capital Inc.
- Ilan Elrom, Barclays Capital Inc.
- Ken DiSabato, Barclays Capital Inc.
- Jeremy Ostow, M. Jeremy Ostow, Esq.
- Osvaldo Martinez-Pineda, Office of the Commissioner, NJDOT
- Dennis Fitzgerald, Division of Information Technology, NJDOT
- Jason Bradley, Division of Information Technology, NJDOT

Chairperson Francis K. O' Connor presided at the meeting and Secretary Raquel Rangel kept the minutes.

Chairperson Francis K. O' Connor convened the meeting at 11:00 AM. He 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 Secretary of State. This notice was e-mailed and mailed to five newspapers of general distribution (The Trentonian, Trenton Times, Courier Post, Star Ledger, and the Atlantic City Press); posted on the Authority's website and posted in the main entrance of the New Jersey Department of Transportation's Headquarters in Ewing, New Jersey."

Secretary Raquel Rangel called the roll. The following Board members acknowledged their presence: Francis K. O' Connor, Khalid Anjum, Robert Briant, Jr., Gregory Lalevee and David Moore. Due to audio malfunctions, Board member Nelson Ferreira was unable to acknowledge his presence verbally. Jack Kocsis, Jr. was not present. Secretary Raquel Rangel confirmed that a quorum was present.

Chairperson Francis K. O' Connor reminded Board members to identify themselves before making or seconding a motion due to the virtual setting of the meeting.

Chairperson Francis K. O'Connor reminded everyone that public comment will be limited to three minutes per person, members of the public may speak on topics related to the NJTTFA, and they should identify themselves before they begin.

Chairperson Francis K. O' Connor opened the floor for public comment.

There were no public comments.

Chairperson Francis K. O' Connor called the first order of business by requesting a motion to adopt the resolution approving the minutes of the actions taken at the June 20, 2024, Board meeting of the Authority. He stated that this agenda item was deferred at the last meeting due to pending Governor's approval which has since been confirmed.

Gregory Lalevee moved to approve the following resolution:

WHEREAS, Article II, Section 2 of the By-laws of the New Jersey Transportation Trust Fund Authority (the "Authority") provides that the minutes of actions taken at the meetings of the Authority be approved by the Authority.

NOW, THEREFORE, BE IT RESOLVED, that the minutes taken at the meeting of June 20, 2024, of the New Jersey Transportation Trust Fund Authority are hereby approved.

The motion was seconded by Robert Briant Jr. and adopted on a call of roll as follows:

AYE: 5

NAY: 0

ABSTAIN: 1 (Nelson Ferreira), due to audio malfunction

ABSENT: 1

Chairperson Francis K. O' Connor called the next order of business by requesting a motion to adopt the resolution approving the minutes of the actions taken at the July 18, 2024, Board meeting of the Authority.

David Moore moved to approve the following resolution:

WHEREAS, Article II, Section 2 of the By-laws of the New Jersey Transportation Trust Fund Authority (the "Authority") provides that the minutes of actions taken at the meetings of the Authority be approved by the Authority.

NOW, THEREFORE, BE IT RESOLVED, that the minutes taken at the meeting of July 18, 2024, of the New Jersey Transportation Trust Fund Authority are hereby approved.

The motion was seconded by Gregory Lalevee and adopted on a call of roll as follows:

AYE: 5

NAY: 0

ABSTAIN: 1 (Nelson Ferreira), due to audio malfunction

ABSENT: 1

Chairperson Francis K. O' Connor called the next order of business, a discussion of the Sixteenth Supplemental Transportation Program Bond Resolution that authorizes the Authority to issue the Transportation Program Bonds, 2024 Series CC. He stated that no action will be taken at this time and called upon Jeremy Ostow, Bond Counsel of the Authority, to provide a brief overview of the Sixteenth Supplemental Program Bond Resolution.

Jeremy Ostow stated, *"The Sixteenth Supplemental Transportation Program Bond Resolution authorizes the issuance of one or more series of Transportation Program Bonds in an aggregate principal amount not exceeding \$1,500,000,000 to pay State Transportation System Costs. It provides that the true interest cost of each series of Refunding Bonds shall not exceed six percent (6%) per annum. The final maturity of each series of bonds shall not be later than thirty-one years from the date of issuance of the bonds. It authorizes a negotiated sale of the bonds to*

Barclays Capital, Inc., as Manager, and other matters in connection therewith, including the distribution of a Preliminary Official Statement and final Official Statement, and the execution and delivery of a Bond Purchase Contract, and a Continuing Disclosure Agreement, as applicable. Drafts of these documents are also included in your package.”

The floor was opened for discussion.

Nelson Ferreira verbally acknowledged his presence at 11:07 AM.

There being no further discussion, Chairperson Francis K. O’ Connor stated that Barclays has been selected as the senior managing underwriter for the Transportation Program Bonds, 2024 Series CC issuance. He called upon John Gerbino of Barclays to provide a brief market update.

John Gerbino stated, *“We would like to thank the Authority for selecting Barclays to assist them with the upcoming bond issuance of 2024 Series CC Bonds. Each of you have in your board packets a summary of bond market conditions that we prepared for you approximately 10 days ago, and some of the things that you’ll hear this morning have been updated slightly to reflect changing market conditions. Just to summarize, current financial markets are very supportive of primary bond issuances, including the Authority’s upcoming 2024 Series CC Bond issue. For background, you know that over the past two years, the Federal Reserve has prioritized combatting inflation by increasing interest rates by a collective 525 basis points (425 bps in 2022 and 100 bps in 2023). More recently, the Federal Open Market Committee (“FOMC”) has signaled that its approach will continue to be highly data-driven and its focus will be on a dual mandate, working towards gradually cooling labor market conditions while also driving inflation. Back in mid-September, the FOMC voted 11 to 1 in favor of lowering the benchmark interest rate by 50 bps to a target range of 4.75% to 5.0%, and this marked the first rate cut in 4 years. FOMC Chair Powell underscored this one-off messaging by describing the 50 bps move*

as a “recalibration” designed to bring policy to a “more neutral” stance and noting that this move should not be regarded as “the new pace”. Markets are currently pricing in 25 bp cuts at each of the next two FOMC meetings. Most Fed speakers suggested that the US Central Bank can continue lowering interest rates despite strong labor market and inflationary data. Some more recent economic releases present a less clear picture, but the market generally has interpreted them as indicating a stronger labor market and inflationary data.

Now we turn our attention to long-term interest rates that will directly affect the Authority’s borrowing costs. For high quality tax-exempt issuers like the Authority, rates peaked in July and declined significantly between end of July and beginning of October. But over the past two weeks or so, Fed events, changing economic data, and geopolitical headlines have introduced more volatility on an intra-day and day-to-day basis, and as a result longer-term interest rates have increased by 15 to 20 basis points in the tax-exempt space. You may also know that over the past few weeks, the US Treasury 10-year yield benchmark taxable bond rate surpassed 4.0%. This is a good indicator of how rates are moving back and forth.

In terms of new issue supply in the tax-exempt market, many municipal issuers have been working to schedule their new debt issuances prior to the 2024 presidential election. We’ve seen significant weekly volume, for the year to date, total tax-exempt bond issuance is outpacing last year by approximately 35%, with about \$400 billion sold so far. Despite the combination of additional supply, the municipal market and increasing interest rates, the market has reacted positively with many buyers in the market to address additional supply. The municipal market has performed well in the past few weeks. Looking forward, we see increased supply of 10-20 billion of municipal bonds per week between now and the election. We think if volatility remains muted post-election, we will see more deals come into the market at that time including into the

first two weeks of December which is when we also plan to market your bond deal. As it stands right now, we think we are in a good position going into the first couple weeks of December. The next time we're scheduled to meet is on November 21st; if anything changes between now and then we will provide another detailed update."

John Gerbino introduced Dan Blankenship, Head Underwriter, to contribute anything additional to the market update. Dan Blankenship reiterated Mr. Gerbino's description of the market including its resiliency and robust demand, despite challenges.

The floor was opened for discussion.

There being no further discussion, Chairperson Francis K. O' Connor called the next order of business: the discussion of the resolution authorizing payment of costs of issuance in connection with the issuance of the Transportation Program Bonds, 2024 Series CC. He stated that no action will be taken on this item at this time. He called upon David Moore to discuss the resolution.

David Moore stated, *"This resolution is in line with what the Authority pays on its typical new money deals. The total cost is around \$870,000, which is a significant reduction in comparison to the refunding transaction we worked on and less parties involved. We will not vote on it until the next meeting, where we will also provide any updates or changes that may occur."*

The floor was opened for discussion.

Robert Briant Jr. inquired about the Authority's reasoning behind the utilization of four rating agencies.

David Moore stated that the reasoning behind the utilization of four rating agencies dates to a request made by the previous administration. The practice has since been maintained and

the current administration is satisfied with it; therefore, the utilization of four rating agencies will be continued.

There being no further business or discussion, Chairperson Francis K. O'Connor asked for a motion to adjourn the meeting.

Robert Briant Jr. moved that the October 17, 2024, meeting of the Authority be adjourned. The motion was seconded by David Moore and carried by unanimous voice vote.

The October 17, 2024, meeting of the New Jersey Transportation Trust Fund Authority ended at approximately 11:20 AM.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Raquel Rangel". The signature is fluid and cursive, with the first name "Raquel" and last name "Rangel" clearly distinguishable.

Raquel Rangel
NJTTFA Secretary