

**NJ TRANSIT BOARD MEETING
MINUTES
OPEN SESSION
02/08/2012**

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
James S. Simpson, Board Chairman
James Weinstein, Executive Director

NJ TRANSIT

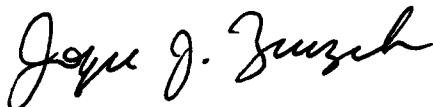
One Penn Plaza East
Newark, NJ 07105-2246
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February 13, 2012

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the re-scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Wednesday, February 8, 2012.

Sincerely,



Joyce J. Zuczek
Acting Board Secretary

Enclosures

Honorable Chris Christie
Governor, State of New Jersey
State House
Trenton, NJ 08625

**NJ TRANSIT BOARD MEETING
NARRATIVE
OPEN SESSION
02/08/2012**

Minutes of the actions taken at the Open Session of the re-scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Tuesday, February 8, 2012.

Present:

James S. Simpson, Chairman
Bruce M. Meisel, Vice Chairman
Johanna Barba Jones, Governor's Representative
Steve Petrecca, Treasurer's Representative
James C. Finkle Jr.
Flora Castillo
Myron P. Shevell (By Telephone)

James Weinstein, Executive Director
Joyce J. Zuczek, Acting Board Secretary
Penny Bassett Hackett, Acting Assistant Executive Director, Communications & Customer Service
Joyce Gallagher, Acting Vice President & General Manager, Bus Operations
Kevin O'Connor, Vice President & General Manager, Rail Operations
Christopher Trucillo, Chief of Police
Kim Vaccari, Chief Financial Officer & Treasurer
Steve Santoro, Assistant Executive Director, Capital Planning & Programs
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Carlos Ramirez, Assistant Executive Director, Corporate Affairs
Leotis Sanders, Vice President, Office of Civil Rights and Diversity Programs
Warren Hersh, Auditor General
Kenneth Worton, Deputy Attorney General

Chairman James S. Simpson convened the Open Session at 2:11 p.m. in accordance with the Open Public Meetings Act. Chairman Simpson asked for a motion to adopt the minutes of the December 13, 2011 meetings. A motion was made by James C. Finkle, Jr., seconded by Myron P. Shevell and adopted.

Chairman Simpson asked whether Myron Shevell was in attendance via telephone. Acting Board Secretary Joyce Zuczek confirmed that Board Member Shevell was on the telephone. Chairman Simpson welcomed Board Member Shevell.

Public Comments on Agenda Items and Other Matters

There were eight public comments. Acting Board Secretary Zuczek announced public comments will be limited to five minutes in order to give everyone an opportunity to be heard.

Chairman Simpson advised the public that for the purpose of Board transparency and credibility, two additional dimensions are being added to the meeting format. He said that after all of the public speakers have spoken, he will ask the Board if they have any points or comments regarding the comments or issues that were brought forward by the public speakers in order to allow the Board to engage in communication on important matters.

Chairman Simpson welcomes the first speaker.

Neil Weisman advised the Board that he was speaking on behalf of the New York Cycle Club, which consists of 2,000 members facilitating hundreds of groups throughout the year. He said the club holds group rides, safety training, kid rides and sponsors an Annual Escape New York Program each year that includes about 1,000 riders from Bergen & Rockland counties. Mr. Weisman said he leads about 50 rides per year and an additional 50 scouting riders per year so that about 80 times per year he is accessing a region rail system in order to complete the ride. He explained he was at the Board Meeting to speak on the regulation that limits passengers with standard frame bicycles on high level platforms and asked that modifications, exemptions, or even elimination of the regulation be made. Mr. Weisman recommended rectifying the overreaching caused by the regulation. To his understanding the low level prohibition was created to eliminate cycles going through the aisles in the storage areas at the middle doors and the end doors. Mr. Weisman believes that it creates dysfunction, confusion and uncertainty amongst cyclists and crewmembers and believes that the regulation makes the entire NJ TRANSIT system unavailable to cyclists participating in group events.

He said a group of 6 cyclists did an excursion to Pine Valley on Sunday where the group boarded in Penn Station, switched at Secaucus for the Port Jervis train and disembarked in Harriman. The cyclists made their way back along the Heritage Trail and made the 4:13 p.m. Harriman return for Secaucus and Penn station where everything was marked with a Handicapped sign. Mr. Weisman said the cyclists spread out on the train so that they would not overload one car. He said Harriman has only one stop at the south end of the station where the low doors can be accessed or the conductor would have to walk the group through the entire train to get to the platform, which is in violation of the regulation. He claimed that this was the easy part, but that the hard part was making the return when the scheduled train was an hour prior to the sunset at which time it was getting colder and darker and the conductor could not allow all of the cyclists on at the mini platform and advised the cyclists that some would have to await the next train. However, Mr. Weisman said that there was no guarantee that they could get on the next scheduled train that was two (2) hours after the first train and if they could not all board that train they would have to wait for a 9:30 p.m. train. So instead, the cyclists rode twenty (20) miles past Tuxedo, Sloatsburg,

Suffern and Mahwah down Route 17, a major highway, in order to get to Ramsey Route 17. He said that he does not know whether or not NJ TRANSIT would legally culpable if there was an accident on the road, but that the media would question what had happened if the cyclist had an unpunched ticket in his back pocket.

Addressing the issue of non-cyclist passengers, Mr. Weisman stated that cyclists are required to move through the trains safely and courteously and it is a responsibility that they accept. He questioned why it was unreasonable to think that they could not do this for NJ TRANSIT when they do it for Metro North and the Long Island Rail Road.

Mr. Weisman said folding bikes cost only a couple of hundred dollars and are good for short commutes of about five (5) mile rides; however, those bicycles are not suitable for 50 to 100 mile club rides and those that are retail for thousands of dollars. Mr. Weisman added that NJ TRANSIT should be capitalizing on the major market for regional tourism in New York and take into account that more people in Manhattan own bikes than cars. Mr. Weisman pointed out that the low level stations limit the possibility for rides through New Jersey especially a ride through Port Jervis that can no longer be completed essentially affecting NJ revenue and NJ TRANSIT ticket sales as money that could be spent during the ride will no longer be spent due to the inability to complete the ride. Mr. Weisman requested an email address be provided so he could provide a copy of his recommendations.

Chairman Simpson advised Mr. Weisman that he had received an email from him and that he can use that email address to submit his recommendations. He further noted that he was going to introduce the email he had received later in the meeting. Chairman kindly asked Mr. Weisman to wait until all of the public comments have been made so that this issue could be further discussed.

John Zancus advised that he is a resident of Hoboken, a friend of Neil Weisman and was an active member of the New York Cycle Club. He said that he would like to put an additional face to the situation. Mr. Zancus explained that he moved to Hoboken for the convenience and accessibility provided by Hoboken Terminal. He said that he underwent open-heart surgery and as part of his rehabilitation was prescribed aerobic exercise by his physician. Mr. Zancuz said it was a joy to be able to get out of the city and enjoy a safe and fun ride through beautiful parts of New Jersey. However, he claims that within the last eight (8) or nine (9) months the policy changed. He said at first the policy was ambiguous, but that now it has essentially locked out Hoboken Terminal. Mr. Zancus explains that it is an important part of his health and wellbeing as well as a part of his being a resident of the state of New Jersey and it is being taken away from him. He stated that it is impractical and dangerous for him to go from his place of residence to Secaucus and his other option would be to go into Penn Station, which is impracticable to travel into New York City to commute back into New

Jersey. Mr. Zancus went on to say that he understands safety reasons and why the policy was being implemented, but he feels that additional accommodations can be made for cyclist especially in Hoboken, Suffern and Dover. He stated that he would like there to be work done with train lines like Metro North and LIRR where similar rules do not exist.

Mr. Zancus stated that alternative access to transportation needs to be encouraged so that people get off the roads and minimize congestion, which will increase NJ TRANSIT ridership. He believes that it will be a winning situation for NJ TRANSIT because more people will use public transportation and that even though there is a lot of political opposition to public transportation that if there are more enthusiastic riders the public will be better served.

David Peter Alan began his comments announcing that he liked the 2:00 p.m. meeting time. He began with two brief comments. The first was to wish Joyce Gallagher well as the new head of NJ TRANSIT bus. His second, to thank the Board for the opportunity allowing the Senior Citizens and Disabled Residents Transportation Advisory Committee, SCRTAC, the opportunity to be an advisory committee and report to the Board at the December meeting. Mr. Alan advised that all of the feedback he received from his colleagues had been positive. He then noted that Bob Koska is retiring and that he knew Mr. Koska prior to NJ TRANSIT existing. Mr. Alan stated that Mr. Koska is a great advocate especially for seniors and people with disabilities as well as transit in general and that he will miss him very much and believes that he will be missed by others as well.

Mr. Alan stated that Mr. Weinstein attended the January 23rd Lackawanna Coalition meeting as a guest and reported to its members. Mr. Alan expressed his appreciation to Mr. Weinstein for his expressed willingness to meet with the group on a continuing basis and acknowledged that during the meeting Rich Andreski was inputting the reports into his phone for further reporting to management. Mr. Alan pledged to use his contacts at APTA and his column at Destination Freedom to promote practices for the exchange of frank and useful communication should it be established between NJ TRANSIT management and the rider advocacy communities.

Mr. Alan noted that he was submitting a copy of the Lackawanna Coalition resolution and the current Railgram as exhibits as he reported that he has officially been endorsed by the coalition for the initiative he began last year for more open discussions and transparency at NJ TRANSIT. He then thanked the Board for moving the Executive Session to the end of the meeting and for allowing SDRTAC to report on a regular basis. Mr. Alan said the resolution stated necessary steps such as opening committees for public comment, allowing more time for statements to be made to provide necessary information, and allowing non-members to attend and comment at North and South Jersey Transportation Advisory Committees. He said that the committees cannot advise

the Board and management of what the riding public needs if the riding public is not allowed to attend.

Mr. Alan said that he is in receipt, pursuant to an OPRA request, of the Bylaw of the North and South Jersey Advisory Committees in which he stated the committees have been in violation of for many years. He cited articles and sections that he submitted to the Board as an exhibit. Mr. Alan stated that he believes the exclusion should cease immediately and that committees should allow non-members to attend and participate effective immediately.

Gary Caven stated that he is also part of the Lackawanna coalition and that he had not been aware of the lower level bicycle ban. Mr. Caven stated that he is also a cyclist, not affiliated with the others, and that he uses the Milburn and Bloomfield stations and now sees there is a problem as he will not be able to get home and will have to ride to the nearest high level platform station. He added that he does not see the need for the ban since cyclists have been carrying their bikes up stairs for a long time. Mr. Caven also mentioned that the Denville station has a mini high platform, but that he can not get a train to stop there if he has his bicycle with him; he stated that if the train does stop, the crew is insistent that they cannot stop the train where the platform is six feet from the door.

Mr. Caven then asked why the last three (3) cars of the Montclair line train do not operate at night. He stated that his friend had to walk the entire length of the train to board in New York and then walk the length of the platform back in order to exit the station in Montclair. Mr. Caven stated that if anyone deboards the Montclair train in Bloomfield, that person must walk the length of the train back in order to board a bus. In closing, Mr. Caven asked the board if it is possible to have the crew open the doors of the last three cars on the Montclair Branch at night.

Murray Boden presented a picture book that he had made last summer in Paris while with his grandson. He stated that he is a sculpture who works with stainless steel. Mr. Boden presented a model of a stainless steel piece that he stated should be 12 ft high. He said he would like to be commissioned to make this piece for a rail project.

Mr. Boden stated that the mention of the change in the culture we are in is interesting. He stated that we have made two (2) changes to change the culture of NJ TRANSIT. Mr. Boden advised that we are expert at it as we bring in all new electronic ways to make information available instantaneously. He stated that the most difficult thing to do is change the culture of the institution, but that there are parts that are more difficult to change. Mr. Boden went on to speak about the horns that blow at train stations and how they are a cultural thing and are not needed in today's time. He said that someone needs to take responsibility to go to the "feds" and ask why the horn is being blown as a car is

sound proof and cannot hear anything and those people standing at stations have iPods in their ears.

Mr. Boden mentioned the classic bus speedometers and noted that there is an application on his GPS that can determine the speed digitally so that it registers as a number. He went on to question how to change the culture and how we can think of transportation in a new world because we need to find a way to move forward since yesterday is gone and we need to think about tomorrow. Mr. Boden said that there should be more movement in the direction of the kind of leadership, which changes incrementally.

James Raleigh said that he was particularly interested in the item associated with the Matawan Freehold right-of-way and that he is providing a handout with three (3) pictures. He questioned how this segment fits into the Monmouth-Ocean-Matawan (“MOM”) rail stead. Mr. Raleigh said that he has been an advocate of this project and believes that it should be Ocean through Monmouth into Matawan since it is the shortest route and serves the people who need to get from Ocean County to New York City. He pointed to the picture on the lower left of a parking lot for the Henry Hudson Trail, which is adjacent to the parcel in question. Mr. Raleigh stated that the longer the Park’s Commission thinks it owns this land the more difficult it will be to get back the right-of-way for commuter rail like it should be. He said that the DEIS process has been flawed and that there are many places in the right-of-way that used to be dual/triple track. He went on to mention that the picture on his handout shows enough space to share rail and trail.

Mr. Raleigh said he appreciates Mr. Boden’s comment on change and noted that the Meadowlands’ Chamber of Commerce advocated its need to build today on yesterday’s success to be prepared for the 2014 Super Bowl. He noted that there were extra buses and trains added to go to New York City, but none to the Meadowlands and that ticket machines had notes stating that NJ TRANSIT would not be running any bus or train service to the Meadowlands stadium on Tuesday, but that Coach would operate service from Port Authority, New York. Mr. Raleigh asked how people wanting to get back from the parade through Hoboken and those at Penn Station wanting to get to the MetLife Stadium where supposed to get to their destinations.

Joseph Clift commented on the bicycle issue by stating that he believes the multi-levels make it easier even though the doors are narrower; riders are boarding the train at the place where bikes can be stored.

Mr. Clift noted the comments page that he distributed. He said there is no termination clause in the 20-year land lease, discussed by Mr. Raleigh and said that the notice does not have to be 90 days, but that a clause should be added.

Mr. Clift posed a question about the search process and external search conducted for the VP/GM of Bus. Mr. Clift stated that he believes this is the second most important second level job at NJ TRANSIT. He then questions the salary which he stated may be a lot to a lot of people, but he considers it low for all of the responsibility held by the position and wants to know how that is the right number.

Mr. Clift stated that it would be nice to see both winning and losing bids for the painting of the drawbridges, know what the differences are, as well as receive confirmation/clarification as to why the number of years the paint job is to last for is so low since lead paint is only now being removed and wonders how long ago the last paint job was.

Mr. Clift asked to know whether \$500,000 over 54 months for special counsel is the right number since money does not go very far when working with lawyers.

He then questioned the 1.25% annual rent increase over 20 years and why it is not being based on CPI index like done in traditional commercial leases.

Mr. Clift asked to be given a clear explanation why an additional 6-month ad revenue contract extension was given since he believes a new contract would increase revenue for NJ TRANSIT.

Mr. Clift requested further improvements on transparency with the goal to improve NJ TRANSIT performance for riders and taxpayers. Mr. Clift asked for committee meetings to be open to the public. He said Chairman Simpson has a lot of experience and it would allow more discussion to take place. He asked to receive the same agenda as the Board because what the public receives is not enough information to make an informed decision and the he would like to receive the agenda at the same time as the Board. Mr. Clift requested that the documents provided by the speakers be posted in the online archives. He then commented on the Port Authority and how they have not yet provided an agenda or meeting time for tomorrow's meeting, but that he believes they will be making changes and assumes that NJ TRANSIT would like to be ahead of the game.

Orin Getz introduced himself as a rider on the Pascack Valley Line and said that while he appreciates the improvement of service over the years, that there are significant gaps in the schedule and he is requesting that this be looked into. He noted that there are four major holidays where additional service is needed. Mr. Getz recognizes that additional service is provided via train 9653 from Hoboken, but that it is only for the day before Thanksgiving and on Christmas Eve; however, he believes additional service is needed on April 6, Good Friday and the first evening of Passover, which he said is a day that people leave work early and which NJ TRANSIT should be more sensitive of. Mr. Getz also advised that September 25, first evening of Yom Kippur, should receive more sensitivity because people leave early and that NJ TRANSIT should work with Metro North

and have service added to the schedule. He said that he would like to see the 2:51 pm to Spring Valley added to the everyday schedule. Mr. Getz said there is an issue with people using the Pascack Valley Line to arrive at work in lower Manhattan by 7:00 am because it does not make the connection to the PATH and requested that train 1602 be rescheduled to an earlier time. He mentioned that the DEIS for the Tapanzee Bridge does not allow public transportation and that this is an opportunity for NJ TRANSIT and Metro North to work together to improve the Pascack Valley, Bergen County, Main & Port Jervis Lines.

John Dotson said that he was there to speak about a transmission line project that would run through three rail lines – Mahwah down to Ridgewood and through Warwick. He advised that no oil is involved and that there will be no environmental impact because it will be buried in the ground about one meter down. Mr. Dotson said he is bringing this to the attention of NJ TRANSIT because he believes that NJ TRANSIT owns the right-of-way and that he would like to follow-up with someone.

Board Member Comments

At this time, Chairman Simpson asked the Board Members if they have any comments.

Board Member Meisel advised he would like to speak on the Pascack Valley Line and asked Mr. Getz from where he takes the line. Mr. Getz responded Nanuet. Board Member Meisel said that he is familiar with the line and that the days he mentioned are holidays where there is a demand for more service and thanked Mr. Getz for speaking today and advised that his request has been heard.

Chairman Simpson commented on the bicycle issue and stated that he has received about 50 emails including the one from Mr. Neil Weisman. He stated that as DOT Chairman, this administration is very bike friendly and because of such is creating two new bike lanes, one in West Trenton and the other in Beasley Point, which creates the bike lane through Cape May County. Chairman Simpson asked staff whether this policy change was voted on, what the policy was and what it has been changed to. Kevin O'Connor advised that the policy was amended two years ago for language clarification. The policy originally stated that riders can only board with full size bikes where handicapped signs were posted on the door, which for NJ TRANSIT meant high-level platforms. He advised that the language was changed because of the confusion created for customers and crew. Chairman Simpson asked if this was for off peak hours and whether bikes were allowed during peak hours. Mr. O'Connor advised it was for off peak hours only and in reviewing the policy over the years, due to similar complaints, the policy was reviewed with rail safety and risk management. He advised that there are issues when riders bring bikes on at low level platforms such as going up the stairs especially where the first step is usually higher, which varies per station, and carrying the bikes up the stairs which is a concern for the

rider and the people ascending the stairs behind them. The second problem is that the rider has to walk through the length of the car on a moving train where the bike has to be put on its back wheel elevating the pedals so that they are now at head level with the passengers seated on the train. The limitation of bikes to high-level platform stations is due to safety reasons. Chairman Simpson wanted to know why this is receiving so much attention now and Mr. O'Conner advised that the first complaint received with respect to the policy was one year and a half ago. Chairman Simpson asked that this be moved into a committee for further discussion and review.

Board Member Castillo asked that staff address the question raised by Mr. Cliff about the second ad contract extension and the reasons why. Executive Director Weinstein advised that the contract was awarded 6 months ago and then changed for which there is a process. He stated that the firm made several OPRA requests for records which took time to gather, review, redact, and release the documents requested. After that a formal appeal was made and a hearing took place for which the transcript was recently sent out to the firm. Mr. Weinstein believes that it is possible that a formal appeal of the ultimate decision will be made and regardless of what the outcome is the entire process will take approximately six months to play out. He advised that this is a realistic time frame based on the advertising process and prior experience. Executive Director Weinstein believes that this process tends to be appeal oriented and that if it can be resolved in three months an attempt will be made to do so. He said that there potentially needs to be transition time between the new contractor and the existing contractor. Mr. Weinstein said that this is to protect the revenue source, which is significant.

Board Member Shevell stated that he did not recall whether or not this is the same group of young people that had come before who had done a good job of coming in when the big public company was inattentive. He asked whether this was the same group. Mr. Weinstein advised that Titan did beat out a company for which he does not recall the name, and has held that contract for the last five years. Mr. Shevell stated that his memory was foggy, but that this group of young people had knocked the larger company out six or seven years ago and that he believes the company is going to try to get the contract back from the young group.

Mr. Weinstein stated that NJ TRANSIT is working through the process and that the source of revenue provided by the ads continues to be successful and is not undermining the financial flow of money. Board Member Meisel interrupted Mr. Shevell questions whether this should be discussed at that time Executive Director Weinstein advised that since there is a legal process underway that this should be discussed during Executive Session.

Chairman Simpson addressed Mr. Cliff's comment on public committee meetings and advised that the Board has undergone a lot and tackled financial issues so

that public committee meetings have taken a back seat. However, he stated that with the introduction of three new Board Members it is something that will be discussed over the next 60 days. Chairman Simpson also said he believes Board Members, at least two or three, should attend public hearings since they relate to matters that the Board will ultimately vote on but the Board will have to discuss it.

Advisory Committee Report

Susan Mack welcomed Joyce Gallagher and bid farewell to Bob Koska in her introduction to the Advisory Committee report. She acknowledged Bob as someone who has shaped the division and made note of all the other individuals who have made an impact and are now retiring. She gave thanks to Mr. Weinstein and Board Member Finkle for attending the quarterly meetings and lending their support and guidance. Ms. Mack spoke on her role and the tools of being part of an advocacy group and all the things that are done at the request of the Chairman.

She proposed that an advisory committee take up the issues being presented by the biking community because the Chairman and NJDOT are promoters of biking communities, but due to the change in policy and the confusion, people do not believe that NJ TRANSIT is doing enough.

Ms. Mack advised that a meeting was held to discuss the repairs to Track 5 for the Raritan Valley Line at Penn Station. She stated that Lenora Isaac advised that the work had been delayed, but is now underway and that Anthony Grieco was there to explain how the disruption would be handled with the commuters. Ms. Mack mentioned the high tech innovations of MyBus, the implementation of real-time GPS on the buses, and the ability to link to a customer service individual who can respond quickly to a complaint made by a rider. She said that she believes that his will help with the Scorecard moving forward.

Chairman Simpson asked that it be noted that the Advisory Committee is to take on the discussions on the bike policy. Acting Board Secretary Zuczek advised that it is so noted.

Chairman noted that the Senior Citizen and Disabled Resident Transportation Advisory Committee Report is scheduled for June and moved on to the Board Committee Reports.

Board Capital Planning, Policy & Privatization Committee Report

Board Member Meisel advised Chairman Simpson that the Committee discussed the Appointment of the Vice President/General Manager of Bus Operations and that he is pleased to report the Committee concurred with the appointment of Joyce Gallagher.

Board Member Meisel stated that there was also a discussion about the painting of the Morgan Drawbridge, which is located on the North Jersey Coast Line, to bring the bridge to a state-of-good-repair by removing the existing lead-based paint and rust. He said that staff reported that bridge inspections are done on a regular basis.

Board Member Meisel said that the Committee also discussed the Matawan Lease of Land along the Freehold Branch Right-of-Way. He advised that one of NJ TRANSIT's objectives is to maximize the value of real estate assets. Board Member Meisel noted that the terms of the lease include a termination provision in the event the property is required for a transportation-related purpose.

He also advised that the Committee reviewed the second quarter Customer Satisfaction Results.

Board Administration Committee Report

Board Member Flora Castillo advised Chairman Simpson that the Committee discussed the appointment of Joyce Gallagher as the Vice President/General Manager of Bus Operations and she is pleased to report the Committee concurred with this appointment and could not have chosen a more qualified candidate.

She stated that she was also briefed on the Information Technology Audit Services board item, which requests authorization to award a contract to Protiviti for co-sourced information technology audit services.

Board Member Castillo advised that the Advertising Revenue Contract which provides a six month extension to provide for uninterrupted receipt of non-farebox revenue during a bid protest was also discussed in Committee.

She noted that the Committee reviewed the second quarter Customer Satisfaction Results.

Executive Director's Monthly Report

Executive Director James Weinstein highlighted the following from his monthly business report.

FUEL SPILL

Executive Director Weinstein advised the Chairman that on January 12 a fuel leak was experienced at our Washington Township Bus Garage, located in Turnersville where an estimated 26,000 gallons of diesel fuel escaped from the facility's fuel storage tanks due to a failed gasket.

Executive Director Weinstein advised that NJ TRANSIT worked closely with the State Department of Environmental Protection, together with Emergency Management officials in Gloucester and Camden counties, to mitigate the impact of the spill for which lean up efforts began immediately, and encroachment was contained to three local lakes.

Executive Director Weinstein said that to assist with the cleanup, NJ TRANSIT hired Clean Venture, which deployed more than 2,000 feet of containment boom, as well as several boats, pumps and vacuum trucks to remove product from waterways.

Executive Director Weinstein stated that Tri-State Bird Rescue was also enlisted and worked with the DEP's Division of Fish and Wildlife to respond to reports of impacted wildlife, which fortunately, continues to remain minimal.

Executive Director Weinstein noted that the monitoring of air and drinking water was continued by health officials, with no impacts or health concerns found and that NJ TRANSIT will continue to conduct periodic water sampling and testing in the future, under the guidance of an NJDEP Hydro Geologist.

Executive Director Weinstein said that updates made to our facility include new monitoring sensors in the fuel valve boxes, a new, relocated alarm system and a new fuel management system.

Executive Director Weinstein said that our neighbors in Gloucester and Camden counties can continue to be assured that NJ TRANSIT is in this for the long haul and is committed to being a continued and consistent presence within the community as we work to alleviate the impact of the spill.

Executive Director Weinstein gave a highlight of what has been accomplished since January 12.

Executive Director Weinstein said that a new, dedicated toll-free hotline to specifically handle questions, issues and concerns related to the fuel spill and clean-up efforts has been launched.

Executive Director Weinstein advised that our community affairs representatives have remained in contact with local officials and have appeared before governing bodies throughout the area to listen to and address any continued concerns.

Executive Director Weinstein noted that in addition, and for a two week-period that ended on Friday, February 3, we assigned a representative to Washington Township Garage to personally attend to the community's questions and concerns.

Executive Director Weinstein said that to date, NJ TRANSIT has recovered more than 9,000 gallons of diesel fuel from affected waterways, with an undeterminable amount of fuel having evaporated and more than 650 tons of soil have also been removed from the bus garage site, as well as 31 tons of oil-soaked absorbents and debris from the spill area.

Executive Director Weinstein mentioned that during this incident and in the days and weeks that followed, a number of NJ TRANSIT employees have done an outstanding job of demonstrating our commitment to ensuring that the clean-up effort is conducted in an orderly, responsive and responsible manner. He recognized and personally thanked the individuals for a job well done.

CUSTOMER SURVEY RESULTS

Executive Director Weinstein switched gears and advised Chairman Simpson that quarterly customer surveys are being conducted as part of the Scorecard initiative. He said that to date, three of these surveys have been conducted—the results of the first survey established a baseline from which to track progress, and each subsequent survey represents a quarter in the current Fiscal Year.

Executive Director Weinstein stated that the FY 2012 first quarter results were published in October, and have conducted the most recent survey online and in the field in November.

Executive Director Weinstein advised that the latest survey again asked customers to consider 39 attributes of the system related to facilities, service, vehicles, communications and the overall experience using NJ TRANSIT, ranking items on a scale of 0 to 10, zero being unacceptable and 10 being excellent. He said that in addition, customers were asked to identify the most important aspects of NJ TRANSIT service among the items they rated.

Executive Director Weinstein noted that of the more than 17,000 customers who participated in the November, 2011 survey, two thirds said they were likely to recommend NJ TRANSIT to a friend or relative. He mentioned that this particular statistic is extremely important to us, as one of our goals is to have every customer continue to make the conscious decision to use our service to conduct life's daily business and recommend us to others.

Executive Director Weinstein stated that the detailed survey results are available at njtransit.com. He gave a brief overview noting that this quarter, based on survey results taking place during the month of November, NJ TRANSIT's overall customer satisfaction rating decreased slightly to 5.1, from the previous score of 5.3, representing an "acceptable" or "satisfactory" score.

Executive Director Weinstein said that the overall rating among bus and rail customers declined slightly compared to last quarter and that for rail, NJ

TRANSIT went from a 4.2 to a 4.1; and for bus, scores dipped from a 5.6 to a 5.4.

Executive Director Weinstein noted the overall scores for light rail held steady from last quarter at 6.7, as did the rating for Access Link, NJ TRANSIT's paratransit service for customers with disabilities, at an 8.1.

Executive Director Weinstein reiterated that the Scorecard and customer surveys will put the spotlight on the areas we most need to improve, and based on input from the latest survey, NJ TRANSIT will continue to focus our resources on such areas as on-time performance, handling of service disruptions and reliability.

Executive Director Weinstein thanked our customers for participating in these surveys, and welcomes their continued participation to help NJ TRANSIT do better.

Executive Director Weinstein said he understand that there are many influences around surveys and that the October snow storm and on time performance from the Port Authority Bus Terminal may have had an impact on the overall customer experience.

Executive Director Weinstein stated that it is his hope that NJ TRANSIT's stronger performance in December and January on the rail side with a record 96.6 percent on-time performance in December...and a 96.8 percent on-time performance in January, the second highest performance for January in our history, will help to "move the needle" on the next customer survey, which will be conducted from February 21 through March 12.

Executive Director Weinstein noted that for the fiscal year to date, our on-time performance stands at 95.1 percent, higher than our Scorecard goal of 94.7 percent.

Executive Director Weinstein said he would personally like to offer his congratulations to the men and women of Rail Operations – led by Vice President and General Manager Kevin O'Connor - on a job well done.

Executive Director Weinstein said that for the bus side, NJ TRANSIT will be distributing frequently asked questions based on the "were listening" forum held last fall at the Port Authority Bus Terminal with the hope that this document will help explain the complexities of the largest bus facility in the nation...if not the world.

SOCIAL MEDIA

Executive Director Weinstein stated that in addition to on-time performance, another goal that remains particularly in focus is improving customer

communications – a key factor in making NJ TRANSIT an even more attractive and convenient travel option.

Executive Director Weinstein said that for the past several years, NJ TRANSIT has been engaged in an ongoing effort to use technology to improve the way customers access travel information. He noted that as part of this series of initiatives, last year automatic My Transit alert feeds were launched on Twitter, enabling customers to “follow” any of 13 Twitter feeds, one for each of NJ TRANSIT’s rail and light rail lines and two feeds for bus service.

Executive Director Weinstein said that while integrating our travel advisory system with the popular social media site expanded the reach of My Transit, it represented only the tip of the iceberg in terms of tapping into social media as a communication tool.

Executive Director Weinstein said that he is pleased to announce that NJ TRANSIT has finally and completely entered the world of social media.

Executive Director Weinstein advised Chairman Simpson for the last several months, NJ TRANSIT has placed an enhanced focus on building the social media platform to expand our reach, providing customers yet another tool by which to access travel information and contact us.

Executive Director Weinstein stated that NJ TRANSIT, lead by the Public Information teams, has constructed and launched a new Facebook page as well as revamped and relaunched YouTube and Twitter feeds – all while utilizing existing staff and existing budget resources.

Executive Director Weinstein said that with the rise of social media providing people with instant access to news, often at the very moment it is unfolding, our customers themselves are often the source of breaking NJ TRANSIT news, particularly when it comes to delays and service disruptions. He noted that at the very moment a train loses power, NJ TRANSIT knows that the customers are tweeting it, offering a firsthand account.

Executive Director Weinstein advised that NJ TRANSIT knows that on average customers are talking about NJ TRANSIT through some form of social media about every five minutes.

Executive Director Weinstein said for this reason, it was important for NJ TRANSIT to join this important conversation as it allows the ability to see what customers are saying...as well as the ability to respond.

Executive Director Weinstein added that it also offers another means of proactively sending out news and messages to customers.

Executive Director Weinstein said that this is seen as a natural step that will enhance the ability to effectively communicate, which is a key component of the customer surveys and Scorecard initiative.

Executive Director Weinstein stated that it has become clear that customers prefer to communicate with NJ TRANSIT on their own terms, utilizing their own preferred method of communication.

Executive Director Weinstein noted that by embracing social media, customers are being empowered to build a unique, interactive relationship with NJ TRANSIT, developing a stronger sense of engagement on both sides.

Executive Director Weinstein stated that to that end, today an official NJ TRANSIT Facebook page that will be used to announce NJ TRANSIT events, promote marketing campaigns and help drive discussions among customers is being launched. He said that the team has posted photos and informational videos that will give customers the chance to see aspects of NJ TRANSIT they may not be familiar with and on which they will have the opportunity to share their own experiences.

Executive Director Weinstein noted that we are also launching a Twitter profile — @NJ_TRANSIT (at NJ underscore Transit) — to serve as the official social media “face” of the agency. He stated that unlike the automatic Twitter feeds that are generated via My Transit alerts, this profile will actually be operated and monitored by staff, enabling NJ TRANSIT to jump right into the discussion as it happens.

Executive Director Weinstein mentioned that by fully tapping into the ever growing world of social media, he is confident that NJ TRANSIT will be better equipped to meet our customers’ expectations, enhance their overall experience and improve communications, particularly during service disruptions.

Executive Director Weinstein stated that he encourages both customers and employees to “like” the new, official NJ TRANSIT page on Facebook...and to follow us on Twitter.

VP/GM BUS OPERATIONS

Executive Director Weinstein advised Chairman Simpson that for the Board’s consideration today is an item that would authorize the appointment of Joyce Gallagher as Vice President and General Manager of NJ TRANSIT Bus Operations, which Joyce has been serving as in an “Acting” capacity since December.

Executive Director Weinstein stated that managing NJ TRANSIT's statewide bus network—a network of more than 240 bus routes serving nearly 400 municipalities, with the second-largest bus fleet in the nation, and serving nearly two-thirds of our total customer base—is certainly a monumental challenge.

Executive Director Weinstein commended Joyce on being a highly-respected professional with more than 37 years of experience in the transportation industry...including a long and distinguished history of service at NJ TRANSIT...Joyce is not only highly qualified for the job – but the right choice.

Executive Director Weinstein added that Joyce Gallagher previously served as NJ TRANSIT's Chief of Contracted Services, and has also held leadership positions within the Bus and Light Rail divisions, as well as at PATCO and NJDOT.

Executive Director Weinstein stated that as VP/GM, Joyce will zero in on the chief tenets of NJ TRANSIT's Scorecard initiative, including improving the customer experience, enhancing productivity, and reducing reliance on taxpayer subsidy.

Executive Director Weinstein said that he is confident that she will rise to the challenges associated with keeping the bus network moving to serve the nearly 540,000 passenger trips seen on a typical weekday.

RETIREMENT OF BOB KOSKA

Executive Director Weinstein advised Chairman Simpson that he would like to turn to NJ TRANSIT's outgoing Director of Local Programs and Minibus Support Bob Koska who has announced his retirement following more than 30 years of dedicated service to NJ TRANSIT.

Executive Director Weinstein made note that in addition to Bob's successful work with our AccessLink paratransit service, Bob has also represented NJ TRANSIT with honor as the New Jersey State Delegate to the Community Transportation Association of America.

Executive Director Weinstein advised Chairman Simpson that he would like to honor Bob for his exemplary service to NJ TRANSIT. He then asked Mr. Koska to join him at the podium as he read and presented the expression of appreciation.

PRESENTATION: VIDEO ON RAIL SAFETY

Chairman Simpson noted that New Jersey is a highly populated state. He advised that this year has been a bad year for accidents in general for the state of New Jersey. Simpson Chairman stated that although the number of accidents

has been decreasing, one accident is one too many and should not occur. He mentioned that the three teenagers killed last year in a 48-hour period were trespassing, but that what happened was not justifiable. Chairman Simpson said that everyone said pedestrians and vehicles do not mix, but asked everyone to think about how a train moving 60 mph on a fixed course that cannot swerve to avoid anything in its course mixes with people. He said that kids have a fascination with trains and that for this reason it is important to educate them. Chairman Simpson said that the video being presented was put together by qualified agencies throughout the state of New Jersey made up of 50 individuals and three subcommittees. Chairman Simpson said that education begins at home and at school and that is why rail is expanding its educational programs. He explained that trespassing is illegal as well and that engineers are reporting on sites where trespassing occurs to prevent future accidents. Chairman Simpson then introduced the video.

Video presentation was played.

Chairman Simpson advised that the video presentation was a longer version of a public service announcement and that it is one of forty things being done across a wide spectrum to enhance rail safety.

1202-01: APPOINTMENT OF VICE PRESIDENT AND GENERAL MANAGER: NJ TRANSIT BUS OPERATIONS, INC., GENERAL MANAGER NJ TRANSIT MERCER, INC., GENERAL MANAGER: NJ TRANSIT MORRIS, INC.

Executive Director Weinstein advised Chairman that the first item on the agenda is the appointment of Joyce Gallagher to the position of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc. and General Manager of NJ TRANSIT Mercer and NJ TRANSIT Morris. Ms. Gallagher has served in an Acting capacity in those positions since December 2011. Ms. Gallagher has more than 37 years experience in the transportation industry, with a long and distinguished history of service at NJ TRANSIT. Ms. Gallagher's previous position was Chief of Contract Services and she has held leadership positions in the Bus and Light Rail Divisions as well as at PATCO and the New Jersey Department of Transportation.

Authorization is requested to appoint Joyce Gallagher to the position of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., and General Manager of NJ TRANSIT Mercer and NJ TRANSIT Morris, Inc. at an annual salary of \$175,000, together with NJ TRANSIT's standard at-will employee benefits.

**1202-05: MATAWAN – LEASE OF LAND ALONG FREEHOLD BRANCH
RIGHT OF WAY**

Authorization to enter into a lease with Laurdan Realty, LLC for a 17,582 square foot parcel of land to be used for parking, a driveway, and other uses related to the adjacent retail center at an initial annual base rent of \$5,978 and increasing at a rate of 1.25 percent annually for a period of 20 years.

1202-06: ADVERTISING REVENUE CONTRACT EXTENSION

Authorization to extend for six months NJ TRANSIT's advertising revenue contract with Titan Outdoor of New York City in consideration of Titan's (a) payment to NJ TRANSIT of the prorated minimum annual guarantee of not less than \$750,000 per month, totaling not less than \$4,500,000 for the extension period, (b) payment to NJ TRANSIT of 60 percent of net revenue above the prorated minimum annual guarantee of not less than \$4,500,000, and (c) maintaining its \$2,400,000 letter of credit in favor of NJ TRANSIT.

Chairman Simpson stated the recusal of Board Member Bruce M. Meisel from 1202-03 and his own recusal for 1202-06.

The Consent Calendar was moved in its entirety by Flora Castillo, seconded by James C. Finkle, Jr. and adopted by the remaining Board Members.

Chairman Simpson commented on the 1.25% annual rate questioned during the public speaker comment period. He stated that the rate was looked into and that he did not want to second-guess management's work and believes that bargaining was done in good faith. Chairman Simpson noted that it is a piece of property not currently in use, that can only be used by the person who it is being rented to, and that it is land that can be retrieved instantly.

Chairman Simpson asked the Board if there were any issues or topics they would like to discuss prior to leaving Open Session.

Board Member Bruce M. Meisel said that he would like to mention the meetings held about a week and a half ago in Tenafly and Englewood. He said that he was born and raised in Ridgefield and has been a lifelong resident of Bergen County so that he is familiar with the area in which the project is being proposed. Board Member Meisel said that Hudson County is different from Bergen County as it is a more urban area so residents are less reliant on automobiles where as Bergen County was developed later and is more reliant on automobiles. He said that the light rail through Hudson County is like an above ground subway and that Bergen County is like a Park and Ride. Board Member Bruce M. Meisel

stated that Tenafly was not receptive to the idea of the light rail, but assured them that their comments have been heard and as well as noted by himself and other Board members. He mentioned that he is a proponent of the project and that the materials are being read in order to make an informed and intelligent decision.

Chairman Simpson concluded the open session agenda items and requested a motion to enter Executive Session to discuss contract negotiations, attorney-client, litigation and personnel matters. A motion was made by James C. Finkle, Jr., seconded by Flora Castillo and unanimously adopted.

Chairman Simpson and Board Members Meisel, Egea, Petrecca, Castillo and Finkle returned to open session at approximately 4:00 p.m.

Adjournment

Since there was no further business in open session, Chairman Simpson called for adjournment. A motion to adjourn was made by Bruce M. Meisel, seconded by James C. Finkle, Jr. and unanimously adopted. The meeting was adjourned at approximately 4:02 p.m.

Flora Castillo moved the resolution, Myron P. Shevell seconded it and it was unanimously adopted.

1202-02: PAINTING OF MORGAN DRAWBRIDGE ON THE NORTH JERSEY COAST LINE, MIDDLESEX COUNTY, NEW JERSEY

Executive Director Weinstein said that NJ TRANSIT owns, operates and maintains the undergrade, moveable bridge on the North Jersey Coast Line known as Morgan Drawbridge. In the last few years, structural components and the mechanical system have been repaired or replaced. The bridge now requires painting which will complete the current cycle of repairs to the bridge and extend the life of the structure. The painting of Morgan Drawbridge’s steel structure will remove the existing lead-based paint, remediate rusting and other forms of corrosion and bring the bridge to a state of good repair. The new painting system is expected to last about 15 years.

Authorization is requested to contract with Allied Painting of Cherry Hill, New Jersey to perform the lead abatement and painting of Morgan Drawbridge on the North Jersey Coast Line in Middlesex County, New Jersey at a cost not to exceed \$1,631,000, plus five percent for contingencies.

James C. Finkle, Jr. moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

Executive Director Weinstein presented the following Consent Calendar for approval:

1202-03: LABOR NEGOTIATIONS SPECIAL COUNSEL

Authorization to compensate the law firm of McElroy, Deutsch, Mulvaney & Carpenter, LLP as special counsel to NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Bus Mercer, Inc., and NJ TRANSIT Bus Morris, Inc., through the period ending June 30, 2016 with respect to the aforementioned services at an amount not to exceed \$500,000, subject to the availability of funds.

1202-04: AMENDED BOARD ITEM 1105-20: INFORMATION TECHNOLOGY AUDIT SERVICES AGREEMENTS

Authorization to amend Board Item 1105-20, Information Technology Audit Service Agreements to rescind the award of the contract to Grant Thornton, LLP and to award a contract to Protiviti, Inc. for the performance of co-sourced IT audit services.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
RE-SCHEDULED BOARD OF DIRECTORS' MEETINGS

FEBRUARY 8, 2012

MINUTES	PAGE
➤ CALL TO ORDER	-
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	43926
➤ PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS	-
➤ BOARD MEMBER COMMENTS	-
➤ ADVISORY COMMITTEE REPORT	-
➤ SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT SCHEDULED REPORT JUNE 2012)	-
➤ BOARD COMMITTEE REPORTS	-
*Administration Committee	
*Capital Planning, Policy & Privatization Committee	
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	43927

ACTION ITEMS

1202-01	APPOINTMENT OF VICE PRESIDENT AND GENERAL MANAGER: NJ TRANSIT BUS OPERATIONS, INC., GENERAL MANAGER: NJ TRANSIT MERCER, INC., GENERAL MANAGER: NJ TRANSIT MORRIS, INC.	43950
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Authorization is requested to appoint Joyce C. Gallagher to the position of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., and General Manager of NJ TRANSIT Mercer, Inc., and General Manager of NJ TRANSIT Morris, Inc. at an annual salary of \$175,000, together with NJ TRANSIT's standard at-will employee benefits.

1202-02	PAINTING OF MORGAN DRAWBRIDGE ON THE NORTH JERSEY COAST LINE, MIDDLESEX COUNTY, NEW JERSEY	43953
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Authorization to contract (11-086X) with Allied Painting of Cherry Hill, New Jersey to perform the lead abatement and painting of Morgan Drawbridge on the North Jersey Coast Line in Middlesex County, New Jersey at a cost not to exceed \$1,631,000, plus five percent for contingencies, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
RE-SCHEDULED BOARD OF DIRECTORS' MEETINGS
FEBRUARY 8, 2012
MINUTES
PAGE 2

CONSENT CALENDAR

1202-03 LABOR NEGOTIATIONS SPECIAL COUNSEL 43957

Authorization to compensate the law firm of McElroy, Deutsch, Mulvaney & Carpenter, LLP as special counsel to NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Bus Mercer, Inc., and NJ TRANSIT Bus Morris, Inc., through the period ending June 30, 2016 with respect to the aforementioned services at an amount not to exceed \$500,000, subject to the availability of funds.

1202-04 AMENDED BOARD ITEM 1105-20: INFORMATION TECHNOLOGY AUDIT SERVICES AGREEMENTS 43960

Authorization to amend Board Item 1105-20, Information Technology Audit Service Agreements to rescind the award of the contract to Grant Thornton, LLP and to award a contract to Protiviti, Inc. for the performance of co-sourced IT audit services.

1202-05 MATAWAN – LEASE OF LAND ALONG FREEHOLD BRANCH RIGHT OF WAY 43962

Authorization to enter into a lease with Laurdan Realty, LLC for a 17,582 square foot parcel of land to be used for parking, a driveway, and other uses related to the adjacent retail center at an initial annual base rent of \$5,978 and increasing at a rate of 1.25 percent annually for a period of 20 years.

1202-06 ADVERTISING REVENUE CONTRACT EXTENSION 43966

Authorization to extend for six months NJ TRANSIT's advertising revenue contract with Titan Outdoor of New York City in consideration of Titan's (a) payment to NJ TRANSIT of the prorated minimum annual guarantee of not less than \$750,000 per month, totaling not less than \$4,500,000 for the extension period, (b) payment to NJ TRANSIT of 60 percent of net revenue above the prorated minimum annual guarantee of not less than \$4,500,000, and (c) maintaining its \$2,400,000 letter of credit in favor of NJ TRANSIT.

➤ EXECUTIVE SESSION AUTHORIZATION 43969

➤ ADJOURNMENT

APPROVAL OF MINUTES

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors be approved by the Board; and

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the December 13, 2011 Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on December 15, 2011;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the December 13, 2011 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
James S. Simpson, Board Chairman
James Weinstein, Executive Director

NJ TRANSIT
One Penn Plaza East
Newark, NJ 07105-2246
973-491-7000

TO: BOARD OF DIRECTORS
FROM: JAMES W. WEINSTEIN 
DATE: FEBRUARY 8, 2012
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – FEBRUARY 2012

Last month, we experienced a fuel leak at our Washington Township Bus Garage in Turnersville, with an estimated 26,000 gallons of diesel fuel escaping from the facility's fuel storage tanks due to a failed gasket. We've worked closely with the State Department of Environmental Protection, together with Emergency Management officials in Gloucester and Camden counties, to mitigate the impact of the spill. Clean up efforts began immediately, with encroachment contained to three local lakes, and monitoring of air and drinking water has been continued by health officials, with no impacts or health concerns found. Our neighbors in Gloucester and Camden counties can be assured that NJ TRANSIT is committed to being a continued and consistent presence within the community as we work to alleviate the impact of the spill.

Today, we published the results of our latest quarterly customer survey as part of our Scorecard initiative. The survey again asked customers to consider 39 attributes of the system related to facilities, service, vehicles, communications and the overall experience using NJ TRANSIT, ranking items on a scale of 0 to 10, zero being unacceptable and 10 being excellent. In addition, customers were asked to identify the most important aspects of NJ TRANSIT service among the items they rated. Detailed survey results are available at njtransit.com.

The Scorecard and customer surveys will put the spotlight on the areas we most need to improve, and based on input from the latest survey, we will continue to focus our resources on such areas as on-time performance, handling of service disruptions and reliability. Of the more than 17,000 customers who participated in the November 2011 survey, two thirds said they were likely to recommend NJ TRANSIT to a friend or relative. This particular statistic is extremely important to us, as one of our goals is to have every customer continue to make the conscious decision to use our service to conduct life's daily business and recommend us to others. We want to thank our customers for participating in these surveys, and we welcome their continued participation to help us do better.

One of the goals that we remain particularly focused on is improving customer communications. For the last several months, we've placed an enhanced focus on building NJ TRANSIT's social media platform — utilizing existing staff and existing budget resources — to expand our reach, providing customers yet another tool by which to access travel information and contact us. With the rise of social media providing people with instant access to news, often at the very moment it is unfolding, our customers themselves are often the source of breaking NJ TRANSIT news, particularly when it comes to delays and service disruptions. In fact, we know that on average our customers are talking about NJ TRANSIT through some form of social media about every five minutes. For that reason, it was important for NJ TRANSIT to completely enter the world of social media and join this conversation, giving us not only the ability to see what our customers are saying, but the ability to respond.

To that end, today we are launching an official NJ TRANSIT Facebook page that will be used to announce events, promote marketing campaigns and help drive discussions among customers. The Facebook page, which includes photos and informational videos, will also give customers the opportunity to share their own experiences with our service. We are also launching a Twitter profile, @NJ_TRANSIT, to serve as the official social media "face" of the agency. Unlike the automatic Twitter feeds that are generated via My Transit alerts, this profile will actually be operated and monitored by staff, enabling NJ TRANSIT to jump right into the discussion as it happens. By embracing social media, we are empowering our customers to build a unique, interactive relationship with NJ TRANSIT, developing a stronger sense of engagement on both sides. Through our social media platform, NJ TRANSIT will be better equipped to meet our customers' expectations, enhance their overall experience and improve communications.

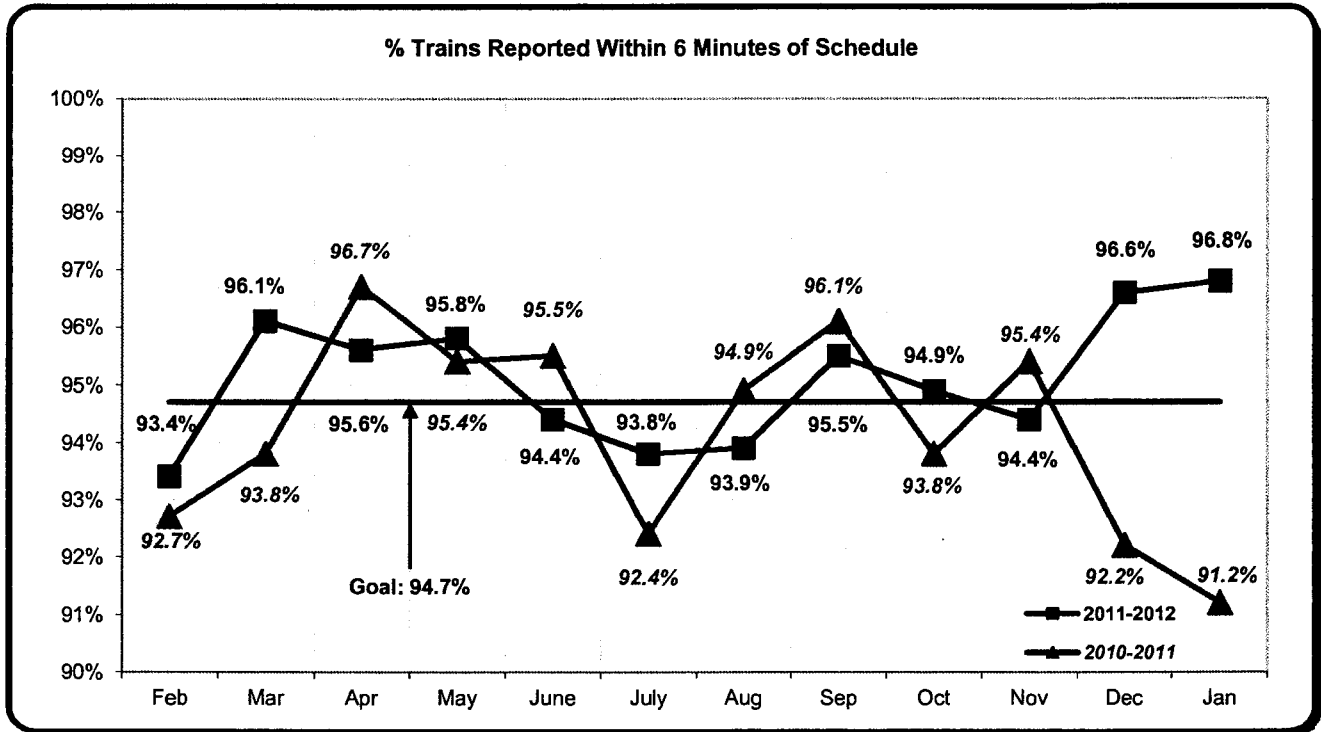
Finally, for the Board's consideration today is an item that would authorize the appointment of Joyce Gallagher as Vice President and General Manager of NJ TRANSIT Bus Operations, which Joyce has been serving as in an "Acting" capacity since December. Joyce is a highly-respected professional with more than 37 years of experience in the transportation industry, including a long and distinguished history of service at NJ TRANSIT. I'm confident that she will rise to the challenges associated with keeping the bus network moving to serve the nearly 540,000 passenger trips we see on a typical weekday.

EXECUTIVE DIRECTOR'S MONTHLY REPORT FEBRUARY 2012

- 1. PERFORMANCE MEASURES**
- 2. DBE/MBE PROGRAM**
- 3. EMPLOYEE RECOGNITION**

PERFORMANCE MEASURES

ON-TIME PERFORMANCE RAIL FEBRUARY 2010 - JANUARY 2012



	2011	2012	# Change
January Comparison	91.2%	96.8%	5.6%

	2010-2011	2011-2012	# Change
12-Month Average February - January	94.2%	95.1%	0.9%

Analysis:

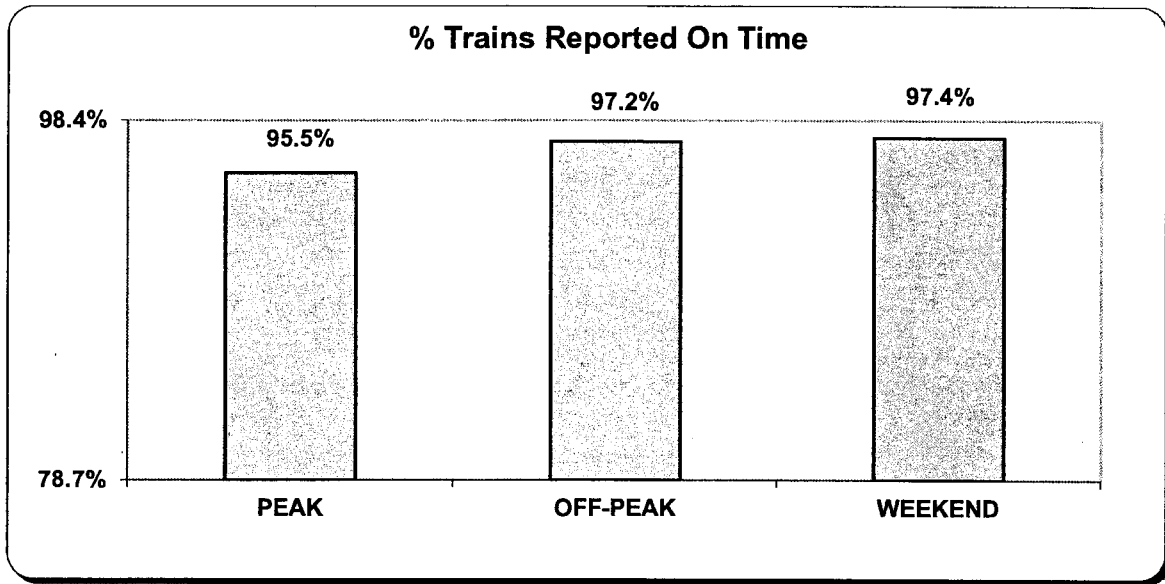
Rail On-Time Performance was 96.8% for January 2012. Of the 18,604 trains scheduled to operate, 18,008 were on time, while 596 trains (or 3.2%) were delayed. Key causes included:

- NJ TRANSIT equipment failures on January 1.
- NJ TRANSIT equipment failures and Amtrak scheduled maintenance on January 28.

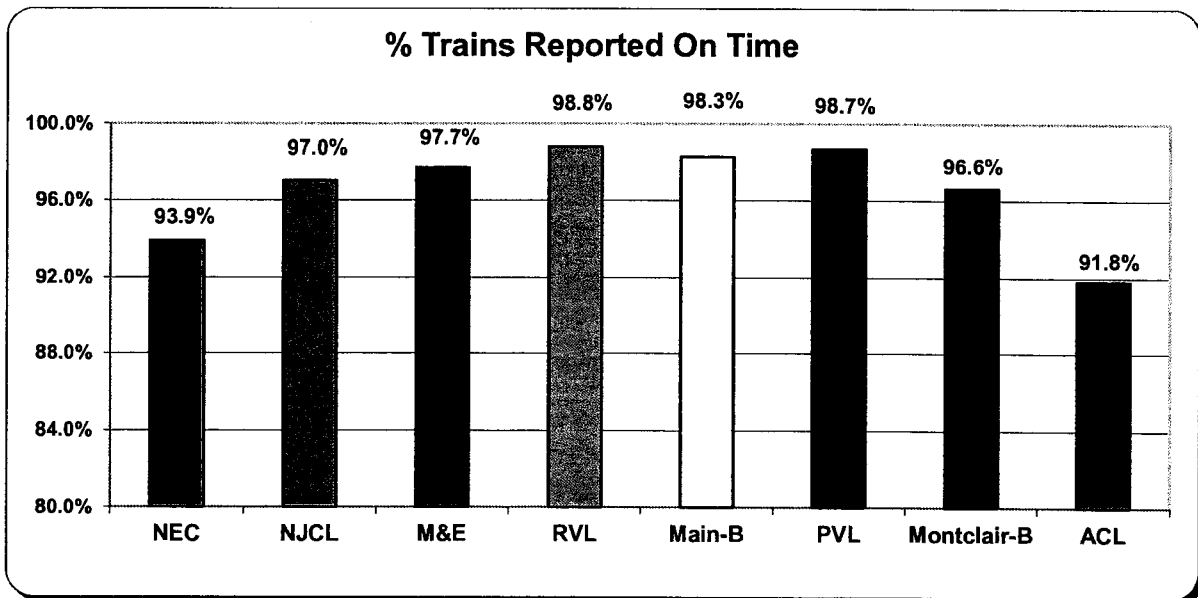
The 12-month average for Rail On-Time Performance for February 2011 - January 2012 was 95.1%.

ON-TIME PERFORMANCE RAIL

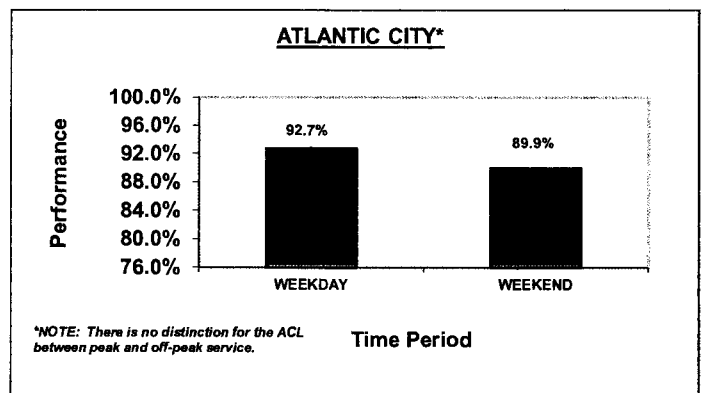
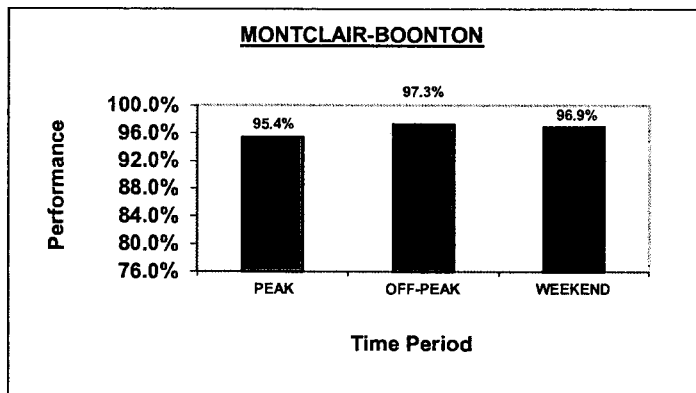
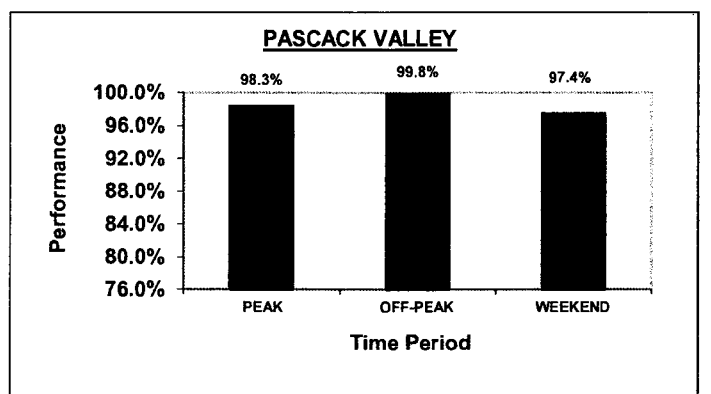
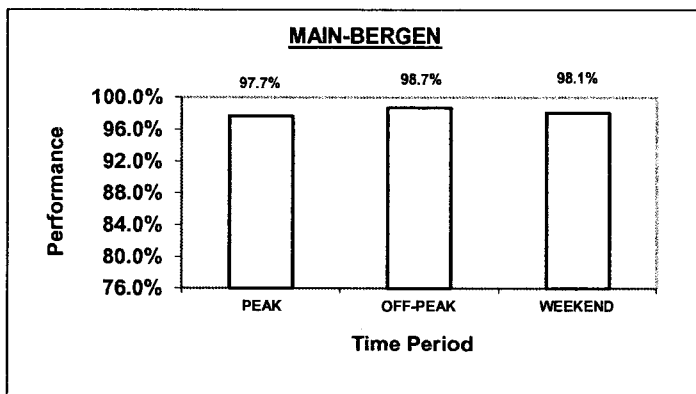
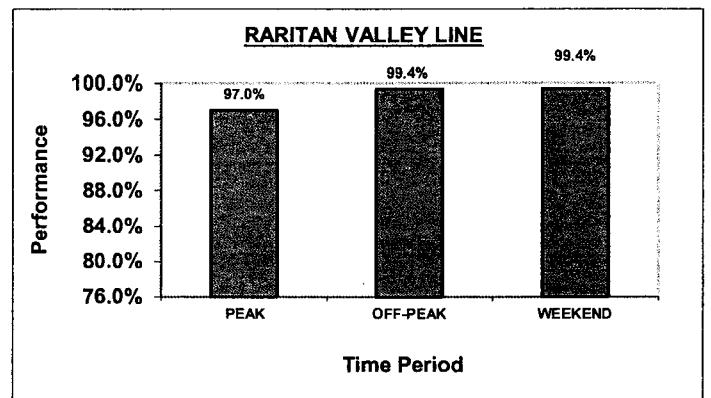
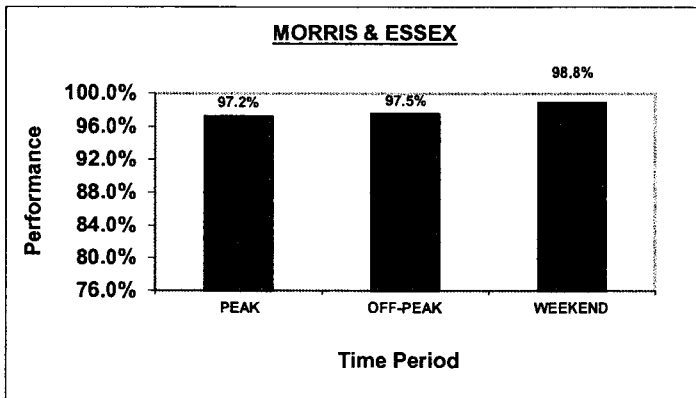
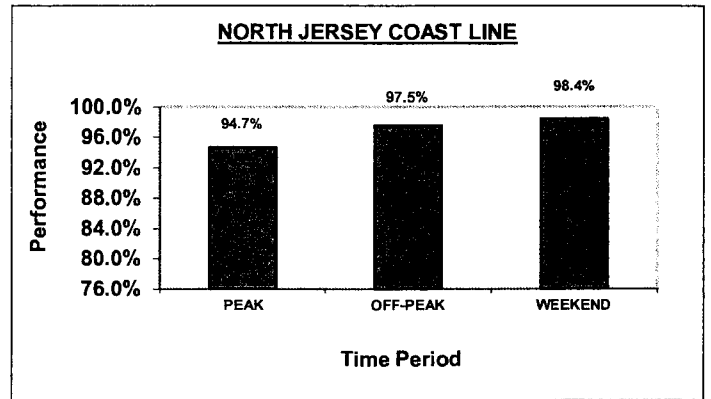
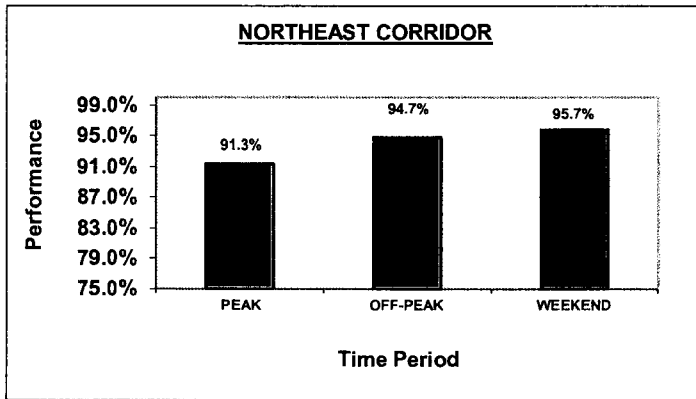
SUMMARY BY TIME PERIOD JANUARY 2012



SUMMARY BY LINE JANUARY 2012

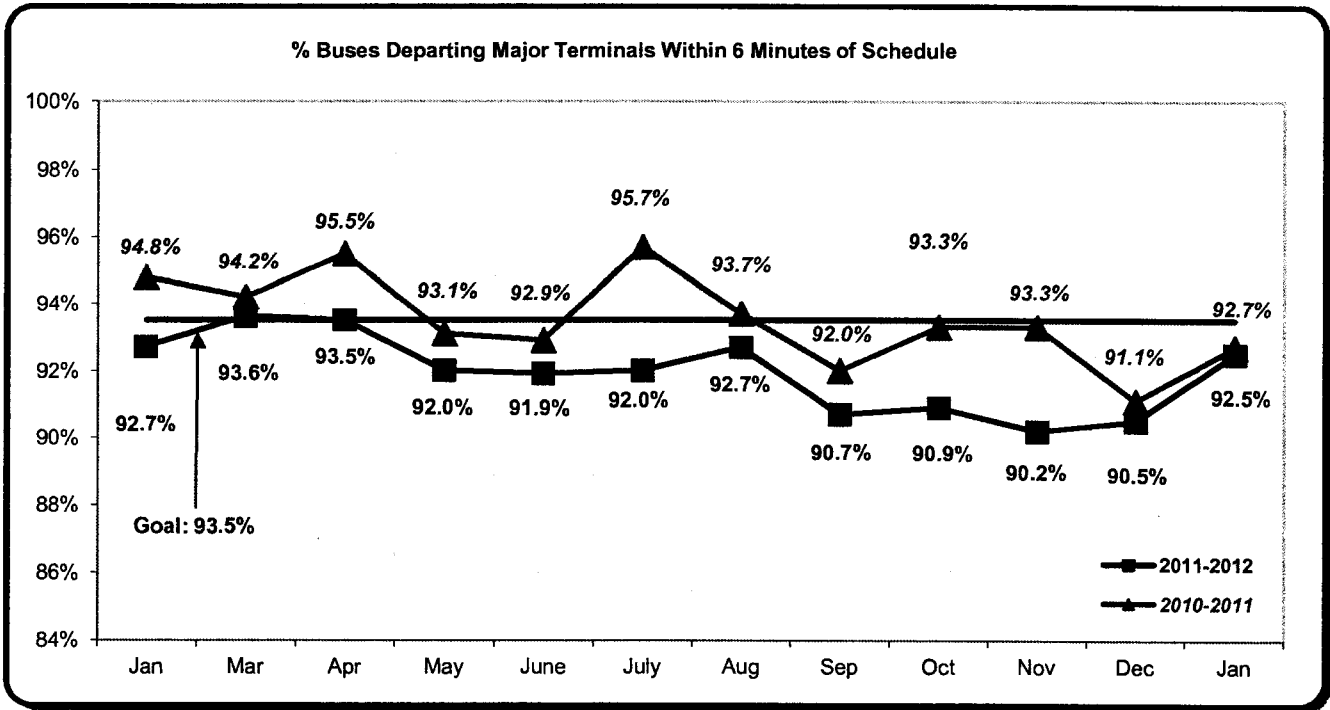


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JANUARY 2012



*NOTE: There is no distinction for the ACL between peak and off-peak service.

NJ TRANSIT ON-TIME PERFORMANCE BUS FEBRUARY 2010 - JANUARY 2012



	2011	2012	% Change
January Comparison	92.7%	92.5%	-0.2%

	2010-2011	2011-2012	% Change
12-Month Average February - January	93.5%	91.9%	-1.6%

Analysis:

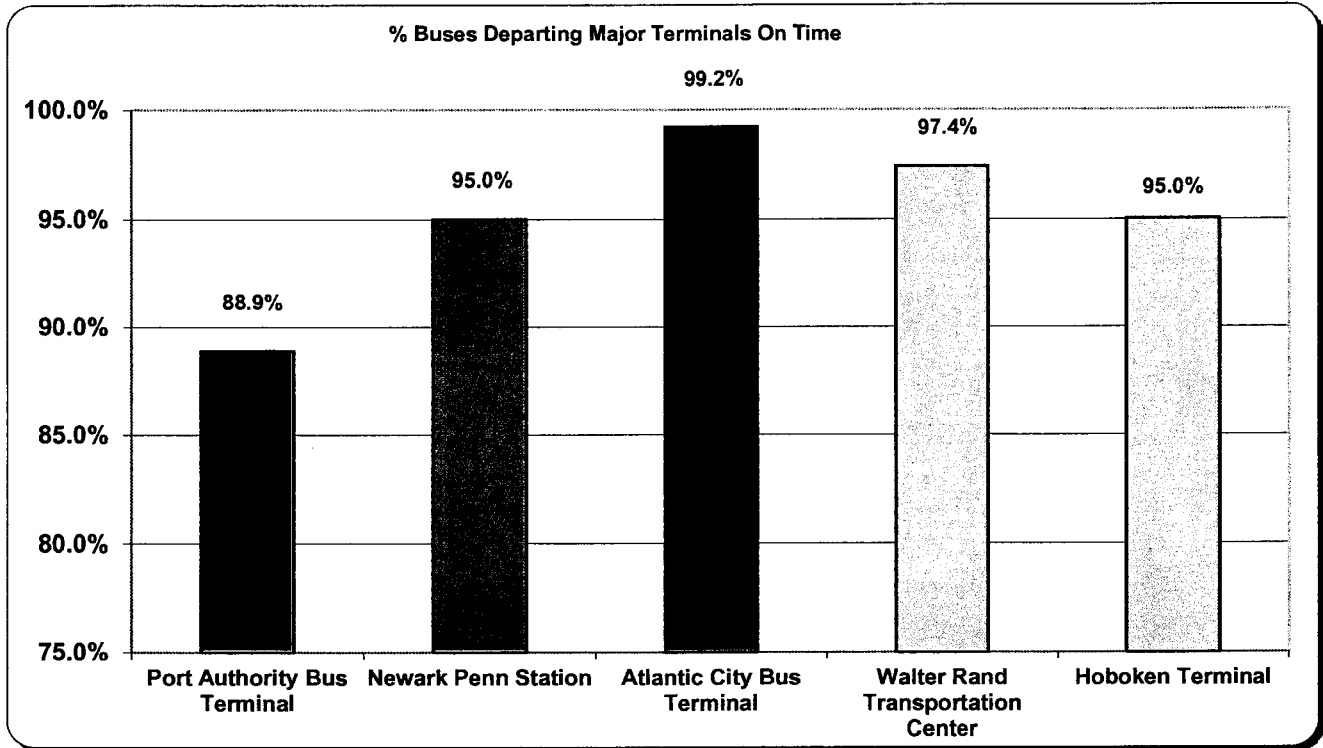
Bus On-Time Performance was 92.5% for January 2012. Of the 37,581 monitored departures, 2,801 (or 7.5%) experienced delays. Key causes included:

- Construction on an entrance ramp delaying Port Authority buses during the month of January.

The 12-month average for Bus On-Time Performance for February 2011 - January 2012 was 91.9%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL JANUARY 2012

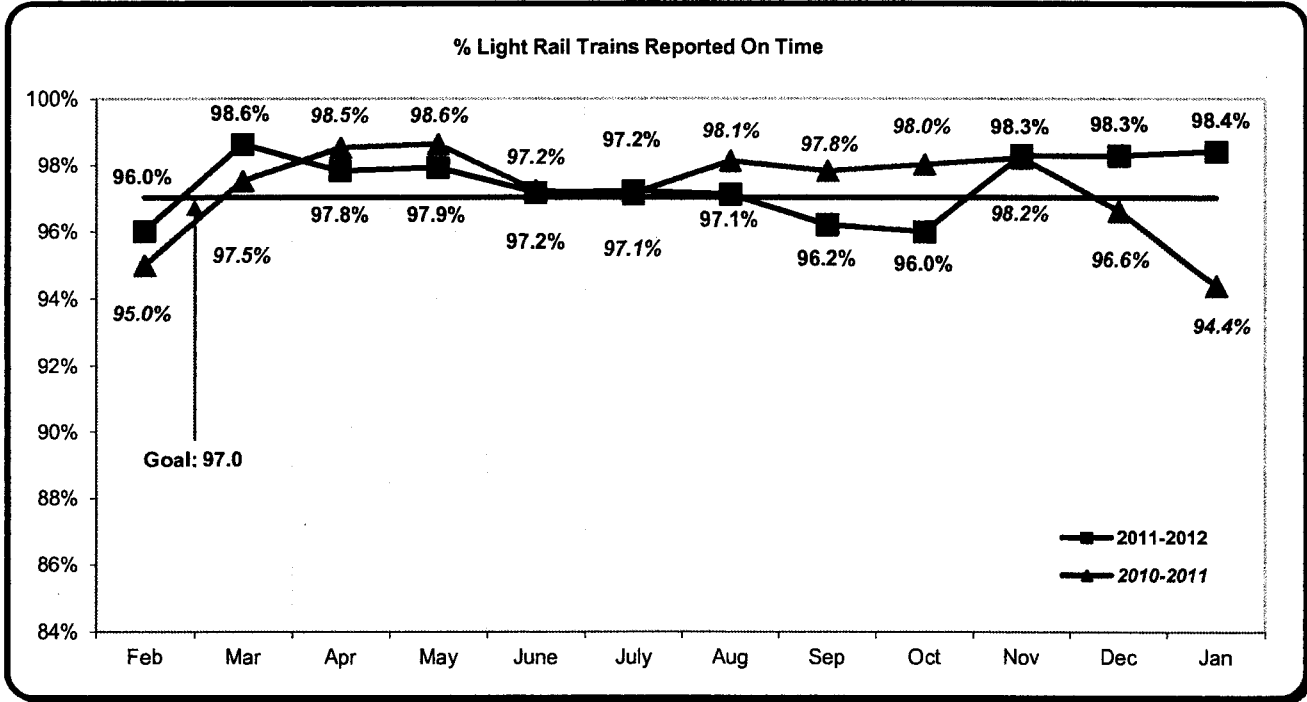


NJ TRANSIT

ON-TIME PERFORMANCE

LIGHT RAIL - SYSTEMWIDE

FEBRUARY 2010 - JANUARY 2012



*Note: Starting May 2007

	2011	2012	# Change
January Comparison	94.4%	98.4%	4.0%

	2010-2011	2011-2012	# Change
12-Month Average February - January	97.3%	97.4%	0.1%

Analysis:

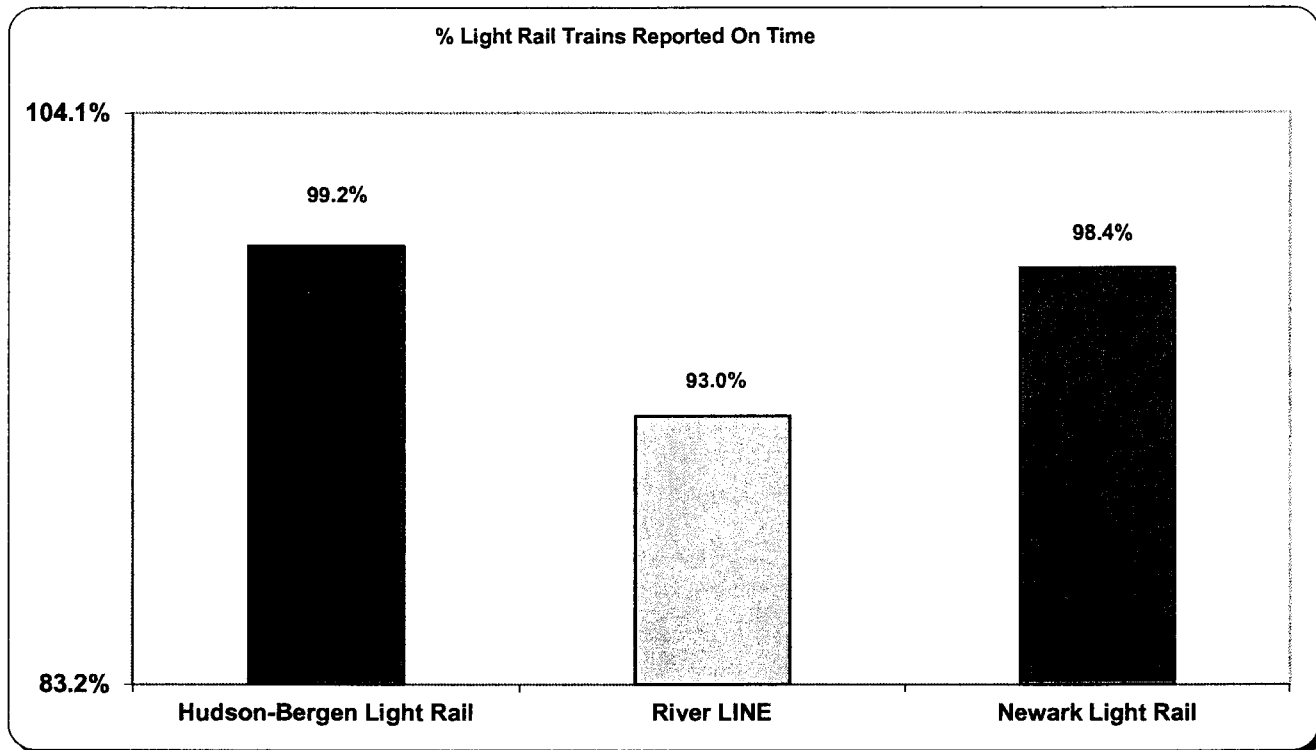
Light Rail On-Time Performance systemwide was 98.4% for the month of January 2012. Of the 25,963 scheduled trains, 429 (or 1.6%) experienced delays. Key causes included:

- Power failure affecting Newark Light Rail trains on January 17.
- Weather impacting River Line service on January 21.
- Police activity delaying HBLR trains on January 25.

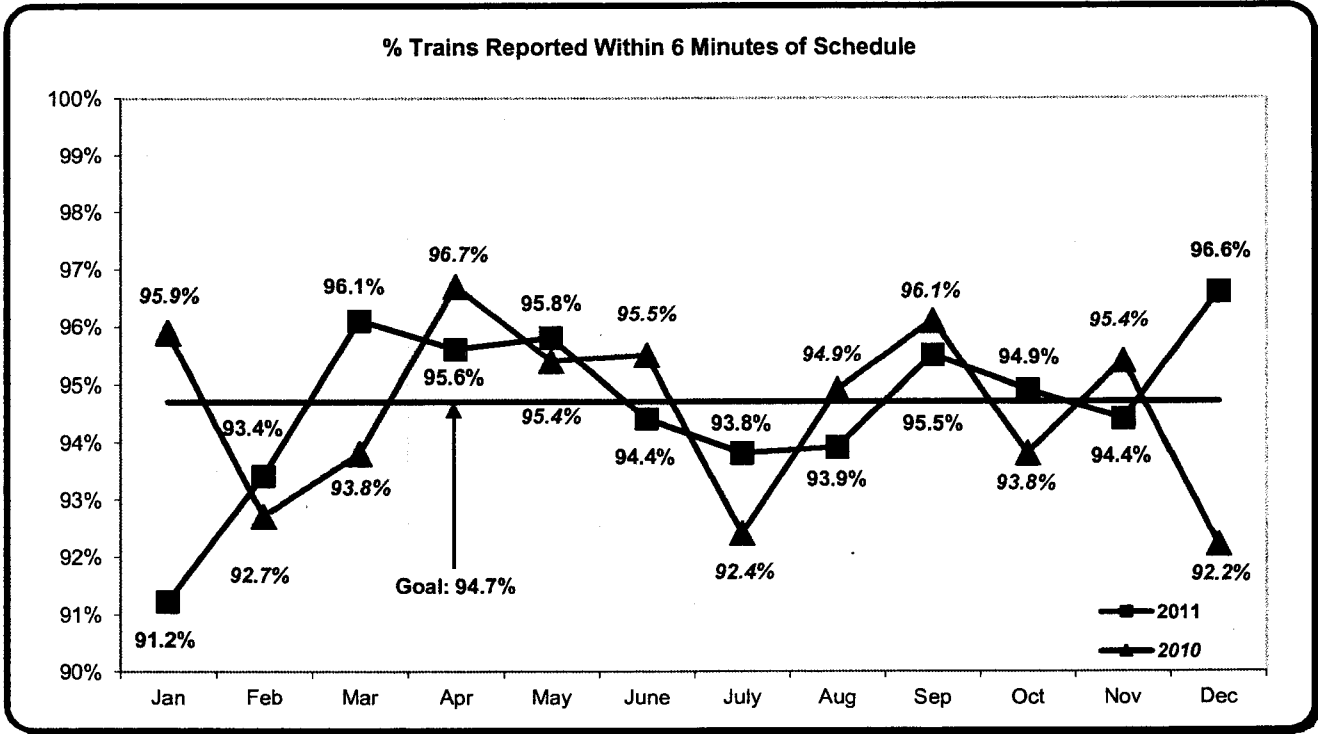
The 12-month average for Light Rail On-Time Performance for February 2011 - January 2012 was 97.4%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE JANUARY 2012



NJ TRANSIT ON-TIME PERFORMANCE RAIL JANUARY 2010 - DECEMBER 2011



	2010	2011	# Change
December Comparison	92.2%	96.6%	4.4%

	2010-2010	2011-2011	# Change
12-Month Average January - December	94.6%	94.6%	0.0%

Analysis:

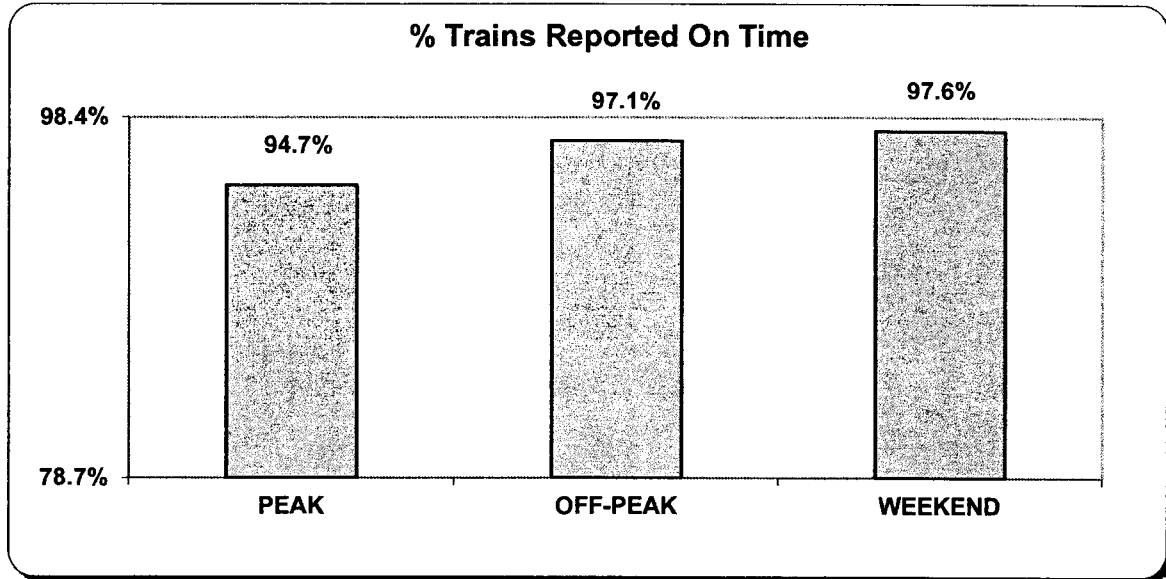
Rail On-Time Performance was 96.6% for December 2011. Of the 18,886 trains scheduled to operate, 18,236 were on time, while 650 trains (or 3.4%) were delayed. Key causes included:

- Vandalism on Amtrak resulting in loss of signal wire on December 14.
- Amtrak equipment failure and Portal Bridge openings on December 16 and 17.

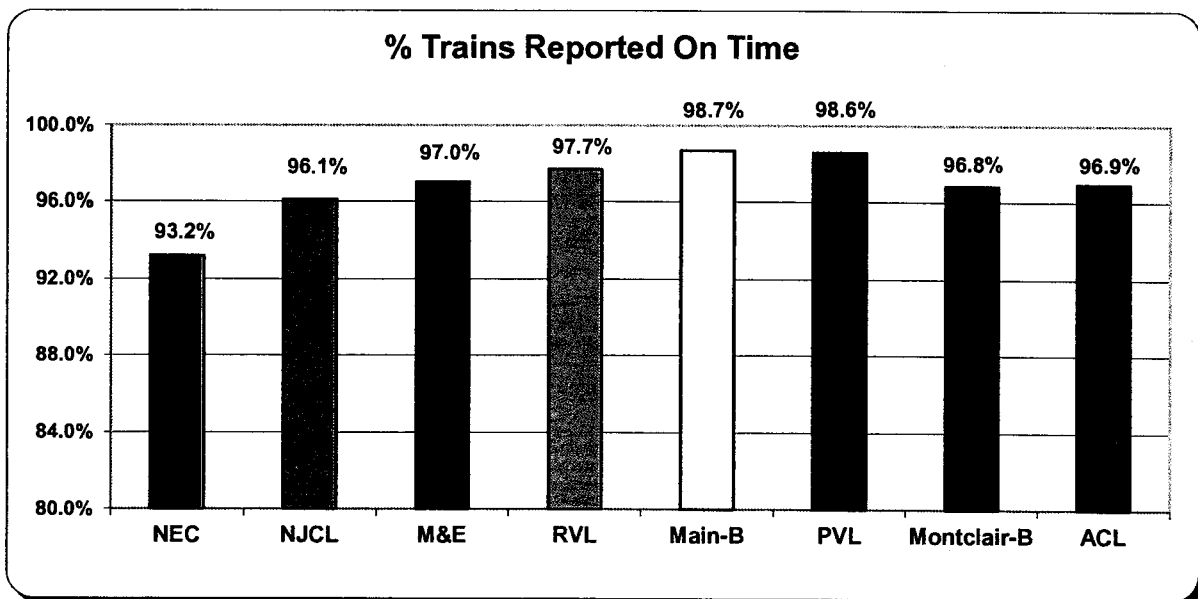
The 12-month average for Rail On-Time Performance for January 2011 - December 2011 was 94.6%.

ON-TIME PERFORMANCE RAIL

SUMMARY BY TIME PERIOD DECEMBER 2011

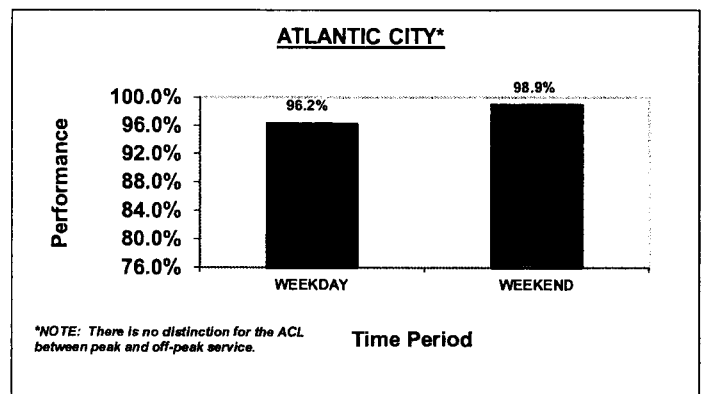
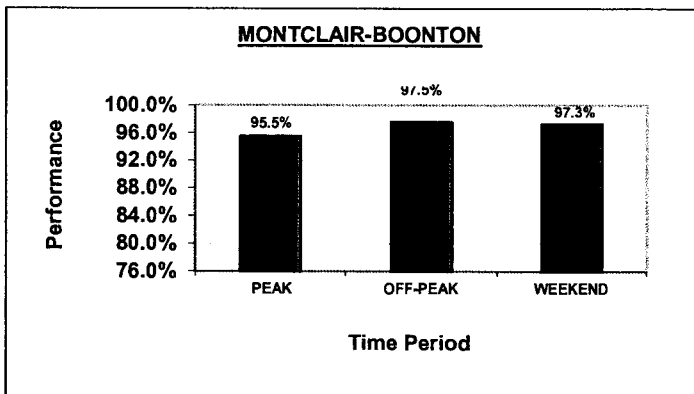
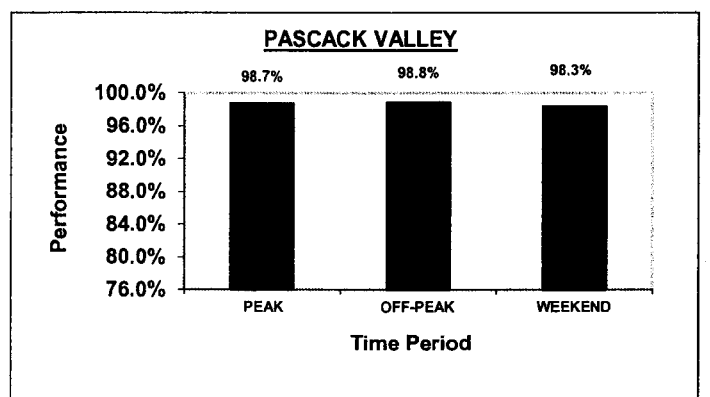
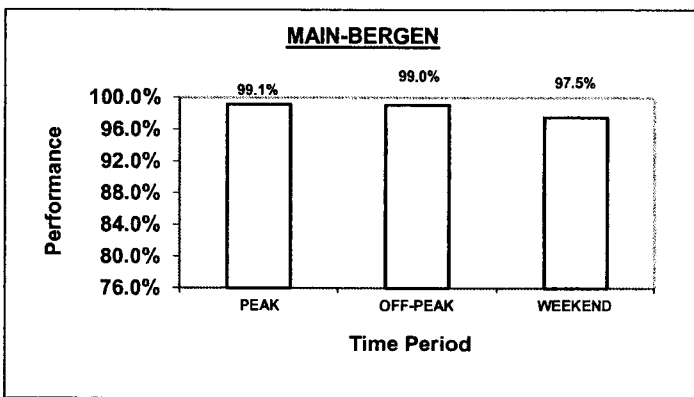
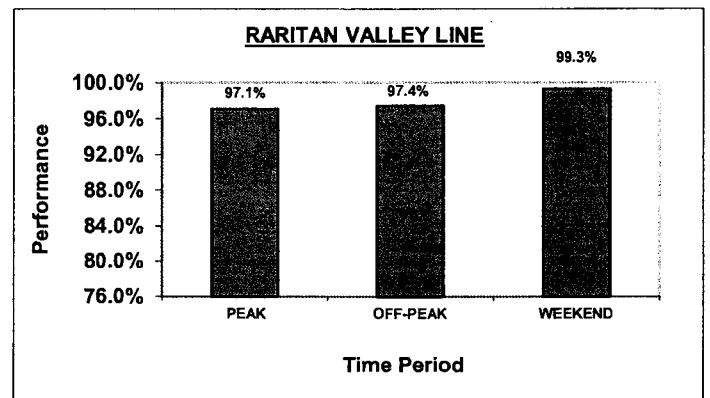
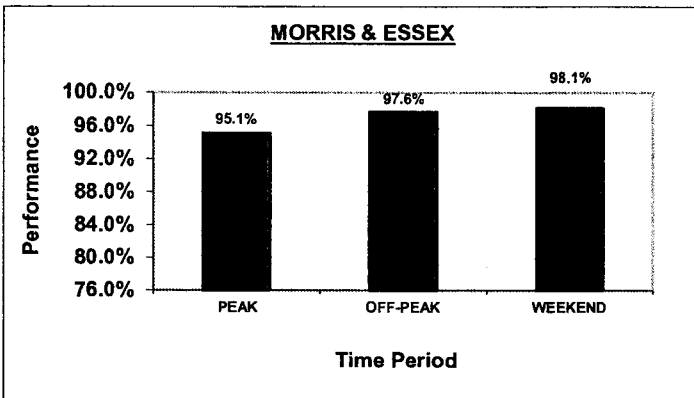
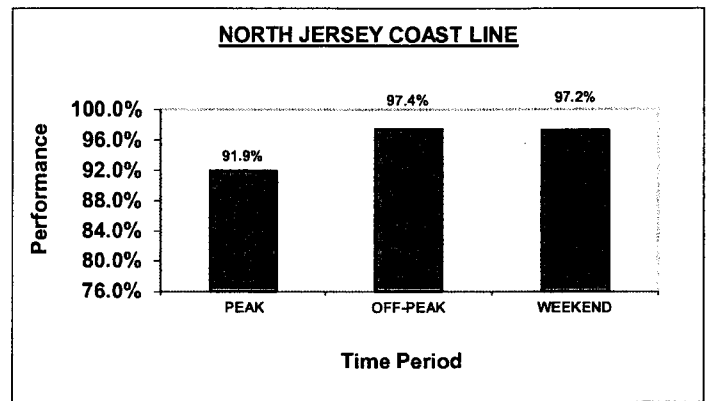
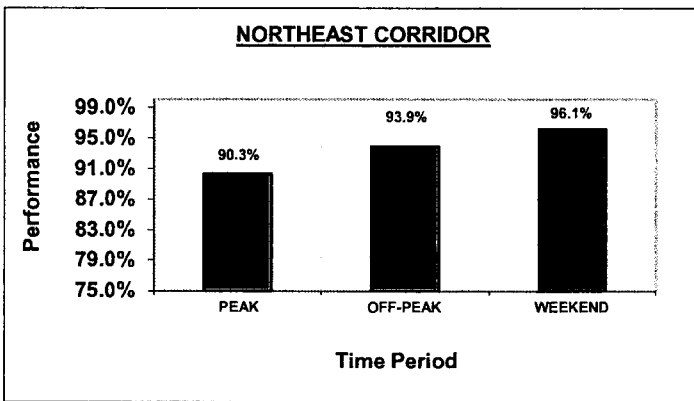


SUMMARY BY LINE DECEMBER 2011



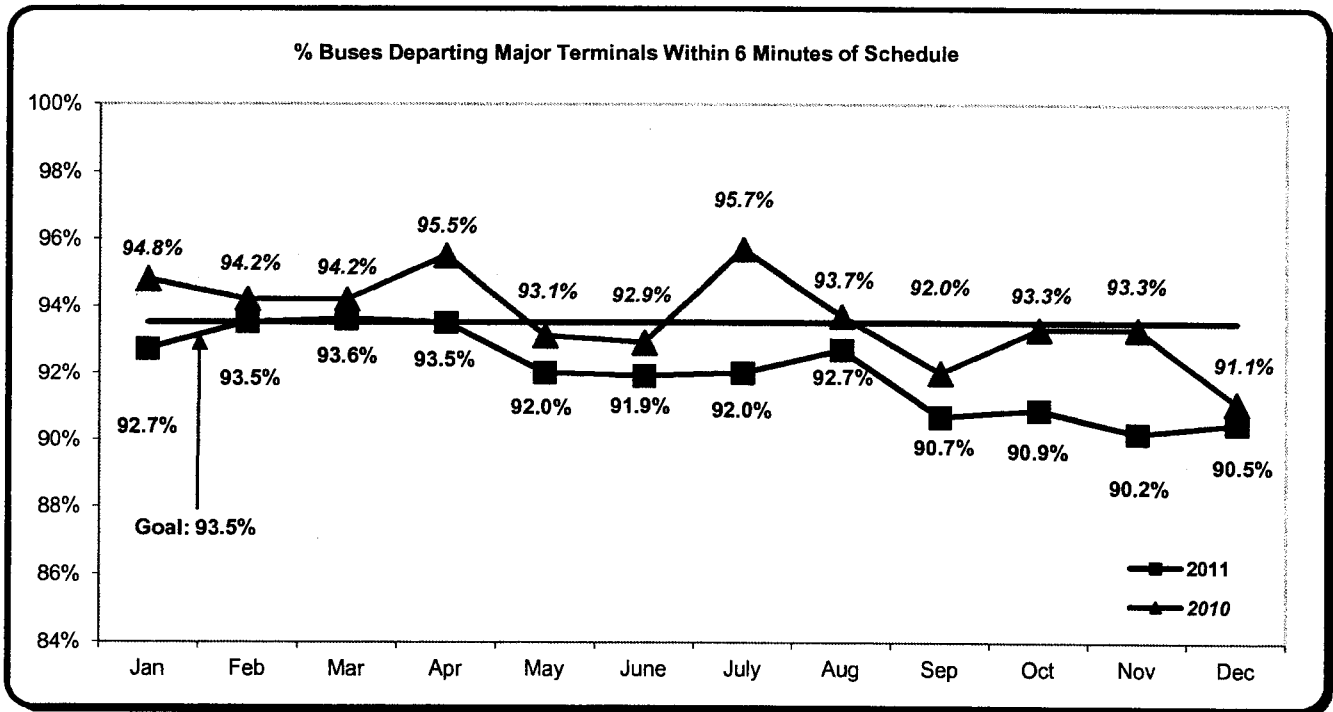
ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD DECEMBER 2011

43939



*NOTE: There is no distinction for the ACL between peak and off-peak service.

NJ TRANSIT ON-TIME PERFORMANCE BUS JANUARY 2010 - DECEMBER 2011



	2010	2011	% Change
December Comparison	91.1%	90.5%	-0.6%

	2010-2010	2011-2011	% Change
12-Month Average January - December	93.7%	92.0%	-1.7%

Analysis:

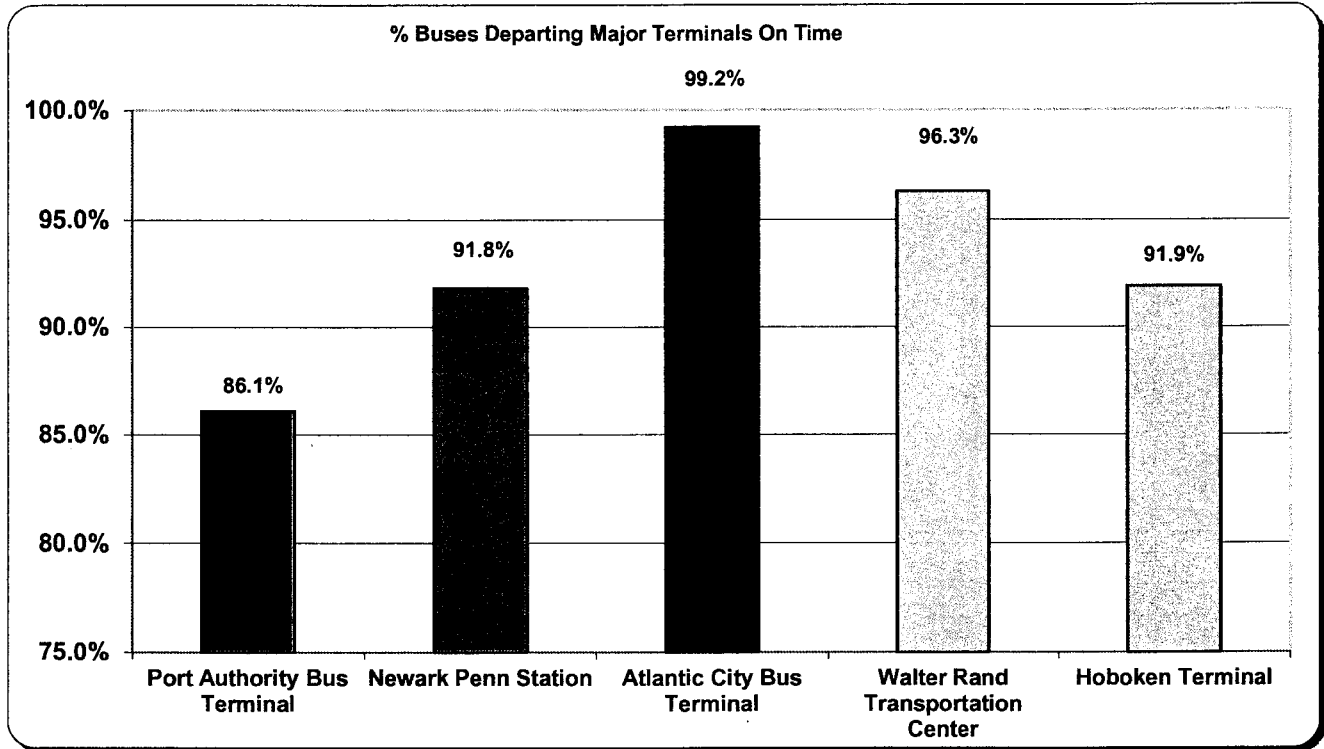
Bus On-Time Performance was 90.5% for December 2011. Of the 37,988 monitored departures, 3,627 (or 9.5%) experienced delays. Key causes included:

- Construction on an entrance ramp delaying Port Authority buses during the month of December.

The 12-month average for Bus On-Time Performance for January 2011 - December 2011 was 92.0%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL DECEMBER 2011

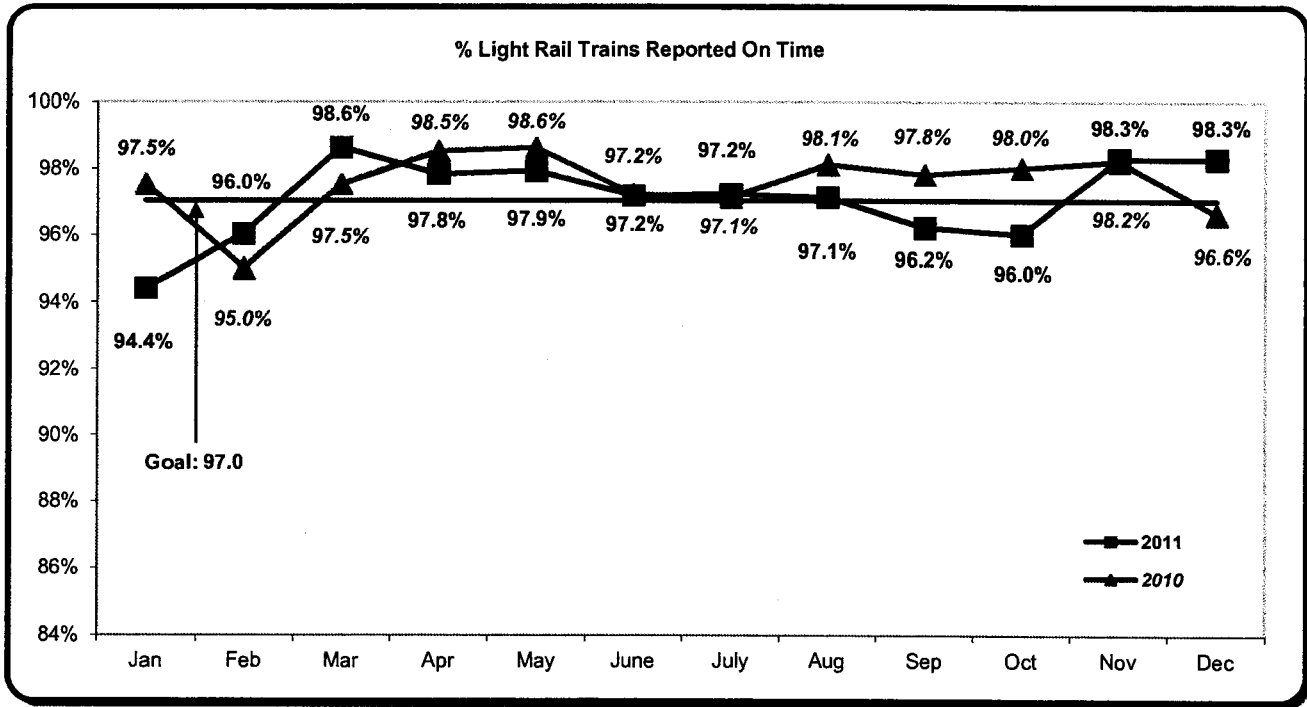


NJ TRANSIT

ON-TIME PERFORMANCE

LIGHT RAIL - SYSTEMWIDE

JANUARY 2010 - DECEMBER 2011



*Note: Starting May 2007

	2010	2011	# Change
December Comparison	96.6%	98.3%	1.7%

	2010-2010	2011-2011	# Change
12-Month Average January - December	97.5%	97.1%	-0.4%

Analysis:

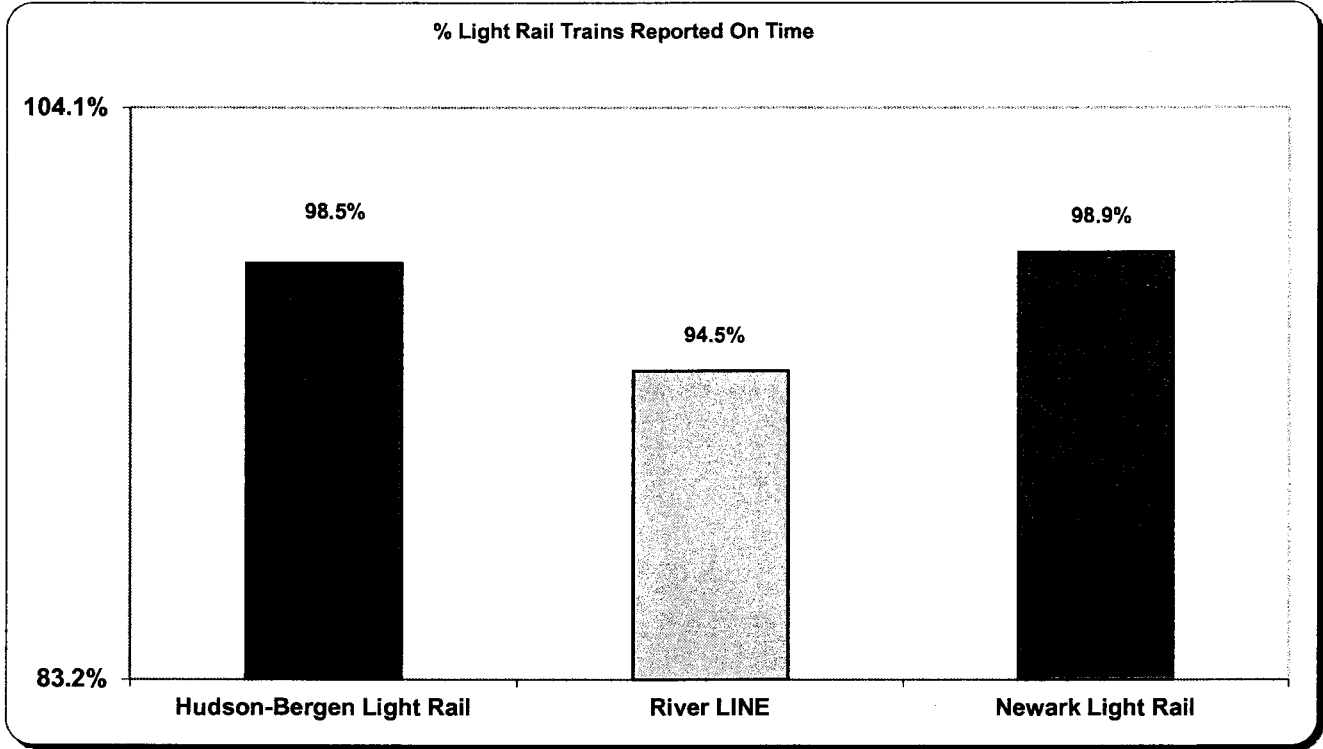
Light Rail On-Time Performance systemwide was 98.3% for the month of December 2011. Of the 26,324 scheduled trains, 457 (or 1.7%) experienced delays. Key causes included:

- Medical emergency affecting Newark Light Rail trains on December 2.
- Signal failure impacting River Line service on December 11.
- Auto accident in Jersey City delaying HBLR trains on December 23.

The 12-month average for Light Rail On-Time Performance for January 2011 - December 2011 was 97.1%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE DECEMBER 2011



DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Development DBE/SBE Participation

Federally Funded Contracts

NJ TRANSIT awarded \$3,068,500.00 in federal funds October thru December FY 12.* Disadvantaged Business Enterprises (DBEs) received \$499,858.65 or 16.29 percent in federal-funded contract dollars during this period from either race conscious and race neutral awards.

State Funded Contracts

NJ TRANSIT awarded \$33,793,805.65 in state-funded contract dollars July thru December FY 12. ** Of that total, Small Business Enterprises (SBEs) received \$7,807,451.41 or 22.50 percent. Category 1 SBEs received \$0 or 0 percent. Category 2 SBEs received \$0 or 0 percent. Category 3 SBEs received \$4,792,247.40 or 14.18 percent. Category 4 SBEs received \$0 or 0 percent. Category 5 SBEs received \$1,647,204.01 or 4.75 percent. Category 6 SBEs received \$1,368,000.00 or 5.26 percent. ***

Federal & State Contracts Total

NJ TRANSIT awarded \$905,764.00 in federal and state contract dollars during January reporting period. Of that total, \$39,664.01 or 4.38 percent of federal and state contract dollars were won by DBEs and SBEs.

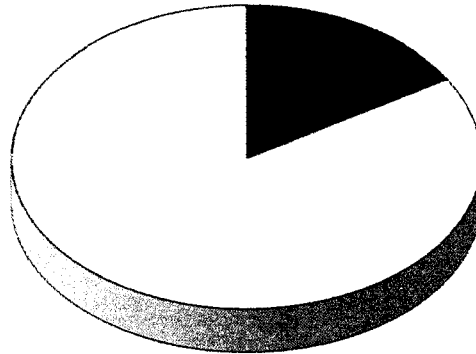
*Federal Fiscal year 2012 beginning October 1, 2011

**State Fiscal year beginning July 1, 2012

***Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000, Cat 6 (construction)-Up to \$33.5 million

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THRU DECEMBER FY12)***

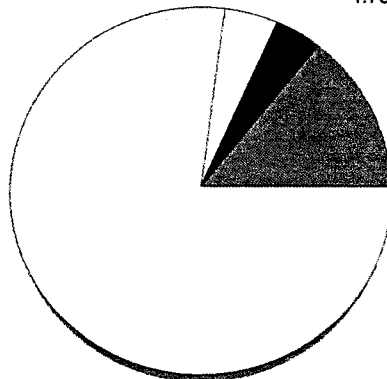
NON-DBE
FEDERAL
\$2,568,641.35
83.71%



DBE RACE
NEUTRAL & RACE
CONSCIOUS
\$499,858.65
16.29%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THRU DECEMBER FY12)****

NON-SBE STATE
\$26,892,118.24
77.50%



SBE-5
\$1,647,204.
4.75 %

SBE-4
\$0
0%

SBE-1
\$0
0%

SBE-2
\$0
0%

SBE-3
\$4,792,247.40
14.18%

SBE-6
\$1,368,000.
4.04%

Federal Fiscal Year 2012 Beginning October 1, 2011*
State Fiscal Year Beginning July 1, 2012**
(This report covers contracts above \$29,000)

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Eleven NJ TRANSIT employees retired in December with careers ranging from 12 to 37 years of service:

1. Donald R. Withers (Kearny) Bus Operator, Meadowlands Garage – 37 years
2. Peter Karnuk (Erial) Assistant Garage Supervisor, Washington Twp. Garage – 35 years
3. Roslyn Bailey (Linden) Bus Operator, Ironbound Garage – 33 years
4. Joseph C. Girona (Jackson) Assistant Manager, Long Branch – 25 years
5. Maxi Joseph (Irvington) Bus Operator, Orange Garage – 25 years
6. Debra E. Franklin (Newark) Utility Staff, VBF/Bloomfield – 23 years
7. Bonnie Sturgis (Camden) Bus Operator, Newton Avenue Garage – 22 years
8. Marion L. Rothman (South Amboy) Bus Operator, Howell Garage – 17 years
9. Ephraim Hernandez (Hawthorne) Bus Operator, Market Street Garage – 16 years
10. Leroy D. Harris (Pennsauken) Bus Operator, Newton Avenue Garage – 14 years
11. Anthony Runfola (Beachwood) Bus Operator, Howell Garage – 12 years

Five NJ TRANSIT employees retired in January with careers ranging from 15 to 37 years of service:

1. Peter Marrone (Nutley) Forman Garage II, Hilton Garage – 37 years
2. Silvia Gonzalez (Union City) Tech Support Coordinator, Penn Plaza – 30 years
3. Margaret R. Murphy (Trenton) Bus Operator, Hamilton Garage – 26 years
4. James Gigantino (Union) VP/GM Bus Operations, Penn Plaza – 24 years
5. Thomas Anderson (Toms River) Sr. Network Engineer, Penn Plaza – 15 years

ACTION ITEMS

ITEM 1202-01: APPOINTMENT OF VICE PRESIDENT AND GENERAL MANAGER: NJ TRANSIT BUS OPERATIONS, INC., GENERAL MANAGER: NJ TRANSIT MERCER, INC., GENERAL MANAGER: NJ TRANSIT MORRIS, INC.

BENEFITS

The By-Laws of NJ TRANSIT Bus Operations, Inc. direct the appointment of the Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., the By-Laws of NJ TRANSIT Mercer, Inc. direct the appointment of the General Manager of NJ TRANSIT Mercer, Inc., and the By-Laws of NJ TRANSIT Morris, Inc. direct the appointment of the General Manager of NJ TRANSIT Morris, Inc. by the President of each with concurrence of the Board of Directors of each.

This action will approve the selection of Joyce C. Gallagher as Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., General Manager of NJ TRANSIT Mercer, Inc. and General Manager of NJ TRANSIT Morris, Inc.

PURPOSE

NJ TRANSIT has the second largest bus fleet in the nation, with buses serving approximately 65 percent of New Jersey's public transportation customers. Bus operations produces the highest cost recovery of any major bus operation in the nation.

In December 2011, the positions of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., General Manager, NJ TRANSIT Mercer, Inc., and General Manager of NJ TRANSIT Morris, Inc. became vacant and Joyce C. Gallagher has served in an Acting capacity in those positions since that time.

Ms. Gallagher has more than 37 years experience in the transportation industry, with a long and distinguished history of service at NJ TRANSIT. Ms. Gallagher's previous position was Chief of Contract Services and she has held leadership positions in the Bus and Light Rail Divisions as well as at PATCO and the New Jersey Department of Transportation.

Ms. Gallagher served as Acting General Manager of Bus Operations for a period of time in 1993 and as Acting Deputy General Manager for Northern Division Bus Operations (November 1990 to July 1991). She was a key member of the teams responsible for the implementation of the Newark Light Rail extension from Penn Station to Broad Street Station in Newark, New Jersey and the RiverLine Light Rail Line service from Camden to Trenton. Upon NJ TRANSIT's purchase of the Mercer Metro bus system from Mercer County, New Jersey in 1984, Ms. Gallagher was responsible for the successful transition of the county-operated Mercer Metro system to the NJ TRANSIT system. In addition, Ms. Gallagher was

responsible for the development and implementation of NJ TRANSIT's plan to provide substitute bus service for rail commuters during the rail strike in March 1983.

Ms. Gallagher has been a leader throughout the industry and at NJ TRANSIT. She skillfully balances a thoughtful yet no-nonsense approach in providing efficient, cost-effective and reliable service.

ACTION (Scorecard: Corporate Accountability)

Authorization is requested to appoint Joyce C. Gallagher to the position of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., and General Manager of NJ TRANSIT Mercer, Inc., and General Manager of NJ TRANSIT Morris, Inc. at an annual salary of \$175,000, together with NJ TRANSIT's standard at-will employee benefits.

This item has been reviewed and recommended by the Board Administration Committee and the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization: Appointment of Vice President/General Manager, NJ TRANSIT Bus Operations, Inc. and General Manager, NJ TRANSIT Mercer, Inc., and General Manager, NJ TRANSIT Morris, Inc.

RESOLUTION

WHEREAS, NJ TRANSIT has the second largest bus fleet in the nation, with buses serving approximately 65 percent of New Jersey's public transportation customers; and

WHEREAS, the positions of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc. and General Manager, NJ TRANSIT Mercer, Inc., and General Manager, NJ TRANSIT Morris, Inc. have been vacant since December 2011; and Joyce C. Gallagher has served in an Acting capacity in those positions since that time; and

WHEREAS, Joyce C. Gallagher has more than 37 years experience in the transportation industry, with a long and distinguished history of service at NJ TRANSIT. Ms. Gallagher's previous position was Chief of Contract Services and she has held leadership positions in the Bus and Light Rail Divisions as well as at PATCO and the New Jersey Department of Transportation; and

WHEREAS, Ms. Gallagher has been a leader throughout the industry and NJ TRANSIT. She skillfully balances a thoughtful yet no-nonsense approach in providing efficient, cost-effective and reliable service;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors authorizes the President to appoint Joyce C. Gallagher to the position of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., General Manager of NJ TRANSIT Mercer, Inc., and General Manager of NJ TRANSIT Morris, Inc. at an annual salary of \$175,000, together with NJ TRANSIT's standard at-will employee benefits.

ITEM 1202-02: PAINTING OF MORGAN DRAWBRIDGE ON THE NORTH JERSEY COAST LINE, MIDDLESEX COUNTY, NEW JERSEY**BENEFITS**

NJ TRANSIT owns twelve moveable bridges over rivers and other waterways throughout the State of New Jersey. These moveable, mechanically operated bridges allow marine traffic to cross NJ TRANSIT's right of way. The reliability of these bridges, all of which are more than 50 years old, is critical to minimize bridge-related disruptions to rail service.

NJ TRANSIT owns, operates and maintains the undergrade, moveable bridge across Cheesequake Creek on the North Jersey Coast Line known as Morgan Drawbridge. In the last few years, NJ TRANSIT has repaired or replaced structural components and the mechanical system on the bridge. The bridge now requires painting which will effectively complete the current cycle of repairs to the bridge and extend the life of the structure. Customers will benefit from consistent, reliable operation of Morgan Drawbridge, reducing potential train delays and service disruptions on the more than 70 daily trains that cross the bridge.

There are no anticipated service impacts as a result of this project. Most work will be performed during off-peak hours, evenings and weekends and project crews will work around scheduled revenue train service.

PURPOSE

The painting of Morgan Drawbridge's steel structure will remove the existing lead-based paint, remediate rusting and other forms of corrosion and bring the bridge to a state of good repair. This painting project will conclude the current cycle of repairs to the bridge, which also recently included work on the structural components and mechanical system on the bridge.

The new painting system is expected to last about 15 years, before additional painting will be necessary. The lead abatement aspect of this project will allow future bridge repairs which are now complicated by the presence of lead paint.

ACTION (Scorecard: Safety and Security, Corporate Accountability)

Staff seeks authorization to contract (11-086X) with Allied Painting of Cherry Hill, New Jersey to perform the lead abatement and painting of Morgan Drawbridge on the North Jersey Coast Line in Middlesex County, New Jersey at a cost not to exceed \$1,631,000, plus five percent for contingencies, subject to the availability of funds.

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACT

Requested Authorization:	\$1,631,000 + 5% contingency
Total Project Cost:	\$2,781,000
Projected Date of Completion:	December 2012
Anticipated Source of Funds:	State
<i>NJ Build Amount:</i>	\$8,155
Diversity Goal:	10% (Category VI)
Related/Future Authorizations:	N/A
Impact on Subsequent Operating Budget:	N/A

RESOLUTION

WHEREAS, NJ TRANSIT owns twelve moveable bridges over rivers and other waterways throughout the State of New Jersey; and

WHEREAS, these moveable, mechanically operated bridges allow marine traffic to cross NJ TRANSIT's right of way; and

WHEREAS, NJ TRANSIT owns, operates and maintains the undergrade, moveable bridge across Cheesequake Creek on the North Jersey Coast Line known as Morgan Drawbridge; and

WHEREAS, NJ TRANSIT has repaired or replaced structural components and the mechanical system on the bridge; and

WHEREAS, the bridge now requires painting which will effectively complete the current cycle of repairs to the bridge and extend the life of the structure; and

WHEREAS, customers will benefit from consistent, reliable operation of Morgan Drawbridge, reducing potential train delays and service disruptions on the more than 70 daily trains that cross the bridge; and

WHEREAS, following a competitive procurement process, Allied Painting of Cherry Hill, New Jersey submitted the lowest responsive bid;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (11-086X) with Allied Painting of Cherry Hill, New Jersey to perform the lead abatement and painting of Morgan Drawbridge on the North Jersey Coast Line in Middlesex County, New Jersey at a cost not to exceed \$1,631,000, plus five percent for contingencies, subject to the availability of funds.

CONSENT CALENDAR

ITEM 1202-03: LABOR NEGOTIATIONS SPECIAL COUNSEL

BENEFITS

The Attorney General has designated McElroy, Deutsch, Mulvaney & Carpenter, LLP as special counsel to provide NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Bus Mercer, Inc., and NJ TRANSIT Bus Morris, Inc., (collectively "NJTBO") with legal counsel and representation in connection with collective bargaining agreement negotiations. This Board authorization will enable McElroy, Deutsch, Mulvaney & Carpenter, LLP to provide legal services, retain court reporters, experts and other providers of mediation and arbitration services, should they become necessary in the course of this work.

PURPOSE

There are a total of 7 collective bargaining agreements between NJTBO and its 5 labor unions, the Amalgamated Transit Union New Jersey State Council (ATU), the Transport Workers Union Local 225 (TWU), Amalgamated Transit Union Mercer Local 540, the Utilities Workers Union of America Local 601 (UWUA) and Amalgamated Transit Union Local 819 (ATU 819) for NJ TRANSIT Morris, Inc. These agreements cover approximately 5,700 employees. Five of these agreements have expired in July-August 2010 with the TWU contract expiring in August 2012 and ATU 819 expiring in 2015. All labor negotiations under this authorization are expected to be concluded for all NJTBO bargaining units by June 30, 2016.

The scope of duties of Special Labor Counsel is to:

- Review proposals, develop strategy and participate in negotiations in conjunction with the negotiating teams;
- Determine legal implications of negotiating strategy;
- Represent NJ TRANSIT in labor litigation matters in court; and
- Represent NJ TRANSIT in labor litigation matters before the Public Employment Relations Commission and the New Jersey State Board of Mediation in arbitration proceedings.
- Retain experts, court reporters and other providers of mediation and arbitration support services in accordance with state law, as necessary.

ACTION (Scorecard: Financial Performance)

Staff seeks authorization to compensate the law firm of McElroy, Deutsch, Mulvaney & Carpenter, LLP as special counsel to NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Bus Mercer, Inc., and NJ TRANSIT Bus Morris, Inc., through the period ending June 30, 2016 with respect to the aforementioned services at an amount not to exceed \$500,000, subject to the availability of funds.

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS

Requested Authorization:	\$ 500,000
Total Project Cost:	N/A
Anticipated Source of Funds:	Operating Budget
Projected Date of Completion:	June 30, 2016
Diversity Goal:	N/A
<i>NJ Build Amount:</i>	N/A
Related Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	N/A

RESOLUTION

WHEREAS, the Attorney General designated McElroy, Deutsch, Mulvaney & Carpenter, LLP as special counsel to provide NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Bus Mercer, Inc., and NJ TRANSIT Bus Morris, Inc., with legal counsel and representation in connection with collective bargaining agreement negotiations; and

WHEREAS, this is a complex and specialized area of expertise for which Special Counsel is required; and

WHEREAS, this authorization will enable McElroy, Deutsch, Mulvaney & Carpenter, LLP to provide legal services and retain court reporters, experts and other providers of mediation and arbitration supplement services, should they become necessary in the course of this work;

NOW, THEREFORE, BE IT RESOLVED the Chairman or Executive Director is authorized to compensate the law firm of McElroy, Deutsch, Mulvaney & Carpenter, LLP as special counsel to NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Bus Mercer, Inc., and NJ TRANSIT Bus Morris, Inc., through the period ending June 30, 2016 with respect to the aforementioned services at an amount not to exceed \$500,000, subject to the availability of funds.

ITEM 1202-04: AMENDED BOARD ITEM 1105-20: INFORMATION TECHNOLOGY AUDIT SERVICES AGREEMENTS

BENEFITS

This amendment will allow NJ TRANSIT to contract with Protiviti, Inc. to provide Information Technology (IT) audit services to supplement current NJ TRANSIT Internal Audit resources in support of NJ TRANSIT's IT Audit Plan. Co-sourced IT audit services will enhance Internal Audit's ability to address significant IT governance, risk, and control processes, provide a resource to further develop the IT capabilities within the Internal Audit Department, and provide the Internal Audit Department the flexibility to procure required specialized skills as needed based on each audit project.

PURPOSE

On May 11, 2011, the NJ TRANSIT Board of Directors authorized the award of contracts to Control Solutions (formerly Altran Control Solutions), Clifton Larsen Allen, LLP (formerly Clifton Gunderson), and Grant Thornton, LLP for co-sourced IT audit services for a three-year term with two option years and a total not to exceed \$750,000, plus five percent for contingency subject to the availability of funds. Subsequent to Board approval, Grant Thornton, LLP took exception to the previously agreed upon Request for Proposal (RFP) terms and conditions. As a result, NJ TRANSIT determined Grant Thornton, LLP was non-responsive and not eligible for a contract award.

ACTION (Scorecard: Corporate Accountability)

Staff seeks authorization to amend Board Item 1105-20, Information Technology Audit Service Agreements to rescind the award of the contract to Grant Thornton, LLP and to award a contract to Protiviti, Inc. for the performance of co-sourced IT audit services.

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS:

Requested Authorization:	N/A
Total Project Cost:	N/A
Projected Date of Completion:	June 2014 (June 2016 with options)
Anticipated Source of Funds:	N/A
Diversity Goal:	0% SBE
NJ Build Amount:	N/A
Related/Future Authorizations:	N/A
Impact on Subsequent Operating Budgets:	N/A

RESOLUTION

WHEREAS, NJ TRANSIT's risk-based Internal Audit Plan includes Information Technology (IT) audits requiring specialized technical knowledge; and

WHEREAS, NJ TRANSIT Internal Audit Department needs to acquire specialized technical skills necessary to perform the planned IT audits; and

WHEREAS, after a competitive procurement process, the NJ TRANSIT Board of Directors on May 20, 2011 authorized contract awards to Control Solutions, Clifton Larsen Allen, LLP and Grant Thornton, LLP to perform contracted IT audit services; and

WHEREAS, subsequent to board approval, Grant Thornton, LLP took exception to the previously agreed upon Request for Proposal (RFP) terms and conditions; and

WHEREAS, as a result NJ TRANSIT determined Grant Thornton, LLP was non-responsive and not eligible for a contract award; and

WHEREAS, Protiviti, Inc. was determined to be the next most qualified firm by the Technical Evaluation Committee;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend Board Item 1105-20, Information Technology Audit Service Agreements to rescind the award of the contract to Grant Thornton, LLP and to award a contract to Protiviti, Inc. for the performance of co-sourced IT audit services.

**ITEM 1202-05: MATAWAN – LEASE OF LAND ALONG FREEHOLD BRANCH
RIGHT OF WAY****BENEFITS**

One of NJ TRANSIT's objectives is to maximize the value of its real estate assets. This lease will provide an increase in non-farebox revenue to NJ TRANSIT.

PURPOSE

Since April 1, 2002, Laurdan Realty, LLC ("Laurdan") has leased 16,750 square feet of land from NJ TRANSIT along the Freehold Branch right of way in Matawan near mile post 12.3 for parking and a driveway behind Laurdan's existing retail center. The current lease expires on March 31, 2012. Staff seeks authorization to enter into a new, 20-year lease with Laurdan that includes an additional 832 square feet of land, for a total of 17,582 square feet. Laurdan advises that the additional land will be used to facilitate a renovation and expansion of its existing retail strip center.

Laurdan currently pays \$4,800 annually, or \$0.29 per square foot, for the 16,750 square foot area it now leases, with no annual increase. Under the terms of the new lease, Laurdan will pay an initial annual rental amount of \$5,978, or \$0.34 per square foot, for the 17,582 square feet of land it proposes to lease. In addition, rent will increase by 1.25 percent annually over the twenty (20) year term. Laurdan will be responsible for any required capital costs, repairs and maintenance. The terms of the lease will include a provision allowing NJ TRANSIT to terminate the lease upon 90-day notice to Laurdan in the event that the property is required for a transportation-related purpose.

ACTION (Scorecard: Financial Performance)

Staff seeks authorization to enter into a lease with Laurdan Realty, LLC for a 17,582 square foot parcel of land to be used for parking, a driveway, and other uses related to the adjacent retail center at an initial annual base rent of \$5,978 and increasing at a rate of 1.25 percent annually for a period of 20 years.

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACTS**Requested Authorization:**

Staff seeks authorization to enter into a 20-year lease with Laurdan for 17,582 square feet of land owned by NJ TRANSIT for use as parking, a driveway, and other uses related to Laurdan's adjacent retail center. The initial annual rental amount would be \$5,978

increasing at 1.25 percent annually over the twenty (20) year period.

Total Project Cost:

N/A

Projected Date of Completion:

Lease to be executed by April 1, 2012

Anticipated Source of Funds:

N/A

Diversity Goal:

N/A

NJ Build Amount:

N/A

Related/Future Authorizations:

N/A

Impacts of Subsequent Operating Budgets:

Minimum revenue of \$5,978 for the first year, increasing by 1.25 percent annually to the maximum of \$7,569.41 annually in the 20th and final year of the lease agreement.

RESOLUTION

WHEREAS, the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150 authorizes NJ TRANSIT to lease, purchase and sell, or otherwise dispose of, on terms which NJ TRANSIT may prescribe, real and personal property; and

WHEREAS, NJ TRANSIT owns the Freehold Branch Right of Way in the Borough of Matawan, Monmouth County; and

WHEREAS, Laurdan Realty, LLC has requested that NJ TRANSIT renew its land lease while increasing the size of the demised premises located along the Freehold Branch Right of Way in the Borough of Matawan, Monmouth County, New Jersey from 16,750 square feet of land to 17,582 square feet of land;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a lease with Laurdan Realty, LLC for a 17,582 square foot parcel of land to be used for parking, a driveway, and other uses related to the adjacent retail center at an initial annual base rent of \$5,978 and increasing at a rate of 1.25 percent annually for a period of 20 years.

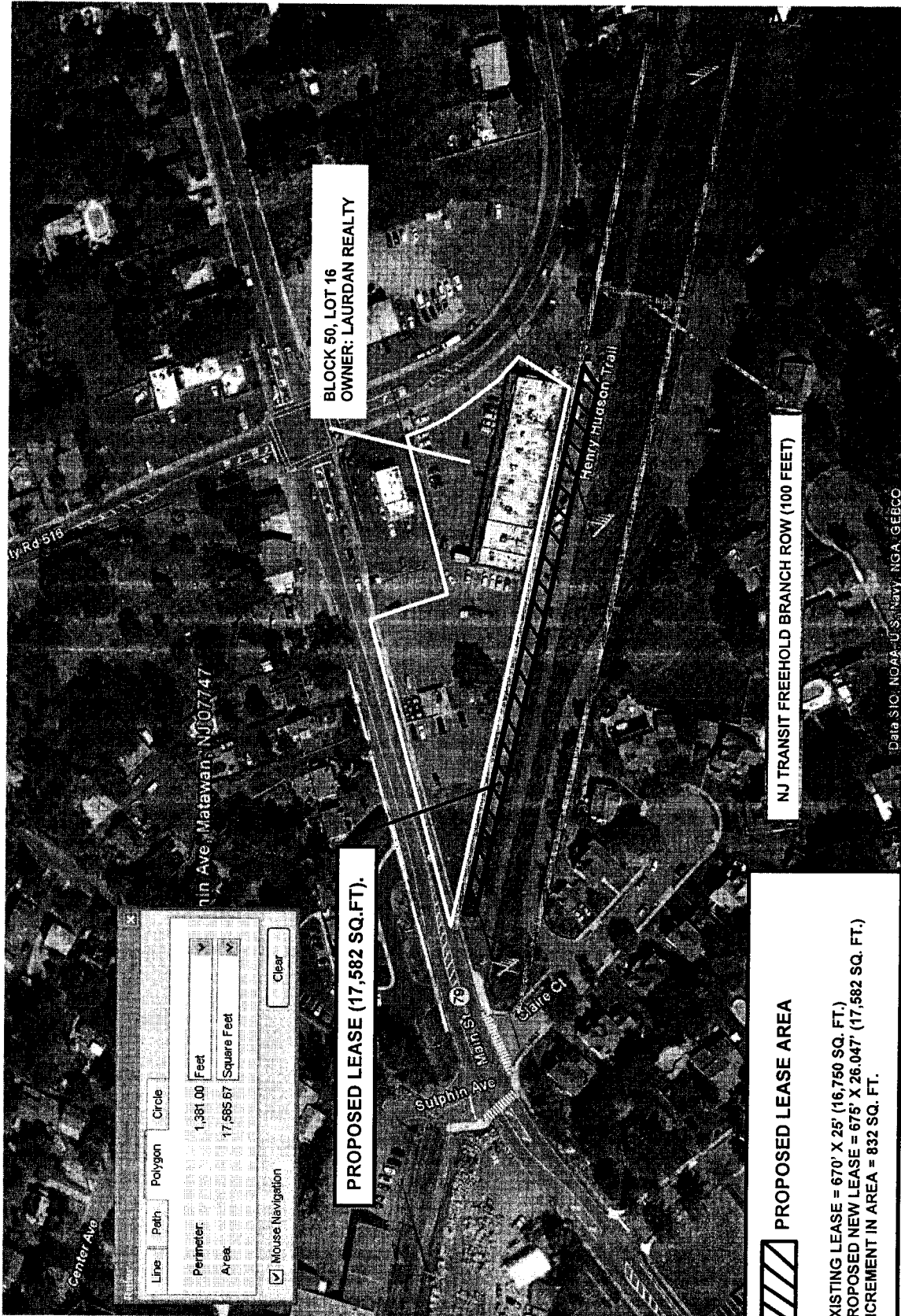


EXHIBIT A

BOROUGH OF MATAWAN – FREEHOLD BRANCH – LAURDAN REALTY, LLC LEASE (L1313-1230-01) A. AMAECHI 01/05/2012

ITEM 1202-06: ADVERTISING REVENUE CONTRACT EXTENSION

BENEFITS

The sale of advertising space on NJ TRANSIT's bus, rail and light-rail equipment, stations, platforms, terminals and trestles provides significant annual non-farebox revenue to NJ TRANSIT. Advertising revenue decreases reliance on subsidies and fares for operations. Approval of this Board Item will enable NJ TRANSIT to maintain non-farebox revenue generated by its advertising revenue contractor, Titan Outdoor ("Titan"), of New York City, pending completion of the process of selecting an advertising revenue contractor for a new, five-year contract.

PURPOSE

The purpose of this Board Item is to extend under the existing terms and conditions, for a second six-month period, i.e., six months beyond February 29, 2012, NJ TRANSIT's contract with Titan, which ended August 31, 2011. Extending the contract will result in uninterrupted receipt of non-farebox advertising revenue during a bid protest. Extending the contract will enable Titan to continue to work with advertising agencies and clients as they budget expenditures for current and future advertising and marketing programs.

ACTION (Scorecard: Financial Performance)

Staff seeks authorization to extend for six months NJ TRANSIT's advertising revenue contract with Titan Outdoor of New York City in consideration of Titan's (a) payment to NJ TRANSIT of the prorated minimum annual guarantee of not less than \$750,000 per month, totaling not less than \$4,500,000 for the extension period, (b) payment to NJ TRANSIT of 60 percent of net revenue above the prorated minimum annual guarantee of not less than \$4,500,000, and (c) maintaining its \$2,400,000 letter of credit in favor of NJ TRANSIT.

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS

Requested Authorization: Authorization to extend for six months NJ TRANSIT's advertising revenue contract with Titan Outdoor of New York City in consideration of Titan's (a) payment to NJ TRANSIT of the prorated minimum annual guarantee of not less than \$750,000 per month, totaling not less than \$4,500,000 for the extension period, (b) payment to NJ TRANSIT of 60 percent of net revenue above the prorated minimum annual guarantee

of not less than \$4,500,000, and (c) maintaining its \$2,400,000 letter of credit in favor of NJ TRANSIT.

Total Project Cost:	N/A
Projected Date of Completion:	August 31, 2012
Anticipated Source of Funds:	None required; revenue-generating contract
Diversity Goal:	20% goal
NJ Build Amount:	N/A
Related/Future Authorizations:	Authorization to award five-year advertising revenue services contract
Impact on Subsequent Operating Budgets	Revenue of not less than \$4,500,000 during six months

RESOLUTION

WHEREAS, the sale of advertising space on NJ TRANSIT's bus, rail and light-rail equipment, stations, platforms, terminals and trestles provides significant annual guaranteed non-farebox revenue to NJ TRANSIT; and

WHEREAS, a six-month extension of NJ TRANSIT's contract with its advertising revenue contractor, Titan Outdoor, is scheduled to terminate on February 29, 2012; and

WHEREAS, NJ TRANSIT seeks to maintain uninterrupted receipt of advertising revenue while staff completes the process of selecting an advertising revenue contractor for a new, five-year contract, a process that staff expects will extend beyond February 29, 2012;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to extend for six months NJ TRANSIT's advertising revenue contract with Titan Outdoor of New York City in consideration of Titan's (a) payment to NJ TRANSIT of the prorated minimum annual guarantee of \$750,000 per month, totaling not less than \$4,500,000 for the extension period, (b) payment to NJ TRANSIT of 60 percent of net revenue above the prorated minimum annual guarantee of not less than \$4,500,000, and (c) maintaining its \$2,400,000 letter of credit in favor of NJ TRANSIT.

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss contract negotiations and attorney-client, litigation and personnel matters; and

BE IT FURTHER RESOLVED that it is expected that discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
James S. Simpson, Board Chairman
James Weinstein, Executive Director

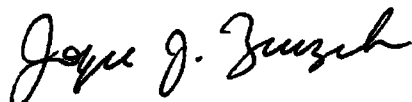
N TRANSIT
One Penn Plaza East
Newark, NJ 07105-2246
973-491-7000

February 13, 2012

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the re-scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Wednesday, February 8, 2012.

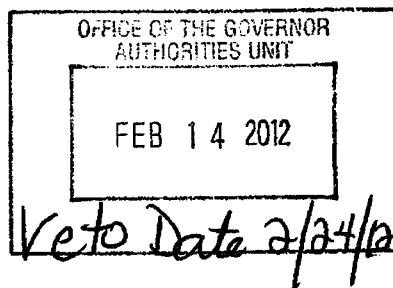
Sincerely,



Joyce J. Zuczek
Acting Board Secretary

Enclosures

Honorable Chris Christie
Governor, State of New Jersey
State House
Trenton, NJ 08625



Cunningham, Beverley A. (CBRDBAC)

From: Shara Floyd [Shara.Floyd@gov.state.nj.us]
Sent: Tuesday, February 14, 2012 2:48 PM
To: Smith, Keisha (CBRDKXS)
Cc: Cunningham, Beverley A. (CBRDBAC)
Subject: 2/8/12 Meeting Minutes--Veto Date--2/24/12
Attachments: 3606_001.pdf

FYI- This veto date applies to both the open and executive session minutes.