

Philip D. Murphy, Governor
Sheila Y. Oliver, Lieutenant Governor
Diane Gutierrez-Scaccetti, Commissioner
Kevin S. Corbett, President & CEO

NJ TRANSIT
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Newark, NJ 07105-2246
973-491-7000

January 5, 2021

Dear Governor Murphy:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the special 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 Monday, January 4, 2021.

Sincerely,

Joyce J. Zuczek

Joyce J. Zuczek
Board Secretary

Enclosures

Honorable Philip D. Murphy
Governor, State of New Jersey
State House
Trenton, NJ 08625

Open Session Minutes of the actions taken at the Special 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. conducted virtually by telephone on Monday, January 4, 2021. The meetings occurred concurrently.

Board Members

Diane Gutierrez-Scaccetti, Chair
Cedrick T. Fulton, Vice Chair
James D. Adams, Board Member
Dini Ajmani, Treasurer's Representative
Sangeeta P. Doshi, Board Member
Bob Gordon, Board Member
Richard A. Maroko, Board Member
Shanti Narra, Board Member
David A. Rasmussen, Board Member (Non-Voting)
Brian T. Wilton, Governor's Representative

Staff

Kevin S. Corbett, President & Chief Executive Officer (CEO)
Joyce J. Zuczek, Board Secretary
Ronald E. Nichols, Chief, Light Rail & Contract Services
Michael P. Kilcoyne, Sr. Vice President, Surface Transit & General Manager, Bus Ops.
Joseph E. Snow, Assistant Attorney General, Office of the Attorney General
Caroline Vachier, Deputy Attorney General, Office of the Attorney General

Chair Gutierrez-Scaccetti convened the Open Session at 6:00 p.m. in accordance with the Open Public Meetings Act and Board Secretary Zuczek conducted a roll call. Board Secretary Zuczek announced that adequate notice of the special meetings of the Board of Directors of the New Jersey Transit Corporation and its affiliates and subsidiaries was provided in accordance with the Open Public Meetings Act and NJ TRANSIT's enabling legislation. Notices were filed on December 29, 2020 with the Secretary of State, sent to newspapers of general distribution, posted in the main entrance of NJ TRANSIT headquarters, published on the corporation's website, and sent to each individual, agency, and organization that requested such notice.

Public Comments on Agenda Item

Chair Gutierrez-Scaccetti asked the event call operator to open the floor for public comments on the agenda item and to provide instructions for entering the queue to make a public comment on the agenda item. The event call operator said the floor was open for public comments on the agenda item. If individuals wanted to make a public comment on the agenda item only, they were instructed to press *1 on their telephone keypad to enter the queue. They would hear a brief tone to indicate they have successfully entered the queue. Priority access would be given to any participant who has pre-registered, and

those comments will be taken in turn. They would then take public comments from remaining participants on a first-come first-serve basis. Each person would have three (3) minutes for their public comment. A warning would be provided with one (1) minute remaining and again with 15 seconds remaining.

Charles Hall Jr., President of Local 108 from the Retail Wholesale Department Store Union affiliated with United Food Commercial Workers Union, said he was concerned for his union members who are bus drivers at Academy. He was specifically concerned about the drivers who work under the Middlesex County bus contract. Mr. Hall said his drivers work under a union contract which has been built over 17 years and as part of this contract they have good wages, medical benefits, paid time off, and the most attractive benefit of all is their good retirement benefit. He said many of these bus drivers have been driving for more than 15 years, and some even before Academy received the contract. He said these drivers work consistently, are familiar with the route and the customers, and have a good relationship with them. Mr. Hall said these drivers also have a good record of service with the Middlesex route and it was his understanding that this route was being taken away from Academy and given to a company that may have inexperienced drivers, affecting service. He said this was a concern to him because they may not be union members. Mr. Hall said it was his understanding that a new company was out there, not talking to his drivers, and making his drivers feel disenfranchised and worried about their jobs in the midst of a COVID crisis.

Mr. Hall said he would like it to go on record that his relationship with Academy over the last 20 years has been a good one, Academy has dealt with the workers properly and treated them fairly, and the drivers have delivered excellent service to the Academy Middlesex County route. He said this was a unionized route that he represents and that there were other routes not under his representation that were directly involved in the allegations against Academy. Mr. Hall said although he does not know who was right or wrong, he believes that everyone deserves their day in court. He wanted to point out again the excellent service that Academy has delivered to this particular route, and asked NJ TRANSIT to be hesitant of making the change until Academy has their day in court and continue the contract on a month by month basis until this matter has been adjudicated in a court of law.

Executive Session Authorization

Chair Gutierrez-Scaccetti called for a brief Executive Session and noted they would return to Open Session to present Action Item 2101-01. Chair Gutierrez-Scaccetti asked for a motion to enter into Executive Session to discuss personnel matters, contract negotiations, the status of pending and anticipated litigation, and matters falling within the attorney-client privilege, including, but not limited to, the Contract for the Temporary Operation of the Middlesex County Local Bus Service. Board Member James D. Adams made the motion, Board Member Narra seconded the motion, and it was adopted. At approximately 6:08 p.m., the Board adjourned to Executive Session.

Roll Call Vote:

Adams	Ajmani	Doshi	Fulton	Gordon	Maroko	Narra	Wilton	Gutierrez-Scaccetti
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Return to Open Session

Board Secretary Zuczek conducted a Roll Call as Board Members returned to Open Session. All Board Members returned to Open Session at approximately 7:03 p.m.

Action Item

2101-01: CONTRACT FOR THE TEMPORARY OPERATION OF THE MIDDLESEX COUNTY LOCAL BUS SERVICE

President & CEO Corbett introduced Ronald Nichols, Chief, Light Rail and Contract Services, to present Action Item #2101-01.

Ronald Nichols recommended approval of Action Item #2101-01: Contract for the Temporary Operation of the Middlesex County Local Bus Service.

Approval was requested to take all actions necessary to amend a contract with Community Transportation Inc., of Paramus, New Jersey, to operate the Middlesex County Local Bus Service for a nine-month base contract term from January 17, 2021 through October 16, 2021 at a cost not to exceed \$7,978,911, plus five percent for contingencies, for a total contract authorization of \$8,377,857, subject to the availability of funds and board approval of NJ TRANSIT’s operating budget.

Board Member James D. Adams made a motion and Vice Chair Cedrick T. Fulton seconded the motion.

Board Member Gordon hopes something very positive will come out of all of this. He noted in recent weeks, they learned about the Attorney General’s lawsuit and there have been press reports about audit reports conducted by NJ TRANSIT going back to 2006 which raised questions regarding the efficacy of their management control systems for monitoring missed trips by contract carriers. Board Member Gordon noted as recently as February 2020, there was an audit report that raised similar questions regarding whether they have adequate control systems in place. He hopes the Board will have some meetings in the coming weeks dedicated to these issues, to learn about best practices used by peer organizations, and put new control systems in place. Board Member Gordon said a key objective of the Board is to provide oversight regarding internal operations and improve them where possible.

Board Member Gordon believed it was important, before they voted on the item, to know what kind of control systems are in place now. Board Member Gordon believed some improvements were made since the February audit report. He asked Chair Gutierrez-Scaccetti if Ron Nichols could talk about the measures taken to make sure they can adequately monitor missed trips and detect failures to comply with the contract.

Chair Gutierrez-Scaccetti asked to defer Board Member Gordon's request to Michael Kilcoyne since he has overall responsibility for this area.

Michael Kilcoyne explained before the audit report came out, he assumed responsibility and had discussions with Ron Nichols about issues they were concerned about relating to the rise in missed trips they were encountering. They took significant steps, using the Clever Devices technology that operates on the buses, to make sure they have the ability to automatically detect missed trips using GPS. They began investing real money on an exception report that enables NJ TRANSIT to compare the Operator's paddle, actual route, time a bus departs from each place, and the actual GPS. The exception report is now automatically generated when a trip is missed or runs 20 minutes late. They can compare it to the report submitted by the carrier. Mr. Kilcoyne said this product which took months for IT and Clever Devices to develop is now deployed. While this device is in its implementation stage, the way the technology works is when the Bus Operator signs onto their bus with their run and line, the Clever Devices system loads the schedule to the bus. When the bus is not where it is supposed to be at the scheduled time, the system creates an exception report, so NJ TRANSIT is notified if a trip was not made.

Mr. Kilcoyne said while they were currently going through the first phase of implementation, the software has been written and deployed, and they were making sure carriers were properly signing onto their buses so they can accurately reflect the trips they were making. Any trips not made according to the exception reports will be considered missed trips so there is incentive for the carrier to ensure the operators are properly signing on. This was a significant development which has been invested in and was currently out there.

They were also in the process of concluding the onboarding process for additional personnel to assist in the management of the carrier contracts. They were hiring another Contract Coordinator and Clever Devices Technician who can go through the reports and underlying bus data files to make sure they are maintained and accurate. He said for the first-time private carrier affairs was hiring its own road supervision, which prior to now NJ TRANSIT Bus Operations assisted in areas where they were getting customer complaints spikes to identify issues. He said now Private Carrier Affairs will, through its corporate offices, have the ability to send road supervisors out to ensure that areas of concern are addressed through eyewitness accounts of NJ TRANSIT's own management. He said there were a number of initiatives they have undertaken through audit recommendations to ensure they are properly prepared and make sure this does not happen again.

President & CEO Corbett said part of what led to this was the restructuring they did of that department that put Michael Kilcoyne in charge, as well as strengthening the budget and personnel in IT to the pull resources from where they were, as they evolved from 2017 and 2018. The strengthened management structure was the foundation that led to these changes.

Board Member Maroko addressed concerns raised by Mr. Hall. He noted they were informed Community is a union operator and encouraged Community, if approved to provide temporary service pursuant to this Board item, to retain as many of the displaced Academy drivers as possible, consistent with collective bargaining obligations. Board Member Maroko encouraged Academy to negotiate with Local 108 so drivers who do not have positions are not disadvantaged in any way through no fault of their own. He also encouraged staff to take into account the terms and conditions of drivers when issuing the RFP for the long-term contract.

Board Member Narra was pleased they were focusing on their main responsibility to the riders. She noted this action was their attempt to ensure service continues as best they can for the Middlesex County line.

Vice Chair Fulton said he would add to Board Member Gordon's comments, that he always views a situation like this as an opportunity to look at what they do and learn from it to do better. He understands much of this began many years ago, and now with a relatively new team on board, actions have been taken. Vice Chair Fulton looks forward to seeing the products the Clever Devices system will produce to help them better understand how vendors are performing and how levels of service are delivered to customers. He hopes they will have an opportunity in the near term to see the product that will be produced, based on discussions during the last couple weeks regarding this issue.

Vice Chair Fulton saw the focus by the team to recognize the challenges and work rapidly towards putting solutions in place. He believes they will be better off as soon as they can see documents that reflect the higher-level oversight and review of vendor performance. Vice Chair Fulton thanked the team for their work with this difficult situation. He agrees with Board Member Narra that at the end of the day, this Board action focused on ensuring the customers in Middlesex County are given the service they are entitled to and deserve.

Chair Gutierrez-Scaccetti thanked staff for their hard work preparing for this. As Vice Chair Fulton said, it was not an easy situation and keeping customers at the forefront of discussions was key. She believes they have done that and are prepared to do what is necessary to provide the service customers expect to receive.

Chair Gutierrez-Scaccetti followed up on Board Member Gordon's comment noting positive things should always come from these types of situations. As Board Member Gordon was aware, there will be meetings scheduled in the near future where the Board will have the opportunity to discuss and provide input regarding how they rectify these problems going forward in the contractual document, and from a policy standpoint to

understand how they can be better informed as a Board about these items that are outstanding before taking action. Chair Gutierrez-Scaccetti said discussions regarding these concerns were underway and being planned, this took place during the holiday period when schedules were difficult, and now that the holidays were over and everyone was back and fully engaged in their daily work, and hopefully staying safe and healthy, Board Secretary Zuczek will work during the next several days to get these meetings on the calendar.

Chair Gutierrez-Scaccetti asked for a roll call vote and the item was adopted.

Roll Call Vote:

Adams	Ajmani	Doshi	Fulton	Gordon	Maroko	Narra	Wilton	Gutierrez-Scaccetti
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Adjournment

Since there was no further business, Chair Gutierrez-Scaccetti asked for a motion to adjourn. The motion was made by Board Member Shanti Narra, seconded by Board Member Bob Gordon, and adopted. The meetings were adjourned at approximately 7:20 p.m.

**NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
SPECIAL BOARD OF DIRECTORS' MEETINGS**

JANUARY 4, 2021

MINUTES

	PAGE
➤ CALL TO ORDER	-
➤ PUBLIC COMMENTS ON AGENDA ITEM	-
➤ EXECUTIVE SESSION AUTHORIZATION	58809

ACTION ITEM

2101-01	CONTRACT FOR THE TEMPORARY OPERATION OF THE MIDDLESEX COUNTY LOCAL BUS SERVICE – Authorization to take all actions necessary to amend NJ TRANSIT Contract No. 19-068 with Community Transportation Inc., of Paramus, New Jersey, to operate the Middlesex County Local Bus Service for a nine-month base contract term from January 17, 2021 through October 16, 2021 at a cost not to exceed \$7,978,911, plus five percent for contingencies, for a total contract authorization of \$8,377,857, subject to the availability of funds and board approval of NJ TRANSIT’s operating budget.	58811
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➤ **ADJOURNMENT**

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 personnel matters, contract and collective bargaining negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to the Contract for the Temporary Operation of the Middlesex County Local Bus Service; 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.

ACTION ITEM

ITEM 2101-01: CONTRACT FOR THE TEMPORARY OPERATION OF THE MIDDLESEX COUNTY LOCAL BUS SERVICE

WHEREAS, the Academy Express, LLC agreement to operate the Middlesex County Local Bus Service under NJ TRANSIT Contract No. 13-024 will expire effective January 16, 2021; and

WHEREAS, continuation of this service is important to our riders, and it is consistent with our mission to provide for the operation of a coherent public transportation system in the most efficient and effective manner; and

WHEREAS, Community Transportation Inc. currently operates the Bergen and Passaic County Local bus services under contract with NJ TRANSIT and is familiar with the service requirements and can immediately take over the operation of the service without incurring any service disruptions; and

WHEREAS, Community Transportation was previously selected through a competitive procurement process to operate the Bergen County Local Bus Service under NJ TRANSIT Contract No. 19-068; and

WHEREAS, staff has determined that the most expeditious and cost-effective way to ensure the continuation of the Middlesex County Local Bus Service without interruption is to amend the existing Bergen County Local Bus Service contract with Community Transportation to operate the Middlesex County Local Bus service on a temporary basis of at least nine months until such time as a Request for Proposal procurement process can be completed; and

WHEREAS, NJ TRANSIT negotiated three one-month option periods following the expiration of the initial nine-month period to be exercised at NJ TRANSIT's sole discretion. Staff will seek further authorization, at a later date, should NJ TRANSIT decide to exercise the options to extend this amendment to NJ TRANSIT Contract No. 19-068 with Community Transportation Inc., of Paramus, New Jersey, to operate the Middlesex County Local Bus Service for three one-month periods. Option #1 from October 17, 2021 through November 20, 2021 at a cost not to exceed \$940,645; Option #2 from November 21, 2021 through December 18, 2021 at a cost not to exceed \$912,229; and Option #3 from December 19, 2021 through January 22, 2022 at a cost not to exceed \$968,941 for a total cost of 2,821,815, plus five percent for contingencies, for a total contract authorization of \$2,962,906;

NOW, THEREFORE, BE IT RESOLVED that the Chair or President & CEO is authorized to take all actions necessary to amend NJ TRANSIT Contract No. 19-068 with Community Transportation Inc., of Paramus, New Jersey, to operate the Middlesex County Local Bus Service for a nine-month base contract term from January 17, 2021 through October 16, 2021 at a cost not to exceed \$7,978,911, plus five percent for contingencies, for a total contract authorization of \$8,377,857, subject to the availability of funds and board approval of NJ TRANSIT's operating budget.