

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Richard T. Hammer, Commissioner
Steven H. Santoro, Executive Director

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

January 17, 2017

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly 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, January 11, 2017.

Sincerely,

Original Signed By

Joyce J. Zuczek
Board Secretary

Enclosures

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

Minutes of the actions taken at the Open Session of the regularly 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 Wednesday, January 11, 2017.

Present

Richard T. Hammer, Chairman
Lisa LeBoeuf, Governor's Representative
Anthony Longo, Treasurer's Representative
Flora M. Castillo, Board Member
James C. Finkle Jr., Board Member (By Telephone)
Raymond W. Greaves, Board Member (Non-Voting) (By Telephone)

Also Present

Steven H. Santoro, Executive Director
Amy B. Herbold, Deputy Executive Director
Michael P. Kilcoyne, Vice President and General Manager, Bus Operations
Robert Lavell, Vice President and General Manager, Rail Operations
Dennis J. Martin, Vice President and General Manager, Light Rail and Contract Services
Christopher Trucillo, Chief of Police
Warren A. Hersh, Auditor General
Michael J. Lihvarcik, Chief Financial Officer and Treasurer
Michael K. Slack, Chief Information Officer
Penelope L. Bassett, Assistant Executive Director, Communications and Customer Service
Eric R. Daleo, Assistant Executive Director, Capital Planning and Programs
Gardner C. Tabon, Chief, Office of System Safety
Michael Gonnella, Deputy Attorney General
Joyce J. Zuczek, Board Secretary

Chairman Hammer convened the Open Session at 9:06 a.m. in accordance with the Open Public Meetings Act. Nia Joseph, Office of System Safety, provided a Public Safety Announcement. The Pledge of Allegiance to the Flag was conducted. Board Secretary Zuczek conducted a Roll Call and noted Board Member Finkle would join the meeting later by telephone.

Board Secretary Zuczek announced that adequate notice of the regularly 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. was provided in accordance with the Open Public Meetings Act, Chapter 231, P.L 1975, and the meetings were occurring concurrently. Notices were filed on January 4, 2017 with the Secretary of State. These notices were mailed to newspapers of general distribution, posted in the main entrance of NJ TRANSIT headquarters, and

sent to each individual, agency and organization that requested such notice. Board Secretary Zuczek announced that the Board Meeting was being video recorded

Chairman Hammer asked for a motion to approve the minutes of the December 14, 2016 Board meetings. A motion was made by Board Member Flora M. Castillo, seconded by Board Member Lisa LeBoeuf, and unanimously adopted.

Public Comments on Agenda Items and Other Matters

There were 13 public comments. Board Secretary Zuczek announced public comments would be limited to five minutes in order to give everyone an opportunity to be heard.

Murray Bodin expressed concern about Port Authority of New York and New Jersey leadership and the way their meetings were run. He believes the best option for New Jersey residents is to take a bus to Secaucus and take a train. Mr. Bodin recommended having a connection to the New York City Subway at Secaucus so they do not have to go through the tunnels.

Mr. Bodin said Positive Train Control is expensive and does not solve the problem. He noted new technology that stops cars automatically and wireless cell phones, and said these technologies were quite inexpensive. Mr. Bodin believes these technologies would have stopped the Hoboken incident and NJ TRANSIT should consider using it. He noted in Europe there are convoys of trucks controlled by a person in the first vehicle, with the others not occupied by a person. Mr. Bodin suggested consideration of using these new technologies.

David Peter Alan thanked Executive Director Santoro, Chairman Hammer, Chief of Staff Paul Wyckoff and Board Secretary Zuczek for the well wishes after his surgery last month. He believes the well wishes constitute evidence that the relationship between advocates and senior management has improved lately and he hopes it will continue.

Mr. Alan said they were entering a time of change for transit in New Jersey and the entire nation. They will have a new Governor next year and hopes the new administration in New Jersey will be friendlier to NJ TRANSIT than the current one. They will continue to fight for adequate funding in Trenton and Washington, but they must face facts. They know the new tunnels to Penn Station are needed but are not so sure about other aspects of Amtrak's Gateway Project. Mr. Alan said they call on NJ TRANSIT leadership to advocate for the new tunnels and to not continue delegating leadership for the project to Amtrak. He said it is NJ TRANSIT's riders who need the tunnel more than Amtrak.

Given the current political climate, they believe it would be difficult to secure enough federal funding to build two new tunnels, one new bridge span, and impossible to secure enough for all of Gateway. They are also concerned about the Port Authority's ability to raise the rest since it also has plans to replace the Port Authority Bus Terminal and has other expensive projects. Mr. Alan said they all need to prepare for this eventually and

NJ TRANSIT needs to take the lead. He said the \$7.7 billion estimated cost for the two new tunnels for Penn Stations breaks down to a dollar or two per family each month.

Mr. Alan noted the loss of Phil Craig a tireless advocate for better transit. Of all his accomplishments, Mr. Alan believes the one that helped riders the most was that he convinced NJ TRANSIT that the every other hour weekend shuttle between Newark and Hoboken could be extended to Montclair using the same equipment. Mr. Alan wants more weekend service on that line that runs every hour, extended to at least Montclair State.

Mr. Alan said they are especially concerned about adequate service to Montclair State campus on semi-holidays like Presidents' Day. He said the augmented weekend rail services are insufficient since weekend trains do not go as far as Montclair State. Additionally, he said service on the 28 Bus would run on a Saturday schedule, which is insufficient to transport students and faculty to campus. Mr. Alan wants NJ TRANSIT to operate sufficient service on Presidents' Day and other such semi-holidays in the future to get people to Montclair State campus.

Joseph Clift commented on the two board items to extend the contracts for administrative service of health care and prescription drugs. He said there has been no contract since December 31, 2016 and there was a gap between contracts because these were done so late. Mr. Clift questioned how there could be a five and one half year contract and now three one-year extensions. He believes it is the equivalent of a sole source. Mr. Clift said even though the contracts only run \$5 million to \$6 million per year, they are managing \$250 million to \$350 million worth of work. He questioned how this could be done without a bid.

Mr. Clift complained that there were no performance measures to indicate whether they were doing a good job. He said they are supposed to be managing a significant part of NJ TRANSIT's health and prescription costs and he does not see any metrics for measuring performance. He asked how they could extend the contracts if they do not know the performance of the existing contracts. Mr. Clift said he was surprised NJ TRANSIT waited so long to put the items on the agenda and said they should have been bid out with performance measures. He said he was curious to know why it was delayed, a sole source, and no performance measures.

Mr. Clift said he provided handouts regarding the West End Concourse in Penn Station. He noted Long Island Railroad (LIRR) riders use Track 13, located under the post office stamp lobby, west of 8th Avenue. Mr. Clift said 25 years ago, this gave LIRR customers direct access into the station, which saves time.

Mr. Clift said the State of New York Empire State Development Corporation extended the concourse down to Track 5 and it is physically finished. He noted Larry Higgs' article said it was supposed open last fall but it did not open. Mr. Clift noted the photos in his exhibit and said twice as many people use that subway line to get to Penn Station than the 1, 2, or 3 Subway.

Mr. Clift noted the second top right photo on his handout shows a plywood barrier that blocks access below Track 13. He said looking at the fourth picture, which was taken looking through a window, shows the concourse is physically finished but not available. Mr. Clift said mentioned this at the Customer Service meeting three weeks ago. He said it was an administrative issue not physical issue and needs to be done so NJ TRANSIT customers can benefit.

Mr. Clift said the second page of his handout shows the bottom of the West End Concourse, and there were supposed be NJ TRANSIT improvements that provided access to Tracks 1 through 4. He said it was pulled out of the ARC EIS early on because of money and needs to be put back in. Mr. Clift said NJ TRANSIT never put it in their budget but he believes this was a great opportunity to improve service at minimal cost due to New York spending money. He said the money New York was spending was Port Authority of New York and New Jersey toll and federal money. Mr. Clift believes those are New Jersey's money and they should have access.

Senior Citizen and Disabled Resident Transportation Advisory Committee Report

Stephen Thorpe said he missed the last meeting due to a death in his family. He wrote the report to be delivered last month while he was Chairman of the Senior Citizen and Disabled Resident Transportation Advisory Committee (SCDRTAC), but he was delivering it as the Chairman Emeritus.

Mr. Thorpe said this was his last time addressing NJ TRANSIT's Board for SCDRTAC and he was deeply grateful to his colleagues for the opportunity to lead this committee, for the past two years. He will continue to serve as a member of this committee because he cares deeply about the needs of their constituents and community transit as a whole.

Mr. Thorpe said since he last addressed the Board, neither the Governor nor legislature has done anything to provide a stable source of funding for community transportation. They now have a much-needed gas tax; however none of it has been earmarked for community transportation. With the new tax of 23 cents per gallon, he believes at least two to five cents of that should be earmarked for community transportation.

Mr. Thorpe said Atlantic City was under State control and asked what was being done to revive a dying casino industry that used to be the heart of revenue for community transportation. He believes a stable funding source is necessary if they want to continue, and dare they say expand, vital community transit. While many County Freeholder boards have picked-up the ball and bridged the gap between lost casino revenue and actual costs, there are others that have chosen not to do so. Additional revenue streams, such as on-vehicle (wrap) advertising, and partnering with Logisticare are a small portion of what community transit providers need to continue existing services.

Mr. Thorpe said more counties will need to cut services in the coming fiscal year due to lack of funding. The need for community transportation is growing exponentially. He said large blocks of senior housing were being built and contemplated as he spoke. Many of

these were not near or accessible to public transportation. He believes developers of these communities have a responsibility to provide transportation for their residents and legislation is necessary for this to happen. Mr. Thorpe asked who would spearhead it. He said the time is coming, and in some cases has for his generation, when they will no longer be able to drive. Not by choice, but because they won't be able to. Mr. Thorpe wondered how they would get where they need to go.

Mr. Thorpe said it was time for NJ TRANSIT's Board to help find a stable source of funding for community transit. He thanked Governor Christie and the Legislature for passing the gas tax, but with that said, he was requesting the Governor's representative who sits on the Board, take back what was heard in his report to Governor Christie and ask him to please earmark a portion of the gas tax to community transit. He would still be more than happy to meet with the representative or Governor Christie to see what can be done to find a stable source of funding for community transit.

Now that NJ TRANSIT has Executive Director Santoro, who Mr. Thorpe highly respects, he turned to him, the Board Members and NJ TRANSIT managers who do have the power to look into something that can help them. As he has previously stated, there are bus routes that are currently served by NJ TRANSIT Bus that he believes are under-achievers, but are necessary. He was keenly aware of at least one, but was sure there were others.

Mr. Thorpe suggested examining the feasibility of partnering with community transit to operate all or a portion of these routes. He said it would provide a win-win for both the community transit operators and NJ TRANSIT. Transit wins in cost-savings and the ability to use that bus where the need is greatest and community transit wins because NJ TRANSIT would fund it at approximately 50 percent of the cost of operating a full-size bus. Mr. Thorpe suggested Executive Director Santoro may be able to initiate dialog between Mike Kilcoyne and Anna Magri to make this happen. He said time was running out for their community transit operators and it was imperative that they find solutions right away. As always, he is available to discuss any of the items mentioned.

Public Comments on Agenda Items and Other Matters (Continued)

Rachel Kanapka confirmed there were three people speaking for Residents Against Giant Electric (R.A.G.E.). Chairman Hammer noted she and Kin Gee would each have five minutes to speak, and any additional speakers for R.A.G.E. would each have two minutes to speak.

Kin Gee, a resident of Holmdel in Monmouth County, spoke regarding the JCP&L's request to use NJ TRANSIT's right-of-way for a 230,000-volt transmission line. He noted First Energy, headquartered in Ohio, owns JCP&L. Mr. Gee said First Energy owns power plants and distribution utilities in five states, with a heavy reliance on coal to generate power. They cling on to an old business model whereby power is generated using inefficient coal fired plants and is transferred using transmission lines across states lines. Strategically, First Energy "doubled down" in 2011 with the acquisition of Allegheny Power, an energy company that has 78 percent coal-fired plants.

Mr. Gee said in their 2016 first quarter earnings call, First Energy CEO Charles Jones stated that: "We continue to view the transmission business as our primary growth platform for many years to come."

Mr. Gee said there have been advances in technologies and alternatives in the energy sector in the last 10 to 15 years. As an example, demand response is an alternative that says instead of trying to create energy during peak times, there can be significant reduced demand through the use of smart meters, smart thermostats and time variant pricing. This frees up megawatts that don't need to come from generators. In a 2006 pilot program, PSE&G reduced their demand by 21 percent on the hottest summer days and an additional 26 percent if a critical price peak event is trigger for a total reduction of 47 percent of demand. Mr. Gee said First Energy has been highly resistant to these alternatives and, incredibly, has proactively tried to ban or squash these alternatives in order to protect their transmission business strategy. In 2014, First Energy wants PJM, a regional transmission organization, to ban demand response because demand response, which doesn't require large capital commitment, is starving traditional power generation companies out of its "rightful revenue" in the wholesale markets.

Mr. Gee said, to the general public, JCP&L has promoted the project as needed due to population growth and the increased demand for electricity. Mr. Gee said they previously presented to NJ TRANSIT's Board that data from the US Census Bureau shows population growth in Monmouth County has actually declined in the past ten years. Similarly, data from the U.S. Energy Information Administration shows the use of electricity for New Jersey has also declined over the last 10 years.

Mr. Gee said in the actual petition filed with the New Jersey Board of Public Utilities, JCP&L stated that this \$111 million project is needed to remedy a technical violation as part of a reliability-planning standard. The technical violation is that the current main transmission line and the back-up are on the same common structure. When asked how often the main and back-up transmission lines have failed in the past 20 years, JCP&L responded that they failed twice for an aggregate of less than 10 hours due to equipment problems. These two transmission lines have been reliable for 99.99 percent of the time.

On Friday, January 6, 2017, the New Jersey Department of Rate Counsel filed their opposition to this project and provided expert testimony stating that there were viable and cheaper alternatives to correct this technical violation. Mr. Gee noted First Energy has publicly stated that transmission business is their primary growth platform for years to come.

Mr. Gee said there is a saying that if the only tool you have is a hammer, all your problems look a nail. JCP&L chose a "solution" to build a new transmission line that is the most invasive to the communities affected. This project will only benefit JCP&L, to the tune of \$65 million on a net present value basis, and will cause the most harm to everybody else including NJ TRANSIT. At the last Board meeting, they reported that it would cause over \$100 million in property value destruction to residents. Both during construction and after

construction, this project will leave NJ TRANSIT exposed to too many risks. Finally, the project will cause irreparable damage to the communities and permanently scar the landscape.

Mr. Gee said NJ TRANSIT is entrusted with a huge responsibility to protect the public interest. The construction of a 230,000 volt transmission line through very densely populated communities and along an active commuter train line is both unprecedented and not in the public interest. Mr. Gee pleaded that NJ TRANSIT not let JCP&L's ill-conceived transmission project become NJ TRANSIT's liability. He urged NJ TRANSIT to say no to JCP&L and not allow them the use of NJ TRANSIT's right-of-way.

Rachel Kanapka noted she has attended several meetings to discuss JCP&L's power line project. Ms. Kanapka said she is one of over 4,000 members of the citizens group Residents Against Giant Electric. She noted this project was the subject of current court proceedings. After JCP&L submitted their application to the New Jersey Board of Public Utilities for approval, the Board of Public Utilities passed it on to the New Jersey Office of Administrative Law because it was heavily contested by the public, Monmouth County, the five affected towns, and multiple federal and state public officials, many of whom spoke at the October 13, 2016 Board meeting.

Ms. Kanapka discussed some key developments relating to those legal proceedings. First, they learned from discovery responses provided by JCP&L that they claim to have already delivered to NJ TRANSIT engineering plans to review for the project. The public has some very serious concerns about the feasibility of safely installing 108 giant 110 to 210 foot tall, up to 10 foot wide, monopoles in the narrow space to either side of NJ TRANSIT's rails in the narrow right-of-way. There is concern that construction could cause the rail bed to become unstable and cause a train to derail, especially given the excavation needed for the monopoles' deep foundations.

Ms. Kanapka noted it was reported in the Star Ledger back in October that NJ TRANSIT consulted with expert Peter Cannito for advice on rail safety. She asked whether Mr. Cannito has been provided with JCP&L's plans, and been asked to evaluate the safety implications of being the first transportation agency in the country to install high voltage power lines like these in a rail corridor, and what his response was.

Second, a major concern of the public is that the electromagnetic fields, or EMF, emitted from high voltage power lines could pose very serious health risks. U.S. Congressman Chris Smith spoke in-depth about these health concerns at the October 13, 2016 Board meeting. Thousands of residents who live close to the line are concerned about the long-term implications of prolonged exposure to power line EMF, and understandably so. These poles would be just 10 or so feet away from their properties. Ms. Kanapka said NJ TRANSIT should be even more concerned than them, because the levels of highest EMF will not be in their yards, but in NJ TRANSIT's railroad corridor.

Ms. Kanapka said EMF levels are highest at what is called the centerline, the area directly below the wires themselves. A typical power line has nothing but empty space underneath

the wires. But this would not be a typical power line. Here the centerline would fall directly within the active rail corridor, where NJ TRANSIT's passengers and employees would be, day in and day out.

Residents Against Giant Electric hired their own attorney to represent them in the legal proceedings in the Office of Administrative Law. Last Friday, their attorney submitted to the Administrative Law Judge testimony from Dr. David Carpenter regarding the effects of electromagnetic fields on human health. Dr. Carpenter is a public health physician who serves as Director of the Institute for Health and the Environment at the University of New York at Albany. He received his medical degree from Harvard Medical School and has authored more than 370 peer-reviewed publications, six books, and 50 reviews and book chapters. He specializes in human health effects of environmental contaminants.

Ms. Kanapka noted she was submitting to the record a copy of Dr. Carpenter's full testimony on this case. It is too long to read out loud in full, but there were two key statements she wanted to share. Dr. Carpenter was asked to summarize his professional opinion regarding the health effects of magnetic fields from high voltage power lines. He listed several alarming points, but two of them, points #3 and #4, should be particularly alarming to the NJ TRANSIT Board.

Point #3 noted there was evidence that occupational and residential exposure to magnetic fields is associated with cancer in adults, particularly leukemia and brain cancer, and some evidence for elevation in risk of breast cancer. Point #4 noted there was strong scientific evidence that lifetime exposure to magnetic fields in excess of 2 mG is associated with an increased risk of neurodegenerative diseases in adults, particularly Alzheimer's disease.

Ms. Kanapka urged NJ TRANSIT to ask JCP&L what the EMF levels will be within the right-of-way after these 230,000-volt lines are installed. From the documentation they have seen, it will be well in excess of 2 mG.

Ms. Kanapka noted a power line like this has never been installed above a major active railway. No other rail employees or passengers have ever been exposed to EMFs from power lines in the way JCP&L is asking NJ TRANSIT to allow. NJ TRANSIT passengers and employees would be guinea pigs. She noted it was interesting that the board agenda had an extension of the NJ TRANSIT Healthcare Carrier Contract with Horizon Blue Cross/Blue Shield of New Jersey. She questioned what impact these power lines could have on NJ TRANSIT's employees' health and on NJ TRANSIT's contract premiums. She asked how employees would feel about NJ TRANSIT putting their health at risk.

Mr. Kanapka's third update regarding the legal proceedings was that Judge Gail Cookson has scheduled one public hearing to gather public input on Wednesday, January 25, 2017 at 7:00 p.m., in Middletown. She suggested if NJ TRANSIT is still undecided as to how to respond to JCP&L, to attend that public hearing to hear what people are saying because if NJ TRANSIT says yes, this project becomes NJ TRANSIT's project as much as JCP&L's project.

Ms. Kanapka recalled at the last Board meeting, before announcing his resignation, Vice Chairman Bruce Meisel made several strong statements about this project, and said very plainly that if he were voting, he would vote no. Ms. Kanapka asked when NJ TRANSIT will decide and what additional information NJ TRANSIT needs. She said every day that passes is a day that state, taxpayer, and private money is being wasted fighting this ridiculous project in court.

Ms. Kanapka said even if NJ TRANSIT put aside that the very need for this project is unproven. Even if they don't think about all the devastating side effects to communities that it would cause. If NJ TRANSIT just focuses on what this project would mean for NJ TRANSIT, the safety risks, health risks, service disruption risks, and reputational risks, she believes it is clear that the only logical answer for NJ TRANSIT to give JCP&L is no. Ms. Kanapka asked when NJ TRANSIT is going to say it.

Carl Anthony Cooper said he has identified a possible alternative project in response to feedback from NJ TRANSIT's Board. He said he would discuss a potential alternative implementation to avoid using air insulated high voltage wires that would be so devastating to the residential property values along this heavily populated route. Mr. Cooper said the electrical power industry has been using alternatives to air insulated high voltage power lines in heavily populated areas for years. He noted in Ramsey, located in Bergen County, the Rockland Electric Company operates an oil cooled high voltage transmission line that is buried in conduit under the Franklin Turnpike.

Mr. Cooper said to safeguard NJ TRANSIT's tracks and also provide safer operating for NJ TRANSIT's customers and employees, a better alternative would be to place any JCP&L high voltage transmission line in a conduit for electrical insulation and enclose that conduit in a berm that is above ground, except for at road crossings where the conduit would be buried underneath the roads to be crossed. Mr. Cooper said use of a berm-enclosed conduit would avoid the construction risks, expenses for monopoles, and the expenses for trenching associated with conventional burial. Mr. Cooper reiterated that they still believe JCP&L's proposed project is simply not needed.

Stan Matthews confirmed there were an additional eight people to speak on behalf of Mr. Russell Graddy. Chairman Hammer noted Mr. Matthews and Mr. Graddy would each have five minutes to speak, and any additional speakers would each have two minutes to speak.

Mr. Matthews said they were there, as a friend of NJ TRANSIT, to support Russell Graddy in asking NJ TRANSIT to right a wrong committed more than 14 years ago. He said it has been a long, painful journey for Mr. Graddy, who is an 85-year-old pillar in the African American community and the New Jersey community. Mr. Matthews wants justice and consideration for what Mr. Graddy has been through. The speakers were there to discuss Mr. Graddy's good character. Mr. Matthews noted they have received positive press regarding Mr. Graddy's compelling story.

Reverend John D. Givens, Pastor of Shiloh AME Zion Church, said he was President of the Pastors' Council. He discussed Mr. Russell Graddy's character and community involvement in the state. Mr. Givens noted they were both first generation entrepreneurs who have done business with NJ TRANSIT. He expressed support for Mr. Graddy. Mr. Givens said he knows NJ TRANSIT is fair through his experience selling NJ TRANSIT medium sized cars. He said NJ TRANSIT has been fair to him as a first generation African American entrepreneur and appealed to NJ TRANSIT to continue to be fair. Mr. Givens discussed Mr. Graddy's entrepreneurial work in the state and asked NJ TRANSIT for consideration in this matter.

Evangelist Lisa Thompson noted Mr. Graddy is an outstanding member of the community and a mentor and pillar in their society. She said Mr. Graddy paved the road for entrepreneurs. Ms. Thompson said he is a generous man who contributed to society and his neighborhood. She said Mr. Graddy supports anyone's good cause, not just African Americans. Ms. Thompson asked NJ TRANSIT to do the right thing for Mr. Graddy. She noted the case was very old and some were not even at NJ TRANSIT when it started, but asked that they make it right.

John Harris said he has known Mr. Graddy for 50 years. He said he was a college dropout and Mr. Graddy gave him a job. From that, he went on to become a manager and traveled the country through various positions, and even became a Senior Vice President in a technology company and President of New York/New Jersey Financial Management Society. During those 50 years, he has worked with Mr. Graddy as a friend and brother and was there when he first started in Atlantic City. He said Mr. Graddy would take other people to work with him, who did not have an opportunity to work elsewhere. Mr. Harris has seen people grow, the same as he has. He said they need to look at him not just as a black man with a business, but for the life experience he has provided to the community and others. Mr. Harris said he has been a pillar wherever he has been and given back to that community. He asked that NJ TRANSIT give Mr. Graddy the opportunity to continue his business.

Jamie Bland, Chapter Leader of the National Action Network Paterson, noted Mr. Graddy's importance to the community. She asked how NJ TRANSIT could continue to invoice him and noted he had to continue to pay to keep his name in good standing. Ms. Bland noted she runs a youth program and there have been years they would not have survived without Mr. Graddy as a sponsor. She asked for justice for Mr. Graddy.

Stan Matthews noted a number of letters of support they received from various elected officials. He said he would provide signed petitions from people who support Mr. Graddy;

James Harris said he served as President of the New Jersey State Conference of the NAACP from 2012 to 2013. He became aware of Mr. Graddy's concerns with NJ TRANSIT in Atlantic City. Mr. Harris said he deals with civil rights to eliminate racial discrimination and racial hatred. Mr. Harris believes, based on his research, there is a racial component to Mr. Graddy's treatment and that can be seen in the contracts now given to African American minorities for NJ TRANSIT's facilities.

Mr. Harris asked whether the Board has seen the packet referred to the last time they were there. Chairman Hammer said they have received information. Mr. Harris said then they know there was over \$1 million harm. He noted the Board was not in power at the time, but believes it is important to review the record and do right thing. Mr. Harris said Mr. Graddy needs his money back and his business back, or someone else needs to take that business. He said the Board has a responsibility and opportunity to make what was wrong right. Mr. Harris asked the Board to make their decision promptly so litigation does not need to move forward. He said the NAACP only gets involved if they think there has been discrimination and they don't give up. They would like to see positive results to see Mr. Graddy recover what was lost, in a reasonable time frame.

Stan Matthews noted they have been in communications with Executive Director Santoro's Office and talked several times over past week about moving towards resolving the matter amicably. Mr. Matthews said because they are honorable, they will stand to their commitment to enter those discussions privately, with an open mind and fair spirit. He asked for Chairman Hammer or Executive Director Santoro to acknowledge that they have a meeting scheduled, and Executive Director Santoro said they do. Mr. Matthews hopes they will be able to reach an amicable resolution.

Russell Graddy thanked the Board for allowing them to speak before them several times. He noted the record might go back to 1989, when he first started doing business with NJ TRANSIT. Mr. Graddy said when NJ TRANSIT purchased the bus station from Atlantic City, he was already there under contract with the City. He said NJ TRANSIT wrote him a letter telling him they were going to remodel the bus station and would be in contact. Mr. Graddy said the next time he heard from NJ TRANSIT, they had negotiated an agreement with Marriott to put in a Roy Rogers, without notifying him.

After he complained to Dolores Cooper about being thrown out, he said she spoke to the Director and NJ TRANSIT gave him 30 days to put together a proposal, even though Marriott had eight months to put their proposal together. Mr. Graddy said he hired professionals and put together a proposal. He said NJ TRANSIT told him they would pick one out of the two. Mr. Graddy said when they found he was the best, NJ TRANSIT went for another RFP so he had to redo his numbers and won again. He said NJ TRANSIT said he had to qualify to remodel the whole bus station to be able to occupy 1200 square feet of the bus station. Mr. Graddy said he was able to qualify to borrow \$5 million to remodel NJ TRANSIT's bus station and NJ TRANSIT was going to reimburse him. He said once they found out he was able to get that kind of support, he was told he didn't have to do it and NJ TRANSIT would do it. Mr. Graddy believes that was the first of many attempts to kick him out of the bus station.

Mr. Graddy said NJ TRANSIT finally decided against remodeling that bus station and were going to build a new one. He said he had a right in his lease to go wherever they went. Mr. Graddy said NJ TRANSIT increased his space from 1,200 square feet to 2,800 square feet, but not because they liked him. He said they did that to lay the foundation so anyone could be in the bus station. Mr. Graddy said in that lease it gave him exclusive rights to all

retail in and around the bus station. He said NJ TRANSIT moved the other tenants, Greyhound and Trailways, and said Mr. Graddy had to move out of the bus station because everyone else was moving out. Mr. Graddy said he refused to leave without a guarantee that he would be able to occupy space in the new terminal. He said NJ TRANSIT asked the court for summary judgment to throw him out and the court said he had to move out so NJ TRANSIT could continue with the construction but they had to provide space for him in the bus station. Mr. Graddy said he moved out of the bus terminal, spent over \$1 million to put his space in, and still wasn't allowed to move in once he completed his space. He said he moved in anyways. Mr. Graddy said it cost his family dignity and respect.

Mr. Graddy said NJ TRANSIT put together an RFP for someone else to have 4,000 square feet right next to his restaurant but his lease said he had exclusive rights for all retail in and around the bus station. Mr. Graddy said he had put together plans for that 4,000 square feet because he had the right, but NJ TRANSIT wouldn't let that space go to anyone else so they moved the whole bus station so he couldn't develop that property. He believes that was discrimination against him as an African American and does not believe that would have happened to anyone else. Mr. Graddy said it has been devastating and cost him millions of dollars. He said when NJ TRANSIT asked for his keys on October 7, 2004 to reconfigure the bus station, NJ TRANSIT took his keys and equipment and renegeed on what was promised.

Stan Matthews thanked Chairman Hammer, the Board, Executive Director Santoro's Office, and Board Secretary Zuczek. He quoted Dr. King who said "character is found not in times of comfort but in times of controversy and testing." Mr. Matthews said this was a time of testing and controversy. He said the Board was not responsible for what happened in 1989, but has the opportunity to do what is right and just.

Board Customer Service Committee Report

Board Member Castillo presented the report for the Customer Service Committee. The Customer Service Committee received a Customer Service update and report on the Social Media Dashboard.

Board Administration Committee Report

Board Member Castillo presented the report for the Administration Committee. The Administration Committee discussed the board items for the Healthcare Carrier and Prescription Drug contracts. The Committee also received a Financial Update, which included an analysis of ridership trends.

Executive Director's Monthly Report

Executive Director Santoro wished everyone a Happy New Year. As millions of people were celebrating the arrival of the New Year in Times Square, many NJ TRANSIT employees were hard at work both interacting with customers, and ensuring the system

was moving smoothly from behind the scenes throughout locations in New Jersey and New York. Executive Director Santoro thanked all of NJ TRANSIT's colleagues who were away from their families and friends. He recognized that working during a New Year's Eve celebration means midnight wishes are given by phone or email instead of in person and said NJ TRANSIT appreciates everyone who helped contribute to a successful operation.

Through a combination of experience, lots of preparation and coordination, NJ TRANSIT accomplished that mission of safely transporting tens of thousands of customers to and from their destinations. On a night like New Year's Eve, mass transit becomes even more critical, as it allows customers to leave their cars at home and avoid the risks of drinking and driving. To assist customers navigating the system, NJ TRANSIT had nearly two-dozen employee volunteers, called ambassadors, on duty throughout the evening and during the overnight hours at key locations, including New York Penn Station, the Port Authority Bus Terminal, Hoboken and Secaucus. Five of NJ TRANSIT's customer service offices at major stations and terminals were also open until midnight or later.

In addition, operations supervisors and executives were on location monitoring the operations in the field and in the Emergency Operations Center (EOC). The EOC allows NJ TRANSIT to have representatives from each of the business lines along with the New Jersey Transit Police Department all operating in the same room and sharing information in real time. This is a centralized location where data from the entire span of NJ TRANSIT is collected. That includes everything from passenger counts on trains and movements of buses and light rail vehicles to monitoring customer flow at stations and listening to feedback on social media.

Throughout the night Executive Director Santoro was able to observe the flow of information and stay apprised of operations and conditions system-wide. The EOC conducted several conference call briefings before and after midnight to provide situation reports to NJ TRANSIT's Executive Management Team, and to ensure all branches of the organization had the most up to date information. Executive Director Santoro was pleased to report that all of the teamwork paid off in a smooth operation, which also was acknowledged through social media and again thanked all involved.

NJ TRANSIT is continuing its effort to hire the necessary staff throughout the organization. On December 7, 2017, representatives attended a job fair at Stevens Institute of Technology. At that event, they were able to speak with more than 175 attendees and collected more than 100 resumes. By laying the groundwork at an event like Stevens, NJ TRANSIT is able to search for talented individuals to fill roles in engineering construction management, project management, as well as positions such as Assistant Engineer/Architect, and part time positions to build NJ TRANSIT's future leaders. They were able to speak with students and alumni with majors and degrees in fields such as computer science, computer engineering, civil and electrical engineering, and business management. They are continuing their recruitment outreach efforts and attending the New Jersey Institute of Technology Job Fair on February 22, 2017.

NJ TRANSIT is also conducting interviews for the Chief of Procurement and a Compliance Officer this month.

On Tuesday, January 17, 2017, NJ TRANSIT will be expanding Philadelphia bus service to areas west of City Hall, where as previously they terminated at City Hall. Three routes, the 414, 417 and the new 555, will be able to bring NJ TRANSIT customers closer to the business district in Center City Philadelphia during weekday peak hours in the morning and afternoon. NJ TRANSIT is able to offer this expansion by utilizing SEPTA bus stops while also continuing to service existing NJ TRANSIT bus stops on Market Street.

This expansion provides a one-seat ride for South Jersey customers in Camden and Burlington counties to Center City Philadelphia and ultimately provides an improved commuting experience. This service does not have any impact on the budget, as NJ TRANSIT was able to convert existing service to the new patterns to better serve customers.

Executive Director Santoro noted last month, they heard a presentation from Janice Pepper regarding NJ TRANSIT's Score Card survey results. The feedback received from customers is invaluable to NJ TRANSIT in making the transit system work for them. Executive Director Santoro introduced Dennis Martin to present the myriad of ways in which NJ TRANSIT hears from customers and also present examples of how NJ TRANSIT specifically utilizes that information to improve the customer experience.

Dennis Martin said NJ TRANSIT welcomes opportunities to communicate with their customers and has embraced avenues that help facilitate meaningful feedback allowing staff to affect positive change and improvements in how they do business. Their methodologies for communicating with customers vary from traditional written correspondence and public meetings to the more widely accessible social media and web-based information dissemination. In particular, Mr. Martin highlighted how they obtain and use survey comments; how they respond to key drivers in the survey; and the positive performance trends resulting from this approach.

There are numerous advantages to utilizing technology to supplement NJ TRANSIT's efforts to reach their customers. For example, they often use the web and social media to inform customers of new initiatives and promotions such as the Commuter Toolkit or to highlight a change in service on major holidays.

In times of emergency or severe weather, NJ TRANSIT uses the web and social media, as well as press releases, live interviews, and push alerts, in order to provide up-to-the-minute information regarding service, conditions, schedule, and other factors affecting NJ TRANSIT's customers. He noted a slide with examples of two web marquees that alerted customers of service related changes during Winter Storm Jonas and the visit to Philadelphia by Pope Francis. In both cases, each web marquee linked to landing pages on NJ TRANSIT's web site that were populated with key details to help guide customers in planning their commutes. In addition, during such situations, NJ TRANSIT

also sends out critical information via social media. When NJ TRANSIT's Emergency Operations Center is activated both in times of emergency or of significant public events, NJ TRANSIT's public information team monitors social media channels in real time and informs the New Jersey Transit Police Department, customer service, as well as the respective operating lines of any imminent situation that requires attention being posted by customers. This allows for an immediate response to the customer as well as informs NJ TRANSIT's operating lines so they can take action to address the situation.

NJ TRANSIT's customer service and social media teams utilize a computer software platform called Salesforce to input cases customers bring to NJ TRANSIT's attention. This software enables employees to input feedback into the database and then to track progress of any issue that needs to be resolved. At times, these cases are forwarded to the respective business lines to investigate and then those individuals provide responses to customer service personnel letting them know if further action will be taken.

In 2005, NJ TRANSIT implemented its salesforce.com-based CRM. Consolidating customer feedback into one application and expanding access to customers. The total cases for 2016 to date were 63,277. This was about eight times the number of cases NJ TRANSIT was processing pre-Salesforce. This feedback, as well as social media posts and comments, are detailed in a monthly customer service and social media report that is presented during the monthly NJ TRANSIT Customer Service Board Committee meeting to allow NJ TRANSIT's Board Members, employees, and the public to examine any trends or issues that have been identified and what steps have been taken to resolve outstanding issues.

As many already know, NJ TRANSIT receives thousands of comments by survey participants. NJ TRANSIT's operating groups reviewed all these to identify issues and to take remedial action. And where a greater understanding of an issue was needed, NJ TRANSIT conducted focus groups. For example, in the past, a key driver for Rail was "communication to our customers during service disruptions". To help mitigate this problem, several focus groups were scheduled with customers.

Various employees within rail operations attended these focus groups and gained valuable firsthand information from NJ TRANSIT's customers. They were able to hear specific detailed information on what exactly the customers were looking for. They also learned a lot about how flexible and resourceful customers are when they are aware of a disruption.

NJ TRANSIT used what was learned during the focus group to help tailor the messaging so that customers were able to make travel decisions in a timely manner. The overall message from customers was "communication." They needed to know that there was a disruption as soon as possible so they could make an educated decision as to their travel plans. NJ TRANSIT has been working diligently to meet their expectations by having accurate and timely information provided to them.

Rail's initiatives have eliminated "Customer Communication During Service Disruptions" as a Key Driver for Rail Operations. Looking at the key drivers from NJ TRANSIT's most recently reported survey as an example of the kind of in-depth look NJ TRANSIT takes at customer feedback, Mr. Martin noted a slide showing the quadrant analysis of the rail customer responses to the ScoreCard survey. The left axis showed the importance of the attribute from low to high and the bottom axis depicts the level of how Rail Operations performs from low to high. The upper left quadrant showed that, based on customer survey results, fares were the highest priority for customers and they want aggressive action taken to lower them. In the upper right quadrant there were a host of issues that rail customers felt were satisfactory and would like NJ TRANSIT to continue to perform well on. The lower left showed issues that were of concern enough to customers that they would like to see them addressed and the bottom right quadrant showed issues where NJ TRANSIT performed well and customers didn't find critical however they would like them to be monitored regularly.

In an effort to address the Bus PM peak schedule and on-time performance key drivers, Bus Operations undertook a gate sharing effort with Greyhound Bus. Mike Kilcoyne and his team worked out an arrangement whereby NJ TRANSIT would use the Greyhound gates during weekday peak hours, a time when Greyhound activity is minimal, moving routes from congested areas of the terminal to the underutilized gates. This outside-the-box approach required intense negotiation with both Greyhound and the PANYNJ. The result was on-time performance has improved greatly on the relocated lines as well as on the levels where these buses used to run.

Bus Operations also realigned the 166-service from Cresskill to New York by separating express and local components to reduce congestion and to provide seats to intrastate riders. The 166 has had an impressive 29 percent improvement in peak on-time performance since the realignment. Bus is rebuilding the weekend 166 line as well to address running and recovery time issues to improve off peak on-time performance as well.

Fares will not be increased in 2017 and NJ TRANSIT has been working with the State Treasurer to not increase fares in 2018. Rail Operations continues to focus on improving its service, so that customers realize value for the fares they pay.

To address seating availability, work continues on the Light Rail car extension program on the Hudson-Bergen Light Rail and Newark Light Rail. NJ TRANSIT is retrofitting 36 cars to provide 50 percent more seats. Cars will be placed into service in a phased approach with the completion scheduled for November 2017. Regarding safety and security, installation of inward and outward facing video cameras continues to progress. Also, staff works with New Jersey Transit Police Department on targeted patrols and coordinated fare enforcement sweeps.

While NJ TRANSIT continues to focus on the key drivers that need to improve, customers do rate NJ TRANSIT highly in areas that are important to them and they

want NJ TRANSIT to maintain performance. Those attributes appear in the upper right quadrant of the strategic analysis slide.

Mr. Martin highlighted by mode the attributes that customers rate NJ TRANSIT highly in, that they want NJ TRANSIT to maintain that performance. For Rail, they were safety, on-time performance, seating availability, weekday AM peak schedule, overall trip time, weekday PM peak schedule, and comfort on-board. For Bus Operations, they were safety, weekday AM peak schedule, seating availability, cleanliness on-board, overall trip time, comfort on-board, and My Bus. For Light Rail, they were safety, weekday AM peak schedule, on-time performance, weekday PM peak schedule, and overall trip time. For Access Link, they were safety, comfort on-board, fares, cleanliness on-board, vehicle operator performance, and customer service.

In conclusion, NJ TRANSIT places a high value on customer communication and maintaining an ongoing dialogue with customers helps create an atmosphere of trust and open exchange on issues of importance. Taking action on customer feedback is critical to building good will. The ScoreCard Surveys provide key data and drivers of customer satisfaction. They also provide the baseline for tracking improvement. Customer complaint data offers specifics on how efforts to improve service are increasing levels of customer satisfaction. This comprehensive approach is yielding positive results for NJ TRANSIT's customers.

Board Secretary Zuczek confirmed that Board Member Finkle joined the meeting by telephone.

Executive Director Santoro introduced Chief Trucillo to discuss some of the work being done by the New Jersey Transit Police Department.

Chief Trucillo noted the New Jersey Transit Police Department (NJTPD) created its Mission and Vision Statements in 2012, along with identifying their core values of Honor, Commitment, Integrity and Courage. In the interim period Law Enforcement across the Nation has had to face many challenges. He spoke to four of these challenging areas and how their training was making a difference not only for the NJTPD and NJ TRANSIT, but their first responder partners and the public as well.

The first was social issues. Over the course of the past year there has been an increased strain on the relationship between the public and the police. This has led to a national discussion within Law Enforcement of the Guardian vs. Warrior concept. Simply stated the public needs and wants police officers to be guardians, while the dangerous nature of the work demands that Police Officers be trained as warriors. The NJTPD has specific training that does both, but stresses to NJTPD officers that the warrior mindset is situational, while the default posture for officers is always as guardians.

Transit Police officers by the nature of where they work (Transit hubs and stations) deal with a large population of people who have addiction and mental health issues.

Following the recommendations in the President's Task Force on 21st Century Policing released in 2015, the department has committed to give all of NJTPD's police officers 40 hours of "Crisis Intervention Training" so they can deal with this segment of society in a more knowledgeable, humane and professional manner. In addition all of NJTPD's officers have received training in "Bias Awareness."

Every member of the department has also been trained with and given access to "Narcan" which is a counteractive agent that is utilized on a person who is overdosing on heroin, which is a life threatening situation. Since January 1, 2016 NJ Transit Police Officers have deployed "Narcan" 104 times, 85 times with successful results that have saved the victim's life.

They also continue to make "great public service" a thread that they reinforce through all of their training.

Chief Trucillo noted the second challenging area was Counter-Terrorism. Counter Terrorism is the number one priority of the NJTPD, therefore they train their officers to be prepared to deter, detect, respond and mitigate all potential acts of terrorism. Last month they trained over 80 officers, along with officers from transit partners and municipal police officers in "Strategic Thinking under Stress." This is an advanced hands on training program that uses role-playing and realistic scenarios to prepare officers to deal with many situations from active shooter to operating in tight tubular environments.

The department also has the state of the art firearms simulator that allows officers to practice their skills in a 340-degree platform that uses video scenarios. This dynamic environment is not to test their shooting capabilities, although it can, its primary use is to test and hone their decision making skills as it relates to the use of deadly force.

Through NJTPD's Office of Emergency Management, in 2016 they had five full-scale exercise drills that have involved simulated terrorist acts like Active Shooter and Improvised Explosive Devices. These exercises bring together not only their police department, but also NJ TRANSIT front line employees in different business lines and first responder partners from Federal, State, County and local jurisdictions.

Next, Chief Trucillo noted the best partners the NJTPD has are their fellow NJ TRANSIT Civilian employees. Over 11,000 strong, they make a tremendous force multiplier. To date, through the Office of Emergency Management, over 10,000 NJ TRANSIT employees have received Department of Homeland Security approved behavioral awareness training. This training enables them to recognize suspicious behavior and how to report it. These employees are riding and working all throughout NJ TRANSIT's system, in all parts of the state and helping NJTPD keep it safe.

Since 2010 the Office of Emergency Management, through participation in the Transit Security Grant Program, they have trained over 600 NJ TRANSIT employees from across all business lines in advanced Incident Command Training at TEEX (Texas A&M

Engineering Extension Service). Located in College Station Texas, TEEX, is recognized as a Center for Excellence by the Department of Homeland Security in Incident Command Training. In addition over 500 partner first responders from municipalities across the state have also joined NJ TRANSIT for this training.

The last area Chief Trucillo discussed was the Civilian Police Academy. Every year, NJTPD provides the employees and customers of NJ TRANSIT a chance to gain a better understanding of what New Jersey Transit law enforcement officers experience on a daily basis through the Citizens Police Academy. Participants engage in a combination of classroom and hands-on training. The class is kept small, no more than 25 people, to aid participation.

The class meets one night a week for 14 weeks. Since its inception in June of 2006, the Citizen Police Academy has been successful in strengthening bonds between the community and the Police Department by graduating two hundred and forty eight students. The Academy reveals aspects of policing not generally known to the public, and it improves the understanding of what it's like to be a NJ TRANSIT Police Officer. In turn the department also gets feedback from the class on how they can improve the program.

The next class is scheduled for February 16, 2017 and they welcome members of the public who would like to attend. Chief Trucillo noted Police Officer Jason Conrad of their Training Unit was outside the Boardroom if anyone would like to sign up or get additional information.

Executive Director Santoro noted these programs and other training initiatives like them were important to contributing towards successful incident command, as on New Year's Eve.

Action Items

1701-01: EXTENSION OF HEALTHCARE CARRIER CONTRACT: HORIZON BLUE CROSS/BLUE SHIELD OF NEW JERSEY

Executive Director Santoro introduced Michael Lihvarcik, Chief Financial Officer and Treasurer, who presented Action Item #1701-01 for approval.

Michael Lihvarcik recommended approval of Item #1701-01, Extension of Healthcare Carrier Contract: Horizon Blue Cross/Blue Shield of New Jersey. Approval was requested to extend NJ TRANSIT Contract No. 10-120 with its current healthcare carrier, Horizon Blue Cross/Blue Shield of New Jersey, including Medical, Dental, Managed Mental Health, and Flexible Spending administration at rates lower than current, for a period of one year, beginning January 1, 2017, to ensure continuation of coverage for NJ TRANSIT employees and retirees and eligible dependents with administrative costs not to exceed \$5,600,000 per year, and with two (2), one-year

renewal options, subject to future Board approval, not to exceed a total of \$16,800,000, subject to the availability of funds through December 2019.

Board Member Flora M. Castillo moved the resolution, Board Member Anthony Longo seconded it, and it was unanimously adopted.

Roll Call Vote:

Hammer	LeBoeuf	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	(Non-Voting Member)

1701-02: EXTENSION OF PRESCRIPTION DRUG CONTRACT: EXPRESS SCRIPTS

Executive Director Santoro introduced Michael Lihvarcik, Chief Financial Officer and Treasurer, who presented Action Item #1701-02 for approval.

Michael Lihvarcik recommended approval of Item #1701-02, Extension of Prescription Drug Contract: Express Scripts. Approval was requested to extend NJ TRANSIT Contract No. 10-121 with its current prescription drug carrier, Express Scripts, Inc., for a period of one year, beginning January 1, 2017, to ensure continuation of coverage for NJ TRANSIT with administrative costs not to exceed \$167,000 per year, and with two, one-year renewal options, subject to future Board approvals, not to exceed a total of \$501,000, through December 2019.

Board Member Flora M. Castillo moved the resolution, Board Member Lisa LeBoeuf seconded it, and it was unanimously adopted.

Roll Call Vote:

Hammer	LeBoeuf	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	(Non-Voting Member)

Executive Session Authorization

At approximately 10:48 a.m., Chairman Hammer requested a motion to enter Executive Session to discuss personnel matters, contract negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege.

Board Member Flora M. Castillo moved the resolution, Board Member Anthony Longo seconded it, and it was unanimously adopted.

Board Secretary Zuczek conducted a Roll Call as Board Members returned to Open Session. All Board Members, except Board Member Greaves, returned to open session at approximately 11:51 a.m.

1701-03: ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE TRAIN CONTROL: AMENDMENT TO IMPLEMENTATION CONTRACT

Executive Director Santoro introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, who presented Action Item #1701-03 for approval.

Eric Daleo recommended approval of Item #1701-03, Advanced Speed Enforcement System II – Positive Train Control: Amendment to Implementation Contract. Approval was requested to amend NJ TRANSIT Contract No. 10-099X with Parsons Transportation Group of New York, New York, for Phases I, II and III of the Advanced Speed Enforcement System II Positive Train Control Program at a cost not to exceed \$32,500,000, for a total contract authorization of \$205,904,120, subject to the availability of funds.

Board Member Lisa LeBoeuf moved the resolution, Board Member Anthony Longo seconded it, and it was unanimously adopted.

Roll Call Vote:

Hammer	LeBoeuf	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	(Non-Voting Member)

Adjournment

Since there were no further comments or business, Chairman Hammer called for adjournment and a motion to adjourn was made by Board Member Flora M. Castillo, seconded by Board Member Lisa LeBoeuf, and unanimously adopted. The meeting was adjourned at approximately 11:53 a.m.

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

JANUARY 11, 2017

MINUTES

	PAGE
➤ CALL TO ORDER	-
➤ SAFETY ANNOUNCEMENT	-
➤ PLEDGE OF ALLEGIANCE TO THE FLAG	-
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	50272
➤ PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS	-
➤ SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT	-
➤ BOARD COMMITTEE REPORTS	-
*Customer Service Committee	
*Administration Committee	
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	50273

ACTION ITEMS

1701-01 EXTENSION OF HEALTHCARE CARRIER CONTRACT: HORIZON BLUE CROSS/BLUE SHIELD OF NEW JERSEY 50319

Authorization to extend NJ TRANSIT Contract No. 10-120 with its current healthcare carrier, Horizon Blue Cross/Blue Shield of New Jersey, including Medical, Dental, Managed Mental Health, and Flexible Spending administration at rates lower than current, for a period of one year, beginning January 1, 2017, to ensure continuation of coverage for NJ TRANSIT employees and retirees and eligible dependents with administrative costs not to exceed \$5,600,000 per year, and with two (2), one-year renewal options, subject to future Board approval, not to exceed a total of \$16,800,000, subject to the availability of funds through December 2019.

1701-02 EXTENSION OF PRESCRIPTION DRUG CARRIER CONTRACT: EXPRESS SCRIPTS 50323

Authorization to extend NJ TRANSIT Contract No. 10-121 with its current prescription drug carrier, Express Scripts, Inc., for a period of one year, beginning January 1, 2017, to ensure continuation of coverage for NJ TRANSIT with administrative costs not to exceed \$167,000 per year, and with two, one-year renewal options, subject to future Board approvals, not to exceed a total of \$501,000, through December 2019.

EXECUTIVE SESSION AUTHORIZATION: Discuss personnel matters, contract negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege. **50327**

1701-03 ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE TRAIN CONTROL: AMENDMENT TO IMPLEMENTATION CONTRACT 50328

Authorization to amend NJ TRANSIT Contract No. 10-099X with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program at a cost not to exceed \$32,500,000, for a total contract authorization of \$205,904,120, subject to the availability of funds.

➤ **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 14, 2016 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 19, 2016;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the December 14, 2016 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
Richard T. Hammer, Commissioner
Steven H. Santoro, Executive Director



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

TO: BOARD OF DIRECTORS
FROM: STEVEN H. SANTORO 
DATE: JANUARY 11, 2017
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JANUARY 2017

As millions of people were celebrating the arrival of the New Year in Times Square, many of our employees were hard at work both interacting with our customers and ensuring our system was moving smoothly from behind the scenes throughout locations in New Jersey and New York. I want to thank all of our colleagues who were away from their families and friends. This organization appreciates everyone who helped contribute to a successful operation. Through a combination of experience, lots of preparation and coordination, we safely transported tens of thousands of customers to and from their destinations.

On a night like New Year's Eve, mass transit becomes even more critical, as it allows customers to leave their cars at home and avoid the risks of drinking and driving. We had nearly two dozen NJ TRANSIT employee volunteers called ambassadors on duty throughout the evening and in the overnight hours at key locations to assist customers, including New York Penn Station, the Port Authority Bus Terminal, Hoboken and Secaucus. Five of our customer service offices at major stations and terminals were also open until midnight or later. In addition, we had operations supervisors and executives on location monitoring the operations in the field and in our Emergency Operations Center. The EOC, as we call it, allows us to have representatives from each of the business lines along with the New Jersey Transit Police Department all operating in the same room and sharing information in real time. This is a centralized location where data from the entire span of NJ TRANSIT is collected. That includes everything from passenger counts on trains and movements of buses and light rail vehicles to monitoring customer flow at stations and listening to feedback on social media. Throughout the night, I was able to observe the flow of information and stay apprised of our operations and conditions systemwide. The EOC conducted several conference call briefings before and after midnight to provide situation reports to our Executive Management Team and ensure all branches of the organization had the most up to date information. I'm pleased to report that all of the teamwork paid off in a smooth operation, which also was acknowledged through social media. Thanks again to all involved.

We are continuing our effort to hire the necessary staff throughout the organization. On December 7th, representatives attended a job fair at Stevens Institute of Technology. At that event, they were able to speak with more than 175 attendees and collected more than one hundred resumes in the search for talented individuals to fill roles in engineering construction management, project management, as well as positions such as Assistant Engineer/Architect, and part time positions to build our future leaders. That is not the end of our effort. We will attend the New Jersey Institute of Technology job fair on February 22nd. We are also conducting interviews this month for a Chief of Procurement and Compliance Officer.

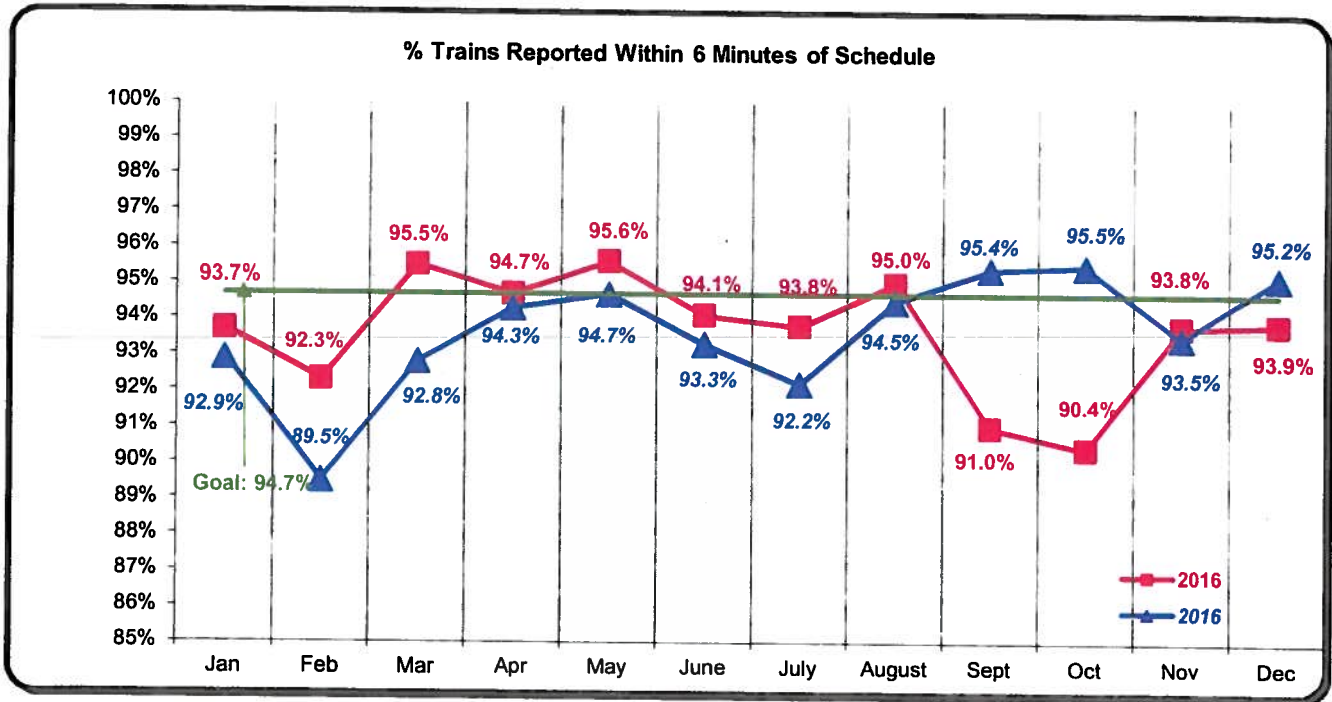
On January 17th, we will be expanding Philadelphia bus service to areas west of City Hall, where as previously they terminated at City Hall. Three routes, the 414, 417 and the new 555, will be able to bring our customers closer to the business district in Center City Philadelphia during weekday peak hours in the morning and afternoon. We are able to offer this expansion by utilizing SEPTA bus stops, while also continuing to service existing NJ TRANSIT bus stops. This expansion provides a one-seat ride for South Jersey customers in Camden and Burlington counties to Center City Philadelphia and, ultimately, provides an improved commuting experience without impacting the budget.

EXECUTIVE DIRECTOR'S MONTHLY REPORT JANUARY 2017

- 1. PERFORMANCE MEASURES**
- 2. MEAN DISTANCE BETWEEN FAILURES**
- 3. DBE/MBE PROGRAM**
- 4. EMPLOYEE RECOGNITION**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL JANUARY 2015 - DECEMBER 2016



	2015	2016	# Change
December Comparison	95.2%	93.9%	-1.3%

	2015	2016	# Change
12-Month Average Jan. 2015- Dec. 2016	93.7%	93.7%	0.0%

Analysis:

Rail On-Time Performance was 93.9% for December, 2016. Of the 18,561 trains scheduled to operate, 17,432 were on time, while 1,129 trains (or 6.1%) were delayed. Key causes included:

- Amtrak and NJT programmed maintenance and a NJT switch failure contributed to 59 delays resulting in 83.1% OTP on December 3.
- NJT diesel failure, NJT police activity and Amtrak switch failure contributed to 43 delays resulting in 89.9% OTP on December 5.
- Amtrak programmed maintenance contributed to 39 delays resulting in 88.9% OTP on December 10.

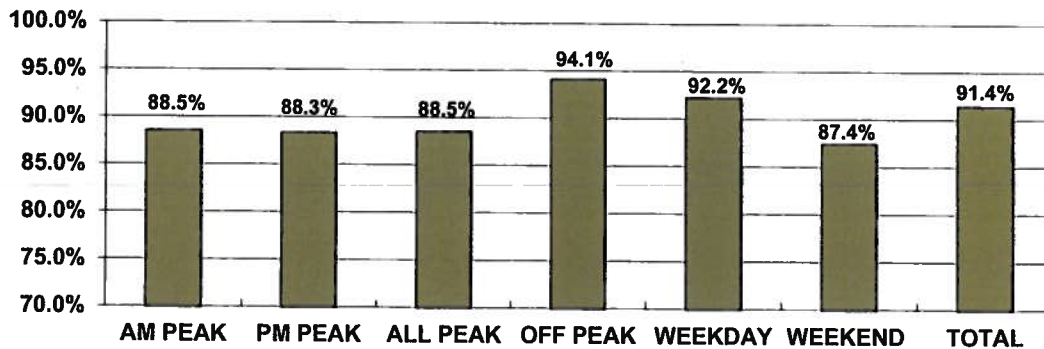
The 12-month average for Rail On-Time Performance for January 2015-December 2016 was 93.7%, which has not changed.

ON-TIME PERFORMANCE RAIL

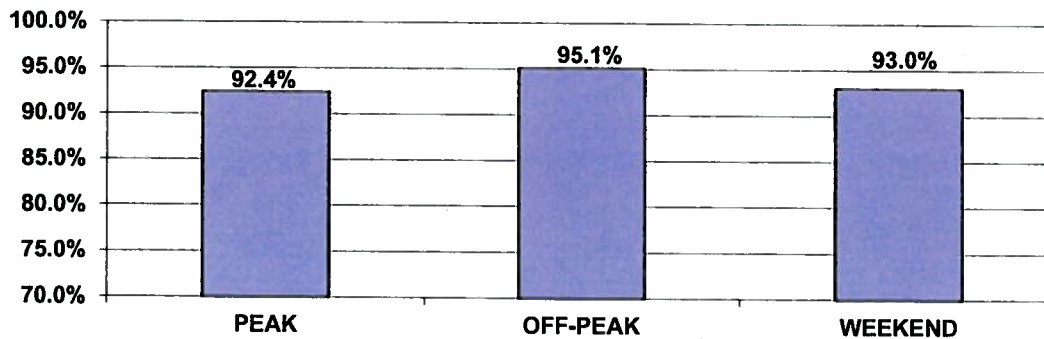
SUMMARY BY TIME PERIOD DECEMBER, 2016

* NOTE: A train is reported late if it arrives at its final station stop more than 5:59 later than the advertised schedule.

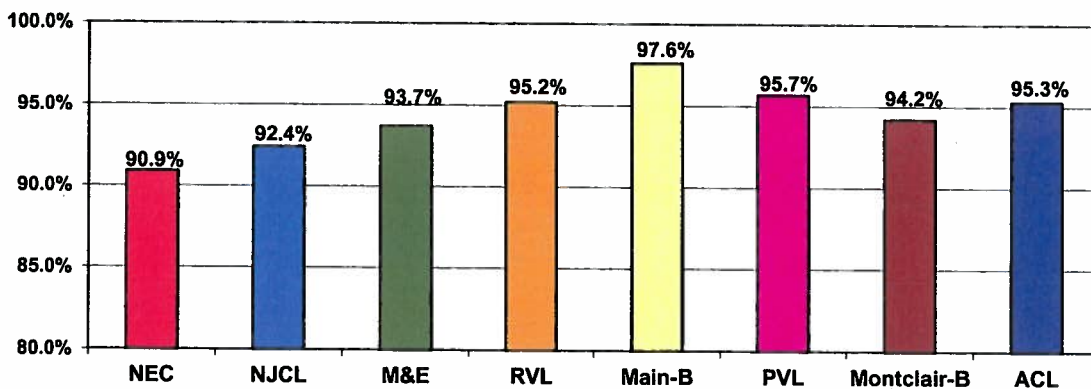
% NEW YORK PENN STATION Trains Reported On Time *



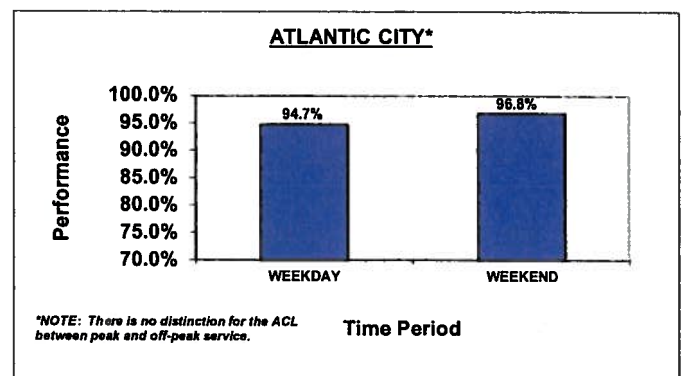
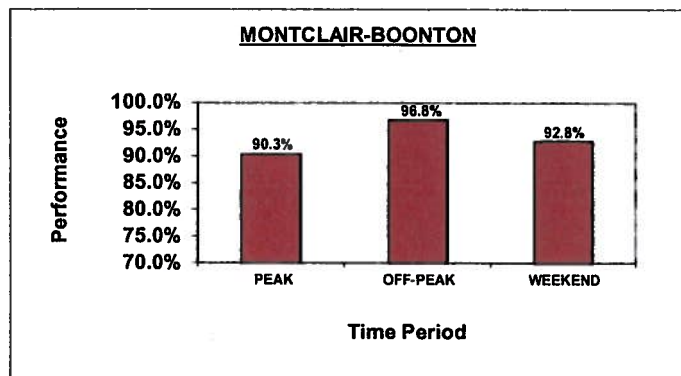
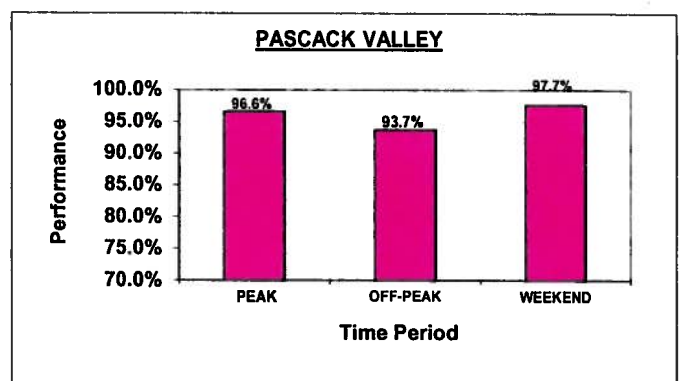
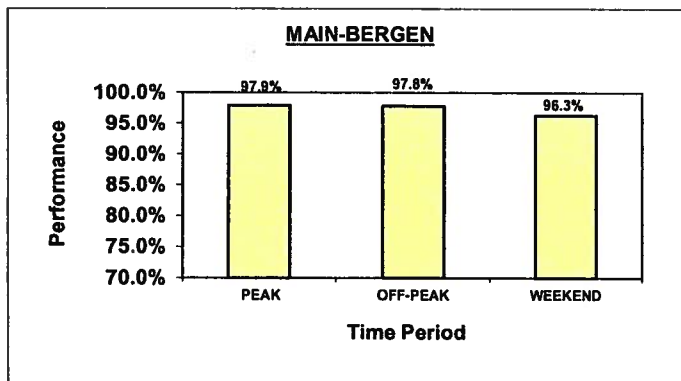
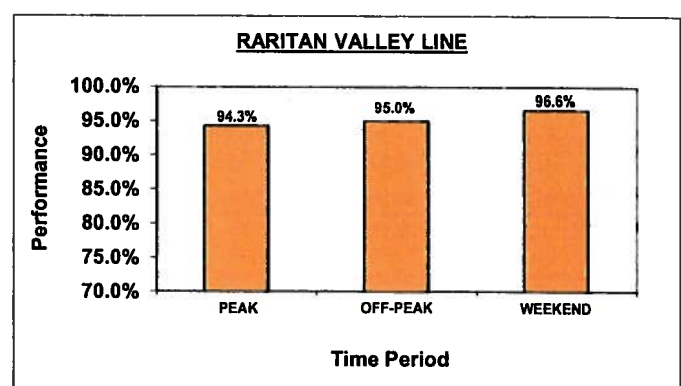
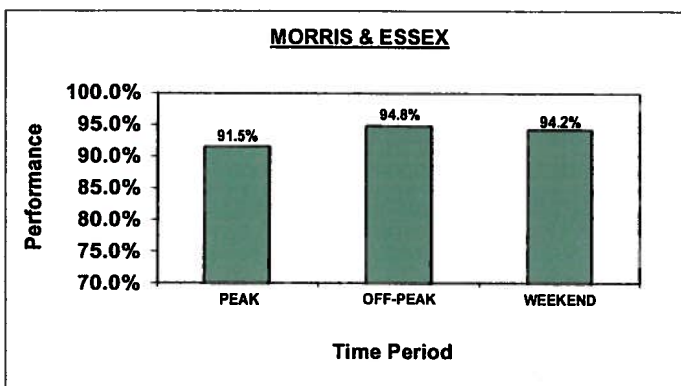
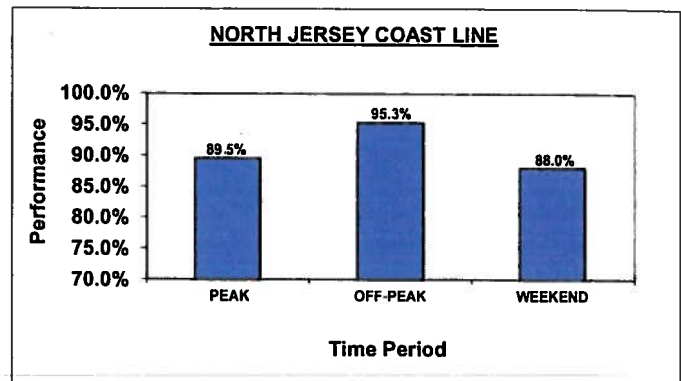
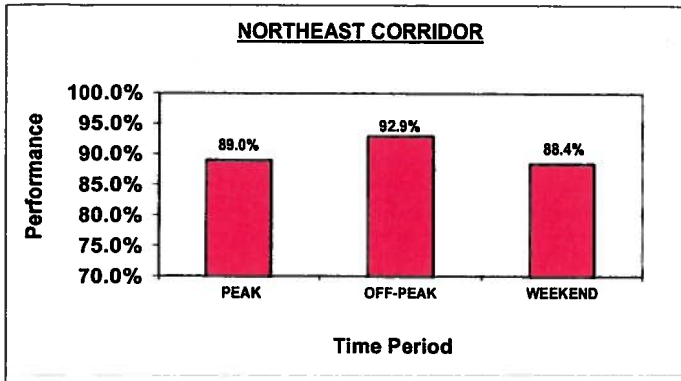
% SYSTEMWIDE Trains Reported On Time



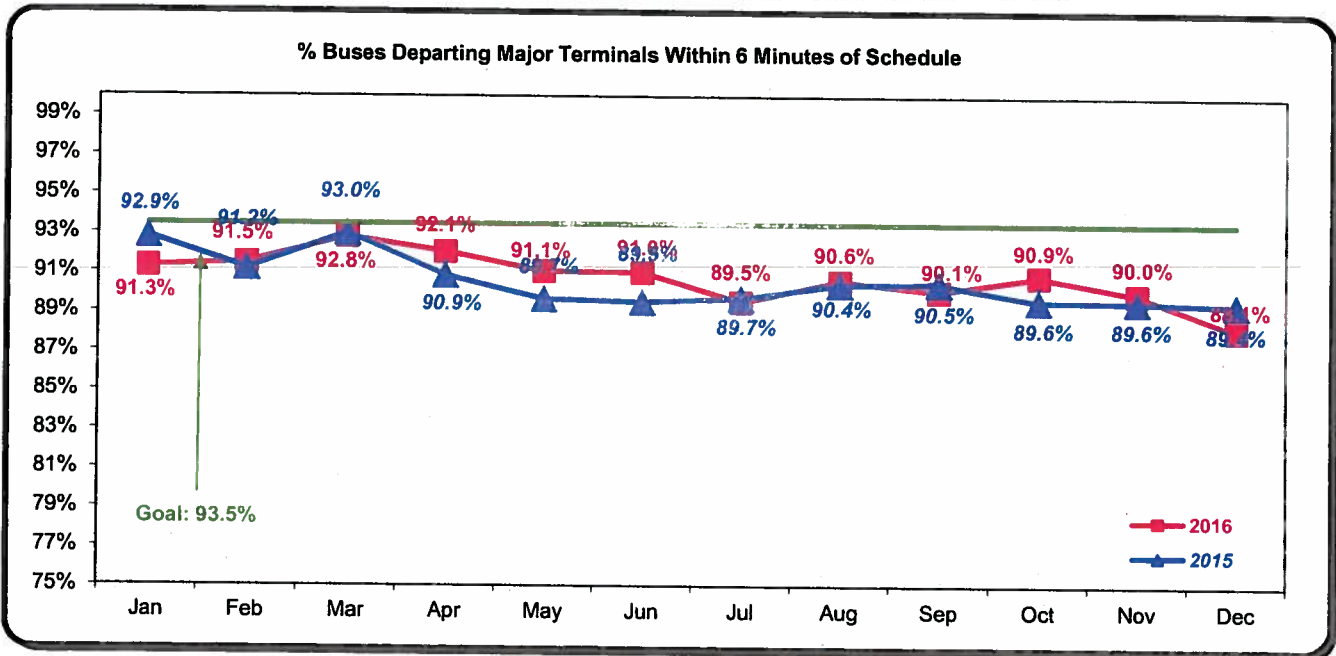
% BY LINE Trains Reported On Time



ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD DECEMBER, 2016



NJ TRANSIT ON-TIME PERFORMANCE BUS JANUARY 2015 - DECEMBER 2016



	2015	2016	% Change
December Comparison	89.4%	88.1%	-1.3%

	2015	2016	% Change
12-Month January 2014 - December 2016	90.5%	90.7%	0.2%

Analysis:

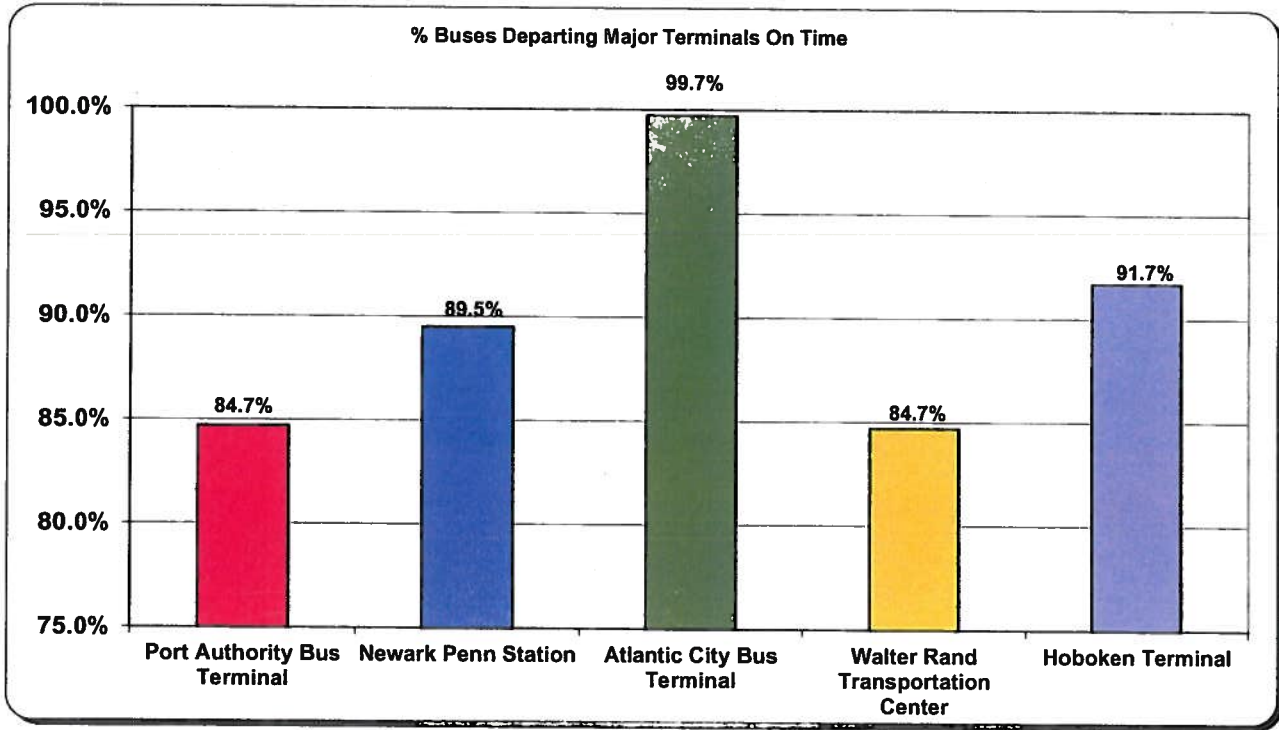
Bus On-Time Performance was 88.1% for December 2016. Of the 44,398 monitored departures, 5,2769 (or 11.9%) experienced delays. Key causes included:

- Gridlock alert days on December 15, 22, 23, 27, 28 and 30 plus heavy inbound traffic due to the holidays affected Port Authority Bus Terminal performance.
- Holiday detours in and around Philadelphia and post-election protests in Philadelphia affected Walter Rand Transportation Center performance.
- Delays due to heavy holiday traffic impacted service in Newark.

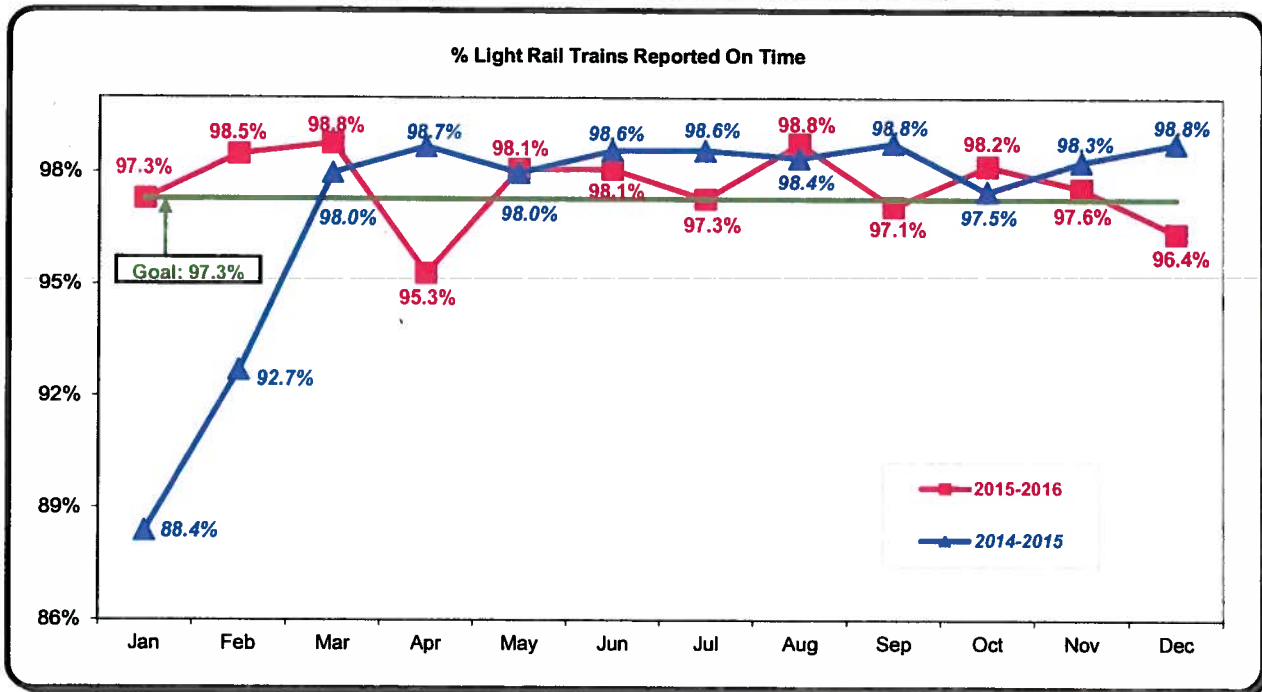
The 12-month average for Bus On-Time Performance for January 2015 - December 2016 was 90.7%, which was an increase of 0.2% from the previous year.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL DECEMBER 2016



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL JANUARY 2015 - DECEMBER 2016



	2015	2016	# Change
December Comparison	98.8%	96.4%	-2.4%

	2015	2016	# Change
12-Month Average January 2016 - December 2016	97.1%	97.6%	2.1%

Analysis:

Light Rail On-Time Performance systemwide was 96.35% for the month of December 2016. Of the 24,579 scheduled departures, 898 (or 3.6%) experienced delays.

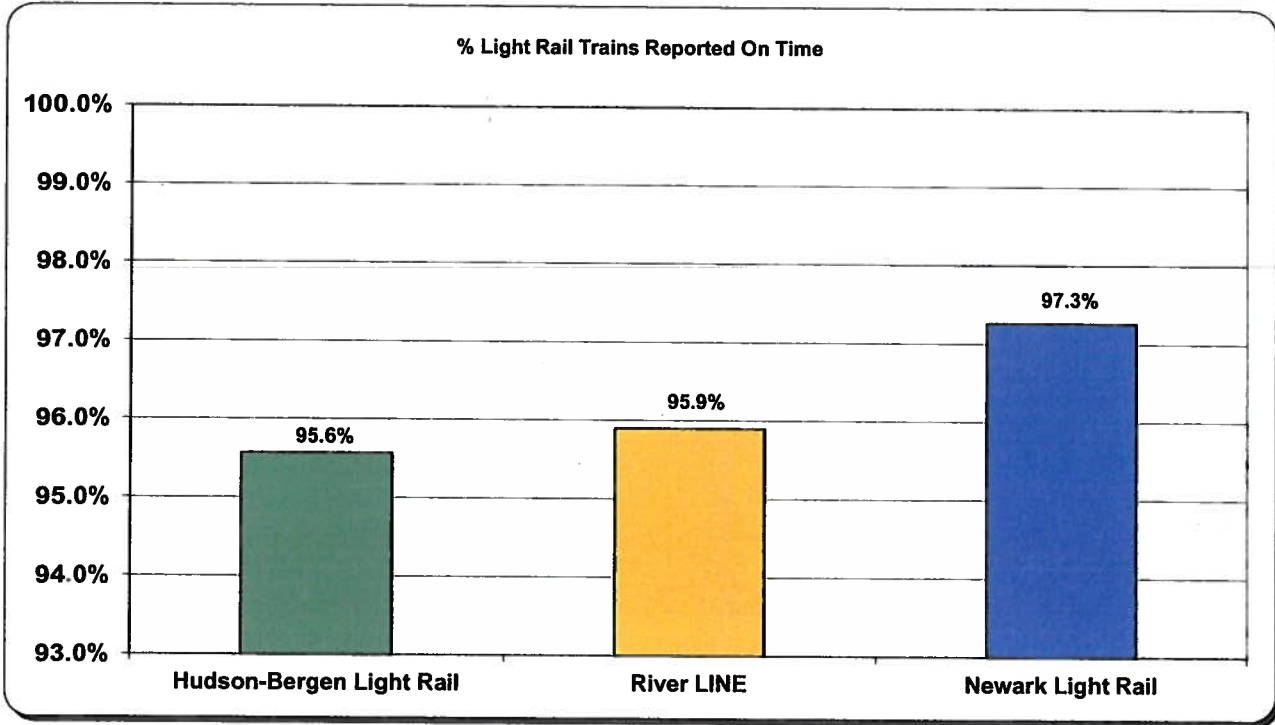
Key causes included:

- Water main break south of Essex Street Station in Jersey City delayed 180 HBLR trains on November 9.
- A track obstruction/auto on tracks delayed 12 River LINE trains on December 7.
- Communications failure at Penn switch #4 delayed 137 Newark Light Rail trains on December 22.

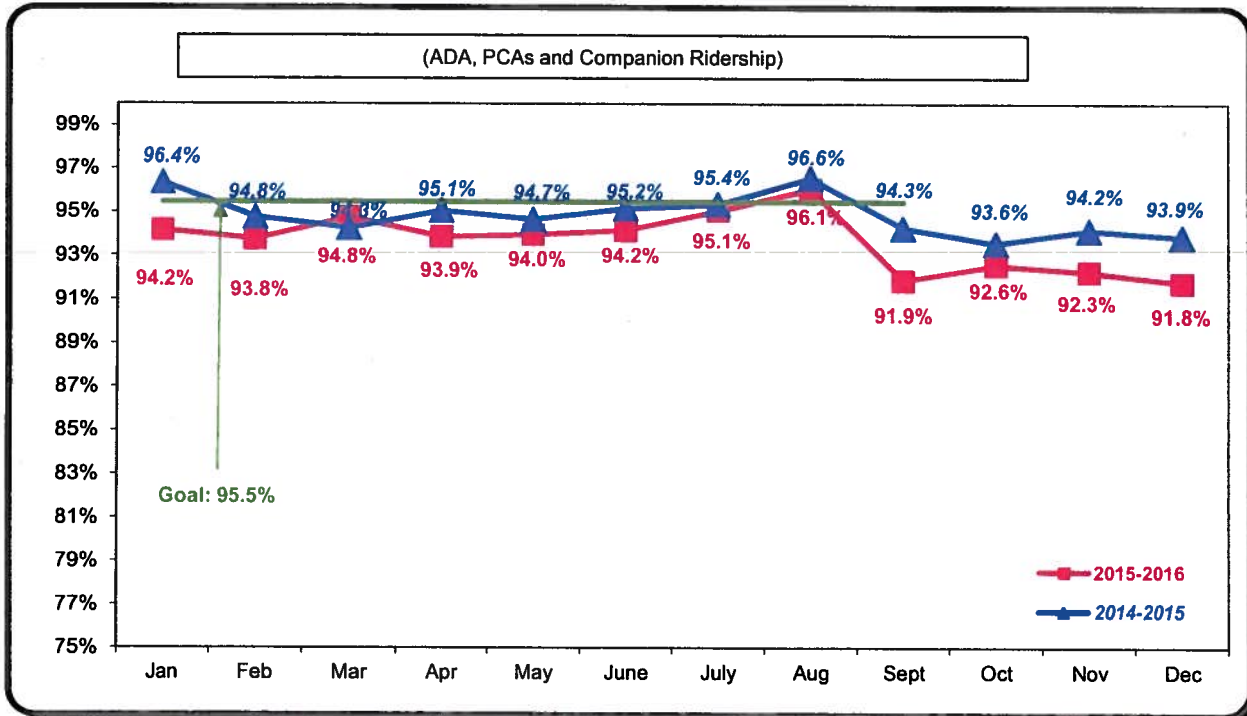
The 12-month average for Light Rail On-Time Performance for January 2015 - December 2016 was 97.6%, which increased by 2.1%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE DECEMBER 2016



NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK JANUARY 2015 DECEMBER 2016



	2015	2016	% Change
December Comparison	93.9%	91.8%	-2.1%

	2015	2016	Difference
December Ridership	128,395	131,489	3,094

	2014-2015	2015-2016	% Change
12-Month Average December-November	94.9%	93.7%	-1.2%

Analysis:

Access Link On-Time Performance was 91.8% for December 2016. In serving 131,489 total riders, for 119,386 ADA customers trips, 9,737 (or 8.2%) experienced delays.

Key causes include:

- * High number of holiday cancellations and customer no-shows.
- * Increase traffic volume & congestion causing service delays.
- * Sedan recalls placing majority of sedans out of service

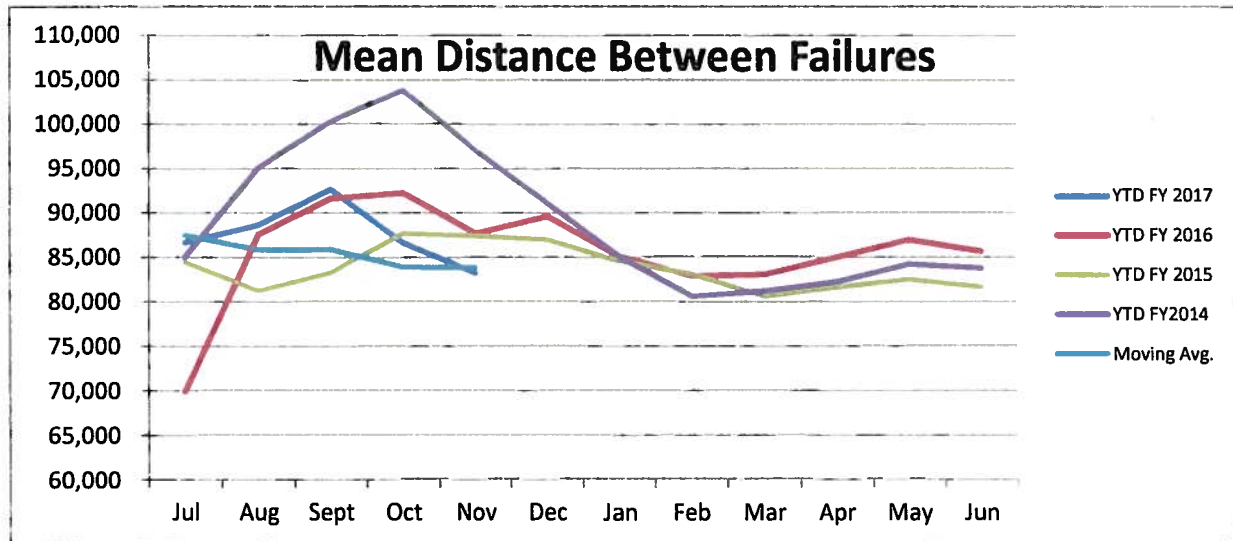
The 12-month average for Access Link On-Time Performance for January 2015 - December 2016 was 93.7%, which decreased by -1.2%.

MEAN DISTANCE BETWEEN FAILURES

November-16

NJ Transit Rail
Mean Distance Between Failures

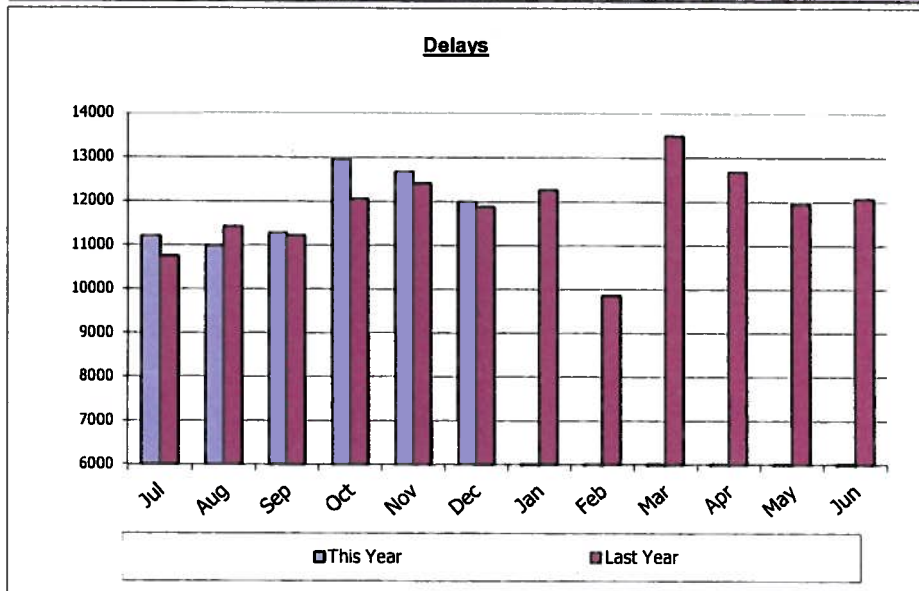
Month	YTD FY2017	YTD FY2016	YTD FY2015	YTD FY2014	12 Month Moving Avg.
Jul	86,683	69,926	84,508	85,097	87,513
Aug	88,680	87,565	81,319	95,116	85,898
Sept	92,705	91,669	83,368	100,341	85,954
Oct	86,626	92,329	87,750	103,813	83,937
Nov	83,272	87,756	87,434	97,112	83,870
Dec	-	89,655	87,042	91,128	-
Jan	-	85,167	84,607	85,161	-
Feb	-	82,949	83,179	80,639	-
Mar	-	83,112	80,659	81,229	-
Apr	-	85,060	81,649	82,293	-
May	-	87,022	82,566	84,237	-
Jun	-	85,722	81,704	83,798	-



Garage Performance Parameters

December 2016

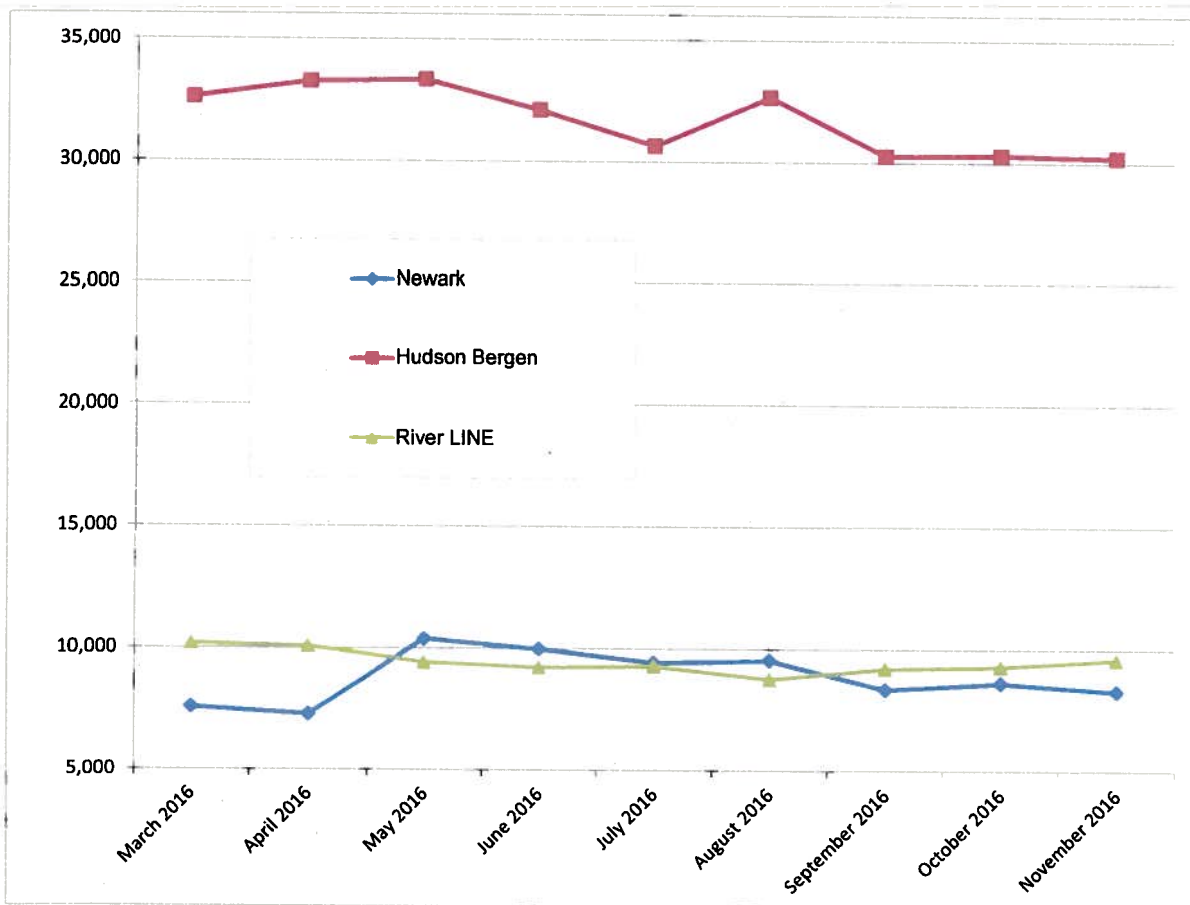
Location	Miles Between In-Service Delays			
	FY2017 Goal	This Month	FY2017 YTD	FY2016 YTD
Fairview	7,000	5,772	6,415	5,815
Greenville	9,900	5,494	6,016	6,880
Market Street	9,500	7,058	8,780	8,285
Meadowlands	11,500	8,664	7,585	7,949
Oradell	13,500	13,725	10,984	11,069
Wayne	12,500	13,473	13,709	11,648
Northern Division	-	9,330	9,279	9,011
Big Tree	9,600	6,198	8,879	7,944
Hilton	10,500	11,888	10,138	11,897
Howell	16,750	19,248	33,608	34,107
Ironbound	9,800	13,148	10,180	10,046
Orange	10,200	7,722	9,419	8,342
Morris	10,500	48,481	47,869	48,579
Central Division	-	12,547	12,996	12,799
Egg Harbor	16,500	18,405	16,182	14,058
Hamilton	20,000	22,021	19,208	22,509
Newton Avenue	15,700	14,909	14,068	15,577
Washington Twp.	14,500	15,787	13,179	13,950
Southern Division	-	17,094	14,937	15,004
Bus Operations	-	11,988	11,787	11,585



NJ TRANSIT - LIGHT RAIL, November 2016 Average Miles Between In Service Failures

NJT LIGHT RAIL	MDBSF * November 2016
Newark Light Rail	9,606
Hudson Bergen	30,235
River LINE	9,606

AVERAGE MILES BETWEEN IN-SERVICE MECHANICAL FAILURES



* Mechanical failure data for 3 LR systems, calculated as a rolling average over multiple months.

** Newark Light Rail operates much less mileage, with all single-car trains and a 5 mile alignment.

DBE/SBE PROGRAM

State Funded Contracts

During the month of December 2016, NJ TRANSIT awarded **\$0** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$0** or **0%**.

During the State Fiscal Year **2017** (July 1, 2016 through June 30, 2017) NJ TRANSIT awarded **\$1,574,975.00** in state funded contracts. Of that total, SBEs received **\$997,668.00** or **63.35%**.

SBE Goal Attainment from July 1, 2016 through June 30, 2017 (FY 2017)

Category 1 SBEs received	\$0.00	or 0.00%
Category 2 SBEs received	\$0.00	or 0.00%
Category 3 SBEs received	\$0.00	or 0.00%
Category 4 SBEs received	\$0.00	or 0.00%
Category 5 SBEs received	\$997,668.00	or 63.35%
Category 6 SBEs received	\$0.00	or 0.00%

FTA Funded Contracts (updated Quarterly – next update will occur April 2017)

During the 1th Quarter (October 1, 2016 – December 31, 2016) of Federal Fiscal Year 2017 (October 1, 2016 through September 30, 2017), the FTA funded share of NJ TRANSIT's federal contracts awarded was **\$1,487,374.25**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$27,350.00** or **1.84%**.

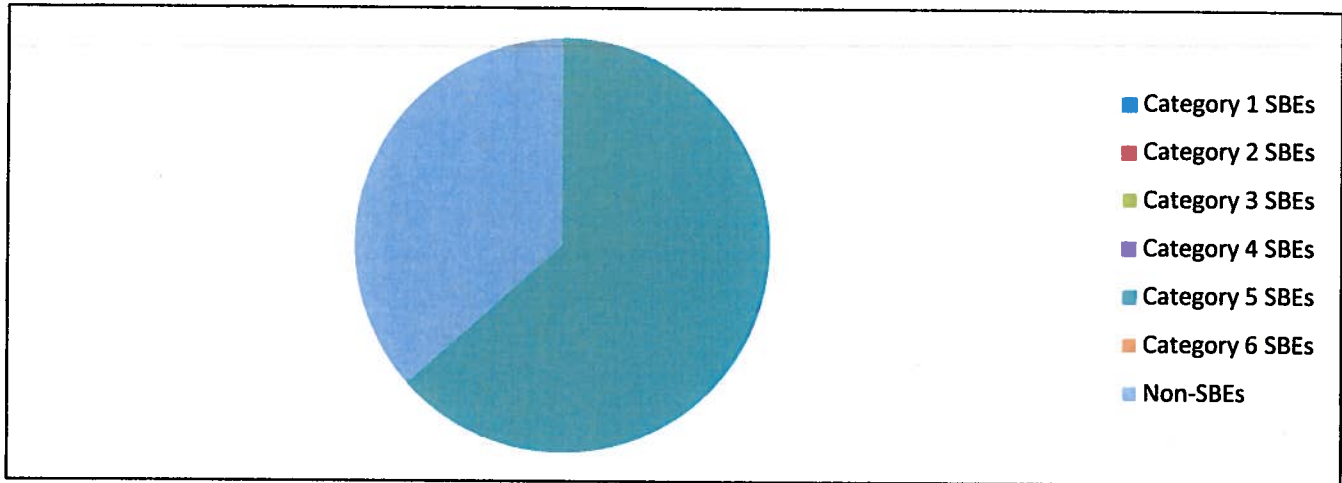
DBE Goal Attainment from October 1, 2016 (FFY 2016) - September 30, 2019 (FFY 2017) **

Contracts awarded	\$1,487,374.25
DBEs received	\$ 27,350.00 or 1.84%

****Numbers reflect federal share.**

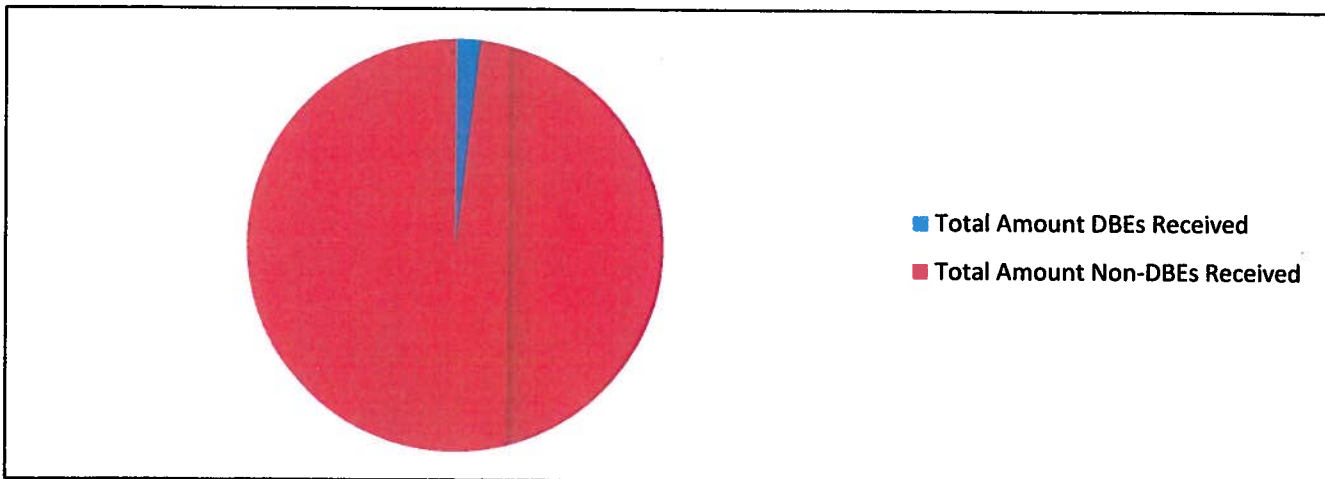
SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD 2017

Category 1 SBEs	\$0.00	0.00%
Category 2 SBEs	\$0.00	0.00%
Category 3 SBEs	\$0.00	0.00%
Category 4 SBEs	\$0.00	0.00%
Category 5 SBEs	\$997,668.00	63.35%
Category 6 SBEs	\$0.00	0.00%
Non-SBEs	\$577,307.00	0.00%



DBE PARTICIPATION
FEDERAL CONTRACTS
TRIENNIAL YEARS 2017-2019

Total Amount DBEs Received	\$27,350.00	1.84%
Total Amount Non-DBEs Received	\$1,460,024.25	98.16%



EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Seven NJ TRANSIT employees retired recently with careers ranging from three to 44 years of service:

1. Michele Adams, Director Ops Communications – MMC – 39 years
2. James Baker, Director Labor Relations Rail – Penn Plaza – three years
3. Mauro Crocetta, Machinist – MMC – 43 years
4. Mario Gautier, General Foreman – MMC – 28 years
5. Timothy Meade, Senior Training Specialist – Ferry Street – 30 years
6. George Rosario, Locomotive Engineer – Various – 38 years
7. Nolan Simmons, Electrician – Hoboken – 44 years

Communication Exchange

Turning Feedback into Results

January 11, 2017

Avenues

- Survey Comments
- Web Site
- Customer Service Portal
- Social Media (Twitter, Facebook)
- Press Releases, Press Conferences
- Public Meetings, Hearings
- F.Y.I. Newsletter
- Correspondence
- Eyes & Ears (Employee Feedback)

Utilizing Technology

NJ TRANSIT
January 3 at 3:14pm · 🌐

Many of NJ TRANSIT's rail and light rail stations are accessible by elevators, ramps and bridge plates and allow level boarding. Accessible stations are shown on our system maps with the international symbol of accessibility. All buses are equipped with lifts or ramps and offer a kneeling feature for customers who have difficulty with the first step up into the bus. NJ TRANSIT also provides ADA paratransit service called Access Link for customers who are unable to use our service as a result of their disability. To learn more about NJ TRANSIT services that are accessible to people with disabilities, go to njtransit.com and click on the "Accessibility" menu. #ToolKitTuesday

New Jersey Transit - Home

NJ TRANSIT is New Jersey's public transportation corporation. Its mission is to provide safe, reliable, convenient and cost-effective transit service with a skilled team of employees, dedicated to our customers' needs and...

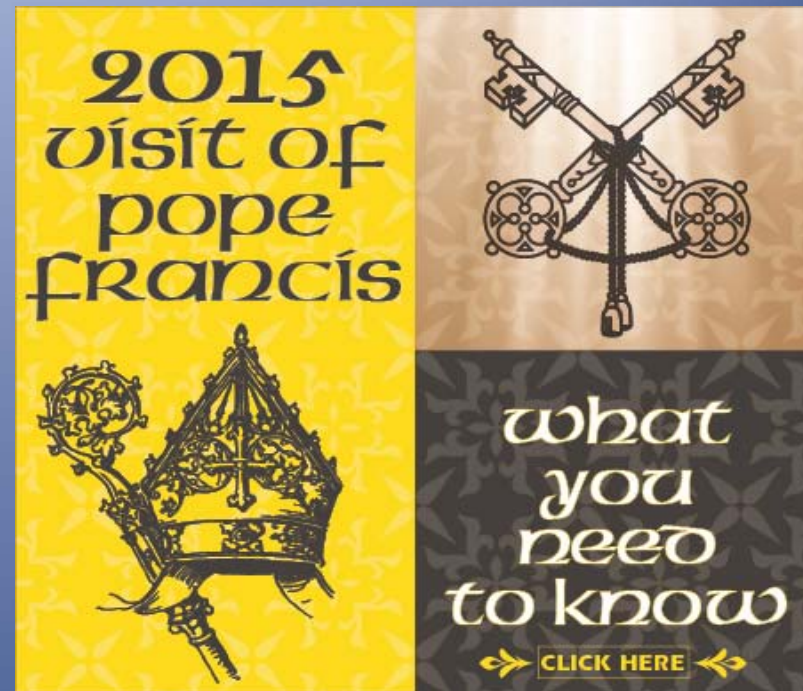
NJTRANSIT.COM

7 likes · 2 Comments · 1 Share

Like · Comment · Share



Critical Communications



Customer Service & Feedback

- Total cases for 2016 to date is 62,223
 - 70% Complaint
 - 25% Request For Information
 - 2.5% Suggestions
 - 2.5% Commendations
- Real time tracking of trending issues
 - Immediate within three days and individual response

Customer Survey

- All survey comments are reviewed by each operating group
- Identify the causes and take remedial action
- Focus groups held where additional information is needed
- Correlate issues with other customer feedback





Strategic Analysis - Rail

High

High Customer Priority / Aggressive Action

- 1. Fares

High Customer Priority / Maintain Performance

- 1. On-time Performance
- 2. Seating Availability
- 3. Weekday AM Peak Schedule
- 4. Overall Trip Time
- 5. Weekday PM Peak Schedule
- 6. Boarding Station/Stop Parking Availability
- 7. Comfort On-board
- 8. Cleanliness On-board
- 9. Safety

Importance

Lower Customer Priority / Action Needed

- 1. Mechanical Reliability
- 2 Weekend/Holiday Schedule
- 3 Handling of Service Disruptions
- 4 Weekday Evening/Night Schedule
- 5 Announcements/Information during Service Disruptions
- 6 Arrival Station/Stop/Terminal Condition

Lower Customer Priority / Monitor Regularly

- 1 Security
- 2 Boarding Station/Shelter Condition
- 3 My Transit
- 4 Security of Parking Lot

Low

Low

Performance

High



Response to Key Drivers

Bus - OTP and Evening Schedule

- Gate sharing with Greyhound Bus
- Realign the 166 Route

Rail – Fares

- No fare increase for 2017 & 2018
- Delivering value for fare

Light Rail - Seating Availability, Safety and Security

- HBLR & NLR Car extensions
- Installation of Cameras, targeted patrols and fare enforcement activities



Positive Performance Trends

Another component of the survey analysis involves maintaining and communicating Key Drivers that customers identify as important, as well as noting where NJ TRANSIT's performance exceeds expectations.



Rail Operations – Positive Performance

Key Drivers

- Safety (priority #1)
- On-time Performance
- Seating Availability
- Weekday AM Peak Schedule
- Overall Trip Time
- Weekday PM Peak Schedule
- Comfort On-board



Bus Operations – Positive Performance

Key Drivers

- Safety (priority #1)
- Weekday AM Peak Schedule
- Seating Availability
- Cleanliness On-board
- Overall Trip Time
- Comfort On-board
- My Bus



Light Rail Services— Positive Performance

Key Drivers

- Safety (priority #1)
- Weekday AM Peak Schedule
- On-time Performance
- Weekday PM Peak Schedule
- Overall Trip Time



Access Link Services— Positive Performance

Key Drivers

- Safety (priority #1)
- Comfort On-board
- Fares
- Cleanliness On-board
- Vehicle Operator Performance
- Customer Service

Conclusions



- NJ TRANSIT places a high value on customer communication
- Maintaining an ongoing dialogue with our customers helps create an atmosphere of trust and open exchange on issues of importance
- Taking action on customer feedback is critical to building good will
- The ScoreCard Surveys provide key data and drivers of customer satisfaction
- They also provide the baseline for tracking improvement
- Customer complaint data offers specifics on how efforts to improve service are increasing levels of customer satisfaction
- This comprehensive approach is yielding positive results for our customers



UNCLASSIFIED

NEW JERSEY TRANSIT JANUARY 2017 BOARD MEETING



NJ TRANSIT POLICE DEPARTMENT TRAINING



Chief Christopher Trucillo

UNCLASSIFIED

MISSION STATEMENT

The mission of the New Jersey Transit Police Department is to maintain public order and safety while deterring and preventing terrorism and crime throughout the NJ TRANSIT system.

VISION STATEMENT

We will accomplish our mission through intelligence led policing and counter-terrorism based approaches in all of our policing strategies. Our commitment to exceptional public service, will act as the foundation in guiding our relentless crime prevention and suppression efforts. This vision exemplifies our pursuit of excellence in setting the standard in Transit policing throughout the country.

CORE VALUES

HONOR
COMMITMENT
INTEGRITY
COURAGE

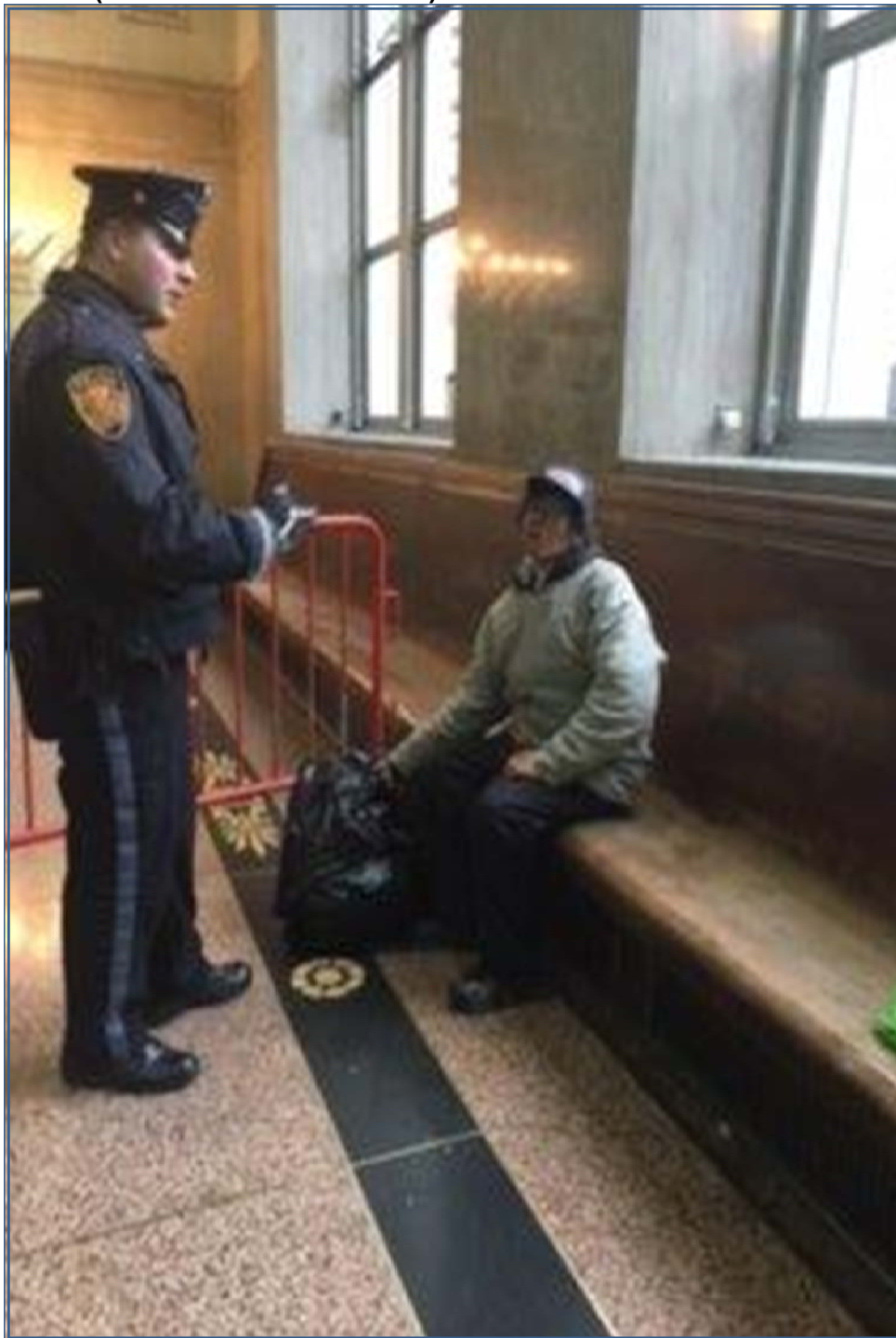




GUARDIAN

WARRIOR





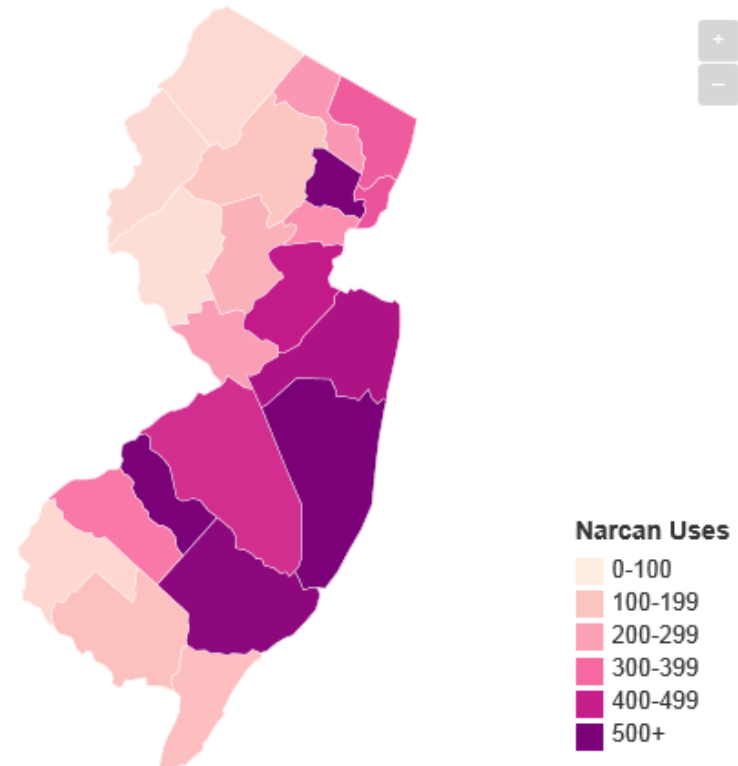
NARCAN

Naloxone HCl Nasal Spray is the first and only FDA-approved nasal spray for the emergency treatment of a known or suspected opioid overdose.

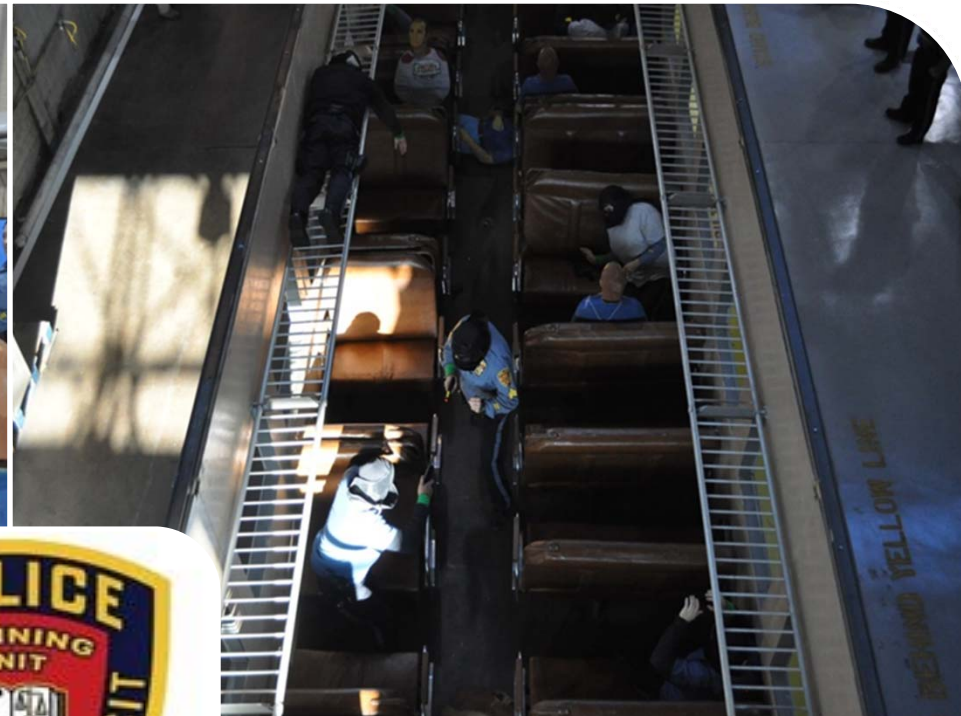
Commonly referred to as NARCAN®, it counteracts the life-threatening effects of opioid overdose. It was developed for first responders, and has been used extensively by the NJTPD.

First deployed in January of 2016, in one year it has reversed 85 near fatal overdoses

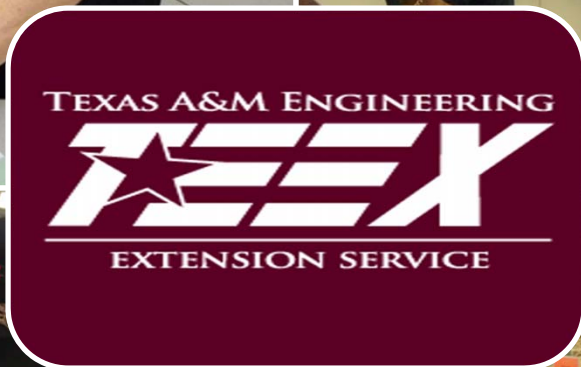
Narcan Deployments by N.J. Emergency Officials, 2016



Source: NJ Department of Law and Public Safety









UNCLASSIFIED



Thank You



ACTION ITEMS

**ITEM 1701-01: EXTENSION OF HEALTHCARE CARRIER CONTRACT:
HORIZON BLUE CROSS/BLUE SHIELD OF NEW JERSEY**

BENEFITS

Horizon Blue Cross/Blue Shield of New Jersey currently administers the Medical, Dental, Mental Health, and Flexible Spending Account plans for all NJ TRANSIT agreement and non-agreement employees and retirees. Horizon Blue Cross/Blue Shield of New Jersey will provide uninterrupted healthcare benefit programs for a one-year period, from January 1, 2017 through December 31, 2017, and subject to future Board approvals, two (2) one-year option periods, from January 1, 2018 through December 31, 2018 and January 1, 2019 through December 31, 2019.

Horizon Blue Cross/Blue Shield of New Jersey has agreed to reduce its administration cost by an average of 6.4 percent under the current contract, over the period of the extension. The resulting savings, over the possible three years, totals approximately \$1,074,000 less than, the current amount charged.

In addition to the reduction in administration costs of \$1,074,000, or 6.4 percent, Horizon Blue Cross/Blue Shield of New Jersey has agreed to continue the current performance guarantees and annual administrative credits for Wellness initiatives and communications services of \$250,000 and \$100,000, respectively through the new extension period. These credits total \$1,050,000 over the possible three-year period.

ACTION (Scorecard: Financial Performance, Corporate Accountability)

NJ TRANSIT seeks authorization to extend NJ TRANSIT Contract No. 10-120 with its current healthcare carrier, Horizon Blue Cross/Blue Shield of New Jersey, including Medical, Dental, Managed Mental Health, and Flexible Spending administration at rates lower than current, for a period of one year, beginning January 1, 2017, to ensure continuation of coverage for NJ TRANSIT employees and retirees and eligible dependents with administrative costs not to exceed \$5,600,000 per year, and with two (2), one-year renewal options, subject to future Board approval, not to exceed a total of \$16,800,000, subject to the availability of funds through December 2019.

PURPOSE

The extension of this contract will allow uninterrupted Medical, Dental, Mental Health, and Flexible Spending Account plan coverage and claims administration for all NJ TRANSIT's active and retired employees through 2017, or 2019 if Board approval of the two (2) option years are granted.

BACKGROUND

Horizon has proposed improved administrative fee pricing, continued favorable performance guarantees as well as annual administrative credits for Wellness initiatives and communications services. These concessions coupled with Horizon's long standing relationship with NJ TRANSIT contributed to NJ TRANSIT management to consider the extension presented in this Board Item.

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

FISCAL IMPACTS

Requested Authorization:

Plan administration cost: (3 years)

Medical/Mental Health/FSA \$5,200,000 per year for calendar year 2017.

With the two, one-year option periods of 2018 and 2019, subject to future Board approvals, the total not to exceed amount would be \$15,600,000, for the three-year period.

Dental: \$400,000 per year for calendar year 2017.

With the two, one-year option periods 2018 and 2019, subject to future Board approvals, the total not to exceed amount would be \$1,200,000, for the three-year period.

Past Authorizations:

Medical/Dental/Mental Health/FSA \$30,294,000 for the 5½ period July 1, 2011 through December 31, 2016.

Total value since inception of contract:

Medical/Dental/Mental Health/FSA \$30,294,000 for the 5½ period July 1, 2011 through December 31, 2016.

Horizon contract referenced herein was executed commencing July 1, 2011 as a 3½-year contract, with the option for two (2), one-year extensions. Both one-year

contract extension options have been exercised and terminated effective December 31, 2016.

Expenditures to Date: \$28,800,000
Total Project Cost: \$16,800,000
Projected Date of Completion: December 31, 2019
Capital Program Amount: N/A
Operating Budget Amount: Estimated Fiscal Year Impact
FY 2017 \$2,800,000 (1/2 year)

Two, One-Year Extensions
FY 2018 \$5,600,000
FY 2019 \$5,600,000
FY 2020 \$2,800,000 (1/2 year)

Anticipated Source of Funds: Operating Budgets: FY 2017, 2018, 2019, 2020
PRINTS ID Number: N/A
DBE/SBE Goals: 0% SBE
NJ Build Amount: N/A
Related/Future Authorizations: None
Impacts on Subsequent Operating Budgets: N/A

RESOLUTION

WHEREAS, NJ TRANSIT provides group healthcare plans to its active and retired agreement and non-agreement employees; and

WHEREAS, Horizon Blue Cross/Blue Shield of New Jersey has agreed to reduce its administration cost over the initial requested one-year extension with two (2) one-year optional extension periods by approximately \$1,074,000; and

WHEREAS, Horizon Blue Cross/Blue Shield of New Jersey has agreed to continue the current performance guarantees and annual administrative credits for Wellness initiatives and communications services of \$250,000 and \$100,000, respectively through the new extension period. These credits total \$1,050,000 over the one-year extension and the two (2) one-year optional extension periods, subject to Board approval, for the three-year period; and

WHEREAS, NJ TRANSIT wishes to ensure the continuation of healthcare plan coverage for its active employees and retirees during this period;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to extend NJ TRANSIT Contract No. 10-120 with its current healthcare carrier, Horizon Blue Cross/Blue Shield of New Jersey, including Medical, Dental, Managed Mental Health, and Flexible Spending administration at rates lower than current, for a period of one year, beginning January 1, 2017, to ensure continuation of coverage for NJ TRANSIT employees and retirees and eligible dependents with administrative costs not to exceed \$5,600,000 per year, and with two (2), one-year renewal options, subject to future Board approval, not to exceed a total of \$16,800,000, subject to the availability of funds through December 2019.

**ITEM 1701-02: EXTENSION OF PRESCRIPTION DRUG CARRIER CONTRACT:
EXPRESS SCRIPTS**

BENEFITS

Express Scripts, Inc. (formerly Medco Health Solutions, Inc.) currently administers prescription drug plans for all NJ TRANSIT agreement and non-agreement employees and retirees. Express Scripts will provide uninterrupted prescription drug coverage for an additional one-year period, from January 1, 2017 through December 31, 2017, and subject to future Board approvals, two (2) one-year options periods, from January 1, 2018 through December 31, 2018 and January 1, 2019 through December 31, 2019.

Express Scripts will provide a \$36,000 per year savings over the previous contract, and more favorable financial terms have also been negotiated. Express Scripts, Inc. has agreed to increase their discount on drug prices and pharmaceutical drug manufacturer rebates that are projected to result in future cost reductions.

ACTION (Scorecard: Financial Performance, Corporate Accountability)

NJ TRANSIT seeks authorization to extend NJ TRANSIT Contract No. 10-121 with its current prescription drug carrier, Express Scripts, Inc., for a period of one year, beginning January 1, 2017, to ensure continuation of coverage for NJ TRANSIT with administrative costs not to exceed \$167,000 per year, and with two, one-year renewal options, subject to future Board approvals, not to exceed a total of \$501,000, through December 2019.

PURPOSE

The extension of this contract will allow for uninterrupted prescription drug coverage and claims administration for all NJ TRANSIT active and retired employees through the end of 2017, or 2019, if the two (2) one-year option periods are exercised. In addition, the extension enables NJ TRANSIT to take advantage of improved prescription drug pricing.

BACKGROUND

Express Scripts, Inc. presented NJ TRANSIT with favorable financial terms in the form of improved drug manufacturer discounts and rebates. NJ TRANSIT requested that outside actuaries review the proposal, and, the actuary found the proposal to be fair and reasonable given the volume and type of NJ TRANSIT prescription drug claims. The combination of the pricing concessions and Express Scripts' long standing relationship, contributed to NJ TRANSIT's management to consider the extension presented in this Board Item.

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

FISCAL IMPACTS

Requested Authorization: \$501,000

Prescription Drug Plan: \$167,000 per year for calendar year 2017,
With the option of two, one-year extensions for 2018 and 2019, subject to future Board approval, for a total not to exceed \$501,000 for the three year period.

Past Authorizations:

Prescription Drug Plan \$1,116,500 for 5½ year period July 1, 2011 through December 31, 2016.

Total Value since inception of Contract:

\$1,116,500, the Express Scripts Inc. (formerly Medco Health Solutions, Inc.) contract was executed commencing July 1, 2011 as a 3½ year contract, with the option for two, one-year extensions subject to the availability of funds. Both one-year options have been exercised and terminated effective December 31, 2016.

Expenditures to Date: \$861,000

Total Project Cost: \$501,000

Projected Date of Completion: December 31, 2019

Capital Program Amount: N/A

Operating Budget Amount: Estimated Fiscal Year Impacts

Initial Term:
FY 2017 \$83,500 (1/2 year)

Two, One-Year Extensions
FY 2018 \$167,000
FY 2019 \$167,000
FY 2020 \$ 83,500

Anticipated Source of Funds: Operating Budgets: FY 2017, 2018, 2019, 2020

PRINTS ID Number:	N/A
DBE/SBE Goal:	0% SBE
<i>NJ Build</i> Amount:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budget:	N/A

RESOLUTION

WHEREAS, NJ TRANSIT provides group prescription drug plans to its active and retired agreement and non-agreement employees; and

WHEREAS, Express Scripts, Inc. has agreed to reduce its administration cost over the initial requested three-year extension period by approximately \$36,000 per year, and

WHEREAS, Express Scripts Inc. has agreed to increase their drug price discounts and pharmaceutical drug manufacturer rebates that are projected to result in future cost avoidance; and

WHEREAS, NJ TRANSIT wishes to ensure the continuation of prescription drug plan coverage for its active employees and retirees during this period;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to extend NJ TRANSIT Contract No. 10-121 with its current prescription drug carrier, Express Scripts, Inc., for a period of one year, beginning January 1, 2017, to ensure continuation of coverage for NJ TRANSIT with administrative costs not to exceed \$167,000 per year, and with two, one-year renewal options, subject to future Board approvals, not to exceed a total of \$501,000, through December 2019.

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 negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege; 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.

**ITEM 1701-03: ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE
TRAIN CONTROL: AMENDMENT TO IMPLEMENTATION
CONTRACT**

BENEFITS

The Rail Safety Improvement Act of 2008 (RSIA 2008), Positive Train Control Enforcement and Implementation Act of 2015 (PTCEI 2015), and subsequent Federal Railroad Administration (FRA) regulations require commuter rail systems to implement Positive Train Control (PTC), by the end of 2018. NJ TRANSIT is required to implement PTC along all its commuter rail line right-of-way and on all its rail rolling stock. This PTC system, known as the Advanced Speed Enforcement System II (ASES II), is also required to provide interoperability with Amtrak's NEC Advanced Speed Enforcement System II technology and the freight-based Interoperable Electronic Train Management System (I-ETMS).

Implementation of PTC will enhance the safety of customers and employees on NJ TRANSIT rail services and permit compliance with Federal law.

ACTION (Scorecard: Safety and Security)

Staff requests additional authorization to amend NJ TRANSIT Contract No. 10-099X with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program at a cost not to exceed \$32,500,000, for a total contract authorization of \$205,904,120, subject to the availability of funds.

PURPOSE

This request for additional authorization allows Staff to issue a change order to NJ TRANSIT Contract No. 10-099X with Parsons Transportation Group to address scope adjustment to ensure the Positive Train Control Enforcement and Implementation Act of 2015's deadline is met as well as fully meeting NJ TRANSIT's operational needs and enhance fleet wide standardization. A change order is needed to respond to changes in technology, additional coordination with other railroad properties, operating conditions, FRA recommendations, and other factors. The change order will also provide additional resources to the contractor to ensure the project meets the statutory deadline.

More specifically, the items addressed in this change order include work required to retrofit NJ TRANSIT's ten different vehicle types to standardize PTC and non-PTC signal inputs into the PTC crash hardened event recorder; perform additional testing and validation of the data radio; add additional interlockings and other wayside changes. This action will also allow for additional contractor resources to ensure that NJ TRANSIT' PTC system is complete by December 2018, including the addition of a second shift to increase weekly retrofit vehicle production.

The change order also includes payments tied to accomplishing critical intermediate milestones as well as structured partnering sessions with senior management from both parties.

BACKGROUND

History

PTC will provide NJ TRANSIT with additional safety capabilities such as prevention of certain types of rail collision events, more protection for roadway workers, a crash hardened event recorder, and interoperability with Amtrak and other freight and passenger railroads.

Implementation of PTC on NJ TRANSIT has faced challenges similar to those experienced by other railroads which are outlined in the GAO September 2015 report. The data radio in general and the potential for interference with other railroads continues to be researched at the Transportation Technology Center, Inc. (TTCI) and final technical solutions are in development. TTCI is a wholly owned subsidiary of the Association of American Railroads and funded by the FRA.

The PTC implementation project is now expected to be substantially complete at the end of 2018, with project close-out in 2019.

FISCAL IMPACTS

Requested Authorization: This Authorization \$ 32,500,000
Total Authorization 205,904,120
(includes \$7,631,122 contingency)

Previous Authorizations:
March 2011 (Item 1103-12) \$ 155,622,970 + 5% contingency
May 2016 (Item 1605-28) \$ 10,000,000
Total Previous \$ 173,404,120

Expenditures to Date: \$ 104,605,000 (as of 11/30/16)

Total Project Cost: \$ 320,000,000

Projected Date of Completion: December 2018 substantial completion
December 2019 project close-out

Capital Program Amount: \$ 320,000,000

Operating Budget Amount: \$0

RESOLUTION

WHEREAS, the Rail Safety Improvement Act of 2008 mandated the implementation of a Positive Train Control (PTC) system on all NJ TRANSIT rail lines by the end of December 2015; and

WHEREAS, the Positive Train Control Enforcement and Implementation Act of 2015 extended the target date for PTC implementation to December 2018; and

WHEREAS, NJ TRANSIT previously contracted with Parsons Transportation Group to implement the Advanced Speed Enforcement System II – Positive Train Control (ASES II PTC) system;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend NJ TRANSIT Contract No. 10-099X with Parsons Transportation Group of New York, New York, for Phases I, II and III of the ASES II PTC Program at a cost not to exceed \$32,500,000 for a total contract authorization of \$205,904,120, subject to the availability of funds.