

**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

November 22, 2016

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the Special Telephone Meetings of the Board of Directors 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 Friday, November 18, 2016.

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 Special Telephone 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 Friday, November 18, 2016.

**Present**

Richard T. Hammer, Chairman (By Telephone)  
Bruce M. Meisel, Vice Chairman (By Telephone)  
John Spinello, Governor's Representative (By Telephone)  
Anthony Longo, Treasurer's Representative (By Telephone)  
James C. Finkle Jr., Board Member (By Telephone)  
Flora M. Castillo, 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  
George S. Piper, Acting Deputy General Manager, Bus Operations  
Robert Lavell, Vice President & General Manager, Rail Operations  
Dennis J. Martin, Vice President/General Manager, Light Rail and Contract Services  
Christopher Trucillo, Chief of Police  
Frank Savino, Director, Internal Audit  
Michael J. Lihvarcik, Chief Financial Officer & Treasurer  
Michael K. Slack, Chief Information Officer  
Penelope L. Bassett, Assistant Executive Director, Communications & Customer Service  
Charles N. Dickerson, Chief, Construction & Project Management  
Gardner C. Tabon, Chief, Office of System Safety  
Joseph E. Snow, Deputy Attorney General  
Joyce J. Zuczek, Board Secretary

Chairman Hammer convened the Open Session at 3:02 p.m. in accordance with the Open Public Meetings Act. Board Secretary Zuczek conducted a Roll Call and noted Board Member Greaves would be joining the meetings soon.

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 November 16, 2016 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 meetings were being video recorded.

**Public Comments on Agenda Items and Other Matters**

There were no public comments.

**Executive Session Authorization**

At approximately 3:04 p.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.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member John Spinello 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 Finkle, returned to open session at approximately 4:20 p.m.

**Action Item**

**1611-66: CONTINUATION OF THE APPOINTMENT TO THE INITIAL BOARD OF TRUSTEES OF THE GATEWAY PROGRAM DEVELOPMENT CORPORATION (GPDC) RELATED TO THE GATEWAY PROGRAM**

Executive Director Santoro presented Action Item #1611-66 for approval. He recommended approval of Item #1611-66, Continuation of the Appointment to the Initial Board of Trustees of the Gateway Program Development Corporation (GPDC) Related to the Gateway Program. Approval was requested to recognize the creation of the Gateway Program Development Corporation (GPDC), and continue the appointment of Richard H. Bagger as a Trustee on the Board of Trustees of the Gateway Program Development Corporation.

Vice Chairman Bruce M. Meisel moved the resolution and Board Member John Spinello seconded it. Since Board Member James C. Finkle Jr. did not rejoin the meetings until after the initial vote, the Board repeated the vote and the resolution was unanimously adopted.

**Roll Call Vote:**

|        |        |          |       |          |        |                     |
|--------|--------|----------|-------|----------|--------|---------------------|
| Hammer | Meisel | Spinello | Longo | Castillo | Finkle | Greaves             |
| Yes    | Yes    | Yes      | Yes   | Yes      | Yes    | (Non-Voting Member) |

**Public Comments on Agenda Items and Other Matters**

**Joseph Cliff** thanked the Board for their consideration in allowing him to speak. He was not planning on attending the meeting but was so alarmed by what he learned at

the Hudson Tunnel Project Open House the prior evening that he decided to attend the meeting and share what he heard. Mr. Clift expressed concern that the tunnels are a key part of Gateway but the project evaluators are restricted from looking beyond the two tunnels to see how they will fit into the overall plan for Gateway. He said he was told that is a separate FRA project and outside the scope so they do not know how the tunnels will fit into that plan.

Mr. Clift complained that his suggestion to evaluate the ARC DEIS tunnel alignment alternative, that would include a four track corridor instead of two tracks, was basically ignored, with a non-responsive answer given. He believes it is the only alignment that would provide additional peak hour train capacity to NJ TRANSIT, without a \$24 billion expenditure.

Mr. Clift does not believe New York Penn Station is at capacity and argued lengthening platforms would improve access and increase train capacity. He said Amtrak does not need the extra capacity that NJ TRANSIT needs during the morning rush.

Mr. Clift said the bottom 20 percent of the tunnel walls were damaged by Sandy and 80 percent were not touched. He complained the report states the bench walls do not meet current standards so they suggested replacing all bench walls and increased the expense five-fold. Mr. Clift wants NJ TRANSIT to take a hard look at the project considering New Jersey's interests which include additional capacity.

### **Adjournment**

Since there were no further comments or business, Chairman Hammer called for adjournment and a motion to adjourn was made by Board Member James C. Finkle Jr., seconded by Board Member Flora M. Castillo, and unanimously adopted. The meeting was adjourned at approximately 4:31 p.m.

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

**NOVEMBER 18, 2016**

**MINUTES**

|  | <b>PAGE</b>  |
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| ➤ <b>CALL TO ORDER</b>   | -            |
| ➤ <b>PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS</b>   | -            |
| ➤ <b>EXECUTIVE SESSION AUTHORIZATION:</b> Discuss personnel matters, contract negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege. | <b>50136</b> |

**ACTION ITEM**

|  |              |
|--|--------------|
| <b>1611-66: CONTINUATION OF THE APPOINTMENT OF RICHARD H. BAGGER TO THE INITIAL BOARD OF TRUSTEES OF THE GATEWAY PROGRAM DEVELOPMENT CORPORATION (GPDC) RELATED TO THE GATEWAY PROGRAM</b> | <b>50138</b> |
|--|--------------|

Authorization to continue the appointment of Richard H. Bagger as a Trustee on the Board of Trustees of the Gateway Development Corporation in accordance with Section 8 of the Certificate of Incorporation of the Gateway Program Development Corporation.

➤ **ADJOURNMENT**

**EXECUTIVE SESSION AUTHORIZATION**

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

**ACTION ITEM**

**ITEM 1611-66: CONTINUATION OF THE APPOINTMENT TO THE INITIAL BOARD OF TRUSTEES OF THE GATEWAY PROGRAM DEVELOPMENT CORPORATION (GPDC) RELATED TO THE GATEWAY PROGRAM**

**BENEFITS**

The Gateway Program consists of a set of rail infrastructure projects between Newark, New Jersey and New York City. The currently proposed first phase of the Gateway Program includes the Hudson Tunnel Project, consisting of two replacement railroad approach tubes connecting New York Penn Station and New Jersey, and the completion of a concrete casing to preserve tunnel right-of-way around the future tracks on the West Side of Manhattan leading from the new tunnel to Penn Station New York, and the replacement of the Portal North Bridge in New Jersey. The proposed second phase of the Gateway Program includes projects that will both increase capacity and provide resiliency and state-of-good-repair on the rail infrastructure between Newark and New York City. This includes expansion of Penn Station New York, Newark Penn Station, and Secaucus Junction, as well as the replacement of the Sawtooth Bridge in New Jersey.

**ACTION (Scorecard: Corporate Accountability)**

Staff recommends that the Board recognize the creation of the Gateway Program Development Corporation (GPDC), and continue the appointment of Richard H. Bagger as a Trustee on the Board of Trustees of the GPDC.

**PURPOSE**

NJ TRANSIT, the primary user of the existing Hudson River tunnels, has been engaged in ongoing discussions with the United States Department of Transportation (USDOT), the State of New York, Amtrak, and the Port Authority of New York and New Jersey (PANYNJ) with the goal of advancing the Hudson Tunnel Project and other elements of the Gateway Program. Those discussions have included the creation of the GPDC, a not-for-profit corporation that would assist in the Gateway Program. The GPDC is a non-profit corporation created under the New Jersey Nonprofit Corporation Act, N.J.S.A. 15A:1-1 et seq. It is being created for coordinating, developing, operating, financing, managing, owning, or otherwise engaging in activities to effectuate the transportation project between Penn Station, Newark, New Jersey, and Penn Station, New York, New York currently referred to as the Gateway Program, and by engaging in such other programs or purposes as lessen the burdens of government as may be requested or determined from time to time. The certificate of incorporation of the GPDC was filed with the Secretary of State of New Jersey on or about November 17, 2016, which certificate entitles NJ TRANSIT to appoint a successor for one of the trustees on the initial board of the GPDC. To continue to advance the Gateway Program, staff recommends that NJ TRANSIT recognize the creation of the GPDC and the ability

granted to NJ TRANSIT to appoint a successor to initial GPDC Board Trustee Richard H. Bagger.

**BACKGROUND**

Effective June 20, 2016, the USDOT, Amtrak, the PANYNJ, and NJ TRANSIT entered into a Memorandum of Understanding (MOU) to set forth their understanding of how each would work together to advance the Gateway Program until such time as a development corporation was created, and thereafter until the MOU was superseded in whole or in part by the board of the development corporation.

On or about November 17, 2016, there was filed with the Secretary of State of New Jersey a certificate of incorporation for the GPDC. The certificate states that three persons comprise the initial board of trustees. Among those three is Richard H. Bagger, a citizen of the State of New Jersey and a current member of the Board of Commissioners of the PANYNJ. Section 8 of the Certificate of Incorporation states that NJ TRANSIT is entitled to appoint the successor to Richard H. Bagger.

**FISCAL IMPACTS**

**Requested Authorization:** NA

**Past Authorizations:**

October 2015 Item 1510-42 Authorization to enter into an Interagency Agreement with Amtrak to conduct the environmental analysis and documentation as required by the National Environmental Policy Act (NEPA) of 1970 in support of the Hudson Tunnel Project

February 2016 Item 1602-02 Authorization to enter into NJ TRANSIT Contract No. 16-009 with AKRF of New York, New York to provide consulting services for the Hudson Tunnel Project Environmental Analysis; the AKRF contract award is approximately \$6,900,000

April 2016 Item 1604-20 Memorandum of Understanding with the United States Department of Transportation, National Railroad Passenger Corporation (Amtrak) and the Port Authority of New York and New Jersey related to the Gateway Program

**Expenditures to Date:** NA

**Total Project Cost:** NA

**Capital Program Amount:** NA

**Operating Budget Amount:** NA

**Projected Date of Completion:** NA

**Anticipated Source of Funds:** NA

**PRINTS ID Number:** NA

**DBE/SBE Goal:** NA

***NJ Build* Amount:** NA

**Related/Future Authorizations:** TBD

**Impact on Subsequent  
Operating Budgets:** None

**RESOLUTION**

**WHEREAS**, the Gateway Program consists of a set of rail infrastructure projects between Newark and New York City, including elements that, in the first phase will include, but not be limited to, the construction of a new Hudson Tunnel, the completion of a concrete casing to preserve tunnel right-of-way around the future tracks on the West Side of Manhattan leading from the new tunnel to Penn Station New York, and the replacement of the Portal North and Sawtooth Bridges in New Jersey; and

**WHEREAS**, on or about November 17, 2016, there was filed with the Secretary of State of the State of New Jersey the Certificate of Incorporation of the Gateway Program Development Corporation (GPDC), which certificate lists Richard H. Bagger as one of three individuals on the initial Board of Trustees; and

**WHEREAS**, Section 8 of the GPDC certificate states that NJ TRANSIT is entitled to appoint a successor to Richard H. Bagger on the Board of Trustees of the GPDC; and

**WHEREAS**, the Board has determined that it is appropriate to continue the appointment of Richard H. Bagger on the GPDC board in accordance with Section 8 of the Certificate of Incorporation;

**NOW, THEREFORE, BE IT RESOLVED** that the Board continue the appointment of Richard H. Bagger as a Trustee on the Board of Trustees of the GPDC in accordance with Section 8 of the Certificate of Incorporation of the GPDC.