

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Richard T. Hammer, Acting Commissioner
Dennis J. Martin, Interim Executive Director

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

June 9, 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 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, June 8, 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 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, June 8, 2016.

Present

Richard T. Hammer, Chairman
Bruce M. Meisel, Vice Chairman (By Telephone)
John Spinello, Governor's Representative
Anthony Longo, Treasurer's Representative
James C. Finkle, Jr., Board Member
Flora M. Castillo, Board Member

Absent

Raymond W. Greaves, Board Member (Non-Voting)

Also Present

Dennis J. Martin, Interim Executive Director
Amy B. Herbold, Deputy Executive Director
Michael P. Kilcoyne, Acting Vice President/General Manager, Bus Operations
James A. Sincaglia, Deputy General Manager of Transportation, Rail Operations
John F. Squitieri, Chief, Light Rail and Contract Services
Christopher Trucillo, Chief of Police
Warren Hersh, Auditor General
Michael J. Lihvarcik, Chief Financial Officer & Treasurer
Michael K. Slack, Chief Information Officer
Penelope L. Bassett, Assistant Executive Director, Communications & Customer Service
Steve H. Santoro, Assistant Executive Director, Capital Planning & Programs
Alma Scott-Buczak, Assistant Executive Director, Succession Planning & Workforce Dev.
Gardner C. Tabon, Chief, Office of System Safety
Sharon Price-Cates, Deputy Attorney General
Joyce J. Zuczek, Board Secretary

Chairman Hammer convened the Open Session at 9:13 a.m. in accordance with the Open Public Meetings Act. Edgar Fajardo, 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.

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 mailed to newspapers of general distribution, forwarded to the Secretary of State, Trenton, New Jersey, and sent to each individual, agency and organization that requested such notice. In addition, notices of the meetings were posted in the main lobby of NJ TRANSIT's Headquarters in Newark, New Jersey. Board Secretary Zuczek announced that the Board Meeting was being video recorded

Chairman Hammer asked for a motion to adopt the minutes of the May 11, 2016 Board meetings. A motion was made by Board Member James C. Finkle, Jr., seconded by Board Member John Spinello and unanimously adopted.

Public Comments on Agenda Items and Other Matters

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

Orrin Getz expressed agreement with Vice Chairman Meisel's statement at the last Board meeting regarding the extension of the Hillsdale Lease, having the town maintain the beautiful station, and the importance of being able to drive a car. He said he drove to Nanuet, parked and took the train the rest of the way. However, Mr. Getz believes it is important for the Board to take the train so they appreciate the services NJ TRANSIT provides.

Mr. Getz said in the *Trains Magazine* there was a photo of a Comet 1 that NJ TRANSIT sold to Utah and was still running. Also, he referenced a Metro-North monthly report, noting Metro-North overhauled train cars and now NJ TRANSIT runs them successfully to Port Jervis. Mr. Getz believes the mean distance to failure was impressive and NJ TRANSIT sees these as obsolete train cars letting Comet 3s rust away in Bay Head, while Metro-North's opinion differs.

Mr. Getz believes the New Jersey First Act will probably backfire against NJ TRANSIT and make it difficult to hire engineers for service to Port Jervis. He believes the Act should be rescinded.

Mr. Getz referenced a letter from County Executive Edward Day regarding rail improvements he wants from Rockland County to New York City. Mr. Getz said a lot of it involves NJ TRANSIT and believes NJ TRANSIT needs to cooperate with Metropolitan Transportation Authority (MTA) and Rockland County to improve handicap accessibility and building the Pascack Valley Line passing sidings.

Mr. Getz supports Corey Booker's statement about getting the Hudson Tunnel construction going and said they are pushing MTA to partner and commit funds.

David Peter Alan noted the next day was an important anniversary for riders on the Morris & Essex, Montclair Boonton, and Gladstone Lines. He said 20 years ago the first Midtown Direct trains starting taking riders directly to New York City. Mr. Alan said ridership far

exceeded expectations. He also said, the Midtown Direct service has been good for the towns along the lines, which have maintained strong downtowns, with several designated as transit villages, and increased property values as a result.

Mr. Alan supports rider's ability to choose between New York and Hoboken service. He believes more Hoboken service is needed. Mr. Alan commended the emphasis on the new tunnels to midtown Manhattan and said this service was critical, but expressed concern about the project not adding capacity into Penn Station. He believes it is vital to improve capacity.

Mr. Alan believes stable funding for community transportation and NJ TRANSIT operations is important. He objects to the audio surveillance without specific limits regarding how it is used.

Mr. Alan said now that William Crosbie is not joining NJ TRANSIT, Interim Executive Director Martin should be made permanent Executive Director. He said it is customary for a new Governor to appoint an Executive Director, Governor Christie will leave in 18 months, and it will be difficult to find a qualified Executive Director to join NJ TRANSIT for such a short time. Mr. Alan said Interim Executive Director did a remarkable job addressing the Port Authority Bus Terminal congestion and Bob Lavell is doing a good job running rail, so it makes sense to keep Dennis Martin as Executive Director for the rest of the Christie Administration.

Mr. Alan said the Board demonstrated it could promote a valued employee from less than permanent status to permanent status when they did so last month with Board Secretary Joyce Zuczek, and he could not have been more delighted. He said she truly deserved the standing ovation she received. Mr. Alan presented Board Secretary Zuczek with a resolution from the Lackawanna Coalition, which expressed their appreciation for Board Secretary Zuczek's dedicated service and fair and respectful treatment of riders and advocates. They commended the Board and senior management for promoting her to permanent status and extended best wishes to her.

Vice Chairman Meisel expressed appreciation for the very positive tenor of Mr. Alan's comments. He said he could not agree more regarding the link between effective mass transit and property values. Vice Chairman Meisel said property values translate into satisfaction with living environment and conditions in the State of New Jersey. He said there is a direct link between the job NJ TRANSIT does to property values and quality of life. Vice Chairman Meisel said property values are not high where there is not a good quality of life.

Vice Chairman Mesiel said if the Hudson Tunnels are not built on time, there would be an impact on the quality of life and property values in New Jersey. He mentioned Ohio Senator Corbett's proposal to shorten the length of time it takes to complete infrastructure projects in the United States, which is 10 years compared to Europe's 2½ years, and said it was important to push the Hudson Tunnel project.

Vice Chairman Meisel said the situation with the Executive Director definitely has the Board's attention, and they are working on it because they need to solidify the leadership in the organization.

Joe Clift echoed David Peter Alan's thoughts and thanked Vice Chairman for his intro. Mr. Clift said his second request on the handout relates to the first section of the Gateway costing close to \$8 billion without adding any capacity. He said Amtrak's new Acela can bump ridership by 50 percent, but NJ TRANSIT Raritan Valley Line peak period and overall capacity needs more train capacity. Mr. Clift said the Environmental Impact Statement (EIS) scoping says nothing regarding additional capacity and he thinks that is incredible for \$8 billion.

Mr. Clift asked the Board to make sure the scoping EIS for the Hudson Tunnels includes looking at the ARC EIS statement regarding increasing from two tracks to four tracks. He said NJ TRANSIT needs more slots and NJ TRANSIT is running the EIS so it is within their purview to look at a separate alignment that allows additional capacity in pieces.

Mr. Clift asked for a Regional Citizens Liaison Committee (RCLC) for Gateway, starting with the Hudson Tunnel Project. He said the RCLC for ARC allowed them to say ARC was bad and how to make it better. Mr. Clift wants it setup immediately so they can require a two-way conversation.

Mr. Clift believes the Capital Planning, Policy, and Privatization Committee basically looks at most items, is the most important committee, and should have more than two Board Members on it. He also wants them open to the public.

Mr. Clift believes the Board items need information regarding the spending during the prior year so the Board is informed.

Advisory Committee Report

Suzanne Mack was pleased to be one of two advisory committee reports. She noted there would be a quarterly Senior Citizen and Disabled Resident Transportation Advisory Committee (SCDRTAC) report. Ms. Mack discussed how NJ TRANSIT formed in 1979 with an Advisory Committee and a decade later when the Senior Citizen and Disabled Resident Transportation Assistance Act was passed, NJ TRANSIT who had a key role in approving the applications for funding, decided to form the Senior Citizen and Disabled Resident Transportation Advisory Committee to work with the counties and NJ TRANSIT to review proposals and make recommendations regarding the funding. She said it was good for 20 years when the funding from the Casinos was good. Ms. Mack said it is now a challenge for the agency to provide the county the support for community transportation.

Ms. Mack said the Police provided a report regarding security and discussed the plan if there was a strike. She believes the preparation was a good exercise for the agency, is happy there was not a strike, and hopes there is not one in the future. Ms. Mack noted it revealed if there were a strike, only 40 percent of riders would be accommodated and said it goes back to why community transportation services are so important to transportation of New Jersey residents.

Ms. Mack discussed the larger issues of the budget. She thanked the Board and Governor for the promise last year to have no fare increase or service cuts. Ms. Mack said they all know the price, which results in cuts within the agency, inability to fund programs, or results in delaying services. She is happy to hear a normal Board meeting where advocates are asking for expansion of services and the value of increased property values because of service. Ms. Mack said the ability to conduct normal business and not be in a crisis is a testament to the hard work of the NJ TRANSIT Board, senior staff, and employees. She also noted the security update showed the tremendous amount of working being done.

Ms. Mack said the North and South Jersey Committees are concerned about funding. She said it looks like NJ TRANSIT is balanced on the operating side for a while, but the capital is really relying on the renewal of the Transportation Trust Fund. Ms. Mack said the budget shows expectations of the capital money coming in and they certainly hope so.

Ms. Mack said the New Jersey Council on Specialized Transportation (NJ COST) has been lobbying for a small-dedicated piece of the Transportation Trust Fund to go to operating to support community transportation services. She believes this is an opportunity for NJ TRANSIT to look at and prioritize the funding mandates within the agency that are unfunded and that will drag the system down if not funded. Ms. Mack said this is a critical issue, especially in South Jersey where the community transportation services are vital.

Ms. Mack said they will discuss the budget with NJ TRANSIT next month and then going on hiatus. She noted it is an opportunity to ask the committees to do some work. Ms. Mack said they previously toured and made recommendations on the Port Authority Bus Terminal. She reiterated that the North and South Jersey Advisory Committees were there to serve NJ TRANSIT and would be happy to work with them.

Ms. Mack said Interim Executive Director Martin has done an outstanding job, and the Commissioner is doing an outstanding job at NJ DOT. She said this late in the term it may be a good time to stay in place and utilize the expertise of leaders who have been leaders in the field their whole life.

Senior Citizen and Disabled Resident Transportation Advisory Committee Report

Stephen Thorpe thanked Suzanne Mack for their joint meeting last week. He said it was constructive and a good glimpse into each committee's work. He said the role of all three advisory committees has been merging more and they have more in common so they hope to meet more going forward.

Mr. Thorpe said this was his third time addressing them as Chairman of Senior Citizen and Disabled Resident Transportation Advisory Committee (SCDRTAC) and thanked them for the opportunity to speak about his concerns and visions. He said not much has changed since his last report in December. Mr. Thorpe is very concerned that Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP) still does not have a stable source of funding to support their community transportation systems.

Mr. Thorpe questioned what has changed since he last addressed the Board. He said neither the Governor nor legislature has done anything to provide a stable source of funding for community transportation. Mr. Thorpe said Atlantic City was on the precipice of Municipal Bankruptcy, a situation that can only do more harm to the already-depressed existing casinos. It seems rather obvious to him and others who serve with him at SCDRTAP that a declining vice-based revenue stream can no longer support vital community transit.

Mr. Thorpe said while many County Freeholder Boards have picked-up the ball and bridged the gap between lost casino revenue and actual costs, others have chosen not to do so. He said additional revenue streams, such as on-vehicle (wrap) advertising, and partnering with Logisticare are a small portion of what the community transit providers need to continue existing services. Mr. Thorpe said some counties will need to cut services in the coming fiscal year due to lack of funding.

Mr. Thorpe said the need for community transportation is growing exponentially. Large blocks of housing are being built and contemplated and many are not near or accessible to public transportation. He believes the time is coming for when his generation will no longer be able to drive, and it will not be by choice, but because they won't be able to. Mr. Thorpe questioned how they will be able to get where they need to go. He said without community transportation there will be, NO "way to go."

Mr. Thorpe said in his last appearance before the Board, he made some suggestions that would provide a stable source of funding such as motor vehicle surcharges and increasing the motor-fuel tax. He noted none of these were within the purview of this Board, but they have a representative of the Governor who sits on this Board in the room. Mr. Thorpe requested Mr. Spinello to take back what he heard in his report to Governor Christie. He would be more than happy to meet with Mr. Spinello or Governor Christie to see what can be done to find a stable source of funding for community transit.

Mr. Thorpe addressed the Board Members and management who have the power to look into something that can help them. He said there are bus routes that are currently served by NJ TRANSIT bus that are under-achievers, but are necessary. Mr. Thorpe said he was keenly aware of at least one, but he is sure there are others. He suggested examining the feasibility of partnering with community transit to operate all or a portion of these routes. Mr. Thorpe believes it would provide a win-win for both the community transit operators and NJ TRANSIT. He said NJ 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 said he was available to discuss any of the items he mentioned and thanked them for considering them.

Board Customer Service Committee Report

Board Member Flora M. Castillo presented the report for the Customer Service Committee. The Customer Service Committee received a Customer Service update and a report on the Social Media Dashboard. The Committee also received an update regarding Safety Month activities.

Board Administration Committee Report

Board Member James C. Finkle, Jr. presented the report for the Administration Committee. The Administration Committee discussed the board items for the Corporate Insurance Program Annual Renewal, Motor Coach Industries Service Parts Agreement Amendment, and Fiscal Year 2017 Sole and Single Source Procurement by Exception Waiver Authorization. The Committee also received a Financial Update, which included an analysis of ridership trends.

Board Capital Planning, Policy, and Privatization Committee Report

Board Member James C. Finkle, Jr. presented the report for the Capital Planning, Policy and Privatization Committee. The Capital Planning, Policy and Privatization Committee discussed the board items for the Waldwick Erie Railroad Signal Tower Historic Preservation Easement and the NJ TRANSIT Resilience Program Memorandum of Understanding with Public Service Electric and Gas Company Related to Mason/Building 9 Substation.

Executive Director's Monthly Report

Interim Executive Director Martin said June is National Safety Month. NJ TRANSIT has joined with the National Safety Council and numerous other organizations across the country in taking time to recommit to what always remains their number one priority: safety. During this month, customers and employees will see some of their efforts to remind each other of the critical importance of safety. The Office of System Safety, under the direction of Gardner Tabon, will be visiting selected work sites to reinforce workplace safety. NJ TRANSIT will be printing messages on pay stubs and hanging posters in visible locations. Customers will notice increased safety-related advertising and handouts on-board bus, rail and light rail vehicles.

NJ TRANSIT is going to put customers' knowledge to the test on June 15, 2016 when NJ TRANSIT holds the first annual Distracted Olympics at Secaucus Station. This safety awareness event will involve NJ TRANSIT customers watching brief situational awareness videos and then having them navigate through a mini-"Olympic" course filled with transit-related safety warnings and see how well they follow the directions. It will be a fun and exciting way to engage NJ TRANSIT's customers in thinking more about safety while they travel the system.

While on the topic of Safety Month, it is fitting to note that Gardner Tabon was recently appointed by U.S. Secretary of Transportation Anthony Foxx to serve on the U.S. Department of Transportation's Northeast Corridor Safety Committee. The committee serves as an advisory body and is responsible for evaluating proposed safety improvements on the Northeast Corridor. Interim Executive Director Martin congratulated Gardner Tabon for that appointment.

They are fast approaching the official start of the summer season and that brings the return of services tailored to this time of year. The 316 bus from Philadelphia to Wildwood and Cape May is back once again with some exciting new enhancements. This year, the bus will begin near Amtrak's 30th Street Station in Philadelphia, providing additional transit connections. And for the first time the route will provide service to the new Gloucester Premium Outlets—a popular shopping destination in Blackwood. This marks the first time that shopping center will have bus service.

On weekends and holidays this summer, customers will also see the return of NJ TRANSIT's Shore express trains as well as hourly service on the Bay Head-Long Branch rail shuttle. The express trains from New York Penn Station on the North Jersey Coastline utilize NJ TRANSIT's dual power locomotives, saving customers the need to transfer in Long Branch. These trains can transport customers to the beaches approximately 25 minutes faster than the normal travel time to destinations such as Belmar, Manasquan and Point Pleasant.

This summer, customers will also see the return of three late night weekday trains running on the Long Branch-Bay Head shuttle for the season. Those select trains were temporarily suspended in October for the winter as part of our effort to match service with customer demand.

Just a couple of days from now marks a proud anniversary for NJ TRANSIT. It has been 20 years since they launched the Midtown Direct service on the Morris and Essex rail line – which revolutionized the way customers in that region travel into Manhattan. On June 10, 1996, then-Governor Christine Todd Whitman rode in the head-end of a train to break a banner at Broad Street station while on its way directly into New York. It was the start of a new era for NJ TRANSIT—with this new one seat ride to Penn Station New York, customers could save 20 minutes on their commute and avoid a transfer to PATH or ferries in Hoboken. It was a pivotal moment not only for the history of this agency but also for the region.

A lot has changed in 20 years. In the year prior to Midtown Direct, the Morris & Essex Line carried approximately 28,000 passenger trips on the average weekday. In fiscal year 2015, that number is now closer to 59,000, which is more than double what it had been. In addition to that dramatic increase in ridership, Midtown Direct also helped fuel a real estate boom and economic revitalization of towns along the Morris & Essex Corridor. It is another example of the power of mass transit and why NJ TRANSIT does what they do every day.

Chairman Hammer and Interim Executive Director Martin had the honor of attending the New Jersey Police Department annual awards ceremony yesterday. The men and women who

make up the New Jersey Transit Police Department are some of the most dedicated and selfless individuals Interim Executive Director Martin has worked with in his 30 plus years in this agency.

NJ TRANSIT's officers spend countless hours training and re-training on technical skills and tactics, making them one of the most specialized police forces in the country. They have successfully helped manage both large-scale events like the Papal Visit and potentially dangerous circumstances such as last year's blizzard that shutdown the system. And many of them have performed heroically and beyond the call of duty in service to others.

Yesterday Interim Executive Director asked those in attendance, and again did so at the Board meeting, to take a moment to say thank you when you see a NJ TRANSIT Police Officer. It seems like such a small gesture – almost insufficient given how much they do to protect NJ TRANSIT's customers and employees each and every day. But in Interim Executive Director Martin's experience, gratitude offered sincerely can go a long way toward letting these men and women know they are respected, valued, and appreciated. So he requested everyone to make the effort to do so. He said it is the very least they all can do.

Action Items

1606-33: NJ TRANSIT RESILIENCE PROGRAM: MEMORANDUM OF UNDERSTANDING WITH PUBLIC SERVICE ELECTRIC AND GAS COMPANY RELATED TO OWNERSHIP, DESIGN, CONSTRUCTION, MAINTENANCE AND OPERATION OF A REPLACEMENT MASON/BUILDING 9 SUBSTATION

Interim Executive Director Martin introduced Steve Santoro, Assistant Executive Director, Capital Planning & Programs, who presented Action Item #1606-33 for approval.

Steve Santoro recommended approval of Item #1606-33, NJ TRANSIT Resilience Program: Memorandum of Understanding with Public Service Electric and Gas Company Related to the Ownership, Design, Construction, Maintenance and Operation of a Replacement Mason/Building 9 Substation. Approval was requested to execute a Memorandum of Understanding by and between New Jersey Transit Corporation and Public Service Electric and Gas Company.

Authorization was also requested to take any and all actions necessary to negotiate and enter into subsequent implementing and other agreements as required by Public Service Electric and Gas Company.

Authorization was also requested to support, and participate in, to the extent appropriate, any future regulatory proceeding before the New Jersey Board of Public Utilities or other competent authority in support of Public Service Electric and Gas Company's petition related to the replacement Mason/Building 9 Substation.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member James C. Finkle, Jr. seconded it, and it was unanimously adopted.

Roll Call Vote:

Hammer	Meisel	Spinello	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Absent

1606-34: MOTOR COACH INDUSTRIES SERVICE PARTS (MCISP) – AGREEMENT AMENDMENT

Interim Executive Director Martin introduced Michael Kilcoyne, Acting Vice President & General Manager, Bus Operations, who presented Action Item #1606-34 for approval.

Michael Kilcoyne recommended approval of Item #1606-34, Motor Coach Industries Service Parts (MCISP) – Agreement Amendment. Approval was requested to amend the existing sole source contract with Motor Coach Industries Service Parts, Inc. to provide additional authorization of \$67,500,000, plus five percent contingency for a total authorization not to exceed \$284,625,000, subject to the availability of funds, to ensure uninterrupted parts availability for the cruiser bus fleet to keep them in a state of good repair through June 2019.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Absent

1606-35: CORPORATE INSURANCE PROGRAM ANNUAL RENEWAL

Interim Executive Director Martin introduced Michael Lihvarcik, Chief Financial Officer & Treasurer, who presented Action Item #1606-35 for approval.

Michael Lihvarcik recommended approval of Item #1606-35, Corporate Insurance Program Annual Renewal. Approval was requested to revise and renew the Corporate Insurance Program and to include services necessary to administer the Program for the period July 1, 2016 through June 30, 2017 at an annual cost not to exceed \$17,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the Fiscal Year 2017 Operating Budget.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Absent

1606-36: FISCAL YEAR 2017 SOLE AND SINGLE SOURCE PROCUREMENT BY EXCEPTION WAIVER AUTHORIZATION

Interim Executive Director Martin introduced Paul Kelly, Senior Director, Procurement, who presented Action Item #1606-36 for approval.

Paul Kelly recommended approval of Item #1606-36, Fiscal Year 2017 Sole and Single Source Procurement by Exception Waiver Authorization. Approval was requested to enter into sole or single source procurement by exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and administrative operations at a cost not to exceed \$25,000,000, subject to the availability of funds.

Authorization was also requested to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$22,000,000, subject to the availability of funds.

Authorization was also requested to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support NJ TRANSIT's System Resiliency Program at a cost not to exceed \$10,000,000, subject to the availability of funds, FTA approval, and all other applicable requirements. These requests will cover a 12-month period from July 1, 2016 to June 30, 2017.

Board Member Flora M. Castillo moved the resolution and Board Member John Spinello seconded it, and it was unanimously adopted, except for Board Member James C. Finkle, Jr. who recused himself.

Roll Call Vote:

Hammer	Meisel	Spinello	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Recused	Absent

1606-37: WALDWICK ERIE RAILROAD SIGNAL TOWER: GRANT OF HISTORIC PRESERVATION EASEMENT TO BERGEN COUNTY

Interim Executive Director Martin mentioned the following item was brought to their attention at a Board meeting a couple months ago by Curtis Springstead of the Waldwick Historic Preservation Society and introduced Michael Lihvarcik, Chief Financial Officer & Treasurer, who presented Action Item #1606-37 for approval.

Michael Lihvarcik recommended approval of Item #1606-37, Waldwick Erie Railroad Signal Tower: Grant of Historic Preservation Easement to Bergen County. Approval was requested to take any and all actions necessary to negotiate and execute a Deed of Historic Preservation Easement with the Waldwick Historical Society, Inc., the Borough of Waldwick, as well as the County of Bergen, in addition to any and all other documents required to effectively preserve and permit access to the Waldwick Erie Railroad Signal Tower and surrounding appurtenances for a term of 15 years.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Absent

1606-38: ANNUAL NOTICE OF MEETINGS

Interim Executive Director Martin introduced Joyce Zuczek, Board Secretary, who presented Action Item #1606-38 for approval.

Joyce Zuczek recommended approval of Item #1606-38, Annual Notice of Meetings. Approval was requested to adopt the Annual Notice of Meetings for all of the Board of Directors' meetings during Fiscal Year 2017 as set forth in Exhibit A.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member Flora M. Castillo seconded it, and it was unanimously adopted.

Roll Call Vote:

Hammer	Meisel	Spinello	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Absent

1606-39: ANNUAL DESIGNATION AND BOARD COMMITTEE MEMBERSHIP

Interim Executive Director Martin introduced Joyce Zuczek, Board Secretary, who presented Action Item #1606-39 for approval.

Joyce Zuczek recommended approval of Item #1606-39, Annual Designation and Board Committee Membership. Approval was requested to designate Bruce M. Meisel to serve as Vice Chair of the Board of Directors through June 2017 and appoint the members of all Board Committees as set forth in Exhibit A.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Absent

Executive Session Authorization

At approximately 10:06 a.m., Chairman Hammer requested a motion to enter Executive Session to discuss personnel matters, contract and collective bargaining negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Yanett Ashby and in the matter of Wilson et al. v. NJ TRANSIT et al.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member Flora M. Castillo seconded it, and it was unanimously adopted.

Board Secretary Zuczek conducted a Roll Call as Board Members returned to Open Session. All Board Members returned to open session at approximately 11:03 a.m.

1606-40: PERSONAL INJURY CLAIM OF YANETT ASHBY

Interim Executive Director Martin introduced Michael Lihvarcik, Chief Financial Officer & Treasurer, who presented Action Item #1606-40 for approval.

Michael Lihvarcik recommended approval of Item #1606-40, Personal Injury Claim of Yanett Ashby. Approval was requested to settle the claim of Yanett Ashby through her attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member Board Member Flora M. Castillo seconded it, and it was unanimously adopted.

Roll Call Vote:

Hammer	Meisel	Spinello	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Absent

1606-41: WILSON ET AL V. NJ TRANSIT ET AL

Interim Executive Director Martin introduced Michael Lihvarcik, Chief Financial Officer & Treasurer, who presented Action Item #1606-41 for approval.

Michael Lihvarcik recommended approval of Item #1606-41, Wilson et al v. NJ TRANSIT et al. Approval was requested to settle the matter of Wilson et al. v. NJ TRANSIT et al. through their attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

Vice Chairman Meisel moved the resolution and Board Member James C. Finkle, Jr. seconded it. Vice Chairman Meisel pointed out the Board discussed the matter extensively in executive session and based on that discussion, he was in favor of approval. The resolution was unanimously adopted.

Roll Call Vote:

Hammer	Meisel	Spinello	Longo	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Absent

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 11:05 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

JUNE 8, 2016

MINUTES

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➤ CALL TO ORDER	-
➤ SAFETY ANNOUNCEMENT	-
➤ PLEDGE OF ALLEGIANCE TO THE FLAG	-
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	49367
➤ PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS	-
➤ ADVISORY COMMITTEE REPORT	-
➤ SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT	-
➤ BOARD COMMITTEE REPORTS	-
*Customer Service Committee	
*Administration Committee	
*Capital Planning, Policy and Privatization Committee	
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	49368

ACTION ITEMS

1606-33	NJ TRANSIT RESILIENCE PROGRAM: MEMORANDUM OF UNDERSTANDING WITH PUBLIC SERVICE ELECTRIC AND GAS COMPANY RELATED TO OWNERSHIP, DESIGN, CONSTRUCTION, MAINTENANCE, AND OPERATION OF A REPLACEMENT MASON/BUILDING 9 SUBSTATION	49389
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Authorization to execute the attached Memorandum of Understanding by and between New Jersey Transit Corporation and Public Service Electric and Gas Company.

Authorization to take any and all actions necessary to negotiate and enter into subsequent implementing and other agreements as required with Public Service Electric and Gas Company.

Authorization to support, and participate in, to the extent appropriate, any future regulatory proceeding before the New Jersey Board of Public Utilities or other competent authority in support of Public Service Electric and Gas Company's petition related to the replacement Mason/Building 9 Substation.

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
JUNE 8, 2016
MINUTES
PAGE 2

**1606-34 MOTOR COACH INDUSTRIES SERVICE PARTS (MCISP) – AGREEMENT 49402
AMENDMENT**

Authorization to amend the existing sole source contract (No. 01-622) with Motor Coach Industries Service Parts, Inc. (MCISP) of Des Plaines, Illinois to provide additional authorization of \$67,500,000, plus five percent contingency for a total authorization not to exceed \$284,625,000, subject to the availability of funds, to ensure uninterrupted parts availability for our cruiser bus fleet, enabling NJ TRANSIT Bus Operations to keep them in a state of good repair through June 2019.

1606-35 CORPORATE INSURANCE PROGRAM ANNUAL RENEWAL 49406

Authorization to revise and renew the Corporate Insurance Program and to include services necessary to administer the Program for the period July 1, 2016 through June 30, 2017 at an annual cost not to exceed \$17,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the FY2017 Operating Budget.

**1606-36 FISCAL YEAR 2017 SOLE AND SINGLE SOURCE PROCUREMENT BY 49411
EXCEPTION WAIVER AUTHORIZATION**

Authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and administrative operations at a cost not to exceed \$25,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2016 to June 30, 2017.

Authorization to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$22,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2016 to June 30, 2017.

Authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support NJ TRANSIT's System Resiliency Program at a cost not to exceed \$10,000,000, subject to the availability of funds, FTA approval, and all other applicable requirements. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2016 to June 30, 2017.

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
JUNE 8, 2016
MINUTES
PAGE 3

1606-37 WALDWICK ERIE RAILROAD SIGNAL TOWER: GRANT OF HISTORIC PRESERVATION EASEMENT TO BERGEN COUNTY 49425

Authorization to take any and all actions necessary to negotiate and execute a Deed of Historic Preservation Easement with the Waldwick Historical Society, Inc., the Borough of Waldwick, as well as the County of Bergen, in addition to any and all other documents required to effectively preserve and permit access to the Waldwick Erie Railroad Signal Tower and surrounding appurtenances for a term of 15 years.

1606-38 ANNUAL NOTICE OF MEETINGS 49428

Adopt the Annual Notice of Meetings (Exhibit A) for all of the Board of Directors' meetings during Fiscal Year 2017.

1606-39 ANNUAL DESIGNATION AND BOARD COMMITTEE MEMBERSHIP 49432

Approval of this item will designate Bruce M. Meisel to serve as Vice Chair of the Board of Directors through June 2017 and appoint the members of all Board Committees as set forth in Exhibit A.

- **EXECUTIVE SESSION AUTHORIZATION:** Discuss personnel matters, contract and collective bargaining negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Yanett Ashby and Wilson et al. v. NJ TRANSIT et al. **49435**

1606-40 PERSONAL INJURY CLAIM OF YANETT ASHBY 49436

Authorization to settle the claim of Yanett Ashby through her attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

1606-41 WILSON ET AL. V. NJ TRANSIT ET AL. 49438

Authorization to settle the matter of Wilson et al. v. NJ TRANSIT et al. through their attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, 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 May 11, 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 May 13, 2016;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the May 11, 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, Acting Commissioner
Dennis J. Martin, Interim Executive Director



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

TO: BOARD OF DIRECTORS
FROM: DENNIS J. MARTIN
DATE: JUNE 8, 2016
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JUNE 2016

June is National Safety Month and NJ TRANSIT has joined with the National Safety Council and numerous other organizations across the country in taking time to recommit ourselves to what always remains our number one priority. During this month, customers and employees will see our efforts to remind each other of the critical importance of safety. The Office of System Safety, under the direction of Gardner Tabon, will be visiting selected work sites to reinforce workplace safety. We will be printing messages on pay stubs and hanging posters in visible locations. Customers will notice increased safety-related advertising and handouts on-board bus, rail and light rail vehicles.

We are going to put our customers' knowledge to the test on June 15th, when we hold the first annual Distracted Olympics at Secaucus Station. This safety awareness event will involve our customers watching brief situational awareness videos and then having them navigate through a mini-"Olympic" course filled with transit-related safety warnings and see how well they follow the directions. It will be a fun and exciting way to engage customers in thinking more about safety while they travel the system.

We are fast approaching the official start of the summer season and, with that, brings the return of our services tailored to this time of year. The 316 bus from Philadelphia to Wildwood and Cape May is back once again, with some exciting new enhancements. This year, the bus will begin near Amtrak's 30th Street Station in Philadelphia, which provides for additional transit connections. For the first time, the route will provide service to the new Gloucester Premium Outlets, a popular shopping destination in Blackwood. This will mark the first time the shopping center has bus service.

On weekends and holidays this summer, customers will see the return of our Shore Express trains as well as hourly service on the Bay Head-Long Branch rail shuttle. The express trains from New York Penn Station on the North Jersey Coast Line utilize our dual power locomotives, saving customers the need to transfer in Long Branch. These express trains can get customers to the beaches 25 minutes faster than the normal travel time to destinations such as Belmar, Manasquan and Point Pleasant. Also this summer, we see the return of three late night weekday trains running on the Long Branch-Bay Head shuttle. Those select trains were temporarily suspended in October for the winter as part of our effort to match service with customer demand.

June 10th marks the 20th anniversary of the weekday MidTOWN DIRECT service on the Morris & Essex Lines, which revolutionized the way customers in that region travel into Manhattan. On June 10, 1996, then-Governor Christine Todd Whitman rode in the front of a train to break a banner at Broad Street station while on the way directly to New York. It was the start of a new era for NJ TRANSIT, with this new one-seat ride to Penn Station New York, customers could save 20 minutes on their commute and avoid a transfer to PATH or ferries in Hoboken. It was a pivotal moment not only for the history of this agency, but also for the region. In the year prior to MidTOWN DIRECT, the M&E Lines carried approximately 28-thousand passenger trips on the average weekday. In FY15, that number is now closer to 59-thousand, more than double what it had been two decades ago. In addition to that dramatic increase in ridership, MidTOWN DIRECT also helped fuel a real estate boom and economic revitalization for towns along the M&E corridor. It is another example of the power of mass transit and why we do what we do every day.

EXECUTIVE DIRECTOR'S MONTHLY REPORT JUNE 2016

- 1. PERFORMANCE MEASURES**

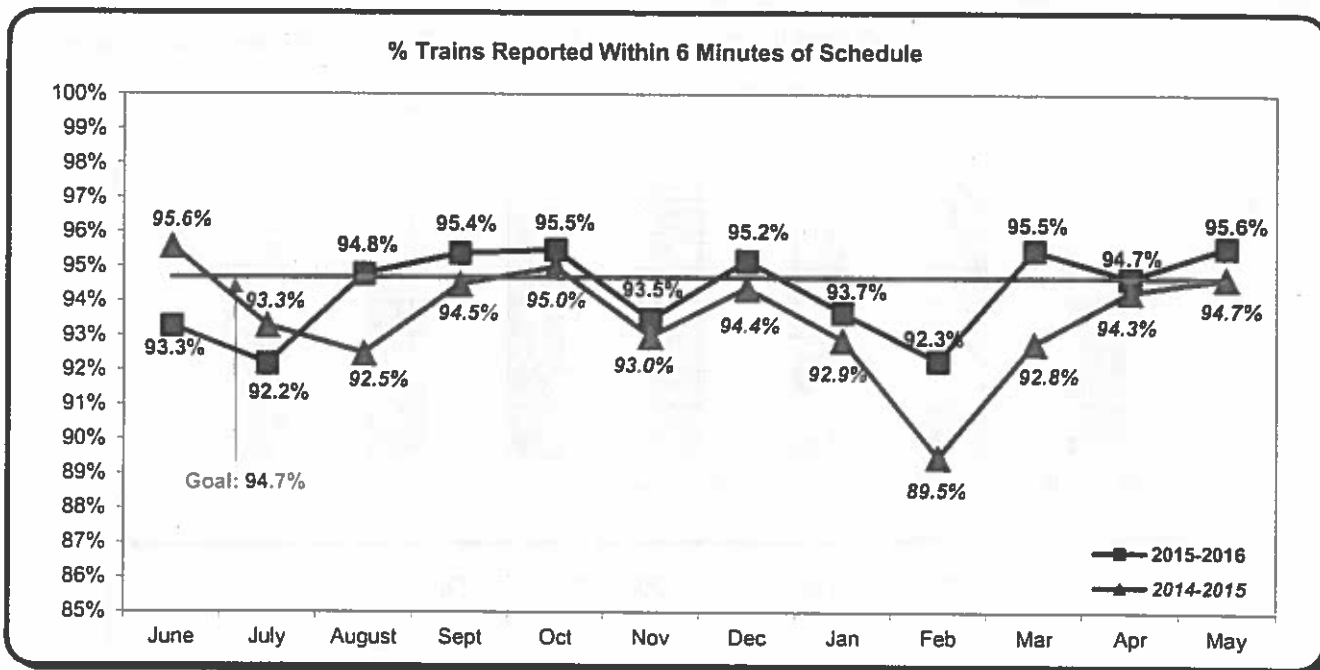
- 2. MEAN DISTANCE BETWEEN FAILURES**

- 3. DBE/MBE PROGRAM**

- 4. EMPLOYEE RECOGNITION**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL JUNE 2014 - MAY 2016



	2015	2016	# Change
May Comparison	94.7%	95.6%	0.9

	2014-2015	2015-2016	# Change
12-Month Average June 2014-May 2016	93.5%	94.3%	0.8

Analysis:

Rail On-Time Performance was 95.6% for May 2016. Of the 18,308 trains scheduled to operate, 17,508 were on time, while 800 trains (or 4.4%) were delayed. Key causes included:

- NJT bridge strike, NJT locomotive failures, and NJT human error caused 40 delays resulting in 93.0% OTP on May 16.
- Amtrak programmed maintenance caused 47 delays resulting in 84.8% OTP on May 21.
- NJT diesel and catenary failures and Amtrak switch failure caused 54 delays resulting in 90.7% OTP on May 25.

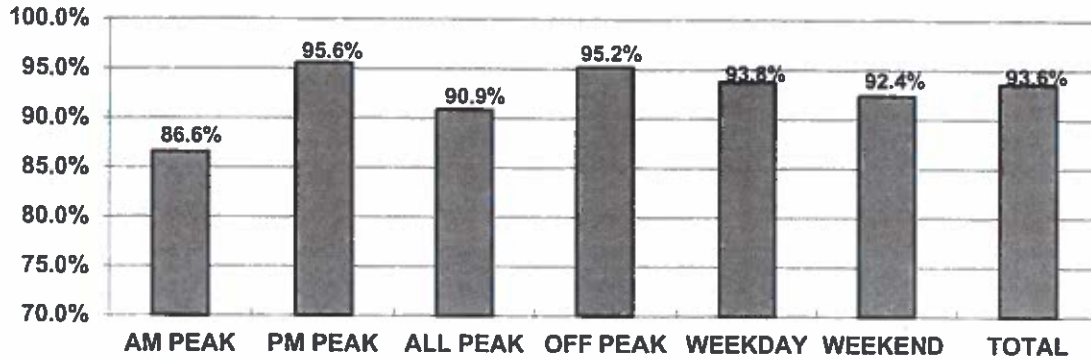
The 12-month average for Rail On-Time Performance for June 2015-May 2016 was 94.3%, which improved by 0.8%.

ON-TIME PERFORMANCE RAIL

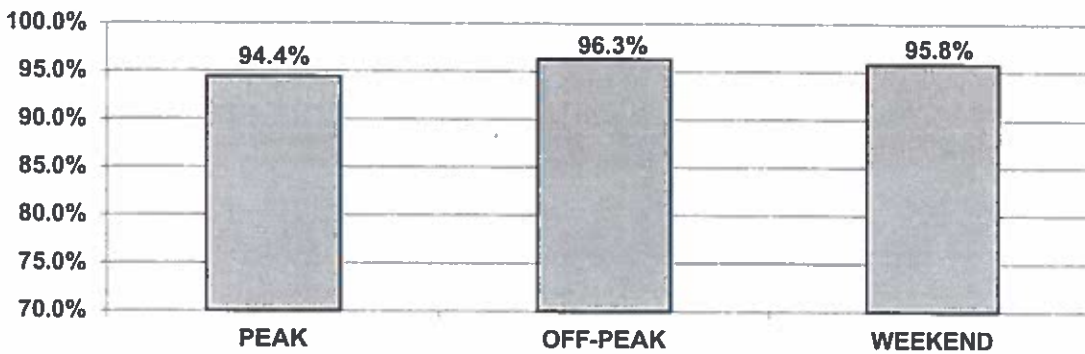
SUMMARY BY TIME PERIOD MAY 2016

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

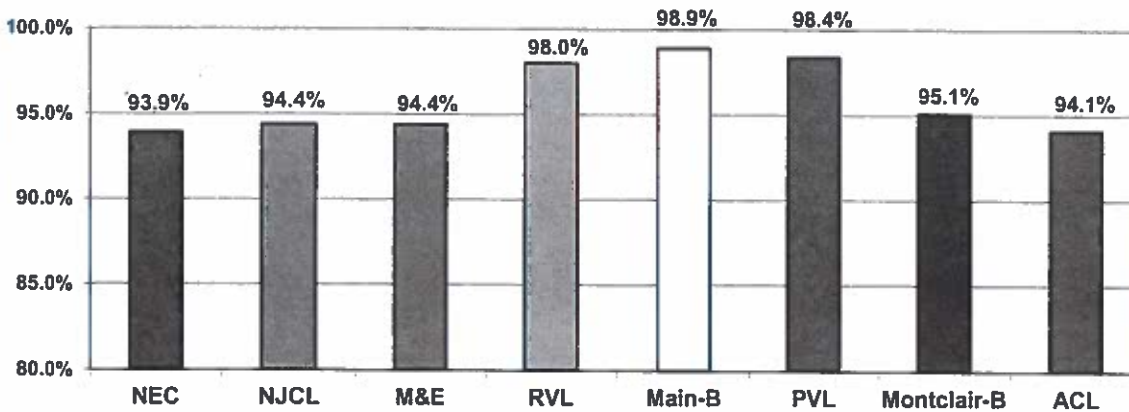
% NEW YORK PENN STATION Trains Reported On Time *



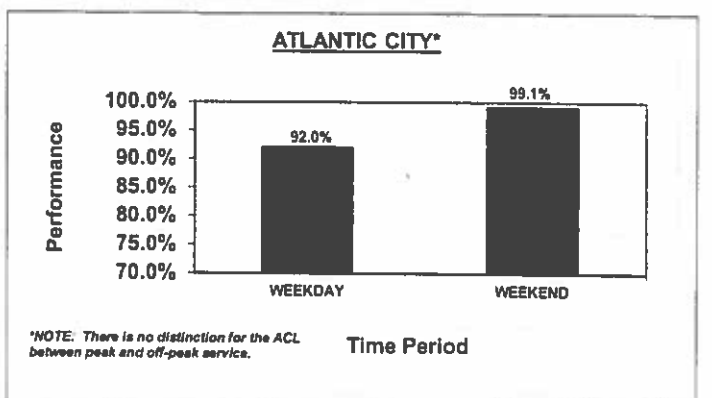
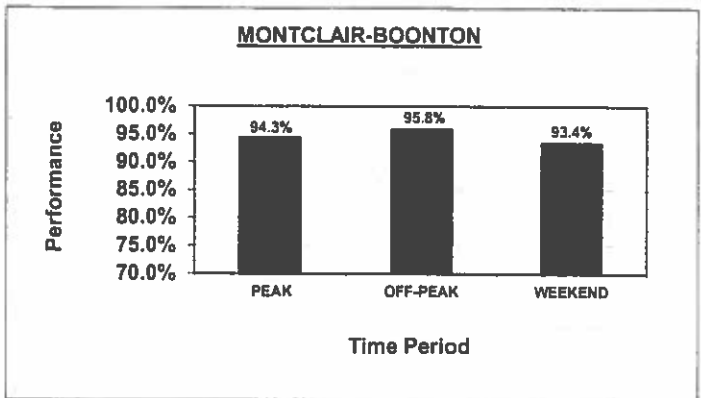
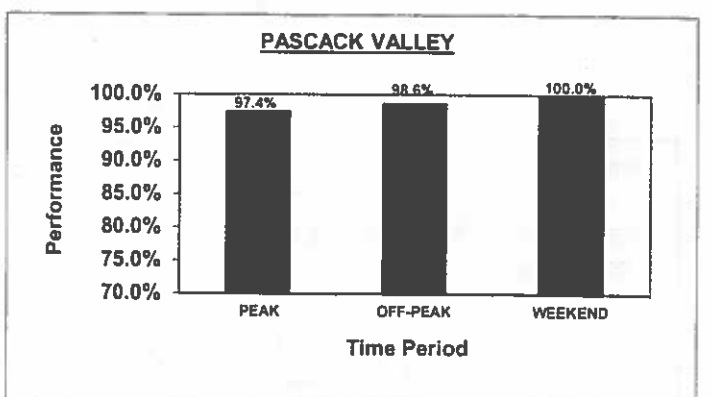
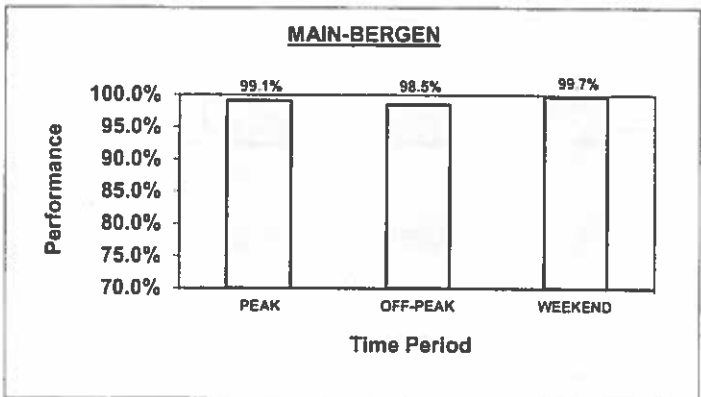
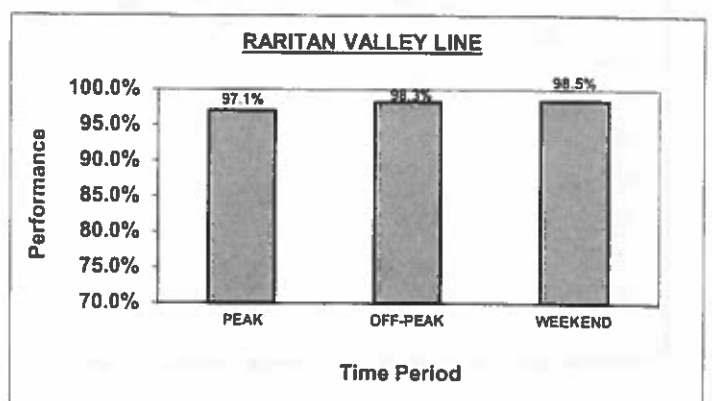
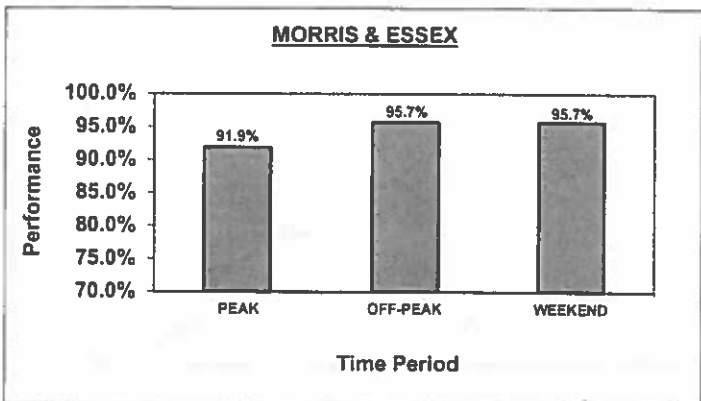
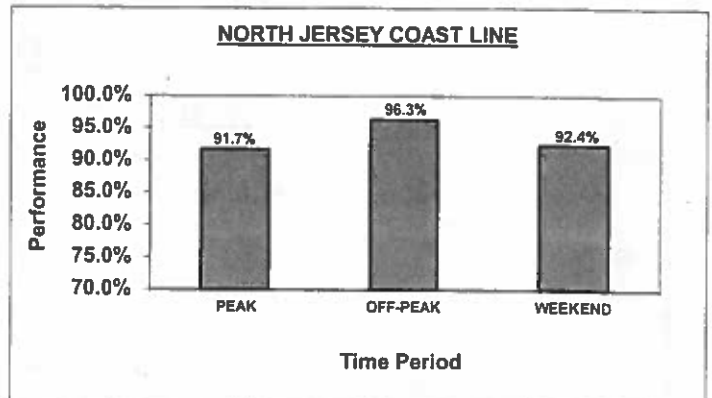
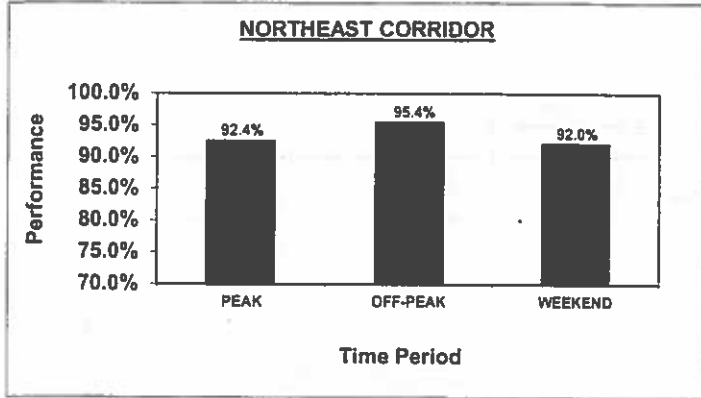
% SYSTEMWIDE Trains Reported On Time



% BY LINE Trains Reported On Time

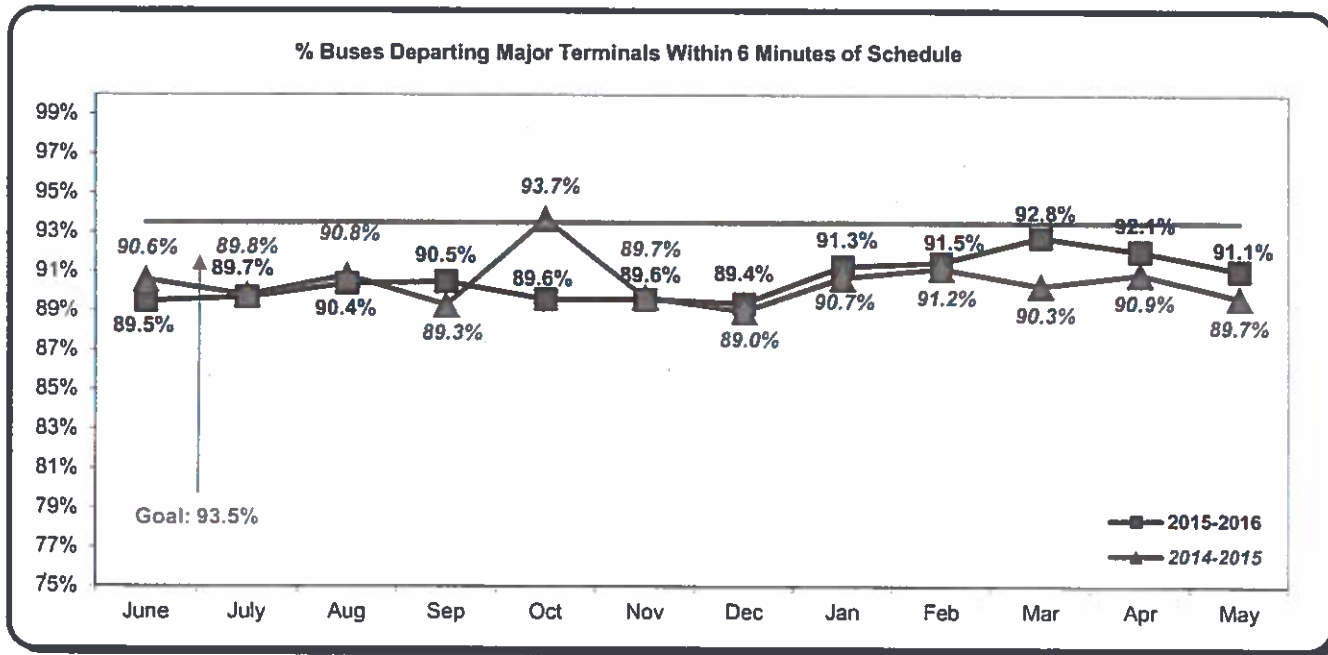


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD MAY 2016



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

NJ TRANSIT ON-TIME PERFORMANCE BUS JUNE 2014 - MAY 2016



May Comparison	2015	2016	% Change
	89.7%	91.1%	1.4%

12-Month June 2014 - May 2016	2014-2015	2015-2016	% Change
	90.5%	90.6%	0.1%

Analysis:

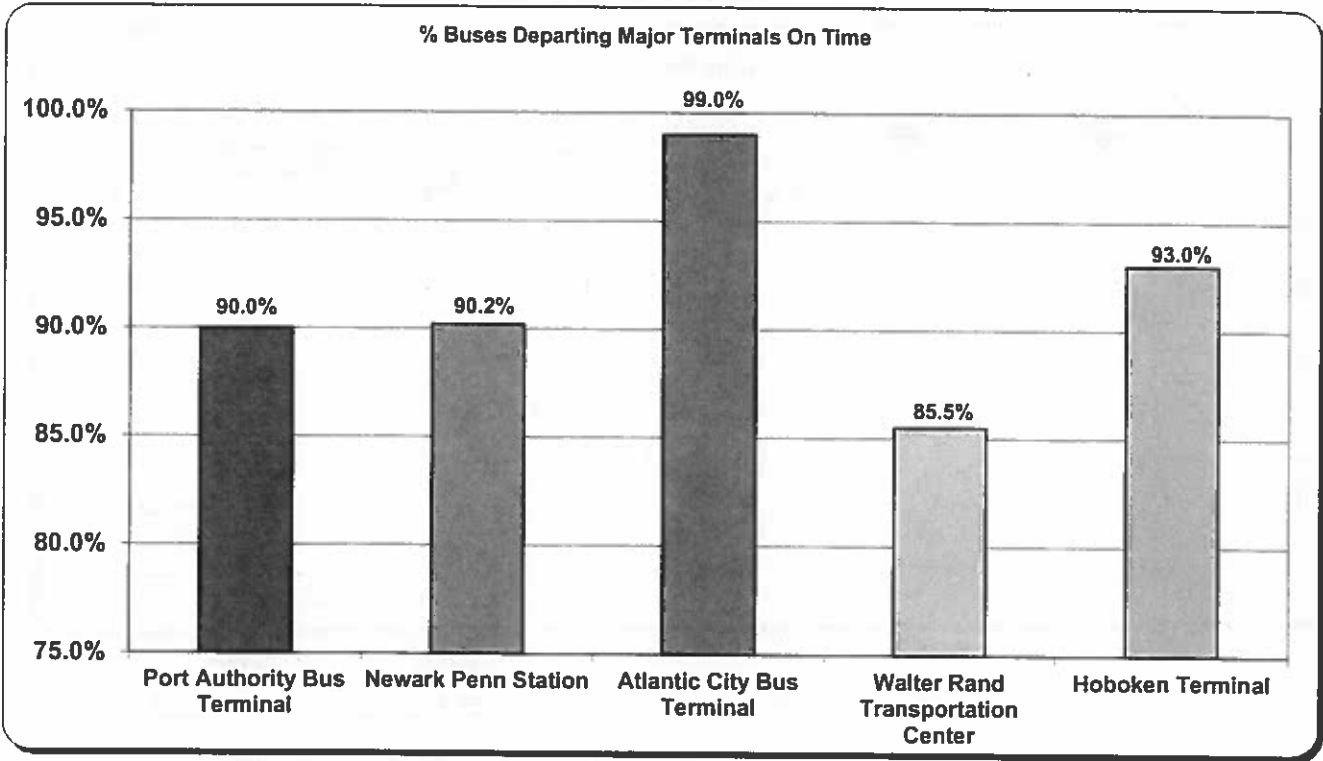
Bus On-Time Performance was 91.1% for May 2016. Of the 40,752 monitored departures, 3,638 (or 8.9%) experienced delays. Key causes included:

- A disabled bus in the South Tube of the Lincoln Tunnel caused gridlock for 70 minutes which impacted Port Authority Bus Terminal performance on May 13. Police activity on May 19 also impacted Port Authority Bus Terminal performance.
- Pole replacement project by PSE&G caused delays throughout May at Walter Rand Transportation Center. There was also police activity in the area on May 11.
- Heavy traffic and detours in Newark caused delays, especially on May 5, 12, 13 and 20.

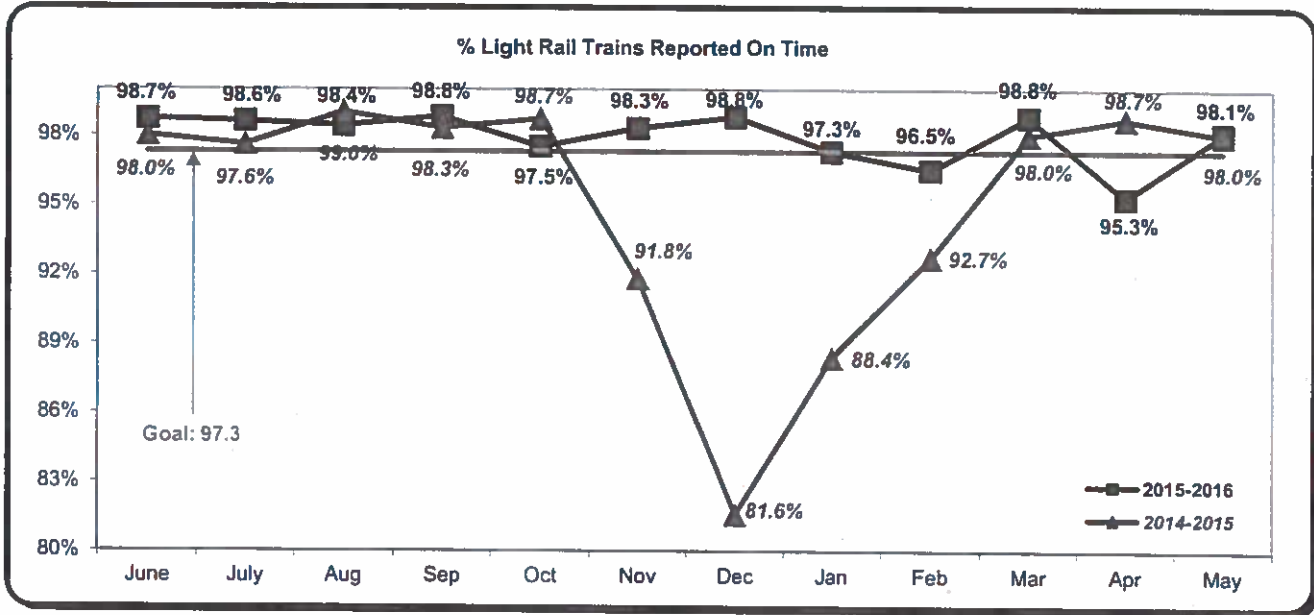
The 12-month average for Bus On-Time Performance for June 2015 - May 2016 was 90.6%, which changed slightly (0.1%) from the previous year.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL MAY 2016



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL JUNE 2014 - MAY 2016



	2015	2016	# Change
May Comparison	98.0%	98.1%	0.1

	2014-2015	2015-2016	# Change
12-Month Average June 2014 - May 2016	95.1%	97.9%	2.8

Analysis:

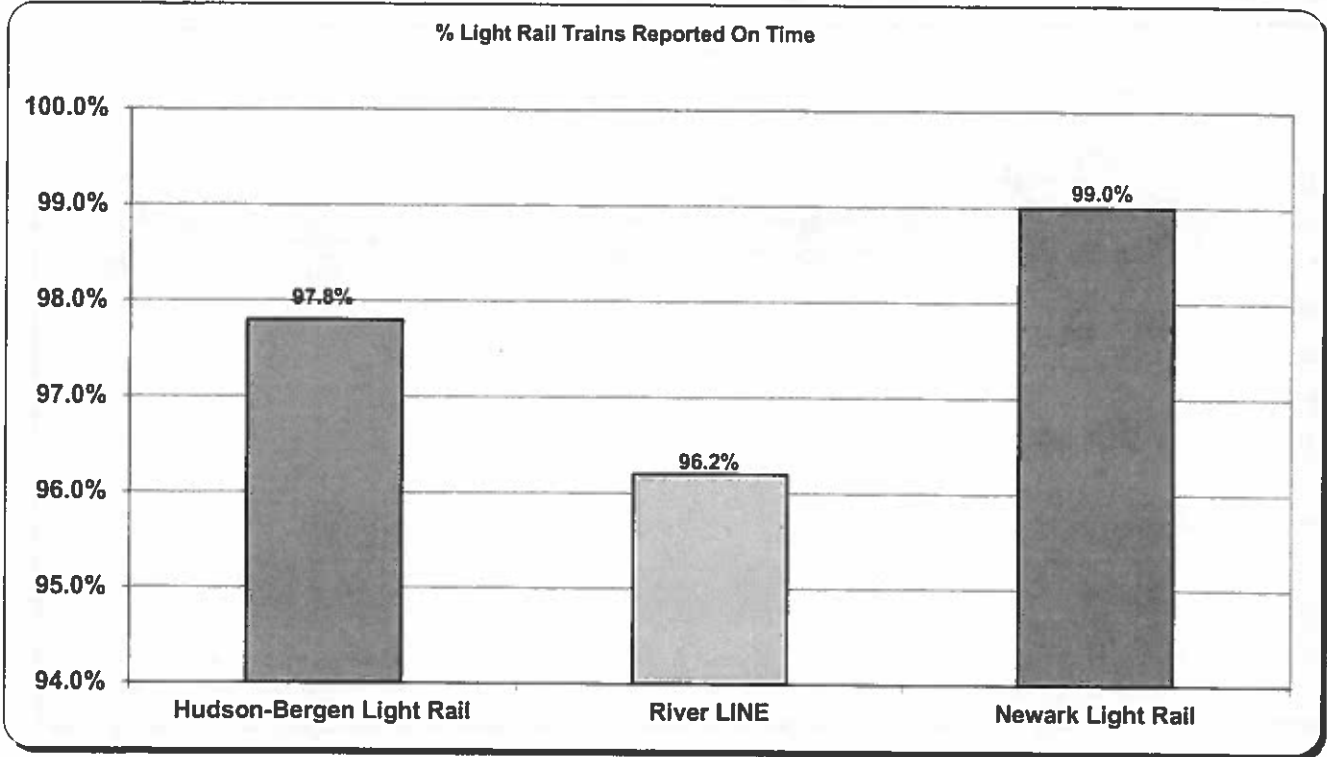
Light Rail On-Time Performance systemwide was 98.1% for the month of May 2016. Of the 26,265 monitored departures, 505 (or 1.9%) experienced delays. Key causes included:

- Power fault delayed 22 Hudson-Bergen Light Rail trains on May 13.
- Equipment malfunction (defective coupler) delayed 16 RiverLINE trains on May 25.
- Manpower shortage delayed 30 Newark Light Rail trains on May 16.

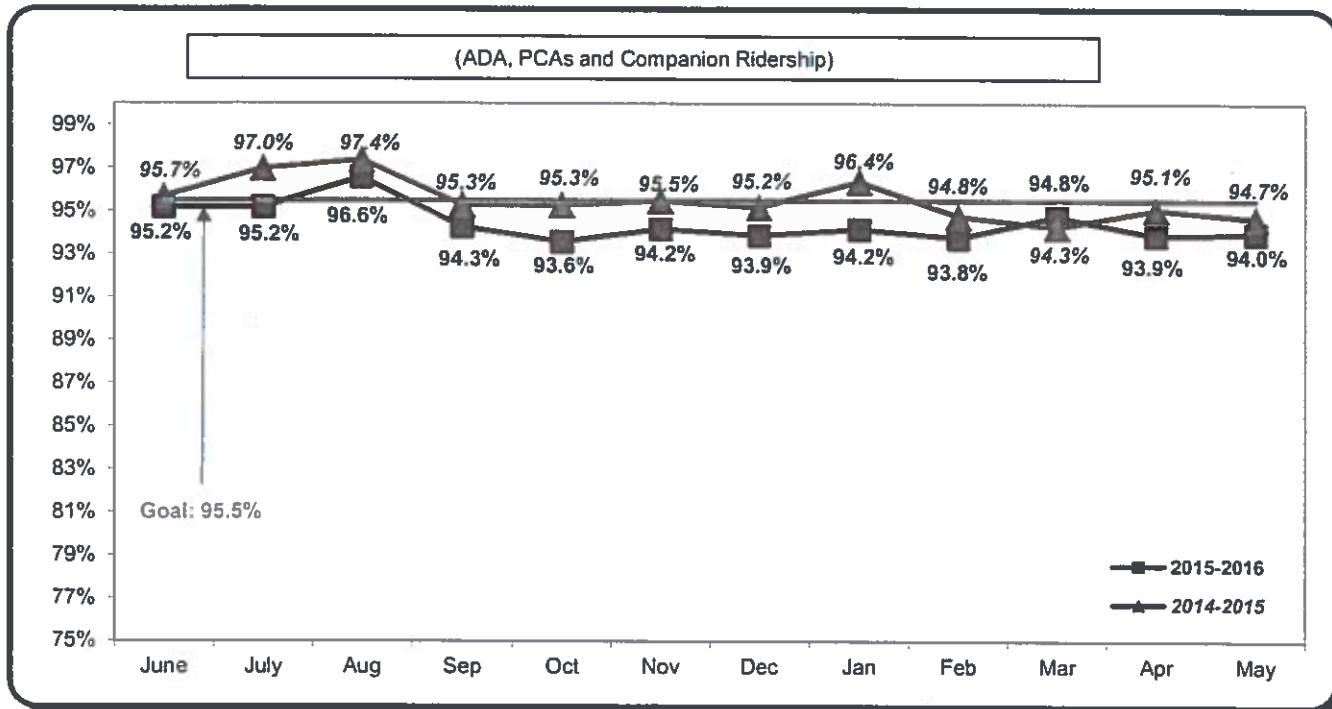
The 12-month average for Light Rail On-Time Performance for May 2015-April 2016 was 97.9%, which improved by 2.8%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE MAY 2016



NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK JUNE 2014 - MAY 2016



	2015	2016	% Change
May Comparison	94.7%	94.0%	-0.7

	2015	2016	Difference
May Ridership	125,314	133,989	8,675

	2014-2015	2015-2016	% Change
12-Month Average June-May	94.5%	95.6%	1.1%

Analysis:

Access Link On-Time Performance was 94.0% for May 2016. Of the 133,989 total trips, 7,221 (or 5.9%) experienced delays.

Key causes include:

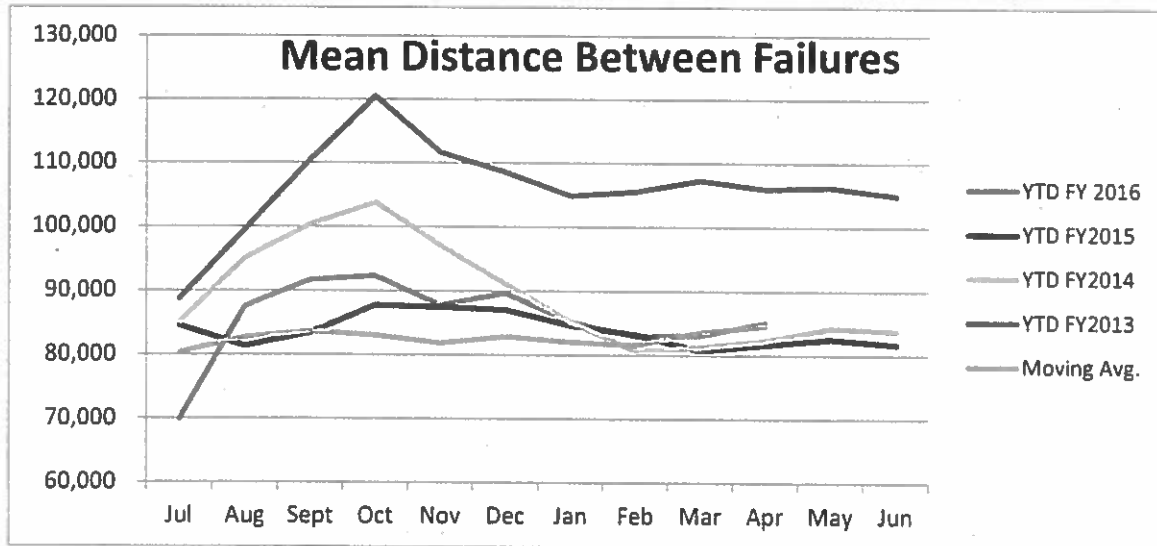
- Traffic congestion causing service delays.
- Cancellations and customer no-shows.
- Road closures due to construction.

The 12-month average for Access Link On-Time Performance for June 2015 - May 2016 was 95.6%, which increased by 1.1%.

MEAN DISTANCE BETWEEN FAILURES

NJ Transit Rail
Mean Distance Between Failures

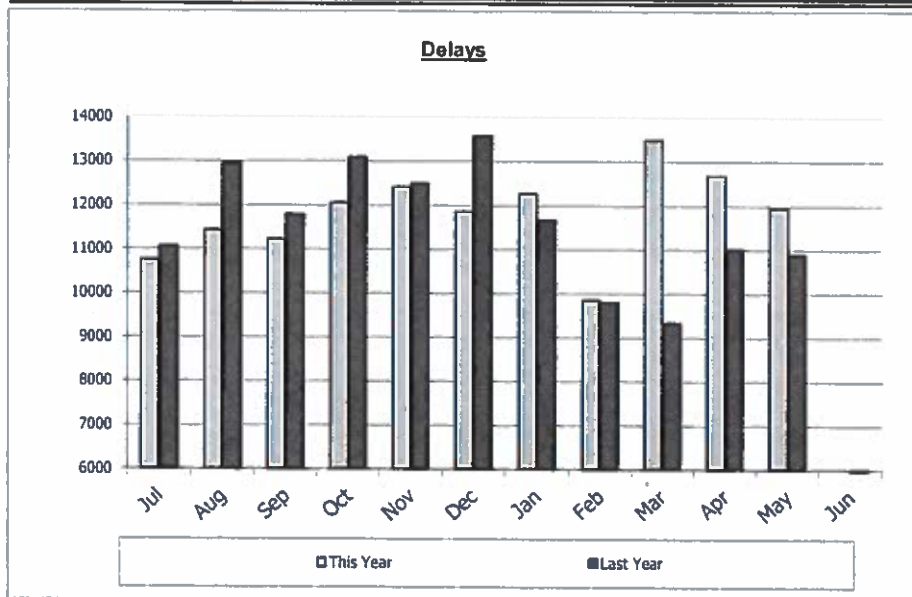
Month	YTD FY2016	YTD FY2015	YTD FY2014	YTD FY2013	12 Month Moving Avg.
Jul	69,926	84,508	85,097	88,735	80,305
Aug	87,565	81,319	95,116	99,585	82,718
Sept	91,669	83,368	100,341	110,530	83,609
Oct	92,329	87,750	103,813	120,591	83,028
Nov	87,756	87,434	97,112	111,758	81,837
Dec	89,655	87,042	91,128	108,579	82,868
Jan	85,167	84,607	85,161	104,917	82,008
Feb	82,949	83,179	80,639	105,580	81,560
Mar	83,112	80,659	81,229	107,335	83,578
Apr	85,060	81,649	82,293	106,048	84,538
May	-	82,566	84,237	106,287	-
Jun	-	81,704	83,798	104,975	-



Garage Performance Parameters

May 2016

Location	Miles Between In-Service Delays			
	FY2016 Goal	This Month	FY2016 YTD	FY2015 YTD
Fairview	7,000	9,278	6,583	6,370
Greenville	9,900	8,073	6,775	6,757
Market Street	9,500	9,111	8,360	8,985
Meadowlands	11,500	7,877	8,396	8,741
Oradell	13,500	9,462	10,597	9,740
Wayne	12,500	11,600	11,914	11,187
Northern Division	-	9,398	9,221	9,062
Big Tree	9,600	9,267	8,051	9,531
Hilton	10,500	10,908	11,009	10,535
Howell	16,750	35,660	33,712	20,556
Ironbound	9,800	10,974	10,711	9,876
Orange	10,200	9,706	9,010	11,514
Morris	10,500	48,054	43,158	49,942
Central Division	-	13,716	13,110	12,548
Egg Harbor	15,500	20,994	15,346	14,996
Hamilton	19,000	14,294	22,116	17,915
Newton Avenue	15,700	11,293	14,064	14,968
Washington Twp.	14,500	11,895	12,943	13,355
Southern Division	-	14,252	14,741	14,690
Bus Operations	-	11,946	11,747	11,484

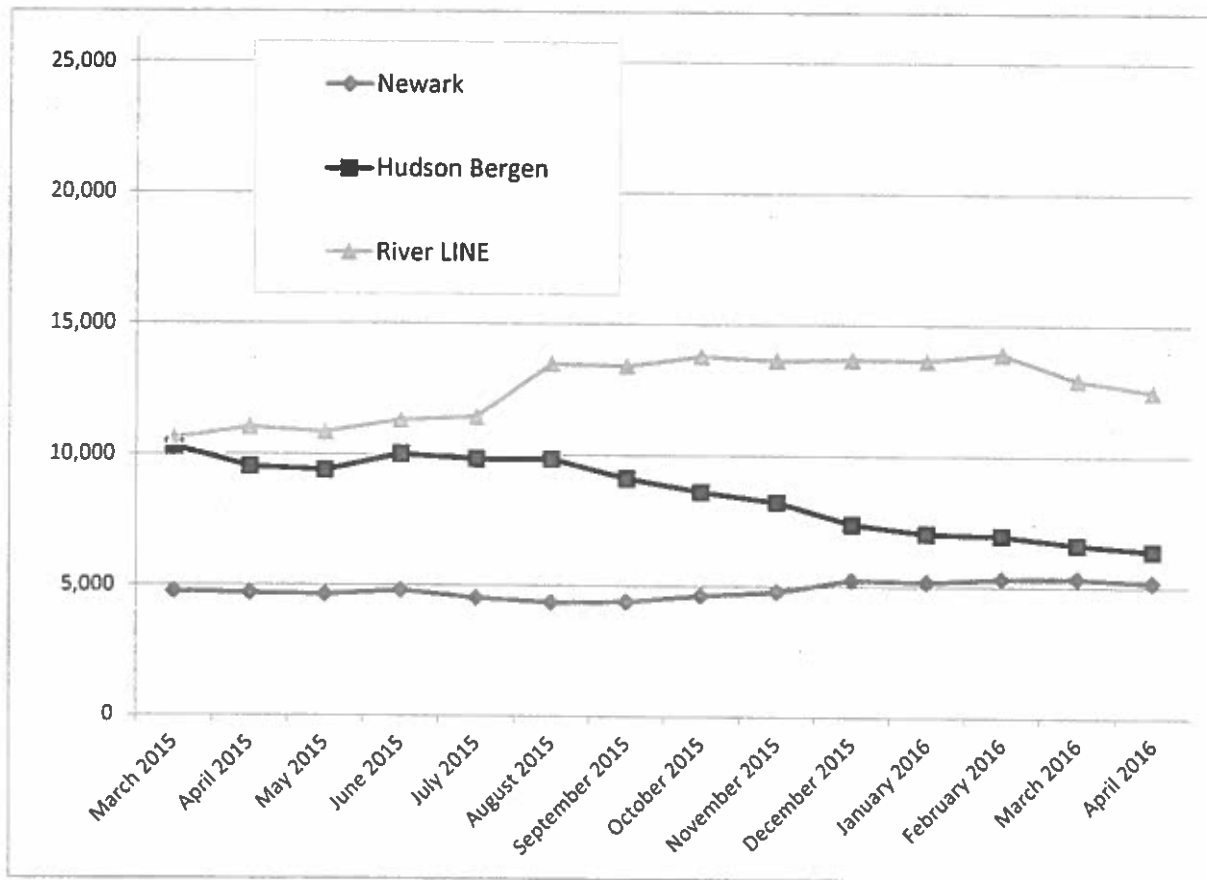


NJ TRANSIT - LIGHT RAIL, April 2016

Miles Between In-Service Delays (Mechanical Failures)

Light Rail System	April 2016 (Current Month)	12 Month Moving Average (Mean)
Newark Light Rail	3,443	5,198
Hudson Bergen	5,195	6,408
River LINE	9,733	12,476

MEAN DISTANCE MILES BETWEEN IN-SERVICE DELAYS (DELAYED TRAINS)



DBE/SBE PROGRAM

NJ TRANSIT –Office of Business Development Additional DBE/SBE Participation for May 2016

State Funded Contracts

During the month of May 2016, NJ TRANSIT awarded \$0.00 in state funded contracts. Of that total, Small Business Enterprises (SBEs) received \$0.00 or 0.00%.

During the State Fiscal Year 2016 (July 1, 2015 through June 30, 2016) NJ TRANSIT awarded \$292,545,857.37 in state funded contracts. Of that total, SBEs received \$35,557,105.23 or 12.15%.

SBE Goal Attainment from July 1, 2015 through June 30, 2016 (FY 2015)

Category 1 SBEs received	\$3,723,746.20	or 1.27%
Category 2 SBEs received	\$1,159,244.65	or 0.40%
Category 3 SBEs received	\$25,644,075.21	or 8.77%
Category 4 SBEs received	\$3,943,901.17	or 1.35%
Category 5 SBEs received	\$1,086,138.00	or 0.37%
Category 6 SBEs received	\$0.00	or 0.00%

FTA Funded Contracts (updated Quarterly – next update will occur July 2016)

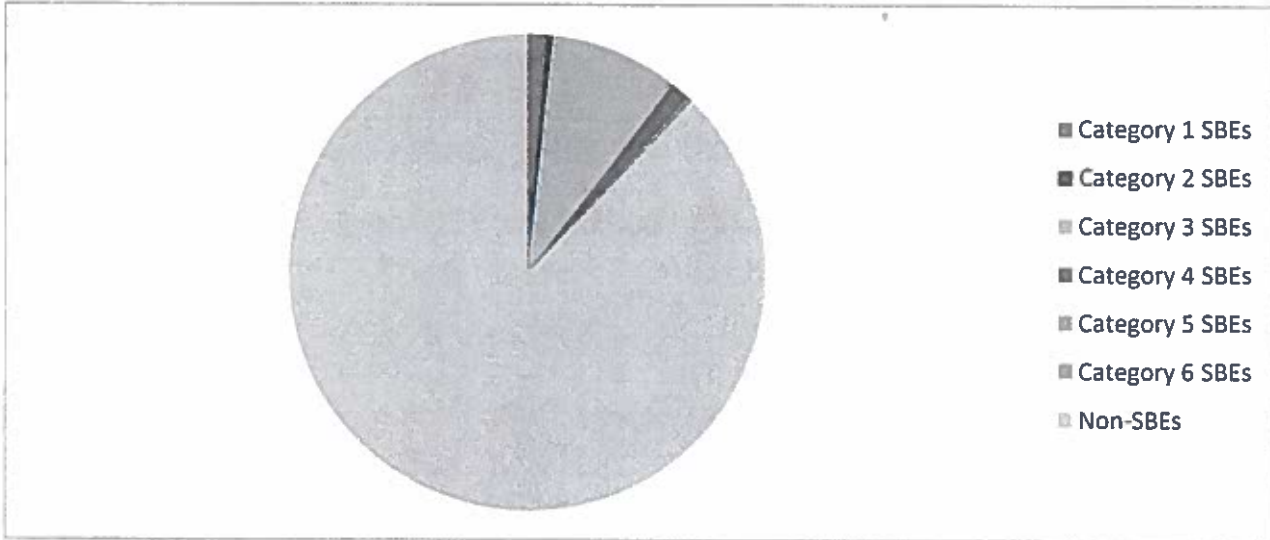
During the 2nd Quarter (January 1, 2016 – March 31, 2016) of Federal Fiscal Year 2016 (October 1, 2015 through September 30, 2016), the FTA funded share of NJ TRANSIT’s federal contracts awarded was \$12,467,557.00. Of that total, Disadvantaged Business Enterprises (DBEs) received \$2,106,717.00 or 16.90%.

DBE Goal Attainment from October 1, 2013 (FFY 2014) - September 30, 2016 (FFY 2016) *

Contracts awarded	\$38,382,146.65
DBEs received	\$ 7,048,720.34 or 18.36%

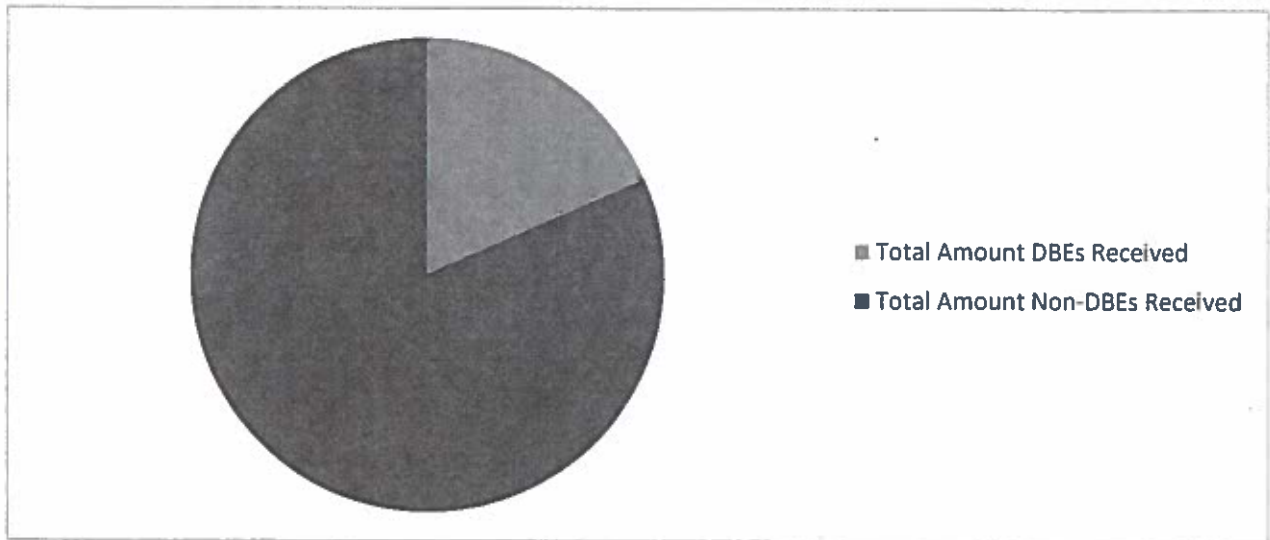
*Numbers reflect federal share.

<i>Category 1 SBEs</i>	\$3,723,746.20	1.27%
<i>Category 2 SBEs</i>	\$1,159,244.65	0.40%
<i>Category 3 SBEs</i>	\$25,644,075.21	8.77%
<i>Category 4 SBEs</i>	\$3,943,901.17	1.35%
<i>Category 5 SBEs</i>	\$1,086,138.00	0.37%
<i>Category 6 SBEs</i>	\$0.00	0.00%
<i>Non-SBEs</i>	\$256,988,752.14	82.29%



DBE PARTICIPATION
FEDERAL CONTRACTS
TRIENNIAL YEARS 2014-2016

Total Amount DBEs Received	\$7,048,720.34	18.36%
Total Amount Non-DBEs Received	\$31,333,426.30	81.64%



EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Thirty-one NJ TRANSIT employees recently retired with careers ranging from 12 to 37 years of service:

1. Moliere Belcher, Operator – Orange -- 14 years
2. Philip Enders, Operator – Washington Township – 12 years
3. Jose Torres, Operator – Orange – 14 years
4. Richard Wyrwas, Repairman A – Greenville – 22 years
5. Sheila Ashe, Info Clerk – GOB – 23 years
6. William Borland, Operator – Bloomfield – 36 years
7. Rahul Buch, Operator – Howell -- 15 years
8. Verlin Cunningham, Operator – Oradell – 21 years
9. Sheila Frazier, Operator – Hamilton – 23 years
10. Doris Jarrell, Operator – Washington Township – 22 years
11. Loretta Johnston, Operator – Orange – 24 years
12. Robert Kroslin, Maintainer A – Hamilton – 20 years
13. Daniel Pryor, Operator – Ironbound – 22 years
14. Frank Zimmerman, Depot Master – Hamilton – 23 years
15. Peter Zuhowski, Operator – Howell – 33 years
16. Jason Cain, Operator – Howell – 18 years
17. Estrela DeSantos, Chief Clerk – GOB – 15 years
18. Michael Yancey, Operator – Orange – 23 years
19. Vicente Sunga Jr., Senior Project Engineer – Penn Plaza – 25 years
20. Robert Cole, Line Engineer – Hoboken – 28 years
21. Esther DeSantis, Senior Accountant – Penn Plaza – 29 years
22. Mary McFadden-King, Principle Strategic Staffing – GOB – 37 years
23. Teresa Russo, Director Procurement Systems – Penn Plaza – 32 years
24. Dominic Soriano, Director Rail Communications – Hoboken – 36 years
25. Jimmie Gilliard, Operator – Fairview – 32 years
26. Maria Estrella, Operator – Fairview – 27 years
27. Charles Bommer Jr., Repairman A – Fairview – 14 years
28. Nancy Guzman-Flanagan, Senior Claims Investigator – Penn Plaza – 25 years
29. Raymond Depiano, Machinist – Raritan – 30 years
30. Ronald Powers, Conductor – Various Locations – 29 years
31. Edward Prawdzik, Locomotive Engineer – Various Locations – 28 years

ACTION ITEMS

ITEM 1606-33: NJ TRANSIT RESILIENCE PROGRAM: MEMORANDUM OF UNDERSTANDING WITH PUBLIC SERVICE ELECTRIC AND GAS COMPANY RELATED TO OWNERSHIP, DESIGN, CONSTRUCTION, MAINTENANCE, AND OPERATION OF A REPLACEMENT MASON/BUILDING 9 SUBSTATION

BENEFITS

NJ TRANSIT's Mason and Building 9 Substations, which are located in Kearny, New Jersey, are critical to the operations of the NJ TRANSIT rail system. Each year, Mason Substation supports either a large portion, or all, of the power necessary to facilitate approximately 5,000,000 annual passenger boardings. Building 9 Substation provides power to the Rail Operations Center and the Meadows Maintenance Complex. Both substations were damaged by Superstorm Sandy and need to be replaced. NJ TRANSIT owns the existing Mason and Building 9 Substations with responsibility for repair and maintenance and replacement if required. The Substations were constructed by NJ TRANSIT around 1983 with a portion of the Public Service Electric and Gas Company (PSE&G) transmission line directly connected to it. With this configuration, in the event of a fault of interruption, there is a potential for Mason Substation to impact the reliability of the regional electric power grid.

A combined replacement Mason/Building 9 Substation will be unique from other substations in NJ TRANSIT's network, as it will continue to be part of the distribution network that serves the substation, residential, and commercial customers. There is an opportunity to enhance resilience and reliability of NJ TRANSIT and regional energy services by allowing the commercial utility company, PSE&G, to design, construct, own, maintain and operate the replacement substations.

Because of these unique characteristics of the substations, NJ TRANSIT is currently engaged in discussions with PSE&G to complete design and advance construction of the replacement Mason/Building 9 Substation. Subject to regulatory approval by the New Jersey Board of Public Utilities or other competent authority, it is contemplated that PSE&G would own, design, construct, maintain, and operate the replacement Mason/Building 9 Substation. Discussions will include the most appropriate allocation of operational and maintenance responsibilities.

The attached Memorandum of Understanding (MOU) provides a framework for NJ TRANSIT and PSE&G to collaborate in developing implementation and other agreements, identifying real estate and other needs, and advancing a regulatory proceeding before the New Jersey Board of Public Utilities or other competent authority.

ACTION (Scorecard: Customer Experience, Corporate Accountability, Financial Performance, Safety and Security)

Staff seeks authorization to execute the attached Memorandum of Understanding by and between New Jersey Transit Corporation and Public Service Electric and Gas Company.

Staff also seeks authorization to take any and all actions necessary to negotiate and enter into subsequent implementing and other agreements as required with Public Service Electric and Gas Company.

Staff also seeks authorization to support, and participate in, to the extent appropriate, any future regulatory proceeding before the New Jersey Board of Public Utilities or other competent authority in support of Public Service Electric and Gas Company's petition related to the replacement Mason/Building 9 Substation.

PURPOSE

Authorization to execute the attached Memorandum of Understanding will allow NJ TRANSIT and PSE&G to collaborate to advance the replacement of Mason/Building 9 Substation, to develop implementing agreements and protocols, and to develop appropriate regulatory filings for submission to the New Jersey Board of Public Utilities or other competent authority.

Should the New Jersey Board of Public Utilities or other competent authority approve PSE&G owning, designing, constructing, maintaining, and operating, the replacement Mason/Building 9 Substation, Board of Director's approval may be requested at a future date to enter into an Agreement for the granting of real property rights or interests or monetary contribution, to the extent Board approval is required.

BACKGROUND

On October 29, 2012, Superstorm Sandy's storm surge substantially damaged Mason and Building 9 Substations. The initial storm surge, estimated to be as high as seven feet, inundated Mason and Building 9 Substations. The equipment, wiring, raceways, and structures were submerged in contaminated salt water for an extended period at elevations of four to five feet. Surge waters also penetrated the control building and equipment cabinets through underground conduits, causing damage to devices located above the flood elevation. Though interim repairs of Mason and Building 9 Substations were effectuated, in November 2015, the Federal Transit Administration verified NJ TRANSIT's assessment that Mason and Building 9 substations needed to be entirely rebuilt.

Mason Substation's unique direct connection with the transmission network, combined with operational constraints and enhanced compliance responsibilities, make the replacement Mason/Building 9 Substation different from any other substation in

NJ TRANSIT's network. The existing configuration of the Mason and Building 9 Substations, which are located in the same general vicinity and will be interconnected to one another, is unique from the other 36 substations that NJ TRANSIT operates. Whereas most NJ TRANSIT substations are connected directly to the electric utility distribution network, Mason Substation is directly connected to (and splits) a 230kV PSE&G transmission line which terminates at the PSE&G Athenia and Essex Substations. The PSE&G transmission line that splits into Mason Substation provides power to areas across PSE&G's service territory.

The construction of the replacement Mason/Building 9 Substation will increase the reliability and resilience of electric service provided in PSE&G's service territory, including for NJ TRANSIT. The replacement Mason/Building 9 Substation will be a flow-through station that will be fed from multiple facilities, thereby eliminating the single point of failure risk in the current facility's design. In the current facility, any outages (planned or unplanned) of the 230kV main bus requires the power flow between Athenia and Essex to be interrupted. In addition to providing enhanced redundancy to the transmission and distribution network, the replacement Mason/Building 9 Substation will be designed to keep all critical infrastructure above the 500-year flood elevation at the site. This design will avoid the multiple-day loss of service experienced during Superstorm Sandy. The replacement Mason/Building 9 Substation will also include modern microprocessor relays and fiber communications to provide improved protection both internal to the station and to the facilities at Essex and Athenia.

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

FISCAL IMPACTS

Requested Authorizations: Authorization to execute the attached Memorandum of Understanding by and between New Jersey Transit Corporation and Public Service Electric and Gas Company.

Authorization to take any and all actions necessary to negotiate and enter into subsequent implementing and other agreements with Public Service Electric and Gas Company.

Authorization to support, and participate in, to the extent appropriate any future regulatory proceeding before the New Jersey Board of Public Utilities or other competent authority in support of Public Service Electric and Gas Company's petition related to the replacement Mason/Building 9 Substation.

Previous Authorizations: None

Expenditures to Date: N/A

Total Project Cost: TBD

Projected Date of Completion: TBD

Operating Budget Amount: N/A

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

PRINTS ID: NJT00771
NJT00772

DBE/SBE Goal: N/A

***NJ Build* Amount:** N/A

Related/Future Authorizations: Future authorizations as required to support implementation of the Memorandum of Understanding

Impact on Subsequent Operating Budgets: TBD

RESOLUTION

WHEREAS, NJ TRANSIT's Mason and Building 9 Substations are critical to NJ TRANSIT's operations and maintenance functions; and

WHEREAS, Superstorm Sandy damaged NJ TRANSIT's Mason and Building 9 Substations and those substations need to be replaced; and

WHEREAS, the replacement of Mason and Building 9 Substations involves the construction of transmission towers and the enhancement of high-voltage transmission lines that serve the substation, residential, and commercial customers; and

WHEREAS, with the replacement Mason/Building 9 Substation, there is an opportunity to enhance resilience and reliability of regional energy services; and

WHEREAS, because of these unique characteristics of the substation, NJ TRANSIT is currently engaged in discussions with the local electric distribution company, Public Service Electric and Gas Company, to complete design and advance construction of the replacement Mason/Building 9 Substation; and

WHEREAS, it is contemplated that PSE&G would own, design, construct, maintain, and operate the replacement Mason/Building 9 Substation, subject to regulatory approval;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to execute the attached Memorandum of Understanding by and between New Jersey Transit Corporation and Public Service Electric and Gas Company; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to take any and all actions necessary to negotiate and enter into subsequent implementing and other agreements as required with Public Service Electric and Gas Company; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to support, and participate in, to the extent appropriate any future regulatory proceeding before the New Jersey Board of Public Utilities or other competent authority in support of Public Service Electric and Gas Company's petition related to the replacement Mason/ Building 9 Substation.

MEMORANDUM OF UNDERSTANDING

By and Between

New Jersey Transit Corporation and Public Service Electric and Gas Company

**Regarding a Collaboration to Explore Opportunities to Enhance Reliability and Resiliency
Through Public Service Electric and Gas Company's Ownership,
Design, Construction, Maintenance, and Operation of a Replacement Substation**

I. Parties

The parties to this Memorandum of Understanding ("MOU") are New Jersey Transit Corporation ("NJ TRANSIT"), a New Jersey governmental instrumentality, and Public Service Electric and Gas Company ("PSE&G"), a New Jersey corporation and regulated public utility (collectively, "the Parties").

II. Purpose

This MOU establishes a relationship by and between the Parties to explore the potential of PSE&G owning, designing, constructing, maintaining and/or operating a replacement of existing NJ TRANSIT substations in Kearny, New Jersey. The replacement substation (hereinafter referred to as the "Replacement Substation" and more particularly described below) would be capable of providing sufficient power to NJ TRANSIT's electric traction system, maintenance facilities, and other related facilities and systems. In addition, the Replacement Substation would enhance the reliability and resilience of PSE&G's provision of energy service to the larger region — a benefit to consumers across PSE&G's service territory.

The Parties will collaborate to study the current configuration of NJ TRANSIT's Mason and Building 9 Substations (collectively, "the Existing Substations"). The Existing Substations were damaged during Superstorm Sandy, are subject to latent damage and corrosion of key circuitry and components, and must be replaced.

Under the current configuration, NJ TRANSIT owns, and is responsible for maintaining 230kV high voltage equipment located on NJ TRANSIT property that is connected to the transmission network and other major elements and components that – in the event of a fault or interruption – have the potential to impact the reliability of the regional electric power grid and to interrupt the provision of rail service. To address this, PSE&G will consider opportunities to design the Replacement Substation in a fashion that would provide greater service reliability in PSE&G's service territory and flexibility at the Replacement Station. PSE&G will also consider NJ TRANSIT's proposed design to replace the Existing Substations with the Replacement Substation, comprising a new, combined Mason/Building 9 Substation that would provide enhanced resilience and reliability to NJ TRANSIT rail operations benefitting riders of NJ TRANSIT's rail system. In designing the Replacement Substation, PSE&G will also consider NJ TRANSIT's proposed design and the uniquely critical public function that the Replacement Substation will serve. The Replacement Substation would complement (1) PSE&G's ongoing Energy Strong program, which aims to proactively protect and strengthen PSE&G's electric and gas systems against severe weather conditions; and (2) NJ TRANSIT's existing efforts to design and construct NJ TRANSITGRID, a microgrid capable of providing highly reliable power to support critical transportation operations, which will be connected to the Replacement Substation.

Under the terms of this MOU, once the Parties agree on the scope of their collaboration, negotiate and agree upon an operations and maintenance protocol, and enter into any required implementing agreements, PSE&G will initiate a regulatory proceeding before the New Jersey Board of Public Utilities ("NJBPU") and other competent authorities as deemed appropriate by the Parties for formal approval. NJ TRANSIT will support the PSE&G regulatory petition, and will intervene and actively participate in the contemplated NJBPU proceeding, to the extent the Parties agree is appropriate.

Formal approval from the NJBPU will be required before PSE&G can take any action to begin design and construction of the Replacement Substation. If approved, the design and construction of the Replacement Substation will substantially enhance the reliability and resilience of the electrical grid in PSE&G's service territory, and electric service to NJ TRANSIT's electric traction system and other related systems.

III. Background

A. NJ TRANSIT Operates a Substantial Electric Traction System Across the State of New Jersey

NJ TRANSIT is the nation's largest statewide public transportation system, providing more than 895,000 weekday trips on 261 bus routes, three light rail lines, and 12 commuter rail lines. To power electric catenary lines that are needed to operate electric rail service, NJ TRANSIT currently owns, operates, and maintains a total of 38 substations across the State of New Jersey – 14 general power substations, 17 switching and autotransformer substations, and 7 traction power supply substations.

Of the 38 substations in NJ TRANSIT's network, six were substantially damaged during Superstorm Sandy and need to be replaced: (1) Henderson Street Substation in Hoboken ("Henderson"), (2) Depot Substation in Hoboken ("Depot"), (3) Observer Highway Substation in Hoboken ("Observer Highway"), (4) Bay Head Substation in Bay Head ("Bay Head"), (5) Mason Substation in Kearny ("Mason"), and (6) Building 9 Substation in Kearny ("Building 9"). NJ TRANSIT is currently advancing final engineering for each of the six damaged substations. NJ TRANSIT has secured funding to advance the construction of four of these substations, including the Henderson, Depot, Observer Highway, and Bay Head Substations. NJ TRANSIT will construct the new Henderson, Depot, Observer Highway, and Bay Head Substations in a resilient manner, engineered to be elevated at least 2.5 feet above the best available flood data. These long-term recovery projects are being undertaken as part of a larger NJ TRANSIT Resilience Program, which also is advancing the replacement of two substations that were not damaged by Superstorm Sandy but are vulnerable to future extreme weather events: (1) Maplewood Substation in Maplewood ("Maplewood"); and (2) the Rail Operations Center Unit Substation in Kearny ("ROC Unit"). The new Maplewood and ROC Unit Substations also will be upgraded or reconstructed in a resilient manner.

B. The Existing Substations, Located in Kearny, New Jersey, Are Unique in Design and Configuration

Mason Substation's unique direct connection with the transmission network, combined with operational constraints and enhanced compliance responsibilities, make the Replacement Substation different from any other substation in NJ TRANSIT's network. The configuration of the Existing Substations, which are located in the same general vicinity and will be combined through this project, is unique from the 36 other substations that NJ TRANSIT operates, including the 6 substations that NJ TRANSIT is planning to reconstruct or upgrade through the NJ TRANSIT Resilience Program. Whereas most NJ TRANSIT substations are connected directly to the distribution network, Mason Substation is directly connected to (and splits) a 230kV PSE&G transmission line that terminates at the PSE&G Athenia and Essex Substations. The PSE&G transmission line that splits into Mason Substation provides power to areas across PSE&G's service territory.

Pursuant to a certain 1983 agreement (the “1983 Agreement”) PSE&G has the exclusive right to operate, test and adjust certain elements of NJ TRANSIT’s Mason Substation. While the 1983 Agreement contemplates NJ TRANSIT’s performance of routine maintenance and repairs of certain elements of the Mason Substation, the existing equipment configuration and current operational constraints preclude outages necessary to accomplish that maintenance and those repairs.

Because the Mason Substation is part of the Bulk Electric System, it is subject to the reliability standards of the North American Electric Reliability Corporation, which could subject NJ TRANSIT to particularly stringent compliance responsibilities, because of NJ TRANSIT’s ownership of the existing Mason Substation. Those compliance responsibilities are better suited for an electric utility company or other such public utility.

C. The Existing Substations Are Critical to NJ TRANSIT’s Operations and Maintenance Functions

The Existing Substations are critical to NJ TRANSIT’s operations and its ability to maintain its rail fleet. In total, Mason Substation provides traction power for approximately 74,200 weekday passenger trips. Every year, the Mason Substation supports either a large portion, or all, of the power necessary to facilitate approximately 5,000,000 annual passenger boardings. Building 9 Substation supports the operations of the Rail Operations Center and Meadows Maintenance Complex – two facilities necessary to support statewide rail service.

Mason Substation. Under normal operating conditions, Mason Substation provides traction power for all electric trains traveling on the Morris & Essex Line (M&E) tracks between the Maplewood Switching Substation on the Maplewood/South Orange border, through to the Hoboken Terminal. This means that trains originating or terminating in Hoboken, as well as all Midtown Direct trains originating or terminating in Penn Station New York are powered by Mason Substation, at least for the portion of travel between Maplewood Substation to the Kearny Connection interface with the Northeast Corridor Line. Mason Substation also provides traction power for the electrified portion of the Montclair/Boonton Line between Great Notch Yard in Little Falls and the Roseville Junction with the M&E Line in Newark.

Thus, Mason Substation serves to power a significant portion of trains on the M&E mainline, the Gladstone Branch, and the most densely populated stretch of the Montclair-Boonton Line. Additionally, if NJ TRANSIT’s Summit Substation is out of service for maintenance or repair, the Mason Substation is also used to backfeed power all the way to the Stirling Switching Substation on the Gladstone Branch, and to the Morristown Switching Substation on the M&E mainline as well. As such, Mason Substation is considered the most important traction power substation facility on the NJ TRANSIT system.

Building 9 Substation. Building 9 Substation supports the operations of the Meadows Maintenance Complex (MMC), NJ TRANSIT Rail Operation’s major maintenance facility which services the entire fleet. This includes 105 diesel locomotives, 97 electric locomotives, 35 dual mode locomotives, 160 self-propelled electric multiple-unit coaches, and 1,002 push-pull coaches; as well as 9 non-revenue locomotives, 72 railroad equipment cars, and 165 pieces of construction equipment. In addition to handling all major vehicle maintenance activities, the MMC serves as the normal fueling, service and inspection facility for a large portion of the revenue fleet. These major and routine maintenance activities continue on a 24/7/365 basis. Building 9 Substation also provides power to the NJ TRANSIT Rail Operations Center (“ROC”), which is the central command and control facility for all train movements statewide, including train control, signal and power dispatching operations. It is the most critical facility in the NJ TRANSIT Rail Operations system.

D. The Existing Substations Were Damaged During Superstorm Sandy and Must Be Replaced

On October 29, 2012, Superstorm Sandy’s storm surge substantially damaged the Existing Substations. The initial storm surge, estimated to be as high as 7 feet, inundated the Existing Substations. The equipment, wiring, raceways, and structures were submerged in contaminated salt water for an extended period at elevations of 4 to 5 feet. Pressurized surge waters also penetrated the control building and equipment cabinets through underground conduits, causing damage to devices located above the flood elevation. Though interim repairs of the Existing Substations were effectuated, in November 2015, the Federal Transit Administration (“FTA”) verified NJ TRANSIT’s assessment that the Existing Substations needed to be entirely rebuilt.

E. PSE&G’s Design and Construction of the Replacement Substation and the Regulatory Approval Process

Following execution of this MOU, PSE&G will prepare a filing petitioning the NJBPU and other competent authorities as the Parties deem appropriate for approval of the activities to be undertaken by PSE&G under this MOU. The Parties’ agreement regarding that regulatory approval process is set forth in Section IV and V of this MOU, below. Further, in accordance with implementing agreements to be negotiated by the Parties, PSE&G will own, design and construct the Replacement Station.

F. A PSE&G Constructed Replacement Substation Will Contribute to Electric Service Reliability and Resilience

The construction of the Replacement Substation will increase the reliability and resiliency of electric service provided in PSE&G’s service territory. The Replacement Substation will be a flow through station that will be fed from multiple facilities, thereby eliminating the single point of failure risk in the current facilities design. In the existing station design any outages (planned or unplanned) of the 230kV main bus requires the power flow between Athenia and Essex to be interrupted. In addition to providing enhanced redundancy to the transmission and distribution network, the Replacement Substation will be designed to keep all critical infrastructures above 500 year flood elevation at the site. This design will avoid the multiple-day loss of service experienced during Hurricane Sandy. Further, the new station will enable the development of the NJ TRANSIT GRID by having 230kV bays dedicated for this purpose. The new station will also include modern microprocessor relays and fiber communications to provide improved protection both internal to the station and to the facilities at Essex and Athenia.

IV. Responsibilities of Parties

In order to ensure successful collaborative implementation of this MOU, it is the intent of all the Parties to:

1. Commit to provide staffing and resources, including, but not limited to, attendance at periodic meetings, to implement the provisions of the MOU and resulting agreements, to the extent resources allow;
2. Work together to provide technical assistance and information, as appropriate, to facilitate the design and construction of a Replacement Substation;

3. Negotiate an operations and maintenance protocol and enter into any required implementing agreements for the Replacement Substation which address the Parties' respective needs to ensure operational reliability and safety;
4. Identify real estate and other project needs and draft responsive real estate, access, or other agreements that would be required to construct the Replacement Substation and associated infrastructure;
5. Designate one or more appropriate points of contact to coordinate implementation of this MOU. The points of contact will: (1) assist in ensuring that responsibilities are met; (2) assist with the expeditious drafting of appropriate implementing agreements contemplated in this MOU; and (3) assist with identifying and assigning appropriate personnel and resources; and
6. Attempt to address issues arising under this MOU expeditiously.

Further, it is the intent of NJ TRANSIT to:

1. Provide to PSE&G existing sixty percent (60%) designs for the Replacement Substation and other design documentation, as appropriate;
2. Provide technical assistance to support PSE&G's review of existing designs for the Replacement Substation; and
3. Support the PSE&G regulatory petition, intervene as a party and participate, to the extent the Parties agree is appropriate, in the contemplated regulatory proceeding before the New Jersey Board of Public Utilities and other competent authorities, including by coordinating the submission and timing of filings which may include the submission of supporting testimony with PSE&G involving the Replacement Substation.

It is the intent of PSE&G to:

1. Initiate and prosecute with the cooperation and assistance of NJ TRANSIT any future regulatory/rate proceeding before the New Jersey Board of Public Utilities and other competent authorities;
2. Lead targeted outreach efforts to seek input from relevant stakeholders, including the New Jersey Division of Rate Counsel, other ratepayer stakeholders, municipalities and local government units, and other entities as necessary and appropriate; and

- 3. To the extent regulatory approval is obtained, timely complete design and construction of the Replacement Substation.

V. Approvals Necessary for PSE&G to Own, Design, Construct, Maintain and/or Operate the Replacement Substation

a. Approval by the New Jersey Board of Public Utilities or Other Competent Authority

The potential transaction that could result from this MOU – namely, PSE&G owning, designing, constructing, maintaining, and/or operating the Replacement Substation –is subject to the receipt and acceptance of all final and non-appealable governmental approvals under terms and conditions that are acceptable to the Parties, in each Party’s sole discretion, that are either necessary or desired to implement the potential transaction. Such approvals will include the issuance by the New Jersey Board of Public Utilities of an order containing terms and conditions, including rate treatment, that are acceptable to the Parties in each Parties’ sole discretion, and a determination by the NJBPU that the investment by PSE&G is reasonable and prudent. As outlined in Section IV, the Parties will fully cooperate with each other to secure all such approvals.

b. Approval by the NJ TRANSIT Board of Directors

The NJ TRANSIT Board of Directors may be required to approve the granting of real property rights or interests and the transfer of personal property or fixtures (e.g., power equipment) by NJ TRANSIT to PSE&G in order to enable PSE&G to own, operate, and maintain the Replacement Substation. Such review and approval is conditioned on the receipt of a final determination by the New Jersey Board of Public Utilities or other competent authority.

VI. Reservation of Rights

Nothing in this MOU shall be interpreted as limiting, superseding, or otherwise affecting a Party’s normal operations or decision-making authority in carrying out its statutory or regulatory duties. This MOU does not limit or restrict the Parties from participating in similar activities or arrangement with other entities.

VII. Legal Effect

This MOU is strictly for internal management purposes for each of the Parties. It is not intended to be legally enforceable or binding on either Party in any jurisdiction and shall not be construed to create any legally enforceable obligation on the part of any Party. This MOU shall not be construed to provide a private right or cause of action for or by any third person or entity. The Parties do not have the authority to act in the name, or on behalf of, or otherwise to bind each other in any way. The Parties do not have the authority, express or implied, to make any financial or other obligations on behalf of each other. No damages of any kind, whatsoever, can be pursued as a consequence of this MOU; any noncompliance with the terms of this MOU shall not form the basis of a breach of contract, tort, an action in lieu of prerogative writ, or any other form of action.

VIII. Counterparts

This MOU may be executed in one or more counterparts (delivery of which may be made by facsimile or electronic mail), each of which shall be deemed an original, but all of which together shall constitute one and the same document.

IX. Term

This MOU shall take effect upon the signature of all the Parties, and shall remain in full force and effect for a period of 2 years from the date of the MOU, but may be extended with written consent of both the Parties upon regulatory approval, as described in Section V (a). This MOU may be amended, terminated, or extended by written agreement of the Parties. Any Party may withdraw from this MOU in its sole discretion upon thirty (30) days written notice to the other Party.

<p>FOR NEW JERSEY TRANSIT CORPORATION:</p>	<p>_____</p> <p>NJ TRANSIT Executive Director</p> <p>Date:</p>
<p>FOR PUBLIC SERVICE ELECTRIC AND GAS COMPANY:</p>	<p>_____</p> <p>Vice-President Asset Management & Centralized Services</p> <p>Date:</p>

**ITEM 1606-34: MOTOR COACH INDUSTRIES SERVICE PARTS (MCISP) –
AGREEMENT AMENDMENT**

BENEFITS

The maintenance of the 2,218 buses in the NJ TRANSIT Bus Operations fleet is a critical component of the overall experience of our customers in terms of safety, reliability and comfort. Of the total Fiscal Year 2016 Bus Operations budget, \$183 million or 27 percent makes up the parts, materials and labor required to perform that maintenance. Approximately 50 percent of the aforementioned expenses are associated with the maintenance of the 1,097 Cruiser buses in our fleet, all of which were manufactured by Motor Coach Industries (MCI).

Previously, the NJ TRANSIT Board of Directors authorized a sole source contract with Motor Coach Industries Service Parts, Inc. (MCISP) of Des Plaines, Illinois, for the purchase of OEM maintenance parts and supplies required to support the Motor Coach Industries (MCI) manufactured cruiser bus fleet.

The authorization of the additional requested funding will allow NJ TRANSIT Bus Operations to continue to benefit from this unique sole source agreement with MCISP. The agreement is advantageous to NJ TRANSIT Bus Operations in that it allows economy of scale purchases as well as volume discounts. NJ TRANSIT Bus Operations will also benefit by the realization of continued reduced on-hand inventories and the reduced exposure to obsolete inventory.

ACTION (Scorecard: Customer Experience, Financial Performance)

Staff seeks authorization to amend the existing sole source contract (No. 01-622) with Motor Coach Industries Service Parts, Inc. (MCISP) of Des Plaines, Illinois to provide additional authorization of \$67,500,000, plus five percent contingency for a total authorization not to exceed \$284,625,000, subject to the availability of funds, to ensure uninterrupted parts availability for our cruiser bus fleet, enabling NJ TRANSIT Bus Operations to keep them in a state of good repair through June 2019.

PURPOSE

The original sole source contract with Motor Coach Industries Service Parts, Inc. (MCISP) to provide service parts for the Cruiser buses manufactured by MCI was extended, in previous Board actions, for the anticipated life of the fleet. At this time, the retirement date of these buses has been extended due in part to the multi-year contract to purchase replacement vehicles as well as funding limitations affecting the number of buses to be replaced each year.

The current request for the use of an additional \$67,500,000, plus 5 percent contingency, of operating budget funds would extend this contract an additional three years through FY2019. This request is based on current spending levels predicated on

the required routine maintenance, the age of the fleet, and the continued expectation that parts for the major fleet-wide activities will be purchased through this agreement.

This additional funding authorization will allow us to continue to secure MCI parts through this contractual agreement. Staff is not requesting an increase in the operating budget, but is requesting the authorization to spend operating budget funds on this sole source contract.

BACKGROUND

In 2002, the NJ TRANSIT Board of Directors authorized the award of a sole source contract with Motor Coach Industries Service Parts, Inc. (MCISP) of Des Plaines, Illinois, for the purchase of OEM maintenance parts and supplies required to support the Motor Coach Industries (MCI) manufactured cruiser bus fleet. This contract required MCI to establish an internet-based ordering system with interactive parts look up inclusive of a centrally-located New Jersey MCISP warehouse and implement daily garage deliveries. MCISP provides this at a 98 percent fill rate. The contract provisions allowed NJ TRANSIT to receive preferential pricing, reduce on-hand inventories, increase efficiency of delivery, and reduce the exposure risk associated with obsolete parts in inventory. The original authorization covered an eight-year period with a base agreement of five years and three one-year options.

In 2007, the NJ TRANSIT Board of Directors authorized the exercise of the three one-year options as well as the extension of the contract term for an additional six years through FY2016. This was the anticipated retirement date of the original fleet the program was designed for.

In FY2013, the NJ TRANSIT Board of Directors authorized an amendment to this contract through June 2016, increasing the allowed expenditures by an additional \$67,000,000 plus five percent, for a total authorization not to exceed \$213,750,000.

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

FISCAL IMPACTS

Requested Authorization: \$67,500,000 plus 5% contingency

Total Projected Cost: \$284,625,000

Projected Date of Completion: June 2019

Anticipated Source of Funds: FY2017 – FY2019 Operating Budget

DBE/SBE Goal: N/A

Related/Future Authorizations None

**Impacts on Subsequent
Operating Budgets:** Continued reduced on-hand inventory and
Overhead costs for Central Stores and
Garages. Reduced exposure to obsolete
Inventory materials.

RESOLUTION

WHEREAS, the maintenance of the 1,097 MCI Cruiser buses in the NJ TRANSIT Bus Operations Fleet is a critical component of the overall experience of our Bus customers in terms of safety, reliability, and comfort; and

WHEREAS, NJ TRANSIT continues to require preventative maintenance parts, general repair parts, and proprietary parts to support the operation of the 1,097 bus fleet manufactured by Motor Coach Industries (MCI); and

WHEREAS, Motor Coach Industries Service Parts, Inc., (MCISP) provides a high level of maintenance support and greatly reduces the costs associated with the purchase and storage of inventory; and

WHEREAS, additional authorization of funds is required to purchase the parts necessary to support maintenance activities on the buses for their continued service life;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to amend the existing sole source contract (No. 01-622) with Motor Coach Industries Service Parts, Inc. (MCISP) of Des Plaines, Illinois, to provide additional authorization of \$67,500,000, plus five percent contingency, for a total authorization not to exceed \$284,625,000, subject to the availability of funds, to ensure uninterrupted parts availability for our fleet of cruiser buses, enabling them to be kept in a state of good repair through June 2019.

ITEM 1606-35: CORPORATE INSURANCE PROGRAM ANNUAL RENEWAL

BENEFITS

To maintain a corporate insurance program for NJ TRANSIT that provides Excess Liability, All-Risk Property, Workers' Compensation, Terrorism, Business Travel Accident, Employment Practices Liability, Directors' & Officers' Liability, various Executive Risk, Pollution Legal Liability, Life and Accidental Death & Dismemberment, Long-Term Disability and other coverages as needed and to provide services necessary to administer the program. The renewal of the insurance program will be effective on July 1, 2016.

ACTION (Scorecard: Financial Performance, Corporate Accountability)

Staff seeks authorization to revise and renew the Corporate Insurance Program and to include services necessary to administer the Program for the period July 1, 2016 through June 30, 2017 at an annual cost not to exceed \$17,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the FY2017 Operating Budget.

PURPOSE

To provide adequate financial protection to the Corporation and a strong risk management program throughout the Corporation to protect customers, employees, directors, officers and property against personal injury and damage. The FY2016 Corporate Insurance Program contains the following coverages and limits:

- \$300,000,000 Excess Liability Program including third party bus, rail, and light rail liability and FELA coverage with a self-insured retention of \$10,000,000 per occurrence.
- \$400,000,000 "All Risk" Property Damage Insurance Program with a minimum deductible of \$500,000 for non-catastrophic perils, \$1,000,000 deductible for losses sustained to rolling stock while in operation and deductibles ranging from \$2,500,000 to \$5,000,000 for losses resulting from flood, wind and named wind storm.
- \$400,000,000 Property Terrorism Program consisting of commercial insurance coverage throughout the entire program and no reliance on the federal Terrorism Risk Insurance Program Reauthorization Act. Coverage included for both certified and non-certified acts of terrorism and includes \$10M of coverage for chemical/biological acts of terrorism.

- Statutory Workers' Compensation and Employer's Liability Program which includes excess commercial insurance and a comprehensive risk management/claim handling program that applies to all non-agreement and agreement work-related employee claims (excluding rail employees).
- Participation of NJ TRANSIT's Captive Insurance Company, ARH III, to provide coverage for FELA, Bus and Rail Third Party Excess Liability, Excess Workers' Compensation, and Excess Liability Terrorism. In FY2017, the captive insurance company will continue to provide leverage with underwriters and flexibility with both the primary insurance and reinsurance markets.
- \$10,000,000 Executive Risk Insurance Program covering Directors' and Officers' Liability, Employment Practices Liability, Fiduciary Liability and Crime coverages.
- \$5,000,000 Pollution Legal Liability Policy with a \$500,000 deductible that covers sudden and unforeseen environmental claims that arise at certain specified locations.
- Business Travel Accident policy covering Board of Directors and affected employees if injured as a result of an accident while traveling on NJ TRANSIT business.
- Term Life coverage (both basic and supplemental) and Accidental Death Benefits are offered to all NJ TRANSIT employees to varying degrees. Basic Term Life coverage is funded by NJ TRANSIT whereas the Supplemental Term coverage is paid for by the individual employee. The dependent life benefit is only available to salaried Non-Agreement employees. Retirees are covered for basic and supplemental Life and AD&D.
- Long Term Disability Benefits are offered to the NJ TRANSIT salaried, non-agreement employees. The benefit consists of 100 percent employee contributions and provides coverage at 60 percent up to a monthly maximum of \$7,500.

In accordance with section 11415 of the Fixing America's Surface Transportation (FAST) Act (effective December 7, 2015), the U.S. Secretary of Transportation increased the rail passenger liability cap from \$200,000,000 to \$295,000,000. The adjustment to the liability cap was effective on February 10, 2016 and as a result, NJ TRANSIT purchased an additional \$50,000,000 of excess liability insurance for a total of \$300,000,000 for the remainder of FY2016. Upon further evaluation of its overall risk appetite as well as contractual requirements to maintain insurance, the proposed FY2017 corporate insurance program includes a total of \$350,000,000 of excess liability insurance. This proposed structure

accounts not only for the passenger liability cap but also for any liabilities arising from employee or third party claims. Other than this increase in excess liability insurance limits, it is expected that the FY2017 program will continue to maintain a similar structure in terms of coverage levels and deductibles as the FY2016 program. However, staff will continue to evaluate the corporate insurance program throughout the fiscal year and make adjustments that are in NJ TRANSIT’s best financial interests, subject to the authorization granted in this Item.

Throughout its negotiations, staff continues to emphasize NJ TRANSIT’s commitment to the protection of its property and infrastructure through the implementation of its crisis response plans as well as the significant capital repair and replacement projects that are part of NJ TRANSIT’s Resilience Program. Staff also continued to emphasize the agency’s commitment to safety and security through initiatives led by the Office of System Safety and New Jersey Transit Police Department. However, due to recent serious commuter rail accidents as well as the continued threat of terrorism, insurers continue to scrutinize transportation-specific risks and focus on the aggregation of insurance coverage in the Northeast region.

Overall, the various insurance coverages contained in the corporate insurance program provide financial protection to NJ TRANSIT in the event of a catastrophic loss or serious claim arising out of the agency’s operations.

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

FISCAL IMPACTS

Requested Authorization: Corporate Insurance Program
FY2017: \$17,000,000 + 5% contingency

Past Authorizations: Corporate Insurance Program
FY2016: \$17,000,000 + 5% contingency

Workers’ Compensation Claims
Handling Fees & Administration
FY2016 not to exceed \$1,046,399
FY2017 not to exceed \$1,046,399
FY2018 not to exceed \$1,077,790
FY2019 not to exceed \$1,110,124
FY2020 not to exceed \$1,143,428

Expenditures to Date: None

Total Project Cost:	N/A
Projected Date of Completion:	June 30, 2017
Capital Program Amount:	N/A
Operating Budget Amount:	\$17,000,000 + 5% contingency
Anticipated Source of Funds:	FY2017 Operating Budget
Prints ID Number.	N/A
DBE/SBE Goal:	N/A
<i>NJ Build</i> Amount:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT maintains a Corporate Risk Management Insurance Program to protect its customers, employees, directors, officers and property against personal injury and damage in the event of accidents and other casualties; and

WHEREAS, it is in the best interest of NJ TRANSIT and sound fiscal policy to continue to maintain the Corporate Insurance Program; and

WHEREAS, NJ TRANSIT is negotiating the renewal of its Corporate Risk Management Insurance Program and the services necessary to administer the program for FY2017;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to revise and renew the Corporate Insurance Program and to include services necessary to administer the Program for the period July 1, 2016 through June 30, 2017 at an annual cost not to exceed \$17,000,000, plus five percent for contingencies, subject to the availability of funds and adoption of the FY2017 Operating Budget.

ITEM 1606-36: FISCAL YEAR 2017 SOLE AND SINGLE SOURCE PROCUREMENT BY EXCEPTION WAIVER AUTHORIZATION

BENEFITS

Materials and services that are available from only one source of supply are exempt from competitive procurement under N.J.A.C. 16:72-1.5(d) and Executive Order No. 37. Sole and single source vendors generally have proprietary control over the manufacture of parts and components and the provision of technical service for NJ TRANSIT equipment and technology.

Rail, bus, and light rail rolling stock and equipment are produced by a relatively small number of manufacturers using proprietary designs to meet the particular performance requirements and physical environment of individual transit systems and railroads. The equipment is not mass-produced, but manufactured to order.

The useful life for rolling stock varies by type but can exceed decades (for rail cars) and must be properly maintained. The spare parts, material and technical services needed to maintain the uniquely engineered equipment in many cases are available only from the original equipment manufacturer (OEM), or a successor company with proprietary rights to the original design. Moreover, the use of non OEM components might put warranty agreements at risk.

Sole source technology vendors have proprietary control over the manufacture of parts, components and services needed to support NJ TRANSIT's current technology hardware and software.

Lists of Fiscal Year 2017 sole/single source vendors appear in Exhibit A1 for Replacement Parts and Services, in Exhibit A2 for Computer Hardware and Software, and in Exhibit A3 for NJ TRANSIT's System Resiliency Program. This list includes all sole and single source vendors that NJ TRANSIT might need to use in the coming fiscal year, regardless of whether they were used in the previous fiscal year. Should a new vendor need to be added to Exhibits A1, A2 or A3 in Fiscal Year 2017 as a result of a newly-identified critical operating need, staff will notify the Board of additional sole source vendors whose aggregate spend exceeds \$250,000 during FY2017.

ACTION (Scorecard: Customer Experience, Corporate Accountability, Financial Performance, Safety and Security)

Staff requests authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and administrative operations at a cost not to exceed \$25,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2016 to June 30, 2017.

Staff also seeks authorization to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$22,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2016 to June 30, 2017.

Staff also seeks authorization to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support NJ TRANSIT's System Resiliency Program at a cost not to exceed \$10,000,000, subject to the availability of funds, FTA approval, and all other applicable requirements. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2016 to June 30, 2017.

PURPOSE

The areas of procurement that NJ TRANSIT might exercise sole and single source authority, includes but is not limited to, the following:

Replacement Parts from Original Equipment Manufacturers (OEMs)

These OEM parts or components are needed to repair and maintain rolling stock and other equipment specifically designed by the OEM manufacturer, where available technical data does not assure that a part or component supplied by another vendor will adequately perform the same function it replaces.

Examples of major sole source vendors include Alstom Transportation, Bombardier, Caterpillar, Electro Motive Diesel (EMD), Knorr Brake Corp., Faiveley/Elcon Transport Group, Kinkisharyo Inc., WABTEC Passenger Transit, MCI Service Parts, NABI, and NeoPart.

Sole Supplier Services

Certain apparatus can only be serviced and/or tested by sole/single source vendors. For example, Sperry Rail Services is the only industry-recognized source capable of simultaneously testing rail by induction and ultrasound methods; Harsco Track Technologies is the only qualified source to provide Track Laying Machine Services for the automated installation of concrete ties; and Solari Corporation is the only qualified source for the repair of Solari display units.

Rail Brake Shoes

NJ TRANSIT operates approximately 1,400 passenger rail cars and locomotives daily. Brake shoes and pads are replaced on all in-service equipment through periodic and daily inspections. Electric and Diesel Locomotive and Multilevel Passenger Car brake shoes and pads are specialized equipment and are available from only one source of supply Railroad Friction Products. Based upon past experience and test results, these

products alone meet the required acceptable stop distances, wheel heat generation limits and acceptable shoe and wheel wear tolerances.

Computer Hardware and Software

NJ TRANSIT uses a variety of computing equipment and software to process information. The manufacturers of the hardware and software under proposal are the only firms capable of providing licensing and maintenance services for their products. In each case, the firm is the original equipment manufacturer for the software/hardware or has acquired the rights to act as such. Hardware having multiple suppliers of maintenance has been excluded from this proposal and will be competitively procured as existing contracts expire.

Systems Resiliency Program

Superstorm Sandy caused significant damage to a large portion of NJ TRANSIT's transportation assets, including the signal system at Hoboken Yard, North Jersey Coast Line (Raritan to East Matawan), Meadows interlocking in Kearny and underground portions of Newark Light Rail at Newark Penn Station. For example, at Hoboken Yard portions of the existing signal system is installed in 25 wayside signal cases located at ground level throughout the yard. The equipment controls track circuits and signal lighting providing for the safe routing and assignment of trains to various routes and platforms. Most of this equipment went into service in 1984 and is no longer manufactured and parts are no longer available. As this equipment is upgraded and replaced as a result of NJ TRANSIT's continued resiliency program, spare parts, material and technical services needed to maintain these systems will be available only from the original equipment manufacturer (OEM) with proprietary rights to the original design.

Staff requests procurement-by-exception waiver authorizations to support repairs, replacement, and improvements to NJ TRANSIT's transportation infrastructure and rolling stock with qualified firms for the purchase of materials and services necessary to ensure storm preparation and resiliency. Signal sole source vendors are required so that the signal equipment across the entire system is the same to ensure that configuration, compatibility, and maintainability provide fail safety and reliability.

BACKGROUND

The operation and maintenance of NJ TRANSIT Bus, Rail, Light Rail and Support functions require the purchase of OEM parts, maintenance spares, services, modifications, upgrades and other programs, which can only be obtained from sole and single qualified sources.

As such, it has been determined that the vendors listed within this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.5 and Executive Order No. 37 and Executive Order 125.

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

FISCAL IMPACTS

Requested Authorization:

Replacement Parts	\$ 25,000,000
Computer Hardware and Software	\$ 22,000,000
Systems Resiliency Program	\$ 10,000,000

Past Authorizations:

Replacement Parts (Bus, Rail, Light Rail and HQ)	
June 2015	\$ 20,000,000
June 2014	\$ 20,000,000
May 2013	\$ 20,000,000
May 2012	\$ 20,000,000
May 2011	\$ 20,000,000
May 2010	\$ 18,000,000
May 2009	\$ 18,000,000
May 2006 - June 2008	\$ 22,000,000 annually
June 1999 - May 2005	\$ 20,000,000 annually
May 1998	\$ 15,000,000
May 1997	\$17,500,000

Computer Hardware and Software

June 2015	\$ 20,000,000
June 2014	\$ 20,000,000
June 2013	\$ 20,000,000
June 2010	\$ 32,502,595
June 2007	\$ 27,763,796
June 2004	\$ 28,851,616
June 2001	\$ 18,074,616

Systems Resiliency Program

June 2015	\$ 10,000,000
June 2014	\$ 10,000,000

Expenditures to Date (April 30, 2016):

Replacement Parts	\$18,067,071
Computer Hardware and Software	\$14,729,793
Systems Resiliency Program	\$ 64,213 (Pending \$721,000)

Total Project Cost:

Replacement Parts	\$ 25,000,000
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Computer Hardware and Software	\$ 22,000,000
Systems Resiliency Program	\$ 10,000,000
Projected Date of Completion:	June 30, 2017
Capital Program Amount:	TBD
Operating Budget Amount:	TBD
Anticipated Source of Funds:	FY 2017 Operating Budget Capital Budget
PRINTS ID Number:	Various
DBE/SBE Goal:	TBD
<i>NJ Build</i> Amount:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT requires maintenance items and services to support the operation of various major equipment; and

WHEREAS, NJ TRANSIT requires signal and electrical equipment and parts to restore systems damaged by Superstorm Sandy; and

WHEREAS, it is necessary to obtain these required maintenance items and services from sole or single sources; and

WHEREAS, various software maintenance contracts and licensing agreements expire this year; and

WHEREAS, these contracts insure the continued operation of both the computers and software which support NJ TRANSIT's business units; and

WHEREAS, these products are being fully utilized throughout the corporation and the demand for services and software upgrades continues; and

WHEREAS, NJ TRANSIT is unable to identify other sources for these services; and

WHEREAS, the proposed vendors have attested to the fact that they alone can provide these services; and

WHEREAS, pursuant to N.J.A.C. 16:72 competitive procurement requirements may be waived in instances where only one source of supply is available; and

WHEREAS, it has been determined that the vendors utilized under this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6 and Executive Order No. 37 and Executive Order 125;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into sole or single source procurement-by-exception contracts for the purchase of materials and services from approved vendors set forth in Exhibit A1 (subject to adjustments) to support Bus, Rail, Light Rail, and Headquarters operations at a cost not to exceed \$25,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2016 to June 30, 2017; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to enter into sole or single source procurement-by-exception contracts for the purpose of maintaining/upgrading hardware and software systems from approved vendors set forth in Exhibit A2 (subject to adjustments) to support NJ TRANSIT's Information Systems at a total cost not to exceed \$22,000,000, subject to the availability of funds. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2016 to June 30, 2017; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to enter into sole or single source procurement-by-exception contracts for the purchase of materials and service from approved vendors set forth in Exhibit A3 (subject to adjustments) to support the NJ TRANSIT's Systems Resiliency Program at a cost not to exceed \$10,000,000, subject to the availability of funds, FTA approval, and all other applicable requirements. The Board will be notified of new firms whose aggregate spend exceeds \$250,000 within the fiscal year. This request will cover a 12-month period from July 1, 2016 to June 30, 2017.

EXHIBIT A1

**FISCAL YEAR 2017 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES**

	Vendor	City	State
1.	ABB c/o Burgoyne Electric Sales	Edison	NJ
2.	ABB Control, Inc.	Wichita Fall	TX
3.	ABB Power T&D	St Louis	MO
4.	ABM-American Building Maintenance	New York	NY
5.	Activu Corporation	Denville	NJ
6.	AFL Communications	Duncan	SC
7.	Alstom Signaling (GRS)	Rochester	NY
8.	Alstom Transport Service NA	Lisle	IL
9.	Amerex Corp.	Trussville	AL
10.	Ameriglobe LLC	Lafayette	LA
11.	Anchor Brake Shoe Co	Park Ridge	IL
12.	Anixter, Inc.	Cranbury	NJ
13.	Ansaldo STS USA	Batesburg	SC
14.	Assetworks, Inc.	Wayne	PA
15.	Atlantic Detroit Diesel	Piscataway	NJ
16.	Atlantic Detroit Diesel	Lodi	NJ
17.	Atlantic Import & Export Corp.	Branchburg	NJ
18.	Axion Technologies	La Pocatiere, Quebec	CAN
19.	Bombardier, Inc.	Ontario	CAN
20.	C-K Composites	Mt. Pleasant	PA
21.	Cleaveland Price	Trafford	PA
22.	Clever Devices	Syosset	NY
23.	CMI-Promex	Predricktown	NJ
24.	Columbus Steel Castings	Columbus	OH
25.	Comet Communications, Inc.	Kansas City	MO
26.	Contemporary Machine and Engineering	Flagler Beach	FL
27.	Cooper Bearings, Inc.	Georgetown	DE
28.	Cubic Transp Systems	Tullahoma	TN
29.	Cummins Power Systems	Newark	NJ
30.	D & W Diesel, Inc.	Auburn	NY
31.	Design Dimensions dba Bradford S. Warren	Austin	TX
32.	Draeger Safety Diagnostics, Inc.	Irving	TX
33.	Drivecam Inc.	San Diego	CA
34.	Dustcontrol, inc.	Wilmington	NC
35.	Dynatech Systems Inc.	Burlington	NJ
36.	Electro-Motive Diesel (EMD)	LaGrange	IL

EXHIBIT A1

**FISCAL YEAR 2017 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES**

Vendor	City	State
37. Ensco, Inc.	Springfield	VA
38. Faiveley Rail	Exton	PA
39. Federal Metal Products	Ferndale	PA
40. Foley, Inc.	Piscataway	NJ
41. G & B Specialties, Inc.	Berwick	PA
42. Gar-Ren Tool & Machine Co.	Prospect Park	PA
43. GE Transportation and Global	Hingham	MA
44. General Electric Energy	Philadelphia	PA
45. Goyal Industries, Inc.	Mansfield	OH
46. Graham White Sales Corp.	Salem	VA
47. Harris Corporation / Intraplex Solutions	Mason	OH
48. HARSCO Track Technologies	Cayce-West Columbia	SC
49. Hirail Corporation	Lisbon	IA
50. HiTran Corporation	Flemington	NJ
51. Hoffman Services Inc.	Newark	NJ
52. Holdsworth USA	Indianapolis	IN
53. Honeywell, Inc.	Marlton	NJ
54. Industrial Machine Corporation	Paterson	NJ
55. Ingersoll-Rand Air Center	Edison	NJ
56. Inter Swiss Ltd.	Chicago	IL
57. Invensys Rail Corporation	Louisville	KY
58. ISE Research Corp.	Poway	CA
59. J Supor	Kearny	NJ
60. Jala Equipment Co	Ft Lauderdale	FL
61. Jamaica Bearings	New Hyde Park	NY
62. Jesco, Inc.	South Plainfield	NJ
63. JMA Rail Products	Carol Stream	IL
64. Johnson Controls Inc.	Union	NJ
65. Kim Hotstart Mfg. Co.	Spokane	WA
66. Kinkisharyo International LLC	Jersey City	NJ
67. Knorr Brake Corp/NYAB	Westminster	MD
68. Liebert Corporation	Chicago	IL
69. Lift-A-Loft	Muncie	IN
70. Lift-U-Inc.	Escalon	CA
71. Lincoln Service & Equipment	Durham	CT
72. Luminator-A Mark IV Industries	Plano	TX
73. Macton Corporation	Oxford	CT

EXHIBIT A1

**FISCAL YEAR 2017 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES**

Vendor	City	State
74. Matrix Railway Corp	West Babylon	NY
75. MCI Service Parts	Schaumburg	IL
76. Mersen USA BN Corp.	Boonton	NJ
77. Mersen USA Newburyport-MA, LLC	Newburyport	MA
78. Microphor Inc.	Willits	CA
79. Modern Track Machinery	Elgin	IL
80. Moore Wallace NA	Edison	NJ
81. Morbern Inc.	Toronto	ONT
82. Motive Equipment	New Berlin	WI
83. National Electric Carbon Corporation	Greenville	SC
84. National Railway Supply	Savannah	GA
85. Nordco Rail Services, LLC	Lee's Summit	MO
86. North American Bus Industries	Delaware	OH
87. North American Specialty Glass	Trumbauersville	PA
88. Omega Industries, Inc.	Vancouver	WA
89. Omicron Electronics Corp. USA	Houston	TX
90. Orgo-Thermit Inc.	Lakehurst	NJ
91. ORX Railway Corporation	Tipton	PA
92. Pandrol USA	Bridgeport	NJ
93. Parkeon Transit Limited	Poole, Dorset	England
94. Penn Machine Company	Carnegie	PA
95. Portec Inc.	Pittsburgh	PA
96. Precision Transmission	Colmar	PA
97. Prevost-Nova Bus Parts	Elgin	IL
98. Pyle Connector Corporation	Sidney	NY
99. Qual-Tran Corporation	Blue Bell	PA
100. Quantum Engineering Inc.	Orange Park	FL
101. Quester Tangent	SAANICHTON, B.C.	CAN
102. Rail Systems, Inc.	Houma	LA
103. Railroad Friction Prod	Laurinburg	NC
104. Rails Company	Maplewood	NJ
105. Ransome CAT/Giles & Randcome, Inc.	Hammonton	NJ
106. RFL Industries	Boonton	NJ
107. Rossbro Engineering	Blainville, QC	CAN
108. RTR Technologies, Inc.	Stockbridge	MA
109. S&A Systems	Rockwall	TX
110. Saft America, Inc.	Cockeysville	MD

EXHIBIT A1

**FISCAL YEAR 2017 SOLE AND SINGLE SOURCE VENDORS
REPLACEMENT PARTS AND SERVICES**

Vendor	City	State
111. Scantron Corporation	Irvine	CA
112. Schunk Graphite Technology	Menomonee Falls	WI
113. Siemens Industry, Inc.	Florham Park	NJ
114. Simmons Machine Tool Corp.	Albany	NY
115. Simplex Grinnell	Rockaway	NJ
116. Sixnet LLC	Ballston Lake	NY
117. Sperry Rail Service	Danbury	CT
118. Standard Steel LLC	Burnham	PA
119. Stavola Construction Materials	Bound Brook	NJ
120. Technologies LBBA	Quebec	CA
121. Tessco	Hunt Valley	MD
122. Tesco / Transportation Equipment Supply	Erie	PA
123. Transtech of S.C.	Piedmont	SC
124. Transtechnik Corp USA	Oakland, NJ	NJ
125. TSS, Inc.	Lakewood Ranch	FL
126. Turtle & Hughes	Bridgewater	NJ
127. United Knitting Machine Company, Inc.	Kulpsville	PA
128. Vapor Stone Rail Systems	Plattsburgh	NY
129. Wabtec Global Service Center	Kansas City	MO
130. Wabtec Passenger Transit	Spartanburg	SC
131. Warner Radiator	Paducah	KY
132. Whiting Corp.	Monee	IL

EXHIBIT A2

**FISCAL YEAR 2017 SOLE AND SINGLE SOURCE VENDORS
COMPUTER HARDWARE AND SOFTWARE**

	Vendor	City	State
1	Alcatel-Lucent	Murray Hill	NJ
2	Altura	Closter	NJ
3	American Software Inc.	Atlanta	GA
4	Apollo Video Technology	Bothell	WA
5	Baran Design Associates	Bergenfield	NJ
6	BEM Systems, Inc.	Chatham	NJ
7	Bentley Systems, Inc.	Exton	PA
8	Cellgain	Red Bank	NJ
9	Clever Devices	Woodbury	NY
10	Computer Associates	Islandia	NY
11	CTR Parking Solutions	Warrandale	PA
12	Cubic Transportation Systems	Tullahoma	TN
13	DLT Solutions	Herndon	VA
14	Lytix DBA DriveCam	San Diego	CA
15	Enghouse	Toronto	CANADA
16	Fujitsu	Richardson	TX
17	Geodecisions	Camp Hill	PA
18	Giro	Montreal	CANADA
19	Gough and Associates	Orlando	FL
20	HERE (formerly Navteq)	Chicago	IL
21	Highline Corporation	Toronto	CANADA
22	IBM	Piscataway	NJ
23	Intergraph	Madison	AL
24	Iron Mountain Intellectual Prop Mgmt	New York	NY
25	Kronos	Chelmsford	MA
26	Lightspeed	Wall	NJ
27	Luminex	Riverside	CA
28	MapText, Inc.	Princeton	NJ
29	Marsh ClearSight (formerly CS Stars)	Chicago	IL
30	Metasource	Bristol	PA
31	Michael Baker Intl	Newark	NJ
32	Microsoft	Redmond	WA
33	MIS Sciences	Burbank	CA
34	New Demand	Boonton	NJ
35	Nuance	Mahwah	NJ
36	Parkeon	Poole	England
37	Penta	New Orleans	LA
38	Power Trunk, Inc.	New York	NY

EXHIBIT A2

**FISCAL YEAR 2017 SOLE AND SINGLE SOURCE VENDORS
COMPUTER HARDWARE AND SOFTWARE**

39	PS Technology	Bolder	CA
40	Qognify, Inc. (formerly Nice Systems)	Paramus	NJ
41	Renaissance Systems, Inc.	Batavia	IL
42	Resource System Group, Inc.	White River Jnc	VT
43	Rockwell Collins (formerly ARINC)	Annapolis	MD
44	S&A Systems	Rockwall	TX
45	Salesforce.com	San Francisco	CA
46	SAP America	Newton Square	PA
47	Software AG	Reston	VA
48	Solari	Udine	ITALY
49	Spruce Technology, Inc.	Clifton	NJ
50	Trapeze	Scottsdale	AZ
51	Trapeze Group Rail Limited	York	UK

EXHIBIT A3

**FISCAL YEAR 2017 SOLE AND SINGLE SOURCE VENDORS
SYSTEM RESILIENCY PROGRAM**

	Vendor	City	State
1.	Alstom	West Henrietta	NY
2.	Ansaldo STS USA	Batesburg	SC
3.	Fabricated Metals	Louisville	KY
4.	G & B Specialties	Berwick	PA
5.	Industrial Machine	Paterson	NJ
6.	Okonite	West Paterson	NJ
7.	SAFT America	Cockeysville	MD
8.	Siemens (Invensys) (Safetran)	Louisville	KY

ITEM 1606-37: WALDWICK ERIE RAILROAD SIGNAL TOWER: GRANT OF HISTORIC PRESERVATION EASEMENT TO BERGEN COUNTY

BENEFITS

Granting a historic preservation easement to the County of Bergen will ensure that a culturally significant landmark in Waldwick remains intact for generations to come. The Borough of Waldwick together with other partners undertook an initiative to restore and preserve the tower and an adjacent former station building, and authorizing a historic preservation easement will allow the Waldwick Historical Society to utilize certain grant funds to further preserve the building as an important historic landmark for the next 15 years.



ACTION (Scorecard: Corporate Accountability, Customer Experience, Safety & Security, Financial Performance)

Staff seeks authorization to take any and all actions necessary to negotiate and execute a Deed of Historic Preservation Easement with the Waldwick Historical Society, Inc., the Borough of Waldwick, as well as the County of Bergen, in addition to any and all other documents required to effectively preserve and permit access to the Waldwick Erie Railroad Signal Tower and surrounding appurtenances for a term of 15 years.

PURPOSE

Authorization will allow NJ TRANSIT staff to negotiate and execute a 15-year Deed of Historic Preservation Easement, which will ensure the preservation of the tower and related appurtenances, and prevent any use of the property that is not historically appropriate or that is detrimental to, or will significantly impair or interfere with, the historic features of the property.

BACKGROUND

The Waldwick Erie Railroad Signal Tower, built between 1886 and 1895 by the Erie Railroad, is listed on both the New Jersey Register of Historic Places as well as the National Register of Historic Places. The building is a free standing structure that is situated approximately 30 feet from the nearest track, occupies approximately 6,000 square feet, including a fence to separate the structure from the adjacent active tracks. The tower is the only remaining original structure of the adjacent Waldwick Yard, which formerly was a major facility for the Erie Railroad’s intermediate commuter lines.

The Waldwick Historical Society is the lessee of the tower, which is owned by the Borough of Waldwick. Through a lease agreement, the Waldwick Historical Society has been able to preserve the tower.

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

FISCAL IMPACTS

Requested Authorization: Authorization to take any and all actions necessary to negotiate and execute a Deed of Historic Preservation Easement with the Waldwick Historical Society, Inc., the Borough of Waldwick, as well as the County of Bergen, in addition to any and all other documents required to effectively preserve and permit access to the Waldwick Erie Railroad Signal Tower and surrounding appurtenances for a term of 15 years.

Past Authorizations: N/A

Expenditures to Date: N/A

Total Project Cost: N/A

Projected Date of Completion: N/A

Capital Program Amount: N/A

Operating Budget Amount: N/A

Anticipated Source of Funds: N/A

PRINTS ID Number: N/A

DBE/SBE Goal: N/A

***NJ Build* Amount:** N/A

Related/Future Authorizations: N/A

Impacts on Subsequent Operating Budgets: N/A

RESOLUTION

WHEREAS, the Waldwick Erie Railroad Signal Tower is situated in the Borough of Waldwick, adjacent to the Waldwick Yard, and owned by the Borough of Waldwick; and

WHEREAS, the Waldwick Erie Railroad Signal Tower was built between 1886 and 1895 by the Erie Railroad; and

WHEREAS, the Waldwick Erie Railroad Signal Tower is listed on both the New Jersey Register of Historic Places and the National Register of Historic Places; and

WHEREAS, the Waldwick Historical Society requests to continue its efforts to restore and preserve this historic landmark; and

WHEREAS, the County of Bergen is willing to provide the Borough of Waldwick and the Waldwick Historic Society with certain grant funds to continue efforts to restore and preserve the Waldwick Erie Railroad Signal Tower so long as the Waldwick Erie Railroad Signal Tower may be preserved for a term of 15 years;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is hereby authorized to take any and all actions necessary to negotiate and execute a Deed of Historic Preservation Easement with the Waldwick Historical Society, Inc., the Borough of Waldwick, as well as the County of Bergen, in addition to any and all other documents required to effectively preserve and permit access to the Waldwick Erie Railroad Signal Tower and surrounding appurtenances for a term of 15 years.

ITEM 1606-38: ANNUAL NOTICE OF MEETINGS

BENEFITS

The By-Laws for the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. state that the regular meetings of the Board of Directors be held on the second Wednesday of each month. A list of the meetings' schedule is approved at the June meeting each year. The Annual Notice of Meetings is then transmitted to newspapers, filed with the Secretary of State, posted at NJ TRANSIT headquarters and mailed to any person upon request.

Unless otherwise noted in the annual notice (Exhibit A), or as otherwise modified by the Board during the year in accordance with the Open Public Meetings Law, meetings will be held on the second Wednesday of the month at NJ TRANSIT headquarters in Newark, New Jersey.

ACTION (Scorecard: Corporate Accountability)

Adopt the Annual Notice of Meetings (Exhibit A) for all of the Board of Directors' meetings during Fiscal Year 2017.

PURPOSE

The Open Public Meetings Law, P.L. 1975, c.231 requires that the public be given adequate notice of meetings of public bodies. Section 13 specifically provides that at least once each year, within seven days following the annual organization or reorganization meeting, a public body must provide adequate notice of the schedule of regular meetings to be held during the succeeding year. The schedule must contain the location, to the extent known, the time and the date of each meeting.

FISCAL IMPACTS

Requested Authorization:	Adopt Annual Notice of Meetings
Past Authorization:	June 2015
Expenditures to Date:	None
Total Project Cost:	None
Projected Date of Completion:	June 30, 2016
Capital Program Amount:	None
Operating Budget Amount:	None

Anticipated Source of Funds: None

PRINTS ID Number: None

DBE/SBE Goal: None

***NJ Build* Amount:** None

Related/Future Authorizations: None

**Impacts on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, pursuant to the Open Public Meetings Law, P.L. 1975, c.231, an annual notice of regular meetings of the Board of Directors must be disseminated; and

WHEREAS, the Annual Notice of Meetings must be prominently posted in one public place reserved for announcements of this type, transmitted to newspapers, filed with the Secretary of State, and mailed to any person who requests it; and

WHEREAS, the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., NJ TRANSIT Morris, Inc. have regular meetings of the Board of Directors;

WHEREAS, the June meeting serves as the annual meeting;

NOW, THEREFORE, BE IT RESOLVED that the Annual Notice of Meetings, Exhibit A, for all of the Board of Directors' meetings during Fiscal Year 2017 is adopted; and

BE IT FURTHER RESOLVED that the Annual Notice of Meetings shall be disseminated in accordance with the provisions of the Open Public Meetings Law, P.L. 1975, c.231.

EXHIBIT A

ANNUAL NOTICE OF MEETINGS: FISCAL YEAR 2017

**NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.**

In accordance with the "Open Public Meetings Law," P.L. 1975, c.231, the above organizations will hold regular meetings, open to the public, at 9:00 a.m. on the second Wednesday of the month for the period July 1, 2016 through June 30, 2017, except as noted below.

The June meeting will serve as the annual meeting.

Unless otherwise indicated, meetings will be held at NJ TRANSIT's Corporate Headquarters in Newark, New Jersey. The meetings will convene at 9:00 a.m. in the Board Room at NJ TRANSIT's Headquarters, One Penn Plaza East, Ninth Floor, Newark, New Jersey.

The specific dates are as follows:

July 13, 2016
August 2016 – No Board Meeting
September 14, 2016
October 13, 2016 (Thursday)
November 9, 2016
December 14, 2016
January 11, 2017
February 8, 2017
March 8, 2017
April 5, 2017 (1st Wednesday)
May 10, 2017 @ 6:00 p.m.
June 14, 2017

ITEM 1606-39: ANNUAL DESIGNATION AND BOARD COMMITTEE MEMBERSHIP

BENEFITS

NJ TRANSIT and its subsidiaries are governed by its statute, regulations and By-Laws. The New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150 provides that the Commissioner of Transportation serve ex officio as Chair of the New Jersey Transit Corporation Board of Directors and the Vice Chair shall be selected annually, as stated in Article III, Section 2 of the NJ TRANSIT By-Laws.

The NJ TRANSIT By-Laws establish and structure the membership of the Board Committees. The Chair of the Board shall appoint no more than three voting Board members to each committee. The committees' membership is outlined in Exhibit A.

ACTION (Scorecard: Corporate Accountability)

Approval of this item will designate Bruce M. Meisel to serve as Vice Chair of the Board of Directors through June 2017 and appoint the members of all Board Committees as set forth in Exhibit A.

PURPOSE

The effect of this item is to fulfill the statutory and By-Law requirements of the annual designation of the Vice Chair of the Board. Additionally, appointments are being made to all Board Committees.

FISCAL IMPACTS

Requested Authorization: Designation of Vice Chair and Board Committee Membership

RESOLUTION

WHEREAS, the New Jersey Public Transportation Act of 1979, P.L. 1979, c.150 requires the annual designation by the NJ TRANSIT Board of Directors of a Vice Chair of the Board; and

WHEREAS, Article III, Section 2 of the NJ TRANSIT By-Laws also provides that the Board Vice Chair be designated annually, and that the Commissioner of Transportation serve as Chair; and

WHEREAS, the Chair of the Board appoints the Board Committee members and recommendations to the committee membership are proposed in Exhibit A;

NOW, THEREFORE, BE IT RESOLVED that Bruce M. Meisel is designated as Vice Chair of the New Jersey Transit Corporation Board of Directors to serve a term through June 30, 2017; and

BE IT FURTHER RESOLVED that the membership of the Board Committees is adopted as set forth in Exhibit A.

EXHIBIT A

FISCAL YEAR 2017 BOARD COMMITTEES

Administration Committee

James C. Finkle Jr., Chair
Flora M. Castillo
Raymond W. Greaves*
Treasurer's Representative

Capital Planning, Policy and Privatization Committee

Bruce M. Meisel, Chair
Governor's Representative

Customer Service Committee

Flora M. Castillo, Chair
James C. Finkle Jr.
Raymond W. Greaves*

Audit Committee

James C. Finkle Jr., Chair
Governor's Representative
Treasurer's Representative

Safety and Security Committee

James C. Finkle Jr., Chair
Flora M. Castillo
Treasurer's Representative

*Non-voting Board Member

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss personnel matters, contract and collective bargaining negotiations, the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Yanett Ashby and Wilson et al. v. NJ TRANSIT et al.; 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 1606-40: PERSONAL INJURY CLAIM OF YANETT ASHBY

BENEFITS

It is the opinion of NJ TRANSIT and defense counsel, in recognition of the totality of the circumstances including the serious injuries that resulted, to settle the claim of Yanett Ashby.

ACTION

Staff seeks authorization to settle the claim of Yanett Ashby through her attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

PURPOSE

NJ TRANSIT By-Laws require Board approval of the settlement of all claims and lawsuits involving personal injury, death or property damage in excess of \$500,000. This case venued in the Essex County Superior Court, Newark, NJ initiated from a Bus claim.

FISCAL IMPACTS

Requested Authorization:	Request authorization to settle the Personal Injury Claim of Yanett Ashby
Projected Date of Completion:	FY 2016
Anticipated Source of Funds:	FY 2016 Operating Budget
Diversity Goals/Participation:	Not applicable. No goods or services to be procured.

RESOLUTION

WHEREAS, Article VI, Section II of the By-Laws requires Board Authorization for settlement of claims in excess of \$500,000; and

WHEREAS, Yanett Ashby has presented a claim with a probable settlement cost greater than \$500,000; and

WHEREAS, staff has reviewed the claim and recommends settling this case out of court;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to settle the claim of Yanett Ashby through her attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

ITEM 1606-41: WILSON et al. v. NJ TRANSIT et al.

BENEFITS

It is the opinion of NJ TRANSIT and defense counsel, in recognition of the totality of the circumstances to settle the matter of Wilson et al. v NJ TRANSIT et al.

ACTION

Staff seeks authorization to settle the matter of Wilson et al. v. NJ TRANSIT et al. through their attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

PURPOSE

NJ TRANSIT By-Laws require Board approval of the settlement of all claims and lawsuits in excess of \$500,000. A civil action complaint was filed against NJ TRANSIT in the Essex County Superior Court, Newark, New Jersey.

FISCAL IMPACTS

Requested Authorization:	Request authorization to settle the matter of Wilson et al. v. NJ TRANSIT et al.
Projected Date of Completion:	FY 2016
Anticipated Source of Funds:	FY 2016 Operating Budget
Diversity Goals/Participation:	Not applicable. No goods or services to be procured.

RESOLUTION

WHEREAS, Article VI, Section II of the By-Laws requires Board Authorization for settlement of claims in excess of \$500,000; and

WHEREAS, the matter of Wilson et al. v. NJ TRANSIT et al. has a probable settlement cost greater than \$500,000; and

WHEREAS, staff has reviewed the claim and recommends settling this case out of court;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to settle the matter of Wilson et al. v. NJ TRANSIT et al. through their attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.