

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

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

November 15, 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, November 9, 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, November 9, 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 (By Telephone)

Absent

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

Also Present

Steven H. Santoro, Executive Director
Amy B. Herbold, Deputy Executive Director
Michael P. Kilcoyne, Acting Vice President/General Manager, Bus Operations
Robert Lavell, Vice President & General Manager, Rail Operations
Dennis J. Martin, Vice President/General Manager, Light Rail and Contract Services
Christopher Trucillo, Chief of Police
Warren A. 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
Eric R. Daleo, Assistant Executive Director, Capital Planning & Programs
Gardner C. Tabon, Chief, Office of System Safety
Michael Gonnella, Deputy Attorney General
Joyce J. Zuczek, Board Secretary

Chairman Hammer convened the Open Session at 9:08 a.m. in accordance with the Open Public Meetings Act. Raji Jacob, 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 filed on November 2, 2016 with the Secretary of State. These notices were mailed to newspapers of general distribution, posted in the main entrance of NJ TRANSIT headquarters, and sent to each individual, agency and organization that requested such notice. Board Secretary Zuczek announced that the Board Meeting was being video recorded

Chairman Hammer asked for a motion to approve the minutes of the October 13, 2016, and October 26, 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 10 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.

Steve Thorpe expressed concern about Positive Train Control (PTC) and stated that it is a Federal mandate that is not funded. When he worked in County government he experienced the same type of mandate until the practice changed to "State mandate, State pays." He believes NJ TRANSIT should make the case for a funding mechanism to offset the costs.

Mr. Thorpe said NJ TRANSIT has a relatively safe record, even with the incident at Hoboken. He said every day over 400 people are killed in highway motor vehicle accidents, and unfortunately one person was killed in the Hoboken accident. Mr. Thorpe believes there is an inherent risk involved in transportation, but the cost of PTC is not going to offset risk enough to make it worthwhile. He understands it is a federal mandate that NJ TRANSIT must fund but he said the current system (cab signal automatic train stop) prevents accidents. Mr. Thorpe believes PTC is an enhancement that may not be worth the funds expended and said there are places where it won't work since it will impede traffic flow in places such as Hoboken Terminal. He said NJ TRANSIT has good people operating trains and sometimes unfortunate things happen just like he has had car accidents that were not his fault. This is a huge cost on all railroads not funded by federal government. Mr. Thorpe urged NJ TRANSIT to solicit the Federal government for the funds to install PTC.

Judy Musa said she is a Middletown resident near NJ TRANSIT's rail line and was speaking on behalf of RAGE, a group of 6000 members and growing. Ms. Musa presented additional information as to the reasons that JCP&L's Monmouth County Reliability Project (MCRP) is not needed and provided a written statement with exhibits.

Ms. Musa stated that RAGE challenges the need for the project on three points. First, the two existing lines have proven extremely reliable over the past 20 years with uptime at 99.99 percent. The area is currently served by two 230kV transmission lines and the new line would be a third redundant line. Based on the information provided, RAGE estimates that a third transmission line would have prevented a total of 10 hours of lost power in the

past 20 years. She noted that the transmission lines did not fail after Hurricane Irene and Superstorm Sandy so the third transmission line would have had no impact on the availability of power.

Second, demand for electricity is actually decreasing due to flat population growth and energy efficient appliances and alternative power sources. Third, there are more modern solutions to insure reliability including generating and storing renewable power closer to where it is used.

Ms. Musa stated that JCP&L's proposal is generated by the fact that transmission lines are profitable, since the utility enjoys a fixed return on equity of 10 to 12 percent.

She concluded her remarks by again asking the NJ TRANSIT Board to deny JCP&L the ability to construct this transmission line on the railroad right-of-way.

Vice Chairman Meisel asked for a copy of Ms. Musa's statement. He restated his desire to visit project site and said that it is being scheduled through Senator Kyrillos' office and probably will occur after Thanksgiving.

Vice Chairman Meisel also questioned the calculation of the 10 to 12 percent return; he thinks it should be higher. Ms. Musa stated that the return is based on FERC.

Murray Bodin said it's been an interesting couple days. The election on Tuesday showed that politicians were not listening. He stated that he had spoken to Vice Chairman Meisel about changing railroad signals. Mr. Bodin believes there is no reason to have red flashing lights and signals at same railroad crossing. He stated that he has worked with a lot of staff people at NJ TRANSIT over the past 15 years and they have been helpful.

Dan O'Connell who represents SMART stated he wasn't in attendance at the last Board Meeting and so he did not have a chance to welcome Steve Santoro as Executive Director. Mr. O'Connell stated that in his 20 years as the union Legislative Director, and in the preceding 13 years as a locomotive engineer, he has never seen NJ TRANSIT in such a position with so many issues and problems. They are a concern to the union members as well as to the riding public.

Mr. O'Connell attended the hearings in Trenton and will continue to do so. He reiterated the union's offer to help. Mr. O'Connell said the agency needs dedicated funding and the future of New Jersey's transportation network is mass transit. He mentioned that he had two pins that he was given when he was a locomotive engineer that signified NJ TRANSIT's position as the #1 transit agency in the country. He lamented NJ TRANSIT's decline since that time.

Mr. O'Connell then introduced his sister, Jennifer Doyle, who is a conductor. He stated that she had been in Hoboken on the day of the accident waiting for the return trip outbound. Ms. Doyle was one of the NJ TRANSIT employees who volunteered at

Hoboken to help people. Mr. O'Connell said that NJ TRANSIT has hundreds if not thousands of employees throughout the organization who help whenever they can and who deserve to be led properly.

Orrin Getz thanked John Leon for arranging a meeting with Rockland County officials to resolve service problems on the Pascack Valley Line, and said it was a step in the right direction. He also thanked Executive Director Santoro for hiring Peter Cannito. Mr. Getz respects him and he told him it is the little things that matter and if they do not take care of them, they become big problems. Mr. Getz exhorted the Board to hire additional staff to deal with the little things. He said since 2010 there has been a cut in staff maintaining the equipment and the mean distance between failures is worse than Metro-North and the LIRR.

Mr. Getz said while it looks like this year there will be enough money for trains and buses, next year there will be less money in the General Fund due to the sales tax cut. He reiterated previous calls for a dedicated source of funding for operations. He suggested a utility surcharge is a good way to get money and it can be sold as a conservation measure.

Mr. Getz then stated that there is another problem – 15 mph speed limit on track 1 at HX Draw. No information has been provided as to why it was imposed or when it will be lifted. As a result Pascack Valley Line trains arrive late in Secaucus resulting in missed connections. Pascack Valley Line passengers should be provided the information as part of transparency.

Mr. Getz stated that it is very important that the Board ride trains and those who drive are doing a disservice to everyone. He suggested that they take the train when they meet with RAGE people. He hopes that the Vice-Chair takes an interest in the Pascack Valley Line, like he has in RAGE, so they can see improvements.

Randy Glucksman congratulated Executive Director Santoro and said Dennis Martin did a great job as Interim Executive Director. Mr. Glucksman said he has attended Board meetings for a few years and has come to the conclusion that speaker's questions are rarely answered, but he posed several questions to the Board.

Mr. Glucksman questioned why in the aftermath of the Hoboken accident there were not sufficient personnel assigned to handle the correct dissemination of service adjustments. He stated that there was obsolete information on the website as well as DepartureVision. Mr. Glucksman said he made several calls to Customer Service regarding the inaccurate information but that little was done to make the corrections.

Mr. Gluckman questioned why NJ TRANSIT treats the Rockland County Hoboken customers as unwanted stepchildren. He believes it was readily apparent when daily service was reduced to weekend service on all Hoboken lines last month. After Sandy these same lines also experienced reduced service as well as the loss of transfer capability at Secaucus. Mr. Glucksman said the Schedule Department doesn't think

outside box for emergency plans; it is easier to redline trains. He believes special schedules should have been created to handle the trains turning at Secaucus Junction rather than cancelling them at the outlying stations. Mr. Glucksman said the afternoon trains could have originated at Secaucus Junction for the westbound service.

Mr. Gluckman questioned whether NJ TRANSIT has ready-to-go contingency plans in cases of emergency. When he worked at MTA 30 years ago they were immediately prepared to implement service diversions. He said priority was always given to moving customers and not keeping trains and crews in place.

Joseph Clift complained that Board Item 1611-59 Contracting Out: Atlantic City Rail Terminal Shuttle Service was pulled off the Administration Committee agenda. He asked for some additional information to be included in the item, including past costs, riders, and cost per rider. Mr. Clift complained that none of the information, except for the number of riders, was included. He stated that to his knowledge the item was not reviewed by the Administration Committee.

Mr. Clift said President-Elect Trump is talking about reducing red tape so he has two suggestions. The first is to repeal PTC as it is a bad investment and it's a goldmine for the industry that builds it. NJ TRANSIT doesn't have \$200 million; it has to come from another project that won't get done. He stated that NJ TRANSIT has an excellent safety record and that the recent accidents could have been handled by speed control not PTC; it does not improve safety.

The second issue Mr. Clift suggested that the new administration address is to throw out Amtrak's plan for \$24 billion in Gateway improvements, half of which are not needed. He suggested that real planners look at projects that will actually improve NJ TRANSIT's capacity. Mr. Clift spoke about the history of how Amtrak got to where they are. He mentioned that NJ TRANSIT is handling the EIS which has selected the one alternative that forces \$24 billion to be spent before there is one more peak hour train. He stated that this is Amtrak's plan which shouldn't be NJ TRANSIT's plan. Mr. Clift said ARC had a separate railroad called the NJ TRANSIT independent railroad that went south of the NEC, under the NEC, and into a new station under Macy's which was not a bad idea if going someplace else. He said Gateway is going into Penn Station and possibly Penn Station South and yet it's still using the separate right-of-way. As a result, an entire railroad has to be built before any additional capacity is realized. Mr. Clift said the costs are \$10 billion for two tunnels and another \$1 billion for a replacement bridge (not additional bridge). He complained about \$11 billion being spent with no capacity increase. Mr. Clift said that the original ARC plan added to the corridor and it could be constructed in increments; the preferred alternative is out-of-date; and Amtrak doesn't need more slots in the peak hour since they can increase seats and revenues with new equipment. He said NJ TRANSIT has needed more slots for the Raritan Valley Line, Bay Head and other service and for growth. Mr. Clift believes the Board should get NJ TRANSIT staff to think about NJ TRANSIT's interests and to get Gateway changed so that desperately-needed capacity changes can be realized.

Tim Sevenser is a resident of Mount Tabor and a member of NJ-ARP and the Lackawanna Coalition. He echoed previous speakers about the lack of information on DepartureVision. He stated that trains were supposed to stop at Mount Tabor but didn't. Mr. Sevenser said calls from Mount Tabor riders resulted in stops added to Midtown Direct trains. He thanked NJ TRANSIT for considering Mount Tabor and putting stops on the Midtown Direct trains.

Mr. Sevenser also discussed the importance of Hoboken and stated that service needed to be restored to the levels before 2006/2008. He stated that one of his neighbors rides the train to Summit while her husband works in Jersey City and has to drive because the train takes too long. Mr. Sevenser said 21 trains have been cut during the weekday from Hoboken service, including Hoboken express service and years ago he could be in Hoboken in 52 minutes. Mr. Sevenser said weekend service is two-hour service and takes 1 hour and 25 minutes to Hoboken. Before 2006 the Gladstone Branch ran local to Summit then could take an express to Hoboken, transferring to PATH or ferries. He believes there is a need to restore Hoboken service, especially on weekends and there is not enough equipment on weekdays but there is enough equipment on weekends. Mr. Sevenser said it doesn't appear that it should be an expensive proposition to restore the service.

Mr. Sevenser also pointed out that global warming and climate change is real. He said there is a need to run electric rail.

Sally Gellert is a resident of Woodcliff Lake and stated that she is concerned about the Transportation Trust Fund and NJ TRANSIT's operating budget. She said that there is potential for the Governor to cut the General Funds that NJ TRANSIT's receives for operating costs now that the ballot question about dedication of the gas tax has been passed. Other states have done so with Medicaid expansion. She hopes that NJ TRANSIT stays vigilant to resist anything similar in transit funding.

Ms. Gellert then commented on communication with the public. During Sandy the communication was exemplary. She stated that she still had internet access after the storm and could get on the website to find out information about which rail lines were in service and when others would be restored. After the accident in Hoboken the situation was different. She stated that she lives directly across from Woodcliff Lake station. Although she did not try to use the substitute bus service this time, on previous occasions when she did the Customer Service representative was not helpful regarding substitute service. It had been suggested that she use the Ridgewood station as a substitute which would have resulted in a 5-mile walk. She could have been told to walk two miles to Westwood and get a bus. The Ridgewood Station was listed as the top alternative for Pascack Valley Line on the website recently. She asked that alternative services not include the use of a car since not everyone has a car.

She concluded by stating that although she finds it useful to have WiFi access at the train stations, she requested that the service be single-hour sessions rather than full day so there is more flexibility in using the limited lifetime uses.

David Peter Alan congratulated the new head of Bus Operations. The Lackawanna Coalition has been following recent developments and commented on them in *RailGram*. The Coalition complimented Rail Operations management and employees on restoring service at Hoboken after the accident. Hoboken is important as it is the only place in the system that has plenty of capacity even in the peak hours. Penn Station New York is very constrained and they can't wait for Amtrak to build Gateway especially since funding is now uncertain.

Mr. Alan also echoed concerns about Hoboken communications. He also commented that NJ TRANSIT needs to improve its preparedness for emergency situations and resulting service disruptions. The development of an overall preparedness program a vitally important project and the riding public should be included. He strongly requested that representatives of the riding public be included in the effort. Mr. Alan stated that he would be interested in participating officially and not merely as a member of the public.

The Coalition is aware that the user fee on gasoline and diesel has increased and the Trust Fund now has some money in it. He stated that none of that money is earmarked for NJ TRANSIT's operating budget, which is where the money comes from that gives mobility to those who are transit-dependent. He repeated the call for stable sufficient funding for NJ TRANSIT, as well as for the County-sponsored community transportation.

Mr. Alan then commented on Board Item 1611-60 Regulations: Rule-Making Process – Proposed Re-adoption with Amendments to N.J.A.C. 16:87: Proof of Payment. He stated that he has ridden every system in the country that has pre-payment which is a standard practice for light rail systems. He is aware of reports that sometimes validated tickets expire before a rider can finish his/her ride thus becoming subject to criminal prosecution. The Coalition recommends that tickets have sufficient time validity to allow every rider to get on the next departure and get to the end of the line.

Finally he stated that for riders taking an interline trip and changing at Penn Station Newark or Penn Station New York, the fare rule is to pay for the more expensive segment and the less expensive segment is included. This policy works for riders on the Newark Division but for Morris and Essex and Montclair-Boonton riders who want to change in Newark to continue on the Newark Division must pay three fares – first into Broad Street then the fare from Broad Street to Penn Station on the light rail or bus and finally the fare to their destination. Mr. Alan said it is not fair since Newark Division riders are subject to the significantly lower fare. The official position is that the light rail will only accommodate a Secaucus fare, but there is no difference between a Secaucus fare and a New York fare, thus riders have to pay a New York fare if they want to change at Newark. He said commuters are not subject to this problem because the local light rail or bus is included in their commuter ticket. However, it is not true for single-trip riders. Mr. Alan requested that single-trip occasional riders be given the same benefit – that they pay for the more expensive segment and the less expensive segment and connection is included. He stated that former Executive Director George Warrington characterized off-peak riders as

“incidental” and they are still being treated as such, and it is time off-peak riders enjoy the same benefit as commuters.

Advisory Committee Report

Suzanne Mack was pleased about the Transportation Trust Fund. She said it was unfortunate she was out of town when the budget was presented and Executive Director Santoro was appointed. Ms. Mack noted they have worked well with Executive Director Santoro in the past, as well as with Dennis Martin.

Ms. Mack noted in 1999, APTA recognized NJ TRANSIT as the best in the United States. She said NJ TRANSIT was at its peak then because they had the money. Ms. Mack noted Dubai is an emerging country that dedicates money to their system. She said unless New Jersey funds its system, it will fail. Ms. Mack said she hates to ask for more after the dedicated gas tax, but they need to look for a stable source of operating funding now.

Ms. Mack said they will have a joint meeting in Trenton on December 9, 2016 and invited Executive Director Santoro and the Board to attend. She said so much has changed and it is time to step back and look at the strategic plan to see what they can do, given the changing reality, to see what NJ TRANSIT's priorities should be for the next five years. They would like to be part of it and help NJ TRANSIT. She said they are very pleased some progress has been made but they always have a way to go to fulfill NJ TRANSIT's mission. Ms. Mack voiced interest in stepping back and looking at how to resolve some issues and operate, instead of band aid solutions.

Board Customer Service Committee Report

Board Member Finkle presented the report for the Customer Service Committee. The Customer Service Committee received Customer Service updates and reports on the Social Media Dashboard.

Board Administration Committee Report

Board Member Finkle presented the report for the Administration Committee. The Administration Committee discussed the board item for the Proof of Payment Regulation. The Board item would authorize staff to initiate the rule-making process.

Executive Director's Monthly Report

Executive Director Santoro said last month Chairman Hammer requested that they return to the next Board meetings with presentations outlining NJ TRANSIT's progress on Positive Train Control and Sandy Resiliency projects. He noted later in the meeting, after the executive session, he would call on Assistant Executive Director of Capital Planning and Projects Eric Daleo and Chief of Construction and Project Management Charles “Ty” Dickerson to provide those briefings.

On Friday, November 4, 2016, Executive Director Santoro appeared before a joint legislative committee to address questions about safety, NJ TRANSIT's workforce, and its overall fiscal health as an agency. Executive Director Santoro assured the Board that NJ TRANSIT would continue to cooperate with this panel and offer whatever information and documentation they need to fully understand the operations of NJ TRANSIT.

Executive Director Santoro summarized what he said. He announced: NJ TRANSIT would be fully funded for Fiscal Year 2017; that he was proposing to Treasury no fare increase in Fiscal Year 2018; that NJ TRANSIT is hiring to fill key positions in Rail Operations, the Office of System Safety, and to support NJ TRANSIT's Positive Train Control project; AND that NJ TRANSIT is adding more sworn police officers to enhance safety and security. He further stressed that while NJ TRANSIT is at a critical juncture, they are not in crisis, but work needs to be done. They have not wavered in their commitment to the safety and security of NJ TRANSIT customers and employees.

Executive Director Santoro also said to the members of the committee, they are fortunate to have some of the most talented men and women in the transportation field on NJ TRANSIT's team; many of whom have become leaders in their respective fields. One such leader is Dennis Martin who is now the Vice President/General Manager of Light Rail and Contract Services. Dennis' 30 plus years of exemplary service to NJ TRANSIT positions him to well to oversee these important and growing parts of the organization.

Another one of those leaders is Michael Kilcoyne who has led the Bus Operations Division as interim VP/GM for nearly a year. Executive Director Santoro was pleased to say that on the agenda for consideration was the permanent appointment of Mike as Vice President and General Manager of Bus Operations. Mike has more than 30 years of transit industry experience, with an extensive background encompassing all aspects of bus operations, customer service, project management and emergency response. Mike has Executive Director Santoro's full support and confidence and he looks forward to consideration of his appointment.

Executive Director Santoro recalled the recently changed gate locations for a number of routes within the Port Authority Bus Terminal for efficiency and to improve the on time performance of those routes. Executive Director Santoro was pleased to report that all of the lines that were adjusted have shown an improvement in on time performance since the changes in September, and noted that's good news for NJ TRANSIT's customers.

Executive Director Santoro said they are in the midst of autumn which means "slippery rail" season; the time of year when the combination of falling leaves and wet weather has historically affected railroads throughout the Northeast. When leaves are crushed by train wheels, the decaying leaf material creates an oily residue that coats the rails, resulting in poor traction for trains and possible delays, especially on rainy days. This

year NJ TRANSIT has stepped up the battle against Mother Nature with the introduction of a second Aqua Track machine. Based on the success of the original Aqua Track, this second unit will be invaluable in enlarging the coverage area and speed in which the rails can be cleaned.

The Aqua Track machines are large high pressure washers mounted on specialized flat-bed rail cars. The pumps blast water directly onto the top of the rails, removing the oily film from the leaves and combatting the problem of slippery rail. Both Aqua Track machines will be running around the clock and on weekends to help avoid the problems associated with slippery rails.

Executive Director Santoro said another area where NJ TRANSIT is embracing innovation and maintaining its position as a national leader is in the arena of electronic ticketing. MyTix sales have recently reached several milestones. More than one million tickets and passes were sold via MyTix in the month of October. To put that in perspective, that's 310,000 more than January's monthly sales figure. NJ TRANSIT has come a long way in the first ten months of this year. Overall, MyTix sales have grown 46-percent year to date which is quite a remarkable achievement. November 1, 2016 was a record-setting day for MyTix with some 71,000 tickets and passes sold; a nine percent jump from the previous single day sales record of 65,000 on August 1, 2016.

While customers across the board are embracing this technology, the primary driver behind this increase was the growth in sales of one-way bus tickets. As NJ TRANSIT adds more features to MyTix and the mobile app they continue to see this trend accelerating. NJ TRANSIT has been actively marketing the new app: it's on TVM welcome screens, posters and digital displays; on ads on the columns at Penn Station New York; and through mobile advertising and social media, it's hard to miss all of the promotion NJ TRANSIT has been doing in this effort. There's no doubt that this has been a driving force in getting NJ TRANSIT customers to try, and love, electronic ticketing. Executive Director Santoro thanked everyone, particularly those in NJ TRANSIT's Point of Sales Division and Fare Collection, who have been working hard on MyTix and the mobile app.

Executive Director Santoro noted NJ TRANSIT and the Federal Railroad Administration will host the first of two public meetings on the Environmental Impact Statement to evaluate the Hudson Tunnel Project on November 10, 2016. The open house will provide opportunities for members of the public and stakeholders to learn about the Preferred Alternative, the alternatives development process, and other Project information. The meeting will be held between 4:00 p.m. and 7:00 p.m. at the Frank R. Lautenberg Station at Secaucus Junction. Executive Director Santoro said project staff would be on hand to answer questions.

Executive Director Santoro noted in just a couple of days, on Friday, the nation would honor its veterans on Veterans Day. He was proud to say that NJ TRANSIT has its ranks filled with men and women who have served this country. At the board meeting they had some very special guests, who were just some of the many veterans who work

at NJ TRANSIT. Executive Director Santoro asked the veterans to stand when he called their name so they could be recognized for their hard work not only to the nation but to the company. Executive Director Santoro called Joey Gaskins, Michael Clarkson, Ty Dickerson, James Gilligan Sr., Andrew Keelan, Art Kent, Michael Panzera, and Laura Hester. Executive Director Santoro said they saluted them and all the other NJ TRANSIT veterans for all they do day in and day out. He also thanked anyone in the audience who was a veteran, for their service to the country and asked them to stand as well. Executive Director Santoro said they all deserve a big round of applause.

Action Items

1611-59: CONTRACTING OUT: ATLANTIC CITY RAIL TERMINAL SHUTTLE SERVICE

Executive Director Santoro introduced Dennis Martin, Vice President & General Manager, Light Rail and Contract Services, who presented Action Item #1611-59 for approval.

Dennis Martin recommended approval of Item #1611-59, Contracting Out: Atlantic City Rail Terminal Shuttle Service. Approval was requested to enter into an agreement with the Atlantic City Jitney Association to operate the Atlantic City Rail Terminal Shuttle Service, for a 48 month agreement period from January 1, 2017 through December 31, 2020, at a total cost not to exceed \$7,279,113, plus five percent for contingencies.

Approval was also requested to exercise options to extend this agreement for two 36-month periods, in accordance with the carrier's proposal, at a cost not to exceed \$5,456,837 for the first option period from January 1, 2021 through December 31, 2023 and \$5,456,837 for the second option period from January 1, 2024 through December 31, 2026, plus five percent for contingencies.

Board Member James C. Finkle Jr. moved the resolution, Board Member John Spinello seconded it, and it was unanimously adopted.

Roll Call Vote:

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

1611-60: REGULATIONS: RULE-MAKING PROCESS – PROPOSED READOPTION WITH AMENDMENTS TO N.J.A.C. 16:87: PROOF OF PAYMENT

Executive Director Santoro introduced Christopher Trucillo, Chief of Police, who presented Action Item #1611-60 for approval.

Chief Trucillo recommended approval of Item #1611-60, Regulations: Rule-Making Process – Proposed Readoption with Amendments to N.J.A.C. 16:87: Proof of Payment. Approval was requested to initiate the rule-making process as a step toward effectuating the readoption of the regulations, N.J.A.C. 16:87 et seq. Proof of Payment, consistent with the Board item and Exhibit A.

Board Member James C. Finkle Jr. moved the resolution, Board Member John Spinello seconded it, and it was unanimously adopted.

Roll Call Vote:

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

Executive Session Authorization

At approximately 10:16 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 Anthony Howard, the Personal Injury Claim of Anthony Riehle, and the Personal Injury Claim of John Donahue.

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

Board Secretary Zuczek conducted a Roll Call as Board Members returned to Open Session. All Board Members returned to open session at approximately 11:37 a.m.

Positive Train Control Presentation

Executive Director Santoro introduced Charles “Ty” Dickerson, who provided a presentation updating the Board on Positive Train Control (attached).

Chairman Hammer noted they would receive quarterly updates as Positive Train Control advances.

NJ TRANSIT’s Resilience Program Presentation

Executive Director Santoro introduced Eric Daleo, who provided a presentation updating the Board on NJ TRANSIT’s Resilience Program (attached).

1611-61: PROPOSED LABOR AGREEMENTS: COMMUNICATIONS WORKERS OF AMERICA (CWA)

Executive Director Santoro introduced Christopher Trucillo, Chief of Police, who presented Action Item #1611-61 for approval.

Chief Trucillo recommended approval of Item #1611-61, Proposed Labor Agreements: Communications Workers of America (CWA). Approval was requested to approve the economic terms and other proposed conditions contained in each Memorandum of Understanding, which have now been ratified by the Communications Workers of America. Authorization is requested for the Executive Director, or his designee, to take all necessary steps to finalize and implement same, as discussed in executive session.

Board Member James C. Finkle Jr. moved the resolution, Board Member John Spinello seconded it, and it was unanimously adopted.

Roll Call Vote:

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

1611-62: PERSONAL INJURY CLAIM OF ANTHONY HOWARD

Executive Director Santoro introduced Michael Lihvarcik, Chief Financial Officer & Treasurer, who presented Action Item #1611-62 for approval.

Michael Lihvarcik recommended approval of Item #1611-62, Personal Injury Claim of Anthony Howard. Approval was requested to settle the claim of Anthony Howard, through his 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 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 (Non-Voting Member)

1611-63: PERSONAL INJURY CLAIM OF ANTHONY RIEHLE

Executive Director Santoro introduced Michael Lihvarcik, Chief Financial Officer & Treasurer, who presented Action Item #1611-63 for approval.

Michael Lihvarcik recommended approval of Item #1611-63, Personal Injury Claim of Anthony Riehle. Approval was requested to settle the claim of Anthony Riehle, through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

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

Roll Call Vote:

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

1611-64: PERSONAL INJURY CLAIM OF JOHN DONAHUE

Executive Director Santoro introduced Michael Lihvarcik, Chief Financial Officer & Treasurer, who presented Action Item #1611-64 for approval.

Michael Lihvarcik recommended approval of Item #1611-64, Personal Injury Claim of John Donahue. Approval was requested to settle the claim of John Donahue, through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

Board Member James C. Finkle Jr. moved the resolution, Board Member John Spinello seconded it, and it was unanimously adopted.

Roll Call Vote:

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

1611-65: APPOINTMENT OF VICE PRESIDENT AND GENERAL MANAGER: NJ TRANSIT BUS OPERATIONS, INC., GENERAL MANAGER: NJ TRANSIT MERCER, INC., GENERAL MANAGER: NJ TRANSIT MORRIS, INC.

Executive Director Santoro recommended approval of Item #1611-65, Appointment of Vice President and General Manager: NJ TRANSIT Bus Operations, Inc., General Manager: NJ TRANSIT Mercer, Inc., General Manager: NJ TRANSIT Morris, Inc. Approval was requested to appoint Michael P. Kilcoyne as Vice President and General Manager: NJ TRANSIT Bus Operations, Inc., General Manager: NJ TRANSIT Mercer,

Inc., General Manager: NJ TRANSIT Morris, Inc. effective November 10, 2016 on the terms, conditions, salary and benefits as discussed in executive session.

Vice Chairman Bruce M. Meisel moved the resolution, Chairman Richard T. Hammer seconded it, and it was unanimously adopted.

Roll Call Vote:

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

Chairman Hammer noted he received a letter two weeks ago from a customer talking about outstanding service by a conductor. She said the conductor was not only helpful, but also gave the customer advice about dealing with the Newark Airport Monorail and where to go to gain access. She felt the conductor went above the call of duty. Chairman Hammer said efforts by employees like these are important and indicative of the hard working by NJ TRANSIT employees daily. He thanked all the hardworking men and women of the agency.

Adjournment

Since there were no further comments or business, Chairman Hammer called for adjournment and a motion to adjourn was made by Vice Chairman Bruce M. Meisel, seconded by Board Member James C. Finkle Jr., and unanimously adopted. The meeting was adjourned at approximately 12:06 p.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

NOVEMBER 9, 2016

MINUTES

- **CALL TO ORDER**
- **SAFETY ANNOUNCEMENT**
- **PLEDGE OF ALLEGIANCE TO THE FLAG**
- **APPROVAL OF MINUTES OF PREVIOUS MEETINGS**
- **PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS**
- **ADVISORY COMMITTEE REPORT**
- **SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT SCHEDULED REPORT DECEMBER 2016)**
- **BOARD COMMITTEE REPORTS**
 - *Customer Service Committee
 - *Administration Committee
- **EXECUTIVE DIRECTOR'S MONTHLY REPORT**

	<u>ACTION ITEMS</u>	PAGE
1611-59	CONTRACTING OUT: ATLANTIC CITY RAIL TERMINAL SHUTTLE SERVICE	49981

Authorization to enter into an agreement with the Atlantic City Jitney Association to operate the Atlantic City Rail Terminal Shuttle Service, for a 48-month agreement period from January 1, 2017 through December 31, 2020, at a total cost not to exceed \$7,279,113, plus five percent for contingencies.

Authorization to exercise options to extend this agreement for two 36-month periods, in accordance with the carrier's proposal, at a cost not to exceed \$5,456,837 for the first option period from January 1, 2021 through December 31, 2023 and \$5,456,837 for the second option period from January 1, 2024 through December 31, 2026, plus five percent for contingencies.

The combined agreement cost with option periods is not to exceed \$18,192,787, plus five percent for contingencies.

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
 NOVEMBER 9, 2016
 MINUTES
 PAGE 2

1611-60 REGULATIONS: RULE-MAKING PROCESS – PROPOSED READOPTION WITH AMENDMENTS TO N.J.A.C. 16:87: PROOF OF PAYMENT 49984

Authorization to initiate the rule-making process as a step toward effectuating the readoption of the regulations, N.J.A.C. 16:87 et seq. Proof of Payment, consistent with this Board item and 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 Anthony Howard, the Personal Injury Claim of Anthony Riehle, and the Personal Injury Claim of John Donahue. **49994**

➤ **POSITIVE TRAIN CONTROL UPDATE 49995**

➤ **NJ TRANSIT RESILIENCE PROGRAM UPDATE 50007**

1611-61 PROPOSED LABOR AGREEMENTS: COMMUNICATIONS WORKERS OF AMERICA (CWA) 50021

Authorization to approve the economic terms and other proposed conditions contained in each Memorandum of Understanding, which have now been ratified by the CWA, and staff seeks authorization for the Executive Director, or his designee, to take all necessary steps to finalize and implement same, as discussed in executive session.

1611-62 PERSONAL INJURY CLAIM OF ANTHONY HOWARD 50023

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

1611-63 PERSONAL INJURY CLAIM OF ANTHONY RIEHLE 50025

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

1611-64 PERSONAL INJURY CLAIM OF JOHN DONAHUE 50027

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

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
NOVEMBER 9, 2016
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PAGE 3

**1611-65 APPOINTMENT OF VICE PRESIDENT AND GENERAL MANAGER: NJ TRANSIT 50029
BUS OPERATIONS, INC., GENERAL MANAGER: NJ TRANSIT MERCER, INC.,
GENERAL MANAGER: NJ TRANSIT MORRIS, INC.**

Appointment of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., General Manager of NJ TRANSIT Mercer, Inc., and General Manager of NJ TRANSIT Morris, Inc. effective November 10, 2016 on the terms, conditions, salary, and benefits as discussed in executive session.

➤ **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 October 13, 2016 and the October 26, 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 October 14, 2016;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the October 13, 2016 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

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



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

TO: BOARD OF DIRECTORS
FROM: STEVEN H. SANTORO 
DATE: NOVEMBER 9, 2016
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – NOVEMBER 2016

Last Friday, some members of my executive management team and I appeared before a joint legislative committee to address questions about safety, our workforce and our overall fiscal health as an agency. I can assure you that we will continue to cooperate with this panel and offer whatever information and documentation they need to fully understand the operations of NJ TRANSIT.

In speaking to that committee I announced that we will be fully funded for Fiscal Year 2017 and I am proposing to Treasury no fare increase in Fiscal Year 2018. We are hiring key positions in Rail Operations and to support our Positive Train Control project. We are adding more sworn officers to enhance safety and security. I also stressed that we are not in crisis; we are at a critical juncture and work needs to be done. We have not waived once in our commitment to the safety and security of our customers and our employees.

We are fortunate to have some of the most talented men and women in the transportation field on our team here at NJ TRANSIT. One such leader is Dennis Martin, who is now the VP/GM of Light Rail and Contract Services. Dennis' 30 plus years of exemplary service to this agency positions him to well to oversee these important and growing parts of our organization.

Another one of those leaders is Michael Kilcoyne who has led the Bus Operations Division as interim Vice President and General Manager for nearly a year. That is why I am pleased to say that on today's agenda for the Board of Director's consideration is the permanent appointment of Mike as Vice President and General Manager of Bus Operations. Mike has more than 30 years of transit industry experience, with an extensive background encompassing all aspects of bus operations, customer service, project management and emergency response. Mike has my full support and confidence.

We are in the midst of autumn which means "slippery rail" season—the time of year when the combination of falling leaves and wet weather has historically affected railroads throughout the Northeast. When leaves are crushed by train wheels, the decaying leaf material creates an oily residue that coats the rails, resulting in poor traction for trains and possible delays, especially on rainy days. This year we have stepped up our battle against Mother Nature with the introduction of a second Aqua Track machine. Based on the success we've seen of the original Aqua Track, this second unit will be invaluable in enlarging the coverage area and speed in which the rails can be cleaned. The Aqua Track machines are large high pressure washers mounted on specialized flat-bed rail cars. The pumps blast water directly onto the top of the rails – removing the oily film from the leaves and combatting the problem of slippery rail.

Another area where NJ TRANSIT is embracing innovation and maintaining our position as a national leader is in the arena of electronic ticketing. MyTix sales have recently reached several milestones. More than one million tickets and passes were sold via MyTix in the month of October. To put that in perspective, that's 310-thousand more than January's monthly sales figure. Overall, MyTix sales have grown 46-percent year to date. November 1st was a record setting day for MyTix with some 71-thousand tickets and passes being sold, a nine-percent jump from the previous single day sales record of 65-thousand on August 1st.

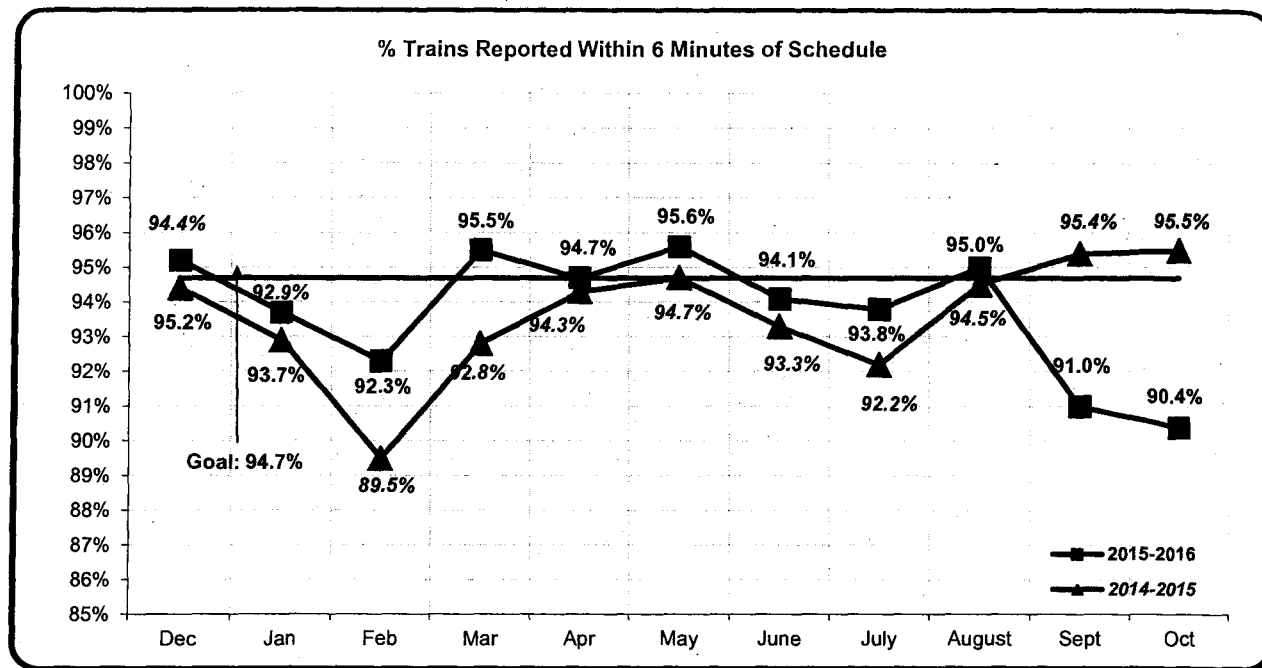
In just a couple of days from now, the nation will honor its veterans on Veterans Day. I am proud to say that NJ TRANSIT has its ranks filled with men and women who have served this country. We salute those vets for all they do day in and day out.

EXECUTIVE DIRECTOR'S MONTHLY REPORT NOVEMBER 2016

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

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL NOVEMBER 2014 - OCTOBER 2016



	2015	2016	# Change
October Comparison	95.5%	90.4%	-5.1%

	2014-2015	2015-2016	# Change
12-Month Average Nov. 2014- Oct. 2016	85.6%	86.2%	0.6%

Analysis:

Rail On-Time Performance was 90.4% for October 2016. Of the 17,679 trains scheduled to operate, 15,991 were on time, while 1,688 trains (or 9.6%) were delayed. Key causes included:

- NJT Carryover Delays* (Hoboken Accident), Amtrak Signal Failure, Amtrak Portal Bridge Open and NJT Arrow MU Failure contributed to 234 delays resulting in 59.1% OTP on October 7.
- NJT Carry Over Delays* (Hoboken Accident) contributed to 86 delays resulting in 75.4% OTP on October 8.
- NJT Carryover Delays* (Hoboken Accident) contributed to 82 delays resulting in 77.5% OTP on October 9.

The 12-month average for Rail On-Time Performance for November 2015-October 2016 was 86.2%, which improved by 0.6%.

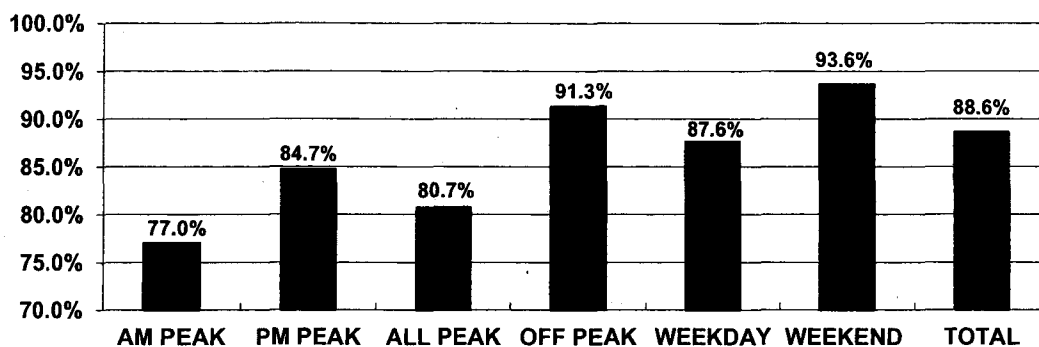
*Further adjustments will be made to the OTP shortly by our IS Department to reflect the truncated service due to the Hoboken incident

ON-TIME PERFORMANCE RAIL

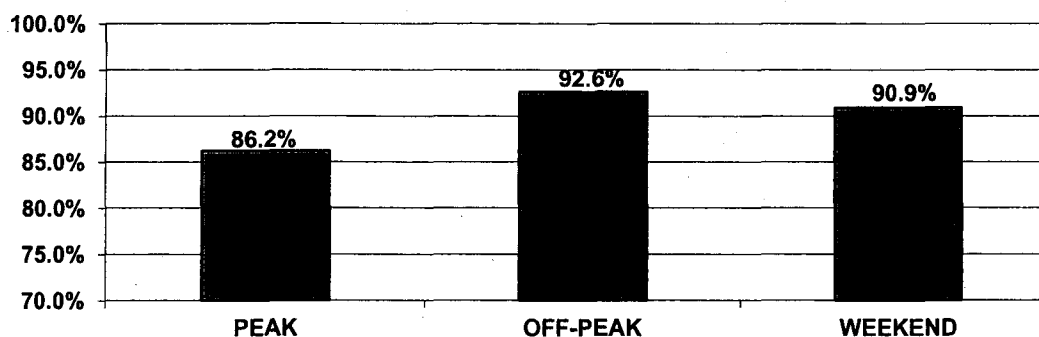
SUMMARY BY TIME PERIOD OCTOBER 2016

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

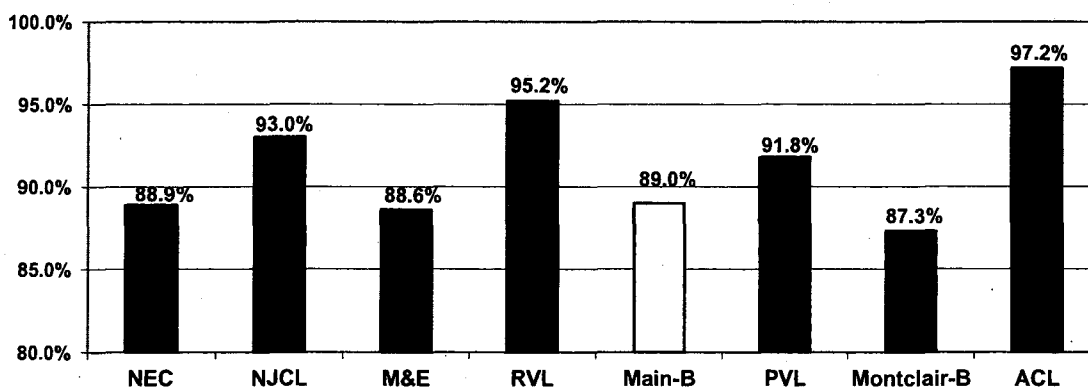
% NEW YORK PENN STATION Trains Reported On Time *



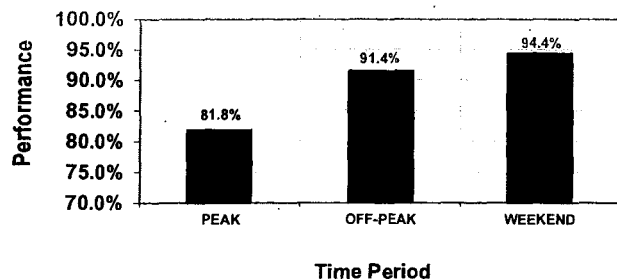
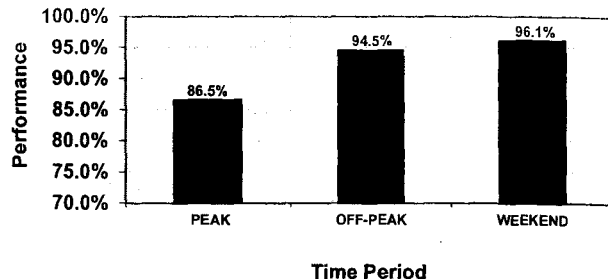
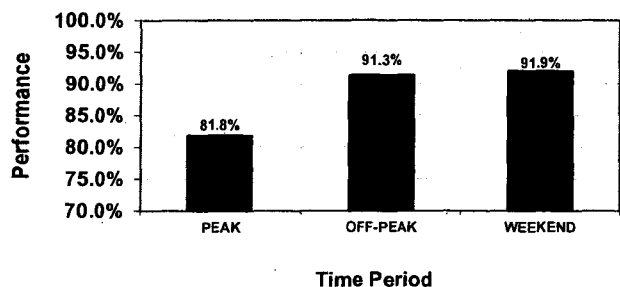
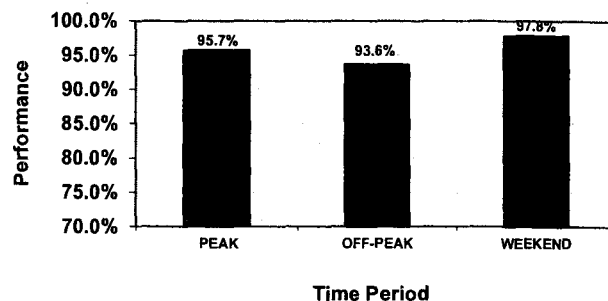
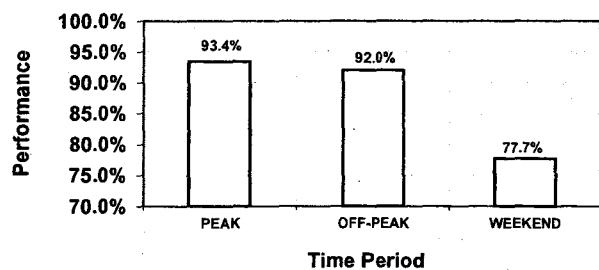
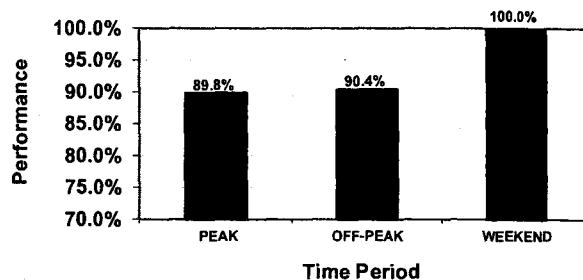
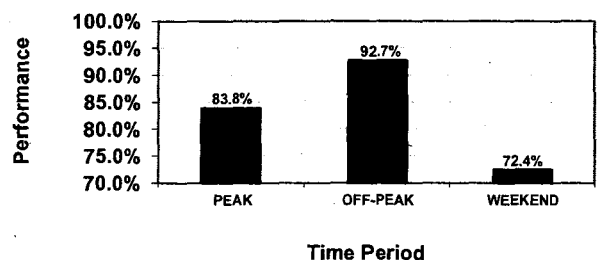
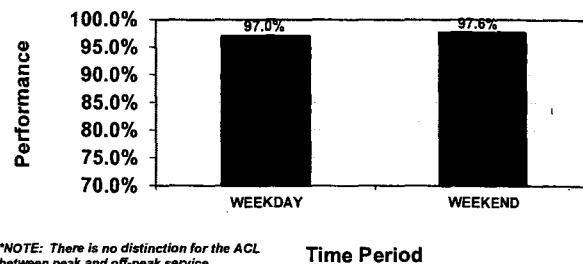
% SYSTEMWIDE Trains Reported On Time



% BY LINE Trains Reported On Time



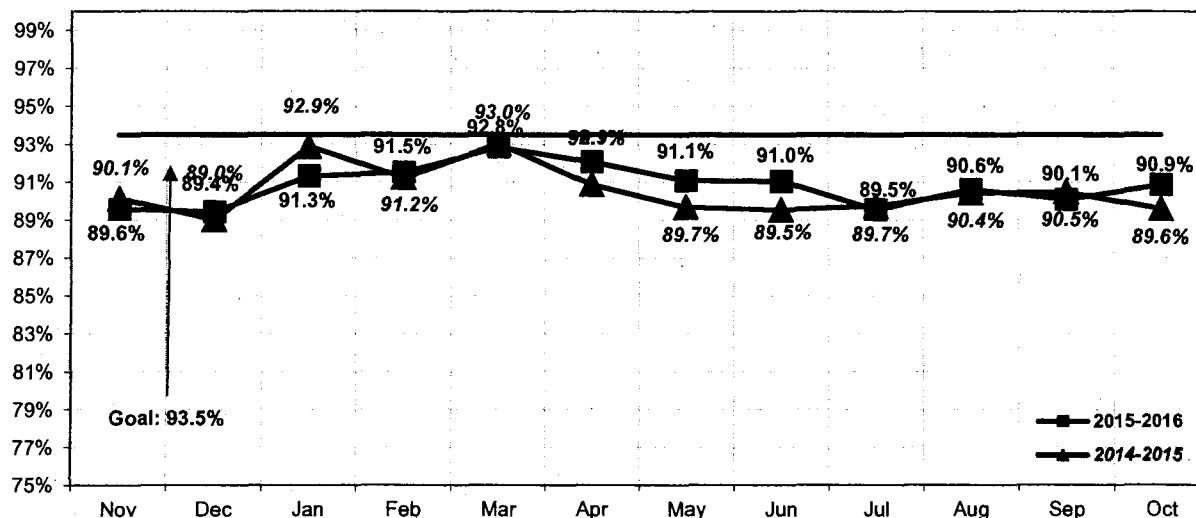
ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD OCTOBER 2016

NORTHEAST CORRIDORNORTH JERSEY COAST LINEMORRIS & ESSEXRARITAN VALLEY LINEMAIN-BERGENPASCACK VALLEYMONTCLAIR-BOONTONATLANTIC CITY*

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

NJ TRANSIT ON-TIME PERFORMANCE BUS NOVEMBER 2014 - OCTOBER 2016

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2015	2016	% Change
October Comparison	89.6%	90.9%	1.3%

	2014-2015	2015-2016	% Change
12-Month November 2015 - October 2016	90.5%	90.8%	0.3%

Analysis:

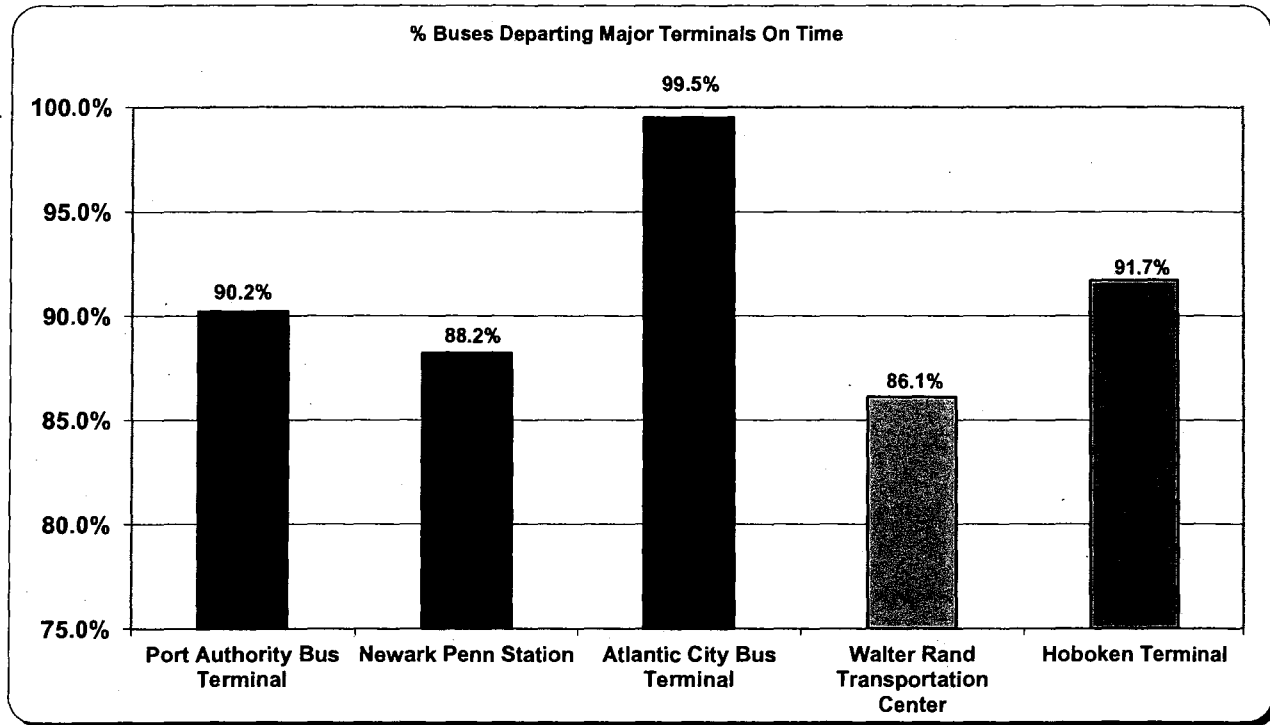
Bus On-Time Performance was 90.9% for October 2016. Of the 44,481 monitored departures, 4,066 (or 9.1%) experienced delays. Key causes included:

- At Port Authority Bus Terminal, a multi-vehicle accident on 495 outbound on October 7 coupled with concert traffic to the Meadowlands caused major delays. On October 21, congestion in New York blocked the terminal entrance.
- In Newark, NJT cross-honoring PATH on October 27 and the closure of Market Street for a parade on October 31 caused delays.

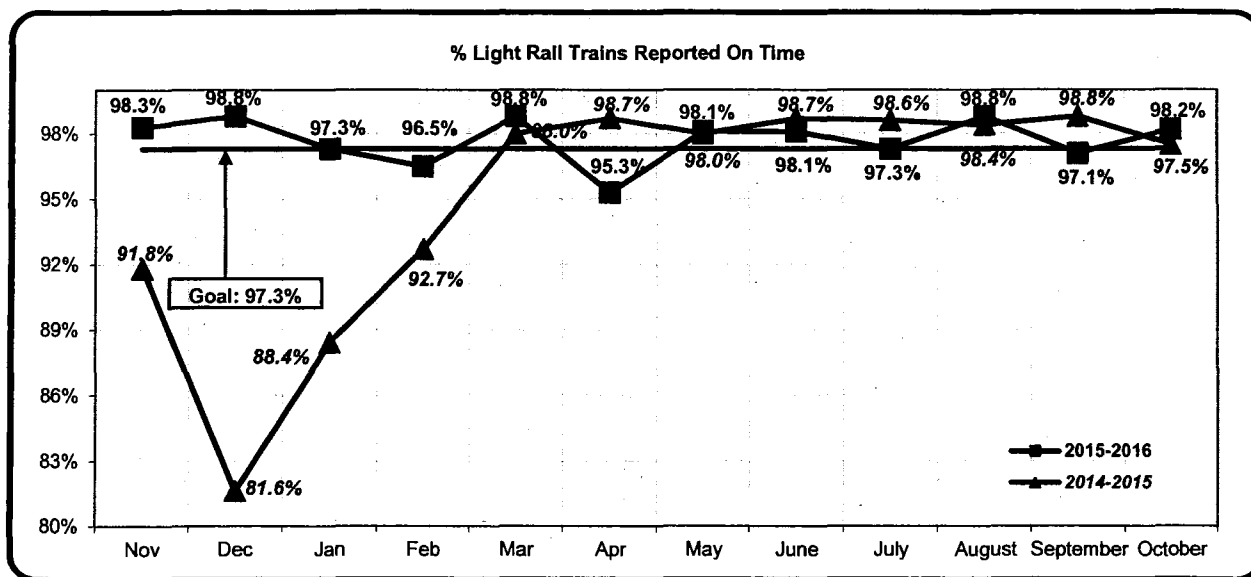
The 12-month average for Bus On-Time Performance for November 2015 - October 2016 was 90.8%, which was a decrease of 0.3% from the previous year.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL OCTOBER 2016



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL NOVEMBER 2014 - OCTOBER 2016



	2015	2016	# Change
October Comparison	97.5%	98.2%	0.7%

	2014-2015	2015-2016	# Change
12-Month Average November 2014 - October 2016	95.1%	97.7%	2.6%

Analysis:

Light Rail On-Time Performance systemwide was 98.19% for the month of October 2016.

Of the 26,697 monitored departures, 484 (or 1.8%) experienced delays.

Key causes included:

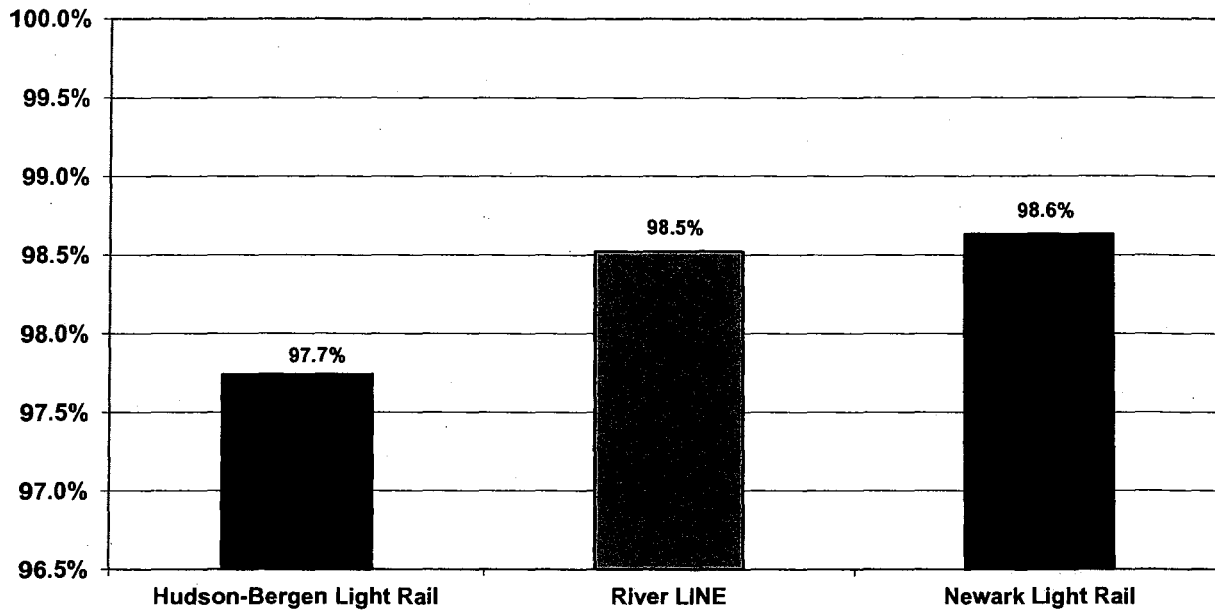
- Disabled train on the alignment delayed 28 Hudson-Bergen Light Rail trains on October 18.
- A track obstruction and auto collision delayed 12 River LINE trains on October 24.
- Mechanical failure at Bloomfield Station delayed 17 Newark Light Rail trains on October 27.

The 12-month average for Light Rail On-Time Performance for November 2015 - October 2016 was 97.7%, which increased by 2.6% compared to November 2014 to October 2015.

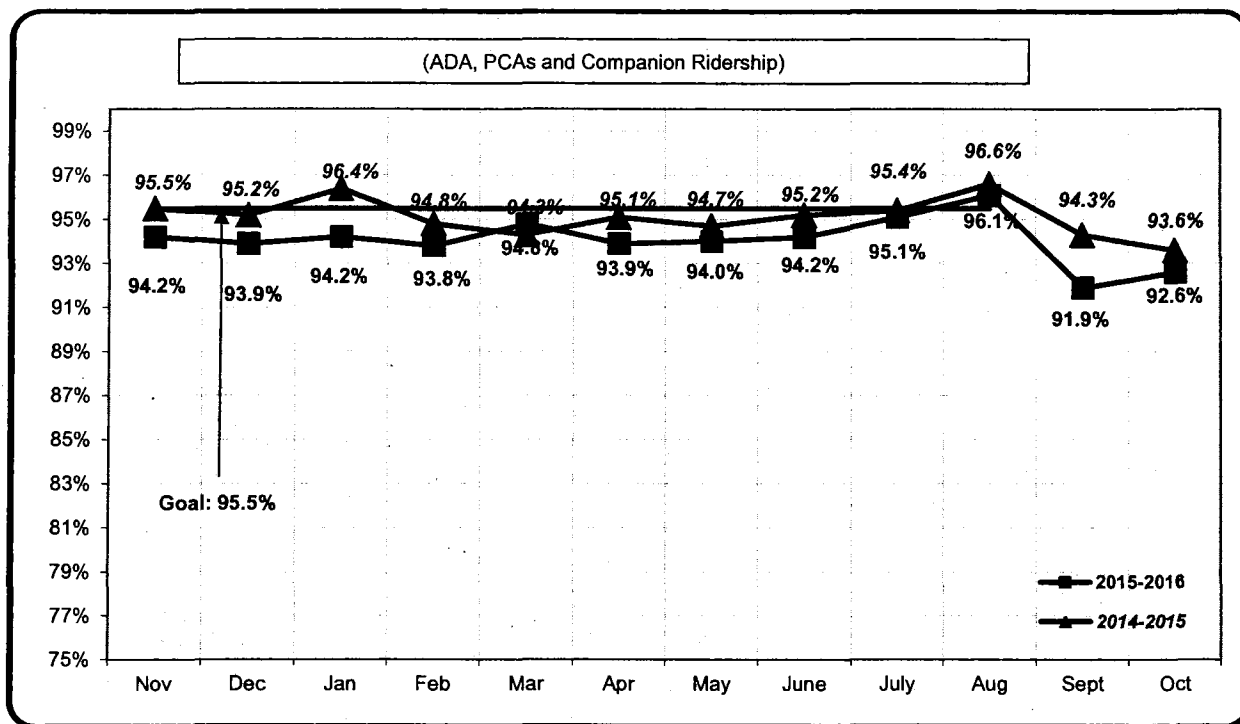
ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE
OCTOBER 2016

% Light Rail Trains Reported On Time



NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK NOVEMBER 2014 - OCTOBER 2016



	2015	2016	% Change
October Comparison	93.6%	92.6%	-1.0%

	2015	2016	Difference
October Ridership	134,326	138,468	4,142

	2014-2015	2015-2016	% Change
12-Month Average November-October	95.1%	94.1%	-1.0%

Analysis:

Access Link On-Time Performance was 92.6 % for October 2016. In serving 138,468 total riders, for 126,347 ADA customers trips, 9,290 (or 7.4%) experienced delays.

Key causes include:

- * Sedan recalls placing majority of sedans out of service
- * Increase Traffic volume & congestion causing service delays.
- * Cancellations and customer no-shows.

The 12-month average for Access Link On-Time Performance for November 2015 - October 2016 was 94.1%, which decreased by -1.0%.

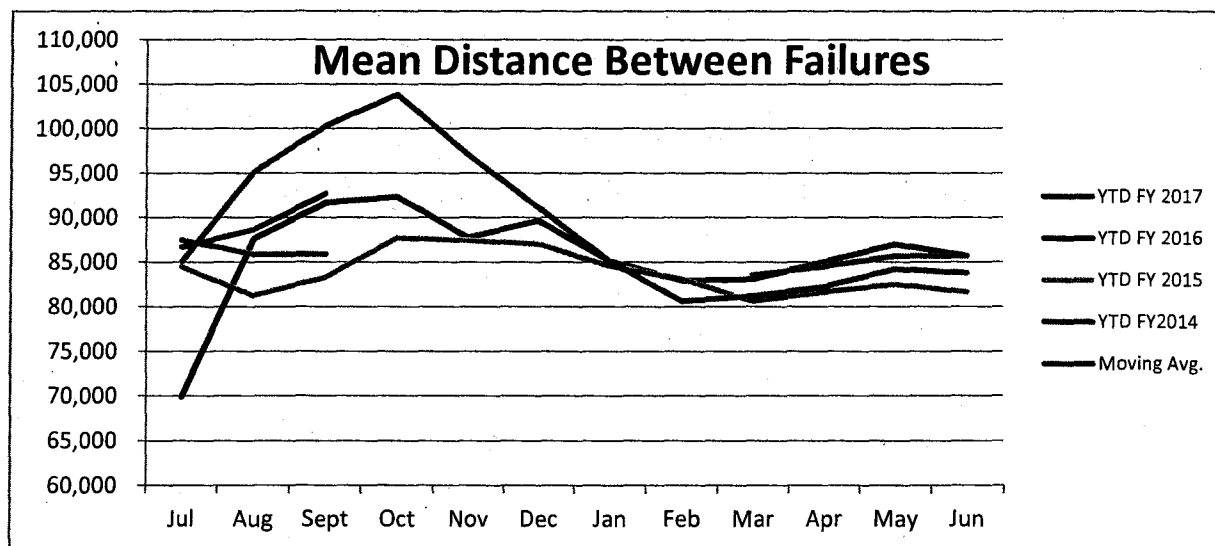
MEAN DISTANCE BETWEEN FAILURES

September-16

NJ Transit Rail

Mean Distance Between Failures

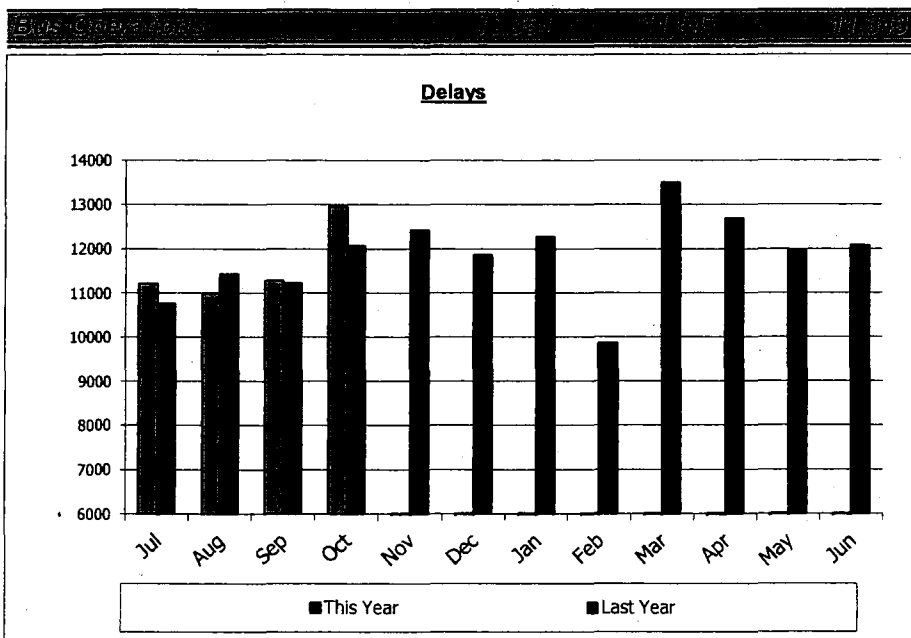
Month	YTD FY2017	YTD FY2016	YTD FY2015	YTD FY2014	12 Month Moving Avg.
Jul	86,683	69,926	84,508	85,097	87,513
Aug	88,680	87,565	81,319	95,116	85,898
Sept	92,705	91,669	83,368	100,341	85,954
Oct	-	92,329	87,750	103,813	-
Nov	-	87,756	87,434	97,112	-
Dec	-	89,655	87,042	91,128	-
Jan	-	85,167	84,607	85,161	-
Feb	-	82,949	83,179	80,639	-
Mar	-	83,112	80,659	81,229	83,578
Apr	-	85,060	81,649	82,293	84,538
May	-	87,022	82,566	84,237	85,696
Jun	-	85,722	81,704	83,798	85,722



Note: Because of the Hoboken incident on September 29th the actual mileage for the 29th and 30th are out of variance.

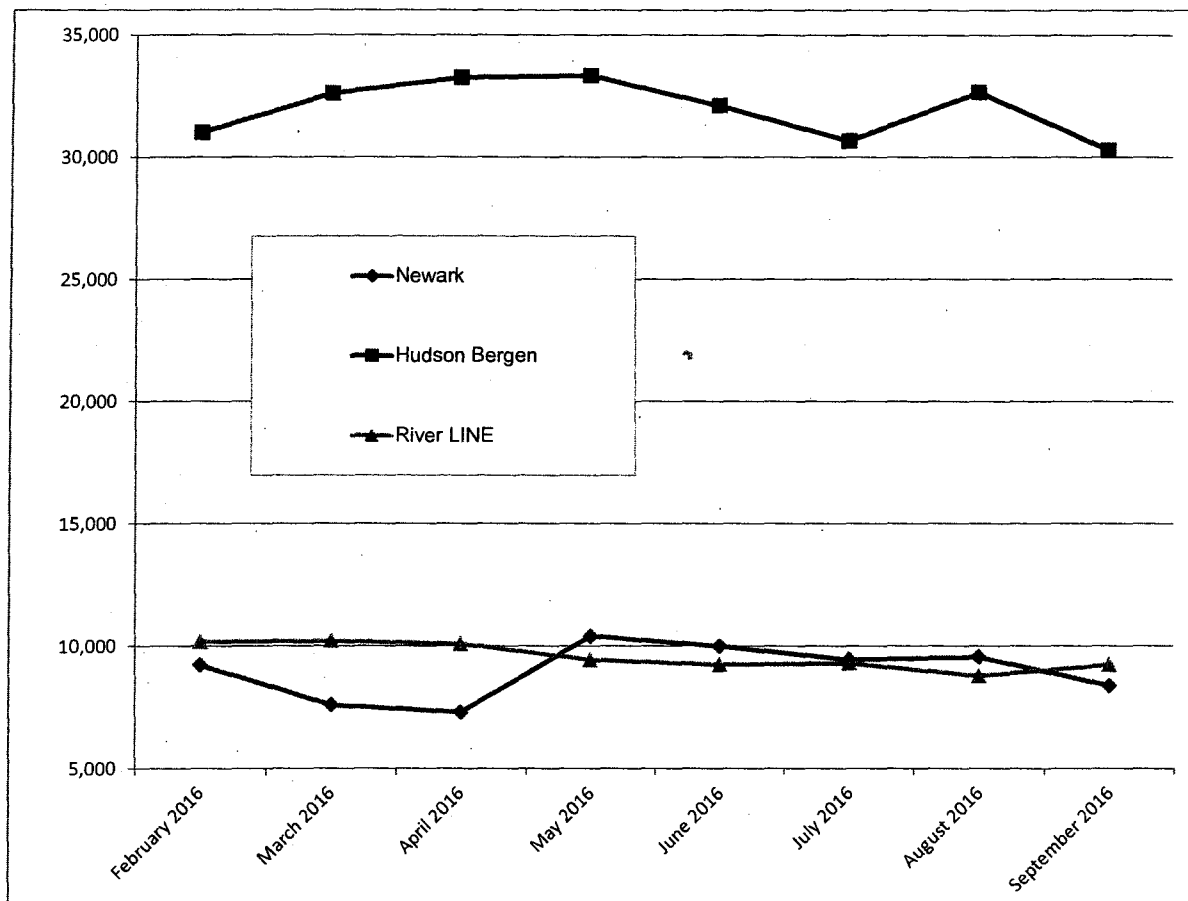
Garage Performance Parameters**October 2016**

Location	Miles Between In-Service Delays			
	FY2017 Goal	This Month	FY2017 YTD	FY2016 YTD
Fairview	7,000	7,396	6,277	5,510
Greenville	9,900	6,211	5,679	7,589
Market Street	9,500	8,752	8,988	7,884
Meadowlands	11,500	6,734	7,308	7,728
Oradell	13,500	16,788	10,262	10,235
Wayne	12,500	21,363	13,336	10,942
Northern Division	63,900	10,628	8,973	8,622
Big Tree	9,600	19,241	9,586	7,631
Hilton	10,500	9,833	10,376	11,305
Howell	16,750	40,705	33,853	37,112
Ironbound	9,800	9,235	9,518	9,991
Orange	10,200	10,972	9,856	8,108
Morris	10,500	47,859	48,179	99,781
Central Division	67,350	13,969	13,025	12,690
Egg Harbor	16,500	20,810	15,211	13,919
Hamilton	20,000	15,123	18,535	19,634
Newton Avenue	15,700	19,975	13,868	17,657
Washington Twp.	14,500	11,519	13,045	13,880
Southern Division	66,700	15,706	14,476	15,064



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

NJT LIGHT RAIL	MDBSF * September 2016
Newark Light Rail	8,367
Hudson Bergen	30,289
River LINE	9,235

AVERAGE MILES BETWEEN IN-SERVICE MECHANICAL FAILURES

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

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

DBE/SBE PROGRAM

NJ TRANSIT –Office of Business Development Additional DBE/SBE Participation for October 2016**State Funded Contracts**

During the month of October 2016, NJ TRANSIT awarded **\$134,049.00** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$0.00** or **0.00%**.

During the State Fiscal Year 2017 (July 1, 2016 through June 30, 2017) NJ TRANSIT awarded **\$452,181.00** in state funded contracts. Of that total, SBEs received **\$0.00** or **0.00%**.

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

Category 1 SBEs received	\$0.00	or 0.00%
Category 2 SBEs received	\$0.00	or 0.00%
Category 3 SBEs received	\$0.00	or 0.00%
Category 4 SBEs received	\$0.00	or 0.00%
Category 5 SBEs received	\$0.00	or 0.00%
Category 6 SBEs received	\$0.00	or 0.00%

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

During the 4th Quarter (July 1, 2016 – September 30, 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 **\$7,296,104.75**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$2,259,295.50** or **30.97%**.

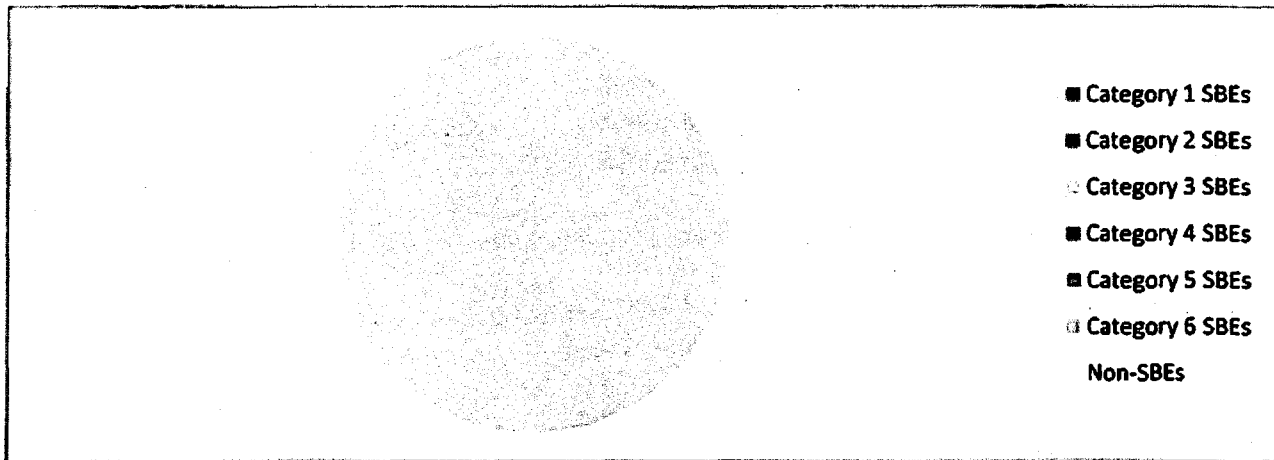
DBE Goal Attainment from October 1, 2013 (FFY 2014) - September 30, 2016 (FFY 2016) **

Contracts awarded	\$45,678,251.40
DBEs received	\$ 9,308,015.84 or 20.38%

*****Numbers reflect federal share.***

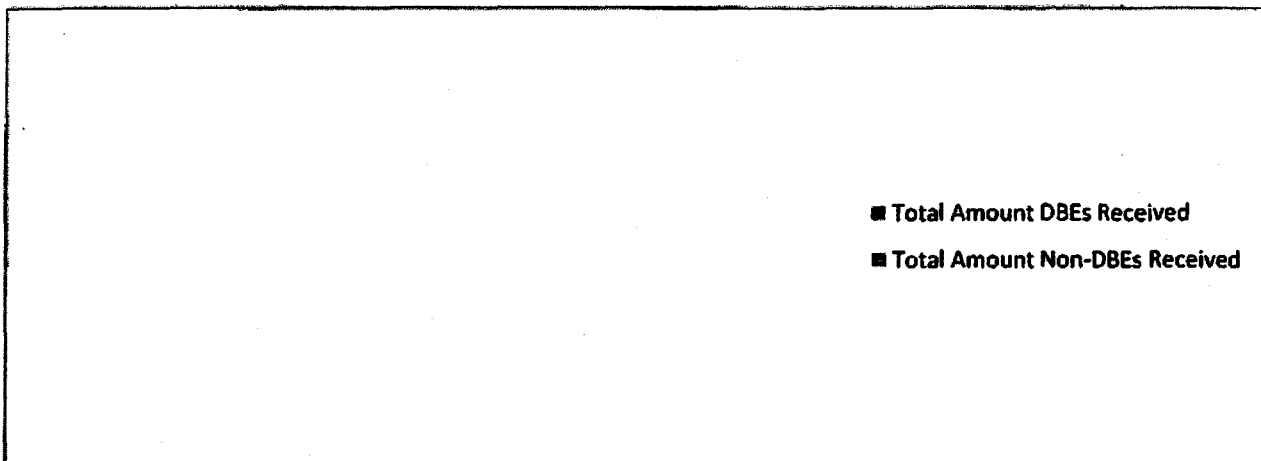
**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD 2017**

<i>Category 1 SBEs</i>	\$0.00	0.00%
<i>Category 2 SBEs</i>	\$0.00	0.00%
<i>Category 3 SBEs</i>	\$0.00	0.00%
<i>Category 4 SBEs</i>	\$0.00	0.00%
<i>Category 5 SBEs</i>	\$0.00	0.00%
<i>Category 6 SBEs</i>	\$0.00	0.00%
<i>Non-SBEs</i>	\$452,181.00	0.00%



**DBE PARTICIPATION
FEDERAL CONTRACTS
TRIENNIAL YEARS 2017-2019**

Total Amount DBEs Received	\$0.00	#DIV/0!
Total Amount Non-DBEs Received	\$0.00	#DIV/0!



EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Eight NJ TRANSIT employees recently retired with careers ranging from 13 to 35 years of service:

1. Charles Bathelus, Depot Clerk – Wayne – 18 years
2. Derrick Stone, Operator – Orange – 23 years
3. Gerda Bellevue, Cleaner – Orange – 13 years
4. Nana Ababio, Operator – Orange – 24 years
5. Paul Merkler, Repairman – Newark Bus – 28 years
6. John Squitieri, Chief Light Rail/Contract Services – Penn Plaza – 20 years
7. Brian Farrell, Supervisor Distribution/NBC Stockrooms – Newark Bus – 31 years
8. David Richman, Data Procurement Coordinator – Penn Plaza – 35 years

ACTION ITEMS

ITEM 1611-59: CONTRACTING OUT: ATLANTIC CITY RAIL TERMINAL SHUTTLE SERVICE**BENEFITS**

NJ TRANSIT's Atlantic City Rail Line riders rely on connecting shuttle bus service between various hotel and casino locations and the Atlantic City Rail Terminal and Convention Center. Since July 1998, the Atlantic City Jitney Association (ACJA) has provided the shuttle bus service under agreement with NJ TRANSIT. Because the ACJA has unique and exclusive operating rights within certain areas of Atlantic City, it is able to provide the service more efficiently and with greater convenience to the public than any other operator. Continuation of this service is important to our riders and to the Atlantic City community and it is consistent with our mission to provide for a coherent, efficient, and effective public transportation system.

ACTION (Scorecard: Financial Performance, Customer Experience)

Staff seeks authorization to enter into an agreement with the Atlantic City Jitney Association to operate the Atlantic City Rail Terminal Shuttle Service, for a 48 month agreement period from January 1, 2017 through December 31, 2020, at a total cost not to exceed \$7,279,113, plus five percent for contingencies.

Staff also seek authorization to exercise options to extend this agreement for two 36-month periods, in accordance with the carrier's proposal, at a cost not to exceed \$5,456,837 for the first option period from January 1, 2021 through December 31, 2023 and \$5,456,837 for the second option period from January 1, 2024 through December 31, 2026, plus five percent for contingencies.

The combined agreement cost with option periods is not to exceed \$18,192,787, plus five percent for contingencies.

PURPOSE

Authorization of this item will ensure that the Atlantic City Rail Terminal shuttle service will continue to be operated safely, reliably, and efficiently. The shuttle service meets each arriving and departing train and consequently must operate 23 hours per day, 365 days per year and has estimated annual ridership of 250,000 passengers. Staff has determined that the service can be operated most efficiently and economically by executing a service agreement with the existing carrier for a period of ten years. Staff has also determined that NJ TRANSIT's cost to directly operate the shuttle service would be higher than the amount proposed by the ACJA. The carrier will fully comply with all US DOT regulations and New Jersey's "Conscientious Employee Protection Act."

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

FISCAL IMPACTS

Requested Authorization:	\$18,192,787 (120 month) plus 5% for contingency	
Total Project Cost:	\$19,102,426	
Project Date of Completion:	December 31, 2026 for base agreement period plus two 36-month option periods	
Capital Project Amount:	N/A	
Operating Budget Amount: (Base Agreement Period)	FY17 (6 months)	\$ 909,939
	FY18	\$1,819,779
	FY19	\$1,819,779
	FY20	\$1,819,779
	FY21 (6 months)	\$ 909,838
Anticipated Source of Funds:	Fiscal Years 2017-2021 Operating Budgets	
Prints ID Number:	N/A	
DBE/SBE Goal:	0% SBE	
Related /Future Authorizations:	Item# 0805-35 – Atlantic City Rail Terminal Shuttle Service –Dated May, 14, 2008	

RESOLUTION

WHEREAS, the Atlantic City Jitneymen's Association has provided shuttle bus service between various hotel and casino locations in Atlantic City and the Atlantic City Rail Terminal and Convention Center since July 1998; and

WHEREAS, NJ TRANSIT recognizes that the Atlantic City community and Atlantic City Rail Line riders greatly benefit from the rail terminal shuttle service; and

WHEREAS, due to the unique and exclusive operating authority enjoyed by the ACJA continuation of the service for a period of ten years using the existing carrier is the most efficient and effective method of providing the service;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a agreement with Atlantic City Jitney Association, and to take all other actions necessary to implement and administer the agreement for the operation of the Atlantic City Rail Terminal shuttle Service for an initial 48-month base agreement period, January 1, 2017 through December 31, 2020 at a combined cost not to exceed \$7,279,113, plus five percent for contingencies subject to the availability of funds and Board approval of NJ TRANSIT's operating budget; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to exercise that options to extend the agreement with Atlantic City Jitney Association for the two 36-month periods, in accordance with the carrier's proposal, at a cost not to exceed \$5,456,837 for the first option period, January 1, 2021 through December 31, 2023 and \$5,456,837 for the second option period, January 1, 2024 through December 31, 2026, plus five percent for contingencies subject to the availability of funds and Board approval of NJ TRANSIT's operating budgets.

ITEM 1611-60: REGULATIONS: RULE-MAKING PROCESS – PROPOSED READOPTION WITH AMENDMENTS TO N.J.A.C. 16:87: PROOF OF PAYMENT

BENEFITS

Readoption of regulations governing proof of payment in order to maintain an effective and efficient method of ensuring that fares are paid by riders of rail passenger services operated by or under contract with NJ TRANSIT.

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

Staff seeks authorization to initiate the rule-making process as a step toward effectuating the readoption of the regulations, N.J.A.C. 16:87 et seq. Proof of Payment, consistent with this Board item and Exhibit A.

PURPOSE

Authorization to initiate the rule-making process for these amended regulations will advance efforts to reestablish and enhance guidelines and procedures which govern the proof of payment fare collection policy.

BACKGROUND

NJ TRANSIT and its subsidiaries are responsible for the provision of rail, light rail and bus services in the State of New Jersey. NJ TRANSIT is authorized to set and collect fares for the services it or its contractors provide to the riding public.

In order to provide NJ TRANSIT with a more effective and efficient way of ensuring that NJ TRANSIT fares are paid by its riders of rail services, P.L. 1997, c.357 (N.J.S.A. 27:25-5.6 et seq.), authorized NJ TRANSIT to implement a proof of payment fare collection policy for rail passenger service. This law remains in effect. NJ TRANSIT uses proof of payment fare collection on its light rail services where the riders are required to purchase their monthly pass or individual ticket prior to boarding the vehicle or entering a designated pre-paid area. Persons failing to purchase and/or properly validate a ticket, could be issued a Special Complaint Summons, which carries with it a maximum fine of \$100. Since most offenders will pay the fine, there is less need for fare enforcement employees to appear in court. The process is also designed to give light rail riders an incentive to purchase and validate their ticket ahead of time as required.

Continued use of proof of payment is required for NJ TRANSIT's light rail systems and Newark City Subway because they do not lend themselves to other more conventional approaches to fare collection. The reasons are:

1. Light rail vehicles have multiple sets of doors to expedite boarding and exiting for high volumes of riders. The doors are located in portions of the vehicle not adjacent to the operator. Consequently, the operator will not be able to collect fares as passengers enter or exit; and
2. Light rail stations have curb-level platforms and several are located in street rights-of-way, which preclude the use of gated platforms and turnstiles; and
3. Light rail stations are spaced closely together so on-board conductors would not have the ability to check tickets and collect cash fares on board. "Smart cards" are also not an option.

The Proof of Payment regulations initially were effective in July 19, 2004. The regulations are currently set to expire on December 11, 2016. Staff has determined that these regulations are responsive to the purpose for which they were originally promulgated. This item is intended to readopt the regulations at N.J.A.C. 16:87 et seq., with one minor grammatical change.

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

FISCAL IMPACTS

Requested Authorization:	Initiate the rule-making process for the readoption of <u>N.J.A.C. 16:87 et seq.</u> , Proof of Payment, with one minor amendment
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 Goals:	N/A
<i>NJ Build</i> Amount:	N/A

Related/Future Authorizations: N/A

**Impacts on Subsequent
Operating Budgets:** N/A

RESOLUTION

WHEREAS, NJ TRANSIT is authorized to set and collect fares for the services it or its contractors provide to the riding public; and

WHEREAS, in order to continue to provide NJ TRANSIT with an effective and efficient method of ensuring that NJ TRANSIT fares are paid by its riders of light rail services, P.L. 1997, c.357, (N.J.S.A. 27:25-5.6 et seq.) establishes a specific statutory framework for dealing with fare evasion on rail passenger services operated by or under contract with NJ TRANSIT; and

WHEREAS, staff reviewed the current regulations and determined that the rules are necessary, adequate, reasonable, efficient, understandable and responsive to the purposes for which they were originally promulgated, and should be readopted with the proposed amendment; and

WHEREAS, these amended rules will advance the guidelines and procedures that govern effective and efficient fare collection by NJ TRANSIT; and

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director or his designee is authorized to initiate the rule-making process as a step toward effectuating the readoption of the regulations, N.J.A.C. 16:87 et seq., Proof of Payment, consistent with this Board item and Exhibit A.

EXHIBIT A

DRAFT

**PROPOSED READoption WITH AMENDMENTS:
N.J.A.C. 16:87 PROOF OF PAYMENT**

The agency proposal follows:

Summary

In October 1998, the New Jersey Transit Corporation (NJ TRANSIT) adopted rules on proof of payment. NJ TRANSIT, pursuant to N.J.S.A. 27:25-5(n) is authorized to set and collect fares for the services it or its contractors provide to the riding public. Since October 4, 1999, the system has been in place and NJ TRANSIT Fare Enforcement Officers have been issuing citations since December 20, 1999. These rules are scheduled to expire on December 11, 2016. NJ TRANSIT has reviewed these rules and has determined that they are necessary, reasonable, adequate, efficient, understandable and responsive to the purpose for which it was originally promulgated, with the exception of a few minor amendments.

A summative review of each of the subchapters of N.J.A.C. 16:87 follows:

Subchapter 1 contains the purpose of the rule and sets forth definition of terms used in this rule. Subchapter 2 contains the process of payment of fare and violations. Subchapter 3 contains the description of penalties, which includes civil penalties, and suspension of driving privileges. Subchapter 4 contains a description of venue.

The proposed amendments to N.J.A.C. 16:87 are as follows:

N.J.A.C. 16:87-2.1 has been amended to reflect a grammatical change.

As NJ TRANSIT has provided a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirements, pursuant to N.J.A.C.1:30-3.3(a)5.

Social Impact

The rules proposed for readoption with amendments provides an effective efficient way for NJ TRANSIT to ensure that all of its users are paying the correct fare for the transportation provided. This system treats users appropriately and provides incentives (fines, court costs, contempt, arrest, loss of driver's license) to purchase the appropriate ticket for the correct price. Only persons who choose to use rail service without paying the appropriate fare feel the negative impacts of the rules.

EXHIBIT A

Economic Impact

The rules proposed for readoption with amendments will not increase the fares of users of rail passenger services. Therefore, there will be no economic impact on NJ TRANSIT users who pay the appropriate fare. There will be a negative economic impact on persons who choose to pay their fares to or upon boarding certain rail services. Because of increased activity in certain municipal courts, their cost of operation may be increased. However, NJ TRANSIT estimates that court costs and the municipality's share of the revenue from the fines (50 percent) should be more than adequate to defray any additional costs.

Federal Standards Statement

The rules proposed for readoption with amendments is not subject to any Federal standards and, therefore, a Federal standards analysis is not required for this rulemaking.

Job Impact

The rules proposed for readoption with amendments will not affect the creation or loss of jobs.

Agriculture Industry Impact

The rules proposed for readoption with amendments have no impact on the agriculture industry.

Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the rules proposed for readoption with amendments do not impose reporting, recordkeeping, or other compliance requirements on small businesses as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The rules affect NJ TRANSIT, subject individuals, and courts, and will not apply to any small businesses.

Housing Affordability Impact

The rules proposed for readoption with amendments will have an insignificant impact on affordable housing in New Jersey, and there is an extreme unlikelihood that the rules would evoke a change in the average costs associated with housing because the rules pertain to proof of payment for NJ TRANSIT.

Smart Growth Development Impact

The rules proposed for readoption with amendments will have an insignificant impact on smart growth, and there is an extreme unlikelihood that the rules would

EXHIBIT A

evoke a change in housing production in Planning Areas 1 or 2 within designated centers under the State Development and Redevelopment Plan in New Jersey because the rules pertain to proof of payment for NJ TRANSIT.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

SUBCHAPTER 1. GENERAL PROVISIONS**16:87-1.1 Purpose**

The New Jersey Transit Corporation (NJ TRANSIT) and its subsidiaries are responsible for the provision of rail and bus services in the State of New Jersey. NJ TRANSIT, pursuant to N.J.S.A. 27:25-5(n), is authorized to set and collect fares for the services it or its contractors provide to the riding public. Prior to the enactment of N.J.S.A. 27:25-5.6 et seq., and promulgation of this chapter, if a rider refused to pay the proper fare, NJ TRANSIT's only recourse was to eject the person from the rail car and/or file a municipal court complaint alleging theft of services in violation of Title 2C of the New Jersey Criminal Code. That process was expensive and time consuming; it required the arresting officer and/or the conductor to appear in court over a dispute involving a small amount of money. In order to provide NJ TRANSIT with a more effective and efficient way of ensuring that NJ TRANSIT fares are paid by its rail services riders, P.L. 1997, c.357 (N.J.S.A. 27:25-5.6 et seq.) was signed into law on January 15, 1998 by Governor Whitman. That statute establishes a specific legal framework for dealing with fare evasion on rail passenger services operated by or under contract with NJ TRANSIT. The purpose of this chapter is to effectuate the purposes of said statute.

16:87-1.2 Definitions

The following words and terms as used in this chapter shall have the following meanings:

"Act" means the provisions of P.L. 1997, c.357 (N.J.S.A. 27:25-5.6 et seq.).

"Authorized employee" means an employee of a provider of rail passenger service authorized by the provider of rail passenger service to request and inspect proof of payment of the prescribed fare from persons using rail passenger service.

"Fare enforcement officer" means an employee of NJ TRANSIT, appointed pursuant to section 7 of the Act (N.J.S.A. 27:25-5.12), who is authorized to enforce the provisions of the Act and this chapter by requesting and inspecting proof of payment of the prescribed fare from the persons using rail passenger services when proof of payment is required, and by signing and issuing a

EXHIBIT A

complaint and a summons to any person for a violation of the provisions of the Act, or this chapter, regardless of whether the rail passenger service is operated by NJ TRANSIT or by a public or private entity under contract to NJ TRANSIT. A fare enforcement officer shall include a transit or other police officer, or a conductor or trainman so authorized.

"NJ TRANSIT" means the New Jersey Transit Corporation.

"Pre-paid fare area" means an area designated by a provider of rail passenger service where payment of the prescribed fare is required before entering the area.

"Proof of payment" means a ticket, pass, receipt or other article designated by a provider of rail passenger service to indicate that a passenger has paid for the use of rail passenger service.

"Provider of rail passenger service" means NJ TRANSIT or a public or private entity under contract to NJ TRANSIT to provide rail passenger service.

"Rail passenger service" means and includes the operations of a railroad, subway, street, traction or electric railway for the purpose of carrying passengers in New Jersey or between points in New Jersey and points in other states.

"Single use ticket" means all one-way full and reduced fare tickets.

"Use of rail passenger service" means the boarding, occupying, riding in, or otherwise utilizing rail passenger service for conveyance.

"Validate" means having a single use ticket electronically time-stamped by an appropriately designated machine.

SUBCHAPTER 2. PAYMENT OF FARE AND VIOLATIONS**16:87-2.1 Payment of fare**

The use of a rail passenger service by a person shall constitute an agreement by the person to pay the prescribed fare for the service. A person who has paid the prescribed fare for a rail passenger service and who has been issued proof of payment therefor shall retain that proof of payment while in a pre-paid fare area or [in] on designated rail passenger facilities or vehicles. In addition, single use tickets and transfers must be properly validated in order to constitute proof of payment. Validated tickets are good until the expiration of the time imprinted on them by the validator. Single use tickets which have not been validated, have an improper date, or are time expired do not constitute proof of payment.

EXHIBIT A

16:87-2.2 Violations

(a) It shall be a violation of the Act and this chapter for any person to use or attempt to use rail passenger service or enter a pre-paid fare area and to:

1. Fail or refuse to pay the prescribed fare;
2. Fail to properly validate the proof of payment receipt by date and time-stamping any single use ticket;
3. Evade or attempt to evade payment of the prescribed fare;
4. Fail to display proof of fare payment immediately upon request of an authorized employee or fare enforcement officer; or
5. Fail to cooperate, when a fare enforcement officer issues or attempts to issue a Special Complaint Summons, by failing or refusing to do such things, as providing the person's name and address, as well as written verification thereof. The following forms of written identification are acceptable: driver's license, student identification card, passport, military identification card, birth certificate or Medicare card.

(b) A person who uses rail transportation service for which payment is required in advance or who enters a pre-paid fare area and who fails to exhibit proof of fare payment upon request shall be in violation of the Act and this chapter and shall be subject to the issuance of a Special Complaint Summons.

SUBCHAPTER 3. PENALTIES

16:87-3.1 Civil penalties

A violation of the provisions of the Act or this chapter shall be punishable by a civil penalty not exceeding \$ 100.00, in addition to court costs, enforced in a summary proceeding pursuant to "the penalty enforcement law," N.J.S.A. 2A:58-1 et seq. The Rules Governing the Courts of the State of New Jersey shall govern the practice and procedure in such proceedings. Notwithstanding any other law to the contrary, the court shall remit 50 percent of any civil penalty imposed to NJ TRANSIT for use in furtherance of any of the purposes of the Act and 50 percent shall be forwarded to the proper financial officer of the local government entity in which the municipal or central court has been established to be used by the local government entity to defray the cost of operating the court and for general government use.

EXHIBIT A

16:87-3.2 Suspension of driving privileges

Any person who is charged with a violation of the provisions of the Act or this chapter and who fails to appear at any scheduled court proceeding after written notice has been given to said person pursuant to the Rules Governing the Courts of the State of New Jersey, may have his or her driving privileges suspended to the extent prescribed by N.J.S.A. 2B:12-31.

SUBCHAPTER 4. VENUE

16:87-4.1 Venue

A complaint for a violation of any of the provisions of the Act or this chapter may be filed with a court having jurisdiction, at any time within one year after the commission of the violation. When a person has been charged with a violation of the Act or this chapter and summoned to appear, upon failure to appear, in addition to any other provisions of law or the Rules Governing the Courts of the State of New Jersey, a warrant for the arrest of the person may be issued. All proceedings shall be venued before a municipal or central municipal court having jurisdiction in the municipality in which it is alleged that the violation occurred, but when a violation occurs on a moving conveyance operated by NJ TRANSIT or one of its contractors through two or more municipalities, then the proceeding may be brought before the court having jurisdiction in any one of the municipalities through which the conveyance has traversed.

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 Anthony Howard, the Personal Injury Claim of Anthony Riehle, and the Personal Injury Claim of John Donahue; 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.

POSITIVE TRAIN CONTROL

Project Update

November 2016

SCOPE

POSITIVE TRAIN CONTROL

PTC ON NJ TRANSIT'S COMMUTER RAIL SYSTEM

RIGHT-OF-WAY

- 11 commuter rail lines.
- Installation while continuing operations.
- Approximately 3000 transponders.
- Signal and communications improvements along 326 route miles.
 - 124 radio "towers",
 - communications huts and signal interfaces.

MECHANICAL

- Install new equipment on a total of 440 locomotives, EMUs and cab cars.
- Rail Operations Control Center modifications.
- Freight host/Amtrak/tenant interoperability.

SUPPORT

- FRA oversight and reporting.
- Spectrum acquisition.
- Training 1100 staff.
- Configuration Management.

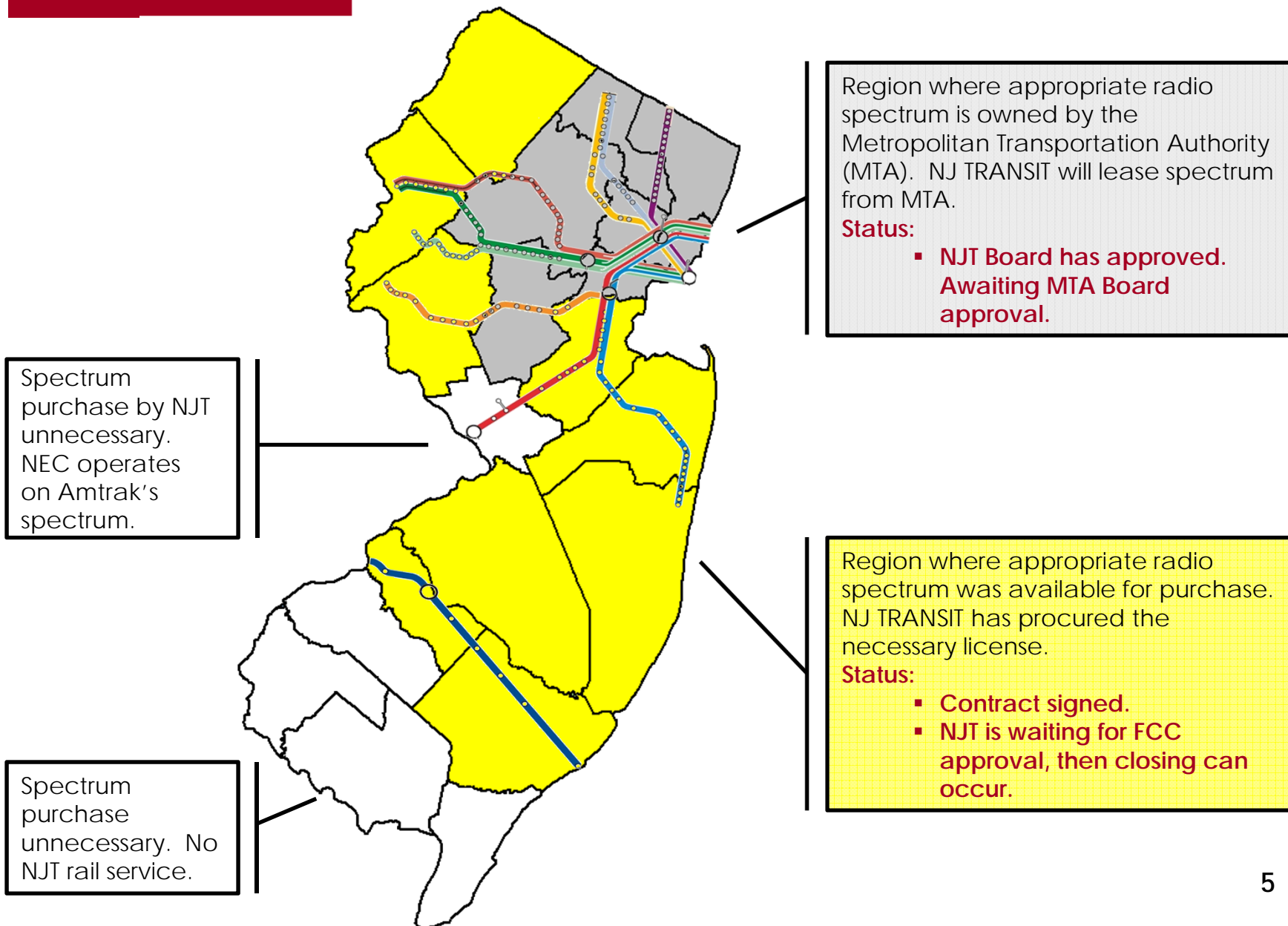


COST**POSITIVE TRAIN CONTROL****TOTAL PROJECT COSTS – ESTIMATED**

▪ Parsons Contract	\$173M
▪ NJ TRANSIT	
— Administration	\$ 72M
— Force Account	
— GBN	
▪ HNTB	\$ 27M
▪ Radio Spectrum	\$ 3M
TOTAL:	\$275M

ELEMENTS**POSITIVE TRAIN CONTROL****MAJOR COMPONENTS OF IMPLEMENTATION**

RADIO SPECTRUM	<ul style="list-style-type: none">▪ Interoperability.▪ Ownership vs. lease.▪ FCC approval.
VEHICLES	<ul style="list-style-type: none">▪ Design/Prototype.▪ Dynamic Testing.▪ Production.▪ Revenue Service.
RIGHT-OF-WAY INFRASTRUCTURE	<ul style="list-style-type: none">▪ Design.▪ Testing.▪ Production.▪ Ground-Based Network (Fiber).
RAIL OPERATIONS INTERFACE	<ul style="list-style-type: none">▪ Rail Operations Center retrofit.▪ Staff training.

SPECTRUM**POSITIVE TRAIN CONTROL**

VEHICLES

POSITIVE TRAIN CONTROL

VEHICLE TYPE	NUMER OF VEHICLES	DESIGN/ PROTOTYPE	DYNAMIC TESTING	PRODUCTION	REVENUE SERVICE
Comet V	97	1 Same Vehicle	1	5	0
PL42	33	1 Same Vehicle	1	0	0
GP40/F40	53	1 Same Vehicle	1	0	0
Multilevel	62	1 Same Vehicle	1	0	0
Alp 46A	36	1	0	0	0
Arrow III (Pairs)	69	1	0	0	0
Alp 45	35	0	0	0	0
Alp 46	29	0	0	0	0
Arrow III (Singles)	21	0	0	0	0
MP20 (Yard car)	5	0	0	0	0

INFRASTRUCTURE

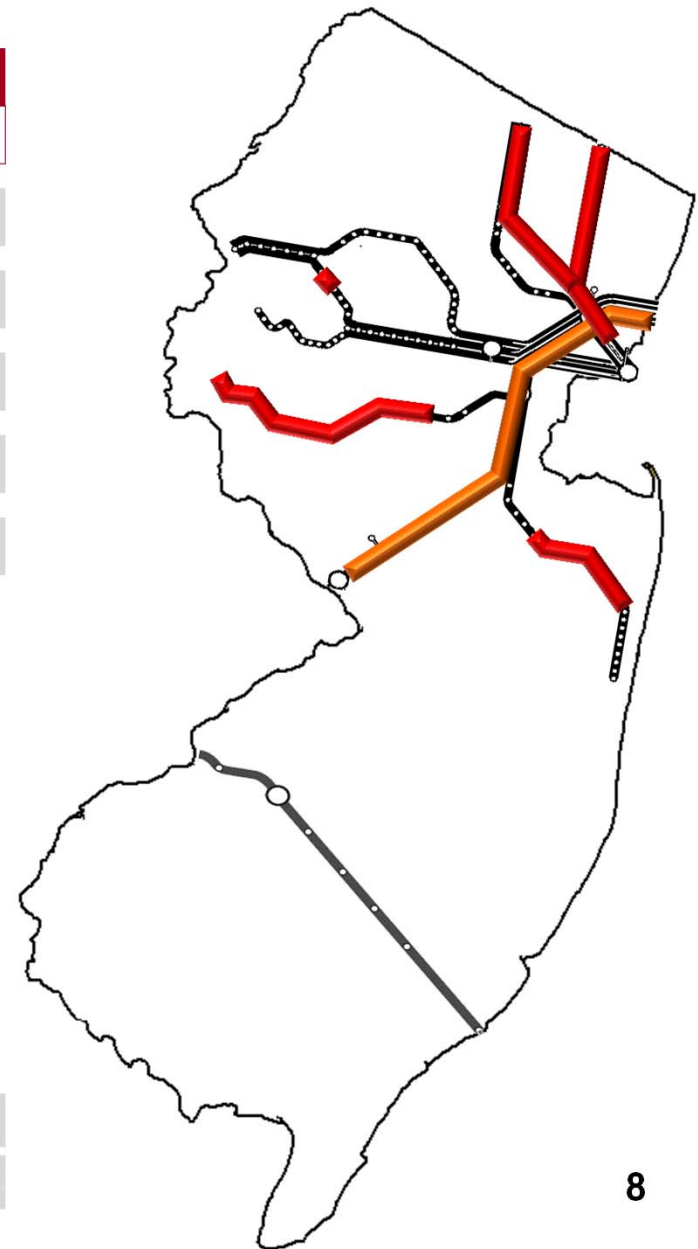
POSITIVE TRAIN CONTROL

R Required Number**D** Design % Complete**I** Installation % Complete

RAIL LINE	TOWERS			RADIOS			WAYSIDE INTERFACE UNITS		
	R	D	I	R	D	I	R	D	I
Demo Track	5	100%	100%	5	100%	100%	2	90%	0
Morristown	30	90%	16%	30	90%	16%	21	50%	0
Gladstone	9	50%	0	9	50%	0	7	90%	0
Montclair Boonton	5	10%	0	5	10%	0	5	50%	0
Pascack Valley	9	10%	0	9	10%	0	8	50%	0
Bergen County	6	10%	0	6	10%	0	4	50%	0
NJCL	16	10%	0	16	10%	0	13	50%	0
Atlantic City	18	10%	0	18	10%	0	9	50%	0
Sport	1	10%	0	1	10%	0	1	90%	0
Hudson	1	10%	0	1	10%	0	1	90%	0
Raritan Valley	19	10%	0	19	10%	0	9	90%	0
Main	10	10%	0	10	10%	0	8	50%	0

STATUS**POSITIVE TRAIN CONTROL**

RAIL LINE	FIBER OPTIC CABLE INSTALLED		
	Miles	% Complete	Date Complete
Demo Track	6	100%	Complete
Pascack Valley	23	100%	Complete
Bergen	15	100%	Complete
NEC (Amtrak)	59	100%	Complete
Raritan Valley	45	100%	Complete
Main	28	58%	2017
NJCL	20	45%	2017
Morristown	6	10%	2017
Gladstone	21	0	2017
Montclair Boonton	12	0	2017
Atlantic City	60	0	2017
<ul style="list-style-type: none"> NJ TRANSIT Total System: 326 miles/40% complete 195 miles remaining. 75 miles of cable in house. 			



RAIL OPERATIONS INTERFACE

POSITIVE TRAIN CONTROL

SUPPORT

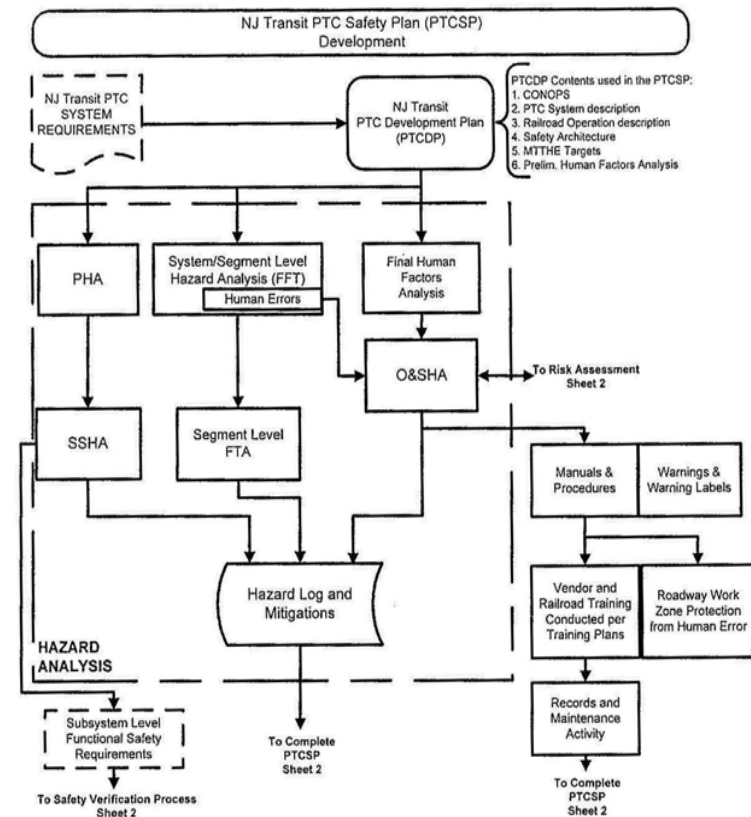
- Rail Operations Control Center modifications.
- Freight host/Amtrak/tenant interoperability.
- FRA oversight and reporting.
- Training 1100 staff.
- Configuration Management.

IMPLEMENTATION

POSITIVE TRAIN CONTROL

SUPPORT

- FRA PTC Implementation Plan annual updates.
- FRA PTC Quarterly updates.
- Configuration Management Plan – Draft.
- PTC Safety Plan – Draft.
- NJ TRANSIT is Vice Chair of the American Association of Railroads NEC PTC subcommittee.
- NJ TRANSIT is on the NEC PTC communications committee.
- NJ TRANSIT attends quarterly NORAC rules meetings for implementing PTC.
- NJ TRANSIT and Metro North meet monthly on interoperability issues.



NJ Transit PTC Safety Plan Development

RADIO

POSITIVE TRAIN CONTROL

SOLUTION

- Interference issues and the need for future encryption capabilities required a new radio.
- Testing at Transit Technology Center, Inc. The tests revealed technical issues with the radio that required GE to issue a recall on all radios.
- The recall and firmware updates have caused a critical path delay in the implementation of the Speed Enforcement System.

MILESTONES**POSITIVE TRAIN CONTROL**

All elements of the project are advancing to meet the 2018 implementation deadline. Achievements to date, include:

**WAYSIDE
INTERFACE
UNITS**

- Four rail lines are 90% complete; seven rail lines are 50% complete.

VEHICLES

- Four prototype designs at 100% complete; two prototype designs 60% complete.
- Vehicle production begins accelerated pace in March 2017.

RADIO

- Spectrum will be available to support testing and implementation.

TRAINING

- Two PTC simulators for engineer training will be delivered in early 2017.



Resilience Program

NJ TRANSIT Resilience Program Update

November 2016

Presentation to NJ TRANSIT Board of Directors

Restore Service and Operations

Identify damaged infrastructure, deploy resources to effect immediate repairs and make service restoration a priority.

Repair in a Resilient Manner

Rebuild and replace assets in a resilient manner. Incorporate designs and materials that resist and better withstand future extreme weather events.

Near Term Risk Reduction

Implement near term risk reduction measures at critical assets.

Resiliency

Implement projects that make the system more resilient.

Quick implementation of emergency repairs to restore service.

- Rail Rolling Stock
- Communication and Signal Systems
- Substations and Catenary Wires
- Hudson-Bergen Light Rail and Newark Light Rail
- Customer Amenities and Stations
- Hoboken Terminal Waiting Room, Vendor Spaces, Restrooms

First grantee in the region to closeout a Category 1, 2 and 3 Emergency Relief Grant.



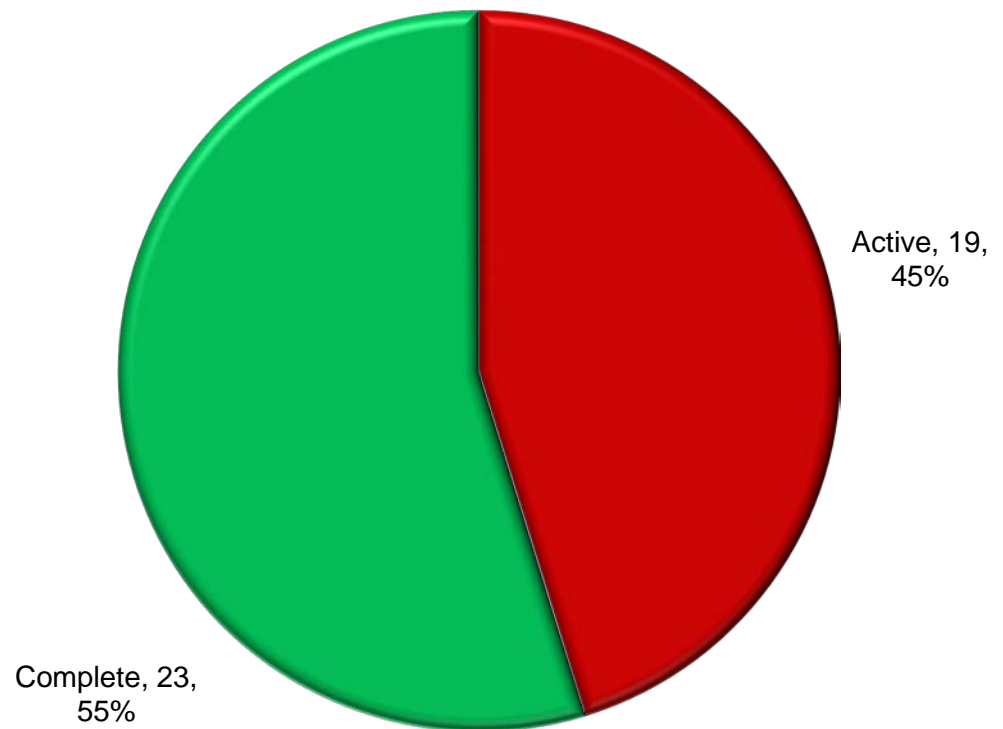
Long-term recovery efforts require substantial design process.

- Substations
 - Henderson, Bay Head Yard, Hoboken House Power “Depot”,
Observer Highway Switch House, and ROC Unit Substation
- Hudson-Bergen Light Rail
- Emergency Operations Center
- Signals and Communications Repair
- Signal Resilience
- Hoboken Terminal
- MMC Flood Protection

42 Federally Funded Projects

- 23 Complete
- 19 Active

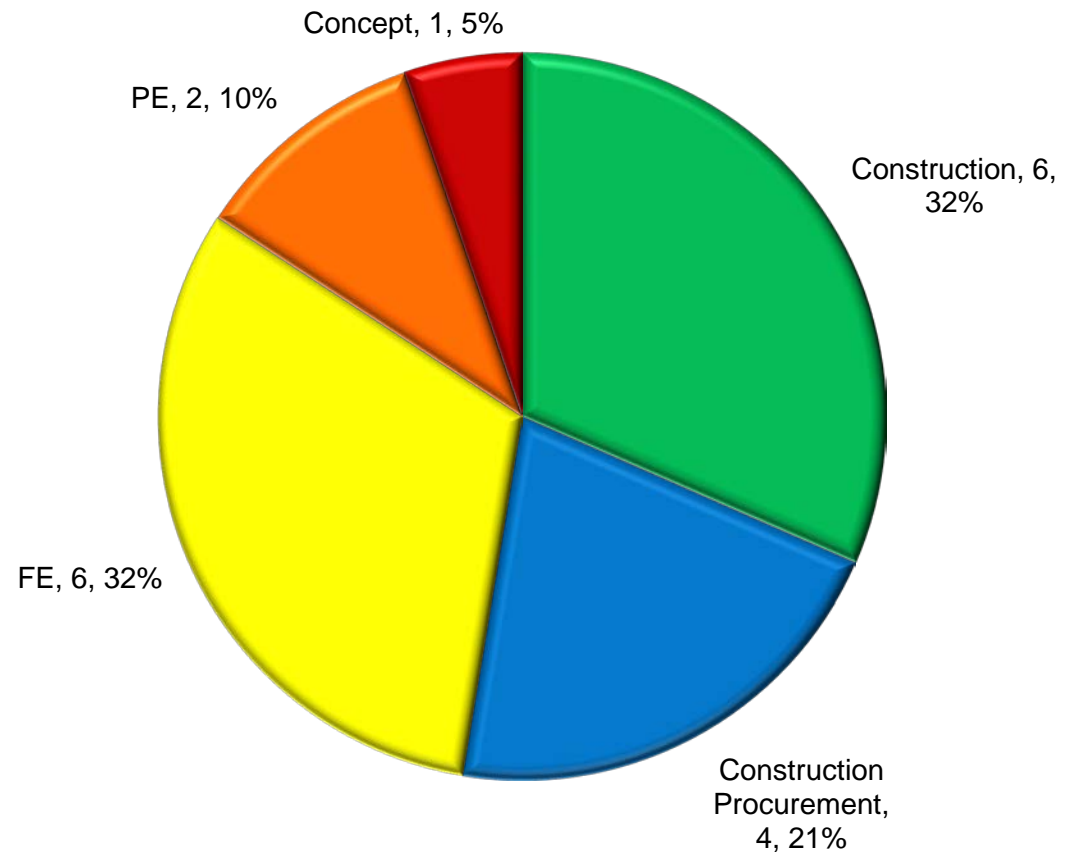
*does not include 5 Competitive Resilience Projects

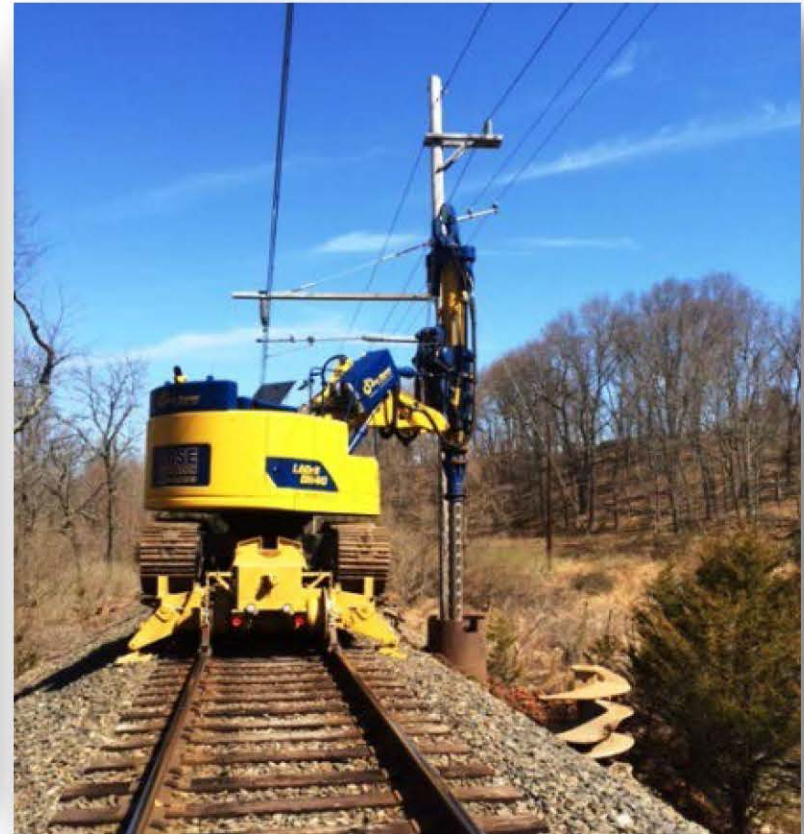


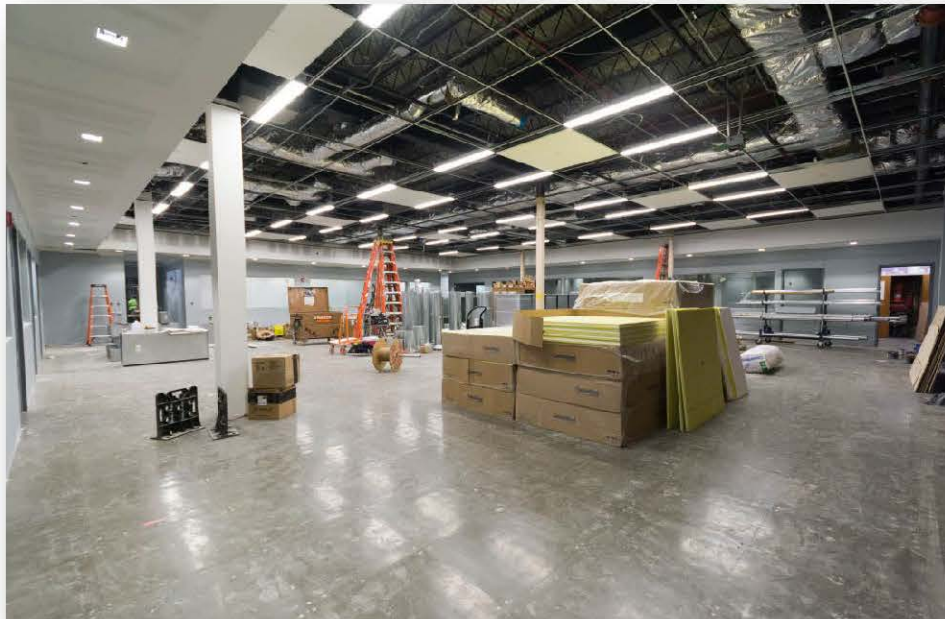
19 Active Projects

- 1 Conceptual Design Phase
- 2 Preliminary Design Phase
- 6 Final Design Phase
- 4 Construction Procurement
- 6 Construction

*does not include 5 Competitive Resilience Projects

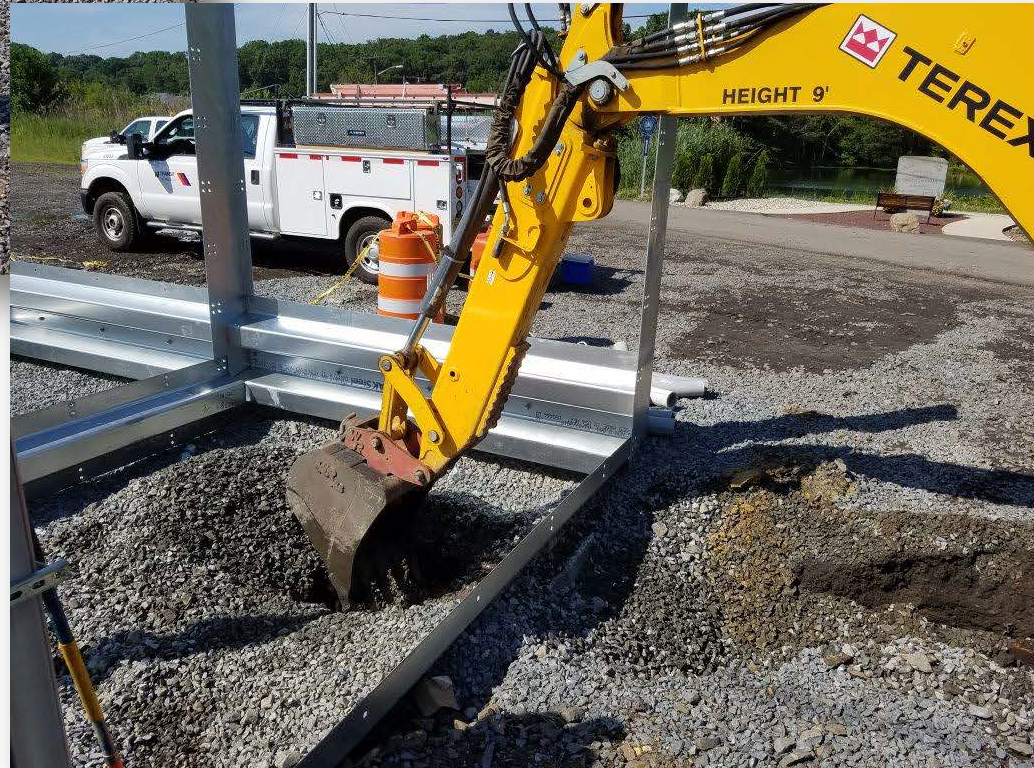






(NJT Board - 11/09/2016)
COMMUTER RAIL SIGNAL REPAIR AND RESILIENCE

50015







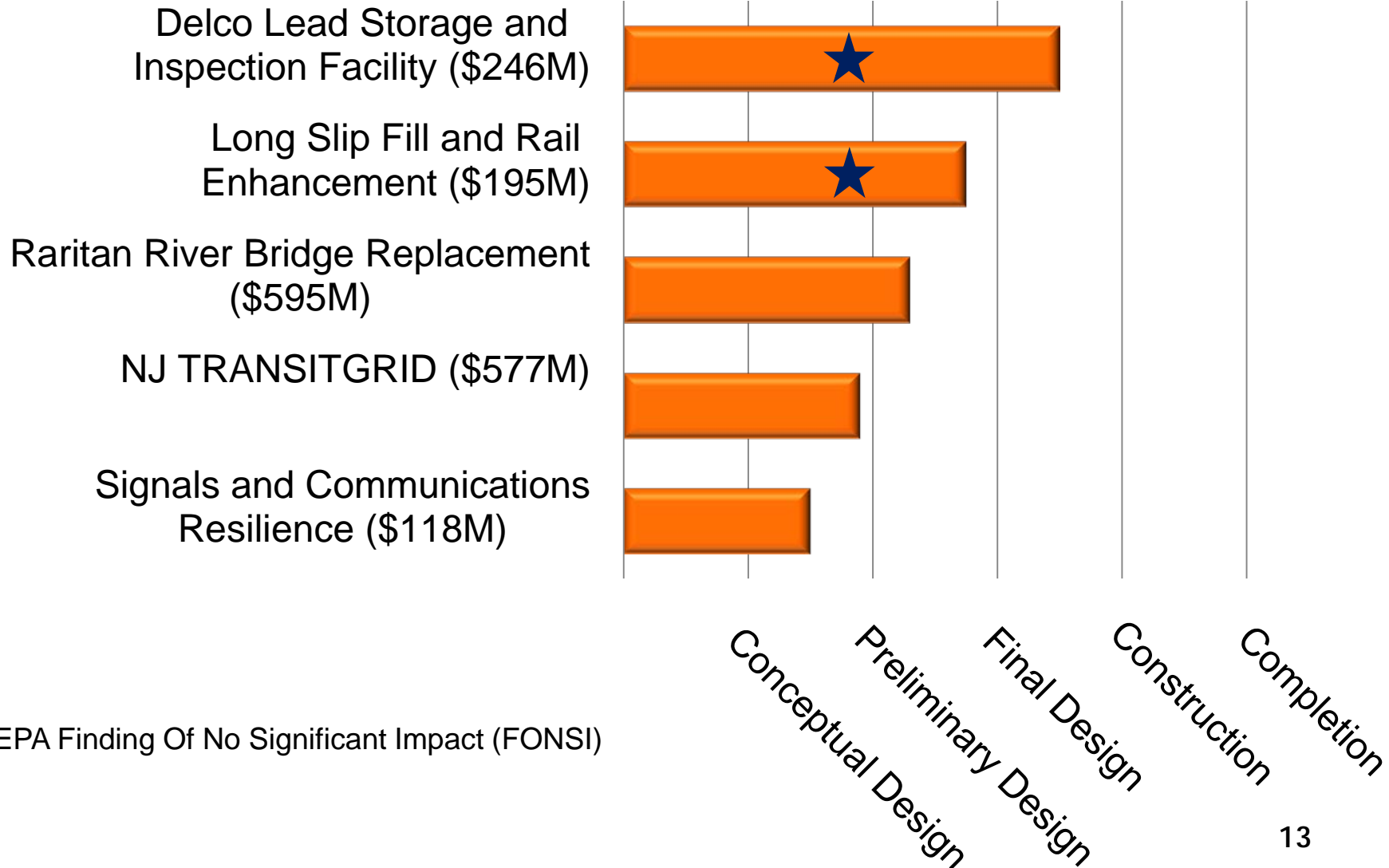
Moving Forward: Building a robust and sustainable transportation system

- Strengthening targeted elements to achieve integrated resiliency

Encompass every component of our rail, light rail, and bus systems

- Tracks
- Rolling Stock
- Terminals
- Stations
- Power Supplies
- Signals
- Key Infrastructure
- Maintenance and Repair Facilities





Upcoming Board Authorization Highlights

2017/18:

- **16 Construction Items**

(Substations: [Henderson, Bay Head Yard, Hoboken House Power "Depot", Observer Highway Switch House, Maplewood, ROC Unit Substation], Hoboken Boiler/Ferry Terminal Repair, MMC Flood Control, Delco Lead, Hoboken Yard Signal Power Repair, NJ TRANSITGRID, Morgan Drawbridge Repair, NPS Storm Protection, ROC UPS Raising, Newark Light Rail Infrastructure Repair, Long Slip Fill)

- **2 Final Engineering Items**

(Long Slip Fill, Raritan River Bridge Replacement)

2018/19:

- **1 Construction Item** (Raritan River Bridge Replacement)

ITEM 1611-61: PROPOSED LABOR AGREEMENTS: COMMUNICATIONS WORKERS OF AMERICA (CWA)

BENEFITS

NJ TRANSIT and special counsel, in recognition of collective bargaining negotiations, recommends approval of each proposed Memorandum of Understanding.

ACTION

Staff seeks authorization to approve the economic terms and other proposed conditions contained in each Memorandum of Understanding, which have now been ratified by the CWA, and staff seeks authorization for the Executive Director, or his designee, to take all necessary steps to finalize and implement same, as discussed in executive session. NJ TRANSIT Police will be able to absorb the cost of the economic terms within the FY2017 Operating Budget.

PURPOSE

Settle collective bargaining agreement with NJ TRANSIT's civilian police union covering Fare Enforcement Officers and Police Dispatchers.

FISCAL IMPACTS

Requested Authorizations:

Authorization to approve the economic terms and other proposed conditions contained in each Memorandum of Understanding, which have been ratified by the CWA, and staff seeks authorization for the Executive Director, or his designee, to take all necessary steps to finalize and implement same, as discussed in executive session.

Anticipated Source of Funds:

Operating Budget

DBE/SBE Goal:

NA

RESOLUTION

WHEREAS, all of the represented NJ TRANSIT Police CWA workers have negotiated a labor agreement with NJ TRANSIT Police management; and

WHEREAS, the terms and conditions of such agreement is set forth in an individual Memorandum of Understanding for such union; and

WHEREAS, a majority of employees represented by NJ TRANSIT Police CWA workers have now ratified their Memoranda of Understanding with NJ TRANSIT Police Department;

NOW, THEREFORE, BE IT RESOLVED that since the MOUs have now been ratified by the CWA, the Board hereby approves the economic terms and other proposed conditions contained in each Memorandum of Understanding for the CWA, and authorizes the Executive Director, or his designee, to take all necessary steps to finalize and implement same, as discussed in executive session. NJ TRANSIT Police will be able to absorb the cost of the economic terms within the FY2017 Operating Budget.

ITEM 1611-62: PERSONAL INJURY CLAIM OF ANTHONY HOWARD**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 Anthony Howard.

ACTION

Staff seeks authorization to settle the claim of Anthony Howard through his 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 Hudson County Superior Court, Jersey City, NJ initiated from a Rail claim.

FISCAL IMPACTS

Requested Authorization:	Request authorization to settle the Personal Injury Claim of Anthony Howard
Projected Date of Completion:	FY 2017
Anticipated Source of Funds:	FY 2017 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, Anthony Howard 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 Anthony Howard through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

ITEM 1611-63: PERSONAL INJURY CLAIM OF ANTHONY RIEHLE**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 Anthony Riehle.

ACTION

Staff seeks authorization to settle the claim of Anthony Riehle through his 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 United States District Court, Southern District New York, initiated from a Bus claim.

FISCAL IMPACTS

Requested Authorization:	Request authorization to settle the Personal Injury Claim of Anthony Riehle
Projected Date of Completion:	FY 2017
Anticipated Source of Funds:	FY 2017 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, Anthony Riehle 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 Anthony Riehle through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

ITEM 1611-64: PERSONAL INJURY CLAIM OF JOHN DONAHUE**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 John Donahue.

ACTION

Staff seeks authorization to settle the claim of John Donahue through his 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 Philadelphia County Court of Common Pleas, Philadelphia, PA initiated from a Rail claim.

FISCAL IMPACTS**Requested Authorization:**

Request authorization to settle the Personal Injury Claim of John Donahue

Projected Date of Completion:

FY 2017

Anticipated Source of Funds:

FY 2017 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, John Donahue 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 John Donahue through his attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

ITEM 1611-65: APPOINTMENT OF VICE PRESIDENT AND GENERAL MANAGER: NJ TRANSIT BUS OPERATIONS, INC., GENERAL MANAGER: NJ TRANSIT MERCER, INC., GENERAL MANAGER: NJ TRANSIT MORRIS, INC.

BENEFITS

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

ACTION (Scorecard: Corporate Accountability)

Appointment of Michael P. Kilcoyne to the position of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., General Manager of NJ TRANSIT Mercer, Inc., and General Manager of NJ TRANSIT Morris, Inc. effective November 10, 2016 on the terms, conditions, salary, and benefits as discussed in executive session.

PURPOSE

This action will provide for the appointment of the Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., General Manager, NJ TRANSIT Mercer, Inc., and General Manager of NJ TRANSIT Morris, Inc. on the terms, conditions, salary and benefits appropriate for an experienced, qualified professional with the knowledge and expertise to manage the second largest bus fleet in the nation, serving approximately 65 percent of New Jersey's public transportation customers. Bus Operations produces the highest cost recovery of any major bus operation in the nation.

Requested Authorization: Appointment of Michael P. Kilcoyne as Vice President and General Manager, NJ TRANSIT Bus Operations, Inc. and General Manager, NJ TRANSIT Mercer, Inc., and General Manager, NJ TRANSIT Morris, Inc. on the terms, conditions, salary and benefits as discussed in executive session.

RESOLUTION

WHEREAS, Michael P. Kilcoyne possesses the necessary qualifications to meet the requirements of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., General Manager of NJ TRANSIT Mercer, Inc. and General Manager of NJ TRANSIT Morris, Inc.; and

WHEREAS, this position requires an experienced, qualified professional with the knowledge and expertise to manage the second largest bus fleet in the nation, with buses serving approximately 65 percent of New Jersey's public transportation customers. Bus Operations produces the highest cost recovery of any major bus operation in the nation;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors authorizes the President to appoint Michael P. Kilcoyne to the position of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc., General Manager of NJ TRANSIT Mercer, Inc., and General Manager of NJ TRANSIT Morris, Inc., effective November 10, 2016 on the terms, conditions, salary and benefits as discussed in executive session.