

Philip D. Murphy, Governor
Sheila Y. Oliver, Lieutenant Governor
Diane Gutierrez-Scaccetti, Commissioner
Kevin S. Corbett, Executive Director


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

July 17, 2018

Dear Governor Murphy:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the **Portion of 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 Tuesday, July 17, 2018.

Sincerely,

Original Signed By

Joyce J. Zuczek
Board Secretary

Enclosures

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

A portion of 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 Tuesday, July 17, 2018.

Board Members Present

Diane Gutierrez-Scaccetti, Chair
Mary K.E. Maples, Governor's Representative
Dini Ajmani, Treasurer's Representative
James C. Finkle Jr., Board Member
Raymond W. Greaves, Board Member (Non-Voting)

Board Members Absent

Flora M. Castillo, Board Member

Staff Present

Kevin S. Corbett, Executive Director
Jeannie Kwon, Assistant Executive Director, Projects & Strategic Investments
Michael P. Kilcoyne, Vice President & General Manager, Bus Operations
Edward J. Baksa, Acting Vice President & General Manager, Rail Operations
Ronald E. Nichols, Acting Chief, Light Rail & Contract Services
Patrick B. Clark, Deputy Chief of Police Operations
John F. O'Hern, Auditor General
Christine C. Baker, Chief Compliance Officer
William Viqueira, Chief Financial Officer & Treasurer
Michael K. Slack, Chief Information Officer
Eric R. Daleo, Assistant Executive Director, Capital Planning & Programs
Dale J. Sulpy, Acting Deputy Chief, Office of System Safety
Jonathan B. Peitz, Deputy Attorney General
Joyce J. Zuczek, Board Secretary

Chair Gutierrez-Scaccetti convened the Open Session at 9:18 a.m. in accordance with the Open Public Meetings Act. Stephan Antoine, Office of System Safety, provided a Public Safety Announcement. The Pledge of Allegiance to the Flag was conducted. Board Secretary Zuczek conducted a Roll Call and noted Board Member Castillo was absent.

Board Secretary Zuczek announced that adequate notice of the regularly scheduled meetings of the Board of Directors of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations, Inc. NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. 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 July 12, 2018 with the Secretary of State. These notices were sent to newspapers of general distribution, posted in the main entrance of NJ TRANSIT headquarters, and sent to each individual, agency, and organization that requested such notice. Board Secretary Zuczek announced that the Board meetings were being video recorded.

Chair Gutierrez-Scaccetti asked for a motion to approve the minutes of the June 13, 2018 Board meetings. A motion was made by Board Member Mary K.E. Maples, seconded by Board Member Dini Ajmani, and adopted.

Public Comments on Agenda Action Items

This portion of the minutes will be transmitted at a later date.

Advisory Committee Report

This portion of the minutes will be transmitted at a later date.

Board Customer Service Committee Report

This portion of the minutes will be transmitted at a later date.

Board Administration Committee Report

This portion of the minutes will be transmitted at a later date.

Board Capital Planning, Policy, and Privatization Committee Report

This portion of the minutes will be transmitted at a later date.

Executive Director's Monthly Report

This portion of the minutes will be transmitted at a later date.

Action Items

1807-45: FISCAL YEAR 2019 OPERATING BUDGET

Item 1807-45 was deferred.

1807-46: FISCAL YEAR 2019 CAPITAL PROGRAM

Item 1807-46 was deferred.

1807-47: NJ TRANSIT FISCAL YEAR 2019 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

Item 1807-47 was deferred.

1807-48: ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE TRAIN CONTROL: CONTRACT AMENDMENT FOR PROFESSIONAL SUPPORT SERVICES

Executive Director Corbett introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, who presented Action Item #1807-48 for approval.

Eric Daleo recommended approval of Item #1807-48, Advanced Speed Enforcement System II – Positive Train Control: Contract Amendment for Professional Support Services. Since the inception of the Positive Train Control program, HNTB Corporation has provided staff augmentation and consultant support to NJ TRANSIT by assisting with regulatory compliance reviews, technical reviews and other technical advisory assistance including specialized engineering and program management services.

The Rail Safety Improvement Act of 2008, Positive Train Control Enforcement and Implementation Act of 2015 and subsequent Federal Railroad Administration regulations require commuter rail systems to implement Positive Train Control. Implementation of Positive Train Control will enhance the safety of customers and employees on NJ TRANSIT commuter rail lines and ensure compliance with Federal Law.

Authorization was requested to amend NJ TRANSIT Contract No. 10-010 with HNTB Corporation for expanded staff augmentation, specialized engineering, program management, and technical support services at a cost not to exceed \$12,771,251.66, plus five percent for contingencies, for a total contract authorization amount not to exceed \$41,392,314.24, subject to the availability of funds.

Board Member James C. Finkle Jr. moved the resolution, Board Member Mary K.E. Maples seconded the motion, and the resolution was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Maples	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent	(Non-Voting Member)

1807-49: NORTH BERGEN PARK AND RIDE – LEASE AMENDMENT

Executive Director Corbett introduced William Viqueira, Chief Financial Officer and Treasurer, who presented Action Item #1807-49 for approval.

William Viqueira recommended approval of Item #1807-49, North Bergen Park and Ride – Lease Amendment. The North Bergen Park and Ride facility benefits approximately 1,500 daily commuters who park at, and take buses to New York City from this facility. Because the 13.87 acre North Bergen Park and Ride facility is proximate to Routes 3, 1 & 9, 495 and the Lincoln Tunnel, buses operating from the facility utilize dedicated bus lanes within the Lincoln Tunnel for efficient public transportation, as part of the Interstate Transportation Network.

Authorization was requested to execute a Supplemental Agreement to the existing Agreement of Lease with the Port Authority of New York and New Jersey for continued use of the North Bergen Park and Ride facility. The Lease Amendment extends the term of the lease for five years at an initial annual rent payment to be made by NJ TRANSIT to the Port Authority of New York and New Jersey in the amount of \$914,969, effective July 1, 2018, with annual 2.5 percent escalations. All other terms of the 2008 Agreement of Lease are to remain in place.

Board Member Mary K.E. Maples moved the resolution, Board Member James C. Finkle Jr. seconded the motion, and the resolution was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Maples	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent	(Non-Voting Member)

1807-50: REVOLVING CREDIT AMENDMENT

Executive Director Corbett introduced William Viqueira, Chief Financial Officer and Treasurer, who presented Action Item #1807-50 for approval.

William Viqueira recommended approval of Item #1807-50, Revolving Credit Amendment. Of NJ TRANSIT's annual \$2.3 billion Operating Budget, approximately fifty percent of this total is derived from passenger fares and other operating revenues. The remaining revenues come principally from federal, State of New Jersey, and local sources for reimbursement of Eligible Expenditures.

Federal reimbursements comprise over sixteen percent of NJ TRANSIT's Operating Budget. Due to the federal budget process, NJ TRANSIT tends to receive these funds later in its fiscal year resulting in timing differences between Eligible Expenditures and cash receipts. With expenses spread evenly over the fiscal year, NJ TRANSIT is

therefore seeking an extension of its existing short term financing to meet its cash flow requirements for Eligible Expenditures payable from and secured by the future receipt of the FTA Section 5307 and 5337 grants.

Authorization was requested to adopt the attached Resolution (i) approving the execution and delivery of the Amendment, which provides for the extension of the Line of Credit, (ii) authorizing the Chair, the Executive Director, the Chief Financial Officer and Treasurer, the Secretary or their designees to execute and deliver the Amendment and to make such other determinations, execute such other documents, instruments and papers and to do such acts and things as may be necessary or advisable in connection with the execution and delivery of the Amendment or any of the other transactions authorized by the Resolution, and that are not inconsistent with the provisions of the Resolution.

Board Member Mary K.E. Maples moved the resolution, Board Member Dini Ajmani seconded the motion, and the resolution was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Maples	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent	(Non-Voting Member)

Executive Session Authorization

At approximately 9:57 a.m., Chair Gutierrez-Scaccetti requested a motion to enter Executive Session to discuss personnel matters, contract negotiations, the status of pending and anticipated litigation, and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Claire Dertouzos and the Personal Injury Claim of Deborah C. Dopkin.

Board Member James C. Finkle Jr. moved the resolution, Board Member Mary K.E. Maples seconded the motion, and the resolution was unanimously adopted.

Return to Open Session

Board Secretary Zuczek conducted a Roll Call as Board Members returned to Open Session. All Board Members, except Board Member Greaves, returned to open session at approximately 11:27 a.m.

Chair Gutierrez-Scaccetti noted staff distributed an additional board item that was added to the agenda.

1807-51: PERSONAL INJURY CLAIM OF CLAIRE DERTOUZOS

Executive Director Corbett introduced William Viqueira, Chief Financial Officer and Treasurer, who presented Action Item #1807-51 for approval.

William Viqueira recommended approval of Item #1807-51, Personal Injury Claim of Claire Dertouzos.

Authorization was requested to settle the claim of Claire Dertouzos through her 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 Mary K.E. Maples seconded the motion, and the resolution was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Maples	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent	Absent (Non-Voting Member)

1807-52: PERSONAL INJURY CLAIM OF DEBORAH C. DOPKIN

Executive Director Corbett introduced William Viqueira, Chief Financial Officer and Treasurer, who presented Action Item #1807-52 for approval.

William Viqueira recommended approval of Item #1807-52, Personal Injury Claim of Deborah C. Dopkin.

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

Board Member Mary K.E. Maples moved the resolution, Board Member James C. Finkle Jr. seconded the motion, and the resolution was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Maples	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent	Absent (Non-Voting Member)

1807-53: ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE TRAIN CONTROL: CONTRACT AMENDMENTS FOR IMPLEMENTATION

Executive Director Corbett introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, who presented Action Item #1807-53 for approval.

Eric Daleo recommended approval of Item #1807-53, Advanced Speed Enforcement System II – Positive Train Control: Contract Amendments for Implementation.

Authorization was requested to enter into three contract amendments with Parsons Transportation Group, Inc. of New York, New York at a cost not to exceed \$12 million, plus five percent for contingencies, subject to the availability of funds.

Board Member Mary K.E. Maples moved the resolution and Board Member James C. Finkle Jr. seconded the motion.

Chair Gutierrez-Scaccetti said from time to time a board item is not ripe for either distribution or discussion with the Board until very close to a board meeting day. Similarly, there will be board items where time is of the essence and does not necessarily allow for what some may consider to be the appropriate time for public review. Chair Gutierrez-Scaccetti said this was one of those items. She said it was discussed at length during the Executive Session, and while perhaps it was not available to the public to fully digest prior to the agenda public comment period, they would move on this item as it was PTC related, safety related, and time continues to be of the essence.

The resolution was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Maples	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Absent	Absent (Non-Voting Member)

Public Comments on Other Matters

This portion of the minutes will be transmitted at a later date.

Adjournment

Since there were no further comments or business, Chair Gutierrez-Scaccetti called for adjournment and a motion to adjourn was made by Board Member Dini Ajmani seconded by Board Member Mary K.E. Maples, and unanimously adopted. The meetings were adjourned at approximately 12:30 p.m.

THIS ENDS THE PORTION OF THE MINUTES TRANSMITTED FOR EARLY APPROVAL.

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

JULY 17, 2018

MINUTES

	PAGE
➤ CALL TO ORDER	-
➤ SAFETY ANNOUNCEMENT	-
➤ PLEDGE OF ALLEGIANCE TO THE FLAG	-
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	52962
➤ PUBLIC COMMENTS ON AGENDA ACTION ITEMS ONLY	-
➤ ADVISORY COMMITTEE REPORT	-
➤ SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT SCHEDULED REPORT DECEMBER 2018)	-
➤ BOARD COMMITTEE REPORTS	-
*Customer Service Committee	
*Administration Committee	
*Capital Planning, Policy and Privatization Committee	
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	-
<u>ACTION ITEMS</u>	
1807-45 FISCAL YEAR 2019 OPERATING BUDGET	-
This item was deferred.	
1807-46 FISCAL YEAR 2019 CAPITAL PROGRAM	-
This item was deferred.	
1807-47 NJ TRANSIT FISCAL YEAR 2019 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS	-
This item was deferred.	

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
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1807-48 ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE TRAIN CONTROL: CONTRACT AMENDMENT FOR PROFESSIONAL SUPPORT SERVICES 52964

Authorization to amend NJ TRANSIT Contract No. 10-010 with HNTB Corporation for expanded staff augmentation, specialized engineering, program management, and technical support services at a cost not to exceed \$12,771,251.66, plus five percent for contingencies, for a total contract authorization amount not to exceed of \$41,392,314.24, subject to the availability of funds.

1807-49 NORTH BERGEN PARK AND RIDE – LEASE AMENDMENT 52968

Authorization to execute a Supplemental Agreement to the existing Agreement of Lease with the PANYNJ for continued use of the North Bergen Park and Ride facility. The Lease Amendment extends the term of the lease for five years at an initial annual rent payment to be made by NJ TRANSIT to the PANYNJ in the amount of \$914,969, effective July 1, 2018, with annual 2.5 percent escalations. All other terms of the 2008 Agreement of Lease are to remain in place. The new agreement will expire on August 31, 2023.

1807-50 REVOLVING CREDIT AMENDMENT 52971

Authorization to adopt the attached Resolution (i) approving the execution and delivery of the Amendment, which provides for the extension of the Line of Credit, (ii) authorizing the Chair, the Executive Director, the Chief Financial Officer and Treasurer, the Secretary or their designees to execute and deliver the Amendment and to make such other determinations, execute such other documents, instruments and papers and to do such acts and things as may be necessary or advisable in connection with (A) the execution and delivery of the Amendment or (B) any of the other transactions authorized by the Resolution, and that are not inconsistent with the provisions of the Resolution.

EXECUTIVE SESSION AUTHORIZATION: Discuss personnel matters, contract negotiations, the status of pending and anticipated litigation, and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Claire Dertouzos and the Personal Injury Claim of Deborah C. Dopkin. **52984**

1807-51 PERSONAL INJURY CLAIM OF CLAIRE DERTOUZOS 52985

Authorization to settle the claim of Claire Dertouzos through her 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
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1807-52 PERSONAL INJURY CLAIM OF DEBORAH C. DOPKIN

52987

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

1807-53 ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE TRAIN CONTROL: CONTRACT AMENDMENTS FOR IMPLEMENTATION 52989

Authorization to enter into three contract amendments with Parsons Transportation Group, Inc. of New York, New York, at a cost not to exceed \$12,000,000, plus five percent for contingencies, subject to the availability of funds.

➤ **PUBLIC COMMENTS ON OTHER MATTERS**

➤ **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 June 13, 2018 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 June 14, 2018 and June 18, 2018;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the June 13, 2018 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.

ACTION ITEMS

**ITEM 1807-48: ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE
TRAIN CONTROL: CONTRACT AMENDMENT FOR
PROFESSIONAL SUPPORT SERVICES**

BENEFITS

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

Implementation of PTC will enhance the safety of customers and employees on NJ TRANSIT commuter rail lines and ensure compliance with Federal law.

ACTION (Scorecard: Safety and Security)

Staff seeks authorization to amend NJ TRANSIT Contract No. 10-010 with HNTB Corporation for expanded staff augmentation, specialized engineering, program management, and technical support services at a cost not to exceed \$12,771,251.66, plus five percent for contingencies, for a total contract authorization amount not to exceed \$41,392,314.24, subject to the availability of funds.

PURPOSE

NJ TRANSIT contracted with Parsons Transportation Group, Inc. to design, furnish, construct, test, and commission the ASES II PTC system for NJ TRANSIT. NJ TRANSIT has assigned internal staff to perform contract management, coordination, and technical review to advance the implementation.

Since the inception of the PTC program, HNTB Corporation has provided staff augmentation and consultant support to NJ TRANSIT by assisting with regulatory compliance reviews, technical reviews, and other technical advisory assistance.

Additional authorization for Contract No. 10-010 with HNTB Corporation will continue to supplement internal staff resources with specialized engineering and program management services and will provide continued integrated technical support consulting services for PTC Phase II (Prototype) and Phase III (Demonstration), as well as required technical support consulting services for Phase IV (System-wide Installation) and Phase V (Project Completion and Close-out).

BACKGROUND

The Positive Train Control Enforcement and Implementation Act of 2015 requires that Class I railroads and certain commuter railroads, including NJ TRANSIT, implement PTC systems by December 31, 2018. The law permits a railroad to request the Federal Railroad Administration's approval of an "alternative schedule" with a deadline extending beyond December 31, 2018, but no later than December 31, 2020, for PTC system implementation. To qualify for an alternative schedule, a railroad must demonstrate that certain statutory criteria were met on or before December 31, 2018.

NJ TRANSIT is taking a series of steps to position the railroad to meet the statutory compliance requirements of the Positive Train Control Enforcement and Implementation Act of 2015. Most recently, on June 26, 2018, the Federal Railroad Administration conditionally approved NJ TRANSIT's request for "substitute criteria" which clarifies the requirements NJ TRANSIT must meet by December 31, 2018 in order to qualify for an alternative schedule.

HNTB Corporation has been providing technical support for system and signals engineering, risk analysis, interoperability agreements, oversight of vehicle installation, quality assurance, construction management, system demonstration, and acceptance testing throughout the duration of the PTC project. HNTB Corporation has also assisted with document management, project administration and integration, configuration management and installation of essential communication networks.

The continuity of HNTB Corporation staff is required as the PTC program advances from the planning and initial prototype phases to the complex demonstration and system-wide implementation phases. HNTB Corporation staff will assist NJ TRANSIT in monitoring the project implementation plan, functional testing, and system integration activities performed by Parsons Transportation Group, Inc. In addition, HNTB will provide assistance to coordinate requirements and execute agreements with other railroad agencies during these project phases.

Office of the State Comptroller notification will be provided.

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

FISCAL IMPACTS**Requested Authorization:**

HNTB Corporation

This Authorization \$12,771,251.66 +
5% contingency

Total Authorization \$41,392,314.24

Past Authorizations for HNTB Corporation:

December 2009 Item 0912-90	\$ 3,400,000 + 5% contingency
March 2014 Item 1403-10	\$ 4,250,000 + 5% contingency
May 2016 Item 1605-28	\$ 19,000,000 + 5% contingency
Total Previous:	\$ 27,982,500

Expenditures to Date: \$183,733,254.80 (as of 5/30/2018 for total PTC program)

Total Project Cost: \$320,000,000

Projected Date of Completion: December 2019 (for the HNTB contract)

Capital Program Amount: \$320,000,000

Operating Budget Amount: \$0

Anticipated Source of Funds: Transportation Trust Fund

PRINTS ID Number: Various

DBE/SBE Goal: 19% SBE Category 3

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

Related/Future Authorizations: Design, Furnish, Construct, Test, and Commission Contractor Amendment

Impact on Subsequent Operating Budgets: TBD

RESOLUTION

WHEREAS, the Positive Train Control Enforcement and Implementation Act of 2015 requires that Class I railroads and certain commuter railroads, including NJ TRANSIT, implement PTC systems by December 31, 2018; and

WHEREAS, the law permits a railroad to request the Federal Railroad Administration's approval of an "alternative schedule" with a deadline extending beyond December 31, 2018, but no later than December 31, 2020, for PTC system implementation; and

WHEREAS, to qualify for an alternative schedule, a railroad must demonstrate that certain statutory criteria were met on or before December 31, 2018; and

WHEREAS, NJ TRANSIT is taking a series of steps to position the railroad to meet the statutory compliance requirements of the Positive Train Control Enforcement and Implementation Act of 2015. Most recently, on June 26, 2018, the Federal Railroad Administration conditionally approved NJ TRANSIT's request for "substitute criteria" which clarifies the requirements NJ TRANSIT must meet by December 31, 2018 in order to qualify for an alternative schedule; and

WHEREAS, NJ TRANSIT previously contracted with HNTB Corporation to provide staff augmentation and technical support consulting services for the PTC system throughout the duration of NJ TRANSIT's PTC program;

NOW, THEREFORE, BE IT RESOLVED that the Chair or Executive Director is authorized to amend NJ TRANSIT Contract No. 10-010 with HNTB Corporation for expanded staff augmentation, specialized engineering, program management, and technical support services at a cost not to exceed \$12,771,251.66 plus five percent for contingencies, for a total contract authorization amount not to exceed \$41,392,314.24, subject to the availability of funds.

**ITEM 1807-49: NORTH BERGEN PARK AND RIDE – LEASE
AMENDMENT**

BENEFITS

Entering into a Supplemental Lease Amendment to the 2008 Agreement of Lease with The Port Authority of New York and New Jersey (“PANYNJ”) for the continued utilization of the North Bergen Park and Ride facility at an escalation of the current rent will continue to benefit approximately 1,500 daily commuters who park at, and take buses to New York City from this facility. Because the 13.87 acre North Bergen Park and Ride facility is proximate to Routes 3, 1 & 9, 495 and the Lincoln Tunnel, buses operating from the facility utilize dedicated bus lanes within the Lincoln Tunnel for efficient public transportation, as part of the Interstate Transportation Network.

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

Staff seeks authorization to execute a Supplemental Agreement to the existing Agreement of Lease with the PANYNJ for continued use of the North Bergen Park and Ride facility. The Lease Amendment extends the term of the lease for five years at an initial annual rent payment to be made by NJ TRANSIT to the PANYNJ in the amount of \$914,969, effective July 1, 2018, with annual 2.5 percent escalations. All other terms of the 2008 Agreement of Lease are to remain in place. The new agreement will expire on August 31, 2023.

PURPOSE

Executing a Lease Amendment will allow NJ TRANSIT commuters and NJ TRANSIT Bus Operations personnel to continue utilizing the North Bergen Park and Ride facility as part of the region’s Interstate Transportation Network at an established rent with annual escalations, facilitating the efficient, economical, and convenient mass transportation of commuting customers between New Jersey and New York.

BACKGROUND

Recognizing the North Bergen Park and Ride facility’s strategic location proximate to high density commuter markets of Hudson and Bergen counties, and the facility’s proximity to the Lincoln Tunnel and Routes 3, 1& 9, and 495, NJ TRANSIT’s predecessor entities commenced utilizing the North Bergen Park and Ride facility in 1955. NJ TRANSIT currently operates 183 weekday bus trips via the #320 line from the North Bergen Park and Ride facility to New York City, with peak service operating every six minutes. NJ TRANSIT entered into a 5-year lease with the PANYNJ in 2008 for the continued use of the property, and exercised a 5-year option extending the lease until 2018. Authorization is now being requested for a 5-year lease extension.

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

FISCAL IMPACTS

Requested Authorization:	Authorization to enter into a Lease Amendment that establishes an annual rent payment to be made by NJ TRANSIT to the PANYNJ in the amount of \$914,969, effective July 1, 2018, with annual 2.5 percent escalations, subject to the availability of funds.
Past Authorization:	Item 1509-36 \$2,664,552
Expenditures to Date:	Approximately \$6,306,996 since 2008
Total Project Cost:	N/A
Projected Date of Completion:	N/A
Capital Program Amount:	N/A
Operating Budget Amount:	Not to exceed \$4,981,889.70
Anticipated Source of Funds:	Operating
PRINTS ID Number:	N/A
DBE/SBE Goal:	N/A
Related/Future Authorizations:	TBD
Impact on Subsequent Operating Budgets:	FY 2019 - \$914,969 FY 2020 - \$937,838.16 FY 2021 - \$961,284.12 FY 2022 - \$985,316.28 FY 2023 - \$1,009,949.16 FY 2024 - \$172,532.98 (two months)

RESOLUTION

WHEREAS, NJ TRANSIT and its predecessors have utilized the North Bergen Park and Ride facility since 1955; and

WHEREAS, NJ TRANSIT entered into an Agreement of Lease for the North Bergen Park and Ride facility in 2008; and

WHEREAS, NJ TRANSIT and the PANYNJ have established rent and escalator amendments to the 2008 Agreement of Lease; and

WHEREAS, NJ TRANSIT and the PANYNJ entered into a Supplemental Agreement in 2015 extending the Agreement of Lease to August 31, 2018;

NOW, THEREFORE, BE IT RESOLVED that the Chair or Executive Director is hereby authorized to execute a Lease Amendment to an existing Agreement of Lease with the PANYNJ for continued use of the North Bergen Park and Ride facility for 5 years establishing an annual rent payment to be made by NJ TRANSIT to the PANYNJ in the amount of \$914,969, effective July 1, 2018, with annual 2.5 percent escalations, subject to the availability of funds. All other terms of the 2008 Agreement of Lease are to remain in place.

ITEM 1807-50:

REVOLVING CREDIT AMENDMENT

BENEFITS

Adoption of the attached Resolution will allow NJ TRANSIT, in consultation with the Office of the State Treasurer and the Office of the Attorney General, to extend its Line of Credit with the Royal Bank of Canada ("RBC") in the maximum principal amount of \$300 million, and enter into the First Amendment to the Revolving Credit Agreement ("Amendment") backed by a Grant Anticipation Note, Series 2015 (the "GAN" or "2015 Note") repayable from the future receipt of Federal Section 5307 and 5337 grants from the Federal Transit Administration ("FTA").

ACTION (Scorecard: Financial Performance & Corporate Accountability)

Staff seeks authorization to adopt the attached Resolution (i) approving the execution and delivery of the Amendment, which provides for the extension of the Line of Credit, (ii) authorizing the Chair, the Executive Director, the Chief Financial Officer and Treasurer, the Secretary or their designees to execute and deliver the Amendment and to make such other determinations, execute such other documents, instruments and papers and to do such acts and things as may be necessary or advisable in connection with (A) the execution and delivery of the Amendment or (B) any of the other transactions authorized by the Resolution, and that are not inconsistent with the provisions of the Resolution.

PURPOSE

The transaction is designed to assist NJ TRANSIT in meeting its cash flow requirements for expenditures that are eligible to be reimbursed from FTA Section 5307 and 5337 grants ("Eligible Expenditures") at minimum expense.

BACKGROUND

Of NJ TRANSIT's annual \$2.3 billion Operating Budget, approximately fifty percent of this total is derived from passenger fares and other operating revenues. The remaining revenues come principally from federal, State of New Jersey and local sources for reimbursement of Eligible Expenditures.

Federal reimbursements comprise over sixteen percent of NJ TRANSIT's Operating Budget. Due to the federal budget process, NJ TRANSIT tends to receive these funds later in its fiscal year resulting in timing differences between Eligible Expenditures and cash receipts. With expenses spread evenly over the fiscal year, NJ TRANSIT is therefore seeking an extension of its existing short term financing to meet its cash flow requirements for Eligible Expenditures payable from and secured by the future receipt of the FTA Section 5307 and 5337 grants. The pledge of the Section 5307 grant receipts is subordinate to the pledge of those receipts securing NJ TRANSIT's \$483,685,000 Grant Anticipation Notes issued on August 6, 2014.

Professionals for the transaction were selected in compliance with the terms of Executive Order No. 26. The law firm of McManimon Scotland Baumann was selected to represent NJ TRANSIT as Special Counsel through a competitive RFP process performed by the Office of the Attorney General. RBC was selected as the bank to provide a revolving line of credit through the Office of the Treasurer's competitive RFP process.

FISCAL IMPACTS

Requested Authorization:	Extension of Revolving Credit Agreement in the maximum principal amount of \$300 million
Past Authorizations:	May 2015
Expenditures to Date:	Interest and fees of \$7.4 million
Total Project Cost:	N/A
Projected Date of Completion:	September 27, 2019
Capital Project Amount:	N/A
Operating Budget Amount:	Determined by the amount and timing of borrowings and the prevailing LIBOR rate
Prints ID Number:	None
DBE/SBE Goal:	N/A
<i>NJ Build</i> Amount:	None
Related/Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	Dependent upon amount and timing of borrowings and future interest rates.

RESOLUTION

WHEREAS, NJ TRANSIT has an annual Operating Budget of approximately \$2.3 billion; and

WHEREAS, approximately half of this amount is derived from passenger fares and other operating revenues and the remainder from State of New Jersey, federal and local sources; and

WHEREAS, the timing of the receipt of federal funds for expenditures that are eligible to be paid or reimbursed from such federal funds ("Eligible Expenditures") is not within NJ TRANSIT's control potentially placing the Operating Budget in a temporary cash negative position; and

WHEREAS, NJ TRANSIT has the statutory authority to enter into financings based upon the future receipt of Federal Transit Administration grants; and

WHEREAS, to meet NJ TRANSIT's cash flow requirements for Eligible Expenditures before the receipt of the Federal Transit Administration grants, staff believes it financially prudent for NJ TRANSIT to enter into an extension of its Revolving Credit Agreement ("Amendment") with Royal Bank of Canada ("RBC") pursuant to which RBC will provide a revolving line of credit (the "Line of Credit") to NJ TRANSIT; and

WHEREAS, NJ TRANSIT has issued a Grant Anticipation Note, Series 2015 (the "Series 2015 Note") to evidence and secure its repayment obligations for the revolving loans made to it by RBC under the Amendment; and

WHEREAS, professionals for this transaction were selected in compliance with Executive Order No. 26. The law firm of McManimon Scotland Baumann was selected as Special Counsel to NJ TRANSIT through a competitive RFP process performed by the Office of the Attorney General and similarly, RBC was selected as the bank to provide a revolving line of credit to NJ TRANSIT through the Office of the State Treasurer's competitive RFP process;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors hereby (i) approves the extension of the Line of Credit, (ii) authorizes the execution and delivery of the Amendment, (iii) authorizes the Chair, the Executive Director, the Chief Financial Officer and Treasurer, the Secretary or their designees to execute and deliver the Amendment and to make such other determinations, execute such other documents, instruments and papers and to do such acts and things as may be necessary or advisable in connection with (A) the execution and delivery of the Amendment or (B) any of the other transactions authorized by the Resolution, and that are not inconsistent with the provisions of the Resolution, as all authorized pursuant to N.J.S.A. 27:25-5(w).

RESOLUTION AUTHORIZING AND APPROVING THE EXTENSION OF A LINE OF CREDIT IN A PRINCIPAL AMOUNT NOT EXCEEDING \$300,000,000 AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT AND RELATED INSTRUMENTS; AND AUTHORIZING AND DETERMINING VARIOUS OTHER RELATED MATTERS IN CONNECTION THEREWITH.

ADOPTED: July 17, 2018

WHEREAS, New Jersey Transit Corporation (the "Corporation") is a body corporate and politic and an instrumentality of the State of New Jersey (the "State") organized and existing pursuant to the New Jersey Public Transportation Act of 1979, L. 1979 c. 150 (the "Act"), as amended and supplemented; and

WHEREAS, pursuant to Section 5 of the Act, the Corporation is authorized to issue grant anticipation notes that shall be secured by and retired from capital assistance grants authorized under Section 3 or Section 9 of the federal urban Mass Transportation Act of 1964, Pub. L.88-365 (49 U.S.C. §1602) (the "1964 Act"), or any successor additional federal act, and operating assistance grants authorized under section 9 of the 1964 Act, or any successor or additional federal act; and

WHEREAS, the Corporation obtained a revolving line of credit in the amount of up to \$300,000,000 (the "Line of Credit") in order to assist the Corporation in meeting its cash flow requirements for expenditures to be reimbursed from Section 5307 Formula Funds and Section 5337 Formula Funds at minimum expense; and

WHEREAS, the Line of Credit was established pursuant to a Revolving Credit Agreement between the Corporation and Royal Bank of Canada (the "Bank"), dated as of June 1, 2015 (the Agreement"), and the obligations of the Corporation pursuant to the Agreement are evidenced and secured by the Corporation's Federally Taxable Grant Anticipation Note, Series 2015; and

WHEREAS, the Commitment Expiration Date, as defined in the Agreement, expires on September 30, 2018;

WHEREAS, the Corporation has determined that it is in the best interests of the Corporation to extend the Commitment Expiration Date to September 27, 2019 through the execution and delivery of a First Amendment to Revolving Credit Agreement between the Corporation and the Bank (the "First Amendment").

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE CORPORATION, as follows:

SECTION 1. Capitalized terms used but not defined in this Resolution shall have the meanings given to them in the Agreement, as amended by the First Amendment.

SECTION 2. The First Amendment, in substantially the form presented to this meeting, is hereby approved; *provided*, that an Authorized Officer is hereby authorized, with the advice of Special Counsel and the State Attorney General to make such changes, insertions and deletions to and omissions from such form as may be necessary or appropriate.

SECTION 3. The execution and delivery of the First Amendment shall be subject to conditions precedent set forth in Section 3 of the First Amendment and such additional conditions as an Authorized Officer, with the advice of the State Attorney General and Special Counsel, shall determine.

SECTION 4. The Authorized Officers are hereby designated to be the authorized representatives of the Corporation charged by this Resolution with the responsibility for causing the Corporation to enter into the First Amendment, and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to make any and all determinations and do and cause to be done any and all acts and things necessary or proper for carrying out this Resolution and effectuating future actions and consents as may be required under or contemplated by such documents. Without limitation of the generality of the immediately preceding sentence, the Authorized Officers are hereby authorized:

a. To execute and deliver the First Amendment to the Bank, in substantially the form presented to this meeting; *provided*, that an Authorized Officer is hereby authorized, with the advice of Special Counsel and the State Attorney General, to make such changes, insertions and deletions to and omissions from such forms as may be necessary or appropriate.

b. To submit an excerpt of the minutes of the meeting of the Corporation at which this Resolution was adopted to the Governor of the State (the "Governor") as required pursuant to Section 4(f) of the Act, and to receive, on behalf of the Corporation, an approval letter from the Governor, if delivered to the Corporation, of said excerpt as it relates to all actions taken by the Corporation in connection with the execution and delivery of the First Amendment.

c. To make such other determinations, to execute such other documents, instruments and papers and to do such acts and things as may be necessary or advisable in connection with (i) the execution and delivery of the First Amendment or (ii) any of the other transactions authorized by this Resolution, and that are not inconsistent with the provisions of this Resolution.

Any and all actions heretofore taken by the Authorized Officers in connection with the transactions authorized and contemplated by this Resolution are hereby ratified.

All matters determined by an Authorized Officer of the Corporation under this Resolution shall constitute and be deemed matters incorporated into this Resolution and approved by the Corporation, and whenever an Authorized Officer is authorized or directed to take any action pursuant to this Resolution with or upon the advice, consent or consultation with or by any other person, agency, office or official, a certificate of such Authorized Officer may be relied upon as being determinative that such advice, consultation or consent has in fact occurred and that such actions of the Authorized Officer are valid and binding.

SECTION 5. In case any one or more of the provisions of this Resolution shall be held to be illegal or invalid for any reason, such illegality or invalidity shall not affect any other provision of this Resolution and this Resolution shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 6. This Resolution shall take effect as set forth in the Act.

FIRST AMENDMENT TO REVOLVING CREDIT AGREEMENT

This First Amendment to Revolving Credit Agreement (this "*Amendment*") dated _____, 2018 (the "*Amendment Date*"), is between NEW JERSEY TRANSIT CORPORATION, (the "*Corporation*") and ROYAL BANK OF CANADA (together with its successor and assigns, the "*Bank*"), acting through its branch located at 200 Vesey Street, New York, New York 10281-8098. All terms used herein and not defined herein shall have the meanings assigned to such terms in the hereinafter defined Agreement.

W I T N E S S E T H

WHEREAS, the Corporation and the Bank have previously entered into that certain REVOLVING CREDIT AGREEMENT dated as of June 1, 2015 (the "*Agreement*");

WHEREAS, the Corporation has requested that the Bank extend the Commitment Expiration Date;

WHEREAS, pursuant to Section 9.1 of the Agreement, the Agreement may be amended by a written amendment thereto, signed by the Corporation and the Bank;

WHEREAS, the parties hereto wish to amend the Agreement as set forth herein;

NOW THEREFORE, in consideration of the premises, the parties hereto hereby agree as follows:

1. AMENDMENTS.

Upon satisfaction of the conditions precedent set forth in Section 3 hereof, the Agreement shall be amended as follows:

1.01. The term "*Commitment Expiration Date*" set forth in Section 1.1 of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

"Commitment Expiration Date" means September 27, 2019, unless earlier terminated or extended as provided herein.

1.02. Section 5.2(f) of the Agreement is hereby amended in its entirety and as so amended shall be restated to read as follows:

(f) The Bank shall have received written evidence from the Corporation demonstrating that after giving effect to any Revolving Loan, the sum of (i) the aggregate principal amount of all Revolving Loans outstanding hereunder and all accrued interest thereon, plus (ii) the principal of and interest on the Senior

Obligations and all amounts payable under all Other Pledged Grant Receipt Obligations, if any, coming due in the then current Federal Fiscal Year shall not exceed the lesser of (A) the Series 2015 Annual Apportionment Amount for the Federal Fiscal Year ending on the September 30 immediately preceding the date of such Revolving Loan, and (B) the aggregate amount of Formula Funds appropriated to the Corporation by the State for the then current Fiscal Year.

2. REQUEST FOR EXTENSION OF STATED EXPIRATION DATE.

The Corporation hereby requests that the Bank extend the Commitment Expiration Date to September 27, 2019, and the Bank agrees to such request and pursuant to Section 2.11 of the Agreement will deliver to the Corporation a Notice of Extension substantially in the form attached hereto as Exhibit A to effectuate such extension.

3. CONDITIONS PRECEDENT.

This Amendment shall be deemed effective on the Amendment Date subject to the satisfaction of or waiver by the Bank of all of the following conditions precedent (such satisfaction to be evidenced by the Bank's execution and delivery of this Amendment):

3.01. Delivery by the Corporation of an executed counterpart of this Amendment.

3.02. Receipt by the Bank of (i) a certified copy of the authorizing resolution of the Corporation approving the execution and delivery and performance of its obligations under the Agreement as amended by this Amendment and (b) a customary certificate executed by an appropriate officer of the Corporation including the incumbency and signature of the officer of the Corporation executing this Amendment.

3.03. Payment to the Bank on the Amendment Date of the reasonable legal fees and expenses of counsel to the Bank.

3.04. All other legal matters pertaining to the execution and delivery of this Amendment shall be reasonably satisfactory to the Bank and its counsel.

4. REPRESENTATIONS AND WARRANTIES OF THE CORPORATION.

4.01. The Corporation hereby represents and warrants that the following statements shall be true and correct as of the date hereof:

(a) the representations and warranties of the Corporation contained in Article VI of the Agreement and in each of the Related Documents are true and correct on and as of the date hereof as though made on and as of such date (except to the extent the same

expressly relate to an earlier date and except that the representations contained in Section 6.1(h) of the Agreement shall be deemed to refer to the most recent financial statements of the Corporation delivered to the Bank pursuant to Section 7.1(f) of the Agreement); and

(b) no Default or Event of Default has occurred and is continuing or would result from the execution of this Amendment.

4.02. In addition to the representations given in Article VI of the Agreement, the Corporation hereby represents and warrants as follows:

(a) The execution, delivery and performance by the Corporation of this Amendment and the Agreement, as amended hereby, are within its powers, have been duly authorized by all necessary action and do not in any material respect contravene any law, rule or regulation, any judgment, order or decree or any contractual restriction binding on or affecting the Corporation.

(b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Corporation of this Amendment or the Agreement, as amended hereby.

(c) This Amendment and the Agreement, as amended hereby, constitute valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, except that (i) the enforcement thereof may be limited by bankruptcy, reorganization, insolvency, liquidation, moratorium and other laws relating to or affecting the enforcement of creditors' rights and remedies generally, the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against the Corporation, and (ii) no representation or warranty is expressed as to the availability of equitable remedies.

5. MISCELLANEOUS.

Except as specifically amended herein, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in any note, document, agreement, letter, certificate, the Agreement or any communication issued or made subsequent to or with respect to the Agreement, it being hereby agreed that any reference to the Agreement shall be sufficient to refer to the Agreement, as hereby amended. In case any one or more of the provisions contained herein should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired hereby. All capitalized terms used herein without definition shall have the same meanings herein as they have in the Agreement. THIS AMENDMENT, THE AGREEMENT AND THE OTHER RELATED DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT, THE AGREEMENT OR ANY OTHER RELATED DOCUMENT (EXCEPT, AS TO ANY OTHER RELATED DOCUMENT, AS EXPRESSLY SET FORTH

THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW JERSEY.

This Amendment may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Amendment may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers hereunto duly authorized as of the Amendment Date.

NEW JERSEY TRANSIT CORPORATION

By: _____
Name: _____
Title: _____

ROYAL BANK OF CANADA

By: _____
Name: _____
Title: _____

EXHIBIT A

NOTICE OF EXTENSION

**NEW JERSEY TRANSIT CORPORATION
FEDERALLY TAXABLE GRANT ANTICIPATION NOTE, SERIES 2015**

_____, 2018

NEW JERSEY TRANSIT CORPORATION
One Penn Plaza
Newark, New Jersey 07105
Attention: CFO

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.11 of the Revolving Credit Agreement, dated as of June 1, 2015 (the "Agreement"), between the New Jersey Transit Corporation, and the undersigned Royal Bank of Canada, acting through its branch located at 200 Vesey Street, New York, New York 10281-8098, the Commitment Expiration Date with respect to the Commitment as of the date hereof shall be extended to September 27, 2019. Your acknowledgment hereof shall be deemed to be your confirmation, representation and warranty that all representations and warranties contained in Article VI of the Agreement and the other Related Documents are true and correct and will be true and correct as of the date hereof as if made on and as of the date hereof and no Default or Event of Default has occurred and is continuing on and as of the date hereof or will occur as a result of the extension of the Commitment Expiration Date.

ROYAL BANK OF CANADA

By: _____
Name: _____
Title: _____

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss personnel matters, contract negotiations, the status of pending and anticipated litigation, and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of Claire Dertouzos, and the Personal Injury Claim of Deborah C. Dopkin; and

BE IT FURTHER RESOLVED that it is expected that discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.

ITEM 1807-51: PERSONAL INJURY CLAIM OF CLAIRE DERTOUZOS

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 Claire Dertouzos.

ACTION

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

PURPOSE

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

FISCAL IMPACTS

Requested Authorization:	Request authorization to settle the Personal Injury Claim of Claire Dertouzos
Projected Date of Completion:	FY 2019
Anticipated Source of Funds:	FY 2019 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, Claire Dertouzos 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 Claire Dertouzos through her attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

ITEM 1807-52: PERSONAL INJURY CLAIM OF DEBORAH C. DOPKIN

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 Deborah C. Dopkin.

ACTION

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

PURPOSE

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

FISCAL IMPACTS

Requested Authorization:	Request authorization to settle the Personal Injury Claim of Deborah C. Dopkin
Projected Date of Completion:	FY 2019
Anticipated Source of Funds:	FY 2019 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, Deborah C. Dopkin 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 Deborah C. Dopkin through her attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

**ITEM 1807-53: ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE
TRAIN CONTROL: CONTRACT AMENDMENTS FOR
IMPLEMENTATION**

BENEFITS

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

Implementation of PTC will enhance the safety of customers and employees on NJ TRANSIT commuter rail lines and ensure compliance with Federal law.

ACTION (Scorecard: Safety and Security)

Staff seeks authorization to enter into three contract amendments with Parsons Transportation Group, Inc. of New York, New York, at a cost not to exceed \$12,000,000, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

NJ TRANSIT contracted with Parsons Transportation Group, Inc. to design, furnish, construct, test, and commission the ASES II PTC system for NJ TRANSIT. This action, authorizing a series of contract amendments, will amend the existing contract with Parsons Transportation Group, Inc. in order to focus resources on best positioning the project to meet critical Federal compliance milestones by December 31, 2018, and to take other actions, as necessary, to support project advancement and overall project completion.

BACKGROUND

The Positive Train Control Enforcement and Implementation Act of 2015 requires that Class I railroads and certain commuter railroads, including NJ TRANSIT, implement PTC systems by December 31, 2018. The law permits a railroad to request the Federal Railroad Administration's approval of an "alternative schedule" with a deadline extending beyond December 31, 2018, but no later than December 31, 2020, for PTC system implementation. To qualify for an alternative schedule, a railroad must demonstrate that certain statutory criteria were met on or before December 31, 2018.

NJ TRANSIT is taking a series of steps to position the railroad to meet the statutory compliance requirements of the Positive Train Control Enforcement and Implementation Act of 2015. Most recently, on June 26, 2018, the Federal Railroad Administration conditionally approved NJ TRANSIT's request for "substitute criteria" which clarifies the requirements NJ TRANSIT must meet by December 31, 2018 in order to qualify for an alternative schedule.

This request authorizes a series of contract amendments to NJ TRANSIT Contract No. 10-099X with Parsons Transportation Group, Inc. (Contractor) to address critical Federal compliance milestones by December 31, 2018, and to take other actions, as necessary, to support project advancement and overall project completion. Specifically, the proposed authorization modifies the contract to:

- Enhance liquidated damages if the Contractor fails to meet key milestones by December 31, 2018;
- Accelerate critical elements of the project relating to finalization of design and delivery of materials;
- Focus Contractor efforts on ensuring interoperability with Amtrak's Northeast Corridor by the end of 2018;
- Provide for additional materials and resources devoted to addressing critical Federal compliance milestones by December 31, 2018 relating to installation of PTC equipment on vehicles;
- Plan for future activities;
- Provide contractual authorization for the Contractor to proceed with work on freight system interoperability (I-ETMS); and
- Resolve certain open pending Notices of Proposed Changes and Contractor Initiated Changes.

The proposed authorization also modifies the contract, as required, to respond to changes in technology, operating conditions, and other factors.

Office of the State Comptroller notification will be provided.

FISCAL IMPACTS

Requested Authorization:

Parsons Transportation Group, Inc.	\$12,000,000 + 5% contingency
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Past Authorizations for

Parsons Transportation Group, Inc.:

March 2011 Item 1103-12	\$155,622,970 + 5% contingency
May 2016 Item 1605-28	\$ 10,000,000

January 2017
Item 1701-03

\$ 32,500,000

Total Previous: \$205,904,119

Expenditures to Date: \$183,733,254.80 (as of 5/30/2018 for total PTC program)

Total Project Cost: \$320,000,000

Projected Date of Completion: Statutory Completion Deadline

Capital Program Amount: \$320,000,000

Operating Budget Amount: \$0

Anticipated Source of Funds: Transportation Trust Fund

PRINTS ID Number: Various

DBE/SBE Goal: 10% DBE

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

Related/Future Authorizations: N/A

**Impact on Subsequent
Operating Budgets:** TBD

RESOLUTION

WHEREAS, the Positive Train Control Enforcement and Implementation Act of 2015 requires that Class I railroads and certain commuter railroads, including NJ TRANSIT, implement PTC systems by December 31, 2018; and

WHEREAS, the law permits a railroad to request the Federal Railroad Administration's approval of an "alternative schedule" with a deadline extending beyond December 31, 2018, but no later than December 31, 2020, for PTC system implementation; and

WHEREAS, to qualify for an alternative schedule, a railroad must demonstrate that certain statutory criteria were met on or before December 31, 2018; and

WHEREAS, NJ TRANSIT is taking a series of steps to position the railroad to meet the statutory compliance requirements of the Positive Train Control Enforcement and Implementation Act of 2015. Most recently, on June 26, 2018, the Federal Railroad Administration conditionally approved NJ TRANSIT's request for "substitute criteria" which clarifies the requirements NJ TRANSIT must meet by December 31, 2018 in order to qualify for an alternative schedule; and

WHEREAS, NJ TRANSIT previously contracted with Parsons Transportation Group, Inc. to design, furnish, construct, test, and commission the Advanced Speed Enforcement System II – Positive Train Control (ASES II PTC) system for NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chair or Executive Director is authorized to enter into three contract amendments with Parsons Transportation Group, Inc. of New York, New York, at a cost not to exceed \$12,000,000, plus five percent for contingencies, subject to the availability of funds.