

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

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

July 20, 2018

Dear Governor Murphy:

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 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

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

There were six speakers on agenda action items. Board Secretary Zuczek announced public comments would be limited to five minutes.

Murray Bodin commented on Board Item 1807-48, Advanced Speed Enforcement System II – Positive Train Control: Contract Amendment for Professional Support Services. He said the first line notes the Act from 2008. Mr. Bodin said NJ TRANSIT is working on a system that was designed more than 10 years ago. He can't think of anything that is currently in use that is 10 years old.

Mr. Bodin said he talks about Positive Train Control II, which is a GPS based system that is based on the cloud. He said this system goes through every inch of the railroad system and not just where fiber wire is put down. He said there were 15 small railroads currently using Positive Train Control II, the cloud based systems and not fiber based.

Mr. Bodin said a larger railroad has just about the same chances of having an accident as a smaller one. He said the Federal Railroad Administration (FRA) knows about the dangers and has asked for a proposal, and NJ TRANSIT is still out there talking about a system that is 10 years old and outdated.

Mr. Bodin noted he has been talking to NJ TRANSIT for years about replacing flashing red lights with traffic lights at railroad crossings. He said this is a danger to neighboring towns because people are so busy and not paying attention and this is a disaster waiting to happen. Mr. Bodin said one woman in Valhalla was killed at a railroad crossing because she didn't know what a flashing red light meant after driving for 30 years.

Mr. Bodin said control now belongs to his grandson's generation, they think differently, and others need to change their way of thinking. Mr. Bodin thanked the NJ TRANSIT staff that has been here over 20 years educating him so he could speak on these various topics.

Orrin Getz said he distributed information to Chair Gutierrez-Scaccetti and Executive Director Corbett pertaining to Board Item 1712-58 from the December 13, 2017 Board Meeting. He said the item was approved after an Executive Session and no dollar amount was provided. Mr. Getz said the contract was with Conduent for maintenance, support and upgrade of customer ticketing fare payment and collection systems and networks

contracts with Conduent Transport Solutions Inc. He believes this puts Conduent in a vital role in NJ TRANSIT's revenue stream.

Mr. Getz said the front page of *The Journal News* article from July 1, 2018 that he distributed shows that Conduent has some major problems with the cashless toll systems on the Tappan Zee Bridge, Florida, Texas, San Francisco, and Maryland. Mr. Getz said additionally, Conduent has given their executives generous pay increases and perks which presents a big problem.

Mr. Getz strongly suggested NJ TRANSIT contact Conduent's new Headquarters in Florham Park, New Jersey which is easily accessible via NJ TRANSIT and find out what is going on, and see what NJ TRANSIT needs to do to protect itself from a company that may not be doing an effective job. He also recommended an in depth audit be done of the work they are doing for NJ TRANSIT to ensure everything is correct. Mr. Getz said he does not want to see NJ TRANSIT hurt by this company.

Steve Thorpe spoke about Board Item 1807-47, NJ TRANSIT Fiscal Year 2019 Grant Programs: Local Transportation for Senior Citizens, Persons with Disabilities, Rural and Economically Disadvantaged Residents. He is a member of the Senior Citizens and Disabled Resident Transportation Advisory Committee Board, although he was not speaking on their behalf. Mr. Thorpe thanked them in advance for approving this item and said the money was needed to keep senior transport viable. He said they need the revenue to keep this operation going, and need to find more ways to increase revenue because a number of the local transit operators are not getting the funding that they need. With Casino money and other money streams such as sports betting, this may be improved, but they may not see this until another two years.

Mr. Thorpe spoke about Board Item #1807-48, Advanced Speed Enforcement System II - Positive Train Control: Contract Amendment for Professional Support Services. He said more money has been poured into this and every time they turn around more money is being asked for to make this happen. He said it seem like there is a bottomless pit when it comes to the budget for Positive Train Control.

Mr. Thorpe said he understands this was a federal mandate and he disagrees with certain points by Murray Bodin. However, he does not understand why NJ TRANSIT has to keep paying and paying to make this happen, and there is a five percent contingency plan in the budget. He asked how many overages are going to continue until this Advanced Speed Enforcement System is done.

Mr. Thorpe explained in reference to what Mr. Bodin said earlier, 2008 is when the law was passed, not when the technology was developed, and it keeps evolving. He knows this is something they really need, but he is dead against continually pouring more and more money into a tin cup when someone hands it to you.

David Peter Alan, Chair of the Lackawanna Coalition, said they advocate for a better transit on behalf of the riders and their communities. He said the big items on the agenda

were the Capital and Operating Budgets and the summaries were massive and complex documents. Mr. Alan said they were not given enough time to evaluate them and make the sort of comments that open-minded decision makers can use, but they know that Board members never consider their comments relevant, so he would stick to a few key highlights during the limited time allowed.

Mr. Alan said the numbers do not specifically agree with the ones that Governor Murphy mentioned when he appeared at the March Board meeting. He said they were different, but the exact differences were not revealed in the information received. They feared the transfer payment from the highway side would disappear completely, and were relieved that it will only be reduced, especially in light of the increased state aid. They hope politics in Trenton will play out in a manner that will deliver this money to NJ TRANSIT for the benefit of riders.

Mr. Alan said the projected state operating assistance mentioned was \$307 million and this approaches the levels of more than 10 years ago, reduced by inflation. He said they will not catch up to the level of that time, but it represents an improvement over the numbers from the Christie era. However, he said they lost service during the Corzine and Christie eras, especially on the Morris & Essex Line, and want and deserve to know which services that were eliminated since then will soon be restored.

On the capital side, Mr. Alan repeated their admonition to be wary of high costs generated by large consulting firms, when there may be more effective and less expensive ways of hiring available people and doing these jobs in-house. They are concerned that the \$80 million for Amtrak under PRIIA 212 will still leave NJ TRANSIT with some "back rent" still due for the use of the Northeast Corridor. Mr. Alan said they were also concerned that NJ TRANSIT plans to overspend significantly for unnecessary features of Gateway and not spend money where it is needed most.

Mr. Alan said he was the longest-serving member of the Senior Citizens and Disabled Residents Transportation Advisory Committee and was Vice-Chair of that committee, a position held today by Steve Thorpe, who is also the Lackawanna Coalition Vice-Chair. He said they, with help from some concerned managers, have impressed upon their Coalition members the importance of the community transportation that the 5310, 5311 and other grants help support. They are aware that community transportation is a vital part of a mobility network for persons without access to an automobile and for some motorists.

Mr. Alan said he was not speaking for the Advisory Committee but, in a good conscience, he must address those grants. He said he knows the managers who compiled this information and is sure it is accurate, but it does not tell the whole story. Mr. Alan said Anna Magri, Director, Local Programs and Community Mobility, told him that NJ JARC is a unique program in New Jersey since the federal government took it out of the 5300 grant series several years ago. He said this is the kind of innovation that helps riders and makes NJ TRANSIT look good at the same time. Mr. Alan said the counties do the best that they can to provide even limited transportation to the residents that need it the most

and the grants are necessary for the economic survival and physical survival of the residents who need all the help they can get.

Mr. Alan was disappointed that there was no official report scheduled for their committee for the next five months, so he said it was left to him and Steve Thorpe to defend these programs.

Mr. Alan said they do not know how much revenue the Park-and-Ride lot rent will produce. They also do not know why the Royal Bank of Canada, and not a U.S. chartered bank, will handle NJ TRANSIT's revolving credit. Mr. Alan said some of their members have been very skeptical about the allegations that Positive Train Control will save lives; especially given its high cost. They know that Congress requires it, so that particular train has left the station. Mr. Alan asked if it can now continue to its final destination.

Chair Gutierrez-Scaccetti informed the public that the Board was pulling the Board items for the budget from the meeting agenda to make sure the Board has satisfactory answers to some of their questions. Therefore, the budget items would not be presented at the July 17, 2018 meeting.

Joseph Clift said although the budget items have been pulled from the agenda he would still like to comment on two things. He said Amtrak charges a base capital charge for maintenance fees for the Corridor and if NJ TRANSIT does not pay them, they will not maintain the Corridor and they cannot maintain Penn Station. Mr. Clift said NJ TRANSIT has been behind a year in rent payments to Amtrak, and he does not see any catch-up payments this year. He questioned when a tenant is a year behind on their rent, how positive the landlord is going to be. Mr. Clift hopes when NJ TRANSIT looks at the budgets, they put more money into this so NJ TRANSIT can start catching up to this problem.

Mr. Clift said half of the \$98 million gain in the operating budget is stealing another \$50 million from the capital program to support maintenance. He said no other transit agency in the nation spends capital on operations like NJ TRANSIT does. Mr. Clift said NJ TRANSIT was spending more in magnitude of anyone and cannot fix it this year, but someone needs to sit down with Trenton and explain they are stealing from the future when they spend this type of capital. He said a third of the capital program is a huge number.

Mr. Clift said for Positive Train Control NJ TRANSIT does not talk about the old total amount, but only a new number pops up and he does not know if the number is an old or new number. He would like to see how the price has gone up over time.

Mr. Clift said the Operating Budget does not show what NJ TRANSIT is giving the riders from the extra \$98 million. He asked if it was going to inflation, more ridership, trains, or whether NJ TRANSIT will put back the span of services that was lost when the budget was tight. Mr. Clift would like to know what the public is going to get for this expenditure.

Mr. Clift said he could not find the Capital Transportation Program for FY2019 on the Department of Transportation website. He only found a draft from March and thought maybe this is why they were removing this item from the agenda.

Mr. Clift said normally the public package for this meeting has more information than a one-page table, and there should be more details regarding the different projects and the change from last year.

Sally Gellert said she was the Legislative Director of the Lackawanna Coalition but was speaking on her own behalf. She expressed her support of the North Bergen Park and Ride. Ms. Gellert said it was very helpful when she was working at the theatre and came home late. She said it was very useful and a reasonable fare. Ms. Gellert said it would be very helpful to have it seven days a week for the non-commuters who do not necessarily use public transportation but want to get into the city on the weekend.

Ms. Gellert expressed her support for community transit grants. She said she has used them, has house mates who rely exclusively on the community transit, and it really is very important.

Advisory Committee Report

Suzanne Mack presented the Advisory Committee Report. Ms. Mack was not aware that the Operating and Capital Programs would be pulled from the agenda so she will reserve her comments for a later time. She applauds the Board and the Commissioner since this was their first budget for NJ TRANSIT and they have been working diligently with the Executive Director and staff. She said this budget may not mirror totally what the Governor talked about in March but the spirit of what Governor Murphy said was in fully funding NJ TRANSIT. Ms. Mack supported taking more time to gather more information which it is what Boards do to ensure the details and issues are worked out.

Ms. Mack believes the theme that came from the public that day was NJ TRANSIT has unfunded mandates from the federal government which have to be funded. She said it all comes down to money and financing from wherever they can since NJ TRANSIT does not have a stable source of funding. Ms. Mack hopes the efforts of the seeds they are planting will lead to the needed future funding. She said they finally have the framework that has been put in place by the Governor and staff to have something good come from this.

Ms. Mack said Positive Train Control has always been a federal mandate that NJ TRANSIT has to pay for. She said the Advisory Board was given briefings on Positive Train Control and it is a massive effort, and to think about going through the entire state and retrofitting every line is very daunting. Ms. Mack agrees with Murray Bodin that the world is changing and they have to be ready for it. However, their main goal for now is to keep NJ TRANSIT passengers safe and the way to do that right now is with Positive Train Control.

Ms. Mack said they were very disappointed when the tunnel projects went awry and Gateway was put on the back-burner by the last administration. She said they moved ahead with many aging infrastructure and highway projects, but now it was time to get back to fund transit projects. Ms. Mack said they look forward to the Board's first budget coming forth shortly.

Board Customer Service Committee Report

Board Member Finkle presented the report for the Customer Service Committee. The Customer Service Committee received a Customer Service Update, a report on the Social Media Dashboard, and an Access Link Update. The report on the Social Media Dashboard included examples of proactive communications with customers.

Board Administration Committee Report

Board Member Finkle presented the report for the Administration Committee. The Administration Committee received a Financial Update, including an update on Ridership.

Board Capital Planning, Policy, and Privatization Committee Report

Chair Gutierrez-Scaccetti presented the report for the Capital Planning, Policy, and Privatization Committee. The Capital Planning, Policy and Privatization Committee discussed the board items for the: Fiscal Year 2019 Operating Budget; Fiscal Year 2019 Capital Program; Fiscal Year 2019 Grant Programs; PTC Contract Amendment for Professional Support Services; and North Bergen Park and Ride Lease Amendment.

Executive Director's Monthly Report

Executive Director Corbett said as they work to finalize the details of the budget, the state investment in NJ TRANSIT was very exciting. With the possible exception of nearly a million commuters, no one was happier than Executive Director Corbett to see earlier this month Governor Murphy signed a new budget for the 2019 fiscal year into law, one that provides NJ TRANSIT with a \$242 million increase in funding.

This major funding boost allows NJ TRANSIT to hire additional staff for critical posts throughout the agency. More broadly, the state's investment will position NJ TRANSIT on a path toward reclaiming its standing as a national leader in public transportation. Through this funding package, their elected officials have demonstrated their strong support for modern, reliable mass transit in New Jersey.

Now it is up to the dedicated staff of NJ TRANSIT to ensure they spend those dollars wisely for the benefit of their customers. They will strive to prove to the taxpayers of New Jersey that their money has been well-invested.

Executive Director Corbett noted NJ TRANSIT was hiring in a number of areas. In particular, he noted they recently launched two new initiatives to recruit bus operators. On July 23 and 24, 2018, they will host a special open house at Bergen Community College in Paramus. For this event they invited referrals from current NJ TRANSIT employees.

In order to be successful, they have to be competitive with their public and private sector peers who are facing the same challenges recruiting bus operators as NJ TRANSIT. To that end, NJ TRANSIT offered a \$6,000 sign-on bonus for any applicant who already possesses a CDL A or B license with a Passenger Endorsement and Air Brakes.

NJ TRANSIT bus operators enjoy stable employment, excellent benefits, and strong prospects for advancement. This is an opportunity for Garden State residents to join a nationally-recognized team of men and women making a difference for their communities.

Executive Director Corbett said NJ TRANSIT's highest priority is safety, and a critical element of that is the proper installation of Positive Train Control (PTC). NJ TRANSIT continues to work closely with their partners at the Federal Railroad Administration and have made substantial progress since March 31, 2018. To date, they have trained over 900 personnel on the PTC system. They have 83 locomotives and cab cars fully equipped and 75 towers fully installed. While continuing to work closely with the FRA, they expect to meet the FRA's statutory requirements by the end of 2018 and receive federal approval to have PTC fully deployed and certified on NJ TRANSIT's rail system by December 31, 2020.

As they progress with the implementation of PTC, it is important to reaffirm that PTC is an enhancement of NJ TRANSIT's existing safety measures and systems. NJ TRANSIT remains a safe rail system and will continue to operate safely until, and after, PTC is fully implemented. Executive Director Corbett joined the FRA in stressing that this is not just checking boxes or meeting project deadlines, but part of a lifelong commitment to a culture of safe railroading.

Executive Director Corbett took a moment to recognize the NJ TRANSIT employees who helped coordinate the massive transportation effort for the Jersey City Freedom Fireworks Festival. The Independence Day event, which featured live music and an evening fireworks display, drew tens of thousands to Exchange Place.

Working closely with local authorities, Hudson-Bergen Light Rail adjusted July 4th service on the routes which normally travel through and serve Exchange Place. NJ TRANSIT ambassadors and operations personnel were stationed at key festival locations to assist customers. The New Jersey Transit Police Department monitored the crowd. Executive Director Corbett thanked the staff who gave up their holiday to help make the Jersey City celebration memorable, fun and safe for the community.

Executive Director Corbett concluded his remarks by noting it was NJ TRANSIT's 39th anniversary and recognizing the significance of the date as it relates to NJ TRANSIT. He said it was on Tuesday, July 17, 1979 that Governor Brendan Byrne signed the legislation that created NJ TRANSIT. They celebrate their 39th anniversary, an incredible milestone that all of the men and women of NJ TRANSIT, past and present, should be proud of. They look forward to the 40th anniversary next year.

Action Items

A portion of the minutes, Items 1807-48 through 1807-53, were sent to the Governor's Authorities Unit on July 18, 2018 and the calculated veto date is July 28, 2018.

Chair Gutierrez-Scaccetti noted Board Items 1807-45, 1807-46, and 1807-47 were being deferred and NJ TRANSIT would continue to work under the Fiscal Year 2018 budget authorization until the Board votes on its budget.

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 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

There were 16 speakers on other matters. Board Secretary Zuczek reminded the speakers that public comments would be limited to five minutes to provide everyone the opportunity to be heard. She reminded the speakers of the protocol for individuals representing a group.

Randy Glucksman, Chair of the Metro North Rail Commuter Council and MTA Board Member, said the MTA Executive Sessions are rare and when they do occur they are five minutes, maybe six or seven at most. He thinks it is unconscionable that hours of their time are wasted while the Board enters into Executive Session. Mr. Glucksman said there has to be a better way to handle this business.

Mr. Glucksman said he saw a demonstration of Positive Train Control on Metro North's Hudson Line. The testing was performed between Tarrytown and Croton Harmon onboard a test train with several other Metro North Committee Members and Metro North staff and consultants who explained the various testing that was being performed. Mr. Glucksman said he came away feeling comfortable that Metro North would be in compliance this year.

Mr. Glucksman said monthly Positive Train Control updates are provided to the MTA Board as well as to the public and showed the most recent version of their dashboard. He asked if NJ TRANSIT has this information, and why they were not sharing it with the public. Mr. Glucksman said all they have been hearing is that trains have to be cancelled to install Positive Train Control, and customers are suffering with this reduction of service.

Mr. Glucksman asked the Board to direct staff to develop a better severe weather schedule to replace the one that was implemented last year and remains in effect. He said the rail advocates hope there would be more peak hour services. Mr. Glucksman said workers do not go to work in severe weather conditions because they want to, but because they have to and the service provided must measure up to accommodate their needs. He said adding one peak hour train is not enough.

Orrin Getz said for months he has been asking for the status on the Positive Train Control installation and not much information has been forthcoming. He said all they know is that NJ TRANSIT is still far behind and may not make the December 31, 2018 deadline. Mr. Getz questioned if NJ TRANSIT has enough time to even qualify for the 2020 deadline.

Mr. Getz said he provided Executive Director Corbett a copy of the book that is provided to the Long Island Railroad's (LIRR) Board Members and there is a complete status from pages 65-78 showing clearly what's going on with LIRR. He believes NJ TRANSIT should work on providing something like this as well since they are at such a critical phase especially now that they are cancelling trains. Mr. Getz said they need to know what is going on.

Mr. Getz said in Secaucus there is a new plan operating the escalators and it is not working very well. He said last week all escalators were going down and none were going up, and he had to walk way to the other side of the station to find an escalator going up. Mr. Getz said this was ridiculous and asked for something to be done to correct this new escalator plan because it was not working.

Mr. Getz said there was still a shortage of engineers and this is the real problem NJ TRANSIT is facing. He said even though some of the trains were cut back to put in Positive Train Control equipment, the trains are still being cancelled because engineers do not show up, and this is totally unacceptable.

Mr. Getz said his express trains on the Pascack Valley Line, the only one they have now, was cancelled because an engineer did not show up a few days ago. He said they cannot tolerate this anymore and NJ TRANSIT must come up with a good plan on how to recruit more engineers and train them quickly. Mr. Getz said the service was unreliable and getting worse with these crew shortages. He said they need to see an improvement.

Mr. Getz asked NJ TRANSIT to work on their mechanical department because too many trains are breaking down and they do not have good goals for mean distance between failures. He suggested looking at what Metro North does on the East Side of the Hudson, and setting similar goals because their equipment is similar so NJ TRANSIT should be able to maintain their equipment as well as they do.

Mr. Getz said there would be a problem at the Lincoln Tunnel because DOT will be working on the Helix and this construction is going to restrict some of the lanes approaching the tunnel. He said right now NJ TRANSIT's exclusive bus lane is running at 117 percent capacity. Mr. Getz said he has yet to see any plans on what NJ TRANSIT is going to do about this. He said they should be letting the public know about this so they can make alternative transportation plans.

Mr. Getz said NJ TRANSIT should look into the possibility of working with New York City on extending the number seven subway line out to Secaucus. He said Mayor Bloomberg did an initial study on this several years ago and when Executive Director Veronique Hakim was at NJ TRANSIT, she endorsed the plans. Mr. Getz believes NJ TRANSIT should look into this because they need an alternative plan for getting across the Hudson River because the Lincoln Tunnel is at capacity. He believes this will alleviate the Port Authority from building another bus station in Midtown Manhattan.

Mr. Getz also suggested changing the lighting in the Board Room to LED to save electric power and money.

Steve Thorpe voiced disappointment that this was the second time in two-months that Board items were added at the last minute. He thinks they must have thoroughly vetted this decision because they were in Executive Session for one hour and 22 minutes. Mr. Thorpe said this is unacceptable and shows lack of care for the people waiting and he takes it personally. He said this was the second time he has talked about an agenda item during his non-agenda item time.

Mr. Thorpe said he does not know what the reasoning was for pulling the Capital Item, and it may be a good one, but communication is poor. He said logical people can usually understand when something like this happens, but when it keeps happening repetitively it starts to bother him. Mr. Thorpe said they keep pouring money into a money pit for the Positive Train Control and something needs to be done.

Mr. Thorpe spoke about what the Union representative spoke about at that the last Board meeting relating to the crews getting penalized if they have personal devices on them that were left on the train. He understands there has been some movement on the issue.

Mr. Thorpe said his wife left her pocketbook on the train a few months ago in Secaucus and it was due to the diligent work of the New Jersey Transit Police who returned it to her within two-hours. He thanked Chief Trucillo and his department and said they do NJ TRANSIT a great honor.

Mr. Thorpe asked NJ TRANSIT to be aggressive when speaking to the Federal Railroad Administration for these conductors. He said they are doing us a service when they pick up personal devices and return them. Mr. Thorpe said phones are like wallets now and their whole lives are on their phones now.

Mr. Thorpe understands Positive Train Control is a federal mandate. He said the amount of money keeps increasing and there has to be a way to keep a lid on the costs.

Mr. Thorpe expressed concern about the way the Board Item for the Portal North Bridge project was forced through on short notice at the last Board meeting. He said years ago there was an agreement between the Coast Guard to shut the bridge during the four hours of rush hour. Mr. Thorpe said the bridge is not owned by NJ TRANSIT, is owned by Amtrak, and all it is used for is transporting sewage sludge. He wants NJ TRANSIT to be very diligent about what they are paying because they are only tenants. Mr. Thorpe thinks it should be a three track bridge, and NJ TRANSIT needs to focus on building a tunnel into New York instead of a bridge.

Neile Weissman spoke on behalf of Complete George, 240 organizations, businesses, communities and public officials, calling on the Port Authority for the wider paths on the George Washington Bridge. He said over the next 10 years, it is very likely that the Hudson rail tunnels will need to be shut down before new tunnels are complete.

Mr. Weissman was there to discuss how cycling can help mitigate that scenario, with the George Washington Bridge playing a crucial role.

Mr. Weissman said the problem is the Port Authority's refusal to widen the paths as part of the \$1.9 billion restoration. Rather, their intention to restore them to their 1931-era pedestrian configuration for ADA, and to allocate to cyclists a single seven foot path. Mr. Weissman said this is inadequate even for current use, let alone future growth or emergency demand.

Mr. Weissman believes to ensure the GWB's viability as a robust commuting facility, NJ TRANSIT needs to strike a deal with the Port Authority on path expansion. He wants NJ TRANSIT to consider committing to a revenue stream equal to the tolls paid to transport the same number of commuters by bus.

Mr. Weissman said the obstacle to widening the paths is financial, not technical. He said Port Authority engineers have said the paths could be widened anytime and original design drawings show them as 16 feet. However, Mr. Weissman said the cost of doing it now, while the paths are being gutted, is far less than later, as a stand-alone job. He said if included in the \$2 billion restoration, half capacity would be online by 2021, and the rest by 2025.

Mr. Weissman said the day after Superstorm Sandy bike trips across New York City's East River bridges surged from 13,000 to 30,000 and this was not by happen stance. He said this was preceded by decades of planning and investment where the public came accustomed to cycling. Mr. Weissman said the sooner these investments are made the sooner people will incorporate them into their daily travel habits, providing new resilient capacity for changes down the road. He said they may have survived the summer of hell, but winter is coming.

David Peter Alan said there was little mention of the Gateway project in the packet provided to last Friday, but newly emerging financial and legal difficulties with Gateway make it more vital than ever that NJ TRANSIT "right-size" the project by pursuing a more cost-effective project on a smaller scope that still does the job.

Mr. Alan said at the last Board meeting, item 1806-44, which appropriated \$600 million toward the Portal Bridge North project, was forced through without notice to the public or the opportunity to comment that is required by New Jersey's Open Public Meeting Act N.J.S.A. 10:4-9(a). He does not know why this management and Board thought it was so important to spend that money that they violated the law to do it, but he thinks that alone says a lot about the merit of the project, when NJ TRANSIT resorts to unlawful means to finance it. Mr. Alan said they know from the record that they did the same thing today with the Positive Train Control item, and this has to stop.

Mr. Alan said at the last meeting of the Gateway Program Development Corporation Board, at which Executive Director Kevin Corbett was present, they pointed out that NJ TRANSIT had used fictitious numbers in claiming an overall capacity increase for the

Portal North Project, which would replace a two-track bridge with another, more-expensive, two-track bridge. Mr. Alan said replacing single-level rail cars with multilevel cars has already produced a 4.4 percent increase in capacity. He said using current operating capacity as a baseline, as the Federal Transit Administration requires, gives the proposed replacement bridge credit for a capacity increase of less than seven percent, far less than the 10 percent required for Federal Transit Administration funding. He said NJ TRANSIT's submissions to the Federal Transit Administration used an outdated baseline from 2015, which omitted the improvements already achieved by changing the equipment.

Mr. Alan said under New Jersey law, as the Supreme Court held, in *Jewish Center of Sussex County v. Whale*, 86 NJ 619 (1981) at 624-25, withholding pertinent facts constitutes fraud, at least the sort of equitable fraud that could disqualify the entire application as tainted by falsehood. He said it could also damage NJ TRANSIT's credibility when the Federal Transit Administration or other grantors evaluate other applications.

Mr. Alan said there was a problem with the Hudson Tunnel Project. He said on June 29th, the Federal Transit Administration clarified its position on federal loans, and said that they cannot count as "local" funding. He said the current combination of requested Federal grants and loans totals 81 percent, with only 19 percent from local sources. Mr. Alan said the required "local" contribution is at least 50 percent, so it is no surprise that the current plan failed the Federal Transit Administration's evaluation.

Mr. Alan said NJ TRANSIT either needs to find another \$4 billion from the local side for the project, or scale it and the other parts of the overall Gateway Project down to a manageable size and then look for enough local funding. He said they can't count on President Trump to change his mind and suddenly give away most of the nation's available transit funding to New York and New Jersey.

Mr. Alan said none of the service lost has been restored. He said for the first time this summer, there will not be hourly shuttle trains on week-ends between Long Branch and Bay Head, even though the economy of the Shore depends on tourists who use the North Jersey Coast Line to get there.

Mr. Alan said to make matters worse, trains are annulled randomly, apparently on the spur of the moment with no reason, and with reckless disregard for their mobility. As a person who depends on NJ TRANSIT for all its mobility, he said they can no longer count on any train appearing, not only at its advertised time, but at all. Mr. Alan said on weekends, they suffer three and four-hour gaps between trains, when service was supposed to be hourly.

Mr. Alan said they have been campaigning for actual reform, including genuine non-political rider representatives on the Board, and specifically some who depend on transit. He said they want representation on the Board, and they will not rest until they have it.

Joseph Clift said he distributed an editorial that was in *The Daily News*, June 18, 2018 because there is a lot of information that is well written. He said they will not find this on the Gateway's website because it is not positive towards the Portal North Bridge. He also provided a two-sided handout on the Portal North Federal Transit Administration Grant Application: a lie to gain something of value and read the Merriam –Webster Dictionary definition of fraud: deceit, trickery: specifically: Intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right. Mr. Clift said that is the Portal North Bridge Application.

Mr. Clift said in 2014 NJ TRANSIT Rail Operations developed a plan to maximize seats into New York by converting single level comet trains into single level arrows, and eventually both to multi-level trains. He said a report was published and a lot of advocates were brought in and walked through everything. Mr. Clift said two-years later, there was an application for an \$800 million dollar federal grant that requires a 10 percent capacity increase. He said the applicants took the improvements already listed for 2014 and said they could not happen without a new bridge in place and effectively changed the truth and put in a lie to get money that they do not deserve.

Mr. Clift says they claim they cannot convert the comet trains to multi-levels, and yet they are all operating as multi-level trains today. He said they have maximized seats into New York Penn Station, but they cannot claim those for Portal North Bridge. Mr. Clift said if the six trains are taken out, the increase is 6.9 percent, which he thinks is completely bogus, but it doesn't matter because they are now below 10 percent which is a legal minimum to get a core capacity grant.

Mr. Clift said the Portal North Bridge does not qualify for federal money because it does not expand the network or increase capacity. He asked how they can take a two-track bridge, replace it with a two-track bridge, and get more capacity. He said NJ TRANSIT is going to be short \$800 million dollars on a \$1.8 billion dollar project, and the time is now to think about a reasonable replacement for Portal and the expansion to four tracks. Mr. Clift said what they can build there is relatively small and design can start now and it can be bid and done before this massive project is completed.

Mr. Clift said every other transit agency in the United States should be upset with NJ TRANSIT and the Port Authority for applying for a grant they do not deserve or qualify for. He said there are limited amount of funds that go out to these capital improvement projects and if Portal steals \$800 million, money is not available for everyone else. Mr. Clift urged them to think of Plan B.

Mr. Clift said he would like to see a report showing the total price of this project history for the speed control. He would like to see if \$320 million is the price tag that's going to be true two-months from now.

Board Secretary Zuczek noted there were 10 speakers on behalf of Russell Graddy, the group elected to have the first and last speakers have five minutes for comments, and all other speakers will have two minutes.

Jamie Bland spoke on behalf of Russell Graddy and said she was a Chapter Leader under the National Action Network. She said her concern is that Mr. Graddy was railroaded out of his restaurant business in Atlantic City. She said NJ TRANSIT agreed to place him in another location. She was troubled because this happened to Mr. Graddy and because he was the only African American. Ms. Bland said Mr. Graddy continued paying rent for two consecutive years for a business he was not occupying. His equipment was still inside the building, and he was never relocated.

Ms. Bland said Mr. Graddy is one of the A-List businessmen in the City of Paterson. He continued to pay the rent to keep his name in good standing. Ms. Bland said after all of the humiliation Mr. Graddy endured, she thinks it is time to dig deep into the files and take a look at all the money Mr. Graddy paid. She said pride and dignity is all you have and the Board needs to find justice for Mr. Graddy.

Donna Ivy spoke on behalf of Russell Graddy. She said Mr. Graddy is a citizen of Paterson and has done business all over the country. He represents his community and his African American heritage with dignity and respect. She said Mr. Graddy has been going through this since 2002. Ms. Ivy agrees with Jamie Bland that the Board should look at the files and review his case. She said it is a sad story that did not have to happen and it affects his livelihood, his life, family, and his greater community, not only Paterson. Ms. Ivy said removing his business was the wrong thing to do. He was working with NJ TRANSIT in order to take care of what needed to happen, and he has been devastated as a result of this. Mr. Graddy could have settled for pennies, not in only terms of what he lost, but in terms of what he was earning at the time his business was forced to shut down. Ms. Ivy said the Board really needs to take a look at this because it could be a win-win for all. Ms. Ivy said the Governor added \$242 million to NJ TRANSIT's budget, and she is sure an agreement can be reached.

Errol Kerr spoke on behalf of Russell Graddy and said they have been coming to the Board Meetings for many months. Mr. Kerr said his purpose today is to remind the Board of two important things: First, the people wearing the orange shirts are not prepared to get weary in well-doing. He said their well-doing is to see justice for Mr. Graddy. Second, Mr. Kerr reminded the Board that they have a fiduciary responsibility to adjudicate justice. Mr. Kerr said some synonyms for justice are: even handed, impartial, righteous, and respectful and none of these things have been done for Mr. Graddy. The Board has a responsibility to fix this, and they are looking for justice. Mr. Kerr asked to please give justice to Mr. Graddy.

Waheedad Muhammed spoke on behalf of Russell Graddy and said justice belongs to those that believe, and she believes. She said back in the day when justice was not served, people would say that is what we are going to give you and that is what you deserve. She said in today's times, she believes the Board all have a heart and know this is not justice and will do the right thing. Ms. Muhammed said back in the day, they accepted things because they did not know better, but they realize now when you know better, you do better. Ms. Muhammed said they want NJ TRANSIT to do better because this is the only thing that can be done to make this right. She said she was so excited

when the Board went into Executive Session, not being there before, because she thought the Board was going to make things right for Mr. Graddy but to her surprise that did not happen.

Ms. Muhammed said this is the first time she attended a Board Meeting and said it will not be her last. She said they are here to say that justice will be served to Mr. Graddy because it is not just him, because when you serve one, you serve all, because an injustice to one is an injustice to all, and they are here to say no justice no peace.

Eleanor Bridges spoke on behalf of Russell Graddy and said she is seeking justice for Mr. Graddy. Ms. Bridges said she was born and grew up on a small farm in Virginia. Her friend's father was sharecropper which is a tenant's farmer. The landowner was always a caucasian and the tenants were negroes. The tenant's farmer was to be paid a fair share of the crops' profits for the rent and his family's livelihood. The Caucasian landowner knew just how to keep all the profits each year and finally the farmer moved. Ms. Bridges said NJ TRANSIT knew how to railroad the negro tenant and robbed Mr. Graddy. She said it was time unjust actions are corrected and give Mr. Graddy the money owed to him.

Sarah Moody spoke on behalf of Russell Graddy and said she is a resident of Paterson along with her husband of 48 years and they raised three sons who are upstanding citizens. She said to know a man is to walk in his shoes and provided history on the Black economics in the United States. She said there has been a century of backlash in practices and policies and laws in banking and real estate to keep the Black community from benefiting from building real wealth and ownership. Ms. Moody believes the case between NJ TRANSIT and Mr. Graddy is a microcosm of that history.

Ms. Moody said there have been policies in place to keep the black community on the bottom economically, and she said it is all documented. She believes the case against Mr. Graddy and NJ TRANSIT is a similar microcosm of the past. In this case, it is a big business against a small business. Ms. Moody said Mr. Graddy built his business into a million dollar business based on grit, determination, hard work, and the belief in the American Dream. She said Mr. Graddy had no large economic backing or inheritance or family money. Ms. Moody wants Mr. Graddy to be paid the full amount of his business.

Bernard Hill Sr. spoke on behalf of Russell Graddy and asked the Board to do the right thing. Mr. Hill wants justice for Mr. Graddy for the railroading that has been done to him. He is asking for justice and the orange shirts stand for the fight for Mr. Graddy. Mr. Hill said the fight is getting larger. Mr. Hill said give justice to Mr. Graddy.

Princess Reeves spoke on behalf of Russell Graddy and said there are four words, faith, truth, wisdom, and charity. She said each of those words represents Mr. Graddy. She said he has faith by standing in his belief for what is rightfully due to him. She said he has truth by providing all the litigation information that has taken place over the years. Ms. Reeves said she will report back to several organizations, and they will enlarge the turnout. Ms. Reeves asked the Board to look at the charity that Mr. Graddy has provided to the entire community regardless of color. She asked the Board to do what is righteous.

Mae Bradley spoke on behalf of Russell Graddy and said she is here for fairness and justice for Mr. Graddy. Ms. Bradley said she will mention something that has never been mentioned in their trips here before. Mr. Graddy is not only a sterling citizen in Paterson, New Jersey, but he was a Military Veteran. She is appalled that you would treat a Military Veteran and a Senior Citizen in this manner. Ms. Bradley is demanding justice for Mr. Graddy.

Mr. Russell Graddy said as he has stated in the past, as these people come up to the podium, he does not tell them what to say; they speak directly from their hearts. Mr. Graddy said he is not a man that always sheds tears, but when some of them spoke he felt like crying because what they were saying was so true. Mr. Graddy said he knows they are not a match for the way the legal system does things, but he will go back to what he has said before, and how NJ TRANSIT made a promise to him, and he believed it. Mr. Graddy said he gave up his beautiful restaurant, and he is going to keep telling the Board this until it is dealt with. He said he spent over a million dollars which came out of his pocket because NJ TRANSIT blocked the loan that he had qualified for. He said he went to court and the court made NJ TRANSIT give him part of the money which was \$300,000 and the other \$900,000 he had to take out of his pocket. Mr. Graddy said NJ TRANSIT promised to move him. Mr. Graddy said seven years ago NJ TRANSIT had a plan for bus stations and retail spaces, but he said he was not supposed to be there. Mr. Graddy said he had to go court for the rights under his lease. He said in his lease there was a clause stating that NJ TRANSIT had exclusive rights so they could decide what happened with his restaurant, and this was only because NJ TRANSIT did not want a black person for a tenant. Mr. Graddy said if anyone should have had exclusive rights, it should have been him.

Mr. Graddy said NJ TRANSIT spent millions of dollars to move that bus station from where it was because they did not want an African American for a tenant. Mr. Graddy said he had plans of developing the property, but NJ TRANSIT moved the whole bus station to keep him from doing it, and NJ TRANSIT had their attorneys legally trap him into thinking he was going to move into the new space, but then NJ TRANSIT reneged on it.

Mr. Graddy said the courts told NJ TRANSIT to give him \$1.3 million, but they did not want to give him anything because he was black man. He said it was not written on paper, but that is what it implies. Mr. Graddy said NJ TRANSIT wanted a Roy Rogers in his space, but he outbid them and he had the right to go back in the space NJ TRANSIT promised. Mr. Graddy said he was a multi-millionaire until he connected with NJ TRANSIT. He said it is unfair, and NJ TRANSIT needs to make this right. Mr. Graddy said there are thousands of people who support him because what NJ TRANSIT is doing is so wrong. Mr. Graddy said he has been coming here for a year and half, and this would not be happening if he were White. Mr. Graddy asked the Board to go back and review the records.

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.

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	53019
➤ 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	53020

ACTION ITEMS

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.
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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 53042

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 53046

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 53049

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. **53062**

1807-51 PERSONAL INJURY CLAIM OF CLAIRE DERTOUZOS 53063

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.
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REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
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1807-52 PERSONAL INJURY CLAIM OF DEBORAH C. DOPKIN

53065

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 53067

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.

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



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

TO: BOARD OF DIRECTORS
FROM: KEVIN S. CORBETT
DATE: JULY 17, 2018
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JULY 2018

Earlier this month, Governor Murphy signed a new budget for the 2019 fiscal year, one that provides NJ TRANSIT with a \$242 million increase in funding. This major funding boost will allow us to hire additional staff for critical posts throughout the agency; more broadly, the state's investment will position NJ TRANSIT on a path to reclaiming our standing as a national leader in public transportation. Through this funding package, our elected officials have demonstrated their strong support for modern, reliable mass transit in New Jersey. Now it is up to us, the dedicated staff of NJ TRANSIT, to spend those dollars wisely for the benefit our customers. We will strive to prove to the taxpayers of New Jersey that their money has been well-invested.

NJ TRANSIT is hiring, and we have recently launched two new initiatives to recruit bus operators. On July 23 and 24, we will host a special open house at Bergen Community College in Paramus. For this event, we are inviting referrals from current NJ TRANSIT employees. In order to be successful, we have to be competitive with our public and private sector peers who are facing the same challenges recruiting bus operators as we are. To that end, we are also offering a \$6,000 sign-on bonus for any applicant who already possesses a CDL A or B license with a Passenger Endorsement & Air Brakes. NJ TRANSIT bus operators enjoy stable employment, excellent benefits, and strong prospects for advancement. This is an opportunity for Garden State residents to join a nationally-recognized team of men and women making a difference for their communities.

NJ TRANSIT's highest priority is safety, and a critical element of that is the proper installation of Positive Train Control (PTC). NJ TRANSIT continues to work closely with our partners at the Federal Railroad Administration (FRA), and we have made substantial progress since March 31. To date, we've trained over 900 personnel on the PTC system. We have 83 locomotives and cab cars fully equipped and 75 towers fully installed. Working with the FRA, we expect to meet the FRA's statutory requirements by the end of 2018 and receive federal approval to have PTC fully implemented on our rail system by Dec. 31, 2020. As we progress with the implementation of PTC, it is important to reaffirm that PTC is an enhancement of our existing safety measures and systems. NJ TRANSIT remains a safe rail system and will continue to operate safely until, and after, PTC is fully implemented.

Finally, I'd like to recognize the NJ TRANSIT employees who helped coordinate the massive transportation effort for the Jersey City Freedom Fireworks Festival. The Independence Day event, which featured live music and an evening fireworks display, drew tens of thousands to Exchange Place. Working closely with local authorities, Hudson-Bergen Light Rail adjusted July 4th service on the routes which normally travel through and serve Exchange Place. NJ TRANSIT ambassadors and operations personnel were stationed at key festival locations to assist customers, while the New Jersey Transit Police Department monitored the crowd. My thanks go out to the staff who gave up their holiday to help make the Jersey City celebration memorable, fun and safe for the community.

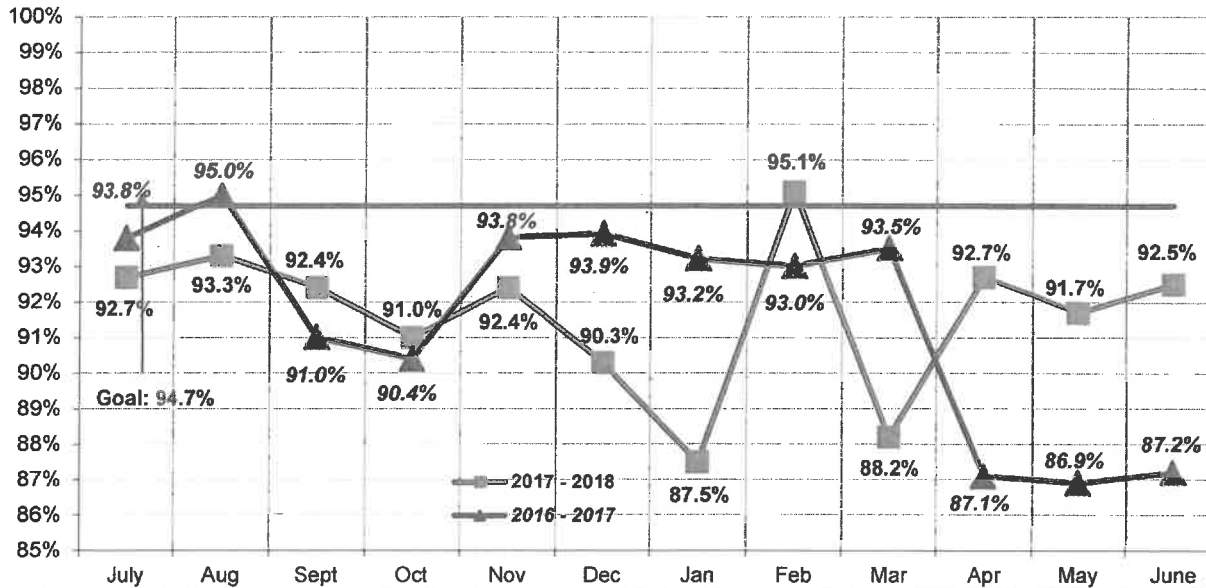
EXECUTIVE DIRECTOR'S MONTHLY REPORT JULY 17, 2018

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

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL JULY 2016 - JUNE 2018

% Trains Reported Within 6 Minutes of Schedule



	2017	2018	# Change
June Comparison	87.2%	92.5%	5.3%

	2016-2017	2017-2018	# Change
12-Month Average July, 2017 - June, 2018	91.6%	91.7%	0.1%

Analysis:

Rail On-Time Performance was 92.5% for June 2018. Of the 17,920 trains scheduled to operate, 16,579 were on time, while 1,341 trains (or 7.5%) were delayed. Key causes included:

- NJT operational issues contributed to 44 delays resulting in 84.8% OTP on June 16.
- Amtrak and NJT equipment issues contributed to 73 delays resulting in 84.8% OTP on June 19.
- NJT equipment failure and NJT operational issues contributed to 55 delays resulting in 88.8% OTP on June 27.

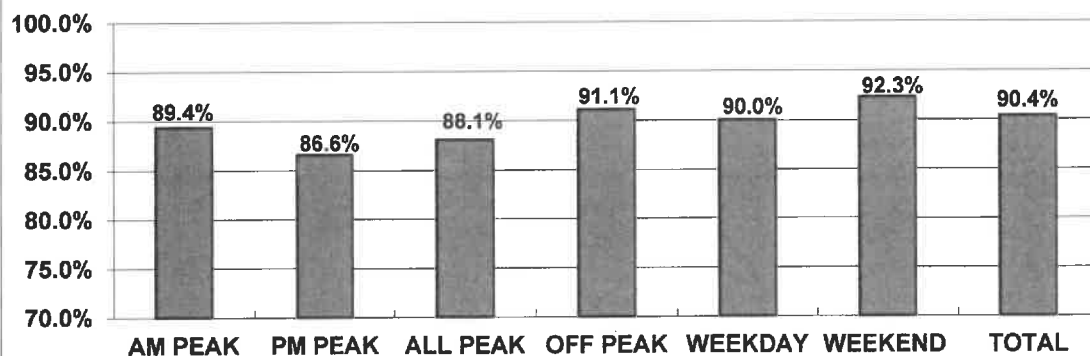
The 12-month average for Rail On-Time Performance July, 2017 - June, 2018 was 91.7%, which has increased by 0.1%.

ON-TIME PERFORMANCE RAIL

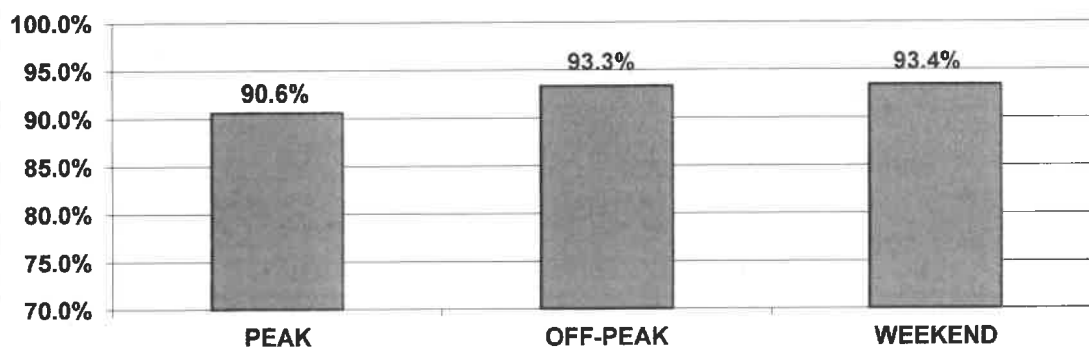
SUMMARY BY TIME PERIOD JUNE, 2018

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

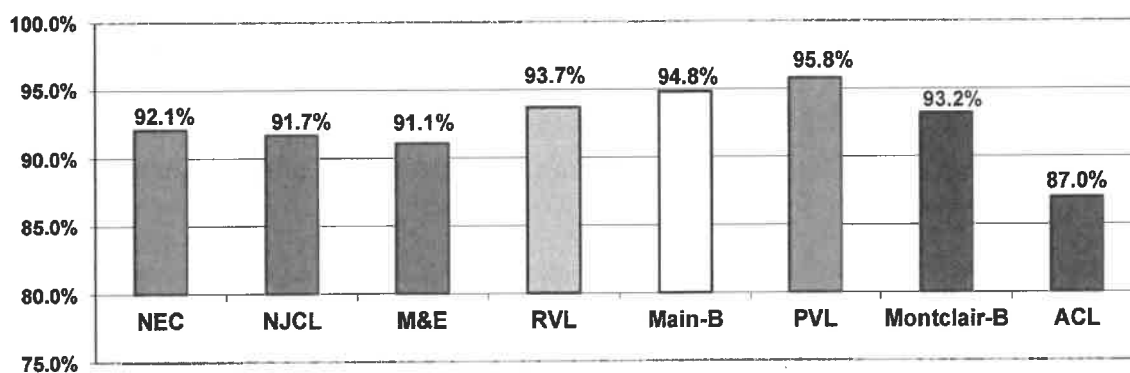
% NEW YORK PENN STATION Trains Reported On Time *



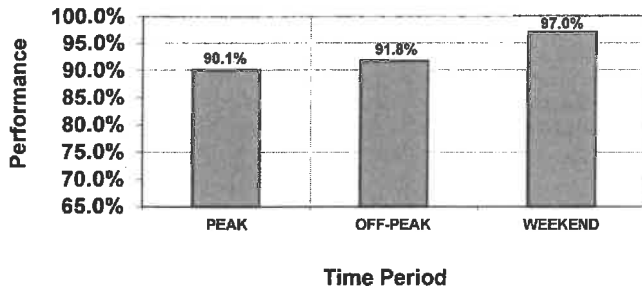
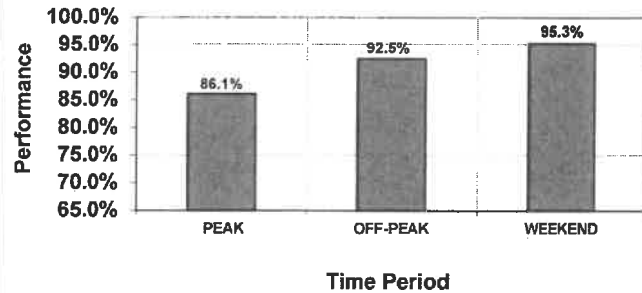
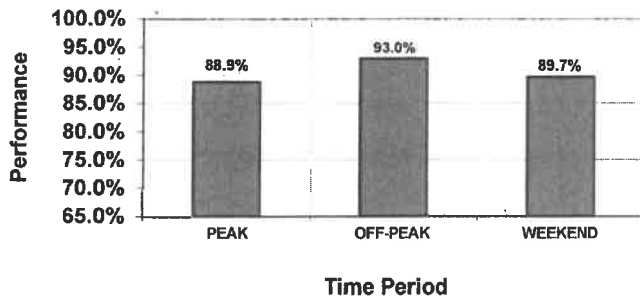
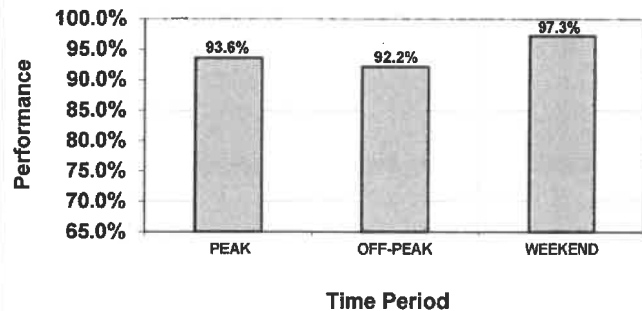
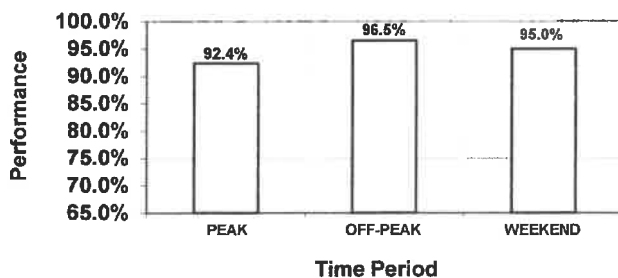
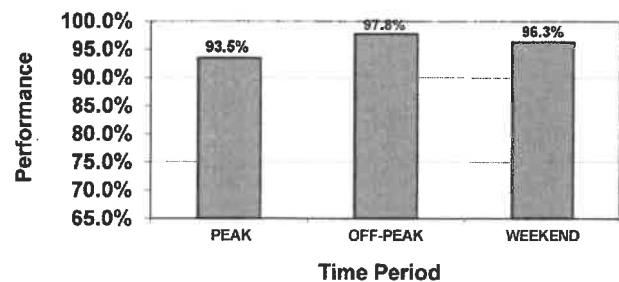
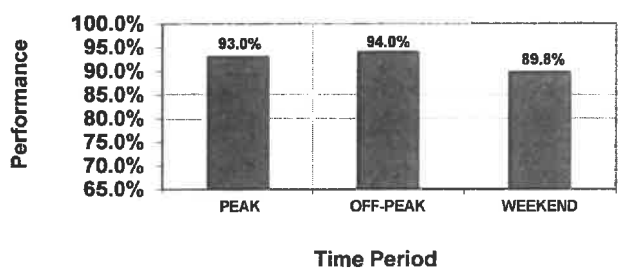
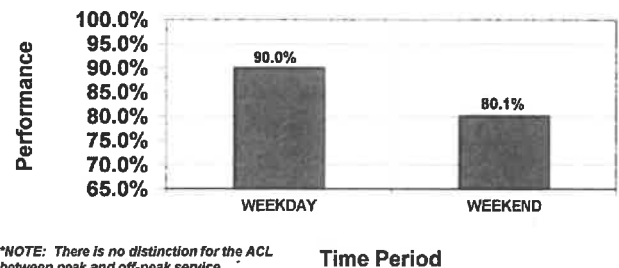
% SYSTEMWIDE Trains Reported On Time



% BY LINE Trains Reported On Time



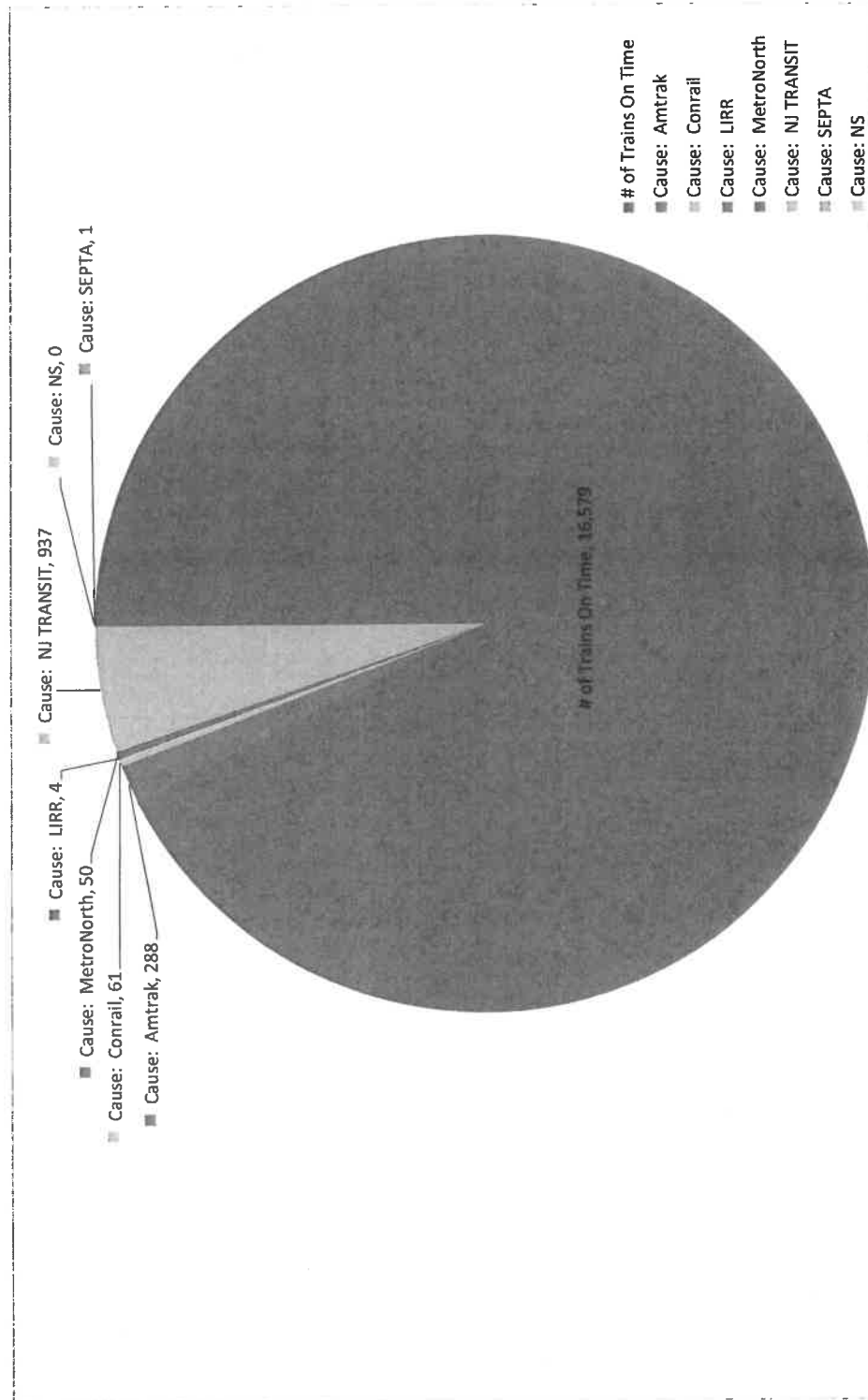
ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JUNE, 2018

NORTHEAST CORRIDOR**NORTH JERSEY COAST LINE****MORRIS & ESSEX****RARITAN VALLEY LINE****MAIN-BERGEN****PASCACK VALLEY****MONTCLAIR-BOONTON****ATLANTIC CITY***

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

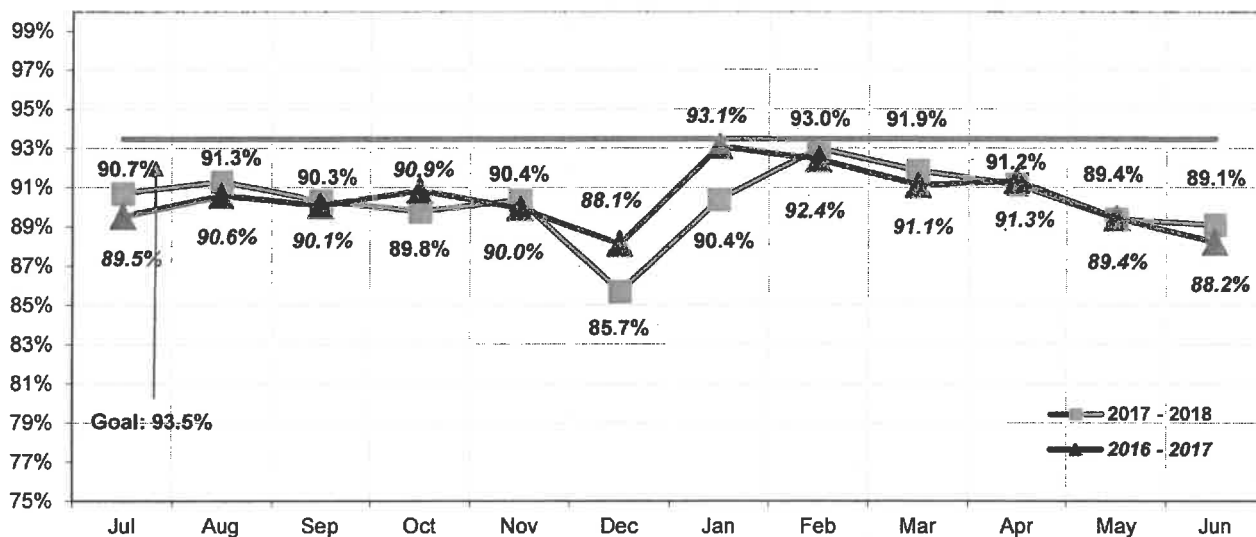
NJ TRANSIT Performance - JUNE, 2018 Late NJ TRANSIT Trains

# of Trains On		Cause: Amtrak	Cause: Conrail	Cause: LIRR	Cause: MetroNorth	Cause: NJ TRANSIT	Cause: SEPTA	Cause: NS
# of Trains On Time	16,579	288	61	4	50	937	1	0
# of Late Trains	1,341	1.61%	0.34%	0.02%	0.28%	5.23%	0.00%	0.00%
Total # of Trains	17,920							
Percentage On Time	92.5%							



NJ TRANSIT ON-TIME PERFORMANCE BUS JULY 2016 - JUNE 2018

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2016 - 2017	2017 - 2018	% Change
June Comparison	88.2%	89.1%	0.9%

	2016 - 2017	2017 - 2018	% Change
12-Month July 2017 - June 2018	90.4%	90.3%	-0.1%

Analysis:

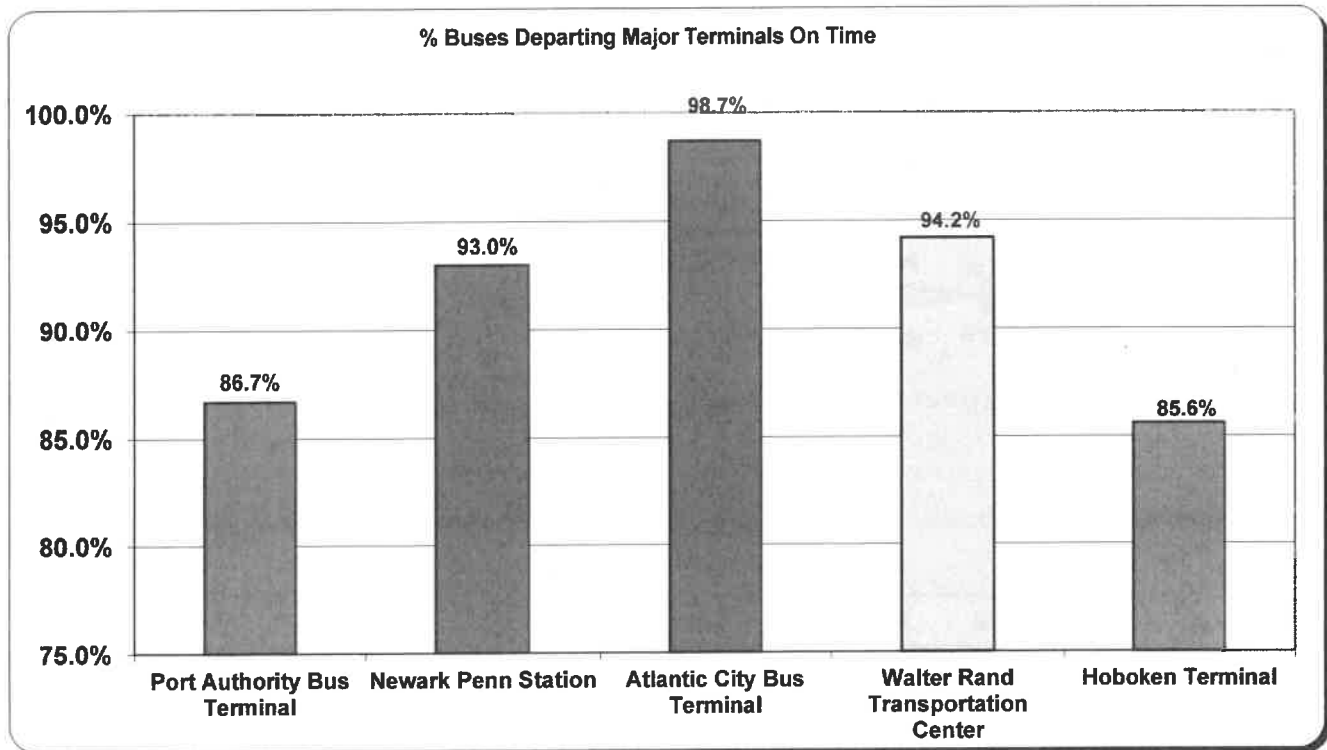
Bus On-Time Performance was 89.1% for June 2018. Of the 37,505 monitored departures 4,083 (or 10.9%) experienced delays. Key causes included:

- At Port Authority Bus Terminal, on June 14, an accident in the north wing and a disabled car in the south tube caused delays. On June 29, a motorcycle accident in the north tube, a bus breakdown in the center tube, and a disabled motorcycle in the south tube, caused delays which impacted service.
- In Newark, multiple road construction projects caused local service delays. Five lines detoured due to the construction.
- Construction on Washington Street continues to impact performance at Hoboken. The project has been rescheduled and will continue until August. The heavy rain and flooding on May 15 and May 16 caused additional delay.

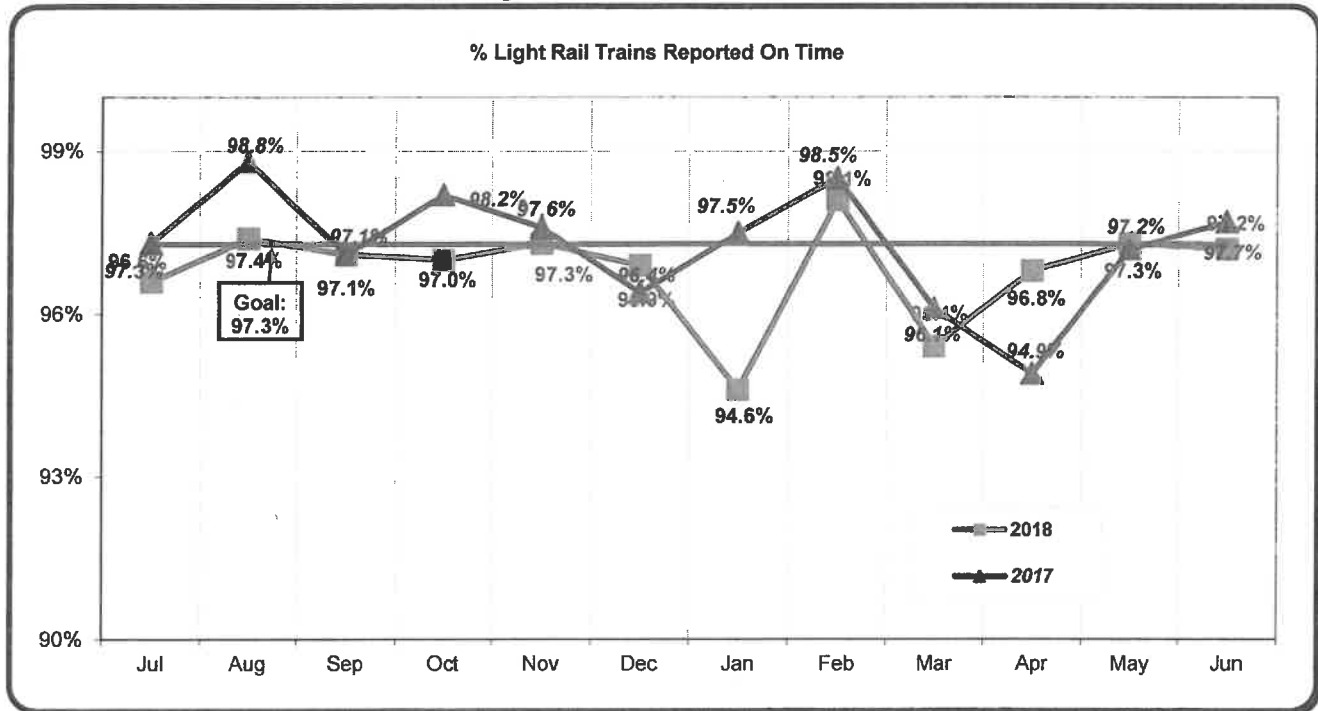
The 12-month average for Bus On-Time Performance for July 2017 - June 2018 was 90.3%, which was down by 0.1% from the previous year.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL JUNE 2018



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL July 2016 - June 2018



	2017	2018	# Change
December Comparison	97.7%	97.2%	-0.5%

	2016-2017	2017-2018	# Change
12-Month Average Ended July 2017 & June 2018	97.3%	96.8%	-0.5%

Analysis:

Light Rail On-Time Performance systemwide was 97.2% for the month of June 2018. Of the 26,151 scheduled departures, 735 (or 2.8%) experienced delays.

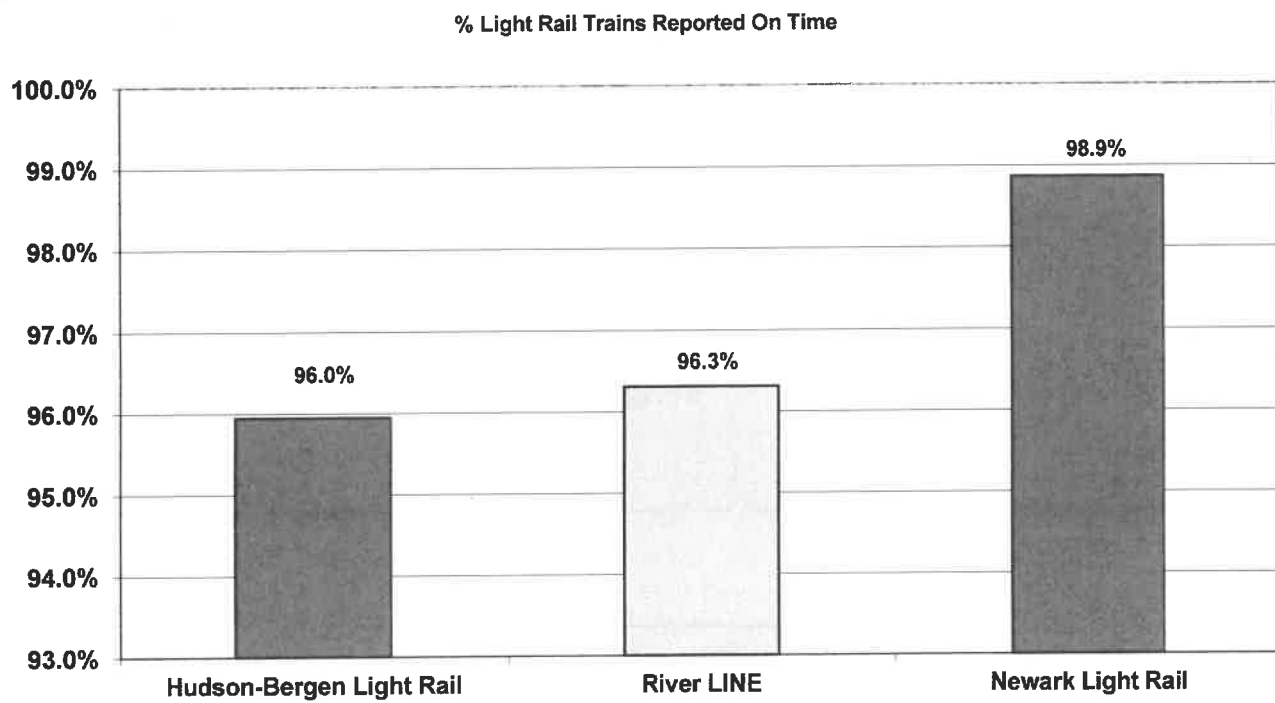
Key causes included:

- Trespasser strike at Paterson Plank Rd. in Hoboken delayed 81 HBLR Line trains on June 18.
- Police activity near Burlington Station delayed 27 RiverLine trains on June 8.
- Police activity in Newark Tunnel delayed 4 NLR trains on June 20.

The 12-month average for Light Rail On-Time Performance for July 2017 - June 2018 was 96.8%, which decreased by 0.5 % compared to July 2016 to June 2017.

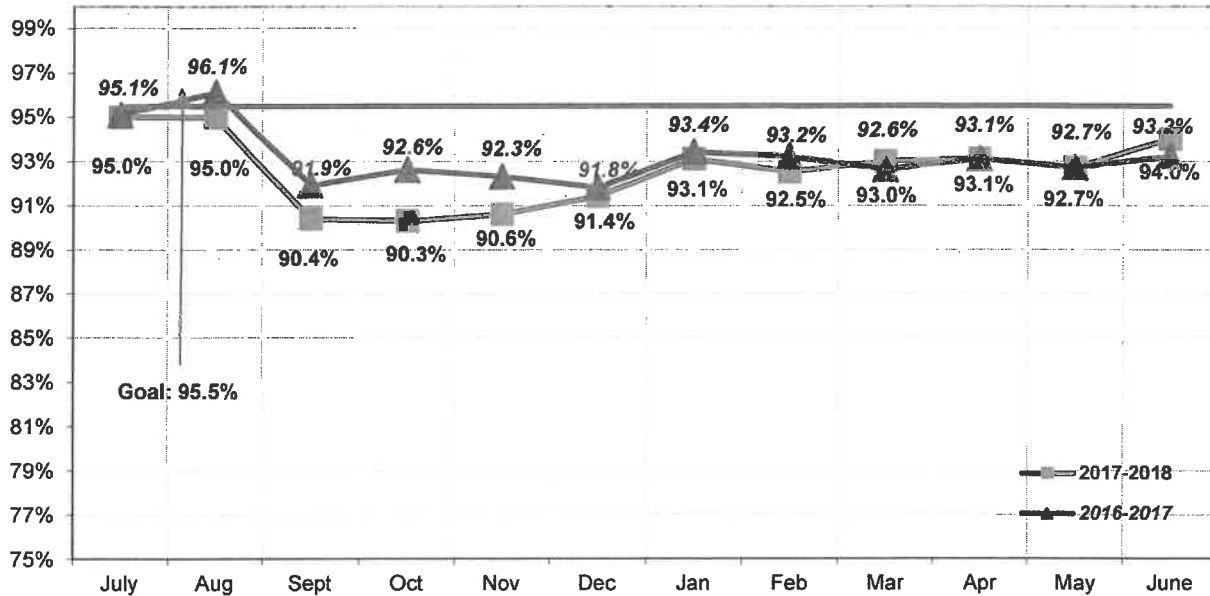
ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE June 2018



NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK July 2017 - June 2018

(ADA, PCAs and Companion Ridership)



	2017	2018	% Change
June Comparison	93.2%	94.0%	0.8%

	2017	2018	Difference
June Ridership	139,782	141,002	1,220

	2016-2017	2017-2018	% Change
12-Month Average July-June	93.2%	92.6%	-0.6%

Analysis:

Access Link On-Time Performance was 94.0% for June 2018. In serving 141,002 total riders, for 127,821 ADA customers trips, 7,620 (or 6.0%) experienced delays.

Key causes include:

- * Road closures / due to construction
- * Traffic congestion (higher) due to graduation ceremonies
- * Customer no-show and cancellations

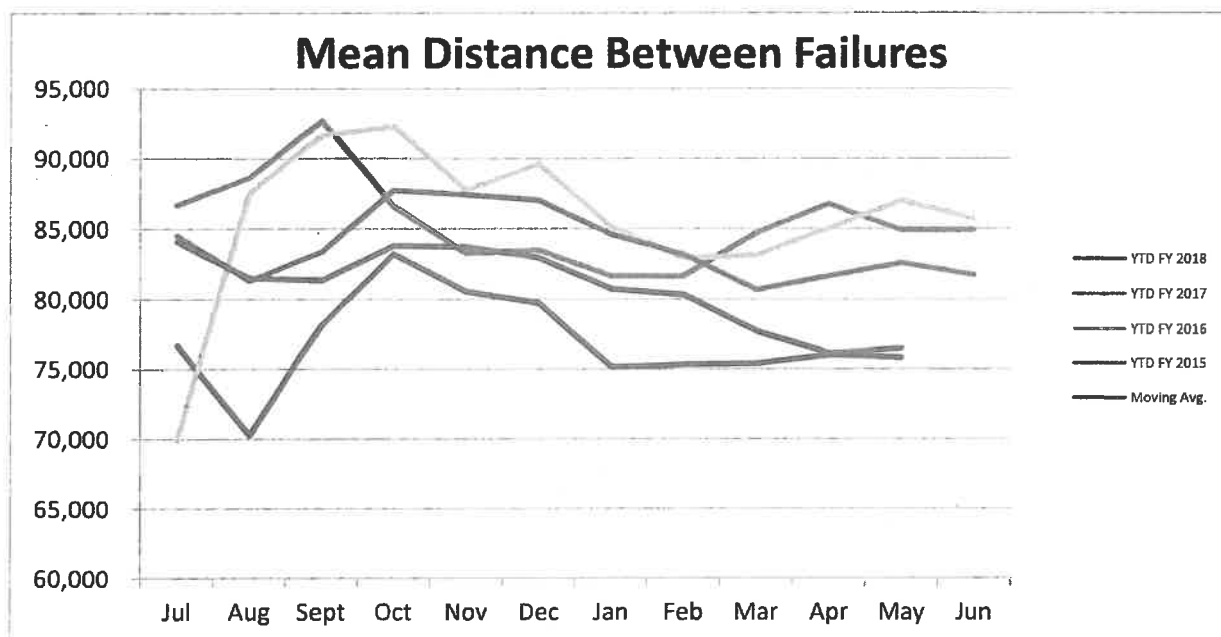
The 12-month average for Access Link On-Time Performance for July 2017 - June 2018 was 92.6%, which decreased by -0.6%.

MEAN DISTANCE BETWEEN FAILURES

May 2018

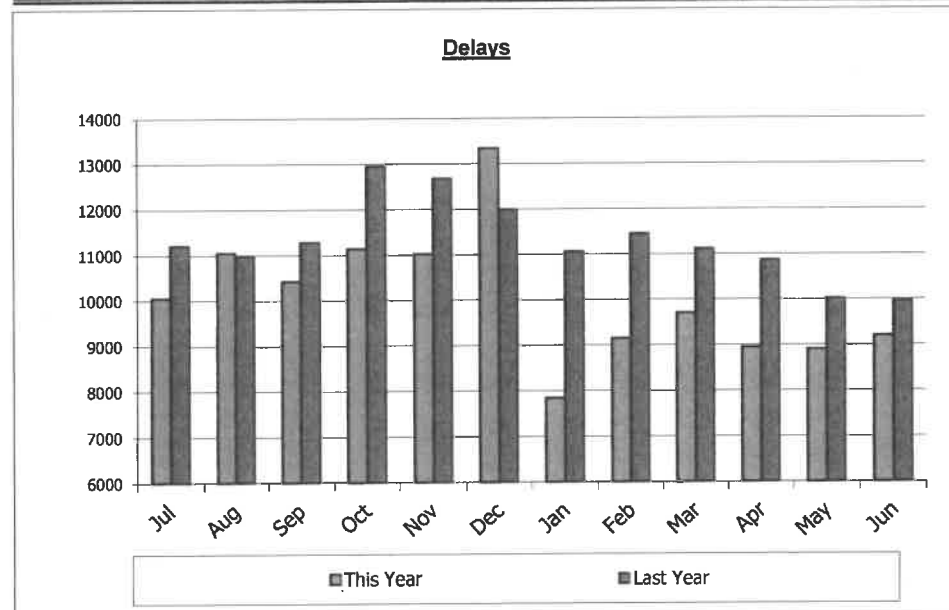
NJ TRANSIT Rail Operations
Mean Distance Between Failures

Month	YTD FY2018	YTD FY2017	YTD FY2016	YTD FY2015	12 Month Moving Avg.
Jul	76,674	86,683	69,926	84,508	84,069
Aug	70,263	88,680	87,565	81,319	81,472
Sept	78,151	92,705	91,669	83,368	81,337
Oct	83,213	86,626	92,329	87,750	83,800
Nov	80,523	83,272	87,756	87,434	83,720
Dec	79,711	83,501	89,655	87,042	82,929
Jan	75,139	81,633	85,167	84,607	80,711
Feb	75,324	81,639	82,949	83,179	80,309
Mar	75,376	84,715	83,112	80,659	77,686
Apr	75,968	86,771	85,060	81,649	76,108
May	75,787	84,920	87,022	82,566	76,487
Jun	-	84,936	85,722	81,704	-



Garage Performance Parameters**June 2018**

Location	Miles Between In-Service Delays			
	FY2018 Goal	This Month	FY2018 YTD	FY2017 YTD
Fairview	7,000	3,886	5,014	5,614
Greenville	9,900	3,612	4,776	6,276
Market Street	9,500	6,315	7,597	8,193
Meadowlands	11,500	5,698	6,284	7,180
Oradell	13,500	6,803	8,211	9,077
Wayne	12,500	8,231	9,194	11,954
Northern Division	-	6,060	7,193	8,367
Big Tree	8,800	4,948	7,038	9,142
Hilton	10,200	8,637	9,156	10,241
Howell	16,750	31,443	29,760	35,264
Ironbound	9,600	10,874	9,707	10,119
Orange	9,250	9,583	8,515	9,279
Morris	10,500	48,152	43,840	47,394
Central Division	-	11,903	11,741	13,057
Egg Harbor	16,500	16,951	15,272	16,010
Hamilton	20,000	9,836	11,465	17,151
Newton Avenue	15,700	9,973	11,571	13,949
Washington Twp.	14,500	16,397	13,062	13,137
Southern Division	-	13,806	13,199	14,677
Bus Operations	-	9,193	9,887	11,224

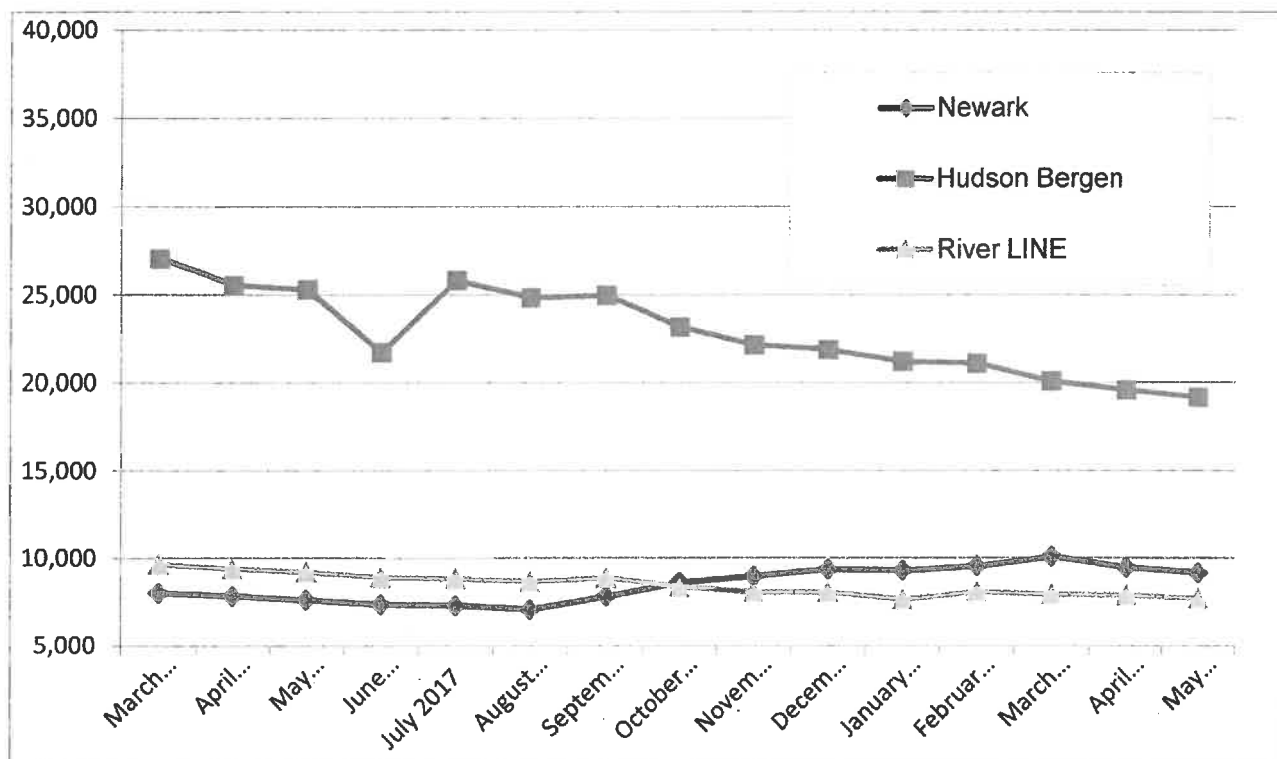


NJ TRANSIT - LIGHT RAIL, May 2018

Average Miles Between In Service Failures

NJT LIGHT RAIL	MDBSF * May 2018
Newark Light Rail	9,150
Hudson Bergen	19,153
River LINE	7,693

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 June 2018

State Funded Contracts

During the month June 2018, NJ TRANSIT awarded **\$0.00** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$0.00** or **0.00%**.

During the State Fiscal Year **2018** (July 1, 2017 through June 30, 2018) NJ TRANSIT awarded **\$237,766,783.12*** in state funded contracts. Of that total, SBEs received **\$55,685,898.19** or **23.42%**.

***Previously awarded \$10,535,644.00 in May 2018, not reflected in the respective report.**

SBE Goal Attainment from July 1, 2017 through June 30, 2018 (FY 2018)

Category 1 SBEs received	\$37,500.00	or 0.02%
Category 2 SBEs received	\$177,800.00	or 0.07%
Category 3 SBEs received	49,852,412.57	or 20.97%
Category 4 SBEs received	\$4,429,185.62	or 1.86%
Category 5 SBEs received	\$41,000.00	or 0.02%
Category 6 SBEs received	\$1,148,000.00	or 0.48%

FTA Funded Contracts (updated Quarterly – next update will occur October 2018)

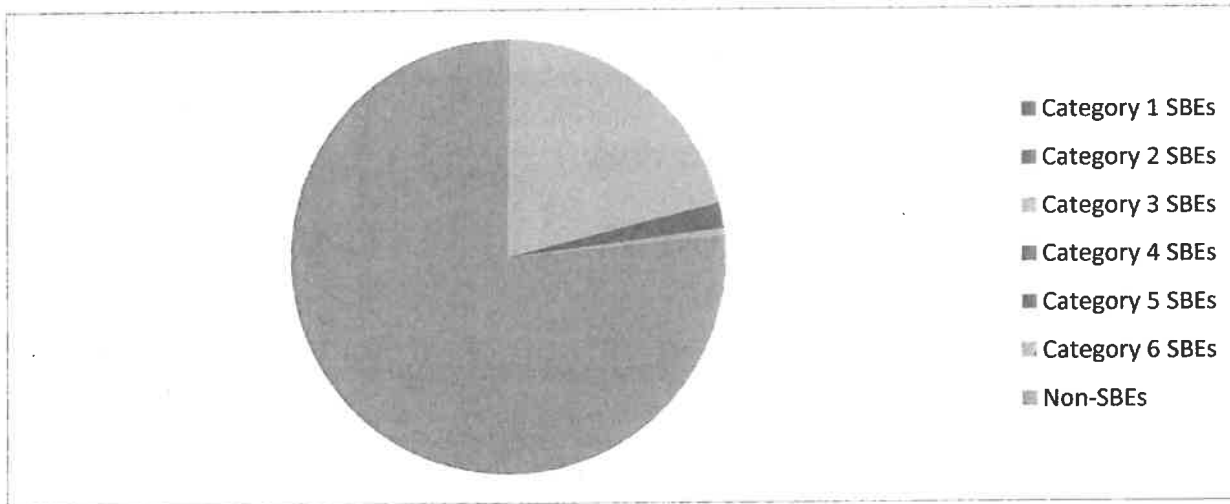
During the 3rd Quarter (April 1, 2018 – June 30, 2018) of Federal Fiscal Year 2018 (October 1, 2017 through September 30, 2018), the FTA funded share of NJ TRANSIT's federal contracts awarded was **\$0.00**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$0.00** or **0.00%**.

DBE Goal Attainment from April 1, 2018 – June 30, 2018 (FFY 2018) **

Contracts awarded	\$0.00
DBEs received	\$ 0.00 or 0.00%

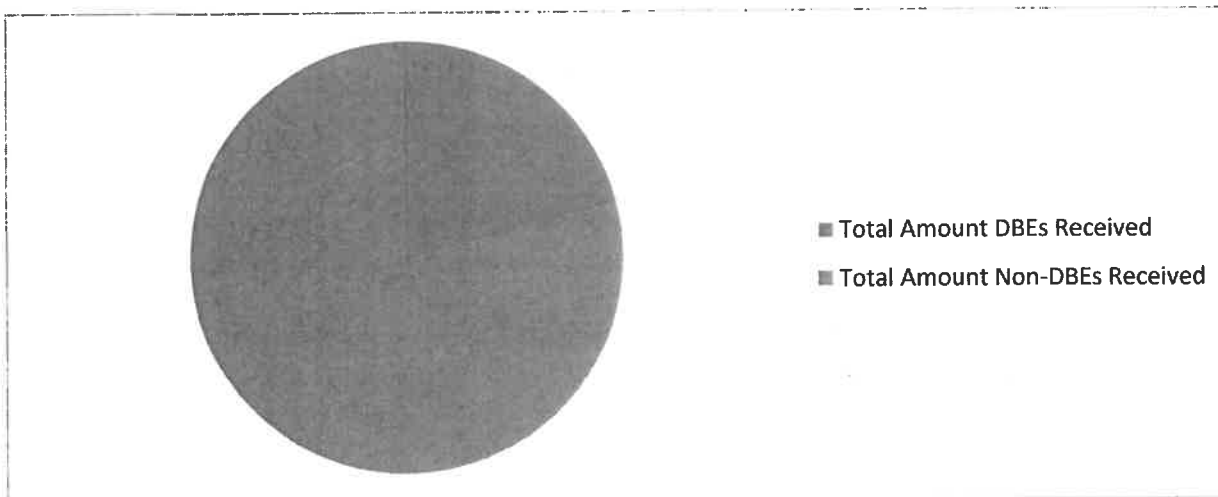
****Numbers reflect federal share.**

<i>Category 1 SBEs</i>	\$37,500.00	0.02%
<i>Category 2 SBEs</i>	\$177,800.00	0.07%
<i>Category 3 SBEs</i>	\$49,852,412.57	20.97%
<i>Category 4 SBEs</i>	\$4,429,185.62	1.86%
<i>Category 5 SBEs</i>	\$41,000.00	0.02%
<i>Category 6 SBEs</i>	\$1,148,000.00	0.48%
<i>Non-SBEs</i>	\$182,080,884.93	0.00%



DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD 2018

Total Amount DBEs Received	\$8,233,145.97	20.84%
Total Amount Non-DBEs Received	\$31,268,353.77	79.16%



EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

25 NJ TRANSIT employees retired recently with careers ranging 12 to 45 years of service:

1. Abdul R. Amadu-Suka, Operator – Greenville – 17 years
2. Rose M. DeJean, Cleaner – Hilton – 14 years
3. Blanche Famer, Operator – Newton Ave. – 14 years
4. Anderson Parker, Operator – Oradell – 26 years
5. Robert W. Sellmeyer, Spec. Mech. Wel. – Newark – 45 years
6. Mark Welhorsky, Depot Master – Wayne – 43 years
7. Dudley Active, Repairman – Hilton – 12 years
8. John W. Clark, Operator – Big Tree – 19 years
9. Andre Evans. Stock Clerk – Ironbound – 30 years
10. Michael Farano Jr., Spec. Mech-Weld – Newark Bus – 30 years
11. George A. Fongh, Mechanic A – Orange – 24 years
12. John Groome, Mechanic A – Wash. Twp. – 32 years
13. Katheryn L. Gross, Operator – Wash. Twp. – 20 years
14. Betty Harris, Operator – Newark Bus – 17 years
15. Alberto F. Machado, Spec. Mech-Weld – Ironbound – 28 years
16. Reuben Pinckney Jr., Repairman – Orange – 31 years
17. Bertram Robinson, Serviceman – Orange – 20 years
18. Stuart M. Kovacs, Dir Eng/Arch-Des – Penn Plaza – 26 years
19. Paul H. Spiegel, Mgr. Bus Stop & Shelf – Penn Plaza – 35 years
20. Christine Barbaro, Exec Secretary – Penn Plaza – 34 years
21. George J. Kruthers, Consist Coordinator – MMC – 32 years
22. Thomas Martin, Sr. Dir. Cap. Proj. Mgmt. – Penn Plaza – 25 years
23. Brian McDonnell, Sr. Qual. Ctrl. – Penn Plaza – 34 years
24. Thomas W. Morgan, Sr. Dir. Rail Svc. Plng. – Penn Plaza – 21 years
25. Michael S. O'Shea, DGM Bus Ops – Ferry Street – 44 years

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 DERTOZOS

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
------------------------------------	-------------------------------

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.