

**SOUTH JERSEY TRANSPORTATION AUTHORITY
EXECUTIVE SESSION MINUTES**

JULY 20, 2010

Vice-Chairman Summerville called the Executive Session Meeting to order at 10:18 a.m. and noted that this Executive Session was being conducted in accordance with Resolution 2008-14 of the South Jersey Transportation Authority, which provides for the following:

The general nature of the subject matter of this closed session meeting shall pertain to matters authorized pursuant to N.J.S.A. 10:4-12(b) (4), (5), (7) and (8).

Present

Commissioner Joseph W. Devine
Commissioner James U. Gaymon, Jr.
Commissioner Walter Perkins
Commissioner Joseph Ripa
Commissioner Louis Toscano
Vice-Chairman Mark Summerville

Absent

Chairman James S. Simpson
Commissioner C. Robert McDevitt
Commissioner Jeffery April
Commissioner Timothy J. Lizura

Also Present

Bart Mueller, Executive Director
Maura Tully, Governor's Authorities Unit
Keith Barrack, General Counsel
Stephen Dougherty, Chief of Staff
Dennis Culnan, Deputy Executive Director
Sharon Gordon, Deputy Executive Director
Sam Donelson, Director of Engineering
Susan Lubrano, Authority Board Secretary

Personnel Matter

Executive Director Bart R. Mueller asked the Commissioner's permission to add a resolution that authorizes the Executive Director to take necessary action to maintain the Authority's fiscal integrity. He briefed the Commissioners and Directors on the purpose of this drop-in resolution. Mr. Mueller stated that due to the increased operational expenditures, predominantly related to snow removal and reduced revenue related to the recession, the Authority is facing a deficit of \$1.9M. This resolution would provide him the ability to take all actions necessary, including employee layoffs, to ensure the Authority's fiscal integrity. The resolution is essential, as the Authority is engaged in negotiations with Local 193 and 196 and, should an agreement not be reached, layoffs would be necessary. Approval of this resolution would allow him to prepare for the worst while hoping for the best. This resolution would have a 90-day time limit and any action would require Board approval.

Bart R. Mueller stated that we could give back to our insurance reserve, but that he didn't think that was an appropriate measure. He provided information with regard to the differences in salary increases between the union and non-union employees of the Authority and discussed how the Authority is seeking concessions from the union employees commensurate with the contract terms of non-union employees. He stated he believes we will get where we need to be through negotiations with the unions, but that this resolution provides the Authority with the tools necessary should an agreement not be reached.

Commissioner Gaymon asked if the Unions are aware of this resolution. Mr. Culnan stated that he has met with all three Unions and discussed in detail the purpose for this resolution.

Keith Barrack, SJTA's General Counsel, discussed the need to brief the Commissioners on the Henebema v. STJA litigation. Mark Peck, Esq., Florio Perrucci Steinhart and Fader was conferenced in at this time. He explained that the lawsuit arose from a three car accident that occurred at approximately 3:30-4:00a.m on December 4, 2005, at approximately 7.3 westbound, on the Atlantic City Expressway. Temperatures were below freezing and there were areas of black ice. Due to the weather conditions this morning, there were dozens of accidents including a double fatal. A discussion between Counsel and the Commissioners regarding a status update of this matter ensued.

There being no further business, Vice Chairman Summerville called for a motion to adjourn the Executive Session.

Motion was moved by Commissioner Toscano and seconded by Commissioner Gaymon; motion carried adjourning the Executive Session at 10:42 a.m.

Submitted by:

A handwritten signature in black ink, appearing to be 'S. Lubrano', written over a horizontal line.

Susan Lubrano, Authority Board Secretary