

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Jamie Fox, Board Chairman
Veronique Hakim, Executive Director

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

May 21, 2015

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the re-scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Wednesday, May 13, 2015.

Sincerely,

Original Signed By

Joyce J. Zuczek
Acting Board Secretary

Enclosures

Honorable Chris Christie
Governor, State of New Jersey
State House
Trenton, NJ 08625

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, May 13, 2015.

Present

Jamie Fox, Chairman
Bruce M. Meisel, Vice Chairman
Amy Herbold, Governor's Representative
Steven Petrecca, Treasurer's Representative
Myron P. Shevell, Board Member
James C. Finkle, Jr., Board Member
Flora M. Castillo, Board Member (By Telephone)
Raymond W. Greaves, Board Member (Non-Voting)

Also Present

Veronique Hakim, Executive Director
Neil Yellin, Deputy Executive Director
Dennis Martin, Vice President/General Manager, Bus Operations
Robert Lavell, Vice President/General Manager, Rail Operations
John Squitieri, Chief, Light Rail and Contract Services
Christopher Trucillo, Chief of Police
Warren Hersh, Auditor General
Kathleen M. Sharman, Chief Financial Officer & Treasurer
Michael Slack, Chief Information Officer
Penelope Bassett, Assistant Executive Director, Communications & Customer Service
Steve Santoro, Assistant Executive Director, Capital Planning & Programs
Gardner Tabon, Chief, Office of System Safety
Michael Gonnella, Deputy Attorney General
Joyce J. Zuczek, Acting Board Secretary
Alma Scott-Buczak, Assistant Executive Director, Succession Planning and Workforce Development

The Office of System Safety provided a Public Safety Message.

Chairman Fox convened the Open Session at 5:06 p.m. in accordance with the Open Public Meetings Act.

Acting Board Secretary Zuczek announced that adequate notice of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations, Inc. NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. was provided in accordance with the Open Public Meetings Act, Chapter 231, P.L. 1975, and the meetings were occurring concurrently. Notices

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

Chairman Fox asked for a motion to adopt the minutes of the April 8, 2015 Board meetings. A motion was made by Board Member Myron P. Shevell, seconded by Vice Chairman Bruce M. Meisel and unanimously adopted.

Advisory Committee Report

Suzanne Mack, on behalf of the North and South Jersey committees, expressed their sympathy for the Amtrak derailment. The committees held a joint meeting in Atlantic City and were briefed about the budget difficulties and they offered suggestions. They realize there are budget problems and everyone is concerned about the service proposals. The committee members are planning to attend the public hearings to hear the sentiment of the riders.

Public Comments on Agenda Items and Other Matters

There were 14 public comments. Acting Board Secretary Zuczek announced the public comments would be limited to five minutes in order to give everyone an opportunity to be heard.

Chairman Fox acknowledged Assemblyman Wisniewski and his work in transportation.

Assemblyman John Wisniewski said it was a somber day for everyone involved in transportation. The Amtrak accident that just occurred the night before underscores the importance of vigilance in ensuring the transportation system is properly funded. He expressed his sympathy to those who lost loved ones.

Assemblyman Wisniewski has been in legislation for 19 years and has always advocated for more funding of mass transit. NJ TRANSIT is the largest statewide public transportation system and third largest provider of bus, rail and light rail by ridership in the United States. He said in fiscal year 2014, the \$23 million transit operating funding was used to balance the budget. Assemblyman Wisniewski said either NJ TRANSIT had a surplus or more likely the transportation dedicated funding was used for something else. He said in 2015, Governor Christie proposes to cut the state operating subsidy more than \$7 million. He noted a one percent fare increase equals \$6 million.

Assemblyman Wisniewski voiced his opposition to the service proposals and fare increases. He believes raising fares and decreasing service will make transit use more difficult. Assemblyman Wisniewski noted a history of fare increases in 2005, 2007 and 2010. He said fares increased more than 50 percent while inflation was barely 20 percent during that same time period. Assemblyman Wisniewski noted the fare

increase proposal followed the Governor moving his former press secretary to NJ TRANSIT at a salary of \$147,000. He noted moving an appointee to a position for which he does not have a background at a time when the commuters are being asked to pay more money calls into question the commitment to transit.

Assemblyman Wisniewski said NJ TRANSIT is not just a way to get to and from work. He said it is a vital part of the state economy and provides the opportunity to travel to work, the doctor, and other places they would not otherwise be able to reach. Assemblyman Wisniewski said this administration has burdened NJ TRANSIT with loans that need to be paid back and failed to fund the Transportation Trust Fund in a sustainable and renewable way.

As Chair of the Transportation Committee, he has worked to protect transportation, which is vital to New Jersey's economics and quality of life. He noted there is not a lot of room to add more roads or bridges. Assemblyman Wisniewski believes mass transit use is important to deal with the transportation needs, but he believes raising fares discourages it. He requested reconsideration of the fare increases and believes there are other ways to fund transportation and provide NJ TRANSIT with the subsidy it needs.

Board Member Greaves thanked Assemblyman Wisniewski for attending the meeting and said the Assemblyman's comments spoke for him.

Janna Chernetz thanked Assemblyman Wisniewski for championing the issue and reiterated his point that this is a serious problem that affects a lot of aspect of New Jersey. The answer is not a fare hike, nor a line of credit. Ms. Chernetz believes the answer is to restore the solvency of the Transportation Trust Fund. She does not believe New Jersey commuters should be stuck with the bill for years of kicking the can down the road.

Ms. Chernetz noted the gas tax has been untouched and is the second lowest in the country. An adequate and dedicated funding source is needed. Ms. Chernetz said the Governor has forced NJ TRANSIT to ask the riders to pay more for less service. This will result in more people using cars and increased congestion. Ms. Chernetz said the transportation sector is the leading cause of greenhouse emissions in New Jersey.

Steve Thorpe said his thoughts are with the families of those hurt in the Amtrak accident. As a Vietnam veteran and member of the Senior Citizen and Disabled Resident Transportation Advisory Committee, Mr. Thorpe encouraged NJ TRANSIT to incorporate a flag salute at the beginning of the Board meetings.

Mr. Thorpe believes it is the statehouse that wants a fare increase. He said the transit rider pays 55 cents on the dollar for their ride, Amtrak 85 cents on the dollar, and motorists pay eight cents on the dollar. Mr. Thorpe said some people are transit dependent and do not have the option to drive.

Mr. Thorpe said he would not mind a gas tax increase and believes a dedicated use tax based on per mile use is needed to improve the highways and mass transit.

Mr. Thorpe thanked Executive Director Hakim and those who made the extra trips to the shore possible, especially the weekday trips. He is concerned that the extra trips, that allow them to go straight through without departing at Long Branch, will not continue in the fall and winter.

Mr. Thorpe provided a copy of a Maryland timetable that states cell phones, electronic devices that make noise, or loud conversation are prohibited. He said NJ TRANSIT's timetable provides language about the Quiet Commute Program that lacks an authoritative tone and asks customers to be quiet. He asked NJ TRANSIT to adopt the language in the Maryland timetable for the Quiet Commute Program.

David Peter Alan spoke on behalf of the Lackawanna Coalition. He objected to the change in the Board meeting start time to 5:00 p.m. He said the earlier time makes it more difficult for commuters to attend the meeting and negates the point of a night meeting.

Mr. Alan is deeply saddened by the Amtrak accident. He said rail travel is safe and accidents like this are rare. He said elected officials should shift priorities from highways to rail.

Mr. Alan believes the fare increases are unfair and singles out transit riders alone to pay more. He said it shows complete disregard for recommendations by representatives of riders and fails to recognize inherent unfairness of the existing fare structure. Mr. Alan said five years ago some rail fares were increased by 47 percent, and a few by 64 percent.

Mr. Alan said this is the eighth time since 1988 that transit riders will pay more for their mobility. He said motorists and truckers have not been required to pay more as a fuel user fee in more than 27 years.

Mr. Alan requested off-peak discounts and reduced fares that encourage travel to Hoboken instead of New York.

The Lackawanna Coalition objects to the proposal to eliminate the last evening trains on the Montclair-Boonton and Pascack Valley Lines. He said running the last train after midnight allows riders to stay in the city to attend a movie or the theaters. The Coalition does not want the proposed fare increases and service proposals implemented.

Orrin Getz complimented NJ TRANSIT for the through service on the North Jersey Coast Line.

Mr. Getz said Rockland County strongly objects to reducing service on the Pascack Valley Line. It is a step in the wrong direction to raise fares and eliminate the last ride.

Mr. Getz said NJ TRANSIT should have HVAC people look at Penn Station because the East Concourse is warm during the warm weather. Additionally, all the brass clocks, which are located over the tracks, do not work. Mr. Getz noted the automated announcements do not mention connections to the Pascack Valley Line and Port Jervis at Secaucus, and requested announcements be made at Penn Station about connections at Secaucus.

Andersen Silva expressed her condolences to those affected by the Amtrak derailment. She left her job in Paramus, 20 miles away, at 2:30 p.m. to make the meeting at 5:00 p.m. It took two hours taking one bus and two trains. Ms. Silva said a 9 percent fare increase to maintain inadequate status quo is unfair.

Ms. Silva rides NJ TRANSIT to and from New York City on weekends, but regularly uses NJ TRANSIT service for intrastate commuting. When the Bergen Line train gets her to Ridgewood two minutes too late to make the 752 bus in the middle of the winter, there is no heated area at the bus transfer to wait inside for the 28 minutes until the next one arrives. Ms. Silva said Quiet Cars, the MyTix app, and My Bus Now are nice, but will never make up for delays and long lines.

Ms. Silva called upon State Senator Paul Sarlo, Assemblyman Gary Schaer, and Assemblywoman Marlene Caride to represent commuters in the legislature to restore the \$60 million in subsidies to NJ TRANSIT's budget and avoid the unfair fare increase. She said not investing in the public transportation system such as the Hudson tunnels and Portal Bridge are not the way to go.

Murray Bodin acknowledged those affected by the Amtrak accident. Mr. Bodin noted the Gateway Tunnel is on the way. He said the majority of people in the Port Authority Bus Terminal take a subway and requested subway service be extended to Secaucus Station.

Mr. Bodin asked NJ TRANSIT to buy lighter buses, which will cost less, use less fuel, and cause less pollution.

Mr. Bodin said railroad crossing gates should have flashing lights instead of reflective tape and said NJ TRANSIT should obtain permission to experiment with the flashing lights on railroad crossings and correct the outdated rules.

Joseph Grandioso, Local 822 Amalgamated Transit Union President represents 950 operators, maintenance, field salaried and retirees. He acknowledged the victims and families of the Amtrak railroad tragedy. He said the proposed fare increase and service proposals are a move in the wrong direction. Mr. Grandioso said service should be increased. NJ TRANSIT needs funding, not fare increases and service reductions.

Michael Phelan, resident of Leonia who commutes to Manhattan, co-founded New Jersey Commuters Action Group, which works to inform and organize commuters around the region's transportation issues. In the coming weeks, he believes many

members of the public will present strong arguments opposing the fare increase and service proposals and their group strongly agrees.

Mr. Phelan asked that investments, problem solving and creativity be used to work cooperatively to address large projects such as the trans-Hudson tunnels. Some worthy smaller projects have been lost, including the Hudson-Bergen Light Rail extension. Mr. Phelan said the Hudson-Bergen Light Rail operates from Bayonne to North Bergen and the extension would add 11 miles to Englewood, five stops along the way, and create a 33-minute trip from Englewood to Hoboken. He said the extension is strongly supported by all the mayors in the communities along the proposed line, legislators and CSX.

Mr. Phelan mentioned the potential economic and environmental benefits and said communities with access to transit and walkable downtowns are in demand by the younger generation. Mr. Phelan asked whether NJ TRANSIT has applied for grants to move the extension forward and what the plans are to move forward worthy projects without funding.

Joseph Clift offered his condolences to the families of the casualties of the Amtrak accident. On the Northeast Corridor platforms at Newark Airport, all eight restrooms are out of service. Also, there is no effort to direct people on the platform, so everyone crowds into the center train cars. Mr. Clift said the escalators on the Trenton platform operate in the opposite direction as the flow of people. At the station, Departurevision should indicate what time a particular train arrives at New York Penn Station.

Mr. Clift does not think a fare increase can be justified. He said revenues and costs should be discussed at the next Administration Committee meeting. Mr. Clift said the proposed capital program for Fiscal Year 2016 should be on NJ TRANSIT's website before the next Board meeting.

Mr. Clift said an overall service plan for Fiscal Year 2016 compared to Fiscal Year 2015, indicating what is going to change, should be posted on the website. He said SEPTA is a best practice example of providing good budget, service, and capital information. Mr. Clift does not think the issue is revenue, but rather thinks costs have gone up and asked for an explanation.

Tim Sevener took a moment of silence for the Amtrak fatalities. Mr. Sevener is a green transit advocate from Mount Tabor who has avoided driving as much as possible since 1996. Most of his commuting, about 95 percent, is within New Jersey.

Mr. Sevener said NJ TRANSIT already has the most expensive transit fares in the entire United States with declining service levels. Another 9 percent fare increase and further service reductions are proposed, while millions of dollars are spent on highways. Mr. Sevener said the \$60 million budget gap could be met by restoring the \$300 million budget to NJ TRANSIT.

Mr. Sevenser said last month \$33.9 million was provided to New York Life to move from Parsippany to Jersey City, under the Urban Transit Hub Program. He asked why he is paying his taxes for New York Life to move to Jersey City from within New Jersey.

Mr. Sevenser said tax credits are going to major corporations and developers, such as Panasonic, Prudential and Honeywell, to locate near transit stations. Mr. Sevenser asked why as a taxpayer he is paying corporations to move next to transit and then not funding NJ TRANSIT to provide the service. He said the Urban Transit Hub Program should be stopped and NJ TRANSIT should be funded.

Donald Winship, Director of Communication for the Lackawanna Coalition, provided a personal statement. He said Executive Director Hakim visited the Lackawanna Coalition last year and she said it was part of her job to be the customer advocate within the organization. Mr. Winship believes she has made some positive contributions in that capacity within the organization, but thinks she and upper management have been lacking political outreach customer advocacy. He believes that is why another fare increase is proposed.

Mr. Winship said state and national legislators will deal with larger issues in the next few years, including new trans-Hudson rail tunnels and replacement of the Port Authority Bus Terminal. He said a dedicated funding source for NJ TRANSIT operations is needed to reduce the frequency and severity of fare increases and stop diversion of capital funds to support operations.

Romy Vreeland said the 9 percent increase will result in an additional \$45 in fares per month for her household, bringing the total payments to NJ TRANSIT to \$541 per month.

Ms. Vreeland previously took the bus, but it was often late and now the trains are extensively delayed. Ms. Vreeland said the late arrivals at Secaucus and missed train connections are not included in NJ TRANSIT's on time performance departure statistics.

Ms. Vreeland said NJ TRANSIT must advocate on its own behalf more efficiently, find more money to close its budget gap, and improve its own efficiencies and performance before asking for more money from commuters.

Board Customer Service Committee Report

Board Member James C. Finkle, Jr. presented the report for the Customer Service Committee. The Customer Service Committee was provided a report about the results of the Fiscal Year 2015 3rd Quarter Customer Satisfaction Survey. Additionally, the Committee received a Customer Service update and a report on the Social Media Dashboard for March.

The Committee was also provided an update on Bus Operations use of Timepoint Schedule Adherence data.

Board Administration Committee Report

Board Member Myron P. Shevell presented the report for the Administration Committee. The Administration Committee discussed the board item to authorize NJ TRANSIT to obtain a revolving line of credit, enter into a revolving credit agreement and issue a 2015 series grant anticipation note. This will assist NJ TRANSIT in meeting its cash flow requirements for expenditures that are eligible to be reimbursed from Federal Transit Administration (FTA) Section 5307 and 5337 grants.

The Committee was also provided a Financial Update for February, which included an analysis of ridership trends.

Board Capital Planning, Policy & Privatization Committee Report

Vice Chairman Bruce M. Meisel stated he was not in attendance at the Board Capital Planning, Policy & Privatization Committee, however he read the report that summarized the meeting. Vice Chairman Bruce M. Meisel presented the report for the Capital Planning, Policy & Privatization Committee. The Capital Planning, Policy and Privatization Committee discussed the Amendment to Task Order Consultant Contracts Program – Rebuild by Design. The U.S. Housing and Urban Development announced the allocation of \$920 million in Community Development Block Grants for disaster recovery in the New Jersey and New York Region. One of the design proposals selected focuses on the Hoboken, Jersey City and Weehawken area. This contract amendment will provide for the timely acquisition of critical services including work to improve transit system resilience and mitigate further storm surge flooding risks in these areas. Amending the existing contract with Dewberry Engineers, Inc. for this specific task will provide NJ TRANSIT with the ability to procure a feasibility study and Environmental Impact Statement for critical resilience projects.

Additionally, the Committee discussed the board item Waldwick-Sale of Vacant Excess Property to Facilitate Transit-Oriented Development. The sale of vacant land to D&R Waldwick for transit-oriented development will generate \$480,000 of non-farebox revenue to NJ TRANSIT. Also, there will be a potential future increased farebox revenue from residents of the new development who have easy access to Waldwick Station.

Executive Director’s Monthly Report

Executive Director Hakim said everyone witnessed last night’s tragic events in Philadelphia. She took a moment to extend their thoughts to the families of the victims, salute the heroic efforts made by first responders, and recognize the friends, colleagues, and partners at Amtrak for their efforts under the most difficult of circumstances.

NJ TRANSIT is doing everything it can to assist Amtrak and move customers safely and as quickly as possible to their destination. NJ TRANSIT is cross-honoring Amtrak tickets on NJ TRANSIT rail service between New York and Trenton, and cross-honoring both Amtrak and SEPTA tickets and passes on all bus routes south of I-195 and on the RiverLINE light rail system. Additionally, NJ TRANSIT is providing a special bus shuttle service transporting SEPTA customers from West Trenton Station to Trenton Transit Center. Due to the additional riders, NJ TRANSIT advises customers to build in extra time in their trip and thanks everyone for their patience. NJ TRANSIT will be paying close attention to any FRA and NTSB findings as a result of their investigations.

Executive Director Hakim said May is going to be a busy month as NJ TRANSIT is actively seeking the input of customers and stakeholders regarding the fare and service proposals. Beginning Saturday, May 16, 2015, NJ TRANSIT will be holding nine public hearings and one information session around the state as well as an extended comment period on the website before the plan is considered by the Board of Directors in July 2015.

Executive Director Hakim encouraged customers and all interested parties to either attend one of the public sessions or visit www.njtransit.com/budget to submit a comment regarding the fare and service proposals. Comments can also be mailed to Public Hearing Office at One Penn Plaza, Newark, NJ 07105 or visiting one of the eight Customer Service offices. Executive Director Hakim said no final recommendations or decisions will be made until the completion of this public engagement process. It is anticipated that these results and a final recommendation will be made in July.

Action Items:

1505-10: SUPERSTORM SANDY RECOVERY AND RESILIENCE PROGRAM – REBUILD BY DESIGN: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM

Executive Director Hakim introduced Steve Santoro, Assistant Executive Director, Capital Planning & Programs who presented Action Item 1505-10 for approval.

Steve Santoro recommended approval of Item #1505-10, Superstorm Sandy Recovery and Resilience Program – Rebuild By Design: Amendment to 2012 Task Order Consultant Contracts Program. On June 2, 2014, the U.S. Department of Housing and Urban Development announced the allocation of \$920 million in Community Development Block Grants – Disaster Recovery to New York, New Jersey, and New York City to begin implementation of six design proposals that address regional-based resilience opportunities to better prepare Superstorm Sandy-impacted areas for future extreme weather events. The design proposals were prepared as part of a “Rebuild by Design” national competition to identify “blueprints for how communities can maximize resilience as they rebuild and recover from major disasters. One of the design proposals selected – named “Resist, Delay, Store, Discharge” – focuses on the Hoboken, Weehawken, and Jersey City area, which received a \$230M federal grant.

Authorization is requested to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with Dewberry Engineers, Inc. by \$8,600,000, for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$78,290,000, subject to the availability of funds, in order for Dewberry Engineers to perform a feasibility study and Environmental Impact Statement to determine the most cost-effective way to implement the Resist, Delay, Store Discharge project.

Authorization is also requested to amend the contract for this task only to ensure compliance with Community Development Block Grants requirements imposed by the U.S. Department of Housing and Urban Development, which will fund this task.

Board Member Myron P. Shevell moved the resolution, Vice Chairman Bruce M. Meisel seconded it and it was unanimously adopted.

Roll Call Vote:

Fox	Meisel	Herbold	Petrella	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1505-11: WALDWICK – SALE OF VACANT EXCESS PROPERTY TO FACILITATE TRANSIT-ORIENTED DEVELOPMENT

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer who presented Action Item 1505-11 for approval.

Vice Chairman Meisel recused himself and left the room during the discussion and vote on Item #1505-11.

Kathleen Sharman recommended approval of Item #1505-11, Waldwick – Sale of Vacant Excess Property to Facilitate Transit-Oriented Development. Authorization is requested to take all actions necessary to sell for not less than \$480,000, an excess, vacant parcel of land on NJ TRANSIT's Main Line, in the Borough of Waldwick, Bergen County, to D&R Waldwick, LLC, of Carlstadt, New Jersey, for transit oriented development to consist of residences, retail space and associated parking with conditions that the buyer assume all environmental costs and liabilities, adhere to NJ TRANSIT's requirements for working within the vicinity of the right of way; agree to a deed notice that will notify future users of the property of the adjacent railroad use; and will restrict use of the property solely to transit-oriented development for 30 years.

Vice Chairman Bruce M. Meisel recused himself from voting on Item #1505-11. Board Member James C. Finkle, Jr. moved the resolution, Board Member Flora M. Castillo seconded it and it was adopted.

Roll Call Vote:

Fox	Meisel	Herbold	Petrecce	Shevell	Castillo	Finkle	Greaves
Yes	Recused	Yes	Yes	Not Present	Yes	Yes	Non-Voting Member

Vice Chairman Meisel and Board Member Shevell returned to the meeting.

1505-12: APPROVAL OF REVOLVING CREDIT AGREEMENT AND ISSUANCE OF GRANT ANTICIPATION NOTE, SERIES 2015

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer who presented Action Item 1505-12 for approval.

Kathleen Sharman recommended approval of Item #1505-12, Approval of Revolving Credit Agreement and Issuance of Grant Anticipation Note, Series 2015.

Authorization is requested to take all actions necessary to adopt this Item and the attached Resolution (Exhibit A), in consultation with the Office of the State Treasurer and the Office of the Attorney General, to obtain a line of credit with Royal Bank of Canada (RBC) in the maximum principal amount of \$300 million, enter into a Revolving Credit Agreement and issue 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.

Board Member Myron P. Shevell moved the resolution, Board Member James C. Finkle, Jr. seconded it and it was unanimously adopted.

Roll Call Vote:

Fox	Meisel	Herbold	Petrecce	Shevell	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

Executive Session Authorization

Chairman Fox concluded the open session agenda items and 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 at approximately 6:18 p.m.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member Myron P. Shevell seconded it and it was unanimously adopted.

Chairman Fox, Vice Chairman Meisel, Board Members Herbold, Petrecca, Finkle and Greaves returned to open session at approximately 6:27 p.m. Board Member Castillo was absent for this portion of the meeting.

Public Comments on Agenda Items and Other Matters

There was one additional public comment.

Nicole Campbell could not leave work until 5:30 p.m. and took the 6:01 p.m. train, which was parked in front of an Amtrak train so commuters had to run to get on the train. She wants NJ TRANSIT to understand the stresses commuters go through daily. Ms. Campbell said the trains are late 10 to 15 minutes almost every day.

Ms. Campbell said NJ TRANSIT should make improvements and start working together to make the trains a safe environment for everyone. She thinks the trains are not safe because they are overcrowded and people stand throughout the entire train. She thinks an investment needs to be made in the infrastructure and she does not appreciate the 9 percent fare increase.

Adjournment

Since there were no further comments or business, Chairman Fox called for adjournment and a motion to adjourn was made by Board Member Myron P. Shevell, seconded by Vice Chairman Bruce M. Meisel and unanimously adopted. The meeting was adjourned at approximately 6:32 p.m.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
RE-SCHEDULED BOARD OF DIRECTORS' MEETINGS

MAY 13, 2015

MINUTES

PAGE

- CALL TO ORDER -
- APPROVAL OF MINUTES OF PREVIOUS MEETINGS 47665
- ADVISORY COMMITTEE REPORT -
- PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS -
- BOARD MEMBER COMMENTS -
- SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT REPORT JUNE 2015) -
- BOARD COMMITTEE REPORTS -
 - *Customer Service Committee
 - *Administration Committee
 - *Capital Planning, Policy and Privatization Committee
- EXECUTIVE DIRECTOR'S MONTHLY REPORT 47666

ACTION ITEMS

1505-10 SUPERSTORM SANDY RECOVERY AND RESILIENCE PROGRAM – REBUILD BY DESIGN: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM 47687

Authorization to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with Dewberry Engineers, Inc. (NJ TRANSIT Contract No. 13-002D) by \$8,600,000, for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$78,290,000, subject to the availability of funds. The maximum task order and contract limits for the contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

Authorization to amend NJ TRANSIT Contract No. 13-002D for this task only to ensure compliance with CDBG-DR requirements imposed by HUD. A Notice to Proceed is contingent on NJ TRANSIT's execution of a memorandum of agreement with NJDEP regarding the use of CDBG-DR funds.

1505-11 WALDWICK – SALE OF VACANT EXCESS PROPERTY TO FACILITATE TRANSIT-ORIENTED DEVELOPMENT 47696

Authorization to take all actions necessary to sell in fee for not less than \$480,000, an excess, vacant parcel consisting of 20,678 square feet (0.475 acre) of land situated at Milepost 23.4 on NJ TRANSIT's Main Line, within a portion of Tax Block 117, Lot 1 in the Borough of Waldwick, Bergen County, to D&R Waldwick, LLC, of Carlstadt, New Jersey, the sole respondent to NJ TRANSIT's request for competitive bids for the property, on condition that D&R Waldwick assume all environmental costs and liabilities, adhere to NJ TRANSIT's requirements for working within the vicinity of the right of way; agree to a notice in the deed of sale that will run with the land and will place all future users of the property on notice of the adjacent railroad use; and will restrict use of the property solely to transit-oriented development for 30 years, subject to reversion to NJ TRANSIT in the event of violation of this restriction.

1505-12 APPROVAL OF REVOLVING CREDIT AGREEMENT AND ISSUANCE OF GRANT ANTICIPATION NOTE, SERIES 2015 47703

Authorization for NJ TRANSIT to adopt the Resolution (i) approving the Line of Credit, (ii) authorizing the execution and delivery of the Agreement and the issuance and delivery to RBC of the Series 2015 Note to evidence and secure NJ TRANSIT's repayment obligations for the revolving loans to be made to it by RBC under the Agreement, (iii) approving the selection of RBC as the bank to provide the revolving line of credit to NJ TRANSIT pursuant to the Agreement, (iv) authorizing the Chairman, the Executive Director, the Chief Financial Officer and Treasurer, the Secretary or their designees to take all actions necessary to consummate the execution and delivery of the Agreement and the issuance of the 2015 Note, including, but not limited to, the negotiation and execution of all documents, payment of the principal of and interest on the 2015 Note, payment of bank fees and all fees related to the establishment of the Agreement, including reasonable legal fees, and approving the parameters for the issuance of the 2015 Note and the establishment of the Agreement as set forth in the attached Resolution.

- **EXECUTIVE SESSION AUTHORIZATION:** Discuss personnel matters, contract negotiations, the status of pending and anticipated litigation, and matters falling within the attorney-client privilege. **47715**
- **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 April 8, 2015 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 April 15, 2015;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the April 8, 2015 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Jamie Fox, Board Chairman
Veronique Hakim, Executive Director



One Penn Plaza East
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TO: BOARD OF DIRECTORS
FROM: VERONIQUE "RONNIE" HAKIM 
DATE: May 13, 2015
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – MAY 2015

It is **finally** springtime and I want to recognize and thank both our customers and NJ TRANSIT's hard-working men and women for getting us through this past winter of unrelenting cold, snow and ice. Our employees kept all systems running under trying weather conditions, and our customers leaned on us during Mother Nature's worst, propelling rail and light rail ridership back to and beyond historic high levels.

Together, customers and employees, we have done it safely. The number of injuries to customers and employees was down 17 percent for the first three months of this year, compared to the same period a year ago, despite winter weather. The Office of System Safety is now vigorously reviewing and improving our safety programs and will help make NJ TRANSIT even safer.

Customers have recognized our efforts to improve their experience system-wide both in terms of safety and quality of service. Customer satisfaction scores from our regular customer surveys are up for bus, for rail and overall. I am pleased to say that nearly eight in ten of our customers would recommend NJ TRANSIT to a friend.

As part of an ongoing effort to improve the overall bus customer experience, NJ TRANSIT announced the expansion of its *MyTix* mobile ticketing app to all intrastate bus routes in New Jersey late last month.

Just in time for summer, NJ TRANSIT will offer new weekday one-seat ride service for our rail customers on the North Jersey Coast Line (NJCL) to the Jersey shore. Six trains will operate from Bay Head to New York and New York to Bay Head with no need to transfer at Long Branch starting May 18th.

And finally, this is going to be a busy month for NJ TRANSIT as we are actively seeking the input of our customers and stakeholders regarding our fare and service proposals. Beginning Saturday, we will be holding nine public hearings and one information session around the state as well as an extended comment period on our website before the plan is considered by the Board of Directors on July 8th.

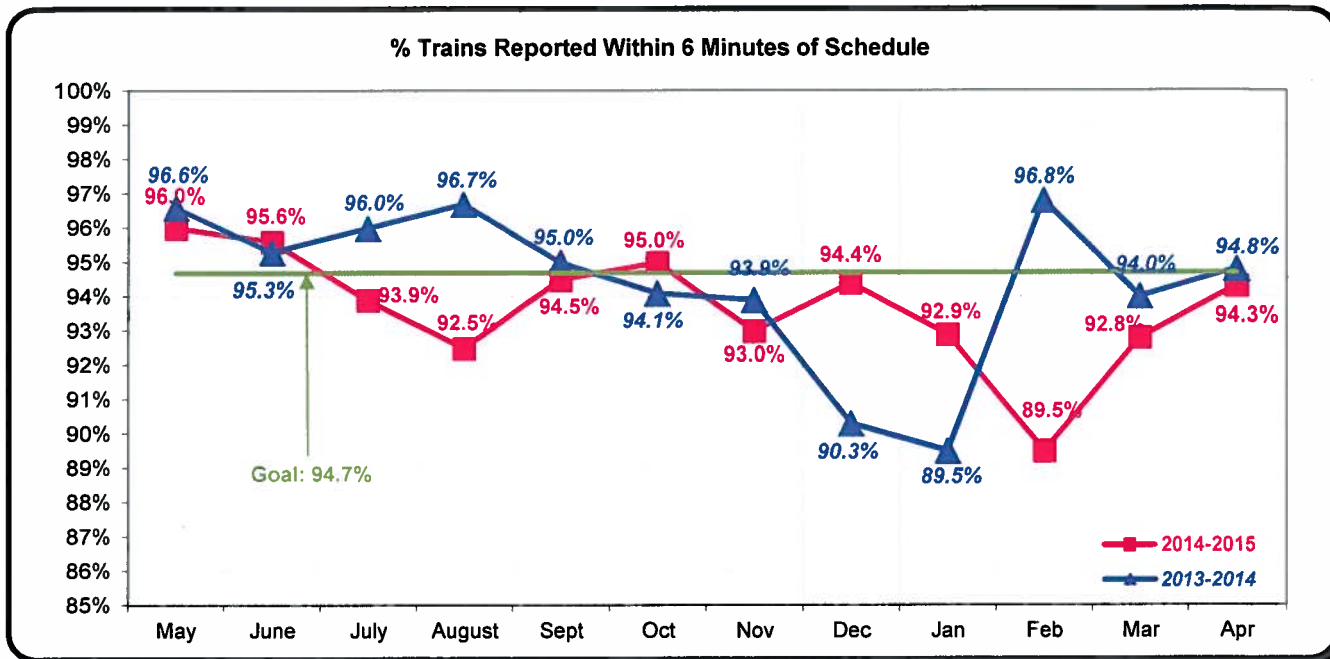
This is a time of both challenge and opportunity. With the help of our board, our customers and the public, we will sustain and improve our bus, rail, light rail and Access Link transportation systems, helping grow our state's economy and maintain the quality of life here in New Jersey.

EXECUTIVE DIRECTOR'S MONTHLY REPORT MAY 2015

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

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL MAY 2013 - APRIL 2015



	2014	2015	# Change
April Comparison	94.8%	94.3%	-0.5%

	2013-2014	2014-2015	# Change
12-Month Average May-April	94.4%	93.7%	-0.7%

Analysis:

Rail On-Time Performance (OTP) was 94.3% for April 2015. Of the 18,229 trains scheduled to operate, 17,197 were on time, while 1,032 trains (or 5.7%) were delayed. Key causes included:

- Amtrak equipment failure, NJT mechanical problems, NJT diesel failure and other miscellaneous issues accounted for 75 delays for an OTP of 87.9 on April 2.
- Amtrak concrete tie problems, Amtrak diesel failure, NJT switch issues and an NJT trespasser strike accounted for 30 delays for an OTP of 89.6% on April 18.
- NJT mechanical issues, Amtrak track failure, NJT locomotive problems and Amtrak programmed maintenance accounted for 125 delays for an OTP of 81.4 on April 29.

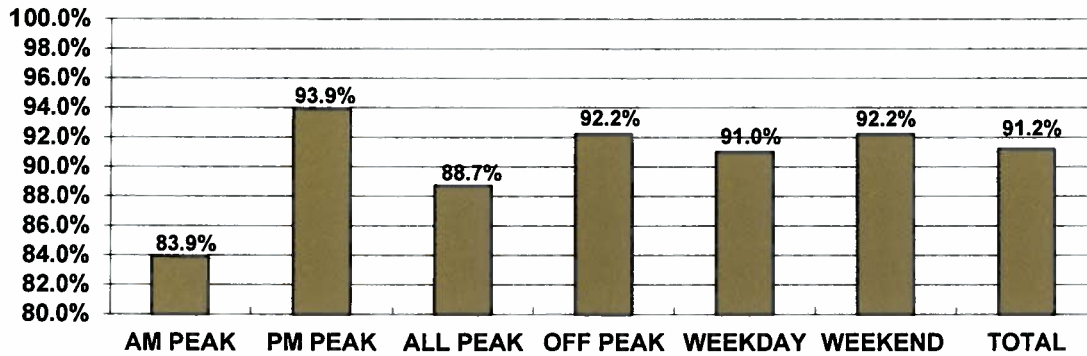
The 12-month average for Rail On-Time Performance for May 2013 - April 2015 was 94.1%.

ON-TIME PERFORMANCE RAIL

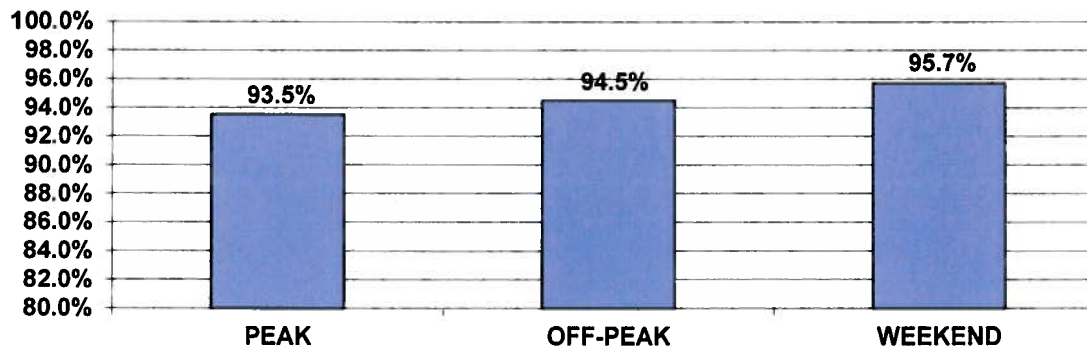
SUMMARY BY TIME PERIOD APRIL 2015

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

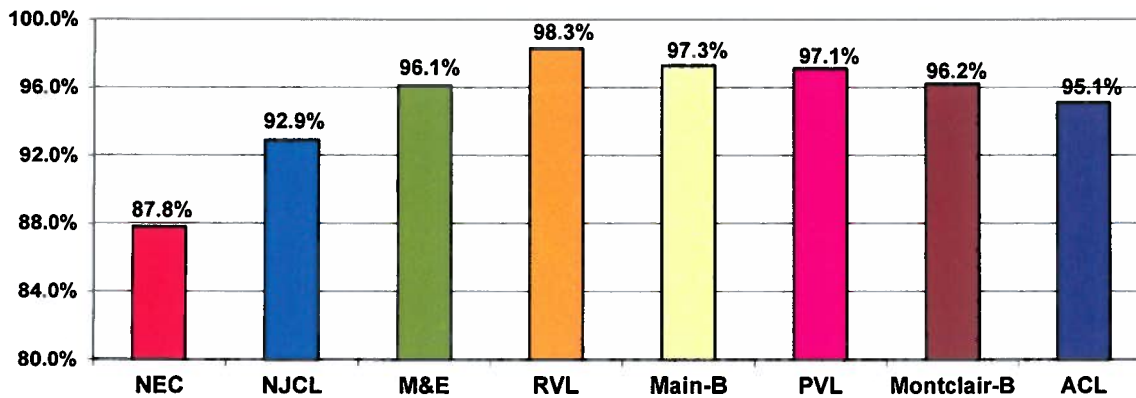
% NEW YORK PENN STATION Trains Reported On Time *



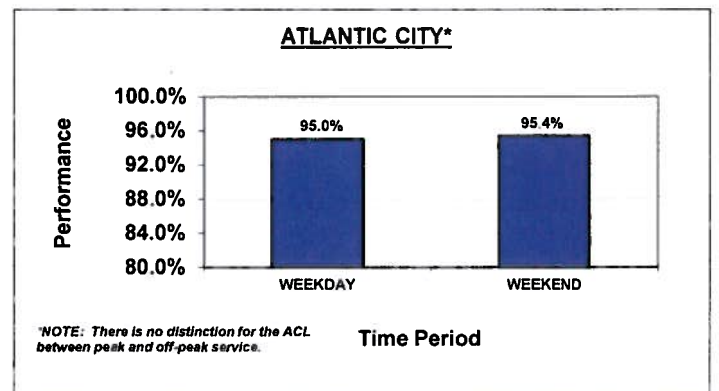
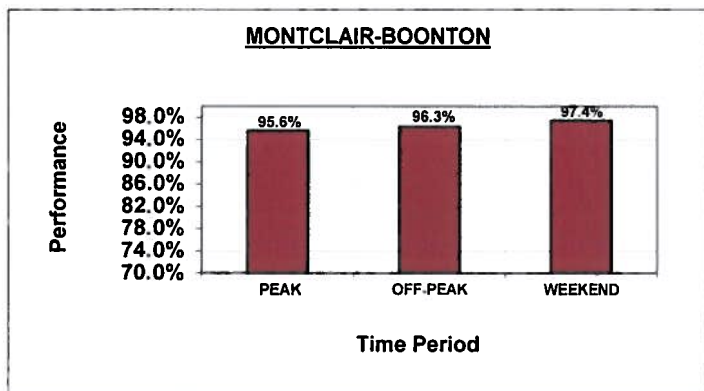
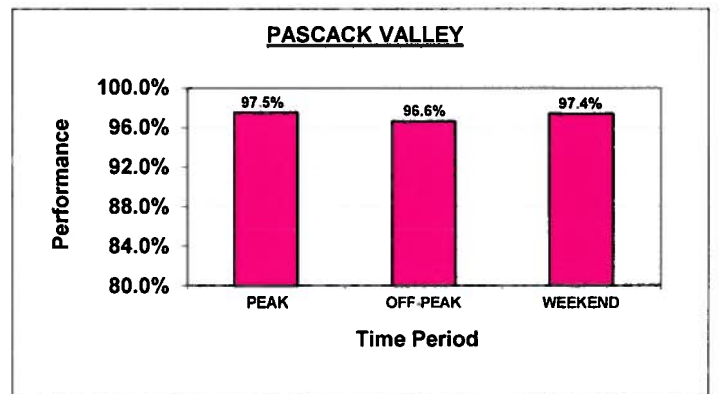
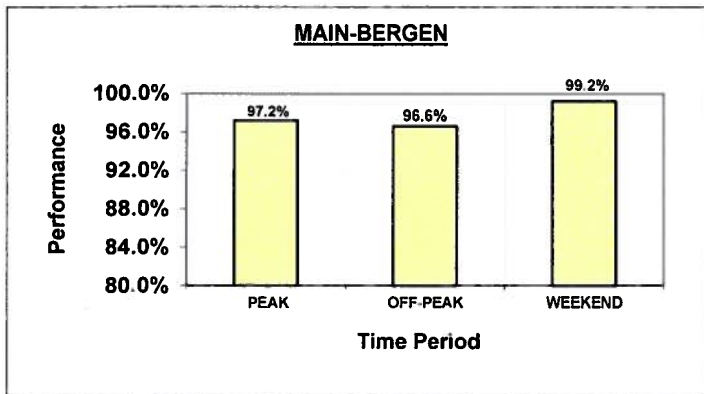
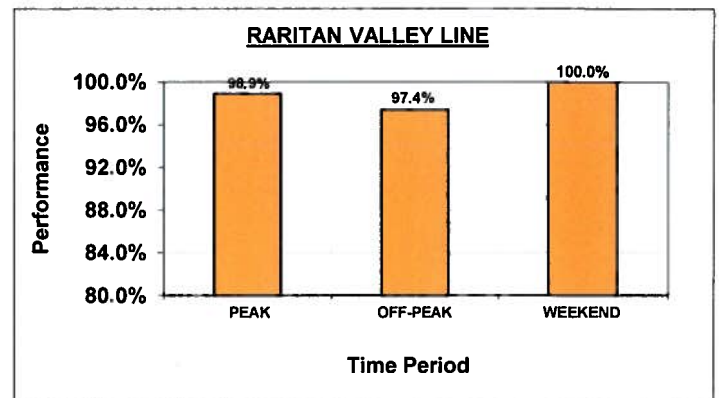
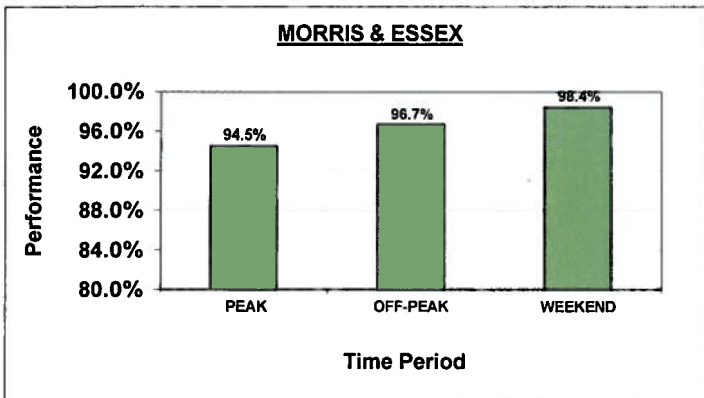
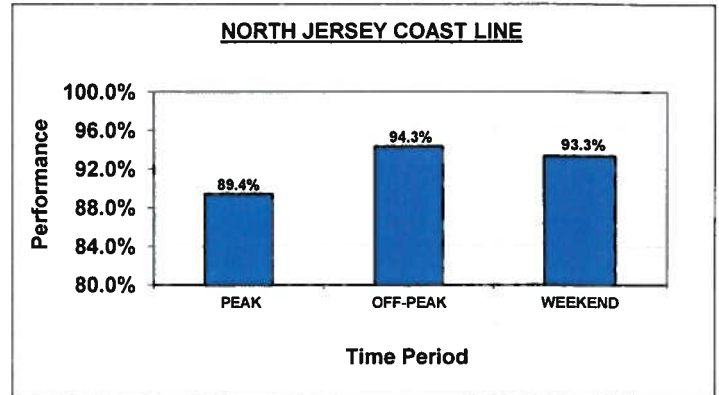
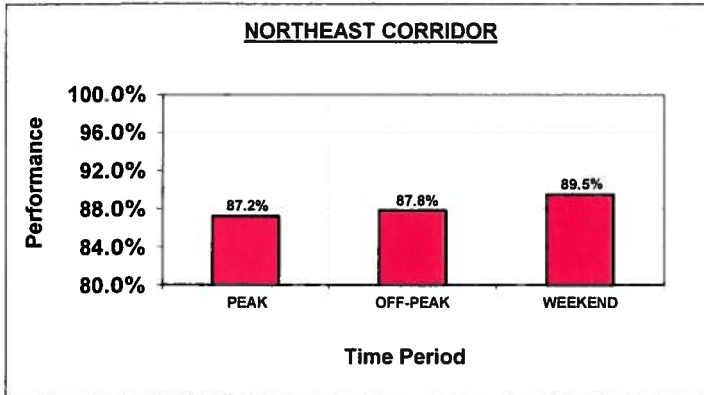
% SYSTEMWIDE Trains Reported On Time



% BY LINE Trains Reported On Time

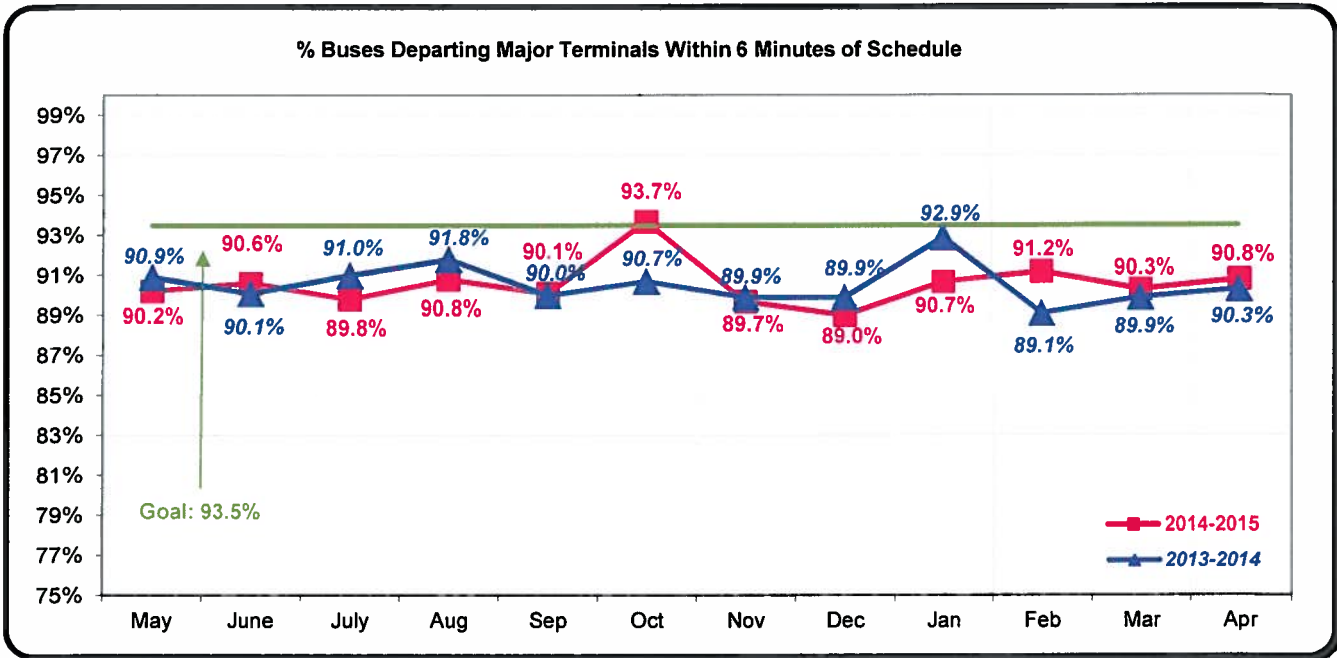


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD APRIL 2015



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

NJ TRANSIT ON-TIME PERFORMANCE BUS MAY 2013 - APRIL 2015



	2014	2015	% Change
April Comparison	90.3%	90.8%	0.5%

	2013-2014	2014-2015	% Change
12-Month Average May-April	90.5%	90.6%	0.1%

Analysis:

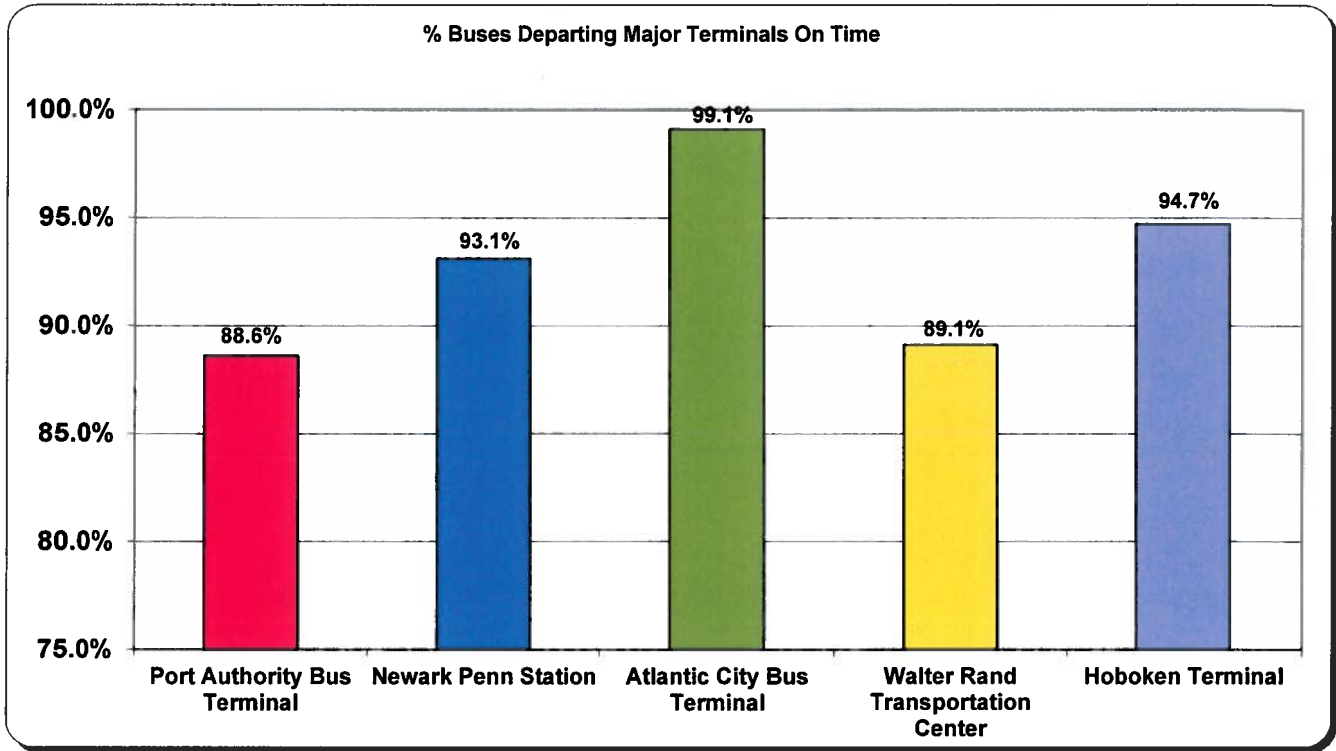
Bus On-Time Performance was 90.8% for April 2015. Of the 38,827 monitored departures, 3,551 (or 9.2%) experienced delays. Key causes included:

- NJ Turnpike lane closures on 4/3, 4/8, and 4/24 and a public demonstration on 42nd Street on 4/15 affecting Port Authority Bus Terminal service.
- A detour in Camden during April and ongoing construction on the Ben Franklin Bridge affecting Walter Rand Transportation Center service.
- Heavy traffic, construction, and police and fire department activity impacted Hoboken Terminal service, however overall on-time performance at this terminal improved two percent from the previous month.

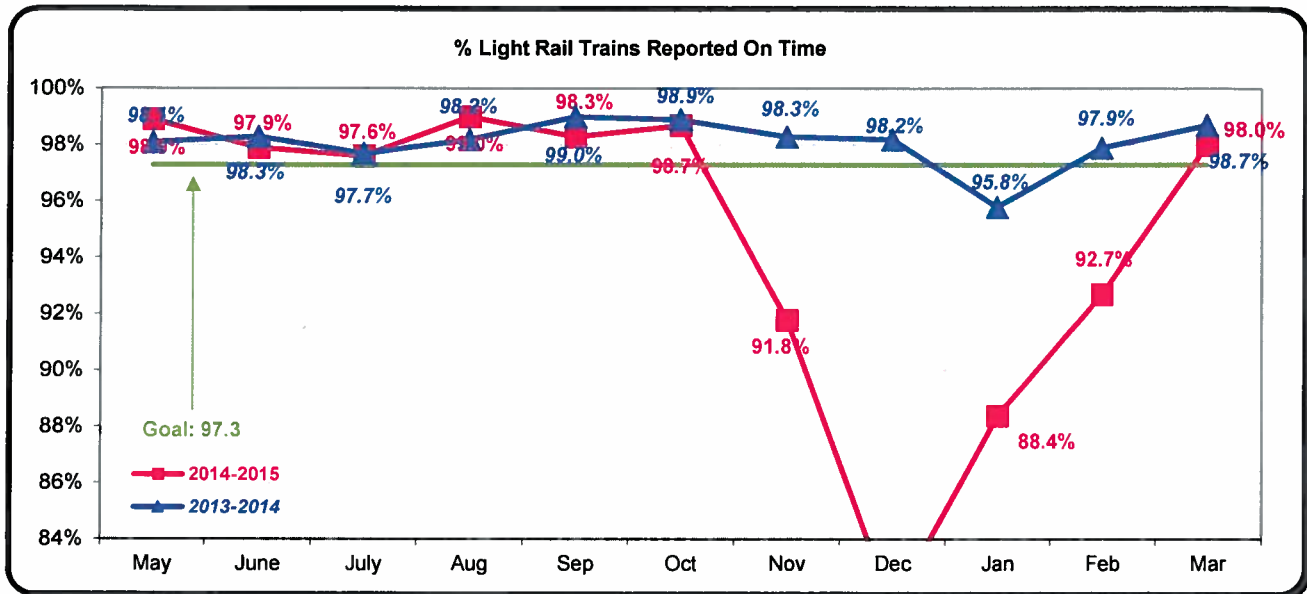
The 12-month average for Bus On-Time Performance for May 2013 - April 2015 was 90.6%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL APRIL 2015



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL MAY 2013 - APRIL 2015



	2014	2015	# Change
April Comparison	98.7%	98.7%	0.0%

	2013-2014	2014-2015	# Change
12-Month Average May - April	98.2%	95.1%	-3.1%

Analysis:

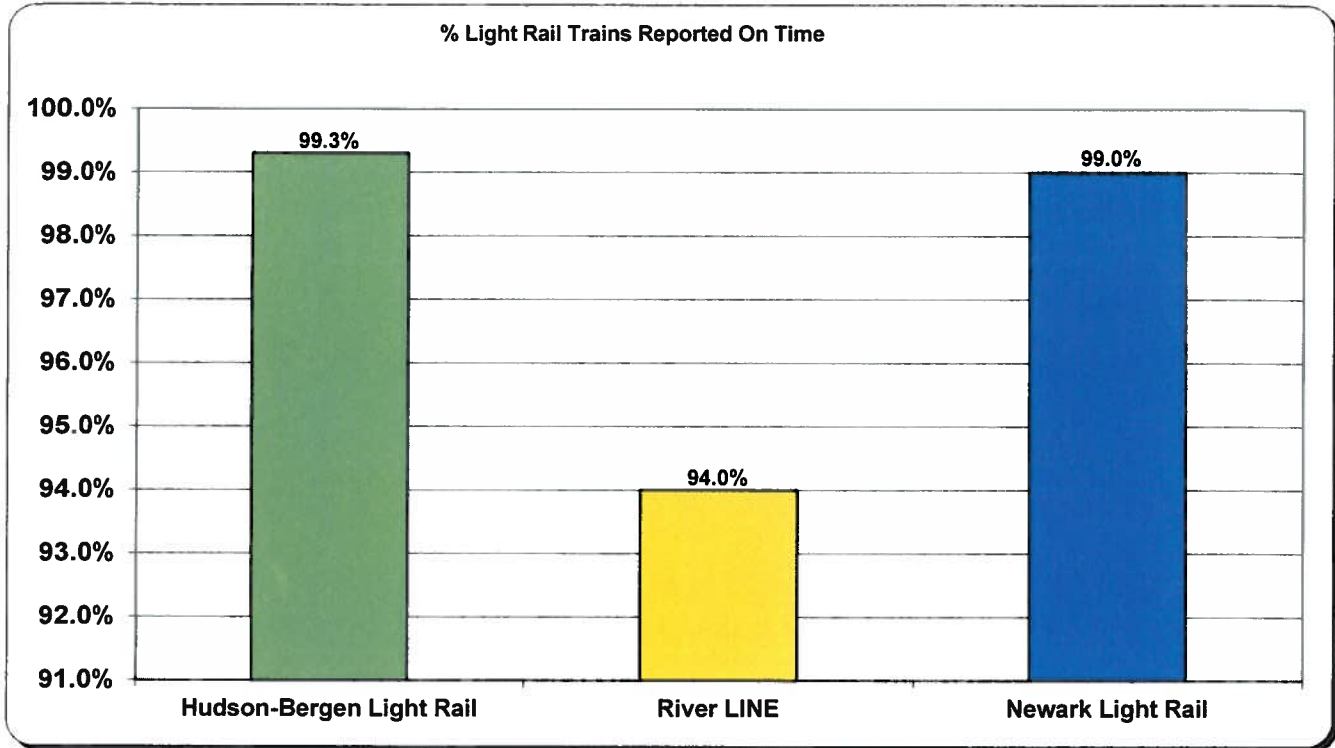
Light Rail On-Time Performance systemwide was 98.7% for the month of April 2015. Of the 26,922 scheduled trains, 358 (or 1.3%) experienced delays. Key causes included:

- Mechanical issues delayed 10 Hudson-Bergen Light Rail trains on April 23.
- Control Center communications failure delayed 37 River Line trains on April 24.
- Switch problems at Bloomfield Interlocking delayed 22 Newark Light Rail trains on April 18.

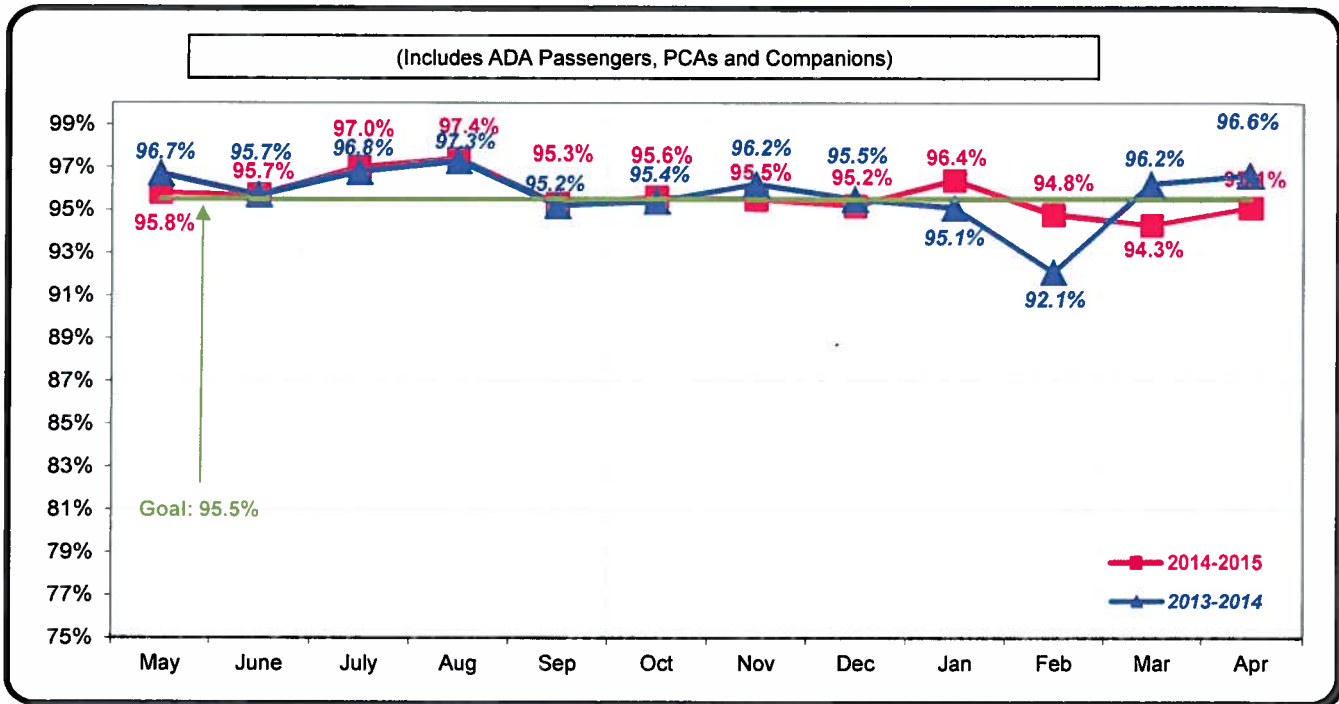
The 12-month average for Light Rail On-Time Performance for May 2014 - April 2015 was 95.2%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE APRIL 2015



NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK MAY 2013 - APRIL 2015



	2014	2015	% Change
April Comparison	96.6%	95.1%	-1.5%

	2014	2015	Change
April Ridership	115,077	127,897	12,820

	2013-2014	2014-2015	% Change
12-Month Average May-April	95.7%	95.7%	0.0%

Analysis:

Access Link On-Time Performance was 95.1% for April 2015. Of the 127,897 total trips, 6,232, or 4.9% experienced delays.

Key causes include:

- * Traffic congestion.
- * Road closures and construction.
- * Trip cancellations and customer no-shows.

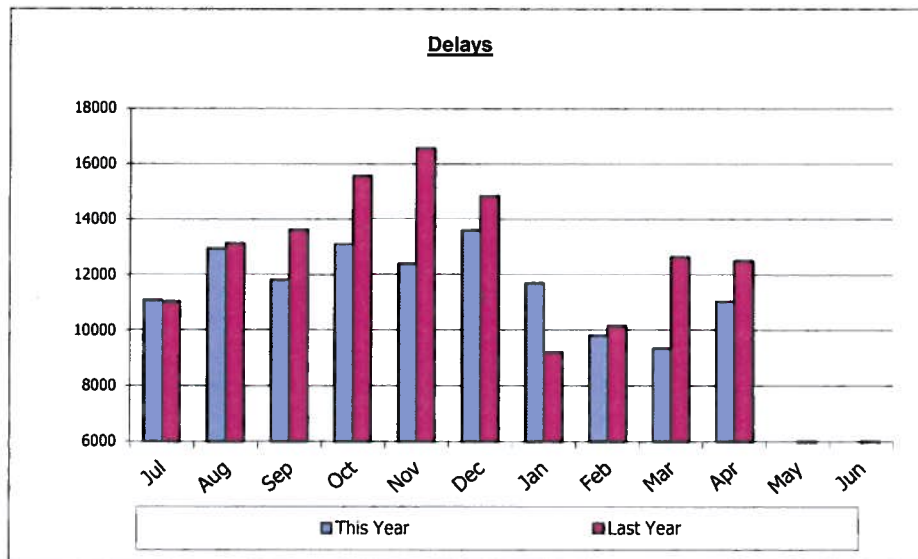
The 12-month average for Access Link On-Time Performance for May 2013 - April 2015 was 95.7%.

MEAN DISTANCE BETWEEN FAILURES

Garage Performance Parameters

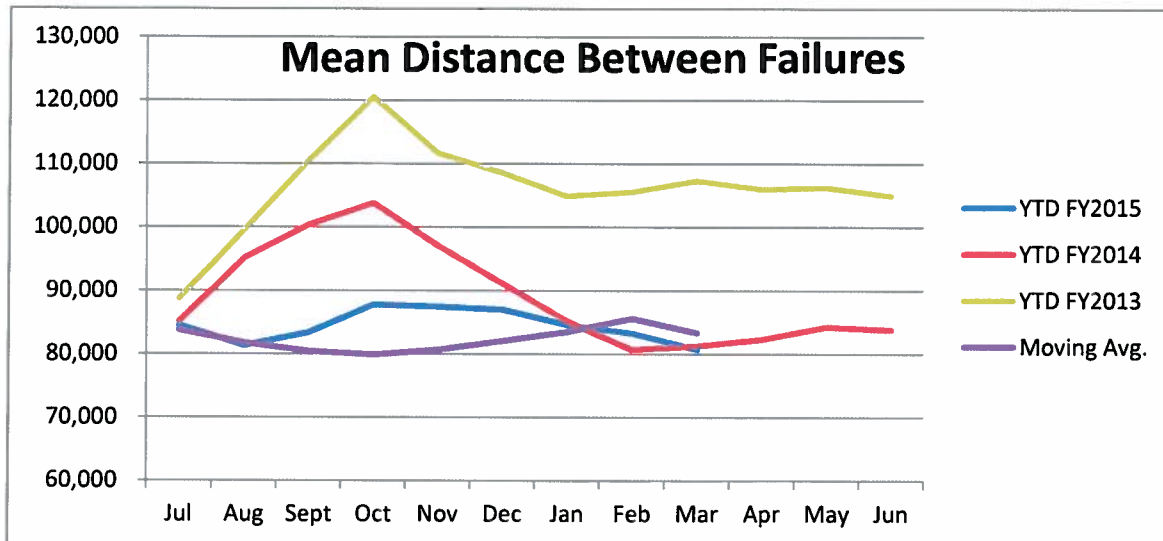
April 2015

Location	Miles Between In-Service Delays			
	FY2015 Goal	This Month	FY2015 YTD	FY2014 YTD
Fairview	7,500	6,494	6,395	7,487
Greenville	10,000	4,816	6,841	8,925
Market Street	12,500	8,292	9,119	13,424
Meadowlands	11,800	7,863	9,021	9,634
Oradell	15,000	10,620	9,745	11,076
Wayne	14,000	10,913	11,141	11,296
Northern Division	-	8,620	9,143	10,535
Big Tree	9,600	9,143	9,647	11,741
Hilton	10,500	10,659	10,856	12,555
Howell	16,750	16,197	19,842	16,615
Ironbound	9,800	8,945	9,893	9,370
Orange	10,200	10,954	11,515	12,577
Morris	10,500	51,009	49,912	50,207
Central Division	-	11,401	12,544	12,548
Egg Harbor	16,000	15,837	14,872	18,780
Hamilton	24,500	16,491	17,603	21,490
Newton Avenue	14,650	19,691	14,896	14,523
Washington Twp.	15,000	14,451	13,690	14,225
Southern Division	-	16,007	14,741	16,323
Bus Operations	-	11,015	11,534	12,521



**NJ Transit Rail
Mean Distance Between Failures**

Month	YTD FY2015	YTD FY2014	YTD FY2013	YTD FY 2012	12 Month Moving Avg.
Jul	84,508	85,097	88,735	78,933	83,750
Aug	81,319	95,116	99,585	87,525	81,718
Sept	83,368	100,341	110,530	89,028	80,405
Oct	87,750	103,813	120,591	91,327	79,867
Nov	87,434	97,112	111,758	90,518	80,641
Dec	87,042	91,128	108,579	91,523	82,064
Jan	84,607	85,161	104,917	92,489	83,493
Feb	83,179	80,639	105,580	96,166	85,552
Mar	80,659	81,229	107,335	98,412	83,308
Apr		82,293	106,048	102,149	-
May		84,237	106,287	102,237	-
Jun		83,798	104,975	103,748	-

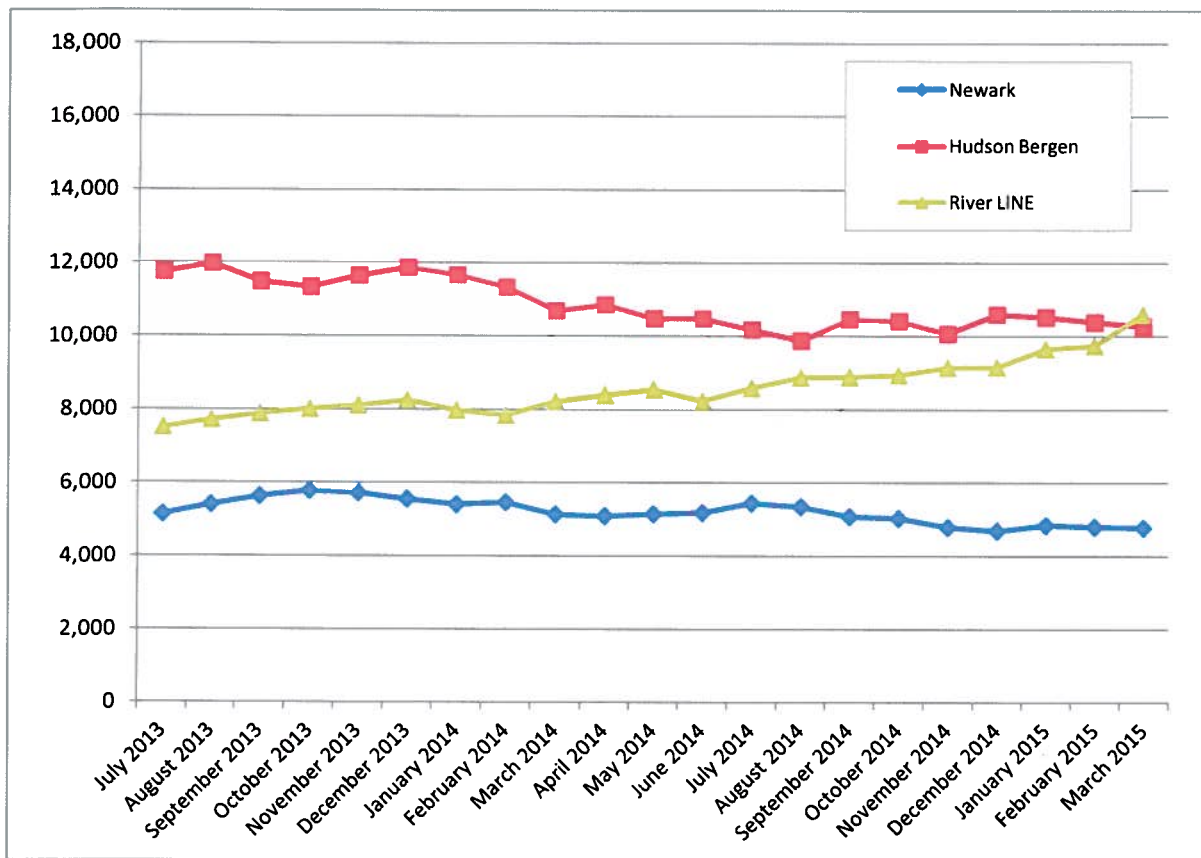


NJ TRANSIT - LIGHT RAIL, March 2015

Miles Between In-Service Delays (Mechanical Failures)

Light Rail System	March 2015 (Current Month)	12 Month Moving Average (Mean)
Newark Light Rail	2,938	4,764
Hudson Bergen	9,258	10,280
River LINE	22,330	10,601

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



Notes: Newark Light Rail's totals are impacted by the short 5 mile alignment distance and single car consists.

DBE/MBE PROGRAM

State Funded Contracts

During the month of April 2015, NJ TRANSIT awarded **\$863,124.23** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$165,889.58** or **19.22%**.

During the State Fiscal Year **2015** (July 1, 2014 through June 30, 2015) NJ TRANSIT awarded **\$41,746,676.89** in state funded contracts. Of that total, SBEs received **\$7,410,845.16** or **17.75%**.

SBE Goal Attainment from July 1, 2014 through June 30, 2015 (FY 2015)

Category 1 SBEs received	\$188,131.47	or 0.45%
Category 2 SBEs received	\$772,682.95	or 1.85%
Category 3 SBEs received	\$1,428,343.00	or 3.42%
Category 4 SBEs received	\$2,749,623.74	or 6.59%
Category 5 SBEs received	\$2,102,414.00	or 5.04%
Category 6 SBEs received	\$169,650.00	or 0.41%

FTA Funded Contracts (updated Quarterly – next update will be available June 2015)

During the 2nd Quarter (January 1, 2015 through March 31, 2015) of Federal Fiscal Year 2015 (October 1, 2014 through September 30, 2015), the FTA funded share of NJ TRANSIT's federal contracts awarded was **\$522,393.00***. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$0.00** or **0%**.

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

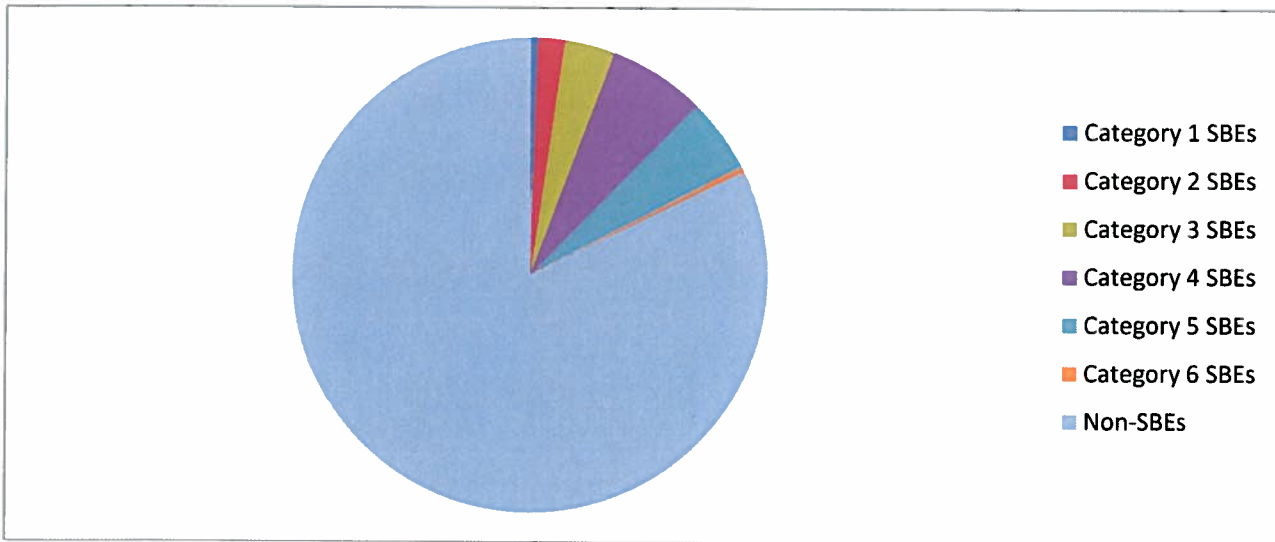
Contracts awarded	\$22,312,655.65*
DBEs received	\$ 4,234,696.34 or 18.98%

*Numbers reflect federal share.

***Previously awarded \$85,695.00 during the month of February 2015 that was not reported in the March ED Report.**

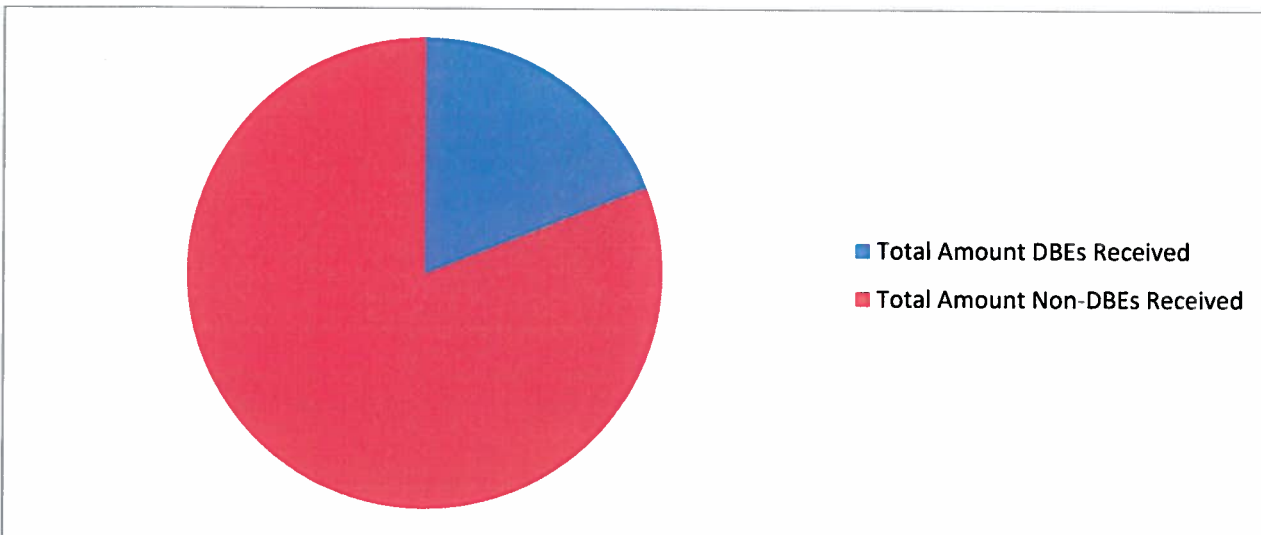
SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD 2015

Category 1 SBEs	\$188,131.47	0.45%
Category 2 SBEs	\$772,682.95	1.85%
Category 3 SBEs	\$1,428,343.00	3.42%
Category 4 SBEs	\$2,749,623.74	6.59%
Category 5 SBEs	\$2,102,414.00	5.04%
Category 6 SBEs	\$169,650.00	0.41%
Non-SBEs	\$34,335,831.73	82.24%



DBE PARTICIPATION
FEDERAL CONTRACTS
TRIENNIAL YEARS 2014-2016

Total Amount DBEs Received	\$4,234,696.34	19.05%
Total Amount Non-DBEs Received	\$17,992,264.30	80.95%



EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Thirty NJ TRANSIT employees retired in April with careers ranging from 10 to 43 years of service:

1. Earl R. Bradley, Mechanic Class "A" – Newton Avenue – 36 years
2. Alba S. Flores, Bus Operator – Meadowlands Garage – 18 years
3. Glendon A. George, Repairman Class "A" – Market Street Garage – 16 years
4. Jean A. Henry, Bus Operator – Orange Garage – 20 years
5. Cynthia A. McKenzie, Bus Operator – Orange Garage – 30 years
6. Robert Montrose, Maintenance Class "A" – Market Street Garage – 30 years
7. Earlene C. Moore, Bus Operator – Howell Garage – 26 years
8. Jeanette Morris, Bus Operator – Orange Garage – 20 years
9. Geraldine Riddick, Bus Operator – Newton Avenue Garage – 29 years
10. Jeffery K. Taylor, Bus Operator – Meadowlands Garage – 24 years
11. Francine D. Bailey, Bus Operator – Inbound Garage - 29 years
12. Muntaz Alley, Repairman Class "A" – Meadowlands Garage – 10 years
13. Michael S. Graham, Bus Operator – Ironbound Garage – 27 years
14. Teofilo Herrera, Bus Operator – Oradell Garage - 18 years
15. Philip Vicari, Bus Operator -- Ironbound Garage – 32 years
16. Ray A. Pollins, Bus Operator –Orange Garage – 20 years
17. Eugene Vick, Jr., Bus Operator – Big Tree Garage – 18 years
18. Linda Abrahams, Senior Trainmaster – Newark Penn Station – 31 years
19. Carlos Antunes, Manager – Maplewood – 31 years
20. Steven Hashagen, Principal Equipment Engineer – Penn Plaza – 26 years
21. Steven J. Kerry, Principal Schedule Maker – Penn Plaza – 32 years
22. Myra L. McCutcheon, Assistant Superintendent – Newark Light Rail – 25 years
23. Robert N. Sanders, Jr., Assistant Director – Penn Plaza – 34 years
24. Marianne Stock, Program Director – Penn Plaza – 32 years
25. Irvin Taylor, Jr., Assistant Chief Engineer – Penn Plaza – 41 years
26. Allen W. Kratz, Director, Director – Penn Plaza – 15 years
27. Robert Jemison, Conductor – 41 years
28. Kevin Kondor, Conductor – 43 years
29. William Stone, Locomotive Engineer – 42 years
30. Willie Ward, Conductor – 43 years

ACTION ITEMS

ITEM 1505-10: SUPERSTORM SANDY RECOVERY AND RESILIENCE PROGRAM – REBUILD BY DESIGN: AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM

BENEFITS

On June 2, 2014, the U.S. Department of Housing and Urban Development (HUD) announced the allocation of \$920 million in Community Development Block Grants – Disaster Recovery (CDBG-DR) to New York, New Jersey, and New York City to begin implementation of six design proposals that address regional-based resilience opportunities to better prepare Superstorm Sandy-impacted areas for future extreme weather events. The design proposals were prepared as part of a “Rebuild by Design” national competition to identify “blueprints for how communities can maximize resilience as they rebuild and recover from major disasters.”

One of the design proposals selected – named “Resist, Delay, Store, Discharge” – focuses on the Hoboken, Weehawken, and Jersey City area. The proposal, which received \$230 million in CDBG-DR funding, is a comprehensive urban water management strategy that contemplates using hard infrastructure and soft landscape for coastal defense, while also addressing systemic rainfall-related drainage issues in those communities.

While the implementation of Rebuild by Design (RBD) is being administered by the New Jersey Department of Environmental Protection (NJDEP), NJ TRANSIT and other State agencies are supporting NJDEP’s efforts. One first effort involves the performance of a feasibility study and Environmental Impact Statement (EIS) to determine the best, most cost-effective way to implement the RBD project. The work will involve various tasks, including the collection and mapping of data (such as topographical, environmental contamination, and critical infrastructure), subsurface investigation, and hydrology/flood risk assessment. This work will identify and potentially help address vulnerabilities for NJ TRANSIT and other stakeholder assets in Hoboken, Weehawken, and Jersey City that will continue to jeopardize the public safety if not remediated through long-term protection of critical assets.

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

Staff seeks authorization to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with Dewberry Engineers, Inc. (NJ TRANSIT Contract No. 13-002D) by \$8,600,000, for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$78,290,000, subject to the availability of funds. The maximum task order and contract limits for the contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

Staff also seeks authorization to amend NJ TRANSIT Contract No. 13-002D for this task only to ensure compliance with CDBG-DR requirements imposed by HUD. A Notice to Proceed is contingent on NJ TRANSIT's execution of a memorandum of agreement with NJDEP regarding the use of CDBG-DR funds.

PURPOSE

Authorization of this contract amendment will provide for the timely acquisition of critical services to support the RBD effort, including work to improve transit system resilience and mitigate future storm surge flooding risks in the Hoboken, Weehawken, and Jersey City area. Amending the existing contract for this specific task will provide NJ TRANSIT with the ability to procure a feasibility study and EIS for critical resilience projects, thereby ensuring they are completed in a timely manner and are eligible for funding through a CDBG-DR grant from HUD for this purpose. It is anticipated that the work schedule will extend through 2017. The authorization for this work under the 2012 TOC program will streamline the procurement of the necessary services and allow work to begin quickly.

With this action, the total 2012 Task Order Consultants Contract Program authorization will be \$111,540,000: \$33,250,000 for non-Superstorm Sandy tasks and \$78,290,000 for Superstorm Sandy tasks.

BACKGROUND

Public transportation is a critical imperative to minimize traffic congestion, provide commutation and accessibility services, promote commerce, and enable citizens to obtain the necessities of life. NJ TRANSIT has a vital role in the State's transportation network and in the State's overall economy. Recent storms have shown how public safety and transportation in the region are compromised by weather thereby making it difficult or impossible for citizens to obtain the necessities of life. The impacts of storm events have made more evident the need to improve the resiliency of the public transportation system to better protect assets from future storms and flooding and prevent future disruptions of services.

NJ TRANSIT has worked to advance long-term repairs and is also working toward making its system more resilient against future storms. One such resilience project – selected through a 13-state competition and awarded \$146 million by the Federal Transit Administration – involves the construction of six elevated tracks and three new ADA-accessible platforms in Hoboken over a filled Long Slip Canal. NJ TRANSIT's Long Slip Fill and Rail Enhancement project will allow the system to operate longer and recover more quickly from storm events.

In addition to benefiting the larger Hoboken, Weehawken, and Jersey City communities, the HUD-funded "Resist, Delay, Store, Discharge" project will potentially offer additional mitigation to the Hoboken Terminal and Yard and Hudson-Bergen Light Rail track and facilities. The project originated with RBD: a HUD-sponsored competition that utilized a

collaborative process to find effective ways to increase resilience in the Sandy-affected region as part of recovery from the storm. At the conclusion of the RBD competition, HUD selected two projects for New Jersey. The State will receive \$230 million in CDBG-DR funds to implement the first phase of the “Resist, Delay, Store, Discharge” flood mitigation project, which encompasses NJ TRANSIT assets in Hoboken, Weehawken and Jersey City. The NJDEP will administer the project with support from NJ TRANSIT and various other State agencies.

The RBD flood risk reduction project is a comprehensive urban water strategy that will use hard infrastructure and soft landscape for coastal defense, while also addressing systemic drainage issues. As envisioned, it could include infrastructure that will be built along the Hudson River, stopping storm surge from intruding into Hoboken and parts of Weehawken and Jersey City. This new infrastructure could complement and reinforce other resilience measures by NJ TRANSIT in the area. It could also include a park landscape at Weehawken Cove; green infrastructure measures, such as permeable paving and rain gardens; a range of rainwater storage initiatives; and a variety of risk reduction infrastructure that will be built along the Hudson River to stop storm surges from reaching the City of Hoboken, Hoboken Yard and parts of Weehawken and Jersey City.

As the first step in implementing the “Resist, Delay, Store, Discharge” project, a feasibility study and EIS must be completed to determine the best, most cost-effective way to implement the RBD project. The work will involve various tasks, including the collection and mapping of data (such as topographical, environmental contamination, and critical infrastructure), subsurface investigation, and hydrology/flood risk assessment. This work will identify and potentially help address vulnerabilities for NJ TRANSIT assets in Hoboken, Weehawken, and Jersey City that will continue to jeopardize the public safety if not fully remediated through long-term protection of critical assets.

Rebuild by Design – Dewberry

The 2012 Task Order Consultant Contracts were procured through a publicly advertised Request for Proposals. The RFP was issued on May 18, 2012 and three firms were selected for the Environmental Services discipline in accordance with past practice. Dewberry was the fourth-ranked firm in the procurement process. In March 2013, Dewberry was awarded NJ TRANSIT Contract No. 13-002D to supplement staff for both on-going environmental work as well as Superstorm Sandy Disaster Recovery Program related work, subject to the maximum task and contract limits previously authorized (\$500,000 and \$4,000,000, respectively) and the availability of funds. This authorization will further those efforts by authorizing Dewberry to perform a feasibility study and EIS for the RBD project. The Board previously authorized \$4,000,000 for Dewberry, subject to contract task limits (Item 1303-07 – \$4,000,000). This authorization request is for an additional \$8,600,000 to complete the Rebuild by Design feasibility study and EIS, including the environmental and alternatives analysis process. The maximum task order and contract limits for the contract previously approved for the 2012 Task Order

Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

Funding

HUD has awarded the State \$230 million for the “Resist, Delay, Store, Discharge” project, which will be administered by NJDEP. Dewberry’s work on RBD will be fully funded through the RBD CBDG-DR grant.

Pursuant to 49 CFR §26.3(d), Disadvantaged Business Enterprise (DBE) goals are not applicable to projects funded through CDBG-DR. The work to be performed under this task is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3), which ensures that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons. Among other requirements, the consultant will be required to take affirmative steps and use its best efforts to afford small and disadvantaged businesses, minority business enterprises, and veteran and women’s business enterprises the maximum practicable opportunity to participate in the performance of this contract.

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

FISCAL IMPACTS

Requested Authorizations:

2012 Task Order Consultants	This Authorization	\$ 8,600,000
Program (Superstorm Sandy	Total Authorization	\$ 78,290,000
Disaster Recovery and		
Resilience Program)		

Past Authorizations:

2012 Task Order Consultant Contracts Program

October 2012 Item 1210-48	Task Order Consultant Contracts for Corridor Planning; Environmental Consulting Services; Qualitative and Quantitative Research; Rail Operation & Infrastructure Planning; and Stations, Access & Site Planning
December 2012 Item 1212-61	Task Order Consultant Contracts for Architectural/Engineering; Bridge and Railway Engineering; and Travel Demand Forecasting
March 2013 Item 1303-07	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$13,000,000
April 2013	Superstorm Sandy Disaster Recovery Program

Item 1304-12	Amendments to 2012 Task Order Consultant Contracts – \$8,500,000
April 2013 Item 1304-14	Task Order Consultant Contracts for Construction Management
May 2013 Item 1305-21	Task Order Consultant Contracts for Community Transportation; Transit-Friendly Planning, Land Use and Development ; Vertical Transportation; and Access Link
May 2013 Item 1305-22	Super Bowl 48 Amendment to 2012 Task Order Consultant Contract
August 2013 Item 1308-37	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$20,300,000
April 2014 Item 1404-15	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$17,600,000
September 2014 Item 1409-41	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$8,000,000
October 2014 Item 1410-45	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$290,000
December 2014 Item 1412-60	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$2,000,000
Total Previous (Superstorm Sandy Disaster Recovery and Resilience Program)	\$ 69,690,000
Expenditures to Date:	\$ 215,429,985 (as of 03/17/15 for total Superstorm Sandy Disaster Recovery and Resilience Program)
Total Project Cost:	Part of Superstorm Sandy Disaster Recovery Program
Projected Date of Completion:	2017
Capital Program Amount:	\$ 8,600,000
Operating Budget Amount:	\$0

Anticipated Source of Funds: U.S. Department of Housing and Urban Development
Community Development Block Grant – Disaster Relief

PRINTS ID Number: Various

DBE/SBE Goal: Subject to HUD requirements

***NJ Build* Amount:** NA

Related/Future Authorizations: Additional consultant services

**Impact on Subsequent
Operating Budgets:** \$0

RESOLUTION

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) awarded the State of New Jersey \$230 million in Community Development Block Grant – Disaster Relief (“CDBG-DR”) to implement the first phase of the Rebuild by Design “Resist, Delay, Store, Discharge” flood mitigation project; and

WHEREAS, the “Resist, Delay, Store, Discharge” project is intended to provide a comprehensive urban water strategy that will use hard infrastructure and soft landscape to address vulnerabilities from future extreme weather events for NJ TRANSIT and other stakeholder assets in Hoboken, Weehawken, and Jersey City; and

WHEREAS, the project will be administered by the New Jersey Department of Environmental Protection and NJ TRANSIT is supporting the New Jersey Department of Environmental Protection’s efforts; and

WHEREAS, the consultant included in this authorization, Dewberry Engineers Inc., is currently under contract to NJ TRANSIT following the completion of competitive procurement processes; and

WHEREAS, NJ TRANSIT anticipates that the costs for this work will be reimbursed from the HUD Rebuild by Design grant;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with Dewberry Engineers, Inc. (NJ TRANSIT Contract No. 13-002D) by \$8,600,000, for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$78,290,000, subject to the availability of funds. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is also authorized to amend NJ TRANSIT Contract No. 13-002D for this task only to ensure compliance with CDBG-DR requirements imposed by HUD. A Notice to Proceed is contingent on NJ TRANSIT's execution of a memorandum of agreement with NJDEP regarding the use of CDBG-DR funds.

EXHIBIT A

SUMMARY OF REQUESTED AUTHORIZATIONS

2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM AMENDMENTS

Vendor	Contract No.	Additional Superstorm Sandy Disaster Recovery and Resilience Program Authorizations				Base Program Authorizations	
		Task Limit	Previous Authorizations	This Authorization	Contract Limit	Task Limit	Contract Limit
URS Corporation	13-001C	NA	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 500,000	\$ 1,500,000
BEM Systems, Inc.	13-002B	NA	\$ 6,300,000	\$ 0	\$ 6,300,000	\$ 500,000	\$ 4,000,000
Dewberry, Inc.	13-002D	NA	\$ 0	\$ 8,600,000	\$ 8,600,000	\$ 500,000	\$ 4,000,000
Parsons Brinckerhoff	13-004A	NA	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 500,000	\$ 3,000,000
Christopher P. Statile	13-005C	NA	\$ 1,250,000	\$ 0	\$ 1,250,000	\$ 400,000	\$ 1,500,000
Gannett Fleming	13-006A	NA	\$10,640,000	\$ 0	\$10,640,000	\$ 500,000	\$ 3,500,000
Jacobs Engineering	13-006B	NA	\$ 8,500,000	\$ 0	\$ 8,500,000	\$ 500,000	\$ 3,500,000
STV, Inc.	13-006C	NA	\$ 8,000,000	\$ 0	\$ 8,000,000	\$ 500,000	\$ 3,500,000
Systra, Inc.	13-006D	NA	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 500,000	\$ 3,500,000
HNTB Corporation	13-007B	NA	\$25,000,000	\$ 0	\$25,000,000	\$ 600,000	\$ 2,000,000
TranSystems, Inc.	13-007D	NA	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 600,000	\$ 2,000,000
Hill International ¹	13-010F	NA	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 600,000	\$ 3,500,000

¹ Hill International was previously authorized under NJ TRANSIT Contract No. 09-085A in the amount of \$2,000,000 for Project Oversight

ITEM 1505-11: WALDWICK – SALE OF VACANT EXCESS PROPERTY TO FACILITATE TRANSIT-ORIENTED DEVELOPMENT

BENEFITS

Selling a half acre of excess, vacant land adjacent to NJ TRANSIT's station on the Main Line in Waldwick, Bergen County to a developer for transit-oriented development will generate non-farebox revenue from the sale of the property and potential future increased farebox revenue from residents of the new transit-oriented development who will have easy access to Waldwick Station.

ACTION (Scorecard: Corporate Accountability and Financial Performance)

NJ TRANSIT staff seeks authorization to take all actions necessary to sell in fee for not less than \$480,000, an excess, vacant parcel consisting of 20,678 square feet (0.475 acre) of land situated at Milepost 23.4 on NJ TRANSIT's Main Line, within a portion of Tax Block 117, Lot 1 in the Borough of Waldwick, Bergen County, to D&R Waldwick, LLC, of Carlstadt, New Jersey, the sole respondent to NJ TRANSIT's request for competitive bids for the property, on condition that D&R Waldwick assume all environmental costs and liabilities, adhere to NJ TRANSIT's requirements for working within the vicinity of the right of way; agree to a notice in the deed of sale that will run with the land and will place all future users of the property on notice of the adjacent railroad use; and will restrict use of the property solely to transit-oriented development for 30 years, subject to reversion to NJ TRANSIT in the event of violation of this restriction.

PURPOSE

Board authorization will benefit NJ TRANSIT, the buyer and the Borough of Waldwick. The sale will generate \$480,000 of non-farebox revenue to NJ TRANSIT. The buyer, D&R Waldwick, will be able to assemble NJ TRANSIT's excess property with adjacent privately-owned property to construct a 124-unit residential development with retail space and parking adjacent to the Waldwick station. The Borough will benefit from a new, productive residential and retail use of land that once housed commercial operations and has been vacant since 2008.

BACKGROUND

Property Description

The subject property is an irregularly shaped 20,678 square-foot parcel that adjoins approximately 500 feet of NJ TRANSIT's eastbound right of way with a maximum width of approximately 40 feet. Attached as Exhibit A, is an aerial photo depicting both the subject and the adjoining property. A survey that includes those dimensions will be certified to NJ TRANSIT prior to closing.

NJ TRANSIT acquired the subject property when it purchased the Main Line as part of the 900-day option in 1979-1981. NJ TRANSIT previously leased the subject property to the former DeMartini Coal and Lumber Company for outdoor storage associated with its adjacent business. DeMartini vacated the site in 2008. Since then, the property has been vacant.

Developer Interest

In 2013, D&R Waldwick, LLC, of Carlstadt, New Jersey, requested NJ TRANSIT to sell D&R Waldwick the subject property for transit-oriented development assemblage. Through the excessing process, which entails routing the request to NJ TRANSIT operating departments to confirm whether the property may be made available for sale, NJ TRANSIT staff determined the property to be excess, subject to conditions. NJ TRANSIT sought expressions of interest in the property by issuing a request for competitive bids at not less than \$480,000. D&R Waldwick was the sole respondent. Having received D&R's response, NJ TRANSIT and D&R Waldwick negotiated a contract including conditions identified by departments within NJ TRANSIT through the excessing process.

Terms and Conditions of Sale

The following key terms and conditions will be included in the contract of sale:

Environmental Protections

D&R Waldwick will be required to purchase the property as-is. D&R Waldwick will be responsible for any environmental cleanup costs necessary to develop the property. It will be required to perform an environmental investigation by an environmental consultant approved by NJ TRANSIT and provide a report certified to NJ TRANSIT during a 90-day due diligence period. NJ TRANSIT will have the right to terminate the proposed contract of sale based on its review of the report's findings. If NJ TRANSIT were to terminate the proposed contract of sale based on its review, it would refund D&R Waldwick's 10 percent deposit (\$48,000).

If NJ TRANSIT does not terminate the proposed contract of sale for environmental reasons, D&R Waldwick will be required to fund an escrow account in the amount of the remediation costs estimated in the report. D&R Waldwick will be required to remediate the property in accordance with the remediation plan, drawing on the escrow account. In addition, D&R Waldwick will be required to release and indemnify NJ TRANSIT from any environmental liability arising from all applicable environmental laws and regulations.

Safety, Sound, Vibrations

D&R Waldwick will be required to install a safety fence separating the subject property from the right-of-way prior to the completion of its development and shall be required to adhere to NJ TRANSIT's rules for working within the right of way during any environmental testing, construction or other use of the property prior to closing and during its fee ownership of the property. The deed from

NJ TRANSIT will contain a provision whereby D&R Waldwick and successor owners and tenants shall be placed on notice of the adjacent railroad use. These requirements will run with the land, binding future property owners.

Transit-Oriented Development

The proposed contract requires the subject property to be used for transit-oriented development for 30 years after the closing of the sale. The subject property would revert to NJ TRANSIT if it were to cease being used for that purpose during that period.

Due Diligence, Approvals

D&R Waldwick plans to assemble the subject property with an adjacent lot as the basis for a transit-oriented development consisting of a 124-unit residential development retail and related parking.

The proposed contract of sale allows for 90 days of due diligence after contract execution, followed by nine months for the buyer to obtain subdivision approval. At the conclusion of the subdivision approval period, D&R Waldwick may be allotted two three-month extension periods, if necessary, for obtaining subdivision approval. NJ TRANSIT will retain the \$48,000 deposit if closing does not occur prior to the commencement of the first extension period.

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

FISCAL IMPACTS

Requested Authorization:

To take all actions necessary to sell in fee for not less than \$480,000, an excess, vacant parcel consisting of 20,678 square feet (0.475 acre) of land situated at Milepost 23.4 on NJ TRANSIT's Main Line, within a portion of Tax Block 117, Lot 1 in the Borough of Waldwick, Bergen County, to D&R Waldwick, LLC, of Carlstadt, New Jersey, the sole respondent to NJ TRANSIT's request for competitive bids for the property, on condition that D&R Waldwick assume all environmental costs and liabilities, adhere to NJ TRANSIT's requirements for working within the vicinity of the right of way; agree to a notice in the deed of sale that will run with the land and will place all future users of the property on

notice of the adjacent railroad use; and will restrict use of the property solely to transit-oriented development for 30 years, subject to reversion to NJ TRANSIT in the event of violation of this restriction.

Past Authorizations:	N/A
Expenditures to Date:	\$ 8,500 (appraisals)
Total Project Cost:	None
Projected Date of Completion:	May 2016 (projected closing)
Capital Program Amount:	None
Operating Budget Amount:	None
Anticipated Source of Funds:	N/A
DBE/SBE Goal:	None – Sale of property
NJ Build Amount:	None – Sale of property
Related/Future Authorizations:	None known
Impacts on Subsequent Operating Budgets:	No additional expenses are anticipated.

RESOLUTION

WHEREAS, the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150 authorizes NJ TRANSIT to lease, purchase and sell or otherwise dispose of, on terms which NJ TRANSIT may prescribe, real and personal property; and

WHEREAS, NJ TRANSIT staff has determined that a vacant parcel consisting of approximately 20,678 square feet (0.475 acre) at Milepost 23.4 of NJ TRANSIT's Main Line, located within Block 117, Lot 1 in the Borough of Waldwick, Bergen County, adjacent to NJ TRANSIT's rail station at Waldwick, is excess property and is available for sale, subject to certain conditions for the protection of NJ TRANSIT's interests; and

WHEREAS, the subject property was advertised for sale by means of a request for competitive bids at a price no lower than \$480,000; and

WHEREAS, D&R Waldwick, LLC, of Carlstadt, New Jersey, provided the sole expression of interest for the property and offered to purchase the subject property for \$480,000, subject to the conditions pursuant to which staff determined the property to be excess and subject to approval by NJ TRANSIT's Board of Directors; and

WHEREAS, D&R Waldwick, LLC intends to assemble the subject property and adjacent property not owned by NJ TRANSIT in order to develop a transit-oriented development that includes 124 residential units retail and related parking, thus potentially increasing future ridership at the station;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to take all actions necessary to sell in fee for not less than \$480,000, an excess, vacant parcel consisting of 20,678 square feet (0.475 acre) of land situated at Milepost 23.4 on NJ TRANSIT's Main Line, within a portion of Tax Block 117, Lot 1 in the Borough of Waldwick, Bergen County, to D&R Waldwick, LLC, of Carlstadt, New Jersey, the sole respondent to NJ TRANSIT's request for competitive bids for the property, on condition that D&R Waldwick assume all

environmental costs and liabilities, adhere to NJ TRANSIT's requirements for working within the vicinity of the right of way; agree to a notice in the deed of sale that will run with the land and will place all future users of the property on notice of the adjacent railroad use; and will restrict use of the property solely to transit-oriented development for 30 years, subject to reversion to NJ TRANSIT in the event of violation of this restriction.

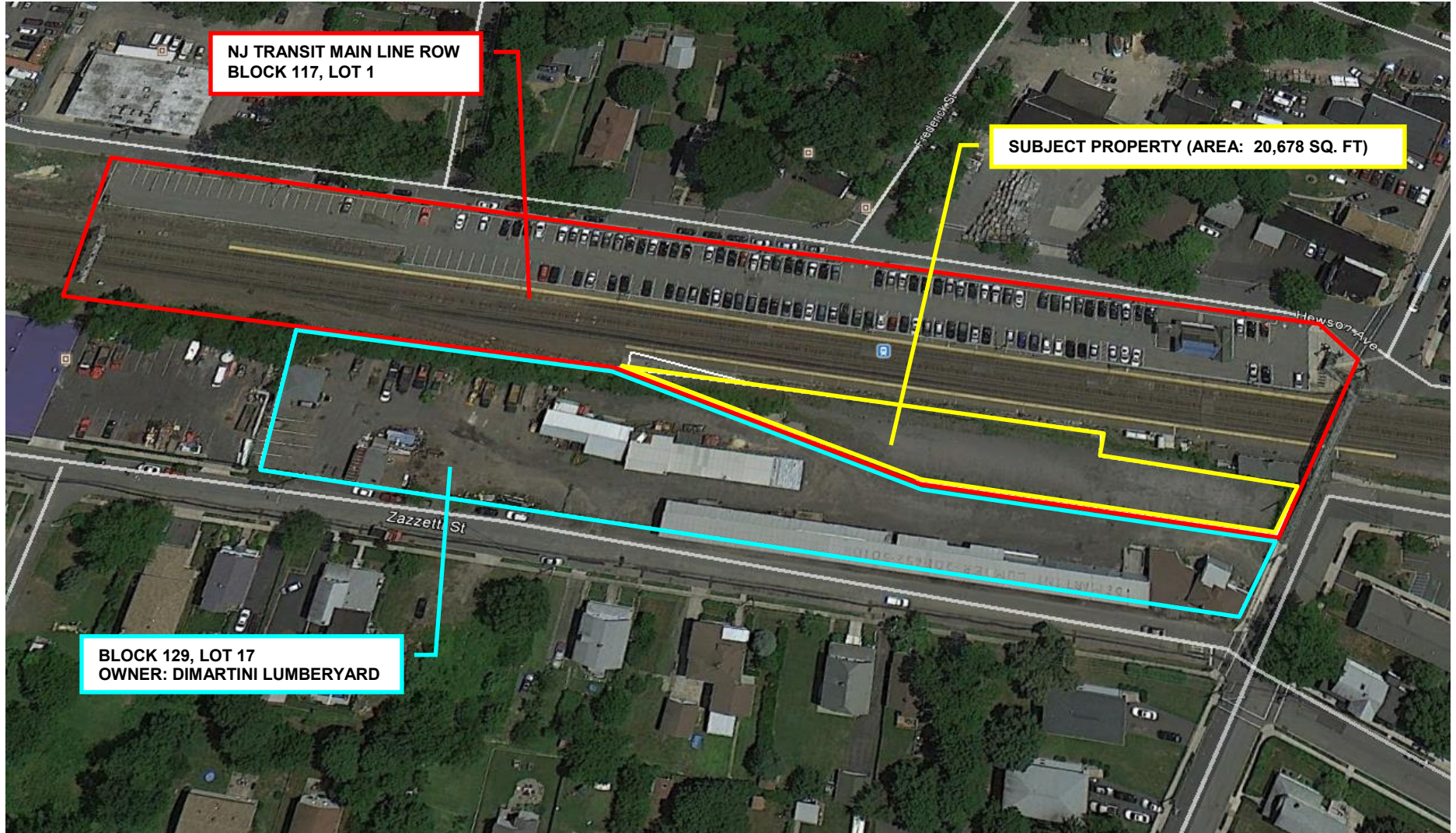


EXHIBIT A

**BOROUGH OF WALDWICK
NJ TRANSIT MAIN LINE
PORTION OF BLOCK 117, LOT 1**

**ITEM 1505-12: APPROVAL OF REVOLVING CREDIT AGREEMENT AND
ISSUANCE OF GRANT ANTICIPATION NOTE, SERIES
2015**

BENEFITS

Adoption of this Item and the attached Resolution (Exhibit A) will allow NJ TRANSIT, in consultation with the Office of the State Treasurer and the Office of the Attorney General, to obtain a line of credit with the Royal Bank of Canada ("RBC") in the maximum principal amount of \$300 million, enter into a Revolving Credit Agreement ("Agreement") and issue 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 for NJ TRANSIT to adopt the attached Resolution (i) approving the Line of Credit, (ii) authorizing the execution and delivery of the Agreement and the issuance and delivery to RBC of the Series 2015 Note to evidence and secure NJ TRANSIT's repayment obligations for the revolving loans to be made to it by RBC under the Agreement, (iii) approving the selection of RBC as the bank to provide the revolving line of credit to NJ TRANSIT pursuant to the Agreement, (iv) authorizing the Chairman, the Executive Director, the Chief Financial Officer and Treasurer, the Secretary or their designees to take all actions necessary to consummate the execution and delivery of the Agreement and the issuance of the 2015 Note, including, but not limited to, the negotiation and execution of all documents, payment of the principal of and interest on the 2015 Note, payment of bank fees and all fees related to the establishment of the Agreement, including reasonable legal fees, and approving the parameters for the issuance of the 2015 Note and the establishment of the Agreement as set forth in the attached 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 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 twenty-two 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 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 will be subordinate to the pledge of those receipts securing NJ TRANSIT's \$483,685,000 Grant Anticipation Notes issued on August 6, 2014. NJ TRANSIT shall issue a 2015 Note to evidence and secure its repayment obligations for the revolving loans made to it by RBC under the Agreement.

Professionals for the transaction were selected in compliance with the terms of Executive Order No. 26. M. Jeremy Ostow, Esq. was selected to represent NJ TRANSIT as Special Counsel through a competitive RFQ/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/RFQ process.

Fees for the transaction will include a 30 basis point Commitment Fee and a 60 basis point margin over the underlying London InterBank Offered Rate ("LIBOR") based upon NJ TRANSIT's current credit rating.

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

FISCAL IMPACTS

Requested Authorization:	Establishment of Revolving Credit Agreement in the maximum amount of \$300 million
Past Authorizations:	None
Expenditures to Date:	None
Total Project Cost:	N/A
Projected Date of Completion:	September 30, 2018
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

***NJ Build* Amount:** None

Related/Future Authorizations: None

Impacts on Subsequent Operating Budgets: To Be Determined by date and amount of borrowing and future interest rates.

RESOLUTION

WHEREAS, NJ TRANSIT has an annual Operating Budget of approximately \$2 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 a Revolving Credit Agreement (“Agreement”) 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 shall issue 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 Agreement; and

WHEREAS, professionals for this transaction were selected in compliance with Executive Order No. 26. The law firm of M. Jeremy Ostow, Esq. was selected as Special Counsel to NJ TRANSIT through a competitive RFQ/RFP process performed by the Office of the Attorney General and similarly, RBC has been selected as the bank to provide a revolving line of credit to NJ TRANSIT through the Office of the State Treasurer’s competitive RFP/RFQ process;

NOW, THEREFORE BE IT RESOLVED that the Board of Directors hereby adopts the attached Resolution (i) approving the Line of Credit, (ii) authorizing the execution and delivery of the Agreement and the issuance and delivery to RBC of the Series 2015 Note to evidence and secure NJ TRANSIT's repayment obligations for the revolving loans to be made to it by RBC under the Agreement, (iii) approving the selection of RBC as the bank to provide the revolving line of credit to NJ TRANSIT pursuant to the Agreement, (iv) authorizing the Chairman, the Executive Director, the Chief Financial Officer and Treasurer, the Secretary or their designees to take all actions necessary to consummate the execution and delivery of the Agreement and the issuance of the 2015 Note, including, but not limited to, the negotiation and execution of all documents, payment of the principal of and interest on the 2015 Note, payment of bank fees and all fees related to the establishment of the Agreement, including reasonable legal fees, and approving the parameters for the issuance of the 2015 Note and the establishment of the Agreement as set forth in the attached Resolution, all as authorized pursuant to N.J.S.A. 27:25-5(w).

RESOLUTION AUTHORIZING AND APPROVING A LINE OF CREDIT IN A PRINCIPAL AMOUNT NOT EXCEEDING \$300,000,000 AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A REVOLVING CREDIT AGREEMENT AND RELATED INSTRUMENTS; APPROVING THE ISSUANCE OF A FEDERALLY TAXABLE GRANT ANTICIPATION NOTE, SERIES 2015; AND AUTHORIZING AND DETERMINING VARIOUS OTHER RELATED MATTERS IN CONNECTION THEREWITH.

ADOPTED: MAY 13, 2015

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 which 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. s.1602) (the "1964 Act"), or any successor or 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 wishes to obtain a revolving line of credit (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 will be established pursuant to a Revolving Credit Agreement (as amended and supplemented from time to time in accordance with the terms thereof, the "Agreement"), and the obligations of the Corporation pursuant to the Agreement will be evidenced and secured by the Corporation's Federally Taxable Grant Anticipation Note, Series 2015 (the "Series 2015 Note"), all as set forth herein and authorized hereby; and

WHEREAS, the obligations of the Corporation pursuant to the Agreement and the Series 2015 Note shall be secured by and payable from a pledge of the Pledged Grant Receipts (as hereinafter defined) subject to the terms and conditions set forth in the Resolution and in the Agreement; and

WHEREAS, the Series 2015 Note, with respect to the pledge of the Pledged Section 5307 Grant Receipts (as defined in the Agreement), shall constitute Subordinated Indebtedness within the meaning of the Trust Indenture, dated as of August 1, 2014 (the "2014 Indenture"), between the Corporation and U.S. Bank National Association, as Trustee, as the same may be amended and supplemented from time to time in accordance with the terms hereof and thereof, shall be payable solely from amounts from time to time on deposit in the Subordinated Indebtedness Fund established under the 2014 Indenture and available for such payment pursuant to and in accordance with the terms and conditions set forth in the 2014 Indenture; and

WHEREAS, in accordance with N.J.S.A. 27:25-5(w), the Series 2015 Note issued under this Resolution and pursuant to the Agreement shall include on its face the following statement: NOTWITHSTANDING ANY OTHER PROVISION OF THIS SERIES 2015 NOTE OR THE 2015 RESOLUTION, THE CORPORATION IS OBLIGATED TO PAY THE PRINCIPAL OF THIS NOTE AND THE INTEREST HEREON ONLY FROM PLEDGED GRANT RECEIPTS AND FROM THE PROCEEDS OF THE SERIES 2015 NOTE AND INVESTMENT EARNINGS ON THE PROCEEDS OF THE SERIES 2015 NOTE, TO THE EXTENT NOT DISBURSED TO THE CORPORATION, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OR OF THE CORPORATION IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THIS SERIES 2015 NOTE. THE CORPORATION HAS NO TAXING POWER.

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

SECTION 1. Defined Terms. Capitalized terms used but not defined in this Resolution shall have the meanings given to them in the form of Agreement annexed hereto and made a part hereof as Exhibit A.

SECTION 2. Resolution to Constitute Contract. In consideration of the execution, delivery and performance of the Agreement by the Bank, the provisions of this Resolution and all of the covenants and agreements herein contained shall constitute valid and legally binding contracts between the Corporation, on the one hand, and the Bank, on the other hand, and shall be enforceable by the Bank in the manner and to the extent provided herein and in the Agreement.

SECTION 3. Authorization of Line of Credit. To accomplish its purposes and objectives, the Corporation hereby approves the Line of Credit to be obtained from the Bank pursuant to and in accordance with the Agreement; provided, however, that (i) the Available Commitment shall not exceed \$300,000,000, (ii) the maximum interest rate on the Revolving Loans to be made pursuant to the Agreement shall not exceed twelve percent (12%) per annum, (iii) the Commitment Expiration Date shall be no later than forty-two (42) months after the date of the execution and delivery of the Agreement, and (iv) all Revolving Loans to be obtained under the Agreement shall be subject to prepayment in whole or in part at any time and from time to time at the option of the Corporation and without premium or penalty, except as set forth in Section 4.4 of the Agreement in the event that any optional payment or prepayment of any Revolving Loan bearing interest at the Fixed LIBOR Rate occurs on a date other than the last day of the related Rate Period for such Revolving Loan. The Revolving Loans to be obtained under and pursuant to the Agreement shall be obtained from time to time in such minimum amounts, shall bear interest at such variable rates of interest, shall be payable as to principal and interest and be subject to prepayment prior to maturity and shall have such other details and provisions as are prescribed by the Agreement.

SECTION 4. Purpose of Line of Credit. The Corporation shall enter into the Agreement and issue the Series 2015 Note in order to assist the Corporation in meeting its cash

flow requirements for expenditures that are eligible to be reimbursed from Section 5307 Formula Funds and Section 5337 Formula Funds ("Eligible Expenditures") at minimum expense.

SECTION 5. Approval of Agreement; Selection of Bank; Determination under Executive Order No. 26. The Corporation hereby approves the selection of Royal Bank of Canada, acting through its branch located at 200 Vesey Street, New York, New York 10281-8098, as the provider of the Line of Credit based upon the New Jersey Department of the Treasury's ("Treasury") competitive RFP/RFQ process and in accordance with New Jersey Executive Order No. 26 (Whitman 1994) ("Executive Order No. 26"). The selection of the Bank as provider of the Line of Credit, the obtaining of Revolving Loans and the issuance and delivery of the Series 2015 Note by the Corporation to the Bank to evidence and secure the Obligations of the Corporation shall be subject to the execution by the Corporation and the Bank of the Agreement in substantially the form presented to this meeting. The Agreement, 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 6. Authorization and Terms of Series 2015 Note.

a. To evidence and secure the Obligations of the Corporation pursuant to the Agreement, the Series 2015 Note is hereby authorized in the maximum principal amount of \$300,000,000.00. The Series 2015 Note shall be designated as, and shall be distinguished from all other obligations of the Corporation by the title "Federally Taxable Grant Anticipation Note, Series 2015".

b. The maximum principal amount, rate or rates of interest, maturity date, payment date or dates, and prepayment provisions shall all be as set forth in the Agreement, subject to the limitations set forth in Section 3 of this Resolution.

c. The Series 2015 Note shall be issued in registered form without coupons and shall be registered in the name of the Bank. The Series 2015 Note shall be issued in the form of one certificate, shall be numbered R-1 and shall be in a denomination equal to the aggregate principal amount of Revolving Loans outstanding under the Agreement from time to time.

d. In accordance with N.J.S.A. 27:25-5(w), the Series 2015 Note issued under this Resolution and pursuant to the Agreement shall include on its face the following statement: NOTWITHSTANDING ANY OTHER PROVISION OF THIS SERIES 2015 NOTE OR THE 2015 RESOLUTION, THE CORPORATION IS OBLIGATED TO PAY THE PRINCIPAL OF THIS NOTE AND THE INTEREST HEREON ONLY FROM PLEDGED GRANT RECEIPTS AND FROM THE PROCEEDS OF THE SERIES 2015 NOTE AND INVESTMENT EARNINGS ON THE PROCEEDS OF THE SERIES 2015 NOTE, TO THE EXTENT NOT DISBURSED TO THE CORPORATION, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OR OF THE CORPORATION

IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL AND INTEREST ON THIS SERIES 2015 NOTE. THE CORPORATION HAS NO TAXING POWER.

SECTION 7. General Provisions for Execution and Delivery of Agreement and Issuance and Delivery of Series 2015 Note. The execution and delivery of the Agreement and the issuance and delivery of the Series 2015 Note shall be subject to the conditions precedent set forth in Section 5.1 of the Agreement and such additional conditions as an Authorized Officer, with the advice of the State Attorney General and Special Counsel, shall determine.

SECTION 8. Pledge of Pledged Grant Receipts.

a. There are hereby pledged to the Bank for the payment when due of the Obligations, including, without limitation, the Revolving Loans and the Series 2015 Note evidencing and securing the Revolving Loans, the Pledged Section 5307 Grant Receipts and the Pledged Section 5337 Grant Receipts, including the amounts on deposit from time to time in the Pledged Grant Receipts Account, in accordance with the terms and the provisions of the Agreement and this Resolution, and a lien on and security interest in such Pledged Grant Receipts is hereby granted for such purpose, subject however, to the use and application of the Pledged Grant Receipts as permitted pursuant to the provisions of this Resolution.

b. The pledge of the Pledged Section 5307 Grant Receipts for the payment when due of the Obligations, including, without limitation, the Revolving Loans and the Series 2015 Note evidencing and securing the Revolving Loans, shall be subject and subordinate solely to the lien on the Pledged Section 5307 Grant Receipts securing Senior Obligations under the 2014 Indenture, and the Obligations, including, without limitation, the Revolving Loans and the Series 2015 Note evidencing and securing the Revolving Loans, shall, with respect to the Pledged Section 5307 Grant Receipts only, constitute Subordinated Indebtedness within the meaning of the 2014 Indenture and shall be payable solely from amounts from time to time on deposit in the Subordinated Indebtedness Fund established under the 2014 Indenture and available to be applied to the payment of Subordinated Indebtedness in accordance with the terms and conditions set forth in the 2014 Indenture.

c. The obligations of the Corporation under this Resolution and the Agreement are subject to and dependent upon (i) the appropriation of the Section 5307 Formula Funds and the Section 5337 Formula Funds by the State Legislature to the Corporation in each Fiscal Year in an amount at least sufficient, after giving effect to the payment when due of principal of and interest on the Senior Obligations and all amounts payable under all Other Pledged Grant Receipt Obligations, if any, coming due in such Fiscal Year, to pay, when due, the principal of and interest on the Revolving Loans and all other Obligations of the Corporation under the Agreement coming due in such Fiscal Year, (ii) the appropriation by the United States Congress to FTA in each Federal Fiscal Year of funds for programs authorized under 49 U.S.C. s. 5307 and under 49 U.S.C. s. 5337; (iii) the apportionment by the FTA to the Corporation by the last day of each Federal Fiscal Year of Section 5307 Formula Funds and Section 5337 Formula Funds that have been appropriated by the United States Congress in an amount at least sufficient, after giving effect to the payment when due of principal of and interest on the

Senior Obligations and all amounts payable under all Other Pledged Grant Receipt Obligations, if any, coming due in such Federal Fiscal Year, to pay, when due, the principal of and interest on the Revolving Loans and all other Obligations of the Corporation under the Agreement coming due in such Federal Fiscal Year, and (iv) the receipt by the State or the Corporation in each Federal Fiscal Year of the Section 5307 Formula Funds and the Section 5337 Formula Funds in an amount at least sufficient, after giving effect to the payment when due of principal of and interest on the Senior Obligations and all amounts payable under all Other Pledged Grant Receipt Obligations, if any, coming due in such Fiscal Year, to pay, when due, the principal of and interest on the Revolving Loans and all other Obligations of the Corporation under the Agreement coming due in such Federal Fiscal Year. The State Legislature has no legal obligation to make any such appropriations. The Obligations, including, without limitation, the Revolving Loans and the Series 2015 Note evidencing and securing the Revolving Loans, are special, limited obligations of the Corporation payable solely from and secured by the Pledged Section 5307 Grant Receipts and the Pledged Section 5337 Grant Receipts. The obligations of the Corporation under this Resolution and the Agreement are not general obligations of the Corporation, and neither the faith and credit nor revenues, funds and assets of the Corporation (other than the Pledged Grant Receipts) are pledged or required to be used for the payment of the principal of, or interest on, such obligations of the Corporation under this Resolution and the Agreement. The obligations of the Corporation under this Resolution and the Agreement do not create or constitute any indebtedness, liability or obligation of the State or any political subdivision thereof or constitute a pledge of the faith and credit or taxing power of the State or any such political subdivision. The Corporation has no taxing power. The obligations of the Corporation under this Resolution and the Agreement are not a debt or liability of the State or any agency or instrumentality thereof, other than the Corporation (to the limited extent set forth above), either legal moral or otherwise, and nothing in the Act shall be construed to authorize the Corporation to incur any indebtedness on behalf of or in any way obligate the State or any political subdivision thereof.

SECTION 9. Pledged Grant Receipts Account.

a. The Corporation hereby establishes the Pledged Grant Receipts Account, which shall be a special account of the Corporation held by the Corporation subject to the terms and provisions of this Resolution and the Agreement. Subject to use and application in accordance with this Resolution, all of the moneys and securities held in the Pledged Grant Receipts Account are hereby pledged to the payment when due of the Obligations, including, without limitation, the Revolving Loans and the Series 2015 Note evidencing and securing the Revolving Loans.

b. The Corporation shall deposit or cause to be deposited into the Pledged Grant Receipts Account, promptly upon receipt (i) all Pledged Section 5337 Grant Receipts, (ii) all amounts withdrawn from the Subordinated Indebtedness Fund in accordance with the provisions of the 2014 Indenture, and (iii) all amounts withdrawn by the Corporation from the Grant Receipts Deposit Fund to reimburse the Corporation for Eligible Costs (as defined in the 2014 Indenture) pursuant to Section 504(B) of the 2014 Indenture.

c. On each payment date, including, without limitation, each Interest Payment Date and the Revolving Loan Maturity Date for the Repayment Obligations, including, without limitation, the Revolving Loans and the Series 2015 Note evidencing and securing the Revolving Loans, and on each payment date for any other Obligations, the Corporation shall withdraw from the Pledged Grant Receipts Account and pay to the Bank such Obligations, coming due on such payment date.

d. Upon the occurrence and during the continuance of an Event of Default or an Event of Non-Appropriation, amounts on deposit from time to time in the Pledged Grant Receipts Account shall be applied as provided in Section 8.2(c) of the Agreement.

e. Provided that the required transfers to the Bank are made when and as provided in paragraph (c) and (d) of this Section 9, the Corporation may apply the amounts on deposit in the Pledged Grant Receipts Account at any time and from time to time to pay or reimburse the Corporation for any costs which are Eligible Expenditures, subject to Section 7.1(n) and Section 8.2(c) of the Agreement.

SECTION 10. 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 Agreement and issue the Series 2015 Note to evidence and secure the Obligations of the Corporation, 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 Agreement to the Bank and to issue and deliver the Series 2015 Note to the Bank, in substantially the forms 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 Agreement and the issuance and delivery of the Series 2015 Note;

c. To obtain Revolving Loans under the Agreement from time to time, to determine whether each such Revolving Loan shall be a LIBOR Rate Revolving Loan or a Base Rate Revolving Loan and the duration of the Rate Period of any LIBOR Rate Revolving Loan, and to prepare and to make any and all determinations and submit any and all notices to the Bank in connection with each such Revolving Loan;

d. To provide for the application of proceeds of each Revolving Loan to the purposes set forth in Section 4 of this Resolution; and

e. 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 Agreement and the issuance and delivery of the Series 2015 Note or (ii) any of the other transactions authorized by this Resolution, and which 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 11. 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 12. This Resolution shall take effect as set forth in the Act.

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; 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.