

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
James S. Simpson, Board Chairman
Veronique Hakim, Executive Director

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

July 11, 2014

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Wednesday, July 9, 2014.

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, July 9, 2014.

Present

Joseph D. Bertoni, Acting Chairman
Bruce M. Meisel, Vice Chairman
Regina M. Egea, Governor's Representative
Robert Romano, Treasurer's Representative (By Telephone)
Myron P. Shevell, Board Member (By Telephone)
James C. Finkle, Jr., Board Member
Flora M. Castillo, Board Member
Raymond W. Greaves, Board Member

Also Present

Veronique Hakim, Executive Director
Dennis Martin, Acting Vice President/General Manager, Bus Operations
Robert Lavell, Acting Vice President/General Manager, Rail Operations
Christopher Trucillo, Chief of Police
Warren Hersh, Auditor General
Kathleen M. Sharman, Chief Financial Officer & Treasurer
Michael Slack, Chief Information Officer
Penny Bassett Hackett, Acting Assistant Executive Director, Communications & Customer Svc.
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Leotis Sanders, Vice President Civil Rights & Diversity Programs
Carlos Ramirez, Assistant Executive Director, Corporate Affairs
Linda Mosch, Senior Director, Capital Planning & Programs
Michael Gonnella, Section Chief, Office of the Attorney General
Joyce J. Zuczek, Acting Board Secretary

Acting Chairman Joseph D. Bertoni convened the Open Session at 9:03 a.m. in accordance with the Open Public Meetings Act. Acting Board Secretary Zuczek announced that Board Members Robert Romano and Myron Shevell were participating in the meeting by telephone and the Board Meeting was being video recorded.

Acting Chairman Joseph D. Bertoni welcomed New Jersey Senate President Stephen Sweeney and Majority Leader Loretta Weinberg to the meeting and mentioned they would be providing public comments regarding the Port Authority Bus Terminal.

Acting Chairman Joseph D. Bertoni asked for a motion to adopt the minutes of the June 11, 2014 Board Meeting. A motion was made by Board Member Myron P. Shevell,

seconded by Board Member James C. Finkle, Jr. and adopted. Vice Chairman Bruce M. Meisel abstained from voting since he was not in attendance at the June 11, 2014 Board Meeting.

Public Comments on Agenda Items and Other Matters

There were twelve (12) public speakers. Acting Board Secretary Zuczek announced the public comments would be limited to five minutes in order to give everyone an opportunity to be heard. The public speakers' remarks are summarized below. The subject matter of the public speakers' comments is contained in the video and audio recording of the meeting and available on-line at njtransit.com.

Loretta Weinberg, Majority Leader of the New Jersey Senate, thanked Executive Director Hakim for her leadership and expressed her hopes for positive changes. Senator Weinberg praised Rae Hutton who is always responsive and helpful to her office.

Senator Weinberg spoke about the commute to New York City via bus being an enormous transportation problem for residents of her district and the state. She expressed her appreciation that NJ TRANSIT representatives were present at a recently held transportation forum for residents of her district. Senator Weinberg noted over 100 residents, who commute by bus daily, attended the forum after work to share their commuter horror stories.

Senator Weinberg provided two anecdotes to illustrate how the Port Authority Bus Terminal problem impacted New Jersey. She spoke of a young mother who leaves work with ample time to commute home but due to regular extended commuter delays has paid more than \$500 to her daughter's daycare in late fees. Senator Weinberg also spoke of a job recruiter for a big New York City employer who said they hesitate to hire residents from certain towns in New Jersey because they know they will be habitually detained due to bus delays.

Senator Weinberg believes the Port Authority Bus Terminal and the bus transportation system that operates out of it is a model of inefficiency. She believes the Port Authority Bus Terminal conditions need to improve and the system needs to be fixed. Senator Weinberg suggested the drop off and pick up process be streamlined instead of buses dropping passengers off in New York City, returning to New Jersey to park, and then driving back into traffic for the return pick up. She believes commuters need to be able to have a reasonable expectation that the bus schedule will be reliable.

Senator Weinberg believes NJ TRANSIT has a responsibility to respond to commuter needs by raising the issues to The Port Authority of New York and New Jersey and holding them accountable. She noted NJ TRANSIT spends \$5 million per year in rent to use a decrepit building that is falling apart.

Senator Weinberg noted The Port Authority of New York and New Jersey has taken initial steps to address some of the residents' concerns following the public forum. She said The Port Authority of New York and New Jersey has acknowledged the physical and functional obsolescence of the Port Authority Bus Terminal. Senator Weinberg noted some short-term solutions they have been addressing, including heat monitors, air conditioning, and fixing leaks. She expressed concern that the Port Authority Bus Terminal was the largest in the United

States and had the busiest traffic volume in the world, but the facility was not included in The Port Authority of New York and New Jersey's 10-year capital plan.

Senator Weinberg also noted NJ TRANSIT's phone applications to assist customers are not useful in the sections of the Port Authority Bus Terminal that have no cell phone service. She submitted written testimony from the public forum to NJ TRANSIT. Senator Weinberg looks forward to hearing about the steps NJ TRANSIT will take to address the issues, starting with complaining to the landlord.

Stephen Sweeney, President of the New Jersey Senate, noted that commuters are consumers and residents who spend a lot of money and time for substandard service. He said if the service were provided by a private company and there was a choice, no one would choose this type of service. Senator Sweeney recommended pushing for a state-of-the-art terminal given the amount of rent and fees paid to The Port Authority of New York and New Jersey. He does not think it is acceptable for people to be treated that way, believes they should be treated better, and expects NJ TRANSIT to demand better treatment for its consumers.

Senator Sweeney noted that Executive Director Hakim has been working hard since she began at NJ TRANSIT. He also praised Rae Hutton for her assistance.

Acting Chairman Joseph D. Bertoni thanked the Senators for their comments and noted NJ TRANSIT is working with The Port Authority of New York and New Jersey to improve the conditions. He asked Executive Director Hakim to follow up with the Senators regarding NJ TRANSIT's progress.

Stephen Thorpe spoke as a private citizen, not as a member of the Senior Citizens and Disabled Residents Transportation Advisory Committee. He wants to see budgets for Senior Citizens and Disabled Residents Transportation Advisory Program when the process starts in February instead of July when it is too late to affect it. Mr. Thorpe noted it was \$39 million and requested an opportunity to vet it before the next budget process concludes.

Mr. Thorpe expressed his support of shore express trains but noted concern about the number of cars and crowding issues. Additionally, he voiced concern about knowing where bridge plate boarding is located on the platform. Mr. Thorpe recommended installing high signage overhead the platform to indicate where the bridge plate boarding is located.

Jack May, New Jersey Association of Railroad Passengers (NJ-ARP), voiced their support of the investment in the light rail vehicle extenders. He noted their concern about whether the number of vehicles that will be lengthened on the Newark Light Rail Line is enough to solve the entire seating deficiency, and will be observing to see whether more cars need to be lengthened in the future.

Mr. May believes the standee problem on the Newark Light Rail also occurs on the weekend. He noted service every 20 minutes on Saturdays and 25 minutes on Sundays was inadequate when many use it to go to work, shopping, and participate in leisure activities. Mr. May said, in the past, service was provided every 10 minutes on Saturdays and 15 minutes on Sunday. Similar to weekdays, he would like weekend service to be frequent enough that passengers do not need to refer to timetables.

Mr. May recommended reviewing the Hudson-Bergen Light Rail schedules to determine whether service can be increased during weekday evenings, since the *Scorecard* results showed customers were not satisfied with weekday evening/night schedules. He believes they do not like to wait long periods of time when it is dark, such as 30 minutes at 8 p.m.

Patricia Winship spoke on behalf of her son Donald Winship, Director of Communications for the Lackawanna Coalition. She said there has been no tangible action to improve service to Mount Tabor despite repeated requests. Ms. Winship noted their transit village characteristics and suggested the service would eliminate trips by Mount Tabor residents that drive to Denville. She asked for a minimum of hourly service.

Ms. Winship expressed concern that timetable listed connections were not being consistently held in the evening for passengers from New York traveling to the Main, Bergen County, Pascack Valley, and Raritan Valley Lines. She said connections were not held often enough and that results in an appearance that the decision to hold a train is arbitrary.

Ms. Winship said the Lackawanna Coalition was grateful for Executive Director Hakim's changes so far. They believe addressing many of the issues they face requires major infrastructure investment, but they want managers to do everything in their power to improve the rider experience.

Murray Bodin spoke as a concerned grandparent and thanked Governor Christie's transportation team for creating a new dynamic in New Jersey. Mr. Bodin noted the New Jersey Turnpike was changing their roadway signage and line striping and it started the process of thinking differently. Mr. Bodin recommended trying new ways, testing them, and making mistakes along the way towards improvement.

Dan O'Connell, State Legislative Director of the SMART Transportation Division formerly United Transportation Union, said they went to the Legislature with Amalgamated Transit Union to push for increasing the penalty for assaulting an operator on duty and were successful. He expressed his appreciation to NJ TRANSIT, especially Executive Director Hakim, for supporting two of their members who have not yet returned to work.

Matthew Walters expressed concerns that commuters depend on severely outdated infrastructure to get to work and noted there were Amtrak overhead wire problems causing long delays two days in a row.

Mr. Walters noted the new pilot program adding Gate Supervisors at the Port Authority Bus Terminal to help with crowd control seems to be working. He read a number of tweets to demonstrate the positive reactions to the pilot compared to those that result because the majority of gates are still unattended. Mr. Walters recommended expanding the program to place more supervisors at more gates.

Mr. Walters said over five years ago the Tri-State Transportation Campaign called for an evening rush hour westbound express bus lane for NJ TRANSIT buses, but The Port Authority of New York and New Jersey met the idea with resistance. He requested NJ TRANSIT

management, on behalf of commuters, support to obtain the westbound express bus lane in 2014.

Mr. Walters said there have been perpetual bus breakdowns on the inbound express bus lane over the last month. He read a number of commuter complaints regarding bus operators' inability to detour from a congested express bus lane and use other lanes.

David Peter Alan, Chair of the Lackawanna Coalition, expressed his appreciation that Executive Director Hakim attended the Lackawanna Coalition's last meeting, reported on her first four months working at NJ TRANSIT, and answered their questions.

Mr. Alan requested opening all Board Committee meetings to public attendance. Additionally, he wants a more meaningful way to participate than two days to review the agenda, limited comment length, and comments or questions prohibited once discussion begins.

Mr. Alan does not believe the NJ TRANSIT Advisory Committees are utilized properly and called for immediate reform. He complained that non-members could not attend the North or South Jersey Transportation Advisory Committees' meetings, but could attend advisory committee meetings in other states. Additionally, he complained that his request for the North and South Jersey Transportation Advisory Committees members' contact information was denied. Mr. Alan wants the public to be able to attend the North and South Jersey Transportation Advisory Committee meetings and comment.

Mr. Alan said he is a member of the Senior Citizens and Disabled Residents Transportation Advisory Committee but spoke in his individual capacity at the Customer Service Committee meeting held at 6 p.m. on Thursday, June 18, 2014. At the Customer Service Committee meeting, he asked for an NJ TRANSIT representative to present the grants and paratransit vehicles item at the Senior Citizens and Disabled Residents Transportation Advisory Committee the following Monday and he complained it did not happen. Mr. Alan said he wants to be taken seriously by having regular dialogue with the Board and senior management, like the North and South Jersey Transportation Advisory Committees.

Tony Hall, Founder and Trustee of the New Jersey Electric Railway Historical Society, explained they need a location for the New Jersey Transportation Heritage Center. Mr. Hall has worked for 41 years with others exploring a number of sites to no avail. He said Rahway residents want the Heritage Center at the Graw Yard.

Mr. Hall explained they have accumulated various NJ TRANSIT train cars, buses, and artifacts. He said NJ TRANSIT has been generous in providing space in the former Boonton Yard and Lakewood Bus Garage but they have run out of space. Mr. Hall asked for a meeting with Executive Director Hakim regarding development of the Graw Yard.

Orrin Getz, New Jersey Association of Railroad Passengers (NJ-ARP), lives in Rockland County which is served by NJ TRANSIT. He said NJ TRANSIT needs to fix the board in Secaucus that kept showing his train from Penn Station New York as arriving in seven minutes and still showed that when he eventually caught a later train. Additionally, he said the customer announcements regarding outbound trains need to be fixed.

Mr. Getz asked NJ TRANSIT to revisit the Memorandum of Understanding for the Pascack Valley Line because he believes the limit to the number of passing sidings is obsolete. He explained there were two sidings, Oradell and Park Ridge, that were not built because of concerns regarding long freight trains carrying hazardous chemicals, but that never happened. Additionally, Mr. Getz said there were concerns that there would be traffic jams along the Pascack Valley Line, but that did not happen. He said adaptive timing traffic lights can keep cars moving. Mr. Getz wants NJ TRANSIT to work together with New York and the communities involved to reconsider the two sidings.

Joseph Clift thanked Acting Board Secretary Zuczek and her staff for providing the agenda on Thursday, July 3, 2014. He greatly appreciated having six days to review it. Additionally Mr. Clift thanked John Leon for providing him additional information that was not in the agenda.

Mr. Clift recommended more than six train cars on the summer shore service trains. He believes the service is a great opportunity, but said it needs to be managed, since he did not see any train crew collecting tickets.

Mr. Clift noted the operating budget did not have a forecast and was accounting based instead of profit based. He said this makes it hard to know whether there will be more service. Mr. Clift believes not having an opportunity to discuss the budget in advance makes it difficult to obtain information regarding questions they may have.

Mr. Clift noted NJ TRANSIT was losing 45 percent of appropriations money from last year and the Clean Energy Fund was a one-time fix. He said four years ago there was a one-time fix that resulted in a fare increase. Mr. Clift believes NJ TRANSIT is heading towards the same problem next year.

Mr. Clift also noted the capital program was accounting based. He provided a handout showing the NJ TRANSIT funding for the Northeast Corridor Joint Benefit Capital Program has not met prior Executive Director George Warrington's \$45 million per year target since fiscal year 2007. Mr. Clift said the \$17 million this year was the lowest level of funding. Without the infrastructure funding, he believes the reliability problems will grow.

Mr. Clift requested that NJ TRANSIT spend more money on the Northeast Corridor to avoid more problems with wires, signals, and electricity. He said NJ TRANSIT should work with Amtrak to receive a future credit in return for increased funding. Mr. Clift does not think the North Brunswick Station is a funding priority.

Mr. Clift also noted the March paper train schedules did not include the express shore trains.

Board Member Comments

Vice Chairman Meisel said as Chair of the Capital Program, Policy, and Privatization Committee he is well aware of the Port Authority Bus Terminal issues and collateral issues. He expressed his appreciation for Senator Sweeney and Senator Weinberg's comments and the exposure to the issue raised by their attendance. Vice Chairman Meisel said Governor Christie and NJ TRANSIT are acutely aware of the issues and committed to addressing them. He hoped the

problem would gain the attention of other areas of government so NJ TRANSIT can perform better. Vice Chairman Meisel said NJ TRANSIT was doing the best it can with a poor terminus.

Board Member Greaves said since Executive Director Hakim began, as the labor representative, he has worked closely with Bus Operations and the union to make improvements at the Port Authority Bus Terminal. He noted their meetings over the last two months have been productive and they are moving in the right direction.

Advisory Committee Report

Suzanne Mack was pleased about the focus on buses. She said often people think of NJ TRANSIT as a train company, when they not only run buses but the majority of passengers take them. Ms. Mack expressed her belief that NJ TRANSIT's comprehensive approach to transportation in the region has been its strength.

Ms. Mack said she has been there since 1979 and never had a Senate President or Majority Leader attend a Board meeting. She believes the attention is good and hopes there will be legislative cooperation and support aiding the Governor with the budget.

Ms. Mack said it was remarkable to have \$26 billion for the operating budget, in addition to \$1 billion for capital programs. She commended NJ TRANSIT for continuing to shrink the budget while costs rise. Ms. Mack said more funding from the legislature during the next couple years would be very helpful.

Ms. Mack said the Advisory Committee reviewed the budget with the Finance Department and it appears to be a viable budget with no fare increase. She noted there has been some shift of capital funding to operating to balance the budget, but said that it is typical and then it shifts back when there is more federal or capital funding. Ms. Mack expressed her appreciation that NJ TRANSIT was accountable and handling a balancing act of not increasing costs while providing more services.

Ms. Mack noted the Senior Citizens and Disabled Residents Transportation Assistance Program budget was going before the Board for annual adoption. She noted this is an unfunded mandate with shrinking funds since the Casino Revenue Funds are a major source.

Ms. Mack mentioned there have been discussions about the Senior Citizens and Disabled Residents Transportation Assistance Program's Citizen Advisory Committee and the South Jersey Transportation Advisory Committee working closer with the North Jersey Transportation Advisory Committee. She said they would have a better idea regarding how that will be implemented in the fall.

Ms. Mack suggested as part of their summer tours, their committee revisit the Port Authority Bus Terminal, since they have not been there for a few years. She noted NJ TRANSIT always provides their committee with operation information and looks forward to providing recommendations to the Board.

Ms. Mack also mentioned that last year the Board asked the Advisory Committee to review the bike policy. She expressed her interest in meeting with staff regarding how the changes in policy have been going and reviewing whether they need to make any adjustments to the policy.

Board Administration Committee Report

The Administration Committee discussed the Fiscal Year 2015 Operating Budget and Capital Program and was provided a financial update which included a comparison of revenues and expenses to budget, as well as a revenue and ridership report. The Committee also discussed general consulting services for the health and welfare plans.

Board Safety and Security Committee

The Safety and Security Committee held its first quarterly meeting in July 2014. The Committee discussed the mission and charter of the Committee and reviewed the progress to date of the Office of System Safety. The Committee discussed its focus and a common reporting standard for Bus, Rail, Light Rail and Access Link.

Board Customer Service Committee Report

The Customer Service Committee discussed the grant programs for community-based transportation services that benefit senior citizens, persons with disabilities, rural and small urban area residents and economically disadvantaged persons.

The Committee also discussed the contract amendment to purchase additional MV-1 vehicles for local community transit services as well as the contract amendment for light rail extenders on Hudson-Bergen Light Rail and Newark Light Rail.

The Committee was also provided with a Customer Service update.

Vice Chairman Meisel said he and Board Member Finkle spoke to the attorneys conducting the Super Bowl Evaluation and the report will be completed this month.

Executive Director's Monthly Report

NJ TRANSIT 35TH Anniversary

Executive Director Hakim said NJ TRANSIT will celebrate 35 years as the State's public transportation network next week. On July 17, 1979, Governor Brendan Byrne signed the historic legislation that created NJ TRANSIT. Passed by the State Assembly at 2:00 a.m., the New Jersey Public Transportation Act of 1979 allowed the State of New Jersey to "acquire, operate and contract for transportation service in the public interest."

Thirty-five years later, NJ TRANSIT is the largest statewide transportation agency in the nation, serving as a lifeline that connects New Jersey residents with employment, education, healthcare, shopping and recreation each and every day.

Executive Director Hakim said thank you and happy anniversary to the more than 11,000 talented, hard-working employees who keep nearly half a million customers on the move each weekday.

Special Events

Executive Director Hakim recognized the extraordinary service of employees for several significant events over the last month.

In June 2014, NJ TRANSIT supported a large-scale event at MetLife Stadium, the Jehovah's Witnesses Conference, which was held over two weekends: Friday, Saturday and Sunday, June 20 through 22 and June 27 through 29, 2014. These Fridays were particularly challenging, as service to the stadium went up against the weekday peak period rail service. The Rail and Bus divisions put together an operating plan that successfully served nearly 20,000 trips to and from the event on the six days combined. Executive Director Hakim extended special thanks to the Finance team, who arranged for advance purchase of special, train specific tickets on these Fridays, as well as to those employees who volunteered to serve as customer ambassadors supporting the Customer Service team over those weekends.

In addition, on the Fourth of July holiday, the Light Rail, Bus, Police and Customer Service employees worked together to successfully provide approximately 5,000 trips to and from Liberty State Park for Jersey City's fireworks display. Employees were well prepared to handle the flow of customers, and Executive Director Hakim thanked everyone for their time and effort over the holiday.

Customer Surveys

Executive Director Hakim said three years ago, NJ TRANSIT launched the *Scorecard* initiative, which makes key statistics and performance data readily accessible to the public, setting corporate-wide standards of accountability and creating transparency.

As part of *Scorecard*, since 2011, the agency has been conducting regular customer surveys to help target the areas that most need improvement. The latest survey, for the fourth and final quarter of Fiscal Year 2014, has closed and the results will be published soon.

Executive Director Hakim provided a brief overview. The survey was conducted online from May 5 through May 26, 2014 in both English and Spanish. Since the previous quarter, Executive Director Hakim was pleased to report that customer satisfaction with Bus, Rail, and Light Rail service increased slightly. The score for Access Link decreased slightly, but remained very strong. The overall satisfaction rating also posted a slight boost.

Executive Director Hakim said these surveys are intended to enable NJ TRANSIT to zero in on the areas that need to improve in order to enhance the overall experience for customers. She wants customers to know that these scores are more than just numbers to NJ TRANSIT. Through these surveys and other feedback, NJ TRANSIT has taken concrete actions to make improvements for customers.

Some of the most recent examples include the deployment of gate supervisors at Port Authority Bus Terminal, who are positioned at various high-volume locations throughout the terminal to provide customers with the most up-to-date information on bus routes, gate activity and boarding. Executive Director Hakim noted that Board Member Castillo, Chair of the Customer Service Committee, asked to be involved in the Port Authority Bus Terminal working group and expressed her appreciation for Board Member Castillo's support.

In response to customer feedback, NJ TRANSIT also recently installed ceiling fans at the 7th Avenue Concourse in New York Penn Station to address the temperature there, and also expanded the Quiet Commute program to off-peak trains on the Hoboken Division rail lines. To address one of the top customer concerns, communications, NJ TRANSIT is taking a more streamlined approach to communications during service disruptions.

As part of the *Scorecard* initiative, the operating lines regularly review the results and recommend changes to improve the overall customer experience. NJ TRANSIT will continue to rely on customer feedback to make the necessary adjustments to improve their trip.

Moving forward, NJ TRANSIT will be implementing a new practice as it relates to this process. Starting next quarter, any actions taken and improvements made by the operating lines based on customer comments will be posted on the NJ TRANSIT website.

Shore Express

Executive Director Hakim said on June 28, 2014, NJ TRANSIT launched the new, express weekend rail service to the Jersey Shore. Through September 1, 2014, NJ TRANSIT is operating four new roundtrip, one-seat-ride express trains on Saturdays, Sundays and holidays from New York Penn Station and northern New Jersey cities to shore communities along the North Jersey Coast Line. Preliminary ridership numbers for the first weekend of service totaled more than 3,800 trips on the new trains Saturday and Sunday combined.

Executive Director Hakim was pleased that customers are taking advantage of the travel time savings, which is approximately 25 minutes less than the normal travel time between New York and stations such as Belmar, Manasquan and Point Pleasant.

Fiscal Year 2015 Operating Budget and Capital Program Presentation

Executive Director Hakim said the Fiscal Year 2015 operating and capital budgets would be presented for the Board's consideration. Before turning over the program to staff for an overview of the proposed budgets, Executive Director Hakim commended the team for their hard work in developing a balanced, fiscally-sound program that holds fares stable for a fifth consecutive year and continues to deliver the same level of service to customers. She said during such constrained financial times, this is no easy feat and as difficult as it was to accomplish this year, it will only become even more challenging in upcoming years. When it comes to balancing the budget, NJ TRANSIT has faced tough decisions in the past, and it will likely have to do so again in the future. As demand growth continues on the transit network, NJ TRANSIT will need to identify ways to squeeze out the most costs while keeping safety and standard of good repair in the forefront. Executive Director Hakim is confident that the team will continue to look to operate efficiently and effectively.

Executive Director Hakim asked Kathleen Sharman, Chief Financial Officer and Treasurer, to provide a detailed presentation of the Fiscal Year 2015 operating budget. She said Pete Garino, Chief of Capital Programming and Administration, will present the Fiscal Year 2015 capital program.

Kathleen Sharman provided a summary of the operating budget revenue. The Fiscal Year 2015 Operating Budget totals \$2.019 billion or 4 percent over the Fiscal Year 2014 Budget and provides for the continued support and resources for the operations of NJ TRANSIT Bus, Rail, Light Rail and Access Link services for NJ TRANSIT's customers. NJ TRANSIT is committed to operating as lean as possible, providing the best value to NJ TRANSIT's customers. As a result, this budget contains no fare increase for the fifth year in a row, funding is primarily driven by mandatory growth, and NJ TRANSIT continues a managed attrition program. System generated revenue from customer fares and other sources such as advertising represents 52 percent of total revenue.

Key revenue highlights were provided. Passenger revenue growth of 1.0 percent or \$8 million is based on current ridership and employment trends. New non-farebox revenue initiatives will continue to be pursued in areas such as advertising and leasing, and the budget contains growth of \$700,000 for additional advertising opportunities. The State continues to support NJ TRANSIT through a \$73.2 million appropriation, composed of \$40.3 million in direct operating assistance and a new \$32.9 million allocation from the State Clean Energy Fund. For fiscal year 2015, capital maintenance funding from both federal and state sources will increase to \$463.2 million. This funding supports projects such as axle replacements, pantograph conversions, traction motor repairs, and repairing engines, transmissions and alternators. Many of these projects funded through preventative maintenance help keep NJ TRANSIT's assets in a state of good repair.

The Fiscal Year 2015 expense budget totals \$2.019 billion and equals total revenues for a balanced budget.

As illustrated by the "Where the Money Goes" chart, labor and fringe benefits costs represent the majority or almost 60 percent of NJ TRANSIT's operating budget at \$1.17 billion. Materials and supplies follow at 18 percent or \$364.4 million, and the third largest piece is purchased transportation at 11 percent or \$225.4 million.

Almost 90 percent or \$68 million of the \$78 million of the proposed budget growth in expenses is in three areas: Labor and fringe benefits is \$49 million, materials and supplies are \$10 million, and services are \$9 million.

The budget funds crucial operating needs of the departments. It funds labor and incremental cost growth for fringe benefits. Additionally, bus headcount will grow by 45 positions. This is staff for added service to improve system-wide on-time performance, improve service reliability, and relieve overcrowding predominately to the New York commuter routes.

There is \$8.5 million of growth in services costs to support technology and \$3.1 million of growth for contractual purchased transportation services for Access Link, Private Carriers, Hudson-Bergen Light Rail and the River LINE. Growth of \$5.8 million is required to right size the

insurance budget to account for actual fiscal year 2014 premium increases experienced by NJ TRANSIT, as well as other transit properties in the Northeast, as a result of Superstorm Sandy. The budget also provides for toll and bus parking increases for the Lincoln Tunnel, George Washington Bridge, and the Port Authority Bus Parking facility.

In summary, NJ TRANSIT's Fiscal Year 2015 Operating Budget is a balanced budget providing primarily for mandatory growth items while meeting the agency's needs. It accomplishes this with no fare increase and no increase in state funding. NJ TRANSIT is committed to working within this spending plan.

Peter Garino discussed NJ TRANSIT's Fiscal Year 2015 Capital Program. NJ TRANSIT's Fiscal Year 2015 Capital Program is \$1.203 billion. Approximately 40 percent of the capital program is funded from the State Transportation Trust Fund (TTF). Another 40 percent is funded from the Federal Transit Administration. Finally, approximately 20 percent of the program is Federal Highway Administration "flex" funds provided by the New Jersey Department of Transportation and local program funding. In terms of how those funds are allocated, nearly 60 percent of the program supports preventive maintenance, debt service and local pass through programs, and 40 percent of the capital program funds state of good repair and improvement projects.

Drilling down further into funds allocated for State of Good Repair, \$180 million is provided for rail infrastructure upgrades, including funding for the Northeast Corridor. When Northeast Corridor infrastructure improvements, yard upgrades and station projects are combined, the Fiscal Year 2015 program provides over \$75 million for the Northeast Corridor, part of NJ TRANSIT's 10-year, \$1 billion Northeast Corridor investment program. This program includes funding in support of the NJ TRANSIT-Amtrak Joint Benefits Program, Newark Penn Station improvements, and continued funding for the Northeast Corridor Midline Loop project, which addresses a functionally obsolete portion of the Northeast Corridor near County Yard.

In addition to the Northeast Corridor improvements, the Fiscal Year 2015 Capital Program provides for regular replacement of NJ TRANSIT's track and signal systems, as well as bridge renewal efforts on the NJ TRANSIT network. There are 83 percent of NJ TRANSIT's bridges in "Good" or "Fair" condition, up from 76 percent in fiscal year 2008. The program includes funding to continue that good progress.

There is \$104 million provided for rail rolling stock improvements, including funding for overhaul of existing vehicles and modernization of older equipment. NJ TRANSIT has made great strides in modernizing its rail fleet. In recent years, the average age of NJ TRANSIT's rolling stock has stood between 15 and 16 years, consistent with a 30-year useful life of the vehicle. This compares favorably to where the agency stood in fiscal year 2003, when the average age of the fleet was 21 years old. NJ TRANSIT's rail fleet age is also substantially lower than the national average of nearly 20 years.

The program provides \$76 million for bus and light rail improvements. This includes funding for capital asset replacement on NJ TRANSIT's light rail systems and replacement of aging buses. As can be seen, the average age of NJ TRANSIT's bus fleet has been between 8 and 9 years. This compares favorably with the condition in fiscal year 1999, when NJ TRANSIT's bus fleet average age was 12 years old. The industry average bus age is 8 years.

Importantly, federal discretionary funding is allowing NJ TRANSIT to replace aging cruiser buses with CNG cruiser and hybrid buses. The \$66 million of federal funds provided in prior years is over and above the amounts shown in the Fiscal Year 2015 Capital Program. The Capital Program includes \$46 million for station improvements, including funding to expand accessibility at Perth Amboy, Lyndhurst and Jersey Avenue stations. Finally, the program includes funding for local bus programs, system-wide improvements, emergency response and technology upgrades.

NJ TRANSIT's \$1.203 billion Fiscal Year 2015 Capital Program continues this agency's efforts to maintain and renew its infrastructure, address backlog state of good repair issues, and improve the efficiency and reach of the state's transit system.

Executive Director Hakim said NJ TRANSIT has made a commitment to continue to hold the line on customer fares, and are delivering on that commitment by implementing sustainable and fiscally responsible operating and capital programs.

A copy of the operating budget and capital program presentation is attached.

Bus Employee Recognition

Executive Director Hakim recognized an outstanding Bus employee who is celebrating 55 years of service this month with NJ TRANSIT and the predecessor agencies. Frank Dino works as a Repairman at the Port Authority Bus Terminal in New York. He is currently assigned to the morning shift maintenance unit from Meadowlands Garage responsible for making minor, on-the-spot repairs in the Port Authority Bus Terminal.

Mr. Dino's career has spanned over several garages and privately and publicly operated bus companies, first Public Service Coordinated Transport Company, then Transport of New Jersey, and then NJ TRANSIT. He began his career in 1959 working at the former West New York Garage, which was a trolley repair and storage facility that transitioned to buses before closing down decades ago. Over the next 55 years, Frank worked his way up through the ranks as a Utility Man, Repairman C, Repairman B, and Repairman A.

Executive Director Hakim said those who work with Mr. Dino will tell you he is known to remain cool under pressure, and can often be found assisting his staff or helping to direct customers to their boarding locations. He has received a perfect attendance award numerous times, showing pride in his work and dedication to customers. Executive Director Hakim congratulated Mr. Dino on an incredible 55 years of service and on behalf of NJ TRANSIT, thanked him for a job well done.

Action Items

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1407-30 for approval.

1407-30: FISCAL YEAR 2015 OPERATING BUDGET

Kathleen Sharman recommended approval of Item 1407-30, the Fiscal Year 2015 Operating Budget in the amount of \$2.019 billion as detailed in the item and on the attached Exhibits A, B and C. Authorization was requested to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2016 Operating Budget.

A motion was made by Board Member Myron P. Shevell seconded by Board Member Flora M. Castillo and unanimously adopted.

Vice Chairman Meisel thanked Kathleen Sharman and Peter Garino for their incredible work. He said they have a very complex job and NJ TRANSIT is very fortunate to have professionals like them and Executive Director Hakim.

Executive Director Hakim introduced Linda Mosch, Senior Director, Capital Planning & Programs, who presented Action Item 1407-31 for approval.

1407-31: FISCAL YEAR 2015 CAPITAL PROGRAM

Linda Mosch recommended approval of Item 1407-31, the Fiscal Year 2015 Capital Program, in the amount of \$1.203 billion, as described in the item, and to take whatever actions are necessary to seek and secure the funds envisioned by this program.

Authorization was also requested to transfer funding sources and amounts among programmed projects as circumstances require in compliance with the terms and conditions of the grants and other funding sources and to make applications, execute contracts or agreements and take whatever other actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to its adoption.

A motion was made by Vice Chairman Bruce M. Meisel, seconded by Board Member James C. Finkle, Jr. and unanimously adopted.

Executive Director Hakim introduced Linda Mosch, Senior Director, Capital Planning & Programs, who presented Action Item 1407-32 for approval.

1407-32: HUDSON-BERGEN LIGHT RAIL AND NEWARK LIGHT RAIL: CONTRACT AMENDMENT FOR LIGHT RAIL VEHICLE EXTENDERS

Linda Mosch recommended approval of Item 1407-32. The Hudson-Bergen Light Rail and the Newark Light Rail lines both operate Kinkisharyo International, LLC

light rail vehicles, purchased through the Design, Build, Operate, and Maintain contract with Twenty-First Century Rail Corporation, with a total of 52 cars and 21 cars in their respective fleets. These light rail vehicles provide 68 seats and 122 standees in a three-section unit.

This project will extend the length of the existing light rail vehicles by adding two new car-body modules. These new five-section light rail vehicles will provide a total of 102 seats with space for 161 standees, a 50 percent increase in the number of seats and a 40 percent increase in overall passenger capacity in each car (both seats and standees). Extending the vehicles would be significantly less expensive than purchasing new Light Rail Vehicles. At a cost of approximately \$1.55 million per car, the cost for the vehicle work would be about one-third of the cost of purchasing entirely new three-section cars at approximately \$4.6 million each. This capacity increase would directly address the seating deficiency complaint by light rail customers as indicated in the "Quarterly Customer Satisfaction" Scorecard surveys.

Authorization was requested to amend the contract with Twenty-First Century Rail Corporation of Jersey City, New Jersey, to extend 25 Hudson-Bergen Light Rail and ten Newark Light Rail vehicles plus spare parts at a cost not to exceed \$54,130,243, plus five percent for contingencies, for a total contract authorization of \$2,650,884,677 plus adjustments, subject to the availability of funds.

A motion was made by Board Member Myron P. Shevell, seconded by Board Member Flora M. Castillo and unanimously adopted.

Executive Director Hakim introduced Linda Mosch, Senior Director, Capital Planning & Programs, who presented Action Item 1407-33 for approval.

1407-33: NJ TRANSIT FISCAL YEAR 2015 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

Linda Mosch recommended approval of Item 1407-33, the Fiscal Year 2015 Grant Programs. NJ TRANSIT administers a variety of Federal and State grant programs for coordinated community-based transportation services that benefit senior citizens, persons with disabilities, rural and small urban area residents and economically disadvantaged persons. These grant programs are detailed in the agenda and exhibits and assist a variety of private non-profit organizations, counties and various municipalities.

Authorization was requested to implement all of the programs for Fiscal Year 2015 as detailed in the agenda item which includes the Senior Citizen and Disabled Resident Transportation Assistance Program for \$18,256,000.

A motion was made by Board Member James C. Finkle, Jr., seconded by Board Member Flora M. Castillo and unanimously adopted.

Executive Director Hakim introduced Linda Mosch, Senior Director, Capital Planning & Programs, who presented Action Item 1407-34 for approval.

1407-34: COMMUNITY MOBILITY AND LOCAL PROGRAMS: AMENDMENT TO CONTRACT FOR PURCHASE OF ADDITIONAL MV-1 VEHICLES

Linda Mosch recommended approval of Item 1407-34. The Federal Transit Administration makes available a variety of funding programs and grants that allow for the purchase of vehicles for local community transit services. NJ TRANSIT, as the direct grant recipient, has taken the lead in procuring vehicles under these grant programs on behalf of local sub-recipients in order to maximize purchasing power as well as maintain better oversight of Federal procurement regulations and compliance issues. Vehicles purchased by exercising these options will benefit elderly and disabled residents of New Jersey.

Authorization was requested to amend the contract with Alliance Bus Group for the purchase of 15 Mobility Vehicles (Model MV-1) in an amount not to exceed \$685,050.00, plus five percent for contingencies.

A motion was made by Board Member James C. Finkle, Jr., seconded by Vice Chairman Bruce M. Meisel and unanimously adopted.

Executive Director Hakim introduced Robert Lavell, Acting Vice President/General Manager, Rail Operations, who presented Action Item 1407-35 for approval.

1407-35: CONSTRUCTION SERVICES FOR THE REPLACEMENT OF UNDERGRADE BRIDGES OVER WATCHUNG AVENUE, MILEPOST 22.99 AND PARK AVENUE, MILEPOST 23.13 ON NJ TRANSIT'S RARITAN VALLEY LINE

Robert Lavell recommended approval of Item 1407-35. NJ TRANSIT owns and maintains the Undergrade Bridges located on the Raritan Valley Line. These bridges are more than 100 years old and replacement of these structures will restore them to a "state-of-good-repair." The replacement will maintain reliable commuter rail service for 20,850 average weekday passenger trips on the Raritan Valley Line each day.

Authorization was requested to enter into a contract with Cornell & Company, Inc. to provide construction services for the Replacement of Undergrade Bridges on the Raritan Valley Line over Watchung Avenue and Park Avenue respectively, in the amount of \$7,129,500.00, plus five percent for contingencies.

A motion was made by Board Member James C. Finkle, Jr., seconded by Board Member Flora M. Castillo and unanimously adopted.

Executive Director Hakim introduced Robert Lavell, Acting Vice President/General Manager, Rail Operations, who presented Action Item 1407-36 for approval.

1407-36: DESIGN, ENGINEERING AND CONSTRUCTION ASSISTANCE SERVICES FOR THE ELECTRICAL, MECHANICAL & STRUCTURAL REHABILITATION OF UNDERGRADE BRIDGE MILEPOST 0.39 RARITAN RIVER DRAW BRIDGE

Robert Lavell recommended approval of Item 1407-36. The North Jersey Coast Line provides 22,250 average weekday passenger trips in Middlesex, Monmouth, and Ocean counties. The 108 year old Raritan River Draw has gone through numerous repairs throughout its years, mostly associated with wear and damaged mechanical components in the movable span.

Authorization was requested to enter into a contract with HDR Engineering, Inc., to perform design, engineering, and construction assistance services for the electrical, mechanical, & structural rehabilitation of Raritan River Draw Bridge, located between Perth Amboy and South Amboy, Middlesex County at a negotiated cost not to exceed \$1,141,114, plus five percent for contingencies.

A motion was made by Board Member James C. Finkle, Jr., seconded by Board Member Flora M. Castillo and unanimously adopted.

Executive Session

At approximately 10:50 a.m., Acting Chairman Joseph D. Bertoni requested a motion and second to enter into Executive Session to discuss personnel matters, contract negotiations, matters falling within the attorney-client privilege and litigation, including but not limited to, the Personal Injury Claim of John Massey vs. NJ TRANSIT Bus Operations. Discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.

A motion was made by Vice Chairman Bruce M. Meisel, seconded by Board Member James C. Finkle, Jr. and unanimously adopted.

Acting Chairman Joseph D. Bertoni, Vice Chairman Bruce M. Meisel, Board Members Regina M. Egea, James C. Finkle, Jr., Flora M. Castillo and Raymond W. Greaves returned to open session at approximately 11:04 a.m.

Consent Calendar

Executive Director Hakim requested approval of the Consent Calendar.

1407-37: MEMORANDUM OF UNDERSTANDING FOR SOMERVILLE TRANSIT-ORIENTED DEVELOPMENT

Authorization to execute a Memorandum of Understanding (“MOU”) with Somerset Development, LLC, of Lakewood, New Jersey, to plan, design and develop a transit-oriented development including a parking deck, on approximately 31 acres of NJ TRANSIT-owned property adjacent to its Somerville Station.

1407-38: CONSULTANT SERVICES: HEALTH AND WELFARE PLANS GENERAL CONSULTING SERVICES

Authorization to enter into an Agreement (No 14-004) with Hay Group, Inc. of Jersey City, New Jersey for consulting services for NJ TRANSIT's benefit plans including, healthcare, group life insurance, LTD, vision, supplemental sick pay and survivor benefits for its employee and retiree population for a period of three years with two, one-year option periods, commencing on July 1, 2014, at an annual budgeted cost not to exceed \$150,000, for a total contract authorization of \$750,000, plus five percent for contingencies, subject to the availability of funds and the approval of future operating budgets.

1407-39: PERSONAL INJURY CLAIM OF JOHN MASSEY

Authorization to settle the claim of John Massey through his attorney at a cost of \$1,250,000. The Attorney General has approved settlement cost of \$1,250,000, subject to the availability of funds.

1407-40: PROPOSED SETTLEMENT OF A PENDING LAWSUIT

Authorization to enter into a settlement agreement to resolve a civil action pending in the Superior Court of New Jersey in an amount and under the conditions described in executive session board item.

The Consent Calendar was moved by Vice Chairman Bruce M. Meisel, Board Member Flora M. Castillo seconded it and unanimously adopted.

Adjournment

Since there were no further comments or business, Acting Chairman Joseph D. Bertoni called for adjournment and a motion to adjourn was made by Board Member Flora M. Castillo, seconded by Vice Chairman Bruce M. Meisel and unanimously adopted. The meeting was adjourned at approximately 11:07 a.m.

FY2015 BUDGET RECOMMENDATION



(NJT Board - 07/09/2014)
OPERATING BUDGET REVENUE

46653

	FY 2014	FY 2015	\$ Change	% Change
REVENUES (in Millions)				
Customer Fares	\$ 920.6	\$ 928.6	\$ 8.0	0.9%
Other Commercial Revenue	113.0	113.7	0.7	0.6
State Operating Assistance	73.2	40.3	(32.9)	(44.9)
Other State and Federal Reimbursements	834.2	936.1	101.9	12.2
TOTAL REVENUE	\$ 1,941.0	\$ 2,018.7	\$ 77.7	4.0%

FARES

- **No fare increase** for the fifth consecutive year

REVENUE

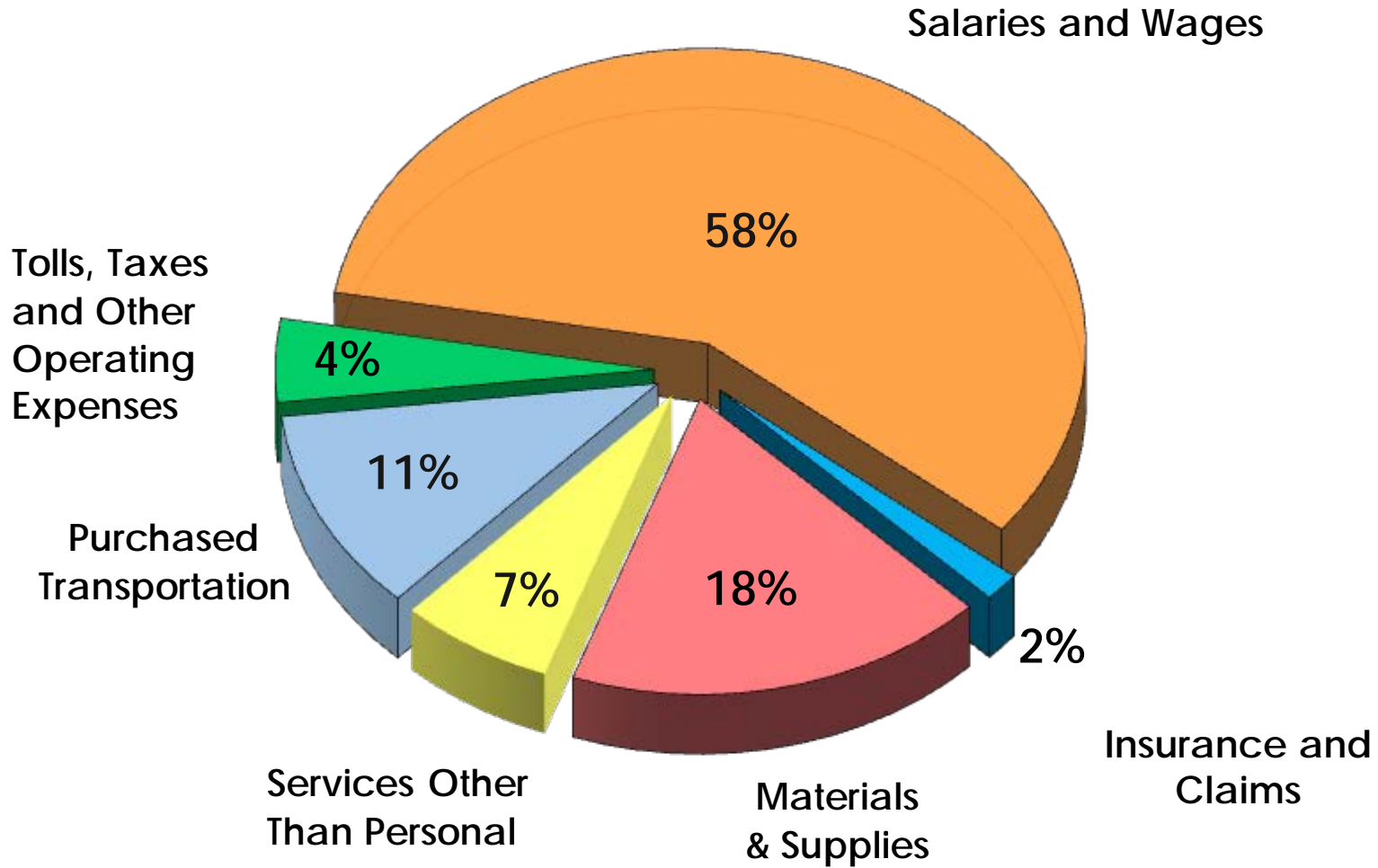
- Customer revenue **growth of 1.0%** based on recent trends
- Non-farebox revenue **growth of \$700,000**

STATE FUNDING

- State operating assistance remains at \$73.2m when factoring in new funding from the State Clean Energy Funds

OTHER RESOURCES

- Includes **\$463.2m of preventative maintenance** funding and **\$32.9m of State Clean Energy Funds**



(NJT Board - 07/09/2014)
OPERATING BUDGET EXPENSE

46656

	FY 2014	FY 2015	\$ Change	% Change
EXPENSES (in Millions)				
Salaries and Wages	\$ 1,122.8	\$ 1,172.2	\$ 49.4	4.4%
Material & Supplies	354.3	364.4	10.1	2.9
Services Other than Personal	124.5	133.0	8.5	6.8
Purchased Transportation	222.3	225.4	3.1	1.4
Insurance and Claims	25.7	31.5	5.8	22.6
Tolls, Taxes & Other Operating Expenses	91.4	92.2	0.8	0.9
TOTAL EXPENSES	\$ 1,941.0	\$ 2,018.7	\$ 77.7	4.0%

GROWTH

- **\$77.7 million** over FY 2014

COSTS

- Incremental **labor and health benefits** costs

BUS SERVICE

- Funds additional bus service to **relieve overcrowding**

COSTS

- Services cost **growth to support technology**

CONTRACTS

- Contractual **purchased transportation growth** for Access Link, HBLR and the River LINE

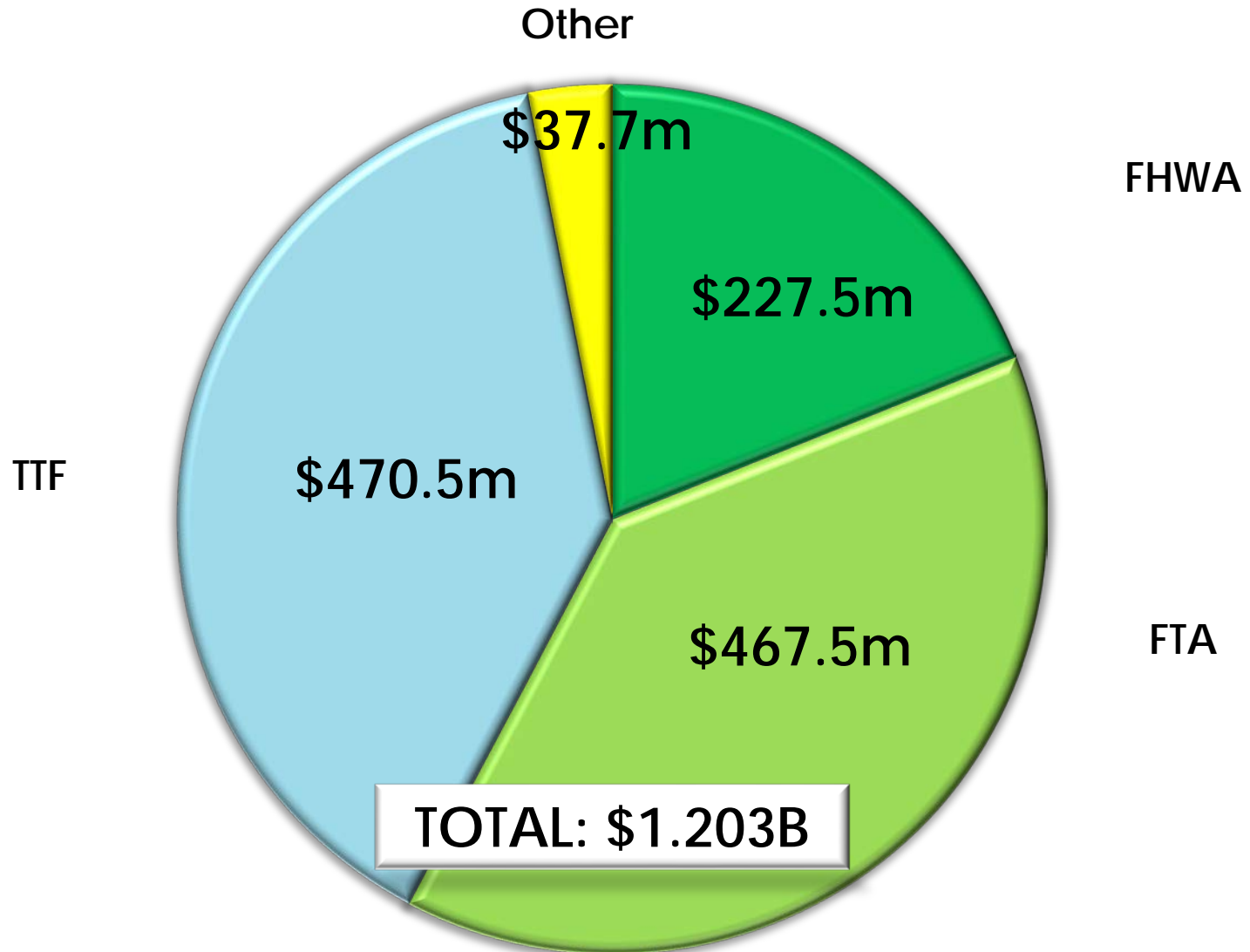
INSURANCE

- Growth of **insurance premiums**

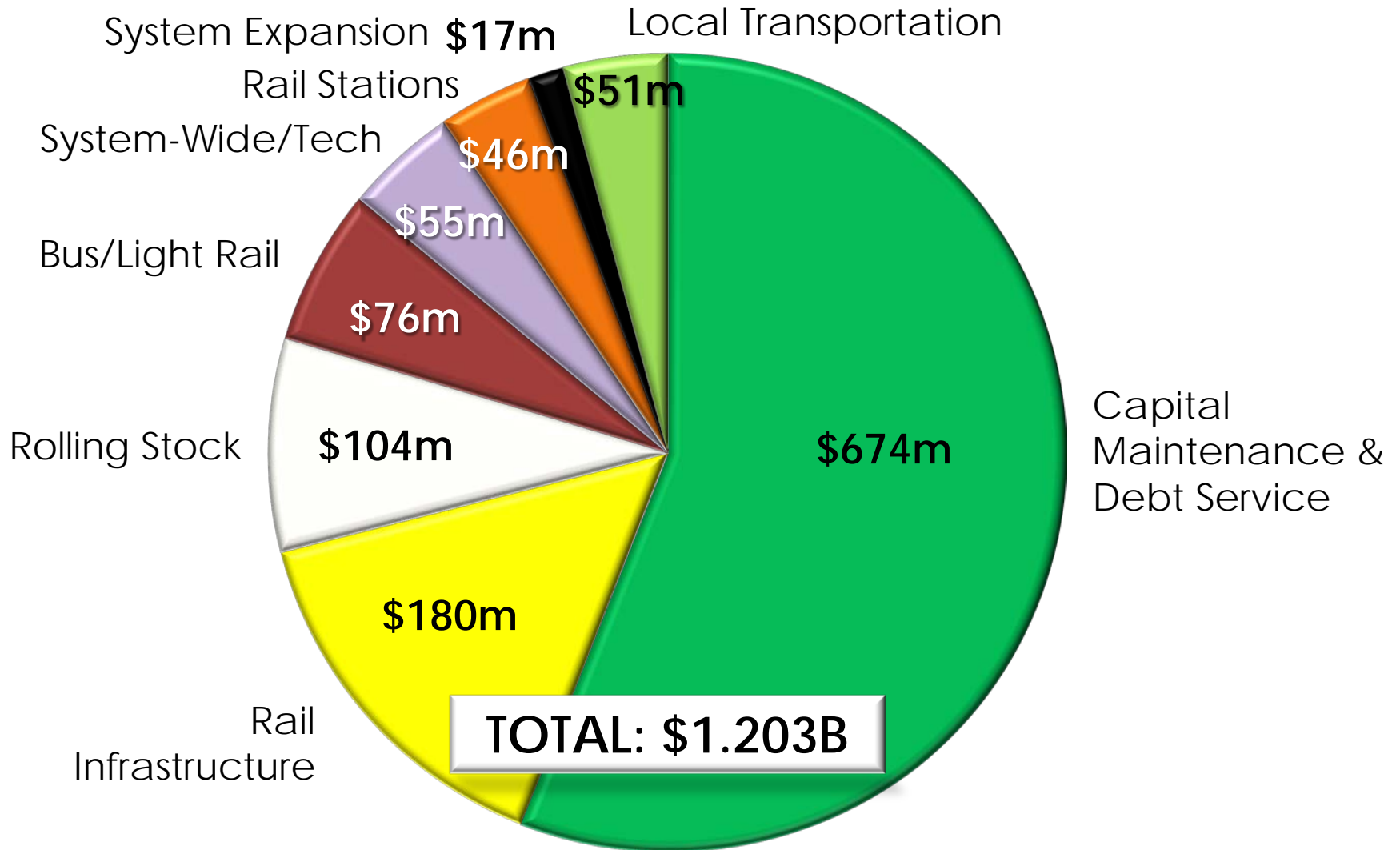
FY 2015 CAPITAL PROGRAM



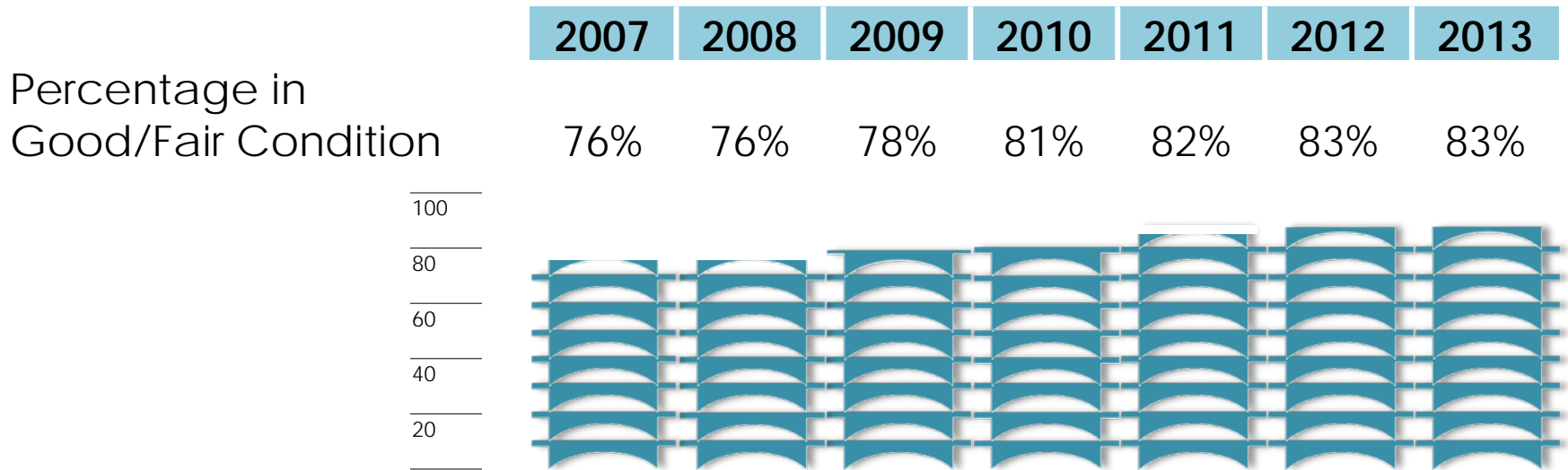
FY 2015 CAPITAL PROGRAM SOURCE OF FUNDS



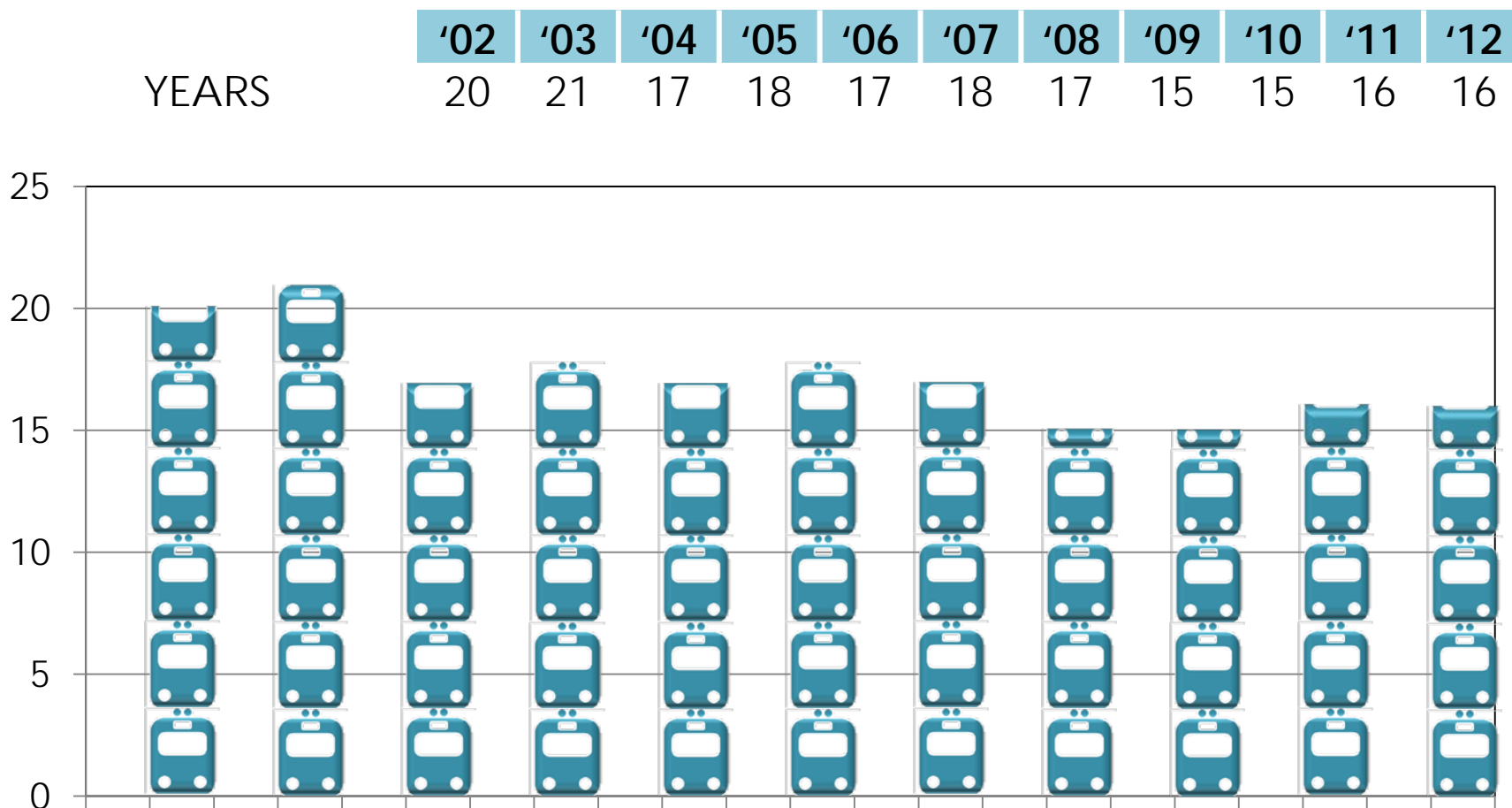
FY 2015 CAPITAL PROGRAM USE OF FUNDS



NJ TRANSIT BRIDGES IN GOOD/FAIR CONDITION



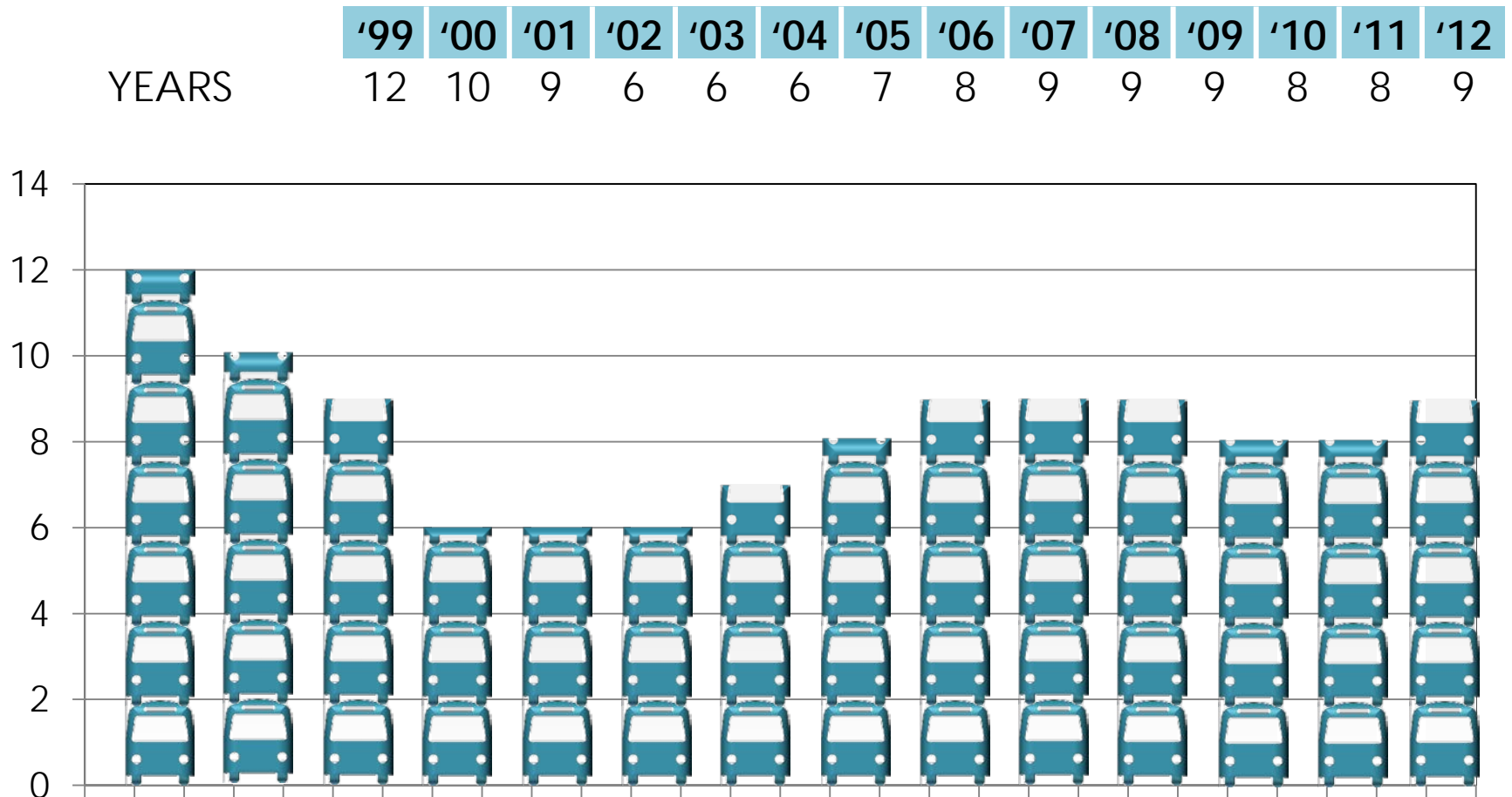
National Transit Database



(NJT Board - 07/09/2014)
AVERAGE BUS FLEET AGE

46663

National Transit Database



CAPITAL PROGRAM HIGHLIGHTS

SAFETY

- Positive Train Control
- Light rail cameras

SECURITY

- Police Department

STATE OF GOOD REPAIR (ALL MODES)

- Track, signals, electric traction
- Bridges
- Maintenance shops
- Stations & ADA improvements

STATIONS

- Elizabeth
- Lyndhurst
- Perth Amboy
- Penn Station, Newark

ROLLING STOCK RELIABILITY

- Locomotive overhauls
- Emission reduction
- Bus replacements
- Rail passenger vehicles
- Non-revenue vehicles

NORTHEAST CORRIDOR

- County Yard & MidLine Loop
- Amtrak Joint Benefits

SENIOR & DISABLED

- Mini-Bus purchases and operating support

TECHNOLOGY

- Smart Bus

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

JULY 9, 2014

MINUTES

PAGE

➤	CALL TO ORDER	-
➤	APPROVAL OF MINUTES OF PREVIOUS MEETINGS	46669
➤	PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS	-
➤	BOARD MEMBER COMMENTS	-
➤	ADVISORY COMMITTEE REPORT	-
➤	SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT REPORT DECEMBER 2014)	-
➤	BOARD COMMITTEE REPORTS	-
	*Customer Service Committee	
	*Administration Committee	
	*Safety & Security Committee	
➤	EXECUTIVE DIRECTOR'S MONTHLY REPORT	46670

ACTION ITEMS

1407-30	FISCAL YEAR 2015 OPERATING BUDGET	46690
----------------	--	--------------

Authorization to adopt the Fiscal Year 2015 Operating Budget in the amount of \$2.019 billion as detailed in the item and on the attached Exhibits A, B and C.

Authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2016 Operating Budget.

1407-31	FISCAL YEAR 2015 CAPITAL PROGRAM	46698
----------------	---	--------------

Authorization to adopt the Fiscal Year 2015 Capital Program in the amount of \$1.203 billion, as described.

Authorization to take whatever actions are necessary to seek and secure the funds envisioned by this program.

Authorization to transfer funding sources and amounts among programmed projects as circumstances require in compliance with the terms and conditions of the grants and other funding sources.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
JULY 9, 2014
MINUTES
PAGE 2

Authorization to make applications, execute contracts or agreements and take whatever other actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to its adoption.

1407-32 HUDSON-BERGEN LIGHT RAIL AND NEWARK LIGHT RAIL: CONTRACT AMENDMENT FOR LIGHT RAIL VEHICLE EXTENDERS 46714

Authorization to amend NJ TRANSIT Contract No. 96CT001 with Twenty-First Century Rail Corporation of Jersey City, New Jersey, to extend 25 Hudson-Bergen Light Rail and ten Newark Light Rail vehicles plus spare parts at a cost not to exceed \$54,130,243, plus five percent for contingencies, for a total contract authorization of \$2,650,884,677 plus adjustments, subject to the availability of funds.

1407-33 NJ TRANSIT FISCAL YEAR 2015 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS 46722

Authorization to execute all appropriate contracts and agreements to implement the following programs, subject to the availability of funds:

- FY2015 Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP), as set forth in Exhibit B, for a total program amount of \$18,256,000 funded by the Casino Revenue Tax.
- FY2015 FTA Section 5311 Rural and Small Urban Areas Program for Counties, as set forth in Exhibit C, for a total program amount of \$4,143,444, which includes \$2,801,603 in Federal funds and \$1,341,841 as the NJ TRANSIT share of local match.
- FY2015 FTA Section 5311 Rural Intercity Bus Transportation Program at a cost not to exceed \$601,237.
- FY2015 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$119,365 in Federal funds to supplement the New Jersey Community Transportation Training Program at no cost to NJ TRANSIT.
- FY2015 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program at a cost not to exceed \$8,200,000, which includes \$7,200,000 in Federal funds and \$1,000,000 as the NJ TRANSIT share of local match on vehicle purchases.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
JULY 9, 2014
MINUTES
PAGE 3

- FY2015 New Jersey Jobs Access and Reverse Commute (NJ-JARC) Program at a cost not to exceed \$2,000,000, which includes \$1,000,000 in NJ TRANSIT operating funds and \$1,000,000 in funds from the New Jersey Department of Human Services. Local providers match these funds on a 50/50 basis.
- Any specially-dedicated Congressional appropriations, FTA Section 5307, FTA Section 5309 and CMAQ local projects including funds which will be flexed into ongoing FTA programs under the Fiscal Year 2015 budget at a cost not to exceed \$6,000,000. This includes a small amount of NJ TRANSIT operating funds for one locally-operated shuttle.

1407-34 COMMUNITY MOBILITY AND LOCAL PROGRAMS: AMENDMENT TO CONTRACT FOR PURCHASE OF ADDITIONAL MV-1 VEHICLES 46736

Authorization to amend NJ TRANSIT Contract No. 13-027 with Alliance Bus Group of Carlstadt, New Jersey, for the purchase of 15 Mobility Vehicles (Model MV-1) in an amount not to exceed \$685,050.00, plus five percent for contingencies, for a total authorization of \$2,014,047.00, subject to the availability of funds.

1407-35 CONSTRUCTION SERVICES FOR THE REPLACEMENT OF UNDERGRADE BRIDGES OVER WATCHUNG AVENUE, MILEPOST 22.99 AND PARK AVENUE, MILEPOST 23.13 ON NJ TRANSIT'S RARITAN VALLEY LINE 46742

Authorization to enter into NJ TRANSIT Contract No. 14-036X with Cornell & Company, Inc. of Westville, New Jersey to provide construction services for the Replacement of Undergrade Bridges 22.99 and 23.13 on NJ TRANSIT's Raritan Valley Line over Watchung Avenue and Park Avenue respectively, in the amount of \$7,129,500.00, plus five percent for contingencies, subject to the availability of funds.

1407-36 DESIGN, ENGINEERING AND CONSTRUCTION ASSISTANCE SERVICES FOR THE ELECTRICAL, MECHANICAL & STRUCTURAL REHABILITATION OF UNDERGRADE BRIDGE MILEPOST 0.39 RARITAN RIVER DRAW BRIDGE 46745

Authorization to enter into Contract No. 14-006 with HDR Engineering, Inc., of Newark, New Jersey to perform design, engineering, and construction assistance services for the electrical, mechanical, & structural rehabilitation of undergrade bridge 0.39 Raritan River Draw Bridge, located between Perth Amboy and South Amboy, Middlesex County at a negotiated cost not to exceed \$1,141,114, plus five percent for contingencies, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
JULY 9, 2014
MINUTES
PAGE 4

➤ **EXECUTIVE SESSION AUTHORIZATION** **46750**

CONSENT CALENDAR

1407-37 MEMORANDUM OF UNDERSTANDING FOR SOMERVILLE TRANSIT-ORIENTED DEVELOPMENT **46752**

Authorization to execute a Memorandum of Understanding ("MOU") with Somerset Development, LLC, of Lakewood, New Jersey, to plan, design and develop a transit-oriented development including a parking deck, on approximately 31 acres of NJ TRANSIT-owned property adjacent to its Somerville Station.

1407-38 CONSULTANT SERVICES: HEALTH AND WELFARE PLANS GENERAL CONSULTING SERVICES **46758**

Authorization to enter into an Agreement (No 14-004) with Hay Group, Inc. of Jersey City, New Jersey for consulting services for NJ TRANSIT's benefit plans including, healthcare, group life insurance, LTD, vision, supplemental sick pay and survivor benefits for its employee and retiree population for a period of three years with two, one-year option periods, commencing on July 1, 2014, at an annual budgeted cost not to exceed \$150,000, for a total contract authorization of \$750,000, plus five percent for contingencies, subject to the availability of funds and the approval of future operating budgets.

1407-39 PERSONAL INJURY CLAIM OF JOHN MASSEY **46762**

Authorization to settle the claim of John Massey through his attorney at a cost of \$1,250,000. The Attorney General has approved settlement cost of \$1,250,000, subject to the availability of funds.

1407-40 PROPOSED SETTLEMENT OF A PENDING LAWSUIT **46763**

Authorization to enter into a settlement agreement to resolve a civil action pending in the Superior Court of New Jersey in an amount and under the conditions described in executive session board item.

➤ **ADJOURNMENT**

APPROVAL OF MINUTES

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors be approved by the Board; and


WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the June 11, 2014 Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on June 13, 2014;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the June 11, 2014 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
Veronique Hakim, Executive Director



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

TO: BOARD OF DIRECTORS
FROM: VERONIQUE "RONNIE" HAKIM 
DATE: JULY 9, 2014
SUBJECT: EXECUTIVE DIRECTOR'S REPORT - JULY 2014

Next week, NJ TRANSIT marks an important milestone, celebrating 35 years as the State's public transportation network. On July 17, 1979, Governor Brendan Byrne signed the historic legislation that created NJ TRANSIT. Passed by the State Assembly at 2 a.m., the New Jersey Public Transportation Act of 1979 allowed the State of New Jersey to "acquire, operate and contract for transportation service in the public interest." Thirty-five years later, we are the largest statewide transportation agency in the nation, serving as a lifeline that connects New Jersey residents with employment, education, healthcare, shopping and recreation each and every day. Thank you and happy anniversary to the more than 11,000 talented, hard-working employees who keep nearly half a million customers on the move each weekday.

Speaking of which, I would like recognize the extraordinary service of our employees for several significant events over the last month. In June, we supported a large-scale event at MetLife Stadium—the Jehovah's Witnesses Conference—which was held over two weekends: Friday, Saturday and Sunday, June 20 through 22 and June 27 through 29. These Fridays were particularly challenging, as service to the stadium went up against our weekday peak period rail service. However, our Rail and Bus divisions put together an operating plan that successfully served nearly 20,000 trips to and from the event on the six days combined. Special thanks also to our Finance team, who arranged for advance purchase of special, train specific tickets on these Fridays, as well as to those employees who volunteered to serve as customer ambassadors supporting our Customer Service team over those weekends.

And, on the Fourth of July holiday, our Light Rail, Bus, Police and Customer Service employees worked together to successfully provide approximately 5,000 trips to and from Liberty State Park for Jersey City's fireworks display. Our employees were well prepared to handle the flow of customers, and I thank everyone for their time and effort over the holiday.

We have just closed out our latest *Scorecard* customer survey, for the fourth and final quarter of FY14. As part of this initiative, our operating lines regularly review the results and recommend changes to improve the overall customer experience. We will continue to rely on customer feedback to make the necessary adjustments to improve their trip. Moving forward, we are implementing a new practice as it relates to this process. Starting next quarter, any actions taken and improvements made by our operating lines based on customer comments will be posted on our website for all to see.

Last month, NJ TRANSIT launched new, express weekend rail service to the Jersey Shore. Through September 1, we are operating four new roundtrip, one-seat-ride express trains on Saturdays, Sundays and holidays from New York Penn Station and northern New Jersey cities to shore communities along the North Jersey Coast Line. Preliminary ridership numbers for the first weekend of service totaled more than 3,800 trips on the new trains Saturday and Sunday combined. We are pleased that customers are taking advantage of the travel time savings, which is approximately 25 minutes less than the normal travel time between New York and stations such as Belmar, Manasquan and Point Pleasant.

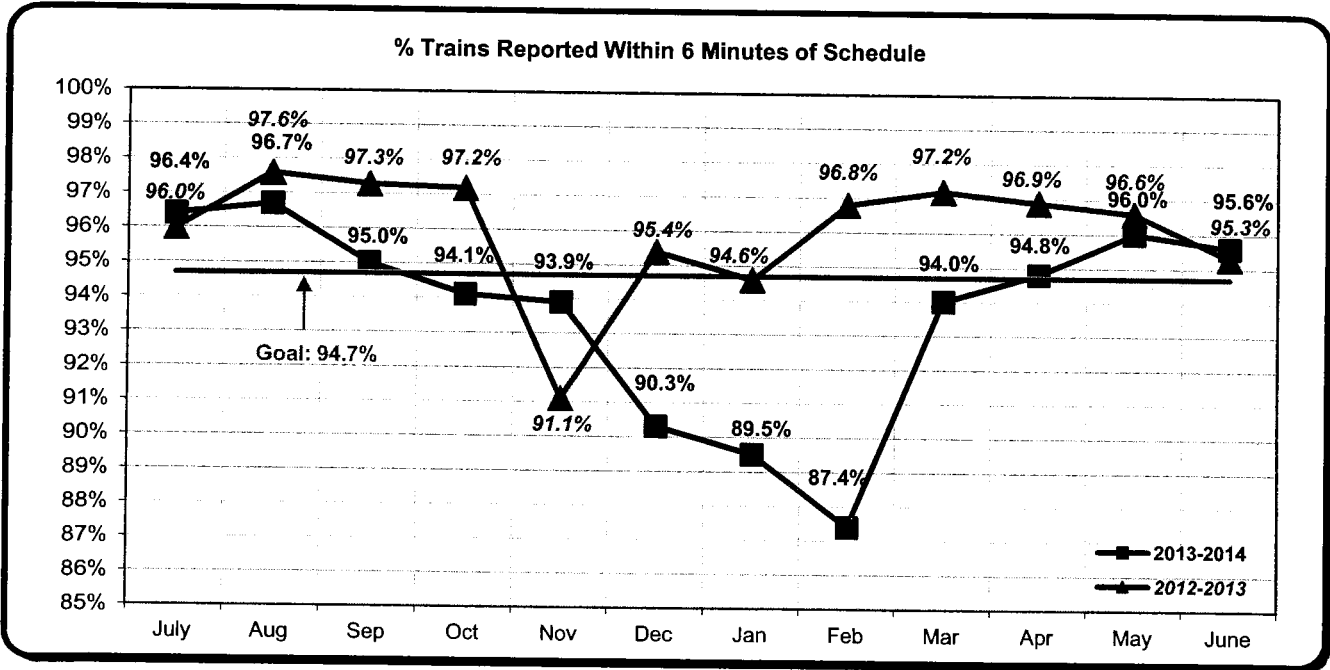
Today for the Board's consideration we are presenting the Fiscal Year 2015 operating and capital budgets. I would like to commend our team for their hard work in developing a balanced, fiscally-sound program that holds fares stable for a fifth consecutive year and continues to deliver the same level of service to our customers. During such constrained financial times, this is no easy feat. As difficult as it was to accomplish this year, it will only become even more challenging in upcoming years. When it comes to balancing the budget, this agency has faced tough decisions in the past, and it will likely have to do so again in the future. As demand growth continues on our transit network, we will need to identify ways to squeeze out the most costs while keeping safety and standard of good repair in the forefront. I am confident that our team will continue to look to operate as efficiently and effectively as we can.

EXECUTIVE DIRECTOR'S MONTHLY REPORT JULY 2014

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

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL JULY 2012 - JUNE 2014



	2013	2014	# Change
June Comparison	95.3%	95.6%	0.3%
12-Month Average July - June	96.0%	93.6%	-2.4%

Analysis:

Rail On-Time Performance was 95.6% for June 2014. Of the 18,282 trains scheduled to operate, 17,477 were on time, while 805 trains (or 4.4%) were delayed. Key causes included:

- NJT equipment failures, a trespasser on the tracks, and Metro-North signal problems accounted for 52 delays for an OTP of 91.6 on June 9.
- NJT overhead wire failure and track obstructions due to weather, removal of an unruly passenger, Amtrak signal failure, NJT electric locomotive failure, and an ill/injured passenger caused 75 delays for an OTP of 86.6% on June 13.
- Service suspension on the Morris & Essex Lines due to overhead wire/signal problems from storm, NJT police action, and signal failure caused 39 delays for an OTP of 89.3% on June 14.

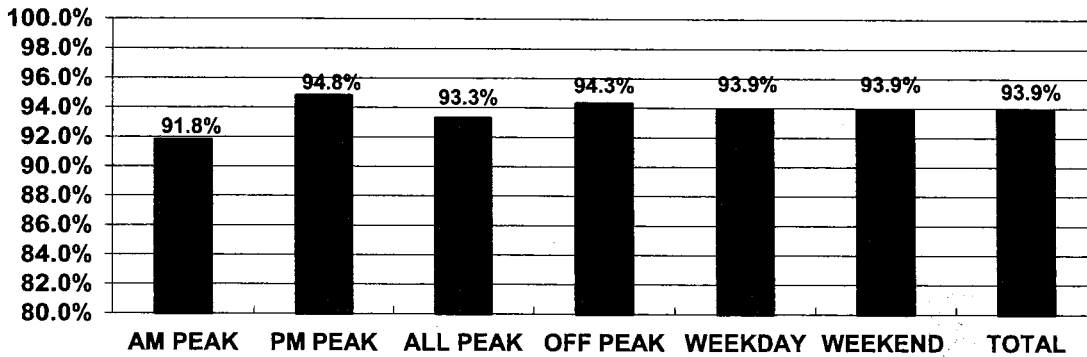
The 12-month average for Rail On-Time Performance for July 2012 - June 2014 was 96.3%.

ON-TIME PERFORMANCE RAIL

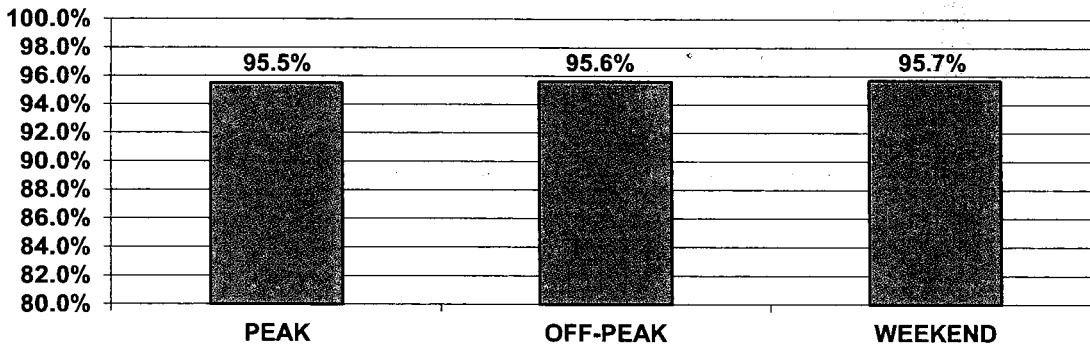
SUMMARY BY TIME PERIOD JUNE 2014

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

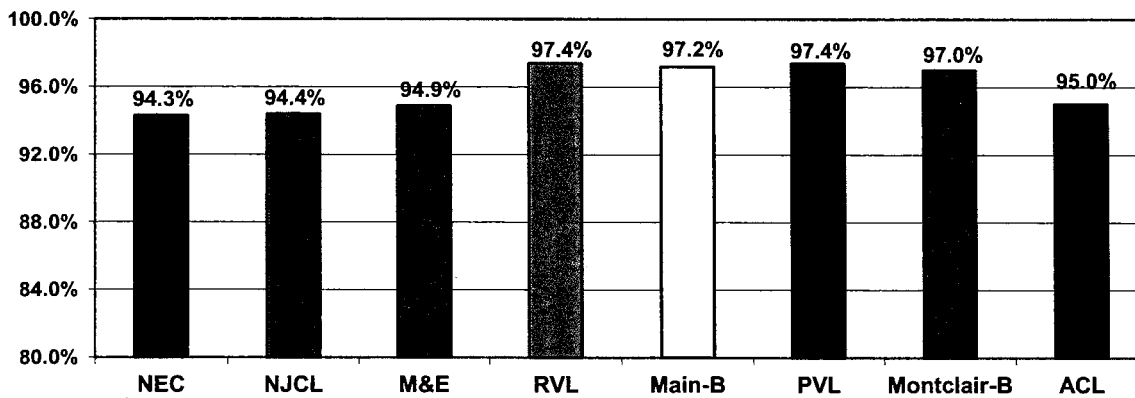
% NEW YORK PENN STATION Trains Reported On Time *



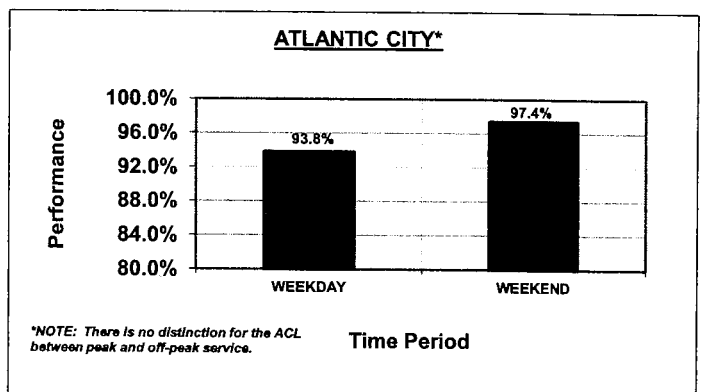
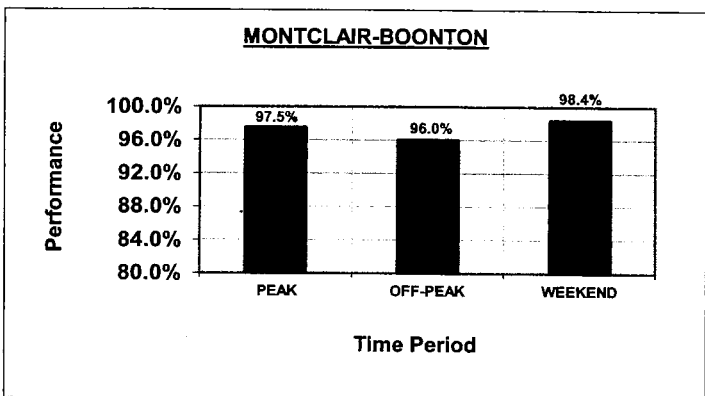
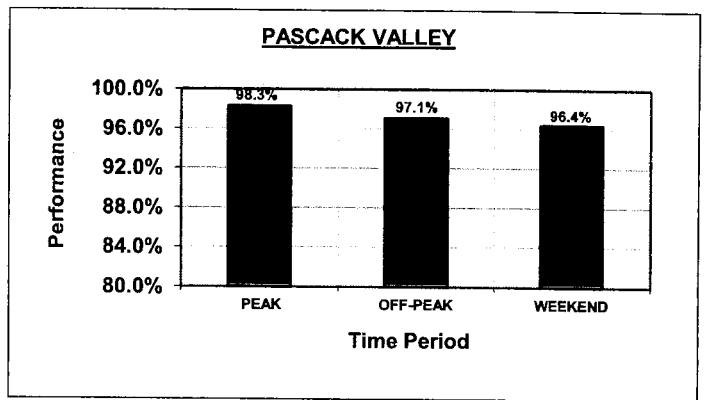
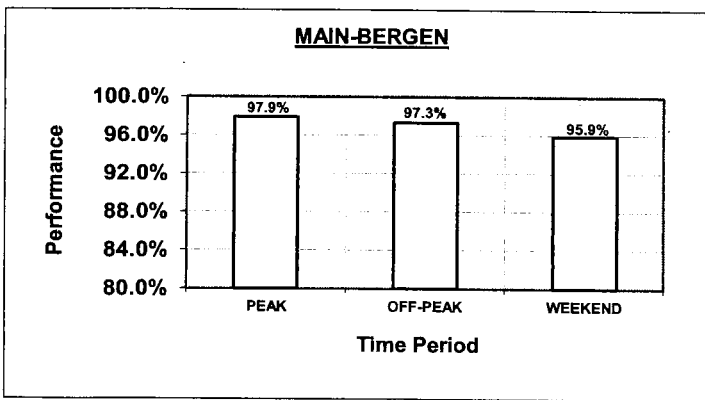
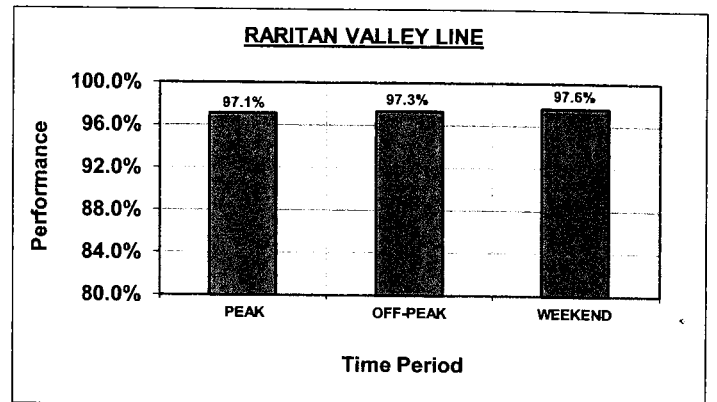
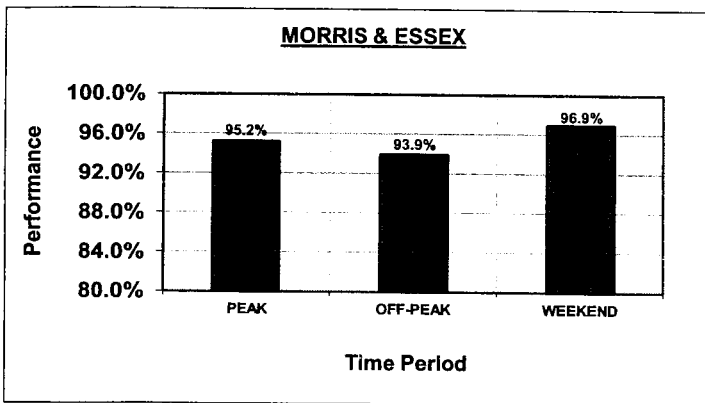
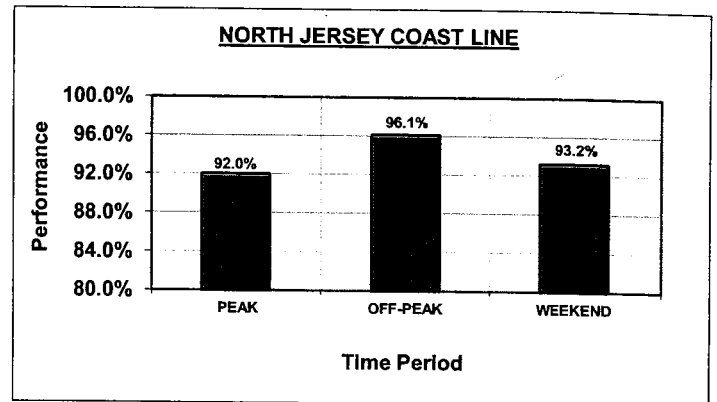
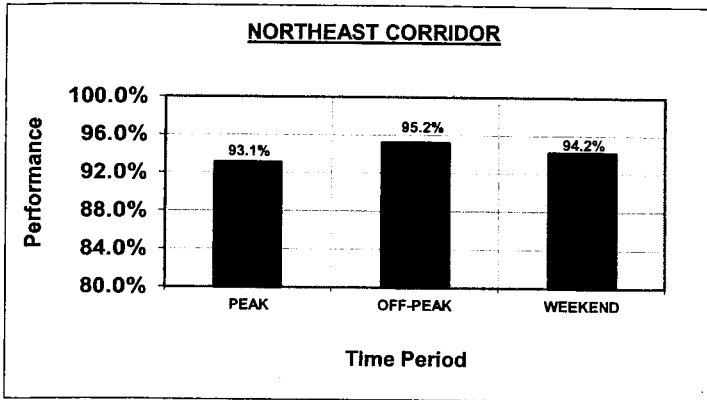
% SYSTEMWIDE Trains Reported On Time



% BY LINE Trains Reported On Time



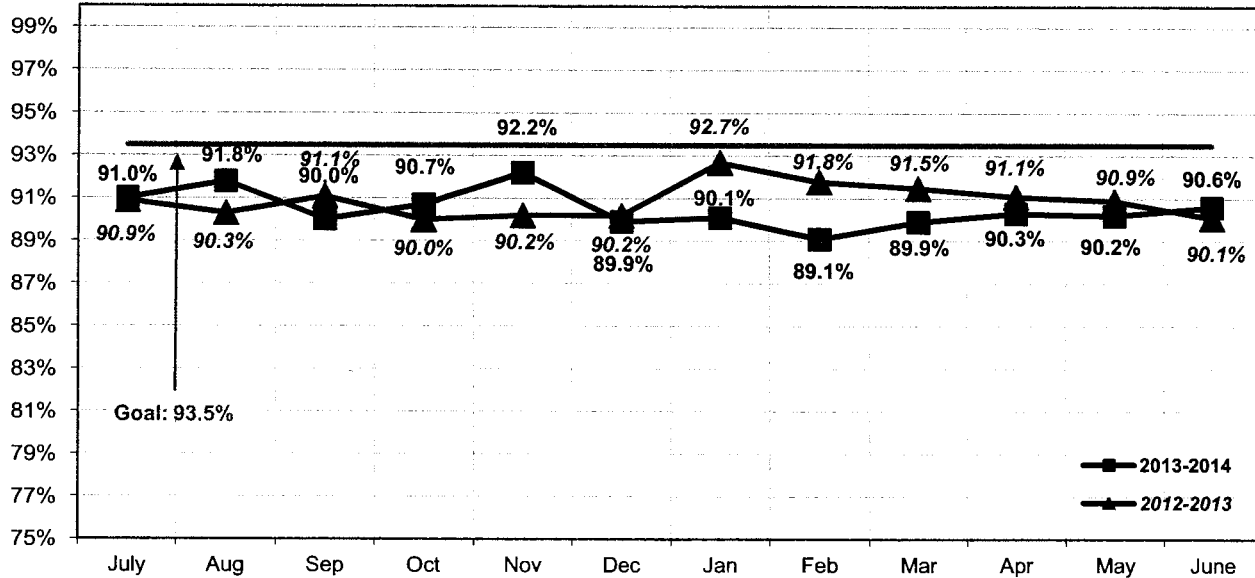
ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JUNE 2014



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

NJ TRANSIT ON-TIME PERFORMANCE BUS JULY 2012 - JUNE 2014

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2014	2013	% Change
June Comparison	90.6%	90.1%	-0.5%

	2012-2013	2013-2014	% Change
12-Month Average July - June	90.9%	90.5%	-0.4%

Analysis:

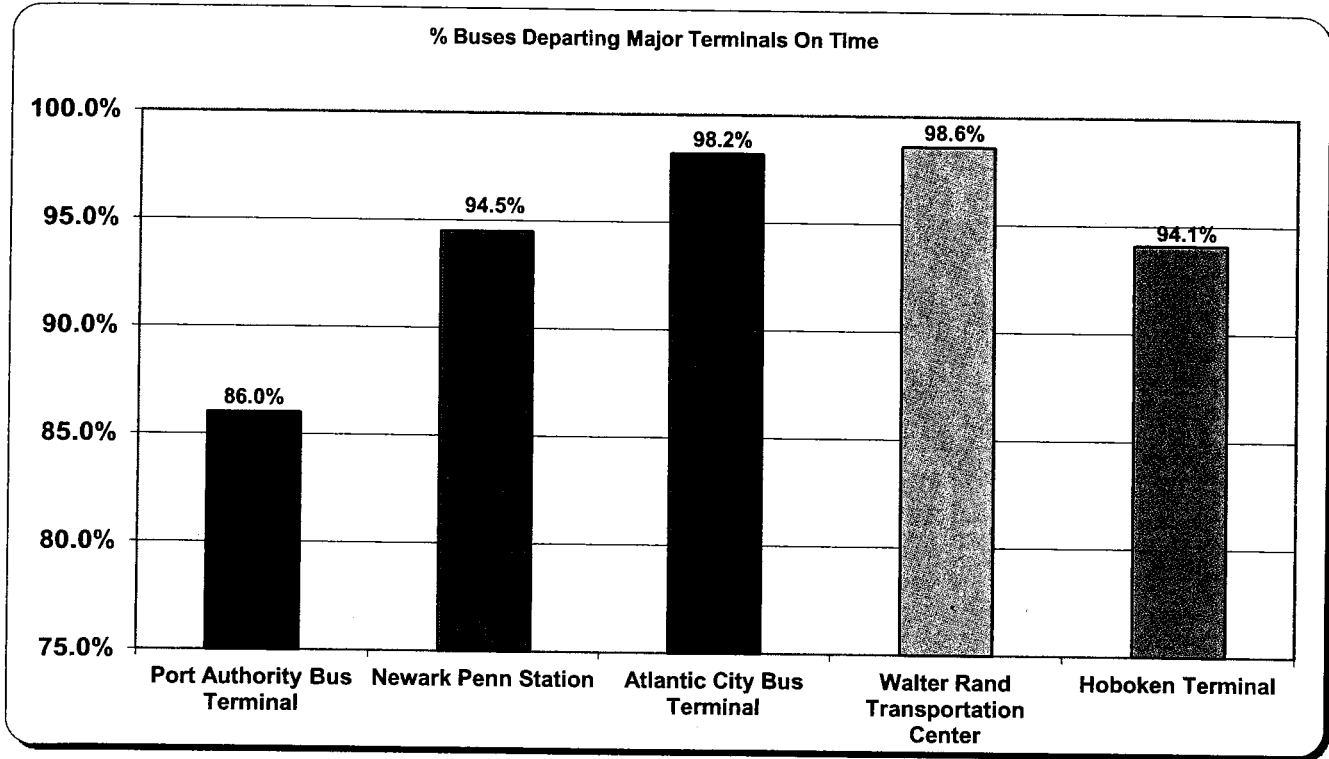
Bus On-Time Performance was 90.6% for June 2014. Of the 37,656 monitored departures, 3,534 (or 9.4%) experienced delays. Key causes included:

- Police activity on 6/19 caused 60+ minute delays and disabled vehicles on three days caused 30+ minute delays affecting Port Authority Bus Terminal service.
- Three bus breakdowns and three accidents caused delays throughout the month affecting Walter Rand Transportation Center service.
- Mechanical problems, wheelchair accommodations and heavy ridership caused delays, particularly on June 4, 6, 13 and 20, affecting Newark Penn Station service.
- A detour at the end of June affected both the 89 and 126 lines serving Hoboken Terminal.

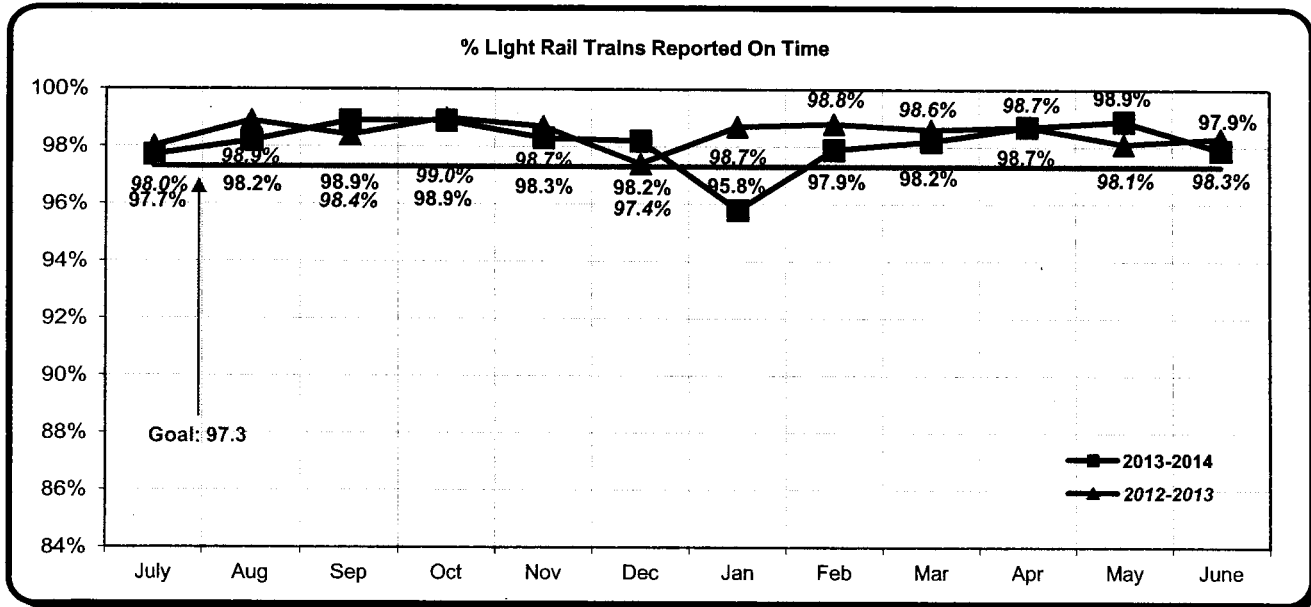
The 12-month average for Bus On-Time Performance for July 2012 - June 2014 was 90.5%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL JUNE 2014



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL JULY 2012 - JUNE 2014



	2013	2014	# Change
June Comparison	98.3%	98.9%	0.6%

	2012-2013	2013-2014	# Change
12-Month Average July - June	98.5%	98.2%	-0.3%

Analysis:

Light Rail On-Time Performance systemwide was 98.9% for the month of June 2014. Of the 26,211 scheduled trains, 563 (or 1.1 %) experienced delays. Key causes included:

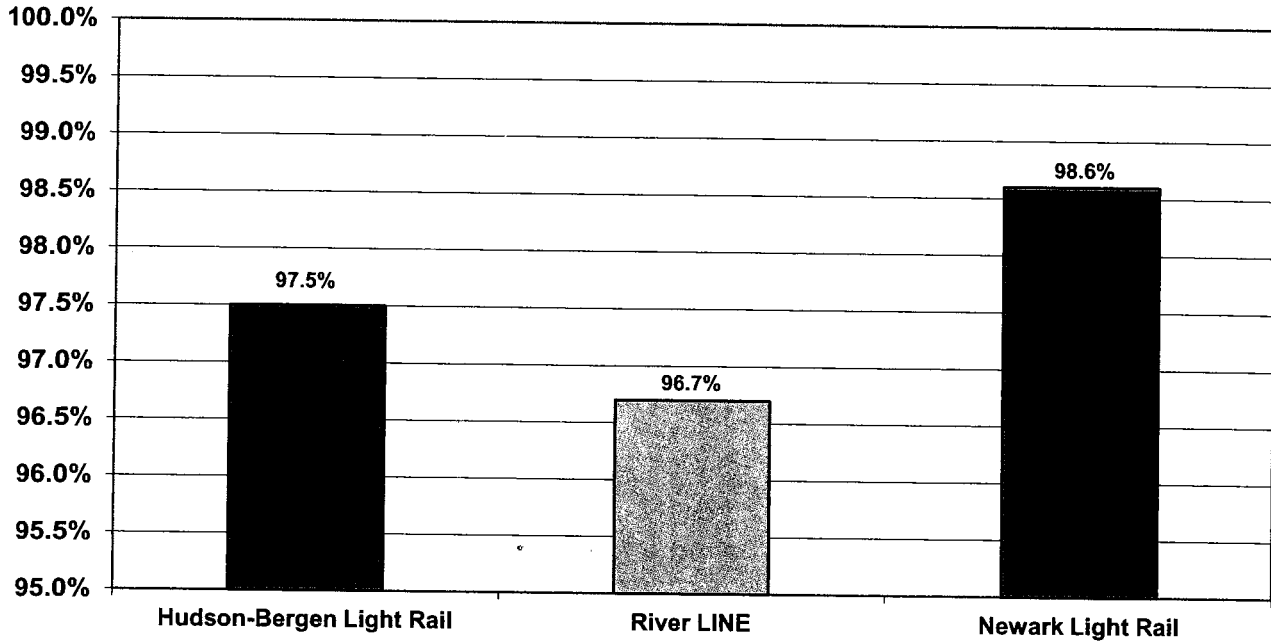
- Light rail vehicle propulsion faults and power faults delayed 78 Newark Light Rail trains on June 6.
- Police activity in Weehawken and a disabled vehicle at Harborside delayed 64 Hudson-Bergen Light Rail trains on June 10.
- Concert traffic in Camden and mechanical problems delayed 22 River Line trains on June 19.

The 12-month average for Light Rail On-Time Performance for July 2012 - June 2014 was 98.5%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE JUNE 2014

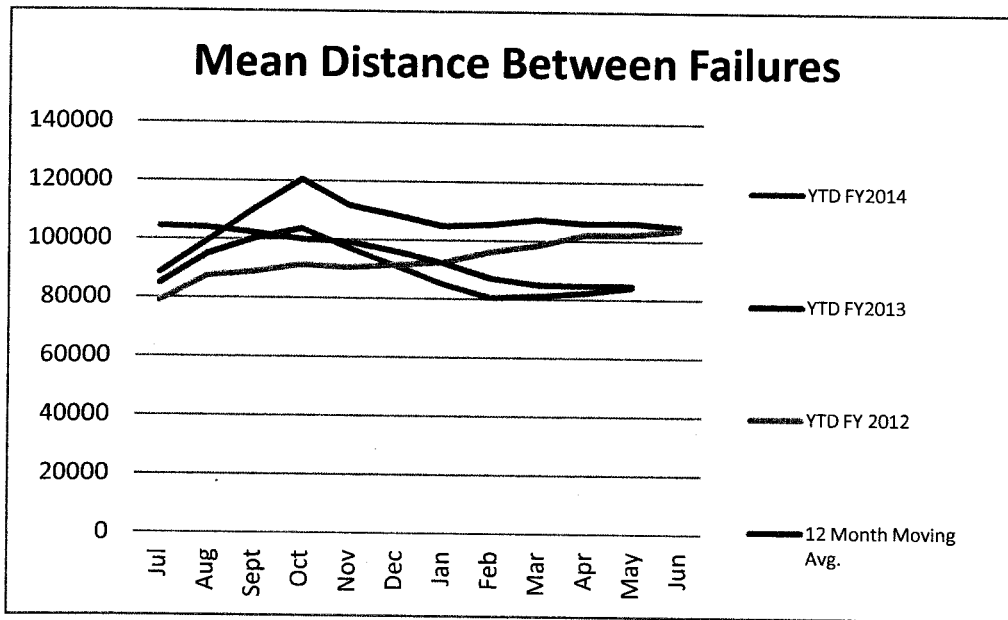
% Light Rail Trains Reported On Time



MEAN DISTANCE BETWEEN FAILURES

NJ Transit Rail
Mean Distance Between Failures

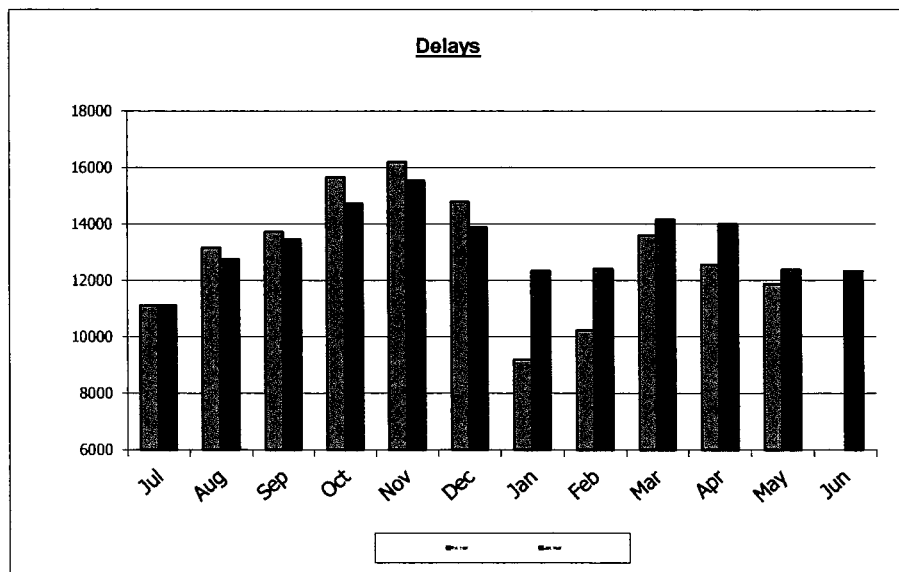
Month	YTD FY2014	YTD FY2013	YTD FY 2012	12 Month Moving Avg.
Jul	85097	88,735	78,933	104,485
Aug	95116	99,585	87,525	104,066
Sept	100341	110,530	89,028	102,384
Oct	103813	120,591	91,327	100,146
Nov	97,112	111,758	90,518	99,274
Dec	91128	108,579	91,523	96115
Jan	85161	104,917	92,489	92,375
Feb	80639	105,580	96,166	87,218
Mar	81229	107,335	98,412	85,057
Apr	82293	106,048	102,149	84,839
May	84237	106,287	102,237	84,873
Jun		104975	103,748	



Garage Performance Parameters

May 2014

Location	Miles Between In-Service Delays			
	FY2014 Goal	This Month	FY2014 YTD	FY2013 YTD
Fairview	9,000	4,860	7,093	8,052
Greenville	10,000	7,945	8,743	10,749
Market Street	12,500	16,550	13,768	12,544
Meadowlands	11,300	8,190	9,434	11,321
Oradell	15,500	8,179	11,291	15,005
Wayne	15,500	11,472	11,295	14,081
Northern Division	-	9,025	10,485	12,461
Big Tree	9,000	9,290	11,404	11,172
Hilton	8,500	11,478	12,544	8,692
Howell	16,500	20,226	17,026	15,647
Ironbound	12,500	10,190	9,471	13,221
Orange	6,200	9,468	12,176	8,125
Morris	11,000	52,175	50,324	54,189
Central Division	-	12,304	12,567	11,600
Egg Harbor	15,800	19,715	18,950	15,607
Hamilton	24,500	30,931	22,438	24,254
Newton Avenue	14,500	13,784	14,587	17,263
Washington Twp.	18,225	17,000	14,621	19,086
Southern Division	-	18,056	16,626	17,848
BUS OPERATIONS	-	-	-	-
		10,856	12,552	12,196

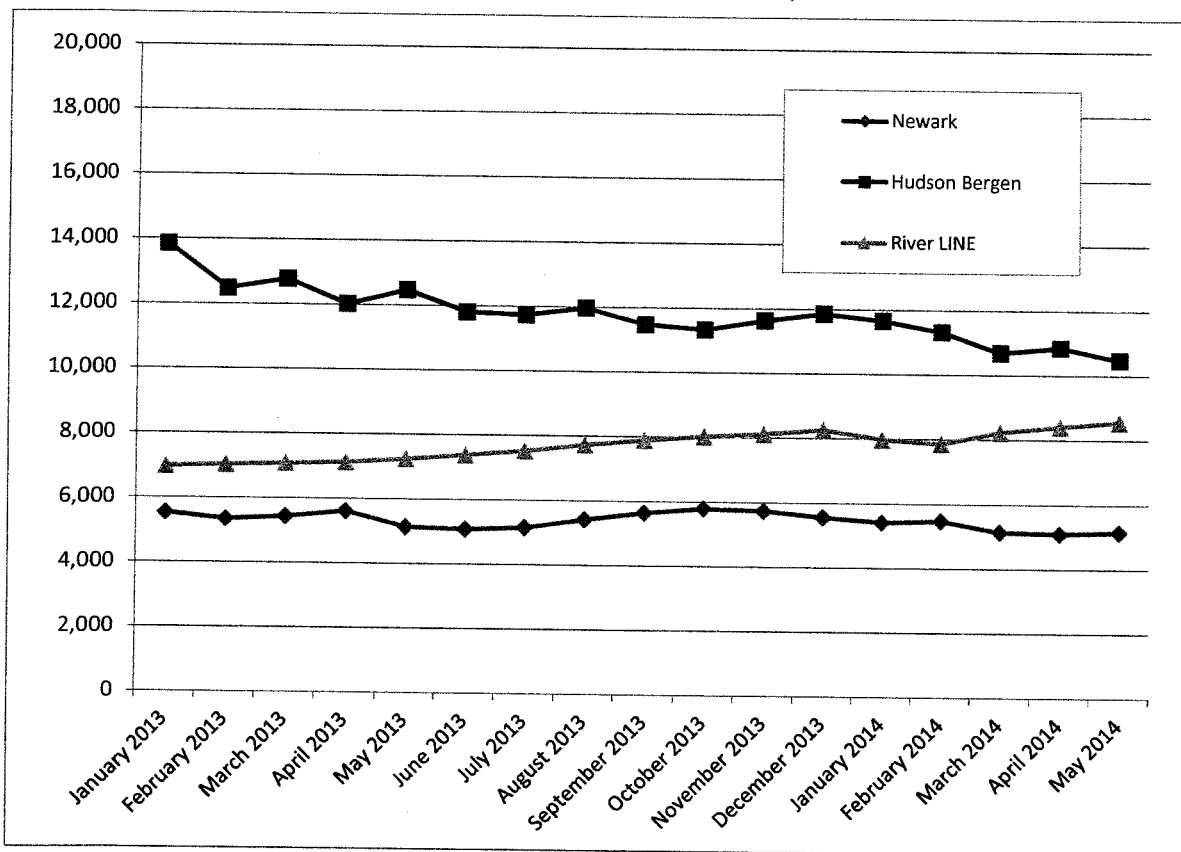


NJ TRANSIT - LIGHT RAIL, May 2014

Miles Between In-Service Delays (Mechanical Failures)

Light Rail System	May 2014 (Current Month)	12 Month Moving Average (Mean)
Newark	6,524	5,140
Hudson Bergen	10,523	10,477
River LINE	9,346	8,551

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

NJ TRANSIT – Office of Business Development DBE/SBE Participation through June 2014

State Funded Contracts

During the month of June 2014, NJ TRANSIT awarded **\$887,255.00** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$90,000.00** or **10.14%**.

During the State Fiscal Year 2014 (July 1, 2013 through June 30, 2014) NJ TRANSIT awarded **\$76,458,446.84** in state funded contracts. Of that total, SBEs received **\$12,950,596.86** or **16.94%**.

SBE Goal Attainment from July 1, 2013 through June 30, 2014 (FY 2014)

Category 1 SBEs received	\$73,389.00	or 0.10%
Category 2 SBEs received	\$370,455.66	or 0.48%
Category 3 SBEs received	\$90,000.00	or 0.12%
Category 4 SBEs received	\$5,319,148.67	or 6.96%
Category 5 SBEs received	\$4,933,133.43	or 6.45%
Category 6 SBEs received	\$2,164,470.10	or 2.83%

FTA Funded Contracts (updated Quarterly – next update will be available October 2014)

During the 3rd Quarter (April 1, 2014 through June 30, 2014) of Federal Fiscal Year 2014 (October 1, 2013 through September 30, 2014), the FTA funded share of NJ TRANSIT’s federal contracts awarded was **\$699,595.46**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$247,789.01** or **35.42%**.

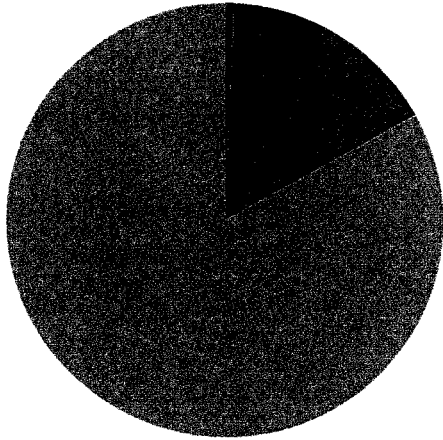
DBE Goal Attainment from October 1, 2013 (FFY 2014) - September 30, 2016 (FFY 2014)*

Contracts awarded	\$20,857,281.25
DBEs received	\$4,026,163.94 or 19.30%

*Numbers reflect federal share.

SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD 2014

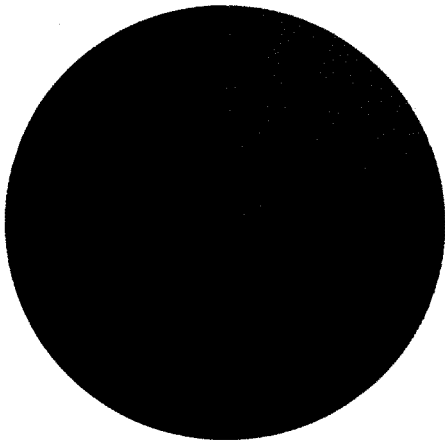
<i>Category 1 SBEs</i>	\$73,389.00	0.10%
<i>Category 2 SBEs</i>	\$370,455.66	0.48%
<i>Category 3 SBEs</i>	\$90,000.00	0.12%
<i>Category 4 SBEs</i>	\$5,319,148.67	6.96%
<i>Category 5 SBEs</i>	\$4,933,133.43	6.45%
<i>Category 6 SBEs</i>	\$2,164,470.10	2.83%
<i>Non-SBEs</i>	\$63,507,849.98	83.06%



- Category 1 SBEs
- Category 2 SBEs
- Category 3 SBEs
- Category 4 SBEs
- Category 5 SBEs
- Category 6 SBEs
- Non-SBEs

DBE PARTICIPATION
FEDERAL CONTRACTS
TRIENNIAL YEARS 2014-2016

Total Amount DBEs Received	\$4,026,163.94	19.30%
Total Amount Non-DBEs Received	\$16,831,117.30	80.70%



- Total Amount DBEs Received
- Total Amount Non-DBEs Received

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Twenty-five NJ TRANSIT employees retired in June with careers ranging from 13 to 37 years of service:

1. Thomas J. Witts, Bus Operator – Washington Township Garage – 37 years
2. Kevin Selby, Manager Train Ops. – Hoboken Terminal – 36 years
3. Donald Smart, Bus Operator – Meadowlands Garage – 35 years
4. Daniel J. Brozina, Bus Operator – Wayne Garage – 34 years
5. Bruce R. Johnson, Supervisor Fleet Program – Penn Plaza – 33 years
6. Jeff P. Kovacs, DGM Rail Safety & Training – Penn Plaza – 30 years
7. Anthony J. Szafranko, Budget Database Adm. – Penn Plaza – 29 years
8. Mary A. Jackson, Data Administration Analyst – Penn Plaza – 28 years
9. Gay F. Cobbs, Bus Operator – Hamilton Garage – 26 years
10. Rena T. Green, Data Verifier – General Office Building – 24 years
11. Churindranau Dhansew, Director Transportation – General Office Building – 23 years
12. Mitchell Hester, Bus Operator – Hilton Garage – 23 years
13. Jerry W. Cox, Bus Operator – City Subway – 22 years
14. Marybeth E. Peele, Bus Operator – Orange Garage – 20 years
15. John Susberich, Repairman Class “A” – Meadowlands Garage – 20 years
16. Ramesh Gohel, Starter – PABT – 19 years
17. Martin Blessing, Bus Operator – Wayne Garage – 17 years
18. Elizabeth Tait, Bus Operator – Orange Garage – 14 years
19. Cesar E. Vergara, Bus Operator – Meadowlands Garage – 14 years
20. Carmen E. Parra, Bus Operator – Market Street Garage – 13 years
21. William Simkins, Bus Operator – Egg Harbor Garage – 13 years
22. Herman Acosta, Locomotive Engineer
23. Anthony Dagosta, Conductor
24. Robert Krott, Locomotive Engineer
25. Patrick Murray, Locomotive Engineer

ACTION ITEMS

ITEM 1407-30: FISCAL YEAR 2015 OPERATING BUDGET

BENEFITS

NJ TRANSIT's \$2.019 billion Fiscal Year 2015 Operating Budget provides for the continued support and resources for the operations of NJ TRANSIT Bus, Rail, Light Rail and Access Link services for its customers without increasing fares for the fifth consecutive year. The Fiscal Year 2015 incremental budget growth is 4.0 percent or \$77.7 million, when compared to Fiscal Year 2014.

This budget recommendation continues NJ TRANSIT's commitment to operate as efficiently as possible. The Fiscal Year 2015 Operating Budget funds cost escalations on existing contracts for purchased transportation, mandatory costs for increasing health benefit costs, additional Fiscal Year 2014 Bus Service, insurance premiums, electronic equipment services and maintenance, and fuel and lubricant requirements.

From a revenue perspective, resources of \$2.019 billion are estimated to be available from various sources. Passenger revenue and other commercial revenue represent 52 percent of the total revenue. For passenger revenue, NJ TRANSIT is projecting almost a one percent growth rate based on recent trends. State Operating Assistance remains at the Fiscal Year 2014 level when factoring in the new allocation from the State Clean Energy Fund of \$32.9 million. Other State and Federal reimbursements are projected to increase by \$101.9 million which includes an increase in federal preventative maintenance funds generated from savings resulting from a recent debt restructuring.

Pursuant to State and federal funding guidelines, NJ TRANSIT has the flexibility of using the restructured funds to finance non-routine "preventative maintenance" projects on bus and rail rolling stock. These projects focus on major repair and rehabilitation functions that not only extend the useful life of the asset, but also help keep it in a state-of-good-repair.

For Fiscal Year 2015, capital maintenance funding from both Federal and State sources used to support the operating budget will total \$463.2 million supporting projects such axle replacements, pantograph conversions, traction motor repairs, repairing engines, transmissions and alternators.

A summary of the Fiscal Year 2015 Revenues is presented in Exhibit A.

From an expense perspective, 58 percent - \$1.172 billion - of the Fiscal Year 2015 Operating Budget is dedicated to labor and fringe benefit expenses. Other significant expenses comprising 28 percent - \$547.1 million - of the Fiscal Year 2015 Operating Budget consist of purchased transportation, fuel and power, and materials. Exhibit B summarizes the expenses of \$2.019 billion by category. With respect to expense growth, almost \$68 million or almost 90 percent of the proposed operating budget

growth in Fiscal Year 2015 is concentrated in the following areas: labor and health benefits - \$49.4 million, materials & supplies, fuel, power and utilities - \$10.1 million and cost escalations on existing contracts - \$8.5 million.

ACTION (Scorecard: Corporate Accountability, Customer Experience, Safety & Security, Financial Performance, Employee Excellence)

Staff seeks the NJ TRANSIT Board of Directors' adoption of the Fiscal Year 2015 Operating Budget in the amount of \$2.019 billion as detailed in the item and on the attached Exhibits A, B and C.

Staff also seeks authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2016 Operating Budget.

PURPOSE

As required under Article II, Section 4(c) of the agency's By-Laws, staff is requesting the Board of Directors adopt the Fiscal Year 2015 Operating Budget for NJ TRANSIT as detailed on the attached exhibits. This budget includes appropriations for public transportation contained in the Fiscal Year 2015 State Budget adopted by the New Jersey Legislature. With the approval of this item, the Board acknowledges and accepts its responsibility to set fares, administer a single, unified NJ TRANSIT operating budget and manage Federal Transit Administration assistance.

Approval of this item will also allow the execution of numerous agreements necessary to advance and continue its Private Carrier Capital Improvement Program, bus maintenance, debit and credit card processing and settlement services, marketing programs, and provide substitute service in support of NJ TRANSIT's capital program and for service interruptions. It will also allow NJ TRANSIT to provide local share and other in-kind services or act as a pass-through agency for Federal or State capital or operating funds. In addition to seeking approval of the Fiscal Year 2015 Operating Budget, staff is requesting authorization to continue to expend funds to meet NJ TRANSIT's obligations until the adoption of a Fiscal Year 2016 Operating Budget. NJ TRANSIT is required by its By-Laws to adopt a final budget at its annual meeting in June if the State of New Jersey has completed the process of appropriating funds for public transportation purposes or at the first meeting subsequent to action by the State. Since the State budget process is often not completed before NJ TRANSIT's annual meeting in June, staff may not be able to make final recommendations to the Board on the Fiscal Year 2016 budget prior to the start of the Fiscal Year. Therefore, authorization to expend funds to carry on NJ TRANSIT's day-to-day business is necessary.

BACKGROUND

NJ TRANSIT's operating budget is the result of an annual process involving both internal personnel and other State agencies. Approval of the operating budget is

necessary to direct resources to support the continued operation of NJ TRANSIT Bus, Rail, Light Rail, and Access Link services for its customers. Within NJ TRANSIT, development of the operating budget is an agency-wide effort, involving all the departments. The Budget Department works with all the departments to establish a balanced budget while prioritizing the needs of our customers, being more efficient and advancing the goals of the Scorecard.

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:	\$2.019 billion
Past Authorizations:	July 2013 (Fiscal Year 2014 Operating Budget)
Expenditures to Date:	N/A
Total Project Cost:	N/A
Projected Date of Completion:	June 30, 2015
Capital Program Amount:	N/A
Operating Budget Amount:	N/A
Anticipated Source of Funds:	Passenger fares and other revenues State operating assistance Other State and Federal reimbursements
PRINTS ID Number:	N/A
DBE/SBE Goal:	N/A
<i>NJ Build</i> Amount:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	N/A

RESOLUTION

WHEREAS, Article II, Section 4(c) of the By-Laws requires the Board of Directors to adopt a final budget for NJ TRANSIT after the State of New Jersey has completed the process of appropriating funds for public transportation purposes; and

WHEREAS, the New Jersey Legislature has enacted a Fiscal Year 2015 State Budget which includes appropriations for public transportation purposes; and

WHEREAS, staff has recommended a Fiscal Year 2015 Operating Budget for NJ TRANSIT as detailed in the item and Exhibits A, B and C attached hereto; and

WHEREAS, the Fiscal Year 2015 Operating Budget recognizes State operating assistance of \$40.3 million; and

WHEREAS, it is also necessary for NJ TRANSIT to enter into numerous agreements in order to advance and continue its Private Carrier Capital Improvement Program, bus maintenance, debit and credit card processing and settlement services, marketing programs, and provide substitute service in support of NJ TRANSIT's capital program and for service interruptions as described in the item attached hereto; and

WHEREAS, if the State's Fiscal Year 2016 Budget is not finalized prior to the June 2015 NJ TRANSIT Board meeting, the Board may defer adoption of the annual budget until the next special or regular Board meeting subsequent to the final actions by the State; and

WHEREAS, if the Board is unable to approve a Fiscal Year 2016 budget prior to July 2015, it will be necessary to expend funds after July 1, 2015, prior to the final adoption of the Fiscal Year 2016 budget;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors acknowledges and accepts its responsibility to set fares, administer a single, unified NJ TRANSIT operating budget, and that the Board recognizes its responsibility to accept and manage State and Federal Transit Administration assistance; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to continue or enter into any agreements and expend funds in order to continue NJ TRANSIT's Private Carrier Capital Improvement Program, bus maintenance, debit and credit card processing and settlement services, marketing programs, and provide substitute service in support of NJ TRANSIT's capital program and for service interruptions, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to provide local share and other in-kind services or act as a pass-through agency for Federal or State capital or operating funds subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to expend, in the normal course of business, the funds necessary to meet NJ TRANSIT's obligations, essentially in accordance with this Fiscal Year 2015 Operating Budget item, resolution and attachments and until the adoption and approval of the Fiscal Year 2016 Operating Budget.

EXHIBIT A

**FISCAL YEAR 2015
OPERATING BUDGET
REVENUES**

Total Revenues **\$2,018.7 million**

NJ TRANSIT revenues are budgeted at approximately \$2.019 billion, an increase of \$77.7 million compared to the Fiscal Year 2014 Operating Budget. Specific assumptions are described below.

Passenger Revenue **\$928.6 million**

The Fiscal Year 2015 Operating Budget includes passenger revenue of \$928.6 million, an increase of \$8.0 million over the Fiscal Year 2014 Operating Budget. This increase is the result of an incremental growth of 1.0 percent based on employment projections and ridership trends.

Other Commercial Revenue **\$113.7 million**

Other commercial revenues are budgeted at \$113.7 million, which is \$0.7 million more when compared to the Fiscal Year 2014 Operating Budget. The growth is attributable to a base revenue increase predicated on upward trending advertising revenue.

State Operating Assistance **\$40.3 million**

Consistent with the State Budget proposed by the Governor and adopted by the Legislature, State operating assistance is budgeted at \$40.3 million in Fiscal Year 2015. When factoring in a new allocation from the State Clean Energy Fund of \$32.9 million, State Operating Assistance remains at the Fiscal Year 2014 level.

Other State and Federal Reimbursements **\$936.1 million**

Other State and Federal reimbursements budgeted at \$936.1 million is composed of major items such as \$463.2 million in capital-to-operating transfers that support major repair and rehabilitation projects including axle replacements, pantograph conversions, traction motor repairs, repairing engines, transmissions and alternators. These non-routine projects not only extend the useful life of the asset being repaired but also help keep it in a state of good repair.

Other sources of funding include continuation funding of \$295 million from the NJ Turnpike and a new allocation from the State Clean Energy fund of \$32.9 million to offset the reduction in State Operating Assistance.

EXHIBIT B**FISCAL YEAR 2015
OPERATING BUDGET
EXPENSES**

Total Expenses **\$2,018.7 million**

NJ TRANSIT expenses are budgeted at almost \$2.019 billion, an increase of \$77.7 million compared to the Fiscal Year 2014 Operating Budget. Growth is primarily limited to mandatory costs such as escalating health benefit costs, previously negotiated contractual agreements for services and purchased transportation, fuel and power, and insurance premiums.

Labor and Fringe Benefits **\$1,172 million**

Labor and fringe benefits are budgeted at just over \$1.172 billion and represent 58 percent of budgeted expenses. Departments throughout NJ TRANSIT are effectively managing labor costs by both strategically evaluating positions and tasks.

Fuel, Power, Materials and Supplies and Utilities **\$364.4 million**

Fuel, power, materials and supplies costs are budgeted at \$364.4 million, an increase of \$10.1 million over the Fiscal Year 2014 Operating Budget. Growth includes funding for additional fuel and lubricant requirements and the additional Fiscal Year 2014 Bus Service.

Purchased Transportation **\$225.4 million**

Purchased transportation expenses are budgeted at \$225.4 million, or a \$3.1 million increase due primarily to growth in existing Light Rail, Access Link and Private Carrier Bus contracts.

Other Expenses **\$256.7 million**

All other expenses are budgeted at \$256.7 million, a net increase of \$15.1 million over the Fiscal Year 2014 Operating Budget. This includes funding for outside services, claims and insurance, tolls, trackage fees and other miscellaneous costs.

EXHIBIT C

**NEW JERSEY TRANSIT CONSOLIDATED OPERATIONS
FISCAL YEAR 2015 Proposed Operating Budget
(\$ in millions)**

	FY 2014	FY 2015	Difference	
	Final Budget	Proposed Budget	\$	%
<u>REVENUES:</u>				
Passenger Revenue	\$920.6	\$928.6	\$8.0	0.9%
Other Revenue	\$113.0	\$113.7	\$0.7	0.6%
TOTAL REVENUE	\$1,033.6	\$1,042.3	\$8.7	0.8%
<u>OPERATING ASSISTANCE:</u>				
State Operating Assistance	\$73.2	\$40.3	(\$32.9)	-44.9%
Other State and Federal Reimbursements	\$834.2	\$936.1	\$101.9	12.2%
TOTAL OPERATING ASSISTANCE	\$907.4	\$976.4	\$69.0	7.6%
<u>TOTAL REVENUES & OPERATING ASSISTANCE</u>	<u>\$1,941.0</u>	<u>\$2,018.7</u>	<u>\$77.7</u>	<u>4.0%</u>
<u>EXPENSES:</u>				
Labor and Fringe Benefits	\$1,122.8	\$1,172.2	\$49.4	4.4%
Services	\$124.5	\$133.0	\$8.5	6.8%
Fuel & Power	\$161.0	\$167.1	\$6.1	3.8%
Materials & Supplies	\$151.9	\$154.6	\$2.7	1.8%
Utilities	\$41.4	\$42.7	\$1.3	3.1%
Claims & Insurance	\$25.7	\$31.5	\$5.8	22.6%
Purchased Transportation	\$222.3	\$225.4	\$3.1	1.4%
Tolls & Trackage Fees	\$57.0	\$57.9	\$0.9	1.6%
Other	\$34.4	\$34.3	(\$0.1)	-0.3%
<u>TOTAL EXPENSES</u>	<u>\$1,941.0</u>	<u>\$2,018.7</u>	<u>\$77.7</u>	<u>4.0%</u>

ITEM 1407-31: FISCAL YEAR 2015 CAPITAL PROGRAM**BENEFITS**

NJ TRANSIT's \$1.203 billion Fiscal Year 2015 Capital Program calls for continued investment in the State's transit infrastructure in order to improve the overall state-of-good-repair of the system, improve reliability and safety, and augment the customer service experience.

The program continues to invest in upgrades to the efficiency and state-of-good-repair of the Northeast Corridor (NEC) with a \$76 million installment in Fiscal Year 2015 for both infrastructure and stations, part of NJ TRANSIT's ten-year \$1 billion NEC investment program.

The program also invests in railroad bridge rehabilitation, track replacement, signal upgrades, repairs to overhead power lines and electric substations, and improvements to rail stations and bus shelter upgrades. Funding is also provided to augment security.

Anticipated resources of \$1.203 billion are estimated to be available from Federal, State and other sources in Fiscal Year 2015. A summary of the Fiscal Year 2015 Sources of Funds is presented in **Attachment 1**.

Attachments 2 and 3 summarize funds and percent of the total program by category. Approximately 60 percent of the Fiscal Year 2015 Capital Program – \$725 million – is dedicated to fixed expenses, as follows:

- \$674 million will be spent on capital maintenance and prior debt service needs related to the acquisition of buses, trains, locomotives and the construction of light rail projects;
- \$47 million will be spent using funds mandated for a specific use including the Federal rural transit program; and
- \$4 million of operating funds will be spent for on-going support of the New Jersey Job Access Reverse Commute (NJ-JARC) program which, under Moving Ahead for Progress in the 21st Century (MAP-21), is no longer a Federal requirement.

Approximately 40 percent of the program – or \$482 million – funds the basic capital program improvements needed to maintain and improve the transit system, as follows:

- \$180 million will be invested in rail infrastructure improvement needs, including \$43 million to fund track and bridge improvements, \$52 million to fund electric traction and signal improvements on the railroad, and \$53 million in rail infrastructure improvements to upgrade the Northeast Corridor Line including the Midline Loop and County Yard;
- \$104 million will be invested in rail rolling stock improvements;
- \$46 million will be invested in rail station improvements, including \$9 million for Elizabeth Station reconstruction, \$5 million for Newark Penn Station upgrades,

and \$12 million to reconstruct Lyndhurst and Perth Amboy Stations to make them accessible to persons with disabilities;

- \$76 million will be invested in bus and light rail infrastructure improvements, including \$5 million for infrastructure improvements on the Newark Light Rail, \$44 million for annual payment to replace 200 transit-style buses, and over \$9 million for Capital Asset Replacement Program for both the River Line and Hudson Bergen Light Rail systems; and
- \$72 million will be invested in system-wide improvements and system expansion, including continued upgrades that will modernize NJ TRANSIT's technology systems.

ACTION (Scorecard: Corporate Accountability, Customer Experience, Safety & Security, Financial Performance, Employee Excellence)

Staff seeks the NJ TRANSIT Board of Directors' adoption of the Fiscal Year 2015 Capital Program in the amount of \$1.203 billion, as described.

Staff also seeks authorization to take whatever actions are necessary to seek and secure the funds envisioned by this program.

Staff also seeks authorization to transfer funding sources and amounts among programmed projects as circumstances require in compliance with the terms and conditions of the grants and other funding sources.

Staff also seeks authorization to make applications, execute contracts or agreements and take whatever other actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to its adoption.

PURPOSE

The annual Capital Program is formulated to guide NJ TRANSIT's capital investment plans for the coming year. The authority embodied in the Board's approval of this Capital Program permits staff to take the necessary steps to secure funds from various sources and to initiate individual capital projects (subject to subsequent contract authorization as required by the NJ TRANSIT By-Laws). The program is submitted to various Metropolitan Planning Organizations (MPOs) throughout the State, whose approvals are required as a prerequisite to Federal grant awards, as well as to the State Legislature as part of that body's annual appropriation process, and is consistent with the Capital Investment Strategy submitted to the Legislature.

BACKGROUND

NJ TRANSIT's Capital Program is the result of an established, annual process involving both internal personnel and external agencies. The purpose of the program is to

provide NJ TRANSIT with the authority to secure capital funding in support of the various individual projects and programs authorized by the NJ TRANSIT Board of Directors throughout the year. NJ TRANSIT and the New Jersey Department of Transportation (NJDOT), along with Federal partners, collaborate to estimate resource levels. The Fiscal Year 2015 anticipated capital resources are \$1.203 billion; including \$695 million of Federal funds, \$470 million of Transportation Trust funds, and \$38 million of Local Match and Casino Revenue funds.

Within NJ TRANSIT, development of the capital program is an interdepartmental effort, involving operating units, planners, engineers, architects, as well as police, customer service, information technology, and environmental specialists. Working together, they establish and prioritize a pool of projects, balancing corporate Scorecard objectives against limited resources to ensure the highest and best use of limited capital funds. The program includes projects that have undergone a rigorous development process from the planning and design phases through construction and startup.

Consistent with multiyear funding requirements, critical projects are added, completed projects removed, and adjustments made to on-going projects to optimize cash flow. All aspects of the Scorecard, including Customer Experience, Safety and Security, Financial Performance, Corporate Accountability, and Employee Excellence are encompassed in the plan. The program is simultaneously included in the Transportation Improvement Program (TIP) of the three Metropolitan Planning Organizations (MPOs), namely, the North Jersey Transportation Planning Authority (NJTPA), the South Jersey Transportation Planning Organization (SJTPO) and the Delaware Valley Regional Planning Commission (DVRPC). The three TIPs are combined and sent to the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) for approval as the Statewide Transportation Improvements Program (STIP) on a bi-annual basis. Finally, the Federal, State and Casino Revenue portions of the Capital Program are incorporated into the State Budget, approved by the Legislature and signed into law by the Governor.

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:** \$1.203 billion
- Past Authorizations:** July 2013 (Fiscal Year 2014 Capital Program)
- Expenditures to Date:** NA
- Total Project Cost:** NA
- Projected Date of Completion:** NA

Capital Program Amount: NA

Operating Budget Amount: NA

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund
Other Capital Sources

PRINTS ID Number: Various

DBE/SBE Goal: NA

***NJ Build* Amount:** NA

Related/Future Authorizations: NA

**Impacts on Subsequent
Operating Budgets:** NA

RESOLUTION

WHEREAS, each year NJ TRANSIT's Board of Directors adopts a Capital Program for the upcoming year to enable staff to take the actions necessary to seek and secure capital funding which advances established priorities; and

WHEREAS, the Fiscal Year 2015 Capital Program will address the needs of existing transit riders by ensuring system reliability and safety through state-of-good-repair investments; addressing system capacity demands; and investing in planned system expansion; and

WHEREAS, in Fiscal Year 2015, the Capital Program will be consistent with the Annual Capital Investment Strategy submitted to the State Legislature; and

WHEREAS, the Fiscal Year 2015 Capital Program is submitted to various Metropolitan Planning Organizations throughout the State whose approvals are required as a prerequisite to Federal grant awards; and

WHEREAS, the Fiscal Year 2015 Capital Program is submitted to the State Legislature for consideration as part of its annual budget appropriation process;

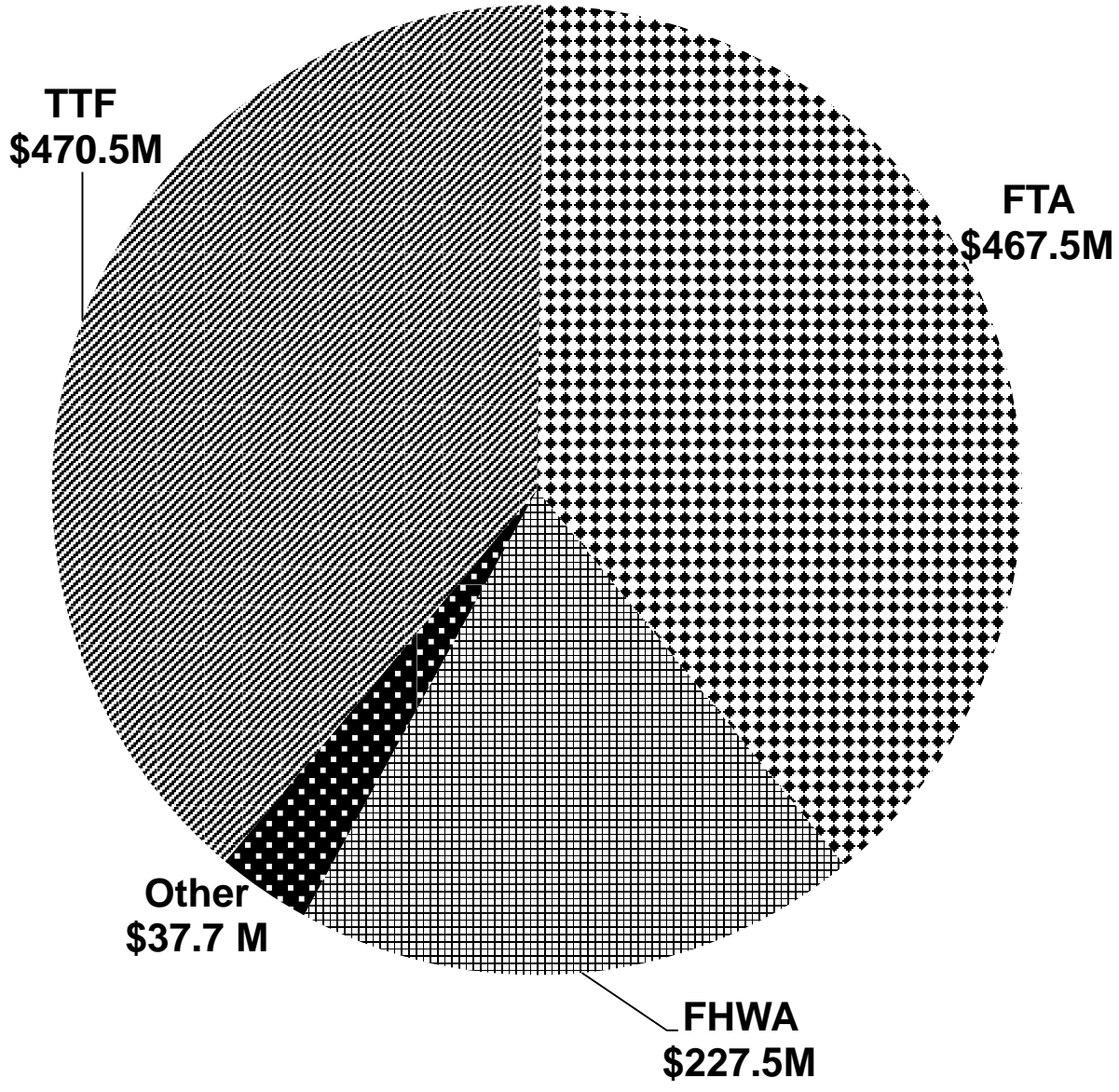
NOW, THEREFORE, BE IT RESOLVED that the NJ TRANSIT Board of Directors adopts the Fiscal Year 2015 Capital Program in the amount of \$1.203 billion, as described; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to take whatever actions are necessary to seek and secure the funds envisioned by this program; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to transfer funding sources and amounts among programmed projects as circumstances require in compliance with the terms and conditions of the grants and other funding sources; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to make applications, execute contracts or agreements and take whatever other actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to its adoption.

ATTACHMENT 1
NJ TRANSIT FY15 CAPITAL PROGRAM
Sources of Funds
\$1.203 Billion



ATTACHMENT 2

**NJ TRANSIT FISCAL YEAR 2015 CAPITAL PROGRAM
SUMMARY
(\$ in millions)**

CATEGORY	FY 2015 AMOUNT	FY 2015 PERCENT
Capital Maintenance/Debt Service	\$ 674	56%
Pass-Through	\$ 51	4%
Rail Infrastructure Improvements	\$ 180	15%
Rail Rolling Stock Improvements	\$ 104	9%
Rail Station Improvements	\$ 46	4%
Bus/Light Rail Improvements	\$ 76	6%
System-Wide Improvements	\$ 55	5%
System Expansion	\$ 17	1%
Total	\$ 1,203	100%

**Attachment 3
NJ TRANSIT Fiscal Year 2015 CAPITAL PROGRAM
(\$ in Millions)**

2015

----- FEDERAL FUNDING -----

	<u>URBAN</u> <u>5307</u>	<u>SOGR</u> <u>5337</u>	<u>BUS</u> <u>FACILITIES</u> <u>5339</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>ATI</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Pass-through										
RAIL										
Metro North Joint Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.690	0.690	
RAIL SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.690	0.690	<u>0.1%</u>
=====										
BUS										
Casino Revenue Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.343	20.343	
Cumberland County Bus Program	1.020	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.020	
East Windsor Community Shuttle	0.100	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.100	
Job Access and Reverse Commute Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8.600	8.600	
Small Bus Programs	0.000	0.000	0.000	11.400	0.000	0.000	1.000	8.025	20.425	
BUS SUBTOTAL	1.120	0.000	0.000	11.400	0.000	0.000	1.000	36.968	50.488	<u>4.2%</u>
=====										
Pass-through TOTAL	1.120	0.000	0.000	11.400	0.000	0.000	1.000	37.658	51.178	<u>4.3%</u>

**Attachment 3
NJ TRANSIT Fiscal Year 2015 CAPITAL PROGRAM
(\$ in Millions)**

2015

----- FEDERAL FUNDING -----

	<u>URBAN</u> <u>5307</u>	<u>SQGR</u> <u>5337</u>	<u>BUS</u> <u>FACILITIES</u> <u>5339</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>ATI</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Rail Infrastructure Improvements										
<u>RAIL</u>										
Bridges	0.000	0.000	0.000	0.000	0.000	0.000	25.160	0.000	25.160	
Emergency Response Rail	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
FRA Mandates	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Gladstone Branch -Catenary Pole Replacement	0.000	0.000	0.000	0.000	0.000	0.000	5.000	0.000	5.000	
NEC Improvements	0.000	0.000	0.000	0.000	0.000	0.000	53.021	0.000	53.021	
Positive Train Control	0.000	0.000	0.000	0.000	0.000	0.000	10.000	0.000	10.000	
Right of Way Fencing	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Signals&Communication/Electric Traction	0.000	0.000	0.000	0.000	0.000	0.000	37.841	0.000	37.841	
Track	0.000	0.000	0.000	0.000	0.000	0.000	18.000	0.000	18.000	
Yards/Facilities	0.000	0.000	0.000	0.000	0.000	0.000	27.195	0.000	27.195	
<u>RAIL SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	180.217	0.000	180.217	<u>15.0%</u>
=====										
Rail Infrastructure Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	180.217	0.000	180.217	<u>15.0%</u>

**Attachment 3
NJ TRANSIT Fiscal Year 2015 CAPITAL PROGRAM
(\$ in Millions)**

2015

----- FEDERAL FUNDING -----

	<u>URBAN</u> <u>5307</u>	<u>SOGR</u> <u>5337</u>	<u>BUS</u> <u>FACILITIES</u> <u>5339</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>ATI</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Rail Rolling Stock Improvements										
<u>RAIL</u>										
ALP 46 Overhaul (29)	0.000	0.000	0.000	0.000	0.000	0.000	14.826	0.000	14.826	
Diesel Locomotive Overhaul	0.000	0.000	0.000	0.000	0.000	0.000	25.232	0.000	25.232	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	1.820	0.000	1.820	
Rail Coach Upgrades	0.000	0.000	0.000	0.000	0.000	0.000	10.000	0.000	10.000	
Rail Rolling Stock Engineering Assistance	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	
Work Train Locomotives Upgrades	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
<u>RAIL SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	54.128	0.000	54.128	<u>4.5%</u>
=====										
<u>NEW INITIATIVES</u>										
Fleet Modernization	0.000	0.000	0.000	0.000	50.000	0.000	0.000	0.000	50.000	
<u>NEW INITIATIVES SUBTOTAL</u>	0.000	0.000	0.000	0.000	50.000	0.000	0.000	0.000	50.000	<u>4.2%</u>
=====										
Rail Rolling Stock Improvements TOTAL	0.000	0.000	0.000	0.000	50.000	0.000	54.128	0.000	104.128	<u>8.7%</u>

**Attachment 3
NJ TRANSIT Fiscal Year 2015 CAPITAL PROGRAM
(\$ in Millions)**

2015

----- FEDERAL FUNDING -----

	<u>URBAN</u> <u>5307</u>	<u>SQGR</u> <u>5337</u>	<u>BUS</u> <u>FACILITIES</u> <u>5339</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>ATI</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Rail Station Improvements										
<u>RAIL</u>										
Elizabeth Station Reconstruction	3.351	0.000	5.799	0.000	0.000	0.000	0.000	0.000	9.150	
Lyndhurst Station Reconstruction	2.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	
Newark Penn Station Improvements	4.000	0.000	0.000	0.000	0.000	0.500	0.000	0.000	4.500	
Perth Amboy Reconstruction	4.048	0.000	5.050	0.000	0.000	0.500	0.000	0.000	9.598	
Rail Station Improvements	0.000	0.000	0.000	0.000	0.000	0.000	17.810	0.000	17.810	
STARS Program	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Station/Facilities Inspections/Repairs	0.000	0.000	0.000	0.000	0.000	0.000	0.810	0.000	0.810	
<u>RAIL SUBTOTAL</u>	13.399	0.000	10.849	0.000	0.000	1.000	20.620	0.000	45.868	<u>3.8%</u>
=====										
Rail Station Improvements TOTAL	13.399	0.000	10.849	0.000	0.000	1.000	20.620	0.000	45.868	3.8%

Attachment 3
NJ TRANSIT Fiscal Year 2015 CAPITAL PROGRAM
(\$ in Millions)

2015

----- FEDERAL FUNDING -----

	<u>URBAN</u> <u>5307</u>	<u>SOGR</u> <u>5337</u>	<u>BUS</u> <u>FACILITIES</u> <u>5339</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>ATI</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Bus/Light Rail Improvements										
BUS										
ADA Access Link Vehicles	0.341	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.341	
Bus Facilities Midlife Rehabilitation	0.000	0.000	0.000	0.000	0.000	0.000	1.950	0.000	1.950	
Bus Operations Support Equipment	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Bus Passenger Facilities	0.700	0.000	2.000	0.000	0.000	0.000	0.800	0.000	3.500	
CNG Fill Station Upgrade	0.000	0.000	1.300	0.000	0.000	0.000	0.000	0.000	1.300	
Cruiser/Artic Bus Overhaul	0.000	0.000	0.000	0.000	0.000	0.000	5.000	0.000	5.000	
Emergency Response Bus Facilities	0.000	0.000	0.000	0.000	0.000	0.000	1.100	0.000	1.100	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.050	0.000	0.050	
Private Carrier Equipment	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
Rolling Stock Purchase - Bus	0.000	0.000	0.000	0.000	0.000	0.000	43.920	0.000	43.920	
Support Facilities/Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.430	0.000	0.430	
BUS SUBTOTAL	1.041	0.000	3.300	0.000	0.000	0.000	57.250	0.000	61.591	5.1%
: = = = = =										
LRT										
HBLR SOGR Improvements	0.000	0.000	0.000	0.000	0.000	0.000	7.005	0.000	7.005	
Newark Light Rail SOGR Improvements	0.000	0.000	0.000	0.000	0.000	0.000	4.625	0.000	4.625	
River Line SOGR Improvements	0.000	0.000	0.000	0.000	0.000	0.000	2.650	0.000	2.650	
LRT SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	14.280	0.000	14.280	1.2%
: = = = = =										
Bus/Light Rail Improvements TOTAL	1.041	0.000	3.300	0.000	0.000	0.000	71.530	0.000	75.871	6.3%

**Attachment 3
NJ TRANSIT Fiscal Year 2015 CAPITAL PROGRAM
(\$ in Millions)**

2015

----- FEDERAL FUNDING -----

	<u>URBAN</u> <u>5307</u>	<u>SOGR</u> <u>5337</u>	<u>BUS</u> <u>FACILITIES</u> <u>5339</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>ATI</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Systemwide Improvements										
SYSTEMWIDE										
Capital Program Implementation	0.000	0.000	0.000	0.000	0.000	0.000	21.470	0.000	21.470	
Claims Support	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Emergency Response Capital Planning & Programs	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Emergency Response Headquarters	0.000	0.000	0.000	0.000	0.000	0.000	7.772	0.000	7.772	
Environmental Compliance	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.220	0.000	0.220	
Penn Plaza Capital Space	0.000	0.000	0.000	0.000	0.000	0.000	1.300	0.000	1.300	
Photocopy Equipment Lease	0.000	0.000	0.000	0.000	0.000	0.000	0.800	0.000	0.800	
Physical Plant	0.000	0.000	0.000	0.000	0.000	0.000	1.450	0.000	1.450	
Security Improvements	0.000	0.000	0.000	0.000	0.000	0.000	2.610	0.000	2.610	
Signage Maintenance/Upgrades	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Study & Development	0.000	0.000	0.000	0.000	0.000	0.000	4.810	0.000	4.810	
Travel Demand Management	0.000	0.000	0.000	0.000	0.000	0.000	0.973	0.000	0.973	
Vanpool Sponsorship Program	0.000	0.000	0.000	0.000	0.000	0.000	0.400	0.000	0.400	
Vital Records	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.500	
SYSTEMWIDE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	50.305	0.000	50.305	4.2%
=====										
TECHNOLOGY/CUSTOMER SERVICE										
ADA Access Link Computers	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.500	
GIS Maintenance/Upgrades	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.500	
Technology Improvements	0.000	0.000	0.000	0.000	0.000	0.000	3.300	0.000	3.300	
Website Maintenance/Upgrades	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	
TECHNOLOGY/CUSTOMER SERVICE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	4.550	0.000	4.550	0.4%
=====										
Systemwide Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	54.855	0.000	54.855	4.6%

**Attachment 3
NJ TRANSIT Fiscal Year 2015 CAPITAL PROGRAM
(\$ in Millions)**

2015

----- FEDERAL FUNDING -----

	<u>URBAN</u> <u>5307</u>	<u>SOGR</u> <u>5337</u>	<u>BUS</u> <u>FACILITIES</u> <u>5339</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>ATI</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
System Expansion										
NEW INITIATIVES										
Lackawanna Cutoff	10.111	0.000	0.000	0.000	0.000	0.000	3.889	0.000	14.000	
Transit Rail Initiatives	0.000	0.000	0.000	0.000	0.000	0.000	3.258	0.000	3.258	
NEW INITIATIVES SUBTOTAL	10.111	0.000	0.000	0.000	0.000	0.000	7.147	0.000	17.258	<u>1.4%</u>
=====										
System Expansion TOTAL	10.111	0.000	0.000	0.000	0.000	0.000	7.147	0.000	17.258	<u>1.4%</u>
2015 TOTAL	284.250	154.500	17.300	11.400	226.500	1.000	470.500	37.658	1,203.108	

**ITEM 1407-32: HUDSON-BERGEN LIGHT RAIL AND NEWARK LIGHT RAIL:
CONTRACT AMENDMENT FOR LIGHT RAIL VEHICLE
EXTENDERS**

BENEFITS

The Hudson-Bergen Light Rail (HBLR) and the Newark Light Rail (NLR) lines both operate Kinkisharyo International, LLC light rail vehicles, purchased through the Design, Build, Operate, and Maintain contract with Twenty-First Century Rail Corporation, with a total of 52 cars and 21 cars in their respective fleets. These light rail vehicles provide 68 seats and 122 standees in a three-section unit.



Figure 1 - Three-Section Light Rail Vehicle

This project will extend the length of the existing light rail vehicles (LRVs) by adding two new car-body modules. These new five-section LRVs will provide a total of 102 seats with space for 161 standees, a 50 percent increase in the number of seats and a 40 percent increase in overall passenger capacity in each car (both seats and standees). Extending the vehicles would be significantly less expensive than purchasing new LRVs. At a cost of approximately \$1.55 million per car, the cost for the vehicle work would be about one-third of the cost of purchasing entirely new three-section cars at approximately \$4.6 million each.



Figure 2 - Five-Section Light Rail Vehicle

This retrofit project would modify 35 cars: 25 cars on the HBLR and ten cars on the NLR. In addition, the initial 'prototype' vehicle that was used to successfully demonstrate the car performance will continue to be available on the HBLR. Furthermore, it would expand system capacity without any added service costs. When

integrated into a typical peak period operation, the modified cars would add 714 new seats and 819 standees for the HBLR, and 272 new seats and 312 standees for the NLR. The useful life of an LRV is 30 years.

This capacity increase would directly address the seating deficiency complaint that is consistently raised by light rail customers in the "Quarterly Customer Satisfaction" Scorecard surveys.

In order to minimize the impact on light rail customers, only one car per week will be removed from service. The usual fleet of vehicles will remain in revenue service.

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

Staff seeks authorization to amend NJ TRANSIT Contract No. 96CT001 with Twenty-First Century Rail Corporation of Jersey City, New Jersey, to extend 25 Hudson-Bergen Light Rail and ten Newark Light Rail vehicles plus spare parts at a cost not to exceed \$54,130,243, plus five percent for contingencies, for a total contract authorization of \$2,650,884,677 plus adjustments, subject to the availability of funds.

PURPOSE

This Change Order will provide for the modification, testing, and commissioning of 25 HBLR and ten NLR LRVs, as well as the purchase of spare parts and equipment necessary to maintain the longer configuration LRVs.

BACKGROUND

History

The HBLR currently operates a robust service in Hudson County, with as many as 14 trains per hour in each direction on the Jersey City waterfront. In the downtown area, trains operate in the street through busy intersections. Just to the north, outside of Hoboken Terminal, all trains operate through an at-grade Wye Junction which serves to meter the number of trains entering the waterfront area. Given the frequency of service and the at-grade interlocking, it would be difficult to add new trains in the heart of rush hour without causing some potential conflicts and schedule delays for our riders.

The HBLR line has a fleet of 52 LRVs with 42 LRVs in service during the peak period. This provides a spare ratio of 19 percent, which is typical for the industry. To accommodate present-day demand, the service relies heavily on two-car trains.

In 2010, NJ TRANSIT commissioned a study to look at the feasibility of operating three-car trains on the HBLR to increase capacity of the operation and accommodate system growth. The study highlighted that infrastructure improvements are required at 18 of 24 stations. Some of these improvements have physical impediments that would not be easy to overcome, and the cost has been estimated at more than \$40 million. In

addition, the cost of purchasing the additional light rail vehicles to make up the three-car trains would be approximately \$90 million. Consequently, NJ TRANSIT decided to investigate other alternatives.

NJ TRANSIT requested a prototype of the longer light rail vehicle from Kinkisharyo International, LLC, the HBLR vehicle manufacturer. Once delivered and assembled, the prototype LRV underwent a complete safety certification as well as the full set of specification-required functional and performance tests. These tests were conducted with the vehicle operating as a single unit and coupled to a three-section LRV to confirm that performance is comparable to the three-section vehicle. The testing phase was followed by a successful six-month demonstration period, during which time the LRV was operated in regular revenue service as a single unit. The new five-section LRV coupled with a three-section LRV still fits (door-to-door) on all two-car platforms in the HBLR system with the exception of the Exchange Place Station which is currently being reconfigured.

On the Newark Light Rail line, only single-car trains are utilized because most stations (built in 1935) were not designed to accommodate two-car trains. During the busiest times of the day, very frequent service is operated and there is still periodic crowding. The overall fleet size is small so there are limited options available to expand the capacity of the system as demand warrants.

Project Justification

Current Operations

Since its inception in April 2000, the HBLR has grown steadily as development has brought new residents and an increasing number of workers to the area. Aside from a dip in 2009-2010 because of the economic recession, the system has continued to add riders. A new station was opened at 8th Street in Bayonne in 2011, adding a densely populated neighborhood to the line, and other new station locations are being considered.

Over the last 12 months, the line has averaged 45,000 customers on a typical weekday. During the busy times of the day, two-car trains from Bayonne, southern Jersey City and northern Hudson County arrive on the Jersey City waterfront packed with commuters heading to jobs in Hudson County or in nearby Manhattan.

Based upon the most recent ridership survey on the line (January 2014), peak hour trains traveling north from Bayonne are carrying a total of 1,295 customers on trains with seat capacity of 1,088 customers. A typical two-car train on the HBLR has 136 seats and the line often experiences passenger loads of 200 to 250 commuters during these peak periods.

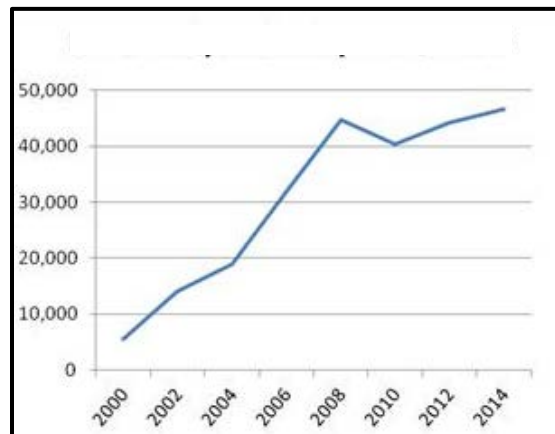


Figure 3 - HBLR Daily Ridership Growth

For the rush hour operation, 21 of the 42 cars operating in revenue service would be extended LRVS, each one paired with a standard three-section LRV. With 34 extra seats per car, this will add more than 700 seats as well as additional standing room for customers traveling during the busiest times of the day.

On the Newark Light Rail, the peak periods are also very active as riders travel into and out of downtown Newark and Penn Station. With a single-car operation and capacity for only 68 seated customers, the trains run frequently. During the most recent count, there were 1,200 customers inbound in the peak hours, and 60 percent of the trains carried standees. The totals range up to 90 to 100 customers on the most crowded trains.

Growth and Future Conditions

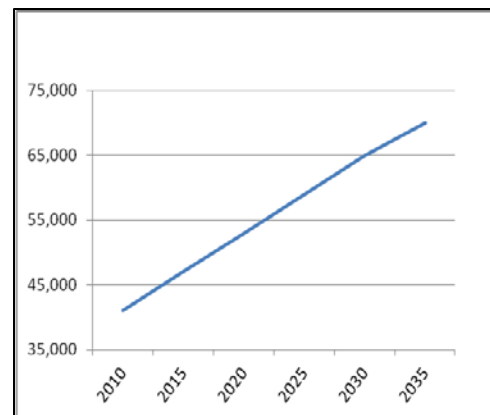
The HBLR service area, particularly the “Gold Coast” along Jersey City’s waterfront, has experienced explosive growth over the last decade and the expansion is continuing. Currently there are more than 18,000 new housing units either under construction or approved for construction in Jersey City over the next two to five years, with the majority adjacent to existing light rail stations. An additional 1.8 million square feet of office space in Jersey City is also slated for development, and the largest single site at Harborside is also home to an existing light rail station.

Finally, there are several major residential development projects planned over the next decade in Jersey City (Canal Crossing, Bayfront, Liberty Harbor North, and Jersey Grand) that are adjacent to the HBLR and are projected to add thousands of new residents.

The HBLR has grown quickly during its first 14 years of operation. Projections for daily ridership on the line range up to 65,000 trips per day by the year 2035.

Within Newark, there are also plans for future development which will add employees and residents to the Newark Light Rail line. NJ TRANSIT’s 2006 extension to Broad Street Station was designed to both support and encourage development in the downtown area. In addition to the tenants that have relocated to downtown Newark, older development sites have been cleared and are available for re-development.

There are close to 1,000 existing dwelling units in the area and an additional 600 units that are either proposed or under construction. The Newark Light Rail line is within walking distance of five colleges and universities, which include a total of 50,000 students, faculty and staff.



Source: NJ TRANSIT Capital Planning Division

Figure 4 - HBLR Projected Daily Ridership

Scorecard Initiative

NJ TRANSIT implemented the "Scorecard" program in 2011 to regularly measure customer satisfaction among its riders. As with the other light rail services, the HBLR consistently scores well by providing frequent and reliable transit service.

Despite the high marks for the HBLR, the survey results have consistently shown two categories of customer concern: "Seating Availability" and "Weekday Evening/Night Schedule." Retrofitting a portion of the existing HBLR fleet to add capacity would directly and efficiently address the periodic crowding experienced on the HBLR and the customers' desire for more seats.

Scope of Work

The scope of work for this project involves the fabrication and construction of the 70 car-body modules (35 "D" Units and 35 "E" Units) at the Kinkisharyo International, LLC facilities in Osaka, Japan. These car-body modules would then be shipped to the HBLR Caven Point Facility in Jersey City, where final assembly, including the installation of the HVAC units, trucks, junction boxes, assorted components, and wiring, would take place. In the case of the NLR cars, the car-body modules would be completed to the extent possible at the Caven Point facility and then delivered by truck to the NLR Vehicle Base Facility in Bloomfield for final assembly.

Safety certification testing would be conducted on one car, but all cars would undergo a series of static and dynamic commissioning tests to ensure they meet all required performance and safety requirements before they are placed in revenue service.

Project Schedule

Parts manufacture and component assembly as well as testing and inspection will be undertaken between September 2014 and August 2015. Final assembly of the first vehicle is scheduled for completion in August 2015 with return to revenue service in December 2015 (after testing and inspection). The thirty-fifth vehicle is scheduled for return to revenue service in August 2016.

Procurement

The vehicles operated on the HBLR and the NLR systems were purchased pursuant to the Design, Build, Operate, and Maintain contract executed by NJ TRANSIT and Twenty-First Century Rail Corporation (TFCRC) on September 27, 1996. Pursuant to this contract, TFCRC partnered with Kinkisharyo International, LLC to design, build, and maintain the vehicles. The retrofit of the existing light rail fleet as outlined in this item would be procured via a change order to the existing contact.

Office of State Comptroller approval of this contract amendment was received on June 23, 2014, per Executive Order 150.

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

FISCAL IMPACTS

Requested Authorization:

This Authorization	\$ 54,130,243	+ 5% contingency
Total Authorization	\$ 2,650,884,677	+ adjustment

Previous Authorizations:

August 1996 (Item 9608-94)	\$ 1,263,745,309	+ adjustment
February 1998 (Item 9802-3)	\$ 15,000,000	
May 1999 (Item 9905-61)	\$ 7,000,000	
July 1999 (item 9907-101)	\$ 97,000,000	
August 2000 (Item 0008-83)	\$ 35,000,000	
October 2000 (Item 0010-106)	\$ 530,050,000	
September 2001 (Item 0109-111)	\$ 5,000,000	
January 2002 (Item 0201-4)	\$ 9,500,000	
June 2002 (Item 0206-60)	\$ 101,448,055	
September 2002 (Item 0209-98)	\$ 5,000,000	
September 2005 (Item 0509-78)	\$ 525,000,000	+ adjustment
September 2007 (Item 0709-60)	\$ 290,000	+ 5% contingency
Total Previous	\$ 2,594,047,922	+ adjustment

Expenditures to Date: \$0 (Expanded Vehicle Project)

Total Project Cost: \$ 60,000,000 (Expanded Vehicle Project)

Projected Date of Completion: February 2017

Capital Program Amount: \$ 60,000,000 (Expanded Vehicle Project)

Operating Budget Amount: \$0

PRINTS ID Number: NJT00708

Anticipated Source of Funds: CMAQ
Transportation Trust Fund

DBE/SBE Goal: Transit Vehicle Manufacturer

NJ Build Amount: N/A

Related/Future Authorizations: None

**Impacts on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, ridership on the Hudson-Bergen Light Rail and Newark Light Rail lines has increased to the extent that trains consistently are running at capacity during both peak and non-peak periods; and

WHEREAS, ridership forecasts indicate that passenger demand will continue to grow as new residential and commercial projects under development or being considered are constructed adjacent to these lines; and

WHEREAS, operating these lines in restricted urban environments limits the ability to increase service to satisfy current demand and meet projected future increased demand; and

WHEREAS, retrofitting up to half of the existing light rail fleet by adding two new car-body modules to an existing vehicle would result in 50 percent more seats and yield an overall increase of 40 percent in passenger capacity in each car; and

WHEREAS, retrofitting these light rail vehicles in this manner would relieve crowding conditions and accommodate projected future passenger growth; and

WHEREAS, retrofitting these light rail vehicles would be significantly less expensive than purchasing new light rail vehicles and provides increased capacity without incurring additional service costs;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend NJ TRANSIT Contract No. 96CT001 with Twenty-First Century Rail Corporation of Jersey City, New Jersey, to extend 25 Hudson-Bergen Light Rail and ten Newark Light Rail vehicles plus spare parts at a cost not to exceed \$54,130,243, plus five percent for contingencies, for a total contract authorization of \$2,650,884,677 plus adjustments, subject to the availability of funds.

**ITEM 1407-33: NJ TRANSIT FISCAL YEAR 2015 GRANT PROGRAMS:
LOCAL TRANSPORTATION FOR SENIOR CITIZENS,
PERSONS WITH DISABILITIES, RURAL AND
ECONOMICALLY DISADVANTAGED RESIDENTS**

BENEFITS

NJ TRANSIT administers a variety of Federal and State grant programs dedicated to maintenance and development of coordinated community-based transportation services that benefit senior citizens, persons with disabilities, rural and small urban area residents and economically disadvantaged persons transitioning from welfare as well as special local transportation projects (see Exhibit A). The services funded through these grants provide non-emergency life-sustaining and life-enhancing transportation that include but are not limited to demand-responsive, deviated fixed-route services, feeder services and community shuttles. NJ TRANSIT requires that grant sub-recipients make every effort to coordinate services in order to maximize efficiency, and feed existing bus and rail services when possible. NJ TRANSIT also monitors sub-recipients for compliance with relevant Federal and State laws and regulations.

ACTION (Scorecard: Corporate Accountability, Customer Experience)

Staff seeks authorization to execute all appropriate contracts and agreements to implement the following programs, subject to the availability of funds:

- FY2015 Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP), as set forth in Exhibit B, for a total program amount of \$18,256,000 funded by the Casino Revenue Tax.
- FY2015 FTA Section 5311 Rural and Small Urban Areas Program for Counties, as set forth in Exhibit C, for a total program amount of \$4,143,444, which includes \$2,801,603 in Federal funds and \$1,341,841 as the NJ TRANSIT share of local match.
- FY2015 FTA Section 5311 Rural Intercity Bus Transportation Program at a cost not to exceed \$601,237.
- FY2015 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$119,365 in Federal funds to supplement the New Jersey Community Transportation Training Program at no cost to NJ TRANSIT.
- FY2015 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program at a cost not to exceed \$8,200,000, which includes \$7,200,000 in Federal funds and \$1,000,000 as the NJ TRANSIT share of local match on vehicle purchases.
- FY2015 New Jersey Jobs Access and Reverse Commute (NJ-JARC) Program at a cost not to exceed \$2,000,000, which includes \$1,000,000 in NJ TRANSIT

operating funds and \$1,000,000 in funds from the New Jersey Department of Human Services. Local providers match these funds on a 50/50 basis.

- Any specially-dedicated Congressional appropriations, FTA Section 5307, FTA Section 5309 and CMAQ local projects including funds which will be flexed into ongoing FTA programs under the Fiscal Year 2015 budget at a cost not to exceed \$6,000,000. This includes a small amount of NJ TRANSIT operating funds for one locally-operated shuttle.

PURPOSE

NJ TRANSIT's Capital Planning and Programs Department administers the State-funded Senior Citizen and Disabled Resident Transportation Assistance Program, as well as a variety of Federal programs funded through the Federal Transportation Administration (FTA): Transportation for Elderly Persons and Persons with Disabilities Program (Section 5310), Rural and Small Urban Areas Program (Section 5311), the New Jersey Community Transportation Training Program funded in part by the Rural Transit Assistance Program (RTAP), New Jersey Jobs Access and Reverse Commute Program (NJ-JARC), as well as ongoing planning efforts under the FTA Human Services Transportation Coordination Plan requirements. In addition, from time to time local shuttle initiatives funded through a variety of Federally-funded sources, including specially-dedicated congressional appropriations and the Congestion Mitigation and Air Quality (CMAQ) and Small Urban Areas (Section 5307) and Major Capital Investments (Section 5309) programs, are applied for and administered by NJ TRANSIT on behalf of designated local providers.

These programs assist a variety of private non-profit organizations, counties, various municipalities, county improvement authorities and NJ TRANSIT in meeting the mobility needs of New Jersey's senior citizens, persons with disabilities, and transportation-disadvantaged and rural residents. Board authorization is sought to implement these programs for Fiscal Year 2015 (FY2015), including authorization to execute sub-recipient leases for vehicles, which will be competitively procured, under each of the various Federal programs. Details of the program and funding are found in Exhibits D and E.

The funding level specified for SCDRTAP is the amount anticipated in the State budget for FY2015. The funding levels specified for the Federal 5311 and 5307 programs are estimates based on Federal apportionments for Federal FY2013. The funding level for the Federal 5310 program is a projection based on anticipated FY2014 apportionments for urbanized and non-urbanized areas in New Jersey. Due to changes enacted in MAP-21, 5310 funding, which also includes funding formerly provided under the New Freedom program, is apportioned by urbanized area. The funding levels for CMAQ funds are anticipated Federal FY2015 Federal highway funds to be flexed to transit.

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

FISCAL IMPACTS

Requested Authorization:

Senior Citizen and Disabled Resident Transportation Assistance Program

100% Casino Revenue Tax \$ 18,256,000

Federal Transit Administration Formula Programs (includes local match provided by NJ TRANSIT when applicable)

Section 5311 Counties	\$ 4,143,444	(\$2,801,603 Federal; \$1,322,184 Operating; \$19,657 Capital)
Section 5311 Intercity	\$ 601,237	
Section 5311(b)(3)	\$ 119,365	
Section 5310	\$ 8,200,000	(\$7,200,000 Federal; \$1,000,000 Capital)
NJ-JARC	\$ 2,000,000	(\$1,000,000 DHS; \$1,000,000 Operating)
Sections 5307, 5309, CMAQ and various Special Appropriations (Local)	\$ 6,000,000	(\$5,800,000 Federal; \$200,000 Operating)

Past Authorizations: July 2013 (Fiscal Year 2014 Grant Programs)

Expenditures to Date: None

Total Project Cost: \$ 39,320,046

Projected Date of Completion: July 31, 2015

Capital Program Amount: \$ 36,797,862

Operating Budget Amount: \$ 2,522,184

PRINTS ID Number:	HQS00036	NJT00362
	HQS00037	NJT00363
	HQS00038	NJT00364
	NJT00246	NJT00464
	NJT00361	NJT00466

Anticipated Source of Funds: Casino Revenue Funds
FTA Section 5307, 5310, 5311, 5311(b)(3),
Specially-dedicated Congressional appropriations
CMAQ
New Jersey Department of Human Services
NJ TRANSIT Operating Budget
Transportation Trust Fund

DBE/SBE Goal:
Vehicle Purchases Transit Vehicle Manufacturer

Other Program Contracts Race Neutral or Various Race Conscious
DBE Goals % TBD

***NJ Build* Amount:** None

Related/Future Authorizations: NA

**Impacts on Subsequent
Operating Budgets:** \$ 2,522,184

RESOLUTION

WHEREAS, the New Jersey Senior Citizen and Disabled Resident Transportation Assistance Act provides 100 percent State funding for the counties or their designees to provide community-based transportation services, as well as for NJ TRANSIT to administer the program, to provide technical assistance to the counties, and to develop, provide and maintain accessible improvements to fixed route systems; and

WHEREAS, the Federal Transit Administration (FTA) makes available, under the Section 5311 Rural and Small Urban Areas program, 80 percent of the non-operating assistance and 50 percent of the operating assistance, with NJ TRANSIT providing one-half of the local match, to improve public transit services in rural areas; and

WHEREAS, the FTA requires 15 percent of a State's allocation of Section 5311 Rural Program to be spent for the development and support of intercity bus transportation unless the State certifies that the intercity bus needs of the State are adequately met; and

WHEREAS, the FTA makes available, under Section 5311(b)(3) Rural Transit Assistance Program (RTAP), 100 percent of the funding for training and technical assistance to FTA Section 5311 and FTA Section 5310, and Casino Revenue sub-recipients; and

WHEREAS, the FTA makes available, under Section 5310 Transportation for Elderly Persons and Persons with Disabilities, 80 percent of the purchase price, with NJ TRANSIT providing the 20 percent match, for vehicles which are purchased for private non-profit organizations and/or designated public bodies to transport senior and disabled residents; and

WHEREAS, up to 45 percent of the funds FTA makes available under Section 5310 Transportation for Elderly Persons and Persons with Disabilities may be used for operating assistance, with 50 percent local match to be provided by the subrecipient, and a portion of the funds may also be used for mobility management, with 20 percent local match to be provided by the subrecipient; and

WHEREAS, the New Jersey Department of Human Services makes available funding to address the needs of low income customers transitioning from welfare and/or seeking employment and this funding supplements the New Jersey Job Access and Reverse Commute (NJ-JARC) program that has succeeded the Federal JARC program; and

WHEREAS, the FTA makes available funds, under specially-dedicated Congressional appropriations, Congestion Mitigation Air Quality (CMAQ), Section 5307 Small Urban Cities, and Section 5309 Major Capital Investments, for the provision of operating, planning assistance and/or capital assistance with various matches provided by state, local agencies or toll credit for capital projects or equipment and/or local transit services that address the needs of community transit services;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to execute, extend or modify contracts to implement the FY2015 Senior Citizen and Disabled Resident Transportation Assistance Program as set forth in Exhibit B for a total program amount of \$18,256,000, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to execute all appropriate agreements and contracts and to take all other steps necessary to implement the FY2015 FTA Section 5311 Rural and Small Urban Areas program, as set forth in Exhibit C, in the amount of \$4,143,444 which includes \$2,801,603 in Federal funds and \$1,341,841 as the NJ TRANSIT share of the local match, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to execute all appropriate agreements and contracts and to take all other steps necessary to implement the FY2015 Section 5311 Rural Intercity Program for a total program amount of \$601,237, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2015 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$119,365 in Federal funds at no cost to NJ TRANSIT; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and leases to implement the FY2015 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities program at a cost not to exceed \$8,200,000 which includes \$7,200,000 in Federal funds and \$1,000,000 as the NJ TRANSIT share of the local match; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2015 New Jersey Jobs Access and Reverse Commute (NJ-JARC) program at a cost not to exceed \$2,000,000 which includes \$1,000,000 in NJ TRANSIT operating funds and \$1,000,000 in state funds from the New Jersey Department of Human Services; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement any specially-dedicated Congressional appropriations, FTA Section 5307 Small Urban Cities, FTA Section 5309 Major Capital Investments and Congestion Mitigation Air Quality (CMAQ) and other local projects including funds which will be flexed into ongoing FTA programs under the FY2015 budget at a cost not to exceed \$6,000,000.

EXHIBIT A
Page 1 of 3**DESCRIPTION OF LOCAL PROGRAMS ADMINISTERED BY NJ TRANSIT ON
BEHALF OF COUNTIES, MUNICIPALITIES, AUTHORITIES AND PRIVATE NON-
PROFIT ORGANIZATIONS**

The transit services funded through the grant programs administered by NJ TRANSIT's Community Services and Local Programs unit encompass more than 90 local partnerships, providing needed transportation to the State's senior citizens, persons with disabilities, and rural and low-income residents where services would otherwise not be available. Staff provides day-to-day grant support, planning and technical assistance, driver and management training, and state and Federal compliance oversight to county, municipal and private non-profit transit services funded through these programs.

A description of each grant program is provided below.

The **Senior Citizen and Disabled Resident Transportation Assistance Program** is funded from the Casino Revenue Tax Fund. Eighty-five percent of the annual appropriation is allocated by formula among the 21 counties for transportation of senior citizens and persons with disabilities. NJ TRANSIT is allocated the remaining 15 percent to provide administrative and compliance oversight, provide technical assistance to the counties, coordinate the program within and among the counties, and develop, provide and maintain those portions of capital improvements that afford accessibility to fixed-route and other transit services. NJ TRANSIT's Local Programs Citizen Advisory Committee advises NJ TRANSIT about the transportation needs of senior citizens and people with disabilities and reviews county funding applications to aid in the administration of this program.

Under administrative costs, technical assistance includes, as necessary, the awarding of grants to counties or the initiation of studies by NJ TRANSIT for planning efforts that foster coordination among counties as well as between counties, local community transportation and public transportation. Also included under planning efforts would be any studies that address statewide efforts to examine coordination of local transportation and human services programs as part of New Jersey's response to the Federal United We Ride initiative. The Casino Revenue Program is shown in Exhibit B.

The **FTA Section 5311 Rural and Small Urban Area Program** provides operating, administrative and capital assistance for public transportation services in small urban and rural areas in New Jersey pursuant to a population-based formula. Board approval of the FY2015 Program will allow 15 Section 5311 Projects and one Section 5311 Intercity project to continue operation. Two additional designated rural areas are eligible for funding but have no active projects at this time. The Section 5311 program is shown in Exhibit C.

EXHIBIT A
Page 2 of 3**DESCRIPTION OF LOCAL PROGRAMS ADMINISTERED BY NJ TRANSIT ON
BEHALF OF COUNTIES, MUNICIPALITIES, AUTHORITIES AND PRIVATE NON-
PROFIT ORGANIZATIONS**

Through the **FTA Section 5311(b)(3) Rural Transit Assistance Program (RTAP)**, NJ TRANSIT provides training and technical assistance for all small transit operators receiving Federal funds. Private operators under contract to funding sub-recipients are also allowed to participate. The Program is sponsored 100 percent by the FTA under Section 5311 and, together with additional Casino Revenue administrative funds which allow urban sub-recipients to participate, provides a variety of training through the National Transit Institute (NTI) as well as in-house. In addition to holding training classes and workshops, NTI maintains a Community Transportation Training Program website (www.njcttp.org), publishes a quarterly newsletter and together with NJ TRANSIT co-sponsors the annual New Jersey paratransit driver roadeo every spring.

Federal law requires that each State receiving Section 5311 Rural funding spend no less than 15 percent of that funding for the development and support of intercity bus transportation unless the State certifies, after consultation with affected intercity bus service providers, that the intercity bus service needs are being adequately met. One intercity project, a service connecting rural Ocean County with New York City, has been funded. NJ TRANSIT is currently conducting a study and a consultative process to determine whether or not intercity bus needs are adequately met. FY2015 funding is being set aside in the event that the study finds there are additional intercity needs that have not yet been met.

The **FTA Section 5310 Program** provides Federal funds to States for the purchase of vehicles and related equipment for private non-profit organizations and designated public bodies to provide transit services to senior citizens and persons with disabilities. It also allows for the funding of mobility management projects that further coordination of services under the United We Ride effort. The Federal funds available under this program can be used to pay up to 80 percent of the cost of vehicles. Since assuming administration of the program in 1979, NJ TRANSIT has purchased nearly 1,800 vehicles for non-profit organizations and designated coordinated public bodies in all 21 counties. Reflecting FTA regulations outlined in the latest program circular, all local projects selected must meet a need identified in a locally-developed human services-public transit transportation coordination plan.

In July 2012, Congress reauthorized the Federal transit program with the enactment of Moving Ahead for Progress in the 21st Century (MAP-21). Among other changes, the Section 5317 New Freedom program was discontinued as a separate program. Starting with Federal Fiscal Year 2013 funding, the Section 5317 New Freedom program has been blended with the Section 5310 program. The overall funding for the 5310 program

**DESCRIPTION OF LOCAL PROGRAMS ADMINISTERED BY NJ TRANSIT ON
BEHALF OF COUNTIES, MUNICIPALITIES, AUTHORITIES AND PRIVATE NON-
PROFIT ORGANIZATIONS**

was increased and up to 45 percent of the total funding can now be spent on operating assistance. NJ TRANSIT will conduct a competitive application process for vehicles, mobility management, and operating projects and it is anticipated a final application under the FY2015 program will be submitted to the FTA in spring 2015.

MAP-21 also discontinued the Section 5316 Job Access and Reverse Commute (JARC) program as a separate program, blending its funding and purposes with the Section 5307 and Section 5311 programs that fund transit in urban and non-urban areas. A portion of the funding formulas under which Section 5307 and Section 5311 funding is distributed to transit agencies nationwide is now based on the proportion of low-income residents in urban and non-urban areas.

The New Jersey Jobs Access and Reverse Commute (NJ-JARC) Program is intended to be the successor program to the JARC program formerly administered with Federal funds. In blending the JARC program with other transit programs, MAP-21 gave transit agencies more flexibility in how they use Federal transit funds. In order to make the most efficient use of its Federal transit funds, NJ TRANSIT has decided not to set aside any Federal funds for services formerly supported through the Federal JARC program. Instead, NJ TRANSIT will use these Federal funds to maintain its own services, and provide operating funding to continue JARC services formerly supported by the Federal JARC program. This funding is supplemented with \$1,000,000 in State Human Services funding. In FY2015, NJ TRANSIT anticipates the need for total NJ-JARC funding at \$2,000,000 as some services are still drawing down funding from previous Federal JARC grants. Starting in FY2016, the total need for the NJ-JARC program is anticipated to be \$5,000,000 of which \$1,000,000 will come from State Human Services funding, and \$4,000,000 will come from NJ TRANSIT operating funds. A dollar-for-dollar match is required of sub-recipients to participate in the NJ-JARC program, and all projects must meet a need identified in a locally-developed human services/public transportation coordination plan.

In addition, in FY2015 it is anticipated that there are various **Local Community Transit Initiatives** funded through specially-dedicated Congressional appropriations, Section 5307 (Cumberland County and East Windsor), Section 5309, CMAQ, and operating funding that will require the purchase of capital equipment and/or contracting for operating and/or planning services for local transportation services.

**SENIOR CITIZEN AND DISABLED RESIDENT
TRANSPORTATION ASSISTANCE PROGRAM
FY2015**

COUNTY	FY2014 ALLOCATION	FY2015 ALLOCATION
Atlantic	\$ 557,463	\$ 500,273
Bergen	1,519,000	1,363,164
Burlington	897,445	805,376
Camden	953,485	855,666
Cape May	380,000	341,016
Cumberland	380,000	341,016
Essex	1,316,700	1,181,619
Gloucester	524,248	470,465
Hudson	959,127	860,730
Hunterdon	380,000	341,016
Mercer	668,546	599,959
Middlesex	1,428,027	1,281,524
Monmouth	1,261,056	1,131,684
Morris	984,521	883,518
Ocean	1,519,000	1,363,164
Passaic	873,111	783,538
Salem	380,000	341,016
Somerset	581,108	521,492
Sussex	380,000	341,016
Union	968,713	869,332
Warren	380,000	341,016
Total Counties	\$ 17,291,550	\$ 15,517,600
NJ TRANSIT	3,051,450	2,738,400
TOTAL	\$ 20,343,000	\$ 18,256,000

100% State funds from the Casino Revenue Tax funds.

EXHIBIT C
Page 1 of 1

SECTION 5311 RURAL AND SMALL URBAN AREAS PROGRAM
PROJECTED FY2015

	FEDERAL (A)	STATE* (B)	TOTAL BUDGET (A+B)	LOCAL** (C)	TOTAL PROGRAM (A+B+C)
NORTHERN REGION					
Morris*	\$ 219,277	\$ 109,639	\$ 328,916	\$ 109,639	\$ 438,555
Passaic (West Milford)	78,099	39,050	117,149	39,050	156,199
Sussex	472,376	236,188	708,564	236,188	944,752
Warren	351,293	166,272	517,565	166,272	683,837
CENTRAL REGION					
Hunterdon	294,893	147,447	442,340	147,447	589,787
Mercer	53,896	26,948	80,844	26,948	107,792
Middlesex***	-	-	-	-	-
Monmouth	99,874	49,937	149,811	49,937	199,748
Ocean***	-	-	-	-	-
Somerset	86,147	33,231	119,378	33,231	152,609
SOUTHERN REGION					
Atlantic	202,607	101,304	303,911	101,304	405,215
Burlington	249,721	115,486	365,207	115,486	480,693
Camden	35,393	17,696	53,089	17,696	70,785
Cape May	71,685	31,918	103,603	31,918	135,521
Cumberland	316,462	138,626	455,088	138,626	593,714
Gloucester	101,593	50,797	152,390	50,797	203,187
Salem	168,287	77,302	245,589	77,302	322,891
TOTAL	<u>\$ 2,801,603</u>	<u>\$ 1,341,841</u>	<u>\$4,143,444</u>	<u>\$ 1,341,841</u>	<u>\$ 5,485,285</u>
Operating	\$ 2,644,365	\$ 1,322,184	\$ 3,966,549	\$ 1,322,184	\$ 5,288,733
Non-Operating (Administration)	\$ 157,238	\$ 19,657	\$ 176,895	\$ 19,657	\$ 196,552

* Provided by NJ TRANSIT Capital Program and Operating Budget.

** Provided by local recipient and not reflected in Board Authorization.

*** Middlesex and Ocean Counties are currently inactive projects.

EXHIBIT D
Page 1 of 1

PROGRAM TOTALS

	FY2013 AUTHORIZATION	FY2014 AUTHORIZATION	FY2015 REQUESTED AUTHORIZATION
Casino Revenue	\$ 24,632,000	\$ 20,343,000	\$ 18,256,000
Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program	\$ 4,735,783	\$ 8,200,000	\$ 8,200,000
Section 5311 Rural and Small Urban Area Program	\$ 3,462,494	\$ 4,275,024	\$ 4,143,444
Section 5311 Intercity Program	\$ 439,237	\$ 1,067,803	\$ 601,237
Section 5311(b)(3) Rural Transit Assistance Program	\$ 99,090	\$ 153,826	\$ 119,365
Section 5316 Jobs Access and Reverse Commute Program	\$ 4,942,379	\$ 4,791,548	NA
NJ-JARC	NA	NA	\$ 2,000,000
Section 5317 New Freedom Program	\$ 3,000,000	\$ 3,009,344	NA
Other (Small Urban, CMAQ)	<u>\$ 7,620,000</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>
TOTAL	<u>\$ 48,930,983</u>	<u>\$ 47,840,545</u>	<u>\$ 39,320,046</u>

Casino Revenue continues to decline. The FY2013 total for Casino Revenue includes \$2 million in supplemental funding.

"Other" includes CMAQ funding for both operating and capital expenditures, which is allocated by MPOs. For example, NJTPA has allocated funding for a "last mile shuttle" program that provides local entities with three years of operating assistance for shuttle service that connects with main line transit. Also included in this category is Section 5307 funding for on-going services in East Windsor and Cumberland County.

The increase in FY2014 Intercity funding is due to requested authorization of older funding not previously authorized. The increase in Section 5310 funding in FY2014 reflects changes enacted through MAP-21. The increase in Section 5311 funding in FY2014 is due to a combination of changes enacted through MAP-21 and FTA's use of 2010 census data to allocate funds among the states.

Starting with the FY2015 Program, Section 5316 and Section 5317 no longer exist as separate Federal programs. The NJ-JARC program is the successor to the Federal Section 5316 program.

EXHIBIT E
Page 1 of 1

FUNDING SOURCES

PROGRAM	FEDERAL	NJ TRANSIT MATCH – CAPITAL	NJ TRANSIT MATCH – OPERATING	OTHER FUNDING	CASINO REVENUE	TOTAL
Senior Citizen and Disabled Resident					\$18,256,000	\$ 18,256,000
Section 5310	\$ 7,200,000	\$ 1,000,000				\$ 8,200,000
Section 5311 Counties	\$ 2,801,603	\$ 19,657	\$ 1,322,184			\$ 4,143,444
Section 5311 Intercity	\$ 601,237					\$ 601,237
Section 5311 (b)	\$ 119,365					\$ 119,365
NJ JARC			\$ 1,000,000	\$1,000,000		\$ 2,000,000
Other	\$ 5,800,000		\$ 200,000			\$ 6,000,000
TOTAL	\$16,522,205	\$ 1,019,657	\$ 2,522,184	\$1,000,000	\$18,256,000	\$39,320,046

**ITEM 1407-34: COMMUNITY MOBILITY AND LOCAL PROGRAMS:
AMENDMENT TO CONTRACT FOR PURCHASE OF
ADDITIONAL MV-1 VEHICLES**

BENEFITS

The Federal Transit Administration (FTA) makes available a variety of funding programs and grants that allow for the purchase of vehicles for local community transit services. NJ TRANSIT, as the direct grant recipient, has taken the lead in procuring vehicles under these grant programs on behalf of local sub-recipients in order to maximize purchasing power as well as maintain better oversight of Federal procurement regulations and compliance issues.



Figure 1 - MV-1 Vehicle

Vehicles purchased by exercising these options will benefit elderly and disabled residents of New Jersey. Funding is provided through the Federal Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program. Transportation Trust Fund monies are used for NJ TRANSIT's match of Section 5310 funds.

ACTION (Scorecard: Corporate Accountability, Customer Experience)

Staff seeks authorization to amend NJ TRANSIT Contract No. 13-027 with Alliance Bus Group of Carlstadt, New Jersey, for the purchase of 15 Mobility Vehicles (Model MV-1) in an amount not to exceed \$685,050.00, plus five percent for contingencies, for a total authorization of \$2,014,047.00, subject to the availability of funds.

PURPOSE

Authorization of this contract will provide MV-1 vehicles to be used by seven private non-profit organizations and six designated public bodies to provide transit services to senior citizens and persons with disabilities.

BACKGROUND

Federal Transit Administration Programs

Section 5310 Transportation for Elderly Persons and Persons with Disabilities

This program (49 U.S.C. 5310) provides formula funding annually to States for the purpose of assisting private non-profit groups in meeting the transportation needs of the elderly and persons with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs. Funds are apportioned based on each State's share of population for these groups of people.

Funds are obligated based on the annual program of projects included in a statewide grant application. The State agency (in New Jersey it is NJ TRANSIT) ensures that local applicants and project activities are eligible and in compliance with Federal requirements that private not-for-profit transportation providers have an opportunity to participate as feasible, and that the program provides for coordination of Federally-assisted transportation services assisted by other Federal sources. Once the FTA approves the application, funds are available for State administration of its program and for allocation to individual sub-recipients with the State.

States are direct recipients. Eligible sub-recipients are private non-profit organizations; governmental authorities where no non-profit organizations are available to provide service; and governmental authorities approved to coordinate services.

Title 49 U.S.C. 5310 requires a recipient of Section 5310 funds to certify that projects selected are derived from a locally-developed, coordinated public transit-human services transportation plan.

NJ TRANSIT's Administrative Role

NJ TRANSIT's authorizing legislation, known as the New Jersey Public Transportation Act of 1979, states "As a matter of public policy, it is the responsibility of the State to establish and provide for the operation and improvement of a coherent transportation system in the most efficient and effective manner." (N.J.S.A. 27:25-2)

Furthermore, under the Senior Citizen and Disabled Resident Transportation Assistance Act, which became effective January 17, 1984, the New Jersey Legislature stated that "it is appropriate that the New Jersey Transit Corporation, in conjunction with its advisory bodies, representatives or associations of counties, and other interested parties, develop a plan for transportation assistance to senior citizens and the disabled; that the instrumentalities of local government, particularly the counties of this State, should play a major role in facilitating the provision of that transportation assistance; and that the New Jersey Transit Corporation in conjunction with the New Jersey Department of Transportation's Office of Coordination, as well as the counties, should coordinate the assistance with existing transportation services, including but not limited to those services funded by any other State agency, at the local level and coordinate inter-county transportation services." (N.J.S.A. 27:25-26)

NJ TRANSIT has developed a State Management Plan, most recently updated in January 2014, for this program, which describes the process by which funds are administered and which includes the process for selecting sub-recipients to receive vehicles.

Selection Process

Under Section 5310, Federal funding is made available annually and a competitive grant process is undertaken. The Section 5310 application process for sub-recipients is directly administered by NJ TRANSIT with input from other groups and organizations, including Metropolitan Planning Organizations (MPOs), during the review and selection process. The Section 5310 program for senior and disabled transportation programs is predominantly a capital (vehicle) program and requests usually exceed available funds. This Board item only reflects capital requests for vehicles contained in approved grants.

Section 5310 applications are reviewed and evaluated in five major areas:

- Description of service, which includes a description of the service area, explanation of current transportation challenges for consumers, impact of not receiving the award, and the unmet need being filled with the award.
- Vehicle utilization and appropriateness of service, including the number of trips and hours of operation as well as the trip purposes proposed.
- Coordination and cooperation, which considers whether the applicant or service presented as an unmet need is specifically identified in a locally-developed human services coordination plan.
- Financial and management capabilities, which include a consideration of fiscal resources set aside for the proposed service as well as the agency's experience in providing transportation services.
- Operating plan, which includes the depth of driver training, maintenance program, storage of equipment, and scheduling and dispatching of vehicles.

In addition to the above factors, the availability of other transit options in the area, and the degree to which the Section 5310 proposed service will complement the other options, is considered. For those who are current sub-recipients of NJ TRANSIT, timely submittal of required reports and certifications, and maintenance of vehicles are also considered.

This process is explained in greater detail in NJ TRANSIT's State Management Plan for the Section 5310 program, most recently revised in January 2014.

Funding

Funds to be used in this vehicle purchase have already been awarded to NJ TRANSIT through FTA grants. NJ TRANSIT's costs for administering these programs are also funded through these grants.

A total of \$685,050 in FTA Section 5310 funding matched with TTF is to be expended on the 15 vehicles to be purchased through NJ TRANSIT Contract No. 13-027. Of this amount, \$137,010 is TTF, and \$548,040 is FTA Section 5310. The use of federal Section 5310 funding requires a twenty percent match.

Procurement

In February 2013, the NJ TRANSIT Board of Directors approved the award of NJ TRANSIT Contract No. 13-027 with Alliance Bus Group of Carlstadt, New Jersey, for the purchase of 27 Mobility Vehicles (Model MV-1). The bid documents included the provision for the purchase of up to 15 additional MV-1 vehicles within 365 days of Notice to Proceed (NTP). NTP was issued on March 31, 2014.

The MV-1 vehicles purchased through this contract have a useful life of four years or 100,000 miles.

The distribution of MV-1 vehicles is as follows:

Recipients of MV-1 Vehicles

Atlantic	Bacharach Institute for Rehabilitation	1 Vehicle
Bergen	Jewish Home at Rockleigh	1 Vehicle
Camden	Arc of Camden County Inc	1 Vehicle
Cumberland	County of Cumberland	1 Vehicle
Gloucester	Arc of Gloucester	1 Vehicle
Hudson	Hudson County Transcend	1 Vehicle
Hunterdon	Hunterdon County Human Services	1 Vehicle
Mercer	County of Mercer	1 Vehicle
Middlesex	Neighbors, Inc.	1 Vehicle
Monmouth	Meadowlink	1 Vehicle
Morris	Five Town Regional Dial-A-Ride, Inc.	1 Vehicle
Passaic	Meadowlink	1 Vehicle
Union	County of Union	1 Vehicle
Union	Community Access Unlimited, Inc.	1 Vehicle
Union	Meadowlink	1 Vehicle

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

FISCAL IMPACTS

Requested Authorization:

This Authorization	\$ 685,050.00	+ 5% contingency
Total Authorization	\$ 2,014,047.00	

Past Authorizations:

February 2013 (Item 1302-01)	\$ 1,233,090.00	+ 5% contingency
------------------------------	-----------------	------------------

Expenditures to Date: None

Total Project Cost: \$ 685,050

Projected Date of Completion: July 2015

Capital Program Amount: \$ 685,050

Operating Budget Amount: None

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

PRINTS ID Number: NJT00376
NJT00468

DBS/SBE Goal: Transit Vehicle Manufacturer

NJ Build Amount: N/A

Related Future Authorization: Annual Community Mobility and Local Programs authorization

Impacts on Subsequent Operating Budgets: None

RESOLUTION

WHEREAS, NJ TRANSIT has applied for and funded local transit services throughout the state through a variety of Federal Transit Administration (FTA) grant programs; and

WHEREAS, funding is available to purchase vehicles for local transportation programs under FTA Section 5310; and

WHEREAS, NJ TRANSIT previously contracted with Alliance Bus Group for the purchase of Mobility Vehicles (Model MV-1); and

WHEREAS, the contract with Alliance Bus Group included the option to purchase additional Mobility Vehicles (Model MV-1);

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend NJ TRANSIT Contract No. 13-027 with Alliance Bus Group of Carlstadt, New Jersey, for the purchase of 15 Mobility Vehicles (Model MV-1) in an amount not to exceed \$685,050.00, plus five percent for contingencies, for a total authorization of \$2,014,047.00, subject to the availability of funds.

ITEM 1407-35: CONSTRUCTION SERVICES FOR THE REPLACEMENT OF UNDERGRADE BRIDGES OVER WATCHUNG AVENUE, MILEPOST 22.99 AND PARK AVENUE, MILEPOST 23.13 ON NJ TRANSIT'S RARITAN VALLEY LINE

BENEFITS

NJ TRANSIT owns and maintains the Undergrade Bridges 22.99 and 23.13 located on the Raritan Valley Line in the City of Plainfield, New Jersey, each spanning Watchung Avenue and Park Avenue respectively. These undergrade bridges are more than 100 years old and replacement of these structures will restore them to a "state-of-good-repair." The replacement will ensure public safety and maintain reliable commuter rail service for 20,850 average weekday passenger trips on the Raritan Valley Line each day. To date NJ TRANSIT has rehabilitated or replaced 8 of the 13 NJ TRANSIT owned railroad bridges that transverse the City of Plainfield.

ACTION (Scorecard: Safety and Security, Corporate Accountability)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 14-036X with Cornell & Company, Inc. of Westville, New Jersey to provide construction services for the Replacement of Undergrade Bridges 22.99 and 23.13 on NJ TRANSIT's Raritan Valley Line over Watchung Avenue and Park Avenue respectively, in the amount of \$7,129,500.00, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

The undergrade bridges over Watchung and Park Avenues in the City of Plainfield are in need of repair. The overall condition of the bridges has deteriorated over the years due to water intrusion, which has damaged the abutments and caused corrosion of the structural steel members, thus reducing the load carrying capacity. This project will replace the steel superstructure; repair the steel sidewalk bents; repair the stone masonry abutments and improve the current substandard vertical clearance for roadway traffic at both bridges. Replacement of the bridges is necessary to ensure the continued safe and reliable operation of train service.

BACKGROUND

History

In 1873-75, the Central Railroad of New Jersey (CRRNJ) started to eliminate the large amount of grade crossings located in the City of Plainfield, New Jersey on their main line, now known as NJ TRANSIT's Raritan Valley Line, by elevating the railroad grade and constructing bridges over the streets.

Around 1906, the CRRNJ started replacing the original wooden bridges with steel bridges. The Watchung and Park Avenue Bridges were constructed in 1908 as part of that effort.

These bridges were scheduled for replacement due to their relative age and condition.

Procurement

The Invitation for Bid (IFB) for Rehabilitation of Watchung Avenue and Park Avenue Bridges Located in the City of Plainfield, New Jersey was advertised on March 18, 2014 in the Newark Star Ledger and the Trenton Times. On May 15, 2014, four bids were received. The lowest responsive and responsible bid was submitted by and Cornell & Company, Inc. of Westville, New Jersey in the amount of \$7,129,500.00.

The Office of Business Development assigned a 10% SBE, Category 6 goal for the IFB.

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

FISCAL IMPACT

Requested Contract Authorization:	\$7,129,500 plus 5% contingency
Past Authorizations:	Design – September 2011 \$975,000 plus 5% contingency
Expenditures to Date:	\$914,446.00
Total Project Cost:	\$13,800,000
Projected Date of Completion:	February 2016
Capital Program Amount:	\$13,800,000
Operating Budget Amount:	\$0
Anticipated Source of Funds:	Transportation Trust Fund
PRINTS ID Number:	NJT00225
DBE/SBE Goal:	10% SBE, Category 6
<i>NJ Build</i> Amount:	\$35,648
Related/Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT owns and maintains the two undergrade railroad bridges on its Raritan Valley Line at Milepost 22.99 and 23.13 over Watchung Avenue and Park Avenue respectively in the City of Plainfield, Union County; and

WHEREAS, the bridges are more than 100 years old and require replacement to ensure public safety and maintain reliable commuter rail service for 20,850 average weekday passenger trips on the Raritan Valley Line each day; and

WHEREAS, following a competitive bid process, Cornell & Company of Westville, New Jersey was the lowest responsive and responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 14-036X with Cornell & Company, Inc. of Westville, New Jersey to provide construction services for the Replacement of Undergrade Bridges 22.99 and 23.13 on NJ TRANSIT's Raritan Valley Line over Watchung Avenue and Park Avenue respectively, in the amount of \$7,129,500.00, plus five percent for contingencies, subject to the availability of funds.

ITEM 1407-36: DESIGN, ENGINEERING AND CONSTRUCTION ASSISTANCE SERVICES FOR THE ELECTRICAL, MECHANICAL & STRUCTURAL REHABILITATION OF UNDERGRADE BRIDGE MILEPOST 0.39 RARITAN RIVER DRAW BRIDGE

BENEFITS

NJ TRANSIT's North Jersey Coast Line provides 22,250 average weekday passenger trips in Middlesex, Monmouth, and Ocean counties. The Raritan River Draw Bridge is a movable bridge that spans the Raritan River between Perth Amboy and South Amboy, connecting the lower portion of the North Jersey Coast Line, including Long Branch and Bay Head Yards, to points north extending as far as New York City.

The 108 year old Raritan River Draw has gone through numerous repairs throughout its years, mostly associated with wear and damaged mechanical components in the movable span.

The mechanical and electrical components of the Raritan River Draw swing span are in need of repair with major, non-safety related deficiencies found in the most recent evaluation.

New drive and bridge control systems on the Raritan River Bridge will bring reliability to rail operations and marine traffic. Due to its age, current condition, and continued costly repairs, NJ TRANSIT has prioritized the replacement of the mechanical equipment and subsequent electrical components on the movable span. This rehabilitation project will maintain public safety, reliable train service, and maintain maritime traffic.

ACTION (Scorecard: Safety, Security, and Corporate Accountability)

Staff seeks authorization to enter into Contract No. 14-006 with HDR Engineering, Inc., of Newark, New Jersey, to perform design, engineering, and construction assistance services for the electrical, mechanical, & structural rehabilitation of undergrade bridge 0.39 Raritan River Draw Bridge, located between Perth Amboy and South Amboy, Middlesex County at a negotiated cost not to exceed \$1,141,114, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

The goal of this Request For Proposal (RFP) is to engage a Consultant to produce the construction documents (and all ancillary support) necessary to upgrade the electrical, mechanical and structural systems of the swing span by providing the following:

- Rehabilitate center wedge, end wedges, rack track, balance wheels, and catenary glider
- Design new central drive system and new span locks
- Design new control house

- Concrete repairs in conjunction with rehabilitation work
- Design new bridge control system and backup generator

The scope of work will also include permit identification, Coast Guard coordination, construction scheduling, and cost estimating.

As a result of this project, NJ TRANSIT will have reliable bridge operation for rail operations and marine vessels.

BACKGROUND

History

The Raritan River Draw Bridge, built circa 1906, carries the North Jersey Coast Line (NJCL) at Milepost 0.39 over the Raritan River between Perth Amboy and South Amboy, New Jersey. The bridge is a two track, thirty span open deck structure that consists of twenty-eight simply supported 100'-0 approach spans and a main swing span over the navigable channel. The approach spans are comprised of riveted steel built-up girders supported on unreinforced masonry abutments and piers. The 327' main swing span consists of two riveted steel built-up through trusses on an unreinforced masonry center pier.

The bridge currently has (3) three independent drive systems: end wedge, center wedge, and main bridge drives. These three drive systems are controlled by (2) two bridge control systems, one circa 1995 and the other circa 1906.

Over the years, various modifications have been made to the drive and bridge control system to increase the reliability and redundancy of the bridge operation. These modifications are now becoming unreliable due to age and wear. Due to the worn condition of the drive system machinery, failure of one the components will cause the bridge to become inoperable.

Project Justification

The cost to repair the movable span's drive and bridge control system has become exceedingly costly and will continue to be in the future. Due to the existing number of drive systems and bridge control systems, Raritan River Draw Bridge has become unreliable to operate. It is the intent of this project to design one drive system and one control system thereby increasing the reliability and reducing maintenance.

The new drive system and bridge control system will be designed with 'Off-the-Shelf' components thereby reducing the 'down time' should repairs be required. The new drive system will be redundant and have a backup generator in the event of loss of commercial power.

The new bridge control system will be the new standard modular design recently developed by NJ TRANSIT. The standard module will be incorporated as NJ TRANSIT upgrades the bridge control systems of its movable bridges. The benefits are the bridge control system will be the same from bridge to bridge which will greatly facilitate trouble shooting and reduce maintenance.

Procurement

The Request for Proposals (RFP) for design, engineering, and construction assistance services for the electrical, mechanical, & structural rehabilitation of undergrade bridge 0.39 Raritan River Draw Bridge on the North Jersey Coast Line was advertised on December 19, 2013 in *The Star Ledger* and *The Trenton Times*. On February 27, 2014, five proposals were received from prospective engineering design firms.

These proposals were distributed to the Technical Evaluation Committee (TEC) comprised of representatives from Rail Operations Infrastructure Engineering for evaluation. The evaluation established that three firms should proceed to the oral presentation phase based on their technical expertise.

Oral presentations were made on March 17, 18, and 19, after which the TEC reevaluated the scores of the firms for overall technical qualifications. NJ TRANSIT then entered into negotiations with the highest technically ranked firm, HDR Engineering, Inc.

The Office of Business Development assigned a 25 percent (Category 5) SBE goal for the RFP. HDR submitted a goal of 25.31 percent with their cost proposal.

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

FISCAL IMPACT

Requested Contract Authorization:	\$1,141,114 + 5% contingency
Past Authorizations:	None
Expenditures to Date:	\$16,489
Total Project Cost	\$8,000,000
Projected Date of Completion:	May 2015 (Design)
Capital Program Amount:	\$8,000,000
Operating Budget Amount:	\$0
Anticipated Source of Funds:	Transportation Trust Fund

PRINTS ID Number:	NJT00900
DBE/SBE Goal:	SBE 25% (Category 5)
<i>NJ Build</i> Amount:	None
Future/Related Authorizations:	TBD
Impact on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT's North Jersey Coast Line provides 22,250 average weekday passenger trips in Middlesex, Monmouth, & Ocean counties; and

WHEREAS, the unreliable state of the Raritan River Draw Bridge's drive and control systems have, at times, resulted in the bridge becoming inoperable; and

WHEREAS, the rehabilitation of River Draw Bridge will maintain public safety, reliable train service and maritime traffic; and

WHEREAS, the new drive system and bridge control system will be designed with readily available components thereby reducing the 'down time' should repairs be required; and

WHEREAS, following a competitive procurement process, HDR Engineering, Inc., of Newark, New Jersey was identified as the top ranked firm providing the best value and the best interest of NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a Contract No. 14-006 with HDR Engineering, Inc., of Newark, New Jersey, to perform design, engineering, and construction assistance services for the electrical, mechanical, & structural rehabilitation of undergrade bridge 0.39 Raritan River draw bridge on NJ TRANSIT's North Jersey Coast Line, between Perth Amboy and South Amboy, Middlesex County at a cost not to exceed \$1,141,114, plus five percent for contingencies, subject to the availability of funds.

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, matters falling within the attorney-client privilege and litigation, including, but not limited to, the Personal Injury Claim: John Massey vs. NJ TRANSIT Bus Operations; 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.

CONSENT CALENDAR

ITEM 1407-37: MEMORANDUM OF UNDERSTANDING FOR SOMERVILLE TRANSIT-ORIENTED DEVELOPMENT**BENEFITS**

Transit-oriented development (“TOD”) of approximately 31 acres of property owned by NJ TRANSIT adjacent to its Somerville Station, as shown on Exhibit A, will maximize the value of NJ TRANSIT's underutilized, largely vacant real-estate asset. Planned development will enhance commuter access by providing improved roadway and uninterrupted pedestrian access to the station and a parking deck to replace the existing 423 surface parking spaces. The planned development improvements will complement NJ TRANSIT's \$15.3 million renovation and high-level platform project, completed in 2012. Average weekday boardings at Somerville totaled 656 in 2013, making Somerville the seventh-busiest station on the Raritan Valley Line and the 62nd station in average weekday boardings, among NJ TRANSIT's 165 rail stations. Transit-oriented development on NJ TRANSIT's property at Somerville will enhance economic development, promote the use of the recently improved station, together with the potential to boost ridership and revenue and reduce dependency on auto trips into destinations such as New York City.

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

Staff seeks authorization to execute a Memorandum of Understanding (“MOU”) with Somerset Development, LLC, of Lakewood, New Jersey, to plan, design and develop a transit-oriented development including a parking deck, on approximately 31 acres of NJ TRANSIT-owned property adjacent to its Somerville Station.

PURPOSE

Execution of a MOU that identifies primary business terms and legal rights and obligations of NJ TRANSIT and its selected developer, Somerset Development, LLC (“Somerset”), of Lakewood, New Jersey, will enable the parties to negotiate a master development agreement (“MDA”). The MOU reserves the right of NJ TRANSIT to terminate the MOU for any reason related to current or future railroad operations. Following the execution of the MOU and the developer's due diligence period, Board of Director's approval of the MDA will be sought.

Authorization to execute a MOU with Somerset advances NJ TRANSIT's efforts to improve the customer experience by facilitating TOD development adjacent to the Somerville station. By encouraging residents and prospective commuters to live and work near the station, TOD development also enhances rail ridership. The MOU furthers NJ TRANSIT's goals of maximizing both farebox and non-farebox revenues while increasing utilization of the recently improved station. As well, the MOU benefits economic development in Somerville and the region through mixed-use commercial development. The MOU will provide Somerset Development, LLC sufficient

authorization to advance its due diligence while providing NJ TRANSIT a sufficient means of terminating the MOU should the parties not agree on MDA terms.

BACKGROUND

The Borough of Somerville has worked with NJ TRANSIT, the New Jersey Department of Transportation, the New Jersey Department of Environmental Protection and Somerset County to redevelop property located at and adjacent to the Somerville Station. In 1987, NJ TRANSIT's Board of Directors authorized a long-term lease of approximately 29 acres of NJ TRANSIT's land near the station, a former rail yard, to Rosenshein Associates of New Rochelle, New York, a developer selected by the Borough. Due to economic conditions and project disputes, agreements were concluded and the development did not proceed.

In 2004, the Borough designated 157 acres near the station, which included NJ TRANSIT's property, as an area in need of redevelopment. In 2005, NJ TRANSIT worked with the Borough and Somerset County to develop a vision plan for TOD. In 2007 the Borough adopted the vision plan, conformed the redevelopment plan to the vision plan and, with NJ TRANSIT, sought competitive proposals for a development team to develop the entire redevelopment area. The Borough and NJ TRANSIT rejected the sole proposal received as non-responsive.

In 2008, the Borough and NJ TRANSIT issued a request for qualifications for the redevelopment area. Three firms responded and subsequently withdrew their proposals due to the potential cost of environmental cleanup of the Borough's portion of the site (a former landfill) and the economic downturn and the collapse of the real estate market.

In 2009, while the Borough sought funds to remediate its property, NJ TRANSIT sought expressions of interest from potential developers for development of its portion of the redevelopment area.

Current Request for Proposal

In December 2009, NJ TRANSIT placed advertisements for expressions of interest in general-circulation newspapers and trade publications. Eight development firms responded. In January 2010, NJ TRANSIT conducted a pre-proposal conference for the eight firms.

A five-member technical evaluation committee ("TEC") reviewed the eight firms' responses. The TEC consisted of staff from Real Estate and Economic Development, Capital Planning and Programs, Government and Community Relations and the Borough of Somerville.

Upon the TEC's recommendation, Procurement issued an RFP to four developers in July 2011:

- Avalon Bay

- Nexus Properties/Nexus Parking Systems, LLC
- River Development, LLC (“River”)
- Somerset Development, LLC (“Somerset”)

The RFP was seeking to achieve four primary goals through transit-oriented development of NJ TRANSIT's 31 largely vacant acres adjacent to the station:

- Maximize utilization of the station
- Maximize the value of NJ TRANSIT's real estate asset
- Enhance the overall economic development of Somerville and the region with mixed-use commercial development
- Enhance commuter access and public parking

Two developers submitted proposals prior to the December 2011 deadline – Somerset and River. The TEC scored the proposals using RFP evaluation criteria:

Economic benefit to NJ TRANSIT	30%
Concept plan	20%
Experience of team	20%
Project feasibility	15%
Financial qualifications of team	15%

In April 2012, the two firms made oral presentations to the TEC. On the basis of the oral presentations, Procurement asked both firms to respond to questions related to their respective presentation. NJ TRANSIT received both responses prior to the deadline. The TEC’s project manager conducted reference-check interviews regarding both firms.

Following the oral presentations, the TEC scored the proposals to establish a competitive range for the purpose of soliciting best-and-final offers. The scores were:

Proposer	Score after Oral Presentation
Somerset Development, LLC	4,230
River Development, LLC	2,440

The TEC scored Somerset Development’s proposal higher than River Development’s because Somerset Development offered superior economic benefit to NJ TRANSIT, a concept plan aligned with the Borough’s redevelopment plan, better financial qualifications, superior project feasibility, and greater potential to complete the project.

NJ TRANSIT selected Somerset to commence negotiations on an MOU, with the understanding that the terms and conditions of the MOU would be subject to approval by NJ TRANSIT's Board of Directors. To represent NJ TRANSIT in negotiations, the

Attorney General's office retained Hill Wallack LLP, a law firm based in Princeton, as special counsel.

In February 2013, NJ TRANSIT's Board of Directors authorized compensation of Hill Wallack LLP for legal assistance on the MOU for Somerville TOD (Item 1302-04).

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

FISCAL IMPACTS

Requested Authorization: Authorization to execute a memorandum of understanding with Somerset Development, LLC, of Lakewood, to plan, design and develop a transit-oriented development, including a parking deck, on approximately 31 acres of property that NJ TRANSIT owns adjacent to NJ TRANSIT's Somerville Station

Past Authorizations: Authorization of compensation of Special Counsel (Hill Wallack LLP), February 2013: not to exceed \$750,000
February 2013 (Item 1302-04)

Expenditures to Date: \$19,000

Total Project Cost: \$1,350,000

Projected Date of Completion: TBD

Capital Program Amount: \$1,350,000

Operating Budget Amount: None

Anticipated Source of Funds: Transportation Trust Fund

Prints ID Number: NJT00949

DBE/SBE Goal: N/A

NJ Build Amount: N/A

Related/Future Authorizations: Approval of MDA

Impacts on Subsequent Operating Budgets: Additional non-farebox revenue TBD following negotiation and execution of a MDA.
Increased farebox revenue as the result of improved ridership following build out of the TOD. Guaranteed parking deck rent.
Reduction of parking lot operating expenses TBD following negotiation and execution of a MDA.

RESOLUTION

WHEREAS, NJ TRANSIT owns approximately 31 acres of largely vacant land adjacent to Somerville Station; and

WHEREAS, NJ TRANSIT encourages transit-oriented development to improve the customer experience at various rail stations by stimulating improved station utilization, parking and roadway access; and

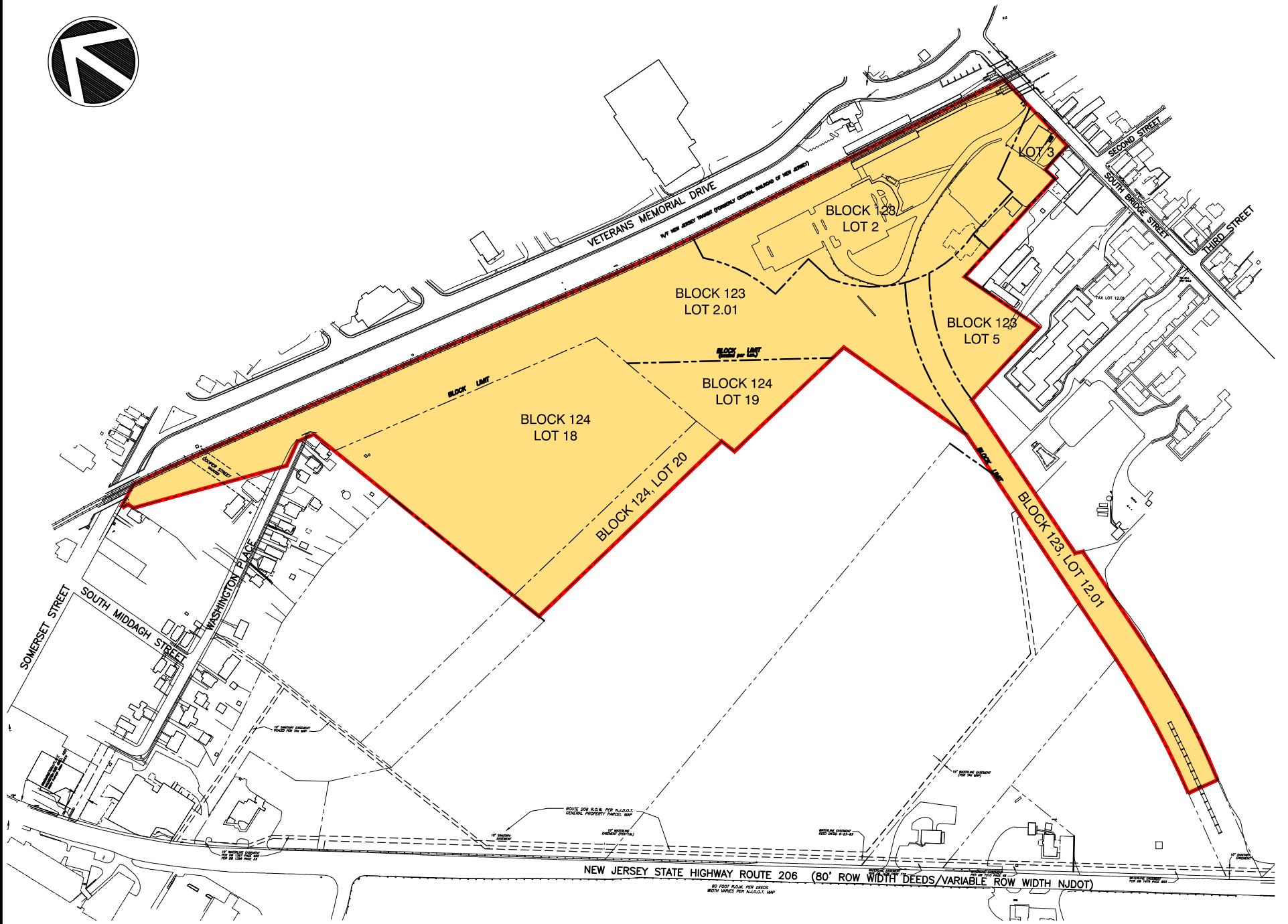
WHEREAS, NJ TRANSIT encourages transit-oriented development to lessen dependence on the taxpayer subsidy by increasing ridership and farebox revenue, and by generating non-farebox revenue in the form of increased economic activity; and

WHEREAS, the Borough of Somerville adopted a vision plan and a redevelopment plan for 157 acres that encompasses the principles of transit-oriented development of NJ TRANSIT's land adjacent to Somerville Station; and

WHEREAS, NJ TRANSIT, through a competitive procurement process and technical evaluation selected Somerset Development, LLC, of Lakewood, to execute a Memorandum of Understanding to plan, design and develop a transit-oriented development, including a parking deck, on approximately 31 acres of property that NJ TRANSIT owns adjacent to NJ TRANSIT's Somerville Station; and

WHEREAS, NJ TRANSIT's next steps to advance transit-oriented development are negotiating and executing a Memorandum of Understanding and, thereafter, a Master Development Agreement;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to execute a Memorandum of Understanding with Somerset Development, LLC, of Lakewood, New Jersey, to plan, design and develop a transit-oriented development, including a parking deck on approximately 31 acres of property that NJ TRANSIT owns adjacent to NJ TRANSIT's Somerville Station.



**ITEM 1407-38: CONSULTANT SERVICES: HEALTH AND WELFARE PLANS
GENERAL CONSULTING SERVICES**

BENEFITS

The Consultant will provide technical expertise to assist staff in the administration of NJ TRANSIT's group benefit plans and ensure NJ TRANSIT's compliance with all federal and state legislative and regulatory requirements, specifically the Affordable Care Act (ACA) (also known as Healthcare Care Reform) and HIPAA. They will also ensure that the corporation's benefit dollars are maximized to provide competitive benefits programs in the most cost effective and efficient manner.

These services will include; providing technical advice and assistance with regard to NJ TRANSIT's legislative compliance; recommending and negotiating changes in funding arrangements with carriers, modeling of financial scenarios and projections, assistance with effectively managing vendor contracts and review of benefit plan documents.

ACTION (Scorecard: Corporate Accountability and Financial Performance)

Staff requests authorization to enter into an Agreement (No 14-004) with Hay Group, Inc. of Jersey City, New Jersey for consulting services for NJ TRANSIT's benefit plans including, healthcare, group life insurance, LTD, vision, supplemental sick pay and survivor benefits for its employee and retiree population for a period of three years with two, one-year option periods, commencing on July 1, 2014, at an annual budgeted cost not to exceed \$150,000, for a total contract authorization of \$750,000, plus five percent for contingencies, subject to the availability of funds and the approval of future operating budgets.

PURPOSE

NJ TRANSIT's employee benefit plans include Health Benefit Plan offerings which consist of approximately 60 different benefit plans including medical, dental and prescription drugs for both the agreement and non-agreement population of approximately 11,500 active and 3,000 retired employees. In addition to Health Benefit plans, NJ TRANSIT also offers group life insurance, long term disability insurance (LTD), vision plan, supplemental sick pay and survivor benefits.

The complexity and cost of these plans necessitate that staff maintain up-to-date knowledge and current information about alternative plan designs, industry standards, Railroad Retirement Board and related legislative and regulatory changes, cost sharing and employee/retiree communications.

The Consultant will provide specialized expertise in plan design and costing constraints and analysis of the claims utilization of NJ TRANSIT's self-insured group benefit plans and their related contracts; review and evaluation of year-end settlements

and financial summaries for the experience-rated plans; trending and forecasting; technical support to our labor negotiation efforts; assistance in the preparation of future Requests for Proposals (RFPs); and advice concerning federal and state legislative and regulatory requirements (HIPAA, ACA, etc.) and their impact on NJ TRANSIT.

BACKGROUND

Project

Consulting services are desired in order to bring additional expertise in managing complicated aspects of benefits administration, cost containment reviews and ensure regulatory compliance of all plans.

Procurement

NJ TRANSIT issued a Request for Proposal (RFP) to engage a Consultant to perform a full range of consulting services in connection with NJ TRANSIT's Health and Welfare Benefit Plans for a contract term of three (3) years with two (2) one-year renewal options at the sole discretion of NJ TRANSIT. Services will consist of providing consulting services, advice and analysis regarding such things as the, HIPAA, COBRA and compliance with other applicable state and federal laws including the ACA. Additional services will consist of Plan design, implementation, maintenance, communication, and improvement of NJ TRANSIT's group insurance programs as well as assistance in preparation of RFPs for third party administration services for NJ TRANSIT's health care plans.

A Request for Proposals (RFP) for consultant services for Health and Welfare Plans General Consulting Services was advertised in *The Star-Ledger* and *The Trenton Times* on September 24, 2013. A pre-proposal conference was held on October 9, 2013. Proposals were received on November 5, 2013 from six (6) firms.

The Technical Proposals were evaluated by a Technical Evaluation Committee (TEC), comprised of staff from Employee Benefits (two members), Financial Reporting and General Ledger (one member) and Pensions (one member). The written technical score constituted 60 percent and the cost proposal score constituted 40 percent of the total evaluated score.

After the TEC scored the Technical Proposal, Procurement reviewed, ranked, and rated the Cost Proposals. Following the initial scoring, four firms were deemed to be within the "competitive range" based on both technical and cost proposal scores and were requested to participate in the Oral Presentations. Following the Oral Presentations, the TEC revisited the Technical Proposal Scores and made adjustments, based upon the presentation and the additional information received during the interviews. The recalculated Technical Proposal Scores were then combined with the Cost Proposal scores to identify the highest ranked firm.

The combined weighted written technical proposal evaluations (including evaluation of oral presentations and reference checks) and cost proposal evaluations identified Hay Group, Inc. as offering the best value to NJ TRANSIT as they were the firm ranked highest technically and provided the lowest average hourly rate.

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:	\$150,000 per year (including option years) plus 5% contingency
Total Project Cost:	\$750,000 + 5% contingency
Projected Date of Completion:	June 30, 2019
Capital Program Amount:	Not Applicable
Operating Budget Amount:	\$150,000 / annum \$450,000 initial 3 year contract + \$300,000 for the two option years totaling \$750,000
Anticipated Source of Funds:	Operating Budget
DBE/SBE Goal:	0% SBE
Impact on Subsequent Operating Budgets:	\$150,000 per year from July 1, 2014 through June 30, 2019 including the two option years.

RESOLUTION

WHEREAS, NJ TRANSIT provides employee benefit plans including healthcare, life insurance, LTD, vision, supplemental sick and survivor income benefits to approximately 11,500 active and 3,000 retired employees and eligible dependents through more than 60 self-insured and insured plans; and

WHEREAS, it is in NJ TRANSIT's best interest to secure expert technical assistance and advice in order to ensure that these plans meet the agency's and its employees' needs with maximum cost-effectiveness; and meet all regulatory requirements including those of the Affordable Care Act; and

WHEREAS, following the completion of a competitive procurement process, Hay Group, Inc. of Jersey City, New Jersey was identified as the top ranked firm providing the best value and in the best interest of NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into an Agreement (No 14-004) with Hay Group, Inc., of Jersey City, New Jersey for consulting services for NJ TRANSIT's benefit plans including, healthcare, group life insurance, LTD, vision, supplemental sick pay and survivor benefits for its employee and retiree population for a period of three years with two, one-year option periods, commencing on July 1, 2014 at an annual budgeted cost not to exceed \$150,000, for a total contract authorization of \$750,000, plus five percent for contingencies, subject to the availability of funds and the approval of future operating budgets.

ITEM 1407-39: PERSONAL INJURY CLAIM OF JOHN MASSEY

RESOLUTION

WHEREAS, Article VI, Section II of the By-Laws requires Board Authorization for settlement of claims in excess of \$500,000; and

WHEREAS, John Massey has presented a claim with a probable settlement cost greater than \$1,250,000; and

WHEREAS, staff has reviewed the claim and recommends settling this case out of court;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to settle the claim of John Massey through his attorney at a cost of \$1,250,000. The Attorney General has approved settlement of \$1,250,000, subject to the availability of funds.

ITEM 1407-40: PROPOSED SETTLEMENT OF A PENDING LAWSUIT

RESOLUTION

WHEREAS, A civil action complaint was filed against NJ TRANSIT; and

WHEREAS, NJ TRANSIT has voluntarily participated in mediation sessions in an attempt to amicably resolve this pending law suit; and

WHEREAS, NJ TRANSIT Corporate By-Laws under Article VI, Section 11 requires Board approval of the settlement of certain claims and lawsuits;

NOW, THEREFORE BE IT RESOLVED THAT the Chair or the Executive Director is authorized to enter into a settlement agreement to resolve the pending lawsuit presented to the Board under Item 1407-40, which may include payment in an amount and under the conditions described in Executive Session Board Item 1407-40 amongst other relief and in full satisfaction of all outstanding monetary claims, based on certain conditions as provided in the Board Item; and

BE IT FURTHER RESOLVED THAT the Chair or the Executive Director is authorized to retain consultants and other necessary non-legal professionals, as needed in an amount further described in Executive Session Board Item 1407-40. NJ TRANSIT will further consult with and obtain Board approval with regard to final action taken in resolution of other relief as further provided in said Item.