

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

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

July 16, 2013

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 Thursday, July 11, 2013.

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 Thursday, July 11, 2013.

Present:

James S. Simpson, Chairman
Bruce M. Meisel, Vice Chairman
Regina M. Egea, Governor's Representative
Steven Petrecca, Treasurer's Representative
James C. Finkle, Jr., Board Member
Raymond W. Greaves, Board Member
Myron P. Shevell, Board Member (By Telephone)
Flora M. Castillo, Board Member (By Telephone)

James Weinstein, Executive Director
Joyce J. Zuczek, Acting Board Secretary
Penny Bassett Hackett, Acting Assistant Executive Director, Communications & Customer Service
Joyce Gallagher, Vice President & General Manager, Bus Operations
Kevin O'Connor, Vice President & General Manager, Rail Operations
Christopher Trucillo, Chief of Police
Kathleen M. Sharman, Chief Financial Officer & Treasurer
Steve Santoro, Assistant Executive Director, Capital Planning & Programs
Leotis Sanders, Vice President Civil Rights & Diversity Programs
Carlos Ramirez, Assistant Executive Director, Corporate Affairs
Warren Hersh, Auditor General
Kenneth Worton, Deputy Attorney General

Chairman Simpson convened the Open Session at 9:03 a.m. in accordance with the Open Public Meetings Act. Acting Board Secretary Zuczek announced Board Members Shevell and Castillo are participating in the meeting by telephone and that the Board Meeting is being video recorded.

Chairman Simpson asked for a motion to adopt the minutes of the June 12, 2013 and June 25, 2013 meetings. A motion was made by Board Member Steven Petrecca seconded by Board Member Myron P. Shevell and unanimously adopted.

Public Comments on Agenda Items and Other Matters

There were 10 public comments. Acting Board Secretary Zuczek announced the public comments would be limited to five minutes in order to give everyone an opportunity to be heard.

Steve Thorpe said the first thing he wanted to stress was Board Item 1307-32, Fiscal Year 2014 Operating Budget. He thinks NJ TRANSIT did a great job with the budget and he commended them, but he thinks a source of revenue was overlooked. Mr. Thorpe suggested raising the gas tax. He said the gas tax in New Jersey is

\$0.14 per gallon, which is the third lowest in the United States. He is a driver and it would affect him too, but he thinks this source of revenue would help a lot.

Mr. Thorpe suggested raising the gas tax \$0.10 per gallon. He urged the Board to consider the increased gas tax for future budgets. Mr. Thorpe said he knows Governor Christie is not for it, but suggested talking to the Legislature about getting more money from a gas tax revenue to go towards transit.

Mr. Thorpe said with regards to Board Item 1307-34, Middlesex County Local Bus Service, he is curious about which routes Academy will be getting.

With regards to Board Item 1307-33, Fiscal Year 2013 Capital Program, Mr. Thorpe suggested it include design and looking into specifications for replacing the Arrow III Fleet. He said that is a work force fleet and he would like to see that rebuilt. Mr. Thorpe said he knows it has already been rebuilt once, but he said it is a work force fleet. He said the Morris & Essex Line makes frequent start and stops during service and the Arrow car is designed for that kind of service. Mr. Thorpe thinks the multilevel cars currently being used provide a beautiful ride, but they do not have the acceleration of the Arrow cars.

Mr. Thorpe said he will keep mentioning the need for quiet cars. Mr. Thorpe mentioned the automated announcements on rail and bus. He noticed on the lower level of Secaucus, the announcement says the next train will be on Track East but that track does not exist. He said it should say Track "E" instead. Mr. Thorpe said he understands what is meant, but for someone who is there for the first time, it may be confusing. He said there are others, but that is the one he has noticed and he thinks NJ TRANSIT should probably look into it.

Chairman Simpson said they will take note of that discrepancy in the announcements.

Donald Winship said he is a member of the Lackawanna Coalition but he was speaking in his personal capacity. He said sometimes it is the little things in life that are important and make a difference. Mr. Winship said during a long commute, a few minutes can make a big difference, especially when transfers are involved. Such was the case with his commute over the last few months. Mr. Winship started to commute to Clifton for a new job, only to find out that the route he expected to take was less reliable than he expected. As a public transit dependent individual, he thinks he ought to be an ideal customer, but he is left to wonder if the roads would be a better option.

Mr. Winship said a bit of background is needed for his story. He said his regular morning train for many years was number 872, departing Mount Tabor at 7:26 am and it was dependable. Mr. Winship said he thought it would be commutable enough to accept the job in Clifton. He focused on the best connection with the train. Mr. Winship said his options included the 13N direct bus or the combination of the GO28 and 709 buses. Mr. Winship said both met the train at Newark Broad Street Station at least in theory. He said the reality on the ground was a bit different.

Mr. Winship said between the time when he took the job offer and when he started making the commute, the 13N schedule changed. He said it is now scheduled to arrive at Broad Street Station at 8:19 am, the exact same time as the scheduled arrival for train number 872. Mr. Winship said obviously being unable to teleport from one to the other, he would not be able to make that connection reliably.

Mr. Winship said the GO28 can make it regularly, but its connection to the 709 at Bloomfield would only be five minutes in between and it is too short of a time to rely upon it. Mr. Winship said after two late arrivals in two weeks, he had to make a change. He now walks to Denville and takes the Montclair Boonton Line to the Bloomfield Station where he says he has an overly slack connection and catches the 709 bus. Mr. Winship said it gets him there reliably, but it is much closer to his start time than he would like.

Mr. Winship said the point is that the connection between the two modes is inconsistent. He said in some places, such as the connection with the train 872 and the 13N, it almost feels the schedule is set up deliberately to frustrate transfers, or in others, the connection is so slack it unduly lengthens travel. Mr. Winship said he asking NJ TRANSIT to coordinate rail and bus schedules to make connectivity the rule and not the exception and it will enable better routing options for its riders. He said a little work can go a long way.

Gary Kazin said he was there to ring an alarm bell. He said on Tuesday, a newspaper story appeared in most of the media about a good samaritan rescuing a toddler who fell on MetroNorth tracks due to a gap incident where there is a six inch gap. Mr. Kazin said that morning he noted the gap at Broad Street Station and the train was 8 inches. He said he has pulled kids out of the gap at Penn Station.

Mr. Kazin said it seems to be a problem with the Comet V cars. He said the traps at the end doors do not reach as close to the platforms as on other cars. Mr. Kazin said NJ TRANSIT has not had a serious injury yet. He said one of the State legislators recently sponsored a bill to investigate the gap problem. Mr. Kazin does not think it should take an act of the State legislature to do this. He estimates that this would cost about \$300,000 to survey every track at every station with all the types of equipment. Mr. Kazin said it has to be done before someone gets hurt. He said \$300,000 is a lot less than a legal settlement.

David Peter Alan said before he begins his statement addressing today's issue, he wants to let NJ TRANSIT know that the Lackawanna Coalition is making some changes. The Coalition hopes to have a lot more presentations so Mr. Alan invited members of NJ TRANSIT's Board and Management to attend their meetings, introduce themselves and let the Lackawanna Coalition know what NJ TRANSIT is doing. Mr. Alan said Chairman Simpson and Executive Director Weinstein visited and are invited again.

Mr. Alan said yesterday he received a 57-page packet, crammed full of technical information about this year's budget, the featured item on the agenda. Mr. Alan said still it remains a problem that the public receives this information too late to comment intelligently and have their comments heard and have a difference in the decision-making process.

Mr. Alan said he can only talk about the senior citizen grants since, as a member of the Senior Citizens and Disabled Residents Transportation Advisory Committee, he participated in the official review of the applications by the counties for those grants. Mr. Alan can attest to the importance of these grants for people who need the mobility they provide, and he is also aware of the importance of programs like 5310, JARC, New Freedom and other programs which also enhance mobility for the people who need it the most. Mr. Alan said if he were not an Advisory Committee member and instead were a member of the general public, receiving this information for the first time yesterday, he certainly could not make that statement.

Mr. Alan said many of the comments he has made in recent months have focused on the lack of transparency and how this prevents them from contributing effectively to the decision-making process. He said the budget documents that they received yesterday are a case in point. Mr. Alan said the document contains a great deal of complex material of technical and legal nature. Mr. Alan has been practicing law for 32 years and the most capricious judge would not give an attorney a file this large and complex and expect him or her to argue its merits the next day. Mr. Alan said that is precisely what they are asked to do. He said if the members of the Board were given the same information when they got it, they would be precluded from making the intelligent decisions that they should be making because they have not had enough time to learn and to contemplate the consequences of their actions. If they had that information earlier, then he believes the riders and taxpayers should have received the information earlier so they could make intelligent comments. Mr. Alan said even if they had the benefit of sufficient time to prepare their comments, they could not have any effect because the Board would have no opportunity to consider them before voting on the issue at hand.

Mr. Alan said effectively they are shut out of the process. He said they cannot attend Board Committee meetings and make their suggestions known. Mr. Alan said they cannot attend meetings of the North and South Jersey Transportation Advisory Committees because they officially eliminated the public's rights to attend those meetings and make comments. He said they are not given sufficient information in time to make a difference. Mr. Alan said in response to Chairman Simpson's request in May, he submitted their suggestions in June in writing and in a verbal statement and he is still looking forward to a response.

Mr. Alan said important issues such as the potential abandonment of part of the Dinky Line are taken up at special meetings on short notice. The Lackawanna Coalition expresses its concern about that practice. Mr. Alan said his inquiry to management about why that issue was handled that way remains unanswered. He said he is sure that they are tired of hearing him harping on transparency. Mr. Alan said transparency and citizen participation is critical at NJ TRANSIT because more of them are becoming transit dependent everyday and their mobility depends on the decisions made in that room. Mr. Alan said they have a right to participate materially in those decisions and he will keep on saying this until policies are implemented at NJ TRANSIT that give them this right in actuality.

Mary Weaver said she is a resident of East Orange and one of their bus stops, located at North Walnut and Main Street, was removed about two to three years ago. She said that bus stop helped the seniors that ride the 94 bus. Ms. Weaver would like the bus stop reinstated because now it is a four to five block walk from the bus stop to the post office.

Dorothea Moore said it gives her pleasure to witness the event honoring Claudette Colvin. Ms. Moore said Ms. Colvin put her life on the line for what she believes in. She said Ms. Colvin sacrificed for their benefit. Ms. Moore thanked NJ TRANSIT for honoring Ms. Colvin while she is still alive because too often people are honored after the fact.

William Payne said he thinks this is probably one of the more significant meetings of the Board for quite a long time, particularly because they are honoring someone who is truly an American hero. Mr. Payne thanked the Board and said it is ironic that they are honoring someone by the name of Claudette Colvin, who served as a trailblazer and catalyst to change America and it happened to be on a transit vehicle.

Mr. Payne said it is interesting that this transit body is honoring a person who brought about revolution in this country by refusing to sit in the part of the bus that was allocated for African Americans and she dared to sit in the white section. He said it has been 50 years since the March on Washington DC and he was there. Mr. Payne said he marched there and had the occasion over the years to meet many significant people in the March to Freedom. He said many people are unsung heroes, but they are very fortunate Larry Hamm, who is an esteemed member of the community, brought to the forefront Ms. Claudette Colvin, who is a true hero in America and is being honored for bringing about a revolution.

Mr. Payne said throughout history they have learned about great people in history books and one of the things that he thinks has been missing is people who have truly made significant contributions to the development of this country. Mr. Payne said he has been a member of the State Legislature for 10 years and during that time, he recognized that many, if not most of the contributions that were made by African Americans that make this country what it is today, have omitted from the textbooks.

Mr. Payne said he remembers as a child going to school and learning about people, but never did learn anything about people of color who had made contributions to make this country what it is. He said he heard folks talking about driving through the streets and at each corner they have to stop at a traffic light, but they have no idea that the traffic light was invented by a black man. Mr. Payne said these have been eliminated from our history.

Mr. Payne thinks every single child and adult would benefit from knowing about the contributions that African Americans have made. He said some may know that blood plasma was created by an African American doctor. He said many of your family members were saved in the Civil War by the plasma invented by a black doctor.

Mr. Payne said it is important to know the contributions African Americans have made. He said they are here to honor this wonderful hero. Mr. Payne said she has done so

much and has not been recognized for it. He thanked her for making this country what it is and said more still needs to be done. Mr. Payne said he is glad to be there because he would like to enlist everyone to recognize that there has been a serious omission of contributions like this young lady to the development of this country and everyone, regardless of background should be proud of the contributions of all Americans. Mr. Payne said he wanted to make sure we continue to honor people like this and honor Larry Hamm, who has been consistent throughout the years standing up for things he believes in.

Mr. Payne said New Jersey legislation requires that contributions of African Americans be infused into the curriculum, that we just do not talk about George Washington, but also talk about the contributions that African Americans held in the Civil War. He said they helped to make this place what it is. Mr. Payne said the red in the flag represents the blood African Americans have also spilled. He said he would like to recognize this hero, Claudette Colvin.

Albert Papp said yesterday his son, future daughter-in-law, daughter and grandson took a trip into New York City. He said they took the train from Maplewood noting that the off peak round trip has not yet been reinstated, even though it was discussed several months ago. Mr. Papp said when they departed the trains, they decided to use the restroom facilities and therein lies the tale.

Mr. Papp said at the Board Meeting last month, he explained that a deplorable situation existed in the men's lavatory in New York Penn Station. He said it still exists but it gets better than that. Mr. Papp said the ladies decided to use the women's restroom and discovered that equally, the condition of the women's restroom rivals that of the men's. Mr. Papp said last month he mentioned two out of the four wash basins in the men's bathroom were inoperable, one of the two soap dispensers was missing, and the mirror was duct taped. He said they remain the same as of 5:00 pm yesterday.

Mr. Papp said the ladies told him that there are three ladies wash basins and one operates, one drizzles, and one is not operative at all. He asked how they are supposed to wash their hands. Additionally, he said the tissue dispenser in one of the stalls in the women's restroom is held up by duct tape.

Mr. Papp said last month the conditions were deplorable, so he decided to memorialize the situation in film. Mr. Papp brought pictures of what the condition is and provided them to Chairman Simpson and Executive Director and requested that this be addressed.

Mr. Papp said there has to be someone in charge of the NJ TRANSIT concourse in Penn Station New York. He said if there is not, there should be. Mr. Papp said he has gone in there for months, two or three times a week, and has not seen the very expensive and artistic mobile that goes around the concourse operating for months. Mr. Papp asked if anybody cares that this is NJ TRANSIT's premier station.

Mr. Papp said his son and future daughter-in-law ride BART and Muni, and their home is at West Portal, and they are not unfamiliar with mass transit. Mr. Papp said they were rather aghast. He said they had comments this morning and they wanted to be at

today's Board Meeting, but they could not, so they asked him to make comments on their behalf. Mr. Papp said he wants to make this clear to Chairman Simpson and Executive Director Weinstein, that while they can put WiFi in the trains, it would help if some of the human necessities of the human individual are attended to. Mr. Papp said requested the pictures be made a part of the official record. In closing, he said that the condition of both the men's and ladies' restrooms in New York Penn Station give new meaning to the NJ TRANSIT motto, The Way To Go.

Chairman Simpson apologized and said this should have been taken care of. He asked whether NJ TRANSIT is responsible for the facilities at New York Penn or is it somebody else. Executive Director Weinstein said NJ TRANSIT is responsible for the NJ TRANSIT concourse facilities and apologized. He said he is embarrassed and Mr. Papp will not have to make this speech again.

Chairman Simpson said he knows NJ TRANSIT cannot have police there due to an archaic rule, but asked Chief Trucillo to work with Amtrak Police.

Chairman Simpson said illegal activities, like damaging property, can occur in these bathrooms and asked if NJ TRANSIT has an attendant in close proximity of the bathrooms. Executive Director Weinstein said sometimes, but not around the clock.

Chairman Simpson asked who is responsible. Kevin O'Connor said a third party is responsible. Chairman Simpson said to fire the third party. He said it is embarrassing that they have to have a constituent come back a month later and they cannot seem to fix the toilet paper in the bathroom. Chairman Simpson said this management team is really good, he is sure the message got out and somebody dropped the ball, but that does not relieve the obligation. Chairman Simpson said someone should have seen that it was fixed, and asked staff to have someone go out there and start fixing it today.

Joseph Clift said to add to what Mr. Papp said, things get broken in heavy use restrooms like that and it really is a case of having someone go into the restrooms everyday and see what is broken. He said fixtures get broken and then you have duct tape. Chairman Simpson said there are other issues as well, such as the fact that NJ TRANSIT can't have people patrol. He said if you do not have people regularly patrolling and looking around, these illegal acts happen.

Mr. Clift suggested the one thing that seems to work is if somebody signs and puts down the time on a sheet. He suggested an NJ TRANSIT manager be the person to do this. Chairman Simpson said judging by this they would need a calendar, not listing the time of the day.

Mr. Clift said receiving the budget yesterday was not the greatest process. He suggested that NJ TRANSIT look at the MTA process. Mr. Clift said it is an annual process for their committees with the operating budget going through three cycles, presentations, and public comments. He said the capital program is presented more in a clear project oriented manner, rather than the categories that are set up by the bureaucracy. Mr. Clift said however he commends NJ TRANSIT for its process with the agenda providing for greater transparency and information.

Mr. Clift said in regards to the Dinky shortening, the Board was ill served by the process. He said the Board was not told that while the train distance was shortened by 460 feet, according to NJ-ARP the walking distance went up by 700 feet and ADA access by 1100 feet and it is downhill. Mr. Clift said the station is still there and apparently the major reason to make this change is to provide access to a garage across the Dinky right of way. He said he thinks in the decision making two weeks ago, knowing that information might have helped the Board make a more informed decision.

Mr. Clift said his customer story is not nearly as good as Al Papp's story. He said last Sunday he was putting 22 people from a tour on a train to Broad Street and there were eight cars on the train. Mr. Clift said he walked the group through the train to find more space but he did not realize only five cars were open and last open train car had more people on it. He said he got off the train and found a conductor, but by the time another car was opened, the train was leaving so it was too late. Mr. Clift said it was after the July 4th weekend and seeing that there was an increase in crowding, there ought to be a change in that process. He said this is a matter of looking at it from a customer perspective to get a different perspective.

Board Member Comments

Chairman Simpson said Joe Clift has previously mentioned crowding at Penn station where passengers are only allowed in through some doors and asked Kevin O'Connor what that is about. Mr. O'Connor explained that it depends on the time of day, day of the week and things of that nature. He said during off peak hours and weekends, depending on line and time of day, a certain amount of cars are mandated by rule to be opened. If capacity exceeds 50 percent, the crew is instructed by the operating rules to open additional cars. In response to Chairman Simpson's inquiry, Mr. O'Connor confirmed that the crew has authority to open more cars. Chairman Simpson asked that staff make sure they are exercising that authority. Mr. O'Connor explained that generally they keep the doors directly adjacent to the escalators coming down from the 7th Avenue Concourse closed because of safety issues related to being so close to the escalator.

Chairman Simpson asked whether there is a manager or anybody from NJ TRANSIT that is present and responsible for the space, mobile, and bathrooms at New York Penn Station. Mr. O'Connor confirmed there is a person responsible. Chairman Simpson suggested the person that manages the whole space, may need to be told to do more management by walking around and checking the bathroom daily. Chairman Simpson asked that his message is relayed to that person.

Chairman Simpson asked whether with regard to multi-modal connections between buses and trains, NJ TRANSIT staff looks at it. Ms. Gallagher confirmed that this is considered and it is very much a function of the amount of trips on the route, arrival and departure times on the railroad, and it is a case by case basis. In response to Chairman Simpson's question, Ms. Gallagher confirmed that NJ TRANSIT takes this into consideration.

Chairman Simpson said he did not know New Jersey had a gap issue until he read about the legislation about a week or so ago. He said he spent a lot of time during his days with the New York MTA with the Long Island Railroad, particularly on the gap issue and they overcame it. Chairman Simpson said there was a huge media campaign to educate the ridership and then they took other capital measures to limit the gap wherever they could. Chairman Simpson asked whether there is a gap problem in New Jersey relative to the industry standards. Mr. O'Connor said with regards to industry standards, NJ TRANSIT either meets or exceeds virtually every industry standard. He said the gap cannot be eliminated and they need space to operate the railroad. Mr. O'Connor said there was a complete study done before the Long Island incident that could be forwarded to the Chairman. Chairman Simpson suggested that maybe it should be forwarded to the Legislature so efforts are not being duplicated.

Chairman Simpson said he understands that a gap is needed to operate the railroad. He said he is also appalled how some people traveling with children allow children to walk barefoot up escalators at airports and NJ TRANSIT's facilities and do not mind their children when they are getting on a train where there is a gap. Chairman Simpson said there is some personal responsibility that people need to take. He said he does not know if NJ TRANSIT needs to start a campaign but it should pay attention to the issue. Mr. O'Connor said the crews advise passengers at all station stops to watch the gap.

In response to her request, Chairman Simpson allowed **Sheila Long** to speak. Ms. Long said she is from upstate New York and has traveled since April 2nd back and forth every month using NJ TRANSIT's bus and train. She said that gap is a challenge because when she stands at the door trying to figure out which foot to put across to keep her balance, NJ TRANSIT's clientele behind her is pushing her to move. Ms. Long said this has happened to her more than once. She said this time it was the escalator.

Ms. Long said in Penn Station she cannot find anyone to direct her to where her train is. She also was not able to go to the cashier before she boarded her train. In response to Chairman Simpson's inquiry, she said she took Amtrak to New York Penn to travel to East Rutherford.

Ms. Long said that morning she caught the 7:03 am to Hackensack to catch the 76 bus, which is two and a half blocks away. She said she missed that first 76 bus and caught the second bus because the transfer points are not doable for senior citizens. Ms. Long said the street announcements on the bus were made as they passed by so by the time she pulled the cord, she had to walk back four blocks. She said that needs to be fixed.

Ms. Long said going back to the gap, they say they do not understand how to fix it. She said NJ TRANSIT can put a curved line and then straight and then a curved line at that station and it should not cost that much money since its already budgeted.

Ms. Long said the in New York Penn Station she couldn't find anybody to ask where NJ TRANSIT is located so she has to ask a stranger walking by or the New York City

Police. Ms. Long told Mr. O'Connor she thinks that the one person there is at Dunkin Donuts.

Ms. Long said when she arrived she heard the announcement for the train so she could not buy a ticket. She is a senior citizen and said the difference of \$3.75 instead of \$2.25 makes no sense to her. Ms. Long said the bus stop steps are not doable if you are handicapped because they do not always drop that step to walk on.

Advisory Committee Report

There was no Advisory Committee report.

Board Customer Service Committee Report

Board Member James C. Finkle, Jr. presented the Customer Service Committee report to the Board. The Customer Service Committee discussed the operating budget and capital program. The operating budget provides for the continued support and resources for the operations of bus, rail, light rail and access link services for its customers.

In addition, we reviewed the grants programs for local transportation that will benefit senior citizens, persons with disabilities and rural and economically disadvantaged residents.

Board Administration Committee Report

Board Member Steven Petrecca presented the Administration Committee report to the Board. The Committee discussed the grants programs for local transportation that will benefit senior citizens, persons with disabilities and rural and economically disadvantaged residents. In addition, the Committee also reviewed the operating budget and capital program.

Board Capital Planning, Policy & Privatization (CP3) Committee Report

Vice Chairman Bruce M. Meisel presented the Capital Planning, Policy and Privatization Committee report. The Committee also discussed the operating budget and capital program. The capital program will continue the investment in transit infrastructure to improve the overall state-of-good-repair of the system and improve reliability, safety and the customer service experience.

In addition, we reviewed the two agenda items for Middlesex and Monmouth County local bus service which serves a combined annual ridership of over four million passengers.

Executive Director's Monthly Report

Executive Director Weinstein presented the monthly report:

HBLR Capacity

Executive Director Weinstein said last week they announced some exciting news for their Hudson-Bergen Light Rail customers. He said the Hudson-Bergen Light Rail system ranks among NJ TRANSIT's busiest services. In fact, if Hudson-Bergen Light Rail were a commuter rail line, it would be NJ TRANSIT's third busiest, after the Northeast Corridor and Morris & Essex Lines. Hudson-Bergen Light Rail has achieved steady growth in ridership—today serving more than 45,000 trips on a typical weekday. Naturally, with this growth in ridership comes a growing need for increased capacity.

Through customer surveys conducted as part of the Scorecard initiative, NJ TRANSIT has heard from Hudson-Bergen Light Rail customers that crowding on trains is a top concern. To that end, NJ TRANSIT has partnered with Kinkisharyo International, the vehicle manufacturer, and Twenty-First Century Rail Corporation, the contract operator, to find an innovative, cost-effective solution to providing more seats for customers.

With a clear understanding of the goal, Kinkisharyo developed a prototype of an expanded light rail vehicle that offers 50 percent more seating capacity than a standard light rail vehicle at a fraction of the cost. The design adds two additional sections to the existing light rail vehicle, increasing the number of sections from three to five, which in turn increases the car length by 37 feet and expands seating capacity from 68 to 102 seats, and also provides additional standing room.

As part of NJ TRANSIT's efforts to improve the overall experience for customers, they will be piloting this prototype vehicle on the Hudson-Bergen Light Rail system to test how well it performs in terms of increasing capacity and ensuring a comfortable ride for more customers. They will rotate the vehicle to operate along the three segments of the system over the course of a six-month pilot program.

Executive Director Weinstein said this is a creative solution that would not significantly impact the system's infrastructure or require a costly investment in new rail cars, and they are excited to work with their partners in the private sector on this effort. Following the pilot period, they will look at the possibility of outfitting additional light rail cars to provide more seating capacity and standing room for light rail customers. He told Chairman Simpson he will keep him posted.

E-Cubed Update

Executive Director Weinstein said Chairman Simpson recently joined him at Trenton Transit Center to provide an update on our "E-Cubed" Rail Safety tactics in the areas of Engineering, Enforcement and Education. As the Board is aware, under Chairman Simpson's leadership, and based on recommendations of the NJ Safety at Railroad Crossings Leadership Oversight Committee that Chairman Simpson convened late in 2011, the New Jersey Department of Transportation and NJ TRANSIT have been working closely together to promote safety and reduce accidental deaths along the State's busy railroad tracks

Executive Director Weinstein said the Committee came up with a range of initiatives designed for quick implementation, and as announced as part of National Safety Month

at the end of June, these efforts have succeeded in sharply reducing accidental fatalities across the NJ TRANSIT rail system. Prior to enactment and implementation of the "E-Cubed" rail safety tactics, 23 accidental fatalities involving NJ TRANSIT trains were recorded in 2010 and 2011. Since January of 2012, three accidental fatalities (one in 2012 and two in 2013) have been recorded involving NJ TRANSIT trains. The statistics show that these efforts are working.

Executive Director Weinstein said while New Jersey Department of Transportation and NJ TRANSIT have together made great strides in reducing fatalities along New Jersey's rail network, the next step is to further build awareness regarding suicide prevention. Joining them at the event in Trenton to highlight the importance of raising suicide prevention awareness was New Jersey Department of Human Services Commissioner Jennifer Velez, who talked about the New Jersey Hopeline, the recently launched first statewide suicide hotline call center.

In support of this effort, NJ TRANSIT will be installing new suicide prevention awareness posters and signs, featuring the New Jersey Hopeline telephone number, at all of NJ TRANSIT's 164 rail stations starting this month. Executive Director Weinstein said through partnerships, they will continue to deliver on the pledge to do everything possible to enhance pedestrian safety and prevent accidental deaths on the NJ TRANSIT system, as well as to raise suicide prevention awareness.

Fiscal Year 2014 Budget Presentation

Executive Director Weinstein said today for the Board's consideration they are presenting the Fiscal Year 2014 operating and capital budgets. He said they will hear about the proposed budgets in more detail shortly, so he will just briefly summarize this year's programs.

On the capital side, the \$1.228 billion program calls for continued investment in the state's transit infrastructure to focus on state of good repair, improve reliability and safety, and enhance the overall customer experience on the system. On the operating side, the \$1.941 billion program provides for the continued support and resources for the operations of NJ TRANSIT Bus, Rail and Light Rail services, with no fare increase for the fourth consecutive budget year.

Executive Director Weinstein said he would now like to turn the program over to Kathleen Sharman, Chief Financial Officer and Treasurer, for a more detailed presentation of the Fiscal Year 2014 Operating Budget. She will be followed by Steve Santoro, Assistant Executive Director for Capital Planning and Programs, who will present this year's capital budget.

Ms. Sharman said the Fiscal Year 2014 operating budget totals \$1.941 billion and provides for the continued support and resources for operation of NJ TRANSIT's bus, rail, light rail and access link services for its customers. She said they are committed to operate as lean as possible and provide the best value to NJ TRANSIT's customers. Therefore this budget contains no fare increases, no service reduction, and funds only mandatory growth.

Ms. Sharman said the Fiscal Year 2014 growth is only 1.9 percent or \$37.1 million when compared to Fiscal Year 2013. This is the third lowest growth rate in the last 15 years and is lower than the rate of inflation.

The state continues to support NJ TRANSIT through \$73.2 million in state operating assistance, as they did in Fiscal Year 2013. The budget also implements agency-wide scorecard metrics as NJ TRANSIT continues to look for ways to operate more efficiently with the assistance of NJ TRANSIT's scorecard tool.

Ms. Sharman said the key revenue highlights are: there is no fare increase built into this budget for the fourth consecutive fiscal year; passenger revenue and other commercial revenue represents 53 percent of total revenue; passenger revenue growth of three percent or \$26.4 million, is based on ridership and employment projections, as well as added private bus carrier service; and non-fare box revenue increases slightly by \$3.2 million, mostly as a result of an increase in advertising revenue.

Ms. Sharman said as indicated by the "Where the Money Goes" chart, labor and fringe benefits costs representative the majority or almost 60 percent of NJ TRANSIT's operating budget. This is followed by purchased transportation which is bus and light rail services contracted by NJ TRANSIT, at 12 percent.

Ms. Sharman presented a summary of budget and operating expenses. She said the Fiscal Year 2014 expense budget represents \$1.94 billion also and equals total revenues for a balanced budget. It funds only mandatory expense growth such as escalation in existing maintenance contracts. More than 94 percent or \$34.9 million of the \$37 million of proposed budget growth and expenses is in two non-discretionary areas, fringe benefits at \$17.5 million and purchased transportation at \$17.4 million.

The Fiscal Year 2014 budget funds crucial operating needs for the departments. It funds growth in purchased transportation, for increases in previously negotiated agreements, in areas such as access link, private bus carriers and light rail contracts for the Hudson Bergen and River Line. It also provides for inflationary growth and fringe benefits. Other increases relate to revenue vehicle parts, My Bus Now maintenance cost, and Port Authority toll increases. This budget also reduces fuel costs from Fiscal Year 2013 based on favorable lock in rates and less usage as a result of rail efficiencies.

In summary, this is a balanced budget which meets the needs of the agency and funds only mandatory growth items with no fare increases, no service reductions, and no increases in state funding. Ms. Sharman said they are committed to working within this spending plan to provide more than 895,000 weekday trips to NJ TRANSIT's customers who live, work and play in the great state of New Jersey.

Steve Santoro said as Executive Director Weinstein stated before, NJ TRANSIT's Fiscal Year 2014 Capital Program is \$1.228 billion. This represents an increase of just over \$70 million when compared to Fiscal Year 2013. The increase is due in large part to the incorporation of funding from MAP-21, the new federal authorization. Approximately 60 percent of NJ TRANSIT's capital program is allocated for fixed

expenses for debt service, preventative maintenance, and pass-through casino and federal funds to county and local entities. Consistent with the state's capital investment strategy, and NJ TRANSIT's scorecard goals, the remaining 40 percent is dedicated to maintaining on-going state of good repair and improving the efficiency, customer satisfaction, safety and cost effectiveness of the agency. The capital program has a significant focus on maintaining investment in new rolling stock. Continued renewal of NJ TRANSIT's fleet, not only reduces delays and improves customer satisfaction, it decreases maintenance costs and improves efficiency.

NJ TRANSIT has made great strides in reducing the average age of its rail fleet. In 2003, the average age of the rail fleet was over 20 years old. In fact NJ TRANSIT had the fourth oldest fleet amongst commuter rail agencies with more than one hundred vehicles. Less than 10 years later, NJ TRANSIT's average fleet is 16 years old, better than the industry average. The delivery of the additional multilevel coaches this year will drive that number lower.

A younger fleet has directly contributed to the improved on-time performance of NJ TRANSIT's operation. The mean distance between failures of NJ TRANSIT's new multilevel rail car is higher than any other transit vehicle in over a decade. Preventable delays resulting from equipment failures have been reduced by 18 percent since 2003. From a customer satisfaction perspective, surveys tell NJ TRANSIT, they prefer the new multilevel rail cars compared to its single level equipment.

Beyond improving customer's satisfaction, NJ TRANSIT has taken advantage of the fleet renewal programs to reduce the number of different types of equipment which results in reduced costs of parts, employee training and maintenance. For example in 2004, NJ TRANSIT had eight different types of rail passenger equipment; today NJ TRANSIT is down to five.

The story is similar on the bus side. In 1999 the average age of NJ TRANSIT's bus fleet was 12 years old, placing NJ TRANSIT in the unenviable position as the seventh oldest fleet among the 95 transit agencies with over one hundred buses. Now NJ TRANSIT's average bus age is 8 years old, which is consistent with the industry average. As on the rail side, NJ TRANSIT has also reduced the number of different types of buses it operates. With the completion of the NABI order next year, NJ TRANSIT will have a single common Transit and Suburban style bus for the first time in its history.

Beyond rolling stock NJ TRANSIT is also investing in a state of the good repair of its infrastructure. In 2007, 76 percent of NJ TRANSIT's 560 rail undergrade bridges were in either good or fair condition. In just five years later, that number has increased to 83 percent in good or fair condition. Importantly, all of NJ TRANSIT's bridges are safe and the capital program includes funding to address the remaining 17 percent.

Other highlights from NJ TRANSIT's capital program include federal congestion mitigation or CMAC funds for the light rail vehicle extension of the Hudson Bergen and Newark fleets, that Executive Director Weinstein mentioned before, and which anticipates a successful outcome of the tests currently under way. The extended cars provide a cost of effective means of addressing capacity issues.

NJ TRANSIT continues to invest in the Northeast Corridor. Fiscal Year 2014's capital program includes \$60 million installment in the Northeast Corridor. This is part of a larger five-year program that will allocate \$600 million to the Midline Loop project, North Brunswick Station project, Portal Bridge replacement early action work, platform renewals at Penn Station and Elizabeth Station, and the Amtrak joint benefits program.

NJ TRANSIT continues to invest in stations, including improving accessibility for its customers that are disabled. Sixty percent of the five-year stations program is allocated to making existing stations accessible or building new accessible stations.

On the technology side, NJ TRANSIT continues to invest in the ongoing implementation of My Bus Now, real time bus information, the federally mandated positive train control system, and the modernization of the bus radio network. The new systems not only improve the safety and security for NJ TRANSIT's customers, but also allow NJ TRANSIT to work smarter and more cost effectively.

Mr. Santoro said in summary, the Fiscal Year 2014 capital program continues to represent the Governor's commitment to maintaining the infrastructure to which NJ TRANSIT has been entrusted in a state of good repair, while at the same time improving the overall efficiency, cost effectiveness and reliability of NJ TRANSIT's operation. And as always, the satisfaction of NJ TRANSIT's customer and the good stewardship of taxpayer resources remain NJ TRANSIT's top priority.

Chairman Simpson and Executive Director Weinstein thanked Ms. Sharman and Mr. Santoro for the presentations.

Executive Director Weinstein 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. He said through NJ TRANSIT's Scorecard initiative, NJ TRANSIT continues to better respond to the transit needs of New Jersey residents while being a responsible steward of taxpayer dollars.

Bookstaver Retirement

Executive Director Weinstein acknowledged an NJ TRANSIT Rail employee who is retiring at the end of this month after serving a remarkable 66 years in the railroad industry. Frank Bookstaver was initially hired as a block operator by the Erie Railroad in 1947 and promoted to train dispatcher in December of 1950. Frank worked tirelessly for the railroad and transportation industries and he could possibly be the longest serving railroader in the country today. Executive Director Weinstein said unfortunately Mr. Bookstaver was unable to attend today's Board Meeting, but on behalf of everyone at NJ TRANSIT and the Board, a heartfelt thank you to Mr. Bookstaver's dedicated service to this agency.

Claudette Colvin Resolution

Executive Director Weinstein invited the Board to join him for the honor of presenting a resolution to Claudette Colvin for her outstanding contributions as a pioneer of the civil

rights movement. In 1955, Ms. Colvin was the first person arrested for defying the system of bus segregation in Montgomery, Alabama, nine months before the arrest of Rosa Parks and the beginning of the Montgomery Bus Boycott. Her legal case and those of three other women who challenged segregationist laws went before the United States Supreme Court, which ultimately declared racial segregation on buses unconstitutional. Ms. Colvin's tremendous contributions to the civil rights movement had a major impact on public transportation in the United States, and thanks to her, the benefits of public transportation are available to all equally regardless of race, color or creed.

On behalf of NJ TRANSIT, Executive Director Weinstein said NJ TRANSIT is honored to recognize Ms. Colvin for her contributions. Executive Director Weinstein asked Larry Hamm to join them. He said Larry is the one that told him, NJ TRANSIT needs to recognize Ms. Colvin for her contributions. Executive Director Weinstein said NJ TRANSIT embraces that and he thanked Larry Hamm and told Ms. Colvin that they are greatly honored she took the time to be there.

Larry Hamm said Claudette Colvin is a pioneer in the Civil Rights movement and they are doing everything they can to make sure she joins the pantheon of heroes and heroines that struggled for equality in this country. Mr. Hamm said he is old enough to remember segregated seating on buses and trains. He said in 1967 he and his family was asked to move to the rear of the train once they got through Washington DC which sat on the Mason Dixon Line. Mr. Hamm said he is fully aware of the humiliation that African Americans had to go through so he thanked Claudette Colvin for removing that stain from the nation and thanked the Board of Directors for recognizing Ms. Colvin.

Ms. Colvin thanked Larry Hamm and NJ TRANSIT staff for honoring her for the significant role she played in the Montgomery Bus Boycott story. She said it was not only her. Ms. Colvin said there were 50,000 African Americans that marched with Dr. King and she will never forget it. She said Dr. King led them through this difficult time and everyone has heard of Rosa Parks, who was the spokesperson for the bus boycott. Ms. Colvin said she was arrested and later they had to get plaintiffs. She said she and three other women were the four women that were the plaintiffs for the case. She said the case, Browder versus Gayle, started with the City, went to the State and then all the way to the Supreme Court and desegregated the buses. Ms. Colvin said that was one of the most successful stories of how African Americans stood together united and got this law changed. She said she is so happy to attend today's meeting to tell everyone her story. She said like James Brown, it feels good to get recognition.

Action Items:

Executive Director Weinstein presented the following Action Items for approval:

1307-32: FISCAL YEAR 2014 OPERATING BUDGET

Authorization is requested to adopt the Fiscal Year 2014 Operating Budget in the amount of \$1.941 billion as detailed in the item and exhibits. Authorization is also requested to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2015 Operating Budget.

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

1307-33: FISCAL YEAR 2014 CAPITAL PROGRAM

Mr. Chairman, as you heard in the budget presentation, authorization is requested to adopt the Fiscal Year 2014 Operating Budget in the amount of \$1.941 billion as detailed in the item and exhibits. Authorization is also requested to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2015 Operating Budget. I ask your approval.

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

1307-34: MIDDLESEX COUNTY LOCAL BUS SERVICE

This contract will provide for the operation of local bus service in Middlesex and Union Counties. In Fiscal Year 2013, this operation served a combined annual ridership of over three million passengers.

After a competitive procurement process, authorization is requested to enter into a contract with Academy Express, LLC to operate 14 bus routes in Middlesex and Union Counties at a total cost not to exceed \$62,125,114, plus five percent for contingencies.

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

1307-35: MONMOUTH COUNTY LOCAL BUS SERVICE

This contract will provide for the operation of local bus service in Monmouth County. In Fiscal Year 2013, this operation served a combined annual ridership of over one million passengers.

After a competitive procurement process, authorization is requested to enter into a contract with Veolia Transportation Services, Inc. to operate eight routes in Monmouth County at a total cost not to exceed \$40,593,414, plus five percent for contingencies.

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

1307-36: NJ TRANSIT FY2014 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

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 is requested to implement all of programs for Fiscal Year 2014 as detailed in the agenda item which includes the Senior Citizen and Disabled Resident Transportation Assistance Program for \$20,343,000.

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

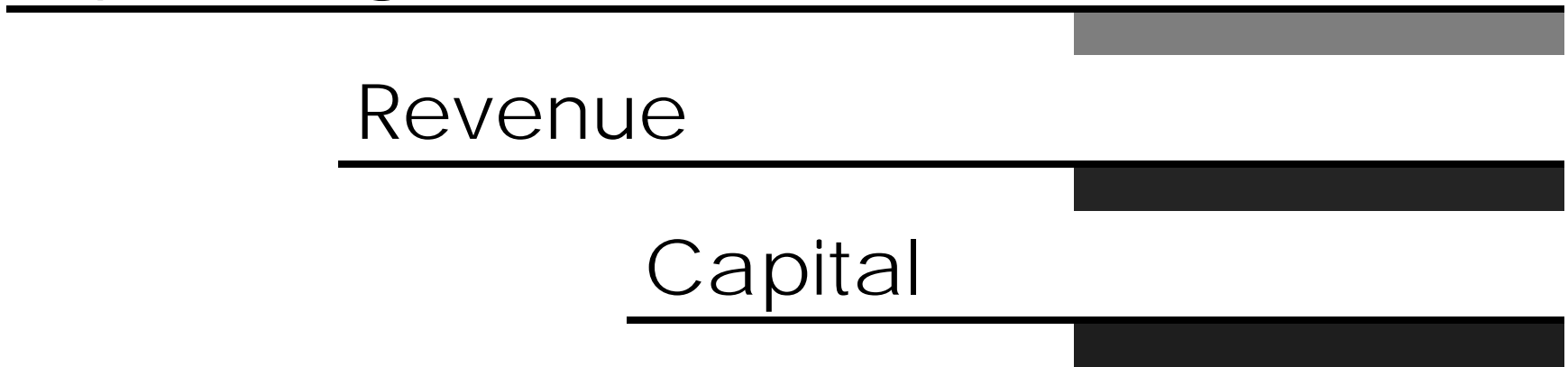
Adjournment

Since there were no further comments or business, Chairman Simpson called for adjournment and a motion to adjourn was made by Vice Chairman Bruce M. Meisel, seconded by Board Member James C. Finkle, Jr. and unanimously adopted. The meeting was adjourned at approximately 10:20 a.m.

Operating

Revenue

Capital



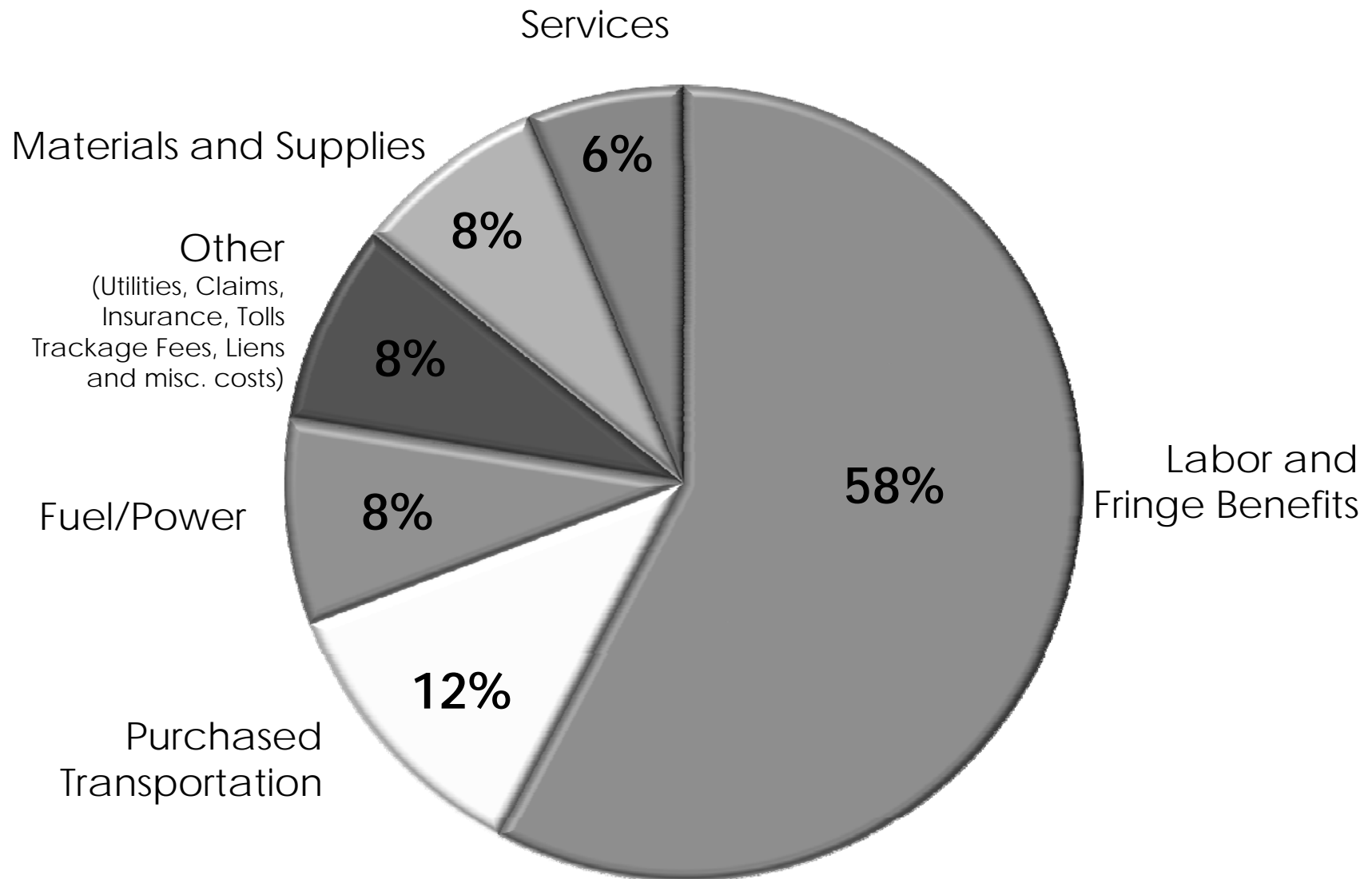
OPERATING BUDGET REVENUE

REVENUES (\$M)	FY 2013	FY 2014	\$ CHANGE	% CHANGE
Customer Fares	\$ 894.2	\$ 920.6	\$ 26.4	3.0%
Non-Farebox Revenue	109.8	113.0	3.2	2.9
State Operating Assistance	73.2	73.2	0	0
Capital Transfers	397	397	0	0
Other Reimbursements	429.7	437.2	7.5	1.7
TOTAL REVENUE (\$M)	\$ 1,903.9	\$ 1,941.0	\$ 37.1	1.9%

REVENUE BUDGET HIGHLIGHTS

- ▲ Four consecutive fiscal years with **No Fare Increase**
- ▲ Revenue growth of 3.0% due to **Increased Ridership**
- ▲ \$3.2M of non-fare box **Revenue Growth**

WHERE THE MONEY GOES



OPERATING BUDGET EXPENSE

EXPENSES (\$M)	FY 2013	FY 2014	\$ CHANGE	% CHANGE
Labor	\$ 625.2	\$ 626.7	\$ 1.5	0.2%
Fringe Benefits	475.9	493.4	17.5	3.7
Services	120.9	122.8	1.9	1.6
Fuel & Power	166.5	162.1	(4.4)	-2.6
Material & Supplies	150.4	152.8	2.4	1.6
Utilities	41.8	41.8	0	0
Claims & Insurance	25.8	25.8	0	0.2
Purchased Transportation	206.3	223.7	17.4	8.4
Tolls & Trackage Fees	56.1	56.9	0.8	1.4
Leases, Rentals & Interest	8.7	9.1	0.4	4.6
Taxes & Miscellaneous	26.3	25.9	(0.4)	-1.5
TOTAL EXPENSES (\$M)	\$ 1,903.9	\$ 1,941	\$ 37.1	1.9%

EXPENSE BUDGET HIGHLIGHTS

▲ Funds only mandatory growth

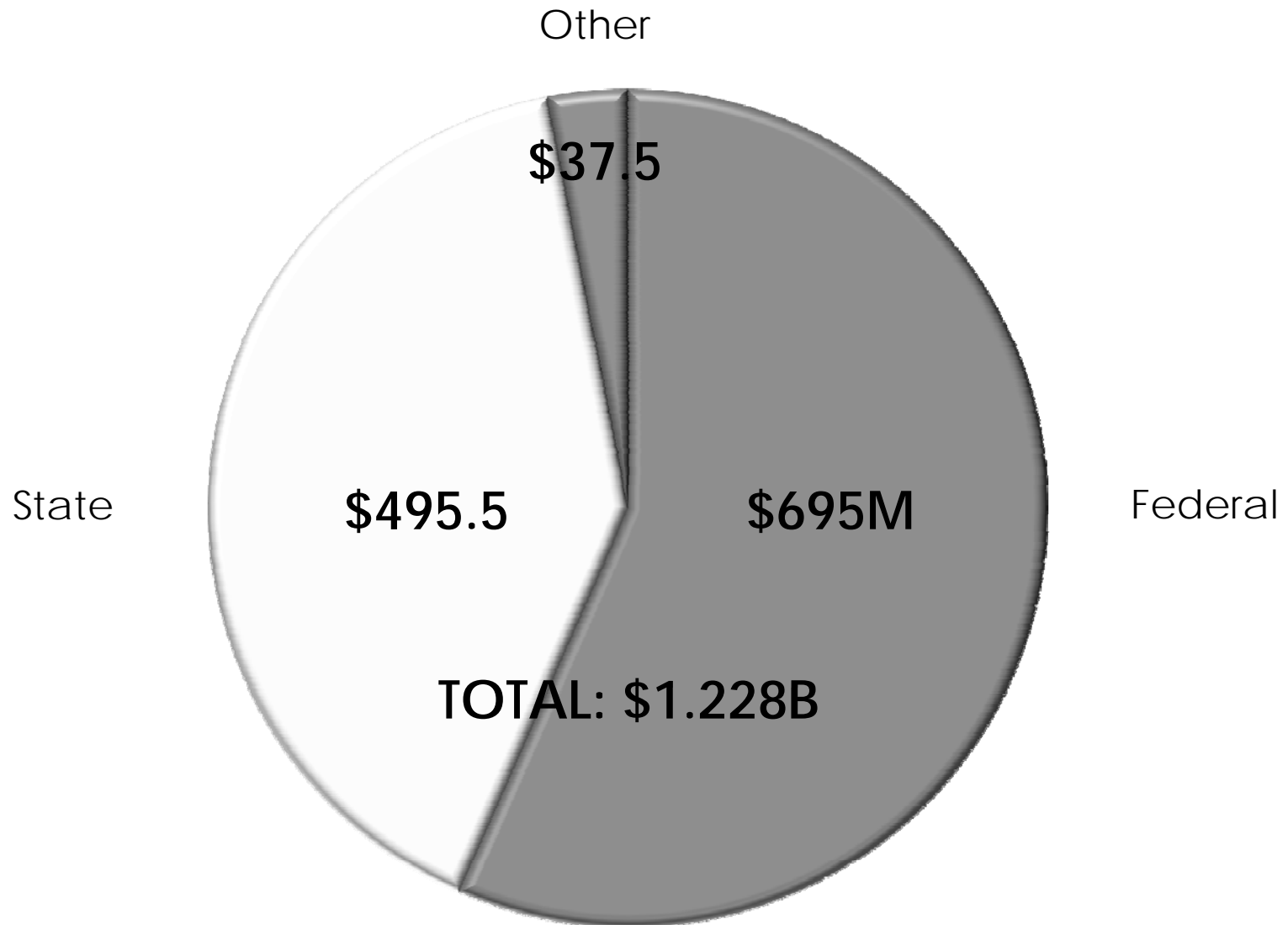
- Previously negotiated purchased transportation contracts
- Fringe benefits costs
- Revenue vehicle parts
- Port Authority toll increase

▲ Fuel savings

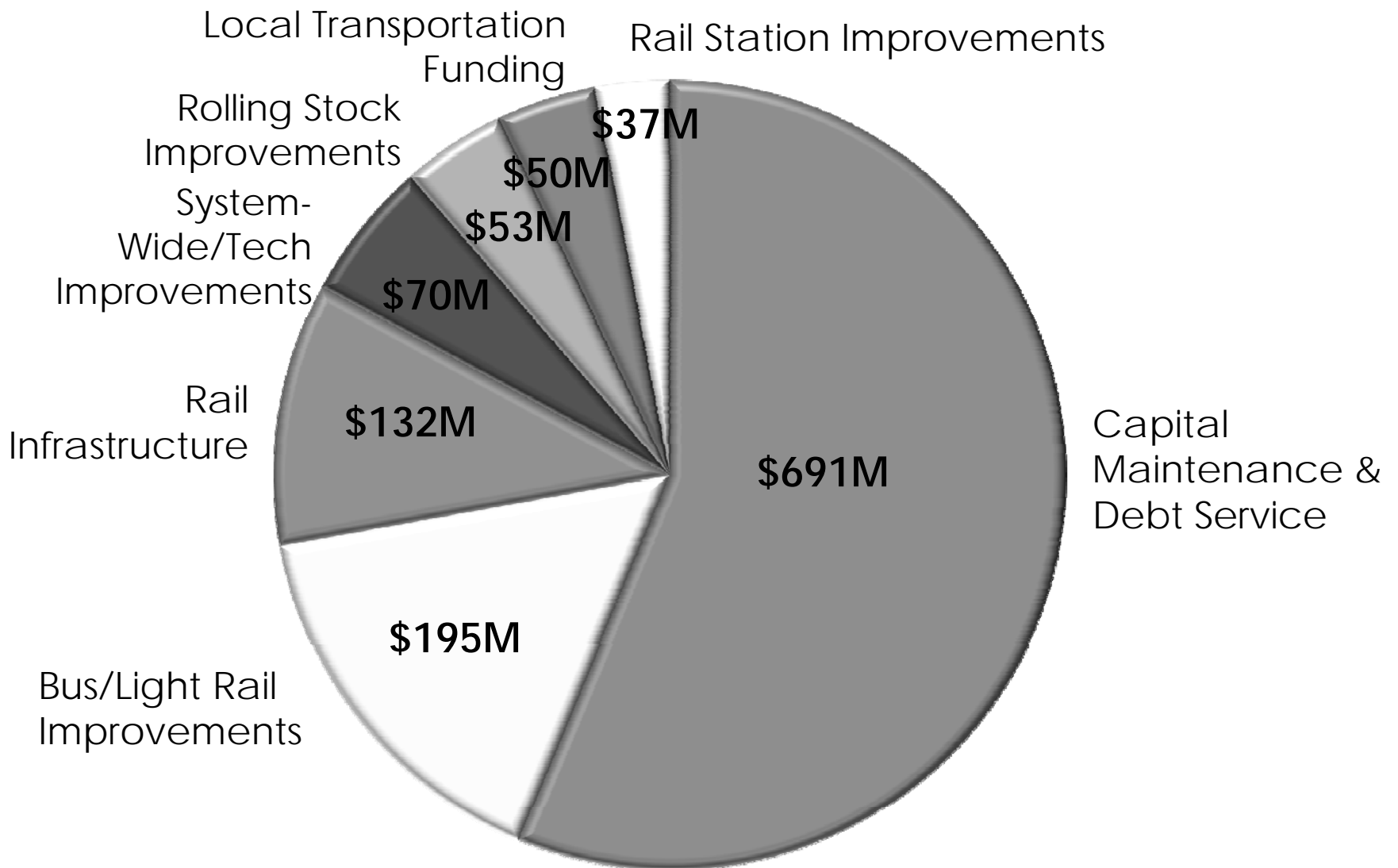
- Favorable lock-in rates
- Reduced usage due to rail efficiencies

CAPITAL PROGRAM

FY 2014 CAPITAL PROGRAM SOURCE OF FUNDS



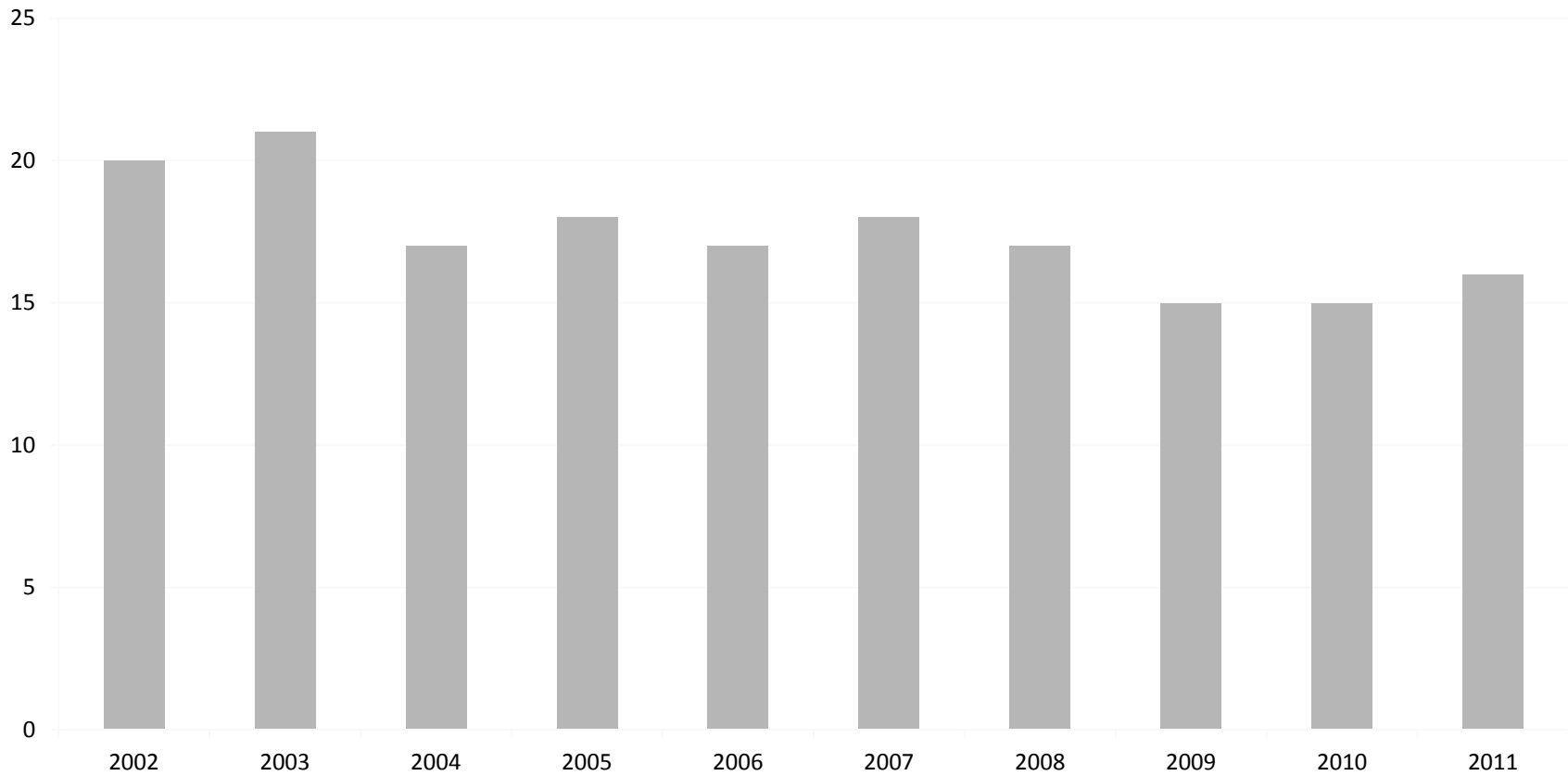
FY 2014 CAPITAL PROGRAM USE OF FUNDS



AVERAGE RAIL FLEET AGE

National Transit Database

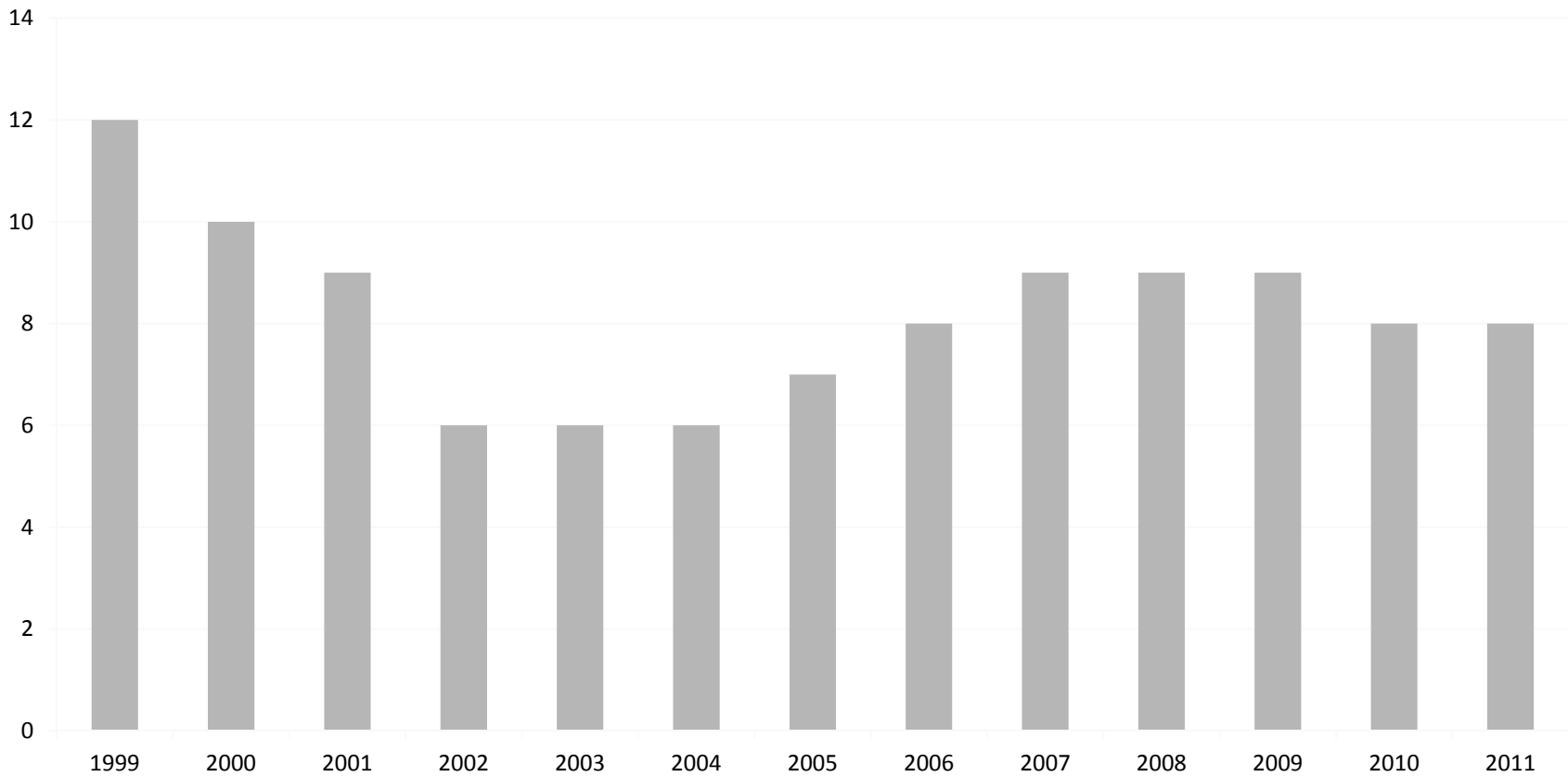
	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11
NJ TRANSIT	20	21	17	18	17	18	17	15	15	16



AVERAGE BUS FLEET AGE

National Transit Database

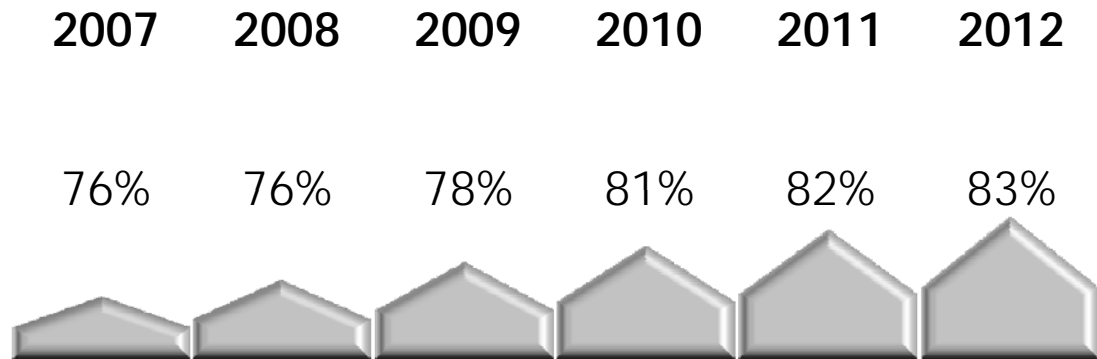
	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11
NJ TRANSIT	12	10	9	6	6	6	7	8	9	9	9	8	8



NJ TRANSIT'S BRIDGES IN GOOD/FAIR CONDITION

BRIDGES

Percentage in Good/Fair Condition



EXPENSE BUDGET HIGHLIGHTS

▲ State of Good Repair is a priority

- Track
- Bridges
- Signals
- Electric traction

▲ Continued investment in rolling stock

- Multilevels
- Light rail vehicle capacity extenders
- Regular bus replacements

▲ Continued NEC investment

- Amtrak Joint Benefits
- Loop construction
- Station renewal
- Portal Bridge early action

▲ Continued station investment

- ADA

▲ Continued technology investment

- Smart Bus
- Positive Train Control
- Bus radio system replacement

**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 11, 2013

MINUTES

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|---|--|-------|
| ➤ | CALL TO ORDER | - |
| ➤ | APPROVAL OF MINUTES OF PREVIOUS MEETINGS | 45784 |
| ➤ | 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 DUE DECEMBER 2013) | - |
| ➤ | BOARD COMMITTEE REPORTS | - |
| | *Customer Service Committee | |
| | *Administration Committee | |
| | *Capital Planning, Policy & Privatization Committee | |
| ➤ | EXECUTIVE DIRECTOR'S MONTHLY REPORT | 45785 |

ACTION ITEMS

1307-32	FISCAL YEAR 2014 OPERATING BUDGET	45805
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Authorization to adopt the Fiscal Year 2014 Operating Budget in the amount of \$1.941 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 2015 Operating Budget.

1307-33	FISCAL YEAR 2014 CAPITAL PROGRAM	45813
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Authorization to adopt the Fiscal Year 2014 Capital Program in the amount of \$1.228 billion, as described in the item and on Attachments 1, 2 and 3.

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

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

Authorization to make application, 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.

1307-34 MIDDLESEX COUNTY LOCAL BUS SERVICE 45829

Authorization to enter into NJ TRANSIT Contract No. 13-024 with Academy Express, LLC of Hoboken, New Jersey, to operate 14 routes in the Middlesex and Union Counties area for a 36-month base contract term, with two additional two-year option periods, for a total of 84 months, from September 1, 2013 through September 5, 2020, at a total cost not to exceed \$62,125,114, plus five percent for contingencies, subject to the availability of funds and approval of future operating budgets.

1307-35 MONMOUTH COUNTY LOCAL BUS SERVICE 45835

Authorization to enter into NJ TRANSIT Contract No. 13-025 with Veolia Transportation Services, Inc. of Neptune, New Jersey, to operate eight routes in the Monmouth County area for a 36-month base contract term, with two additional two-year option periods, for a total of 84 months, from September 1, 2013 through September 5, 2020, at a total cost not to exceed \$40,593,414, plus five percent for contingencies, subject to the availability of funds and approval of future operating budgets.

1307-36 NJ TRANSIT FY2014 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS 45841

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

- FY2014 Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP), as set forth in Exhibit B, for a total program amount of \$20,343,000 funded by the Casino Revenue Tax as stated in the *Governor's Fiscal Year 2014 Budget*, dated February 26, 2013.
- FY2014 FTA Section 5311 Rural and Small Urban Areas Program for Counties, as set forth in Exhibit C, for a total program amount of \$4,275,024 which includes \$2,888,138 in Federal funds and \$1,386,886 as the NJ TRANSIT share of the local match.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
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- FY2014 FTA Section 5311 Rural Intercity Bus Transportation Program at a cost not to exceed \$1,067,803, which includes \$577,628 in FY2013 Federal funds, \$240,175 in FY2010 Federal funds, and \$250,000 in FY2011 Federal funds which were not previously authorized.
- FY2014 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.
- FY2014 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 on vehicle purchases.
- FY2014 FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program at a cost not to exceed \$4,791,548 which includes \$3,667,048 in Federal funds and \$1,000,000 in funds from the New Jersey Department of Human Services. In addition, NJ TRANSIT match (\$124,500) is required for two services under this program which expand NJ TRANSIT bus routes (Hudson County Routes 62 and 85). All other match dollars are provided by the local provider.
- FY2014 FTA Section 5317 New Freedom (NF) Program at a cost not to exceed \$3,009,344 funded by the Federal government. No NJ TRANSIT match is required for this program as it is provided by the local provider.
- 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 FY2014 budget at a cost not to exceed \$6,000,000.

➤ **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 12, 2013 Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on June 14, 2013; and the minutes of the actions taken at the June 25, 2013 Special Telephone Board Meeting of the New Jersey Transit Corporation were forwarded to the Governor on June 26, 2013

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the June 12, 2013 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 and the minutes of the actions taken at the June 25, 2013 New Jersey Transit Corporation are hereby approved.

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

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

TO: BOARD OF DIRECTORS
FROM: JAMES W. WEINSTEIN
DATE: JULY 11, 2013
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JULY 2013

Last week, we announced some exciting news for our Hudson-Bergen Light Rail (HBLR) customers. As you know, the system has achieved steady growth in ridership—today serving more than 45,000 trips on a typical weekday—and with this ridership growth comes a growing need for increased capacity. Through customer surveys, we have heard from HBLR customers that crowding on trains is a top concern. To that end, we entered into a public-private partnership with Kinkisharyo International, the vehicle manufacturer, and Twenty-First Century Rail Corporation, the contract operator, to find an innovative, cost-effective solution to providing more seats for customers. Kinkisharyo developed a prototype of an expanded light rail vehicle that offers 50 percent more seating capacity than a standard light rail vehicle at a fraction of the cost, increasing the number of seats from 68 to 102 seats, as well as providing additional standing room.

As part of our efforts to improve the overall experience for customers, we will be piloting this prototype vehicle on the HBLR system to test how well it performs in terms of increasing capacity and ensuring a comfortable ride for more customers. We will rotate the vehicle to operate along the three segments of the system over the course of a six-month pilot program. This is a creative solution that would not significantly impact the system's infrastructure or require a costly investment in new rail cars, and we are excited to work with our partners in the private sector on this effort. Following the pilot period, we will look at the possibility of outfitting additional light rail cars to provide more seating capacity and standing room for our light rail customers.

Recently, Commissioner Simpson joined me at Trenton Transit Center to provide an update on our "E-Cubed" Rail Safety tactics in the areas of Engineering, Enforcement and Education. Under the Commissioner's leadership and based on recommendations of the NJ Safety at Railroad Crossings Leadership Oversight Committee, the New Jersey Department of Transportation and NJ TRANSIT have been working closely together to promote safety and reduce accidental deaths along the State's busy railroad tracks. The Committee came up with a range of initiatives designed for quick implementation, and as we announced as part of National Safety Month at the end of June, these efforts have succeeded in sharply reducing accidental fatalities across the NJ TRANSIT rail system. Prior to enactment and implementation of the "E-Cubed" rail safety tactics, 23 accidental fatalities involving NJ TRANSIT trains were recorded in 2010 and 2011. Since January of 2012, three accidental fatalities (one in 2012 and two in 2013) have been recorded involving NJ TRANSIT trains. The statistics show that these efforts are working.

While NJDOT and NJ TRANSIT have together made great strides in reducing fatalities along New Jersey's rail network, the next step is to further build awareness regarding suicide prevention. Joining us at the event in Trenton to highlight the importance of raising suicide prevention awareness was New Jersey Department of Human Services Commissioner Jennifer Velez, who talked about *NJ Hopeline*, the recently launched first statewide suicide hotline call center. In support of this effort, NJ TRANSIT will be installing new suicide prevention awareness posters and signs, featuring the *NJ Hopeline* telephone number, at all of NJ TRANSIT's 164 rail stations starting this month. Through our partnerships, we will continue to deliver on our pledge to do everything possible to enhance pedestrian safety and prevent accidental deaths on the NJ TRANSIT system, as well as to do our part to raise suicide prevention awareness.

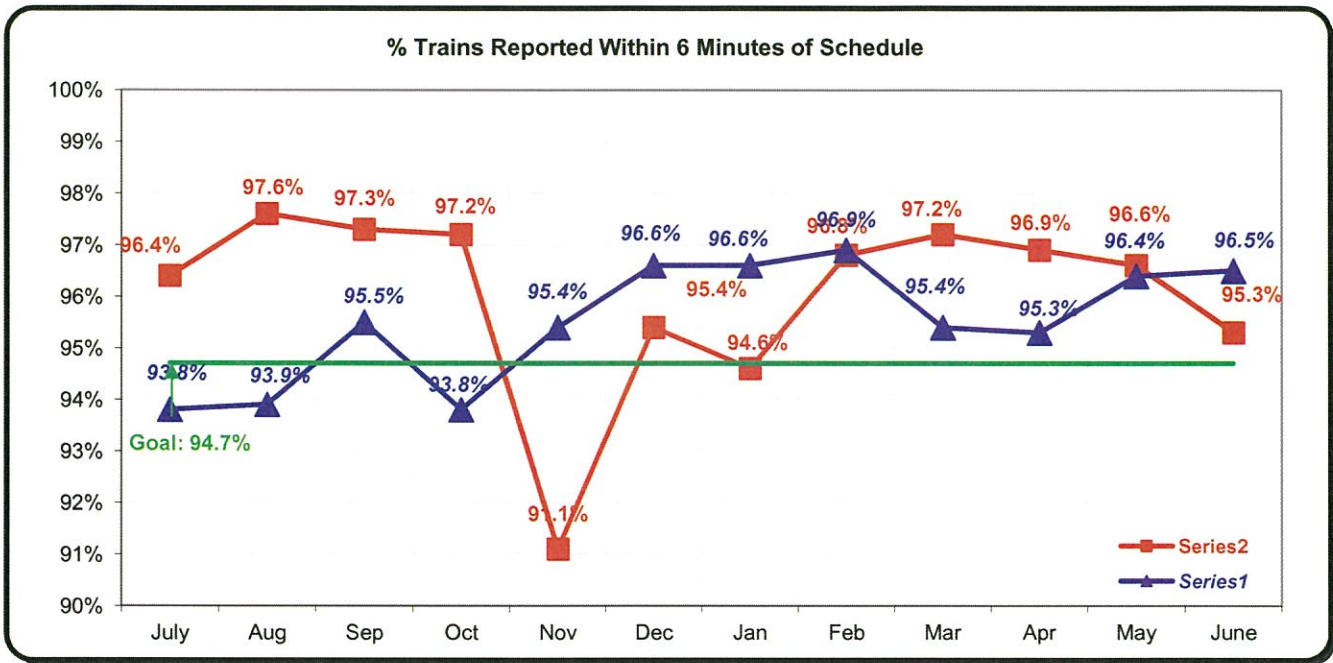
Finally, today for the Board's consideration we are presenting the Fiscal Year 2014 operating and capital budgets. On the capital side, the \$1.228 billion program calls for continued investment in the state's transit infrastructure to focus on state of good repair, improve reliability and safety, and enhance the overall customer experience on our system. On the operating side, the \$1.941 billion program provides for the continued support and resources for the operations of NJ TRANSIT Bus, Rail and Light Rail services, with no fare increase for the fourth consecutive budget year. We made a commitment to continue to hold the line on customer fares, and we are delivering on that commitment by implementing sustainable and fiscally responsible operating and capital programs.

EXECUTIVE DIRECTOR'S MONTHLY REPORT JULY 2013

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

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL JULY 2011 - JUNE 2013



	2012	2013	# Change
June Comparison	96.5%	95.3%	-1.2%

	2011-2012	2012-2013	# Change
12-Month Average July - June	95.7%	96.0%	0.3%

Analysis:

Rail On-Time Performance was 95.3% for June 2013. Of the 17,651 trains scheduled to operate, 16,828 were on time, while 823 trains (or 4.7%) were delayed. Key causes included:

- Mechanical problems and weather-related issues on June 13.
- Grade-crossing accident on June 21.
- Equipment-related problems and overhead wire problems on June 22.

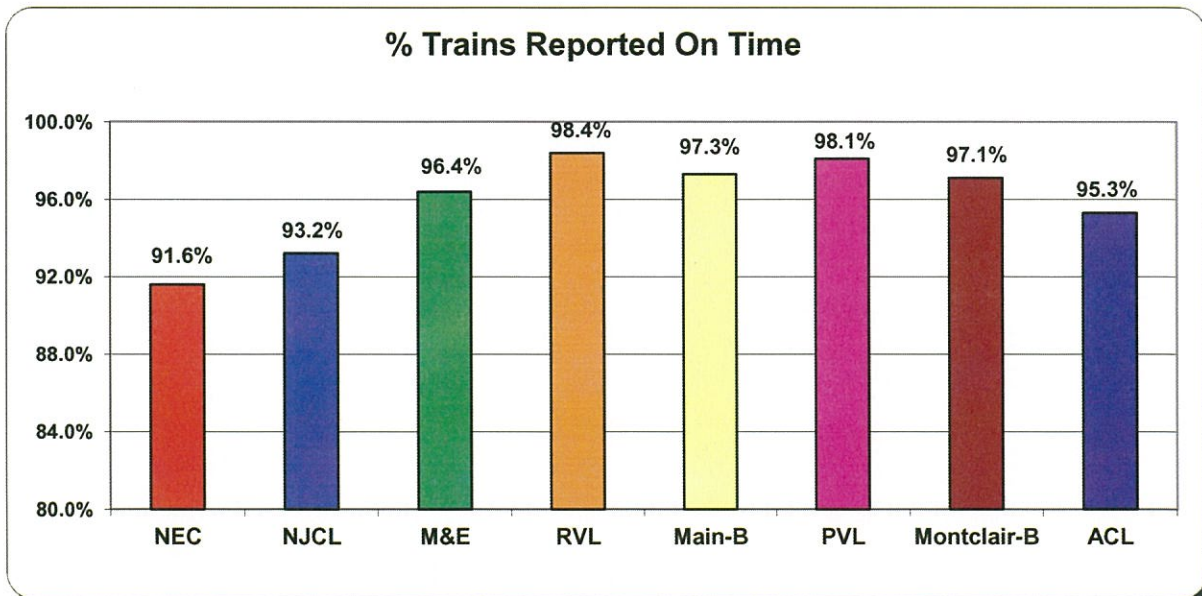
The 12-month average for Rail On-Time Performance for July 2013 - June 2013 was 95.9%.

ON-TIME PERFORMANCE RAIL

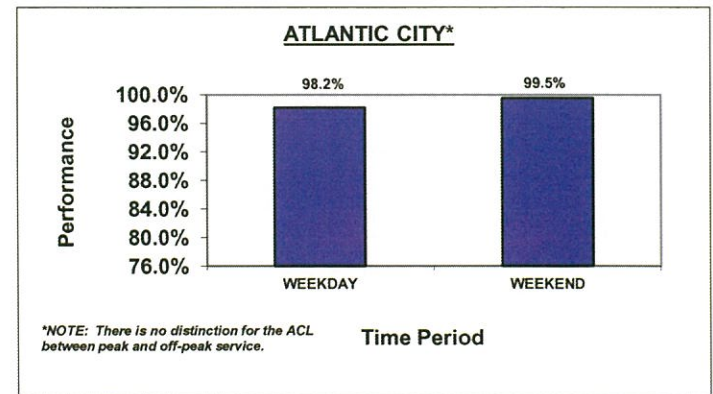
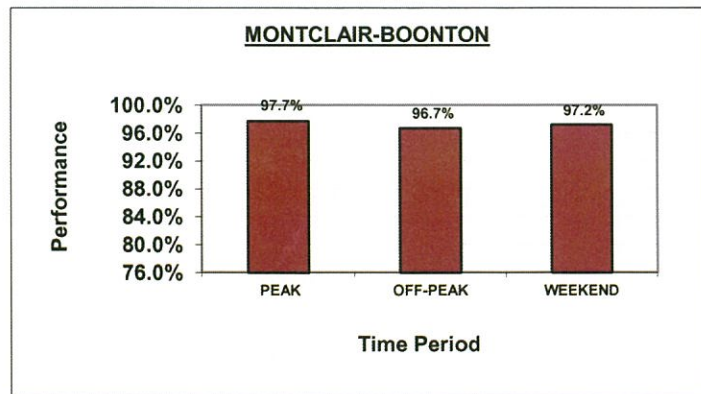
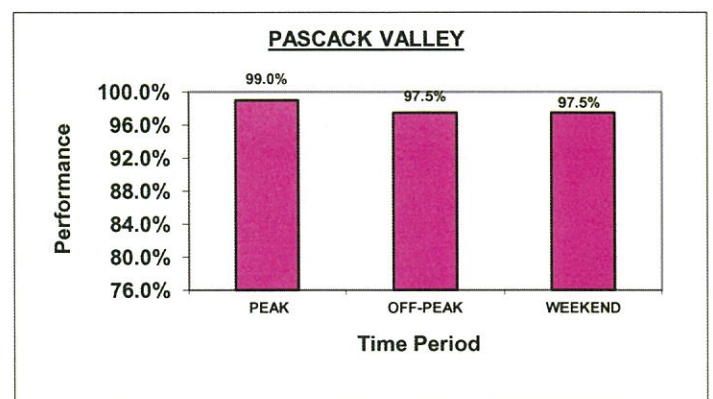
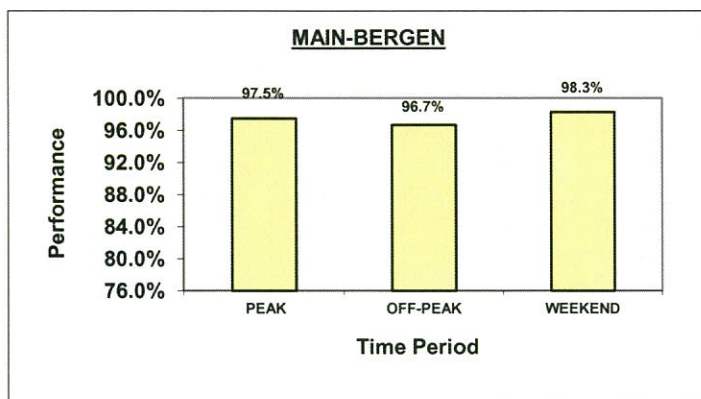
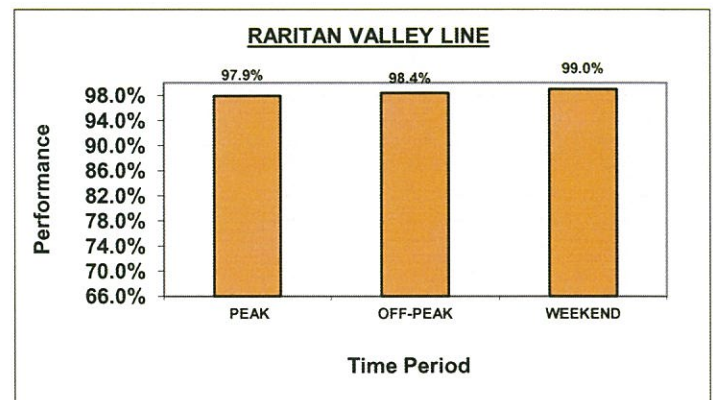
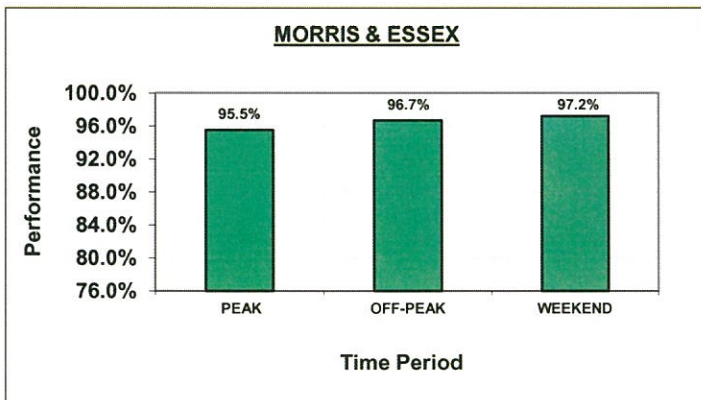
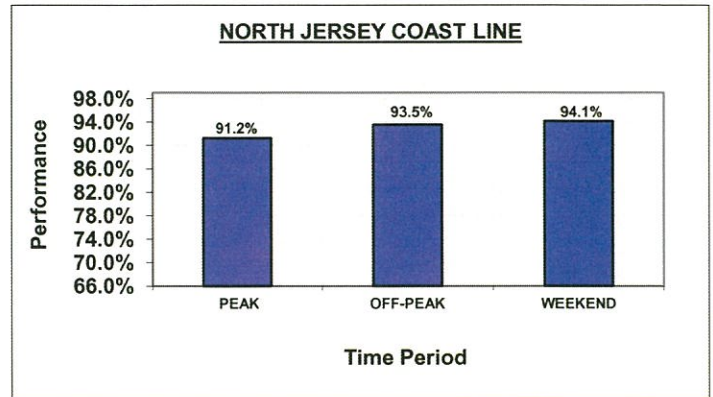
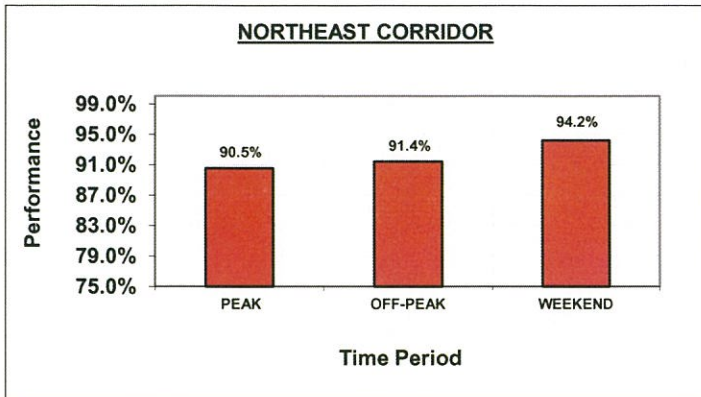
SUMMARY BY TIME PERIOD JUNE 2013



SUMMARY BY LINE JUNE 2013

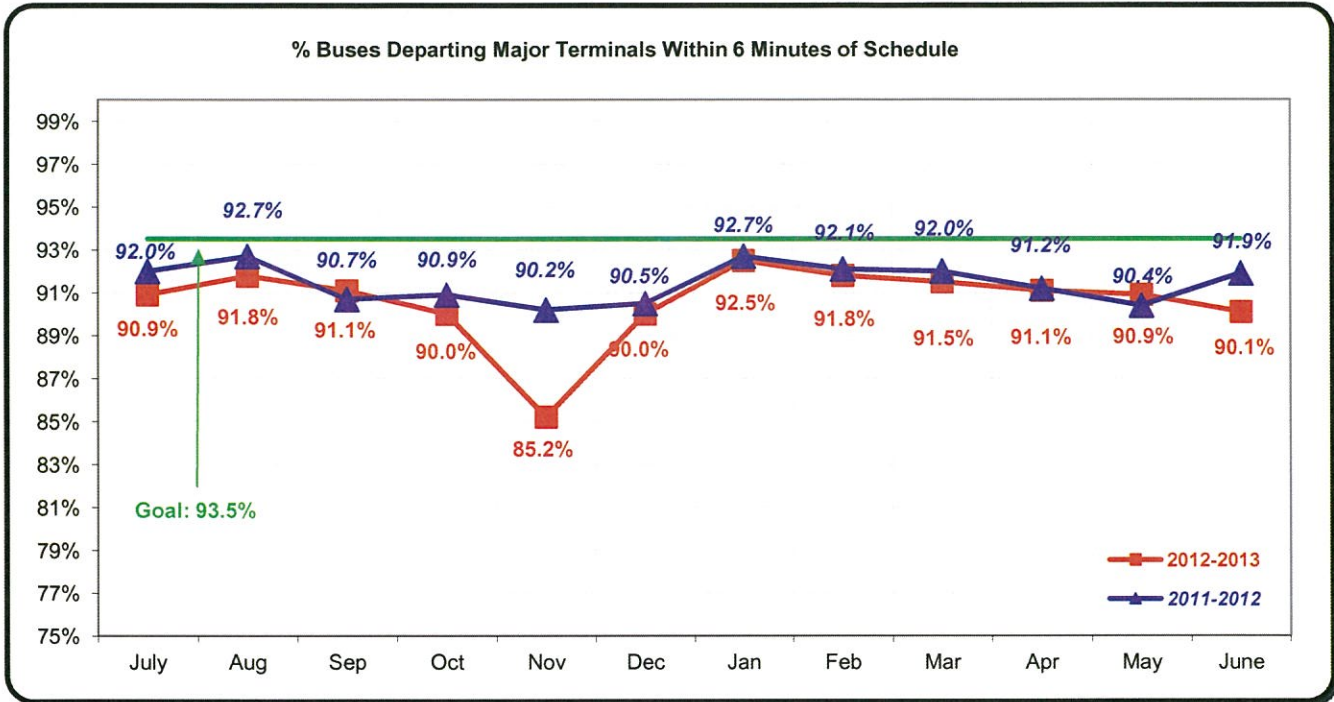


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JUNE 2013



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

NJ TRANSIT ON-TIME PERFORMANCE BUS JULY 2011 - JUNE 2013



	2012	2013	% Change
June Comparison	91.9%	90.1%	-1.8%

	2011-2012	2012-2013	% Change
12-Month Average July - June	91.4%	90.6%	-0.8%

Analysis:

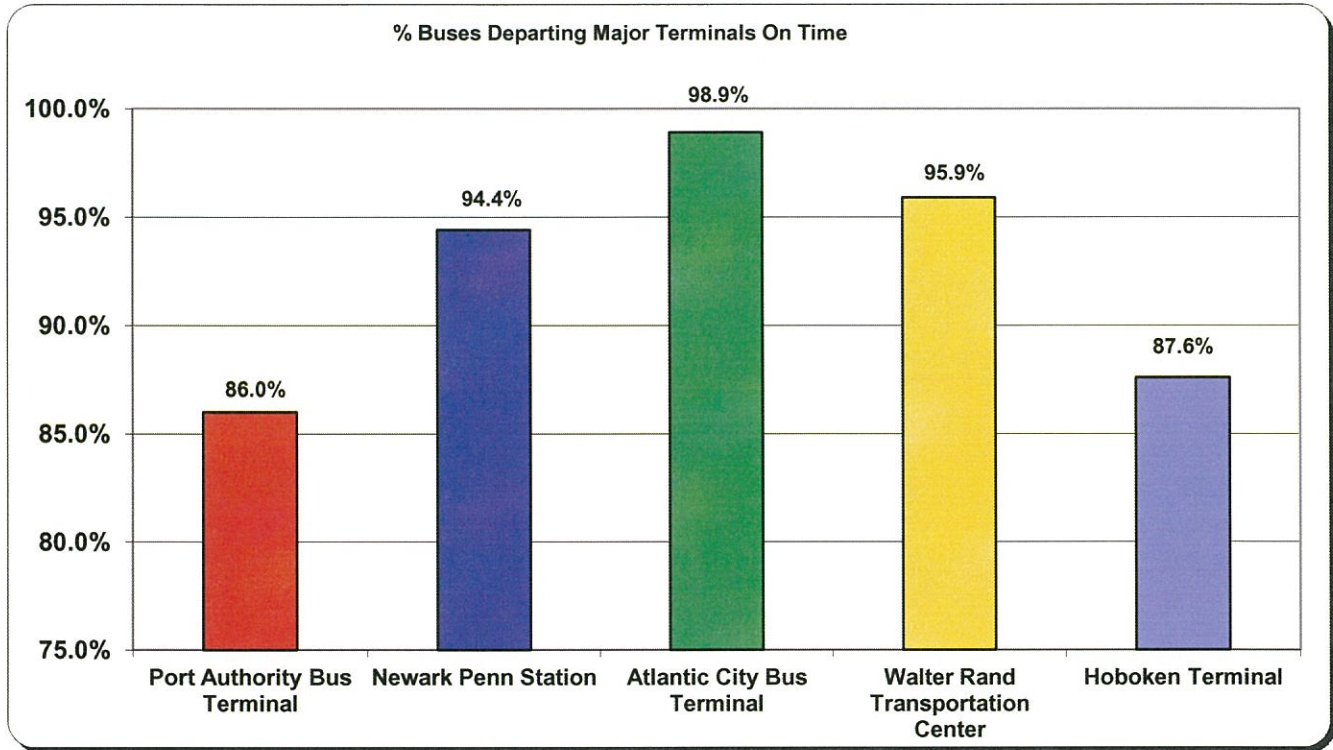
Bus On-Time Performance was 90.1% for June 2013. Of the 35,879 monitored departures, 3,543 (or 9.9%) experienced delays. Key causes included:

- Accidents in/around Lincoln Tunnel affecting Port Authority Bus Terminal service.
- Accidents, detours, congestion and mechanical issues impacting Newark Penn Station buses on June 4, 12, 14, 20, and 21.
- Traffic in Hudson County and New York affecting Hoboken buses on June 14, 21, and 28.

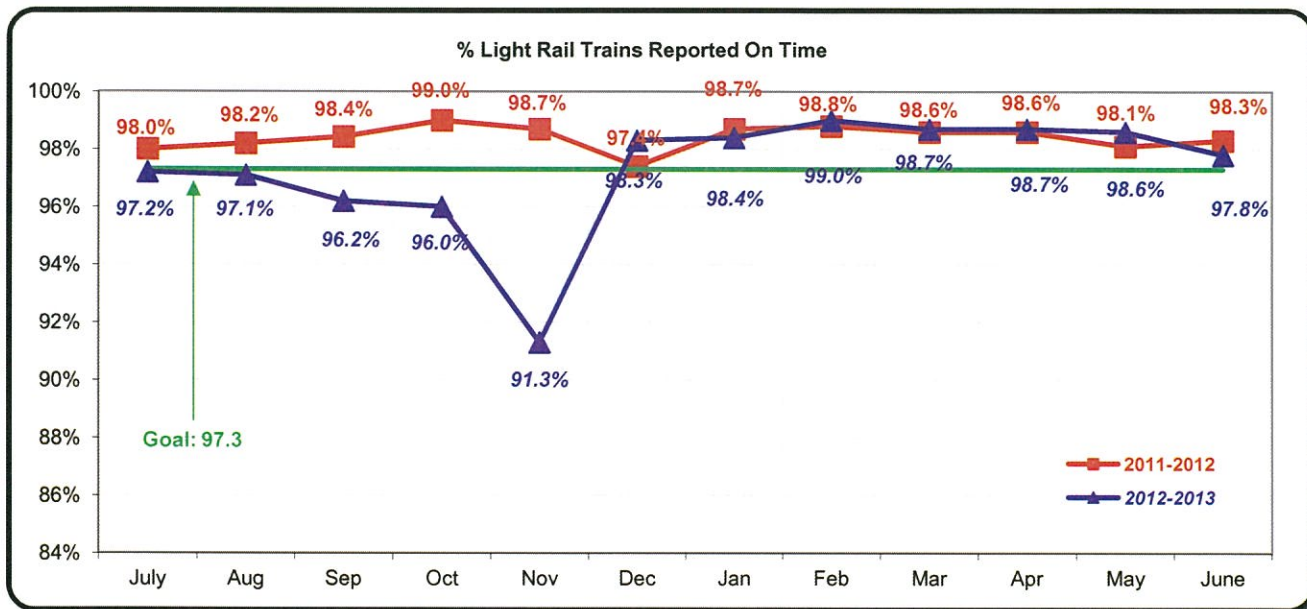
The 12-month average for Bus On-Time Performance for July 2011 - June 2013 was 91.0%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL JUNE 2013



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL JULY 2011 - JUNE 2013



	2012	2013	# Change
June Comparison	97.8%	98.3%	0.5%

	2011-2012	2012-2013	# Change
12-Month Average July - June	97.3%	98.4%	1.1%

Analysis:

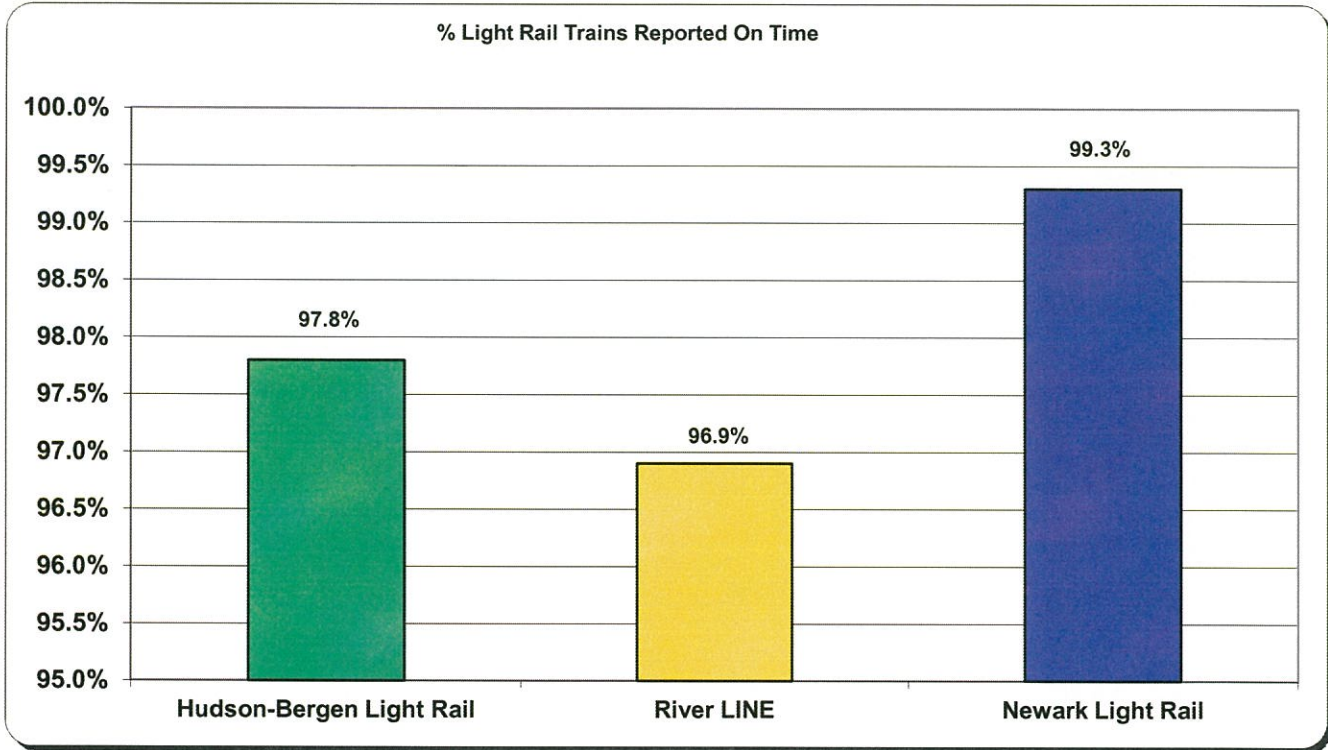
Light Rail On-Time Performance systemwide was 98.3% for the month of June 2013. Of the 25,566 scheduled trains, 440 (or 1.7%) experienced delays. Key causes included:

- Flooding in Camden affecting River Line service on June 7.
- Automobile blocking tracks in Jersey City affecting Hudson-Bergen Light Rail service on June 21.
- Mechanical problems impacting Newark Light Rail trains on June 30.

The 12-month average for Light Rail On-Time Performance for July 2011 - June 2013 was 97.9%.

ON-TIME PERFORMANCE LIGHT RAIL

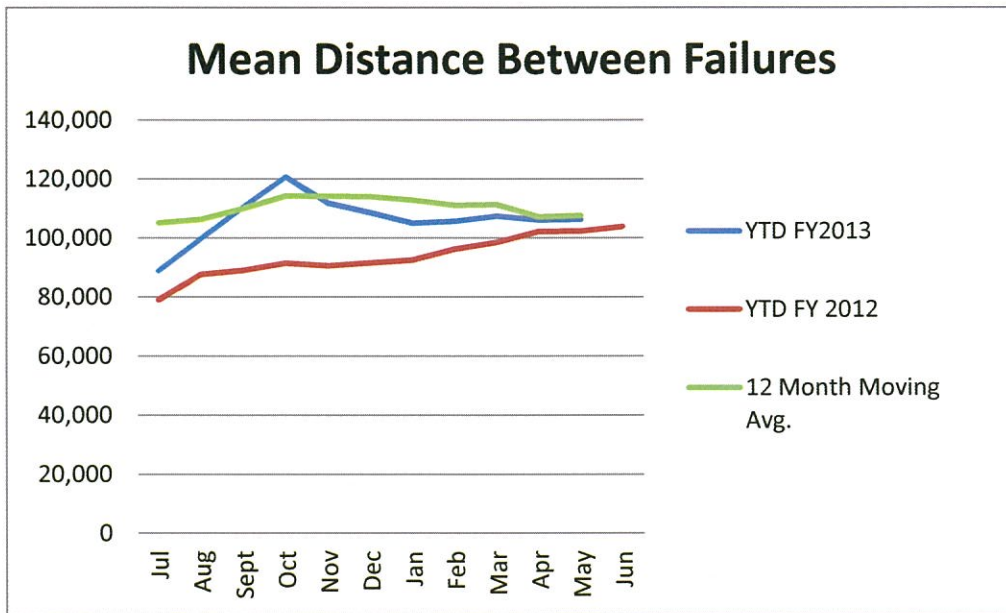
SUMMARY BY LINE JUNE 2013



MEAN DISTANCE BETWEEN FAILURES

NJ Transit Rail
Mean Distance Between Failures

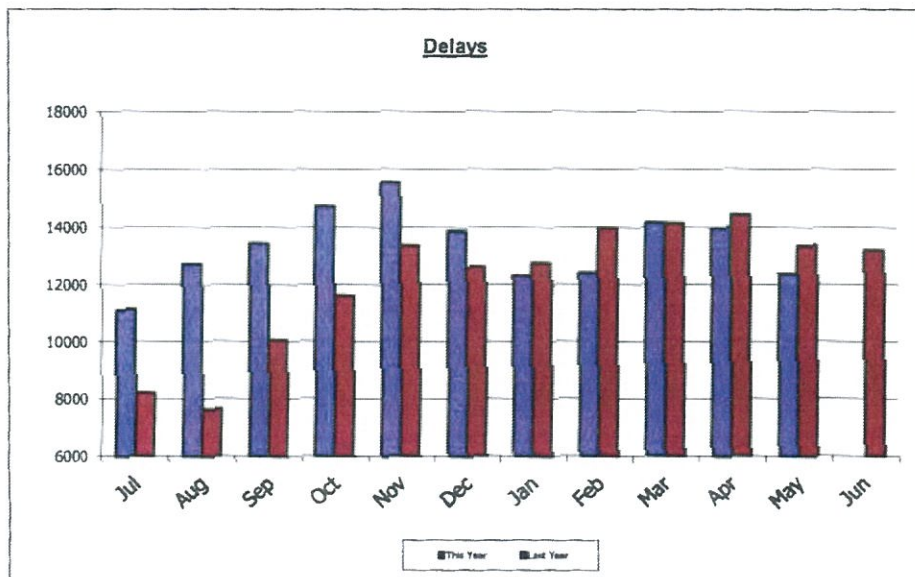
Month	YTD FY2013	YTD FY 2012	12 Month Moving Avg.
Jul	88,735	78,933	105,073
Aug	99,585	87,525	106,298
Sept	110,530	89,028	109,993
Oct	120,591	91,327	114,150
Nov	111,758	90,518	114,054
Dec	108,579	91,523	114,023
Jan	104,917	92,489	112,736
Feb	105,580	96,166	111,055
Mar	107,335	98,412	111,230
Apr	106,048	102,149	107,133
May	106,287	102,237	107,612
Jun		103,748	



Garage Performance Parameters

May2013

Location	Miles Between In-Service Delays			
	FY2013 Goal	This Month	FY2013 YTD	FY2012 YTD
Fairview	9,000	6,671	8,052	7,947
Greenville	10,000	10,436	10,749	7,780
Market Street	11,500	11,868	12,544	10,376
Meadowlands	10,600	7,973	11,321	9,072
Oradell	15,500	9,963	15,005	13,940
Wayne	15,500	11,504	14,081	14,130
Northern Division	12,000	9,703	12,461	11,094
Big Tree	6,500	9,001	11,172	9,359
Hilton	7,140	9,830	8,692	8,362
Howell	18,500	15,399	15,647	17,371
Ironbound	13,000	14,056	13,221	15,759
Orange	5,300	10,288	8,125	5,776
Morris	9,000	52,111	54,189	68,125
Central Division	11,200	12,480	11,600	10,786
Egg Harbor	15,500	25,921	15,607	15,878
Hamilton	25,300	20,183	24,254	26,863
Newton Avenue	13,800	17,589	17,263	15,435
Washington Twp.	17,800	14,449	19,086	18,403
Southern Division	16,613	18,442	17,848	17,432
Bus Operations		12,369	13,192	12,274

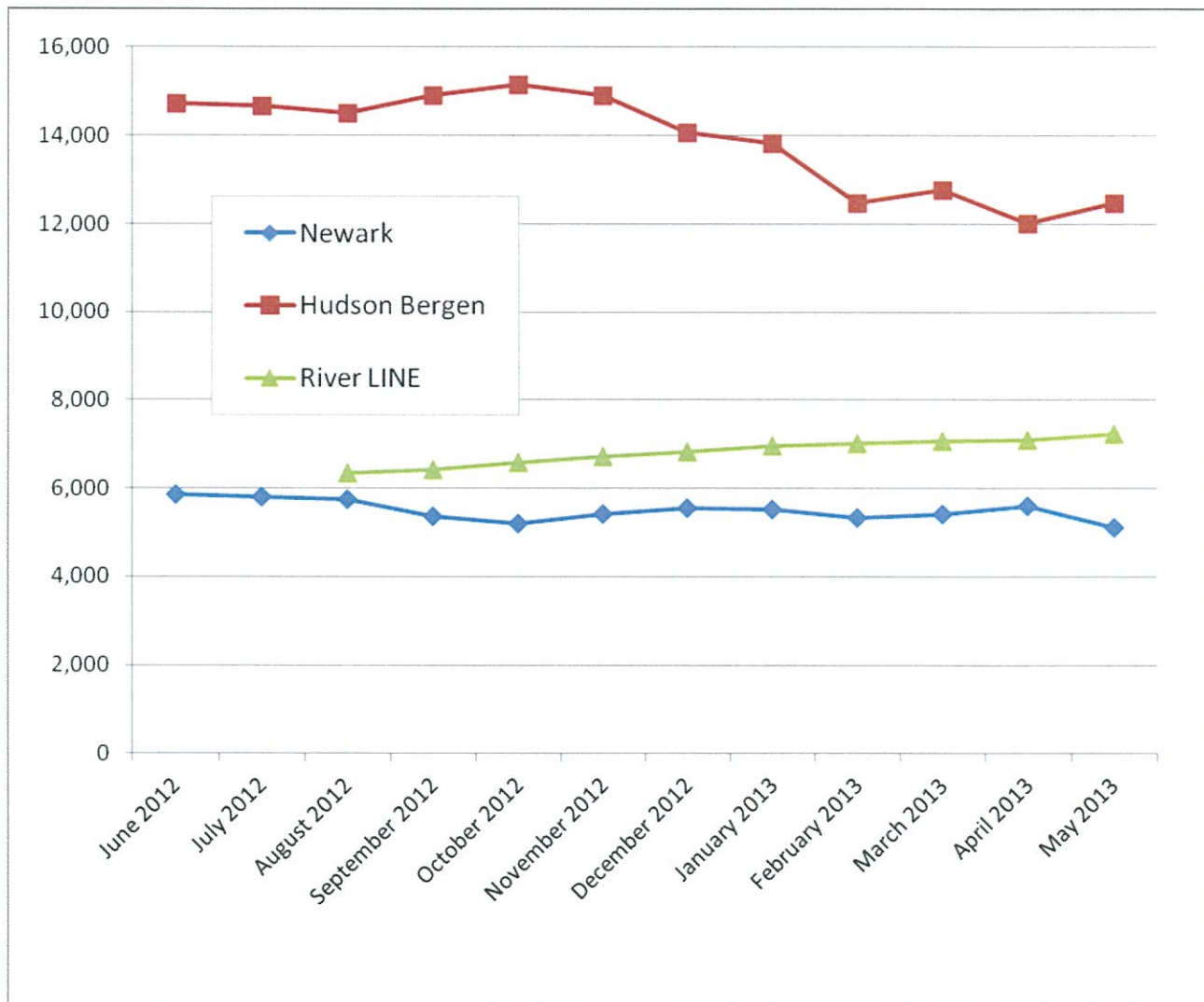


NJ TRANSIT - LIGHT RAIL, May 2013

Miles Between In-Service Delays (Delayed Trains)

Light Rail System	May 2013 (Current Month)	12 Month Moving Average
Newark	5,886	5,128
Hudson Bergen	15,043	12,467
River LINE	7,554	7,223

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



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

DBE/MBE PROGRAM

NJ TRANSIT Office of Business Development DBE/SBE Participation through June 2013

FTA Funded Contracts*

During the 3rd Quarter of Federal Fiscal Year 2013 (April – June 2013), the FTA funded share of NJ TRANSIT’s federal contracts awarded was **\$20,480,896.06**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$4,252,396.06** or **20.76%**.

DBE Goal Attainment from October 1, 2010 (FFY 2011) through June 30, 2013 (FFY 2013)		
Contracts awarded	\$84,764,638.51	
DBEs received	\$16,402,230.35	or 19.35%

State Funded Contracts*

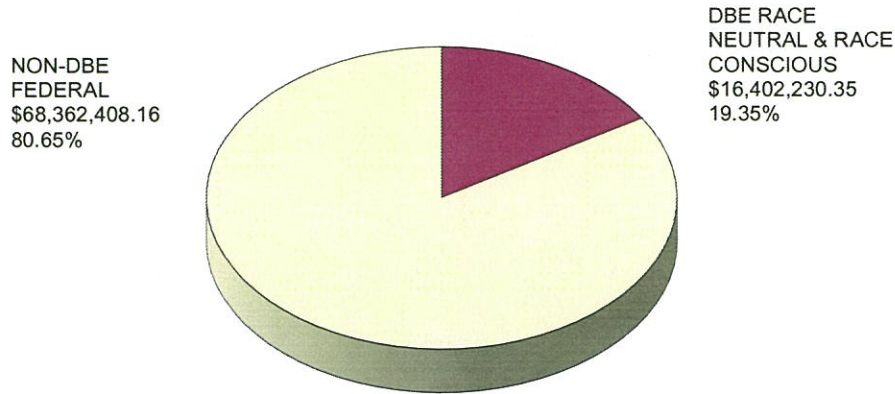
During the month of June 2013, NJ TRANSIT awarded **\$15,626,721.46** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$2,889,358.07** or **18.49%**.

During the State Fiscal Year 2013 (July 1, 2012 through June 30, 2013) NJ TRANSIT awarded **\$110,822,665.22** in state funded contracts. Of that total, SBEs received **\$22,730,052.75** or **20.51%**.

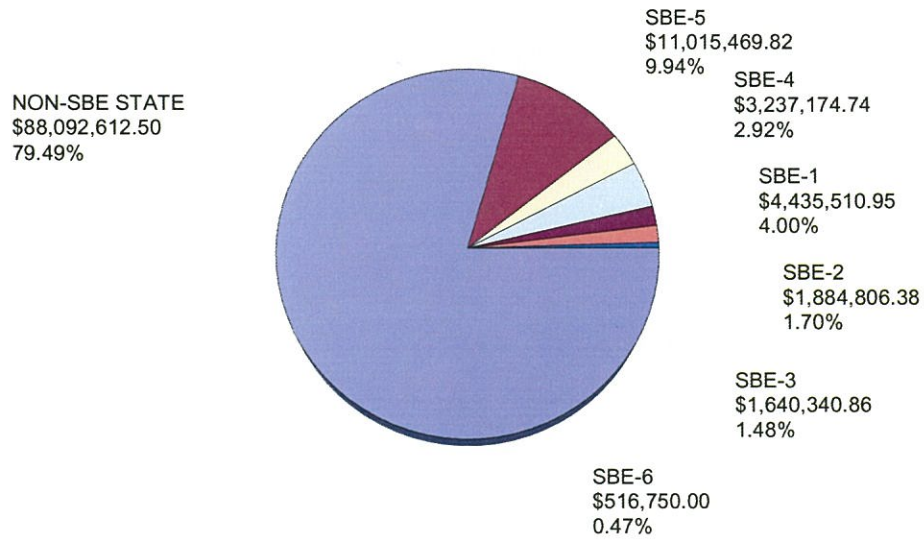
Category 1 SBEs received	\$4,435,510.95	or 4.00%
Category 2 SBEs received	\$1,884,806.38	or 1.70%
Category 3 SBEs received	\$1,640,340.86	or 1.48%
Category 4 SBEs received	\$3,237,174.74	or 2.92%
Category 5 SBEs received	\$11,015,469.82	or 9.94%
Category 6 SBEs received	\$516,750.00	or 0.47%

*Contract award amounts are derived from the Procurement database

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (FFY11 – FFY13)***



**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (JUNE FY13) ****



Federal Fiscal Year 2011 Beginning October 1, 2010*
State Fiscal Year 2013 Beginning July 1, 2012**

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Ten NJ TRANSIT employees retired in June with careers ranging from 10 to 37 years of service:

1. Murray S. Kramer (Piscataway) Quality Assurance Specialist – Penn Plaza – 37 years
2. Willie Ancrum, Jr. (Paterson) Depot Clerk – Wayne Garage – 29 years
3. Shirley Boyd (Pleasantville) Bus Operator – Egg Harbor Township – 28 years
4. Kyle M. Green (East Orange) Data Verifier – General Office Building – 26 years
5. Thomas M. DeAngelo (North Cape May) Bus Operator – Egg Harbor Twp. – 22 years
6. Varoti Chakravarti (Secaucus) Principal Research Analyst – Penn Plaza – 20 years
7. Wade S. Davis (Hillside) Bus Operator – Ironbound Garage – 20 years
8. Jacqueline A. Brown (Orange) Bus Operator – Orange Garage – 11 years
9. Margaret Cotte (Audubon) Bus Operator – Washington Township – 11 years
10. Sulaimon B. Ahmed (Ewing) Bus Operator – Hamilton Garage – 10 years

ACTION ITEMS

ITEM 1307-32:**FISCAL YEAR 2014 OPERATING BUDGET****BENEFITS**

NJ TRANSIT's \$1.941 billion Fiscal Year 2014 Operating Budget provides for the continued support and resources for the operations of NJ TRANSIT Bus, Rail and Light Rail services for its customers without increasing fares. The Fiscal Year 2014 growth is only 1.9 percent or \$37.1 million, when compared to Fiscal Year 2013. This represents an overall budget growth rate that is less than the rate of inflation of 2.2 percent.

This budget recommendation continues NJ TRANSIT's commitment to operate as lean as possible. The Fiscal Year 2014 Operating Budget funds cost escalations on existing contracts for purchased transportation, mandatory costs for increasing health benefit costs, smart bus maintenance, rail and bus revenue vehicle parts, Port Authority toll increase, and safety and security costs. It also reduces the cost of diesel fuel due to conservation initiatives.

From a revenue perspective, resources of \$1.941 billion are estimated to be available from various sources. Passenger revenue and other commercial revenue represent 53 percent of the total revenue. For passenger revenue, NJ TRANSIT is projecting a 3 percent growth rate, composed of 2.5 percent in trend growth and the remainder for added private carrier service. State Operating Assistance remains flat at the Fiscal Year 2013 level of \$73.2 million and other State and Federal reimbursements is projected to increase by \$7.5 million or 1.6 percent. A summary of the Fiscal Year 2014 Revenues is presented in Exhibit A.

From an expense perspective, 58 percent - \$1.120 billion - of the Fiscal Year 2014 Operating Budget is dedicated to labor and fringe benefit expenses. Other significant expenses comprising 28 percent - \$538.6 million - of the Fiscal Year 2014 Operating Budget consist of purchased transportation, fuel and power, and materials. Exhibit B summarizes the expenses of \$1.941 billion by category. With respect to expense growth, almost \$35 million or 94 percent of the proposed operating budget growth in Fiscal Year 2014 is concentrated in two areas: cost escalations on existing contracts primarily within purchased transportation - \$17.4 million - and increases in health benefit costs - \$17.5 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 2014 Operating Budget in the amount of \$1.941 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 2015 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 2014 Operating Budget for NJ TRANSIT as detailed on the attached exhibits. This budget includes appropriations for public transportation contained in the Fiscal Year 2014 State Budget (pending)/adopted (with)/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 2014 Operating Budget, staff is requesting authorization to continue to expend funds to meet NJ TRANSIT's obligations until the adoption of a Fiscal Year 2015 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 2015 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 and Light Rail 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 Customer Service Committee, the Board Administration Committee, and the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization: \$1.941 billion

Total Project Cost:	None
Projected Date of Completion:	June 30, 2014
Anticipated Source of Funds:	Passenger fares and other revenues State operating assistance Other State and Federal reimbursements
DBE/SBE Goal:	None
<i>NJ Build</i> Amount:	None
Related/Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	None

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 2014 State Budget which includes appropriations for public transportation purposes; and

WHEREAS, staff has recommended a Fiscal Year 2014 Operating Budget for NJ TRANSIT as detailed in the item and Exhibits A, B and C attached hereto; and

WHEREAS, the Fiscal Year 2014 Operating Budget recognizes State operating assistance of \$73.2 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 2015 Budget is not finalized prior to the June 2014 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 2015 budget prior to July 2014, it will be necessary to expend funds after July 1, 2014, prior to the final adoption of the Fiscal Year 2015 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 2014 Operating Budget item, resolution and attachments and until the adoption and approval of the Fiscal Year 2015 Operating Budget.

EXHIBIT A**FISCAL YEAR 2014
OPERATING BUDGET
REVENUES**

Total Revenues **\$1.941 billion**

NJ TRANSIT revenues are budgeted at approximately \$1.941 billion, an increase of \$37.1 million compared to the Fiscal Year 2013 Operating Budget. Specific assumptions are described below.

Passenger Revenue **\$920.6 million**

The Fiscal Year 2014 Operating Budget includes passenger revenue of \$920.6 million, an increase of \$26.4 million over the Fiscal Year 2013 Operating Budget. This increase is the result of an incremental growth of 2.5 percent based on employment projections and ridership trends and 0.5 percent for added private carrier service.

Other Commercial Revenue **\$113.0 million**

Other commercial revenues are budgeted at \$113.0 million, which is \$3.2 million more when compared to the Fiscal Year 2013 Operating Budget. The growth is attributable to a base revenue increase predicated on upward trending advertising revenue.

State Operating Assistance **\$73.2 million**

Consistent with the State Budget proposed by the Governor and (pending adoption)/ adopted by the Legislature, State operating assistance is budgeted at \$73.2 million in Fiscal Year 2014.

Other State and Federal Reimbursements **\$834.2 million**

Other State and Federal reimbursements are budgeted at \$834.2 million.

EXHIBIT B**FISCAL YEAR 2014
OPERATING BUDGET
EXPENSES**

Total Expenses **\$1.941 billion**

NJ TRANSIT expenses are budgeted at \$1.941 billion, an increase of \$37.1 million compared to the Fiscal Year 2013 Operating Budget. Growth is primarily limited to mandatory costs such as escalating health benefit costs, previously negotiated contractual agreements for purchased transportation, and maintenance costs.

Labor and Fringe Benefits **\$1.120 billion**

Labor and fringe benefits are budgeted at \$1.120 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 **\$ 314.9 million**

Fuel, power, materials and supplies costs are budgeted at \$314.9 million, a decrease of \$2.0 million over the Fiscal Year 2013 Operating Budget. Cost savings are in diesel fuel based upon conservation initiatives.

Purchased Transportation **\$ 223.7 million**

Purchased transportation expenses are budgeted at \$223.7 million, or a \$17.4 million increase due primarily to growth in existing Light Rail, Access Link and Private Carrier Bus contracts.

Other Expenses **\$282.3 million**

All other expenses are budgeted at \$282.3 million, a net increase of \$0.3 million over the Fiscal Year 2013 Operating Budget. This includes funding for outside services, utilities, claims and insurance, tolls, trackage fees and other miscellaneous costs.

EXHIBIT C

**NEW JERSEY TRANSIT CONSOLIDATED OPERATIONS
FISCAL YEAR 2014 Proposed Operating Budget
(\$ in millions)**

	FY 2013	FY 2014	Difference	
	Final Budget	Proposed Budget	\$	%
<u>REVENUES:</u>				
Passenger Revenue	\$894.2	\$920.6	\$26.4	3.0%
Other Revenue	\$109.8	\$113.0	\$3.2	2.9%
TOTAL REVENUE	\$1,004.0	\$1,033.6	\$29.6	2.9%
<u>OPERATING ASSISTANCE:</u>				
State Operating Assistance	\$73.2	\$73.2	\$0.0	0.0%
Capital Transfers	\$397.0	\$397.0	\$0.0	0.0%
Other Reimbursements	\$429.7	\$437.2	\$7.5	1.7%
TOTAL OPERATING ASSISTANCE	\$899.9	\$907.4	\$7.5	0.8%
<u>TOTAL REVENUES & OPERATING ASSISTANCE</u>	<u>\$1,903.9</u>	<u>\$1,941.0</u>	<u>\$37.1</u>	<u>1.9%</u>
<u>EXPENSES:</u>				
Labor and Fringe Benefits	\$1,101.1	\$1,120.1	\$19.0	1.7%
Services	\$120.9	\$122.8	\$1.9	1.6%
Fuel & Power	\$166.5	\$162.1	(\$4.4)	-2.6%
Materials & Supplies	\$150.4	\$152.8	\$2.4	1.6%
Utilities	\$41.8	\$41.8	\$0.0	0.0%
Claims & Insurance	\$25.8	\$25.8	\$0.0	0.0%
Purchased Transportation	\$206.3	\$223.7	\$17.4	8.4%
Tolls & Trackage Fees	\$56.1	\$56.9	\$0.8	1.4%
Other	\$35.0	\$35.0	\$0.0	0.0%
<u>TOTAL EXPENSES</u>	<u>\$1,903.9</u>	<u>\$1,941.0</u>	<u>\$37.1</u>	<u>1.9%</u>

ITEM 1307-33: FISCAL YEAR 2014 CAPITAL PROGRAM**BENEFITS**

Consistent with NJ TRANSIT's Capital Investment Strategy, NJ TRANSIT's \$1.228 billion Fiscal Year 2014 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. Foremost amongst these efforts is NJ TRANSIT's rolling stock modernization program which includes the procurement of over 1,400 new buses, over 400 multilevel railcars, and more than 50 electric and dual power locomotives.

The program continues to invest in upgrades to the efficiency and state of good repair of the Northeast Corridor (NEC) with a \$60 million installment in Fiscal Year 2014, part of NJ TRANSIT's 5-year \$600 million dollar NEC investment program.

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

Anticipated resources of \$1.228 billion are estimated to be available from federal, state and other sources in Fiscal Year 2014. A summary of the Fiscal Year 2014 Sources of Funds is presented in **Attachment 1**. This year's program reflects a reduction of Transportation Trust Funds (TTF) for preventive maintenance and a corresponding increase in Federal Highway Administration funds. This is consistent with program objectives to maximize drawdown of the federal funds vis-à-vis the TTF. It also allows NJ TRANSIT to virtually eliminate the practice of using TTF funds to fund annual capital maintenance activities.

Attachments 2 and 3 summarize funds and percent of the total program by category. Approximately 60 percent of the Fiscal Year 2014 Capital Program – \$741 million – is dedicated to fixed expenses, as follows:

- \$691 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;
- \$46 million will be spent using funds mandated for a specific use including the federal rural transit program;
- \$4 million of operating funds will be spent for ongoing support of the Job Access Reverse Commute (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 \$487 million – funds the basic capital program improvements needed to maintain and improve the transit system as follows:

- \$132 million will be invested in rail infrastructure improvement needs, including

\$54 million to fund track and bridge improvements; \$20 million to fund electric traction and signal improvements on the railroad; \$42 million will be invested in rail infrastructure improvements on the Northeast Corridor Line including the Midline Loop, County Yard, and Portal Bridge early action projects;

- \$53 million will be invested in rail rolling stock improvements, including \$5 million to continue funding for locomotive overhauls to maintain reliability; \$45 million for the overhaul of the locomotives and passenger coaches; \$3 million for the design efforts related to replacing the aging Arrow III fleet with higher capacity trainsets;
- \$37 million will be invested in rail station improvements including Elizabeth, Newark Penn, and Perth Amboy stations;
- \$195 million will be invested in bus and light rail infrastructure improvements, including \$4 million for infrastructure improvements on the Newark Light Rail, \$115 million for annual payment to replace 200 transit-style buses, over \$9 million for Capital Asset Replacement Program funds for the RiverLine and Hudson Bergen Light Rail, and \$47 million for Light Rail Vehicle Capacity Extenders;
- \$69 million will be invested in system-wide improvements, including \$19 million for technology upgrades that both improve efficiency and reduce annual operating costs.

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 2014 Capital Program in the amount of \$1.228 billion, as described in the item and on Attachments 1, 2 and 3.

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 application, 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 2014 anticipated capital resources are \$1.228 billion; including \$695 million of federal funds, \$495 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 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 ongoing 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 Customer Service Committee, the Board Administration Committee, and the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization: \$1.228 billion

Total Project Cost: NA

Projected Date of Completion: NA

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

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 2014 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 2014, the Capital Program will be consistent with the Annual Capital Investment Strategy submitted to the State Legislature; and

WHEREAS, the Fiscal Year 2014 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 2014 Capital Program is submitted to the State Legislature for consideration as part of its annual budget appropriation process;

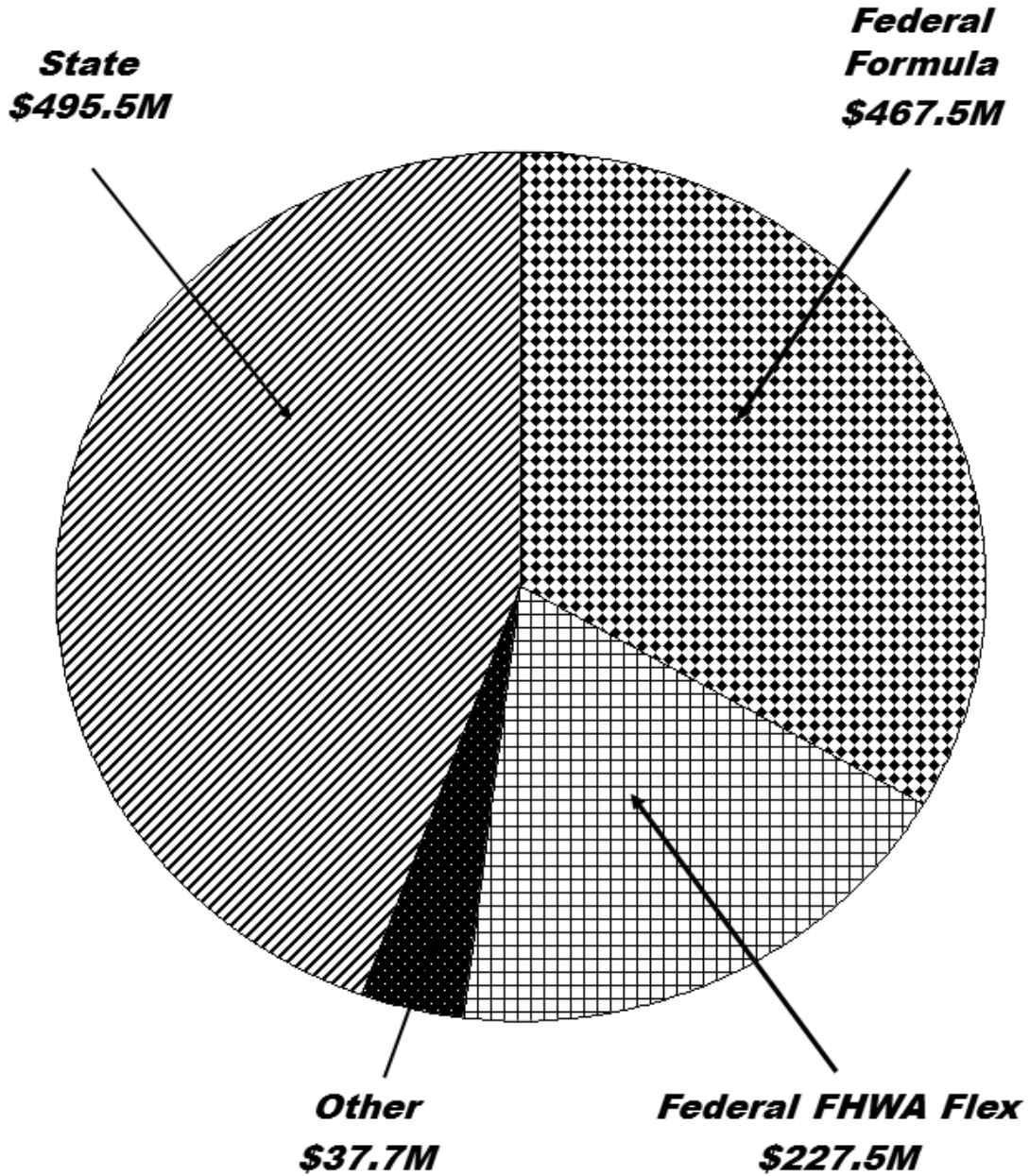
NOW, THEREFORE, BE IT RESOLVED that the NJ TRANSIT Board of Directors adopts the Fiscal Year 2014 Capital Program in the amount of \$1.228 billion, as described; and

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 application, 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
FY14 CAPITAL PROGRAM
Sources of Funds
\$1.228 Billion**



Attachment 2
NJ TRANSIT FY14 CAPITAL PROGRAM
SUMMARY

(\$ in millions)

CATEGORY	FY14 AMOUNT	FY14 PERCENT
CAPITAL MAINTENANCE / DEBT SERVICE	\$691	56%
PASS-THROUGH	\$50	4%
RAIL INFRASTRUCTURE IMPROVEMENTS	\$132	11%
RAIL ROLLING STOCK IMPROVEMENTS	\$53	4%
RAIL STATION IMPROVEMENTS	\$37	3%
BUS/LIGHT RAIL IMPROVEMENTS	\$195	16%
SYSTEM-WIDE IMPROVEMENTS	\$69	6%
SYSTEM EXPANSION	\$1	0%
TOTAL	\$1,228	100%

**Attachment 3
NJ TRANSIT Fiscal Year 2014 CAPITAL PROGRAM
(\$ in Millions)**

2014

----- 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>IE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Capital Maintenance/Debt Service										
<u>RAIL</u>										
Capital Maintenance	26.610	154.500	0.000	0.000	63.900	0.000	0.000	0.000	245.010	
Capital Maintenance/JARC Pass Through	4.300	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.300	
Rolling Stock-Rail	100.074	0.000	0.000	0.000	0.000	0.000	12.074	0.000	112.148	
Rolling Stock-Rail Debt Serv/Prev. Maint. Pass Through	0.000	0.000	0.000	0.000	64.173	0.000	0.000	0.000	64.173	
<u>RAIL SUBTOTAL</u>	130.984	154.500	0.000	0.000	128.073	0.000	12.074	0.000	425.631	34.7%
=====										
<u>BUS/LRT</u>										
Capital Maintenance	98.363	0.000	0.000	0.000	48.427	0.000	0.800	0.000	147.590	
Newark City Subway	0.000	0.000	0.000	0.000	0.000	0.000	6.151	0.000	6.151	
River Line Intermodal Improvements	0.000	0.000	0.000	0.000	0.000	0.000	52.370	0.000	52.370	
Rolling Stock-Bus	0.000	0.000	5.100	0.000	0.000	0.000	12.995	0.000	18.095	
<u>BUS/LRT SUBTOTAL</u>	98.363	0.000	5.100	0.000	48.427	0.000	72.316	0.000	224.206	18.3%
=====										
<u>NEW INITIATIVES</u>										
Hudson/Bergen LRT MOS	0.000	0.000	0.000	0.000	0.000	0.000	9.268	0.000	9.268	
Hudson/Bergen LRT MOS II	27.735	0.000	0.000	0.000	0.000	0.000	0.000	0.000	27.735	
<u>NEW INITIATIVES SUBTOTAL</u>	27.735	0.000	0.000	0.000	0.000	0.000	9.268	0.000	37.003	3.0%
=====										
<u>SYSTEMWIDE</u>										
Building Leases	0.000	0.000	0.000	0.000	0.000	0.000	4.400	0.000	4.400	
<u>SYSTEMWIDE SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	4.400	0.000	4.400	0.4%
=====										
Capital Maintenance/Debt Service TOTAL	257.082	154.500	5.100	0.000	176.500	0.000	98.058	0.000	691.240	56.3%

**Attachment 3
NJ TRANSIT Fiscal Year 2014 CAPITAL PROGRAM
(\$ in Millions)**

2014

----- 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>IE</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	0.1%
=====										
BUS/LRT										
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	
Small Bus Programs	0.000	0.000	0.000	11.400	0.000	0.000	0.000	8.025	19.425	
BUS/LRT SUBTOTAL	1.120	0.000	0.000	11.400	0.000	0.000	0.000	8.025	20.545	1.7%
=====										
SYSTEMWIDE										
Casino Revenue Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.343	20.343	
Job Access and Reverse Commute Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8.600	8.600	
SYSTEMWIDE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	28.943	28.943	2.4%
=====										
Pass-through TOTAL	1.120	0.000	0.000	11.400	0.000	0.000	0.000	37.658	50.178	4.1%

**Attachment 3
NJ TRANSIT Fiscal Year 2014 CAPITAL PROGRAM
(\$ in Millions)**

2014

----- 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>IE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Bus/Light Rail Improvements										
<u>BUS/LRT</u>										
ADA Access Link Computers	0.000	0.000	0.000	0.000	0.000	0.000	2.910	0.000	2.910	
Bus Facilities Midlife Rehabilitation	0.000	0.000	0.000	0.000	0.000	0.000	0.950	0.000	0.950	
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	0.000	0.000	0.000	0.000	0.000	0.000	0.800	0.000	0.800	
Emergency Response Bus Facilities	0.000	0.000	0.000	0.000	0.000	0.000	1.100	0.000	1.100	
Fleet Overhauls	0.000	0.000	0.000	0.000	0.000	0.000	0.636	0.000	0.636	
Hudson/Bergen LRT Capital Asset Replacement	0.000	0.000	0.000	0.000	0.000	0.000	7.005	0.000	7.005	
Newark City Subway	0.000	0.000	0.000	0.000	0.000	0.000	3.775	0.000	3.775	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.430	0.000	0.430	
Park-N-Ride	0.000	0.000	2.000	0.000	0.000	0.000	0.000	0.000	2.000	
Passenger Facilities/Signs and Shelters	0.700	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.700	
Private Carrier Equipment	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
RiverLine Capital Asset Replacement	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Rolling Stock-Bus	0.000	0.000	2.000	0.000	0.000	0.000	115.591	0.000	117.591	
Rolling Stock-Light Rail Vehicle Capacity Extender	0.000	0.000	0.000	0.000	47.000	0.000	0.000	0.000	47.000	
Support Facilities/Equipment	0.000	0.000	2.250	0.000	0.000	0.000	0.050	0.000	2.300	
<u>BUS/LRT SUBTOTAL</u>	0.700	0.000	6.250	0.000	47.000	0.000	141.247	0.000	195.197	15.9%
=====										
Bus/Light Rail Improvements TOTAL	0.700	0.000	6.250	0.000	47.000	0.000	141.247	0.000	195.197	15.9%

**Attachment 3
NJ TRANSIT Fiscal Year 2014 CAPITAL PROGRAM
(\$ in Millions)**

2014

----- 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>TE</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	3.000	0.000	3.000	
Emergency Response Headquarters	0.000	0.000	0.000	0.000	0.000	0.000	7.574	0.000	7.574	
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	
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	50.107	0.000	50.107	4.1%
=====										
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	
Technology Improvements	0.000	0.000	0.000	0.000	0.000	0.000	18.744	0.000	18.744	
TECHNOLOGY/CUSTOMER SERVICE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	19.244	0.000	19.244	1.6%
=====										
Systemwide Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	69.351	0.000	69.351	5.6%

Attachment 3
NJ TRANSIT Fiscal Year 2014 CAPITAL PROGRAM
(\$ in Millions)

2014

----- 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>IE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
System Expansion										
<u>NEW INITIATIVES</u>										
Transit Rail Initiatives	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
<u>NEW INITIATIVES SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	<u>0.1%</u>
=====										
System Expansion TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	<u>0.1%</u>
2014 TOTAL	284.250	154.500	17.300	11.400	226.500	1.000	495.500	37.658	1,228.108	

ITEM 1307-34: MIDDLESEX COUNTY LOCAL BUS SERVICE**BENEFITS**

This contract will provide for the operation of local bus service in the Middlesex and Union Counties area on 14 routes shown in Exhibits A and B. In Fiscal Year 2013, these 14 routes served a combined annual ridership of 3,090,000 passengers. Staff had previously identified these routes as appropriate service to be operated more economically by seeking competitive bids from private bus operators.

ACTION (Scorecard: Financial Performance, Customer Experience)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 13-024 with Academy Express, LLC of Hoboken, New Jersey, to operate 14 routes in the Middlesex and Union Counties area for a 36-month base contract term, with two additional two-year option periods, for a total of 84 months, from September 1, 2013 through September 5, 2020, at a total cost not to exceed \$62,125,114, plus five percent for contingencies, subject to the availability of funds and approval of future operating budgets.

PURPOSE

Authorization of this contract will continue local bus service on these 14 routes in Middlesex and Union Counties.

BACKGROUNDHistory

In October 1995, a Request for Proposals (RFP) was advertised to provide local bus service in the Middlesex County area to operate a total of 12 routes. The contract was awarded to Red & Tan Tours for a 38-month term.

In June 1999, an RFP was advertised again for proposals to provide local bus service on the same 12 routes. Academy Express, LLC was awarded the contract for an 86-month contract period ending September 2006. Prior to the termination of this agreement, the service was expanded to include two additional routes operated in Union County.

The combined 14 routes were advertised again in January 2006 resulting in Academy Express, LLC being awarded a 70-month contract ending August 31, 2013.

Procurement

On January 2, 2013, NJ TRANSIT advertised in *The Star-Ledger* and *The Trenton Times* a Request for Proposals (RFP) for the Middlesex County Local Bus service. The RFP requested technical and costs proposals from private motorbus carriers to provide local bus service in Middlesex and Union County for an initial contract period of 36 months and for two option periods of two years each. The RFP required prospective

carriers to provide a proposed price for both the base contract period and the two-year option periods. A minimum score of 75 points on the technical proposal was required for the cost proposal to be considered; cost proposals for any firm that did not receive the minimum score would be returned unopened.

On February 22, 2013, NJ TRANST received one response to the RFP – from Academy Express, LLC.

The technical proposal from Academy Express, LLC was reviewed by the Technical Evaluation Committee (TECs) comprised of the following staff:

- Finance – Budgets (one member)
- Bus Operations – Bus Service Planning (one non-scoring member)
- CP&P – Private Carrier Affairs (three members)

The technical proposal submitted by Academy Express, LLC received a score of 96.75.

The competitive procurement process utilized by NJ TRANSIT for contracting bus service provides for a comparison of private carrier cost proposals for the operation of the proposed routes to be contracted to the benchmark cost by NJ TRANSIT Bus Operations. The Amalgamated Transit Union (ATU) participates in this process to enable NJ TRANSIT Bus Operations to submit a competitive benchmark.

The comparison of costs for the operation of the bus routes is presented below:

CARRIER	EVALUATED COST
Academy Express, LLC Hoboken , New Jersey	\$ 62,125,114
NJ TRANSIT Bus Operations Newark, New Jersey	\$ 94,748,872

As a result, the final score for the Academy Express, LLC proposal is:

FACTOR	ACADEMY EXPRESS, LLC
Technical	96.75
Cost	100.00
Total	196.75

The Office of Business Development assigned a two percent Category 3 SBE goal.

Staff has estimated a cost of \$63,295,227 for this contract.

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

FISCAL IMPACTS:

Requested Authorization: \$ 62,125,114 + 5% contingency

Total Project Cost: \$ 65,231,670

Projected Date of Completion: September 5, 2020

Anticipated Source of Funds: Operating Budgets

FY2014 (10 months)	\$ 6,451,168
FY2015	\$ 8,058,615
FY2016	\$ 8,462,874
FY2017	\$ 8,759,154
FY2018	\$ 9,192,505
FY2019	\$ 9,514,159
FY2020	\$ 9,876,052
FY2021 (two months)	\$ 1,810,587

DBE/SBE Goal: 2% SBE Category 3

NJ Build Amount: NA

Related/Future Authorizations: None

Impact on Subsequent Operating Budgets: \$ 1,105,272 savings for FY2014

RESOLUTION

WHEREAS, staff has determined that it is appropriate to provide local bus service in Middlesex and Union County; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Academy Express, LLC submitted the proposal that provides the best value and is in the best interest of NJ TRANSIT; and

WHEREAS, Academy Express, LLC has satisfactorily provided local bus service in Middlesex and Union County under contract with NJ TRANSIT since September 1999;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to enter into NJ TRANSIT Contract No. 13-024 with Academy Express, LLC of Hoboken, New Jersey, to operate 14 routes in the Middlesex and Union Counties area for a 36-month base contract term, with two additional two-year option periods, for a total of 84 months, from September 1, 2013 through September 5, 2020, at a total cost not to exceed \$62,125,114, plus five percent for contingencies, subject to the availability of funds and approval of future operating budgets.

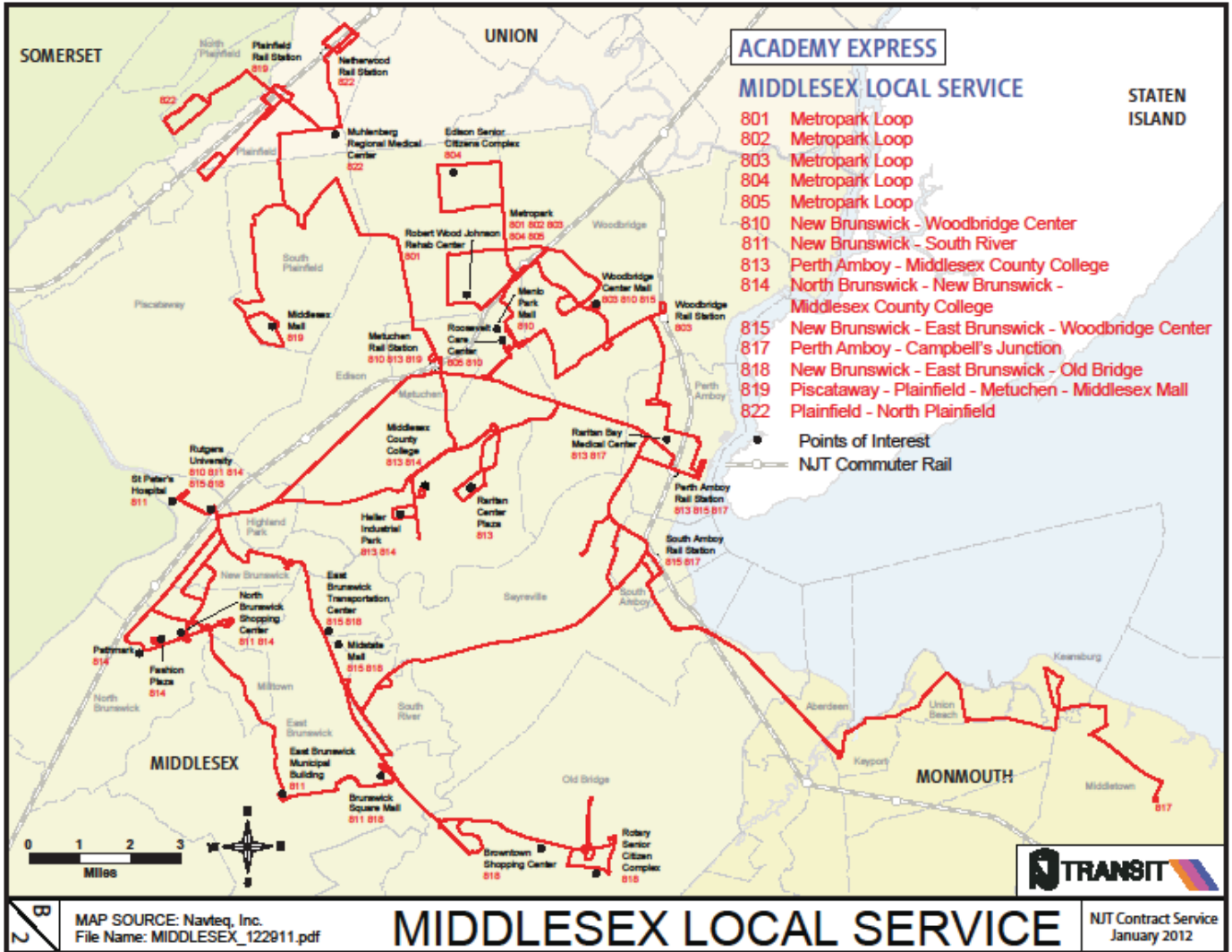
EXHIBIT A

**MIDDLESEX COUNTY LOCAL BUS SERVICE
LIST OF ROUTES**

Route No.	Description	Days Operated
801	Metro Park Loop	Monday – Friday
802	Metro Park Loop	Monday – Friday
803	Metro Park Loop	Monday – Friday
804	Metro Park Loop	Monday – Friday
805	Metro Park Loop	Monday – Friday
810	New Brunswick – Woodbridge Center	Monday – Sunday
811	New Brunswick – South River	Monday – Friday
813	Perth Amboy – Middlesex County College	Monday – Saturday
814	North Brunswick – Middlesex County College	Monday – Saturday
815	New Brunswick – Woodbridge Center	Monday – Sunday
817	Perth Amboy – Campbell's Junction	Monday – Saturday
818	New Brunswick – Old Bridge	Monday – Sunday
819	Piscataway-Plainfield – Middlesex Mall	Monday – Saturday
822	Plainfield-North Plainfield	Monday – Saturday

EXHIBIT B

MIDDLESEX COUNTY LOCAL BUS SERVICE



ITEM 1307-35: MONMOUTH COUNTY LOCAL BUS SERVICE**BENEFITS**

This contract will provide for the operation of local bus service in the Monmouth County area on eight routes shown in Exhibits A and B. In Fiscal Year 2013, these eight routes served a combined annual ridership of 1,471,000 passengers. Staff had previously identified these routes as appropriate service to be operated more economically by seeking competitive bids from private bus operators.

ACTION (Scorecard: Financial Performance, Customer Experience)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 13-025 with Veolia Transportation Services, Inc. of Neptune, New Jersey, to operate eight routes in the Monmouth County area for a 36-month base contract term, with two additional two-year option periods, for a total of 84 months, from September 1, 2013 through September 5, 2020, at a total cost not to exceed \$40,593,414, plus five percent for contingencies, subject to the availability of funds and approval of future operating budgets.

PURPOSE

Authorization of this contract will continue local bus service on these eight routes in Monmouth County.

BACKGROUNDHistory

In October 1995, a Request for Proposals (RFP) was advertised to provide local bus service in the Monmouth County area to operate a total of eight routes. The contract was awarded to TCT Transit Services (now Veolia Transportation Services, Inc.) for a 38-month term.

In June 1999, an RFP was advertised again for proposals to provide local bus service on the same eight routes. TCT Transit Services (now Veolia Transportation Services, Inc.) was awarded the contract for an 86-month contract period ending September 2006.

The eight routes were advertised again in January 2006 resulting in Connex Transit (now Veolia Transportation Services, Inc.) being awarded a 70-month contract ending August 31, 2013.

Procurement

On January 2, 2013, NJ TRANSIT advertised in *The Star-Ledger* and *The Trenton Times* a Request for Proposals (RFP) for the Monmouth County Local Bus service. The RFP requested technical and costs proposals from private motorbus carriers to provide local bus service in Monmouth County for an initial contract period of 36 months and for

two option periods of two years each. The RFP required prospective carriers to provide a proposed price for both the base contract period and the two-year option periods. A minimum score of 75 points on the technical proposal was required for the cost proposal to be considered; cost proposals for any firm that did not receive the minimum score would be returned unopened.

On February 22, 2013, NJ TRANST received three responses to the RFP – from Veolia Transportation Services, Inc., First Transit, Inc., and Suburban Transit Corporation.

The technical proposals from the three private carriers were reviewed by the Technical Evaluation Committee (TECs) comprised of the following staff:

- Finance – Budgets (one member)
- Bus Operations – Bus Service Planning (one non-scoring member)
- CP&P – Private Carrier Affairs (three members)

The technical proposals from all three private carriers received scores above the minimum score and the cost proposals for all three were opened.

The competitive procurement process utilized by NJ TRANSIT for contracting bus service provides for a comparison of private carrier cost proposals for the operation of the proposed routes to be contracted to the benchmark cost by NJ TRANSIT Bus Operations. The Amalgamated Transit Union (ATU) participates in this process to enable NJ TRANSIT Bus Operations to submit a competitive benchmark.

The comparison of costs for the operation of the bus routes is presented below:

CARRIER	EVALUATED COST
Veolia Transportation Services, Inc. Neptune, New Jersey	\$ 40,593,414
First Transit, Inc. Cincinnati, Ohio	\$ 41,216,776
Suburban Transit Corporation New Brunswick, New Jersey	\$ 42,592,830
NJ TRANSIT Bus Operations Newark, New Jersey	\$ 43,577,101

As a result, the final scores are:

FACTOR	VEOLIA	FIRST TRANSIT	SUBURBAN
Technical	90.00	84.75	83.25
Cost	100.00	98.50	94.80
Total	190.00	183.25	178.05

The Office of Business Development assigned a two percent Category 3 SBE goal.

Staff has estimated a cost of \$48,052,503 for this contract.

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

FISCAL IMPACTS:

Requested Authorization: \$ 40,593,414 + 5% contingency

Total Project Cost: \$ 42,623,085

Projected Date of Completion: September 5, 2020

Anticipated Source of Funds:

Operating Budgets	
FY2014 (10 months)	\$ 4,192,475
FY2015	\$ 5,241,466
FY2016	\$ 5,458,396
FY2017	\$ 5,789,517
FY2018	\$ 5,996,542
FY2019	\$ 6,352,176
FY2020	\$ 6,417,134
FY2021 (two months)	\$ 1,145,708

DBE/SBE Goal: 2% SBE Category 3

NJ Build Amount: NA

Related/Future Authorizations: None

Impact on Subsequent Operating Budgets: \$ 285,325 savings for FY2014

RESOLUTION

WHEREAS, staff has determined that it is appropriate to provide local bus service in Middlesex and Union County; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Veolia Transportation Services, Inc. submitted the proposal that provides the best value and is in the best interest of NJ TRANSIT; and

WHEREAS, Veolia Transportation Services, Inc. has satisfactorily provided local bus service in Middlesex and Union County under contract with NJ TRANSIT since September 1999;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to enter into NJ TRANSIT Contract No. 13-025 with Veolia Transportation Services, Inc. of Neptune, New Jersey, to operate eight routes in the Monmouth County area for a 36-month base contract term, with two additional two-year option periods, for a total of 84 months, from September 1, 2013 through September 5, 2020, at a total cost not to exceed \$40,593,414, plus five percent for contingencies, subject to the availability of funds and approval of future operating budgets.

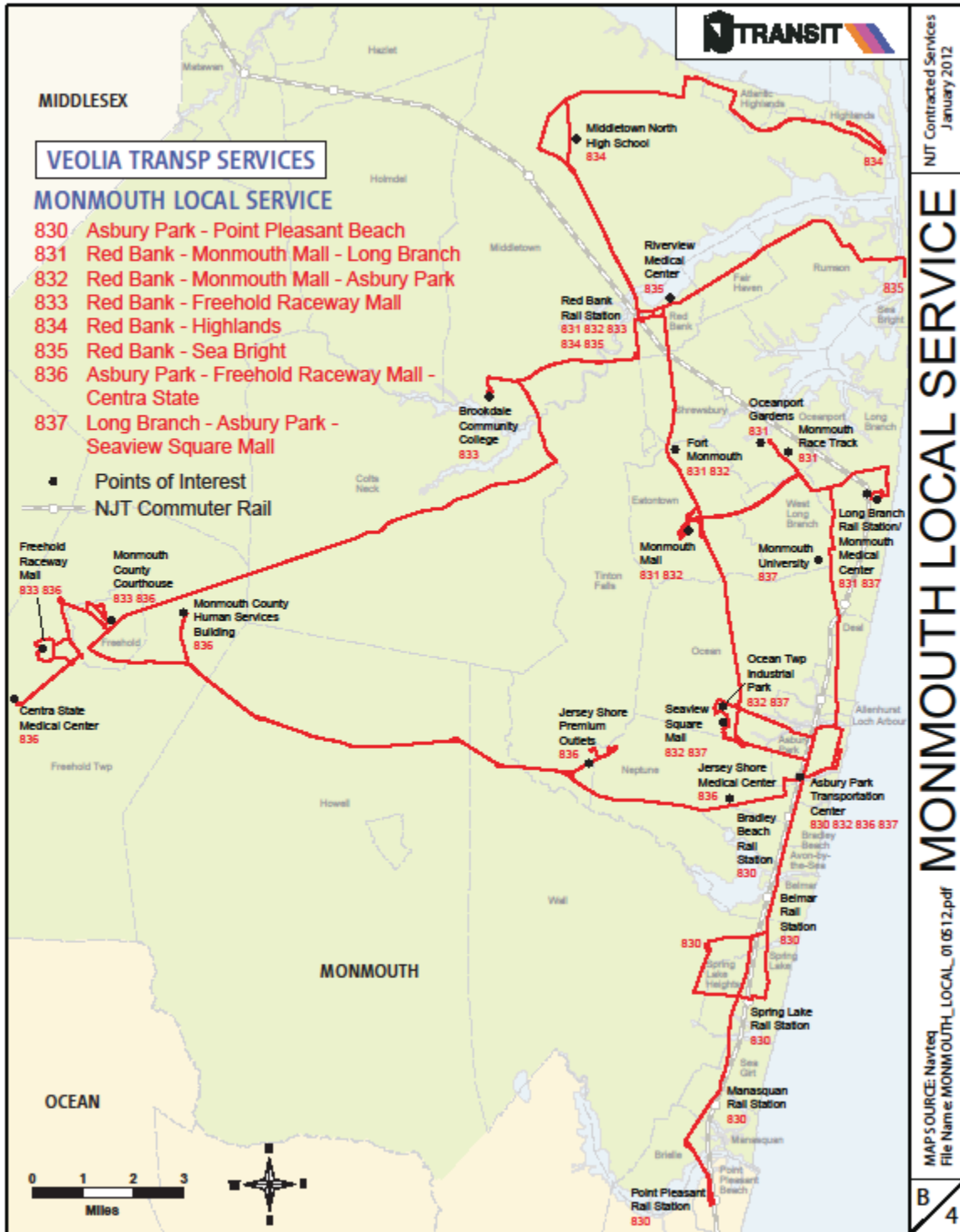
EXHIBIT A

**MONMOUTH COUNTY LOCAL BUS SERVICE
LIST OF ROUTES**

Route No.	Description	Days Operated
830	Asbury Park – Point Pleasant Beach	Monday – Saturday
831	Monmouth Mall – Long Branch	Monday – Sunday
832	Monmouth Mall – Asbury Park	Monday – Sunday
833	Red Bank – Freehold Raceway Mall	Monday – Friday
834	Red Bank – Highlands	Monday – Saturday
835	Red Bank – Sea Bright	Monday – Saturday
836	Asbury Park – Freehold	Monday – Sunday
837	Long Branch – Sea View Square Mall	Monday – Saturday

EXHIBIT B

MONMOUTH COUNTY LOCAL BUS SERVICE



ITEM 1307-36: NJ TRANSIT FY2014 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 the maintaining 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 subrecipients make every effort to coordinate services in order to maximize efficiency, and feed existing bus and rail services when possible. NJ TRANSIT also monitors subrecipients 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:

- FY2014 Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP), as set forth in Exhibit B, for a total program amount of \$20,343,000 funded by the Casino Revenue Tax as stated in the *Governor's Fiscal Year 2014 Budget*, dated February 26, 2013.
- FY2014 FTA Section 5311 Rural and Small Urban Areas Program for Counties, as set forth in Exhibit C, for a total program amount of \$4,275,024 which includes \$2,888,138 in Federal funds and \$1,386,886 as the NJ TRANSIT share of the local match.
- FY2014 FTA Section 5311 Rural Intercity Bus Transportation Program at a cost not to exceed \$1,067,803, which includes \$577,628 in FY2013 Federal funds, \$240,175 in FY2010 Federal funds, and \$250,000 in FY2011 Federal funds which were not previously authorized.
- FY2014 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.
- FY2014 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 on vehicle purchases.

- FY2014 FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program at a cost not to exceed \$4,791,548 which includes \$3,667,048 in Federal funds and \$1,000,000 in funds from the New Jersey Department of Human Services. In addition, NJ TRANSIT match (\$124,500) is required for two services under this program which expand NJ TRANSIT bus routes (Hudson County Routes 62 and 85). All other match dollars are provided by the local provider.
- FY2014 FTA Section 5317 New Freedom (NF) Program at a cost not to exceed \$3,009,344 funded by the Federal government. No NJ TRANSIT match is required for this program as it is provided by the local provider.
- 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 FY2014 budget at a cost not to exceed \$6,000,000.

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), the Jobs Access and Reverse Commute Program (Section 5316), and the New Freedom Program (Section 5317) 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 2014 (FY2014), including authorization to execute subrecipient 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 FY2014. The funding levels specified for the Federal 5311 and 5307 programs are estimates based on partial Federal apportionments for Federal FY2013. The funding level for the Federal 5311 Intercity program includes some Intercity funding from Federal FY2010 and FY2011 that was not previously authorized. The funding level for the Federal 5310 program is a projection based on anticipated FY2013 apportionments

for urbanized and non-urbanized areas in New Jersey. Due to changes enacted in MAP-21, Federal FY2013 is the first year that 5310 funding, which will also include funding formerly provided under the New Freedom program, will be apportioned by urbanized area. The funding levels for the Federal 5316 and 5317 programs are anticipated Federal FY2012 funding to be received. The funding levels for CMAQ funds are anticipated Federal FY2014 Federal highway funds to be flexed to transit.

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS

Requested Authorization:

Senior Citizen and Disabled Resident Transportation Assistance Program

100% Casino Revenue Tax \$ 20,343,000

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

Section 5311 Counties	\$ 4,275,024	(\$2,888,138 Federal; \$1,367,823 Operating; \$19,063 Capital)
Section 5311 Intercity	\$ 1,067,803	
Section 5311(b)(3)	\$ 153,826	
Section 5310	\$ 8,200,000	(\$7,200,000 Federal; \$1,000,000 Capital)
Section 5316	\$ 4,791,548	(\$3,667,048 Federal; \$1,000,000 DHS; \$124,500 Operating)
Section 5317	\$ 3,009,344	
Sections 5307, 5309, CMAQ and various Special Appropriations (Local)	\$ 6,000,000	

Total Project Cost: \$ 47,806,084

Projected Date of Completion: July 31, 2014

Anticipated Source of Funds: Casino Revenue Funds
FTA Section 5307, 5310, 5311, 5311(b)(3), 5316, 5317
Specially-dedicated Congressional appropriations
CMAQ
New Jersey Department of Human Services
NJ TRANSIT Operating Budget
Transportation Trust Fund

DBE/SBE Goal:

Section 5310 (Vehicle Purchase) Transit Vehicle Manufacturer

Section 5307, 5311, 5316
and 5317

Race Neutral/or Various % Goal TBD

NJ Build Amount:

None

Related/Future Authorizations: NA

**Impacts on Subsequent
Operating Budgets:**

\$ 1,492,323

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, Section 5316 and Section 5317 and Casino Revenue subrecipients; 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 FTA makes available, under Section 5316 Jobs Access and Reverse Commute (JARC) program, 50 percent of the operating assistance and 80 percent of the capital assistance for transit services that address the needs of low-income customers transitioning from welfare and/or seeking employment with supplemental funds from the New Jersey Department of Human Services; and

WHEREAS, the FTA makes available, under Section 5317 New Freedom (NF) program 50 percent of the operating assistance and 80 percent of the capital assistance and mobility management planning for transit services that address the needs of persons with disabilities gaining access to employment; 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 FY2014 Senior Citizen and Disabled Resident Transportation Assistance Program as set forth in Exhibit B for a total program amount of \$20,343,000, 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 FY2014 FTA Section 5311 Rural and Small Urban Areas program, as set forth in Exhibit C, in the amount of \$4,275,024 which includes \$2,888,138 in Federal funds and \$1,386,886 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 FY2014 Section 5311 Rural Intercity Program for a total program amount of \$1,067,803, 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 FY2013 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 FY2014 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 FY2014 FTA Section 5316 Jobs Access and Reverse Commute (JARC) program at a cost not to exceed \$4,791,548 which includes \$3,667,048 in Federal funds and \$1,000,000 in state funds from the New Jersey Department of Human Services and \$124,500 in NJ TRANSIT match dollars for two projects which expand NJ TRANSIT bus service; 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 FY2014 FTA Section 5317 New Freedom program at a cost not to exceed \$3,009,344 which is funded by the Federal government (no NJ TRANSIT match is required in this program); 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) local projects including funds which will be flexed into ongoing FTA programs under the FY2014 budget at a cost not to exceed \$6,000,000.

**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.

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 FY2014 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.

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 subrecipients 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

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

allow urban subrecipients 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 to determine whether or not intercity bus needs are adequately met. FY2014 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 1,700 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 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 FY 2014 program will be submitted to the FTA in spring 2014. During FY2014, NJ TRANSIT will also be applying to FTA for the last year of funding under the Section 5317 New Freedom program that was authorized SAFETA-LU, prior to the enactment of MAP-21.

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

The **FTA Section 5317 New Freedom (NF) Program** provides funding for capital and operating expenses that support new public transportation services beyond those required by the Americans with Disabilities Act (ADA) as well as new public transportation alternatives beyond those required by the ADA designed to assist individuals with disabilities with accessing transportation services especially transportation to and from jobs and employment services. 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. It is anticipated a final application for vehicles, related equipment and mobility management projects will be submitted to the FTA in spring 2014.

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. In FY2014, NJ TRANSIT will be applying to FTA for the last year of funding under the JARC program authorized in SAFETEA-LU. Starting in FY 2014, NJ TRANSIT has chosen to allocate operating funds to the JARC program rather than to continue to apply for federal funding for the program under Section 5307.

The **FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program** provides funds for operating and capital expenses for transit services that target employment transportation. Through a planning process initiated by the Metropolitan Planning Organizations (MPOs), applications for the FY2014 program have been solicited. NJ TRANSIT is preparing to submit a statewide application to the FTA for funds. A dollar-for-dollar match is required under this program. Historically match dollars have come from local sources. In addition, the NJ Department of Human Services has through a Memorandum of Understanding provided an additional \$1 million to NJ TRANSIT towards meeting the needs of this program. 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. It is anticipated a final application for operation of JARC-funded projects will be submitted to the FTA in spring 2014.

In addition, in FY2014 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, and CMAQ 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
FY2014**

COUNTY	FY2013 ALLOCATION	FY2014 ALLOCATION
Atlantic	\$ 686,343	\$ 557,463
Bergen	1,865,541	1,519,000
Burlington	1,105,023	897,445
Camden	1,174,025	953,485
Cape May	460,517	380,000
Cumberland	460,517	380,000
Essex	1,621,252	1,316,700
Gloucester	645,506	524,248
Hudson	1,180,973	959,127
Hunterdon	460,517	380,000
Mercer	823,180	668,546
Middlesex	1,758,329	1,428,027
Monmouth	1,552,738	1,261,056
Morris	1,212,239	984,521
Ocean	1,865,541	1,519,000
Passaic	1,075,061	873,111
Salem	460,517	380,000
Somerset	715,512	581,108
Sussex	460,517	380,000
Union	1,192,775	968,713
Warren	<u>460,517</u>	<u>380,000</u>
Total Counties	\$ 21,237,200	\$ 17,291,550
NJ TRANSIT	<u>3,394,800</u>	<u>3,051,450</u>
TOTAL	<u>\$ 24,632,000</u>	<u>\$ 20,343,000</u>

100% State funds from the Casino Revenue Tax funds.

EXHIBIT C
Page 1 of 1

SECTION 5311 RURAL AND SMALL URBAN AREAS PROGRAM
PROJECTED FY2014

	FEDERAL (A)	STATE* (B)	TOTAL BUDGET (A+B)	LOCAL** (C)	TOTAL PROGRAM (A+B+C)
NORTHERN REGION					
Morris*	\$ 210,667	\$ 105,334	\$ 316,001	\$ 105,334	\$ 421,335
Passaic (West Milford)	75,032	37,516	112,548	37,516	150,064
Sussex	453,827	226,914	680,741	226,914	907,655
Warren	337,498	163,559	501,057	163,559	664,616
CENTRAL REGION					
Hunterdon	283,313	141,657	424,970	141,657	566,627
Mercer	51,779	25,890	77,669	25,890	103,559
Middlesex	22,153	11,077	33,230	11,077	44,307
Monmouth	95,952	47,976	143,928	47,976	191,904
Ocean	181,126	90,563	271,689	90,563	362,252
Somerset	76,006	26,291	102,297	26,291	128,588
SOUTHERN REGION					
Atlantic	194,651	97,326	291,977	97,326	389,303
Burlington	239,915	115,270	355,185	115,270	470,455
Camden	34,033	17,017	51,050	17,017	68,067
Cape May	68,870	30,665	99,535	30,665	130,200
Cumberland	304,035	130,905	434,940	130,905	565,845
Gloucester	97,603	48,802	146,405	48,802	195,207
Salem	<u>161,678</u>	<u>70,124</u>	<u>231,802</u>	<u>70,124</u>	<u>301,926</u>
TOTAL	<u>\$ 2,888,138</u>	<u>\$ 1,386,886</u>	<u>\$4,275,024</u>	<u>\$ 1,386,886</u>	<u>\$ 5,661,910</u>
Operating	\$ 2,735,639	\$ 1,367,823	\$ 4,103,462	\$ 1,367,823	\$ 5,471,285
Non-Operating (Administration)	\$ 152,499	\$ 19,063	\$ 171,562	\$ 19,063	\$ 190,625

* Provided by NJ TRANSIT Capital Program and Operating Budget.

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

EXHIBIT D
Page 1 of 1

PROGRAM TOTALS

	FY2012 ACTUAL	FY2013 ACTUAL	FY2014 REQUEST
Casino Revenue	\$ 25,121,000	\$ 24,632,000	\$ 20,343,000
Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program	\$ 4,798,838	\$ 4,735,783	\$ 8,200,000
Section 5311 Rural and Small Urban Area Program	\$ 4,010,460	\$ 3,462,494	\$ 4,275,024
Section 5311 Intercity Program	NA	\$ 439,237	\$ 1,067,803
Section 5311(b)(3) Rural Transit Assistance Program	\$ 99,090	\$ 99,090	\$ 119,365
Section 5316 Jobs Access and Reverse Commute Program	\$ 4,912,853	\$ 4,942,379	\$ 4,791,548
Section 5317 New Freedom Program	\$ 3,300,000	\$ 3,000,000	\$ 3,009,344
Other (Small Urban, CMAQ)	<u>\$ 6,600,000</u>	<u>\$ 7,620,000</u>	<u>\$ 6,000,000</u>
TOTAL	<u>\$ 48,842,241</u>	<u>\$ 48,980,983</u>	<u>\$ 47,806,084</u>

While the funding for the Federal programs is anticipated to increase slightly or remain stable, the funding received through Casino Revenue has been declining.

“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.

In FY2012, Intercity funding was not authorized separately from the Rural Program. The increase in FY2014 Intercity funding is due to requested authorization of older funding not previously authorized. The increase in Section 5310 funding reflects changes enacted through MAP-21. The increase in Section 5311 funding 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. The increase in Section 5317 funding is a one-time increase reflecting changes resulting from MAP-21.

EXHIBIT E
Page 1 of 1

FUNDING SOURCES

PROGRAM	FEDERAL	NJ TRANSIT – CAPITAL	NJ TRANSIT – OPERATING	OTHER FUNDING	CASINO REVENUE	TOTAL
Senior Citizen and Disabled Resident					\$20,343,000	\$ 20,343,000
Section 5310	\$ 7,200,000	\$ 1,000,000				\$ 8,200,000
Section 5311 Counties	\$ 2,888,138	\$ 19,063	\$ 1,367,823			\$ 4,275,024
Section 5311 Intercity	\$ 1,067,803					\$ 1,067,803
Section 5311 (b)	\$ 119,365					\$ 119,365
Section 5316	\$ 3,667,048		\$ 124,500	\$1,000,000		\$ 4,791,548
Section 5317	\$ 3,009,344					\$ 3,009,344
Other	\$ 6,000,000					\$ 6,000,000
TOTAL	\$23,951,698	\$ 1,019,063	\$ 1,492,323	\$1,000,000	\$20,343,000	\$ 47,806,084