

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

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

October 10, 2014

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Wednesday, October 8, 2014.

Sincerely,

Original Signed By

Joyce J. Zuczek
Acting Board Secretary

Enclosures

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

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, October 8, 2014.

Present

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

Also Present

Veronique Hakim, Executive Director
Neil Yellin, Deputy Executive Director
Warren Hersh, Auditor General
Dennis J. Martin, Vice President/General Manager, Bus Operations
Michael Gaspartich, Deputy General Manager, Rail Operations
John Squitieri, Chief, Light Rail and Contract Services
Christopher Trucillo, Chief of Police
Warren Hersh, Auditor General
Kathleen M. Sharman, Chief Financial Officer & Treasurer
Michael Slack, Chief Information Officer
Penny Bassett Hackett, Assistant Executive Director, Communications & Customer Svc.
Alma Scott-Buczak, Assistant Executive Director, Succession Planning & Workforce Dev.
Steve Santoro, Assistant Executive Director, Capital Planning & Programs
Leotis Sanders, Vice President, Civil Rights & Diversity Programs
Michael Gonnella, Deputy Attorney General
Joyce J. Zuczek, Acting Board Secretary

Chairman Fox convened the Open Session at 9:03 a.m. in accordance with the Open Public Meetings Act. Executive Director Hakim welcomed Chairman Fox back.

Acting Board Secretary Zuczek announced that this was a regular meeting 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. Adequate notice of this meeting has been provided in accordance with the Open Public Meetings Act, Chapter 231, P.L. 1975, and that notice has been given to more than two newspapers of general distribution and notice has been forwarded to the Secretary of State, Trenton, New

Jersey. In addition, notice of said meeting has been and is being displayed in the main lobby of NJ TRANSIT's Headquarters in Newark, New Jersey. Acting Board Secretary Zuczek announced that the Board Meeting was being video recorded.

Chairman Fox asked for a motion to adopt the minutes of the September 10, 2014 Board Meeting. A motion was made by Board Member Myron P. Shevell, seconded by Vice Chairman Bruce M. Meisel, and adopted by the remaining voting Board Members.

Public Comments on Agenda Items and Other Matters

There were 12 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.

Stephen Thorpe welcomed Chairman Fox back and said he looks forward to working with him. Mr. Thorpe spoke as a representative of the Lackawanna Coalition and in a personal capacity. He noted he was a big advocate of passenger etiquette and it was his understanding that Executive Director Hakim is working on a passenger courtesy program.

Mr. Thorpe provided information about a passenger etiquette campaign implemented by the Southeastern Pennsylvania Transportation Authority (SEPTA). He noted the campaign used catch phrases to encourage passenger etiquette and didn't mention the agency at all. Mr. Thorpe suggested NJ TRANSIT implement a similar campaign.

Mr. Thorpe also provided information about SEPTA's quiet car policy. He noted they extended the weekday quiet car hours to be in effect systemwide from 4:00 a.m. to 7:00 p.m. Mr. Thorpe understands that would not be workable for NJ TRANSIT because trains to sporting events are so full of passengers. However, he asked NJ TRANSIT to extend the quiet car policy to the Main & Essex Midtown Direct trains and to the Boonton line.

Dan O'Connell, State Director of SMART Transportation Division, formerly United Transportation Union, welcomed Chairman Fox back. He noted it was a critical and challenging time. Mr. O'Connell said they are still recovering from Superstorm Sandy and there is a need for another tunnel to handle passenger growth. Additionally, he noted union employees have not had a raise for four to five years so morale is low. Mr. O'Connell said the Transportation Trust Fund deadline is approaching next year and it will only be able to cover existing debt, which will result in lost jobs and federal money. He wished Chairman Fox success, and noted if Chairman Fox is successful, conditions will get better for everyone.

Murray Bodin noted he is a grandparent concerned about what kind of society will be left to them. He thinks the multilevel self-propelled cars item is smart because NJ TRANSIT already has these vehicles with which these can be integrated. Mr. Bodin suggested making the passageways between cars more open like they do in France. He believes this will allow passengers to see if there is room in the next car, instead of staying in a crowded

car. Mr. Bodin noted NJ TRANSIT has good leadership with good foresight and they are flexible. He said they have been friendly, informative, and helpful to him, and he considers them his teachers, who have taught him things he can take elsewhere. Mr. Bodin welcomed Chairman Fox to a wonderful place.

Orrin Getz provided Chairman Fox and Executive Director Hakim copies of a Metro-North report, and said the report provides detailed information about delays, in a way that allows passengers to understand what is going on. He noted they provide a quarterly escalator report that could help focus on and deal with the problem. Mr. Getz noted NJ TRANSIT has escalator problems, and hopes NJ TRANSIT will include this type of reporting in the future.

Mr. Getz expressed his support for the Board item replacing the HX Draw, before the end of its useful life. He noted the slow order at Wood Ridge has been going on for several months without information about the status.

Mr. Getz provided copies of letters he received from legislators regarding why Amtrak does not stop at Secaucus. He believes the reasons are flimsy and NJ TRANSIT needs to pressure Amtrak to have some trains stop at Secaucus.

Mr. Getz attended the September 12, 2014 Greater Meadowlands Chamber event where Executive Director Hakim was a keynote speaker. He noted there was discussion about extending the 7-subway train to Secaucus, and he thinks it is a worthwhile project that should be pursued.

Mr. Getz noted there have been recent comments about the Hudson River tunnel conditions. He believes at least one new tunnel needs to be planned as soon as possible.

Mr. Getz said Susan Metzger, the Orange County representative on the MTA Board, has also been pushing for improved train service from Orange and Rockland Counties. They would like to see the Pascack Valley Line sidings improvements move ahead. He supports this and other improvements he previously provided to Executive Director Hakim. Mr. Getz said they want improvements on the Port Jervis Line, including a yard midway on the line, but they need NJ TRANSIT's cooperation.

Vladimir Beryozkin welcomed Chairman Fox back. He commutes extensively on the Pascack Valley Line. Mr. Beryozkin suggested that NJ TRANSIT finish improving the line. He said NJ TRANSIT started a few years ago and then abandoned it. Mr. Beryozkin believes it is time to build the Golf siding for Oradell Station and Park Ridge. He believes it will improve the speed and frequency of trains. Mr. Beryozkin said the volume of passengers has dramatically increased and believes it doubles every two to three years.

Mr. Beryozkin said NJ TRANSIT received funding from Metro-North but returned some of it because they were not able to complete the project due to the litigation. He said the litigation has been over for a long time and now the project should be addressed again.

Mr. Beryozkin was an MTA employee for 30 years and he believes Metro-North would cooperate and be happy to provide the funding.

Patricia Winship welcomed Chairman Fox and said she was speaking on behalf of the Lackawanna Coalition. Ms. Winship lives in Mount Tabor and wants more peak hour service, as well as the same level of service other Morris & Essex stations receive during the off-peak periods and weekends. She does not believe the four additional trains that will be added to Mount Tabor's weekday schedule later in the fall are enough. Ms. Winship wants at least hourly service by the next schedule change, or wants NJ TRANSIT to state any specific objections so they can be resolved.

Ms. Winship said they continue to be concerned about the renewed proposal for multilevel power cars, and thought it was wise when the item was removed from the agenda in the past. She said none of former Chairman Simpson's objections have been answered. Ms. Winship said the Lackawanna Coalition questions the cost-effectiveness of the multilevel power car plan, and the appropriateness of using this equipment on the Morris & Essex and Gladstone Lines. She said the existing Arrow cars could be rebuilt at a fraction of the cost of developing the untried technology of multilevel power cars.

Ms. Winship complained that the doors are narrow, and it takes a long time to board and empty the existing multilevel cars at most of the Morris & Essex stations. She believes this wastes their time and is less efficient than using single level cars. Ms. Winship said their line is hilly and stops are close together so they need cars that can quickly board, empty and accelerate. They believe reconditioned single level cars would provide a faster ride.

Ms. Winship said they continue to call for increased transparency and participation in NJ TRANSIT's decision making by the public, especially representatives of riders. She said former Chairman Simpson called for opening the Board Committee meetings if there were no administrative problems, and there are none. Ms. Winship said the worst proposals go through the Capital Planning, Policy, and Privatization Committee, which is still closed to attendance by non-members. She wants this changed, and also complained that at the open committee meetings, they are not allowed to make any comments or ask questions after the presentations begin.

Ms. Winship believes NJ TRANSIT faces a lot of challenges and it is imperative that they, as representatives of the riding public, have the opportunity to fully participate in the decisions that affect them as taxpayers and riders. She said they want and deserve a seat at the table.

Donald Winship, Lackawanna Coalition Director of Communications, welcomed Chairman Fox back to the helm. He hopes they can open a useful dialogue and work towards giving the representatives of the riding public a seat at the table. Mr. Winship noted that nothing he says in his statement should take priority over a new tunnel, which he believes is the most important project needed.

Mr. Winship believes the plan for using multilevel cars faces a major infrastructure constraint. He said New York Penn Station Tracks 1 through 4 are too short for 12 car trains. Mr. Winship said the Empire State Development Corporation is in the process of building the first phase of the Moynihan Station complex. He explained the first phase is taking an underground corridor built by the Long Island Railroad to provide an extra exit and entry point for their riders, and extending it south to a new exit at 31st Street. Mr. Winship noted this extension is being built for Amtrak's benefit so it includes direct access points for Tracks 5 through 12, but no special effort was made to connect it to Tracks 1 through 4. He believes the platforms should be lengthened so NJ TRANSIT riders could benefit from the Moynihan Station work.

Mr. Winship noted this is not a new idea, but was in the ARC Draft Environmental Impact Statement. He wants NJ TRANSIT to look at adding platform capacity and vertical access to get riders off the platform more efficiently. Mr. Winship said this would also allow NJ TRANSIT riders to wait at the Moynihan Phase I Concourse that leads straight to the A, C and E subway trains.

Joe Clift introduced himself as a past Long Island Railroad Director of Planning and a resident of New York. He said he became involved in NJ TRANSIT matters a few years ago when he opposed the ARC Tunnel going to New York Penn Station.

Mr. Clift asked the Board not to approve the Hybrid Cruiser Buses Item 1410-46 because of the high price. He noted he spoke against the purchase at the Customer Service Committee meeting. Mr. Clift said each bus costs more than \$1 million and requires a \$30,000 midlife battery replacement. He argued that NJ TRANSIT could buy three Certified Natural Gas buses for every two Hybrid buses, and seven diesel buses for every four Hybrid buses.

Mr. Clift said hybrid vehicles typically are purchased to save money on fuel but these do not do that. He believes fuel savings will only pay back 11 percent of the higher cost when used on the highway, and 23 percent when used in the city. Mr. Clift argued that diesel would have to sell for \$28 per gallon to pay off the entire higher purchase price through fuel savings in highway operation, which would be the case from the Egg Harbor Garage. He said NJ TRANSIT failed to issue a report on the performance of its three city and four cruiser hybrid buses.

Mr. Clift asked whether the 37 Hybrid buses would be kept in one place, which he doesn't think is good. He believes using these buses on city routes would make more sense than using them for long distances. Mr. Clift believes the use of these buses on the open road is uncommon and the reason only one bid was received. He believes this is what caused the high price. Mr. Clift wants NJ TRANSIT to pursue the TIGER Grant instead of approving the item for the Hybrid buses.

Mr. Clift also spoke against the Board approving the Multilevel Power Car Engineering Assistance Item 1410-48. He believes NJ TRANSIT needs to provide the public with a well documented fleet analysis, strategy and plan to demonstrate multilevel power cars are

the best choice for rail car fleet additions, in terms of service to the riding public and cost to the taxpayer. Mr. Clift believes NJ TRANSIT commonly requests contracts without big picture documentation through the open meeting process.

Al Papp welcomed Chairman Fox and noted the last time he saw him was on the dais for the East End Concourse Dedication, in which Mr. Papp was the rider advocate speaker.

Mr. Papp said the pink elephant in the room is the Portal Bridge. He noted there was a flurry of press last week, including a full page by the New York Times. Mr. Papp said it is a critical link that is 104 years old and poses a \$900 million problem. He noted there was no mention of the Portal Bridge in the Executive Director's Report.

Mr. Papp said everyone knows what happened to the ARC project and the Portal Bridge was an integral part of that plan. He said the Amtrak Gateway Project includes the Portal Bridge, but it lacks sufficient funds. From a rider perspective, Mr. Papp said they see a lack of coordination and there is not a full forward push to get funding. He believes NJ TRANSIT needs to strengthen activities with Amtrak, the owner of the Northeast Corridor and Portal Bridge. Mr. Papp asked NJ TRANSIT to bring to the attention of the Governor the critical funding needed to build a new Portal Bridge.

Jack May said this was the third time the acquisition of the new multi-unit power cars has been presented to the Board. He noted the item was brought to the Board two times in 2012 but was pulled and tabled. Mr. May wants the Board to approve Item 1410-48 for the Multilevel Power Cars. He believes they are an important part of Rail Operations and he provided a formal statement two years ago about why they are important.

Mr. May said his formal statement two years ago included questions that he still has even after seeing the fleet plan last month. He would like to know: 1) How many will be acquired and what year they will be put into operation; and 2) What is meant by the statement that 50 existing multilevel cars will be repurposed.

Rose Heck said it was a great day and congratulated Chairman Fox for having the courage to come back. She noted there are a few problems and much less money. Ms. Heck noted there are people with very good minds and a lot of experience at NJ TRANSIT. She also stated NJ TRANSIT has a marvelous new Executive Director who is a powerhouse, can be depended on, and is knowledgeable. Ms. Heck said the New Jersey Association of Railroad Passengers is still fighting for the Northern Branch. She hopes Chairman Fox will be able to work his magic.

David Peter Alan said he would provide a personal statement because of issues raised at the last Board meeting. He welcomed Chairman Fox back, wished him well, and said he is prepared to help, in any way he can, to improve NJ TRANSIT's service to its riders.

Mr. Alan said he spoke last month about a number of significant concerns about the state of NJ TRANSIT. Those included that train riders are angry, employee morale is low, fares will probably be raised significantly, and peak hour capacity is constrained at New York

Penn Station. Mr. Alan said the situation for riders is dire and getting worse but nobody on the Board had anything to say in reply about these vital issues.

Mr. Alan said the only person who responded was Board Member Meisel, who objected to his statements about the recent Super Bowl debacle and the report the Board commissioned. Mr. Alan said he noted the self-serving nature of the conclusion that NJ TRANSIT management had performed adequately, and that the top three managers had all lost their jobs shortly after the Super Bowl disaster. He said Board Member Meisel disputed the credibility of Mr. Alan's assertions but refused to let him respond. Mr. Alan strongly objected to this treatment as a violation of fundamental fairness.

Mr. Alan said he couldn't dispute the finding of fact in the report, which pointed to serious errors, despite the report's conclusions. He said page five states the firm was retained by the Board to provide "legal advice in anticipation of litigation" arising from the Super Bowl. Mr. Alan said a law firm would never blame its clients for any errors because that would constitute an admission of negligence in any future litigation.

Mr. Alan said the lawyers who prepared the report did not list credentials of being familiar with transportation law, although all are experienced litigators. He believes Mr. Cavanaugh's status as a former judge is irrelevant and has no bearing on the content of the report.

Mr. Alan said they don't know for certain whether NJ TRANSIT's poor performance at the Super Bowl was the proximate cause for the departure of the former managers. He believes their performance and the timing of their departure, less than one month after the incident, should establish a "but for" causation. Mr. Alan thinks it is up to Board Member Meisel or anyone else who disputes proximate causation to make their case.

Mr. Alan said he is deeply distressed that the Board charged with the governance of their mobility should totally disregard the serious and persistent difficulties at NJ TRANSIT and only address an objection concerning his comments about the Super Bowl Report. He believes this shows a lack of proper focus by the Board members. Mr. Alan thinks NJ TRANSIT needs new procedures that would have allowed a reasonable response in such a situation and thinks they deserve no less.

Mr. Alan told Chairman Fox that he hopes he will make new rules providing greater fairness and transparency part of his contribution during his new tenure. Mr. Alan offered his assistance in the process to reach that result.

Board Member Comments

Board Member Meisel asked Executive Director Hakim to have someone comment on the Hybrid Buses before the vote.

Advisory Committee Report

Suzanne Mack agreed with one of the public speakers that Chairman Fox has come back during a difficult climate with the Sandy recovery and the difficult funding situation. Ms. Mack said she was happy to have Chairman Fox back to work with. She hopes Chairman Fox's experience with the federal government and the private sector will be helpful in finding money.

Ms. Mack said the Advisory Committees know it isn't a lack of will by the Board or the Executive Director to provide services, and understand it is a matter of money and priorities. She said they are fortunate to have received the federal money for Sandy relief. Ms. Mack applauded Governor Christie and noted that he kept steady at the helm.

Ms. Mack said the Advisory Committees met last week. She said it is the year of the bus, not the train. Ms. Mack said NJ TRANSIT is back to knowing what keeps many of its riders. She noted the Advisory Committees received an update from Dennis Martin and ridership information from Al Tillotson. Ms. Mack said the North and South Jersey Advisory Committees are looking at operations. She noted last summer they met with legislators and elected officials at the Port Authority Bus Terminal to discuss the age constraints and difficulties with the Lincoln Tunnel and Helix into the tunnel.

Ms. Mack noted the Hudson-Bergen Light Rail is nearing capacity and it still has not extended to Bergen County. She applauded efforts to finally have the intended link that will provide a redundant way to New York via Hoboken trains.

Ms. Mack has been exposed to the internal workings of NJ TRANSIT and noted last year at their joint meeting in Atlantic City, they received a presentation on Title VI. She said it does not hit the agenda often, but a lot of work is done to maintain transparency and show NJ TRANSIT is serving minority populations.

Combined Board Customer Service and Administration Committee Report

Board Member James C. Finkle Jr. presented the report for the combined meetings of the Board Customer Service and Administration Committees. The Committees discussed the Purchase of Hybrid Cruiser Buses, as well as the Post Issuance Compliance Procedures and the Title VI Program. Staff provided a Customer Service update, as well as information about the new Social Media Dashboard, and a Financial Update. Additionally, staff reported the results of the most recent Customer Satisfaction Survey results.

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

Vice Chairman Meisel presented the report for the Capital Planning, Policy and Privatization Committee. The Committee discussed several of the rail items listed on the agenda such as the Catenary Pole and Culvert Replacement on the Gladstone Line. In addition the Committee discussed the contract amendment for design of multilevel power

cars as well as the inspections for Undergrade Railroad Bridges and the Replacement of the HX Draw Bridge on the Bergen County Line.

Executive Director's Monthly Report

Chairman Fox congratulated Executive Director Hakim for being awarded the Women of the Year Award the previous evening. Executive Director Hakim expressed her thanks and said the Women's Transportation Seminar (WTS) promotes women in transportation and that she was honored to receive the award.

AquaTrack

Executive Director Hakim said the arrival of autumn means the arrival of "slippery rail" season, the time of year when the combination of falling leaves and wet weather has historically affected railroads throughout the Northeast. When falling leaves are crushed by train wheels, the decaying leaf material creates an oily residue that coats the rails, resulting in poor traction for trains and possible delays, particularly on rainy days.

To help combat slippery rail and keep trains running on time, NJ TRANSIT is again deploying AquaTrack, a high-pressure washing system that delivers water directly to the top of the rail to cleanse away the oily residue. AquaTrack, which operates primarily on the Morris & Essex and Montclair-Boonton lines, as well as the Pascack Valley and Main/Bergen County lines, will be placed into operation starting October 12, 2014. To supplement AquaTrack, NJ TRANSIT strategically spread sand on the rails in advance of peak-period trains to increase traction, and had an extensive tree-trimming program along the railroad right-of-way. Even with the best efforts to combat this age-old industry problem, customers are reminded to allow extra travel time during the autumn season. Those interested in seeing AquaTrack in action can go to the social media channels, Facebook and YouTube, where a short video is posted.

Prime Minister Event

Executive Director Hakim said on Sunday, September 28, 2014, the New York metro area welcomed the Prime Minister of India to Madison Square Garden. This significant event happened to fall on the same day as a Jets game at MetLife stadium, so NJ TRANSIT Rail had a busy day, with an increase in ridership through New York Penn Station due to both events.

By estimates, NJ TRANSIT experienced roughly double the normal ridership volume when compared to a typical weekend, yet the Rail employees and Customer Service staff and ambassadors handled the additional passenger flow seamlessly. Executive Director Hakim thanked the employees for a job well done.

Raritan Valley Line

In April, Executive Director Hakim said NJ TRANSIT anticipated, most likely in November 2014, an expansion of Raritan Valley Line one-seat service to New York to include off-peak weekday evenings after 8:00 p.m. Monday through Friday. As NJ TRANSIT begins to plan the Fiscal Year 2016 budget, it found that the nearly \$600,000 in additional annual cost to operate this service presents a real monetary challenge, given the current very tight fiscal constraints facing NJ TRANSIT and the State, and the need to budget responsibly.

NJ TRANSIT is looking to pursue potential alternate funding sources, as was done to successfully bring on the Summer Shore service earlier this year. She hopes to go back to the Board in the near future with federal funding to accomplish this.

Watsessing Station

Executive Director Hakim briefly mentioned the recent completion of nearly \$1.7 million in improvements to the historic Watsessing Station in Bloomfield on the Montclair-Boonton Line, including the restoration of the station building exterior, complementing previous work that was done to restore the inbound and outbound canopies. The project included exterior restoration work to preserve the historic character of the station, site improvements surrounding the station building at the street and platform levels, and installation of CCTV cameras, passenger communication systems and updated signage to enhance the overall customer experience. Executive Director Hakim acknowledged the project team for their hard work and dedication to this successful restoration effort.

Federal Resiliency Funding

Executive Director Hakim took the opportunity to provide the story behind the important FTA funding announced several days ago. She said Governor Christie has made it clear that the lessons of Superstorm Sandy were not to be learned again, and to that end NJ TRANSIT has focused on not simply repairing the damage, but on making the system more resilient. That is why NJ TRANSIT entered into a highly competitive competition that included 13 states vying for more than \$3 billion in total available funding.

NJ TRANSIT submitted five projects for support and received \$1.276 billion in federal monies to design and advance projects that would: provide a more reliable power supply, reduce inundation, build bridges that better resist storms, create a safe haven for equipment, or protect railroad right-of-way assets. The fact that of the 13 states who competed, New Jersey received more than one-third of the awarded funding, testifies to the efficacy and utility of the projects.

Executive Director Hakim specifically highlighted the resilient characteristics of each that well-position NJ TRANSIT against future storms, surges and power failures. At the center of the resiliency strategy is the NJ TRANSITGRID. It is a first-of-its-kind electrical microgrid capable of supplying highly-reliable power during storms or other times when the centralized power grid might be compromised. Using renewable energy, distributed

generation, and other technologies to provide resilient power to key stations, maintenance facilities, bus garages, and other buildings will continue to operate. The NJ TRANSITGRID will also provide resilient electric traction power to allow trains on critical corridors to operate even when the traditional grid fails. Ultimately, the TRANSITGRID is the energizing force of the resiliency strategy.

Strengthening is also the theme of the Raritan River Drawbridge Replacement project. Superstorm Sandy's impact throughout the state was varied. In some areas trees were toppled and brought down catenary wires and in other areas, the storm drove sea water into surges that overtopped walls, dunes and riverbanks. Along the North Jersey Coast Line, the storm demonstrated some of its most fearful potential. Pushing tidal water to historic heights, the Raritan River Drawbridge was actually moved, causing tracks to shift out of alignment. The grant will allow NJ TRANSIT to replace this one-hundred-year-old drawbridge with a far more resilient structure, thus enhancing the reliability of the North Jersey Coast Line.

Executive Director Hakim said many folks suffered the devastating losses of their homes and other belongings to Superstorm Sandy's power. The City of Hoboken was also overcome by water. Long Slip, a 2,000-foot obsolete canal open to the Hudson River, brought surge waters that contributed to the inundation of both Hoboken Terminal and its rail yard. Another project is to fill the Long Slip to an elevation above the FEMA base flood elevation and includes construction on the filled area of six new tracks serving three high-level, ADA-accessible boarding platforms.

Much like the TRANSITGRID, one of the benefits of filling Long Slip will be allowing NJ TRANSIT to operate longer and recover more quickly from storm events. This project is also uniquely positioned to support resiliency work proposed by Hoboken through the United States Department of Housing and Urban Development's Rebuild by Design initiative. The filling of Long Slip Canal contributes to the continuity of the Rebuild by Design team's strategy of coastal defense.

While in some places defense means building flood walls or filling in canals, for NJ TRANSIT equipment, it means providing safe havens for storage. NJ TRANSIT's Delco Lead and Service, and Inspection Facility project is focused on protecting equipment against damage resulting from wind or water, and facilitating the rapid resumption of service after storms have passed.

Executive Director Hakim said the Train Controls infrastructure project aims to continue commuter and light rail line resiliency efforts for assets that, while not damaged by Superstorm Sandy, remain vulnerable to storm events. These include critical life-safety signal and communications systems.

Executive Director Hakim said the resiliency strategy focuses on not just the protection of assets like stations, bridges, track, equipment and signals, but also on restoring service as quickly and safely as possible because NJ TRANSIT knows that getting people back home and back to work is the best way.

Action Items

1410-45: SUPERSTORM SANDY DISASTER RECOVERY AND RESILIENCE PROGRAM: GLADSTONE LINE CATENARY POLE REPLACEMENT PROJECT PHASE II – CONSTRUCTION CONTRACT AWARD FOR CONCRETE FOUNDATIONS AND STEEL POLES AND AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM FOR CONSTRUCTION ASSISTANCE SERVICES

Executive Director Hakim introduced Steve Santoro, Assistant Executive Director, Capital Planning and Programs, who presented Action Item 1410-45 for approval.

Steve Santoro recommended approval of Item 1410-45, the Gladstone Line Catenary Pole Replacement Project Phase II. This project will replace 163 wood poles with new steel poles in concrete foundations between New Providence Station and Gladstone Rail Yard. This will result in reduced potential for loss of power and associated service disruptions following major storms. To minimize disruption to customers, the construction will be scheduled on weekends.

Authorization is requested to enter into a contract with Case Foundation Company of Berwyn, Pennsylvania, for the installation of 163 concrete foundations and steel poles along the Gladstone Line between New Providence Station and Gladstone Rail Yard in an amount not to exceed \$13,308,080.00, plus five percent for contingencies. The catenary work will then be performed with in-house forces.

Approval is also requested to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with Gannett Fleming, Inc. by \$290,000 for Construction Assistance Services for the Gladstone Line Catenary Pole Replacement Project Phase II for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program of \$67,690,000.

Chairman Jamie Fox recused himself from voting on Item 1410-45, Superstorm Sandy Disaster Recovery and Resilience Program: Gladstone Line Catenary Pole Replacement Project Phase II – Construction Contract Award for Concrete Foundations and Steel Poles and Amendment to 2012 Task Order Consultant Contracts Program for Construction Assistance Services.

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

1410-46: HYBRID CRUISER BUSES: PURCHASE OF 37 FORTY-FIVE FOOT HYBRID DIESEL – ELECTRIC CRUISER BUSES

Executive Director Hakim said they did a comparison of total life cycle costs between bus types. Over 12 years, the total Hybrid buses cost \$4 million more than Certified Natural Gas buses. She explained that when Howell Garage was retrofitted for Certified Natural Gas bus use, more than \$10 million in capital funds were expended. NJ TRANSIT does not have the funding or ability to retrofit another facility. Executive Director Hakim said the Hybrid buses are a good purchase, supported by the Federal Transit Administration, and the funding can't be used for Certified Natural Gas buses.

Executive Director Hakim introduced Dennis Martin, Vice President & General Manager, Bus Operations, who presented Action Item 1410-46 for approval.

Dennis Martin recommended approval of Item 1410-46, Purchase of 37 Forty-Five foot Hybrid Diesel-Electric Cruiser Buses. This proposed purchase is intended to replace aging diesel buses to improve service reliability, and reduce operating costs. The new hybrid buses will provide more seating capacity (57 seats) than existing diesel buses provide (49 seats) and will be equipped with wheelchair lifts compliant with the Americans with Disabilities Act will incorporate technologies to reduce exhaust emissions as prescribed by the Clean Air Act Amendment. The buses will be equipped with other on-board equipment, including a camera system, GPS tracking, and automatic turn-warning announcements and LED interior lighting to enhance safety and security.

Authorization is requested to enter into a Procurement-by-Exception Contract with Motor Coach Industries of Des Plaines, Illinois, for the purchase of 37 forty-five foot hybrid diesel-electric buses at a cost not to exceed \$33,554,341.88, plus five percent for contingencies, for a total contract authorization of \$35,232,058.97.

In addition, should funding become available, authorization is requested to exercise an "option to buy" up to 10 additional forty-five foot hybrid diesel-electric buses to be equipped with lavatories at a cost not to exceed \$8,615,950, plus five percent for contingencies, for a total contract authorization of \$44,278,806.47.

Board Member Flora M. Castillo moved the resolution and Board Member James C. Finkle, Jr. seconded it, and it was unanimously adopted.

1410-47: Undergrade Railroad Bridges: Engineering Services to Perform In-Depth Inspections, Evaluations and Ratings

Executive Director Hakim introduced Michael Gaspartich, Deputy General Manager, Rail Operations, who presented Action Item 1410-47 for approval.

Michael Gaspartich recommended approval of Item 1410-47, Undergrade Railroad Bridges: Engineering Services to Perform In-Depth Inspections, Evaluations and Ratings. NJ TRANSIT is responsible for maintaining a total of 659 undergrade bridges, of which 572

bridges are in active service carrying trains over roadways, waterways, and other features. These inspections are part of the asset management strategy which emphasizes capital investments to restore critical aging infrastructure to a state-of-good-repair and ultimately ensure safe and reliable service for customers.

Authorization is requested to enter into three separate contracts with HNTB of East Rutherford, New Jersey, KS Engineers of Newark, New Jersey, and TranSystems of Paramus, New Jersey, to perform in-depth structural inspections, evaluations, and ratings of 146 undergrade bridges, at costs not to exceed \$753,781, \$764,188 and \$813,124 respectively, for a total cost of \$2,331,093, plus five percent for contingencies.

Vice Chairman Bruce M. Meisel moved the resolution and Board Member James C. Finkle, Jr. seconded it, and it was unanimously adopted.

1410-48: RAIL ROLLING STOCK PROGRAM: ENGINEERING ASSISTANCE CONTRACT AMENDMENT FOR DESIGN OF MULTILEVEL POWER CARS

Executive Director Hakim introduced Michael Gaspartich, Deputy General Manager, Rail Operations, who presented Action Item 1410-48 for approval.

Michael Gaspartich, recommended approval of Item 1410-48, Rail Rolling Stock Program: Engineering Assistance Contract Amendment for Design of Multilevel Power Cars. The rail fleet strategy includes use of more Multilevel rail cars to maximize capacity for customers. The Arrow III Electric Multiple Unit rail cars are the next vehicles in the fleet that require replacement. This board item recommends replacing these outdated Arrow III rail cars with new Multilevel Power Cars. These new self-propelled rail cars will feature all of the customer amenities that are provided on the existing Multilevel fleet including the two by two seating, but will also include onboard propulsion that will allow the cars to operate without a locomotive.

Authorization is requested to amend the contract with LTK Engineering Services, Inc. of Ambler, Pennsylvania, for engineering assistance to modify the previously-developed single-level, self-propelled rail car specification for a Multilevel Power Car and support procurement activities for the new vehicles at a cost not to exceed \$1,600,000.00, plus five percent for contingencies, for a total contract authorization of \$5,418,000.00, subject to the availability of funds.

Board Member Myron P. Shevell recused himself from voting on Item 1410-48, Rail Rolling Stock Program: Engineering Assistance Contract Amendment for Design of Multilevel Power Cars.

Vice Chairman Bruce M. Meisel moved the resolution and Board Member James C. Finkle, Jr. seconded it, and it was adopted.

1410-49: CULVERT REPLACEMENT ON THE GLADSTONE LINE MILEPOST 41.64 IN THE BOROUGHES OF PEAPACK AND GLADSTONE, SOMERSET COUNTY, NEW JERSEY

Executive Director Hakim introduced Michael Gaspartich, Deputy General Manager, Rail Operations, who presented Action Item 1410-49 for approval.

Michael Gaspartich recommended approval of Item 1410-49, Culvert Replacement on the Gladstone Line in the Boroughs of Peapack and Gladstone in Somerset County, New Jersey. NJ TRANSIT owns and maintains the stone culvert on the Gladstone Line which is more than 100 years old. Replacement of this structure will restore it to a state-of-good-repair. This project will replace the existing deteriorated culvert with a new precast concrete box culvert to ensure safe and reliable service for the 39 daily trains that travel this route and provide nearly 6,000 passenger trips.

Authorization is requested to enter into a contract with Hutton Construction of Cedar Grove, New Jersey to perform replacement of the existing culvert on the Gladstone Line in the Boroughs of Peapack and Gladstone at a cost not to exceed \$1,633,136.00, plus five percent for contingencies.

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

After the vote on Item 1410-49, Board Member Castillo left the Board meeting.

1410-50: CONCEPTUAL DESIGN SERVICES FOR THE REPLACEMENT AND CONSTRUCTION OF UNDERGRADE BRIDGE 5.48 HX DRAW ON THE BERGEN COUNTY LINE OVER THE HACKENSACK RIVER

Executive Director Hakim introduced Michael Gaspartich, Deputy General Manager, Rail Operations, who presented Action Item 1410-50 for approval.

Michael Gaspartich recommended approval of Item 1410-50, Conceptual Design Services For The Replacement and Construction of Undergrade Bridge, HX Draw, on the Bergen County Line over the Hackensack River. The Bergen County, Meadowlands Rail, and Pascack Valley Lines provide more than 32,000 average weekday passenger trips in Hudson, Bergen, & Passaic counties. These rail lines operate over NJ TRANSIT's HX Draw Bridge, a movable bridge that spans the Hackensack River between East Rutherford and Secaucus. In recent years, the 103 year old HX Draw Bridge has undergone extensive repairs to correct mechanical and structural issues. Due to its age, condition, and costly recurring repairs, HX Draw Bridge has been prioritized for replacement to ensure safe and reliable train service.

Authorization is requested to enter into a contract with Modjeski & Masters, Inc., of Moorestown, New Jersey, to perform design, engineering, and construction assistance

services for conceptual design services for the replacement of HX Draw Bridge at a cost not to exceed \$620,364, plus five percent for contingencies.

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

1410-51: NJ TRANSIT TITLE VI PROGRAM BENEFITS

Executive Director Hakim introduced Leotis Sanders, Vice President, Civil Rights & Diversity Programs, who presented Action Item 1410-51 for approval.

Leotis Sanders gave a PowerPoint presentation entitled “NJ TRANSIT Title VI Program Submission” (copy attached) and recommended approval of Item #1410-51, NJ TRANSIT Title VI Program Benefits.

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

1410-52: ADOPTION OF PROCEDURES TO ENSURE POST ISSUANCE COMPLIANCE OF TAX-EXEMPT NOTES

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1410-52 for approval.

Kathleen Sharman recommended approval of Item 1410-52, Adoption of Procedures to Ensure Post Issuance Compliance of Tax-Exempt Notes. Adoption these Procedures will assist NJ TRANSIT in ensuring that it remains in compliance with applicable federal tax law requirements in connection with its outstanding tax-exempt obligations.

Authorization is requested to adopt the Procedures substantially in the form attached to the Resolution. These Procedures detail the various procedures and policies NJ TRANSIT will implement to monitor and ensure continuing compliance with applicable federal tax law requirements.

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

1410-53: APPOINTMENT OF CHIEF, OFFICE OF SYSTEM SAFETY

Executive Director Hakim presented Action Item 1410-53 for approval.

Executive Director Hakim noted there was a typo in the first paragraph of the benefits section and should state “execution of safety programs” instead of security programs. The Board item and resolution have been amended and corrected for the minutes.

Executive Director Hakim recommended approval of Item #1410-53, Appointment of Chief, Office of System Safety The Office of System Safety has been established to monitor, review and evaluate safety measures, programs and incidents, as well as overall security statistics and the execution of safety programs pertaining to NJ TRANSIT's operations and facilities. Executive Director Hakim appoints Gardner C. Tabon to the position of Chief, Office of System Safety at an annual salary of \$165,000 together with NJ TRANSIT's standard at-will employee benefits.

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

Executive Session

Chairman Fox concluded the open session agenda items at approximately 10:32 a.m. and requested a motion to enter Executive Session to discuss the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim: Elba Galeno vs. NJ TRANSIT Bus Operations. Discussions undertaken at the executive session could be made public at the conclusion of these matters as appropriate.

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

Chairman Fox, Vice Chairman Meisel, Board Members Shevell, Egea, Finkle, Petrino and Greaves returned to open session at approximately 10:47 a.m.

1410-54: PERSONAL INJURY CLAIM OF ELBA GALENO

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer, who presented Action Item 1410-54 for approval.

Kathleen Sharman recommended approval of Item #1410-54, Personal Injury Claim of Elba Galeno. Authorization is requested to settle the claim of Elba Galeno vs. NJ TRANSIT Bus Operations, Inc., through her attorney at a cost of \$6,500,000. The Attorney General has approved this settlement cost.

A motion was made by Board Member Myron P. Shevell, seconded by Board Member James C. Finkle, Jr. and unanimously adopted.

Adjournment

Since there were no further comments or business, Chairman Fox called for adjournment and a motion to adjourn was made by Board Member Myron P. Shevell, seconded by Vice Chairman Bruce M. Meisel and unanimously adopted. The meeting was adjourned at approximately 10:48 a.m.

(NJT Board - 10/08/2014)



46992

NJ TRANSIT Title VI Program Submission

Board Briefing
October 8, 2014

What is Title VI?

- ▶ Title VI of the Civil Rights Act of 1964 seeks to ensure that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- ▶ To demonstrate that NJ TRANSIT is complying with Title VI requirements, FTA requires NJ TRANSIT to prepare and submit a Title VI Program every three years.
- ▶ FTA issued a revised Circular (4702.1B) in October 2012 with new and enhanced regulatory requirements.

NJ TRANSIT'S Title VI Submission

- ▶ NJ TRANSIT's current Title VI Program expires November 30, 2014
- ▶ The revised 2012 Title VI Circular requires that NJ TRANSIT's Board of Directors approve the Title VI Program prior to submission to FTA.
- ▶ It further requires that the Board approve:
 - ▶ Results of Title VI monitoring program
 - ▶ Major Service Change policy
 - ▶ Disparate Impact and Disproportionate Burden policies

Title VI Program Contents

▶ SECTION I: GENERAL REQUIREMENTS FOR PROGRAM SUBMISSION UNDER TITLE VI

1. NOTIFICATION TO BENEFICIARIES OF PROTECTION UNDER TITLE VI
2. TITLE VI COMPLAINT PROCEDURES AND FORMS
3. TITLE VI INVESTIGATIONS, COMPLAINTS AND LAWSUITS FY 2012-2014
4. PUBLIC PARTICIPATION PLAN
5. LANGUAGE ASSISTANCE (LEP) PLAN
6. REPRESENTATION ON PLANNING AND ADVISORY BODIES
7. PROVISION OF ASSISTANCE TO AND MONITORING OF SUBRECIPIENTS
8. DETERMINATION OF SITE AND LOCATION OF FACILITIES

SECTION II: REQUIREMENTS FOR FIXED ROUTE TRANSIT PROVIDERS

9. DEMOGRAPHIC DATA
10. SYSTEM-WIDE STANDARDS AND POLICIES
11. SERVICE MONITORING RESULTS
12. PROCEDURES FOR EVALUATING SERVICE AND FARE CHANGES

Service Monitoring Requirement

- ▶ Requirement to monitor rail, bus, and light rail performance relative to system-wide service standards and service policies
 - ▶ Service Standards: Vehicle Load, Vehicle Headway, On-time Performance, and Service Availability
 - ▶ Service Policies: Distribution of Transit Amenities, Vehicle Assignment
- ▶ Monitoring must be conducted every three years
- ▶ Compare performance of service to minorities and non-minorities
- ▶ 2014 bus, rail, and light rail monitoring found no disparate impacts on minorities

Equity Analysis Requirement

- ▶ FTA Title VI regulations include a requirement to evaluate proposed fare and service changes, during the planning stage, to ensure the changes do not result in disparate impacts on minorities, or a disproportionate burden on low income customers
- ▶ FTA requires federal grantees to conduct Equity Analyses for “major” service changes and any fare change
- ▶ Regulations also include a requirement to develop written procedures for conducting the Equity Analyses, as well as a Major Service Change policy, and Disparate Impact and Disproportionate Burden policies

(NJT Board - 10/08/2014)

Development Process for Equity Analysis Policies and Procedures

46998

- ▶ All transit agencies are required to obtain public input on the Major Service Change policy and the Disparate Impact/Disproportionate Burden policies
- ▶ Public engagement activities included:
 - ▶ Focus groups conducted in North and South Jersey – participants were minority and low-income customers, one focus group conducted in Spanish
 - ▶ Briefings with North and South Jersey Advisory Committees and Senior Citizen and Disabled Residents Advisory Committee



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

OCTOBER 8, 2014

MINUTES	PAGE
➤ CALL TO ORDER	-
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	47003
➤ PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS	-
➤ BOARD MEMBER COMMENTS	-
➤ ADVISORY COMMITTEE REPORT	-
➤ SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT REPORT DECEMBER 2014)	-
➤ BOARD COMMITTEE REPORTS	-
*Combined Customer Service Committee and Administration Committee	
*Capital Planning, Policy and Privatization Committee	
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	47004

ACTION ITEMS

1410-45	SUPERSTORM SANDY DISASTER RECOVERY AND RESILIENCE PROGRAM: GLADSTONE LINE CATENARY POLE REPLACEMENT PROJECT PHASE II – CONSTRUCTION CONTRACT AWARD FOR CONCRETE FOUNDATIONS AND STEEL POLES AND AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM FOR CONSTRUCTION ASSISTANCE SERVICES	47025
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Authorization for approval to enter into NJ TRANSIT Contract No. 13-071X with Case Foundation Company of Berwyn, Pennsylvania, for the installation of 163 concrete foundations and steel poles along the Gladstone Line between New Providence Station and Gladstone Rail Yard in an amount not to exceed \$13,308,080.00, plus five percent for contingencies, subject to the availability of funds.

Authorization for approval to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with Gannett Fleming, Inc. (NJ TRANSIT Contract No. 13-006A) by \$290,000 for Construction Assistance Services for the Gladstone Line Catenary Pole Replacement Project Phase II for a maximum authorization amount for the 2012

Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$67,690,000, subject to the availability of funds. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

1410-46 HYBRID CRUISER BUSES: PURCHASE OF 37 FORTY-FIVE FOOT HYBRID DIESEL-ELECTRIC CRUISER BUSES 47035

Authorization to enter into a Procurement-by-Exception Contract No. 13-078 with Motor Coach Industries (MCI) of Des Plaines, Illinois, for the purchase of 37 forty-five foot hybrid diesel-electric buses at a cost not to exceed \$33,554,341.88, plus five percent for contingencies, for a total contract authorization of \$35,232,058.97, subject to the availability of funds.

Should funding becomes available, staff seeks authorization to exercise an "option to buy" up to 10 additional forty-five foot hybrid diesel-electric buses to be equipped with lavatories at a cost not to exceed \$8,615,950, plus five percent for contingencies, for a total contract authorization of \$44,278,806.47, subject to the availability of funds.

1410-47 UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS AND RATINGS 47042

Authorization to enter into three separate NJ TRANSIT contracts with HNTB of East Rutherford, New Jersey (14-051A); KS Engineers of Newark, New Jersey (14-051B); and TranSystems of Paramus, New Jersey (14-051C), to perform in-depth structural inspections, evaluations, and load ratings of 146 undergrade bridges, at costs not to exceed \$753,781, \$764,188 and \$813,124 respectively, for a total cost of \$2,331,093, plus five percent for contingencies, subject to the availability of funds.

1410-48 RAIL ROLLING STOCK PROGRAM: ENGINEERING ASSISTANCE CONTRACT AMENDMENT FOR DESIGN OF MULTILEVEL POWER CARS 47047

Authorization to amend NJ TRANSIT Contract No. 05-078 with LTK Engineering Services, Inc. of Ambler, Pennsylvania, for engineering assistance to modify the previously-developed single-level, self-propelled rail car specification for a Multilevel Power Car and support NJ TRANSIT's procurement activities for the new vehicles at a cost not to exceed \$1,600,000.00, plus five percent for contingencies, for a total contract authorization of \$5,418,000.00, subject to the availability of funds.

1410-49 CULVERT REPLACEMENT ON THE GLADSTONE LINE MILEPOST 41.64 IN THE BOROUGHS OF PEAPACK AND GLADSTONE, SOMERSET COUNTY, NEW JERSEY 47052

Authorization to enter into NJ TRANSIT Contract No. 14-048X with Hutton Construction of Cedar Grove, New Jersey, to perform replacement of the existing deteriorated stone culvert on the Gladstone Line, Milepost 41.64 in the Boroughs of Peapack and Gladstone, Somerset County, New Jersey at a cost not to exceed \$1,633,136.00, plus five percent for contingencies, subject to the availability of funds.

1410-50 CONCEPTUAL DESIGN SERVICES FOR THE REPLACEMENT AND CONSTRUCTION OF UNDERGRADE BRIDGE 5.48 HX DRAW ON THE BERGEN COUNTY LINE OVER THE HACKENSACK RIVER 47056

Authorization to enter into NJ TRANSIT Contract No. 14-022 with Modjeski & Masters, Inc., of Moorestown, New Jersey, to perform design, engineering, and construction assistance services for conceptual design services for the replacement of undergrade bridge 5.48 HX Draw over the Hackensack River between East Rutherford, New Jersey and Secaucus, New Jersey at a cost not to exceed \$620,364, plus five percent for contingencies, subject to the availability of funds.

1410-51 NJ TRANSIT TITLE VI PROGRAM BENEFITS 47060

Authorization for the NJ TRANSIT Board to approve NJ TRANSIT's 2014 Title VI Program prior to submission to the Federal Transit Administration.

1410-52 ADOPTION OF PROCEDURES TO ENSURE POST ISSUANCE COMPLIANCE OF TAX-EXEMPT NOTES 47074

Authorization for NJ TRANSIT to adopt the Resolution authorizing staff to adopt the Procedures (Attachment A) substantially in the form attached to the Resolution. These Procedures detail the various procedures and policies NJ TRANSIT will implement to monitor and ensure continuing compliance with applicable federal tax law requirements.

1410-53 APPOINTMENT OF CHIEF, OFFICE OF SYSTEM SAFETY 47091

The Executive Director appoints Gardner C. Tabon to the position of Chief, Office of System Safety at an annual salary of \$165,000 together with NJ TRANSIT's standard at-will employee benefits.

- **EXECUTIVE SESSION AUTHORIZATION:** Discuss the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim: Elba Galeno vs. NJ TRANSIT Bus Operations **47093**

1410-54 PERSONAL INJURY CLAIM OF ELBA GALENO 47094

Authorization to settle the claim of Elba Galeno through his attorney at a cost of \$6,500,000. The Attorney General has approved settlement cost of \$6,500,000, subject to the availability of funds.

- **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 September 10, 2014 Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on September 15, 2014;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the September 10, 2014 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

(NJ Transit Board - 10/08/2014)
Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Jamie Fox, Board Chairman
Veronique Hakim, Executive Director

NJ TRANSIT 47004
One Penn Plaza East
Newark, NJ 07105-2246
973-491-7000

TO: BOARD OF DIRECTORS
FROM: VERONIQUE "RONNIE" HAKIM RH
DATE: OCTOBER 8, 2014
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – OCTOBER 2014

As you know, NJ TRANSIT was recently awarded \$1.276 billion from the Federal Transit Administration to design and advance projects that feature resilient characteristics to well-position us against future storms, surges and power failures. Governor Christie has made it clear that the lessons of Superstorm Sandy are not to be learned again, and to that end, we have focused on not simply repairing the damage, but on making our system more resilient. NJ TRANSIT had submitted five projects into a highly competitive regional competition that included 13 states vying for more than \$3 billion in total available funding. The fact that of the 13 states that competed, New Jersey received more than one-third of the awarded funding testifies to the efficacy and utility of our projects, which will provide a more reliable power supply, reduce inundation, build bridges that better resist storms, create a safe haven for equipment, and protect railroad right-of-way assets.

At the center of our resiliency strategy is NJ TRANSITGRID, a first-of-its-kind electrical microgrid capable of supplying highly-reliable power during storms or other times when the centralized power grid is compromised. NJ TRANSITGRID will use renewable energy, distributed generation, and other technologies to provide resilient power to key stations, maintenance facilities, bus garages, and other buildings. In addition, NJ TRANSITGRID will provide resilient electric traction power to allow trains on critical corridors, including portions of the Northeast Corridor, to continue to operate even when the traditional grid fails.

Strengthening is also the theme of the Raritan River Drawbridge Replacement project, which will replace this one-hundred-year-old drawbridge with a far more resilient structure. Superstorm Sandy pushed tidal water to historic heights, moving the drawbridge and causing the tracks to shift out of alignment. The damage caused a three-week suspension of service while the structure was repaired and the tracks reset to support train operations. Replacing the drawbridge will enhance the reliability of the North Jersey Coast Line.

In Hoboken, we have a project to fill Long Slip—a 2,000-foot obsolete canal open to the Hudson River—to an elevation above the FEMA base flood elevation, as well as to construct on the filled area six new tracks that will serve three high-level, ADA-accessible boarding platforms. During Sandy, Long Slip helped bring surge waters that contributed to the inundation of both Hoboken Terminal and its rail yard, causing damage that suspended commuter rail, bus and light rail service and incapacitated the historic terminal. The elevated position of the new tracks will permit the rapid recovery of commuter rail services, and the filling of Long Slip will allow NJ TRANSIT to operate longer during and recover more quickly from storm events.

The federal funding will also benefit a project to provide safe havens for equipment storage. NJ TRANSIT's Delco Lead and Service and Inspection Facility project is focused on protecting equipment against damage from wind or water, and facilitating the rapid resumption of service after storms have passed. The Delco Lead, which is strategically located along the Northeast Corridor, will provide resilient storage for 312 rail cars, while the Service and Inspection Facility will facilitate the rapid return to service following a storm event. We are also expanding County Yard, adjacent to the Delco Lead, to provide additional resilient storage for 132 rail cars. The two projects combined will have a resilient storage capacity of 444 rail cars in New Brunswick and North Brunswick.

The fifth and final project to receive funding through this FTA grant is NJ TRANSIT's Train Controls infrastructure project, which aims to continue commuter and light rail line resiliency efforts for assets that, while not damaged by Sandy, remain vulnerable to storm events. These assets include critical signal, power and communications systems used to control train speed and switches and a train's following distance for safe operations. Portions of NJ TRANSIT's Main, Bergen County, Pascack Valley, and Morris & Essex commuter rail lines, as well as the Hudson-Bergen Light Rail Line, have been identified as having vulnerability to future storms and have been targeted for hardening of these assets.

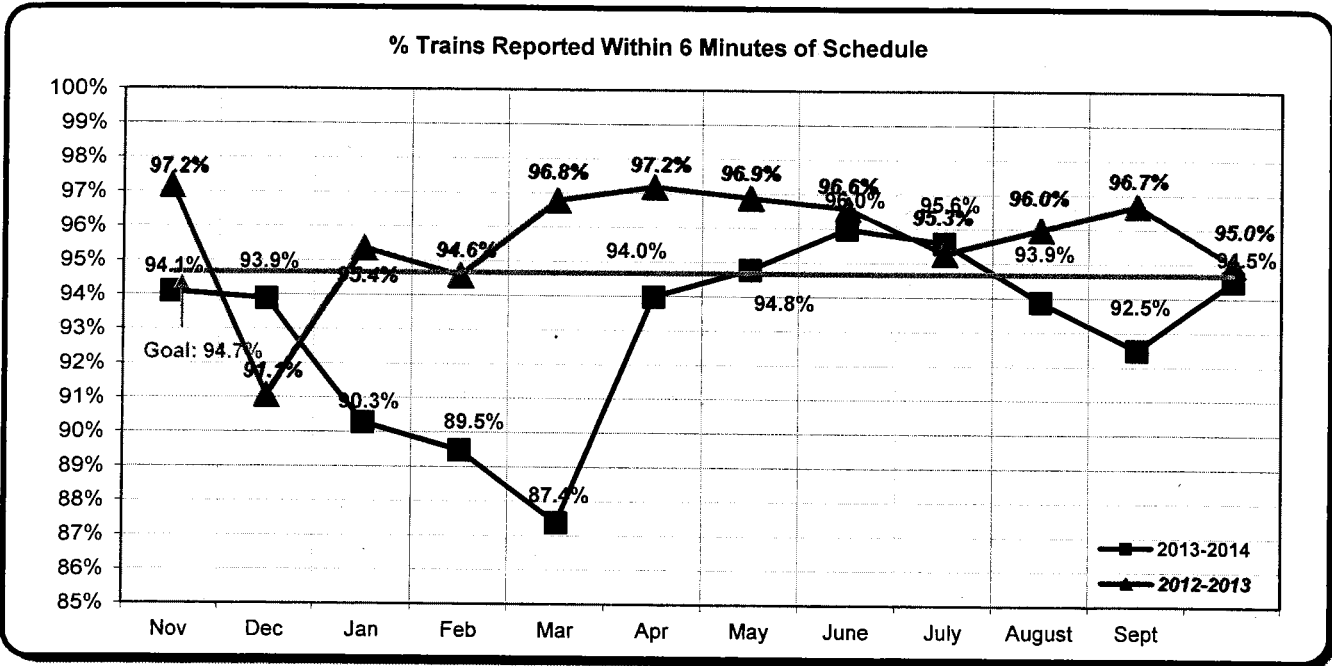
As you can see, our resiliency strategy focuses on not just the protection of assets like stations, bridges, track, equipment and signals, but also on restoring service as quickly and safely as possible. We know from our experience with Superstorm Sandy that getting people back home and back to work is the best way to get back on our feet following a major storm event.

EXECUTIVE DIRECTOR'S MONTHLY REPORT OCTOBER 2014

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

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL OCTOBER 2012 - SEPTEMBER 2014



	2013	2014	# Change
September Comparison	95.0%	94.5%	-0.5%

	2012-2013	2013-2014	# Change
12-Month Average October - September	95.7%	93.0%	-2.7%

Analysis:

Rail On-Time Performance was 94.5% for September 2014. Of the 18,266 trains scheduled to operate, 17,266 were on time, while 1,000 trains (or 5.5%) were delayed. Key causes included:

- Amtrak equipment failure, NJT electric and diesel locomotive failures, and Amtrak signal problems accounted for 87 delays for a total of 84.1% OTP on September 2.
- Amtrak preference, Amtrak equipment failure, Amtrak high-speed rail project work, NJT diesel failure, and NJT miscellaneous accounted for 49 delays for a total of 91.3% OTP on September 9.
- Amtrak switch problems, Amtrak preference (including Acela), NJT heavy travel, and NJT signal problems accounted for 39 delays for a total of 93.3% on September 19.

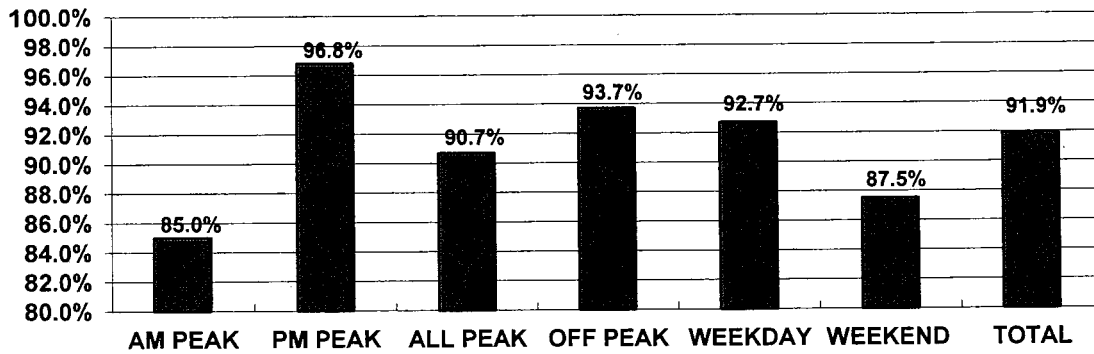
The 12-month average for Rail On-Time Performance for October 2012 - September 2014 was 94.4%.

ON-TIME PERFORMANCE RAIL

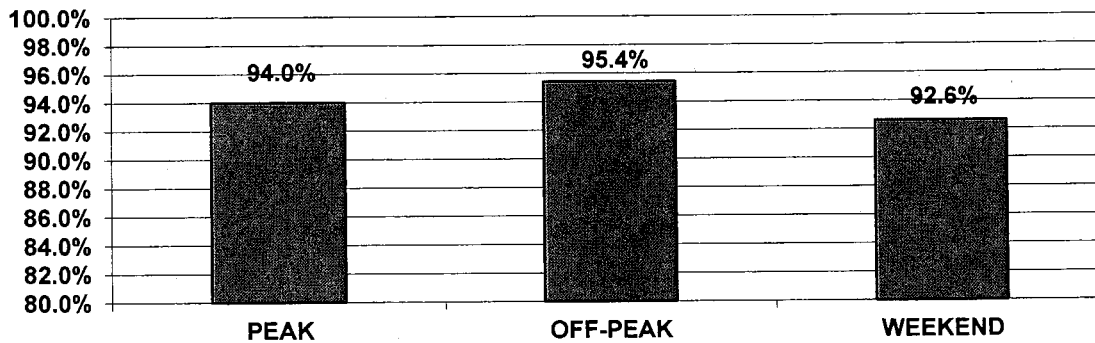
SUMMARY BY TIME PERIOD September 2014

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

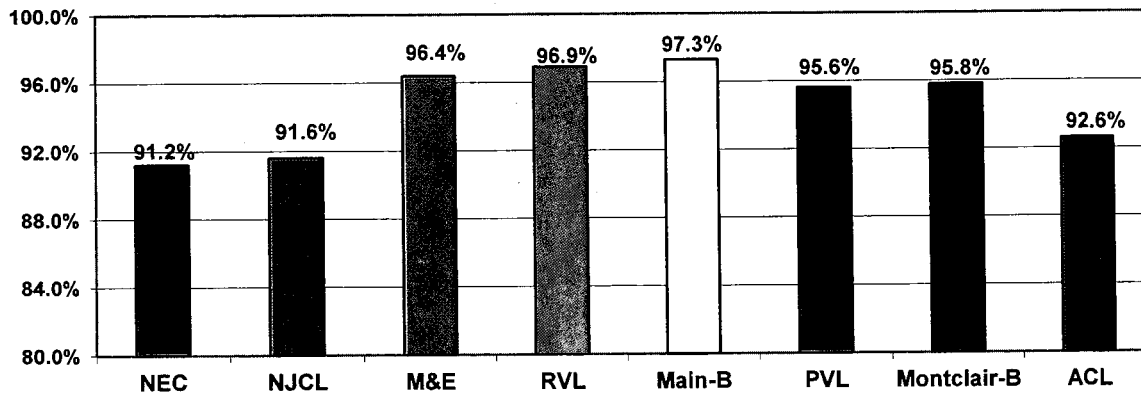
% NEW YORK PENN STATION Trains Reported On Time *



% SYSTEMWIDE Trains Reported On Time

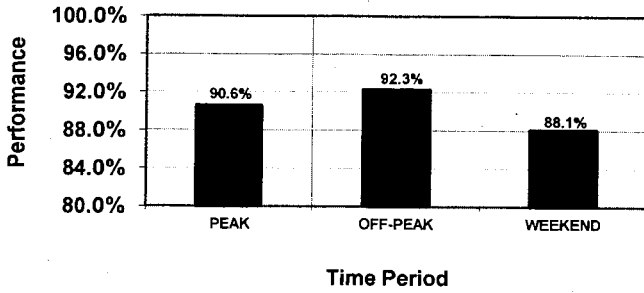


% BY LINE Trains Reported On Time

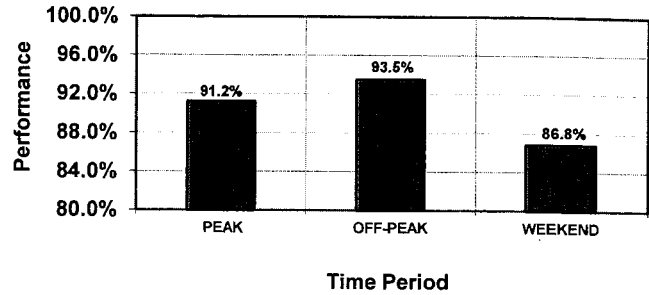


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD SEPTEMBER 2014

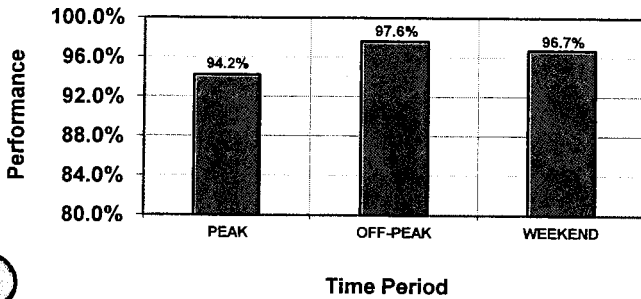
NORTHEAST CORRIDOR



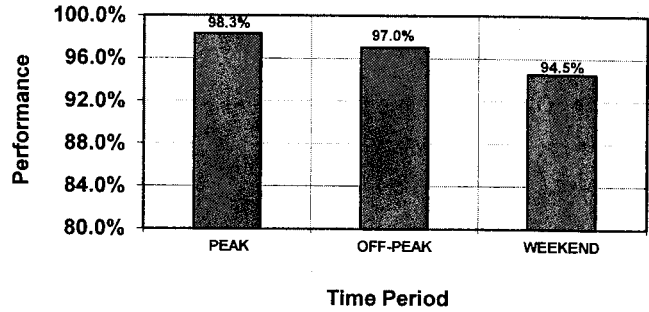
NORTH JERSEY COAST LINE



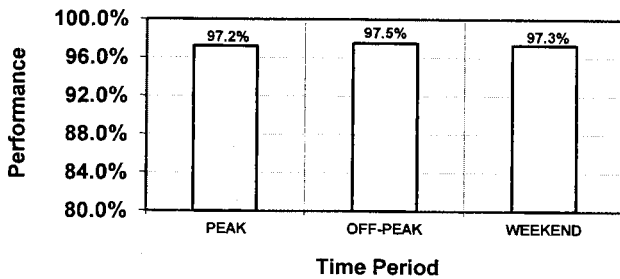
MORRIS & ESSEX



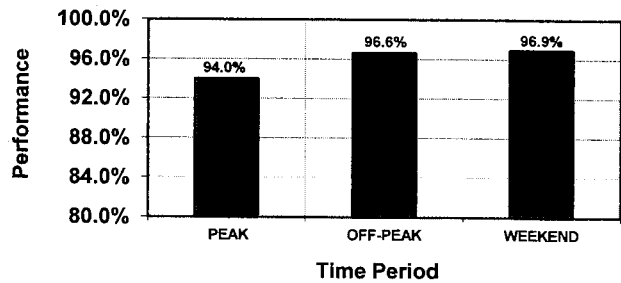
RARITAN VALLEY LINE



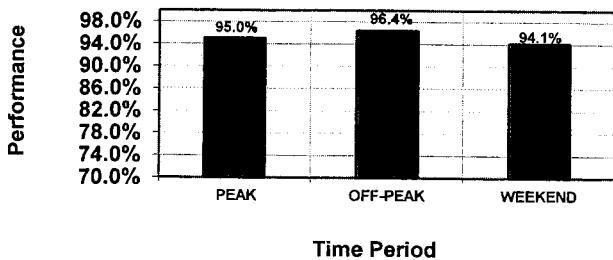
MAIN-BERGEN



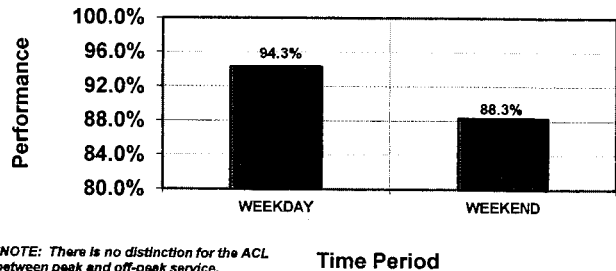
PASCACK VALLEY



MONTCLAIR-BOONTON



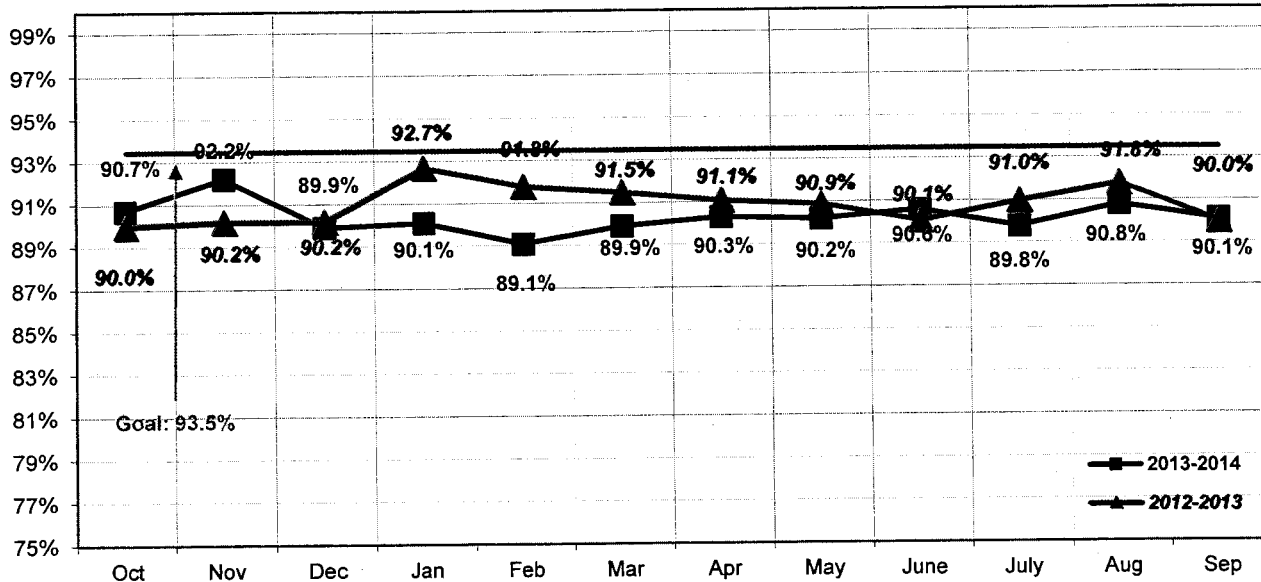
ATLANTIC CITY*



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

NJ TRANSIT ON-TIME PERFORMANCE BUS OCTOBER 2012 - SEPTEMBER 2014

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2013	2014	% Change
September Comparison	90.0%	90.1%	0.1%

	2012-2013	2013-2014	% Change
12-Month Average October - September	90.9%	90.3%	-0.6%

Analysis:

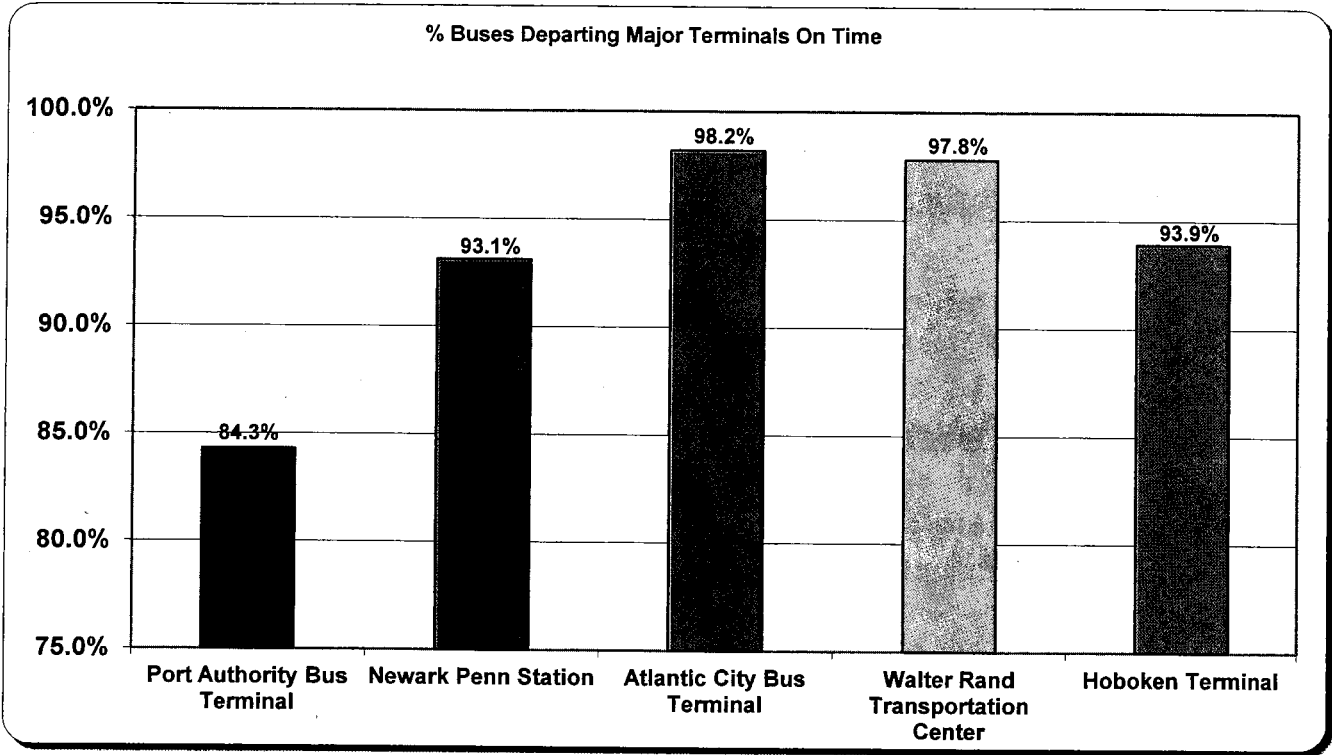
Bus On-Time Performance was 90.1% for September 2014. Of the 38,980 monitored departures, 4,175 (or 9.9%) experienced delays. Key causes included:

- Disabled vehicles in the Lincoln Tunnel on two days caused delays of 20 minutes or more affecting Port Authority Bus Terminal service.
- Several bus breakdowns and accessibility accommodations affecting Walter Rand Transportation Ctr. service.
- Mechanical problems and accessibility accommodations affecting Newark Penn Station service.
- Detours in Wildwood and Cape May Court House-Crest Haven Road affecting Atlantic City Bus Terminal service.
- Significant construction in Jersey City affecting Hoboken Terminal service.

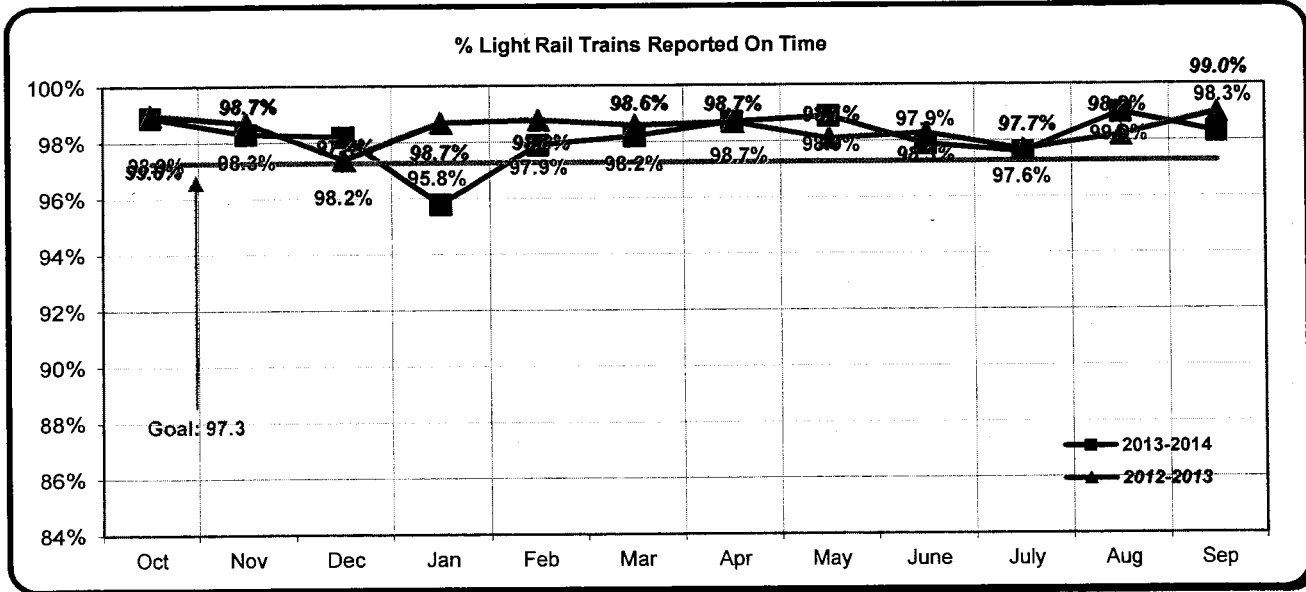
The 12-month average for Bus On-Time Performance for October 2012 - September 2014 was 90.6%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL SEPTEMBER 2014



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL OCTOBER 2012 - SEPTEMBER 2014



	2013	2014	# Change
September Comparison	99.0%	98.3%	-0.7%

	2012-2013	2013-2014	# Change
12-Month Average October - September	98.4%	98.1%	-0.3%

Analysis:

Light Rail On-Time Performance systemwide was 98.3% for the month of September 2014. Of the 26,284 scheduled trains, 457 (or 1.7%) experienced delays. Key causes included:

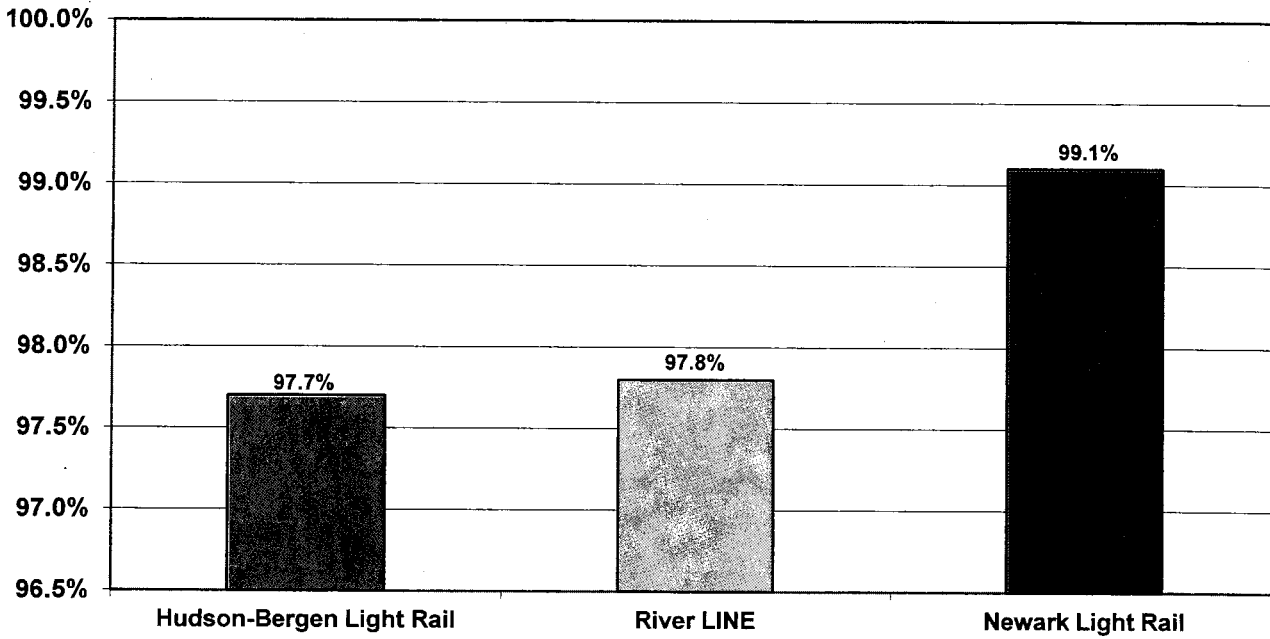
- Mechanical problems delayed 40 Newark Light Rail trains on September 4.
- A light rail/motor vehicle collision delayed 46 Hudson-Bergen Light Rail trains on September 8.
- Signal problems in Roebling delayed 14 River Line trains on September 18.

The 12-month average for Light Rail On-Time Performance for October 2012 - September 2014 was 98.3%.

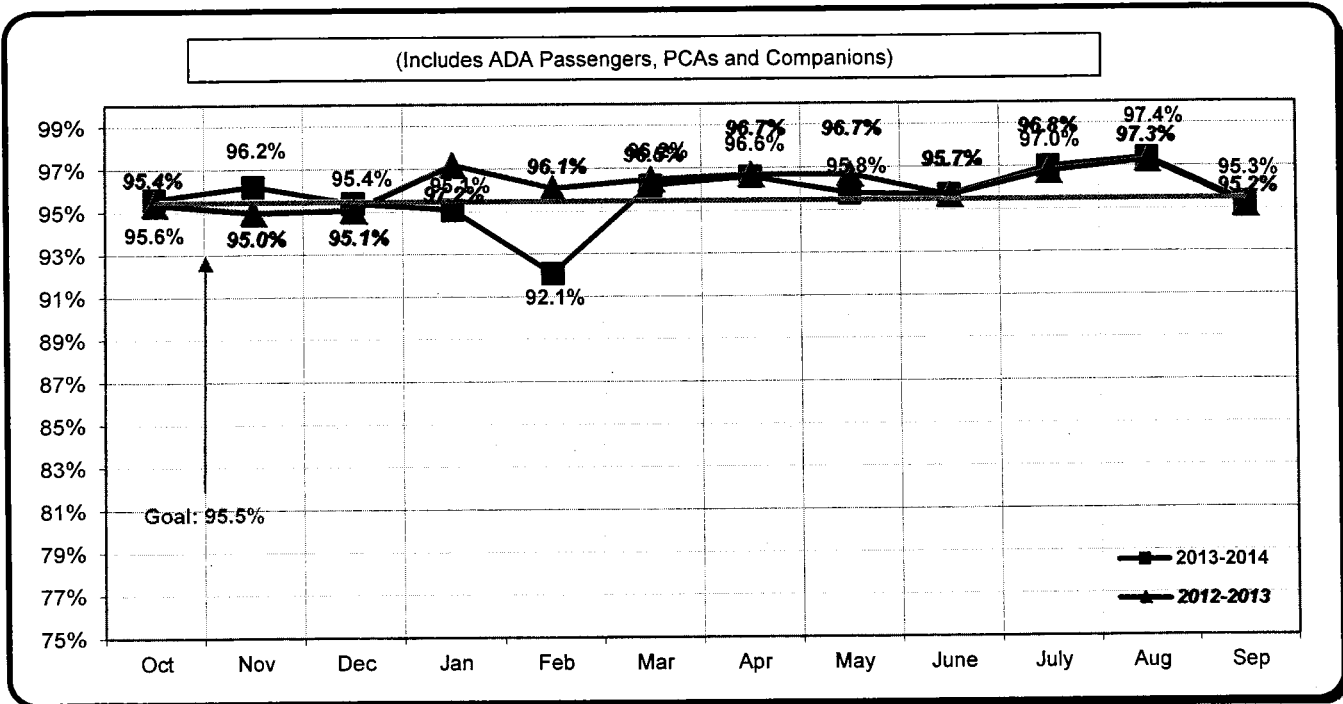
ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE SEPTEMBER 2014

% Light Rail Trains Reported On Time



NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK OCTOBER 2012 - SEPTEMBER 2014



	2013	2014	% Change
September Comparison	95.2%	95.3%	0.1%

	2013	2014	Change
September Ridership	168,799	117,415	51,384

	2012-2013	2013-2014	% Change
12-Month Average October - September	96.1%	95.7%	-0.4%

Analysis:

Access Link On-Time Performance was 95.3% for September 2014. Of the 117,407 total trips, 5,558, or 4.7% experienced delays.

Key causes include:

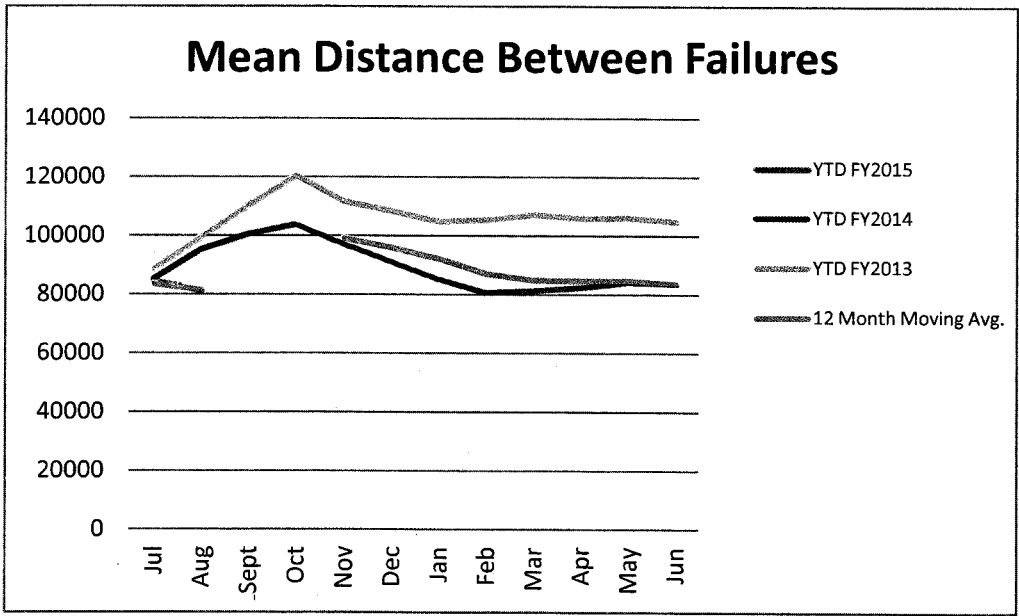
- * Delays or cancellations caused by customers (e.g., not showing up at scheduled time for trip on arrival or departure.
- * Traffic congestion.
- * Road construction/closures.

The 12-month average for Access Link On-Time Performance for October 2012 - September 2014 was 96.0%.

MEAN DISTANCE BETWEEN FAILURES

NJ Transit Rail
Mean Distance Between Failures

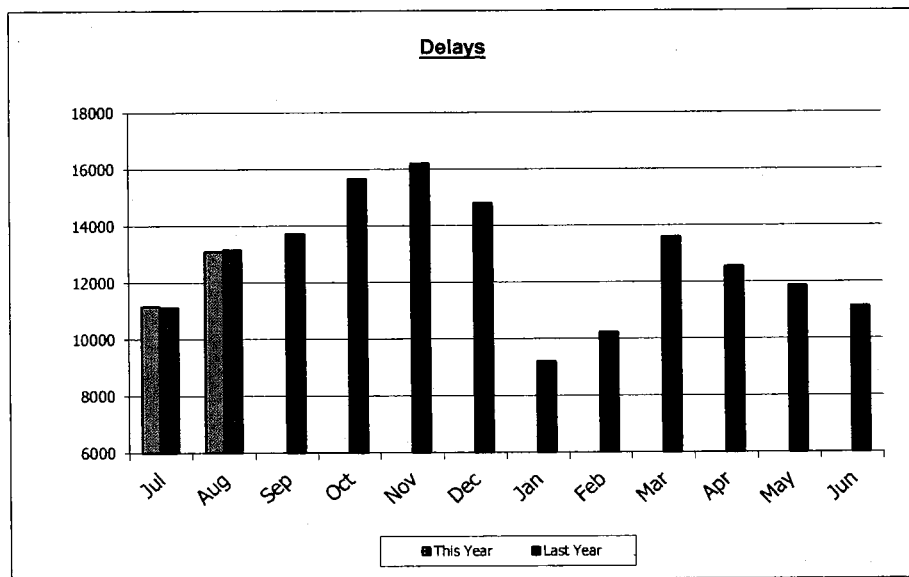
Month	YTD FY2015	YTD FY2014	YTD FY2013	D FY 2012	12 Month Moving Avg.
Jul	84508	85097	88,735	78,933	83,750
Aug	81319	95116	99,585	87,525	81,718
Sept		100341	110,530	89,028	
Oct		103813	120,591	91,327	
Nov		97,112	111,758	90,518	99274
Dec		91128	108,579	91,523	96115
Jan		85161	104,917	92,489	92,375
Feb		80639	105,580	96,166	87,218
Mar		81229	107,335	98,412	85,057
Apr		82293	106,048	102,149	84,839
May		84237	106,287	102,237	84,873
Jun		83798	104975	103,748	83,798



Garage Performance Parameters

August 2014

Location	Miles Between In-Service Delays			
	FY2015 Goal	This Month	FY2015 YTD	FY2014 YTD
Fairview	9,000	6,517	7,235	7,939
Greenville	10,000	9,155	8,054	9,096
Market Street	12,500	12,986	10,123	12,130
Meadowlands	11,300	8,831	8,528	8,182
Oradell	15,500	10,131	8,695	10,658
Wayne	15,500	11,725	12,242	10,021
Northern Division	-	9,993	9,342	9,703
Big Tree	9,000	10,306	8,924	13,932
Hilton	8,500	15,424	11,843	12,938
Howell	16,500	27,530	20,984	14,118
Ironbound	12,500	10,571	10,455	9,112
Orange	6,200	13,086	10,806	10,814
Morris	11,000	50,312	51,337	52,609
Central Division	-	15,047	12,968	11,786
Egg Harbor	15,800	19,089	17,158	20,207
Hamilton	24,500	25,850	19,710	22,722
Newton Avenue	14,500	15,807	14,873	14,945
Washington Twp.	18,225	12,800	14,900	16,480
Southern Division	-	16,280	16,111	17,786
Bus Operations	-	13,002	12,093	12,007

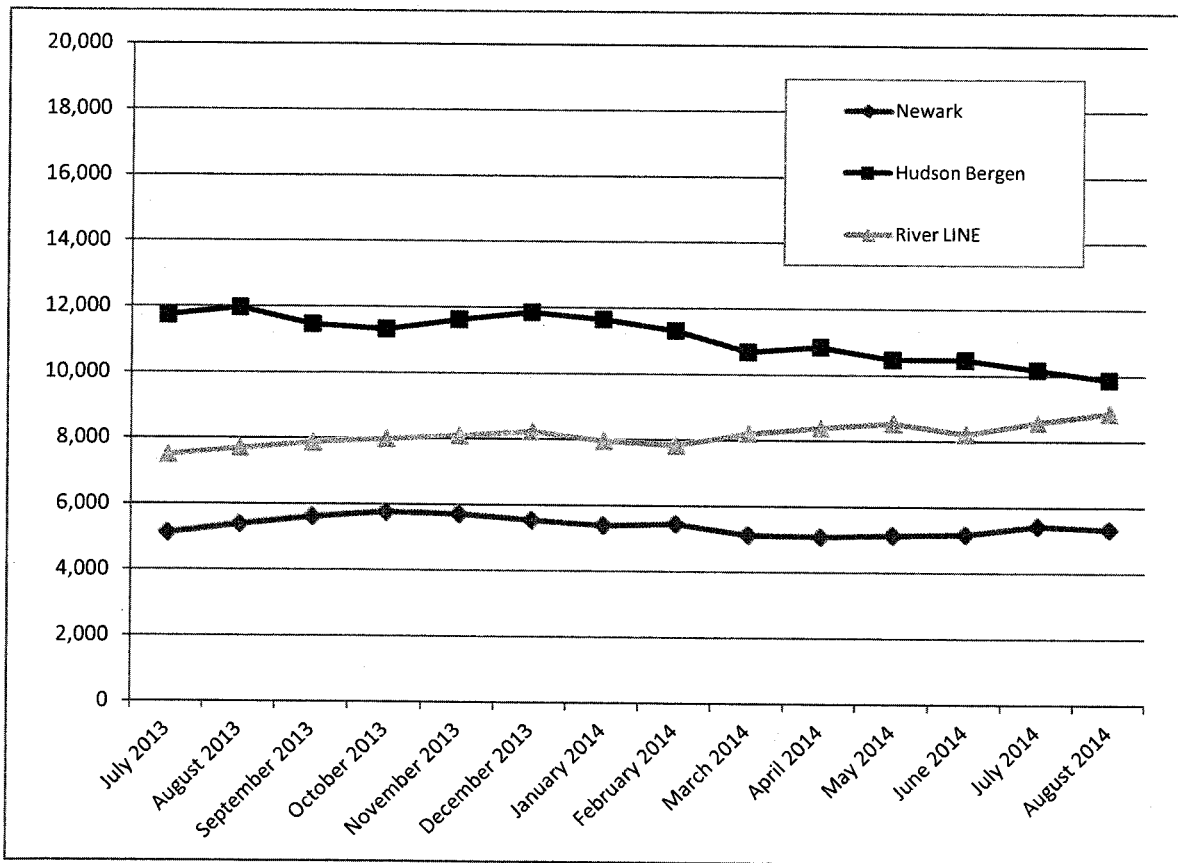


NJ TRANSIT - LIGHT RAIL, August 2014

Miles Between In-Service Delays (Mechanical Failures)

Light Rail System	August 2014 (Current Month)	12 Month Moving Average (Mean)
Newark	6,548	5,339
Hudson Bergen	8,382	9,879
River LINE	12,293	8,874

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



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

DBE/MBE PROGRAM

State Funded Contracts

During the month of August 2014, NJ TRANSIT awarded **\$624,987.30** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$159,282.37** or **25.49%**.

***\$8,908.00** previously reported in the September report.

During the State Fiscal Year **2015** (July 1, 2014 through June 30, 2015) NJ TRANSIT awarded **\$1,549,937.46** in state funded contracts. Of that total, SBEs received **\$998,781.53** or **64.44%**.

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

Category 1 SBEs received	\$7,201.47	or 0.46%
Category 2 SBEs received	\$75,555.90	or 4.87%
Category 3 SBEs received	\$39,835.00	or 2.57%
Category 4 SBEs received	\$876,189.16	or 56.53%
Category 5 SBEs received	\$0.00	or 0%
Category 6 SBEs received	\$0.00	or 0%

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

During the 4th Quarter (July 1, 2014 through September 30, 2014) of Federal Fiscal Year 2014 (October 1, 2013 through September 30, 2014), the FTA funded share of NJ TRANSIT's federal contracts awarded was **\$724,449.00**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$0** or **0%**.

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

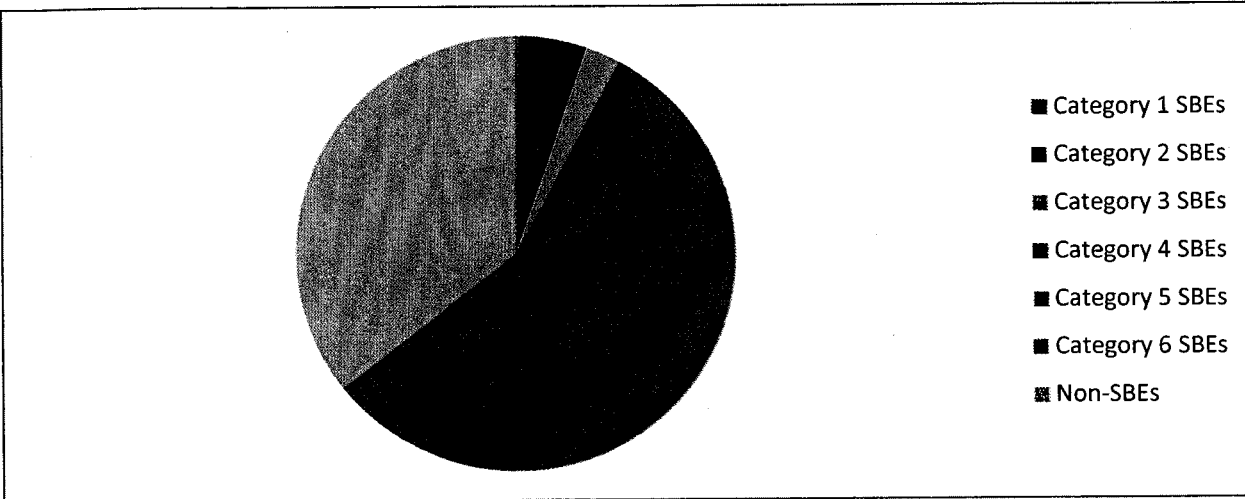
Contracts awarded	\$21,581,730.25
DBEs received	\$ 4,026,163.94 or 18.66%

*Numbers reflect federal share.

Contract awarded value decreased from the last report due to incorrect FTA funded share reported.

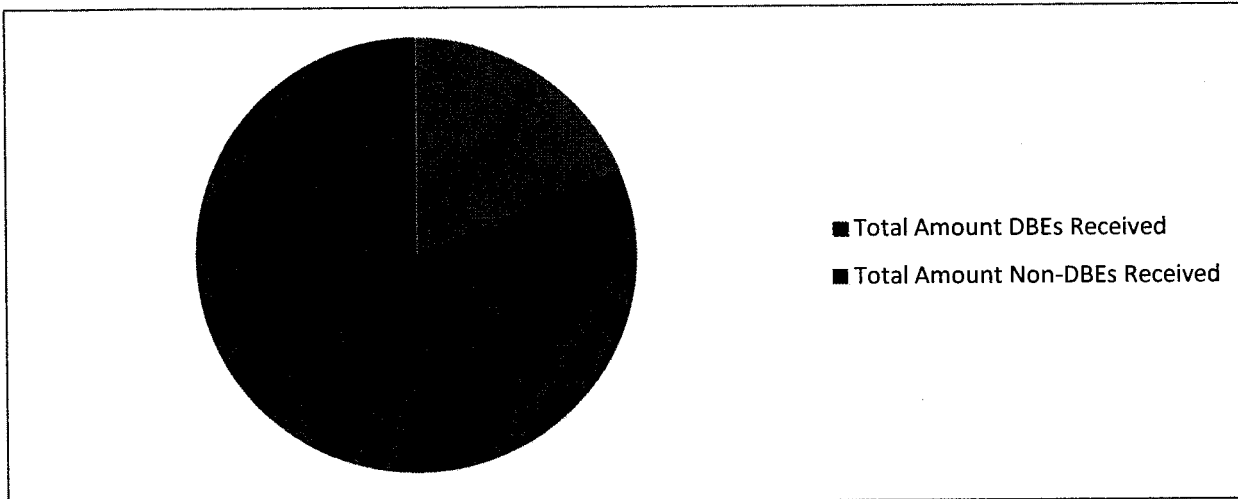
SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD 2015

<i>Category 1 SBEs</i>	\$7,201.47	0.46%
<i>Category 2 SBEs</i>	\$75,555.90	4.87%
<i>Category 3 SBEs</i>	\$39,835.00	2.57%
<i>Category 4 SBEs</i>	\$876,189.16	56.53%
<i>Category 5 SBEs</i>	\$0.00	0.00%
<i>Category 6 SBEs</i>	\$0.00	0.00%
<i>Non-SBEs</i>	\$551,155.93	64.44%



DBE PARTICIPATION
FEDERAL CONTRACTS
TRIENNIAL YEARS 2014-2016

Total Amount DBEs Received	\$4,026,163.94	18.66%
Total Amount Non-DBEs Received	\$17,555,566.30	81.34%



EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Twenty-six NJ TRANSIT employees retired in September with careers ranging from 9 to 38 years of service:

1. David A. Burnett, Forman Garage II – Wayne Garage – 38 years
2. James F. Gordon, Bus Operator – Washington Township Garage – 36 years
3. Marc Cobert, Manager Rail Infra Design – Penn Plaza – 35 years
4. Patricia Stango, Senior Input/Accounting – General Office Building – 34 years
5. Anthony DeSantis, Principal Account – Penn Plaza – 32 years
6. Lisa Ferguson, Principal Strategic Staffing Rec. – General Office Building – 32 years
7. Arlene C. Jacobsen, Senior Claims Investigator – Penn Plaza – 32 years
8. Lee Simon, Manager Rail Capital Program – Penn Plaza – 31 years
9. Angela D. Coleman-Hargrove, Ticket Agent – PABT – 30 years
10. Dorlena Stinson, Instructor – Ferry Street – 30 years
11. Steven R. Giambra, Maintenance Class “A” – Greenville Garage – 29 years
12. Gloria M. Smith, Bus Operator – Newton Avenue Garage – 29 years
13. Michael V. Venezio, Repairman Class “A” – Ironbound Garage – 29 years
14. Mary Hadley, Regional Program Administrator – Penn Plaza – 28 years
15. Damu F. Muhammad, Bus Operator – Hilton Garage – 27 years
16. Saul O. Marquez, Bus Operator – Market Street Garage – 25 years
17. Hector B. Martinez, Bus Operator – Market Street Garage – 25 years
18. Damaris Ortega, Bus Operator – Newton Avenue Garage – 24 years
19. James Johnson, Bus Operator – Market Street Garage – 22 years
20. Angel L. Rubio, Depot Master – Oradell Garage – 22 years
21. Phyllis A. Jones, Inspector Class “B” – Greyhound Bus Terminal – 14 years
22. Said R. Arias, Bus Operator – Wayne Garage – 12 years
23. David A. Rynerson, Director Schedule & Data Int. – Penn Plaza – 11 years
24. Cesar Solorzano, Bus Operator – Meadowlands Garage – 10 years
25. Sylvia Villafane, Executive Secretary – Penn Plaza – 9 years
26. David Morrison, Locomotive Engineer

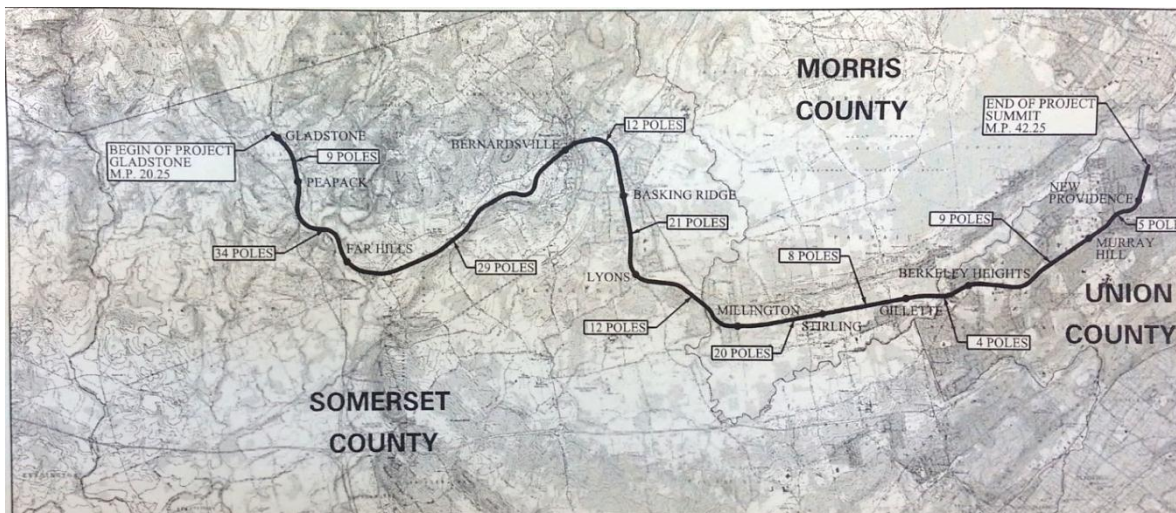
ACTION ITEMS

ITEM 1410-45: SUPERSTORM SANDY DISASTER RECOVERY AND RESILIENCE PROGRAM: GLADSTONE LINE CATENARY POLE REPLACEMENT PROJECT PHASE II – CONSTRUCTION CONTRACT AWARD FOR CONCRETE FOUNDATIONS AND STEEL POLES AND AMENDMENT TO 2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM FOR CONSTRUCTION ASSISTANCE SERVICES

BENEFITS

The Gladstone Line serves communities in Somerset, Morris, and Union Counties and offers commuters direct service to Penn Station New York, Hoboken, and intermediate points. In Fiscal Year 2014 approximately 5,800 customers used the Gladstone Line service each weekday.

Electric power for Gladstone Line trains is provided by overhead catenary wire supported by wood poles. The existing support poles were installed about 30 years ago with the re-electrification of the Morris & Essex Lines. Some of these support poles have deteriorated and are vulnerable to wind damage. After Superstorm Sandy, the damage to several wood poles resulted in a loss of electric power to the Gladstone Line. Restoration of the rail service took approximately six weeks as poles needed to be replaced and catenary wire re-strung.



Phase II Project Limits

The Gladstone Line Catenary Pole Replacement Project Phase II will replace 163 wood poles with new steel poles in concrete foundations between New Providence Station and Gladstone Rail Yard. This replacement project will result in reduced potential for loss of power and associated service disruptions following major storms. To minimize disruption to customers, the construction will be scheduled on weekends.



Wooden Pole Damage After Superstorm Sandy

ACTION (Scorecard: Safety & Security, Customer Experience, Corporate Accountability)

Staff seeks approval to enter into NJ TRANSIT Contract No. 13-071X with Case Foundation Company of Berwyn, Pennsylvania, for the installation of 163 concrete foundations and steel poles along the Gladstone Line between New Providence Station and Gladstone Rail Yard in an amount not to exceed \$13,308,080.00, plus five percent for contingencies, subject to the availability of funds.

Staff also seeks approval to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with Gannett Fleming, Inc. (NJ TRANSIT Contract No. 13-006A) by \$290,000 for Construction Assistance Services for the Gladstone Line Catenary Pole Replacement Project Phase II for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$67,690,000, subject to the availability of funds. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

PURPOSE

Authorization of the construction contract will allow for the installation of 163 new concrete foundations and steel poles along the Gladstone Line between New Providence Station and Gladstone Rail Yard. Many of the pole locations may only be accessed from the railroad and will require temporary service outages. The proposed work will be staged over three years to minimize any disruptions to service and impacts

to customers. The design life of the new steel support poles with concrete foundations is expected to be about 80 years.

Authorization of the amendment to the 2012 Capital Planning and Programs Task Order Consultant Contracts Program will allow for construction assistance services for the Gladstone Pole Replacement Project Phase II. The Board previously authorized \$10,350,000 for Gannett Fleming, Inc. for the Superstorm Sandy program (Item 1303-07: \$2,000,000; Item 1304-12: \$750,000; Item 1308-37: \$5,000,000; and Item 1404-15: \$2,600,000), as shown in Exhibit A. This authorization request is for an additional \$290,000 for construction assistance services, for a total authorization for Gannett Fleming, Inc. (NJ TRANSIT Contract No. 13-006A) of \$10,640,000.

BACKGROUND

Catenary Pole Replacement Project

NJ TRANSIT Rail Operations forces perform inspections of the wooden catenary poles and rate them. The entire rail system is inspected annually with visual inspections performed every 120 days. A priority pole replacement list is developed based on the condition of the wooden poles.

In 2007, NJ TRANSIT undertook the Gladstone Line Catenary Pole Replacement Project Phase I which comprised the replacement of 144 wooden catenary poles with steel poles in concrete foundations. Of the 560 wood poles remaining on the Gladstone Line, the 163 poles to be replaced in this contract are identified as Phase II and are classified as needing to be replaced.

Procurement

Office of the State Comptroller approval to advertise the Construction Contract was received on April 19, 2013, as required by Executive Order 150. The NJ TRANSIT Office of Business Diversity assigned a 20 percent Disadvantaged Business Enterprise (DBE) goal for the Construction Contract and a 25 percent DBE goal for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program Architectural/ Engineering discipline.



Steel Poles with Concrete Foundations

The Invitation for Bid (IFB) was advertised on BID EXPRESS, NJ TRANSIT's electronic bid system, and in *The Star-Ledger* and *The Trenton Times* on May 28, 2014. A Pre-Bid Conference was held on June 18, 2014 at 10:00 a.m. at NJ TRANSIT's Headquarters Building in Newark. Bids were received electronically and opened on August 7, 2014 at 2:00 p.m. at NJ TRANSIT Headquarters in Newark. Three bids were received for this contract.

IFB 13-071X RESULTS

Company	Total Bid Price
Case Foundation Company Berwyn, Pennsylvania	\$ 13,308,080.00
Railroad Construction/More Trench Paterson, New Jersey	\$ 13,847,050.00
Daidone Electric, Inc. Newark, New Jersey	\$ 19,600,000.00

Case Foundation Company has identified 21.2 percent DBE participation.

Funding

Funds to be used in these contracts include insurance proceeds, Federal Transit Administration (FTA) and Transportation Trust Fund dollars.

On February 4, 2013, the U.S. Department of Transportation (USDOT) announced the availability of \$2 billion through the FTA's new Emergency Relief Program to help protect, repair, reconstruct, and replace public transit equipment and facilities that were badly damaged by Superstorm Sandy. The funds are the first installment of up to \$10.9 billion appropriated to the FTA through the Disaster Relief Appropriations Act of 2013, which President Obama signed into law on January 29, 2013.

NJ TRANSIT has received funding allocations from FTA in the following amounts:

Recovery	\$	341,990,757
Resilience	\$	<u>106,199,045</u>
Total	\$	448,189,802

Replacing the wood catenary poles with steel poles has been identified as one of the resiliency projects to be funded through the Federal Transit Administration (FTA) Emergency Relief Program. As defined in FTA's *Interim Final Rule*, resiliency is "a capability to anticipate, prepare for, respond to, and recover from significant multi-hazard threats with minimum damage to social well-being, the economy, and the environment." A resiliency project is "a project designed and built to address future vulnerabilities to a public transportation facility or system due to future recurrence of emergencies or major disasters that are likely to occur again in the geographic area in which the public transportation system is located; or projected changes in development patterns, demographics, or extreme weather or other climate patterns." Resiliency projects include eligible FTA transit capital projects as defined under 49 U.S.C. 5302(3) that are designed and built to reduce the risk of serious damage to a vulnerable asset or aspect of the public transportation system.

Schedule

The installation of both the concrete foundations and the steel poles requires rail service to be shut down during the hours the crews are working. To minimize the impact on customers, the replacement of the wood catenary poles will be scheduled for the weekends. Since the Gladstone Line is single track with limited passing sidings, scheduling the work on weekends avoids shutting down the entire line during heavy commuter hours.

The 163 concrete foundations and steel poles will be installed starting in January 2015. It is anticipated this construction will take approximately two years to complete (January 2017). An additional year will be required for NJ TRANSIT Rail Operations forces to transfer the catenary wire. The entire project will take three years to complete (January 2018).

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

FISCAL IMPACTS

Requested Authorizations:

Case Foundation Company	\$ 13,308,080.00	+ 5% contingency
2012 Task Order Consultant	This Authorization	\$ 290,000
Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program)	Total Authorization	\$ 67,690,000

Past Authorizations:

Case Foundation Company None

2012 Task Order Consultant Contracts Program

October 2012 Item 1210-48	Task Order Consultant Contracts for Corridor Planning; Environmental Consulting Services; Qualitative and Quantitative Research; Rail Operation & Infrastructure Planning; and Stations, Access & Site Planning
December 2012 Item 1212-61	Task Order Consultant Contracts for Architectural/Engineering; Bridge and Railway Engineering; and Travel Demand Forecasting
March 2013 Item 1303-07	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$13,000,000
April 2013 Item 1304-12	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$8,500,000

April 2013 Item 1304-14	Task Order Consultant Contracts for Construction Management
May 2013 Item 1305-21	Task Order Consultant Contracts for Community Transportation; Transit-Friendly Planning, Land Use and Development ; Vertical Transportation; and Access Link
May 2013 Item 1305-22	Super Bowl 48 Amendment to 2012 Task Order Consultant Contract
August 2013 Item 1308-37	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$20,300,000
April 2014 Item 1404-15	Superstorm Sandy Disaster Recovery Program Amendments to 2012 Task Order Consultant Contracts – \$17,600,000
September 2014 Item 1409-41	Superstorm Sandy Disaster Recovery and Resilience Program Amendments to 2012 Task Order Consultant Contracts – \$8,000,000
Total Previous (Superstorm Sandy Disaster Recovery and Resilience Program)	\$ 67,400,000

Expenditures to Date: \$ 662,500 (as of 09/22/14)

Total Project Cost: \$ 25,000,000

Projected Date of Completion: January 2018

Capital Program Amount: \$ 25,000,000

Operating Budget Amount: \$0

PRINTS ID Number: NJT00747

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

DBE/SBE Goal:
Case Foundation Company 20% DBE
Gannett Fleming, Inc. 25% DBE

NJ Build Amount: None

Future/Related Authorizations: None

Impact on Subsequent Operating Budgets: Reduced catenary support pole maintenance

RESOLUTION

WHEREAS, the Gladstone Line serves communities in Somerset, Morris, and Union Counties and nearly 5,800 customers each weekday; and

WHEREAS, electric power for Gladstone Line trains is provided by overhead catenary wire supported by wood poles; and

WHEREAS, some of the existing support poles have deteriorated and require replacement to maintain service reliability; and

WHEREAS, the Gladstone Line Catenary Pole Replacement Project has been identified as a resiliency project under the criteria set forth by the Federal Transit Administration; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Case Foundation Company submitted the lowest responsive responsible bid; and

WHEREAS, Gannett Fleming, Inc. is currently under contract to NJ TRANSIT following the completion of a competitive procurement process for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 13-071X with Case Foundation Company of Berwyn, Pennsylvania, for the installation of 163 concrete foundations and steel poles along the Gladstone Line in an amount not to exceed \$13,308,080.00, plus five percent for contingencies, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to increase the total authorization amount for the 2012 Capital Planning and Programs Task Order Consultant Contracts Program with Gannett Fleming, Inc. (NJ TRANSIT Contract No. 13-006A) by \$290,000 for Construction Assistance Services for the

Gladstone Pole Replacement Project Phase II for a maximum authorization amount for the 2012 Task Order Consultant Contracts Program (Superstorm Sandy Disaster Recovery and Resilience Program) of \$67,690,000, subject to the availability of funds. The maximum task order and contract limits for these contracts previously approved for the 2012 Task Order Consultant Contracts Program will not apply to tasks related to the Superstorm Sandy Disaster Recovery and Resilience Program.

**EXHIBIT A
SUMMARY OF REQUESTED AUTHORIZATIONS**

2012 TASK ORDER CONSULTANT CONTRACTS PROGRAM AMENDMENTS

Vendor	Contract No.	Additional Superstorm Sandy Disaster Recovery and Resilience Program Authorizations				Base Program Authorizations	
		Task Limit	Previous Authorizations	This Authorization	Contract Limit	Task Limit	Contract Limit
URS Corporation	13-001C	NA	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 500,000	\$ 1,500,000
BEM Systems, Inc.	13-002B	NA	\$ 4,300,000	\$ 0	\$ 4,300,000	\$ 500,000	\$ 4,000,000
Parsons Brinckerhoff	13-004A	NA	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 500,000	\$ 3,000,000
Christopher P. Statile	13-005C	NA	\$ 1,250,000	\$ 0	\$ 1,250,000	\$ 400,000	\$ 1,500,000
Gannett Fleming	13-006A	NA	\$ 10,350,000	\$ 290,000	\$ 10,640,000	\$ 500,000	\$ 3,500,000
Jacobs Engineering	13-006B	NA	\$ 8,500,000	\$ 0	\$ 8,500,000	\$ 500,000	\$ 3,500,000
STV, Inc.	13-006C	NA	\$ 8,000,000	\$ 0	\$ 8,000,000	\$ 500,000	\$ 3,500,000
Systra, Inc.	13-006D	NA	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 500,000	\$ 3,500,000
HNTB	13-007B	NA	\$ 25,000,000	\$ 0	\$ 25,000,000	\$ 600,000	\$ 2,000,000
TranSystems, Inc.	13-007D	NA	\$ 3,000,000	\$ 0	\$ 3,000,000	\$ 600,000	\$ 2,000,000
Hill International ¹	13-010F	NA	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 600,000	\$ 3,500,000

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

ITEM 1410-46: HYBRID CRUISER BUSES: PURCHASE OF 37 FORTY-FIVE FOOT HYBRID DIESEL-ELECTRIC CRUISER BUSES

BENEFITS

The proposed purchase of 37 forty-five foot hybrid diesel-electric cruiser buses (“hybrid buses”) is intended to replace aging diesel buses manufactured by Motor Coach Industries (MCI) of Des Plaines, Illinois, improve service reliability, and reduce operating costs. The new hybrid buses will provide more seating capacity (57 seats) than existing diesel buses provide (49 seats) and will be equipped with wheelchair lifts compliant with the Americans with Disabilities Act (ADA), will incorporate technologies to reduce exhaust emissions as prescribed by the Clean Air Act Amendment for buses manufactured after 2013, and will be equipped with other on-board equipment, including a camera system, GPS tracking, and automatic turn-warning announcements and LED interior lighting to enhance safety and security.

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

Staff seeks authorization to enter into a Procurement-by-Exception Contract No. 13-078 with Motor Coach Industries (MCI) of Des Plaines, Illinois, for the purchase of 37 forty-five foot hybrid diesel-electric buses at a cost not to exceed \$33,554,341.88, plus five percent for contingencies, for a total contract authorization of \$35,232,058.97, subject to the availability of funds.

Should funding becomes available, staff seeks authorization to exercise an “option to buy” up to 10 additional forty-five foot hybrid diesel-electric buses to be equipped with lavatories at a cost not to exceed \$8,615,950, plus five percent for contingencies, for a total contract authorization of \$44,278,806.47, subject to the availability of funds.

PURPOSE

Authorization of this contract with MCI will permit the acquisition of 37 new hybrid diesel-electric buses, including an option to purchase up to 10 additional hybrid buses with lavatories, to be used by NJ TRANSIT Bus Operations. The purchase of these hybrid buses will replace aging cruiser diesel buses that will exceed their 12-year or 500,000-mile useful economic life and will be eligible for replacement under Federal Transit Administration (FTA) guidelines. These hybrid buses will be 8 feet 6 inches wide and 45 feet long. The operating life of the new buses is expected to be 12 years or 500,000 miles.

BACKGROUND

On February 12, 2014 an Invitation for Bid (IFB) for this Contract No. 13-078, was advertised by NJ TRANSIT. The IFB was sent to eleven firms. Seven firms attended the pre-bid conference held on February 26, 2014 to review bid requirements. On April 23,

2014 one (1) bid was received from MCI. The bid was evaluated and, based on technical submittals and pricing, staff determined that the pricing submitted by MCI was “price excessive”. All other aspects of MCI’s bid were determined acceptable and the bid was found to be responsive to the IFB requirements.

In accordance with N.J.A.C. 16:72-1.5(d), Procurement by Exception, NJ TRANSIT has the ability to reject all bid submissions as “price excessive” and upon cancellation of the IFB, NJ TRANSIT may negotiate with any responsible bidders. As such, NJ TRANSIT cancelled the IFB and negotiated costs with MCI and requested MCI to submit a “best and final offer”. On July 3, 2014, MCI responded with an offer which resulted in a reduction of \$40,000 from the price of each bus for a total reduction in price of \$1,480,000 for the 37 hybrid diesel-electric buses. The cost for the purchase of spare parts was likewise reduced by \$151,910.93.

Based upon the revised pricing, staff recommends awarding this procurement to MCI, for the purchase of 37 forty-five foot hybrid diesel-electric cruiser buses at a cost not to exceed \$33,554,341.88, plus five percent (\$1,677,717.09) for contingencies, for a total contract authorization of \$35,232,058.92, subject to the availability of funds. As part of this contract, NJ TRANSIT will obtain an “option to buy” of up to 10 additional forty-five foot hybrid diesel-electric buses to be equipped with lavatories at a cost not to exceed \$8,615,950, plus five percent for contingencies (\$430,797.50) for a total contract authorization of \$44,278,806.47, subject to the availability of funds.

The purchase of these 37 forty-five foot hybrid diesel-electric cruiser buses is intended to replace, one-for-one, existing 2001 and 2002 MCI forty foot diesel cruiser buses. All of the diesel buses being replaced will have exceeded their useful life in miles (over 500,000 miles) and years (12 years old) when they will be replaced. Replacement of the buses is consistent with the NJ TRANSIT’s Bus Replacement Plan.

Additionally, this procurement includes an option to purchase up to 10 additional forty-five foot hybrid diesel-electric buses to be equipped with lavatories. This option was included in the contract in the event that grant funds may become available in the future so that the “option to buy” clause of this contract may be exercised by NJ TRANSIT within two hundred (200) days of receipt of the pilot hybrid bus. NJ TRANSIT, however, is not obligated under this contract to exercise this option to buy.

Cost

The cost per bus for the MCI hybrid buses is as follows:

Unit Cost (37):	\$ 828,850.00
Unit Cost (10)	\$ 831,910.00
Warranty	\$ 29,685.00 per unit (\$1,098,345.00 for 37 units)
Bond (37)	\$ 250,000.00
Capital Spares	\$ 1,538,546.88

Total Bid for 37 buses (including warranty, bond and capital spares):
\$33,554,341.88

Total Bid for 10 "Option to Buy" buses (including warranty and capital spares):
\$ 8,615,950.00

Delivery and NJ TRANSIT Bus Location

Delivery of the first of the 37 hybrid diesel-electric buses is expected by take place during the first quarter of 2015. NJ TRANSIT Bus Operations will operate the 37 hybrid diesel-electric buses out of the Egg Harbor Garage.

Bus Features

Engine	Cummins ISL9 Hybrid, 330 hp. 1050 ft. lb. @ 1500 rpm. (8.9 Liter). Fully EPA-Certified and Compliant for Urban Bus
Hybrid Propulsion System	Allison H50EP Hybrid Drive System. (W/regenerative braking -0.12g deceleration @ up to 50 mph).
Cooling System	EMP Electric Cooling System Package with Radiator and Charge Air Cooler mounted above the engine to reduce overheating due to radiator clogging with dirt and road debris
Axles	Front Suspension – ZF independent suspension Drive Axle – ZF A132 Axle, rated @ 22,500 lbs. Tag Axle – Steerable ZF
Structure	Stainless steel structure below floor, High-Tensile low alloy steel in upper body framing in high stress areas. Bonded aluminum roof skin, fiberglass front and rear caps. Stainless steel exterior sidewall panels below floor.
Brake System	Equipped with disc brakes (front, rear and tag). ABS System – Meritor Wabco, or Bendix Premium Cab
A/C System	Engine Driven Bitzer A/C Compressor
Destination Sign	Luminator Amber SMT sign system w/full LED Front and Side Sign Visible in Day and Night
Electrical System	I/O Controls G4 Dinex
Passenger Seating	57 Seated Passengers with vinyl seat covers matching NJ TRANSIT multilevel railcars
Flooring	Altro Transflor Chroma non-slip flooring in NJ TRANSIT colors

Amenities Aircraft Style Overhead Parcel Racks with Individual LED Reading Lights, Individual Air Diffusers

Warranties

Complete Bus	12 months/50,000 miles
Engine	5 years/300,000 miles
Transmission	5 years/300,000 miles
Axles	5 years/300,000 miles
HVAC System	3 years/150,000 miles
Skeleton, Body	12 years/500,000 miles
Suspension, air dryer, destination signs, air dryer, starter, alternator, fire suppression, multiplexing, Operator's seat Wheelchair Restraint, Air Compressor	3 years/150,000 miles

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

FISCAL IMPACT

Requested Authorization:

This Authorization \$ 33,554,341.88 + 5% contingency
Plus option to buy up to 10 additional hybrid diesel-electric buses equipped with lavatories at a cost not to exceed \$8,615,950 plus 5% contingencies

Previous Authorizations: None

Expenditures to Date: None

Total Project Cost: \$ 36,712,000.00 (for 37 hybrid diesel-electric buses)
\$ 44,278,806.47 with option for 10 additional hybrid diesel-electric buses with lavatories

Projected Date of Completion: July 2016

Capital Program Amount: \$ 36,712,000.00 (for 37 hybrid diesel-electric buses)

Operating Budget Amount: None

PRINTS ID Number: NJT00561

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

DBE/SBE Goal: Transit Vehicle Manufacturer (TVM)

***NJ Build* Amount:** NA

Related/Future Authorizations: None

**Impact on Subsequent
Operating Budgets:** Improved efficiency and reduced repair cost during
the warranty period.

RESOLUTION

WHEREAS, funding is available from the Federal Transit Administration and the Transportation Trust Fund for the purchase of 37 hybrid diesel-electric cruiser buses; and

WHEREAS, this procurement will replace 37 diesel powered buses manufactured between 2001 and 2002 that are over age and eligible for replacement; and

WHEREAS, an Invitation for Bids was advertised on February 3, 2014 for the purchase of 37 hybrid diesel-electric buses and Motor Coach Industries (MCI) of Des Plaines, Illinois was the sole responsive and responsible bidder; and

WHEREAS, MCI's bid submission was determined to be price excessive, and in accordance with N.J.A.C. 16:72-1.5(d), Procurement by Exception, NJ TRANSIT rejected MCI's bid and cancelled the IFB and negotiated costs with MCI resulting in a \$1,480,000 reduction for the 37 hybrid-diesel electric buses and a reduction of \$151,910.93 for the purchase of spare parts; and

WHEREAS, the contract with Motor Coach Industries includes an option to purchase additional ten hybrid diesel-electric buses with lavatories; and

WHEREAS, it has been determined that MCI is certified to be the sole/single source for the purchase of hybrid diesel-electric buses in accordance with NJ TRANSIT Procurement Regulations, N.J.A.C. 16:72-1.6, and Executive Order No. 37;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a Procurement-by-Exception Contract No. 13-078 with Motor Coach Industries (MCI) of Des Plaines, Illinois, for the purchase up to 37 forty-five foot hybrid diesel-electric buses at a cost not to exceed \$33,554,341.88 plus five percent for contingencies, for a total contract authorization of \$35,232,058.97, subject to the availability of funds; and

FURTHER BE IT RESOLVED, should funding becomes available, the Chairman or Executive Director is authorized to exercise an "option to buy" up to 10 additional forty-five foot hybrid diesel-electric buses to be equipped with lavatories at a cost not to exceed \$8,615,950, plus five percent for contingencies, for a total contract authorization of \$44,278,806.47, subject to the availability of funds.

ITEM 1410-47: UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS AND RATINGS

BENEFITS

NJ TRANSIT is responsible for maintaining a total of 659 undergrade bridges, of which 572 bridges are in active service carrying trains over roadways, waterways, and other features. These in-depth bridge inspections, evaluations and ratings are part of NJ TRANSIT's asset management strategy which emphasizes capital investments to restore critical aging infrastructure to a state of good repair and ultimately ensure safe and reliable service for customers. Also these in-depth inspections and ratings satisfy one element of NJ TRANSIT's Bridge Management Program which is mandated by the Federal Railroad Administration.

NJ TRANSIT uses information from these inspections to plan and prioritize future capital investments. The findings from these in-depth inspections and ratings will be used to identify future capital investments in bridges.

ACTION (Scorecard: Corporate Accountability, Safety and Security)

Staff seeks authorization to enter into three separate NJ TRANSIT contracts with HNTB of East Rutherford, New Jersey (14-051A); KS Engineers of Newark, New Jersey (14-051B); and TranSystems of Paramus, New Jersey (14-051C), to perform in-depth structural inspections, evaluations, and load ratings of 146 undergrade bridges, at costs not to exceed \$753,781, \$764,188 and \$813,124 respectively, for a total cost of \$2,331,093, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

NJ TRANSIT is responsible for maintaining safe and reliable bridges throughout its rail system. NJ TRANSIT's Bridge Management Program requires that every undergrade bridge that NJ TRANSIT operates over will have an in-depth bridge inspection and rating performed on a five-year cycle. This Board Item is for authorization for the next cycle of inspections and ratings to meet these requirements.

Further, these in-depth inspections and ratings address the requirements mandated by the Federal Railroad Administration (FRA) in 49 CFR Part 237, which calls for the owner of the track on a railroad bridge to implement a bridge management program, which must include inspections and the determination of the safe load capacity (ratings) of all of their railroad bridges.

This bridge inspection program is an integral part of NJ TRANSIT's asset management strategy and important to the long-term planning and prioritization of future capital investments.

These contracts will provide in-depth structural and underwater inspections, evaluations, and ratings for 146 undergrade railroad bridges.

BACKGROUND

History

In 1971, the National Bridge Inspection Standards (NBIS) came into being and set policy regarding inspection frequency, inspector qualifications, report format, and inspection and rating procedures. The in-depth inspection frequency was set at a two-year cycle for highway bridges.

Although NJ TRANSIT does not come under the jurisdiction of the Federal Highway Administration (FHWA), it implemented some of the guidelines and procedures when it started its bridge inspection program in the mid-eighties. It was felt that the two-year in-depth inspection and rating cycle was too burdensome and that a five-year cycle of in-depth inspection and rating would identify any issues between cycles. Also having a five-year cycle meant that roughly 20 percent of the bridges would be inspected every year.

On July 15, 2010, the FRA adopted 49 CFR Part 237 – Bridge Safety Standards; this regulation required that all railroads formally implement bridge management programs. The two main elements of the Bridge Management Program are load carrying determination (ratings) of all in-service bridges and annual bridge inspections.

NJ TRANSIT utilizes outside consultant engineers for its in-depth bridge inspections which generates the safe load carrying capacity (ratings) and its in-house bridge inspectors/engineers for the annual bridge inspections to satisfy the FRA requirements. The FRA has the right to audit and evaluate these bridge management programs. NJ TRANSIT's Bridge Management Program was audited by the FRA in July 2011. This audit resulted in no FRA violations; as policy the FRA does not issue a formal approval of these bridge management programs.

Justification

The FRA regulations require in-depth bridge inspections with the potential for significant civil penalties if NJ TRANSIT does comply. Additionally, in-depth inspections help to ensure the safe and reliable operation of train service, which is in the best interests of NJ TRANSIT customers and New Jersey taxpayers.

Procurement

The intent of the Request for Proposal (RFP) was to select six consultants to perform in-depth inspection, evaluation and rating services over a two-year period. This authorization will allow the first three contracts to be awarded in November 2014.

The chronology of the procurement is as follows:

- Advertised: June 24, 2014
- Pre-proposal conference: July 8, 2014
- Technical proposals received: July 22, 2014
- Selection of six (6) highest rated firms: August 5, 2014
- Cost Proposals received for Contracts 14-051A, B & C: August 12, 2014
- Award Contracts 14-051A, B & C: November 2014
- The remaining three contracts, 14-051D, E & F will be awarded in July 2015

The Office of Business Development assigned 20% SBE, Category 1, 2, and 3 goals to all six contracts.

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

FISCAL IMPACTS

Requested Authorization:	\$753,781 (Contract No. 14-051A) \$764,188 (Contract No. 14-051B) \$813,124 (Contract No. 14-051C) \$2,331,093 plus 5% contingencies (TOTAL)
Past Authorizations:	\$0
Expenditures to Date:	\$0
Total Project Cost:	\$2.331M
Projected Date of Completion:	November 2015
Capital Program Amount:	\$2.331M
Operating Budget Amount:	\$0
PRINTS ID Number:	RNF00046
Anticipated Source of Funds:	TTF- FY15/16
DBE/SBE Goal:	SBE 20% for all contracts (Category 1, 2 & 3)
NJ Build Amount:	None

Related/Future Authorizations: None

**Impact on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, NJ TRANSIT is responsible for maintaining 659 rail-carrying (undergrade) bridges; and

WHEREAS, periodic evaluation of all undergrade bridges is necessary to ensure service reliability and safe train operations; and

WHEREAS, the in-depth bridge inspections are part of NJ TRANSIT's asset management strategy which emphasizes capital investments to restore critical aging infrastructure to a state of good repair; and

WHEREAS, these in-depth bridge inspections and ratings are main elements of NJ TRANSIT's Bridge Management Program as mandated by Federal Railroad Administration Regulation 49 CFR Part 237 – Bridge Safety Standards; and

WHEREAS, upon completion of a competitive procurement process, it was determined that HNTB, KS Engineers and TranSystems submitted the most advantageous proposals that provided the best value and were in the best interest of NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into three separate NJ TRANSIT contracts with HNTB of East Rutherford, New Jersey (14-051A); KS Engineers of Newark, New Jersey (14-051B); and TranSystems of Paramus, New Jersey (14-051C), to perform in-depth structural inspections, evaluations, and load ratings of 146 undergrade bridges, at costs not to exceed \$753,781, \$764,188 and \$813,124 respectively, for a total cost of \$2,331,093, plus five percent for contingencies, subject to the availability of funds.

ITEM 1410-48: RAIL ROLLING STOCK PROGRAM: ENGINEERING ASSISTANCE CONTRACT AMENDMENT FOR DESIGN OF MULTILEVEL POWER CARS

BENEFITS

Since 2006, NJ TRANSIT's Multilevel rail cars have enhanced the comfort and quality of service for customers and improved the reliability of rail service wherever they are operated. The vehicles feature state of the art onboard communications, wider seats and more leg room, and improved mechanical systems that are less prone to weather conditions.

NJ TRANSIT's rail fleet management strategy includes use of more Multilevel rail cars to maximize capacity for customers in the capacity-constrained Hudson River Tunnels and Penn Station New York. NJ TRANSIT has already deployed 429 Multilevel vehicles in revenue service.

The single-level, self-propelled Arrow III Electric Multiple Unit (EMU) rail cars, which were manufactured nearly 35 years ago, are the next vehicles in NJ TRANSIT's fleet that require replacement. NJ TRANSIT will replace these outdated Arrow III rail cars with new Multilevel Power Cars (MPCs). These new self-propelled rail cars will feature all of the customer amenities that are provided on the existing Multilevel fleet including the two by two seating, but will also include onboard propulsion that will allow the cars to operate without a locomotive.

The Multilevel Power Cars will be mixed with the current fleet of Multilevels to provide self-propelled train sets without locomotives. Since these new train sets will utilize rail cars from the existing fleet, there are significant capital cost advantages to these new Multilevel Power Cars versus replacement of the Arrow III fleet on a car for car basis.

The Multilevel Power Cars will meet all current Federal regulations and accessibility requirements and will provide a 10 percent increase in seating on a 12 car Multilevel train set with Multilevel Power Cars when compared to an existing 12 car Arrow III train set. These vehicles will provide operational flexibility for both smaller trains that operate in low ridership areas as well as with longer trains that operate in places such as the Northeast Corridor.

ACTION (Scorecard: Customer Experience)

Staff seeks authorization to amend NJ TRANSIT Contract No. 05-078 with LTK Engineering Services, Inc. of Ambler, Pennsylvania, for engineering assistance to modify the previously-developed single-level, self-propelled rail car specification for a Multilevel Power Car and support NJ TRANSIT's procurement activities for the new vehicles at a cost not to exceed \$1,600,000.00, plus five percent for contingencies, for a total contract authorization of \$5,418,000.00, subject to the availability of funds.

PURPOSE

LTK Engineering Services, Inc. was previously authorized by NJ TRANSIT's Board of Director's to develop specifications for a new fleet of single-level, self-propelled rail cars. With a change in focus on trans-Hudson River transit capacity, NJ TRANSIT has updated its fleet strategy to provide more Multilevel rail cars to maximize limited tunnel, yard and station capacity.

To support the procurement of the Multilevel Power Cars, NJ TRANSIT requires further engineering assistance to modify the previously-developed single-level, self-propelled rail car specification into one for this type of vehicle. LTK Engineering Services, Inc. will also conduct industry review meetings with interested vendors, perform analysis on existing and future traction power system performance and support vendor selection activities.

BACKGROUND

History

Through a competitive process, LTK Engineering Services, Inc. was selected to perform the engineering assistance for the EMU project, known as the MU replacement project. The Board approved the contract award in September 2005 (Item 0509-75). The engineering support for this project originally involved concept development, creating a technical specification, assistance in completing a request for proposal, and support in selecting a vendor to purchase 110 new Electric Multiple Units (EMU) to replace the Arrow III self-propelled vehicles.

From 2005 through 2010, the self-propelled EMU project went through the development of technical specification, request for proposal development, advertisement, bid review, and negotiations with vendors who had submitted proposals. However, before a final vendor could be selected, the project was put on hold for various reasons including termination of the Access to the Region's Core Project and a comprehensive review of the fleet plan.

This updated Multilevel Power Car project involves integration of technical specifications for the existing Multilevel rail cars with previously developed technical specifications for new self-propelled EMU cars. LTK Engineering Services, Inc. authored both technical specifications and is considered the best technically qualified firm for this task. For these reasons, LTK Engineering Services offers the most efficient and expeditious approach to complete the technical specification for the new Multilevel Power Cars.

This Board item was originally presented at the October 2012 NJ TRANSIT Board of Directors meeting. The Board Item was not approved and was referred back to the Capital Planning, Policy & Privatization Committee for more review and information on the NJ TRANSIT Fleet Strategy, which has since been completed.

Since the 2012 Board meeting, new regulatory rules have been issued by the Federal Railroad Administration. These regulatory rules now require additional engineering effort

by LTK to complete the Multilevel Power Car technical specification. Additional authorization has been included in this Board Item to cover this increased effort.

Project Justification

The new Multilevel train sets with Multilevel Power Cars will increase peak period capacity on the busiest trains and provide operational flexibility for smaller trains that operate in low ridership areas.

Procurement

LTK Engineering Services, Inc. worked with NJ TRANSIT internal stakeholders to develop EMU technical specifications that built upon service-proven technologies for reliable performance. These requirements will be merged with the successful technical attributes of the current Multilevel fleet to build a vehicle offering the same high level of service customers have come to expect. The new technical specifications for the Multilevel Power Cars will incorporate new performance requirements associated with multilevel trainset operations.

By amending the LTK Engineering Services, Inc. contract for engineering assistance, NJ TRANSIT eliminates any learning curve associated with bringing a new consultant on-board. LTK Engineering Services, Inc. has all of the resources and qualifications to carry-on this work in an efficient, expeditious manner resulting in technical specifications that are consistent with NJ TRANSIT’s goals for this project.

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

FISCAL IMPACT

This Authorization: \$1,600,000.00 + 5% contingency

Past Authorization: \$3,560,000.00 + 5% contingency
(EMU Replacement Project)

Total Authorization: \$5,418,000.00

Expenditures to Date: \$4,483,000
(EMU Replacement Project)

None
(Multilevel Power Car Project)

Total Project Cost: \$4,664,000
(EMU Replacement Project)

\$2,100,000
(Multilevel Power Car Project)

Projected Date of Completion: January 2016

Capital Program Amount: \$2,100,000
(Multilevel Power Car Project)

Operating Budget Amount: None

PRINTS ID Number: RRS00026 (EMU Replacement Project)
NJT00204 (Multilevel Power Car Project)

Anticipated Source of Funds: TTF/FTA

DBE/SBE Goal: 20% DBE

***NJ Build* Amount:** NA

Related/Future Authorizations: Multilevel Power Car Purchase
Additional Engineering Assistance

**Impact on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, NJ TRANSIT's Multilevel vehicles have enhanced the comfort and quality of service for customers and improved the reliability of rail service wherever they are operated; and

WHEREAS, NJ TRANSIT's updated rail fleet management strategy includes use of more Multilevel rail cars to maximize capacity for customers in the capacity-constrained Hudson River Tunnels and Penn Station New York; and

WHEREAS, NJ TRANSIT's existing single-level, self-propelled Arrow III EMU rail cars, which were manufactured nearly 35 years ago, are the next vehicles in the rail fleet that require replacement; and

WHEREAS, NJ TRANSIT will replace these outdated Arrow III vehicles with new Multilevel Power Cars (MPCs) that feature all of the customer amenities that are provided on the existing Multilevel fleet and also include onboard propulsion that will allow the cars to operate without a locomotive; and

WHEREAS, staff requires engineering assistance to revise the existing single-level EMU specification into a Multilevel Power Car specification, conduct industry review meetings with interested vendors, analyze existing and future traction power system performance, and support vendor selection activities; and

WHEREAS, LTK Engineering Services, Inc. was previously authorized by NJ TRANSIT's Board of Director's to develop specifications for a new fleet of single-level, self-propelled rail cars and is considered the best technically qualified firm for this task;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend NJ TRANSIT Contract No. 05-078 with LTK Engineering Services, Inc. of Ambler, Pennsylvania, for engineering assistance to modify the previously-developed single-level, self-propelled rail car specification into a Multilevel Power Car specification and support NJ TRANSIT's procurement activities for the new vehicles at a cost not to exceed \$1,600,000.00, plus five percent for contingencies, for a total contract authorization of \$5,418,000.00, subject to the availability of funds.

**ITEM 1410-49: CULVERT REPLACEMENT ON THE GLADSTONE LINE
MILEPOST 41.64 IN THE BOROUGHES OF PEAPACK AND
GLADSTONE, SOMERSET COUNTY, NEW JERSEY**

BENEFITS

NJ TRANSIT owns and maintains the stone culvert on the Gladstone Line, Milepost 41.64. This culvert is more than 100 years old and replacement of this structure will restore it to a state-of-good-repair. This project will replace the existing deteriorated culvert with a new precast concrete box culvert to ensure safe and reliable service for the 39 daily trains that travel this route, providing nearly 6,000 passenger trips.

ACTION (Scorecard: Safety & Security, Corporate Accountability)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 14-048X with Hutton Construction of Cedar Grove, New Jersey, to perform replacement of the existing deteriorated stone culvert on the Gladstone Line, Milepost 41.64 in the Boroughs of Peapack and Gladstone, Somerset County, New Jersey at a cost not to exceed \$1,633,136.00, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

Gladstone Line Milepost 41.64 over Peapack Brook is a single span concrete slab bridge supported by stone masonry abutments. The culvert has a ballasted deck and carries a single electrified track on tangent alignment.

The overall condition of the structure has deteriorated over the years resulting in settlement and out of plumb walls. In addition, a 50 inch diameter steel pipe was inserted by NJ TRANSIT forces into the original stone box culvert during the aftermath of the flash flood that occurred in the area of the culvert toward the end of August 2013.

The scope of work consists of removing the existing 50 inch diameter steel pipe and replacing the existing culvert under the track with a precast concrete box culvert. Because this culvert cannot be in use during the replacement, in order to maintain the flow of the brook tributary crossing under the track, temporary bypass pipes will be installed.

BACKGROUND

History

The culvert is located on the Gladstone Line Milepost 41.64, in the Boroughs of Peapack and Gladstone, between Peapack Station and the Gladstone Rail Yard. This culvert is a single span concrete slab bridge supported by stone masonry abutments.

The bridge has a ballasted deck and carries a single electrified track on a tangent alignment.

The culvert was constructed in 1890.

Procurement

The Invitation for Bid (IFB) for the Culvert Replacement on the Gladstone Line Milepost 41.64, was advertised on June 18, 2014, in the Star Ledger and The Times of Trenton. Bids were received on July 31, 2014. The lowest responsive and responsible bid was submitted by Hutton Construction of Cedar Grove, New Jersey, in the amount of \$1,633,136.00.

The Office of Business Development assigned a twenty two percent to Small Business Enterprise (SBE), Category 5 goal for this project.

E-BID 14-048X RESULTS

Company	Total Bid Price
Hutton Construction Cedar Grove, New Jersey	\$1,633,136.00
Northeast Remsco Construction Wall Township, New Jersey	\$1,995,815.25

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

FISCAL IMPACTS

Requested Authorization: \$1,633,136.00 plus 5% for contingencies

Past Authorizations: \$0

Expenditures to Date: \$0

Total Project Cost: \$1,633,136.00 plus 5% for contingencies

Projected Date of Completion: November 2015

Capital Program Amount: \$1,633,136.00 plus 5% for contingencies

Operating Budget Amount: \$0

Anticipated Source of Funds: Transportation Trust Fund

PRINTS ID Number: NJT00221

DBE/SBE Goal: SBE 22%, Category 5

***NJ Build* Amount:** \$8,165.68

Related/Future Authorizations: None

**Impacts on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, NJ TRANSIT's Gladstone Line serves nearly 6,000 passenger trips each weekday in Morris, Somerset and Union counties; and

WHEREAS, NJ TRANSIT owns and maintains the culvert at Milepost 41.64, on the Gladstone Line in the Boroughs of Peapack and Gladstone, Somerset County, New Jersey; and

WHEREAS, the culvert is more than 100 years old and requires replacement to ensure safe and reliable train service; and

WHEREAS, following a competitive procurement process, Hutton Construction submitted the lowest responsive bid;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 14-048X with Hutton Construction of Cedar Grove, New Jersey, to perform the replacement of the existing culvert on NJ TRANSIT's Gladstone Line Milepost 41.64, in the Boroughs of Peapack and Gladstone, Somerset County, New Jersey at a cost not to exceed \$1,633,136.00, plus five percent for contingencies, subject to the availability of funds.

ITEM 1410-50: CONCEPTUAL DESIGN SERVICES FOR THE REPLACEMENT AND CONSTRUCTION OF UNDERGRADE BRIDGE 5.48 HX DRAW ON THE BERGEN COUNTY LINE OVER THE HACKENSACK RIVER

BENEFITS

NJ TRANSIT's Bergen County, Meadowlands Rail, and Pascack Valley Lines provide more than 32,000 average weekday passenger trips in Hudson, Bergen, & Passaic counties. These rail lines operate over NJ TRANSIT's HX Draw Bridge, a movable bridge that spans the Hackensack River between East Rutherford and Secaucus, connecting northern New Jersey communities with the Hudson County waterfront, New York City and points throughout New Jersey.

In recent years, the 103 year old HX Draw Bridge has undergone extensive repairs to correct mechanical and structural issues, at times requiring the suspension of rail service to complete the repairs.

Due to its age, condition, and costly recurring repairs, NJ TRANSIT has prioritized HX Draw for replacement. A future replacement will ensure long-term public safety and reliable train service.

ACTION (Scorecard: Safety & Security, Corporate Accountability)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 14-022 with Modjeski & Masters, Inc., of Moorestown, New Jersey, to perform design, engineering, and construction assistance services for conceptual design services for the replacement of undergrade bridge 5.48 HX Draw over the Hackensack River between East Rutherford, New Jersey and Secaucus, New Jersey at a cost not to exceed \$620,364, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

This conceptual design is the first phase in the design process for the replacement of HX Draw.

The scope of work will include recommendations for the structure type of the new movable and approach spans, track alignment, required permits and environmental approvals, construction phasing, Coast Guard coordination, and cost estimates.

As a result of this contract, NJ TRANSIT will have a conceptual design and cost so that funding can be pursued for final design and construction.

BACKGROUND

History

HX Draw Bridge is located at mile post 5.48 on the Bergen County Line over the navigable tidal waterway of the Hackensack River. The bridge serves as a link from Hoboken and Secaucus to points north on the Bergen County, Meadowlands Rail, and Pascack Valley Lines, and is also frequently used by local freight service in and out of Croxton Yard to the east.

The existing movable span is a two track heel trunnion bascule lift-bridge built in 1911. The bridge is currently double tracked with steel deck girder approach spans. The moveable span is 152.25 feet in length and the tower span is 45 feet in length, with a channel clearance of 120.75 feet. The total bridge length is 1,095.75 feet.

The bridge has undergone several major repairs in recent years: in 1987 all eight trunnions and link pins were replaced; in 2003 the operating strut was replaced and; in 2005 the upper link for the counterweight trunnion was repaired. All major repairs have required lengthy service outages. The struts and links are fatigue prone details and the failure of the trunnions can render the movable span inoperable.

In addition, steel repairs to the approach spans have been made on several occasions in order to correct section loss due to corrosion and thus maintain load carrying capacity. The piers are heavily scaled in the tidal zone and in general, the bridge is susceptible to scour despite the installation of pier jacketing and riprap.

Procurement

The Request for Proposals (RFP) for Conceptual Design Services for the Replacement and Construction of Undergrade Bridge 5.48 HX Draw Bridge on the Bergen County Line was advertised on May 20, 2014 in the Star Ledger and Trenton Times. On June 25, 2014, four proposals were received from prospective engineering design firms.

These proposals were distributed to the Technical Evaluation Committee (TEC) comprised of representatives from Rail Operations Infrastructure Engineering for evaluation. The evaluation established that three firms, Modjeski & Masters, Inc., Hardesty & Hanover, LLC and Jacobs Engineering Group, Inc., should proceed to the oral presentation phase based on their technical expertise.

Oral presentations were made on July 17, 18, & 23, after which the TEC reevaluated the scores of the firms for overall technical qualifications. NJ TRANSIT then entered into negotiations with the highest technically ranked firm, Modjeski & Masters, Inc.

The Office of Business Development assigned a 12% (Category 5) SBE goal for the RFP. Modjeski & Masters, Inc. submitted a goal of 21.2 % with their cost proposal.

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

FISCAL IMPACT

Requested Contract Authorization:	\$ 620,364+ 5% contingency
Past Authorizations:	None
Expenditures to Date:	\$0
Total Project Cost	\$1,000,000 (conceptual design only)
Projected Date of Completion:	August 2015 (Design)
Capital Program Amount:	\$1,000,000
Operating Budget Amount:	\$0
Anticipated Source of Funds:	Transportation Trust Fund
Prints ID Number:	NJT00907
DBE/SBE Goal:	SBE 12% (Category 5)
<i>NJ Build</i> Amount:	None
Future/Related Authorization:	TBD
Impact on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT's Bergen County, Meadowlands Rail, and Pascack Valley Lines provides more than 32,000 average weekday passenger trips in Hudson, Bergen, & Passaic counties; and

WHEREAS, the 103 year old HX Draw Bridge has undergone extensive repairs to correct mechanical and structural issues, at times requiring the suspension of rail service to complete the repairs; and

WHEREAS, the HX Draw Bridge is in the tidal zone and had has structural durability issues due to corrosion; and

WHEREAS, the future replacement of HX Draw Bridge will maintain public safety, reliable train service and maritime traffic; and

WHEREAS, following a competitive procurement process, Modjeski & Masters, Inc., of Moorestown, New Jersey was identified as the top ranked firm providing the best value and the best interest of NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 14-022 with Modjeski & Masters, Inc., of Moorestown, New Jersey, to perform design, engineering, and construction assistance services for conceptual design services for the replacement of undergrade bridge 5.48 HX Draw over the Hackensack River between East Rutherford, New Jersey and Secaucus, New Jersey at a cost not to exceed \$620,364, plus five percent for contingencies, subject to the availability of funds.

ITEM 1410-51: NJ TRANSIT TITLE VI PROGRAM BENEFITS

BENEFITS

As a recipient of federal transit funding, NJ TRANSIT is required to prepare and submit a Title VI Program to the Federal Transit Administration (FTA) once every three years. The contents of the Title VI Program are specified in FTA Circular 4702.1B, Title VI Requirements and Guidelines for Federal Transit Administration Recipients. The Title VI Program must be approved by NJ TRANSIT's Board of Directors prior to submission to the FTA. NJ TRANSIT's current Title VI Program expires in November 30, 2014, and Board approval and submission of this Title VI Program will enable NJ TRANSIT to remain in compliance with Title VI requirements that apply to all recipients of federal transit funds.

ACTION (Scorecard: Customer Experience, Corporate Accountability)

Staff seeks approval of a resolution stating that the NJ TRANSIT Board has considered, is aware of, and approves the results of NJ TRANSIT's monitoring of its service to ensure the service is provided equitably in minority and non-minority areas as well as NJ TRANSIT's major service change policy and disparate impact and disproportionate burden policies. Staff further seeks approval of NJ TRANSIT's 2014 Title VI Program prior to submission to the Federal Transit Administration.

PURPOSE

The FTA requires that all direct and primary recipients of federal transit funding document their compliance with DOT's Title VI regulations by submitting a Title VI Program to their FTA regional civil rights officer once every three years. FTA Circular 4702.1B, Title VI Requirements and Guidelines for Federal Transit Administration Recipients further states that "the Title VI Program must be approved by the recipient's board of directors or appropriate governing entity or official(s) responsible for policy decisions prior to submission to the FTA".

BACKGROUND

Title VI of the Civil Rights Act of 1964 seeks to ensure that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

To demonstrate that NJ TRANSIT is complying with Title VI requirements, FTA requires NJ TRANSIT to prepare and submit a Title VI Program every three years.

Since NJ TRANSIT's last Title VI Program submittal, FTA issued a revised Circular 4702.1B, Title VI Requirements and Guidelines for Federal Transit Administration Recipients, effective October 1, 2012. The circular outlines several new and enhanced

regulatory requirements, including requiring for the first time that the Title VI Program be approved by the NJ TRANSIT Board of Directors prior to submission to FTA.

A staff level Title VI Working Group was established in order to develop some of the elements of the Title VI Program. The Working Group included staff from the following departments: Civil Rights and Diversity Programs, Capital Planning and Programming (Planning, Research and Forecasting, GIS, Light Rail), Bus Operations (Bus Service Planning), Rail Operations (Rail Service Planning), Finance, Communications and Customer Service, and Government and External Affairs. The Title VI Working Group contributed to the development of NJ TRANSIT's Major Service Change Policy, DI/DB Policies, and Equity Analysis Procedures. The group met several times to review existing and proposed policies. Members of the group provided data and analysis used in the development of the policies and procedures and reviewed results of analytical tests. Members of the Working Group were also involved in Title VI Monitoring.

Title VI Program Contents

The full table of contents of the Title VI Program that NJ TRANSIT is required to submit to the FTA (including details of the contents) is attached to this Board Item as Appendix A.

Service Monitoring Requirement

One of the ways NJ TRANSIT must demonstrate its compliance with Title VI is to establish service standards and policies for the delivery of rail, bus, and light rail service. NJ TRANSIT must establish a monitoring program to ensure that service is being provided equitably to minority and non-minority areas. The results of the monitoring program are required to be reviewed by the NJ TRANSIT Board of Directors once every three years as part of the Title VI Program. Appendix B contains a summary of the results of the monitoring exercise. The full monitoring report is included in the Title VI Program

Equity Analysis Requirement

Another element of the Title VI Program is NJ TRANSIT's Service and Fare Equity Analysis Procedures. As a transit agency receiving federal funds, before implementing a major service change or any fare change, NJ TRANSIT is required to evaluate proposed fare and service changes, during the planning stage, according to established procedures. The written procedures and the results of any service and fare equity analyses must be included in the Title VI Program. NJ TRANSIT has not implemented any major service changes or any fare changes since our last Title VI Program submission to FTA. Therefore, there are no analyses to be submitted at this time.

However, the Equity Analysis Procedures have been established and will be included in the Title VI Program submission.

One purpose of conducting fare and service equity analyses prior to implementing service and/or fare changes is to determine whether the potential changes will have a disparate impact on the basis of race, color, or national origin. FTA also requires that fare and service equity analyses be conducted to determine if potential changes will have a disproportionate burden on low income customers.

If an equity analysis finds that a potential change will have a disparate impact on minority customers, NJ TRANSIT is required to analyze alternatives to determine if any exist that would serve legitimate program goals, but with a less disparate effect based on race, color, or national origin. If potential disproportionate burdens on low income riders are found in an equity analysis, NJ TRANSIT is required to take steps to avoid, minimize, or mitigate impacts where practicable, including describing available alternatives.

In order to conduct equity analyses, NJ TRANSIT must:

- Establish a Major Service Change Policy – Define the thresholds for when a service change would be considered “major” and when the magnitude of the change could have a significant adverse effect on minority or low income populations (thus requiring an equity analysis.)
- Develop Disparate Impact and Disproportionate Burden Policies – These are thresholds for when the adverse impact on minority/low income populations is disproportionate when compared to the impact on non-minority/non-low income populations.
- Engage the public as the definitions, thresholds, and procedures are developed.

Public Engagement Process:

To fulfill the requirement to engage the public in the development of the policies and procedures, NJ TRANSIT staff conducted focus groups to discuss the proposed policies. Participants in the focus group were minority and low income riders of NJ TRANSIT bus, rail and light rail services. To ensure that we obtained the opinions of riders who do not speak English well, one focus group was conducted in Spanish. The Focus Group report is included in the Title VI Program. NJ TRANSIT staff also presented the Title VI policies to its advisory committees, obtaining input from the North Jersey Advisory Committee, the South Jersey Advisory Committee, and the Senior Citizen and Disabled Residents Advisory Committee.

Major Service Change Policy:

The Major Service Change Policy is consistent with policies NJ TRANSIT uses to determine whether a particular service change requires a public hearing. Elements of the Major Service Change Policy were discussed with focus group participants and advisory committee members, and their input was considered in the development of the policy. Appendix C is NJ TRANSIT’s Major Service Change Policy.

Disparate Impact/Disproportionate Burden (DI/DB) Policies: The DI/DB Threshold Policies were developed based on analysis of rider demographics. Concepts related to the establishment of the thresholds were discussed with focus group participants and advisory committee members, and their input was considered in the development of the thresholds.

Equity analyses are required regardless of whether proposed changes would be detrimental or beneficial to riders on the whole: a service expansion or fare decrease must be evaluated according to a similar process as a service reduction or fare increase. The definitions and thresholds are applied uniformly, regardless of mode, and cannot be altered until the next Title VI Program submission. NJ TRANSIT's Disparate Impact/Disproportionate Burden (DI/DB) policies are set forth in Appendix D.

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

FISCAL IMPACTS

Requested Amount:	None
Past Authorizations:	None
Expenditures to Date:	None
Total Project Cost:	NA
Projected Date of Completion:	NA
Capital Program Amount:	NA
Operating Budget Amount:	NA
PRINTS ID Number:	NA
Anticipated Source of Funds:	NA
DBE/SBE Goal:	NA
NJ Build Amount:	NA
Future/Related Authorizations:	None
Impact on Subsequent Operating Budgets:	NA

RESOLUTION

WHEREAS, NJ TRANSIT's 2014 Title VI Program has been compiled in compliance with FTA Circular 4702.1B, Title VI Requirements and Guidelines for Federal Transit Administration Recipients; and

WHEREAS, FTA Circular 4702.1B, Title VI Requirements and Guidelines for Federal Transit Administration Recipients, requires that the NJ TRANSIT Board approve NJ TRANSIT's Title VI Program prior to submission to the Federal Transit Administration; and

WHEREAS, the Circular also requires that NJ TRANSIT monitor its service to ensure that service is provided equitably in minority and non-minority areas; and

WHEREAS, the Circular also requires that the NJ TRANSIT Board be aware of and approve the monitoring results; and

WHEREAS, the Circular also requires that the NJ TRANSIT Board be aware of and approve NJ TRANSIT's major service change policy and disparate impact and disproportionate burden policies;

NOW, THEREFORE, BE IT RESOLVED, that the NJ TRANSIT Board of Directors has considered, is aware of, and approves the results of NJ TRANSIT's monitoring of its service to ensure the service is provided equitably in minority and non-minority areas; and

BE IT FURTHER RESOLVED, that the NJ TRANSIT Board of Directors has considered, is aware of, and approves the major service change policy and disparate impact and disproportionate burden policies; and

BE IT FURTHER RESOLVED, that the NJ TRANSIT Board of Directors approves NJ TRANSIT's 2014 Title VI Program for submission to the Federal Transit Administration.

APPENDIX A

NJ TRANSIT TITLE VI PROGRAM CONTENTS

NJ TRANSIT TITLE VI PROGRAM CONTENTS

INTRODUCTION

SECTION I: GENERAL REQUIREMENTS FOR PROGRAM SUBMISSION UNDER TITLE VI

1. NOTIFICATION TO BENEFICIARIES OF PROTECTION UNDER TITLE VI
2. TITLE VI COMPLAINT PROCEDURES AND FORMS
3. TITLE VI INVESTIGATIONS, COMPLAINTS AND LAWSUITS FY 2012-2014
4. PUBLIC PARTICIPATION PLAN
5. LANGUAGE ASSISTANCE (LEP) PLAN
6. REPRESENTATION ON PLANNING AND ADVISORY BODIES
7. PROVIDING ASSISTANCE TO AND MONITORING OF SUBRECIPIENTS
8. DETERMINATION OF SITE AND LOCATION OF FACILITIES

SECTION II: REQUIREMENTS FOR FIXED ROUTE TRANSIT PROVIDERS

9. DEMOGRAPHIC DATA (MAPS INCLUDED SEPARATELY)
10. SYSTEM-WIDE STANDARDS AND POLICIES
11. SERVICE MONITORING RESULTS
12. PROCEDURES FOR EVALUATING SERVICE AND FARE CHANGES

APPENDIX B

NJ TRANSIT TITLE VI SERVICE MONITORING 2014

NJ TRANSIT TITLE VI SERVICE MONITORING 2014

Executive Summary

INTRODUCTION

As part of its 2014 Title VI Program submission, NJ TRANSIT conducted service monitoring for its bus, rail, and light rail services. The Federal Transit Administration's Circular 4702.1B (FTA C 4702.1B), "Title VI Requirements and Guidelines for Federal Transit Administration Recipients," requires transit providers to ensure that service design and operational practices do not result in discrimination against minority populations. Specifically, transit agencies are required to monitor fixed-route service at least every three years using established service standards and policies. Transit agencies must establish four service standards: on-time performance, vehicle headways, vehicle load, and service availability; and two service policies: distribution of passenger amenities and vehicle assignment. FTA C 4702.1B requires that the results of the monitoring program are approved by the transit agency's board of directors.

METHODOLOGY OVERVIEW

NJ TRANSIT utilized service standards and policies established for Title VI service monitoring to compare the quality of service provided to predominantly minority areas to service provided to predominantly non-minority areas. The Title VI service standards and policies were developed by NJ TRANSIT's Title VI Working Group included as part of the Title VI Program. The service standards and policies were established by mode, with the exception of the Service Availability standard, which was set for the state as a whole.

NJ TRANSIT used operating data and demographic data to conduct its monitoring. The monitoring involved identifying minority and non-minority services for all three fixed-route modes. NJ TRANSIT compared the performance of minority and non-minority services at the route/line or station level, depending on the circumstances or data available. Note that NJ TRANSIT's service monitoring for Title VI purposes did not assess performance generally. Instead it focused on whether passengers experiencing sub-standard performance were disproportionately minority. NJ TRANSIT made this determination by applying its disparate impact policy, where appropriate. If potential disparate impacts are found, NJ TRANSIT will take corrective actions to remedy the disparities.

MONITORING RESULTS

NJ TRANSIT's 2014 monitoring for bus, light rail, and rail services found no disparate impacts. The following table summarizes NJ TRANSIT's monitoring results for each service standard and policy by mode, except for service availability, which was evaluated statewide for all modes together.

Service Standard	Bus	Light Rail	Rail
Vehicle Load	No disparate impact	No disparate impact	No disparate impact*
Vehicle Headway	No disparate impact	No disparate impact	No disparate impact
On-Time Performance	No disparate impact	No disparate impact	No disparate impact
Service Availability	No disparate impact		
Service Policy	Bus	Light Rail	Rail
Transit Amenities	No disparate impact	No disparate impact	No disparate impact
Vehicle Assignment	No disparate impact*	No disparate impact	No disparate impact

*All lines or garages are minority and met the service standard/policy.

In nearly all cases, NJ TRANSIT found that minority and non-minority services performed equally well, or that minority services actually performed better than their non-minority counterparts. In the few instances that minority services performed worse than non-minority services, the difference fell within the allowable disparate impact threshold (10-point difference). Therefore, no disparate impact was found.

APPENDIX C

NJ TRANSIT DEFINITION OF A MAJOR SERVICE CHANGE

NJ TRANSIT DEFINITION OF A MAJOR SERVICE CHANGE

For service changes, equity analyses are only required for “major service changes.” NJ TRANSIT will evaluate major service changes under Title VI:

1. When it proposes to discontinue (abandon) all service on an entire bus route, rail line, or light rail line, or to start service on an entirely new bus route, rail line, or light rail line.
2. When it proposes to discontinue (abandon) all service on a portion of a bus route, rail line, or light rail line that represents more than 25% of the route or line’s miles, or when it proposes to increase the length of a bus route, rail line, or light rail line by more than 25% of the route or line’s miles. No analysis is necessary in the case of discontinuing a portion of a route or line’s service if alternate service is available by existing duplicative service (provided by NJ TRANSIT or another transit provider) or by transfer to another route.
3. When it proposes to discontinue all service or add a new service on a particular day or days of the week for an entire bus route, rail line, or light rail line, or on a portion of a bus route, rail line, or light rail line that represents more than 25% of the route or line’s miles.
4. When it proposes to substantially curtail or substantially increase the amount of service on any bus route, rail line, or light rail line. “Substantial” for these purposes is defined to mean a considerable reduction or increase in service on a particular bus route, rail line, or light rail line; it is recognized that the determination of what is a considerable reduction or increase in service will depend on the particular characteristics of the bus route, light rail, or rail line in question. However, generally NJ TRANSIT shall be governed by the following in making such determinations (of what is “substantial”):
 - a. Any reduction or increase on a regular bus route or light rail line that increases or decreases the headway on the peak service by more than 50%, or that more than doubles or halves the non-peak headway.
 - b. Any service reduction or increase on a rail line that reduces or increases the amount of service on the line by more than 25%.
 - c. Any proposal to completely close an existing or open a new bus terminal, rail station, or light rail station.
 - d. Any service reduction or increase that would change the span of service on a regular bus route, light rail line, or rail line by two hours or more.

APPENDIX D

**NJ TRANSIT DISPROPORTIONATE IMPACT
AND DISPROPORTIONATE BURDEN POLICIES**

**NJ TRANSIT DISPROPORTIONATE IMPACT
AND DISPROPORTIONATE BURDEN POLICIES**

For purposes of conducting equity analyses of potential major service changes and potential fare changes, NJ TRANSIT defines Disproportionate Impact (DI) on minority populations and Disproportionate Burden (DB) on low income populations as follows:

Service Changes

For service reductions, a DI/DB occurs if the absolute difference between the percentage of minority/low income population affected by the change and the percentage of minority/low income population in the market is 10 points or more. For service improvements, a DI/DB occurs if the absolute difference between the percentage of minority/low income population benefitting from the change and the percentage of minority/low income population in the market is 10 points or more.

Fare Changes

For ticket types that are used disproportionately by minority or low income customers, a DI/DB occurs if the absolute difference in the percentage price change of the ticket type and the average percentage price change for all ticket types in that market is 10 points or more.

ITEM 1410-52: ADOPTION OF PROCEDURES TO ENSURE POST ISSUANCE COMPLIANCE OF TAX-EXEMPT NOTES

BENEFITS

Adoption of this Item and the attached Procedures (Attachment A) will assist NJ TRANSIT in ensuring that it remains in compliance with applicable federal tax law requirements in connection with its outstanding tax-exempt obligations.

ACTION (Scorecard: Corporate Accountability)

Staff seeks authorization for NJ TRANSIT to adopt the Resolution authorizing staff to adopt the Procedures (Attachment A) substantially in the form attached to the Resolution. These Procedures detail the various procedures and policies NJ TRANSIT will implement to monitor and ensure continuing compliance with applicable federal tax law requirements.

PURPOSE

The purpose behind the adoption of the attached Procedures (Attachment A) is to ensure NJ TRANSIT's continuing compliance with applicable federal tax law requirements. Failure to comply may result in fines and, in very serious cases, loss of tax-exempt status.

BACKGROUND

Since 1991, NJ TRANSIT has issued over \$2.4 billion of original issue tax exempt obligations to finance the acquisition by NJ TRANSIT of rolling stock, the construction of Hudson-Bergen Light Rail MOS1 and MOS2, Newark Light Rail and the construction and acquisition of NJ TRANSIT's condominium interest in its office building on Raymond Boulevard in Newark, NJ. Approximately \$395 million of these obligations remain outstanding.

In 2013, the Internal Revenue Service issued Publication 5091, Voluntary Compliance for Tax-Exempt and Tax Credit Bonds, which contains, among other things, a summary of considerations relating to policies and procedures concerning general post issuance compliance, arbitrage requirements, record retention requirements and procedures related to the timely identification and correction of tax violations. In the wake of Publication 5091, issuers are authorizing the adoption and implementation of post-issuance tax compliance procedures to ensure compliance with applicable federal tax law requirements.

Since 2012, and pursuant to a Memorandum of Understanding among NJTTFA, NJ TRANSIT and the New Jersey Department of Transportation, NJ TRANSIT had been assisting NJTTFA in monitoring post issuance compliance with respect to NJ TRANSIT projects financed with tax exempt obligations issued by NJTTFA. The

attached Procedures are intended to provide for the continuing compliance with applicable federal tax law requirements in connection with the tax exempt obligations that were issued by NJ TRANSIT. Specifically, the Procedures provide steps relating to (a) general post issuance compliance, (b) arbitrage requirements, (c) record retention requirements and (d) procedures related to the timely identification and correction of tax violations.

The Procedures were developed with the assistance of DeCotiis, Fitzpatrick & Cole who were retained by the Office of the Attorney General.

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

FISCAL IMPACTS:

Requested Authorization:	None
Past Authorizations:	None
Expenditures to Date:	N/A
Total Project Cost:	N/A
Capital Program Amount:	None
Operating Budget Amount:	None
Prints ID Number:	N/A
DBE/SBE Goal:	N/A
NJ <i>Build</i> Amount:	None
Future/Related Authorizations:	None
Impacts on Subsequent Operating Budgets:	None

RESOLUTION AUTHORIZING THE ADOPTION OF POST ISSUANCE TAX COMPLIANCE PROCEDURES, DESIGNATION OF A TAX COMPLIANCE OFFICER AND OTHER MATTERS WITH RESPECT TO THE NEW JERSEY TRANSIT CORPORATION'S \$381,790,000 GRANT ANTICIPATION NOTES, SERIES 2014A (FEDERAL TRANSIT ADMINISTRATION SECTION 5307 URBANIZED AREA FORMULA FUNDS) AND ITS \$61,515,000 REFUNDING CERTIFICATES OF PARTICIPATION EVIDENCING UNDIVIDED OWNERSHIP INTERESTS OF REFUNDING CERTIFICATE HOLDERS IN CERTAIN LEASE RIGHTS UNDER A FIRST SUPPLEMENT TO AMENDED AND RESTATED NET LEASE BETWEEN NEW JERSEY TRANSIT CORPORATION, A BODY CORPORATE AND POLITIC OF THE STATE OF NEW JERSEY, AS LESSEE, AND RAYMOND PLAZA EAST, INC. A NEW JERSEY CORPORATION, AS LESSOR

ADOPTED: OCTOBER 8, 2014

WHEREAS, on August 6, 2014, New Jersey Transit Corporation (the "Corporation") issued, on a tax-exempt basis, its \$381,790,000 New Jersey Transit Corporation, Grant Anticipation Notes, Series 2014A (Federal Transit Administration Section 5307 Urbanized Area Formula Funds), (the "2014 Notes"); and

WHEREAS, the 2014 Notes were issued pursuant to the laws of the State, including the New Jersey Public Transportation Act of 1979, L. 1979, c. 150, as amended and supplemented (the "Act"), a resolution adopted by the Members of the Board of the Corporation on June 11, 2014 and a Trust Indenture, dated as of August 1, 2014, between the Corporation and U.S. Bank National Association, as trustee; and

WHEREAS, the 2014 Notes were issued by the Corporation to (i) refund all of the Corporation's then outstanding Senior and Subordinated Certificates of Participation evidencing a proportionate interest in that certain Master Equipment Lease Purchase Agreement Relating To Certain Equipment Leased by New Jersey Transit Corporation (the "Lessee"), dated as of March 15, 1999, as amended and supplemented, by and between The Apris Group, Ltd., as Lessor, and the Lessee, (ii) fund the debt service reserve requirement for the 2014 Notes and (iii) pay costs of issuance of the 2014 Notes; and

WHEREAS, on February 4, 2003, the Corporation caused to be issued its \$61,515,000 Refunding Certificates of Participation Evidencing Undivided Ownership Interests of Refunding Certificate Holders in Certain Lease Rights Under a First Supplement to Amended and Restated Net Lease between New Jersey Transit Corporation, a Body Corporate and Politic of the State of New Jersey, as Lessee, and Raymond Plaza East, Inc. a New Jersey Corporation, as Lessor (the "2003 Certificates and, together with the 2014 Notes and any future obligations that may be issued by or on behalf of the Corporation the interest on which is excludable from gross income for federal income tax purposes, are hereinafter collectively referred to as the "Tax-Exempt Obligations"); and

WHEREAS, the 2003 Certificates were issued pursuant to an Agent Agreement, dated as of September 1, 1991, as supplemented by a First Supplemental Agent Agreement, dated as of February 1, 2003, between Raymond Plaza East, Inc., a New Jersey corporation, as Lessor, and JP Morgan Chase Bank, Philadelphia, Pennsylvania, successor to Chemical Bank, New York, New York, as Agent; and

WHEREAS, the 2003 Certificates were issued to defease and refund certain then outstanding certificates issued pursuant to the transaction entitled "\$66,690,000 Certificates of Participation Evidencing Undivided Ownership Interests of Certificate Holders in Certain Lease Rights Under and Amended and Restated Net Lease"; and

WHEREAS, in 2013, the Internal Revenue Service issued Publication 5091, Voluntary Compliance for Tax-Exempt and Tax Credit Bonds, which contains, among other things, a summary of considerations relating to policies and procedures concerning general post issuance compliance, arbitrage requirements, record retention requirements and procedures related to the timely identification and correction of federal tax violations; and

WHEREAS, the Corporation desires to develop written procedures for post-issuance tax compliance (the "Procedures") in connection with such Tax-Exempt Obligations to preserve the tax-exempt status of the Tax-Exempt Obligations by establishing procedures for: (1) identifying uses that may constitute private use; (2) managing and tracking changes in use, (3) accomplishing remedial action when necessary; (4) ensuring compliance with the arbitrage requirements of the Internal Revenue Code of 1986, as amended (the "Code"); and (5) ensuring compliance with the record retention requirements of the Code; and

WHEREAS, to the extent applicable, the Procedures shall also apply in implementing the provisions of (i) the Memorandum of Understanding, among the Corporation, the New Jersey Transportation Trust Fund Authority ("NJTTFA") and the New Jersey Department of Transportation regarding their respective responsibilities in maintaining the tax exempt status of the tax-exempt obligations issued by NJTTFA any portion of the proceeds of which are applied to finance transportation projects of the Corporation, and (ii) the tax compliance obligations of the Corporation in connection with the issuance of any Tax-Exempt Conduit Obligations (as defined in the Procedures), unless separate post-issuance tax compliance procedures are adopted in connection with any such Tax-Exempt Conduit Obligations.

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

Section 1. Establishment of Post-Issuance Tax Compliance Procedures.

The Chairman, Vice Chairman, Executive Director or Chief Financial Officer/Treasurer of the Corporation, or any person or persons designated by a written certificate signed by the Chairman or Executive Director and containing the specimen signature of each such person to act on behalf of the Corporation (each an "Authorized Officer") is hereby authorized and directed to develop and amend from time to time, in

consultation with special counsel for the Tax-Exempt Obligations or other nationally recognized bond counsel ("Special Counsel") and the State Attorney General, the Procedures. The Procedures shall be substantially in the form of Attachment A attached hereto with such changes, additions or omissions as an Authorized Officer, in consultation with Special Counsel and the State Attorney General, determines is necessary or appropriate.

Section 2. Designation of Tax Compliance Officer.

An Authorized Officer of the Corporation is hereby authorized and directed to appoint a tax compliance officer (the "Tax Compliance Officer") for the Corporation, which may be the Chief Financial Officer/Treasurer of the Corporation, with respect to the Tax-Exempt Obligations and any Tax-Exempt Conduit Obligations. The Tax Compliance Officer shall have the primary responsibility to carry out or cause the Procedures to be carried out.

Section 3. Additional Proceedings.

Any Authorized Officer is hereby authorized to take any additional actions which are necessary or desirable to achieve the purposes of this resolution upon advice of Special Counsel and the State Attorney General.

Section 4. Effective Date.

This Resolution shall take effect as set forth in the Act.

ATTACHMENT A

**NEW JERSEY TRANSIT CORPORATION
POST ISSUANCE TAX COMPLIANCE PROCEDURES
FOR
USE OF TAX-EXEMPT OBLIGATION FINANCED PROPERTY AND PROCEEDS**

BACKGROUND**The 2014 Notes**

On August 6, 2014, New Jersey Transit Corporation (the "Corporation") issued, on a tax-exempt basis, its \$381,790,000 New Jersey Transit Corporation, Grant Anticipation Notes, Series 2014A (Federal Transit Administration Section 5307 Urbanized Area Formula Funds) (the "2014 Notes"). The 2014 Notes were issued pursuant to the laws of the State, including the New Jersey Public Transportation Act of 1979, L. 1979, c. 150, as amended and supplemented (the "Act"), a resolution adopted by the Members of the Board of the Corporation on June 11, 2014 (the "Note Resolution") and a Trust Indenture, dated as of August 1, 2014 (the "Indenture"), between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Indenture or in the hereinafter defined Agent Agreement.

The 2014 Notes were issued by the Corporation to (i) refund the Refunded Certificates (as hereinafter defined), (ii) fund the Debt Service Reserve Requirement for the Series 2014 Notes and (iii) pay costs of issuance of the 2014 Notes. The term "Refunded Certificates" includes the following obligations of the Corporation, which were issued for the purposes set forth below:

1. Series 2000B Refunded Certificates. The term "Series 2000B Certificates" means the Corporation's \$693,140,000 original principal amount of Certificates of Participation (Series 2000B) relating to a Master Lease Agreement of New Jersey Transit Corporation payable solely from certain Federal Transit Administration Grants, dated October 1, 2000 and issued October 11, 2000. The 2014 Notes were issued to provide funds to current refund and redeem on September 5, 2014 the Series 2000B Certificates maturing on September 15, 2014 and September 15, 2015 (the "Series 2000B Refunded Certificates"). The Series 2000B Certificates were issued to provide new money to finance costs of the acquisition of electric locomotives and buses, to finance capitalized interest, to fund a debt service reserve fund and to pay costs of issuance of the Series 2000B Refunded Certificates.

2. Series 2002A Refunded Certificates. The term "Series 2002A Certificates" means the Corporation's \$162,800,000 original principal amount of Certificates of Participation (Series 2002A) relating to a Master Lease Agreement of New Jersey Transit Corporation payable solely from certain Federal Transit Administration Grants, dated June 15, 2002 and issued June 27, 2002. The 2014 Notes were issued to provide funds to current refund and pay at maturity the Series 2002 A Certificates maturing on September 15, 2014 (the "Series 2002A Refunded Certificates). The Series 2002A Certificates were issued to provide funds for the rental and purchase of 200 push pull passenger rail cars and to pay certain costs of issuing the Series 2000A Certificates.

3. Series 2002B Refunded Certificates. The term “Series 2002B Certificates” means the Corporation’s \$94,710,000 original principal amount of Subordinated Certificates of Participation (Series 2002B) relating to a Master Lease Agreement of New Jersey Transit Corporation payable solely from certain Federal Transit Administration Grants, dated June 15, 2002 and issued June 27, 2002. The 2014 Notes were issued to provide funds to current refund and redeem on September 5, 2014 the Series 2002B Certificates maturing on September 15, 2014 and September 15, 2015 (the “Refunded Series 2002B Certificates”). The Series 2002B Certificates were issued to provide new money to finance costs of the acquisition of 28 light rail vehicles, to finance capitalized interest, to fund a debt service reserve fund and to pay costs of issuance of the Series 2002B Refunded Certificates.

4. Series 2003A Refunded Certificates. The term “Series 2003A Certificates” means the Corporation’s \$149,775,000 original principal amount of Certificates of Participation (Series 2003A) relating to a Master Lease Agreement of New Jersey Transit Corporation payable solely from certain Federal Transit Administration Grants, dated October 1, 2003 and issued October 22, 2003. The 2014 Notes were issued to provide funds to current refund and pay at maturity the Series 2003A Certificates maturing on September 15, 2014 (the “Series 2003A Refunded Certificates”). The Series 2003A Certificates were issued to advance refund a portion of the Series 2000B Certificates and to pay costs of issuance of the Series 2003A Refunded Certificates.

5. Series 2005A Refunded Certificates. The term “Series 2005A Certificates” means the Corporation’s \$253,470,000 original principal amount of Subordinated Certificates of Participation (Series 2005A) relating to a Master Lease Agreement of New Jersey Transit Corporation payable solely from certain Federal Transit Administration Grants, dated and issued September 7, 2005. The 2014 Notes were issued to provide funds to advance refund and pay at maturity the Series 2005A Certificates maturing on September 15, 2017 and to advance refund and redeem on September 15, 2015 the Series 2005A Certificates maturing on September 15, in each of the years 2016, and 2018 through and including 2021 (the “Series 2005A Refunded Certificates”), The Series 2005A Certificates were originally issued to provide new money to finance costs of the acquisition of 131 multi-level rail cars and spare parts, to finance capitalized interest, to fund a subordinated debt service reserve fund and to pay costs of issuance of the Series 2005A Refunded Certificates. To comply with applicable FTA procurement requirements, a portion of the proceeds of the Series 2005A Certificates was applied to finance costs of the acquisition of heavy rail locomotives, and proceeds of the Series 2005A Refunded Certificates that had been applied to finance the costs of acquisition of multi-level rail cars and spare parts were refunded to the Corporation by the vendors of such multi-level rail cars and spare parts and were re-allocated and applied to the acquisition of heavy rail locomotives.

In the Corporation’s Arbitrage and Tax Certificate (the “2014 Tax Certificate”), dated August 6, 2014 and delivered in connection with the issuance of the 2014 Notes, the Corporation represents that it expects and intends to be able to comply with and will, to the extent permitted by law, comply with the provisions and procedures set forth in its 2014 Tax Certificate and do and perform all acts and things necessary or desirable to ensure that interest paid on the 2014 Notes shall be excluded from gross income for federal tax purposes under Section 103 of the Code.

The 2003 Certificates

On February 4, 2003, the Corporation caused to be issued its \$61,515,000 Refunding Certificates of Participation Evidencing Undivided Ownership Interests of Refunding Certificate Holders in Certain Lease Rights Under a First Supplement to Amended and Restated Net Lease between New Jersey Transit Corporation, a Body Corporate and Politic of the State of New Jersey, as Lessee, and Raymond Plaza East, Inc. a New Jersey Corporation, as Lessor (the "2003 Certificates" and, together with the 2014 Notes and any future obligations that may be issued by or on behalf of the Corporation the interest on which is excludable from gross income for federal income tax purposes, are hereinafter collectively referred to as the "Tax Exempt Obligations"). The 2003 Certificates were issued pursuant to an Agent Agreement, dated as of September 1, 1991, as supplemented by a First Supplemental Agent Agreement, dated as of February 1, 2003 (the "Agent Agreement"), between Raymond Plaza East, Inc., a New Jersey corporation, as Lessor, and JP Morgan Chase Bank, Philadelphia, Pennsylvania, successor to Chemical Bank, New York, New York, as Agent.

The 2003 Certificates were issued to defease and refund all of the then outstanding Certificates of Participation Evidencing Undivided Ownership Interests of Certificate Holders in Certain Lease Rights Under an Amended and Restated Net Lease between New Jersey Transit Corporation, a Body Corporate and Politic of the State of New Jersey, as Lessee, and Raymond Plaza East, Inc. a New Jersey Corporation, as Lessor (the "1991 Certificates"). The 1991 Certificates were issued on September 17, 1991 in the original principal amount of \$66,690,000. The 1991 Certificates were issued to finance (i) the acquisition of a nine (9) story commercial office condominium and a second condominium unit consisting of 120 parking spaces of the ground level parking area, located in the City of Newark, New Jersey, commonly known as One Penn Plaza East, Newark, New Jersey, (ii) a deposit to the Interest Account established under the Agent Agreement to fund net capitalized interest and accrued interest on the 1991 Certificates, and (iii) costs of issuance of the 1991 Certificates.

In the Corporation's Arbitrage Certificate (the "2003 Tax Certificate"; for purposes of these Procedures, the term "Tax Certificate" shall mean, with reference to the 2014 Notes, the 2014 Tax Certificate, with reference to the 2003 Certificates, the 2003 Tax Certificate, and with respect to any future obligations that may be issued by or on behalf of the Corporation the interest on which is excludable from gross income for federal income tax purposes, the arbitrage or tax certificate or similar document executed and delivered by the Corporation in connection with the issuance of such obligations), dated February 4, 2003 and delivered in connection with the issuance of the 2003 Certificates, the Corporation represents that it expects and intends to be able to comply with and will, to the extent permitted by law, comply with the provisions and procedures set forth in its 2003 Tax Certificate and do and perform all acts and things necessary or desirable to ensure that interest paid on the 2003 Certificates shall be excluded from gross income for federal tax purposes under Section 103 of the Code.

Conduit Issues

The Corporation is also the conduit borrower/lessee under the following financings undertaken by other issuers for its benefit (such obligations, together with any future conduit obligations that may be issued for the benefit of the Corporation the interest on which is excludable from gross income for federal income tax purposes, are hereinafter defined as "Tax-Exempt Conduit Obligations"):

(i) \$253,200,000 Certificates of Participation in Basic Lease Payments by the State of New Jersey as Lessee Pursuant to an Equipment Lease Purchase Agreement (Series 2004A).

On April 23, 2004, the State of New Jersey (the "State") issued its \$253,200,000 Certificates of Participation in Basic Lease Payments by the State of New Jersey as Lessee Pursuant to an Equipment Lease Purchase Agreement (Series 2004A) (the "Series 2004A Certificates"). The Series 2004A Certificates were issued pursuant to a Trust Agreement (Series 2004A) Relating to Certain Equipment Leased by the State of New Jersey Commencing in Fiscal Year 2004, dated as of April 1, 2004 (the "2004A Trust Agreement"), by and between Apris Financial Advisors Ltd., a New Jersey Corporation (the "Lessor"), and U.S. Bank National Association, as successor to Deutsche Bank Trust Company New Jersey Ltd., as trustee (the "Trustee"). The Series 2004A Certificates were issued to provide funds to finance the (i) acquisition of articulated buses, diesel locomotives and Suburban/Transit buses (collectively, the "Series 2004A Equipment"), (ii) to provide for the payment of capitalized interest on a portion of the Series 2004A Certificates through and including June 15, 2006, and (iii) to pay the costs of issuance and delivery of the Series 2004A Certificates.

(ii) \$309,240,000 Certificates of Participation in Basic Lease Payments by the State of New Jersey as Lessee Pursuant to an Equipment Lease Purchase Agreement (Series 2008A).

On April 23, 2008, the State of New Jersey (the "State") issued its \$309,240,000 Certificates of Participation in Basic Lease Payments by the State of New Jersey as Lessee Pursuant to an Equipment Lease Purchase Agreement (Series 2008A) (the "Series 2008A Certificates"). The Series 2008A Certificates were issued pursuant to a Trust Agreement (Series 2008A) Relating to Certain Equipment Leased by the State of New Jersey Commencing in Fiscal Year 2008, dated as of April 1, 2008 (the "2008A Trust Agreement"), by and between Apris Financial Advisors Ltd., a New Jersey Corporation (the "Lessor"), and U.S. Bank National Association, as successor to Deutsche Bank Trust Company New Jersey Ltd., as trustee (the "Trustee"). The Series 2008A Certificates were issued to provide funds to finance the (i) acquisition of twenty-seven (27) ALP-46 locomotives and thirty-four (34) multilevel rail cars together additions or substitutions thereto or spare parts therefor (collectively, the "Series 2008A Equipment"), (ii) to provide for the payment of capitalized interest on a portion of the Series 2008A Certificates through and including December 15, 2009, and (iii) to pay the costs of issuance and delivery of the Series 2008A Certificates.

(iii) New Jersey Economic Development Authority, \$342,115,000 Transportation Project Sublease Revenue Bonds (New Jersey Transit Corporation Light Rail Transit System Project) 2008 Series A.

On August 14, 2008, the New Jersey Economic Development Authority ("NJEDA") issued its \$342,115,000 Transportation Project Sublease Revenue Bonds (New Jersey Transit Corporation Light Rail Transit System Project) 2008 Series A (the "2008 Series A Bonds"). The 2008 Series A Bonds were issued pursuant to the New Jersey Economic Development Authority Act, L. 1974, c. 80, as amended and supplemented, and pursuant to the Transportation Sublease Revenue Bond Resolution (New Jersey Transit Corporation Light Rail Transit System Projects), as amended and supplemented, including as supplemented by the Second Supplemental Transportation Project Sublease Revenue Bond Resolution adopted by NJEDA on June 10, 2008, and by a Series Certificate of NJEDA dated as of August 6, 2008 (collectively, the "NJEDA Resolution"). The 2008 Series A Bonds were issued for the purposes

of (1) refunding and defeasing NJEDA's then Outstanding Transportation Project Sublease Revenue Bonds (New Jersey Transit Corporation Light Rail Transit System Project) 2003 Series A and 2003 Series B (collectively, the "2003 Series Bonds"), (2) funding certain termination payments required to be made by NJEDA in connection with the termination of four interest rate swaps entered into by NJEDA simultaneously with the issuance of the 2003 Series Bonds, and (3) paying costs of issuance of the 2008 Series A Bonds.

The Series 2003 Bonds were issued by NJEDA under and pursuant to the Resolution for the primary purposes of advance refunding a portion of NJEDA's Transportation Project Sublease Revenue Bonds (New Jersey Transit Corporation Light Rail Transit System Project), 1999 Series A (the "1999 Series A Bonds") and financing additional costs of the Series A Project (as hereinafter defined). The 1999 Series A Bonds had been previously issued by NJEDA under and pursuant to the Resolution for the primary purpose of paying the costs of a project of the Corporation consisting of the design, acquisition, construction, equipping and operation of the initial operating corridor of a light rail transit system to be known as the Southern New Jersey Light Rail Transit System.

In the Corporation's Tax Certificate of New Jersey Transit Corporation as to Arbitrage and Compliance with the Provisions of Section 103(a) of the Internal Revenue Code of 1986, as Amended (the "2008 Series A Bonds Tax Certificate"), dated August 14, 2014 and delivered in connection with the issuance of the 2008 Series A Bonds, the Corporation represents that it expects and intends to be able to comply with and will, to the extent permitted by law, comply with the provisions and procedures set forth in its 2008 Series A Bonds Tax Certificate and do and perform all acts and things necessary or desirable to ensure that interest paid on the 2008 Series A Bonds shall be excluded from gross income for federal tax purposes under Section 103 of the Code.

(iv) \$394,255,000 Certificates of Participation in Basic Lease Payments by the State of New Jersey as Lessee Pursuant to an Equipment Lease Purchase Agreement (Series 2009A).

On April 23, 2009, the State of New Jersey (the "State") issued its \$394,255,000 Certificates of Participation in Basic Lease Payments by the State of New Jersey as Lessee Pursuant to an Equipment Lease Purchase Agreement (Series 2009A) (the "Series 2009A Certificates"). The Series 2009A Certificates were issued pursuant to a Trust Agreement (Series 2009A) Relating to Certain Equipment Leased by the State of New Jersey Commencing in Fiscal Year 2009, dated as of April 1, 2009 (the "2009A Trust Agreement"), by and between Apris Financial Advisors Ltd., a New Jersey Corporation (the "Lessor"), and U.S. Bank National Association, as successor to Deutsche Bank Trust Company New Jersey Ltd., as trustee (the "Trustee"). The Series 2009A Certificates were issued to provide funds to finance the (i) acquisition of (a) four (4) dual-powered locomotives, plus spare parts in connection therewith, and (b) one hundred eighty-four (184) multilevel rail cars, plus spare parts in connection therewith (collectively, the "Series 2009A Equipment"), (ii) to provide for the payment of capitalized interest on a portion of the Series 2009A Certificates through and including December 15, 2011, and (iii) to pay the costs of issuance and delivery of the Series 2009A Certificates.

Obligations of the New Jersey Transportation Trust Fund Authority

The New Jersey Transportation Trust Fund Authority ("NJTTFA") periodically issues obligations the interest on which is excludable from gross income for federal income tax

purposes (“NJTTFA Bonds”) the proceeds of which are applied, in part, to fund transportation projects of the Corporation. In 2012, the Corporation entered into a Memorandum of Understanding (the “MOU”), with NJTTFA and the New Jersey Department of Transportation regarding their respective responsibilities in maintaining the tax exempt status of NJTTFA Bonds.

PURPOSE OF POST- ISSUANCE TAX COMPLIANCE PROCEDURES

Section 141 of the Code contains limitations on the extent to which proceeds of the Tax-Exempt Obligations can benefit persons other than a state or local governmental unit. In addition, Section 148 of the Code imposes limitations on the investment of proceeds of the Tax-Exempt Obligations and requires rebate of excess earnings to the federal government. The procedures set forth herein are intended enable the Corporation to comply with the applicable requirements of the Code and thereby to preserve the tax-exempt status of the Tax-Exempt Obligations. These procedures, together with the Tax Certificate, establish procedures for: (1) identifying uses that may constitute private uses; (2) managing and tracking changes in use; (3) accomplishing remedial actions when necessary; (4) ensuring compliance with the arbitrage requirements of the Code; and (5) ensuring compliance with the record retention requirements of the Code.

RESPONSIBILITY

In order to facilitate continuing compliance with the federal income tax requirements relating to the tax-exempt status of the Tax-Exempt Obligations (the “Tax Requirements”), the Corporation has by Resolution adopted on October 8, 2014, authorized and directed the Chairman, Vice Chairman, Executive Director or Chief Financial Officer/Treasurer of the Corporation, or any person or persons designated by a written certificate signed by the Chairman or Executive Director and containing the specimen signature of each such person to act on behalf of the Corporation (each an “Authorized Officer”) to appoint a tax compliance officer for the Corporation (the “Tax Compliance Officer”) with respect to the Tax-Exempt Obligations. The Tax Compliance Officer will have the primary responsibility to monitor the Corporation’s compliance with the Tax Requirements for the Tax-Exempt Obligations. The Tax Requirements include both limitations on the private use of the Financed Facilities and arbitrage limitations on the investment of the proceeds of the Tax-Exempt Obligations. The procedures to be undertaken are set forth below and are intended to supplement the Tax Certificate. These monitoring procedures from time to time may be updated as required by, or as may be necessary or appropriate under, applicable law or regulation.

These procedures may also be utilized, to the extent applicable, in implementing the provisions of (i) the MOU, and (ii) the tax compliance obligations of the Corporation in connection with the issuance of any Tax-Exempt Conduit Obligations, unless separate post issuance tax compliance procedures are adopted in connection with any such Tax-Exempt Conduit Obligations.

PRIVATE ACTIVITY LIMITATIONS

Financed Facilities

The facilities financed or refinanced with the proceeds of the Tax-Exempt Obligations include all of the facilities refinanced with the proceeds of the 2014 Notes described above under “Background” (the “2014 Note Financed Facilities”), the facilities refinanced with the

proceeds of the 2003 Certificates (the "2003 Certificate Financed Facilities"), the facilities financed or refinanced with the proceeds of any Tax-Exempt Obligations that may be issued in the future, and, to the extent applicable, the facilities financed or refinanced with the proceeds of any NJTTFA Bonds or Tax-Exempt Conduit Obligations. As used in these Procedures, the term "Financed Facilities" means, with reference to the 2014 Notes, the 2014 Note Financed Facilities, and with reference to 2003 Certificates, the 2003 Certificate Financed Facilities.

Private Activity Review

Federal tax law limits the permitted amount of private business use of Financed Facilities by reference to a percentage of the total amount of proceeds. In the case of private uses that are related to the governmental use of the facility, the limit is 10% of proceeds. In the case of private uses that are unrelated to the governmental use or related but disproportionate to the governmental use, the limit is 5% of proceeds. Federal tax law also limits the amount of private loans to the lesser of 5% of proceeds or \$5,000,000. Reference should be made to the Private Activity Restrictions on Private Business Use and accompanying attachments, attached as Tab I, for further guidance on the Private Activity Limitations of Section 141 of the Code (the "Private Activity Limitations"). A form of Private Business Use Questionnaire that can be utilized to conduct private activity review is attached as Tab II.

In order to demonstrate compliance with the Private Activity Limitations, the Tax Compliance Officer will implement the procedures described below under "Monitoring Procedures." These procedures are designed to assist the Tax Compliance Officer in identifying the potential occurrence of any of the events set forth below (each, a "Tax Event") with respect to any portion of the Financed Facilities:

Change of ownership of Financed Facilities -- the ownership of any portion of the Financed Facilities is transferred to anyone other than a State or local governmental unit prior to the earlier of the end of the expected economic life of the Financed Facilities or the latest maturity date of any bond of the issue financing (or refinancing) the Financed Facilities.

Private business use of Financed Facilities -- any portion of the Financed Facilities will be used by anyone other than a State or local governmental unit or members of the general public who are not using the property in the conduct of a trade or business. Examples of uses that can give rise to private business use include use by a person as an owner, lessee, purchaser of the output of Financed Facilities under a "take" or "take or pay" contract, purchaser or licensee of research, a manager or independent contractor under certain management or professional service contracts or any other arrangement that conveys special legal entitlements (e.g., arrangement that conveys priority rights to the use or capacity of the financed property) for beneficial use of the property financed with the proceeds of tax exempt debt or special economic benefit.

Leases of Financed Facilities -- any portion of the Financed Facilities is to be leased or otherwise subject to an agreement which gives possession of any portion of the Financed Facilities to anyone other than a State or local governmental unit. Notwithstanding the foregoing, the Amended and Restated Net Lease dated as of September 1, 1991 (the "Original Lease"), as supplemented by a First Supplement to Amended and Restated Net Lease dated as of February 1, 2003 (collectively, the "Lease") is a lease incidental to a financing arrangement within the meaning of Treasury

Regulation Section 1.141-3(d) and does not constitute a Tax Event for purposes of these Procedures.

Management agreement or service agreement with respect to Financed Facilities -- any portion of the Financed Facilities is to be used under a management contract or professional service contract (e.g., medical group), other than a contract for services that are solely incidental to the primary function of the Financed Facilities, such as janitorial services or office equipment repair.

Sale of output from Financed Facilities – any output of the Financed Facilities is to be sold under a long-term contract to any person other than a State or local governmental unit.

Naming rights agreements with respect to Financed Facilities -- any portion of the Financed Facilities will become subject to a naming rights or sponsorship agreement, other than a “brass plaque” dedication.

Research using Financed Facilities -- any portion of the Financed Facilities will be used for the conduct of research under the sponsorship, or for the benefit of, any organization other than a State or local governmental unit.

Private Loan of proceeds of the Tax-Exempt Obligations -- any portion of the proceeds of the Tax-Exempt Obligations (including any investment earnings thereon) is to be loaned by the Corporation to any person other than a State or local governmental unit.

On or prior to the occurrence of any Tax Event or prior to an imminent, suspected, potential, or anticipated Tax Event, the Tax Compliance Officer will request that the Attorney General's Office obtain the advice of Special Counsel to ascertain what effect, if any, a contemplated Tax Event may have on the tax-exempt status of interest on the Tax-Exempt Obligations. In certain circumstances it may be necessary for the Corporation to take a remedial action under Treasury Regulation Section 1.141-12 to preserve the tax-exempt status of interest on the Tax-Exempt Obligations. See Tab III regarding available remedial actions. Timely identification of a Tax Event is necessary to take a remedial action. In certain cases, remedial action may not be available and the Corporation may need to consider entering into a voluntary closing agreement with the IRS.

Monitoring Procedures

Responsible Persons

The Tax Compliance Officer will be responsible for determining the occurrence or possibility of the occurrence of any Tax Event as soon as practicable upon learning of any such occurrence or possibility of such occurrence. The Tax Compliance Officer will seek the assistance of the Senior Director of Real Estate Operations, the Director of Project Accounting, Fixed Assets, Third Party Billing and Material Control, the Chief of Procurement and other pertinent staff of the Corporation in its review.

Ongoing Contract Review

The Tax Compliance Officer will oversee the establishment of a procedure for the review on an on-going basis of all existing and prospective contracts between the Corporation and a non-governmental person, including the federal government or a non-profit organization, that involve the use of, management of, or provision of services with respect to, any of the Financed Facilities. Excluded from such review process and reporting requirement will be construction contracts, engineering or similar contracts, purchase contracts, and incidental contracts such as contracts for janitorial services or office equipment repair. Based upon such review of contracts, the Tax Compliance Officer will oversee the maintenance of written records that identify, for each such contract, the type of use by the contracting party, the term of the contract and the compensation arrangement.

For all such contracts, the Tax Compliance Officer will request that the Attorney General's Office obtain the advice of Special Counsel with respect to whether the contract meets, or will meet, the requirements for a safe harbor management contract under Rev. Proc. 97-13 or another exception to private use or can be revised to meet a safe harbor or exception. For those contracts that cannot meet a safe harbor or exception from private use, including all leases and sale contracts with a non-governmental person, the Tax Compliance Officer will request that the Attorney General's Office obtain the advice of Special Counsel as to any further steps to be taken, including remedial action if necessary. In the case of contracts with organizations that are described in Section 501(c)(3) that do not meet the requirements for a safe harbor management contract under Rev. Proc. 97-13 or another exception to private use or can be revised to meet a safe harbor or exception, it may be necessary, among other things, to allocate a portion of the State's volume cap to all or a portion of the Tax-Exempt Obligations.

Change in Use and Remediation

No less frequently than monthly, the Tax Compliance Officer will undertake a review to identify any changes in use of the Financed Facilities that might result in private use and/or private payments, including any privatization initiatives. Should the information collected by the Tax Compliance Officer indicate that there may be a change in private use and/or private payments from what was contemplated at the time of the issuance of the Tax-Exempt Obligations, the Tax Compliance Officer will request that the Attorney General's Office engage Special Counsel to provide advice as to any further steps to be taken, including remedial action if necessary.

Recordkeeping

The Internal Revenue Service (the "IRS") has advised issuers of tax-exempt obligations that they have post-issuance recordkeeping responsibilities that are necessary to satisfy the IRS in the event of an audit. All files must be maintained for the life of the tax-exempt obligations plus three years. See IRS FAQs on Record Retention, attached as Tab IV. The records to be maintained by the Tax Compliance Officer are to include:

1. Information and records regarding any use of proceeds of the Tax-Exempt Obligations to make or finance a loan to any person other than a state or local governmental unit;
2. Records reflecting actual expenditures of the proceeds of the Tax-Exempt Obligations;

3. Information and records regarding the continued use and ownership of the Financed Facilities;
4. Any use arrangements affecting the Financed Facilities, which result in private business use of any portion of the Financed Facilities; and
5. Copies of any leases, management contracts, service contracts or other written arrangements with persons other than a state or local governmental unit relating to the Financed Facilities.

ARBITRAGE COMPLIANCE

The arbitrage restrictions imposed under the Code include restrictions on the investment of proceeds of tax-exempt obligations at an unrestricted yield and the rebate of excess investment earnings to the federal government, as more fully described in the Tax Certificate and the Arbitrage Letter of Instructions, attached at Tab V.

Arbitrage Review

The Tax Compliance Officer will establish a timeline for review of arbitrage-related issues as more fully described below and to maintain the records and documents described below under "Recordkeeping." The Tax Compliance Officer is responsible for maintaining or causing to be maintained records documenting the investment and allocation of proceeds of the Tax-Exempt Obligations, determining if any spending exception allowed by the Code and set forth in the Tax Certificate is applicable to the expenditure of the proceeds of the Tax-Exempt Obligations, causing the rebate analysis for the Tax-Exempt Obligations to be prepared on each date that the Tax-Exempt Obligations or Tax-Exempt Conduit Obligations, as applicable, are discharged, or at other times required or permitted by the Tax Certificate and/or the Code, determining the amount of any required rebate due to the federal government, the applicable due date thereof and, making payment to the Trustee or Agent, as applicable, for deposit to the Rebate Fund, of the amount required to make any required Rebate Payment when due.

Temporary Period

The available temporary periods with respect to the Tax-Exempt Obligations are as set forth in Section 3 of the Tax Certificate. If any proceeds of the Tax-Exempt Obligations remain unexpended beyond the applicable temporary period, the Tax Compliance Officer must assure that such proceeds are yield restricted. Yield restriction will be accomplished through either an actual investment below the relevant yield or the making of yield reduction payments, as described in Section 3(b) of the Arbitrage Letter of Instructions found in Tab I. The Tax Compliance Officer will work with the Corporation's auditor or arbitrage consultant to make timely yield reduction payments.

Rebate

The Tax Compliance Officer will be responsible for ensuring that a rebate analysis with respect to the Tax-Exempt Obligations is performed at the times provided in the Tax Certificate.

Arbitrage Consultant

The Tax Compliance Officer will maintain a contract with a third-party nationally recognized arbitrage consultant (which may be the Rebate Consultant) (the "Arbitrage Consultant") for the purpose of providing arbitrage consulting services, including but not limited to:

1. Annual analysis of the Tax-Exempt Obligations
2. Yield restriction calculations;
4. Arbitrage rebate calculations; and
5. Technical support on an ad-hoc basis.

The Arbitrage Consultant will provide, on an annual basis, an analysis of the Tax-Exempt Obligations to review and identify potential arbitrage or rebate liability, issues regarding yield restriction compliance, and/or other arbitrage related issues. The Tax Compliance Officer will review the arbitrage analysis and coordinate with the Arbitrage Consultant to prepare any necessary filings and payments on a timely basis. Upon submission by the Tax Compliance Officer, the Tax Compliance Officer will timely file or cause to be filed with the IRS the appropriate IRS arbitrage rebate and yield restriction reports, Form 8038-T, along with any payments due with respect to the Tax-Exempt Obligations.

Recordkeeping

In order to satisfy the arbitrage recordkeeping requirements, the Tax Compliance Officer will create and maintain, or cause to be created and maintained, records (which records may include spreadsheets, bank statements, investment purchase confirmations, agreements, certificates, etc.) of:

1. Purchases or sales of investments made with the proceeds of the Tax-Exempt Obligations (including amounts treated as "gross proceeds" as a result of being part of a sinking fund or pledged fund or otherwise under section 148 of the Code, other than amounts that meet the exception for bona fide debt service funds) and receipts of earnings on those investments;
2. The allocations, by date and amount, of the proceeds of the Tax-Exempt Obligations to expenditures, together with purchase contracts, construction contracts, invoices, and cancelled checks;
3. Information and records showing that investments made with unspent proceeds of the Tax-Exempt Obligations after the expiration of the applicable temporary period were not invested in higher-yielding investments;
4. Information and records, including bank and earnings statements, that will be sufficient to demonstrate to the IRS, upon an audit of the Tax-Exempt Obligations, that the Corporation has complied with one or more available spending exceptions to the arbitrage rebate requirement with respect to the Tax-Exempt Obligations;

5. In the event that an exception to the arbitrage rebate requirement was not applicable, information and calculations that will be sufficient to demonstrate to the IRS, upon an audit of the Tax-Exempt Obligations, that the rebate amount, if any, that was payable to the United States of America with respect to investments made with gross proceeds of the Tax-Exempt Obligations was calculated and timely paid with Form 8038-T being timely filed with the IRS;
6. Information and records demonstrating that all rebate calculations and reports prepared in connection with the Tax-Exempt Obligations were prepared in accordance with the requirements of the Tax Certificate and the Code; and
7. Information and records showing that investments held in yield-restricted advance refunding or defeasance escrows funded with the proceeds of the Tax-Exempt Obligations were not invested in higher-yielding investments; and
8. The Tax Certificate.

MISCELLANEOUS

Training Requirements

The tax Compliance Officer will arrange for training for him or herself, any other Corporation personnel involved in implementing these procedures and any successor(s) regarding the requirements of these procedures and will periodically provide or arrange for training for each of such individuals concerning their respective duties under these procedures.

ATTACHMENTS

- | | |
|---------|-------------------------------------------------------|
| Tab I | Private Activity Restrictions on Private Business Use |
| Tab II | Private Business Use Questionnaire |
| Tab III | Remedial Actions |
| Tab IV | IRS FAQs on Record Retention |
| Tab V | Arbitrage Letter of Instructions |

AMENDED

ITEM 1410-53: APPOINTMENT OF CHIEF, OFFICE OF SYSTEM SAFETY

BENEFITS

The Office of System Safety has been established to monitor, review and evaluate safety measures, programs and incidents, as well as overall security statistics and the execution of ~~security~~safety programs pertaining to NJ TRANSIT's operations and facilities.

ACTION (Scorecard: Corporate Accountability)

The Executive Director appoints Gardner C. Tabon to the position of Chief, Office of System Safety at an annual salary of \$165,000 together with NJ TRANSIT's standard at-will employee benefits.

PURPOSE

This position requires an experienced, qualified professional with the knowledge and expertise necessary to manage the safety of NJ TRANSIT's complex transportation system.

BACKGROUND

Gardner C. Tabon has nearly 25 years of progressive industry experience. Mr. Tabon is a career professional with broad experience in rail, bus, vanpool and light rail system safety. Mr. Tabon's focus throughout his career has been the development, implementation, management and maintenance of corporate and regional safety, security and emergency preparedness-related policies and programs.

For the past six years, he has served as Chief, Safety & Security for Valley Metro in Phoenix, Arizona where he established and managed the System Safety Program Plan.

Previously, he has served as the System Safety Officer at the Metropolitan Atlanta Rapid Transit Authority for five years where he established policies and procedures that enabled the operating departments to function safely and efficiently.

Requested Authorization: Appointment of Chief, Office of System Safety

AMENDED

RESOLUTION

WHEREAS, The Office of System Safety has been established to monitor, review and evaluate safety measures, programs and incidents, as well as overall security statistics and the execution of ~~security~~safety programs pertaining to NJ TRANSIT's operations and facilities;

WHEREAS, This position requires an experienced, qualified professional with the knowledge and expertise necessary to manage the safety of NJ TRANSIT's complex transportation system; and

WHEREAS, Gardner C. Tabon has nearly 25 years of progressive industry experience and broad experience in rail, bus, vanpool and light rail system safety;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director appoints Gardner C. Tabon to the position of Chief, Office of System Safety at an annual salary of \$165,000 together with NJ TRANSIT's standard at-will employee benefits.

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss the status of pending and anticipated litigation and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim: Elba Galeno vs. NJ TRANSIT Bus Operations; and

BE IT FURTHER RESOLVED that it is expected that discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.

ITEM 1410-54: PERSONAL INJURY CLAIM OF ELBA GALENO

BENEFITS

It is the opinion of NJ TRANSIT and defense counsel, in recognition of the serious injuries that resulted, staff recommends a settlement of \$6,500,000.

ACTION

Staff seeks authorization to settle the claim of Elba Galeno through her attorney at a cost of \$6,500,000. The Attorney General has approved settlement cost of \$6,500,000, subject to the availability of funds.

PURPOSE

NJ TRANSIT By-Laws require Board approval of the settlement of all claims and lawsuits involving personal injury, death or property damage in excess of \$500,000. This case, venued in the Essex County Superior Court, Newark, NJ, has a settlement cost of \$6,500,000.

FISCAL IMPACTS

Requested Authorization:	\$6,500,000
Projected Date of Completion:	FY 2015
Anticipated Source of Funds:	FY 2015 Operating Budget
Diversity Goals/Participation:	Not applicable. No goods or services to be procured.

RESOLUTION

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

WHEREAS, Elba Galeno has presented a claim with a probable settlement cost greater than \$500,000; and

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

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to settle the claim of Elba Galeno through her attorney at a cost of \$6,500,000. The Attorney General has approved settlement of \$6,500,000, subject to the availability of funds.