

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

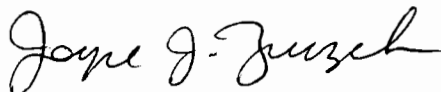
N TRANSIT
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Newark, NJ 07105-2246
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July 13, 2012

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Wednesday, July 11, 2012.

Sincerely,



Joyce J. Zuczek
Acting Board Secretary

Enclosures

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

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, July 11, 2012.

Present:

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

James Weinstein, Executive Director
Joyce J. Zuczek, Acting Board Secretary
Penny Bassett Hackett, Acting Assistant Executive Director, Communications & Customer Service
Joyce Gallagher, Vice President & General Manager, Bus Operations
Kevin O'Connor, Vice President & General Manager, Rail Operations
Joseph Kelly, Deputy Chief of Police
Michael Lihvarcik, Acting Chief Financial Officer & Treasurer
Steve Santoro, Assistant Executive Director, Capital Planning & Programs
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Leotis Sanders, Vice President, Office of Civil Rights and Diversity Programs
Carlos Ramirez, Assistant Executive Director, Corporate Affairs
Antoinette Walsh, Director, Internal Audit
Kenneth Worton, Deputy Attorney General

Chairman Simpson convened the Open Session at 9:02 a.m. in accordance with the Open Public Meetings Act.

Chairman Simpson asked for a motion to adopt the minutes of the June 11, 2012 meetings. A motion was made by Board Member Myron P. Shevell seconded by Board Member Flora M. Castillo and unanimously adopted.

Public Comments on Agenda Items and Other Matters

There were 16 public comments. Acting Board Secretary Zuczek announced public comments will be limited to five minutes in order to give everyone an opportunity to be heard.

Janna Chernetz said that Tri-State Transportation Campaign has been concerned about the operating budget for NJ TRANSIT and has been calling upon the state to contribute more money year after year to avoid having to transfer capital funds. Ms. Chernetz said that NJ TRANSIT could benefit more by investing in capital to keep the infrastructure in the state of good repair. She could not find a rational explanation as to why the state operating assistance this year has decreased by 76.3 percent.

Ms. Chernetz said that other capital operating reimbursements did increase 95.5 percent to compensate for the decrease resulting in a net loss of 1.1 percent. She asked if the Board could address what caused the significant increase and decrease.

Chairman James S. Simpson advised that Board meetings were one way conversations where the public had the opportunity to speak and where neither the Board nor the Executive staff were able to respond. He said that under the Christie administration, Board meetings are becoming more active and there is participation by the Board and the Executive staff. Chairman Simpson said that an effort to answer her question would be made, if not by the end of the meeting, before the end of the day.

Albert Papp, Jr. commented on the budget. Mr. Papp said that one would hope that in the future both the operating budget and capital budget proposals will be released to the public at least a week or two prior to consideration by the Board. Mr. Papp said that it would do well for NJ TRANSIT to release the budgets so that the public would have a greater opportunity and a longer time to examine them. He said that the cost of energy has stabilized and is going down. He expects that there will be no fare increases by NJ TRANSIT not only in Fiscal Year 2013 but also in Fiscal Year 2014.

Mr. Papp said that in May 2010 there was a significant fare increase for rail riders as well as the bus riders of NJ TRANSIT. One of the elements was the elimination of the off-peak round trip. Mr. Papp said when the off-peak round trip was eliminated and the 22.5 percent increase was added, the off-peak rider saw an increase of almost 50 percent. He asked that given the decrease of the cost of energy, he asked that the Board re-examine the reinstatement of the off-peak round trip. Mr. Papp said since it has been over two years since the fare increase was implemented, NJ TRANSIT has adequate documentation as to whether this fare increase was revenue neutral, positive or negative. Mr. Papp would like to see what the off-peak increase of almost 50 percent had on the ridership numbers. He said that NJ TRANSIT has a responsibility to the public and if there was a significant ridership decrease and not a significant revenue increase than the point of raising the off-peak fares by 50 percent has been negative.

Mr. Papp said that Amtrak announced a \$151 billion program to rebuild the Northeast Corridor called the Next Generation. He said included are new Hudson River rail tunnels. Mr. Papp said that NJ TRANSIT's Access to the Region's Core program did not include a component to allow Amtrak trains to use that tunnel, but fortunately the Amtrak plan will provide additional capacity for NJ TRANSIT trains. He said that is a step in the right direction and urged NJ TRANSIT management and the Board to take an active role in the formulation and configuration of additional Hudson River tunnels that are materialized.

Chairman Simpson asked that Executive Director Weinstein provide a report to the Board with the off-peak revenue and ridership numbers.

Orrin Getz said NJ TRANSIT should follow the example of what Metro North is doing with reverse peak rides which are now a major portion of Metro North's weekday ridership. People who live in Manhattan and the Bronx and live in the suburbs are

becoming a major portion of their riders. Mr. Getz said that NJ TRANSIT has a major advantage over Metro North because it has its own extensive bus system. If bus and rail coordinated, it could be a very effective way of getting people out to those suburban jobs and additional revenue.

Mr. Getz said NJ TRANSIT should revisit the Memorandum of Understanding on the Pascack Valley Line concerning the two missing sidings in Oradell and in Montvale New Jersey. Without these two sidings, he said there are 14 miles of single track operation within ten stations which is a major constraint for improving service on the Pascack Valley Line and should be revisited. Mr. Getz said NJ TRANSIT should go back to the communities involved in the lawsuit and see if better terms can be negotiated so that the sidings can be built. He said it would be a great advantage for NJ TRANSIT to be able to improve service on the Pascack Valley Line.

Mr. Getz said NJ TRANSIT has to put into effect an off-peak fare plan that attracts more discretionary riders. He said both Metro North and the Long Island Railroad have off-peak fares and that has been a major portion of their increased ridership as they have been able to attract the discretionary rider. He said possibly using a fare structure system similar to Metro North and Long Island Railroad could be the most effective way to run an off-peak system.

Chairman Simpson said NJ TRANSIT will look into the Metro North and Long Island Railroad's systems.

David Peter Alan said that before he begins his statement on behalf of the Lackawanna Coalition that he would like to say two things about the Senior Citizen and Disabled Resident Transportation Assistance Program. He is aware of the importance of today's item about grants for the transportation of seniors and persons with disabilities and how vital the mobility they provide is to the people who need it the most. Mr. Alan heard that Steve Fittante will be the new Director of Local Programs and Minibus Support. Mr. Alan said he has the greatest respect for Mr. Fittante, both for his knowledge and policies.

Mr. Alan said that with respect to the Lackawanna Coalition, it is difficult to address the budget in detail with the amount of information he has, but his column in the *Railgram* addresses it generally. The Northeast Corridor is in terrible condition and that bus routes are being eliminated while others are reduced. Mr. Alan said that NJ TRANSIT spends hundreds of millions of dollars for dual-mode locomotives without a plan to use them and for 100 multilevel cars that will not be needed under any reasonable service plan. The riders and taxpayers of New Jersey cannot afford this sort of unnecessary spending and it is time for NJ TRANSIT to get its spending priorities straight.

Mr. Alan said that June 24, 2012 was a historic evening for the Coalition as its guest speaker was Chairman James Simpson. Mr. Alan thanked Chairman Simpson for visiting and extended another invitation to him.

Mr. Alan said that a problem has arisen in the efforts to improve citizen participation and transparency at NJ TRANSIT. Mr. Alan said that there was no longer reason to believe that the North and South Jersey Advisory Committees violate their Bylaws by barring

non-members from their meetings and allowing their chairs to serve because they have removed the provisions requiring open meetings and enshrined their Chairs effectively with life tenure. He said that further research was necessary to determine whether or not it is lawful, but that it directly contradicts Board policy enacted in 1980 that calls for maximum public participation. Mr. Alan said that he is deeply concerned that those committees' management liaison, John Leon, has advocated for continued secrecy, including secrecy of the process that officially removed public participation from the By-laws. He said that either Mr. Leon was articulating NJ TRANSIT policy or acting contrary to his authority. Mr. Alan asks that the question of which is factually correct is answered.

Mr. Alan said that barring non-members from meetings where policy is made leads to bad policy decisions and the new bicycle policy is case in point. Mr. Alan said that the North Jersey Transportation Advisory Committee was charged with recommendations for the policy but because the organization holds secret meetings, the cycling community had no opportunity to present their views about the restrictions that make it almost impossible to go towards the City on the weekend with a bicycle.

Mr. Alan said he has doubts about the legality of the weekend restrictions, but that he is not affected personally so he is not the person to challenge them. He said that if it is NJ TRANSIT's policy that the North and South Jersey Advisory Committees continue to operate in secrecy and without public notice and participation, that the public interest requires that the policy be changed before those committees recommend any more bad ideas.

Neile Weissman, New York Cycle Club, said that he leads 50 group rides per year and would like to speak about the new bicycle boarding policy. On Sunday, eight cyclists were going from New York to Dover and back to New York via the Port Jervis Line. Mr. Weissman said that he has been doing this route for a number of years and that it is not cheap as it costs \$45 in rail fare plus food. He said they would arrive on the platform and the conductor would put them in the empty car, but that it did not happen this time. Mr. Weissman said that the conductor had a yellow sheet of instructions dated July 1, 2012 that said that cyclists could only enter through train doors with an ADA symbol. Mr. Weissman looked at the NJ TRANSIT website that said they could access cars from all stations, but the conductor said that his instructions took precedent and that if he put the cyclists on the train he would lose his job. Mr. Weissman contacted customer service and advised that there were eight cyclists stranded in Port Jervis. Mr. Weissman said that the next train arrived and the conductor asked whether they were the bicycle group and he put them all on the rear car. Mr. Weissman said that he was not going to complain about a conductor or speculate as to what happened, but that he was there to speak about why cyclists are still being denied access to trains with excess capacity. Mr. Weissman said that on the train back from Port Jervis, the first two cars were never full. He said by putting bicycles between the seats as the conductor had suggested, more than two dozen cyclists could have been accommodated in that car.

Mr. Weissman said that the issue is that there is no way for a cyclist to know what rolling stock will be on what line or whether there will be other cyclists waiting and have already been given the spots. There is no predictability and without that there is no

access. Mr. Weissman said that Metro North designates 45 trains per weekend each with a capacity of 15 plus 200 regular trains with no rush hour restrictions, which means that Metro North commits to moving 2,200 bicycles each weekend and he has never been put off a Metro North train. He said that NJ TRANSIT needs to go "all in" and every weekend double-decker trains and every single level train with routinely closed off doors, should be a bicycle train. Mr. Weissman read a list of names and comments made by other bicycle clubs.

Chairman Simpson advised that the Board was livid when it heard what happened to his group of cyclists on Sunday. He asked that Executive Director Weinstein explain what happened on Sunday. Chairman Simpson said there are 11,000 employees, the policy has been changed, and apologize for what happened. Chairman Simpson said that the Board would like to promote bicycles on trains when possible. Executive Director Weinstein apologized for what happened and explained that in copying the order, old language was mistakenly incorporated in what was given to the crews. Executive Director Weinstein said he is hearing what the bicycle advocates are saying and suggests that this be looked at more closely to find a way to accommodate the bicycles not only in a way safe for the cyclists, but also for other customers. Mr. Weinstein asked for Mr. Weissman's statement.

James Raleigh said he is an infrequent rider on the Coast Line and that this morning the Matawan Express was on time better than it has been for the past 8 or 10 months. He said there has been talk about New Jersey state budgets and NJ TRANSIT budgets for five or six years. Mr. Raleigh said the Scorecard is extremely limited. He said that the on-time performance reported is not really valuable considering the pad in the schedule. He also said there should be more study of connections from Matawan to New Brunswick or Trenton as connections have to be made at either Rahway or Newark, but with the express trains not stopping at Rahway, the options to use the connections to New Brunswick are limited. Mr. Raleigh said a look needs to be taken of the system in terms of rail connections and bus connections as Matawan has no NJ TRANSIT bus service. Mr. Raleigh mentioned last month that as a Matawan rider he did not know that there was bus service at Secaucus. Two years ago he asked for revenue by line and not just the Northeast Corridor. Mr. Raleigh said that Monmouth Medical Center is a major employer at Long Branch so he said that what has to be looked at is how useful Long Branch was for people that live in Bay Head and work at the hospital and not just how useful it is for people who live in Long Branch and work in New York.

Mr. Raleigh said that last month he spoke about the process of the budget and feels like he is repeating himself about making things available to the public. Last month, the Senate and Assembly committees announced the budget when they have their first hearing and they have a three day period that the budget is available for both members and the public to review. He said that the budget is part of a strategic plan, but that he has yet to see one. Mr. Raleigh said that he sees a capital plan that provides NJ TRANSIT with a tremendous opportunity to allocate more money to work on improvements to the Northeast Corridor.

Pat Riley, United Transportation Union, said that there was an assault that took place on an Assistant Conductor on July 4, 2012 at Elizabeth Station in Elizabeth, New Jersey. He said that Elizabeth Station is a high crime area and over the last few years has had several violent acts occur at the station. Mr. Riley said that this station is only used by NJ TRANSIT and not by Amtrak. He was shocked to learn that there was no video surveillance at the station being such a high crime area. He said since 9/11 most crew yards, rail facilities, and stations have had video surveillance installed. Mr. Riley asked that the Board consider installing cameras in high crime stations including Elizabeth, as this will not only help the Police Department, but the employees as well.

Chairman Simpson said Chief Trucillo is not present today, but that it will be looked into. Executive Director Weinstein advised that there is currently an Elizabeth Station capital project.

Jenny Crumiller, Member of the Princeton Borough Council, said she has two requests. Ms. Crumiller asked that NJ TRANSIT hold a Public Hearing before granting Princeton University's request to relocate the Dinky Station and vacate the public right of way on the property, which is a valuable real estate asset that is being given away for free to a private institution that holds a \$17 billion endowing. She said that although the move would be a downgrade for the commuters, no public hearing is required by law, and she asked if NJ TRANSIT would hold a public hearing because it is the right thing to do. Ms. Crumiller said that representatives have said that this is a done deal and if that is so, it was a bad deal for taxpayers that was made between unknown people behind closed doors for unknown reasons.

She said that the second request is to share the Attorney General's determination that says that this deal is legal. Ms. Crumiller said that representatives said that although moving the station may decrease ridership that it does not matter because there is a contract that gives the University the right to move the Dinky wherever it wants. She said the language is vague in the 1984 sale of the property. It is difficult to believe that the vague language justifies giving up the right of way and the easement. After reading an excerpt from the contract, Ms. Crumiller asked whether the Board really believes that it justifies moving the station off of the property.

She said that the University has sold this project by promising \$300 million in economic profits for New Jersey as a tradeoff for moving the Dinky, but that this is a false dichotomy. Ms. Crumiller said that the University owns nearly all the land on Alexander Road in Princeton and that keeping the existing track will not deter the project as it is only 460 feet of track. She said that the current station is convenient as it was designed and allows for easy pick-up and drop-off, is connected by a sidewalk to Downtown, and NJ TRANSIT representatives have said that it is performing better than average in terms of ridership. Ms. Crumiller asked that this be looked at carefully and that NJ TRANSIT provide both a public hearing and the Attorney's General's decision in writing.

Mayor Yina Moore said that she grew-up in Princeton in a transportation family. She said the Dinky's proximity to the center of town and walk-ability is the key to the sustainability of the community. Mayor Moore said that she is also an alumna of Princeton University. She said that the school is planning an academic building on

Alexander Street and proposes to move the Dinky 460 feet to the center of its property and farther away from the walkable population of the town.

Mayor Moore was proud to have been a former NJ TRANSIT employee and had sent a letter to the Governor requesting a public hearing. As Ms. Crumiller pointed out, the public hearing would be for the community to discuss the plans for the changes to the Dinky. Mayor Moore said that a change in the station is a diminution of service to commuters who walk to and are dropped off at the Dinky. The newness of the station is of no value to the ridership and will not increase the ridership.

Mayor Moore said that while the Borough of Princeton conducted many reviews and hearings, the Borough passed a resolution against moving the Dinky. There are various types of configurations for maintaining the land use. Mayor Moore said that while the relocation is being proposed, there have been many dismayed citizens concerned with the move of the Dinky and these meetings, in no way, constitute an NJ TRANSIT public hearing. She said the community deserves the courtesy of the process and the professionalism that she knew and worked within as an NJ TRANSIT employee.

Bob Durkee, Vice President and Secretary at Princeton University, said that he has been part of the senior administration there since 1972 and has overseen relationships with local communities since 1978. Mr. Durkee said that in 1984, at a time where transit service between Princeton and Princeton Junction was in peril, Princeton University and NJ TRANSIT reached an agreement which provided NJ TRANSIT with almost \$900,000 which it used to sustain the Dinky service where it continues to this day. He said that NJ TRANSIT also received an easement to operate this service on University land, provide commuter parking spaces and maintenance to the station building. Mr. Durkee said that the University obtained ownership of the two buildings and surrounding land along with the right to relocate the terminus of the Dinky to the south at its own expense as long as it provided a platform of a designated length. He said that a 1996 addition to the agreement signed after the terminus had moved from the north to the south building reaffirmed the University's right to relocate the terminus to the south in the future.

Mr. Durkee said that the University has purchased other property in the area and in 2005 launched a campus planning effort that proposed activating this right to relocate the terminus as part of a \$300 million project that would establish a major center for the arts adjacent to the existing theaters, reduce peak hour traffic and improve traffic flow in the surrounding area, create a new train station with new high level platforms adjacent to a relocated Wawa, provide substantial commuter and other parking along with easy access for drop-off and pick-up for buses, taxis and shuttles, convert the existing station buildings into a restaurant and café, create attractive public spaces with attractive landscaping, and achieve a substantive attainability goal.

He said that this project straddles the current dividing line between Princeton Borough and Princeton Township, a line that will disappear on January 1, 2013 when the two communities merge into the Town of Princeton.

Mr. Durkee said that throughout discussion over the last seven years, NJ TRANSIT has been steadfast in its commitment to honoring its agreement with the University, the validity of which has been confirmed many times over, and expressing its support and

excitement over this project. He said that presentations to local officials have cited written statements by the current Executive Director and predecessors as well as by the Governor and representatives of NJ TRANSIT that have participated in a number of public meetings. Mr. Durkee said that the project and relocation of the station have been discussed at 15 borough council meetings, 9 township committee meetings, 11 planning board meetings, 3 joint meetings, and 14 other public meetings. He said that this project has not lacked opportunities for extended public discussion.

Mr. Durkee said that recently NJ TRANSIT received permission to relinquish the current easement which it will no longer need once the terminus has been relocated and a new easement for the location is in place. He said that the approval follows two lengthy public hearings where anyone interested in speaking could speak and after an NJ TRANSIT hosted open house in Princeton.

He said a letter from NJ TRANSIT to the Council said that the Dinky will continue to connect to Princeton Junction and that there is no elimination of service under this plan. Mr. Durkee said that Princeton University shares the hope that the new station, easement, access and attractions will encourage additional ridership. He said currently more than half of the Dinky users are associated with the University so a goal of the project has been to enhance the Dinky experience.

Rose Heck said she is waiting for some communication from NJ TRANSIT on a major project for the County of Bergen and for the Borough of Ridgefield and asked if there is some way that communication can be increased. She suggested if status reports or bullet points could be provided on how to have the panel expedite this project. Ms. Heck said she would like to re-emphasize that she has been waiting since 2000 to bring Light Rail into Bergen County and the County has gone through every type of economic crisis there ever was and ever will be, but wants to focus on the need of the Light Rail as an economic engine for Bergen County and the redevelopment of the Borough of Ridgefield

John Mitchell, Chairman for the Bergen County Board of Freeholders, said that he is very anxious to get some information on the Light Rail and wants to use this opportunity to invite the Board to one of its meetings for a briefing. Mr. Mitchell said that they are looking at every possible way to revitalize Bergen County in terms of business development and business retention. He said that they view Light Rail as a key aspect of this and asked that a mutual convenient time be set up to invite the Chairman and his colleagues to make a presentation.

Vice Chairman Bruce Meisel said that he would attend the meeting as he is very familiar with Ridgefield and knowledgeable about the towns along the track. Vice Chairman Meisel read the eight the reports in detail about the Light Rail proposals so that he would be happy to attend the meeting, share some of the things that he has read, and listen to their points of view as well.

Jack May said at the March 14, 2012 Board Meeting he presented two proposals regarding the Light Rail service in New Jersey; both were the idea to increase the amount of revenue that NJ TRANSIT receives because money is tight. He said that one was to apply the current Newark City Subway underground fare to the entire downtown

area including the Broad Street branch and the other was to eliminate the parking fee for the Hudson Bergen Line on weekends. Mr. May said that both were based on the idea that this would increase ridership. He said that in Minneapolis they would be cutting fares to stimulate ridership. Mr. May said that it is a very small amount of revenue that would be lost by extending the low fare through the Broad Street branch and eliminating the parking fee. He asked if someone could get back to him on his proposals.

Philip Craig, Director of the Association of Railroad Passengers, said that within the past month he purchased a ticket at the Upper Montclair Station and was charged an incorrect fare. Mr. Craig said that it was either a malfunction of the machine or he selected the incorrect ticket, nevertheless he got in touch with Charles Ingoglia and asked to bring this to NJ TRANSIT's attention. Within one hour of his message, he received a telephone call from Rick Klittich in Customer Service and was completely satisfied with the response that he received from NJ TRANSIT.

Mr. Craig said with regard to agenda item 1207-34, the capital budget for 2013, it says that it includes the purchase of power cars for the use in conjunction with the multi-level coaches. He said that as an organization, for years he has encouraged the use of multiple unit electric cars, and he was extremely encouraged by NJ TRANSIT moving in that direction. Mr. Craig said that by using these cars he hopes for the reduction or elimination of padding in the schedule.

Regarding the off-peak round trip fare, Metro North and the Long Island Railroad have a one way off-peak fare and he suggests that NJ TRANSIT take a look at that as a possibility as it eliminates the issue of the passenger boarding the train with a round-trip ticket not valid during their period.

Mr. Craig asked the Chairman for a status report on the Lackawanna cutoff project. He said that there was chatter on the internet and he thinks that it would be beneficial if NJ TRANSIT would say what is happening with that project.

Joseph Clift said the best place for the bicyclists to board are where the cars are closed-off. He said that he finds it sad that Princeton University, working with the local community, has not figured out that it should avoid moving the station 460 feet away as we have spoken continuously here about transit oriented development and would figure that there would be a way to put that facility inside the growth area rather than on the edge.

Mr. Clift said that the program being voted on today has an increase of \$60 million for the Northeast Corridor, but it is not much more than last year and is way down from the previous years. He has three requested follow-up actions - the first being that it is in the prerogative of the Executive Director or Board Chair to increase any part of the capital budget as they have the right based on the resolution and the act passed by the legislature last month to move money around. Mr. Clift asked that \$42 million be moved from other places into the Corridor. His second item is to use this increased funding to go back to Amtrak as there is an expiring agreement on operations and capital and that can be used as a leverage to get a better deal for NJ TRANSIT. Mr. Clift said that

NJ TRANSIT should pursue 60 Hertz on the corridor and a specific program for improvements that NJ TRANSIT will pay for.

Mr. Clift feels sorry for the Capital Planning, Policy & Privatization Committee as he does not see how with what they have, even with more than the 24 hours given to the public, they can make a decision. Mr. Clift said that most of what is being asked to be approved are taxpayer subsidies and he hopes that there is enough information to make an intelligent decision. He said there is no explanation on line items for the operating budget. Mr. Clift said that on the capital program for the Northeast Corridor, there is a single line of which 9 out of 10 columns have a zero in it and there is no way to know what previously happened. He said that it would behoove the process next year to not only indicate what is being done with the money, but note if there is a change and why.

Mr. Clift said that the ad revenue contract that is coming up is good news because the new contract would give NJ TRANSIT more money. He said unfortunately that contract being approved today is the same 60 percent of net revenue and would have hoped that in the first year it would have been more aggressive. Mr. Clift said that these are dollars that do not cost the riders or the taxpayers, and that these are the dollars NJ TRANSIT should pursue.

Ray Greaves, Amalgamated Transit Union, said he also has questions on the line items and would like an explanation. He said thousands of passengers interact with his members on a daily basis. Mr. Greaves said that people rely on the union to get to work, go to school, visit their doctors, and for so many other reasons. He said that transit plays a huge role in New Jersey's economic recovery. Mr. Greaves said that we cannot afford to stop when so many residents are relying on mass transit. He understands that funding is an issue and that NJ TRANSIT's management is under a lot of pressure to cut expenditures, but he said that the bus optimization initiative is not the way to get it done. Mr. Greaves said that he knows that there are better ways, such as interest rate swaps, to find savings that will greatly benefit passengers, the transit system, and the taxpayers of New Jersey. He will provide the Board with more information on this issue should it be requested.

Mr. Greaves said he appreciated management's decision to drop the proposal to eliminate the 78 after listening to the public and coming to the realization that the termination of service would negatively impact riders and create a tremendous hardship. He requests that NJ TRANSIT reconsider the elimination of the other lines as NJ TRANSIT has heard from numerous other people that rely on those lines and from representatives from Tri-State Transportation Campaign. Mr. Greaves said that there used to be commercials with catchy songs that said "take NJ TRANSIT to make a difference in your life." It is true as NJ TRANSIT heard it through emotional pleas because people do take NJ TRANSIT to make a difference in their lives. Mr. Greaves said that commuters do not want to be left stranded or inconvenienced by longer commutes and they do not want to use the alternative commutes. Mr. Greaves urged NJ TRANSIT to re-evaluate the plan.

Board Member Comments

Chairman Simpson asked the Board Members if they had any comments. Chairman Simpson said that with respect to the last speaker's comment about the subsidy and also Jenna Chernetz's question on the operating subsidy, that it is really an accounting item. He said that there was originally \$226.5 million going directly from the Turnpike to the State and that there has been an accounting shift and the \$226.5 million is now going directly to NJ TRANSIT. Chairman Simpson said that the reduction is \$9.7 million and that is because this operation has been run more efficiently by the good management of NJ TRANSIT. He said that the additional \$9.7 million that was needed last year is not needed this year because operating efficiency has been achieved.

Chairman Simpson said with regard to Mr. Cliff's comment about the Northeast Corridor, the Board does not believe that it should write blank checks without knowing what will be received in return. NJ TRANSIT is working diligently with Amtrak on improvements from New Brunswick to New York. Chairman Simpson advised that he and Executive Director Weinstein have a meeting with the President of Amtrak next week. Once the problem is determined, a financial plan will be put together that is fair for New Jersey and the taxpayers as this is a critical corridor for most of NJ TRANSIT riders.

Vice Chairman Bruce Meisel said that as the new chairman for the Capital Planning Committee he hopes to enhance the process next year so that there is more transparency and more time to consider the operating budget in advance.

Advisory Committee Report

Suzanne Mack presented the Advisory Committee report. Suzanne Mack said that she would like to point out a disadvantage of having public comment prior to the Board meeting as she assumes there will be a presentation on the budget item. She said that in speaking to the budget item she will repeat what much of the public has said that having the responsibility for a \$3 billion budget for capital and operating is daunting for the Board.

Ms. Mack said that she agrees with Mr. Cliff that the Northeast Corridor is very important and she is happy to hear the Board did make it a priority. She joins Executive Director Weinstein on being embarrassed about what happened on Sunday to the bicyclists. Ms. Mack said that the policy was rushed in order to be made available for the summer. She said that she agreed with the suggestion made by Chairman Simpson that there needs to be a 24 hour contact at NJ TRANSIT. Ms. Mack said that from her point of view her committee worked hard despite what people say about it and she said that she has come to realize that a lot of it has to do with communication. She said that the organization is working hard on a number of issues, but when the public is unhappy with the outcome, that the communication feedback has to be reviewed.

Ms. Mack said that there is an operating budget of \$1.9 billion that will continue to put services on the street and create employment, but that at the same time her committee was disappointed with the bus optimization plan. She said that questions were asked,

not all of which have been answered, but that the committee is happy to see that the 78 was saved.

Senior Citizen and Disabled Resident Transportation Advisory Committee Report

Sam Podietz, Chairman of the NJ TRANSIT Senior Citizen and Disabled Resident Transportation Advisory Committee, thanked the NJ TRANSIT Board of Directors, Chairman Simpson and Executive Director Weinstein for the opportunity to address the Board.

Mr. Podeditz was pleased that the Board would consider two items of great importance to the senior citizens and disabled residents. The first item is the authorization of nearly \$47 million in funding to be administered during Fiscal Year 2013, under a variety of programs that pass through funding to counties and other subrecipients. He said the largest part of this funding is the Senior Citizen and Disabled Resident Transportation Assistance Program or Casino Revenue funding.

Mr. Podeditz said the counties in the State of New Jersey depend on Casino Revenue funding for a large portion of their transportation budgets. He said most counties also supplement this funding with other funds available to them for transportation, but it is the largest single source of funding for transportation for elderly and disabled. He said the Citizens Advisory Committee greatly appreciates the approval of the Fiscal Year funding through the Casino Revenue Fund.

Mr. Podeditz said in addition to Casino Revenue funding, the Board will consider authorizing the use of about \$24 million in federal funding for transportation to be provided by counties and other subrecipients for services that help senior citizens, disabled residents, low-income workers, rural residents, and others. Many of these services feed and complement other services provided by NJ TRANSIT, ensuring that people who depend on public transit throughout the State of New Jersey will find a service near them that can take them where they need to go.

Mr. Podeditz said in addition, the Board is considering authorizing the purchase of 200 vans and minibuses that will be put in service around the state. The vans and minibuses will be operated by counties and private non-profit agencies, and will carry senior citizens, disabled residents, and people who are very much in need of transportation. These vehicles will be put to use around the state where the needs warrant a vehicle of this size. Mr. Podeditz said the use of these vans and minibuses for services that bring people to NJ TRANSIT's rail and bus lines, as well as for services that complement NJ TRANSIT's service, is a great example of how transit service can be delivered most efficiently. This will help NJ TRANSIT meet its scorecard goals.

Mr. Podeditz thanked the Board for their consideration of these items that are of such importance to many people. He said in the months ahead, the Committee would like to update the Board about efforts going on around the state to improve community transportation services. The Committee is working on ways that NJ TRANSIT and community transportation providers can work together to meet the growing need for service in the future.

Mr. Podeitz said he will continue to work with Executive Director Weinstein and NJ TRANSIT staff to maintain these needed services.

Board Administration Committee Report

Board Member James C. Finkle Jr. presented the Administration Committee report to the Board. The Administration Committee discussed the operating and capital budgets and the Bus Service Optimization Initiative. In addition, they reviewed the grants programs for local transportation that will benefit senior citizens, persons with disabilities and rural and economically disadvantaged residents.

The Committee discussed the advertising contract that will generate additional non-farebox revenue and also reviewed the need to enter into a contract for the purchase of technical services to conduct a counter-terrorism risk assessment.

Board Capital Planning, Policy & Privatization Committee Report

Vice Chairman Bruce Meisel presented the Capital Planning, Policy & Privatization report to the Board. The Capital Planning, Policy and Privatization Committee also discussed the operating and capital budgets as well as the Bus Service Optimization Initiative.

The Committee discussed the purchase of vehicles for local community transit services and the construction contract for a building rehabilitation at Hoboken Terminal and also reviewed items that will restore bridges to a state-of-good repair.

Executive Director's Monthly Report

Executive Director Weinstein presented his monthly business report:

Executive Director Weinstein asked for a moment of silence for Tom Woods who passed away last Saturday. Mr. Woods was an NJ TRANSIT employee for 25 years and will be greatly missed.

Customer Forums

Customer feedback is an important part of NJ TRANSIT's "Scorecard" initiative. Last month, NJ TRANSIT hosted another round of "We Are Listening" forums at three key locations to give customers the opportunity to interact with senior management and operations personnel face-to-face.

The forums were held June 19, 2012 at the Port Authority Bus Terminal, June 20, 2012 at New York Penn Station, and June 21, 2012 at Hoboken Terminal.

These forums play a critical role in improving the overall customer experience, providing riders with a personal, one-on-one way of offering their feedback, while also keeping senior level staff in touch with the commuting experiences of the very people who utilize the system every day. These important forums will be scheduled at regular intervals.

Google Wallet

Last fall, NJ TRANSIT became the first public transportation agency to partner with Google Wallet to give customers the option to use their smart phones to tap and pay for transportation tickets at select locations.

Google Wallet is a free mobile application that transforms customers' smart phones into their wallets, storing virtual versions of their credit cards on their phones to allow for easy "tap and pay" transactions.

NJ TRANSIT customers can currently use Google Wallet for ticket purchases at New York Penn Station and Port Authority Bus Terminal ticket vending machines and ticket windows, Newark Liberty International Airport Rail Station (AirTrain), and on selected bus routes.

By partnering with Google, NJ TRANSIT is leading the industry by tapping emerging technologies that will streamline the way customers buy their transportation tickets.

Continuing this partnership, on Saturday, July 14, 2012, Google Wallet will be sponsoring a special Beach Train, departing New York Penn Station at 9:00 a.m. and operating express to Long Branch.

Google Wallet representatives will be at the station on Friday and on Saturday morning to purchase Beach Packages in advance for customers, using Google Wallet of course, which is a great way to promote awareness of NJ TRANSIT's Summer Services.

Customers will enjoy a free ride and a fun Google Wallet "party" train, all while learning how easy it is to use Google Wallet and experiencing how convenient it is to take the train down the shore, beating traffic and tolls.

This is also a great example of the ongoing effort to maximize non-farebox revenue, generating revenue through Google Wallet's rental of an eight-car train for this event, as well as a media agreement for various advertising spaces.

Budget

The Fiscal Year 2013 operating and capital budgets are being presented today for the Board's consideration. On the capital side, the \$1.152 billion program focuses on critical infrastructure and state-of-good-repair needs, while also supporting NJ TRANSIT's ongoing fleet modernization program. By keeping the portions of the system that NJ TRANSIT controls in a state-of-good-repair and investing in the busy Northeast Corridor, NJ TRANSIT continues to be good stewards of the infrastructure and rolling stock, which in turn enables NJ TRANSIT to operate reliable and efficient service. Roughly half of the capital budget comes from the State of New Jersey, with the balance coming from federal and other sources.

On the operating side, the \$1.904 billion program represents the second lowest overall budget growth in the last 15 years, all while keeping fares stable. This reflects the steadfast commitment to operating efficiently while maximizing resources to best serve

the interests of both customers and taxpayers. This year's operating budget reflects a \$13.2 million increase in passenger revenue, the result of modest projected growth primarily due to the improving economic climate. Overall, customer revenue accounts for nearly 50 percent of the total Fiscal Year 2013 operating program.

Bus Optimization

The Bus Service Optimization Initiative announced earlier this year is designed to ensure that the bus system operates at maximum efficiency by making the most strategic use of resources.

Last month, NJ TRANSIT conducted an open public comment period and held two public hearings and an information session to give customers and members of the public the opportunity to offer their feedback on the proposal.

During this public outreach process, NJ TRANSIT received 101 comments from the public on the Bus Optimization proposal, all of which have been taken into account in preparing a revised proposal for the Board's consideration today. The public hearing process provided a clearer understanding of the impacts of discontinuing one particular bus route. Compelling testimony from No. 78 bus customers made it clear that eliminating the No. 78 would have a profound impact on their daily lives. In particular, NJ TRANSIT heard from those who may be unable to find transportation to their places of employment. In response, the revised plan presented to the Board today keeps the No. 78 intact. Executive Director Weinstein said clearly that this revision is directly in response to what was heard from the riders, demonstrating that the public hearing process works. The route will continue to be monitored and adjustments made as needed as part of the regular bus scheduling process.

Executive Director Weinstein thanked the customers for their feedback, the Board and the dedicated staff for their work to make these hearings and the entire comment period open, inclusive and transparent. Make no mistake, your voice was heard.

Budget Presentation

Executive Director Weinstein introduced Michael Lihvarcik, Acting Chief Financial Officer and Treasurer, to present a more detailed presentation of the Fiscal Year 2013 Operating Budget and Steve Santoro, Assistant Executive Director for Capital Planning and Programs, will then present this year's capital budget.

Mr. Lihvarcik presented the operating budget revenue summary and said the Fiscal Year 2013 revenue budget totals \$1.904 billion. It is an overall increase of \$9 million over Fiscal Year 2012 or 0.5 percent and is the second lowest growth rate in the last 15 years. It is less than the current inflation rate of 2.3 percent. The State operating assistance, when combined with other reimbursements, keeps the Fiscal Year 2013 budget at the Governors recommended funding level.

Mr. Lihvarcik said there will be no fare increase for the third consecutive fiscal year. There has been incremental customer fare growth of 1.5 percent based on current

ridership trends. The growth in non-farebox revenue of \$5.5 million is consistent with Scorecard.

Mr. Lihvarcik said the labor and fringe benefits costs represent the majority or almost 60 percent of NJ TRANSIT's operating budget. He said purchase transportation, which is bus, rail or light rail service contracted by NJ TRANSIT, is at 11 percent.

Mr. Lihvarick presented the Operating Budget Expense Summary and said the Fiscal Year 2013 expense budget totals \$1.904 billion and equals total revenues for a balanced budget and funds only mandatory expense growth. Labor and fringe benefits costs as well as utility costs are reduced and it funds all previously negotiated contractual growth in purchased transportation. He said there are reductions in Labor & Fringe benefits by two percent over Fiscal Year 2012 through actions such as an aggressive managed attrition program and a continuing wage freeze. There are utilities savings resulting from new technology and the renegotiation of natural gas contracts. The largest growth item is for Port Authority and New Jersey Turnpike toll increases. Mr. Lihvarcik introduced Assistant Executive Director for Capital Planning & Programs, Steve Santoro, to present the Fiscal Year 2013 Capital Program.

Mr. Santoro presented the Fiscal Year 2013 Capital Program. He said many of this year's Capital program initiatives are specifically targeted at improving efficiency and meeting Scorecard goals. NJ TRANSIT's Capital Program is one of the primary means through which improvements and expansion of service are delivered.

In Fiscal Year 2013 the Capital Program is 1.2 billion dollars, very similar to the Fiscal Year 2012 Capital Program, more than half is provided by the state Transportation Trust Fund, which is funding \$589 million in Fiscal Year 2013. Another \$529 million is anticipated from federal sources. The balance of the program is funded by casino and local sources. Mr. Santoro said his program does not reflect the recently signed MAP-21 transportation bill and said over the next several months there will be appropriate adjustments to the Program

Mr. Santoro said a large component of how to get better (in terms of operating efficiency and customer service), is by maintaining a "State of Good Repair." State of Good Repair is more than simply keeping the existing assets in working order. It is a commitment to care for and improve the infrastructure and rolling stock in which stakeholders and taxpayers have invested. Being a good steward of those investments includes the regular replacement or rehabilitation of vehicles, bridges, track, and the electric traction systems.

Without these continued investments, vehicles would age, their reliability would decrease, and, bridges and track would degrade and compromise operating efficiency and safety. It is critically important to maintain a Capital Program that is both properly sized and sustainable year after year.

Mr. Santoro said Capital Maintenance and debt service funds for rail and bus operations represents more than 50 percent of the Program. In bus operations, approximately 200 buses are replaced per year. Given the size of the fleet and the life expectancy of a

bus, at least that many buses every year need to be replaced to simply maintain the age of the fleet at a reasonable level.

In rail operations, funding is provided for infrastructure improvements which includes the regular replacement of track, signals and bridges. In Fiscal Year 2013, the design or construction on three bridge rehabilitation projects will begin. Also in rail operations, funding is provided for continued station improvements. Under construction is the Pennsauken Transfer Station which will allow a transfer between the RiverLine light rail and the Atlantic City Rail Line. This station will open in Fiscal Year 2013.

While State of Good Repair and supporting the Scorecard goals are primary efforts, planning for the future and a rebounding economy in which capacity increases will be needed. He said it also needs to be done in a cost-effective manner. For example, the aging single-level rail fleet will be replaced with multi-level equipment to provide additional capacity for future growth. He said in these leaner years, prudent and cost effective investments and multi-levels are a great example. They provide 20 percent more seating than a single level vehicle and their popularity with the riders is unprecedented.

Mr. Santoro said the Fiscal Year 2013 program provides for continued funding for improvements to the Northeast Corridor that are targeted to enhance the reliability and efficiency of operations. He said working together with partners at Amtrak, both to make joint benefit improvements as well as upgrades aimed specifically at commuters, will continue. It is these kinds of focused investments that help deliver better overall service to the customer while reducing the reliance on taxpayers.

Vice Chairman Meisel asked Mr. Santoro to comment on the debt trajectory. Mr. Santoro said that over the course of previous years, NJ TRANSIT has borrowed money to acquire large capital acquisitions of buses and rail cars. He said that NJ TRANSIT is not planning to do so going forward and instead acquire on a pay-as-you-go basis. Mr. Santoro said that between now and 2017 NJ TRANSIT will be posting payments to repay the debt of the previous years so that the debt amount will drop significantly.

Vice Chairman Meisel said that essentially NJ TRANSIT will not be borrowing against future revenue or encumbering future revenue and in fact, will be de-leveraging so that NJ TRANSIT will be mortgaging less of the future. He said that there is a certain amount of borrowing that has to take place because of the purchase of equipment that over the course of events is financed in conjunction with prioritization. Vice Chairman Meisel said that NJ TRANSIT is not playing numbers with the debt service to encumber the next generation of ridership which he thinks is one of the most important points. He said that he would like the public to know that the capital budget is an item that was focused on and discussed extensively.

Chairman Simpson asked that in the future NJ TRANSIT break out debt service and capitalized maintenance.

Executive Director Weinstein said that the reduction in debt is the Governor's policy and is one that NJ TRANSIT takes very seriously. Vice Chairman Meisel added that it is consistent with the Christie Administration on not encumbering the future generations.

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

Leadership Group

Executive Director Weinstein recognized the participants of NJ TRANSIT Bus Operations' third Leadership Training Program, a program that spotlights the best and brightest, and encourages participants to think outside the box. This competitive 12-month leadership development program is designed to cultivate leadership among its participants, with a focus on strategic thinking, communications, teambuilding and writing skills for personal and professional development.

Selection for the program is limited, and interested employees must apply for the program and meet eligibility criteria. It is an intensive program that requires a significant amount of their personal time each month, as well as completion of a special assignment. This year's team project deals with improving communications in our Bus garages. Per the project proposal, outcomes will include recommendations on improved methods of communicating static postings and video-generated company information.

The current participants will complete their year-long program in December. They are: Rosemarie Condi - Safety Specialist; Ken Williams - Chief Regional Supervisor; Joseph Castiner - Assistant Garage Supervisor; Roger Wingate - Supervisor of Terminal Operations; Edward Sweeney - Assistant Garage Supervisor; Sean McTernan - Assistant Garage Supervisor, and Damien Doherty - Senior Engineer.

Action Items:

Executive Director Weinstein presented the following Action Items for approval:

1207-33: FISCAL YEAR 2013 OPERATING BUDGET

Authorization is requested to approve the Fiscal Year 2013 Operating Budget, proposed for \$1.904 billion, which provides the continued support and resources for operations without increasing fares. This represents the second lowest overall budget growth rate of the last 15 years. This budget funds cost escalations on existing contracts, compliance with the Federal Railroad Administration's hours of service mandate, bus detour mitigation service, annualization of the Port Authority and New Jersey Turnpike toll increases and additional toll increases in Fiscal Year 2013, maintenance on the new multi-level railcars and mandatory costs for increasing health benefit costs.

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

1207-34: FISCAL YEAR 2013 CAPITAL PROGRAM

Authorization is requested to approve the Fiscal Year 2013 Capital Program totals \$1.152 billion, which provides for the continued investment in the state's transit infrastructure to improve the overall state-of-good-repair of the system, improve reliability and safety and support future expansions. Funding is included for the rolling stock modernization program, railroad bridge rehabilitation, track replacement, signal and security upgrades, repairs to overhead power lines and improvements to rail stations and bus shelters. In addition, upgrades to improve the reliability and efficiency of the Northeast Corridor are also funded.

Vice Chairman Bruce M. Meisel moved the resolution, Board Member Flora M. Castillo seconded it and it was unanimously adopted.

1207-35: BUS SERVICE OPTIMIZATION INITIATIVE

A detailed bus service planning process has led to a comprehensive Bus Service Optimization Initiative which includes a strategic reallocation of resources, to assure that the bus system operates at maximum efficiency and effectiveness. This initiative contains both reductions in service on poorly performing routes as well as investments in expanded and enhanced services in bus markets with a demonstrated greater potential to service customer demand. To obtain public input, two public hearings and an information session were held and a total of 79 people attended. In addition, 101 comments were received from the public regarding these proposals. In response to compelling public input, the #78 bus route will not be discontinued. Authorization is requested to implement the bus service optimization initiative proposal as outlined in the board item.

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

1207-36: ADVERTISING REVENUE CONTRACT

The sale of advertising space on equipment and buildings provides significant annual guaranteed non-farebox revenue to NJ TRANSIT. Expansion of the advertising inventory to include digital information displays, ticket-vending machines and mobile applications will complement the customer experience and maximize the investment in technology. Authorization is requested to contract with Titan Outdoor, LLC to sell advertising inventory for the greater of a minimum annual guarantee of \$53,300,000 during five years; 60 percent of net revenue above the annual revenue guarantee for Years 1 and 2, and 62 ½ percent above the minimum annual revenue guarantee for Years 3 – 5.

Chairman James S. Simpson recused himself from voting on this item. Board Member Flora Castillo moved the resolution, Board Member James C. Finkle Jr. seconded it and it was unanimously adopted.

1207-37: NJ TRANSIT 2013 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

NJ TRANSIT oversees a number of federal and state grant programs for coordinated community-based transportation services for the benefit of senior citizens, people with disabilities, rural and small urban area residents and economically disadvantaged persons. These are life sustaining and life enhancing transportation services such as demand-responsive, fixed route and feeder services as well as community shuttles. These grant programs are detailed in your agenda exhibits and assist a variety of private non-profit organizations, counties and various municipalities in meeting residents' needs. The Senior Citizen and Disabled Resident Transportation Assistance Program amounts to \$22,632,000. Authorization is requested to implement the grant programs for Fiscal Year 2013.

Board Member Steven Petrecca moved the resolution, Board Member James C. Finkle Jr. seconded it and it was unanimously adopted.

1207-38: COMMUNITY MOBILITY AND LOCAL PROGRAMS: VEHICLE PURCHASE CONTRACTS FOR VANS AND MINIBUSES

The Federal Transit Administration has funding programs and grants that allow for the purchase of vehicles for local community transit services. NJ TRANSIT has taken the lead in procuring vehicles under these grant programs on behalf of local subrecipients. This vehicle purchase will benefit senior citizens, people with disabilities and provide service to the general public in rural parts of the state.

After a competitive procurement process, authorization is requested to contract with Alliance Bus Group for the purchase of Category 1 Type A vans, Type B extended vans and Type C minibuses in an amount not to exceed \$7,024,800, plus five percent for contingencies. In addition, authorization is requested to contract with Rohrer Bus Sales for the purchase of Type F extended minibuses in an amount not to exceed \$3,147,712, plus five percent for contingencies.

Board Member James C. Finkle Jr. moved the resolution, Board Member Steven Petrecca seconded it and it was unanimously adopted.

1207-39: HOBOKEN TERMINAL –YMCA BUILDING FAÇADE AND ROOF RENOVATION: CONSTRUCTION CONTRACT AWARD

Authorization is requested to enter into a contract with John O'Hara Company at a cost not to exceed \$4,129,150, plus five percent for contingencies, that will allow for the restoration of the façade and roof renovation of the building formerly known as the YMCA building at

Hoboken Terminal. The rehabilitation will enhance safety and customer experience while improving the path of travel to and from the ferry service.

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

1207-40: KINGS ROAD RETAINING WALL AND ELM STREET BRIDGE REPAIRS IN MADISON, NEW JERSEY

The Morristown Line serves nearly 55,000 people daily and much of the historic line is grade separated on embankments, viaducts and bridges. These structures were originally built with reinforced concrete. In the Borough of Madison, a retaining wall along Kings Road carries the railroad through the business district and the Elm Street Bridge, also a concrete structure, supports the railroad over Elm Street. Repairs to both of these structures are necessary in order to maintain a state-of-good-repair. Authorization is requested to contract with Sparwick Contracting to perform repairs on the Kings Road retaining wall and the Elm Street Bridge at a cost not to exceed \$1,498,300, plus five percent for contingencies.

Board Member James C. Finkle Jr. moved the resolution, Steven Petrecca seconded it and it was unanimously adopted.

Executive Director Weinstein presented the following Consent Calendar for approval:

1207-41: NJ TRANSIT AGENCY WIDE COUNTER-TERRORISM RISK ASSESSMENT

Authorization is requested to enter into a sole source Contract 12-059 with Transportation Resources Associates, Inc. of Philadelphia, Pennsylvania, for the purchase of Technical Services to conduct the Transit Risk Assessment Module in an amount not to exceed \$756,000, plus five percent contingency, subject to the availability of funds.

1207-42: DESIGN, ENGINEERING AND CONSTRUCTION ASSISTANCE FOR THE REPLACEMENT OF UNDERGRADE BRIDGE ON THE RARITAN VALLEY LINE OVER LELAND AVENUE, CITY OF PLAINFIELD, UNION COUNTY, NEW JERSEY

Authorization is requested to enter into Contract 11-071 with HDR Engineering of Newark, New Jersey to provide design, engineering and construction assistance for the replacement of the undergrade bridge over Leland Avenue in the City of Plainfield on the Raritan Valley Line, at a negotiated fee not to exceed \$586,955, plus five percent for contingencies, subject to the availability of funds.

Board Member Regina M. Egea asked for an explanation for the sole source justification on the counter-terrorism risk assessment item. Executive Director Weinstein said that

Transportation Resources Associates is the only company which currently has corporate qualifications for the Transit Risk Assessment Module

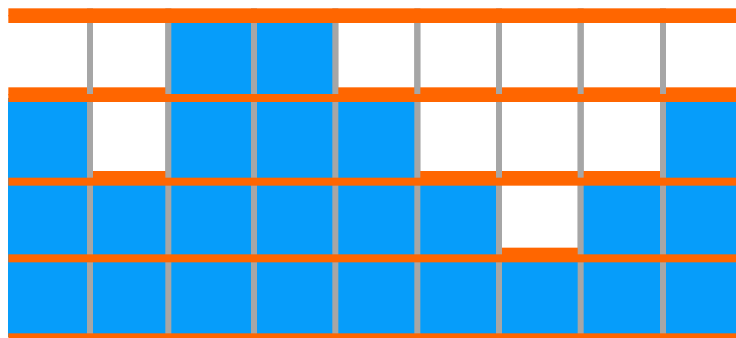
The Consent Calendar was moved in its entirety by Board Member Flora Castillo, seconded by Board Member James C. Finkle Jr. and unanimously adopted.

Chairman Simpson concluded the open session agenda items at approximately 10:50 a.m. and requested a motion to enter Executive Session to discuss contract negotiations, attorney-client, litigation and personnel matters. A motion was made by Board Member Flora Castillo, seconded by Vice Chairman Bruce M. Meisel and unanimously adopted.

Chairman Simpson and Board Members Egea, Finkle and Petrecca returned to open session at approximately 10:59 a.m.

Adjournment

Since there were no further comments or business, Chairman Simpson called for adjournment and a motion to adjourn was made by Board Member James C. Finkle Jr., seconded by Board Member Regina M. Egea and unanimously adopted. The meeting was adjourned at approximately 11:00 a.m.



THE NUMBERS

OPERATING BUDGET REVENUE

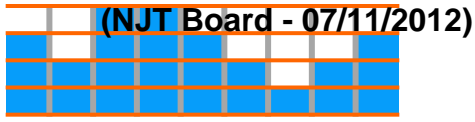
THE NUMBERS

FY 2012*	FY 2013*	\$ Change*	% Change
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REVENUES

*Figures Calculated in Millions

Customer Fares	\$ 881	\$ 894.2	\$ 13.2	1.5 %
Non-Farebox Revenue	104.3	109.8	5.5	5.3
State Operating Assistance	309.4	73.2	(236.2)	-76.3
Capital Transfers	363	363	0	0
Other Reimbursements	237.2	463.7	226.5	95.5
TOTAL REVENUE	\$ 1,894.9	\$ 1,903.9	\$ 9	0.5 %



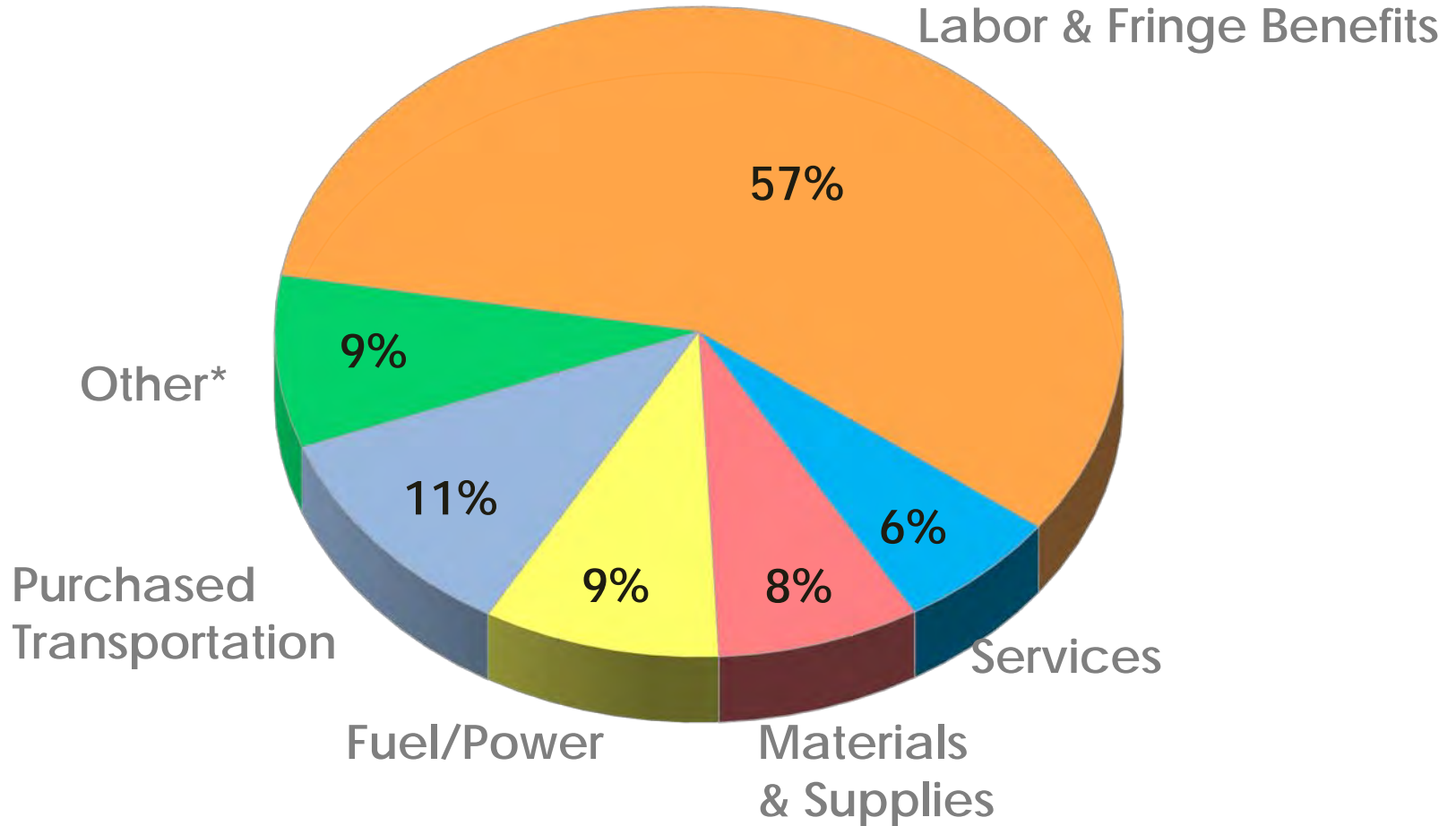
REVENUE BUDGET HIGHLIGHTS

THE NUMBERS

- No fare increase for the third consecutive fiscal year
- Customer revenue growth of 1.5% due to increased ridership.
- Non-farebox revenue growth of \$5.5M

WHERE THE MONEY GOES...

THE NUMBERS

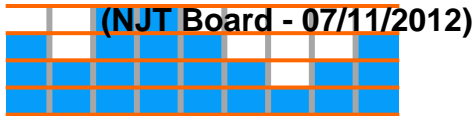


* Includes utilities, claims, insurance, tolls, trackage fees, leases and other miscellaneous costs

OPERATING BUDGET EXPENSE

THE NUMBERS

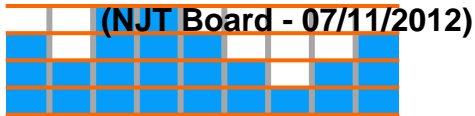
	FY 2012*	FY 2013*	\$ Change*	% Change
EXPENSES				
*Figures Calculated in Millions				
Labor	\$ 622.3	\$ 616.8	\$ (5.5)	-0.9%
Fringe Benefits	490.8	477.1	(13.7)	-2.8
Services	115.2	119.4	4.2	3.6
Fuel & Power	171.8	172	0.2	0.1
Material & Supplies	142.5	147.4	4.9	3.4
Utilities	41.6	40.7	(0.9)	-2.2
Claims & Insurance	25.2	31.2	6.0	23.8
Purchased Transportation	202.4	208.6	6.2	3.1
Tolls & Trackage Fees	46.1	54	7.9	17.1
Facilities Leases, Rentals & Interest	10.1	10.2	0.1	1
Taxes & Miscellaneous	26.9	26.5	(0.4)	-1.5
TOTAL EXPENSES	\$ 1,894.9	\$ 1,903.9	\$ 9	0.5%



EXPENSE BUDGET HIGHLIGHTS

THE NUMBERS

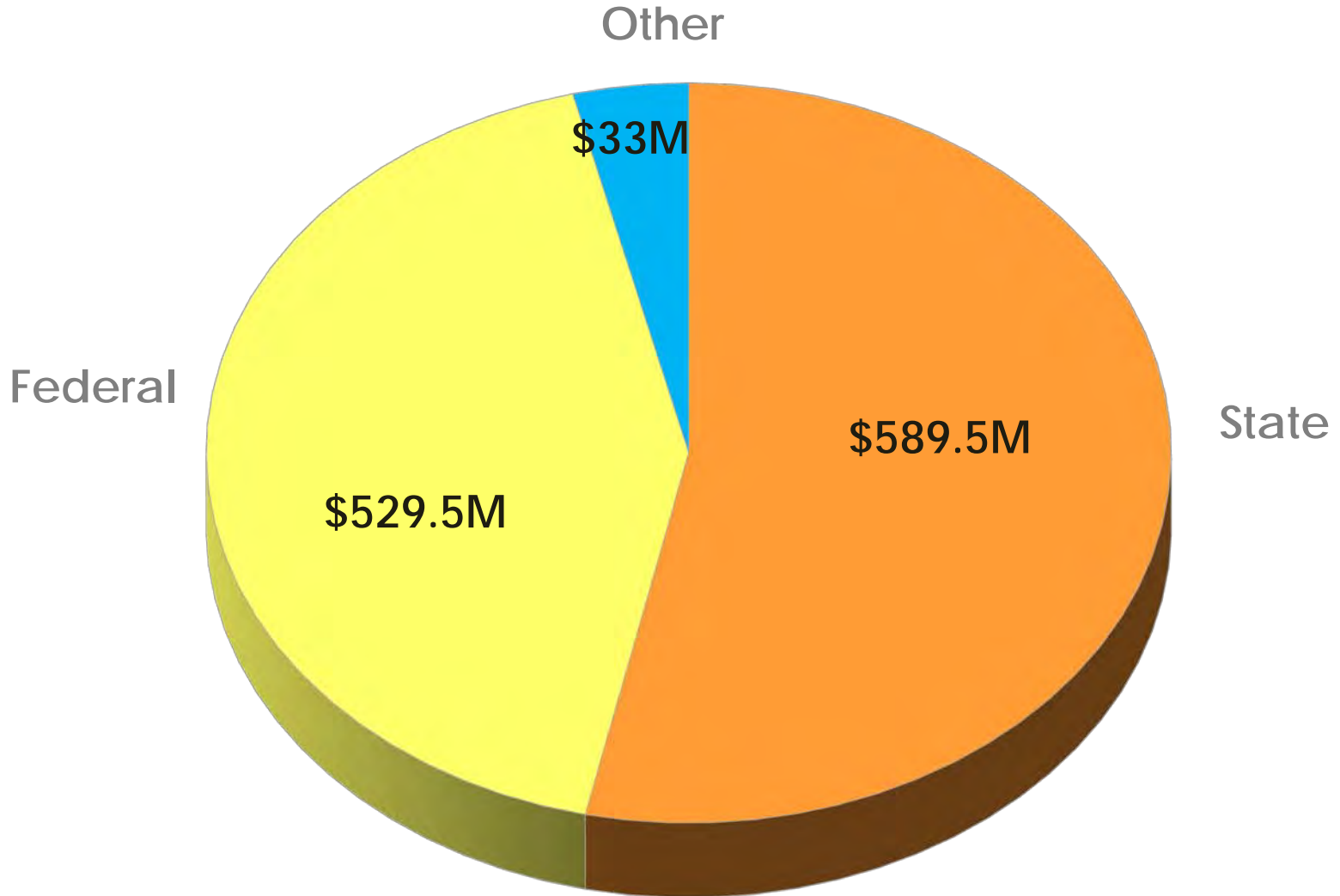
- **Reduces Labor & Fringe benefits by 2% over FY12**
 - Aggressive Managed Attrition Program
 - Continuing Wage Freeze
- **Utilities savings**
 - New Technology
 - Renegotiation of Natural Gas Contracts
- **Largest Growth**
 - Port Authority & NJ Turnpike toll increases

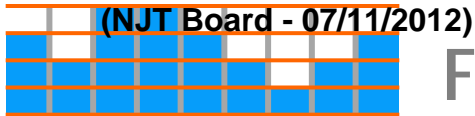


THE NUMBERS

44567

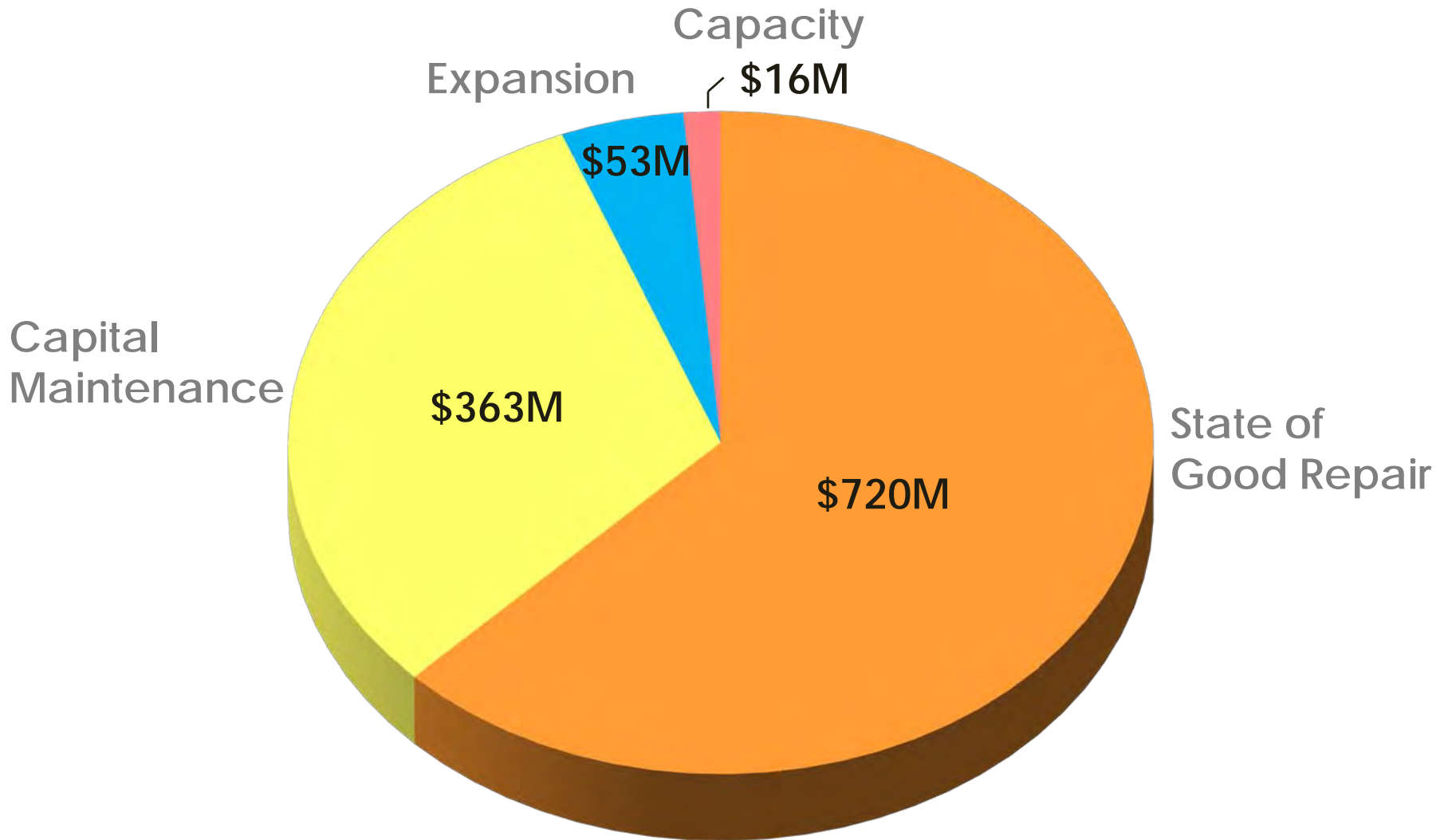
FY2013 CAPITAL PROGRAM \$1.2B SOURCE OF FUNDS

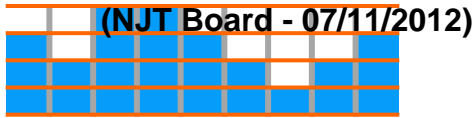




FY2013 CAPITAL INVESTMENT STRATEGY

THE NUMBERS

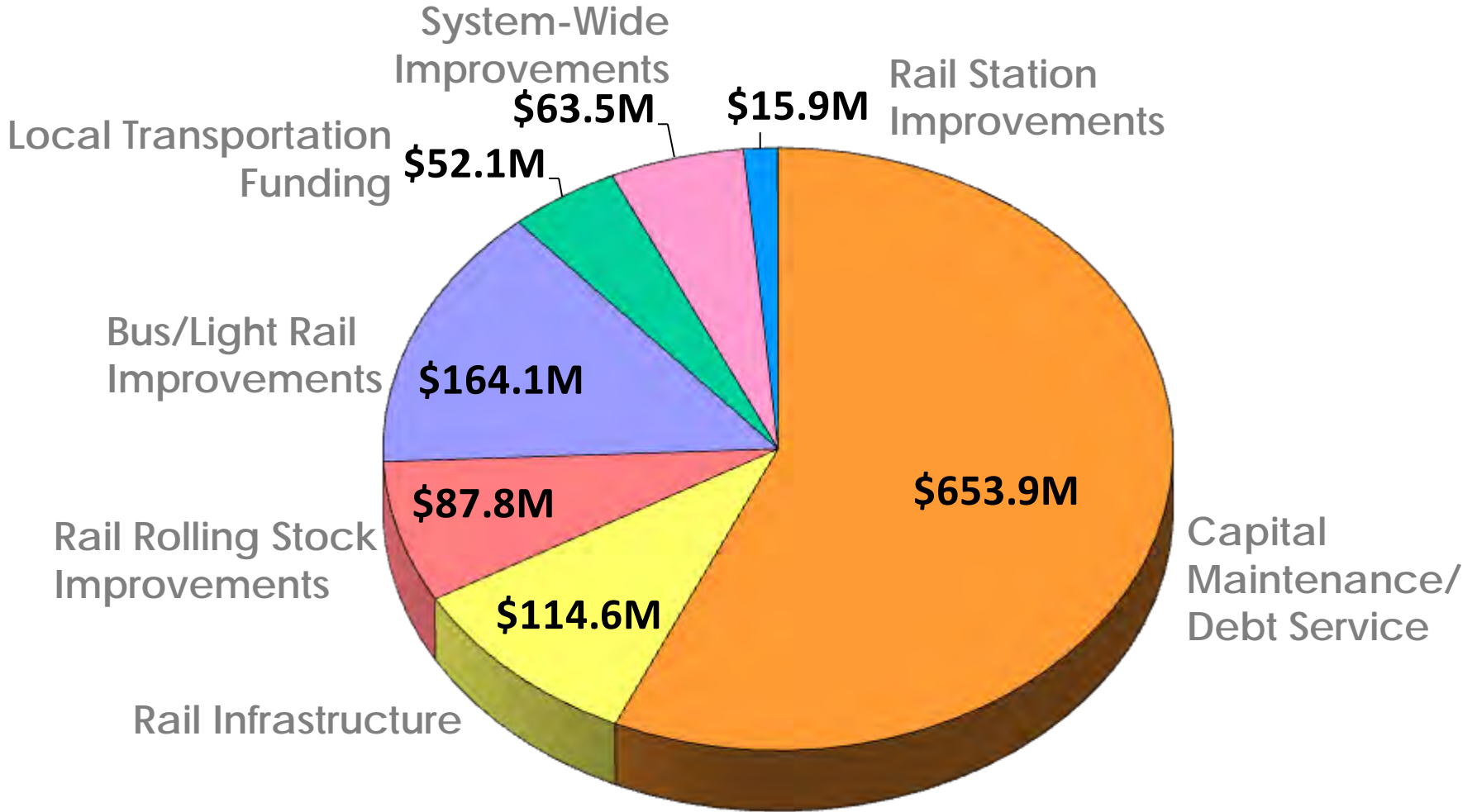




THE NUMBERS

44569

FY2013 CAPITAL PROGRAM \$1.2B USE OF FUNDS



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

JULY 11, 2012

MINUTES

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➤	CALL TO ORDER	-
➤	APPROVAL OF MINUTES OF PREVIOUS MEETINGS	44575
➤	PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS	-
➤	BOARD MEMBER COMMENTS	-
➤	ADVISORY COMMITTEE REPORT	
➤	SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT	-
➤	BOARD COMMITTEE REPORTS	-
	*Administration Committee	
	*Capital Planning, Policy & Privatization Committee	
➤	EXECUTIVE DIRECTOR'S MONTHLY REPORT	44576

ACTION ITEMS

1207-33	FISCAL YEAR 2013 OPERATING BUDGET	44592
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Authorization to adopt the Fiscal Year 2013 Operating Budget in the amount of \$1.904 billion as detailed in the item and on the attached Exhibits A, B, C and D.

Authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2014 Operating Budget.

1207-34	FISCAL YEAR 2013 CAPITAL PROGRAM	44601
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Authorization to adopt the Fiscal Year 2013 Capital Program in the amount of \$1.152 billion, as described in the item and attachments.

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

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

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

1207-35 BUS SERVICE OPTIMIZATION INITIATIVE

44617

Authorization to implement the Bus Service Optimization Initiative package, to take effect on September 1, 2012. This includes the discontinuance of the following bus routes:

- #42 Newark-18th Avenue
- #43 Newark-Jersey City
- #75 Butler-Newark
- #93 Bloomfield-Newark Light Rail
- #181 Union City-New York (GWB) – Sunday only

The package also includes route/schedule adjustments on the following bus routes:

- #56 Elizabeth-Winfield
- #57 Elizabeth-Linden
- GO28 Newark Airport-Newark-Bloomfield
- #451 Camden-Voorhees Town Center-Lindenwold
- #604 East Trenton-Trenton Transit Center

Reinvestments and service expansions are proposed for the following bus routes:

- #62 Newark-Woodbridge-Perth Amboy
- #99 Newark-Hillside (Clifton Avenue Crosstown)

1207-36 ADVERTISING REVENUE CONTRACT

44629

Authorization to enter into Contract 11-051 with Titan Outdoor, LLC of New York, New York, to sell NJ TRANSIT's advertising inventory for the greater of a minimum annual guarantee totaling \$53,300,000 during five years or 60 percent of net revenue above the annual Revenue guarantee for Years 1 and 2, and 62½ percent above the minimum annual revenue guarantee for Years 3-5.

1207-37 NJ TRANSIT FY2013 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS 44634

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

- FY2013 Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP), as set forth in Exhibit B, for a total program amount of \$22,632,000 funded by the Casino Revenue Tax.
- FY2013 FTA Section 5311 Rural and Small Urban Areas Program for Counties, as set forth in Exhibit C, for a total program amount of \$4,573,972 which includes \$2,351,016 in federal funds and \$1,111,478 as the NJ TRANSIT share of local match.
- FY2013 FTA Section 5311 Rural Intercity Bus Transportation Program at a cost not to exceed \$489,237.
- FY2013 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$99,090 in federal funds to supplement the New Jersey Community Transportation Training Program at no cost to NJ TRANSIT.
- FY2013 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program at a cost not to exceed \$4,735,783 which includes \$3,788,626 in federal funds and \$947,157 as the NJ TRANSIT share of local match.
- FY2013 FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program at a cost not to exceed \$4,942,379 which includes \$3,632,379 in federal funds, and \$1,000,000 in funds from the New Jersey Department of Human Services. In addition, NJ TRANSIT match is required for two services under this program which expand NJ TRANSIT bus routes. All other match dollars are provided by the local provider.
- FY2013 FTA Section 5317 New Freedom (NF) Program at a cost not to exceed \$3,000,000 funded by the federal government. No NJ TRANSIT match is required for this program as it is provided by the local provider.

- Any specially-dedicated Congressional appropriations, FTA Section 5307, FTA Section 5309 and CMAQ local projects including funds which will be flexed into ongoing FTA programs under the FY2013 budget at a cost not to exceed \$7,620,000. This includes \$1,400,000 received under the Veteran's Transportation and Community Living Initiative.

1207-38 COMMUNITY MOBILITY AND LOCAL PROGRAMS: VEHICLE PURCHASE CONTRACTS FOR VANS AND MINIBUSES 44648

Authorization to enter into Contract 12-033A with Alliance Bus Group of Carlstadt, New Jersey, for the purchase of six Type A Vans, eight Type B Extended Vans, 21 Type C Minibuses, 88 Type J Extended Minibuses, and 10 Type R Extended Minibuses in an amount not to exceed \$7,024,800, plus five percent for contingencies, subject to the availability of funds.

Authorization to enter into Contract 12-033B with Rohrer Bus Sales of Duncannon, Pennsylvania, for the purchase of 67 Type F Extended Minibuses in an amount not to exceed \$3,147,712, plus five percent for contingencies, subject to the availability of funds.

1207-39 HOBOKEN TERMINAL - YMCA BUILDING FAÇADE AND ROOF RENOVATION: CONSTRUCTION CONTRACT AWARD 44659

Authorization to enter into Contract 12-052X with John O'Hara Co., Inc. of East Orange, New Jersey for the construction of the Hoboken Terminal – YMCA Building Façade and Roof Renovation at a cost not to exceed \$4,129,150, plus five percent for contingencies, subject to the availability of funds.

1207-40 KINGS ROAD RETAINING WALL AND ELM STREET BRIDGE REPAIRS IN MADISON, NEW JERSEY 44663

Authorization to enter into Contract 12-054X with Sparwick Contracting, Inc. of Lafayette, New Jersey, to perform the repairs to the Kings Road Retaining Wall and Elm Street Bridge on NJ TRANSIT's Morristown Line, in the Borough of Madison, Morris County at a cost not to exceed \$1,498,300, plus five percent for contingencies, subject to the availability of funds.

CONSENT CALENDAR

1207-41 NJ TRANSIT AGENCY WIDE COUNTER-TERRORISM RISK ASSESSMENT 44668

Authorization to enter into a sole source Contract 12-059 with Transportation Resources Associates, Inc. of Philadelphia, Pennsylvania, for the purchase of Technical Services to conduct the TRAM risk assessment in an amount not to exceed \$756,000, plus five percent contingency, subject to the availability of funds.

1207-42 DESIGN, ENGINEERING AND CONSTRUCTION ASSISTANCE FOR THE REPLACEMENT OF UNDERGRADE BRIDGE ON THE RARITAN VALLEY LINE OVER LELAND AVENUE, CITY OF PLAINFIELD, UNION COUNTY, NEW JERSEY 44672

Authorization to enter into Contract 11-071 with HDR Engineering of Newark, New Jersey to provide design, engineering and construction assistance for the replacement of the undergrade bridge over Leland Avenue in the City of Plainfield on the Raritan Valley Line, at a negotiated fee not to exceed \$586,955, plus five percent for contingencies, subject to the availability of funds.

➤ EXECUTIVE SESSION AUTHORIZATION 44676

➤ ADJOURNMENT

APPROVAL OF MINUTES

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

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the June 11, 2012 Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on June 13, 2012;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the June 11, 2012 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

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

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

TO: BOARD OF DIRECTORS
FROM: JAMES W. WEINSTEIN
DATE: JULY 11, 2012
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JULY 2012

Last month, we hosted another round of "We Are Listening" forums at three key locations to give customers the opportunity to interact with senior management and operations personnel face to face—an important part of our *Scorecard* initiative. The forums were held June 19 at the Port Authority Bus Terminal, June 20 at New York Penn Station, and June 21 at Hoboken Terminal. We know that these forums play a critical role in improving the overall customer experience, providing our riders with a personal, one-on-one way of offering their feedback, while also keeping senior level staff in touch with the commuting experiences of the very people who utilize our system every day. We will continue to schedule these important forums at regular intervals.

Last fall, we became the first public transportation agency to partner with Google Wallet to give our customers the option to use their smart phones to purchase transportation tickets at select locations. Google Wallet is a free mobile app that transforms customers' smart phones into their wallets, storing virtual versions of their credit cards on their phones to allow for easy "tap and pay" transactions. NJ TRANSIT customers can currently use Google Wallet for ticket purchases at New York Penn Station and Port Authority Bus Terminal ticket vending machines and ticket windows, Newark Liberty International Airport Rail Station (AirTrain), and on selected bus routes. By partnering with Google, we are leading the industry by tapping emerging technologies that will streamline the way customers buy their transportation tickets.

Continuing this partnership, on Saturday, July 14, Google Wallet will be sponsoring a special one-way Beach Train that will operate express from New York to Long Branch. Google Wallet representatives will be at the station on Friday and on Saturday morning to purchase Beach Packages in advance for customers using Google Wallet. Customers will enjoy a free ride and a fun Google Wallet "party" train—all while learning how easy it is to use Google Wallet and experiencing how convenient it is to take the train down the shore. This is also a great example of our ongoing effort to maximize non-farebox revenue, generating revenue through Google Wallet's rental of an eight-car train for this event, as well as a media agreement for various advertising spaces.

Today, we are presenting the Fiscal Year 2013 operating and capital budgets for the Board's consideration. On the capital side, the \$1.152 billion program focuses on critical infrastructure and state-of-good repair needs, while also supporting NJ TRANSIT's ongoing fleet modernization program. By keeping the portions of our system that we control in a state of good repair and investing in the busy Northeast Corridor, we continue to be good stewards of the infrastructure and our rolling stock, which in turn enables us to operate reliable and efficient service. On the operating side, the \$1.904 billion program represents the second lowest overall budget growth in the last 15 years, all while keeping fares stable, reflecting our steadfast commitment to operate efficiently while maximizing our resources to best serve the interests of both customers and taxpayers.

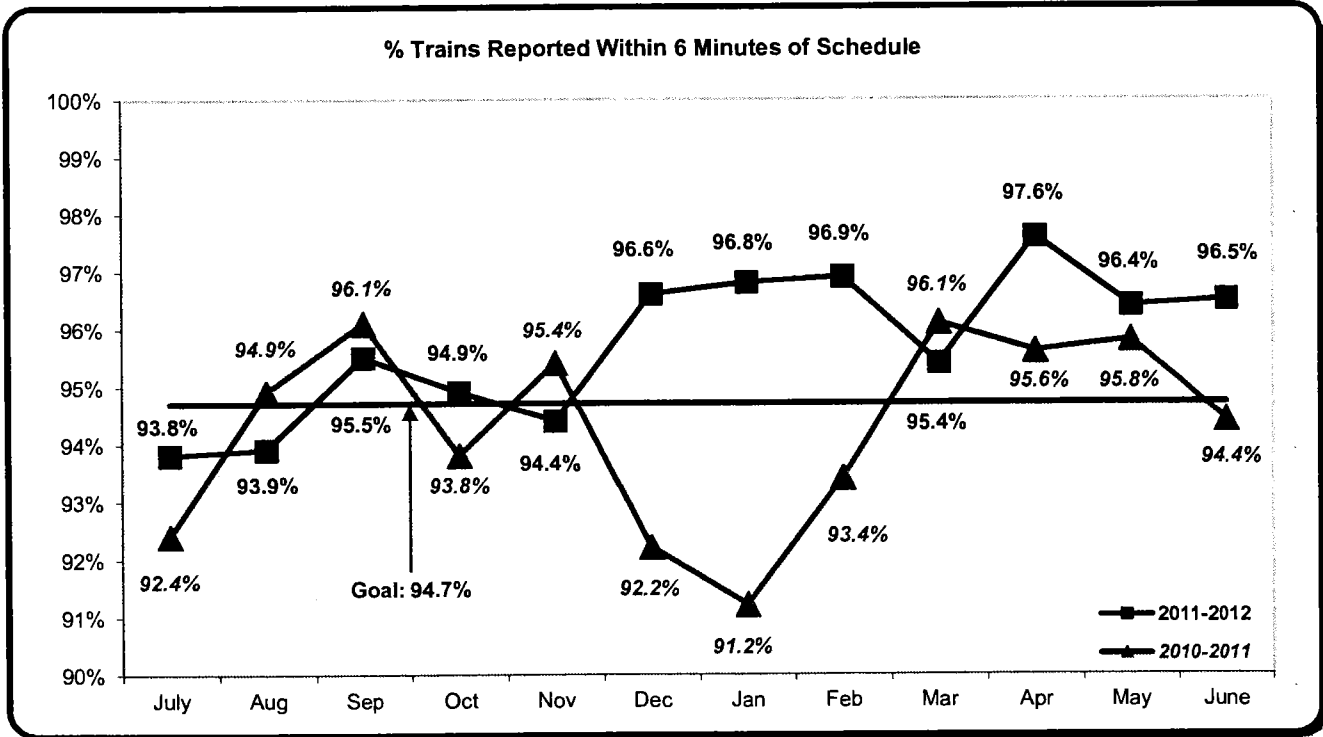
Also for the Board's consideration today is the Bus Service Optimization Initiative, designed to ensure our bus system operates at maximum efficiency by making the most strategic use of our resources. Last month we conducted an open public comment period and held two public hearings and an information session to give customers and members of the public the opportunity to offer their feedback on the proposal. During the public hearing process, NJ TRANSIT received 101 comments on the Bus Optimization proposal, all of which have been taken into account in preparing the revised proposal on today's agenda. This process provided us with a better understanding of the impacts of discontinuing the No. 78 bus route, with compelling testimony from our customers making it clear that eliminating the No. 78 would have a profound impact on their daily lives. In direct response to what we heard from our riders, the revised plan we are presenting to the Board today keeps the No. 78 intact, demonstrating that the public hearing process works. I want to again thank our customers for their feedback, as well as our Board and our dedicated staff for their work to make the public hearing process open, inclusive and transparent.

EXECUTIVE DIRECTOR'S MONTHLY REPORT JULY 2012

- 1. PERFORMANCE MEASURES**
- 2. DBE/MBE PROGRAM**
- 3. EMPLOYEE RECOGNITION**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL JULY 2010 - JUNE 2012



	2011	2012	# Change
June Comparison	94.4%	96.5%	2.1%

	2010-2011	2011-2012	# Change
12-Month Average July - June	94.3%	95.7%	1.4%

Analysis:

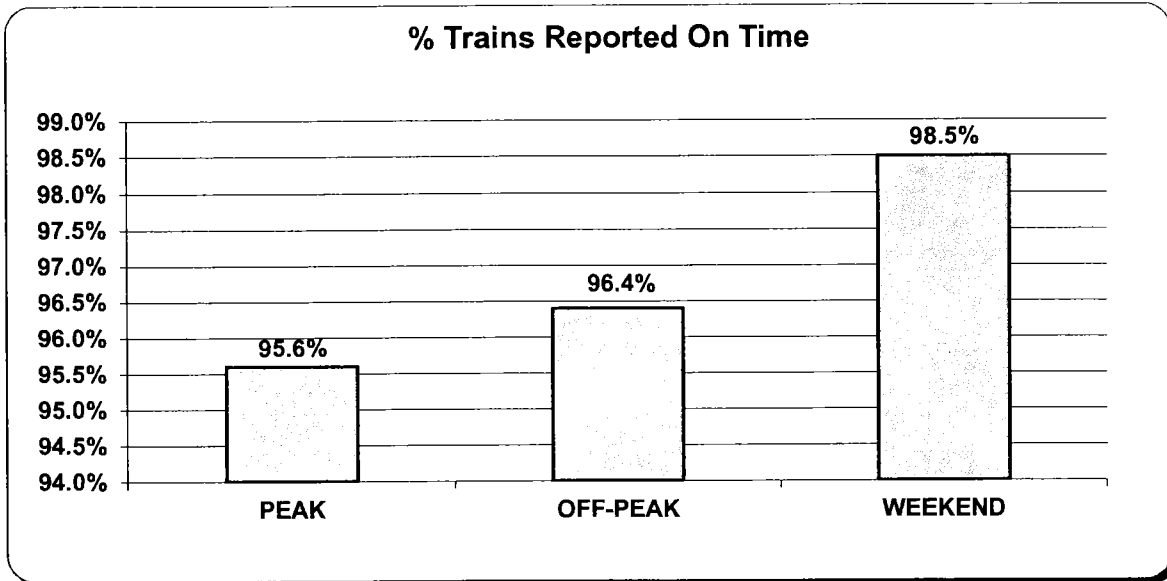
Rail On-Time Performance was 96.5% for June 2012. Of the 18,057 trains scheduled to operate, 17,428 were on time, while 629 trains (or 3.5%) were delayed. Key causes included:

- NJ TRANSIT overhead wire failure on June 5.
- Amtrak overhead wire failure and Portal Bridge opening for marine traffic on June 27.
- NJ TRANSIT signal problems on the ACRL and a brush fire in Middlesex on June 30.

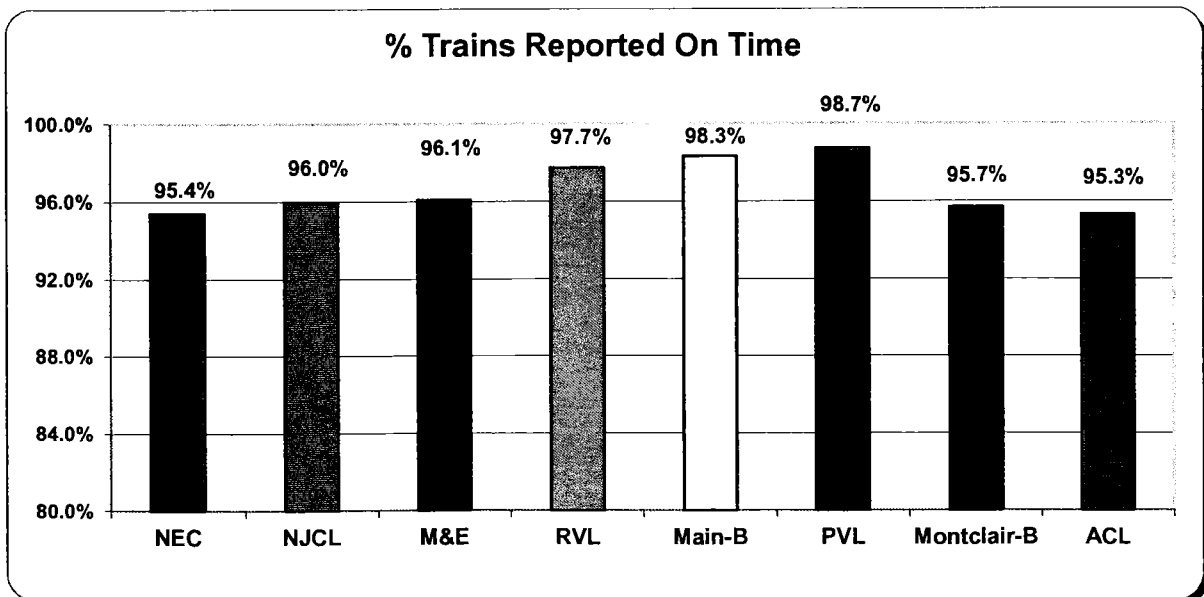
The 12-month average for Rail On-Time Performance for July 2011 - June 2012 was 95.7%.

ON-TIME PERFORMANCE RAIL

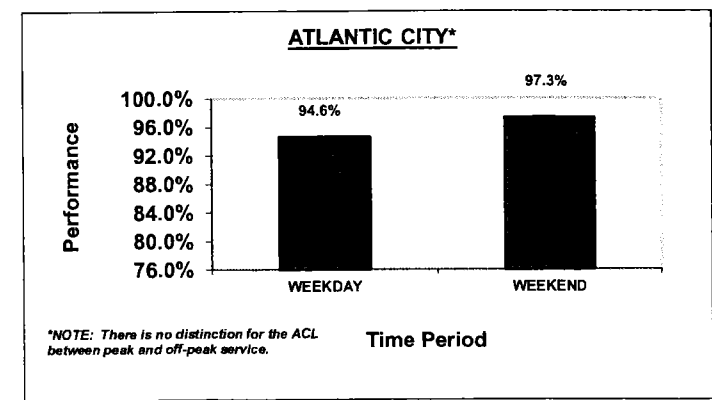
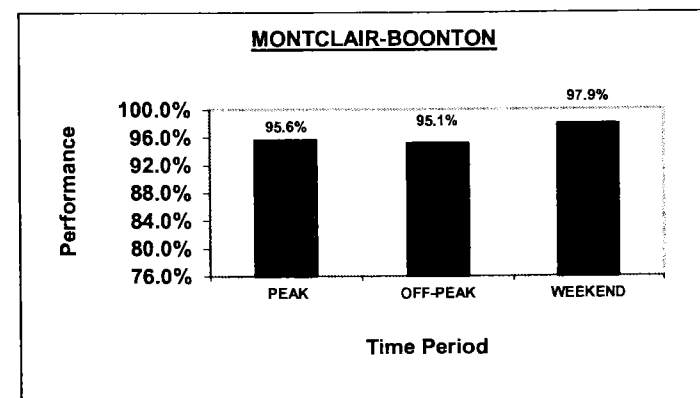
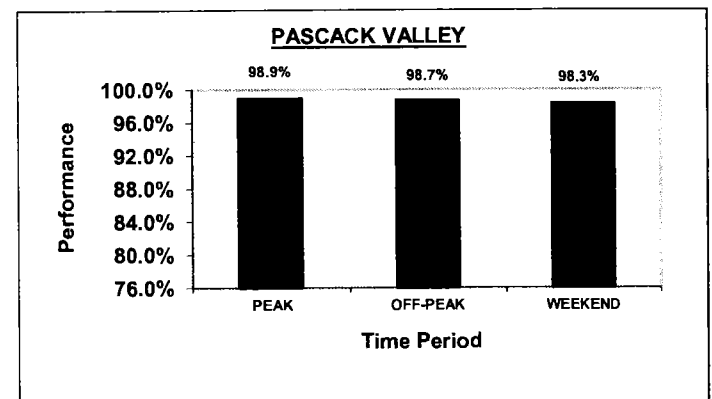
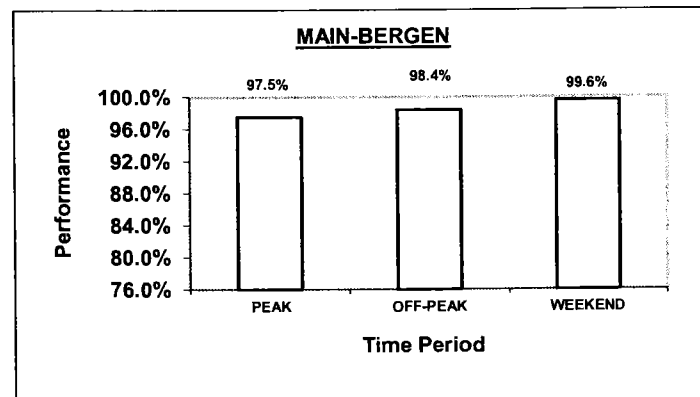
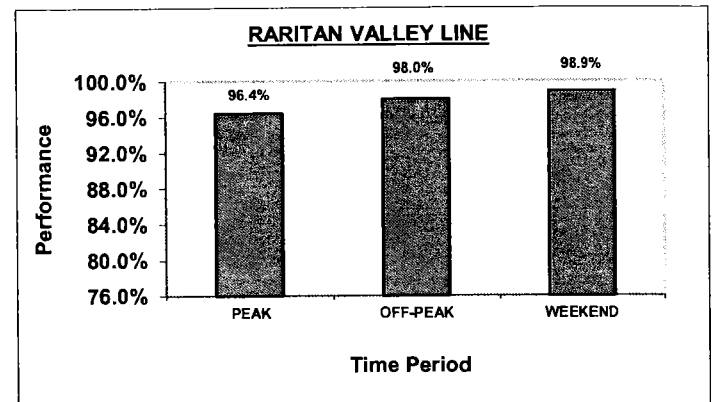
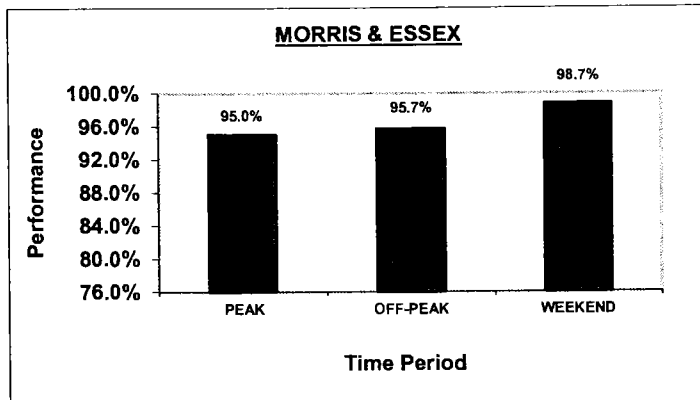
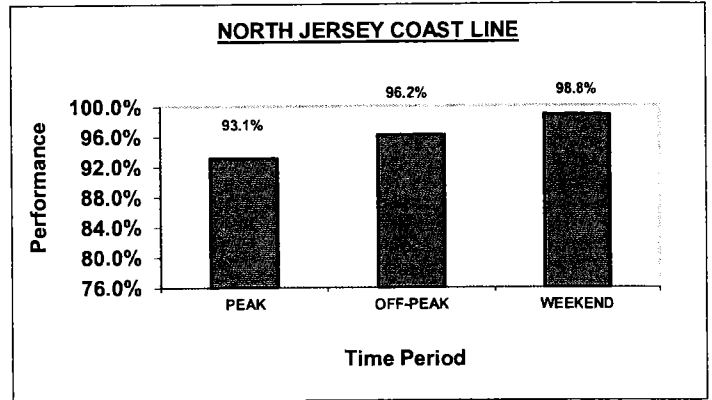
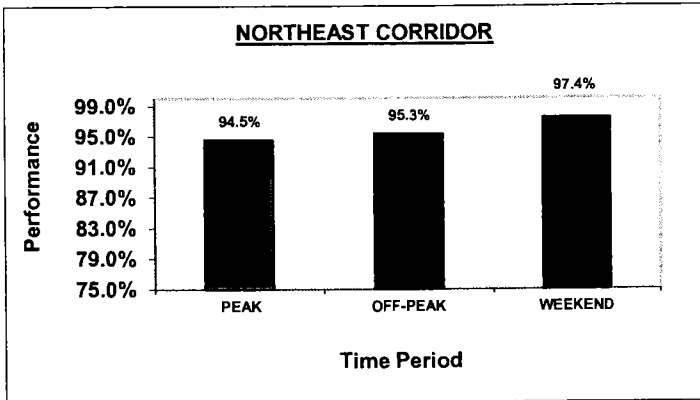
SUMMARY BY TIME PERIOD JUNE 2012



SUMMARY BY LINE JUNE 2012

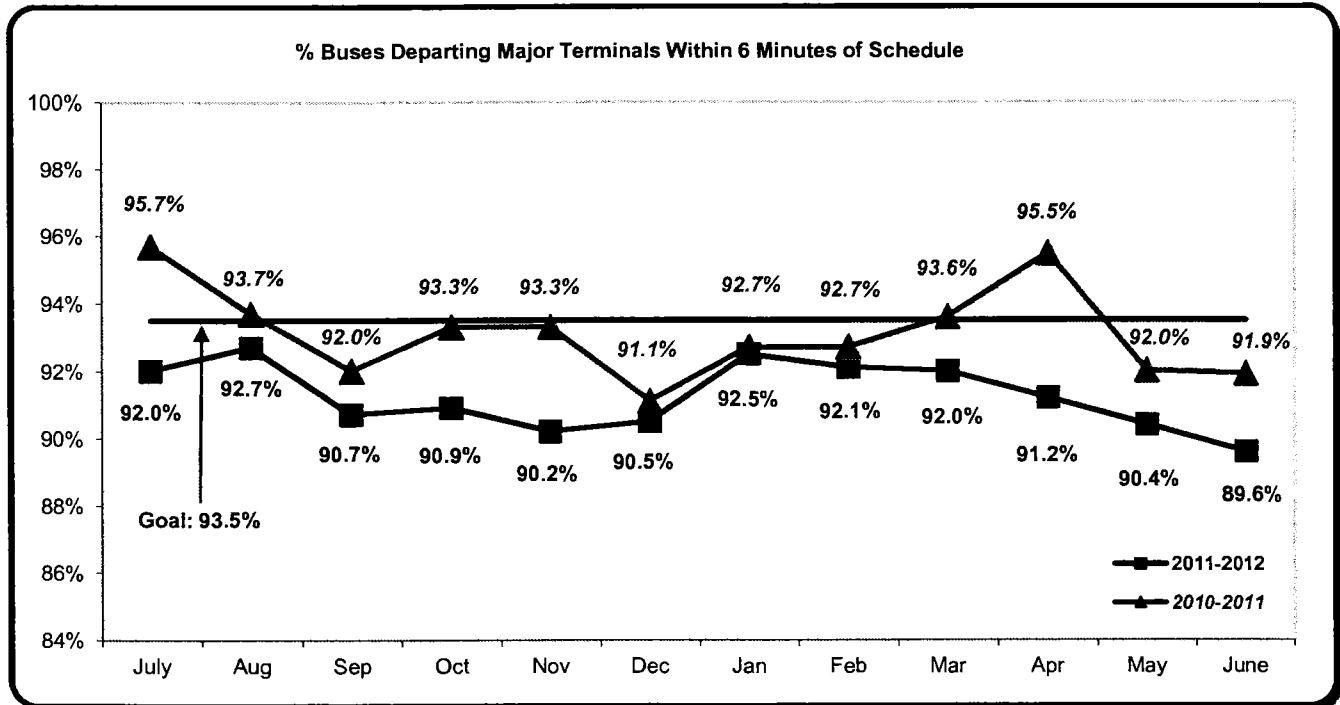


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JUNE 2012



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

NJ TRANSIT ON-TIME PERFORMANCE BUS JULY 2010 - JUNE 2012



	2011	2012	% Change
June Comparison	91.9%	89.6%	-2.3%

	2010-2011	2011-2012	% Change
12-Month Average July - June	93.1%	91.2%	-1.9%

Analysis:

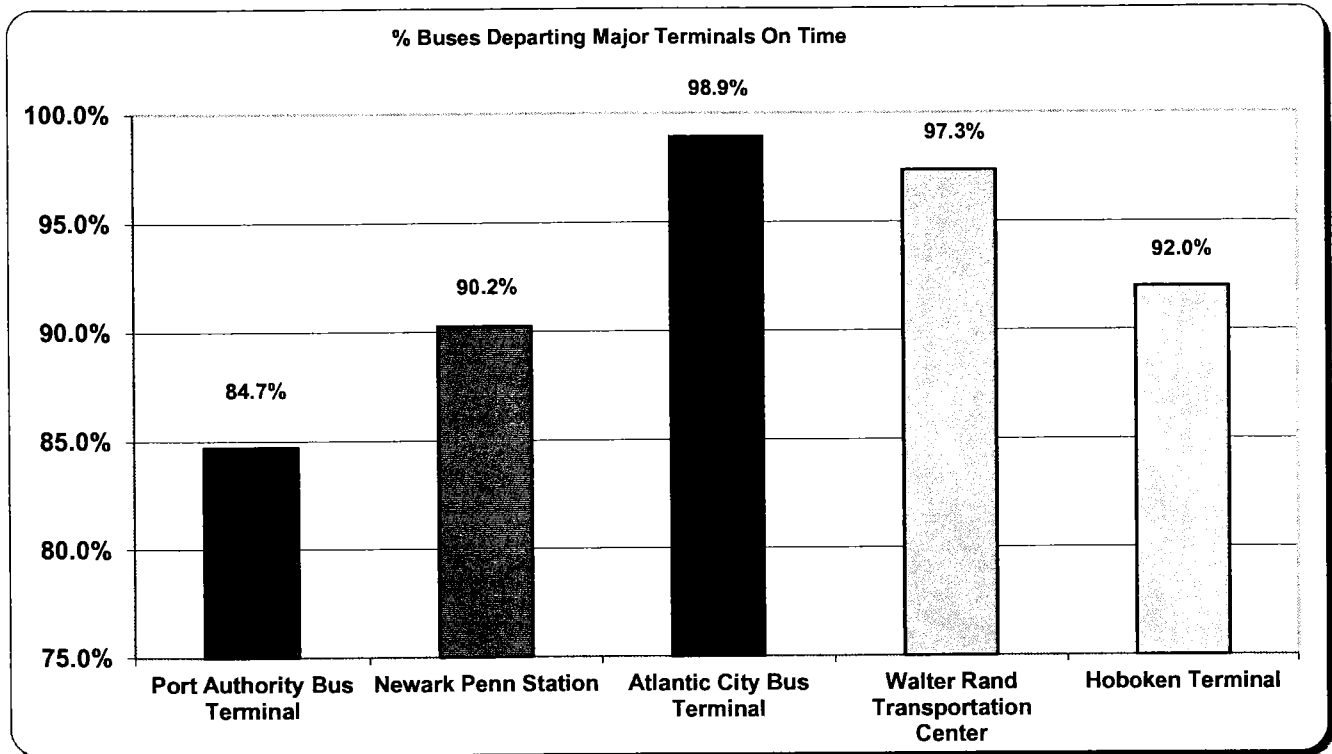
Bus On-Time Performance was 89.6% for June 2012. Of the 37,543 monitored departures, 3,917 (or 10.4%) experienced delays. Key causes included:

- Construction on an entrance ramp delaying Port Authority buses during the month of June.

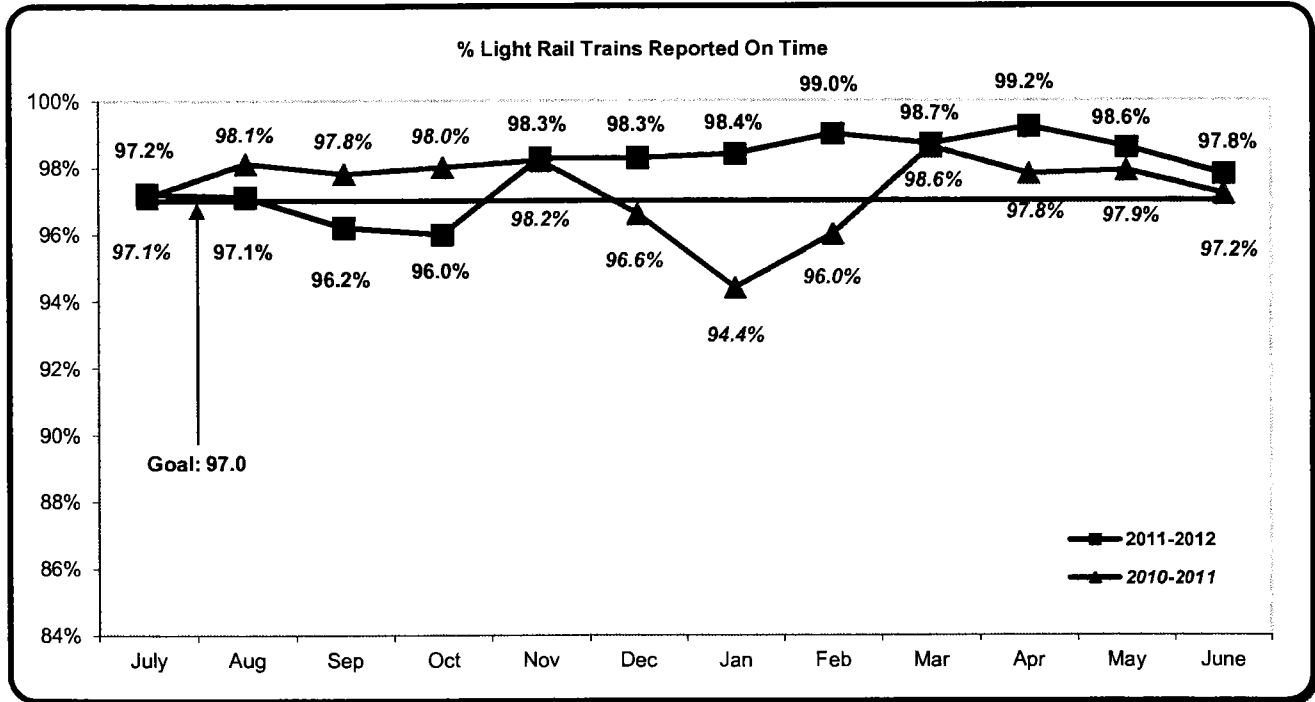
The 12-month average for Bus On-Time Performance for July 2011 - June 2012 was 91.2%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL JUNE 2012



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL - SYSTEMWIDE JULY 2010 - JUNE 2012



*Note: Starting May 2007

	2011	2012	# Change
June Comparison	97.2%	97.8%	0.6%

	2010-2011	2011-2012	# Change
12-Month Average July - June	97.3%	97.9%	0.6%

Analysis:

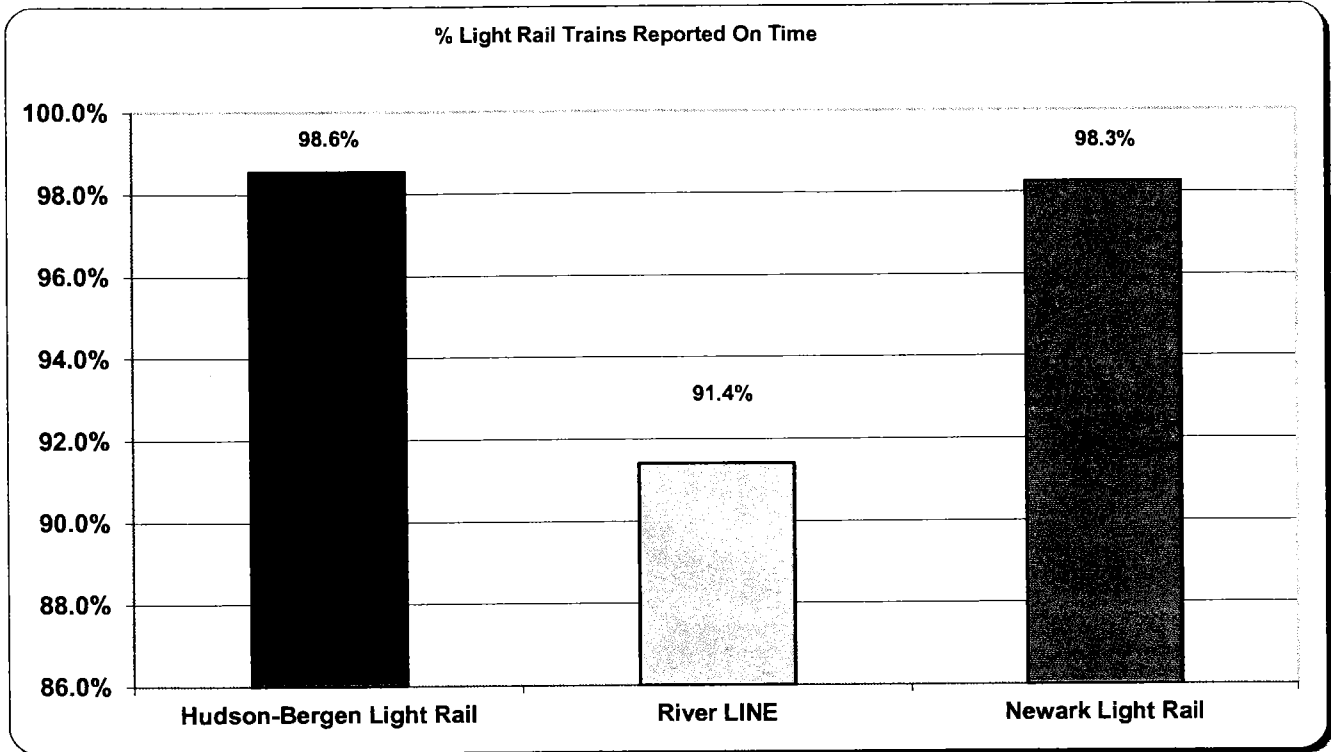
Light Rail On-Time Performance systemwide was 97.8% for the month of June 2012. Of the 25,625 scheduled trains, 563 (or 2.2%) experienced delays. Key causes included:

- Entertainment Center traffic in Camden delaying River Line service on June 2.
- Police exercise at Bergenline Tunnel affecting Hudson-Bergen Light Rail trains on June 3.
- Switch failure impacting Newark Light Rail service on June 19.

The 12-month average for Light Rail On-Time Performance for July 2011 - June 2012 was 97.9%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE JUNE 2012



DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Development DBE/SBE Participation

Federally Funded Contracts

NJ TRANSIT awarded \$37,412,677.20 in federal funds October through June FY 12.* Disadvantaged Business Enterprises (DBEs) received \$4,040,627.11 or 10.80 percent in federal-funded contract dollars during this period from either race conscious and race neutral awards.

DBE Goal Attainment FY 2011 to Date June 30, 2012 10.00%

Contracts awarded \$272,801,404.46
DBEs Received \$27,281,399.76

State Funded Contracts

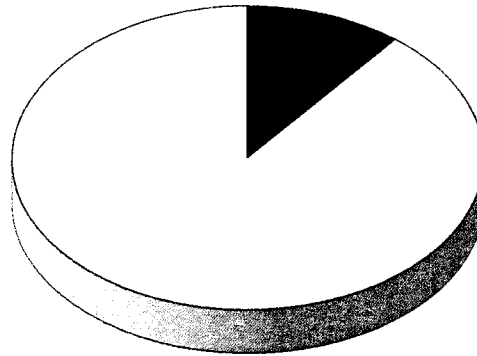
NJ TRANSIT awarded \$59,070,018.93 in state-funded contract dollars July through June FY 12. ** Of that total, Small Business Enterprises (SBEs) received \$18,332,090.69 or 31.03 percent. Category 1 SBEs received \$130,480.00 or 0.22 percent. Category 2 SBEs received \$125,000.00 or 0.21 percent. Category 3 SBEs received \$4,923,047.40 or 8.33 percent. Category 4 SBEs received \$1,410,175.88 or 2.38 percent. Category 5 SBEs received \$10,375,387.41 or 17.56 percent. Category 6 SBEs received \$1,368,000.00 or 2.31 percent. ***

Federal & State Contracts Total

NJ TRANSIT awarded \$7,267,529.40 in federal and state contract dollars during July reporting period. Of that total, \$6,977,861.40 or 96.01 percent of federal and state contract dollars were won by DBEs and SBEs.

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THROUGH JUNE FY12)***

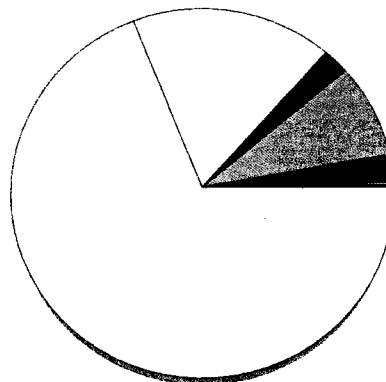
NON-DBE
FEDERAL
\$33,372,050.09
89.19%



DBE RACE
NEUTRAL & RACE
CONSCIOUS
\$4,040,627.11
10.80%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THROUGH JUNE FY12) ****

NON-SBE STATE
\$40,737,928.24
68.99%



SBE-5
10,375,387.4
17.56 %

SBE-4
\$1,410,175.88
2.38%

SBE-1
\$130,480.00
0.22%

SBE-2
\$125,000.00
0.21%

SBE-3
\$4,923,047.40
8.33%

SBE-6
\$1,368,000.
2.31%

Federal Fiscal Year 2012 Beginning October 1, 2011*
State Fiscal Year Beginning July 1, 2012**
(This report covers contracts above \$29,000)

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Fifteen NJ TRANSIT employees retired in June with careers ranging from 11 to 40 years of service:

1. Richard P. Barry (Teaneck) Depot Master "A," Fairview Garage – 40 years
2. Jose A. Diaz (Clifton) Garageman & JN, Oradell Garage – 36 years
3. Gary Holt (Lyndhurst) Manager Pensions, General Office Building – 34 years
4. Charles A. Maliszewski, Jr. (Rochelle Park) Chief Struct. Engr., Penn Plaza – 34 years
5. Karen A. Kosakowski (Newark) Clerk Shops, Doremus Avenue – 32 years
6. Vanessa Trapp (Bear, DE) Manager Light Rail, Penn Plaza – 29 years
7. Carlos Roman (Newark) Storeroom Specialist, Newark Bus Complex – 27 years
8. Janet Lennon (Lawrenceville) Bus Operator, Hamilton Township Garage – 26 years
9. John F. Lampasona (Plainview, NY) Asst. Supt. Mech. Rail, NY Penn Station – 25 years
10. Billy Montgomery (Paterson) Bus Operator, Oradell Garage – 20 years
11. Francis Burns, Jr. (Levittown, PA) Sr. Labor Relations Officer, Penn Plaza – 17 years
12. Tsombawi U. Knibye (Trenton) Bus Operator, Hamilton Township Garage – 16 years
13. Barry M. Washington (Orange) Director Shops, Newark Bus Complex – 15 years
14. Mile M. Bukvic (Park Ridge) Repairman "A," Oradell Garage – 13 years
15. Miguel A. Seda (Staten Island, NY) Bus Operator, Greenville Garage – 11 years

ACTION ITEMS

ITEM 1207-33:

FISCAL YEAR 2013 OPERATING BUDGET

BENEFITS

NJ TRANSIT's \$1.904 billion Fiscal Year 2013 Operating Budget provides for the continued support and resources for the operations of NJ TRANSIT Bus, Rail and Light Rail services for its customers without increasing fares. The Fiscal Year 2013 growth is only one-half of one percent or \$9 million, when compared to Fiscal Year 2012. This represents the second lowest overall budget growth rate of the last 15 years.

The Fiscal Year 2013 Operating Budget funds cost escalations on existing contracts (e.g. purchased transportation and technology maintenance), compliance with the Federal Railroad Administration's hours of service mandate, Bus detour mitigation service, annualization of the Fiscal Year 2012 Port Authority and New Jersey Turnpike Authority toll increases and additional toll increases in Fiscal Year 2013, maintenance on 100 new multi-level rail cars, and mandatory costs for increasing health benefit costs.

Anticipated resources of \$1.904 billion are estimated to be available from passenger and other commercial revenues, State Operating Assistance, and other State and Federal reimbursements. A summary of the Fiscal Year 2013 Revenues is presented in Exhibit A with approximately 53 percent of the total revenues generated from passenger and other system revenue.

Exhibit B summarizes the estimated expenses of \$1.904 billion by category. Approximately 57 percent of the Fiscal Year 2013 Operating Budget - \$1.094 billion – is dedicated to labor and fringe benefits costs, which have decreased \$19.2 million or nearly 1 percent compared to the Fiscal Year 2012 Operating Budget. Other significant expenses include purchased transportation, fuel and power. These expenses comprise approximately 20 percent of the Fiscal Year 2013 Budget.

As a result of the improving economic climate, NJ TRANSIT is projecting prudent baseline passenger revenue growth of 1.5 percent, which accounts for 47 percent of total Fiscal Year 2013 revenue. NJ TRANSIT will also continue to aggressively pursue other non-passenger revenue which generates over \$100 million and reduces the reliance on taxpayer subsidy.

For Fiscal Year 2013, service growth is limited solely to Bus increases within the New York market to strategically address overcrowding and the expected positive ridership effects resulting from the Port Authority toll increases.

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

Staff seeks the NJ TRANSIT Board of Directors' adoption of the Fiscal Year 2013 Operating Budget in the amount of \$1.904 billion as detailed in the item and on the attached Exhibits A, B, C and D.

Staff also seeks authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2014 Operating Budget.

PURPOSE

As required under Article II, Section 4(C) of the agency's By-Laws, staff is requesting the Board of Directors adopt the Fiscal Year 2013 Operating Budget for NJ TRANSIT as detailed on the attached exhibits. This budget includes appropriations for public transportation contained in the Fiscal Year 2013 State Budget (pending)/adopted (with)/by the New Jersey Legislature. With the approval of this item, the Board acknowledges and accepts its responsibility to set fares, administer a single, unified NJ TRANSIT operating budget and manage Federal Transit Administration assistance.

Approval of this item will also allow the execution of numerous agreements necessary to advance and continue its Private Carrier Capital Improvement Program, bus maintenance, debit and credit card processing and settlement services and marketing programs and provide substitute service in support of NJ TRANSIT's capital program and for service interruptions. It will also allow NJ TRANSIT to provide local share and other in-kind services or act as a pass-through agency for Federal or State capital or operating funds. In addition to seeking approval of the Fiscal Year 2013 Operating Budget, staff is requesting authorization to continue to expend funds to meet NJ TRANSIT's obligations until the adoption of a Fiscal Year 2014 Operating Budget. NJ TRANSIT is required by its By-Laws to adopt a final budget at its annual meeting in June if the State of New Jersey has completed the process of appropriating funds for public transportation purposes or at the first meeting subsequent to action by the State. Since the State budget process is often not completed before NJ TRANSIT's annual meeting in June, staff may not be able to make final recommendations to the Board on the Fiscal Year 2013 budget prior to the start of the Fiscal Year. Therefore, authorization to expend funds to carry on NJ TRANSIT's day-to-day business is necessary.

BACKGROUND

NJ TRANSIT's operating budget is the result of an annual process involving both internal personnel and other State agencies. Approval of the operating budget is necessary to direct resources to support the continued operation of NJ TRANSIT Bus, Rail and Light Rail services for its customers. Within NJ TRANSIT, development of the operating budget is an agency-wide effort, involving all the departments. The Budget Department works with all the departments to establish a balanced budget while prioritizing the needs of our customers, being more efficient and advancing the goals of the Scorecard.

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

FISCAL IMPACTS

Requested Authorization:	\$1.904 billion
Total Project Cost:	None
Projected Date of Completion:	June 30, 2013
Anticipated Source of Funds:	Passenger fares and other revenues State operating assistance Other State and Federal reimbursements
DBE/SBE Goal:	None
<i>NJ Build</i> Amount:	None
Related/Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

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

WHEREAS, the New Jersey Legislature has enacted a Fiscal Year 2013 State Budget which includes appropriations for public transportation purposes; and

WHEREAS, staff has recommended a Fiscal Year 2013 Operating Budget for NJ TRANSIT as detailed in the item and Exhibits A, B, C and D attached hereto; and

WHEREAS, the Fiscal Year 2013 Operating Budget recognizes State operating assistance of \$73.2 million; and

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

WHEREAS, if the State's Fiscal Year 2014 Budget is not finalized prior to the June 2013 NJ TRANSIT Board meeting, the Board may defer adoption of the annual budget until the next special or regular Board meeting subsequent to the final actions by the State; and

WHEREAS, if the Board is unable to approve a Fiscal Year 2014 budget prior to July 2013, it will be necessary to expend funds after July 1, 2013, prior to the final adoption of the Fiscal Year 2014 budget;

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

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

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

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to expend, in the normal course of business, the funds necessary to meet NJ TRANSIT's obligations, essentially in accordance with this Fiscal Year 2013 Operating Budget item, resolution and attachments and until the adoption and approval of the Fiscal Year 2014 Operating Budget.

EXHIBIT A

**FISCAL YEAR 2013
OPERATING BUDGET
REVENUES**

Total Revenues **\$1.904 billion**

NJ TRANSIT revenues are budgeted at approximately \$1.9 billion, an increase of \$9 million compared to the Fiscal Year 2012 Operating Budget. Specific assumptions are described below.

Passenger Revenue **\$894.2 million**

The Fiscal Year 2013 Operating Budget includes passenger revenue of \$894.2 million, an increase of \$13.2 million over the Fiscal Year 2012 Operating Budget. This increase is the result of a modest incremental growth of 1.5 percent based on current employment projections and ridership trends.

Other Commercial Revenue **\$109.8 million**

Other commercial revenues are budgeted at \$109.8 million, which is \$5.5 million more when compared to the Fiscal Year 2012 Operating Budget. The growth is attributable to a base revenue increase predicated on favorable year-end projections such as advertising, a one-time Express Scripts rebate and additional revenue from a new fraud investigation initiative.

State Operating Assistance **\$73.2 million**

Consistent with the State Budget proposed by the Governor and pending adoption by the Legislature, State operating assistance is budgeted at \$73.2 million in Fiscal Year 2013.

Other State and Federal Reimbursements **\$826.7 million**

Other State and Federal reimbursements are budgeted at \$826.7 million.

EXHIBIT B

**FISCAL YEAR 2013
OPERATING BUDGET
EXPENSES**

Total Expenses **\$1.904 billion**

NJ TRANSIT expenses are budgeted at \$1.904 billion, an increase of \$9 million compared to the Fiscal Year 2012 Operating Budget. Growth is primarily limited to mandatory costs such as escalating health benefit costs, toll increases, previously negotiated contractual agreements, Bus detour mitigation service, additional maintenance on 100 new multi-level rail cars and the need to add T&E crews to offset the annualization of a federal mandate that reduces the number of daily service hours.

Labor and Fringe Benefits **\$1.094 billion**

Labor and fringe benefits are budgeted at \$1.094 billion, a decrease of \$19.2 million due primarily to managed attrition and leap-year savings. Departments throughout NJ TRANSIT are effectively managing labor costs by both strategically evaluating positions and tasks. These are partially offset by need for Bus detour mitigation service, additional maintenance on 100 new multi-level rail cars and the need to add T&E crews to offset the annualization of a federal mandate that reduces the number of daily service hours.

Fuel, Power, Materials and Supplies **\$ 319.4 million**

Fuel, power, materials and supplies costs are budgeted at \$319.4 million, an increase of \$5.1 million over the Fiscal Year 2012 Operating Budget. Growth includes funding for projected Amtrak propulsion costs, Bus detour mitigation service and reimbursable local/county shuttle vehicle purchases.

Purchased Transportation **\$ 208.6 million**

Purchased transportation expenses are budgeted at \$208.6 million, or a \$6.2 million increase due primarily to growth in existing Light Rail, Access Link and Private Carrier Bus contracts.

Other Expenses **\$282.0 million**

All other expenses are budgeted at \$282.0 million, a net increase of \$16.9 million over the Fiscal Year 2012 Operating Budget. This includes funding for outside services, utilities, claims and insurance, tolls, trackage fees and other miscellaneous costs.

EXHIBIT C

NEW JERSEY TRANSIT CONSOLIDATED OPERATIONS
FISCAL YEAR 2013 Proposed Operating Budget
(\$ in millions)

REVENUES:

Passenger Revenue	\$894.2
Other Revenue	<u>109.8</u>

TOTAL REVENUE **\$1,004.0**

OPERATING ASSISTANCE:

State Operating Assistance	\$73.2
Capital Transfers	363.0
Other Reimbursements	<u>463.7</u>

TOTAL OPERATING ASSISTANCE **\$899.9**

TOTAL REVENUES & OPERATING ASSISTANCE **\$1,903.9**

EXPENSES:

Labor and Fringe Benefits	\$1,093.9
Services	119.4
Fuel & Power	172.0
Materials & Supplies	147.4
Utilities	40.7
Claims & Insurance	31.2
Purchased Transportation	208.6
Tolls & Trackage Fees	54.0
Other	<u>36.7</u>

TOTAL EXPENSES **\$1,903.9**

EXHIBIT D

**NEW JERSEY TRANSIT CONSOLIDATED OPERATIONS
FISCAL YEAR 2013 PROPOSED OPERATING BUDGET
(\$ in millions)**

			FY 2012 - FY 2013	
	<u>FY 2012</u>	<u>FY 2013</u>	<u>\$</u>	<u>%</u>
<u>REVENUE</u>				
Passenger Fares	\$881.0	\$894.2	\$13.2	1.5%
Other Revenue	<u>104.3</u>	<u>109.8</u>	<u>5.5</u>	<u>5.3%</u>
TOTAL REVENUE	985.3	1,004.0	18.7	1.9%
<u>OPERATING ASSISTANCE</u>				
State Operating Assistance	309.4	73.2	(236.2)	-76.3%
Capital Transfer	363.0	363.0	0.0	0.0%
Other Reimbursements	<u>237.2</u>	<u>463.7</u>	<u>226.5</u>	<u>95.5%</u>
TOTAL OPERATING ASSISTANCE	909.6	899.9	(9.7)	-1.1%
<u>TOTAL REVENUE & OP. ASST.</u>	<u>1,894.9</u>	<u>1,903.9</u>	<u>9.0</u>	<u>0.5%</u>
<u>EXPENSES</u>				
Labor	622.3	616.8	(5.5)	-0.9%
Fringe Benefits	490.8	477.1	(13.7)	-2.8%
Services	115.2	119.4	4.2	3.6%
Fuel & Power	171.8	172.0	0.2	0.1%
Materials & Supplies	142.5	147.4	4.9	3.4%
Utilities	41.6	40.7	(0.9)	-2.2%
Claims & Insurance	25.2	31.2	6.0	23.8%
Purchased Transportation	202.4	208.6	6.2	3.1%
Tolls & Trackage Fees	46.1	54.0	7.9	17.1%
Leases, Rentals & Interest	10.1	10.2	0.1	1.0%
Taxes & Miscellaneous	<u>26.9</u>	<u>26.5</u>	<u>(0.4)</u>	<u>-1.5%</u>
<u>TOTAL EXPENSES</u>	<u>1,894.9</u>	<u>1,903.9</u>	<u>9.0</u>	<u>0.5%</u>

ITEM 1207-34:**FISCAL YEAR 2013 CAPITAL PROGRAM****BENEFITS**

Consistent with NJ TRANSIT's Capital Investment Strategy, NJ TRANSIT's \$1.152 billion Fiscal Year 2013 Capital Program calls for continued investment in the state's transit infrastructure in order to improve the overall state of good-repair of the system, improve reliability and safety, and support future expansions. Foremost amongst these continuing efforts is NJ TRANSIT'S rolling stock modernization program which includes the procurement of over 1,400 new buses, over 400 multilevel railcars, and more than 50 electric and dual power locomotives. The program also invests in railroad bridge rehabilitation, track replacement, signal and security upgrades, repairs to overhead power lines and electric substations, improvements to rail stations and bus shelter upgrades. Upgrades to improve the reliability and efficiency of the Northeast Corridor are also funded.

Anticipated resources of \$1.152 billion are estimated to be available from federal, state and other sources in Fiscal Year 2013. A summary of the Fiscal Year 2013 Sources of Funds is presented in **Attachment 1**.

Attachments 2 and 3 summarize funds and percent of the total program by category. Approximately 61 percent of the Fiscal Year 2013 Capital Program – \$706 million – is dedicated to fixed expenses, as follows:

- \$654 million will be spent on capital maintenance and prior debt service needs related to the acquisition of buses, trains, locomotives and the construction of light rail projects; and
- \$52 million will be spent using funds mandated for a specific use including the federal rural transit program and the federal Job Access Reverse Commute (JARC) program.

Approximately 39 percent of the program – or \$446 million – funds the basic capital program improvements needed to maintain and improve the transit system as follows:

- \$79 million will be invested in rail infrastructure improvement needs, including \$56 million to fund track and bridge improvements; \$13 million to fund electric traction and signal improvements on the railroad; and
- \$36 million will be invested in rail infrastructure improvements on the Northeast Corridor Line; and
- \$88 million will be invested in rail rolling stock improvements, including \$5 million to continue funding for locomotive overhauls to maintain reliability; \$30 million for the overhaul of the locomotives and passenger coaches; \$50 million for multi-level push-pull coaches and multi-level power coaches, which will allow NJ TRANSIT to replace the aging Arrow III fleet with higher capacity trainsets; and
- \$16 million will be invested in rail station improvements; and

- \$164 million will be invested in bus and light rail infrastructure improvements, including \$2 million for infrastructure improvements on the Newark Light Rail, \$111 million to annual payment to replace 200 Transit-style buses annually with pay-as-you go funds, and over \$11 million for Capital Asset Replacement Program funds for the RiverLine and Hudson Bergen Light Rail; and
- \$63 million will be invested in system-wide improvements, including \$16 million for technology upgrades that both improve efficiency and reduce annual operating costs.

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

Staff seeks the NJ TRANSIT Board of Directors' adoption of the Fiscal Year 2013 Capital Program in the amount of \$1.152 billion, as described.

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

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

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

PURPOSE

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

BACKGROUND

NJ TRANSIT's capital program is the result of an established, annual process involving both internal personnel and external agencies. The purpose of the program is to provide NJ TRANSIT with the authority to secure capital funding in support of the various individual projects and programs authorized by the NJ TRANSIT Board of Directors throughout the year. NJ TRANSIT and the New Jersey Department of

Transportation (NJDOT), along with Federal partners, collaborate to estimate resource levels. The FY13 anticipated capital resources are \$1.152 billion; including \$530 million of Federal funds, \$586 million of Transportation Trust funds, and \$36 million of Local Match and Casino Revenue funds.

Within NJ TRANSIT, development of the capital program is an interdepartmental effort, involving operating units, planners, engineers, architects, as well as police, customer service and environmental specialists. Working together, they establish and prioritize a pool of projects, balancing corporate Scorecard objectives against limited resources to ensure the highest and best use of limited capital funds. The program includes projects that have undergone a rigorous development process from the planning and design phases through construction and startup. Consistent with multiyear funding requirements, critical projects are added, completed projects removed, and adjustments made to ongoing projects to optimize cash flow. All aspects of the Scorecard, including Customer Experience, Safety and Security, Financial Performance, Corporate Accountability, and Employee Excellence are encompassed in the plan.

The program is simultaneously included in the Transportation Improvement Program (TIP) of the three Metropolitan Planning Organizations (MPOs), namely, the North Jersey Transportation Planning Authority (NJTPA), the South Jersey Transportation Planning Organization (SJTPO) and the Delaware Valley Regional Planning Commission (DVRPC). The three TIPs are combined and sent to the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) for approval as the Statewide Transportation Improvements Program (STIP) on a bi-annual basis. Finally, the federal, state and casino revenue portions of the capital program are incorporated into the state budget, approved by the legislature and signed into law by the Governor.

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

FISCAL IMPACTS

Requested Authorization: \$1.152 billion

Total Project Cost: NA

Projected Date of Completion: NA

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

DBE/SBE Goal: NA

NJ Build Amount: NA

Related/Future Authorizations: NA

**Impacts on Subsequent
Operating Budgets:** NA

RESOLUTION

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

WHEREAS, the Fiscal Year 2013 Capital Program will address the needs of existing transit riders by ensuring system reliability and safety through state of good repair investments; addressing system capacity demands; and investing in planned system expansion; and

WHEREAS, in Fiscal Year 2013, the Capital Program will be consistent with the Annual Capital Investment Strategy submitted to the State Legislature; and

WHEREAS, the Fiscal Year 2013 Capital Program is submitted to various Metropolitan Planning Organizations throughout the state whose approvals are required as a prerequisite to Federal grant awards; and

WHEREAS, the Fiscal Year 2013 Capital Program is submitted to the State Legislature for consideration as part of its annual budget appropriation process;

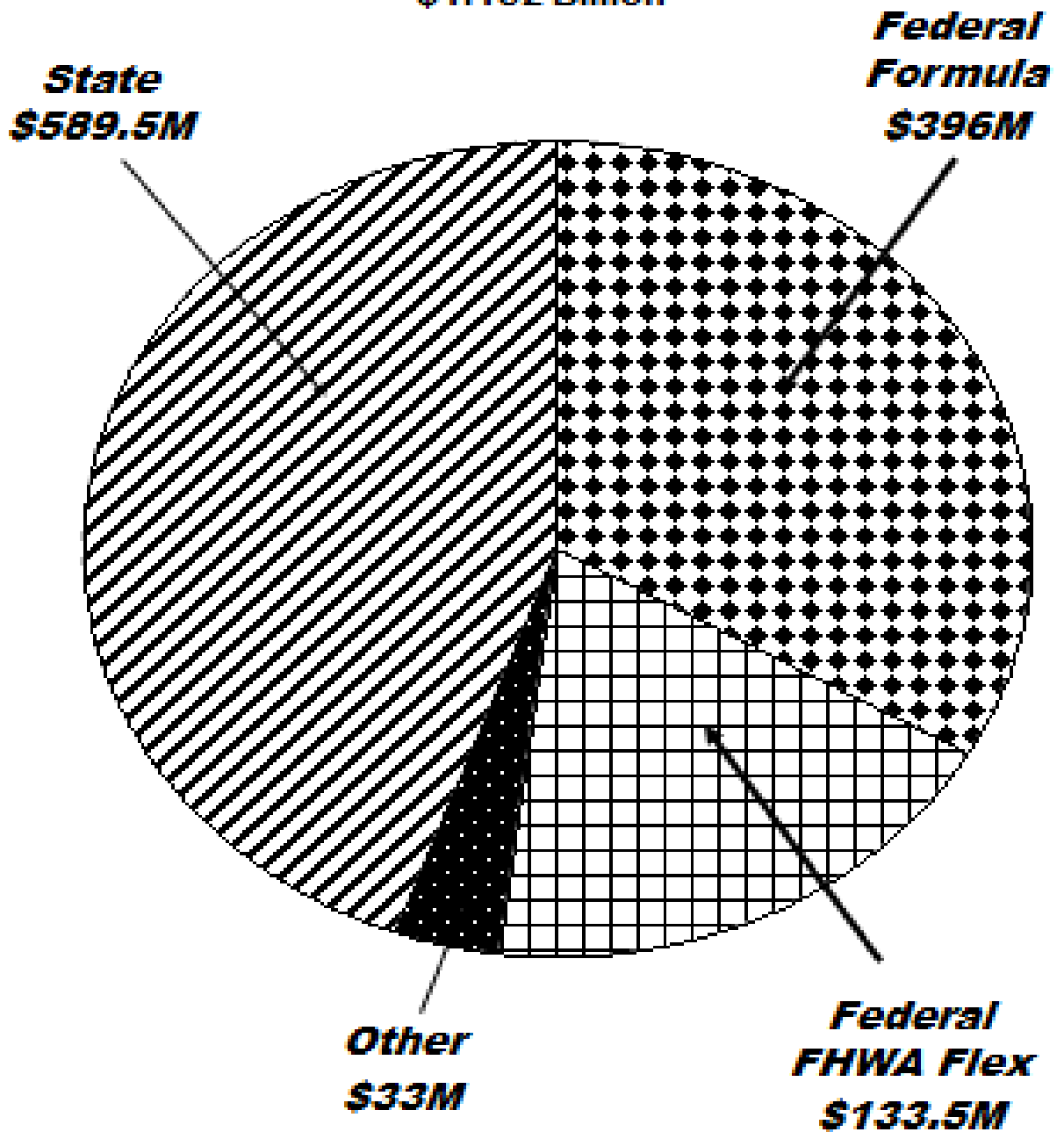
NOW, THEREFORE, BE IT RESOLVED that the NJ TRANSIT Board of Directors adopts the Fiscal Year 2013 Capital Program in the amount of \$1.152 billion, as described; and

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

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

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

**NJ TRANSIT
FY13 CAPITAL PROGRAM
Sources of Funds
\$1.152 Billion**



Attachment 2

**NJ TRANSIT FY2013 CAPITAL PROGRAM
SUMMARY
(\$ in millions)**

CATEGORY	AMOUNT	PERCENT
Capital Maintenance/Debt Service	\$ 654	56.8%
Pass-Through	\$ 52	4.5%
Rail Infrastructure Improvements	\$ 115	9.9%
Rail Rolling Stock Improvements	\$ 88	7.6%
Rail Station Improvements	\$ 16	1.4%
Bus/Light Rail Improvements	\$ 164	14.2%
System-Wide Improvements	\$ 63	5.5%
System Expansion	\$ 0	0.0%
Total	\$ 1,152	100.0%

NJ TRANSIT Fiscal Year 2013 CAPITAL PROGRAM

(\$ in Millions)

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

	<u>URBAN</u> <u>5307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>5309</u>	<u>JARC/</u> <u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>EARMARK</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
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Capital Maintenance/Debt Service

<u>RAIL</u>											
Capital Maintenance	42.026	119.084	0.000	0.000	0.000	0.000	0.000	63.900	0.000	225.010	
Rolling Stock-Rail	73.690	0.000	0.000	0.000	0.000	17.917	0.000	12.195	0.000	103.802	
Rolling Stock-Rail Debt Serv/Prev. Maint. Pass Th	11.276	0.000	0.000	0.000	0.000	46.076	0.000	0.221	0.000	57.573	
<u>RAIL SUBTOTAL</u>	126.992	119.084	0.000	0.000	0.000	63.993	0.000	76.316	0.000	386.385	33.5%
=====											
<u>BUS/LRT</u>											
Capital Maintenance	80.183	0.000	0.000	0.000	0.000	18.507	0.000	34.900	0.000	133.590	
Newark City Subway	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6.152	0.000	6.152	
River Line Intermodal Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	52.907	0.000	52.907	
Rolling Stock-Bus	41.363	0.000	0.000	0.000	0.000	0.000	0.000	13.126	0.000	54.489	
<u>BUS/LRT SUBTOTAL</u>	121.546	0.000	0.000	0.000	0.000	18.507	0.000	107.085	0.000	247.138	21.4%
=====											
<u>NEW INITIATIVES</u>											
Hudson/Bergen LRT MOS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.270	0.000	9.270	
Hudson/Bergen LRT MOS II	6.760	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6.760	
<u>NEW INITIATIVES SUBTOTAL</u>	6.760	0.000	0.000	0.000	0.000	0.000	0.000	9.270	0.000	16.030	1.4%
=====											
<u>SYSTEMWIDE</u>											
Building Leases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.400	0.000	4.400	
<u>SYSTEMWIDE SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.400	0.000	4.400	0.4%
=====											
Capital Maintenance/Debt Service TOTAL	255.298	119.084	0.000	0.000	0.000	82.500	0.000	197.071	0.000	653.953	56.8%

NJ TRANSIT Fiscal Year 2013 CAPITAL PROGRAM

(\$ in Millions)

----- FEDERAL FUNDING -----
URBAN FIXED JARC/ NEW FHWA STP- PERCENTAGE
5307 GUIDEWAY RURAL/ FREE FLEX TE of Total
OTHER TOTAL PROGRAM
5309 DISABLED DOM EARMARK STATE OTHER TOTAL Program

Pass-through

	<u>URBAN</u> <u>5307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>5309</u>	<u>JARC/</u> <u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>FHWA</u> <u>EARMARK</u>	<u>STP-</u> <u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>PERCENTAGE</u> <u>of Total</u> <u>Program</u>
RAIL										
Metro North Joint Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.690	0.690	
RAIL SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.690	0.690	<u>0.1%</u>
BUS/LRT										
Cumberland County Bus Program	1.020	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.020	
East Windsor Community Shuttle	0.100	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.100	
Small Bus Programs	0.000	0.000	11.100	0.000	0.000	0.000	0.000	6.300	17.400	
BUS/LRT SUBTOTAL	1.120	0.000	11.100	0.000	0.000	0.000	0.000	6.300	18.520	<u>1.6%</u>
=====										
SYSTEMWIDE										
Casino Revenue Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	22.632	22.632	
Job Access and Reverse Commute Program	0.000	0.000	4.000	0.000	0.000	0.000	0.000	4.000	8.000	
New Freedom Program	0.000	0.000	0.000	2.291	0.000	0.000	0.000	0.000	2.291	
SYSTEMWIDE SUBTOTAL	0.000	0.000	4.000	2.291	0.000	0.000	0.000	26.632	32.923	<u>2.9%</u>
=====										
Pass-through TOTAL	1.120	0.000	15.100	2.291	0.000	0.000	0.000	33.622	52.133	<u>4.5%</u>

NJ TRANSIT Fiscal Year 2013 CAPITAL PROGRAM

(\$ in Millions)

----- FEDERAL FUNDING -----											
	URBAN 5307	FIXED GUIDEWAY 5309	JARC/ RURAL/ DISABLED	NEW FREE DOM	EARMARK	FHWA FLEX	STP- TE	STATE	OTHER	TOTAL	Percentage of Total Program

Rail Infrastructure Improvements

RAIL											
Bridges	0.000	0.000	0.000	0.000	0.000	0.000	0.000	36.273	0.000	36.273	
Emergency Response Rail	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
NEC Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	35.680	0.000	35.680	
Right of Way Fencing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.500	
Signals&Communication/Electric Traction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.960	0.000	12.960	
Support Facilities/Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.000	0.000	7.000	
Track	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.200	0.000	20.200	
RAIL SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	114.613	0.000	114.613	9.9%
=====											
Rail Infrastructure Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	114.613	0.000	114.613	9.9%

NJ TRANSIT Fiscal Year 2013 CAPITAL PROGRAM

(\$ in Millions)

----- FEDERAL FUNDING -----										
	<u>URBAN</u>	<u>FIXED</u>	<u>JARC/</u>	<u>NEW</u>		<u>FHWA</u>	<u>STP-</u>			<u>Percentage</u>
	<u>5307</u>	<u>GUIDEWAY</u>	<u>RURAL/</u>	<u>FREE</u>	<u>EARMARK</u>	<u>FLEX</u>	<u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>
		<u>5309</u>	<u>DISABLED</u>	<u>DOM</u>						<u>of Total</u>
										<u>Program</u>

Rail Rolling Stock Improvements

<u>RAIL</u>											
Fleet Overhauls	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.060	0.000	5.060	
FRA Mandates	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.960	0.000	1.960	
Rail Rolling Stock Engineering Assistance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	
Rolling Stock-Rail	0.000	0.000	0.000	0.000	0.000	50.000	0.000	29.537	0.000	79.537	
<u>RAIL SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	50.000	0.000	37.807	0.000	87.807	<u>7.6%</u>
=====											
Rail Rolling Stock Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	50.000	0.000	37.807	0.000	87.807	<u>7.6%</u>

NJ TRANSIT Fiscal Year 2013 CAPITAL PROGRAM

(\$ in Millions)

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

	<u>URBAN</u> <u>5307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>5309</u>	<u>JARC/</u> <u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>EARMARK</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
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Rail Station Improvements

<u>RAIL</u>	<u>URBAN</u> <u>5307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>5309</u>	<u>JARC/</u> <u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>EARMARK</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Rail Station Improvements	2.000	0.000	0.000	0.000	0.000	0.000	1.000	10.110	0.000	13.110	
Stars Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Station/Facilities Inspections/Repairs	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.810	0.000	0.810	
<u>RAIL SUBTOTAL</u>	2.000	0.000	0.000	0.000	0.000	0.000	1.000	12.920	0.000	15.920	<u>1.4%</u>
=====											
Rail Station Improvements TOTAL	2.000	0.000	0.000	0.000	0.000	0.000	1.000	12.920	0.000	15.920	<u>1.4%</u>

NJ TRANSIT Fiscal Year 2013 CAPITAL PROGRAM

(\$ in Millions)

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

<u>URBAN</u>	<u>FIXED</u>	<u>JARC/</u>	<u>NEW</u>		<u>FHWA</u>	<u>STP-</u>				<u>Percentage</u>
<u>5307</u>	<u>GUIDEWAY</u>	<u>RURAL/</u>	<u>FREE</u>	<u>EARMARK</u>	<u>FLEX</u>	<u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>of Total</u>
	<u>5309</u>	<u>DISABLED</u>	<u>DOM</u>							<u>Program</u>

Bus/Light Rail Improvements

<u>BUS/LRT</u>											
ADA Access Link Vehicles	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.699	0.000	0.699	
Bus Facilities Midlife Rehabilitation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Bus Operations Support Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Bus Passenger Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.800	0.000	0.800	
Cruiser CNG Bus Replacement (24 buses)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	29.000	0.000	29.000	
Emergency Response Bus Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.100	0.000	3.100	
Hudson/Bergen LRT Capital Asset Replacement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.025	0.000	9.025	
Newark City Subway	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.327	0.000	2.327	
Passenger Facilities	0.700	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.700	
Private Carrier Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
River Line Intermodal Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Rolling Stock-Bus	0.000	0.000	0.000	0.000	0.000	0.000	0.000	110.993	0.000	110.993	
Support Facilities/Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.430	0.000	0.430	
<u>BUS/LRT SUBTOTAL</u>	0.700	0.000	0.000	0.000	0.000	0.000	0.000	163.374	0.000	164.074	<u>14.2%</u>
=====											
Bus/Light Rail Improvements TOTAL	0.700	0.000	0.000	0.000	0.000	0.000	0.000	163.374	0.000	164.074	<u>14.2%</u>

NJ TRANSIT Fiscal Year 2013 CAPITAL PROGRAM

(\$ in Millions)

----- FEDERAL FUNDING -----										
URBAN	FIXED	JARC/ RURAL/	NEW		FHWA	STP-				Percentage
5307	GUIDEWAY	DISABLED	FREE	EARMARK	FLEX	TE	STATE	OTHER	TOTAL	of Total
	5309		DOM							Program

Systemwide Improvements

SYSTEMWIDE

Capital Program Implementation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	21.470	0.000	21.470	
Claims Support	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Emergency Response Capital Planning & Progra	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
Emergency Response Headquarters	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.882	0.000	4.882	
Environmental Compliance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.220	0.000	0.220	
Penn Plaza Consolidation and Relocation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.300	0.000	1.300	
Photocopy Equipment Lease	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.800	0.000	0.800	
Physical Plant	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.450	0.000	1.450	
Security Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.610	0.000	2.610	
Study & Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.810	0.000	4.810	
Travel Demand Management	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.973	0.000	0.973	
Vanpool Sponsorship Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.400	0.000	0.400	
Vital Records	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.500	
SYSTEMWIDE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	47.415	0.000	47.415	4.1%

TECHNOLOGY/CUSTOMER SERVICE

ADA Access Link Computers	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.500	
Technology Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	15.550	0.000	15.550	
TECHNOLOGY/CUSTOMER SERVICE SUBTO	0.000	0.000	0.000	0.000	0.000	0.000	0.000	16.050	0.000	16.050	1.4%

Systemwide Improvements TOTAL

Systemwide Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	63.465	0.000	63.465	5.5%
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NJ TRANSIT Fiscal Year 2013 CAPITAL PROGRAM

(\$ in Millions)

----- FEDERAL FUNDING -----											
	<u>URBAN</u>	<u>FIXED</u>	<u>JARC/</u>	<u>NEW</u>		<u>FHWA</u>	<u>STP-</u>				<u>Percentage</u>
	<u>5307</u>	<u>GUIDEWAY</u>	<u>RURAL/</u>	<u>FREE</u>	<u>EARMARK</u>	<u>FLEX</u>	<u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>of Total</u>
		<u>5309</u>	<u>DISABLED</u>	<u>DOM</u>							<u>Program</u>

System Expansion

NEW INITIATIVES

Transit Rail Initiatives	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	
<u>NEW INITIATIVES SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	<u>0.0%</u>
=====											
System Expansion TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	<u>0.0%</u>

ITEM 1207-35: BUS SERVICE OPTIMIZATION INITIATIVE

BENEFITS

NJ TRANSIT has identified performance metrics that set corporate-wide standards of accountability and create transparency for the public, helping us to make strategic decisions to maximize resources as well as illustrate how the agency is managing its commitment to excellence. NJ TRANSIT has developed a detailed bus service planning process that has led to a comprehensive Bus Service Optimization Initiative, which includes a strategic reallocation of resources, to assure that our bus system operates at maximum efficiency and effectiveness. This initiative contains both reductions in service on poorly performing routes as well as investments in expanded and enhanced services in bus markets with a demonstrated greater potential to serve customer demand. This initiative will improve the customer experience (through the reinvestment of resources in key markets), improve business efficiency (through strategic reallocation of resources), and protect the investment of taxpayer dollars (through reducing poorly performing services).

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

It is requested that the Board approve the implementation of the Bus Service Optimization Initiative package, to take effect on September 1, 2012. This includes the discontinuance of the following bus routes:

- #42 Newark-18th Avenue
- #43 Newark-Jersey City
- #75 Butler-Newark
- #93 Bloomfield-Newark Light Rail
- #181 Union City-New York (GWB) – Sunday only

The package also includes route/schedule adjustments on the following bus routes:

- #56 Elizabeth-Winfield
- #57 Elizabeth-Linden
- GO28 Newark Airport-Newark-Bloomfield
- #451 Camden-Voorhees Town Center-Lindenwold
- #604 East Trenton-Trenton Transit Center

Reinvestments and service expansions are proposed for the following bus routes:

- #62 Newark-Woodbridge-Perth Amboy
- #99 Newark-Hillside (Clifton Avenue Crosstown)

PURPOSE

Authorization to proceed with the Bus Service Optimization Initiative will enable NJ TRANSIT to discontinue all service on four (4) under-performing bus routes, eliminate Sunday service only on a fifth bus route, implement route and/or schedule adjustments on five (5) other bus routes, and reallocate and reinvest a portion of the initial operational savings to institute service improvements and enhancements on two (2) bus routes. The projected annual initial operating savings are \$2.48 million with \$1.03 million being reinvested into enhanced service, for a final net projected annual operating savings of \$1.45 million.

BACKGROUND

Over the past 18 months, NJ TRANSIT conducted a detailed performance-based analysis of all directly-operated bus services. All NJ TRANSIT bus routes were assigned to one of 17 geographical groupings or markets. Routes were evaluated against their peers based upon 20 different performance metrics, including the key measures of: customers per hour, operational farebox recovery rate, and operational subsidy per passenger. Routes performing below 70 percent of the peer group average for all three key metrics were selected for deeper review.

This process identified 27 bus routes that were candidates for adjustments ranging from service modifications to total discontinuance. The candidate routes were further analyzed for customer impacts, available travel alternatives, as well as community and economic impacts and effects on ADA, minority, and low-income populations. That analysis resulted in a number of proposals being dropped from the plan. A final list of eleven (11) bus routes was selected for proposed action.

To obtain public input into the decision-making process, a series of public hearings and information sessions were held, coupled with direct outreach to area elected officials, to outline the proposals and identify alternative services for customers, on a route by route basis. An evening public hearing and an afternoon public information session were held in Newark on June 12, 2012. An evening public hearing was also held in Wayne on June 13, 2012. The public hearing notice is Exhibit 1. A total of 79 people attended the public hearings and information session and 38 offered public comments. The hearing officers' reports are set forth in Exhibit 2. Transcripts of the hearings and information session were prepared and distributed to the Board of Directors. Customers were notified of the hearings and proposals via notices posted on all buses and at terminals, press releases, media advisories, and via postings on the NJ TRANSIT web site. Customers were encouraged to attend the hearings or provide written comments to NJ TRANSIT so that we could hear their concerns and comments. During this public outreach process, NJ TRANSIT received 101 comments from the public regarding these proposals.

One of the original proposals called for total discontinuance of the #78/378 Newark-Secaucus bus route. All customers would have alternative service available via a rail/bus connection but customers would have faced a higher fare and a longer trip time to use those alternative services. During the public input process, including the public hearings, we heard from many people, including both employees and management from UPS in Secaucus, who expressed strong concerns about the negative impact that this proposal would have on their lives. UPS hires part-time labor exclusively and customers made a strong argument that the added cost and time spent traveling to and from work without the #78 bus route would pose a tremendous hardship for them. Customers stressed that the #78 is a critical bus service for them. In response to this compelling public input, the #78 discontinuance was dropped from the final Bus Optimization Initiative proposal.

After careful review of the comments received through this process, staff is asking for Board authorization to implement the final recommendations of the Bus Service Optimization Initiative, effective September 1, 2012.

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

FISCAL IMPACTS

Requested Authorization:	N/A
Total Project Cost:	Projected Annual Savings of \$ 1.45 million
Projected Date of Completion:	September 1, 2012
Anticipated Source of Funds:	Operating Budget
DBE/SBE Goal:	N/A
<i>NJ Build</i> Amount:	N/A
Related/Future Authorization:	N/A
Impacts on Subsequent Operating Budgets:	N/A

RESOLUTION

WHEREAS, NJ TRANSIT has identified performance metrics that set corporate-wide standards of accountability; and

WHEREAS, NJ TRANSIT has developed a bus service planning process that has led to a comprehensive Bus Service Optimization Initiative which includes a strategic reallocation of resources; and

WHEREAS, this initiative contains both reductions in service on poorly performing bus routes as well as investments in expanded and enhanced bus services in markets with a greater potential to serve customer demand; and

WHEREAS, a series of public hearings and information sessions were held, coupled with direct outreach to area elected officials to obtain public input into the decision-making process;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the implementation of the Bus Service Optimization Initiative package, to take effect on September 1, 2012. This includes the discontinuance of the following bus routes:

- #42 Newark-18th Avenue
- #43 Newark-Jersey City
- #75 Butler-Newark
- #93 Bloomfield-Newark Light Rail
- #181 Union City-New York (GWB) – Sunday only

The package also includes route/schedule adjustments on the following bus routes:

- #56 Elizabeth-Winfield
- #57 Elizabeth-Linden
- GO28 Newark Airport-Newark-Bloomfield
- #451 Camden-Voorhees Town Center-Lindenwold
- #604 East Trenton-Trenton Transit Center

Reinvestments and service expansions are proposed for the following bus routes:

- #62 Newark-Woodbridge-Perth Amboy
- #99 Newark-Hillside (Clifton Avenue Crosstown)

NJ TRANSIT Public Hearing Notice

(NJT Board - 07/11/2012)

PROPOSED BUS SERVICE OPTIMIZATION AFFECTING THE FOLLOWING ROUTES

NJ TRANSIT proposes to strategically reallocate resources to improve the customer experience, improve organizational efficiency, and to be better stewards of taxpayer dollars. NJ TRANSIT proposes changes to eight (8) bus routes, which include discontinuances or service reductions on six (6) underperforming bus routes and service enhancements and expansions on two (2) bus routes in the Newark area:

ROUTES:	PROPOSED DISCONTINUANCE OR SERVICE REDUCTION	ROUTES:	PROPOSED ENHANCEMENT OR EXPANSION
No. 42	18 th Avenue (proposed discontinuance)	No. 62	Newark – Woodbridge – Perth Amboy (proposed restructuring and improvement of service including new all-night service between Newark, Newark Airport, and Elizabeth)
No. 43	Newark – Jersey City (proposed discontinuance)	No. 99	Clifton Avenue Crosstown (proposed extension of service to Branch Brook Park Light Rail Station in Newark)
No. 75	Newark – Butler (proposed discontinuance)		
No. 78/378	Newark – Secaucus (proposed discontinuance)		
No. 93	Bloomfield – Newark Light Rail (proposed discontinuance)		
No. 181	Union City – New York (proposed discontinuance of Sunday service)		

Public hearings will be held as required by N.J.S.A., 27:25-8(d). The public is invited to the hearings/information session at which time they will have a full opportunity to express their views. In order to assure that all members of the public are given an opportunity to be heard, initial presentations will be limited to five (5) minutes. If you are unable to attend one of the hearings, written comments for the record may be sent to: PUBLIC HEARING OFFICE – BUS SERVICE OPTIMIZATION COMMENTS, NJ TRANSIT, ONE PENN PLAZA EAST, NEWARK, NEW JERSEY 07105-2246 or on NJ TRANSIT's Website, at www.njtransit.com, for receipt no later than 11:59 pm, June 13, 2012.

All public hearing/information session locations are accessible for persons with disabilities. Individuals requesting special assistance such as a translator, sign language interpreter or other accommodation to participate in a public hearing should contact the Public Hearing Office at (973) 491-7453 or TTY (800) 955-6765 by May 29, 2012 in order for NJ TRANSIT to make the necessary arrangements.

The public's views on these proposals as expressed at the hearings will be presented to the NJ TRANSIT Board of Directors prior to its final decision on this matter.

PUBLIC HEARING & INFORMATION SESSION LOCATIONS:

Tuesday, June 12, 2012

NEWARK

NJ TRANSIT Headquarters – Board Room
One Penn Plaza East, 9th Floor, Newark, NJ

11:00 am – 2:00 pm (INFORMATION SESSION)

5:00 – 8:00 pm (PUBLIC HEARING)

Wednesday, June 13, 2012

WAYNE

Wayne Public Library – Meeting Room
461 Valley Road, Wayne, NJ

5:00 – 8:00 pm (PUBLIC HEARING)

NON-DISCRIMINATION POLICY: NJ TRANSIT is committed to ensuring that no person is excluded from, or denied the benefits of, our services on the basis of race, color or national origin as protected by Title VI of the Civil Rights Act of 1964, as amended. No person or group of persons shall be discriminated against with regard to the routing, scheduling or quality of transportation service on the basis of race, color or national origin. Frequency of service, age and quality of vehicles assigned to routes, quality of stations serving different routes, and location of routes may not be determined on the basis of race, color or national origin. Any person who believes that they have, individually, or as a member of any specific class of persons, been subjected to discrimination on the basis of race, color or national origin may file a complaint in writing to NJ TRANSIT Customer Service - Title VI Division, One Penn Plaza East, Newark, NJ 07105. A complaint must be filed within 180 days of the alleged discrimination.



EXHIBIT 2

**Hearing Officer's Report
Information Session – June 12, 2012
Newark, NJ
Re: Proposed Bus Service Optimization**

The information session opened at 11:15 a.m. and lasted until 2:00 p.m. A total of 21 people signed the attendance sheet and 11 people spoke for the record.

Elected Officials:

No elected official attended the hearing and spoke for the record.

Organizations:

There were four speakers representing organizations.

Orlando Ruiz (Human Resources Manager) and Gary Sanderson (Division Manager for the Day Sort) both represented the UPS facility in Secaucus. Mr. Ruiz emphasized the dependence of UPS employees on the No. 78 bus. He stated that the No. 78 is the only option many of their employees have. He stated that UPS purchases bus passes for their employees and subsidizes 50% of the cost of the pass. They do not extend this benefit, however, to NJT Rail passes. Mr. Ruiz stated that many of the UPS employees work only 4 hours per day and to force them to take the train and then transfer to a bus route to get to UPS would add 2 to 3 hours to their daily commute. Mr. Ruiz presented a petition "Petition for Keeping the 78/378 Bus Route To and From Secaucus" signed by 233 people.

Mr. Sanderson questioned the validity of the ridership numbers presented by NJ Transit and stated that the buses are full. He also stated that the UPS facility has hired employees from the Newark area for as long as it has been in existence but that eliminating the bus route could cause UPS to look for employees elsewhere.

JoAnn Sims spoke as a representative of Peoples' Organization for Progress. She stated that she was glad that NJ Transit was planning to expand the No. 99 bus. She expressed her concern about construction on Irvine Turner Blvd. and the potential impact on bus operations on that street. She said that the No. 78 should keep running because people working in Secaucus need service and she stated that NJ Transit should continue the No. 42 because elderly people cannot walk ½ mile. If it has to be discontinued, the elderly people need a shuttle.

Stephen Thorpe spoke on behalf of the Union County Transportation Advisory Committee and as a representative of the Township of Winfield. He stated that he was grateful that the No. 56 was going to be retained, but that the adjustment in frequency of service to a reduced frequency was somewhat problematic. He also suggested that NJ Transit consider extending the route to the Union County College campus and to downtown

EXHIBIT 2

Cranford to serve the Raritan Valley Line

There were seven other speakers. The following is a list of the issues raised.

Don't eliminate the No. 78/378 Newark Penn Station – Newark Broad Street Station – Secaucus Route	4
Don't eliminate the No. 75 Butler – Newark route	1
Extend the No. 99 to Newark Airport	1
Move the No. 24 (a route not operated by NJ Transit Bus Operations) to Frelinghuysen Avenue	1
Complained about the quality of service on the No. 24 (a route not operated by NJ Transit Bus Operations)	1
Don't eliminate the No. 43 Newark – Jersey City	1

Submitted

Hearing Officer

Joyce Gallagher, Vice President & General Manager, Bus Operations

June 18, 2012

EXHIBIT 2

**Hearing Officer's Report
Public Hearing – June 12, 2012
Newark, NJ
Re: Proposed Bus Service Optimization**

The public hearing opened at 5:15 p.m. and lasted until 8:00 p.m. A total of 49 people signed the attendance sheet and 21 people spoke for the record.

Elected Officials:

No elected official attended the hearing and spoke for the record.

Organizations:

There were five speakers representing organizations.

Ray Greaves spoke on behalf of the Amalgamated Transit Union. Mr. Greaves stated that the ATU makes the State move and this was not the time to put a foot on the brake when more and more residents of the State rely on mass transit. He spoke about the need to reauthorize the Surface Transportation Bill and to push Congress to act to support the flex spending option for transit agencies. He also addressed the issue of Interest Rate Swaps which he stated are costing the taxpayers of the State millions of dollars in swap deals. He urged NJ Transit to reevaluate the Bus Optimization plan.

JoAnn Sims spoke as a representative of Peoples' Organization for Progress. She spoke about traffic conditions that impact the No. 99 Line and stated that people need the No. 78 service and that it should be left alone.

Tim Serener represented the Lackawanna Coalition and the New Jersey Association of Rail Passengers. He stated that the State had been going in the wrong direction since 2006 with respect to green transit. He stated that the Scorecard should include a measurement of how much it's going to cost the State of New Jersey if 16 people on every bus have to start driving a car instead of using mass transit. He also stated that it makes no sense to cut mass transit service when ridership is going up.

Janna Chernetz read a statement on behalf of the Tri-State Transportation Campaign. She stated that leaving commuters either stranded or with a longer commute should not be considered "optimizing service" and does not support NJ Transit's goal of providing transportation options to New Jersey residents. She stated that the cuts are the result of Trenton's failure to adequately invest in transportation in New Jersey. Further, she stated that unless funding for transit service is prioritized and new transportation revenue source identified, it is only a matter of time before public transportation becomes a more expensive commuting option for New Jerseyans.

EXHIBIT 2

Barry Walters spoke on behalf of the American Federation of Government Employees, Local 1012. He stated that his members and veterans depend on bus service because they cannot drive because of their mental disabilities. He also stated that his members need the transit service to get to the Veterans Administration in Lyons, New Jersey and to get to their jobs.

Petitions:

Ms. Debra James presented a petition "Petition for Keeping the 78/378 Bus Route To and From Secaucus" signed by 233 people.

Ms. Beverly Scott presented a petition "Let's Try To Keep the #42 Bus Running" signed by 150 people.

There were eighteen other speakers. The following is a list of the issues raised.

Don't eliminate the No. 42 Irvington – Newark. It's a much needed bus service and the alternative bus routes are in dangerous areas.	3
Don't eliminate the No. 78/378 Newark Penn Station – Newark Broad Street Station – Secaucus Route. Alternatives are costly and time-consuming and eliminating the route could eliminate jobs for the people who need them the most.	10
Don't eliminate the No. 43 Newark – Jersey City to the Kearny Post Office. In the near future, workers from 3 other closing post offices will be coming to the Kearny facility.	1
Don't extend the No. 99 to Branch Brook Park Light Rail Station because there are plenty of routes that go there already	1
Don't eliminate the No. 75 Butler – Newark route – Reduce service, if necessary, but don't eliminate it completely.	1
Extending the No. 62 to Newark Airport 24/7 is a waste because travelers will not use it in the middle of the night. However, it might be good for employees working at the airport.	1
Late night service on the 163 to New York does not stop in Union City, so this passenger has to ride to New York to come back to Union City	1

Submitted

Hearing Officer

Joyce Gallagher, Vice President & General Manager, Bus Operations

June 18, 2012

EXHIBIT 2

**Hearing Officer's Report
Public Hearing – June 13, 2012
Wayne, New Jersey
Re: Proposed Bus Service Optimization Initiative**

The public hearing opened at 5:05 p.m. and lasted until 8:00 p.m. A total of nine (9) people attended and six (6) spoke for the record. Two 15-minute recesses were taken; one at 6:00 p.m. and another at 7:15 p.m.

Elected Officials:

No elected officials attended nor spoke. Additionally, none were represented by staff or submitted written remarks.

Organizations:

Mr. Sherman Ariel spoke on behalf of the Amalgamated Transit Union Local 822 representing the Wayne and Market Street Garages. While not an elected official, Mr. Ariel also claimed to speak on behalf of the "community of Passaic County."

The following is a list of the six (6) speakers and their comments and concerns. Note that Michael Jensen neglected to sign-in on the speakers list:

Speaker	Representing	Comments/Concerns
Brenda Linneer	Self	<ul style="list-style-type: none"> • Changes to the #75 Bus will impact or curtail her ability to get to work. • Will other routes be adjusted to "pick up the slack."? • How can NJ TRANSIT claim to save \$3.1M on this Optimization Plan that affects 3,200 riders and then spend \$46M to get 6,400 riders to Philadelphia?
Michael Jensen	Self	<ul style="list-style-type: none"> • Can the 194 Bus schedule be adjusted to provide more service to the Wayne Transit Center? This will be even better when the dual-mode locomotives come online and service will increase on the Montclair/Boonton line. • Show possible rail connections on the schedules for the #s 75, 194, 197, and 324.
Sherman Ariel	Amalgamated Transit Union Local 822	<ul style="list-style-type: none"> • #75 Bus is very important in Passaic County for rush hour service to Newark. • #43 Bus connects Newark to Jersey City and supplements the #s 1, 25 and 42 Buses. • NJ TRANSIT can save more money by renegotiating their loans at lower rates. • #78 Bus serves UPS in Secaucus • Union wants to work with NJ TRANSIT to save bus routes and money.

EXHIBIT 2

Jonathan Woolley	Self	<ul style="list-style-type: none">• Changes to the #181 Bus will drive people to NJ TRANSIT's competitors and private vans.• Cancelling the Go Bus through University Heights will show that NJ TRANSIT doesn't know how to operate and support select bus service.• Didn't know if South jersey bus routes were also being changed but, if so, they should also have been shown tonight.
James Manhart	Self	<ul style="list-style-type: none">• Works for PSE&G in Newark and #75 Bus is his only way to work.• Could it be limited to just one ride in the morning and evening rush?• Bus is always full; so many people will have to drive if it's eliminated.
Joe Carloci	Self	<ul style="list-style-type: none">• Many people use #75 Bus to go to Willowbrook and would pose a hardship if eliminated.• The #75 is the only rush hour service from Pompton Plains and Butler.• Many older riders use service.

Conclusion:

The Public Hearing was officially closed at 8:00 p.m.

Submitted

Hearing Officer

Charles Ingoglia, Director Public Affairs, CP&P

June 18, 2012

ITEM 1207-36:**ADVERTISING REVENUE CONTRACT****BENEFITS**

The sale of advertising space on NJ TRANSIT's bus, rail and light-rail equipment, stations, platforms, terminals and trestles provides significant annual guaranteed non-farebox revenue to NJ TRANSIT. The sale of advertising space advances NJ TRANSIT's Scorecard metrics by maximizing revenue and decreasing reliance on State operating subsidies and fares. During 2011, NJ TRANSIT's advertising revenue contractor, Titan Outdoor, LLC, of New York, New York, generated \$10.2 million for NJ TRANSIT. From 2004 through March 31, 2012, NJ TRANSIT received \$73.3 million, 42 percent above the \$51.5 million that Titan guaranteed during that period. Titan also invested \$125,000 in digital advertising displays that now are part of NJ TRANSIT's fixed assets.

ACTION (Scorecard: Corporate Accountability and Financial Performance)

Staff seeks authorization to enter into Contract 11-051 with Titan Outdoor, LLC of New York, New York, to sell NJ TRANSIT's advertising inventory for the greater of a minimum annual guarantee totaling \$53,300,000 during five years or 60 percent of net revenue above the annual Revenue guarantee for Years 1 and 2, and 62½ percent above the minimum annual revenue guarantee for Years 3-5 as shown in the table below.

Table 1
Schedule of Revenue to NJ TRANSIT

	Minimum Annual Guarantee ("MAG")	Year-to-Year Increase in MAG	Percentage of Revenue to NJ TRANSIT above MAG
Year 1	\$ 9,405,000	4%*	60%*
Year 2	9,880,000	5%	60%
Year 3	10,770,000	9%	62½%
Year 4	11,330,000	5%	62½%
Year 5	+ 11,915,000	5%	62½%
Total	\$ 53,300,000		

* The current minimum annual guarantee is \$9,000,000 and the current revenue share is 60%.

PURPOSE

Authorization of the proposed contract will enable NJ TRANSIT to increase non-farebox revenue from advertising inventory. The proposed contract enables Titan to expand NJ TRANSIT's traditional static advertising inventory to include NJ TRANSIT's customer-amenity technology, such as digital information displays, mobile applications, ticket-vending machines and website pages. Leveraging NJ TRANSIT's investment in new media and technology will generate additional revenue, complement the customer experience and maximize the value of NJ TRANSIT's investment in technology.

BACKGROUND

Like its predecessor railroads and bus companies, NJ TRANSIT from the outset has sold advertising space on revenue vehicles, platforms, stations and trestles. In 2004, pursuant to competitive bidding, the Board authorized a five-year contract with Titan. In 2008, based on Titan's performance, the Board authorized a two-year extension, through August 31, 2011.

In 2011, NJ TRANSIT sought competitive proposals for a new five-year contract, to start on September 1, 2011. Four advertising revenue contractors submitted responsive proposals. Members of a technical evaluation committee independently scored the written proposals. Based on the evaluators' scoring, NJ TRANSIT invited the four firms to make oral presentations. Following the oral presentations, the evaluators independently scored the proposals to establish a competitive range for the purpose of soliciting best-and-final offers. Those scores were:

Table 2
Firms that Submitted Responsive Bids
for Advertising Revenue Contract #11-051

Proposer	Final Score
Titan Outdoor, LLC	1,917
Interstate Transit	1,711
CBS Outdoor	1,293
Gateway Outdoor Advertising	879

Best-and-final-offer negotiations with the two firms in the competitive range, Titan and Interstate, resulted in staff's recommendation to award a contract to Titan. The evaluators ranked Titan as offering the best value in terms of a combination of minimum annual guarantee, revenue share, capital expenditures, in-kind consideration, demonstrated feasibility of implementing its proposed sales plan and generating the revenue it proposes, demonstrated experience in selling both static and new advertising media, and demonstrated experience in measuring the effectiveness of traditional and non-traditional transit advertising.

In May 2011, Gateway protested NJ TRANSIT's intent to award the contract to Titan. Gateway alleged that NJ TRANSIT demonstrated bias in favor of Titan, that Titan was not a responsible bidder, and that Gateway proposed superior financial terms. NJ TRANSIT's Contracting Officer recently determined that Gateway's protest lacks sufficient or contrary evidence to substantiate a change in staff's evaluation that Titan Outdoor LLC offered a proposal that in accordance with the RFP terms and conditions was determined to be the most advantageous and provides the best value to NJ TRANSIT. To sustain advertising revenue during the protest period, the Board twice extended Titan's contract through August 31, 2012.

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

FISCAL IMPACTS

Requested Authorization:	Authorization to enter into contract #11-051 with Titan Outdoor, LLC, of New York, New York, for five years to sell NJ TRANSIT's advertising inventory for the greater of a minimum annual guarantee totaling \$53,300,000 during five years or 60% of net revenue above the annual revenue guarantee for Years 1 and 2, and 62½% of net revenue above the minimum annual revenue guarantee for Years 3-5.
Total Project Cost:	None
Projected Date of Completion:	August 31, 2017
Anticipated Source of Funds:	None
DBE/SBE Goal:	None
<i>NJ Build</i> Amount:	Race Neutral
Related Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	Guaranteed revenue of \$53,300,000 over five years

RESOLUTION

WHEREAS, the sale of advertising space on NJ TRANSIT's bus, rail and light-rail equipment, stations, platforms, terminals and trestles provides significant annual guaranteed non-farebox revenue to NJ TRANSIT; and

WHEREAS, expanding that traditional static advertising inventory to include NJ TRANSIT's customer-amenity technology will generate additional revenue, complement the customer experience and maximize the value of NJ TRANSIT's investment in technology; and

WHEREAS, following technical evaluation, oral presentations, and best-and-final-offer negotiations, staff ranked Titan Outdoor, LLC, of New York, New York, as offering the best value in terms of a combination of minimum annual guarantee, revenue share, capital expenditures, in-kind consideration, demonstrated feasibility of implementing its proposed sales plan and generating the revenue it proposes, demonstrated experience in selling both static and new advertising media, and demonstrated experience in measuring the effectiveness of traditional and non-traditional transit advertising; and

WHEREAS, one of the proposers, Gateway Outdoor Advertising, protested NJ TRANSIT's intent to award the contract to Titan; and

WHEREAS, NJ TRANSIT's Contracting Officer determined that Gateway's protest lacked sufficient or contrary evidence to substantiate a change in staff's evaluation that Titan's proposal is the most advantageous and provides the best value to NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into Contract 11-051 with Titan Outdoor, LLC of New York, New York, to sell NJ TRANSIT's advertising inventory for the greater of a minimum annual guarantee totaling \$53,300,000 during five years or 60 percent of net revenue above the annual Revenue guarantee for Years 1 and 2, and 62½ percent above the minimum annual revenue guarantee for Years 3-5.

ITEM 1207-37: NJ TRANSIT FY2013 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

BENEFITS

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

ACTION (Scorecard: Corporate Accountability, Customer Experience)

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

- FY2013 Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP), as set forth in Exhibit B, for a total program amount of \$22,632,000 funded by the Casino Revenue Tax.
- FY2013 FTA Section 5311 Rural and Small Urban Areas Program for Counties, as set forth in Exhibit C, for a total program amount of \$4,573,972 which includes \$2,351,016 in federal funds and \$1,111,478 as the NJ TRANSIT share of local match.
- FY2013 FTA Section 5311 Rural Intercity Bus Transportation Program at a cost not to exceed \$489,237.
- FY2013 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$99,090 in federal funds to supplement the New Jersey Community Transportation Training Program at no cost to NJ TRANSIT.
- FY2013 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program at a cost not to exceed \$4,735,783 which includes \$3,788,626 in federal funds and \$947,157 as the NJ TRANSIT share of local match.
- FY2013 FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program at a cost not to exceed \$4,942,379 which includes \$3,632,379 in federal funds,

and \$1,000,000 in funds from the New Jersey Department of Human Services. In addition, NJ TRANSIT match is required for two services under this program which expand NJ TRANSIT bus routes. All other match dollars are provided by the local provider.

- FY2013 FTA Section 5317 New Freedom (NF) Program at a cost not to exceed \$3,000,000 funded by the federal government. No NJ TRANSIT match is required for this program as it is provided by the local provider.
- Any specially-dedicated Congressional appropriations, FTA Section 5307, FTA Section 5309 and CMAQ local projects including funds which will be flexed into ongoing FTA programs under the FY2013 budget at a cost not to exceed \$7,620,000. This includes \$1,400,000 received under the Veteran's Transportation and Community Living Initiative.

PURPOSE

NJ TRANSIT's Capital Planning and Programs Department administers the state-funded Senior Citizen and Disabled Resident Transportation Assistance Program, as well as a variety of Federal programs funded through the Federal Transportation Administration (FTA): Transportation for Elderly Persons and Persons with Disabilities Program (Section 5310), Rural and Small Urban Areas Program (Section 5311), the New Jersey Community Transportation Training Program funded in part by the Rural Transit Assistance Program (RTAP), the Jobs Access and Reverse Commute Program (Section 5316), and the New Freedom Program (Section 5317) as well as ongoing planning efforts under the FTA Human Services Transportation Coordination Plan requirements. In addition, from time to time local shuttle initiatives funded through a variety of federally-funded sources, including specially-dedicated congressional appropriations and the Congestion Mitigation and Air Quality (CMAQ) and Small Urban Areas (Section 5307) and Major Capital Investments (Section 5309) programs, are applied for and administered by NJ TRANSIT on behalf of designated local providers.

These programs assist a variety of private non-profit organizations, counties, various municipalities, county improvement authorities and NJ TRANSIT in meeting the mobility needs of New Jersey's senior citizens, persons with disabilities, and transportation-disadvantaged and rural residents. Board authorization is sought to implement these programs for Fiscal Year 2013 (FY2013), including authorization to execute subrecipient leases for vehicles, which will be competitively procured, under each of the various federal programs. Details of the program and funding are found in Exhibits D and E.

The funding level specified for SCDRTAP is the amount anticipated in the State budget for FY2013. The funding levels specified for the federal 5311, 5310, and 5307 programs are estimates based on partial federal apportionments for federal FY2012. The funding levels for the federal 5316 and 5317 programs are anticipated federal FY2011 funding to be received. The funding levels for CMAQ funds are anticipated federal FY2013 federal highway funds to be flexed to transit. The funding level for

Section 5309 Veteran’s Transportation and Community Living Initiative is funding that has been awarded to a subrecipient in a competitive grant.

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

FISCAL IMPACTS

Requested Authorization:

Senior Citizen and Disabled Resident Transportation Assistance Program

100% Casino Revenue Tax \$ 22,632,000

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

Section 5311 Counties \$ 3,462,494 (\$2,351,016 federal; \$1,090,133 Operating; \$21,345 Capital)

Section 5311 Intercity \$ 489,237

Section 5311(b)(3) \$ 99,090

Section 5310 \$ 4,735,783 (\$3,788,626 federal; \$947,157 Capital)

Section 5316 \$ 4,942,379 (\$3,632,379; \$1,000,000 DHS; \$310,000 Operating)

Section 5317 \$ 3,000,000

Sections 5307, 5309, CMAQ and various Special Appropriations (Local) \$ 7,620,000

Total Project Cost: \$ 46,980,983

Projected Date of Completion: July 31, 2013

Anticipated Source of Funds: Casino Revenue Funds
FTA Section 5307, 5309, 5310, 5311, 5311(b)(3), 5316, 5317
FTA Veteran’s Transportation and Community Living Initiative Grant
Specially-dedicated Congressional appropriations
CMAQ
New Jersey Department of Human Services
NJ TRANSIT Operating Budget
Transportation Trust Fund

DBE/SBE Goal:

Section 5310 (Vehicle Purchase) Transit Vehicle Manufacturer

Section 5307, 5311, 5316 and 5317

Race Neutral

***NJ Build* Amount:** None

Related/Future Authorizations: N/A

**Impacts on Subsequent
Operating Budgets:** \$ 1,400,133

RESOLUTION

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

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

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

WHEREAS, the FTA makes available, under Section 5311(b)(3) Rural Transit Assistance Program (RTAP), 100 percent of the funding for training and technical assistance to FTA Section 5311 and FTA Section 5310, Section 5316 and Section 5317 and Casino Revenue subrecipients; and

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

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

WHEREAS, the FTA makes available, under Section 5317 New Freedom (NF) program 50 percent of the operating assistance and 80 percent of the capital assistance and mobility management planning for transit services that address the needs of persons with disabilities gaining access to employment; and

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

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to execute, extend or modify contracts to implement the FY2013 Senior Citizen and Disabled Resident Transportation Assistance Program as set forth in Exhibit B for a total program amount of \$22,632,000, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to execute all appropriate agreements and contracts and to take all other steps necessary to implement the FY2013 FTA Section 5311 Rural and Small Urban Areas program, as set forth in Exhibit C, in the amount of \$4,573,972 which includes \$2,351,016 in federal funds and \$1,111,478 as the NJ TRANSIT share of the local match, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to execute all appropriate agreements and contracts and to take all other steps necessary to implement the FY2013 FTA Section 5311 Rural Intercity Program for a total program amount of \$489,237, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2013 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$99,090 in federal funds at no cost to NJ TRANSIT; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and leases to implement the FY2013 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities program at a cost not to exceed \$4,735,783 which includes \$3,788,626 in federal funds and \$947,157 as the NJ TRANSIT share of the local match; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2013 FTA Section 5316 Jobs Access and Reverse Commute (JARC) program at a cost not to exceed \$4,942,379 which includes \$3,632,379 in federal funds and \$1,000,000 in state funds from the New Jersey Department of Human Services and \$310,000 in NJ TRANSIT match dollars for two projects which expand NJ TRANSIT bus service; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2013 FTA Section 5317 New Freedom program at a cost not to exceed \$3,000,000 which is funded by the federal government (no NJ TRANSIT match is required in this program); and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement any specially-dedicated Congressional appropriations, FTA Section 5307 Small Urban Cities, FTA Section 5309 Major Capital Investments and Congestion Mitigation Air Quality (CMAQ) local projects including funds which will be flexed into ongoing FTA programs under the FY13 budget at a cost not to exceed \$7,620,000.

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

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

A description of each grant program is provided below.

The **Senior Citizen and Disabled Resident Transportation Assistance Program** is funded from the Casino Revenue Tax Fund. Eighty-five percent of the annual appropriation is allocated by formula among the 21 counties for transportation of senior citizens and persons with disabilities. NJ TRANSIT is allocated the remaining 15 percent to provide administrative and compliance oversight, provide technical assistance to the counties, coordinate the program within and among the counties, and develop, provide and maintain those portions of capital improvements that afford accessibility to fixed-route and other transit services.

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

The **FTA Section 5311 Rural and Small Urban Area Program** provides operating, administrative and capital assistance for public transportation services in small urban and rural areas in New Jersey pursuant to a population-based formula. Board approval of the FY2013 Program will allow 15 Section 5311 Projects and one Section 5311 Intercity project to continue operation. Two additional designated rural areas are eligible for funding but have no active projects at this time. The Section 5311 program is shown in Exhibit C.

Through the **FTA Section 5311(b)(3) Rural Transit Assistance Program (RTAP)**, NJ TRANSIT provides training and technical assistance for all small transit operators receiving federal funds. Private operators under contract to funding subrecipients are also allowed to participate. The Program is sponsored 100 percent by the FTA under

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

Section 5311 and, together with additional Casino Revenue administrative funds which allow urban subrecipients to participate, provides a variety of training through the National Transit Institute (NTI) as well as in-house. In addition to holding training classes and workshops, NTI maintains a Community Transportation Training Program website (www.njcttp.org), publishes a quarterly newsletter and together with NJ TRANSIT co-sponsors the annual New Jersey paratransit driver roadeo every spring.

Federal law requires that each State receiving Section 5311 Rural funding spend no less than 15 percent of that funding for the development and support of intercity bus transportation unless the State certifies, after consultation with affected intercity bus service providers, that the intercity bus service needs are being adequately met. One intercity project, a service connecting rural Ocean County with New York City, has been funded. NJ TRANSIT is currently conducting a study to determine whether or not intercity bus needs are adequately met. FY2013 funding is being set aside in the event that the study finds there are additional intercity needs that have not yet been met.

The federal transportation programs authorized under the current SAFETEA-LU were set to be reauthorized this past year, and until such time, there is the likelihood that Congress will continue to extend the current programs for FY2013. However, a preliminary proposal under a new authorization bill would consolidate the Section 5310, Section 5316 and Section 5317 programs into one community transportation grant program entitled Coordination for Access and Mobility Program (CAMP). All program purposes under the current three programs would remain the same and projects would continue to be derived from community-based human services transportation coordination plans. A description of these three grant programs follows:

The **FTA Section 5310 Program** provides Federal funds to States for the purchase of vehicles and related equipment for private non-profit organizations and designated public bodies to provide transit services to senior citizens and persons with disabilities. It also allows for the funding of mobility management projects that further coordination of services under the United We Ride effort. The Federal funds available under this program can be used to pay up to 80 percent of the cost of vehicles. Since assuming administration of the program in 1979, NJ TRANSIT has purchased nearly 1,700 vehicles for non-profit organizations and designated coordinated public bodies in all 21 counties. Reflecting FTA regulations outlined in the latest program circular, all local projects selected must meet a need identified in a locally-developed human services-public transit transportation coordination plan. It is anticipated a final application for

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

vehicles, related equipment and mobility management projects under the FY2013 program will be submitted to the FTA in spring 2013.

The **FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program** provides funds for operating and capital expenses for transit services that target employment transportation. Through a planning process initiated by the Metropolitan Planning Organizations (MPOs), applications for the FY2013 program will be solicited and reviewed. NJ TRANSIT will then prepare and submit a statewide application to the FTA for funds. A dollar-for-dollar match is required under this program. Historically match dollars have come from local sources. In addition, the NJ Department of Human Services has through a Memorandum of Understanding provided an additional \$1 million to NJ TRANSIT towards meeting the needs of this program. Reflecting FTA regulations outlined in the latest program circular, all local projects selected must meet a need identified in a locally developed human services-public transit transportation coordination plan. It is anticipated a final application for vehicles, related equipment and mobility management projects will be submitted to the FTA in spring 2013.

The **FTA Section 5317 New Freedom (NF) Program** provides funding for capital and operating expenses that support new public transportation services beyond those required by the Americans with Disabilities Act (ADA) as well as new public transportation alternatives beyond those required by the ADA designed to assist individuals with disabilities with accessing transportation services especially transportation to and from jobs and employment services. Reflecting FTA regulations outlined in the latest program circular, all local projects selected must meet a need identified in a locally-developed human services/public transit transportation coordination plan. It is anticipated a final application for vehicles, related equipment and mobility management projects will be submitted to the FTA in spring 2013.

In addition, in FY2013 it is anticipated that there are various **Local Community Transit Initiatives** funded through specially-dedicated Congressional appropriations, Section 5307 (Cumberland County and East Windsor), Section 5309, the Veteran's Transportation and Community Living Initiative, and CMAQ funding that will require the purchase of capital equipment and/or contracting for operating and/or planning services for local transportation services.

**SENIOR CITIZEN AND DISABLED RESIDENT
TRANSPORTATION ASSISTANCE PROGRAM
FY2013**

COUNTY	FY2012 ALLOCATION	FY2013 ALLOCATION
Atlantic	\$ 657,668	\$ 622,964
Bergen	1,908,945	1,698,400
Burlington	1,027,072	1,002,891
Camden	1,206,436	1,065,517
Cape May	431,328	410,000
Cumberland	431,328	410,000
Essex	1,834,210	1,471,408
Gloucester	572,256	585,845
Hudson	1,353,771	1,071,822
Hunterdon	431,328	410,000
Mercer	837,032	747,098
Middlesex	1,759,475	1,595,817
Monmouth	1,475,482	1,409,227
Morris	1,084,725	1,100,198
Ocean	1,908,945	1,698,400
Passaic	1,133,836	975,699
Salem	431,328	410,000
Somerset	649,127	649,381
Sussex	431,328	410,000
Union	1,355,906	1,082,533
Warren	431,328	410,000
Total Counties	\$ 21,352,854	\$ 19,237,200
NJ TRANSIT	3,768,146	3,394,800
TOTAL	\$ 25,121,000	\$ 22,632,000

100% State funds from the Casino Revenue Tax funds.

EXHIBIT C
Page 1 of 1

SECTION 5311 RURAL AND SMALL URBAN AREAS PROGRAM
PROJECTED FY2013

	FEDERAL (A)	STATE* (B)	TOTAL BUDGET (A+B)	LOCAL** (C)	TOTAL PROGRAM (A+B+C)
NORTHERN REGION					
Morris*	\$ 168,709	\$ 84,355	\$ 253,064	\$ 84,355	\$ 337,419
Passaic (West Milford)	64,259	32,130	96,389	32,130	128,519
Sussex	349,077	174,539	523,616	174,539	698,155
Warren	219,578	104,599	324,177	104,599	428,776
CENTRAL REGION					
Hunterdon	271,343	135,672	407,015	135,672	542,687
Mercer	58,552	29,276	87,828	29,276	117,104
Middlesex***	--	--	--	--	--
Monmouth	106,170	53,085	159,255	53,085	212,340
Ocean***	--	--	--	--	--
Somerset	76,802	26,689	103,491	26,689	130,180
SOUTHERN REGION					
Atlantic	193,044	96,522	289,566	96,522	386,088
Burlington	255,642	113,196	368,838	113,196	482,034
Camden	13,386	6,693	20,079	6,693	26,772
Cape May	61,792	27,506	89,298	27,506	116,804
Cumberland	260,780	125,499	386,279	125,499	511,778
Gloucester	106,497	53,249	159,746	53,249	212,995
Salem	145,385	48,468	193,853	48,468	242,321
TOTAL	<u>\$ 2,351,016</u>	<u>\$ 1,111,478</u>	<u>\$ 3,462,494</u>	<u>\$ 1,111,478</u>	<u>\$ 4,573,972</u>
Operating	\$ 2,180,260	\$ 1,090,133	\$ 3,270,393	\$ 1,090,133	\$ 4,360,526
Non-Operating (Administration)	\$ 135,756	\$ 16,970	\$ 152,726	\$ 16,970	\$ 169,696
Capital	\$ 35,000	\$ 4,375	\$ 39,375	\$ 4,375	\$ 43,750

* Provided by NJ TRANSIT Capital Program and Operating Budget.

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

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

EXHIBIT D
Page 1 of 1

PROGRAM TOTALS

	FY2011 ACTUAL	FY2012 ACTUAL	FY2013 REQUEST
Casino Revenue	\$ 29,099,000	\$ 25,121,000	\$ 22,632,000
Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program	\$ 4,820,658	\$ 4,798,838	\$ 4,735,783
Section 5311 Rural and Small Urban Area Program	\$ 3,772,572	\$ 4,010,460	\$ 3,462,494
Section 5311 Intercity Program	NA	NA	\$ 439,237
Section 5311(b)(3) Rural Transit Assistance Program	\$ 99,404	\$ 99,090	\$ 99,090
Section 5316 Jobs Access and Reverse Commute Program	\$ 4,804,818	\$ 4,912,853	\$ 4,942,379
Section 5317 New Freedom Program	\$ 3,100,000	\$ 3,300,000	\$ 3,000,000
Other (Small Urban, CMAQ)	<u>\$ 5,000,000</u>	<u>\$ 6,600,000</u>	<u>\$ 7,620,000</u>
TOTAL	<u>\$ 50,696,452</u>	<u>\$ 48,842,241</u>	<u>\$ 46,980,983</u>

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

“Other” includes CMAQ funding for both operating and capital expenditures, which is allocated by MPOs. For example, NJTPA has allocated funding for a “last mile shuttle” program that provides local entities with three years of operating assistance for shuttle service that connects with main line transit. Also included in this category is Section 5307 funding for on-going services in East Windsor and Cumberland County, as well as funds received under the Veteran’s Transportation and Community Living Initiative.

In FY2011 and FY2012, Intercity funding was not authorized separately from the Rural Program.

FUNDING SOURCES

PROGRAM	FEDERAL	NJ TRANSIT MATCH – CAPITAL	NJ TRANSIT MATCH – OPERATING	OTHER FUNDING	CASINO REVENUE	TOTAL
Senior Citizen and Disabled Resident					\$22,632,000	\$ 22,632,000
Section 5310	\$ 3,788,626	\$ 947,157				\$ 4,735,783
Section 5311 Counties	\$ 2,351,016	\$ 21,345	\$ 1,090,133			\$ 3,462,494
Section 5311 Intercity	\$ 489,237					\$ 489,237
Section 5311 (b)	\$ 99,090					\$ 99,090
Section 5316	\$ 3,632,379		\$ 310,000	\$1,000,000		\$ 4,942,379
Section 5317	\$ 3,000,000					\$ 3,000,000
Other	\$ 7,620,000					\$ 7,620,000
TOTAL	\$20,980,348	\$ 968,502	\$ 1,400,133	\$1,000,000	22,632,000	\$46,980,983

ITEM 1207-38: COMMUNITY MOBILITY AND LOCAL PROGRAMS: VEHICLE PURCHASE CONTRACTS FOR VANS AND MINIBUSES

BENEFITS

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

Under this procurement vehicles purchased will benefit a variety of programs. Vehicles purchased with funding from the Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program and Section 5317 New Freedom Program will be used to benefit senior citizens and persons with disabilities. Vehicles purchased with funding from the Section 5311 Formula Grants for Other Than Urbanized Areas Program will provide service to the general public in rural parts of the state. Funding from the Section 5311 program includes dollars from 5311 American Recovery and Reinvestment Act of 2009 (ARRA) economic stimulus grant. In addition, local transit services will benefit with the purchase of vehicles under the Section 5307 Urbanized Area Formula Program as well as the Congestion Mitigation and Air Quality (CMAQ) Program. Transportation Trust Fund monies are used for NJ TRANSIT's match of Section 5310 and Section 5311 (non-ARRA) funds.

In addition, NJ TRANSIT contracts for minibus service in Morris and Warren Counties bringing NJ TRANSIT customers to its local rail stations and key transfer points. These contracted routes require NJ TRANSIT to provide the bus equipment. Currently the equipment operating on these two contracted service agreements consist of six 2006 Ford Goshen Minibuses and two 1999 30-foot NOVA Buses that have reached their useful life and are in need of replacement. NJ TRANSIT has determined that a replacement of seven new Cutaway minibuses would be sufficient to replace this existing aging fleet.

ACTION (Scorecard: Corporate Accountability, Customer Experience)

Staff seeks authorization to enter into Contract 12-033A with Alliance Bus Group of Carlstadt, New Jersey, for the purchase of six Type A Vans, eight Type B Extended Vans, 21 Type C Minibuses, 88 Type J Extended Minibuses, and 10 Type R Extended Minibuses in an amount not to exceed \$7,024,800, plus five percent for contingencies, subject to the availability of funds.

Staff also seeks authorization to enter into Contract 12-033B with Rohrer Bus Sales of Duncannon, Pennsylvania, for the purchase of 67 Type F Extended Minibuses in an amount not to exceed \$3,147,712, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

Authorization of these contracts will provide vans and minibuses to be used by private non-profit organizations and designated public bodies to provide transit services to senior citizens and persons with disabilities, low income, and the general public statewide. Minibuses will also be provided to two private carriers (four for First Student, Inc. and three for Delaware River Coach Lines) for use in their operations of the Morris/Warren and Warren County Minibus Service, respectively.

BACKGROUND

History

Federal funds were made available during the past two years for the purchase of vehicles to be allocated to subrecipients under the programs described above. NJ TRANSIT has allocated the funds to subrecipients in accordance with the program purposes and worked with subrecipients to determine appropriate vehicle types. NJ TRANSIT developed specifications for the vehicles.

Selection Process for Section 5310 and Section 5317 and CMAQ

Under these three programs, federal funding is made available annually and a competitive grant process is undertaken. The Section 5310 and Section 5317 application process for subrecipients is directly administered by NJ TRANSIT with input from other groups and organizations, including Metropolitan Planning Organizations (MPOs), during the review and selection process. The CMAQ program applicants are solicited directly by MPOs with NJ TRANSIT then submitting the federal grant and administering the program. The Section 5310 program for senior and disabled transportation programs is predominantly a capital (vehicle) program and requests usually exceed available funds. Section 5317 funding for employment transportation for the disabled can be used for operating or capital and capital requests makes up only a small part of the overall grant requests. Likewise CMAQ can also be used for operating or capital. This Board item only reflects capital requests for vans and minibuses contained in approved grants.

Selection Process for Section 5311 and Section 5307

Both of these programs are administered by formula and subrecipients are notified of their share of funding annually. They apply for their share which can be used as operating or capital. Capital makes up a small part of the overall program.

Selection Process for ARRA-Funded Vehicles

In March, 2009, NJ TRANSIT sent a letter to each of the counties eligible for Section 5311 funding advising that the ARRA legislation provided funding for new vehicle purchases. NJ TRANSIT requested the counties to submit a vehicle equipment request form with their requests. The counties were advised of several conditions regarding the use of these funds:

- The vehicle(s) would be used for rural/non-urbanized service;
- The service be a non-prioritized trip service open to the general public although services could be designed to meet the particular needs of a particular targeted population;
- All the requirements of FTA-funded equipment would apply including FTA drug and alcohol testing, reporting, etc.;
- No operating dollars would be available under this stimulus program; and
- NJ TRANSIT would purchase all vehicles.

Once the requests were received, NJ TRANSIT staff determined whether the available funding would be sufficient for the number of vehicles requested. In all, NJ TRANSIT received requests for 64 vehicles at a total cost approximately \$1,600,000 higher than the grant amount. Staff then discussed with the various counties that had requested multiple vehicles to develop a consensus regarding the total number of vehicles.

Due to lower than anticipated prices for the original ARRA-funded vehicle purchase, there are funds remaining in ARRA grants sufficient to purchase additional vehicles. NJ TRANSIT asked the original ARRA vehicle recipients for their additional vehicle needs and is purchasing the additional vehicles through this procurement.

It should be noted that only county providers in the 17 counties with rural areas were invited to participate. The four urban counties (Bergen, Essex, Hudson and Union) are not eligible for rural/non-urbanized funding under this program.

Funding

Funding Source	Contract 12-033A (Categories 1 and 3)		Contract 12-033B (Category 2)	Total
	14 Vans	119 Minibuses	67 Minibuses	
FTA Section 5310 matched with TTF	\$ 654,500	\$ 3,113,600	\$ 2,305,492	\$ 6,073,592
FTA Section 5311 (CMAQ Flex)		\$ 1,594,650	\$ 842,220	\$ 2,436,870
FTA Section 5311 (ARRA) – FY09		\$ 268,500		\$ 268,500
FTA Section 5317 – New Freedom		\$ 148,950		\$ 148,950
NJ TRANSIT Contracted Services – TTF		\$ 416,150		\$ 416,150
CMAQ		\$ 828,450		\$ 828,450
Total	\$ 654,500	\$ 6,370,300	\$ 3,147,712	\$ 10,172,512

Procurement

An Invitation for Bid was advertised in *The Star-Ledger* and *The Trenton Times* on March 1, 2012. A Pre-Bid Conference was held on March 22, 2012. Bids were opened on May 7, 2012 at 2:00 p.m.

The Federal Transit Administration (FTA) requires that each Transit Vehicle Manufacturer, as a condition of authorization to bid on Transit Vehicle procurements utilizing FTA funds, establish a DBE Program including overall goals which is then submitted to FTA for approval. The Office of Business Development has assigned a Transit Vehicle Manufacturer goal for this procurement. The Engineer's Estimate for these vehicles is \$11,355,600.00.

The distribution of vehicles is shown in Exhibit A.

IFB 12-033 RESULTS

Category 1 – 6 Type A Vans, 8 Type B Extended Vans, 21 Type C Minibuses

COMPANY	TOTAL EVALUATED PRICE
Alliance Bus Group Carlstadt, New Jersey	\$ 1,698,150.00
Shepard Brothers, Inc. Canandaigua, New York	\$ 1,698,696.00

Category 2 – 67 Type F Extended Minibuses

COMPANY	TOTAL EVALUATED PRICE
Rohrer Bus Sales Duncannon, Pennsylvania	\$ 3,147,712.00
Shepard Brothers, Inc. Canandaigua, New York	\$ 3,377,879.00
Alliance Bus Group Carlstadt, New Jersey	\$ 3,484,950.00

Category 3 – 98 Type J Extended Minibuses and 10 Type R Extended Minibuses

COMPANY	TOTAL EVALUATED PRICE
Alliance Bus Group Carlstadt, New Jersey	\$ 5,326,650.00
Shepard Brothers, Inc. Canandaigua, New York	\$ 5,359,908.00

Options for Additional Vehicles

The bid documents for the vehicles included the provision for additional vehicles to be exercised by NJ TRANSIT within 150 days of contract notice to proceed. The provision would allow for the purchase of the following additional vehicles:

- Contract 12-033A 8 Type A or Type B Vans
- 8 Type C Minibuses
- 8 Type J Extended Minibuses with rear wheelchair lift
- 8 Type J Extended Minibuses with front wheelchair lift
- 8 Type R Extended Minibuses with rear wheelchair lift

- Contract 12-033B 8 Type F Extended Minibuses with rear wheelchair lift

Additional Board authorization will be requested for the purchase of any additional vehicles.

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

FISCAL IMPACTS

Requested Authorization:

Contract 12-033A (Categories 1 and 3)

Alliance Bus Group \$ 7,024,800.00 + 5% contingency

Contract 12-033B (Category 2)

Rohrer Bus Sales \$ 3,147,712.00 + 5% contingency

Total Project Cost: \$ 12,240,975

Projected Date of Completion: July 2014

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

DBS/SBE Goal: Transit Vehicle Manufacturer

NJ Build Amount: N/A

Related Future Authorization: Annual Community Mobility and Local Programs
authorization

**Impacts on Subsequent
Operating Budgets:** None

RESOLUTION

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

WHEREAS, funding is available to purchase vehicles for local transportation programs under FTA Section 5310, the FTA Section 5311, the FTA Section 5317, CMAQ, and the Section 5307 Small Urban Program; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (ARRA) has also made capital funding available under the FTA Section 5311 Program; and

WHEREAS, upon completion of a competitive procurement process, Alliance Bus Group was determined to be the lowest responsive, responsible bidder for the Category 1 Type A Vans, Type B Extended Vans, and Type C Minibuses; and

WHEREAS, upon completion of a competitive procurement process, Rohrer Bus sales was determined to be the lowest responsive, responsible bidder for the Category 2 Type F Extended Minibuses; and

WHEREAS, upon completion of a competitive procurement process, Alliance Bus Group was determined to be the lowest responsive, responsible bidder for the Category 3 Type J Extended Minibuses and the Type R Extended Minibuses;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into Contract 12-033A with Alliance Bus Group of Carlstadt, New Jersey, for the purchase of six Type A Vans, eight Type B Extended Vans, 21 Type C Minibuses, 88 Type J Extended Minibuses, and 10 Type R Extended Minibuses in an amount not to exceed \$7,024,800, 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 enter into Contract 12-033B with Rohrer Bus Sales of Duncannon, Pennsylvania, for the purchase of 67 Type F Extended Minibuses in an amount not to exceed \$3,147,712, plus five percent for contingencies, subject to the availability of funds.

RECIPIENTS OF VEHICLES

Section 5310 Transportation for Seniors and Persons With Disabilities Program

Atlantic	Atlantic City	1 Type B Extended Van
	Atlantic County	1 Type F Extended Minibus
	Bacharach Institute	1 Type A Van
	Caring, Inc.	2 Type J Extended Minibuses
	Family Service Assoc.	1 Type C Minibus
Bergen	Christian Health Care Center	1 Type F Extended Minibus
	Cliffside Park Housing Authority	1 Type C Minibus
	Fairview Borough	1 Type C Minibus
	Fort Lee Borough	2 Type A Vans
		1 Type J Extended Minibus
	Jewish Comm. Center	1 Type J Extended Minibus
	Mahwah Township	1 Type C Minibus
	New Concepts for Living, Inc.	1 Type B Extended Van
Camden	SCUCS	4 Type F Extended Minibuses
		1 Type J Extended Minibus
Cumberland	Wiley Christian Adult Day Serv.	1 Type J Extended Minibus
	Easter Seals Society of NJ	1 Type F Extended Minibus
Essex	Arc of Essex	1 Type A Van
	Essex County	1 Type A Van
		1 Type J Extended Minibuses
		2 Type F Extended Minibuses
		2 Type J Extended Minibuses
Gloucester	Catholic Health and Human Serv.	2 Type J Extended Minibuses
	Jewish Vocational Service	1 Type C Minibus
	ARC of Gloucester	1 Type A Van
Hudson	Gloucester County	6 Type J Extended Minibuses
		1 Type F Extended Minibus
	Guardian Programs Adult Med	1 Type C Minibus
Hudson	Hudson County Transcend	1 Type B Extended Van
		5 Type F Extended Minibuses
		2 Type J Extended Minibuses
	North Bergen Township	1 Type B Extended Van
Hunterdon	United CP of Hudson	2 Type F Extended Minibuses
	Hunterdon County	2 Type J Extended Minibuses

RECIPIENTS OF VEHICLES

Mercer	Mercer County	3 Type C Minibuses 2 Type J Extended Minibuses 1 Type F Extended Minibus
Middlesex	CP Association of Middlesex Hartwyck at Oak Tree Inc. Jewish Fam. & Voc Serv. Middlesex County South Brunswick Twp	2 Type F Extended Minibuses 2 Type F Extended Minibus 1 Type J Extended Minibus 1 Type J Extended Minibus 1 Type B Extended Van
Monmouth	Ladacin Network Monmouth County	2 Type F Extended Minibuses 4 Type J Extended Minibuses
Morris	Five Town Regional Dial-A-Ride Morris County Jefferson Township	1 Type B Extended Van 2 Type F Extended Minibus 3 Type F Extended Minibus 1 Type F Extended Minibus
Ocean	Ladacin Network Long Beach Island Comm. Manchester Township Stafford Township	2 Type F Extended Minibuses 1 Type C Minibus 1 Type F Extended Minibuses 1 Type B Extended Van 1 Type F Extended Minibus
Passaic	Passaic County Passaic Elks	4 Type F Extended Minibuses 2 Type J Extended Minibuses 1 Type C Minibus
Salem	Salem County	2 Type F Extended Minibuses 1 Type J Extended Minibus
Somerset	Midland School Somerset County Matheny School	1 Type B Extended Van 1 Type F Extended Minibus 2 Type J Extended Minibuses 2 Type J Extended Minibuses
Sussex	Sussex County Catholic Family & Comm	1 Type C Minibus 4 Type J Extended Minibuses 1 Type F Extended Minibus
Union	ARC of Union Cerebral Palsy League Union County	2 Type F Extended Minibuses 2 Type F Extended Minibuses 3 Type F Extended Minibuses 1 Type J Extended Minibus

RECIPIENTS OF VEHICLES

Warren	Abilities of Northwest Jersey Warren County	2 Type C Extended Vans 4 Type J Extended Minibuses 2 Type F Extended Minibuses
Total		120 Vehicles

Section 5310 (CMAQ-FLEX) Transportation for Seniors and Persons With Disabilities Program

Atlantic	Atlantic County	9 Type J Extended Minibuses 11 Type F Extended Minibuses
Camden	SCUCS SJTA	6 Type F Extended Minibuses 1 Type J Extended Minibus 2 Type J Extended Minibuses
Cape May	Cape May County	8 Type J Extended Minibuses
Gloucester	Gloucester County	5 Type J Extended Minibuses 1 Type F Extended Minibus
Mercer	Mercer County	3 Type J Extended Minibuses 4 Type C Minibuses
Total		50 Vehicles

Section 5311 Formula Grants for Other Than Urbanized Areas Program (ARRA)

Atlantic	Atlantic County	1 Type J Extended Minibus
Cape May	Cape May County	1 Type J Extended Minibus
Cumberland	Cumberland County	1 Type J Extended Minibus
Sussex	Sussex County	1 Type J Extended Minibus
Warren	Warren County	1 Type J Extended Minibus
Total		5 Vehicles

CMAQ Program

Camden	SJTA	4 Type J Extended Minibuses 1 Type R Extended Minibus
Cape May	Cape May County	3 Type J Extended Minibuses
Cumberland	Cumberland County Employment Services	3 Type J Extended Minibuses 2 Type 2 Extended Minibuses
Essex	Glenn Ridge	2 Type R Extended Minibus
Total		15 Vehicles

RECIPIENTS OF VEHICLES

Section 5317 New Freedom Program

Bergen	Bergen County	3 Type C Extended Minibuses
Total		3 Vehicles

Private Carrier Affairs Contract Service Agreements

Morris/Warren	First Student, Inc.	4 Type R Extended Minibuses
Warren	Delaware River Coach Lines	3 Type R Extended Minibuses
Total		7 Vehicles

ITEM 1207-39: HOBOKEN TERMINAL - YMCA BUILDING FAÇADE AND ROOF RENOVATION: CONSTRUCTION CONTRACT AWARD

BENEFITS

The building formerly known as the YMCA Building at Hoboken Terminal is being partially restored and rehabilitated. This project is included in NJ TRANSIT's master plan to rehabilitate and restore all facilities at Hoboken Terminal for customer comfort and convenience, to maintain reliable operations, and to protect and enhance historic assets. The facility offers direct connections to and from NJ TRANSIT's rail, light rail, and bus systems as well as the PATH system. The rehabilitation will enhance safety and customer experience while improving the path of travel to and from the ferry service.

ACTION (Scorecard: Customer Experience)

Staff seeks authorization to enter into Contract 12-052X with John O'Hara Co., Inc. of East Orange, New Jersey for the construction of the Hoboken Terminal – YMCA Building Façade and Roof Renovation at a cost not to exceed \$4,129,150, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

Authorization of this construction contract will allow for the restoration of copper and limestone on the YMCA Building's northerly façade and roof repairs. Work to the YMCA façade includes the removal of the temporary sidewalk scaffolding currently protecting passengers through the area near the wall, reconstruction and restoration of the block walls, copper siding, windows, limestone and roof. This work will remove the temporary scaffold and permanently protect pedestrians where there is no canopy from the deteriorating copper siding.

BACKGROUND

History

The terminal at Hoboken was originally constructed in 1907 and is built over the Hudson River. The proximity to the river has contributed to the deterioration of many structural components of the various buildings at the terminal. This project is a combination of the structural and architectural components identified in need of the most repair at this time at the YMCA building.

Project Justification

The YMCA building is situated at the entrance area of Warrington Plaza. Pedestrians use the sidewalk directly next to the building to reach the ferries, heavy rail, light rail and PATH system. The exterior of the northerly façade of the YMCA Building has severely deteriorated creating an unsafe condition for pedestrian travel. The repairs and rehabilitation of this side of the YMCA Building will help prevent further deterioration and allow for safe pedestrian travel.

To date, NJ TRANSIT has spent over \$150 million in new construction, restoration and repairs at Hoboken Terminal to enhance passenger safety and the customer experience. These past projects include the restoration of the Main Waiting Room, Ferry Building and Bus Terminal for customer comfort; and the construction of the Long Slip Pedestrian Bridge to provide a critical link between light rail, commuter rail and PATH services between Hoboken Terminal and Jersey City.

As a recipient of Federal funding, NJ TRANSIT is required to comply with the provisions of the US Department of Transportation (USDOT) Title VI Regulations (49 CFR part 21) as well as Executive Order 12898, *Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations*. Under these provisions, NJ TRANSIT must ensure that the level and quality of transportation service is provided without regard to race, color, or national origin. The proposed improvements at the YMCA building will ensure that Hoboken Terminal is accessible to a larger proportion of the population.

Procurement

The E-Bid Invitation for Bid was advertised on BID EXPRESS, NJ TRANSIT's electronic bid system, on April 5, 2012 and in local newspapers on April 7, 2012. A Pre-Bid Conference was held on April 18, 2012, at Hoboken Terminal; a site visit to the YMCA building followed the Pre-Bid Conference. Bids were received electronically and opened on May 8, 2012 at 2:00 p.m.

The Office of Business Development assigned a 20 percent DBE goal for this project. The Engineer's Estimate for this scope of work is \$2,960,000.

E-BID 12-052X RESULTS

COMPANY	TOTAL BID PRICE
John O'Hara, Company, Inc. East Orange, New Jersey	\$ 4,129,150.00
Hall Construction Company, Inc. Farmingdale, New Jersey	\$ 4,533,000.00
RCC Builders & Developers, Inc. Paterson, New Jersey	\$ 4,845,000.00
Hall Building Corp. Farmingdale, New Jersey	\$ 4,865,138.00
Paragon Restoration Corp. Kenilworth, New Jersey	\$ 5,349,177.00

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

FISCAL IMPACTS

Requested Amount: \$4,129,150.00 + 5% contingency

Total Project Cost: \$ 8,140,000

Projected Date of Completion: December 2013

Anticipated Source of Funds: Federal Transit Administration

Diversity Goal: 20% DBE

NJ Build Amount: \$ 0

Future/Related Authorizations: none

**Impact on Subsequent
Operating Budget:** None

RESOLUTION

WHEREAS, the construction of the Hoboken Terminal – YMCA Building Façade and Roof Renovation will offer customers better access to the station from the surrounding neighborhoods; and

WHEREAS, upon completion of a competitive procurement process, it was determined that John O’Hara Co., Inc. was the lowest responsive, responsible bidder for the Hoboken Terminal – YMCA Building Façade and Roof Renovation project;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to enter into Contract 12-052X with John O’Hara Co., Inc. of East Orange, New Jersey, for the construction of Hoboken Terminal – YMCA Building Façade and Roof Renovation at a cost not to exceed \$4,129,150, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1207-40: KINGS ROAD RETAINING WALL AND ELM STREET BRIDGE
REPAIRS IN MADISON, NEW JERSEY**

BENEFITS

NJ TRANSIT's Morristown Line serves nearly 55,000 people daily in Morris, Union, & Essex counties. Much of the historic Morristown Line is grade separated on embankments, viaducts, and bridges. Originally constructed by the Delaware, Lackawanna & Western Railroad, these structures were often built with reinforced concrete, an innovative building method at the time.

In the Borough of Madison, a concrete retaining wall along Kings Road carries the railroad through the borough's business district. The Elm Street Bridge, also a concrete structure, supports the railroad over Elm Street. Repairs to the Kings Road retaining wall and Elm Street bridge will repair and restore the structures to good condition.

ACTION (Scorecard: Safety and Security)

Staff seeks authorization to enter into a Contract 12-054X with Sparwick Contracting, Inc. of Lafayette, New Jersey, to perform the repairs to the Kings Road Retaining Wall and Elm Street Bridge on NJ TRANSIT's Morristown Line, in the Borough of Madison, Morris County at a cost not to exceed \$1,498,300, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

The scope of work to repair and restore the Kings Road retaining wall and the Elm Street bridge includes repair and replacement of deteriorated concrete structural elements. These structural repairs include replacement of portions of the retaining wall balustrade and bridge and concrete patching and crack repairs to the deteriorated face of the retaining wall.

Off peak track outages will be required to replace the balustrade. The repairs to the front face of the wall can be performed without track outages. Public parking in front of the wall will need to be relocated during the project. Road closures will be required for the repair to the Elm Street Bridge.

BACKGROUND

History

Kings Road Retaining Wall and Elm Street Bridge carries two tracks of the Morristown Line through the borough of Madison, NJ. Built in 1915 and located west of Madison Station, the wall is constructed of reinforced concrete and is approximately 1,100 feet long. Built in 1918, Elm Street Bridge is located at milepost 26.17 west of Madison Station. The two-span bridge is constructed of reinforced concrete. Both structures were built as part of the Madison Station improvement project.

Projected Date of Completion:	May 2013
Anticipated Source of Funds:	Transportation Trust Fund
DBE/SBE Goal:	SBE 20%
<i>NJ Build</i> Amount:	\$ 6,840
Related/Future Authorization:	None
Impacts of Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT's Morristown Line serves nearly 55,000 people daily in Morris, Union, & Essex counties; and

WHEREAS, much of the historic Morristown Line is grade separated on embankments, viaducts, and bridges; and

WHEREAS, the concrete structural elements of Kings Road retaining wall and Elm Street bridge in the Borough of Madison have deteriorated; and

WHEREAS, repair of these concrete structural elements will maintain the structural integrity and ensure reliable train service; and

WHEREAS, following a competitive procurement process, Sparwick Contractors, Inc. submitted the lowest responsive bid;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a Contract 12-054X with Sparwick Contractors, Inc. of Lafayette, New Jersey, to perform the repairs to the Kings Road Retaining Wall and Elm Street Bridge on NJ TRANSIT's Morristown Line, in the Borough of Madison, Morris County at a cost not to exceed \$1,498,300, plus five percent for contingencies, subject to the availability of funds.

CONSENT CALENDAR

ITEM 1207-41: NJ TRANSIT AGENCY WIDE COUNTER-TERRORISM RISK ASSESSMENT

BENEFITS

Materials and services which are available from only one source of supply are exempt from competitive procurement under N.J.A.C. 16:72-1.5(d) and for the most part the vendors have proprietary control over the manufacture of parts and components and the provision of technical services for NJ TRANSIT equipment.

The NJ TRANSIT Police Department (NJTPD) is seeking approval to enter into a sole source contract with Transportation Resources Associates (TRA), of Philadelphia, Pennsylvania. TRA is the only company which currently has corporate qualifications for the Transit Risk Assessment Module (TRAM) and still performs TRAM assessments for mass transit agencies. TRAM is the primary risk assessment methodology used by NJ TRANSIT to manage counterterrorism risks across the agency. The NJTPD has utilized the TRAM methodology to conduct risk assessments in 2002-2003 and 2005-2006.

The results of the TRAM assessment will provide the NJTPD with the capability to prioritize, implement and manage counterterrorism, law enforcement, and emergency response solutions based upon a proven risk management methodology while utilizing an effective security cost benefit analysis. This investment will enhance NJ TRANSIT's ability to prevent, deter, respond and recover from terrorist attacks utilizing small arms, Explosives, and Chemical, Biological, Radiological (CBR) materials.

ACTION (Scorecard: Safety & Security, Financial Performance)

The NJ TRANSIT Police Department (NJTPD) seeks authorization to enter into a sole source Contract 12-059 with Transportation Resources Associates, Inc. of Philadelphia, Pennsylvania, for the purchase of Technical Services to conduct the TRAM risk assessment in an amount not to exceed \$756,000, plus five percent contingency, subject to the availability of funds.

This project will directly impact the NJ TRANSIT scorecard in the areas of Safety and Security and Financial Performance. The TRAM risk assessment will ensure that our counterterrorism strategies provide maximum counterterrorism risk reduction (safety and security). The security cost benefit analysis associated with TRAM will ensure that the NJTPD is using sound fiscal principals that minimize cost to the corporation when selecting long term counterterrorism strategies (Financial Performance).

PURPOSE

The purpose of this project is to reassess the current status of critical NJ TRANSIT assets utilizing TRAM which will provide NJTPD with a process to make informed decisions regarding threat and risk reduction for its critical assets and implementation of targeted mitigation strategies. The vendor will provide Subject Matter Experts (SMEs), and with the help of NJ TRANSIT personnel most familiar with the critical assets, will determine the terrorism risk, utilizing the TRAM methodology, that results from security shortfalls. This process will result in a list of NJ TRANSIT assets prioritized by their risks. This approach will ensure that the NJ TRANSIT Police have adequate information needed to make informed law enforcement, protective security, response and recovery decisions. The assessment will be conducted using all available information from recent and past security reviews, associated programs, relevant documents, stakeholder engagement, and site visits. The results of the assessment will provide NJTPD with the capability to prioritize, implement, and manage security solutions based upon risk reduction and cost benefit analysis

BACKGROUND

TRAM was created for the Department of Justice's Office of Domestic Preparedness (ODP) by Science Applications International Corporation (SAIC) in 2002. In 2003, the Office of Domestic Preparedness was moved to the US Department of Homeland Security's Federal Emergency Management Agency (DHS FEMA) and the Transit Risk Assessment Module was used as the primary risk assessment methodology for the DHS FEMA Port / Mass Transit Technical Assistance Program, a program that provided risk based counterterrorism assessments to the largest mass transit agencies in the United States including NJ TRANSIT. From 2002 until 2011, SAIC and its sub-contractor TRA (starting in 2005) worked for DHS FEMA conducting TRAM assessments at mass transit agencies. In 2011, FEMA ceased funding the TRAM Assessments through the Port / Mass Transit Technical Assistance Program due to federal government budget shortages within DHS. Also in 2011, SAIC stopped conducting TRAM Assessments for mass transit agencies and ceased providing TRAM as a service offering. TRA along with its sub-contractors Binera, Inc. and Pretorian Standard, Inc. (which comprises the TRAM subject matter experts formerly from the SAIC/TRA team) make up a unique contractor team with the expertise needed to conduct a TRAM assessment for NJ TRANSIT.

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

FISCAL IMPACTS

Requested Authorization:	\$ 756,000.00 + 5% contingency (grant funded)
Total Project Cost:	\$ 756,000.00 (grant funded)

Projected Date of Completion:	May 31, 2014
Anticipated Source of Funds:	DHS/FEMA Grant
DBE/SBE Goal:	0% SBE
<i>NJ Build</i> Amount:	None
Related Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, Transportation Resources Associates, Inc., a Pennsylvania corporation with its principal place of business located at 1608 Walnut Street, Suite 1602, Philadelphia, Pennsylvania 19103, is the technical service provider for the TRAM counterterrorism risk assessment; and

WHEREAS, this investment provide the NJ TRANSIT Police Department (NJTPD) with the capability to prioritize, implement and manage counterterrorism, law enforcement, and emergency response solutions based upon a proven risk management methodology while utilizing an effective security cost benefit analysis. This investment will also enhance NJ TRANSIT's ability to prevent, deter, respond and recover from terrorist attacks utilizing small arms, Explosives, and Chemical, Biological, Radiological (CBR) materials; and

WHEREAS, this authorization will enable the NJTPD to maintain one statewide risk management methodology and tool; and

WHEREAS, pursuant to N.J.A.C. 16:72 competitive procurement requirements may be waived in instances where only one source of supply is available; and

WHEREAS, it has been determined that Transportation Resources Associates are the sole/single source for the purchase of technical services to deliver the TRAM Methodology 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 the Chairman or Executive Director is authorized to award Transportation Resources Associates, Inc. of Philadelphia, Pennsylvania, a sole source procurement-by-exception Contract 12-059 for the purchase of Technical Services to conduct the TRAM risk assessment in an amount not to exceed \$756,000, plus five percent contingency, subject to the availability of funds.

ITEM 1207-42: DESIGN, ENGINEERING AND CONSTRUCTION ASSISTANCE FOR THE REPLACEMENT OF UNDERGRADE BRIDGE ON THE RARITAN VALLEY LINE OVER LELAND AVENUE, CITY OF PLAINFIELD, UNION COUNTY, NEW JERSEY

BENEFITS

NJ TRANSIT conducts annual bridge inspections on all of its bridges to assess their current condition. The Leland Avenue Bridge has been rated in “poor” condition most recently. NJ TRANSIT also has a standing commitment to rehabilitate all undergrade bridges in the City of Plainfield and NJ TRANSIT has prioritized their repair to minimize disruptions to customers and local traffic circulation.

NJ TRANSIT will replace the bridge’s superstructure and repair its substructures to restore the Leland Avenue Bridge to a state-of-good-repair. The Leland Avenue Bridge will be the twelfth of the thirteen bridges to be rehabilitated. In addition to the Leland Avenue Bridge, seven bridges in the City of Plainfield have already been completed, three are in design and one is currently under construction. The rehabilitation of the Leland Avenue Bridge will maintain public safety and reliability for train service for approximately 22,000 daily customers on the Raritan Valley Line.

ACTION (Scorecard: Safety and Security, Corporate Accountability)

Staff seeks authorization to enter into Contract 11-071 with HDR Engineering of Newark, New Jersey to provide design, engineering and construction assistance for the replacement of the undergrade bridge over Leland Avenue in the City of Plainfield on the Raritan Valley Line, at a negotiated fee not to exceed \$586,955, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

The undergrade railroad bridge over Leland Avenue in the City of Plainfield is in need of repair. The overall condition of the bridge has deteriorated over the years. Water intrusion damaged its abutments and caused corrosion of structural steel members. This project will replace the deteriorated bridge, repair the concrete abutments, and improve the current substandard vertical clearance for roadway traffic. Replacement of the bridge is necessary to ensure the continued safe and reliable operation of train service.

BACKGROUND

History

In 1873-75, the Central Railroad of New Jersey (CRRNJ) started to eliminate the large amount of grade crossings located in the City of Plainfield, NJ on their main line (now

known as NJ TRANSIT's Raritan Valley Line) by elevating the railroad grade and constructing bridges over the streets.

Around 1906 the CRRNJ started replacing the original wooden bridges with steel bridges. The Leland Avenue Bridge was one of those bridges, which was constructed in 1907.

Project Justification

NJ TRANSIT conducts annual bridge inspections on all of its bridges and the Leland Avenue Bridge in the City of Plainfield was as rate in "poor" condition most recently. Also in 2002, NJ TRANSIT made a commitment to rehabilitate or replace all 13 bridges in the City.

Procurement

The Request for Proposal (RFP) for Design, Engineering and Construction Assistance for the Replacement of Undergrade Bridge on the Raritan Valley Line, over Leland Avenue, City of Plainfield, Union County, New Jersey was advertised on September 27, 2011 in local newspapers. On November 18, 2011 twelve proposals were received from prospective engineering firms.

These proposals were distributed to the Technical Evaluation Committee (TEC), comprised of representatives from Rail Operations Infrastructure Engineering and Capital Planning & Programs Construction Management Departments, for evaluation.

This evaluation established a shortlist of three firms based on their technical expertise. Each of the shortlisted firms was then asked to make oral presentations during the week of January 16, 2012, after which the TEC reevaluated the scores of the firms for overall technical qualifications. NJ TRANSIT then entered into negotiations with the highest ranked technically qualified firm.

The Office of Business development assigned a 25 percent SBE, Category 6 goal for the RFP.

The Engineer's Estimate for this work is \$588,926.

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

FISCAL IMPACT

Requested Contract Authorization:	\$586,955 +5% contingency
Total Project Cost:	\$5,275,000

Projected Date of Completion:	October 2013 (Design)
Anticipated Source of Funds:	Transportation Trust Fund
DBE/SBE Goal:	25% SBE
<i>NJ BUILD</i> Amount:	None
Related/Future Authorizations:	\$3,500,000 (Construction Contract)
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT owns and maintains the undergrade railroad bridge spanning Leland Avenue in the City of Plainfield on the Raritan Valley Line; and

WHEREAS, NJ TRANSIT conducts annual bridge inspections on all of its bridges and the Leland Avenue Bridge in the City of Plainfield was as rate in "poor" condition most recently; and

WHEREAS, the replacement of the bridge's superstructure and restoration of the substructure will bring the bridge to a state-of-good-repair to ensure continued safe and reliable train service on the Raritan Valley Line for approximately 22,000 daily customers; and

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

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into Contract 11-071 with HDR Engineering of Newark, New Jersey to provide design, engineering and construction assistance for the replacement of the undergrade bridge over Leland Avenue in the City of Plainfield on the Raritan Valley Line, at a negotiated fee not to exceed \$586,955, plus five percent for contingencies, subject to the availability of funds.

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss contract negotiations and attorney-client, litigation and personnel matters; 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.