

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

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

March 16, 2015

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the 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, March 11, 2015.

Sincerely,

Original Signed By

Joyce J. Zuczek  
Acting Board Secretary

Enclosures

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

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, March 11, 2015.

**Present**

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

**Absent**

Myron P. Shevell, Board Member  
Flora M. Castillo, Board Member

**Also Present**

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

Chairman Fox convened the Open Session at 9:05 a.m. in accordance with the Open Public Meetings Act.

Acting Board Secretary Zuczek announced that adequate notice of these regularly scheduled meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations, Inc. NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. was provided in accordance with the Open Public Meetings Act, Chapter 231, P.L. 1975, and the meetings were occurring concurrently. Notices were mailed to newspapers of general distribution, forwarded to the Secretary of State, Trenton, New Jersey, and mailed to each individual, agency and organization that requested such notice. In addition, notices of the meetings were posted in the main

lobby of NJ TRANSIT's Headquarters in Newark, New Jersey. Acting Board Secretary Zuczek announced that the Board Meeting was being video recorded.

Chairman Fox asked for a motion to adopt the minutes of the February 11, 2015 Board meetings. A motion was made by Board Member James C. Finkle, Jr., seconded by Board Member Steven Petrecca and unanimously adopted.

### **Public Comments on Agenda Items and Other Matters**

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

**Peter Palmer**, Somerset County Freeholder and Chairman of the Raritan Valley Coalition, thanked NJ TRANSIT for the start of one-seat ride service to Penn Station New York (PSNY). The inaugural run was on January 12, 2015. Mr. Palmer presented a poster to Executive Director Hakim commemorating the event and provided reduced size posters to the Board of Directors. Chairman Jamie Fox thanked Mr. Palmer for his leadership and assistance on getting one-seat ride service implemented.

**Murray Bodin**, resident of Hartsdale, New York, stated he is concerned about railroad crossings. Mr. Bodin recommended that the lights at the railroad crossings be upgraded to the red/blue lights installed on police cars. The current design was implemented 75 years ago and has not been upgraded since. Mr. Bodin showed a string of diodes that can be purchased commercially and that he has installed on his cane to increase visibility. He suggested that these lights be installed on the gate arms instead of the reflective tape now used. Mr. Bodin advised that he is giving "prior notice" that the railroad grade crossings are not safe and that NJ TRANSIT needs to upgrade the crossings. The upgrades will increase safety and reduce accidents. If the crossings are not upgraded, the agency has increased financial liability and could be sued.

**Tim Sevenser**, resident of Mt. Tabor and member of the Lackawanna Coalition, New Jersey Association of Railroad Passengers and National Association of Railroad Passengers, spoke about the benefits of green transit rail. Mr. Sevenser questioned why the New Jersey Turnpike was widened at a cost of \$2.5B and that the widening resulted in a permanent cost to maintain the additional lanes. He stated that rail service to Hoboken ran all winter, even when roads were closed due to snow. Mr. Sevenser said that only five people out of a 100-person staff at his office were able to get into work during the last snow storm. He questioned the need to add highway lanes instead of transit capacity. He suggested that we need to face reality that there is a need to increase the gas tax which should then be used to fund transit. Green transit should connect all of New Jersey. Widening highways destroys green space and costs millions to maintain. Mr. Sevenser provided news articles on roadway accidents and costs to support his statements.

**Lewis Evans**, an employee of NJ TRANSIT Rail, spoke about compensation concerns. Mr. Evans stated that he has been a NJ TRANSIT employee for 26 years, starting in October 1988 as a Maintenance Supervisor at \$39,000. He advanced to General

Foreman and then to Assistant Manager, his current position, at \$81,200. Mr. Evans said that his current salary has been frozen for the last seven years and that employees have been subject to other takeaways and give-backs, including furlough days, without even a Cost of Living Adjustment (COLA). He stated that he attended one of the open meetings with the Executive Director last fall and that during the meeting almost all of the attendees had concerns about compensation and questioned current non-agreement hiring trends. Mr. Evans said that NJ TRANSIT will continue to lose experienced staff and that his department alone will lose the Manager, four Assistant Managers, and two General Foremen in the next four years. He stated that NJ TRANSIT's most valuable resource is the workforce. He recently read an article that commuters still want more cuts to employees' salary and benefits. Mr. Evans said that the public needs to be told the truth about what employees have been asked to give up. He stated that recently a quality control employee making about \$72,000 to \$74,000 left to take a similar position at PATH where he is making \$94,000. Mr. Evans added that there are many reasons other than salary that employees stay at NJ TRANSIT. He thanked the Board for the opportunity to present some of the concerns of the employees.

**Joseph Clift**, a resident of New York City, thanked Bob Lavell and his staff for contacting the New York City Transit Authority to get the stairway re-opened. He did state that on Train 3827 the car closest to the escalator from the 7<sup>th</sup> Avenue Concourse was closed again. He provided a handout with his comments on the three items to be presented to the Board and suggested that the Board be provided responses before voting on the items.

Mr. Clift proceeded with remarks on the NJ TRANSIT deficit. He stated that he will work with fellow advocates to get NJ TRANSIT's proposed Fiscal Year 2016 Grants-in-Aid funding increased by \$40 million in order to reduce the projected \$80 million deficit to \$40 million, thus reducing the proposed fare increases to the inflation rate – possibly similar to the four percent bi-annual increases on MetroNorth and Long Island Railroad. He suggested that NJ TRANSIT implement several rail fare policy changes including higher peak vs. off-peak fares, higher New York Penn Station vs. Hoboken/PATH fares, and reduced fares west of Newark. He proposed an “easy-to-remember” formula – decrease off-peak, Hoboken and local rail fares west of Newark by half the percentage that commuter and peak one-way fares increase. Finally, Mr. Clift urged NJ TRANSIT Board members to aggressively pursue State administration and legislative officials to find a solution to funding the Transportation Trust Fund.

**David Peter Alan**, Chairman of the Lackawanna Coalition, stated that recent developments at NJ TRANSIT have not been good for New Jersey's transit riders. Not only do they expect a fare increase, but they expect that the increase will be accompanied by service cuts. At the same time, New Jersey's motorists and truckers are not being asked to increase their contributions; the user fee on motor fuels has not increased since 1988. Mr. Alan stated that NJ TRANSIT should be separated from the partisan political process. The Coalition supported this initiative at their February 23, 2015 meeting but have concluded that pursuing the initiative is futile. Mr. Alan stated that NJ TRANSIT is missing an opportunity to rationalize its fare structure but not reinstating “off-peak” rail fares, and not implementing a fare structure that encourages commuters to use Hoboken rather than New York Penn Station and

using trains outside the peak period. Implementing these policies would use the existing infrastructure more efficiently. Mr. Alan called for a “seat at the table” for transit advocates. Mr. Alan stated that, similar to NJ TRANSIT’s “Scorecard”, the advocates have developed their own score for NJ TRANSIT’s performance in 12 areas ranging from management issues to communication issues. While NJ TRANSIT received an “A” for alleviating the late-afternoon problems at the Port Authority Bus Terminal and a “B” for recovering service after the January 24, 2015 storm, transparency and communications did not fare as well. Mr. Alan said the advocates remain excluded from all decisions that affect their constituents, and their suggestions are rarely implemented. Therefore, NJ TRANSIT has received an overall rating of 1.58 (C-).

**Janna Chernetz**, Senior New Jersey Policy Analyst at Tri-State Transportation Campaign, stated that she had testified on Tuesday at the New Jersey Budget Hearing. The failure to address the issue of the Transportation Trust Fund is a disappointment. The recent media stories about potential fare hikes/service cuts at NJ TRANSIT send a mixed message. Ms. Chernetz stated that the Christie Administration and the New Jersey Legislature need to address transportation infrastructure funding. The lack of funding is delaying the implementation of important transit projects such as the extension of the Hudson-Bergen Light Rail, construction of the Camden-Glassboro Light Rail, replacement of the Portal Bridge, and construction of the Hunter Flyover. Asking transit riders to pay more for something that is broken is irresponsible, inadequate, and inequitable. The gas tax has not been raised since 1988; since then transit fares have increased five times.

**Orrin Getz**, a resident of Rockland County, NY, stated that his trip to the Board Meeting was an adventure due to the suspension of service on the Pascack Valley Line and problems at Secaucus. He stated that there was no communication at Secaucus as to the nature of the delays. He called Customer Service and was able to relay information to fellow passengers. Mr. Getz stated that NJ TRANSIT is sending the wrong message to millennials who are driving less and using transit more. He suggested that the \$225 million Exxon settlement be used to fund NJ TRANSIT’s budget deficit and to make improvements to the transit system. He recommended that the Executive Director and Commissioner sell the idea to Trenton. Mr. Getz identified ideas that Metropolitan Transportation Authority (MTA) is implementing that could be used at NJ TRANSIT – installing solar panels to cut fuel costs (Oradell Bus Garage) and using natural gas vehicles.

### **Board Member Comments**

Board Member Raymond W. Greaves thanked Janna Chernetz, David Peter Alan, Orrin Getz and Joseph Cliff for their comments and said the Amalgamated Transit Union has been working with the Tri-State Transportation Campaign to look for operating subsidies for NJ TRANSIT. Board Member Greaves said everyone has to look at ways to be creative to fund operating subsidies for NJ TRANSIT.

### **Advisory Committee Report**

There was no Advisory Committee Report.

### **Board Customer Service Committee Report**

Board Member James C. Finkle, Jr. presented the report for the Customer Service Committee. The Customer Service Committee was provided a Customer Service update and a report on the Social Media Dashboard for January.

The Committee was also provided with an update by NJ TRANSIT's Office of System Safety. On January 29, 2015, safety blitzes were conducted at Newark Penn Station and Secaucus Station. The blitzes were designed to engage, inform, educate and create awareness among customers about the hazards associated with the gaps between trains and platforms and incidents associated with ascending and descending stairways in multi-level rail cars. A total of 5,400 customers were contacted that day.

### **Board Capital Planning, Policy & Privatization Committee Report**

Vice Chairman Bruce M. Meisel presented the report for the Capital Planning, Policy & Privatization Committee. The Capital Planning, Policy & Privatization Committee discussed the board item to extend the existing contract with Greystone Corporate Realty Services to continue providing administration and management services for tenant and parking operator agreements while staff completes an ongoing procurement and obtains authorization to award a new contract for these services.

Additionally, the Committee discussed the board item to enter into a contract with John O'Hara Company, Inc. of East Orange, New Jersey, for the General Office Building Roof Replacement Project – Phase 1. The item will authorize replacement of the existing roof and associated rooftop equipment ductwork to eliminate leaks in mission critical operating locations, be compliant with current energy savings standards that result in General Office Building operating budget savings and will result in improved reliability and operating conditions for mission critical locations within the 1987 General Office Building addition.

### **Board Administration Committee Report**

Board Member James C. Finkle, Jr. presented the report for the Administration Committee. The Administration Committee was provided a Financial Update for December.

Additionally, the Committee was provided with an update about the Disadvantaged Business Enterprise (DBE) Attainment and the Equal Employment Opportunity (EEO) Utilization. For Federal Fiscal Year 2014, NJ TRANSIT achieved a 21.67 percent DBE attainment overall and its goal was 17.15 percent. Additionally, there is a positive trend continuing in NJ TRANSIT's utilization of women and minorities.

### **Executive Director's Monthly Report**

Executive Director Hakim said over the last decade systemwide ridership has increased by more than 41 million trips annually. This growth alone is larger than the entire transit ridership in large cities such as Phoenix, Hartford and New Orleans.

NJ TRANSIT has much to be proud of regarding the initiatives that have been implemented on behalf of and in response to customers' needs.

Executive Director Hakim said there have been communications with customers over the last four years, asking them what their needs are and taking steps to improve the overall travel experience.

As a result, NJ TRANSIT has greatly advanced its technology program with the establishment of My Bus and the MyTix applications, and the institution of Wi-Fi at many stations including, most recently, the Port Authority Bus Terminal. Customer Satisfaction ratings for MyBus and Payment Options, as part of the Customer Satisfaction Survey, are among the highest of all 42 service attributions measured. The ratings have improved significantly since NJ TRANSIT established the baseline in April 2011 with rail customers giving NJ TRANSIT the highest rating of 7.7 on the last survey.

Executive Director Hakim said NJ TRANSIT has addressed quality of ride issues such as adding quiet cars on trains and low-floor vehicles to the bus fleet. These added features have been noted and appreciated by customers, and as a result, ratings around Overall Satisfaction Onboard the Vehicles have also increased.

Feedback from bus, rail, light rail, and access link riders has provided invaluable insight to the team and led to some of the most impactful changes NJ TRANSIT has enacted over the last several years. The most recent example is the bus operations' changes at the Port Authority Bus Terminal.

Having just passed her first anniversary at NJ TRANSIT, Executive Director Hakim looked back at just how accomplished the workforce at NJ TRANSIT has been at meeting challenges and rising above them.

Time and again, NJ TRANSIT employees have been tested by difficult circumstances, and delivered expert service on behalf of the people of New Jersey. That skill set and that unwavering commitment to the people of this state has never been more important than it is right now.

Executive Director Hakim said NJ TRANSIT is faced with fiscal challenges that compels strategic and creative thinking about how to approach the goals for Fiscal Year 2016. She said this is no easy task and by no means will she sugar coat the uphill battle NJ TRANSIT faces as an organization. Decisions need to be made regarding the operations and that does include examining the fare structure. For five years, NJ TRANSIT has held down the cost of riding the system, while continually working toward improving the services.

Executive Director Hakim knows the fare increase of 2010 resulted in a serious burden for many customers and she said NJ TRANSIT will take all steps so as not to repeat that level of adjustment. NJ TRANSIT will look carefully and critically at the efficiencies of this organization and will not hesitate to make appropriate changes where applicable in order to make the most of the operating dollars. NJ TRANSIT will continue to streamline processes while taking innovative approaches to service delivery that will maximize both productivity and dollars. Currently, NJ TRANSIT is working with the state

budget numbers as it develops and finalizes its operating plan for the coming fiscal year.

The Governor's budget increases overall state support for NJ TRANSIT by \$22.1 million from \$73.2 million in Fiscal Year 2015 to \$95.3 in Fiscal Year 2016 although the mix of funding is changing slightly. Even with this increase in State support, NJ TRANSIT faces a significant budget shortfall. This gap is currently under review and NJ TRANSIT is looking at operations, and possible service and fare adjustments, but no decisions have been made.

While ridership is up, the basic, underlying economics for NJ TRANSIT are that customer fares only cover between 40 and 50 cents of every dollar of expenses. That creates an inherent gap that grows with every additional dollar of expense. However, increased ridership revenue is helping to offset some of the rising costs. In addition, there are certain escalating costs such as parts and service agreements as well as increases in health fringe benefits, workers' compensation, and pension obligations that impact the bottom line. While the details of the budget plan are still being finalized, and there is no recommendation today, Executive Director Hakim is committed to a process that holds NJ TRANSIT to high standards. She said safety and service reliability will not be compromised. Customers will not be asked to pay more until NJ TRANSIT has identified all possible alternatives.

Executive Director Hakim said that NJ TRANSIT will be transparent and seek the input of customers and stakeholders on any fare and service proposals. The details of any fare and service hearing dates and locations will be forthcoming. Going forward, Executive Director Hakim is confident that NJ TRANSIT will emerge from this budget exercise a stronger, streamlined and stable agency, with a more secure financial picture, and a continued commitment to exceptional customer service.

Executive Director Hakim said there is cause to celebrate this month as NJ TRANSIT marks the 80<sup>th</sup> anniversary of Newark Penn Station. On March 23, 2015, there will be two tours of the station in an effort to highlight its important history, dramatic architecture and unique artwork. The tours will take place in the morning and afternoon and details of the day's program will be forthcoming as they are finalized and posted on the NJ TRANSIT website. It is a welcomed opportunity to celebrate all that rail service has meant to this busy travel corridor which serves as the gateway into the City of Newark and its vibrant business district.

### **Action Items**

#### **1503-04: LEASE ADMINISTRATION AND MANAGEMENT SERVICE FOR TENANT AND PARKING OPERATING AGREEMENTS-CONTRACT EXTENSION**

Executive Director Hakim introduced Kathleen Sharman, Chief Financial Officer & Treasurer who presented Action Item 1503-04 for approval.

Kathleen Sharman recommended approval of Item #1503-04, Lease Administration and Management Service for Tenant and Parking Operating Agreements-Contract

Extension. Authorization of this contract extension would permit the Real Estate and Economic Development Department to continue its ongoing initiatives to generate additional, non-farebox revenue while efficiently managing NJ TRANSIT’s properties and parking facilities during the procurement process. These services are important to the efficient and effective management of NJ TRANSIT’s current portfolio of 266 tenant agreements and 142 parking facilities representing more than \$28 million in non-farebox revenue to NJ TRANSIT.

Authorization was requested to extend the existing competitively procured contract with Greystone Corporate Realty Services for an amount not to exceed \$301,000.

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

**Roll Call Vote:**

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

**1503-05: GENERAL OFFICE BUILDING ROOF REPLACEMENT PROJECT – PHASE I: CONSTRUCTION CONTRACT AWARD**

Executive Director Hakim introduced James Schworn, Chief, Procurement and Support Services, who presented Action Item 1503-05 for approval.

James Schworn recommended approval of Item #1503-05, General Office Building Roof Replacement Project – Phase I: Construction Contract Award. The General Office Building in Maplewood, New Jersey provides office space for Corporate support departments, Bus Operations, and Information Services. The replacement of the roof will ensure a watertight environment and a better insulating value for day-to-day activities and will protect and preserve the investment of NJ TRANSIT’s valuable equipment.

Authorization was requested to enter into a contract with John O’Hara Company, Inc. of East Orange, New Jersey, for the General Office Building Roof Replacement Project-Phase 1 at a cost not to exceed \$1,086,138.00, plus five percent for contingencies, subject to the availability of funds.

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

**Roll Call Vote:**

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

**1503-06: REGULATIONS: RULE-MAKING PROCESS – PROPOSED NEW RULE N.J.A.C. 16:89 FERRY CAPITAL IMPROVEMENT PROGRAM GUIDELINES AND PROCEDURES**

Executive Director Hakim introduced Dennis Martin, Vice President & General Manager, Bus Operations who presented Action Item 1503-06 for approval.

Dennis Martin recommended approval of Item #1503-06, Regulations: Rule-Making Process-Proposed New Rule N.J.A.C. 16:89 Ferry Capital Improvement Program Guidelines and Procedures. Passenger ferry service is an integral part of the trans-Hudson transportation network, providing intermodal connections with public transit and offering additional trans-Hudson capacity that supplements NJ TRANSIT rail and bus service. NJ TRANSIT works closely with ferry operators to procure capital improvements and equipment for the operation of ferry passenger service. The Ferry Capital Improvement Program will provide needed capital equipment enabling the participating operators to acquire, replace and rehabilitate ferries and other capital equipment and make ferry facility improvements, in exchange for the receipt of their National Transit Database (NTD) of the Federal Transit Administration mileage credit. These rules would benefit the riding public by sustaining the availability of affordable mass transit service.

Authorization was requested to initiate the rule-making process for the Ferry Capital Improvement Program Guidelines and Procedures as a step toward effectuating the adoption and promulgation of these regulations.

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

**Roll Call Vote:**

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

**Adjournment**

Since there were no further comments or business, Chairman Fox called for adjournment and a motion to adjourn was made by Vice Chairman Bruce M. Meisel, seconded by Board Member James C. Finkle, Jr. and unanimously adopted. The meeting was adjourned at approximately 9:56 a.m.

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

MARCH 11, 2015

**MINUTES**

**PAGE**

➤	<b>CALL TO ORDER</b>	-
➤	<b>APPROVAL OF MINUTES OF PREVIOUS MEETINGS</b>	47543
➤	<b>PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS</b>	-
➤	<b>BOARD MEMBER COMMENTS</b>	-
➤	<b>ADVISORY COMMITTEE REPORT</b>	-
➤	<b>SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT SCHEDULED REPORT JUNE 2015)</b>	-
➤	<b>BOARD COMMITTEE REPORTS</b>	-
	*Customer Service Committee	
	*Administration Committee	
	*Capital Planning, Policy and Privatization Committee	
➤	<b>EXECUTIVE DIRECTOR'S MONTHLY REPORT</b>	47544

**ACTION ITEMS**

**1503-04 LEASE ADMINISTRATION AND MANAGEMENT SERVICE FOR TENANT AND PARKING OPERATING AGREEMENTS – CONTRACT EXTENSION 47566**

Authorization to extend the existing competitively procured NJ TRANSIT Contract No. 09-136 with Greystone Corporate Realty Services for an amount not to exceed \$301,000.

**1503-05 GENERAL OFFICE BUILDING ROOF REPLACEMENT PROJECT – PHASE I: CONSTRUCTION CONTRACT AWARD 47569**

Authorization to enter into NJ TRANSIT Contract No. 15-002X with John O'Hara Company, Inc. of East Orange, New Jersey, for the General Office Building Roof Replacement Project – Phase 1 at a cost not to exceed \$1,086,138.00, plus five percent for contingencies, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
NJ TRANSIT RAIL OPERATIONS, INC.  
NJ TRANSIT MERCER, INC.  
NJ TRANSIT MORRIS, INC.  
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS  
MARCH 11, 2015  
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**1503-06 REGULATIONS: RULE-MAKING PROCESS – PROPOSED NEW RULE 47573  
N.J.A.C. 16:89 FERRY CAPITAL IMPROVEMENT PROGRAM GUIDELINES  
AND PROCEDURES**

Authorization to initiate the rule-making process for the Ferry Capital Improvement Program Guidelines and Procedures as a step toward effectuating the adoption and promulgation of these regulations.

➤ **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

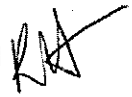
**WHEREAS**, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the February 11, 2015 Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on February 13, 2015;

**NOW, THEREFORE, BE IT RESOLVED** that the minutes of actions taken at the February 11, 2015 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

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



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

**TO:** BOARD OF DIRECTORS  
**FROM:** VERONIQUE "RONNIE" HAKIM   
**DATE:** MARCH 11, 2015  
**SUBJECT:** EXECUTIVE DIRECTOR'S REPORT – MARCH 2015

Throughout the last 10 years, NJ TRANSIT has seen incredible growth in both ridership and service areas. We have embraced technology with the establishment of My Bus and the My Tix applications and the institution of Wi-Fi at many of our stations including the Port Authority Bus Terminal. We have addressed quality-of-ride issues such as adding quiet cars on our trains and low-floor vehicles to our bus fleet. And we have spent time listening to our customers, gauging what their needs are and taking steps to improve the overall travel experience.

NJ TRANSIT has much to be proud of regarding the initiatives we have implemented on behalf of and in conjunction with our customers. Feedback from our ridership has provided invaluable insight and led to some of the most impactful changes we have enacted. However, we must not and we will not, rest on our laurels. Quite simply, more needs to be done and we are ready to take action. Having just passed my first anniversary as Executive Director, I look back at how accomplished our workforce at NJ TRANSIT has been at meeting challenges, rising above them, and exceeding expectations in terms of delivery.

Our unwavering commitment to the people of this state has never been more important than it is right now given the fiscal challenges that lie ahead. We must think strategically and creatively about how to approach our goals for FY 2015-16. Simply put, tough choices will need to be made regarding our operations and that does include examining our fare structure.

We will look carefully at the efficiencies of this organization and make appropriate changes when applicable in order to make the most of our operating dollars. And we will continue to streamline processes while taking innovative approaches to service delivery that will maximize both productivity and dollars. Any adjustment of fares would be done after all viable and reasonable alternatives are considered.

While there is a proposed increase in overall state support for NJ Transit for FY 2015-16, we are still faced with an \$80 million projected budget gap – despite identifying more than \$40 million in reductions. What I can say with certainty is that I am committed to a process that holds us to high standards. We will not compromise safety and service reliability. We will not ask our customers to pay more until we have identified all possible alternatives and sacrificed internally. And we will be transparent and seek the input of our customers and stakeholders on any fare and service proposals. Going forward, I am confident we will emerge from this budget exercise a stronger, streamlined and stable agency, with a more secure financial picture, and a continued commitment to exceptional customer service.

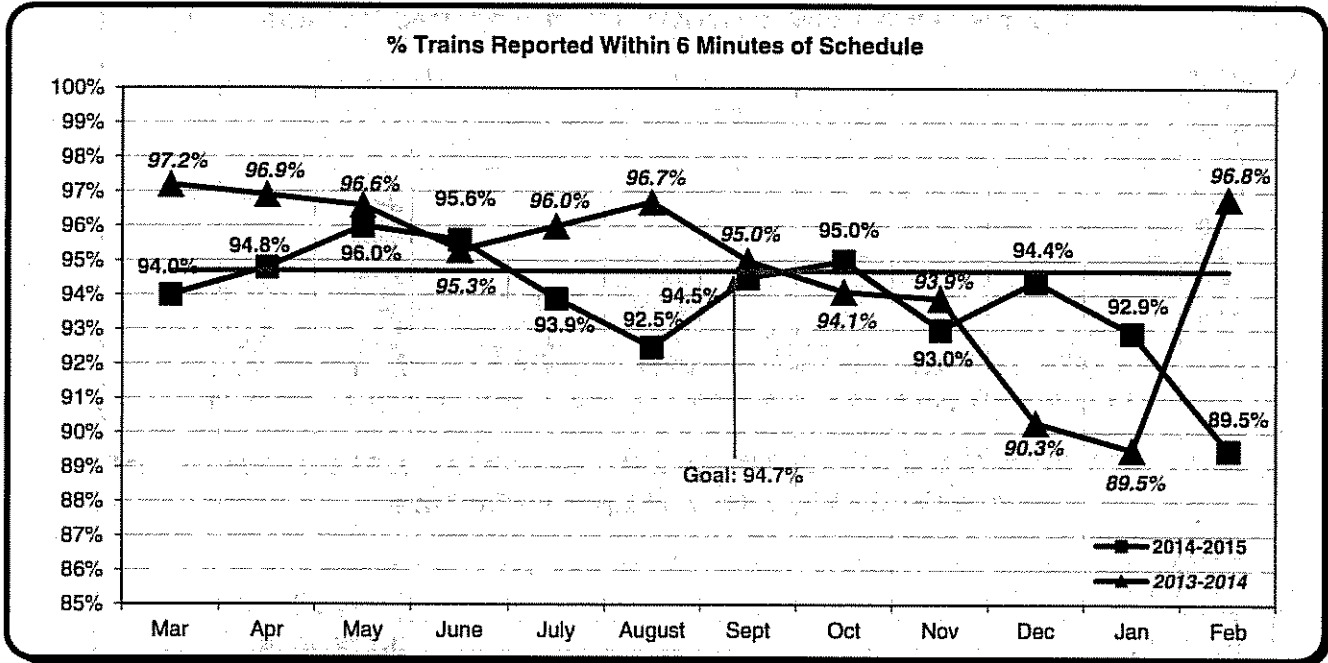
On a brighter note, we have cause to celebrate this month as we mark the 80th anniversary of Newark Penn Station. On March 23rd there will be two tours of the station in an effort to highlight its important history, dramatic architecture and unique artwork. The tours will take place in the morning and afternoon and details of the day's program will be forthcoming as they are finalized. It is a welcomed opportunity to celebrate all that rail service has meant to this busy travel corridor which serves as the gateway into the City of Newark and its vibrant business district.

## **EXECUTIVE DIRECTOR'S MONTHLY REPORT MONTH 2014**

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

# **PERFORMANCE MEASURES**

# NJ TRANSIT ON-TIME PERFORMANCE RAIL MARCH 2013 - FEBRUARY 2015



	2014	2015	# Change
<b>February Comparison</b>	89.5%	96.8%	7.3%

	2013-2014	2014-2015	# Change
<b>12-Month Average March-February</b>	94.9%	93.8%	-1.1%

**Analysis:**

Rail On-Time Performance was 89.5% for February 2015. Of the 16,856 trains scheduled to operate, 15,086 were on time, while 1,770 trains (or 10.5%) were delayed. Key causes included:

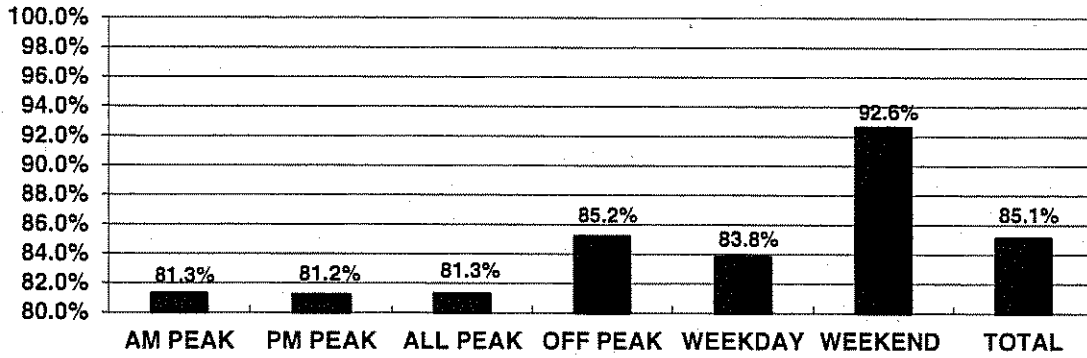
- NJT weather-related issues, Amtrak human error, Amtrak signal failure and NJT equipment failures resulted in 222 delays for a total of 63.6% on February 2.
- Amtrak weather-related problems, Amtrak weather-related overhead wire failure, NJT signal problem, Amtrak equipment failure and NJT switch failure accounted for 197 delays for a total of 68.0% on February 20.
- NJT overhead wire failure, Amtrak track failure, Amtrak weather-related problems, NJT electric locomotive failure, NJT signal failure accounted for 112 delays for a total of 80.3% on February 24.

# ON-TIME PERFORMANCE RAIL

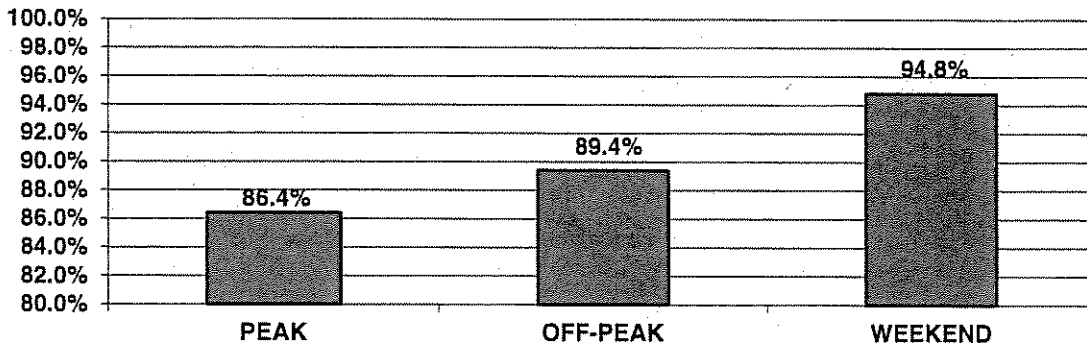
## SUMMARY BY TIME PERIOD FEBRUARY 2015

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

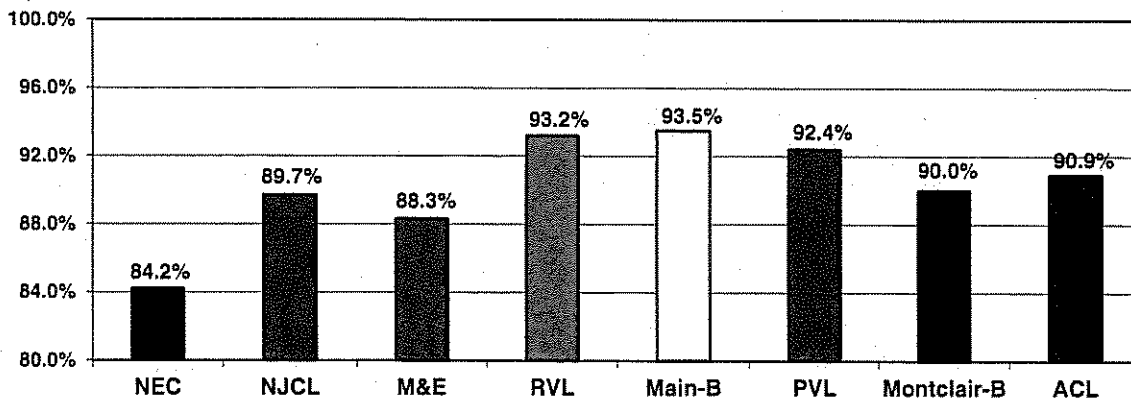
### % NEW YORK PENN STATION Trains Reported On Time \*



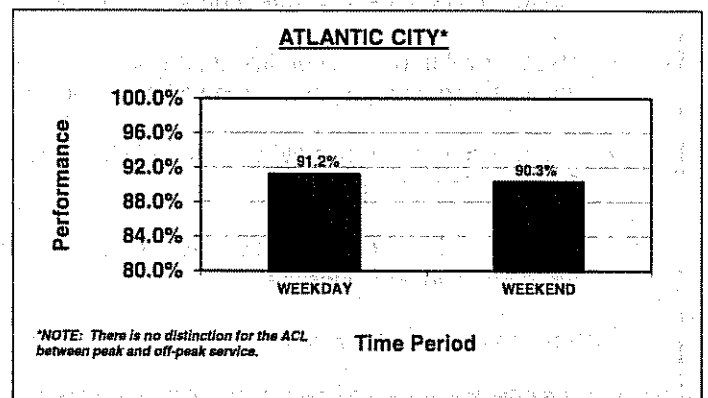
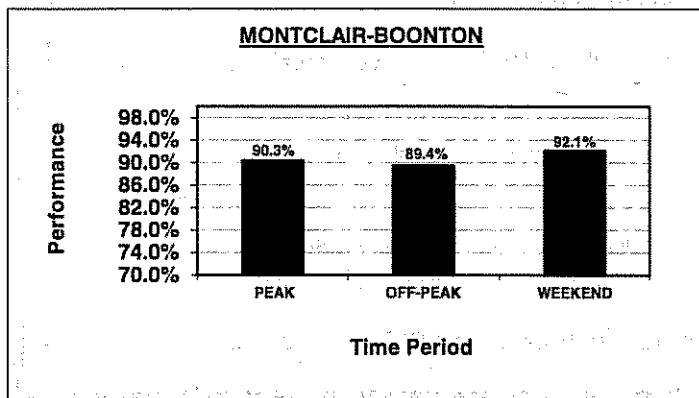
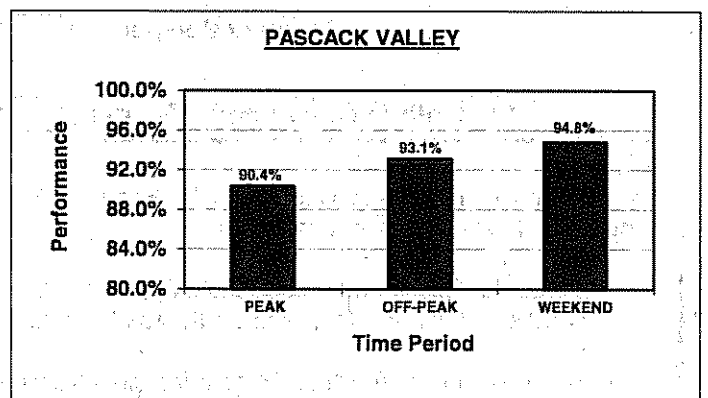
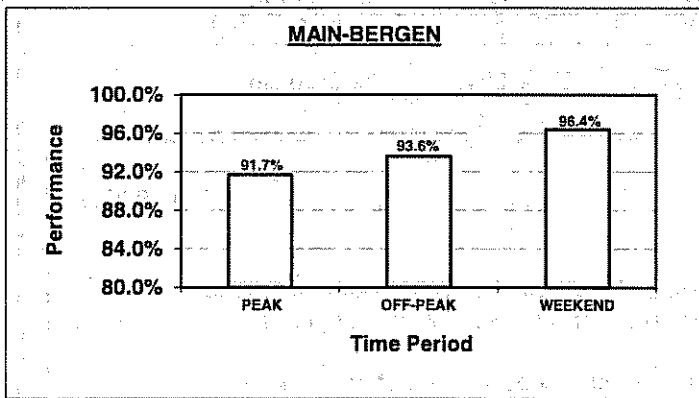
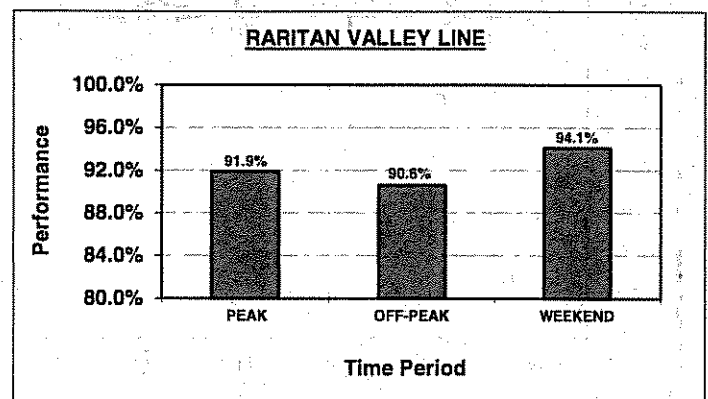
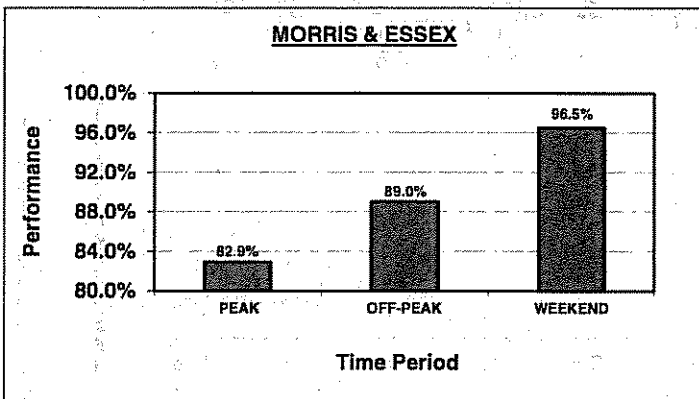
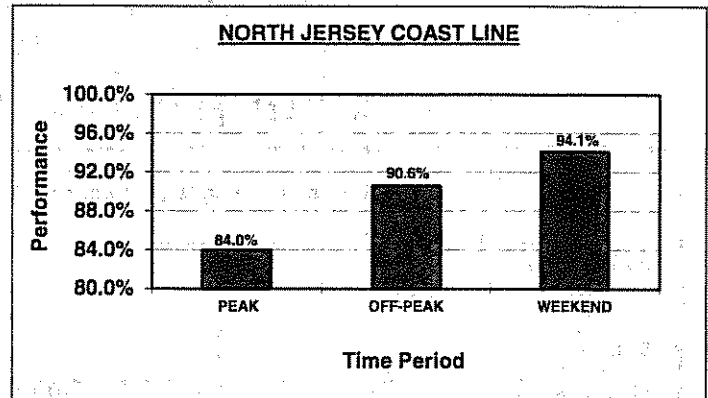
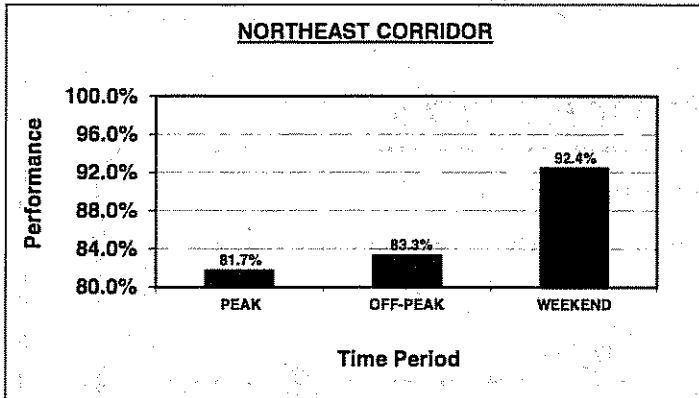
### % SYSTEMWIDE Trains Reported On Time



### % BY LINE Trains Reported On Time

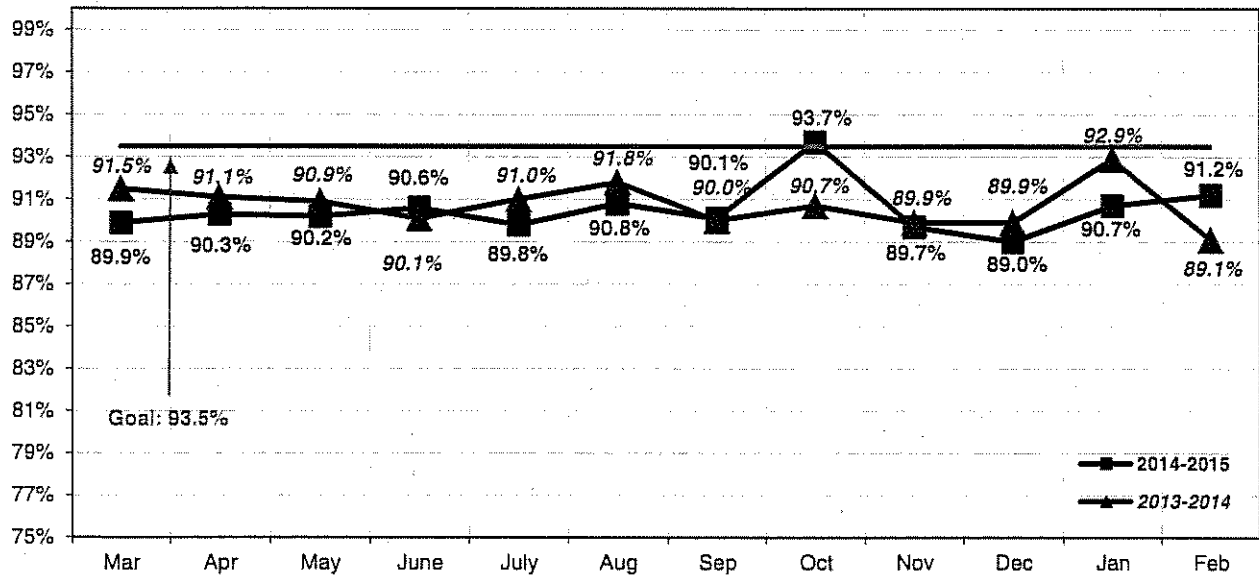


# ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD FEBRUARY 2015



# NJ TRANSIT ON-TIME PERFORMANCE BUS MARCH 2013 - FEBRUARY 2015

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2014	2015	% Change
<b>February Comparison</b>	89.1%	91.2%	2.1%

	2013-2014	2014-2015	% Change
<b>12-Month Average March - February</b>	90.7%	90.5%	-0.2%

**Analysis:**

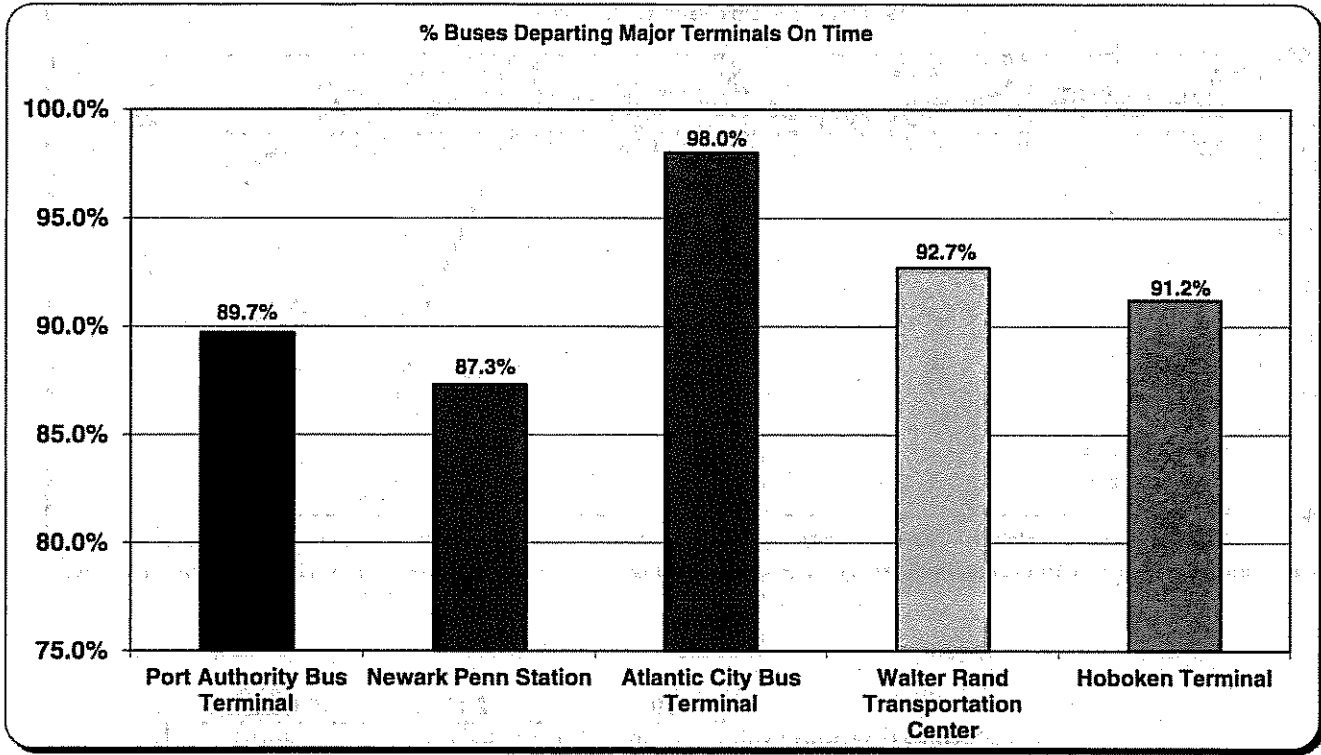
Bus On-Time Performance was 91.2% for February 2015. Of the 33,791 monitored departures, 2,967 (or 9.3%) experienced delays. Key causes included:

- Three bus breakdowns caused delays up to 40 minutes, a closure on Route 3 in both directions caused delays of up to three-and-a-half hours affecting Port Authority Bus Terminal service.
- A bus accident on Route 38, terminal construction and accessibility accommodations at weather-impacted stop locations affecting Walter Rand Transportation Center service.
- Weather-related road conditions, snow removal efforts, several bus breakdowns and local road closures impacting Newark Penn Station service.
- Construction detours in Wildwood and Cape May Court House-Crest Haven Rd. impacting Atlantic City Bus Terminal service.
- Weather-related road conditions, snow removal efforts, road repairs and several accidents affecting Hoboken Terminal service.

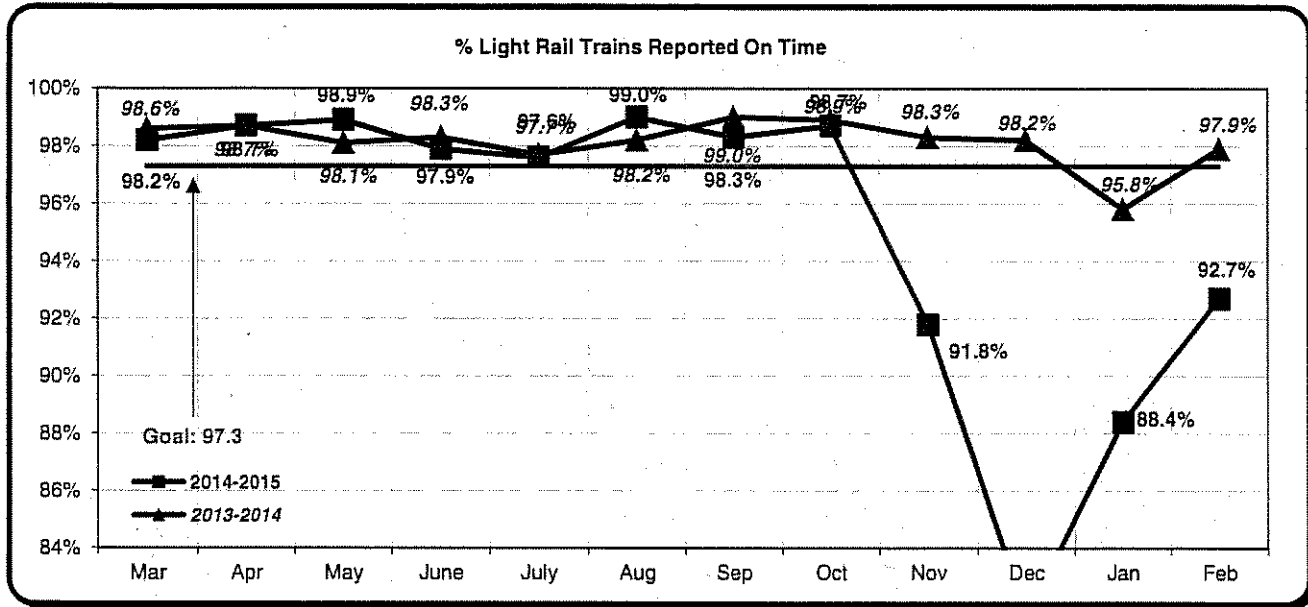
The 12-month average for Bus On-Time Performance for February 2014-January 2015 was 90.6%.

# ON-TIME PERFORMANCE BUS

## SUMMARY BY TERMINAL FEBRUARY 2015



# NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL MARCH 2013 - FEBRUARY 2015



	2014	2015	# Change
February Comparison	97.9%	92.7%	-5.2%

	2013-2014	2014-2015	# Change
12-Month Average March - February	98.2%	95.6%	-2.6%

**Analysis:**

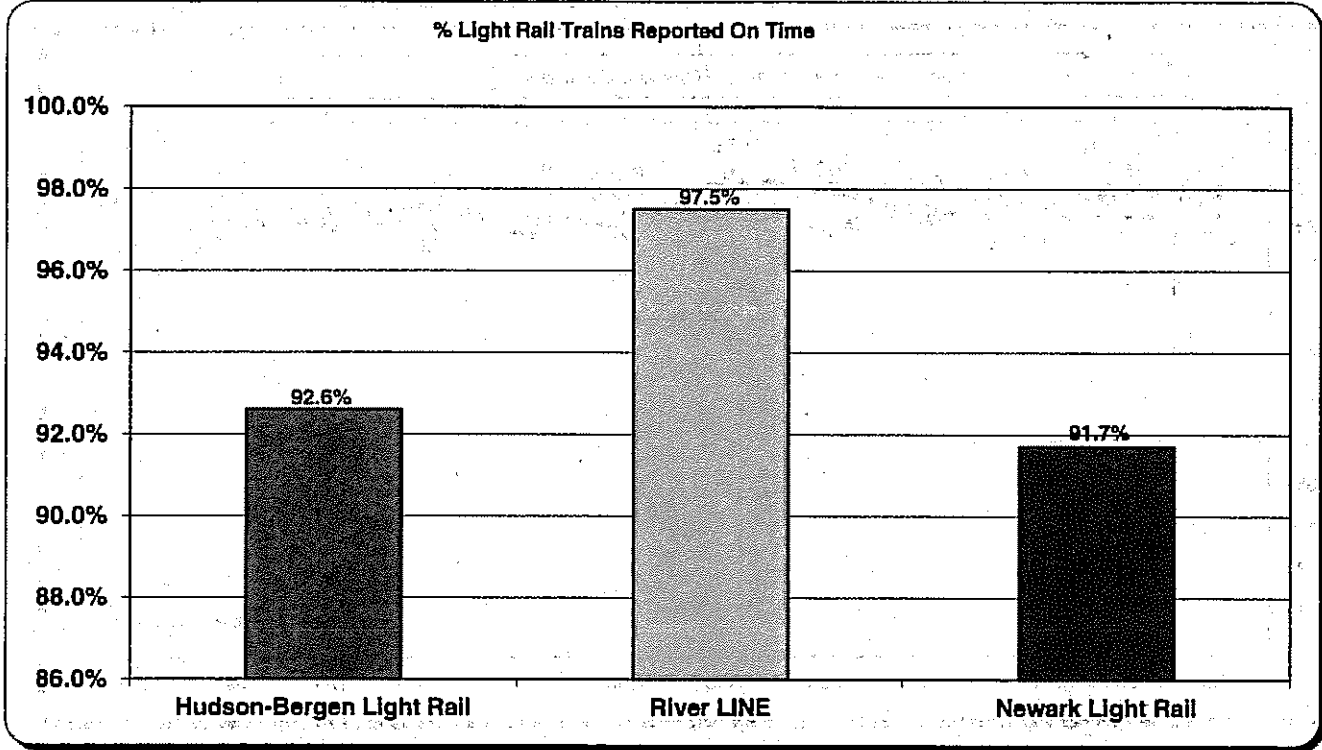
Light Rail On-Time Performance systemwide was 92.7% for the month of February 2015. Of the 24,022 monitored departures, 1,744 ( or 7.3%) experienced delays. Key causes included

- Winter weather-related issues delayed 391 Hudson-Bergen Light Rail trains on February 2.
- Winter weather-related issues delayed 10 River Line trains on February 21.
- Signal problems delayed 184 Newark Light Rail trains on February 3.

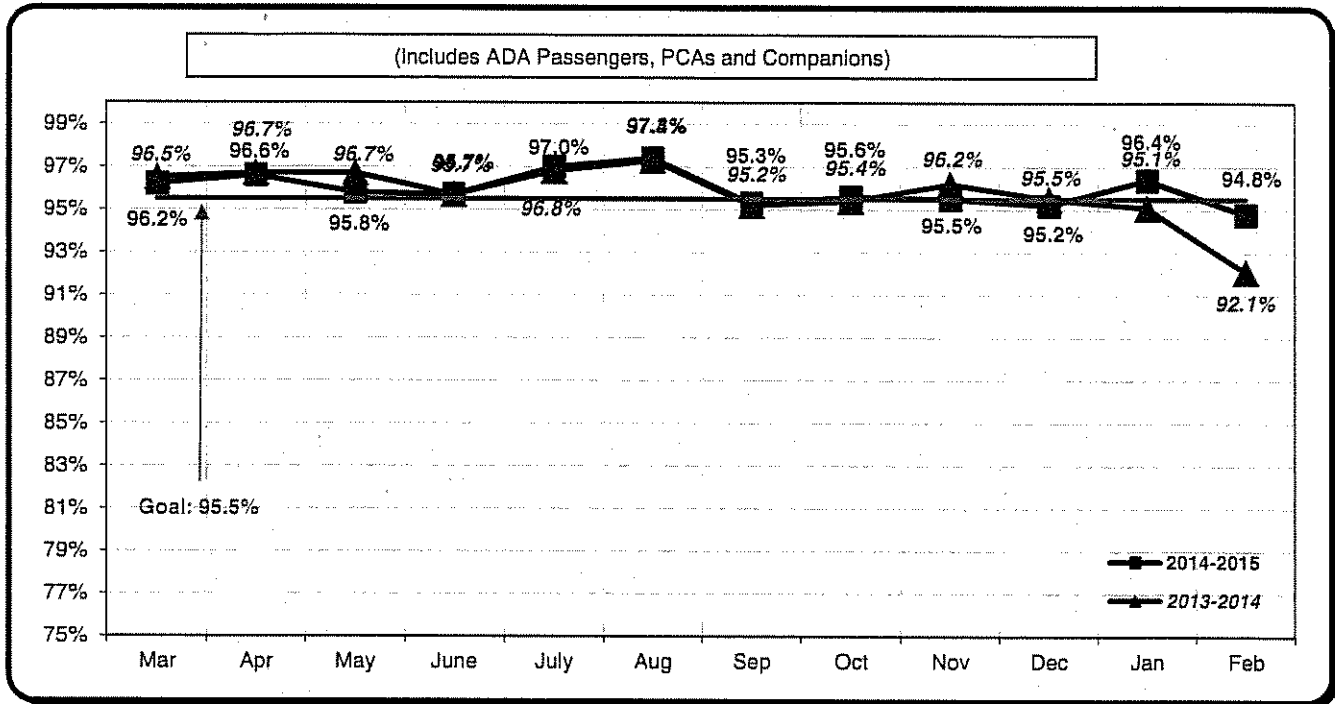
The 12-month average for Light Rail On-Time Performance for March 2013 - February 2015 was 96.7%.

# ON-TIME PERFORMANCE LIGHT RAIL

## SUMMARY BY LINE FEBRUARY 2015



# NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK MARCH 2013 - FEBRUARY 2015



	2014	2015	% Change
February Comparison	92.1%	94.8%	2.7%

	2014	2015	Change
February Ridership	85,394	104,671	19,277

	2013-2014	2014-2015	% Change
12-Month Average March-February	96.0%	95.8%	-0.2%

**Analysis:**

Access Link On-Time Performance was 96.4% for January 2015. Of the 104,671 total trips, 5,425, or 5.2% experienced delays.

Key causes include:

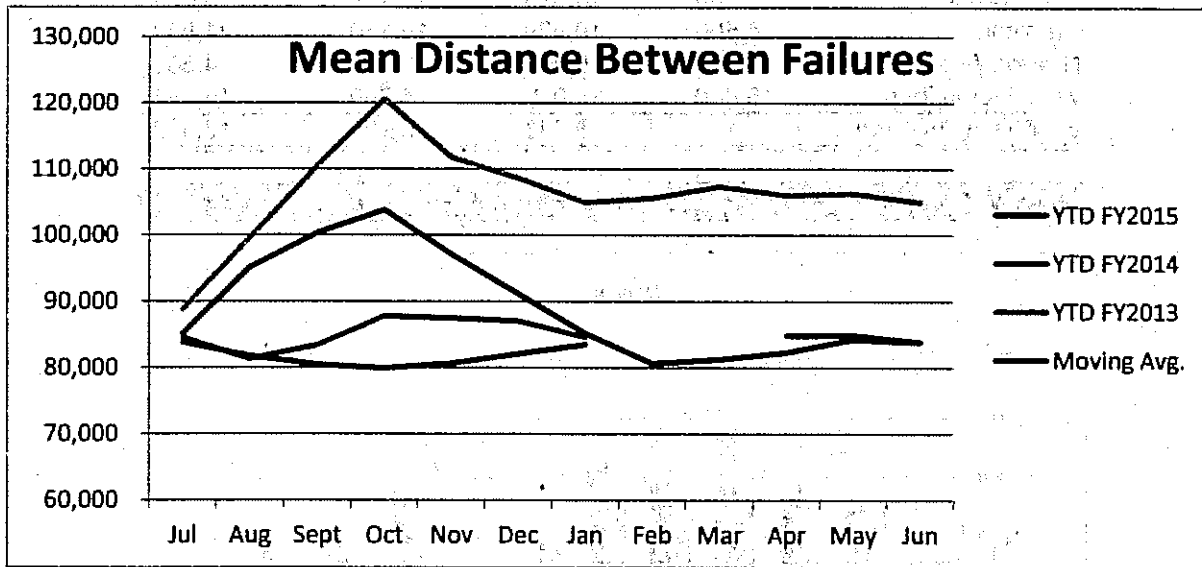
- \* Winter weather conditions.
- \* Road closures and weather-impacted local roadways.
- \* Cancellations and delays caused by customers (e.g., customers not-showing up for scheduled trip).

The 12-month average for Access Link On-Time Performance for March 2013 - February 2015 was 95.9%.

# **MEAN DISTANCE BETWEEN FAILURES**

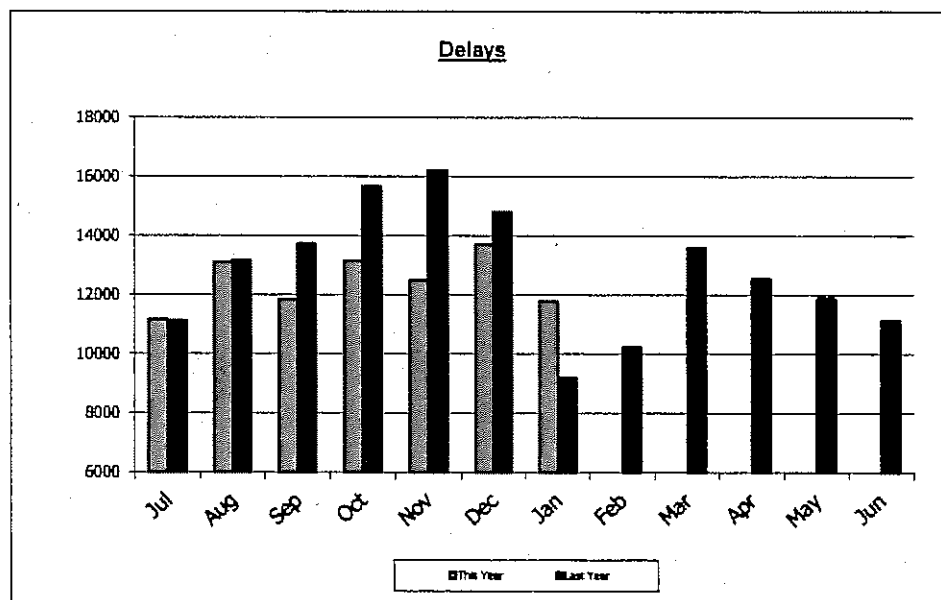
**NJ Transit Rail**  
**Mean Distance Between Failures**

Month	YTD FY2015	YTD FY2014	YTD FY2013	YTD FY 2012	12 Month Moving Avg.
Jul	84,508	85,097	88,735	78,933	83,750
Aug	81,319	95,116	99,585	87,525	81,718
Sept	83,368	100,341	110,530	89,028	80,405
Oct	87,750	103,813	120,591	91,327	79,867
Nov	87,434	97,112	111,758	90,518	80,641
Dec	87,042	91,128	108,579	91,523	82,064
Jan	84,607	85,161	104,917	92,489	83,493
Feb		80,639	105,580	96,166	-
Mar		81,229	107,335	98,412	-
Apr		82,293	106,048	102,149	84,839
May		84,237	106,287	102,237	84,873
Jun		83,798	104,975	103,748	83,798



**Garage Performance Parameters****January 2015**

Location	Miles Between In-Service Delays			
	FY2015 Goal	This Month	FY2015 YTD	FY2014 YTD
Fairview	7,500	5,545	6,975	7,705
Greenville	10,000	6,439	8,285	9,319
Market Street	12,500	8,262	10,132	13,465
Meadowlands	11,800	10,278	9,411	9,729
Oradell	15,000	10,352	10,304	11,625
Wayne	14,000	13,111	11,764	11,525
<b>Northern Division</b>	-	<b>9,394</b>	<b>9,861</b>	<b>10,795</b>
Big Tree	9,600	12,892	10,543	12,530
Hilton	10,500	11,328	12,900	12,876
Howell	16,750	18,111	20,791	16,386
Ironbound	9,800	10,889	11,123	9,882
Orange	10,200	10,075	11,699	12,956
Morris	10,500	48,115	50,299	50,738
<b>Central Division</b>	-	<b>12,634</b>	<b>13,701</b>	<b>12,912</b>
Egg Harbor	16,000	14,326	15,179	19,386
Hamilton	24,500	19,968	19,110	21,833
Newton Avenue	14,650	15,853	15,186	14,805
Washington Twp.	15,000	14,030	14,380	15,245
<b>Southern Division</b>	-	<b>15,043</b>	<b>15,295</b>	<b>17,012</b>
<b>Bus Operations</b>	-	<b>11,764</b>	<b>12,394</b>	<b>12,901</b>



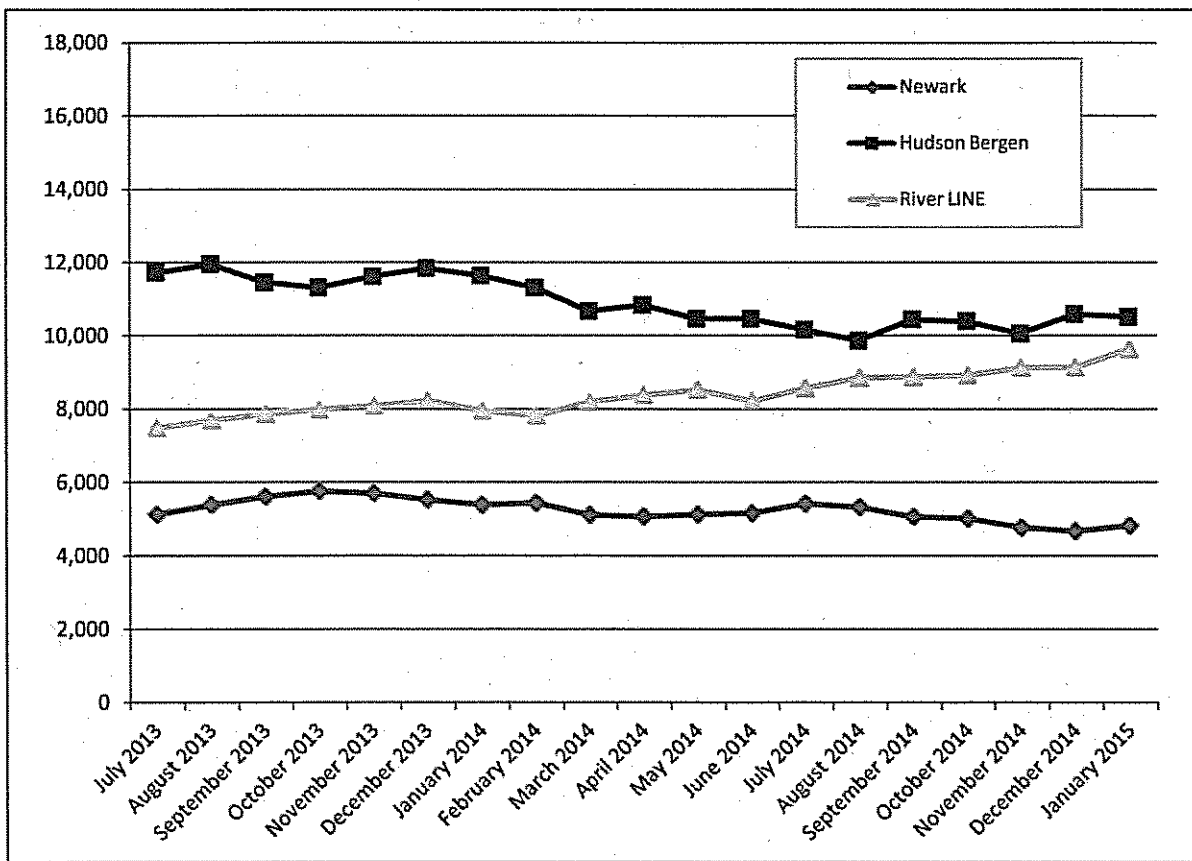
January 2015

### NJ TRANSIT - LIGHT RAIL, January 2015

#### Miles Between In-Service Delays (Mechanical Failures)

Light Rail System	January 2015 (Current Month)	12 Month Moving Average (Mean)
Newark Light Rail	4,568	4,834
Hudson Bergen	7,728	10,524
River LINE	10,534	9,657

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



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

# **DBE/MBE PROGRAM**

**NJ TRANSIT –Office of Business Development Additional DBE/SBE Participation for February 2015**

**State Funded Contracts**

During the month of February 2015, NJ TRANSIT awarded **\$2,444,689.73** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$318,879.33** or **13.04%**.

During the State Fiscal Year 2015 (July 1, 2014 through June 30, 2015) NJ TRANSIT awarded **\$39,622,605.71** in state funded contracts. Of that total, SBEs received **\$6,956,157.58** or **17.56%**.

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

Category 1 SBEs received	\$188,131.47	or 0.47%
Category 2 SBEs received	\$772,682.95	or 1.95%
Category 3 SBEs received	\$1,428,343.00	or 3.60%
Category 4 SBEs received	\$2,539,214.16	or 6.41%
Category 5 SBEs received	\$1,858,136.00	or 4.69%
Category 6 SBEs received	\$169,650.00	or 0.43%

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

During the 1st Quarter (October 1, 2014 through December 31, 2014) of Federal Fiscal Year 2015 (October 1, 2014 through September 30, 2015), the FTA funded share of NJ TRANSIT’s federal contracts awarded was **\$7,641,757.77**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$2,507,431.14** or **32.81%**.

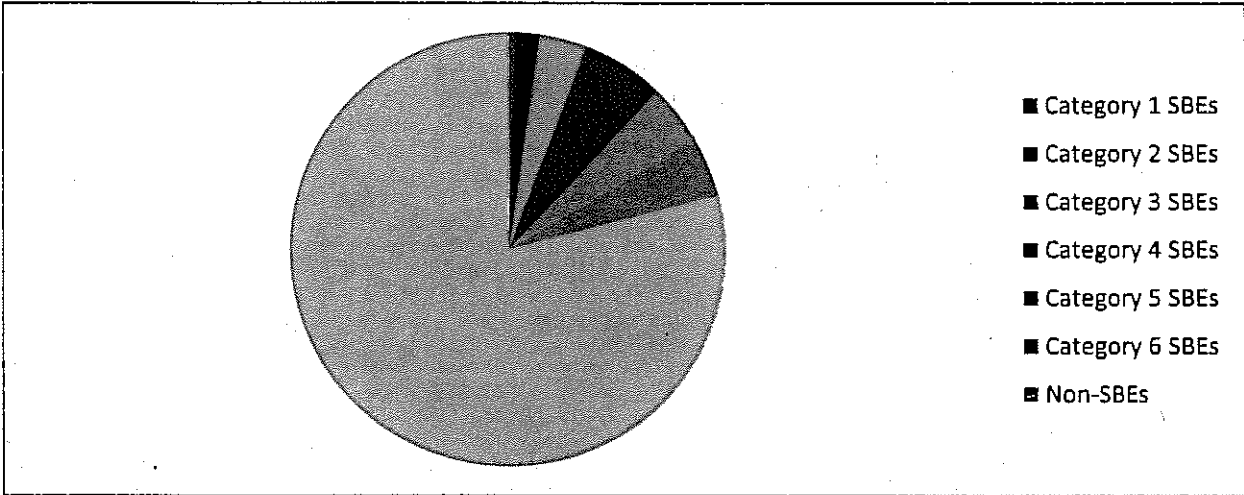
**DBE Goal Attainment from October 1, 2013 (FFY 2014) - September 30, 2016 (FFY 2016)\***

Contracts awarded	\$21,790,262.65
DBEs received	\$ 4,234,696.34 or 19.43%

\*Numbers reflect federal share.

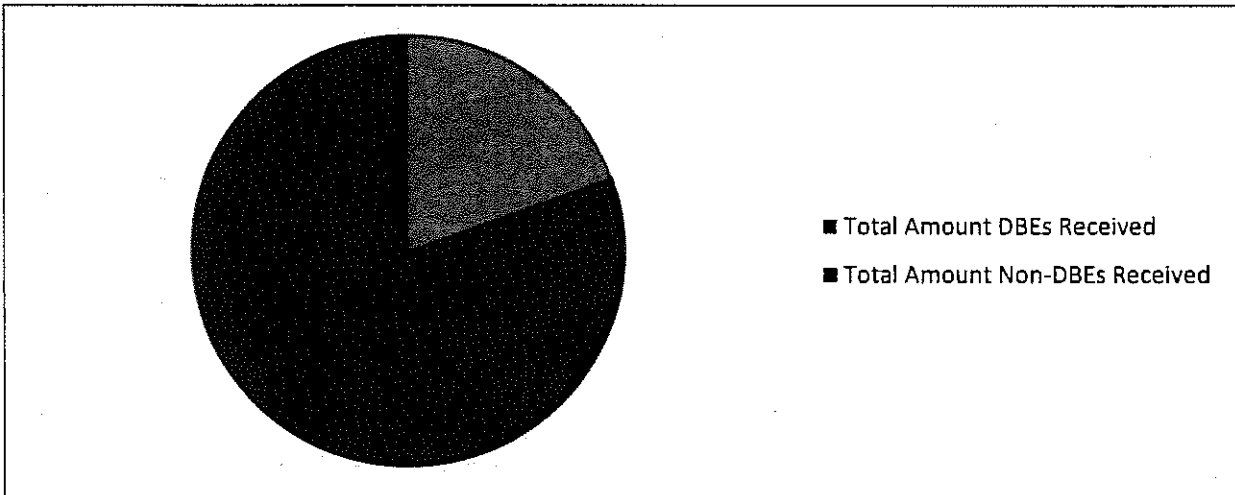
SBE PARTICIPATION  
STATE CONTRACTS  
STATE FYTD 2015

<i>Category 1 SBEs</i>	\$188,131.47	0.47%
<i>Category 2 SBEs</i>	\$772,682.95	1.95%
<i>Category 3 SBEs</i>	\$1,428,343.00	3.60%
<i>Category 4 SBEs</i>	\$2,539,214.16	6.41%
<i>Category 5 SBEs</i>	\$1,858,136.00	4.69%
<i>Category 6 SBEs</i>	\$1,858,136.00	0.43%
<i>Non-SBEs</i>	\$32,666,448.13	17.56%



DBE PARTICIPATION  
FEDERAL CONTRACTS  
TRIENNIAL YEARS 2014-2016

<b>Total Amount DBEs Received</b>	<b>\$4,234,696.34</b>	<b>19.43%</b>
<b>Total Amount Non-DBEs Received</b>	<b>\$17,555,566.30</b>	<b>80.57%</b>



# **EMPLOYEE RECOGNITION**

**NJ TRANSIT employees bid farewell after outstanding careers**

Fifty-five NJ TRANSIT employees retired in February with careers ranging from 13 to 36 years of service:

1. Adam Albrecht, Mechanic Class "A" – Market Street – 31 years
2. Stanley Amin, Bus Operator – Ironbound Garage – 28 years
3. Betty Barnett, Bus Operator – Orange Garage – 25 years
4. Alden J. Burleigh, Maintenance Class "A" – Egg Harbor Garage – 31 years
5. Hector Cabrera, Bus Operator – Meadowlands Garage – 22 years
6. Joseph R. Carlucci, Bus Operator – Wayne Garage – 20 years
7. Maria E. Carril, Bus Operator – Market Street Garage – 22 years
8. Nathan E. Chance, Bus Operator – Market Street Garage – 16 years
9. William L. Daniels, Bus Operator - Orange Garage – 27 years
10. Gelson Duque, Bus Operator – Oradell Garage – 24 years
11. Gilbert S. Ellis, Bus Operator – Meadowlands Garage - 27 years
12. Colandus Francis, Mechanic Class "A G" – Washington Township Garage – 30 years
13. Leonard Grace, Repairman Class "A" – Ironbound Garage – 29 years
14. John M. Garvin, Repairman Class "A" – Meadowlands Garage - 19 years
15. Edward C. Hyman, Bus Operator - Egg Harbor Township Garage – 28 years
16. Don Q. Johnson, Bus Operator – Hilton Garage – 22 years
17. Delbert S. Jolly, Mechanic Class "A G" – Washington Township Garage – 31 years
18. Luis H. Rosero, Bus Operator – Orange Garage – 20 years
19. Ronald G. Silvera, Bus Operator – Oradell Garage – 13 years
20. Edwin Candelaria, Bus Operator – Fairview Garage – 26 years
21. Bruno Gerbavac, Bus Operator – Fairview Garage – 24 years
22. Jorge M. Guerra, Foreman Garage I – Oradell Garage – 34 years
23. Robert F. Gilligan, Dir. NY Term Ops – Penn Plaza – 34 years
24. Winifred Terry, Asst. Supt. Stations – NY Penn Station – 35 years
25. Francis E. Fallon, Dir. EAP - Matawan Station – 22 years
26. William B. Murphy, DGM Labor Relations – Penn Plaza – 30 years
27. Laurencio S. Batista, Special Mech/Welder – Newark Bus Complex – 15 years
28. Paul M. Bois, Bus Operator – Hilton Garage – 22 years
29. John J. Gaynor, Bus Operator – Egg Harbor Township Garage – 22 years
30. Willie L. Grant, Bus Operator – Hilton Garage – 17 years
31. James M. Jones, Jr., Bus Operator – Meadowlands Garage – 25 years
32. Melda P. Kelly, Cleaner – Wayne Garage – 13 years

33. Jade C. Kessel, Bus Operator – Wayne Garage – 20 years
34. Walter C. Lanning, Mechanic Class "A G" – Washington Township Garage – 21 years
35. Gonzalo B. Mercado, Starter – Port Authority Bus Terminal – 22 years
36. Hirfa E. Parsley, Bus Operator – Hilton Garage – 28 years.
37. Kenneth Joyner, Repairman Class "A" – Market Street Garage – 28 years
38. Ecaterina Laco, Starter, Port Authoirty Bus Terminal – 26 years
39. Christopher J. Lascio, Mechanic "A" – Washington Township Garage – 34 years
40. Lacille C. Lassiter, Bus Operator – Hilton Garage – 29 years
41. Jose M. Lopez, Bus Operator – Market Street Garage – 26 years
42. Thurman J. Miles, Bus Operator – Hilton Garage – 35 years
43. Gladys J. Payne, Starter – Camden – 30 years
44. Luis R. Perez, Bus Operator – Hilton Garage – 21 years
45. Nels A. Petersen, Mechanic "A" – Egg Harbor Township Garage – 21 years
46. Edward E. Ratliff, Bus Operator – Big Tree Garage – 34 years
47. Angel L. Santiago, Bus Operator – Wayne Garage – 27 years
48. Gloria D. Thomas, Bus Operator – Ironbound Garage – 25 years
49. Vernon E. Thompson, Bus Operator – Egg Harbor Garage – 25 years
50. Anibal Villanueva, Bus Operator – Market Street – 33 years
51. Richard Von Fisher, Jr., Repairman Class "A" – Oradell Garage – 32 years
52. Ejustic Watkins, Jr., Maintenance Class "A" – Wayne Garage – 25 years
53. Gloria M. Welch, Bus Operator – Big Tree Garage – 26 years
54. David C. Wilson, Electric Tech Bus – Washington Township Garage – 36 years
55. Jacob Adabla, Bus Operator – Orange Garage – 17 years

# **ACTION ITEMS**

**ITEM 1503-04: LEASE ADMINISTRATION AND MANAGEMENT SERVICES  
FOR TENANT AND PARKING OPERATING AGREEMENTS-  
CONTRACT EXTENSION**

**BENEFITS**

In support of NJ TRANSIT's objective to improve business efficiencies and increase non-farebox revenue, staff is recommending a contract extension of competitively procured NJ TRANSIT Contract No. 09-136 with Greystone Corporate Realty Services ("Greystone" or "Consultant") for the Consultant to continue providing administration and management services for tenant and parking operator agreements. Authorization of NJ TRANSIT's contract with Consultant is scheduled to terminate on March 31, 2015. Approval of this Board Item will permit NJ TRANSIT to continue utilizing its existing property administrative and management services Consultant while staff completes an ongoing procurement and obtains authorization to award a new contract for these services.

**ACTION (Scorecard: Corporate Accountability, Financial Performance)**

Staff seeks authorization to extend the existing competitively procured NJ TRANSIT Contract No. 09-136 with Greystone Corporate Realty Services for an amount not to exceed \$301,000.

**PURPOSE**

Authorization of the contract extension of the existing property management contract with the Consultant will permit the Real Estate and Economic Development Department to continue its ongoing initiatives to generate additional, non-farebox revenue while efficiently managing NJ TRANSIT's properties and parking facilities during the procurement process. These services are important to the efficient and effective management of NJ TRANSIT's current portfolio of 266 tenant agreements and 142 parking facilities representing more than \$28 million in non-farebox revenue to NJ TRANSIT.

**BACKGROUND**

In December 2009, the Board approved the awarding of a competitively bid contract to the Consultant for property administration and management services for tenant and parking operator agreements at a total project cost not to exceed \$2,798,750 over a period of five years. Funding for consultant's existing contract with NJ TRANSIT will expire on March 31, 2015. The additional requested authorization of \$301,000 would extend funding through October 31, 2015 and bring the contract to a not to exceed total of \$3,099,750.

The contract extension of the existing property management contract with the Consultant will permit the Real Estate and Economic Development Department to

continue its ongoing initiatives to generate additional, non-farebox revenue while efficiently managing NJ TRANSIT's properties and parking facilities during the completion of the procurement process. The requested extension includes contingencies to provide for potential, unanticipated delays during the procurement process.

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

**FISCAL IMPACTS**

**Requested Authorization:**

Staff seeks authorization to extend the existing, competitively procured Contract No. 09-136 with Greystone for an amount not to exceed \$301,000.

**Past Authorizations:**

Board Item No. 0912-92 was approved on December 9, 2009. Under that Item, the Board authorized NJ TRANSIT to enter into an agreement with Greystone for property administration services at a total project cost not to exceed \$2,798,750 over 5 years.

**Expenditures to Date:**

Approximately \$2,798,750

**Total Project Cost:**

Not to exceed an additional \$301,000

**Projected Date of Completion:**

Not later than October 31, 2015

**Capital Program Amount:**

N/A

**Operating Budget Amount:**

\$301,000

**Anticipated Source of Funds:**

Operating Budget

**Prints ID Number:**

N/A

**DBE/SBE Goal:**

0%

***NJ Build* Amount:**

N/A

**Related/Future Authorizations:**

N/A

**Impacts on Subsequent  
Operating Budgets**

N/A

**RESOLUTION**

**WHEREAS**, NJ TRANSIT has an ongoing need for property administration services for tenant and parking operator agreements; and

**WHEREAS**, on December 9, 2009, after a competitive procurement, the Board authorized the Executive Director to enter into an agreement with the highest ranked bidder, Greystone Corporate Realty Services ("Greystone") to provide property administrative services in a total amount not to exceed \$2,798,750; and

**WHEREAS**, NJ TRANSIT has issued an RFP to procure a new contract for property administration services and additional time is need to complete that procurement;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to extend NJ TRANSIT Contract No. 09-136 with Greystone Corporate Realty Services, in an additional amount not to exceed \$301,000.

**ITEM 1503-05: GENERAL OFFICE BUILDING ROOF REPLACEMENT PROJECT – PHASE 1: CONSTRUCTION CONTRACT AWARD**

**BENEFITS**

NJ TRANSIT's General Office Building (GOB) in Maplewood provides office space for Corporate support departments, Bus Operations, and Information Services (IS).

The Phase 1 Roof Replacement Project will occur in an area occupied by the Bus Operations monitoring control system, telecommunications and data systems. The replacement of the roof in this area, approximately one-third of the building, will ensure a watertight environment and a better insulating value for day-to-day activities and will protect and preserve the investment of NJ TRANSIT's valuable monitoring equipment. The remainder of the roof will be replaced in Phase 2.

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

Staff seeks authorization to enter into NJ TRANSIT Contract No. 15-002X with John O'Hara Company, Inc. of East Orange, New Jersey, for the General Office Building Roof Replacement Project – Phase 1 at a cost not to exceed \$1,086,138.00, plus five percent for contingencies, subject to the availability of funds.

**PURPOSE**

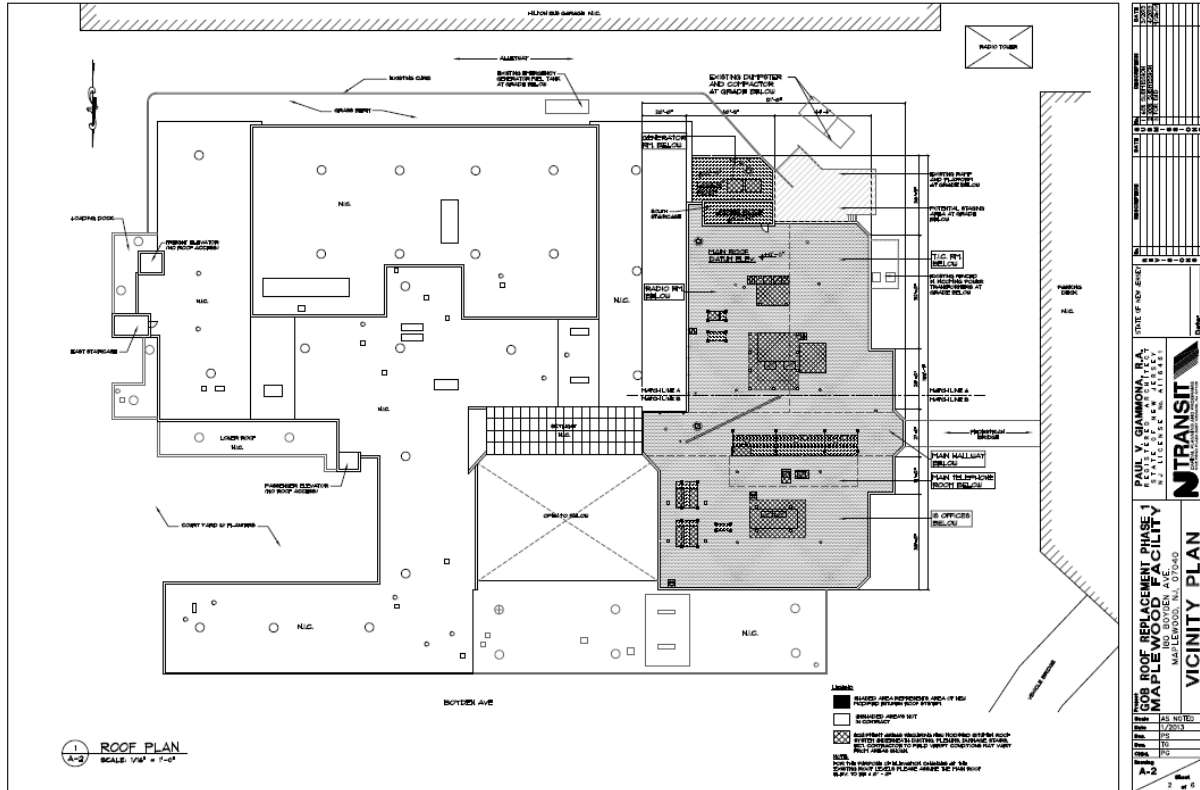
This authorization will allow the complete reroofing of the area shown in the Vicinity Plan, which is currently experiencing on-going stormwater infiltration due to deterioration of the original roof system. This section of the building was constructed in 1987 and roofs of this type typically have a 25-year useful lifespan. The basis of the work includes a new three-ply, cold-applied modified bituminous membrane roof system having a granular cap sheet. In conjunction with the roofing work, the corroded HVAC ductwork on certain rooftop units will also be replaced. Some of the demolition and reroofing will be performed during non-peak hours to minimize disruptions.



**BACKGROUND**

Procurement

The Invitation for Bid was advertised on BID EXPRESS, NJ TRANSIT's electronic bid system, and in local newspapers on November 20, 2014. A Pre-Bid Conference was held on December 4, 2014 at the GOB in Maplewood; a site visit followed the Pre-Bid Conference. Bids were received electronically and opened on December 18, 2014 at 2:00 p.m.



The Office of Business Development assigned a five percent SBE, Category 6 goal for this project.

**E-BID 15-002X RESULTS**

Company	Total Bid Price
<b>John O’Hara Company, Inc.</b> East Orange, New Jersey	<b>\$ 1,086,138.00</b>
MTB, LLC Neptune City, New Jersey	\$ 1,138,836.30
Northeast Roof Maintenance, Inc. Perth Amboy, New Jersey	\$ 1,197,280.00
Pravco, Inc. Rahway, New Jersey	\$ 1,290,720.00
Integrity Roofing, Inc. Rahway, New Jersey	\$ 1,323,430.00
D. A. Nolt Berlin, New Jersey	\$ 1,984,823.00

John O Hara Company, Inc. is a certified Small Business Enterprise (SBE).

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

**FISCAL IMPACTS**

**Requested Authorization:** \$ 1,086,138.00 + 5% contingency

**Past Authorizations:** None

**Expenditures to Date:** \$ 176,600 (as of 01/07/15)

**Total Project Cost:** \$ 1,568,000

**Projected Date of Completion:** October 2016

**Capital Program Amount:** \$ 1,568,000

**Operating Budget Amount:** None

**PRINTS ID Number:** NJT00944

**Anticipated Source of Funds:** Transportation Trust Fund

**DBE/SBE Goal:** 5% SBE Category 6

***NJ Build* Amount:** \$ 5,430

**Related Future Authorizations:** None

**Impacts on Subsequent  
Operating Budgets:** None

## RESOLUTION

**WHEREAS**, replacement of the existing roof will eliminate leaks in Mission Critical operating locations; and

**WHEREAS**, the replacement roof will be compliant with current energy savings standards that result in GOB operating budget savings; and

**WHEREAS**, construction of the replacement roof and associated rooftop equipment ductwork will result in improved reliability and operating conditions for Mission Critical locations within the 1987 GOB addition; and

**WHEREAS**, upon completion of a competitive procurement process, it was determined that John O'Hara was the lowest responsive and responsible bidder;

**NOW, THEREFORE, BE IT RESOLVED**, that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 15-002X with John O'Hara Company, Inc. of East Orange, New Jersey, for the General Office Building Roof Replacement Project – Phase 1 at a cost not to exceed \$1,086,138.00, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1503-06: REGULATIONS: RULE-MAKING PROCESS – PROPOSED  
NEW RULE N.J.A.C. 16:89 FERRY CAPITAL IMPROVEMENT  
PROGRAM GUIDELINES AND PROCEDURES**

**BENEFITS**

Passenger ferry service is an integral part of the trans-Hudson transportation network, providing intermodal connections with public transit at several locations and offering additional trans-Hudson capacity that supplements NJ TRANSIT rail and bus service, as well as provides relief to the PATH system. NJ TRANSIT works closely with ferry Operators to procure capital improvements and equipment for the operation of ferry passenger service.

Since 2007, NJ TRANSIT has received the benefit of increased federal funding by including private ferry mileage statistics in its annual submission to the National Transit Database (NTD) of the Federal Transit Administration (FTA). Through this reporting, ferry Operators have been generating FTA formula funding under the 5307 and 5337 programs based on mileage credits. NJ TRANSIT believes it is in the best interest of the overall transportation network to apply a portion of the funds received toward capital acquisitions and infrastructure improvements that benefit ferry operations and improved customer service, subject to the requirements set forth in the proposed rules. This framework is consistent with the existing rules applicable to NJ TRANSIT's Private Bus Carriers.

The Ferry Capital Improvement Program will provide needed capital equipment enabling the participating Operators to acquire, replace and rehabilitate ferries and other capital equipment and make ferry facility improvements. These rules would benefit the riding public by sustaining the availability of affordable mass transit service. In addition, by reducing the need of private ferry Operators to use financial resources for capital requirements and by making mass transit more attractive, the improvements and equipment provided may serve to hold down fares and contribute to increasing ridership. The provision of newer equipment may also result in less need for financial subsidies, thus benefiting taxpayers of the State.

The proposed new rules provide reasonable standards for the allocation of Ferry Capital Improvement Program funding to private ferry Operators for the procurement of capital improvements and equipment. The general purpose of NJ TRANSIT's Ferry Capital Improvement Program is to provide assistance to private ferry Operators in acquiring capital improvements and equipment to improve Ferry Passenger Service. The rules are designed to allocate Ferry Capital Improvement funds in a manner that is consistent with the provision of an efficient, effective, coordinated and coherent public transportation system. The public benefit from the provision of capital improvements to private ferry Operators for the provision of Ferry Passenger Service is significant. The procedures delineated in the rules will protect the interests of the riding public, the taxpayers of New Jersey and the individual ferry Operators who are eligible to participate in the Ferry Capital Improvement Program.

**ACTION (Scorecard: Corporate Accountability, Customer Experience)**

Staff seeks authorization to initiate the rule-making process for the Ferry Capital Improvement Program Guidelines and Procedures as a step toward effectuating the adoption and promulgation of these regulations. The Proposed New Rule N.J.A.C. 16:89 Ferry Capital Improvement Program Guidelines and Procedures is attached as Exhibit A.

**PURPOSE**

Authorization to initiate the rule-making process for these regulations will advance efforts to establish guidelines and procedures that will govern the program requirements for the capital improvement to private ferry Operators for the operation of ferry passenger service.

**BACKGROUND**

NJ TRANSIT was established by the New Jersey Public Transportation Act of 1979 (N.J.S.A. 27:25-1 et seq.) as the instrumentality of the State of New Jersey to establish and provide for the operation and improvement of a coherent public transportation system in the most efficient and effective manner. While authorized to operate ferry passenger service, NJ TRANSIT recognizes the important contribution of private ferry systems to the State's transportation network, in terms of maximizing trans-Hudson capacity and helping to meet future ridership growth. In addition, NJ TRANSIT's heavy reliance on ferries in the aftermath of Superstorm Sandy demonstrated that the ferry network is critical to maintaining trans-Hudson mobility.

One of the programs by which NJ TRANSIT fulfills this responsibility is through working closely with ferry Operators to procure capital improvements and equipment for the operation of Ferry Passenger Service. This new rule is designed to provide guidelines and procedures governing the procurement of capital improvements and equipment for private ferry Operators pursuant to N.J.S.A. 27:25-5(h) and (k).

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	Initiate rule-making process for N.J.A.C. 16:89
<b>Past Authorizations:</b>	N/A
<b>Expenditures to Date:</b>	N/A
<b>Total Project Cost:</b>	N/A
<b>Projected Date of Completion:</b>	N/A
<b>Capital Program Amount:</b>	N/A
<b>Operating Budget Amount:</b>	N/A

<b>Anticipated Source of Funds:</b>	N/A
<b>Prints ID Number:</b>	N/A
<b>DBE/SBE Goal:</b>	N/A
<b><i>NJ Build</i> Amount:</b>	N/A
<b>Related/Future Authorizations:</b>	N/A
<b>Impacts on Subsequent Operating Budgets:</b>	N/A

## RESOLUTION

**WHEREAS**, NJ TRANSIT was established by the New Jersey Public Transportation Act of 1979 (N.J.S.A. 27:25-1 et seq.) as the instrumentality of the State of New Jersey to establish and provide for the operation and improvement of a coherent public transportation system in the most efficient and effective manner; and

**WHEREAS**, NJ TRANSIT recognizes the important contribution of private ferry systems to the State's transportation network, in terms of maximizing trans-Hudson capacity and helping to meet future ridership growth; and

**WHEREAS**, one of the programs by which NJ TRANSIT fulfills this responsibility is through working closely with ferry Operators to procure capital improvements and equipment for the operation of Ferry Passenger Service; and

**WHEREAS**, the Ferry Capital Improvement Program will provide needed capital equipment enabling the participating Operators to acquire, replace and rehabilitate ferries and other capital equipment and make ferry facility improvements; and

**WHEREAS**, this new rule is designed to provide guidelines and procedures governing the procurement of capital improvements and equipment for private ferry Operators pursuant to N.J.S.A. 27:25-5(h) and (k);

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to initiate the rule-making process for the Ferry Capital Improvement Program Guidelines and Procedures as a step toward effectuating the adoption and promulgation of these regulations. The Proposed New Rule N.J.A.C. 16:89 Ferry Capital Improvement Program Guidelines and Procedures is attached as Exhibit A.

**PROPOSED NEW RULE N.J.A.C. 16:89 FERRY CAPITAL IMPROVEMENT  
PROGRAM GUIDELINES AND PROCEDURES**

The agency draft proposal follows:

**SUBCHAPTER 1. GENERAL PROVISIONS**

**16:89-1.1 Purpose**

NJ TRANSIT was established by the New Jersey Public Transportation Act of 1979, N.J.S.A. 27:25-1 et seq., as the instrumentality of the State government to establish and provide for the operation and improvement of a coherent public transportation system in the most efficient and effective manner. While pursuant to N.J.S.A. 27:25-5(h) NJ TRANSIT is authorized to operate Ferry Passenger Service, it recognizes the important contribution of private ferry systems in the State's transportation network. As NJ TRANSIT receives the benefit of increased federal funding by including private ferry mileage statistics in its annual submission to the National Transit Database of the Federal Transit Administration, NJ TRANSIT believes it is prudent public policy to establish a program to invest State of New Jersey funds for capital acquisitions and infrastructure improvements for ferry operators.

This chapter is designed to provide guidelines and procedures pursuant to which NJ TRANSIT will allocate such capital improvements to Operators under a Ferry Capital Improvement Program.

**16:89-1.2 Definitions**

The following words and terms, as used in this chapter, shall have the following meanings:

“Affiliate” means any individual, company, proprietorship, corporation, agency, trust or partnership where by reason of the relationship of such entity with the Operator (whether by reason of the method of, or circumstances surrounding, organization or operation, or whether established through common directors, officers, stockholders, a voting trust or trusts, a holding or investment company or companies, family relationships, or any other direct or indirect means) there is a reason to believe that the affairs of the Operator may be managed in the interest of such individual, company, proprietorship, corporation, agency, trust or partnership.

“Capital Improvements” shall mean, in connection with Ferry Passenger Service, ferries and their constituent mechanical systems (including without limitation engines, propulsion systems, structures, HVAC systems and seat/cover replacements), ferry terminals, approach roadways, pedestrian accommodations, parking, docks, ramps and other necessary land-side improvements. In addition, capital improvements include: electronic farebox or other revenue collection equipment, radios and related equipment, revenue and non-revenue equipment, including buses providing connections to Ferry Passenger Service, maintenance facilities and equipment.

“Capital Maintenance” shall mean in relation to public transportation projects, the direct cost of any work necessary for preserving or maintaining the useful life of public transportation projects, provided the work is associated with the acquisition, installation and rehabilitation of components which are not included in the normal operating maintenance of equipment and facilities or replaced on a scheduled basis. The work shall ensure the useful life of the project for not less than five years.

“Charter Service” shall mean transportation provided at a request of a third party for exclusive use for a negotiated price. Service is not part of the regularly scheduled service and the third party determines the origin and destination of the trip as well as scheduling.

"Executive Director" means the Executive Director of NJ TRANSIT or his or her designee.

“FCIP” shall mean the Ferry Capital Improvement Program.

“Ferry Passenger Service” shall mean any regular service which involves the carriage of persons for compensation or hire by waterborne craft in this State or between points in this State and points in other states. Ferry Passenger Service Ferry services that, due to geographic locations or routing, operate in a state other than New Jersey in providing services to passengers that have origins or destinations in New Jersey, are included

**EXHIBIT A**

within this definition provided that the primary reason for operating outside of New Jersey is to transport New Jersey citizens to and from their New Jersey origins and destinations, and transport others to and back from New Jersey where such transportation services aid in the growth and development of the economy of the State of New Jersey. Charter Service is not included in this definition.

“FGDRM” means Fixed Guide way Directional Route Miles as defined by FTA.

“FTA” means the Federal Transit Administration.

“NTD” means the National Transit Database of the Federal Transit Administration.

“NTD Funding” means the federally generated funds under FTA Section 5307 and 5337 programs or successor programs.

“Operator” means any person, firm, corporation of any type, or other entity operating Ferry Passenger Service.

“RVM” means Revenue Vehicle Miles as defined by the FTA.

**SUBCHAPTER 2. ELIGIBILITY AND INELIGIBILITY**

**16.89-2.1 Eligibility Criteria**

The factors to be considered by the Executive Director in determining whether an Operator is eligible to participate in the FCIP shall include:

- (a) Whether the Operator has received all necessary governmental approvals to run Ferry Passenger Service.
- (b) Whether the Operator has provided NJ TRANSIT with statistics and annual required certifications for the NTD Report (see 49 U.S.C. § 5335(a)). The FTA has found such submission acceptable and funds from FTA's 5307 and 5337 programs (or successor programs) were allocated to NJ TRANSIT.
- (c) Whether an Operator or its Affiliates are current in its accounts with NJ TRANSIT and the State of New Jersey.
- (d) Operator's past performance in contractual arrangements with NJ TRANSIT. An Operator with a negative performance history may be considered ineligible for the FCIP.
- (e) NJ TRANSIT's determination of whether the Operator has the ability to maintain equipment of advanced design and technological complexity. An Operator may be considered ineligible for such capital equipment based upon its apparent inability to maintain and operate such equipment.

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- (f) The Operator agrees to utilize the purchased FCIP Capital Improvement for the primary purpose of operating Ferry Passenger Service in accordance with its routes and service requirements.
- (g) The Operator shall agree to make purchased FCIP equipment available as soon as practicable for the needs of NJ TRANSIT upon written request by NJ TRANSIT in the event of any emergencies, such as riots, floods, calamities, strikes, etc. as determined by NJ TRANSIT. Details of these requirements and the compensation therefor shall be set forth in an emergency services agreement between NJ TRANSIT and the Operator.

**16:89-2.2 Notice of Ineligibility:**

- (a) If NJ TRANSIT concludes that an Operator is not eligible to participate in the FCIP, a designee of the Executive Director shall notify the Operator in writing explaining the reasons for the decision. The Operator may appeal this decision but only on the facts NJ TRANSIT used in its determination. The Operator must submit its written response within 15 business days of receiving NJ TRANSIT's decision. In its response, the Operator shall respond with particularity and detail to each and every assertion made in the initial communication. The Operator may submit only relevant documents with its response.

**EXHIBIT A**

- (b) The Executive Director's designee shall consider the Operator's response on the papers submitted by the Operator and all other relevant material including the applicable provisions of N.J.S.A. 27:25-1 et seq., and any other applicable law and shall render a decision. A decision by the Executive Director's designee shall be rendered within 30 calendar days of receipt of the Operator's written response. Where the Executive Director's designee requests additional information from the Operator, the Operator shall respond accordingly. The Executive Director's designee shall render a decision based on such facts, the law and any relevant considerations of public policy. If the Operator is dissatisfied by this decision, the Operator may seek review of the decision in accordance with the procedures set forth in the Administrative Procedure Act. N.J.S.A. 52:14B-1 et seq. An Operator may seek judicial review of NJ TRANSIT's final decision by filing the appropriate appeal with the Appellate Division of the Superior Court of New Jersey as provided by applicable law.

**SUBCHAPTER 3: FERRY CAPITAL IMPROVEMENT PROGRAM GUIDELINES**

**16:89-3.1 Source of Funds**

- (a) Funding for the FCIP program will be provided from the NJ TRANSIT Capital Budget.

**EXHIBIT A**

- (b) NJ TRANSIT will allocate FCIP participants at least 75% of the funding generated as a result of their RVM reported to the NTD and allocated to NJ TRANSIT under the FTA's 5307 and 5337 programs or their successors. The remaining balance will be retained by NJ TRANSIT to cover internal administration cost and support ferry operations.
- (c) NJ TRANSIT will allocate FCIP participants at least 75% of the funding generated as a result of their FGDRM reported to the NTD and allocated to NJ TRANSIT under the FTA's 5307 and 5337 programs or their successors. The remaining balance will be retained by NJ TRANSIT to cover internal administration cost and support ferry operations.
- (d) NJ TRANSIT will establish the annual RVM and FGDRM funding amount consistent with federal appropriations and national NTD reporting.
- (e) FCIP funding will be disbursed for FCIP projects consistent with an agreement as described in Section 16:89:-4.1. NJ TRANSIT will maintain a record of the amount allocated to each FCIP participant, amount disbursed or committed and the program balance.

**16:89-3.2: Eligible and Ineligible Uses of Allocated FCIP Funds:**

**EXHIBIT A**

- (a) FCIP expenditures are required to comply with the definitions of Capital Improvements and/or Capital Maintenance.
  
- (b) Allocated FCIP funds may be used for the following types of expenditures with the approval of NJ TRANSIT supporting Ferry Passenger Service:
  - (i) Purchase of waterborne craft and buses used for revenue service which must be maintained in revenue service for their prescribed useful lives.
  - (ii) Rehabilitation of NJ TRANSIT purchased waterborne craft and buses including but not limited to the complete overhaul of boat engines and propulsion systems, purchase of complete ferry engines or propulsion system, bus engines and/or transmissions, structural rehabilitation, HVAC rehabilitation and seat/cover replacements. The purchase or repair of component parts which are included in the normal operating maintenance of equipment or facilities or are being replaced on a regularly scheduled basis is not permitted.
  - (iii) Rehabilitation of Operator owned/leased waterborne craft and buses - same as (ii) above and only applies to fleet used in Ferry Passenger Service.
  - (iv) Facility improvements- only facilities used principally to support the operation of Ferry Passenger Service.
  - (v) Capital equipment purchases - including but not limited to electronic fare equipment, radios and maintenance equipment.

**EXHIBIT A**

- (vi) Support vehicle purchases - Limited to non-revenue vehicles to support revenue operations.
  
- (c) Allocated FCIP funds may not be used for the following types of expenditures:
  - (i) Operating or routine maintenance expenses
  - (ii) Compensation of any owner, officer, employee or general administrative expenses
  - (iii) Purchase of component parts
  - (iv) Fuel storage facilities and related equipment
  - (v) Office furniture
  - (vi) Interest on debt service
  
- (d) Purchases or improvements are subject to such record keeping and disposal requirements as prescribed by NJ TRANSIT. NJ TRANSIT reserves the right to audit and monitor equipment purchased.

**SUBCHAPTER 4. OTHER REQUIREMENTS**

**16:89-4.1 Agreement Governing Capital Improvements :**

- (a) An Operator shall enter into an appropriate written agreement ensuring NJ TRANSIT's satisfactory continuing control for each and every item of equipment or other capital improvements funded by NJ TRANSIT through the

**EXHIBIT A**

FCIP. This agreement will also ensure that the Operator's use and disposition of the capital improvements are in accordance with the FCIP and shall contain such provisions as NJ TRANSIT shall deem reasonable necessary to ensure that the asset shall remain in Ferry Passenger Service for the length of its useful life. The expenditures under the agreement will be subject to approval of the NJ TRANSIT Board of Directors.

Satisfactory continuing control shall take the form as follows:

1. NJ TRANSIT will be named as the senior (first) lienholder on capital equipment funded through FCIP.
  2. If the senior lien is not available, NJ TRANSIT shall maintain its financial interest over the asset through its useful life. Any early disposition of equipment will require the Operator to reimburse NJ TRANSIT the original cost of the capital equipment less depreciation (assuming straight line depreciation).
  3. If the Operate does not have the resources to reimburse NJ TRANSIT in accordance with section (2) above, NJ TRANSIT shall reduce the Operator's next year's FCIP funds for the amount as determined.
- (b) Where an Operator may be in breach of its obligations under any agreement with NJ TRANSIT, any recourse or remedy for such breach shall be resolved and determined under the lien agreement terms and conditions.

**16:89-4.2 Compliance Requirements:**

**EXHIBIT A**

- (a) As a precondition to accepting capital improvements and equipment from NJ TRANSIT, an Operator shall agree to abide by all requirements of NJ TRANSIT in force at the time the agreement is executed and all requirements of any third party owner of the equipment.
- (b) Operators shall agree to provide any records or documentation that NJ TRANSIT may require for any audit conducted in relation to FCIP funding from the NJ TRANSIT Capital Budget or the FTA.
- (c) Operators shall annually certify to NJ TRANSIT that all capital improvements are being satisfactorily maintained according to accepted standards throughout their useful life. Operators shall agree to develop and submit to NJ TRANSIT a maintenance plan if so required.

**SUBCHAPTER 5. RETIREMENT OF CAPITAL EQUIPMENT**

**16:89-5.1 General:**

In each and every instance where an Operator proposes to dispose of equipment acquired with FCIP funds the Operator shall submit a written plan for disposition to NJ TRANSIT for its approval.