

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Richard T. Hammer, Commissioner
Steven H. Santoro, Executive Director

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

October 31, 2016

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the Special Meetings of the Board of Directors of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc., Board of Directors held on Wednesday, October 26, 2016.

Sincerely,

Original Signed By

Joyce J. Zuczek
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 Special Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, October 26, 2016.

Present

Richard T. Hammer, Chairman
Bruce M. Meisel, Vice Chairman (By Telephone)
John Spinello, Governor's Representative
Robert Shaughnessy, Treasurer's Representative
James C. Finkle Jr., Board Member
Flora M. Castillo, Board Member
Raymond W. Greaves, Board Member (Non-Voting) (By Telephone)

Also Present

Steven H. Santoro, Executive Director
Amy B. Herbold, Deputy Executive Director
Michael P. Kilcoyne, Acting Vice President/General Manager, Bus Operations
James A. Sincaglia, Deputy General Manager of Rail Transportation, Rail Operations
Dennis J. Martin, Vice President/General Manager, Light Rail and Contract Services
Christopher Trucillo, Chief of Police
Warren A. Hersh, Auditor General
Michael J. Lihvarcik, Chief Financial Officer & Treasurer
Michael K. Slack, Chief Information Officer
Penelope L. Bassett, Assistant Executive Director, Communications & Customer Service
Eric R. Daleo, Assistant Executive Director, Capital Planning & Programs
Gardner C. Tabon, Chief, Office of System Safety
Michael Gonnella, Deputy Attorney General
Joyce J. Zuczek, Board Secretary

Chairman Hammer convened the Open Session at 9:11 a.m. in accordance with the Open Public Meetings Act. Board Secretary Zuczek conducted a Roll Call.

Board Secretary Zuczek announced that adequate notice 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. was provided in accordance with the Open Public Meetings Act, Chapter 231, P.L. 1975, and the meetings were occurring concurrently. Notices were filed on October 21, 2016 with the Secretary of State. These notices were mailed to newspapers of general distribution, posted in the main entrance of NJ TRANSIT headquarters, and sent to each individual, agency and organization that requested such notice. Board Secretary Zuczek announced that the Board Meeting was being video recorded.

Public Comments on Agenda Items and Other Matters

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

Steve Thorpe congratulated Steve Santoro for being chosen as Executive Director. He said Executive Director Santoro has big shoes to fill but Mr. Thorpe is confident Executive Director Santoro will do a great job. Mr. Thorpe has known Executive Director Santoro for some time and his interests have always been in their best interest. Mr. Thorpe said he looks forward to working with Executive Director Santoro.

Mr. Thorpe congratulated Rail Operations for how quickly Hoboken service was restored. He was amazed and thought it would be a month or two before service was restored. Mr. Thorpe said while Track 6 and 7 are still out, everything else is back in shape. He commended NJ TRANSIT on getting that station back on line so quickly and noted Hoboken is vital to so many people.

Mr. Thorpe questioned why and for what purpose NJ TRANSIT wants the Koppers Koke Site listed in the last agenda item.

Mr. Thorpe noted at the last Board meeting, a couple weeks ago, there was a large crowd from Monmouth County to protest the possible installation of power lines along NJ TRANSIT's right-of-way. He said he is sympathetic to their cause and believes everyone needs to be heard. However, he was disappointed in the way their comments were limited to three minutes. Mr. Thorpe understands some of the speakers were elected officials, however, that group was allowed to speak up to 20 minutes while they were limited to three minutes. He said the aggregate of all those speakers was two hours and their portion was only given 15 minutes in total. Additionally, he complained that Vice Chairman Meisel left the dais when Mr. Alan was speaking. Mr. Thorpe suggested if they get a large group in the future that they receive an allotted amount of time such as 30 minutes from one or three speakers. He said this way would be fair for everyone because a lot of them waited for two hours and were then not able to speak for their full time.

Mr. Thorpe again congratulated NJ TRANSIT on getting Hoboken up and running and on their wisdom in appointing Steve Santoro as Executive Director.

Vice Chairman Meisel said there are members of the public that speak regularly at every meeting on a monthly basis, whereas, the Monmouth County residents came once. In the five and a half years he has served on the Board that was the largest group they have ever had and he is pleased he gave them an opportunity to speak. He said public officials are always permitted to speak without a time limit. Vice Chairman Meisel said no disrespect was intended when he left the dais.

Jack May said he is from Montclair and would normally speak on behalf of the New Jersey Association of Railroad Passengers (NJ-ARP) regarding the budget, but there was not enough time to study it since he only received details earlier in the week. Speaking on his own behalf, he discussed the legislative hearing on Friday.

Mr. May said Chairman Hammer was quoted as saying NJ TRANSIT has all the money needed to operate. Mr. May questioned that and said he does not agree. He said he has often spoken to those at the meeting, as well as those who are not, and has constantly been told there is not enough money to put in some of the improvements NJ-ARP has asked for such as improved weekend service to Montclair, extra service to relieve overcrowding, Pascack Valley Line late night train restoration, and repairs to escalators. Mr. May said he had to walk up the stairs from the Newark Light Rail Line that morning.

Mr. May thinks that is a terrible impression to leave legislators and the public. He said funding for operations has been cut drastically since Governor Christie assumed that office. Mr. May believes NJ TRANSIT needs more funds to operate properly.

Orrin Getz congratulated Steve Santoro on his appointment as Executive Director. He said it is a big job ahead of him and Mr. Getz hopes Executive Director Santoro will be successful. Mr. Getz said he is now the Vice Chair of the Metro North Rail Commuter Council. Their Chairman was currently speaking at the Metro North committee meeting regarding the problems they have been experiencing with the service provided by NJ TRANSIT under contract with Metro North.

Mr. Getz said a few years ago, the Pascack Valley Line was shut down for two weeks following Hurricane Sandy because Hoboken Terminal was flooded. He believes there should have been a comprehensive plan for Hoboken if it was out of service. Mr. Getz said when Train 1614 crashed on September 29, 2016, Hoboken Terminal was out of service and there still was not an effective plan.

Mr. Getz believes substituting a weekend schedule for a weekday schedule on the Pascack Valley Line is not acceptable. He said trains went empty because people did not know about it. Mr. Getz believes the service was totally lacking and a better plan should have been put into effect.

Mr. Getz said providing updated information was terrible and it got so bad that Senator Schumer even complained about it. He believes the information that was out was very confusing. Mr. Getz said the information posted at Nanuet Station is still confusing because they do not have weekend service, buses replace it, and midday service has been suspended with buses replacing that. He believes NJ TRANSIT has to make a better effort to get information out to people when there is a service disruption. Mr. Getz said there were announcements over the loud speaker at stations that information is available on NJ TRANSIT's website, but everyone does not have a smartphone and able to get the information.

Mr. Getz said running reduced service for two weeks was really a bad deal and there should have been a better plan. He said the excuse given was that there would be excess crowding at Secaucus, but he said there are a lot of Morris & Essex MidTOWN DIRECT trains that bypass Secaucus during rush hour. Mr. Getz suggested a plan with Amtrak to stop and pick up some of the extra people could have worked and a better schedule provided during that interim period.

Mr. Getz said even when the service was reduced they thought it would be an opportunity to make sure they had good equipment so when full service was restored everything would be back to normal. He said that did not happen and right now there is a 15 mile per hour restriction on one of the tracks on a draw bridge and they do not know why and when that will be removed.

Mr. Getz said a huge problem to them is the cancellation of train 1618 whenever there is a problem up in Spring Valley. He said that morning train 1618 again was cancelled. Mr. Getz said it is the sacrifice train and that is totally unacceptable to them. He requested NJ TRANSIT bring up a relief train as backup to protect the schedule. Mr. Getz recommended the train should be brought up first thing in the morning, before the first train leaves Spring Valley, and parked in the pond siding so it can be used as a backup. He said Rockland County through MTA pays NJ TRANSIT for service and they are not getting it. He added the amount of cancellations on train 1618 has been horrible and they need much better service.

Mr. Getz said Board Members should ride NJ TRANSIT and if they do not, they do not understand what is going on.

David Peter Alan said four weeks ago there was a fatal accident in Hoboken. He extended his sympathy to the loved ones of the victim and for the speedy recovery of the injured. Mr. Alan complimented NJ TRANSIT for getting Hoboken service up and running again so quickly. He said this includes train 684, the 11:30 p.m. train from Dover, since they fought to get that train and its Essex County stops back. Mr. Alan said he can personally attest to the importance of Hoboken Terminal for their regional mobility.

Mr. Alan said he did not have enough information to comment on the budget items. He complained that they received the final agenda after 6:00 p.m. on Monday, October 24, 2016 so he can only make a few general comments.

Mr. Alan said they are pleased that operating funding will increase from 10 to 42.7 percent of the 2008 funding level. He believes this is a step in the right direction, but the amount available for providing mobility to NJ TRANSIT riders is still dreadfully inadequate. They will expect service improvements such as those mentioned by Jack May and know they will need more in the future than the current budget permits.

Mr. Alan said they were disappointed to learn that nothing had been budgeted on the capital side for the construction of tunnels into New York. He said NJ TRANSIT needs

the new tunnels, not Amtrak. Mr. Alan does not see how Delco Lead will help riders. He thinks it may help developers. Mr. Alan suggested using the center track of the Morris & Essex Line from east of Millburn Station as a safe haven for equipment in the event of another storm like Sandy and said it will incur no capital costs. He said they do not know if Gateway will be built.

Mr. Alan said they understand the importance of the grants and vehicles for senior citizens and persons with disabilities. He noted the Casino Revenue Fund is less than half it was in 2008 and those populations are growing.

Mr. Alan said they do not know what Koppers Koke will be used for so he can't comment on it. He complained NJ TRANSIT does not provide enough notice to riders and their representatives. Mr. Alan said he cannot comment on the Board items because they do not know enough about them before they are presented to the Board for a vote.

Mr. Alan complained that 13 days ago, several representatives were abruptly told their speaking time would be cut down from the customary five minutes to three. He said two of them gave up before their turn came. Mr. Alan said they believe it is part of NJ TRANSIT's duty to its riders that they be granted the customary length of time to make statements at Board meetings.

Mr. Alan wanted a question to Chairman Hammer put on the record. He asked whether Chairman Hammer would assure them that day that in the future they would always have the customary five minutes to make their statements to the Board.

Joe Clift congratulated Executive Director Santoro and thanked Dennis Martin for all his work. He said the comment was made that Vice Chairman Meisel left the dais at the last Board meeting when David Peter Alan was speaking. Mr. Clift explained he made the mistake of leaving the room to talk to Vice Chairman Meisel before he returned to the room and did not think about the fact that he kept Vice Chairman Meisel from hearing David Peter Alan. Mr. Clift apologized for that and said in the future he will talk to Board members after the meeting.

Mr. Clift said the 8:39 a.m. train he took from New York Penn Station towards Trenton that morning had four cars closed at the east end of the train. He said the train crew did not figure out how crowded it was until after the train left the station. Mr. Clift said they opened more cars but the train crew needs to be attentive and he has seen this on a regular basis.

Mr. Clift said at the last Board meeting about two weeks ago, about 12 to 15 reporters surged in towards Executive Director Santoro. He said he felt like he was at a rugby game because it was not civilized. Mr. Clift said they were forced to yell out questions and only three questions were answered. He suggested a regular press forum, like the Port Authority of New York and New Jersey has, that is civilized where the reporters can sit down and ask questions.

Mr. Clift believes 36 hours to view the agenda is insufficient.

Mr. Clift said all of his comments were directed at the three independent Board members who do not work for the state since they are the only ones that can speak out without concern for their livelihoods. He believes they have a fiduciary obligation to taxpayers, a moral obligation to customers, and they need to speak out because they are the only ones who can speak out, besides advocates, who have no standing.

Mr. Clift said he assumed Koppers Koke would eventually be the layup yard for Gateway but he does not know because, as it is constantly, the capital program process presents an action item without telling the scope, cost, or where the project fits in an overall plan. He said NJ TRANSIT's capital program is a series of independent projects flying in formation and he does not see a strategic approach. Mr. Clift said Koppers Koke is like getting a little piece of the camel's nose under the tent and complained they don't know what is going on.

Mr. Clift suggested the Board ask management for an explanation regarding how they can set aside \$400 million of capital money to support capital maintenance for rail cars and buses. He does not believe enough is being spent on major items like pantograph rehabilitation, alternator rehabilitation, and all the other things listed. Mr. Clift said NJ TRANSIT is spending capital money on things like washing buses and trains, fueling, and changing the bus wipers. He said the FTA may allow it but he thinks it is wrong and no one else does it.

Mr. Clift said effectively the state budget is forcing NJ TRANSIT to steal money from the capital budget to spend on operations. He thinks it is wrong, should be fixed, and the three public Board members can demand information regarding it.

Mr. Clift said a key change to the operating budget is the way Amtrak is charging for the use of the Northeast Corridor. He said it is from PRIIA 212 and it will cost more, but there are no numbers. Mr. Clift believes the operating budget should be line by line, clear regarding what is going on. He thinks it is crazy to have 10 items in one line item. Mr. Clift questioned how much more NJ TRANSIT is paying Amtrak.

Mr. Clift questioned a claimed fuel savings, saying that has bottomed out and asked for an explanation for how NJ TRANSIT will save money on fuel.

Executive Director Remarks

Executive Director Santoro said they have significant items to address on the agenda so he would not take a lot of time with remarks. He began by again thanking Chairman Hammer and the Board for placing their trust in him by selecting him to serve as Executive Director. Executive Director Santoro accepted the mandate they put before him and is developing the updates requested on key initiatives.

Among the responsibilities set forth was to ensure that progress at Hoboken Terminal, in terms of both safety and service, continued in earnest. Rest assured, they will continue to examine opportunities to bolster their safety regimen throughout the system, including Hoboken. At the same time, they are working to rebuild the damaged infrastructure in the area that remains out of service.

Meanwhile, the NTSB and FRA investigations are ongoing with additional interviews expected. NJ TRANSIT's rail operations staff, continue to work with the FRA on a daily basis to achieve their shared mission of providing the safe and reliable movement of people.

NJ TRANSIT has retained Peter Cannito, a well-respected rail operations executive to assist Executive Director Santoro and Rail Operations Vice President and General Manager Robert Lavell as he takes an outside look at NJ TRANSIT's overall rail operations, all with an eye towards helping them strengthen their practices.

NJ TRANSIT will also be recruiting a compliance officer with expanded authority who will be a direct report to Executive Director Santoro to ensure that NJ TRANSIT is reporting to federal and other agencies in a consistent and thorough manner. And the hiring initiatives will not end there.

They are open for business and are moving in earnest to fill a number of much needed vacancies in NJ TRANSIT's rail operations divisions, from train engineers and rail welders and plumbers to mechanics, as well other operations and support positions throughout the organization. The Human Resources Department is working diligently to prepare these positions for postings, conducting interviews, and bringing on board dozens of employees who will join the ranks of the talented men and women NJ TRANSIT already has on its team. Executive Director Santoro said they are hiring.

Also on the agenda is the approval of the capital and operating budgets. NJ TRANSIT's Chief Financial Officer and the head of the Capital Department will provide more details when they move to that portion of the agenda.

Executive Director Santoro said one critical element of his job as they move forward is to provide the tools to the good men and women of NJ TRANSIT that they need to fulfill their daily jobs to carry out the agency's daily mission of keeping the more than 2,000 buses on the road and 700 trains on the rails and providing Access Link services to customers dependent on those services. They have a full docket of issues to tackle and are moving to meet those challenges head on with the Board's support.

Action Items

Executive Director Santoro introduced Michael Lihvarcik, Chief Financial Officer and Treasurer, and Eric Daleo, Assistant Executive Director, Capital Planning and Programs, to provide a presentation on the Operating Budget and Capital Program.

Michael J. Lihvarcik provided a presentation on the Fiscal Year 2017 Operating Budget. The Fiscal Year 2017 Operating Budget totals \$2.1 billion and provides for the continued support and resources for the operations of NJ TRANSIT Bus, Rail, Light Rail and Access Link services for NJ TRANSIT's customers. NJ TRANSIT is committed to operating as lean as possible, providing the best value to its customers. As a result, funding is driven by vital growth. The budget continues a managed attrition program and staff will continue to pursue opportunities for revenue generation and create efficiencies wherever possible.

Key revenue highlights include no fare increase for Fiscal Year 2017. System generated revenue from customer fares and other sources such as advertising represents almost 54 percent of the total revenue budget. Passenger revenue growth of 1.8 percent is based on the annualization of the October 2015 fare adjustment. New non-farebox revenue initiatives will continue to be pursued in areas such as advertising and leasing.

State support of \$427 million continues and includes a direct \$140.9 million appropriation which is \$107.7 million more than the Fiscal Year 2016 appropriation of \$33.2 million. In addition, State Clean Energy Funds increase by \$20 million from \$62.1 million to \$82.1 million. The New Jersey Turnpike Authority funding totals \$204 million in Fiscal Year 2017. Finally, capital maintenance funding from both federal and state sources, which supports NJ TRANSIT's buses, trains and light rail vehicles in a state-of-good repair to enhance NJ TRANSIT's customers experience, will decrease from \$460 million to \$401 million and is partially offset in state funding.

As illustrated by the chart, labor and fringe benefits costs represent the majority or 60 percent of NJ TRANSIT's operating budget at over \$1.2 billion. This is followed by materials and supplies at 14 percent or \$297.6 million. And the third largest program is purchased transportation at 11 percent or \$237.8 million which includes contracted services for private bus carriers, Hudson Bergen Light Rail, the River Line, and Access Link services.

This budget funds critical operating needs of the departments. The recommended budget includes growth for contract settlements and federal mandates such as the Northeast Corridor Commission or PRIIA. This growth is partially offset with a \$45 million reduction in fuel costs due to favorable lock-in prices.

In summary, the Fiscal Year 2017 Operating Budget is balanced with no fare increase while funding vital growth items to meet the agency's operational needs. NJ TRANSIT is committed to working within this spending plan to maintain a balanced budget.

Mr. Lihvarcik welcomed Eric Daleo to discuss NJ TRANSIT's Fiscal Year 2017 Capital Program.

Eric R. Daleo provided a presentation on the Fiscal Year 2017 Capital Program. NJ TRANSIT's proposed Fiscal Year 2017 Capital Program totals \$1.683 billion.

Approximately 33 percent of the Capital Program is funded by the State Transportation Trust Fund (TTF). Another 53 percent is funded by the Federal Transit Administration. Roughly 10 percent of the program is Federal Highway Administration flex funds provided by the New Jersey Department of Transportation.

The Fiscal Year 2017 Capital Program is \$422 million less than Fiscal Year 2016 Capital Program, which was valued at \$2.099 billion. The difference is really a function of the timing of grant activities. NJ TRANSIT programmed nearly \$871.4 million of resiliency investment, in connection with Federal Transit Administration competitive resiliency grants, in Fiscal Year 2016, and this year's Capital Program includes the balance of that same investment, \$393 million, to support competitive resilience projects.

Setting aside this one-time programming of resiliency funding, the proposed Fiscal Year 2017 Capital Program provides consistent and continued investment in safety and state-of-good repair initiatives, and compares favorably to Fiscal Year 2015's budget of \$1.203 billion, and Fiscal Year 2016's budget of \$1.227 billion, after the \$871.4 million of one-time resiliency investment is removed. Support for core capital functions has remained consistent, and this year the Capital Program includes a \$38 million increase thanks to new funding through the Federal Transit Administration Fixing America's Surface Transportation (FAST) Act Funding; that number is reflected in the Federal Transit Administration portion of the pie chart.

In terms of how these funds are allocated, nearly 35 percent of the Capital Program supports preventative maintenance, debt service, and local programs. The remaining 65 percent of the Capital Program funds state-of-good repair and improvement projects.

With regard to allocation of funding by category, the highlights from this year's Capital Program include a 72 percent increase in rail infrastructure improvements, including \$72 million of new investment for Positive Train Control, a 20 percent increase to rail rolling stock improvements and a 119 percent increase in bus and light rail projects.

Drilling down, the Fiscal Year 2017 Capital Program will continue investment in critical resiliency projects that were selected by the Federal Transit Administration through a 13-state competition, including: continued investment in NJ TRANSITGRID, a microgrid capable of delivering highly reliable power to support critical NJ TRANSIT operations; the Long Slip Fill and Rail Enhancement Project, a project to fill a former barge canal at Hoboken Terminal and construct on top of that filled canal six tracks and three high-level ADA accessible boarding platforms allowing for resilient rail service in Hoboken; the Raritan River Bridge Replacement, where NJ TRANSIT is replacing a 1908 existing swing bridge between Perth Amboy and South Amboy with a new resilient bridge; new investments in signals and communications resilience across rail and light rail for critical life-safety signal and communications systems; and the Delco Lead Train Safe Haven, a project to improve rail equipment and storage along the Northeast Corridor and provide rail inspection facilities.

The Fiscal Year 2017 Capital Program provides continued investment in critical safety initiatives, including the continued prioritization of Positive Train Control deployment. Security investments include the advancement of police and Homeland Security projects including the completion of the agency's new Emergency Operation Center. Station improvements investment will continue repair and customer enhancement projects at major rail stations. State-of-good repair remains a priority in the Fiscal Year 2017 Capital Program and includes systemwide track, signals and electric traction projects, bridge and maintenance shop improvements like the Leland Avenue Bridge Rehabilitation, bridge inspection and painting programs, and ADA improvements.

Rolling stock reliability projects include locomotive overhauls and emission reduction projects, the acquisition of cruiser buses, and rail passenger vehicles. This also includes light and heavy vehicle non-revenue vehicles that will be used to support operations. This year funding will also be programmed to support the Northeast Corridor under the Passenger Rail Investment and Improvement Act (PRIIA). The program continues to invest in upgrades to the Northeast Corridor, the agency's most utilized rail line.

NJ TRANSIT continues to address the statewide needs of senior and disabled populations with mini-bus purchases and operating support to support local programs. The Fiscal Year 2017 Capital Program includes continued improvements to NJ TRANSIT's technology systems to stay compliant with federal regulations and to improve efficiencies

NJ TRANSIT's \$1.683 billion proposed Fiscal Year 2017 Capital Program continues the agency's efforts to maintain and renew infrastructure, prioritizes safety and state-of-good repair, and invests in better enabling NJ TRANSIT's system to withstand and recover from extreme weather events.

Vice Chairman Meisel asked for clarification regarding whether NJ TRANSIT is taking on any new debt for the capital program. He believes this is a pay as you go program so at some point past debt will be paid off and capital will be more pay as you go compared to prior instances when there was borrowing. Executive Director Santoro explained the budget still does contain some repayment of debt bonded for in previous years. Vice Chairman Meisel noted at some point in several years, they will operate more on a pay as go basis, and said it is notable and important to point out this budget does not leverage NJ TRANSIT's future for the present, which indicates responsibility for how conducts its capital affairs.

1610-50: FISCAL YEAR 2017 OPERATING BUDGET

Item #1610-50, Fiscal Year Operating Budget provides authorization to adopt the Fiscal Year 2017 Operating Budget in the amount of \$2.111 billion as detailed in the item and on the attached Exhibits A, B and C. It also provides authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2018 Operating Budget.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Shaughnessy	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1610-51: FISCAL YEAR 2017 CAPITAL PROGRAM

Item #1610-51, Fiscal Year 2017 Capital Program provides authorization to adopt the Fiscal Year 2017 Capital Program in the amount of \$1.683 billion, as described in the item and to take whatever actions are necessary to seek and secure the funds envisioned by this program. It also provides 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 and 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.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Shaughnessy	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1610-52: NJ TRANSIT FISCAL YEAR 2017 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

Executive Director Santoro introduced Eric Daleo, Assistant Executive Director, Capital Planning & Programs, who presented Action Item #1610-52 for approval.

Eric Daleo recommended approval of Item #1610-52, NJ TRANSIT Fiscal Year 2017 Grant Programs: Local Transportation for Senior Citizens, Persons with Disabilities, Rural and Economically Disadvantaged Residents. NJ TRANSIT administers a variety of Federal and State grant programs for coordinated community-based transportation services that benefit senior citizens, persons with disabilities, rural and small urban area residents and economically disadvantaged persons. The grant programs are detailed in the agenda and exhibits and assist a variety of private non-profit organizations, counties

and various municipalities. Approval was requested to implement all of the programs for Fiscal Year 2017 as detailed in the agenda item which includes the Senior Citizen and Disabled Resident Transportation Assistance Program for \$17,523,000.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Shaughnessy	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1610-53: ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE TRAIN CONTROL: AGREEMENT TO LEASE RADIO FREQUENCY SPECTRUM

Executive Director Santoro introduced Eric Daleo, Assistant Executive Director, Capital Planning & Programs, who presented Action Item #1610-53 for approval.

Eric Daleo recommended approval of Item #1610-53, Advanced Speed Enforcement System II – Positive Train Control: Agreement to Lease Radio Frequency Spectrum. Approval was requested to take any and all actions to negotiate and execute an agreement with the Metropolitan Transportation Authority for the lease of 218 MHz Radio Frequency Spectrum for a 50-year term at a cost not to exceed \$725,000, subject to the availability of funds.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Shaughnessy	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1610-54: COMMUNITY MOBILITY AND LOCAL PROGRAMS – VEHICLE PURCHASE CONTRACT FOR TRANSIT-STYLE BUSES: RESCIND RESOLUTION 1603-12 AND RE-AWARD CONTRACT

Executive Director Santoro introduced Eric Daleo, Assistant Executive Director, Capital Planning & Programs, who presented Action Item #1610-54 for approval.

Eric Daleo recommended approval of Item #1610-54, Community Mobility and Local Programs – Vehicle Purchase Contract for Transit-Style Buses: Rescind Resolution 1603-12 and Re-Award Contract. Approval was requested to rescind Board Resolution

1603-12 for the purchase of eight 24-passenger buses (medium-duty cutaways) from Wolfington Body Company, Inc. Approval was also requested to enter into a contract with Rohrer Enterprises, Inc. (DBA/Rohrer Bus Sales), in the amount of \$1,149,776.00, plus five percent for contingencies, for a total authorization amount of \$1,207,265, subject to the availability of funds.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Shaughnessy	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1610-55: COMMUNITY MOBILITY AND LOCAL PROGRAMS: AMENDMENT TO CONTRACT FOR PURCHASE OF ADDITIONAL TRANSIT-STYLE AND CUTAWAY MINIBUSES WITH LIFTS

Executive Director Santoro introduced Eric Daleo, Assistant Executive Director, Capital Planning & Programs, who presented Action Item #1610-55 for approval.

Eric Daleo recommended approval of Item #1610-55, Community Mobility and Local Programs: Amendment to Contract for Purchase of Additional Transit-Style and Cutaway Minibuses with Lifts. Approval was requested to amend a contract with Alliance Bus Group to purchase 6 Vans and 7 Extended Vans, 26 Minibuses, and 33 Extended Minibuses plus optional materials in an amount not to exceed \$4,115,562, plus five percent for contingencies, for a total authorization of \$13,489,247, subject to the availability of funds. Approval was also requested to amend a contract with Rohrer Enterprises, Inc. DBA/Rohrer Bus Sales to purchase 3 Minibuses plus optional materials in an amount not to exceed \$172,000, plus five percent for contingencies, for a total authorization of \$574,893, subject to the availability of funds.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Shaughnessy	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1610-56: ROSELLE PARK RAIL STATION PLATFORM REHABILITATION: CONSTRUCTION CONTRACT AWARD

Executive Director Santoro introduced Eric Daleo, Assistant Executive Director, Capital Planning & Programs, who presented Action Item #1610-56 for approval.

Eric Daleo recommended approval of Item #1610-56, Roselle Park Rail Station Platform Rehabilitation: Construction Contract Award. Approval was requested to enter into a contract with Anselmi & Decicco, Inc. to provide platform rehabilitation to the Roselle Park Rail Station at a cost not to exceed \$2,855,000, plus five percent for contingencies, subject to the availability of funds.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Shaughnessy	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

1610-57: CRANFORD RAIL STATION PLATFORM REHABILITATION CONSTRUCTION CONTRACT AWARD

Executive Director Santoro introduced James Sincaglia, Deputy General Manager, Rail Transportation, who presented Action Item #1610-57 for approval.

James Sincaglia recommended approval of Item #1610-57, Cranford Rail Station Platform Rehabilitation Construction Contract Award. Approval was requested to enter into a contract with Anselmi & Decicco, Inc. to provide platform rehabilitation to the Cranford Rail Station at a cost not to exceed \$3,275,000.00, plus five percent for contingencies, subject to the availability of funds.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Shaughnessy	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Yes	Non-Voting Member

Executive Session Authorization

At approximately 10:03 a.m., Chairman Hammer requested a motion to enter Executive Session to discuss personnel matters, contract and collective bargaining negotiations,

the status of pending and anticipated litigation and matters falling within the attorney-client privilege.

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

Board Secretary Zuczek conducted a Roll Call as Board Members returned to Open Session. All Board Members, except Vice Chairman Meisel and Board Member Greaves, returned to open session at approximately 10:39 a.m.

1610-58: HUDSON COUNTY IMPROVEMENT AUTHORITY v. NEW JERSEY TRANSIT CORPORATION: IMPLEMENTATION OF SETTLEMENT TERM SHEET

Executive Director Santoro introduced Eric Daleo, Assistant Executive Director, Capital Planning & Programs, who presented Action Item #1610-58 for approval.

Eric Daleo recommended approval of Item #1610-58, Hudson County Improvement Authority v. New Jersey Transit Corporation: Implementation of Settlement Term Sheet. As detailed in the Board Item, this property is being acquired to support multiple transportation purposes. The property has potential utility to NJ TRANSIT for a number of reasons, including its close proximity to the Morris & Essex Line, Meadows Maintenance Complex, Mason Substation, the Northeast Corridor, and its general suitability for future needed transportation uses. Although the parcel is not being acquired specifically to support the NJ TRANSITGRID project, this site will be considered as a potential alternative as part of the National Environmental Policy Act assessment of that project. Approval was requested to take all necessary actions as detailed in the agenda item.

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

Roll Call Vote:

Hammer	Meisel	Spinello	Shaughnessy	Castillo	Finkle	Greaves
Yes	Absent	Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

Adjournment

Since there were no further comments or business, Chairman Hammer called for adjournment and a motion to adjourn was made by Board Member James C. Finkle Jr., seconded by Board Member John Spinello, and unanimously adopted. The meeting was adjourned at approximately 10:41 a.m.

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

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- | | | |
|---|--|---|
| ➤ | CALL TO ORDER | - |
| ➤ | SAFETY ANNOUNCEMENT | - |
| ➤ | PLEDGE OF ALLEGIANCE TO THE FLAG | - |
| ➤ | PUBLIC COMMENTS ON AGENDA ITEMS AND OTHER MATTERS | - |

ACTION ITEMS

1610-50	FISCAL YEAR 2017 OPERATING BUDGET	49827
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Authorization to adopt the Fiscal Year 2017 Operating Budget in the amount of \$2.111 billion as detailed in the item and on the attached Exhibits A, B and C.

Authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2018 Operating Budget.

1610-51	FISCAL YEAR 2017 CAPITAL PROGRAM	49841
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Authorization to adopt the Fiscal Year 2017 Capital Program in the amount of \$1.683 billion, as described.

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

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

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.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
SPECIAL BOARD OF DIRECTORS' MEETINGS
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1610-52 NJ TRANSIT FISCAL YEAR 2017 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS 49862

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

- FY2017 Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP), as set forth in Exhibit B, for a total program amount of \$17,523,000 funded by the Casino Revenue Tax.
- FY2017 FTA Section 5311 Rural and Small Urban Areas Program for Counties, as set forth in Exhibit C, for a total program amount of \$5,510,946 which includes \$3,510,946 in Federal funds and \$2,000,000 as the NJ TRANSIT share of local match.
- FY2017 FTA Section 5311 Rural Intercity Bus Transportation Program at a cost not to exceed \$568,624.
- FY2017 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$120,430 in Federal funds to supplement the New Jersey Community Transportation Training Program at no cost to NJ TRANSIT.
- FY2017 FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program at a cost not to exceed \$8,700,00, which includes \$7,200,000 in Federal funds and \$1,500,000, as the NJ TRANSIT share of local match on vehicle purchases.
- FY2017 New Jersey Jobs Access and Reverse Commute (NJ-JARC) Program at a cost not to exceed \$5,300,000, which includes \$4,300,000 in NJ TRANSIT funds and \$1,000,000 in funds from the New Jersey Department of Human Services. Local providers match these funds on a 50/50 basis.
- Any specially-dedicated Congressional appropriations, FTA Section 5307, FTA Section 5309 and CMAQ local projects including funds which will be flexed into on-going FTA programs under the FY2017 budget at a cost not to exceed \$6,000,000. This includes a small amount of NJ TRANSIT operating funds for locally-operated shuttles and van pools sponsorship.

1610-53 ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE TRAIN CONTROL: AGREEMENT TO LEASE RADIO FREQUENCY SPECTRUM 49876

Authorization to take any and all actions to negotiate and execute an agreement with the Metropolitan Transportation Authority of New York, New York, for the lease of 218 MHz Radio Frequency Spectrum for a 50-year term at a cost not to exceed \$725,000, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
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SPECIAL BOARD OF DIRECTORS' MEETINGS
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1610-54 COMMUNITY MOBILITY AND LOCAL PROGRAMS – VEHICLE PURCHASE 49881
CONTRACT FOR TRANSIT-STYLE BUSES: RESCIND RESOLUTION 1603-
12 AND RE-AWARD CONTRACT

Authorization to rescind Board Resolution 1603-12 for the purchase of eight 24-passenger buses (medium-duty cutaways) from Wolfington Body Company, Inc. of Mount Holly, New Jersey.

Authorization to enter into NJ TRANSIT Contract No. 15-051 with Rohrer Enterprises, Inc. (DBA/Rohrer Bus Sales) of Trenton, New Jersey, in the amount of \$1,149,776.00, plus five percent for contingencies, for a total authorization amount of \$1,207,265, subject to the availability of funds.

1610-55 COMMUNITY MOBILITY AND LOCAL PROGRAMS: AMENDMENT TO 49886
CONTRACT FOR PURCHASE OF ADDITIONAL TRANSIT-STYLE AND
CUTAWAY MINIBUSES WITH LIFTS

Authorization to amend NJ TRANSIT Contract No. 15-025A with Alliance Bus Group of Carlstadt, New Jersey to purchase six Type A Vans and seven Type B Extended Vans (Category 1); 26 Type C Minibuses (Category 2); and 33 Type J Extended Minibuses (Category 4) plus optional materials in an amount not to exceed \$4,115,562 plus five percent for contingencies, for a total authorization of \$13,489,247, subject to the availability of funds.

Authorization to amend NJ TRANSIT Contract No. 15-025B with Rohrer Enterprises, Inc. DBA/Rohrer Bus Sales of Duncannon, Pennsylvania, to purchase three Type F Minibuses (Category 3) plus optional materials in an amount not to exceed \$172,000 plus five percent for contingencies, for a total authorization of \$574,893, subject to the availability of funds.

1610-56 ROSELLE PARK RAIL STATION PLATFORM REHABILITATION: 49894
CONSTRUCTION CONTRACT AWARD

Authorization to enter into NJ TRANSIT Contract No. 15-053X with Anselmi & Decicco, Inc. of Maplewood, New Jersey, to provide platform rehabilitation to the Roselle Park Rail Station at a cost not to exceed \$2,855,000.00, plus five percent for contingencies, subject to the availability of funds.

1610-57 CRANFORD RAIL STATION PLATFORM REHABILITATION: 49898
CONSTRUCTION CONTRACT AWARD

Authorization to enter into NJ TRANSIT Contract No. 15-050X with Anselmi & Decicco, Inc. of Maplewood, New Jersey, to provide platform rehabilitation to the Cranford Rail Station at a cost not to exceed \$3,275,000.00, 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.
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SPECIAL BOARD OF DIRECTORS' MEETINGS
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EXECUTIVE SESSION AUTHORIZATION: Discuss personnel matters, contract and collective bargaining negotiations, acquisition of real property with public funds, the status of pending and anticipated litigation and matters falling within the attorney-client privilege. **49902**

1610-58 HUDSON COUNTY IMPROVEMENT AUTHORITY v. NEW JERSEY TRANSIT CORPORATION: IMPLEMENTATION OF SETTLEMENT TERM SHEET 49903

Authorization to take all necessary actions to make an offer to acquire title in fee simple to Parcels 1 A&B and 2 together with all supporting easements over the Koppers Koke Site in the Town of Kearny, Hudson County, New Jersey, and subject to reserved easements in favor of the Hudson County Improvement Authority, in accordance with the Settlement Term Sheet previously authorized under Item 1411-56, in an amount discussed in Executive Session for Parcel 1 A&B and Parcel 2, subject to the availability of funds.

Authorization to file a condemnation complaint and a declaration of taking, if necessary, to acquire Parcels 1 A&B and 2.

Authorization to convey to HCIA and its successors and assigns, as part of the acquisition process, a Private Easement to provide access and utilities, identified as Parcel VPE3 and measuring approximately 1.1 acre, across NJ TRANSIT's adjoining existing property to also reasonably enable the redevelopment of the Koppers Koke Site.

Authorization to increase the authorized amount for Integra Realty Resources – Coastal NJ of Toms River, New Jersey, to provide services for appraisals, reports, surveys and supporting services for negotiations, mediation and arbitration of just compensation and filing and recording of a complaint in condemnation, at a cost not to exceed \$85,000 for a total authorization of \$125,000, subject to the availability of funds.

Authorization to expend an additional amount not to exceed \$275,000 for expenses and costs incurred in acquiring Parcels 1 A&B and 2, including but not limited to surveying, preparation of Individual Parcel Maps, title search, consulting and legal fees and other expenses for a total authorization of \$535,000, subject to the availability of funds.

➤ **ADJOURNMENT**

FISCAL YEAR 2017 OPERATING BUDGET



FISCAL YEAR 2017 BUDGET – OPERATING BUDGET REVENUE

49828

	FY 2016	FY 2017	\$ Change	% Change
REVENUES (in Millions)				
Customer Fares	\$ 1,005.3	\$ 1,023.1	\$ 17.8	1.8%
Other Commercial Revenue	115.2	115.2	0.0	0.0
State Operating Assistance	33.2	140.9	107.7	324.4
Other State and Federal Reimbursements	961.8	831.8	(130.0)	-13.5
TOTAL REVENUE	\$ 2,115.5	\$ 2,111.0	(\$ 4.5)	-0.2%

FARES

- No fare increase in FY 2017

REVENUE

- Customer revenue **growth of 1.8%** based on 3 months of FY 2016 increase

STATE FUNDING

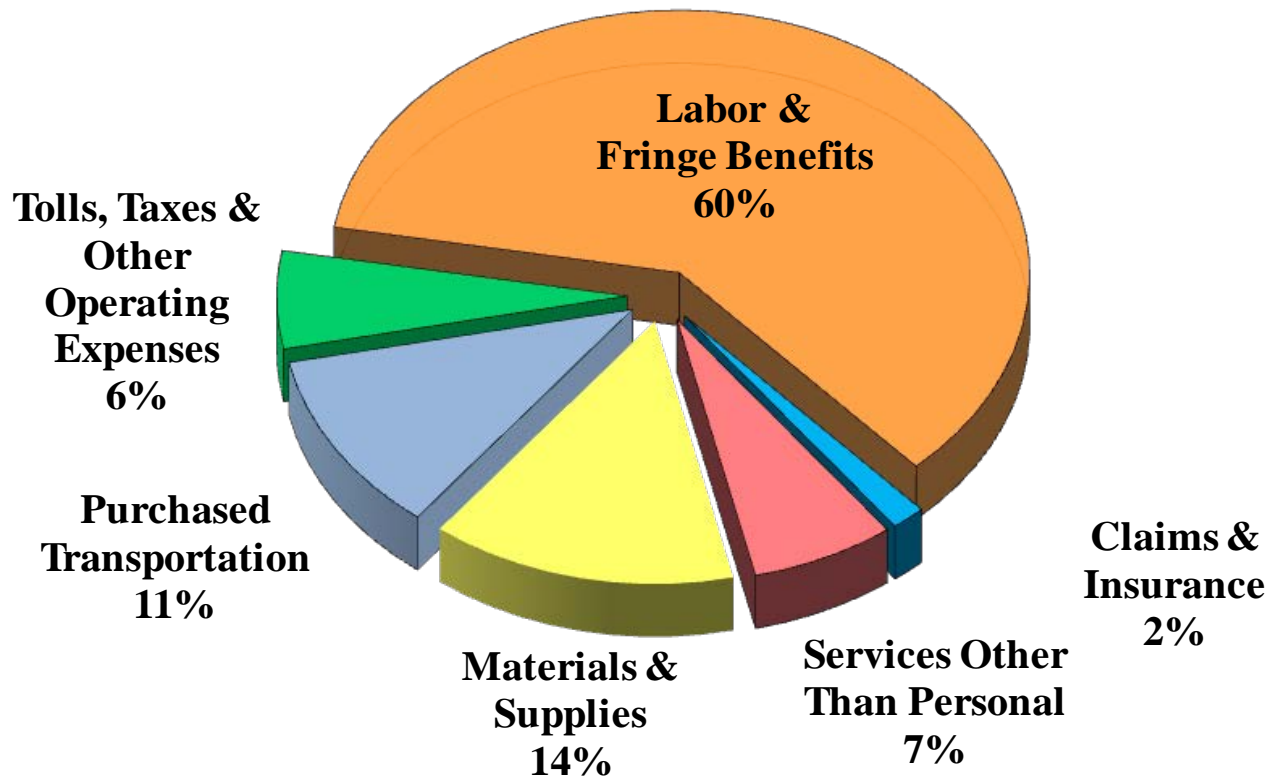
- State operating assistance **increases by \$107.7m**

OTHER RESOURCES

- Includes **\$401m of preventative maintenance** funding, **\$82.1m of State Clean Energy Funds**, and **\$204m of NJ Turnpike Authority** funding

(NJT Board - 10/26/2016)
FISCAL YEAR 2017 BUDGET – WHERE THE MONEY GOES

49830



FISCAL YEAR 2017 BUDGET – OPERATING BUDGET EXPENSE

49831

	FY 2016	FY 2017	\$ Change	% Change
EXPENSES (in Millions)				
Labor & Fringe Benefits	\$ 1,250.4	\$ 1,275.4	\$ 25.0	2.0%
Material & Supplies	342.6	297.6	(45.0)	-13.1
Services Other than Personal	140.1	140.1	0.0	0.0
Purchased Transportation	237.8	237.8	0.0	0.0
Insurance and Claims	33.2	33.2	0.0	0.0
Tolls, Taxes & Other Operating Expenses	111.4	126.9	15.5	13.9
TOTAL EXPENSES	\$ 2,115.5	\$ 2,111.0	(\$ 4.5)	-0.2%

GROWTH

- Relatively flat compared to FY 2016

COSTS

- Contract settlements
- Federal mandates for the Northeast Corridor Commission

EFFICIENCIES

- Fuel lock-in savings against budget

ITEM 1610-50: FISCAL YEAR 2017 OPERATING BUDGET

BENEFITS

NJ TRANSIT's \$2.111 billion Fiscal Year 2017 Operating Budget provides continued support and resources for the operations of NJ TRANSIT Bus, Rail, Light Rail and Access Link services.

This budget recommendation continues NJ TRANSIT's commitment to provide safe, reliable and efficient transportation services for its customers.

From a revenue perspective, resources of \$2.111 billion are estimated to be available from various sources. Passenger and commercial revenue represent 54 percent of the total revenue. State Operating Assistance grows by \$107.7 million from the Fiscal Year 2016 level of \$33.2 million for a total of \$140.9 million. The State Clean Energy Fund contribution grows by \$20 million for a total of \$82.1 million in Fiscal Year 2017. NJ Turnpike Authority funding is \$204 million in Fiscal Year 2017, down from \$295 million. Total State resources for Fiscal Year 2017 are \$427 million compared to \$390.3 million in Fiscal Year 2016.

For Fiscal Year 2017, capital maintenance funding from Federal and State sources total \$401 million and support projects including axle replacements, pantograph conversions, traction motor repairs, repairing engines, transmissions and alternators.

A summary of the Fiscal Year 2017 Revenues is presented in Exhibit A.

From an expense perspective, 60 percent - \$1.275 billion - of the Fiscal Year 2017 Operating Budget is dedicated to labor and fringe benefit expenses. Another 23 percent - \$490.8 million - of the Fiscal Year 2017 Operating Budget, consists of purchased transportation, materials, and fuel and power. Exhibit B summarizes the \$2.111 billion expenses by category.

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 2017 Operating Budget in the amount of \$2.111 billion as detailed in the item and on the attached Exhibits A, B and C.

Staff also seeks authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2018 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 2017 Operating Budget for NJ TRANSIT as

detailed on the attached exhibits. This budget includes appropriations for public transportation contained in the Fiscal Year 2017 State Budget adopted by the New Jersey Legislature. With the approval of this item, the Board acknowledges and accepts its responsibility to set fares, administer a single, unified NJ TRANSIT operating budget and manage Federal Transit Administration assistance.

Approval of this item will also allow the execution of numerous agreements necessary to advance and continue its Private Carrier Capital Improvement Program, bus maintenance, debit and credit card processing and settlement services, marketing programs, and provide substitute service in support of NJ TRANSIT's capital program and for service interruptions. It will also allow NJ TRANSIT to provide local share and other in-kind services or act as a pass-through agency for Federal or State capital or operating funds. In addition to seeking approval of the Fiscal Year 2017 Operating Budget, staff is requesting authorization to continue to expend funds to meet NJ TRANSIT's obligations until the adoption of a Fiscal Year 2018 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 2018 budget prior to the start of the Fiscal Year. Therefore, authorization to expend funds to carry on NJ TRANSIT's day-to-day business is necessary.

BACKGROUND

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

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

FISCAL IMPACTS

Requested Authorization:	\$2.111 billion
Past Authorizations:	July 2015 (Fiscal Year 2016 Operating Budget)
Expenditures to Date:	N/A

Total Project Cost:	N/A
Projected Date of Completion:	June 30, 2017
Capital Program Amount:	N/A
Operating Budget Amount:	N/A
Anticipated Source of Funds:	Passenger fares and other revenues State operating assistance Other State and Federal reimbursements
PRINTS ID Number:	N/A
DBE/SBE Goal:	Various
<i>NJ Build</i> Amount:	N/A
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	N/A

RESOLUTION

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

WHEREAS, the New Jersey Legislature has enacted a Fiscal Year 2017 State Budget which includes appropriations for public transportation purposes; and

WHEREAS, staff has recommended a Fiscal Year 2017 Operating Budget for NJ TRANSIT as detailed in the item and Exhibits A, B and C attached hereto; and

WHEREAS, the Fiscal Year 2017 Operating Budget recognizes State operating assistance of \$140.9 million; and

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

WHEREAS, if the State's Fiscal Year 2018 Budget is not finalized prior to the June 2017 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 2018 budget prior to July 2017, it will be necessary to expend funds after July 1, 2017, prior to the final adoption of the Fiscal Year 2018 budget;

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

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

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

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to expend, in the normal course of business, the funds necessary to meet NJ TRANSIT's obligations, essentially in accordance with this Fiscal Year 2017 Operating Budget item, resolution and attachments and until the adoption and approval of the Fiscal Year 2018 Operating Budget.

EXHIBIT A**FISCAL YEAR 2017
OPERATING BUDGET
REVENUES**

Total Revenues **\$2,111.0 million**

NJ TRANSIT revenues are budgeted at approximately \$2.111 billion, a slight decrease of \$4.5 million compared to the Fiscal Year 2016 Operating Budget. Specific assumptions are described below.

Passenger Revenue **\$1,023.1 million**

The Fiscal Year 2017 Operating Budget includes passenger revenue of \$1,023.1 million, an increase of \$17.8 million over the Fiscal Year 2016 Operating Budget. This increase is for the first three months of the average 9 percent fare adjustment that began in October 2015.

Other Commercial Revenue **\$115.2 million**

Other commercial revenues are budgeted at \$115.2 million. This revenue includes advertising, parking, permits and other system generated revenue.

State Operating Assistance **\$140.9 million**

Consistent with the State Budget proposed by the Governor and adopted by the Legislature, State operating assistance is budgeted at \$140.9 million in Fiscal Year 2017. State Operating Assistance increases by \$107.7 million from the Fiscal Year 2016 level.

Other State and Federal Reimbursements **\$831.8 million**

Other State and Federal reimbursements budgeted at \$831.8 million is composed of major items such as \$401 million in capital-to-operating transfers that support major repair and rehabilitation projects including axle replacements, pantograph conversions, traction motor repairs, repairing engines, transmissions and alternators. These non-routine projects not only extend the useful life of the asset being repaired but also help keep it in a state of good repair.

Other sources of funding include \$204 million from the NJ Turnpike Authority, a decrease of \$91 million from Fiscal Year 2016 and an allocation from the State Clean Energy fund of \$82.1 million, an increase of \$20 million from Fiscal Year 2016 level.

EXHIBIT B**FISCAL YEAR 2017
OPERATING BUDGET
EXPENSES**

Total Expenses **\$2,111.0 million**

NJ TRANSIT expenses are budgeted at approximately \$2.111 billion, a slight decrease of \$4.5 million compared to the Fiscal Year 2016 Operating Budget.

Labor and Fringe Benefits **\$1,275.4 million**

Labor and fringe benefits are budgeted at about \$1.275 billion and represent 60 percent of budgeted expenses. Departments throughout NJ TRANSIT are effectively managing labor costs by both strategically evaluating positions and tasks.

Fuel, Power, Materials and Supplies and Utilities **\$297.6 million**

Fuel, power, materials and supplies costs are budgeted at \$297.6 million, a decrease of \$45.0 million from the Fiscal Year 2016 Operating Budget. The savings is from locking in fuel pricing and other efficiencies.

Purchased Transportation **\$237.8 million**

Purchased transportation expenses are budgeted at \$237.8 million for existing Access Link, Light Rail, and Private Carrier Bus contracts.

Other Expenses **\$300.2 million**

All other expenses are budgeted at \$300.2 million, a net increase of \$15.5 million over the Fiscal Year 2016 Operating Budget. This includes funding for outside services, claims and insurance, tolls, trackage fees and other miscellaneous costs.

EXHIBIT C

**NEW JERSEY TRANSIT CONSOLIDATED OPERATIONS
FISCAL YEAR 2017 Proposed Operating Budget
(\$ in millions)**

	FY 2016 Final Budget	FY 2017 Proposed Budget	Difference	
			\$	%
<u>REVENUES:</u>				
Passenger Revenue	\$1,005.3	\$1,023.1	\$17.8	1.8%
Other Revenue	\$115.2	\$115.2	\$0.0	0.0%
TOTAL REVENUE	\$1,120.5	\$1,138.3	\$17.8	1.6%
<u>OPERATING ASSISTANCE:</u>				
State Operating Assistance	\$33.2	\$140.9	\$107.7	324.4%
Other State and Federal Reimbursements	<u>\$961.8</u>	<u>\$831.8</u>	<u>(\$130.0)</u>	<u>-13.5%</u>
TOTAL OPERATING ASSISTANCE	\$995.0	\$972.7	(\$22.3)	-2.2%
<u>TOTAL REVENUES & OPERATING ASSISTANCE</u>	<u>\$2,115.5</u>	<u>\$2,111.0</u>	<u>(\$4.5)</u>	<u>-0.2%</u>
<u>EXPENSES:</u>				
Labor and Fringe Benefits	\$1,250.4	\$1,275.4	\$25.0	2.0%
Services	\$140.1	\$140.1	\$0.0	0.0%
Fuel & Power	\$146.8	\$101.8	<u>(\$45.0)</u>	-30.7%
Materials & Supplies	\$151.2	\$151.2	\$0.0	0.0%
Utilities	\$44.6	\$44.6	\$0.0	0.0%
Claims & Insurance	\$33.2	\$33.2	\$0.0	0.0%
Purchased Transportation	\$237.8	\$237.8	\$0.0	0.0%
Tolls & Trackage Fees	\$70.2	\$85.7	\$15.5	22.1%
Other	<u>\$41.2</u>	<u>\$41.2</u>	<u>\$0.0</u>	<u>0.0%</u>
<u>TOTAL EXPENSES</u>	<u>\$2,115.5</u>	<u>\$2,111.0</u>	<u>(\$4.5)</u>	<u>-0.2%</u>

FY 2017 CAPITAL PROGRAM



TOTAL: \$1.683B

TTF Competitive Resiliency - \$29M

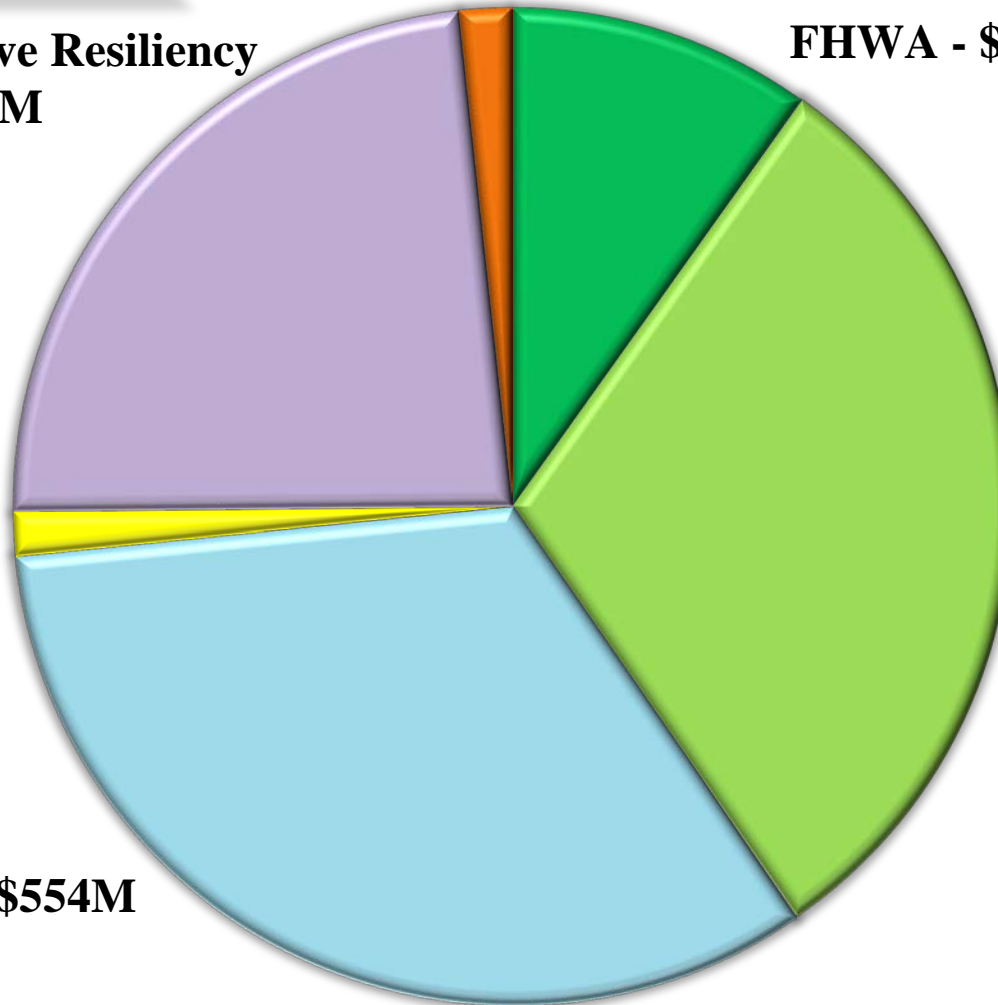
**FTA Competitive Resiliency
\$393M**

FHWA - \$165M

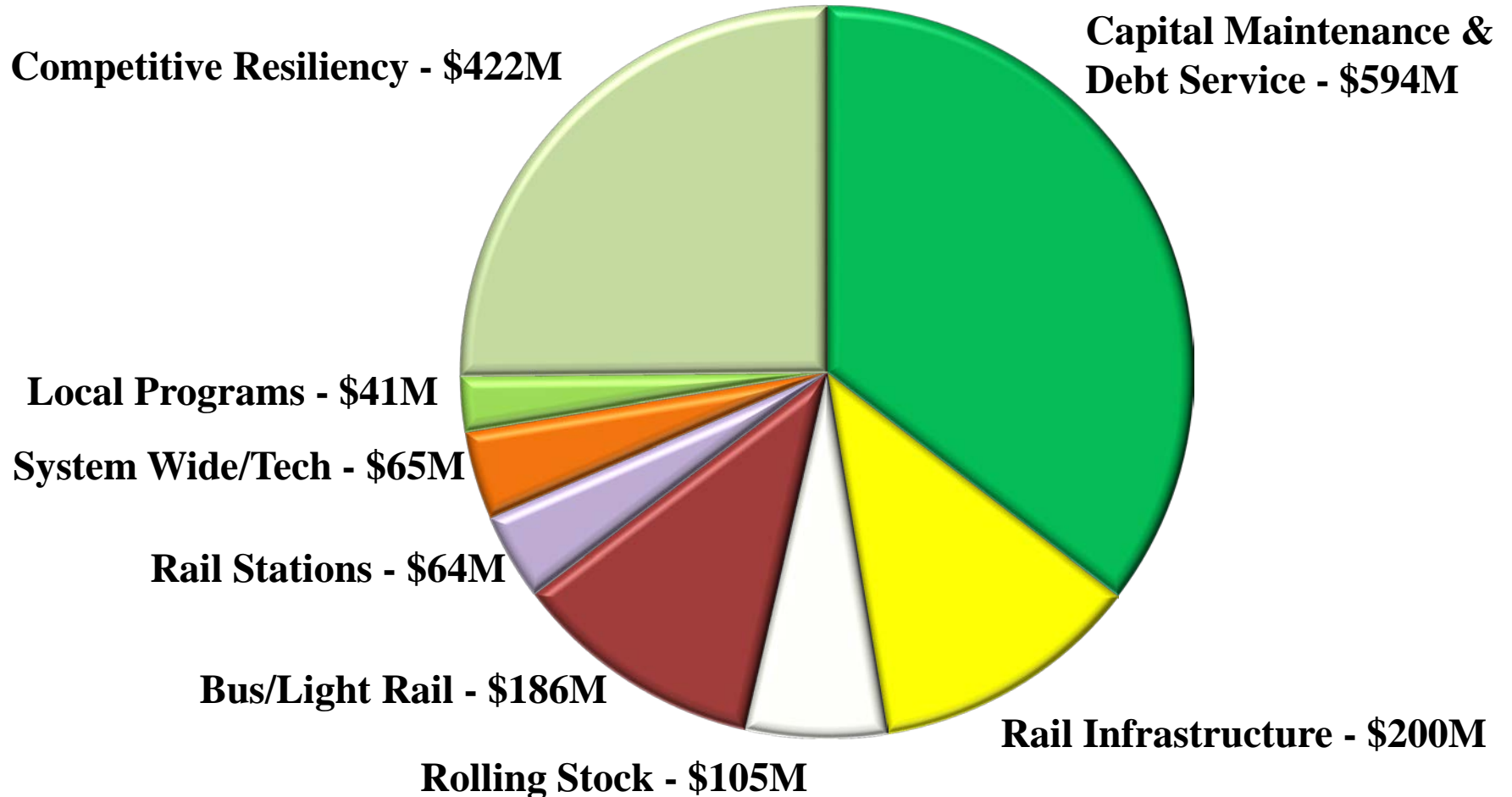
FTA - \$512M

Other - \$24M

TTF - \$554M



TOTAL: \$1.683B



CAPITAL PROGRAM HIGHLIGHTS

COMPETITIVE RESILIENCY	<ul style="list-style-type: none"> NJ TRANSITGRID; Long Slip Fill and Rail Enhancement; Raritan River Bridge Replacement; Signals & Communications Resilience; Delco Lead Storage and Inspection Facility
SAFETY	<ul style="list-style-type: none"> Positive Train Control
SECURITY	<ul style="list-style-type: none"> Police & Homeland Security Projects
STATION IMPROVEMENTS	<ul style="list-style-type: none"> Elizabeth & New Brunswick Lyndhurst & Perth Amboy Summit
STATE OF GOOD REPAIR (ALL MODES)	<ul style="list-style-type: none"> Track, signals & electric traction Bridges & Maintenance shops ADA improvements
ROLLING STOCK RELIABILITY	<ul style="list-style-type: none"> Locomotive overhauls & Emission reduction 45 ft. Cruiser Bus Acquisition & Rail passenger vehicles Non-revenue vehicles – supporting operations
NORTHEAST CORRIDOR	<ul style="list-style-type: none"> PRIIA
SENIOR & DISABLED	<ul style="list-style-type: none"> Mini-Bus purchases & operating support
TECHNOLOGY	<ul style="list-style-type: none"> Asset Management Systems & Accounting System Upgrade

ITEM 1610-51: FISCAL YEAR 2017 CAPITAL PROGRAM**BENEFITS**

NJ TRANSIT's \$1.683 billion Fiscal Year 2017 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, safety, and resiliency, and augment the customer service experience.

The program continues to invest in upgrades to the efficiency and state-of-good-repair of the Northeast Corridor (NEC) with a \$64 million installment in Fiscal Year 2017 for both infrastructure and stations, part of NJ TRANSIT's 10-year, \$1 billion NEC investment program and includes funding efforts for the Gateway program.

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

In addition, the program is undertaking approximately \$422 million in major capital projects that will help advance our resiliency to storms. NJ TRANSIT is on the cutting edge of energy resiliency with NJ TRANSITGRID, which will serve as an electrical micro-grid capable of supplying highly reliable power when the centralized power grid is compromised. Along with the NJ TRANSITGRID, other projects that will be funded are:

- Delco Lead Train Safe Haven Storage and Service Restoration
- Hoboken Long Slip Fill Improvement
- Train Control Resiliency
- Raritan River Bridge

Anticipated resources of \$1.683 billion are estimated to be available from federal, state and other sources in Fiscal Year 2017. A summary of the Fiscal Year 2017 Sources of Funds is presented in **Attachment 1**.

Attachments 2 and 3 summarize sources of funds and the percentage of the total program by category. Approximately 50 percent of the Fiscal Year 2017 Capital Program (excluding Competitive Resiliency \$422 million) is dedicated to fixed expenses, as follows:

- \$594 million will be spent on capital maintenance and debt service needs related to the acquisition of buses, trains, locomotives and the construction of light rail projects; and

- \$47 million will be spent using funds mandated for a specific use including Casino Revenue Funds and the federal rural transit program.

Approximately 49 percent of the program (excluding Competitive Resiliency \$422 million) funds the basic capital program improvements needed to maintain and improve the transit system as follows:

- \$200 million will be invested in rail infrastructure improvement needs, including \$72 million to fund Positive Train Control on the railroad and \$125 million to fund track and bridge improvements and rail system-wide improvements;
- \$105 million will be invested in rail rolling stock improvements, including \$30 million to continue funding for locomotive overhauls to maintain reliability, and \$75 million for the purchase of rail vehicles;
- \$64 million will be invested in rail station improvements, including \$11 million for Elizabeth Station, \$2 million for Bloomfield Station, \$3 million for Perth Amboy Station, \$3 million for Cranford Station, and \$44 million for other station and terminal improvements and inspections and repairs;
- \$186 million will be invested in bus and light rail infrastructure improvements, including \$99 million for replacement vehicles and \$12 million for the Capital Asset Replacement Programs for both the Newark Light Rail and Hudson-Bergen Light Rail systems; and \$75 million for bus passenger facilities and bus support facilities/equipment; and
- \$65 million will be invested in system-wide improvements and system expansion improvements.

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 2017 Capital Program in the amount of \$1.683 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 Fiscal Year 2017 anticipated capital resources are \$1.683 billion, including \$1,075 million of federal funds, \$583 million of Transportation Trust funds, and \$25 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, and 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 development process from the planning and design phases through construction and start-up. Consistent with multi-year 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 (SJTPA) 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 Capital Planning, Policy and Privatization Committee and the Board Administration Committee.

FISCAL IMPACTS

Requested Authorization:	\$1.683 billion
Past Authorizations:	NA
Expenditures to Date:	NA
Total Project Cost:	NA
Projected Date of Completion:	NA
Capital Program Amount:	NA
Operating Budget Amount:	NA
Anticipated Source of Funds:	Federal Transit Administration Transportation Trust Fund Other Capital Sources
PRINTS ID Number:	Various
DBE/SBE Goal:	Various
<i>NJ Build</i> 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 2017 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 2017, the Capital Program will be consistent with the Annual Capital Investment Strategy submitted to the State Legislature; and

WHEREAS, the Fiscal Year 2017 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 2017 Capital Program is submitted to the State Legislature for consideration as part of its annual budget appropriation process;

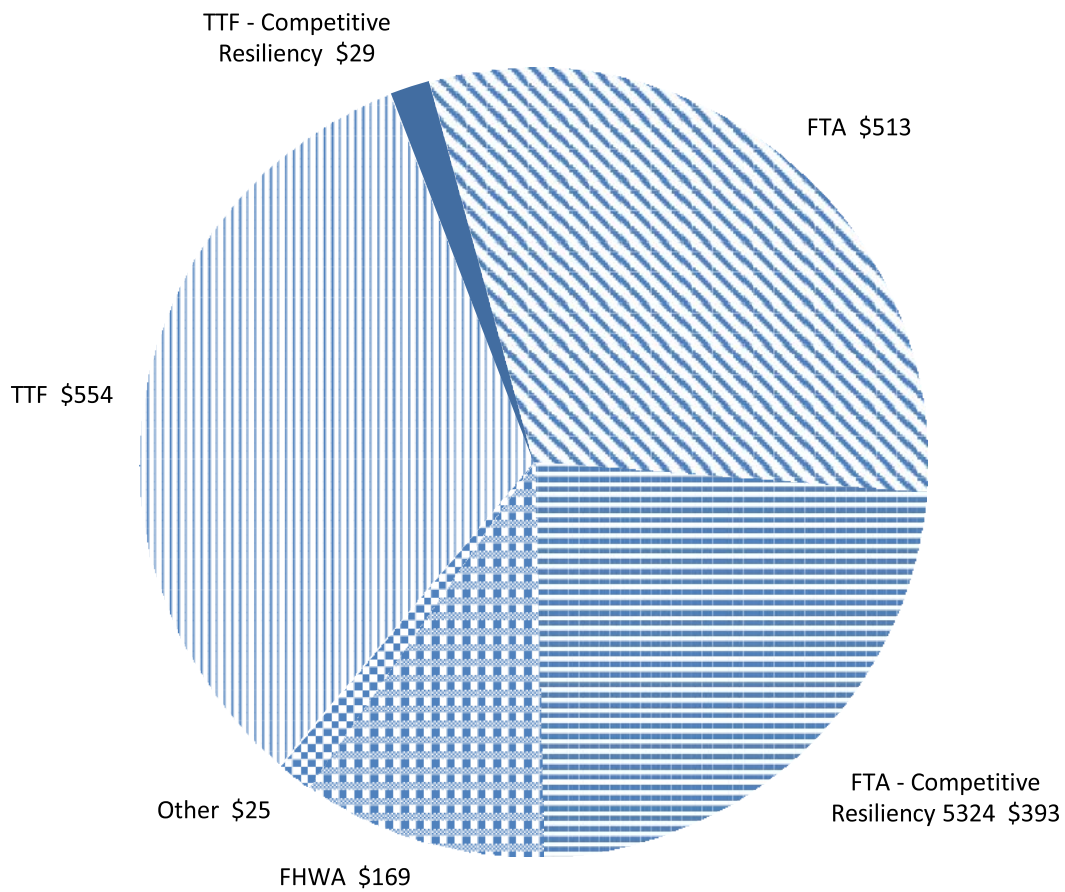
NOW, THEREFORE, BE IT RESOLVED that the NJ TRANSIT Board of Directors adopts the Fiscal Year 2017 Capital Program in the amount of \$1.683 billion, as described; and

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

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

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

ATTACHMENT 1
NJ TRANSIT
FY17 CAPITAL PROGRAM
Sources of Funds
\$1.683 Billion



ATTACHMENT 2
NJ TRANSIT FY17 CAPITAL PROGRAM
SUMMARY
(\$ in millions)

CATEGORY	FY17 AMOUNT	FY17 PERCENT	FY16 AMOUNT	FY16 PERCENT	AMOUNT CHANGED	PERCENT CHANGED
CAPITAL MAINTENANCE / DEBT SERVICE	\$594	47%	\$673	57%	(\$78)	-12%
PASS-THROUGH	\$47	4%	\$51	4%	(\$4)	-8%
RAIL INFRASTRUCTURE IMPROVEMENTS	\$200	16%	\$116	10%	\$84	72%
RAIL ROLLING STOCK IMPROVEMENTS	\$105	8%	\$87	7%	\$18	20%
RAIL STATION IMPROVEMENTS	\$64	5%	\$82	7%	(\$18)	-22%
BUS/LIGHT RAIL IMPROVEMENTS	\$186	15%	\$85	7%	\$101	119%
SYSTEM-WIDE IMPROVEMENTS	\$65	5%	\$92	8%	(\$27)	-29%
SYSTEM EXPANSION	\$0	0%	\$0	0%	\$0	0%
SUB TOTAL	\$1,262	100%	\$1,186	100%	\$75	6%
COMPETITIVE RESILIENCY PROJECTS	\$422		\$913			
TOTAL	\$1,684		\$2,099		(\$416)	

Attachment 3
NJ TRANSIT Fiscal Year 2017 CAPITAL PROGRAM
(\$ in Millions)

	----- FEDERAL FUNDING -----										Percentage
	URBAN 5307	FIXED GUIDEWAY 5309/5337	RURAL/ DISABLED	5339 BUS/BUS FACILITY	FHWA FLEX	STP-	STATE	OTHER	5324	CMAQ LOCAL INITIATIVE	TOTAL of Total
Capital Maintenance/Debt Service											
<u>RAIL</u>											
Rolling Stock-Rail	40.926	0.000	0.000	0.000	0.000	0.000	9.841	0.000	0.000	0.000	50.767
Rolling Stock-Rail Debt Serv/Prev. Maint.	107.859	157.000	0.000	0.000	50.500	0.000	3.000	0.000	0.000	0.000	318.359
<u>RAIL SUBTOTAL</u>	148.785	157.000	0.000	0.000	50.500	0.000	12.841	0.000	0.000	0.000	369.126 <u>21.9%</u>
<u>BUS/LRT</u>											
Building Leases	0.000	0.000	0.000	0.000	0.000	0.000	4.400	0.000	0.000	0.000	4.400
Bus Capital Maintenance	0.000	0.000	0.000	0.000	0.000	0.000	2.769	0.000	0.000	0.000	2.769
Bus Preventive Maintenance	116.690	0.000	0.000	0.000	39.000	0.000	0.000	0.000	0.000	0.000	155.690
River Line Intermodal Improvements	0.000	0.000	0.000	0.000	0.000	0.000	50.616	0.000	0.000	0.000	50.616
Rolling Stock-Bus	0.000	0.000	0.000	0.000	0.000	0.000	10.594	0.000	0.000	0.000	10.594
<u>BUS/LRT SUBTOTAL</u>	116.690	0.000	0.000	0.000	39.000	0.000	68.379	0.000	0.000	0.000	224.069 <u>13.3%</u>
<u>SYSTEMWIDE</u>											
Facilities/Equipment	0.000	0.000	0.000	0.000	0.000	0.000	1.300	0.000	0.000	0.000	1.300
<u>SYSTEMWIDE SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	1.300	0.000	0.000	0.000	1.300 <u>0.1%</u>
Capital Maintenance/Debt Service TOTAL	265.475	157.000	0.000	0.000	89.500	0.000	82.520	0.000	0.000	0.000	594.495 <u>35.3%</u>

Attachment 3
NJ TRANSIT Fiscal Year 2017 CAPITAL PROGRAM
(\$ in Millions)

	----- FEDERAL FUNDING -----										<u>Percentage</u>	
	<u>URBAN</u> <u>5307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>5309/5337</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>5339</u> <u>BUS/BUS</u> <u>FACILITY</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u>	<u>STATE</u>	<u>OTHER</u>	<u>5324</u>	<u>CMAQ</u> <u>LOCAL</u> <u>INITIATIVE</u>	<u>TOTAL</u>	<u>of Total</u>
Pass-through												
<u>RAIL</u>												
Metro North Joint Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.690	0.000	0.000	0.690	
<u>RAIL SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.690	0.000	0.000	0.690	<u>0.0%</u>
<u>BUS/LRT</u>												
Cumberland County Bus Program	1.020	0.000	0.000	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	0.000	0.000	0.100	
Small Bus Programs	0.000	0.000	11.400	0.000	0.000	0.000	3.850	1.900	0.000	4.230	21.380	
<u>BUS/LRT SUBTOTAL</u>	1.120	0.000	11.400	0.000	0.000	0.000	3.850	1.900	0.000	4.230	22.500	<u>1.3%</u>
<u>SYSTEMWIDE</u>												
Casino Revenue Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	17.523	0.000	0.000	17.523	
Job Access and Reverse Commute Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.300	0.000	0.000	5.300	
<u>SYSTEMWIDE SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	22.823	0.000	0.000	22.823	<u>1.4%</u>
Pass-through TOTAL	1.120	0.000	11.400	0.000	0.000	0.000	3.850	25.413	0.000	4.230	46.013	<u>2.7%</u>

Attachment 3
NJ TRANSIT Fiscal Year 2017 CAPITAL PROGRAM
(\$ in Millions)

	----- FEDERAL FUNDING -----											
	URBAN 5307	FIXED GUIDEWAY	RURAL/ DISABLED	5339 BUS/BUS FACILITY	FHWA FLEX	STP-	STATE	OTHER	5324	CMAQ LOCAL INITIATIVE	Percentage of Total	
	5309/5337											
Rail Infrastructure Improvements												
<u>RAIL</u>												
Bridges	0.000	0.000	0.000	0.000	0.000	0.000	14.060	0.000	0.000	0.000	14.060	
Rail Systemwide Improvements	0.000	0.000	0.000	0.000	0.000	0.000	68.000	0.000	0.000	0.000	68.000	
Signals&Communication/Electric Traction	0.000	0.000	0.000	0.000	0.000	0.000	73.523	0.000	0.000	0.000	73.523	
Support Facilities/Equipment	0.000	0.000	0.000	0.000	0.000	0.000	23.883	0.000	0.000	0.000	23.883	
Track	0.000	0.000	0.000	0.000	0.000	0.000	20.200	0.000	0.000	0.000	20.200	
<u>RAIL SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	199.666	0.000	0.000	0.000	199.666	<u>11.9%</u>
Rail Infrastructure Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	199.666	0.000	0.000	0.000	199.666	<u>11.9%</u>

Attachment 3
NJ TRANSIT Fiscal Year 2017 CAPITAL PROGRAM
(\$ in Millions)

	----- FEDERAL FUNDING -----										<u>Percentage</u>	
	<u>URBAN</u>	<u>FIXED</u>	<u>RURAL/</u>	<u>5339</u>	<u>FHWA</u>	<u>STP-</u>	<u>STATE</u>	<u>OTHER</u>	<u>5324</u>	<u>CMAQ</u>		
	<u>5307</u>	<u>GUIDEWAY</u>		<u>BUS/BUS</u>	<u>FLEX</u>					<u>LOCAL</u>	<u>TOTAL</u>	<u>of Total</u>
		<u>5309/5337</u>	<u>DISABLED</u>	<u>FACILITY</u>						<u>INITIATIVE</u>		
Rail Rolling Stock Improvements												
<u>RAIL</u>												
Fleet Overhauls	0.000	0.000	0.000	0.000	0.000	0.000	29.085	0.000	0.000	0.000	29.085	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.820	0.000	0.000	0.000	0.820	
Rail Rolling Stock Engineering Assistance	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.000	0.000	0.250	
Rolling Stock-Rail	0.000	0.000	0.000	0.000	75.000	0.000	0.000	0.000	0.000	0.000	75.000	
<u>RAIL SUBTOTAL</u>	0.000	0.000	0.000	0.000	75.000	0.000	30.155	0.000	0.000	0.000	105.155	<u>6.2%</u>
 Rail Rolling Stock Improvements	0.000	0.000	0.000	0.000	75.000	0.000	30.155	0.000	0.000	0.000	105.155	<u>6.2%</u>

Attachment 3
NJ TRANSIT Fiscal Year 2017 CAPITAL PROGRAM
(\$ in Millions)

Rail Station Improvements

	----- FEDERAL FUNDING -----						STATE	OTHER	5324	CMAQ LOCAL INITIATIVE	TOTAL	Percentage of Total
	URBAN 5307	FIXED GUIDEWAY 5309/5337	RURAL/ DISABLED	5339 BUS/BUS FACILITY	FHWA FLEX	STP-						
<u>RAIL</u>												
Newark Penn Station	0.235	0.000	0.000	0.000	0.000	0.500	0.000	0.000	0.000	0.000	0.735	
Rail Station Improvements	28.202	0.000	0.000	14.485	0.000	0.500	17.009	0.000	0.000	0.000	60.196	
Stars Program	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	0.000	0.000	2.000	
Station/Facilities Inspections/Repairs	0.000	0.000	0.000	0.000	0.000	0.000	0.810	0.000	0.000	0.000	0.810	
<u>RAIL SUBTOTAL</u>	28.437	0.000	0.000	14.485	0.000	1.000	19.819	0.000	0.000	0.000	63.741	<u>3.8%</u>
Rail Station Improvements TOTAL	28.437	0.000	0.000	14.485	0.000	1.000	19.819	0.000	0.000	0.000	63.741	<u>3.8%</u>

Attachment 3
NJ TRANSIT Fiscal Year 2017 CAPITAL PROGRAM
(\$ in Millions)

	----- FEDERAL FUNDING -----												Percentage
	URBAN 5307	FIXED GUIDEWAY 5309/5337	RURAL/ DISABLED	5339 BUS/BUS FACILITY	FHWA FLEX	STP-	STATE	OTHER	5324	CMAQ LOCAL INITIATIVE	TOTAL	of Total	
Bus/Light Rail Improvements													
<u>BUS/LRT</u>													
ADA Access Link Vehicles	0.000	0.000	0.000	0.000	0.000	0.000	14.073	0.000	0.000	0.000	14.073		
Bus Operations Support Equipment	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000		
Bus Passenger Facilities	0.700	0.000	0.000	1.800	0.000	0.000	0.800	0.000	0.000	0.000	3.300		
Facilities/Equipment	2.756	28.550	0.000	0.000	0.000	0.000	18.105	0.000	0.000	0.000	49.411		
Hudson/Bergen LRT Capital Asset	0.000	0.000	0.000	0.000	0.000	0.000	7.005	0.000	0.000	0.000	7.005		
Newark Light Rail Improvements	0.000	0.000	0.000	0.000	0.000	0.000	5.104	0.000	0.000	0.000	5.104		
Private Carrier Equipment	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	0.000	0.000	3.000		
River Line Intermodal Improvements	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	0.000	0.000	2.000		
Rolling Stock-Bus	0.000	0.000	0.000	0.000	0.000	0.000	99.601	0.000	0.000	0.000	99.601		
<u>BUS/LRT SUBTOTAL</u>	3.456	28.550	0.000	1.800	0.000	0.000	150.688	0.000	0.000	0.000	184.494	<u>11.0%</u>	
<u>SYSTEMWIDE</u>													
Facilities/Equipment	0.000	0.000	0.000	0.000	0.000	0.000	1.927	0.000	0.000	0.000	1.927		
<u>SYSTEMWIDE SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	1.927	0.000	0.000	0.000	1.927	<u>0.1%</u>	
Bus/Light Rail Improvements TOTAL	3.456	28.550	0.000	1.800	0.000	0.000	152.615	0.000	0.000	0.000	186.421	<u>11.1%</u>	

Attachment 3

NJ TRANSIT Fiscal Year 2017 CAPITAL PROGRAM

(\$ in Millions)

----- FEDERAL FUNDING -----											
<u>URBAN</u>	<u>FIXED</u>		<u>5339</u>						<u>CMAQ</u>		<u>Percentage</u>
<u>5307</u>	<u>GUIDEWAY</u>	<u>RURAL/</u>	<u>BUS/BUS</u>	<u>FHWA</u>	<u>STP-</u>	<u>STATE</u>	<u>OTHER</u>	<u>5324</u>	<u>LOCAL</u>	<u>TOTAL</u>	<u>of Total</u>
	<u>5309/5337</u>	<u>DISABLED</u>	<u>FACILITY</u>	<u>FLEX</u>					<u>INITIATIVE</u>		

Systemwide Improvements

SYSTEMWIDE

Claims Support	0.000	0.000	0.000	0.000	0.000	0.000	0.750	0.000	0.000	0.000	0.750	
Emergency Response Capital Planning &	0.000	0.000	0.000	0.000	0.000	0.000	14.500	0.000	0.000	0.000	14.500	
Environmental Compliance	0.000	0.000	0.000	0.000	0.000	0.000	24.970	0.000	0.000	0.000	24.970	
Facilities/Equipment	0.000	0.000	0.000	0.000	0.000	0.000	6.800	0.000	0.000	0.000	6.800	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.220	0.000	0.000	0.000	0.220	
Physical Plant	0.000	0.000	0.000	0.000	0.000	0.000	1.200	0.000	0.000	0.000	1.200	
Right of Way Fencing	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000	
Security Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.160	0.000	0.000	0.000	0.160	
Study & Development	0.000	0.000	0.000	0.000	0.000	0.000	5.661	0.000	0.000	0.000	5.661	
Travel Demand Management	0.000	0.000	0.000	0.000	0.000	0.000	0.973	0.000	0.000	0.000	0.973	
Vanpool Sponsorship Program	0.000	0.000	0.000	0.000	0.000	0.000	0.400	0.000	0.000	0.000	0.400	
Vital Records	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.000	0.000	0.500	
<u>SYSTEMWIDE SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	57.134	0.000	0.000	0.000	57.134	<u>3.4%</u>

TECHNOLOGY/CUSTOMER SERVICE

ADA Access Link Computers	0.000	0.000	0.000	0.000	0.000	0.000	4.750	0.000	0.000	0.000	4.750	
Technology Improvements	0.000	0.000	0.000	0.000	0.000	0.000	3.050	0.000	0.000	0.000	3.050	
<u>TECHNOLOGY/CUSTOMER SERVICE</u>	0.000	0.000	0.000	0.000	0.000	0.000	7.800	0.000	0.000	0.000	7.800	<u>0.5%</u>

Systemwide Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	64.934	0.000	0.000	0.000	64.934	<u>3.9%</u>
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Attachment 3
NJ TRANSIT Fiscal Year 2017 CAPITAL PROGRAM
(\$ in Millions)

System Expansion

	----- FEDERAL FUNDING -----						STATE	OTHER	5324	CMAQ LOCAL		TOTAL	Percentage of Total
	URBAN 5307	FIXED GUIDEWAY 5309/5337	RURAL/ DISABLED	5339 BUS/BUS FACILITY	FHWA FLEX	STP-				INITIATIVE			
<u>RAIL</u>													
Transit Rail Initiatives	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.000	0.000		0.250	
<u>RAIL SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.000	0.000		0.250	<u>0.0%</u>
System Expansion TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.000	0.000		0.250	<u>0.0%</u>

Attachment 3
NJ TRANSIT Fiscal Year 2017 CAPITAL PROGRAM
(\$ in Millions)

	----- FEDERAL FUNDING -----										CMAQ		Percentage of Total
	URBAN 5307	FIXED	RURAL/ DISABLED	5339	FHWA FLEX	STP-	STATE	OTHER	5324	LOCAL	TOTAL		
		GUIDEWAY		BUS/BUS						INITIATIVE			
		5309/5337		FACILITY									
Competitive Resiliency Projects													
<u>SUBTOTAL</u>		0.000	0.000	0.000	0.000	0.000	28.691	0.000	393.165	0.000	421.856	<u>25.1%</u>	
Competitive Resiliency Projects TOTAL		0.000	0.000	0.000	0.000	0.000	28.691	0.000	393.165	0.000	421.856	<u>25.1%</u>	
		298.488	185.550	11.400	16.285	164.500	1.000	582.500	25.413	393.165	4.230	1,682.531	

ITEM 1610-52: NJ TRANSIT FISCAL YEAR 2017 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

BENEFITS

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

ACTION (Scorecard: Corporate Accountability, Customer Experience)

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

- FY2017 Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP), as set forth in Exhibit B, for a total program amount of \$17,523,000 funded by the Casino Revenue Tax.
- FY2017 FTA Section 5311 Rural and Small Urban Areas Program for Counties, as set forth in Exhibit C, for a total program amount of \$5,510,946 which includes \$3,510,946 in Federal funds and \$2,000,000 as the NJ TRANSIT share of local match.
- FY2017 FTA Section 5311 Rural Intercity Bus Transportation Program at a cost not to exceed \$568,624.
- FY2017 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$120,430 in Federal funds to supplement the New Jersey Community Transportation Training Program at no cost to NJ TRANSIT.
- FY2017 FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program at a cost not to exceed \$8,700,00, which includes \$7,200,000 in Federal funds and \$1,500,000, as the NJ TRANSIT share of local match on vehicle purchases.
- FY2017 New Jersey Jobs Access and Reverse Commute (NJ-JARC) Program at a cost not to exceed \$5,300,000, which includes \$4,300,000 in NJ TRANSIT funds and \$1,000,000 in funds from the New Jersey Department of Human Services. Local providers match these funds on a 50/50 basis.

- Any specially-dedicated Congressional appropriations, FTA Section 5307, FTA Section 5309 and CMAQ local projects including funds which will be flexed into on-going FTA programs under the FY2017 budget at a cost not to exceed \$6,000,000. This includes a small amount of NJ TRANSIT operating funds for locally-operated shuttles and van pools sponsorship.

PURPOSE

The NJ TRANSIT Capital Planning and Programs Department administers the State-funded Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP) as well as a variety of Federal programs funded through the Federal Transit Administration (FTA): Enhanced Mobility of Seniors and Individuals with Disabilities Program (Section 5310), Rural and Small Urban Areas Program (Section 5311), the New Jersey Community Transportation Training Program funded in part by the Rural Transit Assistance Program (RTAP), New Jersey Jobs Access and Reverse Commute Program (NJ-JARC), as well as on-going 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 2017 (FY2017), including authorization to execute sub-recipient leases for vehicles, which will be competitively procured, under each of the various Federal programs. Details of the program and funding are found in Exhibits D and E.

The funding level specified for SCDRTAP is the amount anticipated in the State budget for FY2017. The funding levels specified for the Federal 5310, 5311 and 5307 programs are estimates based on Federal apportionments in the Fixing America's Surface Transportation (FAST) Act, signed into law on December 4, 2015. The funding levels for CMAQ funds are anticipated Federal FY2017 Federal highway funds to be flexed to transit.

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

FISCAL IMPACTS**Requested Authorization:****Senior Citizen and Disabled Resident Transportation Assistance Program**

100% Casino Revenue Tax \$ 17,523,000

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

Section 5311 Counties	\$ 5,510,946	(\$3,510,946 Federal; \$1,900,000 Operating; \$100,000 Capital)
Section 5311 Intercity	\$ 568,624	
Section 5311(b)(3)	\$ 120,430	
Section 5310	\$ 8,700,000	(\$7,200,000 Federal; \$1,500,000 Capital)
NJ-JARC	\$ 5,300,000	(\$1,000,000 DHS; \$4,300,000 Operating)
Sections 5307, 5309, CMAQ and various Special Appropriations (Local)	\$ 6,000,000	(\$5,350,000 Federal; \$650,000 Operating)

Past Authorizations: None**Expenditures to Date:** None**Total Project Cost:** \$ 43,723,000**Projected Date of Completion:** June 30, 2017**Capital Program Amount:** \$ 36,873,000**Operating Budget Amount:** \$ 6,850,000

PRINTS ID Number:	HQS00036	NJT00362
	HQS00037	NJT00363
	HQS00038	NJT00364
	NJT00361	

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

DBE/SBE Goal:

Vehicle Purchases Transit Vehicle Manufacturer

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

***NJ Build* Amount:** None

Related/Future Authorizations: NA

**Impacts on Subsequent
Operating Budgets:** \$ 6,850,000 (FY2017 Operating Budget)

RESOLUTION

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

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

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

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

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

WHEREAS, up to 45 percent of the funds FTA makes available under Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program may be used for operating assistance, with 50 percent local match to be provided by the sub-recipient, and a portion of the funds may also be used for mobility management, with 20 percent local match to be provided by the sub-recipient; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to execute, extend or modify contracts to implement the FY2017 Senior Citizen and Disabled Resident Transportation Assistance Program as set forth in Exhibit B for a total program amount of \$17,523,000, 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 FY2017 FTA Section 5311 Rural and Small Urban Areas program, as set forth in Exhibit C, in the amount of \$5,510,946, which includes \$3,510,946 in Federal funds and \$2,000,000 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 FY2017 Section 5311 Rural Intercity Program for a total program amount of \$568,624, 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 FY2017 FTA Section 5311(b)(3)

Rural Transit Assistance Program in an amount up to \$120,430 Federal funds at no cost to NJ TRANSIT, 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 leases to implement the FY2017 FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program at a cost not to exceed \$8,700,000 which includes \$7,200,000 in Federal funds and \$1,500,000 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 hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2017 New Jersey Jobs Access and Reverse Commute (NJ-JARC) program at a cost not to exceed \$5,300,000, which includes \$4,300,000 in NJ TRANSIT funds and \$1,000,000 in state funds from the New Jersey Department of Human Services, 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 any specially-dedicated Congressional appropriations, FTA Section 5307 Small Urban Cities, FTA Section 5309 Major Capital Investments and Congestion Mitigation Air Quality (CMAQ) and other local projects including funds which will be flexed into ongoing FTA programs under the FY2017 budget at a cost not to exceed \$6,000,000, subject to the availability of funds.

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

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

A description of each grant program is provided below.

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

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 FY2017 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. Sub-recipients are eligible to apply for funding for new route deviation services, started in 2016. The Section 5311 program is shown in Exhibit C.

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

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

Federal law requires that each State receiving Section 5311 Rural funding spend no less than 15 percent of that funding for the development and support of intercity bus transportation unless the State certifies, after consultation with affected intercity bus service providers, that the intercity bus service needs are being adequately met. One intercity project, a service connecting rural Ocean County with New York City, has been funded. NJ TRANSIT is currently conducting a study and a consultative process to determine whether or not intercity bus needs are adequately met. FY2017 funding is being set aside in the event that the study finds there are additional intercity needs that have not yet been met.

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

In December 2015, the FAST Act was signed into law, supporting transit funding through Fiscal Year 2020. This authorization includes changes to improve mobility under one section. NJ TRANSIT will conduct a competitive application process for

EXHIBIT A
Page 3 of 3

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

vehicles, mobility management, and operating projects and it is anticipated a final application under the FY2015 program will be submitted to the FTA in Fall 2016.

In 2013 under MAP-21 the Federal Transit Administration (FTA) discontinued the Section 5316 Job Access and Reverse Commute (JARC) program as a separate program, blending its funding and purposes with the Section 5307 and Section 5311 programs that fund transit in urban and non-urban areas. A portion of the funding formulas under which Section 5307 and Section 5311 funding is distributed to transit agencies nationwide is now based on the proportion of low-income residents in urban and non-urban areas.

The New Jersey Jobs Access and Reverse Commute (NJ-JARC) Program is intended to be the successor program to the JARC program formerly administered with Federal funds. In FY2017, the total need for the NJ-JARC program is anticipated to be \$5,300,000 of which \$1,000,000 will come from State Human Services funding, and \$4,300,000 will come from NJ TRANSIT operating funds. A dollar-for-dollar match is required of sub-recipients to participate in the NJ-JARC program, and all projects must meet a need identified in a locally-developed human services/public transportation coordination plan.

In addition, in FY2017 it is anticipated that there are various **Local Community Transit Initiatives** funded through specially-dedicated Congressional appropriations, Section 5307 (Cumberland County and East Windsor), Section 5309, CMAQ, local support of SCOOT operated by Somerset County, van pools sponsorship and operating funding that will require the purchase of capital equipment and/or contracting for operating and/or planning services for local transportation services.

EXHIBIT B
Page 1 of 1

**SENIOR CITIZEN AND DISABLED RESIDENT
TRANSPORTATION ASSISTANCE PROGRAM
FY2017**

COUNTY	2016 BUDGET	2017 BUDGET
Atlantic	\$ 515,938	\$ 480,279
Bergen	\$ 1,404,961	\$ 1,307,858
Burlington	\$ 830,596	\$ 773,189
Camden	\$ 882,461	\$ 821,471
Cape May	\$ 351,472	\$ 327,180
Cumberland	\$ 351,472	\$ 327,180
Essex	\$ 1,218,620	\$ 1,134,397
Gloucester	\$ 485,197	\$ 451,663
Hudson	\$ 887,683	\$ 826,332
Hunterdon	\$ 351,472	\$ 327,180
Mercer	\$ 618,746	\$ 575,983
Middlesex	\$ 1,321,655	\$ 1,230,311
Monmouth	\$ 1,167,122	\$ 1,086,458
Morris	\$ 911,184	\$ 848,209
Ocean	\$ 1,404,961	\$ 1,307,858
Passaic	\$ 808,074	\$ 752,225
Salem	\$ 351,472	\$ 327,180
Somerset	\$ 537,818	\$ 500,647
Sussex	\$ 351,472	\$ 327,180
Union	\$ 896,554	\$ 834,590
Warren	\$ 351,472	\$ 327,180
Total County	\$16,000,402	\$14,894,550
NJ TRANSIT	\$ 2,823,598	\$ 2,628,450
TOTAL	\$18,824,000	\$17,523,000

100% State funds from the Casino Revenue Tax funds.

EXHIBIT C
Page 1 of 1

SECTION 5311 RURAL AND SMALL URBAN AREAS PROGRAM
PROJECTED FY2017

	FEDERAL (A)	STATE* (B)	TOTAL BUDGET (A+B)	LOCAL² (C)	TOTAL PROGRAM (A+B+C)
NORTHERN REGION					
Morris ¹	\$ 267,928	\$ 152,964	\$ 420,892	\$ 152,964	\$ 573,856
Passaic (West Milford)	95,427	66,714	162,141	66,714	228,855
Sussex	577,182	307,591	884,773	307,591	1,192,364
Warren	525,592	266,736	792,328	266,736	1,059,064
CENTRAL REGION					
Hunterdon	360,321	262,804	623,125	262,804	885,929
Mercer	65,853	51,927	117,780	51,927	169,707
Middlesex ³	-	-	-	-	-
Monmouth	122,033	80,017	202,050	80,017	282,067
Ocean ³	-	-	-	-	-
Somerset	96,665	67,333	163,998	67,333	231,331
SOUTHERN REGION					
Atlantic	247,559	142,779	390,338	142,779	533,117
Burlington	305,119	128,028	433,147	128,028	561,175
Camden	43,245	40,622	83,867	40,622	124,489
Cape May	87,590	57,075	144,665	57,075	201,740
Cumberland	386,675	185,337	572,012	185,337	757,349
Gloucester	124,133	81,067	205,200	81,067	286,267
Salem	<u>205,624</u>	<u>109,006</u>	<u>314,630</u>	<u>109,006</u>	<u>423,636</u>
TOTAL	\$ 3,510,946	\$ 2,000,000	\$ 5,510,946	\$ 2,000,000	\$ 7,510,946
Operating	\$ 3,220,127	\$ 1,900,000	\$ 5,120,127	\$ 1,900,000	\$ 7,020,127
Non-Operating (Administration & Cap)	\$ 290,819	\$ 100,000	\$ 390,819	\$ 100,000	\$ 490,819

¹ Provided by NJ TRANSIT Capital Program and Operating Budget.

² Provided by local recipient and not reflected in Board Authorization.

³ Middlesex and Ocean Counties are currently inactive projects.

EXHIBIT D
Page 1 of 1

PROGRAM TOTALS			
	FY2015 AUTHORIZATION	FY2016 AUTHORIZATION	FY2017 REQUESTED AUTHORIZATION
Casino Revenue	\$ 18,256,000	\$ 18,824,000	\$ 17,523,000
Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program	\$ 8,200,000	\$ 8,200,000	\$ 8,700,000
Section 5311 Rural and Small Urban Area Program ¹	\$ 4,143,444	\$ 6,887,661	\$ 5,510,946
Section 5311 Intercity Program	\$ 601,237	\$ 568,624	\$ 568,624
Section 5311(b)(3) Rural Transit Assistance Program	\$ 119,365	\$ 137,922	\$ 120,430
NJ-JARC	\$ 2,000,000	\$ 5,000,000	\$ 5,300,000
Other (Small Urban, CMAQ) ²	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>
TOTAL	\$ 39,320,046	\$ 45,618,207	\$ 43,723,000

¹ FY2016 Section 5311 program funding level represents an 18-month budget in order to bring sub-recipients budgets on a calendar year basis to match other grant programs and includes new route deviation service operating funds.

² 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, operating match for continuation of WHEELS route by Somerset County and van pools sponsorship.

EXHIBIT E
Page 1 of 1

FUNDING SOURCES

PROGRAM	FEDERAL	NJ TRANSIT MATCH – CAPITAL	NJ TRANSIT MATCH – OPERATING	OTHER FUNDING	CASINO REVENUE	TOTAL
Senior Citizen and Disabled Resident					\$ 17,523,000	\$ 17,523,000
Section 5310	\$ 7,200,000	\$ 1,500,000				\$ 8,700,000
Section 5311 Counties	\$ 3,510,946	\$ 100,000	\$ 1,900,000			\$ 5,510,946
Section 5311 Intercity	\$ 568,624					\$ 568,624
Section 5311(b)	\$ 120,430					\$ 120,430
NJ JARC			\$ 4,300,000	\$ 1,000,000		\$ 5,300,000
Other	<u>\$ 5,350,000</u>	<u> </u>	<u>\$ 650,000</u>	<u> </u>	<u> </u>	<u>\$ 6,000,000</u>
TOTAL	\$ 16,750,000	\$ 1,600,000	\$ 6,850,000	\$ 1,000,000	\$ 17,523,000	\$ 43,723,000

**ITEM 1610-53: ADVANCED SPEED ENFORCEMENT SYSTEM II – POSITIVE
TRAIN CONTROL: AGREEMENT TO LEASE RADIO
FREQUENCY SPECTRUM**

BENEFITS

The Rail Safety Improvement Act of 2008 (RSIA 2008), Positive Train Control Enforcement and Implementation Act of 2015 (PTCEIS 2015), and subsequent Federal Railroad Administration (FRA) regulations require commuter rail systems to implement Positive Train Control (PTC) by the end of 2018. NJ TRANSIT is required to implement PTC along all its commuter rail line right-of-way and on all its rail rolling stock. This PTC system, known as the Advanced Speed Enforcement System II (ASES II), is also required to provide interoperability with Amtrak's NEC Advanced Speed Enforcement System II technology and the freight-based Interoperable Electronic Train Management System (I-ETMS). Key to the implementation of this system is the acquisition of suitable data radio frequency spectrum.

Implementation of PTC will enhance the safety of customers and employees on NJ TRANSIT rail services and permit compliance with Federal law.

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

Staff requests authorization to take any and all actions to negotiate and execute an agreement with the Metropolitan Transportation Authority of New York, New York, for the lease of 218 MHz Radio Frequency Spectrum for a 50-year term at a cost not to exceed \$725,000, subject to the availability of funds.

PURPOSE

This authorization will allow the acquisition of the needed Radio Frequency (RF) Spectrum for the northern and eastern portions of NJ TRANSIT's system. This portion of the spectrum is essential for the train-to-wayside communications aspect of NJ TRANSIT's PTC system. NJ TRANSIT recently concluded negotiations with PTC-220, LLC to purchase 218 MHz Radio Frequency Spectrum for the southern, central and western portions of the system as authorized by the NJ TRANSIT Board of Directors in April 2016 (Item 1604-17).

BACKGROUND

Radio Frequency Spectrum

The rail industry as a whole has been dealing with the technical difficulties that must be overcome to provide interoperable PTC systems among the various commuter and freight entities. FRA regulations require that railroads' PTC systems be interoperable, i.e., any train operating on PTC-equipped track is able to communicate with the host railroad's PTC system. The wireless infrastructure planned for use by commuter

railroads and the Class I freight railroads is based on data radios that operate in a single-frequency band near 220 MHz because of the ability to cover larger geographic areas than higher frequency bands and the availability of spectrum. However, due to the density of railroad usage in urban areas, such as along the Northeast Corridor, there is the possibility of interference between systems.

The FRA and the Transportation Technology Center, Inc. (TTCI), a railroad testing and training facility located in Pueblo, Colorado, have been conducting radio tests among freight, commuter rail and Amtrak operators to determine how best to minimize PTC radio interference. These tests have been funded by the FRA in the interest of facilitating interoperability among PTC systems. One of their initial recommendations to minimize interference provides for the freight operators to use the upper band (220 MHz) and commuter railroads the lower band (218 MHz).

Acquisition of Radio Frequency Spectrum

RSIA 2008 required freight and commuter railroads to deploy interoperable PTC systems; it did not designate RF Spectrum, which is a finite resource, for PTC use nor did Congress make funds available for railroads to acquire the necessary spectrum. Accordingly, the Federal Communications Commission (FCC) has been working with the railroads to identify available spectrum on the secondary market.

The Metropolitan Transportation Authority (MTA) purchased radio frequency spectrum (218-219 MHz Service Station License KIVD0002) to implement PTC for the Long Island Rail Road (LIRR) and Metro-North subsidiaries. Station KIVD0002 covers all of the LIRR territory, five of the nine counties served by Metro-North, and several northern New Jersey Counties. On February 16, 2016, the FCC issued an *Order of Modification* that authorizes the use of spectrum from the FCC's inventory in the four remaining counties (Dutchess and Orange Counties in New York and Fairfield and New Haven Counties in Connecticut) needed to complete Metro-North's PTC spectrum footprint. The Order also requires that the MTA sell or lease on commercially-reasonable terms sufficient spectrum to NJ TRANSIT to enable PTC implementation in seven northern New Jersey Counties (Bergen, Essex, Hudson, Passaic, Somerset, and Union).

Figure 1: Radio Frequency Spectrum Coverage illustrates the areas covered by the several suppliers of bandwidth. The counties in orange will be served by RF spectrum to be leased from the MTA while the counties in blue will be served by the RF spectrum purchased from PTC-220, LLC. Mercer County will be served directly by Amtrak RF spectrum and Orange County (New York) by MTA RF spectrum.

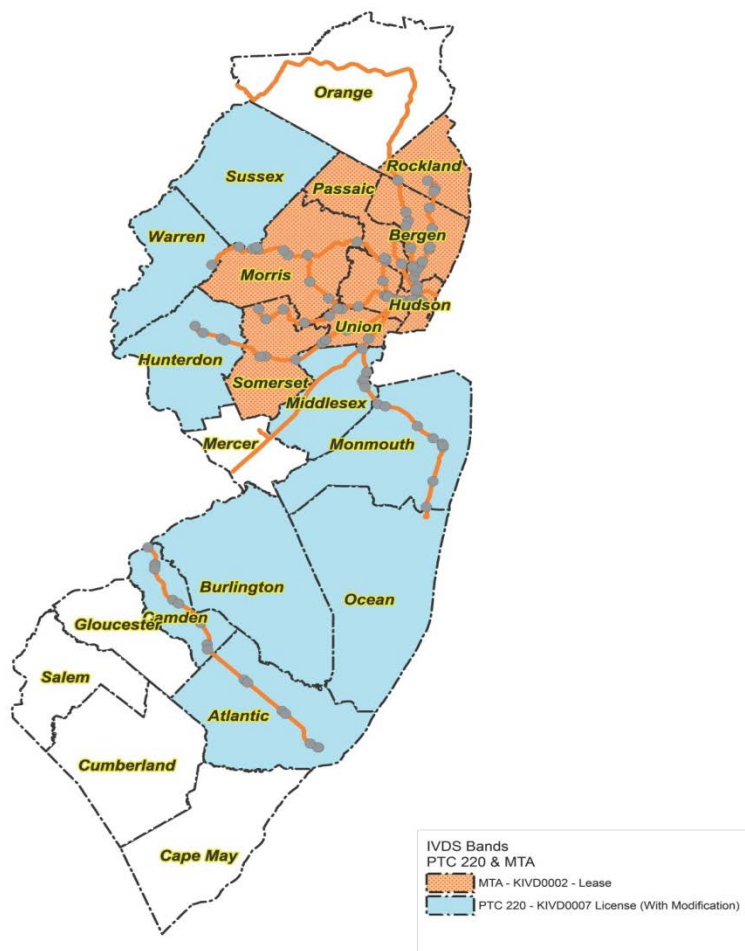


Figure 1: Radio Frequency Spectrum Coverage

ASES II PTC Status

The implementation of the ASES II PTC system will be achieved in phases that includes: development; prototype testing; a pilot demonstration project; system-wide installation; testing, commissioning and training; and, assistance to NJ TRANSIT with PTC document submissions to the FRA in fulfillment of regulatory requirements and in accordance with FRA-mandated deadlines. It is anticipated that NJ TRANSIT will meet the December 2018 deadline for PTC implementation.

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

FISCAL IMPACTS

Requested Authorization: \$ 725,000

Previous Authorizations: None for this vendor

Expenditures to Date: \$ 86,041,180 (as of 09/30/16)

Total Project Cost: \$250,000,000 to \$275,000,000

Projected Date of Completion: December 2018

Capital Program Amount: \$250,000,000 to \$275,000,000

Operating Budget Amount: \$0

Anticipated Source of Funds: Transportation Trust Fund

PRINTS ID Number: NJT00075
NJT00109
NJT00110
NJT00111
RNF00266

DBE/SBE Goal: NA

***NJ Build* Amount:** NA

Future/Related Authorizations: Additional engineering support
Future Change Orders

Impacts on Subsequent Operating Budgets: \$ 4,500,000 annually for full implementation of PTC

RESOLUTION

WHEREAS, the Rail Safety Improvement Act of 2008 mandated the implementation of a Positive Train Control system on all NJ TRANSIT commuter rail lines by the end of December 2015; and

WHEREAS, Congress extended the date to implement Positive Train Control to the end of December 2018; and

WHEREAS, NJ TRANSIT has identified a program to implement the Advanced Speed Enforcement System II Positive Train Control system as essential to comply with this requirement; and

WHEREAS, acquisition of 218 MHz Radio Frequency Spectrum is essential to the implementation of NJ TRANSIT's Positive Train Control system; and

WHEREAS, the Metropolitan Transportation Authority has 218 MHz Radio Frequency Spectrum available for lease;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to take any and all actions to negotiate and execute an agreement with Metropolitan Transportation Authority of New York, New York, for the lease of 218 MHz Radio Frequency Spectrum for a 50-year term at a cost not to exceed \$725,000, subject to the availability of funds.

ITEM 1610-54: COMMUNITY MOBILITY AND LOCAL PROGRAMS – VEHICLE PURCHASE CONTRACT FOR TRANSIT-STYLE BUSES: RESCIND RESOLUTION 1603-12 AND RE-AWARD CONTRACT

BENEFITS

The Federal Transit Administration (FTA) makes available a variety of grant funding programs that allow for vehicle purchases to support community transit services operated by counties, municipalities, non-profit organizations and others. NJ TRANSIT is the direct recipient of FTA funds and procures vehicles under these grant programs on behalf of local sub-recipients. This maximizes purchasing power and ensures appropriate compliance with federal regulations.

Seven vehicles are being purchased with funding from the Section 5310 Transportation for Elderly Persons and Person with Disabilities Program. One vehicle is being purchased with Congestion Mitigation and Air Quality (CMAQ) Program funds flexed into the Section 5310 program. Transportation Trust Fund monies are used to provide the required local match for the federal Section 5310 funds.

ACTION (Scorecard: Corporate Accountability, Customer Experience)

Staff seeks authorization to rescind Board Resolution 1603-12 for the purchase of eight 24-passenger buses (medium-duty cutaways) from Wolfington Body Company, Inc. of Mount Holly, New Jersey.

Staff seeks authorization to enter into NJ TRANSIT Contract No. 15-051 with Rohrer Enterprises, Inc. (DBA/Rohrer Bus Sales) of Trenton, New Jersey, in the amount of \$1,149,776.00, plus five percent for contingencies, for a total authorization amount of \$1,207,265, subject to the availability of funds.

PURPOSE

Authorization of this action will rescind the previous contract award authorization to the lowest bidder, Wolfington Body Company, Inc. of Mount Holly, New Jersey, for the purchase of eight 24-passenger medium-duty cutaway buses.

Authorization of this action will also allow for the award of the contract to the next lowest bidder, Rohrer Enterprises, Inc. (DBA/Rohrer Bus Sales) of Trenton, New Jersey, for the purchase of eight 24-passenger medium-duty cutaway buses.

BACKGROUND

In March 2016, the Board authorized the award of NJ TRANSIT Contract No. 15-051 to Wolfington Body Company, Inc. of Mount Holly, New Jersey, for the purchase of eight 24-passenger buses (medium-duty cutaways).

On June 8, 2016, Wolfington withdrew their bid for this procurement due to the unavailability of the 2016 chassis from the vehicle manufacturer and the increased cost associated with providing the 2017 chassis. The vehicle manufacturer, Freightliner, switches model year earlier than automotive manufacturers and the 2016 chassis is no longer available.

The second lowest bidder for this procurement, Rohrer Enterprises, Inc., has agreed via email to extend their bid pricing through December 2016 and is willing to provide this pricing for 2017 Freightliner chassis in place of the 2016 originally proposed.

Funding

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

Selection Process for Section 5310 and CMAQ

Under these programs, federal funding is made available annually and a competitive grant process is undertaken. The Section 5310 application process for sub-recipients is directly administered by NJ TRANSIT with input from other groups and organizations, including Metropolitan Planning Organizations (MPOs), during the review and selection process. Section 5310 is predominantly a capital (vehicle) program. CMAQ program applicants are solicited directly by MPOs. NJ TRANSIT subsequently submits the federal grant request and administers the program. CMAQ can be used for operating or capital purposes. This Board item only reflects capital requests for minibuses contained in approved grants. The agencies receiving these buses are shown below.

County	Agency	Quantity	Funding
Essex	Township of Nutley	1	S5310
Middlesex	County of Middlesex	2	S5310
Ocean	County of Ocean	1	S5310
Passaic	Camp Hope	1	S5310
Sussex	County of Sussex	2	S5310
Cape May	County of Cape May	1	CMAQ

Section 5310 expenditures require a local match, which NJ TRANSIT is funding through the Transportation Trust Fund.

Procurement

NJ TRANSIT's Office of Business Development assigned a Transit Vehicle Manufacturer goal for this procurement. An Invitation for Bid (IFB) was advertised in

The Star-Ledger and *The Trenton Times* on October 8, 2015. A Pre-Bid Conference was held on October 22, 2015. Bids were opened on November 24, 2015 at NJ TRANSIT's Newark Headquarters.

IFB 15-051 RESULTS

COMPANY	BID PRICE	MATERIALS OPTIONS PRICE	TOTAL AUTHORIZATION
Wolfington Body Company, Inc. Mount Holly, New Jersey	\$ 1,050,216.00	\$ 88,064.00	\$ 1,138,280.00
Rohrer Enterprises, Inc. DBA/Rohrer Bus Sales Trenton, New Jersey	\$ 1,066,224.00	\$ 83,552.00	\$ 1,149,776.00
Alliance Bus Group Carlstadt, New Jersey	\$ 1,112,000.00	\$ 167,200.00	\$ 1,279,200.00

Options for Additional Vehicles

The IFB document for the vehicles included the provision for NJ TRANSIT to amend the quantity of vehicles by up to three vehicles within 150 days of contract notice to proceed. Board authorization will be requested for the purchase of any additional vehicles under this option.

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

FISCAL IMPACTS

Requested Authorization:	This Authorization	\$ 1,149,776	+ 5% contingency
	Total Authorization	\$ 1,207,265	

Past Authorizations: None

Expenditures to Date: None

Total Project Cost: \$ 1,207,265

Projected Date of Completion: December 2016

Capital Program Amount: \$ 1,207,265

Operating Budget Amount: None

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

PRINTS ID Number: NJT00376
NJT00465
NJT00468

DBE/SBE Goal: Transit Vehicle Manufacturer

***NJ Build* Amount:** N/A

Related Future Authorizations: Annual Community Mobility and Local Programs
Option Vehicles

**Impacts on Subsequent
Operating Budgets:** None for this action

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, and CMAQ; and

WHEREAS, in March 2016 the NJ TRANSIT Board of Directors authorized the award of NJ TRANSIT Contract No. 15-051 to Wolfington Body Company, Inc. for the purchase of eight 24-passenger buses; and

WHEREAS, in June 2016 Wolfington Body Company, Inc. advised NJ TRANSIT that they could not provide the buses at their bid price due to the unavailability of the 2016 chassis from the vehicle manufacturer; and

WHEREAS, the second lowest bidder, Rohrer Enterprises, Inc., has agreed to provide the eight 24-passenger buses with the 2017 chassis at their original bid price;

NOW, THEREFORE, BE IT RESOLVED that Board Resolution 1603-12 for the purchase of eight 24-passenger buses (medium-duty cutaways) from Wolfington Body Company, Inc. of Mount Holly, New Jersey is rescinded; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to enter into NJ TRANSIT Contract No. 15-051 with Rohrer Enterprises, Inc. (DBA/Rohrer Bus Sales) of Trenton, New Jersey, in the amount of \$1,149,776.00, plus five percent for contingencies, for a total authorization amount of \$1,207,265, subject to the availability of funds.

**ITEM 1610-55: COMMUNITY MOBILITY AND LOCAL PROGRAMS:
AMENDMENT TO CONTRACT FOR PURCHASE OF
ADDITIONAL TRANSIT-STYLE AND CUTAWAY MINIBUSES
WITH LIFTS**

BENEFITS

The Federal Transit Administration makes available a variety of funding programs and grants that allow for the purchase of vehicles for local community transit services. NJ TRANSIT, as the direct grant recipient, has taken the lead in procurement vehicles under these grant programs on behalf of local subrecipients in order to maximize purchase power as well as maintain better oversight of the federal procurement process.

Vehicles purchased by exercising these options will benefit a variety of programs. Those vehicles purchased with funding from the Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities Program will be used to benefit senior citizens and people with disabilities and local transit services will benefit with the purchase of vehicles under the Congestion Mitigation and Air Quality (CMAQ) Program. Transportation Trust Fund monies are used for NJ TRANSIT's match of Section 5310 funds.

ACTION (Scorecard: Customer Experience, Corporate Accountability)

Staff seeks authorization to amend NJ TRANSIT Contract No. 15-025A with Alliance Bus Group of Carlstadt, New Jersey to purchase six Type A Vans and seven Type B Extended Vans (Category 1); 26 Type C Minibuses (Category 2); and 33 Type J Extended Minibuses (Category 4) plus optional materials in an amount not to exceed \$4,115,562, plus five percent for contingencies, for a total authorization of \$13,489,247, subject to the availability of funds.

Staff also seeks authorization to amend NJ TRANSIT Contract No. 15-025B with Rohrer Enterprises, Inc. DBA/Rohrer Bus Sales of Duncannon, Pennsylvania, to purchase three Type F Minibuses (Category 3) plus optional materials in an amount not to exceed \$172,000, plus five percent for contingencies, for a total authorization of \$574,893, subject to the availability of funds.

PURPOSE

This authorization provides for the modification of the existing contracts to include an additional 75 cutaway minibuses with lifts thereby expediting the delivery of Federal Transit Administration grant awards to private non-profit organizations and designated public bodies to provide transportation for senior citizens and people with disabilities and low income residents statewide. The prior contracts with Alliance and Rohrer were approved by the Board on November 12, 2015 (Item 1511-46). A total of 150 transit-style and cutaway minibuses with lifts have been purchased and are anticipated to be

delivered by Spring 2017. This purchase of 75 transit-style and cutaway minibuses with lifts is to provide the subrecipients their vehicle awards from a grant that was approved after the contracts were awarded. The subrecipients are shown in Exhibit A.

BACKGROUND

History

Selection Process for Section 5310 and CMAQ

Under these two programs, federal funding is made available annually and a competitive grant process is undertaken. The Section 5310 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 the 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. CMAQ can be used for operating or capital. This Board item only reflects capital requests for minibuses contained in approved grants.

Procurement

In November 2015, the NJ TRANSIT Board of Directors authorized the purchase of 150 transit-style and cutaway minibuses with lifts in Board Item 1511-46 under NJ TRANSIT Contract Nos. 15-025A and 15-025B. The bid documents included the provision for NJ TRANSIT to amend the quantity of vehicles by up to 50 percent within 150 days of contract notice to proceed (NTP). NTP was issued on June 3, 2016 for NJ TRANSIT Contract No. 15-025A and on April 28, 2016 for NJ TRANSIT Contract No. 15-025B.

Funding

These additional vehicles are funded through grant awards from the Federal Fiscal Year 2013 Section 5310 and the Federal Fiscal Year 2013 CMAQ programs which were approved by the Federal Transit Administration in January 2016 and September 2015.

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

FISCAL IMPACTS

Requested Authorization:

Alliance Bus Group	This Authorization	\$ 4,115,562 + 5% contingency
Contract No. 15-025A	Total Authorization	\$ 13,489,247
Rohrer Enterprises, Inc.	This Authorization	\$ 172,000 + 5% contingency
Contract No. 15-025B	Total Authorization	\$ 574,893

Previous Authorizations:

Alliance Bus Group \$ 8,731,340 + 5% contingency
 Contract No. 15-025A
 Item 1511-46

Rohrer Enterprises, Inc. \$ 375,517 + 5% contingency
 Contract No. 15-025B
 Item 1511-46

Expenditures to Date: \$ 2,411,558 (as of 09/30/16)

Total Project Cost: \$ 14,064,140

Projected Date of Completion: June 2017

Capital Program Amount: \$ 14,064,140

Operating Budget Amount: None

Anticipated Source of Funds: Federal Transit Administration
 Transportation Trust Fund

PRINTS ID Number:	HQS00255	NJT00246
	HQS00322	NJT00376
	HQS00361	NJT00465
	NJT00191	NJT00466
	NJT00197	NJT00468
	NJT00199	NJT00706
	NJT00200	NJT00715
	NJT00209	NJT01030

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 and CMAQ; 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 and Type B Extended Vans; the Category 2 Type C Minibuses; and the Category 4 Type J Minibuses; and

WHEREAS, upon completion of a competitive procurement process, Rohrer Enterprises, Inc. DBA/Rohrer Bus Sales was determined to be the lowest responsive, responsible bidder for the Category 3 Type F minibuses; and

WHEREAS, NJ TRANSIT Contract No. 15-025A with Alliance Bus Group permits NJ TRANSIT to exercise options to purchase additional vehicles; and

WHEREAS, NJ TRANSIT Contract No. 15-025B with Rohrer Enterprises, Inc. DBA/Rohrer Bus Sales permits NJ TRANSIT to exercise options to purchase additional vehicles;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend NJ TRANSIT Contract No. 15-025A with Alliance Bus Group of Carlstadt, New Jersey to purchase six Type A Vans and seven Type B Extended Vans (Category 1); 26 Type C Minibuses (Category 2); and 33 Type J Extended Minibuses (Category 4) plus optional materials in an amount not to exceed \$4,115,562, plus five percent for contingencies, for a total authorization of \$13,489,247, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director to amend NJ TRANSIT Contract No. 15-025B with Rohrer Enterprises, Inc. DBA/Rohrer Bus Sales of Duncannon, Pennsylvania, to purchase three Type F Minibuses (Category 3) plus optional materials in an amount not to exceed \$172,000, plus five percent for contingencies, for a total authorization of \$574,893, subject to the availability of funds.

**COMMUNITY MOBILITY AND LOCAL PROGRAMS: AMENDMENT TO CONTRACT
FOR PURCHASE OF ADDITIONAL TRANSIT-STYLE AND CUTAWAY MINIBUSES
WITH LIFTS**

RECIPIENTS OF VEHICLES

Category 1 Type A Van

County	Agency	Quantity	Funding
BERGEN	Borough of Fort Lee	1	S5310
BURLINGTON	Senior Citizens United Community Services, Inc.	2	S5310
CUMBERLAND	County of Cumberland	1	S5310
PASSAIC	North Jersey Elks Developmental Disabilities Agency	1	S5310
SOMERSET	Alternatives, Inc.	1	S5310
Category 1 Type A Van – Total		6	

Category 1 Type B Extended Van

County	Agency	Quantity	Funding
CAMDEN	S.C.U.C.S.	1	S5310
ESSEX	Newark AIDS Consortium, Inc. d/b/a Broadway House for Continuing Care	1	S5310
ESSEX	Township of Livingston	1	S5310
GLOUCESTER	St. John of God Community Services	1	S5310
HUDSON	Town of Secaucus	1	S5310
SOMERSET	WILF Transport	1	S5310
UNION	County of Union	1	S5310
Category 1 Type B Extended Van – Total		7	

Category 2 Type C Minibus Rear Lift

County	Agency	Quantity	Funding
ATLANTIC	Caring, Inc	2	S5310
BERGEN	Christian Health Care Center	1	S5310
BERGEN	Vantage Health System	1	S5310
CAMDEN	S.C.U.C.S	3	CMAQ FLEX
CAMDEN	Wiley Christian Adult Day Services, Inc.	1	S5310
ESSEX	Township of Bloomfield	1	S5310
GLOUCESTER	Arc of Gloucester	2	S5310
HUDSON	County of Hudson	1	S5310
HUNTERDON	County of Hunterdon	1	S5310

**COMMUNITY MOBILITY AND LOCAL PROGRAMS: AMENDMENT TO CONTRACT
FOR PURCHASE OF ADDITIONAL TRANSIT-STYLE AND CUTAWAY MINIBUSES
WITH LIFTS**

RECIPIENTS OF VEHICLES

County	Agency	Quantity	Funding
MERCER	Township of Ewing	1	S5310
MIDDLESEX	Cerebral Palsy Association of Middlesex	1	S5310
MIDDLESEX	Saint Peter's Healthcare System	1	S5310
MONMOUTH	Ladacin Network	1	S5310
PASSAIC	City of Passaic	1	S5310
SOMERSET	Midland Adult Services, Inc.	1	S5310
UNION	Arc of Union	1	S5310
UNION	County of Union	1	S5310
WARREN	Abilities of Northwest Jersey, Inc.	1	S5310
Category 2 Type C Minibus Rear Lift – Total		22	

Category 2 Type C Minibus Front Lift

County	Agency	Quantity	Funding
BERGEN	Township of Mahwah	1	S5310
ESSEX	North Ward Center	1	S5310
MERCER	County of Mercer	1	CMAQ FLEX
WARREN	County of Warren	1	S5310
Category 2 Type C Minibus Front Lift – Total		4	

Category 3 Type F Minibus Rear Lift

County	Agency	Quantity	Funding
CAMDEN	S.C.U.C.S	1	CMAQ FLEX
SALEM	County of Salem	1	S5310
SUSSEX	Scarc, Inc.	1	S5310
Category 3 Type F Minibus Rear Lift – Total		3	

Category 4 Type J Extended Minibus Rear Lift

County	Agency	Quantity	Funding
ATLANTIC	County of Atlantic	1	S5310
BERGEN	Cliffside Park Housing Authority	1	S5310
CAMDEN	Township of Cherry Hill	1	S5310
ESSEX	Catholic Charities of the Archdiocese of Newark	1	S5310

**COMMUNITY MOBILITY AND LOCAL PROGRAMS: AMENDMENT TO CONTRACT
FOR PURCHASE OF ADDITIONAL TRANSIT-STYLE AND CUTAWAY MINIBUSES
WITH LIFTS**

RECIPIENTS OF VEHICLES

County	Agency	Quantity	Funding
GLOUCESTER	County of Gloucester	3	S5310
GLOUCESTER	County of Gloucester	4	CMAQ FLEX
MERCER	Arc of Mercer	1	S5310
MIDDLESEX	Borough of Carteret	1	S5310
MIDDLESEX	Township of Edison	1	S5310
MIDDLESEX	Township of Monroe	1	S5310
OCEAN	County of Ocean	1	S5310
PASSAIC	Catholic Family & Community Services	1	S5310
PASSAIC	City of Paterson	1	S5310
PASSAIC	County of Passaic	1	S5310
SALEM	County of Salem	1	S5310
SOMERSET	County of Somerset	2	S5310
UNION	Township of Union	1	S5310
Category 4 Type J Extended Minibus Rear Lift – Total		23	

Category 4 Type J Extended Minibus Front Lift

County	Agency	Quantity	Funding
BERGEN	Township of Teaneck	1	S5310
CAPE MAY	County of Cape May	1	S5310
CUMBERLAND	County of Cumberland	1	S5310
HUDSON	Township of North Bergen	1	S5310
MERCER	County of Mercer	1	S5310
MERCER	County of Mercer	2	CMAQ FLEX
MIDDLESEX	County of Middlesex	1	S5310
MONMOUTH	County of Monmouth	2	S5310
Category 4 Type J Extended Minibus Front Lift – Total		10	

**ITEM 1610-56: ROSELLE PARK RAIL STATION PLATFORM REHABILITATION:
CONSTRUCTION CONTRACT AWARD****BENEFITS**

The Roselle Park Rail Station on NJ TRANSIT's Raritan Valley Line serves approximately 900 customers on an average weekday. The station consists of a parking lot, a station building with a ticket agent, a pedestrian tunnel, and an 834-foot-long high-level center island platform. The station building is located in the ground level parking area. Passengers either proceed directly from the parking area into the tunnel or from the parking area into the station building and then through the tunnel to access stairs to the platform.

Both NJ TRANSIT and Conrail operate on the track passing this station. NJ TRANSIT owns, operates and maintains the parking area, station building, tunnel, stairs and platform. Conrail has ownership and maintenance responsibility for both the inbound and outbound tracks, including the gauntlet track.



Construction will be staged to provide safe customer access to the platforms at all times.

ACTION (Safety and Security, Corporate Accountability, Customer Experience)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 15-053X with Anselmi & Decicco, Inc. of Maplewood, New Jersey, to provide platform rehabilitation to the Roselle Park Rail Station at a cost not to exceed \$2,855,000, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

This construction contract will rehabilitate the station platform which has deteriorated due to normal use. Many small repairs have been made over time in an attempt to prolong the service life of this station. This project is necessary because small repairs are no longer adequate.

Requested Authorization:	This Authorization	\$ 2,855,000 + 5% contingency
	Total Authorization	\$ 2,997,750

Past Authorizations: None

Expenditures to Date: \$ 552,720 (as of 09/30/16)

Total Project Cost: \$ 5,800,000

Projected Date of Completion: 18 months after Notice to Proceed

Capital Program Amount: \$ 5,800,000

Operating Budget Amount: None

PRINTS ID Number: NJT00269

Anticipated Source of Funds: Transportation Trust Fund

DBE/SBE Goal: 17% SBE Category 6

***NJ Build* Amount:** \$ 14,275

Future Related Authorizations: None

Impact on Future Operating Budgets: None

RESOLUTION

WHEREAS, the Roselle Park Rail Station, located in Union County, serves approximately 900 NJ TRANSIT customers each weekday; and

WHEREAS, the rehabilitation of the station high-level platform will allow continued and uninterrupted use of station; and

WHEREAS, the construction contract includes the rehabilitation of the existing inbound and outbound concrete platforms, replacement of the existing windscreens with an Arts in Transit-inspired safety glass, replacement of the canopy over the windscreens, and installation of advertising cases, benches and trash cans; and

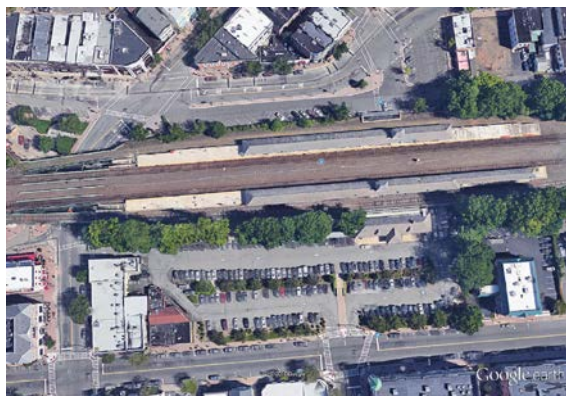
WHEREAS, upon completion of a competitive procurement process, it was determined that Anselmi & Decicco, Inc. submitted the lowest responsive and responsible bid for the Roselle Park Rail Station Platform Rehabilitation project;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to enter into NJ TRANSIT Contract No. 15-053X with Anselmi & Decicco, Inc. of Maplewood, New Jersey, to provide platform rehabilitation to the Roselle Park Rail Station at a cost not to exceed \$2,855,000, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1610-57: CRANFORD RAIL STATION PLATFORM REHABILITATION:
CONSTRUCTION CONTRACT AWARD****BENEFITS**

The Cranford Rail Station on NJ TRANSIT's Raritan Valley line serves approximately 1,400 customers on an average weekday. The station consists of two parking lots, a station building with a ticket agent, a pedestrian tunnel and two 645-foot-long high-level side platforms.

The station building is located in the ground level parking area on the inbound side. Passengers access the station platforms by either stairs or elevators.



Construction will be staged to provide safe customer access to the platforms at all times.

ACTION (Safety and Security, Corporate Accountability, Customer Experience)

Staff seeks authorization to enter into NJ TRANSIT Contract No. 15-050X with Anselmi & Decicco, Inc. of Maplewood, New Jersey, to provide platform rehabilitation to the Cranford Rail Station at a cost not to exceed \$3,275,000.00, plus five percent for contingencies, subject to the availability of funds.

PURPOSE

This construction contract will rehabilitate the station platform which has deteriorated due to normal use. Many small repairs have been made over time in an attempt to prolong the service life of this station. This project is necessary because small repairs are no longer adequate.

BACKGROUNDScope of Work

This contract includes the rehabilitation of the existing inbound and outbound concrete platforms, replacement of the existing windscreens with an Arts in Transit-inspired safety glass, and installation of advertising cases, benches and trash cans.

Procurement

NJ TRANSIT's Office of Business Development assigned a 25 percent Small Business Enterprise (SBE) Category 6 Goal to this contract.

The Invitation for Bid (IFB) was advertised on BID EXPRESS, NJ TRANSIT's electronic bid system, and in *The Star Ledger* and *The Trenton Times* on April 13, 2016. A Pre-Bid Conference was held on April 27, 2016 at the Cranford Rail Station. Bids were received electronically and opened on June 9, 2016 at NJ TRANSIT's Headquarters in Newark.

**E-BID 15-050X RESULTS**

Company	Total Bid Price
Anselmi & Decicco, Inc. Maplewood, New Jersey	\$ 3,275,000.00
DMR Construction Services Waldwick, New Jersey	\$ 3,306,794.93
Sparwick Contracting, Inc. Lafayette, New Jersey	\$ 3,817,765.00
Railroad Construction, Inc. Paterson, New Jersey	\$ 4,368,474.76
Northeast Remsco Construction Farmingdale, New Jersey	\$ 6,290,125.00

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

FISCAL IMPACT

Requested Authorization: This Authorization \$ 3,275,000+ 5% contingency
Total Authorization \$ 3,438,750

Past Authorizations: None

Expenditures to Date: \$ 758,245 (as of 09/30/16)

Total Project Cost: \$ 6,600,000

Projected Date of Completion: 18 months after Notice to Proceed

Capital Program Amount: \$ 6,600,000

Operating Budget Amount: None

PRINTS ID Number: NJT00262

Anticipated Source of Funds: Transportation Trust Fund

DBE/SBE Goal: 25% SBE Category 6

***NJ Build* Amount:** \$ 16,375

Future Related Authorizations: None

Impact on Future Operating Budgets: None

RESOLUTION

WHEREAS, Cranford Station is located in Union County and serves approximately 1,400 NJ TRANSIT customers each weekday; and

WHEREAS, the rehabilitation of the station high-level platforms will allow continued and uninterrupted use of station; and

WHEREAS, the construction contract includes the rehabilitation of the existing inbound and outbound concrete platforms, replacement of the existing windscreens with an Arts in Transit-inspired safety glass, and installation of advertising cases, benches and trash cans; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Anselmi & Decicco, Inc. submitted the lowest responsive and responsible bid for the Cranford Rail Station Platform Rehabilitation project;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to enter into NJ TRANSIT Contract No. 15-050X with Anselmi & Decicco, Inc. of Maplewood, New Jersey, to provide platform rehabilitation to the Cranford Rail Station at a cost not to exceed \$3,275,000.00, plus five percent for contingencies, subject to the availability of funds.

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss personnel matters, contract and collective bargaining negotiations, acquisition of real property with public funds, the status of pending and anticipated litigation and matters falling within the attorney-client privilege; and

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

ITEM 1610-58: HUDSON COUNTY IMPROVEMENT AUTHORITY v. NEW JERSEY TRANSIT CORPORATION: IMPLEMENTATION OF SETTLEMENT TERM SHEET

BENEFITS

This action is the next, and possibly final, step of the Settlement Term Sheet agreed to under the settlement of the civil action entitled Hudson County Improvement Authority v. New Jersey Transit Corporation, Docket No. HUD L-3693-13. Under the Settlement Term Sheet NJ TRANSIT has the opportunity to take title to approximately 26 acres of the Koppers Koke property owned by the Hudson County Improvement Authority (HCIA).

The Koppers Koke Site is bounded by the Hackensack River to the north and the NJ TRANSIT Morris and Essex (M&E) line to the south, and is included in the *Koppers Coke Peninsula Redevelopment Plan* adopted by the former New Jersey Meadowlands Commission on February 27, 2013 under Resolution No. 13-07 and now under the jurisdiction of the New Jersey Sports and Exposition Authority (NJSEA). The property consists of approximately 132 acres in the Town of Kearny: 126 acres north of the M&E Line and six acres south of the M&E Line. The parcels to be acquired, designated as Parcel 1 A&B and Parcel 2, are situated near the Meadows Maintenance Complex (MMC) and total approximately 26 acres plus supporting easements. The Parcels are vacant and recently capped, and are largely filled to elevations above the 500-year flood elevation.

The acquisition of these Parcels will be beneficial to NJ TRANSIT for a variety of reasons including: close proximity to the existing M&E Line, Meadows Maintenance Complex, Mason Substation, and the Northeast Corridor and the general suitability for future needed transportation uses.

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

Staff seeks authorization to take all necessary actions to make an offer to acquire title in fee simple to Parcels 1 A&B and 2 together with all supporting easements over the Koppers Koke Site in the Town of Kearny, Hudson County, New Jersey, and subject to reserved easements in favor of the Hudson County Improvement Authority, in accordance with the Settlement Term Sheet previously authorized under Item 1411-56, in an amount discussed in Executive Session for Parcel 1 A&B and Parcel 2, subject to the availability of funds.

Staff also seeks authorization to file a condemnation complaint and a declaration of taking, if necessary, to acquire Parcels 1 A&B and 2.

Staff also seeks authorization to convey to HCIA and its successors and assigns, as part of the acquisition process, a Private Easement to provide access and utilities,

identified as Parcel VPE3 and measuring approximately 1.1 acre, across NJ TRANSIT's adjoining existing property to also reasonably enable the redevelopment of the Koppers Koke Site.

Staff also seeks authorization to increase the authorized amount for Integra Realty Resources – Coastal NJ of Toms River, New Jersey, to provide services for appraisals, reports, surveys and supporting services for negotiations, mediation and arbitration of just compensation and filing and recording of a complaint in condemnation, at a cost not to exceed \$85,000 for a total authorization of \$125,000, subject to the availability of funds.

Staff also seeks authorization to expend an additional amount not to exceed \$275,000 for expenses and costs incurred in acquiring Parcels 1 A&B and 2, including but not limited to surveying, preparation of Individual Parcel Maps, title search, consulting and legal fees and other expenses for a total authorization of \$535,000, subject to the availability of funds.

PURPOSE

Authorization of this action allows for the commencement of the acquisition process including filing a condemnation action and a declaration of taking, to the extent necessary, all in accordance with the various provisions of the previously-approved Settlement Term Sheet. Certain provisions of the Settlement Term Sheet required NJ TRANSIT to begin the acquisition process before December 1, 2016, by making a written offer accompanied by an appraisal prepared by a New Jersey licensed appraiser amongst other requirements.

In accordance with the Term Sheet, NJ TRANSIT discussed with HCIA and The Morris Companies (the redeveloper) the location and boundaries of the approximately 20 acres it proposes to acquire in addition to Parcel 2, and a need to reserve certain easements across these proposed parcels in favor of HCIA and its successors to ensure the ability to redevelop the eastern and western remainders of the Koppers Koke Site. As part of the proposed acquisition of Parcel 1 A&B and Parcel 2, NJ TRANSIT will reserve certain access and other types of easements to the extent noted on the Individual Parcel Maps. In addition, NJ TRANSIT recognizes a further need to convey to HCIA and its successors and assigns, as part of the acquisition process, a Private Easement for access and utilities, identified as Parcel VPE3 and measuring approximately 1.1 acre, across NJ TRANSIT's adjoining existing property to also reasonably enable the redevelopment of the Koppers Koke Site.

Integra Realty Resources – Coastal NJ was previously retained by NJ TRANSIT to prepare a single appraisal for the proposed acquisition of up to 26 acres at a cost not to exceed \$40,000. It was subsequently determined that two separate appraisals are required. It was further determined that additional work is necessary on the part of Integra Realty Resources – Coastal NJ relating to the investigation of the Koppers Koke Site and the identification of any extraordinary costs that may be incurred, if any, to

redevelop the property given its current condition in a remediated state. Additional work will be required beyond that previously authorized.

BACKGROUND

A civil action, entitled Hudson County Improvement Authority v. New Jersey Transit Corporation, Docket No. HUD L-3693-13, was filed by the HCIA against NJ TRANSIT, sounding in Inverse Condemnation and ultimately settled by a Settlement Term Sheet and Consent Order, as authorized by the NJ TRANSIT Board (Item 1411-56), which Consent Order was entered by the trial court on December 1, 2014. NJ TRANSIT was afforded, under said Settlement Term Sheet, the right to acquire, through a friendly condemnation without contest by HCIA, up to 26 acres of land together with necessary easements from the larger Koppers Koke Site for future transportation purposes. Valuation of the property and other rights to be acquired is to be resolved through negotiations, mediation and arbitration, in lieu of a commissioner's hearing or trial by jury. After valuation of the property to be acquired is resolved in accordance with said Term Sheet, NJ TRANSIT would acquire title by filing and recording a declaration of taking.

Beginning in late December 2014, after a consent order enforcing the Settlement Term Sheet was entered, and throughout 2015, staff conferred on a periodic basis with staff and attorneys representing HCIA and its redeveloper, The Morris Company, regarding those portions of the overall Koppers Koke Site that would be in the best interest of NJ TRANSIT to acquire. Pursuant to authorization under Item 1411-56, staff advised HCIA in writing of NJ TRANSIT's interest in acquiring portions of the Koppers Koke Site for future Public Transportation use as of November 2015. Staff with assistance from consultants visited the Site on a number of occasions and reviewed property and environmental records. Surveys of the property including elevations were conducted in the field by a licensed surveyor on behalf of NJ TRANSIT. Staff also met periodically with HCIA and its redeveloper to exchange information and discuss issues relating to access and utilities.

The owner of record of the two parcels to be acquired is the HCIA, which is an entity created by the Hudson County Board of Chosen Freeholders pursuant to the County Improvement Authorities Law, N.J.S.A. 40:37A-44, et seq. Morris Kearny Associates, LLC, owned or controlled by The Morris Companies, is the buyer of the remainder of Koppers Koke Site.

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

FISICAL IMPACTS

Requested Authorization:

Authorization to take all necessary actions to make an offer to acquire title in fee simple to Parcels 1 A&B and 2 together with all supporting easements over the

Koppers Koke Site in accordance with the Settlement Term Sheet in an amount discussed in Executive Session for Parcels 1 A&B and 2.

Authorization to file a condemnation complaint and a declaration of taking, if necessary, to acquire Parcels 1 A&B and 2.

Authorization to convey to HCIA and its successors and assigns an access and utility easement identified as Parcel VPE3 and measuring approximately 1.1 acre, across NJ TRANSIT's adjoining existing property.

Integra Realty Resources	This Authorization	\$ 85,000
	Total Authorization	\$ 125,000
Additional Expenses	This Authorization	\$ 275,000
	Total Authorization	\$ 535,000

Previous Authorizations:

November 2014
Item 1411-56

Approval of Settlement Term Sheet

Integra Realty Resources \$ 40,000
Item 1411-56

Additional Expenses \$ 260,000
Item 1411-56

Expenditures to Date: \$ 1,362,500 (as of 09/30/16)

Total Project Cost: TBD

Projected Date of Completion: TBD

Capital Program Amount: TBD

Operating Budget Amount: None

PRINTS ID Number: TBD

Anticipated Source of Funds: Transportation Trust Fund (subject to reauthorization)

DBE/SBE Goal: N/A

NJ Build Amount: N/A

Future/Related Authorizations: Final Settlement (if required)
Agreement for Infrastructure and Utilities Shared Use

**Impacts on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, a civil action, entitled Hudson County Improvement Authority v. New Jersey Transit Corporation, Docket No. HUD L-3693-13, was filed by Hudson County Improvement Authority (HCIA) against NJ TRANSIT, sounding in Inverse Condemnation, and ultimately settled by Term Sheet executed by the parties and entered as part of a Consent Order on December 01, 2014 as authorized by the Board under Item 1411-56 on November 12, 2014; and

WHEREAS, the Term Sheet also authorized under Item 1411-56 in settlement of the aforesaid civil action provided NJ TRANSIT the right to acquire, through a friendly condemnation without contest by HCIA, up to approximately 26 acres from the Koppers Koke Site in the Town of Kearny, Hudson County from HCIA so long as the acquisition process was begun before December 01, 2016; and

WHEREAS, the proposed parcels abut the M&E Rail Line and are near the Meadows Maintenance Center (MMC) and Mason Substation, and the parcels are relatively large with industrial and other compatible zoning and surrounding uses; and

WHEREAS, acquisition of Parcels 1 A&B and 2 are needed by NJ TRANSIT for future Public Transportation Projects given that the land is adjacent to the M&E and is near the MMC, allows flexibility and is conducive for Rail and related purposes;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to take all necessary actions to make an offer to acquire title in fee simple to Parcels 1 A&B and 2 together with all supporting easements over the Koppers Koke Site in the Town of Kearny, Hudson County, New Jersey, and subject to reserved easements in favor of the Hudson County Improvement Authority, in accordance with the Settlement Term Sheet previously authorized under Item 1411-56, in an amount discussed in Executive Session for Parcel 1 A&B and for Parcel 2, subject to the availability of funds; and

BE IT FURTHER RESOLVED, that the Chairman or Executive Director is authorized to file a condemnation complaint and a declaration of taking, if necessary, to acquire Parcels 1 A&B and 2; and

BE IT FURTHER RESOLVED, that the Chairman or Executive Director is authorized to convey to HCIA and its successors and assigns, as part of the acquisition process, a Private Easement to provide access and utilities, identified as Parcel VPE3 and measuring approximately 1.1 acre, across NJ TRANSIT's adjoining existing property to also reasonably enable the redevelopment of the Koppers Koke Site; and

BE IT FURTHER RESOLVED, that the Chairman or Executive Director is authorized to increase the authorized amount for Integra Realty Resources – Coastal NJ of Toms River, New Jersey, to provide services for appraisals, reports, surveys and supporting services for negotiations, mediation and arbitration of just compensation and filing and recording of a complaint in condemnation, at a cost not to exceed \$85,000 for a total authorization of \$125,000, subject to the availability of funds; and

BE IT FURTHER RESOLVED, that the Chairman or Executive Director is authorized to expend an additional amount not to exceed \$275,000 for expenses and costs incurred in acquiring Parcels 1 A&B and 2, including but not limited to surveying, preparation of Individual Parcel Maps, title search, consulting and legal fees and other expenses for a total authorization of \$535,000, subject to the availability of funds.