

Philip D. Murphy, Governor
Sheila Y. Oliver, Lieutenant Governor
Diane Gutierrez-Scaccetti, Commissioner
Kevin S. Corbett, Executive Director

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

August 13, 2018

Dear Governor Murphy:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc., Board of Directors held on Wednesday, August 8, 2018.

Sincerely,

Original Signed By

Joyce J. Zuczek
Board Secretary

Enclosures

Honorable Philip D. Murphy
Governor, State of New Jersey
State House
Trenton, NJ 08625

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, August 8, 2018.

Board Members Present

Diane Gutierrez-Scaccetti, Chair
Edmund Caulfield, Governor's Representative
Dini Ajmani, Treasurer's Representative
James C. Finkle Jr., Board Member
Flora M. Castillo, Board Member
Raymond W. Greaves, Board Member (Non-Voting) (By Telephone)

Staff Present

Kevin S. Corbett, Executive Director
Jeannie Kwon, Assistant Executive Director, Projects & Strategic Investments
Michael P. Kilcoyne, Vice President & General Manager, Bus Operations
Edward J. Baksa, Acting Vice President & General Manager, Rail Operations
Ronald E. Nichols, Acting Chief, Light Rail & Contract Services
Christopher Trucillo, Chief of Police
John F. O'Hern, Auditor General
William Viqueira, Chief Financial Officer & Treasurer
Michael K. Slack, Chief Information Officer
Anthony M. Grieco, Assistant Executive Director, Communications & Customer Service
Eric R. Daleo, Assistant Executive Director, Capital Planning & Programs
James C. Merritts, Acting Chief, Office of System Safety
Jonathan B. Peitz, Deputy Attorney General
Joyce J. Zuczek, Board Secretary

Chair Gutierrez-Scaccetti convened the Open Session at 9:08 a.m. in accordance with the Open Public Meetings Act. Danyella Brooks, Office of System Safety, provided a Public Safety Announcement. The Pledge of Allegiance to the Flag was conducted. Board Secretary Zuczek conducted a Roll Call and noted Board Member Greaves would join the meetings later.

Board Secretary Zuczek announced that adequate notice of the regularly scheduled 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. 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 August 3, 2018 with the Secretary of State. These notices were sent 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 meetings were being video recorded.

Executive Session Authorization

At approximately 9:11 a.m., Chair Gutierrez-Scaccetti requested a motion to enter Executive Session to discuss personnel matters, contract negotiations, the status of pending and anticipated litigation, and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of the Estate of Jesy Haime Garcia Romero.

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

Return to Open Session

Board Secretary Zuczek conducted a Roll Call as Board Members returned to Open Session. All Board Members returned to open session at approximately 10:15 a.m. Board Secretary Zuczek noted Board Member Greaves was participating by telephone.

Approval of Minutes

Chair Gutierrez-Scaccetti asked for a motion to approve the minutes of the July 17, 2018 Board meetings. A motion was made by Board Member Edmund Caulfield, seconded by Board Member Flora M. Castillo, and it was unanimously adopted.

Public Comments

There were 18 speakers. Board Secretary Zuczek announced public comments would be limited to five minutes.

Assemblywoman Nancy F. Munoz, representing New Jersey's Legislative District 21 said she was there due to the countless constituents reaching out to her in desperation regarding the poor service NJ TRANSIT has been providing lately. Her constituents are angry about the constant delays and cancelled trains which affect their livelihood. She said kids are being left at daycare past hours of operation, special events and meetings are missed, businesses cannot open, and people are showing up late for work. Assemblywoman Munoz said when NJ TRANSIT fails to plan everyone suffers and there has to be a better way to operate than cancelling trains at the last minute or shutting down train lines all together.

Assemblywoman Munoz knows Positive Train Control has to be installed for the safety of passengers but said NJ TRANSIT has had years to plan for this and there is no reason why a schedule cannot be set that commuters can depend on without last minute changes. Her constituents want answers from NJ TRANSIT on how they can change the notification process so they can make alternative plans and not hear their train is being

cancelled while standing on the platform. Her constituents want NJ TRANSIT to take care of their personnel issues for engineer call outs and work on contingency plans.

Assemblywoman Munoz wants NJ TRANSIT to make sure their conductors are collecting tickets on the train because when they do not, NJ TRANSIT is losing valuable revenue that can be used for operating costs.

Assemblywoman Munoz knows NJ TRANSIT is in crisis mode on Positive Train Control because they have to pull trains for installation. She wants NJ TRANSIT to come up with alternative plans and bus and ferry options to assist her constituents and NJ TRANSIT's commuters. She said they depend on NJ TRANSIT to get them to work. She will be submitting a letter outlining her constituents concerns and looks forward to some answers.

Randy Glucksman of the Metro-North Rail Commuter Council Chair and MTA Board Member thanked the Commissioner for the change in the order of the Board Meeting Agenda and said it has been a long time coming. Mr. Glucksman said his Port Jervis constituents continue to complain about the many delays and cancellations on their line due to mechanical issues, pay \$400 a month for these tickets, and they deserve better service. Mr. Glucksman complained about NJ TRANSIT's lack of transparency for the Positive Train Control plans and training of personnel. He would also like to see the Severe Weather Schedule updated with additional service.

Orrin Getz, Vice Chair of the Metro-North Rail Commuter Council, discussed the need for NJ TRANSIT to come up with a report similar to Metro-North on the Mean Distances Between Failure so they can see how well NJ TRANSIT's equipment is performing. He complained that commuters continue to remain in the dark while NJ TRANSIT's equipment keeps breaking down. Mr. Getz provided NJ TRANSIT with a Positive Train Control Report that Metro-North uses which outlines what they are doing and the status of where they are and he believes NJ TRANSIT should be providing the same. Mr. Getz wants NJ TRANSIT to stop cancelling the Pascack Valley Line Express trains.

Ron Hine, Executive Director of Fund for a Better Waterfront, expressed his concerns for the preservation of the Hoboken Waterfront and what it has meant to the families and people who have used it for the last three decades. Mr. Hine asked that NJ TRANSIT think about using the Hoboken Terminal, or other locations identified in a prior study, for the New York Waterway ferry refueling and maintenance facility instead of the Hoboken Union Dry Dock property.

Mary Migacz is an NJ TRANSIT commuter who takes train 3500 out of Rahway, said it has been cancelled five times in a three-week period, and complained about the amount of time lost. Ms. Migacz said NJ TRANSIT has had 10 years to work on the Positive Train Control Installation although she realizes the previous administration did not give NJ TRANSIT funding. She believes if NJ TRANSIT had worked on one train at a time three years ago, it would have alleviated the suffering the commuters are facing now. Ms. Migacz said she has been riding NJ TRANSIT for 38 years and there has been only one other year she can recall has been worse than this.

Steven Thorpe discussed NJ TRANSIT's schedules and referred to them as unrealistic. Mr. Thorpe believes that NJ TRANSIT should have schedules that they are able to meet 85 to 90 percent of the time. He wants NJ TRANSIT planners to see what is doable and then restore the trains that are out of service as soon as possible. With regard to the Severe Weather Schedules, he wants NJ TRANSIT to bring back the meetings with the rail advocates so NJ TRANSIT can gain valuable frontline information on what commuters want. Mr. Thorpe commended Chief Trucillo and his department and said Chief Trucillo's reputation stretches as far as Washington D.C., and wants more police officers hired. He asked for justice for Mr. Russell Graddy.

David Peter Alan, Chair of the Lackawanna Coalition, complained about only having five-minutes to comment but believes not having to wait through Executive Session, shortening their wait by 60 minutes, is a step in the right direction. He wants the Chair's assurance that they will recess from Executive Session, until after the public portion, if Executive Session is going to last beyond 10:00 a.m. Mr. Alan noted he addressed the budget issues last month. He has submitted a copy of his statement as an exhibit to be incorporated as part of the record.

Mr. Alan said he has been riding NJ TRANSIT's Morris & Essex Line and other lines for more than 60 years, has been a rail advocate to riders for more than 33 years, and transit has never been worse. The impending suspensions of the Atlantic City Rail Line and the New York trains on the Raritan Valley Line are very troubling to Mr. Alan. He thinks those discontinuances may be unlawful. Mr. Alan does not see how this level of inconvenience to riders will be very helpful in alleviating the shortage of engineers. He complained advocates from South Jersey helped get Atlantic City rail service restored in 1990, and now NJ TRANSIT plans to eliminate it without a hearing.

Sally Gellert thinks the new structure of the Board meeting is odd and wants NJ TRANSIT to look at what other companies are doing for their Board meetings. She believes the "Summer from Hell Two," as Larry Higgs described it in a news article, shows disrespect to NJ TRANSIT riders. As a Lackawanna Coalition advocate, she said she often talks to riders about their experiences and they have not been good because trains are being cancelled numerous times especially on the Morris & Essex Line. One rider told her she is up for a promotion that she may lose due to her lateness to work so many times. Ms. Gellert said commuters are angry and this may drive many commuters away.

Joseph Clift believes the Operating Budget has been short changed and NJ TRANSIT's budget is not a major improvement over previous years. He believes the Capital Program under the new administration proposes the same abuses, exploits Amtrak on maintenance payments, and Positive Train Control remains opaque. Mr. Clift believes the Second Summer of Hell, opacity, and poor planning are destroying NJ TRANSIT's credibility and it needs to be fixed.

Nat Bottigheimer from the New Jersey Director of the Regional Planning Association expressed support of NJ TRANSIT in the Gateway Project. He believes the Gateway

Coalition needs NJ TRANSIT's help in getting their message out to the riders to show the importance of having another tunnel and to focus on having a safe and reliable infrastructure that will provide reliable service. He believes it is crucial that NJ TRANSIT keep communication lines open with riders so they know their options and have clear transparency by improving their awareness through new and improved websites.

Walter Jacobs complained about being passed by at bus stops in Newark. He believes the drivers should have instructions on picking up seniors in areas other than the designated bus stops because they are sometimes unable to get to the bus stops fast enough before a bus takes off. Mr. Jacobs wants the bus drivers to have consideration for the seniors and not bypass them. He also wants more bus shelters added in the Newark area and the ones there to be cleaned.

Donna Ivy, Errol Kerr, Ora Jane Bell, Princess Reaves, and Kay Banks spoke on behalf of Russell Graddy and asked that he be granted justice for being displaced from his Atlantic City Restaurant.

Janet McDaniel, supporter of Mr. Graddy, asked that the Board take a look at his paperwork and do what is just and fair. She asked the Board to put themselves in Mr. Graddy's place, know the urgency is now to grant justice, and said the Board has the power to do so.

Russell Graddy wants to recoup the money he spent for his restaurant in Atlantic City. He believes NJ TRANSIT hastened his wife's dementia by taking away her ability to do the payroll for the restaurant every week.

At approximately 11:25 a.m., Chair Gutierrez-Scaccetti announced they would take a quick five-minute break. At approximately 11:30 a.m., Board Secretary Zuczek conducted a Roll Call. All Board Members returned to the meetings.

Advisory Committee Report

Suzanne Mack presented the Advisory Committee Report. Ms. Mack said that NJ TRANSIT should not lose sight of their main focus which should be their mission statement of providing a safe and reliable transportation system for its riders. She was glad to see Assemblywoman Munoz from Legislative District 21 because the Legislature needs to see and hear how NJ TRANSIT operates. Ms. Mack noted one of the important issues on the agenda was the budgets that were carried over from last month. She said the Budget sets the tone for what will be happening with NJ TRANSIT now and into next year.

Ms. Mack believes NJ TRANSIT's priority must always be funding, safety and reliability. With regard to Positive Train Control implementation causing delays and cancellations, she suggested Executive Director Corbett look back at previous contingency plans to find something that is best for riders.

Board Customer Service Committee Report

Board Member Castillo presented the report for the Customer Service Committee. The Customer Service Committee received an update on Customer Service, Social Media, Access Link, and System Safety. The report on the Social Media Dashboard included examples of proactive communications with customers.

Board Administration Committee Report

Board Member Finkle presented the report for the Administration Committee. The Administration Committee received a Financial Update for a two-month period, including an update on Ridership.

Board Capital Planning, Policy, and Privatization Committee Report

Chair Gutierrez-Scaccetti presented the report for the Capital Planning, Policy, and Privatization Committee. The Capital Planning, Policy and Privatization Committee discussed the board items for the: Lease of Retail Space to Starbucks Coffee Company; Advertising Revenue Contract; and Outdoor Advertising Management Services.

Executive Director's Monthly Report

Executive Director Corbett was pleased to introduce a new structure to their Board meetings. They have been hearing from their dedicated advocates who attend these meetings that the old format was simply not working for them. Executive Director Corbett was pleased to say that NJ TRANSIT heard them. He knows these changes may have taken a little longer to implement than the advocates hoped. However, he assured them that NJ TRANSIT has been listening to the advocates and their voices do have an impact on how NJ TRANSIT conducts business.

Executive Director Corbett was pleased they have been able to adjust the format of the Board meetings to have the Executive Session in the beginning of the meeting. Additionally, so that members of the public do not have to wait until the end of the meeting, the public speaking portion was moved up to the front of the session.

Executive Director Corbett said they value the public's time and input and NJ TRANSIT wants to make these meetings customer friendly. He thanked them for their patience as NJ TRANSIT worked to fine-tune the agenda order.

Executive Director Corbett said it has been a difficult time lately to be a train rider and their customers' patience has been put to the test. As a daily Morris & Essex Line train rider himself, he assured them that he has felt their pain. Over the past week or so, they have not been able to offer the level of service that they had planned for during their Positive Train Control installation. The plan assumed a normal pattern of unexcused absences of engineers. These annulments are not only the result of taking equipment out of service for Positive Train Control but also have been the culmination of years of

dis-investment which has compounded issues such as staffing levels. This is particularly true when it comes to train engineers. He said these issues cannot be solved overnight.

To give a sense of what Executive Director Corbett was talking about, from 2010 through 2017 there were only 11 engineer training classes. In 2009, those who were trained were furloughed for budget reasons. In 2010 there were no locomotive engineer training classes at all. He noted it take 18 months to two years to train a locomotive engineer. During that time there was a net loss of approximately 50 engineers, down from a high of 391 in 2009.

Executive Director Corbett said now they were forced to make up for eight years of inattentiveness to this issue, however, this year they have already begun the process of moving in the right direction. They have ramped up the number of training classes from two to four per year, running concurrently, to accelerate the number of qualified new engineers.

He said they have a new class of locomotive engineers graduating soon, bringing nine new engineers to the roster. They were also incentivizing current conductors to become engineers. By doing this they can leverage their experience on the railroad and accelerate their engineer training to less than a year.

NJ TRANSIT's Positive Train Control program continues to advance, and to accelerate. Positive Train Control is something that NJ TRANSIT must do. There are serious consequences to NJ TRANSIT if they do not complete this federally mandated project, such as Federal Railroad Administration fines or a shutdown, or they run the risk of not being allowed to operate on Amtrak's Northeast Corridor after December 31, 2018. They continue working with the Federal Railroad Administration to meet the milestones still in front of them.

When Executive Director Corbett arrived at NJ TRANSIT at the end of February, they were at just 12 percent completion. In just the past quarter alone they have moved from 13 percent completion to 58 percent.

Executive Director Corbett asked Assistant Executive Director Eric Daleo to provide a brief project status update.

Eric Daleo provided a presentation (attached). He noted Positive Train Control is a safety enhancement system capable of automatically controlling train speeds and movements. The Positive Train Control Enforcement and Implementation Act of 2015 requires NJ TRANSIT to meet certain interim milestones by December 31, 2018, and to fully deploy Positive Train Control by December 31, 2020. He provided a brief update on NJ TRANSIT's progress to meet those critical interim milestones by the end of this year.

In order to meet their December 31, 2018 interim milestone goals, they track progress in three critical areas: vehicle installation; wayside installation; and the training of employees on the installation and use of the Positive Train Control system.

With regard to vehicle installation, they must install Positive Train Control equipment on locomotives and controlling cab cars. As of August 3, 2018, they have installed this equipment on 100 vehicles. Across 326 miles of wayside, NJ TRANSIT forces and their contractors must install wayside equipment, which includes wayside interface units, poles, and antennas. They have completed 69 percent of these types of installations.

With regard to training, NJ TRANSIT had targeted training 823 employees by year end. They have exceeded this target, having now trained 1,029 employees. There are still 80 technical employees, including installers and maintainers and dispatchers that must be trained by year end.

A major step in advancing their Positive Train Control deployment is testing the reliability of this new technology and software in operation on their system. They previously successfully tested operation on a six-mile stretch of the Morristown Line. On July 5, 2018, the Federal Railroad Administration approved a major milestone, for NJ TRANSIT to begin expanded testing on a 16.5 mile expanded stretch of the Morristown Line from Summit to Denville. NJ TRANSIT commenced this testing on July 24, 2018.

Mr. Daleo noted this presentation and more information was available on their dedicated webpage www.njtransit.com/ptc.

Executive Director Corbett said while moving up to an overall 58 percent completion is dramatic progress, they still have much to do. To continue the pace they were moving at, and to meet the remaining requirements, they will unfortunately have to make additional service adjustments.

Beginning September 5, 2018, all service on the Atlantic City Rail Line will be temporarily suspended. On September 10, 2018, the off-peak one seat rides on the Raritan Valley Line will be temporarily adjusted with those trains terminating in Newark. They regret and understand this is an inconvenience to their customers. Because of that, they were taking numerous actions to continue meeting the travel demands of customers.

On the Atlantic City Rail Line, they will be offering several alternate options and discounts of 25 percent on all rail tickets and passes with an origin or destination of Philadelphia. They will have cross honoring available on the 554 bus, as well as at select PATCO stations and the River LINE. A shuttle bus will also accommodate customers at Cherry Hill and Pennsauken to and from the Walter Rand Transportation Center in Camden for connections to PATCO.

NJ TRANSIT will be working as quickly as possible on their Positive Train Control program to restore these services in January 2019. Executive Director Corbett asked for customers' patience through these tough times, as the end result will be a safer railroad

for everyone. He urged visiting their website for Positive Train Control information and updates.

Executive Director Corbett said it is not just challenges on the rail side that NJ TRANSIT is addressing. They continue their efforts to recruit additional bus operators. On July 23 and 24, 2018, they, together with the Amalgamated Transit Union, co-hosted a special open house at Bergen Community College in Paramus in which they invited referrals from current NJ TRANSIT employees.

They had a great turnout with 246 people attending. Of those, 186 were tested with 95 passing. They have been able to interview 35 individuals so far, including some who already hold a Commercial Driver's License, with 10 offers made to date, and more to come.

NJ TRANSIT continues to highlight their \$6,000 sign-on bonus for any applicant who already possesses a Commercial Driver's License A or B license with a passenger endorsement and air brakes. Additionally, they are planning to hold another recruitment event in South Jersey coming up late Summer or early Fall.

Executive Director Corbett said the budget proposals on the agenda, for the Board's consideration, will provide the necessary resources to continue making these strides. They are grateful to Governor Murphy for his commitment to invest a considerable amount of additional funding in NJ TRANSIT so that they can deliver reliable transportation for the people of New Jersey. As Executive Director Corbett said, these problems cannot be solved overnight but with the Governor's investment it starts them on a path of renewal at NJ TRANSIT.

Executive Director Corbett said one of the ways NJ TRANSIT is moving toward the future is by utilizing new technology. A project they recently announced is their police department's partnership with the social media platform Next Door. Next Door is a private social network for neighborhoods. As a statewide agency, NJ TRANSIT's neighborhood is vast.

While they have numerous communication channels in place to talk with their customers, they needed a tool to be able to have a relationship with people who live near NJ TRANSIT's transit facilities and rights-of-way. These residents are their neighbors. That is where the Next Door partnership comes in.

Through the technology, they have been able to create a geo-fence or geographic zone one mile around NJ TRANSIT's stations, terminals and infrastructure. NJ TRANSIT's police department can now send out information on this platform to geo-targeted areas in the event of an emergency or simply to provide information about safety and crime prevention.

This partnership with Nextdoor is truly a modern tool the police will use to build stronger, safer communities with the help of local residents. It expands NJ TRANSIT's "eyes and

ears” and enhances its community policing efforts. They are really excited about the possibilities this brings.

Executive Director Corbett recognized a special guest they had there: Police Officer Kyle L. Savoia of the Perth Amboy Police Department.

On July 19, 2018, Police Officer Savoia responded to a call of someone on the tracks; possibly a suicide attempt. As he approached the scene, Police Officer Savoia could see the man on the tracks as the oncoming train was applying the brakes. The officer heroically ran down the right of way shouting at the man on the tracks. He made it just in time for the man to hear his voice and step out of the way of the train. All of his actions were captured in a dramatic video that was shown at the meetings.

As a token of NJ TRANSIT’s appreciation to Police Officer Savoia’s bravery and dedication to protecting the public, Executive Director Corbett presented a resolution to Police Officer Savoia. The resolution stated: Whereas, on July 19, 2018, Police Officer Kyle L. Savoia of the Perth Amboy Police Department, selflessly risked his life to save another human being; and whereas, without regard for his own safety, Police Officer Savoia ran toward an individual who was on the train tracks and successfully alerted the individual to move out of the way of an oncoming train mere seconds before impact; and whereas, simultaneously, Police Officer Savoia successfully alerted the locomotive engineer to stop the train mere inches before a collision; Now, therefore, be it resolved for his heroic efforts and for his unwavering commitment to duty, we, the Board of Directors of the New Jersey Transit Corporation do hereby recognize Police Officer Kyle L. Savoia for his unparalleled bravery and determination to serve and protect all who utilize our transportation system.

Action Items

1808-54: FISCAL YEAR 2019 OPERATING BUDGET

Executive Director Corbett introduced William Viqueira, Chief Financial Officer and Treasurer, to present Action Item #1808-54.

William Viqueira recommended approval of Action item #1808-54, Fiscal Year 2019 Operating Budget. He provided a presentation (attached) and requested approval of the item.

Board Member Flora M. Castillo made a motion to approve Action Item #1808-54, Board Member James C. Finkle Jr. seconded it, and it was unanimously adopted. Chair Gutierrez-Scaccetti thanked William Viqueira and his staff, noting they worked on a budget that included the Governor’s proposal and budget message. She said they did not act last month because staff went back and made adjustments, and they made sure the Board was comfortable that the adjustments were ones that had to be made.

Roll Call Vote:

Gutierrez-Scaccetti	Caulfield	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Yes	(Non-Voting Member)

1808-55: FISCAL YEAR 2019 CAPITAL PROGRAM

Executive Director Corbett introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, to present Action Item #1808-55.

Eric Daleo recommended approval of Action Item #1808-55, Fiscal Year 2019 Capital Program. He provided a presentation (attached) and requested approval of the item.

Board Member James C. Finkle Jr. made a motion to approve Action Item #1808-55, Board Member Flora M. Castillo seconded it, and it was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Caulfield	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Yes	(Non-Voting Member)

1808-56: NJ TRANSIT FISCAL YEAR 2019 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

Executive Director Corbett introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, to present Action Item #1808-56.

Eric Daleo recommended approval of Action Item #1808-56, NJ TRANSIT Fiscal Year 2019 Grant Programs: Local Transportation for Senior Citizens, Persons with Disabilities, Rural and Economically Disadvantaged Residents. Authorization was requested to execute all appropriate contracts and agreements to implement the following Fiscal Year 2019 programs, subject to the availability of funds: i) Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP) totaling \$18,586,000; ii) FTA Section 5311 Rural and Small Urban Areas Program for Counties totaling \$5,494,546; iii) FTA Section 5311 Rural Intercity Bus Transportation Program totaling \$609,411; iv) FTA Section 5311(b)(3) Rural Transit Assistance Program totaling \$123,359; v) FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program totaling \$8,700,000; vi) New Jersey Jobs Access and Reverse Commute (NJ-JARC) Program totaling up to \$5,300,000; and vii) any specially-

dedicated Congressional appropriations, FTA Section 5307, FTA Section 5309 and CMAQ local project funds totaling \$6,000,000.

Board Member Flora M. Castillo made a motion to approve Action Item #1808-56, Board Member Edmund Caulfield seconded it, and it was unanimously adopted. Chair Gutierrez-Scaccetti thanked Eric Daleo and his staff for their work on the budgets.

Roll Call Vote:

Gutierrez-Scaccetti	Caulfield	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Yes	(Non-Voting Member)

1808-57: NEWARK PENN STATION – LEASE OF RETAIL SPACE TO STARBUCKS COFFEE COMPANY

Executive Director Corbett introduced William Viqueira, Chief Financial Officer and Treasurer, to present Action Item #1808-57.

William Viqueira recommended approval of Action Item #1808-57, Newark Penn Station – Lease of Retail Space to Starbucks Coffee Company. He provided a presentation (attached) and requested approval of the item.

Board Member James C. Finkle Jr. made a motion to approve Action Item #1808-57, Board Member Edmund Caulfield seconded it, and it was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Caulfield	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Yes	(Non-Voting Member)

1808-58: ADVERTISING REVENUE CONTRACT

Executive Director Corbett introduced William Viqueira, Chief Financial Officer and Treasurer, to present Action Item #1808-58.

William Viqueira recommended approval of Action Item #1808-58, Advertising Revenue Contract. He provided a presentation (attached) and requested approval of the item.

Board Member Edmund Caulfield made a motion to approve Action Item #1808-59, Board Member Flora M. Castillo seconded it, and it was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Caulfield	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Yes	(Non-Voting Member)

1808-59: OUTDOOR ADVERTISING MANAGEMENT SERVICES

Executive Director Corbett introduced William Viqueira, Chief Financial Officer and Treasurer, to present Action Item #1808-59.

William Viqueira recommended approval of Action Item #1808-59, Outdoor Advertising Management Services. He provided a presentation (attached) and requested approval of the item.

Board Member Flora M. Castillo made a motion to approve Action Item #1808-59, Board Member James C. Finkle Jr. seconded it, and it was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Caulfield	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Yes	(Non-Voting Member)

1809-60: PERSONAL INJURY CLAIM OF THE ESTATE OF JESY HAIME GARCIA ROMERO

Executive Director Corbett introduced William Viqueira, Chief Financial Officer and Treasurer, to present Action Item #1809-60.

William Viqueira recommended approval of Action Item #1809-60, Personal Injury Claim of the Estate of Jesy Haime Garcia Romero. Authorization was requested to settle the claim of the Estate of Jesy Haime Garcia Romero through the estate's attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.

Board Member James C. Finkle Jr. made a motion to approve Action Item #1808-60, Board Member Edmund Caulfield seconded it, and it was unanimously adopted.

Roll Call Vote:

Gutierrez-Scaccetti	Caulfield	Ajmani	Finkle	Castillo	Greaves
Yes	Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

Adjournment

Since there were no further comments or business, Chair Gutierrez-Scaccetti called for adjournment and a motion to adjourn was made by Board Member Flora M. Castillo, seconded by Board Member James C. Finkle Jr., and unanimously adopted. The meetings were adjourned at approximately 12:17 p.m.

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

AUGUST 8, 2018

MINUTES

	PAGE
➤ CALL TO ORDER	-
➤ SAFETY ANNOUNCEMENT	-
➤ PLEDGE OF ALLEGIANCE TO THE FLAG	-
➤ EXECUTIVE SESSION AUTHORIZATION	53146
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	53147
➤ PUBLIC COMMENTS	-
➤ ADVISORY COMMITTEE REPORT	-
➤ BOARD COMMITTEE REPORTS	-
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	53148

ACTION ITEMS

1808-54	FISCAL YEAR 2019 OPERATING BUDGET - Authorization to adopt the FY19 Operating Budget in the amount of \$2.316 billion.	53170
1808-55	FISCAL YEAR 2019 CAPITAL PROGRAM - Authorization to adopt the FY19 Capital Program in the amount of \$1.465 billion.	53181
1808-56	NJ TRANSIT FISCAL YEAR 2019 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS - Authorization to execute all appropriate contracts and agreements to implement the following FY19 programs, subject to the availability of funds: i) Senior Citizen and Disabled Resident Transportation Assistance Program (SCDRTAP) totaling \$18,586,000; ii) FTA Section 5311 Rural and Small Urban Areas Program for Counties totaling \$5,494,546; iii) FTA Section 5311 Rural Intercity Bus Transportation Program	53199

NEW JERSEY TRANSIT CORPORATION
 NJ TRANSIT BUS OPERATIONS, INC.
 NJ TRANSIT RAIL OPERATIONS, INC.
 NJ TRANSIT MERCER, INC.
 NJ TRANSIT MORRIS, INC.
 REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
 AUGUST 8, 2018
 MINUTES
 PAGE 2

totaling \$609,411; iv) FTA Section 5311(b)(3) Rural Transit Assistance Program totaling \$123,359; v) FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program totaling \$8,700,000; vi) New Jersey Jobs Access and Reverse Commute (NJ-JARC) Program totaling up to \$5,300,000; and vii) any specially-dedicated Congressional appropriations, FTA Section 5307, FTA Section 5309 and CMAQ local project funds totaling \$6,000,000.

- 1808-57 NEWARK PENN STATION – LEASE OF RETAIL SPACE TO STARBUCKS COFFEE COMPANY** - Authorization to enter into a 10-year lease with Starbucks for retail space in Newark Penn Station. **53209**
- 1808-58 ADVERTISING REVENUE CONTRACT** - Authorization to enter into a seven-year contract with Intersection to sell NJ TRANSIT's advertising inventory. **53212**
- 1808-59 OUTDOOR ADVERTISING MANAGEMENT SERVICES** - Authorization to enter into a five-year contract with Allvision, LLC to provide management of outdoor advertising displays on billboards located within NJ TRANSIT's right of way, facilities, structures and properties. **53215**
- 1808-60 PERSONAL INJURY CLAIM OF THE ESTATE OF JESY HAIME GARCIA ROMERO** - Authorization to settle the claim of the Estate of Jesy Haime Garcia Romero through her attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds. **53218**

➤ **ADJOURNMENT**

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 negotiations, the status of pending and anticipated litigation, and matters falling within the attorney-client privilege, including, but not limited to, the Personal Injury Claim of the Estate of Jesy Haime Garcia Romero; 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.

APPROVAL OF MINUTES

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

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the July 17, 2018 Board Meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on July 17, 2018 and July 20, 2018;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the July 17, 2018 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

Phillip D. Murphy, Governor
Sheila Y. Oliver, Lieutenant Governor
Diane Gutierrez-Scaccetti, Commissioner
Kevin S. Corbett, Executive Director



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

TO: BOARD OF DIRECTORS
FROM: KEVIN S. CORBETT
DATE: AUGUST 8, 2018
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – AUGUST 2018



We're pleased to introduce a new structure to our Board meetings. We value your time and your input, and we want to make these meetings as customer friendly as we can. That's why we have moved the executive session beforehand and the public comments are at the beginning of the meeting. I thank you for your patience as we worked to fine-tune the agenda order.

It has been a difficult time lately to be a train rider and our customers' patience has been put to the test. As a train rider myself, let me assure you that I have felt our customers' pain. Over the past week or so, we've not been able to dependably offer the level of service that we had hoped for during our PTC installation. This has not only been a result of taking equipment out of service for PTC but also has been the culmination of years of under-investment which has compounded issues such as staffing levels. Unfortunately, these are issues that won't be solved overnight.

To give you a sense of what I'm talking about, from 2010 through 2017, there were only 11 locomotive engineer training classes scheduled. In 2010, there were no locomotive engineer training classes at all. During that time, we experienced a net loss of 47 engineers. Now, we are forced to make up for eight years of inattentiveness to engineer recruitment. Fortunately, we've already begun the process of moving in the right direction. We've ramped up the number of training classes to four per year, running concurrently. We anticipate a new class of locomotive engineers graduating this month, bringing nine new engineers to the roster. We're also incentivizing current conductors to become engineers. By doing this, we can leverage their railroad experience and accelerate their engineer training to less than a year.

Our PTC program continues to advance at a dramatic rate – and to accelerate. We continue working with the Federal Railroad Administration (FRA) to meet the milestones in front of us. When I arrived at NJ TRANSIT, we were at 12-percent completion. In just the past quarter alone, we've moved from 13-percent completion to 52-percent. As of August 6th, we had 100 locomotives and cab cars outfitted with PTC equipment. We've trained 90-percent of all engineers, signal technicians and others that need to be PTC trained. And, we've completed installation of 70-percent of the required wayside antennas, radios and other equipment on the railroad rights-of-way. While moving up to 52-percent completion is remarkable progress, we still have much to do. To continue the pace we're moving at, and to meet the remaining requirements, we will unfortunately have to make additional service adjustments.

Beginning September 5th all service on the Atlantic City Rail Line (ACRL) will be temporarily suspended. On September 10th the off-peak one seat rides on the Raritan Valley Line will be temporarily adjusted with those trains terminating in Newark. We recognize this is an inconvenience to our customers. Because of that, we're taking numerous actions to continue meeting the travel demands of customers including discounts and cross-honoring options on the ACRL.

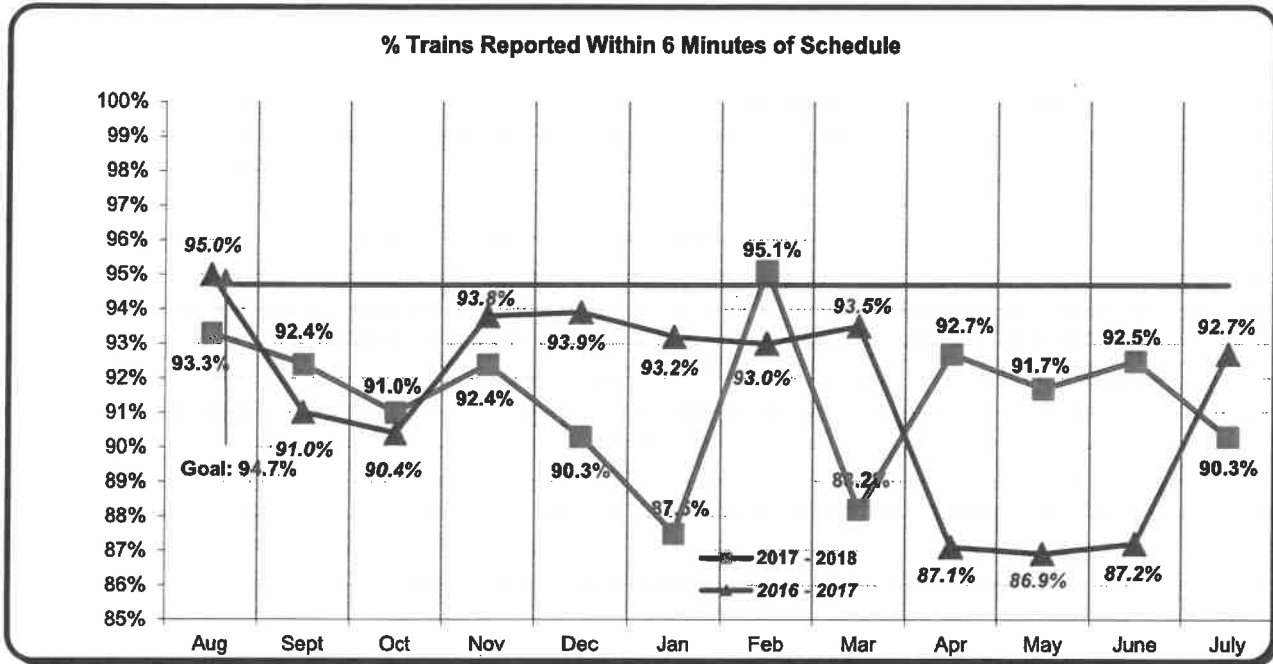
It's not just the rail side that we are addressing. We continue our efforts to recruit additional bus operators. On July 23rd and 24th, we, along with the ATU, co-hosted a special open house at Bergen Community College in Paramus in which we invited referrals from current NJ TRANSIT employees. We had a great turnout with 246 people attending. We've already made ten offers with more to come. We also continue to highlight our \$6,000 sign-on bonus for any applicant who already possesses a CDL A or B license with a passenger endorsement and air brakes. An additional recruitment event is being planned in South Jersey coming up late summer or early fall.

EXECUTIVE DIRECTOR'S MONTHLY REPORT AUGUST 8, 2018

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

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL AUGUST 2016 - JULY 2018



	2017	2018	# Change
July Comparison	92.7%	90.3%	-2.4%

	2016-2017	2017-2018	# Change
12-Month Average Aug. 2017 - July, 2018	91.5%	91.5%	0.0%

Analysis:

Rail On-Time Performance was 90.3% for July, 2018. Of the 18,364 trains scheduled to operate, 16,576 were on time, while 1,788 trains (or 9.7%) were delayed. Key causes included:

- Amtrak trackside failure, Amtrak catenary failure and NJT programmed maintenance contributed to 81 delays resulting in 84.6% OTP on July 19.
- Amtrak Signal Failure, NJT shortage of equipment, NJT engineer availability and NJT unruly customer contributed to 86 delays resulting in 84.0% OTP on July 23.
- Amtrak signal failure, NJT engineer availability, NJT police activity, NJT signal failure, NJT weather related issues and NJT open bridge contributed to 102 delays resulting in 81.9% OTP on July 27.

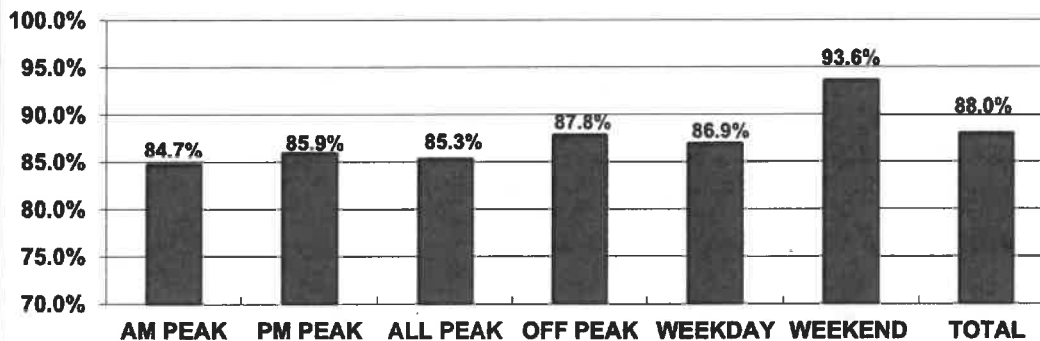
The 12-month average for Rail On-Time Performance August, 2017 - July, 2018 was 91.5%, which is no change.

ON-TIME PERFORMANCE RAIL

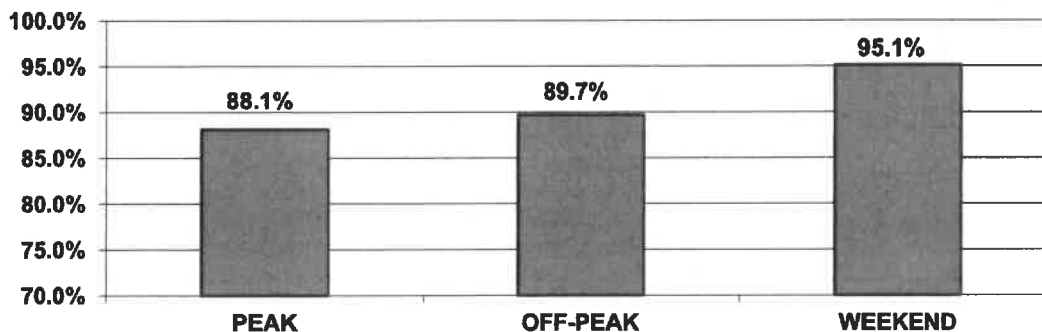
SUMMARY BY TIME PERIOD JULY, 2018

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

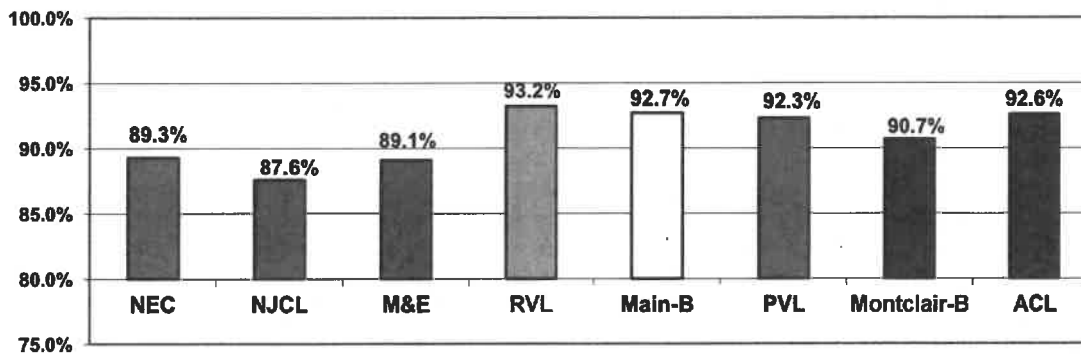
% NEW YORK PENN STATION Trains Reported On Time *



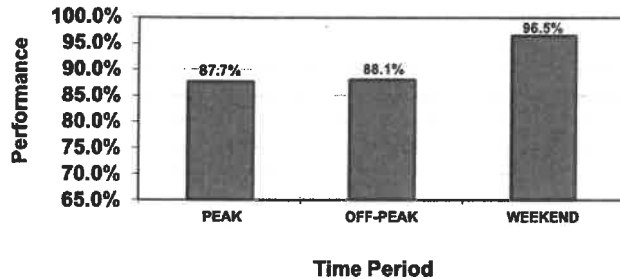
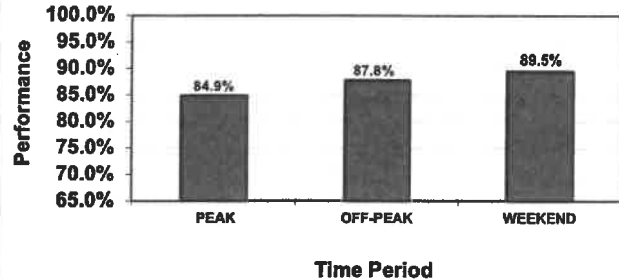
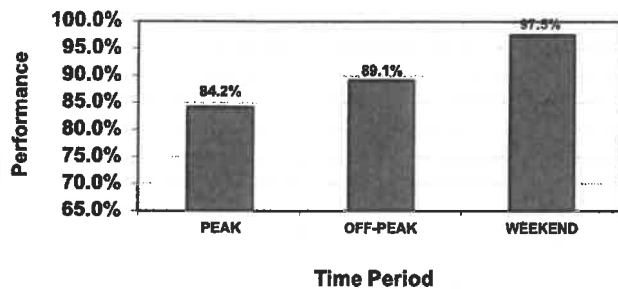
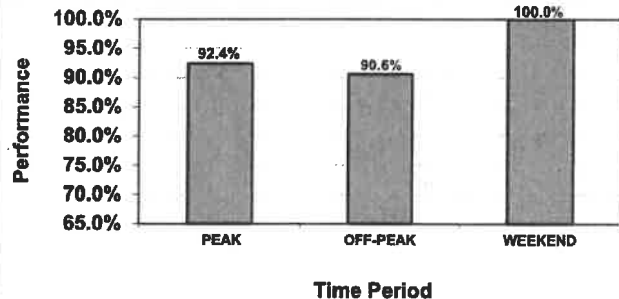
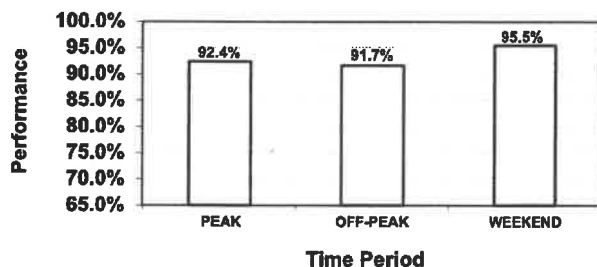
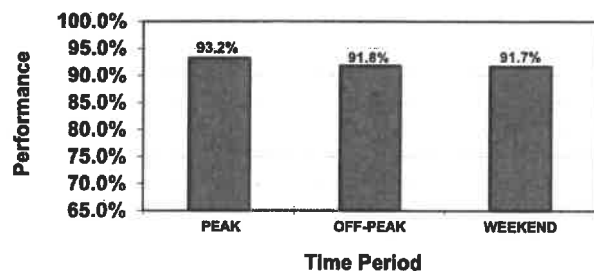
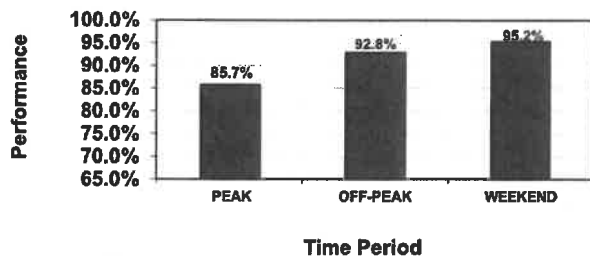
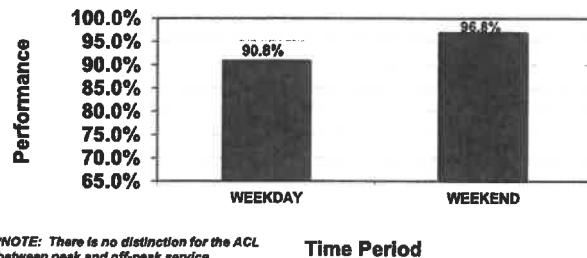
% SYSTEMWIDE Trains Reported On Time



% BY LINE Trains Reported On Time



ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JULY, 2018

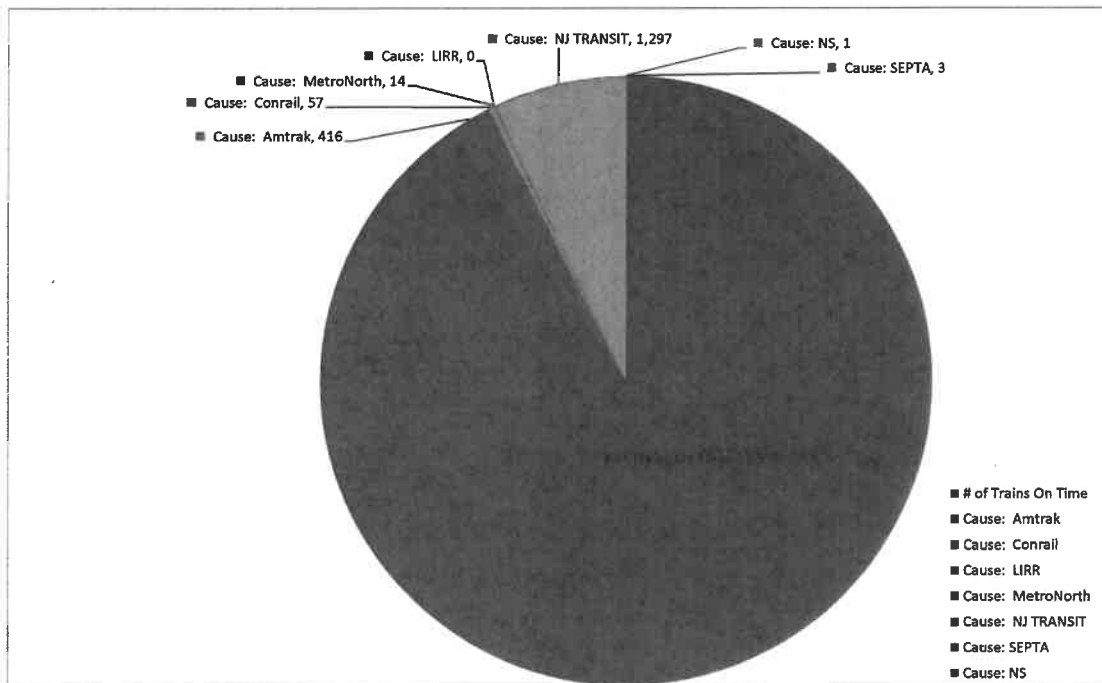
NORTHEAST CORRIDOR**NORTH JERSEY COAST LINE****MORRIS & ESSEX****RARITAN VALLEY LINE****MAIN-BERGEN****PASCACK VALLEY****MONTCLAIR-BOONTON****ATLANTIC CITY***

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

NJ TRANSIT Performance - JULY, 2018

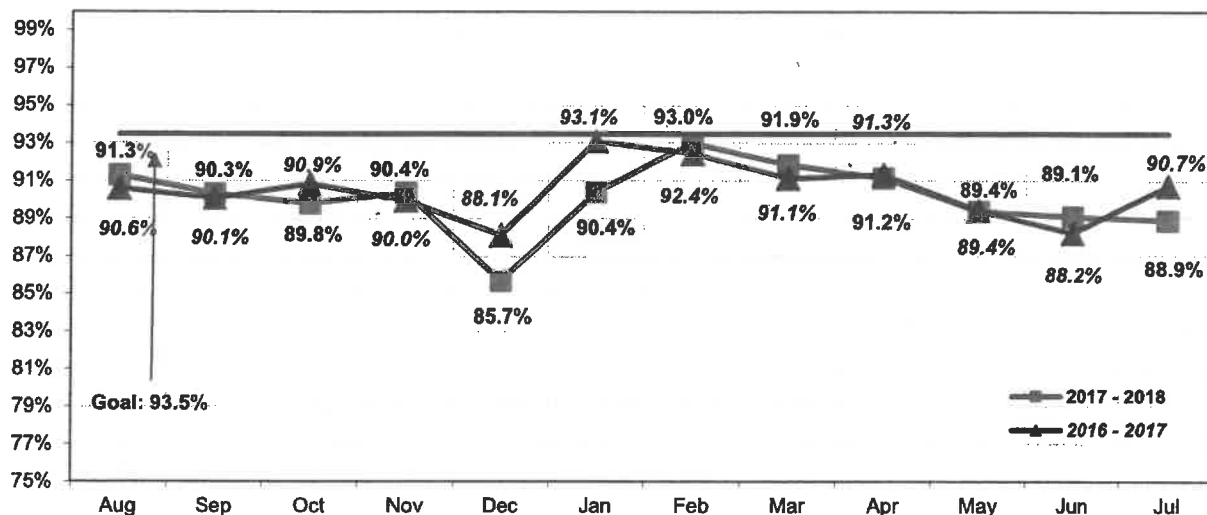
Late NJ TRANSIT Trains

# of Trains On		Cause: Amtrak	Cause: Conrail	Cause: LIRR	Cause: MetroNorth	Cause: NJ TRANSIT	Cause: SEPTA	Cause: NS
# of Trains On Time	16,576	416	57	0	14	1,297	3	1
# of Late Trains	1,788	2.27%	0.31%	0.00%	0.08%	7.06%	0.02%	0.01%
Total # of Trains	18,364							
Percentage On Time	90.3%							



NJ TRANSIT ON-TIME PERFORMANCE BUS AUGUST 2016 - JULY 2018

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2016 - 2017	2017 - 2018	% Change
July Comparison	90.7%	88.9%	-1.8%

	2016 - 2017	2017 - 2018	% Change
12-Month August 2017 - July 2018	90.5%	90.1%	-0.4%

Analysis:

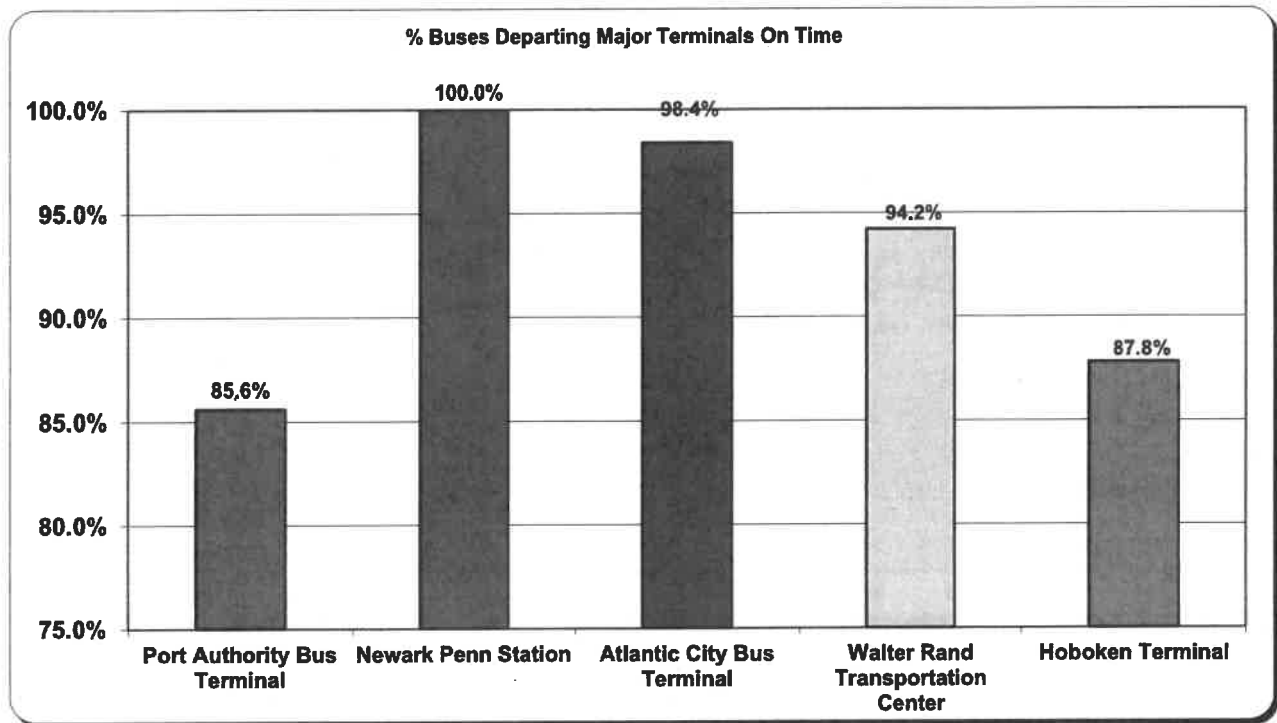
Bus On-Time Performance was 89.1% for July 2018. Of the 37,246 monitored departures 4,131 (or 11.1%) experienced delays. Key causes included:

- At Port Authority Bus Terminal, emergency vehicles blocked the XBL on July 5, an accident and overturned vehicle closed 495 westbound on July 18, and weather-related delays on July 27 impacted service.
- eStarter was not functioning at Newark for a portion of the month. The problem has been addressed and corrected.
- Construction on Washington Street continues to impact performance at Hoboken. The project has been rescheduled and will continue until August. The heavy rain and flooding caused additional delay.

The 12-month average for Bus On-Time Performance for August 2017 - July 2018 was 90.1%, which

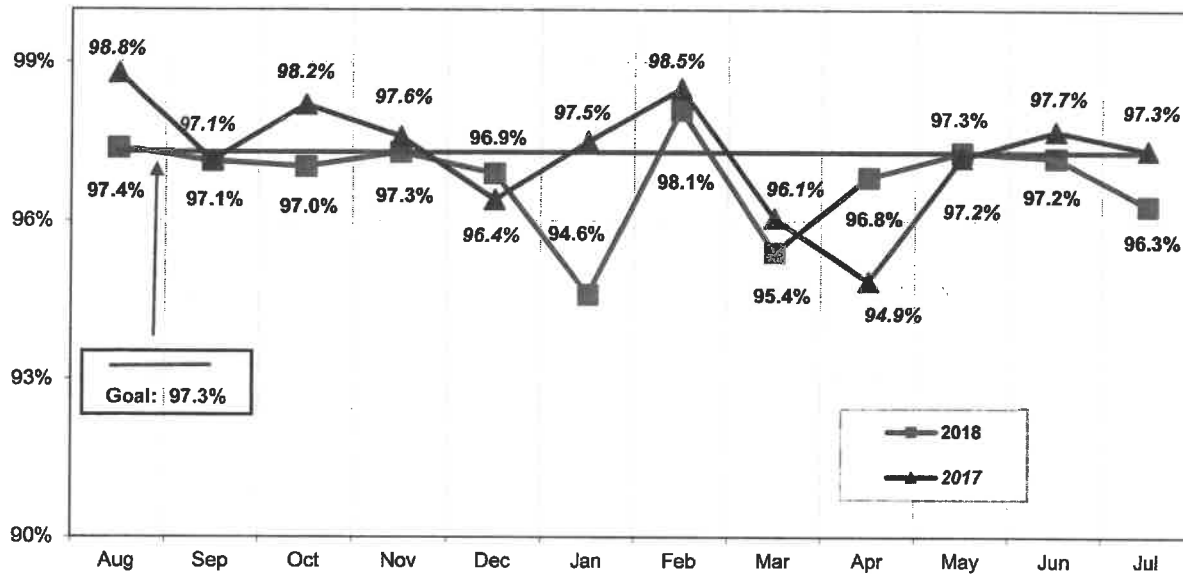
ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL JULY 2018



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL AUGUST 2016 - JULY 2018

% Light Rail Trains Reported On Time



July Comparison

2017	2018	# Change
97.3%	96.3%	-1.0%

12-Month Average Ended Aug 2017 - Jul 2018

2017	2018	# Change
97.3%	96.8%	-0.5%

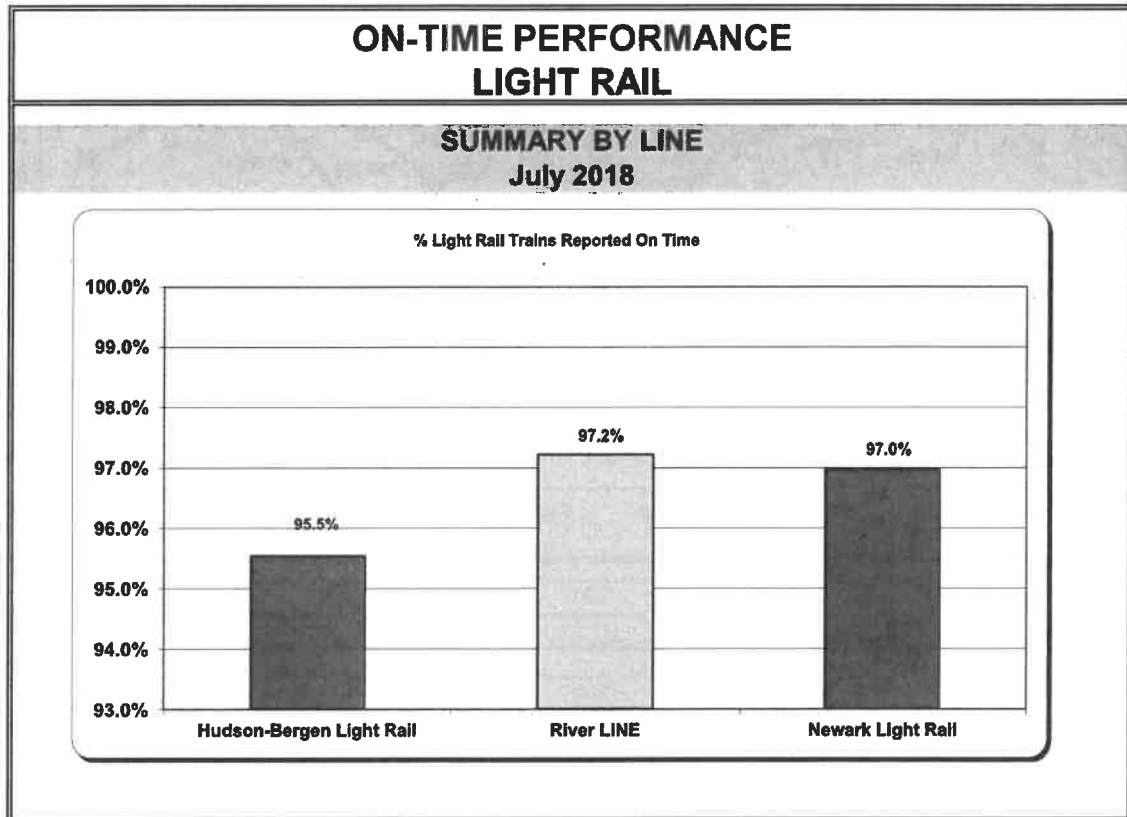
Analysis:

Light Rail On-Time Performance systemwide was 96.3% for the month of July 2018. Of the 26,903 scheduled departures, 999 (or 3.7%) experienced delays.

Key causes included:

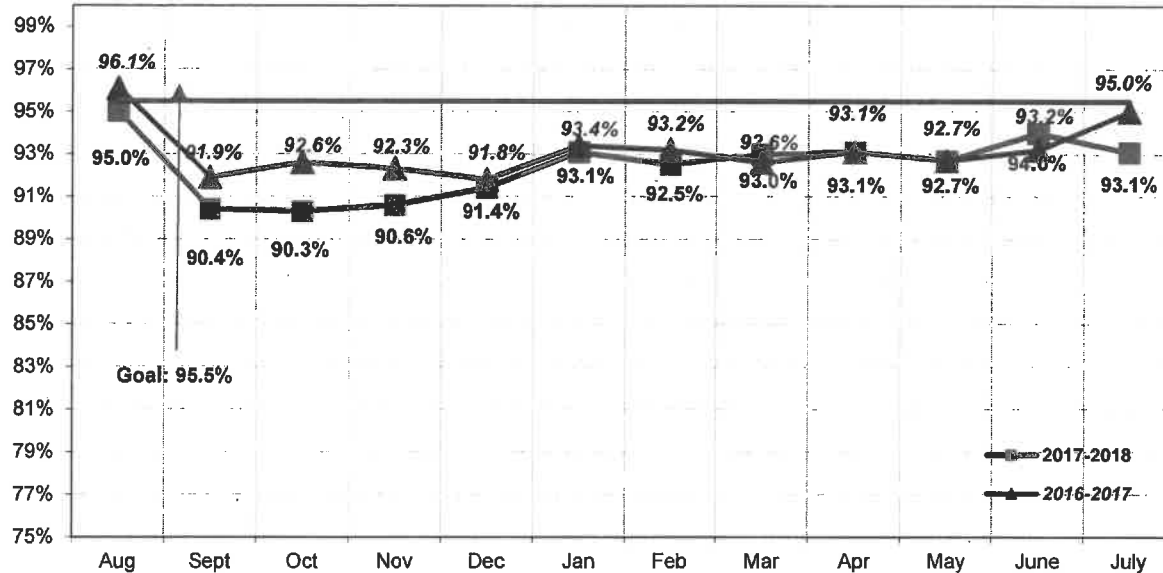
- Downed tree branches near Tonnelle Ave. delayed 21 HBLR Line trains on July 23.
- LRV collision at 5th St. and Federal St. in Camden delayed 3 RiverLine trains on July 14.
- Police activity in Newark between Penn Station & Broad Street delayed 34 NLR trains on July 23.

The 12-month average for Light Rail On-Time Performance for August 2017 - July 2018 was 96.8%, which decreased by 0.5 %.



NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK August 2016 - July 2018

(ADA, PCAs and Companion Ridership)



	2017	2018	% Change
July Comparison	95.0%	93.1%	-1.9%

	2017	2018	Difference
July Ridership	130,592	136,371	5,779

	2016-2017	2017-2018	% Change
12-Month Average August-July	93.2%	92.4%	-0.8%

Analysis:

Access Link On-Time Performance was 93.1% for July, 2018. In serving 136,371 total riders, for 122,937 ADA customers trips, 8,503 (or 6.9%) experienced delays.

Key causes include:

- * Road closures / due to construction
- * Customer no-show and cancellations

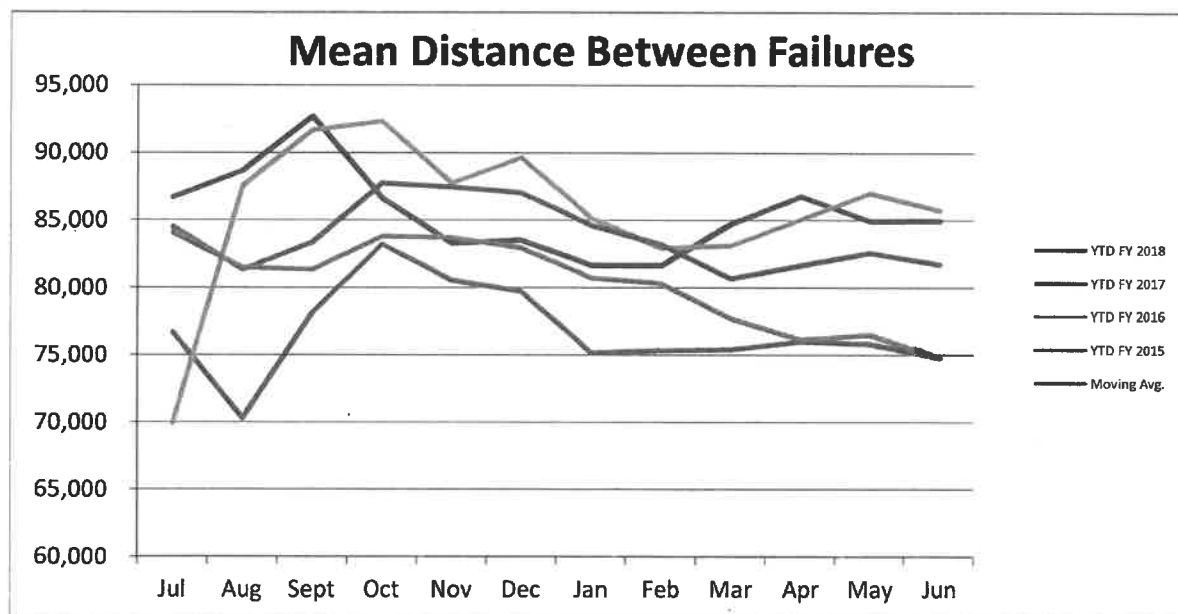
The 12-month average for Access Link On-Time Performance for August 2016 - July 2018 was 92.4%, which decreased by -0.8%.

MEAN DISTANCE BETWEEN FAILURES

June 2018

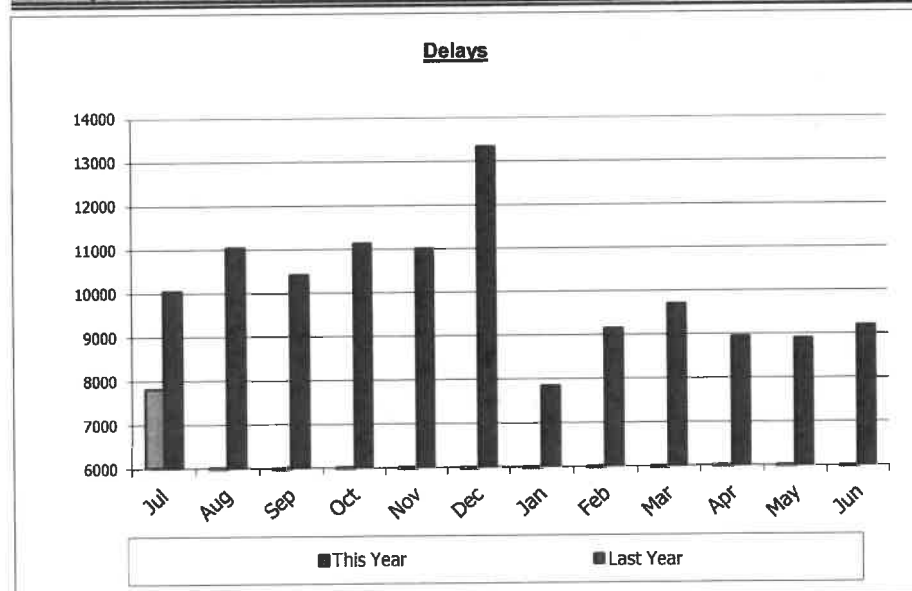
NJ TRANSIT Rail Operations
Mean Distance Between Failures

					12 Month
Month	YTD FY2018	YTD FY2017	YTD FY2016	YTD FY2015	Moving Avg.
Jul	76,674	86,683	69,926	84,508	84,069
Aug	70,263	88,680	87,565	81,319	81,472
Sept	78,151	92,705	91,669	83,368	81,337
Oct	83,213	86,626	92,329	87,750	83,800
Nov	80,523	83,272	87,756	87,434	83,720
Dec	79,711	83,501	89,655	87,042	82,929
Jan	75,139	81,633	85,167	84,607	80,711
Feb	75,324	81,639	82,949	83,179	80,309
Mar	75,376	84,715	83,112	80,659	77,686
Apr	75,968	86,771	85,060	81,649	76,108
May	75,787	84,920	87,022	82,566	76,487
Jun	74,776	84,936	85,722	81,704	74,776



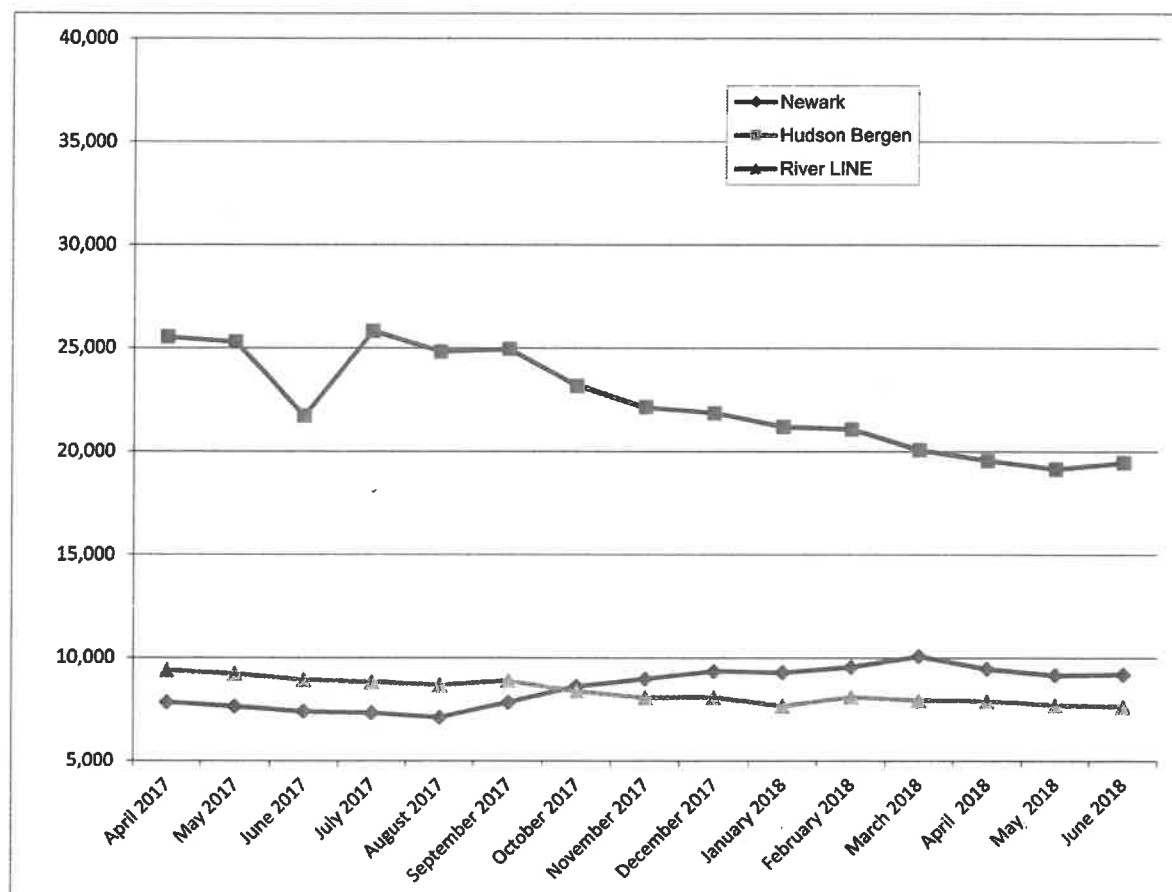
Garage Performance Parameters**July 2018**

Location	Miles Between In-Service Delays			
	FY2019 Goal	This Month	FY2019 YTD	FY2018 YTD
Fairview	6,000	3,557	3,557	5,159
Greenville	7,500	3,498	3,498	3,864
Market Street	8,500	6,126	6,126	7,737
Meadowlands	10,200	5,149	5,149	6,732
Oradell	10,500	6,133	6,133	8,263
Wayne	10,500	6,536	6,536	10,239
Northern Division	-	5,413	5,413	7,318
Big Tree	8,800	4,636	4,636	7,043
Hilton	10,200	7,821	7,821	9,024
Howell	16,750	20,473	20,473	35,754
Ironbound	9,600	7,103	7,103	10,151
Orange	9,250	7,380	7,380	7,319
Morris	10,500	47,215	47,215	46,912
Central Division	-	8,943	8,943	11,609
Egg Harbor	15,500	20,037	20,037	16,803
Hamilton	13,000	6,321	6,321	9,082
Newton Avenue	12,000	8,878	8,878	16,088
Washington Twp.	14,500	12,989	12,989	11,965
Southern Division	-	12,092	12,092	13,477
Bus Operations	-	7,811	7,811	10,050



NJ TRANSIT - LIGHT RAIL, June 2018**Average Miles Between In Service Failures**

NJT LIGHT RAIL	MDBSF * June 2018
Newark Light Rail	9,188
Hudson Bergen	19,470
River LINE	7,618

AVERAGE MILES BETWEEN IN-SERVICE MECHANICAL FAILURES

* Mechanical failure data for 3 LR systems, calculated as a rolling average over multiple months.

** Newark Light Rail operates much less mileage, with all single-car trains and a 5 mile alignment.

DBE/SBE PROGRAM

NJ TRANSIT –Office of Business Development Additional DBE/SBE Participation for July 2018**State Funded Contracts**

During the month July 2018, NJ TRANSIT awarded **\$225,000.00** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$0.00** or **0.00%**.

During the State Fiscal Year **2019** (July 1, 2018 through June 30, 2019) NJ TRANSIT awarded **\$225,000.00** in state funded contracts. Of that total, SBEs received **\$0.00** or **0.00%**.

SBE Goal Attainment from July 1, 2018 through June 30, 2019 (FY 2019)

Category 1 SBEs received	\$0.00	or 0.00%
Category 2 SBEs received	\$0.00	or 0.00%
Category 3 SBEs received	\$0.00	or 0.00%
Category 4 SBEs received	\$0.00	or 0.00%
Category 5 SBEs received	\$0.00	or 0.00%
Category 6 SBEs received	\$0.00	or 0.00%

FTA Funded Contracts (updated Quarterly – next update will occur October 2018)

During the 3rd Quarter (April 1, 2018 – June 30, 2018) of Federal Fiscal Year 2018 (October 1, 2017 through September 30, 2018), the FTA funded share of NJ TRANSIT's federal contracts awarded was **\$0.00**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$0.00** or **0.00%**.

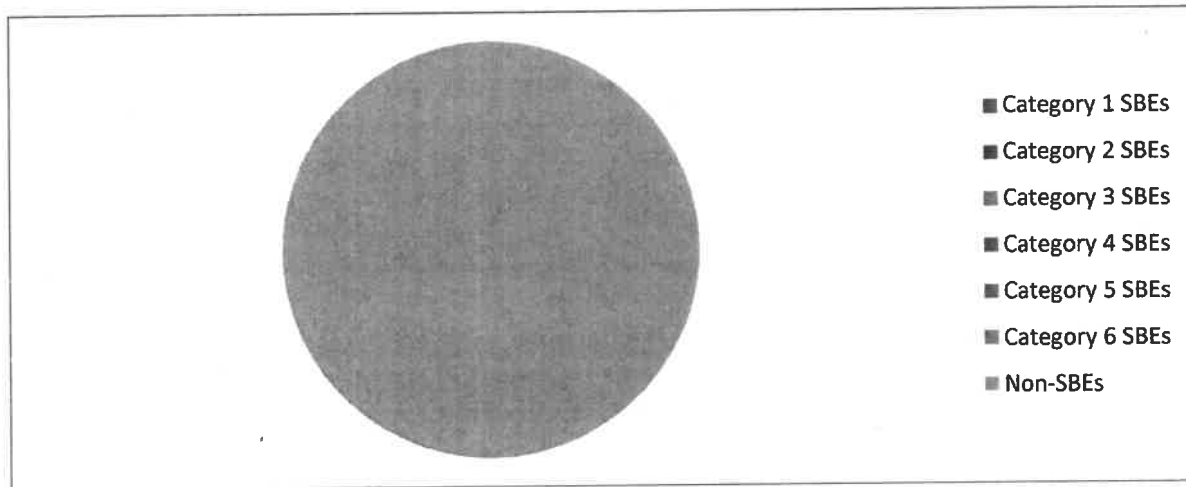
DBE Goal Attainment from April 1, 2018 – June 30, 2018 (FFY 2018) **

Contracts awarded	\$0.00
DBEs received	\$ 0.00 or 0.00%

****Numbers reflect federal share.**

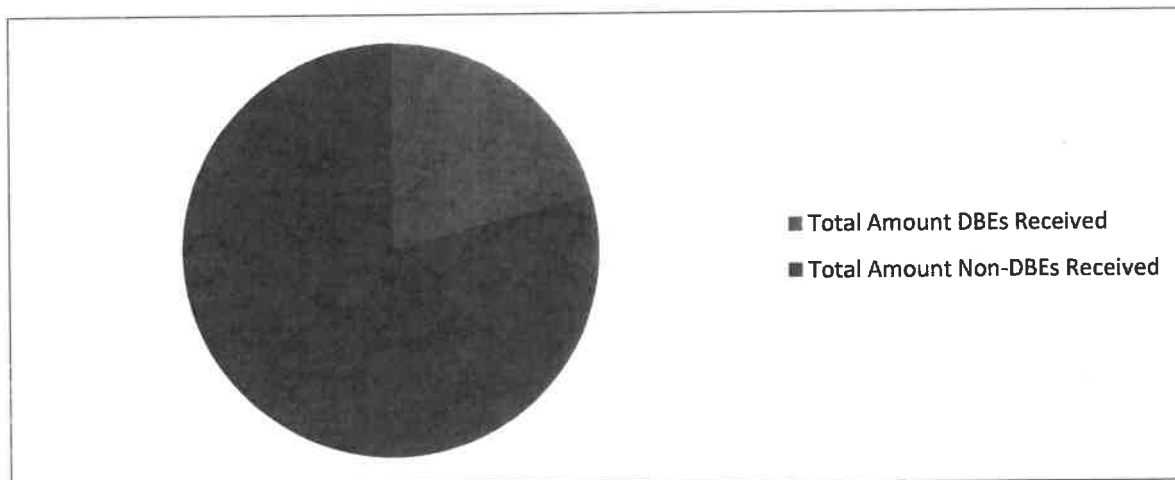
SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD 2018

<i>Category 1 SBEs</i>	\$0.00	0.00%
<i>Category 2 SBEs</i>	\$0.00	0.00%
<i>Category 3 SBEs</i>	\$0.00	0.00%
<i>Category 4 SBEs</i>	\$0.00	0.00%
<i>Category 5 SBEs</i>	\$0.00	0.00%
<i>Category 6 SBEs</i>	\$0.00	0.00%
<i>Non-SBEs</i>	\$225,000.00	0.00%



DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD 2018

Total Amount DBEs Received	\$8,233,145.97	20.84%
Total Amount Non-DBEs Received	\$31,268,353.77	79.16%



EMPLOYEE RECOGNITION

NJ Transit Employees bid Farewell after outstanding careers

13 NJ TRANSIT employees retired recently with careers ranging from 10 to 41 years of service:

1. Jeffrey Accordino, Supervisor Structures – Hoboken – 40 years
2. Willis Barrett, Spec-Communications – MMC-Kearny – 30 years
3. Albert Beyens, Foreman MOE – Hoboken Car Shed – 35 years
4. George Cherepanik, Signal Inspector – Wood-Ridge – 35 years
5. William Gindhart, Assistant Conductor – Various Locations – 16 years
6. Samy Helmi, Lead Mechanic Electric Shop – Newark Penn Station – 15 years
7. Ronald Johnson Jr., Lead Maintainer – Long-Branch – 30 years
8. Pavel Kostik, Machinist – MMC – 10 years
9. Richard Mackey Jr., Lead Laborer – Spring Valley Yard – 41 years
10. Robert Miller, Assistant Conductor – Various Locations – 12 years
11. Vincenzo Murolo, Mechanic B & B – Hoboken – 31 years
12. Nancy Pennacchio, Crew Caller – MMC – 38 years
13. Gary Zachary, Machinist – MMC – 30 years

ACTION ITEMS

ITEM 1808-54:

FISCAL YEAR 2019 OPERATING BUDGET

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 2019 State Budget which includes appropriations for public transportation purposes; and

WHEREAS, staff has recommended a Fiscal Year 2019 Operating Budget for NJ TRANSIT as detailed in the item and Exhibits A, B and C attached hereto; and

WHEREAS, NJ TRANSIT's \$2.316 billion Fiscal Year 2019 Operating Budget provides continued support and resources for the operations of NJ TRANSIT Bus, Rail, Light Rail and Access Link services; and

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

WHEREAS, the Fiscal Year 2019 Operating Budget recognizes State operating assistance of \$307.5 million; and

WHEREAS, total revenues of \$2.316 billion are estimated to be available from various sources without a fare increase or service cuts representing a \$98.1 million increase from FY2018; and

WHEREAS, passenger and commercial revenue represent 48 percent of the total FY 2019 revenue budget and are estimated at \$1.103 billion; and

WHEREAS, when compared to FY 2018, total State funding increases by \$166.6 million to \$593.6 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 2020 Budget is not finalized prior to the June 2019 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 2020 budget prior to July 2019, it will be necessary to expend funds after July 1, 2019, prior to the final adoption of the Fiscal Year 2020 budget;

NOW, THEREFORE, BE IT RESOLVED that the NJ TRANSIT Board of Directors adopts the Fiscal Year 2019 Operating Budget in the amount of \$2.316 billion; and

BE IT FURTHER 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 Chair 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 Chair 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 Chair 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 2019 Operating Budget item, resolution and attachments and until the adoption and approval of the Fiscal Year 2020 Operating Budget.

EXHIBIT A**FISCAL YEAR 2019
OPERATING BUDGET
REVENUES**

Total Revenues **\$2,315.9 million**

NJ TRANSIT revenues are budgeted at \$2.316 billion, an increase of \$98.1 million or 4.4 percent compared to the Fiscal Year 2018 Operating Budget.

Specific assumptions are described below.

Passenger Revenue **\$985.8 million**

The Fiscal Year 2019 Operating Budget includes passenger revenue of \$985.8 million, a decrease of \$28.2 million over the final Fiscal Year 2018 Operating Budget. This decrease is required to correct the structural passenger revenue shortfall caused by the previously unrealistic annual passenger revenue assumptions.

Other Commercial Revenue **\$117.4 million**

Other commercial revenues are budgeted at \$117.4 million. This revenue includes advertising, parking, permits and other system generated revenue.

State Operating Assistance **\$307.5 million**

State operating assistance is budgeted at \$307.5 million in Fiscal Year 2019, a significant increase of \$166.6 million over FY 2018. This funding level provides the necessary resources to make investments in people, equipment, and safety programs to meet New Jersey TRANSIT's FY 2019 operating budget needs.

Other State and Federal Reimbursements **\$905.2 million**

Other State and Federal reimbursements budgeted at \$905.2 million is comprised of major items such as \$510.8 million in capital maintenance funding, a \$50 million increase compared to FY 2018. This source supports 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 \$154.0 million from the NJ Turnpike Authority and an allocation from the State Clean Energy fund of \$82.1 million. The remainder of \$158.3 million includes both State and federal funding primarily for planning and expense projects.

EXHIBIT B

**FISCAL YEAR 2019
OPERATING BUDGET
EXPENSES**

Total Expenses **\$2,315.9 million**

NJ TRANSIT expenses are budgeted at approximately \$2.316 billion, an increase of \$98.1 million compared to the Fiscal Year 2018 Operating Budget.

Labor and Fringe Benefits **\$1,407.6 million**

Labor and fringe benefits are budgeted at \$1.408 billion and represent approximately 61 percent of budgeted expenses. This increase includes incremental funding for an additional 114 staff in critical areas within bus, rail, light rail, police operations and strategic administrative support services.

Fuel, Power, Materials and Supplies and Utilities **\$326.2 million**

Fuel, power, materials and supplies costs are budgeted at \$326.2 million, an increase of \$8.4 million from the final Fiscal Year 2018 Operating Budget.

Purchased Transportation **\$255.8 million**

Purchased transportation expenses are budgeted at \$255.8 million for existing Access Link, Light Rail, and Private Carrier Bus contracts.

Other Expenses **\$326.3 million**

All other expenses are budgeted at \$326.3 million, a net increase of \$16.3 million over the final Fiscal Year 2018 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 2019 Proposed Operating Budget
(\$ in millions)**

	FY 2018	FY 2019	Difference	
	Budget	Budget	\$	%
<u>REVENUES:</u>				
Passenger Revenue	\$1,014.0	\$985.8	(\$28.2)	-2.8%
Other Revenue	\$115.1	\$117.4	\$2.3	2.0%
TOTAL REVENUE	\$1,129.1	\$1,103.2	(\$25.9)	-2.3%
<u>OPERATING ASSISTANCE:</u>				
State Operating Assistance	\$140.9	\$307.5	\$166.6	118.2%
Other State and Federal Reimbursements	\$947.8	\$905.2	(\$42.6)	-4.5%
TOTAL OPERATING ASSISTANCE	\$1,088.7	\$1,212.7	\$124.0	11.4%
<u>TOTAL REVENUES & OPERATING ASSISTANCE</u>	<u>\$2,217.8</u>	<u>\$2,315.9</u>	<u>\$98.1</u>	<u>4.4%</u>
<u>EXPENSES:</u>				
Labor and Fringe Benefits	\$1,346.4	\$1,407.6	\$61.2	4.5%
Services	\$142.9	\$152.4	\$9.5	6.6%
Fuel & Power	\$106.7	\$113.2	\$6.5	6.1%
Materials & Supplies	\$165.2	\$167.0	\$1.8	1.1%
Utilities	\$45.9	\$46.0	\$0.1	0.2%
Claims & Insurance	\$33.2	\$35.2	\$2.0	6.0%
Purchased Transportation	\$243.6	\$255.8	\$12.2	5.0%
Tolls & Trackage Fees	\$85.5	\$88.8	\$3.3	3.9%
Other	\$48.4	\$49.9	\$1.5	3.1%
<u>TOTAL EXPENSES</u>	<u>\$2,217.8</u>	<u>\$2,315.9</u>	<u>\$98.1</u>	<u>4.4%</u>

FY2019 BUDGET RECOMMENDATION



FY 2019 BUDGET – OPERATING BUDGET REVENUE

	FY 2018	FY 2019	\$ Change	% Change
REVENUES (in Millions)				
Customer Fares	\$ 1,014.0	\$ 985.8	(\$ 28.2)	-2.8%
Other Commercial Revenue	115.1	117.4	2.3	2.0
State Operating Assistance	140.9	307.5	166.6	118.2
Other State and Federal Reimbursements	947.8	905.2	(42.6)	-4.5
TOTAL REVENUE	\$ 2,217.8	\$ 2,315.9	\$98.1	4.4%

FY 2019 BUDGET – REVENUE BUDGET HIGHLIGHTS

FARES

- No fare increase in FY 2019

REVENUE

- Customer revenue decrease of \$28.2m or 2.8%

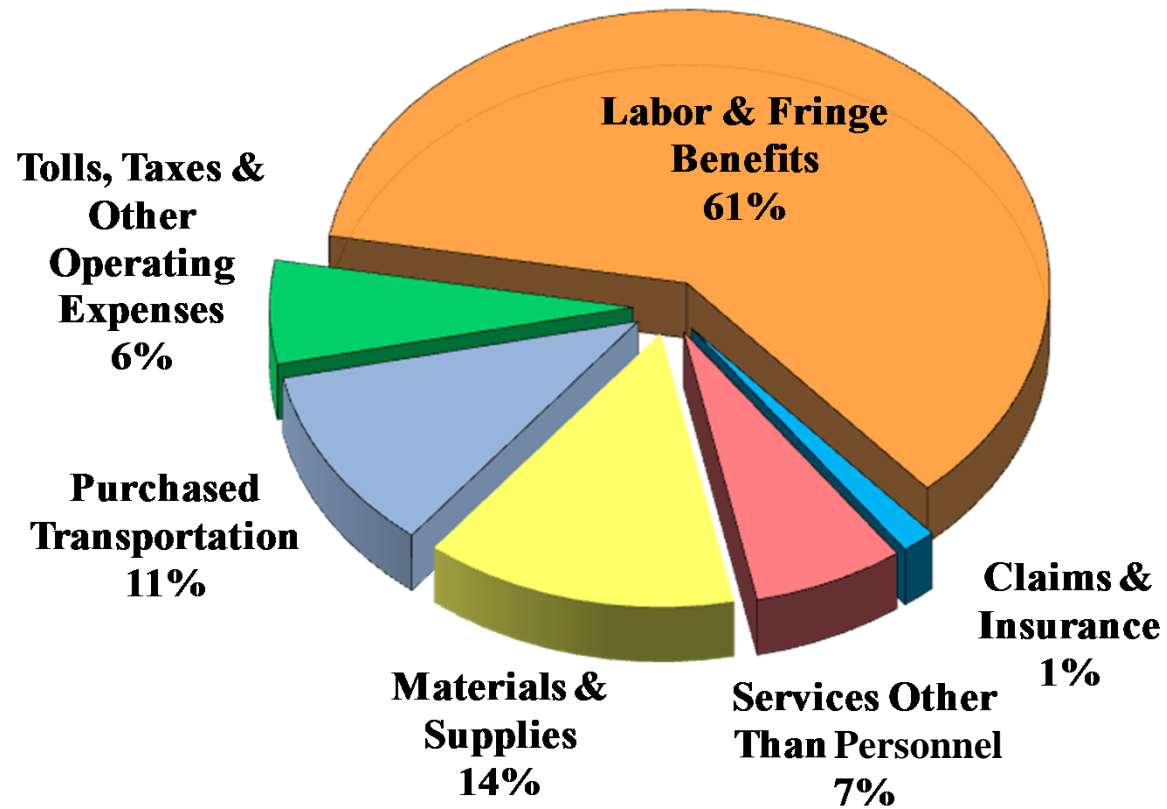
STATE OPERATING ASSISTANCE

- State Operating Appropriation increases by \$166.6m to \$307.5m from \$140.9m. All State assistance combined increases by almost 40% from \$427m to \$593.6m.

OTHER STATE AND FEDERAL REIMBURSEMENTS

- \$45m reduction of Federal Preventative Maintenance funding, \$50m reduction in funding from the NJ Turnpike offset by \$50m increase in capital to operating result in a 4.5% reduction to \$905.2m from \$947.8m.

FY 2019 BUDGET – Expenses



FY 2019 BUDGET – OPERATING BUDGET EXPENSE

	FY 2018	FY 2019	\$ Change	% Change
EXPENSES (in Millions)				
Labor & Fringe Benefits	\$ 1,346.4	\$ 1,407.6	\$ 61.2	4.5%
Material & Supplies	317.8	326.2	8.4	2.6
Services Other than Personnel	142.9	152.4	9.5	6.6
Purchased Transportation	243.6	255.8	12.2	5.0
Insurance and Claims	33.2	35.2	2.0	6.0
Tolls, Taxes & Other Operating Expenses	133.9	138.7	4.8	3.6
TOTAL EXPENSES	\$ 2,217.8	\$ 2,315.9	\$ 98.1	4.4%

FY 2019 BUDGET – EXPENSE BUDGET HIGHLIGHTS

GROWTH

- \$98.1m or 4.4% compared to FY 2018

COSTS

- Contract settlements
- Health benefits escalation
- Headcount increases

HEADCOUNT

- Expands the workforce by 114 staff in critical areas within bus, rail, light rail, police operations and strategic administrative support service including:
 - 22 positions for new Bus Service to alleviate overcrowding, correct time-points on bus schedules and for detour mitigation
 - 21 positions - Civil Rights, EO/AA, Diversity, Compliance, ADA and Human Resources
 - 18 positions for training instructors, electronic systems support and regional supervisors
 - 17 positions to fully staff procurement
 - 13 positions for Senior Trainmasters, Road Foreman, Engineer and Conductor Training and Infrastructure Engineering
 - 7 positions for Hoboken Track Maintenance
 - 6 positions for Positive Train Control

ITEM 1808-55:

FISCAL YEAR 2019 CAPITAL PROGRAM

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, NJ TRANSIT's Capital Program is the result of an established, annual process involving both internal personnel and external agencies; and

WHEREAS, NJ TRANSIT and the New Jersey Department of Transportation (NJDOT), along with federal partners, collaborate to estimate resource levels; and

WHEREAS, the Fiscal Year 2019 anticipated capital resources are \$1.465 billion, including \$594 million of federal funds, \$810 million of Transportation Trust funds, and \$61 million of Local Match and Casino Revenue funds; and

WHEREAS, a summary of the Fiscal Year 2019 Sources of Funds is presented in Attachment 1; and

WHEREAS, the Fiscal Year 2019 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, an emphasis on better preparing NJ TRANSIT to withstand, and recover from, future extreme weather events through building a more resilient system remains a key focus of the Capital Program; and

WHEREAS, the Capital Program 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, as well as augmentation of security; and

WHEREAS, the Capital Program continues its investment into the state of good repair of the Northeast Corridor for both infrastructure and station modernization; and

WHEREAS, all aspects of the Scorecard, including Customer Experience, Safety and Security, Financial Performance, Corporate Accountability, and Employee Excellence, are encompassed in the plan; and

WHEREAS, Attachment 2 summarizes funds and percent of the total program by category; and

WHEREAS, \$658 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

WHEREAS, \$41 million will be spent using **Pass Through** funds mandated for a specific use including Casino Revenue Funds and the federal rural transit program; and

WHEREAS, \$291 million will be invested in **Rail Infrastructure Improvement** needs, including \$17 million for bridges, including the \$3 million for Brielle Drawbridge #36.09 Replacement Design, \$50 million to fund electric traction, and signal improvements on the railroad (\$23 million of which will fund Positive Train Control (PTC)), \$21 million to fund the Track Program, \$14 million for Portal Bridge North, and \$80 for Passenger Rail Investment and Improvement Act (PRIIA); and

WHEREAS, \$107 million will be invested in **Rail Rolling Stock Improvements**, including, \$5 million to continue funding for locomotive overhauls to maintain reliability, and \$102 million for the purchase of 113 Multilevel III, and 17 Dual Power Locomotive rail vehicles; and

WHEREAS, \$30 million will be invested in **Rail Station Improvements**, including \$9 million for Elizabeth Station, \$4 million for Perth Amboy Station, and \$7 million for other station and terminal improvements and inspections and repairs; and

WHEREAS, \$151 million will be invested in **Bus and Light Rail Improvements**, including \$7 million for Access Link Bus Replacement, \$7 million Market Street Garage Rehabilitation, \$9 million for the Capital Asset Replacement Programs for both the Newark Light Rail and Hudson-Bergen Light Rail systems, \$6 million on Ferry NTD Capital Improvements, and \$100 million for Cruiser Bus Replacement; and

WHEREAS, \$148 million will be invested in **Systemwide Improvements** including, \$5 million for study and development, \$6 million for safety improvements, and \$11 million for Technology Improvements including, \$3 million for Information System Infrastructure, \$1 million for MAP-21 Enterprise Asset Management, \$0.800 million for Fare Modernization), and \$1 million for Customer Service Station and Signage Maintenance/upgrade; and

WHEREAS, \$39 million **System Expansion** improvements including \$34 million for Northern Branch Expansion, \$2 million for the Hudson Bergen Light Rail Route 440 Improvement, and \$3 million for Transit Rail Initiatives; and

WHEREAS, in Fiscal Year 2019, the Capital Program will be consistent with the Annual Capital Investment Strategy submitted to the State Legislature; and

WHEREAS, the Fiscal Year 2019 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 2019 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 2019 Capital Program in the amount of \$1.465 billion, as described; and

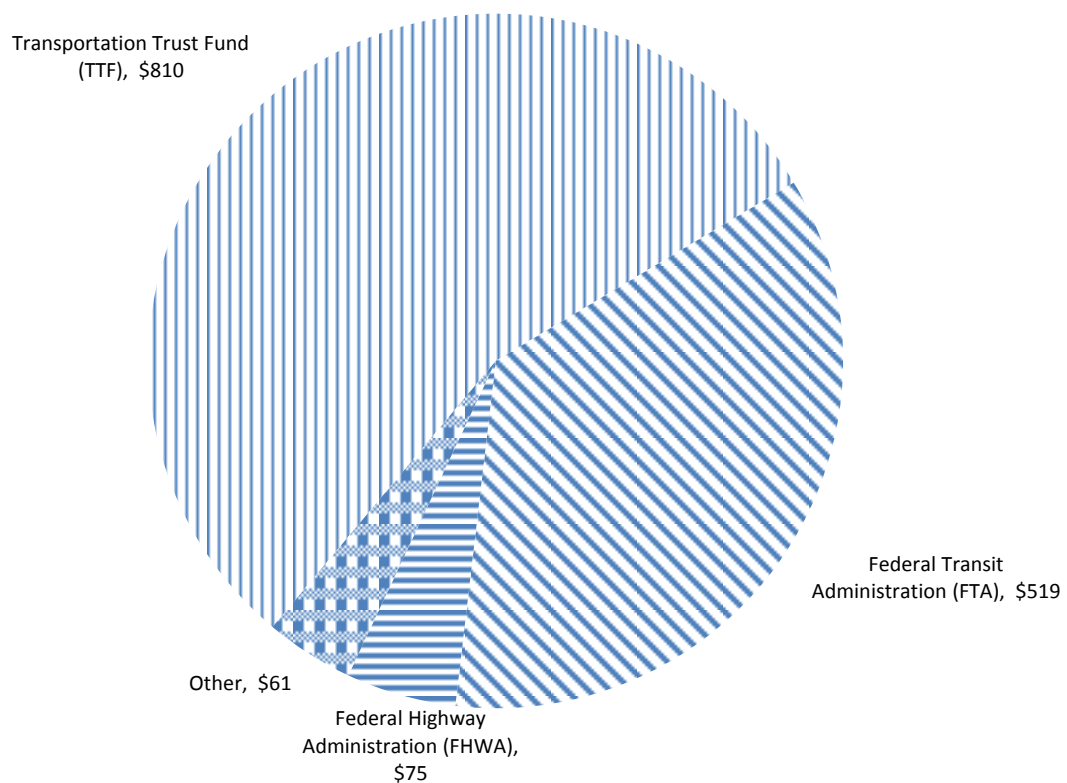
BE IT FURTHER RESOLVED that the Chair or Executive Director is authorized to take whatever actions are necessary to seek and secure the funds envisioned by this program; and

BE IT FURTHER RESOLVED that the Chair 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 Chair 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
FY19 CAPITAL PROGRAM
Sources of Funds
\$1.465 Billion**



ATTACHMENT 2
NJ TRANSIT FY19 CAPITAL PROGRAM
SUMMARY
(\$ in millions)

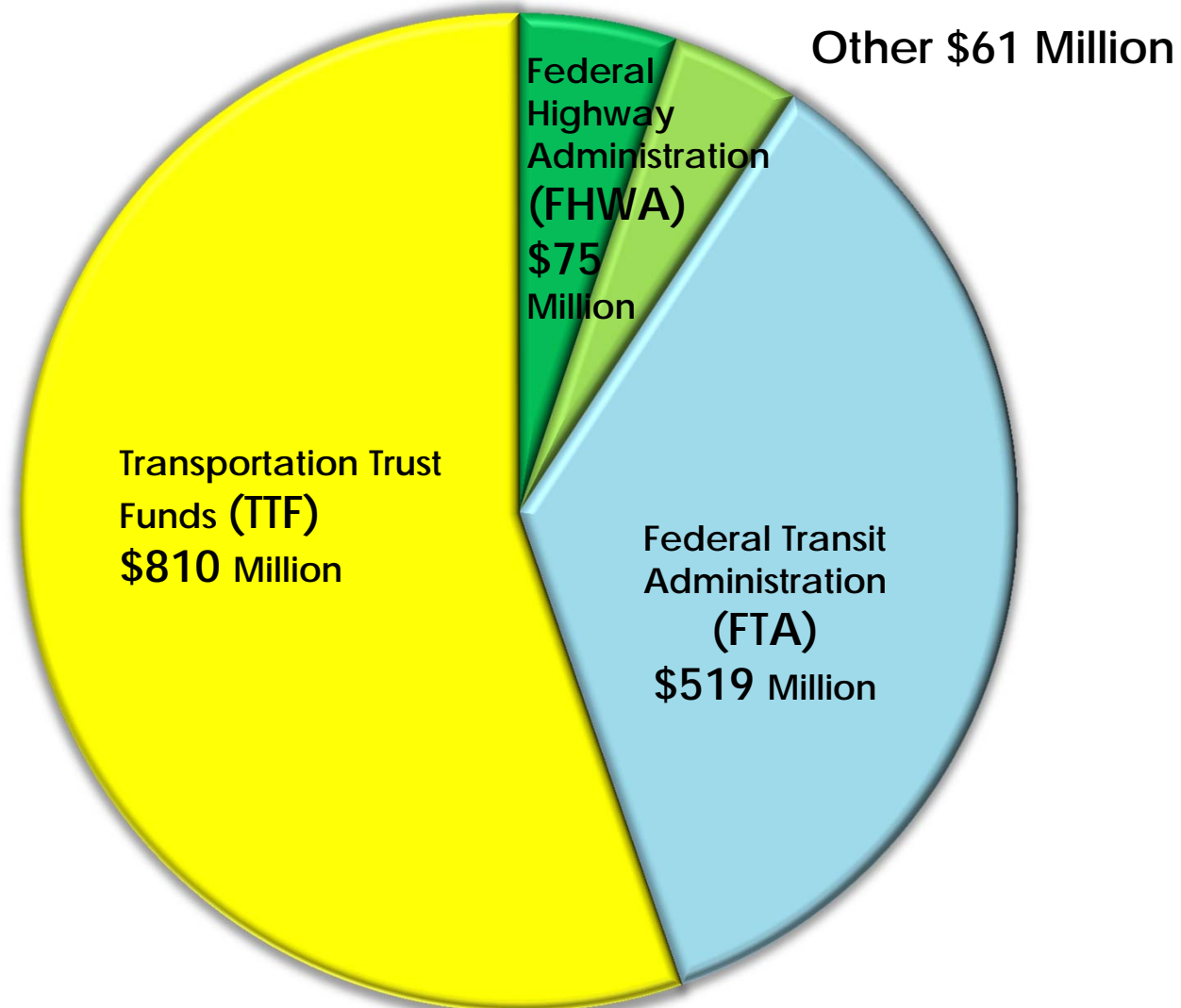
CATEGORY	FY19 AMOUNT	FY19 PERCENT	FY18 AMOUNT	FY18 PERCENT	AMOUNT CHANGED	PERCENT CHANGED
CAPITAL MAINTENANCE / DEBT SERVICE	\$658	45%	\$602	47%	\$57	9%
PASS-THROUGH	\$41	3%	\$42	3%	(\$1)	-2%
RAIL INFRASTRUCTURE IMPROVEMENTS	\$291	20%	\$201	16%	\$90	45%
RAIL ROLLING STOCK IMPROVEMENTS	\$107	7%	\$109	8%	(\$1)	-1%
RAIL STATION IMPROVEMENTS	\$30	2%	\$47	4%	(\$17)	-37%
BUS/LIGHT RAIL IMPROVEMENTS	\$151	10%	\$168	13%	(\$17)	-10%
SYSTEM-WIDE IMPROVEMENTS	\$148	10%	\$86	7%	\$62	72%
SYSTEM EXPANSION	\$39	3%	\$33	3%	\$6	18%
SUB TOTAL	\$1,465	100%	\$1,287	100%	\$178	14%
COMPETITIVE RESILIENCY PROJECTS	\$0		\$80			
TOTAL	\$1,465		\$1,367		\$98	

**FY 2019
PROPOSED CAPITAL PROGRAM**



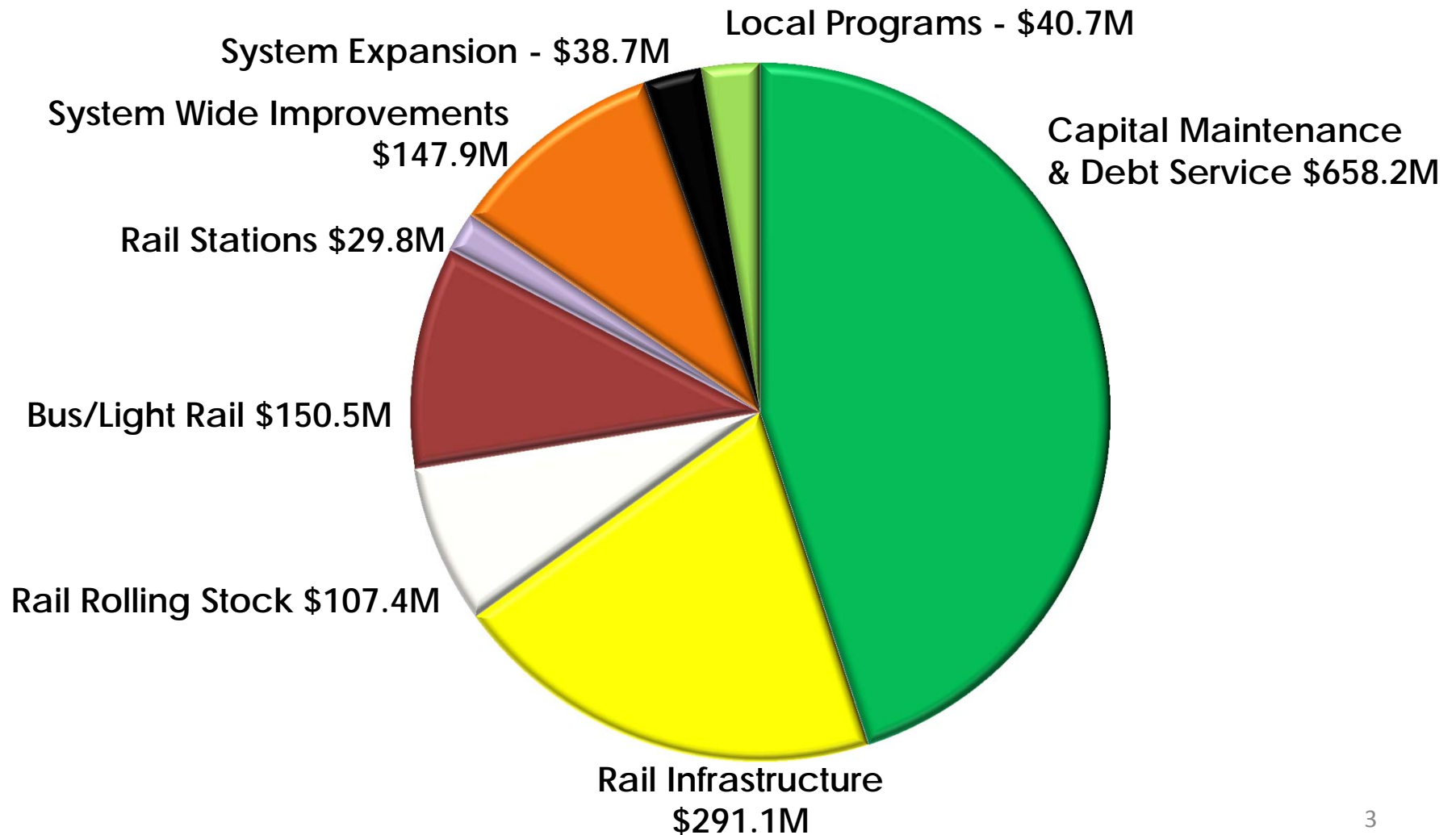
FISCAL YEAR 2019 CAPITAL PROGRAM SOURCE OF FUNDS

TOTAL: \$1.465B



FISCAL YEAR 2019 CAPITAL PROGRAM USE OF FUNDS

TOTAL: \$1.465B



CAPITAL PROGRAM HIGHLIGHTS

AREAS OF FOCUSED INVESTMENT

- 1 RELIABILITY AND STATE-OF-GOOD-REPAIR
- 2 SAFETY
- 3 NORTHEAST CORRIDOR (NEC) INVESTMENTS
- 4 SYSTEM EXPANSION
- 5 SUPPORT FOR LOCAL MOBILITY PROGRAMS

CAPITAL PROGRAM HIGHLIGHTS



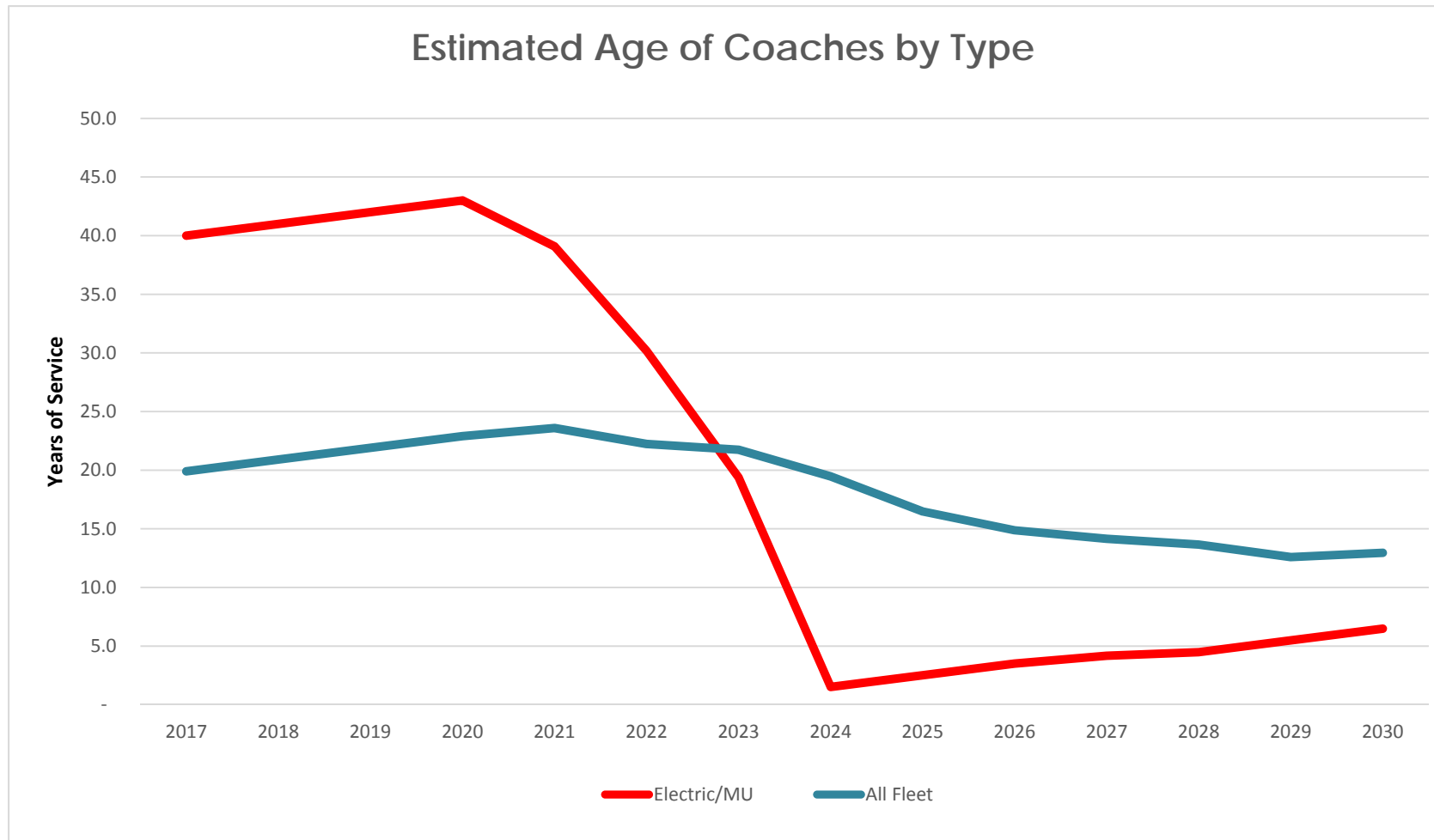
AREAS OF FOCUSED INVESTMENT



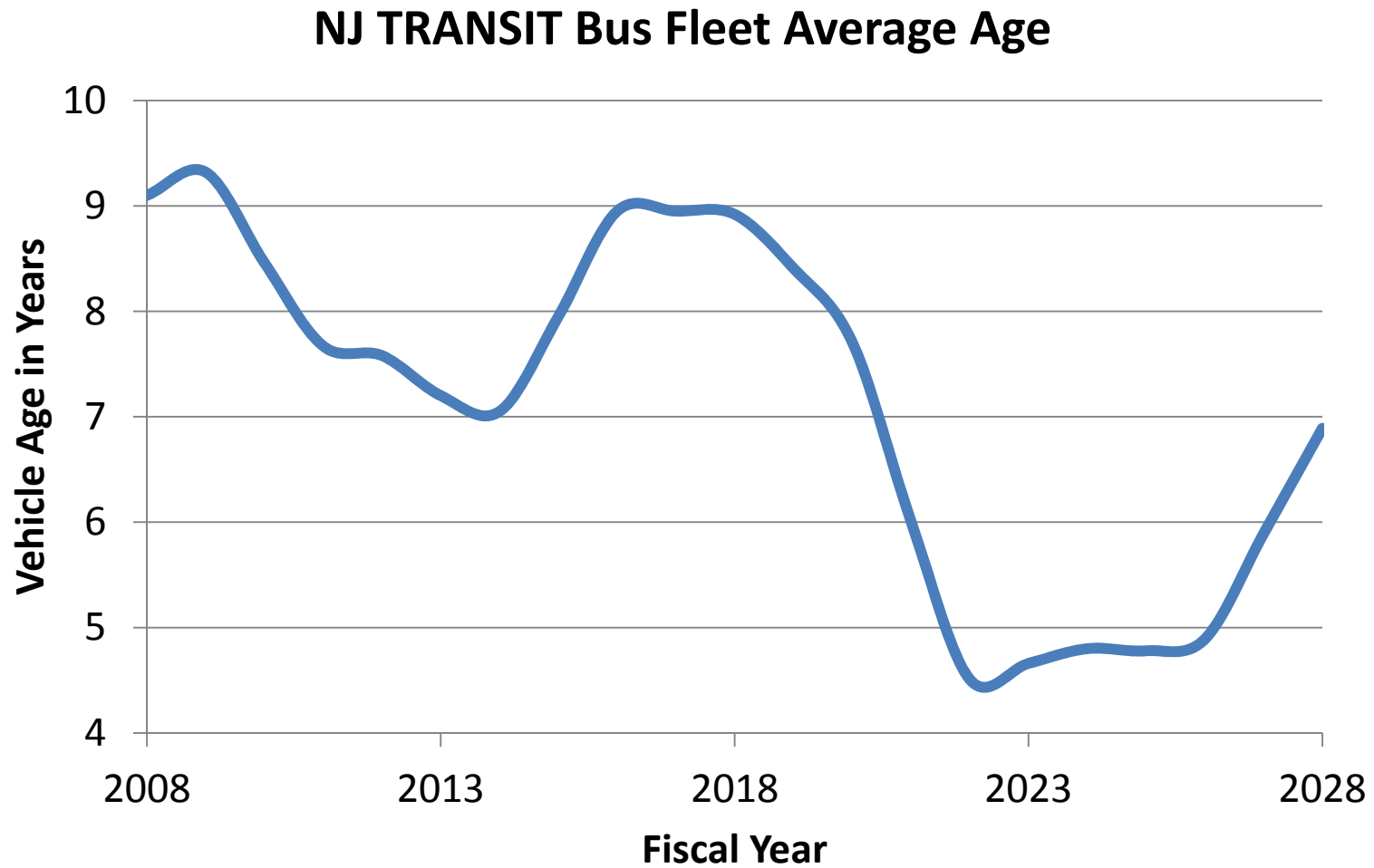
RELIABILITY AND SOGR

- ▲ Fleet replacement
 - New Multilevel rail cars
 - New Cruiser buses
- ▲ Station and Facility Capital Improvements
- ▲ Asset Management

CAPITAL PROGRAM HIGHLIGHTS



CAPITAL PROGRAM HIGHLIGHTS



CAPITAL PROGRAM HIGHLIGHTS



AREAS OF FOCUSED INVESTMENT

2 SAFETY

- ▲ Positive Train Control
 - Equipment retrofit
 - Test track

- ▲ Other complementary safety investments

CAPITAL PROGRAM HIGHLIGHTS



AREAS OF FOCUSED INVESTMENT

3 NEC INVESTMENTS

- ▲ Portal Bridge North
- ▲ Passenger Rail Investment and Improvement Act of 2008 (PRIIA)
 - NJ TRANSIT contribution

CAPITAL PROGRAM HIGHLIGHTS



AREAS OF FOCUSED INVESTMENT

4

SYSTEM EXPANSION

- ▲ Hudson Bergen Light Rail extensions
 - Northern Branch
 - Route 440

- ▲ Camden Glassboro light rail

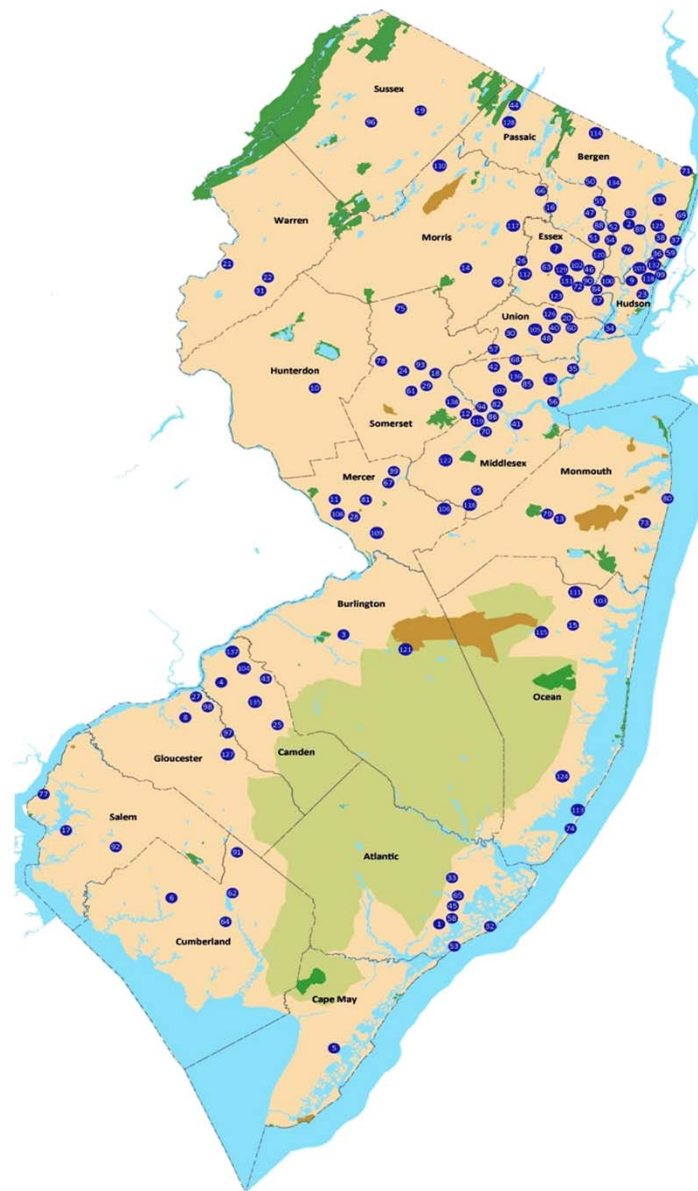
CAPITAL PROGRAM HIGHLIGHTS

AREAS OF FOCUSED INVESTMENT

5

SUPPORT FOR LOCAL MOBILITY PROGRAMS

- ▲ Sources of funding for subrecipients:
 - Senior Citizen and Disabled Resident Transportation Assistance Program
 - FTA Section 5311 Rural areas
 - FTA Section 5307 Urbanized areas
 - FTA Section 5310 Enhanced mobility for seniors and people with disabilities
 - Community shuttles and vehicles
 - Other community-based transportation services



CAPITAL PROGRAM HIGHLIGHTS

RECENT SIGNIFICANT AUTHORIZATIONS



Aggregate Recent Significant Board Authorizations

(February 2018 thru June 2018)

▲	Construction Services	\$42,301,697
▲	Professional Services	\$65,190,135
▲	Equipment Purchases	\$6,852,540
▲	Asset Management	\$1,036,442
▲	Total	\$115,380,814

CAPITAL PROGRAM HIGHLIGHTS



NOTABLE FUTURE PROPOSED AUTHORIZATIONS



Significant Projects and Equipment Purchases

- ▲ Stations Work
- ▲ State of Good Repair Facility Work
- ▲ Equipment Purchases
- ▲ Resiliency Projects

ITEM 1808-56: NJ TRANSIT FISCAL YEAR 2019 GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

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 has provided 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 Chair or Executive Director is hereby authorized to execute, extend or modify contracts to implement the FY2019 Senior Citizen and Disabled Resident Transportation Assistance Program as set forth in Exhibit B for a total program amount of \$18,586,000, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chair or Executive Director is authorized to execute all appropriate agreements and contracts and to take all other steps necessary to implement the FY2019 FTA Section 5311 Rural and Small Urban Areas program, as set forth in Exhibit C, in the amount of \$5,494,546 which includes \$3,494,546 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 Chair or Executive Director is authorized to execute all appropriate agreements and contracts and to take all other steps necessary to implement the FY2019 Section 5311 Rural Intercity Program for a total program amount of \$609,411, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chair or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2019 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$123,359 Federal funds at no cost to NJ TRANSIT, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chair or Executive Director is hereby authorized to execute all appropriate agreements and leases to implement the FY2019 FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program for \$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 Chair or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2019 New Jersey Jobs Access and Reverse Commute (NJ-JARC) program for \$4,300,000 in NJ TRANSIT funds; and

BE IT FURTHER RESOLVED that the Chair or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take other steps to implement the FY2019 New Jersey Jobs Access and Reverse Commute (NJ-JARC)

program for up to \$1,000,000 in additional funds from the State of New Jersey for a total NJ-JARC program cost of \$5,300,000, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chair 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, Congestion Mitigation Air Quality (CMAQ), and other local projects including funds which will be flexed into ongoing FTA programs under the FY2019 budget for \$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 (SCDRTAP)** 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 proposed distribution of the Casino Revenue funded SCDRTAP 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 FY2019 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 SCDRTAP Casino Revenue administrative funds, allow urban sub-recipients to participate in a variety of training programs. In addition to holding training classes and workshops, we develop a quarterly news brief, as well as co-sponsor 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 recently conducted a study and consultative process and concluded that intercity bus needs are adequately met. FY2019 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 former 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 coordinated human services transportation plan (CHSTP).

In December 2015, the FAST Act was signed into law, supporting transit funding through Fiscal Year 2020. NJ TRANSIT will conduct a competitive application process for vehicles, mobility management, and operating projects and it is anticipated a final application under the FY2016 program will be submitted to the FTA in Fall 2018.

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

**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**

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 the successor program to the JARC program formerly administered with Federal funds. The NJ JARC goal remains to assist low income individuals with transit needs for employment and training purposes that enhance their and their family's quality of life. The FY2019 NJ-JARC Program cost shall not to exceed \$5,300,000, and includes \$4,300,000 in NJ TRANSIT funds and up to \$1,000,000 in funds from the NJ Department of Human Services (DHS). Local service providers match these funds on a 50/50 basis and all projects must meet a need identified in a locally-developed human services/public transportation coordination plan. NJ TRANSIT and DHS are working together to ensure the DHS funds (up to \$1 million) are used to support specific NJ JARC services that provide transit to low income individuals that receive or who are eligible to receive funding under the DHS Temporary Assistance for Needy Families (TANF) FY19 grant. TANF funds are used to support low income families with children under 18 years of age. The 2015 NJ JARC survey and DHS TANF records will be used to determine which NJ JARC routes and demand response services assist these individuals and to determine if NJ JARC service adjustments need to be made.

In addition, in FY2019 it is anticipated that there are various **Local Community Transit Initiatives** funded through specially-dedicated Congressional appropriations, Section 5307 (Cumberland County), Section 5309, CMAQ, local support of SCOOT operated by Somerset County and East Windsor, vanpool 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
PROPOSED FUNDING DISTRIBUTION, FY2019**

COUNTY	2018 BUDGET	2019 BUDGET
Atlantic	\$ 487,956	\$ 509,877
Bergen	\$ 1,328,260	\$ 1,384,360
Burlington	\$ 785,547	\$ 820,838
Camden	\$ 834,600	\$ 872,095
Cape May	\$ 332,284	\$ 346,318
Cumberland	\$ 332,284	\$ 346,318
Essex	\$ 1,152,528	\$ 1,204,305
Gloucester	\$ 458,882	\$ 479,497
Hudson	\$ 839,539	\$ 877,256
Hunterdon	\$ 332,284	\$ 346,318
Mercer	\$ 585,188	\$ 611,478
Middlesex	\$ 1,249,974	\$ 1,306,130
Monmouth	\$ 1,103,822	\$ 1,153,412
Morris	\$ 861,766	\$ 900,480
Ocean	\$ 1,328,260	\$ 1,384,360
Passaic	\$ 764,248	\$ 798,582
Salem	\$ 332,284	\$ 346,318
Somerset	\$ 508,648	\$ 531,500
Sussex	\$ 332,284	\$ 346,318
Union	\$ 847,928	\$ 886,022
Warren	\$ 332,284	\$ 346,318
Total County	\$15,130,850	\$15,798,100
NJ TRANSIT	\$ 2,670,150	\$ 2,787,900
TOTAL	\$17,801,000	\$18,586,000

100% State funds from the Casino Revenue Tax funds.

EXHIBIT C
PAGE 1 OF 1

SECTION 5311 RURAL AND SMALL URBAN AREAS PROGRAM
PROJECTED FY2019

	FEDERAL (A)	STATE¹ (B)	TOTAL BUDGET (A+B)	LOCAL² (C)	TOTAL PROGRAM (A+B+C)
NORTHERN REGION					
Morris	\$ 250,685	\$ 141,296	\$ 391,981	\$ 141,296	\$ 533,277
Passaic	89,285	50,325	139,610	50,325	189,935
Sussex	540,037	306,381	846,418	306,381	1,152,799
Warren	501,610	285,307	786,917	285,307	1,072,224
CENTRAL REGION					
Hunterdon	437,132	246,261	683,393	246,261	929,654
Mercer	61,616	34,707	96,323	34,707	131,030
Middlesex ³	-	-	-	-	-
Monmouth	114,180	64,309	178,489	64,309	242,798
Ocean ³	-	-	-	-	-
Somerset	90,444	50,948	141,392	50,948	192,340
SOUTHERN REGION					
Atlantic	331,326	186,585	517,911	186,585	704,496
Burlington	285,490	166,787	452,277	166,787	619,064
Camden	40,462	22,771	63,233	22,771	86,004
Cape May	81,953	48,493	130,446	48,493	178,939
Cumberland	361,790	214,655	576,445	214,655	791,100
Gloucester	116,144	65,403	181,547	65,403	246,950
Salem	<u>192,392</u>	<u>115,772</u>	<u>308,164</u>	<u>115,772</u>	<u>423,936</u>
TOTAL	\$ 3,494,546	\$ 2,000,000	\$ 5,494,546	\$ 2,000,000	\$ 7,494,546
Operating	\$ 3,354,377	\$ 1,900,000	\$ 5,254,377	\$ 1,900,000	\$ 7,154,377
Non-Operating (Administration & Cap)	\$ 140,169	\$ 100,000	\$ 240,169	\$ 100,000	\$ 340,169

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			
	FY2017 AUTHORIZATION	FY2018 AUTHORIZATION	FY2019 REQUESTED AUTHORIZATION
SCDRTAP/Casino Revenue	\$ 17,523,000	\$ 17,801,000	\$ 18,586,000
Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program	\$ 8,700,000	\$ 8,700,000	\$ 8,700,000
Section 5311 Rural and Small Urban Area Program	\$ 5,510,946	\$ 5,494,546	\$ 5,494,546
Section 5311 Intercity Program	\$ 568,624	\$ 585,024	\$ 609,411
Section 5311(b)(3) Rural Transit Assistance Program	\$ 120,430	\$ 120,430	\$ 123,359
NJ-JARC	\$ 5,300,000	\$ 5,300,000	\$ 5,300,000
Other (Small Urban, CMAQ) ¹	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>
TOTAL	\$ 43,723,000	\$ 44,001,000	\$ 44,813,316

¹ 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 – Casino Rev.					\$ 18,586,000	\$ 18,586,000
Section 5310	\$ 7,200,000	\$ 1,500,000				\$ 8,700,000
Section 5311 Counties	\$ 3,494,546	\$ 100,000	\$ 1,900,000			\$ 5,494,546
Section 5311 Intercity	\$ 609,411					\$ 609,411
Section 5311(b)	\$ 123,359					\$ 123,359
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	\$ 16,777,316	\$ 1,600,000	\$ 6,850,000	\$ 1,000,000	\$ 18,586,000	\$ 44,813,316

ITEM 1808-57: NEWARK PENN STATION - LEASE OF RETAIL SPACE TO STARBUCKS CORPORATION

WHEREAS, the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150 authorizes NJ TRANSIT to lease, purchase and sell or otherwise dispose of, on terms which NJ TRANSIT may prescribe, real and personal property; and

WHEREAS, NJ TRANSIT controls approximately 1,050 square feet of retail space currently known as Space C within Newark Penn Station; and

WHEREAS, NJ TRANSIT competitively selected a tenant for Space C at Newark Penn Station and the highest ranked proposer was Starbucks Corporation; and

WHEREAS, this lease will provide non-farebox revenue to NJ TRANSIT and will also bring a nationally-recognized brand to Newark Penn Station for the benefit of NJ TRANSIT customers; and

WHEREAS, NJ TRANSIT will receive a total of \$1,680,507 during the ten (10) year lease; and

WHEREAS, Starbucks will also spend \$750,000 for leasehold improvements;

NOW, THEREFORE, BE IT RESOLVED that the Chair or Executive Director is hereby authorized to take all actions necessary to lease approximately 1,050 square feet of retail space, currently known as Space C, within Newark Penn Station to Starbucks Corporation for base rent of \$150,000 annually, with annual increases of 2.5 percent for a term of ten (10) years.

ITEM 1808-57 STARBUCKS CORPORATION AT NEWARK PENN

The lease of retail space in NJ TRANSIT's Newark Penn Station provides non-farebox revenue to NJ TRANSIT and will also bring a nationally-recognized brand to Newark Penn Station for the benefit of NJ TRANSIT customers

- Seeking authorization to enter into a ten-year lease with Starbucks Corporation for retail space in Newark Penn Station
- NJ TRANSIT will receive in excess of \$1.6 Million in rental income over 10 years



ITEM 1808-57 STARBUCKS CORPORATION AT NEWARK PENN

Authorization of the proposed Lease will allow NJ TRANSIT customers to enjoy a premium beverage and food experience from an internationally recognized innovative brand, who will be investing a minimum of \$750,000 to renovate the space.

BEFORE



AFTER



ITEM 1808-58:

ADVERTISING REVENUE CONTRACT

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

WHEREAS, the sale of advertising space advances NJ TRANSIT's Scorecard metrics by maximizing revenue and decreasing reliance on State operating subsidies and fares; and

WHEREAS, in 2017, NJ TRANSIT sought competitive proposals for a new seven-year advertising revenue contract, with a potential three-year extension, to start on September 1, 2018; and

WHEREAS, Intersection Media, LLC of New York, New York, offers the greatest value in terms of a combination of minimum annual guarantee, revenue share, capital expenditures, and expertise in both deploying and selling digital advertising assets that also offer amenities to transit customers; and

WHEREAS, the proposed contract enables Intersection Media, LLC to expand NJ TRANSIT's advertising inventory to include the installation of new interactive kiosks as well as replacements and upgrades for existing NJ TRANSIT digital displays, and these technological upgrades will result in increased revenue for NJ TRANSIT as well as new and improved amenities for our customers;

NOW, THEREFORE, BE IT RESOLVED that the Chair or Executive Director is authorized to take all actions necessary to enter into a contract with Intersection Media, LLC of New York, New York, to sell NJ TRANSIT's advertising inventory for the greater of a minimum annual guarantee totaling \$111,171,475 during seven (7) years or 66 percent of net revenue above the annual revenue guarantee for Years 1 through 4, and 67.5 percent of net revenue above the annual revenue guarantee for Years 5 through 7. NJ TRANSIT will have the option to extend the contract term for one (1) three-year period.

ITEM 1808-58 ADVERTISING REVENUE CONTRACT

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

- Seeking authorization to enter into a seven-year contract with **Intersection, of New York, NY** to sell NJ TRANSIT's advertising inventory

Greater of:

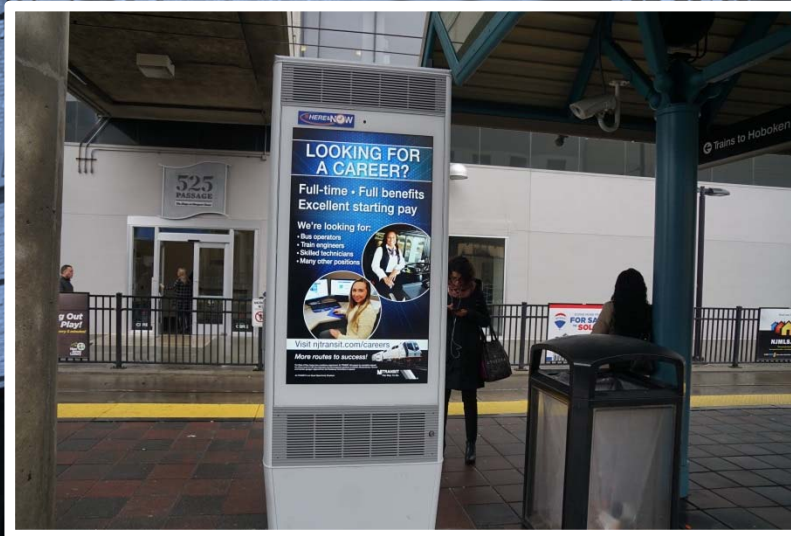
- Minimum annual guarantee totaling \$111,171,475 over seven years
- OR
- 66 percent of net revenue above the annual revenue guarantee for Years 1 through 4, and 67.5 percent above the minimum annual revenue guarantee for Years 5 through 7
- Option to extend the contract term for one (1) three-year period



ITEM 1808-58 ADVERTISING REVENUE CONTRACT

Authorization of the proposed contract will:

- Enable NJ TRANSIT to increase non-farebox revenue from advertising inventory
- Expand NJ TRANSIT's advertising inventory to include new interactive kiosks (seen below)
- Utilize interactive kiosks for customer communications



ITEM 1808-59: OUTDOOR ADVERTISING MANAGEMENT SERVICES

WHEREAS, the licensing of outdoor advertising displays on billboards and advertising structures located within NJ TRANSIT's right of way, facilities, structures and properties generates considerable annual guaranteed non-farebox outdoor advertising revenue to help underwrite and subsidize operating expenses; and

WHEREAS, the responsible display of aesthetically appropriate advertising and structures within NJ TRANSIT's right of way, facilities, structures and properties is a vital component in efforts to leverage private sector revenues for the benefit of commuters and is consistent with the nationwide use of transit facilities for advertising messages; and

WHEREAS, two prospective outdoor advertising management service contractors submitted responsive proposals in response to NJ TRANSIT's request for competitive proposals; and

WHEREAS, Allvision, LLC has best demonstrated that it is experienced, equipped, and able to maximize the value of NJ TRANSIT's existing outdoor advertising inventory, enhance the value of new advertising inventory and advise NJ TRANSIT on how best to realize the value of NJ TRANSIT's existing and future assets as a platform for generating non-fare box revenue to meet NJ TRANSIT's needs; and

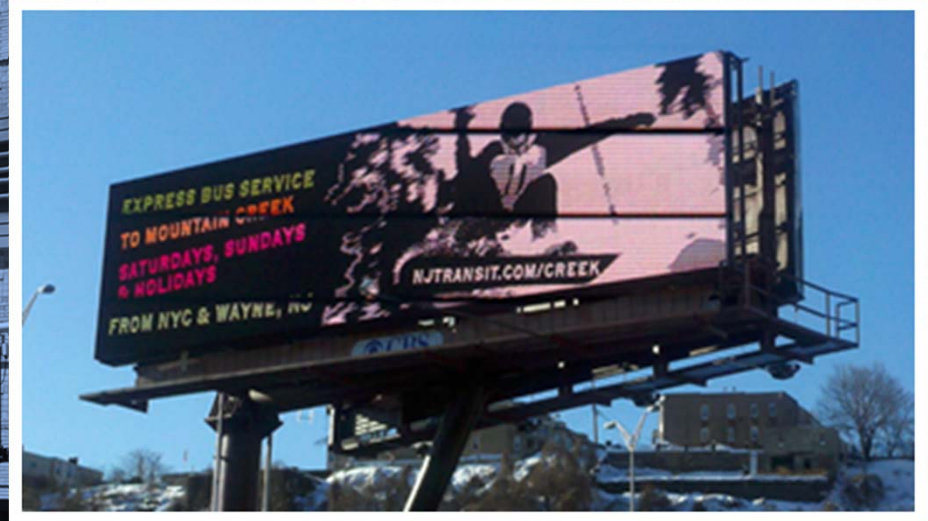
WHEREAS, Allvision, LLC will manage the outdoor advertising companies who will bear all costs of designing, installing, maintaining and repairing the existing and future structures on which they have bid;

NOW, THEREFORE, BE IT RESOLVED that the Chair or Executive Director is authorized to contract for five years with Allvision, LLC of New York City, to manage NJ TRANSIT's outdoor advertising inventory for a minimum annual guarantee totaling \$18,847,432 over five years or 81 percent of net revenue in Years 1 and 2 and 83.5 percent of net revenue in Years 3 through 5, whichever is greater. NJ TRANSIT will have the option to extend the contract for three additional one-year periods which will add an additional minimum guarantee totaling the greater of \$12,000,000 or 83.5 percent of revenue.

ITEM 1808-59 OUTDOOR ADVERTISING MANAGEMENT SERVICES

The licensing of outdoor advertising displays on billboards located within NJ TRANSIT's right of way and properties provides significant annual guaranteed non-farebox revenue to NJ TRANSIT.

- Staff seeks authorization to contract for five years with Allvision, LLC, of New York City, to provide management of outdoor advertising
- Greater of:
 - Minimum annual guarantee totaling \$18,847,432 over five years
 - OR
 - or 81 percent of net revenue in years 1 and 2 and 83.5 percent of net revenue in years 3 through 5
- AND
- option for three additional one-year periods for a minimum guarantee of the greater of \$4,000,000/year or 83.5 percent of revenue.



ITEM 1808-59 OUTDOOR ADVERTISING MANAGEMENT SERVICES

- The licensing of NJ TRANSIT assets for billboards decreases reliance on subsidies and fares for operating revenue.
- The responsible display of aesthetically appropriate advertising within NJ TRANSIT's right of way and properties is a vital component in our efforts to leverage private sector revenues for the benefit of commuters.



**ITEM 1808-60: PERSONAL INJURY CLAIM OF THE ESTATE OF
JESY HAIME GARCIA ROMERO**

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

WHEREAS, the Estate of Jesy Haime Garcia Romero has presented a claim with a probable settlement cost greater than \$500,000; and

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

NOW, THEREFORE, BE IT RESOLVED that the Chair or Executive Director is authorized to settle the claim of the Estate of Jesy Haime Garcia Romero, through the estate's attorney, at an amount discussed in executive session. The Attorney General has approved the proposed settlement, subject to the availability of funds.