NJ TRANSIT

BOARD ADMINISTRATION COMMITTEE MEETING AGENDA

OPEN TO MEMBERS OF THE PUBLIC

FRIDAY, JUNE 26, 2020
10:00 AM
VIA TELEPHONE

TO PROTECT THE PUBLIC, BOARD MEMBERS, AND EMPLOYEES IN RESPONSE TO THE NOVEL CORONAVIRUS (COVID-19), THE MEETING WILL BE HELD VIA TELEPHONE.

PUBLIC AUDIENCE: The public may listen to the meetings by calling: 1-862-294-4371 Conference ID: 583 254 807#. Please mute your phone to maximize the quality of the call for all participants. We have found that there tends to be better call quality for everyone when calling from a landline, instead of a mobile phone. We strongly encourage you to use a landline if you have one available to you.

PUBLIC SPEAKERS: If a member of the public would like to provide comments on the agenda, please provide your name, email address, phone number you will call from, and indicate whether you want to speak at the Operations and Customer Service Committee Meeting and/or the Administration Committee Meeting to publicspeakers@njtransit.com no later than NOON on Thursday, June 25, 2020. You will be added to the speakers’ list and provided with information regarding how to participate in the meeting(s). Speakers will have two minutes to speak at each meeting. Speakers may submit written comments to the above email address in lieu of speaking, or in addition to speaking, to be included in the record.
NJ TRANSIT BOARD
ADMINISTRATION COMMITTEE MEETING
OPEN TO MEMBERS OF THE PUBLIC

FRIDAY, JUNE 26, 2020 AT 10:00 AM
VIA TELEPHONE

PUBLIC COMMENTS ON AGENDA (Two minutes per speaker)

STAFF REPORTS

FINANCIAL UPDATE
(PRESENTERS: WILLIAM VIQUEIRA/JEFFREY BERNSTEIN)

HUMAN RESOURCES UPDATE
(PRESENTER: JEANNE VICTOR)

EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION UPDATE
(PRESENTER: NAEEM DIN)
FINANCIAL UPDATE
New Jersey Transit
Fiscal Year 2020, Period 11 Financial Report

Open Administration Committee Meeting
June 26, 2020
## Summary of Operating Results

**Period 11 Year to date - July 1, 2019 to May 31, 2020**

<table>
<thead>
<tr>
<th>($m)</th>
<th>Fiscal Year to date</th>
<th>Year over year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td>Passenger Revenue</td>
<td>$728.1</td>
<td>$899.5</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>94.9</td>
<td>97.4</td>
</tr>
<tr>
<td>Federal/State Operating Assistance</td>
<td>1,043.6</td>
<td>1,042.8</td>
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<tr>
<td>Total Operating Revenue</td>
<td>1,866.6</td>
<td>2,039.7</td>
</tr>
<tr>
<td>Labor &amp; Fringe</td>
<td>1,257.3</td>
<td>1,271.9</td>
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<tr>
<td>Purchased Transportation</td>
<td>191.9</td>
<td>207.2</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>543.2</td>
<td>558.6</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>1,992.4</td>
<td>2,037.7</td>
</tr>
<tr>
<td>Net Income (Loss) from Operations</td>
<td>(125.8)</td>
<td>2.0</td>
</tr>
<tr>
<td>CARES Act Reimbursement for Operating Loss</td>
<td>268.6</td>
<td>-</td>
</tr>
<tr>
<td>P&amp;E Net Income (Loss)</td>
<td>(4.5)</td>
<td>(2.0)</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>$138.3</td>
<td>($0.0)</td>
</tr>
</tbody>
</table>

**Year-to-date unfavorable from operations compared to budget by $127.8m**

**Year-to-date favorable after CARES Act reimbursement by $138.3m**

- Rail and bus ridership experienced significant declines beginning in mid-March due to COVID-19 social distancing
- Labor & Fringe: favorable variance to budget as a result of position vacancies
- Purchased Transportation: favorable due to COVID-19 reduction in services, particularly demand for Access Link
- Other expenses: Savings due to lower consumption and tolling partially offset by increased cleaning supply and personal protective equipment costs

**Division**

**May YTD Var**

- Rail - $45.5m, -91.6%
- Bus - $27.2m, -83.5%
- LR - $1.7m, -84.2%
- NJT - $74.4m, -88.3%

**Division**

- Rail - $107.0m, -20.2%
- Bus - $60.1m, -17.2%
- LR - $4.3m, -20.0%
- NJT - $171.4m, -19.1%
Monthly Budget vs Actual Variances – Major Items

### Passenger Revenue
- July-19: $1.5m
- Aug-19: $0.6m
- Sep-19: $1.8m
- Oct-19: $1.7m
- Nov-19: $0.3m
- Dec-19: $0.1m
- Jan-20: $2.5m
- Feb-20: $0.6m
- Mar-20: $2.8m
- Apr-20: $77.0m
- May-20: $74.4m
- Total: $171.4m

### Labor and Fringe
- July-19: $171.4m
- Aug-19: $14.6m
- Sep-19: $2.3m
- Oct-19: $1.1m
- Nov-19: $1.4m
- Dec-19: $1.9m
- Jan-20: $1.8m
- Feb-20: $1.8m
- Mar-20: $0.2m
- Apr-20: $5.9m
- May-20: $0.7m
- Total: $14.6m

### Total Operating Revenue
- July-19: $7.7m
- Aug-19: $6.2m
- Sep-19: $1.7m
- Oct-19: $3.0m
- Nov-19: $0.9m
- Dec-19: $0.9m
- Jan-20: $6.6m
- Feb-20: $0.7m
- Mar-20: $6.2m
- Apr-20: $22.7m
- May-20: $72.1m
- Total: $173.1m

### Net Income (Loss) from Operations
- July-19: $230.0m
- Aug-19: $173.1m
- Sep-19: $127.8m
- Oct-19: $80.0m
- Nov-19: $70.0m
- Dec-19: $60.0m
- Jan-20: $50.0m
- Feb-20: $40.0m
- Mar-20: $30.0m
- Apr-20: $20.0m
- May-20: $10.0m
- Total: $127.8m
Impact of COVID-19

*Rail and Bus daily ticket sales are down 93% and 82%, respectively, vs February 2020*

- May Revenue Impacts
  - Rail average weekday
    - Down from $1.03m to $32k
  - Bus average weekday
    - Down from $500k to $64k
- Safety and social distancing measures impact on-board collections
- Refund requests 1.5x “normal”
Balance Sheet – Major Items

- Cash: $115m pay-off on credit facility in May decreased balance
- Credit facility: $100m outstanding out of $300m available
- NJEDA 2020A: $576.8m new bond & premium issued in January 2020, final maturity 2045
- June 2019 45+ days payables spike is due to year end search for unrecorded liabilities
Cash Management - Liquidity

Cash on hand and available through the CARES Act is sufficient to cover operating expenses

- 5/31/2020 cash balance: $198.2m
- 5/31/2020 outstanding line of credit: $100m
- $1.436B made available to NJ Transit for reimbursement under the CARES Act
  - $268.6m drawn down
- Additional Federal preventative maintenance grant funding: $162m
  - Expected mid-July
- Daily cash burn: $8.5m-$10m

Ongoing liquidity management actions:

- Daily monitoring and managing cash flow
- Ensuring vendor payments are made timely, but not early
- Continued CARES Act drawdowns of eligible expenses
- FTA expanded use and flexibility of formula funds to cover 80% of operating expenses
- Pursuing reimbursement opportunities with FEMA
Appendix
Cost of Service KPIs, May 2020

**Farebox Revenue Per Passenger**

- **Bus**: $1.48
- **Rail**: $4.35
- **Light Rail**: $0.50
- **Access Link**: $0.03
- **NJT Total**: $1.85

**Subsidy Per Passenger**

- **Bus**: $13.33
- **Rail**: $64.59
- **Light Rail**: $11.30
- **Access Link**: $0.00
- **NJT Total**: $27.93

**Cost Per Passenger**

- **Bus**: $14.91
- **Rail**: $73.89
- **Light Rail**: $73.87
- **Access Link**: $30.84
- **NJT Total**: $164.4m

**Cost of Service and Farebox Recovery**

- **NJT Total**: $164.4m
- **Cost of Service**: $90.0 m
- **Farebox Revenue**: $70.5 m
- **Farebox Recovery**: $55.7 m
  - **Bus**: $9.9%
  - **Rail**: 5.9%
  - **Light Rail**: 4.2%
  - **Access Link**: 0.0%
### History of Vacancies

- 299 total vacancies, a decline of 334 vacancies or 52% since the start of FY19
  - Decline of 157 vacancies or 37% since the start of FY20
  - Current NJT Vacancy Rate of 2.0%
  - 156 operating-funded vacancies, reflecting an Operating Vacancy Rate of 1.4%

- NJT was approved for 157 new positions in the FY20 budget, contributing to the increase in total vacancies for July 2019

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*Note: Rail's headcount overages are a result of the ramping up of LEMP and ACTP training classes.*
Since June 2019, NJT lost 786 total staff, 39% or 304 of which were due to retirements.

June 2019 – May 2020
- Average # of hires per month – 85
- Average # of separations per month – 66
Due to COVID-19, NJT average weekly hiring has slowed down to ~6.0 hires per week in the last 8 weeks vs. an average of ~22.2 hires per week, an 73% reduction vs. the first three months of the calendar year.

- 6.0 average weekly hires from 4/20 – 6/8 (Post COVID-19 impact)
  - 5.0 Agreements
  - 1.0 Non-Agreements
- 24.7 average weekly hires from 2/10 – 3/23 (Pre COVID-19 impact)
  - 20.9 Agreements
  - 3.8 Non-Agreements
## REVENUE REPORT
FOR THE MONTH AND FISCAL YEAR-TO-DATE MAY 31, 2020

### COMPARISON TO BUDGET

<table>
<thead>
<tr>
<th>Current Month $</th>
<th>Variance</th>
<th>Division</th>
<th>Fiscal Year to Date $</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Budget</td>
<td>$</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>4,146,852</td>
<td>49,650,295</td>
<td>(45,503,443)</td>
<td>(91.65) Rail Operations</td>
<td>421,794,773</td>
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<tr>
<td>5,371,212</td>
<td>32,584,020</td>
<td>(27,212,808)</td>
<td>(83.52) Bus Operations</td>
<td>289,257,728</td>
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<tr>
<td>320,340</td>
<td>2,030,000</td>
<td>(1,709,660)</td>
<td>(84.22) Light Rail Operations</td>
<td>17,075,598</td>
</tr>
<tr>
<td>9,838,404</td>
<td>84,264,315</td>
<td>(74,425,911)</td>
<td>(88.32) NJ Transit Total</td>
<td>728,128,099</td>
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</table>

### COMPARISON TO LAST YEAR

<table>
<thead>
<tr>
<th>Current Month $</th>
<th>Variance</th>
<th>Division</th>
<th>Fiscal Year to Date $</th>
<th>Variance</th>
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</thead>
<tbody>
<tr>
<td>FY '20</td>
<td>FY '19</td>
<td>$</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>4,146,852</td>
<td>50,058,450</td>
<td>(45,911,598)</td>
<td>(91.72) Rail Operations</td>
<td>421,794,773</td>
</tr>
<tr>
<td>5,371,212</td>
<td>32,899,115</td>
<td>(27,527,903)</td>
<td>(83.67) Bus Operations</td>
<td>289,257,728</td>
</tr>
<tr>
<td>320,340</td>
<td>2,037,855</td>
<td>(1,717,515)</td>
<td>(84.28) Light Rail Operations</td>
<td>17,075,598</td>
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<tr>
<td>9,838,404</td>
<td>84,995,420</td>
<td>(75,157,016)</td>
<td>(88.42) NJ Transit Total</td>
<td>728,128,099</td>
</tr>
</tbody>
</table>

Current Month Revenue
- Passenger Revenue is down ($75.157) million representing a **(88.42%)** decrease Year-Over-Year. When the Fiscal Year 2019 & 2020 major weather conditions, calendar anomalies, special events & COVID-19 are factored out, the adjusted Passenger Revenue Variance would have been negative at ($0.950) million or a **(1.11%)** decrease Year-Over-Year.

Effects of Major Events During FY’19 and FY’20 on Fiscal Year-To-Date Revenue
- **Rail**
  - The Net Rail variance of ($95.124) million would have been adjusted by $94.639 million and would have yielded a less negative variance of **(0.09%)** instead of a variance of **(18.40%)** when major weather conditions, calendar anomalies, special events and COVID-19 are factored out.

- **Bus**
  - The Net Bus variance of ($62.468) million would have been adjusted by $64.712 million and would have yielded a positive variance of **0.63%** instead of a negative variance of **(17.76%)** when major weather conditions, calendar anomalies and COVID-19 are factored out.

- The Aggregate Revenue Variance would have been positive at **0.11%** overall instead of negative at **(18.18%)** when major weather conditions, calendar anomalies, special events and COVID-19 are factored out.
# RIDERSHIP REPORT

## For the Month and Fiscal Year-To-Date May 31, 2020

<table>
<thead>
<tr>
<th>FY '20</th>
<th>FY '19</th>
<th># Variance</th>
<th>% Variance</th>
</tr>
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<tbody>
<tr>
<td>248,914</td>
<td>1,991,887</td>
<td>(1,742,973)</td>
<td>(87.50)</td>
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<tr>
<td>148,802</td>
<td>900,360</td>
<td>(751,558)</td>
<td>(83.47)</td>
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<tr>
<td>397,716</td>
<td>2,892,247</td>
<td>(2,494,531)</td>
<td>(86.25)</td>
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<td>363,215</td>
<td>2,826,336</td>
<td>(2,463,121)</td>
<td>(87.13)</td>
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<td>99,125</td>
<td>1,299,152</td>
<td>(1,200,027)</td>
<td>(92.37)</td>
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<tr>
<td>85,479</td>
<td>490,359</td>
<td>(404,880)</td>
<td>(82.57)</td>
</tr>
<tr>
<td>547,819</td>
<td>4,615,847</td>
<td>(4,068,028)</td>
<td>(88.13)</td>
</tr>
<tr>
<td>8,530</td>
<td>43,862</td>
<td>(35,332)</td>
<td>(80.55)</td>
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<tr>
<td>3,733,887</td>
<td>13,323,393</td>
<td>(9,589,506)</td>
<td>(71.97)</td>
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<tr>
<td>115,095,836</td>
<td>138,512,803</td>
<td>(23,416,967)</td>
<td>(16.91)</td>
</tr>
</tbody>
</table>

## Comparison to Last Year

### Current Month
- **Rail Ridership**
  - M&E Lines
  - Main & Pascacl Lines
- **Total Hoboken Division**
- **Total Newark Division**
- **Total Rail Ridership**

### Fiscal Year to Date
- **Rail Ridership**
  - M&E Lines
  - Main & Pascacl Lines
- **Total Hoboken Division**
- **Total Newark Division**
- **Total Rail Ridership**

### Variances
- **FY '20**
- **FY '19**
- **# Variance**
- **% Variance**

### Trend Analysis
- **Current Month Ridership**
  - Rail experienced its fourth straight negative month of Ridership growth when major weather related incidents, calendar anomalies, special events & COVID-19 for FY'19 & FY20 are factored out. Current month would have been less negative at (0.46%) instead of at (87.37%) when major current/prior year weather conditions, calendar anomalies, special events & COVID-19 are factored out.
  - Bus experienced its third straight negative month of Ridership growth after two straight positive months of Ridership growth when major weather related incidents, calendar anomalies & COVID-19 for FY'19 & FY20 are factored out. Current month would have been less negative at (4.90%) instead of at (71.97%) when major current/prior year weather conditions, calendar anomalies and COVID-19 are factored out.

- **Fiscal Year-To-Date Ridership**
  - Rail would have been less negative at (0.78%) instead of at (19.72%) Year-To-Date when major weather related incidents, calendar anomalies, special events and COVID-19 for FY'19 and FY20 are factored out.
  - Bus would have been less negative at (2.83%) instead of at (16.91%) Year-To-Date when major weather related incidents, calendar anomalies and COVID-19 for both FY'19 and FY20 are factored out.

- **The Aggregate Ridership Variance** would have been less negative at (2.12%) instead of at (18.02%) Year-To-Date when major weather related incidents, calendar anomalies, special events and COVID-19 for both FY'19 & FY20 are factored out.
<table>
<thead>
<tr>
<th></th>
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<tr>
<td>$85.6</td>
<td>$85.2</td>
<td>$83.8</td>
<td>$87.2</td>
<td>$82.4</td>
<td>$83.7</td>
<td>$79.1</td>
<td>$75.5</td>
<td>$51.6</td>
<td>$4.2</td>
<td>$9.8</td>
<td>$189.6</td>
<td>1,866.6</td>
<td>(173.1)</td>
</tr>
<tr>
<td>8.5</td>
<td>8.1</td>
<td>9.6</td>
<td>8.3</td>
<td>8.5</td>
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<td>10.4</td>
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<td>5.7</td>
<td>95.5</td>
<td>1,043.6</td>
<td>0.8</td>
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<tr>
<td>95.5</td>
<td>89.7</td>
<td>87.8</td>
<td>95.0</td>
<td>88.3</td>
<td>86.6</td>
<td>105.5</td>
<td>100.2</td>
<td>101.3</td>
<td>98.4</td>
<td>95.3</td>
<td>183.0</td>
<td>2,039.7</td>
<td>(8.5)</td>
</tr>
</tbody>
</table>

**Consolidated Statement of Revenue and Expenses**

**Budget-to-Actual Comparison Without P&E Details**

**May 31, 2020**

**(In Millions)**

### Revenues

- **Passenger Revenue**: $728.1
- **Other Operating Revenue**: $94.9
- **Operating Assistance & Grant Reimbursements**: $1,043.6

### Expenses

- **Labor**: $692.2
- **Fringe Benefits**: $565.1
- **Outside Services**: $108.9
- **Propulsion**: $38.7
- **Revenue Vehicle Fuel**: $61.6
- **Materials & Supplies**: $142.3
- **Utilities**: $41.7
- **Claims & Insurance**: $34.3
- **Purchased Transportation**: $191.9
- **Tolls, Trackage & Fees**: $78.7
- **Miscellaneous Expenses**: $37.0

### Total Operating Revenue

$1,866.6

### Net Income/(Loss) from Operations

(125.8)

### CARES Act Reimbursement for Operating Loss

268.6

### P&E Net Income (Loss)

(4.5)

### Net Income/(Loss)

$138.3
## HUMAN RESOURCES ACTIVITIES DASHBOARD  April & May 2020

<table>
<thead>
<tr>
<th>Headcount</th>
<th>Total Admin</th>
<th>Bus Ops</th>
<th>Rail Ops</th>
<th>Light Rail</th>
<th>Total April 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Positions to Fill</td>
<td>118</td>
<td>122</td>
<td>101</td>
<td>7</td>
<td>348</td>
</tr>
<tr>
<td>Authorized Headcount</td>
<td>1617</td>
<td>5536</td>
<td>4504</td>
<td>213</td>
<td>11870</td>
</tr>
<tr>
<td>% of positions to fill</td>
<td>6.8%</td>
<td>2.2%</td>
<td>2.2%</td>
<td>3.2%</td>
<td>2.8%</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Employment Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Employees Hired</td>
</tr>
<tr>
<td>Promotions</td>
</tr>
<tr>
<td>Job Reclassifications</td>
</tr>
<tr>
<td>Retirements</td>
</tr>
<tr>
<td>Retirements (Rate)</td>
</tr>
<tr>
<td>Other Separations</td>
</tr>
<tr>
<td>Other Separations (Rate)</td>
</tr>
</tbody>
</table>

*Disciplinary Actions*

| Suspension | 0 | 3 | 15 | 0 | 18 |
| Discharge | 1 | 0 | 0 | 0 | 1 |

*Includes only finalized disciplines, which excludes pre-discipline, such as oral/written warnings, reprimands and deferred suspensions.*
EQUAL EMPLOYMENT OPPORTUNITY AND
AFFIRMATIVE ACTION UPDATE
New Jersey Transit
Equal Employment Opportunity and
Affirmative Action

Open Administration Committee Meeting
June 26, 2020
The Office of EEO/AA continues to carry out its mission during the current Coronavirus pandemic:

- **Status of Complaint Investigations**
  - We continue to process new complaints and reduce the number of pending complaints.

- **Training**
  - The Office of EEO/AA provides annual sexual harassment and discrimination prevention training.
  - Online training is being provided again this year to existing employees.
  - In addition, for the time being, remote harassment and discrimination prevention training is being provided to new employees, and to those enrolled in management training programs.
  - New York State law requires all employers to conduct sexual harassment prevention training on an annual basis.
  - Training will be again provided this year to NJ TRANSIT employees stationed in New York.
  - We are evaluating various options as we acquire and implement a Learning Management System in the second half of this year to fulfill our training requirements.

- **Completion of EEO/Affirmative Action Program**
  - We have submitted our Quadrennial Program to the Federal Transit Administration within the allotted timeframe.
The Office of EEO/AA began 2020 with 107 open EEO complaints. At the end of the last reporting period, March 2020, the Office of EEO/AA had 100 open EEO complaints. During the current reporting period (April and May), the Office of EEO/AA opened 5 investigations, while closing 28. As of May 31, 2020, there were 77 open investigations. In April
- 3 cases were opened.
- 15 cases were closed.
In May
- 2 cases were opened.
- 13 were closed.
Summary of Internal EEO Complaints

- The most frequently cited bases were sex (27%), race (15%), religion (12%), and color and disability (9%).

- The most frequently cited allegation was harassment (non-sexual) (52%), followed by sexual harassment (17%).
Summary of Internal EEO Complaints

As of May 31, 2020, all 2016 cases have been closed.
• Of the 5 cases opened in April and May 2020, 1 has been closed.
• Of the 28 cases closed in April and May 2020, 1 was from 2016, 6 from 2017, 6 from 2018, 11 from 2019, and 4 from 2020.