

NJ TRANSIT

BOARD ADMINISTRATION COMMITTEE MEETING AGENDA

OPEN TO MEMBERS OF THE PUBLIC

FRIDAY, SEPTEMBER 30, 2022

10:30 AM

ONE PENN PLAZA EAST – 9TH FLOOR – BOARD ROOM – NEWARK, NJ

MEETING ATTENDEES ARE REQUIRED TO GO THROUGH SECURITY SCREENINGS UPON ENTERING THE BUILDING. PLEASE ALLOW EXTRA TIME.

The public can listen to the meetings by calling: **1-800-346-7359** Conference Entry Code: **701939**.

1. PUBLIC COMMENT REGISTRATION:

Members of the public are encouraged to **pre-register in advance to provide public comments**. Members of the public who wish to provide public comments should use the “Submit public comments for an upcoming Board Committee Meeting” form on NJ TRANSIT’s website at:

https://njtransit.secure.force.com/customerservice/site_app#/board_committee and indicate the comment is for the Board Administration Committee Meeting.

DEADLINE TO PRE-REGISTER IS 9:00 A.M. ON THURSDAY, SEPTEMBER 29, 2022. We recommend using Microsoft Edge, Google Chrome, Firefox, or Safari for the best experience.

2. PUBLIC COMMENT PROCEDURES:

Each speaker will have two (2) minutes to provide comments.

IN PERSON: Speakers who pre-register and attend the meetings in-person will be given priority and have their comments taken first. In-person speakers who did not pre-register in advance will then be taken on a first-come-first-serve basis.

TELEPHONE: Speakers who pre-register and participate by telephone will follow the in-person speakers. Telephone participants who did not pre-register in advance, and queue to speak, will have their comments taken on a first-come-first-serve basis thereafter.

Speakers participating by telephone may begin calling in at 10:00 a.m. to check in with the call proctor for the Board Administration Committee Meeting.

Once checked in, participants can press *1 to enter the queue to provide public comments. There will be a brief tone to indicate you have successfully entered the queue. Anyone joining the meeting will be on a "Music Hold" prior to the meeting.

The toll-free dial-in phone number is **1-800-346-7359** and the conference entry code is **701939**.

**NJ TRANSIT BOARD
ADMINISTRATION COMMITTEE MEETING
OPEN TO MEMBERS OF THE PUBLIC**

**FRIDAY, SEPTEMBER 30, 2022 AT 10:30 AM
BOARD ROOM – 9TH FLOOR – NEWARK, NJ**

PUBLIC COMMENTS ON AGENDA (Two minutes per speaker)

STAFF REPORT

FINANCIAL UPDATE

PRESENTER: JACQUELINE STAMFORD

DEPARTMENT: WILLIAM VIQUEIRA, FINANCE

FINANCIAL UPDATE



New Jersey Transit Fiscal Year 2023, Period 2 Financial Report

Open Administration Committee Meeting
September 30, 2022



Summary of Operating Results

Period 2 Year To Date – August 31, 2022 (\$ in millions)

	Fiscal Year-To-Date		Variance		FY22 YTD Actual	Variance	
	Actuals	Budget	\$	%		\$	%
Revenues							
Farebox Revenue	\$109.6	\$109.1	\$0.4	0.4%	\$81.3	\$28.3	34.8%
Commercial Revenue	17.0	16.9	0.1	0.7%	13.1	3.9	29.7%
State Operating Assistance	16.7	16.7	0.0	0.0%	16.7	0.0	0.0%
NJ Turnpike Authority funding	0.0	0.0	0.0	0.0%	87.5	(87.5)	(100.0%)
Other Grants and Assistance	75.0	77.0	(2.0)	(2.6%)	74.5	0.5	0.7%
Total Operating Revenue	218.3	219.7	(1.5)	(0.7%)	273.1	(54.8)	(20.1%)
Expenses							
Labor	143.4	144.9	1.5	1.0%	129.3	(14.2)	(11.0%)
Fringe Benefits	121.6	119.3	(2.3)	(1.9%)	111.3	(10.3)	(9.3%)
Outside Services	21.3	21.2	(0.1)	(0.6%)	21.8	0.4	2.1%
Fuel & Power	22.9	20.3	(2.6)	(12.6%)	17.9	(5.0)	(28.1%)
Utilities	7.7	8.0	0.3	3.5%	6.2	(1.5)	(24.0%)
Purchased Transportation	36.5	35.2	(1.3)	(3.6%)	35.6	(0.9)	(2.5%)
Materials & Supplies	27.9	22.9	(5.0)	(21.8%)	26.0	(1.8)	(7.1%)
Tolls, Trackage & Fees	17.0	19.0	2.1	10.9%	17.2	0.2	1.4%
Claims & Insurance	11.7	11.7	0.0	0.2%	11.6	(0.0)	(0.2%)
Miscellaneous Expenses	6.2	6.7	0.5	7.1%	4.3	(1.9)	(45.4%)
Total Operating Expenses	416.2	409.3	(6.9)	(1.7%)	381.2	(35.0)	(9.2%)
Net Income from Operations	(197.9)	(189.6)	(8.3)	(4.4%)	(108.1)	(89.8)	83.1%
CARES/CRRSAA/ARPA Reimbursements	110.0	191.2	(81.2)	(42.5%)	191.9	(81.9)	(42.7%)
Reimbursable Project Net Income (Loss)	(3.1)	(1.7)	(1.4)	(83.9%)	(0.9)	(2.1)	(226.3%)
Net Income	(\$91.0)	\$0.0	(\$91.0)	N/A	\$82.9	(\$173.9)	(209.7%)



	Farebox Revenue			
	Aug		YTD Var	
	\$	%	\$	%
Rail	\$0.4	1.2%	(\$0.6)	1.1%
Bus	1.2	4.8%	1.2	2.6%
LR	(0.1)	(7.5%)	(0.2)	7.0%
NJT	\$1.4	2.6%	\$0.4	0.4%

Year-to-date Net Income from Operations unfavorable compared to budget by \$8.3m, primarily due to:

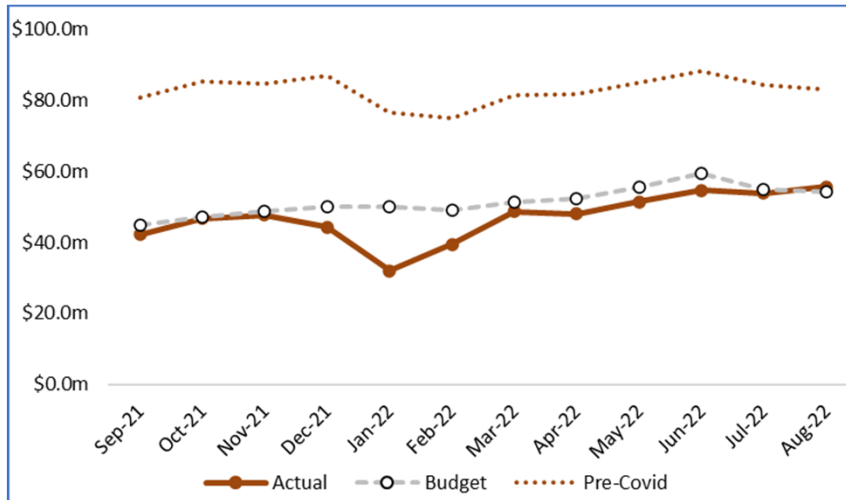
- Fringe Benefits \$2.3m, or 1.9% greater than budget
- Fuel & Power \$2.6m or 12.6% greater than budget due to higher than anticipated gasoline and diesel prices
- Materials & Supplies \$5.0m or 21.8% greater than budget due to purchase timing

Net Income from Operations offset by drawdowns from the Federal Covid-19 Relief Programs

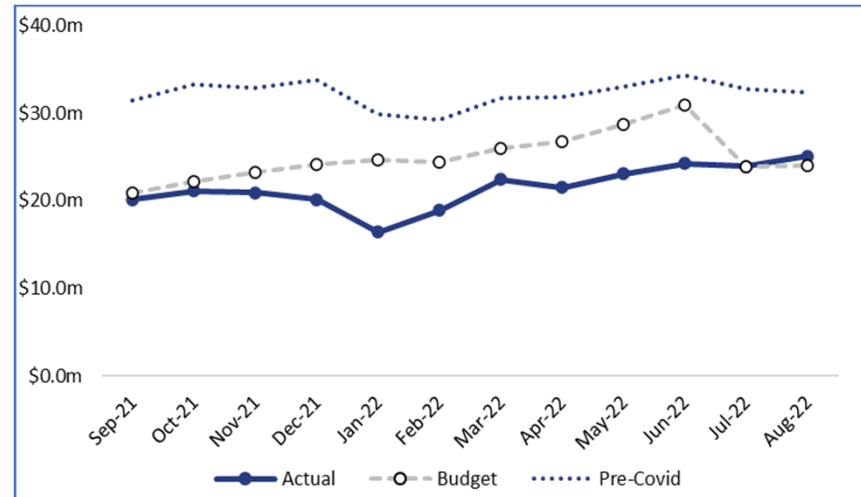
- Net Income of (\$91.0m) does not include cash from borrowing used due to timing of revenue receipts

12 Month Rolling Farebox Revenue

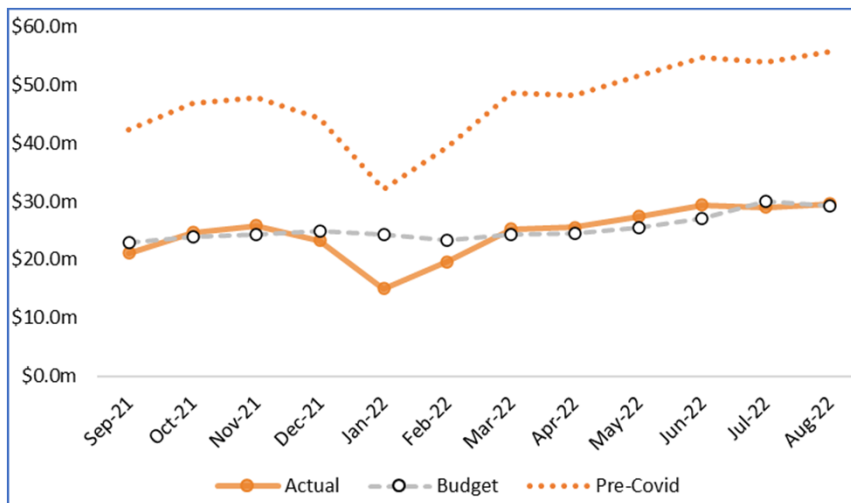
NJT Total



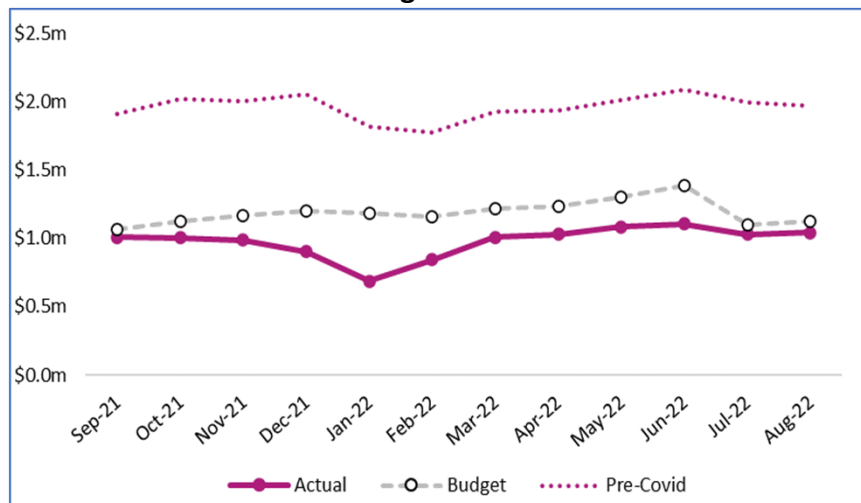
Bus



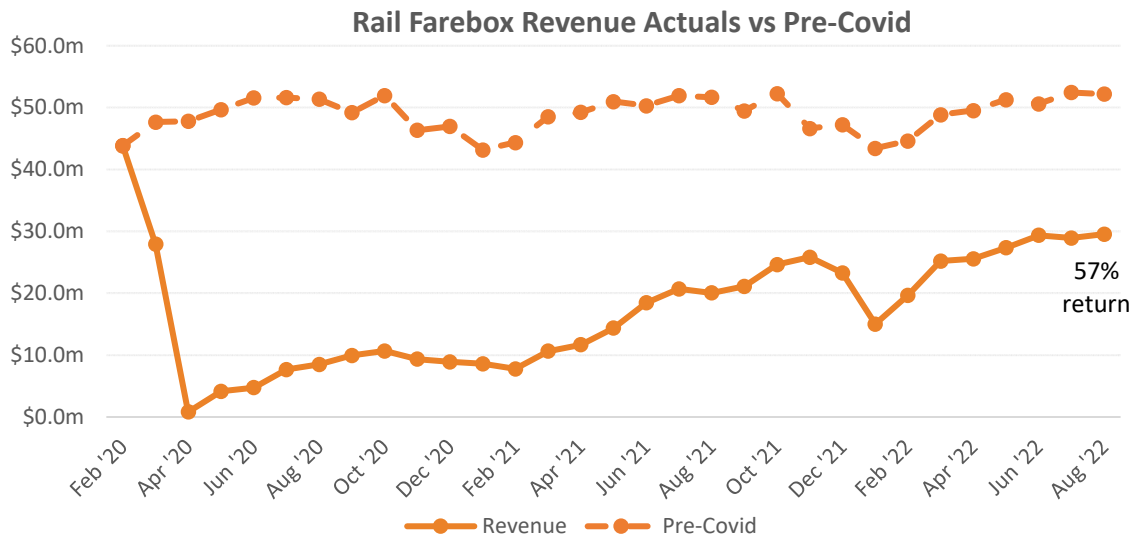
Rail



Light Rail



Farebox Revenue – Actual vs. Pre-COVID: Rail & Bus

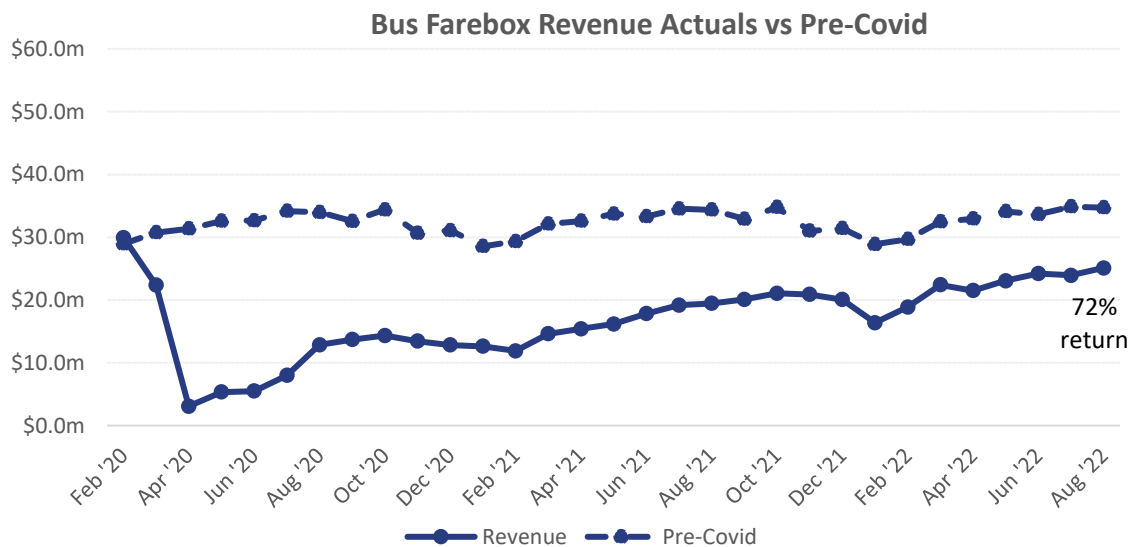


Rail and Bus August revenues are down 43% and 28%, respectively vs Pre-COVID

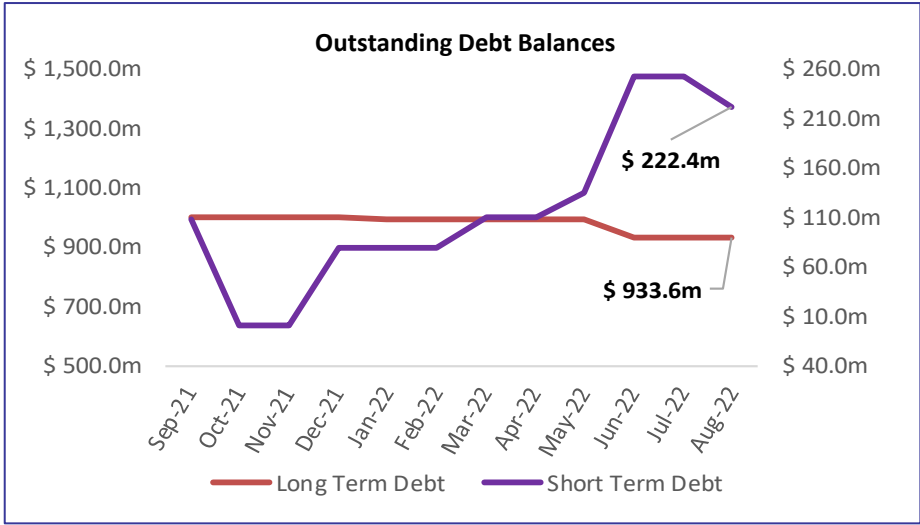
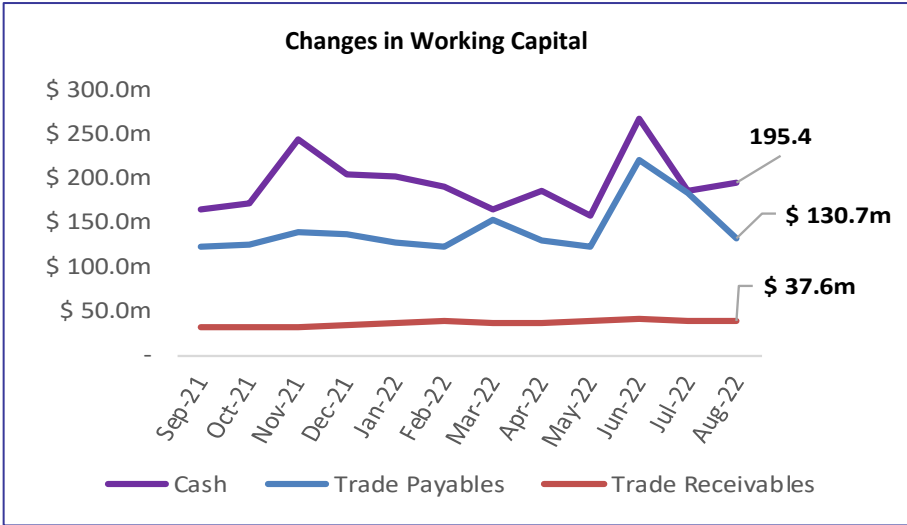
August Revenue versus Pre-COVID:

- Rail:
 - \$29.5m, down \$22.6m or 43% from our \$52.2m Pre-Covid projection
 - Revenue increased \$0.6m or 2% in Aug vs. the prior month
 - Revenue has averaged a 5% increase month over month since Jan '22

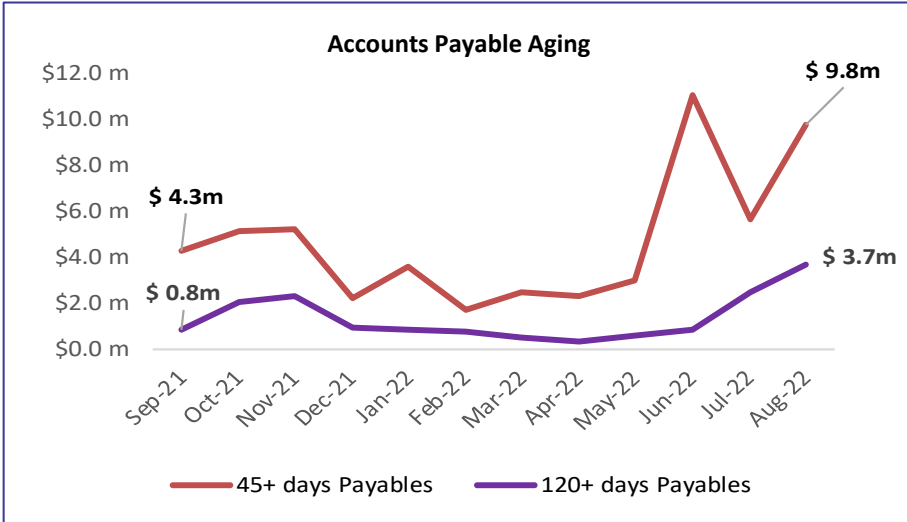
- Bus:
 - \$25.1m, down \$9.6m or 28% from our \$34.7m Pre-Covid projection
 - Revenue increased \$1.2m or 5% in Aug vs. the prior month
 - Revenue has averaged a 3% increase month over month since Jan '22



Balance Sheet – Major Items



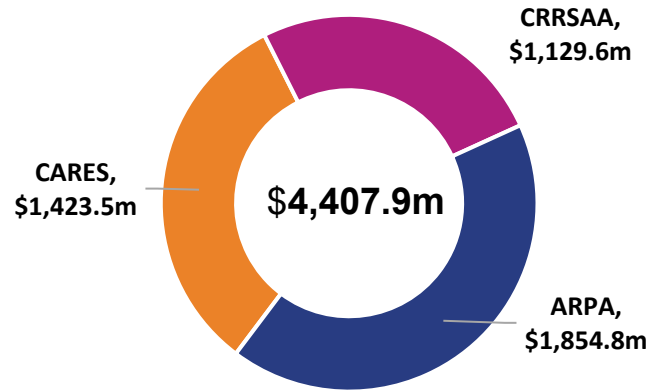
Note: Unaudited and for informational purposes only. June, July and August 2022 data subject to change as a result of our ongoing fiscal year-end audit



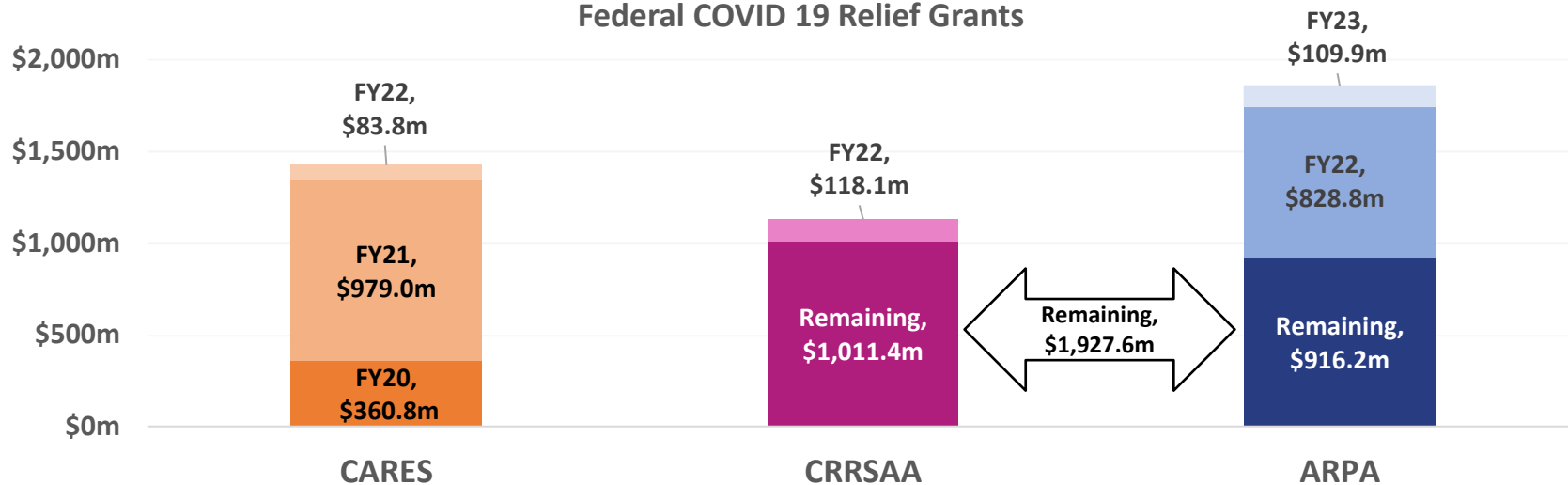
- Credit facility: \$155m balance in August 2022
- Cash balance includes \$42m of restricted cash received from Amtrak for Escrow of Portal North Bridge project
- Long Term Debt:
 - NJEDA 2017 A and B: outstanding balance \$368m, final maturity FY2028
 - NJEDA 2020 A: outstanding balance \$500m, final maturity FY2045

Federal Stimulus Funding Overview¹

Federal COVID 19 Relief Grants



Federal COVID 19 Relief Grants



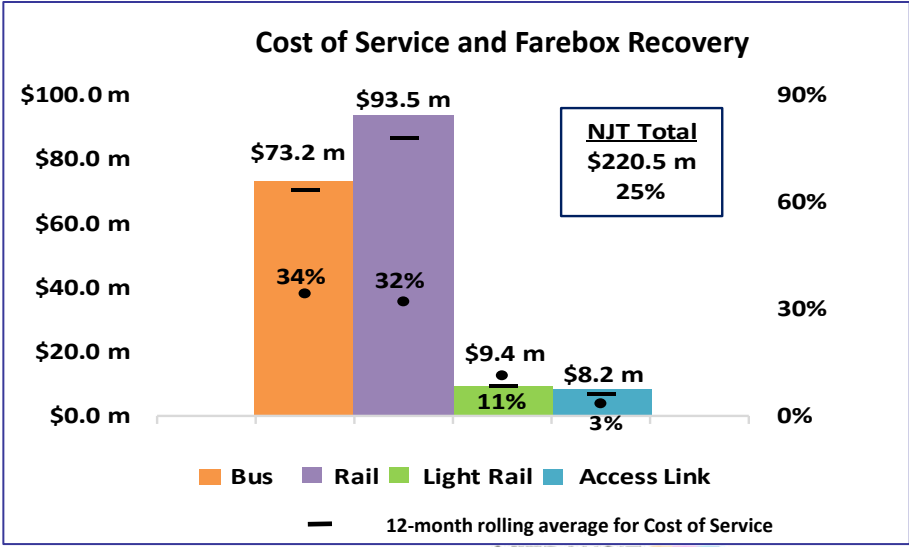
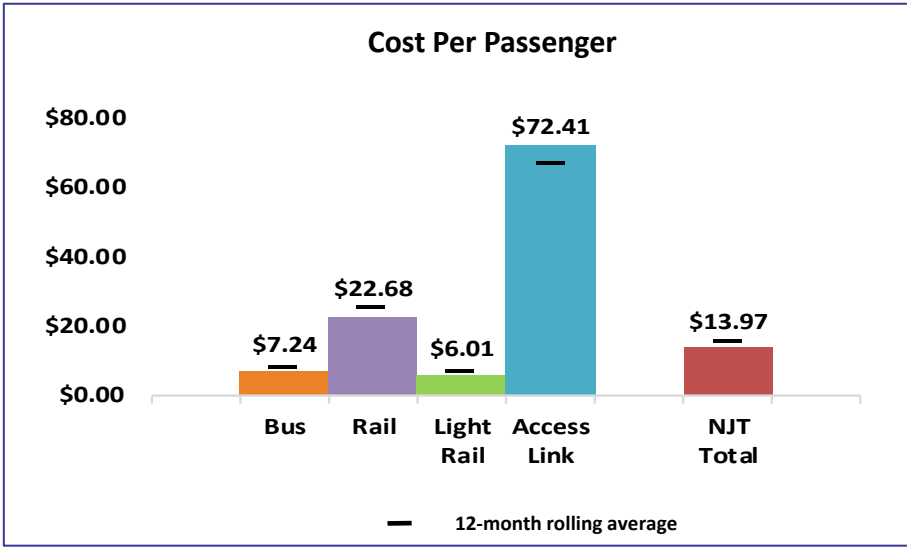
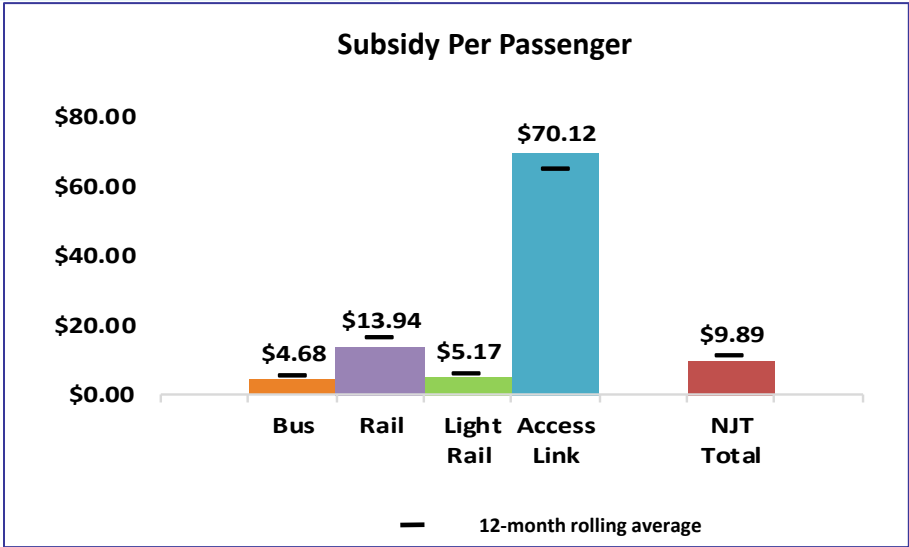
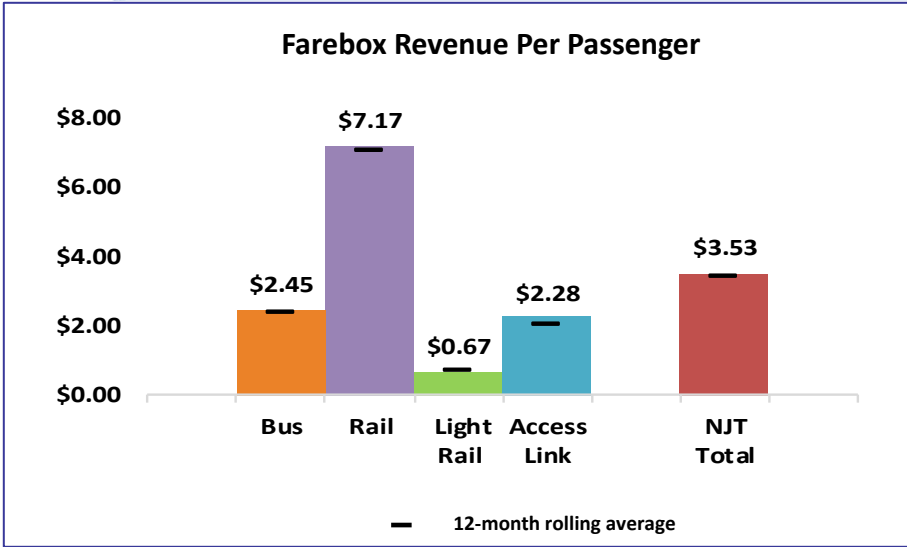
¹ As of 8/31/2022. Excludes 5310 and 5311 funding. Excludes \$75m pending ARPA Additional Assistance.



Appendix

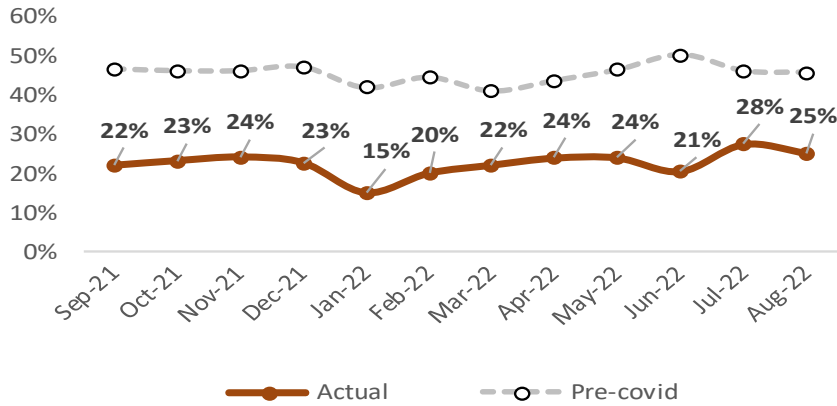


Cost of Service KPIs, August 2022

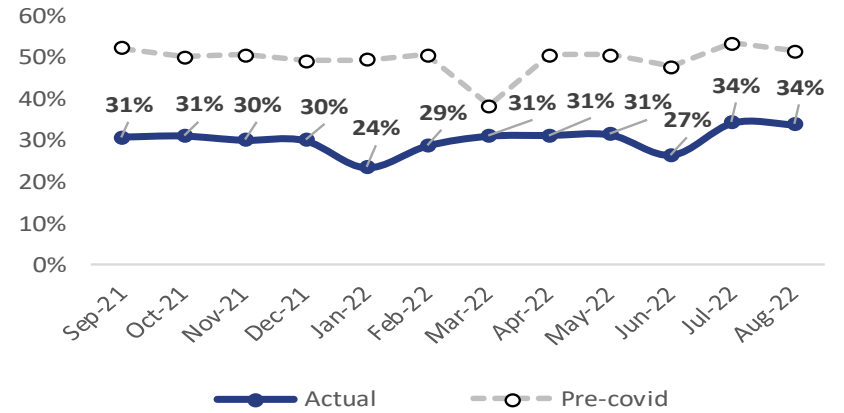


12 Month Rolling Farebox Recovery

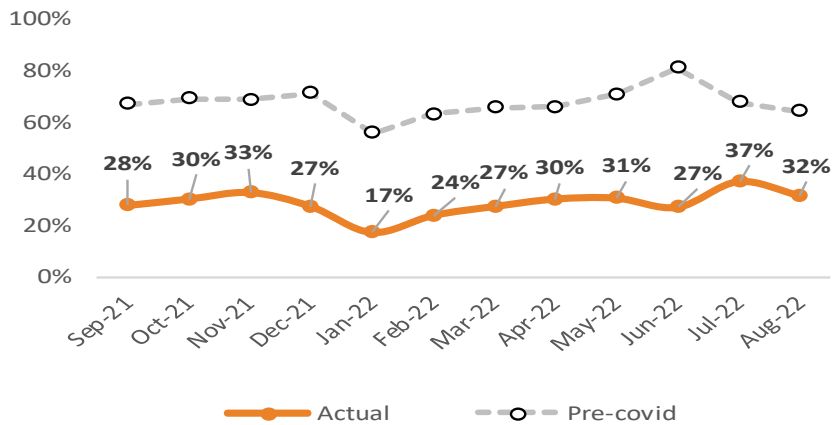
NJT Total



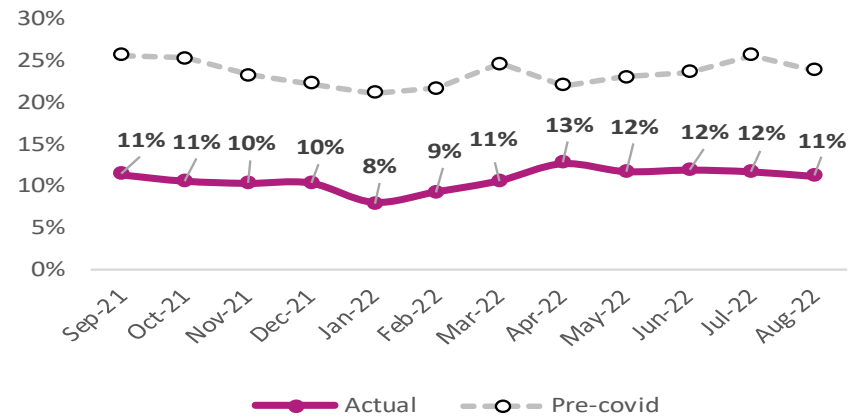
Bus



Rail



Light Rail



Passenger Revenue - August



COMPARISON TO BUDGET

Current Month \$		Variance		Division	Fiscal Year to Date \$		Variance	
Actual	Budget	\$	%		Actual	Budget	\$	%
29,536,331	29,175,000	361,331	1.24	Rail Operations	58,463,231	59,100,000	(636,769)	(1.08)
25,106,373	23,950,000	1,156,373	4.83	Bus Operations (1)	49,031,256	47,800,000	1,231,256	2.58
1,040,185	1,125,000	(84,815)	(7.54)	Light Rail Operations (2)	2,069,932	2,225,000	(155,068)	(6.97)
55,682,889	54,250,000	1,432,889	2.64	NJ Transit Total	109,564,419	109,125,000	439,419	0.40

COMPARISON TO LAST YEAR

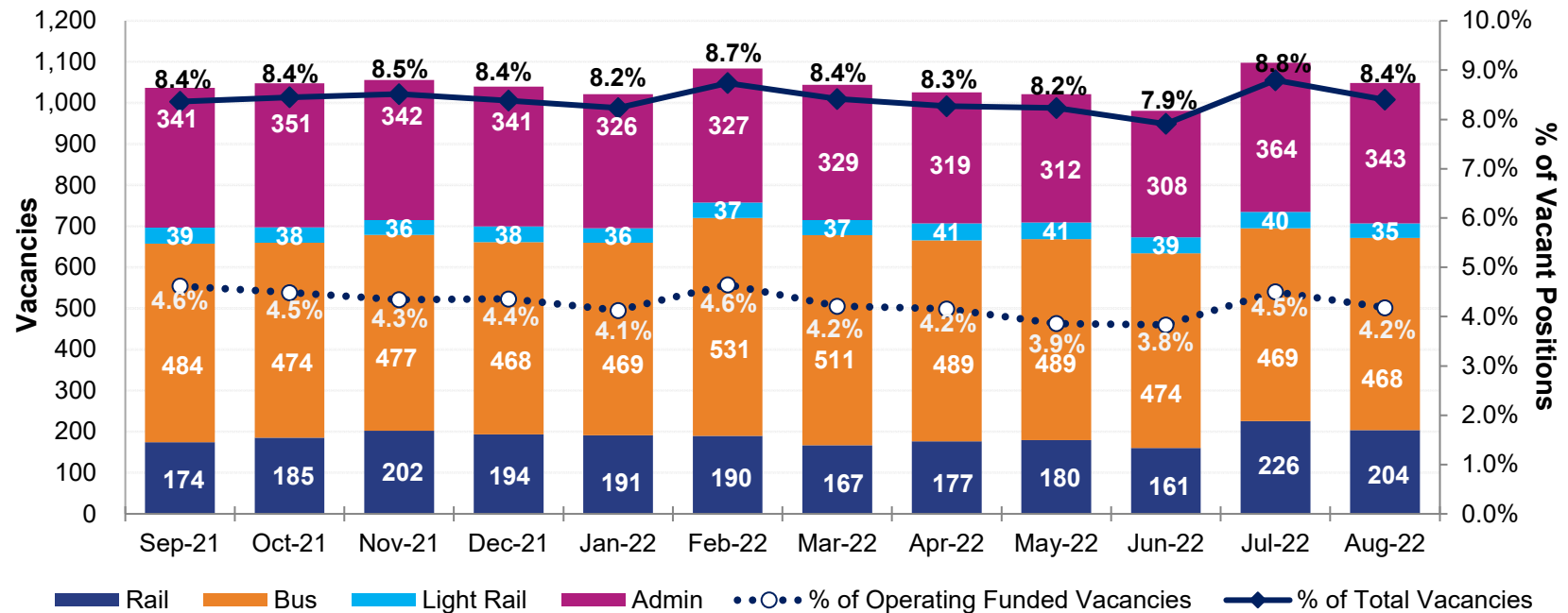
Current Month \$		Variance		Division	Fiscal Year to Date \$		Variance	
FY '23	FY '22	\$	%		FY '23	FY '22	\$	%
29,536,331	20,062,781	9,473,550	47.22	Rail Operations	58,463,231	40,770,769	17,692,462	43.39
25,106,373	19,472,058	5,634,315	28.94	Bus Operations (1)	49,031,256	38,669,660	10,361,596	26.80
1,040,185	920,703	119,482	12.98	Light Rail Operations (2)	2,069,932	1,864,003	205,929	11.05
55,682,889	40,455,542	15,227,347	37.64	NJ Transit Total	109,564,419	81,304,432	28,259,987	34.76

Ridership Report – August

COMPARISON TO LAST YEAR

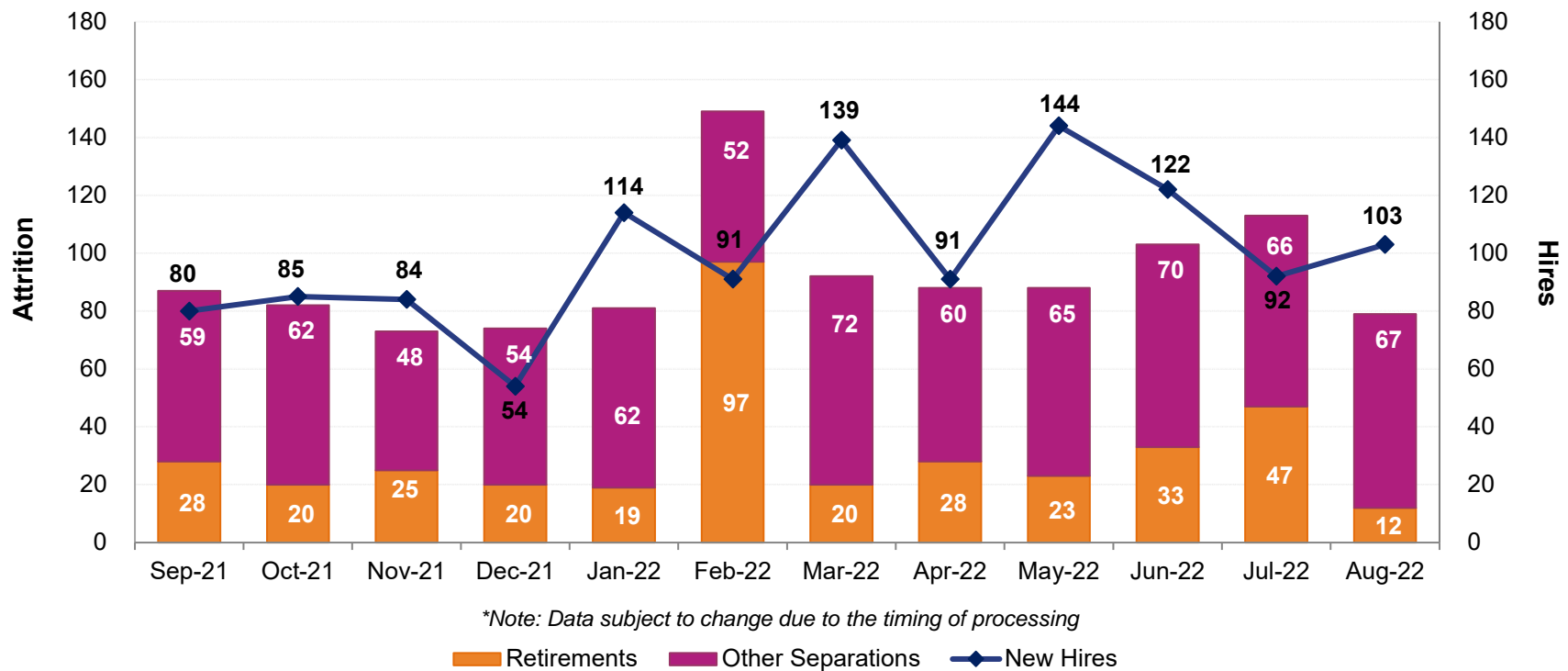
Current Month		Variance		Division	Fiscal Year to Date		Variance	
FY '23	FY '22	#	%		FY '23	FY '22	#	%
1,031,139	696,431	334,708	48.06	Rail Ridership				
442,354	275,683	166,671	60.46	M&E Lines	2,008,118	1,403,608	604,510	43.07
1,473,493	972,114	501,379	51.58	Main & Pascack Lines	844,873	544,326	300,547	55.21
				Total Hoboken Division	2,852,991	1,947,934	905,057	46.46
1,537,572	1,041,025	496,547	47.70	Northeast Corridor Line	2,979,485	2,087,527	891,958	42.73
782,746	578,610	204,136	35.28	North Jersey Coast Line (1)	1,541,465	1,175,647	365,818	31.12
270,203	175,248	94,955	54.18	Raritan Valley Line	530,071	352,087	177,984	50.55
2,590,521	1,794,883	795,638	44.33	Total Newark Division	5,051,021	3,615,261	1,435,760	39.71
56,133	41,948	14,185	33.82	Atlantic City Line	112,953	85,141	27,812	32.67
4,120,147	2,808,945	1,311,202	46.68	Total Rail Ridership	8,016,965	5,648,336	2,368,629	41.93
				Bus Ridership				
5,080,201	3,859,260	1,220,941	31.64	Northern Division	9,820,372	7,645,274	2,175,098	28.45
3,948,975	3,270,528	678,447	20.74	Central Division	7,641,513	6,462,089	1,179,424	18.25
1,081,311	910,967	170,344	18.70	Southern Division	2,107,887	1,838,383	269,504	14.66
10,110,487	8,040,755	2,069,732	25.74	Total Bus Ridership (2)	19,569,772	15,945,746	3,624,026	22.73
				Light Rail Ridership				
1,053,575	853,593	199,982	23.43	Hudson Bergen Light Rail	2,094,803	1,756,887	337,916	19.23
329,517	253,217	76,300	30.13	Newark Light Rail/City Subway	641,965	504,123	137,842	27.34
173,125	138,719	34,406	24.80	River LINE	344,539	275,943	68,596	24.86
1,556,217	1,245,529	310,688	24.94	Total Light Rail Ridership (3)	3,081,307	2,536,953	544,354	21.46
15,786,851	12,095,229	3,691,622	30.52	Total NJ Transit Ridership (4)	30,668,044	24,131,035	6,537,009	27.09

History of Vacancies



- 1,049 total vacant positions in Aug '22 excluding 386 Rail trainees
- 663 net vacant positions in Aug' 22 including LETP and ACTP trainees
- 82 approved new positions in FY23
- 485 operating-funded vacancies, reflecting an Operating Vacancy Rate of 4.2%

Monthly Attrition and Hires



- Since September 2021,
 - NJT lost 1,109 total staff
 - 372 or 33.5% of which were due to retirements
 - NJT has hired 1,199 total staff for a net gain of 90 employees
 - Average # of hires per month – 100
 - Average # of separations per month – 92

Consolidated Statement of Revenue and Expenses

(\$ in millions)

	Actuals		Fiscal Year-To-Date		Variance		FY22 YTD	Variance	
	Jul-22	Aug-22	Actuals	Budget	\$	%	Actuals	\$	%
Revenues									
Farebox Revenue	\$53.9	\$55.7	\$109.6	\$109.1	\$0.4	0.4%	\$81.3	\$28.3	34.8%
Commercial Revenue	8.3	8.7	17.0	16.9	0.1	0.7%	13.1	3.9	29.7%
State Operating Assistance	8.3	8.3	16.7	16.7	0.0	0.0%	16.7	0.0	0.0%
NJ Turnpike Authority funding	0.0	0.0	0.0	0.0	0.0	N/A	87.5	(87.5)	(100.0%)
Other Grants and Assistance	37.6	37.4	75.0	77.0	(2.0)	(2.6%)	74.5	0.5	0.7%
Total Operating Revenue	108.2	110.1	218.3	219.7	(1.5)	(0.7%)	273.1	(54.8)	(20.1%)
Expenses									
Labor	69.8	73.6	143.4	144.9	1.5	1.0%	129.3	(14.2)	(11.0%)
Fringe Benefits	59.1	62.4	121.6	119.3	(2.3)	(1.9%)	111.3	(10.3)	(9.3%)
Outside Services	8.2	13.1	21.3	21.2	(0.1)	(0.6%)	21.8	0.4	2.1%
Fuel & Power	9.4	13.5	22.9	20.3	(2.6)	(12.6%)	17.9	(5.0)	(28.1%)
Utilities	3.6	4.0	7.7	8.0	0.3	3.5%	6.2	(1.5)	(24.0%)
Purchased Transportation	17.2	19.3	36.5	35.2	(1.3)	(3.6%)	35.6	(0.9)	(2.5%)
Materials & Supplies	11.2	16.7	27.9	22.9	(5.0)	(21.8%)	26.0	(1.8)	(7.1%)
Tolls, Trackage & Fees	8.7	8.2	17.0	19.0	2.1	10.9%	17.2	0.2	1.4%
Claims & Insurance	5.6	6.1	11.7	11.7	0.0	0.2%	11.6	(0.0)	(0.2%)
Miscellaneous Expenses	2.6	3.6	6.2	6.7	0.5	7.1%	4.3	(1.9)	(45.4%)
Total Operating Expenses	195.6	220.5	416.2	409.3	(6.9)	(1.7%)	381.2	(35.0)	(9.2%)
Net Income/(Loss) from Operations	(87.5)	(110.4)	(197.9)	(189.6)	(8.3)	(4.4%)	(108.1)	(89.8)	83.1%
CARES/CRRSAA/ARPA Reimbursements	50.0	60.0	110.0	191.2	(81.2)	(42.5%)	191.9	(81.9)	(42.7%)
Reimbursable Project Net Income (Loss)	(0.8)	(4.3)	(3.1)	(1.7)	(1.4)	83.9%	(0.9)	(2.1)	226.3%
Net Income	(\$38.3)	(\$54.7)	(\$91.0)	\$0.0	(\$91.0)	N/A	\$82.9	(\$173.9)	(209.7%)