PORT AUTHORITY TRANSIT CORPORATION
Minutes of the December 12, 2012 Board Meeting
One Port Center, Camden, New Jersey
Wednesday, December 12, 2012, 9 a.m.

Present

**Pennsylvania**
David Simon, Chairman
Robert Teplitz, Esquire (Wagner)
(via telephone)
John Lisko (McCord) (via telephone)
William Sasso, Esquire
Walter D’Alessio (via telephone)
Joanna Cruz, Esquire (via telephone)
Andrew J. Reilly, Esquire

Officer and Chiefs
John Matheussen, CEO
Danielle McNichol, General Counsel
and Corporate Secretary
John Hanson, CFO
Tim Pulte, COO
Toni Brown, CAO
John Rink, PATCO, General Manager
Mike Venuto, Chief Engineer

**New Jersey**
Jeffrey L. Nash, Esquire, Vice Chair
E. Frank DiAntonio
Al Frattali
Richard Sweeney
Charles Fentress
Denise Mason
Tamarisk Jones (via telephone)
Rick Taylor

Counsel
David Rapuano, Archer & Greiner, NJ
Counsel
Tom Ellis, Duane Morris, PA Counsel

Others
John Cascarano, Assistant Counsel, NJ Gov.
Authorities Unit
Kathleen Duffy Bruder, Esquire, Deputy
Chief of Staff, Governor Corbett’s Office
Victoria Page-Wooten, Executive Deputy
General Counsel
Fred Stuart (CAC)
Kathy Venuti (CAC)
Julie Still (CAC)
Al Huber (CAC)
Tyrone Wesley (CAC)
Tony DeSantis (CAC)
Joseph Powell
Casey Oakes (Sen. Lautenberg’s Office)

**DRPA Staff**
Fran DiCicco, Administrative Coordinator
Ann DuVall, Executive Assistant to CEO
Timothy Ireland, Director, Corp. Comm.
Kevin LaMarca, Director, IS
Mark Lopez, Manager, Government Relations
Sheila Milner, Administrative Coordinator
Elizabeth McGee, Administrative Assistant
Thomas Ratery, Inspector General
Bill Shanahan, Director, Government Rel.
Susan Squillace, Manager, Purchasing
Jack Stief, Acting Police Chief,
Public Safety
Jim White, Director, Finance
Dawn Whiton, Administrative Coordinator
The Corporate Secretary announced that pursuant to the By-Laws of this Authority, public notice of this meeting of the PATCO Board of Directors has been given by posting proper notice in the lobby at One Port Center, and issuing proper notice to the public and news media.

Chairman Simon called the meeting to order and asked that the Corporate Secretary call the roll. The Corporate Secretary then called the roll and announced that there was a quorum. Chairman Simon presided.

**Report of the General Manager**
John Rink, General Manager of PATCO, stated that the report is submitted as it stands.

Mr. Rink stated that as you can see there are photos posted from the emergency drill we had. The photos show that one of the interesting things is that the township of Haddon and Collingswood Borough, PATCO's line is elevated through these two municipalities. We worked with them combining our procedures in a situation that if there were an emergency on our system and they needed to respond, how they would do that considering the line is elevated. As you can see from the photos there was various fire equipment and you can see how the personnel accessed the track area that day to remove customers that were injured, evacuate them and then transport them to various hospitals. As you can see it is approximately 30 feet in the air and access is very tricky. The fire fighters learned how they access our system in the event of an emergency.

Mr. Rink stated that Mr. Matheussen mentioned yesterday we had an after action review with all the people who participated in the drill. An after action review is a critique on what went right, what went wrong, what can we do to improve, and did our procedures work. We had very good response from the fire fighters that participated as well as the EMS teams. A lot of the plans and procedures they had in place worked well. There are areas they see they can improve incase an event like this ever happens. They have asked for advance training with PATCO safety personnel, which we will be happy to provide them with. All in all it was a good drill. We had multiple fire departments and EMS there that day. Some of the pictures will show we even used fake smoke to enhance the drill. The fire fighters had to don their equipment and climb into a car that was filled with smoke. The drill was successful.

Mr. Rink stated there was one more thing he wanted to highlight, on December 1, 2012; we had our PATCO Santa’s Sleigh. Mr. Rink stated he wanted the board and the public to know that it was very well attended. The trains that ran that day were packed especially with young kids, most on their first train ride. They took the train into the city of Philadelphia and it put everyone in the holiday mood. It was a great success and we look forward to doing it again next season.

Questions in regard to the student discount you will see that is under the Resolution PATCO-12-029 regarding the Freedom Card Discount.

Mr. Matheussen stated our employees go above and beyond I just wanted to recognize that Mr. Rink was a very significant Santa’s Helper on the PATCO Sleigh Ride.

Mr. Matheussen stated that tomorrow Mr. Rink and other executive management from PATCO will be attending some meetings with the company who is responsible for the PATCO Car Rehab Project. Mr. Matheussen continued to say they will be going onsite to take a look at what progress that is being made on a number of cars which are at various stages as you know from the reports we have received from Mr. Rink over the months. Mr. Matheussen stated we are going to make certain
we are on track. We will be meeting with some of the people in the plant who are working on the project and some of their executive management. We will be prepared next month to give the Board a full report as to the status and the progress they have made. Mr. Matheussen continued to state that this is the single biggest expense for capital projects which totals about $195,000,000 and so it is obviously a very important project and we want to make certain that it is done with the quality we are assured and in the time frame that we were given.

This concluded the Report of the General Manager.

On motion duly made and seconded, the Report of the General Manager were approved.

**Approval of November 21, 2012 PATCO Board Meeting Minutes**
The Minutes of the November 21, 2012 Board Meeting of the Port Authority Transit Corporation were previously provided to the Governor of New Jersey and the PATCO Directors and there were no comments.

On motion duly made and seconded, the Minutes of the November 21, 2012 Board Meeting were approved.

**Receipt and Filing of the Monthly List of Payments Covering the Month of November 2012**
The Monthly List of Payments covering the month of November 2012 was withdrawn for this month and will be considered next month after further review.

**Receipt and Filing of Balance Sheet & Equity Statement Dated October 31, 2012**
The Balance Sheet and Equity Statement dated October 31, 2012 were previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Balance Sheet and Equity Statement dated October 31, 2012 was received and filed.

**Approval of PATCO Operations & Maintenance Committee Report of November 7, 2012**
The Report of the PATCO Operations & Maintenance Committee Meeting of November 7, 2012 was previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Report of the PATCO Operations & Maintenance Committee of November 7, 2012 was approved.

**Approval of PATCO Operations & Maintenance Committee Report of November 21, 2012**
The Report of the PATCO Operations & Maintenance Committee Meeting of November 21, 2012 was previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Report of the PATCO Operations & Maintenance Committee of November 21, 2012 was approved.
Adopt Resolutions Approved by PATCO Operations & Maintenance Committee of November 21, 2012

Purchase and Delivery of Head Hardened Rail for PATCO

Mr. Rink requested the Board to authorize staff to negotiate a contract with Vossloh Track Material, Inc. for the purchase and delivery of Head Hardened Rail. This is a rail that we will use to replace the existing rail at the Westmont and Collingswood viaducts, on both the eastbound and westbound tracks. Mr. Rink stated that the rail will be installed by PATCO in-house personnel. Request for bids were sent to seventeen (17) suppliers. We publicly advertised on the website seven (7) responses were received, including three (3) no bids and the low bid was submitted by Vossloh Track Material, Inc. in the amount of $132,818.40, 80% which is covered by our Federal Transit Administration Grant.

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

PATCO-12-023 Purchase and Delivery of Head Hardened Rail for PATCO

PATCO Revenue Collection and Armored Car Transport Services

Mr. Rink stated we are asking the Board to authorize staff to negotiate a contract with Dunbar Armored for a five year contract in the amount of $933,325. The purpose of the contract with Dunbar is to collect revenue currency and coin from PATCO’s TVMs and parking meters, replenish TVMs with current and coin for customer change, and deliver coin/cash vaults to PATCO Money Room at Broadway Station. The automated ticket vending machines contain coin and cash vaults. Currently our in-house staff collects the bins and use revenue trains to transport them back to Broadway. What we are looking to do is outsource this service to a company that will provide an armored car service. The outsourcing eliminates two revenue collecting positions from our budget and is worth approximately $183,000 in savings for payroll and benefits. Using the armor service will also alleviate the need for a transit unit officer who then can be assigned to other duties during that time.

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

PATCO-12-024 PATCO Revenue Collection and Armored Car Transport Services

Approval of PATCO Finance Committee Report of November 21, 2012

The Report of the PATCO Finance Committee Meeting of November 21, 2012 was previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Report of the PATCO Finance Committee of November 21, 2012 was approved.
Adopt Resolutions Approved by PATCO Finance Committee of November 21, 2012

PATCO Cares Program (2013)
In-Kind Support of 2013 Community Initiatives
Industry, Historical and Technical Societies and Schools Touring PATCO Facilities
Maximizing PATCO Marketing through Cooperative Efforts
Promotion of PATCO to Students

Mr. Rink stated that the five (5) resolutions presented are annual Resolutions that were presented to the Board and have been done in 2011 and 2010 as our In-Kind Contribution Programs and services that are performed at PATCO. With our In-Kind Contributions we allow our support of community initiatives such as Philabundance, Collingswood Farmers Market, Girl Scouts, Boy and Cub Scouts, Toys for Tots Ride, Lions Club, Haddonfield Y’s Men Club and Food Bank. These are community initiatives that use our property to benefit their programs.

Mr. Rink went on to say that we also provide Industrial, Historical and Technical Societies and school tours throughout the year, totaling four (4).

Mr. Rink continued as a promotion to the PATCO students we have taken High School, Middle School and Grade School students on tours of PATCO. Generally we give them a tour of PATCO where they pay for a one ride ticket. The new program that we wanted to do was a Freedom Card Discount for college students. As we mentioned earlier, when a student registers for the Freedom Card they get a discount where they do not have to pay the $5.00 for the cost of the card. Currently our disabled and seniors do not pay the $5.00. We would like to expand this to college age students if they register their card and use PATCO to ride to their colleges. We have already looked into the various colleges and universities in the area and we can put up a link on their website to promote PATCO and provide a service for them.

On motion duly made and seconded, the following Resolutions were unanimously adopted and made the action of the Authority:

PATCO-12-025  PATCO Cares Program (2013)
PATCO-12-026  Industry, Historical and Technical Societies and Schools Touring PATCO Facilities
PATCO-12-027  In-Kind Support of 2013 Community Initiatives
PATCO-12-028  Maximizing PATCO Marketing through Cooperative Efforts
PATCO-12-029  Promotion of PATCO to Students

Approval of PATCO Finance Committee Report of December 5, 2012

The Report of the PATCO Finance Committee Meeting of December 5, 2012 was previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Report of the PATCO Finance Committee of December 5, 2012 was approved.
Adopt Resolution Approved by PATCO Finance Committee of December 5, 2012

PATCO Operating Budget
The PATCO Operating Budget of December 5, 2012 was previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

PATCO-12-030  PATCO Operating Budget

Unfinished Business

Consent to Reassign Transit Ambassador Contract

Mr. Rink stated back on October 3, 2012, the Board approved the last one year option of our contract with SGI for the Transit Ambassador Program. The contract was modified on a month to month basis due to some of the financial issues we had presented to the Board at that time. We were notified via letter that SGI would be sold to a company Block by Block. Block by Block is located outside of Louisville, Kentucky. They are a firm that currently services 47 approved districts from Hawaii to New York. The contract, all the terms and conditions will be transferred from SGI to Block by Block. We ask that they be assigned for the 10 month balance on the Transit Ambassador contract. The Political Certification forms were submitted and approved by the Inspector General’s office. We also asked that Block by Block submit financial reports and other company information which we have reviewed and the company is in good health. Block by Block is actually a larger company providing similar services that SGI did. SGI will be molded into Block by Block’s national service.

Commissioner Sasso stated are we still going month by month or did you say it was a 10 month extension?

Mr. Rink responded we are still going month to month that was approved by the Board. It is just the assignment of the 10 month balance of SGI’s contract.

Commissioner Simon stated but there is a hard stop on this agreement, correct?

Mr. Rink responded affirmative.

Commissioner Simon stated it is not month by month in perpetuity.

Commissioner Sasso stated my understanding is that it is month by month for the next 10 months.

Mr. Rink responded affirmative.

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

PATCO-12-031  Consent to Reassign Transit Ambassador Contract
New Business

Item 1 – Consideration of Pending PATCO Contracts (Between $25,000 and $100,000)

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

PATCO-12-032 Consideration of Pending PATCO Contracts (Between $25,000 and $100,000)

There being no further business, on motion duly made and seconded, the meeting was adjourned.

Respectfully submitted,

Danielle L. McNichol
Corporate Secretary
Port Authority Transit Corporation
Administration Offices & Maintenance Facility
PO Box 4262
Lindenwold, NJ 08021-0218

Directors:

PATCO Income year to date (through 10/31/12) amounted to $23,518,167, compared with a Budget Anticipated Income of $21,686,716, a favorable variance of $1,831,451 or 8.45%.

Operating expenses during October 2012 amounted to $3,231,215 compared with a Budget Anticipated Expense of $3,558,950, a favorable variance of $327,735 or 9.21%. Year to date expenses totaled $33,597,403, compared with a Budget Anticipated Expense of $37,594,939, a favorable variance of $3,997,536 or 10.63%.

During the month of October 2012, PATCO experienced a Net Operating Loss (excluding rental and non-recurring charges) of $861,386. The cumulative Net Operating Loss (excluding rental and non-recurring charges) through 10/31/12 totaled $10,079,236. Total Cumulative Loss year to date (including Lease Rental charges) equaled $15,180,902.

Net Transit Loss (including lease expense) for the month ending 10/31/12 was $1,371,553.

The passenger count for the month of October 2012 totaled 894,801, a decrease of 9,689 (-1.07%) when compared to October 2011. It should be noted that service was suspended for more than a day in response to Hurricane Sandy. Ridership for the year to date as of 10/31/12 totaled 8,944,634, an increase of 162,250 (+1.85%) when compared to the same period of 2011.

<table>
<thead>
<tr>
<th>Through October 31, 2012</th>
<th>2012 Budget</th>
<th>2012 Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$21,686,716</td>
<td>$23,518,167</td>
<td>$1,831,451</td>
</tr>
<tr>
<td>Expenses</td>
<td>$37,594,939</td>
<td>$33,597,403</td>
<td>$3,997,536</td>
</tr>
<tr>
<td>Operating Ratio</td>
<td>.5769</td>
<td>.7000</td>
<td></td>
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<tr>
<td>Passengers</td>
<td>8,469,225</td>
<td>8,944,634</td>
<td>475,409</td>
</tr>
<tr>
<td>Car Miles</td>
<td>3,842,149</td>
<td>3,952,468</td>
<td>110,319</td>
</tr>
</tbody>
</table>
PERSONNEL TRANSACTIONS

The following personnel transactions occurred in November 2012:

<table>
<thead>
<tr>
<th>NAME</th>
<th>POSITION</th>
<th>DEPT.</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPOINTMENT (S)</td>
<td>None</td>
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<tr>
<td>APPOINTMENT(S)</td>
<td>TEMPORARY - None</td>
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<tr>
<td>PROMOTION(S)</td>
<td>None</td>
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</table>

TEMPORARY ASSIGNMENT TO HIGHER CLASSIFICATION

Kevin Hyslop
From: Accountant
To: Acting Sr. Accountant
Finance
11/10/12 – 5/10/13

TRANSFER(S) (Interagency)

Chong Young
From: Auditor
To: Sr. Accountant
Office of the Inspector General
Finance
11/23/12

RESIGNATION(S) - None

RETIREMENT(S) - None

PURCHASING & MATERIAL MANAGEMENT - Nothing to report at this time.

TRANSIT SERVICES

The on-time performance for the 4,972 scheduled trips for the November 1-27 time period was 97.2%.

MAINTENANCE

The following significant maintenance items were progressed in November (through 11/27/12):

- Car Overhaul
  - Two cars have completed water test, with some repairs required.
  - First article inspections on seats are scheduled for November 29.
  - First article inspection for door control unit and operators is anticipated in early December.
- Shop Annex Building
  - The pouring of concrete for the main floor is in progress.
- Eight (8) motors were changed out.
- Interior heavy cleaning was performed on twenty-two (22) cars.
General Manager’s Report – November – for December 12, 2012 Board Meeting

- One hundred seventeen (117) exterior washes were performed this month.
- Overhaul of trucks is on hold pending review of a repair procedure for worn journal housings.
- Support services were provided as required for the following projects:
  - Design of Track Rehab across Ben Franklin Bridge
  - PATCO and Ben Franklin Bridge Biennial Inspections
  - Ben Franklin Bridge maintenance activities
  - Subway Fire Standpipe System
  - Right of Way Fence Replacement
  - Pole Line and Cable Replacement
  - Lindenwold Yard “Diamond” Crossover Replacement
  - Lindenwold Yard Rehab
  - Lindenwold Shop Annex Building
  - Accessibility Improvements (Elevators) at 9th/10th/Locust and Ferry Avenue Stations
  - Replacement of Escalators at Woodcrest, 12th/13th and 15th/16th
  - Transformer Replacement, Phase I
  - Repaving Parking Lots at Westmont and Lindenwold Stations
- Testing of relays at interlockings and substations continued.
- Relamping of stations, subway tunnels, and parking lots continued.
- Replacement of wood ties and timbers continued in Lindenwold Yard as well as tamping of mainline switches and insulated joints.
- Rail replacement continued in various locations in the subway.
- Subway fire alarm operational inspections continued.

SAFETY

The monthly report of the Safety Department is enclosed with this report.

The highlight of our efforts this month was our 2012 Full Scale Exercise involving over 200 participants including Collingswood, Westmont, Pennsauken, Camden, Cherry Hill, Bellmawr, Audubon, and Haddonfield Fire Departments; County Prosecutor’s Office; NJ State OEM; Camden County OEM; Camden County Fire Police; and Camden County Communications.

KEY PERFORMANCE INDICATORS (KPI’s)

As part of an overall effort to manage the organization utilizing quantifiable measures, PATCO has identified several categories of Key Performance Indicators (KPI’s). As an example, recognizing the importance of escalators and elevators to our customers, PATCO is tracking availability of this equipment, as shown below:
General Manager’s Report – November – for December 12, 2012 Board Meeting

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Target</th>
<th>Actual</th>
<th>Variance</th>
<th>Favorable / Unfavorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escalators*</td>
<td>90%</td>
<td>83.05%</td>
<td>-6.95%</td>
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<tr>
<td>Elevators</td>
<td>97%</td>
<td>100%</td>
<td>3%</td>
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* The escalator at Ferry Avenue was out of service for most of the month. The contractor has been working with the vendor of one of the components to resolve the problem.

Respectfully submitted,

John D. Rink
General Manager
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<tr>
<th></th>
<th>1ST A/P</th>
<th>2ND A/P</th>
<th>3RD A/P</th>
<th>4TH A/P</th>
<th>5TH A/P</th>
<th>6TH A/P</th>
<th>7TH A/P</th>
<th>8TH A/P</th>
<th>9TH A/P</th>
<th>10TH A/P</th>
<th>11TH A/P</th>
<th>12TH A/P</th>
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<td><strong>INCOME</strong></td>
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<td>Operating</td>
<td>2,223,153</td>
<td>2,201,350</td>
<td>2,423,209</td>
<td>2,187,896</td>
<td>2,278,773</td>
<td>2,314,003</td>
<td>2,263,159</td>
<td>2,332,709</td>
<td>2,193,630</td>
<td>2,265,321</td>
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<td>Non-Operating</td>
<td>85,580</td>
<td>59,004</td>
<td>66,383</td>
<td>84,501</td>
<td>88,902</td>
<td>117,280</td>
<td>101,165</td>
<td>88,032</td>
<td>38,781</td>
<td>74,508</td>
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<td>Total Income-Pd</td>
<td>2,308,739</td>
<td>2,261,254</td>
<td>2,489,602</td>
<td>2,272,199</td>
<td>2,367,785</td>
<td>2,431,283</td>
<td>2,384,354</td>
<td>2,420,741</td>
<td>2,232,411</td>
<td>2,360,829</td>
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<td><strong>EXPENSE</strong></td>
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<td>Total Expenses</td>
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<td><strong>PORT AUTHORITY TR. Tasmania</strong></td>
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<td><strong>Comparative Statement of Revenue and Expenses</strong></td>
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<td><strong>Revenue</strong></td>
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<td><strong>Expenses</strong></td>
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</tbody>
</table>
Port Authority Transit Corporation  
Analysis of Budgeted/Actual Income - Year 2012  
10th Accounting Period Ending  
October 31, 2012

<table>
<thead>
<tr>
<th>Income</th>
<th>2012 Budget</th>
<th>2012 Actual</th>
<th>Variance</th>
<th>2012 Budget</th>
<th>2012 Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Passenger Revenue</td>
<td>$23,849,000</td>
<td>$21,952,736</td>
<td>$72,268</td>
<td>$23,849,000</td>
<td>$21,952,736</td>
<td>$72,268</td>
</tr>
<tr>
<td>Smart Card Sales</td>
<td>101,660</td>
<td>83,795</td>
<td>(17,865)</td>
<td>101,660</td>
<td>83,795</td>
<td>(17,865)</td>
</tr>
<tr>
<td>Less: Transfers</td>
<td>$53,800</td>
<td>46,682</td>
<td>(7,118)</td>
<td>$53,800</td>
<td>46,682</td>
<td>(7,118)</td>
</tr>
<tr>
<td>Net Passenger Revenue</td>
<td>$23,886,800</td>
<td>$21,486,112</td>
<td>$2,400</td>
<td>$23,886,800</td>
<td>$21,486,112</td>
<td>$2,400</td>
</tr>
<tr>
<td>Advertising</td>
<td>$600,000</td>
<td>$531,193</td>
<td>(68,807)</td>
<td>$600,000</td>
<td>$531,193</td>
<td>(68,807)</td>
</tr>
<tr>
<td>Leases &amp; Rentals</td>
<td>303,700</td>
<td>253,055</td>
<td>(50,645)</td>
<td>303,700</td>
<td>253,055</td>
<td>(50,645)</td>
</tr>
<tr>
<td>Interest</td>
<td>2,500</td>
<td>2,083</td>
<td>(417)</td>
<td>2,500</td>
<td>2,083</td>
<td>(417)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>18,500</td>
<td>14,855</td>
<td>(3,645)</td>
<td>18,500</td>
<td>14,855</td>
<td>(3,645)</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$25,618,276</strong></td>
<td><strong>$23,518,167</strong></td>
<td><strong>$1,100,109</strong></td>
<td><strong>$25,618,276</strong></td>
<td><strong>$23,518,167</strong></td>
<td><strong>$1,100,109</strong></td>
</tr>
<tr>
<td>Passengers</td>
<td>10,000,000</td>
<td>8,944,034</td>
<td>(1,056,966)</td>
<td>10,000,000</td>
<td>8,944,034</td>
<td>(1,056,966)</td>
</tr>
</tbody>
</table>

11/27/2012
## Comparative Analysis - 2012

**Budget vs Actual Income & Departmental Expenses**

**for the Month Ending October 31, 2012**

<table>
<thead>
<tr>
<th></th>
<th>2012 BUDGET</th>
<th>2012 Actual</th>
<th>VARIANCE</th>
<th>BUDGET</th>
<th>2012 Actual</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Passenger Revenue</strong></td>
<td>$23,849,000</td>
<td>$22,185,594</td>
<td>$72,766</td>
<td>3.4% F</td>
<td>$21,852,736</td>
<td>$1,754,481</td>
</tr>
<tr>
<td><strong>Smart Card Sales</strong></td>
<td>$101,660</td>
<td>8,472</td>
<td>8,405</td>
<td>(97)</td>
<td>84,720</td>
<td>63,795</td>
</tr>
<tr>
<td><strong>Less: Transfers</strong></td>
<td>53,800</td>
<td>4,841</td>
<td>4,799</td>
<td>53</td>
<td>45,563</td>
<td>37,742</td>
</tr>
<tr>
<td><strong>Net Passenger Revenue</strong></td>
<td>$23,986,660</td>
<td>$21,618,661</td>
<td>$2,374,139</td>
<td>(10.4% F</td>
<td>20,237,412</td>
<td>21,957,869</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>1,721,416</td>
<td>148,263</td>
<td>147,918</td>
<td>(635)</td>
<td>1,449,304</td>
<td>1,529,378</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>$25,618,276</td>
<td>$22,766,924</td>
<td>$2,851,322</td>
<td>10.8% F</td>
<td>$21,686,716</td>
<td>$23,148,147</td>
</tr>
<tr>
<td><strong>Way &amp; Power Dept.</strong></td>
<td>$10,719,111</td>
<td>$782,337</td>
<td>$70,905</td>
<td>(97,266)</td>
<td>8,630,126</td>
<td>8,674,520</td>
</tr>
<tr>
<td><strong>Equipment Dept.</strong></td>
<td>6,497,403</td>
<td>511,415</td>
<td>470,310</td>
<td>41,096</td>
<td>5,365,517</td>
<td>4,058,161</td>
</tr>
<tr>
<td><strong>Transportation Dept.</strong></td>
<td>16,248,096</td>
<td>1,268,157</td>
<td>1,066,376</td>
<td>219,752</td>
<td>1,134,252</td>
<td>11,905,454</td>
</tr>
<tr>
<td><strong>Administration Dept.</strong></td>
<td>5,258,488</td>
<td>419,834</td>
<td>257,572</td>
<td>52,292</td>
<td>4,371,441</td>
<td>3,067,931</td>
</tr>
<tr>
<td><strong>Insurance &amp; Claims</strong></td>
<td>1,285,368</td>
<td>109,504</td>
<td>110,027</td>
<td>(9,463)</td>
<td>1,068,340</td>
<td>706,396</td>
</tr>
<tr>
<td><strong>Purchased Power</strong></td>
<td>5,297,360</td>
<td>449,843</td>
<td>338,137</td>
<td>111,506</td>
<td>4,433,233</td>
<td>3,564,891</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td>$45,301,355</td>
<td>$3,555,950</td>
<td>$3,231,215</td>
<td>$327,735</td>
<td>37,564,939</td>
<td>33,507,403</td>
</tr>
<tr>
<td><strong>Rent-ORPA</strong></td>
<td>6,122,000</td>
<td>510,167</td>
<td>510,167</td>
<td>0</td>
<td>5,101,666</td>
<td>5,101,666</td>
</tr>
<tr>
<td><strong>Reserve Accrual for Other Post Employment Benefits</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$51,423,355</td>
<td>$4,069,117</td>
<td>$3,761,322</td>
<td>$327,735</td>
<td>42,666,606</td>
<td>38,909,069</td>
</tr>
<tr>
<td><strong>Transit Loss</strong></td>
<td>($25,805,079)</td>
<td>($1,771,497)</td>
<td>($1,371,503)</td>
<td>($369,854)</td>
<td>($21,008,869)</td>
<td>($15,180,992)</td>
</tr>
</tbody>
</table>

**11/27/2012**
MEMORANDUM

PORT AUTHORITY TRANSIT CORPORATION
of Pennsylvania & New Jersey

TO: John Rink
FROM: David Fullerton

DATE: November 28, 2012

1. Staff was involved in the following activities concerning Contractor Safety:
   - Conducted Contractor’s Safety Briefings and created the necessary follow-up reports of safety briefings as shown below:

<table>
<thead>
<tr>
<th>DATE</th>
<th>CONTRACTOR</th>
<th>PATCO CONTRACT NO.</th>
<th>PROJECT/WORK AREA</th>
<th>NUMBER IN ATTENDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/5/12</td>
<td>Titan Outdoor</td>
<td></td>
<td>Station Advertising</td>
<td>5</td>
</tr>
<tr>
<td>11/5/12</td>
<td>SGI</td>
<td></td>
<td>Transit Ambassadors</td>
<td>5+ 9 PM</td>
</tr>
<tr>
<td>11/5/12</td>
<td>JBL Electric</td>
<td>47-2011</td>
<td>Transformer Replacement</td>
<td>2</td>
</tr>
<tr>
<td>11/5/12</td>
<td>AP Construction</td>
<td>48-2011</td>
<td>Escalators-Woodcrest, 12/13 &amp; 15/16 Locust</td>
<td>1</td>
</tr>
<tr>
<td>11/5/12</td>
<td>AP/Nesmith Electric</td>
<td>48-2011</td>
<td>Escalators-Woodcrest, 12/13 &amp; 15/16 Locust</td>
<td>1</td>
</tr>
<tr>
<td>11/5/12</td>
<td>AON Risk</td>
<td></td>
<td>Loss &amp; Safety Control</td>
<td>1</td>
</tr>
<tr>
<td>11/12/12</td>
<td>Titan Outdoor</td>
<td></td>
<td>Station Advertising</td>
<td>5</td>
</tr>
<tr>
<td>11/12/12</td>
<td>AP/Federal Elevator</td>
<td>12-H</td>
<td>Accessibility Upgrades</td>
<td>1</td>
</tr>
<tr>
<td>11/12/12</td>
<td>Titan/Three Leaves</td>
<td></td>
<td>Station Advertising</td>
<td>4</td>
</tr>
<tr>
<td>11/12/12</td>
<td>Titan/Moon Electric</td>
<td></td>
<td>Station Advertising</td>
<td>3</td>
</tr>
<tr>
<td>11/12/12</td>
<td>VTX Gannett Fleming</td>
<td>48-2011</td>
<td>Escalators-Woodcrest, 12/13 &amp; 15/16 Locust</td>
<td>4</td>
</tr>
<tr>
<td>11/12/12</td>
<td>Daidone/Henkels &amp; McCoy/Bluestone</td>
<td>10-G</td>
<td>Power Cable &amp; Pole Line</td>
<td>1</td>
</tr>
<tr>
<td>11/19/12</td>
<td>Titan Outdoor</td>
<td></td>
<td>Station Advertising</td>
<td>4</td>
</tr>
<tr>
<td>11/19/12</td>
<td>VTX Gannett Fleming</td>
<td>48-2011</td>
<td>Escalators-Woodcrest, 12/13 &amp; 15/16 Locust</td>
<td>1</td>
</tr>
<tr>
<td>11/19/12</td>
<td>Daidone/Henkels &amp; McCoy</td>
<td>10-G</td>
<td>Power Cable &amp; Pole Line</td>
<td>2</td>
</tr>
<tr>
<td>11/26/12</td>
<td>DRPA IS</td>
<td></td>
<td>Various PATCO Sites</td>
<td>1</td>
</tr>
<tr>
<td>11/26/12</td>
<td>AP/E.H. Ironworks</td>
<td>12-H</td>
<td>Accessibility Upgrades</td>
<td>3</td>
</tr>
</tbody>
</table>
### Stress Management Workshop conducted by Cooper EAP

11/7/12 - 11 employees attended  
11/13/12 - 9 employees attended  
11/14/12 (night shift) – 10 employees attended

### Drug & Alcohol Tests – for November 2012

<table>
<thead>
<tr>
<th>Test Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Random Drug only</td>
<td>9</td>
</tr>
<tr>
<td>Random Alcohol</td>
<td>1</td>
</tr>
<tr>
<td>Post Accident Drugs</td>
<td>0</td>
</tr>
<tr>
<td>Post Accident Alcohol</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL TESTS COMPLETED</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>

2. **Staff was involved with the following activities concerning Employee Health and Safety:**
   - Conducted four (4) environmental audits.

3. **Internal PATCO Safety Activities:**
   - Conducted and participated in monthly Joint Workplace Committee meeting.
   - Conducted and participated in 2012 Drill Planning Meeting.
   - Participated in Meeting concerning response to Hurricane Sandy

4. **Involvement in Authority Activities:**
   - Participated in kickoff meeting for 800MHz Upgrade Project.
   - Participated in Central Safety & Health Meeting.

5. **Outside Agency Involvement:**
   - Participated in 2012 Annual Full Scale exercise planning meeting.
   - Met with TEEX representatives, Design and Planning team, concerning the 2013 and 2014 Emergency Drills.
   - Participated in After Action Review concerning October 25 HazMat Task Force Exercise at City Hall.
   - Conducted three (3) Familiarization Tours for Collingswood and Westmont Fire Department – 60 participants.
• Participated in 2012 Full Scale Exercise – over 200 participants including Collingswood, Westmont, Pennsauken, Camden, Cherry Hill, Bellmawr, Audubon, and Haddonfield Fire Departments, County Prosecutor’s Office, NJ State OEM, Camden County OEM, Camden County Fire Police, Camden County Communications.
• Participated in meeting with TEEX Representative for 2013 TEEX training
PORT AUTHORITY TRANSIT CORPORATION

BALANCE SHEET
October 31, 2012

ASSETS

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2011</th>
<th>October 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash (Includes $107,460 in Station Escrow Funds)</td>
<td>$754,856</td>
<td>$1,129,466</td>
</tr>
<tr>
<td>Investments (Note 1)</td>
<td>2,654,915</td>
<td>2,654,999</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>90,053</td>
<td>507,034</td>
</tr>
<tr>
<td>Inventory at lower of cost (first-in, first-out) or market</td>
<td>5,718,906</td>
<td>5,841,762</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>1,002,223</td>
<td>512,658</td>
</tr>
<tr>
<td>Work Orders in Progress</td>
<td>1,026,524</td>
<td>514,844</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$11,247,477</strong></td>
<td><strong>$11,160,763</strong></td>
</tr>
</tbody>
</table>

LIABILITIES AND EQUITY

Liabilities:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2011</th>
<th>October 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>$1,509,821</td>
<td>$781,710</td>
</tr>
<tr>
<td>Delaware River Port Authority (Note 2)</td>
<td>232,486,000</td>
<td>237,587,666</td>
</tr>
<tr>
<td>Accrued Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for Other Post Employment Benefits (Note 4)</td>
<td>14,082,843</td>
<td>14,082,843</td>
</tr>
<tr>
<td>Deferred Revenue (Note 5)</td>
<td>3,292,007</td>
<td>3,253,720</td>
</tr>
<tr>
<td>Wages</td>
<td>380,506</td>
<td>364,284</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>58,073</td>
<td>59,075</td>
</tr>
<tr>
<td>Pension and Other</td>
<td>191,832</td>
<td>286,337</td>
</tr>
<tr>
<td>Sick Leave Benefits</td>
<td>765,036</td>
<td>659,021</td>
</tr>
<tr>
<td>Reserve for Unused Vacation</td>
<td>295,682</td>
<td>266,466</td>
</tr>
<tr>
<td>Reserve for contingent liabilities (Note 3)</td>
<td>5,037,154</td>
<td>4,889,123</td>
</tr>
<tr>
<td></td>
<td><strong>$258,098,954</strong></td>
<td><strong>$262,230,245</strong></td>
</tr>
</tbody>
</table>

Equity:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2011</th>
<th>October 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advances from Delaware River Port Authority</td>
<td>330,353,016</td>
<td>341,330,043</td>
</tr>
<tr>
<td>Deficit</td>
<td>($577,204,493)</td>
<td>($592,399,525)</td>
</tr>
<tr>
<td></td>
<td><strong>$11,247,477</strong></td>
<td><strong>$11,160,763</strong></td>
</tr>
</tbody>
</table>
PORT AUTHORITY TRANSIT CORPORATION  
(A Wholly Owned Subsidiary Of Delaware River Port Authority)  
STATEMENT OF REVENUES AND EXPENSES AND DEFICIT  
FOR THE PERIOD INDICATED  

<table>
<thead>
<tr>
<th></th>
<th>Year to date ended</th>
<th>Month ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10/31/2012</td>
<td>10/31/2012</td>
</tr>
<tr>
<td>Operating Revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger fares</td>
<td>$21,892,704</td>
<td>$2,212,584</td>
</tr>
<tr>
<td>Passenger parking</td>
<td>724,216</td>
<td>73,110</td>
</tr>
<tr>
<td>Passenger - other</td>
<td>96,085</td>
<td>9,627</td>
</tr>
<tr>
<td>Advertising</td>
<td>531,193</td>
<td>48,528</td>
</tr>
<tr>
<td>Telecommunications Rental Income</td>
<td>253,055</td>
<td>25,306</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>18,955</td>
<td>487</td>
</tr>
<tr>
<td>Interest Income From Investments</td>
<td>1,959</td>
<td>185</td>
</tr>
<tr>
<td></td>
<td>$23,518,167</td>
<td>$2,369,827</td>
</tr>
</tbody>
</table>

| Operating Expenses:  |                    |             |
| Maintenance of Way and Power | 8,674,520        | 879,605     |
| Maintenance of Equipment   | 4,958,161         | 470,319     |
| Purchased Power            | 3,564,891         | 338,137     |
| Transportation            | 11,919,583        | 1,080,504   |
| General Insurance          | 796,396           | 119,027     |
| Superintendence and General Office | 3,697,981 | 357,752 |
| Rent of Rapid Transit System Facilities (Note 2) | 33,611,532 | 3,245,344 |
| Other Post Employment Benefits Accrual (Note 4) | 5,101,666 | 510,167 |
|                      | $38,713,198        | $3,755,511  |

| Net Income (loss)        | ( $ 15,195,031)    | ( $ 1,385,684) |
| Deficit, December 31, 2011 | ( $ 577,560,160)  |              |
| Deficit, October 31, 2012 | ( $ 592,755,191)  |              |

See Notes To Financial Statements
NOTES TO FINANCIAL STATEMENTS

1. Investments:

The Corporation has set aside $2,655,000, par value Treasury Bill due 11-15-12 to
Partially fund its liability for self-insurance with the following limits:

(a) Totally self-insured for Voluntary Workers Compensation.

(b) Comprehensive General Liability from the first dollar to $5,000,000
per occurrence.

2. Rent of transit system facilities:

All rapid transit system facilities used by the Corporation are leased from the Delaware River Port Authority,
under terms of an agreement dated April 18, 1969 and amended June 3, 1974. The lease requires the
Corporation to operate and maintain the Locust-Lindenwold line.

The terms of the amended agreement, which was made retroactive to January 1, 1974, and which is to continue
from year to year, provide that the Corporation pay a minimum annual rental of $6,122,000, which
approximates the sum of the annual interest expense to the Delaware River Port Authority for that portion of
its indebtedness attributable to the construction and equipping of the leased facilities plus the provision for
depreciation of the rapid transit facilities as recorded by the Authority. In addition, the lease requires the
Corporation to pay to the Authority any net earnings from operations for the Locust-Lindenwold line less a
reasonable amount to be retained for working capital and operating reserves.

The rent is payable semi-annually on June 30 and December 31. The Corporation is in default of this
agreement as payments totaling $237,587,666 from January 1, 1974 through October 31, 2012 have not been
made to the Authority.

3. Reserves for Contingent Liabilities:

Pursuant to a policy of self-insurance, the Corporation has reserved $3,393,520 for Comprehensive General
Liability and $1,495,621 for Workers’ Compensation.

4. Other Post-Employment Benefits:

The Government Accounting Standards Board (GASB) has issued Statement No. 45, “Accounting and
Financial Reporting by Employers for Post-Employment Benefits Other than Pensions (OPEB),” which
addresses the accountability and disclosure of the costs and obligations, that are associated with post-
employment health care and other non-pension benefits to current and future retirees, by governmental
entities. Pursuant to this requirement, the Corporation adopted its reporting requirements during the 2007
fiscal year. The OPEB accrual, in recognition of the costs and obligations associated with post-
employment health care, represents an actuarial determined amount upon an unfunded assumption under a
30-year amortization period at a discount rate of 5%.

5. Deferred Revenue:

Deferred revenue consists of the prepayment of fares related to the unearned values on passengers’ smart
cards for unused trips.
Report of Operations and Maintenance Committee
PORT AUTHORITY TRANSIT CORPORATION
One Port Center, Camden, New Jersey
Wednesday, November 21, 2012, 9 a.m.

Committee Members
William Sasso, Chairman
Andrew Reilly
Albert F. Frattali
Joanna Cruz, Esquire
Joann Bell (via telephone)
Richard Sweeney
Charles Fentress
E. Frank DiAntonio

Officers and Chiefs
John Matheussen, CEO
Michael Conallen, Deputy CEO
Danielle McNichol, General Counsel and Corporate Secretary
John Hanson, CFO
Toni Brown, CAO
John Rink, PATCO, General Manager
Mike Venuto, Chief Engineer

DRPA Staff
Valerie Bradford, Bridge Director, BFB/BRB
Fran DiCicco, Administrative Coordinator
Ann DuVall, Executive Assistant to CEO
Timothy Ireland, Director, Corp. Comm.
Kevin LaMarca, Director, IS
Elizabeth McGee, Administrative Assistant
Sheila Milner, Administrative Coordinator
Elizabeth McGee, Administrative Assistant
Thomas Raftery, Inspector General
Michael Reher, Sgt., Public Safety
Bill Shanahan, Director, Government Rel.
Susan Squillace, Manager, Purchasing
Jack Stief, Acting Police Chief, Public Safety
Dawn Whiton, Administrative Coordinator

Commissioners
Jeffrey L. Nash, Esquire, Vice Chair
David Simon, Esquire
Tamarisk Jones
Walter D’Alessio
Robert Teplitz, Esquire (Wagner)
John Lisko, Esquire (McCord) (via telephone)
Rick Taylor (via telephone)

Counsel
Christopher Gibson, Archer & Greiner, NJ Counsel
Tom Ellis, Duane Morris, PA Counsel

Others
John Cascarano, Assistant Counsel, NJ Gov.
Authorities Unit
Kathleen Duffy Bruder, Esquire, Deputy Chief of Staff, Governor Corbett’s Office
Victoria Page-Wooten, Executive Deputy General Counsel
Kathy Venuti (CAC)
Julie Still (CAC)
Bill Schofield (PNC)
The Corporate Secretary announced that pursuant to the Bylaws of this Authority, public notice of this meeting of the PATCO Operations and Maintenance Committee has been given by posting proper notice in the lobby at One Port Center, and issuing proper notice to the public and news media.

Chairman Sasso called the meeting of the PATCO Operations and Maintenance Committee to order and asked that the Corporate Secretary call the roll. The Corporate Secretary then called the roll for the Committee and announced that there was a quorum. Chairman Sasso presided.

**Item 1 – Purchase and Delivery of Head Hardened Rail for PATCO**

John Rink, General Manager of PATCO, requested the Board to authorize staff to negotiate a contract with Vossloh Track Material, Inc. for the purchase and delivery of Head Hardened Rail in the amount of $132,818.40. The purpose of this contract is to replace existing rail on the Westmont and Collingswood viaducts, on both the eastbound and westbound tracks. He said that the existing rail has been in service since the construction of PATCO and is worn to the extent that it needs to be replaced. The rail will be installed by PATCO in-house labor. Mr. Rink stated that 80% of these costs are covered by the Federal Transit Administration grant. The 2012 Capital Budget includes the program for upgrading the existing track throughout the system. He said that a request for bids was sent to 17 suppliers and this was also publicly advertised on the DRPA website. Seven responses were received with three bids with the low responsive and responsible bidder was Vossloh Track Material, Inc.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

PATCO-12-xxx  Purchase and Delivery of Head Hardened Rail for PATCO

**Item 2 – PATCO Revenue Collection and Armored Car Transport Services**

John Rink, General Manager of PATCO, requested the Board to authorize staff to negotiate a contract with Dunbar Armored whereby Dunbar will service PATCO Ticket Vending Machines and parking meters by collection coins and bill vaults from devices and transporting from PATCO Stations to PATCO Money Processing Room at Broadway. The contract is for five years for a total amount not to exceed $933,325. He stated that PATCO’s automated ticket fare vending machines contain the coin and cash vaults to collect the money and vend change. Mr. Rink said that currently in-house staff use a particular method to collect monies for processing. PATCO seeks to transport fare money by using an armored carrier, plus will relieve Transit Unit Police from providing money escort service. He stated that an RFQ was submitted to all contractors identified as providers of these services in the area, as well as being placed on the Authority’s website. Two contractors who responded to the RFQ met the performance requirements, and therefore received an Invitation to Bid. The two contractors responded with their respective bids. These contractors attended a mandatory pre-bid meeting and site tour. Mr. Rink said that after reviewing the bid package information, we recommend the award of the contract to Dunbar Armored.

In response to Chairman Sasso’s inquiry as to the other bidder, Mr. Rink stated that Garda CL, Inc. was the other bidder. He also stated in response to Commissioner Sweeney’s
inquiry as where Garda CL is located and Mr. Rink stated they are from Runnemed, New Jersey.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

**PATCO-12-xxx**  PATCO Revenue Collection and Armored Car Transport Services

There being no further business, on motion made and duly seconded, the meeting was adjourned.

Respectfully submitted,

Chairman William Sasso
SUMMARY STATEMENT

ITEM NO.  PATCO-12-023

SUBJECT:  Purchase and Delivery of
Head Hardened Rail for PATCO

COMMITTEE:
Operations & Maintenance

COMMITTEE MEETING DATE:
November 21, 2012

BOARD ACTION DATE:
December 12, 2012

PROPOSAL: That the Board of Commissioners authorizes staff to negotiate a
contract with Vossloh Track Material, Inc. for the purchase and
delivery of Head Hardened Rail.

Amount: $132,818.40
(80% Federal Transit Administration,
20% DRPA)

Contractor: Vossloh Track Material, Inc.
5662 Leesport Avenue
Reading, PA 19612

Other Bidders: L.B. Foster
Progress Rail Services
MRT Track & Service

PURPOSE: To replace existing rail on the Westmont and Collingswood viaducts,
on both the eastbound and westbound tracks. The existing rail has
been in service since the construction of PATCO and is worn to the
extent that it needs to be replaced. The rail will be installed by
PATCO.

BACKGROUND: The 2012 Capital Budget includes funds for the continuing program
of upgrading the existing track throughout the system. This project
includes the replacement of the rail on the Westmont and
Collingswood viaducts. The rail has been in service since the time
PATCO was constructed, and is in need of replacement due to wear
resulting from over forty years of service. This rail is essential to the
operation of PATCO and needs to be replaced. The existing rail will
be removed and the new rail will be installed by PATCO in-house
personnel.

On September 7, 2012, Requests for Bid were sent to seventeen (17)
suppliers potentially capable of providing this material. The
procurement was also publicly advertised on the DRPA web site from
September 7 through October 2, 2012. Seven responses were
received, including three (3) no-bids. The low bid was submitted by Vossloh Track Material, Inc. in the total amount of $132,818.40.

It is recommended that a contract be negotiated for the purchase and delivery of Head Hardened Rail with Vossloh Track Material, Inc. in the total amount of $132,818.40. Upon approval of the Board, a contract will be negotiated with Vossloh Track Material, Inc. to provide the rail as required.

SUMMARY:  
Amount: $132,818.40  
Source of Funds: General Fund – Subject to reimbursement by future bond proceeds-
$26,563.68  
DRPA’s Share - 20% of total  
Capital Project#: PF9602 
Operating Budget: N/A 
Master Plan Status: N/A 
Other Fund Sources: $106,254.72 
FTA Grant #NJ-90-0053 & NJ-90-0055 – 80% of total 
Duration of Contract: N/A 
Other Parties: N/A
RESOLUTION

RESOLVED: That the Board hereby authorizes staff to negotiate a purchase agreement with Vossloh Track Material, Inc. for the purchase and delivery of Head Hardened Rail to be installed by PATCO for a total cost not to exceed $132,818.00; and be it further

RESOLVED: That the Chair, Vice Chair and the President must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the PATCO. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and President and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of PATCO. If both the Chair and Vice Chair are absent or unavailable, and any agreement or agreements need to be executed during their absence, then the President may execute on behalf of PATCO.

SUMMARY: Amount $132,818.40
Source of Funds: General Fund – Subject to reimbursement by future bond proceeds- $26,563.68
DRPA’s Share - 20% of total
Capital Project#: PF9602
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: $106,254.72
FTA Grant #NJ-90-0053 & NJ-90-0055 – 80% of total
Duration of Contract: N/A
Other Parties: N/A
SUMMARY STATEMENT

ITEM NO. PATCO-12-024  SUBJECT:  PATCO Revenue Collection and Armored Car Transport Services

COMMITTEE:  Operations and Maintenance

COMMITTEE MEETING DATE:  November 21, 2012

BOARD ACTION DATE:  December 12, 2012

PROPOSAL:  That the Board authorizes staff to negotiate a contract with Dunbar Armored whereby Dunbar will service PATCO Ticket Vending Machines and parking meters by collecting coins and bill vaults from devices and transporting from PATCO Stations to PATCO Money Processing Room.

Amount:  
Year 1 (FY 2013-2014):  $175,802*
Year 2 (FY 2014-2015):  $181,076*
Year 3 (FY 2015-2016):  $186,499*
Year 4 (FY 2016-2017):  $192,152*
Year 5 (FY 2017-2018):  $197,796*

Total 5 Year Contract:  $933,325*

Firm:  Dunbar Armored
Huntsville, MD

PURPOSE:  To contract with Dunbar Armored to collect revenue currency and coin from PATCO's TVMs and parking meters, replenish TVMs with currency and coin for customer change, and deliver coin/cash vaults to PATCO Money Room.

BACKGROUND:  The Automated Fare Collection Ticket Vending Machines (TVMs) contain coin and cash vaults to collect fare money and vend change. Currently, in-house fare collection staff use revenue trains to collect the sealed bins from the TVMs and bring them back to the PATCO Money Room for processing. At many of the stations, the revenue staff is required to carry the coin vaults, each weighing 35 pounds, up and down steps from the platform level to the lobby area. The carrying of weights up and down steps has caused injuries to personnel.

PATCO seeks to limit injuries of personnel and the use of revenue trains for transporting fare money by using an armored carrier to service vending machines. The armored service will relieve Transit...
Police of money escort service and allow police to be reassigned to other duties.

A Request for Qualifications (RFQ) was submitted to all contractors identified through various sources as providers of these services in the area. Also, the RFQ was placed on the Authority website. Two of the contractors responding to the RFQ met the performance requirements of these services, and therefore received an Invitation For Bid (IFB). The two contractors responding and their respective bids to provide TVM servicing and delivery for PATCO over a five (5) year period were:

- Dunbar Armored, $855,984*
- Garda CL, Inc. $1,758,823*

The contractors were asked to bid on servicing PATCO parking meters in four (4) NJ stations: Ashland, Haddonfield, Westmont, and Collingswood. The two contractors responding and their respective bids to provide parking meter servicing and delivery for PATCO over a five (5) period were:

- Dunbar Armored, $77,340*
- Garda CL, Inc. $656,000*

Based on the above, staff recommends negotiating a contract with Dunbar Armored to provide Ticket Vending Machine, parking meter servicing and money delivery for PATCO.

*Amounts indicated are based on current average volume. The actual cost may vary based on fluctuating cash usage and ridership.

**SUMMARY:**
- **Amount:** $933,325* (Total for 5 year contract)
- **Source of Funds:** PATCO Operating Budget
- **Capital Project #:** N/A
- **Master Plan Status:** N/A
- **Other Fund Sources:** N/A
- **Duration of Contract:** 5 year contract
- **Other Parties Involved:** N/A
- **General Fund:** $933,325*
RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes staff to negotiate a contract with Dunbar Armored whereby Dunbar will service PATCO Ticket Vending Machines and parking meters by collecting coin and bill vaults from devices and transporting from stations to PATCO Money Processing Room in the amount of $933,325 for a period of five years as per the attached Summary Statement; and be it further

RESOLVED The Chair, Vice Chair and the President must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of PATCO. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and President and if thereafter either the Chair of Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of PATCO along with the President. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the President shall execute such documents on behalf of PATCO.

SUMMARY: Amount: $933,325*(Total for 5 year contract)  
Source of Funds: PATCO Operating Budget  
Capital Project #: N/A  
Master Plan Status: N/A  
Other Fund Sources: N/A  
Duration of Contract: 5 years  
Other Parties Involved: N/A  
General Fund: $933,325*
Committee Members
Jeffrey L. Nash, Esquire (Committee Chair) (via telephone)
Rick Taylor (via telephone)
Walter D'Alessio (via telephone)
William Sasso, Esquire
David Simon, Esquire

Officers and Chiefs
John Matheussen, CEO
Michael Conallen, Deputy CEO
Danielle McNichol, General Counsel and Corporate Secretary
John Hanson, CFO
Toni Brown, CAO
John Rink, PATCO, General Manager
Mike Venuto, Chief Engineer

DRPA Staff
Valerie Bradford, Bridge Director, BFB/BRB
Fran DiCicco, Administrative Coordinator
Ann DuVall, Executive Assistant to CEO
Timothy Ireland, Director, Corp. Comm.
Kevin LaMarca, Director, IS
Elizabeth McGee, Administrative Assistant
Sheila Milner, Administrative Coordinator
Elizabeh McGee, Administrative Assistant
Thomas Raftery, Inspector General
Michael Reher, Sgt., Public Safety
Bill Shanahan, Director, Government Rel.
Susan Squillace, Manager, Purchasing
Jack Stief, Acting Police Chief, Public Safety
Dawn Whiton, Administrative Coordinator

Commissioners
Tamarisk Jones
Charles Fentress
Albert Frattali
Robert Teplitz, Esquire (Wagner)
Joanna Cruz
Joann Bell (via telephone)
Richard Sweeney
Andrew Reilly

Counsel
Christopher Gibson, Archer & Greiner, NJ Counsel
Tom Ellis, Duane Morris, PA Counsel

Others
John Cascarano, Assistant Counsel, NJ Gov. Authorities Unit
Kathleen Duffy Bruder, Esquire, Deputy Chief of Staff, Governor Corbett’s Office
Victoria Page-Wooten, Executive Deputy General Counsel
Kathy Venuti (CAC)
Julie Still (CAC)
Bill Schofield (PNC)
The Corporate Secretary announced that pursuant to the Bylaws of this Authority, public notice of this meeting of the PATCO Finance Committee has been given by posting proper notice in the lobby at One Port Center, and issuing proper notice to the public and news media.

Vice Chair Simon called the meeting of the PATCO Finance Committee to order and asked that the Corporate Secretary call the roll. The Corporate Secretary then called the roll for the Committee and announced that there was a quorum. Vice Chair Simon presided.

John Rink, General Manager of PATCO advised that the following five (5) resolutions to be presented are PATCO’s In-Kind Services programs for 2013. These resolutions were previously presented and approved by the board in 2010 and 2011.

**Item 1 – PATCO Cares Program (2013)**

John Rink, General Manager of PATCO requested that the Board authorize staff to continue the PATCO Cares Program. The purpose of this program is to be a good neighbor to the towns along the PATCO line by allowing non-profit and charitable organizations that serve the local communities to occasionally use PATCO station lobbies to share information about the organization and its mission. Organizations include National MS Society, Cathedral Kitchen, Boys and Girls Club, American Red Cross, Animal Welfare, Habitat for Humanity and Our Lady of Lourdes Hospital. Mr. Rink stated that PATCO will host an organization at a station, usually between 4 p.m. to 6 p.m. A staff person coordinates with the organization on station location and logistics.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

**PATCO -12-xxx PATCO Cares Program (2013)**

**Item 2 – Industry, Historical and Technical Societies and Schools Touring PATCO Facilities**

John Rink, General Manager of PATCO requested that the Board authorize staff to allow tours of PATCO facilities to promote the exchange of information about Transit Car Technology and Maintenance and Repair activities. He said that PATCO would provide these tours in 2013 on an as-needed basis when convenient and safe for staff to provide.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

**PATCO -12-xxx Industry, Historical and Technical Societies and Schools Touring PATCO Facilities**

**Item 3 – In-Kind Support of 2013 Community Initiatives**

John Rink, General Manager of PATCO requested that the Board authorize staff to provide in-kind services to support several community initiatives. These programs are held annually and in each case an appropriate Right of Entry Agreement including proof of insurance coverage and indemnification of the Authority will be required. He said that this program allows community organizations to continue to use DRPA/PATCO facilities to collect donations. Organizations include Philabundance, Collingswood Farmers Market, Boy and
Girl Scouts, Veterans Toys for Tots, Lions Club, Food Bank and Haddonfield Y’s Men and Parking Lot.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

**PATCO -12-xxx In-Kind Support of 2013 Community Initiatives**

**Item 4 – Maximizing PATCO Marketing through Cooperative Efforts**

John Rink, General Manager of PATCO requested that the Board authorize staff to promote PATCO ridership through co-promotions with various community organizations and venues through provisions of advertising space and low cost programs in 2013. He stated that co-promotions are very low cost marketing tools which are common in the transit industry. These include use of unsold advertising space, distribution of Flyers on trains, and programming our platform VMS signage to display community messages.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

**PATCO -12-xxx Maximizing PATCO Marketing through Cooperative Efforts**

**Item 5 – Promotion of PATCO to Students**

John Rink, General Manager of PATCO requested that the Board authorize staff to promote PATCO ridership through special programs for students in 2013. He said that PATCO would like to expand this initiative in 2013 by offering an incentive to students to become regular riders. This would encourage students to commute on the train and PATCO would like to make the FREEDOM card available to students who register at the FREEDOM Card Service Center, waiving the $5 fee for the card itself, but would pay the regular fare for each trip. Mr. Rink stated that school field trips would have an annual estimated value of free rides in the amount of $1,000; for the FREEDOM Card Discount for an estimated 500 cards with the waiving of the $5 fee it would be in the amount of $2,500 for a total of $3,500.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

**PATCO -12-xxx Promotion of PATCO to Students**

There being no further business, on motion made and duly seconded, the meeting was adjourned.

Respectfully submitted,

Vice Chair Simon, for
Chairman Nash
SUMMARY STATEMENT

ITEM NO. PATCO-12-025

SUBJECT: PATCO Cares Program
(2013)

COMMITTEE: Finance

COMMITTEE MEETING DATE: November 21, 2012

BOARD ACTION DATE: December 12, 2012

PROPOSAL: That the board authorizes staff to continue the PATCO Cares Program.

PURPOSE: To be a good neighbor to the towns along the PATCO line by allowing non-profit and charitable organizations that serve the local communities to occasionally use PATCO station lobbies to share information about the organization and its mission.

BACKGROUND: PATCO initiated the PATCO Cares program in September 2009. The PATCO riders who are interested in supporting charitable organizations find it convenient and informative. Since the inception of the program, organizations such as the following have participated: National Multiple Sclerosis Society; Cathedral Kitchen (provides meals for the homeless); Boys and Girls Clubs; Center for Family Services; Our Lady of Lourdes Hospital; American Red Cross; Wish Upon a Hero; Habitat for Humanity; Live Strong (cancer research); Gift of Life (organ donation); Animal Welfare Association; South Jersey Land & Water Trust; and Samaritan Hospice.

We host an organization at a station, usually from 4 p.m. to 6 p.m. In advance, PATCO posts signage announcing the visit and seat drops a flyer (if provided by the organization). A staff person coordinates with the organization on station location and logistics.

It is recommended that the Board authorize PATCO to continue the PATCO Cares Program.

SUMMARY: Capital Project #: N.A.
Operating Budget: In-kind Services - General Fund
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
RESOLUTION

RESOLVED: That the Board authorizes PATCO to continue to work as a good neighbor with the towns along the line through the PATCO Cares program throughout 2013.

SUMMARY:

Capital Project #: N.A.
Operating Budget: In-Kind Services - General Fund
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
SUMMARY STATEMENT

ITEM NO. PATCO-12-026 SUBJECT: Industry, Historical and Technical Societies and Schools Touring PATCO Facilities

COMMITTEE: Finance

COMMITTEE MEETING DATE: November 21, 2012

BOARD ACTION DATE: December 12, 2012

PROPOSAL: That the Board authorizes staff to allow tours of PATCO facilities to Industry, Peer Groups, Historical and Technical Societies, and Schools in 2013.

PURPOSE: To promote the exchange of information about Transit Car Technology and Maintenance and Repair activities.

BACKGROUND: Tours of PATCO facilities may be requested by Industry organizations, such as the New York Regional Railcar Consortium (a group of Maintenance and Purchasing professionals employed by various Transit Agencies); by Technical societies, such as the Institute of Electrical and Electronic Engineers and the American Society of Mechanical Engineers; and Historical Societies, such as the National Railway Historical Society. These tours serve as a way of exchanging information within the transit industry or as a good will gesture to the Educational and Historical society communities. Staff support is required to procure appropriate indemnity assurance and provide the tour guide services.

Some small school groups have also taken a tour of PATCO facilities. Such cases are limited to small groups of older students who can be safely accommodated. Staff support is required to procure appropriate indemnity assurance and to speak with students on-site.

The 2012 initiative had been approved by the Board as PATCO-12-007.

It is recommended that the Board authorize PATCO to provide these tours in 2013 on an as-requested basis when convenient and safe for staff to provide.
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<td>Capital Project #:</td>
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<td>Other Parties Involved:</td>
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RESOLUTION

RESOLVED: That the Board authorizes PATCO to continue to promote the exchange of information about transit car technology through provision of tours of facilities to interested groups in 2013.

SUMMARY: Capital Project #: N.A.
Operating Budget: In-Kind Services - General Fund
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
SUMMARY STATEMENT

ITEM NO.: PATCO-12-027  SUBJECT: In Kind Support of 2013 Community Initiatives

COMMITTEE: Finance

COMMITTEE MEETING DATE: November 21, 2012

BOARD ACTION DATE: December 12, 2012

PROPOSAL: That the Board authorizes staff to provide in-kind services to support several community initiatives. These programs are held annually. In each case, an appropriate Right of Entry Agreement including proof of insurance coverage and indemnification of the Authority will be required.

PURPOSE: To allow community organizations to continue to use DRPA/PATCO facilities to collect donations.

BACKGROUND: For years PATCO has allowed several non-profit community organizations to collect donations and to sell items at its facilities. These initiatives have involved very little expense on the part of DRPA/PATCO.

Philabundance - Throughout the year, Philabundance distributes fresh food at the Lindenwold Station on Saturdays when lots are empty. The cost to PATCO/DRPA consists only of staff time to produce and execute a Right of Entry Agreement to ensure appropriate insurance coverage and indemnification.

Camden AHEC - During the summers, the Camden Area Health Education Center operates a weekly farmer’s market adjacent to the PATCO Broadway West Station on City of Camden property. Vehicles that deliver the goods park on other Camden City property. Although this weekly event is not held on DRPA/PATCO property, an Agreement must be prepared each year to allow Camden AHEC to move their products and equipment across DRPA property, specifically, the walkway in front of the station. The Right of Entry Agreement sets limits on Camden AHEC’s use of the walkway and requires Camden AHEC to indemnify the Authority and provide adequate insurance.
Collingswood Farmer’s Market - For more than a decade, the Borough of Collingswood and DRPA have executed an Addendum to their Agreement regarding the use of DRPA property under the viaduct for the weekly Collingswood Farmer’s Market. PATCO has no practical use for this property. The Addendum limits the use of the site to Saturdays and makes the Borough responsible for any and all expenses incurred in connection with the Farmer’s Market. The Borough is required to indemnify DRPA for any claims associated with this use of the property.

Girl Scouts - The Girl Scouts rely on the sale of cookies to support their programs. Over several weeks in January/February, various troops have sold Girl Scout cookies in PATCO stations. The cost to PATCO/DRPA consists only of staff time to produce and execute a Right of Entry Agreement, to ensure appropriate insurance coverage and indemnification, and alerts to staff that the Girl Scouts would be on our property.

Boy / Cub Scouts - PATCO has received requests from Boy Scouts and Cub Scouts for the opportunity to sell popcorn, peanuts, and candy at PATCO stations. The cost to PATCO/DRPA consists only of staff time to produce and execute a Right of Entry Agreement, to ensure appropriate insurance coverage and indemnification, and alerts to staff that the Scouts would be on our property.

Food Bank - For over 20 years, during the week of Valentine’s Day PATCO has held a Valentine’s Day Food Drive. PATCO posts notices in the stations to alert passengers and employees to the opportunity to contribute non-perishable foods in red barrels in all New Jersey stations during the morning rush. PATCO’s staff assembles all the donations at one station, from which a representative of the South Jersey Food Bank picks up hundreds of pounds of donated food. The cost to PATCO/DRPA consists of staff time to produce and execute a Right of Entry Agreement, to ensure appropriate insurance coverage and indemnification, and to consolidate donations in one location.

Veterans Toys for Tots Ride - The Vietnam Veterans gather at PATCO’s Woodcrest Station parking lot for a Christmas in July Toy (motorcycle) Ride to the Children’s Hospital facility in Voorhees. The cost to PATCO/DRPA consists only of staff time to produce and execute a Right of Entry, to ensure appropriate insurance coverage
and indemnification, and notification of staff who may encounter this group.

Variety’s Old Newsboys’ Day - The Variety’s Old Newsboys’ Day is an annual fundraiser to support the organization’s children’s charity, to which interested PATCO riders may donate. The cost to PATCO/DRPA consists of staff time to produce and execute a Right of Entry Agreement, to ensure appropriate insurance coverage and indemnification, and to alert Transit Unit and Passenger Services for security and logistical support on the day of the event.

Lions Club - The Haddonfield Lions Club’s annual “white cane” fundraiser enables the Lions to serve the community and disadvantaged citizens. The cost to PATCO/DRPA consists only of staff time to produce and execute a Right of Entry Agreement, to ensure appropriate insurance coverage and indemnification, and to alert staff that the Lions would be on DRPA property.

Haddonfield Y’s Men – For over 20 years, in late November and December, the Haddonfield Y’s Men have sold Christmas Trees from DRPA property that is located east of but not adjacent to Haddonfield Station. This property is small and has no other use for PATCO, other than snow disposal. The cost to PATCO/DRPA consists only of staff time to produce and execute a Right of Entry Agreement, to ensure appropriate insurance coverage and indemnification.

Haddonfield Parking Lot - Through an Agreement with DRPA, the Borough of Haddonfield has been permitted to utilize Haddonfield Station Parking Lots N-2 and N-3 for the purpose of providing its residents and visitors with access to the Borough’s shopping and commercial center. At its own expense, the Borough had installed a special gate in the back of the parking lot, and the Borough opens that gate during specific weekend hours when ample parking is available for PATCO customers and no parking fees are collected at pay lots. This arrangement has no impact on PATCO revenues. The cost to PATCO/DRPA consists only of staff time to produce and execute a Right of Entry Agreement, to ensure appropriate insurance coverage and indemnification.
It is recommended that the Board authorize PATCO to support these ongoing community initiatives for the 2013 calendar year through in-kind support as described above.

SUMMARY:

Capital Project #: N.A.
Operating Budget: In-kind services – General Fund
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
RESOLUTION

RESOLVED: That the Board authorizes PATCO to continue to support the community initiatives listed in the Summary Statement for the 2013 calendar year through in-kind services.

SUMMARY:

Capital Project #: N.A.
Operating Budget: In-kind services – General Fund
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
SUMMARY STATEMENT

ITEM NO. PATCO-12-028

SUBJECT: Maximizing PATCO Marketing through Cooperative Efforts

COMMITTEE: Finance

COMMITTEE MEETING DATE: November 21, 2012

BOARD ACTION DATE: December 12, 2012

PROPOSAL: That the Board authorizes staff to continue to promote PATCO ridership through co-promotions with various community organizations and venues through provisions of advertising space and low cost programs in 2013.

Amount: No more than $1,400/campaign

PURPOSE: To maximize opportunities for co-promotions while minimizing costs to PATCO.

BACKGROUND: Co-promotions are very low cost marketing tools which are common in the transit industry.

In the past, PATCO has allowed various organizations to use unsold advertising space at no charge to promote their event/initiative. These arrangements were limited to those situations which were also in PATCO’s interest in terms of attracting ridership, particularly during off-peak times. When the term of an advertising contract expires and another paying customer has not yet committed to pay for the space, the unsold space can be made available to promote events and venues while also encouraging passengers to ride the train to those destinations. Once the space is sold, the contractor removes the “cooperative marketing” ad and replaces it with ads that generate revenue both for the contractor and for PATCO.

One example of such an arrangement was the display of posters promoting the Collingswood Farmer’s Market, which is held on Saturday mornings adjacent to PATCO. The Collingswood community organization promoting this weekly event paid for production and installation of the posters. The posters were displayed ONLY in unsold spaces on PATCO facilities. Having ads in the spaces is beneficial to PATCO because it conveys to the public the potential benefit of advertising on PATCO. In addition, such campaigns promote ridership to Collingswood during the off-peak
(Saturdays). Saturday ridership statistics for Collingswood are more than 50% of the weekday ridership. This 50% marker is achieved at only three New Jersey stations: Broadway, which serves a significant number of transit-dependent customers, Collingswood, and Haddonfield. Promoting attendance at Collingswood and Haddonfield events contributes to this positive ridership pattern.

PATCO has received free exhibit space in return for promotion of events. Space as a paying sponsor would range from $500 to $2500 or more. An example would be the annual Haddonfield Art and Craft Festival. PATCO promotes such events through seat drops of flyers and preparation of Tweets, FaceBook posts, and Variable Message Signs. Communications include programming the Variable Message Signs on the platform and Twitter and FaceBook posts.

Another example of co-promotions is the sponsorship of events through which PATCO was able to purchase a portion of radio ads. PATCO has worked with both Haddonfield and Collingswood and received on-air radio promotion at a fraction of the cost that would otherwise be incurred. Costs were considered marketing expenses. For example as a cooperative venture PATCO has been able to “buy in” to a joint radio campaign on KYW for $1,000 whereas similar exposure would have cost PATCO $2,655 if purchased on its own.

Cooperative marketing has included discounts made available to PATCO customers by venues and businesses. For example, the Franklin Institute offered PATCO customers a discount. PATCO distributed flyers (printed by Franklin Institute) on the trains to promote off-peak ridership and included information about the discount on PATCO’s website. The cost to PATCO for the change to PATCO’s website display (both to post and to remove) was approximately $300. The Franklin Institute included PATCO information on its website, reaching a very wide target audience. The benefit to PATCO is potential increased ridership at approximately $300 marketing expense.

As mentioned briefly above, use of the Variable Message Signs on the station platforms is a very low cost way to promote both a venue or event and ridership.
It is recommended that the Board authorize PATCO to continue to work with community organizations and venues to promote PATCO ridership through co-promotions.

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not to exceed $1,400/marketing campaign</td>
<td>Operating Budget</td>
<td>N.A.</td>
<td>1000 291</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
RESOLUTION

RESOLVED: That the Board authorizes PATCO to continue to work with other organizations through co-promotions throughout 2013.

SUMMARY: Amount: Not to exceed $1,400/marketing campaign
Source of Funds: Operating Budget
Capital Project #: N.A.
Operating Budget: 1000 291
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
SUMMARY STATEMENT

ITEM NO. PATCO-12-029  
SUBJECT: Promotion of PATCO to Students

COMMITTEE: Finance

COMMITTEE MEETING DATE: November 21, 2012

BOARD ACTION DATE: December 12, 2012

PROPOSAL: That the Board authorizes staff to promote PATCO ridership through special programs for students in 2013.

Amount: 
- For School Field Trips: Annual estimated value of free rides = $1,000
- For FREEDOM Card Discount: Estimated 500 cards x $5/card = $2,500

Total Cost of Special Student Programs: $3,500

PURPOSE: To promote future ridership by familiarizing students with PATCO.

BACKGROUND: PATCO's basic fare structure offers no student or group discounts. To familiarize the young people of a primarily car culture region with public transit and to make school field trips affordable, PATCO has in the past allowed school groups to travel at half fare. School groups have purchased a one-ride ticket for each student and chaperone participating in a field trip. Staff accompanied the group on their initial trip, using this opportunity to convey essential safety tips and the advantages of public transit. The school group then has used its tickets for its return ride. With the limited budgets that schools have for activities such as field trips, the half fare encourages them to use PATCO, thereby introducing students to the benefits of public transportation.

This initiative regarding school children had been approved by the Board in 2012 as PATCO-12-008.

PATCO would like to expand this initiative in 2013 by offering an incentive to students to become regular riders. Typically a customer purchases a FREEDOM card from the vending machine for $5 and preloads at least $20 value onto the card. To encourage students to commute on the train, PATCO would like to make the FREEDOM
Promotion of PATCO to Students

card available to students who register at the FREEDOM Card Service Center, waiving the $5 fee for the card itself. (Students would pay the regular fare for each trip.) The $5 saving for the card itself can be promoted on PATCO’s website; PATCO would also make the “coupon” available to local colleges and universities to post on their websites.

The cost to PATCO for this program is not expected to exceed $2500 (500 students x $5 per FREEDOM card). The benefit to PATCO is the fares paid not only as the student is commuting to school but also over his/her lifetime.

It is recommended that the Board authorize PATCO to continue to its promotion of public transit through school discounts in 2013.

SUMMARY:

<table>
<thead>
<tr>
<th>Amount:</th>
<th>$3,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Funds:</td>
<td>Operating Budget</td>
</tr>
<tr>
<td>Capital Project #:</td>
<td>N.A.</td>
</tr>
<tr>
<td>Operating Budget:</td>
<td>General Fund</td>
</tr>
<tr>
<td>Master Plan Status:</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Fund Sources:</td>
<td>N/A</td>
</tr>
<tr>
<td>Duration of Contract:</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Parties Involved:</td>
<td>N/A</td>
</tr>
</tbody>
</table>
RESOLVED: That the Board authorizes PATCO promote use of public transit by students throughout 2013.

SUMMARY: Amount: $3,500
Source of Funds: Operating Budget
Capital Project #: N.A.
Operating Budget: General fund
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
SUMMARY STATEMENT

ITEM NO.: PATCO-12-030

SUBJECT: PATCO Operating Budget

COMMITTEE: Finance

COMMITTEE MEETING DATE: December 5, 2012

BOARD ACTION DATE: December 12, 2012

PROPOSAL: Approval of the proposed 2013 Port Authority Transit Corporation (PATCO) Operating Budget.

PURPOSE: Approval of the 2013 PATCO Operating Budget provides the financial framework for PATCO operations in FY 2013 and enables the administrative powers of the President to deal with routine and required day to day operating expenditures as provided in Article XII of the PATCO Bylaws.

BACKGROUND: The 2013 Operating Budget was developed to fund the normal operation and maintenance activities of the transit system. The proposed 2013 Operating Budget was developed as a result of departmental submissions and input from Directors and staff and then, refined through a formal review process led by the President and a budget review committee. The proposed $46,641,998 Operating Budget represents an increase of $1,340,643 or 2.96% in comparison to the approved 2012 Operating Budget.

PATCO’s proposed 2013 operating budget reflects an estimated $172 thousand increase in PATCO’s operating loss vs. the 2012 approved budget. The budgeted operating loss has increased from $19.7 million to $19.9 million, or an increase of 0.87% vs. the prior year’s budget.

Key elements of the Budget are summarized as follows:

Revenue and Ridership- The estimated ridership for 2013 is projected to be 10.37 million passengers. The estimated $24,930,690 of revenue derived from passenger fares amounts to 93.1% of the estimated total 2013 revenue of $26,787,359. The $1,856,669 balance of the estimated total 2013 revenue is derived from parking fees, lease & rental income, advertising income, interest income, and other miscellaneous sources.

The estimated revenue for 2013 is $1,169,083 greater than the 2012 budgeted revenue of $25,618,276, an increase of 4.56%.
Expenses - The proposed $46,641,998 Operating Budget for 2013 is itemized as follows:

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>37.80</td>
</tr>
<tr>
<td>Employee Service Expense (Benefits)</td>
<td>20.57</td>
</tr>
<tr>
<td>Electrical Power (High Tension Service)</td>
<td>9.36</td>
</tr>
<tr>
<td>Inter-Company Services – Public Safety</td>
<td>11.97</td>
</tr>
<tr>
<td>Material</td>
<td>5.15</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>4.55</td>
</tr>
<tr>
<td>Insurance &amp; Claims Expense</td>
<td>3.51</td>
</tr>
<tr>
<td>Miscellaneous All Other</td>
<td>7.09</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

The Operating Budget is largely driven by the first four (4) items above. Labor, Employee Service Expenses, Electrical Power, and Inter-Company Services costs for Public Safety & Information Services collectively account for 80% of the Total Operating Budget.

Labor costs and its growth are controlled by the actual size of the work force, known or anticipated changes in wage and salary rates, overtime, and the amount of capital labor in support of capital improvement projects by the DRPA and transit construction/maintenance projects funded by the Federal Transit Administration. Capital labor related to the DRPA capital improvement projects is included in the DRPA Capital budget and appropriately deducted from the PATCO operating budget.

The 2013 proposed Budget includes 320.87 Full Time Equivalents (FTEs) of operating and capitalized labor (inclusive of part-time employees).

Staff recommends adoption of the proposed 2013 Operating Budget.

SUMMARY:  
Amount: $46,641,998  
Source of Funds: 2013 Operating Revenues  
Other Sources of Funds: General Funds
RESOLUTION

RESOLVED: That the 2013 PATCO Operating Budget in the amount of $46,641,998 is hereby approved; and be it

FURTHER RESOLVED That PATCO shall not expend funds in excess of the total authorized 2013 Operating Budget, in the amount of $46,641,998 unless such Budget shall be amended by Resolution of the Board of Commissioners to increase said authorization.

SUMMARY:

Amount: $46,641,998
Source of Funds: 2013 Operating Revenues
Other Sources of Funds: General Funds
<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th>BUDGET EXPENSES 2012</th>
<th>PROPOSED BUDGET EXPENSES 2013</th>
<th>2013 BUDGET / 2012 BUDGET VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll</td>
<td>$18,329,244</td>
<td>$18,451,225</td>
<td>121,981 0.67%</td>
</tr>
<tr>
<td>Payroll</td>
<td>$2,633,609</td>
<td>$2,115,676</td>
<td>(517,933) -19.67%</td>
</tr>
<tr>
<td>Payroll</td>
<td>$14,428</td>
<td>$13,886</td>
<td>(542) -3.76%</td>
</tr>
<tr>
<td>Payroll</td>
<td>$10,178,105</td>
<td>$11,009,908</td>
<td>831,803 8.17%</td>
</tr>
<tr>
<td>Payroll</td>
<td>(2,279,605)</td>
<td>(1,998,435)</td>
<td>281,170 12.33%</td>
</tr>
<tr>
<td>Payroll</td>
<td>(1,524,308)</td>
<td>(1,340,616)</td>
<td>183,692 12.05%</td>
</tr>
<tr>
<td>Payroll</td>
<td>(1,385,741)</td>
<td>(953,445)</td>
<td>432,296 31.20%</td>
</tr>
<tr>
<td>Payroll</td>
<td>(106,009)</td>
<td>(72,939)</td>
<td>33,070 31.20%</td>
</tr>
<tr>
<td>Inter Company Services</td>
<td>4,803,440</td>
<td>5,880,951</td>
<td>777,511 16.19%</td>
</tr>
<tr>
<td>Total Operating Payroll &amp; Employee Service Expense</td>
<td>$30,663,163</td>
<td>$32,806,211</td>
<td>2,143,048 6.99%</td>
</tr>
<tr>
<td>Other Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Material</td>
<td>$2,452,084</td>
<td>$2,400,927</td>
<td>(51,157) -2.09%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>2,134,622</td>
<td>2,123,465</td>
<td>(11,157) -0.52%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>245,930</td>
<td>233,815</td>
<td>(12,115) -4.93%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>309,886</td>
<td>317,752</td>
<td>7,866 2.54%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>31,099</td>
<td>30,745</td>
<td>(354) -1.14%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>35,157</td>
<td>32,002</td>
<td>(3,155) -8.97%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>50,000</td>
<td>15,000</td>
<td>(35,000) -70.00%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>645,960</td>
<td>656,190</td>
<td>10,230 1.58%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>1,166,715</td>
<td>1,012,102</td>
<td>(154,613) -13.25%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>144,500</td>
<td>154,690</td>
<td>10,190 7.05%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>19,500</td>
<td>23,500</td>
<td>4,000 20.51%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>322,786</td>
<td>330,632</td>
<td>7,846 2.43%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>244,625</td>
<td>240,525</td>
<td>(4,100) -1.68%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>252,070</td>
<td>261,360</td>
<td>9,290 3.69%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>5,297,900</td>
<td>4,364,675</td>
<td>(933,225) -17.61%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>1,285,358</td>
<td>1,638,407</td>
<td>353,049 27.47%</td>
</tr>
<tr>
<td>Direct Material</td>
<td>0</td>
<td>0</td>
<td>0 0.00%</td>
</tr>
<tr>
<td>Total Other Expenses</td>
<td>$14,638,192</td>
<td>$13,835,787</td>
<td>($802,405) -5.48%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$45,301,355</td>
<td>$46,641,998</td>
<td>$1,340,643 2.96%</td>
</tr>
<tr>
<td>OPERATING LOSS</td>
<td>($19,683,079)</td>
<td>($19,854,639)</td>
<td>($171,560) 0.87%</td>
</tr>
<tr>
<td>PASSENGERS</td>
<td>10,000,000</td>
<td>10,370,000</td>
<td>370,000 3.70%</td>
</tr>
</tbody>
</table>
SUMMARY STATEMENT

ITEM NO.: PATCO-12-031
SUBJECT: Consent to Reassign Transit Ambassador Contract

COMMITTEE: Unfinished Business

COMMITTEE MEETING DATE: December 12, 2012

BOARD ACTION DATE: December 12, 2012

PROPOSAL: That the Board authorize assignment of the 10 month balance of the Transit Ambassador Contract from Service Group, Inc. (SGI) to Block by Block.

PURPOSE: To retain uniformed Transit Ambassadors to provide a presence in PATCO stations, parking lots, concourses, and on trains primarily in the evening hours.

BACKGROUND: The Board approved the last one year option of the SGI contract on October 3, 2012. The terms of the contract was modified to a month-to-month contract. SGI has been providing the Transit Ambassador Program for the PATCO since July 2007. In a letter dated November 20, 2012, SGI informed the Authority that effective December 31, 2012, SGI and Block by Block will merge operations. Block by Block traces its roots back to 1930, and currently serves 47 improvement districts from Waikiki to Manhattan. The combined operations will be supported out of Block by Block headquarters in Louisville, Kentucky. SGI has informed us that the transition should be seamless and SGI employees servicing the PATCO contract will remain with Block by Block for the near term.

SUMMARY:

<table>
<thead>
<tr>
<th>Amount:</th>
<th>Ten months, balance of current contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of Funds:</td>
<td>PATCO Operating Budget</td>
</tr>
<tr>
<td>Operating Budget:</td>
<td>2012/2013</td>
</tr>
<tr>
<td>Capital Project #:</td>
<td>N/A</td>
</tr>
<tr>
<td>Master Plan Status:</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Fund Sources:</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Parties Involved:</td>
<td>N/A</td>
</tr>
</tbody>
</table>
RESOLUTION

RESOLVED: That the Board authorize assignment of the 10 month balance of the Transit Ambassador Contract for PATCO from Service Group Incorporated to Block by Block, Louisville, Kentucky who would become the provider of Transit Ambassador services for the remainder of the term through October 15, 2013. Through this assignment the terms and conditions of the SGI contract have not changed.

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter, either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:

- **Amount:** Ten months, balance of current contract
- **Source of Funds:** PATCO Operating Budget
- **Operating Budget:** 2012/2013
- **Capital Project #:** N/A
- **Master Plan Status:** N/A
- **Other Fund Sources:** N/A
- **Duration of Contract:** October 15, 2012 – October 15, 2013
- **Other Parties Involved:** N/A
SUMMARY STATEMENT

ITEM NO.: PATCO-12-032

SUBJECT: Consideration of Pending PATCO Contracts (Between $25,000 and $100,000)

COMMITTEE:

New Business

COMMITTEE MEETING DATE: N/A

BOARD ACTION DATE: December 12, 2012

PROPOSAL: That the Board consider authorizing staff to enter into contracts as shown on the Attachment to this Resolution.

PURPOSE: To permit staff to continue and maintain PATCO operations in a safe and orderly manner.

BACKGROUND: At the Meeting held August 18, 2010 the PATCO Commission adopted Resolution 10-046 providing that all PATCO contracts must be adopted at an open meeting of the PATCO Board. The Board proposed modifications to that Resolution at its meeting of September 15, 2010; specifically that all contracts between $25,000 and $100,000 be brought to the Board for approval. The contracts are listed on the Attachment hereto with the understanding that the Board may be willing to consider all of these contracts at one time, but if any member of the Board wishes to remove any one or more items from the list for separate consideration, each member will have that privilege.

SUMMARY:

Amount: N/A
Source of Funds: See Attached List
Capital Project #: N/A
Operating Budget: N/A
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: N/A
Other Parties Involved: N/A
RESOLVED: That the Board authorizes and directs that subject to approval by counsel and the Chief Executive Officer, staff proceed to negotiate and enter into the contracts listed on the Attachment hereto.

<table>
<thead>
<tr>
<th>SUMMARY:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount:</td>
<td>N/A</td>
</tr>
<tr>
<td>Source of Funds:</td>
<td>See Attached List</td>
</tr>
<tr>
<td>Capital Project #:</td>
<td>N/A</td>
</tr>
<tr>
<td>Operating Budget:</td>
<td>N/A</td>
</tr>
<tr>
<td>Master Plan Status:</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Fund Sources:</td>
<td>N/A</td>
</tr>
<tr>
<td>Duration of Contract:</td>
<td>N/A</td>
</tr>
<tr>
<td>Other Parties Involved:</td>
<td>N/A</td>
</tr>
<tr>
<td>Item #</td>
<td>Vendor/Contractor</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------</td>
</tr>
<tr>
<td>1</td>
<td>Vertical Transportation Excellence (VTX) Philadelphia, PA</td>
</tr>
</tbody>
</table>

| 2     | Federal Elevator Brick, NJ | No Bid |            |                   |               | No Bid      |                |
| 3     | Delaware Elevator Salisbury, MD | No Bid |            |                   |               | No Bid      |                |