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**NASSAU COUNTY
TRANSIT COMMITTEE**

March 27, 2014

4:00 P.M.

BEFORE: SHELDON SHRENKEL, CHAIRMAN

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A P P E A R A N C E S:

CHAIRMAN SHELDON SHRENKEL

VICE CHAIRMAN LAWRENCE BLESSINGER

BOARD MEMBER KATHY ANN COMERFORD

BOARD MEMBER JEAN DUROSEAU

BOARD MEMBER LIVIO TONY ROSARIO

SAMUEL LITTMAN - EXECUTIVE DEPUTY COUNTY

ATTORNEY AND COUNSEL FOR TRANSIT COMMITTEE

**MICHAEL SETZER- CHIEF EXECUTIVE OFFICER, VEOLIA
TRANSPORTATION**

JOHN MICHNO

YUKI ENDO

1 **CHAIRMAN SHRENKEL:** Good afternoon, let me
2 the meeting come to order. Welcome to our
3 meeting of the Nassau County Bus Transit
4 **Committee, it is our first meeting of 2014.**

5 I am Sheldon Shrenkel, I am the Chairman of
6 the committee. I would like to introduce our
7 **members, which will also serve as our rollcall.**

8 To my far left we have Ms. Kathy Comerford,
9 Mr. Larry Blessinger, Mr. Tony Rosario, Mr. Jean
10 Duroseau and our Counsel to the committee, Samuel
11 Littman. And of course, we thank you Donna for
12 taking our notes.

13 First I would like to ask for an
14 acknowledgment of receipt of the transcript of
15 the meeting held on December 17, 2013, by a show
16 of hands from everyone who has received and
17 acknowledged the minutes of that meeting.

18 (Whereupon, at this time there was a show of
19 hands from the all of the board members.)

20 CHAIRMAN SKRENKEL: It is unanimous,
21 everyone has received it.

22 We would like to start the meeting with an
23 introduction by the CEO of Veolia Transportation,
24 **Mr. Michael Setzer.**

25 MR. SETZER: Mr. Chairman, members of the

1 committee, good afternoon.

2 BOARD MEMBERS: Good afternoon.

3 MR. SETZER: Our main event today is the
4 budget, the annual plan, but I would like to
5 briefly do a quick update on something that we
6 have been working on with the committee for a
7 while and that is the mobile ticketing. We are
8 just about to begin the beta test in less than
9 thirty days from now, with a small group of users
10 to make sure that it works the way that it is
11 supposed to work. And then in June we will make
12 it available, assuming that no problems emerge in
13 the data and to make it available to everyone who
14 wants to use it.

15 I have asked Jake Sion who is on our staff
16 here, who has been working on this project to
17 give you a real quick demonstration of how it all
18 works. He will be prepared to answer questions.

19 Do you remember the history of this? About
20 two meetings ago you had an unhappy customer
21 here, and we also heard some other things about
22 how the MetroCard and the fare box and the
23 MetroCard reader often malfunctioned, and this
24 particular gentlemen felt that it was actually
25 taking value off his card, and we had to answer

1 him by saying, well, we cannot do anything, that
2 it is the MTA that has your money, somebody has
3 your money, we do not, we cannot refund it and we
4 cannot really change the way the MetroCard system
5 works itself.

6 So in the interim we have focused on a
7 couple things, one is doing everything we can to
8 make the fare boxes work as well as possible. So
9 we actually changed the maintenance process, we
10 have added another person to the fare box
11 maintenance team, we have done a fair amount of
12 research, and we ordered some new parts.

13 The fare box, itself, seems to be working
14 pretty well. The complaints about MetroCard
15 readers have dropped off to almost nothing, but
16 the big change really is to begin to supplement
17 and replace the MetroCard. As you know, MTA has
18 announced that it will eventually provide a
19 replacement for that too, it will get off the
20 MetroCard over the next few years.

21 We have been in conference with them, and
22 this is our own approach to this, but we are
23 doing it jointly -- not jointly, but we are
24 telling them what we are doing and they are
25 telling us what they are doing.

1 **What you are about to see is probably the**
2 first glimpse of what the future fare collection
3 system will look like; and now I will let Jake
4 **show you how that actually works.**

5 MR. SION: Just before I start, this is
6 still the beta version of the apps, there might
7 **be some pieces in here which are not fully ready**
8 yet, but I think it will give you a good overview
9 of how this is going to work for customers. Like
10 **Mike said, this is really a pilot program, we**
11 want to test it to see if this works. It is
12 going to allow riders who ride Nassau County,
13 **while it will not allow them to transfer into the**
14 MTA system, we have a large percentage of our
15 riders who only ride in the County, and a large
16 percentage of our riders have smartphones, so we
17 think this will be really good for them.

18 **What I am going to do is walk you through**
19 the process of how you would buy a ticket and use
20 a ticket. One of the great things about mobile
21 **is that you can buy a ticket anywhere and**
22 **whenever you want. You do not need to find a**
23 MetroCard vending machine, you do not need to
24 **find a reseller, as long as you have your phone**
25 you can buy a ticket.

1 **Now, you launch the app, you would see a**
2 screen which would look very similar to this one
3 that you see now. You click on "buy tickets,"
4 **you would click which fare you wanted and how**
5 many rides you wanted. When we start this it is
6 only going to be single rides, it is not going to
7 **be unlimited, weekly pass, or monthly.**

8 Now, let's say I wanted to buy four tickets,
9 I could chose that, and I could either put in a
10 **new credit card and put in my information, or I**
11 can use a stored card so it is quicker. So then
12 I would click here, there is "stored card" up
13 there. For security they ask you for your CVD on
14 the back of the card, so that way if someone had
15 your phone they would not be able to buy the
16 ticket.

17 Okay. I put it in the CVD, I got a receipt
18 that would be sent to me, if I did not want a
19 receipt I could remove it. "Accept" that I want
20 to buy it and then click "continue," and at that
21 point it gives you a final confirmation screen so
22 that you could see what you are purchasing and
23 then you would click "pay now." Once that
24 process is complete, your transaction is done and
25 then you click "go to your ticket wallet." So

1 here in the ticket wallet it shows all the
2 tickets that I have -- I have played with this
3 app a lot as you can see, so I got all these
4 tickets here.

5 Now, the way it would work is, I am at the
6 bus stop, the bus arrives, so I would click on a
7 ticket and I would decide that I want to use the
8 ticket. So I click "use ticket," you get a final
9 confirmation and once that ticket has been used
10 it cannot be undone, and you click "okay." This
11 is how it is going to work on day one, so it is
12 really easy for the drivers and for the
13 passengers, so we can do this on a really
14 lightweight solution.

15 On day one it is going to be a visual
16 ticket, so a passenger would board and literally
17 show this flashing screen to the driver; and
18 there are a few security features built-in. That
19 color changes everyday and drivers are notified
20 about that color change when they go to the
21 window in the morning. That four letter word
22 that is scrolling along the bottom will change
23 everyday as well. And for whatever reason, if
24 the driver thinks the ticket might be fake or
25 there is something going on, he can ask the

1 passenger to tap the screen and a NICE logo will
2 appear.

3 Finally, we have plans to do some form of
4 fare enforcement using our driver supervisors,
5 are SQM, so each ticket is also built-in with a
6 barcode that could be scanned. In the future
7 what we would like to do is install devices on
8 all vehicles. We want to look into it where
9 passengers would just scan their ticket instead
10 of having to actually show the visual tickets to
11 the driver; it is something that we are looking
12 into.

13 This is really how it all will work, and
14 that ticket is valid for two hours, you see the
15 countdown, it will allow a passenger to transfer
16 to another bus. If they close the app and open
17 it, then it will go right there to their ticket.

18 We are really excited about this, we think
19 it is really going to help a good portion of our
20 riders. We did some surveying, we got some
21 excellent responses and feedback from riders;
22 with that, if there is any questions I am happy
23 to answer any.

24 BOARD MEMBER COMERFORD: May I?

25 MR. SION: Sure.

1 **BOARD MEMBER COMERFORD:** I am sorry, did you
2 say right now it is just single ride tickets; you
3 do not have a monthly pass on that yet?

4 **MR. SION:** No, we are not going to offer
5 monthly's or weekly's on day one. Part of the
6 reason behind that is, you know, really to kind
7 of start slowly and really not try to do too much
8 at once, and to really make sure that we kind of
9 phase this in, that is the initial plan.

10 **BOARD MEMBER COMERFORD:** And then for
11 security, so it would not say NICE unless the
12 person being questioned -- if they figured out
13 how to copy it, unless you tap it, then NICE
14 appears?

15 **MR. SION:** That is not something we will use
16 all the time, but the drivers will be instructed,
17 for whatever reason you think the ticket may be
18 fake, just ask them to tap the screen. But we
19 really think because it is flashing and moving,
20 its got different colors, its got that word that
21 is scrolling at the bottom, which we are not too
22 worried about, and it has worked successfully
23 elsewhere with this kind of flash-pass model.

24 **BOARD MEMBER ROSARIO:** When you said that it
25 is not in the system as of yet, when do you see

1 it happening?

2 MR. SION: Going live?

3 BOARD MEMBER ROSARIO: Yes.

4 MR. SION: We plan to start testing with a
5 select group of riders who are going to be
6 invited, so probably by tomorrow we will send the
7 invitations out and then the testing will start
8 April 25th. At which point, if everything goes
9 successfully with that select group of riders, we
10 will plan to roll this out in early June.

11 BOARD MEMBER BLESSINGER: What happens to
12 the customer who is on the bus and all of a
13 sudden decides to do a transfer?

14 MR. SION: To be very clear on one thing and
15 you will see on here, when you click on the front
16 screen, and this is part of what I say is the
17 beta, so when you click your ticket -- in the
18 future there is going to be a pop-up that will
19 say, and it will be very clear, that this ticket
20 is only valid on NICE buses, you cannot use it to
21 transfer to a MTA bus or subway. It will be very
22 big to make sure that passengers are educated
23 about that. We are not taking away any of the
24 existing channels, so it really just one more
25 option that customers have that works for them.

1 **BOARD MEMBER COMERFORD:** This is mainly for
2 the cash user who stays in Nassau County and who
3 does not use the MetroCard.

4 **MR. SION:** We have a lot of riders who use
5 the MetroCard in Nassau, just within Nassau,
6 because it just makes it easier rather than
7 **carrying around eighteen quarters everyday.**

8 **MR. SETZER:** Were you asking about
9 transferring within the NICE system?

10 **BOARD MEMBER BLESSINGER:** Well, what if you
11 want to go, let's say, transfer into the subway?

12 **MR. SION:** Then you would not be using it.
13 **We talked to the MTA about maybe doing a pilot of**
14 **some sort, but that is nothing that would happen**
15 **in the short run. It is really just for our**
16 **riders who are riding within Nassau County, or**
17 **actually for riders who get off in, let's say,**
18 **Jamaica or Flushing and do not need to go**
19 **anywhere else in their trips in Queens.**

20 All right. Well, if there is anything else
21 you can feel free to ask me afterwards, thank you
22 everyone.

23 **BOARD MEMBERS:** Thank you.

24 **MR. SETZER:** So in the future fare
25 collection will probably get away from that big

1 clunky fare box, which is a pretty expensive
2 piece of equipment and will rely on devices that
3 you already have in your pocket, like a
4 smartphone, a credit card, debit card that has a
5 chip in it.

6 That is the direction the MTA is also
7 heading, and one of the nice things about this is
8 that it is an open kind of system. So that as
9 new payment methods come along, you can
10 accommodate with a relatively inexpensive reader.

11 A fare box today costs twenty thousand
12 dollars and up, believe it or not. A little
13 reader that reads that barcode can be for one
14 thousand dollars or less, and is much more
15 open-ended, so that as new devices' become
16 available it will be able to accept those too.

17 Now, on the transfer question, we would
18 really like to find a way for the -- as would the
19 MTA, to facilitate transfers between the two.

20 The problem is that the MTA has thousands, I do
21 not even know how many, but thousands of subway
22 turnstiles, and for them to make all those
23 turnstiles accept this with a reader would be
24 very expensive and rarely used. So we could --
25 on the inbound trip, it would be easy to

1 instrument a few turnstiles at the few subway
2 stations that we serve, but then for when it
3 comes back neither of us can figure out how to do
4 that in any reasonable way.

5 There was one other thing I wanted to update
6 you on, the other issue that came up in the
7 MetroCard discussions in the past was the absence
8 of the MetroCard machines in Nassau County. And
9 you may have seen the media on it, we did ask and
10 there are, in fact, no more MetroCard machines,
11 and the MTA owns the only ones in the world.
12 They have no extras and because they are moving
13 away from that system they are not interested in
14 acquiring any extras, and so we tried, but there
15 was not much that we could do with it.

16 Now, I would like to get into the main event
17 which is the Annual Plan and Budget, and the
18 five-year capital plan. Just for background, the
19 contract between Nassau County, between the
20 partners Nassau County and Veolia, requires that
21 we provide you a budget recommendation in
22 February, which we did and you see that in the
23 committee meeting in March, and approve that
24 budget, or consider that budget. It also says
25 that the annual plan should include these five

1 elements: Service levels and proposed changes to
2 the services level, the budget, the fair increase
3 or decrease recommendations, a performance
4 scorecard, and a five-year capital plan; so let's
5 take those sort of in order.

6 The goals that we discussed with you the
7 last time and that we continue to adhere to take
8 care of two of those five elements. We are
9 recommending stable levels of service, not
10 absolutely no change, but stable levels of
11 service. Every quarter we do a new run pick with
12 our employees and we tweak schedules a little
13 bit. But we are talking about keeping the level
14 of services that is on the street today through
15 the next twelve months of the year.

16 We are also recommending no change in fares.
17 During 2014 we anticipate the fare levels staying
18 just as it is. Looking ahead a little bit, if a
19 fare change made sense, in fact, in 2015 is when
20 the MTA will probably change fares, and that
21 would be the time that we would consider it, if
22 we consider it at all. There are two of the five
23 elements we do not have to think about this year
24 at all, no change in service levels and no change
25 in fares.

1 The other two major goals for 2014 are
2 technology implementation, both the mobile
3 ticketing that we have just looked at a moment
4 ago, as well as the larger project, the ITS
5 project where we are adding all this
6 instrumentation and capability of the whole
7 fleet. So as you recall, people can have
8 realtime information in their hand, people can
9 count on the annunciators to provide audio
10 information to people with disabilities who need
11 that. We can control and manage a fleet better,
12 we can have better responsiveness to situations
13 as they arise an so forth.

14 We went over that last meeting and, I think
15 we should probably revisit it next meeting, but
16 that is a major element in our efforts through
17 this year, 2014, which begins next week.

18 The other major element is trying to get
19 more focus into our operational management and to
20 provide you a scorecard to go with that. You
21 have in front of you a comprehensive plan, in
22 that binder, and so this is something that we
23 developed -- we are not asking that you consider
24 that or adopt that at this meeting, but we will
25 ask you to do that next time.

1 In summary, it says, "safety and
2 dependability," that is what we are all about in
3 2014. We have done very well in safety, we would
4 like to do even better, and we would like to
5 improve the dependability that customers
6 experience in terms of the bus arriving on time,
7 and when it is not on time, having good
8 information available to them when weather or
9 something else interferes, being safe and no
10 interruptions in your trip, those are all
11 elements of dependability.

12 We think those are the two things that a bus
13 rider or any transportation rider wants; first, I
14 want to get there and secondly I want to get
15 there in the time that I expected to get there, I
16 want to be picked up and dropped off as closely
17 to what my expectations were as possible. That
18 is probably your expectation when you use any
19 transportation, air, or train, or bus, or
20 anything else. Those are the watch words in the
21 plan that we will present and ask you to approve
22 next meeting.

23 There is also is a scorecard in there, which
24 is different from the scorecard that we have used
25 the first two years, and again, I am not -- the

1 scorecards in the old formats, in your folder
2 there, I think and please tell me if I am wrong,
3 but I think it is not particularly useful to you,
4 and in that it includes some things like Net
5 promoter score that probably do not mean a whole
6 lot. So what we have done is proposed a smaller
7 group of indicators as well as goals to go with
8 each of those, and there are no goals in the
9 current scorecard.

10 We want set goals as well as a numerical
11 system so that you can quickly look at the
12 scorecard each quarter going forward and see how
13 we are doing. There is a possible one hundred
14 points, so if we got an eighty-five last quarter
15 and we got an eighty-six this quarter, you will
16 know that we are moving in the right direction
17 and you can look and see where those missing
18 fourteen points are.

19 Again, we will go over that in some more
20 detail next time, but since it is part of the
21 annual plan I wanted to at least introduce it to
22 you here today.

23 The budget that we have provided to you and
24 that we are asking you to adopt today, if you
25 wanted to get it down into one sentence, in order

1 to stabilize the current levels of fixed route
2 service and the current levels of fares, some
3 additional funding is required because operating
4 costs are rising and Able-Ride demand is rising.

5 Now, let me spend a little bit of time
6 detailing those things for you. Let's start with
7 the expense budget.

8 Why operating costs are rising? There are
9 four main reasons that our operating costs are
10 going up. The first one is that in our labor
11 contract there is a three percent wage increase
12 effective April 1st. We negotiated a five-year
13 contract, so through 2016 this contract is in
14 place. It provides raises each year for
15 employees, for instance, there are dozens of
16 rates in the contract, but here are a couple of
17 examples: Top operator, which is an operator who
18 has been with us for at least six years, the
19 hourly rate will go from \$28.57 an hour to
20 \$29.43, top technician or mechanic will go from
21 \$29.50 to \$31.30 an hour. So those contractual
22 wage increases by themselves, if nothing else
23 changed, add 1.4 million dollars to our operating
24 costs for the twelve months starting next week.

25 The second reason that our operating costs

1 are rising, there is also an increase in monthly
2 health insurance costs. There is really no news
3 there, that is what is happening to most
4 insurance costs. The rates, the premium rates,
5 are going up by three to four percent. There are
6 several different levels in the plan, so that is
7 why we arranged the three to four percent. And
8 there is also a shift in enrollment from single
9 plans to family plans.

10 There is a trend going on where some of the
11 senior employees who already grandfathered in the
12 state health fund, nightshift, the state health
13 plan, that some of them are retiring out and new
14 people are coming in who are not in that plan.
15 Nightshift, as you may know, from age fifty-five
16 and on has a zero premium. And as those zero
17 premium people retire and are replaced by people
18 -- we also get that change in enrollment, so
19 there is a combination altogether, it pushes up
20 our benefit costs about six percent.

21 Third reason operating costs are rising is
22 because natural gas has gone up dramatically. We
23 fuel our buses with natural gas as well as heat
24 all our facilities with natural gas, so we are
25 very susceptible to the gas cost increases. We

1 are proposing a budget with a twenty-five percent
2 increase in natural gas costs. The rates
3 actually have gone up more than that, but we are
4 expecting a little pull back soon, but not all
5 the way back to the 2013 levels.

6 Here is a couple of rates here, during
7 December of last year we were paying \$3.82 per
8 decatherm, that is one of the measurements --
9 units of natural gas. That same unit of natural
10 gas in February of this year had gone up to \$5.56
11 a decatherm, we think that will come back some,
12 but it is unrealistic to think it will come all
13 the way back. So we forecast another seven
14 hundred thousand dollars in energy costs just
15 because of price changes.

16 The fourth reason that our operating costs
17 are rising is because the demand for Able-Ride is
18 rising. This line chart on the screen shows each
19 moment during 2013, the number of hours per
20 weekday that we had to put on the street to meet
21 all the Able-Ride demands. As you can see it is
22 a steady increase, particularly in the fourth
23 quarter it got to be quite a bit higher. We
24 think that is a permanent trend, not sure why,
25 but it may be because of the aging of the

1 population, or it maybe because people felt
2 better about the on-time performance of the
3 Able-Ride and decided to use it more, or decided
4 to come back to it.

5 Remember, in our first year of Able-Ride our
6 performance was pretty poor in the on-time
7 performance area, it has dramatically improved;
8 that may be a reason, not sure why, but it is
9 clearly having an impact.

10 As you know, Able-Ride demand under the
11 Americans Disabilities Act must be met. If a
12 person is eligible for Able-Ride by virtue of
13 their disability and they have gone through the
14 eligibility process, and the trips they are
15 requesting meets the ADA requirements, which
16 means it is within the footprint three quarters
17 of a mile either side of any fixed route.

18 We collectively must serve that route, we
19 have no choice, we cannot say, "well, you know,
20 we are out of money." So in effect, first, we
21 have to serve all the Able-Ride demands and then
22 whatever is left, it all comes out of the same
23 pot, whatever dollars are left are available for
24 fixed route; that is also a factor in driving our
25 cost for 2014.

1 A logical question might be, "well, what
2 about efficiency, isn't there a way to be more
3 efficient?" and I would argue that we are. This
4 **graph on the left side, you see the last year of**
5 Long Island Bus, these are per hour fixed route
6 operation costs, all costs associated with fixed
7 **route operation divided by the total number of**
8 hours provided. So the first column, the orange
9 column, that is what Long Island Bus reported to
10 **the federal government for there hours and for**
11 their operating costs for the fixed route mode in
12 2011, their last year of operation; that's
13 **\$151.37 per hour all costs in.**

14 Now, in 2012, our first year, our operating
15 cost per hour, \$123.11 an hour, it actually went
16 down a little bit to \$122.36 an hour last year.
17 Mainly because we were operating more hours, and
18 **the fixed fee, which is part of our cost that is**
19 **in there stays the same, so you spread more hours**
20 over the same fee; it's going to come down a
21 **little bit.**

22 In 2014 there is a little increase to
23 \$126.64, so what I would submit is that it is a
24 **pretty good cost trend. Today, three years**
25 **later, we are still delivering an hour of service**

1 for about eighty percent of the cost of the
2 previous operator. And that is mostly
3 efficiencies that we put in 2012 and have
4 maintained since then.

5 The first thing we do in this budget is to
6 adjust the number of plans for a higher level of
7 hours for Able-Ride service. Currently, the
8 current budget has five thousand and five hours a
9 week plan for Able-Ride, we are proposing five
10 thousand one hundred and forty hours, another one
11 hundred and thirty-five hours a week to meet the
12 rising Able-Ride demand.

13 There are things we can do with the
14 efficiency of Able-Ride and we will continue to
15 try to do those to increase the number of
16 passengers per hour. But even so, the rise in
17 demand is just going to require more service.
18 Remember that trend line, it looked like a pretty
19 steady trend.

20 Now, the budget starts out with an increase
21 in Able-Ride service. Here is what it looks like
22 on an annual basis, the left column is the
23 current year budget, current year budget, a
24 couple days. And the line on the right is the
25 annual total represented graphically for 2014,

1 and that were recommended, and that was included
2 in the budget before you.

3 Here it is on a day of the week basis, most
4 of the increase is on weekdays, as you can see on
5 the graph at the top. Saturday stays almost the
6 same, Sunday has a slight increase in projective
7 demand for Able-Ride service also. When you do
8 it on an annual total hours out of the whole year
9 from almost two hundred and fifty-six thousand to
10 two hundred and sixty-three, approximately, that
11 is the total annual that is incorporated in the
12 plan that is before you.

13 The second part is to stabilize fixed route
14 service. This is what we propose, and again, now
15 we are on an average weekday basis, weekdays is
16 when most Able-Ride service is rendered. There
17 is a slight decrease in the number of days,
18 number of hours per weekday from today for April
19 schedules, for instance, and what we propose --
20 but it is less than one percent, it is not a
21 service reduction, it is a service adjustment.
22 We are trying to tweak the service design, so
23 that we are as efficient as we can possibly be.

24 We do that on a per type of day basis, and
25 you will see on the weekday there is a one

1 percent decrease, it is what you see on the top
2 slide or the top part of the graph. Saturday
3 stays almost the same and then a slight increase
4 on Sunday, all and all, essentially the level of
5 service that we are operating today.

6 This is the level of service that we put in,
7 in September of last year basically. Now, if you
8 do it on an annual basis it is actually a little
9 bit more service in 2014, and that is because in
10 2013, as you may recall, we ramped it up each
11 quarter and a lot of additional service went in,
12 in September. So over the course of the twelve
13 months we will operate more hours of fixed route
14 service during 2014, then we did during 2013 with
15 that proposal.

16 Here is the budget by type of account that
17 was in the document that went to you in mid
18 February. This has been studied and analyzed by
19 County staff, I believe, and they have submitted
20 a number of questions, which we have answered to
21 their satisfaction.

22 Here is what it looks like graphically, the
23 same numbers as the pie chart. What I would like
24 to point out here is -- start with the big blue
25 wedge on the upper right-hand corner, "35.1

1 million," that is operator wages, the red right
2 below it is mechanic wages or technicians wages,
3 all maintenance department wages. The green
4 wedge is all the other wages and salaries, so
5 that is supervision, clerical, managers, and
6 other people that are not mechanics or drivers.
7 And the purple wedge then is the fringe benefits
8 for all of those groups. So if you take those
9 four together, that is two-thirds of the pie, so
10 our business is a very people intensive business,
11 people costs take up two-thirds of the pie
12 altogether.

13 Now, the orange wedge, the "9.8 million,"
14 that is fuel, which is another fairly volatile
15 part of our budget. Those are the important
16 elements in there, parts and repairs are that
17 "6.9 million" wedge up there, that light blue
18 wedge, and there are various other kinds of
19 costs; we can go back and talk about those in
20 detail if you like.

21 So that is the expense part of the budget, I
22 am going to do the revenue side next. Would you
23 like to stop here for questions, or should we go
24 on through?

25 CHAIRMAN SHRENKEL: Anybody in the committee

1 have any questions thus far for Mr. Setzer?

2 BOARD MEMBERS: (No response)

3 MR. SETZER: Okay. Let's talk about the
4 revenue side. Here is a pie chart showing the
5 revenues that are incorporated in the budget
6 presentation that you have, other than the pledge
7 of proposal that you have.

8 As in previous years, the biggest single
9 part of this, over half, is that large blue part
10 on the right, that is the State transportation
11 operating assistance program and that is the
12 largest single source of revenue for NICE Bus.

13 The second largest one, obviously, is the
14 fare box, 45.5 million. I want to detail a
15 little bit about on how we got to those numbers,
16 and just quickly look at the rest of the numbers.
17 The red slice on the bottom is direct from the
18 County's general fund. The green slice next to
19 it is the one that we need to take about, that is
20 the one that still needs to be funded. There are
21 a couple places where that can come from and we
22 will get to that in a minute, but that is the
23 part we in effect hope those other wedges expand
24 enough to squeeze the green one down to nothing.
25 That is the 3.3 million and we still need to find

1 that in order to achieve a stable fare, the
2 stable service goals.

3 I think those are the important ones. The
4 one million and six million ones are federal
5 funds that we can convert to operating costs;
6 that little tiny six hundred dollar slice is
7 advertising.

8 Let's get into detail about those a little
9 bit. The big State transportation operating
10 assistance wedge is at sixty-two million
11 eight-thirty-one and five hundred. That is the
12 number that Governor Cuomo included in what is
13 called the executive budget in February, that is
14 the budget that the Governor recommends to the
15 Legislator. The Legislator can change that, and
16 in fact, the last two years has been increasing,
17 and last year it increases as much as five
18 million. The process is that the Legislator
19 returns a budget, passes a budget, maybe as soon
20 as this weekend, and then the Governor either
21 accepts that or uses his line on the veto and
22 changes it.

23 Today sixty-two million eight-three-one is
24 the only real number we have, because it is the
25 line that the Governor recommended. What it will

1 actually be when the Legislator is finished with
2 it, is unknown at this point. So that may be --
3 remember the green wedge that we still have to
4 close, that may be where it gets closed.

5 Last year there was about five million
6 dollars more that came from the Legislator --
7 there was about a five million dollars in funding
8 for NICE Bus for Nassau County, compared to what
9 the Governor had recommended. So will that
10 happen again this year, I have no way of knowing
11 that, but I think the history is worth taking
12 note of.

13 The previous year it went up a little bit,
14 not that much, about a million dollars is what I
15 recall, so beyond what the Governor recommended.
16 Now, we are waiting to find out what that number
17 is and the rest of the funding, if needed,
18 depends on what that number turns out to be; that
19 is a two percent increase.

20 All of the downstate non-MTA systems got two
21 percent this year, so Suffolk County, Westchester
22 County, all those got a two percent increase on
23 whatever their 2013 level was.

24 Fare box revenue is another big part of the
25 revenue pie, and this is not happy news. Our

1 budget for this year was 45.9 million, almost 46
2 million, that you approved a year ago. We
3 project our actual -- since we do not have March
4 final yet, it is still projective, we project our
5 actual to be almost seven hundred thousand
6 dollars short of that. That is due, and I will
7 show you in a minute, that is due entirely to
8 weather, and I will give you some detail on that.

9 One of the things you may recall is that in
10 the contract between Nassau County and Veolia,
11 Veolia enjoys or suffers the actual verses the
12 budget. So this year we are going to take a
13 seven hundred thousand dollar hit to bottom line.
14 I want that on the record, so if some year in the
15 future it is the other way, we can remember what
16 happened in 2013.

17 This is not an impact on the County, in
18 fact, that is one of the reasons, I think, that
19 you bring in a private partnership, some of those
20 risks to the private partner.

21 Here is what causes this, it is easy enough
22 to see. This is the chart of the whole eleven
23 months -- actually twelve months of 2013, fiscal
24 2013. A zero line down the middle represents
25 right on the budget, it is different from

1 month-to-month, but we budgeted by month. If we
2 were exactly on budget we would hit that zero
3 line.

4 In April we started out well above the
5 budget, half a million, we had a great April, but
6 May was not so good. So the accumulative, this
7 line is accumulative, the accumulative came down,
8 June it came down again, but at the end of the
9 first quarter last year we were still one hundred
10 thousand dollars better than budget, and that is
11 pretty close.

12 July goes up, August comes down, September
13 comes down, so the end of September we are still
14 two hundred thousand dollars, midyear, two
15 hundred thousand dollars better than budget in
16 fare box revenue.

17 October was a fantastic month, and then it
18 begins to come down again. So by September we
19 are still like four hundred thousand dollars
20 above the revenue budget, which on a forty-five
21 million dollar budget is pretty close.

22 Now, January and February hit and the bottom
23 falls out of ridership, revenue just drops off,
24 and you see by the end of February we are almost
25 at that seven hundred thousand dollars below

1 budget. That little upturn at the end is full of
2 hope, we do not know what March accumulated. We
3 are hopeful that there is some recovery in March,
4 although given what the weather has been like
5 this month, and maybe that is unwarranted hope,
6 but in any case we are certainly going to end up
7 well below the budget for fare box revenue for
8 2013; we reflect that in our recommendation for
9 this coming year.

10 Just to make sure that it is really related
11 to the weather, on this graph, you see the blue
12 line on the top is "average" -- we took weekends
13 out of here because they go up and down anyway --
14 is the average fare box revenue collection
15 through November and December. And the green
16 line is the actual by weekday during January and
17 February.

18 The circles are snow days, it is very easy
19 to see that snow and dropping fare box revenue
20 are directly related. All of the low days are
21 snow days, when it does not snow for a few days,
22 like right in the middle, it is right up there
23 right around the budget line. So we are pretty
24 confident that this is a weather related
25 phenomenon and nothing else. It was right on

1 budget, if only -- if the sun would shine three
2 hundred and sixty-five days a year we would have
3 no trouble of predicting fare box revenue, but we
4 do not think that is a reasonable assumption to
5 make going forward.

6 Here is the fare revenue recommendation that
7 is incorporated in the budget. The column there
8 on the right is what we actually expect to
9 collect by the end of this month, 45.3 million
10 verses the budget of 45.9 million. So we are
11 recommending the 2014 number of 45.5, we are
12 recommending that the weather will not be as bad
13 as it has been, but it will not be as good as we
14 forecasted for when we were here a year ago now.
15 So the 45.5 is the recommendation, and again,
16 that becomes the target for next year, so over
17 and under is an effect to the Veolia problem.

18 Back to where we were before, so all that
19 together means that there is still 3.3 million
20 needed in order to achieve the stable level.
21 Given the history of the past few years, that is
22 not a completely unrealistic expectation, but I
23 cannot tell you today where it would come from.
24 It could come from the State, or some of it could
25 come from the State and we may know that in a few

1 days. Once we know that, and if does not
2 completely close that gap, then we will turn to
3 Nassau County and say, "what would you like to
4 do," and they -- I will not predict what their
5 decision will be, but I cannot think of any other
6 source; the federal government is certainly not
7 going to provide any additional money.

8 Advertising may do a little better than the
9 six hundred thousand, so we would recommended
10 going forward with the expectation that the 3.3
11 million dollar issue will be solved, recognizing
12 that it is possible, that it is not. And if it
13 is not solved, then the last resort, the final
14 place to go, is with some service adjustments in
15 the middle of the year.

16 We have not planned those, we are not
17 scheduling a public hearing on those, we are not
18 suggesting that you schedule a public hearing,
19 but I think that you should at least articulate
20 that this is the last resort if we do not manage
21 to solve this problem.

22 The timing, and I recognize that having a
23 budget with a 3.3 million dollars of revenue from
24 an unknown source is a little bit unusual, but
25 the alternatives are worse. The alternatives

1 would be to schedule hearings on something like a
2 fare increase or a service cut, but today that
3 may never be necessary, I think that it is in our
4 passengers best to offer a stable service
5 offering and then find a way to make it happen.
6 There is a certain amount of optimism in this
7 budget recommendation, but I personally think
8 that's one.

9 Back to the same funding pie, that is what
10 it looks like. The green wedge is the line that
11 we have to solve, and should have a pretty good
12 idea sometime soon. Let's stay on revenue for a
13 minute; are there any questions about revenue or
14 comments?

15 CHAIRMAN SHRENKEL: Assuming the 3.3 million
16 dollars does not come in, I am just curious, what
17 is your cash position to carry the budget for a
18 period of time? I mean, you have thirty days,
19 ninety days, sixty days, one hundred days?

20 MR. SETZER: Yes, and actually the County
21 does, I believe, the County draws down that money
22 from the State and a little from the federal
23 government. The fare box revenue would be
24 whatever it is, and the fare box revenue comes in
25 everyday, so I do not think that there would be a

1 cash problem at any point. By the end of the
2 year obviously, we would have to solve this. If
3 instead of a 121.9 million, there is only 118
4 million then we --

5 CHAIRMAN SHRENKEL: You can carry yourself
6 sixty to ninety days?

7 MR. SETZER: Yes, yes. I do not think that
8 is a problem.

9 Any other revenue questions?

10 (Whereupon at this time there is no
11 response.)

12 This is not really a budget issue, but I
13 think we ought to talk about it and I will
14 explain why. Currently the County pays for
15 transit service three different ways. First of
16 all, there is a monthly fixed fee, then there is
17 a monthly variable fee for Able-Ride, which is
18 based on the number of hours Able-Ride operates
19 and a monthly fixed routes, which is based on the
20 number of hours NICE Bus operates. Our invoice
21 for the County is a statement of ours times the
22 rate that is in the contract.

23 When the contract was negotiated in 2011 it
24 specified what variable fees should cover. So it
25 should cover operated mechanic labor, benefits,

1 tires, parts, and fuel, in other words, the big
2 cost categories are to be incorporated in the
3 variable rates; and there are two different ones,
4 one for Able-Ride and one for fixed route, and it
5 is quite specific about what that would be.

6 These are the costs that go up and down with
7 adding or subtracting service, so if we run
8 another hour service we will be paying another
9 hour of drivers wages and burn some more fuel and
10 run another hour off the tires and so forth;
11 variable rates are meant to cover that and that
12 is fairly specific here.

13 Then the contract -- these are the screen
14 shots that are directly from the contract. The
15 fixed fee was also described as covering those
16 kinds of cost that do not go up and down with an
17 hour of service, so the lights in this room, the
18 license for computer software and things like
19 that stay the same, whether we add on an hour or
20 take an hour off the street. So this describes
21 all those categories that would be included in
22 the fixed fee.

23 Then what negotiators did in 2011 was that
24 last -- they said for the first year it is going
25 to be two million three-one-nine-six-six-four.

1 That was an estimate based on the best
2 information available to us at the time. We had
3 not created a budget for 2012, we had the MTA's
4 Long Island bus budget available to us, but our
5 cost structure is quite different. So that was
6 the best estimate available at the time based on
7 the information that we had.

8 Now, for the first two years, that is the
9 number two million three-one-nine-six-six-four,
10 that is the number that we charge for the fixed
11 fee each month. It did not correspond at all
12 with the description and the language, that was
13 just the placeholder. And we, I think, decided
14 even in the second year, why don't we just leave
15 that alone and why don't we just focus on getting
16 the variable fee down. And in fact, the variable
17 fee for fixed route in 2013 went down by a couple
18 of dollars from the -- it was eighty dollars and
19 something in the first year, so it went down by
20 two dollars. We left that fixed fee alone as the
21 placeholder that the contract had set.

22 We are recommending today that for 2014 we
23 should true those rates up to what the contract
24 says they should represent. We have done the
25 calculations, and when we do that, the fixed fee

1 would go up, using those eleven categories that
2 we were looking at before. And the variable fees
3 would come down using those four categories, I
4 think, as to what is to be included in the
5 variable fee.

6 This does not put any more service on the
7 street or take anymore service off. This just
8 trues up the way the billing is prepared to what
9 the contract actually says, which I think, in it
10 self is a good reason to do it. And if ever it
11 were subject to some kind of audit, you would
12 want the auditor to find that the fees
13 represented with th contract said they represent
14 it, so that is the proposal that we are making
15 today.

16 The impact that it might have in the future
17 would be that if -- since ours, the variable hour
18 becoming cheaper, we are recommending dropping
19 the variable rates. If you got another million
20 dollars in some future year you could buy more
21 service, because then our service would be
22 cheaper. I suppose going the other direction, if
23 we had to reduce some service to balance the
24 budget, it with take more hours. This represents
25 more accurately what are actual costs are. That

1 is the purpose of this, it has really no affect
2 on the 2014 operation.

3 I wanted to stop there, I know it is a
4 little bit complicated, but I wanted to stop
5 there; do you have any comments or questions
6 about that?

7 (Whereupon, at this time there was no
8 response.)

9 Okay. Performance scorecard, we'll talk
10 about that very briefly again. We are not asking
11 that you do anything about this today, we will
12 ask you at our next meeting to adopt this as the
13 scorecard that is contractually required. Again,
14 it emphasizes a few keys in safety and
15 dependability primarily, but there are some other
16 things in there. It is built-in to that plan, in
17 correspondence to that plan you have in front of
18 you, and at our next meeting I propose to spend
19 some time on the plan itself, then ask you to act
20 on it.

21 There are fewer indicators than in the old
22 scorecard, I think the indicators themselves are
23 more intuitive and more useful, and they go to
24 things like safety and dependability, and there
25 is some productivity measures and some other

1 important things in here, and they have goals.

2 So in that column just to the right of that
3 blue column, somebody on the staff has that
4 assigned to them, and just to the right of that
5 is the goal that we shoot for. The next column
6 is the waiting for achieving that particular goal
7 and if you add it all up -- if we get everything
8 perfectly we get a score of one hundred. So at
9 the bottom you will be able to look at our report
10 card, we will have a quick snapshot as to whether
11 we have gotten better or worse, and then we can
12 use this to have more detailed discussions at
13 your quarterly meetings about our performances.
14 Again, we will put that on the agenda for the
15 June meeting.

16 On the last phase is capital plan, we have
17 also included here a couple pages from the
18 transportation improvement plan, the TIP is a
19 document that Nassau County submits to the
20 federal government, it is a five-year plan. So
21 that is the same, this is very similar to what
22 you saw a year ago, except that 2013 has fallen
23 off and 2018 has been added on. It is not very
24 readable, but it is in the document and I think
25 -- if you do not mind me jumping ahead, the

1 near-term highlights in the capital plan are 2014
2 and 2015, we complete the ITS system, th AVL data
3 on that vehicle location system and all the
4 things that go with it that we talked about last
5 month.

6 We complete the procurement for the upgrade
7 of the compressed natural gas facility, we have
8 very old CNG technology here, upgrading it will
9 make bus fuel more reliable and it will reduce
10 our electric utility costs with more efficient
11 modern stuff.

12 In 2014 we purchased new para-transit
13 vehicles, and in 2015 we would receive
14 approximately forty-five new full-size buses.
15 Those are some of the highlights, but there is a
16 lot of things on there on engineering and
17 facilities and shop equipment, I would be happy
18 to go through those with you if you would like,
19 but I think these are the important ones.

20 I would like to make a quick comment here on
21 something that you have probably read in the
22 media and might have some concern about, and that
23 is the onboard security. We had two, in the
24 month of February -- in the month of March we had
25 two assaults on drivers, unprecedented, we had

1 not had these kind of things before. We had two
2 that seemed to be a little bit related, a little
3 bit similar, although actually they are quite
4 different. And that raised the issue of whether
5 we should equip buses differently.

6 Two things in particular, one is the camera
7 systems, and in the first assault a passenger
8 happened to get the video, which lead to an
9 immediate arrest. And the second assault nobody
10 did, and there has not been an arrest yet unless
11 it is just unknown.

12 Camera systems, the forty-five buses that we
13 have on order right now will come with the new
14 state-of-the-art camera system. Now, the
15 question before was, should we go back and equip
16 the older buses with camera systems also; that is
17 the industry standard for improving security, as
18 well as managing claims and a few other things,
19 they are very helpful and they have been very
20 useful.

21 Now, the other item that is under
22 consideration is driver partitions. We currently
23 have what -- sort of a half partition, sort of a
24 waist high partition. It is like a door that --
25 it does not shield the upper half of the driver.

1 **We get mixed comments from drivers about whether**
2 they want a partition, and I believe the MTA has
3 decided to add full partitions, and a few other
4 **transit systems have, others have not. Some of**
5 our drivers have said, and we have not done any
6 scientific work on this yet, but some of our
7 **drivers have said that they feel less secure in**
8 the partition, they feel somewhat enclosed and
9 unable to escape and the partition cannot
10 **completely close things off, people have to be**
11 able to reach things through and that sort of
12 thing.

13 **So we started the research on this, we plan**
14 to, on both the camera systems and partitions,
15 both would be a capital item, both would be
16 **something that the County would have to be**
17 involved in also, so they get the capital grants
18 **and they own the equipment and some modifications**
19 to their equipment needs to be something more
20 collaborate with the County.

21 **First, we want to finish the research on the**
22 costs, how they work, and those kinds of things,
23 and then some consultation with your employees,
24 **and then have some consultation with the County**
25 and then make a recommendation. So perhaps by

1 the June meeting we will have some some final
2 answers on this. I just want you to know we are
3 on it, we understand how significant it is, and
4 we are trying to evaluate what the best approach
5 is.

6 BOARD MEMBER COMERFORD: I just want to
7 point out something because, you know, we get a
8 lot of bad press, people complain about the bus
9 system and everything else, and the drivers.

10 It never made the papers, but I know first
11 hand of a young woman who overdosed on a bus, and
12 the driver was smart enough and astute enough to
13 realize that there was a major problem, called
14 police, they administered Narcan, the young lady
15 is alive and well today. It does not make the
16 press, I am sure you know who the driver is and I
17 would like you to please give from this Board a
18 congratulations to that driver.

19 MR. SETZER: Absolutely.

20 BOARD MEMBER COMERFORD: I hope that they
21 were recognized and I think everybody should know
22 that these bus drivers, you know, there is some
23 good, some bad, but most of them take their jobs
24 very seriously. And this person could have just
25 assumed that this young lady was sleeping and she

1 would have been dead. So could you please give
2 this person a thank you.

3 MR. SETZER: Thank you, yes we will.

4 BOARD MEMBER COMERFORD: And I personally
5 know this young lady, so --

6 MR. SETZER: Oh, do you really, okay.

7 BOARD MEMBER COMERFORD: Yes.

8 MR. SETZER: You are right, there are quite
9 a few unsung heros among the ranks of the
10 drivers. For the most part they do a great job,
11 I am very proud of the group. There is six
12 hundred and fifty, so on any given day you might
13 encounter the outlier, but they are a wonderful
14 group of employees and they are very dedicated
15 with what they do.

16 CHAIRMAN SHRENKEL: I do not know that story
17 Mr. Setzer, I just learned that. And I think
18 this bus driver should get some formal
19 accomodation.

20 MR. SETZER: Yes, yes, I think so too. In
21 fact, Mr. Cachera (phonetic) is working on a whole
22 program how we recognize superior performance by
23 drivers, the one time exceptional thing like
24 that, but also the ongoing good performance, like
25 getting to the time points on-time, a good safety

1 record, we definitely want to recognize that kind
2 of performance.

3 I think that is the end of the presentation,
4 so I am happy to respond to any questions here.

5 CHAIRMAN SHRENKEL: Are there any questions
6 for Mr. Setzer; and of course, we can cover any
7 parts.

8 BOARD MEMBER COMERFORD: Very thorough,
9 thank you.

10 MR. SETZER: Thank you.

11 CHAIRMAN SHRENKEL: I have one question.

12 MR. SETZER: Yes, sir.

13 CHAIRMAN SHRENKEL: Going back to the
14 breakdown of the buses, it looks like a sizeable
15 percentage increase. I do not know th details,
16 but I know we have a lot of new buses, so I was
17 curious if you have any comments on that?

18 MR. SETZER: The metric is miles between
19 breakdowns, right?

20 CHAIRMAN SHRENKEL: "Breakdowns disrupting
21 service more than five minutes."

22 MR. SETZER: Yes, that is right, okay. You
23 are right. There has been a significant increase
24 in breakdowns, that is a separate category that
25 defines those that last for more than five

1 minutes. Maintenance has been a continuing
2 challenge for us, that is one area in the
3 scorecard -- that is one of the areas that we are
4 going to focus on for this coming year, that is
5 part of the undependable. But I agree, that is
6 not an acceptable trend.

7 CHAIRMAN SHRENKEL: Yes, I was just curious
8 because there is more new buses now on the fleet
9 than you had the prior year.

10 MR. SETZER: That is right.

11 CHAIRMAN SHRENKEL: I was just expecting
12 less breakdowns.

13 MR. SETZER: I would have too, I agree.

14 BOARD MEMBER BLESSINGER: We also had a very
15 rough winter, and the roads are in pretty bad
16 shape right now.

17 BOARD MEMBER COMERFORD: And the potholes.

18 MR. SETZER: These are mechanical things,
19 and they may very well be related to potholes, as
20 well as cold weather, but extreme weather either
21 way causes mechanical issues.

22 CHAIRMAN SHRENKEL: Are there any other
23 questions for Mr. Setzer?

24 COUNSELOR LITTMAN: I just have one.

25 CHAIRMAN SHRENKEL: Certainly, Counsel.

1 COUNSELOR LITTMAN: Mr. Setzer, the 2014
2 fiscal number, the 121 number, that would include
3 all the increases of service that was done in
4 September of 2013, that would maintain all of
5 them; including the N4 Express, the N6 Express
6 and all the other service that was restored or
7 increased back in September of 2013, correct?

8 MR. SETZER: That is correct, yes.

9 COUNSELOR LITTMAN: How about the N87 and
10 the N88, the summer beach service?

11 MR. SETZER: That is included in that.

12 CHAIRMAN SHRENKEL: To further that thought,
13 and to clarify for myself, we had additions in
14 service in the 2014 budget that were just
15 recently seen now, beginning in January, that we
16 did not have in 2013?

17 MR. SETZER: That is right. You have twelve
18 months. The things we implemented, mostly in
19 September -- so you have six months and last year
20 you have twelve months. In 2014 we are not
21 expecting to -- we are expecting to adjust things
22 periodically, but not to take away or add
23 service.

24 One of the things that we have gathered from
25 talking with our drivers is that there has been

1 -- the situations have been so dynamic the last
2 two years, in 2012 we took service off, and in
3 2013 we put it back.

4 CHAIRMAN SHRENKEL: You could not quantify
5 those good new increases, could you?

6 MR. SETZER: As to how many hours those
7 contribute?

8 CHAIRMAN SHRENKEL: How much money it
9 accounts for in our budget?

10 MR. SETZER: I do not know, could you think
11 of a way -- the September increases, let's say,
12 dollars, or hours?

13 MR. KHZOUZ: I do know the September
14 increase in hours made about nine percent
15 increase, it was a very substantial increase in
16 September of last year. And you somewhat saw
17 that in the October fare box recovery, you saw
18 that fare box really jumped. And my feeling to
19 Mike is, I hope that if we were to sustain those
20 levels that you would see our ridership grow and
21 the --

22 COUNSELOR LITTMAN: But gentlemen, those --
23 I am sorry Jack. But those September changes are
24 on our busiest routes. And that was done to put
25 more buses on, more hours on, and alleviate some

1 of the overcrowding, correct?

2 MR. SETZER: That is correct.

3 COUNSELOR LITTMAN: That was done?

4 MR. SETZER: Yes, that was a major effort in
5 September, and as well of some of the earlier
6 ones. We had a smaller increase of last year,
7 and a lot of that was to address operating
8 conditions.

9 COUNSELOR LITTMAN: And that is what we want
10 to maintain by going for the is 121.

11 MR. SETZER: That is right, yes.

12 COUNSELOR LITTMAN: You want more bus
13 service than the people who ride the buses.

14 MR. SETZER: Exactly.

15 CHAIRMAN SHREKEL: Are there any other
16 questions from the committee?

17 (Whereupon, at this time there was no
18 response.)

19 Thank you, Mr. Setzer for a very detailed
20 presentation.

21 MR. SETZER: Thank you.

22 CHAIRMAN SHREKEL: At this time what we would
23 like to do is call on the public -- give me one
24 second, thank you, and you are going to be first.

25 JOHN MICHNO: Okay, no problem.

1 **CHAIRMAN SHREKEL:** First, I would just like
2 to ask everyone if they could please close their
3 cell phones, if you have not already. The other
4 **of which is, we try to keep this to a time limit**
5 and we ask that you confine your thoughts and
6 comments to a three minute period. What you
7 **should do is really confine what you would like**
8 to say, so that you get your punch lines in.

9 Also, when you come to the podium we
10 **appreciate you giving us your name, whether you**
11 are representing yourself or an institution
12 perhaps and, you know, the town or the city you
13 **are talking about, and of course the bus route.**

14 Sir, you are first.

15 **JOHN MICHNO:** Okay. First, I want to thank
16 **everyone at NICE Bus for dealing with this**
17 horrible winter we've had, the drivers have done
18 **a great job, you know, the --**

19 **BOARD MEMBER ROSARIO:** And you are?

20 **BOARD MEMBER COMERFORD:** Your name, Sir. We
21 **need your name.**

22 **JOHN MICHNO:** Oh, all right. I am sorry, no
23 microphone. My name is John Michno, M-I-C-H-N-O,
24 **and I am from Westbury, New York. Okay. I'm**
25 **sorry about that. I want to thank all the bus**

1 drivers at NICE and the employees for getting
2 through this rough winter, it had been a horrible
3 winter. I also want to thank NICE for restoring
4 the N27 full-time to Roosevelt Field and now
5 Hempstead, that was causing a lot of issues for a
6 lot of N27 riders and we sure do appreciate it.

7 And I also appreciate the difficult funding
8 times that we have gone through, but I am very
9 concerned about the cycle and the ridership going
10 down, as well as the conditions of the bus.

11 I want to share with you, and you guys can
12 look at this. Again, these are figures that are
13 going to relate to what I am about to say. So
14 just some of the conditions on some of the buses
15 and stuff like that -- I will read it.

16 All right. I hear from my fellow riders as
17 well as the drivers on the bus about the bus's
18 maintenance, there has been more breakdowns and
19 that was confirmed by Mr. Sheldon Shrenkel. So
20 obviously I know I am not the only one seeing
21 that. And the sad thing is that I was on a newer
22 1800 Series bus just a few weeks ago, it was
23 making a loud horrible sound throughout the whole
24 trip.

25 There is also a lot of problems with the

1 MetroCard readers, this is still going on, in
2 fact, my MetroCard was recently damaged and now
3 it does not work at all, and I have to wait for
4 them to send me a new one; I have an Easy Pay
5 reduced fair MetroCard. I don't own a
6 smartphone, I can't afford one, so the new
7 ticketing option won't break and it is not going
8 to help me very much. And I don't know if there
9 is even going to be a reduced fair option for
10 people with disabilities.

11 Now, on figure A, a recent report of the
12 dynamic declining ridership. Bus systems all
13 around us have been gained, that should raised
14 some red flags. You know, Long Island Railroad
15 -- all their riderships are going up, while ours
16 is going down, and that is with the same fare
17 hike. That is something that is kind of
18 alarming.

19 This is from the Tri-State transportation
20 campaign. The riders are not happy, because a
21 lot of the buses are more likely to be dirty,
22 that is figure one, delays or breakdowns. And we
23 need police patrols on the buses, as recent
24 incidents have shown it is really becoming a
25 haven for criminals and lowlives. The fact is

1 people don't want to put up with the service,
2 many including myself get more unsafe, given all
3 the gang graffiti on the bus, which is figure
4 two.

5 Also, many drivers shut off the ventilation,
6 leaving us in unhealthy stale air exhaled from
7 the passengers. This is an ongoing issue, it was
8 brought up with the MTA, the ventilation should
9 be on, especially if the bus is crowded, because
10 otherwise the germs are just going to sit in the
11 air and make people sick. I know this, because
12 sometimes I have to wear a mask because I have a
13 very high weak immune system, so I can't afford
14 to get sick.

15 Now, the latest changes on March 30th, the
16 moving away from some busy lines, I don't get the
17 elimination of the worst peak service, on the N1,
18 that is going to put more people on an
19 overcrowded N6, which is already, you know,
20 crowded. Many N6 riders are fed up and started
21 using the Long Island Railroad instead of City
22 buses.

23 So the N27 half hour sees half service from
24 Glen Cove, reduced to hourly after 6:00 p.m., and
25 I am kind of baffled at this because spring has

1 arrived and now many of the day workers that are
2 doing the landscaping and stuff are now using the
3 service because the the weather is warming up.
4 And as a user of that route at those times, now I
5 am going to have to consider using the Long
6 Island Railroad, because it is going to be
7 quicker for me to get home that way now.

8 BOARD MEMBER COMERFORD: Do not do it, I do
9 it everyday.

10 CHAIRMAN SHREKEL: You want to wrap it out.

11 JOHN MICHNO: I don't know, I mean --

12 BOARD MEMBER COMERFORD: I was thirty-five
13 minutes late here.

14 John micho: Okay. Well, whatever, some of
15 the buses are late too. And also the N22 L was
16 eliminated, and there were no runs put in its
17 place to fill those runs. You know, in the
18 morning, because the N22 gets very crowded, you
19 know, it serves a lot of poor areas in New
20 Castle, Westbury and it's now every half an hour
21 in the peak direction out of Hickville. I
22 understand the N22 L didn't go to Roosevelt Field
23 and --

24 CHAIRMAN SHRENKEL: Excuse me, sir. Can you
25 just take another ten seconds and wrap it up.

1 JOHN MICHNO: Okay. Yeah, sure, I don't
2 have a clock in front of me. So I just want to
3 say that some of the routes haven't seen
4 reductions, and all the figure are in front of
5 you. The reality is far from how Mangano claims
6 things are going in his recent speech.

7 But I wish you the best of luck. I really
8 put the blame on Nassau County, they need to put
9 more funding into the bus system, 2.6 million is
10 not enough, the riders aren't happy and NICE you
11 need to try harder so we can depend on safe,
12 clean and reliable service. I know they are
13 doing the best they can, but they need more
14 funding, that's basically what I am trying to
15 say.

16 BOARD MEMBERS: Thank you.

17 JOHN MICHNO: Thank you, I appreciate it
18 very much.

19 CHAIRMAN SHRENKEL: Again, we would like to
20 call on the public for any comments, feel free.

21 COUNSELOR LITTMAN: Mr. Endo, go ahead.

22 YUKI ENDO: My name is Yuki Endo. Member of
23 the Long Island Bus Riders Union and Riders
24 Alliance. I am a resident of Jackson heights,
25 Queens.

1 I am not happy with NICE Bus cutting most N1
2 rush hour trips to and from Jamaica. During rush
3 hours, most N1 passengers want direct service to
4 and from Jamaica, Queens. If N1 rush hour
5 service is eliminated, you'll be forcing more
6 passengers on the N4 and 4X and 6 and 6X, which
7 are already crowded and more people will be
8 flagged along their routes.

9 I am happy that N3 and N27 buses are
10 returning to their original routing, with the N23
11 bus going back to Mineola and N27 bus going back
12 to Roosevelt Field and Hempstead seven days a
13 week; these routes should had never been touched
14 in first place.

15 On weekdays, reducing N27 Hempstead bus
16 during the evening to every hour is a horrible
17 idea because buses will be packed.

18 N22 Limited, needs to be restored because
19 most N22 riders use N22 Limited to avoid major
20 bust stops, Roosevelt Field and Mineola Station.

21 I have created petitions to Simon Malls,
22 Westfield, Green Acres Mall, Metropolitan
23 Transportation Authority, Nassau Intercounty
24 Express, Veolia Transportation, and Governor
25 Andrew Cuomo to put more funding for MTA and

1 NICE, so MTA could provide MetroCard vending
2 machines or MetroCard Bus/Van service to Nassau
3 County.

4 New York State and New York City Department
5 still hasn't updated the N4, 4X, Q5, X63 bus
6 stops at Merrick Boulevard, Farmers Boulevard.
7 Or the N2 Floral Park via Green Acres Mall bus
8 stop at Hook Creek Boulevard and Merrick Road.

9 I am also suggesting NICE Bus to host public
10 hearings besides Mitchel Field Depot, at the
11 following to provide easy access to all
12 passengers, like Rockville Centre Depot, public
13 libraries, churches; I also suggest N28 Green
14 Acres loop should be extended to Jericho
15 Turnpike.

16 On Sundays 21:55, N20 Roslyn, Mineola Avenue
17 bus stop should be extended to Hicksville
18 station, while last N20 Flushing should be at
19 21:30.

20 I suggest NICE Bus to put schedule change
21 posters or community meeting posters on windows
22 of ex Long Island Bus/NICE Bus CNG fleets,
23 including on back of bus operator on Orion V.

24 I also suggest Saturday N48, N49, or Sunday
25 N49 bus should be extended to Newbridge

1 Road/Columbia Drive to provide easy access to and
2 from Jericho Quad. Thank you for your
3 cooperation. Sincerely yours truly, Yuki Endo.

4 BOARD MEMBERS: Thank you.

5 CHAIRMAN SHRENKEL: Thank you, Mr. Endo. I
6 hope you do not mind, but what we are also going
7 to do here is ask Ms. Comerford to read these
8 comments to the public, thank you.

9 (Whereupon, At this time the last statement
10 by Yuki Endo was re-read by Board Member
11 Comerford.)

12 CHAIRMAN SHRENKEL: Mr. Endo, thank you for
13 your comments, we appreciate them. There is
14 certainly a lot of them and Mr. Setzer, you will
15 have to digest them and act accordingly.

16 MR. SETZER: Yes.

17 CHAIRMAN SHRENKEL: Is there anyone else
18 that would like to address the committee or ask
19 questions to Mr. Setzer?

20 JOHN MICHNO: Well, actually I just wanted
21 to add to Yuki Endo's idea about the 48, 49. You
22 could extend the 35 to Jericho and provide
23 service along Jericho Turnpike. There is like a
24 Home Depot, there's a Khol's there, there is no
25 bus that goes down there. You got a lot of stuff

1 there, Westbury Music Fair, Home Depot, the movie
2 theatre, it's a good way to generate a ridership.

3 CHAIRMAN SHRENKEL: Thank you.

4 Again, is there anybody else who would like
5 to come to the podium, take three minutes and of
6 course, address us and ask Mr. Setzer any
7 questions?

8 No one else, no other public comments?

9 (Whereupon, at this time there was no
10 response.)

11 Anyone on the committee have any further
12 questions for Mr. Setzer?

13 BOARD MEMBERS: No.

14 CHAIRMAN SHRENKEL: All right. At this
15 time, would anybody from the committee like to
16 make any motions before this committee?

17 Okay. Mr. Rosario?

18 BOARD MEMBER ROSARIO: I move to adopt the
19 resolution to approve the 2014 budget.

20 CHAIRMAN SHRENKEL: Would someone please
21 want to second that motion?

22 BOARD MEMBER BLESSINGER: Second it.

23 CHAIRMAN SHRENKEL: Thank you. I think the
24 best way to handle this would be, this motion, is
25 Counsel, would you mind putting the motion before

1 the committee and calling the roll to take the
2 votes?

3 COUNSELOR LITTMAN: Not at all, Chairman.
4 Based on the testimony by Mr. Setzer today, his
5 presentation, I believe and I will suggest as
6 counsel to this committee, that we take a vote, a
7 conditional vote. We will conditionally approve
8 the resolution if this committee accepts that,
9 the condition being that the 3.3 million dollars
10 is somehow received and we have a balanced
11 budget.

12 We will conditionally approve the resolution
13 today and if everyone accepts that is how we will
14 do the vote; does everyone agree to that?

15 CHAIRMAN SHRENKEL: Prior to voting, does
16 everyone agree to the concept.

17 BOARD MEMBERS: Yes.

18 CHAIRMAN SHRENKEL: Everyone agrees, please
19 note the minutes accordingly.

20 COUNSELOR LITTMAN: The vote will be to
21 approve, to conditionally approve, the resolution
22 of approving the 2014 fiscal year annual budget
23 and plan.

24 Ms. Comerford, a vote in the affirmative is
25 clearly "yes," and accepts the budget, the

1 resolution. And "no" is a negative.

2 BOARD MEMBER COMERFORD: Yes.

3 COUNSELOR LITTMAN: Mr. Blessinger?

4 BOARD MEMBER BLESSINGER: Yes.

5 COUNSELOR LITTMAN: Mr. Rosario?

6 BOARD MEMBER ROSARIO: Yes.

7 COUNSELOR LITTMAN: Chairman Shrenkel?

8 CHAIRMAN SHRENKEL: Yes.

9 COUNSELOR LITTMAN: Mr. Duroseau?

10 BOARD MEMBER DUROSEAU: Yes.

11 COUNSELOR LITTMAN: The record should

12 reflect that the committee has voted unanimously

13 to conditionally approve the budget resolution

14 before today.

15 CHAIRMAN SHRENKEL: Would anybody else like

16 to bring any other motion before this committee?

17 (Whereupon, at this time there was no

18 response.)

19 Okay. Now, with that our business is

20 complete. Would anybody like to move to adjourn

21 the meeting?

22 BOARD MEMBER COMERFORD: Aye.

23 BOARD MEMBER BLESSINGER: Aye.

24 CHAIRMAN SHRENKEL: Second it?

25 BOARD MEMBER DUROSEAU: Second it.

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CHAIRMAN SHRENKEL: I want to thank you very much for coming today. This meeting is adjourned.

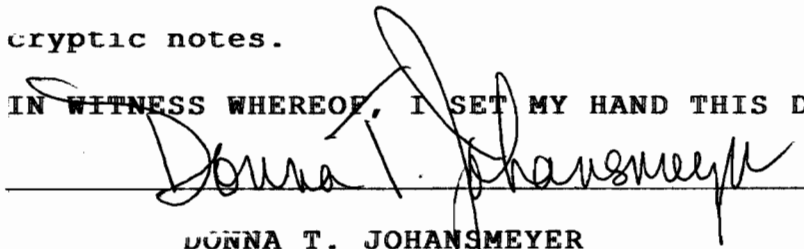
(Whereupon, the Nassau County Bus Transit Committee was concluded. Time noted: 5:15 p.m.)

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CERTIFICATE BY COURT REPORTER

DONNA T. JOHANSMEYER a Professional Court Reporter and Notary Public in and for the State of New York, do hereby certify that the foregoing testimony taken in the matter of the March 27, 2014 Nassau County Bus Transit Committee consisting of pages 1 through 65 inclusive is an accurate transcription of my cryptic notes.

IN WITNESS WHEREOF, I SET MY HAND THIS DAY.



DONNA T. JOHANSMEYER

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