

1/28/22

Use Fee meeting with NJT Real Estate

Attendees:

Scot MacPherson, WWPA

Andy Lupo, WWPA

Tom Crane, WWPA

Carmen Taveras, NJT Real Estate

Mike Murphy, NJT Real Estate

Introductions were done by Tom Crane then Andy Lupo began by stating WWPA has always had a happy relationship with NJT and we are not looking to change that. The concern is that in good years there had never been concern that the revenues coming in will not be enough to pay all the expenses for a year. The Pandemic brought this concern to the forefront of our minds as WWPA spent most of 2020 projecting ahead to ensure there was enough cash in the bank to cover all the and not dip into the negative. In the event of there not being enough money in the NJT account the WWPA would be required to pay those costs, but there is no mechanism in the lease to reimburse WWPA. WWPA would like to have terms put into the lease to allow for WWPA to be reimbursed.

Along with this in the lease there is a clause that states when the revenues increase or decrease by 5% the use fee should be renegotiated. At the time of the meeting WWPA stated they would not be paying a use fee due to the large capital projects that the SOGR and DOT/ADA reports require and the difficulty in being able to schedule a meeting to discuss the use fee.

Carmen asked WWPA how much money was in our bank account for NJT at this time, which was a little over a million dollars. She stated that there was no reason why WWPA should not be able to cut a check to NJT for \$750,000 leaving them with approximately \$250,000 in the bank to cover coming expense such as snow. Andy expressed his concern on the unpredictable nature of snow clearing costs. Carmen said that WWPA cannot pick and choose what parts of the lease we will follow and that we are required to pay a use fee. This was again brought back to the request to renegotiate a use fee due to the lease conditions. Carmen states we need to pay a use fee to NJT otherwise they will be taking a micromanage approach to the relationship and she feels they would become the "Parking Operators" for the station.

Following this we discussed the budget of 2022. We were informed that Carmen felt it was too conservative as it did not show a projected growth and it should as they feel the customers will be returning. WWPA requested to see what projection model NJT will be using for customers returning, WWPA have been requesting to see that model for over a year as they would like to mimic the same strategy with the budget. Carmen stated that should not be necessary as WWPA should know our facility to create our own projection.

We began discussing expenses, as well as the large ticket items such as SOGR and ADA. Carmen has access to the SOGR report but has not looked extensively at it as she has access to the reports for all stations under her department and the reports are each over 800 pages.

Carmen requested more information from WWPA at the meeting to review. She requested a revised 2022 budget, a comparison spreadsheet of 2019-2022 using actual stats for 2019-2021 with backup data to accompany it as well as the end of year bank statement for the bank account that NJT funds are kept in. Along with this Carmen stated that going forward we would be required to give them Full access to our financials to review expenses, any project requires at least 3 bidders, and all expenses must be preapproved by NJT real Estate. This has already been the practice of WWPA for all expenses the only exception being when there is an emergency or when NJT stipulates that a certain vendor must be used to do a job due to NJT skill/specialty/safety requirements.

WWPA compiled all the requested information and sent it along to Mike Murphy to review with Carmen. After they review they will set up a second meeting.