

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

Richard R. Sarles
Executive Director

N TRANSIT
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November 17, 2008

Dear Governor Corzine:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., and NJ Transit Mercer, Inc. Board of Directors held on Wednesday, November 12, 2008.

Sincerely,

Gwen A. Watson
Board Secretary

Enclosures

Honorable Jon S. Corzine
Governor, State of New Jersey
State House
Trenton, NJ 08625

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, November 12, 2008.

Present:

Kris Kolluri, Chairman
Myron P. Shevell, Vice Chairman
James A. Carey, Jr., Governor's Representative
Patrick O'Connor, Treasurer's Representative
Kenneth E. Pringle

Richard R. Sarles, Executive Director
Gwen A. Watson, Board Secretary
H. Charles Wedel, Chief Financial Officer & Treasurer
Lynn Bowersox, Assistant Executive Director, Corporate Communications & Customer Service
James Gigantino, Vice President & General Manager, Bus Operations
William Duggan, Vice President & General Manager, Rail Operations
James Redeker, Vice President, Technology Services
Steve Santoro, Assistant Executive Director, Capital Planning and Programs
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Jan Walden, Assistant Executive Director, Diversity
Warren A. Hersh, Auditor General
Mala Narayanan, Deputy Attorney General

Vice Chairman Myron P. Shevell convened the Open Session at 9:05 am in accordance with the Open Public Meetings Act and asked for a motion to enter Executive Session to discuss contract negotiations and attorney-client, litigation and personnel matters. A motion was made by Patrick O'Connor, seconded by James A. Carey Jr. and unanimously adopted.

Chairman Kris Kolluri reconvened the Open Session at 10:00 am and asked for a motion to adopt the minutes of the October 15, 2008 meeting. A motion was made by Myron P. Shevell seconded by Patrick O'Connor and unanimously adopted.

Executive Director Richard R. Sarles highlighted the following from his monthly business report.

Congratulations Kris Kolluri, Welcome Stephen Dilts

Executive Director Sarles congratulated Chairman Kolluri on his new role as Chief Executive Officer of the Schools Development Authority. Chairman Kolluri has been a great friend professionally and personally to NJ TRANSIT and a great champion of public transportation increases in state support and a leader working with Governor Corzine to get funding for the local share for the Access to the Region's Core project. He is leaving on a high note in achieving that milestone and next month there will be a

ceremony marking his tenure. Executive Director Sarles also welcomed Stephen Dilts as the new acting Transportation Commissioner and said he has worked with him over the years and looks forward to working with him in the future.

Mass Transit Tunnel

Executive Director Sarles said last week the Federal Transit Administration approved and released the Final Environmental Impact Statement. This moves the project toward final design and keeps NJ TRANSIT on the path toward federal funding. It is a crucial time for construction activity which stimulates the economy and is consistent with the Governor's economic stimulus plan. There will be approximately 6,000 construction jobs annually through 2017 as well as a host of long-term benefits: workforce mobility, regional competitiveness, reduced roadway congestion and improved air quality. Advancing property acquisition for the project, an item on today's agenda, requests the retention of three firms that have been appointed by the Attorney General to provide legal services.

Bergen-Passaic Bus Study

Executive Director Sarles said an item on today's agenda requests the approval of a comprehensive study of existing and emerging travel patterns for 92,000 bus customers in Bergen, Passaic, parts of Hudson, Essex, Orange and Rockland counties. It is a first review in more than 20 years in a densely populated, growing section of the state served by a network of 78 NJ TRANSIT, contracted and private-carrier routes. The purpose of the Study is to: align service with current, future rider and market needs; identify opportunities for Bus Rapid Transit along key corridors; assess new technology (bus priority systems); and develop multi-modal service options. Over the next 18-24 months, tasks will include: conducting on-board customer surveys; directing community outreach and seeking feedback from local elected officials, transit riders, members of the development community and the general public

Seasonal service

Executive Director Sarles said it is the time of the year when NJ TRANSIT boosts service levels to accommodate increased travel demand as customers travel to visit friends and family and enjoy the arts, dine out and shop.

Rail

Executive Director Sarles said on the Morris & Essex Lines alone, NJ TRANSIT is adding 15,000 seats per weekend through the New Year which include four additional MidTown Direct round trips every Saturday and Sunday from November 22 through January 4. Inbound trains from Dover will be hourly from 8:34 a.m. to 11:34 a.m. and outbound trains from New York hourly from 4:03 p.m. to 7:03 p.m.

The Northeast Corridor schedule already reflects additional weekend service introduced this summer (Rahway-New York). To those, NJ TRANSIT is adding several Northeast Corridor and North Jersey Coast Line roundtrips on high-ridership Saturdays before and

after Christmas (December 20 and 27). Additional rail service starts Wednesday November 26 with early getaway mid-afternoon trains from New York (day before Thanksgiving) for Morris & Essex, Pascack Valley Line, Port Jervis Line, Raritan Valley Line, North Jersey Coast Line and Northeast Corridor customers. Also, on Wednesday afternoon and evening, additional trains departing New York will stop at Newark International Airport. On Thanksgiving Day, additional round trips (inbound in the 6:00 - 8:00 a.m. hours/outbound in the 11:00 a.m.-1:00 p.m. hours) on Northeast Corridor, North Jersey Coast Line, Raritan Valley Line, Morris & Essex and Port Jervis lines for customers attending the parade in New York. On Friday, the day after Thanksgiving, traditionally the kickoff to shopping season, NJ TRANSIT is adding mid-morning inbound service on the Morris & Essex, Northeast Corridor and North Jersey Coast lines.

Bus

There will be early getaway service from the Port Authority Bus Terminal on Wednesday afternoons before Thanksgiving, Christmas and New Year's (each holiday falls on a Thursday this year). There will be adjustments to bus service on the Friday after each holiday as well and a shift from lower-demand commuter routes to higher-demand leisure and shopping destinations on those days. Also, there will be later service/additional trips to major malls throughout the season to benefit shoppers and employees alike: Cherry Hill Mall (Camden County); Moorestown Mall (Burlington County); Garden State Plaza (Paramus, Bergen County); Jersey Gardens (Elizabeth, Union County); Livingston Mall (Essex County); Willowbrook Mall (Wayne, Passaic County).

River Line Record Day

Executive Director Sarles said the Phillies fans helped set a record for daily ridership on Friday, October 31, 2008 when attending the World Series victory parade. Almost 14,000 trips, nudging past the mark set June 9, 2007 (music fans attending concert in Camden). Executive Director Sarles thanked Joe North, General Manager of Light Rail Operations and Bombardier for a great job in getting every available light rail car on the system and adding 3,000 seats during peak travel times to/from the celebration in Philadelphia. The Friday ridership was also significantly up on the Atlantic City Rail Line and he congratulated all involved.

Secaucus Junction Parking

Executive Director Sarles said Edison Parking is planning to build a 1,100-space parking lot near Frank R. Lautenberg Station which will operate daily and serve the general public and NJ TRANSIT customers. NJ TRANSIT worked out an agreement with Edison for customers to access the station via a short walk along NJ TRANSIT's Laurel Hill Drive. Edison will make improvements to the sidewalks and other pedestrian safety features, and NJ TRANSIT will have TVMs at the parking lot. The parking facility will bring another element that, along with nearby residential units and the planned commercial development above Secaucus Junction, will help this intermodal transit hub reach its potential.

Really Simple Syndication, or RSS Feeds

Executive Director Sarles was very pleased to announce another first for NJ TRANSIT and another customer communication improvement beginning with a new partner, WCBS radio. It is now possible for media outlets and customers to personalize their home pages to include real-time service information coming directly from NJ TRANSIT. Executive Director Sarles said it is called an RSS feed and this new improvement is the latest in a series of moves in recent years to adapt NJ TRANSIT's communication practices to new technology. In 2001, NJ TRANSIT launched the My Transit alert system the first of a kind in the nation. My Transit provides train specific service updates electronically to customers' email, cell phones and mobile devices. In 2003, NJ TRANSIT created a new function within the Rail Operations Center dedicated to relaying real-time service information to both train crews and customers, including issuing My Transit alerts. This summer, NJ TRANSIT expanded the My Transit alert service to include local and intrastate bus routes (in addition to already available alerts for interstate bus, rail and light rail services). NJ TRANSIT partnered with Google to provide online rail, light rail and bus trip-planning via "Google Transit." Google Transit now integrates NJ TRANSIT, PATH and MTA schedules enabling customers to plan trips across the region.

Executive Director Sarles said with today's launch, NJ TRANSIT is the first transit agency in the region to supply RSS feeds and one of the first in the nation to do so. NJ TRANSIT partnered with WCBS-880 to test technology over past several days and, starting this morning, NJ TRANSIT RSS feeds are live on WCBS-880 website. Executive Director Sarles said he wakes up to WCBS each morning and appreciates their good work to reach riders. He said the computer terminal is outside the Board Room and encouraged everyone to see how the RSS feeds work, through a live demo on the WCBS-880 website. Following today's meeting, the RSS feeds will be available to anyone who wishes to subscribe at no cost by simply clicking on the link and following the instructions to add NJ TRANSIT travel alerts or customer information feeds.

Executive Director Sarles thanked Tim Scheld, Director of News and Programming for WCBS News Radio 880, who shares the commitment to staying on the cutting edge of technology and providing commuters with the information they need. Executive Director Sarles invited Tim Scheld to say a few words.

Mr. Scheld congratulated Chairman Kolluri on his tenure at NJ TRANSIT. Mr. Scheld said NJ TRANSIT allowed WCBS to deliver the most accurate information to the hands of the consumers. With the growth of technology, this allows consumers to have the power to receive information and he is pleased to be a part of it. Mr. Scheld said NJ TRANSIT's delivery of information makes WCBS a better news organization.

Executive Director Sarles also thanked Board members Pringle and Castillo who always challenge the agency towards technology.

Executive Director Sarles said NJ TRANSIT is celebrating Diversity Month today.

Chairman Kolluri thanked Executive Director Sarles for his kind remarks and said it has been a great experience for him personally to serve as Chairman of the Board. He thanked Executive Director Sarles for his extraordinary work in providing safe and affordable transportation. He also thanked the senior leadership and all his colleagues at NJ TRANSIT saying he could not think of a better group of people to work with.

Chairman Kolluri thanked his colleagues on the Board. He said Board Member Pringle always pushes towards the cusp of new ideas and is a great friend and mentor. Board Member Shevell, another great friend, always holds everyone accountable in the areas of service and capital. Board Member O'Connor, Treasury, is the money man and always watches the budget. Board Member Carey, Governor's Authorities Unit, has assisted in moving things through the Governor's office. Chairman Kolluri said Flora Castillo and Susan Hayes are not present today but said Board Member Castillo is in charge of making sure that the agency is known nationally through APTA and is a remarkable member of the Board and Board Member Hayes brings incredible experience from the construction industry and, in fact, runs one of the nation's biggest construction businesses. He said all of these people have taught and counseled him over the years and he is deeply appreciative. He was pleased to have carried out the Governor's mandate on moving the Access to the Region's Core project forward.

Chairman Kolluri introduced the Acting Transportation Commissioner Stephen Dilts and said Mr. Dilts will build on the successes of this organization

Suzanne Mack presented the Advisory Committee report. She said the next Advisory Board Meeting is a joint meeting with the North and South Jersey Transit Advisory Committees which will be held in December. She said Chairman Kolluri has remarkable management and financial skills and moved NJ TRANSIT forward. The Schools Development Authority is a great challenge and they are lucky to have Chairman Kolluri as their Chief Executive Officer. Ms. Mack thanked Chairman Kolluri for appointing Board Member Pringle as a liaison to the Advisory Committee working on day-to-day issues and said hiring Richard Sarles as Executive Director was a wonderful decision. Ms. Mack congratulated Chairman Kolluri and expressed best wishes and good luck in his future endeavor.

Board Member Myron P. Shevell presented the Capital Planning, Policy & Privatization Committee report to the Board. At this month's meeting, the Committee reviewed the soil removal project at the West Side Avenue lot in the Meadowlands, had a presentation on the Greater Orange, Newark and Elizabeth Region Bus Study, where there is record ridership and continued growth is expected. Routes are being reconfigured and restructured to meet that demand. The Committee also had a presentation on the 2009 retail concession program at Newark Penn Station.

Board Member Patrick O'Connor presented the Administration Committee report to the Board. The Administration Committee discussed the need for legal services for the acquisition of New Jersey property interests for the Access to the Region's Core project.

The Committee was briefed on the use of technology to increase operating efficiencies and management control and the need for professional services to support in house efforts for critical technology initiatives.

In addition, Bergen and Passaic counties are experiencing growth and redevelopment on many levels and the Committee was briefed on the need to initiate work on a Bus System Study in that area.

There were five public comments on agenda items. Board Secretary Watson announced a three minute time limit for speakers.

Albert Papp Jr., Director and Recording Secretary of the New Jersey Association of Railroad Passengers (NJARP), Vice Chair of the 24,000 member National Association of Railroad Passengers (NARP) headquartered in Washington, D.C., member of the Access to the Region's Core Citizens' Advisory Committee (CAC) since inception and now its successor, the Regional Citizens' Liaison Committee (RCLC).

Mr. Papp congratulated Chairman Kolluri on his new role in the Schools Development Authority. Mr. Papp said it is time for the Governor of the New Jersey, NJ TRANSIT, State Senators and Assemblymen to get a firm grip on the financial reality of the times. There will not be enough federal and state dollars available to build the \$10.4 billion Access to the Region's Core mass transit tunnel and the Portal Bridge Capacity Enhancement Project as it is now envisioned. Portal Bridge is an integral part of the trans-Hudson rail project and must be completed prior to Access to the Region's Core if the tunnel is to achieve its intended 25 trains per hour capacity.

Current thinking has the federal government providing \$2.5 billion in New Start Program funds, the Port Authority of New York and New Jersey \$3 billion leaving New Jersey to fund the remaining \$4.9 billion. Governor Corzine has only pledged \$1.25 billion from toll road revenues. The shortfall message is increasingly becoming a visible concern as demonstrated by questions raised at the North Jersey Transportation Planning Authority (NJTPA) meeting on Tuesday and by various state legislators on both sides of the aisle in recent days.

Mr. Papp cited a Star Ledger article that stated "Republican New Jersey legislators vowed last week to fight Corzine's plan to hike tolls over the next decade on the Garden State Parkway and New Jersey Turnpike to fund New Jersey's share of the costs. Republicans contend that the tolls were never intended for such a venture." He said in the same newspaper, there was an article entitled "higher interest rates eat up more transportation fund" suggests that the Transportation Trust Fund (TTF) capital will decline. Where will the remaining money come from? Additional Parkway and Turnpike toll hikes? A hike in the motor fuels tax to refinance the Transportation Trust Fund? Higher sales tax? He said an additional danger lies in the federal full funding grant agreement. Once that amount is agreed upon by the Federal Transit Administration, any further cost escalation must be borne by local funders. Mr. Papp asked the Board of Directors, Chairman Kolluri and Executive Director Sarles to take a look at the overall monetary impact of these projects to assure the project configuration adequately

addresses the transportation needs of the trans-Hudson passengers and that the requisite financing is in place to guarantee its completion.

William Wright said NJ TRANSIT's design for doubling train access to midtown Manhattan to the new station under 34th Street will answer the region's transit needs for decades to come. Projected energy needs demand this move forward with all haste. The pattern of growth in Manhattan is west of Sixth Avenue as well as south and west of Penn Station, which puts NJ TRANSIT's Access to the Region's Core in the heart of future transit needs. The geology and geography of Penn Station makes the NJ TRANSIT design totally valid. While it was originally thought going to Grand Central would enhance the plan, present and future development negates Grand Central Terminal as an add on. Mr. Wright said he is annoyed at the nitpicking by some so-called advocates of rail who insist on Grand Central or nothing. They ignore several important facts: New York has already assigned slots at Grand Central Terminal for its expanded MetroNorth as well as the institution of Long Island Railroad service into Grand Central Terminal. That is why New York's MTA has never invited NJ TRANSIT to participate. As for the depth of the 34th Street Station, depth is not a problem anywhere in the world and it will offer excellent subway connections at Herald Square. Trains can be assigned so "Erie side" trains use 34th Street to allow Amtrak to use the thru tracks at Penn. Mr. Wright said let us not become bogged down in supposed non-existent problems, but build Access to the Region's Core to 34th Street now.

George Haikalis, Manhattan Coordinator for Regional Rail for the Empire State Passengers Association (ESPA), the 1,400 member statewide advocacy organization for rail passenger service in New York, strongly opposes NJ TRANSIT's current plan for the Access to the Region's Core project. This plan represents a colossal failure in regional cooperation and sets back the central concept of Access to the Region's Core, which is advancing a rail project that benefits both states. While ESPA strongly supports initiatives to increase trans-Hudson rail capacity, the current plan would not connect directly into Penn Station. Instead, it connects to a separate "deep cavern" terminal station 175 feet below 34th Street and 460 feet north of the existing Penn Station. This plan not only seriously harms NJ TRANSIT's riders, but adds nearly \$3 billion dollars to the cost of the plan. Even in an era of robust economic growth, it would be a serious breach of the public trust for the NJ TRANSIT Board to advance a plan that hurts riders and taxpayers.

Mr. Haikalis said Governor Corzine is making a serious miscalculation in thinking that the new Federal Administration will write a blank check for this project. New Jersey taxpayers will have to raise the extra dollars themselves or this will become a tunnel project that starts and then runs out of money and stops. NJ TRANSIT should not expect any dollars from New York state to fund this project because the very essence of the current plan is to avoid connectivity with New York.

NJ TRANSIT seriously misrepresents community opposition in New York City to the Penn Station track connection plan favored by ESPA and other transit advocates. Mr. Haikalis said he is a public member of Manhattan Community Board Five where Penn Station is located. The Board went on record unanimously favoring the connection plan

and opposing NJ TRANSIT's "deep cavern" plan. Mr. Haikalis asked the Board to halt this ill-conceived project.

Joseph M. Clift, member of the Lackawanna Coalition, said David Peter Alan drafted this statement for him to read since Mr. Alan is out of town and cannot appear in person. Mr. Clift read a statement from Mr. Alan expressing objection to the agenda item authorizing \$2 million for the Riker, Danzig firm to pursue real estate acquisition for the Access to the Region's Core project. This is premature since there are plans for a true Access to the Region's Core project that will actually provide access to both the east and west sides of the Region's Core for New Jersey's rail riders. These improved ideas must be explored completely before it would be appropriate to buy land to execute a plan. Buying land now could lead to costly purchases of the wrong parcels.

Mr. Clift said that Mr. Alan questioned the proposed fee of \$2 million. There is no reason to use a politically connected law firm like Riker, Danzig that can require clients to pay "economic rent" for its services, when there are many lawyers who are available and can do a fully adequate job of preparing for and executing real estate closings at far lower fees. Proper appreciation of the State's monetary situation dictates that NJ TRANSIT find less costly firms or, better yet, use the in-house attorneys who work for the State of New Jersey. The job required is not litigation, where prestige and political connections make a difference to the outcome of a case. This is not true for real estate transactions. It is time to put off this commitment of funds that NJ TRANSIT does not really have and use that money to bring back some trains that were eliminated earlier this year.

James T. Raleigh expressed his best wishes to Chairman Kolluri on his new role in the Schools Development Authority. Mr. Raleigh said he has procedural concerns with the agenda items and said public comments should have been taken on action items before the Board entered executive session. Mr. Raleigh said he sees no justification for a sole source bid for the legal work when there are so many attorneys who can do real estate work. Mr. Raleigh said this is something that should have went out to competitive bid.

Chairman Kolluri said the request for firms was competitively bid in accordance with Executive Order #84 which requires organizations to comply with a competitive bid process.

Executive Director Sarles presented the following Action Items for approval:

0811-81: NEWARK PENN STATION - LEASE OF RETAIL SPACE TO MCDONALD'S USA LLC

The 2009 retail plan for Newark Penn Station will include new and improved services and amenities for customers, tenant improvements valued at over \$4 million, new stores and new customer service locations. One-half of the retail revenue systemwide is generated by Newark Penn Station concessions. Au Bon Pain will be moving into the main waiting room, a new Zaro's specialty bakery will soon open near the Gateway

walkway, and authorization is requested for a new 10 year lease with McDonald's. McDonalds, a current tenant in the station whose lease expires at the end of this year, will expand its space by 1500 square feet, invest \$1.7 million to improve and expand the space and will continue to offer breakfast, lunch, dinner and snacks, as well as a new McDonald's brand coffee and pastry station. The annual rent paid to NJ TRANSIT will increase by \$225,000, to \$500,000 annually. Additionally, NJ TRANSIT will receive five percent of annual gross sales over \$5.3 million.

Myron P. Shevell moved the resolution, Kenneth E. Pringle seconded it and it was unanimously adopted.

0811-82: ACCESS TO THE REGION'S CORE – LEGAL SERVICES FOR THE ACQUISITION OF NEW JERSEY PROPERTY INTERESTS FOR THE PROJECT

At last month's meeting, the Board authorized staff to continue preliminary design and move into final design for THE Tunnel project as soon as the Record of Decision is received from the Federal Transit Administration. A critical component of the schedule is speedy acquisition of property required for the project on the New Jersey side of the river. Authorization is requested to retain legal counsel selected by the Attorney General to proceed with purchase, lease, permits, rights of entry, licenses or condemnation for all properties except that needed for a mid-day storage yard owned by the Hudson County Improvement Authority. The firms proposed are Riker Danzig Scherer, Hyland and Perretti LLP, John J. Curley LLC and DeCotiis, Fitzpatrick, Cole & Wisler at a cost not to exceed \$2 million plus five percent for contingencies.

Myron P. Shevell moved the resolution, Patrick O'Connor seconded it and it was unanimously adopted.

0811-83: WEST SIDE AVENUE LOT SOIL REMOVAL AND STOCKPILE PROJECT: CONSTRUCTION CONTRACT AWARD

NJ TRANSIT owns a five acre site in North Bergen adjacent to the Meadowlands Bus Garage and the North Bergen Park/Ride lot. It was used as a temporary staging and stockpiling area during construction of the Hudson Bergen Light Rail system. A portion of the site is ideal for an outdoor storage and mid-day staging area for up to 150 additional buses. Also, the soon-to-begin 69th Street Grade Separation project will require 37,000 cubic yards of fill, which could also be excavated from this property. Authorization is requested to contract with DMR Construction Services to excavate, screen, clear and remove rocks and then grade the property at a cost not to exceed \$4,357,390 plus five percent for contingencies.

Patrick O'Connor moved the resolution, Kenneth E. Pringle seconded it and it was unanimously adopted.

0811-84: TECHNOLOGY SERVICES – PROFESSIONAL SERVICES

For several years now, the Technology Services staff have contracted for specialized professional services to supplement internal resources and develop new technologies. The firms are expert in fields such as systems analysis and programming, desktop support, wireless radio and passenger communications systems. Authorization is requested to contract with eight firms, on an as-needed basis for the final year of a three year contract not to exceed \$2,293,155. Those firms include Booz Allen Hamilton, Comsys Inc., Edwards & Kelcey, Citadel Information Systems, Data Industries, Raj Consultants, RCC Consultants, Telcordia Technologies.

Myron P. Shevell moved the resolution, Kenneth E. Pringle seconded it and it was unanimously adopted.

Executive Director Sarles presented the following Consent Items for approval:

0811-85 BERGEN-PASSAIC BUS SYSTEM STUDY: CONSULTANT CONTRACT AWARD

Authorization to take all actions necessary to adopt the regulations, N.J.A.C. 16:86 et seq., Advertising Standards, consistent with this Board item and exhibits, put the regulations in the appropriate format and effectuate the final adoption and promulgation of NJ TRANSIT's Advertising Standards.

0811-86 ENHANCED PARK AND RIDE FINANCIAL SYSTEM CONTRACT AMENDMENT

Authorization to amend the existing agreement with CTR Systems, Inc. of Warrendale, Pennsylvania to modify and install new versions of its parking systems to enable PCI compliance for an amount not to exceed \$115,000 plus five percent for contingencies subject to the availability of funds.

The Consent Calendar was moved in its entirety by Myron P. Shevell, seconded by Kenneth E. Pringle and unanimously adopted.

There were five public comments on non-agenda items.

Michael Lattif, Transportation Committee Bergen County, commented on the Hudson Bergen Light Rail extension. Mr. Lattif referred to an article in the Hudson Reporter on October 25, 2008 entitled "*New 69th Street Bridge will span freight train tracks*". Mr. Lattif said the article quoted Board Member O'Connor saying "that eventually commuter trains will use those railroad tracks as well" and asked for clarification.

Executive Director Sarles said the article is not accurate since there is still no decision regarding the future connection. It has been discussed, but is not part of the planned extension of light rail.

Mr. Lattif thanked Executive Director Sarles for the explanation and said there is a sensitivity in the area of light rail vs. diesel multiple units.

Mr. Lattif asked if there Board has made any recommendation in favor of the diesel multiple unit vehicles.

Board Member Pringle said, speaking for himself, his mind is completely open to both light rail or diesel multiple unit vehicles and there are advantages to both. The Board will examine the issue in the context of 25 years prospectively as well as long term development costs. Board Member Pringle said staff has done a good job in explaining both sides of the issue.

Al Cafiero commented on the Susquehanna Tunnel in Edgewater. He said it should be preserved for future long term use. He heard a disturbing rumor of a conversion project going through the tunnel and if that happens, the tunnel cannot be used for passenger service because of possible radiation.

James T. Raleigh, Monmouth County, said he has been active with rail advocacy groups about the costs and direction of the new tunnel to New York. He is aware of the approval of the Final Environmental Impact Study (FEIS) and also aware that the North Jersey Transportation Planning Authority voted to the change in cost of the Access to the Region's Core project with a question from the Monmouth County Freeholder about the connections of the new project to the existing Penn Station.

Mr. Raleigh said the Access to the Region's Core project is costing more and more New Jersey and federal monies being spent in New York City and asked if anyone really knows what the costs of this project are and the true cost of the monies to get it built. He said the question by the Monmouth County Freeholder about the connection to the existing New York Penn Station is directly related to the total cost.

Mr. Raleigh said the Final Environmental Impact Study is quite misleading about meeting the needs and objectives of this project. The comments from the National Railroad Passenger Corporation says " in Amtrak's opinion, the connection into Penn Station is critical" and has not been addressed in the Final Environmental Impact Statement. Mr. Raleigh believes NJ TRANSIT can build the connection to Penn Station and spend less money.

Albert L. Papp Jr. commented on the Access to the Region's Core project and said no matter what plan is finally adopted through federal or state sources, the overwhelming issue is trans-Hudson mobility. Mr. Papp said one of the easiest ways to increase trans-Hudson mobility and reduce delays during weekdays going into New York is to devise and implement a dedicated high occupancy bus lane in the morning inbound

peak. Mr. Papp said he would like to receive feedback at a future board meeting on this very low cost initiative.

Joseph M. Clift asked the Board to save \$3 billion of New Jersey infrastructure funding. He said this could be accomplished by not approving the recently announced \$1.1 billion increase in the cost of the Access to the Region's Core project and by instructing NJ TRANSIT to change the scope of work for the project. Switching the New York terminus of Access to the Region's Core from the planned \$4.6 billion 34th Street Station to existing New York Penn Station, will save \$3 billion.

Mr. Clift said NJ TRANSIT identified only \$5.5 billion of "other people's money" for the project, \$3 billion from the Port Authority and \$2.5 billion from the federal New Starts program. The balance, \$3.2 billion has to come from New Jersey's money. Every dollar saved on the cost of this project is New Jersey's to keep or to not raise taxes, fees or tolls to get the dollars in the first place. Conversely, every extra dollar spent on this project is a dollar lost by New Jersey or a requirement to raise taxes, fees or tolls to replace that dollar.

Mr. Clift said another way to look at the impact of the \$1.1 billion Access to the Region's Core increase is to divide it evenly among the 13 counties and two cities of the North Jersey Transportation Planning Authority. He said it works out to \$73 million each that will not be available for infrastructure investment. Including the \$419 million hit recently taken by the Transportation Trust Fund, New Jersey is down \$1.5 billion in state infrastructure funding just in the last two weeks.

Mr. Clift said doesn't it make sense in these incredibly difficult times to take a hard look at NJ TRANSIT not going it alone in an ultra-expensive, 20 story deep, dead-end New York Penn Station expansion where, in actual fact, this so called expansion will be a 14-story climb just to get up to the existing Penn Station mezzanine. Isn't saving \$3 billion worth the effort for NJ TRANSIT to work with Amtrak, the owner of New York Penn Station and the Long Island Railroad to bring the new trans-Hudson tunnels into the station?

Mr. Clift said the stage would be set for future one-seat ride service to Grand Central Terminal, freeing 100,000 daily trans-Hudson riders from the necessary subway, bus, cab or long walk required to get to the east side of midtown. Absent such a connection, New Jersey rail riders will be relegated to permanent "second class" status. He said he and the rail advocacy groups are intent on getting the Access to the Region's Core project back on track.

Since there were no further comments or business, Chairman Kolluri called for adjournment and a motion to adjourn was made by Patrick O'Connor, seconded by Kenneth E. Pringle and unanimously adopted.

The meeting was adjourned at approximately 10:50 a.m.

**NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING**

NOVEMBER 12, 2008

MINUTES

- **EXECUTIVE SESSION AUTHORIZATION** **40544**
- **APPROVAL OF MINUTES OF PREVIOUS MEETINGS** **40545**
- **EXECUTIVE DIRECTOR'S MONTHLY REPORT** **40546**
- **ADVISORY COMMITTEE REPORTS**
- **BOARD COMMITTEE REPORTS**
 - *Capital Planning, Policy & Privatization Committee-Shevell
 - *Administration Committee-Castillo
- **PUBLIC COMMENTS ON AGENDA ITEMS**

ACTION ITEMS

- 0811-81 NEWARK PENN STATION - LEASE OF RETAIL SPACE TO MCDONALD'S USA LLC 40567**

Authorization to enter into a 10 year lease with McDonald's USA LLC for the operation of a food service/restaurant concession consisting of approximately 5,000 sq. ft. in Newark Penn Station at an annual base rent of \$500,000 plus percentage rent of five percent of annual gross sales over \$5.3 million.

- 0811-82 ACCESS TO THE REGION'S CORE - LEGAL SERVICES FOR THE ACQUISITION OF NEW JERSEY PROPERTY INTERESTS FOR THE PROJECT 40570**

Authorization to compensate the designated law firms of Riker Danzig Scherer Hyland & Perretti LLP, John J. Curley LLC and DeCotiis, Fitzpatrick, Cole & Wisler at a cost not to exceed \$2.0 million plus five percent for contingencies.

- 0811-83 WEST SIDE AVENUE LOT SOIL REMOVAL AND STOCKPILE PROJECT: CONSTRUCTION CONTRACT AWARD 40573**

Authorization to contract (No. 09-006X) with DMR Construction Services, Inc. of Waldwick, New Jersey, for construction services for the West Side

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
NOVEMBER 12, 2008
MINUTES
PAGE 2

Avenue Lot Soil Removal and Stockpiling project, at a cost not to exceed \$4,357,390, plus five percent for contingencies, subject to the availability of funds.

0811-84 TECHNOLOGY SERVICES - PROFESSIONAL SERVICES 40576

Authorization to exercise and to contract (No. 05-109) for professional services to supplement staffing within NJ TRANSIT's Information Services Department with Booz Allen Hamilton of Newark, NJ; Citadel Information Systems of East Brunswick, NJ; Comsys of Somerset, NJ; Data Industries of New York, NY; Edwards & Kelcey of Morristown, NJ; Raj Consultants of Iselin, NJ; RCC Consultants of Woodbridge, NJ and Telcordia Technologies of Red Bank, NJ for three years limited by the third year's cost not to exceed \$2,293,155 subject to the availability of funds.

CONSENT ITEMS

0811-85 BERGEN-PASSAIC BUS SYSTEM STUDY: CONSULTANT 40580
CONTRACT AWARD

Authorization to contract (No. 09-017) with Jacobs Engineering Group, Inc. of Morristown, New Jersey, for professional consultation services to initiate work on the Bergen-Passaic Bus System Study at a cost not to exceed \$884,994, plus five percent for contingencies, subject to the availability of funds.

0811-86 ENHANCED PARK AND RIDE FINANCIAL SYSTEM CONTRACT 40583
AMENDMENT

Authorization to amend the existing agreement with CTR Systems, Inc. of Warrendale, Pennsylvania to modify and install new versions of its parking systems to enable PCI compliance for an amount not to exceed \$115,000 plus five percent for contingencies subject to the availability of funds.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss contract negotiations and attorney-client, litigation and personnel matters; and

BE IT FURTHER RESOLVED that it is expected that discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.

APPROVAL OF MINUTES

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. Board of Directors be approved by the Board; and

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the October 15, 2008, Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc. and NJ TRANSIT Mercer, Inc. were forwarded to the Governor on October 17, 2008;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the October 15, 2008 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. Board of Directors' meetings are hereby approved.



40546

TO: BOARD OF DIRECTORS
FROM: RICHARD R. SARLES 
DATE: NOVEMBER 12, 2008
SUBJECT: EXECUTIVE DIRECTOR'S REPORT - NOVEMBER 2008

Last week, we received good news about the ARC Mass Transit Tunnel from the Federal Transit Administration, which has approved the release of Final Environmental Impact Statement, moving the project toward final design and keeping us on the path toward federal funding. As you know, the project boasts a host of long-term benefits, including workforce mobility, regional competitiveness, reduced roadway congestion and improved air quality. In addition, consistent with Governor Corzine's economic stimulus plan, construction activity in this crucial time will stimulate the economy and create 6,000 construction jobs annually through 2017 and 44,000 permanent jobs after opening.

Today, I am pleased to announce NJ TRANSIT's launch of RSS feeds for Travel Alerts, which makes it possible for media outlets and our customers to personalize their homepages to include up-to-the-minute service information coming directly from NJ TRANSIT. Short for "Really Simple Syndication," the RSS feed is the latest in a series of moves in recent years to adapt our communication practices to new technology. For instance, in 2001 we launched our My Transit alert system, the first of its kind in the nation to provide train-specific service updates electronically to customers' email, cell phones and mobile devices. In 2003, we created a new function within the Rail Operations Center dedicated to relaying real-time service information to both train crews and customers, including issuing My Transit alerts. This summer, we expanded My Transit alert service to include local and intrastate bus routes, in addition to the alerts already available for interstate bus, rail and light rail services. With today's launch, NJ TRANSIT is the first transit agency in the region to supply RSS feeds of travel alerts and one of the first in the nation to do so. I would like to thank Tim Scheld, Director of News and Programming for WCBS News Radio 880, for partnering with us to introduce the technology over the past several days.

Also today, the Board will consider approval of the Bergen-Passaic Bus System Study, a comprehensive study of existing and emerging travel patterns for 92,000 bus customers in Bergen, Passaic, parts of Hudson, Essex, Orange and Rockland counties, served by a network of 78 NJ TRANSIT, contracted and private-carrier routes. The study will look at ways to align service with current and future riders as well as market needs; identify opportunities for BRT along key corridors; assess new technology; and develop multi-modal service options. Over the next 18 to 24 months, the consultant will conduct on-board customer surveys, direct community outreach, and seek feedback from local elected officials, transit riders, members of the development community and the general public. This study marks the first review in more than 20 years in this densely populated, growing section of the state.

On the rail side, Edison Parking is planning to build a 1,100-space parking lot near Frank R. Lautenberg Station at Secaucus Junction. The lot will operate daily, serving the general public and NJ TRANSIT customers. We have worked out an agreement with Edison for their customers to access the station via a short walk along NJ TRANSIT's Laurel Hill Drive. Edison will make improvements to sidewalks and other pedestrian safety features, and NJ TRANSIT will install ticket vending machines at the parking lot. The new parking facility will bring another element that, along with nearby residential units and our planned commercial development above Secaucus Junction, will help this intermodal transit hub reach its potential.

Finally, I would like to congratulate Transportation Commissioner and Board Chairman Kris Kolluri, who will be moving on to become the head of the Schools Development Authority. On behalf of NJ TRANSIT, I thank him for his leadership over the past nearly three years. We look forward to welcoming Stephen Dilts as the new acting Transportation Commissioner.

EXECUTIVE DIRECTOR'S MONTHLY REPORT NOVEMBER 2008

- 1. HIGHLIGHTS**
- 2. CUSTOMER AND COMMUNITY INITIATIVES**
- 3. DBE/MBE PROGRAM**
- 4. PERFORMANCE MEASURES**

HIGHLIGHTS

Construction begins on new Hudson-Bergen Light Rail 8th Street Station in Bayonne

On October 15, U.S. Senator Robert Menendez and Congressman Albio Sires joined NJ TRANSIT Executive Director Richard Sarles and Bayonne Mayor Terrence Malloy to break ground on a project to extend Hudson-Bergen Light Rail service farther into Bayonne to a new station at 8th Street.

In April, the NJ TRANSIT Board of Directors awarded a \$58.4 million contract to George Harms Construction, Inc. of Howell, NJ, for work to extend the light rail line one mile from its current southern terminus at 22nd Street. The project includes the design and construction of foundations, viaduct structure, track work, intersection improvements, a new station building, landscaping, lighting and customer amenities.

From the elevated 22nd Street Station, the light rail tracks will be extended south, hugging the existing Conrail right-of-way along Avenue E. A viaduct will carry light rail vehicles over local streets to an elevated platform at the new 8th Street Station, which will feature an elevator and stairs between street and platform levels.

As a result of community meetings, the station will be located at Avenue C and 8th Street, with architecture reminiscent of the old Central Railroad of New Jersey (CNJ) station that once stood near the site.

The project is expected to be completed in 2010. Once open, 8th Street will be the 24th Hudson-Bergen Light Rail station.

Work begins on 69th Street improvements in North Bergen

State Senator and North Bergen Mayor Nicholas J. Sacco joined NJ TRANSIT Executive Director Richard Sarles in North Bergen on October 17, to break ground on a new bridge that will separate 69th Street from an existing freight railroad corridor, enhancing safety and improving traffic flow at the busy intersection.

The bridge will be built to carry motor vehicle traffic on 69th Street over the six-track freight railroad operated by CSX Transportation and the New York Susquehanna & Western Railroad. In addition, the bridge will accommodate future NJ TRANSIT passenger rail service on the Northern Branch.

In addition to a new roadway bridge, the project includes related roadway and drainage improvements on portions of 69th Street, West Side Avenue and Anpesil Drive. As part of the project, NJ TRANSIT will construct temporary bypass roads; rebuild parts of 69th Street and build a retaining wall; reconstruct roadways curbs, sidewalks and driveways within the project limits; and install traffic signs at two intersections.

The project is expected to be completed by 2011.

Ceremony marks completion of Watsessing Station renovations

Congressman Bill Pascrell, Jr. joined NJ TRANSIT Executive Director Richard Sarles on October 30, for a ribbon-cutting ceremony marking the completion of improvements to the Montclair-Boonton Line's historic Watsessing Station in Bloomfield.

Nearly 450 rail customers who board or exit trains at the station each weekday will benefit from the restoration and rehabilitation work.

Improvements included new platform lighting, repairs to the cantilevered canopies, historically sensitive repairs to the inbound and outbound concrete platforms, new roof tiles, repairs and replacement of metal fencing and stairways, anti-graffiti coatings to concrete surfaces and a new drainage system. The station was built in 1912.

In June, federal, state and local officials gathered at historic Bloomfield Station to celebrate the completion of a restoration project of an inbound shelter with a climate- controlled waiting area, new lighting and seating.

The \$1.7 million state-funded Watsessing Station project was awarded through a competitive bidding process to Watertrol, Inc. of Cranford in September, 2007.

Construction began the following month and was completed this month on budget and on time.

CUSTOMER AND COMMUNITY INITIATIVES

NJ TRANSIT changes start time for sale of monthly passes and parking

Purchasing monthly passes and parking across the NJ TRANSIT system is now easier for customers as of last month, as NJ TRANSIT began selling monthly transportation passes and/or parking for NJ TRANSIT-owned facilities starting at 5 p.m. on the 19th of each month.

Previously, monthly passes went on sale at midnight on the 20th of each month. The change in start time for sale of monthly transportation passes applies to all NJ TRANSIT ticket offices and ticket vending machines systemwide for bus, rail and light rail lines.

Parking facilities affected by this change include:

- **Hudson-Bergen Light Rail:** Liberty State Park, 22nd Street, 34th Street, West Side Avenue and Tonnelle Avenue stations
- **Passaic County Bus Park/Rides:** Wayne/Route 23 Transit Center, Willowbrook, Mothers and Allwood Road park & rides
- **Newark Light Rail:** Grove Street Station

Due to the limited number of parking spaces at many locations, customers are encouraged to purchase monthly parking as early as possible.

NJ TRANSIT offers new premium parking at Wayne/Route 23 Transit Center

Customers at Wayne/Route 23 Transit Center can now enjoy the greater convenience offered through *PremiumPass*, a new parking option introduced last month by NJ TRANSIT and Standard Parking in addition to the existing Daily Parking and Monthly Parking options.

With *PremiumPass*, customers enjoy reserved parking in close proximity to the bus shelters and rail platform, as well as the convenience of automatic renewal of their *PremiumPass* each month. *PremiumPass* customers receive a new pass in the mail each month to display on their car mirror when parking.

Last month, Standard Parking accepted a limited number of applications for *PremiumPass* at a rate of \$40 per month—the same cost as the daily rate, based on 20 commuting days in a month. The initial offering of 101 *PremiumPasses* sold out for November. NJ TRANSIT plans to increase the number of available spaces starting in December, based on demand.

Regular monthly transportation passes and parking can still be purchased at ticket vending machines starting at 5 p.m. on the 19th of each month.

Jersey City and NJ TRANSIT seek input on bus service at open house meetings

Last month, Jersey City Mayor Jerramiah Healy and NJ TRANSIT Executive Director Richard Sarles announced two additional forums that will provide residents with opportunities to offer suggestions and comments about bus service in Jersey City.

The additional open houses follow the same format as the first one held in September, with participants interviewed individually about the community's bus service needs and any issues with existing bus service. The information collected will be reviewed by the study team and included in recommendations concerning current bus service in Jersey City.

The first open house, conducted as part of a Jersey City Bus Study, was held on Monday, September 22, and the second was held on Saturday, November 8.

The third open house is scheduled for Thursday, November 13, from 6:30 p.m. to 8:30 p.m. at Mary McLeod Bethune Center, 140 Martin Luther King Drive (between Dwight Street and Fulton Avenue).

Residents may also share comments about their bus service needs by calling the Mayor's Action Bureau at 201-547-5555.

The Jersey City Bus Study is sponsored by Jersey City, Hudson County, the North Jersey Transportation Planning Authority and NJ TRANSIT.

Victory for Phillies means higher ridership on River LINE, ACRL

NJ TRANSIT doubled the capacity of the River LINE during midday hours Friday, October 31, to accommodate fans traveling to the Phillies victory parade in Center City Philadelphia. After the morning commute, most River LINE trains continued to run in two-car pairs, providing twice as many seats as normal.

Fans traveling to the parade were able to ride River LINE to the Walter Rand Transportation Center in Camden and make a quick connection to PATCO trains to Center City.

Rail crews on the Atlantic City Rail Line handled standing-room conditions on several trains, as South Jersey Phillies fans made their way to the parade. Several bus routes were rerouted in Center City due to the festivities.

NJ TRANSIT salutes our veterans

In honor of Veterans Day, NJ TRANSIT offered free transportation on Tuesday, November 11, to military veterans and service members traveling by train, bus or light rail to New Jersey's World War II Memorial dedication ceremony in Trenton.

To take advantage of the free travel offer, passengers needed only to present a military ID card, Veteran's Administration Identification, or membership card for any Veterans Organization (American Legion, VFW, etc.) to the train conductor, bus operator or fare enforcement officer. In addition, any passenger wearing a U.S. military uniform was able to travel to the dedication ceremony for free.

The dedication of New Jersey's World War II Memorial took place on Veterans Day at 2:30 p.m. at the Memorial's site, located on West State Street at Veterans Park in Trenton, directly across from the State House.

The free ride privilege was offered all day on Tuesday, November 11, expiring at midnight.

DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Diversity DBE/SBE Participation**Federally Funded Contracts**

\$101,850 in federal funds were awarded during October of FY 09.* Disadvantaged Business Enterprises (DBEs) were awarded \$101,850 or 100 percent, which includes both race conscious and race neutral awards.

State Funded Contracts

\$31,832,838 in state-funded contract dollars were awarded during July through October FY 09. ** Of that total, Small Business Enterprises (SBEs) received \$7,474,557 or 23.5 percent. Category 1 SBEs received \$0.00 or 0.0 percent. Category 2 SBEs received \$0.00 or 0.0 percent. Category 3 SBEs received \$2,108,914 or 6.6 percent. Category 4 SBEs received \$0.00 or 0.0 percent. Category 5 SBEs received \$5,365,643 or 16.9 percent ***

Federal & State Contracts Total

\$31,934,688 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$7,576,407 or 23.7 percent of federal and state contract dollars was won by DBEs and SBEs.

Hudson-Bergen Light Rail Transit System Project

Of \$1,433,024,411 in contract dollars awarded for the Hudson-Bergen Light Rail Transit System project****, \$180,729,496 or 12.6 percent has been received by DBEs. Of the \$180,729,496, 6 percent or \$86,823,647 has been won by Women Business Enterprises (WBEs) who are classified as DBEs.

*Fiscal year beginning October 1, 2008

**Fiscal year beginning July 1, 2008

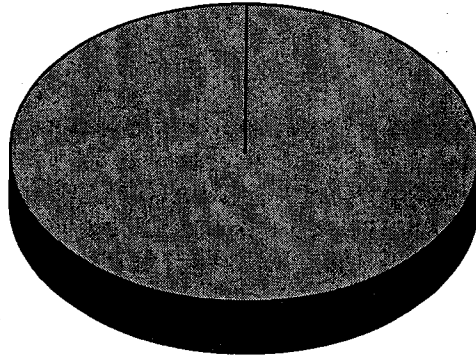
***Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000

****This YTD figure reflects federal dollars expended on an annual basis; including change orders, for the period from December, 1996 through April 2005.

(Contract No. IFB08-331R, Diesel Fuel for NJ TRANSIT Rail Locations, issued 10/28/08, for the amount of \$41,607,068 was not included in the total for state funded contracts)

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THROUGH OCTOBER 08)***

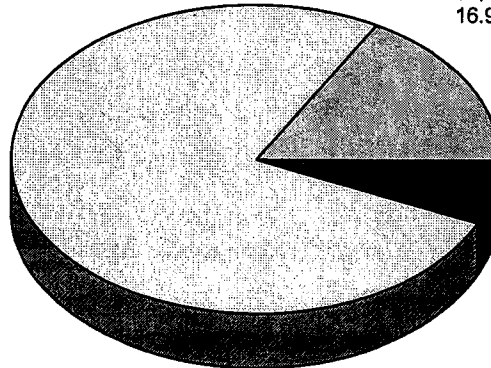
NON-DBE
FEDERAL
\$0
0%



DBE RACE
NEUTRAL & RACE
CONSCIOUS
\$101,850
100%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THROUGH OCTOBER 08)****

NON-SBE STATE
\$24,358,281
76.5%



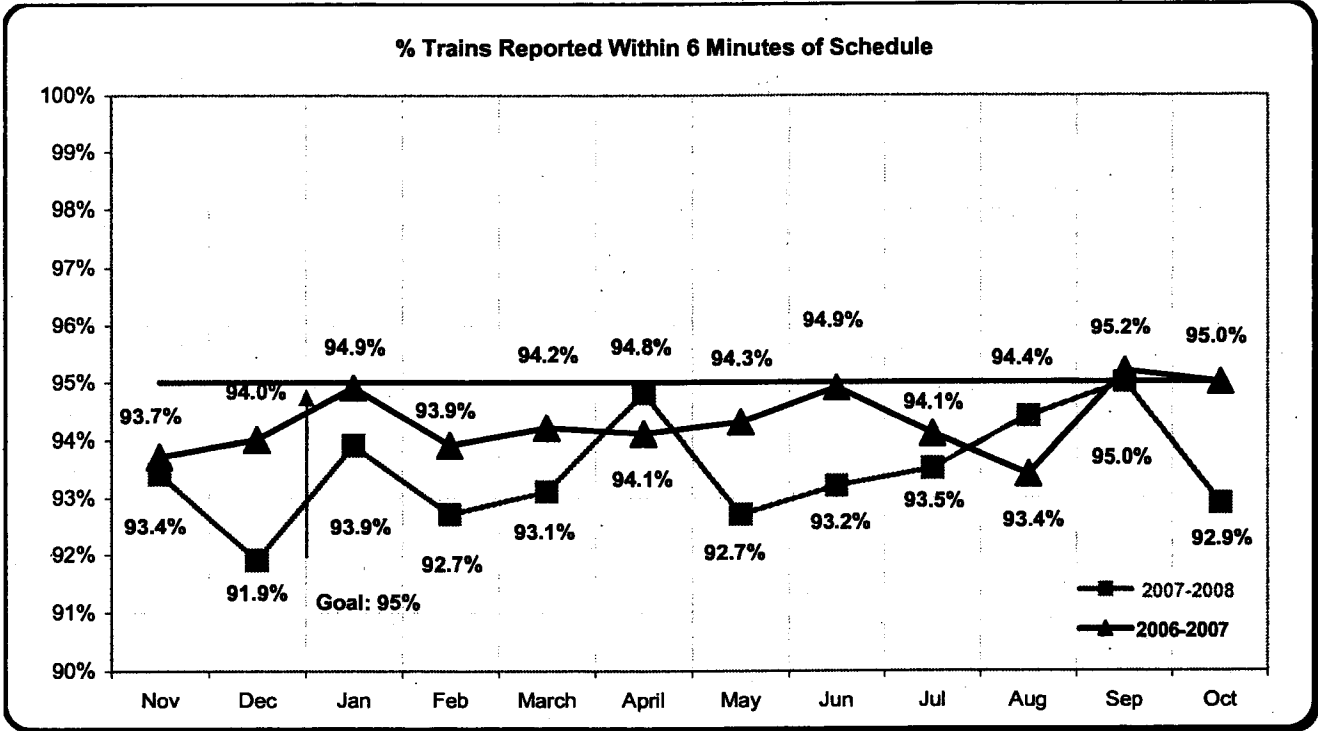
SBE-5
\$5,365,643
16.9%

SBE-3
\$2,108,914
6.6%

Fiscal Year Beginning October 1, 2008*
Fiscal Year Beginning July 1, 2008**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL NOVEMBER 2006 - OCTOBER 2008



| | 2007 | 2008 | # Change |
|---------------------------|-------|-------|----------|
| October Comparison | 95.0% | 92.9% | -2.1% |

| | 2006-2007 | 2007-2008 | # Change |
|--|-----------|-----------|----------|
| 12-Month Average November - October | 94.3% | 93.5% | -0.6% |

Analysis:

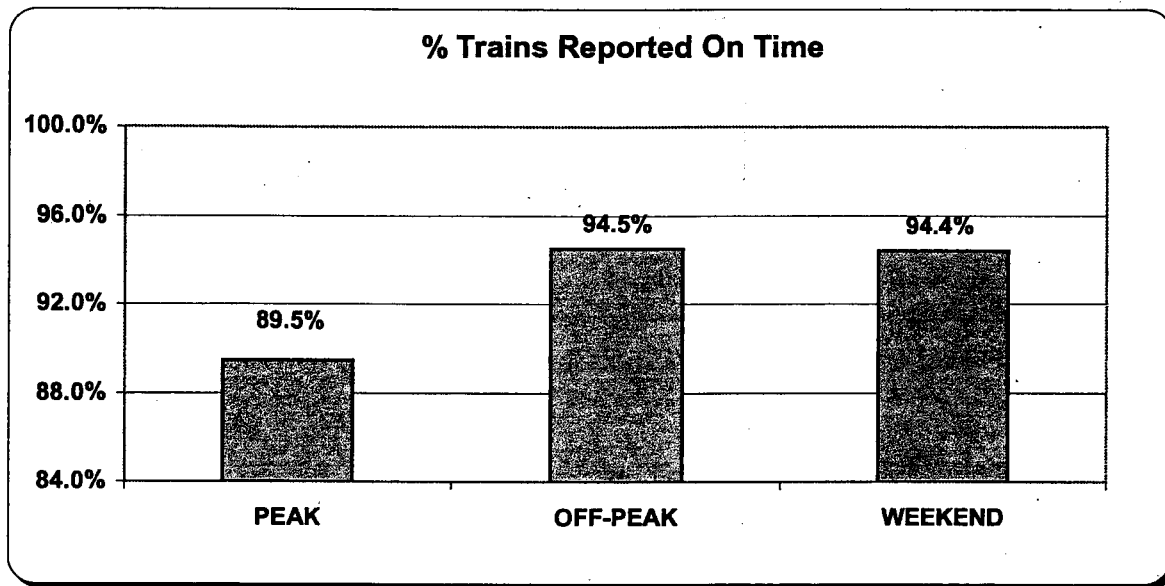
Rail On-Time Performance for October 2008 was 92.9%. Of the 19,829 trains that were scheduled to operate, 18,415 were on time, while 1414 trains (or 7.1%) were delayed. Key causes of delay included:

- Slippery rail conditions resulted in 85 delays.
- Amtrak overhead wire problem between Hamilton and Trenton on 10/6.
- Amtrak track problem at Portal Bridge on 10/21.
- Overhead wire problem at Far Hills on 10/23.
- A downed tree in Glen Ridge on 10/28 and 10/29.

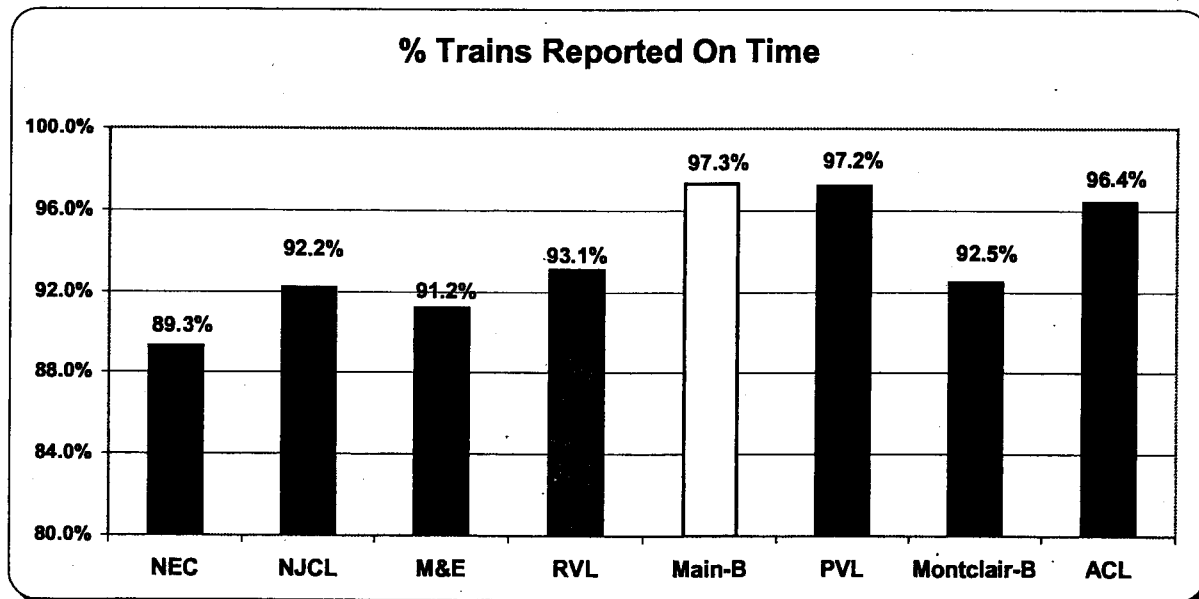
The 12-month average for Rail On-Time Performance for November 2007 - October 2008 was 93.5%.

ON-TIME PERFORMANCE RAIL

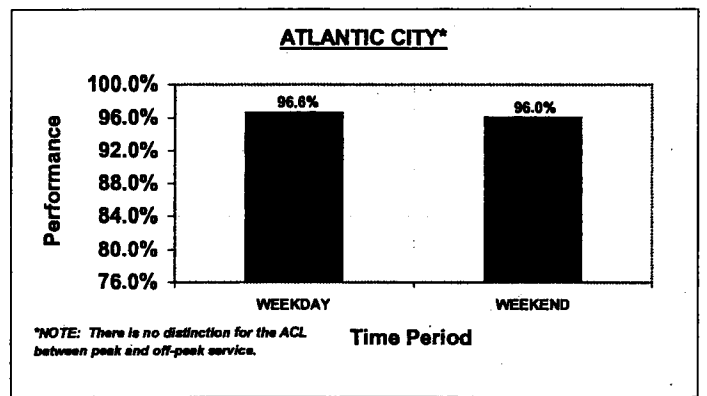
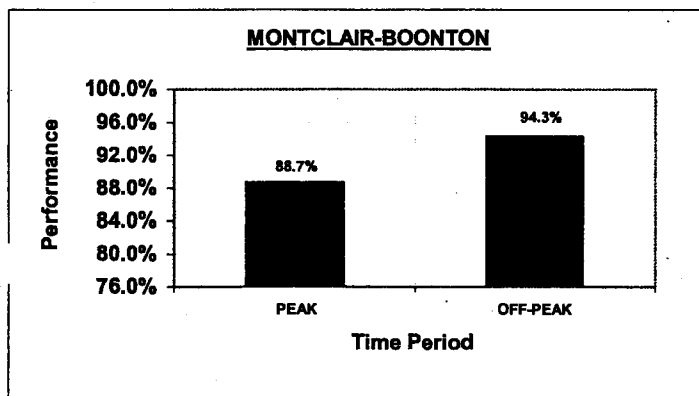
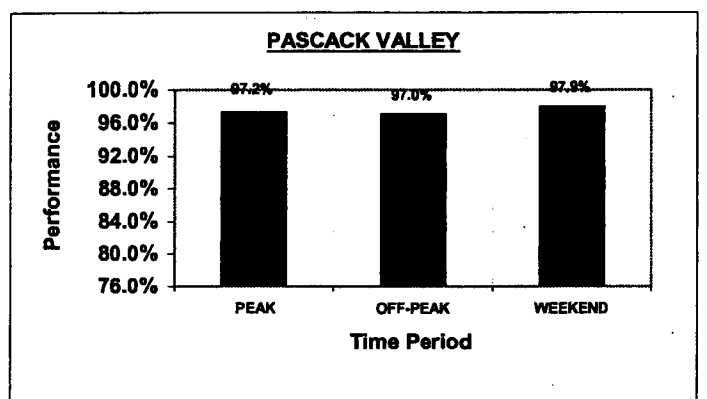
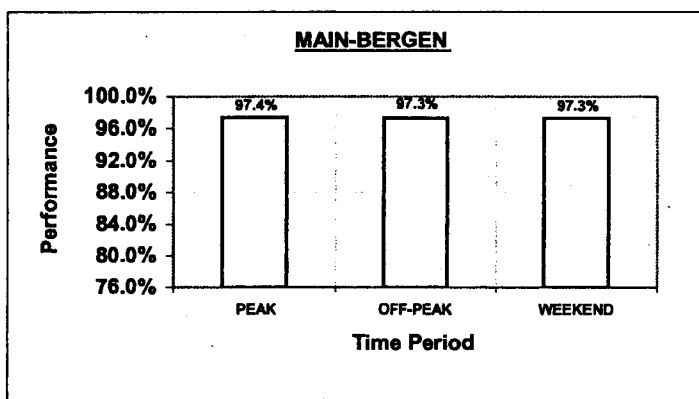
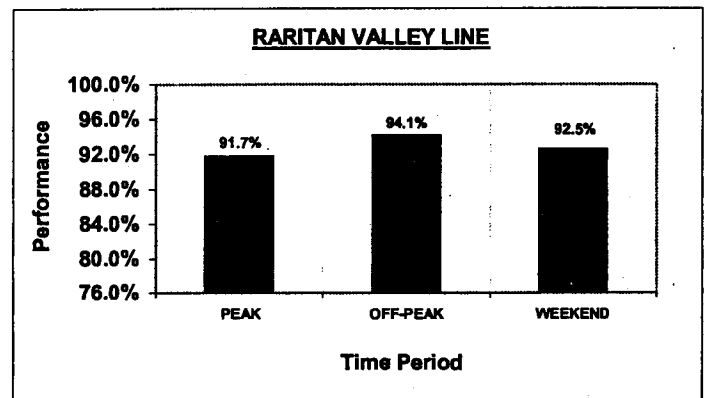
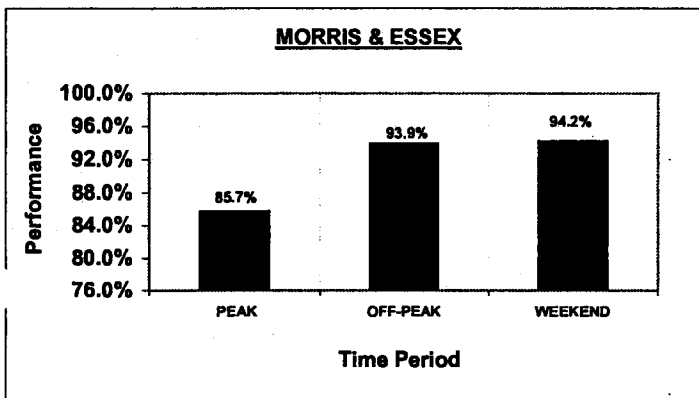
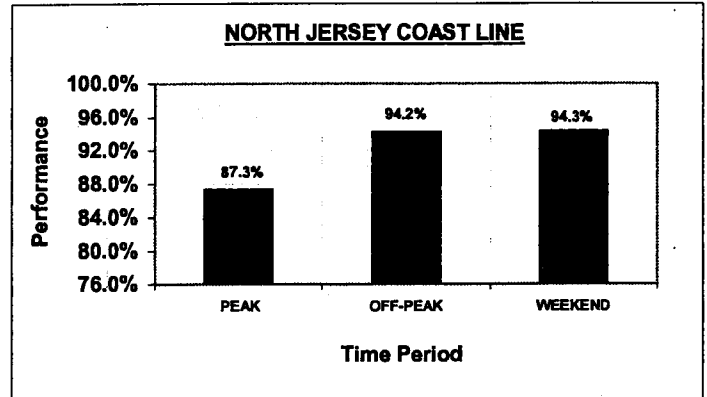
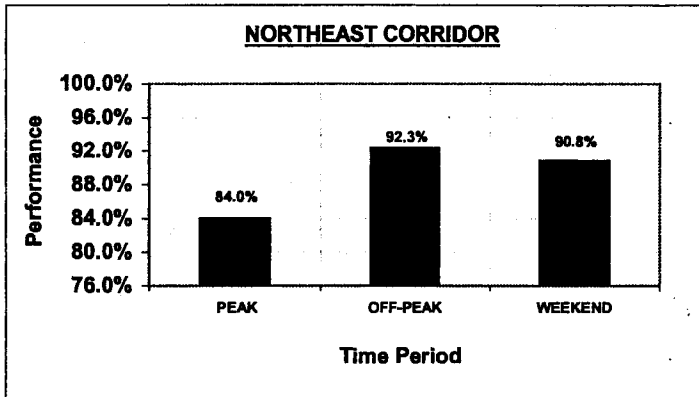
SUMMARY BY TIME PERIOD OCTOBER 2008



SUMMARY BY LINE OCTOBER 2008

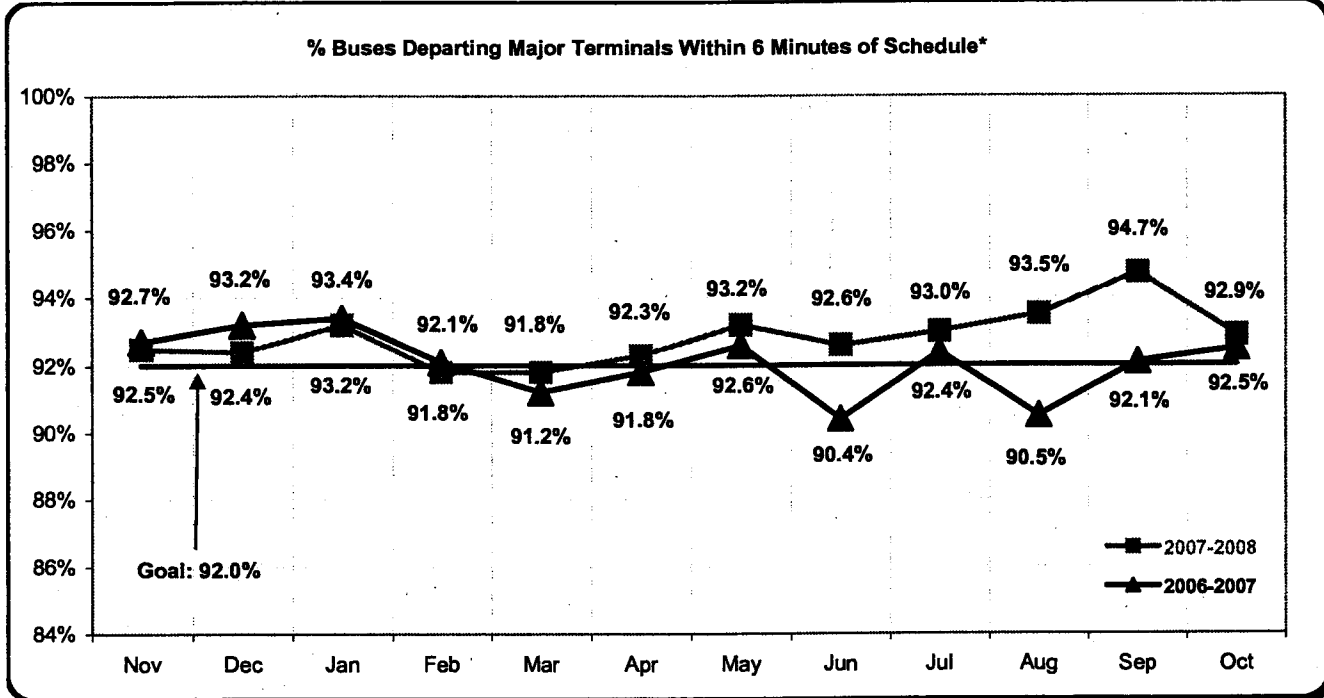


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD OCTOBER 2008



*NOTE: There is no distinction for the ACL between peak and off-peak services.

NJ TRANSIT ON-TIME PERFORMANCE BUS NOVEMBER 2006 - OCTOBER 2008



*Note: Includes the Walter Rand Transportation Center, Atlantic City Bus Terminal, Port Authority Bus Terminal, Newark Penn Station, and, as of July, 2008, Hoboken Terminal.

| | 2007 | 2008 | % Change |
|---------------------------|-------|-------|----------|
| October Comparison | 92.5% | 92.9% | 0.4% |

| | 2006-2007 | 2007-2008 | % Change |
|--|-----------|-----------|----------|
| 12-Month Average November - October | 92.0% | 92.8% | 0.8% |

Analysis:

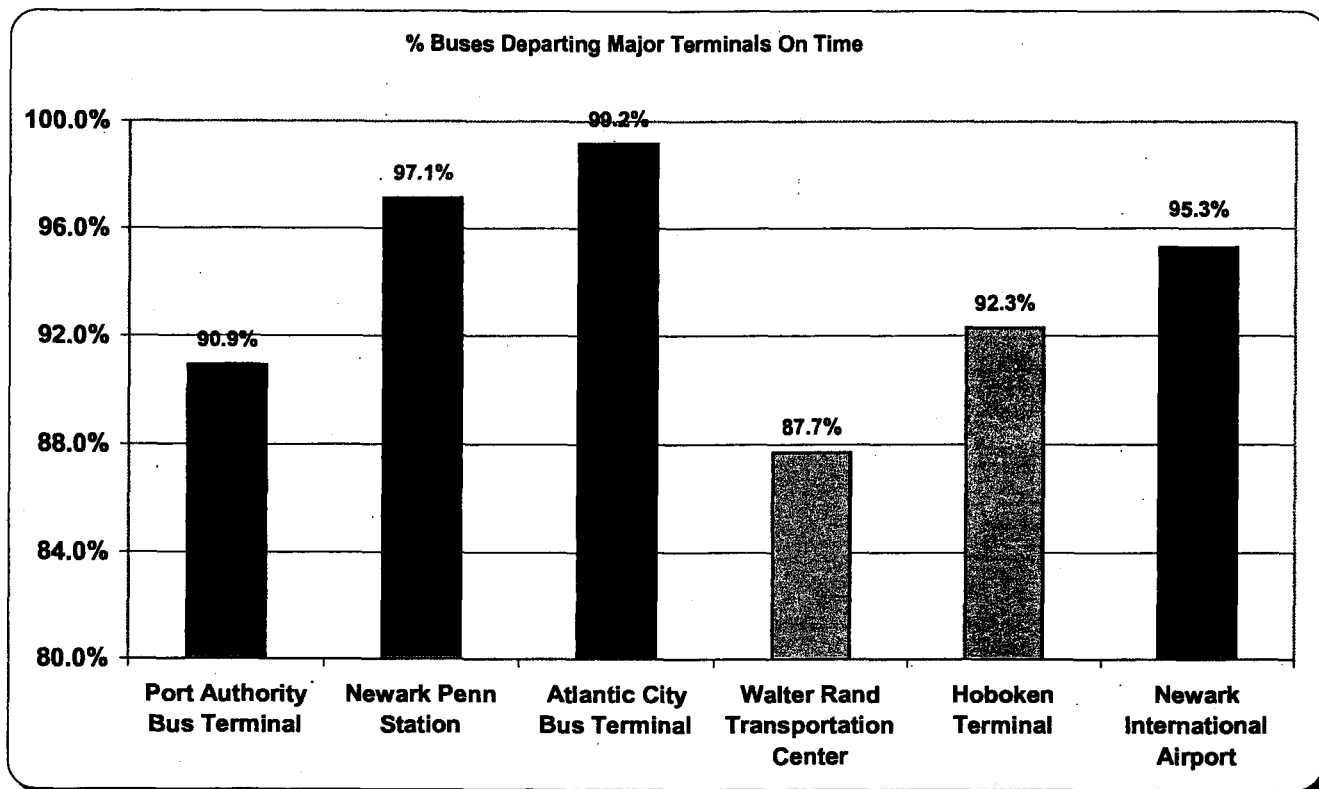
Bus On-Time Performance for October 2008 was 92.9%. Of the 33,069 monitored departures, 2,354 (or 7.2%) experienced delays. Key sources of delay included:

- Congestion on 40th Street impeding access to PABT on 10/2.
- Heavy volume from the PABT on 10/14.
- A vehicle breakdown on the Ben Franklin Bridge on 10/16.
- Traffic impact of the Phillies victory parade on 10/31.

The 12-month average for Bus On-Time Performance for November 2007 - October 2008 was 92.8%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL OCTOBER 2008

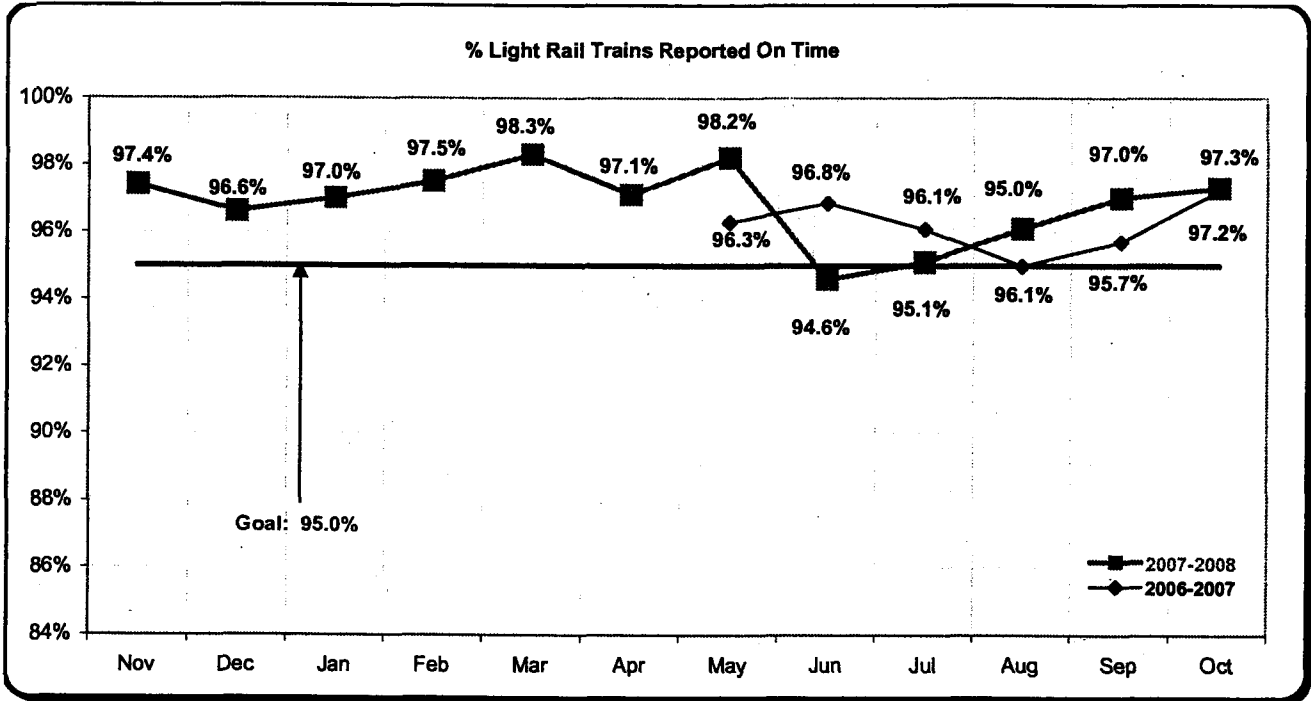


NJ TRANSIT

ON-TIME PERFORMANCE

LIGHT RAIL - SYSTEMWIDE

MAY 2007- OCTOBER 2008



*Note: Starting May 2007

| | 2007 | 2008 | # Change |
|--------------------|-------|-------|----------|
| October Comparison | 97.2% | 97.3% | 0.1% |

| | 2006-2007 | 2007-2008 | # Change |
|-----------------------------------|-----------|-----------|----------|
| 12-Month Average November-October | NA | 96.9% | NA |

Analysis:

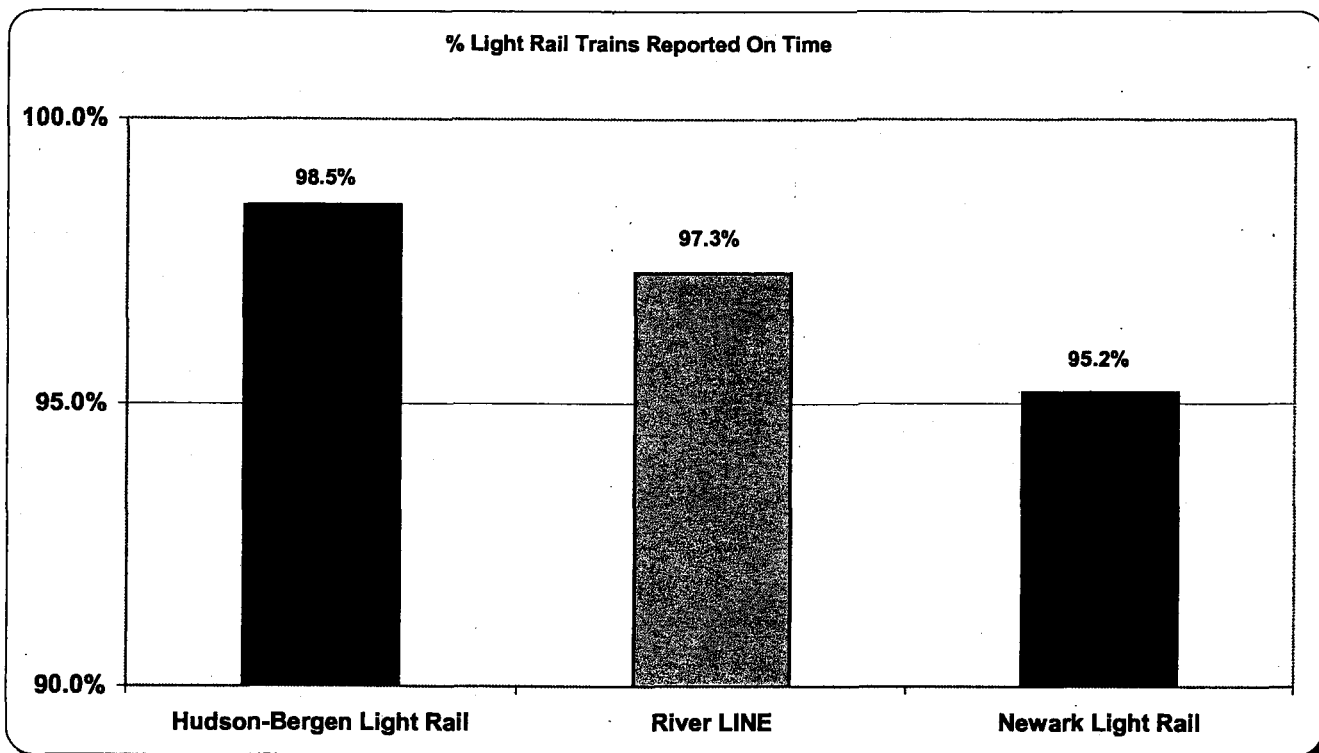
Light Rail On-Time Performance systemwide was 97.3% for the month of October 2008. Of the 33,027 scheduled trains, 903 (or 2.7%) experienced delays. Causes of delay during the month included:

- Equipment failure on River LINE on 10/1 and heavy passenger loading due to Phillies parade on 10/31.
- HBLR switch failure on 10/19 and equipment failure on 10/20.
- Scheduled construction on Newark Light Rail on 10/11 and 10/12.

The 12-month average for Light Rail On-Time Performance for November 2007- October 2008 was 96.9%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE OCTOBER 2008



ACTION ITEMS

ITEM 0811-81: NEWARK PENN STATION - LEASE OF RETAIL SPACE TO MCDONALD'S USA LLC

BENEFITS

NJ TRANSIT will receive annual base rent of \$500,000 plus percentage rent of five percent of annual gross sales over \$5.3 million from a 10 year lease for the operation of a McDonald's Restaurant in approximately 5,000 sq. ft. of leased premises at Newark Penn Station (NPS). NJ TRANSIT will receive approximately \$5 million in base rent over the 10 year period. This lease is an increase of \$225,000 annually over the current lease. In addition to the non-farebox revenue, the lessee will provide to NJ TRANSIT \$1.7 million in capital improvements to the leased premises and a recognized brand food service encompassing breakfast, lunch, dinner and snack items to NJ TRANSIT customers utilizing Newark Penn Station.

PURPOSE

This authorization provides for the 10 year lease of approximately 5,000 sq. ft. of leased premises at Newark Penn Station, which includes the existing McDonalds Restaurant area and the adjacent spaces occupied by the NJ TRANSIT Police and Customer Service. The leased premises are being awarded to McDonald's USA LLC, a wholly-owned subsidiary of the current tenant McDonald's Corporation, which was selected through a competitive bid process. In addition, McDonald's will invest \$1.7 million in capital improvements to the leased premises.

ACTION

Staff seeks authorization to enter into a 10 year lease with McDonald's USA LLC for the operation of a food service/restaurant concession consisting of approximately 5,000 sq. ft. in Newark Penn Station at an annual base rent of \$500,000 plus percentage rent of five percent of annual gross sales over \$5.3 million.

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization:

Staff seeks authorization to enter into a 10 year lease with McDonald's USA LLC for the operation of a food service/restaurant concession consisting of approximately 5,000 sq. ft. in Newark Penn Station at an annual base rent of \$500,000 plus percentage rent of five percent of annual gross sales over \$5.3 million.

Total Project Cost:

N/A

| | |
|---|---|
| Projected Date of Completion: | Lease to be executed by December 31, 2008 |
| Anticipated Source of Funds: | N/A |
| Diversity Goal: | N/A |
| Related Authorizations: | N/A |
| Impacts on Subsequent Operating Budgets: | Annual base rent of \$500,000 plus percentage rent of five percent of annual gross sales over \$5.3 million |

RESOLUTION

WHEREAS, the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150 authorizes NJ TRANSIT to lease, purchase and sell, or otherwise dispose of, on terms which NJ TRANSIT may prescribe, real and personal property; and

WHEREAS, NJ TRANSIT controls the Newark Penn Station; and

WHEREAS, McDonald's USA LLC was selected as the tenant through a competitive bid process;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to enter into a 10 year lease with McDonald's USA LLC for the operation of a food service/restaurant concession consisting of approximately 5,000 sq. ft. in Newark Penn Station at an annual base rent of \$500,000 plus percentage rent of five percent of annual gross sales over \$5.3 million.

ITEM 0811-82: ACCESS TO THE REGION'S CORE – LEGAL SERVICES FOR THE ACQUISITION OF NEW JERSEY PROPERTY INTERESTS FOR THE PROJECT

BENEFITS

In August 2006, the Federal Transit Administration authorized NJ TRANSIT to initiate Preliminary Engineering for the Access to the Region's Core (ARC) project, also known as the Trans-Hudson Express (THE) Tunnel project. The ARC project, when completed, will double the existing rail capacity of the century-old trans-Hudson rail infrastructure, to meet the region's continuing demand for commuter rail services into Manhattan.

The ARC project will be constructed through the Meadowlands, under the New Jersey Palisades and Hudson River, to an expansion of Penn Station under 34th Street. The project is being advanced in partnership with The Port Authority of New York and New Jersey.

ARC will break the trans-Hudson bottleneck, by providing more commuter rail service, more express service, and more direct service from stations throughout the entire system. It will provide a transfer free, one seat ride to passengers on the Main, Bergen, Pascack Valley, Raritan Valley, North Jersey Coast Line, and other portions of the NJ TRANSIT system for passengers to New York City. The project will improve our region's environment, economy, and quality of life.

The project is expected to complete the National Environmental Policy Act process and receive a Record of Decision (ROD) later this year. During the Preliminary Engineering phase, the New Jersey and New York property acquisition requirements have been identified. After the Federal Transit Administration issues the Record of Decision, NJ TRANSIT will proceed with all the New Jersey acquisitions, except for the mid-day rail storage yard property.

PURPOSE

A critical element of the project's schedule is the expeditious acquisition of property interests required for the project in accordance with Title 49, Part 24 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act) for federally-funded programs. Recently the Board authorized the purchase of all property interests in New Jersey whether in fee, easement, lease, permit, right of entry, licenses or however else obtained through agreement or condemnation for THE Tunnel project, except for the property rights needed for the mid-day storage yard from the Hudson County Improvement Authority that would be sought at a later date. NJ TRANSIT requires specialized legal counsel to review, research, evaluate and assist in the acquisition of property interests in New Jersey.

The Attorney General of New Jersey, through the Division of Law, issued a Request for Qualifications (RFQ) to retain outside counsel interested in serving as special counsel in the area of property acquisition on behalf of NJ TRANSIT. Following the conclusion of the aforementioned public process, the Attorney General designated Riker Danzig

Scherer Hyland & Perretti LLP, John J. Curley LLC and DeCotiis, Fitzpatrick, Cole & Wisler to provide all legal services necessary, including condemnation, for the acquisition all New Jersey property interests required for the project, except for the mid-day rail storage yard.

ACTION (Justification: Core System Capacity)

Staff seeks authorization to compensate the designated law firms of Riker Danzig Scherer Hyland & Perretti LLP, John J. Curley LLC and DeCotiis, Fitzpatrick, Cole & Wisler at a cost not to exceed \$2.0 million plus five percent for contingencies.

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS

Requested Authorization: \$2,000.000.00 plus 5% for contingencies

Total Project Cost: \$8.7 Billion (total project)

Projected Date of Completion: 2017

Anticipated Source of Funds: TTF, CMAQ, FTA, PANYNJ, NJTurnpike

Diversity Goal: N/A

Related/Future Authorizations: Funding necessary for the mid-day rail storage yard

Impacts on Subsequent Operating Budgets: N/A

RESOLUTION

WHEREAS, NJ TRANSIT seeks to double commuter rail capacity to New York by constructing two new single-track tunnels under the Hudson River, an expanded Penn Station under 34th Street in Manhattan, a rail storage yard in Kearny, New Jersey and signal and track improvements along and adjacent to the Northeast Corridor; and

WHEREAS, the Access to the Region's Core project will open new opportunities for direct and expanded rail service from the existing commuter rail system to Midtown Manhattan and build upon recent transit investments in New Jersey; and

WHEREAS, the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150, authorizes NJ TRANSIT to lease, purchase, sell, or otherwise dispose of, on terms which NJ TRANSIT may prescribe, real and personal property; and

WHEREAS, the Attorney General of New Jersey issued a Request for Qualifications (RFQ) to retain outside counsel interested in serving as special counsel for property acquisition on behalf of the New Jersey Transit Corporation; and

WHEREAS, the Attorney General of New Jersey, following the open competitive Request for Qualification process, has designated the firms of Riker Danzig Scherer Hyland & Perretti LLP and John J. Curley LLC and DeCotiis, Fitzpatrick, Cole & Wisler ;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to compensate the law firms, designated by the Attorney General, of Riker Danzig Scherer Hyland & Perretti LLP, John J. Curley LLC and DeCotiis, Fitzpatrick, Cole & Wisler, to provide all legal services necessary, including condemnation, for the acquisition of all New Jersey property interests required for the project, except for the mid-day rail storage yard at a cost not to exceed \$2,000,000 plus five percent for contingencies, subject to the availability of funds.

ITEM 0811-83: WEST SIDE AVENUE LOT SOIL REMOVAL AND STOCKPILE PROJECT: CONSTRUCTION CONTRACT AWARD

BENEFITS

NJ TRANSIT owns a 5.021-acre property off West Side Avenue in North Bergen, New Jersey, adjacent to the Meadowlands Bus Garage and the North Bergen Park-n-Ride lot. This property was used temporarily for construction staging and stockpiling of approximately 95,000 cubic yards of excavated soils, rock and construction debris from the Hudson-Bergen Light Rail (HBLR) project.

Due to its proximity to the Meadowlands Garage, which currently has a fleet of 210 buses, Bus Operations has identified the site as ideal for use as an outdoor bus storage yard for both midday layover and additional fleet capacity. Additionally, the upcoming 69th Street Grade Separation project will require approximately 37,000 cubic yards of fill, which could be extracted from the site. The excavation, screening and regrading of the existing fill on the site would provide space for parking of up to 150 buses at the Meadowlands Garage, as well as a source of fill for the 69th Street Grade Separation project.

PURPOSE

Authorization of this contract will provide for construction services for clearing the site of vegetation; excavating approximately 95,000 cubic yards of existing fill and screening the fill to remove rocks, concrete, asphalt, wood, and other debris. Once screened, 37,000 cubic yards of screened soil will be regraded on one half of the site for future use on the 69th Street Grade Separation project; and the remaining 44,000 cubic yards of soil and 14,000 cubic yards of rock, concrete, asphalt, etc. will be disposed of off site. The remaining half of the property will be graded with crushed stone for the bus parking area, and the entire site will be fenced.

ACTION (Justification: Capacity and Business Efficiency)

Staff seeks authorization to contract (No. 09-006X) with DMR Construction Services, Inc. of Waldwick, New Jersey, for construction services for the West Side Avenue Lot Soil Removal and Stockpiling project, at a cost not to exceed \$4,357,390, plus five percent for contingencies, subject to the availability of funds.

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization: \$4,357,390 + 5% contingency

Total Project Cost: \$7,100,000

| | |
|---|--|
| Projected Date of Completion: | June 2009 |
| Anticipated Source of Funds: | Transportation Trust Fund |
| Diversity Goal: | 20% SBE Category V |
| Future Related Authorizations: | None |
| Impacts on Subsequent Operating Budgets: | \$1,100. monthly electric costs for lighting of bus storage lot. |

RESOLUTION

WHEREAS, the 5.021-acre West Side Avenue property has been used to stockpile approximately 95,000 cubic yards of soils, rock and construction debris from the Hudson-Bergen Light Rail Transit System project; and

WHEREAS, the property is located adjacent to the Meadowlands Bus Garage; and

WHEREAS, NJ TRANSIT Bus Operations has identified a need for additional bus parking capacity at the Meadowlands Garage; and

WHEREAS, the upcoming 69th Street Grade Separation project will have a need for approximately 37,000 cubic yards of fill; and

WHEREAS, the excavation, screening and regrading of the existing 95,000 cubic yards of fill on the site would provide for both parking of up to an additional 150 buses at the Meadowlands Garage, as well as a source of fill for the 69th Street Grade Separation project; and

WHEREAS, upon completion of a competitive procurement process, it was determined that DMR Construction Services, Inc. was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to contract (No. 09-006X) with DMR Construction Services, Inc. of Waldwick, New Jersey, for construction services for the West Side Avenue Lot Soil Removal and Stockpiling project at a cost not to exceed \$4,357,390, plus five percent for contingencies, subject to the availability of funds.

ITEM 0811-84: TECHNOLOGY SERVICES - PROFESSIONAL SERVICES

BENEFITS

In support of NJ TRANSIT's objective to use technology to increase operating efficiencies and management control, staff is recommending contracting for professional services to support future critical technology initiatives. NJ TRANSIT's technology can be implemented faster by supplementing project teams with additional technical resources. By providing knowledgeable resources, projects can be implemented with fewer delays and, where applicable, supported by internal staff in a more timely manner. In addition, outside services will assist in training internal staff on adopting newer technology.

PURPOSE

Staff uses a Technology Advisory Council to prioritize development projects and to enforce a technology governance structure to ensure that management continually reviews and updates the Corporation's technology initiatives. This planning includes financial, administrative, transportation, safety/security, customer service and infrastructure projects whose completion typically requires additional professional services.

Professional services are used to supplement internal resources and to assist in the adoption of new technology as appropriate. Selected firms supply resources to one or more of the following skill categories: Systems Analysis & Programming, Desktop Support, Telecommunications, Wireless Radio Projects and Passenger Communication Systems.

Staff is seeking approval for the third and final year of cost in this multi-year contract. The projected cost for the third year is \$2,293,155.

ACTION (Justification: Operating Efficiencies)

Staff seeks authorization to exercise and to contract (No. 05-109) for professional services to supplement staffing within NJ TRANSIT's Information Services Department with Booz Allen Hamilton of Newark, NJ; Citadel Information Systems of East Brunswick, NJ; Comsys of Somerset, NJ; Data Industries of New York, NY; Edwards & Kelcey of Morristown, NJ; Raj Consultants of Iselin, NJ; RCC Consultants of Woodbridge, NJ and Telcordia Technologies of Red Bank, NJ for three years limited by the third year's cost not to exceed \$2,293,155 subject to the availability of funds.

Booz Allen Hamilton
Newark, NJ

Citadel Information Systems
East Brunswick, NJ

RCC Consultants
Woodbridge, NJ

Comsys Inc.
Somerset, NJ

Data Industries
New York, NY

Telcordia Technologies
Red Bank, NJ

Edwards & Kelcey
Morristown, NJ
(Acquired by Jacobs Eng.)

Raj Consultants
Iselin, NJ

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS

| | |
|---|---|
| Requested Authorization: | \$2,293,155 |
| Total Project Cost: | \$8,236,123 |
| Projected Date of Completion: | September 1 st , 2009 |
| Anticipated Source of Funds: | Operating and Transportation Trust Funding |
| Diversity Goals: | 10% SBE |
| Impacts on Subsequent Operating Budgets: | None |

RESOLUTION

WHEREAS, the Technology Advisory Council assembles critical business requirements for technology; and

WHEREAS, outside professional services are recommended to assist in implementing these projects; and

WHEREAS, outside professional services are used to supplement internal resources and specialized expertise may be called upon to assist in NJ TRANSIT's adoption of newer technology; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Booz Allen Hamilton, Citadel Information Systems, Comsys, Data Industries, Edwards & Kelcey, Raj Consultants, RCC Consultants and Telcordia Technologies submitted the most advantageous proposals that provide the best value to NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to exercise the third and final year of a contract (No. 05-109) for professional services to supplement staffing within NJ TRANSIT's Information Services Department with Booz Allen Hamilton of Newark, NJ; Citadel Information Systems of East Brunswick, NJ; Comsys of Somerset, NJ; Data Industries of New York, NY; Edwards & Kelcey of Morristown, NJ; Raj Consultants of Iselin, NJ; RCC Consultants of Woodbridge, NJ and Telcordia Technologies of Red Bank, NJ for three years limited by the third year's cost not to exceed \$2,293,155 subject to the availability of funds.

CONSENT CALENDAR

ITEM 0811-85: BERGEN-PASSAIC BUS SYSTEM STUDY: CONSULTANT CONTRACT AWARD

BENEFITS

The greater Bergen-Passaic County area in northeastern New Jersey is experiencing growth and redevelopment on many levels, with more planned for the future. NJ TRANSIT continues to be a catalyst for economic growth in the region. Through major capital investments such as the recent expansion of service on the Pascack Valley Line, the residents of Bergen and Passaic counties are beginning to experience the benefits gained from an expanded and integrated public transit network.

NJ TRANSIT last completed a comprehensive review of the local and interstate bus system in this area over 20 years ago. Today, approximately 92,000 passengers are carried on a typical weekday on an extensive network of 78 NJ TRANSIT and private carrier bus routes serving the area. Over the next decade, commuters in this area will see dramatic changes in the region's public transit network. Planned system investments will improve regional mobility, reduce traffic congestion and act as a catalyst for spurring economic investment. Continued and sustained ridership growth on the bus system only demonstrates that immediate and long term actions are needed to expand and modernize the NJ TRANSIT and private carrier bus network in this region.

The Bergen-Passaic Bus System Study is a comprehensive effort over the next 18 to 24 months to bring the NJ TRANSIT and private carrier bus networks into alignment with current and future service needs. Public and private stakeholders, including bus customers, will be directly involved in the strategic planning, implementation and promotion of new and upgraded services to make the system work for them. This study will identify opportunities and develop recommendations which ultimately lead to expanding system capacity, enhancing system integration, creating multi-modal service options, expanding ridership and improving the quality of life for area residents.

PURPOSE

This contract will authorize the consultant to initiate work on the Bergen-Passaic Bus System Study. Work on this contract will include the analysis of passenger and operating data and the development of innovative bus route and passenger facility proposals to bring the bus network into alignment with current and future travel demands. There will be extensive focus on recommendations for preferential treatments for buses and bus rapid transit (BRT) in key corridors. Expanding use of technology and innovation in day-to-day operations, such as bus priority treatments, will be examined and implemented to increase passenger satisfaction while improving overall operating efficiencies.

Throughout the entire study process, the consultant will concentrate on opportunities to partner with local governments and the development community to advance

recommendations for improved bus services and facilities that are in concert with the goals that have been established by area leaders.

ACTION (Justification: Operating Efficiencies, Core System Capacity, Customer Service)

Staff seeks authorization to contract (No. 09-017) with Jacobs Engineering Group, Inc. of Morristown, New Jersey, for professional consultation services to initiate work on the Bergen-Passaic Bus System Study at a cost not to exceed \$884,994, plus five percent for contingencies, subject to the availability of funds.

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACTS:

Requested Authorization: \$ 884,994+ 5% contingency

Total Project Cost: \$1,300,000

Projected Date of Completion: Winter 2011

Anticipated Source of Funds: Transportation Trust Fund
Federal Transit Administration

Diversity Goal: 20%

Future Related Authorizations: None

Impacts on Subsequent Operating Budgets: None

RESOLUTION

WHEREAS, The local and interstate bus services provided within the greater Bergen-Passaic area are a critical component of the transportation infrastructure of the region; and

WHEREAS, NJ TRANSIT seeks to assess the current and future travel needs of the riding public; and

WHEREAS, NJ TRANSIT seeks to engage interested public and private stakeholders in the study process, and an extensive public outreach program will be incorporated into the study effort; and

WHEREAS, NJ TRANSIT seeks to modernize the bus network through the implementation of bus service changes to meet the current and future needs of region's commuters and other travelers; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Jacobs Engineering Group, Inc. submitted the most advantageous proposal that provided the best value to NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No. 09-017) with Jacobs Engineering Group, Inc. of Morristown, New Jersey, for professional consultation services to initiate work on the Bergen-Passaic Bus System Study at a cost not to exceed \$884,994, plus five percent for contingencies, subject to the availability of funds.

ITEM 0811-86: ENHANCED PARK AND RIDE FINANCIAL SYSTEM CONTRACT AMENDMENT

BENEFITS

In recent years, the Payment Card Industry (PCI) Security Standards Council, a body established by the major credit card companies to facilitate the broad adoption of consistent data security measures, developed a multifaceted security standard and has mandated that NJ TRANSIT and all companies processing credit card transactions achieve compliance with this standard.

PURPOSE

NJ TRANSIT has an existing contract with CTR Systems, Inc. of Warrendale, Pennsylvania for the support and maintenance of its park and ride systems at the North Bergen and Vince Lombardi Park and Ride lots and the parking decks located at Montclair State University and Ramsey/Route 17. Credit card/debit usage accounts for almost two-thirds of the total revenue at these locations. Staff seeks to amend the existing sole source agreement with the software vendor to modify and install new versions of its software which are certified compliant with all requirements set forth by the PCI Data Security Standard.

ACTION (Justification: Customer Service and State of Good Repair)

Staff seeks to amend the existing agreement with CTR Systems, Inc. of Warrendale, Pennsylvania to modify and install new versions of its parking systems to enable PCI compliance for an amount not to exceed \$115,000 plus five percent for contingencies subject to the availability of funds.

This item has been reviewed and recommended by the Board Administration Committee.

FISCAL IMPACT

| | |
|---|-----------------------------------|
| Requested Authorization: | \$115,000 + 5% for contingencies. |
| Total Project Cost: | \$3,989,386 |
| Projected Date of Completion: | February 2010 |
| Anticipated Source of Funds: | TBD |
| Diversity Goal: | 10% |
| Related Future Authorizations: | TBD |
| Impacts on Subsequent Operating Budgets: | TBD |

RESOLUTION

WHEREAS, the Payment Card Industry (PCI) Security Standards Council, a body established by the major credit card companies to facilitate the broad adoption of consistent data security measures, developed a multifaceted security standard and has mandated that all companies processing credit card transactions achieve compliance with this standard; and

WHEREAS, NJ TRANSIT must achieve compliance with this standard; and

WHEREAS, NJ TRANSIT has an existing contract with CTR Systems, Inc. of Warrendale, PA for the support and maintenance of its park and ride systems at the North Bergen and Vince Lombardi Park and Ride lots and the parking decks located at Montclair State University and Ramsey/Route 17; and,

WHEREAS, credit card/debit usage accounts for almost two-thirds of the total revenue at these locations;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend the existing agreement with CTR Systems, Inc. of Warrendale, Pennsylvania to modify and install new versions of its parking systems to enable PCI compliance for an amount not to exceed \$115,000 plus five percent for contingencies, subject to the availability of funds.

Statement of Joseph M. Clift
Member, Regional Rail Working Group
New Jersey Transit Board Meeting
November 12, 2008

Good morning Mr. Chairman and members of the board. I am here today to ask you to save \$3 billion of precious New Jersey infrastructure funding.

How can you accomplish this laudable, some might even say praiseworthy or heroic, action? By **not approving NJ Transit's recently announced \$1.1 billion increase in the cost of the ARC project, and by instructing NJ Transit to change the scope of work for ARC. Switching the New York terminus of ARC from the planned \$4.6 billion – yes that's \$4.6 billion! – 34th Street station to existing New York Penn Station, a connection developed and presented by NJ Transit consultants in February of last year, will save \$3 billion.**

At this moment in time, NJ Transit has identified only \$5.5 billion of "other people's money" for ARC – \$3.0 billion from the Port Authority and \$2.5 billion from the federal New Starts program. The balance of the \$8.7 billion budget – **\$3.2 billion – has to come from "New Jersey's money"**. Every dollar saved on the cost of ARC is 100% New Jersey's to keep or to not raise taxes, fees or tolls to get the dollar in the first place. Conversely, every extra dollar spent on ARC is a dollar lost by New Jersey or a requirement to raise taxes, fees or tolls to replace that dollar.

Another way to look at the impact of the \$1.1 billion ARC increase is to divide it evenly among the 13 counties and two cities of the North Jersey Transportation Planning Authority, which I did at their board meeting this last Monday – it works out to \$73 million each that will not be available for infrastructure investment. What could you do in your community with \$73 million?

Including the \$419 million hit recently taken by the Transportation Trust Fund, reported in the media yesterday, New Jersey is down \$1.5 billion in state infrastructure funding just in the last two weeks – that's the wrong direction to be going during this tough fiscal period.

Doesn't it make sense in these incredibly difficult times to take a hard look at NJ Transit not going it alone in an ultra-expensive, 20-story deep, dead-end New York Penn Station Expansion, where in actual fact, this so called expansion will be a 14-story climb just to get up to the existing Penn Station mezzanine?

Isn't saving \$3 billion worth the effort for NJ Transit to work with Amtrak, the owner of New York Penn Station, and the Long Island Railroad (LIRR), NY Penn's current major tenant, to bring the new trans-Hudson tunnels into the station?

- Amtrak would benefit directly from having access to the new tunnels, especially as a back up for its 100-year old tunnels.
- The stage would be set for future one-seat ride service to Grand Central Terminal, freeing 100,000 daily trans-Hudson riders from the necessary subway, bus, cab or long walk required today to get to the east side of Midtown. Absent such a connection, New Jersey rail riders will be relegated to permanent "second class" status, while Metro-North riders today and LIRR riders in 2015, when the MTA's East Side Access project is finished, are afforded a short walk to their East Side job sites.
- NJ Transit riders would save the extra time entailed in using a station 20-stories beneath the street.

My name is Joseph M. Clift. I am a resident of Manhattan and past Director of Planning and Director of Strategic Planning for the Long Island Railroad and past Manager of Operations Planning & Strategic Planning Analyst for ConRail. I am speaking today as a representative of the Regional Rail Working Group (RRWG), a consortium of rail advocacy organizations in the tri-state area, including the New Jersey Association of Railroad Passengers, the Lackawanna Coalition and the Empire State Passengers Association and for the RRWG's alliance of organizations intent on getting ARC back on track.

Thank you for listening to my statement today – please act on it to save that precious \$3 billion.

ARC Cost Savings Estimate – \$3.2B
Build NY Penn Station Connection Instead of 34th St. Station
(Billions of Year of Expenditure \$'s)

Presented at 11/12/08 NJT Board Meeting

**Cost Savings – Eliminate 34th St. Station & approach tracks from
ARC Tunnels (Initial costs from SDEIS 01/08 P. E. est's)**

| | |
|---------------|---|
| 3.29 | Manhattan Segment |
| <u>(0.06)</u> | 12th Ave fan plant – req'd for NY Penn connection |
| 3.23 | Subtotal – Manhattan Segment avoidable cost |
| 0.31 | Railroad Systems |
| <u>0.36</u> | Property Acquisition |
| 3.90 | Cost savings @ SDEIS prices |
| <u>0.69</u> | SDEIS to FEIS Inflation – 17.6% with same (SDEIS) scope of work |
| <u>4.59</u> | Cost savings @ FEIS prices |

**Cost Increases – Build track connection from ARC tunnels
to NY Penn Station (Initial costs from DEIS Financial Appendix)**

| | |
|-------------|---|
| 0.08 | Cofferdams |
| 0.31 | River to 11th Ave |
| 0.51 | Cut/Cover - 11th Ave to End of Station |
| 0.02 | Environmental Mitigation |
| 0.03 | Railroad Systems |
| <u>0.03</u> | Property Acquisition |
| 0.98 | Cost increases @ DEIS prices |
| <u>0.18</u> | DEIS to SDEIS Inflation – 18.8% with same (SDEIS) scope of work |
| 1.17 | Cost increases @ SDEIS price |
| <u>0.20</u> | SDEIS to FEIS Inflation – 17.6% with same (SDEIS) scope of work |
| <u>1.37</u> | Cost increases @ FEIS prices |

3.21 Net Cost Savings – NY Penn Connection instead of 34th St. Station

11/11/08
Joseph.M. Clift
Regional Rail Working Group

Access To the Regions's Core

Project Funding Shortfall Estimates – Feb 2007 to Oct 2008

Presented at 11/12/08 NJ Transit Board Meeting

| <u>Funding Sources</u> | <u>Funding Estimates (Billions of \$'s)</u> | | | | |
|--|---|---------------|------------------|---------------|-----------------|
| | <u>Feb 2007</u> | <u>Change</u> | <u>June 2008</u> | <u>Change</u> | <u>Oct 2008</u> |
| Port Authority | 2.0 | 1.0 | 3.0 | 0.0 | 3.00 |
| State (through June 2008 includes \$1B borrowed from NJ Highway funds to be repaid from as yet unfunded Transportation Trust Fund. For October 2008, assumes \$1.25B from NJ Tuenpike Authority) | <u>1.5</u> | <u>0.0</u> | <u>1.5</u> | <u>(0.25)</u> | <u>1.25</u> |
| Total State & Local Share | 3.5 | <u>1.0</u> | 4.5 | (0.25) | 4.25 |
| Federal Transit Admin. (FTA) | <u>3.6</u> | <u>(0.6)</u> | <u>3.0</u> | <u>(0.50)</u> | <u>2.50</u> |
| Total Estimated Funding | 7.1 | 0.4 | 7.5 | <u>(0.75)</u> | 6.75 |
| <u>Project Cost Estimates - NJT</u> | | | | | |
| T.H.E.Tunnel Project | 7.4 | 0.2 | 7.6 | 1.10 | 8.70 |
| Portal Bridge Cap. Enhan. Project | <u>0.8</u> | <u>0.9</u> | <u>1.7</u> | <u>0.00</u> | <u>1.70</u> |
| Total Project Cost Estimates (NJT) | <u>8.2</u> | <u>1.1</u> | <u>9.3</u> | 1.10 | 10.40 |
| <u>Funding Shortfall - with NJT Cost Estimates</u> | | | | | |
| Funding Excess (Shortfall) | (1.1) | (0.7) | (1.8) | (1.85) | (3.65) |
| Less - Borrowed NJ Highway Funds | <u>(1.0)</u> | <u>0.0</u> | <u>(1.0)</u> | <u>1.00</u> | <u>0.00</u> |
| Funding Excess (Shortfall) - NJT Cost Estimate, with no borrowed NJ Highway funds | (2.1) | (0.7) | (2.8) | -0.85 | (3.65) |
| State Funding | <u>0.5</u> | <u>0.0</u> | <u>0.5</u> | <u>0.00</u> | <u>1.25</u> |
| State Funding + Shortfall | | | | | |
| T.H.E.Tunnel Project | 1.80 | (0.20) | 1.60 | 1.60 | 3.20 |
| Portal Bridge Cap. Enhan. Project | <u>0.80</u> | <u>0.90</u> | <u>1.70</u> | <u>0.00</u> | <u>1.70</u> |
| Total: State Funding + Shortfall | 2.60 | 0.70 | 3.30 | 0.00 | 4.90 |

Joseph.M. Clift
Regional Rail Working Group

Access To the Regions's Core
Project Cost Estimates -- 2005 to October 2008
 Presented at 11/12/08 NJ Transit Board Meeting

Capital Cost Estimates (Billions of \$'s)

| | <u>Trans-Hudson Express (T.H.E.) Tunnel Project</u> | <u>Portal Bridge Capacity Enhancement Project (PBCEP)</u> | <u>Total</u> |
|--|---|---|--------------|
| <u>2005 Estimate</u> | | | |
| Locally Preferred Alternative (LPA) 08/05 | <u>5.8</u> | | |
| G. Warrington letter to NJ-ARP & Lack. Coalition (11/05) | | <u>0.3</u> | |
| Total - 2005 Estimate | 5.8 | 0.3 | 6.1 |
| <u>Feb 2007 Estimate</u> | | | |
| ARC DEIS increase (02/07) | <u>1.6</u> | | 1.6 |
| ARC DEIS Exec Summary - Increase to midpoint of range (02/07) | | <u>0.5</u> | <u>0.5</u> |
| Total - Feb 07 Estimate | 7.4 | 0.8 | 8.2 |
| <u>March 2008 Estimate</u> | | | |
| ARC SDEIS - Increased costs | 1.2 | | 1.2 |
| - Reduced scope | <u>(1.0)</u> | | <u>(1.0)</u> |
| Total - June 07 Estimate | 7.6 | 0.8 | 8.4 |
| <u>June 2008 Estimate</u> | | | |
| PBCEP RCLC 06/10/08 - increase | | <u>0.9</u> | <u>0.9</u> |
| Total - Current NJT Cost Estimate | 7.6 | 1.7 | 9.3 |
| increase over 2005 | 1.8 | 1.4 | 3.2 |
| % Increase | 31% | 467% | 52% |
| <u>Oct 2008 Estimate</u> | | | |
| ARC FEIS - Increased costs | 1.3 | | 1.3 |
| - Reduced scope | <u>(0.2)</u> | | <u>(0.2)</u> |
| Net Change | <u>1.1</u> | | <u>1.1</u> |
| Total - Current NJT Cost Estimate | 8.7 | 1.7 | 10.4 |
| Inflation - Feb 07 - Oct 08 | 40% | 213% | 44% |
| Price Tag with Feb 07 Project Scope | 12.1 | | |

Joseph.M. Clift
Regional Rail Working Group