

Jon S. Corzine
Governor

Stephen Dilts
Board Chairman

Richard R. Sarles
Executive Director

N TRANSIT
One Penn Plaza East
Newark, New Jersey 07105-2248
973-481-7000



July 9, 2009

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, July 8, 2009.

Sincerely,

Gwen A. Watson
Board Secretary

Enclosures

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

(NJT Board – 07/08/2009)

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, July 8, 2009.

Present:

Stephen Dilts, Chairman
James A. Carey, Jr. Governor's Representative
Patrick O'Connor, Treasurer's Representative
Flora Castillo

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

Chairman Stephen Dilts convened the Open Session at 9:19 a.m. 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 James A. Carey, Jr., seconded by Patrick O'Connor and unanimously adopted.

Chairman Stephen Dilts reconvened the Open Session at 10:15 a.m. and asked for a motion to adopt the minutes of the June 10, 2009 meeting. A motion was made by James A. Carey, Jr. and seconded by Patrick O'Connor and adopted.

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

Fiscal Year 2010 Budget

Executive Director Sarles said the Fiscal Year 2010 operating and capital budgets will be presented for the Board's consideration. By absorbing the \$62 million reduction in assistance from the State, the agency helped the State balance its budget. NJ TRANSIT has worked hard to identify efficiencies and cut administrative spending to get to a budget that contains no fare increase and no major service cuts. It is an achievement for this Board and management in this economy.

Operating Budget

Executive Director Sarles said the total operating budget of \$1.79 billion includes only two new services, the Meadowlands rail service and the addition of special express bus

service in Newark part of a federally funded Liberty Corridor study. To balance the budget, NJ TRANSIT identified \$22.5 million in administrative savings through planned furloughs, wage freezes as well as reductions in certain contracts, printing and other administrative programs. NJ TRANSIT is spending eight cents of each operating dollar on administration, an historic low. On the revenue side, \$780 million in passenger fare revenue is anticipated, a little more than two percent above Fiscal Year 2009 levels. Given the volatility in the economy, NJ TRANSIT will watch ridership trends closely, as well as fuel and other commodity costs.

Capital Budget

Executive Director Sarles said Metro Magazine this week listed NJ TRANSIT as having the largest capital program in the nation, overtaking New York. Executive Director Sarles thanked the hard work of Governor Corzine and the Congressional delegation and has already launched or soon will start a number of important capital projects through an accelerated capital program and the American Recovery and Reinvestment Act.

In addition to advancing stimulus projects, the \$1.39 billion capital program invests in new rail cars and buses. NJ TRANSIT has modernized half of the rail car fleet since 2003 and is doing the same for bus over the next several years. The program advances capacity-building projects for future ridership growth and maintains the bus, rail and light rail systems in a state-of-good-repair. Executive Director Sarles mentioned that the Mass Transit Tunnel broke ground last month.

Executive Director Sarles said the budget advances other projects, including Portal Bridge Capacity Enhancement project, extension of Hudson-Bergen Light Rail Line to 8th Street Bayonne; improvements to Newark Light Rail infrastructure, bus terminal repairs, new bus shelters and enhanced bus service, accessibility projects at Ridgewood and Somerville stations, platform projects at Metropark and South Amboy stations, bridge rehabilitation, track replacement and signal and security upgrades systemwide. Roughly half of the capital budget revenue comes from the State and the balance from federal and other sources.

Broadway Bus Terminal

Executive Director Sarles said an item on today's agenda is the renovation of the Broadway Bus Terminal in Paterson. Safe and comfortable terminals help build and retain ridership. This project benefits 1,600 customer arrivals and departures from the terminal each day, to and from Newark, New York and a host of Passaic and Bergen county destinations. The Terminal was built in the 1930s and last renovated in 1983. This project includes exterior renovations, installation of a new heating and air-conditioning system, a new public address system and departure information screens. The work will begin this summer and completed by late spring next year.

Hoboken Terminal Ferry Lease

Executive Director Sarles said the Board will consider a long-term lease that, pending approval by the Port Authority Board later this month, clears the way for a third and final phase of ferry service restoration. When completed in 2011, the project restores ferry service to the historic Hoboken Terminal for the first time since 1967. The ferries were reintroduced in 1989 and operate at a temporary facility, but this gets them back where they belong. The final phase includes construction of a ferry loading area, work on ferry service ticket offices and waiting area, passenger amenities, utilities, ferry barges and gangways.

Meadowlands Rail Service

Executive Director Sarles was pleased to announce the official start date for rail service to the Meadowlands Sports Complex. Rail service to major events (50,000 fans or more) at Giants Stadium launches Sunday, July 26 for Gold Cup soccer final. This will provide customers from the tri-state area with convenient transfers at Hoboken or Secaucus via the new rail spur, just 23 minutes from Hoboken, with trains operating between the stadium and the Frank R. Lautenberg Station every 10-20 minutes. Train service begins three hours before the event and departs the Meadowlands frequently for up to two hours after. There will be service to all Giants and Jets home games in place for 2009-2010 season, replacing the shuttle bus service from Secaucus. The Shuttle bus service will continue to operate between Secaucus and Meadowlands for smaller events. The project was a multi-agency effort among NJ TRANSIT, New Jersey Sports and Exposition Authority, Port Authority of New York and New Jersey and the New Jersey Department of Transportation.

30th Anniversary

Executive Director Sarles said this month NJ TRANSIT celebrates the 30th anniversary of the creation of NJ TRANSIT. He said five people will be inducted into the "Walk of Fame." Located on the sidewalk outside the building, there are currently 24 inductees. Names inscribed on the bricks include Bill Wright, Governor James Florio and Joe Burton, who worked his way up in rail operations from baggage handler to Hoboken General Superintendent. All of these people made great contributions to NJ TRANSIT over the years.

Executive Director Sarles announced the five inductees for 2009: Former Executive Director George Warrington. Mr. Warrington was a friend and colleague, who passed away in December, 2007. His energy and vision helped shape NJ TRANSIT from its very beginning. He was a major force in advancing the Mass Transit Tunnel project, among other initiatives that benefit NJ TRANSIT today. Executive Director Sarles was deeply honored that Hope Warrington, his widow, and David Warrington, his son, attended today's Board meeting.

Executive Director Sarles said founding Board Member John McGoldrick served 25 years on NJ TRANSIT's Board when he stepped down in 2005. He brought wisdom to the Board from the corporate world and as a commuter.

Executive Director Sarles said Benjamin Feigenbaum worked at NJ TRANSIT from the very beginning as a bus employee and worked his way up to Vice President/General Manager of NJ TRANSIT Bus Operations 1991-1993.

Executive Director Sarles said James R. Cantwell is the longest serving conductor, 45 years, with a sterling safety record. Mr. Cantwell was unable to attend the Board Meeting due to prior vacation plans and United Transportation Union Chairman Pat Riley accepted on his behalf.

Executive Director Sarles said Bus operator Edward Taylor works out of the Hamilton garage and has 31 years of safe driving.

Executive Director Sarles hopes all will enjoy a piece of cake after the meeting to honor the current and new inductees.

Chairman Dilts thanked the new inductees of the Walk of Fame for their ongoing commitment to NJ TRANSIT.

Advisory Committee

William Wright presented the Advisory Committee report. Mr. Wright said the Advisory Committee met in June and discussed the interesting statistics on transit ridership. He said ridership remained higher than expected even with all of the unemployment in the State. More people are discovering the value of transit locally as well as going to New York and Philadelphia. He said the Gloucester area is growing and in need of transit and looks forward to the Gloucester extension. Mr. Wright said the next Advisory Committee meeting is in September.

Board Member Flora Castillo presented the Administration Committee report to the Board. The Committee reviewed the Fiscal Year 2010 Operating Budget and Capital Program and discussed the recommendation for the pension plans' recordkeeper, trustee and administrator. The Committee heard from Bus, Rail and Light Rail about the service plans for statewide July 4 celebrations and also received a presentation on Condition Based Maintenance.

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

Albert L. Papp, Jr., New Jersey Association of Railroad Passengers, had several questions on agenda items. Mr. Papp said he understands that, due to budgetary constraints on the state and federal level, there may be service adjustments. He said last year there were severe midday service cuts on the Morris & Essex division. Mr. Papp asked what type of service adjustments will take place this year.

Mr. Papp said the continuing use of Multilevel equipment is ongoing. He said multiple-unit and dual mode electric and diesel were under consideration and asked where that project stands in the budget.

Mr. Papp asked where the funds would come from for Portal Bridge.

Mr. Papp said the Hoboken Ferry Terminal item is a continuation of the Imperatore ferries. He asked if rehabilitation would be allowed for a larger type ferry should it become necessary.

Mr. Papp said about a week ago there was a demonstration run from New Haven, Connecticut to New Jersey with Multilevel and ALP-46 equipment. He asked when that service is expected to occur.

David Peter Alan, Lackawanna Coalition, congratulated NJ TRANSIT on its 30th anniversary. Mr. Alan expressed concern about budget matters on many occasions. On the capital side, the Coalition remains concerned that there will not be enough funding available to complete the Portal Bridge and Mass Transit Tunnel projects, especially with the proposed deep cavern terminal, even if sufficient funds can be found to start these projects. On the operating side, the Coalition expressed deep concern that the amount of money available will not be enough to continue operating even present levels of service, even though the riding public needs the restoration of previously eliminated services and expansion of transit mobility.

Mr. Alan said they are again confronted with a cursory statement about a proposed budget with no detail presented, either in the board meeting documents or on the NJ TRANSIT website. This is not enough information to determine whether or not the money that riders and taxpayers contribute to NJ TRANSIT is spent wisely. He said not enough information is provided to know whether or not there will be reductions in service below current levels, due to lack of funds in the proposed budget.

Mr. Alan said this conduct does not meet the standards of New Jersey's Open Public Meetings Act. He raised this issue before the Board in December 2006 and the interpretative statements on the board agenda documents improved. Unfortunately, the statements on today's agenda do not satisfy the "right to know" which is the purpose of the statute. Mr. Alan mentioned this issue since that time and no action has been taken to improve public disclosure of financial and other information. Mr. Alan requested, for the record, that any vote on the budget be postponed until the next Board meeting, so that the riding and taxpaying public have a full and fair opportunity to review the proposed budget in detail and comment intelligently on it. Mr. Alan said he knows the Board will ignore the need for the public to have this information, as they always do, but his request is at least on the record.

Mr. Alan said there is one over-arching issue about this year's operating budget. There have been massive service cuts in the past few years especially on the Morris & Essex Lines. These service reductions were implemented without notice to the public. He said NJ TRANSIT said there would be no major service cuts, but management did not consider the cuts on the Morris & Essex Line in May 2008 to be major but he considers them severe. He needs to know where cuts are planned and exactly how severe they will be.

James T. Raleigh said he only had 32 minutes to review the operating and capital budget agenda items. He said that is hardly the three days you get to review the State budget. Mr. Raleigh compared the State budget to NJ TRANSIT's budget and NJ TRANSIT's budget lacks detail. Mr. Raleigh asked about the losses on the RiverLine and the Atlantic City Rail Line. He also asked what the experience is in cross honoring bus and rail when operating problems are experienced and how that impacts service quality and operating expenses.

Mr. Raleigh said the Portal Bridge item states that "advancing final design will enhance NJ TRANSIT's pursuit of Federal High Speed Rail funds available through the American Recovery and Reinvestment Act of 2009. Project design and construction efforts will be accomplished jointly between NJ TRANSIT and Amtrak." Mr. Raleigh said Amtrak has no funds. Mr. Raleigh said the agenda item is listed as the Portal Bridge Capacity Enhancement Project and in the budget it is listed as Portal Bridge Replacement. Mr. Raleigh wants to know which is correct.

Executive Director Sarles presented the following Action Items for approval:

0907-47: FISCAL YEAR 2010 OPERATING BUDGET

The \$1.789 billion operating budget is proposed for Fiscal Year 2010. The budget does not propose a fare increase, essentially maintains existing service levels and includes a \$62 million reduction in state support which helped balance the overall state budget. Authorization is requested for approval of the Fiscal Year 2010 Operating Budget.

Flora Castillo moved the resolution, James A. Carey, Jr. seconded it and it was unanimously adopted.

0907-48: FISCAL YEAR 2010 CAPITAL PROGRAM

The \$1.385 billion capital program proposed for Fiscal Year 2010 emphasizes Governor Corzine's commitment to support public transportation in New Jersey. A majority of the funding is targeted to state-of-good-repair projects, rolling stock modernization and funding to enhance bus routes and express bus services. The program also includes money for equipment acquisition and light rail construction projects, THE Tunnel project, an extension of the Hudson Bergen Light Rail Line in Bayonne, and the Lackawanna Cutoff. Authorization is requested for approval of the Fiscal Year 2010 capital program.

Patrick O'Connor moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

0907-49: BROADWAY BUS TERMINAL: CONSTRUCTION CONTRACT AWARD

Paterson's Broadway Bus Terminal was built in the 1930's and more than 1600 weekday passengers travel through it going to Newark, New York, Ridgewood, Wayne and Hackensack. In coordination with the City, which is undergoing a downtown revitalization effort, authorization is requested to approve a contract for improvements to the Terminal including an expansion of the Terminal building, new roof and HVAC system, installation of CCTV cameras and a canopy over the bus lanes to protect passengers during inclement weather. The lot will be repaved and remarked, and signage and passenger information will be improved. Following a competitive procurement process, the construction contract is proposed for John O'Hara Company of East Orange and the total cost will not exceed \$1,428,427.

Patrick O'Connor moved the resolution, James A. Carey, Jr. seconded it and it was unanimously adopted.

0907-50: PORTAL BRIDGE CAPACITY ENHANCEMENT PROJECT: CONTRACT AMENDMENT FOR EARLY ACTION FINAL ENGINEERING AND DESIGN

The 100 year old Portal Bridge over the Hackensack River is an outdated two track structure incapable of meeting present demands for expanded rail service into New York. The bridge's ability to open and close reliably for marine traffic has complicated operations for many years and remains a major concern given the number of daily trains it must accommodate. Preliminary engineering has been completed for a Portal Bridge Capacity Enhancement Project which will reconfigure the Northeast Corridor and construct two new spans over the river. Authorization is requested to begin some early action final engineering and design elements for right-of-way acquisition, staging areas, utility relocations, permit coordination, site remediation, construction platforms and access roads. This will be accomplished through a contract amendment with Portal Partners, Inc. for design and engineering support at a cost not to exceed \$16,744,680 plus five percent for contingencies.

Flora Castillo moved the resolution, James A. Carey, Jr. seconded it and it was unanimously adopted.

(NJT Board – 07/08/2009)

Executive Director Sarles presented the following Consent Calendar for approval:

0907-51: HOBOKEN FERRY TERMINAL – AGREEMENT OF LEASE BETWEEN NJ TRANSIT CORPORATION AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Authorization to take all necessary actions to execute a lease agreement between NJ TRANSIT and the Port Authority pertaining to NJ TRANSIT's leasing to the Port Authority part of the first level of NJ TRANSIT's Ferry Building for ferry operations, formalizing revenue sharing and to obligating the Port Authority to commit to pay to NJ TRANSIT the balance of its funding contribution to NJ TRANSIT for Phase 3 of the rehabilitation of the Hoboken Ferry Terminal Building.

0907-52: DEFINED CONTRIBUTION PLANS' RECORDKEEPER, TRUSTEE AND ADMINISTRATOR

Authorization to contract (No. 09-029) with Great-West Retirement Services of Greenwood Village, CO as administrator, recordkeeper, trustee and a co-fiduciary for NJ TRANSIT's 401(k) Defined Contribution Plan, the Rail Operations and Police Benevolent Association 401(a) Money Purchase Pension Plan, the Non-Agreement 401(a) Money Purchase Pension Plan, the 457 Deferred Compensation Plan (Non-Agreement), the 457 Deferred Compensation Plan (Rail) and the 457 Deferred Compensation Plan (Bus Union's). The contract will be for an initial period of three years from July 1, 2009 to June 30, 2012, with two independent one-year options, exercisable at NJ TRANSIT's discretion.

The Consent Calendar was moved by James A. Carey, Jr. and seconded by Flora Castillo.

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

David Peter Alan, Lackawanna Coalition, said the Coalition has consistently supported the expansion of the transit network on the principle that improved transit benefits everybody. Mr. Alan restated the concern that current policies will not allow for enough funding to operate a larger transit network, even though environmental and demographic concerns render an expanded transit network not only desirable, but necessary.

He said the Coalition supports the effort by community leaders in Montclair to bring weekend service to the Montclair-Boonton Line and supports the restoration of service to Scranton via the Lackawanna Cutoff. He said they want a large a network of mobility both for persons who are transit-dependent and as an alternative for persons with automobiles.

Mr. Alan said he has been promoting the idea of increased operating funding through Federal operating grants to transit. He discussed this issue with APTA, Congressional sources and others. Transit is in trouble everywhere and this initiative is sorely needed both here and elsewhere in the nation. Mr. Alan asked if NJ TRANSIT would join him and his colleagues in the effort to expand transit funding in the upcoming Surface Transportation Authorization Act to add operating support for transit. Any answer other than an unequivocal "yes" will signal indifference to the mobility needs of the riders who depend on NJ TRANSIT.

Mr. Alan said the Coalition is deeply concerned that severe service cuts are coming. In May of last year, riders on the Morris & Essex Lines lost nearly half of the off-peak service on weekdays and essentially all direct service to Hoboken on weekends. These drastic cuts were implemented without notice and in violation of the law. This policy is counterproductive because it discourages motorists from taking the train. It is also an act of outright hostility toward people who have no automobile and depend on NJ TRANSIT for all of their mobility needs.

Mr. Alan wants to work with NJ TRANSIT to ensure sufficient funding for the operating side of the transit budget, along with legally-binding assurances from NJ TRANSIT that an appropriate level of service will meet the increasing needs of the riding public. Mr. Alan is prepared to work alongside NJ TRANSIT in Trenton, Washington, and elsewhere if needed, but will not take on the battle for funding alone.

Mr. Alan said the new Morris & Essex schedule says that buses will substitute for trains on weekends on the Gladstone Line "until further notice". This leads to the inference that buses will permanently replace trains to Gladstone on weekends. Mr. Alan asked if weekend rail service to Gladstone is slated to return. Mr. Alan called for the beginning of an era of open communication and an end to the era of secrecy in transit decision-making. Mr. Duggan said the weekend rail service would return in October.

Albert L. Papp, Jr. commented on the continuing study by the Port Authority for an express bus lane inbound in the PM rush to New York City. He mentioned this issue to the Board on prior occasions and mentions it again since he personally experienced a one and one-half hour commute into New York in the PM rush. Mr. Papp requested a progress update on the establishment of an inbound PM bus lane at exit 16E on the Turnpike to the Lincoln Tunnel to the Bus Terminal in New York City.

Mr. Papp commented on the Maplewood pedestrian underpass. He said concrete is falling onto the underpass on the eastbound local track. He also noted that the wire is rusted. Mr. Papp requested that a crew be sent to Maplewood to correct the concrete from falling onto the local track in the pedestrian underpass.

James T. Raleigh distributed an article from the Asbury Park Press (June 20, 2009) titled "Monmouth Freeholders derail MOM line idea, for good". Mr. Raleigh observed that in the budget item, NJ TRANSIT included \$335,000 for the MOM passenger rail project. He said in the State budget that is called an earmark and the designation of an earmark is not included in NJ TRANSIT's budget. He said it is about time for NJ TRANSIT to finish the Draft Environmental Impact Statement instead of wasting time

on studies. He said the problem with Monmouth County is NJ TRANSIT's problem. NJ TRANSIT should proceed with the money in this year's budget.

Al Cafiero, on behalf of Senator Cardinale, said the topic of light rail is heating up in Tenafly. One criticism concerns why it would stop in Tenafly and not go further north. Mr. Cafiero said it was supposed to go to West Nyack but it was cut back to Tenafly. Mr. Cafiero asked NJ TRANSIT to tell the residents of Tenafly that NJ TRANSIT will consider going further north so they know NJ TRANSIT is thinking about it.

Since there were no further comments or business, Chairman Dilts called for adjournment and a motion to adjourn was made by James A. Carey, Jr. seconded by Patrick O'Connor and unanimously adopted. The meeting was adjourned at approximately 11:20 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

JULY 8, 2009

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ACTION ITEMS

0907-47	FISCAL YEAR 2010 OPERATING BUDGET	41242
	Adoption of the proposed Fiscal Year 2010 operating budget as detailed in the item and on the attached exhibits.	
0907-48	FISCAL YEAR 2010 CAPITAL PROGRAM	41249
	Adoption of the Fiscal Year 2010 Capital Program in the amount of \$1.385 billion, as described.	
	Authorization to take whatever actions are necessary to seek and secure the funds envisioned by this program.	
	Authorization to transfer funding sources and amounts among programmed projects as circumstances require in compliance with the terms and conditions of the grants and other funding sources.	
	Authorization to make application, execute contracts and take whatever other actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to its adoption.	

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
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REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
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**0907-49 BROADWAY BUS TERMINAL: CONSTRUCTION CONTRACT 41264
AWARD**

Authorization to contract (No. 09-111X) with the most responsive, responsible bidder for the rehabilitation of the Broadway Bus Terminal, at a cost not to exceed the budgeted amount, plus five percent for contingencies, subject to the availability of funds.

**0907-50 PORTAL BRIDGE CAPACITY ENHANCEMENT PROJECT: 41267
CONTRACT AMENDMENT FOR EARLY ACTION FINAL
ENGINEERING AND DESIGN**

Authorization to amend the contract (No. 08-042) with Portal Partners, Inc., of Audubon, Pennsylvania, for consultant services in support of the early action final design and engineering effort of the Portal Bridge Capacity Enhancement project at a cost not to exceed \$16,744,680, plus five percent for contingencies, for a total contract authorization of \$50,761,914, subject to the availability of funds.

CONSENT CALENDAR

**0907-51 HOBOKEN FERRY TERMINAL – AGREEMENT OF LEASE 41271
BETWEEN NJ TRANSIT CORPORATION AND THE PORT
AUTHORITY OF NEW YORK AND NEW JERSEY**

Authorization to take all necessary actions to execute a lease agreement between NJ TRANSIT and the Port Authority pertaining to NJ TRANSIT's leasing to the Port Authority part of the first level of NJ TRANSIT's Ferry Building for ferry operations, formalizing revenue sharing and to obligating the Port Authority to commit to pay to NJ TRANSIT the balance of its funding contribution to NJ TRANSIT for Phase 3 of the rehabilitation of the Hoboken Ferry Terminal Building.

**0907-52 DEFINED CONTRIBUTION PLANS' RECORDKEEPER, TRUSTEE 41276
AND ADMINISTRATOR**

Authorization to contract (No. 09-029) with Great-West Retirement Services of Greenwood Village, CO as administrator, recordkeeper, trustee and a co-fiduciary for NJ TRANSIT's 401(k) Defined Contribution Plan, the Rail Operations and Police Benevolent Association 401(a) Money Purchase Pension Plan, the Non-

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
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Agreement 401(a) Money Purchase Pension Plan, the 457 Deferred Compensation Plan (Non-Agreement), the 457 Deferred Compensation Plan (Rail) and the 457 Deferred Compensation Plan (Bus Union's). The contract will be for an initial period of three years from July 1, 2009 to June 30, 2012, with two independent one-year options, exercisable at NJ TRANSIT's discretion.

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 June 10, 2009, 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 June 11, 2009;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the June 10, 2009 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.

Jon S. Corzine
Governor

Stephen Dilts
Board Chairman

Richard R. Sarles
Executive Director



TO: BOARD OF DIRECTORS
FROM: RICHARD R. SARLES *Richard Sarles*
DATE: JULY 8, 2009
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JULY 2009

Today we are presenting the Fiscal Year 2010 (FY10) operating and capital budgets for the Board's consideration, with a focus on identifying efficiencies and cutting administrative spending to achieve a budget that contains no fare increase and no major service cuts. By absorbing a \$62 million reduction in assistance from the state, we have helped the state to balance its budget.

The \$1.79 billion operating budget includes only two new services—Meadowlands rail service and the addition of special express bus service in Newark as part of the federally funded Liberty Corridor initiative. We identified \$22.5 million in administrative savings through furloughs, wage freezes, and reductions in certain contracts, printing and other administrative programs—enabling us to reduce administrative expenses to a historic low of eight cents per dollar. This year we anticipate almost \$780 million in passenger fare revenue. Given a volatile economy, we will monitor ridership trends as we are assuming a modest 2 percent general increase in ridership, as well as fuel and other commodity costs.

On the capital side, thanks to the efforts of Governor Jon S. Corzine and our congressional delegation, we have already launched or will soon start a number of capital projects through the state's accelerated capital program and the American Recovery and Reinvestment Act. In addition to advancing stimulus projects, the \$1.39 billion capital program invests in new rail cars and buses, advances capacity-building projects for future ridership growth, and maintains our existing system in a state of good repair. Last month we broke ground on the Mass Transit Tunnel, and the capital program will advance other key projects, including the Hudson-Bergen Light Rail extension to 8th Street in Bayonne; Newark Light Rail infrastructure improvements; bus terminal repairs; new bus shelters and enhanced bus service; Ridgewood and Somerville station accessibility projects; Metropark and South Amboy station platform projects; and bridge rehabilitation, track replacement, and signal and security upgrades systemwide.

I am pleased to announce the official start date for rail service to the Meadowlands Sports Complex, which launches Sunday, July 26 for the Gold Cup soccer final and will operate for major events at Giants Stadium. The new service from Hoboken to the Meadowlands Sports Complex with a stop at Secaucus, will provide customers with a convenient transfer at Hoboken or Frank R. Lautenberg Station at Secaucus Junction via a new rail spur—part of a multi-agency effort between NJ TRANSIT, the New Jersey Sports and Exposition Authority, the Port Authority, and the New Jersey Department of Transportation. Rail service to all Giants and Jets home games will be in place for 2009-2010 season, replacing shuttle bus service from Secaucus, which will continue to operate for small events.

The Board will also consider an item to renovate Broadway Bus Terminal in Paterson, including exterior work, new heating and air-conditioning, a new public address system and departure information screens. The project will benefit the 1,600 customers who use the terminal for travel to and from Newark, New York and a host of Passaic and Bergen County destinations. Work is expected to begin this summer, with completion by late spring next year.

Also before the Board is a long-term lease that, pending approval by the Port Authority Commissioners later this month, will advance the third and final phase of the Hoboken Ferry Terminal restoration project. When completed in 2011, the project will return permanent ferry service to the historic building and create a new ferry waiting area for customers. Hoboken ferry service was discontinued in 1967, but was reintroduced in 1989 at a temporary facility. The final phase of construction will include construction of the ferry loading area, work on the ferry service ticket offices and waiting area, passenger amenities, utilities, ferry barges and gangways.

Finally, this month we are celebrating NJ TRANSIT's 30th anniversary by inducting five people into our "Walk of Fame." Located on the sidewalk outside of the Headquarters building, the "Walk of Fame" currently features 24 inductees whose names are inscribed on the bricks. All of the people on the "Walk of Fame" made great contributions to NJ TRANSIT over the years, including the 2009 inductees—former Executive Director, the late George Warrington; former Board member John McGoldrick; former Vice President and General Manager of Bus Operations Benjamin Feigenbaum; and James R. Cantwell and Edward Taylor, longtime rail and bus employees with outstanding safety records.

EXECUTIVE DIRECTOR'S MONTHLY REPORT JULY 2009

- 1. HIGHLIGHTS**
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HIGHLIGHTS

NJ TRANSIT approves purchase of 175 new bus shelters

On June 10, 2009, the NJ TRANSIT Board of Directors approved the purchase and installation of 175 bus shelters that will improve the commuting experience for bus customers throughout the state.

The Board authorized a \$1.1 million contract with Handi-Hut, Inc., New Jersey, for the purchase and installation of new bus shelters throughout the state over a three-year period. The project includes construction of the shelters, concrete pads, and incidental items such as bollards, retaining walls, curbs and curb cuts where needed.

As part of its Bus Stops and Shelters Program, NJ TRANSIT supplies shelters at no cost to the communities that request them, provided they agree to accept responsibility for maintenance and liability. Since the program's inception in 1981, NJ TRANSIT has provided more than 2,500 bus shelters to communities.

The first phase of towns slated to receive the new shelters includes Hamilton, East Windsor, Fort Lee, East Orange, Merchantville, Livingston, Edison, Woodbury, Clayton, Berkeley Township, and North Bergen.

Funding for the project is being provided through the American Recovery and Reinvestment Act (ARRA). The project is expected to create about 11 jobs.

Construction is expected to begin this fall and be completed in 2012.

NJ TRANSIT approves purchase of new electric locomotives

Also June 10, the NJ TRANSIT Board of Directors approved the purchase of nine additional electric locomotives—for a total order of 36—that will provide better acceleration and reliability while pulling the agency's growing fleet of multilevel rail cars.

In December 2007, the Board authorized a \$245 million contract with Bombardier Transit Corporation of Bensalem, PA, for the purchase of 27 ALP-46A electric locomotives, including spare parts, with the option to purchase additional locomotives in the future.

Last month's Board action enables the agency to purchase an additional nine ALP-46A electric locomotives and spare parts at a cost of \$72 million.

NJ TRANSIT currently operates a fleet of 32 ALP-44 electric locomotives and 29 ALP-46 electric locomotives. The ALP-46A electric locomotives on order pull longer train lengths with better acceleration than other NJ TRANSIT locomotives. For example, the new ALP-46A electric locomotive is capable of pulling 10 multilevel cars in regular service, while the older ALP-44 electric locomotive currently can pull only six multilevel cars.

The first ALP-46A electric locomotives are expected to arrive early next year, with complete delivery anticipated in mid-2011.

NJ TRANSIT approves exterior work on Chatham Station

The NJ TRANSIT Board of Directors on June 10 approved work to renovate the exterior of Chatham Station on the Morris & Essex Lines—a project that will offer improved facilities for customers while extending the useful life of the station and shelter buildings.

The Board authorized a \$988,000 contract with Cumberland USA, Inc. of Saddle Brook, NJ, for construction work to repair and replace the roof system, including new roof tiles and soffits; upgrade the electrical system and outside canopy lighting; replace the existing gutters and leaders; install new wiring and exterior speakers, including those located in the pedestrian tunnel; and restore the masonry and concrete surfaces of the eastbound and westbound station buildings.

Chatham Station was constructed in 1915 and serves approximately 1,500 customers on a typical weekday.

Construction is expected to begin this summer, with completion anticipated in spring 2010.

NJ TRANSIT set to fully restore historic Rutherford Station

U.S. Representative Steven R. Rothman and NJ TRANSIT Executive Director Richard Sarles joined Rutherford Mayor John F. Hipp on June 22 at the historic Rutherford Station on the Bergen County Line to mark the completion of exterior renovations and announce the start of interior restoration work that will preserve the building as both a transit facility and community landmark.

NJ TRANSIT kicked off the first phase of the two-phase project in May 2008, with the Board of Directors awarding a \$1.4 million contract to DMR Construction Services Inc., of Waldwick, NJ, to restore the original exterior of the historic station.

In May 2009, the Board authorized a \$988,000 contract with Collette Contracting, Inc., of Rutherford, for construction work on the second phase of the project—expected to be completed in spring 2010—to refurbish the interior of the station.

The recently completed exterior work included design and restoration of masonry; thorough cleaning of brick, sandstone, limestone and bluestone; restoration of the copper-clad window enclosure; and repair and replacement of window sills, doors, exterior columns and soffits.

Interior work is being funded entirely with \$1.9 million in federal funding secured by Congressman Rothman, and will include restoration of the main station building's ceiling and floors, windows, doors, wood benches, plaster surfaces, and wood frames and moldings, as well as the replacement of exterior windows and doors in the taxi stand building.

Listed on the State and National Registers of Historic Places, Rutherford Station was constructed in 1898 and serves approximately 1,030 customers on a typical weekday.

CUSTOMER AND COMMUNITY INITIATIVES

After 30-year absence, bus service returns to Asbury Park boardwalk

On June 25, NJ TRANSIT Executive Director Richard Sarles joined Asbury Park Mayor Kevin G. Sanders and other local officials on Ocean Avenue to celebrate the return of beachfront bus service along the city's boardwalk.

NJ TRANSIT resumed service along five central blocks of Asbury Park's beachfront for the first time in about 30 years, which will help spur the city's revitalization efforts and its reemergence as a Jersey Shore destination.

Saturday, June 27, marked the official launch of direct service along Ocean Avenue with adjustments to the 832 (Red Bank-Monmouth Mall-Asbury Park) and the 837 (Long Branch-Asbury Park-Seaview Square Mall) routes. The buses operate on Ocean Avenue between Asbury and Fifth avenues.

New bus stops have been marked with signs at Cookman and Asbury avenues and at Ocean and Fourth avenues.

The 832 operates approximately every 30 minutes during the day Monday-Saturday and hourly after 6 p.m. It operates hourly on Sundays. The 837 operates with hourly service Monday-Saturday, with no Sunday service.

The 837 began operating along Ocean Avenue on an interim basis June 13, with the official launch of Ocean Avenue service for both routes on June 27, coinciding with systemwide bus schedule adjustments.

NJ TRANSIT launches new branch of Jersey City bus route to provide more service to Hudson County Plaza

NJ TRANSIT introduced a new branch of the No. 6 Ocean Avenue bus route starting Monday, June 29, to connect more Jersey City residents with the Journal Square area, County government offices and light rail service options.

In February 2008, NJ TRANSIT introduced the No. 6 Ocean Avenue-Journal Square bus route to replace the discontinued Coach USA Bus No. 99, which operated between Greenville and Journal Square.

The new No. 6 branch, called the "Lafayette Loop," connects the Lafayette neighborhood and a section of Garfield Avenue with the Journal Square area in Jersey City, addressing a service gap identified in NJ TRANSIT's Jersey City Bus Study that is currently being completed.

The new Lafayette Loop service supplements existing No. 6 service to provide four trips per hour during peak periods and two trips per hour during off-peak periods between Journal Square and "The Junction" area of Jersey City via Hudson County Plaza. It also connects Hudson County Plaza and Journal Square with two Hudson-Bergen Light Rail stations: Garfield Avenue and Liberty State Park.

The Lafayette Loop operates in a continuous loop within the Lafayette neighborhood, originating and ending trips at Journal Square between approximately 6 a.m. and 7 p.m. weekdays.

NJ TRANSIT makes major service change to No. 39 bus route

As part of a broader effort to put seats where they are needed most, NJ TRANSIT's No. 39 bus route was split into two routes starting June 27, 2009, to provide more service for customers traveling to and from Newark Penn Station and to improve reliability. A new bus route—the No. 30—was introduced to serve customers in North Arlington, Kearny, Harrison and Newark.

As a result of these changes, customers along the new No. 39 route now benefit from more direct service to Newark Penn Station, making it easier to make connections to other modes. In addition, by shortening the length of the route, buses operate more reliably for all customers.

All customers continue to have bus service from their regular bus stop to downtown Newark. However, customers who travel through downtown Newark (e.g. from Irvington through to North Arlington) now have to transfer between the No. 30 and No. 39 routes on Broad Street or at Newark Penn Station.

Effective June 27, the new No. 39 operates between Irvington and Newark Penn Station, serving all of the same stops between these locations. However, No. 39 buses no longer serve points north of Raymond Boulevard in Newark, Harrison, Kearny or North Arlington. Most No. 39 buses begin and end their trips at Newark Penn Station. Certain trips, known as "39X" (EXPRESS), continue to operate to and from Washington Park in Newark.

The new No. 30 bus route serves bus stops previously served by No. 39 buses in North Arlington, Kearny, and Harrison, as well as selected stops along Broad Street in Newark. On weekdays until 6 p.m., buses operate from North Arlington to/from Lincoln Park in Newark. Starting with the 6:20 p.m. departure from North Arlington on weekdays and all day on weekends, No. 30 buses begin/end their trips at Newark Penn Station. (On weekdays, the first trip from Newark Penn Station to North Arlington departs at 7:05 p.m.)

NJ TRANSIT rolls out service to great summer destinations

This summer, NJ TRANSIT is again offering an array of money-saving packages to destinations such as the Jersey Shore, Six Flags, Monmouth Park and more. The special summertime deals allow customers to travel to recreational destinations without the hassles and expense of driving.

NJ TRANSIT's summer services and customer discounts include:

Beach packages

- Save up to \$6.50 on admission to six great beaches – Long Branch, Asbury Park, Ocean Grove, Bradley Beach, Belmar and Manasquan – by purchasing a NJ TRANSIT Beach Package (round-trip train fare and a beach admission ticket) in a single transaction at NJ TRANSIT ticket vending machines (choose “Special Promotions” and select “Beach Package”) or at ticket windows.
- Customers can purchase the package for \$22 from Penn Station New York or any station on the Main, Bergen County or Pascack Valley lines, and for \$17 from Hoboken or Newark Penn Station.

Six Flags Great Adventure or Hurricane Harbor package

- Save up to \$38 by purchasing round-trip bus transportation and park admission ticket together. Package deals are available from ticket agents at the Port Authority Bus Terminal in New York, Newark Penn Station, Philadelphia Greyhound Terminal or NJ TRANSIT's Walter Rand Transportation Center in Camden.
- Customers traveling to Six Flags on the 307 bus from Freehold can also save on park admission by presenting their bus fare receipt at the Six Flags guest services window.

Monmouth Park Racetrack package

- Enjoy a day of thoroughbred racing at Monmouth Park, with convenient daily North Jersey Coast Line service to the park. At NJ TRANSIT ticket vending machines, choose "Special Promotions," and select "Monmouth Racetrack," and save \$5 compared to purchasing train tickets, park admission and program separately.

Atlantic City

- The Atlantic City Rail Line offers free parking at many stations, making it an affordable, hassle-free option to enjoy Atlantic City's free beaches and nightlife glamour.
- NJ TRANSIT has partnered with several Atlantic City hotels, restaurants and businesses to offer discounts on meals, accommodations, shopping, fishing trips and other attractions.
- A consortium of Atlantic City hotels and casinos offer deluxe rail service from New York and Newark. For more information, visit www.acestrain.com.

Express bus service to the shore

- NJ TRANSIT offers express bus service from New York, Newark, Jersey City and Philadelphia to various Jersey Shore destinations including Seaside Heights, Seaside Park, Island Beach State Park, Atlantic City, Wildwood and Cape May.

Details on all NJ TRANSIT summer services and customer discounts are available online at www.njtransit.com/summer.

NJ TRANSIT supplements weekend service for customers attending 4th of July fireworks

With tens of thousands of spectators from around the region expected to gather along the New Jersey waterfront on the Fourth of July for the Macy's fireworks display, NJ TRANSIT offered travel tips to customers attending the big show, reminding them to plan ahead, arrive early and purchase tickets in advance.

To provide additional capacity for the event, NJ TRANSIT supplemented existing weekend service with 13 additional trains in and out of Hoboken Terminal on the Morris & Essex Lines, including eight trips between Gladstone and Hoboken and five trips between Summit and Hoboken. Service on other NJ TRANSIT lines operated on a weekend schedule, with additional cars added to scheduled trains to provide more seats.

Three trains scheduled to depart Hoboken between 9-10 p.m. departed approximately 30 minutes later than normal to better accommodate customers attending the fireworks display:

In addition, Hudson-Bergen Light Rail—which services Hoboken Terminal, Liberty State Park and several stations along the Waterfront—operated all two-car trains to provide double capacity. Light rail service operated on a regular weekend schedule, with trains every 7-15 minutes.

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Eighteen NJ TRANSIT employees retired in June with careers ranging from 13 to 42 years of service:

1. Winifred Heckel (Woodbridge) Principle Accountant, GOB – 42 years
2. William McManimon (Newton, PA) Deputy Treasurer, Penn Plaza – 40 years
3. Garnet Dorreman (Clifton) Repairman "A," Oradell Garage – 36 years
4. Jack Kanarek (Lawrenceville) Sr. Director Project Dev., Penn Plaza – 36 years
5. Willie Woodard (Hamilton) Bus Operator, Howell Garage – 36 years
6. Kenneth Czyzyk (Bordentown) Cleaner, Hamilton Garage – 33 years
7. Brian Townsend (Bristol, PA) Supv. TVM Cntrl/Audit – 31 years
8. Aaron E. Johnson (Roselle) Stock Clerk, Ironbound Garage – 30 years
9. Thomas G. Lang (Newton) Director Rail Intra Const., Penn Plaza – 30 years
10. Jose Reyes (West Paterson) Bus Operator, Market Street – 29 years
11. Paul Astone (Brick) Bus Operator, Howell Garage – 28 years
12. Thomas McErlean (Monroe, NY) Maintenance Supt., Greenville Garage – 28 years
13. Steve Nordahl (Bethlehem, PA) Project Manager, Penn Plaza – 25 years
14. Stephen Sims (Irvington) Assistant Manager, Hoboken Station – 18 years
15. Lawrence Blamo (Newark) Bus Operator, Hilton Garage – 17 years
16. Barbara Davis (Newark) Bus Cleaner, Hilton Garage – 17 years
17. Serge Celestin (East Orange) Bus Operator, Fairview Garage – 14 years
18. Carlos A. Yi Chin (Fairview) Bus Operator, Fairview Garage – 13 years

DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Diversity DBE/SBE Participation

Federally Funded Contracts

\$47,276,604 in federal funds were awarded during October through June of FY 09.* Disadvantaged Business Enterprises (DBEs) were awarded \$10,837,210 or 22.9 percent, which includes both race conscious and race neutral awards.

State Funded Contracts

\$113,778,761 in state-funded contract dollars were awarded during July through June FY 09. ** Of that total, Small Business Enterprises (SBEs) received \$24,642,324 or 21.7 percent. Category 1 SBEs received \$219,768 or 0.2 percent. Category 2 SBEs received \$5,836,016 or 5.1 percent. Category 3 SBEs received \$3,352,214 or 3 percent. Category 4 SBEs received \$579,600 or 0.5 percent. Category 5 SBEs received \$14,020,100 or 12.3 percent. Category 6 SBEs received \$634,626 or 0.6 percent ***

Federal & State Contracts Total

\$161,055,365 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$35,479,534 or 22 percent of federal and state contract dollars was won by DBEs and SBEs.

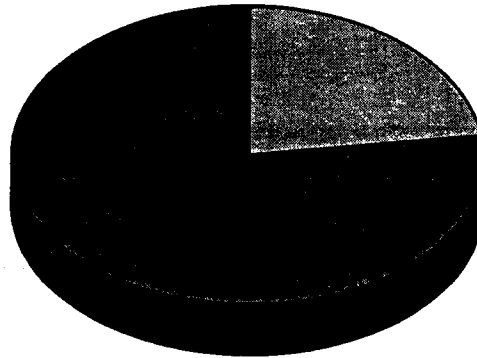
*Fiscal year beginning October 1, 2008

**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, Cat 6 (construction)-Up to \$33.5 million

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THROUGH JUNE 09)***

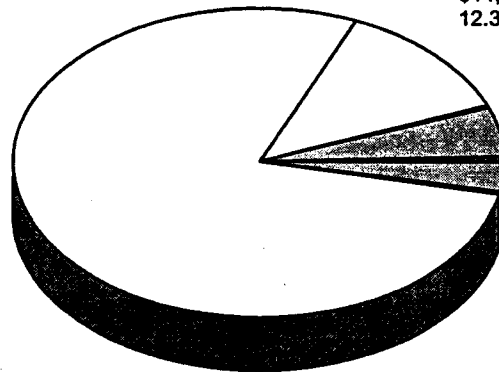
NON-DBE
FEDERAL
\$36,439,394
77.1%



DBE RACE
NEUTRAL & RACE
CONSCIOUS
\$10,837,210
22.9%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THROUGH JUNE 09)****

NON-SBE STATE
\$89,136,437
78.3%



SBE-5
\$14,020,100
12.3%

SBE-4
\$579,600
0.5%

SBE-2
\$5,836,016
5.1%

SBE-6
\$634,626
0.6%

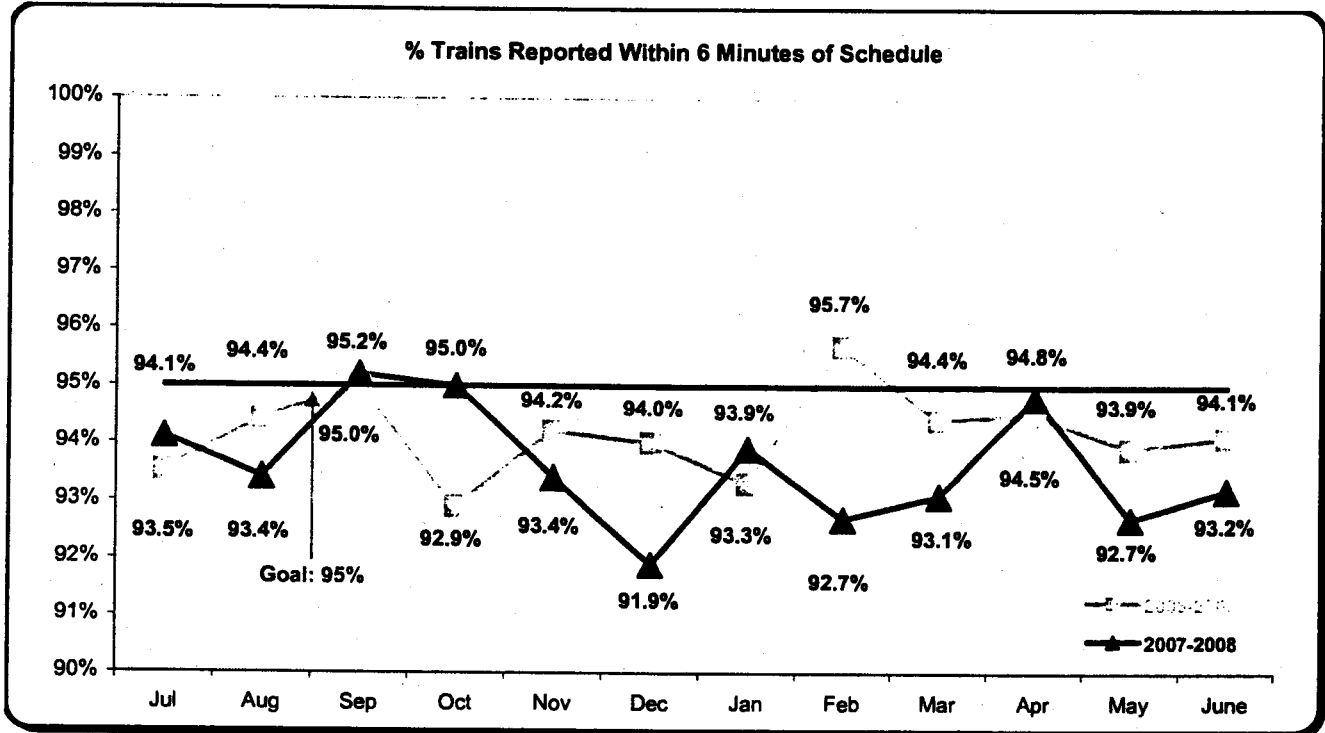
SBE-3
\$3,352,214
3%

SBE-1
\$219,768
0.2%

Fiscal Year Beginning October 1, 2008*
Fiscal Year Beginning July 1, 2008**
(This report covers contracts above \$29,000)

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL JULY 2007 - JUNE 2009



	2008	2009	# Change
June Comparison	93.2%	94.1%	0.9%

	2007-2008	2008-2009	# Change
12-Month Average July - June	93.6%	94.2%	0.5%

Analysis:

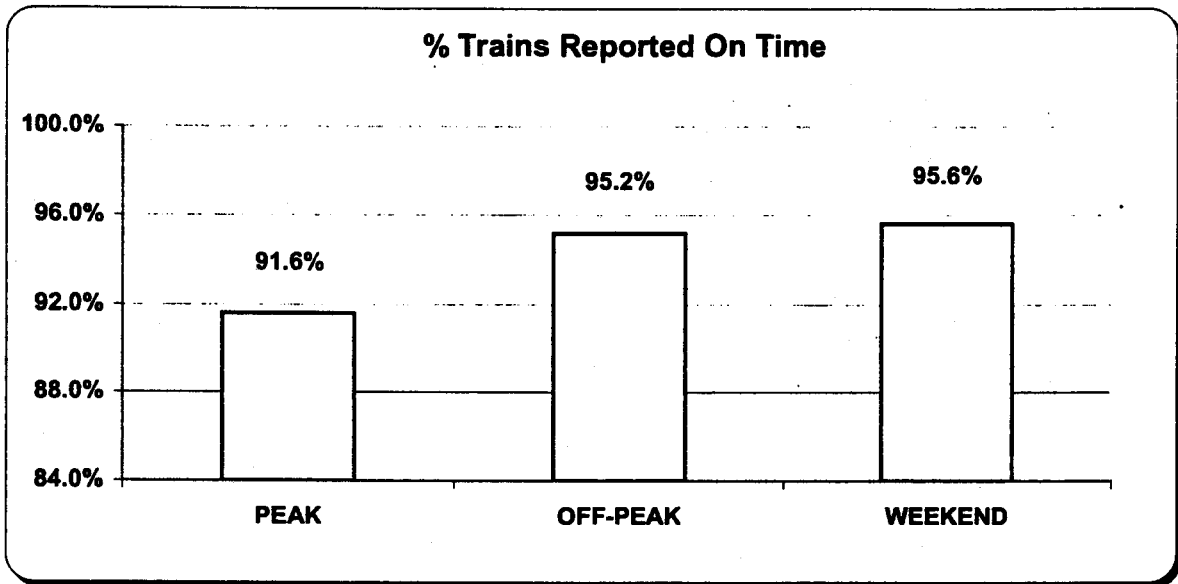
Rail On-Time Performance was 94.1% for June 2009. Of the 18,868 trains that were scheduled to operate, 17,751 were on time, while 1,117 trains (or 5.9%) were delayed. Key causes included:

- Amtrak signal failure in Penn Station New York on 6/1.
- Amtrak switch failure near Portal Bridge on 6/12.
- Fallen trees on the NJCL and M&E on 6/26.

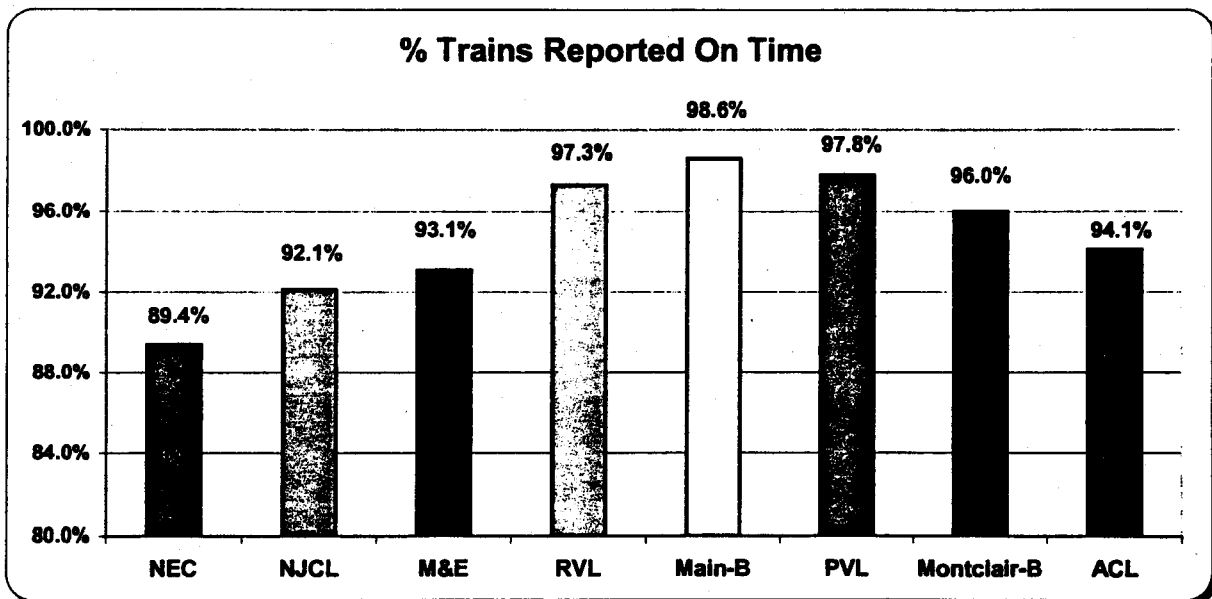
The 12-month average for Rail On-Time Performance for July 2008 - June 2009 was 94.2%.

ON-TIME PERFORMANCE RAIL

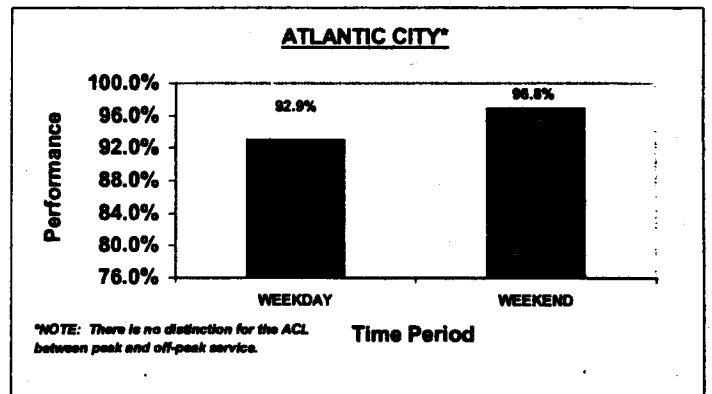
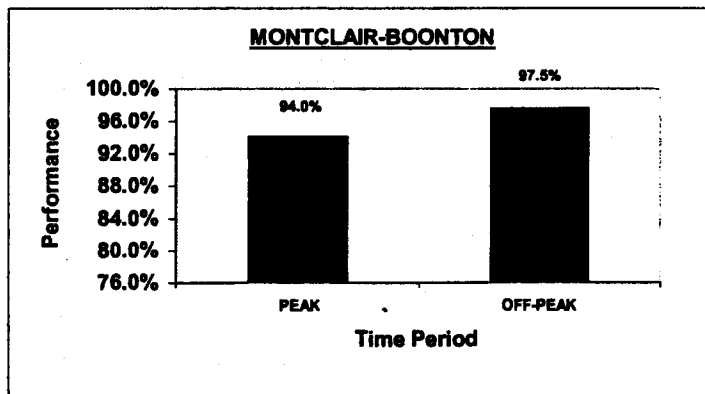
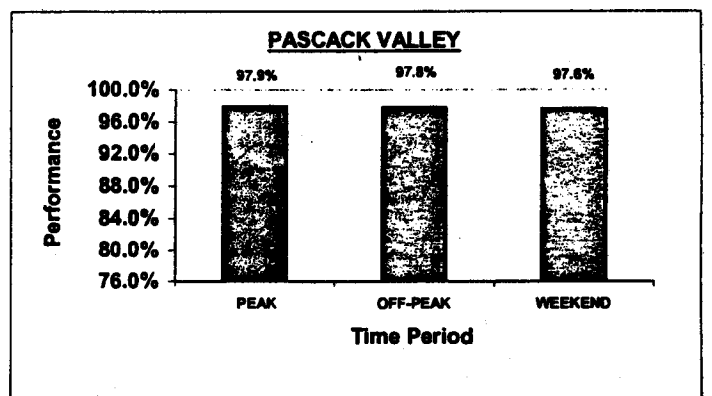
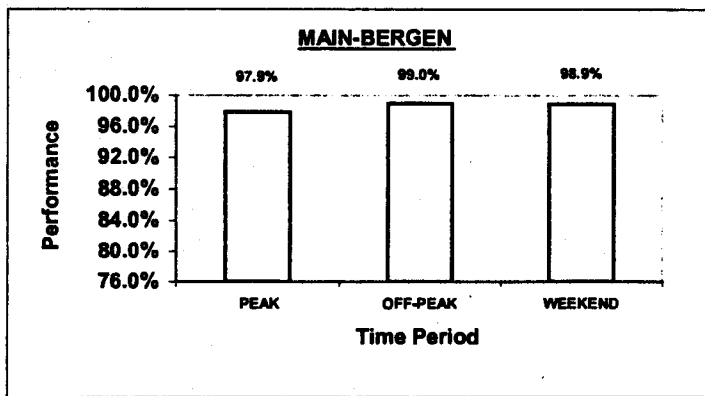
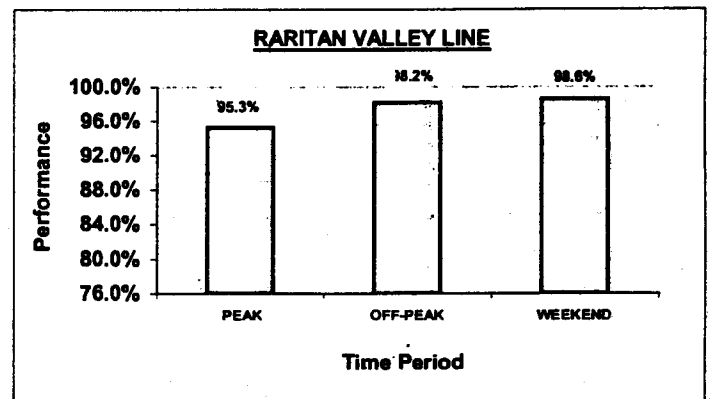
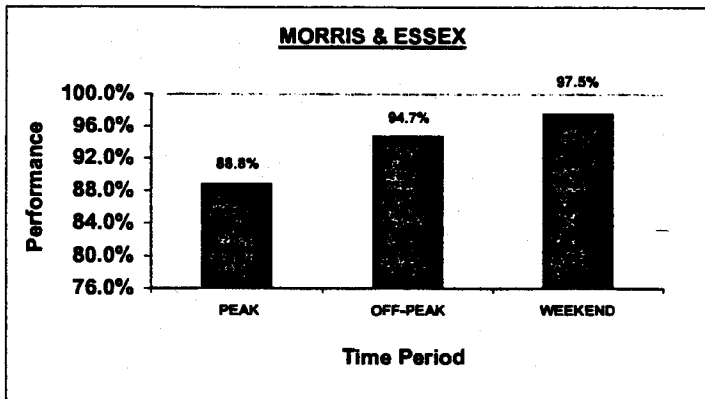
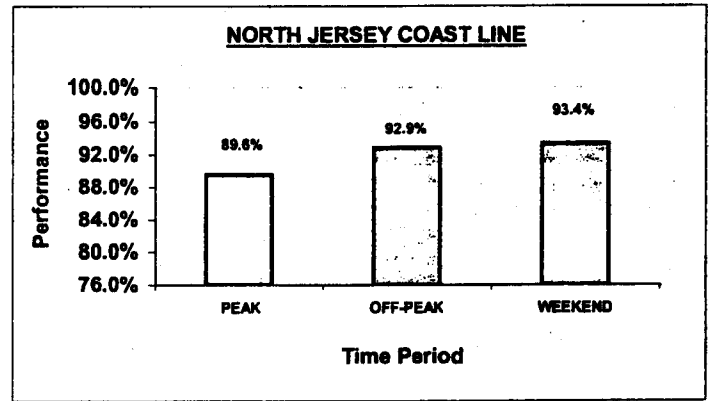
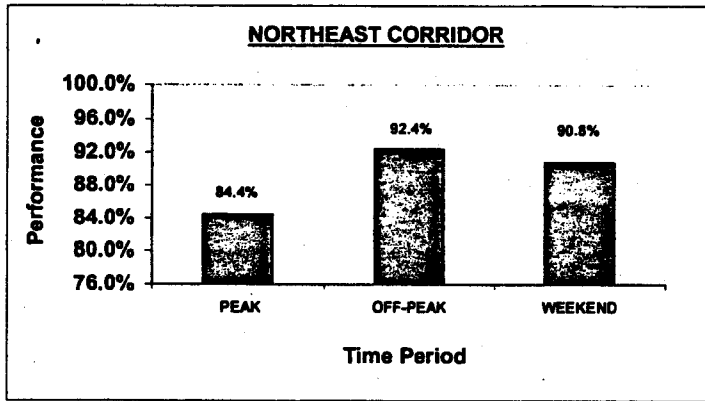
SUMMARY BY TIME PERIOD JUNE 2009



SUMMARY BY LINE JUNE 2009

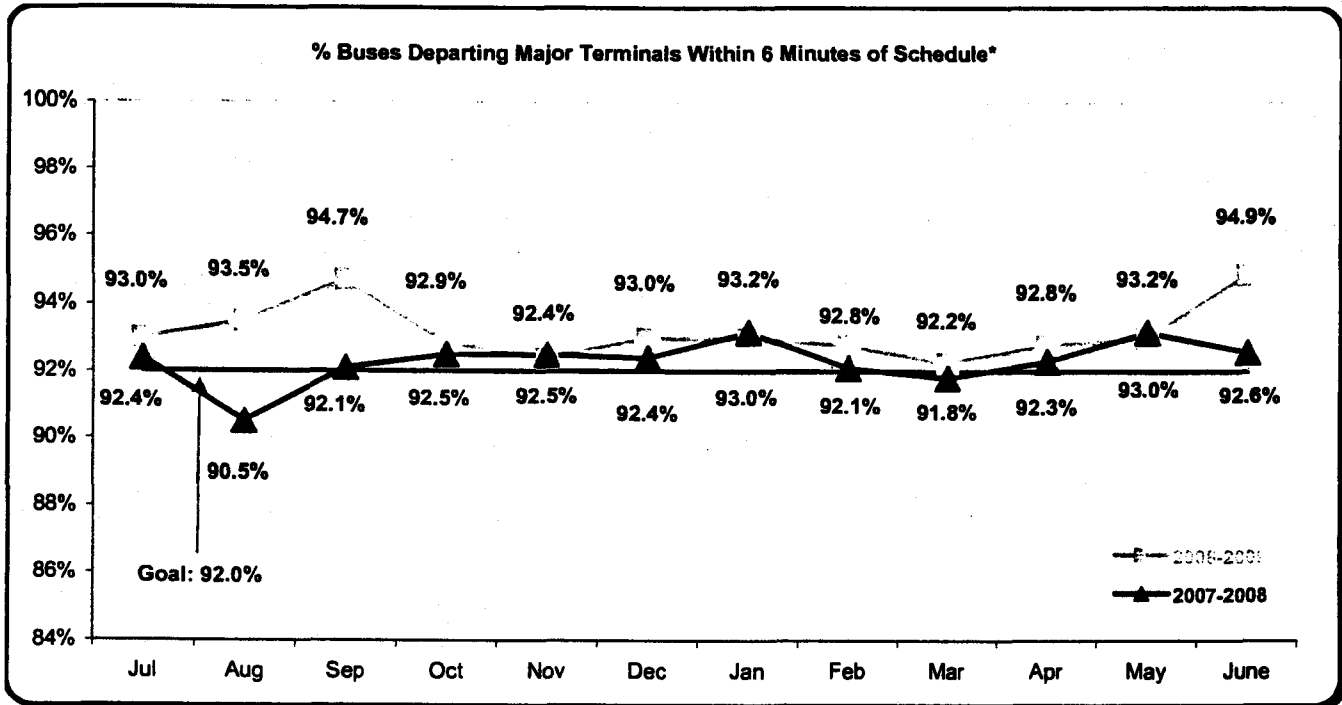


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JUNE 2009



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

NJ TRANSIT ON-TIME PERFORMANCE BUS JULY 2007 - JUNE 2009



*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.

	2008	2009	% Change
June Comparison	92.6%	94.9%	2.3%

	2007-2008	2008-2009	% Change
12-Month Average July - June	92.3%	93.2%	0.9%

Analysis:

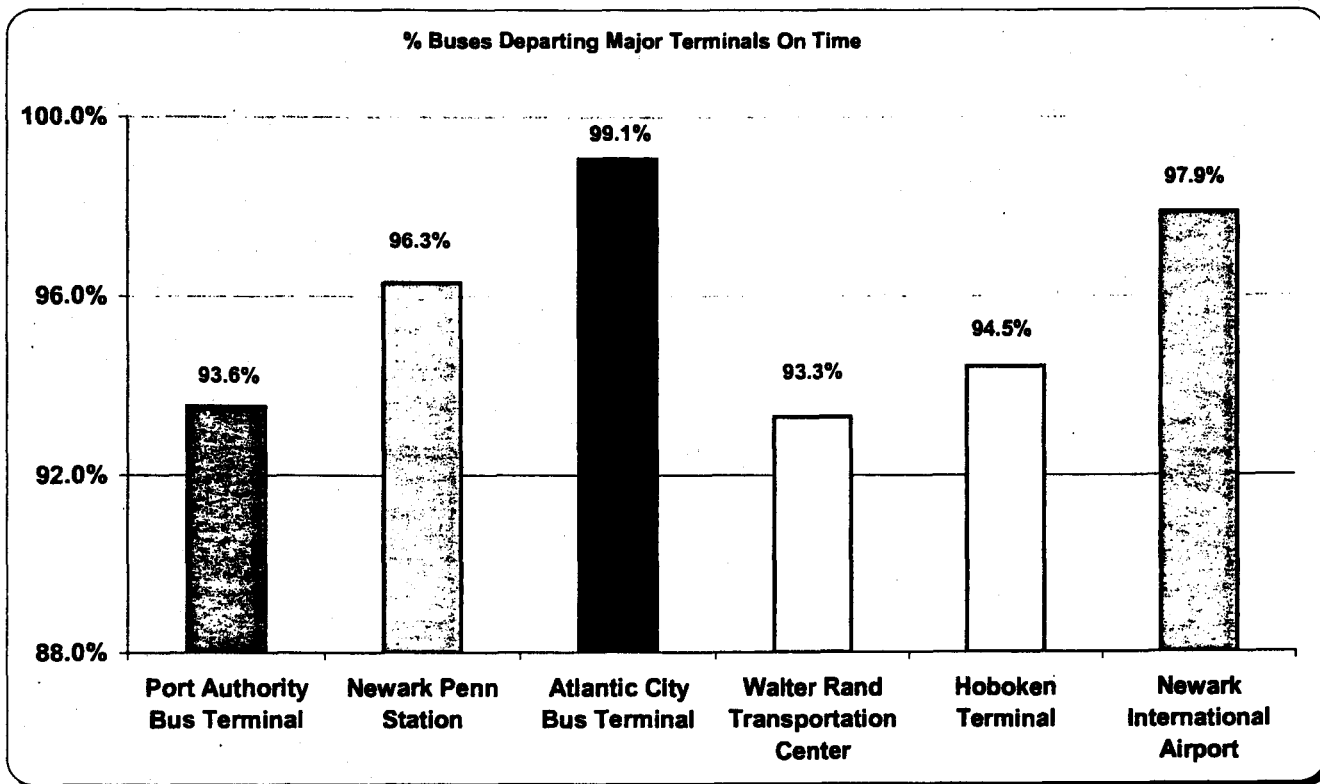
Bus On-Time Performance was 94.9% for June 2009. Of the 36,059 monitored departures, 1,838 (or 5%) experienced delays. Key causes included:

- Port Authority buses were impacted by the closure of the North Tube of the Lincoln Tunnel on 6/2.
- Police action affected Newark Penn Station buses on 6/21.
- Walter Rand Transportation Center buses were impacted by heavy rain and flooding on Admiral Wilson Blvd. and an accident on the Atlantic City Expressway on 6/9.
- Heavy rain and an accident on Paterson Plank Road impacted Hoboken Terminal buses on 6/4.

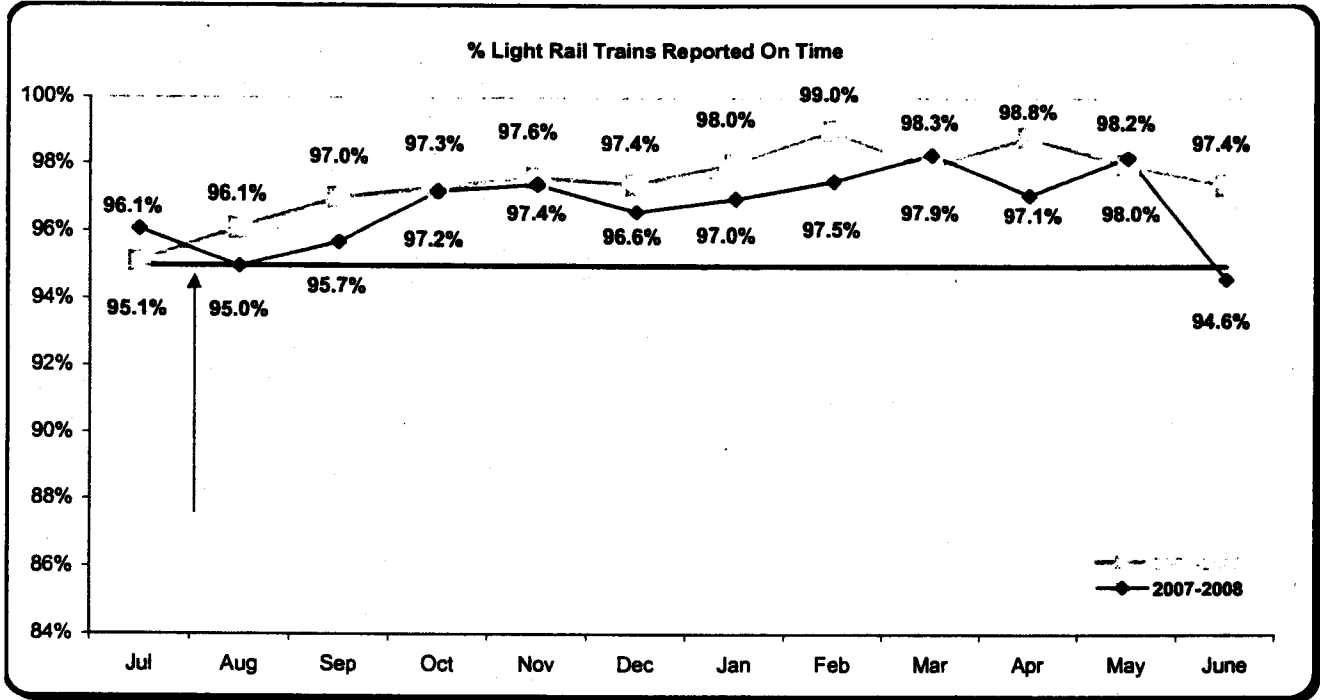
The 12-month average for Bus On-Time Performance for July 2008 - June 2009 was 93.2%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL JUNE 2009



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL - SYSTEMWIDE JULY 2007- JUNE 2009



*Note: Starting May 2007

	2008	2009	# Change
June Comparison	94.6%	97.4%	2.8%

	2007-2008	2008-2009	# Change
12-Month Average July - June	96.7%	97.5%	0.8%

Analysis:

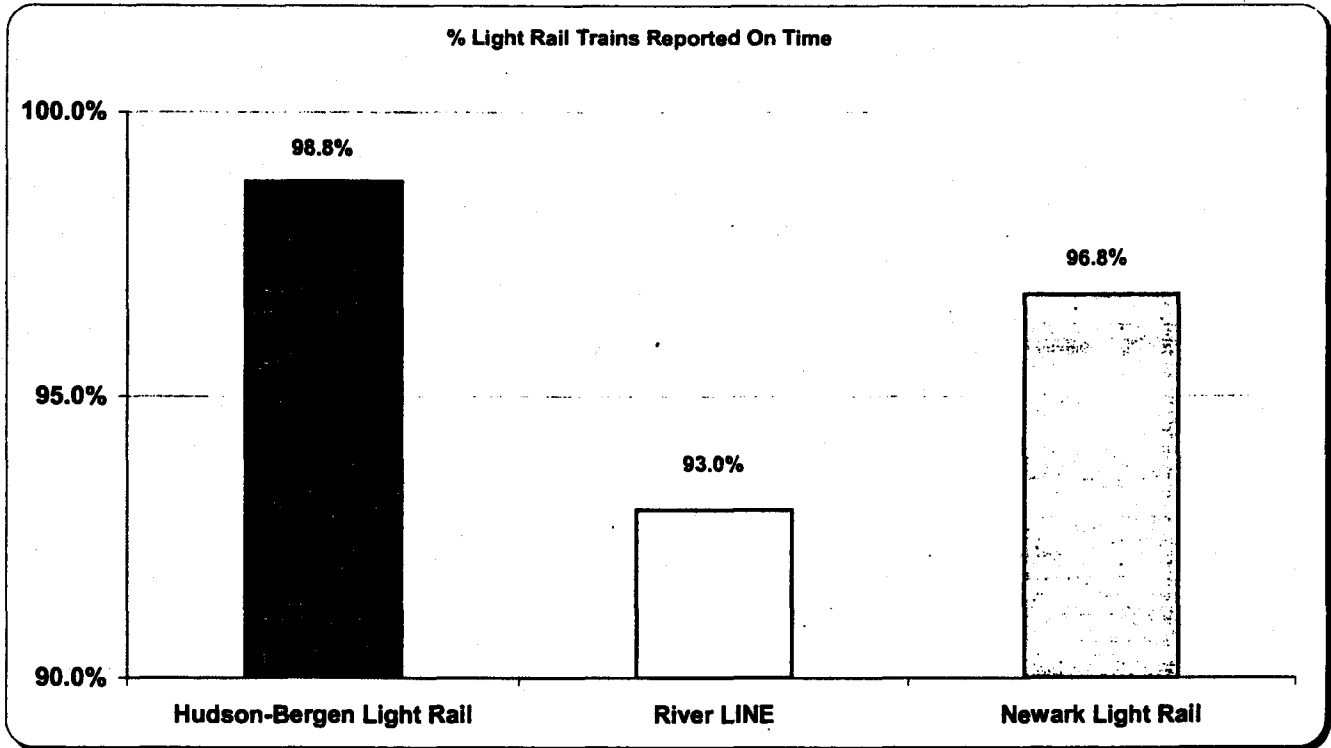
Light Rail On-Time Performance systemwide was 97.4% for the month of June 2009. Of the 30,256 scheduled trains, 769 (or 2.5%) experienced delays. Key causes included:

- HBLR overhead wire damage on 6/28.
- Heavy River LINE ridership due to a concert at the Susquehanna Bank Center on 6/13.
- Disabled Newark Light Rail equipment at Orange Street station on 6/24.

The 12-month average for Light Rail On-Time Performance for July 2008 - June 2009 was 97.5%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE JUNE 2009



ACTION ITEM

ITEM 0907-47: FISCAL YEAR 2010 OPERATING BUDGET**BENEFITS**

Staff seeks the Board's adoption of the Fiscal Year 2010 Operating Budget and authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2011 Budget. The budget includes expenditures of \$1,789.9 million offset by \$872.3 million of passenger and other system generated revenues, \$296.2 million in State Operating Assistance and \$621.4 million from other State and Federal reimbursements. Approval of this budget is necessary to direct resources to support the continued operation of NJ TRANSIT Bus, Rail and Light Rail services.

The proposed budget obviates the need for a fare increase, essentially maintains existing service levels and allows a \$62 million, or 17 percent, reduction in State support to assist in balancing the overall statewide budget.

Given the continuing statewide fiscal challenges, new service growth will be extremely limited. In fact, only two new services will be added – the Meadowlands Rail service to the new sports complex and the addition of special express bus service in Newark as part of the federally funded Liberty Corridor study. In addition, targeted incremental bus service will be added to relieve severe overcrowding and fully annualize service added in Fiscal Year 2009.

The proposed Fiscal Year 2010 Operating Budget continues NJ TRANSIT's commitment to operating as efficiently as possible. A total of \$22.5 million in administrative savings has been achieved through initiatives such as planned furloughs, wage freezes and labor contract savings as well as employing technology to reduce the number of printed timetables by over 20 percent, and pursuing a dependent health care audit.

It must be noted that the financial assumptions underpinning the Fiscal Year 2010 budget are predicated on the most current economic indicators. However, given the intensity and instability of this unprecedented and historic downturn there are a number of risks to the budget. A protracted and uncertain recovery could further stress key components of NJ TRANSIT's Fiscal Year 2010 budget, including passenger ridership and revenue assumptions, advertising revenue, health care costs, diesel fuel and electric propulsion costs.

PURPOSE

As required under Article II, Section 4(C) of the agency's By-Laws, staff is requesting that the Board of Directors adopt a Fiscal Year 2010 budget for NJ TRANSIT as detailed on the attached exhibits. This budget includes appropriations for public transportation contained in the State Budget adopted by the New Jersey Legislature. With the approval of this item, the Board acknowledges and accepts its responsibility to set fares, administer a single, unified NJ TRANSIT budget and manage Federal Transit Administration assistance.

Approval of this item will also allow the execution of numerous agreements necessary to advance and continue its Private Carrier Capital Improvement Program, bus rehabilitation, debit and credit card processing and settlement services and marketing programs and provide substitute service in support of NJ TRANSIT's capital program and for service interruptions. It will also allow NJ TRANSIT to provide local share and other in-kind services or act as a pass-through agency for Federal or State capital or operating funds.

In addition to seeking approval of the Fiscal Year 2010 operating budget, staff is requesting authorization to continue to expend funds to meet NJ TRANSIT's obligations until the adoption of a Fiscal Year 2011 budget. NJ TRANSIT is required by its By-Laws to adopt a final budget at its annual meeting in June if the State of New Jersey has completed the process of appropriating funds for public transportation purposes or at the first meeting subsequent to action by the State. Since the State budget process is often not completed before NJ TRANSIT's annual meeting in June, staff may not be able to make final recommendations to the Board on the Fiscal Year 2011 budget prior to the start of the Fiscal Year. Therefore, authorization to expend funds to carry on NJ TRANSIT's day-to-day business is necessary.

ACTION

Staff recommends the Board's adoption of the proposed Fiscal Year 2010 operating budget as detailed in the item and on the attached exhibits.

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

FISCAL IMPACTS

Requested Authorization:	\$1,789.9 million
Total Project Cost:	N/A
Projected Date of Completion:	June 30, 2010
Anticipated Source of Funds:	Passenger and other revenues State operating assistance Other State and Federal reimbursements
Diversity Goal:	N/A
Related/Future Authorizations:	N/A

RESOLUTION

WHEREAS, Article II, Section 4(C) of the By-Laws requires the Board of Directors to adopt a final budget for NJ TRANSIT after the State of New Jersey has completed the process of appropriating funds for public transportation purposes; and

WHEREAS, the New Jersey Legislature has enacted a Fiscal Year 2009 State Budget which includes appropriations for public transportation purposes; and

WHEREAS, staff has recommended a proposed Fiscal Year 2010 operating budget for NJ TRANSIT as detailed in the item and Exhibits A, B and C attached hereto; and

WHEREAS, the proposed Fiscal Year 2010 budget recognizes State operating assistance of \$296.2 million; and

WHEREAS, it is also necessary for NJ TRANSIT to enter into numerous agreements in order to advance and continue its Private Carrier Capital Improvement Program, bus rehabilitation, debit and credit card processing and settlement services and marketing programs and provide substitute service in support of NJ TRANSIT's capital program and for service interruptions as described in the item attached hereto; and

WHEREAS, if the State's Fiscal Year 2011 Budget is not finalized prior to the June 2010 NJ TRANSIT Board meeting, the Board may defer adoption of the annual budget until the next special or regular Board meeting subsequent to the final actions by the State; and

WHEREAS, if the Board is unable to approve a Fiscal Year 2011 budget prior to July 2010, it will be necessary to expend funds after July 1, 2010, prior to the final adoption of the Fiscal Year 2011 budget;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors acknowledges and accepts its responsibility to set fares, administer a single, unified NJ TRANSIT operating budget, and that the Board recognizes its responsibility to accept and manage State and Federal Transit Administration assistance; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to continue or enter into any agreements and expend funds in order to continue NJ TRANSIT's Private Carrier Capital Improvement Program, bus rehabilitation, debit and credit card processing and settlement services and marketing programs and provide substitute service in support of NJ TRANSIT's capital program and for service interruptions, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to provide local share and other in-kind services or act as a pass-through agency for Federal or State capital or operating funds subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to expend, in the normal course of business, the funds necessary to meet NJ TRANSIT's obligations, essentially in accordance with this Fiscal Year 2010 operating budget item, resolution and attachments and until the adoption and approval of the Fiscal Year 2011 operating budget.

EXHIBIT A

FISCAL YEAR 2010 OPERATING BUDGET REVENUES

Overview - \$1,789.9m

NJ TRANSIT revenues are budgeted at \$1,789.9 million. Specific assumptions are described below:

Passenger Revenue - \$779.8m

Passenger revenue is projected to be 2.2 percent above Fiscal Year 2009 budgeted levels as well as growth of 1.1 percent related to the implementation of the new Meadowlands and Liberty Corridor Bus service.

Other Commercial Revenue - \$92.5m

Other commercial revenues are budgeted at \$92.5 million after adjusting for the loss of one-time revenue.

State Operating Assistance - \$296.2m

Consistent with the State Budget proposed by the Governor and adopted by the Legislature, State operating assistance reflects a decrease of \$62 million or 17.3 percent less than the Fiscal Year 2009 appropriation. This reduction will be absorbed via a combination of expense reductions, additional passenger revenue and one-time additional federal funding.

Other State and Federal Reimbursements - \$621.4m

Other State and Federal reimbursements increase \$102.7 million compared to the Fiscal Year 2009 Budget. This additional one-time revenue growth is primarily composed of \$70 million from the American Recovery and Reinvestment Act (ARRA) and other federal funding made available from the New Jersey Department of Transportation.

EXHIBIT B

FISCAL YEAR 2010 OPERATING BUDGET EXPENSES

Overview - \$1,789.9m

NJ TRANSIT expenses are budgeted at \$1,789.9 million. Specific assumptions are described below:

Labor and Fringes - \$1,039.5m

Labor and fringes reflect the current contractual labor agreements. To constrain growth in this area, cost reduction initiatives were enacted including the annualization of savings generated by the Early Retirement Initiative implemented last year, headcount reductions as a result of management efficiencies and labor cost savings, as well as an audit of health benefit costs to mitigate the continuing nationwide escalation of health care costs.

Fuel, Power, Materials and Supplies - \$285.8m

Fuel, power, materials and supplies have been reduced from the Fiscal Year 2009 Budget primarily as a result of market projections for diesel fuel costs. The proposed budget also funds inflationary increases as well as extraordinary growth in electric propulsion costs.

Purchased Transportation - \$207.1m

Purchased transportation expenses of \$207.1 million include increases in federally mandated Access Link service and other Private Carrier bus service contracts.

Other Expenses - \$257.5m

All other expenses are budgeted at \$257 million and include increases in utility costs, credit card fees associated with the ticket vending machines and tolls and trackage fees.

EXHIBIT C

NEW JERSEY TRANSIT CONSOLIDATED OPERATIONS
FISCAL YEAR 2010 Proposed Operating Budget
(\$ in millions)

REVENUES:

Passenger Revenue	\$779.8
Other Revenue	<u>\$92.5</u>
TOTAL REVENUE	\$872.3

OPERATING ASSISTANCE:

State Operating Assistance	\$296.2
Capital Transfers	363.0
Other Reimbursements	<u>\$258.4</u>
TOTAL OPERATING ASSISTANCE	\$917.6

TOTAL REVENUE & OPERATING ASSISTANCE **\$1,789.9**

EXPENSES:

Labor and Fringes	\$1,039.5
Services	106.2
Fuel & Power	131.5
Materials & Supplies	154.3
Utilities	46.6
Claims & Insurance	26.7
Purchased Transportation	207.1
Tolls & Trackage Fees	47.9
Other	30.1

TOTAL EXPENSES **\$1,789.9**

ITEM 0907-48: FISCAL YEAR 2010 CAPITAL PROGRAM**BENEFITS**

NJ TRANSIT's \$1.385 billion Fiscal Year 2010 Capital Program continues to target investments to make public transportation the "preferred choice of travel". The Capital Program advances initiatives to modernize the transit system while improving service and reliability.

NJ TRANSIT's \$1.385 billion Fiscal Year 2010 Capital Program emphasizes Governor Corzine's commitment to support mass transportation in the State of New Jersey. Consistent with NJ TRANSIT's Capital Investment Strategy, the Fiscal Year 2010 Capital Program calls for continued investment in the state's transit infrastructure in order to improve the overall state-of-good-repair of the system, improve reliability and safety, and ensure continued satisfaction of NJ TRANSIT's customers. Foremost amongst these efforts is NJ TRANSIT'S rolling stock modernization program which includes the continued procurement of over 1400 new buses, over 300 multilevel railcars, and more than 50 electric and dual power locomotives. NJ TRANSIT plans to enhance the State's bus routes with modernized buses, signs, shelters and express service. The program also invests in bridge rehabilitation, track replacement, signal and security upgrades, repairs to overhead power lines and electric substations, and improvements to rail stations and bus terminals.

NJ TRANSIT will also be moving forward on other critical initiatives to increase the transit network's capacity and reach over the next decade including a new trans-Hudson tunnel, the Hudson-Bergen Light Rail 8th Street Extension, Lackawanna Cut-off first phase and other planned investments to expand core capacity of the railroad to allow for more frequent service. The Fiscal Year 2010 Capital Program provides \$193 million of funding to continue to advance THE Tunnel Project. With the recent advertisement of the project's first contracts, THE Tunnel Project is well on its way toward advancing to construction and boosting the New Jersey and regional economies.

Anticipated resources of \$1.385 billion are estimated to be available from federal, state and other sources in Fiscal Year 2010. A summary of the Fiscal Year 2010 Sources of Funds is presented in **Attachment 1**.

Attachments 2 and 3 summarize funds and percent of the total program by category. Approximately 60 percent of the Fiscal Year 2010 Capital Program – \$835 million – is dedicated to fixed expenses, as follows:

- \$281 million will be spent on debt service related to the acquisition of buses, trains, locomotives and the construction of light rail projects;
- \$121 million will be spent using funds mandated for a specific use including the federal rural transit program, the federal Job Access Reverse Commute (JARC) program and other earmarks secured by the New Jersey Congressional Delegation;

- \$363 million will be spent to pay for eligible federal and Transportation Trust Fund (TTF) capital maintenance expenses for both rail and bus; and
- \$70 million will be spent to pay for eligible federal capital maintenance using supplemental federal funding from the NJ Department of Transportation.

Approximately 40 percent of the program – or \$550 million – funds the basic capital program improvements needed to maintain and improve the transit system as follows:

- \$116 million will be invested in rail infrastructure improvement needs, including \$41 million to fund track and bridge improvements; \$15 million to fund the Portal Bridge; \$11 million to fund electric traction and signal improvements on the railroad; \$10 million to continue funding for locomotive overhauls to maintain reliability; and \$6 million to fund the Meadows Maintenance Complex Improvements.
- \$62 million will be invested in bus and light rail infrastructure improvements, including \$2 million for infrastructure improvements on the Newark City Subway, \$44 million to annual payment to replace 200 Transit-style buses annually with pay-as-you go funds, and over \$5 million for Capital Asset Replacement Program funds for the RiverLine and Hudson Bergen Light Rail.
- \$51 million will be invested in system-wide improvements, including \$7 million for technology upgrades that both improve efficiency and reduce annual operating costs.
- \$34 million will be invested in rail station improvements at Newark Penn Station, Ridgewood Station ADA Improvements, and Somerville Station ADA improvements among others. NJ TRANSIT is also completing work on Trenton Transit Center, construction of high-level platforms at South Amboy Rail Station, and reconstructing platforms at Metropark Station.
- \$287 million is targeted for capacity expansion projects such as THE Tunnel and the 8th Street extension of the Hudson-Bergen Light Rail.

PURPOSE

The annual capital program is formulated to guide NJ TRANSIT's capital investment plans for the coming year. The authority embodied in the Board's approval of this Capital Program permits staff to take the necessary steps to secure funds from various sources and to initiate individual capital projects (subject to subsequent contract authorization as required by the NJ TRANSIT By-Laws). The program is submitted to various Metropolitan Planning Organizations (MPOs) throughout the State, whose approvals are required as a prerequisite to Federal grant awards, as well as to the State Legislature as part of that body's annual appropriation process, and is consistent with the Capital Investment Strategy submitted to the Legislature.

ACTION

Staff seeks the NJ TRANSIT Board of Directors' adoption of the Fiscal Year 2010 Capital Program in the amount of \$1.385 billion, as described.

Staff also seeks authorization to take whatever actions are necessary to seek and secure the funds envisioned by this program.

Staff also seeks authorization to transfer funding sources and amounts among programmed projects as circumstances require in compliance with the terms and conditions of the grants and other funding sources.

Staff also seeks authorization to make application, execute contracts and take whatever other actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to its adoption.

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

FISCAL IMPACTS

Anticipated Source of Funds: Federal transit and highway funds
Transportation Trust Fund
Other capital sources

Diversity Goal: Included in individual contracts

NJ Build Amount: None

Related Authorizations: NA

Impacts on Subsequent Operating Budgets: NA

RESOLUTION

WHEREAS, each year NJ TRANSIT's Board of Directors adopts a Capital Program for the upcoming year to enable staff to take the actions necessary to seek and secure capital funding which advances established priorities; and

WHEREAS, the Fiscal Year 2010 Capital Program will address the needs of existing transit riders by ensuring system reliability and safety through state-of-good-repair investments; addressing system capacity demands; and investing in planned system expansion; and

WHEREAS, in Fiscal Year 2010, the Capital Program will be consistent with the Annual Capital Investment Strategy submitted to the State Legislature; and

WHEREAS, the Fiscal Year 2010 Capital Program is submitted to various Metropolitan Planning Organizations throughout the state whose approvals are required as a prerequisite to Federal grant awards; and

WHEREAS, the Fiscal Year 2010 Capital Program is submitted to the State Legislature for consideration as part of its annual budget appropriation process;

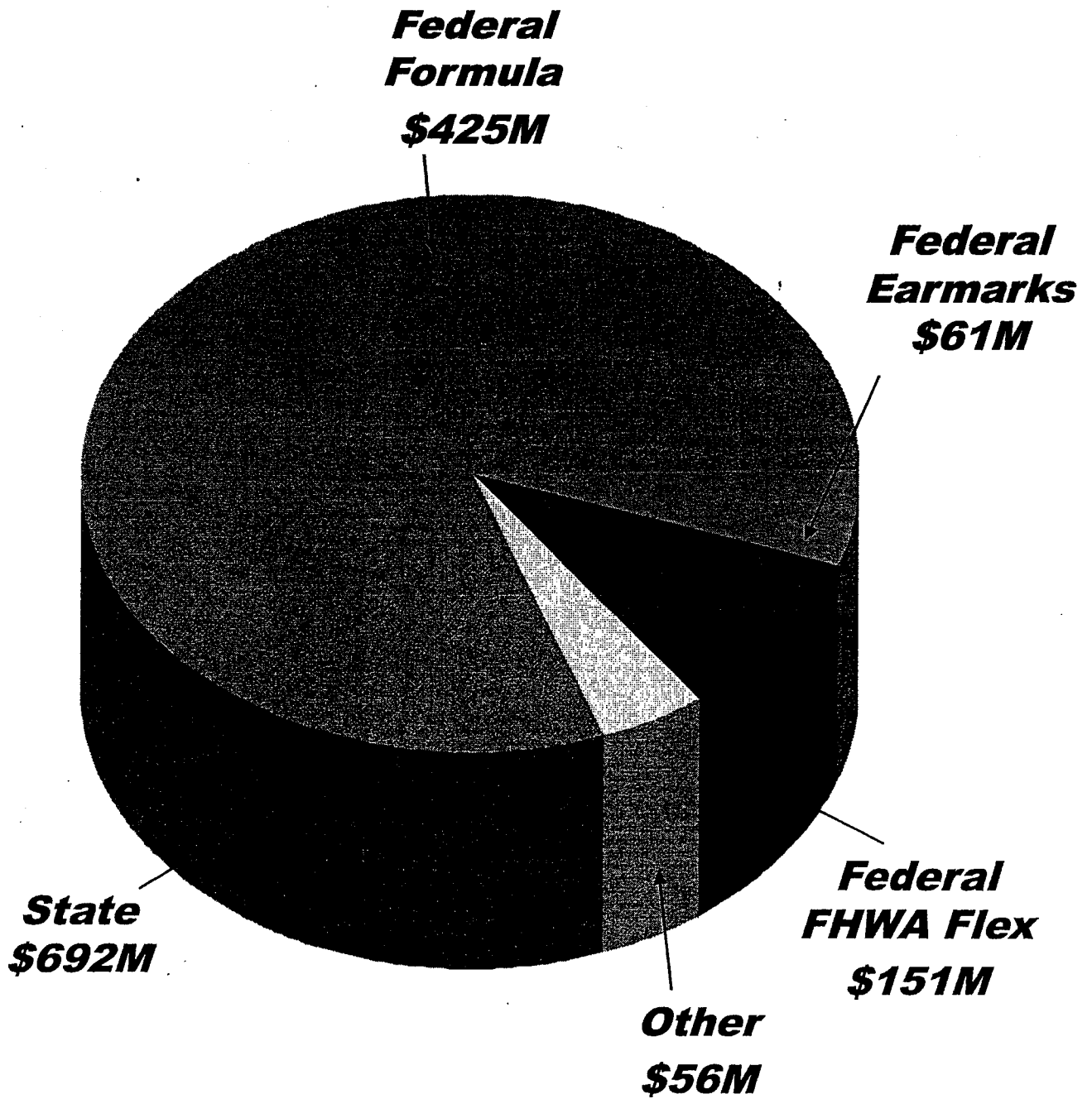
NOW, THEREFORE, BE IT RESOLVED that the NJ TRANSIT Board of Directors adopts the Fiscal Year 2010 Capital Program in the amount of \$1.385 billion, as described; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to take whatever actions are necessary to seek and secure the funds envisioned by this program; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to transfer funding sources and amounts among programmed projects as circumstances require in compliance with the terms and conditions of the grants and other funding sources; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to make application, execute contracts and take whatever other actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to its adoption.

**ATTACHMENT 1
NJ TRANSIT
FY10 CAPITAL PROGRAM
Sources of Funds
\$1.385 Billion**



**ATTACHMENT 2
NJ TRANSIT FY10 CAPITAL PROGRAM
SUMMARY**

(\$ in millions)

CATEGORY	AMOUNT	PERCENT
CAPITAL MAINTENANCE	\$ 433.000	31.3%
DEBT SERVICE	\$ 281.464	20.3%
PASS-THROUGH	\$ 120.553	8.7%
RAIL INFRASTRUCTURE IMPROVEMENTS	\$ 115.748	8.4%
RAIL STATION IMPROVEMENTS	\$ 33.923	2.4%
BUS/LIGHT RAIL IMPROVEMENTS	\$ 61.733	4.5%
SYSTEM-WIDE IMPROVEMENTS	\$ 51.549	3.7%
SYSTEM EXPANSION	\$ 287.453	20.7%
TOTAL	\$ 1,385.423	100.0%

Attachment 3
NJ TRANSIT FISCAL YEAR 2010 CAPITAL PROGRAM
(\$ in Millions)

	----- FEDERAL FUNDING -----							STP- TE	STATE	OTHER	TOTAL	Percentage of Total Program
	URBAN 5307	FIXED GUIDEWAY 5309	RURAL/ DISABLED	NEW FREE DOM	EARMARK	FHWA Flex						
Capital Maintenance												
RAIL												
Capital Maintenance	48.484	112.626	0.000	0.000	0.000	46.000	0.000	63.900	0.000	271.010		
RAIL SUBTOTAL	48.484	112.626	0.000	0.000	0.000	46.000	0.000	63.900	0.000	271.010		19.6%
=====												
BUS/LRT												
Capital Maintenance	98.690	0.000	0.000	0.000	0.000	24.000	0.000	34.900	0.000	157.590		
BUS/LRT SUBTOTAL	98.690	0.000	0.000	0.000	0.000	24.000	0.000	34.900	0.000	157.590		11.4%
=====												
SYSTEMWIDE												
Building Leases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.400	0.000	4.400		
SYSTEMWIDE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.400	0.000	4.400		0.3%
=====												
Capital Maintenance TOTAL	147.174	112.626	0.000	0.000	0.000	70.000	0.000	103.200	0.000	433.000		31.3%

Attachment 3
NJ TRANSIT FISCAL YEAR 2010 CAPITAL PROGRAM
(\$ in Millions)

FEDERAL FUNDING

Table with columns: URBAN 5307, FIXED GUIDEWAY 5309, RURAL/DISABLED, NEW FREE DOM, EARMARK, FHWA Flex, STP-TE, STATE, OTHER, TOTAL, Percentage of Total Program. Rows include Debt Service, RAIL, BUS/LRT, NEW INITIATIVES, and Debt Service TOTAL.

Attachment 3
NJ TRANSIT FISCAL YEAR 2010 CAPITAL PROGRAM
(\$ in Millions)

FEDERAL FUNDING

URBAN 5307, FIXED GUIDEWAY 5309, RURAL/DISABLED, NEW FREE DOM, EARMARK, FHWA Flex, STP-TE, STATE, OTHER, TOTAL, Percentage of Total Program

Pass-through

RAIL

Table with 11 columns: Program Name, URBAN 5307, FIXED GUIDEWAY 5309, RURAL/DISABLED, NEW FREE DOM, EARMARK, FHWA Flex, STP-TE, STATE, OTHER, TOTAL, Percentage of Total Program. Rows include Bloomfield Intermodal Improvements, Metro North Joint Benefits, Morristown Station Rehabilitation, etc.

BUS/LRT

Table with 11 columns: Program Name, URBAN 5307, FIXED GUIDEWAY 5309, RURAL/DISABLED, NEW FREE DOM, EARMARK, FHWA Flex, STP-TE, STATE, OTHER, TOTAL, Percentage of Total Program. Rows include Cumberland County Bus Program, East Windsor Community Shuttle, Lakewood Bus Service and Passenger Facility, etc.

NEW INITIATIVES

Table with 11 columns: Program Name, URBAN 5307, FIXED GUIDEWAY 5309, RURAL/DISABLED, NEW FREE DOM, EARMARK, FHWA Flex, STP-TE, STATE, OTHER, TOTAL, Percentage of Total Program. Rows include ARC/THE Tunnel, HBLRT Extension Route 440, Monmouth-Ocean-Middlesex, etc.

SYSTEMWIDE

Table with 11 columns: Program Name, URBAN 5307, FIXED GUIDEWAY 5309, RURAL/DISABLED, NEW FREE DOM, EARMARK, FHWA Flex, STP-TE, STATE, OTHER, TOTAL, Percentage of Total Program. Rows include Casino Revenue Fund, Job Access and Reverse Commute Program, New Freedom Program, etc.

Pass-through TOTAL

Summary row for Pass-through TOTAL: URBAN 5307: 1.620, FIXED GUIDEWAY 5309: 0.000, RURAL/DISABLED: 10.552, NEW FREE DOM: 2.178, EARMARK: 61.163, FHWA Flex: 0.000, STP-TE: 0.000, STATE: 0.000, OTHER: 45.040, TOTAL: 120.553, Percentage of Total Program: 8.7%

Attachment 3
NJ TRANSIT FISCAL YEAR 2010 CAPITAL PROGRAM
(\$ in Millions)

----- FEDERAL FUNDING -----

	<u>URBAN</u> <u>5307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>5309</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>EARMARK</u>	<u>FHWA Flex</u>	<u>STP-</u> <u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
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Rail Infrastructure Improvements

RAIL

Bridges	0.000	0.000	0.000	0.000	0.000	0.000	0.000	21.500	0.000	21.500	
Emergency Response Rail	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Fleet Overhauls	0.000	0.000	0.000	0.000	0.000	0.000	0.000	10.178	0.000	10.178	
FRA Mandates	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Meadows Maintenance Complex Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6.000	0.000	6.000	
NEC Joint Benefit Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	27.500	0.000	27.500	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.820	0.000	0.820	
Portal Bridge Replacement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	15.000	0.000	15.000	
Rail Rolling Stock Engineering Assistance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	
Right of Way Fencing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Signals&Communication/Electric Traction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	11.000	0.000	11.000	
Track	0.000	15.414	0.000	0.000	0.000	0.000	0.000	4.086	0.000	19.500	
RAIL SUBTOTAL	0.000	15.414	0.000	0.000	0.000	0.000	0.000	100.334	0.000	115.748	8.4%
=====											
Rail Infrastructure Improvements TOTAL	0.000	15.414	0.000	0.000	0.000	0.000	0.000	100.334	0.000	115.748	8.4%

**Attachment 3
NJ TRANSIT FISCAL YEAR 2010 CAPITAL PROGRAM
(\$ in Millions)**

----- FEDERAL FUNDING -----

	<u>URBAN</u> <u>5307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>5309</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>EARMARK</u>	<u>FHWA Flex</u>	<u>STP-</u> <u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Rail Station Improvements											
RAIL											
Metropark Platform Replacement	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	1.000	
Newark Penn Station	2.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	3.000	
Ridgewood Train Station Accessibility Improvements	0.000	0.000	0.000	0.000	0.000	1.000	0.000	4.351	0.000	5.351	
Somerville Station Accessibility Impvts.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	16.417	0.000	16.417	
South Amboy Rail Station Reconstruction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.155	0.000	2.155	
Stars Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Station/Facilities Inspections/Repairs	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000	0.000	4.000	
RAIL SUBTOTAL	2.000	0.000	0.000	0.000	0.000	2.000	1.000	28.923	0.000	33.923	2.4%
=====											
Rail Station Improvements TOTAL	2.000	0.000	0.000	0.000	0.000	2.000	1.000	28.923	0.000	33.923	2.4%

**Attachment 3
NJ TRANSIT FISCAL YEAR 2010 CAPITAL PROGRAM
(\$ in Millions)**

----- FEDERAL FUNDING -----

	<u>URBAN 5307</u>	<u>FIXED GUIDEWAY 5309</u>	<u>RURAL/ DISABLED</u>	<u>NEW FREE DOM</u>	<u>EARMARK</u>	<u>FHWA Flex</u>	<u>STP- TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage of Total Program</u>
Bus/Light Rail Improvements											
BUS/LRT											
ADA Access Link Vehicles	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.253	0.000	2.253	
Bus Facilities Midlife Rehabilitation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Bus Maintenance Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Bus Operations Support Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Bus Passenger Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.800	0.000	0.800	
Emergency Response Bus Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.100	0.000	1.100	
Newark City Subway	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.050	0.000	2.050	
Private Carrier Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
Rolling Stock-Bus	0.000	0.000	0.000	0.000	0.000	0.000	0.000	43.747	0.000	43.747	
Support Facilities/Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.430	0.000	0.430	
BUS/LRT SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	56.380	0.000	56.380	4.1%
=====											
NEW INITIATIVES											
Hudson/Bergen LRT MOS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.660	0.000	2.660	
River Line Intermodal Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.693	0.000	2.693	
NEW INITIATIVES SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.353	0.000	5.353	0.4%
=====											
Bus/Light Rail Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	61.733	0.000	61.733	4.5%

**Attachment 3
NJ TRANSIT FISCAL YEAR 2010 CAPITAL PROGRAM
(\$ in Millions)**

----- FEDERAL FUNDING -----

	<u>URBAN</u> <u>\$307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>\$309</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>EARMARK</u>	<u>FHWA Flex</u>	<u>STP-</u> <u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
Systemwide Improvements											
SYSTEMWIDE											
Capital Program Implementation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	21.470	0.000	21.470	
Claims Support	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Emergency Response Capital Planning & Programs	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.069	0.000	3.069	
Emergency Response Headquarters	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
Environmental Compliance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.210	0.000	0.210	
Penn Plaza Consolidation and Relocation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.300	0.000	1.300	
Photocopy Equipment Lease	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.800	0.000	0.800	
Physical Plant	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.450	0.000	0.450	
Security Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.590	0.000	2.590	
Study & Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.810	0.000	4.810	
Travel Demand Management	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.900	0.000	0.900	
Vanpool Sponsorship Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.400	0.000	0.400	
Vital Records	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.500	
SYSTEMWIDE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44.499	0.000	44.499	3.2%
=====											
TECHNOLOGY/CUSTOMER SERVICE											
Technology Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.050	0.000	7.050	
TECHNOLOGY/CUSTOMER SERVICE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.050	0.000	7.050	0.5%
=====											
Systemwide Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	51.549	0.000	51.549	3.7%

Attachment 3
NJ TRANSIT FISCAL YEAR 2010 CAPITAL PROGRAM
(\$ in Millions)

----- FEDERAL FUNDING -----

System Expansion

NEW INITIATIVES

	URBAN 5307	FIXED GUIDEWAY 5309	RURAL/ DISABLED	NEW FREE DOM	EARMARK	FHWA Flex	STP- TE	STATE	OTHER	TOTAL	Percentage of Total Program
ARC/THE Tunnel	0.000	0.000	0.000	0.000	0.000	75.000	0.000	70.000	0.000	145.000	
Hudson/Bergen LRT 8TH Street Extension	0.000	0.000	0.000	0.000	0.000	3.000	0.000	32.719	0.000	35.719	
Transit Rail Initiatives	0.000	0.000	0.000	0.000	0.000	0.000	0.000	95.534	11.200	106.734	
NEW INITIATIVES SUBTOTAL	0.000	0.000	0.000	0.000	0.000	78.000	0.000	198.253	11.200	287.453	20.7%

System Expansion TOTAL	0.000	0.000	0.000	0.000	0.000	78.000	0.000	198.253	11.200	287.453	20.7%
	284.250	128.040	10.552	2.178	61.163	150.000	1.000	692.000	56.240	1,385.423	

ITEM 0907-49: BROADWAY BUS TERMINAL: CONSTRUCTION CONTRACT AWARD

BENEFITS

The Broadway Bus Terminal, constructed in the 1930s, is an urban transportation hub in the City of Paterson that serves approximately 1,600 average weekday passenger trips. Lines serving this terminal include the 72, 74, 161, 171, 190, 703, 746, and 770. The destinations include Newark, New York (George Washington Bridge Terminal and Port Authority Bus Terminal), East Rutherford, Haledon, Ridgewood, Pompton Lakes, Wayne, and Hackensack. This project will improve both bus and pedestrian movements throughout the site, and provide a more customer- and employee-friendly terminal.

PURPOSE

Authorization of this contract will allow for the rehabilitation of the existing Broadway Bus Terminal building and site.

The project includes exterior improvements and an addition to the existing 1,120-square foot terminal building. The 450-square foot addition will provide an employee restroom, storage, electrical, and telecommunication rooms. Work on the existing building will include a new stucco and brick base exterior and replacement of the existing roof as well as a new rooftop HVAC system to provide year-round climate control. Security enhancements include the installation of 12 CCTV cameras. Site improvements feature repaving, and marking of the existing bus lanes plus installation of directional signage and passenger information display cases. A canopy will be constructed over the bus lanes and rebuilt ADA-compliant passenger loading islands, providing protection for the customers during inclement weather. The canopy will feature new lighting, a new public address system, and new arrival/departure information screens.

This project is being accelerated as part of Governor Corzine's economic stimulus program. NJ TRANSIT estimates that this project will generate 22 direct and indirect jobs.

ACTION (Capital Program Justification: Station Improvements)

Staff seeks authorization to contract (No. 09-111X) with John O'Hara Co., Inc. of East Orange, New Jersey, for the rehabilitation of the Broadway Bus Terminal, at a cost not to exceed \$1,428,294.44 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: \$ 1,428,294.44 + 5% contingency

Total Project Cost: \$ 2,400,000

Projected Date of Completion: May 2010

Anticipated Source of Funds: Transportation Trust Fund

Diversity Goal: 22% SBE

NJ BUILD Amount: \$ 7,146

Future/Related Authorizations: None

**Impact on Subsequent
Operating Budget:** \$10,000 annually for utility costs

RESOLUTION

WHEREAS, the Broadway Bus Terminal, a facility constructed in the 1930s, is an urban transportation hub in the City of Paterson that serves approximately 1,600 average weekday passenger trips; and

WHEREAS, the Terminal serves the 72, 74, 161, 171, 190, 703, 746, and 770 bus lines, whose destinations include Newark, New York (George Washington Bridge Terminal and Port Authority Bus Terminal), East Rutherford, Haledon, Ridgewood, Pompton Lakes, Wayne, and Hackensack; and

WHEREAS, the project will include an addition to the existing building, a new stucco and brick base exterior, replacement of the existing roof, a new rooftop HVAC system, CCTV cameras, signage and passenger information display cases as well as repaving and marking of the bus lanes and construction of a canopy over the bus lanes; and

WHEREAS, upon completion of a competitive procurement process, it was determined that John O'Hara Co., Inc. was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No. 09-111X) with John O'Hara Co., Inc. of East Orange, New Jersey, for the rehabilitation of the Broadway Bus Terminal, at a cost not to exceed \$1,428,294.44, plus five percent for contingencies, subject to the availability of funds.

**ITEM 0907-50: PORTAL BRIDGE CAPACITY ENHANCEMENT PROJECT:
CONTRACT AMENDMENT FOR EARLY ACTION FINAL
ENGINEERING AND DESIGN**

BENEFITS

The existing Portal Bridge is a two-track railroad bridge carrying the Northeast Corridor over the Hackensack River. The bridge is now approaching 100 years of age and is past the end limits of its functional life. Furthermore, the two-track structure is outdated and incapable of adapting to the present demands for expanded rail service into Manhattan. The bridge has inadequate clearances to accommodate much of the present marine traffic navigating the Hackensack River. Additionally, the bridge's open/close cycle time is incompatible with current and projected rail operational needs. The existing bridge's ability to open and close reliably is a major concern given the daily number of train movements over this bridge.

This project will increase capacity and service reliability through the project area and significantly reduce delays due to the number of bridge openings. Project design and construction efforts will be accomplished jointly between NJ TRANSIT and Amtrak.

This early action final design effort will ensure that design and engineering are completed to allow for the timely progression of construction activities in support of the established overall project schedule of revenue ready operation in 2017. Advancing final design will enhance NJ TRANSIT's pursuit of Federal High Speed Rail funds available through the American Recovery and Reinvestment Act of 2009 (ARRA). Completing the early action final design effort will allow the commencement of construction in Spring 2010 generating construction jobs beginning next year.

PURPOSE

The authorization of this contract amendment with Portal Partners, Inc. will provide professional services for engineering and design assistance in the development of early action final engineering for access roads, right-of-way acquisition, staging areas, utility relocations, and permit coordination and review, and other project elements.

ACTION (Capital Program Justification: New System Start)

Staff seeks authorization to amend the contract (No. 08-042) with Portal Partners, Inc., of Audubon, Pennsylvania, for consultant services in support of the early action final design and engineering effort of the Portal Bridge Capacity Enhancement project at a cost not to exceed \$16,744,680, plus five percent for contingencies, for a total contract authorization of \$50,761,914, subject to the availability of funds.

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

FISCAL IMPACT

Requested Authorization:

Final Engineering Early Action	\$ 16,744,680	+ 5% for contingency
Total Authorization	\$ 50,761,914	

Previous Authorizations:

Preliminary Engineering	July 2008	\$ 31,600,000	+ 5% contingency
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Total Project Cost: \$ 1.5 to 1.8 billion (YOE \$)

Projected Date of Completion: 2017

Anticipated Source of Funds: Transportation Trust Fund
Federal Stimulus Funds
Other (TBD)

Diversity Goal: 22% DBE

NJ Build Amount: None

Future Related Authorizations: Phase II Final Engineering & Design
Construction Assistance Services
Construction
Construction Management Services
Property Acquisition
Amtrak Agreement

Impact on Future Operating Budgets: NA

RESOLUTION

WHEREAS, NJ TRANSIT seeks to replace the aging Portal Bridge across the Hackensack River, expand capacity on the Northeast Corridor, reduce conflicts between rail and marine traffic, and decrease rail service interruptions; and

WHEREAS, replacing the Portal Bridge includes constructing two new bridges – a two-track bridge and a three-track bridge – as well as improvements to the approaches; and

WHEREAS, the early action final engineering will include the design of access roads, construction platforms, and staging areas, and environmental remediation, and other project elements; and

WHEREAS, Portal Partners, Inc. was previously selected through a competitive process to provide design and engineering for the Portal Bridge Capacity Enhancement Project;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to amend the contract (No. 08-042) with Portal Partners, Inc., of Audubon, Pennsylvania, for consultant services in support of the early action final design and engineering effort of the Portal Bridge Capacity Enhancement project at a cost not to exceed \$16,744,680, plus five percent for contingencies, for a total contract authorization of \$50,761,914, subject to the availability of funds.

CONSENT CALENDAR

ITEM 0907-51: HOBOKEN FERRY TERMINAL – AGREEMENT OF LEASE BETWEEN NJ TRANSIT CORPORATION AND THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

BENEFITS

Approval of this item will formalize and define the roles and obligations of NJ TRANSIT and the Port Authority of New York and New Jersey ("Port Authority") which were established under previously approved Board items; an executed Memorandum of Understanding ("MOU") and the First Supplement to the Memorandum ("First Supplement"). The lease agreement, which commences upon execution and runs until June 30, 2069, addresses preservation, rehabilitation, the return of ferry service, and revenue in the portion of the Ferry Building at Hoboken Terminal required for such service. Rehabilitation of this historic facility will also enable adaptive re-use of the building for economic development.

PURPOSE

This Board item seeks authorization for NJ TRANSIT to enter into a lease agreement with the Port Authority until June 30, 2069: continue operation of the ferry service, share revenues derived from the Ferry Terminal and obligate the Port Authority to commit the balance of its final funding contribution to NJ TRANSIT for Phase 3 of the rehabilitation of the Hoboken Ferry Terminal Building.

In 2002, NJ TRANSIT and the Port Authority executed an MOU setting forth terms by which:

- The Port Authority would contribute funding to rehabilitate NJ TRANSIT's Ferry Building at Hoboken Terminal;
- NJ TRANSIT would lease the rehabilitated space on the first floor of the building to the Port Authority for ferry operations; and,
- The Port Authority committed to provide an initial estimated total of \$65 million in funding toward the entire rehabilitation.

In April 2008, NJ TRANSIT and the Port Authority amended the 2002 MOU by a "First Supplement" to:

- Obligate the Port Authority to provide a revised total of up to \$60 million in funding toward the entire rehabilitation;
- Require NJ TRANSIT and the Port Authority to begin negotiation of the long term lease;
- Establish anticipated retail revenue sharing based on NJ TRANSIT and the Port Authority's final proportionate share of capital contributions to the Ferry Terminal rehabilitation; and,
- Provide for the lease to commence upon completion of construction of rehabilitation of the Ferry Building and to extend to June 30, 2069.

The Port Authority shall retain all retail, advertising, and ferry operations revenue generated from the Demised Premises for the entire term of the lease. Following development of the Team Concourse Retail Space by NJ TRANSIT's Master Developer for the Hoboken Terminal & Yard, NJ TRANSIT and the Port Authority shall share net revenues received by the Master Developer generated from the Team Concourse Retail Space. NJ TRANSIT shall retain all commercial retail revenues for all other areas within the Hoboken Terminal.

Execution of this lease agreement will additionally obligate the Port Authority to pay the balance of its funding commitment to NJ TRANSIT for Phase 3 of the rehabilitation of the Hoboken Ferry Terminal Building. This obligation will bring the Port Authority's funding for the Ferry Terminal rehabilitation to \$60 million and satisfy its funding commitment. Upon completion of Phase 3, the Port Authority will completely relocate the current temporary Ferry Operations from the south side of Hoboken Terminal to the new, restored ferry slips in the Ferry Terminal building.

ACTION

Authorize the Chairman or Executive Director to take all necessary actions to execute a lease agreement between NJ TRANSIT and the Port Authority pertaining to NJ TRANSIT's leasing to the Port Authority part of the first level of NJ TRANSIT's Ferry Building for ferry operations, formalizing revenue sharing and to obligating the Port Authority to commit to pay to NJ TRANSIT the balance of its funding contribution to NJ TRANSIT for Phase 3 of the rehabilitation of the Hoboken Ferry Terminal Building.

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

FISCAL IMPACTS

Requested Authorization: Lease a portion of the Hoboken Ferry Terminal Building, including an obligation by the Port Authority to commit to pay to NJ TRANSIT the balance of its funding contribution to NJ TRANSIT, sharing of revenue and continued operation of ferry operations.

Total Project Cost: \$119 million

Projected Date of Completion: Rehabilitation estimated completion date – June 2011.

Anticipated Source of Funds: FHWA, FTA, Port Authority

Diversity Goal:

N/A

Related/Future Authorizations:

Cost of construction, construction management and construction assistance

Impacts on Subsequent Operating Budgets:

NJ TRANSIT and the Port Authority to share revenues and expenses on a pro-rata basis for the Common Area and Team Concourse Retail Space.

RESOLUTION

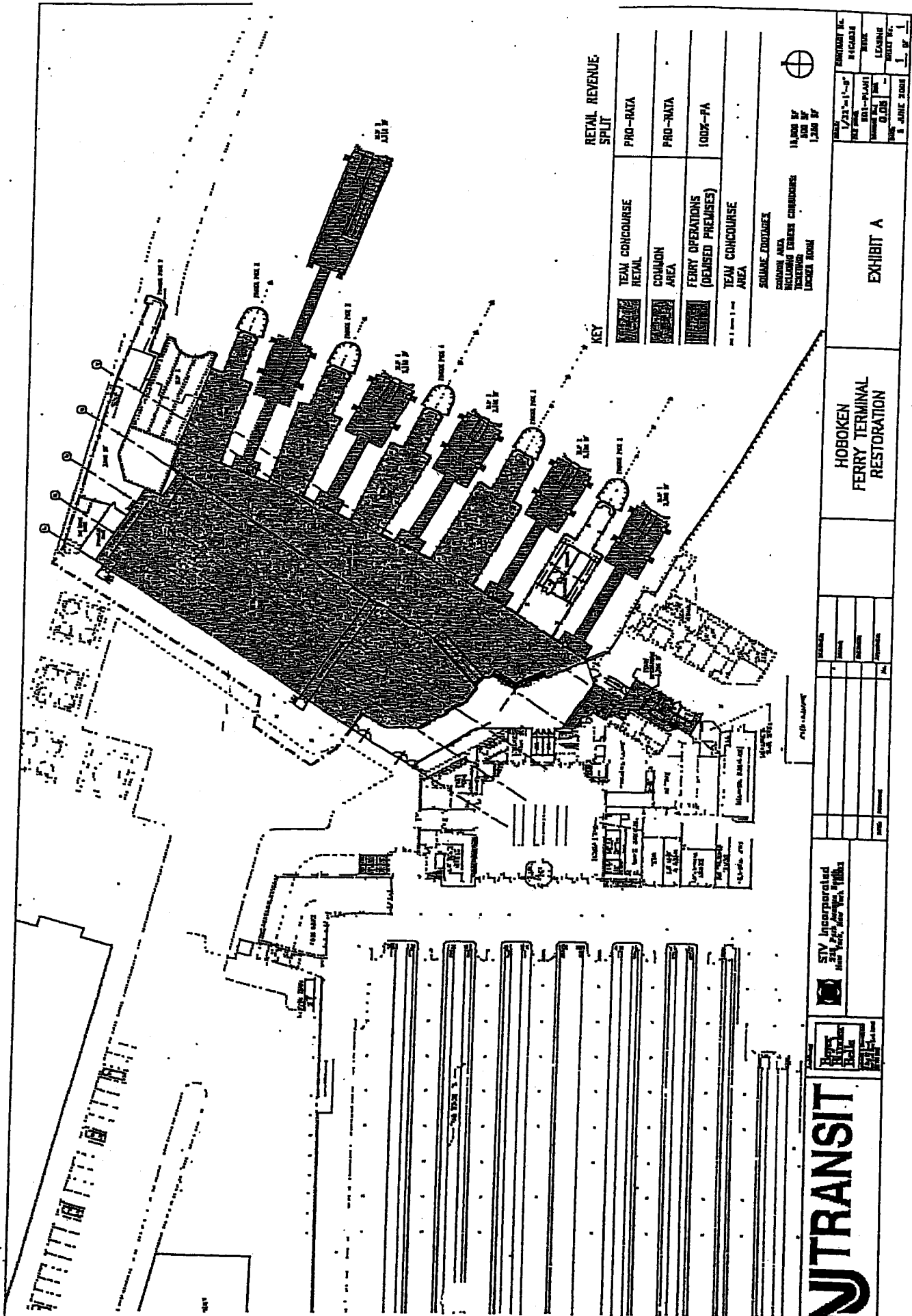
WHEREAS, NJ TRANSIT and the Port Authority have a mutual interest in providing intermodal transportation options and recognize the importance of continuing and improving the ferry transportation at Hoboken Terminal; and

WHEREAS, NJ TRANSIT and the Port Authority desire to meet the needs of NJ TRANSIT and the Port Authority by preserving, rehabilitating and restoring portions of the Ferry Terminal Building at Hoboken Terminal required for operating ferry service from that building; and

WHEREAS, NJ TRANSIT and the Port Authority wish to execute a long-term lease agreement until June 30, 2069 with specific business terms that benefit both parties' interest in promoting transportation and economic development;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to take all necessary actions to execute the lease agreement pertaining to NJ TRANSIT's leasing to the Port Authority part of the first level of NJ TRANSIT's Ferry Building for ferry operation, formalization of revenue sharing and to obligate the Port Authority to commit the balance of its funding contribution to NJ TRANSIT for Phase 3 of the rehabilitation of the Hoboken Ferry Terminal Building.

EXHIBIT A



ITEM 0907-52: DEFINED CONTRIBUTION PLANS' RECORDKEEPER, TRUSTEE AND ADMINISTRATOR

BENEFITS

NJ TRANSIT provides defined contribution pension plans for almost 14,700 participants, including current and past employees. These plans include a 401(k) plan, two separate 401(a) plans and three separate 457 plans with assets aggregating almost \$500 Million. The existing defined contribution plan recordkeeper, trustee and administrator contract with Great-West Retirement Services expires on June 30, 2009. Great-West Retirement Services will continue to provide an efficient and effective administration of these plans, ongoing education and investment advice for plan participants and the necessary records for sponsor-fiduciary control and review while providing NJ TRANSIT with revenue sharing to offset administrative costs of the various plans.

PURPOSE

NJ TRANSIT has a need for a full-time defined contribution pension plan recordkeeper, trustee and administrator who will provide state-of-the-art technology resulting in superior investment selections, communication, information and educational opportunities for participants.

Great-West Retirement Services will provide recordkeeping, education, communication, participant statements and fiduciary records for NJ TRANSIT. The open architecture will permit any approved investment options. Great-West Retirement Services is not an aggregator of assets. Its sole business is recordkeeping, education, and communication to participants and sponsor.

ACTION

Staff seeks authorization to contract (No. 09-029) with Great-West Retirement Services of Greenwood Village, CO as administrator, recordkeeper, trustee and a co-fiduciary for NJ TRANSIT's 401(k) Defined Contribution Plan, the Rail Operations and Police Benevolent Association 401(a) Money Purchase Pension Plan, the Non-Agreement 401(a) Money Purchase Pension Plan, the 457 Deferred Compensation Plan (Non-Agreement), the 457 Deferred Compensation Plan (Rail) and the 457 Deferred Compensation Plan (Bus Union's). The contract will be for an initial period of three years from July 1, 2009 to June 30, 2012, with two independent one-year options, exercisable at NJ TRANSIT's discretion.

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

FISCAL IMPACTS

Requested Authorization:	Selection of recordkeeper, trustee and administrator of defined contribution plans
Total Project Cost:	None
Projected Date of Completion:	Base Period- June 30, 2012 Option Period- June 30, 2014
Anticipated Source of Funds:	None
Diversity Goal:	Does not lend itself to DBE participation
Related/Future Authorizations:	N/A
Impact on Subsequent Operating Budgets:	N/A

RESOLUTION

WHEREAS, NJ TRANSIT has a need for a full service Defined Contribution, Deferred Compensation Pension Plan Administrator that will provide state-of-the-art recordkeeping, administration and trust reporting; and

WHEREAS, following the completion of a competitive procurement process the Technical Evaluation Committee has unanimously recommended Great West Retirement Services of Greenwood Village, CO as the Trustee/Custodian/Administrator for NJ TRANSIT's Defined Contribution/Deferred Compensation/Money Purchase Pension Plans;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract with Great West Retirement Services as the Trustee/Custodian/Administrator for NJ TRANSIT's Defined Contribution/Deferred Compensation/Money Purchase Pension Plans for Rail agreement, Bus agreement and non-agreement employees on such terms and conditions as deemed appropriate for an initial three-year period from July 1, 2009 to June 30, 2012 and for two independent one-year options, exercisable at NJ TRANSIT's discretion.