

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

Richard R. Sarles
Executive Director

NJ TRANSIT
One Penn Plaza East
Newark, New Jersey 07105-2246
973-491-7000



July 12, 2007

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 11, 2007.

Sincerely,

Gwen A. Watson
Board Secretary

Enclosures

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

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, July 11, 2007.

Present:

Kris Kolluri, Esq., Chairman
Myron Shevell, Vice Chairman
A. Matthew Boxer, Governor's Representative
Patrick O'Connor, Treasurer's Representative
Kenneth E. Pringle
Flora Castillo
Susan L. Hayes

Richard R. Sarles, Executive Director
Lynn Bowersox, Assistant Executive Director, Corporate Commun. & External Affairs
James Gigantino, Acting Vice President & General Manager, Bus Operations
William Duggan, Vice President & General Manager, Rail Operations
Mark Holmes, Deputy Attorney General
Vincent Soleo, Assistant Executive Director, Procurement & Support Services
James Redeker, Assistant Executive Director, Policy, Technology & Customer Services
Steve Santoro, Assistant Executive Director, Capital Planning and Programs
H. Charles Wedel, Chief Financial Officer & Treasurer
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Ernest Williams, Acting Assistant Executive Director, Diversity
Gwen A. Watson, Board Secretary

Chairman Kris Kolluri convened the Open Session at 9:10 am in accordance with the Open Public Meetings Act.

Chairman Kris Kolluri asked for a motion to adopt the minutes of the June 13, 2007 meeting. A motion was made by Flora Castillo, seconded by Myron P. Shevell and unanimously adopted.

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

Executive Director Sarles closed out Fiscal Year 2007 by reporting on the fourth consecutive year of record ridership growth. He said preliminary data show that NJ TRANSIT experienced a 4.1 percent increase systemwide on bus, rail and light rail, with a total of 251 million trips for the year.

Travel to Midtown Manhattan grew at an estimated rate of about five percent for rail and nearly four percent for bus. On bus service within New Jersey, ridership reached 103.3 million an increase of 0.2 percent with ridership gains in Northern New Jersey, as well as on local routes in southern New Jersey. Rail recorded gains on all lines reaching a record 73 million passenger trips. On light rail, ridership increased 22.4 percent over last

year to 18.8 million passenger trips, with more people taking the Newark Light rail including the extension to Broad Street Station, and the Hudson-Bergen Light Rail between Bayonne and Tonnel Avenue. He said increased transit services, a strong regional economy and job market, and higher fuel prices are encouraging more people to travel by transit.

Executive Director Sarles discussed the operating and capital program budgets for the coming year. Executive Director Sarles thanked Chairman Kolluri for his efforts on NJ TRANSIT's behalf during the budget process and especially thanked Governor Corzine for his leadership in securing \$300 million in State support for NJ TRANSIT. This is extraordinary given the State's constrained budget. Executive Director Sarles said he is seeking the Board's approval of a \$1.6 billion operating budget, which achieves multiple objectives. While running nearly 26 million more miles of transit service annually than five years ago on bus, rail and light rail services, NJ TRANSIT expects a fifth consecutive year of ridership growth approaching 900,000 customer trips a day this coming year.

This budget supports growth with an additional 200,000 rail car miles including new mid-day and weekend service on the Pascack Valley Line and extension of some current Raritan Valley Line trains to High Bridge providing additional service on this portion of the line, 18,000 more light rail miles for new early morning and late night service on the River Line; 40,000 additional bus hours to accommodate capacity on the busiest routes; and nearly a million new miles of Access Link service to accommodate ridership growth for people with disabilities.

Despite the continuing pressure of fuel and electric cost increases, as well as substantial service growth to support record ridership levels, NJ TRANSIT has contained core expense growth to three percent.

Executive Director Sarles said the \$1.3 billion capital program invests \$546 million in basic capital improvements needed to maintain and improve a transit system of this size and magnitude including basic safety and reliability investments and the purchase of multilevel rail vehicles as well as 1,171 new buses, primarily for local service.

In addition, the program provides for station improvements at New York Penn Station including a new 31st street exit and Trenton and Metropark; infrastructure replacements including 13 miles of new track and 53,000 main line track ties and park-ride expansion at Edison Station. Executive Director Sarles said he looks toward capacity expansions and this budget allows advancement of the Northern Branch service; Passaic-Bergen rail service; Monmouth-Ocean-Middlesex (MOM); South Jersey/PATCO extension and the Lackawanna Cut-off. He said the capital program advances the Access to the Region's Core project for which NJ TRANSIT is currently developing the final environmental impact statement.

Executive Director Sarles said a related item on the Board agenda is the contract for funding of the final Environmental Impact Statement for the Portal Bridge replacement. He said Portal Bridge is one of the critical chokepoints on the Northeast Corridor with only a two-track span that has been in service since 1910. NJ TRANSIT has been

leading this critical project to expand capacity in conjunction with the Access to the Region's Core project, working closely with the Federal Railroad Administration, the Federal Transit Administration, and Amtrak.

As expansion projects are launched, NJ TRANSIT must keep an eye on what it does well and what needs to improve. Executive Director Sarles launched the first ever on-line customer satisfaction survey. The goal is to gather feedback from riders so that NJ TRANSIT can make informed decisions and investments to improve service. The survey will be available on www.njtransit.com through July 22, 2007.

Executive Director Sarles recognized Auditor General, Robert J. Guarnieri, who is retiring after more than 14 years of exemplary service. Auditor General Guarnieri's keen auditing skills have helped to improve the efficiency of NJ TRANSIT operations, resulting in substantial cost savings throughout the Corporation.

There was no Advisory Committee Report.

Myron P. Shevell presented the Capital Planning, Policy and Privatization Committee report to the Board. He said the Committee met on June 28, 2007 and discussed future rail equipment needs. Going forward, NJ TRANSIT will be faced with certain choices as it replaces an aging fleet and continues to expand capacity to accommodate ridership growth and new rail services.

NJ TRANSIT is studying what combination of equipment types will best meet the needs operationally, as well as provide optimum capacity to serve the greatest number of customers.

The popularity of the multilevel vehicles, in particular the lack of a middle seat, has demonstrated that customers have a strong preference for two/two seating. While the number of cars with three/two seating will diminish as a percentage of the overall fleet, it is becoming evident from early fleet planning work that NJ TRANSIT needs to continue electric multiple unit equipment due to its operational efficiency and carrying capacity. Committee Chairman Shevell said he will keep the Board updated as the fleet planning work develops.

Flora Castillo presented the Administration Committee report to the Board. She said in addition to discussing agenda items at its meeting on June 29, 2007, the Administration Committee focused on the work of the Accessibility Task Force. The Task Force was established earlier this year in response to certain customer feedback. Committee Chairwoman Castillo said as the Board representative to the Task Force, she was pleased to report that work is being finalized and staff is developing an action plan that will implement a number of recommendations.

The Task Force was charged with reviewing NJ TRANSIT's accessibility programs for bus, rail, light rail and private carrier services to identify any improvements that might be needed in the areas of policy, training or customer service.

The Task Force found that NJ TRANSIT has a very solid program serving customers with disabilities and has invested substantially in training programs, procedures to respond to customer concerns, and frequent communications with employees.

Committee Chairwoman Castillo said after meeting with ADA advocates, she looks forward to finalizing the recommendations and sharing the conclusions with the Board.

There were two public comments on agenda items.

Rose Heck, on behalf of the Association of Railroad Passengers, commented on item #0707-52, 69th Street Grade Separation Project: General Design Consultant for Final Engineering and Environmental Services Consultant. Ms. Heck asked for an amended Resolution to clearly indicate that nothing on this project will inhibit or have any adverse effect on the Hudson Bergen Light Rail Northern Branch to Tenafly decision on whether to use light rail or the diesel multiple unit railcars. She expressed concern that the diesel multiple unit railcars would be favored over the use of light rail.

Executive Director Sarles said the design is flexible and would not impact the Hudson Bergen Light Rail Northern Branch to Tenafly decision.

David Peter Alan, on behalf of the Lackawanna Coalition, commented on several board agenda items. Mr. Alan commented on item 0707-50 Portal Bridge Environmental Impact Statement: Consultant Contract Amendment for Draft and Final Environmental Impact Statements and said the proposed project is only one part of an overall plan to increase rail capacity between Newark Penn Station and Broad Street Station and mid-town Manhattan. Mr. Alan called for a transparent reporting of the environmental concerns, costs and expected benefits associated with the entire mega-project as a whole. This includes any Portal bridge enhancement or replacement, any proposed Access to the Region's Core tunnel and any projects that deal with Newark or with access for mid-town riders. He said the public and taxpayers deserve to know what kind of service to expect as well as what they are getting for their money.

Mr. Alan commented on item 0707-55 Second Extension to Lease Agreement: Washington Secondary Branch – Netcong to Hackettstown. He said the Lackawanna Coalition has consistently supported the extension of rail service to Hackettstown. He said they also support the addition of more service west of Dover and eventual expansion of service on the Washington Secondary to Washington and Philipsburg. Mr. Alan suggested that NJ TRANSIT look into purchasing this line as well as adding passing sidings and other capital improvements that will be needed for full service to Philipsburg and beyond.

Mr. Alan commented on item 0707-49 Newark Penn Station: Exterior Traffic Circulation Improvements Project – General Construction Award. Mr. Alan said the return of a dedicated bus lane on Broad Street will improve bus service. Mr. Alan suggested that a dedicated bus lane on Broad Street should extend all the way to the Broad Street Rail Station during peak times.

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Mr. Alan commented on the Hudson Bergen Light Rail 8th Street Extension (MOS 3) Property Acquisition and said that he personally looks forward to the extension of the light rail service to 8th Street in Bayonne.

Mr. Alan said he was unable to comment on item 0707-45 Fiscal Year 2008 Capital Program and item 0707-46 Fiscal Year 2008 Operating Budget because he did not have enough information to comment on the proposed budgets. Mr. Alan said the interpretive statement on the agenda notice concerning the budgets did not live up to the standard of the Open Public Meetings Act. Mr. Alan said the public has not been informed on how NJ TRANSIT plans to spend the funds, so he could not provide comments. Mr. Alan requested the budget items be postponed until the public is informed about how the money will be spent.

Executive Director Sarles presented the following Action Items for approval:

0707-45: FISCAL YEAR 2008 CAPITAL PROGRAM

Adopt the Fiscal Year 2008 Capital Program to continue NJ TRANSIT's investment in New Jersey's transit infrastructure while improving the state-of-good-repair, reliability and safety with a focus on customer satisfaction. The past four years have brought record ridership, and the capital program enables NJ TRANSIT to provide more service to more customers while keeping core system cost growth down to inflationary levels. This \$1.3 billion program also enables NJ TRANSIT to continue to invest in modernizing the bus and rail fleet, while improving stations and parking for customers.

Myron P. Shevell moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

0707-46: FISCAL YEAR 2008 OPERATING BUDGET

Adopt the \$1.6 billion Fiscal Year 2008 Operating Budget which contains \$300 million in State assistance, about the same as last year. Another \$464 million comes from Federal and State reimbursements to help support operating costs such as daily expenses of operating the system such as fuel, electricity and insurance. This budget funds 200,000 new rail miles including new mid-day and weekend service on the Pascack Valley Line, 18,000 new light rail miles and another 40,000 bus hours with new trips on more than 25 routes. It also funds another one million miles for Access Link for customers with disabilities.

Myron P. Shevell moved the resolution, Susan L. Hayes seconded it and it was unanimously adopted.

**0707-47: APPOINTMENT OF VICE PRESIDENT AND GENERAL MANAGER:
NJ TRANSIT BUS OPERATIONS INC. AND GENERAL MANAGER:
NJ TRANSIT MERCER INC.**

Appoint James J. Gigantino as the permanent Vice President and General Manager of NJ Transit Bus Operations, as well as General Manager of NJ Transit Mercer. Mr. Gigantino has been with NJ Transit Bus Operations for almost 20 years, the last few as Acting Vice President/General Manager. Mr. Gigantino will also assume responsibility for bus service planning. He has embarked on an effort to improve interconnectivity with rail and light rail as well as new bus routes for intrastate bus for bus rapid transit.

Vice Chairman Shevell said Mr. Gigantino has done a phenomenal job as Acting Vice President and General Manager of NJ TRANSIT Bus Operations Inc. and General Manager of NJ TRANSIT Mercer Inc. and congratulated him on his permanent appointment.

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

**0707-48: HUDSON BERGEN LIGHT RAIL – 8TH STREET EXTENSION (MOS 3)
PROPERTY ACQUISITION**

Design work is well underway for the extension of Hudson Bergen Light Rail to 8th Street in Bayonne which will take light rail transit to currently unserved mixed use neighborhoods where new housing near the new station site has just been approved by Bayonne officials. NJ TRANSIT expects 3400 daily riders by 2015. To continue forward, NJ TRANSIT must now purchase a number of properties in Bayonne, including two businesses. Exhibit A details those properties and authorization is requested to take all actions necessary to acquire those properties and to provide relocation assistance where necessary at a cost not to \$5,350,000.

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

**0707-49: NEWARK PENN STATION: EXTERIOR TRAFFIC CIRCULATION
IMPROVEMENTS PROJECT – GENERAL CONSTRUCTION
CONTRACT AWARD**

Evening rush hour provides a challenge for buses taking commuters from Newark Penn Station to their homes around the State. Traffic back-ups and signal difficulties make it difficult for buses to turn onto Raymond Boulevard. Authorization is requested for a construction contract to

improve the traffic and pedestrian circulation around the station. A dedicated bus lane for the evening commute will be created on Raymond Boulevard between Raymond Plaza East where the buses exit the station and McCarter Highway. The improvements will modernize and improve bus trip times with this new reversible lane, with signal synchronization and signage, removal of sidewalks, medians and pavement. New striping, traffic lights, sidewalks, crosswalks and message signs will be installed, with completion slated for winter of next year. Authorization is requested to approve a \$1,180,000 contract with Daidone Electric, Inc.

Myron P. Shevell recused himself from voting on this item. Flora Castillo moved the resolution, Susan L. Hayes seconded it and it was adopted.

0707-50: PORTAL BRIDGE ENVIRONMENTAL IMPACT STATEMENT: CONSULTANT CONTRACT AMENDMENT FOR DRAFT AND FINAL ENVIRONMENTAL IMPACT STATEMENTS

The Amtrak-owned Portal Bridge is a two track railroad bridge carrying the Northeast Corridor over the Hackensack River. The bridge, in service since 1910, must be replaced since operating problems and marine traffic conflicts continue to increase on this portion of the railroad. NJ TRANSIT expects to operate at least 37 peak hour trains over the bridge 20 years from now, and the bridge is now at a saturation point, leaving no room for growth. To continue the replacement, authorization is requested to amend the first phase, which is preparation of the Draft Environmental Impact Statement, of a contract with AKRF, Inc. to expand the scope to examine additional alternatives developed by the Access to the Region’s Core project. The expanded scope is \$380,518. Authorization is requested to exercise the second phase option of this contract to prepare the Final Environmental Impact Statement (FEIS) leading up to a federal Record of Decision by early next year. The cost for preparation of the FEIS for the Portal Bridge capacity project will not exceed \$1,362,806. Authorization is requested to approve these contract amendments.

Myron P. Shevell recused himself from voting on this item. Patrick O’Connor moved the resolution, Flora Castillo seconded it and it was adopted.

0707-51: NORTH HACKENSACK PARKING EXPANSION: CONSTRUCTION CONTRACT AWARD

Pascack Valley Line commuters can expect twice the number of parking spaces by next summer at the North Hackensack train station in River Edge. The existing lot is at capacity and authorization is requested to contract with Tilcon New York, Inc. to construct and resurface the station lot with an additional 143 spaces east of the tracks. NJ TRANSIT expects increased ridership since it is introducing bi-directional, mid-day and

weekend service on the Pascack Valley Line and this new lot will meet projected 2010 demands. The contract is for \$1,582,260.

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

0707-52: 69TH STREET GRADE SEPARATION PROJECT: GENERAL DESIGN CONSULTANT FOR FINAL ENGINEERING AND ENVIRONMENTAL SERVICES CONSULTANT

At the existing 69th Street Bridge in North Bergen, eight freight railroad tracks owned by CXS cause conflict with automobile and commercial traffic. A new grade separation project is being designed to alleviate these movements while accommodating future NJ TRANSIT passenger rail service. The project includes a new roadway bridge with related roadway improvements on 69th Street, West Side Avenue and Ampesil Avenue improving traffic flow and safety in this heavily traveled area. Authorization is requested to increase the funding in an existing contract with Parsons Brinckerhoff Quade & Douglas Inc. by \$1.3 million plus five percent for contingencies to continue design and construction, and to increase funding for environmental compliance for the design and construction with BEM Systems, Inc. by \$1,048,877 plus five percent for contingencies.

Patrick O'Connor moved the resolution, Susan L. Hayes seconded it and it was unanimously adopted.

0707-53: EXTENSION AND AMENDMENT OF CONTRACT (NO. 03-028) WITH CUBIC TRANSPORTATION SYSTEMS FOR THE INSTALLATION AND INTEGRATION OF NEW BUS FARE REGISTERS AND GARAGE DEPOT COMPUTER SYSTEMS FOR NJ TRANSIT AND CERTAIN PRIVATE CARRIERS

NJ TRANSIT's bus fare collection equipment and systems, purchased and installed in the 1980's, must process more than \$275 million annually in passenger revenues. This equipment will no longer be supported by the manufacturer and replacement is necessary. After a two-year pilot test, Bus Operations and Finance are assured that a full scale replacement can be integrated with the current legacy systems at the same time setting a secure foundation for future upgrades such as smart cards and a new back office accounting system. Authorization is requested to purchase new on-board bus registers, readers, computers equipment for garages and all associated hardware and software for NJ TRANSIT buses as well as contracted carriers and some private carriers from Cubic Transportation Systems at a cost of \$11,685,000 plus five percent for contingencies.

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

0707-54: COMPUTER AIDED DISPATCH (CAD), RECORDS MANAGEMENT SYSTEM (RMS) AND MOBILE DATA COMPUTER (MDC) APPLICATIONS FOR NJ TRANSIT POLICE

Homeland Security requirements and NJ TRANSIT's stepped-up emphasis on improving passenger and employee safety, require NJ TRANSIT's police department to upgrade technologies to support these expanded operations. Authorization is requested to contract with Intergraph Corporation for \$3 million plus five percent for contingencies which will integrate telephone and emergency 911 calls, automate the dispatching of personnel and equipment, track the location of officers and vehicles, automate reporting and analysis of all incidents and enhance the capability of crime analysis and deployment of resources.

Patrick O'Connor moved the resolution, Susan L. Hayes seconded it and it was unanimously adopted.

Executive Director Sarles presented the following Consent Item for approval:

0707-55: SECOND EXTENSION TO LEASE AGREEMENT: WASHINGTON SECONDARY BRANCH – NETCONG TO HACKETTSTOWN

Authorization to take all actions necessary to enter into an Extension of the Lease Agreement for the Washington Secondary Branch with Norfolk Southern Railway company for ten years from June 1, 2006 through May 31, 2016 which includes a five year renewal option. Rent will remain at the existing annual rate of \$303,000 for the first year (June 1, 2006 through May 31, 2007) and \$336,000 per year for the remaining nine years through May 31, 2016.

The Consent Calendar was moved in its entirety by Patrick O'Connor, seconded by Susan L. Hayes and unanimously adopted.

There were four public comments on non-agenda items.

Patrick Reilly on behalf of the United Transportation Union said his union represents 1150 conductors and trainmen. He said he wants to set the record straight about a train accident that occurred on November 22, 2006 in Bradley Beach, New Jersey. Mr. Reilly said NJ TRANSIT publicly blamed the crew for the accident before they conducted an investigation. He said NJ TRANSIT publicly announced that the train doors were operating properly and dismissed three train crew members. Mr. Reilly said that as a direct result of the NJ TRANSIT accident, the Federal Railroad Administration issued an advisory that door bypass seals could be defective. He said at the time of this accident the doors were in bypass mode. Mr. Reilly said several bulletins and notices were issued regarding train doors. Mr. Reilly said the doors were not operating properly. He

said there were 116 reportable accidents involving doors between January 2004 and November 2006. Mr. Reilly said NJ TRANSIT conducted a less than fair and impartial hearing. Mr. Reilly requested that the Board ensure a full and complete investigation is conducted into this accident.

Chairman Kolluri said he could not comment on the specifics of this accident at this time due to litigation.

Executive Director Sarles said safety is paramount at NJ TRANSIT and there is a low incident ratio regarding train door safety. He could not comment further due to litigation.

Gary Johnson suggested that NJ TRANSIT add a transit guide to its website to assist passengers to use the transit system from county to county. Mr. Johnson said some counties provide transit guides and if they were available on NJ TRANSIT's website it would make it easier to commute from destination to destination.

Board Member Pringle said that was a great idea and said NJ TRANSIT has been working with Google to create greater information access to riders.

Al Cafiero on behalf of Senator Cardinale commented on congestion pricing in New York. Mr. Cafiero said the ferry service would increase capacity across the Hudson River. He said there should be ferry service every few blocks during the peak period.

Mr. Cafiero also commented about the buses on the George Washington Bridge and said the buses compete with the trucks.

Chairman Kolluri said the ferry service is a critical component to increase capacity across the Hudson River.

David Peter Alan said the Lackawanna Coalition is deeply concerned about the plans for the new tunnel that will increase rail capacity into New York City. He said the project as now proposed will have significant negative impacts, especially for riders on the Morris & Essex and Montclair-Boonton Lines. Mr. Alan said the Coalition has been informed of new changes to the project and noted that the revisions indicate a scaling back of the project presumably to cut costs. He said the Coalition has always stated that the proposed project is too expensive. Mr. Alan said it would be much more cost-effective to return to the original Access to the Region's Core objective of connecting the existing New York Penn Station with the existing Grand Central Terminal to provide access for NJ TRANSIT riders to their choice of either the East Side or the West Side. With the new leadership at the Metropolitan Transportation Authority and at NJ TRANSIT, bi-state cooperation to restore this vital objective is now possible.

Mr. Alan said the Coalition is especially concerned about the elimination of connectivity between the proposed tunnel and the existing New York Penn Station. Project management said the amount of capacity that the proposed tunnel will add is needed only during peak hours. He said Coalition strongly doubts that trains on the Morris & Essex and Montclair-Boonton Lines will be directed to the new deep cavern terminal only during peak hours and to the existing New York Penn Station during off peak times.

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He said they expect, if the proposed project is built, that trains on NJ TRANSIT lines will forever be relegated to a deep cavern 175 feet below street level. He said passengers will lose connectivity with Amtrak and will lose access to the station services available only at New York Penn Station.

Mr. Alan said the Coalition also objects to being forced into a deep cavern terminal for safety, security and convenience reasons. He said NJ TRANSIT's chief planner acknowledged that it would take six minutes to exit the station and reach street level under the former proposal which called for a station that was not as deep. Evacuation of all peak hour riders to a place of safety in case of an emergency would be effectively impossible.

Mr. Alan said the proposed project is only part of an overall plan to increase rail capacity between Newark Penn Station and Broad Street Station and midtown Manhattan. He said the Coalition is calling for a transparent reporting of the costs and expected benefits associated with the entire project. Mr. Alan said when NJ TRANSIT opened Midtown Direct service in 1996, neither the Coalition nor the riders were given any reason to believe that the use of New York Penn Station was to be only temporary. He said access to New York Penn Station should continue as well as access to the east Side as well. Mr. Alan said New York is spending billions of dollars to give Long Island riders this choice through its "East Side Access" program and New Jersey riders deserve this choice too.

Mr. Alan said his colleague, Albert Papp, was unable to attend the Board Meeting and submitted his statement, on behalf of the New Jersey Association of Railroad Passengers, entitled "Merge THE Tunnel and Portal Bridge Projects."

Since there were no further comments or business, the Chairman called for adjournment and a motion to adjourn was made by Myron P. Shevell, seconded by Flora Castillo and unanimously adopted.

The meeting was adjourned at approximately 9:55 am.

**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 11, 2007

MINUTES

- | | | |
|---|---|-------|
| ➤ | APPROVAL OF MINUTES OF PREVIOUS MEETINGS | 39003 |
| ➤ | EXECUTIVE DIRECTOR'S MONTHLY REPORT | 39004 |
| ➤ | ADVISORY COMMITTEE REPORTS | - |
| ➤ | BOARD COMMITTEE REPORTS | - |
| ➤ | BOARD ADMINISTRATION COMMITTEE | - |
| ➤ | BOARD CAPITAL PLANNING, POLICY AND
PRIVATIZATION COMMITTEE | - |
| ➤ | PUBLIC COMMENTS ON AGENDA ITEMS | - |

ACTION ITEMS

- | | | |
|---------|---|-------|
| 0707-45 | FISCAL YEAR 2008 CAPITAL PROGRAM | 39026 |
| | Adoption of the proposed Fiscal Year 2008 (FY08) Capital Program totaling \$1.29 billion and authorization to seek and secure necessary funding and execute agreements, as required, to accept such funding. | |
| 0707-46 | FISCAL YEAR 2008 OPERATING BUDGET | 39042 |
| | Adoption of the proposed Fiscal Year 2008 operating budget as detailed in the item and on the attached exhibits. | |
| 0707-47 | APPOINTMENT OF VICE PRESIDENT AND GENERAL
MANAGER: NJ TRANSIT BUS OPERATIONS, INC. AND
GENERAL MANAGER: NJ TRANSIT MERCER, INC. | 39050 |
| | Appointment of James J. Gigantino to the position of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc. and General Manager of NJ TRANSIT Mercer, Inc. effective April 2, 2007 at an annual salary of \$194,459. | |

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS INC.
NJ TRANSIT RAIL OPERATIONS INC.
NJ TRANSIT MERCER INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING
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0707-48 HUDSON BERGEN LIGHT RAIL – 8th STREET 39053
EXTENSION (MOS 3) PROPERTY ACQUISITION

Authorization to take all actions necessary to acquire all property on Exhibit A and provide relocation assistance where required for the HBLRTS MOS 3 at a cost not to exceed \$5,350,000 including closing costs, subject to Federal Transit Administration approval where required and to the availability of funds.

0707-49 NEWARK PENN STATION: EXTERIOR TRAFFIC 39057
CIRCULATION IMPROVEMENTS PROJECT – GENERAL
CONSTRUCTION CONTRACT AWARD

Authorization to contract (No. 07-079X) with Daidone Electric, Incorporated, of Newark, New Jersey, for the construction of the Exterior Traffic Circulation Improvements Project – Initial Phase (Express Bus Lane) at Newark Penn Station at a cost not to exceed \$1,180,000.00, plus five percent for contingencies, subject to the availability of funds.

0707-50 PORTAL BRIDGE ENVIRONMENTAL IMPACT 39059
STATEMENT: CONSULTANT CONTRACT AMENDMENT
FOR DRAFT AND FINAL ENVIRONMENTAL IMPACT
STATEMENTS

Authorization to amend Phase I of the contract (No. 06-097) with AKRF, Inc. of Marlton, New Jersey for completion of the Portal Bridge Draft Environmental Impact Statement at an additional amount not to exceed \$380,518 for a total amount for Phase I of \$3,866,040 and to exercise Phase II of the contract (No. 06-097) with AKRF, Inc. of Marlton, New Jersey for the preparation of the Final Environmental Impact Statement for the Portal Bridge capacity project at a cost not to exceed \$1,362,806, plus five percent for contingences, for a total contract authorization of \$5,296,987, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS INC.
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0707-51 NORTH HACKENSACK PARKING EXPANSION: 39062
CONSTRUCTION CONTRACT AWARD

Authorization to contract (No. 06-087X) with Tilcon New York Inc. of Wharton, New Jersey, for general construction and resurfacing of the lots, at a cost not to exceed \$1,582,260, plus five percent for contingencies, subject to the availability of funds.

0707-52 69th STREET GRADE SEPARATION PROJECT: 39064
GENERAL DESIGN CONSULTANT FOR FINAL
ENGINEERING AND ENVIRONMENTAL SERVICES
CONSULTANT

Authorization to increase the funding of Contract No. 93CJ001 in the amount of \$1,300,000, plus five percent for contingencies, for professional services related to the design and construction of the 69th Street Grade Separation Project with Parsons Brinckerhoff Quade and Douglas, Inc. of Newark, New Jersey, the general design consultant. This authorization will bring the total contract authorization to \$150,835,785; and

Authorization to increase the funding of Contract No. 91CJ0035 in the amount of \$1,048,877 plus five percent for contingencies, for professional services related to environmental compliance necessary for the design and construction of the 69th Street Grade Separation Project with BEM Systems, Inc. of Chatham, New Jersey, the environmental services consultant. This authorization will bring the total contract authorization to \$33,279,858.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS INC.
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- 0707-53 EXTENSION AND AMENDMENT OF CONTRACT (NO. 03-028) WITH CUBIC TRANSPORTATION SYSTEMS FOR THE INSTALLATION AND INTEGRATION OF NEW BUS FARE REGISTERS AND GARAGE DEPOT COMPUTER SYSTEMS FOR NJ TRANSIT AND CERTAIN PRIVATE CARRIERS 39067

Amendment and extension of the contract (No. 03-028) with Cubic Transportation Systems of Tullahoma, Tennessee to expand the completed pilot program to the remainder of NJ TRANSIT's fleet, contract carriers, and private carriers accepting monthly passes through the procurement of fare registers and readers, RDM modules, garage depot computers, and associated hardware and software, and extend staffing support for existing equipment and systems through June 2009 at a cost of \$11,685,000, plus five percent for contingencies, subject to the availability of funds.

- 0707-54 COMPUTER AIDED DISPATCH (CAD), RECORDS MANAGEMENT SYSTEM (RMS) AND MOBILE DATA COMPUTER (MDC) APPLICATIONS FOR NJ TRANSIT POLICE 39070

Authorization to contract with Intergraph Corporation of Huntsville, Alabama for computer systems at a cost not to exceed \$3,000,000, plus five percent for contingencies, subject to the availability of funds.

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 11, 2007
MINUTES
PAGE 5

CONSENT CALENDAR

0707-55 SECOND EXTENSION TO LEASE AGREEMENT: 39074
WASHINGTON SECONDARY BRANCH – NETCONG TO
HACKETTSTOWN

Authorization to take all actions necessary to enter into an Extension of the Lease Agreement for the Washington Secondary Branch with Norfolk Southern Railway Company for ten years from June 1, 2006 through May 31, 2016 which includes a five year renewal option. Rent will remain at the existing annual rate of \$303,000 for the first year (June 1, 2006 through May 31, 2007) and \$336,000 per year for the remaining nine years through May 31, 2016.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

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 13, 2007 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 15, 2007;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the June 13, 2007 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

Kris Kolluri, Esq.
Board Chairman

Richard R. Sarles
Executive Director

NJ TRANSIT
180 Boyden Avenue
Maplewood, NJ 07040-2494
973-378-6300



TO: BOARD OF DIRECTORS
FROM: RICHARD R. SARLES 
DATE: JULY 11, 2007
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JULY 2007

NJ TRANSIT closed Fiscal Year 2007 (FY07) with the fourth consecutive year of systemwide ridership growth, with preliminary data showing a 4.1 percent increase to a record-high 251 million trips on our bus, rail and light rail services. Increased transit services, a strong regional economy and job market, and higher fuel prices are encouraging more people to travel by transit.

On bus service within New Jersey, ridership reached 103.3 million—with ridership gains in northern New Jersey, as well as on local routes in southern New Jersey. Rail recorded gains on all lines in the peak, off-peak and weekend periods, reaching 73 million passenger trips. And on light rail, ridership increased 22.4 percent over last year to 18.8 million passenger trips, with more people taking the Newark Light Rail's extension to Broad Street Station, and the Hudson-Bergen Light Rail between Bayonne and Tonnelles Avenue.

Turning to our operating and capital program budgets for the coming year, I would like to thank our Chairman for his efforts on our behalf during the budget process. I would especially like to thank Governor Corzine for his leadership in securing nearly \$300 million in state support for NJ TRANSIT, which is extraordinary given the state's constrained budget.

Today we are seeking the Board's approval of a \$1.6 billion operating budget. While running nearly 26 million more miles of transit service annually than five years ago on our system, we expect a fifth consecutive year of ridership growth—approaching 900,000 customer trips a day this coming year. This budget enables us to support that growth with an additional 200,000 rail car miles—including new midday and weekend service on the Pascack Valley Line and the extension of some current Raritan Valley Line trains to High Bridge; 18,000 more light rail miles; 40,000 additional bus hours with new trips on 25 routes; and nearly a million new miles of Access Link service for people with disabilities.

The companion \$1.3 billion capital program invests \$546 million in basic capital improvements needed to maintain and improve a transit system of this size and magnitude, including basic safety and reliability investments and the purchase of multilevel rail vehicles, as well as 1,171 new buses, primarily for local service. In addition, the program provides for station improvements at New York Penn Station, including a new 31st Street exit, and at Trenton and Metropark; infrastructure replacements, including 13 miles of new track and 53,000 main line track ties; and a park-ride expansion at Edison Station.

As we look toward capacity expansions, this budget allows advancement of the Northern Branch, Passaic-Bergen rail service, MOM, South Jersey/PATCO extension and the Lackawanna Cutoff. Importantly, the capital program advances the ARC project for which we are currently developing the final environmental impact statement.

A related item on today's agenda is the contract for funding of the final environmental impact statement for the replacement of Portal Bridge—one of the critical chokepoints on the Northeast Corridor, with only a two-track span that has been in service since 1910. As you know, NJ TRANSIT has been leading this critical project to expand capacity in conjunction with the ARC project, working closely with the Federal Railroad Administration, the Federal Transit Administration and Amtrak.

Lastly, this week we launched a new online customer satisfaction survey to gather feedback that will help make NJ TRANSIT bus, rail and light rail services the preferred choice for travel in New Jersey. Through July 22, customers may visit our website to rate NJ TRANSIT's performance in several areas—including comfort, on-time performance, service reliability, station or shelter conditions, employee performance, communication, handling of service disruptions and personal security. The responses received will help us make informed decisions and investments to improve service.

EXECUTIVE DIRECTOR'S MONTHLY REPORT JULY 2007

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

HIGHLIGHTS

NJ TRANSIT orders 45 additional multilevel rail cars

On June 13, the NJ TRANSIT Board of Directors authorized the purchase of an additional 45 multilevel rail cars from Bombardier Transportation—a move that saves the company money on overhaul costs. The fleet of 279 rail cars will enable NJ TRANSIT to meet and anticipate ridership demand on its busiest rail lines, while providing a higher level of comfort for customers.

The additional multilevel vehicles will approximately replace the seating capacity of 49 Comet III-series rail cars delivered to NJ TRANSIT in 1990. The Comet III cars require a midlife overhaul, and replacement of these cars with multilevel vehicles has been determined to be a cost-effective alternative.

In December 2006, NJ TRANSIT debuted its first multilevel train—whose planning and design included extensive input from customers—on the Northeast Corridor. In May, NJ TRANSIT increased its eight-car train to an 11-car train, running four trips per weekday.

Bombardier Transportation has delivered 23 multilevel cars to NJ TRANSIT, with a number of cars going through the commissioning and testing process. The manufacturer is expected to deliver all 279 cars by mid-2009.

The 279 multilevel car order consists of:

- 92 coach cars (with ADA restrooms) with 132 seats
- 42 cab cars (with ADA restrooms) with 127 seats
- 145 coach cars (without restrooms) with 142 seats

By late July, NJ TRANSIT anticipates placing a second multilevel train into service on the Northeast Corridor.

Contract extended for Atlantic City Rail Terminal shuttle service

Also on June 13, the NJ TRANSIT Board of Directors approved a six-month contract extension with the Atlantic City Jitney Association to provide shuttle service between the Atlantic City Rail Line Terminal and the city's hotel and casino destinations.

Atlantic City Jitney Association franchisees operate 190 13-passenger jitneys and several larger buses. The association, which has provided the complimentary shuttle service since 1998,

dedicates two buses and four jitneys to meet every arriving Atlantic City Rail Line train and provides service from the hotels for every departing train. On a typical weekday, jitneys make about 100 trips and carry about 1,200 passengers.

CUSTOMER AND COMMUNITY INITIATIVES

NJ TRANSIT adds more than 200 weekly bus trips on Newark Airport route

As part of the June 23 bus service changes, NJ TRANSIT added more than 200 new bus trips weekly between Newark Penn Station and Newark Liberty International Airport, significantly increasing capacity on the No. 62 line in time for the airport's peak summer travel and employment season.

The No. 62 Newark-Woodbridge-Perth Amboy line now provides an additional 26 trips on weekdays, 36 trips on Saturdays and 40 trips on Sundays—increasing capacity by more than 8,800 seats per week between Newark Penn Station and the airport.

The No. 62 line serves approximately 10,000 riders on a typical weekday—with about 50 percent of those trips to or from the airport.

NJ TRANSIT previously operated 171 bus trips between the airport and Newark Penn Station on a typical weekday. Under the new schedule, 197 trips are offered each weekday, representing a 15 percent increase. The number of Saturday trips increased 28 percent from 130 to 166, and the number of Sunday trips increased 38 percent from 106 to 146.

In addition, for the benefit of airport employees and support personnel, most trip times on weekdays and weekends have been standardized to reflect the seven-day nature of airport job opportunities.

To address capacity on the existing late-night service between Newark Penn Station and the airport, NJ TRANSIT added trips between midnight and 6 a.m. to assist Newark Liberty employees whose jobs begin or end during those hours.

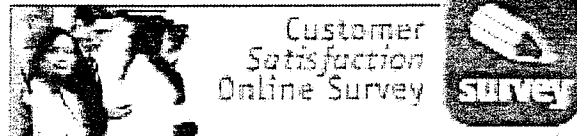
For example, a 3:30 a.m. trip is now offered seven days a week from Newark Penn to the airport, as well as a 4:05 a.m. trip six days a week, to serve airport employees who have to report to work before 5 a.m.

In addition, NJ TRANSIT increased service between 10 p.m. and 1 a.m. from the airport to Newark Penn for the benefit of second shift workers returning home.

NJ TRANSIT launches new online customer satisfaction survey

On Monday, July 9, NJ TRANSIT launched a new online customer satisfaction survey to gather feedback that will help make NJ TRANSIT bus, rail and light rail services the preferred choice for travel in New Jersey. The responses received will help NJ TRANSIT make informed decisions and investments to improve service.

Between July 9 and July 22, customers may visit www.njtransit.com and click on the survey icon to rate NJ TRANSIT's performance in



several areas—including comfort, on-time performance, service reliability, station or shelter conditions, employee performance, communication, handling of service disruptions and personal security.

To encourage customer participation, there was a systemwide seat drop on Tuesday, July 10, with a notice asking customers to log on and complete the survey. In addition, posters are being displayed on buses and light rail vehicles and in some terminals. All customer participants will be entered into a drawing to win one of 25 monthly bus, rail or light rail passes.

EMPLOYEE RECOGNITION

NJ TRANSIT Police Department welcomes four

The NJ TRANSIT Police Department welcomed four new members to the force. Recruits Steven Costain, Stephen Nicosia, Donald Parrish and Richard Sullivan graduated from the Passaic County Police Academy on Friday, June 22, 2007.

NJ TRANSIT employees bid farewell after outstanding careers

Twenty-six NJ TRANSIT employees retired in June with careers ranging from 15 to 40 years of service:

1. Albert E. Dubey, Sr. (Belleville) Ironbound Garage Bus Operator – 40 years
2. Denise Haughney (Jersey City) TIC/GOB Chief Clerk – 38 years
3. Franklyn W. Brown (Somerset) Ironbound Bus Operator/Business Agent – 31 years
4. Harry F. Windish II (Atco) Washington Township Mechanic Class "A" – 31 years
5. Robert Schwartz (Parsippany) Wayne Garage Mechanical "A" – 30 years
6. John C. English (Matawan) Howell Garage Bus Operator – 29 years
7. Robert Fazio (East Windsor) Howell Garage Stock Clerk – 29 years
8. Theodore Banaszewski (Cranford) Hilton Garage Cleaner – 28 years
9. Anthony W. Price (Magnolia) Newton Avenue Bus Operator – 28 years
10. Daniel Murray (Secaucus) GOB Director of W/C & Disability – 27 years
11. Philip E. Perry (Montclair) Orange Garage Mechanic/Repairman – 27 years
12. Johnny C. Cooper (Hillside) Market Street Garage Repairman – 26 years
13. Jorge Puhlovsky (Elmwood Park) Wayne Garage Bus Operator – 26 years
14. Joseph Spillane (Burlington) Newton Avenue Bus Operator – 26 years
15. Patrick J. Gallagher (Cherry Hill) Washington Township Repairman "A" – 25 years
16. Virginia L. Jones (Irvington) Oradell Garage Bus Operator – 25 years
17. Thomas E. Berish (Levittown, PA) Washington Township Bus Operator – 24 years
18. Thomas O. Pratt (Smithville) Atlantic City Garage Bus Operator – 24 years
19. Archie Fields (Teaneck) Oradell Garage Bus Operator – 23 years
20. Mary P. Nolan (Springfield) General Office Building Senior Clerk – 23 years
21. Bette J. Dromgolle-Marasco (Morrisville, PA) Newton Ave. Information Clerk – 22 years
22. Barry Woods (Dumont) Oradell Garage Assistant Garage Supervisor – 22 years
23. Luis F. Santiago (Newark) Orange Garage Bus Operator – 19 years
24. Loretta E. Weed (Absecon) Egg Harbor Garage Bus Operator – 17 years
25. James F. Fishburn (Blackwood) Washington Township Bus Operator – 16 years
26. Joan Shumate (Union) TIC/GOB Information Clerk – 15 years

DBE/MBE PROGRAM

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

\$16,921,721 in federal funds was awarded during October through June of FY 07.* Disadvantaged Business Enterprises (DBEs) were awarded \$3,766,496 or 22.3 percent, which includes both race conscious and race neutral awards.

State Funded Contracts

\$241,401,459 in state-funded contract dollars was awarded during July through June FY 07. ** Of that total, Small Business Enterprises (SBEs) received \$35,216,472 or 14.6 percent. Category 1 SBEs received \$15,219,713 or 6.4 percent. Category 2 SBEs received \$922,344 or 0.4 percent. Category 3 SBEs received \$922,721 or 0.4 percent. Category 4 SBEs received \$5,382,282 or 2.2 percent. Category 5 SBEs received \$12,512,335 or 5.2 percent ***

Federal & State Contracts Total

\$258,323,180 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$38,982,968 or 15.1 percent of federal and state contract dollars was won by DBEs and SBEs.

Hudson-Bergen Light Rail Transit System Project

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

*Fiscal year beginning October 1, 2006

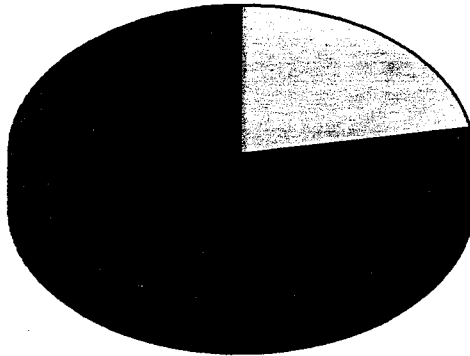
**Fiscal year beginning July 1, 2006

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

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

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THROUGH JUNE 07)***

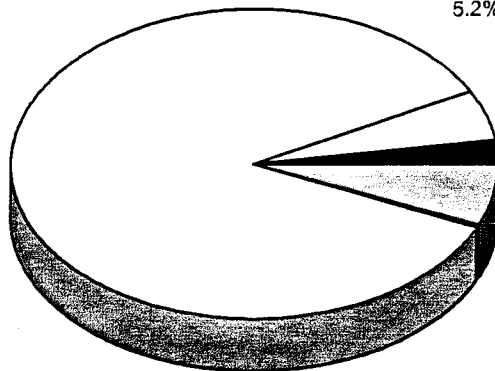
NON-DBE
FEDERAL
\$13,155,225
77.7%



DBE RACE
NEUTRAL &
RACE
CONSCIOUS
\$3,766,496
22.3%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THROUGH JUNE 07)****

NON-SBE STATE
\$206,184,987
85.4%



SBE-5
\$12,512,335
5.2%

SBE-4
\$5,382,282
2.2%

SBE-2
\$922,344
0.4%

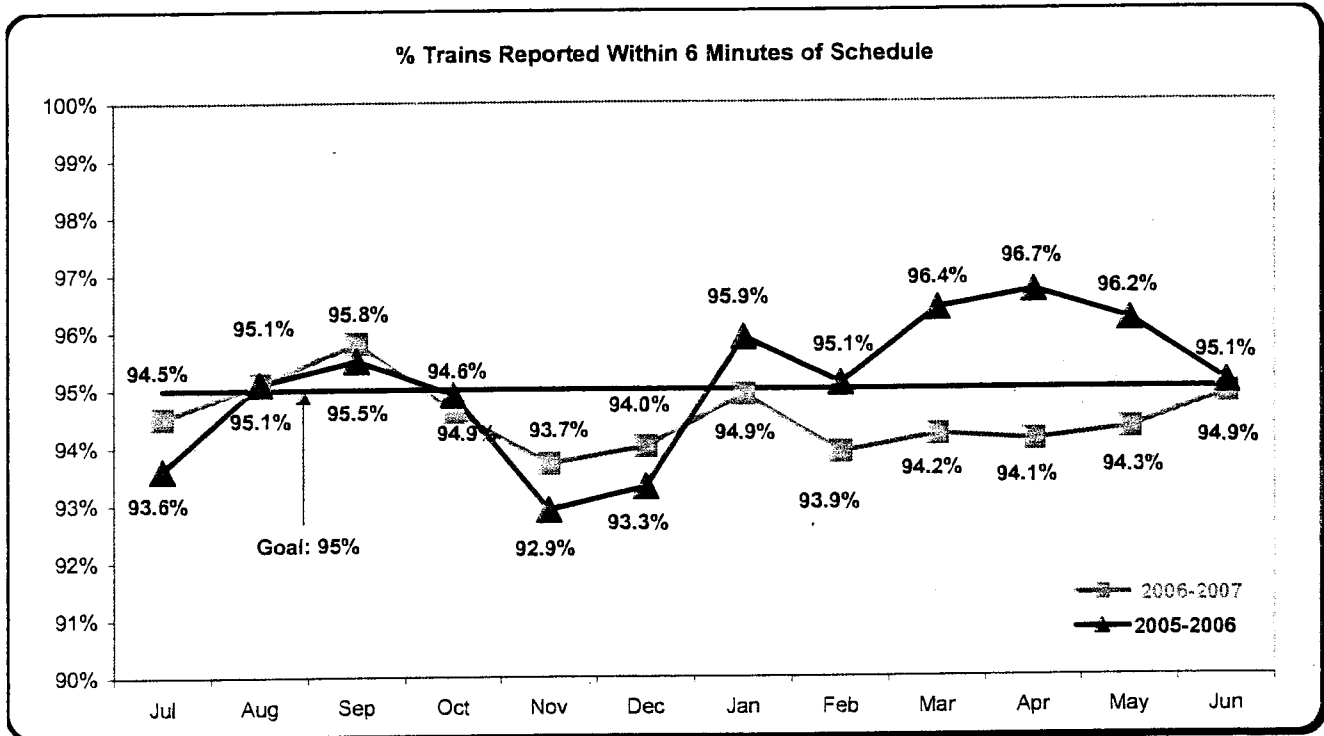
SBE-1
\$15,476,790
6.4%

SBE-3
\$922,721
0.4%

Fiscal Year Beginning October 1, 2006*
Fiscal Year Beginning July 1, 2006**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL JULY 2005 - JUNE 2007



	2005-2006	2006-2007	# Change
June Comparison	95.1%	94.9%	-0.2%

	2005-2006	2006-2007	# Change
12-Month Average July - June	95.1%	94.5%	-0.6%

Analysis:

Rail On-Time Performance for June 2007 was 94.9%, just below the goal of 95.0%. Of the 18,487 trains that were scheduled to operate, 17,547 were on time, while 940 trains (or 5.1%) were delayed. Key causes of delay included:

A disabled Amtrak train near Penn Station New York on June 18th;

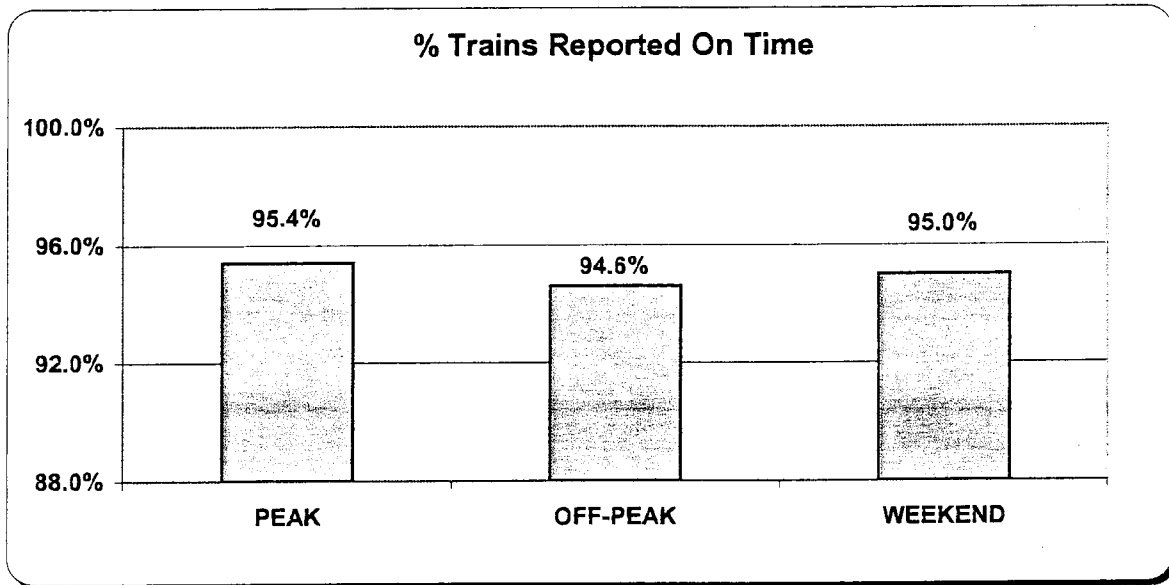
Severe storms resulting in trees falling into overhead wires on the Northeast Corridor on June 19th; and

Signal and wire problems on the Northeast Corridor due to inclement weather on June 27th.

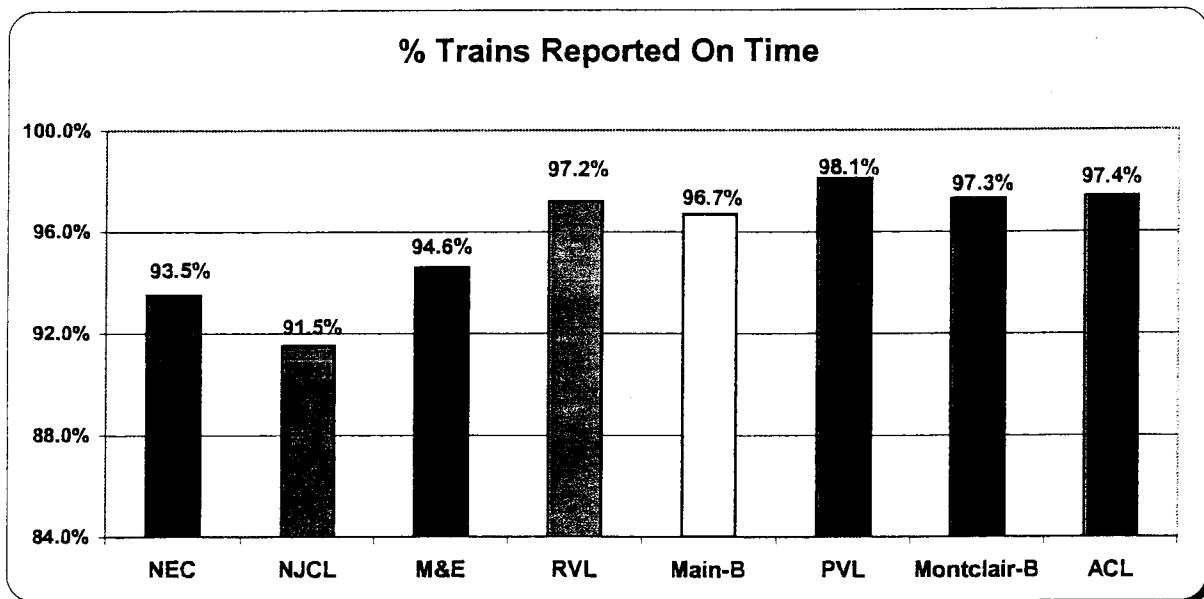
The 12-month average for Rail On-Time Performance systemwide for July 2006 - June 2007 was 94.5%.

ON-TIME PERFORMANCE RAIL

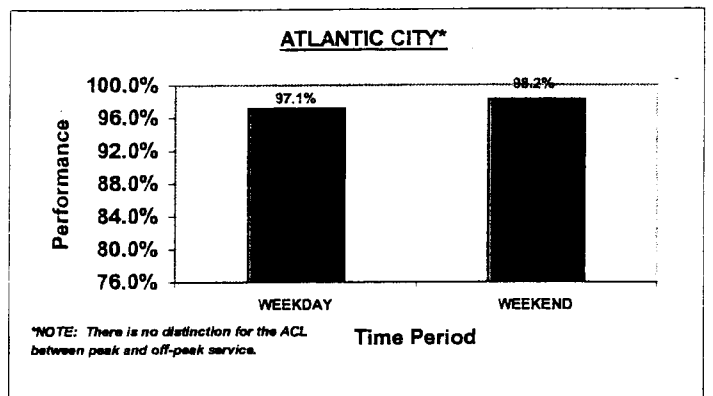
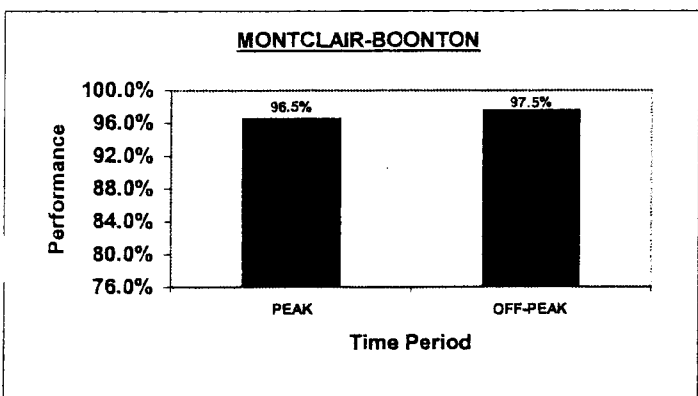
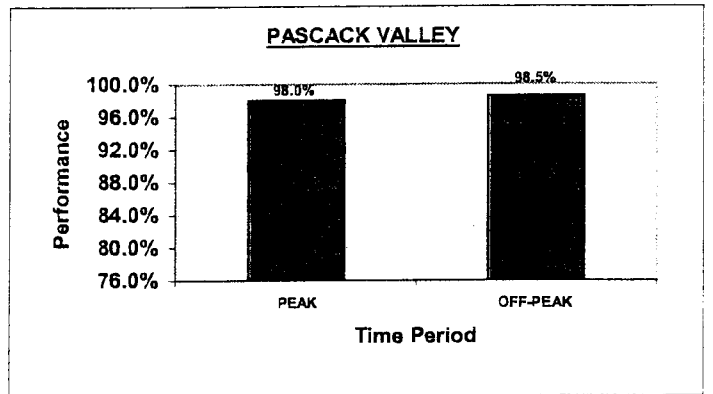
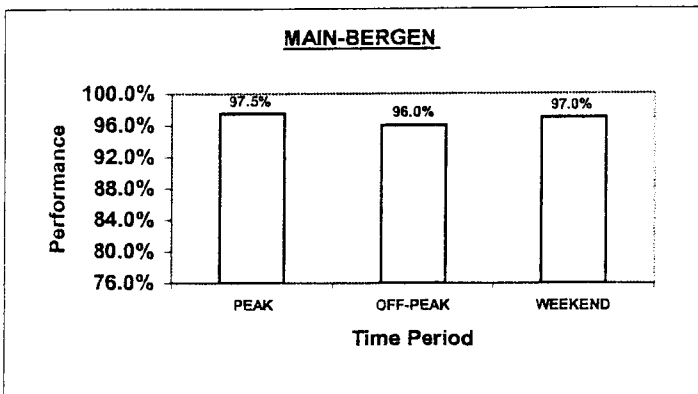
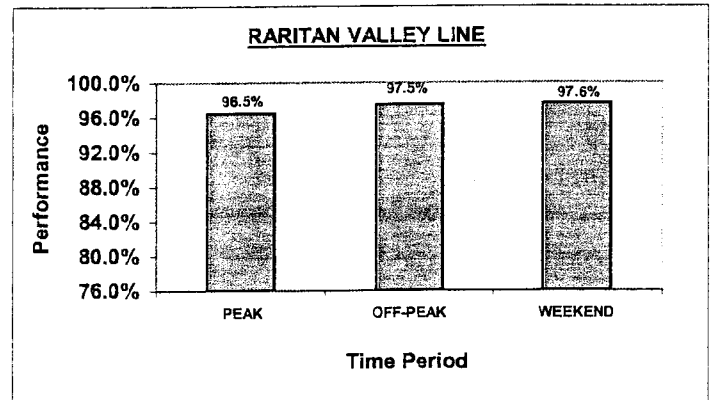
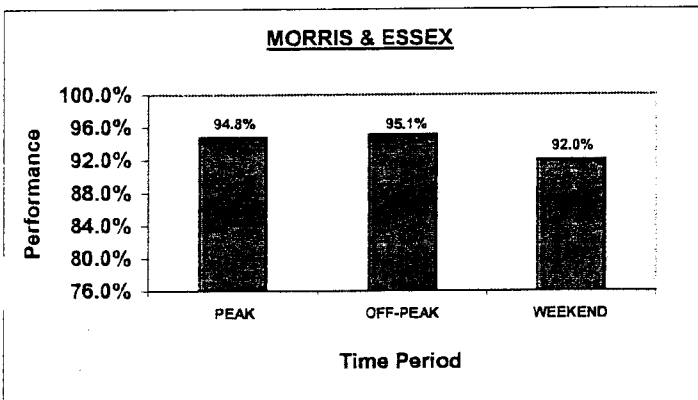
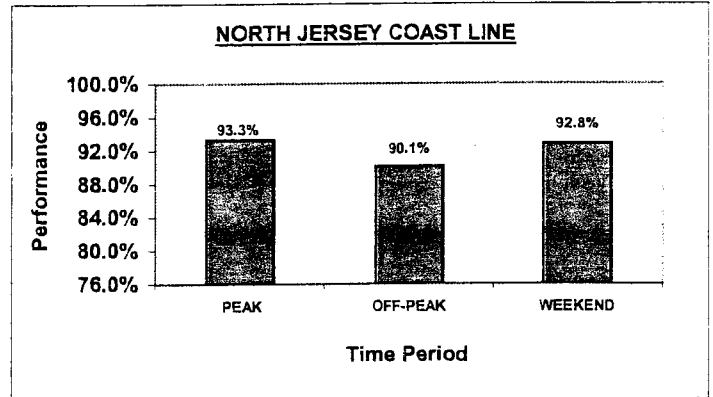
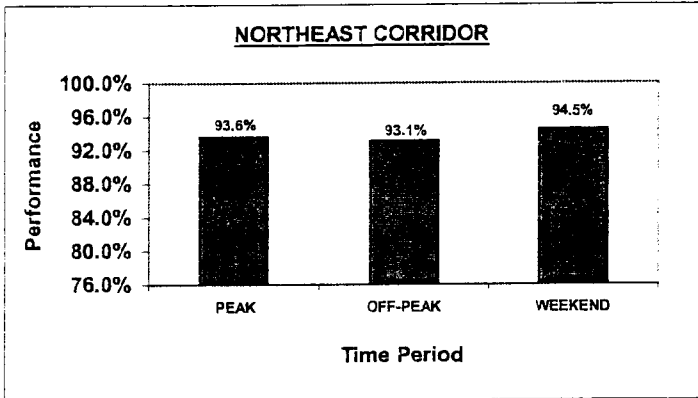
SUMMARY BY TIME PERIOD JUNE 2007



SUMMARY BY LINE JUNE 2007

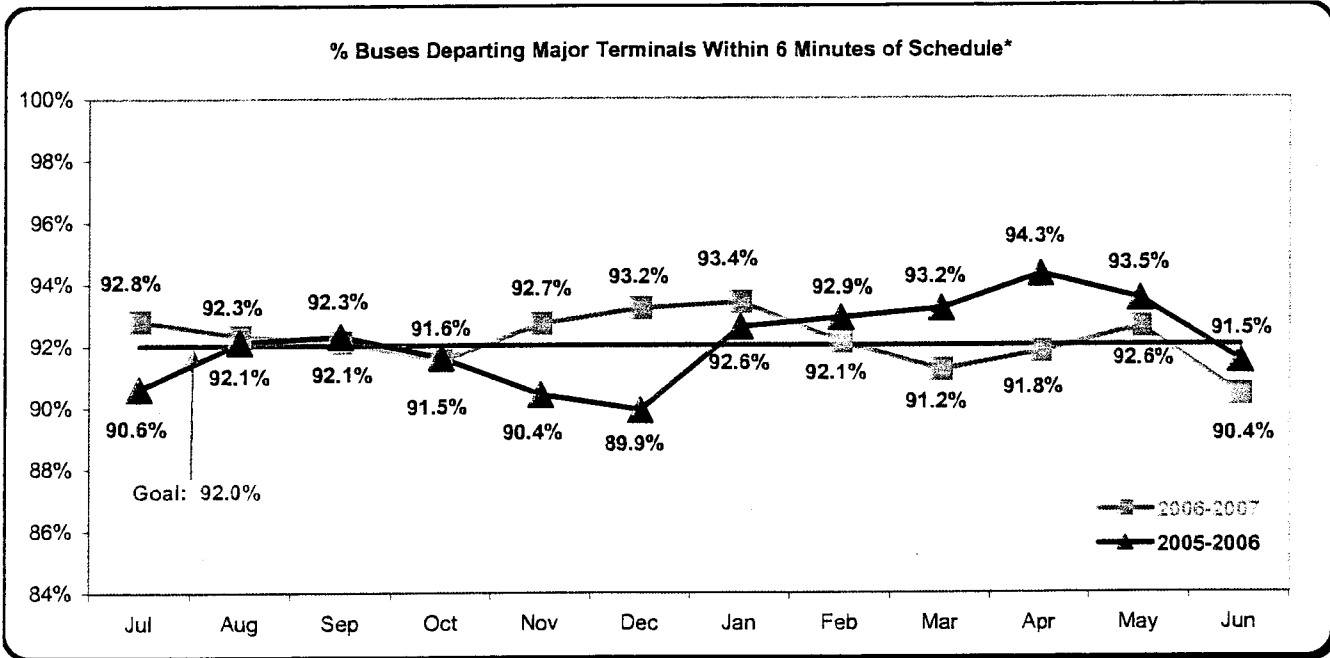


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JUNE 2007



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

NJ TRANSIT ON-TIME PERFORMANCE BUS JULY 2005 - JUNE 2007



*Note: Includes the Walter Rand Transportation Center, Atlantic City Bus Terminal, Port Authority Bus Terminal and Newark Penn Station

	2005-2006	2006-2007	# Change
June Comparison	91.5%	90.4%	-1.1%
12-Month Average July - June	84.5%	92.2%	7.7%

Analysis:

Bus On-Time Performance for June 2007 was 90.4%. Of the 30,903 monitored departures, 2,973 (or 9.6%) experienced delays. Sources of delay included:

Heavy rain and a breakdown in the Lincoln Tunnel on June 1st;

Traffic accidents in the Lincoln Tunnel during the rush hours on June 8th and 20th;

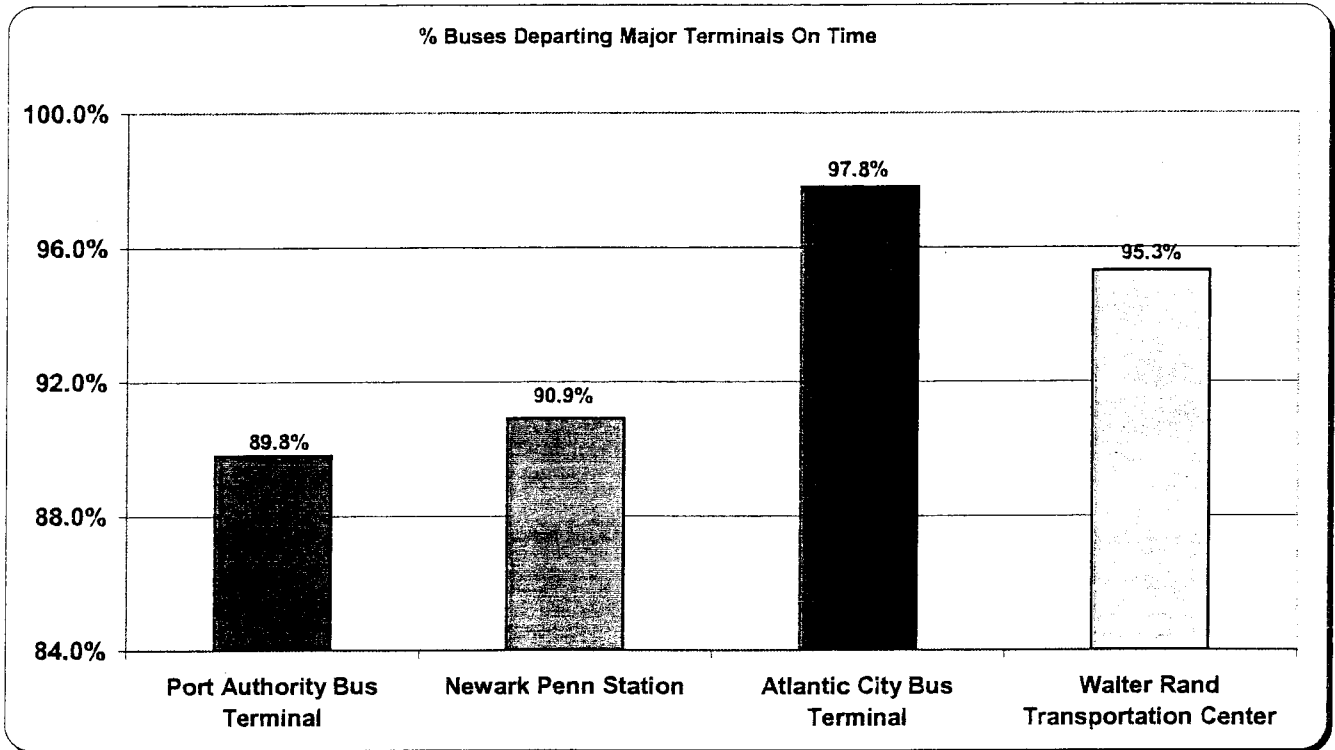
A truck accident on the Ben Franklin Bridge during the evening rush hour on June 21st; and

A protest on 40th Street in Manhattan on June 22nd.

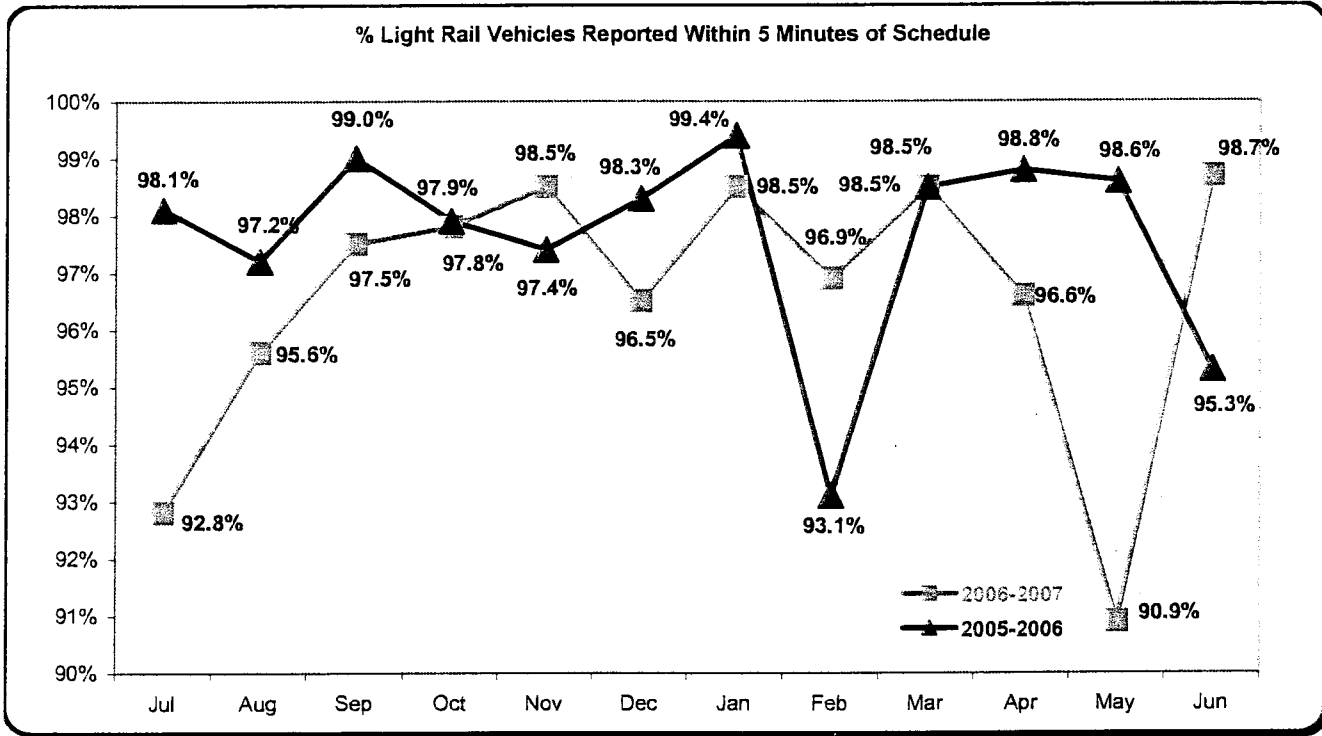
The 12-month average for Bus On-Time Performance for July 2006-June 2007 was 92.2%, a significant increase over the performance of the previous 12-month period.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL JUNE 2007



NJ TRANSIT ON-TIME PERFORMANCE HUDSON-BERGEN LIGHT RAIL JULY 2005 - JUNE 2007



	2005-2006	2006-2007	# Change
June Comparison	95.3%	98.7%	3.4%

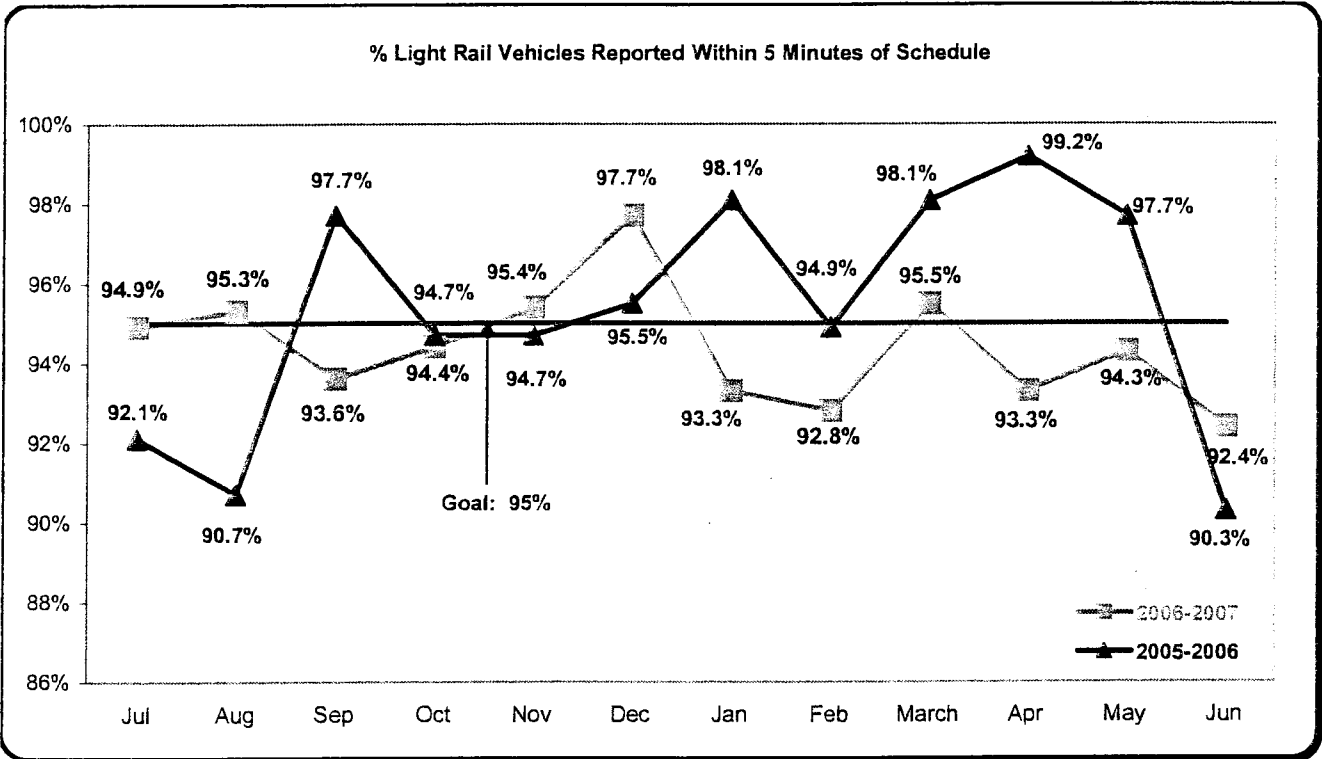
	2005-2006	2006-2007	# Change
12-Month Average July - June	89.7%	96.6%	6.9%

Analysis:

Hudson-Bergen Light Rail (HBLR) On-Time Performance for June 2007 was 98.7%. Of the 17,118 scheduled trips for the month, 229 (or 1.3%) were delayed, primarily due to programmed maintenance.

The 12-month average for HBLR On-Time Performance for July 2006 - June 2007 was 96.6%, well above the average of the previous 12-month period.

NJ TRANSIT ON-TIME PERFORMANCE River LINE JULY 2005 - JUNE 2007



	2005-2006	2006-2007	# Change
June Comparison	90.3%	92.4%	2.1%

	2005-2006	2006-2007	# Change
12-Month Average July - June	95.3%	94.4%	-0.9%

Analysis:

River LINE On-Time Performance for June 2007 was 92.4%. Of the 3,049 scheduled trips for the month, 231 (or 7.6%) were delayed. Key causes of delay include:

The holding of trains at Trenton throughout the month to connect with NEC train 3881;

A delay in Conrail's clearing of the Right of Way on June 8th;

Programmed maintenance on June 16th; and

A vehicle failure and a collision with an automobile on June 19th.

The 12-month average for River LINE On-Time Performance for July 2006-June 2007 was 94.4%, below the average of the previous 12-month period.

ACTION ITEMS

ITEM 0707-45: FISCAL YEAR 2008 CAPITAL PROGRAM**BENEFITS**

NJ TRANSIT's \$1.29 billion FY08 Capital Program continues Governor Corzine's commitment to support mass transportation in the state of New Jersey. Consistent with NJ TRANSIT's Capital Investment Strategy, the FY08 Capital Program foremost calls for continued investment in the state's transit infrastructure in order to improve the overall state-of-good-repair of the system, improving reliability and safety and ensuring continued satisfaction of NJ TRANSIT's customers. The FY08 Capital Program also includes projects that expand capacity of the existing system to meet projected growth. The Capital Program continues to fund the advancement of THE Tunnel project, providing almost \$100 million for that project as well as reflecting the May 14, 2007 North Jersey Transportation Planning Authority (NJTPA) action to "flex" \$1 billion federal highway dollars over ten years.

Anticipated resources of \$1.29 billion are estimated to be available from federal, state and other sources in FY08. A summary of the FY08 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 FY08 Capital Program – \$746 million – is dedicated to fixed expenses, as follows:

- \$356 million will be spent to pay for eligible federal and TTF eligible operating expenses for both rail and bus;
- \$288 million will be spent on debt service related to the acquisition of buses, trains, locomotives and the construction of light rail projects; and
- \$102 million will be spent using funds mandated for a specific use including the federal rural transit program, the federal JARC program and other earmarks secured by the New Jersey Congressional Delegation.

Approximately 40 percent of the program – or \$546 million – funds the basic capital program improvements needed to maintain and improve the transit system as follows:

- \$201 million will be invested in rail infrastructure improvement needs, including \$85 million to fund track and bridge improvements; \$22.0 million for the Portal Bridge; \$8.05 million to fund electric traction and signal improvements on the railroad; \$6.85 million to continue funding for locomotive overhauls to maintain reliability; \$9.51 million to fund Morrisville Yard Construction (expansion needed to store new bilevels); and \$8.77 million to fund the Meadows Maintenance Complex Improvements.
- \$82 million will be invested in bus and light rail infrastructure improvements, including \$4.8 million for Mid-Life Overhaul of Nova B transit buses; \$6.75 million for rehabilitation of CNG Cruiser buses; \$7.0 million for Bus on-board Fare

Collection System improvements; \$2.05 million for Newark Light Rail infrastructure improvements; and \$47.0 million for replacement of 1,171 Transit style buses, funded over the next six years.

- \$58 million will be invested in system-wide improvements, including \$9.8 million for technology upgrades that both improve efficiency and reduces annual operating costs.
- \$57 million will be invested in rail station improvements at 31st Street Penn Station New York, Trenton Station and Metropark Station among others.
- \$3 million will be provided for park & ride expansion, including expansion of parking at South Amboy and Edison Rail Park and Ride.
- \$146 million is targeted for new starts projects for planning, preliminary engineering and construction work such as the Northern Branch, HBLR Extensions, South Jersey/PATCO Extension, Passaic-Bergen Rail Project, MOM and Lackawanna Cutoff, as well as THE Tunnel.

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 Board's adoption of the proposed Fiscal Year 2008 (FY08) Capital Program totaling \$1.29 billion and authorization to seek and secure necessary funding and execute agreements, as required, to accept such funding.

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

FISCAL IMPACTS

Operating Budget Amount:

N/A

Anticipated Source of Funds:

Federal transit and highway funds
Transportation Trust Fund
Port Authority of New York and New Jersey
Other capital sources

Diversity Goal: Included in individual contracts

Related Authorizations: N/A

**Impacts on Subsequent
Operating Budgets:** N/A

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 FY08 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 FY08, the Capital Program will be consistent with the Annual Capital Investment Strategy submitted to the State Legislature; and

WHEREAS, the FY08 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 FY08 Capital Program is submitted to the State Legislature for consideration as part of its annual budget appropriation process;

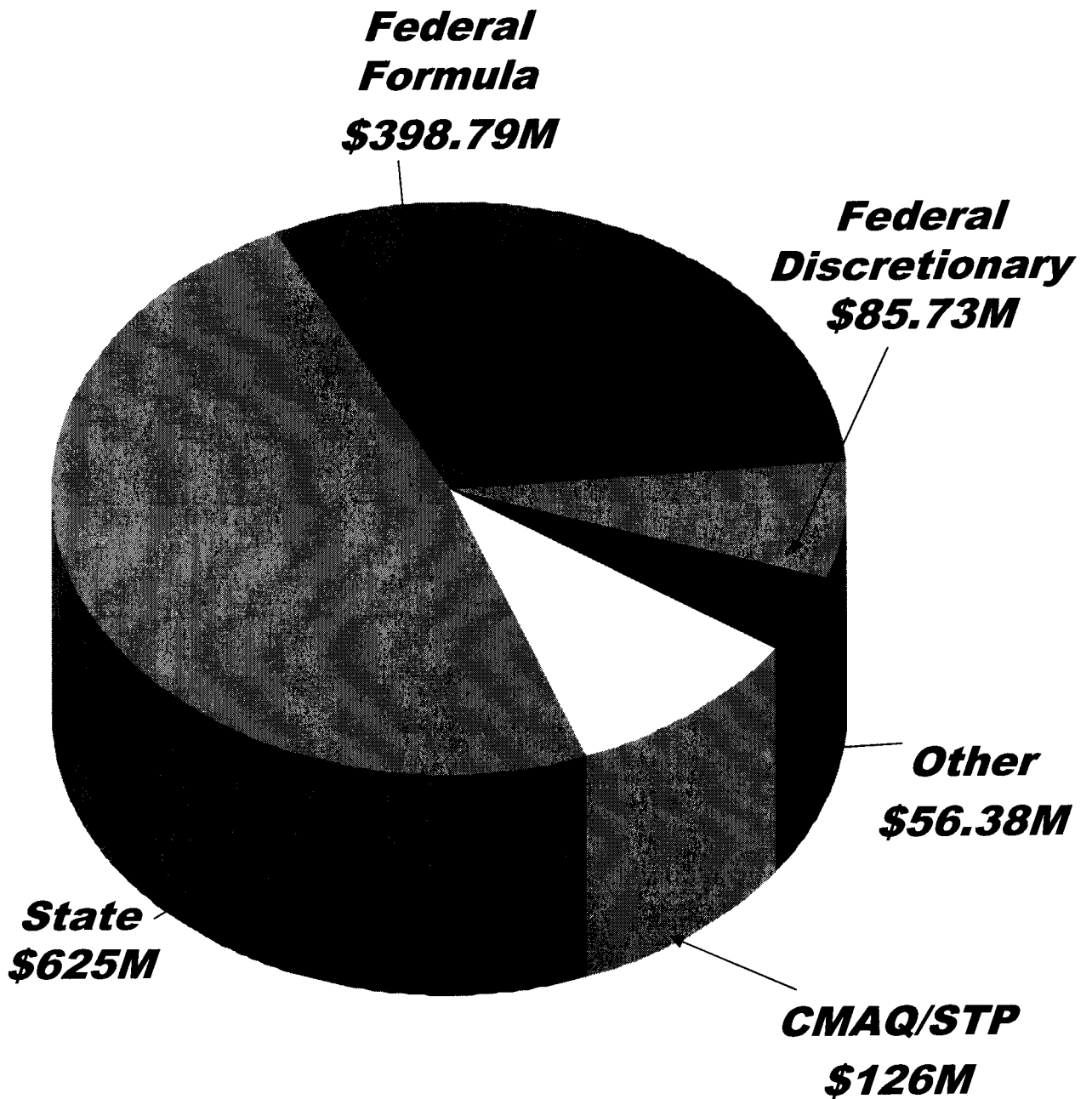
NOW, THEREFORE, BE IT RESOLVED that the NJ TRANSIT Board of Directors adopts the Fiscal Year 2008 Capital Program in the amount of \$1.29 billion, as described; and

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 to take whatever other actions are necessary to seek and secure unanticipated funds, consistent with the basic intent of this program, which may become available subsequent to its adoption.

ATTACHMENT 1
NJ TRANSIT
FY08 CAPITAL PROGRAM
Sources of Funds
\$1.292 Billion



**ATTACHMENT 2
NJ TRANSIT FY08 CAPITAL PROGRAM
SUMMARY**

(\$ in millions)

CATEGORY	AMOUNT	PERCENT
CAPITAL MAINTENANCE	\$355.995	27.6%
DEBT SERVICE	\$287.773	22.3%
PASS-THROUGH	\$102.429	7.9%
RAIL INFRASTRUCTURE IMPROVEMENTS	\$200.521	15.5%
RAIL STATION IMPROVEMENTS	\$56.573	4.4%
PARK & RIDE IMPROVEMENTS	\$2.919	0.2%
BUS/LIGHT RAIL IMPROVEMENTS	\$82.28	6.4%
SYSTEMWIDE IMPROVEMENTS	\$57.733	4.5%
SYSTEM EXPANSION	\$145.669	11.3%
TOTAL	\$1,291.892	100%

Attachment 3 NJ TRANSIT FY08 CAPITAL PROGRAM (\$ in Millions)

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

	<u>URBAN</u> 5307	<u>FIXED</u> <u>GUIDEWAY</u> 5309	<u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>EARMARK</u>	<u>FFGA</u>	<u>CMAQ</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>
Capital Maintenance												
RAIL												
Capital Maintenance	42.025	112.080	0.000	0.000	0.000	0.000	0.000	0.000	63.900	0.000	218.005	
RAIL SUBTOTAL	42.025	112.080	0.000	0.000	0.000	0.000	0.000	0.000	63.900	0.000	218.005	16.9%
=====												
BUS/LRT												
Capital Maintenance	98.690	0.000	0.000	0.000	0.000	0.000	0.000	0.000	33.600	0.000	132.290	
BUS/LRT SUBTOTAL	98.690	0.000	0.000	0.000	0.000	0.000	0.000	0.000	33.600	0.000	132.290	10.2%
=====												
SYSTEMWIDE												
Building Leases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.700	0.000	5.700	
SYSTEMWIDE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.700	0.000	5.700	0.4%
=====												
Capital Maintenance TOTAL	140.715	112.080	0.000	0.000	0.000	0.000	0.000	0.000	103.200	0.000	355.995	27.6%

Attachment 3 NJ TRANSIT FY08 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>FFGA</u>	<u>CMAQ</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>
Debt Service												
RAIL												
Rolling Stock-Rail	28.057	0.000	0.000	0.000	0.000	0.000	0.000	0.000	13.382	0.000	41.439	
RAIL SUBTOTAL	28.057	0.000	0.000	0.000	0.000	0.000	0.000	0.000	13.382	0.000	41.439	3.2%
=====												
BUS												
Rolling Stock-Bus	87.793	0.000	0.000	0.000	0.000	0.000	0.000	0.000	14.500	0.000	102.293	
BUS SUBTOTAL	87.793	0.000	0.000	0.000	0.000	0.000	0.000	0.000	14.500	0.000	102.293	7.9%
=====												
NEW INITIATIVES												
Hudson/Bergen LRT MOS I	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.947	0.000	9.947	
Hudson/Bergen LRT MOS II	5.580	0.000	0.000	0.000	0.000	53.202	0.000	0.000	19.426	0.000	78.208	
Newark Light Rail	1.092	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.471	0.000	6.563	
River Line LRT	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	49.323	0.000	49.323	
NEW INITIATIVES SUBTOTAL	6.672	0.000	0.000	0.000	0.000	53.202	0.000	0.000	84.167	0.000	144.041	11.1%
=====												
Debt Service TOTAL	122.522	0.000	0.000	0.000	0.000	53.202	0.000	0.000	112.049	0.000	287.773	22.3%

Attachment 3 NJ TRANSIT FY08 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>FFGA</u>	<u>CMAQ</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>
Pass-through												
RAIL												
Hoboken Ferry Terminal Rehabilitation	0.000	0.000	0.000	0.000	0.826	0.000	0.000	0.000	0.000	0.000	0.826	
Metro North Joint Benefits	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.690	0.690	
Morristown Station Rehabilitation	0.000	0.000	0.000	0.000	0.217	0.000	0.000	0.000	0.000	0.000	0.217	
Newark Penn Station	0.000	0.000	0.000	0.000	0.217	0.000	0.000	0.000	0.000	0.000	0.217	
South Amboy Rail Station Reconstruction	0.000	0.000	0.000	1.247	1.739	0.000	0.000	0.000	0.000	0.000	2.986	
Trenton Train Station	0.000	0.000	0.000	0.000	6.065	0.000	0.000	0.000	0.000	0.000	6.065	
RAIL SUBTOTAL	0.000	0.000	0.000	1.247	9.064	0.000	0.000	0.000	0.000	0.690	11.001	0.9%
BUS/LRT												
Burlington County Vehicles and Equipment	0.000	0.000	0.000	0.000	0.869	0.000	0.000	0.000	0.000	0.000	0.869	
Community & Local Shuttles	0.000	0.000	0.000	0.000	0.859	0.000	0.000	0.000	0.000	0.000	0.859	
Cramer Hill Station	0.000	0.000	0.000	0.000	0.217	0.000	0.000	0.000	0.000	0.000	0.217	
Cumberland County Bus Program	1.020	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.020	
East Windsor Community Shuttle	0.100	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.100	
Freehold Township Bus Facility	0.000	0.000	0.000	0.000	0.435	0.000	0.000	0.000	0.000	0.000	0.435	
Lakewood Bus Service and Passenger Facility	0.000	0.000	0.000	0.000	0.652	0.000	0.000	0.000	0.000	0.000	0.652	
Long Slip Walkway	0.000	0.000	0.000	0.000	0.160	0.000	0.000	0.000	0.000	0.000	0.160	
Newark Light Rail Bloomfield ADA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	1.000	
Non-Regular Rte./Special Services	0.000	0.000	9.110	0.000	0.000	0.000	0.000	0.000	0.800	5.040	14.950	
Passenger Facilities	0.750	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.750	
South Brunswick Transit System	0.000	0.000	0.000	0.000	1.000	0.000	0.000	0.000	0.000	0.000	1.000	
Trenton Trolley	0.000	0.000	0.000	0.000	0.214	0.000	0.000	0.000	0.000	0.000	0.214	
BUS/LRT SUBTOTAL	1.870	0.000	9.110	0.000	4.406	0.000	0.000	0.000	0.800	6.040	22.226	1.7%
NEW INITIATIVES												
Hudson/Bergen LRT MOS III 8TH Street	0.000	0.000	0.000	0.000	5.000	0.000	0.000	0.000	0.000	0.000	5.000	
Lackawanna Cutoff	0.000	0.000	0.000	0.000	7.000	0.000	0.000	0.000	0.000	0.000	7.000	
Transit Rail Initiatives	0.000	0.000	0.000	0.000	3.052	0.000	0.000	0.000	0.000	12.300	15.352	
NEW INITIATIVES SUBTOTAL	0.000	0.000	0.000	0.000	15.052	0.000	0.000	0.000	0.000	12.300	27.352	2.1%
SYSTEMWIDE												
Casino Revenue Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	33.350	33.350	
Job Access and Reverse Commute Program	0.000	0.000	0.000	0.000	4.000	0.000	0.000	0.000	0.000	4.000	8.000	
New Freedom Program (Southern N.J.)	0.000	0.000	0.000	0.500	0.000	0.000	0.000	0.000	0.000	0.000	0.500	
SYSTEMWIDE SUBTOTAL	0.000	0.000	0.000	0.500	4.000	0.000	0.000	0.000	0.000	37.350	41.850	3.2%
Pass-through TOTAL	1.870	0.000	9.110	1.747	32.522	0.000	0.000	0.000	0.800	56.380	102.429	7.9%

Attachment 3 NJ TRANSIT FY08 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>FFGA</u>	<u>CMAQ</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 Infrastructure Improvements												
RAIL												
Automatic Train Control/Positive Train Stop	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.000	0.000	7.000	
Bridges	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	56.913	0.000	56.913	
Emergency Response Rail	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.500	0.000	2.500	
Fleet Overhauls	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6.853	0.000	6.853	
FRA Mandates	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Hudson and Dock Interlocking Reconfiguration	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.500	0.000	4.500	
Meadows Maintenance Complex Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8.770	0.000	8.770	
Morrisville Yard Expansion - Phase 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.513	0.000	9.513	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.819	0.000	0.819	
Northeast Corridor Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	27.500	0.000	27.500	
Portal Bridge Replacement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	22.000	0.000	22.000	
Raritan Valley Line Bridge Rehab.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8.318	0.000	8.318	
ROW Fencing	0.000	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	0.000	8.050	0.000	8.050	
Track	5.919	0.000	0.000	0.000	0.000	0.000	0.000	0.000	13.581	0.000	19.500	
Yards/Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	16.285	0.000	16.285	
RAIL SUBTOTAL	5.919	0.000	0.000	0.000	0.000	0.000	0.000	0.000	194.602	0.000	200.521	15.5%
=====												
Rail Infrastructure Improvements TOTAL	5.919	0.000	0.000	0.000	0.000	0.000	0.000	0.000	194.602	0.000	200.521	15.5%

Attachment 3 NJ TRANSIT FY08 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>FFGA</u>	<u>CMAQ</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												
Chatham Station Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.440	0.000	2.440	
Edison Station Platform Extension	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.660	0.000	3.660	
Highland Avenue Station Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.590	0.000	2.590	
Linden Station Platform Repairs	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.650	0.000	0.650	
Metropark Platform Replacement	0.000	0.000	0.000	0.000	0.000	0.000	13.354	0.000	0.000	0.000	13.354	
Newark Broad Street Station ADA Improvements	0.000	0.000	0.000	0.000	0.000	0.000	1.966	0.000	0.000	0.000	1.966	
Newark Penn Station	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	0.000	1.000	
PSNY 31st Entrance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.247	0.000	7.247	
Rail Station Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.339	0.000	1.339	
Raritan Station Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.780	0.000	0.780	
Roselle Park Station Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.060	0.000	1.060	
South Amboy Rail Station Reconstruction	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	
Stars Program	0.000	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	0.000	2.000	0.000	2.000	
Trenton Train Station	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.767	0.000	7.767	
Wood-Ridge Station Construction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.720	0.000	7.720	
RAIL SUBTOTAL	1.000	0.000	0.000	0.000	0.000	0.000	15.320	1.000	39.253	0.000	56.573	4.4%
=====												
Rail Station Improvements TOTAL	1.000	0.000	0.000	0.000	0.000	0.000	15.320	1.000	39.253	0.000	56.573	4.4%

Attachment 3 NJ TRANSIT FY08 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>FFGA</u>	<u>CMAQ</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>
Park & Ride Improvements												
<u>RAIL</u>												
Edison Parking Expansion	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.419	0.000	0.419	
South Amboy Parking Deck	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.500	0.000	2.500	
<u>RAIL SUBTOTAL</u>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.919	0.000	2.919	<u>0.2%</u>
=====												
Park & Ride Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.919	0.000	2.919	<u>0.2%</u>

Attachment 3
NJ TRANSIT FY08 CAPITAL PROGRAM
(\$ in Millions)

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

Table with columns: URBAN 5307, FIXED GUIDEWAY 5309, RURAL/DISABLED, NEW FREE DOM, EARMARK, FFGA, CMAQ, STP-TE, STATE, OTHER, TOTAL, Percentage of Total Program. Rows include Bus/Light Rail Improvements (ADA Access Link Vehicles, etc.) and NEW INITIATIVES (Hudson/Bergen LRT MOS I, River Line LRT).

Attachment 3 NJ TRANSIT FY08 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>FFGA</u>	<u>CMAQ</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	0.000	19.651	0.000	19.651	
Claims Support	0.000	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	0.000	6.675	0.000	6.675	
Emergency Response Headquarters	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.900	0.000	5.900	
Environmental Compliance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.501	0.000	3.501	
Non-Regular Rte./Special Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.630	0.000	0.630	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.210	0.000	0.210	
Photocopy Equipment Lease	0.000	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	0.000	1.450	0.000	1.450	
Security Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.590	0.000	1.590	
Study & Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.597	0.000	4.597	
Vanpool Sponsorship Program	0.000	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	0.000	0.501	0.000	0.501	
SYSTEMWIDE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	47.905	0.000	47.905	3.7%
=====												
TECHNOLOGY/CUSTOMER SERVICE												
ADA Access Link Computers	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.500	
Technology Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.328	0.000	9.328	
TECHNOLOGY/CUSTOMER SERVICE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.828	0.000	9.828	0.8%
=====												
Systemwide Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	57.733	0.000	57.733	4.5%

Attachment 3 NJ TRANSIT FY08 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>FFGA</u>	<u>CMAQ</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>
System Expansion												
NEW INITIATIVES												
Access to Region's Core	3.382	0.000	0.000	0.000	0.000	0.000	94.680	0.000	0.625	0.000	98.687	
Hudson/Bergen LRT MOS III 8TH Street	0.000	0.000	0.000	0.000	0.000	0.000	15.000	0.000	0.000	0.000	15.000	
Transit Rail Initiatives	0.443	0.000	0.000	0.000	0.000	0.000	0.000	0.000	31.539	0.000	31.982	
NEW INITIATIVES SUBTOTAL	3.825	0.000	0.000	0.000	0.000	0.000	109.680	0.000	32.164	0.000	145.669	11.3%
=====												
System Expansion TOTAL	3.825	0.000	0.000	0.000	0.000	0.000	109.680	0.000	32.164	0.000	145.669	11.3%
	275.851	112.080	9.110	1.747	32.522	53.202	125.000	1.000	625.000	56.380	1,291.892	

ITEM 0707-46: FISCAL YEAR 2008 OPERATING BUDGET**BENEFITS**

Staff seeks the Board's adoption of the Fiscal Year 2008 Operating Budget and authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2009 Budget. The budget includes expenditures of \$1.59 billion offset by \$824.9 million of passenger revenue and other system generated revenues, \$298.2 million in State Operating Assistance and \$463.7 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 Fiscal Year 2008 Operating Budget assumes an increase in expenses of \$68.1 million compared to the Fiscal Year 2007 Budget. This growth is essentially funded through passenger revenue increases from favorable ridership trends and the fare increase effective June 2007, partially offset by budgeted reductions in other commercial revenues due to certain non-recurring items.

The majority of the budgeted increase in expenses (\$45 million) is attributable to 3% inflationary increases in core service costs. In addition, the budget funds new service growth/system expansion needs (\$16.8 million) such as multi-level rail car maintenance, Bus/Rail/Light Rail service growth and various facility expansion needs. Lastly, the budget funds extraordinary increases above inflation (\$6.3 million) such as Access Link paratransit services, security, utilities, propulsion and Contract Bus program 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 final 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, timetable distribution, 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 2008 operating budget, staff is requesting authorization to continue to expend funds to meet NJ TRANSIT's obligations until the adoption of a Fiscal Year 2009 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 2009 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 2008 operating budget as detailed in the item and on the attached exhibits.

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

FISCAL IMPACTS

Requested Authorization:	\$1.59 billion
Total Project Cost:	N/A
Projected Date of Completion:	June 30, 2008
Anticipated Source of Funds:	Passenger and other revenues State operating assistance Other State and Federal reimbursements
DBE Goals/Participation:	N/A
Related/Future Authorizations:	N/A

FISCAL YEAR 2008 OPERATING BUDGET

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 2008 State Budget which includes appropriations for public transportation purposes; and

WHEREAS, staff has recommended a proposed Fiscal Year 2008 operating budget for NJ TRANSIT as detailed in the item and Exhibits A, B and C attached hereto; and

WHEREAS, the proposed Fiscal Year 2008 budget recognizes State operating assistance of \$298.2 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, timetable distribution, 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 2009 Budget is not finalized prior to the June 2008 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 2009 budget prior to July 2008, it will be necessary to expend funds after July 1, 2008, prior to the final adoption of the Fiscal Year 2009 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, timetable distribution, 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 2008 operating budget item, resolution and attachments and until the adoption and approval of the Fiscal Year 2009 operating budget.

EXHIBIT A

**FISCAL YEAR 2008
OPERATING BUDGET
REVENUES**

Overview

NJ TRANSIT revenues are budgeted at \$1.59 billion, an increase of \$68.1 million compared to the Fiscal Year 2007 Budget. Specific assumptions are described below:

Ridership/Passenger Revenue

The Fiscal Year 2008 Budget includes passenger revenue of \$742.5 million, an increase of \$76.5 million over the Fiscal Year 2007 Budget. This growth is primarily attributable to the 9.6 percent fare increase approved by the Board in April 2007 which was effective June 2007. Prior to factoring in the fare increase, the proposed budget reflects growth of approximately 3 percent above Fiscal Year 2007 budgeted levels attributable to continued favorable ridership trends. This assumption is consistent with Fiscal Year 2007 trends that indicate actual year over year growth of approximately 4 percent over the first ten months of the Fiscal Year 2007. After diversion due to the fare increase, ridership is expected to increase 1.5% in FY 2008.

Other Commercial Revenue

Other commercial revenues are budgeted at \$82.4 million, a decrease of \$15.9 million over the Fiscal Year 2007 Budget. The proposed budget reflects the loss of \$27.9 million in non-recurring revenues from excess property sales, leveraged leases and excess reserve sources. These losses are partially offset by revenue initiatives of \$12.0 million associated with Metro-North subsidies, advertising and investment income.

State Operating Assistance

Consistent with the State Budget proposed by the Governor and adopted by the Legislature, State operating assistance is budgeted at \$298.2 million in Fiscal Year 2008.

Other State and Federal Reimbursements

Other State and Federal reimbursements are budgeted at \$463.7 million, an increase of \$10.0 million compared to the Fiscal Year 2007 Budget. This includes capital funding that is transferred to support eligible operating costs (maintenance, new service initiatives and facility leases) as well as support for county pass-through programs and reimbursable project costs. The budgeted growth reflects increased funding for reimbursable project costs.

EXHIBIT B**FISCAL YEAR 2008
OPERATING BUDGET
EXPENSES****Overview**

NJ TRANSIT expenses are budgeted at \$1.59 billion, an increase of \$68.1 million compared to the Fiscal Year 2007 Budget. Specific assumptions are as described below:

Labor and Fringes

Labor and fringes are budgeted at \$944.9 million, an increase of \$41.2 million, or 4.6 percent, over the Fiscal Year 2007 Budget. The proposed budget includes average increases in wages, salaries and fringe benefits for existing agreement and non-agreement employees of 3 percent. The growth in labor and fringe costs above 3 percent is primarily due to headcount growth required to provide increased Rail and Bus service levels and to operate and maintain new Rail equipment and facilities coming on line.

Fuel, Power, Materials and Supplies

Fuel, power, materials and supplies costs are budgeted at \$240.1 million, an increase of \$4.3 million, or 1.8 percent, over the Fiscal Year 2007 Budget. Consistent with current market prices and new supply contracts, the proposed budget funds an increase in the cost of electric propulsion power. The proposed budget also funds increases for Bus/Rail service growth, Rail revenue vehicle materials necessary to repair and maintain NJT's fleet of Comet and Arrow railcars and Rail facility expansion needs. The proposed budget also assumes that diesel fuel prices will stabilize slightly below FY 2007 budgeted levels.

Purchased Transportation

Purchased transportation expenses are budgeted at \$165.4 million, an increase of \$6.8 million, or 4.3 percent, over the Fiscal Year 2007 Budget. This includes funding for increases in Access Link contract service costs consistent with current contractual agreements and projected service levels. The proposed budget also funds increases in Contract Bus Program costs primarily due to projected increases in Elderly & Handicapped Reduced Fare and Private Carrier Bus Card Programs resulting from higher ridership and fares. Lastly, an increase for the contract escalation of Hudson Bergen Light Rail service is included in the proposed budget.

EXHIBIT B (Continued)

Other Expenses

All other expenses are budgeted at \$236.4 million, an increase of \$15.8 million over the Fiscal Year 2007 Budget. This includes funding for outside services, utilities, claims and insurance, tolls, trackage fees and other miscellaneous costs. The budgeted increase in these expenses is primarily due to security services, maintenance on fare collection and electronic systems, credit card fees on increased ticket sales, utilities and increases in tolls and trackage fees.

EXHIBIT C

**NEW JERSEY TRANSIT CONSOLIDATED OPERATIONS
FISCAL YEAR 2008 Proposed Operating Budget
(\$ in millions)**

REVENUES

Passenger Revenue	\$742.5
Other Revenue	<u>82.4</u>

TOTAL REVENUE	\$824.9
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OPERATING ASSISTANCE

State Operating Assistance	\$298.2
Capital Transfers	356.0
Other Reimbursements	<u>107.7</u>

TOTAL OPERATING ASSISTANCE	\$761.9
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<u>TOTAL REVENUE & OPERATING ASSISTANCE</u>	<u>\$1,586.8</u>
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EXPENSES

Labor and Fringes	\$944.9
Services	93.9
Fuel & Power	119.0
Materials & Supplies	121.1
Utilities	37.2
Claims & Insurance	27.2
Purchased Transportation	165.4
Tolls & Trackage Fees	49.2
Other	<u>28.9</u>

<u>TOTAL EXPENSES</u>	<u>\$1,586.8</u>
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ITEM 0707-47: APPOINTMENT OF VICE PRESIDENT AND GENERAL MANAGER: NJ TRANSIT BUS OPERATIONS, INC. AND GENERAL MANAGER: NJ TRANSIT MERCER, INC.

BENEFITS

The By-Laws of NJ TRANSIT Bus Operations, Inc. direct the appointment of the Vice President and General Manager of NJ TRANSIT Bus Operations, Inc. and the By-Laws of NJ TRANSIT Mercer, Inc. direct the appointment of the General Manager of NJ TRANSIT Mercer, Inc. by the President with concurrence of the Board of Directors.

This action will approve the selection of James J. Gigantino as Vice President and General Manager of NJ TRANSIT Bus Operations, Inc. and General Manager of NJ TRANSIT Mercer, Inc.

PURPOSE

In March 2003, the positions of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc. and General Manager, NJ TRANSIT Mercer, Inc. became vacant. James J. Gigantino has served as Acting Vice President and General Manager of NJ TRANSIT Bus Operations, Inc. and Acting General Manager, NJ TRANSIT Mercer, Inc. since that time. James J. Gigantino will continue to oversee bus operations and he will also assume responsibility for bus service planning.

James J. Gigantino previously held the position of Deputy General Manager-Transportation, where he was responsible for the largest department of NJ TRANSIT Bus, including transportation, terminals, service supervision and training. James J. Gigantino will receive an annual salary of \$194,459 and the agency's standard at-will employee benefits package. James J. Gigantino will have the use of a 24-hour vehicle.

ACTION

As directed in the By-Laws of NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc., the President appoints and the Board concurs with the selection of James J. Gigantino to the position of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc. and General Manager of NJ TRANSIT Mercer, Inc. effective April 2, 2007 at an annual salary of \$194,459.

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

Requested Authorization:

Appointment of Vice President/General Manager, NJ TRANSIT Bus Operations, Inc. and General Manager, NJ TRANSIT Mercer, Inc.

RESOLUTION

WHEREAS, the positions of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc. and General Manager, NJ TRANSIT Mercer, Inc. have been vacant since March 2003; and

WHEREAS, the President, with the Board's concurrence, has offered this position on a permanent basis to James J. Gigantino and he has agreed to accept that offer; and

WHEREAS, James J. Gigantino, who joined NJ TRANSIT in June 1988 and has been Acting Vice President and General Manager, NJ TRANSIT Bus Operations, Inc. and Acting General Manager, NJ TRANSIT Mercer, Inc. since March 2003, has been selected as the person whose qualifications best meet the agency's needs;

NOW, THEREFORE, BE IT RESOLVED that as directed in the By-Laws of NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc., the President appoints and the Board concurs with the selection of James J. Gigantino to the position of Vice President and General Manager of NJ TRANSIT Bus Operations, Inc. and General Manager of NJ TRANSIT Mercer, Inc. to be effective April 2, 2007 at an annual salary of \$194,459; and

BE IT FURTHER RESOLVED that the President may take all other actions necessary to implement the benefits, terms and conditions of the employment of James J. Gigantino.

ITEM 0707-48: HUDSON BERGEN LIGHT RAIL – 8th STREET EXTENSION (MOS 3) PROPERTY ACQUISITION**BENEFITS**

In September 2006, the NJ TRANSIT Board authorized amending existing contracts for design services, preparation of bid documents, project management services, relocation services, environmental services and preparation of parcel maps for the extension of the Hudson Bergen Light Rail to 8th Street in Bayonne, New Jersey. With the design work well underway, the project now requires the acquisition of properties in Bayonne for the third phase of the Hudson Bergen Light Rail Transit System Minimum Operating Segment (HBLRTS MOS 3) extension to 8th Street in Bayonne. Hudson-Bergen Light Rail opened in April 2000 and was extended to Bergenline Avenue and Tonnelles Avenue stations in February 2006. Customers have responded to the service with average ridership approaching 40,000 customers per weekday on the entire line demonstrating the effectiveness of the HBLR in those urban areas.

Completion of the extension of the light rail one mile south from 22nd Street to 8th Street in Bayonne will bring light rail transit to currently unserved mixed-use neighborhoods and ridership forecasts for the 8th Street extension alone are projected at 3,400 riders per day by 2015. Additionally, the recent municipal approval for construction of housing near the new station site underscores the need for public transit in an area where traffic is already dense and street parking is limited. The attached Exhibit A identifies the properties via parcel numbers, property owners, type of taking and area.

PURPOSE

This authorization will allow for the acquisition of various types of property interests (i.e., fee simple, bridge easement, access easement, slope easement and temporary construction easement) in seven parcels of property. Acquiring these interests is necessary to construct the HBLRTS MOS 3 in Bayonne from 22nd Street to 8th Street. The project requires the relocation of two businesses, namely a STS Tire Store and a Burger King located on the property which is the site of the new 8th Street station.

ACTION (Justification: System Expansion)

Staff seeks authorization to take all actions necessary to acquire all property on Exhibit A and provide relocation assistance where required for the HBLRTS MOS 3 at a cost not to exceed \$5,350,000 including closing costs, subject to Federal Transit Administration approval where required and to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization:	Acquire all property on listed Exhibit A and provide relocation assistance wherever required for the HBLRTS MOS 3 at a cost not to exceed \$5.35 million including closing costs subject to Federal Transit Administration approval where required.
Total Project cost:	\$88,991,000
Projected Date of Completion:	Property rights to be secured by October 2007
Anticipated Source of Funds:	FY2007 HBLRS MOS 3 CPAS Budget Land Acquisitions HKL4100 FTA
DBE Goal:	N/A
Future/Related Authorization:	None
Impacts on Subsequent Operating Budgets:	None

RESOLUTION

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

WHEREAS, NJ TRANSIT has defined the property needs to construct the Hudson Bergen Light Rail Transit System Minimum Operating Segment 3 (HBLRS MOS 3) from 22nd Street to 8th Street in Bayonne;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to take all actions necessary to acquire all property on Exhibit A and provide relocation assistance where required for the HBLRTS MOS 3 at a cost not to exceed \$5,350,000 including closing costs, subject to Federal Transit Administration approval where required and to the availability of funds.

**EXHIBIT A
HBLR MOS 3: PROPERTIES
CITY OF BAYONNE, COUNTY OF HUDSON**

Property Name (Current Owner)	Parcel Number	Block / Lot	Taking Type	Taking Area
A.L.D. Realty Company Requires relocation of STS Tire store and Burger King store	525	298 / 1	Fee simple (whole)	50,471 SF (1.159 A)
North Street Development	E526	297 / 6	Bridge Easement (partial)	270 SF (0.006 A)
C&A Development Co.	E524A & E524B	297 / 4	Bridge Easement (partial); Access Easement (partial)	Bridge: 11,364 SF (0.261 A); Access: 2,863 SF (0.066 A)
Marl Associates	E522	297 / 3	Bridge Easement (partial); *TCE (partial)	Bridge: 3,096 SF (0.071 A); TCE: 21,669 SF (0.497 A)
Conrail	523A & E523B	504 / 19.01	Fee simple (partial); Slope Easement (partial)	Fee simple: 2,770 SF (0.064 A); Slope: 421 SF (0.010 A)
John Nowicky	E527	467 / 2	TCE (whole)	1,800 SF (0.041 A)
J & J Builders LLC	E528	458 / 8	TCE (partial)	2,500 SF (0.057 A)

*** TCE-TEMPORARY CONSTRUCTION EASEMENT**

ITEM 0707-49: NEWARK PENN STATION: EXTERIOR TRAFFIC CIRCULATION IMPROVEMENTS PROJECT – GENERAL CONSTRUCTION CONTRACT AWARD

BENEFITS

This construction contract will allow NJ TRANSIT to improve bus circulation on Raymond Boulevard, between Raymond Plaza East and McCarter Highway. The proposed improvements will create a dedicated bus lane during the PM peak period using new traffic signal synchronization, changeable message signs, and pavement striping to delineate a reversible lane. As a result, delays to bus trips caused by vehicular traffic during the PM peak period will be decreased. New paving, sidewalks, and crosswalks will also be provided, resulting in improved circulation and safety for pedestrians.

PURPOSE

Authorization of this contract will allow the construction of the initial phase for the overall Newark Penn Station Exterior Traffic Circulation Improvements Project.

ACTION (Capital Program Justification – Customer Service)

Staff seeks authorization to contract (No. 07-079X) with Daidone Electric, Incorporated, of Newark, New Jersey, for the construction of the Exterior Traffic Circulation Improvements Project – Initial Phase (Express Bus Lane) at Newark Penn Station at a cost not to exceed \$1,180,000.00, 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: \$1,180,000.00 + 5% Contingency – Construction

Total Project Cost: \$1,510,000

Projected Date of Completion: Spring 2008

Anticipated Source of Funds: Transportation Trust Fund

Diversity Goal: 20% (SBE)

Future Related Authorizations: None

Impacts on Subsequent

Operating Budgets: City of Newark will maintain traffic signals.

RESOLUTION

WHEREAS, NJ TRANSIT seeks to improve bus circulation on Raymond Boulevard, between Raymond Plaza East and McCarter Highway during the PM peak period; and

WHEREAS, the proposed improvements will create a separate express bus lane during the PM peak period using new traffic signals, changeable message signs, and striping; and

WHEREAS, new paving, sidewalk, and crosswalks will improve pedestrian circulation and safety; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Daidone Electric, Incorporated of Newark, New Jersey was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No. 07-079X) with Daidone Electric, Incorporated, of Newark, New Jersey, for the construction of the Exterior Traffic Circulation Improvements Project – Initial Phase (Express Bus Lane) at Newark Penn Station at a cost not to exceed \$1,180,000.00, plus five percent for contingencies, subject to the availability of funds.

**ITEM 0707-50: PORTAL BRIDGE ENVIRONMENTAL IMPACT STATEMENT:
CONSULTANT CONTRACT AMENDMENT FOR DRAFT AND
FINAL ENVIRONMENTAL IMPACT STATEMENTS**

BENEFITS

Portal Bridge is a two-track railroad bridge carrying the Northeast Corridor over the Hackensack River. The proposed effort will result in the completion of the Environmental Impact Statement and the rendering of a Record of Decision in early 2008. The replacement of this bridge is essential since it is nearly one hundred years of age having been originally placed in service in 1910. Operating problems associated with the bridge are increasing and there is a need to continue the process that will result in the construction of an improved rail river crossing.

The proposed bridge replacement will also expand rail capacity over the Hackensack River. Additional rail capacity will be required to meet the future needs of NJ TRANSIT's rail operations. It is envisioned that by 2030, NJ TRANSIT and Amtrak could be operating at least 37 peak hour trains over this portion of the Northeast Corridor. Presently, even with peak period opening restrictions, there are conflicts between rail and marine operations. The new crossing will be designed to significantly reduce the number of openings and the length of bridge openings to reduce rail service disruptions.

NJ TRANSIT will work in partnership with Amtrak, owner of the present bridge, and the Federal Railroad Administration to complete this project. All activities will be coordinated with the Access to the Region's Core project to ensure compatibility with both existing and proposed NJ TRANSIT and Amtrak infrastructure.

PURPOSE

Phase I of the present professional services contract (06-097) would be amended to provide additional support to cover an expanded work effort associated with the completion of the Draft Environmental Impact Statement. The expanded work effort involves determining the impact of additional alternatives developed by the Access to the Region's Core project.

Phase II of the contract will complete the Final Environmental Impact Statement resulting in the rendering of a Record of Decision in early 2008.

ACTION (Justification: Capacity)

Staff seeks authorization to amend Phase I of the contract (No. 06-097) with AKRF, Inc of Marlton, New Jersey for completion of the Portal Bridge Draft Environmental Impact Statement at an additional amount not to exceed \$380,518 for a total amount for Phase I of \$3,866,040 and to exercise Phase II of the contract (No. 06-097) with AKRF, Inc. of Marlton, New Jersey for the preparation of the Final Environmental

Impact Statement for the Portal Bridge capacity project at a cost not to exceed \$1,362,806, plus five percent for contingences, for a total contract authorization of \$5,296,987, 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:	DEIS Amendment	\$	380,518	
	FEIS Option	\$	1,362,806	+ 5%
	Total Authorization	\$	5,296,987	
Total Project Cost:			\$10,000,000	
Project Date of Completion:			January 2008	
Anticipated Source of Funds:			Transportation Trust Fund	
Diversity Goal:			25% DBE	
Related/Future Authorization:			None	
Impacts of Subsequent Operating Budgets:			None	

RESOLUTION

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

WHEREAS, Amtrak, owner of Portal Bridge, will be a partner with NJ TRANSIT on this work, along with the Federal Railroad Administration; and

WHEREAS, NJ TRANSIT will coordinate this work with the Access to the Region's Core (ARC) project to ensure its compatibility with both existing and proposed NJ TRANSIT and Amtrak infrastructure; and

WHEREAS, the recent introduction of new alternatives by the ARC project has had a significant impact on the alternatives being reviewed by the Portal Bridge project, requiring that phase I of the contract previously approved by the Board (No. 06-097), for the completion of the Draft Environmental Impact Statement, be amended to cover an expanded work effort; and

WHEREAS, the current contract (No. 06-097) contains an option to exercise Phase II for the Completion of the Final Environmental Impact Statement;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend Phase I of contract (No. 06-097) with AKRF, Inc. of Marlton, New Jersey for completion of the Portal Bridge Draft Environmental Impact Statement at an additional amount not to exceed \$380,518, for a total amount for Phase I of \$3,866,040, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to exercise Phase II of contract (No. 06-097) with AKRF Inc. of Marlton, New Jersey for the preparation of the Final Environmental Impact Statement for the Portal Bridge Capacity Project at a cost not to exceed \$1,362,806, plus five percent for contingencies, for a total contract authorization of \$5,296,987, subject to the availability of funds.

**ITEM 0707-51: NORTH HACKENSACK PARKING EXPANSION:
CONSTRUCTION CONTRACT AWARD**

BENEFITS

The North Hackensack Rail Station is located in the Borough of River Edge, Bergen County, New Jersey. The existing commuter parking lot consists of 147 spaces located south of Grand Avenue on the west side of the Pascack Valley Line right-of-way, and is generally filled each weekday. Increased ridership is anticipated upon the implementation of bi-directional off-peak rail service made possible with the completion of the Pascack Valley Line Passing Siding project, resulting in the need for additional parking spaces at this location.

PURPOSE

The project consists of constructing 143 parking spaces on a new surface lot east of the tracks, and resurfacing and reconfiguring the existing lot west of the tracks, bringing the total parking available at North Hackensack Station to 291 spaces. Both properties, located south of Grand Avenue, are currently owned by NJ TRANSIT; no easements or acquisitions are necessary.

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

ACTION (Justification: Customer Service)

Staff seeks authorization to contract (No. 06-087X) with Tilcon New York Inc. of Wharton, New Jersey, for general construction and resurfacing of the lots, at a cost not to exceed \$1,582,260, plus five percent for contingencies, subject to the availability of funds.

FISCAL IMPACTS

Requested Authorizations:	\$1,582,260, plus 5% for contingencies
Total Project Cost:	\$3,944,000
Projected Date of Completion:	April 2008
Anticipated Source of Funds:	Transportation Trust Fund
Diversity Goal:	20% SBE
Related/Future Authorizations:	None
Impacts on Subsequent Operating Budgets:	Offset by parking revenues

RESOLUTION

WHEREAS, North Hackensack Station is located in the Borough of River Edge on the Pascack Valley Line and is served by a 147-space commuter parking lot; and

WHEREAS, transportation forecasts indicate ridership at the North Hackensack Rail Station will increase as a result of bi-directional off-peak rail service on the Pascack Valley Line; and

WHEREAS, NJ TRANSIT owns property on the east side of the right-of-way that can be used for additional parking; and

WHEREAS, construction of 143 parking spaces on a new surface lot on the east side and resurfacing the existing parking lot on the west side of the tracks, will increase parking to 291 spaces from 147 spaces; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Tilcon New York Inc of Wharton, New Jersey was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No. 06-087X) with Tilcon New York Inc. of Wharton, New Jersey, for the general construction and resurfacing of the lots at a cost not to exceed \$1,582,260, plus five percent for contingencies, subject to the availability of funds.

ITEM 0707-52: 69th STREET GRADE SEPARATION PROJECT: GENERAL DESIGN CONSULTANT FOR FINAL ENGINEERING AND ENVIRONMENTAL SERVICES CONSULTANT

BENEFITS

The proposed 69th Street Bridge and Roadway Improvements project will grade separate the intersection of 69th Street from an existing freight railroad corridor in the Town of North Bergen. At this grade-crossing, five existing freight railroad tracks are owned and operated by CSX Transportation (CSXT) and one additional freight track is owned by the New York Susquehanna and Western (NYS&W) railroad. The bridge is being designed to accommodate future NJ TRANSIT passenger rail service on the Northern Branch. In addition to a new roadway bridge, this grade separation project includes related roadway improvements on portions of 69th Street, West Side Avenue and Ampesil Avenue.

Completion of the grade separation at 69th Street will eliminate interactions between railroad movements and automobile and commercial truck traffic across as many as eight tracks of rail operations. Therefore, this project will result in improved traffic flow and safety in this heavily traveled area.

PURPOSE

The amendment to the general design consultant contract with Parsons Brinckerhoff Quade & Douglas, Inc. (PBQ&D) will authorize final engineering and design in accordance with applicable Federal and State requirements. PBQ&D will also finalize and submit materials necessary for satisfaction of project environmental permit applications; develop plans for maintenance of traffic, right-of-way acquisition, and utility relocation; and prepare construction bid packages.

The amendment to the environmental services contract with BEM Systems, Inc. will authorize additional professional services related to environmental screening of properties designated for acquisition to support the project; disposal of contaminated and regulated waste; and oversight activities during the environmental remediation and construction necessary for the successful conclusion of the 69th Street Grade Separation Project.

ACTION (Justification: New System Expansion)

Staff seeks authorization to increase the funding of Contract No. 93CJ001 in the amount of \$1,300,000, plus five percent for contingencies, for professional services related to the design and construction of the 69th Street Grade Separation Project with Parsons Brinckerhoff Quade and Douglas, Inc. of Newark, New Jersey, the general design consultant. This authorization will bring the total contract authorization to \$150,835,785.

Staff also seeks authorization to increase the funding of Contract No. 91CJ0035 in the amount of \$1,048,877 plus five percent for contingencies, for professional services related to environmental compliance necessary for the design and construction of the

69th Street Grade Separation Project with BEM Systems, Inc. of Chatham, New Jersey, the environmental services consultant. This authorization will bring the total contract authorization to \$33,279,858.

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

FISCAL IMPACT

**Requested Authorization:
PBQ&D**

This Authorization \$ 1,300,000 + 5%
Total Authorization \$ 150,835,785

BEM Systems, Inc.

This Authorization \$ 1,048,877 + 5%
Total Authorization \$ 33,279,858

Total Project Cost: \$ 65,000,000

Date of Project Completion: 2011

Anticipated Source of Funds: Transportation Trust Fund

Diversity Goal: SBE 20% (for engineering services)
 SBE 18% (for environmental services)

Future Related Authorizations: 69th Street Right-of-Way Acquisition
 Construction Assistance
 Construction contracts

**Impact on Future Operating
Budgets:** None

RESOLUTION

WHEREAS, the 69th Street Bridge and Roadway Improvements project will grade separate the intersection of 69th Street from an existing freight railroad corridor and the future NJ TRANSIT Northern Branch passenger rail system; and

WHEREAS, NJ TRANSIT contracted with Parsons Brinckerhoff Quade & Douglas, Inc. to provide general design services for the 69th Street Grade Separation Project; and

WHEREAS, NJ TRANSIT contracted with BEM Systems, Inc. to provide environmental consultant services for disposal of contaminated and regulated waste for the 69th Street Grade Separation Project;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend Contract No. 93CJ001 with Parsons Brinckerhoff Quade & Douglas, Inc. of Newark, New Jersey, in the amount of \$1,300,000, plus five percent for contingencies, for a total contract authorization of \$150,835,785, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to amend Contract No. 91CJ0035 with BEM Systems, Inc. of Chatham, New Jersey, the 69th Street Grade Separation Project services consultant, in the amount of \$1,048,877, plus five percent for contingencies, for a total contract authorization of \$33,279,858, subject to the availability of funds.

ITEM 0707-53: EXTENSION AND AMENDMENT OF CONTRACT (NO. 03-028) WITH CUBIC TRANSPORTATION SYSTEMS FOR THE INSTALLATION AND INTEGRATION OF NEW BUS FARE REGISTERS AND GARAGE DEPOT COMPUTER SYSTEMS FOR NJ TRANSIT AND CERTAIN PRIVATE CARRIERS

BENEFITS

Bus fare collection equipment and systems process more than \$275,000,000 annually in passenger revenues. The existing equipment and systems were purchased from 1986 through 1989 and major components and systems are no longer produced or supported by the manufacturers. Replacement of critical Bus fare collection system components is necessary for maintaining a "state-of-good-repair" and providing reliable service for our customers. A procurement of a system-wide replacement of certain Bus fare collection equipment and associated hardware and software systems is essential to continue uninterrupted fare collection activities. To ensure support of this equipment and systems, staff also seeks an extension to the existing Maintenance Services Agreement during the anticipated 18 month system-wide installation period.

PURPOSE

NJ TRANSIT contracts with Cubic Transportation Systems (CTS) to provide fare collection equipment and systems for the collection and processing of Bus passenger revenue. The existing Bus fare collection system consists of fareboxes, fare registers, garage depot computer systems, and revenue collection and accounting equipment. Wayfarer Transit Systems, Limited, as a subcontractor to CTS, provides fare registers, RDMs (Register Data Modules) and readers that interface with the CTS garage computer system. These systems are interdependent and a total replacement would require a significantly greater investment of both time and funds. Existing Wayfarer 3 fare registers and RDMs are no longer manufactured and CTS Garage Computer System software has reached the end of its useful life (Microsoft no longer supports the Windows3 operating system).

Given the need to replace the existing Wayfarer 3 fare registers, RDMs and garage computer equipment, and following a vendor demonstration of replacement equipment, NJ TRANSIT and CTS conducted and successfully completed a pilot program to evaluate the new Wayfarer TGX150 fare registers, RDMs and garage computer equipment. As a result, it is now recommended that this replacement program be expanded to the remainder of NJ TRANSIT's Bus fleet, contract carriers and private carriers accepting monthly passes. In order to provide continued bus service to our passengers and collect passenger fares, NJ TRANSIT and CTS have negotiated a system-wide fare register replacement program inclusive of fare registers and readers, RDMs, garage depot computers and associated hardware and software. Required quantities with spares are annotated in the price information sheet.

The existing Maintenance Service Agreement with CTS provides staffing support to maintain these systems and equipment through December 2007. Since the current system and equipment must continue to be supported during the implementation of the replacement program, NJ TRANSIT and CTS have negotiated an 18-month extension of the existing Maintenance Services Agreement. During this timeframe it is expected that all replacement fare collection equipment will be installed.

NJ TRANSIT and CTS are also developing software specifications for a new back office accounting system to replace the existing legacy systems that interface to these fare registers, and it is anticipated that a request for this new system will be presented to the Board for approval in the fourth quarter of 2007.

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

Staff seeks to amend and extend the contract (No. 03-028) with Cubic Transportation Systems of Tullahoma, Tennessee to expand the completed pilot program to the remainder of NJ TRANSIT's fleet, contract carriers, and private carriers accepting monthly passes through the procurement of fare registers and readers, RDM modules, garage depot computers, and associated hardware and software, and extend staffing support for existing equipment and systems through June 2009 at a cost of \$11,685,000, 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 IMPACT

Requested Authorization:	Cubic Transportation Systems \$11,685,000 + 5% for contingencies (Increase) \$20,791,094 (Total Contract)
Total Project Cost:	\$20,791,094
Project Date of Completion:	June 30, 2009
Anticipated Source of Funds:	FY 2008, 2009, 2010 Operating & Capital (TTF) Budgets
Diversity Goal:	N/A
Related/Future Authorizations:	TBD

RESOLUTION

WHEREAS, NJ TRANSIT contracts with Cubic Transportation Systems to provide hardware, software, and staffing support for customer ticketing systems, fare collection systems, and associated networks through December 2007; and

WHEREAS, the existing equipment and systems were purchased from 1986 through 1989 and major components and systems are no longer produced or supported by the manufacturers; and

WHEREAS, NJ TRANSIT and Cubic Transportation Systems have successfully completed a pilot program which evaluated new fare registers and garage computer equipment in operation on existing routes and plan to present to the Board a request for a new back office accounting system to replace existing legacy accounting systems in the fourth quarter of 2007; and

WHEREAS, NJ TRANSIT and CTS have negotiated a system-wide fare register replacement program inclusive of fare registers and readers, driver and maintenance RDM modules, garage depot computers and associated hardware and software to replace obsolete Bus fare collection equipment;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend and extend the contract (No. 03-028) with Cubic Transportation Systems of Tullahoma, Tennessee to expand the completed pilot program to the remainder of NJ TRANSIT's fleet, contract carriers, and private carriers accepting monthly passes through the procurement of fare registers and readers, RDM modules, garage depot computers, and associated hardware and software, and extend staffing support for existing equipment and systems through June 2009 at a cost of \$11,685,000, plus five per cent for contingencies, subject to the availability of funds.

ITEM 0707-54: COMPUTER AIDED DISPATCH (CAD), RECORDS MANAGEMENT SYSTEM (RMS) AND MOBILE DATA COMPUTER (MDC) APPLICATIONS FOR NJ TRANSIT POLICE

BENEFITS

Homeland Security requirements and emphasis on improving passenger and employee safety require the Police Department to upgrade their technologies to support its expanded operations. A new computer management system will integrate telephone and emergency 911 calls, automate the dispatching of personnel and equipment, track the location of officers and vehicles, automate reporting and analysis of all incidents and enhance the capability for crime analysis and deployment of resources. The system will automate the classification of records to meet state reporting requirements. It will also enable the sharing of information with other law enforcement agencies and comply with State and Federal mandates for crime reporting. The new systems will increase efficiencies within the NJTPD and improve safety by providing added capabilities during Police dispatching, reporting, information analysis and record keeping. In order to more effectively dispatch and manage the NJ TRANSIT police resources, an automated CAD/RMS/MDC system is recommended.

PURPOSE

NJTPD computer dispatching software and hardware is 22 years old and can no longer be modified to accommodate the rapid change within the department and NJTPD's criminal reporting requirements. The NJTPD has grown 77 percent over the past three years providing statewide services throughout the system including HBLR, River LINE, Trenton, Atlantic City, Secaucus as well as an increasing operation spanning into New York City and Philadelphia. In addition, the number of calls to the Police Department has grown from 2000 to over 26,000 per year since 1985, and the system does not have the capacity to accommodate any additional growth. The NJTPD is committed to improving its preparedness in response to heightened security concerns and its mission to ensure a safe and orderly environment within the transit system. The purchase of a new computer system is a critical step in modernizing the NJTPD's operations.

ACTION (Justification: Business Efficiencies and Mandates)

Staff seeks authorization to contract with Intergraph Corporation of Huntsville, Alabama for computer systems at a cost not to exceed \$3,000,000, plus five percent for contingencies, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization: \$3,000,000, plus 5% for contingencies

Projected Date of Completion: December 2008

Anticipated Source of Funding: TTF

Diversity Goal: 15% SBE Category III

Future/Related Authorization: N/A

**Impacts on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, the NJ TRANSIT Police Department requires state-of-the-art computer systems to uphold its mission to ensure a safe and orderly environment within the transit system; and

WHEREAS, the NJ TRANSIT Police Department requires an automated computer-aided dispatch system to effectively manage personnel and equipment; and

WHEREAS, the NJ TRANSIT Police Department must accurately manage its records for the reporting of relevant crime statistics to state and federal agencies; and

WHEREAS, the NJ TRANSIT Police Department must track the location of a mobile command force (both officers and vehicles) at all times; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Intergraph Corporation of Huntsville, Alabama submitted the most advantageous proposal that provided the best value and is in the best interest of NJ TRANSIT;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract with Intergraph Corporation of Huntsville, Alabama for computer systems at a cost not to exceed \$3,000,000, plus five percent for contingencies, subject to the availability of funds.

CONSENT CALENDAR

ITEM 0707-55: SECOND EXTENSION TO LEASE AGREEMENT: WASHINGTON SECONDARY BRANCH – NETCONG TO HACKETTSTOWN

BENEFITS

Extending the existing Lease Agreement with Norfolk Southern (NS) Railway Company for the Washington Secondary Branch will allow for the continuation of commuter service of the Boonton Line between Netcong and Hackettstown for another ten years until 2016. This lease extension protects NJ TRANSIT'S substantial capital investment for the 1994 opening service and the continued maintenance of this section of the Boonton Line for commuter passenger service.

PURPOSE

This authorization provides for the existing lease to be extended for ten years from June 1, 2006 through May 31, 2016 which includes a five year renewal option. Rent will remain at the existing annual rate of \$303,000 for the first year (June 1, 2006 through May 31, 2007) and \$336,000 per year for the remaining nine years through May 31, 2016 and thus, allows continued commuter passenger service on the Boonton Line from Netcong to Hackettstown.

ACTION (Justification: System Expansion)

Staff seeks authorization to take all actions necessary to enter into an Extension of the Lease Agreement for the Washington Secondary Branch with Norfolk Southern (NS) Railway Company for ten years from June 1, 2006 through May 31, 2016 which includes a five year renewal option. Rent will remain at the existing annual rate of \$303,000 for the first year (June 1, 2006 through May 31, 2007) and \$336,000 per year for the remaining nine years through May 31, 2016.

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

FISCAL IMPACTS

Requested Authorization:

Extension of the Lease Agreement for the Washington Secondary Branch with Norfolk Southern (NS) Railway Company for ten years from June 1, 2006 through May 31, 2016 which includes a five year renewal option. Rent will remain at the existing annual rate of \$303,000 for the first year (June 1, 2006 through May 31, 2007) and \$336,000 per year for the remaining nine years through May 31, 2016.

Total Project Cost:	N/A
Projected Date of Completion:	Lease to be executed by September 2007 Lease term ends on May 31, 2016
Anticipated Source of Funds:	Operating
DBE Goal:	N/A
Future/Related Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	\$303,000 for the first year (June 1, 2006 through May 31, 2007) and \$336,000 per year for the next nine years ending May 31, 2016

RESOLUTION

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

WHEREAS, NJ TRANSIT currently leases from the Norfolk Southern (NS) Railway Company the Washington Secondary Branch allowing commuter service from Netcong to Hackettstown on the Boonton Line; and

WHEREAS, NJ TRANSIT wishes to extend said lease for ten years from June 1, 2006 through May 31, 2016 which includes a five year renewal option;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to take all actions necessary to enter into an Extension of the Lease Agreement for the Washington Secondary Branch with Norfolk Southern (NS) Railway Company for ten years from June 1, 2006 through May 31, 2016 which includes a five year renewal option. Rent will remain at the existing annual rate of \$303,000 for the first year (June 1, 2006 through May 31, 2007) and \$336,000 per year for the remaining nine years through May 31, 2016.