

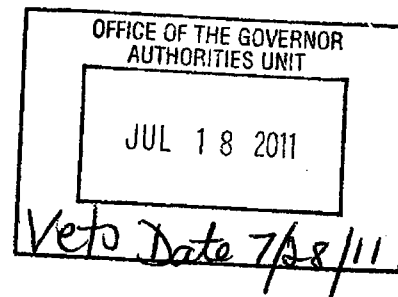
**NJ TRANSIT BOARD MEETING
MINUTES
OPEN SESSION
7/13/2011**

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
James S. Simpson, Board Chairman
James Weinstein, Executive Director

NJ TRANSIT

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

July 15, 2011



Dear Governor Christie:

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., NJ Transit Mercer, Inc., and NJ Transit Morris, Inc., Board of Directors held on Wednesday, July 13, 2011.

Sincerely,

Joyce J. Zuczek
Acting Board Secretary

Enclosures

Honorable Chris Christie
Governor, State of New Jersey
State House
Trenton, NJ 08625

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
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NJ TRANSIT

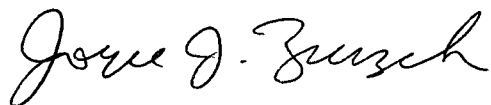
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(NJT Board – 07/13/2011)

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., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at Frank R. Lautenberg Station at Secaucus Junction, New County Road and Seaview Drive, Secaucus, New Jersey on Wednesday, July 13, 2011.

Present:

James S. Simpson, Chairman
 Myron P. Shevell, Vice Chairman
 Johanna B. Jones, Governor's Representative
 James M. Petrino, Treasurer's Representative
 James C. Finkle, Jr
 Flora Castillo

James Weinstein, Executive Director
 Joyce J. Zuczek, Acting Board Secretary
 Penny Bassett-Hackett, Acting Assistant Executive Director, Communications & Customer Service
 James Gigantino, Vice President & General Manager, Bus Operations
 Kevin O'Connor, Vice President & General Manager, Rail Operations
 Christopher Trucillo, Chief of Police
 Kim Vaccari, Chief Financial Officer & Treasurer
 Steve Santoro, Assistant Executive Director, Capital Planning & Programs
 Alma Scott-Buczak, Assistant Executive Director, Human Resources
 Carlos Ramirez, Assistant Executive Director, Corporate Affairs
 Leotis Sanders, Vice President, Office of Civil Rights and Diversity Programs
 Warren Hersh, Auditor General
 Kenneth Worton, Deputy Attorney General

Chairman Simpson convened the Open Session at 9:05 a.m. in accordance with the Open Public Meetings Act and asked for a motion to enter Executive Session to discuss contract negotiations, attorney-client, litigation and personnel matters. A motion was made by Myron P. Shevell, seconded by Johanna Jones and unanimously adopted.

Chairman Simpson reconvened the Open Session at 9:35 a.m. and asked for a motion to adopt the minutes of the June 8, 2011 meetings. A motion was made by Flora Castillo, seconded by Myron P. Shevell and unanimously adopted.

Executive Director James Weinstein highlighted the following from his monthly business report.

SCORECARD PRESENTATION

Executive Director Weinstein said last year, NJ TRANSIT faced very tough times with limited choices and those challenges were met. NJ TRANSIT closed a \$100 million budget deficit by slashing workforce, reducing service and raising fares. He said those were painful times that he is determined not to repeat. The ingenuity and the talent of the individuals that make-up Team Transit has made NJ TRANSIT stronger. Over the last year, NJ TRANSIT committed to better serving the customer, to maximizing taxpayer resources leading to greater independence, and to improving productivity.

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These are NJ TRANSIT's three Corporate Goals. Governor Christie has spoken about the 'New Normal', it is unacceptable to ask the taxpayer for more money, decrease the quality of service delivered to communities, and require the customer to pay more.

Over the course of the past year, NJ TRANSIT has asked, "how does it become the best public transportation system in country?" NJ TRANSIT has set a clear path for success and intends to stay on course, measure the progress and continually set the bar higher.

In March, NJ TRANSIT announced The "Scorecard". The initiative is to use metrics to set corporate-wide standards of accountability and create transparency for the public, a tool to measure the strategic decisions to maximize its resources as well as illustrating how the agency is managing its commitment to excellence.

In addition, the Scorecard will show the strengths and weaknesses, providing clear insight into where NJ TRANSIT needs to improve in order to provide a greater return to the taxpayer.

The Scorecard is a 'wholistic' approach to driving the business. Today, NJ TRANSIT unveiled the baseline for measuring the performance for five Strategic Areas of Focus: Customer Experience, Financial Performance, Corporate Accountability, Employee Excellence and Safety and Security.

The baseline has also incorporated information gathered from quarterly customer surveys, marking the first time in NJ TRANSIT's history that it will be conducting systemwide customer satisfaction surveys on a regular, ongoing basis.

The Scorecard is dynamic and has meaning for all employees across NJ TRANSIT. Individual performance directly supports Strategic Areas of Focus. Each and every employee contributes to the success of NJ TRANSIT.

Executive Director Weinstein said that you cannot manage something you are not measuring. The Scorecard breaks that barrier by measuring the quality and quantity of NJ TRANSIT's commitment to all of the stakeholders. Moving the needle provides a higher level of customer service, maximizing taxpayer resources leading to greater independence, and improving productivity and is greatly influenced by NJ TRANSIT's greatest asset, its employees.

Executive Director Weinstein introduced Penny Bassett-Hackett, Acting Assistant Executive Director for Communications, Customer Service and Marketing, to present the five Strategic Areas of Focus, the supporting measure and how NJ TRANSIT intends to move the needle during Fiscal Year 2012.

Penny Bassett-Hackett said today marks an exciting day for NJ TRANSIT as the first ever Scorecard is published. Building on what Executive Director Weinstein said, the Scorecard is a dynamic management and reporting tool that makes key NJ TRANSIT statistics and performance data readily accessible to the public for the very first time, as part of the effort to increase accountability and transparency.

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To support the Scorecard, metrics were developed to provide a baseline for measuring performance in the five Strategic Areas of Focus. This baseline also incorporates information gathered from quarterly customer surveys, the first results were announced yesterday.

Starting today, NJ TRANSIT's first overall Scorecard is also available on a special section of NJ TRANSIT's website, www.njtransit.com to provide the public with a clear measurement of how the corporation is performing. Each Strategic Area of Focus measured by the Scorecard incorporates a system of metrics.

Customer Experience, which is defined as "focusing our time, talent and resources on meeting the expectations of our customers," takes into account customer satisfaction ratings for NJ TRANSIT services and other measures, such as the average time it takes to process a customer inquiry and on-time performance for the system's bus, rail, light rail and Access Link services.

Financial Performance, which means "meeting the financial obligations of the corporation by reducing costs, maximizing revenues and lessening dependence on subsidy," includes data on budget adherence, farebox recovery, operating subsidy per customer and pension funding.

Corporate Accountability, defined as "using our resources to maximize their benefit to our stakeholders," incorporates such measures as revenue per hour, ridership, fare stability and Disadvantaged and Small Business Enterprise goals.

Safety and Security, "providing a safe, secure environment for our customer, employees and the communities which we serve," is based on data provided by Operations and the NJ TRANSIT Police Department regarding customer and employee injuries as well as crime statistics.

Employee Excellence, is "striving to be better tomorrow than we are today, as individuals, as a team, as a corporation," includes the agency's goals for service quality and our employee volunteer rate.

Ms. Bassett-Hackett said the Scorecard is intended to draw the attention to the areas that NJ TRANSIT most needs to improve, so that it may "move the needle" when it comes to customer satisfaction. To that end, NJ TRANSIT has set performance goals for each metric under the five Strategic Areas of Focus. These goals will drive NJ TRANSIT's overall performance in an upward direction.

As part of Scorecard, each of the goals are being published along with the actual "scores" or measures, so that NJ TRANSIT as a corporation, as well as the customers and taxpayers can track the progress.

NJ TRANSIT has already begun to "move the needle" within each of the Scorecard objectives. In the area of Customer Experience, NJ TRANSIT published the results of the first customer satisfaction survey. Customers were asked to rate NJ TRANSIT on a scale of 0 to 10, zero being unacceptable and 10 being excellent, on 32 attributes of the system.

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asked NJ TRANSIT to consider reinstating the previously instituted service cuts if money becomes available in the future.

Ms. Mack noted that Access Link had the highest rating on the Scorecard at 7.5 percent and this shows commitment. She said the Rail service rating concerned members of the Committee and would like to work on getting the score up next year.

Ms. Mack said the Advisory Committee is off for the summer and said they were pleased with the budget presentation. She looks forward to working with a Board Member liaison soon.

BOARD COMMITTEE REPORTS

Board Member Myron P. Shevell presented the Capital Planning, Policy & Privatization report to the Board. The Committee discussed the operating and capital budgets for Fiscal Year 2012 as well as the purchase of 76 CNG cruiser buses which will provide additional seating capacity.

In addition, the construction of the Pennsauken Transit Center will provide customers with the opportunity to travel between New Jersey's Delaware River towns, Atlantic City and Philadelphia.

The Committee discussed the grant awarded to NJ TRANSIT from the Department of Energy for approximately \$3 million for the installation of a solar power system on the roof of the Meadows Maintenance Complex which will reduce operating and electricity costs.

Chairman Simpson thanked Board Member Shevell for continuing to serve as the Chairman of the Capital Planning, Policy & Privatization Committee and a member of the Audit Committee. Chairman Simpson said he is sad to say that Board Member Shevell asked not to be re-appointed as the Board Vice Chairman going forward, but he is glad Board Member Shevell is going to stay on as a Board Member. Chairman Simpson asked Board Member Shevell to explain what was going on and whether he was retiring.

Board Member Shevell said he is not retiring; however, there are many things in his life that have dramatically changed. He mentioned one of those changes was the loss of his son which was very sad. He also mentioned his daughter's upcoming marriage to a "Beagle" which is a happy situation. His daughter resigned from her senior officer position at his company, so more work will fall on his shoulders and requires more of his time. Board Member Shevell said he does not want to stand in the way of the progress he has seen at NJ TRANSIT during the last 16 years.

Board Member Shevell said that when he came to NJ TRANSIT as a Board Member, NJ TRANSIT was just a little agency and it has grown greatly. He said NJ TRANSIT has great people in the company who do a fabulous job. Board Member Mike Shevell said he has been a Board Member through six Governors so he must have done something right because they did not let him quit. Board Member Shevell said he will be available for whatever is needed and will assist the new Vice Chairman.

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Board Member Flora Castillo presented the Administration Committee report to the Board. The Committee also discussed the operating and capital budgets for Fiscal Year 2012 as well as the grant programs for senior citizens and persons with disabilities. These grants provide life enhancing transportation services for many people.

In addition, the Committee was briefed on the public-private initiative with regard to the real estate assets and the continued need for special counsel and a financial advisor.

PUBLIC COMMENTS ON AGENDA ITEMS

There were five public comments on agenda items. Acting Board Secretary Zuczek announced a three minute time limit for speakers and asked if there were any written statements for the record.

David Peter Alan stated it is difficult hosting the meeting at Secaucus Junction, but he wished more Morris & Essex trains stopped at Secaucus Junction since there are only three that stop there before 9:00 a.m. The first train from Dover to stop there is at 9:16 a.m. Mr. Alan said it took him two changes and 54 minutes to get to the meeting from South Orange.

Mr. Alan said he had a brief meeting with Chairman Simpson, Vice Chairman Shevell Executive Director Jim Weinstein and their assistants before the Board Meeting. He appreciated the opportunity and hopes it is the start of positive things for continuing dialogue.

Mr. Alan was pleased to receive the detailed agenda in advance of the meeting. It is a step in the right direction, and he and his colleagues at the Lackawanna Coalition hope it is the first step toward notice that will come far enough in advance, so their comments will make a difference when Board decisions are made.

Mr. Alan discussed the Lackawanna Coalition's concern about the state of good repair of the railroad, especially the electrical system on the Northeast Corridor, which was built in the early 1930s. He believes the amount in the budget for Northeast Corridor joint benefits is not enough. Mr. Alan said at a hearing before the Assembly Transportation Committee on September 20th of last year, Executive Director Weinstein cited the 1930s infrastructure on the Northeast Corridor as the source of last summer's difficulties. Mr. Alan voiced concern that the \$27 million budgeted this year will not be enough to prevent more problems. Mr. Alan stated there is no good reason to believe that the same amount next year will cure the problems that this year's allocation could not cure. He said more money is needed to fix the electrical system to bring it up to a state of good repair. Mr. Alan said the Northeast Corridor electrical system is the biggest infrastructure problem and must be brought up to modern standards. Mr. Alan said although Amtrak owns the Northeast Corridor, most affected are NJ TRANSIT riders and modernizing the electrical system on the Northeast Corridor needs to be a top priority for both Amtrak and NJ TRANSIT.

Speaking in a personal capacity as a member of the Senior Citizens & Disabled Residents Transportation Advisory Committee, Mr. Alan knows the importance of

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Casino Revenue and other grants to provide senior citizens and persons with disabilities mobility. Because of current policy, he spoke briefly on this issue and said the 13 percent decrease in the Casino Revenue Fund is a matter of serious concern. Mr. Alan thanked Bob Koska and his staff for the important work they do in keeping track of these grants.

Mr. Alan thinks a solar panel for the roof of the Meadowlands Maintenance Complex is a good idea since it is good for the environment and saves money too. He said the same is true for CNG buses, but he recalled an experiment with them at the Orange Garage 20 years ago that failed. He hopes the experiment is better this time. He said there is nothing in the materials about maintenance or a fueling point, so he assumes they exist at the Howell Garage, and would appreciate confirmation.

Chairman Simpson thanked Mr. Alan for his support.

Orrin Getz is a Rockland County resident who uses NJ TRANSIT. He noted the low scorecard rating of 4.5 percent for rail service. There are little things NJ TRANSIT can do to improve the service. He mentioned the Pascack Valley Line golf siding was an issue in the past due to community opposition but Mr. Getz suggested it because it is possible the community changed its mind and recommended going back to the community. He believes it will improve service reliability and Metro North can assist. Mr. Getz also stated there is no train that would allow a commuter to get in for work at 7:00 a.m. and he believes it would only require a slight adjustment and would be a no cost alternative. A major problem affecting the scorecard for NJ TRANSIT rail service is Penn Station. He recommended NJ TRANSIT look into what can be done to restart the Hudson Rail project because two tunnels are too restricting when there is a problem. NJ TRANSIT needs to invest more in the infrastructure, including the Northeast Corridor, even if it means deferring the purchase of multilevel rail cars. He said the service outages are not acceptable and NJ TRANSIT is a major tenant. Mr. Getz also stated that on weekends there is only one train per hour because one tunnel is taken out of service. NJ TRANSIT should look into innovative ways like running bus service from Secaucus Junction to Penn Station. If promoted properly, it would be a great help to passengers and improve service and raise the scorecard level.

James Raleigh stated it is awkward to speak to the Board in this room arrangement. He appreciated staff's efforts to get the agenda out 24 hours ahead of time to give the public time to review it.

Mr. Raleigh said the Scorecard presentation provided a lot more than what was in the one-year budget process. He has been involved in different parts of the budget process.

Mr. Raleigh said changes to the infrastructure problem are very important and need to be found in the state budget. There are other parts of the budget that are also important. He commented that when the Governor and Legislature change the budget, they need to be cognizant of the bigger picture.

Mr. Raleigh commented on the procedure for executive session. He did not see any item that merits executive session. If executive session is needed for private business, it

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could be at end of meeting instead making the public wait 25 minutes. Mr. Raleigh also commented on the operating and capital budget board items.

Joseph Clift is a former strategic planner, including financial planning, and understands the budget. Next year, he would also like to see NJ TRANSIT's proposed budget to the level of detail as presented today.

Mr. Clift said the operating budget shows a five percent overall increase due to increased state appropriations. Mr. Clift expressed concerns that he does not see any radical changes in the budget long term. He mentioned the massive layoffs in the public sector, stimulus money running out and changes in ridership. He warned that NJ TRANSIT needs to think about this for next year's budget. Next year is too soon to consider another fare increase and NJ TRANSIT should not expect to see an increase in state appropriations.

The foremost emphasis in the capital budget is the rolling stock investment and it should be the Northeast Corridor electrification program. Mr. Clift expressed that NJ TRANSIT as a renter on the Northeast Corridor should have rights regarding Amtrak charges since the Northeast Corridor has electrification problems.

Mr. Clift said he thinks the vacation cash-out program is great for hourly employees but not management. He also inquired about whether the five percent pay reduction for NJ TRANSIT top management will be in effect for the next fiscal year.

Murray Bodin said NJ TRANSIT has been incredible moving from the 20th century to the 21st century. NJ TRANSIT is changing and taking creative steps. Mr. Bodin said the message under the current leadership is, it is time for change. Mr. Bodin said NJ TRANSIT is moving in a direction for future generations. He referenced the energy conservation items and better on-time performance as positive.

Mr. Bodin said unless you know where you are coming from, you do not know where you are going. Mr. Bodin thanked staff for listening, making changes and moving forward. Although they do not agree on everything, they listen to his position or idea and use their professional judgment to make the right decision.

In response to the public comments, Executive Director Weinstein stated the five percent senior management pay reduction is still in effect. He also informed Suzanne Mack that James C. Finkle, Jr. is appointed as the liaison to the Advisory Committee. Executive Director Weinstein thanked Chairman Simpson for his comments on the Scorecard presentation.

Executive Director Weinstein presented the following Action Items for approval:

1107-31: FISCAL YEAR 2012 OPERATING BUDGET

Authorization is requested to approve the Fiscal Year 2012 Operating Budget which is proposed for \$1.895 billion. Almost 90 percent of the \$85 million in growth for Fiscal Year 2012, was generated by three mandatory cost drivers – fuel, previously negotiated contracts (e.g.,

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purchased transportation) and the replacement of non-recurring savings. When adjusted for these three items, the Fiscal Year 2012 growth is less than one-half of one percent when compared to Fiscal Year 2011. Approval of this budget will also allow NJ TRANSIT to continue to expend funds to meet obligations until the adoption of the Fiscal Year 2013 budget. Approval of this budget is necessary to support the continued operation of Bus, Rail, Light Rail and Access Link services for customers.

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

1107-32: FISCAL YEAR 2012 CAPITAL PROGRAM

Authorization is requested to approve the Fiscal Year 2012 Capital Program which totals \$1.16 billion, a slight decrease compared to 2011. The program continues investments in the infrastructure to improve the overall state-of-good-repair and improve reliability and safety. Funding is included to continue our rolling stock modernization program, investments in railroad bridge rehabilitation, track replacement, signal and security upgrades, repairs to overhead power lines and electric substations, improvements to rail stations and bus shelter upgrades. Approval of this budget will allow staff to take the necessary steps to secure funds from various sources.

James C. Finkle, Jr. moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

1107-33: CNG CRUISER BUSES: PURCHASE OF 76 VEHICLES

Approval is requested to purchase 76 CNG cruiser buses to replace the aging fleet. These buses will be compliant with the Americans with Disabilities Act and will incorporate technologies to reduce exhaust emissions. The buses will be approximately 45 feet long and will have more seating capacity (55 seats) than those that are being replaced (45 seats). Authorization is requested to enter into a contract with DesignLine USA at a cost not to exceed \$45,562,284, plus five percent for contingencies, for the purchase of 76 CNG cruiser buses.

Board Member Shevell asked if these buses have restroom facilities. Jim Gigantino, Vice President & General Manager, Bus Operations said the existing policy states that restrooms are on buses that travel more than 100 air miles (Atlantic City service). Board Member Shevell said this should be considered for the aging population. Executive Director Weinstein said staff will look into it.

Myron P. Shevell moved the resolution, James C. Finkle, Jr. seconded it and it was unanimously adopted.

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1107-34: NJ TRANSIT GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

NJ TRANSIT oversees a number of federal and state grant programs for coordinated community-based transportation services for the benefit of senior citizens, persons with disabilities, rural and small urban area residents and economically disadvantaged persons. These services are life sustaining and life enhancing transportation services such as demand-responsive, fixed route and feeder services as well as community shuttles. These grant programs are detailed in the agenda exhibits and assist a variety of private non-profit organizations, counties, county improvement authorities and municipalities in meeting residents' needs. Authorization is requested to implement these programs for Fiscal Year 2012. The Senior Citizen and Disabled Resident Transportation Assistance Program amounts to \$25,121,000.

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

1107-35: PENNSAUKEN TRANSIT CENTER PHASE II: CONTRACT AWARD FOR CONSTRUCTION

A connection between the River LINE and the Atlantic City Rail Line in Pennsauken will afford customers the opportunity to travel between the Delaware River towns, Atlantic City and Philadelphia. The Pennsauken Transit Center would complete the interconnectivity of the system. The project would include a new parking lot, a passenger drop-off area, bus/shuttle connections and pedestrian access improvements. Authorization is requested to contract with Terminal Construction Corporation for the construction of the Pennsauken Transit Center at a cost not to exceed \$13,800,000, plus five percent for contingencies.

Myron P. Shevell recused himself from voting on this item. Flora Castillo moved the resolution, James C. Finkle, Jr. seconded it and it was adopted.

1107-36: MORRIS, SOMERSET, UNION AND WARREN COUNTIES MINIBUS ROUTE SERVICES: AMENDMENT TO AGREEMENTS TO EXERCISE OPTIONS

Previously, the Board authorized agreements with three private bus carriers, under contract with NJ TRANSIT, to operate minibus services in Morris, Somerset, Union and Warren Counties in New Jersey and Easton, Pennsylvania. The Agreements included the option to extend those services for two 24-month periods until September 2015. Authorization to exercise the option with Suburban Transit Corporation to operate minibus service on Route 986 in the amount of \$2,782,466, to exercise the option with First Student, Inc. to operate minibus service on Routes 878 and 879

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in the amount of \$1,460,442 and to exercise the option with Delaware River Coach Lines to operate minibus service on Routes 890 and 891 in the amount of \$2,367,508, all with five percent for contingencies.

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

1107-37: MEADOWS MAINTENANCE COMPLEX (MMC) ROOF-MOUNTED PHOTOVOLTAIC SYSTEM: CONTRACT AWARD FOR DESIGN AND CONSTRUCTION

NJ TRANSIT continuously reviews opportunities to reduce its electricity while supporting New Jersey's clean air goals. The installation of a solar power system on the roof at the Meadows Maintenance Complex will reduce energy costs at the facility. Using funds from the Department of Energy, the New Jersey Board of Public Utilities has awarded NJ TRANSIT a grant in the amount of \$3,166,000 for this project. Authorization is requested to enter into a contract with Barrier Electric for the design and construction of a solar power system at the Meadows Maintenance Complex at a cost not to exceed \$3,166,000.

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

1107-38: PERSONNEL: MODIFICATIONS TO NJ TRANSIT'S NON-AGREEMENT VACATION AND SICK LEAVE POLICY PRACTICES

The State of New Jersey is addressing the growing challenge of controlling the skyrocketing costs of providing public employee benefits. As a responsible steward of public funds, NJ TRANSIT continuously reviews and revises its policies and practices related to employee compensation and other benefits. The goal is to ensure these practices are consistent with other state agencies and departments. Consistent with this policy, NJ TRANSIT has suspended the Attendance Incentive Program for non-agreement employees that historically allowed those who had perfect attendance during a calendar year to cash-in their unused vacation time at the end of the year. An amendment to that policy took effect on March 29, 2011.

In addition, sick days provide time off for employees who are sick or injured, but should not represent an additional compensation for employees who are healthy. Authorization is requested to amend the sick leave policy to include: the elimination of the unused sick leave payment program for new employees; the continuation for current employees of a \$15,000 cap upon payment of unused sick leave earned prior to January, 1, 2012, upon retirement; a requirement for current employees to use sick time on a first earned, first used basis; and the continued requirement of company-approved medical documentation for absences of more than five days.

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Johanna B. Jones moved the resolution, James M. Petrino seconded it and it was unanimously adopted.

Executive Director Weinstein presented the following Consent Calendar for approval:

1107-39: ADVERTISING REVENUE CONTRACT EXTENSION

Authorization to extend for six months NJ TRANSIT's advertising revenue contract with Titan Outdoor of New York City in consideration of Titan's (a) payment to NJ TRANSIT of the prorated minimum annual guarantee of not less than \$750,000 per month, totaling not less than \$4,500,000 for the extension period, (b) payment to NJ TRANSIT of 60 percent of net revenue above the prorated minimum annual guarantee of not less than \$4,500,000, and (c) maintaining its \$2,400,000 letter of credit in favor of NJ TRANSIT.

1107-40: PUBLIC-PRIVATE PARTNERSHIP SPECIAL COUNSEL

Authorization to compensate Wolff & Samson for legal support for NJ TRANSIT's public-private partnership program in an additional amount not to exceed \$850,000, for a total contract authorization of \$1,500,000, subject to the availability of funds.

1107-41: PUBLIC-PRIVATE PARTNERSHIP FINANCIAL ADVISOR

Authorization to amend the contract with Scott-Balice to act as NJ TRANSIT's financial advisor to implement a strategy for maximizing revenue from NJ TRANSIT's parking assets at a cost not to exceed \$490,000, for a total contract authorization of \$950,000, subject to the availability of funds.

1107-42: ANNUAL NOTICE OF MEETINGS

Adopt the Annual Notice of Meetings (Exhibit A) for all of the Board of Directors' meetings during Fiscal Year 2012.

1107-43: ANNUAL DESIGNATION AND BOARD COMMITTEE MEMBERSHIP SELECTION

Approval of this item will designate Bruce M. Meisel to serve as Vice Chairman of the Board of Directors through June 2012 and appoint the members of all Board Committees as set forth in Exhibit A.

Chairman James S. Simpson recused from voting on Item #1107-40 Public-Private Partnership Special Counsel. The Consent Calendar was moved by Flora Castillo, seconded by Myron P. Shevell and adopted.

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PUBLIC COMMENTS ON NON-AGENDA ITEMS

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

David Peter Alan complimented NJ TRANSIT on the extension of the “Quiet Commute Car” program to Hoboken trains. When the program was extended to all peak-hour Penn Station trains, the Midtown Direct riders had the choice of enjoying a quiet ride or engaging in conversation. Hoboken riders now have the same choice and he commended management for expanding the program.

Mr. Alan believes the program should be expanded further to include all trains whether reverse direction at peak hours, weekday midday or evening or weekend and he submitted a Resolution which was passed at the June meeting of the Lackawanna Coalition.

Mr. Alan said it is essential that the electrical system on the Northeast Corridor be brought up to current standards, especially since there were three recent service disruptions attributable to problems with the electrical system on the Northeast Corridor. This is not appropriate for the nation’s busiest passenger railroad. Both Amtrak and NJ TRANSIT have a responsibility to do what is needed to bring the Northeast Corridor to modern electrical standards, including a single power system. Amtrak owns the railroad and most of the riders are on NJ TRANSIT trains, so cooperation will be required. Mr. Alan said in the long run, sufficient capacity into Penn Station, with appropriate redundancy, is important, but right now, a modern and well-maintained electrical system is even more important. When the railroad is upgraded and maintained to a state of appropriate reliability, the riders and taxpayers will be ready for expanding the system and more willing to commit their money to that purpose.

James Raleigh commended NJ TRANSIT for its effort to use solar power on the roof of the Meadows Maintenance Complex.

Mr. Raleigh is asked a lot of questions about the No. 7 extension and his answer is which No. 7, the one from Midtown New York to Secaucus, the one through Hoboken to Secaucus or the one that Amtrak discussed from 31st Street and connecting to Herald Square. This needs regional planning. The question is what is the benefit to Amtrak? Mr. Raleigh said why study the No. 7 when the primary need is for those two tunnels to serve NJ TRANSIT and Amtrak.

Mr. Raleigh is also asked what he thinks about Gateway and his response is there are parts of it that are useful, but he is not sure where it stands with proposed costs. Mr. Raleigh attended the Raritan Valley Coalition Meeting on June 27 and there was a presentation by Mr. Sackel on high speed rail moving towards the next generation. Mr. Sackel introduced a forthcoming plan called Gateway and improving the speed of service. Mr. Raleigh asked a question about the infrastructure and the response was Amtrak will invest in three new power stations which will hopefully work together as an integrated system.

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Mr. Raleigh was concerned about lack of timely reporting on the Jersey Avenue fire situation because it affected his schedule.

Joseph Clift said NJ TRANSIT and the New Jersey Department of Transportation are the only agencies in the State to receive an increase in State appropriations. He was not sure if it was the "Simpson effect", but said increased State appropriations should not be expected next year.

Mr. Clift commented about summer service and said his wife was upset about an incident on July 4th. They were returning from Asbury Park and the train was crowded. They changed trains at Long Branch to a multi-level. When they entered the train, there was one car blocked off. There were 12 people in the vestibule and there were no seats available. The conductor told them to go to the back of the train for seats. They asked the conductor why the car was not open and the conductor replied it was closed. Two stations later the conductor opened the car. Mr. Clift said when there is a seating issue all cars should be accessible.

Another example, was on July 10th, Mr. Clift boarded a train at Penn Station to Asbury Park. It was a seven car multi-level. The first four cars were locked. There were only three cars open. The last person running down the stairs missed the train due to the closed cars. It is a continuing problem with closed cars, especially when there is a large crowd. Mr. Clift said it is not the train crew's fault, it is management's fault. Mr. Clift said if you provide people with a better ride, more people will ride.

Murray Bodin spent two weeks in France with his family and it was spectacular. He was in Normandy and Paris and it was a learning experience because he rode on a lot of subways. He talked to the kids about the future and what makes sense and what doesn't make sense. They talked about the tachometer in the car. Everyone has a tachometer in the car with an automatic shift. It provides no information, yet you cannot get rid of it. People are locked into having tachometers on the cars with automatic transmissions. A speedometer shows the rate of speed which is what a person needs to know. That is symbolic of the changes and thinking that needs to happen.

Leonard Nix said NJ TRANSIT put up a billboard on the Pascack Valley Line close to Route 4. He said the billboard should not go there because it was too low. There are trees blocking the billboard. He asked an attorney what happens next and he said the trees will be cut down. Mr. Nix said the trees are not on NJ TRANSIT property.

Mr. Nix said there is another billboard on Route 8 that cost \$3.5 million. It won't pay for itself. Mr. Nix is not an advocate of corruption. He said there is a lot of mismanagement and wasting money. The billboards go up very fast.


Mr. Nix said the Edgewater Tunnel has a high voltage power line that comes from Pennsylvania near Susquehanna through the Edgewater tunnel and under the river to New York. He just found out they are extending the line, and it has not been approved yet. There is a lot of mismanagement.

(NJT Board – 07/13/2011)

Adjournment

Since there were no further comments or business, Chairman Simpson called for adjournment and a motion to adjourn was made by Myron P. Shevell, seconded by Johanna B. Jones and unanimously adopted. The meeting was adjourned at approximately 10:55 a.m.

SCORE



SCORE








NJ TRANSIT
Performance

Business
Department

Employee Performance

SCORE

SCORECARD STRATEGIC AREAS OF FOCUS

-  Customer Experience
-  Financial Performance
-  Corporate Accountability
-  Safety and Security
-  Employee Excellence

SCORE

CUSTOMER EXPERIENCE

		FY2012
Metric		Goal
Customer Satisfaction Rating		6.0
On-time Performance	Bus	93.50%
	Rail	94.70%
	Light Rail	97.00%
	Access Link	97.00%
Customer Service Resolution Time		2.5 days
Call Center Average Speed of Answer		60 seconds

FINANCIAL PERFORMANCE

	FY2012
Metric	Goal
Budget Variance	0%
Farebox Recovery Rate	53%
Subsidy Per Customer Trip	\$3.15
Pension Funding	80%

SCORE

CORPORATE ACCOUNTABILITY

		FY2012
Metric		Goal
Revenue Per Hour	Bus	\$69
	Rail	\$1,830
	Light Rail	\$90
Average Customers Per Trip	Bus	37
	Rail	335
	Light Rail	67
Fare Stability		100%
Workforce Utilization	Women	100%
	Minorities	100%
Disadvantaged Business Enterprise Goal		22.07%
Small Business Enterprise Goal		25%



SAFETY AND SECURITY

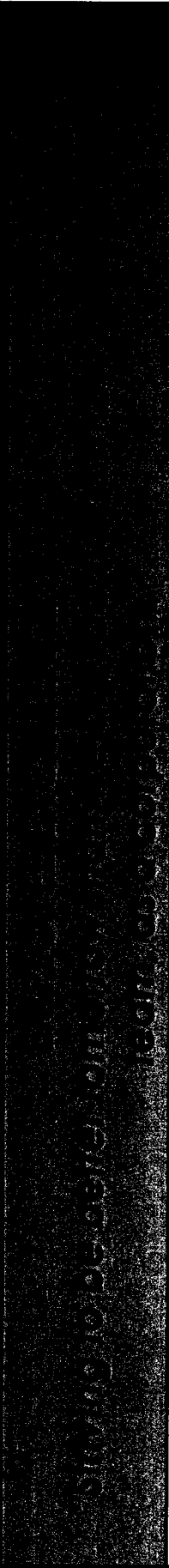
SAFETY & SECURITY

"Providing a safe, secure environment for our customer, employees and the communities which we serve."

	FY2012
Metric	Goal
Customer Injury Rate per Million Trips	3.7
Crime Rate Per Million Customers	2.10
NJTPD Crime Clearance Rate	40%
Employee Injury Rate per 200,000 hours worked	5.0

SCORE

EMPLOYEE EXCELLENCE



	FY2012
Metric	Goal
Service Quality Goal	95%
Employee Participation Rate	100%

MOVING THE NEEDLE



MOVING THE NEEDLE



CUSTOMER EXPERIENCE – WHAT WE'RE DOING

Quarterly Customer Satisfaction surveys

On Time Performance

Technology investments

Smart Bus

My Bus/My Light Rail

On-line ticketing

Strategic investment in rolling stock

Bus fleet renewal

Rail fleet renewal

MOVING THE NEEDLE



FINANCIAL PERFORMANCE – WHAT WE'RE DOING

Budget discipline

Proactive maintenance

Dual-mode locomotive hybrid technology

Innovative new revenue streams

Public Private Partnerships

MOVING THE NEEDLE



CORPORATE ACCOUNTABILITY – WHAT WE'RE DOING

No fare increase

New fare collection systems study

Bus utilization studies

ADA station upgrades

Solar panels on the MMC

MOVING THE NEEDLE



SAFETY AND SECURITY – WHAT WE'RE DOING

Left turn signal notification

Drive-Cam camera

**Department of Homeland Security funding for
cameras**

Positive Train Control program

School Safety program

Patriot training

MOVING THE NEEDLE



EMPLOYEE EXCELLENCE – WHAT WE'RE DOING

Patriot training

Frontline employee rail and bus training program

Emergency Response Team

THE NUMBERS

THE NUMBERS

KEY DRIVERS FOR THE FY12 OPERATING BUDGET

Revenue

Fares

State operating assistance

Expenses

Skyrocketing costs of diesel fuel

Growing healthcare costs

THE NUMBERS

OPERATING BUDGET SUMMARY

	FY 2011	FY 2012	\$ Change	% Change
Customer Fares	867.7	881	13.3	1.5
Non- Farebox Revenue	75	104.3	29.3	39.1
State Operating Assistance	276.2	309.4	33.2	12
Capital Transfers	363	363	0	0
Other Reimbursements	228	237.2	9.2	4
	1809.9	1894.9	85	4.7

THE NUMBERS

**LABOR/FRINGE, FUEL/POWER COSTS AND
FARE REVENUE**

2011

LABOR & FRINGE

2012

FUEL & POWER

THE NUMBERS

OPERATING BUDGET SUMMARY

	FY 2011	FY 2012	\$ Change	% Change
Labor	615.9	619.9	4	0.6
Fringe Benefits	454.9	492.4	37.5	8.2
Services	112.3	114.9	2.6	2.3
Fuel & Power	143.9	170.7	26.8	18.6
Material & Supplies	145.3	143.9	-1.4	-1
Utilities	42.2	43.2	1	2.4
Claims & Insurance	26	26	0	0
Purchased Transportation	191.8	200.3	8.5	4.4
Tolls & Trackage Fees	45.8	47.7	1.9	4.1
Facilities Leases, Rentals & Interest	6.6	8.6	2	30.3
Taxes & Miscellaneous	25.2	27.3	2.1	8.3
	1809.9	1894.9	85	4.7

THE NUMBERS

FY 2012 CAPITAL PROGRAM \$1.2B USE OF FUNDS

System - Wide
Improvements

Rail Station Improvements

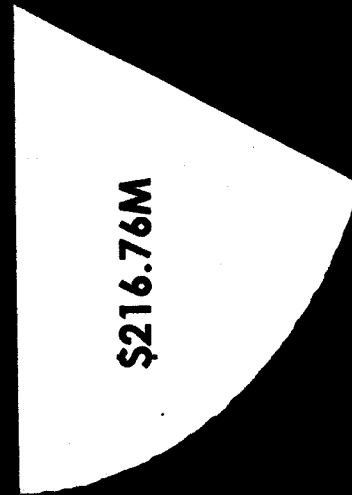
Local

Transportation Funding

\$63.85M

System
Expansion
\$.25M

Bus/Light Rail
Improvements



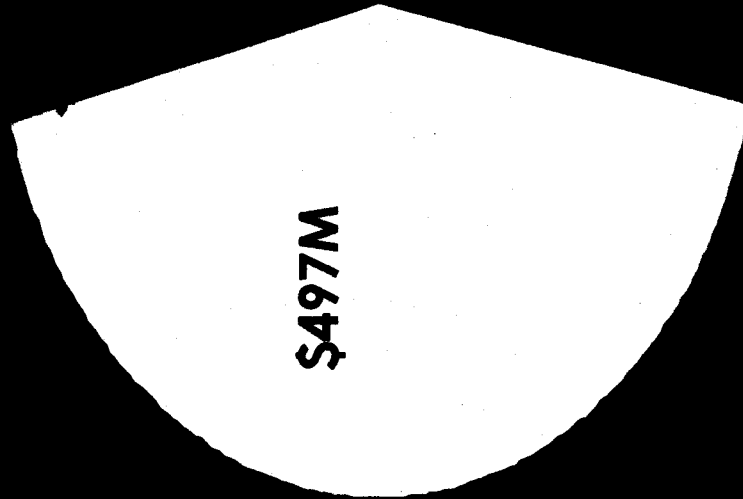
Rail Infrastructure

Capital
Maintenance/
Debt Service

THE NUMBERS

**FY 2012 CAPITAL PROGRAM \$1.2B
SOURCE OF FUNDS**

Other



\$497M

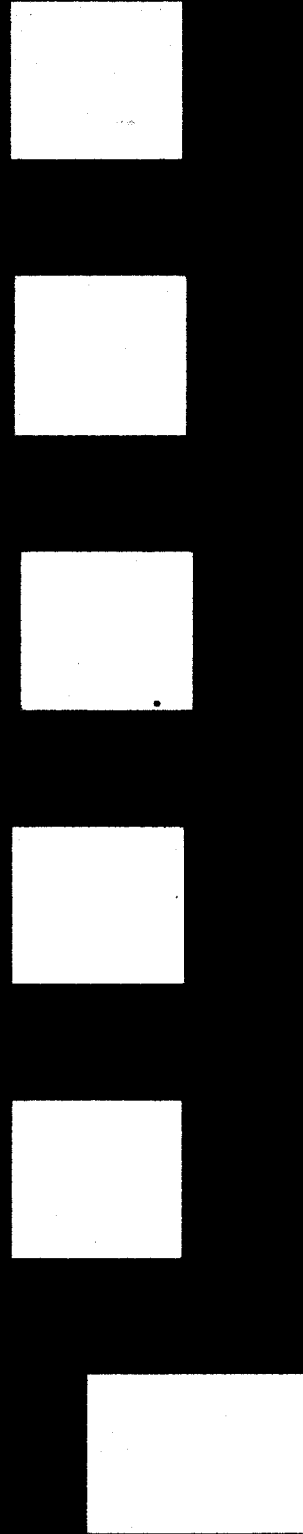
Federal

State

THE NUMBERS

FY 2011-2016 CAPITAL INVESTMENT STRATEGY

1400
1200
1000
800
600
400
200
0



FY11

FY12

FY13

FY14

FY15

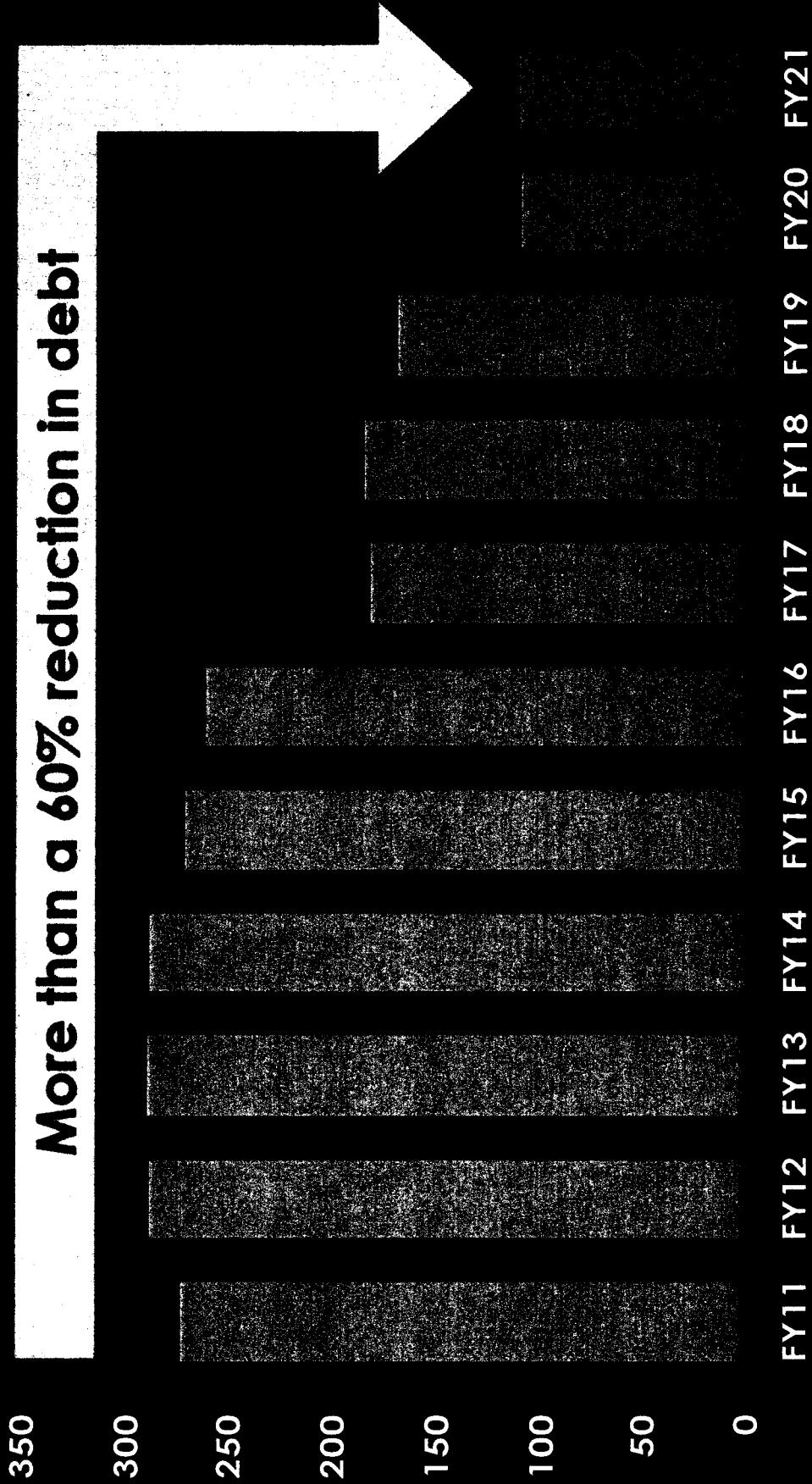
FY16

**Capital
Maintenance**

Expansion

THE NUMBERS

FY 2011-2021 DEBT SERVICE



NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS

JULY 13, 2011

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➤ EXECUTIVE SESSION AUTHORIZATION	43365
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	43366
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	43367
➤ ADVISORY COMMITTEE REPORTS	-
➤ BOARD COMMITTEE REPORTS	-
*Administration Committee	
*Capital Planning, Policy & Privatization Committee	
➤ PUBLIC COMMENTS ON AGENDA ITEMS	

ACTION ITEMS

1107-31	FISCAL YEAR 2012 OPERATING BUDGET	43383
	Authorization to adopt the proposed Fiscal Year 2012 operating budget as detailed in the item and on the attached Exhibits A, B and C.	
1107-32	FISCAL YEAR 2012 CAPITAL PROGRAM	43390
	Authorization to adopt the Fiscal Year 2012 Capital Program in the amount of \$1.16 billion, as described.	
	Authorization to take whatever actions are necessary to seek and secure the funds envisioned by this program.	
	Authorization to transfer funding sources and amounts among programmed projects as circumstances require in compliance with the terms and conditions of the grants and other funding sources.	
	Authorization to make application, execute contracts or agreements and take whatever other actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to its adoption.	

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REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
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1107-33 CNG CRUISER BUSES: PURCHASE OF 76 VEHICLES 43403

Authorization to enter into a contract (No. 11-047) with DesignLine USA of Charlotte, North Carolina, for the purchase of 76 CNG cruiser buses plus spare parts at a cost not to exceed \$45,562,284, plus five percent for contingencies, subject to the availability of funds.

1107-34 NJ TRANSIT GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS 43406

Authorization to execute all appropriate contracts and agreements to implement the following programs, subject to the availability of funds:

- FY2012 Senior Citizen and Disabled Resident Transportation Assistance Program, as set forth in Exhibit B, for a total program amount of \$25,121,000 funded by the Casino Revenue Tax.
- FY2012 FTA Section 5311 Rural and Small Urban Areas Program, as set forth in Exhibit C, for a total program amount of \$4,010,460 which includes \$2,820,494 in federal funds and \$1,189,966 as the NJ TRANSIT share of local match.
- FY2012 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$99,090 in federal funds to supplement the New Jersey Community Transportation Training Program at no cost to NJ TRANSIT.
- FY2012 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program at a cost not to exceed \$4,798,838 which includes \$3,839,070 in federal funds and \$959,768 as the NJ TRANSIT share of local match.
- FY2012 FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program at a cost not to exceed \$4,912,853 which includes \$3,637,853 in federal funds and \$1,000,000 in funds from the New Jersey Department of Human Services subject to the availability of funds. In addition, NJ TRANSIT match is required for two services under this program which expand NJ TRANSIT bus routes. All other match dollars are provided by the local provider.
- FY2011/12 FTA Section 5317 New Freedom (NF) Program at a cost not to exceed \$3,300,000 funded by the federal government. No NJ TRANSIT match is required for this program as it is provided by the local provider.

NEW JERSEY TRANSIT CORPORATION
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REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
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- Any specially-dedicated Congressional appropriations, FTA Section 5307, FTA Section 5309 and CMAQ local projects including funds which will be flexed into ongoing FTA programs under the FY2012 budget at a cost not to exceed \$6,600,000.

1107-35 PENNSAUKEN TRANSIT CENTER PHASE II: CONTRACT AWARD FOR CONSTRUCTION 43417

Authorization to contract (No.11-074X) with Terminal Construction Corporation of Wood-Ridge, New Jersey, for the construction of the Pennsauken Transit Center Phase II at a cost not to exceed \$13,800,000, plus five percent for contingencies, subject to the availability of funds.

1107-36 MORRIS, SOMERSET, UNION AND WARREN COUNTIES MINIBUS ROUTE SERVICES: AMENDMENT TO AGREEMENTS TO EXERCISE OPTIONS 43420

Authorization to exercise the options to the Agreement with Suburban Transit Corporation of New Brunswick, New Jersey, to operate minibus service on Route 986 (Summit-Murray Hill-Plainfield) for an additional 48 months from October 2011 through September 2015 in the amount of \$2,782,466, plus five percent for contingencies, for a total authorization of \$6,929,112, subject to the availability of funds.

Authorization also to exercise the options to the Agreement with First Student, Inc. of Lafayette, New Jersey, to operate minibus service on Routes 878 (Convent Station-Florham Park via Campus Drive) and 879 (Convent Station-Florham Park via FDU) for an additional 48 months from October 2011 through September 2015 in the amount of \$1,460,442, plus five percent for contingencies, for a total authorization of \$4,061,955, subject to the availability of funds.

Authorization also to exercise the options to the Agreement with Delaware River Coach Lines of Phillipsburg, New Jersey, to operate minibus service on Route 890 (South Main Street) and Route 891 (Heckman) for an additional 48 months from October 2011 through September 2015 in the amount of \$2,357,508, plus five percent for contingencies, for a total authorization of \$4,571,234, subject to the availability of funds.

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1107-37 MEADOWS MAINTENANCE COMPLEX (MMC) ROOF-MOUNTED PHOTOVOLTAIC SYSTEM: CONTRACT AWARD FOR DESIGN AND CONSTRUCTION 43424

Authorization to enter into a contract (No. 11-065X) with Barrier Electric of Bayonne, New Jersey, for the design and construction of a Roof-Mounted Photovoltaic System at the Meadows Maintenance Complex at a cost not to exceed \$3,166,000, subject to the availability of funds.

1107-38 PERSONNEL: MODIFICATIONS TO NJ TRANSIT'S NON-AGREEMENT VACATION AND SICK LEAVE POLICY PRACTICES 43427

Authorization to review and make necessary changes to the Vacation and Sick Leave policies to bring them into compliance with the best practices of those of other state agencies and government bodies and amend sick leave policies, consistent with the practices of other state agencies and government bodies, in order to eliminate the ability of non-bargaining employees to "cash-in" accumulated, unused sick time. The policy changes will not affect employees governed by collective bargaining agreements.

CONSENT CALENDAR

1107-39 ADVERTISING REVENUE CONTRACT EXTENSION 43431

Authorization to extend for six months NJ TRANSIT's advertising revenue contract with Titan Outdoor of New York City in consideration of Titan's (a) payment to NJ TRANSIT of the prorated minimum annual guarantee of not less than \$750,000 per month, totaling not less than \$4,500,000 for the extension period, (b) payment to NJ TRANSIT of 60 percent of net revenue above the prorated minimum annual guarantee of not less than \$4,500,000, and (c) maintaining its \$2,400,000 letter of credit in favor of NJ TRANSIT.

1107-40 PUBLIC-PRIVATE PARTNERSHIP SPECIAL COUNSEL 43434

Authorization to compensate Wolff & Samson for legal support for NJ TRANSIT's public-private partnership program in an additional amount not to exceed \$850,000, for a total contract authorization of \$1,500,000, subject to the availability of funds.

1107-41 PUBLIC-PRIVATE PARTNERSHIP FINANCIAL ADVISOR 43437

Authorization to amend the contract with Scott-Balice to act as NJ TRANSIT's financial advisor to implement a strategy for maximizing revenue from NJ TRANSIT's parking assets at a cost not to exceed \$490,000, for a total contract authorization of \$950,000, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION
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REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
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1107-42 ANNUAL NOTICE OF MEETINGS 43440

Adopt the Annual Notice of Meetings (Exhibit A) for all of the Board of Directors meetings during Fiscal Year 2012.

1107-43 ANNUAL DESIGNATION AND BOARD COMMITTEE MEMBERSHIP SELECTION 43443

Approval of this item will designate Bruce M. Meisel to serve as Vice Chairman of the Board of Directors through June 2012 and appoint the members of all Board Committees as set forth in Exhibit A.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

EXECUTIVE SESSION AUTHORIZATION

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

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

APPROVAL OF MINUTES

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, 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 8, 2011, Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on June 10, 2011;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the June 8, 2011 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
James S. Simpson, Board Chairman
James Weinstein, Executive Director

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

TO: BOARD OF DIRECTORS
FROM: JAMES W. WEINSTEIN 
DATE: JULY 13, 2011
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – JULY 2011

Yesterday, we released the results of NJ TRANSIT's first customer satisfaction survey as part of "Scorecard," an initiative designed to provide the public with a clear measurement of how the corporation is performing. This marks the first time in the agency's history that we are publishing the results of a customer satisfaction survey, launching a new era of transparency and accountability.

The surveys asked customers to rate NJ TRANSIT on a scale of 0 (unacceptable) to 10 (excellent) on 32 attributes of the system related to facilities, service, vehicles, communications and the overall experience using NJ TRANSIT. Customers rated their overall satisfaction with NJ TRANSIT service as "acceptable" or "satisfactory," with a score of 5.2. Of the customers surveyed, approximately 67 percent said they would recommend NJ TRANSIT to a friend or relative, and 63 percent choose to use NJ TRANSIT even though they have a personal vehicle available to make their trip.

Bus customers rated their overall satisfaction with NJ TRANSIT service at a 5.5, rail customers gave an overall score of 4.5, and light rail customers gave a satisfaction rating of 6.5. Access Link, NJ TRANSIT's paratransit service for customers with disabilities, was given an overall rating of 7.5. Detailed survey results are available at njtransit.com.

The survey results will be used to target specific improvements needed to boost customer satisfaction. We want to be better than simply "acceptable" and are committed to moving the needle to that end. Surveys will be conducted quarterly so we can track results, with the next survey scheduled to launch later this month. We encourage the continued participation of our customers in these surveys to let us know how we are doing.

Today, we are revealing NJ TRANSIT's first overall Scorecard, a dynamic management and reporting tool that makes key statistics and performance data readily accessible to the public for the first time. Earlier this year, we announced the Scorecard initiative, which is intended to set corporate-wide standards of accountability and create transparency for the public. The Scorecard is also designed to help NJ TRANSIT make strategic decisions to maximize its resources as well as provide clear insight into where the agency needs to improve in order to provide a greater return to customers and taxpayers.

To support this initiative, we developed a system of metrics to provide a baseline for measuring the agency's performance in five strategic areas of focus: customer experience, safety and security, financial performance, corporate accountability and employee excellence. The baseline also incorporates information gathered from the customer surveys.

For the current Fiscal Year, NJ TRANSIT has set performance goals for each metric that are intended to drive the agency's overall performance in an upward direction. These goals are being published along with the actual "scores," so that customers and members of the public can track NJ TRANSIT's progress. Scorecard results will be reported and updated quarterly on njtransit.com.

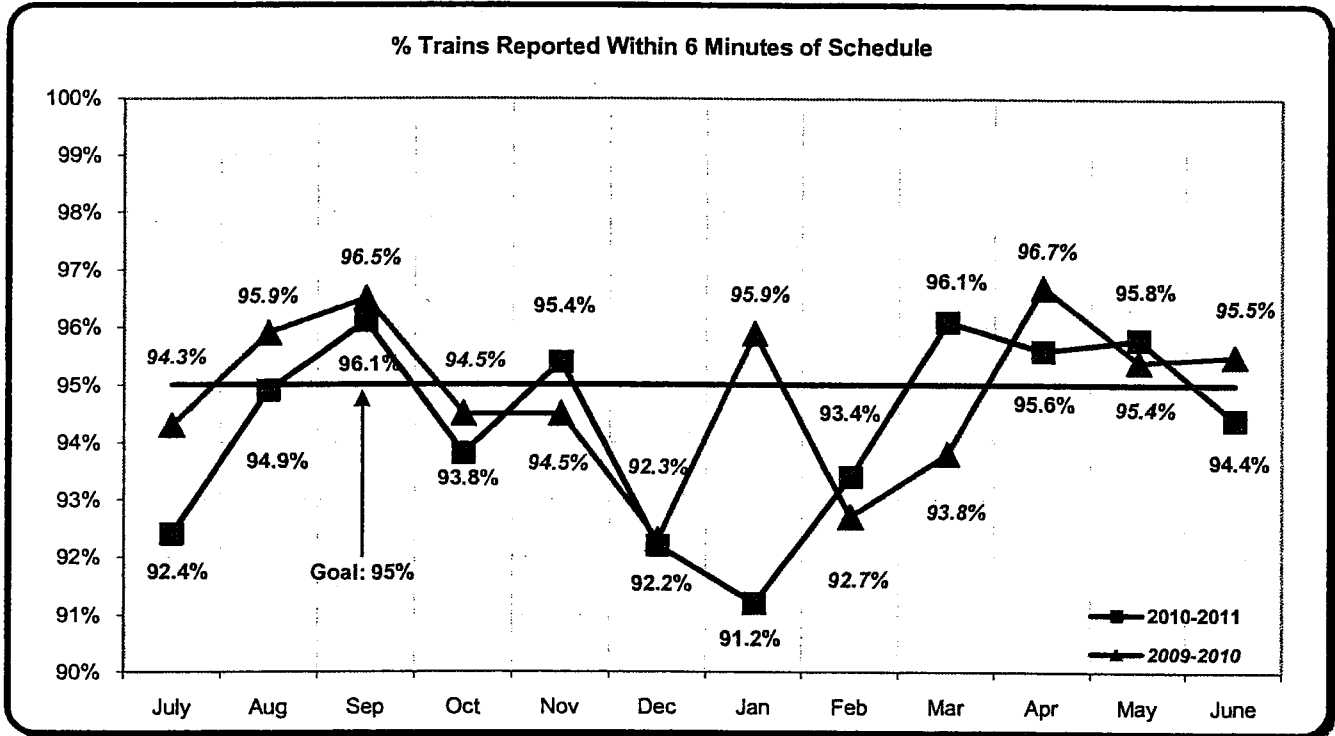
Also today, for the Board's consideration is an item that will advance the Pennsauken Transit Center project into the second and final phase, which will create a direct link between River Line light rail and Atlantic City Rail Line (ACRL) service when it opens in early 2013. The \$13.8 million contract for construction of Phase II includes elements of the Atlantic City Rail Line portion of the project, including platforms, a parking lot, drainage improvements and customer amenities. Phase I, which broke ground in October 2009 and is currently underway, covers River Line elements of the project. The approximately \$32 million new facility will for the first time provide thousands of customers with direct transfers and access to all stations on both lines.

EXECUTIVE DIRECTOR'S MONTHLY REPORT JULY 2011

- 1. PERFORMANCE MEASURES**
- 2. DBE/MBE PROGRAM**
- 3. EMPLOYEE RECOGNITION**

PERFORMANCE MEASURES

ON-TIME PERFORMANCE RAIL JULY 2009 - JUNE 2011



	2010	2011	# Change
June Comparison	95.5%	94.4%	-1.1%
12-Month Average July - June	2009-2010 94.8%	2010-2011 94.3%	# Change -0.5%

Analysis:

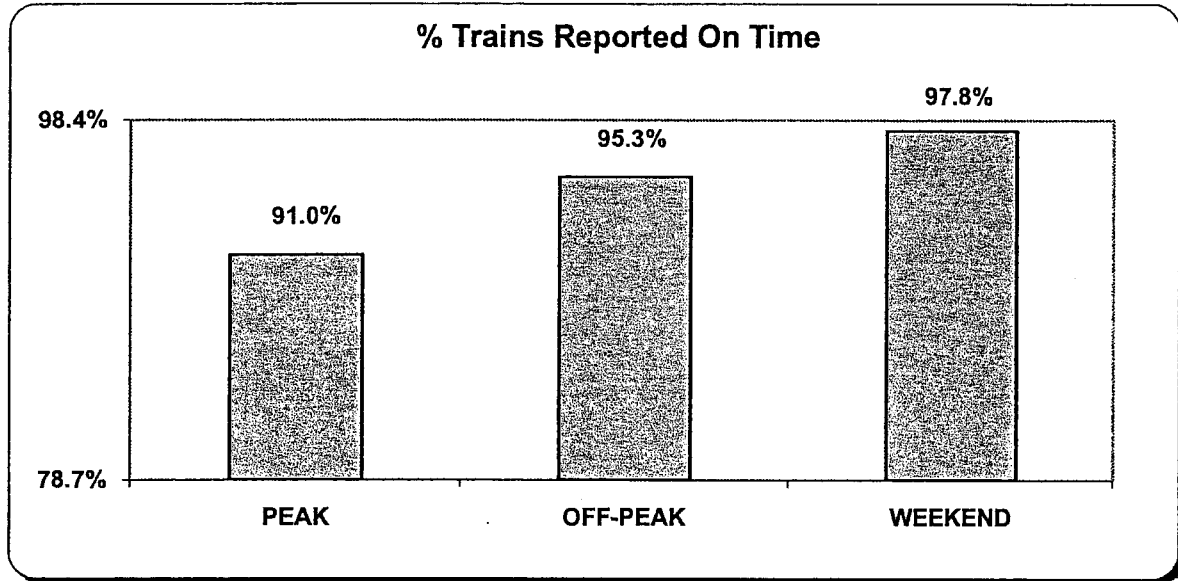
Rail On-Time Performance was 94.4% for June 2011. Of the 18,078 trains scheduled to operate, 17,067 were on time, while 1,011 trains (or 5.6%) were delayed. Key causes included:

- Equipment problems on a NJ TRANSIT train delaying service on June 10.
- Amtrak overhead wire problem affecting trains on June 21.
- Overhead wire problem and low-voltage condition impacting service on June 23.

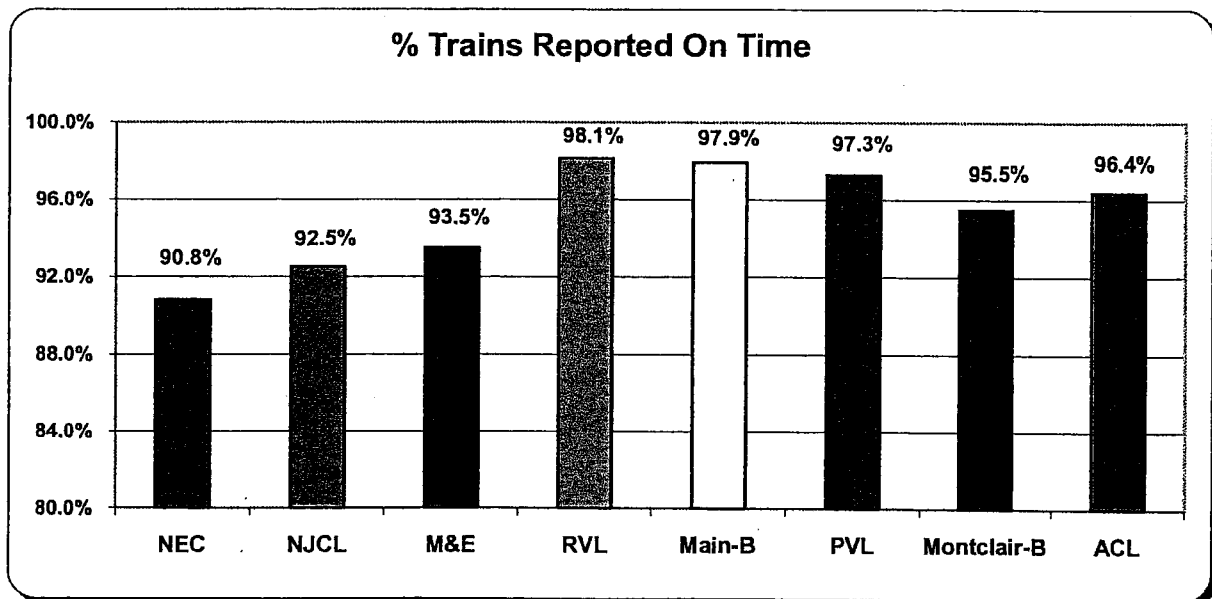
The 12-month average for Rail On-Time Performance for July 2010 - June 2011 was 94.3%.

ON-TIME PERFORMANCE RAIL

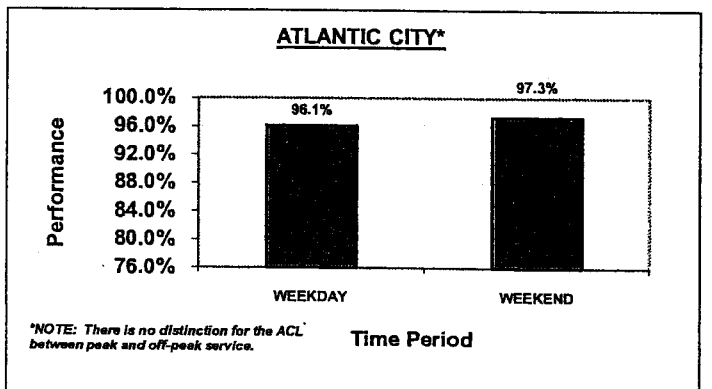
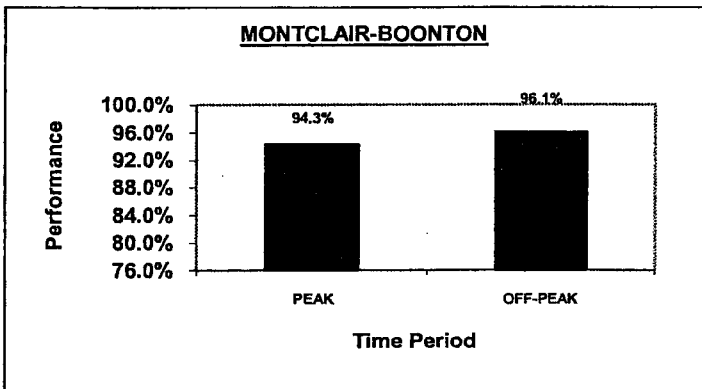
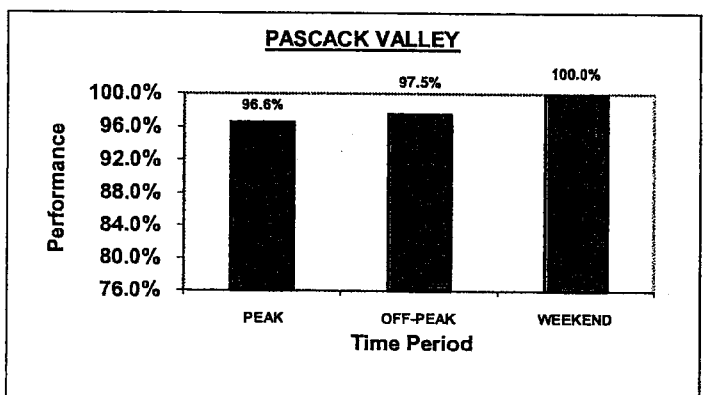
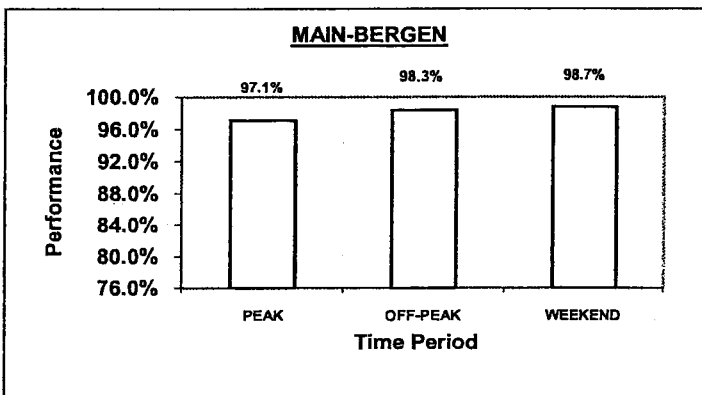
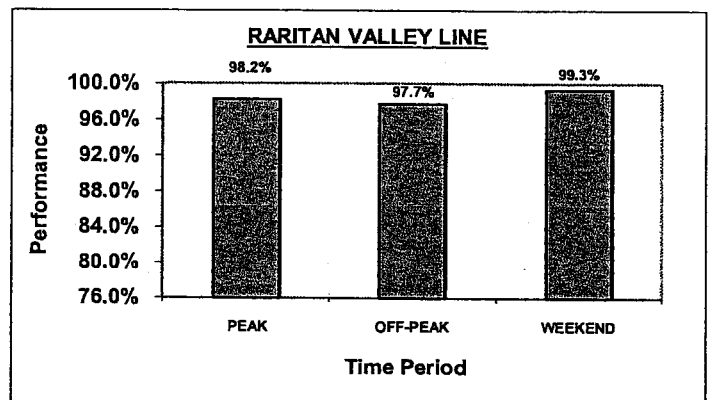
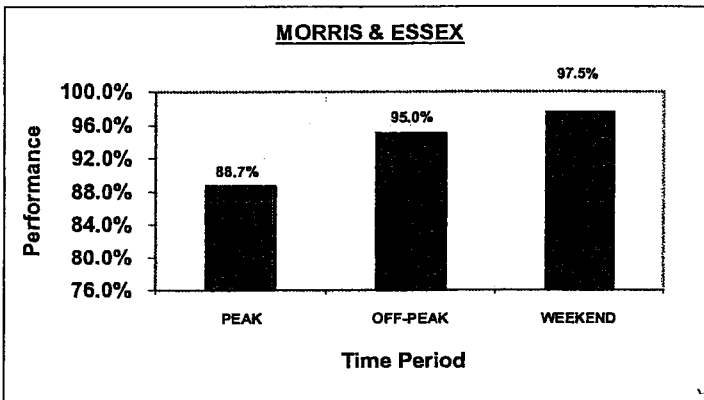
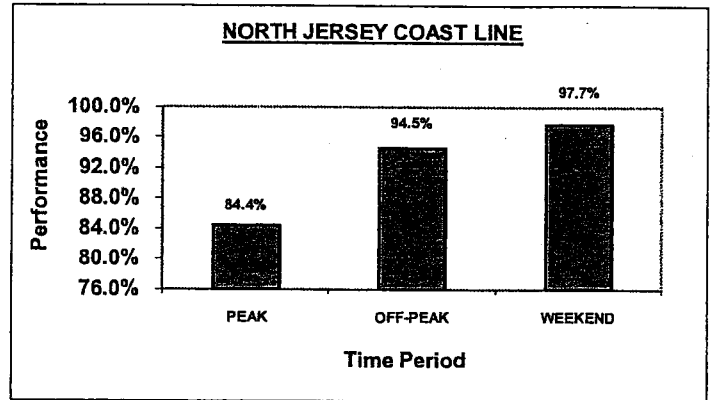
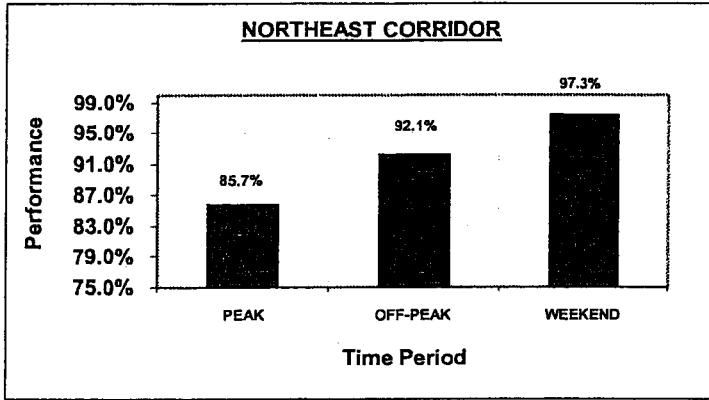
SUMMARY BY TIME PERIOD JUNE 2011



SUMMARY BY LINE JUNE 2011

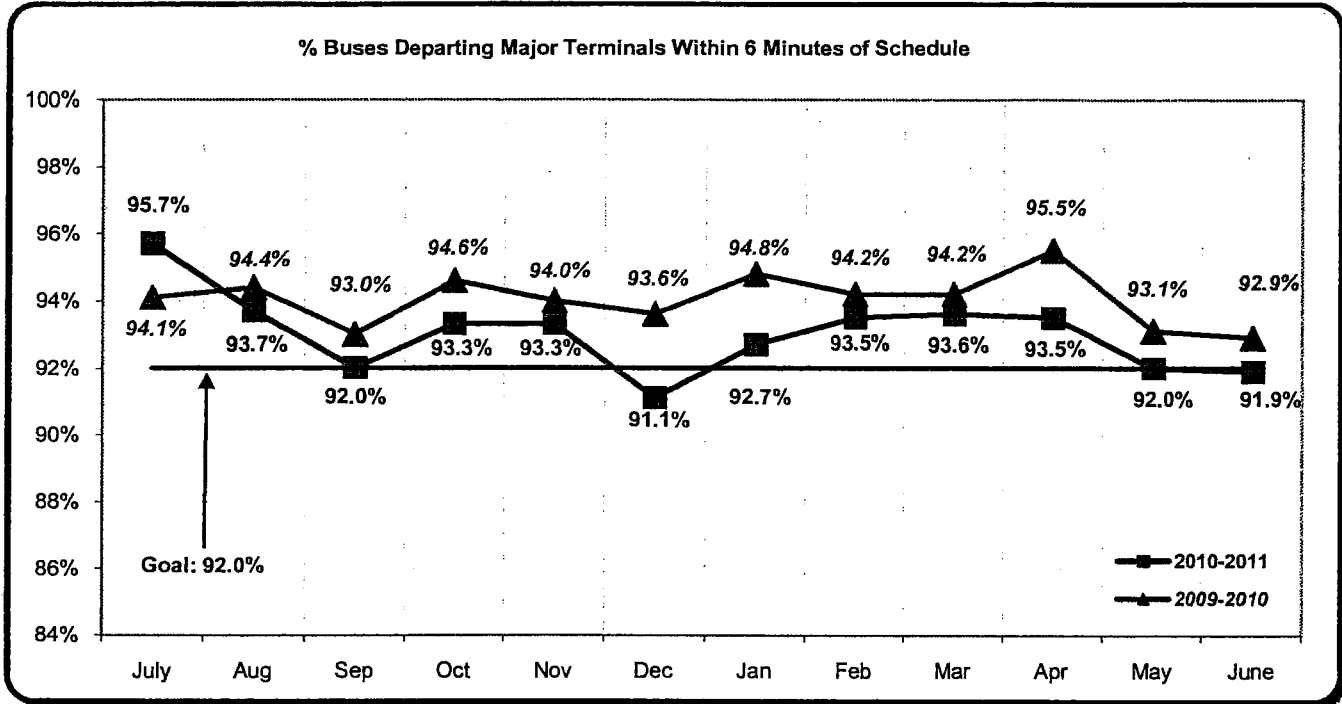


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JUNE 2011



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

ON-TIME PERFORMANCE BUS JULY 2009 - JUNE 2011



	2010	2011	% Change
June Comparison	92.9%	91.9%	-1.0%

	2009-2010	2010-2011	% Change
12-Month Average July - June	94.0%	93.0%	-1.0%

Analysis:

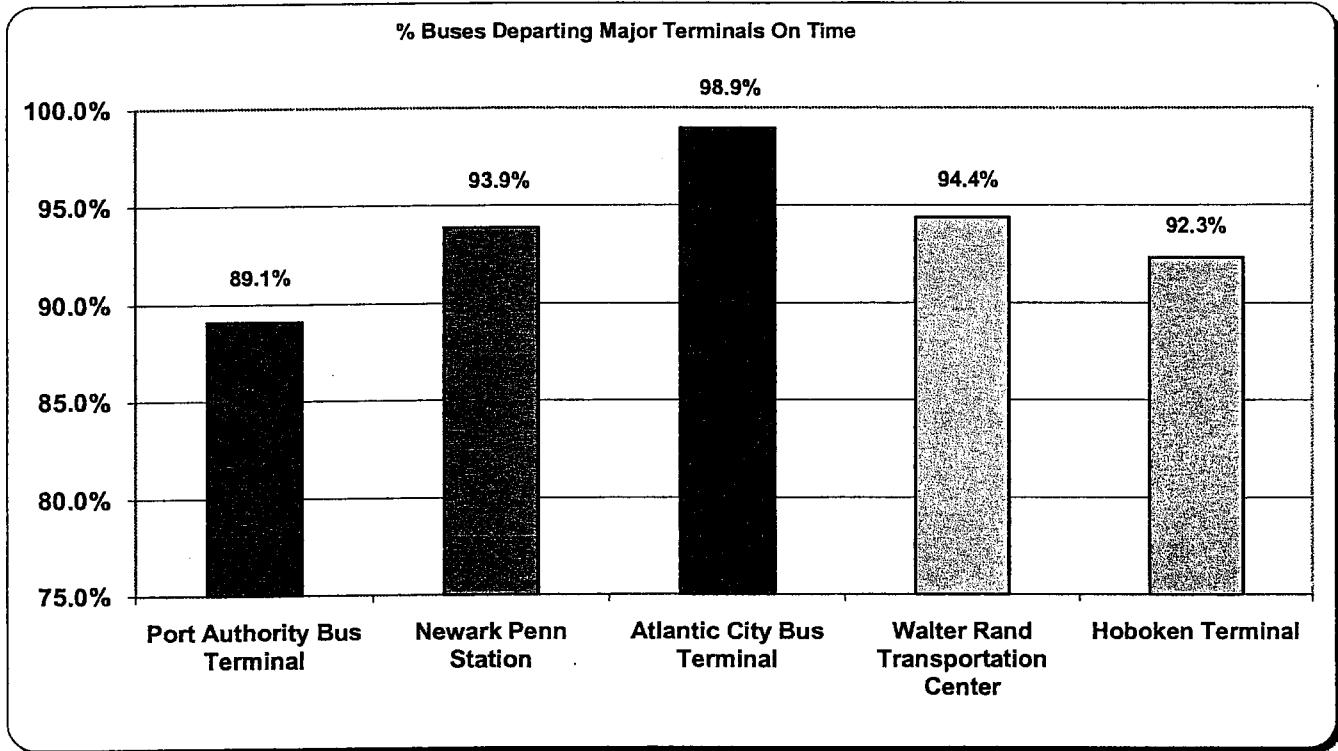
Bus On-Time Performance was 91.9% for June 2011. Of the 39,329 monitored departures, 3,187 (or 8.1%) experienced delays. Key causes included:

- Accidents and disabled vehicles delaying Port Authority buses throughout the month.

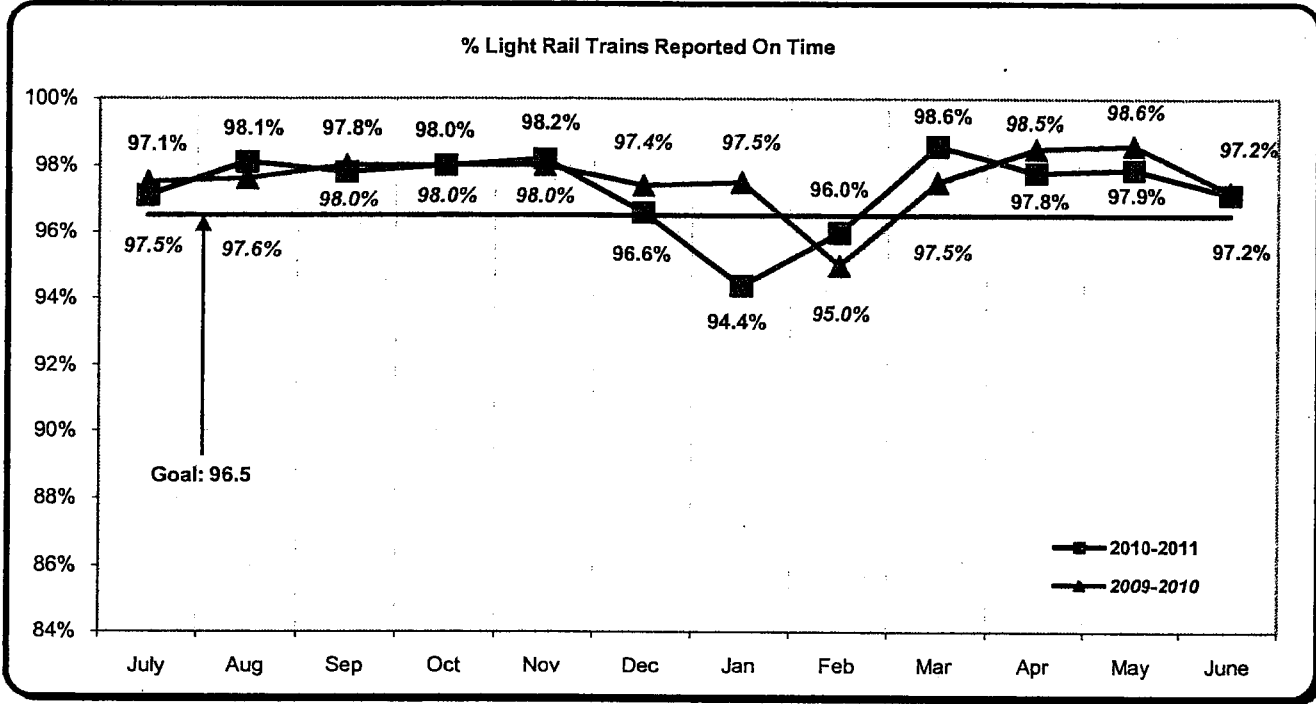
The 12-month average for Bus On-Time Performance for July 2010 - June 2011 was 93%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL JUNE 2011



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL - SYSTEMWIDE JULY 2009 - JUNE 2011



*Note: Starting May 2007

	2010	2011	# Change
June Comparison	97.2%	97.2%	0.0%

	2009-2010	2010-2011	# Change
12-Month Average July - June	97.6%	97.3%	-0.3%

Analysis:

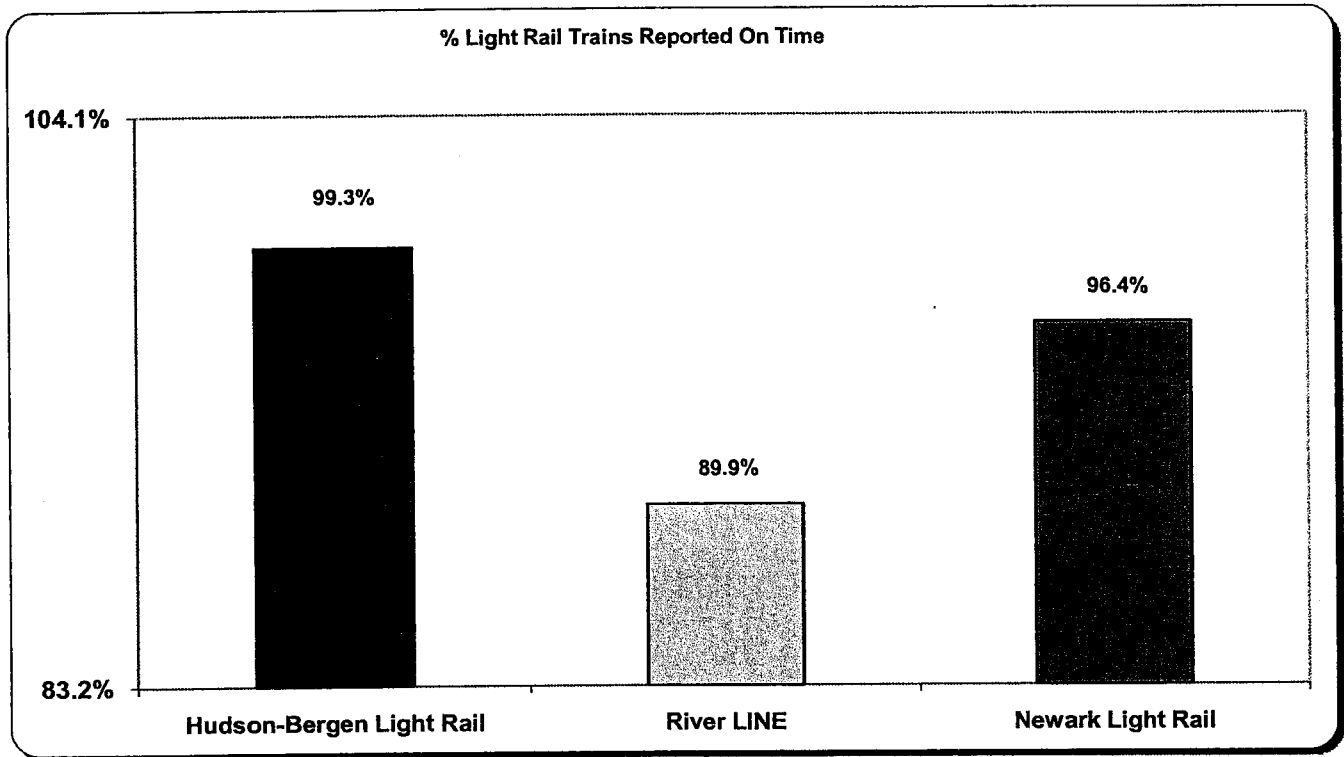
Light Rail On-Time Performance systemwide was 97.2% for the month of June 2011. Of the 26,742 scheduled trains, 763 (or 2.8%) experienced delays. Key causes included:

- Track outages for maintenance delaying Newark Light Rail trains on June 11.
- Passenger incident on June 21 impacting HBLR service.
- Concert traffic affecting River Line trains on June 23.

The 12-month average for Light Rail On-Time Performance for July 2010 - June 2011 was 97.3%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE JUNE 2011



DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Development DBE/SBE Participation

Federally Funded Contracts

NJ TRANSIT awarded \$2,250,683 in federal funds were awarded October through June of FY 11.* Disadvantaged Business Enterprises (DBEs) were not awarded any federal-funded contract dollars during this period from either race conscious and race neutral awards.

State Funded Contracts

NJ TRANSIT awarded \$31,372,324 in state-funded contract dollars were awarded July through June FY 11. ** Of that total, Small Business Enterprises (SBEs) received \$8,138,234 or 25.9 percent. Category 1 SBEs received \$687,132 or 2.2 percent. Category 2 SBEs received \$1,701,307 or 5.4 percent. Category 3 SBEs received \$763,654 or 2.4 percent. Category 4 SBEs received \$663,463 or 2.1 percent. Category 5 SBEs received \$4,322,678 or 13.8 percent. Category 6 SBEs received \$0 or 0 percent.***

Federal & State Contracts Total

NJ TRANSIT awarded \$33,623,007 in federal and state contract dollars during this reporting period. Of that total, \$8,138,234 or 24.2 percent of federal and state contract dollars were won by DBEs and SBEs.

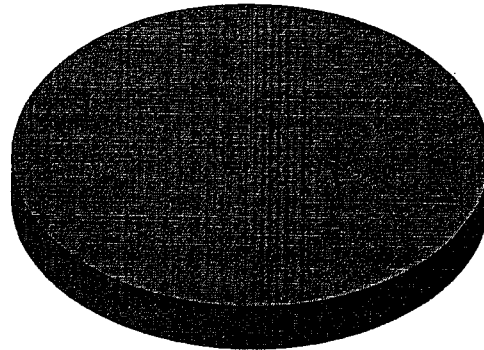
*Fiscal year beginning October 1, 2010

**Fiscal year beginning July 1, 2010

***Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000, Cat 6 (construction)-Up to \$33.5 million

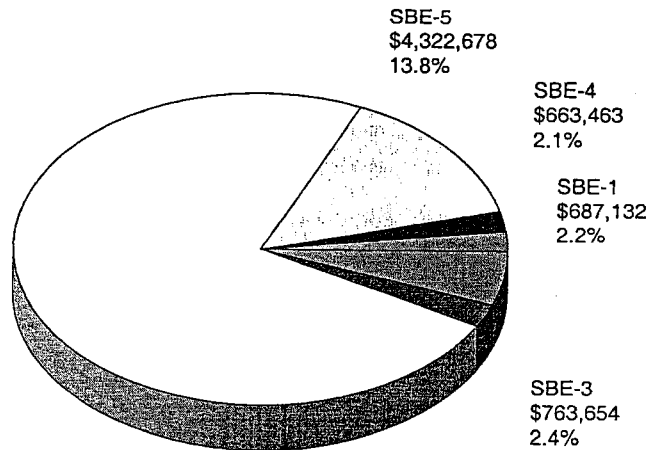
**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THROUGH JUNE FY11)***

NON-DBE
FEDERAL
\$2,250,683
100%



**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THROUGH JUNE FY11)****

NON-SBE STATE
\$23,234,090
74.1%



Fiscal Year Beginning October 1, 2010*
Fiscal Year Beginning July 1, 2010**
(This report covers contracts above \$29,000)

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Twenty-five NJ TRANSIT employees retired in June with careers ranging from 12 to 43 years of service:

1. Ida M. Watson (Irvington) Principal Bookkeeper, Penn Plaza – 43 years
2. Robert Carroll (Budd Lake) Assistance Manager, Hoboken Car Shop – 38 years
3. Theodore G. Prada (Hillside) Foreman I, Ferry Street Garage – 38 years
4. Ronald Marks (Long Valley) Superintendent Garage, Big Tree Garage – 36 years
5. Joseph Illenye (Rochelle Park) Inspector “B,” Oradell Garage – 35 years
6. Timothy P. Newlander (Cedar Grove) Superintendent Garage, Fairview – 34 years
7. Charles Noseworthy (Florida, NY) Superintendent Garage, Meadowlands – 34 years
8. John W. Strothers (Succasunna) Superintendent Garage, Market Street – 34 years
9. John F. Walsh (Freehold) Bus Operator, Howell Garage – 33 years
10. Anita Gordon (Hillsborough) Mgr. Employee Benefits, General Office Building – 30 years
11. Gary Zelna (Waretown) Repairman, Orange Garage – 30 years
12. John Coleman III (Mantua) Maintenance Man “A,” Washington Twp. Garage – 29 years
13. Francis McCann (Gloucester) Mechanic “A,” Washington Township Garage – 29 years
14. Diane Merfert (Bricktown) Service Planner, Penn Plaza – 29 years
15. Ronald Nodzson (Ridgefield) Mgr. Financial Operation & Compliance, GOB – 29 years
16. Joseph Tirado (Keansburg) Garage Foreman I, Ironbound Garage – 29 years
17. Bernadette M. Gill (Jackson) Director of Property Management, Penn Plaza – 28 years
18. Zbigniew B. Szencyk (Wayne) Superintendent Garage, Oradell Garage – 28 years
19. Lindon H. Wickliffe, Jr. (Hillside) Bus Operator, Hilton Garage – 27 years
20. Arlene Kinch (Robbinsville) Supervisor LPS Funding, Penn Plaza – 26 years
21. Eugene Curry (Union) Bus Operator, Market Street Garage – 22 years
22. Enoch Cook III (Pennsauken) Cleaner, Newton Avenue Garage – 20 years
23. Semyon N. Vindman (Marlboro) Bus Operator, Howell Garage – 17 years
24. Brian McShea (Linden) Sr. Contract SPEC, Penn Plaza – 17 years
25. John A. Brennan (North Arlington) Customer Service Rep., PABT – 12 years

ACTION ITEMS

ITEM 1107-31: FISCAL YEAR 2012 OPERATING BUDGET

BENEFITS

Staff seeks the Board's adoption of NJ TRANSIT's Fiscal Year 2012 Operating Budget and authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2013 Budget. The budget includes expenditures of \$1.895 billion offset by \$985.3 million of passenger and other system generated revenues, \$309.4 million in State Operating Assistance and \$600.2 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 for its customers.

Of the \$85 million in growth for Fiscal Year 2012, almost 90 percent was required by three mandatory cost drivers – fuel, previously negotiated contracts (e.g. purchased transportation) and the replacement of non-recurring savings. When adjusting for these three items, the actual Fiscal Year 2012 growth is reduced to less than one-half of a percent when compared to Fiscal Year 2011.

The State has continued to demonstrate its commitment to public transportation by providing an additional \$33.2 million in operating assistance. This added funding allows NJ TRANSIT to hold fares stable for Fiscal Year 2012.

As a result of the continuing difficult economic climate, NJ TRANSIT is projecting modest baseline passenger revenue growth which accounts for 46 percent of all revenue. This prudent assumption will continue until regional employment trends begin to rebound. NJ TRANSIT will also continue to aggressively pursue other non-passenger revenue which has generated over \$100 million and reduces our reliance on taxpayer subsidy.

For Fiscal Year 2012, Bus, Rail, and Light Rail service growth is limited solely to a modest incremental increase within the New York market to strategically address overcrowding, with no requested funding for any new or additional core service growth.

PURPOSE

As required under Article II, Section 4(C) of the agency's By-Laws, staff is requesting that the Board of Directors adopt a Fiscal Year 2012 budget for NJ TRANSIT as detailed on the attached exhibits. This budget includes appropriations for public transportation contained in the State Budget adopted by the New Jersey Legislature. With the approval of this item, the Board acknowledges and accepts its responsibility to set fares, administer a single, unified NJ TRANSIT budget and manage Federal Transit Administration assistance.

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

In addition to seeking approval of the Fiscal Year 2012 operating budget, staff is requesting authorization to continue to expend funds to meet NJ TRANSIT's obligations until the adoption of a Fiscal Year 2013 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 2012 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 (Scorecard: Financial Performance)

Staff recommends the Board's adoption of the proposed Fiscal Year 2012 operating budget as detailed in the item and on the attached Exhibits A, B and C.

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

FISCAL IMPACTS

Requested Authorization:	\$1.895 billion
Total Project Cost:	N/A
Projected Date of Completion:	June 30, 2012
Anticipated Source of Funds:	Passenger fares and other revenues State operating assistance Other State and Federal reimbursements
Diversity Goals/Participation:	N/A
Related/Future Authorizations:	N/A

RESOLUTION

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

WHEREAS, the New Jersey Legislature has enacted a Fiscal Year 2012 State Budget which includes appropriations for public transportation purposes; and

WHEREAS, staff has recommended a proposed Fiscal Year 2012 operating budget for NJ TRANSIT as detailed in the item and Exhibits A, B and C attached hereto; and

WHEREAS, the proposed Fiscal Year 2012 budget recognizes State operating assistance of \$309.4 million; and

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

WHEREAS, if the State's Fiscal Year 2013 Budget is not finalized prior to the June 2012 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 2013 budget prior to July 2012, it will be necessary to expend funds after July 1, 2012, prior to the final adoption of the Fiscal Year 2013 budget;

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

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

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

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to expend, in the normal course of business, the funds necessary to meet NJ TRANSIT's obligations, essentially in accordance with this Fiscal Year 2012 operating budget item, resolution and attachments and until the adoption and approval of the Fiscal Year 2013 operating budget.

EXHIBIT A**FISCAL YEAR 2012
OPERATING BUDGET
REVENUES**

For Fiscal Year 2012, NJ TRANSIT addressed a budget gap of approximately \$170 million, caused primarily by escalating diesel fuel costs, proposed increases in AMTRAK charges to use the Northeast Corridor, previously negotiated contractual agreements with various private carriers operating Access Link Paratransit Service, health benefits cost increases and normal growth in maintenance contract costs. By strategically evaluating the need and timing of this growth and maintaining our policy of fiscal austerity and operating efficiency, we were able to reduce the original growth estimates to \$85 million; a reduction of \$85 or 50 percent. This continued cost control is critically important as the pace of economic recovery continues to be slow. To further reduce costs, strategies such as hedging and locking in fuel prices will continue to be aggressively pursued in Fiscal Year 2012.

Total Revenues **\$1.895 billion**

NJ TRANSIT revenues are budgeted at almost \$1.9 billion, an increase of \$85 million compared to the Fiscal Year 2011 Adjusted Budget. Specific assumptions are described below.

Ridership/Passenger Revenue **\$881 million**

The Fiscal Year 2012 Budget includes passenger revenue of \$881 million, an increase of \$13.3 million over the Fiscal Year 2011 Adjusted Budget. This increase is the result of conservative incremental growth based on future economic rebound and restoration of \$3.0 million, a portion of the Fiscal Year 2011 winter storm related revenue loss.

Other Commercial Revenue **\$104.3 million**

Other commercial revenues are budgeted at \$104.3 million, which is \$29.3 million more when compared to the Fiscal Year 2011 Adjusted Budget. The growth is attributable to a base revenue increase predicated on favorable year end projections, added advertising revenue, and a one-time State energy rebate.

State Operating Assistance **\$309.4 million**

Consistent with the State Budget proposed by the Governor and pending adoption by the Legislature, State operating assistance is budgeted at \$309.4 million in Fiscal Year 2012, a \$33.2 million increase from the Fiscal Year 2011 appropriation.

Other State and Federal Reimbursements **\$600.2 million**

Other State and Federal reimbursements are budgeted at \$600.2 million, a slight increase when compared to the Fiscal Year 2011 Adjusted Budget.

EXHIBIT B

**FISCAL YEAR 2012
OPERATING BUDGET
EXPENSES**

Total Expenses **\$1.895 billion**

NJ TRANSIT expenses are budgeted at \$1.895 billion, an increase of \$85 million compared to the Fiscal Year 2011 Adjusted Budget. Growth is limited to funding volatile diesel fuel costs, previously negotiated contractual agreements, the loss of non-recurring savings, leap year, and the need to add T&E crews to offset a federally mandated reduction in the number of daily work hours.

Labor and Fringes **\$1.112 billion**

Labor and fringes are budgeted at \$1,112.3 million, an increase of \$41.5 million as a result of additional leap year costs, Bus contractual progression increases, added T&E crews to offset a federal cut to daily work hours, Patriot training, the addition of incremental bus service, the restoration of a one-time pension deferral and incremental growth in health care costs.

Fuel, Power, Materials and Supplies **\$ 314.6 million**

Fuel, power, materials and supplies costs are budgeted at \$314.6 million, an increase of \$25.4 million over the Fiscal Year 2010 Budget. Growth is consistent with current market prices and new supply contracts.

Purchased Transportation **\$ 200.3 million**

Purchased transportation expenses are budgeted at \$200.3 million, or an \$8.5 million increase due primarily to growth in existing contracts.

Other Expenses **\$267.7 million**

All other expenses are budgeted at \$267.7 million, a net increase of \$9.6 million over the Fiscal Year 2011 Budget. This includes funding for outside services, utilities, claims and insurance, tolls, trackage fees and other miscellaneous costs.

EXHIBIT C

NEW JERSEY TRANSIT CONSOLIDATED OPERATIONS
FISCAL YEAR 2012 Proposed Operating Budget
(\$ in millions)

REVENUES:

Passenger Revenue	\$881.0
Other Revenue	<u>104.3</u>

TOTAL REVENUE	\$985.3
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OPERATING ASSISTANCE:

State Operating Assistance	\$309.4
Capital Transfers	363.0
Other Reimbursements	<u>237.2</u>

TOTAL OPERATING ASSISTANCE	\$909.6
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<u>TOTAL REVENUE & OPERATING ASSISTANCE</u>	<u>\$1,894.9</u>
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EXPENSES:

Labor and Fringes	\$1,112.3
Services	114.9
Fuel & Power	170.7
Materials & Supplies	143.9
Utilities	43.2
Claims & Insurance	26.0
Purchased Transportation	200.3
Tolls & Trackage Fees	47.7
Other	35.9

<u>TOTAL EXPENSES</u>	<u>\$1,894.9</u>
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ITEM 1107-32:**FISCAL YEAR 2012 CAPITAL PROGRAM****BENEFITS**

NJ TRANSIT's \$1.16 billion Fiscal Year 2012 Capital Program calls for continued investment in the state's transit infrastructure in order to improve the overall state of good-repair of the system and improve reliability and safety. Foremost amongst these efforts is NJ TRANSIT'S rolling stock modernization program which includes the procurement of over 1,400 new buses, over 300 multilevel railcars, and more than 50 electric and dual power locomotives. The program also invests in railroad bridge rehabilitation, track replacement, signal and security upgrades, repairs to overhead power lines and electric substations, improvements to rail stations and bus shelter upgrades.

Anticipated resources of \$1.16 billion are estimated to be available from federal, state and other sources in Fiscal Year 2012. A summary of the Fiscal Year 2012 Sources of Funds is presented in Attachment 1.

Attachments 2 and 3 summarize funds and percent of the total program by category. Approximately 62 percent of the Fiscal Year 2012 Capital Program – \$717 million – is dedicated to fixed expenses, as follows:

- \$653 million will be spent on capital maintenance and debt service related to the acquisition of buses, trains, locomotives and the construction of light rail projects.
- \$64 million will be spent using funds mandated for a specific use including the federal rural transit program and the federal Job Access Reverse Commute (JARC) program.

Consistent with NJ TRANSIT's Capital Investment Strategy, approximately 38 percent of the program – or \$448 million – funds the basic capital program improvements needed to maintain and improve the transit system as follows:

- \$217 million will be invested in rail infrastructure improvement needs, including \$100 million for rolling stock; \$37 million to fund track and bridge improvements; \$41 million to fund electric traction and signal improvements on the railroad; and \$5 million to continue funding for locomotive overhauls to maintain reliability.
- \$125 million will be invested in bus and light rail infrastructure improvements, including \$2 million for infrastructure improvements on the Newark Light Rail, \$79 million annually in pay-as-you-go funds to replace 200 Transit-style buses annually, and over \$8 million for Capital Asset Replacement Program funds for the RiverLINE and Hudson Bergen Light Rail.
- \$64 million will be invested in system-wide improvements, including \$16 million for technology upgrades, such as Smart Bus.
- \$42 million will be invested in rail station improvements.

PURPOSE

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 (Scorecard: Corporate Accountability)

Staff seeks the NJ TRANSIT Board of Directors' adoption of the Fiscal Year 2012 Capital Program in the amount of \$1.16 billion, as described.

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

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

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

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

FISCAL IMPACTS

Operating Budget Amount: NA

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

Diversity Goal: Included in individual contracts

NJ Build Amount: None

Related Authorizations: NA

Impacts on Subsequent Operating Budgets: NA

RESOLUTION

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

WHEREAS, the Fiscal Year 2012 Capital Program will support the needs of existing transit riders by ensuring system reliability and safety through state of good repair investments and address system capacity demands; and

WHEREAS, in Fiscal Year 2012, the Capital Program will be consistent with the Annual Capital Investment Strategy submitted to the State Legislature; and

WHEREAS, the Fiscal Year 2012 Capital Program is submitted to various Metropolitan Planning Organizations throughout the state whose approvals are required as a prerequisite to Federal grant awards; and

WHEREAS, the Fiscal Year 2012 Capital Program is submitted to the State Legislature for consideration as part of its annual budget appropriation process;

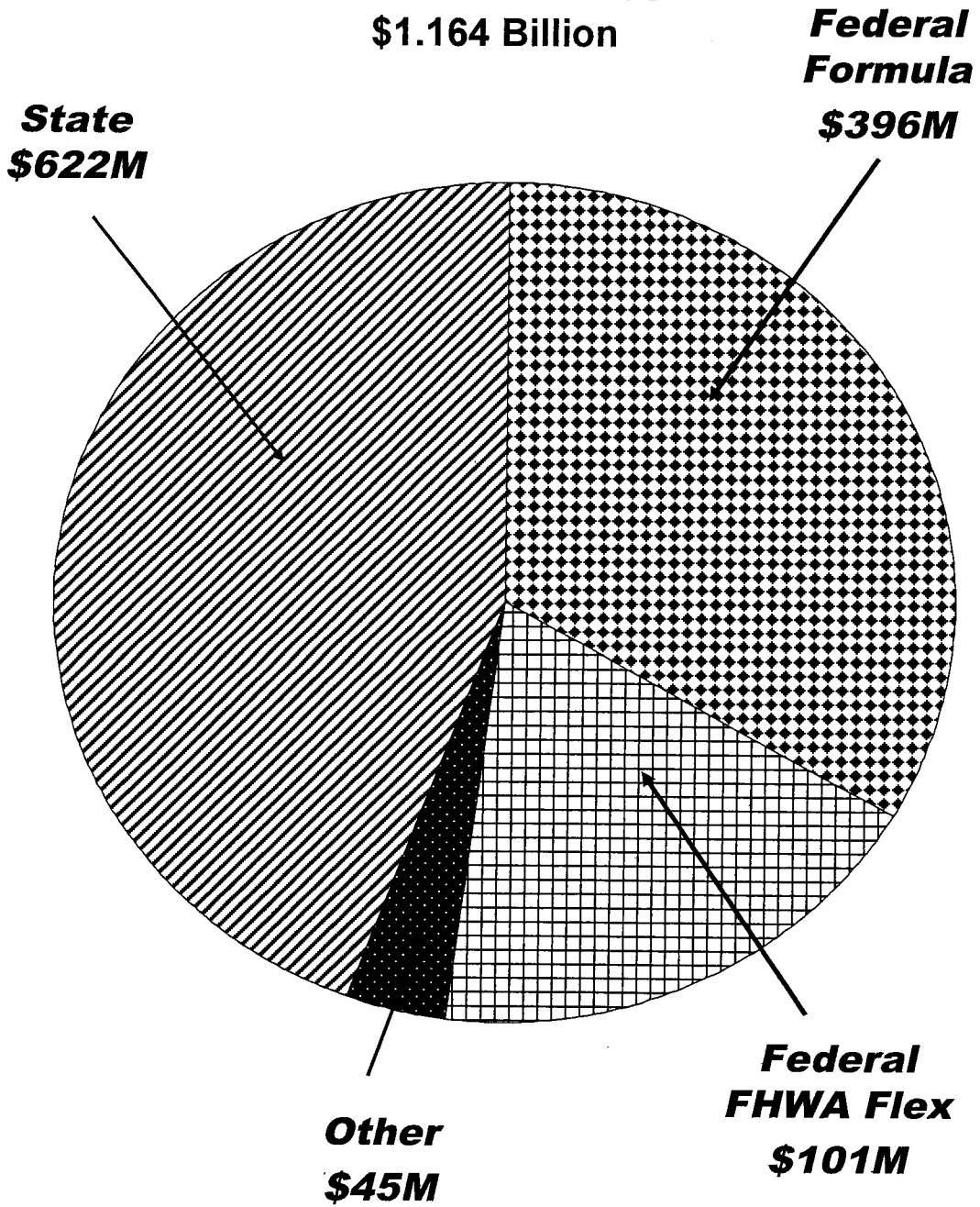
NOW, THEREFORE, BE IT RESOLVED that the NJ TRANSIT Board of Directors adopts the Fiscal Year 2012 Capital Program in the amount of \$1.16 billion, as described; and

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

**ATTACHMENT 1
NJ TRANSIT
FY12 CAPITAL PROGRAM
Sources of Funds
\$1.164 Billion**



**ATTACHMENT 2
NJ TRANSIT FY 2012 CAPITAL PROGRAM
SUMMARY**

(\$ in millions)

CATEGORY	AMOUNT	PERCENT
CAPITAL MAINTENANCE/DEBT SERVICE	\$ 653.05	56.1%
PASS-THROUGH	\$ 63.85	5.5%
RAIL INFRASTRUCTURE IMPROVEMENTS	\$ 216.76	18.6%
RAIL STATION IMPROVEMENTS	\$ 41.92	3.6%
BUS/LIGHT RAIL IMPROVEMENTS	\$ 124.50	10.7%
SYSTEM-WIDE IMPROVEMENTS	\$ 63.61	5.5%
SYSTEM EXPANSION	\$ 0.25	0.0%
TOTAL	\$ 1,163.93	100.0%

**Attachment 3
NJ TRANSIT Fiscal Year 2012 CAPITAL PROGRAM
(\$ in Millions)**

	----- FEDERAL FUNDING -----										Percentage of Total Program
	URBAN 5307	FIXED GUIDEWAY 5309	JARC/ RURAL/ DISABLED	NEW FREE DOM	EARMARK	FHWA FLEX	STP- TE	STATE	OTHER	TOTAL	
Capital Maintenance/Debt Service											
RAIL											
Capital Maintenance	42.026	119.084	0.000	0.000	0.000	0.000	0.000	63.900	0.000	225.010	
Rolling Stock-Rail	52.112	0.000	0.000	0.000	0.000	0.000	0.000	12.325	0.000	64.437	
Rolling Stock-Rail Debt Serv/Prev. Maint. Pass Thr	0.000	0.000	0.000	0.000	0.000	0.000	0.000	81.027	0.000	81.027	
RAIL SUBTOTAL	94.138	119.084	0.000	0.000	0.000	0.000	0.000	157.252	0.000	370.474	31.8%
=====											
BUS/LRT											
Capital Maintenance	79.670	0.000	0.000	0.000	0.000	0.000	0.000	34.900	0.000	114.570	
Newark City Subway	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6.150	0.000	6.150	
River Line Intermodal Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	53.431	0.000	53.431	
Rolling Stock-Bus	74.628	0.000	0.000	0.000	0.000	0.000	0.000	13.267	0.000	87.895	
BUS/LRT SUBTOTAL	154.298	0.000	0.000	0.000	0.000	0.000	0.000	107.748	0.000	262.046	22.5%
=====											
NEW INITIATIVES											
Hudson/Bergen LRT MOS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.267	0.000	9.267	
Hudson/Bergen LRT MOS II	6.862	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6.862	
NEW INITIATIVES SUBTOTAL	6.862	0.000	0.000	0.000	0.000	0.000	0.000	9.267	0.000	16.129	1.4%
=====											
SYSTEMWIDE											
Building Leases	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.400	0.000	4.400	
SYSTEMWIDE SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.400	0.000	4.400	0.4%
=====											
Capital Maintenance/Debt Service TOTAL	255.298	119.084	0.000	0.000	0.000	0.000	0.000	278.667	0.000	653.049	56.1%

**Attachment 3
NJ TRANSIT Fiscal Year 2012 CAPITAL PROGRAM
(\$ in Millions)**

	----- FEDERAL FUNDING -----										Percentage of Total Program
	URBAN 5307	FIXED GUIDEWAY 5309	JARC/ RURAL/ DISABLED	NEW FREE DOM	EARMARK	FHWA FLEX	STP- TE	STATE	OTHER	TOTAL	
Pass-through											
RAIL											
Hoboken Wheel True Replacement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.690	0.690	
RAIL SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.690	0.690	0.1%
=====											
BUS/LRT											
Cumberland County Bus Program	1.020	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	0.100	
Small Bus Programs	0.000	0.000	11.100	0.000	0.000	0.000	0.000	0.000	6.300	17.400	
BUS/LRT SUBTOTAL	1.120	0.000	11.100	0.000	0.000	0.000	0.000	0.000	6.300	18.520	1.6%
=====											
SYSTEMWIDE											
Casino Revenue Fund	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	34.350	34.350	
Job Access and Reverse Commute Program	0.000	0.000	4.000	0.000	0.000	0.000	0.000	0.000	4.000	8.000	
New Freedom Program	0.000	0.000	0.000	2.291	0.000	0.000	0.000	0.000	0.000	2.291	
SYSTEMWIDE SUBTOTAL	0.000	0.000	4.000	2.291	0.000	0.000	0.000	0.000	38.350	44.641	3.8%
=====											
Pass-through TOTAL	1.120	0.000	15.100	2.291	0.000	0.000	0.000	0.000	45.340	63.851	5.5%

**Attachment 3
NJ TRANSIT Fiscal Year 2012 CAPITAL PROGRAM
(\$ in Millions)**

	----- FEDERAL FUNDING -----							STATE	OTHER	TOTAL	Percentage of Total Program
	URBAN 5307	FIXED GUIDEWAY 5309	JARC/ RURAL/ DISABLED	NEW FREE DOM	EARMARK	FHWA FLEX	STP- TE				
Rail Infrastructure Improvements											
RAIL											
Bridges	0.000	0.000	0.000	0.000	0.000	0.000	0.000	17.800	0.000	17.800	
Emergency Response Rail	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.000	0.000	4.000	
Fleet Overhauls	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.060	0.000	5.060	
NEC Joint Benefit Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	27.500	0.000	27.500	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.820	0.000	0.820	
Rail Rolling Stock Engineering Assistance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	
Right of Way Fencing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.500	
Signals&Communication/Electric Traction	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40.827	0.000	40.827	
Track	0.000	0.000	0.000	0.000	0.000	0.000	0.000	19.500	0.000	19.500	
RAIL SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	116.257	0.000	116.257	10.0%
=====											
NEW INITIATIVES											
Rolling Stock-Rail	0.000	0.000	0.000	0.000	0.000	100.000	0.000	0.500	0.000	100.500	
NEW INITIATIVES SUBTOTAL	0.000	0.000	0.000	0.000	0.000	100.000	0.000	0.500	0.000	100.500	8.6%
=====											
Rail Infrastructure Improvements TOTAL	0.000	0.000	0.000	0.000	0.000	100.000	0.000	116.757	0.000	216.757	18.6%

**Attachment 3
NJ TRANSIT Fiscal Year 2012 CAPITAL PROGRAM
(\$ in Millions)**

	----- FEDERAL FUNDING -----										Percentage of Total Program
	<u>URBAN</u> <u>5307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>5309</u>	<u>JARC/</u> <u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>EARMARK</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	
Rail Station Improvements											
<u>RAIL</u>											
Rail Station Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	14.040	0.000	14.040	
Ridgewood Train Station Accessibility Improvemen	2.000	0.000	0.000	0.000	0.000	0.000	1.000	19.133	0.000	22.133	
Stars Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Station/Facilities Inspections/Repairs	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.750	0.000	3.750	
<u>RAIL SUBTOTAL</u>	2.000	0.000	0.000	0.000	0.000	0.000	1.000	38.923	0.000	41.923	3.6%
: = = = = =											
Rail Station Improvements TOTAL	2.000	0.000	0.000	0.000	0.000	0.000	1.000	38.923	0.000	41.923	3.6%

**Attachment 3
NJ TRANSIT Fiscal Year 2012 CAPITAL PROGRAM
(\$ in Millions)**

	----- FEDERAL FUNDING -----							STATE	OTHER	TOTAL	Percentage of Total Program
	URBAN 5307	FIXED GUIDEWAY 5309	JARC/ RURAL/ DISABLED	NEW FREE DOM	EARMARK	FHWA FLEX	STP- TE				
Bus/Light Rail Improvements											
<u>BUS/LRT</u>											
Bus Facilities Midlife Rehabilitation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Bus Operations Support Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Bus Passenger Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.800	0.000	0.800	
Cruiser CNG Bus Replacement (76)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	11.000	0.000	11.000	
Emergency Response Bus Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.100	0.000	3.100	
Hudson/Bergen LRT Capital Asset Replacement	0.000	0.000	0.000	0.000	0.000	0.000	0.000	7.390	0.000	7.390	
Newark City Subway	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.050	0.000	2.050	
Passenger Facilities	0.700	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.700	
Private Carrier Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
River Line Intermodal Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.140	0.000	1.140	
Rolling Stock-Bus	0.000	0.000	0.000	0.000	0.000	0.000	0.000	92.888	0.000	92.888	
Support Facilities/Equipment	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.430	0.000	0.430	
<u>BUS/LRT SUBTOTAL</u>	0.700	0.000	0.000	0.000	0.000	0.000	0.000	123.798	0.000	124.498	10.7%
=====											
Bus/Light Rail Improvements TOTAL	0.700	0.000	0.000	0.000	0.000	0.000	0.000	123.798	0.000	124.498	10.7%

Attachment 3
NJ TRANSIT Fiscal Year 2012 CAPITAL PROGRAM
(\$ in Millions)

FEDERAL FUNDING

Table with columns: URBAN 5307, FIXED GUIDEWAY 5309, JARC/RURAL/DISABLED, NEW FREE DOM, EARMARK, FHWA FLEX, STP-TE, STATE, OTHER, TOTAL, Percentage of Total Program. Rows include Systemwide Improvements, Technology/Customer Service, and Systemwide Improvements TOTAL.

**Attachment 3
NJ TRANSIT Fiscal Year 2012 CAPITAL PROGRAM
(\$ in Millions)**

	----- FEDERAL FUNDING -----										Percentage of Total Program
	URBAN 5307	FIXED GUIDEWAY 5309	JARC/ RURAL/ DISABLED	NEW FREE DOM	EARMARK	FHWA FLEX	STP- TE	STATE	OTHER	TOTAL	
System Expansion											
NEW INITIATIVES											
Transit Rail Initiatives	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	
NEW INITIATIVES SUBTOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	0.0%
=====											
System Expansion TOTAL	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	0.0%
	259.118	119.084	15.100	2.291	0.000	100.000	1.000	622.000	45.340	1,163.933	

ITEM 1107-33: CNG CRUISER BUSES: PURCHASE OF 76 VEHICLES

BENEFITS

The proposed purchase of seventy-six 45-foot CNG cruiser buses will replace aging 1999-2000 40-foot MCI CNG cruiser buses, improve service reliability and increase revenue due to higher seating capacity. The new buses will be equipped with wheelchair lifts and will be compliant with Americans with Disabilities Act (ADA) mandates. The new buses will also incorporate technologies to reduce exhaust emissions as prescribed by the Clean Air Act Amendment for buses manufactured after 2010.

The new CNG cruiser buses will also have more seating capacity (55 seats) than those that are being replaced (49 seats). The buses will operate from the Howell Garage on the Route 9 Corridor on Routes 136 (Lakewood-New York Freehold Mall Express) and 139 (Lakewood-New York).

With the completion of this purchase, the average fleet age for all buses will be six years.

PURPOSE

Authorization of this contract will allow for the purchase of 76 new CNG cruiser buses for use by NJ TRANSIT Bus Operations. This contract will replace 76 MCI CNG cruiser buses in calendar year 2012/2013. The MCI CNG cruiser buses will have exceeded their 12-year useful economic life and will be eligible for replacement under Federal Transit Administration guidelines. Additionally, the certification for the CNG fuel tanks on these buses expires April 2013 and is not renewable.

All buses will be 102 inches wide and approximately 45 feet long. The operating life of the new buses is expected to be 12 years or 500,000 miles. Service life of the fuel tanks will be a minimum of 20 years from date of manufacture.

ACTION (Scorecard: Customer Experience)

Staff seeks authorization to enter into a contract (No. 11-047) with DesignLine USA of Charlotte, North Carolina, for the purchase of 76 CNG cruiser buses plus spare parts at a cost not to exceed \$45,562,284, 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: \$45,562,284 plus 5% contingency

Total Project Cost: \$ 62,000,000

Projected Date of Completion: December 2012

Anticipated Source of Funds: Federal Transit Administration *Transit Investment for Greenhouse Gas & Energy Reduction* (TIGGER) Funds
Transportation Trust Fund

Diversity Goal: Race Neutral

NJ Build Amount: None

Future Expected Authorization: None

Impacts on Subsequent Operating Budgets: \$ 1,140,000 Annual savings in maintenance costs during warranty period

RESOLUTION

WHEREAS, NJ TRANSIT's current fleet of CNG buses were manufactured in 1999 and 2000 and are eligible for replacement; and

WHEREAS, after the completion of a competitive procurement process DesignLine USA has been deemed the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to enter into a contract (No. 11-047) with DesignLine USA of Charlotte, North Carolina, for the purchase of 76 CNG cruiser buses plus spare parts at a cost not to exceed \$45,562,284, plus five percent for contingencies, subject to the availability of funds.

ITEM 1107-34: NJ TRANSIT GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

BENEFITS

Board authorization for the grant programs herein described will allow NJ TRANSIT to apply, contract and administer a variety of federal and state grant programs dedicated to the maintaining and development of coordinated community-based transportation services that benefit senior citizens, persons with disabilities, rural and small urban area residents and economically disadvantaged persons transitioning from welfare as well as special local transportation projects. The services funded through these grants provide non-emergency life-sustaining and life-enhancing transportation that include but are not limited to demand-responsive, deviated fixed-route services, feeder services and community shuttles. NJ TRANSIT requires that grant subrecipients make every effort to coordinate services in order to maximize efficiency, and feed existing bus and rail services when possible. NJ TRANSIT also monitors subrecipients for compliance with relevant federal and state laws and regulations.

PURPOSE

NJ TRANSIT's Capital Planning and Programs Department administers the state-funded Senior Citizen and Disabled Resident Transportation Assistance Program, as well as a variety of Federal programs funded through the Federal Transportation Administration (FTA): Transportation for Elderly Persons and Persons with Disabilities Program (Section 5310), Rural and Small Urban Areas Program (Section 5311), the New Jersey Community Transportation Training Program funded in part by the Rural Transit Assistance Program (RTAP), the Jobs Access and Reverse Commute Program (Section 5316), and the New Freedom Program (Section 5317) as well as ongoing planning efforts under the FTA Human Services Transportation Coordination Plan requirements. In addition, from time to time local shuttle initiatives funded through a variety of federally-funded sources, including specially-dedicated congressional appropriations and the Congestion Mitigation and Air Quality (CMAQ) and Small Urban Areas (Section 5307) and Major Capital Investments (Section 5309) programs, are applied for and administered by NJ TRANSIT on behalf of designated local providers.

These programs assist a variety of private non-profit organizations, counties, various municipalities, county improvement authorities and NJ TRANSIT in meeting the mobility needs of New Jersey's senior citizens, persons with disabilities, and transportation-disadvantaged and rural residents. Board authorization is sought to implement these programs for Fiscal Year 2012 (FY2012), including authorization to award contracts for vehicles, which will be competitively procured, under each of the various federal programs. A description of each Program is set forth in Exhibit A.

ACTION (Scorecard: Customer Experience)

Staff seeks authorization to execute all appropriate contracts and agreements to implement the following programs, subject to the availability of funds:

- FY2012 Senior Citizen and Disabled Resident Transportation Assistance Program, as set forth in Exhibit B, for a total program amount of \$25,121,000 funded by the Casino Revenue Tax.
- FY2012 FTA Section 5311 Rural and Small Urban Areas Program, as set forth in Exhibit C, for a total program amount of \$4,010,460 which includes \$2,820,494 in federal funds and \$1,189,966 as the NJ TRANSIT share of local match.
- FY2012 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$99,090 in federal funds to supplement the New Jersey Community Transportation Training Program at no cost to NJ TRANSIT.
- FY2012 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program at a cost not to exceed \$4,798,838 which includes \$3,839,070 in federal funds and \$959,768 as the NJ TRANSIT share of local match.
- FY2012 FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program at a cost not to exceed \$4,912,853 which includes \$3,637,853 in federal funds and \$1,000,000 in funds from the New Jersey Department of Human Services subject to the availability of funds. In addition, NJ TRANSIT match is required for two services under this program which expand NJ TRANSIT bus routes. All other match dollars are provided by the local provider.
- FY2011/12 FTA Section 5317 New Freedom (NF) Program at a cost not to exceed \$3,300,000 funded by the federal government. No NJ TRANSIT match is required for this program as it is provided by the local provider.
- Any specially-dedicated Congressional appropriations, FTA Section 5307, FTA Section 5309 and CMAQ local projects including funds which will be flexed into ongoing FTA programs under the FY2012 budget at a cost not to exceed \$6,600,000.

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

FISCAL IMPACTS

Requested Authorization:

Senior Citizen and Disabled Resident Transportation Assistance Program
100% Casino Revenue Tax \$ 25,121,000

Federal Transit Administration Formula Programs (includes local match provided by NJ TRANSIT when applicable)

Section 5311	\$ 4,010,460	(\$2,820,494 federal; \$1,165,459 Operating; \$24,617 Capital)
Section 5311(b)(3)	\$ 99,090	
Section 5310	\$ 4,798,838	(\$3,839,070 federal; \$959,768 Capital)
Section 5316	\$ 4,912,853	(\$3,637,853 federal; \$1,000,000 DHS; \$275,000 Operating)
Section 5317	\$ 3,300,000	
Sections 5307, 5309, CMAQ and various Special Appropriations (Local)	\$ 6,600,000	

Projected Date of Completion: December 31, 2012

Anticipated Source of Funds: Casino Revenue Funds
 FTA Section 5307, 5309, 5310, 5311, 5311(b)(3), 5316, 5317
 Specially-dedicated Congressional appropriations
 CMAQ
 New Jersey Department of Human Services
 NJ TRANSIT Operating Budget
 Transportation Trust Fund

Diversity Goal:

Section 5310 (Vehicle Purchase) Lowest bidder will be requested to make best reasonable effort

Section 5307, 5311, 5316 and 5317 10% DBE

NJ Build Amount: None

Related/Future Authorizations: NA

Impacts on Subsequent Operating Budgets: \$ 1,440,349

RESOLUTION

WHEREAS, the New Jersey Senior Citizen and Disabled Resident Transportation Assistance Act provides 100 percent State funding for the counties or their designees to provide community-based transportation services, as well as for NJ TRANSIT to administer the program, to provide technical assistance to the counties, and to develop, provide and maintain accessible improvements to fixed route systems; and

WHEREAS, the Federal Transit Administration (FTA) makes available, under the Section 5311 Rural and Small Urban Areas program, 80 percent of the non-operating assistance and 50 percent of the operating assistance, with NJ TRANSIT providing one-half of the local match, to improve public transit services in rural areas; and

WHEREAS, the FTA makes available, under Section 5311(b)(3) Rural Transit Assistance Program (RTAP), 100 percent of the funding for training and technical assistance to FTA Section 5311 and FTA Section 5310, Section 5316 and Section 5317 and Casino Revenue subrecipients; and

WHEREAS, the FTA makes available, under Section 5310 Transportation for Elderly Persons and Persons with Disabilities, 80 percent of the purchase price, with NJ TRANSIT providing the 20 percent match, for vehicles which are purchased for private non-profit organizations and/or designated public bodies to transport senior and disabled residents; and

WHEREAS, the FTA makes available, under Section 5316 Jobs Access and Reverse Commute (JARC) program 50 percent of the operating assistance and 80 percent of the capital assistance for transit services that address the needs of low income customers transitioning from welfare and/or seeking employment with supplemental funds from the New Jersey Department of Human Services; and

WHEREAS, the FTA makes available, under Section 5317 New Freedom (NF) program 50 percent of the operating assistance and 80 percent of the capital assistance and mobility management planning for transit services that address the needs of persons with disabilities gaining access to employment; and

WHEREAS, the FTA makes available funds, under specially-dedicated Congressional appropriations, Congestion Mitigation Air Quality (CMAQ), Section 5307 Small Urban Cities and Section 5309 Major Capital Investments, for the provision of operating, planning assistance and/or capital assistance with various matches provided by state, local agencies or toll credit for capital projects or equipment and/or local transit services that address the needs of community transit services; and

WHEREAS, in order to implement some of these and other community transit programs it will be necessary to purchase a variety of vehicle types in varying quantities;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to execute, extend or modify contracts to implement the FY2012 Senior Citizen and Disabled Resident Transportation Assistance Program as set forth in Exhibit B for a total program amount of \$25,121,000, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to execute all appropriate agreements and contracts and to take all other steps necessary to implement the FY2012 FTA Section 5311 Rural and Small Urban Areas program, as set forth in Exhibit C, in the amount of \$4,010,460 which includes \$2,820,494 in federal funds and \$1,189,966 as the NJ TRANSIT share of the local match, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2012 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$99,090 in federal funds at no cost to NJ TRANSIT; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and leases to implement the FY2012 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities program at a cost not to exceed \$4,798,838 which includes \$3,839,070 in federal funds and \$959,768 as the NJ TRANSIT share of the local match; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2012 FTA Section 5316 Jobs Access and Reverse Commute (JARC) program at a cost not to exceed \$4,912,853 which includes \$3,637,853 in federal funds and \$1,000,000 in state funds from the New Jersey Department of Human Services and \$275,000 in NJ TRANSIT match dollars for two projects which expand NJ TRANSIT bus service; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement the FY2011/12 FTA Section 5317 New Freedom program at a cost not to exceed \$3,300,000 which is funded by the federal government (no NJ TRANSIT match is required in this program); and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to execute all appropriate agreements and contracts and to take all other steps to implement any specially-dedicated Congressional appropriations, FTA Section 5307 Small Urban Cities, FTA Section 5309 Major Capital Investments and Congestion Mitigation Air Quality (CMAQ) local projects including funds which will be flexed into ongoing FTA programs under the FY12 budget at a cost not to exceed \$6,600,000.

**DESCRIPTION OF LOCAL PROGRAMS ADMINISTERED BY NJ TRANSIT ON
BEHALF OF COUNTIES, MUNICIPALITIES, AUTHORITIES AND PRIVATE NON-
PROFIT ORGANIZATIONS**

The transit services funded through the grant programs administered by NJ TRANSIT's Community Services and Local Programs unit encompass more than 90 local partnerships, providing needed transportation to the state's senior citizens, persons with disabilities, and rural and low-income residents where services would otherwise not be available. The 16-person staff, funded through the various grants themselves, provides day-to-day grant support, planning and technical assistance, driver and management training, and state and federal compliance oversight to county, municipal and private non-profit transit services funded through these programs.

A description of each grant program is provided below.

The **Senior Citizen and Disabled Resident Transportation Assistance Program** is funded from the Casino Revenue Tax Fund. Eighty-five percent of the annual appropriation is allocated by formula among the 21 counties for transportation of senior citizens and persons with disabilities. NJ TRANSIT is allocated the remaining 15 percent to provide administrative and compliance oversight, provide technical assistance to the counties, coordinate the program within and among the counties, and develop, provide and maintain those portions of capital improvements that afford accessibility to fixed-route and other transit services.

Under administrative costs, technical assistance includes, as necessary, the awarding of grants to counties or the initiation of studies by NJ TRANSIT for planning efforts that foster coordination among counties as well as between counties, local community transportation and public transportation. Also included under planning efforts would be any studies that address statewide efforts to examine coordination of local transportation and human services programs as part of New Jersey's response to the federal United We Ride initiative. The Casino Revenue Program is shown in Exhibit B.

The **FTA Section 5311 Rural and Small Urban Area Program** provides operating, administrative and capital assistance for public transportation services in small urban and rural areas in New Jersey pursuant to a population-based formula. Board approval of the FY2012 Program will allow 14 Section 5311 Projects and one Section 5311 Intercity project to continue operation. Three additional designated rural areas are eligible for funding but have no active projects at this time. The Section 5311 program is shown in Exhibit C.

Through the **FTA Section 5311(b)(3) Rural Transit Assistance Program (RTAP)**, NJ TRANSIT provides training and technical assistance for all small transit operators receiving federal funds. Private operators under contract to funding subrecipients are

DESCRIPTION OF LOCAL PROGRAMS ADMINISTERED BY NJ TRANSIT ON BEHALF OF COUNTIES, MUNICIPALITIES, AUTHORITIES AND PRIVATE NON-PROFIT ORGANIZATIONS

also allowed to participate. The Program is sponsored 100 percent by the FTA under Section 5311 and, together with additional Casino Revenue administrative funds which allow urban subrecipients to participate, provides a variety of training through the National Transit Institute (NTI) as well as in-house. In addition to holding training classes and workshops, NTI maintains a Community Transportation Training Program website (www.njcttp.org), publishes a quarterly newsletter and together with NJ TRANSIT co-sponsors the annual New Jersey paratransit driver roadeo every spring.

The federal transportation programs authorized under the current SAFETEA-LU were set to be reauthorized this past year, and until such time, there is the likelihood that Congress will continue to extend the current programs for FY2011. However, a preliminary proposal under a new authorization bill would consolidate the Section 5310, Section 5316 and Section 5317 programs into one community transportation grant program entitled Coordination for Access and Mobility Program (CAMP). All program purposes under the current three programs would remain the same and projects would continue to be derived from community-based human services transportation coordination plans. A description of these three grant programs follows:

The FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program provides Federal funds to States for the purchase of vehicles and related equipment for private non-profit organizations and designated public bodies to provide transit services to senior citizens and persons with disabilities. It also allows for the funding of mobility management projects that further coordination of services under the United We Ride effort. The Federal funds available under this program can be used to pay up to 80 percent of the cost of vehicles. Since assuming administration of the program in 1979, NJ TRANSIT has purchased nearly 1,600 vehicles for non-profit organizations and designated coordinated public bodies in all 21 counties. Reflecting FTA regulations outlined in the latest program circular, all local projects selected must meet a need identified in a locally-developed human services-public transit transportation coordination plan. It is anticipated a final application for vehicles, related equipment and mobility management projects under the FY 2012 program will be submitted to the FTA in spring 2012.

The FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program provides funds for operating and capital expenses for transit services that target employment transportation. Through a planning process initiated by the Metropolitan Planning Organizations (MPOs), applications for the FY2012 program will be solicited and reviewed. NJ TRANSIT will then prepare and submit a statewide application to the

**DESCRIPTION OF LOCAL PROGRAMS ADMINISTERED BY NJ TRANSIT ON
BEHALF OF COUNTIES, MUNICIPALITIES, AUTHORITIES AND PRIVATE NON-
PROFIT ORGANIZATIONS**

FTA for funds. A dollar-for-dollar match is required under this program. Historically match dollars have come from local sources. In addition, the NJ Department of Human Services has through a Memorandum of Understanding provided an additional \$1 million to NJ TRANSIT towards meeting the needs of this program. Reflecting FTA regulations outlined in the latest program circular, all local projects selected must meet a need identified in a locally developed human services-public transit transportation coordination plan. It is anticipated a final application for vehicles, related equipment and mobility management projects will be submitted to the FTA in spring 2012.

The **FTA Section 5317 New Freedom (NF) Program** provides funding for capital and operating expenses that support new public transportation services beyond those required by the Americans with Disabilities Act (ADA) as well as new public transportation alternatives beyond those required by the ADA designed to assist individuals with disabilities with accessing transportation services especially transportation to and from jobs and employment services. Reflecting FTA regulations outlined in the latest program circular, all local projects selected must meet a need identified in a locally-developed human services/public transit transportation coordination plan. It is anticipated a final application for vehicles, related equipment and mobility management projects will be submitted to the FTA in spring 2012.

In addition, in FY2012 it is anticipated that there are various **Local Community Transit Initiatives** funded through specially-dedicated Congressional appropriations, Section 5307 (Cumberland County and East Windsor), Section 5309 and CMAQ funding that will require the purchase of capital equipment and/or contracting for operating and/or planning services for local transportation services.

**SENIOR CITIZEN AND DISABLED RESIDENT
TRANSPORTATION ASSISTANCE PROGRAM
FY2012**

COUNTY	FY2011 ALLOCATION	FY2012 ALLOCATION
Atlantic	\$ 761,812	\$ 657,668
Bergen	2,211,233	1,908,945
Burlington	1,189,713	1,027,072
Camden	1,397,479	1,206,436
Cape May	499,630	431,328
Cumberland	499,630	431,328
Essex	2,124,663	1,834,210
Gloucester	662,875	572,256
Hudson	1,568,145	1,353,771
Hunterdon	499,630	431,328
Mercer	969,579	837,032
Middlesex	2,038,094	1,759,475
Monmouth	1,709,130	1,475,482
Morris	1,256,495	1,084,725
Ocean	2,211,233	1,908,945
Passaic	1,313,383	1,133,836
Salem	499,630	431,328
Somerset	751,918	649,127
Sussex	499,630	431,328
Union	1,570,619	1,355,906
Warren	499,630	431,328
Total Counties	\$ 24,734,150	\$ 21,352,854
NJ TRANSIT	4,364,850	3,768,146
TOTAL	\$ 29,099,000	\$ 25,121,000

100% State funds from the Casino Revenue Tax funds.

EXHIBIT C
Page 1 of 1

**SECTION 5311 RURAL AND SMALL URBAN AREAS PROGRAM
PROJECTED FY2012**

	FEDERAL (A)	STATE*** (B)	TOTAL BUDGET (A+B)	LOCAL**** (C)	TOTAL PROGRAM (A+B+C)
NORTHERN REGION					
Morris*	\$ 182,132	\$ 91,066	\$ 273,1981	\$ 91,066	\$ 364,264
Passaic (West Milford)	69,421	34,7118	104,1324	34,7118	135,843
Sussex	376,671	188,335	556,006	188,335	753,341
Warren	237,036	113,328	350,364	113,328	463,692
CENTRAL REGION					
Hunterdon	292,732	146,366	439,098	146,366	585,196
Mercer	59,8000	24800	84,600	24800	109,400
Middlesex**	--	--	--	--	--
Monmouth	114,559	57,280	171,839	57,280	229,119
Ocean*****	292,862	0	292,862	292,862	585,7249
Somerset	76,883	26,699	103,582	26,699	130,281
SOUTHERN REGION					
Atlantic	208,264	92,573	300,837	92,573	393,410
Burlington	275,838	114,873	390,711	114,873	505,584
Camden	14,518	7,259	21,777	7,259	29,036
Cape May	66,782	29,635	96,417	29,635	126,052
Cumberland	281,381	133,699	415,080	133,699	548,779
Gloucester	114,823	55,686	170,509	55,686	226,195
Salem	156,792	73,656	230,448	73,656	304,104
TOTAL	<u>\$ 2,820,494</u>	<u>\$ 1,189,966</u>	<u>\$ 4,010,460</u>	<u>\$ 1,482,828</u>	<u>\$ 5,493,288</u>
Operating	\$ 2,623,560	\$ 1,165,349	\$ 3,788,909	\$ 1,458,211	\$ 5,247,120
Non-Operating (Administration)	\$ 196,934	\$ 24,617	\$ 221,551	\$ 24,617	\$ 246,168
Capital	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

* New Demand Responsive Service provided by Morris County.

** Middlesex County has limited eligible rural areas and no active projects at this time.

*** State match provided by NJ TRANSIT

**** Local match provided by local grantee and not reflected in Board authorization.

***** Local match provided by Academy Bus as intercity subrecipient and not reflected in Board authorization.

ITEM 1107-35: PENNSAUKEN TRANSIT CENTER PHASE II: CONTRACT AWARD FOR CONSTRUCTION

BENEFITS

NJ TRANSIT is planning to construct a multi-modal transit center on a vacant site at Derousse Avenue at the juncture of the River LINE and the Atlantic City Rail Line in Pennsauken. A connection between these two lines will afford customers the opportunity to travel between New Jersey's Delaware River towns, Atlantic City and Philadelphia. The transit center will also complete the interconnectivity of the NJ TRANSIT system. NJ TRANSIT Bus Route 419 will also serve the Pennsauken Transit Center, which includes a dedicated bus pick-up/drop-off area.

NJ TRANSIT estimates that the Pennsauken Transit Center will generate 1,140 average weekday customer trips by 2015. The new Pennsauken Transit Center will include a platform for the light rail at ground level and two high-level composite platforms for the grade-separated Atlantic City Rail Line (ACRL). The use of composite material for the platform is an innovative design that is anticipated to reduce maintenance costs in the future. The project will also include a new parking lot, a passenger drop-off area, bus/shuttle connections, and pedestrian access improvements to Derousse Avenue. The light rail station was designed to accommodate a future second track on the River LINE.

PURPOSE

Authorization of this construction contract will allow for the construction of two 300-foot composite side platforms on the Atlantic City Rail Line, two stair and elevator towers, a 283-space parking lot, drainage improvements, a covered walkway between the north stair and elevator tower and the River LINE platform, a stand-alone restroom facility, a dedicated bus drop-off/pick-up area and high-efficiency lighting. Additionally a passenger communication system will be installed to include CCTV, video messaging signs, public address system, emergency phones, public pay phones, ticket vending machines and ticket validators.

ACTION (Scorecard: Customer Experience)

Staff seeks authorization to contract (No. 11-074X) with Terminal Construction Corporation of Wood-Ridge, New Jersey, for the construction of the Pennsauken Transit Center Phase II at a cost not to exceed \$13,800,000, 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 IMPACTS:

Requested Authorization: \$ 13,800,000 + 5% contingency

Total Project Cost: \$ 31,043,000

Projected Date of Completion: December 2012

Anticipated Source of Funds: Federal Transit Administration (ARRA)
Transportation Trust Fund

Diversity Goal: 22% DBE

***NJ Build* Amount:** \$ 69,000

Related Future Authorizations: Construction Management

**Impacts on Subsequent
Operating Budgets:** \$ 100,000 Annually

RESOLUTION

WHEREAS, NJ TRANSIT is planning to construct a multi-modal transit center on a vacant site at Derousse Avenue at the juncture of the River LINE and the Atlantic City Rail Line in Pennsauken; and

WHEREAS, a connection between these two lines will afford customers the opportunity to travel between New Jersey's Delaware River towns, Atlantic City and Philadelphia; and

WHEREAS, the Pennsauken Transit Center will complete the interconnectivity of the NJ TRANSIT system; and

WHEREAS, upon completion of a competitive procurement process it was determined that Terminal Construction Corporation was the lowest responsive, responsible bidder for the construction of the Pennsauken Transit Center Phase II project;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No. 11-074X) with Terminal Construction Corporation of Wood-Ridge, New Jersey, for the construction of the Pennsauken Transit Center Phase II at a cost not to exceed \$13,800,000, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1107-36: MORRIS, SOMERSET, UNION AND WARREN COUNTIES
MINIBUS ROUTE SERVICES: AMENDMENT TO AGREEMENTS
TO EXERCISE OPTIONS**

BENEFITS

Five routes in Morris, Somerset, Union, and Warren Counties in New Jersey and Easton, Pennsylvania are operated as minibus service by three private carriers under Agreement with NJ TRANSIT. Extension of these Agreements will continue feeder service from rail stations to major commercial complexes in Morris, Somerset and Union Counties as well as essential fixed-route service in the Phillipsburg area of Warren County.

PURPOSE

In July 2008, the Board of Directors authorized Agreements with four private carriers for the operation of minibus service for an initial period of 36 months from October 2008 through October 2011. The Agreements included the option to extend those services for two 24-month periods until September 2015, subject to future Board authorization. The prices for the option periods were established in the original proposals in 2008.

Authorization to exercise the options on these three minibus Agreements will continue local minibus service on five routes in Morris, Somerset, Union, and Warren Counties in New Jersey and Easton, Pennsylvania through September 2015.

ACTION (Scorecard: Customer Experience)

Staff seeks authorization to exercise the options to the Agreement with Suburban Transit Corporation of New Brunswick, New Jersey, to operate minibus service on Route 986 (Summit-Murray Hill-Plainfield) for an additional 48 months from October 2011 through September 2015 in the amount of \$2,782,466, plus five percent for contingencies, for a total authorization of \$6,929,112, subject to the availability of funds.

Staff also seeks authorization to exercise the options to the Agreement with First Student, Inc. of Lafayette, New Jersey, to operate minibus service on Routes 878 (Convent Station-Florham Park via Campus Drive) and 879 (Convent Station-Florham Park via FDU) for an additional 48 months from October 2011 through September 2015 in the amount of \$1,460,442, plus five percent for contingencies, for a total authorization of \$4,061,955, subject to the availability of funds.

Staff also seeks authorization to exercise the options to the Agreement with Delaware River Coach Lines of Phillipsburg, New Jersey, to operate minibus service on Route 890 (South Main Street) and Route 891 (Heckman) for an additional 48 months from October 2011 through September 2015 in the amount of \$2,357,508, plus five percent for contingencies, for a total authorization of \$4,571,234, 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:

Suburban Transit Corporation This Authorization \$ 2,782,466 + 5% contingency
Total Authorization \$ 6,929,112

First Student, Inc. This Authorization \$ 1,460,442 + 5% contingency
Total Authorization \$ 4,061,955

Delaware River Coach Lines This Authorization \$ 2,357,508 + 5% contingency
Total Authorization \$ 4,571,234

Total Project Cost: \$ 13,202,150

Projected Date of Completion: September 2015

Anticipated Source of Funds:

FY12 (9 months)	\$	1,164,234
FY13	\$	1,610,613
FY14	\$	1,682,403
FY15	\$	1,717,280
FY16 (3 months)	\$	425,887

Diversity Goal: 5% DBE

NJ Build Amount: N/A

Future Related Authorizations: None

**Impacts on Subsequent
Operating Budgets:** \$ 6,930,440

RESOLUTION

WHEREAS, staff has determined that it is appropriate to continue to provide regular and flexible route minibus service in three service areas; and

WHEREAS, following a competitive procurement process, NJ TRANSIT previously selected Suburban Transit Corporation of New Brunswick, New Jersey; First Student, Inc. of Lafayette, New Jersey; and Delaware River Coach Lines of Phillipsburg, New Jersey, to operate minibus services in Morris, Hunterdon and Warren Counties, New Jersey and in Easton, Pennsylvania; and

WHEREAS, each of the original Agreements included the option to extend the services for two 24-month periods from October 2011 through September 2015;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to exercise the options to the Agreement with Suburban Transit Corporation of New Brunswick, New Jersey, to operate minibus service on Route 986 (Summit-Murray Hill-Plainfield) for an additional 48 months from October 2011 through September 2015 in the amount of \$2,782,466, plus five percent for contingencies, for a total authorization of \$6,929,112, subject to the availability of funds; and

BE IT FURTHER RESOLVED the Chairman or Executive Director is hereby authorized to exercise the options to the Agreement with First Student, Inc. of Lafayette, New Jersey, to operate minibus service on Routes 878 (Convent Station-Florham Park via Campus Drive) and 879 (Convent Station-Florham Park via FDU) for an additional 48 months from October 2011 through September 2015 in the amount of \$1,460,442, plus five percent for contingencies, for a total authorization of \$4,061,955, subject to the availability of funds; and

BE IT FURTHER RESOLVED the Chairman or Executive Director is hereby authorized to exercise the options to the Agreement with Delaware River Coach Lines of Phillipsburg, New Jersey, to operate minibus service on Route 890 (South Main Street) and Route 891 (Heckman) for an additional 48 months from October 2011 through September 2015 in the amount of \$2,357,508, plus five percent for contingencies, for a total authorization of \$4,571,234, subject to the availability of funds.

ITEM 1107-37: MEADOWS MAINTENANCE COMPLEX (MMC) ROOF-MOUNTED PHOTOVOLTAIC SYSTEM: CONTRACT AWARD FOR DESIGN AND CONSTRUCTION

BENEFITS

The installation of a Photovoltaic Solar Power System on the roof at the Meadows Maintenance Complex (MMC) will further NJ TRANSIT's objective to reduce its operating costs while advancing New Jersey's goals for use of "green" or clean energy; i.e., energy generated from renewable resources. This solar power system installation, which will provide a minimum of 475 kW, will reduce energy costs at the facility.

The MMC is staffed and equipped to handle minor routine repairs to major overhauls of locomotives and rail cars. The around-the-clock maintenance operations require substantial lighting and specialized machinery for which the energy costs will be offset by the roof-mounted photovoltaic system.

Using funds from the US Department of Energy, the NJ Board of Public Utilities has awarded NJ TRANSIT a grant in the amount of \$3,166,000 for this project. This project provides immediate savings on the electricity costs at the MMC.

PURPOSE

NJ TRANSIT has actively pursued opportunities to stabilize its energy costs while advancing efforts to purchase clean energy. Award of a design and construction contract for the installation of a solar power photovoltaic system at the MMC meets both of these objectives.

ACTION (Scorecard: Financial Performance)

Staff seeks authorization to enter into a contract (No. 11-065X) with Barrier Electric of Bayonne, New Jersey, for the design and construction of a Roof-Mounted Photovoltaic System at the Meadows Maintenance Complex at a cost not to exceed \$3,166,000, 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: \$ 3,166,000

Total Project Cost: \$ 3,566,000

Projected Date of Completion: April 2012

Anticipated Source of Funds: NJ Board of Public Utilities (US Department of Energy grant)
Transportation Trust Fund

Diversity Goal: Race Neutral

New Jersey Build Amount: \$ 9,633

Future Related Authorizations: None

Impacts on Subsequent Operating Budgets:	Years	Electricity Cost Savings (\$)	Income from Energy Credit Sales (\$)	Total (\$)
	1-15	55,000	288,000	343,000
	16-25	55,000	---	55,000
	Total	1,375,000	4,320,000	5,695,343

(Savings are based on current electricity rates and are shown in current dollars)

RESOLUTION

WHEREAS, NJ TRANSIT seeks to lower operating costs and promote clean energy; and

WHEREAS, the Board of Public Utilities (BPU) is assisting in this effort through a funding grant from the US Department of Energy for solar photovoltaic projects for commercial and governmental entities; and

WHEREAS, upon completion of a competitive bid process, it was determined that Barrier Electric was the lowest responsive, responsible bidder for the design and construction of roof-mounted photovoltaic system at the Meadows Maintenance Complex;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to contract (No. 11-065X) with Barrier Electric of Bayonne, New Jersey, for the design and construction of a Roof-Mounted Photovoltaic System at the Meadows Maintenance Complex at a cost not to exceed \$3,166,000, subject to the availability of funds.

ITEM 1107-38: PERSONNEL: MODIFICATIONS TO NJ TRANSIT'S NON-AGREEMENT VACATION AND SICK LEAVE POLICY PRACTICES

BENEFITS

The State of New Jersey is addressing the growing challenge of controlling the skyrocketing costs of providing public employee benefits. NJ TRANSIT has been a leader among government agencies in having prudent compensation and other personnel policies that benefit employees while protecting taxpayers resources. As a responsible steward of public funds, NJ TRANSIT periodically reviews and revises its policies and practices related to employee compensation and other benefits to ensure they continue to fulfill the agency's responsibility to both employees and state citizens.

PURPOSE

NJ TRANSIT continually examines compensation and related policies, programs and practices to better foster workplace productivity and excellence in the services provided to the public. It also is always the Agency's goal to ensure these practices are consistent with good public agency management and reflect a careful use of taxpayer resources aligned with the existing fiscal climate.

NJ TRANSIT Vacation Policies

Given limited public budgets and the need for taxpayers to support public employee compensation practices, NJ TRANSIT has suspended the Attendance Incentive Program for non-agreement employees that historically allowed those who had perfect attendance during a calendar year to cash in their unused vacation time at the end of that year. An amendment to Corporate Policy 3.04 took effect on March 29, 2011.

The original intent of the Program was to optimize levels of employee engagement and reduce the use of time off for illness. To that end, non-agreement employees who had not utilized any sick time during a calendar year and who had a balance of unused vacation days at the end of that calendar year were eligible to receive an attendance incentive payment for up to 10 days of their unused vacation balance.

The decision to end the Attendance Incentive Program supports the agency's strategic focus on long-term financial stability.

NJ TRANSIT Sick Policies

NJ TRANSIT supports fair and comprehensive sick leave policies that reflect the fundamental purpose of sick leave. Sick days provide time off for employees who are sick or injured, but should not represent an additional compensation for employees who are healthy.

Sick leave policy options that advance the wise stewardship of public dollars can be achieved by:

- The elimination of the unused sick leave payment program for new employees.
- The continuation for current employees of a \$15,000 cap upon payment of unused sick leave upon retirement.
- A requirement for current employees to utilize sick time on a first earned, first used basis.
- The continued requirement of company-approved medical documentation for absences of more than 5 days.

ACTION (Scorecard: Corporate Accountability)

NJ TRANSIT staff will complete a review and make necessary changes to its Vacation and Sick Leave policies to bring them into compliance with the best practices of those of other state agencies and government bodies and will amend sick leave policies, consistent with the practices of other state agencies and government bodies, in order to eliminate the ability of non-bargaining employees to "cash-in" accumulated, unused sick time. The policy changes will not affect employees governed by collective bargaining agreements.

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

RESOLUTION

WHEREAS, the NJ TRANSIT Board of Directors intends to adopt a resolution ending the Vacation Cash-in Perfect Attendance Incentive Program for non-agreement employees in support of the State's of New Jersey's continuing efforts to control costs, and

WHEREAS, the NJ TRANSIT Board of Directors intends to provide reasonable benefits of employment to the Agency's non-agreement personnel while also supporting efforts to ensure New Jersey's public agencies carry out their duties with due fiscal prudence;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director will complete a review and make necessary changes to its Vacation and Sick Leave policies to bring them into compliance with the best practices of those of other state agencies and government bodies and is authorized to amend sick leave policies, consistent with the practices of other state agencies and government bodies, in order to eliminate the ability of non-bargaining employees to "cash-in" accumulated, unused sick time. The policy changes will not affect employees governed by collective bargaining agreements.

CONSENT CALENDAR

ITEM 1107-39: ADVERTISING REVENUE CONTRACT EXTENSION

BENEFITS

The sale of advertising space on NJ TRANSIT's bus, rail and light-rail equipment, stations, platforms, terminals and trestles provides significant annual guaranteed non-farebox revenue to NJ TRANSIT. Revenue from advertising decreases reliance on subsidies and fares for operating revenue. NJ TRANSIT's contract with its advertising revenue contractor, Titan Outdoor ("Titan"), of New York City, is scheduled to terminate on August 31, 2011. Approval of this Board Item will maintain non-farebox revenue from NJ TRANSIT's advertising assets while staff completes its evaluation of proposals that it has received for a new, five-year contract.

PURPOSE

The purpose of this Board Item is to extend for six months NJ TRANSIT's contract with Titan. Extending the contract will result in uninterrupted receipt of non-farebox revenue from advertising. Extending the contract will enable Titan to continue to work with advertising agencies and client companies as they budget expenditures for their 2012 and 2013 advertising and marketing programs.

ACTION (Scorecard: Financial Performance)

Staff seeks authorization to extend for six months NJ TRANSIT's advertising revenue contract with Titan Outdoor of New York City in consideration of Titan's (a) payment to NJ TRANSIT of the prorated minimum annual guarantee of not less than \$750,000 per month, totaling not less than \$4,500,000 for the extension period, (b) payment to NJ TRANSIT of 60 percent of net revenue above the prorated minimum annual guarantee of not less than \$4,500,000, and (c) maintaining its \$2,400,000 letter of credit in favor of NJ TRANSIT.

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

FISCAL IMPACTS

Requested Authorization: Authorization to extend for six months NJ TRANSIT's advertising revenue contract with Titan Outdoor of New York City in consideration of Titan's (a) payment to NJ TRANSIT of the prorated minimum annual guarantee of not less than \$750,000 per month, totaling not less than \$4,500,000 for the extension period, (b) payment to NJ TRANSIT of 60 percent of net revenue above the prorated minimum annual guarantee of not less than \$4,500,000, and (c) maintaining its \$2,400,000 letter of credit in favor of NJ TRANSIT.

Anticipated Source of Funds: None required; revenue-generating contract

Projected Date of Completion: February 29, 2012

Diversity Goal: 20% goal

Related/Future Authorizations: Authorization to award five-year advertising revenue services contract

Impacts on Subsequent Operating Budgets Guaranteed revenue of not less than \$4,500,000 over six months

RESOLUTION

WHEREAS, the sale of advertising space on NJ TRANSIT's bus, rail and light-rail equipment, stations, platforms, terminals and trestles provides significant annual guaranteed non-farebox revenue to NJ TRANSIT; and

WHEREAS, NJ TRANSIT's contract with its advertising revenue contractor, Titan Outdoor, is scheduled to terminate on August 31, 2011; and

WHEREAS, NJ TRANSIT seeks to maintain uninterrupted receipt of advertising revenue while staff completes its evaluation of proposals that it has received for a new, five-year contract;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to extend for six months NJ TRANSIT's advertising revenue contract with Titan Outdoor of New York City in consideration of Titan's (a) payment to NJ TRANSIT of the prorated minimum annual guarantee of \$750,000 per month, totaling not less than \$4,500,000 for the extension period, (b) payment to NJ TRANSIT of 60 percent of net revenue above the prorated minimum annual guarantee of not less than \$4,500,000, and (c) maintaining its \$2,400,000 letter of credit in favor of NJ TRANSIT.

ITEM 1107-40: PUBLIC-PRIVATE PARTNERSHIP SPECIAL COUNSEL

BENEFITS

Outside legal counsel provides specialized experience and expertise and complements the services provided by the New Jersey Division of Law. The Attorney General's Office manages the process of selection of special outside counsel through a competitive process and makes new assignments through individual retention letters.

PURPOSE

NJ TRANSIT requires significant and varied legal expertise in support of its mission. Since April 2010, NJ TRANSIT has been working on a complex transaction involving various public-private partnership strategies and structures with regard to its real estate assets.

In its public-private partnership program ("P3"), NJ TRANSIT's objectives include maintaining and improving parking services and levels, expanding existing capacity while maintaining and improving customer service levels, maintaining high safety and security standards, providing positive future fiscal impacts, and optimizing the value of parking assets. As NJ TRANSIT focuses on its parking portfolio, it has been working with its outside legal counsel to establish a program for the management and development of our parking assets throughout the state. Wolff & Samson was retained by the Division of Law in June of 2010 to serve as NJ TRANSIT's outside legal counsel. Wolff & Samson has been advising NJ TRANSIT on a broad array of multifaceted legal issues inherent in existing and prospective parking agreements and public-private partnerships. The Division of Law has requested that NJ TRANSIT reimburse Wolff & Samson directly.

Their extensive work to date has included review and revision to drafts of the Request for Qualifications, undertaking comprehensive due diligence on proposed concession sites, preparation of document abstracts on concession sites, analyses of site specific issues, impediments and solutions, a review of data and documentation for assets for concession purposes, acquisition of documentation required to complete analysis, preparation of initial draft and subsequent revisions of Agreements, extensive document customization to address NJ TRANSIT's specific operational concerns, preparation of legal memoranda on a wide range of legal issues, and a review of preliminary title commitments on proposed concession assets.

This authorization will allow NJ TRANSIT to continue to access the legal expertise necessary to continue to develop a program to optimize the value of its parking asset portfolio and structure appropriate financings and public-private transactions, while addressing the legal issues associated with these transactions.

ACTION (Justification: Financial Performance)

Staff seeks authorization to compensate Wolff & Samson for legal support for NJ TRANSIT's public-private partnership program in an additional amount not to exceed \$850,000, for a total contract authorization of \$1,500,000, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization:	\$850,000
Total Project Cost:	\$1,500,000
Anticipated Source of Funds:	Operating Budget
Projected Date of Completion:	N/A
Diversity Goal:	N/A
NJ Build Amount:	N/A
Related/Future Authorizations:	Future authorizations subject to and dependent on transaction schedule.

RESOLUTION

WHEREAS, NJ TRANSIT requires significant and varied legal expertise in support of a public-private partnership program; and

WHEREAS, NJ TRANSIT's objectives include maintaining and improving parking services and levels, expanding existing capacity while maintaining and improving customer service levels, maintaining high safety and security standards, providing positive future fiscal impacts, and optimizing the value of parking assets; and

WHEREAS, NJ TRANSIT will benefit from the use of special counsel to protect its interests during the transaction process; and

WHEREAS, Wolff & Samson was previously retained by the Division of Law to provide these services; and

WHEREAS, the Division of Law has requested that NJ TRANSIT reimburse Wolff & Samson directly;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to compensate Wolff & Samson for legal support for NJ TRANSIT's public-private partnership program in an additional amount not to exceed \$850,000, for a total contract authorization of \$1,500,000, subject to the availability of funds.

ITEM 1107-41: PUBLIC-PRIVATE PARTNERSHIP FINANCIAL ADVISOR

BENEFITS

Scott-Balice Strategies (“Scott-Balice”), a wholly-owned subsidiary of Public Financial Management, Inc. is advising NJ TRANSIT on designing and implementing a Public-Private Partnership (“P3”) program that NJ TRANSIT expects will provide efficient and innovative financing arrangements for NJ TRANSIT’s parking assets. Continuation of Scott-Balice’s contract will allow NJ TRANSIT to continue to receive the financial expertise needed to support, value, and market this transaction.

PURPOSE

NJ TRANSIT requires specialized financial expertise in support of this project. NJ TRANSIT’s public-private partnership objectives include maintaining and improving parking services and levels, expanding existing capacity, maintaining high safety and security standards, providing positive future fiscal impacts and optimizing the value of parking assets. Following Board authorization in April 2010 to engage Scott-Balice, NJ TRANSIT staff and the firm began a comprehensive effort to structure the public-private partnership program for the management and development of NJ TRANSIT’s parking assets throughout the state. Extensive work has been done to date in assessing the viability and marketability of alternate financing structures for existing and new parking facilities. During the initial contract year, Scott-Balice has performed portfolio analysis, financial modeling, valuation of parking assets, document development, industry outreach to identify potential bidders and initiation of the procurement process. Scott-Balice’s responsibilities will include continued valuation modeling, structuring and creation of the final request for proposal process, evaluation of responses, facilitation of negotiations, assistance in the development of the appropriate form of innovative financing arrangements, and facilitation of the closing process.

The scope of the work required for this effort was substantially broader and more comprehensive than NJ TRANSIT originally estimated. This authorization will allow NJ TRANSIT to continue to access the financial expertise necessary to develop a program to optimize the value of its parking asset portfolio and structure appropriate financings and public/private transactions, while addressing the financial issues associated with these transactions.

ACTION (Scorecard: Financial Performance)

Staff seeks authorization to amend the contract with Scott-Balice to act as NJ TRANSIT’s financial advisor to implement a strategy for maximizing revenue from NJ TRANSIT’s parking assets at a cost not to exceed \$490,000, for a total contract authorization of \$950,000, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization:	\$490,000
Projected Date of Completion:	NA
Anticipated Source of Funds:	Operating Budget
Related/Future Authorizations:	N/A
Impacts on Subsequent Operating Budgets:	FY2012 Operating Budget

RESOLUTION

WHEREAS, NJ TRANSIT has engaged a financial advisor to develop a potential public-private partnership (“P3”) for its parking assets; and

WHEREAS, in support of NJ TRANSIT’s objective of maximizing the value and return from its parking assets, maintaining and improving parking services and levels, expanding existing capacity, providing positive future fiscal impacts and maintaining safety and security standards, engagement of a public-private partnership advisor, Scott-Balice Strategies, has helped NJ TRANSIT begin to implement a public-private partnership program; and

WHEREAS, Scott-Balice completed the initial phase of the P3 process; and

WHEREAS, NJ TRANSIT requires continued financial advice from Scott-Balice to implement a strategy for maximizing revenue from the NJ TRANSIT’s parking assets;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to extend the contract with Scott-Balice to act as NJ TRANSIT’s financial advisor to implement a strategy for maximizing revenue from NJ TRANSIT’s parking assets at a cost not to exceed \$490,000, for a total contract authorization of \$950,000, subject to the availability of funds.

ITEM 1107-42: ANNUAL NOTICE OF MEETINGS

BENEFITS

The By-Laws, as amended, for the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. state that the regular meetings of the Board of Directors be held on the second Wednesday of each month. The June meeting will serve as the Annual Meeting. The Annual Notice of Meetings is transmitted to newspapers, filed with the Secretary of State, posted at NJ TRANSIT headquarters and mailed to any person who requests it.

Unless otherwise noted in the annual notice (Exhibit A), or as otherwise modified by the Board during the year in accordance with the Open Public Meetings Law, meetings will be held on the second Wednesday of each month at NJ TRANSIT headquarters in Newark, New Jersey, with the exception of at least two of the meetings during Fiscal Year 2012 that may be held at different locations within the State.

PURPOSE

The Open Public Meetings Law, P.L. 1975, c.231 requires that the public be given adequate notice of meetings of public bodies. Section 13 specifically provides that at least once each year, within seven days following the annual organization or reorganization meeting, a public body must provide adequate notice of the schedule of regular meetings to be held during the succeeding year. The schedule must contain the location, to the extent known, the time and the date of each meeting.

ACTION (Scorecard: Corporate Accountability)

Adopt the Annual Notice of Meetings (Exhibit A) for all of the Board of Directors meetings during Fiscal Year 2012.

FISCAL IMPACTS

Requested Authorization:	Adopt Annual Notice of Meetings
Anticipated Source of Funds:	N/A
Projected Date of Completion:	June 30, 2012
Diversity Goal:	N/A

RESOLUTION

WHEREAS, pursuant to the Open Public Meetings Law, P.L. 1975, c.231, an annual notice of regular meetings of the Board of Directors must be disseminated; and

WHEREAS, the Annual Notice of Meetings must be prominently posted in one public place reserved for announcements of this type, transmitted to newspapers, filed with the Secretary of State, and mailed to any person who requests it; and

WHEREAS, the By-Laws, as amended, for the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., NJ TRANSIT Morris, Inc. provide that regular meetings shall be held on the second Wednesday of each month except as otherwise noted in the Annual Notice of Meetings; and

WHEREAS, the June meeting will serve as the annual meeting;

NOW, THEREFORE, BE IT RESOLVED that the Annual Notice of Meetings, Exhibit A, for all of the Board of Directors' meetings during Fiscal Year 2012 is adopted; and

BE IT FURTHER RESOLVED that the Annual Notice of Meetings shall be disseminated in accordance with the provisions of the Open Public Meetings Law, P.L. 1975, c.231.

EXHIBIT A

ANNUAL NOTICE OF MEETINGS: FISCAL YEAR 2012

**NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.**

In accordance with the "Open Public Meetings Law," P.L. 1975, c.231, the above organizations will hold regular meetings, open to the public, at 9:00 a.m. on the second Wednesday of each month for the period July 1, 2011 through June 30, 2012, except as noted below.

The June meeting will serve as the annual meeting.

Unless otherwise indicated, meetings will be held at NJ TRANSIT's corporate headquarters in Newark, New Jersey. The meetings will convene at 9:00 a.m. in the Board Room at NJ TRANSIT's Headquarters, One Penn Plaza East, Ninth Floor, Newark, New Jersey.

The specific dates are as follows:

July 13, 2011 (Location: Secaucus, NJ)
August 10, 2011
September 14, 2011
October 12, 2011
November 9, 2011
December 13, 2011, Second Tuesday of the Month
January 11, 2012
February 8, 2012
March 14, 2012
April 11, 2012
May 9, 2012
June 13, 2012

ITEM 1107-43: ANNUAL DESIGNATION AND BOARD COMMITTEE MEMBERSHIP SELECTION

BENEFITS

NJ TRANSIT and its subsidiaries are governed by its statute, regulations and By-Laws. The New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150 provides that the Commissioner of Transportation serve ex officio as Chairman of the New Jersey Transit Corporation Board of Directors, and the Vice Chairman shall be selected annually, as stated in Article III, Section 2 of the NJ TRANSIT By-Laws.

Article II, Section 11 of the NJ TRANSIT By-Laws establish and structure the membership of the Board Committees so that they shall be composed of a Chairman of the Committee, who shall be appointed by the Chairman of the Board, and up to two additional members who shall be selected by and serve at the pleasure of the Chairman of the Board. Each committee consists of no more than three Board members with, in some cases, an alternate, and meets on a monthly or as-needed basis. The committees' membership is outlined in Exhibit A.

PURPOSE

The effect of this item is to fulfill the statutory and By-Law requirements of the annual designation of the Vice Chairman of the Board. Appointments are also being made to all Board Committees.

ACTION (Scorecard: Corporate Accountability)

Approval of this item will designate Bruce M. Meisel to serve as Vice Chairman of the Board of Directors through June 2012 and appoint the members of all Board Committees as set forth in Exhibit A.

FISCAL IMPACTS

Requested Authorization:	Designation of officer, committee membership authorization
Anticipated Source of Funds:	N/A
Projected Date of Completion:	June 30, 2012
Diversity Goal:	N/A

RESOLUTION

WHEREAS, the New Jersey Public Transportation Act of 1979, P.L. 1979, c.150 requires the annual designation by the NJ TRANSIT Board of Directors of a Vice Chairman of the Board; and

WHEREAS, Article III, Section 2 of the NJ TRANSIT By-Laws also provides that the Board Vice Chairman be designated annually, and that the Commissioner of Transportation serve as Chairman; and

WHEREAS, the Chairman of the Board is charged with the selection of Board Committee members and recommendations to the committee membership are proposed in Exhibit A;

NOW, THEREFORE, BE IT RESOLVED that Bruce M. Meisel is designated as Vice Chairman of the New Jersey Transit Corporation Board of Directors to serve a term through June 30, 2012; and

BE IT FURTHER RESOLVED that the membership of the Board Committees is adopted as set forth in Exhibit A.

EXHIBIT A

FISCAL YEAR 2012 BOARD COMMITTEES

Administration Committee

Flora Castillo, Chair
Johanna B. Jones, Governor's Representative
Steve Petrecca, Treasurer's Representative

Audit Committee

James C. Finkle Jr, Chair
Myron P. Shevell
Steve Petrecca, Treasurer's Representative

Capital Planning, Policy and Privatization Committee

Myron P. Shevell, Chair
Bruce Meisel
Johanna B. Jones

Customer Service Committee

Flora Castillo, Chair
Johanna B. Jones, Governor's Representative
James C. Finkle Jr.