

**NJ TRANSIT BOARD MEETING  
MINUTES  
OPEN SESSION  
7/14/2010**

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

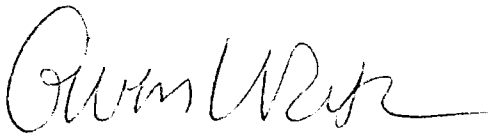
**NJ TRANSIT**  
One Penn Plaza East  
Newark, NJ 07105-2246  
973-491-7000

July 16, 2010

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., and NJ Transit Mercer, Inc., Board of Directors held on Wednesday, July 14, 2010.

Sincerely,



Gwen A. Watson  
Board Secretary

Enclosures

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

July 16, 2010

Dear Governor Christie:

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Sincerely,

A handwritten signature in black ink, appearing to read "Gwen A. Watson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gwen A. Watson  
Board Secretary

Enclosures

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

**NJ TRANSIT BOARD MEETING  
NARRATIVE  
OPEN SESSION  
7/14/2010**

(NJT Board – 07/14/2010)

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, July 14, 2010.

**Present:**

James S. Simpson, Chairman  
Myron P. Shevell, Vice Chairman  
Deborah L. Gramiccioni, Governor's Representative  
Steve Petrecca, Treasurer's Representative  
Flora Castillo  
Kenneth E. Pringle

James Weinstein, Executive Director  
Gwen A. Watson, Board Secretary  
Lynn Bowersox, Assistant Executive Director, Communications & Customer Service  
James Gigantino, Vice President & General Manager, Bus Operations  
Kevin O'Connor, Acting Vice President & General Manager, Rail Operations  
Kim Vaccari, Chief Financial Officer & Treasurer  
Steve Santoro, Assistant Executive Director, Capital Planning & Programs  
Alma Scott-Buczak, Assistant Executive Director, Human Resource  
Leotis Sanders, Vice President, Office of Civil Rights and Diversity Programs  
Warren A. Hersh, Auditor General  
Kenneth Worton, Deputy Attorney General

Chairman James S. Simpson convened the Open Session at 9:10 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 Kenneth E. Pringle, seconded by Deborah L. Gramiccioni and unanimously adopted.

Chairman Simpson reconvened the Open Session at 9:47 a.m. and asked for a motion to adopt the minutes of the June 16, 2010 meetings. A motion was made by Myron P. Shevell, seconded by Steve Petrecca and adopted.

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

**HEAT WAVE**

Executive Director Weinstein acknowledged that the extremely hot weather has made the commute challenging at times over the last two weeks. When the temperature soars above 90 and 100 degrees, even minor delays are uncomfortable. Unfortunately, many rail riders experienced significant delays last week stemming from heat-related issues, including overhead wire and power problems, as well as trains disabled by equipment failures. The steps taken to mitigate the equipment overheating have made an improvement, but NJ TRANSIT is not letting its guard down as high temperatures are expected to continue.

(NJT Board – 07/14/2010)

To thank customers for their forbearance and to cool them off a bit, NJ TRANSIT handed out water to riders at Hoboken Terminal, Newark Penn Station and New York Penn Station last week, thanks to the donation from one of NJ TRANSIT's partners, Commuter Check. Another partner, New Jersey-based Shoprite, will be on hand at Hoboken tomorrow to distribute water to customers as temperatures are expected to soar once again. Executive Director Weinstein thanked Commuter Check and Shoprite for their partnership.

## **FISCAL YEAR 2011 BUDGET**

Executive Director Weinstein will present today the Fiscal Year 2011 operating and capital budgets for the Board's consideration. The programs reflect NJ TRANSIT's commitment to operating efficiently with the lowest growth budget in NJ TRANSIT's history, which positions the agency to be a stronger and more financially-stable company. This year's operating and capital programs will target the most critical infrastructure and equipment needs, while preserving important capacity expansion projects.

### **OPERATING BUDGET**

The proposed \$1.79 billion operating budget reflects stable state operating assistance, thanks to Governor Christie and the Legislature. NJ TRANSIT recognizes that this represents a deep commitment to transit riders in these unprecedented budget times.

This budget addresses a projected gap of approximately \$300 million, with a combination of efficiencies, a fare increase and new commercial revenues.

### **CAPITAL BUDGET**

Executive Director Weinstein said the \$1.35 billion capital program focuses on critical infrastructure and state-of-good repair needs, while supporting the ongoing fleet modernization program. This item and other Board items for action highlight the continued procurement of more than 1,400 new buses, 100 more of the popular multilevel rail cars and 10 additional dual mode locomotives. The new equipment replaces aging equipment in the fleet. For example, the multilevel rail cars have replaced the older fleet, enhancing reliability as well as adding capacity for future growth. New buses are replacing transit and suburban buses that will have exceeded their 12-year lifespan, like the 1994 Flixibles and 1995 Novas, and are eligible for replacement under Federal Transit Administration guidelines. Also, this capital investment offsets certain expenses for parts because of new equipment warranties, providing some relief to the operating budget. The program includes \$296 million to advance important capacity expansion projects such as ARC, Portal Bridge and the extension of Hudson-Bergen Light Rail to 8<sup>th</sup> Street in Bayonne.

On the rail side, the budget will support state-of-good repair projects, with \$85.5 million in the capital program included for: track and tie replacement; inspection and replacement of bridges; electric traction and signal improvements and the ongoing locomotive overhaul program. The program will also address bus and light rail state-of-

(NJT Board – 07/14/2010)

good-repair needs, including \$2 million for Newark Light Rail infrastructure improvements and \$72 million toward the purchase of new buses.

In addition, the capital budget invests in rail station improvements at Newark Penn and Ridgewood stations as well as inspections and repairs at stations and facilities throughout the system. Roughly half of the capital budget comes from the State, with the balance coming from federal and other sources.

### **QUIET COMMUTE**

On the customer service front, as NJ TRANSIT continues to look for ways to improve the commuting experience for riders, this fall NJ TRANSIT will conduct a pilot program to test the feasibility of offering Quiet Cars on trains, a request the agency has often received from customers. This makes NJ TRANSIT the largest transit agency in the country and the only one in the metropolitan region to offer quiet cars. In fact, this is one of the most popular suggestions NJ TRANSIT has received from its customers online. The “Quiet Commute” program is an effort to balance the needs of those passengers who wish to stay connected while enroute with those who want to relax or work in a quiet atmosphere without distractions. Starting after the Labor Day holiday on September 7th, the 90-day pilot will be conducted weekdays on all 3900-series Northeast Corridor trains that operate express to and from the outer zone stations of Trenton, Hamilton and Princeton Junction. NJ TRANSIT has designated the first and last cars of each of these trains for Quiet Commute, as they are easily identifiable, with seating on a first-come, first-served basis. In Quiet Commute cars, customers will be asked to refrain from cell phone use and to disable the sound features on pagers, phones, games, laptop computers and PDAs. They will also be asked to keep conversation to a minimum and to speak only in quiet voices. The pilot program will help determine the level of interest and acceptance of Quiet Commute on NJ TRANSIT trains, giving us the opportunity to evaluate and refine the program on our busiest trains at the busiest times before a possible system-wide roll-out. During the Quiet Commute pilot, NJ TRANSIT will be encouraging customer and employee feedback, which will be collected onboard and online at [www.njtransit.com](http://www.njtransit.com) as well as through electronic surveys sent to customers. NJ TRANSIT encourages customers to let them know if this program makes their commutes better and to tell NJ TRANSIT if they think it should be expanded. Executive Director Weinstein will report back to the Board with the results.

### **LEADERSHIP PROGRAM RECOGNITION**

Executive Director Weinstein recognized employees who have graduated from the 12-month Leadership Training Program. The program was created by Bus Operations to enhance workforce skills, and performance and leadership training. Executive Director Weinstein congratulated: Stephanie Boston, Luis Calisto, Robert Gilligan, Katrina Osborne, George Piper and Michael Zuccaro.

### **CHIEF, NJ TRANSIT POLICE DEPARTMENT**

Executive Director Weinstein was pleased to announce the appointment of Christopher Trucillo as the new Chief of NJ TRANSIT Police, following a comprehensive selection process that included an extensive, nationwide search. Mr. Trucillo, who hails from Old

(NJT Board – 07/14/2010)

Bridge, New Jersey, was previously the Chief of Police at the Port Authority of New York & New Jersey, where he worked for more than 20 years. During his tenure, he served in a number of capacities, including Inspector/Commanding Officer for the Port Authority Bus Terminal and Newark Liberty International Airport, two of the busiest facilities in the country. While at the Port Authority, Mr. Trucillo also was selected to oversee the search and rescue of missing police officers following the September 11<sup>th</sup> attacks on the World Trade Center, and was the primary contact for the officers' families. He most recently was the Director of Public Safety at John Jay College in New York City and an adjunct professor at Seton Hall University in the College of Education & Human Services Graduate Program. To help with the nationwide search, NJ TRANSIT reached out to the International Association of Chiefs of Police, the world's largest non-profit membership organization of police executives. Executive Director Weinstein thanked them for their assistance in helping to identify an extraordinary slate of candidates for this position. Policing a transit system presents unique law enforcement challenges that require a unique leader and executive, and Executive Director Weinstein is confident that Chris Trucillo is that unique individual and welcomed him to the NJ TRANSIT team.

Executive Director Weinstein recognized and thanked Acting Chief Joe Kelly and Deputy Chief Kevin Amberg for all of their hard work and dedication during the year. Executive Director Weinstein said both individuals chose early on not to throw their hats into the recruitment pool, but Executive Director Weinstein said they did outstanding jobs.

Executive Director Weinstein introduced Acting Vice President/General Manager of Rail Operations Kevin O'Connor, following the retirement of Bill Duggan. Kevin has been Deputy Vice President/General Manager for several years and is doing a terrific job.

Chairman Simpson expressed best wishes to Mr. Trucillo and said it is great to have him at NJ TRANSIT.

Chairman Simpson said Quiet Commute is a great idea.

### **Advisory Committee**

Suzanne Mack presented the Advisory Committee report and congratulated staff for working with commuter groups regarding the budget. Ms. Mack thanked Governor Christie and the new Administration for getting everything together and said they did the best they could with a tough budget. Ms. Mack said an item on today's agenda is the Senior Citizen and Disabled Resident Transportation Assistance Program that will help senior citizens and people with disabilities. It is a great program and it is very critical for hospitals and businesses that rely on this program.

Ms. Mack said it was a good sign that there was not much ridership diversion from the fare increase and said the fare increase only works if you don't divert riders.

There will be a meeting shortly with Chairman Simpson, Executive Director Weinstein and Board Member Pringle along with South Jersey Chair Anna Marie Gonnella to discuss issues important to the committees.

(NJT Board – 07/14/2010)

Ms. Mack thanked Governor Christie for renewing the Transportation Trust Fund for one year and said she knows he has a myriad of issues to deal with but hopes he finds a permanent solution for the Trust Fund.

### **Public Comments on Agenda Items**

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

Murray Bodin commented on Item 1007-38 Atlantic City Jitney Association Vehicle Purchase and said NJ TRANSIT has to change its way of thinking about low floor buses. He traveled around the world and has seen what is equivalent to low floor jitney buses. If NJ TRANSIT does not buy low floor buses, it is not planning ahead for the next 10 years. Mr. Bodin also said the Mass Transit Tunnel project was well planned and designed for the next 25 years.

David Peter Alan, on behalf of the Lackawanna Coalition, said he could not comment in a meaningful manner on Item 1007-34 Fiscal Year 2011 Operating Budget and Item 1007-35 Fiscal Year 2011 Capital Program because neither he nor the public has enough information to do so. The public has been given an aggregate number, along with a few large sums for items like railcars, buses and dual-mode locomotives, but they have not seen any balance sheets, income statements or statements of sources and uses of funds that are used in the budget items. By no means can the information given to the public at today's meeting be considered in reasonable compliance with the New Jersey's Open Public Meetings Act.

There is a great deal of talk about transparency in government in New Jersey, both from the Governor and the Legislature. Yet, the public is told essentially nothing, except an aggregate number when it comes to spending by NJ TRANSIT. To make matters worse, everything is decided in a closed door "executive session" out of public access. This is an insidious practice and must not continue. The riders of NJ TRANSIT and the taxpayers of New Jersey are intended beneficiaries of the transportation services the company provides. In both those capacities, the public has a right to know how the money is being spent. Mr. Alan requests that all deliberations on the budget items be suspended until the public is given an opportunity to view the same information about the budget that is given to members of the NJ TRANSIT Board and also an opportunity to comment on all items prior to any further Board deliberations.

It is particularly distressing that NJ TRANSIT continues to press for wasting billions of dollars for their proposed "deep cavern" terminal, while the Moynihan/Penn Station First Plan supported by the representatives of New Jersey's rail riders, as well as some of the State's most influential opinion leaders, would save the taxpayers of this State over \$3 billion, yet it remains the object of active hostility by transit management. At the same time, NJ TRANSIT pursues policies that discourage transit use, and implements service cuts and massive fare increases, especially for discretionary rail riders who use the trains outside of peak commuting times.

(NJT Board – 07/14/2010)

Mr. Alan said no detail was furnished to the public about any of today's expenditures, except grants for senior and disabled transportation and that is probably because these grants come from several different programs. As a person who cares about transportation for seniors and persons with disabilities, Mr. Alan supports these grants. Still, even that level of detail is missing from the rest of today's agenda. Mr. Alan said he cannot comment on those items, except to say that this Board needs to wait until the public is fully informed before taking action.

Jack May commented on Item 1007-37 Contract to Purchase 100 Multilevel Passenger Vehicles. Mr. May is not convinced that it is necessary to spend \$279 million for 100 more multilevel vehicles. He said the current railcars are perfectly usable so he asked about the need to spend the money now to purchase new railcars. Mr. May also questioned the need for a \$9 million contract with LTK Engineering for quality assurance and project management services. If NJ TRANSIT is satisfied with the rail cars it has so far purchased from Bombardier, there should be no need for an engineering consultant.

Joseph M. Clift commented on Item 1007-35 Fiscal Year 2011 Capital Program and said the rail advocate-proposed Moynihan/Penn Station First alternative to the current Mass Transit Tunnel project scope of work would reduce the cost by over \$3 billion and should be given serious consideration. The Mass Transit Tunnel and the required Portal Bridge Capacity Enhancement project are currently estimated to cost \$10.4 billion to begin operations, up \$2 billion from two years ago. Even if \$3 billion in scarce Port Authority funds and \$3 billion in not-yet-committed Federal Transit Administration funds are provided, \$4.4 billion must be funded from other sources, twice the other source funding required two years ago. Current funding plans include "borrowing" \$1.2 billion in Federal Highway Administration road capital funds. There is no guaranteed source of separate funding to cover the total current cost estimate for the Mass Transit Tunnel and Portal and the potential for taking money from other projects is very real. The current Fiscal Year 2011 Mass Transit Tunnel and Portal Bridge capital budget approved by the New Jersey Legislature includes \$147 million in New Jersey Transportation Trust Fund funds and \$77 million in Federal Highway funds for the Mass Transit Tunnel and Portal Bridge, proving that other projects are already losing out. At the current appropriations rate, it will take 15 years for the Federal Transit Administration New Starts funds to reach NJ TRANSIT, exerting an additional requirement for bridge funds. Mr. Clift said New Jersey should learn from the experience of New York's MTA as it experiences severe capital budget problems as it seeks to fulfill its full funding grant agreement obligations on the East Side Access Project.

James T. Raleigh said he has been actively involved in budget committees and has a different perspective on the Transportation Committee. Mr. Raleigh said the budget signed by Governor Christie was negotiated by the Legislature and the Governor's Office and not the Transportation Committee. Mr. Raleigh is concerned about doing business as usual as the Board goes into executive session and the open session agenda is distributed when the Board returns to open session. The public does not have time to review the agenda. Mr. Raleigh said he had 35 minutes to review the open session agenda which is not enough time to provide public input. He suggested the public review the agenda three days prior to the meeting.

(NJT Board – 07/14/2010)

Board Member Pringle said the budgets were not discussed in executive session.

David Peter Alan, Vice Chairman, Senior Citizen and Disabled Resident Transportation Assistance Program, appreciated the opportunity to speak on behalf of Chairman Rich Bartello. Mr. Alan said an important item on the agenda today is Item 1007-45 NJ TRANSIT Grant Programs: Local Transportation for Senior Citizens, Persons with Disabilities, Rural and Economically Disadvantaged Residents. The grants for this program are funded by casino revenue to help senior citizens and disabled residents who are need of public transportation. Mr. Alan commended the Legislature for increasing the casino revenue tax but more funding is needed for these programs. Mr. Alan extended an open invitation to the Board and members of public to attend an Advisory Committee meeting with suggestions for this program. He said there needs to be a cooperative effort to find efficient ways to deliver transportation to people who need it the most. Mr. Alan thanked Suzanne Mack for recognizing the Senior Citizen and Disabled Resident Transportation Assistance Program and said this vital issue will become more important as time goes by.

Executive Director Weinstein presented the following Action Items for approval:

**1007-34: FISCAL YEAR 2011 OPERATING BUDGET**

Authorization is requested to approve the Fiscal Year 2011 Operating Budget, which is proposed for \$1,789.1 million. The budget assumes an increase of only 0.5 percent while NJ TRANSIT continues its commitment to operate as efficiently as possible. This is the lowest growth rate in NJ TRANSIT history and is well below the rate of inflation. Authorization of this budget will also allow the agency to continue to expend funds to meet obligations until the adoption of the Fiscal Year 2012 budget, will allow the execution of various agreements to advance the Private Carrier Capital Improvement Program, continue bus rehabilitation, debit and credit card processing and settlement services, marketing programs as well as provide the local share and other in-kind services for federal or state capital or operating funds.

Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was unanimously adopted.

**1007-35: FISCAL YEAR 2011 CAPITAL PROGRAM**

The agency's Fiscal Year 2011 Capital Program totals \$1.35 billion. The program continues investments in infrastructure to improve the overall state-of-good-repair, improve reliability and safety and supports future expansions. Included is funding to continue the 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 and bus stations and bus shelters. Also provided is funding for the new trans-Hudson tunnel, the new Portal Bridge and the Hudson-Bergen Light Rail 8<sup>th</sup> Street Extension. About 60 percent of this funding is dedicated to fixed expenses which include debt

(NJT Board – 07/14/2010)

service, mandated programs and earmarks as well as eligible capital maintenance expenses for both bus and rail. Authorization of this budget will allow staff to take the necessary steps to secure funds from various sources and initiate capital projects.

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

Board Member Pringle said having the budget available to the public beforehand is a good point and recommended going forward to have it posted on the website. He said the budget is a work in progress until the final Board review, but summaries and projections can be posted.. Board Member Pringle asked Executive Director Weinstein to develop a process for the upcoming fiscal year.

**1007-36: DUAL-POWERED PASSENGER LOCOMOTIVES: PURCHASE OF 10 OPTION PASSENGER LOCOMOTIVES AND CONTRACT AMENDMENT FOR CONSULTANT SERVICES FOR ENGINEERING ASSISTANCE**

In the summer of 2008, the Board approved a contract with Bombardier Transit Corporation for 26 dual powered locomotives which are currently in the design process, as well as options for an additional 63. These locomotives are included in the fleet modernization plan and provide for replacement of aging diesel locomotives. They will be able to operate on 37 percent of the system that is not electrified for planned one-seat, direct rail service into New York. Authorization is requested to exercise an option to purchase an additional 10 locomotives from Bombardier at a cost not to exceed \$78,849,571 plus five percent for contingencies. At the same time, authorization is requested to amend the existing contract with STV, Incorporated to continue engineering assistance during the manufacture of these option locomotives. The cost will not exceed \$330,000 plus five percent for contingencies.

Myron P. Shevell recused himself from voting on this item. Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was adopted.

**1007-37: CONTRACT TO PURCHASE 100 MULTILEVEL PASSENGER VEHICLES AND CONTRACT FOR CONSULTANT SERVICES FOR ENGINEERING ASSISTANCE**

NJ TRANSIT continues to replace the aging rail cars with new Multilevel vehicles with 2/2 fixed seating, indirect lighting, wide aisles and large vestibules and increased comfort and capacity. So far, NJ TRANSIT has 329 of these new cars in service. After a competitive procurement process, authorization is requested to purchase 100 additional Multilevel push-pull rail cars from Bombardier Transit Corporation at a cost not to exceed \$279,561,900 plus five percent for contingencies. Also required are engineering, quality assurance, testing and project management

(NJT Board – 07/14/2010)

services during the manufacture of these cars, and authorization is requested to approve a contract with LTK Engineering Services at a cost not to exceed \$9,215,342 plus five percent for contingencies.

Myron P. Shevell recused himself from voting on this item. Kenneth E. Pringle moved the resolution, Steve Petrecca seconded it and it was adopted.

Chairman Simpson said a public comment was made asking why it is necessary to purchase 100 additional Multilevel vehicles now and why is it necessary to pay an engineering consultant \$9 million.

Executive Director Weinstein said the answer is twofold – the fleet plan calls for replacement of the aging Arrow III vehicles that are on the system now with Multilevel vehicles and second, the consultant services are necessary for contract oversight.

Assistant Executive Director Steven Santoro said the consultant is necessary for day to day vendor oversight. The engineering consultant provides vendor oversight since there is minimal staff in-house to perform that function. This is a new procurement and the vehicle that is delivered will be very similar to the existing multilevel fleet but not exactly the same as the previous order. Component suppliers on this contract may be different than those on the contract that supplied the multilevels now in service. In addition, there are reporting requirements to the Federal Transit Administration and Federal Railroad Administration for which a fair amount of work needs to be done.

Assistant Executive Director Santoro said recent negotiations with the selected consultant eliminated some of the potential for duplication of work since some documents were already produced. Therefore, the consultant actual cost should be significantly lower than the amount requested in the authorization.

Chairman Simpson said technology has also changed and there will be system improvements that riders do not see.

Board Member Pringle said another reason that the Multilevel vehicles are replacing the Arrow III vehicles is for more passenger capacity on the trains. NJ TRANSIT cannot wait to order the Multilevel vehicles since the production time is lengthy. Since the economy is slow, it is a good time to purchase the vehicles. He noted that this item was discussed thoroughly at the Capital Planning Committee. Board Member Pringle said he appreciates the public input and said their questions are valid and he also appreciates the opportunity to explain why this purchase is being made at this time.

(NJT Board – 07/14/2010)

Chairman Simpson said transparency is important to this Board and to staff. The Board is not a rubber stamp and there will be continuous improvement as we move forward.

**1007-38: ATLANTIC CITY JITNEY ASSOCIATION VEHICLE PURCHASE: CONTRACT AMENDMENT TO PURCHASE 60 OPTION VEHICLES AND AMENDMENT TO BOARD ITEM 0911-84**

The Atlantic City Jitney Association provides fixed route minibuses service in Atlantic City, including shuttle service to and from the Atlantic City Rail Terminal and Convention Center, which complements local bus service. The fleet currently being operated must be retired and authorization is requested to exercise an option to an existing contract with Jersey Shore Bus Sales/Starcraft Division for 60 minibuses. The Jitney Association secured a federal earmark to fund the minibus purchase for \$3,175,020. Authorization is also requested to approve an amendment to Board Item 0911-84 from November 2009 which will allow NJ TRANSIT to enter into a Master Equipment Sale and Maintenance Agreement and other agreements or letters with the Atlantic City Jitney Association and individual franchise owners governing the sale and utilization of these vehicles.

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

**1007-39: RAIL RADIO NARROWBANDING: SOLE SOURCE PROCUREMENT**

In December, 2004, the Federal Communications Commission (FCC) issued rules regarding more efficient use of radio frequencies. Nationally, all passenger and freight railroads must implement 'narrowbanding' which expands the available channels from 12 to 24 and reduces interference. This will require that every radio and radio system used by NJ TRANSIT Rail and Police be reprogrammed or replaced. The FCC requires full compliance by January 1, 2013. Staff is working to have all narrowbanding completed by July of 2012 in order to ensure all radios are compliant and in synch with other railroads. Sole source authorization is requested for these radios and control panels in vehicles and base stations, since the original equipment manufacturer must enable the modifications. The list of original vendors is included as Attachment A to the Board item. Authorization is requested for \$2,757,150 plus five percent for contingencies.

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

(NJT Board – 07/14/2010)

**1007-40: UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS AND RATINGS**

In addition to annual inspections by NJ TRANSIT staff, every five years, each of NJ TRANSIT's 659 undergrade bridges undergoes an in-depth inspection, load rating and evaluation. Authorization is requested for three separate contracts to perform these in-depth inspections at 143 undergrade bridges and underwater inspections of seven bridges. The selected firms are TranSystems for a cost of \$633,804, IH Engineers for \$666,520 and HNTB Corporation for \$679,138. All contracts have a five percent contingency.

Deborah L. Gramiccioni moved the resolution, Steve Petrecca seconded it and it was unanimously adopted.

**1007-41: BUS PURCHASE: CONTRACT AMENDMENT FOR REGULATORY CHANGES AND PRODUCT IMPROVEMENTS**

Three years ago, the Board authorized the purchase of 1145 transit and suburban buses from North American Bus Industries to replace a portion of the aging fleet. Subsequent to that, the United States Environmental Protection Agency (USEPA) promulgated new diesel exhaust emissions regulations, which have been phased in during the last several years. These new regulations, along with other requirements such as GPS, cellular modems, back up cameras and LED interior lighting, resulted in a price increase which reduced the amount of available contingency. Authorization is requested to increase the contract in an amount not to exceed \$34,039,875 to accommodate the price increases due to the USEPA mandated engines and additional safety enhancements.

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

**1007-42: PORT AUTHORITY BUS TERMINAL CUSTOMER COMMUNICATION UPGRADES: CONTRACT AMENDMENT**

Improvements to the Port Authority Bus Terminal's control center are underway and will provide faster ticketing, variable message signs, public address system improvements, closed circuit television cameras and improved communications with buses and bus starters, enhancing security and operations at the terminal. Staff has developed new software systems for handheld devices for bus starters and terminal supervisors which will improve customer information, operations supervision and management reporting. Authorization is requested to amend the existing contract with Daidone Electric Inc. in the amount of \$493,650 in order to implement these technology upgrades.

Myron P. Shevell recused himself from voting on this item. Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was adopted.

(NJT Board – 07/14/2010)

**1007-43: COMMUNITY MOBILITY AND LOCAL PROGRAMS: PURCHASE OF TWO INTERCITY BUSES**

The Rural and Small Urban Area Program of the Federal Transit Administration provides operating, administrative and capital assistance for transportation services in small urban and rural areas. NJ TRANSIT is required to set aside a portion of each annual allocation to specifically support intercity bus serving residents in rural areas, providing connections to larger regional or national systems of intercity bus services. Authorization is requested to purchase two cruiser buses from Motor Coach Industries for \$1,106,364 with a one percent contingency. These buses will be leased to Academy Bus which will operate this rural access from Ocean County to New York City.

Flora Castillo moved the resolution, Steve Petrecca seconded it and it was unanimously adopted.

**1007-44: HUDSON-BERGEN LIGHT RAIL LITIGATION SUPPORT: COMPENSATION OF EXPERT CONSULTANT**

Trauner Consulting Services, Inc. is an established firm providing comprehensive construction claims consulting including expertise in delays/scheduling/claims analysis and tunneling/engineering. The New Jersey Office of the Attorney General, Division of Law has retained Trauner Consulting Services, Inc. which has been working for NJ TRANSIT in defending a lawsuit filed by Twenty-First Century Rail Corporation, the Design-Build-Operate-Maintain contractor for the Hudson-Bergen Light Rail MOS-II project, and its subcontractor, Frontier-Kemper/Shea/Bemo, Joint Venture. Authorization is requested to continue to reimburse Trauner Consulting Services Inc. through the end of this year in an amount not to exceed \$2,000,000.

Steve Petrecca moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

**1007-45: 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 transitioning from welfare. 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 assist a variety of private non-profit organizations, counties, county improvement authorities and municipalities in meeting residents' needs.

(NJT Board – 07/14/2010)

Authorization is requested to implement these programs for Fiscal Year 2011, as well as approval to award contracts for competitively procured vehicles. The Senior Citizen and Disabled Resident Transportation Assistance Program amounts to \$29,099,000, the federal formula programs total \$16,597,457, and the special appropriations such as Congressional appropriations and CMAQ monies total \$5 million.

Flora Castillo moved the resolution, Deborah L. Gramiccioni seconded it and it was unanimously adopted.

Executive Director Weinstein presented the following Consent Calendar for approval:

**1007-46: COMPENSATION OF SPECIAL COUNSEL FOR CAPITAL PROJECTS**

Authorization to compensate Hill Wallack of Princeton, New Jersey, as Special Counsel for property acquisition and condemnation services at an amount not to exceed \$670,000, subject to the availability of funds.

The Consent Calendar was moved in its entirety by Myron P. Shevell, seconded by Flora Castillo and unanimously adopted.

**Public Comments on Non-Agenda Items**

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

John Costa, Amalgamated Transit Union, said he is concerned for his membership and for the people of New Jersey. He said the Administration's privatization committee report has been made public and the riding public is being taken for a ride. There is diminished public transit and what is available is being given to the private carriers. He also said the Governor is not doing anything about the Transportation Trust Fund. Mr. Costa said a bill passed both houses to put a non-voting member on the NJ TRANSIT Board of Directors and the non-voting member would be from the largest union at NJ TRANSIT. Mr. Costa wants to know why this has not happened.

Murray Bodin, New York resident, said he sees how things go on from the other side of the river and said there needs to be better integration between MetroNorth and NJ TRANSIT. People need to be brought to train stations with jitneys and shuttle buses. Parking lots are not mass transit, but buses are. Mr. Bodin said integration could include purchasing vehicles, ticketing information and technology systems.

David Peter Alan said America's over-dependence on petroleum is causing this nation tremendous difficulty. In response to the Gulf oil catastrophe, the State of New Jersey has seen fit to discourage transit use by cutting service and raising fares, some by an unprecedented amount. It has also seen fit to encourage oil consumption by keeping highway user fees low, whether they are paid at the gas pump or the toll booth. These transportation policies, recently implemented by the Christie Administration and NJ TRANSIT, went into effect before the Gulf oil tragedy. Still, the fortuity of the timing

(NJT Board – 07/14/2010)

of the implementation does not in any way justify the continuation of policies that discourage transit use and encourage highway use in what should be the Garden State.

These detrimental policies must be replaced with new ones that encourage transit, while making the best use of the scarce dollars available. The state needs more transit, not less, so riders can get where they want to go and make convenient connections. The fares should encourage people to use transit rather than the automobile. Also needed are projects that create utility as they are built, rather than many years into the future. The Moynihan/Penn Station First Project is a case in point. It will provide convenient connections among all of NJ TRANSIT's rail lines, as well as Amtrak, the Long Island Railroad and potential future service on MetroNorth at an enhanced Moynihan/Penn Station hub. It will also save over \$3 billion, compared to the proposed "deep cavern" terminal, which would not allow access to the East Side or convenient access to the streets of the West Side.

The current MTA "East Side Access" project, like the proposed "deep cavern" terminal, is useless until it is completed. Funding for that project becomes increasingly doubtful as the MTA has just implemented severe service cuts to close a budget shortfall. Mr. Alan called for the State of New Jersey and NJ TRANSIT to take a realistic look at the long term financial picture and build new tracks and tunnels into Moynihan/Penn Station. It makes good transit sense and it makes good economic sense

Joseph M. Clift said, in the interest of full disclosure and good communications, he requests that NJ TRANSIT agree to provide a minimum of two public presentations on changes in the Mass Transit Tunnel project since the Record of Decision was issued 18 months ago. Mr. Clift said the requested presentations would be given to the Mass Transit Tunnel Regional Citizen's Liaison committee attendance list at a Newark location and the second presentation to the Manhattan Community Boards Four & Five (combined) at a community board designated location. Mr. Clift said there have been significant changes in the Mass Transit Tunnel project since the Record of Decision was issued and, to date, have not been presented to the public in a manner where questions can be addressed by qualified project representatives. Changes include: repackaging of the Manhattan tunnels and caverns excavation contracts; reorientation of entrance #1 at 8<sup>th</sup> Avenue, including the taking of 2,50 square feet of public plaza space; elimination of entrance #2 pedestrian entrance at 7<sup>th</sup> Avenue, leaving only two ADA escalators, apparently forcing displaced pedestrians into existing overloaded Penn Station entrances; expansion of entrance #3 at 7<sup>th</sup> Avenue and the subsequent decision to take, rather than modify, the building at 201 West 34<sup>th</sup> Street; and the expansion of entrance #4 at 6<sup>th</sup> Avenue and the subsequent decision to take, rather than modify, the building at 110 West 34<sup>th</sup> Street which requires the displacement of 49 commercial tenants.

James T. Raleigh, President, Friends of Monmouth Battlefield, said the saga of the Monmouth-Ocean-Middlesex commuter rail study continues. He said one could ask where all the money has gone, but why bother since it was an item in the FY2010 budget and there was a draft major investment study. Mr. Raleigh thinks there is another study. Mr. Raleigh said there is a need to finish the study of environmental impacts, look at mitigation and make a decision. Not a town-by-town decision but a decision to improve transportation so people in Ocean County can get to New York City. Mr. Raleigh appreciated the open conduct at today's board meeting.

(NJT Board – 07/14/2010)

### **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 Kenneth E. Pringle and unanimously adopted. The meeting was adjourned at approximately 11:00 a.m.

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

JULY 14, 2010

<b>MINUTES</b>	<b>PAGE</b>
➤ EXECUTIVE SESSION AUTHORIZATION	42430
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	42431
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	42432
➤ ADVISORY COMMITTEE REPORTS	-
➤ BOARD COMMITTEE REPORT *Capital Planning, Policy & Privatization Committee	-
➤ PUBLIC COMMENTS ON AGENDA ITEMS	

**ACTION ITEMS**

<b>1007-34</b>	<b>FISCAL YEAR 2011 OPERATING BUDGET</b>  Authorization to adopt the proposed Fiscal Year 2011 operating budget as detailed in the item and on the attached Exhibits A, B and C.	<b>42450</b>
<b>1007-35</b>	<b>FISCAL YEAR 2011 CAPITAL PROGRAM</b>  Authorization to adopt the Fiscal Year 2011 Capital Program in the amount of \$1.35 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 take whatever actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to the adoption of the Fiscal Year 2011 Capital Program, including funds for THE Tunnel and Portal Bridge projects.	<b>42457</b>

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
NJ TRANSIT RAIL OPERATIONS, INC.  
NJ TRANSIT MERCER, INC.  
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS  
JULY 14, 2010  
MINUTES  
PAGE 2

**1007-36      DUAL-POWERED PASSENGER LOCOMOTIVES: PURCHASE OF 10      42472**  
**OPTION PASSENGER LOCOMOTIVES AND CONTRACT**  
**AMENDMENT FOR CONSULTANT SERVICES FOR ENGINEERING**  
**ASSISTANCE**

Authorization to exercise an option under the existing contract (No. 07-062) with Bombardier Transit Corporation of Bensalem, Pennsylvania, for the purchase of 10 option dual-powered locomotives, including spare parts, at a cost not to exceed \$78,849,571, plus five percent for contingencies, for a total contract authorization of \$408,209,487, subject to the availability of funds.

Authorization to amend the professional services contract (No. 05-098) with STV, Incorporated of New York, New York, for engineering assistance with the manufacture of the 10 option dual-powered locomotives at a cost not to exceed \$330,000, plus five percent for contingencies, for a total authorization of \$13,804,350, subject to the availability of funds.

**1007-37      CONTRACT TO PURCHASE 100 MULTILEVEL PASSENGER      42475**  
**VEHICLES AND CONTRACT FOR CONSULTANT SERVICES FOR**  
**ENGINEERING ASSISTANCE**

Authorization to contract (No. 09-067) with Bombardier Transit Corporation of Bensalem, Pennsylvania, for the purchase of 100 Multilevel push-pull rail cars and spare parts, at a cost not to exceed \$279,561,900, plus five percent for contingencies, for a total contract authorization of \$293,539,995, subject to the availability of funds.

Authorization to contract (No. 09-068) with LTK Engineering Services of Ambler, Pennsylvania, for engineering, quality assurance, testing, and project management services for the manufacture of the 100 Multilevel push-pull rail cars at a cost not to exceed \$9,215,342, plus five percent for contingencies, for a total contract authorization of \$9,676,110, subject to the availability of funds.

**1007-38      ATLANTIC CITY JITNEY ASSOCIATION VEHICLE PURCHASE:      42478**  
**CONTRACT AMENDMENT TO PURCHASE 60 OPTION VEHICLES**  
**AND AMENDMENT TO BOARD ITEM 0911-84**

Authorization to exercise the option in the contract (No. 10-009) with Jersey Shore Bus Sales/Starcraft Division of Forest River, Inc. of Elkhart, Indiana, for the purchase of 60 minibuses in an amount not to exceed \$3,175,020, for a total contract authorization of \$5,397,534, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION  
 NJ TRANSIT BUS OPERATIONS, INC.  
 NJ TRANSIT RAIL OPERATIONS, INC.  
 NJ TRANSIT MERCER, INC.  
 REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS  
 JULY 14, 2010  
 MINUTES  
 PAGE 3

Authorization to amend Board Item 0911-84 to enter into a Master Equipment Sale and Maintenance Agreement between NJ TRANSIT and the Atlantic City Jitney Association, and to enter into the appropriate Agreements/Letter Amendments with the Atlantic City Jitney Association and individual jitney franchise owners governing the sale and utilization of the vehicles.

- |                |  |              |
|----------------|--|--------------|
| <b>1007-39</b> | <b>RAIL RADIO NARROWBANDING: SOLE SOURCE PROCUREMENT</b>   | <b>42481</b> |
|                | Authorization to enter into sole source procurements with the original vendors outlined in Attachment A to purchase radios, radio control panels, and radio base stations, at a total cost not to exceed \$2,757,150, plus five percent for contingencies.   |              |
| <b>1007-40</b> | <b>UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS AND RATINGS</b>  | <b>42485</b> |
|                | Authorization to enter into three separate contracts with TranSystems of Paramus, NJ (09 -108D); IH Engineers, P.C. of Princeton, NJ (09 -108E); and HNTB Corp. of Wayne, NJ (09 -108F) to perform in-depth structural inspections, evaluations, and load ratings of 143 undergrade bridges and underwater diving inspections of seven undergrade bridges, at costs not to exceed \$633,804, \$666,520 and \$679,138 respectively, for a total cost of \$1,979,462, plus five percent for contingencies, subject to the availability of funds. |              |
| <b>1007-41</b> | <b>BUS PURCHASE: CONTRACT AMENDMENT FOR REGULATORY CHANGES AND PRODUCT IMPROVEMENTS</b>  | <b>42488</b> |
|                | Authorization to amend the existing contract (No. 06-085) with North American Bus Industries of Anniston, Alabama, to provide for additional funding for the new diesel engines to comply with the US Environmental Protection Administration regulations and to provide for the installation of additional safety and security equipment on transit buses, at a cost not to exceed \$34,039,875 for a new total contract authorization of \$464,405,434, subject to the availability of funds.  |              |
| <b>1007-42</b> | <b>PORT AUTHORITY BUS TERMINAL CUSTOMER COMMUNICATION UPGRADES: CONTRACT AMENDMENT</b>   | <b>42491</b> |
|                | Authorization to amend the contract (No. 09-049X) with Daidone Electric, Inc. of Newark, New Jersey, for additional construction related to technology upgrades at a cost not to exceed \$493,650, for a new total contract authorization of \$3,536,550, subject to the availability of funds.  |              |

NEW JERSEY TRANSIT CORPORATION  
 NJ TRANSIT BUS OPERATIONS, INC.  
 NJ TRANSIT RAIL OPERATIONS, INC.  
 NJ TRANSIT MERCER, INC.  
 REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS  
 JULY 14, 2010  
 MINUTES  
 PAGE 4

**1007-43      COMMUNITY MOBILITY AND LOCAL PROGRAMS: PURCHASE OF TWO INTERCITY BUSES      42494**

Authorization to contract (No. 10-087) with Motor Coach Industries, Inc. of Schaumburg, Illinois, for the purchase of two cruiser-type buses in an amount not to exceed \$1,106,364, plus one percent for contingencies, subject to the availability of funds.

**1007-44      HUDSON-BERGEN LIGHT RAIL LITIGATION SUPPORT: COMPENSATION OF EXPERT CONSULTANT      42497**

Authorization to reimburse Trauner Consulting Services, Inc., of Philadelphia, Pennsylvania, for expert consultant services an additional amount of \$2,000,000 for a total authorization of \$7,000,000, subject to the availability of funds.

**1007-45      NJ TRANSIT GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS      42500**

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

- FY2011 Senior Citizen and Disabled Resident Transportation Assistance Program, as set forth in Exhibit B, for a total program amount of \$29,099,000 funded by the Casino Revenue Tax.
- FY2011 FTA Section 5311 Rural and Small Urban Areas Program, as set forth in Exhibit C, for a total program amount of \$3,772,577 which includes \$2,658,386 in federal funds and \$1,114,191 as the NJ TRANSIT share of local match.
- FY2011 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$99,404 in federal funds to supplement the New Jersey Community Transportation Training Program at no cost to NJ TRANSIT.
- FY2011 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program at a cost not to exceed \$4,820,658 which includes \$3,856,526 in federal funds and \$964,132 as the NJ TRANSIT share of local match.

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
NJ TRANSIT RAIL OPERATIONS, INC.  
NJ TRANSIT MERCER, INC.  
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS  
JULY 14, 2010  
MINUTES  
PAGE 5

- FY2011 FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program at a cost not to exceed \$4,804,818 which includes \$3,804,818 in federal funds and \$1,000,000 in funds from the New Jersey Department of Human Services subject to the availability of funds. No NJ TRANSIT match is required for this program as it is provided by the local provider.
- FY2010 FTA Section 5317 New Freedom (NF) Program at a cost not to exceed \$3,100,000 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 under the FY2011 budget at a cost not to exceed \$5,000,000.

**CONSENT CALENDAR**

<b>1007-46</b>	<b>COMPENSATION OF SPECIAL COUNSEL FOR CAPITAL PROJECTS</b>	<b>42512</b>
	Authorization to compensate Hill Wallack of Princeton, New Jersey, as Special Counsel for property acquisition and condemnation services at an amount not to exceed \$670,000, subject to the availability of funds.	

**PUBLIC COMMENTS ON NON-AGENDA ITEMS**

**EXECUTIVE SESSION AUTHORIZATION**

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

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

**APPROVAL OF MINUTES**

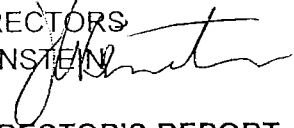
**WHEREAS**, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. Board of Directors be approved by the Board; and

**WHEREAS**, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the June 16, 2010, Board meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc. and NJ TRANSIT Mercer, Inc. were forwarded to the Governor on June 17, 2010;

**NOW, THEREFORE, BE IT RESOLVED** that the minutes of actions taken at the June 16, 2010 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. Board of Directors' meetings are hereby approved.

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 14, 2010  
**SUBJECT:** EXECUTIVE DIRECTOR'S REPORT – JULY 2010

This month, we present the Fiscal Year 2011 operating and capital budgets for the Board's consideration. The program reflects our commitment to operating efficiently with the lowest growth budget in NJ TRANSIT's history, which positions the agency to be a stronger and more financially-stable company.

The proposed \$1.79 billion operating budget reflects stable state operating assistance, thanks to Governor Christie and the legislature. We recognize this represents a deep commitment to transit riders in these unprecedented budget times. This budget addresses a projected gap of approximately \$300 million, with a combination of efficiencies, a fare increase and new commercial revenues, which I have previously detailed.

The proposed \$1.35 billion capital program focuses on critical infrastructure and state-of-good repair needs, while supporting our ongoing fleet modernization program. This item and others for action today highlight our continued procurement of more than 1,400 new buses, as well 100 more of our popular multilevel rail cars, and 10 additional dual-mode locomotives. The new equipment replaces aging equipment in our fleet, enhancing reliability and adding capacity for future growth. In addition, this investment offsets certain expenses for parts because of new equipment warranties, providing some relief to the operating budget.

The capital program includes \$296 million to advance important capacity expansion projects such as ARC, Portal Bridge and the extension of Hudson-Bergen Light Rail to 8th Street in Bayonne. The budget will support state-of-good repair needs with \$85.5 million for rail projects, \$2 million for Newark Light Rail infrastructure improvements and \$72 million toward the purchase of new buses. In addition, the capital budget invests in rail station improvements at Newark Penn and Ridgewood stations, as well as inspections and repairs at stations and facilities throughout the system.

On the customer service front, starting September 7, we will conduct a 90-day pilot program to test the feasibility of offering Quiet Cars on our trains—a request we have often received from customers—making us the largest transit agency in the country and the only one in the metropolitan region to offer this amenity. Our "Quiet Commute" program is an effort to balance the needs of those passengers who wish to stay connected while en route with those who want to relax or work in a quiet atmosphere without distractions. The pilot will be conducted weekdays on all 3900-series Northeast Corridor trains that operate express to and from Trenton, Hamilton and Princeton Junction stations, with the first and last car of each train designated for Quiet Commute. During the Quiet Commute pilot, we will be encouraging customer and employee feedback, which will be collected onboard and online at njtransit.com as well as through electronic surveys sent to customers.

Finally, I am pleased to announce the appointment of Christopher Trucillo as the new Chief of NJ TRANSIT Police, following a comprehensive selection process that included a nationwide search. Chief Trucillo was previously the Chief of Police at the Port Authority of New York & New Jersey, where he worked for more than 20 years and served in a number of capacities, including Inspector/Commanding Officer for the Port Authority Bus Terminal and Newark Liberty International Airport. He most recently was the Director of Public Safety at John Jay College in New York City and an adjunct professor at Seton Hall University in the College of Education & Human Services Graduate Program. Policing a transit system presents unique law enforcement challenges that require a unique leader and executive. I am confident that Chief Trucillo is that unique individual and am proud to welcome him to the NJ TRANSIT team.

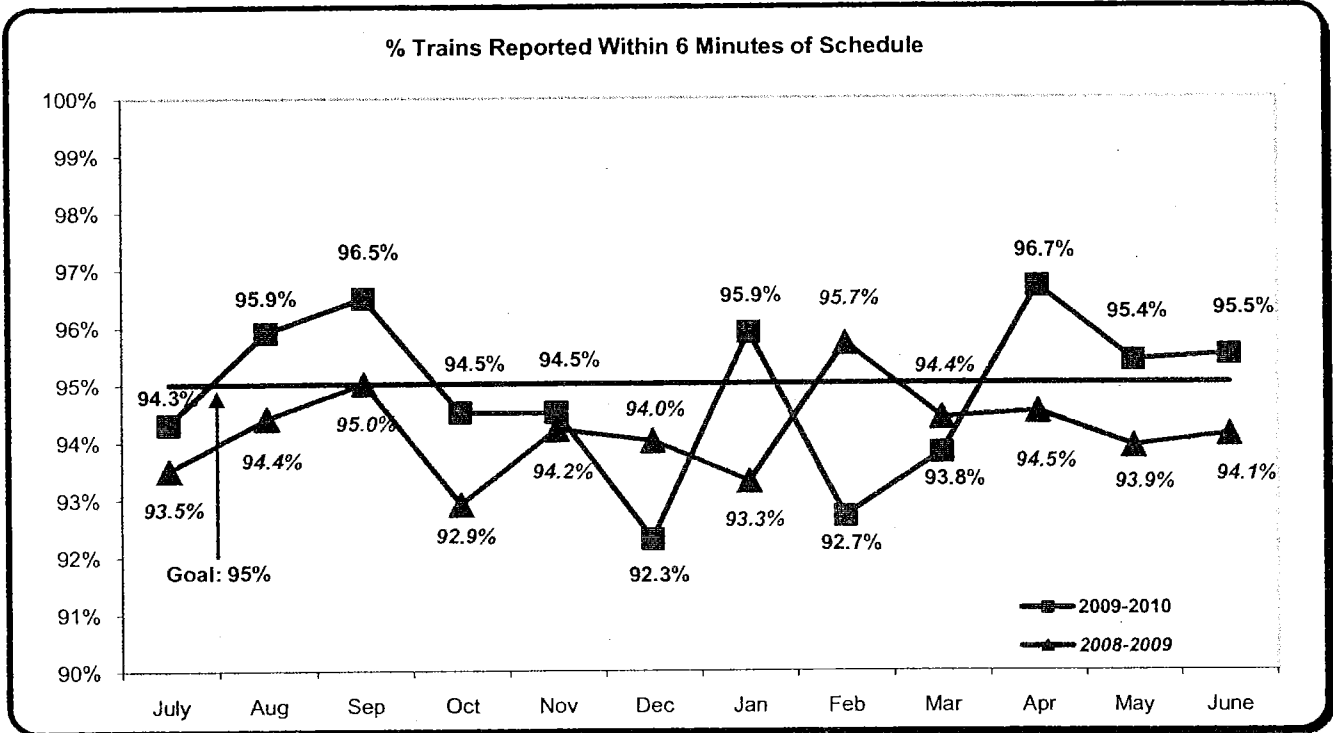
I would like to also recognize and thank Acting Chief Joe Kelly and Deputy Chief Kevin Amberg for all of their hard work and dedication during the year.

# **EXECUTIVE DIRECTOR'S MONTHLY REPORT JULY 2010**

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

# **PERFORMANCE MEASURES**

# ON-TIME PERFORMANCE RAIL JULY 2008 - JUNE 2010



	2009	2010	# Change
June Comparison	94.1%	95.5%	1.4%
12-Month Average July - June	2008-2009	2009-2010	# Change
	94.2%	94.8%	0.6%

**Analysis:**

Rail On-Time Performance was 95.5% for June 2010. Of the 18,267 trains scheduled to operate, 17,437 were on time, while 830 trains (or 4.5%) were delayed. Key causes included:

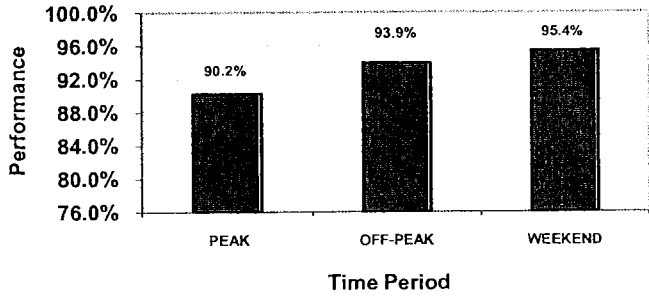
- An equipment problem on a train near Secaucus Junction on June 4.
- A disabled train just outside New York Penn Station on June 10.
- A disabled train in New York Penn Station on June 29.

The 12-month average for Rail On-Time Performance for July 2009 - June 2010 was 94.8%.

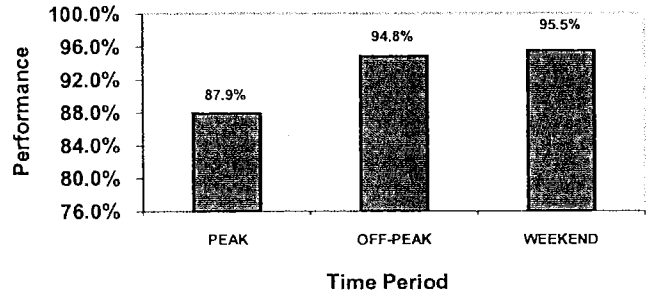
# ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD JUNE 2010

42437

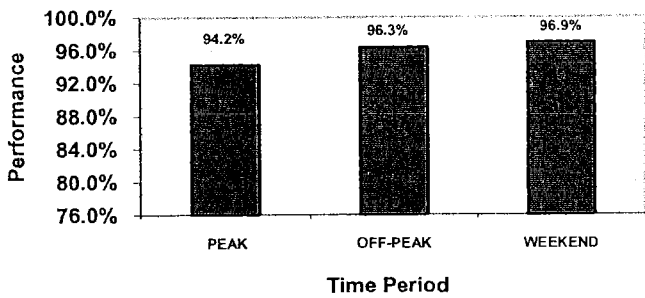
**NORTHEAST CORRIDOR**



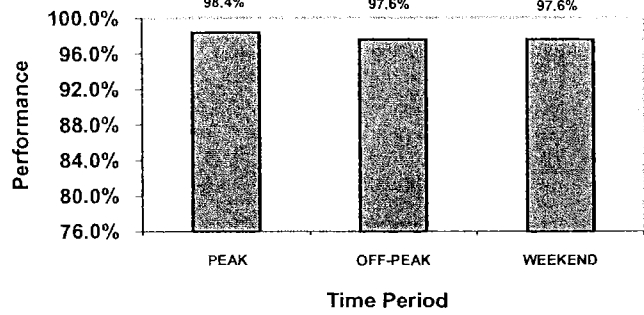
**NORTH JERSEY COAST LINE**



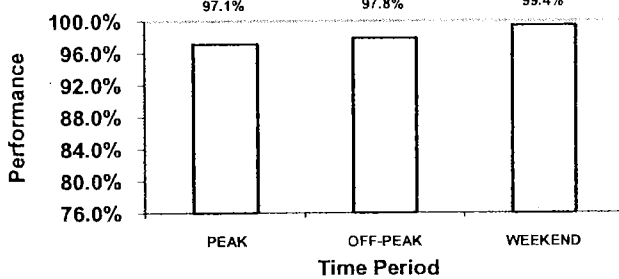
**MORRIS & ESSEX**



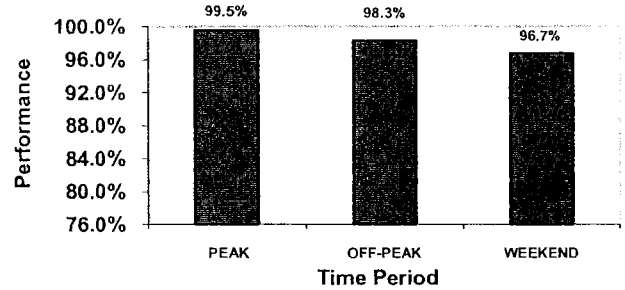
**RARITAN VALLEY LINE**



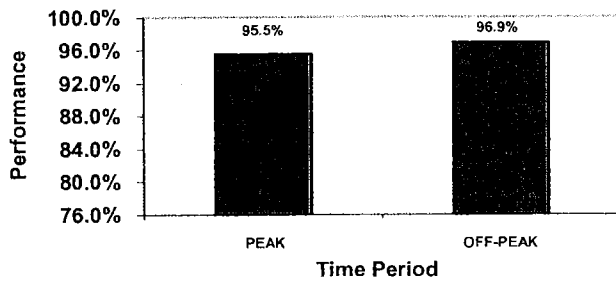
**MAIN-BERGEN**



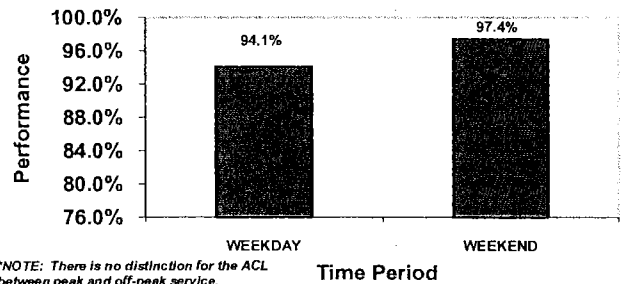
**PASCACK VALLEY**



**MONTCLAIR-BOONTON**



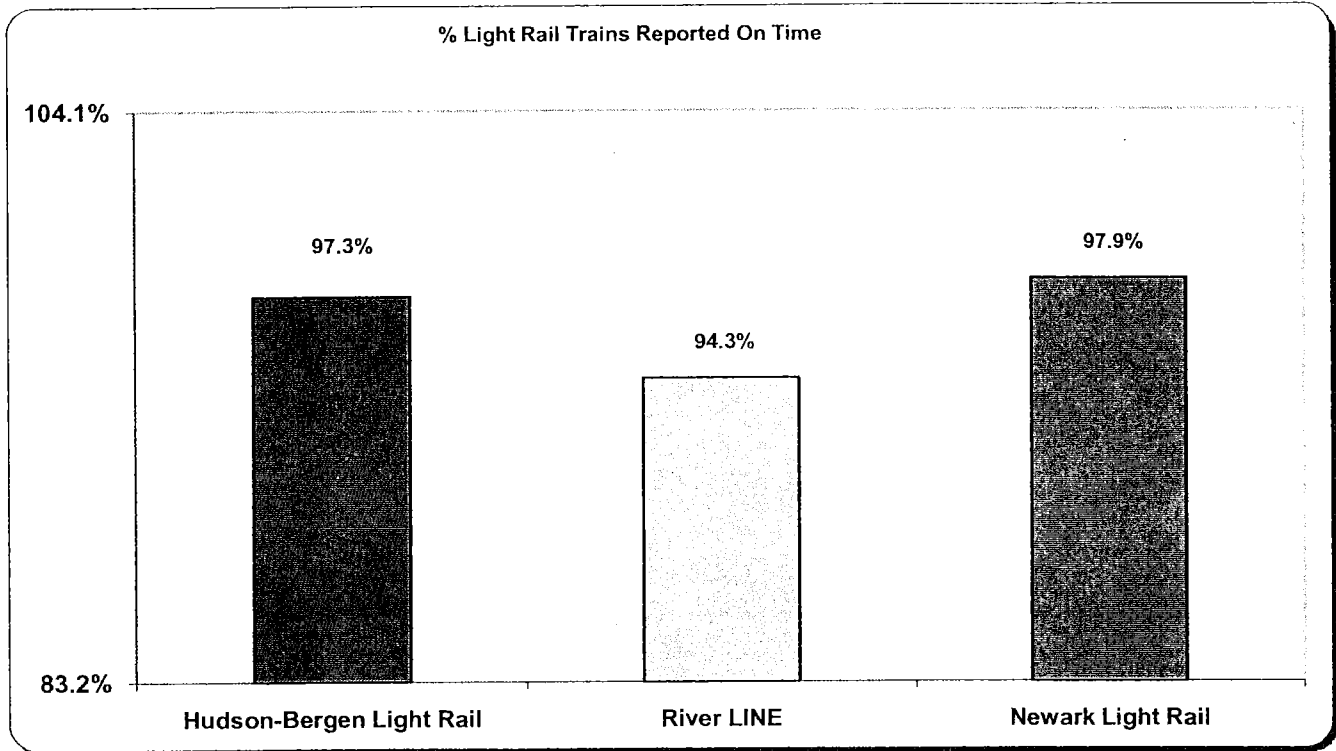
**ATLANTIC CITY\***



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

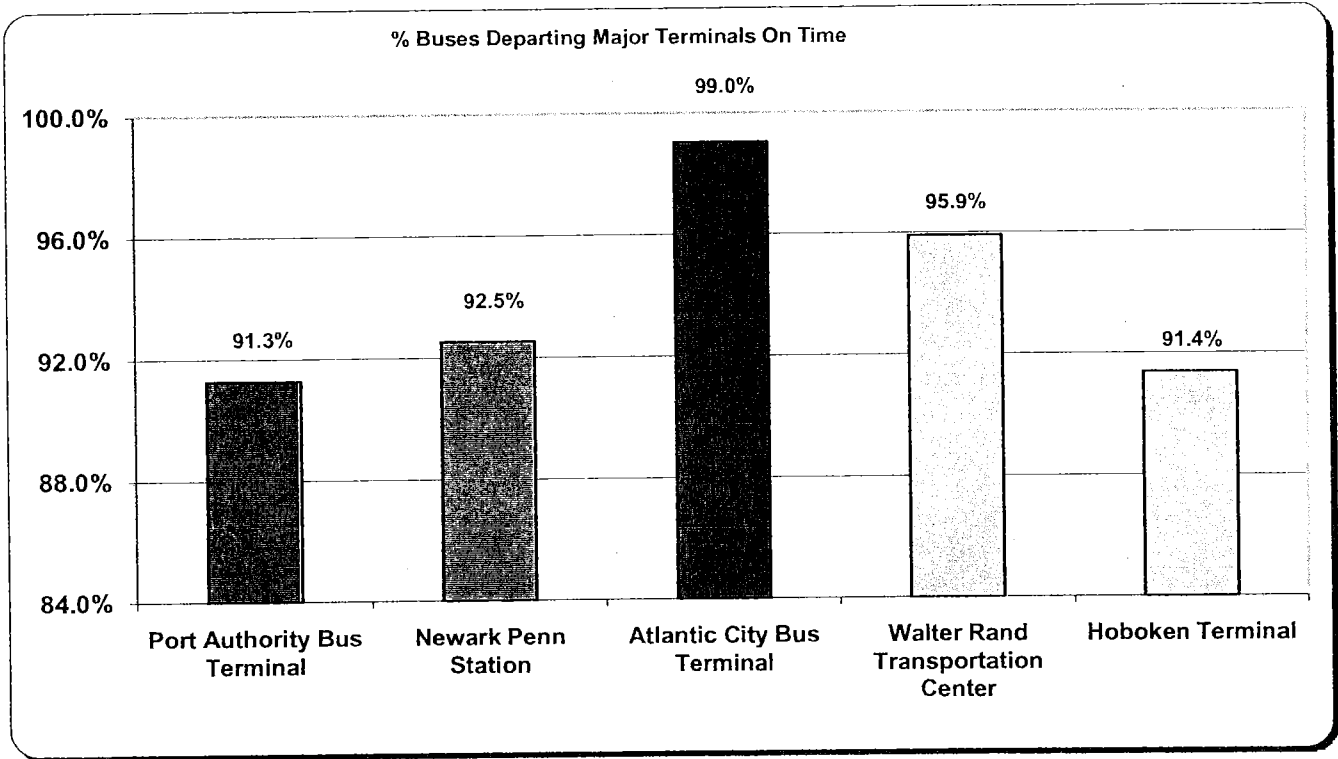
# ON-TIME PERFORMANCE LIGHT RAIL

## SUMMARY BY LINE JUNE 2010



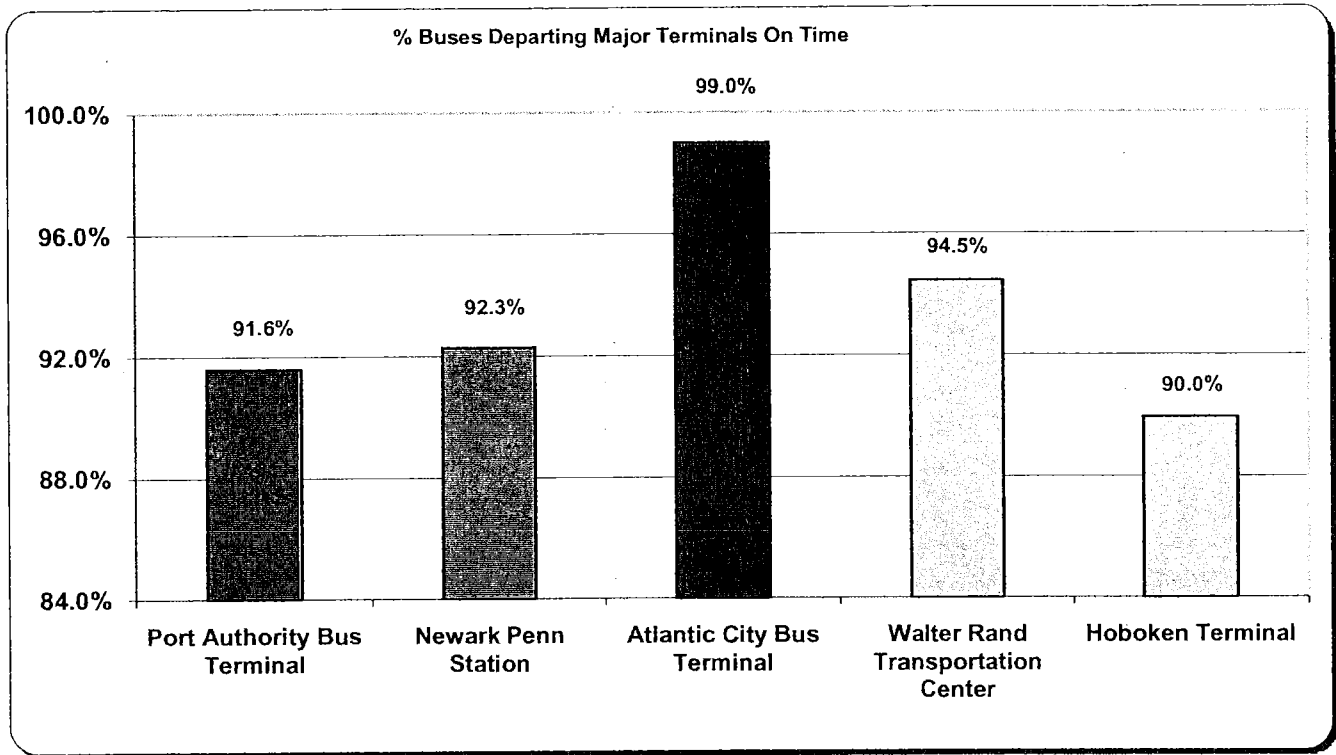
# ON-TIME PERFORMANCE BUS

## SUMMARY BY TERMINAL JUNE 2010



# ON-TIME PERFORMANCE BUS

## SUMMARY BY TERMINAL MAY 2010



# **DBE/MBE PROGRAM**

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

\$344,812,811 in federal funds were awarded during October through June of FY 10.\* Disadvantaged Business Enterprises (DBEs) were awarded \$31,986,313 or 9.3 percent, which includes both race conscious and race neutral awards.

**State Funded Contracts**

\$90,598,360 in state-funded contract dollars were awarded during July through June FY 10. \*\* Of that total, Small Business Enterprises (SBEs) received \$21,512,867 or 23.7 percent. Category 1 SBEs received \$751,750 or 0.8 percent. Category 2 SBEs received \$2,742,449 or 3 percent. Category 3 SBEs received \$1,885,392 or 2.1 percent. Category 4 SBEs received \$1,884,596 or 2.1 percent. Category 5 SBEs received \$14,213,680 or 15.7 percent. Category 6 SBEs received \$35,000 or 0.04 percent.\*\*\*

**Federal & State Contracts Total**

\$435,411,171 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$53,499,180 or 12.3 percent of federal and state contract dollars was won by DBEs and SBEs.

\*Fiscal year beginning October 1, 2009

\*\*Fiscal year beginning July 1, 2009

\*\*\*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

# **EMPLOYEE RECOGNITION**

**NJ TRANSIT employees bid farewell after outstanding careers**

Eighteen NJ TRANSIT employees retired in July with careers ranging from 7 to 40 years of service:

1. Myron Kleban (Florham Park) Manager Fac. Mgmt. & Const., Ferry Street – 40 years
2. Eduardo Pereira (Newark) Foreman II, CMF – 37 years
3. John Longmuir (Hamilton) Parts Clerk, Mercer Garage – 36 years
4. Robert Petriello (Beachwood) Foreman I, Howell Garage – 33 years
5. Antonio Occhiogrosso (Hazlet) Foreman II, Oradell Garage – 31 years
6. Richard Covello (Bloomfield) Mail Clerk, GOB – 28 years
7. Nhung Trinh (Caldwell) Mechanic “A,” Orange Garage – 28 years
8. Michael T. Pote (Williamstown) Asst. Transportation Supr., Egg Harbor – 27 years
9. Steve Charles (Toms River) Bus Operator, Howell Garage – 25 years
10. Charles Kilcrease (Avenel) Field Analyst Bus, Penn Plaza – 24 years
11. Paula Middleman (Willingboro) Foreman II, Washington Township – 24 years
12. Gwendolyn Maddox (Matawan) Depot Master, Oradell Garage – 23 years
13. Francis Dumashie (Newark) Bus Operator, Orange Garage – 18 years
14. Manuel Taira (Newark) Mechanic, Newark Shop – 18 years
15. Leonard Wheeler (Irvington) Bus Operator, Hilton Garage – 18 years
16. Joan J. Ruotolo (Jersey City) Cleaner, Meadowlands Garage – 10 years
17. Neville Yongkoon (Englewood) Bus Operator, Oradell Garage – 10 years
18. Jerome Palazzo (East Stroudsburg, PA) Regional Supervisor, GOB – 7 years

# **ACTION ITEMS**

**ITEM 1007-34: FISCAL YEAR 2011 OPERATING BUDGET****BENEFITS**

Staff seeks the Board's adoption of NJ TRANSIT's Fiscal Year 2011 Operating Budget and authorization to continue to expend funds to meet obligations until the adoption of a Fiscal Year 2012 Budget. The total operating budget is \$1,789.1 million. This assumes revenues of \$925.6 million in passenger and other system generated revenues, \$276.2 million in State Operating Assistance and \$587.3 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 FY 2011, NJ TRANSIT faced a budget gap of approximately \$300 million. This gap was primarily a result of loss of one-time federal stimulus funding and a decline in passenger revenue due to the economic downturn. To address this gap, NJ TRANSIT implemented a number of internal actions including the implementation of a 22 percent fare increase and the elimination of certain ticket discounts, cutting unproductive bus, rail, and light rail service, further reducing administrative costs, eliminating 200 positions, reducing executive management pay, reducing 401(k) matching contributions, eliminating all discretionary expense growth and embarking on an effort to generate additional value for our assets through a public/private partnership venture for our parking assets.

The proposed FY 2011 Operating Budget continues NJ TRANSIT's commitment to operating as efficiently as possible. The proposed Fiscal Year 2011 Operating Budget assumes an increase in expenses of only \$8.7 million or 0.5 percent compared to the Fiscal Year 2010 Budget, which is not only the lowest growth rate in agency history, but also significantly below the rate of inflation. Only contractual obligations and uncontrollable increases in parts, fuel and power have been increased over FY 2010.

**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 2011 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 2011 operating budget, staff is requesting authorization to continue to expend funds to meet NJ TRANSIT's obligations until the adoption of a Fiscal Year 2012 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**

Staff recommends the Board's adoption of the proposed Fiscal Year 2011 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.

## **FISCAL IMPACTS**

<b>Requested Authorization:</b>	\$1,789.1 million
<b>Total Project Cost:</b>	N/A
<b>Projected Date of Completion:</b>	June 30, 2011
<b>Anticipated Source of Funds:</b>	Passenger fares and other revenues State operating assistance Other State and Federal reimbursements
<b>Diversity Goals/Participation:</b>	N/A
<b>Related/Future Authorizations:</b>	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 2011 State Budget which includes appropriations for public transportation purposes; and

**WHEREAS**, staff has recommended a proposed Fiscal Year 2011 operating budget for NJ TRANSIT as detailed in the item and Exhibits A, B and C attached hereto; and

**WHEREAS**, the proposed Fiscal Year 2011 budget recognizes State operating assistance of \$276.2 million; and

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

**WHEREAS**, if the State's Fiscal Year 2012 Budget is not finalized prior to the June 2011 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 2012 budget prior to July 2011, it will be necessary to expend funds after July 1, 2011, prior to the final adoption of the Fiscal Year 2012 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 2011 operating budget item, resolution and attachments and until the adoption and approval of the Fiscal Year 2012 operating budget.

**EXHIBIT A****FISCAL YEAR 2011 OPERATING BUDGET REVENUES**

**Overview** **\$1,789.1m**

NJ TRANSIT's Fiscal Year 2011 operating budget is \$1,789.1 million, an increase of \$8.7 million or 0.5 percent compared to the Fiscal Year 2010 Budget. Specific assumptions are described below.

**Ridership/Passenger Revenue** **\$823.6m**

The Fiscal Year 2011 Budget includes passenger revenue of \$823.6 million, an increase of \$65.6 million over the Fiscal Year 2010 Budget. This increase is the net result of a 22 percent fare increase plus the elimination of certain fare discounts, projected to generate \$126.6 million, partially offset by a decrease of approximately \$61 million due to reduced ridership resulting from the economic downturn.

**Other Commercial Revenue** **\$102.0m**

Other commercial revenues are budgeted at \$102.0 million, an increase of \$17.4 million from the Fiscal Year 2010 Budget. It is anticipated that the additional revenue will be generated by a number of new initiatives including the expansion of our advertising program and generating additional value for our assets through a public/private partnership venture for our parking assets.

**State Operating Assistance** **\$276.2m**

Consistent with the State Budget proposed by the Governor and adopted by the Legislature, State operating assistance is budgeted at \$276.2 million in Fiscal Year 2011 or \$20 million less than the FY 2010 appropriation.

**Other State and Federal Reimbursements** **\$587.3m**

Other State and Federal reimbursements are budgeted at \$587.3 million, a decrease of \$54.3 million compared to the Fiscal Year 2010 Budget caused by loss of one-time federal stimulus funding from the American Recovery and Reinvestment Act (ARRA). Of this amount \$463 million will be used for eligible preventative maintenance activities.

**EXHIBIT B****FISCAL YEAR 2011 OPERATING BUDGET EXPENSES**

**Overview** **\$1,789.1m**

NJ TRANSIT expenses are budgeted at \$1,789.1 million, an increase of \$8.7 million or 0.5 percent compared to the Fiscal Year 2010 Budget.

It should be noted that service cuts totaling \$19.4 million are allocated to virtually all operating budget line items from labor and fringe costs to purchased transportation contracts. More specific assumptions are described below:

**Labor and Fringes** **\$1,041m**

Labor and fringes are budgeted at \$1,041.0 million, a decrease of \$2.8 million from the Fiscal Year 2010 Budget. This reduction is the result of limiting labor growth solely to contractually negotiated increases, eliminating 200 positions, adjusting budgeted fringe costs and reducing certain pension fund contributions.

**Fuel, Power, Materials and Supplies** **\$286.7m**

Fuel, power, materials and supplies costs are budgeted at \$286.7 million, an increase of \$9.1 million over the Fiscal Year 2010 Budget. Growth consistent with current market prices and new supply contracts was partially offset by reductions in bus and rail service.

**Purchased Transportation -** **\$202.2m**

Purchased transportation expenses are budgeted at \$202.2 million, which is virtually flat from the Fiscal Year 2010 Budget. A total of \$7.2 million in contractual growth was more than offset by \$7.3m in service and administrative reductions.

**Other Expenses** **\$259.2m**

All other expenses are budgeted at \$259.2 million, a net increase of \$2.5 million over the Fiscal Year 2010 Budget. This includes funding for outside services, utilities, claims and insurance, tolls, trackage fees and other miscellaneous costs. The budgeted increase in these expenses is primarily due to higher Amtrak costs, added credit card processing fees, and other increases in tolls and trackage costs.

EXHIBIT C

**NEW JERSEY TRANSIT CONSOLIDATED OPERATIONS  
FISCAL YEAR 2011 Proposed Operating Budget  
(\$ in millions)**

	<u>FY2010*</u>	<u>FY 2011</u>
<b><u>REVENUES:</u></b>		
Passenger Revenue	\$758.0	\$823.6
Other Revenue	84.6	102.0
<b>TOTAL REVENUE</b>	<b>\$842.6</b>	<b>\$925.6</b>
<b><u>OPERATING ASSISTANCE:</u></b>		
State Operating Assistance	296.2	276.2
Capital Transfers	463.0	463.0
Other Reimbursements	178.6	124.3
<b>TOTAL OPERATING ASSISTANCE</b>	<b>\$937.8</b>	<b>\$863.5</b>
<b><u>TOTAL REVENUE AND OPERATING ASSISTANCE</u></b>	<b><u>\$1,780.4</u></b>	<b><u>\$1,789.1</u></b>
<b><u>EXPENSES:</u></b>		
Labor and Fringe	\$1,043.8	\$1,041.0
Services	107.8	109.3
Fuel and Power	127.6	132.3
Materials and Supplies	150.0	154.4
Utilities	44.3	41.9
Claims and Insurance	27.7	27.4
Purchased Transportation	202.3	202.2
Tolls & Trackage Fees	46.4	54.6
Other	30.5	26.0
<b><u>TOTAL EXPENSES</u></b>	<b><u>\$1,780.4</u></b>	<b><u>\$1,789.1</u></b>

\* The FY 2010 budget is \$9.5 million less than the Board Approved Budget

**ITEM 1007-35: FISCAL YEAR 2011 CAPITAL PROGRAM****BENEFITS**

Consistent with NJ TRANSIT's Capital Investment Strategy, NJ TRANSIT's \$1.35 billion Fiscal Year 2011 Capital Program calls for continued investment in the state's transit infrastructure in order to improve the overall state-of-good-repair of the system, improve reliability and safety, and support future expansions. 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.

The program also provides funding to current and future expansions, including the construction of a new trans-Hudson tunnel, the construction of a new Portal Bridge, and the Hudson-Bergen Light Rail 8<sup>th</sup> Street Extension

Anticipated resources of \$1.35 billion are estimated to be available from federal, state and other sources in Fiscal Year 2011. A summary of the Fiscal Year 2011 Sources of Funds is presented in **Attachment 1**.

**Attachments 2 and 3** summarize funds and percent of the total program by category. Approximately 60 percent of the Fiscal Year 2011 Capital Program – \$819 million – is dedicated to fixed expenses, as follows:

- \$275 million will be spent on debt service related to the acquisition of buses, trains, locomotives and the construction of light rail projects.
- \$81 million will be spent using funds mandated for a specific use including the federal rural transit program, the federal Job Access Reverse Commute (JARC) program and other earmarks secured by the New Jersey Congressional Delegation.
- \$463 million will be spent to pay for eligible federal and Transportation Trust Fund (TTF) capital maintenance expenses for both rail and bus.

Approximately 40 percent of the program – or \$531 million – funds the basic capital program improvements needed to maintain and improve the transit system as follows:

- \$86 million will be invested in rail infrastructure improvement needs, including \$37.3 million to fund track and bridge improvements; \$11 million to fund electric traction and signal improvements on the railroad; and \$5 million to continue funding for locomotive reliability programs.
- \$85 million will be invested in bus and light rail infrastructure improvements, including \$2 million for infrastructure improvements on the Newark City Subway, \$72 million to annual payment to replace 200 Transit-style buses annually with

pay-as-you-go funds, and over \$3.5 million for Capital Asset Replacement Program funds for the River LINE and Hudson-Bergen Light Rail.

- \$53 million will be invested in system-wide improvements, including \$5.5 million for technology upgrades that improve efficiency.
- \$11 million will be invested in rail station improvements at Newark Penn Station and Ridgewood Station ADA Improvements.
- \$296 million is targeted for capacity expansion projects such as THE Tunnel, Portal Bridge and the 8<sup>th</sup> Street Extension of the Hudson-Bergen Light Rail.

## **PURPOSE**

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

## **ACTION**

Staff seeks the NJ TRANSIT Board of Directors' adoption of the Fiscal Year 2011 Capital Program in the amount of \$1.35 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 take whatever actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to the adoption of the Fiscal Year 2011 Capital Program, including funds for THE Tunnel and Portal Bridge projects.

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

## **FISCAL IMPACTS**

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

**Diversity Goal:** Included in individual contracts

***NJ Build* Amount:** None

**Related Authorizations:** NA

**Impacts on Subsequent  
Operating Budgets:** NA

## RESOLUTION

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

**WHEREAS**, the Fiscal Year 2011 Capital Program will address the needs of existing transit riders by ensuring system reliability and safety through state of good repair investments; addressing system capacity demands; and investing in planned system expansion; and

**WHEREAS**, in Fiscal Year 2011, the Capital Program will be consistent with the Annual Capital Investment Strategy submitted to the State Legislature; and

**WHEREAS**, the Fiscal Year 2011 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 2011 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 2011 Capital Program in the amount of \$1.35 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

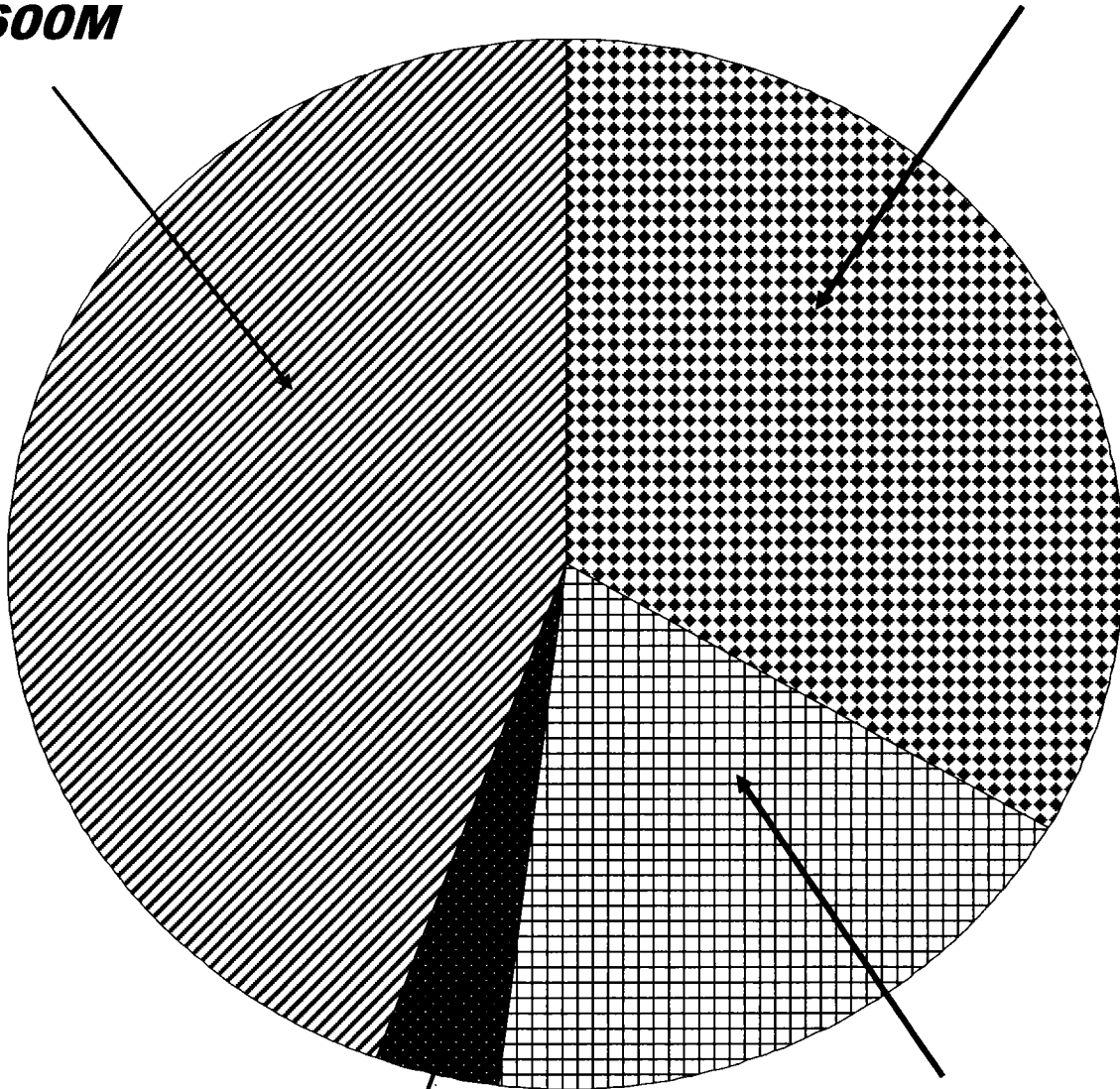
**BE IT FURTHER RESOLVED** that the Chairman or Executive Director is authorized to transfer funding sources and amounts among programmed projects as circumstances require in compliance with the terms and conditions of the grants and other funding sources; and

**BE IT FURTHER RESOLVED** that the Chairman or Executive Director is authorized to take whatever actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to the adoption of the Fiscal Year 2011 Capital Program, including funds for THE Tunnel and Portal Bridge projects.

**ATTACHMENT 1  
NJ TRANSIT  
FY11 CAPITAL PROGRAM  
Sources of Funds  
\$1.350 Billion**

**State  
\$600M**

**Federal  
Formula  
\$449M**



**Other  
\$50M**

**Federal  
FHWA Flex  
\$251M**

**ATTACHMENT 2  
NJ TRANSIT FY11 CAPITAL PROGRAM  
SUMMARY**

(\$ in millions)

<b>CATEGORY</b>	<b>AMOUNT</b>	<b>PERCENT</b>
<b>CAPITAL MAINTENANCE</b>	<b>\$ 463.000</b>	<b>34.3%</b>
<b>DEBT SERVICE</b>	<b>\$ 274.785</b>	<b>20.4%</b>
<b>PASS-THROUGH</b>	<b>\$ 81.291</b>	<b>6.0%</b>
<b>RAIL INFRASTRUCTURE IMPROVEMENTS</b>	<b>\$ 85.494</b>	<b>6.3%</b>
<b>RAIL STATION IMPROVEMENTS</b>	<b>\$ 11.010</b>	<b>0.8%</b>
<b>BUS/LIGHT RAIL IMPROVEMENTS</b>	<b>\$ 84.910</b>	<b>6.3%</b>
<b>SYSTEM-WIDE IMPROVEMENTS</b>	<b>\$ 53.106</b>	<b>3.9%</b>
<b>SYSTEM EXPANSION</b>	<b>\$ 296.008</b>	<b>21.9%</b>
<b>TOTAL</b>	<b>\$ 1,349.604</b>	<b>100.0%</b>





Attachment 3
NJ TRANSIT Fiscal Year 2011 CAPITAL PROGRAM
(\$ in Millions)

FEDERAL FUNDING

Table with columns: URBAN 5307, FIXED GUIDEWAY 5309, RURAL/DISABLED, NEW FREE DOM, EARMARK, FHWA FLEX, STP-TE, STATE, OTHER, TOTAL, Percentage of Total Program. Rows include Debt Service, RAIL (Rolling Stock-Rail, RAIL SUBTOTAL), BUS/LRT (Newark City Subway, BUS/LRT SUBTOTAL), NEW INITIATIVES (Hudson/Bergen LRT MOS, River Line Intermodal Improvements, NEW INITIATIVES SUBTOTAL), and Debt Service TOTAL.



Attachment 3  
NJ TRANSIT Fiscal Year 2011 CAPITAL PROGRAM  
(\$ in Millions)

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

	<u>URBAN</u> <u>5307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>5309</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>EARMARK</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
<b>Rail Infrastructure Improvements</b>											
<b><u>RAIL</u></b>											
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	2.000	0.000	2.000	
Fleet Overhauls	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.060	0.000	5.060	
FRA Mandates	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
NEC Joint Benefit Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	27.500	0.000	27.500	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.820	0.000	0.820	
Rail Rolling Stock Engineering Assistance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	
Right of Way Fencing	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000	0.000	1.000	
Signals&Communication/Electric Traction	3.936	0.000	0.000	0.000	0.000	0.000	0.000	6.628	0.000	10.564	
Track	0.000	17.000	0.000	0.000	0.000	0.000	0.000	2.500	0.000	19.500	
<b><u>RAIL SUBTOTAL</u></b>	<b>3.936</b>	<b>17.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>64.558</b>	<b>0.000</b>	<b>85.494</b>	<b>6.3%</b>
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<b>Rail Infrastructure Improvements TOTAL</b>	<b>3.936</b>	<b>17.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>64.558</b>	<b>0.000</b>	<b>85.494</b>	<b>6.3%</b>





**Attachment 3  
NJ TRANSIT Fiscal Year 2011 CAPITAL PROGRAM  
(\$ in Millions)**

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

	<u>URBAN</u> <u>5307</u>	<u>FIXED</u> <u>GUIDEWAY</u> <u>5309</u>	<u>RURAL/</u> <u>DISABLED</u>	<u>NEW</u> <u>FREE</u> <u>DOM</u>	<u>EARMARK</u>	<u>FHWA</u> <u>FLEX</u>	<u>STP-</u> <u>TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage</u> <u>of Total</u> <u>Program</u>
<b>Systemwide Improvements</b>											
<b>SYSTEMWIDE</b>											
Capital Program Implementation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	21.470	0.000	21.470	
Claims Support	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.000	0.000	2.000	
Emergency Response Capital Planning & Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.293	0.000	2.293	
Emergency Response Headquarters	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
Environmental Compliance	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
Non-Revenue Rolling Stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.220	0.000	0.220	
Park-N-Ride	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	3.000	
Penn Plaza Consolidation and Relocation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.300	0.000	1.300	
Photocopy Equipment Lease	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.800	0.000	0.800	
Physical Plant	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.450	0.000	1.450	
Security Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.610	0.000	2.610	
Study & Development	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.810	0.000	4.810	
Travel Demand Management	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.703	0.000	0.703	
Vanpool Sponsorship Program	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.400	0.000	0.400	
Vital Records	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.500	0.000	0.500	
<b>SYSTEMWIDE SUBTOTAL</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	47.556	0.000	47.556	<b>3.5%</b>
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<b>TECHNOLOGY/CUSTOMER SERVICE</b>											
Technology Improvements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.550	0.000	5.550	
<b>TECHNOLOGY/CUSTOMER SERVICE SUBTO</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.550	0.000	5.550	<b>0.4%</b>
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<b>Systemwide Improvements TOTAL</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>53.106</b>	<b>0.000</b>	<b>53.106</b>	<b>3.9%</b>

**Attachment 3  
NJ TRANSIT Fiscal Year 2011 CAPITAL PROGRAM  
(\$ in Millions)**

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

	<u>URBAN 5307</u>	<u>FIXED GUIDEWAY 5309</u>	<u>RURAL/ DISABLED</u>	<u>NEW FREE DOM</u>	<u>EARMARK</u>	<u>FHWA FLEX</u>	<u>STP- TE</u>	<u>STATE</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>Percentage of Total Program</u>
<b>System Expansion</b>											
<b>NEW INITIATIVES</b>											
ARC/THE Tunnel	0.000	0.000	0.000	0.000	0.000	75.000	0.000	83.240	0.000	158.240	
Hudson/Bergen LRT 8TH Street Extension	0.000	0.000	0.000	0.000	0.000	21.786	0.000	0.000	0.000	21.786	
Portal Bridge Replacement	0.000	0.000	0.000	0.000	0.000	2.000	0.000	63.518	0.000	65.518	
Rolling Stock-Rail	0.000	0.000	0.000	0.000	0.000	50.214	0.000	0.000	0.000	50.214	
Transit Rail Initiatives	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	0.000	0.250	
<b>NEW INITIATIVES SUBTOTAL</b>	0.000	0.000	0.000	0.000	0.000	149.000	0.000	147.008	0.000	296.008	<b>21.9%</b>
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<b>System Expansion TOTAL</b>	0.000	0.000	0.000	0.000	0.000	149.000	0.000	147.008	0.000	296.008	<b>21.9%</b>
	299.031	132.202	11.100	2.291	4.200	250.000	1.000	600.000	49.780	1,349.604	

**ITEM 1007-36: DUAL-POWERED PASSENGER LOCOMOTIVES: PURCHASE OF 10 OPTION PASSENGER LOCOMOTIVES AND CONTRACT AMENDMENT FOR CONSULTANT SERVICES FOR ENGINEERING ASSISTANCE**

**BENEFITS**

The NJ TRANSIT fleet plan provides for replacing the aging diesel locomotives with dual-powered locomotives. The purchase of 10 additional Dual-Powered Locomotives and spare parts will also serve NJ TRANSIT's eventual one-seat, direct rail service to New York City.

The locomotives purchased by this option will be identical to the base order of 26 locomotives now in the design phase of the project. Currently, 37 percent of the NJ TRANSIT commuter rail system is not electrified. The purchase of the dual-powered locomotives is a cost-effective solution for operating in both electrified and non-electrified territory. The dual-powered locomotives will provide the flexibility to operate throughout the entire system as needed.

**PURPOSE**

The original contract for the dual-powered locomotives was structured for a base order of 26 locomotives with options for an additional 63 locomotives. This contract was awarded to Bombardier Transit Corporation through a competitive procurement process and approved by the Board in July 2008.

To support the procurement of the option Dual-Powered Locomotives, NJ TRANSIT requires further engineering assistance to ensure a high level of quality from the manufacturer through the production, testing and warranty phase of the option procurement. This contract was awarded to STV, Incorporated through a competitive procurement process for engineering assistance for the dual-powered locomotives, and approved by the Board in September 2005.

**ACTION (Justification: Capacity)**

Staff seeks authorization to exercise an option under the existing contract (No. 07-062) with Bombardier Transit Corporation of Bensalem, Pennsylvania, for the purchase of 10 option dual-powered locomotives, including spare parts, at a cost not to exceed \$78,849,571, plus five percent for contingencies, for a total contract authorization of \$408,209,487, subject to the availability of funds.

Staff also seeks authorization to amend the professional services contract (No. 05-098) with STV, Incorporated of New York, New York, for engineering assistance with the manufacture of the 10 option dual-powered locomotives at a cost not to exceed \$330,000, plus five percent for contingencies, for a total authorization of \$13,804,350, 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:**

Bombardier Transit Corporation This Authorization \$ 78,849,571 + 5% contingency  
Total Authorization \$ 408,209,487

STV Incorporated This Authorization \$ 330,000 + 5% contingency  
Total Authorization \$ 13,804,350

**Total Project Cost:** \$ 83,474,550 (Options A and B locomotives)

**Projected Date of Completion:** August 2012 (delivery of 10<sup>th</sup> locomotive)

**Anticipated Source of Funds:** Federal Transit Administration  
Transportation Trust Fund

**Diversity Goal:**

Bombardier Transit Corporation Transit Vehicle Manufacturer  
STV Incorporated 20% DBE

**Future Related Authorizations:** Contract options for additional locomotives  
Engineering Assistance for additional locomotives if options are exercised

**Impacts on Subsequent Operating Budgets:** \$ 1,731,000 annually (net after full replacement of 10 older diesel locomotives exclusive of fuel costs savings)

## RESOLUTION

**WHEREAS**, NJ TRANSIT's fleet plan provides for replacing its aging diesel locomotives with dual-powered locomotives; and

**WHEREAS**, these locomotives will allow operation in both electrified and non-electrified territory; and

**WHEREAS**, NJ TRANSIT previously selected Bombardier Transit Corporation to provide 26 dual-powered locomotives through a competitive procurement process; and

**WHEREAS**, the contract with Bombardier has options to purchase additional locomotives; and

**WHEREAS**, NJ TRANSIT previously selected STV, Inc. through a competitive procurement process for engineering assistance for the dual-powered locomotive;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to exercise an option under the existing contract (No. 07-062) with Bombardier Transit Corporation of Bensalem, Pennsylvania, for the purchase of 10 option dual-powered locomotives, including spare parts, at a cost not to exceed \$78,849,571, plus five percent for contingencies, for a total contract authorization of \$408,209,487, subject to the availability of funds; and

**BE IT FURTHER RESOLVED** that the Chairman or Executive Director is authorized to amend the professional services contract (No. 05-098) with STV, Incorporated of New York, New York, for engineering assistance with the manufacture of the 10 option dual-powered locomotives at a cost not to exceed \$330,000, plus five percent for contingencies, for a total authorization of \$13,804,350, subject to the availability of funds.



**ITEM 1007-37: CONTRACT TO PURCHASE 100 MULTILEVEL PASSENGER VEHICLES AND CONTRACT FOR CONSULTANT SERVICES FOR ENGINEERING ASSISTANCE**

**BENEFITS**

The purchase of 100 Multilevel push-pull rail cars and spare parts will continue the replacement of NJ TRANSIT's aging passenger car fleet with Multilevel cars.

These vehicles will be designed and equipped with 2/2 fixed seating, indirect lighting, wide aisle and large vestibule areas to provide ease of boarding and de-boarding with increased passenger comfort, as well as provide for increased system capacity without the immediate need to increase platform lengths. The cars will be designed to be fully capable of operating on all NJ TRANSIT lines, including the new ARC tunnel, and will be compatible with NJ TRANSIT's current fleet of push-pull vehicles, locomotives, and all of NJ TRANSIT's infrastructure, facilities and stations.

**PURPOSE**

The procurement is structured for a base order of 100 cars with options to allow for further replacement of NJ TRANSIT's older vehicles and to accommodate potential future ridership demands.

NJ TRANSIT also requires engineering assistance during the Multilevel car manufacture to ensure a high level of quality from the manufacturer through the production, testing and warranty phases of the procurement. LTK Engineering Services was selected after a competitive procurement process to provide engineering, quality assurance, testing, and project management services.

**ACTION (Justification: Capacity)**

Staff seeks authorization to contract (No. 09-067) with Bombardier Transit Corporation of Bensalem, Pennsylvania, for the purchase of 100 Multilevel push-pull rail cars and spare parts, at a cost not to exceed \$279,561,900, plus five percent for contingencies, for a total contract authorization of \$293,539,995, subject to the availability of funds.

Staff also seeks authorization to contract (No. 09-068) with LTK Engineering Services of Ambler, Pennsylvania, for engineering, quality assurance, testing, and project management services for the manufacture of the 100 Multilevel push-pull rail cars at a cost not to exceed \$9,215,342, plus five percent for contingencies, for a total contract authorization of \$9,676,110, subject to the availability of funds.

**FISCAL IMPACTS**

**Requested Authorization:**

Bombardier Transit Corporation \$ 279,561,900 + 5% contingency  
LTK Engineering Services \$ 9,215,342 + 5% contingency

**Total Project Cost:** \$ 330,000,000

**Projected Date of Completion:** April 2015 (including two-year warranty)

**Anticipated Source of Funds:** Federal Transit Administration  
Transportation Trust Fund

**Diversity Goal:**

Bombardier Transit Corporation Transit Vehicle Manufacturer  
LTK Engineering Services 15% DBE

**NJ Build Amount:** NA

**Future Related Authorizations:** Contract options for additional vehicles  
Engineering Assistance for additional vehicles if  
options are exercised

**Impacts on Subsequent  
Operating Budgets:**

\$1,000,000 to \$2,000,000 annually

## RESOLUTION

**WHEREAS**, NJ TRANSIT plans to replace its aging passenger car fleet with Multilevels; and

**WHEREAS**, the design of the Multilevel cars provides for increased seating capacity over existing single-level cars; and

**WHEREAS**, NJ TRANSIT has experienced good customer feedback on the current Multilevel vehicles; and

**WHEREAS**, upon completion of a competitive procurement process it was determined that Bombardier Transit Corporation submitted the proposal to provide 100 Multilevel vehicles that provides the best value and is in the best interest of NJ TRANSIT; and

**WHEREAS**, upon completion of a competitive procurement process it was determined that LTK Engineering Services submitted the proposal to provide engineering assistance services for the Multilevel vehicles that provides the best value and is in the best interest of NJ TRANSIT;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to contract (No. 09-067) with Bombardier Transit Corporation of Bensalem, Pennsylvania, for the purchase of 100 Multilevel push-pull rail cars and spare parts, at a cost not to exceed \$279,561,900, plus five percent for contingencies, for a total contract authorization of \$293,539,995, subject to the availability of funds; and

**BE IT FURTHER RESOLVED** that the Chairman or Executive Director is authorized to contract (No. 09-068) with LTK Engineering Services of Ambler, Pennsylvania, for engineering, quality assurance, testing, and project management services for the manufacture of the 100 Multilevel push-pull rail cars at a cost not to exceed \$9,215,342, plus five percent for contingencies, for a total contract authorization of \$9,676,110, subject to the availability of funds.

**ITEM 1007-38: ATLANTIC CITY JITNEY ASSOCIATION VEHICLE PURCHASE:  
CONTRACT AMENDMENT TO PURCHASE 60 OPTION  
VEHICLES AND AMENDMENT TO BOARD ITEM 0911-84**

**BENEFITS**

The Atlantic City Jitney Association (ACJA) is an association of owners/operators of minibus service providing service 24 hours a day on three fixed routes and daytime service on a fourth fixed route. The ACJA schedules service, ensures service quality, and performs other functions that benefit the ACJA at-large. ACJA members are the only operators authorized by Atlantic City to provide this service.

The current ACJA minibus fleet has exceeded its useful life. The ACJA has determined that it will replace a portion of the fleet with an updated version of the vehicle that it currently operates.

**PURPOSE**

The purchase of up to 60 additional cutaway minibuses with lifts is necessary to retire outdated jitneys now operated by the ACJA. Authorization of this contract option will ensure that the ACJA continues to provide the fixed-route transportation services that are an integral part of the Atlantic City local transportation system and complement NJ TRANSIT's local bus services.

In November 2009, the NJ TRANSIT Board of Directors authorized a contract with Jersey Shore Bus Sales/Starcraft Division of Forest River, Inc. of Elkhart, Indiana, for the purchase of up to 40 minibuses to retire outdated jitneys now operated by the ACJA. The bid documents included an option for up to 60 additional vehicles to be exercised by NJ TRANSIT within 180 days of the contract notice to proceed. Funding for these additional vehicles is being provided through a federal earmark obtained by the Atlantic City Jitney Association.

Board Item 0911-84 which authorized the purchase of the 40 minibuses was also intended to include authorization to enter into a master agreement with the Jitney Association and individual jitney franchise owners governing the sale and utilization of the vehicles. The language covering those agreements was inadvertently omitted from the final item included in the Minutes for the November 10, 2009 Board meeting as forwarded to the Governor's Office for approval on November 11, 2009 although the narrative to the Minutes did include a discussion of the agreements.

**ACTION (Justification: Improve Customer Service)**

Staff seeks authorization to exercise the option in the contract (No. 10-009) with Jersey Shore Bus Sales/Starcraft Division of Forest River, Inc. of Elkhart, Indiana, for the purchase of 60 minibuses in an amount not to exceed \$3,175,020, for a total contract authorization of \$5,397,534, subject to the availability of funds.

Staff also seeks authorization to amend Board Item 0911-84 to enter into a Master Equipment Sale and Maintenance Agreement between NJ TRANSIT and the Atlantic City Jitney Association, and to enter into the appropriate Agreements/Letter Amendments with the Atlantic City Jitney Association and individual jitney franchise owners governing the sale and utilization of the vehicles.

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

**FISCAL IMPACTS**

**Requested Authorization:** This Authorization \$ 3,175,020  
Total Authorization \$ 5,387,534

**Total Project Cost:** \$ 3,240,000 (option vehicles)

**Projected Date of Completion:** 2011

**Anticipated Source of Funds:** Federal Transit Administration (\$3,240,000 Earmark)

**Diversity Goal:** Transit Vehicle Manufacturer

**NJ Build Amount:** None

**Related/Future Authorizations:** None

**Impacts on Subsequent Operating Budgets:** None

**RESOLUTION**

**WHEREAS**, the Atlantic City Jitney Association (ACJA) provides fixed-route transportation services that are an integral part of the Atlantic City local transportation system and complement NJ TRANSIT's local bus services; and

**WHEREAS**, the current ACJA minibus fleet consists of 190 minibuses that have exceeded their useful life threshold; and

**WHEREAS**, upon completion of a competitive procurement process, Jersey Shore Bus Sales/Starcraft Division of Forest River, Inc. was determined to be the lowest responsive, responsible bidder; and

**WHEREAS**, the contract with Jersey Shore Bus Sales/Starcraft Division of Forest River, Inc. included an option for up to an additional 60 vehicles; and

**WHEREAS**, Board Item 0911-84 included in the Meeting Minutes for the November 10, 2009 meeting forwarded to the Governor's Office on November 11, 2009 inadvertently omitted language regarding agreements with the ACJA governing the utilization of the vehicles;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to exercise the option included in the contract (No. 10-009) with Jersey Shore Bus Sales/Starcraft Division of Forest River, Inc. of Elkhart, Indiana, for the purchase of 60 minibuses in an amount not to exceed \$3,175,020, for a total contract authorization of \$5,397,534, subject to the availability of funds; and

**BE IT FURTHER RESOLVED** that the Chairman or Executive Director is authorized to amend Board Item 0911-84 to enter into a master Equipment Sale and Maintenance Agreement between NJ TRANSIT and the Atlantic City Jitney Association, and to enter into the appropriate Agreements/Letter Amendments with the Atlantic City Jitney Association and individual jitney franchise owners governing the sale and utilization of the vehicles.

**ITEM 1007-39: RAIL RADIO NARROWBANDING: SOLE SOURCE  
PROCUREMENT**

**BENEFITS**

On December 23, 2004, the Federal Communications Commission (FCC) issued Rule Making concerning the promotion of more efficient use of radio frequencies. This requirement, called “narrowbanding” or “refarming”, means that all 25khz radio channels must be moved to 12.5khz channels. By doing so, the number of available channels is increased and interference is reduced. The UHF and VHF frequencies used by NJ TRANSIT Rail and Police radios fall under the narrowbanding requirement. This ruling also affects all other railroads, passenger and freight, nationwide.

Narrowbanding will require that every radio and radio system in use by NJ TRANSIT Rail and Police be reprogrammed for narrowbanding operation or be replaced if it cannot be reprogrammed. This includes both hand-held and vehicle-borne radios as well as radio base stations. The final FCC deadline for full migration is January 1, 2013. The Rail Communications Department is recommending that all radio systems be narrowbanded by July 1, 2012. This will provide adequate time to ensure all radios are completed and to coordinate cut-over dates with other railroads.

On-board equipment consists of two categories, radios and radio control panels. Narrowband capable radios must have 24-channels and the control panels must be capable of accessing those channels. There are some radios both currently installed in equipment and in inventory that are already narrowband capable but there are no 24-channel control panels currently in service or in inventory. Attachment A outlines the quantity and type of component to be purchased.

Sole source authorization is being sought for the vehicle-borne radio components which includes radios and radio control panels and for radio base stations as outlined in Attachment A. The use of Original Equipment Manufacturers (OEMs) are required to enable the modification of the existing radio control panels from 12-channels to 24-channels in a timely and cost effective manner to meet the FCC requirements. The OEMs have developed modification kits that will ensure equipment reliability and maintain quality. The alternative, to design and procure new 24-channel radio panels to replace the existing 12-channel equipment, would be costly and could potentially impact delivery to meet the FCC deadline.

**PURPOSE**

Staff seeks authorization to award sole source contracts for vehicle-born radios and radio system base stations to the vendors outlined in attachment A.

As such, it has been determined that the vendors utilized under this authorization have been identified to be the sole/single sources for the purchase of materials and services

in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.5 and Executive Order No. 37.

**ACTION (Justification: Business Efficiencies)**

Staff seeks authorization to enter into sole source procurements with the original vendors listed on Attachment A to purchase radios, radio control panels, and radio base stations, at a cost not to exceed \$ 2,757,150, plus five percent for contingencies.

**FISCAL IMPACT**

<b>Requested Authorization:</b>	\$2,757,150 + 5% contingency
<b>Total Project Cost:</b>	\$6,600,000
<b>Projected Date of Completion:</b>	January, 2013
<b>Anticipated Source of Funds:</b>	TTF
<b>Diversity Goal:</b>	N/A
<b>Future/Related Authorizations:</b>	None
<b>Impact on Future Operating Budgets:</b>	None

**RESOLUTION**

**WHEREAS**, on December 23, 2004, the Federal Communications Commission issued Rule Making requiring that all 25khz radio channels be moved to 12.5khz channels; and

**WHEREAS**, this requirement affects all hand-held radios used by Rail Operations, all rail vehicle-borne radios, all radio base stations, and all NJ TRANSIT Police radios; and

**WHEREAS**, all affected radios must be reprogrammed or replaced by January 2013, and

**WHEREAS**, all on-board rail equipment radio components must be purchased from the original manufacturer; and

**WHEREAS**, it has been determined that the vendors utilized under this authorization are certified to be the sole/single sources for the purchase of materials and services in accordance with NJ TRANSIT Procurement Regulations N.J.A.C. 16:72-1.6 and Executive Order No. 37;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to enter into a sole source procurements with the original vendors listed on Attachment A to purchase radios, radio control panels, and radio base stations, at a cost not to exceed \$2,757,150, plus five percent for contingencies, subject to the availability of funds.

Attachment A Rail Radio Narrowbanding: Sole Source Procurement

Equipment	Item	Vendor	Quantity	Amount	Source	Requisition
All	Train Radios	GETS	83	\$280,075	Quote	ER054014
Comet IV,V	Train Radios	GETS	113	354,255	Quote	ER052944
ALP44, Diesel locos	Clean Cab Train Radios	GETS	152	532,000	Project Estimate	
ALP44, Diesel locos	PA/IC Heads	Note	152	250,000	Project Estimate	
ALP46, ALP46A, PL42AC	24-CH Radio Control Heads	LINOVATION VERITECH INC.	180	584,820	Quote	ER054308
			180	180,000	Project Estimate	
Comet IV	24-CH Radio Control Heads	AXION	24	62,500	Project Estimate	
Comet V	24-CH Radio Control Heads	XAVIER	145	68,500	Quote	ER053770
Multilevels	24-CH Radio Control Heads	AXION	70	175,000	Project Estimate	
Radio Infrastructure	Radio Base Stations	Motorola/ICOM	27	270,000	Project Estimate	

TOTAL: \$2,757,150

Note: Pending final technical design.

**ITEM 1007-40: UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS AND RATINGS**

**BENEFITS**

Inspections, evaluations, and ratings of NJ TRANSIT’s undergrade railroad bridges provide important information for the development of the Capital Bridge Repair and Painting Programs. NJ TRANSIT is responsible for maintaining 659 rail-carrying bridges. Maintaining bridge infrastructure in a state-of-good repair is a key component to service reliability and ensuring the safety of passengers and the general public.

**PURPOSE**

NJ TRANSIT is responsible for maintaining safe and reliable bridge infrastructure throughout its rail system. Bridges are inspected annually by in-house staff, augmented by periodic in-depth structural inspections, evaluations and load-ratings that are critical elements of the infrastructure maintenance program. The results of these inspections provide NJ TRANSIT with information used in developing a repair and replacement program. These contracts will provide in-depth structural inspections, evaluations, and load-ratings for 143 undergrade railroad bridges as well as underwater diving inspections of seven undergrade railroad bridges included in NJ TRANSIT’s Bridge Scour Monitoring Program. Detailed inspections of this sort permit periodic condition assessment, monitoring of degrees of deterioration, optimization of maintenance effort, and prioritization for capital improvements. These inspections are a necessary step in our maintenance program and will allow NJ TRANSIT to achieve maximum return on its investments.

**ACTION (Capital Program Justification: State of Good Repair)**

Staff seeks authorization to enter into three separate contracts with TranSystems of Paramus, NJ (09 -108D); IH Engineers, P.C. of Princeton, NJ (09 -108E); and HNTB Corp. of Wayne, NJ (09 -108F) to perform in-depth structural inspections, evaluations, and load ratings of 143 undergrade bridges and underwater diving inspections of seven undergrade bridges, at costs not to exceed \$633,804, \$666,520 and \$679,138 respectively, for a total cost of \$1,979,462, 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**

<b>Requested Authorization:</b>	\$1,979,462	plus 5% contingencies
	\$ 633,804	(Contract No. 09 -108D)
	\$ 666,520	(Contract No. 09 -108E)
	\$ 679,138	(Contract No. 09 -108F)

<b>Total Project Cost:</b>	(continuing project)
<b>Projected Date of Completion:</b>	Sept. 2011
<b>Anticipated Source of Funds:</b>	TTF-09/10
<b>SBE Goal:</b>	1 of 3 contracts is a SBE Set Aside
<b>Future/Related Authorizations:</b>	None

## RESOLUTION

**WHEREAS**, NJ TRANSIT is responsible for maintaining 659 rail-carrying bridges; and

**WHEREAS**, periodic evaluation of all undergrade bridges is necessary to ensure service reliability and safe train operations; and

**WHEREAS**, the results of these bridge inspections provide the basis for developing capital bridge repair and painting programs; and

**WHEREAS**, upon completion of a competitive procurement process, it was determined that TranSystems, IH Engineers, P.C. and HNTB submitted the most advantageous proposals that provided the best value and were in the best interest of NJ TRANSIT;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to award separate contracts to TranSystems of Paramus, NJ (09 - 108D); IH Engineers, P.C. of Princeton, NJ (09 -108E); and HNTB Corp. of Wayne, NJ (09 -108F) to perform in-depth structural inspections, evaluations, and load ratings of 143 undergrade bridges and underwater diving inspections of seven undergrade bridges, at costs not to exceed \$633,804, \$666,520 and \$679,138 respectively, for a total cost of \$1,979,462, plus five percent for contingencies, subject to the availability of funds.

**ITEM 1007-41: BUS PURCHASE: CONTRACT AMENDMENT FOR REGULATORY CHANGES AND PRODUCT IMPROVEMENTS**

**BENEFITS**

In 2007, the NJ TRANSIT Board of Directors authorized the purchase of 1,145 transit and suburban buses to replace a portion of its aging bus fleet. The new buses provide wheelchair lifts and a kneeling feature to aid mobility-impaired customers with boarding.

The US Environmental Protection Administration (USEPA) promulgated new diesel emission regulations to reduce diesel exhaust emissions from the bus engine. The regulations have been phased-in over the past several years with the latest milestone related to all bus-engines delivered in 2010 and later years

In addition, the buses have been equipped with other on-board equipment, including a camera system with GPS and cellular modems, improved back-up cameras and LED interior lighting, to enhance safety and security that are additions to the original scope of work.

**PURPOSE**

The original contract for the transit and suburban style buses was for a base order of 1,145 buses (75 suburban buses and 1,070 transit buses) with options for 25 additional buses in each production year. The contract was awarded to North American Bus Industries through a competitive process and approved by the Board in January 2007. The contract included periodic notices to proceed and the right to exercise the options for the additional buses when the notice to proceed is issued. Subsequent to the award of that contract, the scope and delivery schedule were modified to include 250 suburban buses and 896 transit buses as well as other enhancements, resulting in a contract price increase which reduced the available authorized contingency.

The USEPA regulatory changes required more stringent emissions thresholds for particulate matter (PM), nitrogen oxides (NO<sub>x</sub>), and non-methane hydrocarbons (NMHC). The new particulate matter emissions standard took full effect in the 2007 model year while the other standards were phased-in between 2007 and 2010. Until the 2010 model year, there were no bus diesel engines available that met the required emissions standards.

This authorization provides for the modification of the contract to incorporate the price increases due to the USEPA-mandated 2010 engines, additional safety enhancements to the on-board camera systems, additional enhancements to the interior lighting system on the bus, and an increase in the number of suburban buses purchased as well as an increase in the price of the transit buses due to a change in the contract year the buses are built and replenishment of contingency.

**ACTION (Justification: State of Good Repair)**

Staff seeks authorization to amend the existing contract (No. 06-085) with North American Bus Industries of Anniston, Alabama, to provide for additional funding for the new diesel engines to comply with USEPA regulations and to provide for the installation of additional safety and security equipment on transit buses, at a cost not to exceed \$34,039,875 for a new total contract authorization of \$464,405,434, 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:** This Authorization \$ 34,039,875  
Total Authorization \$ 464,405,434

**Total Project Cost:** \$ 469,137,000

**Projected Date of Completion:** October 2013 (delivery of all buses)

**Source of Funds:** Certificates of Participation (COPS)  
Transportation Trust Fund

**Diversity Goal:** 10% SBE

**NJ Build Amount:** NA

**Future Related Authorizations:** Exercise options for additional buses

**Impacts on Subsequent Operating Budgets:** None

**RESOLUTION**

**WHEREAS**, NJ TRANSIT's aging 1994 Flexible Metro D, 1995 Nova A and 1999 Nova B bus fleets are/will be eligible for replacement under Federal Transit Administration guidelines; and

**WHEREAS**, NJ TRANSIT previously selected North American Bus Industries to provide 1,145 transit and suburban buses through a competitive procurement process; and

**WHEREAS**, NJ TRANSIT is required to comply with USEPA regulatory requirements and must purchase certified and compliant engines for all buses; and

**WHEREAS**, NJ TRANSIT has added additional equipment to the buses to enhance safety and security;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to amend the existing contract (No. 06-085) with North American Bus Industries of Anniston, Alabama, to provide for additional funding for the new diesel engines to comply with USEPA regulations and to provide for the installation of additional safety and security equipment on transit buses, at a cost not to exceed \$34,039,875, for a new total contract authorization of \$464,405,434, subject to the availability of funds.

**ITEM 1007-42: PORT AUTHORITY BUS TERMINAL CUSTOMER COMMUNICATION UPGRADES: CONTRACT AMENDMENT**

**BENEFITS**

NJ TRANSIT leases several areas within the Port Authority Bus Terminal (PABT), a major bus/subway intermodal transfer facility located in New York City and the largest such facility in the United States, to serve commuter buses operating on 57 NJ TRANSIT routes and serving travelers from 10 northern and three southern New Jersey counties. Approximately 142,800 weekday passengers on 5,100 weekday bus trips make the PABT the largest volume passenger terminal in NJ TRANSIT's bus system. This facility operates on a 24/7 schedule and plays a major role in NJ TRANSIT's ability to transport passengers between New York City and the surrounding regions.

NJ TRANSIT's current contract for control center upgrades at the PABT will provide faster ticketing, variable message signs to show scheduled departures, public address system improvements, closed circuit television cameras and improved communications with buses and bus starters for enhanced security and improved operations at the terminal.

Staff has determined that deployment of software systems recently developed by NJ TRANSIT for handheld devices for bus starters and terminal supervisors will improve customer information, operations supervision and management reporting at the PABT beyond what was originally contemplated.

**PURPOSE**

In March 2009, the NJ TRANSIT Board of Directors authorized the award of a competitively-procured contract with Daidone Electric, Inc. to construct upgrades to the existing control center at the PABT to improve customer service information and to provide more efficient bus operations.

Authorization of this contract amendment will allow NJ TRANSIT to immediately implement systems for real-time customer information, operations supervision and management reporting at the PABT.

**ACTION (Capital Program Justification – Customer Service; Business Efficiencies)**

Staff seeks authorization to amend the contract (No. 09-049X) with Daidone Electric, Inc. of Newark, New Jersey, for additional construction related to technology upgrades at a cost not to exceed \$493,650, for a new total contract authorization of \$3,536,550, subject to the availability of funds.

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



## RESOLUTION

**WHEREAS**, NJ TRANSIT leases several areas of the Port Authority Bus Terminal (PABT) for the purpose of serving some 142,800 weekday passengers on 5,100 weekday NJ TRANSIT bus trips; and

**WHEREAS**, the facility operates on a 24/7 schedule and plays a major role in NJ TRANSIT's ability to transport passengers to and from New York City and the surrounding regions; and

**WHEREAS**, NJ TRANSIT has recently developed software systems for handheld devices for bus starters and terminal supervisors that will improve customer information, operations supervision and management reporting at the PABT by providing real-time gate assignment and departure information, and for automating administrative tasks and on-time performance reporting; and

**WHEREAS**, NJ TRANSIT previously selected Daidone Electric, Inc. to construct upgrades to the existing control center at the PABT after the completion of a competitive procurement process;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to amend the contract (No. 09-049X) with Daidone Electric, Inc. of Newark, New Jersey, for additional construction related to technology upgrades at a cost not to exceed \$493,650, for a new total contract authorization of \$3,536,550, subject to the availability of funds.

**ITEM 1007-43: COMMUNITY MOBILITY AND LOCAL PROGRAMS:  
PURCHASE OF TWO INTERCITY BUSES**

**BENEFITS**

The Federal Transit Administration (FTA) Section 5311 Rural and Small Urban Area Program annually 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.

A part of the Section 5311 program is the Intercity Bus Program (Section 5311(f)) which requires that NJ TRANSIT consult and set aside a portion of each annual allocation for projects that specifically support intercity bus serving residents in rural areas. The purpose of the Section 5311(f) program is to assist in the provision of intercity bus transportation services designed to address the transportation needs of rural residents by providing connections between non-urbanized areas and the larger regional or national system of intercity bus service. The FTA encourages the participation of private public transportation companies to the maximum extent feasible in this program.

The passage of the American Recovery and Reinvestment Act of 2009 (ARRA) provided additional capital funding under the Section 5311 program.

**PURPOSE**

This contract will allow NJ TRANSIT to procure two cruiser buses to be leased to Academy Bus to provide expanded transit service to residents of rural Ocean County to New York City. Approval of this contract will satisfy the Federal Transit Administration's requirement that a portion of Section 5311 funds be designated for intercity bus services.

**ACTION (Justification: Mandate)**

Staff seeks authorization to contract (No. 10-087) with Motor Coach Industries, Inc. of Schaumburg, Illinois, for the purchase of two cruiser-type buses in an amount not to exceed \$1,106,364, plus one percent for contingencies, subject to the availability of funds.

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

**FISCAL IMPACTS**

**Requested Authorization:** \$ 1,106,364 + 1% contingency

**Total Project Cost:** \$ 1,117,430

**Projected Date of Completion:** December 2010

**Anticipated Source of Funds:** Federal Transit Administration Section 5311 (ARRA)

**Diversity Goal:** Transit Vehicle Manufacturer

***NJ Build* Amount:** NA

**Related Future Authorization:** Community Mobility and Local Programs annual authorization

**Impacts on Subsequent Operating Budgets:** None

**RESOLUTION**

**WHEREAS**, the State of New Jersey has applied for and funded local non-urbanized (rural) services throughout the state through the annual Federal Transit Administration (FTA) Section 5311 Rural and Small Urban Area Program; and

**WHEREAS**, the American Recovery and Reinvestment Act of 2009 (ARRA) has made additional capital funding available under the FTA Section 5311 Rural and Small Urban Area Program; and

**WHEREAS**, upon completion of a competitive procurement process, Motor Coach Industries, Inc. was determined to be the lowest responsive, responsible bidder for the two cruiser buses;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to contract (No. 10-087) with Motor Coach Industries, Inc. of Schaumburg, Illinois, for the purchase of two cruiser-type buses in an amount not to exceed \$1,106,364, plus one percent for contingencies, subject to the availability of funds.

**ITEM 1007-44: HUDSON-BERGEN LIGHT RAIL LITIGATION SUPPORT: COMPENSATION OF EXPERT CONSULTANT**

**BENEFITS**

NJ TRANSIT requires additional resources and construction claims expertise in conjunction with defending a lawsuit filed by Twenty-First Century Rail Corporation, the Design-Build-Operate-Maintain (DBOM) contractor for the Hudson-Bergen Light Rail project and its subcontractor.

Trauner Consulting Services, Inc. is an established firm providing comprehensive construction claims consulting. The retention of Trauner Consulting Services, Inc. will provide NJ TRANSIT with additional resources and expertise in the defense of a major construction litigation.

**PURPOSE**

The NJ TRANSIT Board of Directors authorized the reimbursement of Trauner Consulting Services Inc. for expert consulting services through September 2010. Staff has determined that additional funding will be required for Trauner Consulting Services, Inc. to support the litigation through December 2010.

**ACTION (Justification: Legal Defense)**

Staff seeks authorization to reimburse Trauner Consulting Services, Inc., of Philadelphia, Pennsylvania, for expert consultant services an additional amount of \$2,000,000 for a total authorization of \$7,000,000, 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:** This Authorization \$ 2,000,000  
Total Authorization \$ 7,000,000

**Total Project Cost:** TBD

**Projected Date of Completion:** TBD

**Anticipated Source of Funds:** Transportation Trust Fund

**Diversity Goal:** NA

**NJ Build Amount:** NA

**Related/Future Authorizations:** Settlement of claim  
Additional expert consultant services

**Impacts on Subsequent  
Operating Budgets:** None

**RESOLUTION**

**WHEREAS**, NJ TRANSIT requires additional resources and construction claims expertise in conjunction with defending a lawsuit filed by Twenty-First Century Rail Corporation, the Design-Build-Operate-Maintain (DBOM) contractor for the Hudson-Bergen Light Rail project and its subcontractor; and

**WHEREAS**, the New Jersey Office of the Attorney General Division of Law (DOL) has retained Trauner Consulting Services, Inc., to provide expert consultant services to assist NJ TRANSIT in this matter; and

**WHEREAS**, the Division of Law has requested that NJ TRANSIT reimburse Trauner Consulting Services, Inc. directly; and

**WHEREAS**, NJ TRANSIT's Board of Directors approved payments to Trauner Consulting Services, Inc. and additional effort is required;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to reimburse Trauner Consulting Services, Inc., of Philadelphia, Pennsylvania, for expert consultant services in the amount of \$2,000,000 for a total authorization of \$7,000,000, subject to the availability of funds.

**ITEM 1007-45: 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 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 2011 (FY2011), 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 (Justification: Mandate)**

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

- FY2011 Senior Citizen and Disabled Resident Transportation Assistance Program, as set forth in Exhibit B, for a total program amount of \$29,099,000 funded by the Casino Revenue Tax.
- FY2011 FTA Section 5311 Rural and Small Urban Areas Program, as set forth in Exhibit C, for a total program amount of \$3,772,577 which includes \$2,658,386 in federal funds and \$1,114,191 as the NJ TRANSIT share of local match.
- FY2011 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$99,404 in federal funds to supplement the New Jersey Community Transportation Training Program at no cost to NJ TRANSIT.
- FY2011 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities Program at a cost not to exceed \$4,820,658 which includes \$3,856,526 in federal funds and \$964,132 as the NJ TRANSIT share of local match.
- FY2011 FTA Section 5316 Jobs Access and Reverse Commute (JARC) Program at a cost not to exceed \$4,804,818 which includes \$3,804,818 in federal funds and \$1,000,000 in funds from the New Jersey Department of Human Services subject to the availability of funds. No NJ TRANSIT match is required for this program as it is provided by the local provider.
- FY2010 FTA Section 5317 New Freedom (NF) Program at a cost not to exceed \$3,100,000 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 under the FY2011 budget at a cost not to exceed \$5,000,000.

**FISCAL IMPACTS**

**Requested Authorization:**

<b>Senior Citizen and Disabled Resident Transportation Assistance Program</b>	
100% Casino Revenue Tax Fund	\$ 29,099,000

<b>Federal Transit Administration Formula Programs (includes local match)</b>	
Section 5311	\$ 3,772,577
Section 5311(b)(3)	\$ 99,404
Section 5310	\$ 4,820,658

Section 5316	\$ 4,804,818
Section 5317	\$ 3,100,000
Sections 5307, 5309, CMAQ and various Special Appropriations (Local)	\$ 5,000,000

**Projected Date of Completion:** December 31, 2011

**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 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:** None

**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 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 supplement 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 FY2011 Senior Citizen and Disabled Resident Transportation Assistance Program as set forth in Exhibit B for a total program amount of \$29,099,000, 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 FY2011 FTA Section 5311 Rural and Small Urban Areas program, as set forth in Exhibit C, in the amount of \$3,772,577 which includes \$2,658,386 in federal funds and \$1,114,191 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 FY2011 FTA Section 5311(b)(3) Rural Transit Assistance Program in an amount up to \$99,404 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 FY2011 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities program at a cost not to exceed \$4,820,658 which includes \$3,856,526 in federal funds and \$964,132 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 FY2011 FTA Section 5316 Jobs Access and Reverse Commute (JARC) program at a cost not to exceed \$4,804,818 which includes \$3,804,818 in federal funds and \$1,000,000 in state funds from the New Jersey Department of Human Services subject to the availability of funds (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 the FY2011 FTA Section 5317 New Freedom program at a cost not to exceed \$3,100,000 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 under the FY10 budget at a cost not to exceed \$5,000,000.

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

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 FY2011 Program will allow 14 Section 5311 Projects to continue operation. Three additional designated rural areas are eligible for funding. 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 recipients are 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](http://www.njcttp.org)), publishes a quarterly newsletter and together with NJ TRANSIT co-sponsors the annual New Jersey paratransit driver rodeo every spring.

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

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 1,500 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 2011 program will be submitted to the FTA in spring 2011.

**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 FY2011 program will be solicited and reviewed. NJ TRANSIT will then prepare and submit a statewide application to the 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 2011.

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

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 2011.

In addition, in FY2011 it is anticipated that there may be 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  
FY2011**

<b>COUNTY</b>	<b>FY2010 ALLOCATION</b>	<b>FY2011 ALLOCATION</b>
Atlantic	\$ 791,500	\$ 761,812
Bergen	2,297,405	2,211,233
Burlington	1,236,076	1,189,713
Camden	1,451,940	1,397,479
Cape May	519,101	499,630
Cumberland	519,101	499,630
Essex	2,207,462	2,124,663
Gloucester	688,708	662,875
Hudson	1,629,256	1,568,145
Hunterdon	519,101	499,630
Mercer	1,007,364	969,579
Middlesex	2,117,519	2,038,094
Monmouth	1,775,735	1,709,130
Morris	1,305,461	1,256,495
Ocean	2,297,405	2,211,233
Passaic	1,364,566	1,313,383
Salem	519,101	499,630
Somerset	781,221	751,918
Sussex	519,101	499,630
Union	1,631,826	1,570,619
Warren	519,101	499,630
<b>Total Counties</b>	<b>\$ 25,698,050</b>	<b>\$ 24,734,150</b>
<b>NJ TRANSIT</b>	<b>4,534,950</b>	<b>4,364,850</b>
<b>TOTAL</b>	<b><u>\$ 30,233,000</u></b>	<b><u>\$ 29,099,000</u></b>

100% State funds from the Casino Revenue Tax funds.



EXHIBIT C  
PAGE 1 OF 1SECTION 5311 RURAL AND SMALL URBAN AREAS PROGRAM  
PROJECTED FY2011

	FEDERAL (A)	STATE*** (B)	TOTAL BUDGET (A+B)	LOCAL**** (C)	TOTAL PROGRAM (A+B+C)
<b>NORTHERN REGION</b>					
Morris*	\$ 168,947	\$ 84,474	\$ 253,421	\$ 84,474	\$ 337,895
Passaic (West Milford)	64,396	32,198	96,594	32,198	128,792
Sussex	349,403	174,702	524,105	174,701	698,806
Warren	219,876	104,748	324,624	104,748	429,372
<b>CENTRAL REGION</b>					
Hunterdon	271,540	135,770	407,310	135,770	543,080
Mercer	50,800	22,100	72,900	22,100	95,000
Middlesex**	--	--	--	--	--
Monmouth	106,265	53,133	159,398	53,133	212,531
Ocean*****	312,842	0	312,842	297,657	610,499
Somerset	76,883	26,699	103,582	26,699	130,281
<b>SOUTHERN REGION</b>					
Atlantic	193,188	96,594	289,782	96,594	386,376
Burlington	255,869	106,984	362,853	106,983	469,836
Camden	13,467	6,734	20,201	6,734	26,935
Cape May	61,947	27,490	89,437	27,490	116,927
Cumberland	261,011	120,714	381,725	120,714	502,439
Gloucester	106,510	51,380	157,890	51,380	209,270
Salem	145,442	70,471	215,913	70,471	286,384
<b>TOTAL</b>	<b><u>\$ 2,658,386</u></b>	<b><u>\$ 1,114,191</u></b>	<b><u>\$ 3,772,577</u></b>	<b><u>\$ 1,411,846</u></b>	<b><u>\$ 5,184,423</u></b>
Operating	\$ 2,482,181	\$ 1,094,662	\$ 3,576,843	\$ 1,387,323	\$ 4,964,166
Non-Operating (Administration)	\$ 156,225	\$ 19,529	\$ 175,754	\$ 19,528	\$ 195,282
Capital	\$ 19,980	\$ 0	\$ 19,980	\$ 4,995	\$ 24,975

\* Morris County service contracted as part of NJ TRANSIT Private Carrier Affairs Program.

\*\* 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.



# **CONSENT CALENDAR**



**ITEM 1007-46: COMPENSATION OF SPECIAL COUNSEL FOR CAPITAL PROJECTS**

**BENEFITS**

Hill Wallack of Princeton, New Jersey, is an established firm providing comprehensive legal services. The designation of Hill Wallack as Special Counsel provides NJ TRANSIT with additional resources and legal expertise in the acquisition and condemnation of property for critical capital projects.

The additional requested authorization will allow Hill Wallack to continue to provide legal services and retain technical experts for property acquisition and condemnation for capital projects underway and new capital projects to support the substantial effort to acquire property rights in time for the project notice to proceed.

**PURPOSE**

In December 2005, the Attorney General designated Hill Wallack as Special Counsel for legal services for property acquisition and condemnation for the Access to the Region's Core (ARC) Project Kopper's Coke property. In March 2008, Hill Wallack was assigned as Special Counsel for NJ TRANSIT for property acquisition and condemnation, real estate development activities, environmental issues and counseling. In August 2008, NJ TRANSIT Board authorized compensation of \$750,000 for Hill Wallack to continue these above services, some currently ongoing, over a period of years.

In addition, in November 2009, the Attorney General, through a public solicitation process, designated Hill Wallack as Special Counsel for property acquisition and condemnation services for NJ TRANSIT's Portal Bridge Project.

As of February 2010, Hill Wallack has invoiced NJ TRANSIT for approximately seventy-five percent of the 2008 authorization for work on various projects. Hill Wallack continues to provide legal services for The ARC Project, HBLR MOS 3 and 69<sup>th</sup> St. Grade Separation Project, as well as other ongoing real estate and capital program matters.

This authorization enables the Division of Law, in conjunction with NJ TRANSIT, to continue to allocate legal services needs between the Division of Law and Special Counsel based on the specific expertise required and the availability of experienced staff. Staff anticipates the need for additional periodic Board authorizations in the event of extensive property condemnation for these projects.

**ACTION**

Staff seeks authorization to compensate Hill Wallack of Princeton, New Jersey, as Special Counsel with respect to the aforementioned property acquisition and

condemnation services at an amount not to exceed \$670,000, subject to the availability of funds.

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	\$670,000
<b>Anticipated Source of Funds:</b>	Capital Program
<b>Projected Date of Completion:</b>	N/A
<b>Diversity Goal:</b>	N/A
<b>Related/Future Authorizations:</b>	Future authorizations subject to and dependent on volume of transactions.

**RESOLUTION**

**WHEREAS**, NJ TRANSIT requires significant and varied legal expertise in support of its capital projects; and

**WHEREAS**, NJ TRANSIT would continue to benefit from the use of Special Counsel to assist in property acquisition and condemnation for capital projects; and

**WHEREAS**, the Attorney General through a 2009 public solicitation process, designated Hill Wallack as Special Counsel for property acquisition and condemnation services for NJ TRANSIT;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to compensate Hill Wallack of Princeton, New Jersey as Special Counsel with respect to the aforementioned property acquisition and condemnation services at an amount not to exceed \$670,000, subject to the availability of funds.