

Richard J. Codey
Acting Governor

Jack Lettiere
Board Chairman

George D. Warrington
Executive Director

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



December 20, 2004

Dear Governor Codey:

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, December 15, 2004.

Sincerely,

Gwen A. Watson
8/28

Gwen A. Watson
Board Secretary

Enclosures

Honorable Richard J. Codey
Acting Governor, State of New Jersey
State House
Trenton, NJ 08625

(NJT BOARD – 12/15/04)

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), 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, December 15, 2004.

Present:

Jack Lettiere, Chairman
Myron P. Shevell, Vice Chairman (arrived 10:50 am)
Verice M. Mason, Governor's Representative
Flora Castillo
John McGoldrick
Patrick W. Parkinson
Robert Smartt

George D. Warrington, Executive Director
Lynn Bowersox, Assistant Executive Director, Corporate Commun. & External Affairs
James Gigantino, Acting Vice President & General Manager, Bus Operations
William Duggan, Vice President & General Manager, Rail Operations
Kenneth Worton, Deputy Attorney General
Frank J. Hopper, Assistant Executive Director, Procurement & Support Services
James Redeker, Assistant Executive Director, Policy, Technology & Customer Services
Richard Sarles, Assistant Executive Director, Capital Planning and Programs
Alma Scott-Buczak, Assistant Executive Director, Human Resources
H. Charles Wedel, Chief Financial Officer & Controller
Gwen A. Watson, Board Secretary
Robert Guarnieri, Auditor General

Chairman Jack Lettiere convened the Open Session at 9:55 am in accordance with the Open Public Meetings Act. Chairman Lettiere asked for a motion to adopt the minutes of the November 10, 2004 meeting. A motion was made by Patrick Parkinson, seconded by Robert Smartt and unanimously adopted.

Executive Director George Warrington highlighted the following from his monthly business report.

Executive Director Warrington said that December 15th is a special occasion as NJ TRANSIT officially commemorates its 25th Anniversary.

Executive Director Warrington shared good news about the continuing effectiveness of the Aquatrack rail scrubbing machine which is used to combat the historic challenge of slippery rails created by wet leaves. Executive Director Warrington said that when he first arrived in 2002, NJ TRANSIT had 226 delays caused by slippery rail conditions. Last year, with the help of Aquatrack, the delays decreased to 51. Executive Director Warrington was pleased to report that this year, the total number of delays attributable to slippery rail were just 26. Executive Director Warrington congratulated Glenn Sullivan, Deputy General Manager of Rail Engineering, and his team, for their efforts in developing this system which has so effectively reduced delays to customers.

Executive Director Warrington said another source of historic rail delays was the untimely opening of the Portal Draw Bridge. Last March, NJ TRANSIT announced an agreement with the US Coast Guard to limit the openings of the Portal Draw Bridge during the peak periods to reduce delays – particularly going into New York City in the morning peak period. During the 90-day test period from March to May, the number of bridge openings decreased from 13 to one compared to the same time period last year.

This resulted in only one train being delayed compared to the 31 trains that were impacted between March and May in 2003. Executive Director Warrington said the Coast Guard has, once again, agreed to limit the bridge openings beginning this week. It should be noted that the winter months are the busiest on the river for shippers, and for this continued cooperation from all the parties, Executive Director Warrington thanked Amtrak, the Coast Guard and most importantly the shippers – in particular Amerada Hess, The Bergen County Utilities Authority, Hornbeck Off Shore and Moran Towing. Executive Director Warrington said that at the end of the current public comment period, NJ TRANSIT is optimistic that the US Coast Guard will decide to permanently limit the bridge openings.

Executive Director Warrington shared the following holiday travel information. In preparation for early getaways and changing travel patterns, NJ TRANSIT is adjusting some of the bus, rail and light rail services.

On December 23rd, buses will leave the Port Authority Bus Terminal earlier in the afternoon on an as needed basis to accommodate early exits.

On the rail side, NJ TRANSIT will run longer trains that Thursday, between 1:00 p.m. and 4:00 p.m. and additional service out of New York and Hoboken to accommodate the early departures.

On Christmas Eve, Friday, December 24, NJ TRANSIT will operate a weekend schedule for all rail lines and will add limited service on the Montclair-Boonton Line and Pascack Valley Line.

On New Years weekend, December 31st, rail will operate early getaway service from New York Penn Station and Hoboken Terminal.

Executive Director Warrington said as we move closer to the New Year's Eve celebrations in New York, extra buses will be available for people going to Times Square and other venues in Manhattan. In addition, following all of the New Year's Eve festivities in New York, additional buses will leave the Port Authority Bus terminal to get people back home during the early hours on January 1.

Executive Director Warrington said on the rail side during the early hours of New Year's day, NJ TRANSIT will operate an additional 29 trains to get people home between 12:00 midnight and 5:00 a.m.

In addition, Conrail has agreed to allow NJ TRANSIT to run late night service on the River Line until 1:00 a.m. to accommodate customers going to the New Year's Eve fireworks display at the Battleship New Jersey.

Executive Director Warrington said additional customer service representatives will be on hand in Newark and New York Penn Station, Hoboken Terminal, Secaucus Junction and the Port Authority Bus Terminal, which stays open until 2:00 a.m. New Year's Day.

Executive Director Warrington said there will be an increase of NJ TRANSIT police presence on the system, particularly on service into New York, with the help of the State Police.

Executive Director Warrington thanked all of the operations, police and customer service staff in advance for their efforts during the holidays.

Executive Director Warrington said there is an item before the Board today regarding the construction of sidings along the Pascack Valley Line. Executive Director Warrington pointed out that NJ TRANSIT has reached a mutually satisfactory agreement with communities along the line from River Edge to Montvale with respect to moving the project forward to increase track capacity in that area. Construction of the sidings will begin this spring and by the end of 2007, NJ TRANSIT will begin to provide mid-day, weekend and bi-directional service for customers, which NJ TRANSIT is not able to do today because of track constraints.

Executive Director Warrington said that today also marks the first anniversary of the full opening of Secaucus Junction rail station. Ridership through the Junction is up to 8,000 passenger trips during the week with a record 8,555 the Friday after Thanksgiving. Executive Director Warrington was pleased to report that use of the station is growing at a rate of about 300 new riders a month. In addition, NJ TRANSIT is launching an aggressive marketing campaign which began last month just in time for the holiday. The campaign includes radio for 12 weeks; half page color advertisements in 20 daily and weekly newspapers; ads on 124 movie screens in area theatres, specifically targeted to travelers along the Main/Bergen, and North Jersey Coast lines. Special promotions during this campaign include discounts between \$2.00 and \$45.00 with 18 promotional partners to combine travel on NJ TRANSIT with discounts to venues like The Phantom of the Opera, Madam Tussauds and NJ Performing Arts Center.

Jeff Marinoff reported for the South Jersey Transit Advisory Committee. On behalf of the Committee, Mr. Marinoff congratulated NJ TRANSIT on its 25th Anniversary. Mr. Marinoff said NJ TRANSIT can be proud of the many notable achievements such as the Hudson-Bergen Light Rail, Rehabilitation of the Newark City Subway, RiverLINE as well as park and ride lots and station improvements. Mr. Marinoff said NJ TRANSIT is a responsible leader in the transit industry.

Suzanne Mack reported for the North Jersey Transit Advisory Committee. Ms. Mack congratulated NJ TRANSIT on its 25th Anniversary. Ms. Mack said she is happy to have been a part of NJ TRANSIT for the past 25 years. Ms. Mack recalled the former leaders of the Advisory Committees such as the late Judge Theodore LaBrecque, Arthur Reuben and George Williams and noted that their service has made the Committees what they are today. Ms. Mack congratulated John McGoldrick for his service on the Board for the past 25 years and also honorably mentioned the late Bert Hasbrouck and Susan Kirk for their exemplary service. Ms. Mack said good people make good things happen and she has been proud to have been associated with the most renowned organization in the country.

There were three public comments on agenda items.

David Peter Alan, on behalf of the Lackawanna Coalition, said he is in concurrence with the agenda item: Pascack Valley Line – Passing Sidings: Construction Contract Award.

William Wright, on behalf of New Jersey Association of Railroad Passengers, congratulated NJ TRANSIT on 25 years and wished many more. Mr. Wright said he is happy to see the item, Pascack Valley Line Passing Sidings, before the Board.

Al Cafiero, on behalf of Senator Cardinale's Office, congratulated NJ TRANSIT on 25 years and commented on the northern branch extension of Hudson-Bergen Light Rail.

Executive Director Warrington presented the following Action Items for approval:

0412-73: PASCACK VALLEY LINE – PASSING SIDINGS: CONSTRUCTION CONTRACT AWARD

Approval is sought to contract with E.E. Cruz Company to construct the passing sidings along the Pascack Valley Line. After many community meetings and negotiations, NJ TRANSIT is moving forward to construct a total of four sidings which will allow bi-directional rail service between Spring Valley, New York and Hoboken Terminal. Presently, the Pascack Valley Line is a single track railroad which operates service to Hoboken in the morning and from Hoboken in the evening. The sidings will allow NJ TRANSIT to expand and enhance that service, giving customers a wider range of travel options. NJ TRANSIT in-house forces will install track, switches and signal systems after construction of the site improvements. The contract will not exceed \$3,448,060 plus five percent for contingencies. In addition, approval is sought to amend a contract with Parsons Brinckerhoff for construction assistance for this project at a cost of \$150,000 plus five percent for contingencies. The sidings are expected to be operational by summer of 2007.

Flora Castillo moved the resolution, Patrick W. Parkinson seconded it and it was unanimously adopted.

0412-74: BERGEN COUNTY LINE: REHABILITATION OF THE MECHANICAL COMPONENTS OF THE HX DRAWBRIDGE

The HX Drawbridge in Secaucus on the Bergen County Line was constructed in 1912 with no major repairs to the mechanical drive system since that time. Over the years, wear and tear to the gears, shafts and bearings and operating struts necessitates replacement to extend the useful life of the bridge. Approval is sought to contract with American Bridge for replacement of the mechanical systems at a cost not to exceed \$3,065,000 plus five percent for contingencies.

Patrick W. Parkinson moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

0412-75: HOBOKEN TERMINAL – BOILER REPLACEMENT PROJECT: CONSTRUCTION CONTRACT AWARD AND AMENDMENT OF CONTRACT TO ADD CONSTRUCTION MANAGEMENT

Hoboken Terminal is in the midst of a major rehabilitation for continued commuter use, restoration of ferry service and future adaptive reuse for economic development. Temporary diesel boilers have been in use and there is a need to replace them with permanent gas boilers to improve the operational reliability and support future development. Approval is sought to contract with Hall Construction to replace the boilers at a cost not to exceed \$2,222,000 plus five percent contingencies. Approval is also sought to amend a contract with Tishman Construction Corporation for construction management services for this contract not to exceed \$110,000 plus five percent for contingencies.

John McGoldrick moved the resolution, Verice M. Mason seconded it and it was unanimously adopted.

0412-76: HUDSON-BERGEN LIGHT RAIL MOS-2, MOS-3, EXTENSION WEST AND NORTHERN BRANCH: GENERAL DESIGN CONSULTANT, PROJECT MANAGEMENT ASSISTANCE CONSULTANT AND ENVIRONMENTAL SERVICES CONSULTANT

Approval is sought to continue funding for three consulting firms critical to the continued success and expansion of the Hudson Bergen Light Rail line and planning for service on the Northern Branch to Tenafly, as well as planning for potential extension of the Hudson Bergen Light Rail to the Meadowlands. MOS- 2 is currently under construction, and extends the system in Bayonne, through Hoboken, Weehawken, Union City and West New York to a North Bergen park & ride, and is expected to be fully operational by the end of 2005. Parsons Brinckerhoff Quade & Douglas has provided general design services for the project and authorization is requested to continue funding totaling \$10,521,210 plus five percent for contingencies through the end of 2005. Booz Allen & Hamilton provides professional services related to the project management of the Hudson-Bergen Light Rail. Approval is sought to fund continued work through the end of 2005 in the amount of \$5,538,058 plus five percent for contingencies. Finally, BEM Systems, Inc. provides environmental consulting services and authorization is requested to continue and increase the funding for this work through the end of next year in the amount of \$2,205,550 plus 10 percent for contingencies.

Flora Castillo moved the resolution, Patrick W. Parkinson seconded it and it was unanimously adopted.

0412-77: RIVER LINE: SETTLEMENT OF CONDEMNATION LITIGATION FOR ACQUISITION OF REAL PROPERTY

In April of 2000, NJ TRANSIT filed condemnation action to acquire two parcels necessary for the RiverLine construction at the Trenton Station location. Settlement agreement has been reached and approval is sought to settle two condemnation cases. The first is with Cat In The Hat, LLC for \$2,160,606 inclusive of interest through January 17, 2005. The second is with Goldman, Popkin, Caputi, Hegedus and Carom Partnership for \$1,223,697 inclusive of interest through January 17, 2005.

John McGoldrick moved the resolution, Patrick W. Parkinson seconded it and it was unanimously adopted.

John McGoldrick asked if condemnations go to trial or if they are settled earlier. Mr. Wedel replied that the cases are usually negotiated and settled before they reach Court.

0412-78: SOUTHERN NEW JERSEY RAIL GROUP VS. NJ TRANSIT: COMPENSATION OF SPECIAL COUNSEL

In 2002, the Attorney General designated Sills, Cummis, Epstein & Gross as special counsel to NJ TRANSIT to defend the lawsuit filed by Southern New Jersey Rail Group, the Design-Build-Operate-Maintain (DBOM) contractor for the RiverLINE. Depositions have begun and a proposed Case Management Plan has been sent to Plaintiff's counsel. Approval is sought to continue funding Sills Cummis for comprehensive litigation support services, including retention of experts, up to an additional \$2,190,000. Subsequent litigation budgets will be submitted for approval as required.

Flora Castillo moved the resolution, Patrick W. Parkinson seconded it and it was unanimously adopted.

The following public comments were heard on non-agenda items:

David Peter Alan, on behalf of the Lackawanna Coalition, thanked NJ TRANSIT for not implementing the step-up fare for rides between Newark and Hoboken. Mr. Alan said the Lackawanna Coalition thanks NJ TRANSIT for listening and implementing their suggestion. Mr. Alan also said he understands the need for a rational fare structure but said it should not be done through a fare increase. Mr. Alan said the Coalition is willing to assist and work with NJ TRANSIT. Mr. Alan congratulated NJ TRANSIT on its 25th Anniversary and recalled that in July 1979 the New Jersey Public Transportation Act was passed and NJ TRANSIT was created. Mr. Alan saluted past and present Board of Directors, Executive Staff and all of the NJ TRANSIT employees who started with NJ TRANSIT 25 years ago – from A to Z – D.C. Agrawal to Joyce Zuczek.

Chairman Lettiere thanked everyone for their comments and invited George Warrington to comment on the history of NJ TRANSIT.

Executive Director Warrington said he often thinks these days that what is missing in public discourse is a sense of context. He said that in order to understand and appreciate the way things are today, one needs a little history – and that is what anniversaries are about – a time to reflect and provide context.

Executive Director Warrington said that more than 25 years ago, before there was an NJ TRANSIT, there was no modern, efficient, reliable, well connected or capitalized transit system in the State. He said what existed was an irrational, balkanized and grossly undercapitalized collection of orphans – nearly 30 bankrupt bus companies and seven freight railroads that were providing dismal service, in most respects.

Executive Director Warrington said in 1975, he knew what it was like because he was there. He was hired by Dick Anderson, Director of the Division of Commuter Services at the Department of Transportation (DOT), a small organization with the impossible task of negotiating month-to-month service contracts with dozens of service providers.

Executive Director Warrington said there was no respect for the system. It was not a vital foundation of the State's economic and transportation fabric as it is today. Executive Director Warrington said public transportation was really viewed in many respects as a social program – a safety net for a dwindling number of lower income and transit dependent people. He said the system did not serve customers well and the political and business communities had no confidence in it.

Executive Director Warrington recalled the days when the commuter wives on the North Jersey Coast Line actually blocked the railroad tracks to protest their husbands' late returns home. As a result, many organizations were formed across the State in response to a complete lack of confidence in the system:

- Shore Commuters for On-Time Service.
- Commuter Wives
- Lackawanna Coalition
- Route 9 Commuter Coalition

Executive Director Warrington said on time performance in those days was dismal. He said the equipment was more than 50 years old. In fact, riders reported that they could see the white lines painted on the roads through the floors of their rusted out buses.

Executive Director Warrington said that Commissioner Lou Gambaccini, with help from a lot of people like Martin Robins, Bert Hasbrouck, Amy Rosen, Cathy Sweeney and Debbie Finn, crafted a strategy to transform the chaos beginning with a series of policy papers the most memorable of which was named "The Horror Story"

Executive Director Warrington said he was pleased that some of the founders of NJ TRANSIT are at the Board Meeting. Executive Director Warrington put into context what they did. He said they cobbled together fragmented, broken down pieces of transportation services and brilliantly wove together a first class transportation network that today is the third largest in the country and is the nation's largest statewide system. Executive Director Warrington said they took a leap of faith and took a system no one cared about and changed into one that, today, no one could imagine living without.

Executive Director Warrington provided a few facts. In 1979, NJ TRANSIT carried 177 million annual passenger trips and today, NJ TRANSIT serves 220 million annually, a 24 percent increase.

Executive Director Warrington said NJ TRANSIT has grown from operating 474 trains to 693 trains an average weekday. He said NJ TRANSIT operated 65 million bus miles annually nearly 25 years ago, and today, it is 77 million. Executive Director Warrington said overall system demand for services has increased about 40 percent and today, six out of eight New Jersey residents live within five miles of a train station. Executive Director Warrington said NJ TRANSIT installed more than 1.2 million wooden ties and 65 miles of overhead wire. He said NJ TRANSIT purchased 511 rail cars, 136 locomotives and more than 5,500 buses and built 14 new rail stations and six new bus garages.

Executive Director Warrington said that NJ TRANSIT has earned the support of customers, and stakeholders in the State and communities served. Executive Director Warrington said that over the years, NJ TRANSIT has enjoyed bi-partisan support and recognition as a vital part of the economic fabric – an engine driving the State's continued growth.

Executive Director Warrington said this is a tribute to the very thoughtfully structured corporate organization that Lou Gambaccini established. He said this organization has withstood the test of time and provided stability, continuity, and seamlessness to the system. He said critical to this success has been the Corporation's governance structure – which has a longstanding tradition of bi-partisan support from Governors, Governor-appointed Board Members, and extraordinary support from legislators, like John Wisniewski and Linda Stender. Executive Director Warrington said the structure also ensured that the Agency could recruit and retain the most qualified and committed employees and managers, including a succession of executives who have led the organization and contributed to the success celebrated today. Executive Director Warrington recognized some of those people: Jerry Premo, Martin Robins, Shirley DeLibero, Al Harf, George Heinle, Robert Stoloff, Ron Reisner, Stan Feinsod, Amy Rosen and Chairmen like Tom Downs, Bob Innocenzi, and Jim Weinstein and Board Member Eva Lerner-Lam. Executive Director Warrington publicly thanked the Board for their support and leadership over the years. Executive Director Warrington said he knows this is a very special occasion for John McGoldrick – who is the longest serving Board member.

Chairman Lettiere commended the efforts of a few people present at the Board Meeting – Governor Brendan Byrne, Jerome C. Premo, Shirley A. DeLibero, Martin Robins, Amy Rosen, former Board Members Eva Lerner-Lam and Betty Wilson. Senator Frank Herbert, Assemblywoman Rose Heck and Assemblywoman Linda Stender. Chairman Lettiere also expressed sincere thanks to staff – Debbie Finn, Joyce Zuczek, Robert Stoloff, Stan Feinsod, Robert Brownstein and Gwen Watson.

Chairman Lettiere commended Governor Byrne, Lou Gambaccini and Frank Herbert for their vision, boldness and courage in the creation of NJ TRANSIT. Chairman Lettiere said they improved the quality of life for the residents of New Jersey as well as generations to come. Chairman Lettiere said NJ TRANSIT will continue the legacy for the next 25 years.

Board Member McGoldrick congratulated NJ TRANSIT and commented on the past 25 years and said he has lived it since he has been a Board Member since 1979. He said the

founders had wisdom and great foresight and has made NJ TRANSIT what it is today. Board Member McGoldrick said the Board is comprised of four private members and three public members that are independent and professional. He said that NJ TRANSIT was a bold experiment that evolved into a great agency. Board Member McGoldrick said NJ TRANSIT should look to the future and remain vigilant for the next 25 years to make NJ TRANSIT better still than it is today.

Board Member Parkinson commented on how far NJ TRANSIT has come over the last 25 years. Board Member Parkinson recalled his commuting days in 1977 and reiterated the dismal condition of public transportation. Board Member Parkinson said due to great people and great resources, NJ TRANSIT has improved greatly in meeting its objective.

Board Member Castillo said she was happy to participate in NJ TRANSIT's 25th Anniversary. She said that during the last five and a half years, she has witnessed tremendous growth such as Hudson-Bergen Light Rail, Secaucus Junction as well as the vast improvements in customer service. Board Member Castillo said it has been an honor and privilege to be part of this wonderful organization and looks forward to the next 25 years.

Board Member Shevell said it has been an honor to serve on the NJ TRANSIT Board of Directors for the past ten years. Board Member Shevell personally thanked Amy Rosen and Shirley A. DeLibero and Assemblywoman Rose Heck. Board Member Shevell thanked everyone for their support and said he looks forward to the next 25 years and said it is an honor to be here.

Board Member Smartt said he was present at the creation of NJ TRANSIT in 1979. He congratulated Governor Byrne and Lou Gambaccini and said they had been an inspiration to him and thanked them for their vision.

Board Member Mason commented that she is the newest Board Member and thanked Acting Governor Codey for her appointment to this Board. Board Member Mason said she also commuted in the 1970's and remembers how public transportation was then and the great improvements there are today. Board Member Mason congratulated Chairman Lettiere and the entire Board as well as Executive Director Warrington. She said they are going a great job and looks forward to working with them in the future.

Assemblywoman Stender congratulated NJ TRANSIT on its 25th Anniversary. She said NJ TRANSIT has come a long way and that is testimony of the hard work, dedication and commitment of many people. Assemblywoman Stender said Governor Brendan Byrne's efforts have been extraordinary. She said that in the middle of the night in 1979, Governor Byrne was a major force in the creation of NJ TRANSIT. Assemblywoman Stender said she looks forward to the next 25 years.

Governor Brendan Byrne gave a brief overview of the creation of NJ TRANSIT. He recalled the opposition to the creation of NJ TRANSIT and also recalled the vision and courage of people like Senator Frank Herbert. Governor Byrne said that NJ TRANSIT is what it is today because of the past and present people who worked to make it a great transit system.

Via videotape, Lou Gambaccini commented on NJ TRANSIT's 25th Anniversary. He said people had a gutsy vision that would serve the public interest. He mentioned the young men and women at the Department of Transportation who had a business concept of running a company – George Warrington, Martin Robins, Amy Rosen, Cathy Sweeney, Debbie Finn and the late Bert Hasbrouck and Susan Kirk. Mr. Gambaccini said this group of unparalleled public servants were visionaries. He also mentioned commuter groups that were instrumental on insisting on change – Betsy Barrett, John D'Amico. Mr. Gambaccini said he was proud of his role and proud of the public servants working with him.

Chairman Lettiere commented that NJ TRANSIT's 25th Anniversary continues with a ceremony and five people will be inducted in NJ TRANSIT's Hall of Fame – Shirley A. DeLibero, Martin Robins, George Heinle, Harold Hodes and the late Bert Hasbrouck.

Executive Director Warrington recognized Art Guzzetti and Rick Mariani for their service and contributions to NJ TRANSIT.

Executive Director Warrington recognized the longest serving NJ TRANSIT employees and congratulated and thanked them for their commitment to NJ TRANSIT and the customers.

Executive Director Warrington congratulated Frank Bookstaver from the Rail Operations Department. Mr. Bookstaver has been with NJ TRANSIT for 56 years. He began his career on the Erie Railroad as a clerk block operator, and later was a rail dispatcher when the Erie merged with the Lackawanna Railroad. He currently is a chief rail dispatcher.

On the Bus side, Executive Director Warrington congratulated Harold Campanell who has been with NJ TRANSIT for 54 years. Mr. Campanell began his career with Public Service Coordinated Bus.

On the Corporate side, Executive Director Warrington congratulated Eleanor Bartsch who has been with NJ TRANSIT for 46 years. Eleanor began her career in Maplewood with Transport of New Jersey, and is currently working in the Corporate Finance Department.

Executive Director Warrington congratulated Deputy Chief Werner Ropers who has been with NJ TRANSIT for 35 years. Mr. Ropers started with the Penn Central Railroad which later became Conrail.

Chairman Lettiere said, on behalf of himself and the Board of Directors, he wished everyone a safe and happy holiday season.

Since there were no further comments or business, the Chairman called for adjournment and a motion to adjourn was made by Mike Shevell, seconded by Robert Smartt and unanimously adopted.

The meeting was adjourned at approximately 11:50 am.

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

DECEMBER 15, 2004

MINUTES

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ACTION ITEMS

0412-73: PASCACK VALLEY LINE – PASSING SIDINGS: CONSTRUCTION CONTRACT AWARD	35863
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Authorization to contract (No. 04-036) with E. E. Cruz Company, Inc., of Holmdel, NJ for the general construction of the passing sidings at a cost not to exceed \$3,448,060, plus five percent for contingencies.

Also, authorization to amend a contract (No. 98CP130) with Parsons Brinckerhoff of Newark, NJ for construction assistance services at cost not to exceed \$150,000, plus five percent for contingencies, for a total contract authorization of \$5,471,285.

0412-74: BERGEN COUNTY LINE: REHABILITATION OF THE MECHANICAL COMPONENTS OF THE HX DRAWBRIDGE	35866
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Authorization to contract (No. 05-009) with American Bridge of Coraopolis, PA to perform replacement of the HX Drawbridge mechanical systems, at Milepost 5.48 on the Bergen County Line located in Secaucus, Hudson County, NJ, at a cost not to exceed \$3,065,000, plus five percent for contingencies.

0412-75: HOBOKEN TERMINAL – BOILER REPLACEMENT PROJECT: CONSTRUCTION CONTRACT AWARD AND AMENDMENT OF CONTRACT TO ADD CONSTRUCTION MANAGEMENT	35868
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Authorization to contract (No. 05-015) with Hall Construction of Howell, NJ for the construction of Hoboken Ferry Terminal Boiler Replacement Project, at a cost not to exceed \$2,222,000, plus five percent for contingencies.

Also, authorization to amend the existing professional services contract (No. 97CM022) with Tishman Construction Corporation of Newark, NJ, for construction management in support of Hoboken Ferry Terminal Boiler Replacement Project at a cost not to exceed \$110,000, plus contingencies, for a total contract authorization of \$5,958,559.

- 0412-76: HUDSON-BERGEN LIGHT RAIL MOS-2, MOS-3, EXTENSION WEST AND NORTHERN BRANCH: GENERAL DESIGN CONSULTANT, PROJECT MANAGEMENT ASSISTANCE CONSULTANT AND ENVIRONMENTAL SERVICES CONSULTANT 35871

Authorization to increase the funding of Contract No. 93CJ001 through December 31, 2005 in the amount of \$10,521,210 plus five percent for contingencies for professional services related to the design and construction of the Hudson-Bergen Light Rail (HBLR) and the Northern Branch to Tenafly with Parsons Brinckerhoff Quade and Douglas, Inc. (PBQ&D) of Newark, NJ, the general design consultant. This authorization will bring the total contract authorization to \$143,778,711.

Further, authorization to increase the funding of Contract No. 95CJ021 through December 31, 2005 in the amount of \$5,538,058 plus five percent for contingencies for professional services related to the design and construction of the HBLR and the Northern Branch to Tenafly with Booz Allen and Hamilton, Inc. (BAH) of McLean, VA, the project management assistance consultant. This authorization will bring the total contract authorization to \$38,781,961.

Also, authorization to increase the funding of Contract No. 91CJ0035 through December 31, 2005 in the amount of \$2,205,550 plus 10 percent for contingencies for professional services related to the design and construction of the HBLR with BEM Systems, Inc. (BEM) of Chatham, NJ, the environmental services consultant. This authorization will bring the total contract authorization to \$29,374,105.

- 0412-77: RIVER LINE: SETTLEMENT OF CONDEMNATION LITIGATION FOR ACQUISITION OF REAL PROPERTY 35875

Authorization to settle the condemnation case with Cat In The Hat, LLC for \$2,160,606 inclusive of interest through January 17, 2005. The property owners have settled for the Condemnation Commissioners' award plus one-third of the estimated interest, less

\$25,000 in environmental costs.

Authorization to settle the condemnation case with Goldman, Popkin, Caputi, Hegedus and Carom Partnership for \$1,223,697 inclusive of interest through January 17, 2005. The property owners have settled for the Condemnation Commissioners' award plus one-third of the estimated interest, less \$25,000 in environmental costs.

0412-78: SOUTHERN NEW JERSEY RAIL GROUP VS. NJ TRANSIT: 35878
COMPENSATION OF SPECIAL COUNSEL

Additional authorization to compensate the law firm of Sills Cummis Epstein & Gross as Special Counsel to NJ TRANSIT in accordance with the Attorney General's designation for comprehensive litigation support services, including the retention of experts, up to an additional \$2,190,000 for a total contract authorization of \$9,090,000 for services through June 2005. Subsequent litigation budgets will be submitted for approval as required.

► PUBLIC COMMENTS ON AGENDA ITEMS -

APPROVAL OF MINUTES

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

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the November 10, 2004 Board meeting 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 November 12, 2004;


NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the November 10, 2004 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.

Richard J. Codey
Acting Governor

Jack Lettiere
Board Chairman

George D. Warrington
Executive Director



TO: BOARD OF DIRECTORS
FROM: GEORGE D. WARRINGTON 
DATE: DECEMBER 15, 2004
SUBJECT: EXECUTIVE DIRECTOR'S REPORT - DECEMBER

Today, we're celebrating our silver anniversary, and it's hard to believe that 25 years have passed since NJ TRANSIT was created. We can take pride in the enormous progress we have making this Corporation one of the most successful providers of public transportation in the country. Without the hard work and dedication of our staff over the last two and a half decades, it wouldn't have been possible.

The State's transit system in its current form does not resemble anything we faced when the State took over failing commuter rail and bus companies. A host of bankrupt bus companies needed to be salvaged and completely overhauled, and a handful of railroads were trying to quickly get out of the unprofitable passenger business. To say it was a ragged assortment of infrastructure, rolling stock, and service plans would be an understatement.

It was 1978 when Governor Brendan Byrne recruited Lou Gambaccini to take over the state Department of Transportation. Lou set about methodically and courageously to build and rebuild the state transportation system. In 1979, he sent a group of us from the DOT to start NJ TRANSIT after a tough legislative battle to create the Corporation. In those days we were twenty- and thirty-somethings and, as the expression goes, we didn't know what we didn't know. What we lacked in experience, however, we made up in energy, talent and devotion to Lou's charge and mission.

Under Lou's leadership, we established a strong corporate structure beginning with our Board of Directors. Our success over the years is due in large part to their commitment, as well as the support of the New Jersey Legislature, Governors, key stakeholders and, of course, the employees of NJ TRANSIT.

Now that we have weaved a seamless transit network that features state-of-the-art modes of transportation, and reliable and efficiently run service, we must continue to stay focused on the basics - delivering outstanding customer service on our trains, buses and light rail vehicles, each and every day.

All the while, we're planning for the future and working aggressively to meet the growing demand for public transportation.

Today, we celebrate our past, recognize our present, and focus on the future.

EXECUTIVE DIRECTOR'S MONTHLY REPORT

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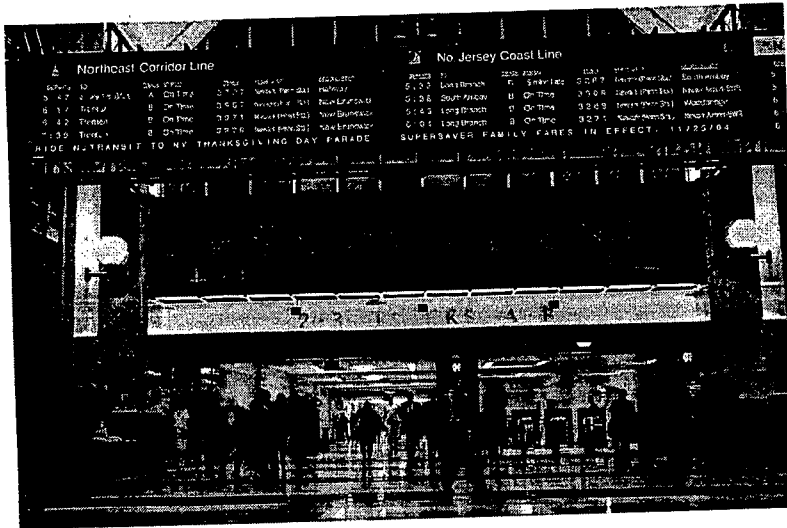
NJ TRANSIT's Operational Performance During the Past Month

HIGHLIGHTS

(NJ TRANSIT BOARD – 12/15/04)

Secaucus Junction now ninth busiest station

As Secaucus Junction celebrates its one-year anniversary, the transfer station is handling approximately 8,000 average weekday passenger trips, making it the ninth busiest rail station in the NJ TRANSIT system.



The station opened for weekday service on December 15, 2003.

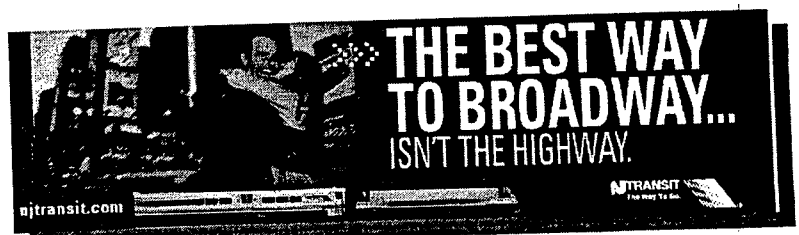
“Secaucus Junction is accomplishing its intended mission by connecting the state’s rail network and providing many more commuting options,” said NJ TRANSIT Executive Director George D. Warrington. “This station is a long-term investment in our mobility and economic vitality.”

The station offers customers comfort and convenience, whether they are traveling to New York or points within New Jersey. On a typical weekday, 353 trains serve the station. During the peak period, trains arrive every 7 minutes in the peak direction on the upper level and every four minutes on the lower level. Eleven trains en route to New York stop at the station between 7:34 a.m. and 8:31 a.m. every weekday.

Recent service improvements continue to fuel growth. On October 31, NJ TRANSIT implemented 30-minute train service between Hoboken/Secaucus Junction and Suffern from 7 p.m. until midnight on weekdays. The new schedules filled service gaps up to 90 minutes on the Main Line and up to 2 ½ hours on the Bergen County Line.

A new station on Route 17 in Ramsey opened in August 2004 to accommodate future increased demand from Secaucus Junction. The Ramsey Route 17 station adds 1,200 parking spaces for commuters and is conveniently located on one of Bergen County’s busiest highways.

NJ TRANSIT recently launched a new marketing campaign targeting potential customers near several rail lines, including the Main/Bergen County lines. The campaign stresses the comfort and convenience of taking NJ TRANSIT to New York without worrying about



parking, traffic or tolls. The marketing plan includes traditional print advertising, radio, e-mail, direct mail and outdoor advertising, in addition to ads on pizza boxes and a new customer kiosk at the Port Authority Bus Terminal.

Reducing delays by keeping Portal closed

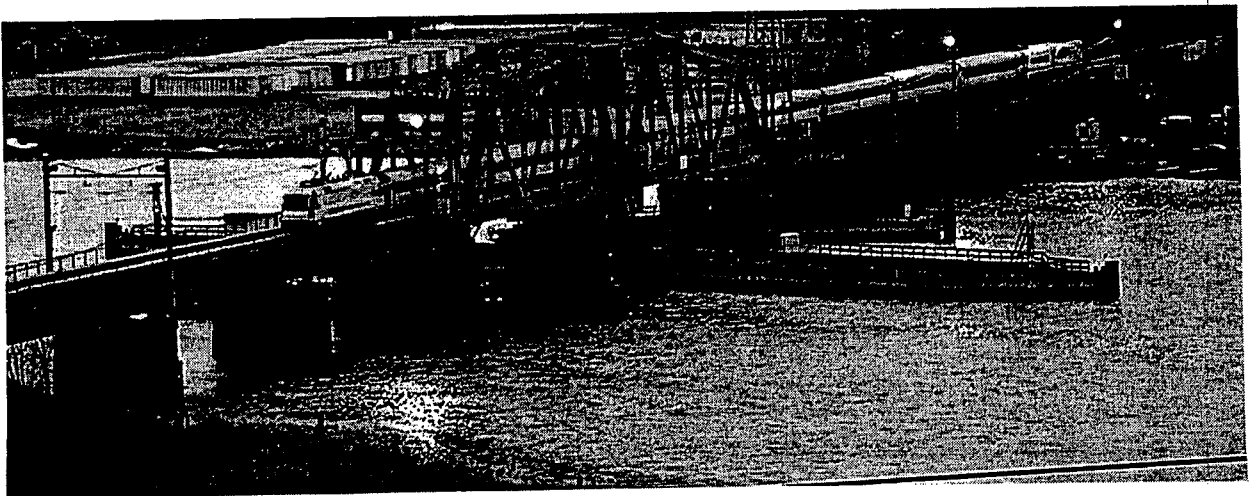
In response to a joint request by NJ TRANSIT and Amtrak, the U.S. Coast Guard has agreed to a second test that will limit rush hour openings of the Portal Draw Bridge during the winter months when river traffic typically peaks.

The Portal Draw Bridge spans the Hackensack River about six miles west of New York Penn Station on the Northeast Corridor, providing a critical link between New Jersey and New York City. On a typical weekday, the bridge carries 136,000 NJ TRANSIT customer trips on MidTOWN DIRECT, Northeast Corridor and North Jersey Coast Line trains. Amtrak trains carry an additional 19,000 trips over the bridge each day.

The U.S. Coast Guard first tested limited Portal Bridge openings with great success last March, thanks to the support of Amtrak, the U.S. Coast Guard and shippers such as Amerada Hess, the Bergen County Utility Authority, Hornbeck Offshore and Moran Towing.

During the first 90-day test period, the number of bridge openings decreased from 13 to one, or 92 percent, and the length of train delays decreased from 20 ¼ hours to 54 minutes, or 96 percent, compared to the same period in 2003.

On December 13, 2004, the U.S. Coast Guard initiated a second 90-day test to reduce the number of bridge openings between the weekday peak hours of 6 a.m. and 10 a.m. and between 4 p.m. and 8 p.m.



(NJT BOARD – 12/15/04)

Under current federal regulations, the bridge is not opened on weekdays between the hours of 7:20 a.m. and 9:20 a.m. and between 4:30 p.m. and 6:50 p.m. During the extended hours of the test, bridge openings will be limited to commercial vessels that face tidal conditions or other conditions affecting safety.

On a typical weekday, 230 NJ TRANSIT trains cross the bridge during peak periods when nearly 70 percent of customers travel.



Ring in the New Year with plenty of extra service

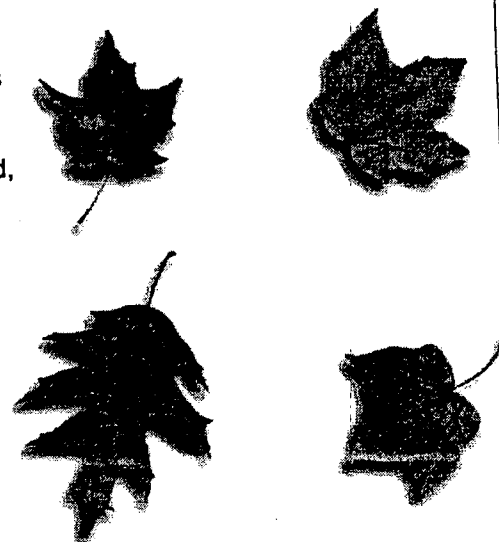
After the ball drops and the confetti falls in Times Square this New Year's Eve, holiday revelers should have no problem finding a train or bus that meets their needs thanks to additional service announced today by NJ TRANSIT. In addition to 16 regularly scheduled overnight trains, NJ TRANSIT will offer 29 extra trains from New York, Hoboken, Trenton and Atlantic City, providing late night service on 10 of its 11 commuter rail lines. Also, from midnight until 5:30 a.m., NJ TRANSIT will offer enhanced outbound bus service on more than two dozen lines from the Port Authority Bus Terminal.

NJ TRANSIT Police and the New Jersey State Police plan to step up patrols by uniformed and plain-clothed officers and by K-9 teams on New Year's Eve to ensure a safe and secure trip for all customers.

Rail Ops leaves autumn in the dust – again

For the second consecutive year, NJ TRANSIT has made dramatic strides against the natural phenomenon known as "slippery rails." The condition occurs every autumn when Mother Nature dumps leaves on to the railroad, producing oily residue that causes trains to lose traction.

To combat the problem, NJ TRANSIT invested in a high-power washing system, Aqua Track, in 2003. NJ TRANSIT also uses sand trains to ride in front of peak-period revenue trains and an aggressive tree-trimming program to further the effort.



(NJT BOARD – 12/15/04)

The results have been nothing short of impressive. Rail Operations had only 26 train delays this autumn due to “slippery rail” conditions, compared to 51 in 2003 and 226 in 2002. The total number of train delays on the Morris & Essex lines and the Montclair-Boonton Line (the two most susceptible to slippery rail delays) decreased to 21 this autumn, down from 34 in 2003 and 185 in 2002.

“Gridlock Alert” public awareness campaign launched

NJ TRANSIT recently launched public awareness and marketing campaigns to promote the benefits of using public transportation, especially on designated “gridlock alert” days in New York City.

A “gridlock alert” is issued by the New York City Department of Transportation on the busiest traffic days of the year. Designated gridlock alert days this holiday season include Nov. 19, Nov. 24 (day before Thanksgiving); Nov. 30 (tree lighting at Rockefeller Center); Dec. 10; Dec. 15, Dec. 16, Dec. 17, Dec. 22, and Dec. 23.

In a press release issued shortly before the year’s first gridlock alert, Assistant Executive Director Lynn Bowersox said, “With the holidays fast approaching, this is a good time to remind everyone that our trains and buses offer a convenient alternative into and out of midtown Manhattan. Whether you’re going shopping, taking in a Broadway show, watching the tree lighting or headed to the parade, we encourage you to leave the car at home.”

For the benefit of NYC visitors this holiday season, NJ TRANSIT is offering 16 weekend “Holiday Extra” express trains on the Morris & Essex Lines and the Northeast Corridor. The trains shave roughly 20 minutes off the regular travel time in each direction, making them a great option for NYC visitors.

NJ TRANSIT offers direct, frequent service to New York Penn Station from points along the Northeast Corridor, North Jersey Coast Line, Montclair-Boonton Line and Morris & Essex Lines. Connecting service to New York is available at Secaucus Junction for customers on the Main, Bergen and Pascack Valley lines. Connecting service is available at Newark Penn Station for customers on the Raritan Valley Line.

NJ TRANSIT announces holiday season discount offers

For a comfortable and convenient trip into and out of New York, tens of thousands of visitors know that NJ TRANSIT is the way to go. Today, just in time for the holidays, NJ TRANSIT announced an array of promotions and discounts to exciting New York City destinations including Radio City Music Hall, Planet Hollywood, the Empire State Building, Madame Tussaud’s Wax Museum, Ringley Brothers Barnum & Bailey Circus, World Yacht Dinner Cruises, the Manhattan Mall and several Broadway and off-Broadway

(NJ TRANSIT BOARD – 12/15/04)

shows including Chicago, Phantom of the Opera, Monty Python's Spamalot, Eve-Olution and Dame Edna: Back with a Vengeance.

NJ TRANSIT has the ticket to savings at one of New York's most popular holiday events—the Radio City Christmas Spectacular featuring the world-famous Rockettes. Customers can take \$10 off admission to select performances now through January 2 simply by mentioning code "NJT" when purchasing tickets at the Radio City Box Office or by calling Ticketmaster at (212) 307-1000.

Now is also a great time to see "The Phantom of the Opera," a Broadway show that has captivated audiences around the world. NJ TRANSIT customers can save \$45 on select performances, now through December 31. Tickets may be purchased by calling (212) 947-8844, online at www.Broadwayoffers.com, or by visiting the Phantom of the Opera Box Office and mentioning discount code PHNJTR2.

Customers who want to visit the city's most famous and historic landmark, the Empire State Building, can receive \$2 off admission prices when they present a discount coupon along with a NJ TRANSIT bus, rail ticket, pass or transportation receipt. Other discount partners include Chicago, Madame Tussaud's Wax Museum, Planet Hollywood, World Yacht and Circle Line.

Reaching out to minority chambers of commerce

Five minority Chambers of Commerce joined NJ TRANSIT Executive Director George D. Warrington last month to sign a Memoranda of Understanding (MOU) that will serve as a blueprint for the development of partnerships between the Corporation and Chamber members.

The MOU outlines methodologies to be used to help increase Chamber member participation in NJ TRANSIT's procurement, outreach, contracting and subcontracting opportunities, as well as business development programs. It will serve as an outline for the development of partnerships between the parties, and will allow NJ TRANSIT and Chamber of Commerce members to work closely and collaboratively to achieve greater participation rates in the Corporation's contracting opportunities.

The participating Chambers of Commerce include the New Jersey Chinese American Chamber of Commerce, the Statewide Hispanic Chamber of Commerce, the Metropolitan Trenton African-American Chamber of Commerce, the Hispanic Chamber of Commerce of Essex County, and the Black Chamber of Commerce of Northern New Jersey.

CUSTOMER AND COMMUNITY INITIATIVES

Working with communities to maximize River LINE economic benefits

Making good on a commitment to maximize the economic development of the River LINE, NJ TRANSIT hosted a Community Marketplace forum on December 2 at Rutgers Camden. The event was the culmination of the River LINE Economic Opportunity Project, which was launched by NJ TRANSIT shortly after the opening of the light rail system in March.



The forum connected local and state officials with private developers to take advantage of economic opportunities in the communities served by the 34-mile light rail line. The project sought to assist communities in their efforts to maximize their economic potential by providing an economic blueprint of individual communities and outlining resources that are available to them.

Contingency plan in place for Warwick bus service

NJ TRANSIT recently unveiled its winter service plan for the No. 196/197 Warwick, NY–New York City bus lines that includes additional trips, more travel options and improved communications during inclement weather conditions. When Mt. Peter (Route 17A) is closed or conditions are deemed unsafe, three new express bus trips will operate from the Port Authority Bus Terminal to downtown Warwick and the Warwick Park & Ride via the New York Thruway (I-87) to get customers home. In addition, when NJ TRANSIT activates the contingency plan, bus route Nos. 196/197 zone 12 and zone 13 passes and 10-trip tickets will be accepted by Metro-North on the Port Jervis Line from Harriman, Tuxedo or Sloatsburg stations. Short Line/Coach USA also will accept those tickets at designated locations.

Customers in Warwick are able to call NJ TRANSIT's Winter Weather Hotline or visit www.njtransit.com to determine if a weather contingency plan is in effect.

NJ TRANSIT Bus Operations continues to work closely with officials from Greenwood Lake, Warwick and the New York Department of Transportation on plans to operate bus route No. 196/197 to and from New York State during inclement weather.

EMPLOYEE RECOGNITION

(NJ BOARD – 12/15/04)

NJTPD receives award from U.S. Secret Service

The NJ TRANSIT Police Department has received the United States Secret Service Director's Recognition Award for "excellent law enforcement work" during Republican National Convention, a designated National Security Special Event (NSSE).

The Award, which was presented by U.S. Secret Service Director W. Ralph Basham reads, "In appreciation of your many contributions in support of the Secret Service mission and the selfless commitment to the ideals and principles of law enforcement."

"We are grateful for Secret Service's recognition of our efforts," said NJ TRANSIT Police Chief Joseph C. Bober. "And I, in turn, would like to recognize the superior work and vigilance of our officers, during the Republican Convention and every other day."

With the world watching, NJ TRANSIT successfully executed its security plan for the Republican National Convention, which was held August 30 – September 2 at Madison Square Garden in New York. During the Convention, NJ TRANSIT Police, assisted by New Jersey State Police and law enforcement agencies from around the state, inspected every New York-bound train every day of the Convention. The police department also stepped up aerial patrols of railroad infrastructure, K9 patrols of stations and rail yards, and electronic monitoring of bridges and tunnels.

NJT conductors sing doo-wop for Santa Claus Express

Although they are not music conductors, four NJ TRANSIT train conductors – and one North Jersey Coast Line customer – treated customers to a free a cappella doo-wop concert Monday, December 6, to raise money for Railmen For Children's annual Santa Claus Express, which brings joy and laughter to hundreds of special children every year.

Proceeds raised from the concert will go toward the expense of next year's Santa Express. This year's train departed Hoboken Terminal on December 10 and traveled to Harriman, N.Y., making stops at Paterson and Hawthorne. Hundreds of children from the Regional Day School of Jersey City and PS 31 of Jersey City traveled with Santa aboard the train.

NJ TRANSIT Employees Bid Farewell After Outstanding Careers

Four NJ TRANSIT employees retired in November after careers ranging from 19 years to 30 years of service with the Corporation and its predecessor companies.

The senior member of the retiree group is Robert Purgavie of Lanoka Harbor with 30 years. Purgavie was General Superintendent of the Newark Division in Newark. Other retirees were:

- Howell Garage Depot Master "A" Paul Smisek of Bricktown (23 years)
- Ironbound Garage Bus Operator Claude E. King of Plainfield (22 years)
- Director of Grant Administration Donna P. McDaid of Milford (19 years)

DBE / MBE PROGRAM

(NJT BOARD – 12/15/04)

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

In the federal funds category, \$2,866,350 was awarded during October 2004*; of that total \$1,020,970 or 35.6 percent was awarded to DBE firms and went towards meeting our Race Conscious Goal (21%).*

State Funded Contracts

\$17,046,002 was awarded in state-funded contract dollars during July through October 2004.** Of that total, Small Business Enterprises received \$834,174 or 5 percent. Category 1 SBEs received \$78,798 or 0.5 percent. Category 2 SBEs received \$131,875 or 0.8 percent. Category 3 SBEs received \$113,354 or 0.7 percent. Category 4 SBEs received \$510,147 or 3 percent.***

Federal & State Contracts Total

\$19,912,352 in federal and state contract dollars was awarded by NJ TRANSIT (federal and state fiscal years combined). \$1,855,144 was won by DBEs and SBEs. (Does not include small purchases dollars under \$25,000).

Hudson-Bergen Light Rail Transit System Project

Of \$1,436,917,532 in contract dollars awarded for the Hudson-Bergen Light Rail Transit System project****, \$168,641,876 or 11.7 percent has been received by DBEs. Of the \$168,641,876, 6 percent or \$8,979,896 has been won by Women Business Enterprises (WBEs) who are classified as DBEs.

* Fiscal year beginning October 1, 2004

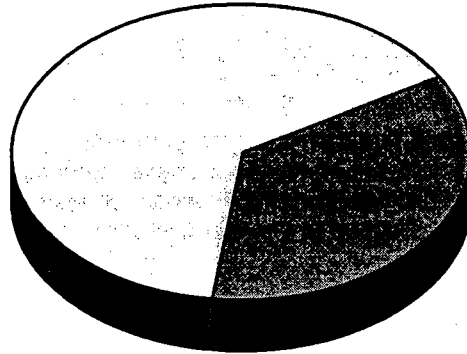
** Fiscal year beginning July 1, 2004

*** 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

**** This YTD figure reflects federal dollars expended on an annual basis; including change orders, for the period from December, 1996 through October 2004

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THRU NOVEMBER 2004)**

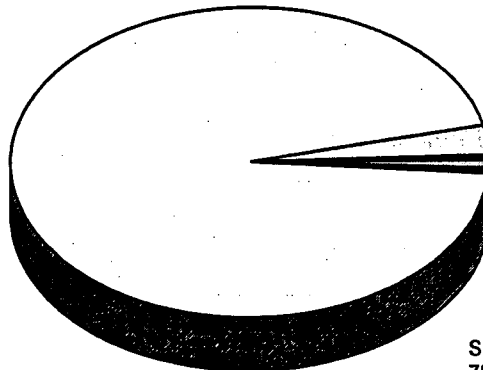
NON-FEDERAL
1,845,380
64.4%



DBE RACE
CONSCIOUS
1,020,970
35.6%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THRU NOVEMBER 2004)**

NON-SBE STATE
16,211,828
95%



SBE-4
510,147
3%

SBE-3
113,354
0.7%

SBE-2
131,875
0.8%

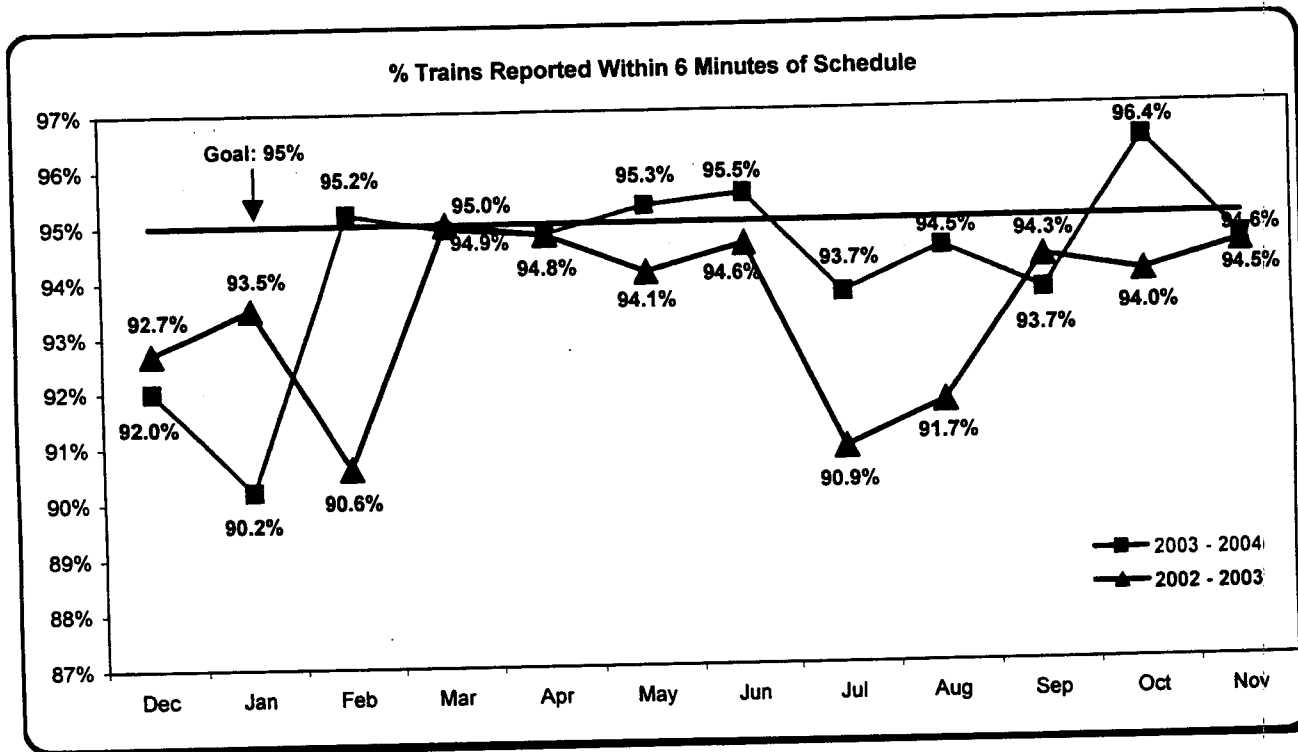
SBE-1
78,798
0.5%

* Does not include small purchases dollars under \$25,000.

PERFORMANCE MEASURES

(NJT BOARD - 12/15/04)

NJ TRANSIT ON TIME PERFORMANCE RAIL DECEMBER 2002 - NOVEMBER 2004



	2003	2004	# Change
November Comparison	94.5%	94.6%	0.1%

	2002 - 2003	2003 - 2004	# Change
12-Month Average December - November	93.4%	94.2%	0.8%

Analysis:

Rail On Time Performance (OTP) for November 2004 was 94.6%, slightly below the 95% goal. Of the 17,992 trains that were scheduled to operate, 17,019 were on time, while 973 trains (or 5.4%) were delayed. Key events during the month that impacted On Time Performance include:

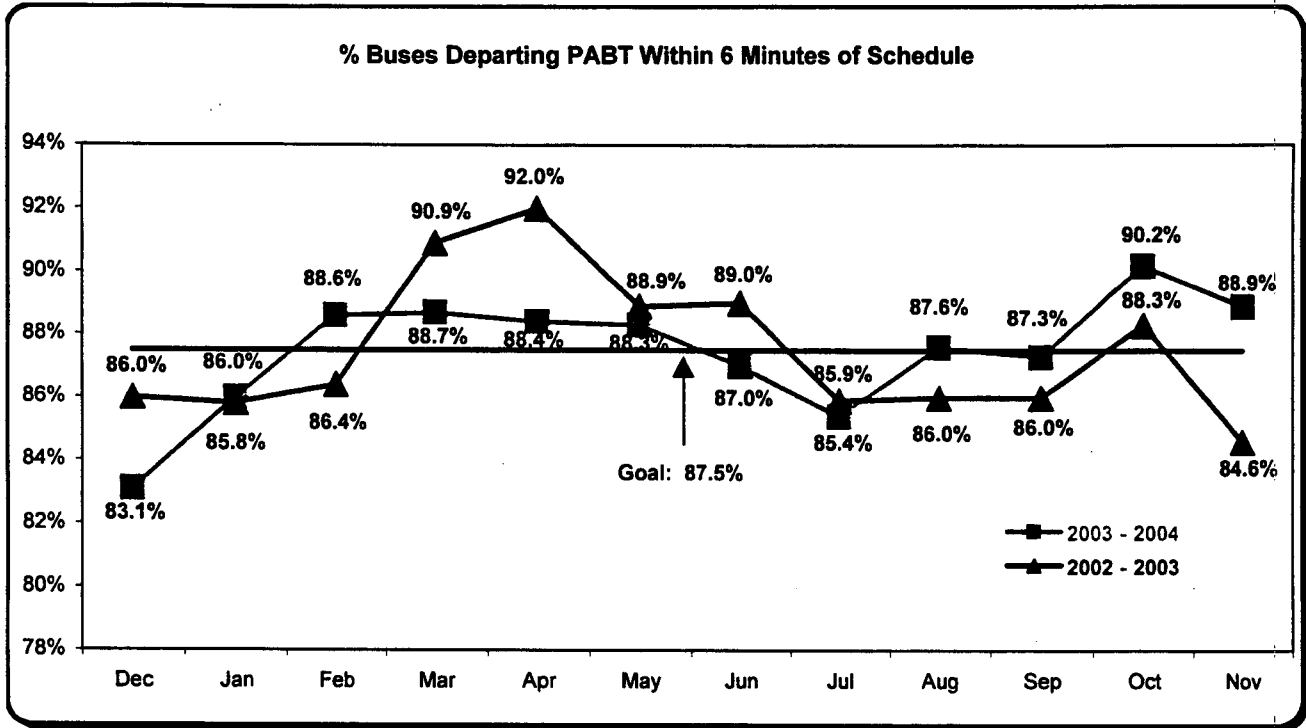
On November 7th, 19 trains were delayed as a result of a train accident involving a trespasser at the Rahway Station;

On November 23rd, 31 trains were delayed as a result of a small fire in the inbound tunnel to New York during the AM peak period; and

On November 24th, 107 trains were delayed due to an Amtrak train's loss of power resulting from a catenary wire that had come down in one of the tunnels between Sunnyside Yard and Penn Station New York. Because of the train's location, the majority of NJT equipment used for the PM peak period could not be moved from Sunnyside Yard.

The 12-month average for Rail On Time Performance for December 2003 - November 2004 was 94.2%, 0.8 of a percentage point above the average for the previous 12-month period.

NJ TRANSIT ON TIME PERFORMANCE BUS - PABT DEPARTURES DECEMBER 2002 - NOVEMBER 2004



	2003	2004	# Change
November Comparison	84.6%	88.9%	4.3%

	2002 - 2003	2003 - 2004	# Change
12-Month Average December - November	87.5%	87.5%	0.0%

Analysis:

Bus On Time Performance for November 2004 was 88.9%, 4.3 percentage points above the 84.6% rate of November 2003. Of the 19,280 PABT PM Peak departures, 2,138 (or 11.1%) experienced delays. Significant sources of delay included:

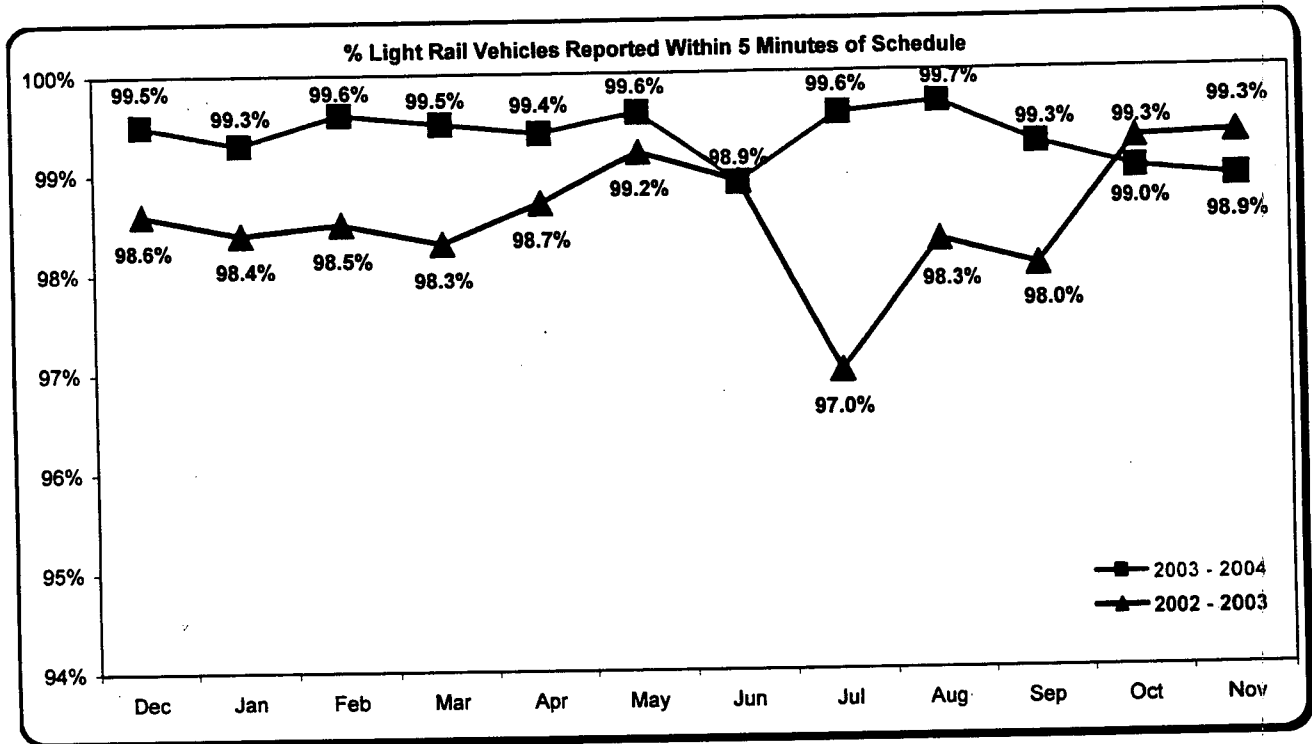
Heavy traffic on both the eastern and western spurs of Route 495 on November 5th;

Heavy rain, which affected both inbound and outbound buses at the PABT on November 12th; and

Heavy holiday traffic volumes on November 24th, the day before Thanksgiving and on November 30th, the day of the Christmas tree-lighting ceremony at Rockefeller Center.

The 12-month average for Bus On Time Performance for December 2003 - November 2004 remained the same as the average for the previous 12-month period at 87.5%.

NJ TRANSIT ON TIME PERFORMANCE HUDSON BERGEN LIGHT RAIL DECEMBER 2002 - NOVEMBER 2004



	2003	2004	# Change
November Comparison	99.3%	98.9%	-0.4%

	2002 - 2003	2003 - 2004	# Change
12-Month Average December - November	98.5%	99.4%	0.9%

Analysis:

Hudson Bergen Light Rail (HBLR) On Time Performance for November 2004 was 98.9%, slightly below the 99.3% rate of November 2003. Of the 15,938 trips that were operated, 178 (or 1.1%) were delayed. Significant sources of delay included:

Equipment failures on November 2nd and November 23rd;

Fire activity in Jersey City on November 3rd;

PSE&G power interruption and equipment malfunction on November 4th; and

A car blocking the tracks on November 13th.

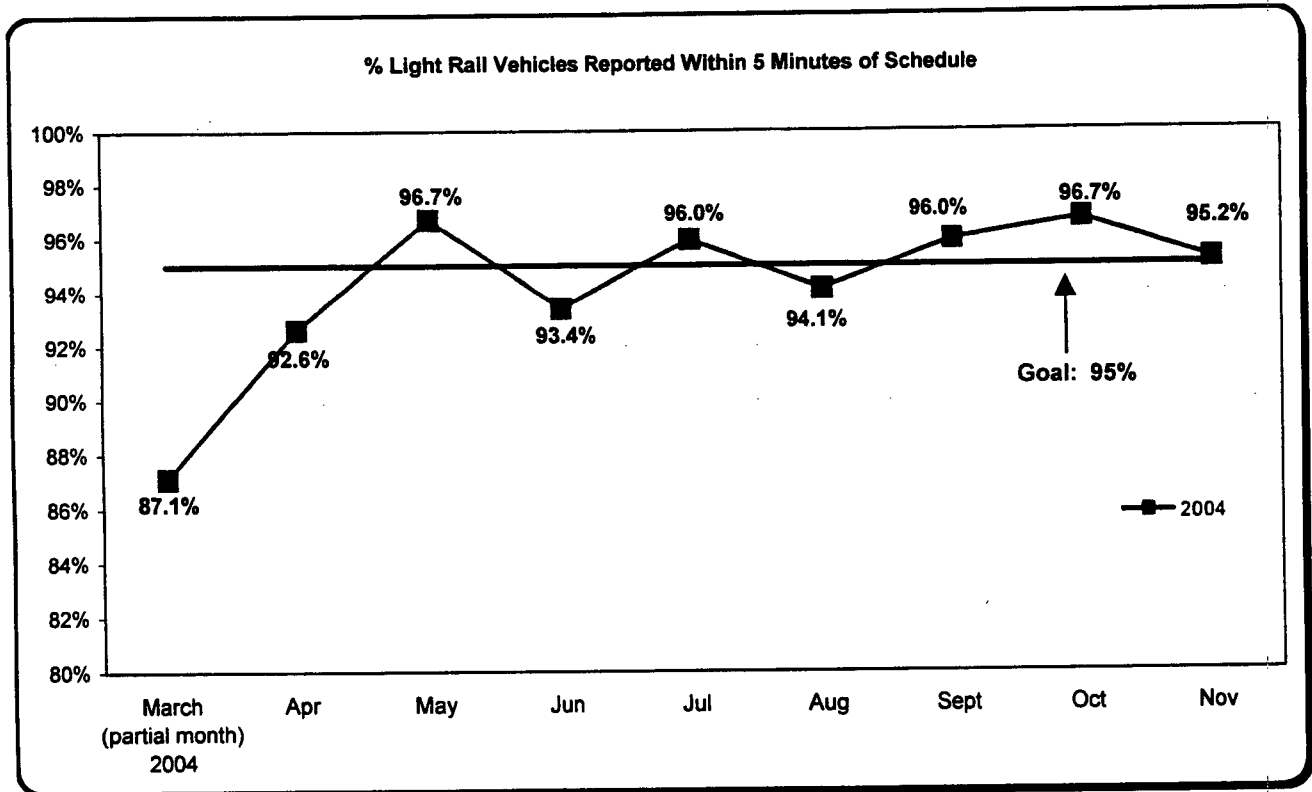
The 12-month average for HBLR On Time Performance for December 2003 - November 2004 was 99.4%, 0.9 of a percentage point above the average for the previous 12-month period.

NJ TRANSIT

ON TIME PERFORMANCE

River LINE

MARCH 2004 - NOVEMBER 2004



OTP Monthly Comparison	2004		# Change
	October	November	
	96.7%	95.2%	-1.5%

OTP - Year To Date 94.7%

Analysis:

River LINE On Time Performance for November 2004 was 95.2%, 1.5 percentage points below the 96.7% On Time Performance for October 2004. Of the 2,901 trips scheduled for the month, 139 trip delays were reported. Major sources of delay included:

- A computer system malfunction on November 1st;
- Flooding at Camden Street on November 4th and November 28th;
- Signal failure on November 5th;
- Switch failure on November 11th; and
- A vehicle collision with a deer on November 19th.

Year-to-date On Time Performance for River LINE is 94.7%, continuing to approach the goal of 95.0%.

ACTION ITEMS

(NJT BOARD – 12/15/04)

ITEM 0412-73: PASCACK VALLEY LINE – PASSING SIDINGS: CONSTRUCTION CONTRACT AWARD

BENEFITS

The installation of passing sidings on the Pascack Valley Line will allow for midday and weekend bi-directional rail service between Spring Valley, NY and Hoboken Terminal. With subsequent service enhancements, customers will have a wider range of travel options by train to in-state destinations and New York City.

PURPOSE

The Pascack Valley Line is a single-track railroad that accommodates rail service to Hoboken Terminal in the morning and from Hoboken Terminal in the evening. Transportation forecasts and customer requests indicate a need to expand rail service in the corridor, but the existing single-track Pascack Valley Line infrastructure precludes most service enhancements, because freight railroad movements currently use the corridor in non-peak hour periods.

In order to provide bi-directional commuter rail service for a substantial portion of the day, three passing sidings will be constructed on the Pascack Valley Line. The proposed sidings will be constructed in Hasbrouck Heights and Hackensack, NJ and Nanuet, NY and are known as Sack, Cole, and Pond Sidings respectively. An additional passing siding known as Long Siding in East Rutherford, NJ will be constructed separately in coordination with the Meadowlands Rail Project.

The proposed first phase of the siding project is the subject of this authorization and includes the following components.

- Construction of 2,500 feet of track bed and duct work at Sack Siding located in Hasbrouck Heights, NJ
- Construction of 2,500 feet of track bed and duct work at Cole Siding located in Hackensack, NJ
- Construction of 2,500 feet of track bed and duct work at Pond Siding located in Nanuet, NY

NJ TRANSIT in-house forces will install track, switches, and signal systems subsequent to construction of these site improvements.

ACTION (Justification: Customer Service Improvements)

Staff seeks authorization to contract (No. 04-036) with E. E. Cruz Company, Inc., of Holmdel, NJ for construction at a cost not to exceed \$3,448,060, plus five percent for contingencies.

Staff also seeks authorization to amend a contract (No. 98CP130) with Parsons Brinckerhoff of Newark, NJ for construction assistance services at cost not to exceed \$150,000, plus five percent for contingencies, for a total contract authorization of \$5,471,285.

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

FISCAL IMPACTS

Requested Authorizations	\$3,448,060 + 5% contingency for civil work \$150,000 + 5% contingency for construction assistance for a total contract authorization of \$5,471,285 (Total Contract)
Total Project Cost:	\$20,700,000
Projected Date of Completion:	June 2007
Anticipated Source of Funds:	FTA/TTF/Metro North
DBE Goal:	23%
Related/Future Authorizations:	Construction and Construction Assistance for Long Siding June 2005
Impacts on Subsequent Operating Budgets:	TBD

RESOLUTION

WHEREAS, transportation forecasts and customer requests indicate a need to provide mid-day, bi-directional rail service on the single-track Pascack Valley Line; and

WHEREAS, the proposed passing sidings on the Pascack Valley Line will accommodate bi-directional commuter rail service; and

WHEREAS, authorization of the construction contract will allow construction to proceed for three passing sidings, also known as Cole, Sack, and Pond Sidings; and

WHEREAS, following a competitive procurement process, E. E. Cruz Company, Inc. of Holmdel, NJ submitted the lowest responsive bid for the site preparation and drainage improvements; and

WHEREAS, construction assistance services will be provided by the project design firm, Parsons Brinckerhoff of Newark, NJ;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract with E. E. Cruz Company, Inc. of Holmdel, NJ for the general construction of the passing sidings at a cost not to exceed \$3,448,060 plus five percent for contingencies, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to amend the contract with Parsons Brinckerhoff of Newark, NJ for construction assistance services at a cost not to exceed \$150,000 plus five percent for contingency, for a total contract authorization of \$5,471,285, subject to the availability of funds.

(NJT BOARD – 12/15/04)

ITEM 0412-74: BERGEN COUNTY LINE: REHABILITATION OF THE MECHANICAL COMPONENTS OF THE HX DRAWBRIDGE**BENEFITS**

Reliability of rail operations will be maintained and the potential for lengthy disruptions to the commuting public and marine traffic will be minimized by the replacement of the mechanical drive system and related steelwork of the HX Drawbridge located in Secaucus, NJ.

PURPOSE

This structure was constructed in 1912 without any major repairs to the mechanical drive system performed since. The overall condition of the mechanical drive is in fair to poor condition due to the severe to moderate deterioration of the gears, shafts and bearings and of the operating struts at the drive pinion/rack interface. Replacement is necessary to ensure the continued unrestricted operation of the HX Drawbridge. This will extend the useful life of the bridge and prevent a failure that could impact train traffic.

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

Staff seeks authorization to contract (No. 05-009) with American Bridge of Coraopolis, PA to perform replacement of the HX Drawbridge mechanical systems, Milepost 5.48 on the Bergen County Line, located in Secaucus, Hudson County, NJ, at a cost not to exceed \$3,065,000, plus five percent for contingencies.

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

FISCAL IMPACT

Requested Contract Authorization:	\$3,065,000 + 5% contingency
Total Project Cost:	\$3,500,000
Anticipated Contract Start:	February 15, 2005
Projected Date of Completion:	March 30, 2006
Anticipated Source of Funds:	State FY03 and FY04
DBE Goal:	25%
Future/Related Authorization:	None

RESOLUTION

WHEREAS, NJ TRANSIT owns and maintains a railroad drawbridge on its Bergen County Line at Milepost 5.48 over the Hackensack River in Secaucus Township, Hudson County; and

WHEREAS, replacement of the mechanical drive, operating struts, and related steel work will extend the useful life of the bridge, increase the reliability of train operations, ensure commuter safety, and maintain marine traffic; and

WHEREAS, following the completion of a competitive procurement process, it was determined that American Bridge was the most responsive and responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract with American Bridge of Coraopolis, PA to perform replacement of the HX Drawbridge mechanical systems, at Milepost 5.48 on the Bergen County Line located in Secaucus, Hudson County, NJ, at a cost not to exceed \$3,065,000, plus five percent for contingencies, subject to the availability of funds.

**ITEM 0412-75: HOBOKEN TERMINAL – BOILER REPLACEMENT PROJECT:
CONSTRUCTION CONTRACT AWARD AND AMENDMENT OF
CONTRACT TO ADD CONSTRUCTION MANAGEMENT**

BENEFITS

The Terminal Building at Hoboken is being rehabilitated for restoration of ferry service and future adaptive reuse of the building for economic development. The restoration of these elements will continue NJ TRANSIT's commitment to returning the terminal complex to a state-of-good-repair.

The original steam heating system was replaced with a temporary diesel boiler system as a result of Hudson-Bergen Light Rail improvements. This project will replace the temporary diesel boilers with permanent gas boilers to improve the operational reliability of the heating system and to support future economic development at the site. NJ TRANSIT will save about \$26,000 on monthly rental fees during the heating season, the cost for the current diesel boilers. The new gas boilers will reduce exhaust emissions and eliminate the potential for environmental contamination from diesel fuel.

Construction Management Services are required during construction to review and approve shop drawings, material submittals, and requests for approval of alternate products, methods, and construction inspection.

PURPOSE

Authorization of this contract will allow for the replacement of the existing temporary rental diesel boilers with the construction of two new natural gas boilers, a gas meter room and ancillary utility connections at Hoboken Terminal.

Authorization of the amendment to the current Hoboken General Construction Management contract will allow for construction management services for Hoboken Ferry Terminal Boiler Replacement Project.

ACTION (Justification: State-of-Good Repair)

Staff seeks authorization to contract (No. 05-015) with Hall Construction of Howell, NJ for the construction of Hoboken Ferry Terminal Boiler Replacement Project, at a cost not to exceed \$2,222,000, plus five percent for contingencies.

Staff also seeks authorization to amend professional services contract (No. 97CM022) with Tishman Construction Corporation of Newark, NJ, for Construction Management services related to the construction contract in the amount of \$110,000, plus five percent for contingencies, for a total contract authorization of \$5,958,559.

(NJT BOARD – 12/15/04)

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

FISCAL IMPACTS

Requested Amount:	Construction - \$2,222,000 + 5% contingency (\$2,333,100)
	Construction Management - \$110,000 + 5% contingency (Tishman) for a Total Contract Amount of \$5,958,559
Total Project Cost:	\$2,432,000
Projected Date of Completion:	September 2005
Anticipated Source of Funds:	Transportation Trust Fund/Federal
DBE Goal:	Construction: 20% Hoboken General CM: 20%
Related/Future Authorizations:	None
Impact on Subsequent Operating Budget:	None

RESOLUTION

WHEREAS, the ongoing rehabilitation of the Terminal building and Ferry Terminal at Hoboken continues NJ TRANSIT's commitment to returning the terminal complex to a state-of-good-repair; and

WHEREAS, the installation of permanent gas boilers at the Terminal will improve operational reliability of the heating system, reduce NJ TRANSIT's monthly operating costs, serve future economic development, and improve environmental quality; and

WHEREAS, construction management services are required to complete the project; and

WHEREAS, following the completion of a competitive procurement process, it was determined that Hall Construction was the lowest responsive and responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No. 05-015) with Hall Construction of Howell, NJ for the construction of the Hoboken Ferry Terminal Boiler Replacement Project at a cost not to exceed \$2,222,000, plus five percent for contingencies, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to amend the existing professional services contract (No. 97CM022) with Tishman Construction Corporation of Newark, NJ, for construction management in support of Hoboken Ferry Terminal Boiler Replacement Project at a cost not to exceed \$110,000, plus five percent for contingencies, for a total contract authorization of \$5,958,559, subject to the availability of funds.

(NJT BOARD – 12/15/04)

ITEM 0412-76: HUDSON-BERGEN LIGHT RAIL MOS-2, MOS-3, EXTENSION WEST AND NORTHERN BRANCH: GENERAL DESIGN CONSULTANT, PROJECT MANAGEMENT ASSISTANCE CONSULTANT AND ENVIRONMENTAL SERVICES CONSULTANT

BENEFITS

Hudson-Bergen Light Rail (HBLR) provides a clean, efficient, and convenient link among some of New Jersey's most heavily populated areas. The initial segment of the light rail system (MOS-1) connects Jersey City and Bayonne to Hoboken Terminal. The project close-out for this segment is near completion.

The second segment, MOS-2, extends the system from 34th Street to 21st Street in Bayonne, and through the cities of Hoboken, Weehawken, Union City and West New York to its terminus at a major park and ride facility at Tonnelle Avenue in North Bergen. Service on the Bayonne and Weehawken (Lincoln Harbor) extensions began on November 15, 2003 and September 7, 2004 respectively. MOS-2 will be fully operational in the year 2005 with the opening of stations at Port Imperial (Weehawken), Bergenline Avenue (Union City/West New York), and Tonnelle Avenue (North Bergen).

The proposed third segment, MOS-3, will extend the existing light rail service further south to 8th Street in Bayonne. Another proposed segment will extend light rail service west from Tonnelle Avenue to Secaucus. The proposed Northern Branch project will provide service between Tonnelle Avenue in North Bergen and Tenafly along an existing railroad corridor. As part of the Northern Branch project the existing at-grade crossing at 69th Street will be eliminated and a grade separation constructed.

PURPOSE

NJ TRANSIT contracted with Parsons Brinckerhoff Quade & Douglas, Inc. (PBQ&D) to provide general design services for the HBLR, with Booz-Allen and Hamilton, Inc. (BAH) to provide project management assistance for the HBLR, and with BEM Systems, Inc. (BEM) to provide environmental consultant services for disposal of contaminated and regulated waste for the HBLR. The Board required that subsequent contract work orders for each of these contracts be issued periodically through the duration of the project.

Increased funding through December 31, 2005 will allow PBQ&D to continue to provide professional services related to the design and construction of the HBLR MOS-2. These services include review of required submittals, field reviews and verifications, and other support activities needed to advance the HBLR MOS-2 as well as serving as the Engineer-of-Record for portions of the Weehawken Tunnel construction. Additionally, PBQ&D will provide conceptual engineering for the 69th Street Grade Separation Project in North Bergen, concept planning for the extension of the HBLR west to Secaucus, and concept planning for the Northern Branch service to Tenafly. PBQ&D will also advance the design for MOS-3 to 8th Street. The concept planning is an extension of work previously authorized in conjunction with the engineering support of the Northern Branch Draft Environmental Impact Statement and HBLR MOS-3.

(NJT BOARD – 12/15/04)

Increased funding through December 31, 2005 will allow BAH to provide professional services related to project management assistance to operate the Document Processing and Control Center, and to provide Project Management, Quality Assurance and Quality Control, and Procurement support, O&M Planning, and Schedule Analysis assistance for the HBLR MOS-2. In addition, BAH will provide these same project management assistance services in support of the 69th Street Grade Separation Project in North Bergen, the extension of the HBLR west to Secaucus, the Northern Branch service to Tenafly, and HBLR MOS-3 to 8th Street.

Increased funding through December 31, 2005 will allow BEM to continue to provide professional services related to disposal of contaminated and regulated waste and oversight activities for the HBLR MOS-2. In addition, BEM will provide these same professional services in support of the 69th Street Grade Separation Project in North Bergen, the extension of the HBLR west to Secaucus, the Northern Branch service to Tenafly, and HBLR MOS-3 to 8th Street.

It is anticipated that the assistance of all three consultants will be utilized throughout the duration of the MOS-2 construction and project close-out, and that staff will seek additional annual authorizations from the Board until completion of the project close-out. Staff will also seek additional authorization from the Board to continue consultant services to advance the 69th Street Grade Separation Project, the extension of the HBLR west to Secaucus, the Northern Branch service to Tenafly, and HBLR MOS-3 to 8th Street.

ACTION (Capital Program Justification: New System Expansion)

Staff seeks authorization to increase the funding of Contract No. 93CJ001 through December 31, 2005 in the amount of \$10,521,210 plus five percent for contingencies for professional services related to the design and construction of the Hudson-Bergen Light Rail (HBLR) and the Northern Branch to Tenafly with Parsons Brinckerhoff Quade and Douglas, Inc. (PBQ&D) of Newark, NJ, the general design consultant. This authorization will bring the total contract authorization to \$143,778,711.

Further, staff seeks authorization to increase the funding of Contract No. 95CJ021 through December 31, 2005 in the amount of \$5,538,058 plus five percent for contingencies for professional services related to the design and construction of the HBLR and the Northern Branch to Tenafly with Booz Allen and Hamilton, Inc. (BAH) of McLean, VA, the project management assistance consultant. This authorization will bring the total contract authorization to \$38,781,961.

Staff also seeks authorization to increase the funding of Contract No. 91CJ0035 through December 31, 2005 in the amount of \$2,205,550 plus 10 percent for contingencies for professional services related to the design and construction of the HBLR with BEM Systems, Inc. (BEM) of Chatham, NJ, the environmental services consultant. This authorization will bring the total contract authorization to \$29,374,105.

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

FISCAL IMPACT

Requested Authorization:	PBQ&D Increase	\$	11,047,271
	PB Total Authorization	\$	143,778,271
	BAH Increase	\$	5,814,961
	BAH Total Authorization	\$	38,781,961
	BEM Increase	\$	2,426,105
	BEM Total Authorization	\$	29,374,105
	MOS-1	\$	992,139,596
	MOS-2	\$	1,215,400,000
	MOS-3		TBD

Projected Date of Completion:	MOS-1	2002
	MOS-2	2005
	MOS-3	TBD

Anticipated Source of Funds: FTA Grants and Transportation Trust Fund
 FTA Full Funding Grant Agreement
 Grant Anticipation Notes
 Economic Development Agency Bonds

DBE Goal: A/E Services - 30%

Related/Future Authorizations: Additional Annual Authorizations for Parsons Brinckerhoff Quade & Douglas, Inc.
 Additional Annual Authorizations for Booz Allen & Hamilton, Inc.
 Additional Annual Authorizations for BEM Systems, Inc.

Impacts on Subsequent Operating Budgets: N/A

RESOLUTION

WHEREAS, NJ TRANSIT contracted with Parsons Brinckerhoff Quade & Douglas, Inc. to provide general design services for the Hudson-Bergen Light Rail (HBLR) and the Northern Branch to Tenafly; and

WHEREAS, NJ TRANSIT contracted with Booz Allen and Hamilton, Inc. to provide project management assistance for the HBLR and the Northern Branch to Tenafly; and

WHEREAS, NJ TRANSIT contracted with BEM Systems, Inc. to provide environmental consultant services for disposal of contaminated and regulated waster for the HBLR and the Northern Branch to Tenafly; and

WHEREAS, the Board authorized that subsequent contract work orders for services provided by these firms be issued periodically through the duration of the project;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to amend Contract No. 93CJ001 with Parsons Brinckerhoff Quade & Douglas, Inc. of Newark, NJ, the Hudson-Bergen Light Rail general design consultant, in the amount of \$10,521,210 plus five percent for contingencies for a total contract authorization of \$143,778,271, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to amend Contract No. 95CJ021 with Booz Allen and Hamilton, Inc. of McLean, VA, the Hudson-Bergen Light Rail project management assistance consultant, in the amount of \$5,538,058 plus five percent for contingencies for a total contract authorization of \$38,781,961, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to amend Contract No. 91CJ0035 with BEM, Inc. of Chatham, NJ, the Hudson-Bergen Light Rail environmental services consultant, in the amount of \$2,205,550 plus 10 percent for contingencies for a total contract authorization of \$29,374,105, subject to the availability of funds.

(NJT BOARD – 12/15/04)

ITEM 0412-77: RIVER LINE: SETTLEMENT OF CONDEMNATION LITIGATION FOR ACQUISITION OF REAL PROPERTY

BENEFIT

The recommended settlement of two adjoining property condemnation cases including NJ TRANSIT vs. Cat in the Hat, LLC and NJ TRANSIT vs. Goldman, Popkin, Caputi, Hegedus and Carom Partnership (Goldman, Popkin) will complete the acquisition of these properties for the River LINE.

PURPOSE

Finalization of the acquisition of Block 7D (aka Block 7) Lots 37, 38, 39 and 43 and Block 7D (aka Block 7) Lot 42 and 60 and Block 7D (aka Block 7) Lot 55 all in the City of Trenton, County of Mercer are necessary for the construction and operation of the River LINE. The Board previously authorized the acquisition of these properties along with others for the River LINE in September 1998 and June 1999 at a total cost of \$20,250,000 plus three percent for closing costs. These properties were formerly surface parking lots and remain surface parking lots in support of the River LINE Trenton Station.

ACTION (Capital Program Justification: System Expansion)

Staff seeks authorization to settle the condemnation case with Cat In The Hat, LLC for \$2,160,606 inclusive of interest through January 17, 2005. The property owners have settled for the Condemnation Commissioners' award plus one-third of the estimated interest, less \$25,000 in environmental costs.

Staff also seeks authorization to settle the condemnation case with Goldman, Popkin, Caputi, Hegedus and Carom Partnership for \$1,223,697 inclusive of interest through January 17, 2005. The property owners have settled for the Condemnation Commissioners' award plus one-third of the estimated interest, less \$25,000 in environmental costs.

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

FISCAL IMPACTS

Requested Authorizations:	Cat In The Hat, LLC	\$2,160,606
	Goldman, Popkin	\$1,223,697
Total Project Cost:	\$1,037,227,000	
Projected Date of Completion:	2005	

Anticipated Source of Funds:	Transportation Trust Fund
DBE Goal:	N/A - Purchase of property
Related/Future Authorizations:	Authorizations to settle other condemnation actions
Impacts on Subsequent Operating Budget:	N/A

RESOLUTION

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

WHEREAS, the Board previously authorized acquisition of certain properties for the River LINE, at a cost not to exceed \$20,250,000 plus three percent for closing costs; and

WHEREAS, condemnation was commenced against Cat In The Hat, LLC owners of Block 7D, Lots 37, 38, 39 and 43 in the City of Trenton and Goldman, Popkin, Caputi Hegedus and Carom Partnership owners of Block 7D, Lots 42 and 60 and Block 7D, Lot 55 in the City of Trenton; and

WHEREAS, the condemnation actions resulted in a negotiated settlement in the amount of \$2,160,606, inclusive of interest provided payment is made by January 17, 2005 and less \$25,000 in environmental costs, for the property owned by Cat In The Hat, LLC; and

WHEREAS, the condemnation action resulted in a negotiated settlement in the amount of \$1,223,697, inclusive of interest provided that payment is made by January 17, 2005 and less \$25,000 in environmental costs, for the property owned by Goldman, Popkin, Caputi, Hegedus and Carom Partnership;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to take all actions necessary to settle the condemnation action against Cat In The Hat, LLC in the amount of \$2,160,606 plus additional interest, if required, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to take all actions necessary to settle the condemnation action against Goldman, Popkin, Caputi, Hegedus and Carom Partnership in the amount of \$1,223,697 plus additional interest, if required, subject to the availability of funds.

**ITEM 0412-78: SOUTHERN NEW JERSEY RAIL GROUP VS. NJ TRANSIT:
COMPENSATION OF SPECIAL COUNSEL**

BENEFITS

Sills Cummis Epstein & Gross (Sills Cummis) is an established firm providing comprehensive legal services. The designation of Sills Cummis as Special Counsel provides NJ TRANSIT with additional resources and expertise in the defense of a major construction litigation. Additionally, Sills Cummis will retain experts in the areas required to support NJ TRANSIT on an as needed basis.

PURPOSE

In November 2002, the Attorney General designated Sills Cummis as Special Counsel to NJ TRANSIT in defending the lawsuit filed by Southern New Jersey Rail Group, the Design-Build-Operate-Maintain (DBOM) contractor for the River LINE (Southern New Jersey) Light Rail project. Sills Cummis has been providing litigation services to NJ TRANSIT since December 2002 under previous Board authorizations. Staff has determined that additional funding will be required to continue the services of Sills Cummis as Special Counsel.

ACTION (Justification: Business Efficiencies)

Staff seeks additional authorization to compensate the law firm of Sills Cummis Epstein & Gross as Special Counsel to NJ TRANSIT in accordance with the Attorney General's designation for comprehensive litigation support services, including the retention of experts, up to an additional \$2,190,000 for a total contract authorization of \$9,090,000 for services through June 2005. Subsequent litigation budgets will be submitted for approval as required.

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

FISCAL IMPACTS

Requested Authorization:	\$2,190,000 (Increase) \$9,090,000 (Total Contract)
Total Project Cost:	N/A
Projected Date of Completion:	N/A
Anticipated Source of Funds:	Transportation Trust Fund

DBE Goal:

N/A

Related/Future Authorizations:

Increase in Contract Authorization for Sills
Cummis, dependent on litigation schedule

**Impact on Subsequent
Operating Budgets:**

N/A

RESOLUTION

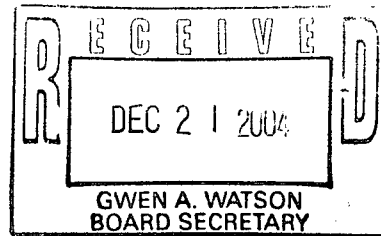
WHEREAS, NJ TRANSIT requires additional resources and legal expertise in conjunction with defending Southern New Jersey Rail Group vs. NJ TRANSIT, a lawsuit filed by the Design-Build-Operate-Maintain (DBOM) contractor for the River LINE (Southern New Jersey) Light Rail project; and

WHEREAS, the Attorney General has designated Sills Cummis, Epstein & Gross as Special Counsel to represent NJ TRANSIT in this matter;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to compensate Sills Cummis, Epstein & Gross as Special Counsel in accordance with the Attorney General's designation for comprehensive litigation support services, including the retention of experts an additional \$2,190,000, for services through June 2005. This authorization will bring the total contract authorization to \$9,090,000, subject to the availability of funds. Subsequent litigation budgets will be submitted for approval as required.

NJ TRANSIT

Memorandum



MINUTE DELIVERY RECEIPT ACKNOWLEDGEMENT

TO: Governor's Authorities Unit Personnel
 FROM: Gwen A. Watson, Board Secretary
 SUBJECT: NJ TRANSIT BOARD MEETING MINUTES - December 15, 2004
 DATE:

Please acknowledge receipt of the enclosed NJ TRANSIT Board Meeting Minutes by signing this acknowledgement and faxing to:

Gwen A. Watson, Board Secretary
 NJ TRANSIT
 Fax No.: 973-491-7314

Thank you.

DATE RECEIVED BY GOVERNOR'S AUTHORITY UNIT: 12/21/04

RECEIVED BY [Signature]

Uets date: 12-31-04

Richard J. Codey
Acting Governor

Jack Lettiere
Board Chairman

George D. Warrington
Executive Director

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

December 20, 2004

Dear Governor Codey:

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, December 15, 2004.

Sincerely,

Gwen A. Watson
888

Gwen A. Watson
Board Secretary

Enclosures

Honorable Richard J. Codey
Acting Governor, State of New Jersey
State House
Trenton, NJ 08625