

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

Richard R. Sarles
Executive Director

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



April 21, 2008

Dear Governor Corzine:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., and NJ Transit Mercer, Inc. Board of Directors held on Thursday, April 17, 2008.

Sincerely,

Gwen A. Watson
Board Secretary

Enclosures

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

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Thursday, April 17, 2008.

Present:

Myron P. Shevell, Acting Chairman
James Carey, Governor's Representative
Patrick O'Connor, Treasurer's Representative
Kenneth E. Pringle
Susan Hayes

Richard R. Sarles, Executive Director
Gwen A. Watson, Board Secretary
Howard Sperling, Acting Auditor General
Lynn Bowersox, Assistant Executive Director, Corporate Communications & External Affairs
James Gigantino, Vice President & General Manager, Bus Operations
William Duggan, Vice President & General Manager, Rail Operations
Mala Narayanan, Deputy Attorney General
Donald Murphy, Acting Assistant Executive Director, Procurement & Support Services
James Redeker, Assistant Executive Director, Policy, Technology & Customer Services
Steve Santoro, Assistant Executive Director, Capital Planning and Programs
H. Charles Wedel, Chief Financial Officer & Treasurer
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Jan Walden, Assistant Executive Director, Diversity

Acting Chairman Myron P. Shevell convened the Open Session at 9:05 am in accordance with the Open Public Meetings Act and asked for a motion to enter Executive Session to discuss contract negotiations and attorney-client, litigation and personnel matters. A motion was made by Patrick O'Connor, seconded by Kenneth E. Pringle and unanimously adopted.

Acting Chairman Shevell reconvened the Open Session at 9:30 am and asked for a motion to adopt the minutes of the March 12, 2008 meeting. A motion was made by James Carey, seconded by Patrick O'Connor and unanimously adopted.

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

Devils/Prudential Center

Executive Director Sarles congratulated the New Jersey Devils for a great regular season in their new home, the Prudential Center, and wished them good luck in the playoffs. He said NJ TRANSIT has worked with team officials to help fans learn the transit system and it is a real success story. A recent joint study by the New Jersey Devils and NJ TRANSIT shows 40 percent of fans attending the games took public

transportation, including many people who had never used NJ TRANSIT before. Two-thirds of the fans who took public transportation said they would attend fewer games if transit were not available. Executive Director Sarles said it is no secret that NJ TRANSIT is rooting for the New Jersey Devils.

Bus Initiatives

Executive Director Sarles said last April he announced NJ TRANSIT would work to make transit the preferred option and last week took a couple more steps in that direction. On the path to Bus Rapid Transit (BRT) service, Go Bus was launched on the busy #25 Corridor on Springfield Avenue between Irvington and Newark. With distinctive green-and-blue exteriors and matching weather-protected shelters, it was designed with input from bus customers. Go Bus and Go Bus Super Stops are already popular with customers.

Go Bus offers frequent, premium peak-period service at no extra charge, \$1.35 one-way, as well as comfortable seating and other interior amenities created with customer input.

Executive Director Sarles said on the first day of service, one customer asked if she was in the first-class section which was exactly the response NJ TRANSIT was hoping for. Executive Director Sarles commended Jim Gigantino who led the effort and the planning staff who developed the idea. He said staff did everything in-house, from customer research and working with the Community, to reengineering the interiors and overhauling the buses, to designing the new look of the service. He added that the bus operating and mechanical employees are doing a great job in delivering the new service.

Executive Director Sarles said the Raymond Boulevard express bus lane has opened to improve traffic and pedestrian flow around Penn Station and speed the bus riders on their way by jumping past the traffic congestion. The express bus lane helps more than 130 buses serving 3,000 customers cut through traffic congestion during evening peak. In addition to new overhead electronic signs and lane markings, pedestrian safety is enhanced with ADA-friendly pedestrian crossings. Executive Director Sarles thanked Newark Mayor Booker for his partnership and support of both.

Zip Cars

Executive Director Sarles said NJ TRANSIT will officially launch a pilot program at five stations to improve access to the system by connecting the “last mile” between station and customer destinations. Partnered with Zipcar, a national carshare company, there will be cars on demand at Princeton Junction, Metropark, Morristown, Montclair State University, and Liberty State Park. There is no cost to NJ TRANSIT. The process is to reserve a car on line and receive a key card in the mail that allows a person to unlock the car and drive away. Executive Director Sarles said he hopes it allows more people to choose NJ TRANSIT and thanked Board member Kenneth E. Pringle for his leadership.

Trenton Transit Center

Executive Director Sarles said the Trenton Train Station will now be known when it re-opens as the Trenton Transit Center, since it serves NJ TRANSIT rail, bus and light rail as well as Amtrak and Septa. This morning, the main entrance was opened on Wallenberg Avenue for customers and he expects to open the Walnut Avenue entrance soon. Construction on the new concourse linking the two head-houses is continuing over the next several months, with project completion expected this summer. Executive Director Sarles said an important milestone has been reached and it is not only good news for customers, but it is also drawing interest from several private investors who have approached the city with plans for mixed-use developments in the nearby area. He said this demonstrates again that public transportation investment is important for the economy.

2nd Quarter Ridership

Executive Director Sarles said that new ridership records were set in the second quarter of Fiscal Year 2008. There were 65.1 million passenger trips in the quarter, which is the biggest quarter in NJ TRANSIT history. A record was also set for average weekday passenger trips, at 898,400 in one day and weekend ridership set a record at 702,150 trips. Executive Director Sarles said to continue meeting record demand efficiently and to respond to travel pattern changes, it is necessary to adjust frequencies and routes and said the May 11 timetable will include the new service adjustments.

Update on Amtrak tie-replacement program

Executive Director Sarles said last month he announced that Amtrak will begin the concrete tie replacement project on the Northeast Corridor. He emphasized Amtrak is doing the right thing. The ties were meant to last 50 years and they are showing wear in 10 years. Although it is an inconvenience to customers today, it will avoid speed restrictions and improve reliability for NJ TRANSIT customers when Amtrak is done. The Track-Laying Machine arrived in New Jersey last week and customers can see it as they pass by Rahway and Linden stations. In the first phase of work, customers will notice slower boarding on the westbound side of Princeton Junction and Hamilton stations because bridge plates will be required. Many trains coming out of New York and Newark in the evening will terminate at Jersey Avenue. Customers going south of Jersey Avenue should pay special attention to the new schedules. Any service disruption, such as catenary issues or switch problems, will create longer delays due to the lack of a track which means there is only a single lane to work with.

Executive Director Sarles said to help commuters identify the impact to their personal travel plans, Northeast Corridor timetables will be available next week and he urged customers to look at these now and not wait for May, as the commute schedule may be affected.

UTU

Executive Director Sarles congratulated Dan O'Connell of the United Transportation Union on his re-election as the Union's Legislative Director for New Jersey for the next four years and appreciates his work on behalf of his members and the railroad.

Suzanne Mack presented the Advisory Committee report. She said the next Advisory Committee meeting is May 1, 2008 and the staff is focused on the budget and has an unwavering commitment to keep the transit subsidy in the budget. Ms. Mack said, on behalf of the commuters, she urges the state not to drop the subsidy. She said commuters were faced with three fare hikes and NJ TRANSIT has cut over \$100 million in the last several years

Acting Chairman Myron P. Shevell presented the Capital Planning, Policy & Privatization Committee report to the Board. The Committee considered the construction contract for the Hudson Bergen Light Rail extension to 8th Street in Bayonne as well as continuation of the Owner Controlled Insurance Program during that construction. Plans were reviewed to expand the Meadows Maintenance Complex to accommodate equipment that will allow easier access to the train undercarriages and wheel sets. Also the Committee discussed a new maintenance system which will allow mechanical staff to predict when components must be repaired or replaced to reduce overall maintenance costs. Customer Advocate Sandra Check updated the Committee on bus and rail communications initiatives, including an intense campaign to coincide with Amtrak's Northeast Corridor concrete tie replacement and our schedule changes.

Board Member Patrick O'Connor presented the Administration Committee report to the Board. The Committee was updated on the progress of the Trenton Train Station and the Passaic County Local Bus Service. Customer Advocate Sandra Check also addressed the Committee on her activities and objectives.

There were no public comments on agenda items.

Executive Director Sarles presented the following Action Items for approval:

0804-22: HUDSON-BERGEN LIGHT RAIL EXTENSION TO 8TH STREET: DESIGN/BUILD CONTRACT AWARD AND AMENDMENT TO OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

More than 40,000 weekday passenger trips are made on the Hudson Bergen Light Rail System, a 30 percent increase in just the last year. An exciting new market for ridership has evolved on the Bayonne end of the line. Staff is requesting approval of a contract for civil construction for a one mile extension of the Hudson-Bergen Light Rail from Bayonne's 22nd Street to 8th Street, which will include a new station at Avenue C and 8th Street. The municipal government has recently approved a 74 unit housing complex at the site, and an additional 3400 weekday trips are expected with this extension. The proposed contractor is George Harms

Construction and the work includes the design and construction of foundations, viaduct structure, track work, intersection improvements, station building, landscaping, lighting and amenities. The contract cost will not exceed \$58,373,125, plus five percent for contingencies. Authorization is also requested to amend the existing contract administered by Marsh USA, Inc. to increase the Owner-Controlled Insurance Program to provide insurance coverage during construction. The cost will not exceed \$2,325,000, plus five percent for contingencies.

Myron P. Shevell recused himself from voting on item #0804-22. Patrick O'Connor moved the resolution, Susan Hayes seconded it and it was adopted.

0804-23: MEADOWS MAINTENANCE COMPLEX FACILITY EXPANSION: DROP TABLE BUILDING EXPANSION CONSTRUCTION CONTRACT AWARD AND CONTRACT AMENDMENT FOR CONSTRUCTION ASSISTANCE

By 2010, NJ TRANSIT's locomotive fleet will be 50 percent larger than the capacity at the agency's main equipment facility, the Meadows Maintenance Complex. The facility and its locomotive shop, built in mid-1987, are already working at capacity. In order to maintain an expanded and more diverse fleet of locomotives, the locomotive shop must be expanded and an additional drop table installed. A drop table allows for the removal of the locomotive wheels by lowering the complete wheel set, with traction motor, from under the locomotive providing access for wheel servicing. Authorization is requested to contract with Hall Construction Co. to construct the new drop table building expansion at the Meadows Maintenance Complex at a cost not to exceed \$13,993,000, plus five percent for contingencies. To provide construction assistance services related to this building expansion, authorization is requested to amend a professional services contract with STV Incorporated at cost not to exceed \$1,100,659, plus five percent for contingencies.

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

0804-24: DIESEL LOCOMOTIVE CONDITION BASED MAINTENANCE PROGRAM: CONTRACT AWARD FOR TECHNICAL SUPPORT

NJ TRANSIT'S rail rolling stock maintenance program is designed to maintain the rail fleet in a state-of-good-repair to ensure service reliability and customer comfort and to provide capacity for existing and new services. NJ TRANSIT initiated development of a formal condition-based maintenance approach to locomotive maintenance. This approach uses an indicator of equipment and component health to trigger maintenance action. Maintenance staff will be engaged in inspection and monitoring tasks rather than reactive repair and replacement of worn out or defective components. This system will signal failure warnings weeks, or even

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months, in advance of the incident, allowing time for planning, ordering spares and preventive efforts. In-service failure can be avoided if the fault is detected early enough. The introduction of a formal condition-based maintenance program through Alstom Transportation Inc. (and its Train Life Services (TLS) division) should improve the availability and reliability of the locomotive fleet. Concurrently, authorization is requested to develop technical specifications for an overhaul of the GP-40 and F-40 series diesel locomotives. Authorization is requested to enter into a procurement-by-exception in an amount not to exceed \$3.5 million, plus five percent for contingencies.

Myron P. Shevell recused himself from voting on item #0804-24. Patrick O'Connor moved the resolution, James Carey seconded it and it was adopted.

0804-25: PASSAIC COUNTY LOCAL BUS SERVICE

Authorization is requested to exercise a contract option for the continued operation of local bus service in the Passaic County area for a two-year period, from August 31, 2008 through August 28, 2010. The twelve routes serve various malls and office complexes in Passaic County, have a combined annual ridership of 3,150,000 passengers and generate annual cash fares \$3,378,000. The contract option extends the current agreement with Community Transportation, Inc. for an additional 24 months at a cost not to exceed \$15,143,037, plus five percent for contingencies.

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

0804-26: NEWARK PENN STATION: LEASE OF RETAIL SPACE

NJ TRANSIT leases three retail newspaper and bookstore locations as well as six satellite locations at Newark Penn Station. The tenant lease has expired and authorization is requested to enter into an eight year lease with Airport Management Services, LLC for the operation of the Newsstand Concessions at Newark Penn Station. The new tenant will make major capital investments to the retail spaces and brings a substantial degree of merchandising and management expertise to the operation of the stores. The lease will commence May 1, 2008 at an annual base rent of \$555,000 or 11½ percent of sales, whichever amount is higher.

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

0804-27: ANNUAL AUDIT: FISCAL YEARS 2008 – 2013

NJ TRANSIT is required by statute to have an audit of its books and

accounts at least once each year by independent certified public accountants. NJ TRANSIT is also required to provide an independent attestation and compliance report relative to Federal funds received and the statistics provided upon which formula grant funding is determined. Finally, audits of NJ TRANSIT's Defined Benefit Pension Plans and Defined Contribution Pension Plans are required by the plan documents. Authorization is requested to contract with Ernst & Young LLP for audit services at a cost not to exceed \$286,634, \$298,307 and \$310,240 for fiscal years 2008, 2009 and 2010, respectively, with an option to extend the contract for two additional one-year periods. If exercised, the audit services for fiscal years 2011 and 2012 would not exceed \$322,649 and \$335,555, respectively. Additionally, the firm will provide supplemental accounting services during the contract period on an as-needed basis at a cost not to exceed \$50,000 per fiscal year and supplemental audit services, also as needed, at a cost not to exceed \$100,000 per fiscal year.

Board Member Kenneth E. Pringle noted for the record that three bids were received and the review was conducted in accordance with Executive Order #122. He said the winning bidder had the lowest price and it happened to be the existing auditing firm. Board Member Pringle thanked the Internal Audit Department, the Department of Treasury and the Board Committee who reviewed the proposals.

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

There were five public comments on non-agenda items.

David Peter Alan, on behalf of the Lackawanna Coalition, commented about the service adjustments on the Morris & Essex Lines. He knows the word 'adjustments' always means cuts, not improvements and the last adjustment resulted in the loss of half of the weekend service to Hoboken. He said the next adjustment means more losses, including the one point of connectivity between the Morris & Essex and Raritan Valley Lines. Mr. Alan said these lines are singled out for cuts while other lines escape this fate or even have their service improved. Mr. Alan is concerned that the Montclair-Boonton Line is still the only line without weekend service. Riders pay the same fares and get nothing but excuses for the failure to provide service. He requested that in the future the Morris & Essex and Montclair-Boonton Lines be treated as well as the other rail lines.

Mr. Alan said events are happening fast that affect the Access to the Region's Core project and it is time for serious re-evaluation of that project. Mr. Alan said he speaks on behalf of the Lackawanna Coalition and the New Jersey Association of Railroad Passengers on the Access to the Region's Core project issues. The Regional Plan Association and Federal Transit Administrator James Simpson have called for East Side access for NJ TRANSIT riders. The advocates for the riders have always called for East Side access and requested the return of the East Side access plan called Alternative "G". Mr. Alan maintains that the 2007 Draft Environmental Impact Statement

plan to bring the new tunnel into the existing Penn Station, along with future track connection to Grand Central Terminal, remains the way to go. Mr. Alan said this proposal is gathering momentum and the City of Summit passed a resolution calling for a return to the original goals of the Access to the Region's Core project rather than the diversion of Morris & Essex trains to the proposed deep cavern terminal.

Mr. Alan said it cannot be legitimately claimed that the project, as currently devised, is consistent with the one NJTPA previously approved. The current proposal banishes the Morris & Essex and Montclair-Boonton riders from Penn Station where the platform can be reached in as little as 2 ½ minutes rather than 7 minutes and it severs any connection with the Amtrak Northeast Corridor Line. Mr. Alan said he understands why business, labor and political communities want more rail capacity into Manhattan. However, the representatives of the rail riding public on both sides of the Hudson River want a project that is even better than the one now proposed; a plan that improves rail service and saves money.

Mr. Alan said he continues to ask for documentation that specifies the actual reason why a former administration in New York turned its back on Alternative "G" and East Side access. He said the riders deserve better than to be told that decisions are made in secret and they have no right to know why Alternative "G" was scuttled. Mr. Alan said Martin Robins indicated the decision was a political one and the Supplemental Draft Environmental Impact Statement states technical reasons and does not know which to believe. Mr. Alan said the Lackawanna Coalition and the New Jersey Association of Railroad Passengers have filed an Open Public Records Act request for detailed documentation prepared for the 2003 Major Investment Study. He said the Port Authority, MTA and NJ TRANSIT have no right to maintain a conspiracy of silence about their decisions that will affect the rail riding public for decades. He said if the information they received is valid, they will go to the new administration in New York and attempt to forge a new consensus on a project that will benefit New Jersey's rail riders as well as those from New York.

Mr. Alan recently congratulated NJ TRANSIT Rail on its 25th anniversary and thanked the Executive Director for the picture memento of the occasion. Mr. Alan said he will be going to Washington in the near future to advocate for Amtrak and if there are any NJ TRANSIT issues that management or anyone on the Board would like him to address, please let him know. He said he always mentions funding.

Joseph Clift, member, Regional Rail Working Group, commented on the problems of the Access to the Region's Core project. He said in an effort to keep the project price stable, a critical element (the Penn Station connection) was removed. He said there will be 90,000 stranded future daily riders because of no East Side access. This will put New Jersey in a permanent second class status versus Westchester, Connecticut and Long Island. Mr. Clift said half of NJ TRANSIT trains would be in a 20 story deep 34th Street Penn Extension where there are access, time and security concerns. Also, Amtrak's use of the new tunnels would be lost resulting in lost flexibility and reliability and no future service to the East Side. Mr. Clift said the Supplemental Draft Environmental Impact Statement project costs more and does less. The Draft Environmental Impact Statement scope was reduced by \$1 billion, yet the cost rose

from \$7.4 billion to \$7.6 billion. The true total price is now \$9 billion including the \$1.4 billion Portal Bridge Capacity Enhancement project. The total state/local funding requirement is a daunting \$3 to \$4 billion depending on Federal Transit Administration funds. Mr. Clift said the opposition to the current Access to the Region's Core plan is increasing with resolutions endorsed by the National Association of Rail Passengers, Common Council of the City of Summit, New Jersey and the MTA Permanent Citizens' Advisory Committee.

Mr. Clift said a better solution to the financial dilemma than throwing away the future is needed. He suggested a plan that is rider-centric and taxpayer-centric instead of railroad-centric and should replace the current alternative. Mr. Clift suggested going back to the 2007 Access to the Region's Core scope and reversing the action taken in the Supplemental Draft Environmental Impact Statement by keeping the Penn Station Connection. By doing this, Access to the Region's Core cost would be reduced by \$1.9 billion to \$5.7 billion, a far more fundable price. There would be peak hour train capacity to meet the 10 year plus need (10 – 15 additional trains) and there would be Amtrak flexibility and reliability with the Access to the Region's Core tunnels as well as synergy with Moynihan and Penn redevelopment. There would be a future provision of a one seat east side ride with an extension under 31st Street and Park Avenue to the Grand Central Terminal.

Mr. Clift also suggested a partnership with the MTA and Amtrak to develop, design, fund and build a Penn and Grand Central Terminal Track connection. This would allow 90,000 daily trans-Hudson riders to be unstranded, an increased peak hour train capacity to meet the year 2030 plus need, providing a one seat west side access for 15,000 plus daily MetroNorth riders, suburb to suburb trip opportunities and Amtrak's access to the East Side market via the Grand Central Terminal. Mr. Clift said this solution resolves both the access improvement failures and the financial dilemma produced by the Supplemental Draft Environmental Impact Statement for the Access to the Region's Core project.

Al Cafiero, on behalf of Senator Cardinale, said he was happy to hear about the Go Bus system and said a bus system is needed on Route 4 between Englewood and the Terminal. He said it takes 40 minutes to go three miles. Light rail could connect the Jersey City Medical Center and the Englewood Medical Center and that should be included in the plans. Mr. Cafiero said he saw the tunnel project begin and the idea of going to Grand Central Terminal dropped out. He asked why it has to go to Penn Station at all.

James T. Raleigh said he is most concerned about yesterday's Star Ledger newspaper article "Port Authority seeks role in efforts to get Penn Station plan back on track". The article states that Governors Corzine and Paterson share control of the Port Authority and the spokesperson indicated that Governor Paterson is interested in the Moynihan Station. The article further states that some people view the tunnel as a benefit for New York. Mr. Raleigh said there are New Jersey residents who work in New York and have to pay taxes. This project should be a benefit for New Jersey. This is another bi-state cooperation project and he hopes the Governor can work it out with the Port Authority and the New York Governor.

Jeffrey Zupan, Regional Plan Association, said about three weeks ago the Regional Plan Association issued a report on the Access to the Region's Core project. The report focused on the support for the commuter rail tunnel under the Hudson River connecting to a station under 34th Street and 7th Avenue. Mr. Zupan said news coverage implied that the Regional Plan Association did not support THE Tunnel project and said he attended today's Board meeting to clarify to everyone that the Regional Plan Association is a supporter of the Access to the Region's Core project to 34th Street and 7th Avenue. Mr. Zupan said once this project is underway, a phase 2 extension to the east side could be considered.

Acting Chairman Shevell called for adjournment and a motion to adjourn was made by Kenneth E. Pringle, seconded by Patrick O'Connor and unanimously adopted.

The meeting was adjourned at approximately 10:15 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**

APRIL 17, 2008

MINUTES

- | | | |
|----------|---|--------------|
| ➤ | EXECUTIVE SESSION AUTHORIZATION | 39791 |
| ➤ | APPROVAL OF MINUTES OF PREVIOUS MEETINGS | 39792 |
| ➤ | EXECUTIVE DIRECTOR'S MONTHLY REPORT | 39793 |
| ➤ | ADVISORY COMMITTEE REPORTS | |
| ➤ | BOARD COMMITTEE REPORTS | |
| | *Capital Planning, Policy & Privatization Committee-Shevell | |
| | *Administration Committee-Castillo | |
| ➤ | PUBLIC COMMENTS ON AGENDA ITEMS | |

ACTION ITEMS

- | | | |
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| 0804-22 | HUDSON-BERGEN LIGHT RAIL EXTENSION TO 8th STREET: DESIGN/BUILD CONTRACT AWARD AND AMENDMENT TO OWNER-CONTROLLED INSURANCE PROGRAM (OCIP) | 39822 |
|----------------|--|--------------|

Authorization to contract (No. 07-056X) with George Harms Construction, Inc. of Howell, New Jersey, for the design and construction of the civil works portion for the extension of the Hudson-Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$58,373,125, plus five percent for contingencies, subject to the availability of funds.

Authorization to amend the Owner-Controlled Insurance Program (OCIP) administered by Marsh USA, Inc. to provide additional coverage for the Hudson-Bergen Light Rail 8th Street Extension at a cost not to exceed \$2,325,000, plus five percent for contingencies, for a total authorization of \$7,691,250, subject to the availability of funds.

0804-23 MEADOWS MAINTENANCE COMPLEX FACILITY EXPANSION: 39825
DROP TABLE BUILDING EXPANSION CONSTRUCTION
CONTRACT AWARD AND CONTRACT AMENDMENT FOR
CONSTRUCTION ASSISTANCE

Authorization to enter into a contract (No. 08-071X) with Hall Construction Co. of Howell, New Jersey, for the construction of the new drop table building expansion at the Meadows Maintenance Complex at a cost not to exceed \$13,993,000, plus five percent for contingencies, subject to the availability of funds.

Authorization to amend the professional services contract (No. 01-068) with STV Incorporated of New York, New York for construction assistance services related to the construction of the new drop table building expansion at the Meadows Maintenance Complex at a cost not to exceed \$1,100,659, plus five percent for contingencies, for a total contract authorization of \$13,816,592.

0804-24 DIESEL LOCOMOTIVE CONDITION BASED MAINTENANCE 39828
PROGRAM: CONTRACT AWARD FOR TECHNICAL SUPPORT

Authorization to enter into a procurement-by-exception contract (No. 08-615) with Alstom Transportation, Inc, (through its Train Life Services Division) of Naperville, Illinois, to provide technical assistance services related to the development of a locomotive overhaul technical specification as well as the development of a program that would demonstrate the benefits of a formal condition-based maintenance program for the entire diesel locomotive fleet at a cost of \$3,500,000, plus five percent for contingencies, subject to the availability of funds.

0804-25 PASSAIC COUNTY LOCAL BUS SERVICE 39831

Authorization to exercise the contract option of the current agreement with Community Transportation, Inc. for the operation of Passaic County local bus service for an additional 24 months at a cost not to exceed \$15,143,037, plus five percent for contingencies.

0804-26 NEWARK PENN STATION: LEASE OF RETAIL SPACE 39835

Authorization to enter into a lease with Airport Management Services, LLC for the operation of the newsstand concession locations at Newark Penn Station for eight years, commencing May 1, 2008 at an annual base rent of \$555,000 or 11½ percent of sales, whichever amount is higher.

0804-27 ANNUAL AUDIT: FISCAL YEARS 2008 – 2013 39838

Authorization to contract with Ernst & Young LLP for audit services at a cost not to exceed \$286,634, \$298,307 and \$310,240 for fiscal years 2008, 2009 and 2010, respectively, with an option to extend the contract for two additional one-year periods, at NJ TRANSIT's sole discretion. If exercised, the audit services for fiscal years 2011 and 2012 would not exceed \$322,649 and \$335,555, respectively. Additionally, supplemental accounting services during the contract period on an as-needed basis at a cost not to exceed \$50,000 per fiscal year and supplemental audit services, also as needed, at a cost not to exceed \$100,000 per fiscal year are sought.

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 March 12, 2008 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 March 13, 2008;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the March 12, 2008 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. Board of Directors' meetings are hereby approved.

Jon S. Corzine
Governor

Kris Kolluri, Esq.
Board Chairman

Richard R. Sarles
Executive Director

NJ TRANSIT
One Penn Plaza East
Newark, New Jersey 07105-2246
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TO: BOARD OF DIRECTORS
FROM: RICHARD R. SARLES *Richard R. Sarles*
DATE: APRIL 17, 2008
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – APRIL 2008

Last April, I announced that we would work to make transit the preferred travel option in New Jersey. Last week, we took additional steps in that direction with the launch of Go Bus—the state's first premium bus service—on the busy No. 25 route Springfield Avenue corridor in Irvington and Newark. With distinctive green and blue exteriors and matching weather-protected shelters—designed with unprecedented input from bus customers—Go Buses and Go Bus Super Stops are already popular with customers, offering frequent, peak-period service with comfortable seating and upgraded onboard amenities at the regular one-way fare.

I commend VP/GM of Bus Operations Jim Gigantino, who led the effort; planning staff, who developed the idea; and staff who accomplished everything in house—from customer research and working with the community, to reengineering the interiors and overhauling the buses themselves, to designing the new look of the service. I would also like to recognize our bus operations and mechanical employees who are doing a great job of delivering the new service.

This month we also opened the Raymond Boulevard exclusive bus lane to improve traffic flow around Newark Penn Station and to save customers time by reducing delays caused by evening rush hour traffic between Raymond Plaza East and McCarter Highway. The new bus lane improves service reliability of more than 130 buses serving 3,000 customers by jumping past traffic congestion during the evening peak period. In addition to new overhead electronic signs and lane markings, the project included installation of ADA-friendly pedestrian crossings to enhance pedestrian safety and convenience.

On Monday, we will officially launch a pilot program at five stations to improve access to the system, connecting the "last mile" between the station and customer destinations. NJ TRANSIT has partnered with Zipcar, a national carshare company, which will have cars on demand at Princeton Junction, Metropark, Morristown, Montclair State University, and Liberty State Park stations for customers to reserve online. The new Zipcar program helps to expand the reach of our service and adds to the intermodality of our system.

This morning, our station in Trenton—which will be known as Trenton Transit Center when it fully re-opens—reached an important milestone with the opening of the main entrance on Wallenberg Avenue. In addition, we expect to open the Walnut Avenue entrance soon. Construction on the new concourse linking the two head-houses will continue over the next several months, with project completion expected this summer.

We set new ridership records in the second quarter of Fiscal Year 2008, marking the largest quarter in NJ TRANSIT history with 65.1 million passenger trips. We also set a record for average weekday passenger trips, at 898,400 in one day, with weekend ridership setting a record at 702,150 trips. As I mentioned last month, we are adjusting rail timetables effective May 11 to continue meeting record demand efficiently and respond to changes in travel patterns.

Also last month, I announced that Amtrak will be starting work to replace concrete ties on the Northeast Corridor to ensure safety and reliability. In the first phase of work, customers will notice impacts such as slower boarding on the westbound side of Princeton Junction and Hamilton stations, as well as many westbound trains from New York and Newark in the evening terminating at Jersey Avenue. To help commuters identify the impact to their personal travel plans, I urge them to review new Northeast Corridor timetables that will be available next week.

Lastly, I would like to congratulate Dan O'Connell of the UTU for his re-election as the Union's Legislative Director for New Jersey for the next four years. We appreciate your work on behalf of your members and the railroad.

EXECUTIVE DIRECTOR'S MONTHLY REPORT APRIL 2008

- 1. HIGHLIGHTS**

- 2. CUSTOMER AND COMMUNITY INITIATIVES**

- 3. EMPLOYEE RECOGNITION**

- 4. DBE/MBE PROGRAM**

- 5. PERFORMANCE MEASURES**

HIGHLIGHTS

NJ TRANSIT trip planning now available on Google

On March 12, NJ TRANSIT became the nation's largest public transportation agency to partner with Google, the global leader in online content, to provide online trip planning via "Google Transit."

Using the same scheduling data that drives NJ TRANSIT's online Trip Planner, Google Transit can provide specific trip times and transfers for travel between any of NJ TRANSIT's 164 rail and 60 light rail stations, integrating the data into the familiar Google Maps interface for convenient access to essential travel information.

The partnership also brings new features to NJ TRANSIT's website (www.njtransit.com) by integrating Google Maps with the information pages for each rail and light rail station, enabling customers to find local businesses—dry cleaners, restaurants, car rentals—without ever leaving the NJ TRANSIT site.

NJ TRANSIT is the first major public transit agency in the Northeast to partner with Google as it joins more than 30 transportation agencies in the United States and abroad that currently offer trip planning through the system.

Google Transit offers a number of features that benefit NJ TRANSIT customers, including:

- Suggested trips with next available departure and arrival times
- Ability to select desired departure or arrival time and date
- Estimated trip duration
- Reverse trips
- Transfer times and locations
- Visual depiction of the route on a geographical map
- Integration with other tools such as Google Maps for driving directions and Google Local for searches of nearby businesses and local landmarks
- Links to www.njtransit.com for customized planning tools and fare information

Bus schedule information is expected to be added to the system later this year.

The public-private partnership with Google Inc. was developed at no cost to NJ TRANSIT.

NJ TRANSIT customers can plan their trip via Google Transit at www.google.com/transit.

Hoboken Terminal Ferry Slip Rehabilitation project benefits from \$10 million in federal funds

NJ TRANSIT's Hoboken Terminal Ferry Slip Rehabilitation project received a financial boost recently when \$10 million of federal SAFETEA-LU maritime funds were approved for the project through the NJ Department of Transportation.

The project consists of three phases, with the second phase nearing completion. Work includes structural and roof repairs, restoration of the exterior copper cladding, a replica reconstruction of the original clock tower, a new ferry service waiting room and restoration of five of the six original ferry slips. Construction started in 2004 and is expected to be completed in early 2010.

U.S. Senator Frank R. Lautenberg and U.S. Senator Robert Menendez worked to secure the funding for the project, and Congressman Albio Sires will be working to re-authorize the SAFETEA-LU funding program, scheduled to expire in FY 2009. The North Jersey Transportation Planning Authority recently approved the \$10 million allocation for the Hoboken Terminal project.

Project funding sources include the federal government, the Port Authority of New York and New Jersey, and the state of New Jersey. Key project elements include:

- Reconstruction of a portion of the building's substructure and superstructure.
- Construction of ferry service ticket offices and a waiting area.
- Restoration of the copper fascia and lighting on the exterior of the building.
- Waterproofing and insulating the exterior walls near the ferry slips.
- Replacing the clock tower with a replica of the original.
- Restoring the interior finishes of the ferry terminal area.
- Performing utility and marine work to support the new ferry operation.

Hoboken Terminal currently provides travelers an array of transit options including commuter rail, light rail, PATH and bus service. More than 50,000 people use the terminal each weekday. Ferry service at a temporary facility was reintroduced in 1989, but the current project will restore service at the original ferry slips.

The Beaux-Arts terminal was built by the Delaware, Lackawanna & Western Railroad in 1907. It was added to the State and National Registers of Historic Places in 1973.

River LINE posts 4.8 percent weekday ridership increase

Against the backdrop of higher fuel prices, more residents in Camden, Burlington and Mercer counties are turning to the River LINE as part of their daily commute. The 34-mile light rail line posted a 4.8 percent increase in weekday ridership during the 2nd Quarter of Fiscal Year 2008, the three month period from September 1 through December 31, 2007.

Average weekday ridership increased to 7,600 trips—a record high for the second quarter.

Weekday gains were focused on trips to and from Trenton Station, where customers can make connections to Northeast Corridor rail service, as well as Amtrak and SEPTA trains. Under NJ TRANSIT's fare policy, customers who have a weekly or monthly rail pass are able to ride the River LINE at no additional charge, simply by showing their pass. Monthly pass use was up 7.6 percent from last year.

Collectively, boardings at the two stations in Burlington increased 19.6 percent over the second quarter of FY07. Boardings at Delanco were up 18.9 percent.

The River LINE is entering its fifth year of service this month. Since the line opened on March 15, 2004, ridership has grown substantially as NJ TRANSIT made a series of service enhancements:

- Introduced 15-minute peak-period service in June 2004
- Enhanced Capital Connection bus service in Trenton to provide better connections with River LINE trains in June 2004
- Launched new early-morning service to Trenton from Florence and Roebling in September 2004, enabling customers to make earlier connections to Northeast Corridor trains
- Launched new early-morning service from Cinnaminson to Camden in January 2005
- Added early-morning trips from Burlington South and Burlington Towne Centre stations in September 2006 to create additional Northeast Corridor and PATCO connections
- Added a later (9:30 p.m.) Trenton departure in September 2006
- Added early-morning trips from Camden and Pennsauken stations in May 2007 to create additional Northeast Corridor and PATCO connections
- Launched late-night service to Route 73/Pennsauken in May 2007

Several towns along the alignment are capitalizing on the economic value that a good public transportation system adds to existing nearby neighborhoods and to land suitable for mixed-use development in accordance with Smart Growth principles.

Among the initiatives recently launched are a Transit Oriented Development proposal at the Beverly-Edgewater Park Station and the redevelopment of a former industrial property in Bordentown. In addition, Riverside in January named an exclusive developer of land around Riverside Station, where housing, commercial and retail space is proposed. And in March, Burlington City named a developer for a 20-acre parcel along the Delaware River and a short walk to River LINE service.

CUSTOMER AND COMMUNITY INITIATIVES

NJ TRANSIT unveils new 'Go Bus' service in Newark and Irvington

On April 7, NJ TRANSIT launched "Go Bus"—the state's first "premium" local bus service—offering enhanced amenities and greater convenience to customers along the Springfield Avenue corridor.

The enhanced service, which was designed by and for customers, paves the way for Bus Rapid Transit (BRT) in the state. NJ TRANSIT incorporated customer feedback into every aspect of the service—from the custom bus shelters and unique color scheme to the name "Go Bus" itself.

Serving the 4.8 mile corridor between Irvington Bus Terminal and Newark Penn Station, Go Bus operates 16 trips each weekday along Springfield Avenue and Market Street, adding capacity to the corridor for customers of NJ TRANSIT's existing No. 25 bus route.

Designed with input from riders in the community at every stage, the new service showcases a unique identity and offers easily identifiable, enhanced bus stops and upgraded onboard amenities. To gather customer feedback, NJ TRANSIT conducted focus groups of current and potential customers on the No. 25 line, who selected the "Go Bus" name and helped to design every element of the vehicles and service.

Go Bus service operates during weekday morning and evening peak hours, with buses departing Irvington Bus Terminal every 15 minutes from 6:30 a.m. to 8:30 a.m., and Newark Penn Station every 15 minutes from 4:05 p.m. to 6:05 p.m.

The service has 11 fixed "super stops" for faster trip times between Irvington Terminal and Newark Penn Station—approximately 21 minutes to Newark Penn Station and 22 minutes to Irvington Bus Terminal. Each stop outside the Downtown area is easily identified with a new weather-protected shelter in Go Bus green and blue. The bus does not stop at locations that are not designated for Go Bus.

Go Bus "super stops" are located at:

- Irvington Terminal
- Springfield Avenue at Maple Avenue
- Springfield Avenue at South 18th Street
- Springfield Avenue at South 10th Street

- Springfield Avenue at Bergen Street
- Springfield Avenue at Irvine Turner Boulevard
- Springfield Avenue at Martin Luther King Jr. Boulevard
- Market Street at Washington Street
- Market Street at Broad Street
- Market Street at Mulberry Street
- Newark Penn Station

Using a dedicated fleet of five buses, Go Bus features onboard enhancements for added customer comfort such as custom-upholstered cushion seating, newly revitalized coaches and convenient hand straps. Each bus is clearly marked with the Go Bus logo and identifying color scheme.

Additional Go Bus customer benefits include:

- Enhanced station stops with new customer shelters, improved lighting, seating and passenger information displays
- Individually selected, specially trained customer-friendly bus operators
- Faster loading and unloading to speed trip time (enter front door/exit rear door)

On the first day of service, Monday, April 7, NJ TRANSIT ambassadors were on hand at each of the Go Bus super stops to answer questions about the new Go Bus service. The ambassadors gave customers environmentally friendly re-usable shopping bags and bus pass-holders provided by Berkeley College, as well as an IDT phone card and discount coupons from local businesses.

The one-way fare for Go Bus is \$1.35 (same as the current No. 25 and 25X lines for the same trip).

NJ TRANSIT implements exclusive bus lane in downtown Newark

This month, NJ TRANSIT and the City of Newark implemented an exclusive bus lane (XBL) along a heavily traveled portion of Raymond Boulevard in downtown Newark during the evening rush hour, benefiting thousands of bus riders with an improved commute.

The XBL is designated as the center lane on Raymond Boulevard from Raymond Plaza East (Newark Penn Station) to McCarter Highway (Route 21). Overhead electronic signs and lane markings indicate that the lane is for buses only during the evening peak period—weekdays from 3:30 p.m. to 6:30 p.m.

Three westbound lanes will remain available for motorists when the XBL is in operation.

Each weekday, more than 130 buses operate from Newark Penn Station along Raymond Boulevard during evening peak hours, serving approximately 3,000 customers.

In addition to improving the commute for bus customers, the project enhances pedestrian safety and convenience by providing new ADA-friendly pedestrian crossings, including countdown-style walk/don't walk signs and "push-to-cross" devices that provide audible signals/spoken instructions to individuals waiting at the crosswalk.

Shift in Newark traffic patterns

Motorists are advised to be mindful of new traffic patterns during the afternoon/evening peak period. The center lane on Raymond Boulevard between Newark Penn Station (Raymond Plaza East) and McCarter Highway (Route 21) has been designated as the exclusive bus lane.

All buses leaving Newark Penn Station, heading westbound on Raymond Boulevard (toward Route 21), have exclusive access to this center lane Monday through Friday between 3:30 p.m. and 6:30 p.m. Electronic lane-use signs displaying green arrows or red "Xs" indicate which travel lanes are available for use.

During these hours, all eastbound motorists making a left turn from Raymond Boulevard onto Raymond Plaza East need to use the lane adjacent to the exclusive bus lane. New signage will identify the left turn.

Change to Raymond Boulevard bus stop

NJ TRANSIT bus customers who use the bus stop outside Seton Hall School of Law are advised that no service will be provided at that stop during the bus lane's operating hours (weekdays 3:30 p.m. to 6:30 p.m.). Customers who normally board from this location may use either the Newark Penn Station bus lanes or the bus stop located on Raymond Boulevard at Broad Street, near the PSE&G building.

The routes that benefit from the exclusive bus lane include:

- 5 Kinney
- 21 Newark-West Orange
- 29 Bloomfield Ave.
- 39 Chancellor Ave.-Kearny Ave.
- 62 Newark-Woodbridge-Perth Amboy
- 67 Toms River-Lakewood-Newark
- 70 Newark-Livingston
- 71 Newark-West Caldwell
- 72 Newark-Paterson
- 73 Newark-Livingston Mall
- 75 Newark-Butler
- 76 Newark-Hackensack
- 78 Newark-Secaucus
- 79 Newark-Parsippany
- 319 Atlantic City-New York
- 978 Wheels
- 44 Tremont (Coach USA)

In July 2007, the NJ TRANSIT Board of Directors awarded a \$1.2 million contract to Daidone Electric, Incorporated, of Newark, to create the exclusive bus lane using new traffic signal synchronization, changeable message signs and pavement striping.

The project included installation of new pavement and striping, new traffic lights, sidewalks, ADA-compliant crosswalks and electronic lane use signs, as well as removal of medians, pavement, crosswalk pavers and planters where needed.

NJ TRANSIT extends No. 123 bus route in Jersey City

NJ TRANSIT extended its No. 123 bus route in Jersey City starting Saturday, April 5, to replace the former routing of Coach USA's 99S bus service along Palisade Avenue.

The No. 123 bus route was extended from the Hudson-Bergen Light Rail Congress Street Station to Christ Hospital, located at Palisade and Beacon avenues in Jersey City. The

extended route operates along Palisade Avenue through Jersey City and Union City to and from New York, serving most off-peak and weekend trips, and some peak-period weekday trips.

No. 123 service operates as follows:

Weekdays:

- To New York – Between 6:30 a.m. and 11:30 p.m., with service approximately every 30 minutes in the AM peak and hourly off-peak.
- To Jersey City – Between 8:20 a.m. and 1 a.m., with service approximately every hour until 4:20 p.m., then approximately every 30 minutes in the PM peak and evening.

Weekends:

- To New York – Hourly from 7:15 a.m. to 1 a.m. on Saturdays and 8:15 a.m. to 11:15 p.m. on Sundays.
- To Jersey City – Hourly from 7:15 a.m. to 1 a.m. on Saturdays and 8:15 a.m. to 11:15 p.m. on Sundays.

Fares:

The one-way adult fare for service to and from New York at points south of Congress Street in Jersey City is \$3.40 (three zones).

NJ TRANSIT will monitor ridership levels through the end of the year and make service adjustments as necessary.

EMPLOYEE RECOGNITION

NJ TRANSIT and COMTO NJ Celebrate Women's History Month

NJ TRANSIT Board member Susan L. Hayes was the featured guest at the annual Women's History Month celebrations held at headquarters on March 28.

Ms. Hayes served seven years as Board Chair for Non-Traditional Employment for Women, an organization that trains women for jobs in the building trades, the utilities and transportation industries and in facilities repair and maintenance. In her speech, she commended women at NJ TRANSIT who are in non-traditional jobs, in many cases holding the honor of being the first woman in that job. Her message today was to help women, one woman at a time, get into non-traditional jobs, like those at NJ TRANSIT.

Executive Director Richard Sarles introduced Ms. Hayes and spoke of the strong women in his life, including his mother, grandmother and great-grandmother, and their inner strength that helped them survive and raise families.

Among the women who were highlighted:

- Sandy Hlavacek, Senior Training Specialist, Locomotive Engineer (Ferry Street)
- Justa Quintana, Foreman, Station Attendant (NPS)
- Shaketa Brown, Senior Supervisor, Response Center (NPS)
- Nicole Pratt, Dispatcher (ROC)
- Dawn Winrow, Manager, Stations & Revenue Terminals (PSNY)
- Karen McCallum, Supervisor Stations (NPS)
- Natalya Kvitman, Designer Draftsperson (Penn Plaza)
- Barbara Williams, Substation Electrician
- Joanne Kimble, Manager Rail Administration
- Marion Racine, Assistant Superintendant of Transportation for Newark Light Rail
- Janice Chambers, Executive Secretary, Light Rail Operations
- Laura Franklin, Electrical Technician, S& I Shop (MMC)
- Haiha Nguyen, Manager of Design Infrastructure (Penn Plaza)
- Rosalind White, Yard Master (Morrisville, PA)

NJ TRANSIT's Arts Program Sheila McKoy served as Mistress of Ceremonies. Several other NJ TRANSIT employees—including Caroline Mael, Manager, Rail Operations; Principal Budget Analyst Glo-Ann Vidal; and Secretary Taisha Ellington-Johnson read poetry highlighting themes

including the strength of women and courage. Mechanical Assignment Office Clerk Sheba Jordan sang two songs.

Attendees also received an informational packet on women's health and health screenings—from osteoporosis and cholesterol to tips on becoming caregivers.

NJ TRANSIT Police Department welcomes six

In March, the NJ TRANSIT Police Department welcomed six new members to the force, as recruits Kenneth R. Batiuk, Richard S. Buhowski, Erik V. Camuto, Daniel Celaya, Pascal M. Gambardella, Jr. and Luis D. Goncalves graduated from the Essex County College Police Academy. Police Officer Buhowski and Police Officer Gambardella were both Squad Leaders in the Police Academy.

NJ TRANSIT employees bid farewell after outstanding careers

Thirteen NJ TRANSIT employees retired in March with careers ranging from 13 to 34 years of service:

1. Richard McHale (Mahwah) ROC Operation Communication Coordinator – 38 years
2. Victor Schoenig (Metuchen) GOB Regional Supervisor – 34 years
3. Michael Tortora (Tinton Falls) MMC General Supervisor Material – 34 years
4. Michael Mason (Effort, PA) Ferry Street Chief Instructor – 30 years
5. Susan Garnett-White (Minotola) Egg Harbor Township Ticket Agent – 27 years
6. Sandra Slaten (Newark) Hilton Garage Bus Operator – 27 years
7. Leon Desir (Clifton) Market Street Garage Bus Operator – 23 years
8. Timothy Ien (Fair Lawn) Oradell Garage Bus Operator – 20 years
9. Ronald Lavell (Monroe Township) MMC General Foreman – 20 years
10. Vincent J. Soleo (Bridgewater) Penn Plaza AED Procurement – 20 years
11. Moise Fields (Irvington) Big Tree Garage Bus Operator – 16 years
12. Brenda Roberts-Ricketts (Passaic) Market Street Garage Bus Operator – 16 years
13. Melvin E. Sethman, Jr. (Glassboro) Washington Township Bus Operator – 13 years

Eight NJ TRANSIT employees retired in April with careers ranging from five to 34 years of service:

1. Joao M. Pinho (Union) Newark CMF Repairman "A" – 34 years
2. Karen Winfield (West Orange) HQ Special Assistant – 28 years
3. Stephen Gresko (Cape May) Egg Harbor Garage Bus Operator – 27 years
4. Hector L. Torres (Merchantville) Southern Division Regional – 25 years
5. Mike Golod (Paramus) Oradell Garage Bus Operator – 23 years
6. Jorge Aquirre (River Edge) Oradell Garage Bus Operator – 19 years
7. Gertrude Jackson (Paterson) Market Street Garage Cleaner – 16 years
8. Richard Sheer (Middletown) HQ Manager Point & Sales Fare – 5 years

DBE/MBE PROGRAM

NJ TRANSIT – Office of Business Diversity DBE/SBE Participation

Federally Funded Contracts

\$59,342,061 in federal funds were awarded during October through March of FY 08.* Disadvantaged Business Enterprises (DBEs) were awarded \$10,787,024 or 18.2 percent, which includes both race conscious and race neutral awards.

State Funded Contracts

\$122,453,881 in state-funded contract dollars were awarded during July through March FY 08. ** Of that total, Small Business Enterprises (SBEs) received \$28,923,938 or 23.6 percent. Category 1 SBEs received \$767,549 or 0.6 percent. Category 2 SBEs received \$3,044,845 or 2.5 percent. Category 3 SBEs received \$1,162,383 or 1 percent. Category 4 SBEs received \$529,355 or 0.4 percent. Category 5 SBEs received \$23,399,806 or 19.1 percent ***

Federal & State Contracts Total

\$181,795,942 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$39,710,962 or 21.8 percent of federal and state contract dollars was won by DBEs and SBEs.

Hudson-Bergen Light Rail Transit System Project

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

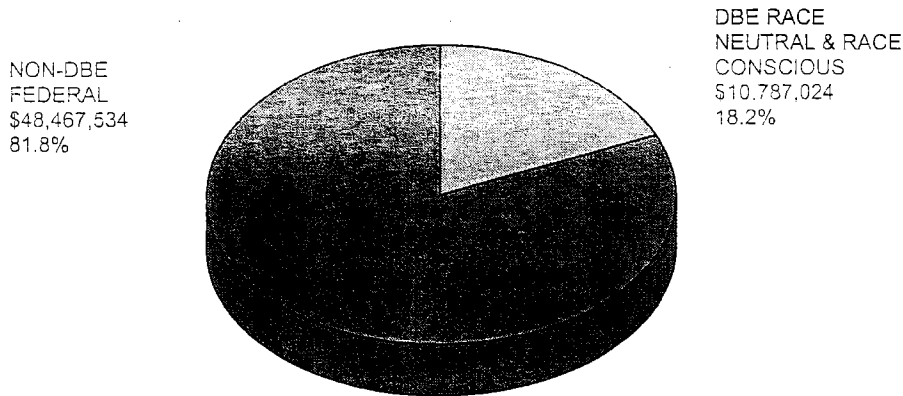
*Fiscal year beginning October 1, 2007

**Fiscal year beginning July 1, 2007

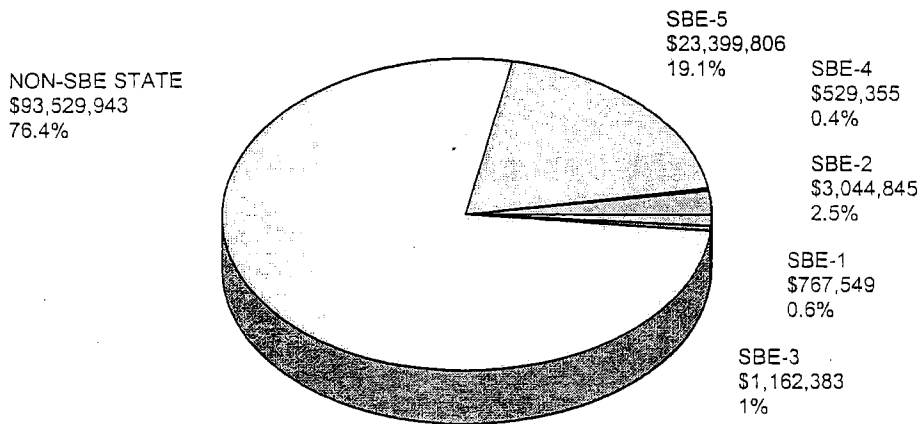
***Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000

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

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THROUGH MARCH 08)***



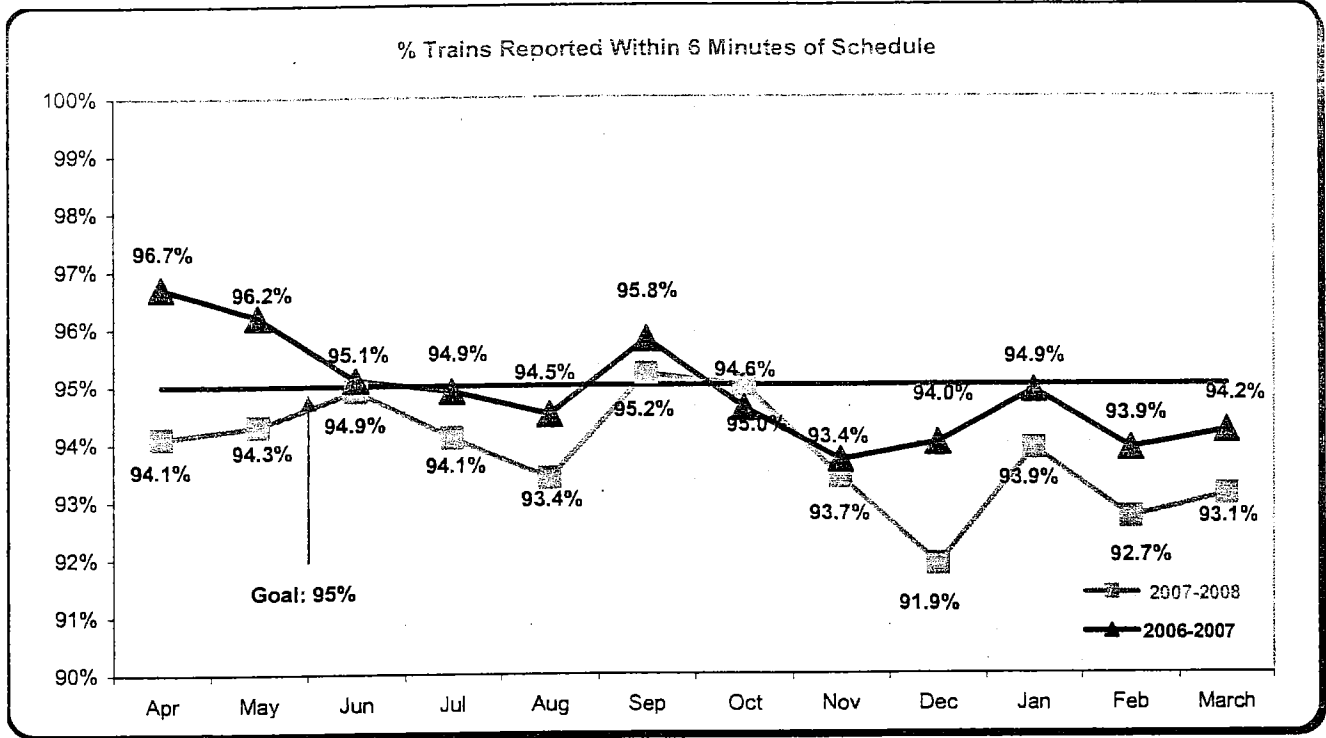
**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THROUGH MARCH 08)****



Fiscal Year Beginning October 1, 2007*
Fiscal Year Beginning July 1, 2007**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL APRIL 2006 - MARCH 2008



	2006-2007	2007-2008	# Change
March Comparison	94.2%	93.1%	-1.1%

	2006-2007	2007-2008	# Change
12-Month Average April-March	94.9%	93.8%	-1.0%

Analysis:

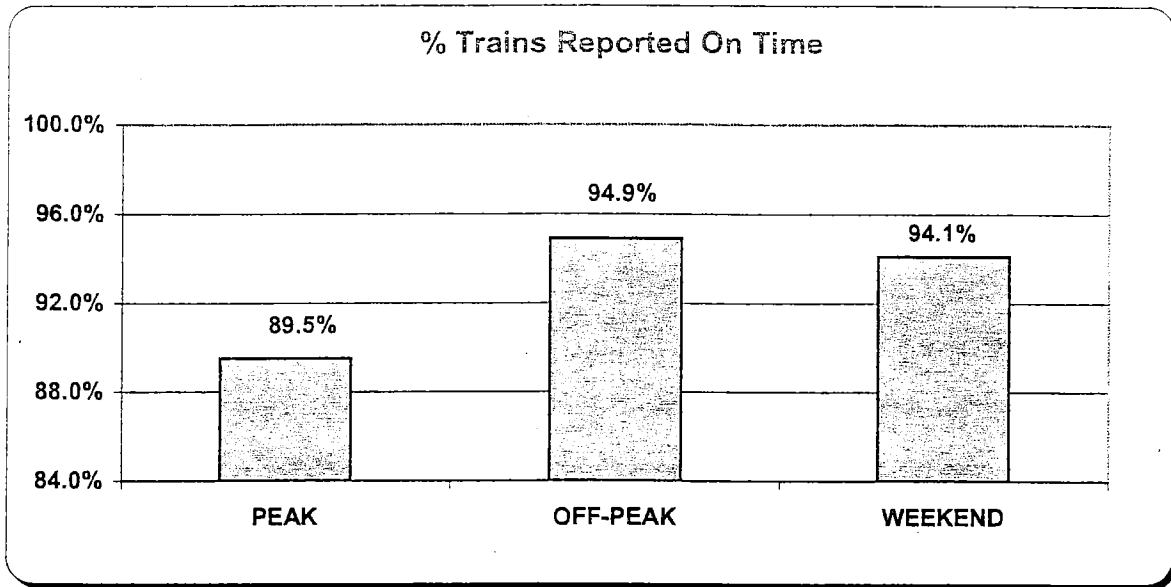
Rail On-Time Performance for March 2008 was 93.1%. Of the 19,918 trains that were scheduled to operate, 18,545 were on time, while 1,373 trains (or 6.9%) were delayed. Key causes of delay included:

- Amtrak's loss of signal power outside Newark Penn Station on March 10th.
- A brush fire along the Morris & Essex Lines on March 17th.
- An equipment failure in the tunnel leading from Penn Station New York on March 24th.
- A disabled Amtrak train at Penn Station New York on March 31st.

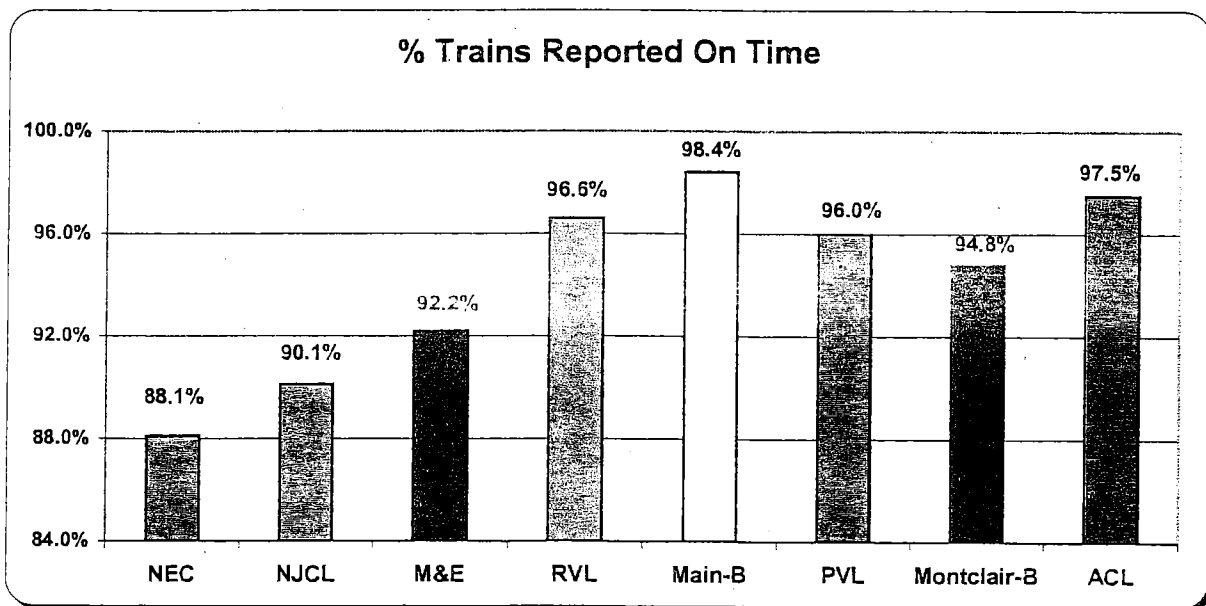
The 12-month average for Rail On-Time Performance for April 2007-March 2008 was 93.8%.

ON-TIME PERFORMANCE RAIL

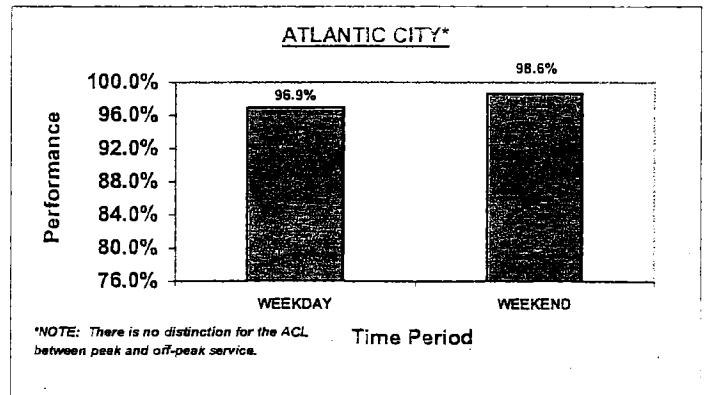
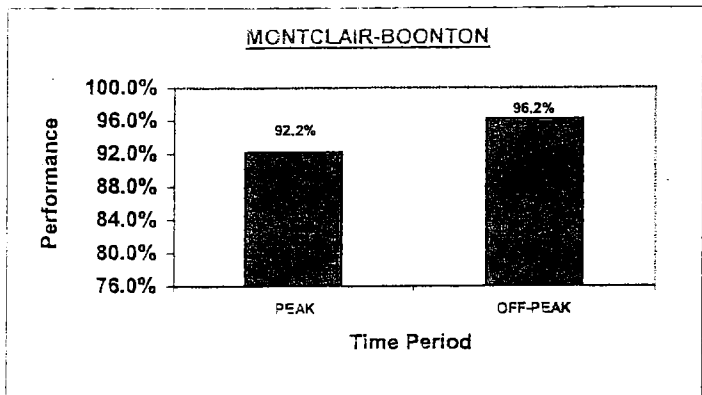
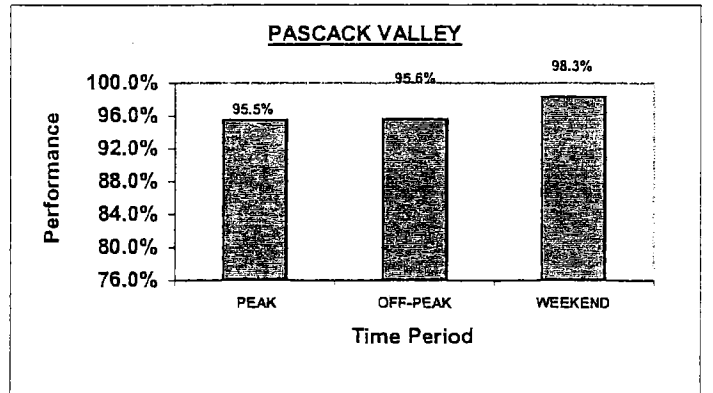
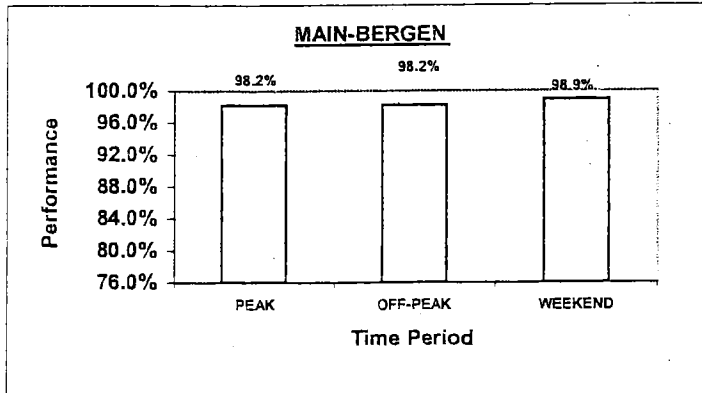
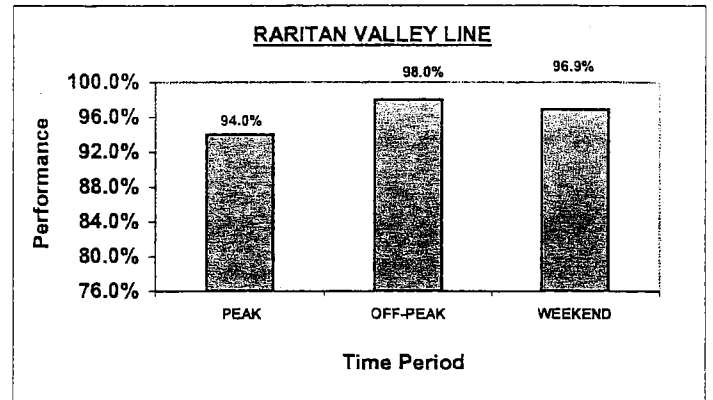
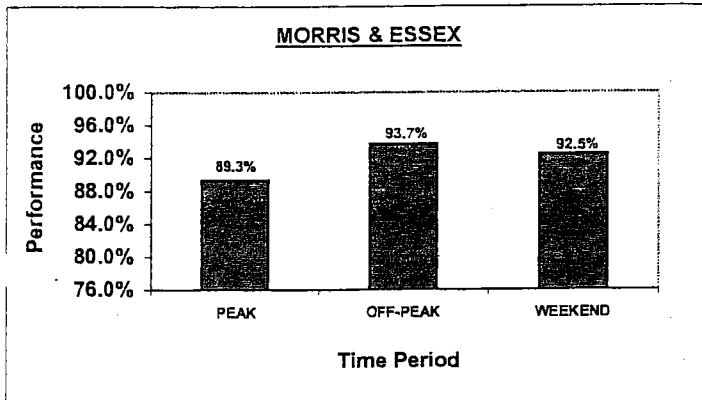
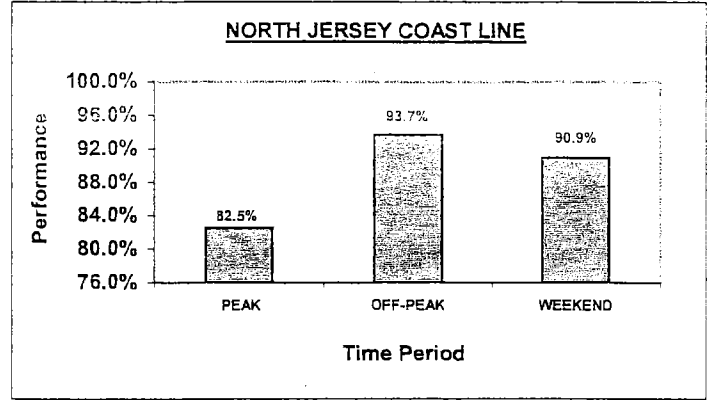
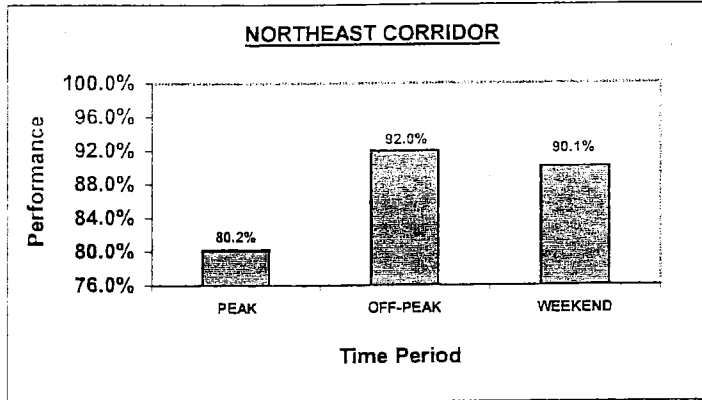
SUMMARY BY TIME PERIOD MARCH 2008



SUMMARY BY LINE MARCH 2008

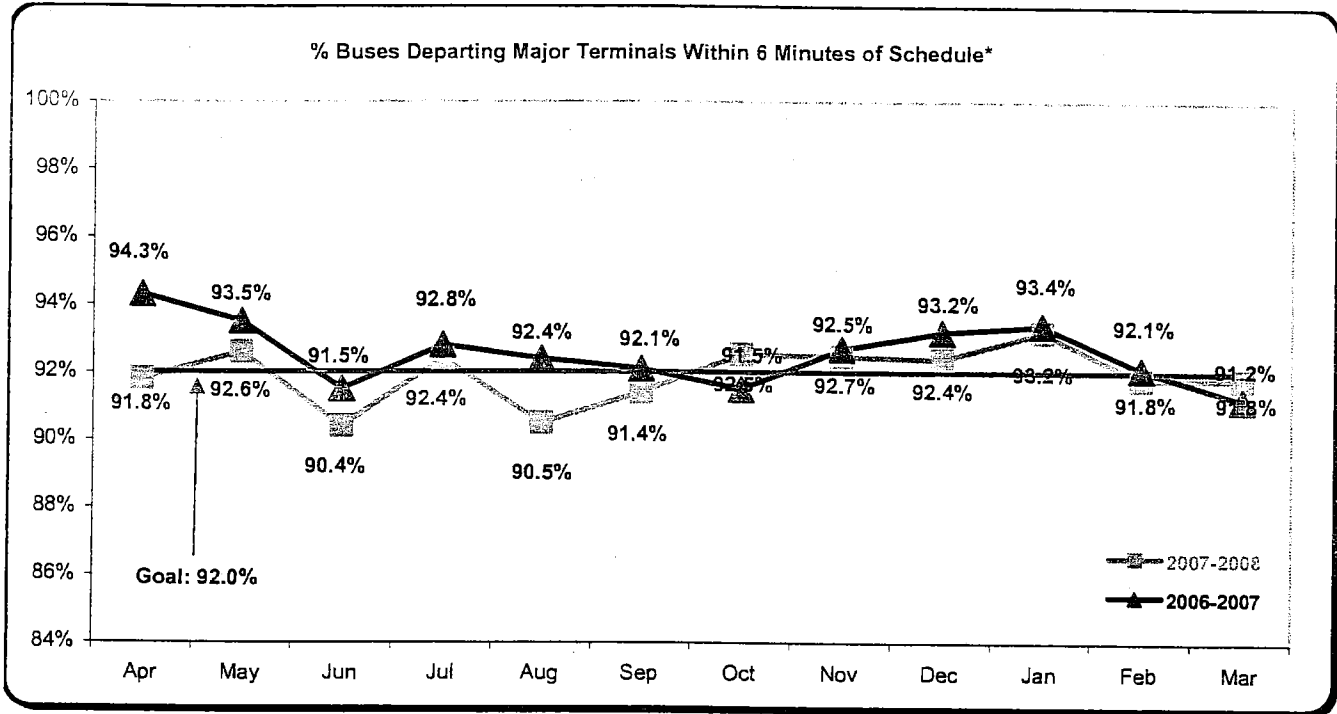


ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD March 2008



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

NJ TRANSIT ON-TIME PERFORMANCE BUS APRIL 2006 - MARCH 2008



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

	2006-2007	2007-2008	# Change
March Comparison	91.2%	91.8%	0.6%

	2006-2007	2007-2008	# Change
12-Month Average April-March	92.6%	91.9%	-0.6%

Analysis:

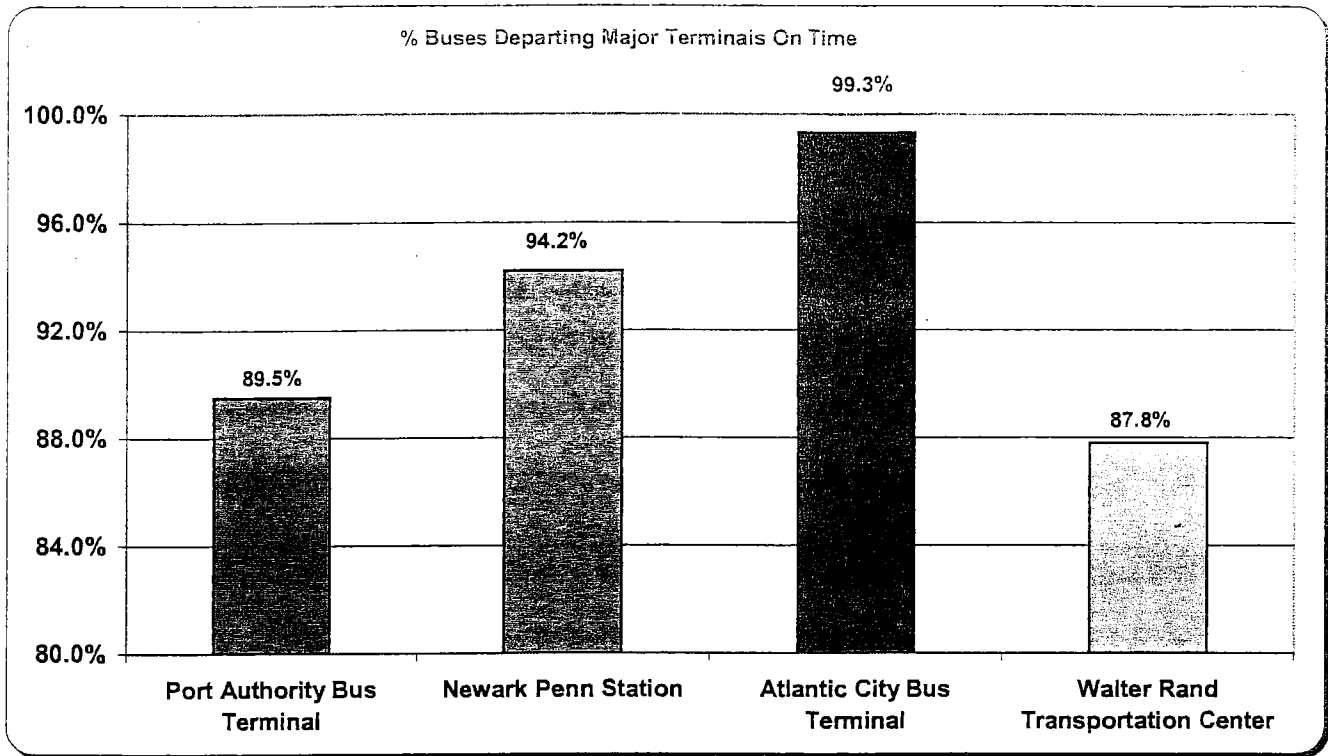
Bus On-Time Performance for March 2008 was 91.8%. Of the 31,545 monitored departures, 2,591 (or 8.2%) experienced delays. Key sources of delay included:

- Rain and flooding during rush hour near the Port Authority Bus Terminal on March 7th.
- Heavy traffic on the Benjamin Franklin Bridge on several days of the month.

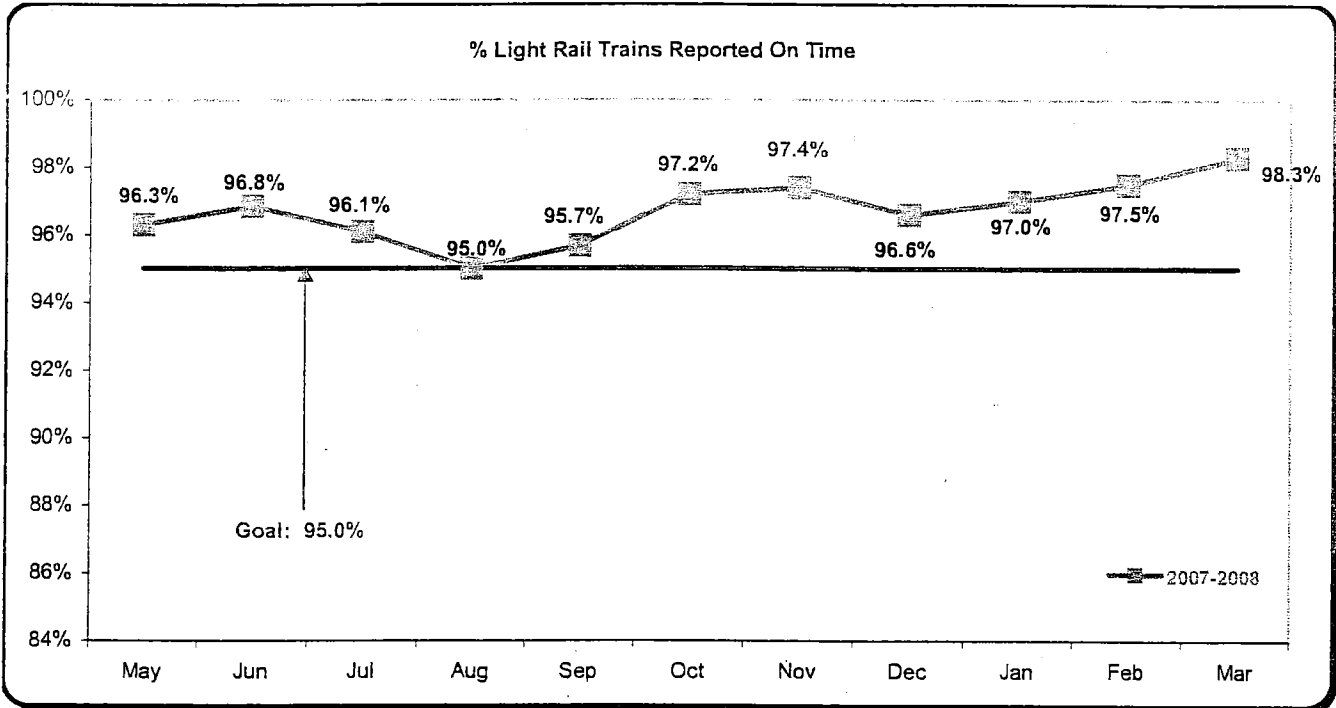
The 12-month average for Bus On-Time Performance for April 2007- March 2008 was 91.9%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL MARCH 2008



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL - SYSTEMWIDE MAY 2007-MARCH 2008



*Note: Starting May 2007

	2006-2007	2007-2008	# Change
March Comparison	N/A	98.3%	N/A

	2006-2007	2007-2008	# Change
12-Month Average	N/A	N/A	N/A

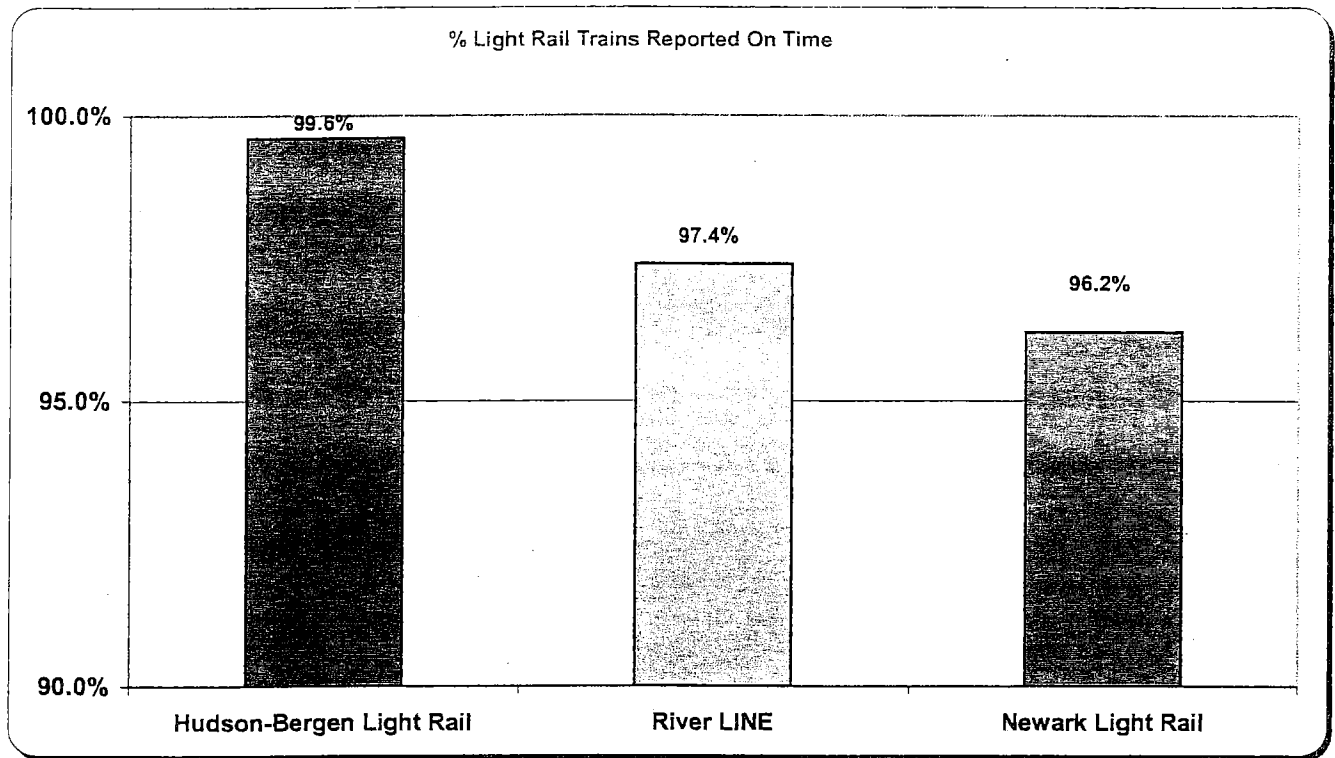
Analysis:

Light Rail On Time Performance systemwide was 98.3% for the month of March 2008. Of the 29,939 scheduled trains, 509 (or 1.7%) experienced delays. Causes of delay during the month included:

- The partial collapse of a wall of the Westinghouse Building near the Newark Light Rail tracks on March 6th.
- Inclement weather on the River LINE on March 8th.
- Vehicle failure on the Hudson-Bergen Light Rail on March 19th.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE FEBRUARY 2008



ACTION ITEMS

**ITEM 0804-22: HUDSON-BERGEN LIGHT RAIL EXTENSION TO 8th STREET:
DESIGN/BUILD CONTRACT AWARD AND AMENDMENT TO
OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)**

BENEFITS

The first phase of the Hudson-Bergen Light Rail (HBLR) opened in April 2000 and was extended to Bergenline Avenue and Tonnelle Avenue stations in February 2006. Customers have responded positively to the new service with ridership increasing approximately 30 percent in the past year. Currently 40,000 average weekday passenger trips are made on the light rail line.

The extension of the light rail one mile south in Bayonne from 22nd Street to 8th Street will bring light rail transit to new neighborhoods. Additionally, the recent municipal approval for construction of housing near the new station site underscores the need for public transit in an area where traffic is dense and street parking is limited. It is anticipated that the extension will result in an additional 3400 trips each weekday.

PURPOSE

The award of this design/build contract will allow for the final design and construction of the civil components of the HBLR extension from 22nd Street to 8th Street in Bayonne, approximately one mile, with a new station at West 8th Street and Avenue C.

An increase in the Owner-Controlled Insurance Program (OCIP) authorization will provide the insurance coverage for the construction of the Hudson-Bergen Light Rail 8th Street Extension. The following insurance coverage items are included in the OCIP:

- Workers Compensation/Employers Liability
- General and Excess Liability
- Railroad Protective Insurance
- Environmental Liability
- Builders Risk

ACTION (Capital Program Justification: System Expansion)

Staff seeks authorization to contract (No. 07-056X) with George Harms Construction, Inc. of Howell, New Jersey, for the design and construction of the civil works portion for the extension of the Hudson-Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$58,373,125, plus five percent for contingencies, subject to the availability of funds.

Staff also seeks authorization to amend the Owner-Controlled Insurance Program (OCIP) administered by Marsh USA, Inc. to provide additional coverage for the Hudson-Bergen Light Rail 8th Street Extension at a cost not to exceed \$2,325,000, plus five percent for contingencies, for a total authorization of \$7,691,250, subject to the availability of funds.

RESOLUTION

WHEREAS, Hudson-Bergen Light Rail customers have responded positively to new and expanded service to Bergenline Avenue and Tonnelles Avenue; and

WHEREAS, extending the light rail to 8th Street in Bayonne will continue to build on past successes, support economic development, and provide convenient access to additional neighborhoods in Bayonne; and

WHEREAS, upon completion of a competitive procurement process it was determined that George Harms Construction, Inc. was the lowest responsive, responsible bidder; and

WHEREAS, in April 2004, the Board authorized the Owner-Controlled Insurance Program, to be administered by Marsh USA, Inc.;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No. 07-056X) with George Harms Construction, Inc. of Howell, New Jersey, for the design and construction of the civil works portion of the extension of the Hudson-Bergen Light Rail to 8th Street in Bayonne at a cost not to exceed \$58,373,125, 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 increase the funding for the Owner-Controlled Insurance Program (OCIP) in the amount of \$2,325,000, plus five percent for contingencies, for a total authorization of \$7,691,250, subject to the availability of funds.

**ITEM 0804-23: MEADOWS MAINTENANCE COMPLEX FACILITY EXPANSION:
DROP TABLE BUILDING EXPANSION CONSTRUCTION
CONTRACT AWARD AND CONTRACT AMENDMENT FOR
CONSTRUCTION ASSISTANCE**

BENEFITS

NJ TRANSIT is in the process of procuring new locomotives. With the new vehicle purchases, by 2010 NJ TRANSIT's locomotive fleet will be 50 percent larger than the design capacity of the Meadows Maintenance Complex (MMC). The expanded fleet will place additional demands on the MMC facility.

Accordingly, NJ TRANSIT must upgrade and expand the MMC so that required periodic maintenance operations and major repairs can continue effectively. This project will expand the locomotive maintenance area and install a new locomotive wheel set drop table. The drop table allows for the removal of the locomotive wheels by lowering the complete wheel set, with traction motor, from under the locomotive, then traveling and raising on an adjacent release track. This new drop table, which will be used in conjunction with the existing drop table, will maximize operating flexibility and efficiency, ensure increased reliability of the fleet, and allow the rehabilitation of the existing drop table.

PURPOSE

Authorization of this construction contract will allow for the construction of the locomotive shop expansion and installation of a new drop table. The expansion will accommodate locomotives on the new drop table within a new area of MMC Building #1 and will provide four new locomotive service positions.

Authorization of the contract amendment to the MMC Facility Expansion Design Contract will also allow for construction assistance services required during the construction of the new drop table building expansion, including review of shop drawings, submittals, and responding to requests for information (RFI).

The original procurement process for the consultant services contract included three phases: Phase 1 – Preliminary Engineering; Phase 2 – Final Design; and Phase 3 – Construction Assistance. Phases 1 and 2 are complete and Phase 3 will provide construction assistance services to support construction of the new drop table building expansion. Construction assistance includes preparation of responses to bidder questions during the bid process, shop drawing and material submittal review and approval, response to design related questions and evaluation of requests for approval of alternative products and methods. The initial consultant services contract was awarded to STV Incorporated through a competitive procurement process for design services and construction assistance for the MMC Facility Expansion project. This will be the final authorization for consultant services under this contract.

ACTION (Capital Program Justification: Capacity)

Staff seeks authorization to enter into a contract (No. 08-071X) with Hall Construction Co. of Howell, New Jersey, for the construction of the new drop table building expansion at the Meadows Maintenance Complex at a cost not to exceed \$13,993,000, plus five percent for contingencies, subject to the availability of funds.

Staff also seeks authorization to amend the professional services contract (No. 01-068) with STV Incorporated of New York, NY for construction assistance services related to the construction of the new drop table building expansion at the Meadows Maintenance Complex at a cost not to exceed \$1,100,659, plus five percent for contingencies, for a total contract authorization of \$13,816,592.

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

FISCAL IMPACTS

Requested Authorization:

Hall Construction Co. \$ 13,993,000 + 5% contingency

STV Incorporated This Authorization \$ 1,100,659 + 5% contingency
Total Authorization \$ 13,816,592

Total Project Cost: \$ 36,925,000 (drop table building expansion)

Projected Date of Completion: December 2010 – Complete construction

Anticipated Source of Funds: State

Diversity Goal: Construction 18% SBE
Construction Assistance 30% DBE

Future Related Authorizations: None

Impacts on Subsequent Operating Budgets: Increase in utility costs of approximately \$5,500 per year.

RESOLUTION

WHEREAS, NJ TRANSIT seeks to improve its transportation services and facilities; and

WHEREAS, NJ TRANSIT is in the process of procuring locomotives to accommodate ridership growth; and

WHEREAS, the locomotive shop at the Meadows Maintenance Complex must be expanded and a new drop table installed to accommodate the maintenance of these new locomotive purchases; and

WHEREAS, upon completion of a competitive bid process, it was determined that Hall Construction Co. was the lowest responsive, responsible bidder for the construction of the drop table building expansion; and

WHEREAS, NJ TRANSIT previously selected STV Incorporated through a competitive procurement process for design services and construction assistance for the MMC Facility Expansion Project;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to contract (No. 08-071X) with Hall Construction Co. of Howell, New Jersey, for construction services of the new drop table building expansion at the Meadows Maintenance Complex at a cost not to exceed \$13,993,000, 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 professional services contract (No.01-068) with STV Incorporated of New York, New York for construction assistance services for the new drop table building expansion at the Meadows Maintenance Complex at a cost not to exceed \$1,100,659, plus five percent for contingencies, for a total contract authorization of \$13,816,592, subject to the availability of funds.

ITEM 0804-24: DIESEL LOCOMOTIVE CONDITION BASED MAINTENANCE PROGRAM: CONTRACT AWARD FOR TECHNICAL SUPPORT

BENEFITS

NJ TRANSIT'S rail rolling stock maintenance program is designed to maintain the rail fleet in a state-of-good-repair for service reliability and customer comfort and to provide capacity for existing and new services.

NJ TRANSIT's current diesel locomotive fleet consists of 105 PL42AC, GP-40 and F-40 series locomotives. In support of the rail rolling stock maintenance program, overhauling GP-40 and F-40 series locomotives has been budgeted in the current capital program. The majority of the GP-40 and F-40 locomotives were manufactured by EMD and placed into service more than 20 years ago; the PL42AC locomotives were manufactured by Alstom Transportation Inc. and placed into service in 2005.

In addition to the need to overhaul the GP-40 and F-40 series diesel locomotives, NJ TRANSIT is investigating the benefits of implementing a formal condition-based maintenance approach to locomotive maintenance.

The introduction of a formal condition-based maintenance program should improve the availability and reliability of the locomotive fleet. A formal condition-based maintenance program would systematically monitor vital systems and components to better assist staff in predicting when components should be repaired or replaced, thereby reducing the overall level and cost of maintenance, leading to improved fleet availability and reliability, and reduced capital expenditures for new vehicles.

PURPOSE

This contract authorizes Alstom Transportation, Inc, (through its Train Life Services Division) to provide services in supporting the development of a technical specification for the overhaul of GP-40 and F-40 series locomotives as well as demonstrating the benefits of implementing a formal condition-based maintenance program for the entire diesel locomotive fleet.

NJ TRANSIT initiated a competitive procurement process for the selection of a firm to provide these services. As a result, Alstom Transportation Inc, (through its Train Life Services Division (TLS)) was determined to be the only vendor capable of complying with the technical requirements and is therefore entitled to a procurement-by-exception for these services in accordance with NJ TRANSIT Regulations N.J.A.C. 16-72-1.6 and Executive Order No. 37.

ACTION (Capital Program Justification: Capacity)

Staff seeks authorization to enter into a procurement-by-exception contract (No. 08-615) with Alstom Transportation, Inc, (through its Train Life Services Division) of Naperville, Illinois, to provide technical assistance services related to the development of a locomotive overhaul technical specification as well as the development of a program that would demonstrate the benefits of a formal condition-based maintenance program

for the entire diesel locomotive fleet at a cost of \$3,500,000, plus five percent for contingencies, subject to the availability of funds.

FISCAL IMPACT

Requested Authorization: \$3,500,000 + 5% contingency

Total Project Cost: \$4,000,000

Projected Date of Completion: April 2009

Anticipated Source of Funds: Transportation Trust Fund

Diversity Goal: TBD

Related/Future Authorizations: Overhaul of Diesel Locomotives

**Impact on Subsequent
Operating Budgets:** NA

RESOLUTION

WHEREAS, NJ TRANSIT currently operates diesel locomotives on a significant portion of the rail passenger system; and

WHEREAS, the rehabilitation of the diesel locomotive rail fleet is necessary to maintain the operational reliability and availability to provide capacity for existing and new services; and

WHEREAS, staff requires technical assistance to develop concept plans and technical specifications for overhauling diesel locomotives; and

WHEREAS, NJ TRANSIT could benefit from the implementation of a formal condition-based maintenance program; and

WHEREAS, Alstom Transportation, Inc. has been determined to be the only vendor capable of complying with the technical requirements and is therefore entitled to a procurement-by-exception for these 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 procurement-by-exception contract with Alstom Transportation, Inc. (through its Train life Services Division) of Naperville Illinois to provide technical assistance related to the development of a locomotive overhaul technical specification as well as the development of a program that would demonstrate the benefits of a formal condition-based maintenance program for the entire diesel locomotive fleet at a cost of \$3,500,000, plus five percent for contingencies, subject to the availability of funds.

ITEM 0804-25: PASSAIC COUNTY LOCAL BUS SERVICE

BENEFITS

This contract extension will provide for the continued operation of local bus service in the Passaic County area (Exhibit A) for a two-year option period from August 31, 2008 through August 28, 2010. The twelve routes serve various malls and office complexes in Passaic County and have a combined annual ridership of 3,150,000 passengers and generate annual cash fares \$3,378,000.

PURPOSE

Authorization will continue local bus service in Passaic County which staff has identified as appropriate service to be operated more economically by contracting for its performance. The carrier will comply with New Jersey's Conscientious Employee Protection Act.

ACTION (Justification: Cost Efficiencies)

Staff seeks authorization to exercise the contract option of the current agreement with Community Transportation, Inc. for the operation of Passaic County local bus service for an additional 24 months at a cost not to exceed \$15,143,037, plus five percent for contingencies.

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

FISCAL IMPACTS:

Requested Authorization:	\$15,143,037 (24 month operations) plus 5% for contingencies
Total Project Cost:	N/A
Projected Date of Completion:	August 28, 2010
Anticipated Source of Funds:	Fiscal Years 2009 - 2011 Operating Budgets
Diversity Goal:	Carrier is required to make a good faith effort to expend 5% of the value of the contract (excluding wages) on goods/services provided by Small Business Enterprises

Related/Future Authorizations: N/A

**Impact on Subsequent
Operating Budgets:** Provides passenger revenue

RESOLUTION

WHEREAS, staff has determined that it is appropriate to provide local bus service in Passaic County; and

WHEREAS, in June 2003 the Board of Directors authorized a contract with Community Transportation, Inc. for the operation of local bus service in Passaic County for a period of 60 months ending on August 30, 2008; and

WHEREAS, Community Transportation, Inc. has satisfactorily provided local bus service in Passaic County under contract with NJ TRANSIT since August 2003;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to exercise the contract option of the current agreement with Community Transportation, Inc. for the operation of Passaic County local service, as set forth in Exhibit A, for an additional twenty-four (24) months at a cost not to exceed \$15,143,037, plus five percent for contingencies; and to take all other actions necessary to implement and administer this agreement; provided, however, that funding of this agreement shall be subject to the availability of funds and Board approval of NJ TRANSIT's operating budgets; and

BE IT FURTHER RESOLVED that the carriers shall comply, as a condition of the present or future contracts, and continued receipt of funds and subsidies, with New Jersey's Conscientious Employee Protection Act.

EXHIBIT A

PASSAIC COUNTY LOCAL BUS SERVICE

LIST OF ROUTES

<u>Route No.</u>	<u>Description</u>	<u>Days Operated</u>
702	Paterson – Elmwood Park	Monday-Saturday
705	Passaic – Willowbrook Mall	Monday-Saturday
707	Paterson – Saddle Brook	Monday-Saturday
709	Bloomfield - Paramus	Monday-Saturday
722	Paterson - Paramus Park	Monday-Saturday
742	Paterson – Greystone Park	Saturday Only
744	Passaic – Wayne	Monday-Saturday
746	Ridgewood – Paterson	Monday-Saturday
748	Paterson – Wayne – Willowbrook Mall	Monday - Saturday
758	Passaic – Paramus Park	Monday – Saturday
970 *	Passaic-Clifton-Totowa-Wayne	Monday – Friday
971 *	Paterson – Totowa – Wayne	Monday – Friday

* Minibus route

ITEM 0804-26: NEWARK PENN STATION: LEASE OF RETAIL SPACE

BENEFITS

NJ TRANSIT will receive annual base rent of \$555,000, or 11½ percent of sales, whichever amount is greater, for eight years for the operation of the Newsstand Concessions at Newark Penn Station. This lease will provide non-farebox revenue to NJ TRANSIT and newsstand type services, goods and food items to NJ TRANSIT and Amtrak customers using Newark Penn Station. The new tenant will make major upgrades to the fit and fixtures of the retail spaces and bring a substantial degree of merchandising and management expertise to the operation of the stores. All sales will be fully auditable through state-of-the-art Point Of Sale and inventory control systems.

PURPOSE

This authorization provides for the lease of the Newark Penn Station newsstand locations consisting of two retail locations on the Main Concourse known as Store B (Main Newsstand) and Store H (Bookstore), together with 6 satellite locations, consisting of various areas at both ground and track levels in Newark Penn Station with Airport Management Services LLC (d.b.a Hudson Group) who was selected through a competitive RFP process. The lease period is for eight years.

ACTION

Staff seeks authorization to enter into a lease with Airport Management Services, LLC for the operation of the newsstand concession locations at Newark Penn Station for eight years, commencing May 1, 2008 at an annual base rent of \$555,000 or 11½ percent of sales, whichever amount is higher.

FISCAL IMPACTS

Requested Authorization:	Staff seeks authorization to enter into a lease with Airport Management Services, LLC for the operation of the newsstand concession locations at Newark Penn Station for eight years, commencing May 1, 2008 at an annual base rent of \$555,000 or 11½ percent of sales whichever amount is higher.
Total Project Cost:	N/A
Projected Date of Completion:	Leases to be executed by May 2008
Anticipated Source of Funds:	N/A

Diversity Goal: N/A

Related Authorizations: N/A.

Impacts of Subsequent Operating Budgets: Minimum of \$555,000 annually.

RESOLUTION

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

WHEREAS, NJ TRANSIT controls Newark Penn Station; and

WHEREAS, Airport Management LLC was selected as the tenant for the lease of the Newark Penn Station newsstand concession locations through a competitive process;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to enter into a lease with Airport Management Services, LLC for the operation of the newsstand concession locations at Newark Penn Station for five years, commencing May 1, 2008 at an annual base rent of \$555,000 or 11½ percent of sales, whichever amount is higher.

ITEM 0804-27: ANNUAL AUDIT: FISCAL YEARS 2008 - 2013

BENEFITS

NJ TRANSIT is required to have an audit of its books and accounts made at least once each year by independent certified public accountants, pursuant to Section 20(d) of the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150. In addition, as set forth by the Office of Management and Budget Circular A-133 and the Federal National Transit Database (Section 15) reporting forms, NJ TRANSIT is required to provide an independent attestation and compliance report related to Federal funds received and the statistics provided upon which NJ TRANSIT's formula grant funding is determined. Also, audits of NJ TRANSIT's Defined Benefit Pension Plans and Defined Contribution Pension Plans are required by the plan documents.

PURPOSE

NJ TRANSIT's contract with its current independent certified public accounting firm has expired. Accordingly, a Request for Proposal (RFP) was issued to interested certified public accounting firms for services to conduct the necessary examinations of NJ TRANSIT's financial records. The selection of an independent certified public accounting firm was conducted in accordance with Executive Order # 122. Accordingly, the Technical Evaluation Committee was composed of three members of NJ TRANSIT's Board of Directors and was lead by the Chair of the Audit Committee. This selection will allow NJ TRANSIT to remain in compliance with its statute, legal and regulatory requirements, and pension plan documents.

ACTION

Staff seeks authorization to contract with Ernst & Young LLP for audit services at a cost not to exceed \$286,634, \$298,307 and \$310,240 for fiscal years 2008, 2009 and 2010, respectively, with an option to extend the contract for two additional one-year periods, at NJ TRANSIT's sole discretion. If exercised, the audit services for fiscal years 2011 and 2012 would not exceed \$322,649 and \$335,555, respectively. Additionally, supplemental accounting services during the contract period on an as-needed basis at a cost not to exceed \$50,000 per fiscal year and supplemental audit services, also as needed, at a cost not to exceed \$100,000 per fiscal year are sought.

FISCAL IMPACTS

Requested Authorization:	\$ 2,303,385	FY 2008 - FY 2012
Total Project Cost	\$ 2,303,385	
Projected Date of Completion	February 2014	

Anticipated Source of Funds:	FY 2008-2013 Operating Budgets
Projected Date of Completion:	February 2014
Diversity Goal:	20% Goal
Related/Future Authorizations:	None

RESOLUTION

WHEREAS, Section 20(d) of the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150, requires an audit be conducted of the books and records of NJ TRANSIT at least once each year by independent certified public accountants; and

WHEREAS, the Single Audit Act, as set forth by the Office of Management and Budget Circular A-133 and the Federal National Transit Database (Section 15) reporting forms require an annual independent attestation and compliance report; and

WHEREAS, NJ TRANSIT's Defined Benefit Pension Plans and Defined Contribution Pension Plans require an annual audit; and

WHEREAS, NJ TRANSIT requested proposals from interested certified public accounting firms; and

WHEREAS, in April 2008, NJ TRANSIT received proposals from three certified public accounting firms for the three-year base period and two one-year options; and

WHEREAS, the proposals were reviewed by a Technical Evaluation Committee, composed of three members of the Board of Directors, which recommended the contract be awarded to Ernst & Young LLP; and

WHEREAS, staff seeks approval to enter into a contract with Ernst & Young LLP for the three-year base period with two one-year options exercisable at NJ TRANSIT's option:

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to contract with Ernst & Young LLP to provide audit services at a cost not to exceed \$286,634, \$298,307 and \$310,240 for fiscal years 2008, 2009 and 2010, respectively, with an option to extend the contract for two additional one-year periods at a cost not to exceed \$322,649 and \$335,555 respectively, and for supplemental audit and accounting services during the contract period on an as-needed basis, subject to the availability of funds and Board approval of subsequent operating budgets; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is hereby authorized to contract with Ernst & Young LLP to provide supplemental accounting services during the contract period on an as-needed basis at a cost not to exceed \$50,000 per fiscal year and supplemental audit services, also as needed, at a cost not to exceed \$100,000 per fiscal year, subject to the availability of funds and approval of subsequent budgets.