

Jon S. Corzine  
Governor

Kris Kolluri, Esq.  
Board Chairman

Richard R. Sarles  
Executive Director



August 13, 2008

Dear Governor Corzine:

Pursuant to Chapter 150, Laws of 1979, I herein transmit a portion of the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., and NJ Transit Mercer, Inc. Board of Directors held on Wednesday, August 13, 2008.

I respectfully request that this item be stamped in today (Wednesday, August 13, 2008) because in order to take advantage of the property insurance offer, the premium payment has to be made by August 25, 2008.

Sincerely,

A handwritten signature in black ink that reads 'Gwen A. Watson'.

Gwen A. Watson  
Board Secretary

Enclosures

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

A portion of the minutes of actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, August 13, 2008.

**Present:**

Kris Kolluri, Chairman  
Myron P. Shevell, Vice Chairman  
James A. Carey, Governor's Representative  
Robert Smartt, Treasurer's Representative  
Flora Castillo  
Kenneth E. Pringle  
Susan L. Hayes

Richard R. Sarles, Executive Director  
Gwen A. Watson, Board Secretary  
Lynn Bowersox, Assistant Executive Director, Communications & Customer Svc.  
Carol Wise, Acting Vice President & General Manager, Bus Operations  
William Duggan, Vice President & General Manager, Rail Operations  
Mala Narayanan, Deputy Attorney General  
James Redeker, Vice President of Technology 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 Programs  
Aamir B. Marvi, Acting Auditor General

Chairman Kris Kolluri convened the Open Session at 9:12 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 Myron P. Shevell, seconded by Flora Castillo and unanimously adopted.

Chairman Kris Kolluri reconvened the Open Session at 9:28 am and asked for a motion to adopt the minutes of the July 9, 2008 meeting. A motion was made by Myron P. Shevell, seconded by Kenneth E. Pringle and unanimously adopted.

Executive Director Richard R. Sarles presented the following Action Item for approval:

**0808-60: PROPERTY INSURANCE EXTENSION**

A couple of months ago, the Board approved the agency's Risk Management Insurance Renewal for various insurance coverages for Fiscal Year 2009 at a rate reduced by 3.9 percent from the previous year. The provider of the primary \$50 million All Risk Property and Terrorism coverage, Lexington Insurance Company, has offered NJ TRANSIT a two year policy (Fiscal Year 2009 and Fiscal Year 2010) at a rate reduced by 4.1 percent for Fiscal Year 2010. Securing this coverage now will protect the agency from increased insured values or any adverse effects or changes in the property market and will stabilize Fiscal Year 2010 costs. Authorization is requested to secure this Fiscal Year 2010 coverage in an amount not to exceed \$2,665,000.

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

**ITEM 0808-60: PROPERTY INSURANCE EXTENSION****BENEFITS**

On June 11, 2008 the NJ TRANSIT Board of Directors approved the Risk Management Insurance renewal of various insurance coverages for Fiscal Year 2009. During negotiations with Lexington Insurance Company, who provides the primary \$50 million All Risk Property and Terrorism coverage, the opportunity arose for NJ TRANSIT to secure a two-year policy (Fiscal Year 2009 and Fiscal Year 2010). Staff negotiated a 4.1 percent reduction for the Fiscal Year 2010 policy period. The approved Fiscal Year 2009 premium is \$2,780,000, a 3.9 percent premium reduction or \$113,307 savings from Fiscal Year 2008. These savings were realized despite a 20 percent increase in property values.

The property insurance market has softened due to the lack of catastrophic events and securing a two-year program will protect NJ TRANSIT from increased insured values or any adverse effects or changes in the property market and stabilize Fiscal Year 2010 property insurance costs. This will also secure the cost of terrorism coverage, current deductibles and terms and conditions of the policy.

**PURPOSE**

NJ TRANSIT maintains an "All Risk" property Damage Insurance Program. A \$401,000,000 limit of liability is applicable to this property insurance coverage. Property deductibles are currently \$500,000 to \$1,000,000. Insurance values have increased 20 percent in the last year from \$7.153 billion to \$8.577 billion due in part to an increase in the cost of steel and current technology for bridges, tunnels, rail substations, and rail and light rail rolling stock.

**ACTION**

Staff seeks authorization to secure a two-year policy with Lexington Insurance Company for All Risk Property and Terrorism Coverage at a cost for the Fiscal Year 2010 extension not to exceed \$2,665,000, subject to the availability of funds.

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	\$2,665,000
<b>Total Project Cost:</b>	N/A
<b>Projected Date of Completion:</b>	June 30, 2010
<b>Anticipated Source of Funds:</b>	Fiscal Year 2010 Operating Budget

(NJT BOARD – 08/13/08)

<b>Diversity Goal:</b>	N/A
<b>Related/Future Authorizations:</b>	N/A
<b>Impacts on Subsequent Operating Budgets:</b>	None

**RESOLUTION**

**WHEREAS**, NJ TRANSIT is contractually obligated to maintain a Risk Management Insurance Program to protect its riders, employees and assets in the event of accidents and other casualties; and

**WHEREAS**, it is in the best interest of NJ TRANSIT and sound fiscal policy to maintain such a Risk Management Insurance Program; and

**WHEREAS**, NJ TRANSIT has been successful in negotiating a two-year policy with Lexington Insurance Company for the primary \$50 million All Risk and Terrorism Coverage for Fiscal Year 2009 and Fiscal Year 2010;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to secure a two-year policy with Lexington Insurance Company for All Risk Property and Terrorism Coverage at a cost for the Fiscal Year 2010 extension not to exceed \$2,665,000, subject to the availability of funds.

Jon S. Corzine  
Governor

Kris Kolluri, Esq.  
Board Chairman

Richard R. Sarles  
Executive Director



August 15, 2008

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Sincerely,

A handwritten signature in black ink, appearing to read "Gwen A. Watson". The signature is fluid and cursive, written in a professional style.

Gwen A. Watson  
Board Secretary

Enclosures

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

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**Present:**

Kris Kolluri, Chairman  
Myron P. Shevell, Vice Chairman  
James A. Carey, Jr., Governor's Representative  
Robert Smartt, Treasurer's Representative  
Kenneth E. Pringle  
Susan Hayes  
Flora Castillo

Richard R. Sarles, Executive Director  
Gwen A. Watson, Board Secretary  
Aamir B. Marvi, Acting Auditor General  
Lynn Bowersox, Assistant Executive Director, Communications & Customer Services  
Carol Wise, Acting Vice President & General Manager, Bus Operations  
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Executive Director Richard R. Sarles highlighted the following from his monthly business report.

**Multilevel Vehicle Purchase**

Executive Director Sarles said ridership growth is continuing at a record pace. Most recent trends are in the past 12 weeks, weekend rail ridership is at a 4.6 percent increase over last year and last month, reached record-setting ridership for a summer Saturday at more than 104,000 train trips systemwide (July 12, 2008). High gas prices are driving ridership. Overall, record-breaking trends are up this year, nearly five percent, on a steady march to a million a day. Executive Director Sarles said approval

is requested to purchase 50 additional Multilevel vehicles, bringing the total number to 329 which allow for 13,000 more peak period seats. This is a near-term solution to capacity demands while NJ TRANSIT advances Access to the Region's Core. There are a total of 170 Multilevels on the property to date and 143 in service. Multilevel vehicles are in operation on the Northeast Corridor, the North Jersey Coast Line and MidTOWN DIRECT service and, most recently, added to the Raritan Valley Line. Delivery of the 329<sup>th</sup> car is expected in the spring 2010.

### **Waldwick Lease**

Executive Director Sarles said the Board will consider a lease agreement with a community group for the historic Waldwick train station building on the Main Line. Built in 1887, the station is listed on the State and National Registers of Historic Places and is located on the outbound side of tracks. Waldwick Station customers utilize a modern climate-controlled building conveniently located on the inbound side. Waldwick Community Alliance Inc. would renovate the building under the terms of a 25-year lease, preserving a piece of railroad history at no cost to NJ TRANSIT. The facility will also offer meeting space and a railroad museum. This is a win-win for the community and NJ TRANSIT because it enables a preservation effort that financial constraints would not permit NJ TRANSIT to undertake.

### **Southeastern Pennsylvania Transportation Authority (SEPTA) Joint Ticketing**

Executive Director Sarles welcomed Neil Patel, Procurement Department, SEPTA and said he is pleased to be able to assist SEPTA with equipment to meet their growing demand. He said the two agencies are working together on a program to expand regional rail travel options through joint ticketing and other enhancements. The recently-expanded program includes more than 125 destinations on SEPTA-joint tickets now available from Philadelphia to New Brunswick, Yardley to Metropark, Princeton to Philadelphia Airport, and many other popular destinations, including several New Jersey and Philadelphia area universities. General Manager Joe Casey and Executive Director Sarles want to give customers more regional, affordable travel options without airline fares.

### **Budget Action**

Executive Director Sarles said the Fiscal Year 2009 budget includes a number of administrative cost reduction measures. NJ TRANSIT continues cost cutting in materials, printing, advertising, and contracted services, but the savings target requires NJ TRANSIT to manage attrition to reduce positions in administrative departments. Approval is requested for an Early Retirement Incentive (ERI) program that is a tool to achieve annual savings of approximately \$6 million annually. The program will take effect September 1, 2008 and, consistent with the State's early retirement plan, only 10 percent of total administrative vacancies will be filled, while remaining vacant positions will be abolished. Going one step further, NJ TRANSIT will institute a two-year hiring freeze for administrative departments as an additional layer of cost control for back office expense. Any exceptions for essential positions will require the Executive Director's approval.

Employees in NJ TRANSIT's Bus Operations, Light Rail Operations, Rail Operations, and Police departments are not eligible for the proposed Early Retirement Incentive Program because they are essential to the provision of transportation and security services. Those departments are also not subject to the two year hiring freeze.

### **North Hackensack Station Parking**

Executive Director Sarles said a new parking lot opened at North Hackensack Station, located in the Borough of River Edge on the Pascack Valley Line. The expansion project nearly doubles spaces with a new 143-space surface lot, for 291 total spaces. These new spaces add capacity for additional ridership on the Pascack Valley Line, which has grown due to an introduction of bi-directional, midday and weekend service.

### **South Amboy Groundbreaking**

Executive Director Sarles said a groundbreaking will be held this week on the South Amboy Station high-level platform project. The North Jersey Coast Line station serves more than 1,300 customers on a typical weekday. It includes a new center island high-level platform with canopy, heated waiting shelters, new stairs, elevator, ticketing facilities, restrooms, CCTV and electronic signage which are scheduled to be completed in the fall of 2009. The station will be ADA-accessible with new platform connections to a new pedestrian overpass. Executive Director Sarles thanked Congressman Pallone, Assemblyman Wisniewski and Mayor O'Leary for their support.

### **Go Bus Expansion**

Executive Director Sarles said in April, Go Bus service was launched between Irvington and Newark along Springfield Avenue. The current service operates peak direction only to Newark during morning peak and to Irvington during evening peak. Effective August 30, Go Bus service will be doubled, adding 18 new trips total for expanded bi-directional service during morning and evening peak periods and new outbound service from Newark in the morning peak and inbound service from Irvington in the evening peak.

### **All Points West and Meadowlands events**

Executive Director Sarles said this weekend, Hudson-Bergen Light Rail carried more than 39,000 additional passenger trips on top of regular ridership for the "All Points West Music and Arts Festival" at Liberty State Park. Executive Director Sarles thanked the 35 employees for volunteering throughout the three day event to help customers. He said another three dozen employees assisted in the operation of special bus service to Giants Stadium for last week's soccer match. Due to Port Authority construction, travel was channeled to New York Penn Station to Secaucus Junction which was a good experience for NJ TRANSIT to serve the Stadium, Xanadu and area attractions with the coming rail link.

### Commuter Calculator

Executive Director Sarles said NJ TRANSIT is launching a new online commuter calculator for customers that shows the savings of using NJ TRANSIT vs. driving. Executive Director Sarles thanked Board Member Pringle for encouraging NJ TRANSIT to add this to its website. Executive Director Sarles invited everyone to try the calculator.

Chairman Kolluri amplified one point on the Early Retirement Incentive Program. He said Governor Corzine provided a \$60 million increase to the transit subsidy. However, there are still cost escalations and the Early Retirement Incentive Program is the right tool to get that cost efficiency in addition to the two year hiring freeze. Chairman Kolluri thanked Executive Director Sarles and Mr. Wedel for their work on this program.

Suzanne Mack presented the Advisory Committee report. Ms. Mack said that the high price of fuel has made the public more aware of the need for public transit. Ms. Mack said the Board made good decisions to purchase new equipment, especially now with the increase in ridership. Ms. Mack thanked Board Member Pringle, Executive Director Sarles and senior staff for attending the joint Advisory Committee meeting in Trenton on July 24, 2008. Ms. Mack said the Committee is aware that the actions taken at today's Board meeting are a result of the budget that was recently passed. She said Mr. Wedel presented the early retirement incentive program to the Advisory Committee and noted NJ TRANSIT is doing more with less. Ms. Mack said the commuter calculator (driving vs. public transit) is one of the best incentives she has seen to use public transit.

Board Member Myron P. Shevell presented the Capital Planning, Policy & Privatization Committee report to the Board. Mr. Shevell said that at this month's Capital Planning, Policy & Privatization meeting, the Committee considered the purchase of another 50 Multilevel railcars to meet growing demand, discussed SEPTA's similar growing ridership and the need for eight of the retired Comet I railcars, and reviewed the property acquisition in North Bergen for the 69<sup>th</sup> Street grade separation project.

Board Member Flora Castillo presented the Administration Committee report to the Board. The Administration Committee discussed the extension of property insurance. Last month the Board approved a Fiscal Year 2009 premium which was a 3.9 percent decrease from the previous years' premium. The Committee was very pleased to hear this month that for Fiscal Year 2010, staff has negotiated a 4.1 percent reduction despite a 20 percent increase in property values. The Committee also discussed the financing of approximately \$410 million for 26 dual-powered locomotives and 50 Multilevel vehicles under a Certificates of Participation sublease with the State of New Jersey. In addition, we discussed a Reimbursement Resolution that will allow NJ TRANSIT to recover contractual amounts paid for the dual-powered locomotives and Multilevel railcars.

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

Neil Patel, Southeastern Pennsylvania Transportation Authority (SEPTA), commented on the item Sale of Surplus Comet I Cars to SEPTA. Mr. Patel said SEPTA's ridership has increased approximately 20 percent and demand is soaring. He appreciates the joint collaboration between the two agencies in developing an enhanced joint ticketing and signage program. Mr. Patel, on behalf of Joseph Casey, General Manager, SEPTA, as well as its customers, thanked Governor Corzine and the NJ TRANSIT Board of Directors for the sale of the surplus Comet I cars to SEPTA.

David Peter Alan, on behalf of the Lackawanna Coalition, commented on the item Sale of Surplus Comet I Cars to Southeastern Pennsylvania Transportation Authority (SEPTA). Mr. Alan recalled that the reason NJ TRANSIT is selling the cars is because they are not compatible with the high level platforms. Mr. Alan hopes that SEPTA can adapt the cars to high level platforms and he urged NJ TRANSIT to keep the rest of the cars for use on NJ TRANSIT lines.

Mr. Alan commented on the item Lease of Historic Unused Former Waldwick Railroad Station. Mr. Alan has been to many museums in former train stations and said this represents a positive adaptive re-use of station buildings. He personally wished Waldwick good luck with their museum project and commended NJ TRANSIT for letting them use the former station.

Mr. Alan commented on item State Certificates of Participation (COPS): Dual-Powered Locomotives and Multilevel Vehicles. Mr. Alan expressed concern about the continued spending by NJ TRANSIT, especially in light of recent and proposed future cost-cutting measures. Mr. Alan said the price to be paid for the proposed dual-mode locomotives will be five times the cost of conventional equipment. In a climate when citizens are faced with the curtailment of their mobility due to service cuts implemented in the name of saving money, it is highly imprudent to keep spending scarce funds as NJ TRANSIT has done in the past. It is time to re-think past spending patterns, especially since management now claims that they cannot afford to provide even the amount of service that they had a few months ago.

Mr. Alan commented on the item NJ TRANSIT Early Retirement Incentive Program for Non-Agreement Administrative Department Employees. He said offering buyouts to managers to encourage them to take early retirement is often a sign of financial difficulty. The Lackawanna Coalition represents a constituency that has suffered a great deal of pain at the hands of NJ TRANSIT management in recent months. Riders, especially those who depend on transit for their mobility, have had to endure massive service reductions. Financial difficulties at NJ TRANSIT were cited as the reason for inflicting this pain on the riders. Mr. Alan asked how much of a salary cut the Executive Director and other managers who do not retire will accept.

Executive Director Sarles presented the following Action Items for approval:

**0808-57: MULTILEVEL VEHICLES: PURCHASE OF ADDITIONAL 50 CARS AND CONTRACT AMENDMENT FOR ENGINEERING ASSISTANCE**

Authorization is requested to purchase another 50 Multilevel railcars from Bombardier Transportation so NJ TRANSIT may continue to respond to record high ridership as well as positive feedback received from customers about the new cars. There are 329 new cars with two-two seating, contoured seats, added knee room, large windows and 15-20 percent more seating. The cost of the 50 additional vehicles and spare parts will not exceed \$75,726,675 plus five percent for contingencies. At the same time, authorization is requested to amend an existing contract with LTK Engineering Services for continued engineering support during the manufacture of these additional cars. The cost will not exceed \$750,000 plus five percent for contingencies.

Myron P. Shevell recused himself from voting on Item No. 0808-57. Kenneth E. Pringle moved the resolution, Susan L. Hayes seconded it and it was adopted.

**0808-58: STATE CERTIFICATES OF PARTICIPATION (COPS): DUAL-POWERED LOCOMOTIVES AND MULTILEVEL VEHICLES**

Related to the new railcar purchase, authorization is requested to seek financing for 26 Bombardier dual-powered locomotives plus spare parts and 50 Multilevel vehicles. Financing this equipment will allow NJ TRANSIT to mitigate financial pressure on the capital program. Authorization is requested to enter into a New Jersey Certificates of Participation (COPS) sublease for the financing of \$410 million of rolling stock and associated costs and to pay fees associated with the transaction.

Myron P. Shevell recused himself from voting on Item No. 0808-58. Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was adopted.

**0808-59: REIMBURSEMENT RESOLUTION: DUAL-POWERED LOCOMOTIVES AND MULTILEVEL VEHICLES**

Related to the new rail purchase, approval is requested to adopt a Reimbursement Resolution which will allow NJ TRANSIT to reimburse itself for equipment payments made to the manufacturers prior to the financing within 60 days of the date of payment. Authorization is requested to adopt the Reimbursement Resolution.

Myron P. Shevell recused himself from voting on Item No. 0808-59. Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was adopted.

**0808-60: PROPERTY INSURANCE EXTENSION**

A couple of months ago, the Board approved the agency's Risk Management Insurance Renewal for various insurance coverages for Fiscal Year 2009 at a rate reduced by 3.9 percent from the previous year. The provider of the primary \$50 million All Risk Property and Terrorism coverage, Lexington Insurance Company, has offered NJ TRANSIT a two year policy (Fiscal Year 2009 and Fiscal Year 2010) at a rate reduced by 4.1 percent for Fiscal Year 2010. Securing this coverage now will protect the agency from increased insured values or any adverse effects or changes in the property market and will stabilize Fiscal Year 2010 costs. Authorization is requested to secure this Fiscal Year 2010 coverage in an amount not to exceed \$2,665,000.

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

**(ITEM #0808-60, PROPERTY INSURANCE EXTENSION, WAS PREVIOUSLY FORWARDED TO THE GOVERNOR ON AUGUST 13, 2008.)**

**0808-61: LABOR NEGOTIATIONS SPECIAL COUNSEL**

The Attorney General has designated Genova, Burns & Vernoia to continue as special counsel providing NJ TRANSIT legal counsel and representation for the 29 collective bargaining agreement negotiations. Labor counsel will continue to review proposals, develop strategy and participate in negotiations, determine legal implications of negotiating strategy, represent the agency in labor litigation matters and represent NJ TRANSIT before the Public Employment Relations Committee and National Mediation Board in arbitration hearings. Authorization is requested to continue to compensate the law firm of Genova, Burns & Vernoia as special counsel to NJ TRANSIT Corporation, NJ TRANSIT Rail Operations, Inc., NJTRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, in an amount not to exceed \$450,000, subject to the availability of funds.

Myron P. Shevell recused himself from voting on Item No. 0808-61. Kenneth E. Pringle moved the resolution, Susan L. Hayes seconded it and it was adopted.

**0808-62: EXTENSION OF SPECIAL COUNSEL**

Special Counsel Hill Wallack was designated by the Attorney General to provide expertise to NJ TRANSIT for real estate development at Morristown, Secaucus and Hamilton stations as well as legal services for an ongoing environmental litigation case in South Amboy where NJ TRANSIT has filed to recover remediation costs from previous property owners. Authorization is requested to continue Hill Wallack as special counsel for the litigation at a cost not to exceed \$750,000.

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

**0808-63: NJ TRANSIT EARLY RETIREMENT INCENTIVE PROGRAM FOR NON-AGREEMENT ADMINISTRATIVE DEPARTMENT EMPLOYEES**

The NJTERP retirement plan covers most of the non-agreement employees and the proposed program covers NJTERP employees as well as employees who transferred from NJTERP to the Non-Agreement 401A Money Purchase Pension Plan last summer. As an immediate budget measure, NJ TRANSIT proposes to encourage eligible non-agreement administrative staff who might otherwise retire in the next several years to retire early. Because they are essential to the continued provision of transportation and security services, Bus Operations, Rail Operations, Light Rail Operations and the Police departments are not eligible. This Early Retirement Incentive Program is targeted to reductions in the administrative departments. Consistent with the State's program, there will be a strict limit on filling vacancies due to the Early Retirement Incentive Program and will not exceed 10 percent of the total number of employees who retire due to this program. Those who elect to retire will do so between September 1 and December 31, 2008. Authorization is requested to implement this Early Retirement Incentive Program.

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

Executive Director Sarles presented the following Consent Items for approval:

**0808-64 SALE OF SURPLUS COMET I CARS TO SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (SEPTA)**

Authorization to sell spare Comet I cars together with surplus spare parts to SEPTA for \$ 670,000.

**0808-65 REAL ESTATE: SALE OF BLOCK 75, LOTS 10-15 (PORTIONS)  
IN CAMDEN COUNTY**

Authorization to take all necessary actions to sell portions of Lots 10, 11, 12, 13 and 14 and all of Lot 15 in Block 75, on the Tax Map of the City of Camden, as shown on Exhibit A, to the Camden Redevelopment Agency at a cost of \$465,000.

**0808-66 LEASE OF HISTORIC UNUSED FORMER WALDWICK  
RAILROAD STATION, BERGEN COUNTY**

Authorization to take all necessary actions to execute a lease with the Waldwick Community Alliance, Inc. for the former Waldwick Passenger Railroad Station and accompanying property, as shown on Exhibit A, at a cost of \$1 per year for twenty-five years.

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

There were two public comments on non-agenda items.

David Peter Alan, on behalf of the Lackawanna Coalition, appreciated the opportunity to meet last month with Chairman Kolluri, Executive Director Sarles and Chief Planner Roberts and said it is time for some follow-up on certain issues.

Mr. Alan's colleague, Joseph Clift, recommended changes in the Access to the Region's Core project that would save \$2 billion or more. Mr. Alan said Chairman Kolluri expressed interest in the proposal but there has been no follow-up. Mr. Alan said Mr. Clift has experience in rail management and he is shocked that there is not a greater interest in Mr. Clift's proposals.

Mr. Alan understands that decisions regarding the Access to the Region's Core project during the past several years have been driven by a former New York state administration's lack of interest in the project. Mr. Alan asked for documentation concerning this for years, so concerned citizens can work together effectively to come up with a project that makes good use of existing infrastructure, keeps connectivity with Amtrak and provides East Side access for riders. Mr. Alan asked Chairman Kolluri when he can expect to hear from legal counsel on this issue.

Mr. Alan expressed concern about another legal issue. At the last Board meeting, Mr. Alan informed the Board that a provision of NJ TRANSIT's statute N.J.S.A. 27:25(8)(d) prohibits the "elimination or substantial curtailment" of service without a prior hearing and asked for the restoration of the level of service that ran on the Morris & Essex Line prior to May 11, 2008. Mr. Alan cannot understand the lack of response. He said it is the Board's affirmative duty to ensure that the procedures specified in the law are followed. Mr. Alan asked when will the required hearing concerning the May 2008 service cuts on the Morris & Essex Line be held.

Mr. Alan said he was informed by a reliable source that weekend rail service on the Gladstone Line will not return at the end of August and that the current busing operation will be made permanent. Mr. Alan asked if this true or has he been misinformed.

Executive Director Sarles responded that it is not true that the weekend rail service on the Gladstone Line will not return at the end of August.

Joseph M. Clift, resident of Manhattan and past Director of Planning and Director of Strategic Planning for the Long Island Railroad, thanked the Board for the opportunity to discuss a key issue regarding the Trans-Hudson Express Tunnel and Portal Bridge Capacity Enhancement projects which together encompass the original and the current total Access to the Region's Core project.

Mr. Clift, as a member of the Regional Rail Working Group and for the alliance of rail advocacy organizations, is intent on getting the Access to the Region's Core project back on track, including achieving a one seat ride access to the east side of midtown Manhattan via Grand Central Terminal.

Mr. Clift's key issue is the extremely high New Jersey state funding required by the total project effort and has a proposal to substantially reduce that cost during a time of fiscal difficulty.

At the June board meeting, Mr. Clift spoke about the capital cost of these projects rising to the point of becoming a "Big Dig" project, \$9.3 billion, NJ TRANSIT's current estimate of total costs, that threatens the project's affordability and viability, yet no objective consideration has been given by NJ TRANSIT or the State of New Jersey to rail advocate proposals that will reduce cost, while improving project performance.

At \$9.3 billion, the State of New Jersey must provide \$3.3 billion in funding, if the Port Authority provides \$3 billion and if the Federal Transit Administration provides \$3 billion in New Start Program funds, the largest grant in the history of the federal program.

The \$3.3 billion represents the true New Jersey State cost of the total project and in reality, this \$3.3 billion must be borrowed along with any and all future cost increases. Mr. Clift asked how large the Transportation Trust Fund will have to be to fully fund the total Access to the Region's Core project without crowding out other needed projects. How will such a large Transportation Trust Fund be financed and can it be financed at all in the current economic climate.

Mr. Clift said it makes sense to take a hard look at proposals that will reduce this extremely large requirement for New Jersey state funds. Specifically, he suggests switching from the currently planned 34<sup>th</sup> Station terminus of the new Trans-Hudson tunnels to the Penn Station branch will save \$1.9 billion based on NJ TRANSIT cost estimates, reducing State funding from \$3.3 billion to \$1.4 billion, a 60 percent savings, and provides the potential for affordable, practicable Trans-Hudson service to Grand Central Terminal.

Switching from the current plan to build new tracks along the Northeast Corridor in the Meadowlands to a routing via existing tracks, bridges and tunnels into Hoboken and from there through a new underground station into the new Trans-Hudson Tunnels can save an additional \$500 million, further reducing New Jersey funding to \$900 million, a total reduction of \$2.4 billion from the original \$3.3 billion New Jersey state funding requirement and will produce vast improvements in New Jersey waterfront rail service and overall rail operating efficiency.

Mr. Clift said funding \$900 million from New Jersey state sources is a totally different circumstance than funding \$3.3 billion. At any time, these alternatives should bear consideration, but especially in these difficult fiscal times.

Mr. Clift urged the Board to give thoughtful, timely and objective consideration to the proposals. The alternative is financial failure of the Access to the Region's Core project or crowding out a multitude of other needed transportation projects.

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

The meeting was adjourned at approximately 10:00 a.m.

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

**AUGUST 13, 2008**

**MINUTES**

- **EXECUTIVE SESSION AUTHORIZATION** **40261**
- **APPROVAL OF MINUTES OF PREVIOUS MEETINGS** **40262**
- **EXECUTIVE DIRECTOR’S MONTHLY REPORT** **40263**
- **ADVISORY COMMITTEE REPORTS**
- **BOARD COMMITTEE REPORTS**
  - \*Capital Planning, Policy & Privatization Committee-Shevell
  - \*Administration Committee-Castillo
- **PUBLIC COMMENTS ON AGENDA ITEMS**

**ACTION ITEMS**

- 0808-57 MULTILEVEL VEHICLES: PURCHASE OF ADDITIONAL 50 CARS AND CONTRACT AMENDMENT FOR ENGINEERING ASSISTANCE** **40290**

Authorization to exercise the options E and F under contract (No. 01-0197) with Bombardier Transportation of Montreal, Quebec, Canada for the purchase of 50 additional Multilevel vehicles and additional spare parts at a cost not to exceed \$75,726,675, plus five percent for contingencies, for a total contract cost not to exceed \$625,883,397, subject to the availability of funds.

Authorization to amend the professional services contract (No. 99CX134) with LTK Engineering Services of Ambler, Pennsylvania, for additional engineering support for the 50 additional Multilevel vehicles through the end of the warranty period at a cost not to exceed \$750,000, plus five percent for contingencies, for a total contract cost not to exceed \$21,671,857, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
NJ TRANSIT RAIL OPERATIONS, INC.  
NJ TRANSIT MERCER, INC.  
REGULARLY SCHEDULED BOARD OF DIRECTORS MEETING  
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**0808-58 STATE CERTIFICATES OF PARTICIPATION (COPS): DUAL-POWERED LOCOMOTIVES AND MULTILEVEL VEHICLES 40293**

Authorization to enter into a Certificates of Participation sublease with the State of New Jersey for the financing of approximately \$410 million of rolling stock and associated costs and to pay fees associated with the transaction.

**0808-59 REIMBURSEMENT RESOLUTION: DUAL-POWERED LOCOMOTIVES AND MULTILEVEL VEHICLES 40297**

Adoption of Reimbursement Resolution to recover prior payments.

**0808-60 PROPERTY INSURANCE EXTENSION 40301**

Authorization to secure a two-year policy with Lexington Insurance Company for All Risk Property and Terrorism Coverage at a cost for the Fiscal Year 2010 extension not to exceed \$2,665,000, subject to the availability of funds.

**0808-61 LABOR NEGOTIATIONS SPECIAL COUNSEL 40304**

Authorization to continue to compensate the law firm of Genova, Burns & Vernoia as special counsel to NJ TRANSIT Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations Inc. and NJ TRANSIT Mercer, with respect to the aforementioned services at an amount not to exceed \$450,000, subject to the availability of funds.

**0808-62 EXTENSION OF SPECIAL COUNSEL 40307**

Authorization to continue to compensate Hill Wallack as Special Counsel with respect to the aforementioned services, at an amount not to exceed \$750,000 subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION  
NJ TRANSIT BUS OPERATIONS, INC.  
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**0808-63 NJ TRANSIT EARLY RETIREMENT INCENTIVE PROGRAM FOR 40310  
NON-AGREEMENT ADMINISTRATIVE DEPARTMENT  
EMPLOYEES**

Authorization to implement the NJ TRANSIT Early Retirement Incentive Program as set forth in Exhibit A, including but not limited to taking all actions necessary to amend the NJ TRANSIT Employee Retirement Plan (NJTERP) and the NJ TRANSIT Non-Agreement 401A Money Purchase Pension Plan.

**CONSENT CALENDAR**

**0808-64 SALE OF SURPLUS COMET I CARS TO SOUTHEASTERN 40316  
PENNSYLVANIA TRANSPORTATION AUTHORITY (SEPTA)**

Authorization to sell spare Comet I cars together with surplus spare parts to SEPTA for \$ 670,000.

**0808-65 REAL ESTATE: SALE OF BLOCK 75, LOTS 10-15 (PORTIONS) 40319  
IN CAMDEN COUNTY**

Authorization to take all necessary actions to sell portions of Lots 10, 11, 12, 13 and 14 and all of Lot 15 in Block 75, on the Tax Map of the City of Camden, as shown on Exhibit A, to the Camden Redevelopment Agency at a cost of \$465,000.

**0808-66 LEASE OF HISTORIC UNUSED FORMER WALDWICK 40323  
RAILROAD STATION, BERGEN COUNTY**

Authorization to take all necessary actions to execute a lease with the Waldwick Community Alliance, Inc. for the former Waldwick Passenger Railroad Station and accompanying property, as shown on Exhibit A, at a cost of \$1 per year for twenty-five years.

**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 July 9, 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 July 11, 2008;

**NOW, THEREFORE, BE IT RESOLVED** that the minutes of actions taken at the July 9, 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  
(NJT BOARD – 08/13/08)  
Kris Kolluri, Esq.  
Board Chairman

Richard R. Sarles  
Executive Director

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

40263

TO: BOARD OF DIRECTORS  
FROM: RICHARD R. SARLES   
DATE: AUGUST 13, 2008  
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – AUGUST 2008

As you are aware, ridership growth has been continuing at a record pace. The most recent trends show weekend rail ridership over the past 12 weeks up by 4.6 percent over the same period last year. Last month, we reached record-setting ridership for a summer Saturday at more than 104,000 train trips systemwide on July 12. High gas prices have been driving ridership, particularly with more families taking advantage of local attractions this summer. This is consistent with overall record-breaking trends this year, with ridership up about five percent on the steady march to one million trips per day systemwide.

This morning, I joined Governor Corzine and Commissioner Kolluri on a multilevel train out of Trenton to mark the purchase of 50 additional multilevel vehicles, bringing the total number to 329—giving us 13,000 more peak period seats. We are seeking the Board's approval today for the additional multilevel rail cars, which offer a near-term solution to capacity demands while we continue to advance the Access to the Region's Core project. To date, we have a total of 170 multilevel cars on the property, with 143 in service on the Northeast Corridor, North Jersey Coast Line, MidTOWN DIRECT service, and most recently, the Raritan Valley Line.

The Board will also consider a lease agreement with a community group for the historic Waldwick train station building on the Main Line. Built in 1887, the building is listed on the State and National Registers of Historic Places. Located on the outbound side of the tracks, the obsolete building has been closed since 1983—however, Waldwick Station customers utilize a modern climate-controlled building conveniently located on the inbound side. Under the terms of a 25-year lease, the Waldwick Community Alliance would renovate the building, offering a meeting space and railroad museum to the community and enabling a preservation effort that financial constraints would not permit us to undertake.

For our customers on the Pascack Valley Line, today a new parking lot opened at North Hackensack Station, located in the Borough of River Edge. The recently completed expansion project nearly doubled the number of parking spaces with a new 143-space surface lot, for a total of 291 spaces. The new lot adds capacity for additional ridership on the line, growing from the introduction of bi-directional, midday and weekend service.

This week, we will break ground on the South Amboy Station high-level platform project on the North Jersey Coast Line. The project includes a new center island high-level platform with canopy, heated waiting shelters, new stairs, elevator, ticketing facilities, restrooms, CCTV and electronic signage. Scheduled to be completed in fall 2009, the project will make the station ADA-accessible. In addition, the new platform will connect to the new pedestrian overpass.

I am also pleased to announce that NJ TRANSIT and SEPTA have begun selling tickets to more than 125 new destinations in Pennsylvania on regional rail connections through an expanded ticketing agreement. Previously we only sold SEPTA tickets to three destinations in Center City Philadelphia. SEPTA's General Manager Joseph Casey and I have agreed to look for other enhancements moving forward.

Finally, as you know, our Fiscal Year 2009 budget includes a number of administrative cost reduction measures. While we continue to cut costs in areas such as materials, printing, advertising, and contracted services, the budget savings target requires that we manage attrition to reduce the number of non-agreement positions working in administrative departments.

Today, the Board is considering an Early Retirement Incentive (ERI) program for eligible non-agreement administrative department employees, which will help achieve FY09 budget goals. The program takes effect September 1. Consistent with the State's early retirement plan, only 10% of the resulting vacancies will be filled, while the remaining positions left vacant will be abolished.

## **EXECUTIVE DIRECTOR'S MONTHLY REPORT AUGUST 2008**

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

# HIGHLIGHTS

(NJ BOARD – 08/13/08)

### **Officials tour Trenton's new transit center**

With the construction phase of the Trenton Transit Center project coming down the home stretch, Governor Jon S. Corzine joined federal, state and local officials July 18 to tour the rebuilt, expanded and renamed facility—heralding a new era of transportation in the state capital.

The newly expanded transit center comfortably accommodates more than 16,000 passenger trips each weekday, making it NJ TRANSIT's third-busiest outlying station.

Customer benefits include more spacious seating and ticketing areas, an enhanced Walnut Avenue entrance complete with its own waiting room and restrooms, more retail services and convenient access to bus, light rail, taxi and parking facilities. The station also provides access to Amtrak and SEPTA rail service.

The new facility has transformed what was a cramped and functionally obsolete station into an airy and modern gateway. It provides 46,000 square-feet of interior space—more than double that of the previous station—and 6,600 square feet of retail space, or triple the former amount.

The interior features terrazzo floors, waiting rooms with ceilings as high as the roofline, a new electronic departure board, strategically located flat-panel monitors for arrival and departure information and a self-contained customer service office to replace a freestanding booth.

Additional amenities that have already been installed or are planned include twice as many public restrooms, new heating, air-conditioning, public address and lighting systems, as well as renovated elevators, escalators and stairs.

The main waiting room will also be home to a Trenton Visitor's Bureau booth to help tourists find their way to the city's cultural, recreational and dining destinations.

The facility features six retail locations including PIZZA-GRILL.COM anchoring the Walnut Avenue waiting room. The restaurant allows customers to place orders via phone, email or fax while en route to the station for pickup. Another large restaurant space, with access to an outdoor dining area, anchors the Wallenberg Avenue waiting room and is currently being advertised for lease.

In addition, Faber, Coe & Gregg has leased two locations, one on the platform between tracks 1 and 2 and another in the concourse, for newsstands and a full-service Dunkin Donuts. A longtime station nut vendor will continue to operate at a location in the concourse, where there also is a small retail space being advertised for lease.

With spacious entrances just steps from parking facilities on both sides of the railroad tracks and an outdoor plaza linking customers to NJ TRANSIT bus and light rail services along Raul Wallenberg and South Clinton avenues, Trenton Transit Center was designed to provide customers with convenient access to multiple travel modes.

The facility is located within walking distance of well-established residential neighborhoods and city, county and state offices.

Five Capital Connection bus routes serve the station and connect customers to the State House and other business and recreational destinations in Trenton and surrounding communities. Another bus route, the 409, provides service to Willingboro and Philadelphia. New bus stops will pick up and discharge customers directly in front of the Wallenberg Avenue entrance along a covered island platform and at a weather-protected location along South Clinton Avenue.

Convenient connections between River LINE light rail service and Northeast Corridor rail service to New York provide vivid examples each weekday of the benefits of creating intermodal transportation hubs.

### **NJ TRANSIT adopts FY 2009 operating, capital budgets**

On July 9, the NJ TRANSIT Board of Directors adopted a Fiscal Year 2009 Budget that supports historic ridership levels by increasing seat capacity, modernizing the bus and rail fleets and maintaining the system in a state of good repair.

The NJ TRANSIT Board approved a \$1.7 billion FY09 operating budget and a \$1.29 billion capital plan that advances major capacity-enhancing projects, funds improvements at bus and rail facilities and supports the purchase of transit vehicles to replace aging equipment.

(NJT BOARD – 08/13/08)

NJ TRANSIT's fiscal year runs from July 1 through June 30.

### **Operating Budget**

The operating budget provides funding for maintaining current levels of transit service to accommodate record high ridership while accounting for extraordinary increases in the cost of fuel, power, parts and materials. Since FY05, the cost to maintain stations has risen 48 percent, the cost of vehicle parts has increased 63 percent and fuel costs have more than doubled.

Governor Corzine's FY09 state budget provides a \$60 million increase in operating support for NJ TRANSIT, which will be used to partially offset these cost increases.

To make up the balance, NJ TRANSIT is cutting administrative expenses by 20 percent, saving nearly \$4 million over two years by renegotiating lower cost prescription drugs. In addition, NJ TRANSIT will save more than \$3 million in expenses through telephone call center efficiencies and further cuts in marketing and advertising.

In FY09, eight cents of each operating dollar will go toward administrative costs, down from nine cents in FY08 and 12 cents in FY02.

### **Capital Budget**

The capital budget supports an ongoing effort to modernize the state's fleet of revenue vehicles, including the purchase of 1,365 new buses, 326 multilevel rail cars, 110 electric multiple-unit rail cars and 53 electric and dual-powered locomotives.

Capital projects to keep the system in a state-of-good-repair account for nearly 70 percent of the capital program, including projects to replace aging rail and bus rolling stock, infrastructure renewal, preventative maintenance of equipment, and station improvements (including Trenton Transit Center, South Amboy, Ridgewood and Newark Penn stations).

The capital budget also includes investment in capacity and expansion of the system, including the Access to the Region's Core tunnel project to double rail capacity under the Hudson River and the extension of Hudson-Bergen Light Rail to 8th Street in Bayonne. Funding also will be provided for the acquisition of additional rail cars to meet growing demand.

(NJ TRANSIT BOARD – 08/13/08)

### **NJ TRANSIT approves purchase of new dual-powered locomotives**

On July 9, NJ TRANSIT took another step forward in the modernization of its rail fleet, as the Board of Directors approved the purchase of 26 dual-powered locomotives to replace its aging diesel fleet.

The Board awarded a contract to Bombardier Transit Corporation for the purchase of 26 dual-powered locomotives—which can operate in both electrified and non-electrified territory—at a total cost of approximately \$310 million, including design, engineering, manufacturing, training and spare parts, with the option to purchase additional locomotives in the future.

Benefits of the dual-powered locomotives over the older diesel engines include better acceleration, more efficient operation than current diesel locomotives, cleaner operation in electric mode, and reduced reliance on diesel fuel. The new locomotives will meet the latest federal emissions requirements, replacing the older locomotives that were grandfathered from having to meet the current standards.

NJ TRANSIT uses diesel locomotives to operate rail service in non-electrified territories, which includes the Pascack Valley, Main/Bergen County and Raritan Valley lines, as well the North Jersey Coast Line between Long Branch and Bay Head and Montclair-Boonton and Morris & Essex lines west of Dover. Nearly 40 percent of the state's commuter rail system is non-electrified.

The first dual-powered locomotives are expected to arrive in 2011, with complete delivery anticipated in late 2012.

### **Newark Penn Station to feature upscale café**

Customers of NJ TRANSIT's busy Newark Penn Station will have a new restaurant to choose from when the nationally-recognized chain Au Bon Pain moves into the main waiting room, offering a bakery café with restaurant seating area.

The NJ TRANSIT Board of Directors authorized a five-year lease with ABP Corporation—the corporate operator of Au Bon Pain stores—for approximately 2,700 square feet of retail space in Newark Penn Station's main waiting room at an initial annual base rent of \$222,750.

(NJT BOARD – 08/13/08)

Au Bon Pain is a nationally recognized quick-serve and takeaway restaurant with an array of pastry goods baked freshly on site, sandwiches and wraps, soups and salads, and other specialty selections. Au Bon Pain stores operate in more than 250 locations in the United States and Asia.

To create a branded Au Bon Pain restaurant in Newark Penn Station, ABP Corporation has committed to making the necessary capital improvements that will complement the historic waiting room and its fixtures. The new restaurant and associated improvements are the latest in a series of upgrades in and around Newark Penn Station.

In October 2007, NJ TRANSIT completed work to improve access between the station and Market Street, with the installation of new lighting, customer communication systems, new doors, marquees over each doorway, new signage, train information boards, closed-circuit cameras and other enhancements.

Earlier this year, NJ TRANSIT and the City of Newark implemented an express bus lane along a portion of Raymond Boulevard in downtown Newark, with improvements to enhance pedestrian safety and convenience as well as to improve bus and vehicular traffic flow around the station.

NJ TRANSIT plans to advertise a long-term lease opportunity for development and operation of a restaurant at Newark Penn Station, offering 11,000 square feet of new commercial space on the exterior of the station facing Market Street—within walking distance of Newark's Ironbound District and the Prudential Center. Additional leasing opportunities are listed on the "Doing Business" section of [www.njtransit.com](http://www.njtransit.com) under "Leasing Department."

### **New rail tunnel project gets funding boost**

Senators Frank R. Lautenberg and Robert Menendez on July 10 successfully appropriated \$75 million towards the Access to the Region's Core (ARC) project – more than five times the amount dedicated last year – further advancing the engineering of two new rail tunnels under the Hudson River.

With the Senators' support, NJ TRANSIT and the Port Authority of New York and New Jersey are pursuing a full funding grant agreement with the federal government.

**About Access to the Region's Core**

The ARC program includes two new single-track railroad tunnels between New Jersey and New York, additional Penn Station capacity under 34th Street in Manhattan, and signal and track improvements along and adjacent to the Northeast Corridor.

The project will double the number of commuter rail tracks between New Jersey and New York and double peak-period trans-Hudson train capacity from 23 trains per hour to 48.

ARC will allow for the introduction of transfer free rail service to New York on the Main, Bergen County, Pascack Valley, Port Jervis and Raritan Valley lines, the Montclair Boonton line west of Montclair, North Jersey Coast Line south to Bay Head, as well as the Morristown Line west of Dover. It will also create the capacity for future rail extensions. The project includes expanded station capacity for New York Penn Station under 34th Street, with underground connections to several New York City subway lines (A, B, C, D, E, F, N, Q, R, V, W, 1, 2, 3, and PATH trains.)

# **CUSTOMER AND COMMUNITY INITIATIVES**

**NJ TRANSIT launches new email alert service for bus customers**

NJ TRANSIT bus customers can now receive up-to-the-minute travel information for their specific trip through the My Transit alert system, which sends a text alert directly to customers' cell phones, pagers, PDAs or email whenever there is a delay affecting their designated itinerary.

Previously, My Transit alerts were available only to NJ TRANSIT rail customers, and more recently expanded to light rail and interstate bus customers. The alert system currently has about 30,000 active subscribers.

Last month, NJ TRANSIT began providing up-to-the-minute travel information to local and intrastate bus customers. The new functionality enables NJ TRANSIT's Bus Control Center in Maplewood to inform customers of traffic and other conditions that may impact bus service.

Bus customers can sign up to receive free My Transit travel alerts at [www.njtransit.com](http://www.njtransit.com). Customers are prompted to select their preferred method of notification (email, cell phone, etc.) and enter information about bus, rail or light rail trips they take each day.

**NJ TRANSIT offers ways to 'get your summer on'**

This summer, NJ TRANSIT is again offering an array of money-saving packages to destinations such as the Jersey Shore, Six Flags, Monmouth Park and more. The special summertime deals allow customers to travel to recreational destinations without the hassles and expense of driving.

This year, NJ TRANSIT introduced a brand new beach package to Point Pleasant Beach, partnering with Jenkinson's Boardwalk to offer customers round-trip transportation and beach admission for one low price, in addition to the packages already offered to Long Branch, Asbury Park, Ocean Grove, Bradley Beach, Belmar and Manasquan.

On Saturday, July 12, NJ TRANSIT reached record-setting ridership for a summer Saturday at more than 104,000 train trips systemwide. Rail ridership for the entire weekend of July 12-13 increased by 6.9 percent over the same weekend last year, making it the second busiest summer weekend on record at more than 180,000 trips.

# **EMPLOYEE RECOGNITION**

(NJT BOARD – 08/13/08)

### **ERT and ambassadors recognized**

On July 8, Customer Service held a recognition program to acknowledge the top-performing NJ TRANSIT employees who assisted customers throughout the year, including callouts such as the Westinghouse Building Collapse near Broad Street Station and initiatives including the Prudential Center and Wayne Park/Ride openings.

The employees were thanked by Executive Director Rich Sarles; VP, Technology Services Jim Redeker; Deputy General Manager, Rail Operations Kevin O'Connor; and Communications & Customer Service AED Lynn Bowersox. There were nearly 80 events in which ERT members and NJ TRANSIT ambassadors assisted customers in FY2008. A total of 126 employees throughout the company are active ERT members.

Policy, Technology and Customer Service employees responded to the most callouts this fiscal year, followed by Capital Planning, Procurement, and Corporate Communications.

Among all the ERT members, the following employees made the "ERT Top Ten Performers" list. They are:

- Andy Mathisen
- Sylvia Benavente
- Raymond Pye
- Iqbal Singh Anand
- Teresa Russo
- Allan Sharpe
- Frank Chan
- Mary McGeady
- Michael Doherty
- Mike Clappsy

### **Employee wins prize at Paratransit Rodeo**

Egg Harbor Township Garage Bus Operator Shahid Shakir finished third in this year's New Jersey Paratransit Rodeo. This is the first time that an Access Link operator placed in the top three of the competition. Shahid is a full-time bus operator at Egg Harbor and a part-time bus operator for Access Link.

(NJT BOARD – 08/13/08)

The Paratransit Roadeo is a driver safety and recognition event, allowing paratransit drivers from around the state to showcase their driving skills and also to share ideas and suggestions to help them better serve customers. In addition to their maneuvering skills, drivers were tested for client sensitivity and wheelchair boarding, and completed a written exam. Thirty contestants participated in this year's competition.

The roadeo is co-sponsored by our Local Programs & Minibus Support Division and the New Jersey Council on Special Transportation.

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

Seven NJ TRANSIT employees retired in July with careers ranging from 13 to 31 years of service:

1. Gregory Cole (Bayonne) Stock Clerk, Greenville Garage – 31 years
2. Clifford Blackwell (Vauxhall) Bus Operator, Howell Garage – 29 years
3. John Hunte (Piscataway) Mechanic "A," Howell Garage – 29 years
4. Craig Ellison (Port Reading) Facility Maintenance, CMF – 27 years
5. Rafael Garcia (Secaucus) Bus Maintenance Instructor, Ferry Street – 27 years
6. Frank Scibetta (Toms River) Project Manager, Penn Plaza – 25 years
7. Ozell Robinson (Belleville) Mechanic "A," Hilton Garage – 13 years

# **DBE/MBE PROGRAM**

(NJT BOARD – 08/13/08)

## **NJ TRANSIT Fiscal Year 2009 Disadvantage Business Enterprise Goals**

NJ TRANSIT is a recipient of federal transportation dollars, awarded through the Federal Department of Transportation's Federal Transit Authority. NJ TRANSIT's recommended DBE goal for FY09 is 24.0 percent.

In compliance with DOT's regulations governing the Participation by Disadvantaged Business Enterprise Programs of grant recipients, the recommended DBE goal for FY09 is partitioned into two components: race-neutral and race-conscious. Using a statistical procedure to compute the share of contract dollars that would have gone to DBEs without a goal, we obtain a race-neutral share of 44.9 percent and a race-conscious share of 55.1 percent.

Applying these shares to the overall goal of 24.0 percent yields a race-neutral goal of 10.8 percent and race-conscious goal of 13.2 percent.

For more information, contact NJ TRANSIT's DBE Office at 973-491-8065.

(NJ TRANSIT BOARD – 08/13/08)

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

**Federally Funded Contracts**

\$117,800,186 in federal funds were awarded during October through July of FY 08.\* Disadvantaged Business Enterprises (DBEs) were awarded \$25,555,425 or 21.7 percent, which includes both race conscious and race neutral awards.

**State Funded Contracts**

\$12,555,934 in state-funded contract dollars were awarded during July FY 09. \*\* Of that total, Small Business Enterprises (SBEs) received \$6,573,189 or 52.4 percent. Category 1 SBEs received \$0.00 or 0.0 percent. Category 2 SBEs received \$0.00 or 0.0 percent. Category 3 SBEs received \$2,108,914 or 16.8 percent. Category 4 SBEs received \$0.00 or 0.0 percent. Category 5 SBEs received \$4,464,275 or 35.6 percent \*\*\*

**Federal & State Contracts Total**

\$130,356,120 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$32,128,614 or 24.6 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, 2008

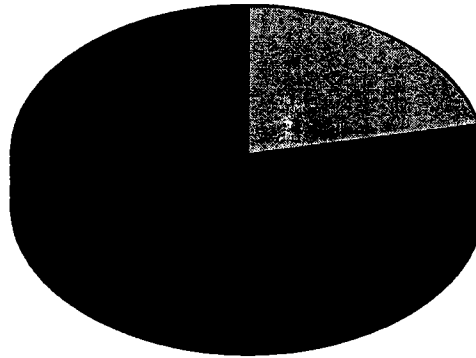
\*\*\*Cat 1-Less than \$500,000 gross revenues, Cat 2-Less than \$5 million, Cat 3-Less than \$12 million, Cat 4 (construction)-Less than \$1 million, Cat 5 (construction)-Less than \$17,420,000

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

(NJT BOARD - 08/13/08)

**DBE PARTICIPATION  
FEDERAL CONTRACTS  
FEDERAL FYTD (THROUGH JULY 08)\***

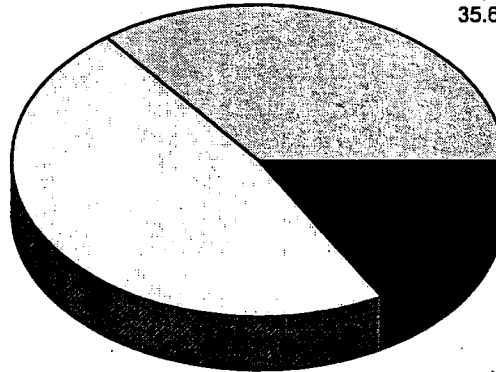
NON-DBE  
FEDERAL  
\$92,244,761  
78.3%



DBE RACE  
NEUTRAL & RACE  
CONSCIOUS  
\$25,555,425  
21.7%

**SBE PARTICIPATION  
STATE CONTRACTS  
STATE FYTD (THROUGH JULY 08)\*\***

NON-SBE STATE  
\$5,982,745  
47.6%



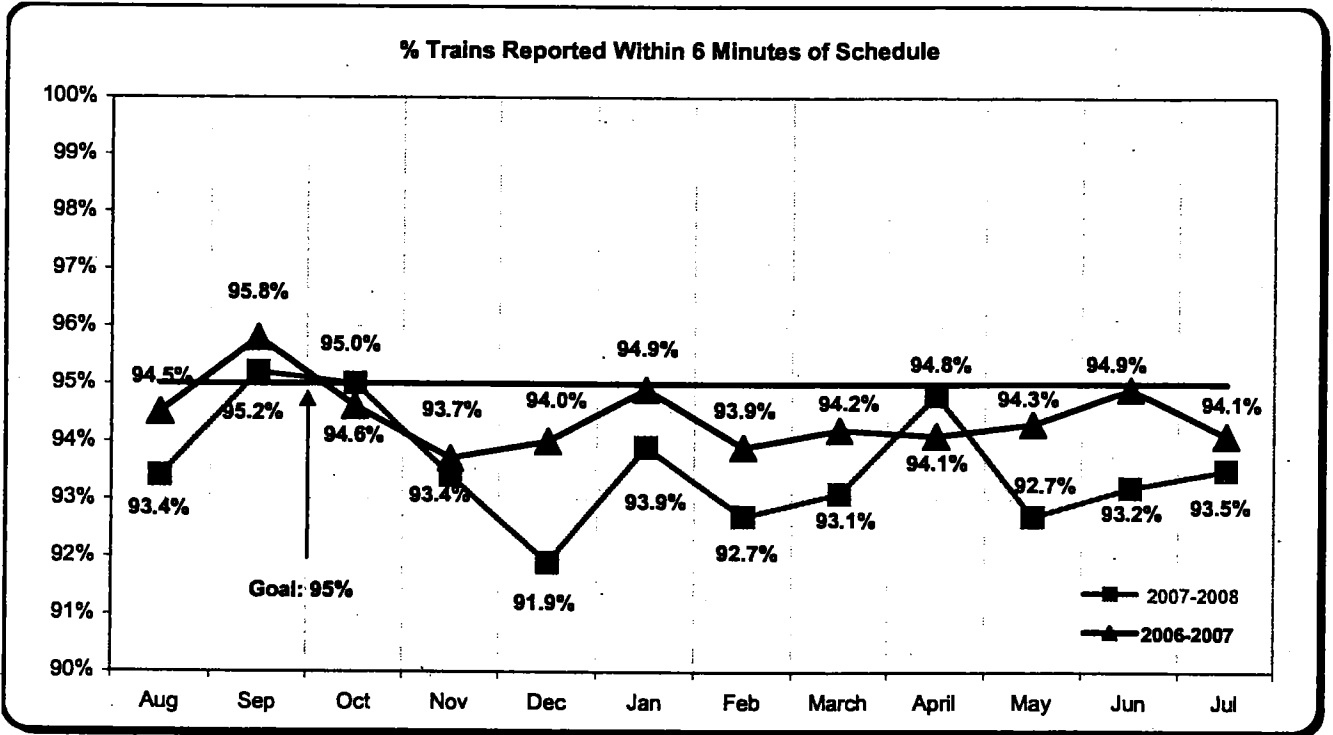
SBE-5  
\$4,464,275  
35.6%

SBE-3  
\$2,108,914  
16.8%

**Fiscal Year Beginning October 1, 2007\*  
Fiscal Year Beginning July 1, 2008\*\***

# **PERFORMANCE MEASURES**

# NJ TRANSIT ON-TIME PERFORMANCE RAIL AUGUST 2006 - JULY 2008



	2007	2008	# Change
July Comparison	94.1%	93.5%	-0.6%

	2006-2007	2007-2008	# Change
12-Month Average August-July	94.4%	93.6%	-0.9%

**Analysis:**

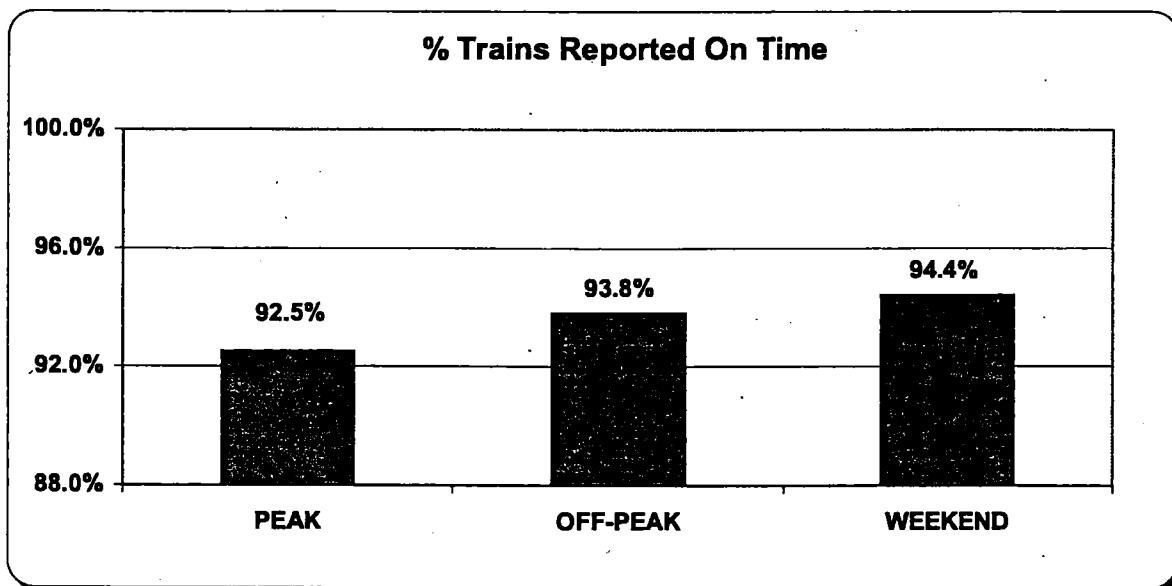
Rail On-Time Performance for July 2008 was 93.5%. Of the 19,714 trains that were scheduled to operate, 18,426 were on time, while 1,288 trains (or 6.5%) were delayed. Key causes of delay included:

- Ongoing speed restrictions due to Amtrak concrete ties showing premature wear.
- A train that experienced mechanical problems in the tunnel leading to Penn Station New York on July 10th.
- Low voltage on the Northeast Corridor on July 23rd.
- Amtrak's loss of signal power on the Northeast Corridor on July 30th and 31st.

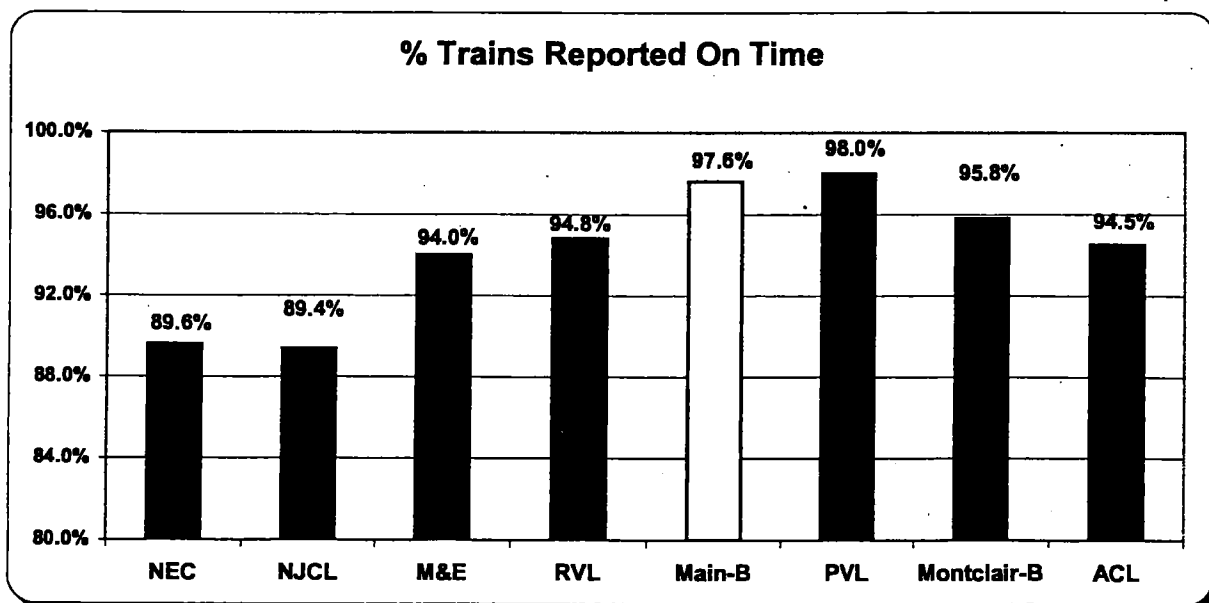
The 12-month average for Rail On-Time Performance for August 2007-July 2008 was 93.6%.

# ON-TIME PERFORMANCE RAIL

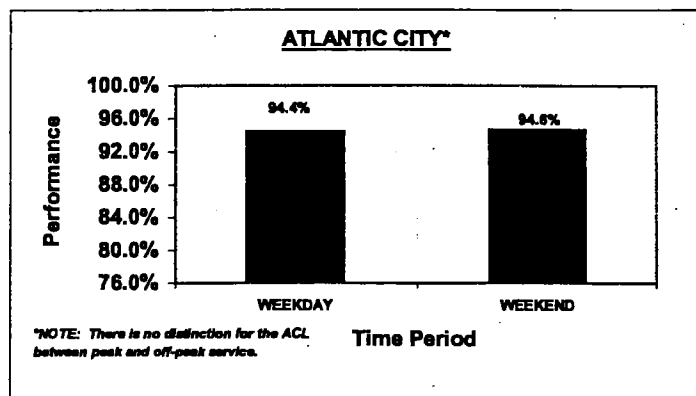
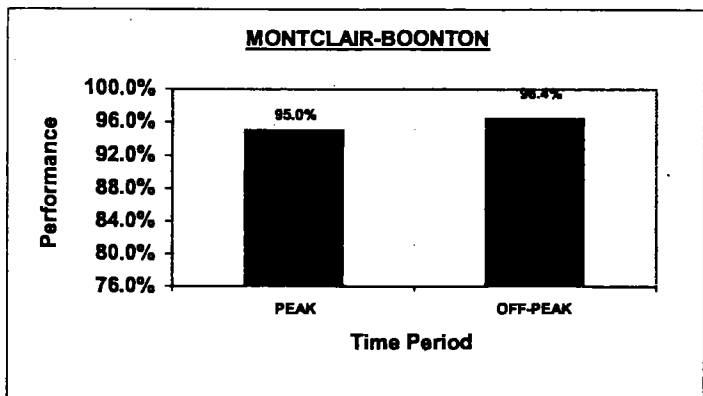
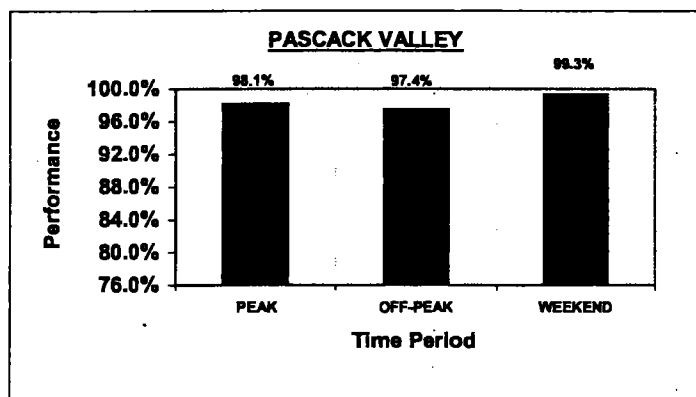
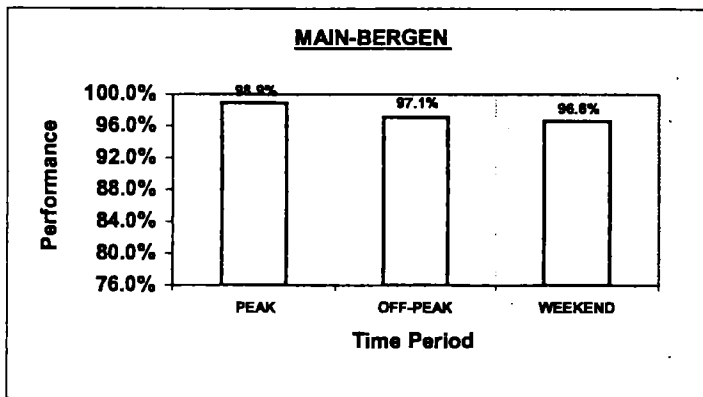
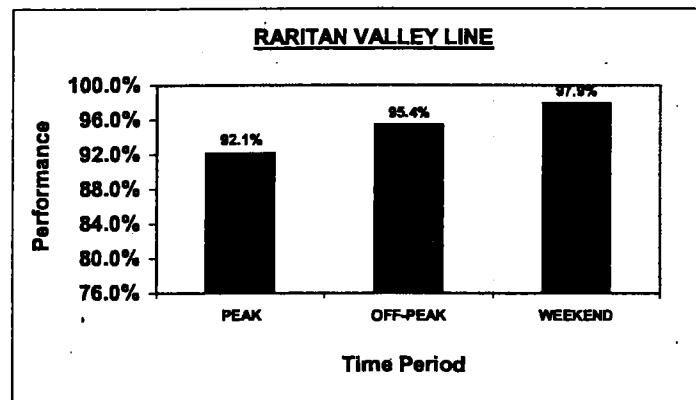
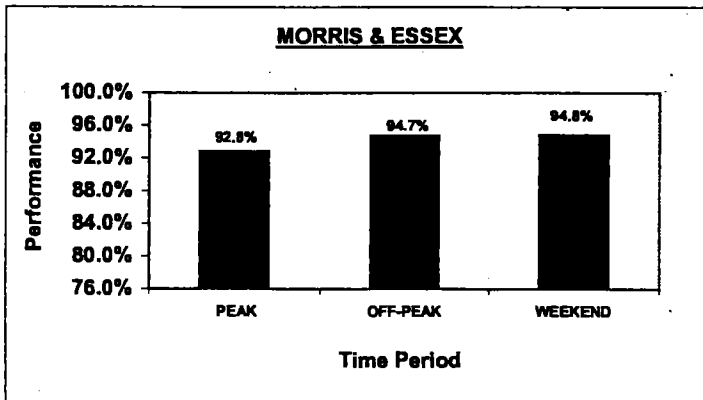
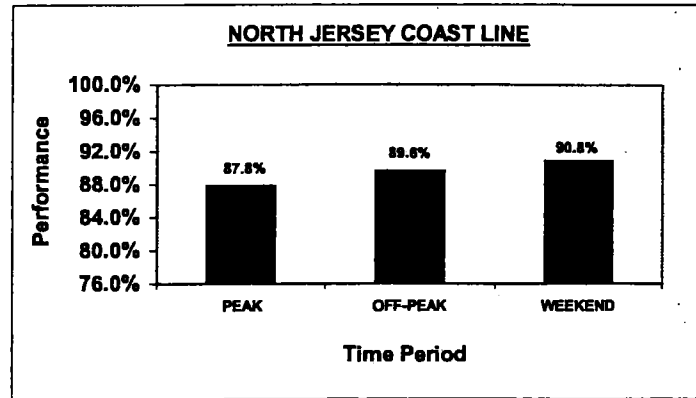
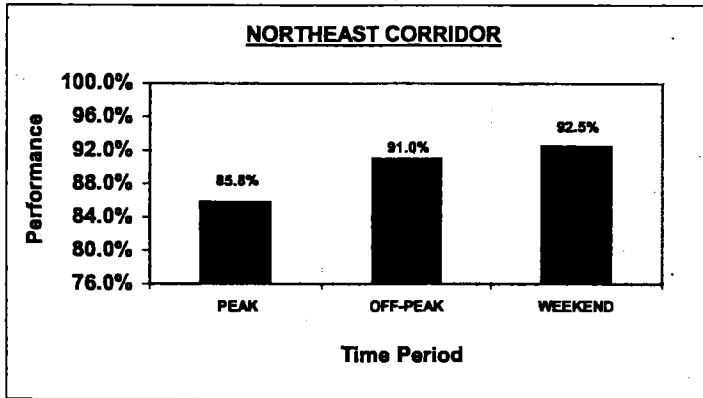
## SUMMARY BY TIME PERIOD JULY 2008



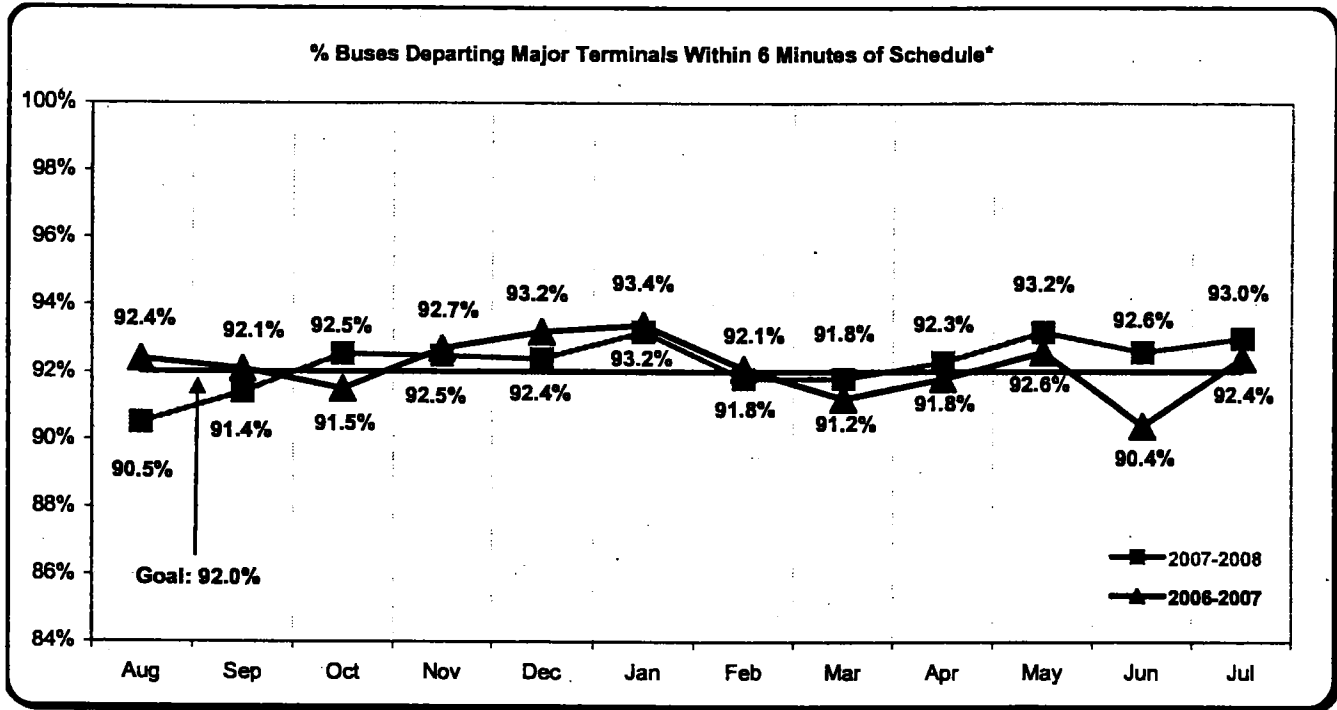
## SUMMARY BY LINE JULY 2008



# ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD July 2008



# NJ TRANSIT ON-TIME PERFORMANCE BUS AUGUST 2006 - JULY 2008



\*Note: Includes the Walter Rand Transportation Center, Atlantic City Bus Terminal, Port Authority Bus Terminal, Newark Penn Station, and, as of July, 2008, Hoboken Terminal.

	2007	2008	% Change
July Comparison	92.4%	93.0%	0.6%

	2006-2007	2007-2008	% Change
12-Month Average August-July	92.2%	92.3%	0.1%

### Analysis:

Beginning this month, systemwide Bus OTP performance includes data for departures from Hoboken Terminal.

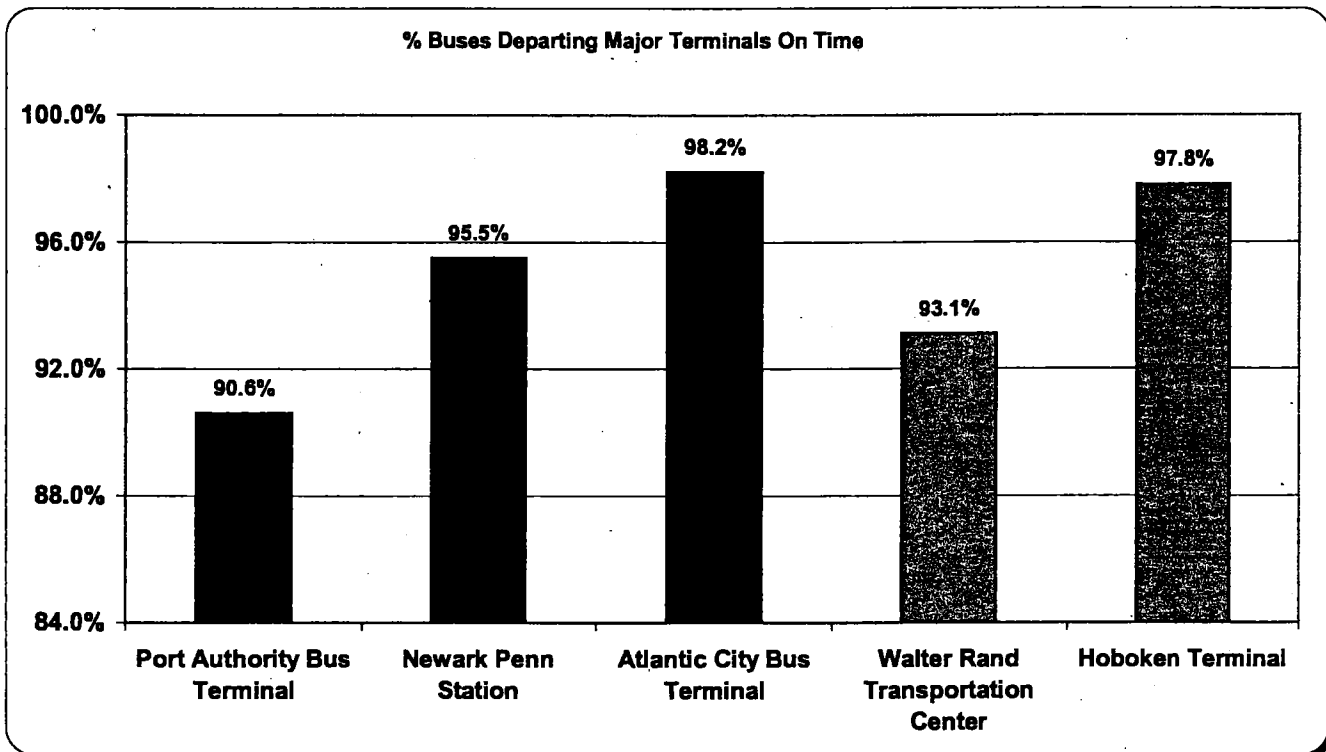
Bus On-Time Performance for July 2008 was 93.0%. Of the 35,482 monitored departures, 2,499 (or 7.0%) experienced delays. Key sources of delay included:

- Traffic congestion on Routes 38 and 47, and on Market Street in Philadelphia on July 18th.
- Heavy rain and traffic on Market Street in Philadelphia on July 23rd.
- An overturned propane tractor trailer at 16W on the NJ Turnpike during rush hour on July 31st.

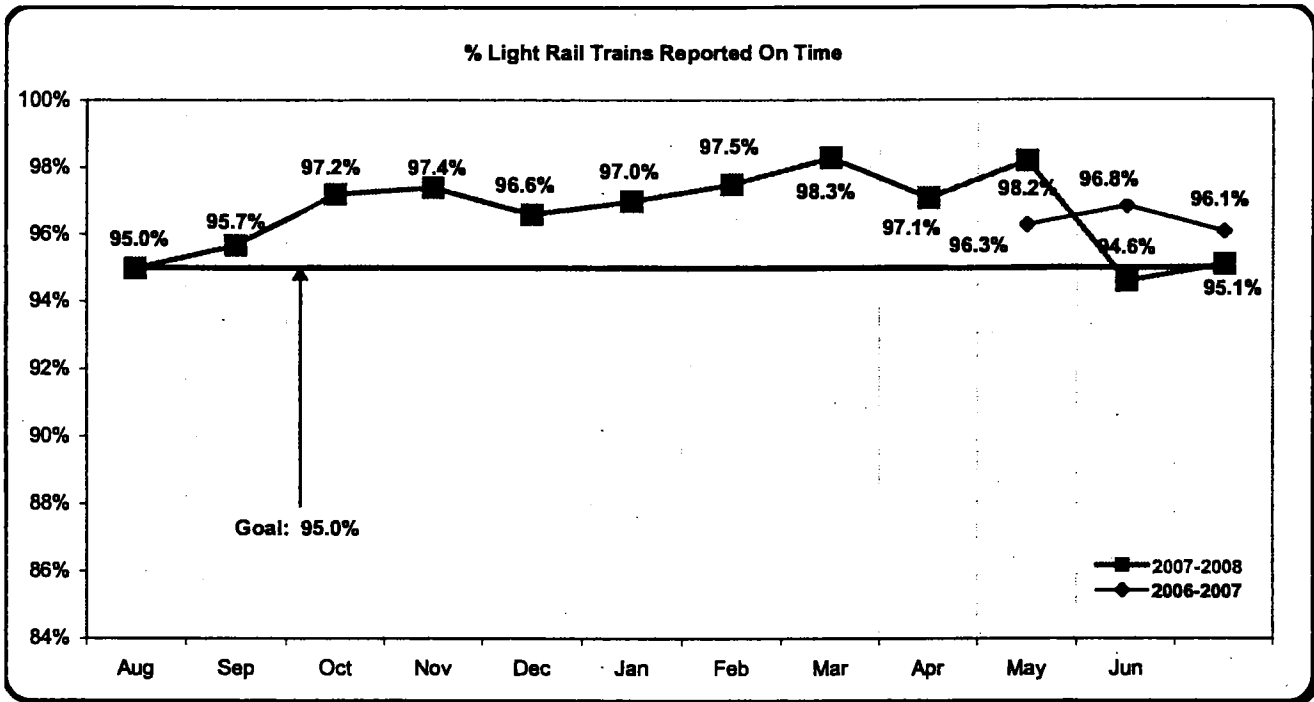
The 12-month average for Bus On-Time Performance for August 2007-July 2008 was 92.3%.

# ON-TIME PERFORMANCE BUS

## SUMMARY BY TERMINAL JULY 2008



## ON-TIME PERFORMANCE LIGHT RAIL - SYSTEMWIDE MAY 2007-JULY 2008



\*Note: Starting May 2007

	2007	2008	# Change
July Comparison	96.1%	95.1%	-1.0%

	2006-2007	2007-2008	# Change
12-Month Average August-July	NA	96.6%	N/A

### Analysis:

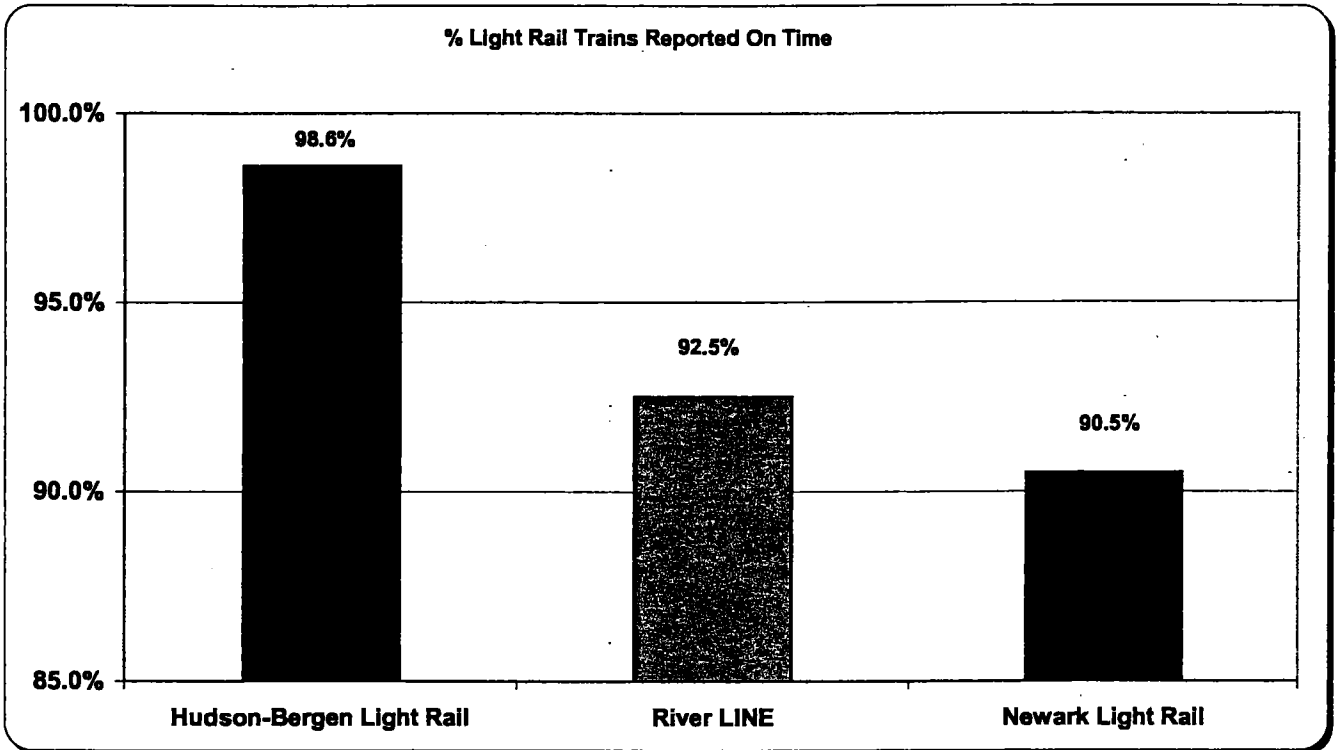
Light Rail On-Time Performance systemwide was 95.1% for the month of July 2008. Of the 32,612 scheduled trains, 1,587 (or 4.9%) experienced delays. Causes of delay during the month included:

- A minor accident involving an automobile that struck an HBLR light rail vehicle on July 11th.
- A signal system problem near Penn Station on Newark Light Rail on July 14th.
- A mechanical problem on the River LINE on July 30th.

The 12-month average for Light Rail On-Time Performance for August 2007-July 2008 was 96.6%.

# ON-TIME PERFORMANCE LIGHT RAIL

## SUMMARY BY LINE JULY 2008



# **ACTION ITEMS**

(NJT BOARD – 08/13/08)

**ITEM 0808-57: MULTILEVEL VEHICLES: PURCHASE OF ADDITIONAL 50 CARS AND CONTRACT AMENDMENT FOR ENGINEERING ASSISTANCE**

**BENEFITS**

In December 2006, NJ TRANSIT placed the first Multilevel vehicle into service on the Northeast Corridor and production is continuing on the current order of 279 Multilevel vehicles. The new cars feature two-by-two seating, contoured seats, more knee room, and large windows. Initial feedback from both customers and employees has been very positive. The purchase of an additional 50 Multilevel vehicles will increase NJ TRANSIT's order for these cars to 329 vehicles.

The Multilevels are intended to serve markets with high ridership and where platform constraints will not allow longer trains, and are included in NJ TRANSIT's Rolling Stock Fleet Plan to replace aging single level coaches. To date, more than 150 Multilevels are currently deployed on the Northeast Corridor, North Jersey Coast Line, Morris & Essex, Main Bergen and Raritan Lines.

**PURPOSE**

In response to record high ridership and the positive feedback from customers on the Multilevels, the purchase of these 50 additional Multilevel vehicles will provide for additional seating capacity for customer satisfaction on NJ TRANSIT's highest capacity routes. With the purchase of these additional 50 Multilevel vehicles, further engineering, inspection and project management assistance services are required.

The initial vehicle purchase contract was awarded to Bombardier Transportation through a competitive procurement process for procurement of Multilevel vehicles. The initial consultant services contract was awarded to LTK Engineering Services through a competitive procurement process for design services and construction assistance.

**ACTION (Justification: Capacity, Customer Service)**

Staff seeks authorization to exercise the options E and F under contract (No. 01-0197) with Bombardier Transportation of Montreal, Quebec, Canada for the purchase of 50 additional Multilevel vehicles and additional spare parts at a cost not to exceed \$75,726,675, plus five percent for contingencies, for a total contract cost not to exceed \$625,883,397, subject to the availability of funds.

Staff also seeks authorization to amend the professional services contract (No. 99CX134) with LTK Engineering Services of Ambler, Pennsylvania, for additional engineering support for the 50 additional Multilevel vehicles through the end of the warranty period at a cost not to exceed \$750,000, plus five percent for contingencies, for a total contract cost not to exceed \$21,671,857, subject to the availability of funds.



**RESOLUTION**

**WHEREAS**, the first Multilevel vehicle was placed into service in December 2006 and the feedback from both customers and employees has been very positive; and

**WHEREAS**, NJ TRANSIT's rail fleet plan has identified a need to purchase additional Multilevel vehicles to address continued ridership growth within existing platform capacities at outlying stations and Penn Station New York; and

**WHEREAS**, Bombardier Transportation was previously selected by a competitive procurement process to design and manufacture Multilevel vehicles; and

**WHEREAS**, LTK Engineering Services was previously selected by a competitive procurement process to provide engineering support for the Multilevel vehicles;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to exercise options E and F under contract (No. 01-097) with Bombardier Transportation of Montreal, Quebec, Canada for the purchase of 50 additional Multilevel vehicles and additional spare parts at a cost not to exceed \$75,726,675, plus five percent for contingencies, for a total contract authorization of \$625,883,397, subject to the availability of funds; and

**BE IT FURTHER RESOLVED** that the Chairman or Executive Director is authorized to amend the contract (No. 99CX134) with LTK Engineering Services of Ambler, Pennsylvania for additional engineering support for the additional 50 cars through the end of the warranty period at a cost not to exceed \$750,000 plus five percent for contingencies, for a total contract authorization of \$21,671,857, subject to the availability of funds.

(NJT BOARD – 08/13/08)

**ITEM 0808-58: STATE CERTIFICATES OF PARTICIPATION (COPS): DUAL-POWERED LOCOMOTIVES AND MULTILEVEL VEHICLES****BENEFITS**

The financing of approximately \$410 million of 26 Bombardier Dual-Powered Locomotives plus spare parts and 50 Multilevel vehicles (the 'equipment') will enable NJ TRANSIT to expand its fleet to meet the continuing growth of rail ridership.

**PURPOSE**

To mitigate financial pressure on the capital program, staff is proposing financing the equipment through the issuance of State of New Jersey Certificates of Participation (COPs).

In this financing the State will act as lessee with NJ TRANSIT as sub-lessee. Funds from the sale of the COPs will allow NJ TRANSIT to enter into contracts with the Bombardier Transit Corporation for the equipment and for external engineering services. The COPs will also finance internal quality control and related costs directly related to the acquisition of the equipment. NJ TRANSIT will repay the Certificates with a final payment in 2023 with estimated annual lease payments of approximately \$50 million. All fees will be paid from the proceeds of the COPs.

A law firm will be selected by the Office of the Attorney General to act as special counsel. Citigroup Global Markets Inc. will act as lead manager of the underwriting team.

**ACTION (Justification: Business Efficiencies)**

Staff seeks authorization to enter into a Certificates of Participation sublease with the State of New Jersey for the financing of approximately \$410 million of rolling stock and associated costs and to pay fees associated with the transaction.

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

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	To enter into a State Certificates of Participation Sublease and to pay all associated transaction fees.
<b>Projected Date of Completion:</b>	Financing to be closed by August 2008
<b>Anticipated Source of Funds:</b>	Note Proceeds
<b>Diversity Goal:</b>	N/A

**RESOLUTION**

**AUTHORIZING THE EXECUTION AND DELIVERY OF A SUBLEASE AGREEMENT WITH THE STATE OF NEW JERSEY FOR THE LEASE/PURCHASE OF ROLLING STOCK**

**WHEREAS**, pursuant to N.J.S.A. 27:25-1 et seq. (the "Act"), New Jersey Transit Corporation (the "Corporation") is authorized to purchase, lease as lessee, or otherwise acquire, own hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, for any public or private entity; and

**WHEREAS**, the Corporation anticipates entering into a contract with the Bombardier Transit Corporation for 26 Dual-Powered Locomotives plus spare parts and 50 Multilevel vehicles (the "equipment") and external engineering services and associated internal quality control and related costs; and

**WHEREAS**, the purchase of the equipment is to be financed through the issuance by the State of New Jersey (the "State") of Certificates of Participation ("COPs") in a lease purchase agreement (the "Lease") to be entered into between the State acting by and through the Director of the Division of Purchase and Property of the Department of the Treasury, as Lessee (the "Lessee"), and a Lessor (the "Lessor") to be determined; and

**WHEREAS**, the Corporation shall sublease the equipment from the State acting by and through both the Division of Purchase and Property of the Department of the Treasury and the New Jersey Department of Transportation and shall enter into a Sublease Agreement with the Lessee (the "Sublease") pursuant to which the Corporation shall agree to make lease payments, which payments shall be subject to and dependent upon appropriations being made from time to time by the State Legislature; and

**WHEREAS**, in order to provide for the issuance of the COPs, the Corporation shall assign its rights, title and interest in and to those portions of the contracts to The Lessor, pursuant to one or more assignment agreements (collectively, the "Assignment Agreements"); and

**WHEREAS**, the Corporation is authorized by the Act to enter into such contracts and take such other actions necessary, convenient or desirable to carry out any power expressly or implicitly given to the Corporation, including, without limitation, entering into the Sublease and the Assignment Agreement;

**NOW, THEREFORE, BE IT RESOLVED BY THE NEW JERSEY TRANSIT CORPORATION AS FOLLOWS:**

1. The Board hereby approves the entering into by the Corporation of a Sublease for a term not greater than 16 years and for annual lease payments of not more than \$50,000,000 and hereby authorizes the execution and delivery of a Sublease by an "Authorized Officer" of the Corporation, as such term is defined below.
2. The Corporation hereby approves entering into an Assignment Agreement and authorizes the execution and delivery of an Assignment Agreement by an Authorized Officer.
3. The Corporation hereby authorizes an Authorized Officer to make such determinations, to execute such other documents, instruments and papers and to do such acts and things as may be necessary or advisable with the execution and delivery of the Sublease and the Assignment Agreement and the sale, issuance and delivery of the COPs.
4. The Corporation hereby authorizes the payment of any costs incurred in connection with the issuance of the COPs that are not paid for from the proceeds of such COPs.
5. For the purposes of this Resolution an "Authorized Officer" shall mean the Chairman, Vice Chairman, Treasurer, Secretary or Executive Director of the Corporation and shall also mean any other person who shall be authorized by resolution of the Corporation to perform such act or to execute such document or any other person or persons who shall be authorized to act on behalf of the Corporation by the Chairman or Executive Director of the Corporation which certificate

shall set forth such authorization and shall contain the specimen signatures of each such person.

6. This resolution shall become effective 10 days after a copy of the minutes of the Corporation meeting at which this resolution was adopted has been delivered to the Governor for his approval, unless during such 10 days the Governor shall approve the same, in which case this resolution shall become effective upon such approval, as provided in the Act.

**ITEM 0808-59: REIMBURSEMENT RESOLUTION: DUAL-POWERED  
LOCOMOTIVES AND MULTILEVEL VEHICLES**

**BENEFITS**

Authorization of this reimbursement resolution will allow NJ TRANSIT to recover contractual amounts paid to Bombardier for Dual-Powered Locomotives and option Multilevel vehicles during the sixty-day 'lookback' period permitted under the tax code.

**PURPOSE**

NJ TRANSIT is acquiring 26 Dual-Powered Locomotives and 50 Multilevel vehicles with the proceeds of a Certificates of Participation ('COPs') financing.

NJ TRANSIT will make mobilization payments to Bombardier based upon contractual milestones. NJ TRANSIT is permitted under the tax code to reimburse itself with subsequent note proceeds for payments made prior to the financing with the adoption of a reimbursement resolution within 60 days of the date of payment.

**ACTION**

Adoption of Reimbursement Resolution to recover prior payments.

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

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	N/A
<b>Total Project Cost:</b>	N/A
<b>Projected Date of Completion:</b>	2008
<b>Anticipated Source of Funds:</b>	N/A
<b>Diversity Goal:</b>	N/A
<b>Related/Future Authorizations:</b>	N/A
<b>Impact on Subsequent Operating Budgets:</b>	N/A

(NJT BOARD – 08/13/08)

**RESOLUTION OF NEW JERSEY TRANSIT  
CORPORATION DECLARING ITS OFFICIAL INTENT TO  
REIMBURSE ITSELF FROM THE PROCEEDS OF TAX-  
EXEMPT DEBT OBLIGATIONS FOR CERTAIN COSTS  
AND EXPENSES PAID PRIOR TO THE ISSUANCE OF  
SUCH DEBT OBLIGATIONS IN CONNECTION WITH THE  
ACQUISITION OF CERTAIN LOCOMOTIVES AND  
MULTILEVEL VEHICLES**

Adopted March 12, 2008

**WHEREAS**, pursuant to N.J.S.A. 27:25-1 et seq. (the "Act"), New Jersey Transit Corporation (the "Corporation") is authorized to purchase, lease as lessee, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, for any public or private entity; and

**WHEREAS**, the Corporation intends to purchase approximately 26 locomotives, plus spare parts, and approximately 50 Multilevel vehicles (collectively, the "Equipment") pursuant to contracts between the Corporation and Bombardier Transit Corporation; and

**WHEREAS**, the Corporation reasonably expects that the cost of purchasing the Equipment, together with the costs of certain engineering services, internal quality control and other related costs associated the purchase of the Equipment (collectively, the "Project Costs"), will be financed on a long-term basis from the proceeds of debt obligations to be hereafter issued by the Corporation or by the State of New Jersey or an agency or authority of the State of New Jersey on behalf of the Corporation (the "Debt Obligations"); and

**WHEREAS**, prior to the date of issuance of the Debt Obligations, the Corporation has paid (within 60 days prior to the date hereof), and may continue to pay, for certain Project Costs with funds of the Corporation that are not borrowed funds; and

**WHEREAS**, the Corporation reasonably anticipates that the interest on the Debt Obligations will be excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") for purposes of federal income taxation; and

**WHEREAS**, the Corporation desires to preserve the right to treat an allocation of the proceeds of the Debt Obligations to the reimbursement of the Project Costs paid prior to the issuance of the Debt Obligations as an expenditure for such Project Costs to be reimbursed for purposes of Sections 103 and 141 through 150, inclusive, of the Code;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NEW JERSEY TRANSIT CORPORATION AS FOLLOWS:**

**Section 1.** The Corporation reasonably expects to reimburse the expenditure of Project Costs paid prior to the issuance of the Debt Obligations with the proceeds of the Debt Obligations.

**Section 2.** This Resolution is intended to be, and hereby is, a declaration of the Corporation's official intent to (a) incur and pay certain Projects Costs prior to the issuance of the Debt Obligations, and (b) reimburse itself for such Project Costs from the proceeds of the Debt Obligations in accordance with Treasury Regulations §1.150-2 promulgated under the Code.

**Section 3.** The maximum principal amount of Debt Obligations presently expected to be issued for the purpose of permanently financing the Project Costs (including, without limitation, costs of issuance, the funding of reserve funds, if any, and the amounts to be used to reimburse the Corporation for Project Costs paid prior to the issuance of the Debt Obligations) is \$500 million.

**Section 4.** The Project Costs to be reimbursed with the proceeds of the Debt Obligations will be "capital expenditures" within the meaning of Section 150 of the Code and Treasury Regulation §1.150-2(d)(3) promulgated thereunder, or a cost of issuance of the Debt Obligations.

**Section 5.** No reimbursement allocation of the proceeds of the Debt Obligations will employ an "abusive arbitrage device" under Treasury Regulations §1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147, inclusive, of the Code. The proceeds of the Debt Obligations used to reimburse the Corporation for Project Costs, or funds corresponding to such

amounts, will not be used, within one year after the reimbursement allocation, in a manner that results in the creation of "replacement proceeds", including "sinking funds", "pledged funds" or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations §1.148-1), of the Debt Obligations or another issue of debt obligations of the Corporation, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations §1.148-1).

**Section 6.** No reimbursement allocation of the proceeds of the Debt Obligations will occur later than 18 months after the later of (i) the date the expenditure from a source of funds other than the proceeds of the Debt Obligations is paid, or (ii) the date the Equipment with respect to which the reimbursed cost was paid is "placed in service" (within the meaning of Treasury Regulations §1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

**Section 7.** The Chairman, Vice Chairman, Treasurer, Chief Financial Officer, Secretary and Executive Director of the Corporation are hereby authorized and directed by, for and on behalf of, and in the name of, the Corporation, to execute any and all documents and take any and all other actions as may be necessary or desirable to carry out the intent and purpose of this Resolution.

**Section 8.** This Resolution shall take effect as provided in the Act.

(NJT BOARD – 08/13/08)

**ITEM 0808-60: PROPERTY INSURANCE EXTENSION****BENEFITS**

On June 11, 2008 the NJ TRANSIT Board of Directors approved the Risk Management Insurance renewal of various insurance coverages for Fiscal Year 2009. During negotiations with Lexington Insurance Company, who provides the primary \$50 million All Risk Property and Terrorism coverage, the opportunity arose for NJ TRANSIT to secure a two-year policy (Fiscal Year 2009 and Fiscal Year 2010). Staff negotiated a 4.1 percent reduction for the Fiscal Year 2010 policy period. The approved Fiscal Year 2009 premium is \$2,780,000, a 3.9 percent premium reduction or \$113,307 savings from Fiscal Year 2008. These savings were realized despite a 20 percent increase in property values.

The property insurance market has softened due to the lack of catastrophic events and securing a two-year program will protect NJ TRANSIT from increased insured values or any adverse effects or changes in the property market and stabilize Fiscal Year 2010 property insurance costs. This will also secure the cost of terrorism coverage, current deductibles and terms and conditions of the policy.

**PURPOSE**

NJ TRANSIT maintains an "All Risk" property Damage Insurance Program. A \$401,000,000 limit of liability is applicable to this property insurance coverage. Property deductibles are currently \$500,000 to \$1,000,000. Insurance values have increased 20 percent in the last year from \$7.153 billion to \$8.577 billion due in part to an increase in the cost of steel and current technology for bridges, tunnels, rail substations, and rail and light rail rolling stock.

**ACTION**

Staff seeks authorization to secure a two-year policy with Lexington Insurance Company for All Risk Property and Terrorism Coverage at a cost for the Fiscal Year 2010 extension not to exceed \$2,665,000, subject to the availability of funds.

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	\$2,665,000
<b>Total Project Cost:</b>	N/A
<b>Projected Date of Completion:</b>	June 30, 2010
<b>Anticipated Source of Funds:</b>	Fiscal Year 2010 Operating Budget

(NJT BOARD – 08/13/08)

<b>Diversity Goal:</b>	N/A
<b>Related/Future Authorizations:</b>	N/A
<b>Impacts on Subsequent Operating Budgets:</b>	None

**RESOLUTION**

**WHEREAS**, NJ TRANSIT is contractually obligated to maintain a Risk Management Insurance Program to protect its riders, employees and assets in the event of accidents and other casualties; and

**WHEREAS**, it is in the best interest of NJ TRANSIT and sound fiscal policy to maintain such a Risk Management Insurance Program; and

**WHEREAS**, NJ TRANSIT has been successful in negotiating a two-year policy with Lexington Insurance Company for the primary \$50 million All Risk and Terrorism Coverage for Fiscal Year 2009 and Fiscal Year 2010;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to secure a two-year policy with Lexington Insurance Company for All Risk Property and Terrorism Coverage at a cost for the Fiscal Year 2010 extension not to exceed \$2,665,000, subject to the availability of funds.

**ITEM 0808-61: LABOR NEGOTIATIONS SPECIAL COUNSEL**

**BENEFITS**

The Attorney General designated Genova, Burns & Vernioia as special counsel to provide NJ TRANSIT with legal counsel and representation in connection with collective bargaining agreement negotiations. This authorization will enable Genova, Burns & Vernioia to continue providing legal services and retaining court reporters, experts and other providers of mediation and arbitration supplement services, should they become necessary in the course of this work.

**PURPOSE**

There are a total of 29 collective bargaining agreements between NJ TRANSIT and its subsidiaries and 21 labor unions. The agreements cover approximately 10,000 employees. Two of these agreements with NJ TRANSIT Police Department covering approximately 180 employees expired on June 30, 2006. Six of these agreements with NJ TRANSIT Bus Operations cover approximately 5,620 employees, four of which expired on June 30, 2008, one will expire on July 31, 2009 and one on July 31, 2010. Twenty-one of the agreements are with NJ TRANSIT Rail Operations covering approximately 4,200 employees. Two of the agreements remain outstanding having expired July 2004. All other rail agreements have been extended to July 2011.

The scope of the duties of the Special Labor Counsel is to:

- Review proposals, develop strategy and participate in negotiations in conjunction with the negotiating teams;
- Determine legal implications of negotiating strategy;
- Represent NJ TRANSIT in labor litigation matters; and
- Represent NJ TRANSIT before the Public Employment Relations Commission and the National Mediation Board in arbitration proceedings.

NJ TRANSIT Rail is an employer under the Railroad Retirement Act and related Federal programs and its employees are members of that retirement system. This is a complex and specialized area of expertise for which Special Counsel is required.

It may also be necessary during the course of these representations to retain experts, court reporters and other providers of mediation and arbitration support services in accordance with N.J.A.C. 16:72-1.5(c).

**ACTION**

Staff seeks authorization to continue to compensate the law firm of Genova, Burns & Vernioia as special counsel to NJ TRANSIT Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations Inc. and NJ TRANSIT Mercer, with respect to the

aforementioned services at an amount not to exceed \$450,000, subject to the availability of funds.

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

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	\$ 450,000
<b>Total Project Cost:</b>	\$ 1,450,000
<b>Anticipated Source of Funds:</b>	Operating Budget
<b>Projected Date of Completion:</b>	June 30, 2010
<b>Diversity Goal:</b>	N/A

**RESOLUTION**

**WHEREAS**, the Attorney General designated Genova, Burns & Vernoia as special counsel to provide NJ TRANSIT with legal counsel and representation in connection with collective bargaining agreement negotiations; and

**WHEREAS**, this is a complex and specialized area of expertise for which Special Counsel is required; and

**WHEREAS**, this authorization will enable Genova, Burns & Vernoia to continue providing legal services and retaining court reporters, experts and other providers of mediation and arbitration supplement services, should they become necessary in the course of this work;

**NOW, THEREFORE, BE IT RESOLVED** the Chairman or Executive Director is authorized to continue to compensate the law firm of Genova, Burns & Vernoia as special counsel to NJ TRANSIT Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations Inc. and NJ TRANSIT Mercer, with respect to the aforementioned services at an amount not to exceed \$450,000, subject to the availability of funds

**ITEM 0808-62: EXTENSION OF SPECIAL COUNSEL**

**BENEFITS**

Engaging outside legal counsel provides flexibility in the assignment of legal services and complements the services provided by the Transportation, Construction and Condemnation Section (TC&C) of the New Jersey Division of Law. The Attorney General makes new assignments through individual retention letters.

The legal services currently provided by Hill Wallack as Special Counsel include:

- Real estate development, property acquisition and condemnation
- Environmental litigation and counseling

**PURPOSE**

NJ TRANSIT requires significant and varied legal expertise in support of its day-to-day operations. Hill Wallack as Special Counsel has assisted NJ TRANSIT by providing legal services relating to real estate development activities at Morristown and Hamilton, real estate issues associated with the Secaucus Transfer Station development rights and other real estate matters including property acquisition and condemnation.

Legal services with regard to ongoing environmental litigation relate to a case where NJ TRANSIT has filed to recover environmental remediation costs at South Amboy yard from the successor to the previous owner/operator railroads. Recovery will set a precedent with this successor company for environmental remediation exposure at other rail yards.

The Attorney General has designated Hill Wallack as special counsel to NJ TRANSIT for the projects referenced above. This authorization enables the Attorney General in conjunction with NJ TRANSIT to continue to allocate legal service requirements between the Division of Law and special counsel based on the specific expertise required and the availability of experienced staff.

**ACTION**

Staff seeks authorization to continue to compensate Hill Wallack as Special Counsel with respect to the aforementioned services, at an amount not to exceed \$750,000 subject to the availability of funds.

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

**FISCAL IMPACTS**

**Requested Authorization:** Hill Wallack - \$750,000

<b>Total Project Cost:</b>	\$2,100,000
<b>Anticipated Source of Funds:</b>	Operating Budget/Capital Program
<b>Projected Date of Completion:</b>	August 2009
<b>Diversity Goal:</b>	N/A

(NJT BOARD – 08/13/08)

## RESOLUTION

**WHEREAS**, NJ TRANSIT requires significant and varied legal expertise in support of its day-to-day operations; and

**WHEREAS**, the Attorney General has previously designated Hill Wallack as special counsel; and

**WHEREAS**, NJ TRANSIT would continue to benefit from the use of special counsel to assist in its real estate development activities, property acquisition and condemnation, as well as its environmental claim negotiation and litigation activities;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to continue to compensate Hill Wallack as special counsel with respect to the aforementioned services, at an amount not to exceed \$750,000, subject to the availability of funds.

(NJT BOARD – 08/13/08)

**ITEM: 0808-63: NJ TRANSIT EARLY RETIREMENT INCENTIVE PROGRAM FOR  
NON-AGREEMENT ADMINISTRATIVE DEPARTMENT  
EMPLOYEES**

**BENEFITS**

NJ TRANSIT'S operating budget for fiscal year 2009 includes administrative expense reductions of approximately \$14 million. While staff continues to cut costs in materials and printing, advertising, and contract services, administrative reductions include the elimination of positions through managed attrition. In order to achieve the budget savings, staff recommends an Early Retirement Incentive (ERI) program for non-agreement employees currently or previously participating in the NJ TRANSIT Employees Retirement Plan (NJTERP).

The program will be extended only to employees age 55 and older who are already retirement eligible, and whose decision to retire this year will accelerate budget savings. The program assumes a participation rate of 50% of the 140 eligible employees, and a 10% hard cap on backfilling positions in administrative departments.

**PURPOSE**

NJ TRANSIT's non-agreement employees are covered under several defined benefit pension plans. The NJ TRANSIT Employees Retirement Plan (NJTERP) covers most of these employees. The purpose of the NJ TRANSIT Early Retirement Incentive (ERI) Program is to encourage eligible non-agreement administrative staff that might otherwise retire in the next several years, to retire early, thereby providing organizational opportunities, and more immediate budget savings. The ERI Program provides NJ TRANSIT with time to coordinate the program with internal initiatives, manage the organizational impact of the early retirements, and implement succession planning for critical positions.

Employees in NJ TRANSIT's Bus Operations, Light Rail Operations, Rail Operations, and Police departments are not eligible for the proposed ERI Program because they are essential to the provision of transportation and security services. The ERI is designed to ensure continuing budget savings through a reduction in the size of NJ TRANSIT's administrative workforce.

Consistent with the State's Early Retirement Incentive Program, the ERI Program will be accompanied by a strict limit on the filling of vacancies created directly or indirectly because eligible employees retired to receive the ERI benefits. The number of employees hired in all administrative departments to fill the vacancies created directly or indirectly because eligible employees retired to receive the ERI benefits will not exceed ten (10%) percent of the total number of employees who retire pursuant to the ERI. The reduced level of positions will be maintained as a "hard cap" on the number of authorized positions for the administrative departments.

(NJT BOARD – 08/13/08)

The benefits of the ERI Program will only apply to administrative department employees participating in NJTERP, and the employees who elected to transfer from NJTERP to the NJ TRANSIT Non-Agreement 401A Money Purchase Pension Plan in July 2007, who are already eligible to retire under NJTERP (or would be had they not elected to transfer to the 401A Plan), meet the ERI eligibility criteria, and who retire on or after September 1, 2008 but not later than December 1, 2008. NJ TRANSIT may request a limited number of employees to extend their retirement date by up to twelve months. The proposed NJ TRANSIT ERI Program offers two incentive categories, each with its own eligibility criteria and benefit enhancements, as detailed on Exhibit A.

## **ACTION**

Staff seeks authorization to implement the NJ TRANSIT Early Retirement Incentive Program as set forth in Exhibit A, including but not limited to taking all actions necessary to amend the NJ TRANSIT Employee Retirement Plan (NJTERP) and the NJ TRANSIT Non-Agreement 401A Money Purchase Pension Plan.

## **FISCAL IMPACTS**

<b>Requested Authorization:</b>	Authorization for the implementation of the NJ TRANSIT Early Retirement Incentive Program
<b>Total Project Cost:</b>	To be determined based on actual participation of eligible employees and offsetting cost reductions from positions not filled
<b>Projected Date of Completion:</b>	December 1, 2008
<b>Anticipated Source of Funds:</b>	Operating budget
<b>Diversity Goal:</b>	N/A
<b>Related/Future Authorizations:</b>	N/A
<b>Impacts on Subsequent Operating Budgets:</b>	N/A

**RESOLUTION**

**WHEREAS**, NJ TRANSIT is authorized pursuant to the New Jersey Public Transportation Act of 1979 (N.J.S.A.27:25-1 et seq.) to adopt and maintain employee benefit programs for its employees; and

**WHEREAS**, NJ TRANSIT is faced with a very difficult budget situation in fiscal year 2009 and is interested in strategically eliminating non-agreement administrative positions to mitigate this situation; and

**WHEREAS**, an early retirement program for NJ TRANSIT's non-agreement administrative employees would be very beneficial to NJ TRANSIT in helping to efficiently reduce its workforce and reduce costs; and

**WHEREAS**, the NJ TRANSIT Early Retirement Incentive Program described in Exhibit A is designed to encourage eligible non-agreement administrative department staff to retire early; and

**WHEREAS**, the additional costs associated with the NJ TRANSIT ERI Program will be offset by savings from a reduction of non-agreement administrative positions;

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is hereby authorized to take all actions necessary and consistent with this Board action to implement the NJ TRANSIT Early Retirement Incentive Program as set forth in Exhibit A, including but not limited to amending the NJ TRANSIT Employee Retirement Plan (NJTERP) and the NJ TRANSIT Non-Agreement 401A Money Purchase Pension Plan.

EXHIBIT A

**NJ TRANSIT EARLY RETIREMENT INCENTIVE PROGRAM FOR  
NON-AGREEMENT ADMINISTRATIVE DEPARTMENT EMPLOYEES**

**PROGRAM DESCRIPTION**

The enhanced benefits of the NJ TRANSIT Early Retirement Incentive (ERI) Program will be available to all qualifying NJ TRANSIT non-agreement administrative department employees who are participants in the NJ TRANSIT Employees Retirement Plan (NJTERP) or who elected to transfer from NJTERP to the NJ TRANSIT Non-Agreement 401A Money Purchase Pension Plan in July 2007, and who retire effective on or after September 1, 2008 but not later than December 1, 2008. This program offers a financial incentive to eligible non-agreement employees for them to retire and provide a legal release and waiver of all claims from the employee for any claims that might be raised by the employee or on their behalf against NJ TRANSIT. The proposed ERI offers two incentive categories, each with its own eligibility criteria and benefit enhancements, as follows:

**Program Category A Requirements and Benefits**  
**(Pension Benefits)**

- Eligibility Criteria:** Employee must be at least age 55 with age plus years of service equaling or exceeding 80, before the effective date of retirement and must retire effective on or after September 1, 2008 but not later than December 1, 2008.
- Early Retirement Benefit:** An additional three (3) years of service credit will be provided to increase service related benefits in accordance with the rules and benefit formula of NJTERP. An additional employer contribution of six (6%) percent of the employee's account balance on the effective date of retirement will be provided for eligible 401A Plan participants. The additional three (3) years of service credit will also count toward the 25 years of service required to be eligible for coverage for retiree health benefits at the contribution rates for active employees. In addition, the final average salary in the NJTERP benefit formula to be applied to all years of credited service will be based on salary for the employee's last two years of service.

This ERI Program shall not in any way modify or alter the "Earlier Retirement" provision (Section 4.1 (d)) in the NJTERP Plan Document.

EXHIBIT B

**Program Category B Requirements and Benefits**  
**(Reduced Cost of Health Benefits)**

**Eligibility Criteria:** Employee must be at least age 60 and have at least 10, but less than 20, years of service before the effective date of retirement and must retire effective on or after September 1, 2008 but not later than December 1, 2008.

**Early Retirement Benefit:** Retiree contribution rates for coverage for retiree health benefits will be reduced to the contribution rates in effect for active employees.

**Important Additional Information**

1. Retirement under the NJ TRANSIT Early Retirement Incentive (ERI) Program is irrevocable seven days after receipt of the employee's ERI application by NJ TRANSIT. This means that seven days after an employee's application is received, the employee cannot decide to cancel his/her retirement and return to NJ TRANSIT employment.
2. An employee retiring under the NJ TRANSIT Early Retirement Incentive (ERI) Program cannot work for NJ TRANSIT in any capacity for a period of three years following his/her retirement date. Under extraordinary circumstances, the Executive Director may approve an exemption to this restriction to permit a limited period of re-employment based on the need for specific knowledge or skills.
3. When the needs of NJ TRANSIT require the services of an employee who elects to retire and receive a benefit under the NJ TRANSIT Early Retirement Incentive (ERI) Program, NJ TRANSIT may delay, with the consent of the employee and the approval of the Executive Director, the effective retirement date of the employee by up to twelve (12) months. A delay in the effective retirement date of an employee will not extend the time period within which an employee qualifies for the benefits of the NJ TRANSIT ERI. The above eligibility criteria must be met by no later than December 1, 2008.
4. The NJ TRANSIT Early Retirement Incentive (ERI) Program will not impact the Railroad Retirement rights or benefits of employees and will not supplement those benefits.
5. The NJ TRANSIT Employee Retirement Plan (NJTERP) is not being changed in any way, except as expressly set forth above.

# **CONSENT CALENDAR**

(NJT BOARD – 08/13/08)

**ITEM 0808-64: SALE OF SURPLUS COMET I CARS TO SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (SEPTA)****BENEFITS**

NJ TRANSIT will receive \$670,000 in non-operating revenues from the sale of eight (8) of its surplus Comet I commuter rail cars, damaged Comet I car and surplus parts, to the Southeastern Pennsylvania Transportation Authority (SEPTA) as these Comet I cars are retired from service and replaced with new Multi-Level cars. With the arrival of the new equipment, NJ TRANSIT needs to dispose of these old Comet I cars.

**PURPOSE**

NJ TRANSIT owns 103 Comet I cars which were originally purchased between 1971 and 1973 and overhauled in 1986-87. These cars are now being retired and replaced with new multi-level cars. Since these cars can be used in revenue service only by a few commuter railroad agencies, NJ TRANSIT has a one time opportunity to sell some of these cars to SEPTA through an inter-agency agreement. NJ TRANSIT and SEPTA agreed to a \$670,000 amount for the sale of the eight operating and one damaged car, given their age and condition, including the purchase by SEPTA of up to \$50,000 in surplus spare parts. These cars will require maintenance work to be performed by SEPTA to place and keep them in service.

NJ TRANSIT will benefit from the sale of these cars to SEPTA by receiving one time revenues. Also, such arrangements will permit NJ TRANSIT to remove surplus equipment from at-capacity rail storage yards and surplus spare parts from inventory.

**ACTION (Justification: Business Improvement Revenue Enhancement)**

Authorize the Chairman or Executive Director to sell spare Comet I cars together with surplus spare parts to SEPTA for \$ 670,000.

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

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	<b>\$670,000 in non-operating revenues</b>
<b>Total Project Cost:</b>	<b>N/A</b>
<b>Projected Date of Completion:</b>	<b>August 2008</b>
<b>Anticipated Source of Funds</b>	<b>N/A</b>
<b>Diversity Goal:</b>	<b>N/A</b>

**Related/Future Authorizations:** N/A

**Impacts on Subsequent  
Operating Budget:** None

**RESOLUTION**

**WHEREAS**, NJ TRANSIT has Comet I cars which are no longer useful to NJ TRANSIT due to age and condition; and

**WHEREAS**, NJ TRANSIT is receiving new Multi-Level cars to replace the Comet I cars and there is limited storage area on NJ TRANSIT's system for the old equipment that is no longer needed in current operations; and

**WHEREAS**, Southeastern Pennsylvania Transportation Authority of Philadelphia, PA (SEPTA) has expressed interest in purchasing eight (8) NJ TRANSIT Comet I cars for use in its operations, damaged Comet I car, and surplus spare parts up to \$50,000; and

**WHEREAS**, NJ TRANSIT has been able to negotiate favorable rates to sell these cars and spare parts; and

**NOW, THEREFORE, BE IT RESOLVED** that the Chairman or Executive Director is authorized to enter into a sale agreement with SEPTA to dispose of the above mentioned Comet I cars and spare parts at a price not to exceed \$670,000.

(NJT BOARD – 08/13/08)

**ITEM 0808-65: REAL ESTATE: SALE OF BLOCK 75, LOTS 10-15 (PORTIONS)  
IN CAMDEN COUNTY**

**BENEFITS**

Sale to the Camden Redevelopment Agency of an existing, 0.22-acre unused parking lot situated on portions of Lots 10, 11, 12, 13 and 14 and all of Lot 15, Block 75 in the City of Camden will enable NJ TRANSIT to expand returns from excess property that has no current or future use for public transportation purposes. NJ TRANSIT will be relieved of the cost of insuring, securing, and maintaining the existing parking lot, which adjoins the RiverLINE in downtown Camden, and will gain revenue of \$465,000 by selling property to support budgetary needs.

**PURPOSE**

NJ TRANSIT engages in a continuous internal review to identify excess, unused property with the intention of selling such property and focusing resources and capital toward investments that efficiently benefit customers. Construction of the RiverLINE in the roadway at Fourth and Cooper Streets in downtown Camden displaced on-street parking in the surrounding neighborhood. As a result, the City of Camden required NJ TRANSIT to provide replacement parking on the adjacent subject property. The anticipated parking needs never materialized, and the current NJ TRANSIT parking lot at Fourth and Cooper Streets has been significantly underutilized.

Through an internal review, NJ TRANSIT staff determined that the parking lot is excess property and has no current or future transportation purpose. The City of Camden concurs with NJ TRANSIT's analysis that the parking lot is no longer necessary for replacement parking. The Camden Redevelopment Agency seeks the subject property as part of future construction of higher education facilities.

**ACTION (Justification: Cost Savings)**

Authorize the Chairman or Executive Director to take all necessary actions to sell portions of Lots 10, 11, 12, 13 and 14 and all of Lot 15 in Block 75, on the Tax Map of the City of Camden, as shown on Exhibit A, to the Camden Redevelopment Agency at a cost of \$465,000.

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

**FISCAL IMPACTS**

<b>Requested Authorization:</b>	Authorize the Chairman or Executive Director to take all necessary actions to sell portions of Lots 10, 11, 12, 13 and 14 and all of Lot 15 in Block 75, on the Tax Map of the City of Camden, as shown on Exhibit A, to the Camden Redevelopment Agency at a cost of \$465,000.
<b>Total Project Cost:</b>	N/A
<b>Projected Date of Completion:</b>	September, 2008 (estimated contract for sale execution date)
<b>Anticipated Source of Funds:</b>	N/A
<b>Diversity Goal:</b>	N/A
<b>Related/Future Authorizations:</b>	None
<b>Impacts on Subsequent Operating Budgets</b>	N/A

**RESOLUTION**

**WHEREAS**, the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150, authorizes NJ TRANSIT to sell, on terms that NJ TRANSIT may prescribe, real property; and

**WHEREAS**, NJ TRANSIT actively seeks to identify excess property with no current or future use, and ultimately sell such property to the financial benefit of NJ TRANSIT's commuter transportation operations; and

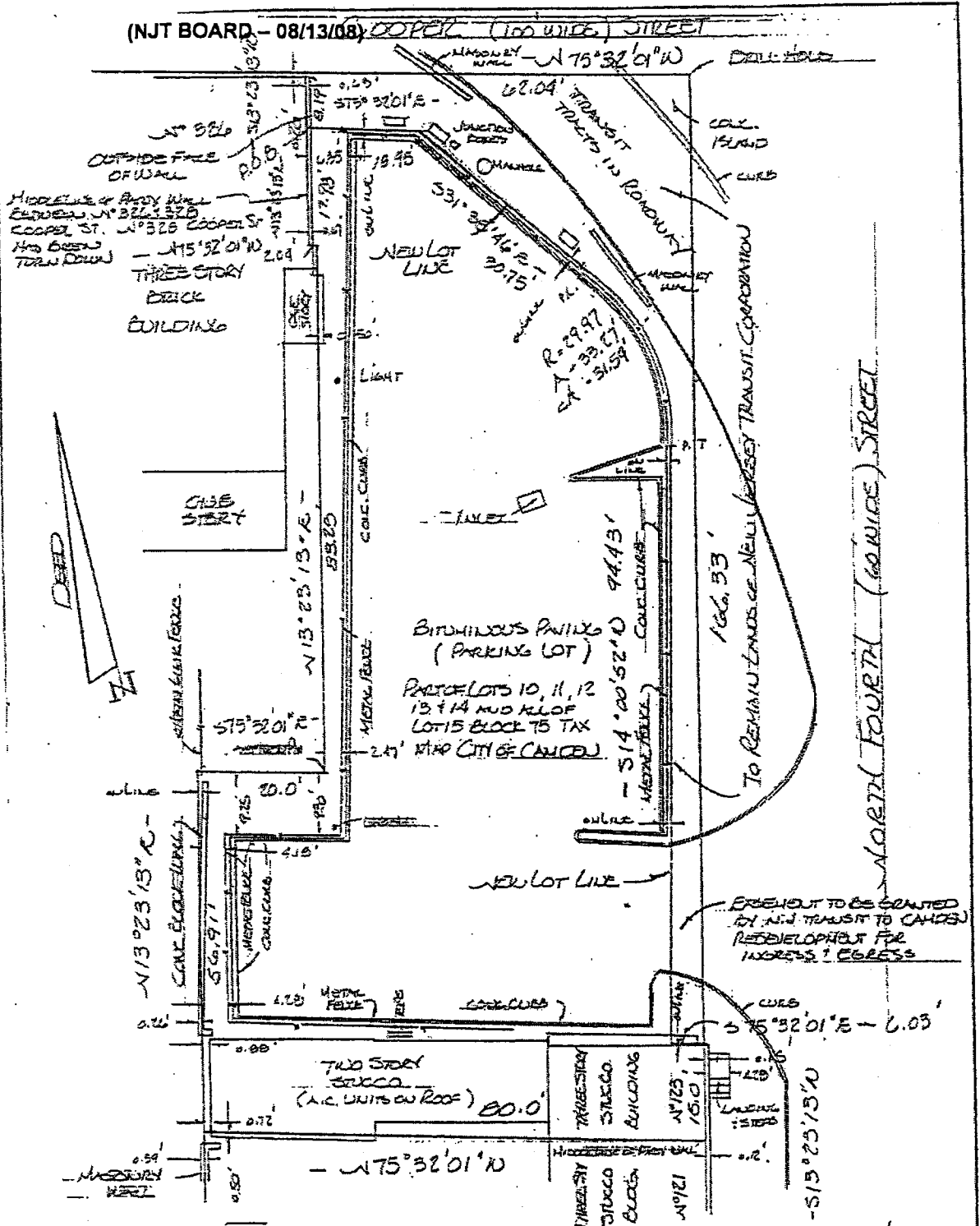
**WHEREAS**, NJ TRANSIT has determined that it has no current or future use for the existing parking lot situated on Portions of Lots 10, 11, 12, 13 and 14 and all of Lot 15 Block 75 in the City of Camden and has declared the parcels excess and available for sale; and

**WHEREAS**, the Camden Redevelopment Agency seeks to purchase the existing NJ TRANSIT parking lot as part of future construction of higher education facilities; and

**WHEREAS**, NJ TRANSIT will benefit from the increased revenue from the sale of the excess property, and will be relieved of all maintenance and repair obligations that accompany the excess property;

**NOW, THEREFORE, BE IT RESOLVED**, The Chairman or Executive Director is authorized to take all necessary actions to sell portions of Lots 10, 11, 12, 13 and 14 and all of Lot 15 in Block 75, on the Tax Map of the City of Camden, as shown on Exhibit A, to the Camden Redevelopment Agency at a cost of \$465,000.

Exhibit A  
The Property



CAMDEN REDEVELOPMENT AUTHORITY A PUBLIC CORPORATE POLITICAL ENTITY OF THE STATE OF N.J.  
 715 W. PARK STREET, CAMDEN, N.J.

FOR A REDEVELOPMENT PROJECT

**Walter H. Macnamara Assoc., Inc.**  
 Professional Land Surveyors  
 Certificate of Authorization 24GA28052300  
 813 Haddon Ave., Collingswood, NJ 08108

*Richard S. Humphries*  
**RICHARD S. HUMPHRIES**  
 P.L.S. N.J. LIC. 34856  
 DATE OF SURVEY **MAY 22, 2008**

**Survey of Premises**  
 N° 328 COOPER STREET &  
 N° 423 N. FOURTH STREET  
 CITY OF CAMDEN  
 CAMDEN Co. New Jersey  
 Scale - 1" = 15' 500-116  
 856-854-5229

*Checked by R. [unclear] 6/24/08*

(NJT BOARD – 08/13/08)

**ITEM 0808-66: LEASE OF HISTORIC UNUSED FORMER WALDWICK RAILROAD STATION, BERGEN COUNTY**

**BENEFITS**

Lease of the historic and unused former Waldwick railroad station building to the Waldwick Community Alliance, Inc. will enable the renovation and reopening of a deteriorating station building and the upgrading of landscaping and walkways on the surrounding property, which is 8,545 square feet in total. NJ TRANSIT will receive compensation in the form of relief to the operating budget of the cost of insuring, securing, and maintaining the station building and surrounding property. By contracting with a community organization for the renovation and use of the station building, NJ TRANSIT will foster goodwill with the municipality and local citizens.

**PURPOSE**

NJ TRANSIT owns a historic station building in Waldwick Township, which was erected in 1887 along the outbound (westbound) track of the Main Line. The building was closed in June 1983, and NJ TRANSIT replaced the station building with a larger, well-outfitted shelter in a superior location along the inbound (eastbound) track. The building is registered on the New Jersey and National Registers of Historic Places. The station building has fallen into disrepair due to external conditions during the 25 years in which it has been closed. NJ TRANSIT has stabilized the station building to prevent any additional deterioration, but lacks funds for restoration and preservation.

The Waldwick Community Alliance, Inc. seeks to fully renovate the building pursuant to the standards of the New Jersey Historic Preservation Office and the New Jersey Historic Preservation Act through the use of independent funds. The lease agreement will require that any improvements receive prior approval by NJ TRANSIT and the New Jersey Historic Preservation Office. This lease preserves future transportation operating options and supports the policy of NJ TRANSIT to focus resources on actively used passenger facilities.

**ACTION (Justification: Cost Savings)**

Authorize the Chairman or Executive Director to take all necessary actions to execute a lease with the Waldwick Community Alliance, Inc. for the former Waldwick Passenger Railroad Station and accompanying property, as shown on Exhibit A, at a cost of \$1 per year for twenty-five years.

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

(NJT BOARD – 08/13/08)

## FISCAL IMPACTS

<b>Requested Authorization:</b>	Authorize the Chairman or Executive Director to take all necessary actions to execute a lease with the Waldwick Community Alliance, Inc. for the former Waldwick Passenger Railroad Station and accompanying property, as shown on Exhibit A, at a cost of \$1 per year for twenty-five years.
<b>Total Project Cost:</b>	\$60,000; Cost of relocating entrance to parking lot and handicap parking spaces.
<b>Projected Date of Completion:</b>	August, 2008 (estimated lease execution date)
<b>Anticipated Source of Funds:</b>	N/A
<b>Diversity Goal:</b>	N/A
<b>Related/Future Authorizations:</b>	None
<b>Impacts on Subsequent Operating Budgets</b>	<ul style="list-style-type: none"><li>▪ Reconfiguration of parking spaces and curb-cuts for parking lot.</li><li>▪ Relief from maintenance, policing, insurance, and further structural improvement costs.</li></ul>

**RESOLUTION**

**WHEREAS**, the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150, authorizes NJ TRANSIT to lease, on terms that NJ TRANSIT may prescribe, real property; and

**WHEREAS**, NJ TRANSIT actively seeks preservation, stabilization and/or adaptive reuse of its vacant or underutilized historic properties as an alternative to their demolition, both to facilitate municipal redevelopment and to retain civic structures of historic value; and

**WHEREAS**, the former Waldwick station building is listed on the New Jersey and National Registers of Historic places, which listing requires improvements to be made to the standards of the New Jersey Historic Preservation Office; and

**WHEREAS**, NJ TRANSIT has limited funds to devote to developing and renovating unused property; and

**WHEREAS**, the Waldwick Community Alliance, Inc. seeks to enhance and update the Waldwick railroad station building and surrounding property; and

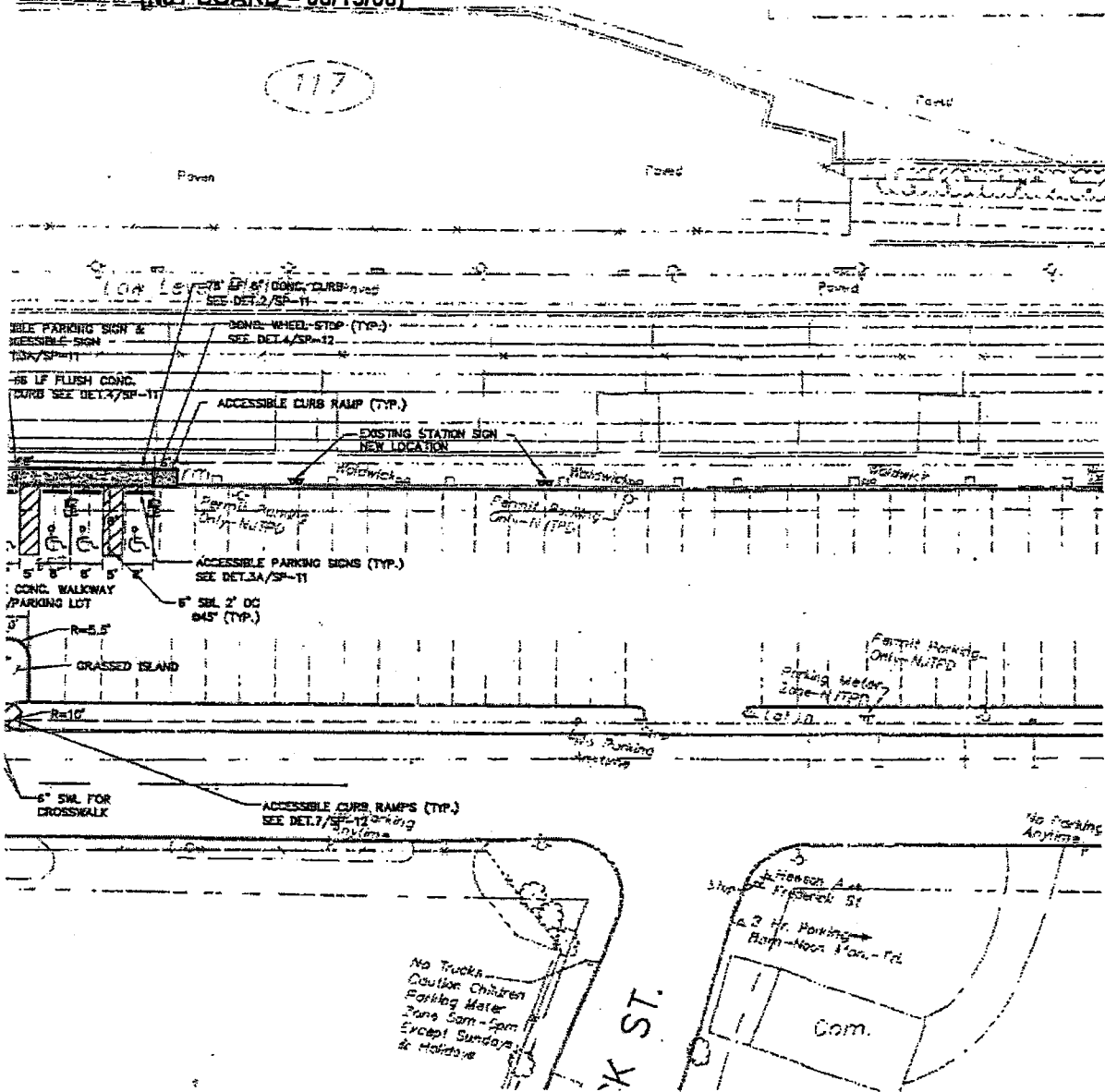
**WHEREAS**, the Waldwick Community Alliance, Inc. seeks to lease the station building and surrounding property for a period of twenty-five years in order to perform improvements and developments; and

**WHEREAS**, NJ TRANSIT will benefit from the relief of legal liability for the station building and the cost of securing, insuring, and maintaining the station building;

**NOW, THEREFORE, BE IT RESOLVED**, that the Chairman or Executive Director is authorized to take all necessary actions to execute a lease with the Waldwick Community Alliance, Inc. for the former Waldwick Passenger Railroad Station and accompanying property, as shown on Exhibit A, at a cost of \$1 per year for twenty-five years.



(N.J.T BOARD - 08/13/08)



I BE RESPONSIBLE FOR THE PROTECTION OF EXISTING CORNER  
CONTRACTOR WILL REPLACE ALL MONUMENTS DAMAGED DURING

NEW JERSEY TRANSIT  
1 PLAZA EAST  
K, N.J. 07105

45 LOT 101, BLOCK 117 IN WALDWICK TOWNSHIP, BERGEN COUNTY, N.J.  
TAKEN FROM TAX ASSESSMENT MAPS FOR THE BOROUGH OF WALDWICK,  
NJ. PROVIDED BY AMY S. GREENE ENVIRONMENTAL CONSULTANTS, INC.  
IT WILL BE REMOVED AND DISPOSED OF OFF SITE IN ACCORDANCE WITH  
TRANSIT.

EXTEND GUIDERAIL/FENCE AT EXISTING OPENINGS.  
ANCHORED TO CONCRETE THRU BRICK PAVERS, SEE DET.10/SP-11  
DETAIL.

END  
SITE LINE  
TLOW LINE  
LIE LINE  
SOLID YELLOW LINE

- NOTES:**
1. ALL NON-HANDICAP ACCESSIBLE PARKING SPACES SHALL BE 8'6" WIDE BY 24' IN LENGTH UNLESS OTHERWISE NOTED ON SITE PLANS (SP-1 & 4).
  2. ALL HANDICAP ACCESSIBLE SPACES SHALL BE 19' IN LENGTH, WITH DIMENSIONS AS NOTED ON SITE PLAN (SP-3).

**EXHIBIT A  
Demised Premises**

Page 2 of 2

DATE	DESCRIPTION	NO.	REVISION
12/23/02	REVISED FOR WALDWICK TOWNSHIP	1	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	2	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	3	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	4	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	5	
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12/23/02	REVISED FOR WALDWICK TOWNSHIP	87	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	88	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	89	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	90	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	91	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	92	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	93	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	94	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	95	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	96	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	97	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	98	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	99	
12/23/02	REVISED FOR WALDWICK TOWNSHIP	100	

**STUART M. KOVACS, P.E.**  
PROFESSIONAL ENGINEER  
STATE OF NEW JERSEY  
NJ LICENSE NO. 20804

**NJ TRANSIT**  
New Jersey  
Department of Transportation

PREPARED BY: DAVID RANK, WALDWICK, NJ. DATE: 12/23/02

**WALDWICK RAIL STATION**  
AREA PROPOSED FOR LEASE TO WALDWICK COMMUNITY ALLIANCE  
HEWSON AVENUE  
WALDWICK, NEW JERSEY

**EXHIBIT A** SITE PLAN

Scale	1" = 20'
Date	12/23/02
Drawn	MIA/AGT
Check	MIA/AGT
Client	SMK
Sheet	SP-2
of	2 of 9