

Jon S. Corzine
Governor

Stephen Dilts
Board Chairman

Richard R. Sarles
Executive Director

NTRANSIT
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March 13, 2009

Dear Governor Corzine:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., and NJ Transit Mercer, Inc. Board of Directors held on Wednesday, March 11, 2009.

I certify that the open session minutes are true and correct.

Sincerely,

A handwritten signature in black ink, appearing to read "Gwen A. Watson", written in a cursive style.

Gwen A. Watson
Board Secretary

Enclosures

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

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc. and NJ TRANSIT Mercer, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Wednesday, March 11, 2009.

Present:

Stephen Dilts, Chairman
Myron P. Shevell, Vice Chairman
James A. Carey, Jr., Governor's Representative
Patrick O'Connor, Treasurer's Representative
Kenneth E. Pringle
Susan L. Hayes

Richard R. Sarles, Executive Director
Gwen A. Watson, Board Secretary
H. Charles Wedel, Chief Financial Officer & Treasurer
Lynn Bowersox, Assistant Executive Director, Communications & Customer Service
James Gigantino, Vice President & General Manager, Bus Operations
William Duggan, Vice President & General Manager, Rail Operations
Steve Santoro, Assistant Executive Director, Capital Planning and Programs
Alma Scott-Buczak, Assistant Executive Director, Human Resources
Warren A. Hersh, Auditor General
Kenneth Worton, Deputy Attorney General

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

Chairman Stephen Dilts reconvened the Open Session at 9:50 a.m. and asked for a motion to adopt the minutes of the February 11, 2009 meeting. A motion was made by Myron P. Shevell and seconded by James A. Carey and adopted. Chairman Dilts abstained from the vote since he was not present at the February 11, 2009 Board Meeting.

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

Stimulus Projects

Executive Director Sarles spoke about the federal stimulus funding directed to New Jersey. A list has been prepared of more than a dozen projects worth \$424 million that are shovel-ready now or will be in time to meet federal funding requirements. The requirements designed are to spend the funding (50 percent of the total dollar value within 180 days) and it creates and preserves jobs in short order. Unlike the Mass Transit Tunnel, many of the projects on the list are exempt from federal environmental approval; a few more can be accelerated to qualify for the American Recovery and Reinvestment Act funding. On Friday, the North Jersey Metropolitan Planning

Organization is scheduled to vote on many of the projects slated to move first, and the South Jersey MPO is scheduled to do the same this coming Monday. This follows a vote by the DVRPC in South Jersey last week. Executive Director Sarles mentioned that the first two tunnel contracts are being advertised this week which is good news and is consistent with the Governor's direction to accelerate projects where possible.

In addition, Executive Director Sarles said an item on today's agenda is for expert services to support completion of environmental reviews and designs for: HBLR interlocking project near Danforth Avenue Station which creates operational flexibility and seating capacity for inner-zone customers; Newark Penn Station traffic and pedestrian improvements; River LINE signal upgrades, a first step toward implementing positive train stop on light rail; Lower Hack Drawbridge Rehabilitation project and the Atlantic City Line/River Line Transfer Station. Each project NJ TRANSIT is advancing creates and preserves jobs, builds capacity, keeps the system in a state-of-good repair and leaves significant assets to future generations. Executive Director Sarles pointed out that NJ TRANSIT estimates that disadvantaged businesses will participate in at least 15 and as much as 35 percent of construction contracts funded by the stimulus.

Enhanced Pre-tax Commuter Pass Program

Executive Director Sarles said the President and Congress included a direct benefit for transit riders in the stimulus package. The good news is that riders can save hundreds of dollars per year using transit. Employers can offer employees the opportunity to have some of their pay withheld on a pre-tax basis to be used for transit and parking costs. The limits were \$120 per month for transit and \$230 per month for parking. As of March 1, the transit limit was nearly doubled to \$230 saving people hundreds of dollars. Current participants can see tax savings almost double. The program also benefits employers who save in federal payroll taxes. Executive Director Sarles encouraged commuters to ask their employers about participating. Customers will learn more about the program through seat drops and information on the website in the coming week.

Ridership

Executive Director Sarles said timing is everything. NJ TRANSIT has been closely monitoring fluctuations in ridership and fare box revenue. Several factors affect ridership, including the price of gasoline, but perhaps none as important as the underlying employment picture. Contraction in the job market, especially but not limited to the financial services sector, is starting to have an impact on ridership. Preliminary figures for last quarter, extended a streak of record ridership that dates back to 2004, but historic ridership records are beginning to see a shift. After a strong first quarter, growth has moderated in the second quarter, and in January and February NJ TRANSIT actually experienced a slight decline. Systemwide, the year-to-date ridership average is good and the year-end results will depend on several economic variables.

Budget and Economy

Executive Director Sarles said the economy is having other impacts. Over the last two years "belt tightening" has generated operating savings of more than \$40 million. Executive Director Sarles said NJ TRANSIT has a hiring freeze in place and consistent with the State, implemented a salary freeze in administration on January 1, 2009 for 18 months and 140 positions were eliminated through early retirement and attrition. NJ TRANSIT's approach is no cut is too small. Recent examples include eliminating the toll-free number which was made possible because more customers are getting bus and rail schedule information from the web. This has saved several hundred thousand dollars. All totaled, this year NJ TRANSIT reduced its operating expenses by \$40 million with the majority coming from administrative reductions, a full 92 cents of every dollar goes to service delivery and only 8 cents to administering the service, an all time low for this agency. Preparing for an austere Fiscal Year 2010, NJ TRANSIT is continuing to find efficiencies. To control healthcare costs, claims will be audited to ensure coverage eligibility for dependents. The increase in the number of TVMs systemwide presents an opportunity to phase out online pass sales, which are cost intensive because of the backend fulfillment. NJ TRANSIT will also be rightsizing the quantity of timetables that are printed, in recognition of the fact that more customers are getting schedule information from the web. There is an expected savings of about \$800,000. NJ TRANSIT has already indentified \$20 million in cuts through these and other savings without compromising service. Executive Director Sarles said he will be back to the Board to present the Fiscal Year 2010 budget in detail very soon.

Somerville Station

Executive Director Sarles said the Board will consider a contract for reconstructing the Somerville Train Station, making the Raritan Valley Line station fully accessible. Somerville is the last of the 35 stations that was identified as a key Americans with Disabilities Act (ADA) station. He said this project demonstrates NJ TRANSIT's commitment to customers with disabilities. Executive Director Sarles said the improvements include: a pair of new high-level platforms with shelters; renovated elevators; heated, air-conditioned inbound waiting room with ticket agent office and accessible restrooms; a rehabilitated pedestrian tunnel and security and communication upgrades. NJ TRANSIT will have 75 accessible rail stations, nearly half of all stations systemwide and 54 accessible light rail stations. Construction is expected to start this spring and will be completed by the end of 2010.

PABT Communication/Security Upgrades

Executive Director Sarles said the Board will consider a contract for several improvements for customers who commute in and out of the Port Authority Bus Terminal, the largest-volume passenger terminal in the NJ TRANSIT bus system with nearly 143,000 weekday passenger trips; 57 NJ TRANSIT bus routes; 5,100 NJ TRANSIT buses per weekday. He said the project elements include: more Ticket Vending Machines; real-time travel information with variable message signs showing departures; improved Port Authority system allowing messages targeted to specific

passenger waiting areas; better flow of gate information through wireless camera system and enhanced security for customers and employees with new CCTV and card-access systems for restricted areas. Improvements are expected to be completed by the end of the year.

Advisory Committee

Suzanne Mack presented the Advisory Committee report. Ms. Mack was pleased to hear about the stimulus package and its impact on transportation projects and she was happy to hear the South Jersey projects will also receive some of the money. Ms. Mack said there is a commitment for preventative maintenance for bus and rail which is important to keep the system going. She said the Americans with Disabilities Act was originally adopted with an unfunded mandate and accessibility at stations and the Access Link service are important programs. This is the first money received for this service. Ms. Mack appreciated the progress made on the Weehawken Ferry Terminal. She said the bridge between light rail and the ferry is about two-thirds complete which will be an important link to the light rail system. Ms. Mack requested to see the cost on that project.

Board Member Myron P. Shevell presented the Capital Planning, Policy & Privatization Committee report to the Board. Mr. Shevell said the Committee received information about the American Recovery and Reinvestment Act of 2009 and how NJ TRANSIT plans to move ahead to meet the requirements of this federal legislation in order to move projects forward. In addition, Joyce Gallagher gave a presentation about service growth for the Access Link program. Board members Pringle and Hayes heard detailed information about major customer upgrades at the busy Port Authority Bus Terminal as well as new high level platforms at Somerville Station, the last of the 35 key station upgrades on our system.

Board Member Patrick O'Connor presented the Administration Committee report to the Board. Mr. O'Connor said the Committee discussed the wireless communication cell towers and the economic recovery package.

There was one public comment on agenda items. Board Secretary Watson announced a three minute time limit for speakers.

Joseph M. Clift, Member, Regional Rail Working Group, commented on the Somerville Station accessibility improvements item. Mr. Clift asked the Board not to approve the contract because it is excessive for improving one suburban station, especially in light of the current financial difficulties facing NJ TRANSIT and the State of New Jersey. Mr. Clift asked the NJ TRANSIT planners and architects to go back to the drawing board and pursue improvements at a significantly lower cost, so that more stations can be improved for the same expenditure of public funds. He said the cost of improvements is excessive especially when measured against the benefit per user and when measured against the equivalent cost of converting the entire Raritan Valley Line to high level platforms. Mr. Clift said the costs include: \$21,380 for a weekday round trip passenger, \$24,190 for a commuter, \$128 million to convert all eight low level stations from Raritan to Garwood at \$16 million each and an additional \$40 million to

convert the five stations west of Raritan at \$8 million each. Mr. Clift said the Board would send a strong and clear message that it recognizes the financial realities of today and the future by not approving the Somerville Station accessibility improvements contract.

Executive Director Sarles presented the following Action Items for approval:

0903-12: PORT AUTHORITY BUS TERMINAL CUSTOMER COMMUNICATION UPGRADES: CONSTRUCTION CONTRACT AWARD

Every weekday, 142,800 NJ TRANSIT customers walk through the Port Authority Bus Terminal in midtown Manhattan. NJ TRANSIT sends 5100 buses each weekday to this Terminal, which was built decades ago and which is lacking some basic customer amenities that have become standard in major stations and terminals. NJ TRANSIT has identified a number of needed improvements to enhance operational flexibility, security and customer convenience in the operations area. Authorization is requested to contract with Daidone Electric to upgrade the existing control center to improve announcements, install new conduit, cable and power feeds for new TVMs and for CCTV cameras, installation of new video monitors, a card access system in the operations offices and improvements to the public address system. The work, which will be complete by the end of this year, will not exceed \$2.898 million plus five percent for contingencies.

Myron P. Shevell recused himself from voting on Item No. 0903-12. James A. Carey moved the resolution, Kenneth E. Pringle seconded it and it was adopted.

0903-13: SOMERVILLE STATION ACCESSIBILITY IMPROVEMENTS: CONSTRUCTION CONTRACT AWARD

The Somerville Station on the Raritan Valley Line is the last station in the "key station" plan providing full accessibility for all customers in compliance with the Americans with Disabilities Act. The station serves 1500 weekday passenger trips. Authorization is requested to contract with Terminal Construction to build two new high level platforms with canopies, two new elevators, and a heated and air conditioned inbound waiting room with a new ticket office and restrooms, heated platform shelters and rehabilitation of the pedestrian tunnel and stairs. New cameras will be installed to enhance safety as well as two new TVM's and new electronic signage. The contract will not exceed \$15,273,000 plus five percent for contingencies.

Myron P. Shevell recused himself from voting on Item No. 0903-13. Patrick O'Connor moved the resolution, Kenneth E. Pringle seconded it and it was adopted.

Executive Director Sarles said the "key station" plan was a requirement of the Federal Government and the locations were determined by a number of factors. Somerset Station is the last station in the "key station" plan and will be a fully accessible station.

**0903-14: AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
PROJECTS: CONTRACT AMENDMENTS FOR TASK ORDER
CONSULTANTS**

The recent signing by the President of the American Recovery and Reinvestment Act of 2009 will allow NJ TRANSIT to move forward some projects for which there was no funding, such as the Lower Hack Drawbridge Rehabilitation, Traffic Circulation and Platform Improvements at Newark Penn Station and a transfer station between the Atlantic City Rail Line and the River LINE. The legislation requires that 50 percent of the funds be obligated within 180 days and the balance within one year. NJ TRANSIT has a number of projects that meet that criteria and are just about ready to go. They are either exempt from environmental review or close to receiving environmental approval. Authorization is requested to add funding to the existing Task Order Contracts in specific areas of expertise such as general site planning, environmental engineering and engineering design in order to quickly complete the required processes to move them into eligibility for stimulus funding. There are 10 previously authorized firms and the total will not exceed \$900,000.

Susan L. Hayes recused herself from voting on Item No. 0903-14. Myron P. Shevell moved the resolution, Kenneth E. Pringle seconded it and it was adopted.

0903-15 MAINFRAME COMPUTER UPGRADE

IBM mainframe technology supports many NJ TRANSIT needs including revenue, capital project accounting, payroll, bus vehicle maintenance and procurement. The existing mainframe reaches full capacity during morning and afternoon peak periods, sometimes causing problems or delays. Consistent with industry practices, NJ TRANSIT historically upgrades the mainframe every four to five years. Authorization is requested to contract with Mainline Computer Systems to provide equipment, software, services and three years of warranty to upgrade the mainframe computers at a cost not to exceed \$1.5 million.

Patrick O'Connor moved the resolution, James A. Carey seconded it and it was unanimously adopted.

Executive Director Sarles presented the following Consent Items for approval:

0903-16 MASTER AGREEMENT FOR WIRELESS COMMUNICATIONS SITE LICENSES

Authorize the Chairman or Executive Director to execute a master agreement with AT&T, Sprint/Nextel, T-Mobile, Verizon Wireless and other carriers or entities pursuant to which NJ TRANSIT will execute individual licenses for wireless communications sites.

0903-17 EXTENSION OF TIME AUTHORIZATION FOR MARKET RESEARCH CONSULTING SERVICES

Authorization to extend for an additional seven-month period until October 2009 four existing professional services contracts with TechnoMetrica Market Intelligence, Oradell, New Jersey (No. 03-117A); ORC Macro, New York, New York (No. 03-117B); Resource Systems Group, Inc., White River Junction, Vermont (No. 03-117C); and TNS Intersearch Corporation, Horsham, Pennsylvania (No. 03-117D) for on-call consulting services for market research within the existing authorized amount.

0903-18 SELECTION OF SPECIAL COUNSEL

Adoption of this Resolution will permit NJ TRANSIT to make payments to Gibbons as special counsel for legal work on NJ TRANSIT's existing portfolio of leveraged leases to help resolve issues caused by the financial crisis at a cost not to exceed \$200,000.

The Consent Calendar was moved by Myron P. Shevell and seconded by Patrick O'Connor.

There were twelve public comments on non-agenda items.

George Haikalis, President, The Institute for Rational Urban Mobility, Inc. (IRUM) said his organization is a New York City based not-for-profit corporation concerned with reducing traffic congestion and improving the livability of dense urban areas. IRUM urged NJ TRANSIT to revisit its plan for a deep cavern dead-end terminal 175 feet below 34th Street for the Access to the Region's Core project. Dropping this plan and substituting a direct track connection to Penn Station would save New Jersey taxpayers over \$3 billion. He said the Governor of New Jersey is asking residents to dig deeper into their pockets to pay for diminished service and NJ TRANSIT must do its share and move away from its current plan.

Mr. Haikalis said the direct track connection is much simpler to construct, has a much smaller carbon footprint and can be completed many years sooner. It offers NJ TRANSIT and Amtrak full operational flexibility in using existing tunnels or the new tunnels when service disruptions occur. NJ TRANSIT passengers would save four to five minutes of travel time per trip in each direction and could connect more easily to

other trains using Penn Station and also to the subways. This will make transit more appealing and reduce congestion and pollution at the crowded river crossings.

He said sticking with the current deep cavern plan is fiscally irresponsible in these difficult economic times. It is foolish for New Jersey to expect the rest of the United States to come to its rescue to fund a failed plan. The bulk of the \$11 billion needed for the Access to the Region's Core/Portal Bridge rail plan will ultimately come from New Jersey taxpayers. Funds from the Port Authority and from the Turnpike and Parkway Authorities are fungible and could be used for other transportation projects in the State. By moving forward on an unfunded tunnel project, the Administration is saddling future generations with a burden they are unlikely to advance. This will truly be a tunnel to no where.

He said it is not too late for NJ TRANSIT to return to the plan it studied in great detail two years ago, the direct track connection to Penn Station, and gain the added capacity across the Hudson in an efficient, cost-effective manner.

Denise Wolferman, commuter from Metropark, addressed the Board about recent delays and inconvenience at Metropark Train Station. She said the expansion project at the Station has been oppressive, dangerous and an extreme inconvenience for all commuters and there does not seem to be an end in sight. Ms. Wolferman said it took her two hours to get to work last Tuesday due to three disabled trains. She said customer service blames Amtrak for many delays but this time it was NJ TRANSIT's fault. She said there is poor signage at the station. Ms. Wolferman said she has to leave Woodbridge just so she does not have to use the Northeast Corridor line. She said she and other commuters only want a safe, on-time commute.

Joseph M. Clift, Member of Regional Rail Working Group, echoed and concurred with Mr. Haikalis' comments regarding the Access to the Region's Core tunnel project. He said it is a project with \$3 billion in New Jersey money but that does not include the \$2 billion for Portal Bridge. In reality, there is \$5 billion to be funded. Mr. Clift said the MTA has trouble with two projects, the East Side Access and Second Avenue Subway and no one knows how they will be funded. It runs the risks of the "Big Dig" project in Boston. He said Governor Patterson and Senator Schumer in New York are willing partners across the river and suggested NJ TRANSIT contact them.

Mr. Clift said in January 2009, there was a panel discussion about the Access to the Region's Core project and Jeff Zupan, a supporter of that project, was there. Mr. Clift said that Mr. Zupan gave the Access to the Region's Core project a 33 percent grade rating. Mr. Clift said that project was to accomplish three things: Trans-Hudson capacity, East Side Access and Northeast Corridor improvements. Mr. Clift said currently the project does none of those things. Mr. Clift said he would appreciate a meeting with Chairman Dilts.

Chairman Dilts advised Mr. Clift to call his office to schedule a meeting.

Jack May, Light Rail Panel, New Jersey Association of Railroad Passengers said in June 2008, NJ TRANSIT indicated to the Light Rail panel that the Draft Environmental

Impact Statement for the Northern Branch was under review by the Federal Transit Administration. To date, he is still waiting to examine the document because the Federal Transit Administration is too busy and the review is not yet complete. Mr. May said he does not understand why the Federal Transit Administration would not react to needs of the President of the United States and release the Draft Environmental Impact Statement. He said there is further confusion when a newspaper article reported that NJ TRANSIT intended to use diesel powered trains to extend the light rail line. He said the article said NJ TRANSIT diesel power service could connect with the light rail line for the rail tunnel to Manhattan. The article also reported that NJ TRANSIT is studying or planning to build a new rail line from Northern Branch to Secaucus Junction.

Executive Director Sarles said the Federal Transit Administration's procedure is to review Draft Environmental Impact Statements very carefully and that takes time. He said a few years ago, there was a Bergen County rail concept plan connecting different rail lines with Secaucus and NJ TRANSIT is not doing any other study. It is NJ TRANSIT's position to go through a public hearing process and no decision on diesel power service has been made. Mr. May asked if NJ TRANSIT is planning to study building a line and Mr. Sarles said no, not a full blown study, but may look at a concept plan. Mr. May requested to receive the capital and operating costs and ridership information.

John Adaire, Member of the New Jersey Council on Special Transportation said he is employed with New Jersey's largest paratransit system, the Somerset County Transportation System. He said the Council on Special Transportation is a statewide advocacy association that for over 27 years has provided information and support for community-based transit services. It provides education and training not only to its members, but also to those who are not familiar with New Jersey paratransit and community transportation issues.

Mr. Adaire said the Council has well over 275 members that can account for at least two-thirds of the transportation provided to senior citizens and persons with disabilities within New Jersey. Tens of millions of rides are provided each year to thousands and thousands of New Jersey's neediest and frailest senior citizens and persons with disabilities. He said the backbone of the membership consists of the official 21 county coordinated paratransit systems as designated by NJ TRANSIT. Other members include municipal, state and not for profit social service agencies that provide senior and disabled transportation.

Whether you call it community transportation, paratransit, special transportation or senior and disabled transportation, they all have the same meaning and provide the same services which can include transportation for non-emergency medical appointments, dialysis, physical and mental therapies, chemotherapy, radiation, non-competitive workshops, nutrition sites, meals on wheels, food shopping, veteran services, job employment for the economically disadvantaged, recreational activities and, in some counties, general public bus routes where NJ TRANSIT does not operate.

By providing transportation to these individuals, older adults and the disabled community are able to live much more independently and, in some cases prevent and/or delay institutionalization.

New Jersey is facing a severe paratransit funding problem. State and federal monies used to pay for these services have taken a financial hit. This past September, the membership of the New Jersey Council on Special Transportation released a statement that said "New Jersey's Human Services Community Transportation is in a serious financial crisis which is affecting every county, municipality and social service agency in the State. This crisis negatively impacts New Jersey's older adult population, persons with disabilities, economically disadvantaged, veterans and other transportation dependent persons."

Henry Nicholson, Member of the New Jersey Council on Special Transportation said he is also the Director of one of New Jersey's largest county coordinated transportation systems, the Monmouth County Senior and Disabled Transportation System. He said New Jersey is facing a severe paratransit funding problem. State and federal monies used to pay for these services have taken a financial hit. The 21 county coordinated paratransit systems are experiencing a funding crisis. Many of these systems rely on funding from the Casino Revenue's Senior Citizen and Disabled Resident Transportation Assistance Program.

Beginning January 1st of this year, the counties lost \$4 million in Senior Citizen and Disabled Resident Transportation Assistance Program funding. This was an 11 percent cut in funding. It is expected that there will be another \$3 million cut as announced in the State budget address that would affect the counties in January 2010. In two years, \$7 million dollars was lost in services. Counties have already cut services this year, let drivers go and discontinued some services. Less funding means fewer drivers and fewer rides.

This funding crisis not only affects the counties. When rides are denied, calls are made to municipal and social service agencies whose buses are at capacity. NJ TRANSIT's Access Link program will also start getting maxed out and costing NJ TRANSIT more money to operate.

With the decreases in transportation funding and the poor economy, the State needs to be prepared for some of the possible results due to less transportation being available.

Senior citizens who may have stopped driving may again get behind the wheel and possibly risk their lives and the lives of others.

Senior citizens and persons with physical disabilities who at one time used community transportation services which allowed them to remain independent may end up in nursing homes or assisted living facilities.

The mentally disabled who have been fighting to live independently may not be able to do so and may return to facilities to assist them. There will be less transportation for food shopping and nutrition sites.

Many of the community transportation systems are experiencing waiting lists for services, especially dialysis. It is only going to get worse. Dialysis transportation is becoming a major concern not only for the 21 county systems but also for the numerous municipalities and social service agencies throughout the State. Twenty years ago people needing dialysis transportation services were not living long lives and seats on a vehicle frequently became available. Thankfully, with today's medical technology, people on dialysis are living much longer, but the seat on the bus for a new dialysis rider is less frequent and the waiting lists continue to grow.

In addition to dialysis services, the New Jersey senior population is increasing dramatically. People are living longer and are much more independent. People with mental and physical disabilities are also winning their battles to live independently but they all have one thing in common, to succeed on their own they must rely on paratransit and community transportation services.

Tom Murphy, Member of the New Jersey Council on Special Transportation and Director of one of New Jersey's largest county coordinated transportation systems, the Bergen County Community Transportation System, spoke next. Back in July when the Council and the counties realized things were going to be tough, they started planning and wrote letters to Governor Corzine, Senate President Richard Codey and Assembly Speaker Joseph Roberts asking them to set up a bi-partisan committee to review long-term and short-term solutions to this paratransit funding crisis. To date, no responses have been received from the July 7, 2008 letters.

A short-term solution that the Council members have actively been pursuing is a legislative bill, Assembly Bill 2046 sponsored by Assemblyman Wisniewski and its companion Senate Bill 1830 sponsored by Senator Sacco. These bills will change the funding formula for the Casino Revenue's Senior Citizen and Disabled Resident Transportation Assistance Program from a 7 ½ percent share to an 8 ½ percent share. This additional one percent should amount to \$3 million, which is not enough, but is a help.

The original intent of these bills when they were first introduced in the last legislative session was to allow community transportation services to increase because there is a need and a demand for more services. Estimates back then said that these bills would help provide an additional 250,000 to 300,000 rides per year. This is no longer the case. These bills will now help save 250,000 to 300,000 rides per year and this may not even be enough.

The Senate version is awaiting posting by Senator Codey for a full Senate vote and the Assembly version was just released and is headed toward the Appropriations Committee. The funding to pay this additional one percent should come from the hundreds of millions of dollars that the State saved when the PAAD Program became federally reimbursed under Medicare Part D.

In order to get attention for the Senior Citizen and Disabled Resident Transportation Assistance Program legislation bills, on September 19, 2008, the Council on Special

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Transportation unveiled, the "please help save my ride" campaign. Approximately 20,000 full color petitions were distributed across New Jersey and signed by the riders. Within the first three weeks, over 15,000 were signed. All 20,000 were signed and are awaiting to be delivered to the legislators and Governor Corzine once the bills are posted for full votes.

There is a community transportation funding crisis happening and help is needed now. Community transportation and paratransit is the lifeline for so many of New Jersey's most vulnerable and frailest citizens.

Michael Vieira, President of the New Jersey Council on Special Transportation thanked his members Mr. Adaire, Mr. Nicholson and Mr. Murphy for standing with him today to advise the Board on the severity of the paratransit funding crisis. New Jersey is facing a severe paratransit funding problem. State and federal monies used to pay for these services have taken a financial hit.

The 21 county coordinated transportation systems provide millions of rides each year. To compare, the total number of trips that the Access Link provides each year, the counties provide in 2 ½ months.

Mr. Vieira said he knows the Board is probably thinking that he is preaching to the choir, and he knows that and knows the choir is listening and is concerned, but the problem is that the church leaders are not listening.

Mr. Vieira said he comes before the Board because he has already been before numerous Senate and Assembly Committees. He has commitments from Senators and Assembly Members to support the pending legislative bill that will give the counties some relief. Mr. Vieira said he knows the Board has the Governor's ear and said the Governor needs to know to what extent this paratransit funding crisis is at and how many people are being and will be affected.

Without transportation for dialysis, radiation, chemotherapy and nutrition sites, could be the difference between life and death. Paratransit is the life-line for so many.

The Council on Special Transportation and the counties cannot solve this problem alone. He said we are all in this together and must act now before this gets worse and it will get worse if nothing is done.

The passage of the pending Senior Citizen and Disabled Resident Transportation Assistance Program bill to increase funding will be a short-term solution. He said we as a whole, Council on Special Transportation, the counties, NJ TRANSIT, legislators and the Governor and his staff need to come up with long term solutions to this funding crisis and determine how these programs are going to be funded in the future. Future outlooks say that the Casino Revenue funding may continue to get worse over the next few years. These funding issues need to be addressed now. Someone may have to stand up and say the New Jersey Transportation Trust Fund is one possible long-term solution.

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NJ TRANSIT is also the co-chair of the Governor's Council on Access and Mobility and a report is due in 2010. This is also another area to begin a debate on how to diversify funding for local transportation services.

Mr. Vieira asked the Board to take the lead to see if waivers can be obtained for "emergency purposes" to use just a little bit of the federal stimulus funding for operational purposes. Purchasing capital equipment is nice but the driver, maintenance, insurance and fuel for that vehicle has to be paid. If there is any way to obtain \$5 or \$6 million, it would take care of the issues of this year and next year while a long-term solution is determined. Mr. Vieira said he knows that paratransit is not the main focus; they are not trains, buses or even tunnels, but paratransit is part of NJ TRANSIT and that part is asking for help.

Mr. Vieira asked the Board to make the Governor aware of this paratransit funding crisis. He understands that there is an even larger economic crisis that he is concerned with, but there needs to be a plan on how paratransit and community transportation funding can be maintained during a time when we do not know how much worse this economy can get or when it will start getting better. Mr. Vieira thanked the Board for an opportunity to discuss this serious concern.

James T. Raleigh, President, Friends of Monmouth Battlefield commented on three items. The first is his observation on the stimulus monies or shovel ready projects and the others are related to two newspaper articles. He said Assemblyman Greenwald opened a discussion of the stimulus monies and about the process for inclusion of South Jersey projects. The Assembly Budget Committee was interested in the "transparency and accountability" for such a large amount of money. Of particular interest today is the process for the Access to the Region's Core tunnel's \$130 million followed by the \$40 million for a transfer station in Camden between the Atlantic City Line and the River LINE. Mr. Raleigh asked if the Access to the Region's Core project is being rushed with a future North Jersey Commuter Rail connection without looking at a connection to the Hudson Bergen Light Rail in Hoboken while money is being spent on the lower Hackensack Bridge on the Morris and Essex line to Hoboken while planning to divert the Morris and Essex Line to the 34th Street Station in New York. Mr. Raleigh mentioned the Monmouth-Ocean-Middlesex line transportation issues. He also said there was a New York Times article that said Senator Schumer had an interest in connecting into the existing Penn Station.

Charles Jones, Black Chamber of Commerce, said he appears before the Board on behalf of his members, the small women and minority owned businesses. He congratulated the Board on the MBE/SBE goals already achieved. Mr. Jones said he is an advocate for diversity programs and asked the status of the disparity study.

Executive Director Sarles said the disparity study will be done next year. Mr. Jones asked if there are any impacts on current goals and Executive Director Sarles replied no.

Richard Barber, New Jersey NAACP discussed the contracting and procurement goals for minorities and women. He said that after 30 years of his own personal efforts in this

(NJT Board – 03/11/2009)

area as well as the collective efforts of others, he would think that all state agencies would have "gotten it right" by now, but that is not the case.

Mr. Barber asked if a disparity study for construction and construction related services and for the procurement of professional services and goods has been considered for this major project and asked if it would impact the schedule. Executive Director Sarles said the disparity study would be done next year and there would not be an impact on those schedules.

Mr. Barber said a disparity study can serve two useful purposes. For NJ TRANSIT, it can serve to determine if qualified historically underutilized businesses, MBE and women owned companies are receiving a fair share of contract awards based on the availability and economic reciprocity. It can also serve in establishing fair, realistic and credible contract award goals. He said it can serve to provide credible data of contract and procurement opportunities within NJ TRANSIT and enables these companies to pursue business opportunities through direct competitive bidding or as subcontractors or forming joint ventures.

Mr. Barber cautioned the Board not to be misled by backward thinking legal opinions and misguided staff recommendations that, based on his experience, serve in many cases, to impede and are barriers to progressive diversity programs. Mr. Barber thanked the Board and looks forward to receiving a written response to his questions.

Carl Evans commented on the disparity study and suggested NJ TRANSIT contact the Port Authority. He said timelines are an issue with the Access to the Region's Core project and there is a need to enhance the ability for DBEs to respond to the process. He said the Procurement and Diversity departments should work together in order for DBEs have the opportunity to negotiate with the primes.

Mr. Evans expressed his concern that a selection has not yet been made for the Diversity Officer position and asked if that process could be accelerated.

Executive Director Sarles said one contract will be advertised this week for the construction of the Tonnelle Avenue Underpass and it has a 35 percent DBE goal. He said next would be advertising for qualifications for the Tunnel Boring Project. Executive Director Sarles requested Procurement and the Diversity Departments to distribute the notice widely to the DBE community. Executive Director Sarles said a new Diversity Officer will be selected very soon.

Chairman Dilts requested staff to follow-up on Ms. Wolferman's concerns about the Metropark Train Station.

Board Member Pringle asked William Duggan about the three train delays on the same day. Mr. Duggan said there were mechanical issues with one train and water related congestion issues since it was the day after the snowstorm.

Executive Director Sarles said Metropark Station expansion project includes the lengthening and widening of platforms. The work needs to be completed with

operations one piece at a time. He recognized the inconvenience during construction but said in the end there will be longer and wider platforms and well heated and air conditioned waiting areas on the platforms to better serve customers.

Since there were no further comments or business, Chairman Dilts called for adjournment and a motion to adjourn was made by Kenneth E. Pringle seconded by Patrick O'Connor and unanimously adopted. The meeting was adjourned at approximately 11:09 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**

MARCH 11, 2009

MINUTES

- **EXECUTIVE SESSION AUTHORIZATION** **40874**
- **APPROVAL OF MINUTES OF PREVIOUS MEETINGS** **40875**
- **EXECUTIVE DIRECTOR’S MONTHLY REPORT** **40876**
- **ADVISORY COMMITTEE REPORTS**
- **BOARD COMMITTEE REPORTS**
 - *Capital Planning, Policy & Privatization Committee-Shevell
 - *Administration Committee-O’Connor
- **PUBLIC COMMENTS ON AGENDA ITEMS**

ACTION ITEMS

0903-12 PORT AUTHORITY BUS TERMINAL CUSTOMER COMMUNICATION UPGRADES: CONSTRUCTION CONTRACT AWARD **40905**

Authorization to contract (No. 09-049X) with Daidone Electric of Newark, New Jersey, for the construction of the Control Center Upgrade Project at the Port Authority Bus Terminal located in New York City, at a cost not to exceed \$2,898,000, plus five percent for contingencies, subject to the availability of funds.

0903-13 SOMERVILLE STATION ACCESSIBILITY IMPROVEMENTS: CONSTRUCTION CONTRACT AWARD **40908**

Authorization to contract (No. 09-043X) with Terminal Construction Corporation of Wood-Ridge, New Jersey, for the construction of two new high-level platforms and associated elements at Somerville Station on the Raritan Valley Line at a cost not to exceed \$15,273,000, plus five percent for contingencies, subject to the availability of funds.

NEW JERSEY TRANSIT CORPORATION
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0903-14 AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 40912
PROJECTS: CONTRACT AMENDMENTS FOR TASK ORDER
CONSULTANTS

Authorization to award specific Task Order Consultant tasks (Contract No. 06-030 – General Site Planning Services, Contract No. 06-062 – Architecture and Environmental Design Services and Contract No. 06-064 – Environmental Engineering Services) to complete the environmental documentation and design at a cost not to exceed \$900,000, for a total authorization of \$23,900,000, subject to the availability of funds.

0903-15 MAINFRAME COMPUTER UPGRADE 40915

Authorization to contract with Mainline Computer Systems of Tallahassee, Florida to provide equipment, software, services and three years of warranty to upgrade NJ TRANSIT's mainframe computers at a cost not to exceed \$1,500,000, subject to the availability of funds.

CONSENT ITEMS

0903-16 MASTER AGREEMENT FOR WIRELESS COMMUNICATIONS 40919
SITE LICENSES

Authorize the Chairman or Executive Director to execute a master agreement with AT&T, Sprint/Nextel, T-Mobile, Verizon Wireless and other carriers or entities pursuant to which NJ TRANSIT will execute individual licenses for wireless communications sites.

0903-17 EXTENSION OF TIME AUTHORIZATION FOR MARKET 40922
RESEARCH CONSULTING SERVICES

Authorization to extend for an additional seven-month period until October 2009 four existing professional services contracts with TechnoMetrica Market Intelligence, Oradell, New Jersey (No. 03-117A); ORC Macro, New York, New York (No. 03-117B); Resource Systems Group, Inc., White River Junction, Vermont (No. 03-117C); and TNS Intersearch Corporation, Horsham, Pennsylvania (No. 03-117D) for on-call consulting services for market research within the existing authorized amount.

NEW JERSEY TRANSIT CORPORATION
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0903-18 SELECTION OF SPECIAL COUNSEL

40925

Adoption of this Resolution will permit NJ TRANSIT to make payments to Gibbons as special counsel for legal work on NJ TRANSIT's existing portfolio of leveraged leases to help resolve issues caused by the financial crisis at a cost not to exceed \$200,000.

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 February 11, 2009, 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 February 13, 2009;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the February 11, 2009 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

Stephen Diits
Board Chairman

Richard R. Sarles
Executive Director



TO: BOARD OF DIRECTORS
 FROM: RICHARD R. SARLES *Richard R. Sarles*
 DATE: MARCH 11, 2009
 SUBJECT: EXECUTIVE DIRECTOR'S REPORT – MARCH 2009

As you know, New Jersey is set to receive federal stimulus funding. We have prepared a list of more than a dozen projects worth \$424 million that are shovel-ready now or will be in time to meet federal funding requirements, which are designed to invest in projects—fifty percent within 180 days. The projects we are advancing create and preserve jobs, build capacity, keep the system in a state of good repair and leave significant assets to future generations. On Friday, the North Jersey Metropolitan Planning Organization is scheduled to vote on many of the projects slated to move first, and the South Jersey MPO is scheduled to do the same this coming Monday. This follows a vote by the Delaware Valley Regional Planning Commission in South Jersey last week.

This week, the first two Mass Transit Tunnel contracts are being advertised. In addition, today the Board will consider approval of an item that supports completion of environmental documents and designs for several projects, including a Hudson-Bergen Light Rail interlocking project, Newark Penn Station traffic and pedestrian improvements, River LINE signal upgrades, the Lower Hack Drawbridge Rehabilitation project and the Atlantic City Line/River LINE Transfer Station.

Included in the stimulus package is a direct benefit for transit riders in the form of an enhanced pre-tax commuter pass program. Through the program, employers can offer employees the opportunity to have some of their pay withheld on a pre-tax basis to be used for transit and parking costs. Previously, the limits of the program were \$120 per month for transit and \$230 per month for parking. As of March 1, the transit limit was nearly doubled to \$230, saving people hundreds of dollars per year. Current participants can see their tax savings almost double, while employers also benefit by saving in federal payroll taxes. We encourage our customers to take advantage of the savings.

Also, we have been closely monitoring fluctuations in ridership and fare box revenue. Several factors impact ridership, including the price of gasoline, but perhaps none as important as the underlying employment picture. Contraction in the job market—especially, but not limited to, the financial services sector—is starting to have an impact on ridership. After a strong first quarter, growth has moderated in the second quarter, and in January and February we actually experienced a slight decline. Systemwide, the year-to-date ridership average is good—however, year-end results will depend on several economic variables.

The economy is having other impacts as well. This year, we began a hiring freeze, and froze salaries beginning January 1, consistent with the State. We also eliminated 140 positions through early retirement and attrition. Examples of other cuts include eliminating the toll-free number—made possible because more of our customers are getting schedule information from the web—which saved several hundred thousand dollars. All totaled, in the past couple of years we reduced operating expenses by more than \$40 million, with the majority coming from administrative reductions. A full 92 cents of every dollar goes to service delivery, with only 8 cents to administering the service—an all-time low for this agency.

As we start to prepare for an austere Fiscal Year 2010, we are continuing to find efficiencies. To control healthcare costs, we will be auditing claims to ensure coverage eligibility for dependents. The increase in the number of ticket vending machines systemwide presents an opportunity to phase out online pass sales, which are cost intensive because of the backend fulfillment. We will also be adjusting the quantity of timetables we print, in recognition of the fact that more customers are getting schedule information from the web—an expected savings of about \$800,000. I will be coming back to the board to present the FY10 budget in detail soon.

EXECUTIVE DIRECTOR'S MONTHLY REPORT MARCH 2009

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

HIGHLIGHTS

NJ TRANSIT signs funding and project agreements with key Mass Transit Tunnel partners

Last month, momentum continued to build toward construction of the Mass Transit Tunnel with the NJ TRANSIT Board approving key agreements with partner agencies on February 11.

The agreements—with Amtrak and the Port Authority of New York and New Jersey—establish frameworks to ensure coordination and efficiency during the multi-year construction phase and come just one month after the Federal Transit Administration issued a Record of Decision completing the environmental review process and clearing the project for federal funding and final design.

The agreement with the Port Authority formalizes the agency's \$3 billion investment in the project.

NJ TRANSIT's agreement with Amtrak sets forth the terms to reimburse Amtrak for support and services required, and expands passenger rail benefits from the project after construction by creating additional NY Penn Station capacity for Amtrak service when the Mass Transit Tunnel opens in 2017.

The Port Authority and NJ TRANSIT have been partners in advancing the Mass Transit Tunnel project for more than a decade. A General Project Agreement approved February 11 formalizes each agency's role and responsibilities and includes the creation of a joint project oversight team, with NJ TRANSIT continuing as the lead agency for procurement and administration of design and construction contracts.

The project will boost the regional economy during the construction phase by generating and maintaining 6,000 jobs each year through 2017 and by creating 44,000 permanent jobs thereafter.

The Mass Transit Tunnel project (also known as Access to the Region's Core), includes construction of two new single-track tunnels under the Hudson River to supplement the two century-old tracks that exist today. Because the current tunnel offers only "one track in and one track out," it has long been a chokepoint for NJ TRANSIT and Amtrak trains operating into and out of New York.

The new tunnel will allow NJ TRANSIT to double the number of trains during each peak hour—23 trains today to 48 when the tunnel opens—creating faster trips, and new one-seat (direct) rides for thousands of customers on all NJ TRANSIT commuter rail lines that now require mid-trip transfers.

Other key elements include a six-track station under 34th Street in Manhattan, connections from several rail lines and midday train storage facilities.

NJ TRANSIT aims to spark innovation and competition for tunnel contracts

On February 11, the NJ TRANSIT Board of Directors approved “innovation stipends” to encourage more firms to participate in the bid process for portions of the Mass Transit Tunnel project.

The use of Innovation Stipends—an approach encouraged by the Federal Transit Administration—helps contractors cover a portion of their expenses preparing costly bid proposals for complex design/build projects. This approach enables firms to devote the staffing and financial resources necessary to bid, resulting in greater competition in the procurement process.

By expanding the field of competition, stipends are also expected to promote participation of small and disadvantaged business enterprises, particularly as subcontractors.

The stipend enables NJ TRANSIT to retain the rights to all submissions and the agency can adapt or adopt design elements and other innovations contained within unsuccessful bids.

Tunnel construction will be divided into three contracts: one segment in New Jersey, a second under the Hudson River and a third in Manhattan.

Bids will be accepted for each of the three tunnel segments, with unsuccessful bidders receiving up to \$375,000 for their submissions. Even with a rich field of bids, stipends are expected to amount to less than two-tenths of one percent of anticipated construction costs.

The use of innovation stipends is considered a “best practice” by the Federal Transit Administration. In December, 2008, the FTA agreed that an offer of stipends would be appropriate for the Mass Transit Tunnel project.

PROJECT	BID VALUE (millions)	STIPEND AMOUNT	BIDS
Arizona I-17 Design-Build	\$79.7	\$357,000	3
Arizona State Route 51	\$75.7	\$135,000	3
Arizona US Route 60	\$79.7	\$159,485	4
S. Nevada Water Authority Lake Mead Tunnel	\$44	\$600,000	2
Colorado I-25 Road/Rail	\$1.67	\$1,000,000	2
Florida Hathaway Bridge	\$81.5	\$100,000	5
Minn. I-35 bridge	\$234	\$500,000	4
Texas SH 130	\$1,200	\$1,300,000	3
Utah I-15	\$1,300	\$950,000	3

About the Mass Transit Tunnel Team

NJ TRANSIT and the Port Authority of NY & NJ have recruited a world-class team of experts to carry the project through construction. Led by Arthur D. Silber, a 34-year veteran of transportation projects, the team is composed of leading professionals in tunnel design, geology, planning, financial analysis and project management. The team is backed by the resources of two consultant teams with global experience in engineering, design, construction and construction management of large-scale transportation and railroad infrastructure projects.

NJ TRANSIT approves new bus shelters for Bloomfield Avenue

Also on February 11, the NJ TRANSIT Board of Directors approved work on new bus shelters to enhance bus service along the busy Bloomfield Avenue corridor in the Township of Bloomfield and the City of Newark.

The Board authorized a \$1.3 million contract with Metroclean Express of Long Island City, New York, for the construction of new bus shelters, signs, lighting and site improvements at locations in Bloomfield and Newark.

The project is the first step in a major enhancement plan slated for the corridor that will be funded through federal dollars secured by U.S. Senator Robert Menendez.

Construction is expected to begin this spring, with completion anticipated by the end of the year.

Board approves NJ TRANSIT's local and community transportation program

The NJ TRANSIT Board of Directors on February 11 authorized the expenditure of \$46 million in federal and state funds to implement local transportation programs for 2009, providing critical transportation for senior citizens, persons with disabilities, economically-disadvantaged commuters and rural residents.

Each of the programs extends or complements existing NJ TRANSIT services. The programs include:

- Two federal programs called Jobs Access and Reverse Commute and New Freedom Programs, which provide operating and capital assistance for public transportation services identified in Human Services Coordinated Community Transportation Plans developed by each of the 21 counties.
- The State's Senior Citizen and Disabled Resident Transportation Assistance Program.
- A federal program to purchase vehicles and related equipment for private, non-profit agencies and designated public entities.
- A federal program to provide capital, administrative and operating assistance for public transportation services in small urban and rural areas of New Jersey.
- The Federal Rural Transit Assistance Program, which provides training and technical assistance for small transit operators.

NJ TRANSIT partners with all 21 New Jersey counties to fund local public transportation programs.

The NJ TRANSIT Board of Directors continued this effort by approving the following programs for 2009:

- \$33.0 million to operate the state-funded Senior Citizen and Disabled Resident Transportation Assistance Program.
- \$4.8 million for Section 5310 programs, which provide federal funds for the purchase of vehicles and related equipment by private, non-profit agencies and designated public entities.
- \$3.9 million for Section 5311 programs, which provide federal funds for capital, administrative and operating assistance for public transportation services in small urban and rural areas of New Jersey.
- \$96,108 in federal funding for the Rural Transit Assistance Program, which provides training and technical assistance for small transit operators receiving Section 5310 and 5311 funding.
- \$6.3 million for the Jobs Access and Reverse Commute Program, a part of the New Jersey's initiative under which counties provide public transportation services to help residents obtain convenient transportation to employment opportunities.

Below is a summary of the five programs:

New Freedom Program

This program provides funding for capital and operating expenses that support new transportation services beyond those required by the American with Disabilities Act. Approximately \$2.7 million in federal funds is available and, as a new program, the first applications from local operators are currently being solicited.

Senior Citizen and Disabled Resident Transportation Assistance Program

The state's 2009 budget contains \$33.0 million for this program. The program is funded from the Casino Revenue Tax Fund. As part of the program, 85 percent of the annual appropriation—\$28.0 million—will be distributed among New Jersey's 21 counties. The remaining 15 percent—\$4.95 million—will be allocated to NJ TRANSIT to provide technical assistance to the counties, to coordinate the program within and among the counties, and for bus and rail accessibility projects. Each year, counties transport approximately 1.8 million senior citizens and persons with disabilities as part of this program.

Section 5310 Program and Grant

Section 5310 of the Federal Transit Act provides funds for states to purchase vehicles for lease to private, non-profit agencies that provide special transit service for senior citizens and people with disabilities. The federal allocation for this program is \$3.8 million. The twenty percent (20%) required match—to be provided by NJ TRANSIT—will not exceed \$960,000.

Under the program, federal funds can be used to pay up to 80 percent of the vehicles' cost. Since NJ TRANSIT assumed administration of this program in 1979, more than 1,300 vehicles have been purchased for non-profit organizations and other public bodies throughout the state.

Applications for this program are reviewed by a committee and scored based upon specific criteria. This year, NJ TRANSIT has received more than 90 applications from private non-profit organizations, municipalities and counties seeking one or more vehicles.

Section 5311 Program and Grant

Section 5311 of the Federal Transit Act provides capital, administrative and operating assistance for public transportation services in small urban and rural areas of New Jersey. The Fiscal Year 2009-2010 program contains \$2.75 million in federal funds.

NJ TRANSIT provides half the match, which will equal \$1.2 million, with the balance of the match provided by the local operator. NJ TRANSIT will disperse the funds to 13 ongoing services and one new service scheduled to start during 2009.

Since the program's inception in 1979, NJ TRANSIT has provided half of the matching funds for all Section 5311 projects, with recipients providing the other half. Up to 15 percent of the annual federal allocation for the program can be set aside to cover NJ TRANSIT's administrative costs.

Rural Transit Assistance Program

The \$96,108 of federal funding available through the program for Fiscal Year 2009 allows NJ TRANSIT to provide training and technical assistance for all small transit operators receiving Section 5311 or Section 5310 funds.

The program allows NJ TRANSIT to continue driver training, as well as provide training and technical assistance for small transit managers, dispatchers, mechanics and other support staff members. NJ TRANSIT works closely with the National Transit Institute at Rutgers University to identify needs and provide workshops and training programs.

Jobs Access and Reverse Commute Program

This program provides federal funds for counties to make public transportation available to participants in New Jersey's Welfare to Work program. This year, \$6.3 million will be available for as many as 24 projects. The local match for this grant is split among several funding sources, including the New Jersey Department of Human Services and local providers.

Construction begins to improve Ridgewood Station

NJ TRANSIT Executive Director Richard Sarles joined Ridgewood Mayor David Pfund February 24 to break ground on a project that will make Ridgewood Station fully accessible to customers with disabilities and more convenient for all customers.

The project includes construction of two full-length, high-level platforms with elevators, canopies, stairs and lighting, as well as the addition of accessible parking spaces, curb ramps and sidewalks. Improvements will also be made to the restrooms and ticket window in the station building.

A new 710-foot-long center island platform and 640-foot-long side platform will replace the three existing low-level platforms. Canopies over each platform will be 350 feet long.

The project will bring the station into compliance with the Americans with Disabilities Act (ADA) and improve the functionality of the station, while incorporating practical and aesthetic suggestions made by Village officials.

Located on NJ TRANSIT's Main Line, Ridgewood Station serves an average of 1,573 weekday customers. The station building is owned by the Village of Ridgewood and is listed on the State and National Registers of Historic Places.

NJ TRANSIT designated Ridgewood Station as a Key Station under its Commuter Rail Accessibility Plan, which gave priority for accessibility projects to 35 key stations, based on location and usage.

In October 2008, the NJ TRANSIT Board of Directors authorized a \$24 million contract with Terminal Construction Corp. of Wood-Ridge, NJ, for the construction of the two new high-level

platforms and related improvements—creating 230 jobs as part of the project. The project is expected to be completed in 2011.

CUSTOMER AND COMMUNITY INITIATIVES

NJ TRANSIT launches online group reservation feature

Customers interested in taking advantage of NJ TRANSIT's discounted group rates now have the ability to book their trip online, thanks to a new feature activated February 11 on NJ TRANSIT's website, njtransit.com.

NJ TRANSIT provides special discounted rates on rail and light rail trips for groups of 10 or more when planned in advance. Groups save up to 25 percent off adult and children's rail Off Peak Round Trip fares and up to 13 percent off light rail fares.

The new online group trip sales feature simplifies the reservation process and makes booking a group trip more convenient. Previously, customers interested in arranging for group travel could only do so by telephone, which often resulted in the need for multiple return calls to gather information and confirm the reservation.

The online group trip sales feature is now active in the "Ticketing" section of www.njtransit.com.

In 2008, NJ TRANSIT provided nearly 300 group trips systemwide.

Web Improvements

In recent years, NJ TRANSIT has implemented a series of web enhancements to improve the flow of information to and from customers, including RSS feeds for train, bus and light rail status; a mobile website and mobile "Contact Us" feature for web-enabled mobile devices; and a computerized Lost and Found system.

NJ TRANSIT offers 'early getaway' service for Presidents' Day holiday weekend

NJ TRANSIT added extra trains for the Presidents' Day holiday, including "early getaway" rail service on Friday, February 13 for the benefit of customers leaving work early for the holiday weekend, as well as enhanced holiday service on Monday, February 16 with additional trains on select lines.

On Friday, February 13, "early getaway" rail service operated from New York Penn Station and Newark Penn Station starting at noon on the Northeast Corridor, North Jersey Coast and Morris & Essex Lines.

On Monday, February 16, trains operated on a weekend/major holiday schedule, with additional service during morning and afternoon peak periods on the Northeast Corridor, North Jersey Coast, Raritan Valley, and Port Jervis lines, and a special schedule on the Montclair-Boonton Line during the morning and afternoon peak period times between Montclair State University and New York, and between Lake Hopatcong and Hoboken.

In addition, NJ TRANSIT's Family Super Saver Fare, which allows up to two children 11 and younger to travel free with each fare-paying adult, remained in effect from 7 p.m. Friday, February 13 until 6 a.m. Tuesday, February 17.

Atlantic City Rail Line schedules changed March 1 to allow for track work

Atlantic City Rail Line timetables changed Sunday, March 1, as NJ TRANSIT begins a long-term project to replace wooden railroad ties along the line.

To minimize customer impact, work will be performed in two phases—first between Atlantic City and Hammonton, followed by a second phase between Hammonton and Cherry Hill.

During the first phase, buses will replace eight midday trains between Atlantic City and Hammonton. For each train:

- One bus will operate express between Atlantic City and Hammonton.
- One bus will provide local service between Atlantic City, Egg Harbor and Hammonton.
- One bus will provide local service between Absecon, Egg Harbor and Hammonton.

A new Atlantic City Rail Line timetable took effect March 1 showing bus departure times for affected trains and stations. In addition, customers boarding at Atlantic City, Absecon or Egg Harbor are encouraged to arrive at the station up to 15 minutes ahead of their scheduled departure to allow time for purchasing tickets on the rail platform prior to boarding the bus.

The project is expected to be completed mid- to late-summer. In all, about 64,000 ties will be replaced.

EMPLOYEE RECOGNITION

Bus operator assists family

Kudos to bus operator Martin Heraghty, who played a big role on the morning of February 10 in the safe return of an elderly man to his family.

Heraghty, a 10-year full-time operator based at the Howell Garage, had completed a No. 139 trip from PABT to Lakewood when he spotted a pedestrian on Route 9 matching the description of a missing person he had heard a few hours earlier on a commercial radio station.

Deadheading to the garage about 3:20 a.m., he stopped and asked the man if he needed assistance and offered him a ride. Old Bridge Township police met the bus at the garage and took the man home from there.

Heraghty was honored by Old Bridge officials March 9. His actions exemplify the extraordinary employees we have at NJ TRANSIT.

Bus employees receive Customer Service training

Bus Operations has been focusing on their customer service skills, with a new three-hour pilot class dubbed "People to People" that has been offered to 280 bus employees, including depot masters, regional and terminal supervisors, ticket agents, managers, and starters.

Initiated by Carol Wise, Deputy General Manager of Bus Operations, and implemented by Director of Transportation Chur Dhansew and Senior Director of Customer Service Dennis Martin, the training focuses on internal communication as a way to provide employees with customer service tools that can be used to better serve both customers and fellow employees. Training includes skills in taking ownership, listening skills, and assertive communication.

To date, classes have been held at Ferry Street in Newark and Newton Avenue in Camden. The sessions are led by Manager of Customer Service Training & Support Rebecca Peralta and Training & Support Administrators Lea Brock and Rose Sindone. The sessions will continue through April.

NJ TRANSIT employees bid farewell after outstanding careers

Twenty-two NJ TRANSIT employees retired in February with careers ranging from 15 to 35 years of service:

1. Joseph J. Sullivan (Cherry Hill) Bus Operator, Washington Township – 35 years
2. Thomas Paulsen (Teaneck) Maintenance, Big Tree Garage – 34 years
3. James P. Redeker (Union) VP Tech. Service, Penn Plaza – 30 years
4. Tommy Vidal (Forked River) Lead Tech., Newark Light Rail – 29 years
5. Elizabeth Colon (Newark) Bus Operator, Big Tree Garage – 28 years
6. Patricia A. McGuire (Springfield) TIC Agent, General Office Building – 27 years
7. Sylvester C. Pitt (Newark) Bus Operator, Ironbound Garage – 27 years
8. Wayne F. Wheeler (North Plainfield) Mechanic "A," CMF – 27 years
9. Monica J. Kaczor (Harrison) Accountant, General Office Building – 25 years
10. Edward Cecchi (Bayonne) Bus Operator, Meadowlands Garage – 24 years
11. Makye Lee (Lanoka Harbor) Cleaner, Howell Garage – 24 years
12. Margaret Barno (East Orange) Bus Operator, Oradell Garage – 21 years
13. Keith Duncan (Orange) Bus Repairmen, Orange Garage – 21 years
14. Anthony J. Muttillio (Barnegat) Bus Operator, Atlantic City Terminal – 20 years
15. John F. Miller (Newark) Bus Operator, Hilton Garage – 18 years
16. Maria M. Acosta (Newark) Bus Operator, Fairview Garage – 17 years
17. Richard Carlino (Brick) Bus Operator, Howell Garage – 17 years
18. Derrick Jackson (Irvington) Bus Operator, Orange Garage – 17 years
19. Juan A. Rodriguez (Montclair) Bus Operator, Wayne Garage – 17 years
20. Ramon A. Francisco (River Edge) Ticket Agent, PABT – 16 years
21. Wilfredo Gonzalez (Jersey City) Bus Operator, Ironbound Garage – 16 years
22. William D. Forchion (Sicklerville) Bus Operator, Washington Township – 15 years

DBE/MBE PROGRAM

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

\$25,242,907 in federal funds were awarded during October through February of FY 09.* Disadvantaged Business Enterprises (DBEs) were awarded \$4,510,927 or 17.9 percent, which includes both race conscious and race neutral awards.

State Funded Contracts

\$85,760,980 in state-funded contract dollars were awarded during July through February FY 09. ** Of that total, Small Business Enterprises (SBEs) received \$16,154,449 or 18.8 percent. Category 1 SBEs received \$65,000 or 0.07 percent. Category 2 SBEs received \$2,467,543 or 2.9 percent. Category 3 SBEs received \$3,352,214 or 3.9 percent. Category 4 SBEs received \$0.00 or 0.0 percent. Category 5 SBEs received \$10,269,692 or 12 percent. ***

Federal & State Contracts Total

\$111,003,887 in federal and state contract dollars were awarded by NJ TRANSIT during this reporting period. Of that total, \$20,665,376 or 18.6 percent of federal and state contract dollars was won by DBEs and SBEs.

*Fiscal year beginning October 1, 2008

**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

(Contract No. RFP07-062 for the purchase of Dual Powered Locomotives in the amount of \$262,279,017.83 was not included because it is a TVM contract for which goals are not applicable.)

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THROUGH FEBRUARY 09)***

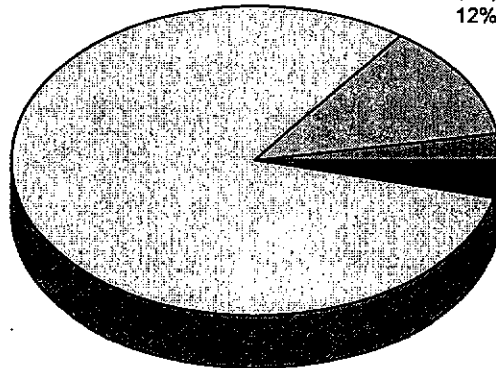
NON-DBE
FEDERAL
\$20,731,980
82.1%



DBE RACE
NEUTRAL & RACE
CONSCIOUS
\$4,501,927
17.9%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THROUGH FEBRUARY 09)****

NON-SBE STATE
\$69,606,531
81.2%



SBE-5
\$10,269,692
12%

SBE-2
\$2,467,543
2.9%

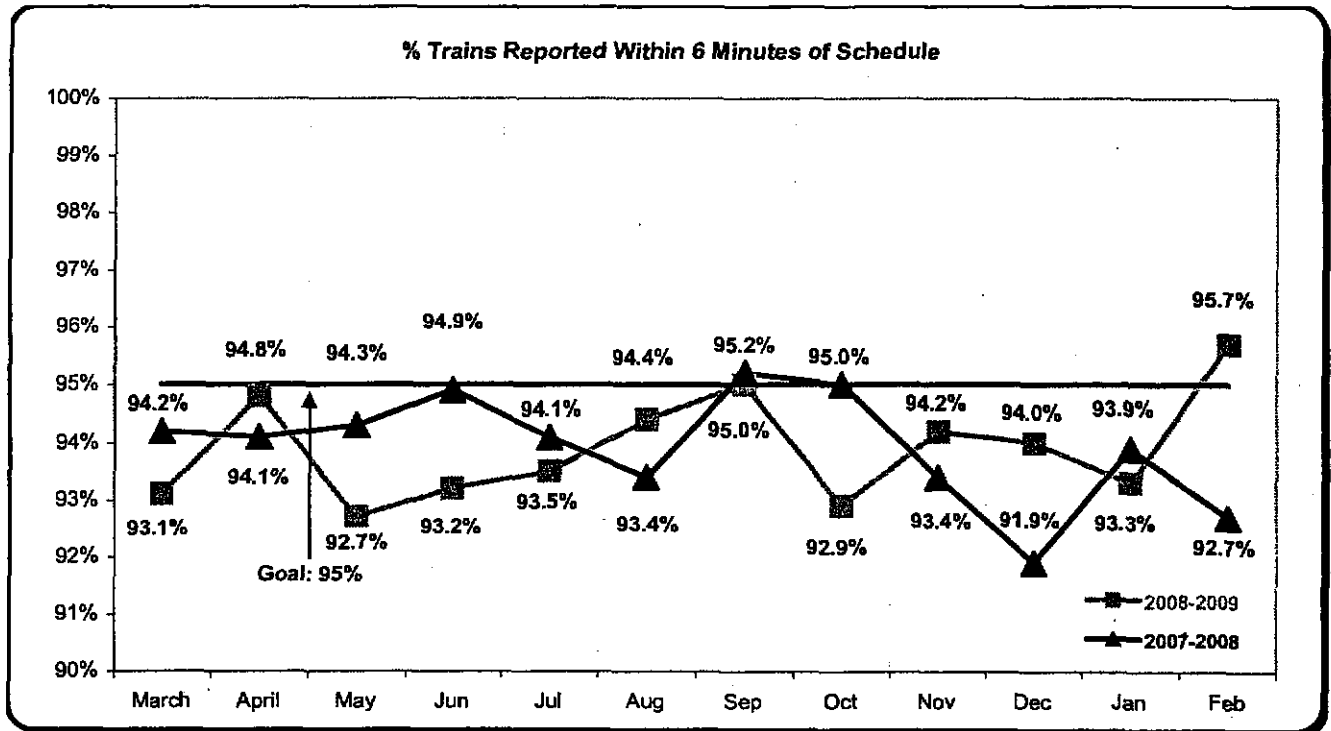
SBE-1
\$65,000
0.07%

SBE-3
\$3,352,214
3.9%

Fiscal Year Beginning October 1, 2008*
Fiscal Year Beginning July 1, 2008**
(This report covers contracts above \$29,000)

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL MARCH 2007 - FEBRUARY 2009



	2008	2009	# Change
February Comparison	92.7%	95.7%	3.0%

	2007-2008	2008-2009	# Change
12-Month Average March - February	93.9%	93.9%	0.0%

Analysis:

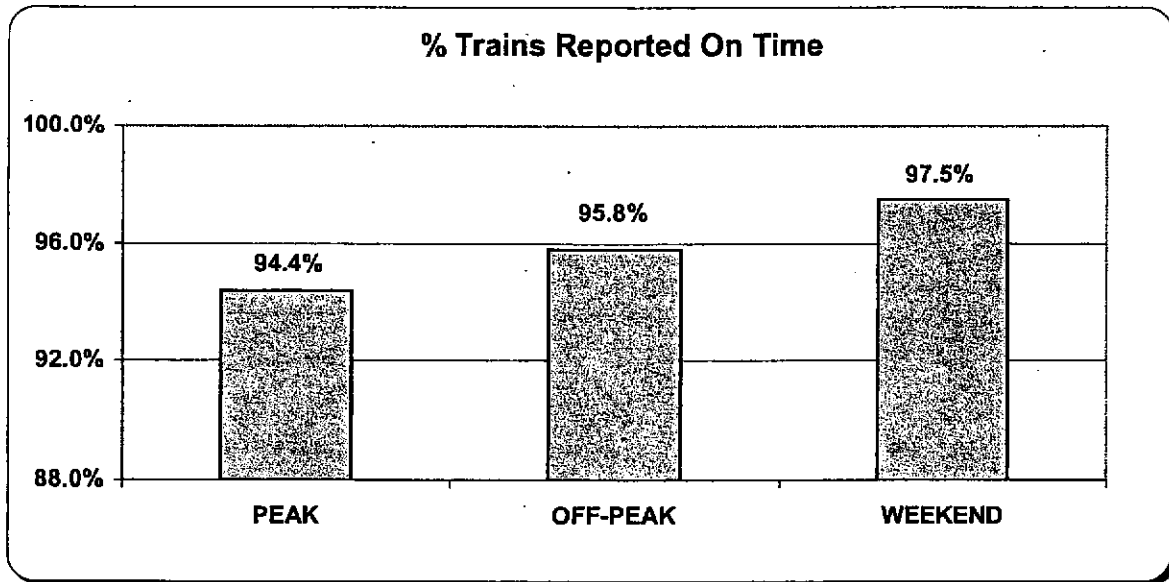
Rail On-Time Performance was 95.7% for February 2009. Of the 17,357 trains that were scheduled to operate, 16,610 were on time, while 747 trains (or 4.3%) were delayed. Key causes of delay included:

- A disabled Amtrak train outside Newark Penn Station and weather conditions on 2/12.
- Equipment problems on a MidTown Direct train on 2/23.
- Amtrak switch failure in New York Penn Station on 2/24.

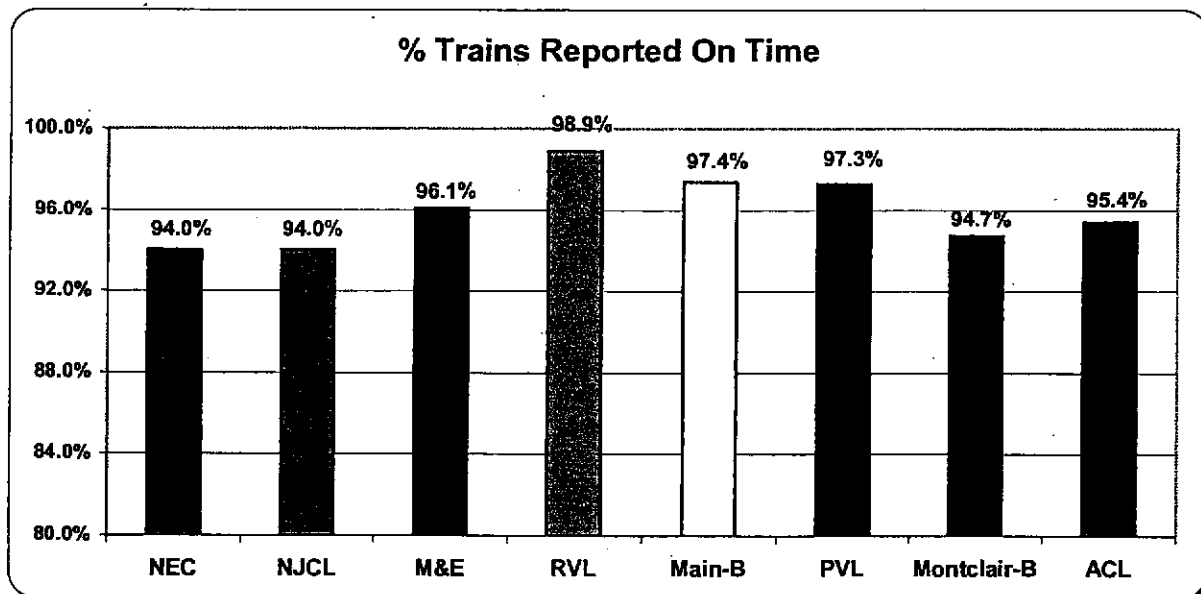
The 12-month average for Rail On-Time Performance for March 2008 - February 2009 was 93.9%.

ON-TIME PERFORMANCE RAIL

SUMMARY BY TIME PERIOD FEBRUARY 2009



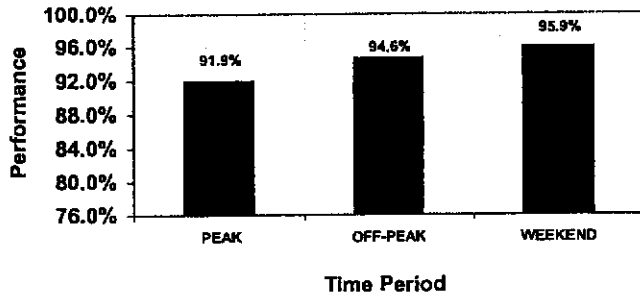
SUMMARY BY LINE FEBRUARY 2009



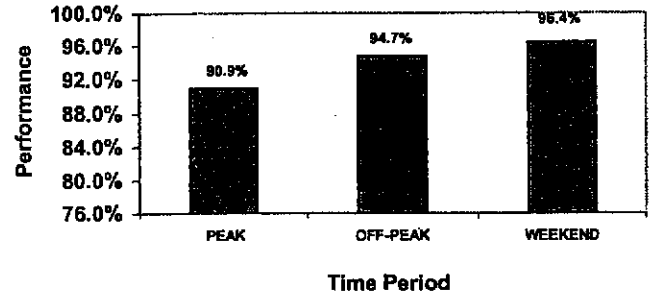
ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD FEBRUARY 2009

40899

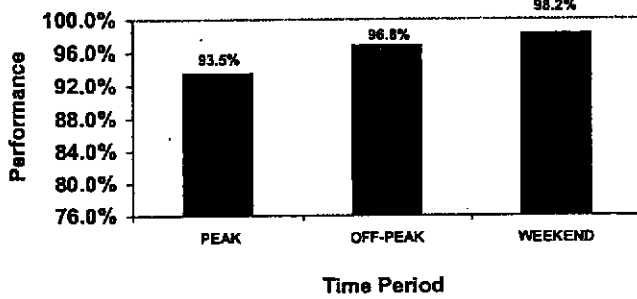
NORTHEAST CORRIDOR



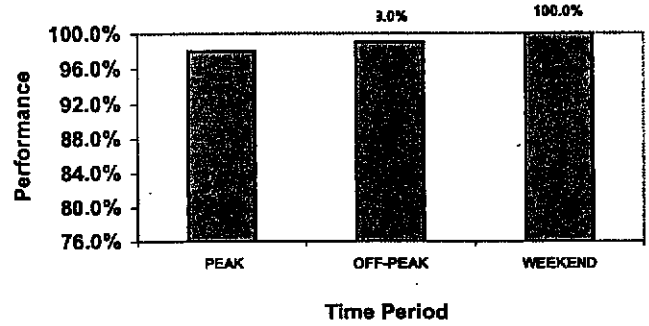
NORTH JERSEY COAST LINE



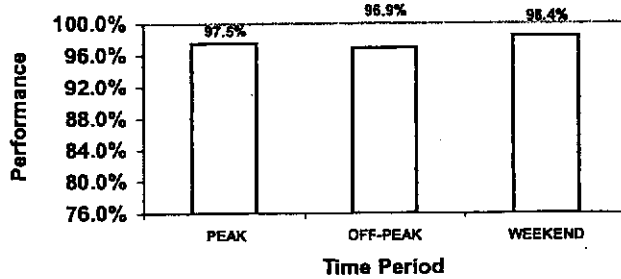
MORRIS & ESSEX



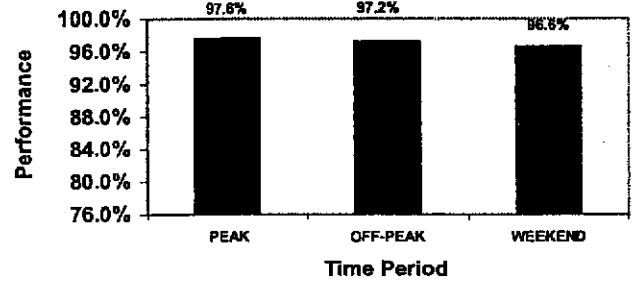
RARITAN VALLEY LINE



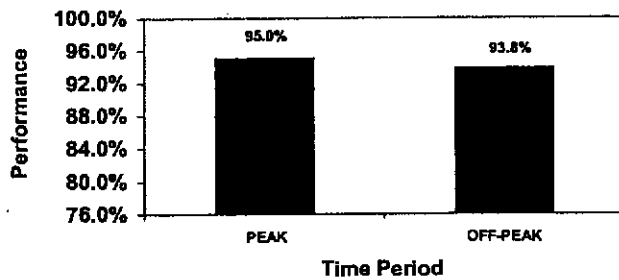
MAIN-BERGEN



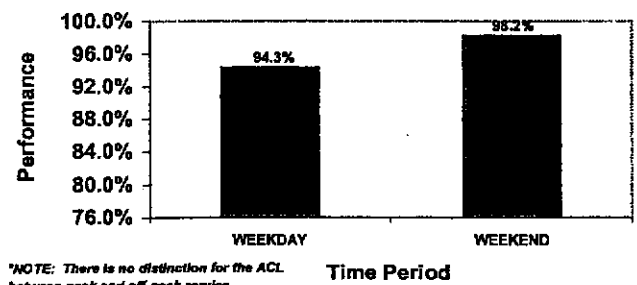
PASCACK VALLEY



MONTCLAIR-BOONTON

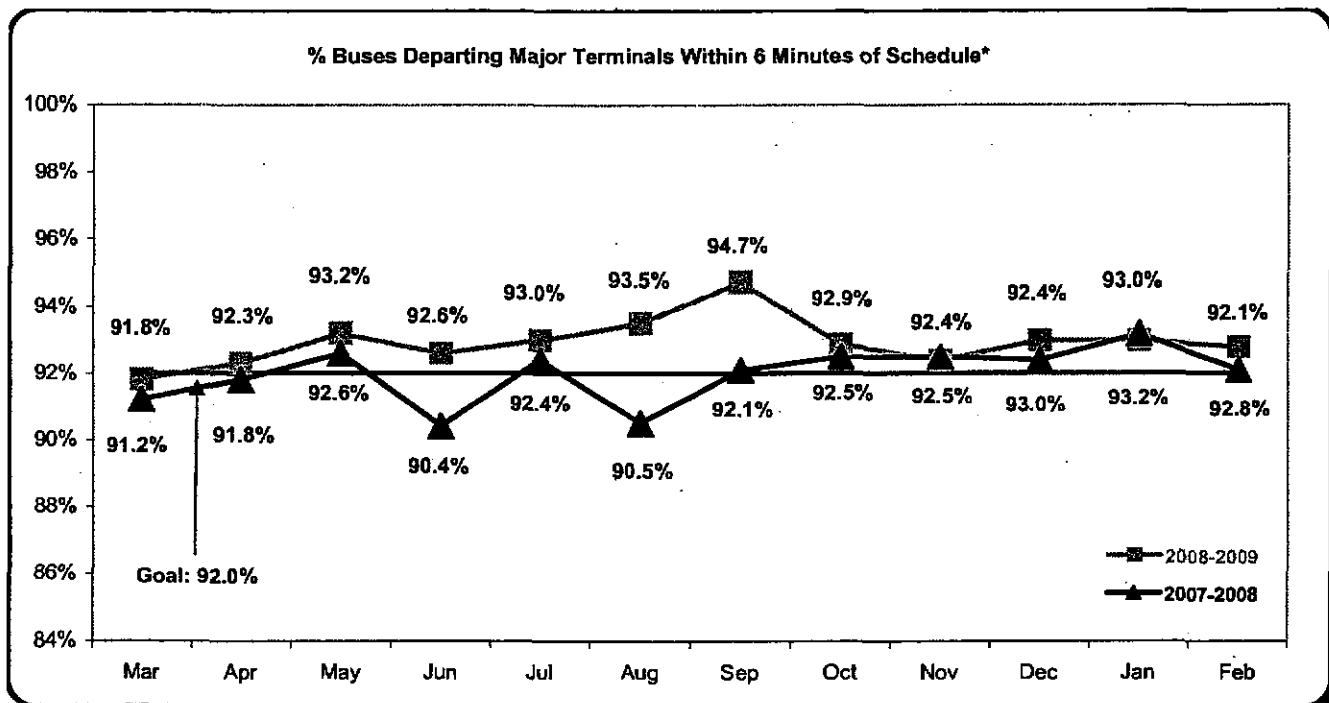


ATLANTIC CITY*



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

NJ TRANSIT ON-TIME PERFORMANCE BUS MARCH 2007 - FEBRUARY 2009



*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.

	2008	2009	% Change
February Comparison	92.1%	92.8%	0.7%
12-Month Average March - February	92.0%	92.9%	1.0%

Analysis:

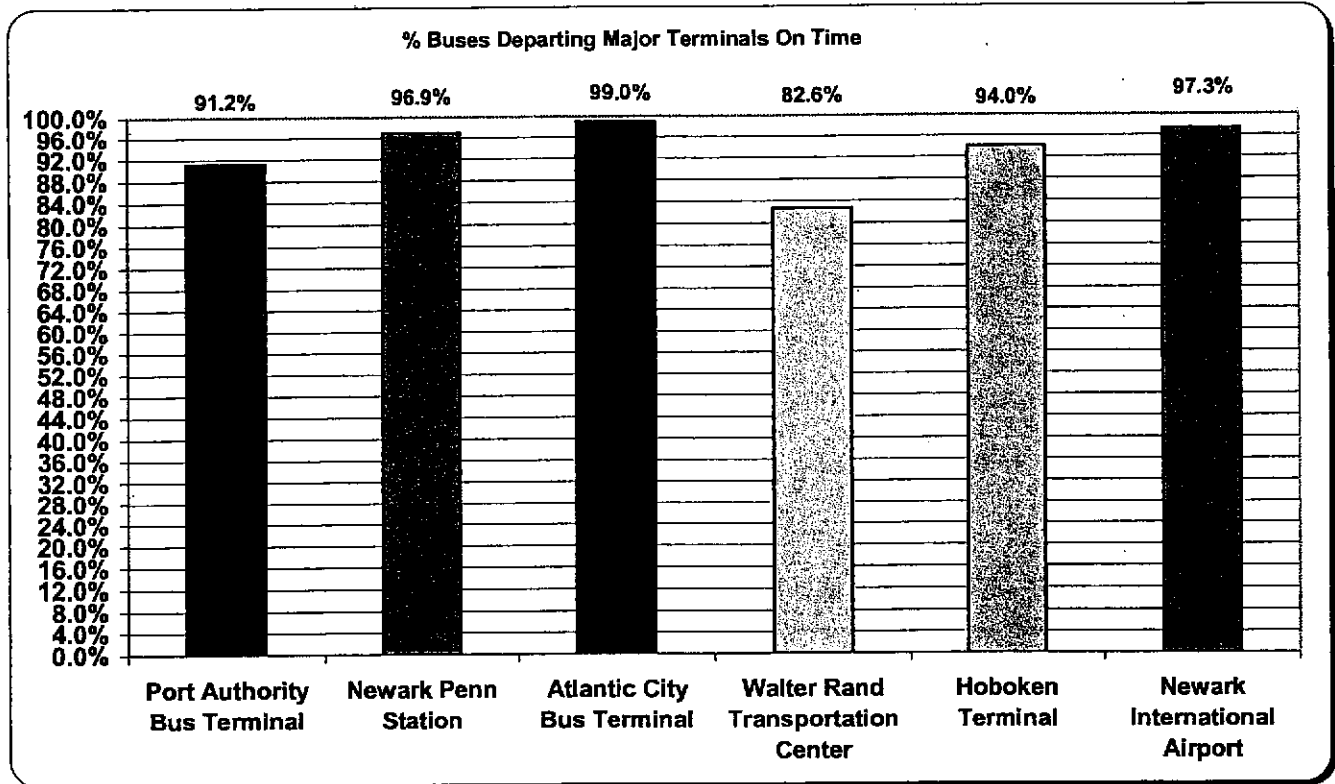
Bus On-Time Performance was 92.8% for February 2009. Of the 31,932 monitored departures, 2,300 (or 7.2%) experienced delays. Key causes of delay included:

- Equipment breakdown and an accident on the George Washington Bridge delayed buses to and from George Washington Bridge Bus Terminal on 2/17.
- Equipment breakdown impacted Atlantic City Terminal buses on 2/18.
- Police activity and heavy traffic in Philadelphia delayed Walter Rand buses on 2/5.
- Emergency utility work on Paterson Plank Road impacted Hoboken Terminal buses on 2/17.

The 12-month average for Bus On-Time Performance for March 2008 - February 2009 was 92.9%.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL FEBRUARY 2009

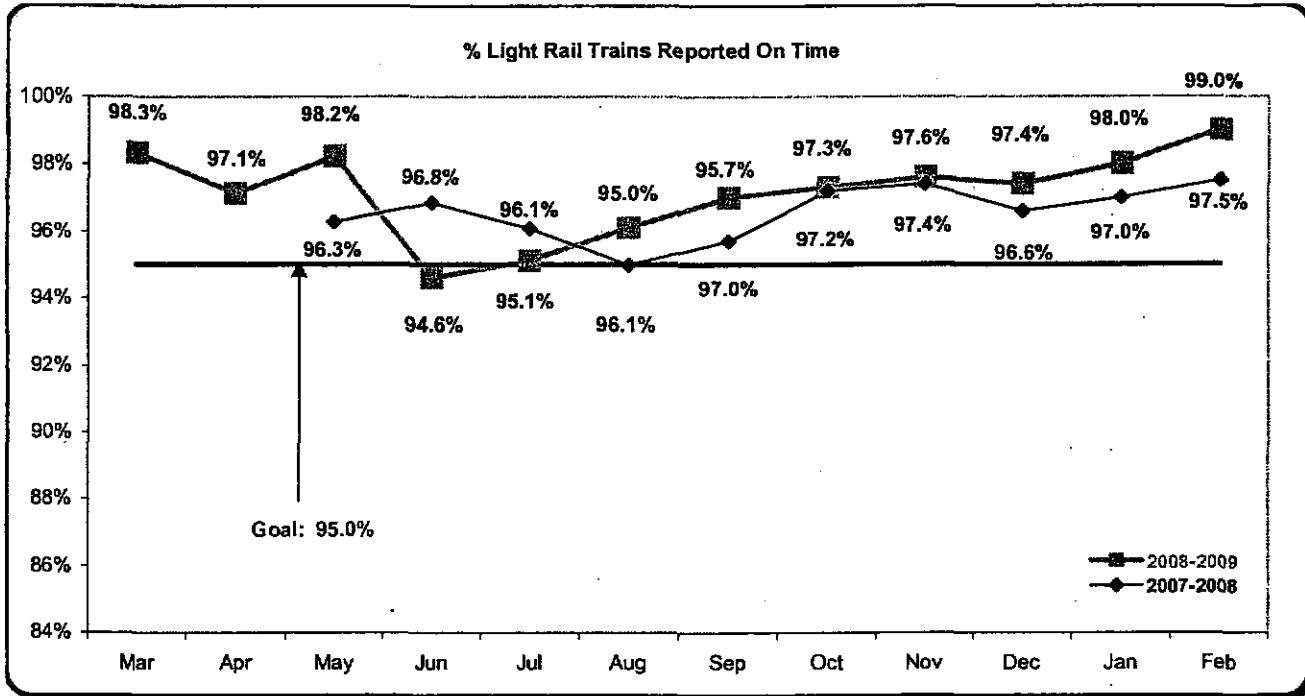


NJ TRANSIT

ON-TIME PERFORMANCE

LIGHT RAIL - SYSTEMWIDE

MAY 2007- FEBRUARY 2009



*Note: Starting May 2007

	2008	2009	# Change
February Comparison	97.5%	99.0%	1.5%

	2007-2008	2008-2009	# Change
12-Month Average March - February	NA	97.1%	NA

Analysis:

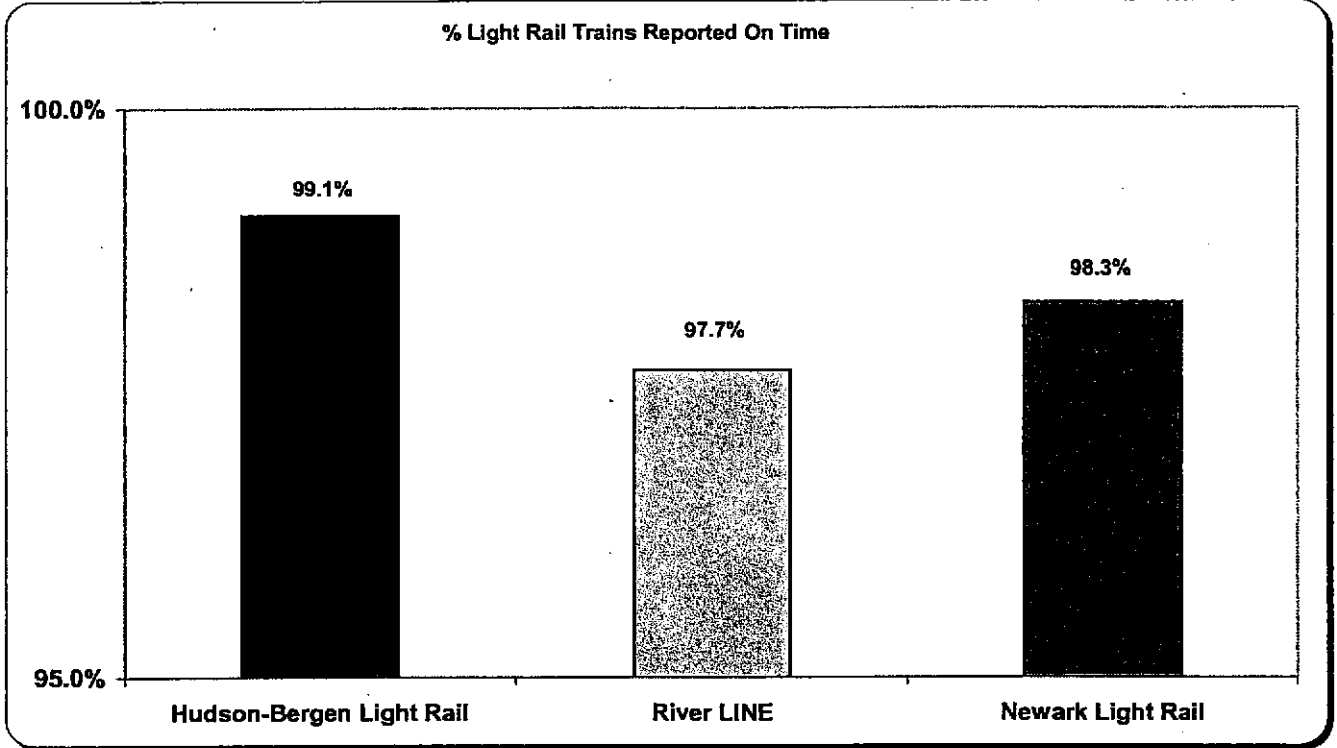
Light Rail On-Time Performance systemwide was 99% for the month of February 2009. Of the 28,622 scheduled trains, 385 (or 1%) experienced delays. Key causes of delay included:

- Signal failure and Fire Department activity in Jersey City delayed HBLR trains on 2/12 and 2/19, respectively.
- Auto on track on 2/14, auto/LRV incident on 2/15 and equipment failure on 2/21 delayed River LINE trains.
- Newark Light Rail trains were delayed on 2/8 by switch failure at Broad Street.

The 12-month average for Light Rail On-Time Performance for March 2008 - February 2009 was 97.1%.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE FEBRUARY 2009



ACTION ITEMS

**ITEM 0903-12: PORT AUTHORITY BUS TERMINAL CUSTOMER
COMMUNICATION UPGRADES: CONSTRUCTION CONTRACT
AWARD**

BENEFITS

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

This project includes a package of customer information upgrades that will improve the customer experience at PABT. The project will result in:

- **Faster ticketing** by providing network connections to more Ticket Vending Machines, allowing for faster processing of credit and debit transactions, as well as installation of eight new machines.
- **Real-time travel information** through the installation of new variable message signs to show departures.
- **Improved PA announcements** by modifying the existing PABT public address system to allow for automated announcements regarding bus departures that can be targeted to designated NJ TRANSIT passenger areas.
- **Improved operations** through the installation of new networked closed-circuit cameras at bus platforms and waiting areas, and through a wireless communications system to allow Bus Operations staff to coordinate gate information.
- **Enhanced security** through the use of CCTV and new card access systems.

PURPOSE

The award of this contract will authorize the construction of upgrades to the existing control center at the PABT to improve customer service information and to provide more efficient bus operations.

ACTION (Justification: Customer Service; Operating Efficiencies)

Staff seeks authorization to contract (No. 09-049X) with Daidone Electric of Newark, New Jersey, for the construction of the Customer Communication Upgrades Project at the Port Authority Bus Terminal located in New York City, at a cost not to exceed \$2,898,000, plus five percent for contingencies, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization: \$ 2,898,000 + 5% contingency

Total Project Cost: \$ 5,160,000

Projected Date of Completion: December 2009

Anticipated Source of Funds: Transportation Trust Fund

Diversity Goal: 20% SBE

***NJ Build* Amount:** \$ 14,490

Related/Future Authorizations: None

**Impacts on Subsequent
Operating Budgets:** \$ 132,000 annually

RESOLUTION

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

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

WHEREAS, NJ TRANSIT has identified a package of communication improvements to the PABT that will enhance the customer experience and overall bus operations; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Daidone Electric was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract (No. 09-049X) with Daidone Electric of Newark, New Jersey, for the construction of the Customer Communication Upgrades Project at the Port Authority Bus Terminal located in New York City, at a cost not to exceed \$2,898,000, plus five percent for contingencies, subject to the availability of funds.

**ITEM 0903-13: SOMERVILLE STATION ACCESSIBILITY IMPROVEMENTS:
CONSTRUCTION CONTRACT AWARD**

BENEFITS

The replacement of the existing low-level platforms with new high-level platforms at the Somerville Station on NJ TRANSIT's Raritan Valley Line will enhance customer access to trains. Somerville Station serves approximately 1500 weekday passenger trips. These upgrades will make the station fully accessible for all customers in compliance with the Americans with Disabilities Acts (ADA). Somerville Station is one of NJ TRANSIT's 35 designated stations in the Key Station Plan.

PURPOSE

This contract will authorize construction of two 710-foot-long high-level platforms with canopies, heated and air-conditioned inbound waiting room with ticket agent office and restrooms, associated stairs, ramps, elevators, and heated platform shelters and windscreens; the rehabilitation of the pedestrian tunnel; and the installation of passenger communication system, CCTVs, and video message signs.

ACTION (Justification: Customer Accessibility)

Staff seeks authorization to contract (No. 09-043X) with Terminal Construction Corporation of Wood-Ridge, New Jersey, for the construction of two new high-level platforms and associated elements at Somerville Station on the Raritan Valley Line at a cost not to exceed \$15,273,000, plus five percent for contingencies, subject to the availability of funds.

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

FISCAL IMPACTS:

Requested Authorization: \$ 15,273,000 + 5% contingency

Total Project Cost: \$ 26,114,000

Projected Date of Completion: December 2010

Anticipated Source of Funds: Transportation Trust Fund

Diversity Goal: 20% SBE

NJ Build Amount: \$76,365

Related Future Authorizations: None

**Impacts on Subsequent
Operating Budgets:**

\$ 105,000 annually

RESOLUTION

WHEREAS, NJ TRANSIT seeks to enhance the capacity and accessibility of its facilities and services; and

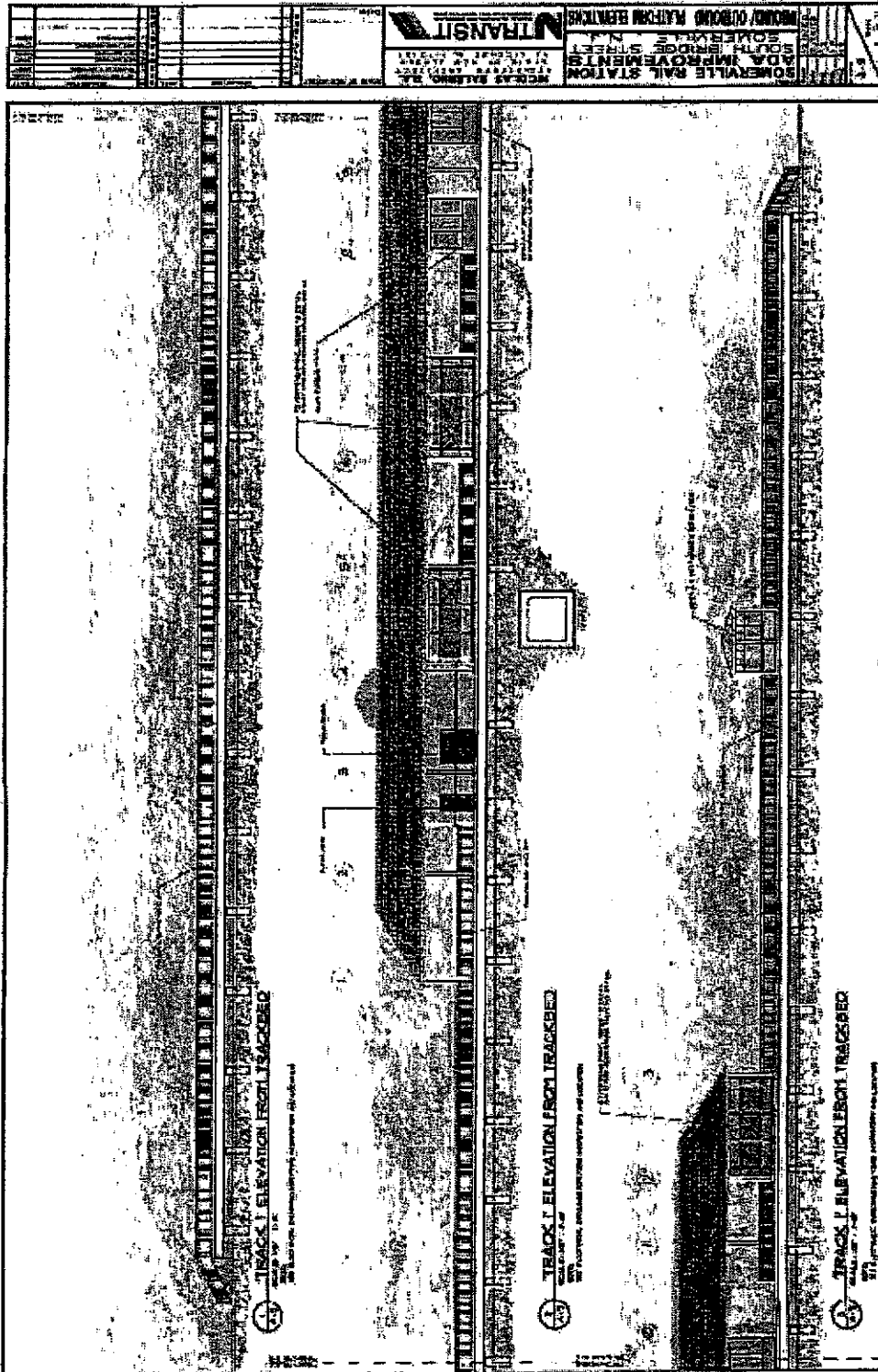
WHEREAS, the replacement of the existing low-level platforms with new high-level platforms at the Somerville Station on NJ TRANSIT's Raritan Valley Line will enhance customer access to trains; and

WHEREAS, Somerville Station is one of NJ TRANSIT's 35 designated stations under the Key Station Plan; and

WHEREAS, the project includes construction of two 710-foot-long high-level platforms with canopies, heated and air-conditioned inbound waiting room with ticket agent office and restrooms, associated stairs, ramps, elevators, and heated platform shelters and windscreens; the rehabilitation of the pedestrian tunnel; and the installation of passenger communication system, CCTVs, and video message signs; and

WHEREAS, upon completion of a competitive procurement process, it was determined that Terminal Construction Corporation was the lowest responsive, responsible bidder;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman or Executive Director is authorized to contract (No. 09-043X) with Terminal Construction Corporation of Wood-Ridge, New Jersey, for the construction of two new high-level platforms and associated elements at Somerville Station on the Raritan Valley Line at a cost not to exceed \$15,273,000, plus five percent for contingencies, subject to the availability of funds.



**ITEM 0903-14: AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
PROJECTS: CONTRACT AMENDMENTS FOR TASK ORDER
CONSULTANTS**

BENEFITS

The U.S. Congress passed and President Obama signed the American Recovery and Reinvestment Act (ARRA) of 2009 in support of the Administration's economic recovery plan. The goals of this legislation are to strengthen the economy now and invest in the country's future. Its passage provides new funding for transportation, which became available immediately upon enactment. The legislation also supports Governor Corzine's intention to use capital projects to increase employment and stimulate the local economy.

The goal of this legislation is to preserve or create jobs as quickly as possible and the funds will be used for projects that can be initiated in the legislated timeframe. Fifty percent of the funding must be obligated within 180 days and the remaining funds within one year of the effective date. NJ TRANSIT has identified projects that are eligible for this stimulus funding – projects that have already received the necessary environmental approval or which are exempt from environmental review. Projects that are close to receiving environmental approval have also been identified for inclusion on the list of projects that will be funded through the stimulus legislation.

PURPOSE

The requested authorizations will provide the necessary consultant support to complete the required environmental documentation for the National Environmental Policy Act (NEPA) reviews by the Federal Transit Administration (FTA) which are required for federal funding and to advance the design so that the anticipated funds can be obligated.

Task Order Consultant contracts were originally awarded after a competitive procurement process and comprised seven specialty areas. Three firms were selected for General Site Planning Services contracts, three firms were selected for Environmental Engineering Services contracts, and four firms were selected for Architecture and Engineering Design Services contracts. A maximum value of \$23,000,000 was authorized for the entire Task Order Consultant program, with each contract limited to a maximum value of \$5,000,000.

Authorization of this action will increase the overall authorized amount of the Task Order Contracts.

ACTION

Staff seeks authorization to award specific Task Order Consultant tasks (Contract No. 06-030 – General Site Planning Services, Contract No. 06-062 – Architecture and

Environmental Design Services and Contract No. 06-064 – Environmental Engineering Services) to complete the environmental documentation and design at a cost not to exceed \$900,000, for a total authorization of \$23,900,000, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization:

Task Order Contracts	This Authorization	\$ 900,000
	Total Authorization	\$ 23,900,000

Total Project Cost: NA

Projected Date of Completion: December 2009

Anticipated Source of Funds: Federal Transit Administration
Transportation Trust Fund

Diversity Goal: 25% DBE/SBE

NJ Build Amount: NA

Future Related Authorizations: Construction, Construction Assistance and
Construction Management for individual projects

**Impact on Subsequent
Operating Budgets:** NA

RESOLUTION

WHEREAS, the American Recovery and Reinvestment Act of 2009 (ARRA) was passed by the U.S. Congress and signed into law by President Obama in support of the Administration's economic recovery plan; and

WHEREAS, the passage of this legislation provides additional funding for transit capital improvements in the State of New Jersey; and

WHEREAS, the legislation requires that 50 percent of the funds be obligated within 180 days while the remaining 50 percent be obligated within one year of the effective date; and

WHEREAS, NJ TRANSIT has identified projects that already received the necessary environmental approval or which are exempt from environmental review and are eligible for stimulus funding; and

WHEREAS, NJ TRANSIT has identified additional projects for inclusion on the list of projects that will be funded through the stimulus legislation but which require additional environmental analysis and documentation to complete the environmental process; and

WHEREAS, the use of the current Task Order Consultant contracts will provide the necessary consultant support to complete the required environmental documentation for the National Environmental Policy Act (NEPA) reviews by the Federal Transit Administration (FTA) which are required for federal funding and to advance the design so that the anticipated funds can be obligated; and

WHEREAS, Task Order Consultants were previously selected through a competitive procurement process;

NOW THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to award specific Task Order Consultant tasks (Contract No. 06-030 – General Site Planning Services, Contract No. 06-062 – Architecture and Engineering Design Services and Contract No. 06-064 – Environmental Engineering Services) to complete the environmental documentation and design at a cost not to exceed \$900,000, for a total authorization of \$23,900,000, subject to the availability of funds.

ITEM 0903-15: MAINFRAME COMPUTER UPGRADE**BENEFITS**

In support of NJ TRANSIT's objective to maintain a state of good repair, an upgrade to NJ TRANSIT's mainframe computer located in NJ TRANSIT's data center in Newark and the backup computer located in Maplewood is recommended.

PURPOSE

NJ TRANSIT utilizes IBM mainframe technology to support applications such as Revenue, Capital Project Accounting, Payroll, Bus Vehicle Maintenance, Procurement and Materials Management. Capacity on the current mainframe reaches 10 percent during morning and afternoon peak periods, which results in performance degradation for all mainframe systems during these times. In addition, maintenance support for the hardware and operating system will no longer be available from the manufacturer after this calendar year. Through existing maintenance contracts, staff has negotiated limited time and materials support through the end of this fiscal year; however, an upgrade to the supported equipment is required to maintain system availability and service.

Consistent with industry practice, upgrades to the mainframe have historically been performed every four to five years. Staff is recommending an upgrade to one of the smaller capacity models, since our technology plan will result in the replacement of the systems running on the mainframe. This model is planned to have a five-year useful life and is upgradeable if our strategy changes.

Included in this authorization is an upgrade to the backup and recovery computer in Maplewood, which requires a consistent environment to insure that key systems can be recovered in the event of a failure within the data center in Newark. The Maplewood upgrade will be slightly smaller in capacity than our prime system in Newark. Also included are necessary installation, consulting and training services to insure a seamless cutover towards the end of this fiscal year.

ACTION (Justification: Customer Service & State Of Good Repair)

Staff seeks authorization to contract with Mainline Computer Systems of Tallahassee, Florida to provide equipment, software, services and three years of warranty to upgrade NJ TRANSIT's mainframe computers at a cost not to exceed \$1,500,000, subject to the availability of funds.

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

FISCAL IMPACTS

Requested Authorization: \$1,500,000

Total Project Cost:	\$1,500,000
Projected Date of Completion:	June 30, 2009
Anticipated Source of Funds:	TTF
<i>NJ Build</i> Amount:	None
Diversity Goals:	None
Relate/Future Authorization:	None
Impacts of Subsequent Operating Budgets:	None

RESOLUTION

WHEREAS, NJ TRANSIT's core business systems will only run on a mainframe and the strategy calls for supporting this platform for the next five years; and

WHEREAS, the current mainframe hits 100 percent of capacity during peak hours; and

WHEREAS, the support for the current platform will expire at the end of this calendar year;

NOW, THEREFORE, BE IT RESOLVED Staff seeks authorization to contract with Mainline Computer Systems of Tallahassee, Florida to provide equipment, software, services and three years of warranty to upgrade NJ TRANSIT's mainframe computers at a cost not to exceed \$1,500,000, subject to the availability of funds.

CONSENT CALENDAR

**ITEM 0903-16: MASTER AGREEMENT FOR WIRELESS COMMUNICATIONS
SITE LICENSES**

BENEFITS

Enabling wireless communications companies to license from NJ TRANSIT various parcels of NJ TRANSIT's land and/or space on NJ TRANSIT's existing wireless communications towers improves wireless communications services for the traveling public and increases non-farebox revenue. Pursuant to a 10-year master agreement that the Board approved in 1996, NJ TRANSIT has executed licenses with Sprint/Nextel, T-Mobile (Omnipoint) and Verizon Wireless for eight cell tower sites, generating \$864,000 in revenue to NJ TRANSIT through January 31, 2009. Approval of this Board item will enable NJ TRANSIT to license and re-license cell tower sites under an updated master agreement that establishes a higher fee schedule. The new fee schedule could generate up to \$72,000 in annual net revenue per site per carrier. Board authorization for a master agreement that addresses the basic terms and conditions for all licenses for individual sites will reduce the time required to execute future licenses for specific sites. With pre-approved license terms and conditions, staff can reduce license-execution cycle time by focusing on site-specific conditions. Preparation of a master agreement will enhance the desirability of NJ TRANSIT as a licensor of cell sites with which it is easy to conduct business.

PURPOSE

NJ TRANSIT desires to improve services available to the traveling public, to enhance communications systems within the State of New Jersey, and to augment its revenues by making NJ TRANSIT property available for wireless communications infrastructure consistent with other public uses of its property.

To benefit from the competitive marketplace for wireless communications services, NJ TRANSIT offers a master agreement to wireless communications carriers that desire to enhance their networks by licensing specific parcels or tower sites from NJ TRANSIT. Pursuant to the master agreement, a carrier may license a site or sites for the construction, installation, operation and maintenance of radio-frequency transmitting and receiving equipment, including communications tower antennas, equipment, backup generators, buildings, fencing and other accessories, and electric, electronic and telephone transmission lines.

The term of the proposed, updated master agreement is five years. The five-year term means that wireless communications companies enjoy a five-year "window" within which to execute a license for a site or sites under the terms and conditions of the master agreement. The term of an individual site license is five years; the licensee has the option to renew for three consecutive five-year periods. Prior to the expiration of the proposed master agreement, staff will review its efficacy and return to the Board for approval of a revised master agreement.

ACTION (Justification: Cost Savings)

Authorize the Chairman or Executive Director to execute a master agreement with AT&T, Sprint/Nextel, T-Mobile, Verizon Wireless and other carriers or entities pursuant to which NJ TRANSIT will execute individual licenses for wireless communications sites.

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

FISCAL IMPACTS

Requested Authorization: Authorize the Chairman or Executive Director to execute a master agreement with AT&T, Sprint/Nextel, T-Mobile, Verizon Wireless and other carriers or entities pursuant to which NJ TRANSIT will execute individual licenses for wireless communications sites.

Total Project Cost: N/A

Projected Date of Completion: N/A

Anticipated Source of Funds: N/A

Diversity Goal: N/A

NJ Build Amount N/A

Related/Future Authorizations: Prior to the expiration of the proposed five-year master agreement, staff will propose for Board action an updated master agreement with revised terms and conditions, including new fees.

Impacts on Subsequent Operating Budgets N/A

RESOLUTION

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

WHEREAS, NJ TRANSIT actively seeks to license real property, its plant and equipment to other parties for the financial benefit of NJ TRANSIT's commuter transportation operations; and

WHEREAS, wireless communications carriers that seek to expand their network coverage by locating equipment on existing NJ TRANSIT towers and by installing equipment on new sites from time to time request permission from NJ TRANSIT to do so;

WHEREAS, NJ TRANSIT wishes to promote, and respond to, carrier requests with a pre-approved set of terms and conditions, including fees, for the use of NJ TRANSIT's property and equipment by wireless communications carriers that will facilitate and expedite the process of licensing such use,

NOW, THEREFORE, BE IT RESOLVED, the Chairman or Executive Director is authorized to execute a master agreement with AT&T, Sprint/Nextel, T-Mobile, Verizon Wireless and other carriers or entities pursuant to which NJ TRANSIT will execute individual licenses for wireless communications sites.

ITEM 0903-17: EXTENSION OF TIME AUTHORIZATION FOR MARKET RESEARCH CONSULTING SERVICES

BENEFITS

Obtaining customer reactions to current and new services and products ensures that NJ TRANSIT is focused on the issues that drive essential system improvements. In addition, collecting information about customers' travel patterns and needs enables NJ TRANSIT to adjust existing services and to plan effectively to attract more riders. Maintaining up-to-date origin and destination data is a requirement for receiving federal funding for certain projects. On-call customer satisfaction and new product research consultants provide an economical and responsive means of capturing customer feedback.

Potential research projects include but are not limited to:

- A second phase of data collection to support the Bergen-Passaic bus study
- Conjoint study in support of New Brunswick BRT
- Additional research in support of Access to the Region's Core
- Research to update NJ TRANSIT's travel demand model
- Bus surveys on the Route 9 and 18 corridor in Jersey City
- Focus group research as necessary

PURPOSE

Authorization of this contract time extension will enable staff to utilize the on-call consultants for planned work efforts as well as for emerging needs. This will be the final authorization for these consultant services contracts.

ACTION (Justification: Customer Service and Operating Efficiency)

Staff seeks authorization to extend for an additional seven-month period until October 2009 four existing professional services contracts with TechnoMetrica Market Intelligence, Oradell, New Jersey (No. 03-117A); ORC Macro, New York, New York (No. 03-117B); Resource Systems Group, Inc., White River Junction, Vermont (No. 03-117C); and TNS Intersearch Corporation, Horsham, Pennsylvania (No. 03-117D) for on-call consulting services for market research within the existing authorized amount.

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

FISCAL IMPACTS

Requested Authorization: Seven-month time extension

Total Project Cost: \$ 2,050,000

Projected Date of Completion: October 2009

Anticipated Source of Funds: Dependent on project task:
Federal Transit Administration
Transportation Trust Fund
Operating

Diversity Goal: 20% DBE

***NJ Build* Amount:** NA

Related/Future Authorizations: NA

**Impact on Subsequent
Operating Budgets:** None

RESOLUTION

WHEREAS, NJ TRANSIT has an on-going need for consulting services in the areas of customer satisfaction research, new product testing, and origin and destination studies; and

WHEREAS, consultant engagements will provide valuable information to ensure that NJ TRANSIT is focused on the issues that drive customer satisfaction; and

WHEREAS, TechnoMetrica Market Intelligence, ORC Macro, Resource Systems Group, Inc., and TNS Intersearch Corporation were previously selected through a competitive procurement process to provide on-call consulting services for market research;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to extend for an additional seven-month period until October 2009 four existing professional services contracts with TechnoMetrica Market Intelligence, Oradell, New Jersey (No. 03-117A); ORC Macro, New York, New York (No. 03-117B); Resource Systems Group, Inc., White River Junction, Vermont (No. 03-117C); and TNS Intersearch Corporation, Horsham, Pennsylvania (No. 03-117D) for on-call consulting services for market research within the existing authorized amount.

ITEM 0903-18: SELECTION OF SPECIAL COUNSEL**BENEFITS**

The current financial crisis has had a direct impact on NJ TRANSIT's leveraged lease portfolio. Gibbons, as special counsel to NJ TRANSIT on all but one of its leveraged leases since 1997, has been assisting NJ TRANSIT in identifying and mitigating potential financial exposures. This authorization will allow NJ TRANSIT to compensate Gibbons for their continuing efforts in this regard.

PURPOSE

Since 1997, with Gibbons acting as special counsel on all but one leveraged lease, NJ TRANSIT has realized upfront benefits of more than \$120 million on these transactions.

Since the credit downgrade of AIG in the fall of 2008, Gibbons has worked extensively on NJ TRANSIT's leveraged leases with the aim of minimizing our exposure under the documents. These transactions are very complicated and each one is unique. Gibbons' contribution, given their detailed knowledge of the transactions, has been invaluable in identifying and mitigating potential financial exposures.

In addition, Gibbons has provided the legal services required on the posting of collateral by AIG and the termination of five US leveraged leases. These legal services will continue to be required in an effort to minimize NJ TRANSIT's financial exposure on its leveraged lease portfolio.

NJ TRANSIT is not alone as at least 30 transit agencies have similar exposure on their leveraged lease portfolios. NJ TRANSIT and a coalition of other transit agencies continue to be very active in engaging the Federal Government in seeking a solution to this problem.

ACTION

Adoption of this Resolution will permit NJ TRANSIT to make payments to Gibbons as special counsel for legal work on NJ TRANSIT's existing portfolio of leveraged leases to help resolve issues caused by the financial crisis at a cost not to exceed \$200,000.

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

FISCAL IMPACTS

Requested Authorization:	\$200,000
Anticipated Source of Funds:	Operating Budget
Diversity Goal:	N/A

RESOLUTION

WHEREAS, Gibbons has acted as special counsel for leveraged leasing transactions since 1997; and

WHEREAS, no additional US or cross-border leases will be closed; and

WHEREAS, the financial crisis has resulted in the downgrading of certain financial guarantors to the US leases which has resulted in potential financial exposure to NJ TRANSIT; and

WHEREAS, Gibbons contribution has been invaluable in identifying and mitigating these financial exposures; and

WHEREAS, Gibbons, as special counsel will continue to protect NJ TRANSIT's economic interests in its remaining leveraged leases;

NOW THEREFORE BE IT RESOLVED that the Chairman or Executive Director is authorized to make payments to Gibbons as special counsel for legal work on NJ TRANSIT's existing portfolio of leveraged leases to help resolve issues caused by the financial crisis at a cost not to exceed \$200,000.