

Richard J. Codey
Acting Governor

Jack Lettiere
Board Chairman

George D. Warrington
Executive Director

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

March 11, 2005

Dear Governor Codey:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ Transit Rail Operations, Inc., NJ Transit Bus Operations, Inc., and NJ Transit Mercer, Inc. Board of Directors held on Wednesday, March 9, 2005.

Sincerely,



Gwen A. Watson
Board Secretary

Enclosures

Honorable Richard J. Codey
Acting 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), 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, NJ on Wednesday, March 9, 2005.

Present:

Jack Lettiere, Chairman
Myron P. Shevell, Vice Chairman
Keith Barrack, Governor's Representative
John L. McGoldrick
Patrick W. Parkinson
Robert Smartt

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

Chairman Jack Lettiere convened the Open Session at 9:10 am in accordance with the Open Public Meetings Act and asked for a motion to enter into Executive Session to discuss litigation matters. A motion was made by Myron P. Shevell, seconded by Patrick W. Parkinson and unanimously adopted.

Chairman Jack Lettiere reconvened the Open Session at 9:55 am and asked for a motion to adopt the minutes of the February 9, 2005 meeting. A motion was made by Myron P. Shevell, seconded by Patrick W. Parkinson and unanimously adopted.

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

Executive Director Warrington offered a moment of silence in memory of Pat Gilbert, who was the Transportation writer for The Record for 12 years, covering NJ TRANSIT, the Port Authority of New York and New Jersey, and the New Jersey Turnpike Authority. Executive Director Warrington said that before the Transportation beat, Pat covered several towns in Passaic County for The Record, and before that she was a reporter for the Times of Trenton.

Executive Director Warrington said that Pat passed away on February 13th after a long illness. He said Pat will be missed and she will always be remembered for her tenacity and her ability to keep NJ TRANSIT on its toes.

Executive Director Warrington said that on Saturday, February 26th, NJ TRANSIT held the last of the 13 public hearings around the State, including informational sessions at the Port Authority Bus Terminal in New York and in New Brunswick on NJ TRANSIT's Fiscal Year 2006 budget and fare proposal. He said this was an exhaustive process designed to maximize public participation. More than 100 NJ TRANSIT staff participated in facilitating the hearings and attending to hear customer feedback first hand, including senior management of Rail, Light Rail, Bus and Access Link Operations. Executive Director Warrington appreciated that about 150 customers took the time to come in-person to offer comments. NJ TRANSIT also received about 300 comments electronically and through the mail. He said a number of suggestions, including modifications to the fare plan, and comments on service improvements were received all of which are being carefully reviewed.

Executive Director Warrington said he and Chief Financial Officer and Treasurer Charlie Wedel are working internally with the management team to identify cost efficiencies, non-fare revenue opportunities and other options to reduce the overall gap number, ultimately towards reducing the average fare increase. He expects to finalize the fare proposal and present it to the Board for consideration next month.

Executive Director Warrington thanked Bill Duggan, Jim Gigantino, Rich Sarles, and all of the troops who worked around the clock through the winter weather to keep trains, buses and light rail services moving.

Executive Director Warrington said that Monday, March 14th, marks the one-year anniversary of the River LINE. He said the real power of the line cannot be seen in one month or one year, but over time through the smart growth and transit oriented development that the Line is attracting in southern New Jersey. Executive Director Warrington said that in Riverside, the abandoned Watch Case Building would soon become luxury apartments. In Burlington City, new downtown businesses have opened and in Camden about 500,000 square feet of new office space is planned. In Pennsauken, a 600-acre, \$1 billion waterfront redevelopment project is planned with 2,000 housing units, a 250-room hotel and a golf course. In addition, local restaurants in the corridor are expanding their businesses because of the service. On New Year's Eve, the Battleship New Jersey in Camden saw record numbers of visitors to watch fireworks, and have attributed part of their success that night to the River LINE's ability to safely and efficiently transport people to the events. While ridership has reflected seasonal trends, the River LINE continues to carry more than 5,000 customers each day, and expects to see substantial increases this spring and summer working on promotions with partners like: The South Jersey Tourism Corporation, The City of Camden, The Tweeter Center, The Aquarium (which reopens in May) and Campbell Field.

Executive Director Warrington said NJ TRANSIT has come very close to the forecasted ridership and he is confident that demand will continue to grow in light of the development and planned promotional partnerships. Executive Director Warrington thanked Rich Sarles, Joe North and Joyce Gallagher for their effective management of the service in its first year.

Executive Director Warrington also updated the Board on NJ TRANSIT demands, or ridership trends, which in January, rose to record-setting levels in 2004. Executive Director Warrington said some final tallies are:

Over 225 million passenger trips were taken on NJ TRANSIT during Calendar Year 2004, an increase of 4.4 percent systemwide over the previous year, which is the highest in NJ TRANSIT's 25-year history. Ridership was increasing steadily in the ten years prior to the World Trade Center attacks in 2001, but began to decline in 2002 and 2003, primarily due to economic conditions and employment levels in the markets we serve. Executive Director Warrington was pleased to report that systemwide, ridership levels now exceed the pre-9/11 levels.

Executive Director Warrington said the bus system carried more than 150 million passengers during 2004, an increase of nearly three percent over the prior year and the rail side carried nearly 64 million passengers last year, 5.2 percent more than in 2003. In addition, he said as a consequence of service expansions on the Hudson-Bergen Light Rail and River LINE start-up, light rail ridership grew by more than 24 percent.

Executive Director Warrington said ridership typically tracks closely with the State's economic well-being and in 2004, regional employment in New Jersey, New York City and Philadelphia increased by one percent. New Jersey outpaced the region with job growth of 1.5 percent and unemployment in the State has fallen to 3.9 percent this month, which is obviously reflected in the demand trend lines. In addition, this trend was also clearly reflected in a strong end of year finish when from October through December demand rose a system-wide an average of 5.5 percent.

Executive Director Warrington emphasized a point that many of the customers made at the public hearings; more ridership does not offset the need to find the right solution to the structural economic model for funding passenger operations.

Executive Director Warrington looks forward to working with the Board and policymakers on the appropriate balance of State support, fares and non-fare revenues to fund the growing demand for transit services over the next several years.

Executive Director Warrington said the April timetable change is when NJ TRANSIT is able to make rail service adjustments to ensure that the equipment capacity is properly matched with demand. He said NJ TRANSIT is still finalizing the new timetable, but was pleased to report that there is going to be some low- or no-cost, high-impact service additions that will increase capacity on several lines.

NJ TRANSIT plans to offer express rush hour service from the two new park/rides in Ramsey and at Montclair State University. In addition, there are plans to better connect the train schedules with class schedules at Montclair State University and add a couple of key trains to enhance the Montclair-Boonton line which will add another 1,000 seats during the peak periods on the Northeast Corridor.

Executive Director Warrington said that consistent with the commitment to squeeze the value of every dollar, NJ TRANSIT is able to do this through more efficient equipment utilization and by using available crews.

Executive Director Warrington said that on the Northeast Corridor in Hamilton, peak and off-peak demand continues to grow making the stop, excluding terminals, the 7th busiest station on the system. Last month, NJ TRANSIT opened a ticket office at the station and Executive Director Warrington thanked Hossein Goodarz and his team for working quickly to get the ticket office open, serving customers seven days a week from 5 a.m. to 1 p.m. Monday through Friday, and from 9 a.m. to 5 p.m. on weekends.

Executive Director Warrington said that the window has been open for a little over two weeks and it has already produced more than \$70,000 in ticket sales, which is comparable to larger outlying stations such as Red Bank, Dover and Westfield. He said the current ticket window is housed in a temporary facility and NJ TRANSIT plans to open a permanent office expanding just north east of the existing facility.

Executive Director Warrington said that on Friday, he and Assemblyman and Transportation Chairman John Wisniewski, and South Amboy Mayor Jack O'Leary will open a new pedestrian overpass and Plaza in South Amboy which will greatly improve safety for the 1,075 customers who commute from that station.

Executive Director Warrington said that the longest serving Board Member John McGoldrick is sitting for his last Board meeting at NJ TRANSIT. In leaving NJ TRANSIT, Mr. McGoldrick will be investing more time into his passion for education. Executive Director Warrington said Mr. McGoldrick was recently appointed to the Montclair State University Board, where he will work closely with President Susan Cole. Executive Director Warrington said that Mr. McGoldrick has been one of the most engaging Board member's this Corporation has ever had the privilege of working with. His Corporate experience, coupled with his personal experiences as a commuter, have brought a depth of understanding, vision and leadership that NJ TRANSIT will deeply miss.

Executive Director Warrington said that Mr. McGoldrick is, by far, one of the smartest people he knows, and he has appreciated personally and professionally his wise counsel and generous support for the mission here at NJ TRANSIT. Executive Director Warrington said that if it is true that you can judge a person by the company he keeps, perhaps you can also judge a company by the people it keeps, and NJ TRANSIT is a better company having kept Mr. McGoldrick's leadership over the last 25 years.

Executive Director Warrington, on behalf of the Board and NJ TRANSIT, invited Mr. McGoldrick back for the May Board meeting so NJ TRANSIT can show its appreciation for all that he has done.

Mr. McGoldrick thanked Executive Director Warrington for his comments and said he was speechless. He accepted the invitation to return and reflect on his tenure over the last 25 years. Mr. McGoldrick said he is excited about his duties at Montclair State University. He further said that he is very proud to have served on the NJ TRANSIT Board for the last 25 years and he saw many accomplishments. He said if you compare public transportation pre

1979 to today, it is a remarkable contrast. He further said he is proud of all the past and present Board Members that he has worked with to make the system better.

Chairman Lettiere said John McGoldrick has many accomplishments and it has been an honor to work with him. He said Mr. McGoldrick's influence on NJ TRANSIT has made it a better agency. Chairman Lettiere thanked Mr. McGoldrick and invited him to return at a future Board meeting.

Chairman Lettiere said that Suzanne Mack was not present and there would not be an Advisory Committee report to the Board.

There were no public comments on agenda items.

Executive Director Warrington presented the following Action Items for approval:

0503-8: MORRISVILLE YARD PHASE 2: CONSTRUCTION MANAGEMENT SERVICES AND TRACK MATERIALS PROCUREMENT

Phase one of the Morrisville Yard opened one year ago for operations on the Northeast Corridor, permitting relocation of train starts from the obsolete Barracks Yard in Trenton, and reducing inefficient deadhead moves from Sunnyside Yard in Queens and Hoboken to Trenton each morning. That phase included the installation of 12 electrified tracks, crew quarters, the reconstruction of two railroad bridges and a new interlocking to accommodate 130 rail cars. Approval is requested for the second phase of construction which will include ten more electrified tracks to accommodate an additional 120 rail cars, a service and inspection facility with two elevated inspection tracks and a wheel truing facility. This expansion will provide the additional storage necessary to improve overall train storage and layover capacity and operational efficiency on the Northeast Corridor today as well as the delivery of the multi-level cars in 2006. Approval is requested to contract with Parsons Brinckerhoff for construction management services for phase two at a cost not to exceed the budgeted amount. Approval is also requested to contract with Pohl Corporation to manufacture and deliver track switch material at a cost not to exceed \$1,131,917 plus five percent for contingencies.

Myron P. Shevell moved the resolution, John McGoldrick seconded it and it was unanimously adopted.

0503-9: EDISON PARK AND RIDE PROJECT: PROPERTY ACQUISITIONS

Edison Station, on the Northeast Corridor, serves almost 1900 daily passengers, and currently has a parking lot of only 220 spaces on the inbound side to serve both daily and monthly riders. Riders vie for on-street parking in and around the station complex, often disrupting residential streets. Approval is requested to acquire five parcels of property surrounding the station, on the outbound side, for the construction of a new, 800 space state-of-the-art daily and monthly parking lot and access road. Approval is requested to take any and all actions necessary to acquire the property at a

cost not to exceed \$3.5 million including closing costs. Construction of the new facility will begin this fall and is expected to be open for business by the end of 2006.

Myron P. Shevell moved the resolution, John McGoldrick seconded it and it was unanimously adopted.

0503-10: REHABILITATION AND REPAIR TO ROSEVILLE CUT NORTH RETAINING WALL: MORRIS & ESSEX LINES, NEWARK, NJ

The North Retaining Wall of the Roseville Cut on the M&E Lines was built in the early 1900's and is in need of significant repair. The Wall supports adjacent properties as well as railroad and public utility lines which must be relocated. Approval is requested to contract with Merco, Inc. to rehabilitate and repair this North Retaining Wall at a cost not to exceed \$3,521,341 plus five percent for contingencies.

Patrick W. Parkinson moved the resolution, Keith Barrack seconded it and it was unanimously adopted.

0503-11: FINAL DESIGN FOR GLADSTONE LINE OVERHEAD CATENARY SYSTEM (OCS) STRUCTURES REPLACEMENT

Along the Gladstone Line, most of the wooden catenary structures that hold up the overhead wires required for electrified service have been in service and exposed to the elements for over 20 years. The poles have become deformed over the years, affecting the alignment of the catenary system, and must be replaced. Approval is requested to contract with Gannett Fleming for engineering design work to replace these structures from Summit to Gladstone. The contract cost will not exceed \$2,995,746 plus five percent for contingencies.

Patrick W. Parkinson moved the resolution, Myron P. Shevell seconded it and it was unanimously adopted.

There were no public comments on non-agenda items.

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

The meeting was adjourned at approximately 10:30 am.

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

MARCH 9, 2005

MINUTES

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ACTION ITEMS

0503-8: MORRISVILLE YARD PHASE 2: CONSTRUCTION MANAGEMENT SERVICES AND TRACK MATERIALS PROCUREMENT	36057
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Authorization to contract with Parsons Brinckerhoff of Newark, NJ to provide construction management services for the Morrisville Yard, Phase 2 at a cost not to exceed the budgeted amount including five percent for contingencies.

Also, seeks authorization to contract (No. 05-612) with Pohl Corporation of Reading, PA, to manufacture and deliver track switch material for the Morrisville Yard Phase 2 project, at a cost not to exceed \$1,131,917, plus five percent for contingencies.

0503-9: EDISON PARK AND RIDE PROJECT: PROPERTY ACQUISITIONS	36060
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Authorization to take all actions necessary to acquire the property required for the Edison Rail Station Park and Ride Project at a cost not to exceed \$3,500,000 including closing costs.

- 0503-10: REHABILITATION AND REPAIR TO ROSEVILLE CUT NORTH 36062
RETAINING WALL: MORRIS & ESSEX LINES, NEWARK, NJ

Authorization to contract (No. 05-038) with Merco, Inc. of Lebanon, NJ to rehabilitate and repair the North Retaining Wall of the Roseville Cut, at a cost not to exceed \$3,521,341, plus five percent for contingencies.

- 0503-11: FINAL DESIGN FOR GLADSTONE LINE OVERHEAD 36064
CATENARY SYSTEM (OCS) STRUCTURES REPLACEMENT

Authorization to contract (No. 05-012) with Gannett Fleming of New York, NY for engineering design work associated with the replacement of the Gladstone Line Overhead Catenary System Structures from Summit (M.P.20.25) to Gladstone (M.P. 42.25) at a cost not to exceed \$2,995,746, plus five percent for contingencies.



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 litigation 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 litigation 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 9, 2005 Board meeting of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations Inc., NJ TRANSIT Rail Operations Inc. and NJ TRANSIT Mercer Inc. were forwarded to the Governor on February 15, 2005;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the February 9, 2005 New Jersey Transit Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations Inc. and NJ TRANSIT Mercer Inc. Board of Directors' meetings are hereby approved.

Richard J. Codey
Acting Governor
(NJ TRANSIT BOARD – 3/9/05)

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



Jack Lettiere
Board Chairman

George D. Warrington
Executive Director

TO: BOARD OF DIRECTORS
FROM: GEORGE D. WARRINGTON
DATE: MARCH 9, 2005
SUBJECT: EXECUTIVE DIRECTOR'S REPORT – MARCH

In my remarks to the Board in January, I noted that ridership in calendar year (CY) 2004 reached record-setting levels – even surpassing pre-9/11 demand. Among the highlights:

- System ridership exceeded 225 million passenger trips in CY04. This reflects an increase of 4.4 percent over 2003 levels, and is the highest in NJ TRANSIT's 25-year history.
- Bus ridership exceeded 150 million passenger trips, an increase of nearly 3 percent over 2003.
- Rail ridership approached 64 million passenger trips, an increase of 5.2 percent over 2003.
- Light rail ridership grew by more than 24 percent as a result of Hudson-Bergen Light Rail service expansions and the opening of the River LINE.

This trend complements this week's economic news. Just yesterday, Acting Governor Richard J. Codey released new employment figures for the month of January 2005 showing that the jobless rate in New Jersey dipped below four percent for the first time in nearly four years. The national rate for the same period was 5.2 percent.

With ridership at record highs, it is critically important that we effectively match capacity with demand, and as part of our April rail timetable change, we will offer some low- or no-cost, high-impact service additions. I will provide more detail on these changes next month.

On Monday, the River LINE will celebrate its first anniversary of service. As I have often said, the real power of the line will not be measured in ridership after only one month or year, but rather through the smart growth and transit-oriented development that the line is attracting to communities in southern New Jersey. In the years ahead, we will continue to work with municipalities and businesses along the alignment to reap the full economic potential of the line. For now, I would like to congratulate Rich Sarles, Joe North and Joyce Gallagher for their effective management of the service in its first year.

Finally, as we mark the arrival of spring this month, I would like to extend my thanks to the thousands of NJ TRANSIT front line employees—bus, rail, light rail and corporate—who have worked through the winter to help us to keep New Jersey moving.

EXECUTIVE DIRECTOR'S MONTHLY REPORT

I. HIGHLIGHTS

NJ TRANSIT's Top Stories

II. CUSTOMER AND COMMUNITY INITIATIVES

Customer and Community Projects

III. EMPLOYEE RECOGNITION

NJ TRANSIT Employees Recognized

IV. DBE/MBE PROGRAM

A review of DBE and MBE Programs

V. PERFORMANCE MEASURES

NJ TRANSIT's Operational Performance During the Past Month

HIGHLIGHTS

Fare hearings process concludes; review underway

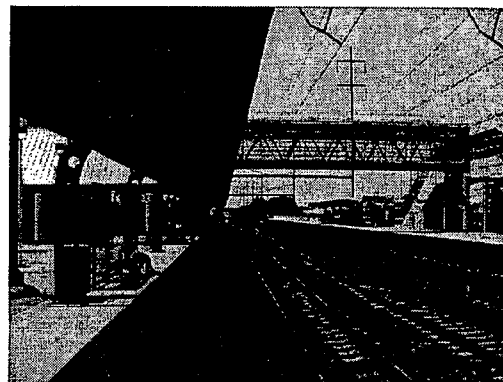
On February 26, NJ TRANSIT concluded two weeks of public hearings on the fare proposal. Thirteen hearings and information sessions were conducted at locations throughout New Jersey, as well as the Port Authority Bus Terminal in New York. Comments were also accepted at all NJ TRANSIT customer service offices and via email and U.S. Mail.

The public hearings were attended by 215 members of the public, 154 of whom testified. In addition, NJ TRANSIT received 310 emails and 13 letters.

All comments and suggestions will be reviewed by NJ TRANSIT staff prior to a final fare proposal being presented to the Board in April.

Ticket office opens at Hamilton Rail Station

NJ TRANSIT opened a ticket office at Hamilton Rail Station on February 15 in response to customer requests. Previously, tickets and passes were sold from six ticket-vending machines at the station. A ticket agent now complements the machines seven days a week, from 5 a.m. to 1 p.m. on weekdays and from 9 a.m. to 5 p.m. on weekends.



“Hamilton has grown into one of our busiest stations, so it makes sense that customers asked for a level of service consistent with that growth. We have responded,” said NJ TRANSIT Executive Director George D. Warrington. “This ticket office will provide additional purchasing options for customers, now and as ridership grows in the future.”

NJ TRANSIT built the ticket window into an exterior wall of the station, enabling customers to purchase their tickets without entering the station’s waiting area. A new canopy shelters commuters from the weather as they make their purchases outside on their way to the platforms.

NJ TRANSIT plans to build a permanent ticket office inside the station.

(NJ TRANSIT BOARD – 3/9/05)

More than 3,300 customers board NJ TRANSIT trains at Hamilton Rail Station on an average weekday, making it the 9th busiest rail station in the state.

River LINE enters second year of service



On March 14, the River LINE will begin its second year of revenue service, providing reliable light rail transportation between Trenton, Camden and intermediate communities. The line continues to enjoy some of the highest customer satisfaction and on-time performance ratings of all NJ TRANSIT services.

In its first year, the River LINE has seen a number of milestones:

- In June, the River LINE began 15-minute peak period departures. At that time, service increased from 76 to 105 weekday roundtrips, and the evening rush hour schedule was extended to 8 p.m. to make using the light rail convenient for customers connecting at Trenton from Northeast Corridor trains.
- In September, customers traveling from Florence and Roebling stations on the River LINE started making earlier connections to Northeast Corridor trains thanks to new early morning service at 6:08 a.m. NJ TRANSIT also enhanced its Capital Connection service to include new peak period shuttles between the River LINE station, downtown Trenton and the State House. Four morning peak trips and six afternoon return trips were added to the schedule, and bus connection times with River LINE trains were improved for customer convenience.
- Perhaps the most impressive milestone was when the one-millionth River LINE customer stepped aboard in October, roughly six months after the service opened. Veronica Rementer of Haddenfield bought her River LINE ticket expecting an uneventful trip to Trenton. Instead, she was greeted by news reporters, photographers and television crews wanting to capture her "15-minutes of River LINE fame." Along with the balloons and confetti, she received a basket filled with gift certificates from local merchants, NJ TRANSIT collectible items and a River LINE monthly pass.

(NJT BOARD – 3/9/05)

Meanwhile, the Corporation worked to advance the goals of the River LINE Economic Opportunity Project, which was created by Executive Director Warrington to help communities served by the River LINE to maximize the economic benefits associated with the light rail line. Mr. Warrington assigned NJ TRANSIT staff to reach out to River LINE communities and provide resources for development. In November, a symposium was held in Burlington to review economic forecasts from the consulting firm A. Nelessen Associates and listen to reports from the communities of Pennsauken, Riverside and Burlington. Several River LINE communities reported that the line had already attracted development and expansion of local businesses:

- In Riverside, for example, an abandoned watch case building will soon be converted into luxury apartments.
- In Burlington City, new downtown businesses have opened.
- Several restaurants along the line are expanding.
- Camden's waterfront entertainment district experienced record attendance for their July 4th events last year.

On December 2, NJ TRANSIT hosted a marketplace at Rutgers-Camden to link communities with developers and state resources. "While there is a traditional role for NJ TRANSIT—running trains, buses and light rail— there are times when we are obligated to step outside of that traditional role," Executive Director Warrington noted.

CUSTOMER AND COMMUNITY INITIATIVES

PCC cars find new home in Bayonne

On February 22, 2005, Bayonne Mayor Joseph V. Doria and Executive Director George D. Warrington visited the Hudson Bergen Light Rail Line Communipaw Facility in Jersey City to inspect one of eight Presidents Conference Committee ("PCC") Trolley Cars given to the City of Bayonne by NJ TRANSIT. The PCC cars were put into service on NJ TRANSIT's Newark City Subway line in January 1954 and retired in August 2001.



The eight car fleet will be rehabilitated and placed into operation along a proposed 2.5 mile loop to serve the City of Bayonne's "Peninsula at Bayonne Harbor" - a 299-acre mixed-use site formally known as the Military Ocean Terminal of Bayonne ("MOTBY"). The PCC Trolley line will be connected to the Hudson-Bergen Light Rail 34th Street Station via a pedestrian walkway.

The PCC trolley, developed between 1930 and 1935, became the workhorse of street railway systems. Between 1936, when the first PCC cars rolled into service, and the 1950s when production ended in North America, approximately 5,000 PCC cars were built.

The PCC cars were developed by an engineering team contracted by the presidents of several of the nation's street railway systems.

Harlem Globetrotter takes River LINE for a "World of Fun"

Anthony Blakes, one of the original World Famous Harlem Globetrotters, stepped aboard the River LINE last week to promote the team's return to Trenton's Sovereign Bank Arena on their "World of Fun" tour.

Mr. Blakes took the River LINE on Wednesday, March 2, from Hamilton Avenue to Trenton Rail Station, where he signed autographs for fans, gave away tickets to the Sovereign Bank Globetrotter events and demonstrated his basketball wizardry for rush hour commuters.

The Globetrotters take the floor at Sovereign Bank Arena on March 9 and 12. The arena is located directly across from the Hamilton Avenue River LINE Station.

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Seventeen NJ TRANSIT employees retired in February, with careers ranging from 11 to 37 years of service.

1. Herbert C. Vaughn (Roselle), Depot Master "C" – 37 years
2. Walter J. Cross (Montville), Principal Engineer Project Manager – 30 years
3. Thomas C. Finnerty (Old Forge, PA), Manager Rail Operations Control – 30 years
4. Thomas R. Velie (Williamstown), Mechanic – 28 years
5. Aaron J. Peyton (Vineland), Bus Operator – 27 years
6. Andrea Zdanowicz (South Amboy), Supervisor Safety Rail – 27 years
7. Dalton Colorado (Union City), Bus Operator – 26 years
8. Angel Martinez (Paterson), Bus Operator – 25 years
9. José L. Perez (Succasunna), Mechanic "A" – 24 years
10. Merilus Bruno (Irvington), Repairman – 24 years
11. Barry L. Burlew (Chatham), Repairman "A" – 22 years
12. Robert S. Fitzgerald (Vineland), Bus Operator – 22 years
13. Samuel Armour (Newark), Repairman – 19 years
14. Walter J. Wright (East Orange), Bus Operator – 14 years
15. John A. Notarfancesco (Williamstown), Bus Operator – 13 years
16. Gerardo Zaza (Lundhurst), Repairman "A" – 11 years
17. Vincent J. Caratozzolo (North Bergen), Bus Operator – 11 years

DBE / MBE PROGRAM

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

Federally Funded Contracts

\$19,995,797 in federal funds was awarded during October thru February of FY 05*. Disadvantaged Business Enterprises (DBEs) were awarded \$3,293,632 or 16.5 percent, which includes both race conscious and race neutral awards.

State Funded Contracts

\$40,639,548 in state-funded contract dollars was awarded during July through February FY 05.** Of that total, Small Business Enterprises received \$7,293,847 or 17.9 percent. Category 1 SBEs received \$4,958,048 or 12.2 percent. Category 2 SBEs received \$672,250 or 1.6 percent. Category 3 SBEs received \$113,354 or 0.3 percent. Category 4 SBEs received \$1,550,195 or 3.8 percent.***

Federal & State Contracts Total

Of \$60,635,345 in federal and state contract dollars awarded by NJ TRANSIT (federal and state fiscal years combined), \$3,293,632 or 16.5 percent of federal contract dollars was won by Disadvantaged Business Enterprises (DBEs). Small Business Enterprises (SBEs) received \$7,293,847 or 17.9 percent of state contract dollars. \$10,587,479 or 17.5 percent of federal and state contract dollars was won by DBEs and SBEs.

Hudson-Bergen Light Rail Transit System Project

Of \$1,451,425,825 in contract dollars awarded for the Hudson-Bergen Light Rail Transit System project****, \$176,246,595 or 12.1 percent has been received by DBEs. Of the \$176,246,595, 5.9 percent or \$85,328,569 has been won by Women Business Enterprises (WBEs) who are classified as DBEs.

* Fiscal year beginning October 1, 2004

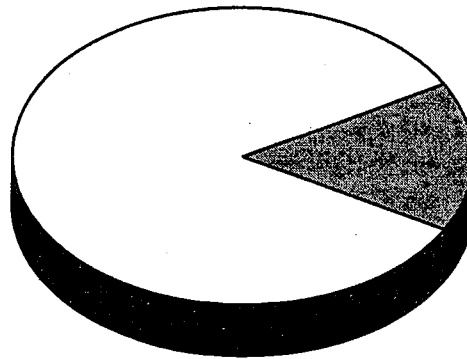
** Fiscal year beginning July 1, 2004

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

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

**DBE PARTICIPATION
FEDERAL CONTRACTS
FEDERAL FYTD (THRU FEBRUARY 2005)**

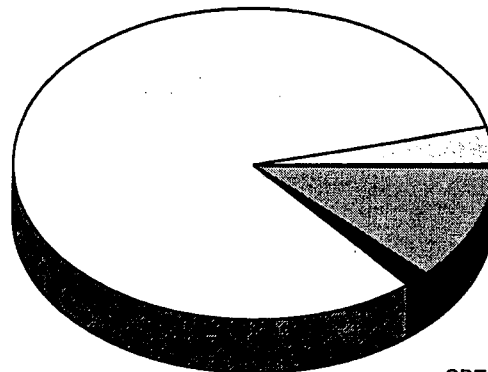
NON-DBE
FEDERAL
12,938,834
83.5%



DBE RACE
NEUTRAL &
RACE
CONSCIOUS
2,025,582
16.5%

**SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD (THRU FEBRUARY 2005)**

NON-SBE STATE
33,345,701
82.1%



SBE-4
1,550,195
3.8%

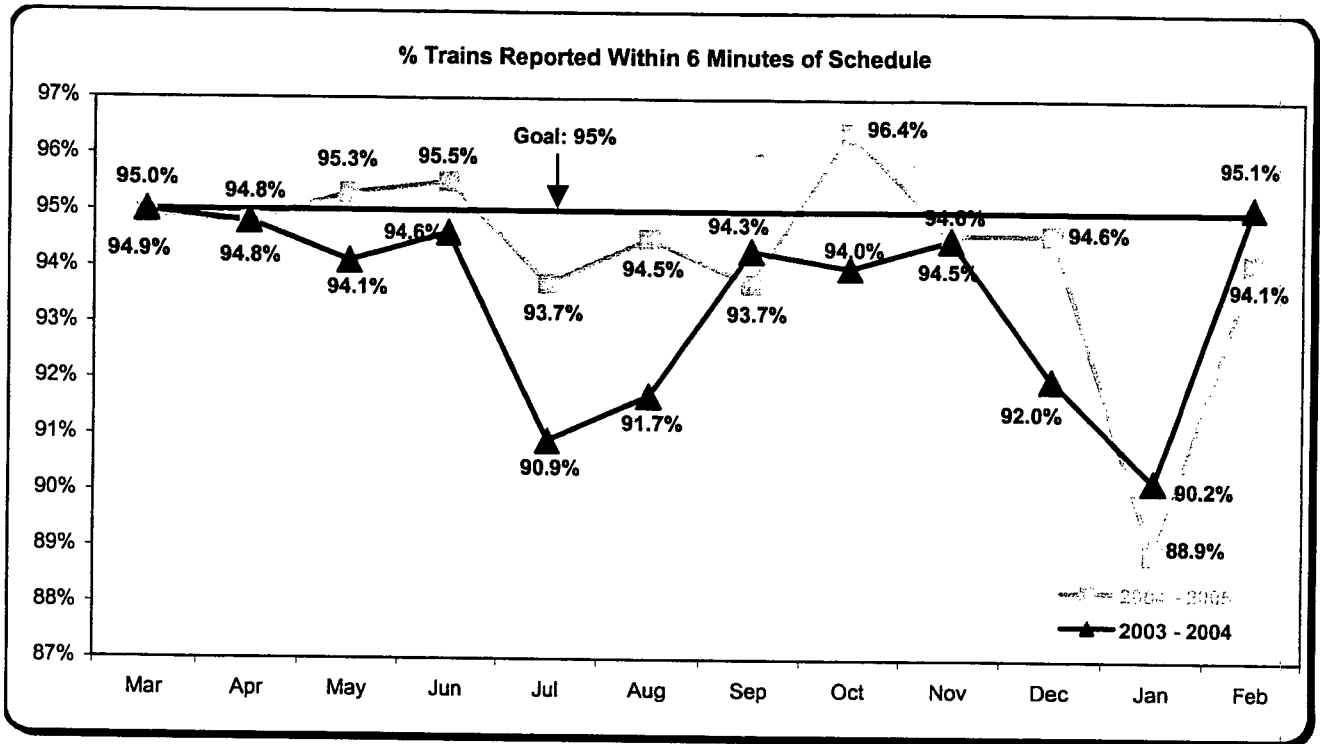
SBE-3
113,354
0.3%

SBE-1
4,958,048
12.2%

SBE-2
672,250
1.6%

PERFORMANCE MEASURES

NJ TRANSIT ON TIME PERFORMANCE RAIL MARCH 2003 - FEBRUARY 2005



	2004	2005	# Change
February Comparison	95.1%	94.1%	-1.0%

	2003 - 2004	2004 - 2005	# Change
12-Month Average March - February	93.4%	94.3%	0.9%

Analysis:

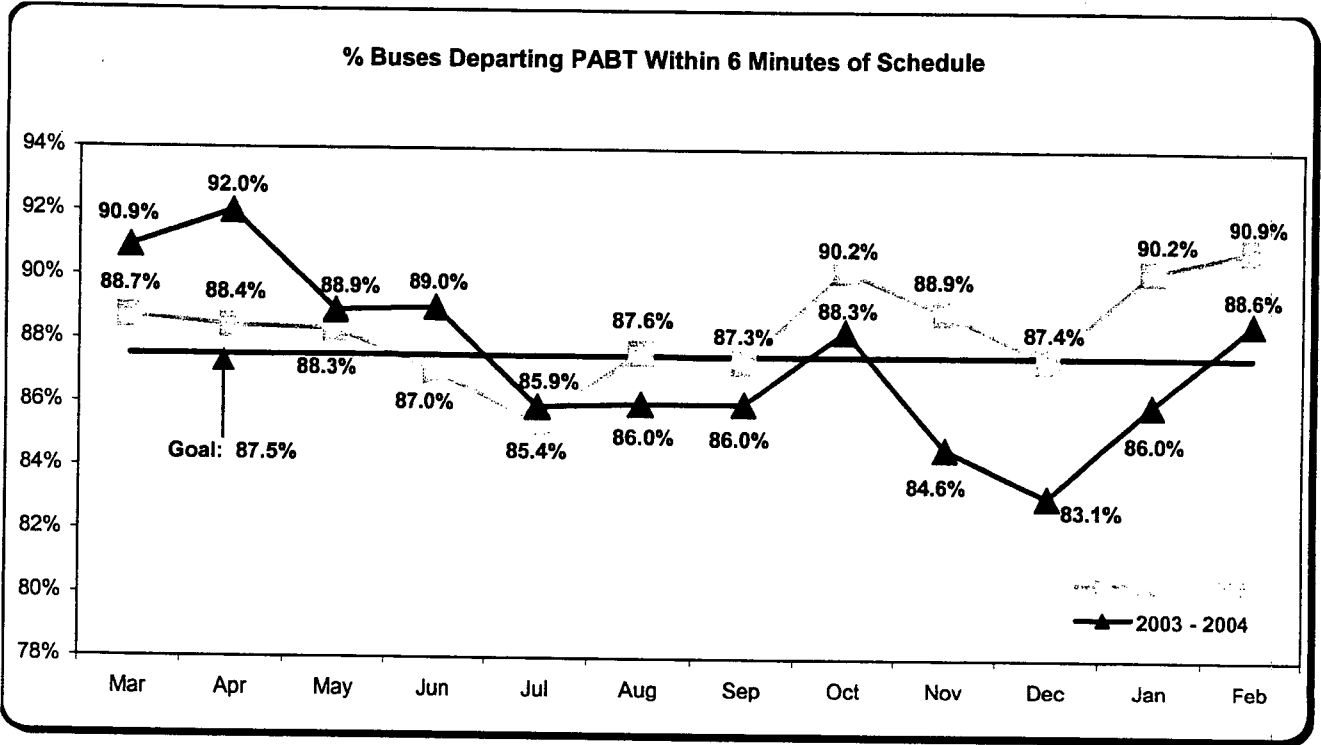
Rail On Time Performance for February 2005 was 94.1%, a decrease of 1.0 percentage point below the level for February 2004. Of the 16,470 trains that were scheduled to operate, 15,496 were on time, while 974 trains (or 5.9%) were delayed.

Early in the month, Amtrak experienced a switch failure at the Dock interlocking near Newark Penn Station, resulting in the delay of 40 trains. Additionally, there were three occasions when Amtrak trains experienced problems at key locations near Penn Station New York, which caused delays of 97 trains.

Towards the end of the month, an insulator failure in the overhead wiring near Lyons Station resulted in 21 delays. Lastly, on February 28th, the winter storm affected rail infrastructure and system equipment, resulting in 20 train delays.

The 12-month average for Rail On Time Performance for March 2004 - February 2005 was 94.3%, 0.9 percentage points above the average for the previous 12-month period.

ON TIME PERFORMANCE BUS - PABT DEPARTURES MARCH 2003 - FEBRUARY 2005



	2004	2005	# Change
February Comparison	88.6%	90.9%	2.3%

	2003 - 2004	2004 - 2005	# Change
12-Month Average March - February	87.4%	88.4%	1.0%

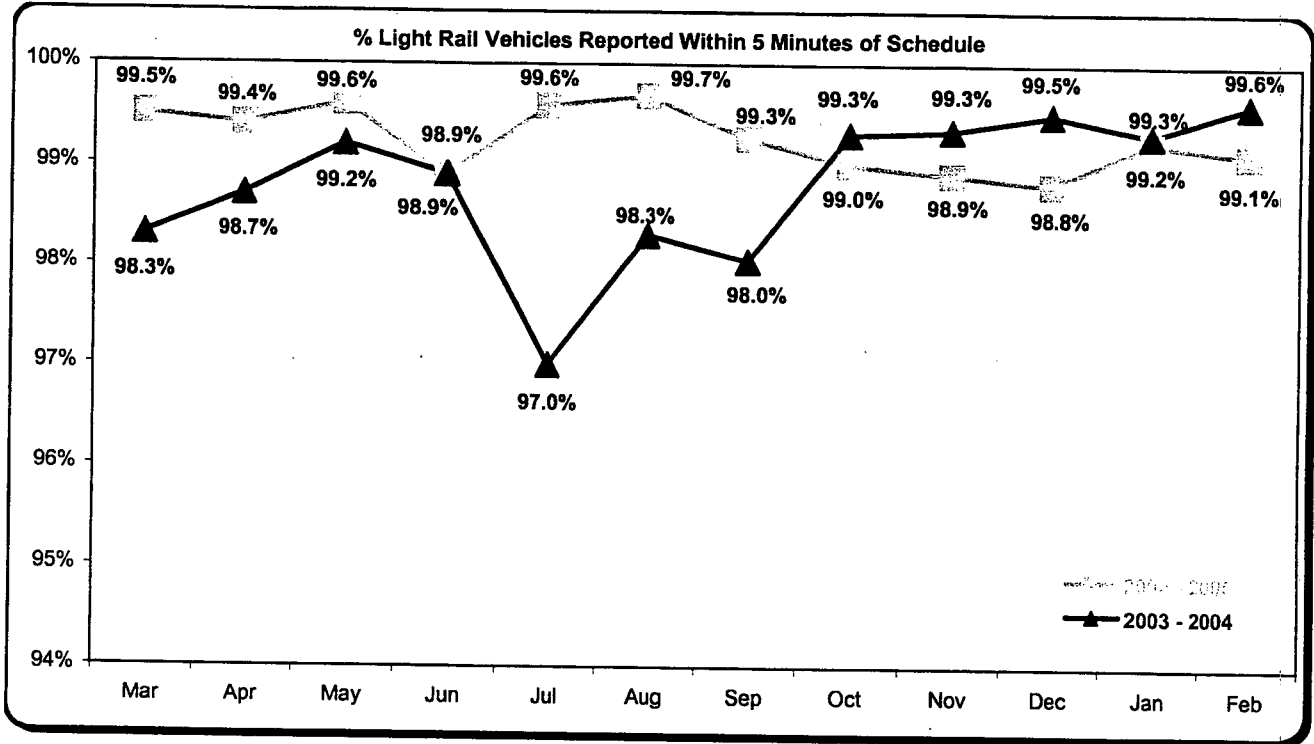
Analysis:

Bus On Time Performance for February 2005 was 90.9%, well above the 88.6% level of February 2004. Of the 19,220 PABT PM peak departures, 1,751 (or 9.1%) experienced delays. Significant sources of delay included:

- Detouring of buses at the terminal on February 9th, 11th, and 18th;
- Heavy bus volume into the terminal during the rush hour on February 23rd; and
- Inclement weather, which caused hazardous road conditions on February 24th.

The 12-month average for Bus On Time Performance for March 2004 - February 2005 was 88.4%, 1.0 percentage point above the average for the previous 12-month period.

ON TIME PERFORMANCE HUDSON BERGEN LIGHT RAIL MARCH 2003 - FEBRUARY 2005



	2004	2005	# Change
February Comparison	99.6%	99.1%	-0.5%

	2003 - 2004	2004 - 2005	# Change
12-Month Average March - February	98.8%	99.2%	0.4%

Analysis:

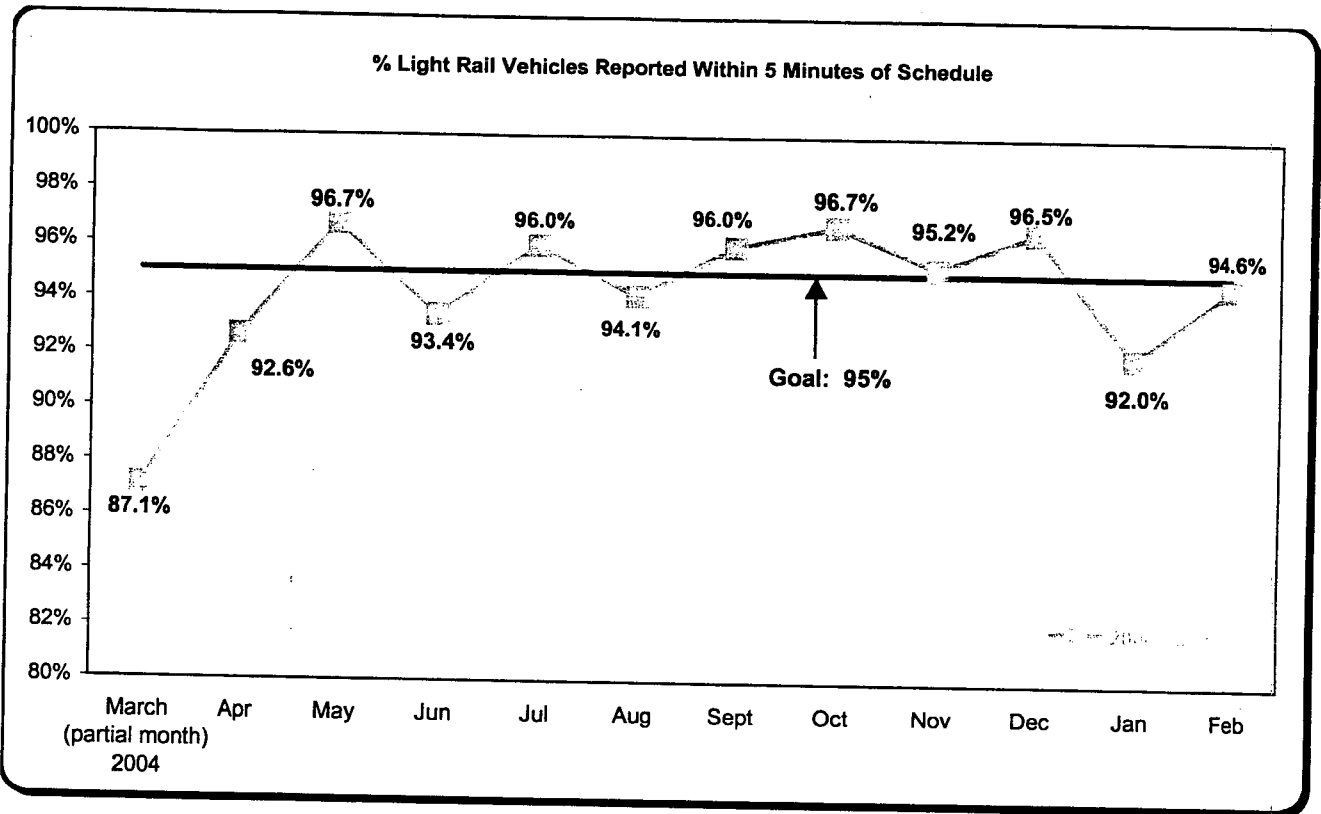
Hudson Bergen Light Rail (HBLR) On Time Performance for February 2005 was 99.1%, slightly below the 99.6% rate of February 2004. Of the 14,794 scheduled trips, 133 (or 0.9%) were delayed. Significant sources of delay included:

- A police investigation at the 9th Street station in Hoboken on February 1st; and

- Three separate occasions in which motor vehicles disregarded traffic signals and collided with NJT Light Rail vehicles at grade crossings. There were no serious injuries in any of these incidents.

The 12-month average for HBLR On Time Performance for March 2004 - February 2005 was 99.2%, 0.4 of a percentage point above the average for the previous 12-month period.

ON TIME PERFORMANCE River LINE MARCH 2004 - FEBRUARY 2005



OTP Monthly Comparison	2005		# Change
	January	February	
	92.0%	94.6%	2.6%

OTP - Year To Date 94.6%

Analysis:

The River LINE's On Time Performance for February 2005 was 94.6%, 2.6 percentage points above the 92.0% level for the previous month. Of the 2,716 trips scheduled for the month, 147 trip delays were reported. The majority of the delays were due to inclement weather during the month. Major sources of delay included:

High water in a Camden Street resulting in trip cancellations between the Walter Rand Transportation Center and the Entertainment Center on February 14th;

An automobile blocking the tracks on February 16th; and

Inclement weather on February 24th and 28th.

Year-to-Date On Time Performance for the River LINE is 94.6%, very near the goal of 95.0%.

ACTION ITEMS

ITEM 0503-8: MORRISVILLE YARD PHASE 2: CONSTRUCTION MANAGEMENT SERVICES AND TRACK MATERIALS PROCUREMENT

BENEFITS

Construction of Morrisville Yard Phase 2 will provide for additional train storage capacity necessary to accommodate the expected growth of the rail fleet to meet future service increases. The additional yard capacity will help maintain service reliability on the Northeast Corridor. At completion of Phase 2, Morrisville Yard will provide overnight storage and light maintenance for 250 rail cars including the new multi-level cars now being manufactured.

Construction management services are required to supervise and inspect field activities by the contractor including a constructability review of the final design documents and bid package. The construction management firm will also oversee the project schedule, review invoices and perform other administrative duties for the project.

The early procurement of track switches and other track material is required to allow these materials to be fabricated in advance of the primary construction contract.

PURPOSE

Authorization of construction management services will allow for design reviews and support during the procurement and construction phases of the Morrisville Yard Phase 2 project.

Authorization of the contract for the fabrication and delivery of track switch materials to be installed by the general contractor is necessary to support the schedule for construction of the Morrisville Yard Phase 2.

ACTION (Capital Program Justification – Capacity)

Staff seeks authorization to contract with Parsons Brinckerhoff of Newark, NJ to provide construction management services for the Morrisville Yard, Phase 2 at a cost not to exceed the budgeted amount including five percent for contingencies.

Staff also seeks authorization to contract (No. 05-612) with Pohl Corporation of Reading, PA, to manufacture and deliver track switch material for the Morrisville Yard Phase 2 project, at a cost not to exceed \$1,131,917, plus five percent for contingencies.

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

FISCAL IMPACTS

Requested Amount:

An amount not to exceed the budgeted amount including five percent for contingency (Construction Management Services)

\$1,131,917 + 5% contingency (Track Switches Material Procurement)

Total Project Cost:

\$91,010,000

Projected Date of Completion:

July 2006 - Train Storage Yard
December 2006 - S&I and Wheel Truing Facilities

Anticipated Source of Funds:

Transportation Trust Fund

DBE Goals:

TBD

Related/Future Authorization:

October 2005 - Construction
October 2005 - Construction Assistance

Impact on Subsequent Operating Budgets:

\$300,000 annually for yard operations

RESOLUTION

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

WHEREAS, construction of Morrisville Yard Phase 2 will provide for additional capacity for future service increases and enable NJ TRANSIT to enhance service reliability to/from Trenton; and

WHEREAS, construction management services are required to perform constructability reviews and supervise and inspect construction activities by the contractor; and

WHEREAS, early procurement of track switches and other track material is required to allow these materials to be fabricated and delivered to Morrisville Yard in sufficient time for installation by the general contractor; and

WHEREAS, following the completion of competitive procurement processes, it was determined that Parsons Brinckerhoff was the highest ranked proposer and Pohl Corporation was the lowest responsive bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract with Parsons Brinckerhoff of Newark, NJ to provide construction management services for the Morrisville Yard, Phase 2 at a cost not to exceed the budgeted amount including five percent for contingencies, subject to the availability of funds; and

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized to contract with Pohl Corporation of Reading, PA, to manufacture and deliver track switches and other track material for the Morrisville Yard Phase 2 project, at a cost not to exceed \$1,131,917 plus five percent for contingencies, subject to the availability of funds.

ITEM 0503-9: EDISON RAIL STATION PARK AND RIDE: PROPERTY ACQUISITION

BENEFITS

Acquiring property for the construction of the Edison Rail Station Park and Ride Project on the Northeast Corridor will add approximately 800 new daily and monthly permit parking spaces on the outbound side of the station and dedicated access road for use by NJ TRANSIT customers. This will provide additional parking for the 1,850 daily customers using the Edison Station. This Project is part of the systemwide parking improvements to create and enhance access to NJ TRANSIT's rail system. The parking lot will also generate additional parking revenue.

PURPOSE

The authorization will allow for property acquisitions from five property owners, Morris Truman Associates LLC, Angelica Textiles Services, Inc., U.S. Postal Service, CLB Properties, Inc. & Carl Coppola and Amtrak for the construction of a new, state-of-the-art daily and monthly permit parking lot and access road on the Edison Rail Station outbound side. Some easements for pedestrian crossings from Conrail over Conrail operated rights-of-way may be required at a nominal consideration.

ACTION (Justification: Business Efficiencies/Customer Service Improvements)

Staff seeks authorization to take all actions necessary to acquire the property required for the Edison Rail Station Park and Ride Project at a cost not to exceed \$3,500,000 including closing costs.

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

FISCAL IMPACTS

Requested Authorization:	\$3,500,000 (Including closing costs)
Total Project Cost:	\$12,890,000 (Including land acquisition)
Projected Date of Completion:	July 31, 2005 - Property Acquisition September 2005 – Construction
Anticipated Source of Funds:	FY05 Transportation Trust Fund
DBE Goal:	N/A
Related/Future Authorization:	Construction of Park and Ride Facility
Impacts on Subsequent Operating Budgets:	Additional Parking Revenue Additional Operation Costs

RESOLUTION

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

WHEREAS, NJ TRANSIT staff has identified property needs for the construction of an 800 space parking lot at Edison Rail Station; and

WHEREAS, the Edison Park and Ride Project is part of NJ TRANSIT'S systemwide parking improvements to create and enhance access to NJ TRANSIT's rail system;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to take all actions necessary to acquire the property required for the Edison Rail Station Park and Ride Project at a cost not to exceed \$3,500,000 including closing costs, subject to the availability of funds.

(NJT BOARD – 3/9/05)

**ITEM 0503-10: REHABILITATION AND REPAIR TO ROSEVILLE CUT NORTH
RETAINING WALL: MORRIS & ESSEX LINES, NEWARK, NJ**

BENEFITS

Rehabilitation and repair of the North Retaining Wall to the Roseville Cut on the Morris & Essex Lines in Newark, NJ will improve reliability and allow for increased on-time performance. This renewal will significantly reduce the number of periodic track outages required to inspect and maintain the wall and utility lines.

PURPOSE

NJ TRANSIT is responsible for maintaining the infrastructure to provide reliable service throughout its system.

The North Retaining Wall of the Roseville Cut in the City of Newark, NJ was constructed in the early 1900s and is in need of significant repair. The wall has been exposed to the elements for nearly 100 years while supporting the properties of others adjacent to the Right-of-Way, as well as supporting various railroad and public utility lines. The wall exhibits numerous spalls and loose concrete, which have the potential to significantly impact rail operations through the area. In addition, the railroad and public utility lines need to be relocated. This work will be performed in conjunction with the planned track outages for the Newark Broad Street Station ADA Compliance Project (NJ TRANSIT Contract 02-102), which will allow NJ TRANSIT a maximum return on its investment.

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

Staff seeks authorization to contract (No. 05-038) with Merco, Inc. of Lebanon, NJ to rehabilitate and repair the North Retaining Wall of the Roseville Cut, at a cost not to exceed \$3,521,341, plus five percent for contingencies.

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

FISCAL IMPACTS

Requested Authorization:	\$3,521,341 + 5% contingency
Total Project Cost:	\$4,500,000
Projected Date of Completion:	July 2006
Anticipated Source of Funds:	Transportation Trust Fund
DBE Goal:	15%
Related/Future Authorizations:	N/A

RESOLUTION

WHEREAS, NJ TRANSIT is responsible for maintaining the Right-of-Way on the Morris and Essex Lines in the City of Newark, NJ; and

WHEREAS, the condition of the North Retaining Wall within the Roseville Cut has begun to deteriorate; and

WHEREAS, the opportunity to perform this rehabilitation work concurrent with track outages scheduled for the Newark Broad Street Station ADA Project exists; and

WHEREAS, following the completion of a competitive procurement process, it was determined that Merco, Inc. of Lebanon, NJ was the lowest responsive and responsible bidder;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract with Merco, Inc. for the rehabilitation and repair of the North Retaining Wall of the Roseville Cut, at a cost not to exceed \$3,521,341, plus five percent for contingencies, subject to the availability of funds.

ITEM 0503-11: FINAL DESIGN FOR GLADSTONE LINE OVERHEAD CATENARY SYSTEM (OCS) STRUCTURES REPLACEMENT

BENEFITS

With the replacement of the Overhead Catenary System (OCS) Structures along the Gladstone Line between Summit and Gladstone, NJ TRANSIT will improve the reliability of rail service, ensure public safety, minimize disruption, and increase the quality and on-time performance of this electric traction territory.

PURPOSE

NJ TRANSIT owns and maintains the railroad OCS on its Gladstone Line from Summit to Gladstone. Most of the catenary wood structures have been in service and exposed to the weather since the 1980s. The structures were inspected in 2003 by a consulting firm and significant deterioration of poles was evident along the line. This has affected the alignment of the OCS, with the potential to cause pantograph-related problems. This design contract will bring these structures back to a state-of-good-repair.

The project's scope is to produce the construction plans and documents necessary to replace all the wood poles with steel structures in a manner that will ensure operational reliability and safety with ease of maintenance.

ACTION (Justification: State-of-Good Repair)

Staff seeks authorization to contract (No. 05-012) with Gannett Fleming of New York, NY for engineering design work associated with the replacement of the Gladstone Line Overhead Catenary System Structures from Summit (M.P.20.25) to Gladstone (M.P. 42.25) at a cost not to exceed \$2,995,746, plus five percent for contingencies.

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

FISCAL IMPACTS

Requested Authorization:	\$2,995,746 + 5% contingency
Total Project Cost:	\$3,500,000
Projected Date of Completion:	December 2006
Anticipated Source of Funds:	Transportation Trust Fund
DBE Goal:	25%
Related/Future Authorizations:	N/A

(REVISED - 3/9/05)

RESOLUTION

WHEREAS, NJ TRANSIT owns and maintains the railroad Overhead Catenary System Structures on its Gladstone Line from Summit to Gladstone; and

WHEREAS, replacement of the existing wooden catenary structures is necessary to provide safe and uninterrupted service and reduce maintenance; and

WHEREAS, following the completion of a competitive procurement process, it was determined that Gannett Fleming was the highest ranked proposer;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to contract with Gannett Fleming, of New York, NY to perform final design of the Overhead Catenary System Structures, at a cost not to exceed \$2,995,746, plus five percent for contingencies, subject to the availability of funds.