

**NJ TRANSIT BOARD MEETING
MINUTES
OPEN SESSION
7/14/2010**

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
James S. Simpson, Board Chairman
James Weinstein, Executive Director

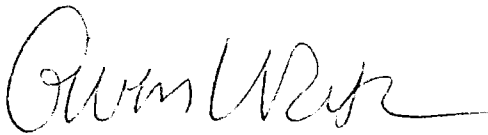
NJ TRANSIT
One Penn Plaza East
Newark, NJ 07105-2246
973-491-7000

July 16, 2010

Dear Governor Christie:

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, July 14, 2010.

Sincerely,



Gwen A. Watson
Board Secretary

Enclosures

Honorable Chris Christie
Governor, State of New Jersey
State House
Trenton, NJ 08625

July 16, 2010

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Sincerely,

A handwritten signature in black ink, appearing to read "Gwen Watson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gwen A. Watson
Board Secretary

Enclosures

Honorable Chris Christie
Governor, State of New Jersey
State House
Trenton, NJ 08625

**NJ TRANSIT BOARD MEETING
NARRATIVE
OPEN SESSION
7/14/2010**

(NJT Board – 07/14/2010)

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, July 14, 2010.

Present:

James S. Simpson, Chairman
Myron P. Shevell, Vice Chairman
Deborah L. Gramiccioni, Governor's Representative
Steve Petrecca, Treasurer's Representative
Flora Castillo
Kenneth E. Pringle

James Weinstein, Executive Director
Gwen A. Watson, Board Secretary
Lynn Bowersox, Assistant Executive Director, Communications & Customer Service
James Gigantino, Vice President & General Manager, Bus Operations
Kevin O'Connor, Acting Vice President & General Manager, Rail Operations
Kim Vaccari, Chief Financial Officer & Treasurer
Steve Santoro, Assistant Executive Director, Capital Planning & Programs
Alma Scott-Buczak, Assistant Executive Director, Human Resource
Leotis Sanders, Vice President, Office of Civil Rights and Diversity Programs
Warren A. Hersh, Auditor General
Kenneth Worton, Deputy Attorney General

Chairman James S. Simpson convened the Open Session at 9:10 a.m. in accordance with the Open Public Meetings Act and asked for a motion to enter Executive Session to discuss contract negotiations, attorney-client, litigation and personnel matters. A motion was made by Kenneth E. Pringle, seconded by Deborah L. Gramiccioni and unanimously adopted.

Chairman Simpson reconvened the Open Session at 9:47 a.m. and asked for a motion to adopt the minutes of the June 16, 2010 meetings. A motion was made by Myron P. Shevell, seconded by Steve Petrecca and adopted.

Executive Director James Weinstein highlighted the following from his monthly business report.

HEAT WAVE

Executive Director Weinstein acknowledged that the extremely hot weather has made the commute challenging at times over the last two weeks. When the temperature soars above 90 and 100 degrees, even minor delays are uncomfortable. Unfortunately, many rail riders experienced significant delays last week stemming from heat-related issues, including overhead wire and power problems, as well as trains disabled by equipment failures. The steps taken to mitigate the equipment overheating have made an improvement, but NJ TRANSIT is not letting its guard down as high temperatures are expected to continue.

(NJT Board – 07/14/2010)

To thank customers for their forbearance and to cool them off a bit, NJ TRANSIT handed out water to riders at Hoboken Terminal, Newark Penn Station and New York Penn Station last week, thanks to the donation from one of NJ TRANSIT's partners, Commuter Check. Another partner, New Jersey-based Shoprite, will be on hand at Hoboken tomorrow to distribute water to customers as temperatures are expected to soar once again. Executive Director Weinstein thanked Commuter Check and Shoprite for their partnership.

FISCAL YEAR 2011 BUDGET

Executive Director Weinstein will present today the Fiscal Year 2011 operating and capital budgets for the Board's consideration. The programs reflect NJ TRANSIT's commitment to operating efficiently with the lowest growth budget in NJ TRANSIT's history, which positions the agency to be a stronger and more financially-stable company. This year's operating and capital programs will target the most critical infrastructure and equipment needs, while preserving important capacity expansion projects.

OPERATING BUDGET

The proposed \$1.79 billion operating budget reflects stable state operating assistance, thanks to Governor Christie and the Legislature. NJ TRANSIT recognizes that this represents a deep commitment to transit riders in these unprecedented budget times.

This budget addresses a projected gap of approximately \$300 million, with a combination of efficiencies, a fare increase and new commercial revenues.

CAPITAL BUDGET

Executive Director Weinstein said the \$1.35 billion capital program focuses on critical infrastructure and state-of-good repair needs, while supporting the ongoing fleet modernization program. This item and other Board items for action highlight the continued procurement of more than 1,400 new buses, 100 more of the popular multilevel rail cars and 10 additional dual mode locomotives. The new equipment replaces aging equipment in the fleet. For example, the multilevel rail cars have replaced the older fleet, enhancing reliability as well as adding capacity for future growth. New buses are replacing transit and suburban buses that will have exceeded their 12-year lifespan, like the 1994 Flixibles and 1995 Novas, and are eligible for replacement under Federal Transit Administration guidelines. Also, this capital investment offsets certain expenses for parts because of new equipment warranties, providing some relief to the operating budget. The program includes \$296 million to advance important capacity expansion projects such as ARC, Portal Bridge and the extension of Hudson-Bergen Light Rail to 8th Street in Bayonne.

On the rail side, the budget will support state-of-good repair projects, with \$85.5 million in the capital program included for: track and tie replacement; inspection and replacement of bridges; electric traction and signal improvements and the ongoing locomotive overhaul program. The program will also address bus and light rail state-of-

(NJT Board – 07/14/2010)

good-repair needs, including \$2 million for Newark Light Rail infrastructure improvements and \$72 million toward the purchase of new buses.

In addition, the capital budget invests in rail station improvements at Newark Penn and Ridgewood stations as well as inspections and repairs at stations and facilities throughout the system. Roughly half of the capital budget comes from the State, with the balance coming from federal and other sources.

QUIET COMMUTE

On the customer service front, as NJ TRANSIT continues to look for ways to improve the commuting experience for riders, this fall NJ TRANSIT will conduct a pilot program to test the feasibility of offering Quiet Cars on trains, a request the agency has often received from customers. This makes NJ TRANSIT the largest transit agency in the country and the only one in the metropolitan region to offer quiet cars. In fact, this is one of the most popular suggestions NJ TRANSIT has received from its customers online. The “Quiet Commute” program is an effort to balance the needs of those passengers who wish to stay connected while enroute with those who want to relax or work in a quiet atmosphere without distractions. Starting after the Labor Day holiday on September 7th, the 90-day pilot will be conducted weekdays on all 3900-series Northeast Corridor trains that operate express to and from the outer zone stations of Trenton, Hamilton and Princeton Junction. NJ TRANSIT has designated the first and last cars of each of these trains for Quiet Commute, as they are easily identifiable, with seating on a first-come, first-served basis. In Quiet Commute cars, customers will be asked to refrain from cell phone use and to disable the sound features on pagers, phones, games, laptop computers and PDAs. They will also be asked to keep conversation to a minimum and to speak only in quiet voices. The pilot program will help determine the level of interest and acceptance of Quiet Commute on NJ TRANSIT trains, giving us the opportunity to evaluate and refine the program on our busiest trains at the busiest times before a possible system-wide roll-out. During the Quiet Commute pilot, NJ TRANSIT will be encouraging customer and employee feedback, which will be collected onboard and online at www.njtransit.com as well as through electronic surveys sent to customers. NJ TRANSIT encourages customers to let them know if this program makes their commutes better and to tell NJ TRANSIT if they think it should be expanded. Executive Director Weinstein will report back to the Board with the results.

LEADERSHIP PROGRAM RECOGNITION

Executive Director Weinstein recognized employees who have graduated from the 12-month Leadership Training Program. The program was created by Bus Operations to enhance workforce skills, and performance and leadership training. Executive Director Weinstein congratulated: Stephanie Boston, Luis Calisto, Robert Gilligan, Katrina Osborne, George Piper and Michael Zuccaro.

CHIEF, NJ TRANSIT POLICE DEPARTMENT

Executive Director Weinstein was pleased to announce the appointment of Christopher Trucillo as the new Chief of NJ TRANSIT Police, following a comprehensive selection process that included an extensive, nationwide search. Mr. Trucillo, who hails from Old

(NJT Board – 07/14/2010)

Bridge, New Jersey, was previously the Chief of Police at the Port Authority of New York & New Jersey, where he worked for more than 20 years. During his tenure, he served in a number of capacities, including Inspector/Commanding Officer for the Port Authority Bus Terminal and Newark Liberty International Airport, two of the busiest facilities in the country. While at the Port Authority, Mr. Trucillo also was selected to oversee the search and rescue of missing police officers following the September 11th attacks on the World Trade Center, and was the primary contact for the officers' families. He most recently was the Director of Public Safety at John Jay College in New York City and an adjunct professor at Seton Hall University in the College of Education & Human Services Graduate Program. To help with the nationwide search, NJ TRANSIT reached out to the International Association of Chiefs of Police, the world's largest non-profit membership organization of police executives. Executive Director Weinstein thanked them for their assistance in helping to identify an extraordinary slate of candidates for this position. Policing a transit system presents unique law enforcement challenges that require a unique leader and executive, and Executive Director Weinstein is confident that Chris Trucillo is that unique individual and welcomed him to the NJ TRANSIT team.

Executive Director Weinstein recognized and thanked Acting Chief Joe Kelly and Deputy Chief Kevin Amberg for all of their hard work and dedication during the year. Executive Director Weinstein said both individuals chose early on not to throw their hats into the recruitment pool, but Executive Director Weinstein said they did outstanding jobs.

Executive Director Weinstein introduced Acting Vice President/General Manager of Rail Operations Kevin O'Connor, following the retirement of Bill Duggan. Kevin has been Deputy Vice President/General Manager for several years and is doing a terrific job.

Chairman Simpson expressed best wishes to Mr. Trucillo and said it is great to have him at NJ TRANSIT.

Chairman Simpson said Quiet Commute is a great idea.

Advisory Committee

Suzanne Mack presented the Advisory Committee report and congratulated staff for working with commuter groups regarding the budget. Ms. Mack thanked Governor Christie and the new Administration for getting everything together and said they did the best they could with a tough budget. Ms. Mack said an item on today's agenda is the Senior Citizen and Disabled Resident Transportation Assistance Program that will help senior citizens and people with disabilities. It is a great program and it is very critical for hospitals and businesses that rely on this program.

Ms. Mack said it was a good sign that there was not much ridership diversion from the fare increase and said the fare increase only works if you don't divert riders.

There will be a meeting shortly with Chairman Simpson, Executive Director Weinstein and Board Member Pringle along with South Jersey Chair Anna Marie Gonnella to discuss issues important to the committees.

(NJT Board – 07/14/2010)

Ms. Mack thanked Governor Christie for renewing the Transportation Trust Fund for one year and said she knows he has a myriad of issues to deal with but hopes he finds a permanent solution for the Trust Fund.

Public Comments on Agenda Items

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

Murray Bodin commented on Item 1007-38 Atlantic City Jitney Association Vehicle Purchase and said NJ TRANSIT has to change its way of thinking about low floor buses. He traveled around the world and has seen what is equivalent to low floor jitney buses. If NJ TRANSIT does not buy low floor buses, it is not planning ahead for the next 10 years. Mr. Bodin also said the Mass Transit Tunnel project was well planned and designed for the next 25 years.

David Peter Alan, on behalf of the Lackawanna Coalition, said he could not comment in a meaningful manner on Item 1007-34 Fiscal Year 2011 Operating Budget and Item 1007-35 Fiscal Year 2011 Capital Program because neither he nor the public has enough information to do so. The public has been given an aggregate number, along with a few large sums for items like railcars, buses and dual-mode locomotives, but they have not seen any balance sheets, income statements or statements of sources and uses of funds that are used in the budget items. By no means can the information given to the public at today's meeting be considered in reasonable compliance with the New Jersey's Open Public Meetings Act.

There is a great deal of talk about transparency in government in New Jersey, both from the Governor and the Legislature. Yet, the public is told essentially nothing, except an aggregate number when it comes to spending by NJ TRANSIT. To make matters worse, everything is decided in a closed door "executive session" out of public access. This is an insidious practice and must not continue. The riders of NJ TRANSIT and the taxpayers of New Jersey are intended beneficiaries of the transportation services the company provides. In both those capacities, the public has a right to know how the money is being spent. Mr. Alan requests that all deliberations on the budget items be suspended until the public is given an opportunity to view the same information about the budget that is given to members of the NJ TRANSIT Board and also an opportunity to comment on all items prior to any further Board deliberations.

It is particularly distressing that NJ TRANSIT continues to press for wasting billions of dollars for their proposed "deep cavern" terminal, while the Moynihan/Penn Station First Plan supported by the representatives of New Jersey's rail riders, as well as some of the State's most influential opinion leaders, would save the taxpayers of this State over \$3 billion, yet it remains the object of active hostility by transit management. At the same time, NJ TRANSIT pursues policies that discourage transit use, and implements service cuts and massive fare increases, especially for discretionary rail riders who use the trains outside of peak commuting times.

(NJT Board – 07/14/2010)

Mr. Alan said no detail was furnished to the public about any of today's expenditures, except grants for senior and disabled transportation and that is probably because these grants come from several different programs. As a person who cares about transportation for seniors and persons with disabilities, Mr. Alan supports these grants. Still, even that level of detail is missing from the rest of today's agenda. Mr. Alan said he cannot comment on those items, except to say that this Board needs to wait until the public is fully informed before taking action.

Jack May commented on Item 1007-37 Contract to Purchase 100 Multilevel Passenger Vehicles. Mr. May is not convinced that it is necessary to spend \$279 million for 100 more multilevel vehicles. He said the current railcars are perfectly usable so he asked about the need to spend the money now to purchase new railcars. Mr. May also questioned the need for a \$9 million contract with LTK Engineering for quality assurance and project management services. If NJ TRANSIT is satisfied with the rail cars it has so far purchased from Bombardier, there should be no need for an engineering consultant.

Joseph M. Clift commented on Item 1007-35 Fiscal Year 2011 Capital Program and said the rail advocate-proposed Moynihan/Penn Station First alternative to the current Mass Transit Tunnel project scope of work would reduce the cost by over \$3 billion and should be given serious consideration. The Mass Transit Tunnel and the required Portal Bridge Capacity Enhancement project are currently estimated to cost \$10.4 billion to begin operations, up \$2 billion from two years ago. Even if \$3 billion in scarce Port Authority funds and \$3 billion in not-yet-committed Federal Transit Administration funds are provided, \$4.4 billion must be funded from other sources, twice the other source funding required two years ago. Current funding plans include "borrowing" \$1.2 billion in Federal Highway Administration road capital funds. There is no guaranteed source of separate funding to cover the total current cost estimate for the Mass Transit Tunnel and Portal and the potential for taking money from other projects is very real. The current Fiscal Year 2011 Mass Transit Tunnel and Portal Bridge capital budget approved by the New Jersey Legislature includes \$147 million in New Jersey Transportation Trust Fund funds and \$77 million in Federal Highway funds for the Mass Transit Tunnel and Portal Bridge, proving that other projects are already losing out. At the current appropriations rate, it will take 15 years for the Federal Transit Administration New Starts funds to reach NJ TRANSIT, exerting an additional requirement for bridge funds. Mr. Clift said New Jersey should learn from the experience of New York's MTA as it experiences severe capital budget problems as it seeks to fulfill its full funding grant agreement obligations on the East Side Access Project.

James T. Raleigh said he has been actively involved in budget committees and has a different perspective on the Transportation Committee. Mr. Raleigh said the budget signed by Governor Christie was negotiated by the Legislature and the Governor's Office and not the Transportation Committee. Mr. Raleigh is concerned about doing business as usual as the Board goes into executive session and the open session agenda is distributed when the Board returns to open session. The public does not have time to review the agenda. Mr. Raleigh said he had 35 minutes to review the open session agenda which is not enough time to provide public input. He suggested the public review the agenda three days prior to the meeting.

(NJT Board – 07/14/2010)

Board Member Pringle said the budgets were not discussed in executive session.

David Peter Alan, Vice Chairman, Senior Citizen and Disabled Resident Transportation Assistance Program, appreciated the opportunity to speak on behalf of Chairman Rich Bartello. Mr. Alan said an important item on the agenda today is Item 1007-45 NJ TRANSIT Grant Programs: Local Transportation for Senior Citizens, Persons with Disabilities, Rural and Economically Disadvantaged Residents. The grants for this program are funded by casino revenue to help senior citizens and disabled residents who are need of public transportation. Mr. Alan commended the Legislature for increasing the casino revenue tax but more funding is needed for these programs. Mr. Alan extended an open invitation to the Board and members of public to attend an Advisory Committee meeting with suggestions for this program. He said there needs to be a cooperative effort to find efficient ways to deliver transportation to people who need it the most. Mr. Alan thanked Suzanne Mack for recognizing the Senior Citizen and Disabled Resident Transportation Assistance Program and said this vital issue will become more important as time goes by.

Executive Director Weinstein presented the following Action Items for approval:

1007-34: FISCAL YEAR 2011 OPERATING BUDGET

Authorization is requested to approve the Fiscal Year 2011 Operating Budget, which is proposed for \$1,789.1 million. The budget assumes an increase of only 0.5 percent while NJ TRANSIT continues its commitment to operate as efficiently as possible. This is the lowest growth rate in NJ TRANSIT history and is well below the rate of inflation. Authorization of this budget will also allow the agency to continue to expend funds to meet obligations until the adoption of the Fiscal Year 2012 budget, will allow the execution of various agreements to advance the Private Carrier Capital Improvement Program, continue bus rehabilitation, debit and credit card processing and settlement services, marketing programs as well as provide the local share and other in-kind services for federal or state capital or operating funds.

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

1007-35: FISCAL YEAR 2011 CAPITAL PROGRAM

The agency's Fiscal Year 2011 Capital Program totals \$1.35 billion. The program continues investments in infrastructure to improve the overall state-of-good-repair, improve reliability and safety and supports future expansions. Included is funding to continue the rolling stock modernization program, investments in railroad bridge rehabilitation, track replacement, signal and security upgrades, repairs to overhead power lines and electric substations, improvements to rail and bus stations and bus shelters. Also provided is funding for the new trans-Hudson tunnel, the new Portal Bridge and the Hudson-Bergen Light Rail 8th Street Extension. About 60 percent of this funding is dedicated to fixed expenses which include debt

(NJT Board – 07/14/2010)

service, mandated programs and earmarks as well as eligible capital maintenance expenses for both bus and rail. Authorization of this budget will allow staff to take the necessary steps to secure funds from various sources and initiate capital projects.

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

Board Member Pringle said having the budget available to the public beforehand is a good point and recommended going forward to have it posted on the website. He said the budget is a work in progress until the final Board review, but summaries and projections can be posted.. Board Member Pringle asked Executive Director Weinstein to develop a process for the upcoming fiscal year.

1007-36: DUAL-POWERED PASSENGER LOCOMOTIVES: PURCHASE OF 10 OPTION PASSENGER LOCOMOTIVES AND CONTRACT AMENDMENT FOR CONSULTANT SERVICES FOR ENGINEERING ASSISTANCE

In the summer of 2008, the Board approved a contract with Bombardier Transit Corporation for 26 dual powered locomotives which are currently in the design process, as well as options for an additional 63. These locomotives are included in the fleet modernization plan and provide for replacement of aging diesel locomotives. They will be able to operate on 37 percent of the system that is not electrified for planned one-seat, direct rail service into New York. Authorization is requested to exercise an option to purchase an additional 10 locomotives from Bombardier at a cost not to exceed \$78,849,571 plus five percent for contingencies. At the same time, authorization is requested to amend the existing contract with STV, Incorporated to continue engineering assistance during the manufacture of these option locomotives. The cost will not exceed \$330,000 plus five percent for contingencies.

Myron P. Shevell recused himself from voting on this item. Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was adopted.

1007-37: CONTRACT TO PURCHASE 100 MULTILEVEL PASSENGER VEHICLES AND CONTRACT FOR CONSULTANT SERVICES FOR ENGINEERING ASSISTANCE

NJ TRANSIT continues to replace the aging rail cars with new Multilevel vehicles with 2/2 fixed seating, indirect lighting, wide aisles and large vestibules and increased comfort and capacity. So far, NJ TRANSIT has 329 of these new cars in service. After a competitive procurement process, authorization is requested to purchase 100 additional Multilevel push-pull rail cars from Bombardier Transit Corporation at a cost not to exceed \$279,561,900 plus five percent for contingencies. Also required are engineering, quality assurance, testing and project management

(NJT Board – 07/14/2010)

services during the manufacture of these cars, and authorization is requested to approve a contract with LTK Engineering Services at a cost not to exceed \$9,215,342 plus five percent for contingencies.

Myron P. Shevell recused himself from voting on this item. Kenneth E. Pringle moved the resolution, Steve Petrecca seconded it and it was adopted.

Chairman Simpson said a public comment was made asking why it is necessary to purchase 100 additional Multilevel vehicles now and why is it necessary to pay an engineering consultant \$9 million.

Executive Director Weinstein said the answer is twofold – the fleet plan calls for replacement of the aging Arrow III vehicles that are on the system now with Multilevel vehicles and second, the consultant services are necessary for contract oversight.

Assistant Executive Director Steven Santoro said the consultant is necessary for day to day vendor oversight. The engineering consultant provides vendor oversight since there is minimal staff in-house to perform that function. This is a new procurement and the vehicle that is delivered will be very similar to the existing multilevel fleet but not exactly the same as the previous order. Component suppliers on this contract may be different than those on the contract that supplied the multilevels now in service. In addition, there are reporting requirements to the Federal Transit Administration and Federal Railroad Administration for which a fair amount of work needs to be done.

Assistant Executive Director Santoro said recent negotiations with the selected consultant eliminated some of the potential for duplication of work since some documents were already produced. Therefore, the consultant actual cost should be significantly lower than the amount requested in the authorization.

Chairman Simpson said technology has also changed and there will be system improvements that riders do not see.

Board Member Pringle said another reason that the Multilevel vehicles are replacing the Arrow III vehicles is for more passenger capacity on the trains. NJ TRANSIT cannot wait to order the Multilevel vehicles since the production time is lengthy. Since the economy is slow, it is a good time to purchase the vehicles. He noted that this item was discussed thoroughly at the Capital Planning Committee. Board Member Pringle said he appreciates the public input and said their questions are valid and he also appreciates the opportunity to explain why this purchase is being made at this time.

(NJT Board – 07/14/2010)

Chairman Simpson said transparency is important to this Board and to staff. The Board is not a rubber stamp and there will be continuous improvement as we move forward.

1007-38: ATLANTIC CITY JITNEY ASSOCIATION VEHICLE PURCHASE: CONTRACT AMENDMENT TO PURCHASE 60 OPTION VEHICLES AND AMENDMENT TO BOARD ITEM 0911-84

The Atlantic City Jitney Association provides fixed route minibus service in Atlantic City, including shuttle service to and from the Atlantic City Rail Terminal and Convention Center, which complements local bus service. The fleet currently being operated must be retired and authorization is requested to exercise an option to an existing contract with Jersey Shore Bus Sales/Starcraft Division for 60 minibuses. The Jitney Association secured a federal earmark to fund the minibus purchase for \$3,175,020. Authorization is also requested to approve an amendment to Board Item 0911-84 from November 2009 which will allow NJ TRANSIT to enter into a Master Equipment Sale and Maintenance Agreement and other agreements or letters with the Atlantic City Jitney Association and individual franchise owners governing the sale and utilization of these vehicles.

Myron P. Shevell moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

1007-39: RAIL RADIO NARROWBANDING: SOLE SOURCE PROCUREMENT

In December, 2004, the Federal Communications Commission (FCC) issued rules regarding more efficient use of radio frequencies. Nationally, all passenger and freight railroads must implement 'narrowbanding' which expands the available channels from 12 to 24 and reduces interference. This will require that every radio and radio system used by NJ TRANSIT Rail and Police be reprogrammed or replaced. The FCC requires full compliance by January 1, 2013. Staff is working to have all narrowbanding completed by July of 2012 in order to ensure all radios are compliant and in synch with other railroads. Sole source authorization is requested for these radios and control panels in vehicles and base stations, since the original equipment manufacturer must enable the modifications. The list of original vendors is included as Attachment A to the Board item. Authorization is requested for \$2,757,150 plus five percent for contingencies.

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

(NJT Board – 07/14/2010)

1007-40: UNDERGRADE RAILROAD BRIDGES: ENGINEERING SERVICES TO PERFORM IN-DEPTH INSPECTIONS, EVALUATIONS AND RATINGS

In addition to annual inspections by NJ TRANSIT staff, every five years, each of NJ TRANSIT's 659 undergrade bridges undergoes an in-depth inspection, load rating and evaluation. Authorization is requested for three separate contracts to perform these in-depth inspections at 143 undergrade bridges and underwater inspections of seven bridges. The selected firms are TranSystems for a cost of \$633,804, IH Engineers for \$666,520 and HNTB Corporation for \$679,138. All contracts have a five percent contingency.

Deborah L. Gramiccioni moved the resolution, Steve Petrecca seconded it and it was unanimously adopted.

1007-41: BUS PURCHASE: CONTRACT AMENDMENT FOR REGULATORY CHANGES AND PRODUCT IMPROVEMENTS

Three years ago, the Board authorized the purchase of 1145 transit and suburban buses from North American Bus Industries to replace a portion of the aging fleet. Subsequent to that, the United States Environmental Protection Agency (USEPA) promulgated new diesel exhaust emissions regulations, which have been phased in during the last several years. These new regulations, along with other requirements such as GPS, cellular modems, back up cameras and LED interior lighting, resulted in a price increase which reduced the amount of available contingency. Authorization is requested to increase the contract in an amount not to exceed \$34,039,875 to accommodate the price increases due to the USEPA mandated engines and additional safety enhancements.

Flora Castillo moved the resolution, Myron P. Shevell seconded it and it was unanimously adopted.

1007-42: PORT AUTHORITY BUS TERMINAL CUSTOMER COMMUNICATION UPGRADES: CONTRACT AMENDMENT

Improvements to the Port Authority Bus Terminal's control center are underway and will provide faster ticketing, variable message signs, public address system improvements, closed circuit television cameras and improved communications with buses and bus starters, enhancing security and operations at the terminal. Staff has developed new software systems for handheld devices for bus starters and terminal supervisors which will improve customer information, operations supervision and management reporting. Authorization is requested to amend the existing contract with Daidone Electric Inc. in the amount of \$493,650 in order to implement these technology upgrades.

Myron P. Shevell recused himself from voting on this item. Flora Castillo moved the resolution, Kenneth E. Pringle seconded it and it was adopted.

(NJT Board – 07/14/2010)

1007-43: COMMUNITY MOBILITY AND LOCAL PROGRAMS: PURCHASE OF TWO INTERCITY BUSES

The Rural and Small Urban Area Program of the Federal Transit Administration provides operating, administrative and capital assistance for transportation services in small urban and rural areas. NJ TRANSIT is required to set aside a portion of each annual allocation to specifically support intercity bus serving residents in rural areas, providing connections to larger regional or national systems of intercity bus services. Authorization is requested to purchase two cruiser buses from Motor Coach Industries for \$1,106,364 with a one percent contingency. These buses will be leased to Academy Bus which will operate this rural access from Ocean County to New York City.

Flora Castillo moved the resolution, Steve Petrecca seconded it and it was unanimously adopted.

1007-44: HUDSON-BERGEN LIGHT RAIL LITIGATION SUPPORT: COMPENSATION OF EXPERT CONSULTANT

Trauner Consulting Services, Inc. is an established firm providing comprehensive construction claims consulting including expertise in delays/scheduling/claims analysis and tunneling/engineering. The New Jersey Office of the Attorney General, Division of Law has retained Trauner Consulting Services, Inc. which has been working for NJ TRANSIT in defending a lawsuit filed by Twenty-First Century Rail Corporation, the Design-Build-Operate-Maintain contractor for the Hudson-Bergen Light Rail MOS-II project, and its subcontractor, Frontier-Kemper/Shea/Bemo, Joint Venture. Authorization is requested to continue to reimburse Trauner Consulting Services Inc. through the end of this year in an amount not to exceed \$2,000,000.

Steve Petrecca moved the resolution, Flora Castillo seconded it and it was unanimously adopted.

1007-45: NJ TRANSIT GRANT PROGRAMS: LOCAL TRANSPORTATION FOR SENIOR CITIZENS, PERSONS WITH DISABILITIES, RURAL AND ECONOMICALLY DISADVANTAGED RESIDENTS

NJ TRANSIT oversees a number of federal and state grant programs for coordinated community-based transportation services for the benefit of senior citizens, persons with disabilities, rural and small urban area residents and economically disadvantaged persons transitioning from welfare. These services are life sustaining and life enhancing transportation services such as demand-responsive, fixed route and feeder services as well as community shuttles. These grant programs assist a variety of private non-profit organizations, counties, county improvement authorities and municipalities in meeting residents' needs.

(NJT Board – 07/14/2010)

Authorization is requested to implement these programs for Fiscal Year 2011, as well as approval to award contracts for competitively procured vehicles. The Senior Citizen and Disabled Resident Transportation Assistance Program amounts to \$29,099,000, the federal formula programs total \$16,597,457, and the special appropriations such as Congressional appropriations and CMAQ monies total \$5 million.

Flora Castillo moved the resolution, Deborah L. Gramiccioni seconded it and it was unanimously adopted.

Executive Director Weinstein presented the following Consent Calendar for approval:

1007-46: COMPENSATION OF SPECIAL COUNSEL FOR CAPITAL PROJECTS

Authorization to compensate Hill Wallack of Princeton, New Jersey, as Special Counsel for property acquisition and condemnation services at an amount not to exceed \$670,000, subject to the availability of funds.

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

Public Comments on Non-Agenda Items

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

John Costa, Amalgamated Transit Union, said he is concerned for his membership and for the people of New Jersey. He said the Administration's privatization committee report has been made public and the riding public is being taken for a ride. There is diminished public transit and what is available is being given to the private carriers. He also said the Governor is not doing anything about the Transportation Trust Fund. Mr. Costa said a bill passed both houses to put a non-voting member on the NJ TRANSIT Board of Directors and the non-voting member would be from the largest union at NJ TRANSIT. Mr. Costa wants to know why this has not happened.

Murray Bodin, New York resident, said he sees how things go on from the other side of the river and said there needs to be better integration between MetroNorth and NJ TRANSIT. People need to be brought to train stations with jitneys and shuttle buses. Parking lots are not mass transit, but buses are. Mr. Bodin said integration could include purchasing vehicles, ticketing information and technology systems.

David Peter Alan said America's over-dependence on petroleum is causing this nation tremendous difficulty. In response to the Gulf oil catastrophe, the State of New Jersey has seen fit to discourage transit use by cutting service and raising fares, some by an unprecedented amount. It has also seen fit to encourage oil consumption by keeping highway user fees low, whether they are paid at the gas pump or the toll booth. These transportation policies, recently implemented by the Christie Administration and NJ TRANSIT, went into effect before the Gulf oil tragedy. Still, the fortuity of the timing

(NJT Board – 07/14/2010)

of the implementation does not in any way justify the continuation of policies that discourage transit use and encourage highway use in what should be the Garden State.

These detrimental policies must be replaced with new ones that encourage transit, while making the best use of the scarce dollars available. The state needs more transit, not less, so riders can get where they want to go and make convenient connections. The fares should encourage people to use transit rather than the automobile. Also needed are projects that create utility as they are built, rather than many years into the future. The Moynihan/Penn Station First Project is a case in point. It will provide convenient connections among all of NJ TRANSIT's rail lines, as well as Amtrak, the Long Island Railroad and potential future service on MetroNorth at an enhanced Moynihan/Penn Station hub. It will also save over \$3 billion, compared to the proposed "deep cavern" terminal, which would not allow access to the East Side or convenient access to the streets of the West Side.

The current MTA "East Side Access" project, like the proposed "deep cavern" terminal, is useless until it is completed. Funding for that project becomes increasingly doubtful as the MTA has just implemented severe service cuts to close a budget shortfall. Mr. Alan called for the State of New Jersey and NJ TRANSIT to take a realistic look at the long term financial picture and build new tracks and tunnels into Moynihan/Penn Station. It makes good transit sense and it makes good economic sense

Joseph M. Clift said, in the interest of full disclosure and good communications, he requests that NJ TRANSIT agree to provide a minimum of two public presentations on changes in the Mass Transit Tunnel project since the Record of Decision was issued 18 months ago. Mr. Clift said the requested presentations would be given to the Mass Transit Tunnel Regional Citizen's Liaison committee attendance list at a Newark location and the second presentation to the Manhattan Community Boards Four & Five (combined) at a community board designated location. Mr. Clift said there have been significant changes in the Mass Transit Tunnel project since the Record of Decision was issued and, to date, have not been presented to the public in a manner where questions can be addressed by qualified project representatives. Changes include: repackaging of the Manhattan tunnels and caverns excavation contracts; reorientation of entrance #1 at 8th Avenue, including the taking of 2,50 square feet of public plaza space; elimination of entrance #2 pedestrian entrance at 7th Avenue, leaving only two ADA escalators, apparently forcing displaced pedestrians into existing overloaded Penn Station entrances; expansion of entrance #3 at 7th Avenue and the subsequent decision to take, rather than modify, the building at 201 West 34th Street; and the expansion of entrance #4 at 6th Avenue and the subsequent decision to take, rather than modify, the building at 110 West 34th Street which requires the displacement of 49 commercial tenants.

James T. Raleigh, President, Friends of Monmouth Battlefield, said the saga of the Monmouth-Ocean-Middlesex commuter rail study continues. He said one could ask where all the money has gone, but why bother since it was an item in the FY2010 budget and there was a draft major investment study. Mr. Raleigh thinks there is another study. Mr. Raleigh said there is a need to finish the study of environmental impacts, look at mitigation and make a decision. Not a town-by-town decision but a decision to improve transportation so people in Ocean County can get to New York City. Mr. Raleigh appreciated the open conduct at today's board meeting.

(NJT Board – 07/14/2010)

Adjournment

Since there were no further comments or business, Chairman Simpson called for adjournment and a motion to adjourn was made by Myron P. Shevell seconded by Kenneth E. Pringle and unanimously adopted. The meeting was adjourned at approximately 11:00 a.m.

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

JULY 14, 2010

MINUTES	PAGE
➤ EXECUTIVE SESSION AUTHORIZATION	42430
➤ APPROVAL OF MINUTES OF PREVIOUS MEETINGS	42431
➤ EXECUTIVE DIRECTOR'S MONTHLY REPORT	42432
➤ ADVISORY COMMITTEE REPORTS	-
➤ BOARD COMMITTEE REPORT	-
*Capital Planning, Policy & Privatization Committee	
➤ PUBLIC COMMENTS ON AGENDA ITEMS	

ACTION ITEMS

1007-34	FISCAL YEAR 2011 OPERATING BUDGET	42450
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Authorization to adopt the proposed Fiscal Year 2011 operating budget as detailed in the item and on the attached Exhibits A, B and C.

1007-35	FISCAL YEAR 2011 CAPITAL PROGRAM	42457
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Authorization to adopt the Fiscal Year 2011 Capital Program in the amount of \$1.35 billion, as described.

Authorization to take whatever actions are necessary to seek and secure the funds envisioned by this program.

Authorization to transfer funding sources and amounts among programmed projects as circumstances require in compliance with the terms and conditions of the grants and other funding sources.

Authorization to take whatever actions are necessary to seek and secure funds, consistent with the basic intent of this program, which may become available subsequent to the adoption of the Fiscal Year 2011 Capital Program, including funds for THE Tunnel and Portal Bridge projects.

