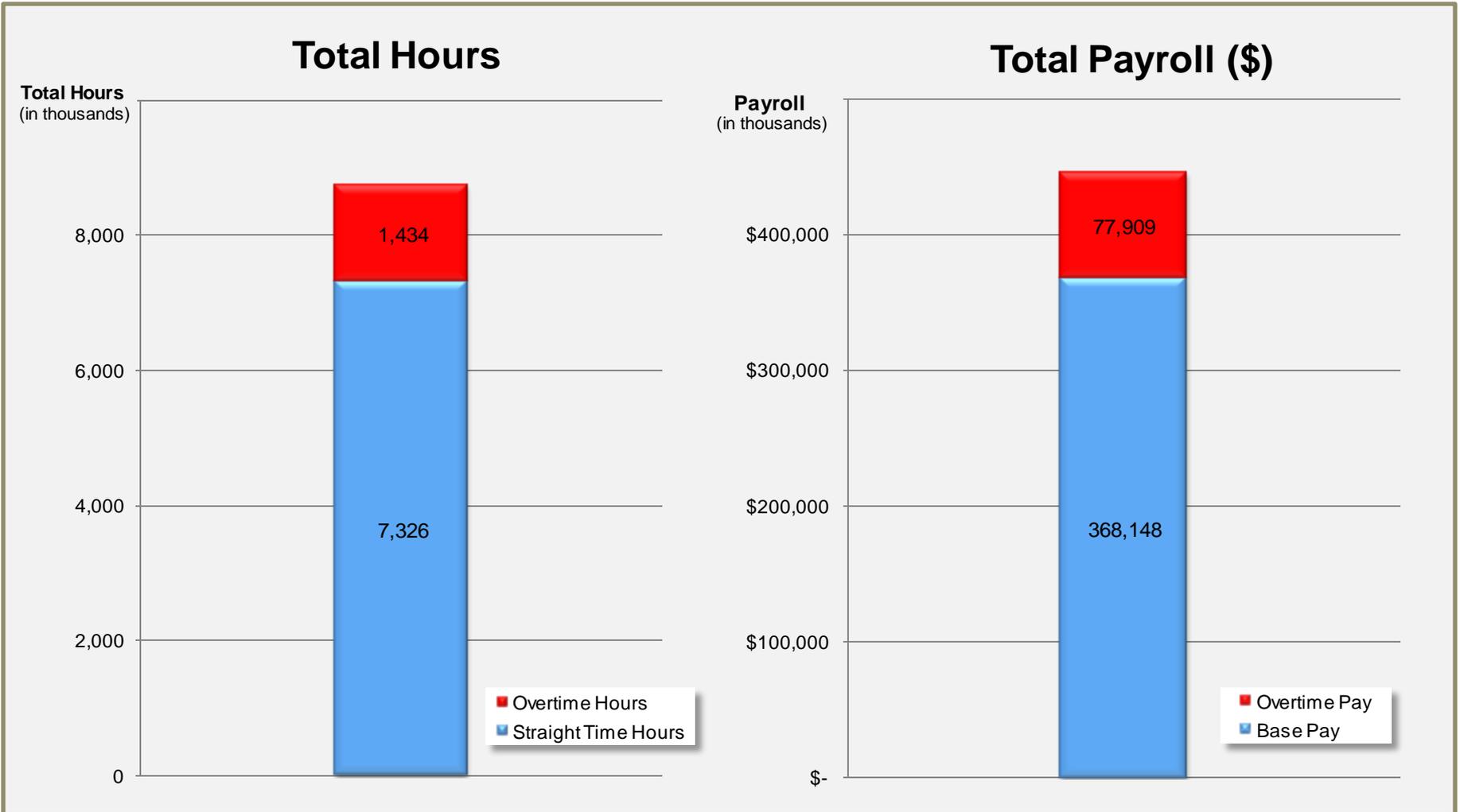


Port Authority

Overtime Control Program and Year-to-Date Performance

Committee on Operations
September 17, 2014

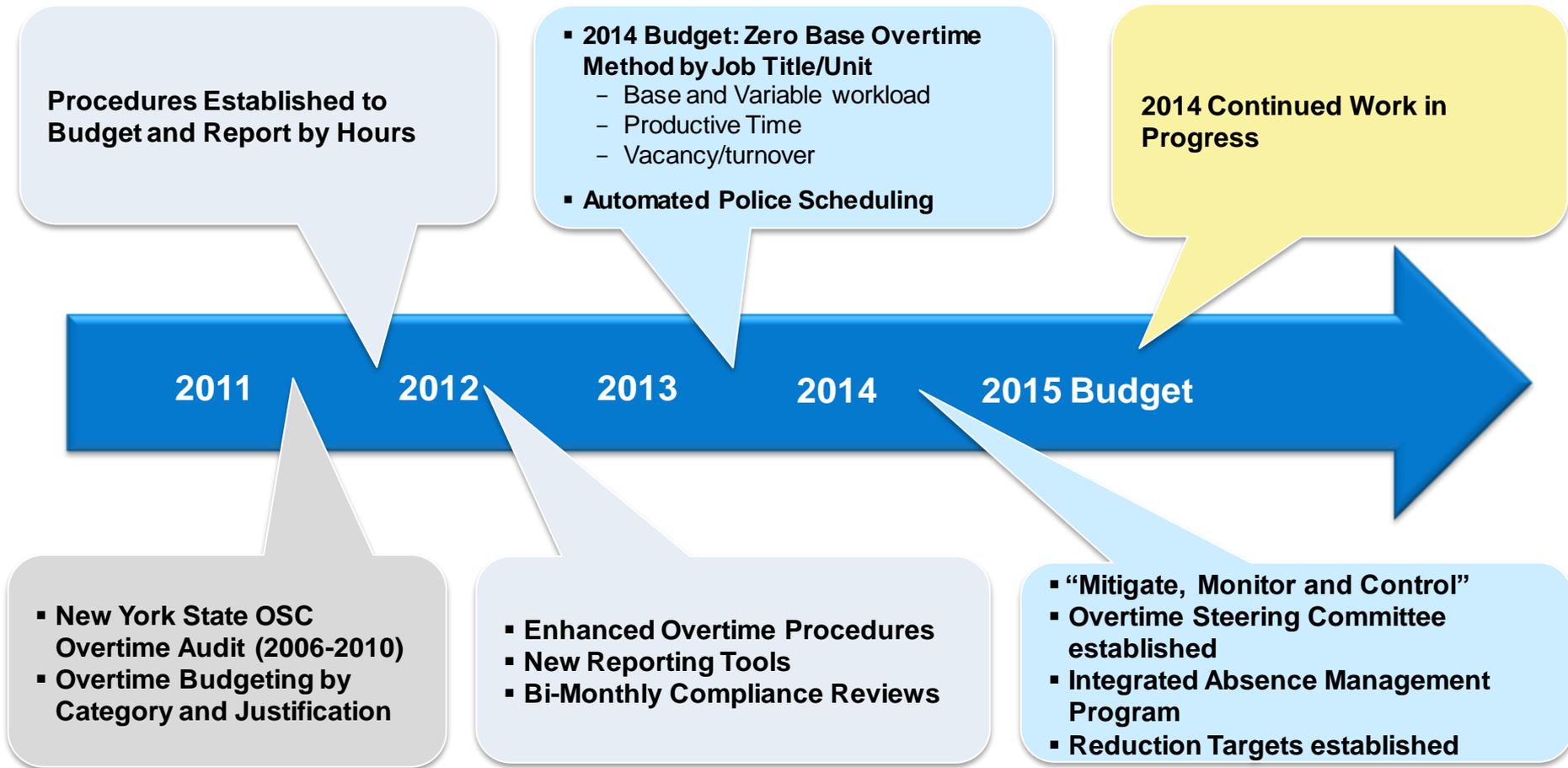
Overtime expense represents 19% of total labor costs and 7% of total operating costs



Agency Overtime

- The Port Authority operates under a demanding operational landscape.
 - **Continuous operations (24/7, 365 days a year)**
 - **Significant security needs**
 - **Regulatory and contractual provisions**
- Overtime allows for effective management of variable workload (e.g., emergency, seasonal) without increasing permanent staff levels.
- Management is tasked to optimize the use of internal and external resources, including the judicious use of overtime when warranted.

Control of Overtime has improved - Incorporating best practices



Resource determination includes cost/benefit analysis

▪ Overtime Pay versus New Hire

Cost/Benefit Evaluation Example:

Overtime Hours required for General Maintainer: 10,000 hours

Overtime Pay

Assumptions:

- \$70 factored overtime hourly rate
- Utilizing existing employees

\$700K Overtime Expenses

New Hire

Assumptions:

- \$137K average factored salary
- Productivity: 205 days/1640 Hours annual
- 6 Full-Time Equivalents

\$822K Factored Salaries

Potential Annual Savings of using existing employees: \$122,000

Additional assessment on the impact of overtime levels will validate recommendations.

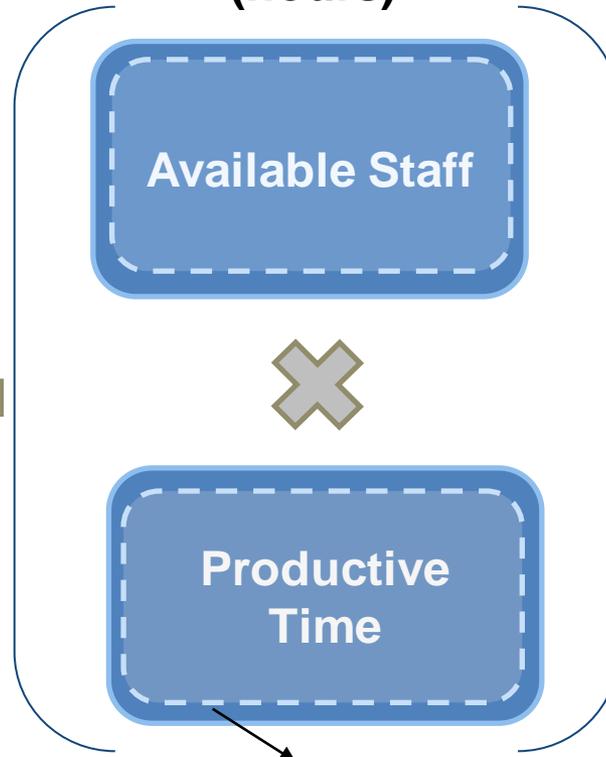
2013: Zero Base Overtime methodology and Post-by-Post assessment used to develop 2014 Overtime Budget

Identification of Workload Hours



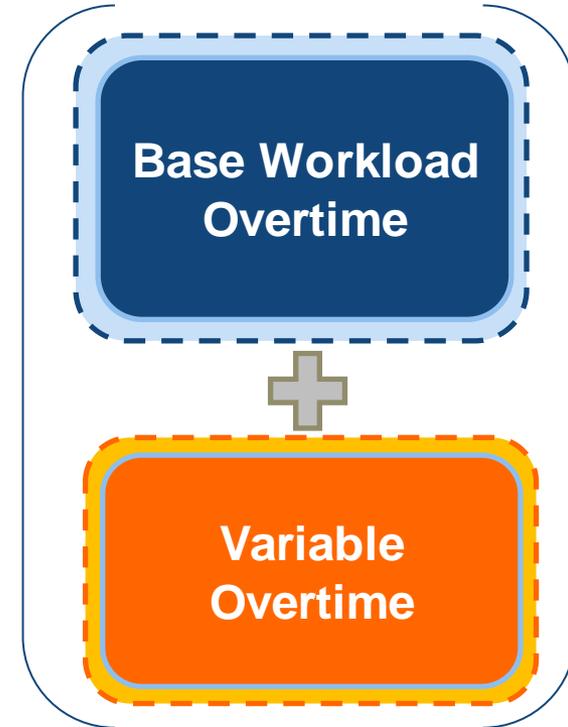
- Workload Hours factors:**
- Regulatory requirements
 - Operational coverage
 - Maintenance requirements
 - O&M assets
 - Policing and security workload

Available Resources (hours)



- Available Resources factors:**
- Vacancy factor/Time to fill
 - Unplanned absences
 - Contractual obligations
 - Productive time standards
 - Training requirements

Overtime Budget (hours)



The impact of Overtime on Pension Costs is Mitigated

- Overtime equalization procedures exist for all Police and PA civilian employee groups, except for certain maintenance titles.
- Agency increased the Police workforce with two police classes to manage workload.
- Overtime is not included in PATH employee pensions.
- Changes in NYS retirement system rule (new Tier 6) will limit the amount of overtime included in pension calculations for employees hired after April 1, 2012.
- The agency continues to monitor overtime high earners.

YTD July Performance: Total Overtime Expenses

Departments	2014					2013	
	July Actual	YTD Actual	YTD Budget	YTD Variance	% Var	YTD Actual	13' vs. '14 YTD % Var
Public Safety - PAPD	\$ 10,503	\$ 73,207	\$ 63,743	\$ 9,464	15%	\$ 72,831	1%
Office of the Inspector General	74	677	638	39	6%	218	210%
Aircraft Rescue & Fire Fighting	1,404	7,267	9,018	(1,751)	(19%)	-	-
Police	\$ 11,980	\$ 81,151	\$ 73,399	\$ 7,753	11%	\$ 73,050	11%
Aviation	\$ 2,603	\$ 24,257	\$ 14,620	\$ 9,637	66%	\$ 17,771	36%
Port Commerce	168	1,423	749	674	90%	710	100%
Rail	3,561	22,839	18,970	3,870	20%	14,650	56%
Tunnels, Bridges & Terminals	1,474	9,793	8,914	879	10%	9,408	4%
Operation Services	792	8,627	4,587	4,040	88%	6,294	37%
Other Departments	755	1,532	1,593	(61)	(4%)	1,624	(6%)
Civilian	\$ 9,353	\$ 68,471	\$ 49,433	\$ 19,038	39%	\$ 50,457	36%
Grand Total	\$ 21,333	\$ 149,622	\$ 122,832	\$ 26,791	22%	\$ 123,507	21%
				<i>Estimated recoveries</i>	\$ (16,909)		
				Net Impact	\$ 9,882		

YTD July Performance: Total Overtime Hours

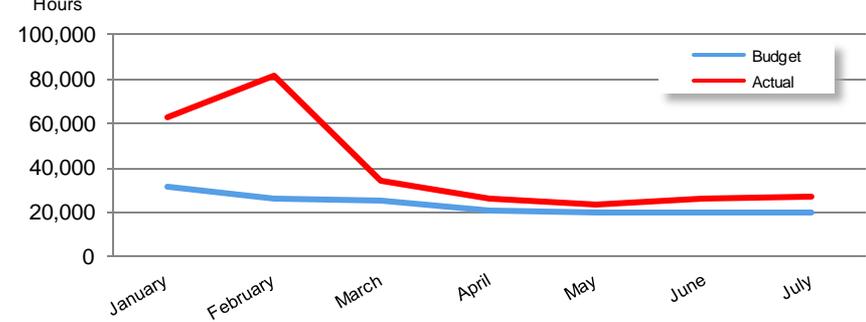
Departments	2014					2013		2014 Performance
	July Actual	YTD Actual	YTD Budget	YTD Variance	% Var	YTD Actual	13' vs. '14 YTD % Var	
Public Safety - PAPD	75,013	597,920	486,381	111,539	23%	533,848	12%	▼
Office of the Inspector General	493	4,204	3,716	488	13%	919	358%	▼
Aircraft Rescue & Fire Fighting	7,637	44,183	61,214	(17,032)	(28%)	-	-	▲
Police	83,143	646,306	551,311	94,995	17%	534,767	21%	▼
Aviation	23,123	140,100	122,009	18,091	15%	123,376	14%	▼
Port Commerce	1,249	5,813	5,396	417	8%	4,035	44%	▲
Rail	36,719	210,259	153,630	56,629	37%	149,253	41%	▼
Tunnels, Bridges & Terminals	12,154	89,796	98,468	(8,672)	(9%)	94,243	(5%)	▲
Operation Services	2,963	19,596	25,581	(5,986)	(23%)	35,915	(45%)	▲
Other Departments	2,010	14,353	13,153	1,200	9%	20,860	(31%)	▲
Civilian	78,217	479,917	418,237	61,680	15%	427,682	12%	
Snow and Ice	-	235,899	57,505	178,394	310%	98,521	139%	
Sandy and Other Emergency	13,279	72,284	54,022	18,262	34%	80,298	(10%)	
Grand Total	174,639	1,434,406	1,081,075	353,331	33%	1,141,267	26%	

Legend: ▲ Performance on target or below plan
▲ Performance is over plan with mitigation strategies identified (Variance to Plan: 1% to 10%)
▼ Performance is over plan with on-going assessment of mitigation strategies (Variance to Plan: >10%)

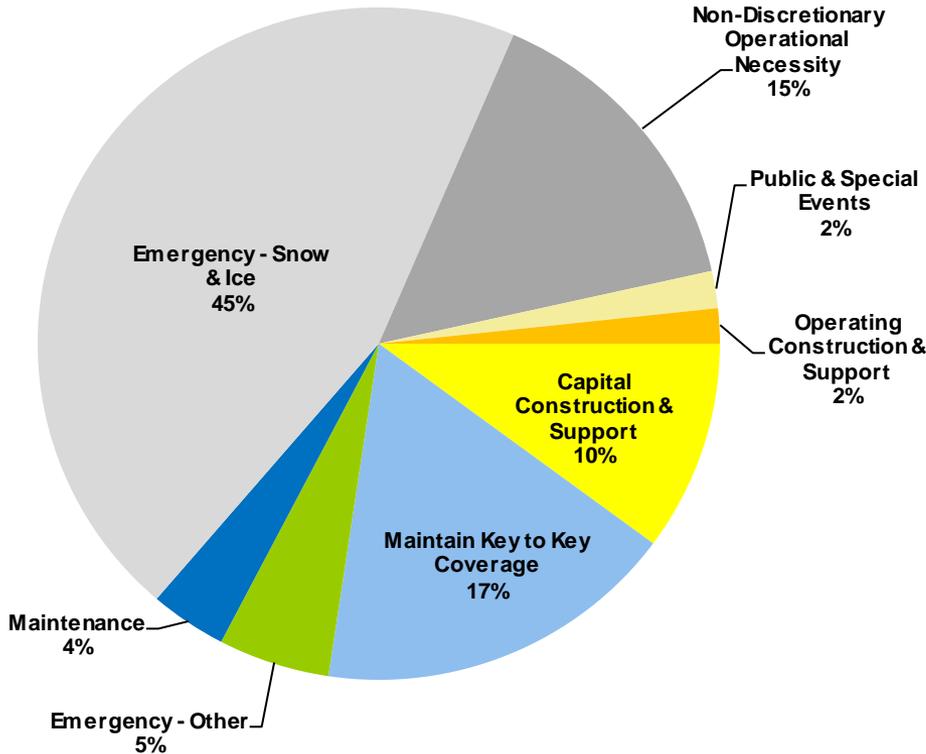
Aviation Civilian Overtime Report July 2014

Actual YTD 2014*	Budget YTD 2014*	Variance YTD 2014*
\$24.0 m	\$14.6 m	\$9.6 m
281,625 hours	161,936 hours	66% Over
<i>*Includes both Operating and Capital</i>		

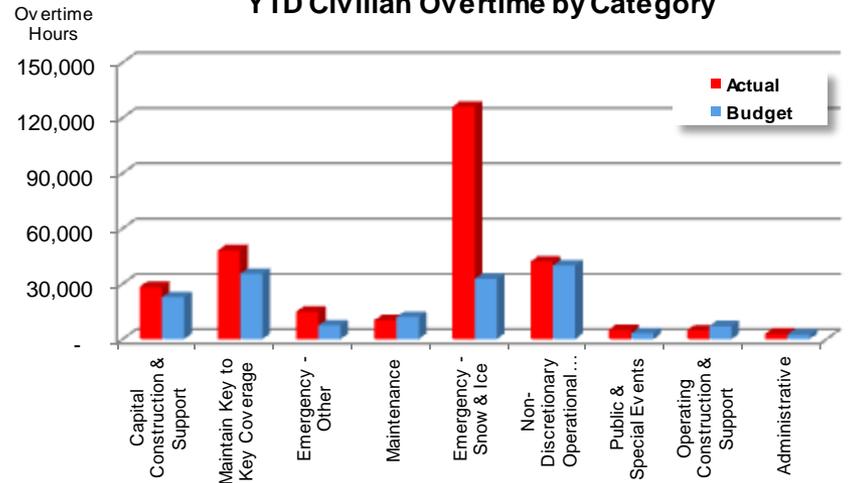
Monthly Actual vs. Budget Civilian Overtime



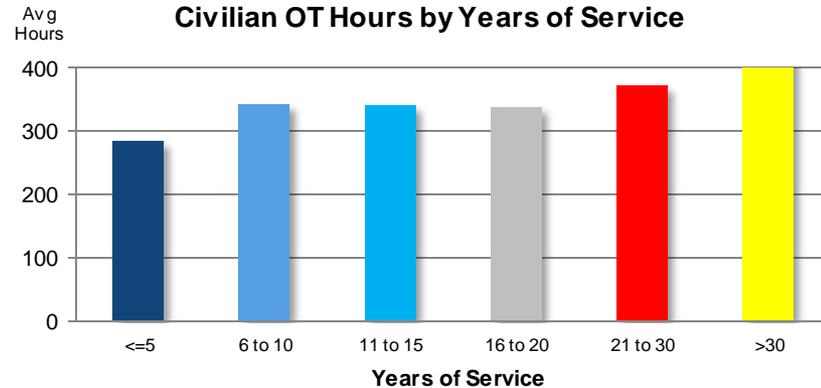
Overtime Hours by Category



YTD Civilian Overtime by Category



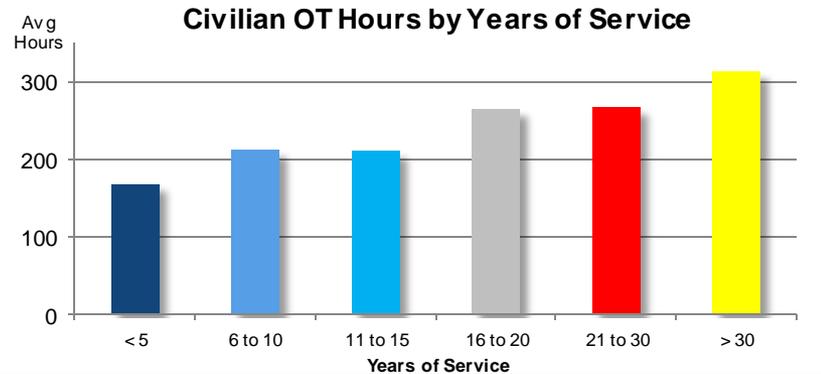
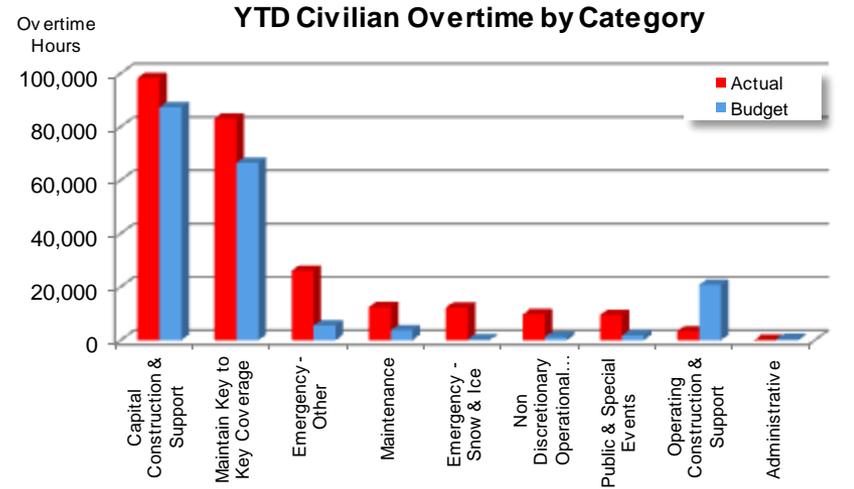
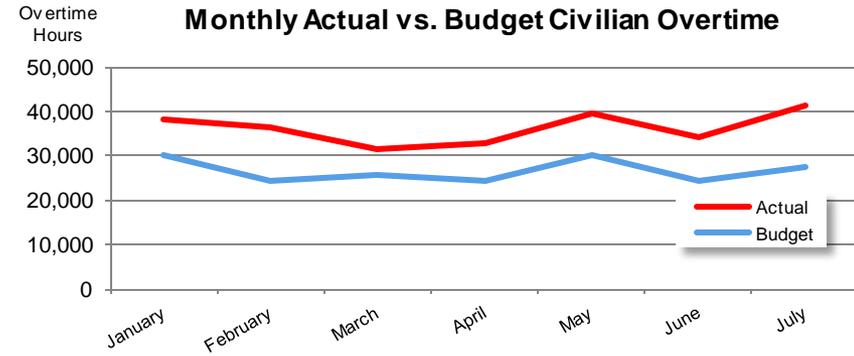
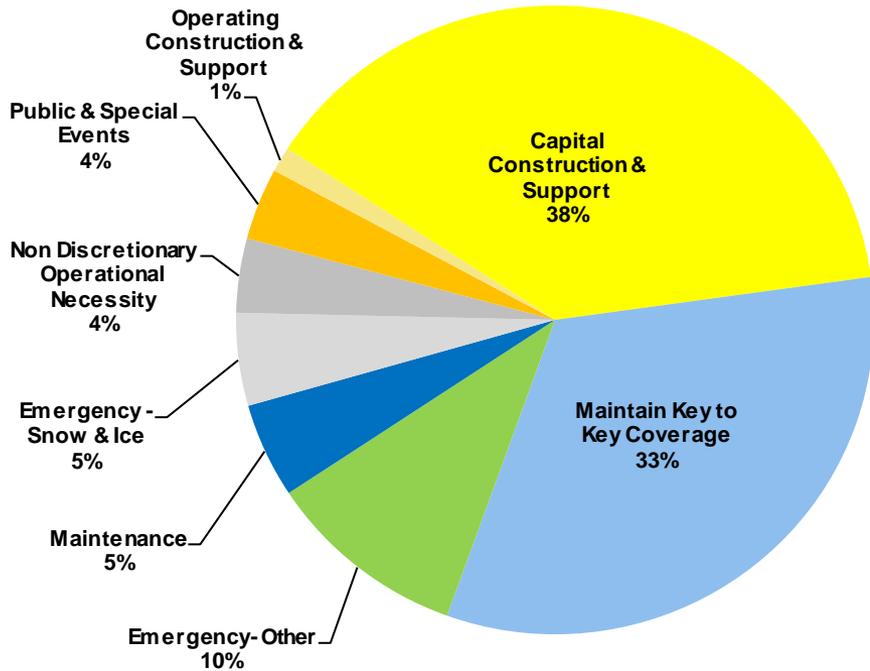
Civilian OT Hours by Years of Service



PATH Civilian Overtime Report July 2014

Actual YTD 2014*	Budget YTD 2014*	Variance YTD 2014*
\$22.8 m	\$19.0 m	\$3.8 m
253,972 hours	186,815 hours	20% Over
*Includes both Operating and Capital		

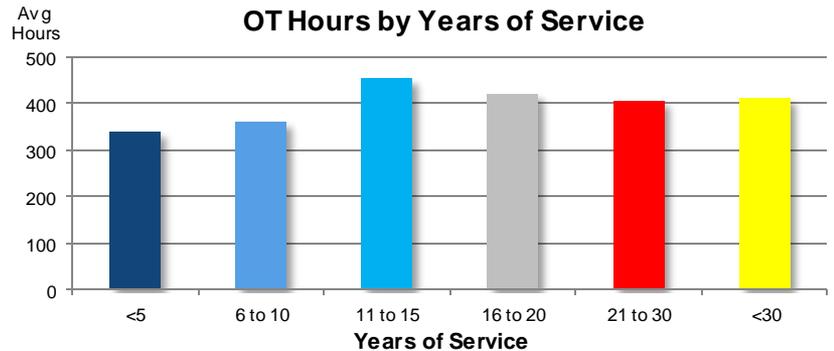
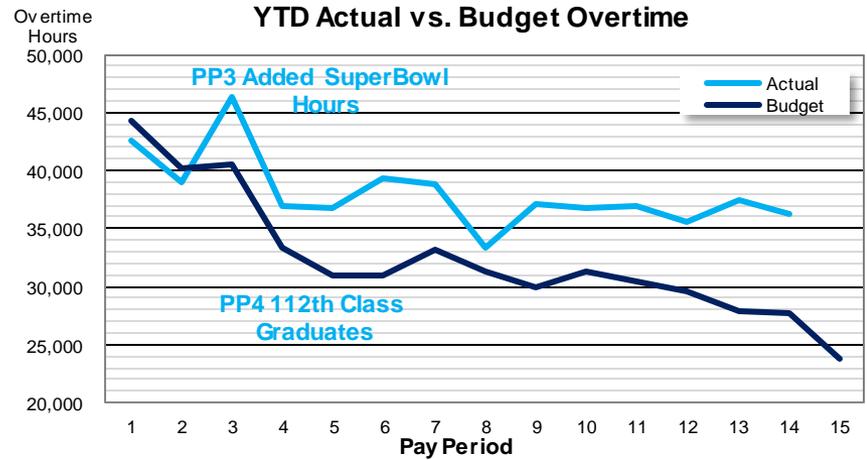
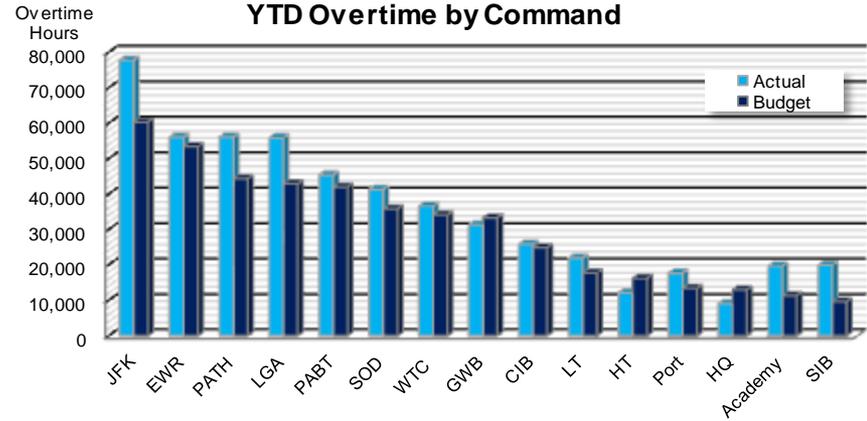
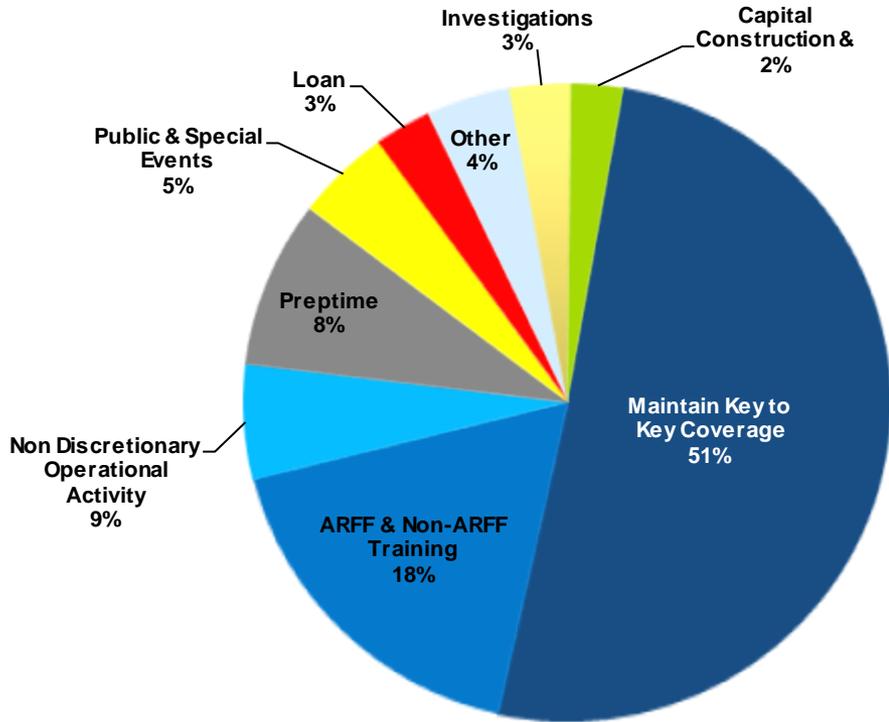
Overtime Hours by Category



PAPD Overtime Report July 2014

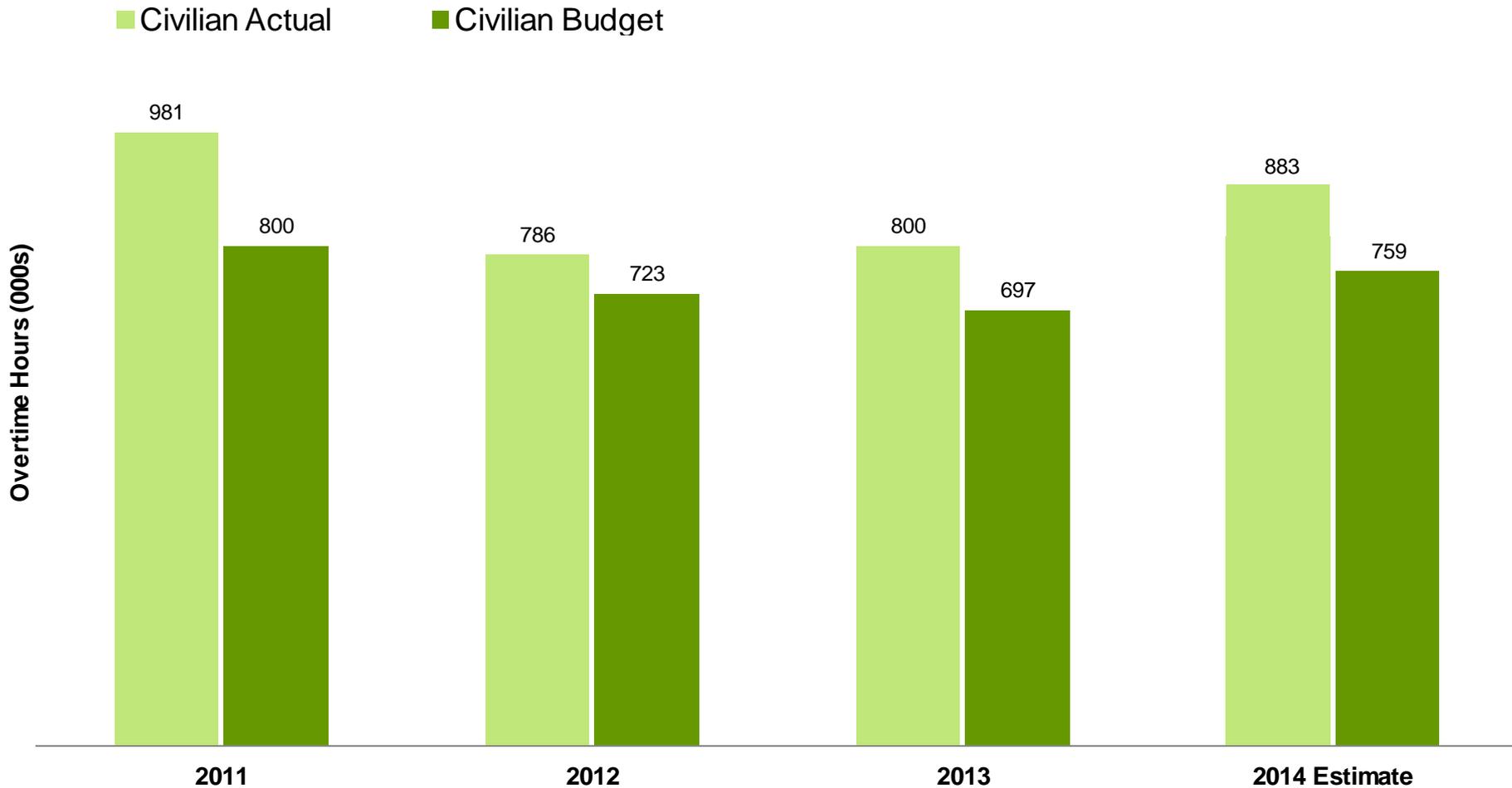
Actual, YTD 2014	Budget, YTD 2014	Variance YTD 2014
\$73.2m	\$63.7m	\$9.5m
595,095 Hours	485,203 Hours	15% Over
1) Year-to-Date Grant Reimbursements for Overtime Totals \$6 million 2) Excess Overtime is Offset by Underrun in Straight Time--Total Workload is Being Managed		

Overtime Hours by Category



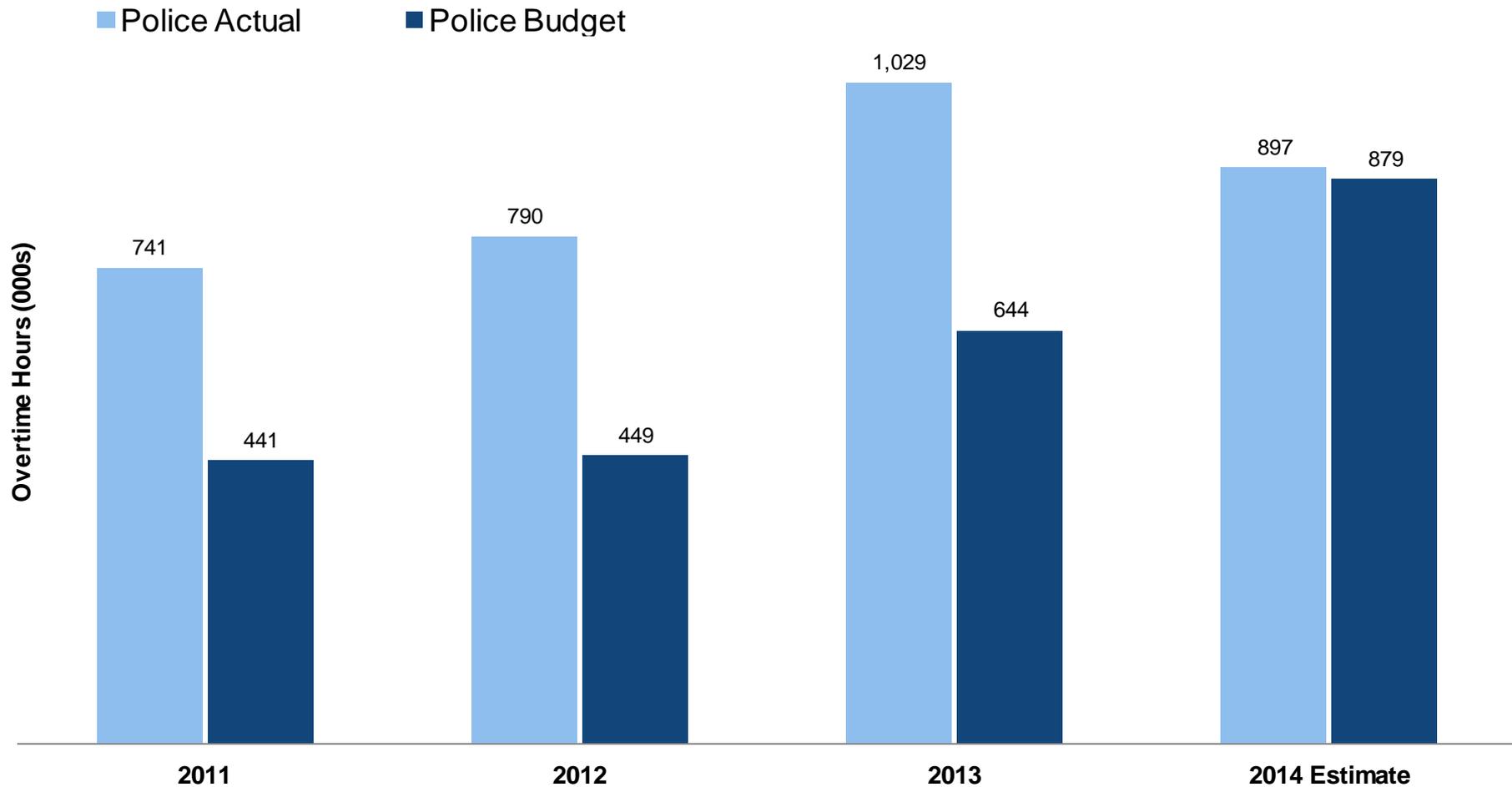
Since 2011, Civilian overtime has decreased 10%

2011 - 2014 Civilian Core Overtime Hours Excluding Snow, Sandy Recovery, Other Emergencies



Police is managing to budget

2011 - 2014 Police Core Overtime Hours
Excluding Snow and Sandy Recovery



On-going Management Actions

- Establish and manage to total workload and overtime target
- Benchmark overtime levels to other Agencies and Departments to determine best practices
- Continue cost benefit analyses to optimize use of overtime and appropriate levels of internal and external resources
- Reinforce management responsibility in monitoring and controlling overtime usage through the performance review process