

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**COMMITTEE ON OPERATIONS  
MINUTES OF SPECIAL MEETING**

**Thursday, March 29, 2012**

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**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**COMMITTEE ON OPERATIONS  
MINUTES OF SPECIAL MEETING**

**225 Park Avenue South  
New York, NY  
Thursday, March 29, 2012**

**PRESENT:**

Hon. David Samson, Chair  
Hon. Scott H. Rechler, Vice-Chair  
Hon. Virginia S. Bauer  
Hon. Jeffrey A. Moerdler  
Hon. Raymond M. Pocino  
Hon. Anthony J. Sartor  
Hon. William P. Schuber  
Hon. David S. Steiner  
Committee Members

Patrick J. Foye, Executive Director  
William Baroni, Jr., Deputy Executive Director  
Darrell B. Buchbinder, General Counsel  
Karen E. Eastman, Secretary

Susan M. Baer, Director, Aviation  
Steven A. Borrelli, Assistant Director, Port Business Development, Port Commerce  
Madaline D. Bowie, Senior Project Manager, Chief Operating Office  
Ernesto L. Butcher, Chief Operating Officer  
Steven J. Coleman, Deputy Director, Media Relations  
Rebecca C. Croneberger, Assistant Director, Labor Relations  
John C. Denise, Audio Visual Supervisor, Marketing  
Michael P. DePallo, Director, Rail Transit  
Michael P. Dombrowski, Cinematographer, Public Affairs  
Daniel D. Duffy, Senior Business Manager, Office of the Secretary  
Michael G. Fabiano, Chief Financial Officer  
Michael A. Fedorko, Director, Public Safety/Superintendent of Police  
Michael B. Francois, Chief, Real Estate and Development  
Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals  
Lash L. Green, Director, Office of Business Diversity and Civil Rights  
Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs  
Linda C. Handel, Deputy Secretary  
Mary Lee Hannell, Director, Human Resources  
Andrew T. Hawthorne, Director, Marketing  
Anthony Hayes, Manager, Media Planning, Media Relations  
Alan H. Hicks, Principal Marketing Analyst, Marketing  
Sara Beth Joren, Associate Information Officer, Media Relations  
Howard G. Kadin, Esq., Law  
Justine Karp, Assistant Information Officer, Media Relations

Kirby King, Director, Technology Services  
Louis J. LaCapra, Chief Administrative Officer  
Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
Richard M. Larrabee, Director, Port Commerce  
John H. Ma, Chief of Staff to the Executive Director  
Lisa MacSpadden, Director, Media Relations  
Stephen Marinko, Esq., Law  
Ron Marsico, Assistant Director, Media Relations, Public Affairs  
Michael G. Massiah, Director, Management and Budget  
Daniel G. McCarron, Comptroller  
James E. McCoy, Manager, Board Management Support, Office of the Secretary  
Anne Marie C. Mulligan, Treasurer  
Toni L. Munford, Principal Records Management Officer, Office of the Secretary  
Lynn A. Nerney, Senior Business Manager, Office of the Secretary  
Patrick O'Reilly, Senior Advisor to the Chairman  
Hunter Pendarvis, Public Information Officer, Media Relations  
Paul A. Pietropaolo, Corporate Information Security Officer, Office of the Secretary  
Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction  
Monika A. Radkowska, Principal Board Management and Support Specialist, Office of the Secretary  
Richard Rebisz, Senior External Relations Representative, Government and Community Affairs  
Alan L. Reiss, Deputy Director, World Trade Center Construction  
Shane Robinson, Staff External Affairs Representative, Government and Community Affairs  
Gerald B. Stoughton, Director, Financial Analysis  
Robert A. Sudman, Director, Audit  
Esselyn Thomas, Senior Project Manager, Chief Administrative Office  
I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office  
Lillian D. Valenti, Director, Procurement  
Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary  
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director  
Peter J. Zipf, Chief Engineer

Guests:

Regina Egea, Director, Authorities Unit, Office of the Governor of New Jersey  
Johanna Jones, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Joseph Clift, New Jersey Association of Railroad Passengers  
Joseph DiDomizio, CEO, Hudson Group  
Margaret Donovan, Twin Towers Alliance  
Yvonne Garrett-Moore, Member of the Public  
Richard Hughes, Twin Towers Alliance  
George Miranda, Member of the Public

In view of the fact that there would be an insufficient number of affirmative votes cast to constitute a quorum with respect to the matters to be considered at today's Board meeting, the Secretary reported that, pursuant to the By-Laws, a special meeting of the Committee on Operations was called to permit the Committee to act on these items for and on behalf of the Board.

The meeting was called to order in public session by Chairman Samson at 1:09 p.m. and ended at 1:50 p.m. The Committee met in executive session prior to the public session. Chairman Samson was not present for the vote in executive session.

**PORT AUTHORITY BUS TERMINAL – DUANE READE – LEASE LBT-725 – NEW LEASE**

It was recommended that the Board authorize the Executive Director to terminate an existing lease and enter into a new lease agreement with Duane Reade for the letting of approximately 12,615 square feet of retail and storage space on the ground floor of the South Wing of the Port Authority Bus Terminal (PABT) for a 20-year term, commencing December 1, 2011 and expiring November 30, 2031, for Duane Reade's continued operation of a pharmacy and convenience store.

Duane Reade has been a tenant at the PABT since 1993 under Lease LBT-529, which is due to expire in October 2015. In March 2010, Duane Reade invested approximately \$350,000 to rebuild portions of its leasehold impacted by seismic retrofit work performed by the Port Authority.

Under the proposed new lease, Duane Reade would invest approximately \$2.65 million to refurbish its leasehold, which Duane Reade would be obligated to complete within the first 18 months after the commencement date of the new lease. Over the term of the proposed lease agreement, the Port Authority would receive a total aggregate rental of approximately \$44.3 million, in addition to percentage rent of gross receipts above specific thresholds.

The Port Authority would have the right to terminate the lease, without cause, on 30 days' notice. In the event the Port Authority exercised this right, without cause, the Port Authority would reimburse Duane Reade for its unamortized investment in the premises, in the following amounts: (a) in an amount not to exceed \$2.65 million with respect to the work to upgrade the premises for its continued operations; and (b) to the extent the lease is terminated on or before October 31, 2015, an additional amount not to exceed \$350,000 with respect to the work performed as a result of the seismic retrofit.

Duane Reade would have the right to install a satellite dish on the roof of the PABT, to be used solely to facilitate its operations, and at no cost to the Port Authority. The Port Authority would have the right to revoke the satellite dish rights, without cause, on 30 days' prior written notice. In the event the Port Authority exercised this right, Duane Reade would be obligated to return the roof to its original condition.

Consistent with the terms of the Retail Management Agreement for the North and South Wings of the PABT authorized by the Board at its May 18, 2010 meeting, the Port Authority would pay a commission to 20X Square Associates, LLC, in the amount of approximately \$467,069.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Schuber and Steiner voting in favor; Commissioners Samson and Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to terminate an existing lease and enter into a new lease agreement with Duane Reade for the letting of approximately 12,615 square feet of retail and storage space on the ground floor of the South Wing of the Port Authority Bus Terminal, substantially in accordance with the terms outlined to the Board; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further

**RESOLVED**, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**PORT JERSEY-PORT AUTHORITY MARINE TERMINAL – COURIER SYSTEMS INC. – LEASE LPJ-007 – NEW LEASE**

It was recommended that the Board authorize the Executive Director to enter into a lease agreement with Courier Systems Inc. (Courier Systems) for the letting of Building 180 at the Port Jersey-Port Authority Marine Terminal (Port Jersey) in Bayonne, New Jersey, consisting of approximately 212,180 square feet of warehouse space and associated open area, for a 15-year and 6-month term, commencing on or about April 1, 2012 and expiring on or about September 30, 2027, for Courier Systems' warehousing, distribution and trucking of general cargo.

Over the term of the proposed lease agreement, the Port Authority would receive a total aggregate rental of approximately \$21.8 million. In addition, Courier Systems would invest up to a total amount of approximately \$200,000 to improve the energy efficiency of the lighting in Building 180 and make other ancillary improvements, including the replacement of overhead doors, and would be provided six months' free rent to allow it to complete the improvements and relocate its operations to the premises.

The proposed lease agreement would include a mutual right of termination, without cause, on the ninth anniversary of the lease and every anniversary date thereafter, with one year's prior written notice. Courier Systems would have the right to sublease, upon the written consent of the Port Authority, in which case the Port Authority would receive a percentage of any incremental revenue above the rent under the lease. Should the Port Authority consent to an assignment of the lease, the Port Authority would receive an assignment consent fee, based on a percentage of the present value of the total rental payments over the remaining term of the lease.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease agreement with Courier Systems Inc. for the letting of Building 180 at the Port Jersey-Port Authority Marine Terminal in Bayonne, New Jersey, consisting of approximately 212,180 square feet of warehouse space and associated open area, for a 15-year and 6-month term, commencing on or about April 1, 2012 and expiring on or about September 30, 2027, substantially in accordance with the terms outlined to the Board; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further

**RESOLVED**, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**WORLD TRADE CENTER STREETS, UTILITIES AND RELATED INFRASTRUCTURE PROGRAM – PHASE II, PACKAGE II – FINAL STREETS AND SIDEWALK SURFACES, STREETScape ELEMENTS AND OPEN SPACES – TOWER 2 – AWARD OF CONTRACT**

It was recommended that the Board authorize the Executive Director to award Contract WTC-324.359.02, through construction manager Tishman Construction Corporation (Tishman), to Paul J. Scariano, Inc., the lowest bidder pursuant to a publicly advertised/low-bid process, for the installation of final streets and sidewalk surfaces, streetscape elements and open spaces adjacent to Tower 2, along Vesey, Greenwich, Fulton and Church Streets, as part of Phase II of the World Trade Center (WTC) Streets, Utilities and Related Infrastructure Program (WTC Streets Program), at an estimated cost of \$5,315,706, inclusive of net cost work and an eight-percent allowance for extra work.

At its meeting of October 22, 2009, the Board authorized Phase II of the WTC Streets Program, which includes the final design and construction of street and sidewalk surface finishes, trees, paving, bollards and streetscape furniture, at an estimated cost of \$140 million, including the provision of expert professional architectural and engineering services by Downtown Streetscape Partners, in an estimated amount of \$5 million. Via a related action at that meeting, the Board also authorized the retention of Tishman to provide construction management services to support the WTC Streets Program and other projects at the WTC site.

The scope of work for Contract WTC-324.359.02 supports the areas surrounding Tower 2, including Vesey, Greenwich, Fulton and Church Streets, and includes the installation of concrete sidewalks, granite curbing, bollards, street lights, traffic signals, concrete foundations, asphalt surfaces, trees and streetscape furniture on Church and Vesey Streets, interim asphalt paving on Fulton Street, as well as the installation of utilities on Fulton and Greenwich Streets. The pre-purchase of granite curb materials to be installed under the proposed contract was authorized previously by the Board. The pre-purchase of bollard covers to be installed was authorized previously by the Executive Director.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to award Contract WTC-324.359.02, through construction manager Tishman Construction Corporation, to Paul J. Scariano, Inc. for the installation of final streets and sidewalk surfaces, streetscape elements and open spaces adjacent to Tower 2, along Vesey, Greenwich, Fulton and Church Streets, as part of Phase II of the World Trade Center Streets, Utilities and Related Infrastructure Program, at an estimated cost of \$5,315,706, inclusive of net cost work and an eight-percent allowance for extra work; and it is further

**RESOLVED**, that the form of all contracts, agreements and documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**WORLD TRADE CENTER TRANSPORTATION HUB PROJECT – CONTRACT WTC-264.595 – PATH WORLD TRADE CENTER STATION CONSTRUCTION – AUTHORIZATION OF SUPPLEMENTAL AGREEMENT NO. 3 FOR CONSTRUCTION IMPROVEMENTS TO THE VESEY STREET LINER WALL**

It was recommended that the Board authorize the Executive Director to enter into a third supplemental agreement to Contract WTC-264.595 with Skanska USA Civil Northeast, Inc./Granite Construction Northeast, Inc./Skanska USA Building Inc., a Joint Venture (Skanska/Granite), to perform construction improvements to the Vesey Street Liner Wall (Liner Wall) on behalf of multiple World Trade Center (WTC) site stakeholders, at a total estimated amount of \$9,295,000, inclusive of a ten-percent allowance for extra work.

The Liner Wall is located in the northeast quadrant of the West Bathtub, at the corner of Vesey and Greenwich Streets, below the North Temporary Access for the existing Port Authority Trans-Hudson Corporation rail system (PATH) WTC Station. It is directly adjacent to the PATH Hall, Greenwich Street Corridor, New York City Transit No. 1 Subway Line box, and One World Trade Center. The Liner Wall would serve as necessary structural reinforcement in order to achieve long-term stability of the original WTC slurry wall. The tiebacks and tie-downs would provide crucial lateral and vertical pre-stressing to counter long-term unbalanced foundation loads, and would serve as the substructure to support current and future construction in the West Bathtub.

The Liner Wall construction originally was planned for future work packages to be awarded in connection with the West Bathtub Vehicular Access and Performing Arts Center (PAC) projects. However, based on current schedules and commitments, construction of the Liner Wall must be accelerated, in order to accommodate the scheduled opening of the PATH WTC Station's Platform A, adjacent to Track No. 1, which is expected to occur during the third quarter of 2012.

The proposed supplemental agreement would provide for the construction of an approximately 4,200-square-foot reinforced concrete liner wall and footings, including the installation of associated foundation, tiebacks and tie-downs.

It was recommended that Skanska/Granite perform the work, due to time and logistical constraints and limited work area access. Having Skanska/Granite perform the work as a supplement to its existing contract would ensure the efficient implementation of this work, by integrating the proposed scope with ongoing work being performed by Skanska/Granite in immediately adjacent areas.

At its February 25, 2010 meeting, the Board authorized the award of Contract WTC-264.595 to Skanska/Granite to construct the PATH Hall for the WTC Transportation Hub Project, at a total estimated amount of \$596,557,500, inclusive of a ten-percent allowance for extra work. Through subsequent actions on May 18, 2010 and June 30, 2011, the Board authorized, respectively, a first supplemental agreement under the Skanska/Granite contract, in the amount of \$5.4 million, to construct the southeast corner of the West Bathtub at the WTC site, which was required for the opening of the WTC Memorial Plaza on September 11, 2011, and a second supplemental agreement under the Skanska/Granite contract, in the amount of \$1,247,400, to construct a check-in area for WTC Memorial visitors on Albany Street between

Greenwich and Washington Streets, bringing the total authorized contract amount to \$603.2 million.

Several projects within the West Bathub, including Port Authority projects and those of external WTC site stakeholders, would benefit from this common infrastructure work. Reimbursement of the PAC's portion of these costs would be sought from the City of New York (City), consistent with the Port Authority's agreement with the City authorized by the Board at its meeting on June 22, 2010. In addition, approximately \$1.2 million of these costs would be allocated against the Port Authority's \$150 million commitment to the WTC Memorial and Memorial Museum Projects.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a third supplemental agreement to Contract WTC-264.595 with Skanska USA Civil Northeast, Inc./Granite Construction Northeast, Inc./Skanska USA Building Inc., a Joint Venture, to perform construction improvements to the Vesey Street Liner Wall on behalf of multiple World Trade Center site stakeholders, at a total estimated amount of \$9,295,000, inclusive of a ten-percent allowance for extra work; and it is further

**RESOLVED**, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR INTERIOR STONE AND CERAMIC TILE**

It was recommended that the Board authorize the Executive Director to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner), a joint venture of Tishman Construction Corporation and Turner Construction Company, with Port Morris Tile & Marble Corp., for interior stone and ceramic tile work associated with the World Trade Center (WTC) site retail and parking areas, at an estimated total cost of \$6,102,675, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking projects.

Via several prior actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site. On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of \$252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner to provide construction management services as agent for the Port Authority, to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of \$27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner under that agreement is estimated at \$220.5 million, which amount includes the proposed interior stone and ceramic tile construction trade contract.

On February 9, 2012, the Board authorized a transaction between the Port Authority and Westfield America, Inc. (Westfield) in which Westfield and the Port Authority formed a 50/50 joint venture to develop, lease, and operate the WTC retail development project. The Board also, among other things, re-authorized the project to design and construct the WTC retail development, at an estimated amount of \$1.966 billion.

The scope of work under this proposed construction trade contract includes the furnishing and installation of interior stone and ceramic tile work, including stone flooring, stone cladding, stone stairs, stone base and rest room countertops necessary to satisfy requirements for the WTC retail and parking projects. This work would be installed in the WTC retail and parking areas located within the WTC Transportation Hub, Towers 2, 3 and 4, and under the New York City Transit No. 1 Subway Line. The proposed contract includes a warranty for a period of one year, commencing on the date of formal acceptance or through December 31, 2016, whichever time period is later.

Tishman/Turner, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and Port Morris Tile & Marble Corp. was the lowest qualified bidder. The proposed trade contract with Port Morris Tile & Marble Corp. would be awarded pursuant to the Tishman/Turner construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entity, World Trade Center Retail LLC, to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, with Port Morris Tile & Marble Corp., for interior stone and ceramic tile work associated with the World Trade Center site retail and parking areas, at an estimated total cost of \$6,102,675, inclusive of an eight-percent allowance for extra work; and it is further

**RESOLVED**, that the form of the foregoing contract shall be subject to the approval of General Counsel or his authorized representative.

**WORLD TRADE CENTER RETAIL AND PARKING PRE-TENANT FIT-OUT PROJECTS – AUTHORIZATION TO AWARD A CONSTRUCTION TRADE CONTRACT FOR ARCHITECTURAL METALS AND ABOVE-GRADE GLAZING**

It was recommended that the Board authorize the Executive Director to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III (Tishman/Turner), a joint venture of Tishman Construction Corporation and Turner Construction Company, with Gamma USA, Inc., for architectural metals and above-grade glazing work associated with the World Trade Center (WTC) site retail and parking areas, at an estimated total cost of \$29,052,000, inclusive of an eight-percent allowance for extra work. This work is the responsibility of the Port Authority and its wholly owned entity, WTC Retail LLC, and is associated with the pre-tenant fit-out phase of the WTC retail development and parking projects.

Via several prior actions through June 22, 2010, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized the phased implementation of core and shell and pre-tenant fit-out work to support the implementation of the WTC retail development throughout the WTC site. On August 5, 2010, the Board authorized a project for the implementation of core and shell and base-building fit-out for subgrade infrastructure and parking-related improvements at the WTC site, to be located in the East and West Bathtubs, at an estimated total project cost of \$252 million.

At its meeting of February 24, 2011, the Board authorized an agreement with Tishman/Turner to provide construction management services as agent for the Port Authority, to implement a portion of the pre-tenant fit-out work associated with the WTC retail and parking projects, at an estimated amount of \$27.4 million. The total value of the construction work being procured and/or coordinated by Tishman/Turner under that agreement is estimated at \$220.5 million, which amount includes the proposed architectural metals and above-grade glazing construction trade contract.

On February 9, 2012, the Board authorized a transaction between the Port Authority and Westfield America, Inc. (Westfield) in which Westfield and the Port Authority formed a 50/50 joint venture to develop, lease, and operate the WTC retail development project. The Board also, among other things, re-authorized the project to design and construct the WTC retail development, at an estimated amount of \$1.966 billion.

The scope of work under this proposed construction trade contract includes the furnishing and installation of architectural metals and glazing work, including above-grade storefronts, glass railings, glass wall assemblies, aluminum fascias, ceilings, soffits, escalator enclosures, hand rails, guardrail caps, fin tube covers and column cladding necessary to satisfy requirements for the WTC retail and parking projects. This work would be installed in the WTC retail and parking areas located within the WTC Transportation Hub, One World Trade Center, Towers 2, 3 and 4, and under the New York City Transit No. 1 Subway Line. The proposed contract includes a warranty for a period of one year, commencing on the date of formal acceptance or through December 31, 2016, whichever time period is later.

Tishman/Turner, on behalf of the Port Authority, solicited bids through a publicly advertised, competitive two-step pre-qualification bid process, and Gamma USA, Inc. was the lowest qualified bidder. The proposed trade contract with Gamma USA, Inc. would be awarded pursuant to the Tishman/Turner construction management agreement, dated March 31, 2011.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entity, World Trade Center Retail LLC, to enter into a construction trade contract, through construction manager Tishman Turner Joint Venture III, a joint venture of Tishman Construction Corporation and Turner Construction Company, with Gamma USA, Inc., for architectural metals and above-grade glazing work associated with the World Trade Center site retail and parking areas, at an estimated total cost of \$29,052,000, inclusive of an eight-percent allowance for extra work; and it is further

**RESOLVED**, that the form of the foregoing contract shall be subject to the approval of General Counsel or his authorized representative.

**WORLD TRADE CENTER SITE – PROFESSIONAL PROGRAM MANAGEMENT SUPPORT SERVICES – THE LOUIS BERGER GROUP, INC. – INCREASE IN AUTHORIZATION**

It was recommended that the Board authorize the Executive Director to increase, by an amount not to exceed \$32 million, the compensation under an existing agreement with The Louis Berger Group, Inc. (Louis Berger) for continued program management support services, including technical support, through the fourth quarter of 2013, in order to complete the final design and construction of the World Trade Center (WTC) Transportation Hub (WTC Hub), the WTC Vehicular Security Center, One World Trade Center, the WTC Memorial and Museum, common WTC site infrastructure and other WTC site redevelopment projects under Port Authority management. This authorization would increase the total value of the agreement to \$109.5 million.

The existing agreement with Louis Berger was authorized by the Executive Director in 2004 and provided for a five-year term through April 2009, at a value of approximately \$25 million. As originally contemplated, the agreement covered professional management services to support projects managed by the Port Authority at the WTC site, which at the time included the WTC Hub, WTC site public infrastructure and site-wide planning. Subsequent authorizations through 2010 increased the total compensation under the agreement to approximately \$77.5 million for services through April 2012, and provided for an extension of the term of the agreement through April 2014, in order to align the terms of the agreement with the extended project schedules and the Port Authority's increased construction management responsibilities at the WTC site, which were expanded to include One WTC, the WTC Memorial and Museum and coordination of commercial development projects.

The services to be provided by Louis Berger under this authorization would include program and project management support to assist staff in advancing final design and construction efforts at the WTC site, including: project control management, program and project schedule management, schedule integration, cost forecasting and control, financial monitoring, analysis and resource allocation, budget development, invoice review, resolution of contract claims and changes, earned value analysis, document control, communications and graphical visualization support, and risk assessment.

The proposed increase would ensure continuity of historical knowledge and overall technical and management support services for the various WTC site-wide projects.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Schuber and Steiner voting in favor; Commissioners Samson and Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to increase, by an amount not to exceed \$32 million, the compensation under an existing agreement with The Louis Berger Group, Inc. for continued program management support services, including technical support, to complete the final design and construction of the World Trade Center (WTC)

Transportation Hub, the WTC Vehicular Security Center, One World Trade Center, the WTC Memorial and Museum, common WTC site infrastructure, and other WTC site redevelopment projects under Port Authority management through the fourth quarter of 2013; and it is further

**RESOLVED**, that the form of any agreements required in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**WORLD TRADE CENTER SITE – AUTHORIZATION OF FUNDING IN SUPPORT OF THE DESIGN AND CONSTRUCTION OF BOLLARDS ADJACENT TO WEST STREET**

It was recommended that the Board authorize the Executive Director to: (1) provide an amount of up to \$500,000 in support of the design of bollards adjacent to the World Trade Center (WTC) Memorial Plaza, One World Trade Center (One WTC), and the World Trade Center Vehicular Security Center (WTC VSC), as part of the overall redevelopment of the WTC site along West Street between Vesey Street and Cedar Street, which amount would be reimbursed to the Port Authority through U.S. Department of Homeland Security Urban Area Security Initiative grants (DHS Grants); (2) increase, by an amount not to exceed \$140,000 (the funding for which is covered under the DHS Grants), the compensation under the existing agreement with Downtown Streetscape Partners, a joint venture of AECOM and Jacobs Engineering Group, Inc., to support the design of the bollards adjacent to One WTC and the WTC VSC on West Street; (3) provide an amount not to exceed \$110,000 (the funding for which is covered under the DHS Grants) toward the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc.'s (NS11MM) costs to support the design of the bollards adjacent to the WTC Memorial Plaza on West Street, to be performed by AECOM; and (4) enter into any other agreements necessary to effectuate the payment of funds for the design of the bollards.

The security of the WTC site is of utmost importance for the protection of its facilities and the thousands of workers, visitors and commuters who travel through the site each day. NS11MM, in collaboration with the New York State Department of Transportation (NYSDOT), is responsible for the design and construction of bollards along West Street adjacent to the Memorial Plaza. The Port Authority, in collaboration with NYSDOT, is responsible for the design and construction of the bollards adjacent to One WTC and the WTC VSC along West Street.

NYSDOT will construct the bollards, because the proposed work is within its right-of-way. However, the Port Authority and NS11MM would provide the design, to ensure compliance with WTC site-wide security standards, to provide the recommended impact resistance for the protection of the WTC facilities. Also, the Port Authority and NS11MM would be responsible for any variance in construction costs in excess of NYSDOT's requirements.

It is necessary that the Port Authority contribute funds toward NS11MM's cost to design the bollards adjacent to the Memorial Plaza, because these bollards also will protect Port Authority infrastructure, which is located within the vicinity of the Memorial Plaza, as well as One WTC and the WTC VSC.

Funds for the design will be provided through DHS Grants.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioners Bauer, Moerdler and Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entities, to provide an amount of up to \$500,000 in support of the design of bollards adjacent to the World Trade Center Memorial Plaza, One World Trade Center (One WTC), and the World Trade Center Vehicular Security Center (WTC VSC), as part of the overall redevelopment of the World Trade Center (WTC) site along West Street between Vesey Street and Cedar Street, which amount shall be reimbursed to the Port Authority through U.S. Department of Homeland Security Urban Area Security Initiative grants; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entities, to increase, by an amount not to exceed \$140,000, the compensation under the existing contract with Downtown Streetscape Partners, a joint venture of AECOM and Jacobs Engineering Group, Inc., to support the design of the bollards adjacent to One WTC and the WTC VSC on West Street; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entities, to provide an amount not to exceed \$110,000 toward the National September 11 Memorial and Museum at the World Trade Center Foundation, Inc.'s costs to support the design of the bollards adjacent to the WTC Memorial Plaza on West Street, to be performed by AECOM; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and its wholly owned entities, to enter into any agreements with appropriate entities necessary in connection with the payment of funds for the design of the bollards; and it is further

**RESOLVED**, that the form of the foregoing agreements shall be subject to the approval of General Counsel or his authorized representative.

**ONE WORLD TRADE CENTER – INCREASE IN AUTHORIZATION FOR CONSTRUCTION TRADE CONTRACT FOR STRUCTURAL STEEL PAINTING – BELT PAINTING OF NEW YORK**

It was recommended that the Board authorize WTC Tower 1 LLC, through its construction manager, Tishman Construction Corporation (Tishman), to increase, by \$1,307,880 (inclusive of an eight-percent allowance for extra work), the amount of compensation under the existing construction trade contract with Belt Painting of New York (Belt Painting) for structural steel painting work at One World Trade Center (WTC), resulting in a total authorization of approximately \$2,639,520.

In March 2010, the Executive Director authorized the award of a contract, through Tishman, to Belt Painting, for One WTC structural steel painting work, at a total estimated amount of \$1,331,640, inclusive of an eight-percent allowance for extra work. The contract provided for the performance of work associated with retouching the connections where structural steel members meet within the mechanical plenums below the 20<sup>th</sup> floor and above the 91<sup>st</sup> floor, particularly at locations containing plates and bolts.

The proposed increase would provide for the application of a two-coat epoxy paint system to the total surface area of the perimeter structural steel members at the upper and lower plenums of One WTC, as recommended by The Durst Organization (Durst), co-member with the Port Authority in a joint venture with respect to the construction, financing, leasing, management and operation of One WTC. Durst, which has been involved with the design team in implementing changes requested by tenants, improving building management and enhancing certain aspects of the design of One WTC, has requested the proposed change. The application of two coats of epoxy paint on the perimeter steel at certain locations is considered a structural design enhancement, because the intent is to further limit the potential for corrosion of the steel members.

The proposed additional work would be performed by Belt Painting on a negotiated basis, because it is already mobilized at One WTC and performing similar work at the same locations. Belt Painting initially was selected by Tishman as the lowest bidder from a pre-qualified list of bidders, in accordance with the procurement procedures established in the Third Freedom Tower Amendment to the September 2003 General Contractor Agreement between Tishman and 1 World Trade Center LLC (the holder of the lease on One WTC at that time).

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Schuber and Steiner voting in favor; Commissioner Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that WTC Tower 1 LLC be and it hereby is authorized, through its construction manager, Tishman Construction Corporation, to increase, by \$1,307,880 (inclusive of an eight-percent allowance for extra work), the amount of compensation under the existing construction trade contract for structural steel

painting work at One World Trade Center with Belt Painting of New York, resulting in a total authorization of approximately \$2,639,520; and it is further

**RESOLVED**, that the form of any documents necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**CONFIDENTIAL ITEM**

The Commissioners also authorized a transaction in executive session, which shall not be made available for public inspection.

**CONFIDENTIAL ITEM**

The Commissioners also authorized a transaction in executive session, which shall not be made available for public inspection.

**DOWNTOWN RESTORATION PROGRAM – WORLD TRADE CENTER MEMORIAL AND MEMORIAL MUSEUM PROJECT – AUTHORIZATION TO ADVANCE PORT AUTHORITY FUNDS**

It was recommended that the Board authorize the Executive Director to reimburse contractors and subcontractors for work performed on behalf of the National September 11<sup>th</sup> Memorial and Memorial Museum at the World Trade Center Foundation, Inc. (NS11MM) in connection with the implementation of the World Trade Center (WTC) Memorial and Memorial Museum Project (Project), in an amount estimated at \$15,402,658.

It was recalled that pursuant to a July 2006 Project Agreement with the Lower Manhattan Development Corporation, the NS11MM, the City of New York (City) and the State of New York, the Port Authority assumed responsibility for construction of the WTC Memorial and the Memorial Museum. As part of the Project Agreement, which was authorized by the Board at its July 6, 2006 meeting, the Port Authority also committed to provide an amount of up to \$150 million for WTC Memorial/Museum infrastructure and to set-aside an additional amount of up to \$45 million in Port Authority funds as a contingency, the drawdown of which is to be subject to certain conditions being met, in the event the total cost of the Project exceeds the budgeted amounts. To date, the Port Authority has committed \$145.7 million against the \$150 million obligation for WTC Memorial/Museum infrastructure, but has not requested Board authorization to draw down on the contingency.

Due to the ongoing dispute with the NS11MM concerning reimbursement of additional costs incurred by the Port Authority, a number of contractors and subcontractors remain unpaid for work performed since September 2011, under various contracts previously assigned to the Port Authority by the NS11MM, and to date a number of outstanding verified invoices have accrued. In light of NS11MM's financial issues, negotiations are ongoing with the City and NS11MM to develop a plan to complete the Project and bring to resolution the ongoing dispute with NS11MM concerning reimbursement of additional costs incurred by the Port Authority on behalf of NS11MM to support the Project.

While the proposed advance from the Port Authority would fund costs that are the ultimate responsibility of the NS11MM, it is in the best interest of the Project for the Port Authority to allocate up to \$15,402,658 to pay contractors and subcontractors for costs incurred in good faith in connection with the Project, based on the Port Authority's contractual obligations to these contractors. All payments to contractors and subcontractors pursuant to this authorization would be at the sole discretion of the Executive Director and subject to the receipt and verification of invoices.

This matter shall remain confidential until such time as negotiations with the City and NS11MM concerning the ongoing dispute relating to the allocation of costs have been completed.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution in executive session, with Commissioners Moerdler, Pocino, Rechler, Schuber and Steiner voting in favor; Commissioners Bauer and Sartor recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary to effectuate the actions outlined in the foregoing report; and it is further

**RESOLVED**, that the form of all agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**VEHICULAR CROSSINGS – TRUCK VOLUME DISCOUNT PROGRAM**

In connection with the Toll Increase for Vehicular Crossings, adopted by the Board on August 19, 2011, the Board authorized the Executive Director to evaluate and recommend to the Board the establishment of a “Truck Repeat Volume Program” in order to address the impact of the September 18, 2011 toll rates and explore means to provide relief to businesses most affected by the new toll rates, balanced against the Port Authority’s need to fund operating costs and necessary investment in its Interstate Transportation Network. Having undertaken such evaluation, it was recommended that the Board authorize a “Truck Volume Discount Program” for E-ZPass® commercial/business account customers with vehicles in Classes 2, 3, 4, 5, and 6, in the form of a discount based on the number of monthly non-peak trips (i.e. off-peak and weekday overnight truck discount hours) per account.

The Truck Volume Discount Program would apply at Port Authority interstate vehicular crossings for each commercial/business account established at the New York and E-ZPass® New Jersey Customer Service Centers for eligible vehicle classes making a total of 100 or more New York-bound non-peak trips during any monthly E-ZPass® statement cycle. In order to support efforts to ensure that all outstanding tolls and fees are collected in a timely fashion, to participate in the Truck Volume Discount Program, E-ZPass® customers would also have to have accounts which are in good standing. Eligible E-ZPass® accounts would receive a 10-percent discount from all non-peak tolls for the monthly E-ZPass® statement cycle in which the 100 non-peak trip threshold is reached in the form of an account credit. Targeting discounts to non-peak hours would address traffic congestion at the bridges and tunnels, by offering an additional incentive for the most frequent commercial customers to travel during less congested periods, thereby providing an environmental benefit to the region. By providing relief to businesses most affected by the September 18, 2011 toll rates, the Truck Volume Discount Program would also have a positive impact on the regional economy.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the resolution adopting a toll schedule applicable to Port Authority vehicular crossings, revised by the Board of Commissioners on August 19, 2011, be amended, without additional public hearings, to include the following paragraph:

The Port Authority Truck Volume Discount Program: The non-peak tolls for New York and New Jersey E-ZPass® commercial/business account customers, whose accounts are in good standing, with vehicles registered to the customer’s account in Classes 2, 3, 4, 5, and 6 making a total of 100 or more New York-bound non-peak trips in a monthly E-ZPass® statement cycle shall receive a 10-percent discount from all non-peak tolls for a monthly E-ZPass® statement cycle in which the 100 non-peak trip threshold is reached in the form of an account credit.

; and it is further

**RESOLVED**, that all other terms and conditions set forth in the resolution of the Board of Commissioners establishing tolls for the use of vehicular crossings, adopted on August 19, 2011, as amended on December 8, 2011, shall remain in full force and effect; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to exercise any discretion or judgment, and to take all action necessary or appropriate or which may be or is required to be exercised or taken to implement the provisions of this resolution, as soon as practicable.

## **PUBLICATION OF ANNUAL FINANCIAL STATEMENTS**

Pursuant to Article VIII, Section B(4) of the By-Laws, the members of the Audit Committee have reviewed and approved the Port Authority's Financial Statements and Appended Notes for the year ended December 31, 2011 (as well as appropriate certifications by the Executive Director and the Chief Financial Officer dated February 24, 2012), and recommend to the Board that such Financial Statements be included in the Port Authority's Comprehensive Annual Financial Report, and other publications as appropriate.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the publication of the Port Authority's Financial Statements and Appended Notes for the year ended December 31, 2011 in the annual report, and other publications as appropriate, be and the same hereby is authorized.

## **AMENDMENT OF BY-LAWS**

It was recommended that the By-Laws of the Port Authority be amended to provide that public notice be given of any proposed sale of real property owned by the Port Authority, not less than ten days in advance of any meeting at which the Board of Commissioners is to consider such proposed action. Notice would be provided by means of the Port Authority's Internet site, or any successor electronic media designated by the Executive Director for such purposes. A conforming change also would be made to other By-Laws' references to "Internet site."

Bi-State legislation provides that any real property acquired by the Port Authority may be sold only if it is determined that such real property is no longer required for the purposes for which it was acquired. Consistent with that legislation, the provision of advance public notice of any proposed Board action considering the sale of fee interest in real property would afford members of the public the opportunity to attend the meeting and offer comments to the Board, to facilitate the Board's determination as to whether the real property is no longer required for the purposes for which it was acquired.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that Article X of the By-Laws of The Port Authority of New York and New Jersey be and the same hereby is amended, by renumbering the present Paragraph (f) as (f)(1) and adding a new Paragraph (f)(2), which shall read as follows (and other references in the By-Laws to "Internet site" would be conformed accordingly):

"Not less than ten days in advance of any meeting of the Board of Commissioners at which the Board is to consider an action to authorize the sale of real property owned by the Port Authority, the Executive Director shall provide public notice of such proposed action, by posting on the Port Authority's Internet site or any successor electronic media designated by the Executive Director for such purposes."

## **2012 COMPENSATION AND BENEFIT ADJUSTMENTS**

At the direction of the Governors of New York and New Jersey, the Board, at its meeting of August 19, 2011, authorized a comprehensive audit of the Port Authority, focusing on both a financial audit of the Port Authority's ten-year capital plan, to reduce its size and cost, and a review of the Port Authority's management and operations, to find ways to lower costs and increase efficiencies. A Special Committee of the Board was thereafter established and retained Navigant Consulting Inc. and Rothschild Inc. to assist in a "top-to-bottom review of the Port Authority's organizational structure and effectiveness, staffing levels, compensation, benefits, and financial management, including accounting, audit, financing, consulting and other contractual practices and agreements, all with the goal of further lowering costs and increasing efficiencies within the Port Authority".

As part of this process, Navigant benchmarked compensation and benefit program information for other public employees in the States of New York and New Jersey with those offered by the Port Authority and advised that the Port Authority's benefits were in certain instances not consistent with those offered to public employees in the two States. As such, the Special Committee recommends, and the Committee on Operations concurs, that the following changes be made to the Port Authority's and Port Authority Trans-Hudson Corporation's employee compensation and benefits programs:

1. Consistent with the attached schedule, require contributions to the cost of health care benefits for non-represented employees with the annual contribution based upon a percentage of annual premium, coverage plan selected and salary ranges, to be phased in over a four-year period beginning on April 29, 2012;
2. Maximize financial discounts for medical and dental plans and capitalize upon all available opportunities for benefits-related reimbursement as permitted through federal legislation effective April 2012;
3. Provide lower cost alternative health care plans effective January 2013;
4. Eliminate the Vacation Exchange Program for non-represented employees effective on December 31, 2012;
5. Consistent with the attached schedule, revise Vacation Schedules for non-represented employees, with a maximum allowance of 30 days based on years of service effective January 2, 2013, with non-represented employees not receiving any additional vacation days effective June 2012;
6. Eliminate the Executive Management Excused Program effective June 2012, retroactive to January 1, 2012;
7. Eliminate the ability for non represented employees hired prior to September 11, 2001 to cash out an extra year of vacation allowance upon separation effective January 2, 2013;
8. Eliminate certain "add on" compensation programs, including FICA, death gamble, contractual death benefit, career service program, 2002 retention program, and longevity and cumulative retirement days for Police Superiors (rank of Captain and above) effective July 8, 2012;
9. Limit medal award authorized absence days for non-represented employees to only one use within the ensuing 12-month period, with no reoccurrence thereafter; and

10. In order to maximize available skill sets and past investments in our employees, first evaluate available excess staff to fill any open positions where skills match the need.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Executive Director is hereby directed to implement the changes to the Port Authority's and Port Authority Trans-Hudson Corporation's employee compensation and benefits programs as outlined above.

**THE PORT AUTHORITY OF NY & NJ**  
**Health Benefit Contributions - Percentage of Annual Premium Requirements**  
**Effective 04/ 29/ 2012**

**Employee Only Coverage**

<b>Salary Range</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Less than 20,000	1.13%	2.25%	3.38%	4.50%
20,000-24,999.99	1.38%	2.75%	4.13%	5.50%
25,000-29,999.99	1.88%	3.75%	5.63%	7.50%
30,000-34,999.99	2.50%	5.00%	7.50%	10.00%
35,000-39,999.99	2.75%	5.50%	8.25%	11.00%
40,000-44,999.99	3.00%	6.00%	9.00%	12.00%
45,000-49,999.99	3.50%	7.00%	10.50%	14.00%
50,000-54,999.99	5.00%	10.00%	15.00%	20.00%
55,000-59,999.99	5.75%	11.50%	17.25%	23.00%
60,000-64,999.99	6.75%	13.50%	20.25%	27.00%
65,000-69,999.99	7.25%	14.50%	21.75%	29.00%
70,000-74,999.99	8.00%	16.00%	24.00%	32.00%
75,000-79,999.99	8.25%	16.50%	24.75%	33.00%
80,000-94,999.99	8.50%	17.00%	25.50%	34.00%
95,000 and over	8.75%	17.50%	26.25%	35.00%

**THE PORT AUTHORITY OF NY & NJ**  
**Health Benefit Contributions - Percentage of Annual Premium Requirements**  
**Effective 04/ 29/ 2012**

**Parent/ Child (ren) Coverage**

<b>Salary Range</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Less than 25,000	0.88%	1.75%	2.63%	3.50%
25,000-29,999.99	1.13%	2.25%	3.38%	4.50%
30,000-34,999.99	1.50%	3.00%	4.50%	6.00%
35,000-39,999.99	1.75%	3.50%	5.25%	7.00%
40,000-44,999.99	2.00%	4.00%	6.00%	8.00%
45,000-49,999.99	2.50%	5.00%	7.50%	10.00%
50,000-54,999.99	3.75%	7.50%	11.25%	15.00%
55,000-59,999.99	4.25%	8.50%	12.75%	17.00%
60,000-64,999.99	5.25%	10.50%	15.75%	21.00%
65,000-69,999.99	5.75%	11.50%	17.25%	23.00%
70,000-74,999.99	6.50%	13.00%	19.50%	26.00%
75,000-79,999.99	6.75%	13.50%	20.25%	27.00%
80,000-84,999.99	7.00%	14.00%	21.00%	28.00%
85,000-99,999.99	7.50%	15.00%	22.50%	30.00%
100,000 and over	8.75%	17.50%	26.25%	35.00%

**THE PORT AUTHORITY OF NY & NJ**  
**Health Benefit Contributions - Percentage of Annual Premium Requirements**  
**Effective 04/ 29/ 2012**

**Couple/ Family Coverage**

<b>Salary Range</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Less than 25,000	0.75%	1.50%	2.25%	3.00%
25,000-29,999.99	1.00%	2.00%	3.00%	4.00%
30,000-34,999.99	1.25%	2.50%	3.75%	5.00%
35,000-39,999.99	1.50%	3.00%	4.50%	6.00%
40,000-44,999.99	1.75%	3.50%	5.25%	7.00%
45,000-49,999.99	2.25%	4.50%	6.75%	9.00%
50,000-54,999.99	3.00%	6.00%	9.00%	12.00%
55,000-59,999.99	3.50%	7.00%	10.50%	14.00%
60,000-64,999.99	4.25%	8.50%	12.75%	17.00%
65,000-69,999.99	4.75%	9.50%	14.25%	19.00%
70,000-74,999.99	5.50%	11.00%	16.50%	22.00%
75,000-79,999.99	5.75%	11.50%	17.25%	23.00%
80,000-84,999.99	6.00%	12.00%	18.00%	24.00%
85,000-89,999.99	6.50%	13.00%	19.50%	26.00%
90,000-94,999.99	7.00%	14.00%	21.00%	28.00%
95,000-99,999.99	7.25%	14.50%	21.75%	29.00%
100,000-109,999.99	8.00%	16.00%	24.00%	32.00%
110,000 and over	8.75%	17.50%	26.25%	35.00%

**HRP 5.01**

*Revised January 1, 2013*

**VACATION ALLOWANCE SCHEDULE B**  
*(In Days)*

***Non-Represented Employees (Including Field Police Superiors)***

	YEARS OF 1st to 4th ANNIVERSARY	YEAR OF 5th ANNIVERSARY				YEARS OF 6th to 9th ANNIVERSARY	YEAR OF 10th ANNIVERSARY				YEAR OF 11th to 19th ANNIVERSARY	YEAR OF 20th ANNIVERSARY				YEARS OF 21st TO 24th ANNIVERSARY	YEAR OF 25th ANNIVERSARY				YEAR OF 26th to 29th ANNIVERSARY	YEAR OF 30th to 34th ANNIVERSARY	YEAR OF 35th and Later ANNIVERSARY
		Appointment Date					Appointment Date					Appointment Date					Appointment Date						
		Jan. to Mar.	Apr. to Jun.	Jul. to Sept.	Oct. to Dec.		Jan. to Mar.	Apr. to Jun.	Jul. to Sept.	Oct. to Dec.		Jan. to Mar.	Apr. to Jun.	Jul. to Sept.	Oct. to Dec.		Jan. to Mar.	Apr. to Jun.	Jul. to Sept.	Oct. to Dec.			
STANDARD VACATION ALLOWANCE	17	20	19	18	17	20	23	22	21	21	23	25	25	24	23	25	27	27	26	26	27	28	30

**HRP 5.01**

Revised January 1, 2013

**VACATION ALLOWANCE SCHEDULE A**  
(In Days)

**STAFF HOLDING SERVICE A POSITIONS**

	YEARS OF 1st to 4th ANNIVERSARY	YEAR OF 5th ANNIVERSARY				YEARS OF 6th to 9th ANNIVERSARY	YEAR OF 10th ANNIVERSARY				YEAR OF 11th to 19th ANNIVERSARY	YEAR OF 20th ANNIVERSARY				YEARS OF 21st TO 24th ANNIVERSARY	YEAR OF 25th ANNIVERSARY				YEAR OF 26th to 29th ANNIVERSARY	YEAR OF 30th and Later ANNIVERSARY
		Appointment Date					Appointment Date					Appointment Date					Appointment Date					
		Jan. to Mar.	Apr. to Jun.	Jul. to Sept.	Oct. to Dec.		Jan. to Mar.	Apr. to Jun.	Jul. to Sept.	Oct. to Dec.		Jan. to Mar.	Apr. to Jun.	Jul. to Sept.	Oct. to Dec.		Jan. to Mar.	Apr. to Jun.	Jul. to Sept.	Oct. to Dec.		
STANDARD VACATION ALLOWANCE	20	23	22	21	21	23	25	25	24	24	25	27	27	26	26	27	29	29	28	28	29	30

**ACCESS TO PORT AUTHORITY RECORDS – ENSURING OPEN PUBLIC RECORDS  
– PORT AUTHORITY FREEDOM OF INFORMATION CODE**

The business and activities of The Port Authority of New York and New Jersey have a substantial impact on the people of the States of New York and New Jersey, especially within the Port District and particularly the customers who use its facilities every day. As recognized in its By-Laws, it is the goal and policy of the Port Authority to conduct its business and activities in the public interest and therefore the public should have access to the records of the Port Authority to the greatest extent possible.

The Committee on Operations first adopted a Freedom of Information Policy in 1977, which was revised over the years. Since 1992, the meetings of the Port Authority's Board and its Committees have been open to the public, under a Board policy adopted consistent with Open Meetings legislation adopted by the two States. Beginning in December 2006, and most recently in November 2008, the Board has expanded upon the agency's transparency in governance through complementary policy statements, while protecting sensitive security information, the public's safety, and the privacy expectations of individuals.

In order for the goal of greater transparency in governance to be achieved, a more efficient and clear policy statement, both for the guidance of staff and for the expectations of the public, must be implemented. A streamlined process, with timely results and subject to judicial recourse in the States of New York and New Jersey, will begin to accomplish these goals. In addition, we will be utilizing the ever-expanding resources of the electronic information age to take advantage of the ability to disseminate information through the Port Authority's Web site and other similar tools.

The Port Authority reviewed, as it has in the past, the records access policies of the two States: in New Jersey, the Open Public Records Act and regulations adopted in connection with that Act, decisions of the Government Records Council, executive orders and judicial decisions regarding access to public records, and in New York, the Freedom of Information and Privacy Laws, regulations adopted in connection with those laws, the decisions and advice of the Committee on Open Government, and judicial decisions regarding access to public records. A revised statement, in the form of a Port Authority Freedom of Information Code applicable to the Records of the Port Authority was presented to the Board. Upon adoption, the Freedom of Information Code is to be effective on or about April 15, 2012, consistent with the Governors' reviews, and will be applied to all responses to requests for records after its effective date unless otherwise precluded by law or contractual provision.

In addition to today's adoption of a Freedom of Information Code, the Board has directed staff to expand efforts and to continue to make Records and information available to the public through other means, such as the Port Authority's Web site. Finally, it is proposed that the fee provisions of the Freedom of Information Code be suspended, on a trial basis, to determine whether the proposed posting of information on the Port Authority's Web site may preclude the necessity for imposing such fees.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, adopted the following resolution, with Commissioners Bauer, Moerdler, Pocino, Rechler, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that the Commissioners express our strong commitment to transparency in the conduct of the public's business, so that the Port Authority and its employees may hold the respect and confidence of the people of the States of New York and New Jersey; and it is further

**RESOLVED**, that the activities and decisions of the Port Authority are the public's business, and, therefore, the public should have access to the records of the Port Authority to the greatest extent possible, and to that end the Port Authority Freedom of Information Code is hereby adopted; and it is further

**RESOLVED**, that the resolution of the Board adopted on November 20, 2008, relating to Freedom of Information (appearing at pages 329 *et seq.* of the Official Minutes of that date), shall be, and it hereby is, rescinded (except, to the extent applicable, if it is required by existing contracts with third parties); and it is further

**RESOLVED**, that any paper, written or printed book, document, drawing, map, plan, photograph, microfilm, data processed or imaged processed document, information stored or maintained electronically or by sound-recording or in a similar device, or any copy thereof, that has been made, generated, maintained, received in the course of transacting official business and kept on file (collectively, "Records") of the Port Authority shall be made available for public inspection and/or copying, except that such access or copying may be denied as to Records or portions of Records which:

1. federal or state law or regulations or rules or decisions of court render confidential or privileged or exempt from disclosure, including any Record within the attorney-client privilege, or Records which, if disclosed, would constitute an unwarranted invasion of personal privacy of an individual or individuals, including lists of names and addresses to be used for profit or financial gain, sexual harassment complaints, grievances involving individual employees (filed by or against an employee), personnel, medical or disciplinary records (with Records or portions of Records indicating a Port Authority employee's compensation, pension, employment and salary history and qualifications as shown on résumés, for example, not exempted), and financial account numbers, including, in addition to Social Security Numbers, bank account, credit card, personal or cell telephone, or driver's license numbers, and electronic mail addresses; or
2. a. if disclosed, would impair, or give a competitive advantage in connection with, present or imminent awards or negotiation of

collective bargaining agreements, leases, permits, contracts or other agreements, open procurement matters, contracts not yet awarded, unexecuted leases or permits, and portions of scoring or evaluation documents not constituting a part of a final agency action document; or

b. are trade secrets, or are submitted by or derived from information obtained from a commercial enterprise and which, if disclosed, would cause injury to the competitive position of the subject enterprise, including résumés of individuals submitted by unsuccessful bidders, internal business protocols, systems or strategies specific to the commercial enterprise or to the project, as well as technology or equipment that the unsuccessful bidder has developed; or

3. are compiled for public safety, law enforcement or official investigatory (internal or external) purposes, when their disclosure may affect public safety, interfere with investigations, audits, law enforcement investigations, or judicial or disciplinary proceedings, or deny or prejudice a right to a fair trial or impartial adjudication, or identify a confidential source or disclose confidential information relating to an audit or an ongoing civil, criminal, or internal or external disciplinary investigation, including any reports, statements, transcripts or recordings related to an ongoing investigation, audit or proceeding; or
4. if disclosed, could endanger the life or safety of any person or jeopardize the safety and/or security of any facility or information technology system, including drawings, maps, or sketches of non-public areas, administrative or technical information regarding computer networks, hardware or software related to security systems, emergency or security plans or procedures for any building or facility, or security or safety procedures or surveillance techniques or details; or
5. are inter-agency or intra-agency advisory, consultative or deliberative Records, such as recommendations and communications to or from, and discussions among the members of the Board of Commissioners, the Governors of the States of New York and New Jersey and the Port Authority (or the staffs of the foregoing); and inter-agency or intra-agency memoranda, draft reports and presentations, or e-mail messages, which are not statistical or factual tabulations of data, with instructions to staff that affect the public or final agency policy or determinations not exempted; or
6. are examination questions or answers which are requested prior to final administration of such questions;

and it is further

**RESOLVED**, that the Secretary of the Port Authority shall maintain a reasonably detailed current list, by subject matter, of all Records in the possession of the Port Authority, whether or not available hereunder; and shall, under the direction of the Executive Director, administer this Code pursuant to the following procedures:

A. Requests

Requests for inspection or copying of Records of the Port Authority may be made to the Secretary of the Port Authority (or the Secretary's designee) in writing, and may be submitted:

1. in person, during regular business hours at the Port Authority's main office;
2. by postal or private delivery, addressed to the Secretary, The Port Authority of New York and New Jersey, at the Port Authority's main office, Attention: FOI Administrator;
3. by facsimile, addressed to the Secretary, The Port Authority of New York and New Jersey, at the Port Authority's main office, Attention: FOI Administrator, at the telephone extension designated for this purpose; or
4. by electronic means, such as electronic mail addressed to the Secretary, The Port Authority of New York and New Jersey, Attention: FOI Administrator, at the e-mail address designated for this purpose, or through the Port Authority's Web site.

Requests must contain sufficient information to locate and identify the particular Record(s) sought. Such requests must not be overly broad, but must be as detailed as possible and provide, at a minimum, a clear description of the Record or type of Record being sought. Requests seeking "any and all records" regarding a facility, project, contract, or other activity are overly broad.

B. Determination of Availability

Within five (5) business days following the receipt of a request, the Secretary of the Port Authority (or the Secretary's designee) must:

1. make the Record available, in whole or in part; or
2. deny the request; or
3. acknowledge the receipt of the request and provide a written statement to the requester of the approximate date when the request will be granted in whole or in part (or denied). If circumstances prevent a determination of availability from being made within twenty (20) business days from the date of acknowledgement, the Secretary of the Port Authority (or the or the Secretary's designee) must notify

the requester in writing of the reason for the delay and provide a date certain within a reasonable period when the request will be granted in whole or in part.

If the request is granted in whole or in part, the person making the request shall be notified that the responsive Record has been posted on the Port Authority's Web site (including the specific location) and is available for inspection. If the requestor wishes to obtain paper copies of the available responsive Record(s), copies will be made available upon payment of the appropriate fees.

If the request is denied, the requester shall be advised in writing of the reasons, including the exemption(s) applied to deny access to the requested Record.

If no responsive Records are found, the requester will be notified in writing.

C. Finality

The Determinations made under this Code by the Secretary of the Port Authority (or the Secretary's designee) shall be final. Any person who is denied access to a Record of the Port Authority may, therefore, seek such judicial recourse as may be available in either State.

D. Fees

When a request for access to Records is granted, in whole or in part, the responsive Record(s) will be posted on the Port Authority's Web site (subject to any applicable redactions consistent with this Code). If the requester wishes to personally review the Records, they will be made available for inspection under the supervision of such officers or employees of the Port Authority at such locations and at such times as may be designated by the Secretary of the Port Authority.

If a requester seeks tangible, "hard" copies of Records rather than or in addition to access to Records, such Records will be copied by the Port Authority, if practical, for a fee of twenty-five cents (25¢) for each page and five dollars (\$5.00) for Records provided in compact disk (or other comparable) format. The Secretary of the Port Authority may modify or establish, from time to time, appropriate fees for producing copies, including copies in other formats, such as when such Records are of unique size or volume or when it may not be practical for the Port Authority to reproduce or make available on the Port Authority's Web site. In such instances, the requested Record(s) may be reproduced commercially, and the person requesting the copy will be charged for the full cost of such commercial reproduction.

A fee of no less than two dollars (\$2.00) will be charged for certification as to the authenticity of any document, or that a Record cannot be found.

In the event a search for Records requested will require more than one "person hour," or in the event a search of computer records will require programming that

would take more than one “person hour,” the requester will be advised in advance of the anticipated cost, which will be charged based on the labor cost of personnel assigned to conduct the search or programming, as determined for such search by the Secretary of the Port Authority. Following the search, access may be denied to any Records in whole or in part, under the applicable Code exemption(s) regardless of the amount paid for the search. Additionally, payment of the search fee(s) does not guarantee that any Records responsive to the request will be located or if located that such Records responsive to the request will be available for inspection or copying under this Code.

When the Port Authority is required to pay a contractor or other third party in possession of Records for purposes of effectuating such Port Authority contract, the Secretary of the Port Authority may establish and charge appropriate fees to defray the Port Authority’s costs for such search. Such fees shall be reasonable and based upon the actual direct cost of obtaining the Records in the possession of the third party. In all cases, the requester shall be advised of the proposed fees in advance. Additionally, payment of the search fee(s) does not guarantee that any Record(s) responsive to the request will be located or if located that such Record(s) responsive to the request will be available for inspection or copying under this Code.

E. Payment of Fees

All fees and costs shall be paid in cash, by certified check, money order or cashier’s check, or by any other means deemed reasonable by the Secretary of the Port Authority. Checks or money orders are to be made payable to “The Port Authority of New York and New Jersey.” Payment must be received in advance of the search or at the time of the delivery for inspection or copying of any records or the Secretary’s certification;

and it is further

**RESOLVED**, that Parts D and E (involving the collection of fees) in the immediately preceding procedures for administration of this Code shall be and they hereby are suspended for a period extending not later than April 1, 2013, on a pilot or trial basis; and it is further

**RESOLVED**, that the Port Authority shall review this Code (including the suspension of fees) from time to time, with the first review no later than April 1, 2013, to ensure compliance with the standards and goals established in connection with transparency and access to Records; and it is further

**RESOLVED**, that the Executive Director and the Secretary of the Port Authority be and each hereby is authorized, for and on behalf of the Port Authority, to take such actions with respect to the public inspection and copying of available Records of the Port Authority, consistent with this Code, as may be necessary or appropriate in the best interest of the Port Authority or of the public; and it is further

**RESOLVED**, that, consistent with Port Authority policies and relevant provisions of law, information about the business of the Port Authority will continue to be posted on the Port Authority's Web site, from time to time, irrespective of whether such information is requested under this Code.

Whereupon, the meeting was adjourned.

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Secretary