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The Port Authority of New York and New Jersey
Board Meeting Transcripts
February 19, 2015

[Board Chair J. Degnan] I'm now going to call to order the board meeting of the Port Authority of New York and New Jersey and its subsidiaries. Earlier today the committees on Operations, Capital Planning, Execution, and Asset Management, and Governance and Ethics, as you just heard, met in public session, and the Committee on Finance met in both executive and public session. Their reports will be filed with the official minutes of today's board meeting. The commissioners will also meet in executive session later today to discuss matters related to the purchase, sale, or lease of real property where disclosure would affect the value thereof or public interest, matters related to personnel and personnel procedures, matters involving ongoing negotiations or reviews of contracts or proposals, matters involving public safety or law enforcement, and matters related to proposed, pending, or current litigation or judicial or administrative proceedings. Before we begin, I'd first like to request a moment of silence in observance of the upcoming 22nd anniversary of the first terrorist attack on the World Trade Center, and in memory of the six victims, including four Port Authority employees who perished on February 26th, 1993. Thank you. It's now my privilege, although I do it with mixed feelings, to say a few words about Deb Gramiccioni. It took me six weeks to learn how to pronounce her last name, Chris, but it was worth the time and effort. Deb, as you all know, recently left the Port Authority. And she was kind enough to be here today with her husband Chris and her parents so that we could appropriately recognize her service to this agency. Following over a decade of distinguished public service in federal and New Jersey state government, which included prosecutorial service in a variety of capacities, in December 2013, Deb Gramiccioni was appointed Deputy Executive Director of the Port Authority. In that role, Deb provided a stabilizing force at the Port Authority. She led by example, and she promoted accountability, transparency, and reform in all Port Authority-related matters. Deb did not spend much time before she immersed herself completely in the development and implementation of numerous complex initiatives in support of enhanced transparency and openness, providing invaluable support to the Port Authority staff, the board of commissioners, and the special oversight committee, and in furtherance of the important work of the governor's special panel on the future of the Port Authority, which Commissioners Bagger, Vice-Chairman Rechler and I were privileged to serve on. Simultaneously, Deb fostered a dialogue with the staff of the Port Authority to champion the agency's shared common mission and to stress professionalism and service to the region. With her unique ability to cut to the chase, Deb has also provided focused guidance on complex Port Authority operational and business issues. Her impact on the agency far surpassed the briefness of her stay. And that's a testament to Deb's abilities and her selfless devotion to the Port Authority and the region it serves. So it's with great appreciation that we applaud Deb today and thank her for her substantial contributions to the Port Authority as an institution, and her inspiration, guidance, and resolve in furtherance of the recommitment of the agency to its core mission of facilitating efficient and effective transit throughout the region. A few additional personal remarks on my part, Deb— your work ethic is amazing. I was embarrassed one day when Chris was calling from Afghanistan during a meeting we had in my office on a rather mundane topic, and you shooed him off the phone to finish the topic here, and wondered what he was thinking, sitting wherever he was at the time, about your priorities. I can't count the number of times I called you at night or on weekends and heard babies pulling at your

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leg, trying to get your attention away from me and the Port Authority and onto them, which you always managed to do, not by quickly getting me off the phone, but by my saying, "Oh my god, I don't want to interrupt that. I'll get off the phone." You were an amazing facilitator of my own integration into the Port Authority. Your help was invaluable. Your advice was perceptive, smart, helpful. Your relationship with the governor's office and the governor himself became clear to me during the State of the State message, when he made incredibly generous remarks about how much he respected your efforts, and how much he valued your service, and laid out the hint— Chris, I should warn you that he probably is not finished asking Deb to do things. That's the penalty and reward you get from effective public service: you get to do it again. Deb, I'm proud to have had the chance to work with you. I admire your dedication to the Port Authority and your family. Thank you for that service, both personally and on behalf of the institution. We have a certificate here which I've been asked and have the privilege to give you. I'd also like to allow you to say a few words, if you'd like.

[Comm. J. Lynford] Mr. Chairman, can some of your colleagues—

[Board Chair J. Degnan] Absolutely. Maybe before you get to talk, you'll have to listen a little more. I know that's difficult for you, but— Commissioner Lynford. >>

[Comm. J. Lynford] Thank you. I'll say three brief things. First of all, Chris, you are a lucky guy. And even though she got you off the phone often, she often spoke about you wistfully and lovingly, so you were not out of her mind even though you were not on the phone. Second of all, Deb, you really were great not only in your demeanor and your stability, but forging relationships across the rivers. And speaking now with my NYU hat, PA's loss is NYU's gain. So good luck in your new career.

[Board Chair J. Degnan] Vice-Chairman Rechler.

[Vice-Chair S. Rechler] First, Deb, I still can't say your last name, so I always refer to you as Deb or Deputy Executive Director. I played it safe the whole way that we go. But you came about a year ago, when I first met you, and you were clearly a breath of fresh air when we needed some real oxygen here at the Port Authority. We were navigating a tough crisis, and you came in with the exact demeanor that we needed along the way. I think as Commissioner Lynford said, if it wasn't for you, it wasn't about what was good for New Jersey or what was good for New York. It was what was good for the Port Authority. And across the board, your view was let's build relationships and let's move this forward as we tackled some very difficult, challenging moments together. So I kind of feel like, to just bring it to Afghanistan, that we lived through the trenches together. And once you live through the trenches together, you're sort of buddies for life. So I think we categorize ourselves like that. And I commend Governor Christie for nominating you at that tough time, because you're the exact type person with the exact type of personality that we needed to help get through that process. So thank you very much for all you've done.

[Board Chair J. Degnan] Commissioner Bagger.

[Comm. R. Bagger] Thank you, Mr. Chairman. I second and wholeheartedly endorse all the comments of my colleagues. And Deb, I just want to tell you how personally privileged I feel to have had the opportunity now to work with you in two capacities— first our tour of duty together in the state capital, at Trenton, and then the special opportunity we had to work together at the Port Authority. Your contributions to this agency are numerous, and you came here at a very challenging time. And I think as Vice-Chairman Rechler said, that you were— what you brought

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here at a time when we needed it most, and the impact that you had in a year here will be felt for a very, very long time. A lot of the work that we'll be discussing later in today's meeting about the path forward represents the fruits of your efforts. So thank you personally and professionally.

[Comm. R. Pocino] Mr. Chairman. >>

[Board Chair J. Degnan] Commissioner Pocino.

[Comm. R. Pocino] Deb, I obviously had no problem with your last name. I just want to say that I echo everybody's kudos, and that you did a great job and you're already missed. So good luck to you in the future.

[Board Chair J. Degnan] Pat Foye.

[Exec. Director P. Foye] Chairman, thanks. Deb, I just wanted to say briefly it was a privilege and honor to work with you. Commissioner Bagger, and the chairman, and Scott's comments are exactly right. You were exactly what the Port Authority needed at the time. You were a great partner, smart, quick, nonpartisan, nonpolitical, and unbelievably practical. It was an honor to work with you. I know at NYU you'll be known as Professor Deb, and I wish you well there.

[Board Chair J. Degnan] Deb, what more can you say? But try.

[D. Gramiccioni] Thank you. I'm absolutely humbled. The day I walked into the Port Authority I realized something and I have never forgotten and it was that I was surrounded by greatness and the greatness was respect I can not say enough and I know Commissioners you always talk about how tremendous the staff was Any accomplishment that Pat and I had was because of the staff and so first and foremost I just want to thank Oh, thank you. I forgot already. How soon we forget. I just want to thank the staff for everything that every single one of you have done to make our lives easier every day. I want to thank Pat, because again, we said this— both of us say this— we prioritized this past year cooperation over conflict. I think that was how we both went into this year, and you've become, Pat, a tremendous ally and friend. And to that, I am absolutely grateful. I know, commissioners, thank you all for your wise counsel and guidance. I think 2014, a lot of people would characterize that as a difficult year for the Port Authority. And I agree that it absolutely started that way. But 2014 ended with a spirit of reform. So it ended very differently than it began. And it's with that spirit of reform that we are here today, and again, so the tribute is candidly not mine at all. It is ours. And to that end, I just want to say thank you. And I'm going to miss everybody, and wish everybody the best of luck. And good luck with those reforms. Thank you.

[applause]

[commissioner] Now you know why we're gonna miss you.

[Board Chair J. Degnan] I'm now gonna ask that the executive director give his report.

[Exec. Director P. Foye] Thank you, Mr. Chairman. Commissioners and members of the public, in December of 2014 the board announced the next step in the implementation of the minimum wage policy for airport workers which was adopted by the board in May of last year. The rules as originally adopted for third-party, non-trade covered service workers require a minimum wage of \$10.10 an hour starting this year and the inclusion of Martin Luther King, Jr. Day as a paid holiday. The next step, as reviewed with the board in December by Professor Gramiccioni and me, proposed to amend the universe of covered workers under the rules to include concession and retail workers at JFK, Newark, and LaGuardia airports with a proposed effective date of April 1st, 2015. We issued the proposal for a 60-day public comment period which closed just

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this past week. We've received over 250 comments through our public comment process, and they fall into a few main categories. I expect that today we'll be hearing from a number of speakers who would like to address these issues, so I want us to provide some background to you and the public. We received a number of comments asking for the inclusion of both lounge workers and also in-flight catering workers in the policy. We're pleased to report that absent any additional direction from the board, we believe that lounge workers who provide food and beverages as well as other customer services in passenger lounges fall into the definition of covered concession workers as defined under the proposed rules, and we will clarify that as necessary. As for in-flight catering workers, at each of our main airports there are companies providing for in-flight catering services on airport, but also companies providing those catering services that are located off-airport. The issue we have grappled with is the impact on this segment of business if we were to mandate a minimum wage on the in-flight caterers located in our airports. We believe inclusion of the in-flight catering kitchens would likely drive business to the existing competitor facilities located off-airport, and so we seriously continue to study the issue. In addition, I would note that with respect to concession workers, we received a number of comments from concession companies that pay wages already set by collective bargaining agreements, in some cases under \$10.10 an hour. Some of these companies have raised the question which we are reviewing as to whether the minimum wage rules supersede their existing collective bargaining agreements. Other companies as a practical matter asked us to consider a phase-in period for the \$10.10 minimum wage. Our staff, including the aviation and law departments, are summarizing the comments we received, and we'll be providing you their analysis and summary in the coming weeks. Again, the comment period closed just last week, and we're preparing a summary for your review. In the meantime, I'm pleased to announce that for the initial group of covered workers, which covers thousands of third-party non-trade service workers at our airports, their wages went to \$10.10 an hour effective February 1st. We're in the process of updating certifications from those employers, and we will be, as we did before, closely monitoring compliance as we did with respect to the earlier inquiries. Finally, as directed by the board last May, staff continues to develop analysis and options with regard to continued progress on both wages and benefits for all third-party workers at our facilities. Thank you, Mr. Chairman.

[Board Chair J. Degnan] Pat, with your indulgence, this might be a time for me to make a statement, and I would invite you at the end of that statement, if I in any way mischaracterize anything, to let me know. There have been a lot of questions in the last few weeks about the status of the RFP in connection with LaGuardia Airport, driven in part by a prediction some time ago that we might be in a position to award that RFP sometime in the 3rd or 4th quarter of 2014, which obviously has not happened. I am recused on the actual award of the RFP to any of the bidders involved in it based on ownership of stock and banking relationships with various members of the consortium, but have been advised by general counsel that notwithstanding the recusal on the actual award, I can oversee and speak to the process involved in issuing this RFP. This is an incredibly exciting project at LaGuardia Airport. It will replace, if allowed to go forward, an aging terminal which the vice president, I think, was referring to when he referred to the airport as a third world entity. It is imperative for the Port Authority's credibility, it is imperative for the market of private-public partnerships in the United States, that this RFP be resolved and awarded to an appropriate bidder as soon as it can be responsibly done. I understand that we have a 90-day extension agreement with the remaining bidders in the process, on the basis of which they have agreed to, with the Port Authority, continue to work on the RFP

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but allow us time to see the results, which I have not seen yet, of Governor Cuomo's requested design competition. The governor has appointed a committee to examine the respective submissions. The Port Authority is paying the fees involved in doing that, but we await the review by the governor's committee of that design competition, and then we'll have an opportunity within those 90 days to assess whether it should have any impact on the RFP. It is imperative that we wait no longer than those 90 days. I would urge strongly the commission who's reviewing the design competition to get that work done, and then to do what the governor said he would do in the initial announcement that he intended to do this important work for the design competition by referring it to the Port Authority for it to consider in the overall approach to things. It may be relevant, it may not be to the Central Terminal at LaGuardia. But we need to understand that, I think, within this 90-day period before we make that final decision. So Pat, if I've mischaracterized or in any way misstated the understanding, please take advantage of this opportunity to clarify— vice-chairman as well.

[Vice-Chair S. Rechler] I would just like to add, I agree that the redevelopment of LaGuardia Airport is a key priority for the region. Obviously it's been ranked as one of the worst airports in the country. It's the gateway of the 21st century idea-based economy, and the amount of business travelers and people from around the country that flow through LaGuardia every year— it's incredibly important to make that experience something that is reflective of the quality and character that we want people to come to New York and experience in this region. That being said, this is a very, very important decision. This is going to be a \$4 billion decision that we're making, and it's important that we make the right decision and with all the facts in hand. The second thing that I think is critical is that while that terminal itself and the redevelopment is an important element of the redevelopment of LaGuardia Airport, LaGuardia Airport's about 50 years old, and we have to think about the next 50 years. And I think part of this concept with the design competition that the chairman had noted is to make sure that we have a vision for what LaGuardia needs to be for a 21st century airport for the next 50 years, and to make sure that the Central Terminal Building that's ultimately built is consistent with that vision, or doesn't have aspects of the design that would impair what the future development of LaGuardia Airport would be, whether that's through mass transit, new terminal buildings, amenities, etc., that have to ultimately be built. So you need a holistic perspective. And I assure you from my experience, I know the governor has directed that committee to work as quickly as possible, and I think the port has been working in conjunction and cooperating in terms of providing that committee with data so that they can get back to us and try to enable us to move forward.

[Board Chair J. Degnan] I agree with all those comments. Commissioner Laufenberg.

[Comm. G. Laufenberg] You know, I don't believe in— I mean, it is imperative that we move forward. There were three consortiums that put a lot of effort and monetary investment in to put those programs together. I'm very concerned about going forward that if we don't act expeditiously in the awarding of this contract at LaGuardia, that future 3P projects will definitely be in jeopardy as to the fact that we won't be able to have any interest on behalf of the financial community to get involved with those projects. And I know that we had talked about it back in October when Governor Cuomo announced his competition, which is okay, but I'm very concerned that this process— the more you delay, the more the cost increases, because you're going beyond more and more collective bargaining agreements. But in the future, if we really want to do something with the **Port Authority Bus Terminal** or any other major projects and we need to include a private partner in this process— because I don't know how much you can

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increase the tolls. And Mother Nature's playing havoc on our revenue now. Every time we have a storm it's just decreasing the amount of revenue that we're receiving, which is gonna impact our capital spending going forward, or our ability to make capital spending. So I would just encourage, Pat, whatever we have to do to get this thing expedited, please do so. Thank you.

[Board Chair J. Degnan] Thank you, Commissioner. Pat?

[Exec. Director P. Foye] Chairman, let me just make a couple of brief comments. One is, it's important to know at the outset that both Governors Cuomo and Christie and this board have been very focused on the importance of the airports and making sure that they're 21st century airports. Second, this is an open procurement, continues to be an open procurement. So like you, I'm gonna be guarded in what I say, and that's the policy that we've maintained throughout under the guidance of the law department and procurement. There are multiple bidders. They have agreed to extend their participation in the process through the end of April. As the chairman and vice-chairman noted, this is almost a \$4 billion transaction, and the reason the Central Terminal Building project is so important is because it's outmoded, outdated, and was designed for a different era, a different era in terms of passenger expectations, in terms of aircraft size, in terms of service and amenity levels, etc. And it's important that— it's tough to look into the future— but that we anticipate both the level of passengers going through the Central Terminal Building, LaGuardia, our airport system; the types of planes that are going to be arriving and departing, etc. We've had a very close and regular working relationship with the design competition advisory committee since it was created, and as a matter of fact had a call early this morning with Dan Tishman, the chairman of the committee. Meetings have been regular and frequent, and will go into next week and beyond. The last thing I'll say in response to Commissioner Laufenberg's comment, which I share, is that we're very mindful of the impact, for instance the positive impact on the PPP community from this board and the Authority doing the Goethals Bridge transaction, which is structured as a public-private partnership. I'm happy to report that project is on time and on budget. Staff and the board will consider public-private partnerships where they make sense. They don't make sense in every transaction. And we're very mindful of the impact that a successful CTB transaction would have on our ability and the region's ability to access private capital and public-private partnerships, and also the corollary of that, that a lack of success would have a negative impact. And Chairman, those are my thoughts.

[Board Chair J. Degnan] Thank you. Sounds like we're all on the same page. At this point I'm going to open the floor to public comment on Port Authority matters. We would ask, as we usually do, that you try to limit the total public comment period to thirty minutes. But we want to provide an opportunity to members of the public to present their views directly to the board, although not a dialogue. So members of the public wishing to discuss a specific matter with Port Authority staff are advised to contact our public affairs department, and the speakers today are asked to comply with a fixed time limit that we impose of three minutes. So I'll first call Neile Weissman.

[N. Weissman] Chairman Degnan, commissioners, thank you for the opportunity to speak, and moreover, for having the cyclists' proposal vetted. It's very much appreciated. In January, Peter Matusewitch, an engineer experienced in adding bicycle pedestrian facilities to long-span bridges, Gaida Bridge, who fabricates the aluminum structures, and I were privileged to meet with Assistant Director Paul Crist, Chief Structural Engineer Bernard Yostpille, and half a dozen members of your engineering team. You have some very impressive people in your employ. They were fair, even generous, in their assessment of the proposal, while clear in communicating

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authority concerns and asserting its priorities. Takeaways: the Authority's cost to replace the paths, install anti-suicide barriers, and upgrade the approaches, has been reported at \$80 million. That does not include widening the main spans, nor remediating the blind turns through the towers, arguably the most dangerous sections. They will appear worse by comparison once the other improvements are made. The estimated \$33 million for the cyclist proposal comprised fabrication and installation of aluminum superstructures for the approaches and outboard of the existing paths. That was a straightforward costing exercise by Gaida Bridge, which did not include installation of cantilever supports every 63 feet, tower modifications to accommodate additional paths through the towers, nor foundations for the approaches. But without access to existing cost and engineering studies, we cannot quantify those. The intention then was to provide a point of comparison to assess direct savings from reduced weight and ease of installation relative to a conventional solution, secondary savings in supports and foundations due to reduced dead loads, and savings resulting from a fully integrated design and construction solution that makes use of necessary permanent works as temporary works to service the recabing. Lighter aluminum should permit economic construction of paths wider than steel and concrete. The clear advantage of dropping the bike path below the pedestrian facility is that it preserves the unobstructed view. The negative is that user activity would not be readily visible by PAPD from the roadways. Your engineers affirm that paths could be widened at any time, but that other projects required funds. Which begs the question, when will ever come a time that other projects don't require funds? And if the Authority does not build now, then what's your trigger? Peak use is already double the AASHTO threshold for a 14-foot facility, at 5% growth or AASHTO times four in 2028, sooner if the new facility generates increased demand as one would expect. Thank you.

[Board Chair J. Degnan] Thank you, Mr. Weissman. Richard Hughes? Is Mr. Hughes here today? Okay. Great, thanks.

[R. Hughes] Good morning— or good afternoon—no, it's still morning. The Twin Towers Alliance sent the following message to Martin Robins this morning. Mr. Robins is one of the foremost experts on the Port Authority, as I'm sure you're aware. Dear Mr. Robins, the governor's bi-state special panel on the future of the Port Authority will make recommendations at today's board meeting. As one of the foremost experts on the Port Authority's operations, we hope you will give the public information that will allow us to evaluate this latest round of fixes. In October of 2011 you were quoted as saying, "There was a lot of political, social, and cultural pressure "brought to bear to get the Port Authority "to take over the World Trade Center project. "They really got mousetrapped into it, "and now it's gotten them into trouble. Everything about the speed of this toll increase," the one back in 2011, "was totally unprecedented in my 35 years of experience with the Port Authority," Mr. Robins said. "And it all had to do with the bond rating. "The Port Authority's law department may not have gotten the time "to craft this toll hike based on the principles "of the Federal Aid Highway Act, and it may come back to haunt them." Since it is clear to everyone that the Port Authority would not have had to resort to the multi-year toll hikes if it had not taken over the WTC project, we believe it is in the public interest to share the details of how you think they got mousetrapped. What failed in order for that to have happened, and at such enormous public expense? And what specifically is there in the current recommendations that would prevent anything like that from happening again? Is the Port Authority's primary fiduciary duty to the investors or to the public? Our grassroots watchdog organization has a lawsuit pending in New York Supreme Court in response to the Port Authority's refusal to divulge information on the Silverstein financials. We hope to better

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understand how and why this public agency felt so free to assume Silverstein's contractual obligations instead of excusing him for nonperformance. He was anything but indispensable. Since the contracts made the Port Authority the insurance beneficiary under those circumstances, it is hard to fathom why he has been propped up and indulged for so long while he invests his own money everywhere except at the World Trade Center. Any light you can shed on this murky matter at this time would be a public service. Sincerely, Margaret Donovan and Richard Hughes, the Twin Towers Alliance. I'd love to know what kind of cheese was put in that mousetrap. It must have been awfully tasty for the Port Authority to have bitten down like that and gotten us all trapped. I'd like to know why. Thank you very much.

[Board Chair J. Degnan] Thank you, Mr. Hughes. Ms. Donovan? Margaret Donovan.

[M. Donovan] Good afternoon, commissioners, and happy New Year. After having missed the last meeting, I was eager to address my ongoing concerns over the Port Authority's commitment to transparency. But those three minutes will have to wait, because the reports of last week's settlement of the so-called naming rights dispute were despicably misleading and can't go unchallenged. I find it indecent and terribly sad that individuals who may spend a few years at the Port Authority would take part in mischaracterizing a man who dedicated 40 years to the PA and epitomized all that was good and great about the agency. I haven't read a shred of context in the reports and editorials that charge "a former Port Authority official" with making millions off a name he came by, not illegally it seems, but surely unethically. Picking and choosing facts is not reporting the truth, especially when the cherry-picked facts lead people to false conclusions and wrong impressions. Those who actually think Guy Tozzoli misappropriated the name World Trade Center are ill-informed. In fact, the World Trade Center was built on his vision, and character, and dedication to the ideal of peace and stability through trade. That concept required an organization and network, one which he founded with Austin Tobin's blessing the same year that Tower One was completed. It was a full-fledged and highly regarded global organization when he retired from the Port Authority in 1987. It is perverse to accuse him of trading on the Port Authority's vision when it was the Port Authority that traded on his. People then knew that without Guy Tozzoli there would have been no Twin Towers. He didn't just oversee their construction. He imagined and breathed them into being. That is no exaggeration. These aren't just my opinions. Ask the authors of the definitive history on the World Trade Center, "City in the Sky." Ask those who were part of the project. So why hasn't any of this shown up in any of the reports? It belongs in any true account. Bequeathing the naming rights on his organization when he left was anything but shady. If you want to go after the WTCA now, who cares? They deserve whatever they get, because they lost no time in diluting the organization's mission and changing the motto to the inane "prosperity through trade" as soon as he was gone, so sue them. But to insult the memory of Guy Tozzoli is a disgrace, because without his energy, talent, sacrifice, and years of sheer grit, the World Trade Center would have been just another skyscraper, and the name wouldn't have been worth even \$10. Mr. Tozzoli loved this agency with a passion. He was a man of far greater ability than anyone who has worked here since. You really should be naming something after him, not trashing his name and contribution. But the least you can do is give his memory the admiration and respect it deserves. Thank you.

[Board Chair J. Degnan] Thank you. David Wallbeck? Vollbach. I'm sorry.

[D. Vollbach] Chairman Degnan, commissioners, thank you for the opportunity to speak today. My name is David Vollbach. I'm the manager at Bicycle Habitat in Soho, one of New York City's largest and oldest bike shops. Cycling is a low-impact, sustainable form of transportation,

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with quantifiable health and economic benefits in communities where it's prioritized. A 2013 Rutgers study cites active transportation as contributing half a billion dollars a year to New Jersey's economy. Bicycle infrastructure has seen immense growth, both nationwide and across the region. New York in particular has just been named America's most friendly bicycle city by Bicycling Magazine. For New York cyclists, the George Washington Bridge represents a lifeline out to some of our nation's most beautiful rides. New Jerseyans use it to plan day trips throughout the city, including weekly races in Central and Prospect Parks. For clubs, teams, and shops of both states, a safe, reliable Hudson River crossing has become an indispensable asset. Yet the path itself is regarded by many as an irritating necessity at best. Customers tell me they're intimidated navigating its awkward entrance and the blind turns around the towers, particularly on the main span where they're required to negotiate repeated narrowings at the suspender cables while gauging passing and oncoming traffic. Neither of the two conditions will improve under the current plan. During peak hours, ridership exceeds 500 users an hour, yet the proposed ADA-compliant path does not support that, let alone the influx of riders surely to follow as cycling continues to grow in the region. Widening therefore becomes an unavoidable necessity. Over the next decade you'll rip out and reinstall the paths as we know them. What you erect will directly impact the growth of regional cycling. I understand that widening the north path alone would dramatically increase capacity as soon as 2020. There are hundreds of community-based bike shops in New York City and northern New Jersey. Each is part of the municipal tax base and a source of local employment. All are committed to supporting, and indeed have staked their existence on the continuing growth of cycling in the region. Port Authority's failure to adequately plan for and create necessary infrastructure jeopardizes their very viability. Bike shops and businesses that cater to cyclists in New York City plus Fort Lee, Tenafly, Teaneck, Ridgewood, and Piermont, and all across northern New Jersey cannot afford the loss of safe, reliable, sufficient, nonintimidating bicycle access across the George Washington Bridge. Thank you. >>

[Board Chair J. Degnan] Thank you. Christine Berthet.

[C. Berthet] Mr. Chair and commissioners, my name is Christine Berthet. I am the chair of the Community Board 4, where the **bus terminal** operates and the Lincoln Tunnel terminates. First I wanted to thank you, Pat Foye, and Cedrick Fulton, and Dina Heller for restoring the architectural lighting under the bridges on 9th Avenue. This is good for the safety of the community and for making this stretch of our neighborhood a little more hospitable. So small gestures go a long way. Thank you so much. In October 2014, we asked your commitment to fund the construction of a bus garage from reallocation of funds in the capital budget. You assured us that the creation of the master plan was a prerequisite, which makes sense, and that it would be on the agenda as soon as available. February 2015 was mentioned as a probable date. On December 26, 2014, both governors of New York and New Jersey endorsed the Keeping the Region Moving report prepared by the special panel of the future of the Port Authority. And we applaud that report that identifies as mission number one to reinstate the Port Authority's original leadership and do a comprehensive planning effort, initiate a long-term planning process for the expansion of trans-Hudson transit capacity, including river crossing and terminal, and reassess the 10-year capital plan to refocus on core mission activities, and redeploy \$600 million unallocated in the original development. That caught my eye. And mission number two: pursue the construction of a **new Port Authority Bus Terminal** utilizing the embedded value of Port Authority holdings and other sources of funding to meet the increasing requirements. In January 2015 you probably received a letter signed by all our elected officials in the city council, in the

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state, and in the congress, pointing out the urgency of building a **bus terminal**, a bus garage. So I'm here today to respectfully request and ask when will the master plan be published, and when will the dialogue on the funding start? Thank you.

[Board Chair J. Degnan] Thank you, Ms. Berthet, and thank you for the work you're doing. Janna Chernetz?

[J. Chernetz] Thank you, Chairman Degnan and board members. My name is Janna Chernetz. I am the senior policy analyst for Tri-State Transportation Campaign. We're a non-profit transportation policy advocacy organization in downstate New York, New Jersey, and Connecticut. I echo the comments of Christine from Community Board 4, although without the fabulous accent. Christine and I both testified back in October regarding the **Port Authority Bus Terminal**, especially in light of the FTA grant being denied for Galvin, for the bus garage. The board assured us that there would be announcements— I have the transcript from the board meeting in front of me— that there would be announcements between October and February regarding that bus master plan. I haven't heard any, and I don't know if perhaps I missed them. I also thought the bus master plan was going to be on the agenda today, which it was not. I'm hoping there will be some sort of announcement today regarding that. The \$90 million that was found for the quality of commute certainly helps. But it does not address the most pressing needs of the commuters and the residents in the area. What will address that is the bus garage and a new terminal, and we can't delay anymore. The other thing I'd like to address is the issue of transparency. We are extremely disappointed that the special panel recommendations were not subject to a public hearing, several public hearings, in both states. The report would have benefited greatly from the feedback of the hundreds of commuters, employees and the general public that use all of your facilities. In the interest of transparency, efficiency, accountability and reform, before this board takes any action regarding the recommendations the report must be subject to a series of open public meetings. Finally, the report, the board and the governors continue to ignore the calls of legislators and the general public to sign legislation to improve the operation and transparency of the Port Authority. The agency can no longer operate in a vacuum under the guise of internal policies and codes that can be changed at any time by a handful of people. Accountability and transparency must be law. Thank you.

[Board Chair J. Degnan] Thank you. In the interest of public disclosure, I understand that the presentation on the master plan will be held at the March meeting. And in the interest of enabling people to understand what our agendas have on them and what they don't, they're now being published on Friday afternoon before the Thursday meeting, and we urge anyone with a particular interest in a specific project or issue to consult that agenda with respect to the meetings going forward. But thank you with those comments. Eduardo Lopez. [E. Lopez] Hello. Hello, my name is Eduardo Lopez. I work at JFK for Sky Chef, an airline catering company. I've been working for the company for 2½ years, and I only make \$9.84. When the Port Authority started talking about requiring the \$10.10 minimum wage I was very happy and proud to be part of the airport community. I'm extremely confused and disappointed. Even with the expansion of the wage policy me and my co-workers are still left out. Why? We work at the airport just like everyone else. We need answers, but most of all, we need to be included. We'll be back. We are going to keep fighting to be included in this policy. Thank you.

[Board Chair J. Degnan] Thank you. Britney Smith.

[B. Smith] Good afternoon. Hello, my name is Britney Smith, and I'm a cashier at JFK, and I'm a very proud member of Unite Here Local 100. Today is bittersweet for us. We see that the Port

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Authority has been responsive to our demand and that all of us have been included in the new wage policy. I personally am very glad to be included, and it will make a difference for me and my family. But hundreds of my brothers and sisters at Local 100 won't be covered in this policy. This doesn't work. Please work with us to fix this problem. Thank you.

[Board Chair J. Degnan] Thank you. Murray Bodin.

M. Bodin] I've been repeatedly asked this morning to behave myself and follow the rules. I will follow the rules. I'm the new chief executive officer of Concerned Grandparents. That means I get, as executive officer, the ability to appoint various people to do various tasks, which I have done, and I therefore cannot speak about what I primarily wanted to speak about this morning, so I will speak about other things. If you noticed, I was in Cuba 2 weeks ago today, and I was there the day there was a railroad accident in Valhalla, and I saw it on CNN in the Hotel Nacional in Havana. What you said, Scott, about LaGuardia Airport being 50 years old and needing to be updated, when we went from an artist studio on one side of the island to another part of the island, we passed the railroad tracks, and there were the red flashing lights and a cross. When I got back to Valhalla, I looked, and it was exactly the same. In other words, Valhalla and Metro-North are using technology that's at least 60 years old, because the cars in Cuba are the ones that I—I've got a '55 convertible that looks just like the cars they have there. We haven't updated our technology. Why? So I brought this morning a red-blue flasher that you have in the front of the cars at the Port Authority. It's been confiscated, and somebody has it back there, so I can't show you. You haven't updated the lights. In 1955 there was a little round red light on top of the police car. Today you've got these red-blue ones you can't miss. Why don't we have those on railroad crossings that your trains go by? Because nobody bothered asking. The other thing this lady said on CNN is he blew the whistle correctly 4 times before he got there. But you well know when you sit inside that black SUV downstairs you can't hear anything outside. Why are you blowing a whistle that people can't hear? It has to be changed. May I have another moment to finish?

[Board Chair J. Degnan] Yes. >>

[M. Bodin] Thank you. It is your responsibility and this board's responsibility to go and say, "These rules that you're asking us to follow are not valid in today's economy, in today's society." Engineering judgment can always say the rules that you have there are not safe. Engineering judgment says we should do it this way. At the New Jersey Transit meeting last week I said on your cell phone call Cory Booker. Ask him to call Anthony Foxx, and within 3 hours you'll get permission to test this. You can do the same. Call the congressman. It can be done with engineering experimentation. And as soon as you see it that gets your attention, because what's up there is nothing. You put these lights on your police cars, your fire engines.

[Board Chair J. Degnan] Your minute is up. Thank you.

[M. Bodin] I brought 2 cigars from Cuba, one of which I gave to Deb's husband because I thought that was appropriate. I brought the other one, and I was going to give one to each of you, but I now will give it to Scott, because he gave me the line. My assistant over here will bring it up.

[Board Chair J. Degnan] Thank you, but as you know from Pat's reaction to the plant a week ago, we're not allowed to accept gifts. So enjoy the cigar. >>

[M. Bodin] That's why I gave one to Deb.

[Board Chair J. Degnan] Enjoy the cigar. Christina Dortin.

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[C. Dortin] Hello. My name is Christina Dortin. I am a Hudson News cashier at Newark International Airport, Newark, New Jersey. Your expansion of the new wage rule will have a huge impact for thousands of workers including food and retail workers in the airport terminals like me. We've been coming here to these meetings for a long time to push us to be included in the \$10.10 requirement, so I want to say thank you for including us. However, as you know, there is still a major hole in the policy. My sisters and brothers who do food prep for airline catering are still waiting to be included in the policy. I hope that we can all work together to make sure this policy does what it was intended to do, to offer a \$10.10 minimum wage for all airport workers with no exceptions, and our fight will continue. Thank you and have a blessed day.

[Board Chair J. Degnan] Thank you. Rachael Fauss.

[R. Fauss] Good morning, board members. My name is Rachael Fauss, and I'm the director of public policy for Citizens Union for the city of New York, a non-partisan good government group dedicated to making democracy work for all New Yorkers. We serve as a civic watchdog combating corruption and fighting for political reform. I'm commenting today on your proposed adoption on the resolution to endorse the recommendations of the Bi-state Special Panel on the future of the Authority. First we would like to note, as my colleague Janna did, that the special panel's recommendations have not been the subject of a public hearing, and as such, have not received the benefit of public feedback. Other specially appointed commissions have held public hearings to hear proposals from the public in an open hearing, and there was no such process for the special panel. Second, while we support certain elements of its recommendations such as creating a single chief executive officer and considering rotating chairs between the states, we are particularly disappointed by the report's dismissal of legislation that unanimously passed both houses of the New York and New Jersey legislatures, a rare feat of bipartisan support. In contrast to the closed process for development of the special panel recommendations, the reform legislation, the Port Authority Transparency and Accountability Act of 2014, received significant public support, including from a number of editorial boards and advocacy groups such as Citizens Union, the League of Women Voters of New York and New Jersey, the New Jersey Foundation for Open Government, the New York Public Interest Research Group, Reinvent Albany and the Tristate Transportation Campaign. Our groups continue to support the legislation notwithstanding the administrative recommendations you're proposing to be endorsed today. The legislation has been reintroduced in New York and is moving through the legislative process and is being considered for an override in New Jersey. Third, as the Port Authority moves forward with implementing any portions of the Special Panel Report, we would urge you to hold public hearings on any proposed bylaws, rules or regulations. Transparency is essential to having public confidence in the actions of our democratic bodies, and we urge you to take this into consideration as you consider reforms. I've also brought with me recommendations that Citizens Union made to the special panel, and I appreciate having the opportunity to present our comments.

[Board Chair J. Degnan] Thank you. Gertrude Contreas.

[A. M. Cruz] Hi, my name is Ana Maria Cruz with SEIU 32BJ. I will be providing translation. This is Gertrudes Contreas.

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[A. M. Cruz] I will provide the translation. My name is Gertrudes Contreas, and I've worked at PrimeFlight at Newark International Airport for 9 years. I live in Newark, and I am a mother. I am also a grandmother of 10 children. I am the first line of defense for passengers. My job is to do the deep cleaning of the airplanes. I have to undo the seats and clean every corner of the seats, and in this I have found needles and other dangerous objects. There are times when I finally sit down for lunch, and I'm told seconds later that lunch is over because a plane has just landed that needs to be cleaned. I clean planes during the summer, but you can barely breathe because it's so hot, and there are days when I clean the planes in extreme cold without heat. I do my job with pride. I want to thank the Port Authority for raising our salaries to \$10.10. We know that this is a first step towards better wages and benefits. We hope that we can continue to count on your support to release the enhanced wages and benefits so we can continue to maintain our families. Thank you for listening to me and for having patience for listening to workers like myself and God bless you. Thank you.

[Board Chair J. Degnan] Thank you. And the last speaker is—forgive me for mispronouncing the name if I do—Frine Reyes. [F. Reyes] My name is Frine Reyes, and I work at LaGuardia Airport. At the present time my job title is wheelchair attendant and wheelchair dispatcher. When we're working here at the airport we transport different people. For example, people who are sick, or they have a problem with transportation, like they might have an operation in their back or their legs. We encounter a lot of problems with our passengers because we have to transport them, and sometimes they're very difficult because they will have an attitude, or they will have some problems. Our job is very difficult at some times. And all of us are working very hard at the airport, and we hope to receive the \$10.10 that the Port Authority is offering us, and we also give you thanks for listening to us and listening to our problems that we have there. Thank you very much. [Board Chair J. Degnan] Thank you. That brings to a close the public comment section of the meeting. At this time, unless anybody has an objection, we'll move on to a report on the special panel on the future of the Port Authority. This panel, as you know, included Vice-Chairman Rechler and myself and Commissioner Bagger. It was appointed in May of 2014 by governors Cuomo and Christie to report back to them on the future of the Port Authority. It was not a committee of the commissioners of the Port Authority or of this board. It functioned independently of the Board of Commissioners. However, the recommendations contained in that report obviously to the extent they're going to be implemented need to be done by the Board of Commissioners, so the purpose of the presentation today is to review those recommendations and present them formally to the board and to open the floor to questions from the board about these recommendations. The vice-chairman and I have asked our colleague Commissioner Bagger to take 10 or 12 minutes or so to present the panel, and then we'll open for discussion. Rich? >>

[Comm. R. Bagger] Thank you, John. I appreciate both the opportunity to work with you and Commissioner Rechler on this special panel and the opportunity to summarize the recommendations today for the board and the public. When Governor Cuomo and Governor Christie formed the special panel on the future of the Port Authority last May they did so recognizing some reform efforts had already been made but also that it was clear that only through a major review and evaluation of the Port Authority's mission, structure, management, operations and overall governance could we position the Port Authority to address the region's significant transportation challenges as the Port Authority approaches the beginning of its second century of service to the bi-state metropolitan region. The overall theme of the special panel report is to refocus the Port Authority on its core transportation mission: providing for and facilitating transportation to the New York-New Jersey region through improved stewardship of

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our assets, putting in place a modern-day governance structure and best-in-class transparency and accountability. One of the first things we had to consider was what is the core mission of the Port Authority and also to consider the 3 defining characteristics of the agency, and those characteristics are first its self-sustaining business model, that the Port Authority is and is expected to be self-sustaining and self-fund its capital investments. Second it's bi-state governance structure and how to achieve effective governance in the face of the unique bi-state governance and the need to achieve a sense of bi-state balance. And third, the scope and complexity. There's no other bi-state authority that has a more diverse portfolio of assets and facilities than the Port Authority. We decided that before we could begin making changes to our operations it was essential that we address governance and accountability, and that began with reviewing the reforms that were made prior to the special panel's report. The Port Authority underwent a comprehensive review in late 2011 with support from Navigant and Rothschild, and the Port Authority has implemented many of the recommendations called for in that review, including developing a new process for approving the operating and capital budgets; adopting a 10-year, nearly \$28 billion capital plan, which for the first time employed a comprehensive analytical scoring process to evaluate state of good repair projects; involved building a dynamic 10-year financial model which is updated quarterly to forecast our capital capacity, which is then synced to the gating of capital spending project by project, so that we don't spend beyond our means. And we also consolidated the Port Authority's sprawling security apparatus into a new chief security officer position. And exactly a year ago today the board authorized the creation of a new special oversight committee chaired by Commissioner Rechler. In the year since the special oversight committee was created, we've instituted additional reforms including replacing the consent calendar voting method with individual roll call votes. We modified the commissioner recusal process so that commissioners are now required to publicly disclose their recusals before we take action. And very significantly, last April we brought together a group of distinguished outside experts to hear from them directly on their ideas for reform which informed very meaningfully in a number of ways the recommendations of the special panel report. And since our new chairman, John Degnan, joined the board we've made further reforms under his leadership, including that our board and committee agendas are posted at least 72 hours in advance of our meetings. Our executive sessions are strictly limited to the recognized exceptions to public meeting requirements in the laws of the states of New York and New Jersey. The board has acted to create a Voice of the Employee system that we'll hear more about later in today's meeting. And in October we enacted a new Freedom of Information policy so the disclosure of the Port Authority's records are held to the same standards as the states of New York and New Jersey. That all being said, the special panel made two additional governance recommendations. The first governance recommendation is to reorganize the leadership of the board of commissioners and the executive management to increase accountability and focus on our operations. That includes a recommendation to replace the positions of executive director and deputy executive director with a chief executive officer. The current leadership appointment structure was designed to bring balance between the states, but over time it has become clear that the structure leads to organizational challenges and diminished accountability. Pat Foye, our current executive director, and Deb Gramiccioni, who we recognized earlier in today's meeting, have done great work in their leadership roles at the Port Authority, but the structure in which they operate has fundamental weaknesses. So we concluded therefore that the Port Authority needs a single chain of command that's directed by and held accountable by the board of commissioners. We need a chief executive officer who's recruited by, selected by, and

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accountable to the board, and who has executive responsibility as a single chief executive for all the Port Authority's operations. We also recommended for board governance replacing the chair and vice-chair with either co-chairs or rotating chairs. The special panel didn't make a specific recommendation of which of these operations to put in place. It felt that both options would provide the critical equilibrium that's required in the governance structure of the organization. But this recommendation will ultimately be decided in consultation with the governors of both states. To ensure consistency and communication between the senior board representatives of the two states and the new CEO, we call for the creation of the new office of the chair, which will consist of either the co-chairs or the chair and vice-chair and the CEO. This office will operate like an executive management committee to ensure deliberation on all matters of policy and freeing the CEO to focus on achieving operational goals. We also recommended increasing board and board committee focus on strategy, planning, and oversight, including in our recommendations consolidation of a number of committees and a more efficient board calendar that will enable the board to better fulfill its governance role. Our second governance recommendation was to continue reforms that promote a culture of transparency and ethical conduct. Last year we changed our policy to subject the disclosure of our records to the same standards set in New Jersey and New York. This policy went into effect on January 1st. As you also know, the Port Authority has an open meeting policy. But we recommend consolidating these policies in order to eliminate any potential gaps or inconsistencies. We'll also be issuing a new Port Authority code of conduct. And as the chairman has mentioned, the Port Authority has a robust code of ethics established in 1980 for all Port Authority employees, and the board adopted a code of ethics in 2009. But these ethics policies are not located in a single, easily-searchable location. So we're in the process of consolidating and updating the board of ethics, and the board will review that at our next board meeting in March. Port Authority will also create a chief ethics and compliance officer to ensure that the agency not only meets its existing ethics and compliance policies, but that it serves as a model organization for corporate governance. So that's the governance piece. We also made four recommendations relating to our mission and stewardship of assets. The first mission recommendation was as I mentioned before, to refocus the Port Authority's mission. And that begins with reinstating the Port Authority's regional leadership role. It's time for the Port Authority to once again be the transportation leader in the bi-state region, and this includes several important initiatives. First, our airports. Governor Cuomo has initiated a public visioning process for LaGuardia and JFK. Following his and Governor Christie's lead, the Port Authority is expanding such a process to all of our airports. Second, very importantly, trans-Hudson transportation. The last major infrastructure project that increased capacity across the Hudson was the construction of the lower deck on the George Washington Bridge more than 50 years ago. Current trans-Hudson transportation options are operating at capacity, and passenger demand is expected to double in the next 15 years. We recommend that the Port Authority initiate a comprehensive planning effort. Not to take this on all by ourselves—that's not possible—but to be the leader in planning across agencies and governments to develop a plan to address this growing transportation challenge. And then third, the role of the New York ports as the nation's gateway. Our New York-New Jersey port is the largest on the East Coast, and this position is constantly under competitive threat from other ports. It's critical that the Port Authority continue to ensure that our port remains the premier destination. So to help do all this we plan to reassess and update the Port Authority's 10-year capital plan, and therefore update the plan. We recommend updating the capital plan to reflect a more focused investment on the region's transportation needs. As part of that we recommend

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redeploying the unallocated regional development funds. These funds, which also sometimes are known as regional banks, usually went to projects that don't generate any revenue for the Port Authority, and in many cases were outside the core mission of the agency. The special panel recommends that the regional banks be abolished and that the \$600 million of unallocated regional bank funds be redeployed in addressing transportation needs through our capital planning prioritization process. We'll also be delivering a more efficient and modern organization with more transparency on how the billions of dollars of the public funds are used in the capital plan, from installing new, standardized tools and metrics to developing a capital plan dashboard that shows where all the capital dollar plans are being used, we recommend that the Port Authority continue to build on ongoing initiatives and become a much more modern, efficient, and transparent organization. Our second mission recommendation is to revitalize the Port Authority's core transportation assets, including the airports, the bus terminal, port commerce, and the PATH. So first the airports. Last year Port Authority airports set another record in the number of passengers flying in and out of these facilities. Unfortunately, these airports have been neglected for far too long, and we need to bring our airports into the 21st century by ensuring they get the investment that they deserve, and that our modernization efforts are closely managed with both governors, and that we address regulatory constraints to keep our airports from growing. Second, with respect to the new Port Authority Bus Terminal, we're in the middle of a bus master plan study, as has been mentioned previously in this meeting, that will determine how we can and how we will construct a new bus terminal facility. This is a transportation project that is a vital part of how we'll address the growing trans-Hudson transportation challenge. Third, modernizing port commerce facilities. We need to continue to build upon the recommendations of the Port Performance Task Force, and continue to modernize our ports to increase their efficiency and to maximize capacity. And fourth, we recommend seeking an improved operating model for the PATH rail system. There is no mass transportation system in this country that doesn't receive some form of subsidy. But PATH is especially expensive to operate, particularly as it's compared to its peers, and its subsidy comes not from general revenue or tax funds, but from other operations of the Port Authority. The federal government treats PATH differently than similar systems in that it is regulated like a heavy rail system while the MTA subways are regulated as a mass transit system, which also adds to its operating costs. And unlike New Jersey Transit or the MTA, PATH doesn't receive any annual federal funding support. The status quo is not working at PATH, nor does it work for our customers. So how we improve PATH operations and efficiency is something that's going to take more analysis and more dialogue with the communities that PATH serves. But I want to emphasize PATH is part of the core mission of the Port Authority, but that doesn't mean that it can't be operated differently or more efficiently. Mission recommendation number three from the special panel is to phase out commercial real estate activities. Port Authority manages a real estate portfolio of more than 12,000 acres of land and 45 million square feet of office industrial retail space. Most of this portfolio directly supports transportation assets, about 85%. However, starting in the early 1960s, the Port Authority began to develop commercial real estate less directly related to the core transportation mission. As we all know, the Port Authority was given authorization by both states to construct the World Trade Center at the same time that it was given responsibility for the PATH system. The Port Authority and the World Trade Center will always be linked. The Port Authority built the World Trade Center twice. It was our headquarters before, and it's our headquarters, proudly, now again. And the members of the Port Authority community who were lost in 1993 and in 2001 will never be forgotten. While we still consider

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the World Trade Center home, as construction of the site concludes, the Port Authority's role in its operations along with the other significant commercial real estate assets that are no longer integral to the core transportation mission should be reassessed and potentially gradually divested in a manner that maximizes the resources available to support our transportation mission. So last, mission recommendation number four of the report is to employ more innovative and flexible financing techniques. Last year this board adopted a \$27.6 billion capital plan that includes vital investments in the region's infrastructure over the next 10 years. But even that plan doesn't come close to meeting all of the capital investment needs of transportation in our region. The plan has been managed in the same fiscally sound manner in which it was developed, with an eye towards the long-term strength of the organization and maintaining its strong credit quality, which includes AA- ratings from Standard & Poor's and Fitch, and a Aa3 rating from Moody's. This responsible approach has led the Port Authority to benefit from ready access to the capital markets at a relatively low cost. As we're looking to confront the region's transportation challenges in the 21st century, the special panel recommends that we continually assess new methods of financing large capital construction projects. Simply put, we must find new and innovative ways to support our capital plan and the capital needs of the region without placing an undue burden on the public or the financial health of the Port Authority. So this includes updating our 1952 consolidated bond resolution; employing public-private partnerships as we did with the Goethals Bridge, and as we propose to do for the LaGuardia Central Terminal Building; and considering innovative financing tools such as tax increment financing and variable rate financing. I know the members of the board have had an opportunity over the last few weeks to review the special panel report, and I look forward to our discussion today and our consideration later today of a resolution with respect to the board's recommendation.

[Board Chair J. Degnan] Before opening it up, Rich, thank you for that report, which I think thoroughly and accurately describes the recommendations. Before we open it to board discussion, I'd invite a comment from Vice-Chairman Rechler who served on the panel, and reserve the right to say something myself, and then open it to discussion.

[Vice-Chair S. Rechler] Thank you, Chairman. And Rich, thank you very much. You did a great job of reviewing a very comprehensive set of recommendations. Going back to when Deb Gramiccioni— did I get that right? I think I did—the point she made I thought that resonated was that when she got here in 2014, we were clearly at a state of crisis. And there was a spotlight on the Port Authority that really shined to show how much we needed governmental reform, and also that we needed to refocus our mission. And I remember at the time we said you never want to waste a crisis. And I think Deb's closing comments about where we ended 2014 with the issuance of this report is a great bookend to us not "wasting that crisis." We had the special oversight committee which we began in April, and I remember at that first meeting where we had the public session, and we invited some of the key critics, from Martin Robins to Jim Doig, to join and tell us their views as to where they thought the Port needed to make some changes to get back on track. And we opened it up to the public to then share additional information, which all of this was taken into account when we had the special panel. But at the time we all said everything's on the table. We had done a lot of incremental changes from the Navigant report, and on our way, but we realized that we needed a significant structural change and a real refocusing of our mission. And I credit both governors for when they formed the special panel, that they approached it the same way, which is that everything should be on the table, and that we should not make this tweaks, but that we should actually make a meaningful change that will help the port grow and do its job to enhance this region's competitiveness for the next century.

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So being part of that panel, I think the results speak for themselves. If you go back and you look at the feedback that we got from some of the experts on the Port Authority, go down the list of their recommendations, I think every one of their recommendations have been addressed by the panel's report. And I think that the level of different avenues that were studied, and different agencies that were studied, and best practices that were compared to what the Port Authority was doing, was very thoughtful and ultimately ended up in a product that I think is a great roadmap for us as a board as we go forward. And I think having the benefit of that early public feedback, having the benefit of having a mentality, and a desire, and a willingness to make meaningful changes, and then put that forth now for us to act upon as we go forward, and we began today with the governance report, on each of these different initiatives as they come up to implement these recommendations publicly will serve as a great foundation for the Port Authority as we go forward too.

[Board Chair J. Degnan] Thanks, Scott. First of all, I want to thank both of you for the time and effort you put into this, and in addition to that, David Garten and Sean Fitzpatrick who spent hundreds of hours helping us actually draft the report, interacting with Promontory. In my roughly 40 years of mostly part-time public service, there is no report I've been associated with of which I am more proud. I echo what Scott said in applauding the two governors, who have taken a significant hit publicly, for first empowering the panel to address the range of issues it did, no matter where the chips might fall, and then for endorsing a report that has the most significant transformative change in the operation and structure of the Port Authority and its mission probably in the modern era, and in doing so quickly and definitively, and putting to rest decades of tension between the two states. I don't think that will totally ever go away in this agency, because we are a bi-state agency, but these two governments deserve enormous credit for insisting that we deal with real reform at the Port Authority, structural reform that will endure and enable it to address its mission. And I want to also acknowledge that we've been aided in this effort by numerous conversations with commissioners on the board, certainly by both Pat and Deb, as we mentioned already. When you think about it, Deb endorsed enthusiastically a report that eliminated her job. And Pat, to his great credit, and reflective of his great sense of responsibility for this agency, has indicated that he's prepared to work with the board to effect implementation of the operational responsibilities and policy directives of the agency. That's a tribute to both of them for their professionalism and their broad vision of what the Port Authority should be, and I'm grateful for that. These—last comment— these changes are not gonna take place tomorrow, because the board— if it chooses to— endorses them conceptually today. Most of them will require, in terms of corporate governance, bylaw changes, votes of the board— it is clear that if a CEO is recommended by a search committee, the board ultimately must conduct an interview of those final candidate or candidates, and the board will have the responsibility for making that decision. The policy recommendations of the report will be implemented over time after the requisite study. That's all reflected in the report. There will be much opportunity for discussion by the board of the specifics, and more importantly for public input and consultation about those projects. So the request today for the board to consider is a conceptual approval of the plan. Before I get into the specifics of that resolution, though, I'd like to open the floor to any comments or questions that the board might have of Rich, or Scott, or me.

[Comm. W. Schuber] I would—oh, I'm sorry. Mr. Chairman, if I might also offer my congratulations to both Commissioner Bagger and Commissioner Rechler for the work that they've done, and also I think you've outlined very, very well in your remarks the wide, sweeping nature of this. The one question I would have here is with regard to the operational

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recommendations that have been made here. I think this is a wide, sweeping reform, which I have no problem with at all. It goes a long way to meeting the challenges that we've faced over the last couple of years. There are some operational issues, obviously, for both states here that we reserve the right to look at a further time, and I think we should mention that too, as we go forward here, that we have some issues here that we'd like to reserve the right to do as commissioners with the operational aspect of this. From my perspective— I'll just mention two. One is the importance— it's already been mentioned by Commissioner Bagger— the importance of **the bus terminal**, that that be foremost in our thinking. And two, the issue for us— particularly for New Jersey— the issue of PATH, and the importance of the preservation of that in all of its iterations, recognizing the challenges it faces financially. But having said that, I think this report that's been worked on very, very extensively over this last six months, eight months, represents a considerable amount of work on the part of staff, commissioners, consultants, outside experts with regard to the port, and I commend all of you for the work that you've done with regard to it.

[Board Chair J. Degnan] Thank you. Anybody else?

[Comm. G. Laufenberg] Yeah. I too want to thank you, Chairman, and Commissioners Bagger and Rechler for making these recommendations. Obviously as a newbie here, just coming on board after the fact, I do understand the amount of work and effort put into this, and I certainly do appreciate it. And conceptually, I think it's a step forward for the Port Authority to make a lot of these changes— not all of them, as Commissioner Schuber said. I too am concerned about the PATH. And also, it's hard enough to work here for the Port Authority without the strain of potentially asking all the commissioners to resign. I think, you know, you sit here, you're given reports, you're asked to evaluate things, then that potential of that resignation over your head over this process— I'm not sure it's included in the report, or as an additional to the report, but I know it's been reported in the press. And to be honest with you, I am amazed that anybody would want any of the commissioners at this table to resign. And that also includes Commissioner Steiner. I've seen nothing but individuals who care about the Port Authority, want this agency to move forward, want to have the transparency, want to make this program work. As you said, it has been a tribute to both Debbie and also to Pat, and also the commissioners who have gone— most of the commissioners who've gone before us, that we've been able to create a lot of work. The economic activity created by the lower Manhattan, the World Trade Center— I mean, for me, being a— I'm a union carpenter. I worked in the trade a long time ago. I haven't worked in quite a while. But I certainly wouldn't want to be outside today, in the cold, working. But I have to tell you, that saved the middle class in the New York and northern New Jersey area, the amount of work that was created in the lower Manhattan area and continues to go on today. And it acts as a catalyst for highrise work, more construction work in conjunction with that. So I know I went a little far afield, but I just want to thank all the commissioners for all the hard work they do. And I sit here and I learn something at every meeting from our real estate friends, from our professors, from all of you. And I just want to thank you. Conceptually, I think we need to move forward with the report. But I still have some issues with some parts of it. Thank you.

[Board Chair J. Degnan] Thanks, George. If I can respond to that with a suggestion— first, for a point of clarification, there is a recommendation in the special panel report that commissioners consider submitting tenders of resignation or offers to resign to the two governors in order to give the governors an assurance that the transformative reform recommendations of the special panel report are embraced by the commissioner, and will be implemented over time as the

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operational decisions are made. George, from your comments today and based on our conversations— mine and I believe Scott's— with several other commissioners, it is clear to me and to Scott that there are concerns, and legitimate ones, about this resignation recommendation. We're scheduled to discuss that— we haven't had a chance to do it collectively— in executive session later this afternoon. So what I'd like to ask for is a motion that would approve the special panel reports conceptually, subject to operational implementation that would require further board approval so it's clear that the board is not approving every single recommendation, with respect to PATH or anything else, and with the exception of the resignation recommendation, about which we will have further discussions this afternoon, and then presumably thereafter some statement to make about what our position is on that. But I think the process would be aided if we had an opportunity to air our views about that, discuss it and decide either collectively what we do or individually what we do. So I tried to frame the motion— have you got that, Karen? With the amendments? Is there someone who wants to make it? And then we'll open to discussion. Let me get the motion on the table. Second. And now— Jeff, I don't know whether you were raising your hand to make a motion or to make a comment. >>

[commissioner] To second the motion.

[Board Chair J. Degnan] Okay, good. Any further comments on the part of the board? Okay, at this point I think there are no recusals on this. Is that correct? >>

[K. Eastman] Correct.

[Board Chair J. Degnan] I don't know how there could be a recusal on this. But we do need a roll call vote on this.

[K. Eastman] Chairman Degnan. >>

[Board Chair J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler. >>

[Vice-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger. >>

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Laufenberg. >>

[Comm. G. Laufenberg] Yes.

[K. Eastman] Commissioner Lipper. >>

[Comm. K. Lipper] Yes.

[K. Eastman] Commissioner Lynford. >>

[Comm. J. Lynford] Yes. [

K. Eastman] Commissioner Moerdler. >>

[Comm. J. Moerdler] Yes.

[K. Eastman] Commissioner Pocino. >>

[Comm. R. Pocino] Yes.

K. Eastman] Commissioner Rosado. >>

[Comm. R. Rosado] Yes.

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[K. Eastman] Commissioner Schuber. >>

[Comm. W. Schuber] Yes.

[Board Chair J. Degnan] Great then. The motion's approved unanimously. The second item concerns the implementation of one of the recommendations included in the special panel's report, specifically that the positions of executive director and deputy executive director be replaced as has been described, with a single chief executive officer appointed by and accountable to the board. Vice-Chairman Rechler, Commissioners Bagger and Lynford and I, as the appointed search committee, which Scott and I will co-chair, would oversee a nationwide search for qualified candidates to be submitted for consideration by the board, a search to be conducted by an executive search firm of national renown that would be engaged to assist us in this process. So because every corporate governance textbook in the world says that the most important function of a board is the appointment of its CEO, I wanted to first make it clear to everyone that this is a board decision. Most of those processes have been led by search committees appointed by the board. In this case the chairman has the appointment power under the bylaws to make those appointments. And we've already done that. But what I'd like today is a motion to authorize a search by the search committee for a nationally-renowned search firm to conduct a nationwide search and report back to the board in March of our recommendation of who that search firm should be, at which point I will ask for further approval by the board of the use by the search committee and the board of that particular firm. And after the process, we will come back to the board with our recommendations. At the same time that the recommendation is made to the board with respect to the CEO, we expect to make recommendations for the changes in the governance structure of the board that are also recommended in the special panel report, specifically with respect to the chairman and the vice-chairman, so that they will be done simultaneously, virtually, at the same meeting. So can I have a motion to that effect? Thank you. Commissioner Pocino. Yes? The motion's been made and seconded, so we're open for discussion. Go ahead. Right—no, no, no. First the motion gets on the table, then one opens it for discussion. So I just wanted to make the record clear. Okay. You're up.

[Comm. K. Lipper] I just wanted to suggest that since we're going to have a search firm doing this, which is the proper way to do it, that we add to the mandate of either that search firm or a second search firm to simultaneously seek a chief operating officer who has experience in construction of infrastructure. I think that we really need someone to oversee the capital budget. A \$29 billion public infrastructure program is—I don't know if it's unprecedented, but it's way up there with any state activity. And it involves inevitable changes that occur. It involves—we've seen with the Calatrava station—it involves overruns. It involves years of time delay. It involves a lot of questioning that goes on. I think one way to have a more efficient operation, totally in the public interest, and where we can have somebody with deep experience overall coordinate this budget and be able to judge whether making something cylindrical or making it rectangular, or making it forward or back or whatever it is is going to involve another billion dollars of expenditure or not, or delay a project. I can judge if people give me the information in a digestible way what the overall intent of a project is, whether it can be met, things of that type. But this is an ongoing process-oriented function, that capital budget. And I think that we have a fantastic staff, and that that staff deserves the leadership of pulling this whole thing together for the board so that not every division is floating on its own bottom, that there's someone who can oversee everything, that questions could be asked. And I think that's very different from the person that we're seeking to be the chief executive who's a transportation man, who's an

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operations person, who's run a railroad or an airline or whatever. That's a very different function than overseeing a big public infrastructure program. So I'd like to amend the motion to add that the search firms be charged with finding a person with deep experience in public infrastructure as a former CEO or chief operating officer of a corporation, an engineering corporation or a public agency, who can be monitoring and administering and helping to initiate various activities on the public infrastructure program of \$29 billion.

[Board Chair J. Degnan] Before I take that as a motion to amend the motion, let me make two points and ask you if you still want to pursue it. One is, you said a lot of very important things in that statement, but the first thing a search firm will do is to come up with a job description. They presumably—because I've dealt with many in this context— will talk to most if not all commissioners about what the challenges they expect the Port Authority will face over the next three to five years. They will then come up with a job description of the competencies that we need in a CEO to address that. It's not axiomatic to me that that will require that the CEO be a transportation expert. I don't want to prejudge that issue. But once we have a job description on what we need in the CEO, and find a CEO, Ken, I would expect that CEO as a matter of first undertaking to examine the structure and table of organization of the Port Authority, and to come back to the board in short order with a recommendation of how it should be structured, including whether—and I happen to agree on a going in basis, but I don't want to make that decision without all knowledge on the table—a COO, and what the job specification of that COO should be in light of the CEO we find and what other changes may be necessary in the structure. So my preference would be to do it on an iterative basis. I would not entertain a CEO offer from a company if I knew at the same time they were choosing my COO and I had no say about it. So I would ask you first— but I'm in no way forestalling your right to make a motion to amend the motion— would you be willing to wait until that process is a little farther down the line, where we find a CEO before pursuing that? If not, I'll take that as a motion and we'll see if we have a second.

[Comm. K. Lipper] I find that it's totally acceptable from the point of view of waiting to pick the person when the CEO is picked. But we're voting to approve a report. The report lacks that structural element in it. So I'm not so worried about the timetable and the input, although sooner is better than later, because we have a big airport decision to make, we have a **bus terminal master plan** to evaluate. We sure need this person for our overall perspective. Our staff is terrific at implementing each of these, but someone has to pull this all together. So I am willing to amend my own amendment by saying rather than putting the current search out now, I respect what you're saying and we could wait until the CEO— but I'd like to amend the approval of the reform package to account for the creation of a position of COO that would be a focus on monitoring the public infrastructure program that we have, and have the requisite credentials to do that.

[Board Chair J. Degnan] So you're now asking— if I understand you correctly— we've already passed the conceptual approval of the special panel report subject to operational implementation, one of which could be the COO. That motion has been passed. >>

[Comm. K. Lipper] Yes, which is fine.

[Board Chair J. Degnan] It's not open for amendments.

[Comm. K. Lipper] Yes. I'm not amending that. The current motion—

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[Board Chair J. Degnan] The current motion before the board is simply to authorize the search committee to conduct a nationwide search with the assistance of a national search firm. It does not envision any other reforms or improvements or structural changes. That is open for amendment at the moment, if you want to move to amend that particular—

[Comm. K. Lipper] That is what I'd like to move to amend, then. With a creation of this second position.

[Board Chair J. Degnan] So if you don't mind— I don't want to insist on point of order, but the normal point of order would here be, is there a second for that motion? And then we should open it for discussion. Hearing no second, Ken, I— and I don't want to run a meeting that forecloses discussion. So if any commissioner has anything they want to say—

[Vice-Chair S. Rechler] Just following what the chairman said, Ken, I appreciate what you— because we had a lot of this debate ourselves at the special panel and in discussions with the staff as to how deep you go in the organizational structure in thinking that through. And the thought process from our standpoint was that by going and doing a national search for a nonpolitical, professional, best in class CEO, that you want that CEO and that search firm that's advising us, to provide them with the platform to go determine what that organizational structure should be. And the other thing I just want to note because I don't want it to be missed is that we—I and a lot of other people here at the board— over the last year as we've implemented this capital plan and new structure, I think have taken a lot of initiatives to date that have changed some of the ways that we have monitored and as we talked about before, developed the capital plan. So I don't want it to be left unsaid that it's sort of, we're devoid of that oversight and that management you state. We may need more at a higher level, but I don't want to leave it that that was something that's not being done. So my personal view would be to follow, as the chairman said, let's go start the process of the CEO and do this in an iterative basis as we get feedback and go forward.

[Comm. K. Lipper] As you know, I propose the idea of getting an independent transportation expert to run the agency. I think transportation is a requisite background for that job, myself. Otherwise we have a very good director so I think transportation is a critical element, if not the critical— it is the critical element. And secondly, as I said, I think we're doing only 2/3 of the job in passing this motion, and that we need that second position, as I recommended before, based upon my year of experience here and seeing some of these projects go down. I don't think we should preside over a \$29 billion budget when we can have a \$2 billion overrun or a three year overrun on such major projects. I think we need this person. So I'm happy to vote for the motion that's been on the board, but I think it's only going part of the way to solve the problem of the Port Authority.

[Board Chair J. Degnan] Thank you. Pat?

[Comm. W. Schuber] Ken, as you well know, I have no problem ever seconding your motion. But on this one I didn't, and part of the reason is twofold here. Sorry. Is twofold. One is that like Chairman Degnan, I've been involved in other iterations in other places involving search firms for positions, etc. And one of the things I don't like to do is put artificial restrictions or constrain the process that we're putting together to do the best possible job. That's number one. Number two, I think the position you've mentioned is kind of an interesting one, considering all the different projects that we have, and I think it merits further discussion. But I'd rather not make that part of this particular resolution at this particular time, given the report, and given what needs to be done here relatively quickly. That's something I think we can start to talk to the

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consultant about and roll out. I don't disagree with the fact that it might be a very important thing for us to do. But I don't think it's necessary at this particular time.

[Board Chair J. Degnan] Any other questions or discussion? Okay. We'll call the question. And there are no recusals, I assume?

[K. Eastman] No recusals.

[Board Chair J. Degnan] So we just take a roll call, please?

[K. Eastman] Chairman Degnan.

[Board Chair J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler.

[Vice-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger.

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Laufenberg.

[Comm. G. Laufenberg] Yes.

[K. Eastman] Commissioner Lipper.

[Comm. K. Lipper] Yes.

[K. Eastman] Commissioner Lynford.

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Moerdler.

[Comm. J. Moerdler] Yes.

[K. Eastman] Commissioner Pocino.

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Rosado.

[Comm. R. Rosado] Yes.

[K. Eastman] Commissioner Schuber.

[Comm. W. Schuber] Yes.

[Board Chair J. Degnan] Motion passes. Thank you. Ken, be assured, we'll address that issue at another date. You may recall that in October two thousand— by the way, question to the board. Does anyone need a bio break? We have about 10 minutes more, I think, that we could finish the meeting at. Is that right? >>

[K. Eastman] Yes.

[Board Chair J. Degnan] So if it can wait, I'd rather. But if anybody needs it, feel free to go out. In October of 2014, the board tasked staff to determine the feasibility of implementing what I call a Voice of the Employee reporting system to the Port Authority, and provide their findings to the board at today's meeting. I'm pleased to report that our Chief of Human Capital, Mary Lee Hannell, is prepared today to present the results of that assessment. Mary Lee, you're up again.

[M. Hannell] Okay. Good afternoon.

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[Board Chair J. Degnan] This is an informational item. No vote is required following.

[M. Hannell] To address whether this type of independent system would work at the Port Authority, we put together an interdepartmental team, members from Human Resources, the Office of the Inspector General, the Law Department, the Office of the Secretary, Procurement, and the Public Safety Department. We looked at external benchmarking, examined leading practices with regard to a Voice of the Employee system, or what I call a VOE. And I want to talk a little bit about the results today. The benchmarking is very important. It's important to first look at why companies use this type of system, and it really showed the following, and some of that you've already discussed today in conversation. An independent helpline is designed to quickly alert the company to a myriad of issues including those where there may be misconduct. When these issues are raised, investigated and rapidly resolved the opportunity for additional and appropriate actions is greatly reduced. Typically companies have several ways that employees can raise issues, and a VOE enhances those existing processes and procedures. We have many of those in place already. This would be yet just 1 more way to ensure that an employee can reach out and make a very quick report. Some employees have concerns about retaliation—we talked about that a little today—as a result of raising an issue. Reporting to an independent party and having the option of remaining anonymous if you choose to is an extremely important part of this system. And then finally, strong reporting capabilities are what you really need to be able to look at activities, identify trends, look at where appropriate actions can be taken internal to the organization that will eliminate some of those issues from happening again. What is it? Basically it's a 24/7 system. It's independent. A good one is designed so that an employee can report an issue at any time from any place and allows them to make that call immediately. A robust VOE accommodates individual preferences. Sometimes that's about talking directly to a person, sometimes leaving a recorded message. Sometimes filling out an online form is the way people prefer to make that complaint or raise an issue. A wide range of issues can be reported through a VOE from criminal misconduct to discrimination to safety issues. All issues are routed according to an established protocol. Serious issues are addressed very quickly through an escalation process for immediate handling by the appropriate internal department or other entity as appropriate. Furthermore, it's not unusual for an employee to use this system where they need to if they feel they've raised a serious issue to a supervisor internally for an employee relations issue that's not been resolved. How is it used? We've talked today already about it being around ethics about whistleblowing around compliance. It is used as a way of socializing and reinforcing a strong ethical culture and as a demonstration of the organization's commitment to ethics and compliance. There are really 3 critical components. One is around intake where you get detailed and relevant information on the call. In many cases calls are transcribed. Routing where consistent and clear protocols are in place, including escalation procedures to address more serious concerns immediately, and then the investigation piece where the appropriate department examines the issue and provides a resolution. The quicker you can provide a resolution and get back to an employee the more this enhances the perception by the employee that the process is actually credible. You use typically a case management system, and a case management system allows the organization or the independent third party to view the complaint online to assign the incident to a person for investigation, to assign risk level, priority and status to the investigation, to generate notifications of case progress and changes in case status, to record follow up and outcome, have a dialogue with the complainant if that's appropriate, create and manage reports and then allows for some collaboration across the organization. It's also important to have a committee of stakeholders or some kind of governance committee. In absence right now of a

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governance and ethics officer it would be important to have a governance committee to ensure transparency in the process. It is my recommendation that we initiate a competitive selection process. There are many, many different kinds of third party vendors and many different kinds of systems for this. They have a very expansive range of price depending upon how rigorous you want your process to be. They should complement the processes you already have in place in the organization. If we were to put this out for a competitive selection process we would estimate somewhere between 3-6 months depending upon the complexity of the program that we would be able to bring it to the organization. We would need to establish some very clear metrics so that we could understand the trend analysis and a reporting system that would allow us periodically to come back to the board and update you not only on the kinds of issues we're facing but on the trends, and more importantly, what actions we're actually taking to ensure that we have really dealt with these issues. Just in terms of benchmarking for this kind of reporting, you might report on volume, you might report on substantiation rate, anonymous report substantiation rate, amount of time it takes us to close a situation or investigate it, and then priorities and categories of the kinds of information you're looking at. I would recommend we go forward with it. We'd be able to come back after some work in a competitive selection process and give you specifics about what we'd be able to offer and what would be appropriate in these circumstances. Again, it's a very wide range of what a system like this can actually do for you. Thank you, Mary Lee. Great report. It exactly captures what my vision was for Voice of the Employee and adheres to much of what was done at the company I worked for, which was initiated when I was there, and I think it has the potential of enhancing dramatically not only the facility by which employees can make complaints but it encourages them by making it easier to make the complaint. And by doing it 24/7, if you wake up at 3 AM, which I do occasionally, worried about something it enables you to do it then. The only thing I would ask is that you incorporate in here a specific quarterly report back to the board that Commissioner Lipper referenced this morning. That I think would be appropriate. I'll open the floor to questions or comments by any commissioner about the presentation. If not, try and make it 3 months rather than 6.

[M. Hannell] I knew you were going to say that.

[Comm. K. Lipper] This is a very good program. I think it's broad enough to accommodate new growth that we're going to put into place. This is sort of a container of implementation that we could use once we adopt the rules.

[Chair J. Degnan] Thank you.

[M. Hannell] You're welcome.

[Chair J. Degnan] At this point we have certain other items on today's agenda for which the respective committee chair will be asked to provide a brief report prior to the matter being considered by the board. As chairman of the Committee on Operations I'll now submit an item that would authorize an agreement with Millennium Marine Rail, a joint venture of APM Terminals North America Inc. and Maher Terminals LLC, to extend the permit for 6 months for the continued operation and maintenance of the ExpressRail Elizabeth Intermodal Facility at the Elizabeth Port Authority Marine Terminal. Prior to making a motion on this item I'd ask the corporate secretary to note any commissioner recusals.

[K. Eastman] No. There are no recusals. >>There are none.

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[Chair J. Degnan] Any comments or questions from the board? I now request a motion on this item. Moved.>>Second?

[Commissioner] Second.>>Would you take the roll, please?

[K. Eastman] Chairman Degnan.

[Board Chair J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler?

[Vice-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger?

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Laufenberg?

[Comm. G. Laufenberg] Yes.

[K. Eastman] Commissioner Lipper?

[Comm. K. Lipper] >>Yes.

[K. Eastman] Commissioner Lynford?

[Chair J. Degnan] Commissioner? Oh, he stepped out.

[K. Eastman] Commissioner Moerdler?

[Comm. J. Moerdler] >>Yes.

[K. Eastman] Commissioner Pocino?

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Rosado?

[Comm R. Rosado] Yes.

[K. Eastman] Commissioner Schuber?

[Comm. P. Schuber] Yes.

[Board Chair J. Degnan] This point is the next to last item on the menu—agenda, rather. I'm thinking lunch already. I'll ask Vice-Chairman Rechler to provide his report.

[Vice-Chair S. Rechler] Thank you, Mr. Chairman. As chair of the Committee of Capital Planning, Execution and Asset Management I wish to report on an item that would authorize a \$45.5 million program to implement 5 flood mitigation and storm resiliency projects at LaGuardia Airport Tom Bosco briefed us on before. This program, which is partially recoverable through Federal Emergency Management Agency grants is expected to support a total of 220 job years, \$13 million in wages and \$66 million in regional economic activity during construction. Prior to making a motion I'd like to ask the secretary if there are any recusals.

[K. Eastman] No, there are no recusals.

[Vice-Chair S. Rechler] Do any commissioners have any comments? I'd like to request a motion. >>So moved.

[Commissioner] Second?>>Second. Can the corporate secretary do a roll call, please?

[K. Eastman] Chairman Degnan?

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[Board Chair J. Degnan] >>Yes.

[K. Eastman] Vice-Chairman Rechler?

Vice-Chair S. Rechler] >>Yes.

[K. Eastman] Commissioner Bagger?

[Comm. R. Bagger] >>Yes.

[K. Eastman] Commissioner Laufenberg?

[Comm G. Laufenberg] >> Yes.

[K. Eastman] Commissioner Lipper?

[Comm. K. Lipper] >>Yes.

[K. Eastman] Commissioner Lynford?

Comm. J. Lynford] >>Yes.

[K. Eastman] Commissioner Moerdler?

[Comm J. Moerdler] >>Yes.

[K. Eastman] Commissioner Pocino?

[K. Eastman] Not present.

[K. Eastman] Commissioner Rosado?

[Comm. R. Rosado] >>Yes.

[K. Eastman] Commissioner Schuber?

[Comm. P Schuber] >>Yes.

[Vice-Chair S. Rechler] The votes are in order. The items are approved. Mr. Chairman

[Board Chair J. Degnan] If there will be no further business, I move to adjourn the meeting. I'd like a motion to adjourn the meeting. Is there one? So moved.>>Second? Second.>>That was fast. All in favor?>>Aye. The meeting is now adjourned. Thank you.

[The Port Authority of New York & New Jersey]