

**The Port Authority of New York and New Jersey  
Committee on Operations Transcripts  
November 19, 2015**

[Chair J. Degnan] I'm going to call the meeting to order at this point. Good afternoon. I'm calling the meeting to order. We are now convening our public session committee meeting starting with the Committee on Operations which is being held in public session. The committee also met jointly with the Committee on Capital Planning, Execution, and Asset Management and the Committee on Finance in Executive session earlier to discuss matters involving ongoing negotiations or reviews of contracts or proposals. A public meeting of the Committee on Capital Planning, Execution, and Asset Management will follow this meeting, and we will conclude the public portion of today's meetings with the Public Board Meeting itself. Today's public meetings are also being broadcast live in the Port Authority's website for those interested in viewing them via the Internet. At this point, I'd ask the Board secretary to advise those present of the composition of the Committee on Operations and any commissioner recusals on the items before the committee at today's public session.

[K. Eastman] Thank you. The committee is composed of yourself, Chairman Degnan, as the Chair of the committee, Vice Chairman Rechler as the Vice Chair, and Commissioners Laufenberg, Lipper, and Steiner. All committee members are present at today's meeting. There are no requests for actions on this matter, so no recusals are required.

[Chair J. Degnan] Then I'll ask Stephanie Dawson to give us the quarterly overtime update. Stephanie here? All right. I'll tell you what, we'll give her one more chance and come back to this later. Great. At this point, since we didn't adjourn the Committee on Operations, I'll ask Stephanie to deliver the report on the overtime.

[S. Dawson] Good afternoon, Commissioners. It's my pleasure to give you an update on the third quarter overtime highlights. Overall, the overtime budget for 2015 is \$204 million. 162 million in actuals have been spent so far. Overtime—our overtime performance goal is to manage the core element of that overtime such that we do not exceed plan by more than 3%. Thus far, Civilian Core overtime is within that standard. Police Core overtime is not meeting that standard. However, when we look at all of the contributing factors, the net payroll expenditures by police is being met. So there was higher than planned overtime of 65,000 hours. However, that's offset by underruns in straight time. And most of those underruns are attributable to higher than anticipated staff attrition as well as a corporate decision to defer the police classes. The ARFF Core is well-over plan at 97%, and it's anticipated that the over—that status will continue. If we look at the graph to the left which is called Core Overtime, you can see the facts that I've just indicated. Civilian is below 2014 levels as well as within plan. Police have significantly exceeded that plan with regards to overtime, but are well-within the overall standard. And Aircraft Rescue & Firefighting, we continue to address a number of management and contractual issues, and we will give you an update as those results unfold. If we look at snow and ice which is on the bottom graph, you'll see that snow and ice exceeded our expectations greatly. Despite the fact that we have a robust budget, the level of the extreme weather could not be anticipated. It's also worth noting that the police overtime also includes the coverage of the Papal visit as well as current conditions have dictated increased measures on their part and that's reflected in the overrun as well. How does our year end estimate

look and what's our projection for the 2016 overtime budget? As I mentioned, civilian staff will meet the performance goal. Police will meet the performance goal by balancing straight-time and overtime. ARFF cadre will not meet the performance goal. A number of process improvements regarding the use of our medical services are bearing modest results, but we do anticipate continued issues. The preliminary 2016 overtime budget is under review. We've continued with the use of zero-base methodology. We've refined many of our productivity, vacancy rate, and resource availability assumptions to inform the year-end estimate and the 2016 budget. We factored in extreme weather budget built on an updated five-year average which now includes the most recent winter with its higher-than-contemplated severe weather. The details of the 2016 budget will be further discussed as well as the overtime component. This slide is intended to just give a brief status of the mitigation strategies that are in place. First, while not listed, we continue to do desk side and field audits that are spearheaded by both the Management and Budget department and my office, the Office of the COO, to confirm that overtime expenditures are properly justified and approved by appropriate levels of supervision and management. The Overtime Steering Committee consisting of the Chief Operating Officer, the Chief Security Officer, the CFO, and the Chief of Human Resources continues to review the progress regularly of overtime and approves any extraordinary overtime. With regard to new initiatives that have been launched since we last discussed overtime, we took the Steering Committee and we are drilling down further, having launched an overtime work group. That work group will look at tactical overtime issues to include training and tools and will evaluate the merits of ongoing efforts to create and not only an overtime reserve, but more importantly as we recently discussed, an O&M reserve. The PATH workload operational analysis that we talked about last time has been initiated. The first division within PATH which is the Power Signals and Communications Division, their analysis was complete. However, that analysis is being reviewed by internal staff. And while the assessment was quickly launched, we have identified some opportunities for improvement, and those will be implemented as we do further validation of their workload in upcoming quarters. On an ongoing basis, as indicated in the center of the slide, the Absence Management Program continues to bear fruit, and the agency lost days per employee has gone down. So sick absence is 9% lower and IOD is 13% lower. We've implemented a number of training programs. These stopgap programs are bearing fruit as well. The Electricians, TB&T, Field Supervisors, Tunnel Bridge Agents, and PATH Car Inspector programs are well underway. And we expect that the savings that have been identified will continue as the longer-term contract negotiations are advanced. As I mentioned earlier, police continue to manage to their total workload, and the overtime and straight-time hours balance to manage the short-term increased attrition and deferred classes. The Port Authority Personal Development continues to implement efficiencies in their patrol deployment to ensure that they're managing not only the routine and recurring workload, but the unanticipated and unbudgeted special considerations given current world events. Finally, we anticipate advancing PATH workload and operational analysis in the next quarter, and the expectation is that it will be expanded to the Signals Group. We look forward to bringing you continuous improvement and continuing to monitor the overtime efforts that have been deployed. Thank you, and do you have any questions for me, Commissioners?

(Public Committee on Operations 11/19/15)

[Chair J. Degnan] Any questions from any members of the Board? Keep up the good work. Thanks, Stephanie. That concludes the public sessions of both the Operations Committee and the CPEAM Committee.