

(Public Committee on Operations 2/18/16)

The Port Authority of New York and New Jersey
Committee on Operations Transcripts
February 18, 2016

[Chair J. Degnan] Good morning. I'd ask the room to come to order so we can begin the meetings. At this point I'll call the meeting to order. We're now convening in public session of our Committee meetings starting with the Committee on Operations, which is being held in public session in its entirety. A public meeting of the Committee on Capital, Planning, Execution, and Asset Management will follow the Committee on Operations and will conclude the public portion of today's meeting with a public Board meeting. Today's public meetings are being broadcast live on the Port Authority's website for those interested in viewing the proceedings via the internet. And at this point I'll ask the Corporate Secretary to advise those present of the composition of the Committee, that is the Operations Committee, and any Commissioner recusals on the first matter before the Committee at today's public meeting.

[Karen Eastman] Thank you Chairman. The Committee is composed of yourself as Chairman, Vice-Chairman Rechler as the Vice-Chairman, and Commissioners Laufenberg, Lipper, and Steiner as Committee members. All Committee members are present today with the exception of Commissioners Steiner and Lipper. There are no recusals on the Teleport matter.

[Chair J. Degnan] Okay, the first item for discussion then is the Teleport and amendment of lease with the New York City Economic Development Corporation. Gerry DeTufo is going to make that presentation.

[G. DeTufo] Good morning Commissioners. Today I'm seeking authorization for two specific issues. One is to amend an existing lease with New York City to carve out a section of the Teleport property in our lease with New York City and also enter into an agreement with the city to share the proceeds of the sale of that parcel of property. It was a year ago this month that the Board endorsed the results of the Special Panel Report. And I'm happy to say that this action today is a tangible result of the delivery of your agenda in that regard. The Port Authority and New York City EDC entered into a Request for Expression of Interest in order to see if there was any development opportunities or interest in development at the Teleport. We received three responses. The one we valued the most was submitted by the Nicotra Group, who is an existing tenant at the Teleport, who's proposing to develop up to 240,000 square foot commercial building on a piece of vacant property, one of the three undeveloped parcels of land that we have at the Teleport. Next slide please. What you see on the screen is an aerial view of the Teleport. It's 100 acres of property including the highlighted green section, which is the nine acres of property we're requesting your authorization to dispose of. The facility currently has five buildings totaling 700,000 square feet. By way of background, the Teleport is a 100-acre site in Staten Island that was developed by the Port Authority in conjunction with the City of New York pursuant to a May 1983 Board Authorization and a May 1984 lease between the city and the Port Authority. The purpose of the Teleport at the time was to generate economic development and develop a satellite transmission and telecommunications facility. The parcel of land that we're proposing be surrendered is approximately nine acres situated on South Avenue, which is the fronting roadway. The sale price to the Nicotra Group is \$3.6 million,

which is a favorable price compared to the appraisal that we had performed. Currently this parcel of property generates no income for the Port Authority. Go to the next slide please. So in summary Commissioners, what we're asking is authorization to amend the Teleport lease with the City of New York to surrender the specific site and to enter into an agreement with the city to share the proceeds of the \$3.6 million sale. That number is subject to further due diligence subsequent to the ULURP process. This transaction is in furtherance to the recommendations of the Special Panel Report. I'd like to acknowledge Matt Pedersen, who works in our group who did all the heavy lifting on this. And I ask your concurrence on this item.

[Chair J. Degnan] There are no recusals, so I'd accept a motion from a member of the Committee to approve the recommendation for the sale of this portion of the Teleport. Is there a motion? So moved Mr. Chair. >> Second? >> Second. Karen, are we taking a roll call vote on this? Okay, so we're just recommending to the Board at this point So no roll call is necessary. Any dissents? The resolution is adopted and we'll deal with it and the Board in public session. Thank you. >> Thank you. It's your favor. Good. This concludes today's meeting on the Committee on Operations. I'm going to turn it over to Vice-Chairman Rechler for the public portion of the CPEAM Committee.

[K. Eastman] Chairman? Overtime update. Is it missing from your—?

[Chair J. Degnan] I'm sorry. Stephanie Dawson is going to do an update on the overtime. Pardon me Stephanie. I overlooked that.

[Stephanie Dawson] Good morning Mr. Chairman, Commissioners. I have an informational update on overtime for 2015 and also a look-ahead for 2016. As you look at the chart that's in front of you, you'll notice a couple of things. Number one, the 2015 Core performance with regards to the execution of overtime was significantly improved over 2014. There was a decrease of both hours and dollars for overtime to the tune of 220,000 hours and 25 million in dollars. With regards to Civilian Core overtime, and here we're measuring those things that are recurring and that we feel are manageable. You'll note that there were 923 hours of overtime, which equates to \$90 million, and it accommodates non-emergency maintenance and higher than planned attrition. With regards to police and ARFF Core overtime expenditures, the Core overtime was 18% over planned but mainly due to grant reimbursable heightened security. And as you may recall, we attended to the Papal visit to the tune of 4000 hours. And there were other activities resulting from world events and construction related activities that manifested themselves and had to be dealt with via overtime. All in all, police continue to manage the total workload. The agency overall hit 2 million overtime hours, which was 17 million over planned in 2015, but again accommodated all the unplanned work that had to be executed. Again, we use overtime as a management tool to maximize the use of existing staff and consulting services to the maximum extent possible. It's noteworthy also that we increased the distribution of staff that were receiving overtime. We feel that that's a major improvement over prior years. When we look at the 2016 budget again we use overtime as a management tool, and we continue to right size the overtime budget based on recurring needs. As you look at the chart, you'll see consistent with some of our prior discussions the 2016 budget reflects an increase in snow and ice hours based on updated assumptions, including the rolling five-year schema. Of note, through the January blizzard the agency incurred 73,000 unplanned hours which is basically

(Public Committee on Operations 2/18/16)

50% of the budget. Again, that could not be forecast. Civilian overtime, as you can see—core overtime, as you can see—has been increased to accommodate known work that needs to be done that was not able to be predicted previously. So aviation airfield electrical work continues to be done. We will continue to support non-weather-related emergency efforts. And it's noteworthy that 30% of the core increase is related to the TB&T Quality of Commute Program support and the George Washington Bridge Bus Station support. This is essential operating work that needed to be done to get those efforts back on track. And PATH continues to support the automated train control and positive train control efforts that are federally mandated. With regards to police and ARFF activities, these will be increased by 41% over the 2015 budget. It's contemplated that the two new police classes of 250 recruits each will require training and applicant investigation overtime. The first of the two police classes will graduate by the end of the year. And this will mitigate ongoing overtime efforts. We note that the World Trade Center Command will grow as that facility is now operational including the Hub. And we also note that there are heightened security provisions given the rate of global unrest. All in all, we feel that this budget can be accommodated by us to achieve the business objectives that have been identified. When we look at the strategies for making sure that we achieve the budget strategy, a number of things are noteworthy. One, last year we introduced a 3% performance goal. We did not achieve that goal. That was our first effort out of the box. But we feel that with the bullets that have been identified below, that we will come close, if not exceed, that objective. Perhaps most noteworthy is that we will continue to work on the workload, as I've indicated previously, looking at productivity, scheduling, and availability of staff. We will also because we have a lot of complicated work that needs to be done, the second bullet speaks to the fact that there are developmental programs that will be used to grow our staff for both hard-to-fill and critical job titles. Again, the police will continue to manage the total workload as they've done in 2015. And we expect those new recruits to help mitigate overtime needs by the end of 2016. And the working group that we've assembled to look at process improvements, we will continue to implement those recommendations as they are made. Chief among them is continuing to use advanced systems that help us better manage the overtime utilization and allocation. And finally with regards to snow and ice performance, we will continue to refine those plans to make best use of available resources for those critical unplanned events. Subject to your questions, this concludes my update.

[Chair J. Degnan] Any members of the Board have any questions for Stephanie? Thanks. >> Thank you. >> Keep working at it Stephanie. Thank you. I see some progress. This concludes today's meeting of the Committee on Operations.