

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

COMMITTEE ON OPERATIONS

MINUTES

Thursday, December 9, 2004

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COMMITTEE ON OPERATIONS**

225 Park Avenue South

New York, NY

Thursday, December 9, 2004

PRESENT:

Hon. Charles A. Gargano, Chair
 Hon. Angelo J. Genova
 Hon. Anthony J. Sartor
 Hon. Henry R. Silverman
 Hon. Anthony R. Coscia, *ex officio*
 Committee Members

Kenneth J. Ringler, Jr., Executive Director
 Darrell B. Buchbinder, General Counsel
 Karen E. Eastman, Secretary

Robert D. Bernard, Director, Office of Regional Smart Card Technology Services
 Gregory G. Burnham, Chief Technology Officer
 Arthur J. Cifelli, Senior Advisor to the Chairman/Director, Government and
 Community Affairs
 William R. DeCota, Director, Aviation
 Michael G. Fabiano, Comptroller
 James P. Fox, Deputy Executive Director
 Michael B. Francois, Acting Chief of Real Estate/Regional and Economic Development
 L. Jay Hector, Senior Policy Advisor to the Executive Director
 Louis J. LaCapra, Chief Administrative Officer
 Richard M. Larrabee, Director, Port Commerce
 Dennis Lombardi, Assistant Director, Port Commerce
 Robert F. Lurie, Chief of Strategic Planning
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Roger A. Muessig, Manager, Property Management and Asset Development, Real Estate
 Catherine F. Pavelec, Manager, Administration, Protocol and Executive Correspondence,
 Office of the Secretary
 Paul D. Segalini, Director, Labor Relations
 Emery J. Ungrady, Deputy Chief of Staff

Guests:

Verice Mason, Director, Authorities Unit, Office of the Governor of New Jersey
 Sam Stanton, Authorities Unit, Office of the Governor of New Jersey

The Committee meeting was called to order in executive session by the Chair at 12:27 p.m. and ended at 1:10 p.m.

Action on Minutes

The Secretary reported that the Minutes of the meeting of September 23, 2004 had been signed and distributed to the Commissioners and staff.

Whereupon, the Committee approved the Minutes of the meeting of September 23, 2004.

HUDSON-RARITAN ESTUARY RESOURCES PROGRAM – APPROVAL TO FUND THE ACQUISITION OF PROPERTY ON MURRAY HILL PARKWAY IN EAST RUTHERFORD, NEW JERSEY

It was recommended that the Committee approve the Port Authority's reimbursement to the New Jersey Meadowlands Commission (Meadowlands Commission) of an amount not to exceed \$645,365.75 for its acquisition of an interest in certain real property located on Murray Hill Parkway, East Rutherford, New Jersey (the Property) to be encumbered by a perpetual encumbrance for the benefit of the Port Authority created in a manner satisfactory to the Port Authority, either through a conservation easement or through restrictive covenants in the acquisition deed. The Property consists of approximately 459,994 square feet of land (approximately 10.56 acres) within the Meadowlands District, an approximate 31-square-mile area composed of 14 different municipalities in Hudson and Bergen Counties, and is within the Port District Region of the Hudson-Raritan Estuary. The Meadowlands Commission is a public entity formed in 1969 to provide for environmental protection, economic development and solid waste management in the Meadowlands District.

At its meeting of October 21, 2004, the Board authorized the Executive Director to enter into a Memorandum of Understanding (MOU) with the Meadowlands Commission to provide up to \$10 million in funding for land acquisitions within the Meadowlands District, provided that: the properties to be acquired are identified by Port Authority staff as land necessary to support Port Redevelopment Programs in the Port District Region of the Hudson Raritan Estuary, in conformance with the criteria set forth by the Board at its meeting on July 26, 2001; the specifics of the transaction are approved by the Committee on Operations; and upon acquisition, the properties are encumbered in a manner satisfactory to the Port Authority in perpetuity, either through a conservation easement or through restrictive covenants recited in the deed for the benefit of the Port Authority.

The Property has been identified by Port Authority staff as within the Board's eligibility criteria for funding. The reimbursement amount requested is deemed to be fair market value. Consistent with the MOU, the Meadowlands Commission would acquire title to the Property and be the record owner of the Property, subject to a perpetual encumbrance in a manner satisfactory to the Port Authority, either through a conservation easement or through restrictive covenants in the deed for the benefit of the Port Authority. The Property would be included in the Port Authority's Hudson-Raritan Estuary Resources Program facility, certified by the Board on November 21, 2002. The Meadowlands Commission has advised that discussions are also underway with the National Oceanic and Atmospheric Administration (NOAA) regarding the potential of the NOAA providing funding towards the acquisition of the Property, which would offset a portion of the Port Authority's costs towards this acquisition.

Authorization to reimburse the Meadowlands Commission for the acquisition of the Property would enable the Meadowlands Commission to close on the purchase of the Property in a timely manner, as required in its agreement with the current owners, and would facilitate the Port Authority's commitment to timely acquire interests in real property in the Port District region of the Hudson-Raritan Estuary.

Pursuant to the foregoing report, the following resolution was adopted by the Committee in executive session with Commissioners Coscia, Gargano, Genova, and Silverman voting in favor; none against; Sartor recused:

RESOLVED, that the substantive terms of an agreement reached with the New Jersey Meadowlands Commission (Meadowlands Commission) to reimburse the Meadowlands Commission in an amount not to exceed \$645,365.75 for the cost of acquisition by the Meadowlands Commission of an interest in approximately 459,994 square feet of land (approximately 10.56 acres) located on Murray Hill Parkway, East Rutherford, New Jersey, for inclusion in the Port Authority's Hudson-Raritan Estuary Resource Program facility be and they hereby are approved.

MEMORANDUM OF AGREEMENT WITH UNITED SERVICE WORKERS, IUJAT, LOCAL 111S, PORT AUTHORITY FIELD SUPERVISORS ASSOCIATION

It was recommended that the Committee on Operations approve a Memorandum of Agreement (MOA) with United Service Workers, IUJAT, Local 111S, Port Authority Field Supervisors Association (PAFSA), providing for changes in wages and certain terms and conditions of employment for the period commencing January 1, 2003, and ending October 1, 2007.

PAFSA is the sole representative of 254 Port Authority field supervisors. The changes encompassed by the proposed MOA would include, but not be limited to: average annual wage increases of 2.5 percent; the provision that all represented employees be covered by a managed health care plan; increases in shift differential pay; and the introduction of longevity pay in line with supervisors' subordinate staff. As part of the overall agreement, 20 positions would be transferred out of the negotiations unit and would become non-union management positions, which would result in economic savings through increased flexibility in assignments.

The proposed MOA has been ratified by the membership of PAFSA.

The Committee has the power to act in this matter under Article XI, Section D, Paragraph 8 of the By-Laws.

Pursuant to the foregoing report, the following resolution was adopted by the Committee in executive session with Commissioners Coscia, Gargano, Genova, Sartor and Silverman voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to execute a Memorandum of Agreement with the United Service Workers, IUJAT, Local 111S, Port Authority Field Supervisors Association, providing for changes in wages and other terms and conditions of employment for the period commencing January 1, 2003 and ending October 1, 2007; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Secretary