

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, April 27, 2017

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, April 27, 2017 at 150 Greenwich Street, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. John J. Degnan, Chairman
 Hon. Richard H. Bagger
 Hon. David S. Steiner
 Hon. Caren Z. Turner

NEW YORK

Hon. Michael D. Fascitelli
 Hon. Kenneth Lipper
 Hon. Jeffrey H. Lynford

Patrick J. Foye, Executive Director
 Michael E. Farbiarz, General Counsel
 Karen E. Eastman, Secretary

Julia Basile, Deputy Director, Human Resources
 Justin E. Bernbach, Director, Government and Community Affairs, New York
 John Bilich, Acting Chief Security Officer
 Molly C. Campbell, Director, Port
 Steven J. Coleman, Deputy Director, Media Relations
 Janet D. Cox, Director, Management and Budget
 Nicole Crifo, Deputy Chief Ethics and Compliance Officer
 Stephanie E. Dawson, Chief Operating Officer
 Clarelle D. DeGraffe, Deputy Director, Rail Transit
 John C. Denise, Audio Visual Supervisor, Marketing
 Robert J. Donahue, Executive Financial Analyst, Office of the Chief Financial Officer
 Benjamin S. Engle, Project Manager, Human Resources
 Jose B. Febrillet, Director, Project Management
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
 Robert E. Galvin, Chief Technology Officer
 Glenn P. Guzi, External Affairs Logistics Manager, World Trade Center Redevelopment
 Linda C. Handel, Deputy Secretary, Office of the Secretary
 MaryLee Hannell, Chief, Human Capital
 Patricia A. Hurley, Chief of Staff to the Chairman
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 William Laventhal, Executive Policy Analyst, Office of the Executive Director
 Andrew G. Levine, Director, Audit
 Huntley A. Lawrence, Director, Aviation
 John H. Ma, Chief of Staff to the Executive Director
 Stephen Marinko, Esq., Law
 Ronald Marsico, Director, Media Relations
 Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management
 Daniel G. McCarron, Comptroller
 Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, General Manager, Board Unit, Office of the Secretary

David J. McGrath, Manager, Marketing and Communications, Marketing
 Mark F. Muriello, Deputy Director, Tunnels, Bridges and Terminals
 Maria Oliveri, Associate Board Management and Support Specialist, Office of the Secretary
 Steven P. Plate, Chief, Major Capital Projects
 Alan L. Reiss, Director, World Trade Center Construction
 James A. Starace, Chief Engineer/Director of Engineering
 Timothy G. Stickelman, Assistant General Counsel
 Lillian D. Valenti, Chief Procurement and Contracting Officer
 Sheree R. Van Duynes, Manager, Policies and Protocol, Office of the Secretary
 Anni Zhu, Leadership Fellow, Human Resources

Guests:

Mary Maples, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey
 Ali Chaudhry, Deputy Secretary for Transportation, Office of the Governor of New York

Speakers:

Richard DeGeneres, Unite Here, Local 100
 Margaret Donovan, The Twin Towers Alliance
 Hon. Robert M. Gordon, New Jersey State Senator
 Richard Hughes, The Twin Towers Alliance
 Trent Lethco
 Jason Anthony Piniero, Independent Transit
 Advocate
 Charlene Talarico, Port Authority Employee
 Carol Waaser, New York Cycle Club
 Neile Weissman, Complete George

Topic:

Airport Worker Wages
 Transparency
 2017-2026 Capital Plan
 Port Authority Practices
 George Washington Bridge Bike Lane
 PATH Extension/AirTrain LGA
 Human Resources Policies and Procedures
 George Washington Bridge Bicycle Access
 Widening of Paths on George Washington
 Bridge

The public meeting was called to order by Chairman Degnan at 1:46 p.m. and ended at 2:56 p.m. The Board also met in executive session prior to the public session.

Action on Minutes

The Secretary submitted for approval Minutes of the meeting of February 16, 2017. She reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on February 17, 2017. The Secretary reported that the Governor of New Jersey had, on February 19, 2017, approved the action taken by the New Jersey Commissioners of the Port Authority at its February 16, 2017 meeting with respect to the approval of a resolution discontinuing the Port Authority Carpool Discount Plan at the Bayonne Bridge. The Secretary reported further that the time for action by the Governors of New York and New Jersey had expired at midnight on March 6, 2017.

Whereupon, the Board unanimously approved the Minutes of the meeting of February 16, 2017.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on March 1, 2017, which included discussion of matters involving external or internal investigations or audits, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed and action taken in executive and public sessions at its meeting on April 27, 2017, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals and an update on financial performance results for the first quarter of 2017, and the report was received.

Report of World Trade Center Redevelopment Subcommittee

The World Trade Center Redevelopment Subcommittee reported, for information, on matters discussed in executive and public sessions at its meeting on April 27, 2017, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals and matters related to proposed, pending, or current litigation or judicial or administrative proceedings, and review of a project to improve flood resiliency at the World Trade Center site, and the report was received.

Report of Committee on Capital Planning, Execution and Asset Management

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in public session at its meeting on April 27, 2017, which included discussion of an item to authorize a project for the rehabilitation of portions of the upper level structural deck at the George Washington Bridge and an update on capital performance results for the first quarter 2017, and the report was received.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive and public sessions at its meeting on April 27, 2017, which included discussion of matters related to personnel and personnel procedures, a discussion on overtime performance results for the first quarter of 2017, and a review of the purpose and function of the Port Authority's Agency Operations Center, and the report was received.

Chairman's Report

On behalf of the Board, Chairman Degnan welcomed Commissioner Caren Z. Turner and congratulated her on her recent appointment to the Board.

TRIBUTE TO STEPHANIE DAWSON

In recognition of her more than 22 years of dedicated and distinguished service to the Port Authority, we congratulate Stephanie Dawson on her upcoming retirement.

Stephanie has led a distinguished career, both in the armed forces, as a retired Colonel of the United States Army and since joining the Port Authority in January 1995, where she has held progressively more responsible positions throughout the agency, including Assistant Director of Operations; Assistant Director, Capital Programs; and Manager of Enterprise Project Management Systems. Having served as the agency's Chief Operating Officer since 2012, Stephanie has overseen the operations of the agency's line businesses, including Aviation, Tunnels, Bridges and Terminals, Port and PATH, where she has facilitated the delivery of asset management, maintenance, capital and operating project management and grant management. In her role as Chief Operating Officer, Stephanie has also led the Storm Mitigation & Resilience Office, that was formed following Superstorm Sandy in 2012, to manage immediate and long-term recovery and resilience planning for the agency.

It is with sincere gratitude that we recognize Stephanie Dawson upon her retirement for her dedicated public service to the Port Authority and the region it serves.

GEORGE WASHINGTON BRIDGE – MAIN SPAN UPPER LEVEL STRUCTURAL STEEL REHABILITATION - PHASE II – PROJECT AUTHORIZATION

It was recommended that the Board authorize a project for the second phase of the main span upper level structural steel rehabilitation of the George Washington Bridge (GWB), at an estimated total project cost of \$123.8 million, including project contingency and extra work.

The GWB, which opened in 1931, is a critical link between New York and New Jersey. The Port Authority is currently implementing a comprehensive program, valued at nearly \$2 billion, to provide for the rehabilitation/replacement of structural elements of the GWB and associated approach and supporting roadways, including Phase II of the main span upper level structural steel rehabilitation, to maintain a state of good repair.

At its special meeting of June 22, 2010, the Committee on Operations, acting for and on behalf of the Board pursuant to delegated authority, authorized a project to provide for removal and replacement of six-foot-wide portions of the GWB's upper level steel deck above every floor beam along the upper level roadway, and rehabilitation of the remaining areas, in order to maintain the upper level roadway in a state of good repair. Additionally, the project provided for resurfacing of the westbound upper level roadway, installation of additional drainage scuppers to reduce corrosion effects by quickly removing run-off, and rehabilitation of the finger joints. Subsequently, in December 2010, the Executive Director authorized the award of Contract GWB-244.022 to construct the project, at a total estimated cost of \$86,790,306.

During the implementation of that project, the actual steel degradation associated with a number of priority repairs was found to be more extensive. In addition, based on the condition of the existing finger joints, it was determined that their rehabilitation was not feasible, and that a full replacement was warranted. Since a project change to add the scope was found to be cost prohibitive, it was decided to defer this work and perform it in a second phase of the main span upper level structural steel rehabilitation effort.

The currently proposed project would provide for the rehabilitation of the remaining structural steel of the upper level roadway deck and support structure that was not addressed as part of the earlier project, in order to maintain a state of good repair and extend the useful life of the structure by approximately 15 years. The project work would involve replacement of sections of deteriorated deck panels adjacent to the finger joints in the tower areas, replacement of finger joints, replacement of joint sealant around deck panels and addressing outstanding priority repairs. In addition, priority repairs identified in federally mandated biennial inspections performed in 2015 and 2017, which include cracked welds in the steel deck and corroded sections in supporting steel, would also be addressed as part of the proposed project.

Maintaining the GWB upper level roadway in a state of good repair will facilitate an uninterrupted traffic flow at this critical interstate transportation link.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, Lipper, Lynford, Steiner and Turner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for the second phase of the main span upper level structural steel rehabilitation of the George Washington Bridge, at an estimated total project cost of \$123.8 million, including project contingency and extra work, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services, and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all contracts, agreements and other documents in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

WORLD TRADE CENTER SITE FLOOD RESILIENCY PROGRAMS – FLOOD MITIGATION AND RESILIENCY IMPROVEMENTS BELOW GRADE - PROJECT AUTHORIZATION AND EXECUTION OF FEDERAL TRANSIT ADMINISTRATION GRANT AGREEMENT

It was recommended that the Board authorize: (1) the design and construction of a Below-Grade Flood Mitigation and Resiliency Improvements (FMRI) Project at the World Trade Center (WTC) site, including water intrusion protection systems (WIPS) below street level, to protect Port Authority transportation assets at the WTC site from the effects of potential coastal flooding and storm surge, at an estimated total project cost of \$37.1 million; and (2) the Executive Director to: (a) enter into an agreement with the Federal Transit Administration (FTA) for the FTA to reimburse the Port Authority in an amount equal to 90 percent of eligible project expenditures, up to a maximum amount of approximately \$33.4 million previously allocated by the FTA for these local below-grade flood mitigation and priority resiliency projects at the WTC site; and (b) amend the scope of an existing Port Authority consultant program for integrity monitoring and audit services for federally funded storm repair and resilience projects, to include integrity monitoring services for the WTC FMRI Below-Grade Project and increase the amount authorized for the consultant program by \$250,000 (from \$10,350,000 to \$10,600,000) to support the proposed project.

As Hurricane Sandy and its associated storm surge demonstrated, business and transportation assets in low-lying areas of Lower Manhattan are at risk of storm surge flooding. Port Authority facilities, particularly Port Authority Trans-Hudson rail system (PATH) and other transportation facilities at the WTC site, require a comprehensive flood protection plan.

In the fall of 2013, a comprehensive flood hazard mitigation plan was developed for the WTC site that included evaluations of site-wide and project-specific vulnerabilities, flood mitigation strategies and improvement alternatives. The plan established three “rings of protection” to effectively protect the WTC site against potential coastal flooding levels similar in magnitude to Hurricane Sandy’s storm surge. The first ring of protection is a perimeter bollard protection system (BPS) at the western portion of the WTC site. The second and third rings of protection, known as WIPS At-Grade and Below-Grade, respectively, include various flood barriers, roll-down doors, louvers, hatches, structural hardening, waterproofing, and similar measures.

On October 16, 2013, the Board authorized, among other things, contract actions for initial planning and design work to evaluate and develop long-term flood resiliency projects at the WTC site, at an estimated total cost of \$10 million, including Stage II design of a BPS and prototype. On April 23, 2014, the Board authorized a project for the design and deployment of a perimeter BPS prototype located at One World Trade Center (One WTC), at an estimated project cost of \$25.1 million. The prototype BPS was successfully deployed in October 2014, with remaining field deployments around One WTC completed in early 2015. At its meeting of December 10, 2014, the Board authorized additional planning work (Phase 2 Planning), in the amount of \$10 million, to advance the final design of all WIPS components. On July 23, 2015, the Board authorized a project for the design and construction of At-Grade FMRI projects, including a perimeter BPS and other WIPS at street level openings, at an estimated total project cost of \$112.9 million, including the \$25.1 million authorized by the Board at its April 23, 2014 meeting, and the execution of the associated grant agreement with the FTA.

The federal Disaster Relief Appropriations Act was enacted to support the overall recovery from Hurricane Sandy, including the provision of \$10.9 billion to the FTA's Emergency Relief Program. As of May 2013, the FTA formally allocated approximately \$1.3 billion to the Port Authority for recovery and resiliency improvements to its transportation facilities damaged by Hurricane Sandy, including more than \$287 million reserved for Local Priority Resiliency projects. The Port Authority advanced an application for FTA Competitive Resiliency funds in March 2014 for the WTC FMRI Program. In November 2014, the FTA announced the allocation of \$84.7 million for the at-grade portions of the WTC FMRI program. The Port Authority and the FTA executed the associated At-Grade grant agreement in August 2016.

The WTC FMRI Below-Grade Project comprises the third and final ring of flood protection to be implemented at the WTC site. The below-grade WIPS includes various flood barriers, such as reinforced water-tight doors, sliding and hinged flood gates and louvers located throughout the WTC site's extensive below-grade levels. These installations will protect the WTC Transportation Hub's (WTC Hub) critical infrastructure, such as mechanical and electrical rooms and equipment necessary for transportation operations, from any flood water entering below-grade spaces. The project includes roll-down doors between the key facilities (such as the WTC Vehicular Security Center and Tour Bus Parking Facility, WTC Hub, and West Bath tub Vehicular Access) within the WTC's below-grade levels.

The Below-Grade WIPS project also includes barriers to channel water, and provides for additional permanent pumping and piping installations to improve the operational resiliency of the WTC complex after a significant flooding event.

Authorization is presently being requested for the Executive Director to enter into a grant agreement with the FTA for the WTC FMRI Below-Grade Project. Under this grant agreement, the Port Authority would be responsible for a ten percent local share of eligible project expenditures, including a commitment of \$3.71 million for the duration of the grant.

In 2014, the Executive Director authorized a consultant program for professional audit and integrity monitoring services to support federally funded Hurricane Sandy-related repair and storm resilience projects, on an "as-needed" basis, at a total estimated amount of \$9.5 million. The program was established in order to comply with federal procurement requirements, and was initially limited to non-WTC projects. Based on discussions with the FTA, contracts awarded in connection with the WTC site storm mitigation and resilience projects, including those for integrity monitoring services, will require compliance with federal procurement guidelines. In its action of July 23, 2015, the Board also authorized the Executive Director to amend the consultant program for integrity monitoring and audit service to include such services for the WTC site At-Grade FMRI Projects, and to increase the authorized amount of the consultant program by \$850,000 to support the projects. It is now necessary to amend the scope of the existing consultant program further, to include integrity monitoring services for the WTC FMRI Below-Grade Project and to increase the authorized amount by an additional \$250,000. The following firms currently hold agreements under the consultant program and are retained for services on an "as-needed" basis: Cohn Resnick, LLP; Doar, Rieck, Kaley & Mack; Guidepost Solutions, LLC; Navigant Consulting, Inc.; and Thacher Associates, LLC.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, Lipper, Lynford, Steiner and Turner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a project for the design and construction of Below-Grade Flood Mitigation and Resiliency Improvements at the World Trade Center (WTC) site, including water intrusion protection systems below street level, to protect Port Authority transportation assets at the WTC site from the effects of potential coastal flooding and storm surge, at an estimated total project cost of \$37.1 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with the Federal Transit Administration (FTA) for federal reimbursement to the Port Authority, in an amount equal to 90 percent of eligible expenditures, up to a maximum of approximately \$33.4 million, from funds previously allocated by the FTA to the Port Authority for local below-grade flood mitigation and priority resiliency projects at the WTC site; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to amend the scope of an existing Port Authority consultant program for integrity monitoring and audit services for federally funded storm repair and resilience projects, to include integrity monitoring services for the foregoing project and increase the amount authorized for the call-in program by \$250,000 (from \$10,350,000 to \$10,600,000) to support the foregoing project; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all agreements, contracts and other documents in connection with the foregoing project shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

PUBLICATION OF ANNUAL FINANCIAL STATEMENTS

Pursuant to the By-Laws and its Charter, the Audit Committee's members have reviewed and approved the Port Authority's Consolidated Financial Statements and Appended Note Disclosures for the year ended December 31, 2016 (2016 Financial Statements), and recommended to the Board that such Consolidated Financial Statements be included in the Port Authority's 2016 Comprehensive Annual Financial Report (CAFR), and other publications, as appropriate. It was therefore recommended that the Board authorize the publication of the 2016 CAFR, which shall include the audited 2016 Financial Statements.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Degnan, Fascitelli, Lipper, Lynford, Steiner and Turner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the publication of the Port Authority's 2016 Comprehensive Annual Financial Report, which shall include the Port Authority's Consolidated Financial Statements and Appended Note Disclosures for the year ended December 31, 2016, be and the same hereby is authorized.

CONFIDENTIAL ITEM

The Board approved a matter in executive session, which shall not be made available for public inspection.

CONFIDENTIAL ITEM

The Board approved a property damage settlement in executive session, which will remain confidential until such time as the payment is received.

Whereupon, the meeting was adjourned.

Secretary