

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, July 28, 2022

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**MINUTES of the of Port Authority Trans-Hudson Corporation held Thursday, July 28, 2022
at 150 Greenwich Street, New York, New York and via videoconference.**

PRESENT:

NEW JERSEY

Hon. Kevin J. O’Toole, Chairman
Hon. Dana M. Martinotti*
Hon. Kevin P. McCabe
Hon. Robert J. Menendez
Hon. Michelle E. Richardson

NEW YORK

Hon. Jeffrey H. Lynford, Vice Chairman
Hon. Steven M. Cohen
Hon. Leecia M. Eve
Hon. Daniel J. Horwitz
Hon. Gary LaBarbera
Hon. Rossana Rosado

Richard Cotton, President
Michael E. Farbiarz, Counsel

James K. Allen Jr.
Christopher Beacham*
Marco Belardo
Carrol Bennett*
John Bilich
Meredith L. Brooks
Ana Carvajalino*
Rebecca L. Cassidy
David Compton
Janet D. Cox*
Clarelle D. DeGraffe*
Alfred P. Doblin
Charles Everett*
Benjamin Feldman*
Kristen Figaro
Amy H. Fisher
Robert E. Galvin*
John Gay
Robert W. Gibbon*
Ryan J. Gilbert
Mary Lee Hannell
Kirsten Hernandez*
Natasha G. Jean Philipp-Cumberbatch

Amanda M. Kwan
 Scott Ladd
 Cristina M. Lado*
 Huntley A. Lawrence
 Elizabeth M. McCarthy
 James E. McCoy
 Jessica Ortiz
 Hersh K. Parekh*
 Ruchi Patel
 Thomas Pietrykoski
 Alan L. Reiss*
 Bethann Rooney
 Jessica Russ*
 Ronald Shindel
 Peter D. Simon
 James A Starace
 Debra M. Torres
 Derek H. Utter
 Lillian D. Valenti

Guests:

Hon. Kathy Hochul, Governor, State of New York (Called in during the Public Session to address the Board)*

Allison Bradley, Assistant Deputy Secretary for Transportation, Office of the Governor of New York*

Noreen M. Giblin, Deputy Chief Counsel, Authorities Unit, Office of the Governor of New Jersey*

Lauren LaRusso, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey*

Natalie Millstein, Senior Advisor for Transportation, Office of the Governor of New York*

Public Commenters:

Murray Bodin

Vittoria Farriello

Todd Fine

Mariama James

Kevin Ronan

Nicholas Ronan

Topic:

Port Authority

5 World Trade Center

5 World Trade Center

5 World Trade Center

PATH Contract Negotiations

PATH Contract Negotiations

The public meeting was called to order by Chairman O’Toole at 12:17 p.m. and ended at 12:54 p.m. The Board also met in executive session prior to the public session. Director Menendez was present for most of the executive session.

Report on Prior Meeting’s Minutes

Copies of the Minutes of the meeting of April 28, 2022 were delivered in electronic form to the Governors of New York and New Jersey on April 29, 2022. The time for action by the Governors of New York and New Jersey expired at midnight on May 13, 2022.

PATH – MEMORANDUM OF AGREEMENT WITH RAILWAY INDEPENDENT TRANSIT UNION (Representing Car Repairmen)

It was recommended that the Board of Directors approve a collective bargaining agreement between Port Authority Trans-Hudson Corporation (“PATH”) and the Railway Independent Transit Union (“RITU”).

The RITU represents about 170 non-supervisory PATH employees who inspect and repair railcars at the Railroad’s car shop. RITU and PATH reached a tentative collective bargaining agreement on June 23, 2022. That agreement was ratified by the members on July 22, 2022.

The agreement spans 12 years and 11 months, from a retroactive commencement date of October 7, 2012 to September 7, 2025. Terms of the agreement include:

- Over the covered nearly thirteen year period, annual wage increases totaling 28.5 percent;
- adoption of changes to the design of employee health care plans for both incumbent and new employees, as well as a requirement that employees make contributions to defray health care costs;
- an increase in PATH pension contributions;
- adding productive time within the eight hour workday; and
- work-rule changes designed to permit PATH to better control both employee absences and overtime and other labor cost savings.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Cohen, Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, Menendez, O’Toole, Richardson and Rosado in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the June 23, 2022, agreement between Port Authority Trans-Hudson Corporation (“PATH”) and the RITU, ratified by the membership on July 22, 2022, be and it hereby is approved; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to exercise all discretion and take any and all action necessary or appropriate in his judgment to effectuate the foregoing, including, but not limited to, the execution of all relevant agreements, contracts, or analogous documents, together with amendments and supplements thereof, and to take action in accordance with the terms of such agreements, contracts, and other documents as may be necessary in connection therewith.

PATH – MEMORANDUM OF AGREEMENT WITH BROTHERHOOD OF RAILWAY SIGNALMEN

It was recommended that the Board of Directors approve a collective bargaining agreement between Port Authority Trans-Hudson Corporation (“PATH”) and the Brotherhood of Railway Signalmen (“BRS”).

The BRS represents 60 PATH employees who inspect and maintain the Railroad’s signal system. BRS and PATH reached a tentative collective bargaining agreement on June 3, 2022. That agreement was ratified by the members on July 19, 2022.

The agreement spans 13 years and 7 months, from a retroactive commencement date of January 28, 2012 to August 27, 2025. Terms of the agreement include:

- Over the covered thirteen and one-half year period, annual wage increases totaling 30.5 percent;
- adoption of changes to the design of employee health care plans for both incumbent and new employees, as well as a requirement that employees make contributions to defray health care costs;
- an increase in PATH pension contributions;
- Adding productive time within the eight hour workday; and
- work-rule changes designed to permit PATH to better control both employee absences and overtime and other labor cost savings.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Cohen, Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, O’Toole, Richardson and Rosado in favor. Director Menendez did not participate in the consideration of, or vote on, this item. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the June 3, 2022, agreement between Port Authority Trans-Hudson Corporation (“PATH”) and the BRS, ratified by the membership on July 19, 2022, be and it hereby is approved; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to exercise all discretion and take any and all action necessary or appropriate in his judgment to effectuate the foregoing, including, but not limited to, the execution of all relevant agreements, contracts, or analogous documents, together with amendments and supplements thereof, and to take action in accordance with the terms of such agreements, contracts, and other documents as may be necessary in connection therewith.

PATH – HARRISON CAR MAINTENANCE FACILITY – INSTALLATION OF AUTOMATIC FLOOD BARRIER – PROJECT REAUTHORIZATION AND INCREASE IN CONTRACT PAT-784.165

It was recommended that the Board: (1) reauthorize a project for the design and construction of a permanent flood barrier protection system at the Port Authority Trans-Hudson Corporation (PATH) rail system's Harrison Car Maintenance Facility (HCMF) at an estimated total project cost of \$31.1 million, an increase of \$3.9 million from the previously authorized amount of \$27.2 million, of which 90 percent is anticipated to be funded by existing Federal Transit Administration (FTA) grants with the remaining \$0.4 million to be covered by PATH; and (2) authorize the President of PATH to increase Contract PAT-784.165 with DMR Construction Services (DMR) by \$3.5 million (included in the total project cost increase of \$3.9 million), for a total revised contract amount of \$21.5 million.

As a result of flooding caused by Superstorm Sandy in 2012, the HCMF and adjoining rail storage yard, located in Harrison, New Jersey adjacent to the Passaic River were flooded, causing significant operational disruption and damage to the facility, rail cars and equipment. The facility is the primary location for rail car maintenance and repair activity and the storage of rail cars.

At its November 17, 2016 meeting, the Board authorized a project to install a flood barrier protection system at the HCMF at an estimated total project cost of \$27.2 million.

In November 2019, Contract PAT-784.165 was awarded to DMR Construction Services (DMR), pursuant to a public advertisement, to build the flood barrier at an estimated total construction cost of \$16.8 million.

During initial excavation activities associated with construction, DMR encountered unforeseen underground obstructions, including boulders and debris, which resulted in the need to redesign the flood barrier, which delayed construction activities. Additionally, the timing of the relocation of third-party utilities resulted in further delays to the construction schedule. In May 2021, DMR was provided with additional compensation in the amount of \$1.2 million for incremental costs it previously incurred to progress the construction of the project utilizing existing project contingency funds.

The project is now substantially complete. The proposed increase to the total project cost would compensate DMR for additional costs it incurred in constructing the project and associated delay claims.

It is anticipated that up to 90 percent of these costs will be covered by FTA grant funds, with the remaining amount to be covered by PATH.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Cohen, Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, Menendez, O'Toole, Richardson and Rosado in favor. 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 a permanent flood barrier protection system at the Port Authority Trans-Hudson Corporation (PATH) rail system's Harrison Car Maintenance Facility (HCMF), to enhance the flood resiliency of the HCMF, at an estimated total project cost of \$31.1 million, an increase of \$3.9 million from the previously authorized amount of \$27.2 million, be and it hereby is reauthorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, 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 documents in connection with the foregoing project shall be subject to the approval of Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.

PATH – HARRISON CAR MAINTENANCE FACILITY - INSTALLATION OF CONCRETE SEA WALL – PROJECT REAUTHORIZATION

It was recommended that the Board reauthorize a project for the design and construction of a permanent concrete sea wall and the removal of the existing temporary flood wall, to protect Port Authority Trans-Hudson Corporation (PATH) rail system tracks and associated electrical and mechanical infrastructure located at the PATH right-of-way east of the Harrison Car Maintenance Facility (HCMF), at an estimated total project cost of \$42.9 million. This is an increase of \$3.3 million from the previously authorized amount of \$39.6 million, of which 90 percent is anticipated to be funded by existing Federal Transit Administration (FTA) grants, with the remaining amount of \$0.3 million to be covered by PATH.

As a result of flooding caused by Superstorm Sandy in 2012, portions of the PATH mainline tracks and equipment that run between Newark Penn Station and the Journal Square Transportation Center were damaged, which prevented movement of rail equipment. Additionally, certain PATH infrastructure located east of the HCMF along the Passaic River were flooded, causing approximately four months of service outages, and damage to the tracks, electrical and signal equipment. Temporary flood protection measures, such as a four-foot-high, 2,700-linear-foot HESCO wall along the Passaic River, were put in place in 2013 while permanent solutions were developed.

At its November 17, 2016 meeting, the Board authorized the project to remove the existing temporary flood protection wall and to design and construct a permanent concrete floodwall, at an estimated total cost of \$32.2 million. In October 2019, the Board reauthorized the project, at an increased total estimated project cost of \$39.6 million, to account for higher than anticipated bids, additional facility forces, engineering consultants, and signals work to accommodate unanticipated design changes. At that time the Board also authorized the award of Contract PAT 784.166, to Yonkers Contracting Company, Inc. (Yonkers) to construct the project, at an estimated total construction cost of \$26.7 million.

The project is now approximately 85 percent complete and has experienced delays caused by unforeseen site conditions during construction, which resulted in the need for a redesign of the seawall to accommodate third-party and PATH utilities that could not be relocated. The proposed increase is needed for the following reasons: (1) to account for additional construction support costs, including facility force support to accommodate the extended schedule; and (2) to cover incremental soft costs, including additional staff and consultant support, financial expense and agency allocations.

It is anticipated that up to 90 percent of these costs will be covered by FTA grant funds, with the remaining amount to be covered by PATH.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Cohen, Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, Menendez, O'Toole, Richardson and Rosado in favor. 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 to remove the existing temporary flood protection sand-filled bin wall located east of the Port Authority Trans-Hudson Corporation (PATH) Harrison Car Maintenance Facility between Harrison Station and Journal Square, and for the design and construction of a permanent concrete flood protection wall, at an estimated total project cost of \$42.9 million, an increase of \$3.3 million from the previously authorized amount of \$39.6 million, be and it hereby is reauthorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, 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 Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.

**PATH – REPLACEMENT OF SUBSTATION NO. 2 IN JERSEY CITY, NEW JERSEY –
PROJECT REAUTHORIZATION AND AWARD OF CONTRACT PAT-024.092A**

It was recommended that the Board: (1) reauthorize a project for the design and construction of a replacement for Port Authority Trans-Hudson Corporation (PATH) Substation No. 2, at an estimated total project cost of \$276.1 million, an increase of \$59.9 million from the previously authorized amount of \$216.2 million; and (2) authorize the President to award Contract PAT-024.092A to Yonkers Contracting Company, Inc. (Yonkers), the lowest bidder pursuant to a public procurement process, for construction of the new Substation No. 2, at an estimated total construction contract cost of \$151.2 million.

The project reauthorization is required to accommodate incremental costs of \$59.9 million, which reflects: higher than expected costs to construct in a dense urban environment on the confined site where the new substation will be located; complexities associated with decommissioning the existing substation, which is located in the century old Washington Street Powerhouse, and the transfer of power to the new substation; post-COVID-19 pandemic market conditions; and higher costs associated with project managed costs, including increased staff and consultant support, and other soft costs.

At its December 13, 2018 meeting, the Board authorized a project to replace PATH's Substation 2, at an estimated total project cost of \$216.2 million. The project includes furnishing, installing and commissioning of traction power transformers, rectifiers and switchgear, new utility duct banks, associated auxiliary systems, and equipment. All equipment is to be installed indoors, in a new two-story steel-framed building to be constructed on a triangular-shaped property to the north of the Washington Street Powerhouse in Jersey City, New Jersey at elevations above Federal Emergency Management Agency Base Flood Elevation Guidelines, in compliance with the Port Authority's Design Guidelines for Climate Resilience.

Yonkers was the lowest bidder in response to a publicly advertised request for bids. It is the staff recommendation to now proceed with the award of Contract PAT-024.092A to Yonkers to construct the project.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Cohen, Eve, Horwitz, LaBarbera, Lynford, Martinotti, McCabe, Menendez, O'Toole, Richardson and Rosado in favor. 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 a replacement for the Port Authority Trans-Hudson Corporation (PATH) Substation No. 2, at an estimated total project cost of \$276.1 million, an increase of \$59.9 million from the previously authorized amount of \$216.2 million, be and it hereby is reauthorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to enter into a contract with Yonkers Contracting Company, Inc., the lowest bidder pursuant to a public procurement process, for construction of the new substation, at an estimated total contract cost of \$151.2 million; 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 Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Counsel