

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, September 28, 2017

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MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, September 28, 2017 at 150 Greenwich Street, City, County and State of New Jersey

PRESENT:

NEW JERSEY

Hon. Kevin J. O'Toole, Chairman
 Hon. Richard H. Bagger
 Hon. Raymond M. Pocino
 Hon. Caren Z. Turner

NEW YORK

Hon. Jeffrey H. Lynford, Vice Chairman
 Hon. Leecia R. Eve
 Hon. Daniel J. Horwitz
 Hon. Gary LaBarbera
 Hon. George T. McDonald
 Hon. Rossana Rosado

Richard Cotton, Executive Director
 Michael E. Farbiarz, General Counsel
 Karen E. Eastman, Secretary

Justin E. Bernbach, Director, Government and Community Affairs, New York
 John Bilich, Chief Security Officer
 Michael Cantone, Associate Administrator, Office of Emergency Management
 Steven J. Coleman, Deputy Director, Media Relations
 Gerard A. Del Tufo, Assistant Director, Development and Operations, Real Estate Services
 John C. Denise, Audio Visual Supervisor, Marketing
 Michael Dombrowski, Audio Visual Specialist, Marketing
 Robert J. Donahue, Executive Financial Analyst, Office of the Chief Financial Officer
 Michael Donovan, Contract Staff, World Trade Center Construction
 Diannae C. Ehler, Director, Tunnels, Bridges and Terminals
 Benjamin S. Engle, Project Manager, Human Resources
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Amy Fisher, First Deputy General Counsel
 Ira Forman, Manager, Emergency Operations, Office of Emergency Management
 Kevin Frick, Esq., Law
 Robert E. Galvin, Chief Technology Officer
 Michael Germano, Manager, Security Technology, Office of Emergency Management
 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
 James Keane, General Manager, Operations Safety, Operations Services
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 William Laventhal, Executive Policy Analyst, Office of the Executive Director
 Michael Lavery, Senior External Relations Client Manager, Government and Community Affairs
 Huntley A. Lawrence, Director, Aviation
 John H. Ma, Chief of Staff to the Executive Director
 Stephen Marinko, Assistant General Counsel
 Ronald Marsico, Director, Media Relations
 Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management

Hugh G. McCann, Director, World Trade Center Operations
 Daniel G. McCarron, Comptroller
 Elizabeth M. McCarthy, Chief Financial Officer
 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
 Suchetha Premchan, Principal Board Management and Support Specialist, Office of the Secretary
 Sam Ruda, Deputy Director, Port
 Peter Simon, Chief of Staff to the Chairman
 Harry Smith, Regional Geographic Information System Specialist, Office of Emergency Management
 James A. Starace, Chief Engineer/Director of Engineering
 K. Ocean Stokes, Senior Business Manager, Engineering
 Maria Surilas, Excelsior Fellow, World Trade Center Construction
 Lillian D. Valenti, Chief Procurement and Contracting Officer
 Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary

Guests:

Mary Maples, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Rita Azcona, Unite Here, Local 100
 Murray Bodin, Private Citizen
 Margaret Donovan, The Twin Towers Alliance
 Richard Hughes, The Twin Towers Alliance
 Yvonne Garrett Moore, MVP Public Relations
 Delicia Jenkins, Unite Here, Local 100
 Marcela Jimenez, Unite Here, Local 100
 Dennis O'Donnell, Private Citizen
 Arthur Piccolo, Bowling Green Association
 Charlene Talarico, Port Authority Employee

 Hon. Loretta Weinberg, Majority Leader, New Jersey State Senate
 Neile Weissman, Complete George

Topic:

Airport Worker Rights
 Transportation Issues
 Transparency
 Port Authority Practices
 Newark Airport City/Aerotropolis
 Airport Worker Rights
 Airport Worker Rights
 GWB Walkway
 WTC Transit Hub
 Human Resources Policies and Procedures
 Port Authority Issues

 GWB Walkway

The public meeting was called to order by Chairman O'Toole at 12:25 p.m. and ended at 1:57 p.m. The Board also met in executive session prior to the public session.

Report of Audit Committee

The Audit Committee reported, for information, on matters discussed and action taken in executive session at its meeting on September 28, 2017, which included discussion on matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Security

The Committee on Security reported, for information, on matters discussed in executive session at its meeting on September 28, 2017, which included discussion of matters related to public safety or law enforcement, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in executive session at its September 13, 2017 meeting, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, matters related to the purchase, sale, or lease of real property where disclosure would affect the value thereof or the public interest, and matters in which the release of information could impair the right to receive funds from the United States or other grantor.

The Committee on Finance also reported, for information, on matters discussed and action taken in executive and public sessions at its meeting on September 28, 2017, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals and the placement of public liability insurance, 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 September 28, 2017, which included an item that authorizes a project to rehabilitate Runway 13L-31R and associated taxiways, and implement certain aircraft delay reduction improvements, at John F. Kennedy International Airport, and the report was received.

Moment of Silence

In observance of the 16th anniversary of the September 11, 2001 terrorist attacks on The World Trade Center, the Chairman requested a moment of silence in memory of the 84 Port Authority employees lost on that day, as well as for those who perished as a result of the bombing of The World Trade Center on February 26, 1993.

JOHN F. KENNEDY INTERNATIONAL AIRPORT – REHABILITATION OF RUNWAY 13L-31R AND IMPLEMENTATION OF ASSOCIATED INFRASTRUCTURE AND RUNWAY ACCESS IMPROVEMENTS – PROJECT AUTHORIZATION AND AWARD OF CONTRACT JFK-164.020

It was recommended that the Board authorize: (1) a project for the rehabilitation of Runway 13L-31R and associated taxiways and infrastructure, inclusive of electrical and drainage improvements, the upgrade of crossing taxiway fillets, realignment of portions of one taxiway, and construction of a new high-speed taxiway, in order to increase operational efficiencies and reduce delays at John F. Kennedy International Airport (JFK), at an estimated total project cost of \$215 million; and (2) the Executive Director to award Contract JFK-164.020 to perform construction work associated with the foregoing project, at an estimated total construction cost of \$137 million.

Runway 13L-31R, last rehabilitated in 2004, is nearing the end of its useful life. The runway is 10,000 feet long and 150 feet wide, and serves primarily as a landing runway at JFK. Runway 13L-31R accommodates approximately 47 percent of all arrivals at JFK.

In order to maintain a state of good repair, a complete rehabilitation of Runway 13L-31R, including electrical and drainage infrastructure, is required. The proposed project would provide for a range of improvements, including the upgrade of crossing taxiway fillets, realignment of portions of Taxiway U, and construction of a new high-speed taxiway to facilitate airport delay reductions by reducing the amount of time required for arriving aircraft to clear the runway.

To minimize impact on airport operations, rehabilitation and realignment of a portion of Taxiway U would be combined with the Runway 13L-31R project. By realigning this taxiway, the currently restricted A380 aircraft would be able to operate on Taxiway U, which would allow for a more efficient airport operation.

Taxiway YA serves as either an entrance or an exit at the end of Runway 13L-31R. The rehabilitation of Taxiway YA on its own would involve Runway 13L-31R closures. Therefore, the rehabilitation of this taxiway has been merged with the Runway 13L-31R project, to minimize impact on airport operations. In addition, a small section of new pavement between Runway 13L-31R and Taxiway YA also would be constructed in anticipation of a future delay-reduction project for that taxiway. Constructing this section now would minimize the need for future closures of Runway 13L-31R.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado 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 rehabilitation of Runway 13L-31R at John F. Kennedy International Airport and associated taxiways and infrastructure, inclusive of electrical and drainage improvements, the upgrade of crossing taxiway fillets, realignment of portions of one taxiway, and construction of a new high-speed taxiway to increase operational efficiencies and reduce delays, at an estimated total project cost of \$215 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 award Contract JFK-164.020 for the performance of construction work associated with the foregoing project to the lowest qualified bidder pursuant to a publicly advertised procurement process, at an estimated total construction cost of \$137 million; 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.

CONTRACTOR/VENDOR PAST PERFORMANCE POLICY

The Port Authority is undertaking its 2017-2026 Capital Plan, which includes \$29.5 billion in direct spending on capital projects. With respect to these capital projects, and more generally, accountability is vital --- critical public projects must move to completion on time, on budget, and with high-quality results. To help achieve these outcomes, leading public agencies require that performance appraisals be conducted as private-sector firms complete work on substantial projects --- and that those appraisals be used, later, when the agency is deciding whether to award another contract to the firm in question. This sort of policy (“Past Performance Policy”) enhances accountability, recognizing good performance, and assuring that past non-performance has consequences. It encourages firms to work well and quickly --- and it helps to ensure that firms that heed that encouragement are the ones that, in the future, are chosen to work on important public projects.

The Executive Director should formulate a rigorous Past Performance Policy for the Port Authority and file it with the Board by November 10, 2017. The Executive Director should be required to put the Policy into effect, absent objections from the Board, on or about December 10, 2017.

When finalized, the Past Performance Policy should be made publicly available, and should meet or exceed the standards employed by the federal government and leading private organizations in crafting their own approaches to accounting for past performance by contractors.

The Past Performance Policy should include two basic elements. First, the Past Performance Policy should require that a knowledgeable and senior Port Authority employee periodically assess the performance of contractors and key sub-contractors on all major Port Authority projects. Such assessments should focus, among other things, on whether the project is being completed in a timely manner; safely; on budget; and with an emphasis on quality. Second, the Past Performance Policy should require that when an entity is seeking to participate in a major Port Authority project, assessments of its prior work on Port Authority projects should be affirmatively analyzed as part of deciding whether to award that entity another Port Authority contract.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado 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 that the Executive Director should: (a) formulate a rigorous Past Performance Policy, consistent with the above report, that meets or exceeds analogous federal and private sector standards; and (b) file the Code with the Board by November 10, 2017, and, absent objections from the Board, put the Code into effect on or about December 10, 2017, and publish it on the website of the Port Authority.

INTEGRITY POLICY

Institutions that serve the public must strive --- before all else --- to earn the public's trust, and to be worthy of it. At the core of gaining the public trust is acting ethically, honestly, and in good faith --- with integrity. To advance these fundamental ideals, world-class organizations develop comprehensive and demanding integrity programs. The best of these programs help to ensure ethical conduct at all levels of the organization, by building a culture of compliance and by focusing relentlessly on three things: first, articulating rigorous ethical *standards*; second, *training* people to meet those standards; and third, requiring *accountability* when those standards are not met.

The Port Authority was established in 1921, by a Compact between New York and New Jersey authorized by the United States Congress and the federal Constitution. The first sentence of the Compact speaks of integrity --- of the stewardship of the Port District as a “high trust for the benefit of the nation,” and of a “pledge” of “faithful” action. That high trust must be always earned, anew, as the Port Authority reaffirms its foundational pledge --- to integrity and to ethics; to conduct that is always faithful. And that high trust must be earned, all the more so, now --- as the Port Authority continues to emerge from a difficult chapter, during which certain senior leaders violated their ethical obligations, and the criminal law.

Against this backdrop, the Board and the Executive Director should work to systematically strengthen the Port Authority's integrity program --- by taking concrete steps with respect to each of the three pillars of an excellent integrity program: standards, training, and accountability. To wit, the Board and the Executive Director should:

- Formulate a rigorous code of ethics for Commissioners.
- Revise the code of ethics for employees, and develop a code of ethics for vendors --- all to meet contemporary standards of accountability and rigor.
- Build a best-in-class integrity training program, that uses interactive information technology with content that engages the user and electronically tracks participation levels and employee learning.
- Develop and deploy a top-notch false claims policy, so that the eyes and ears of employees, vendors and their staffs, and others are incentivized to prevent fraud.
- Drive to an expeditious conclusion the search for an excellent Chief Ethics and Compliance Officer.

Standards

Best in class integrity programs include appropriately demanding standards of ethical conduct. And in adopting such standards it is important, as always, to lead from the front.

To that end, it was recommended that the Executive Director, working in close consultation with the Governance and Ethics Committee, should formulate a Code of Ethics for Commissioners.

The Code should be prepared following a systematic study of best-in-class ethical codes, the codes used by leading private and public entities that have especially well-regarded integrity programs. The Code should describe how Commissioners must conduct themselves to comply with the highest standards of ethical conduct: what Commissioners' fiduciary obligations are and how to discharge them; how to deal with potential conflicts between public duties and private interests; how to interact with Port Authority staff; how to handle confidential information; and how to respond to possible wrongdoing by fellow Commissioners. The Executive Director should prepare the Code expeditiously, so that there is ample time to consider it before the Board's next meeting when, it is expected, the Code will be put to a vote of the Board.

The adoption of a Code that governs Commissioners is a necessary step, but it is not the only one. Port Authority employees have been subject since 2014 to a Code of Ethics and Financial Disclosure ("Employees Code"). The Executive Director should update the 2014 Employees Code to ensure that it comports with contemporary best practices.

In doing so, the Executive Director should be guided by three principles.

First, the Employees Code should be broadly accessible. It should be straightforward and readily understandable, and it should be made public.

Second, the Employees Code should, to the extent practicable, conform to the Code of Ethics for Commissioners. Commissioners and employees should, wherever possible, be subject to the same basic set of high standards.

Third, the Employees Code should meet or exceed the standards of other leading private sector and public sector organizations, and should take as its benchmark analogous codes of ethics promulgated by private and public organizations that are widely recognized as being best in class. The Employees Code should provide direction with respect to, among other things: conflicts of interest; affirmative obligations to report wrongdoing; the Port Authority's "zero tolerance" policy as to giving or receiving gifts; the duty to safeguard confidential information; and the need to scrupulously respect the integrity of the procurement process. In addition, the Employees Code should be prepared in a manner that is respectful of the established legal rights of represented employees, who may be subject to collective bargaining agreements that impact how standards of workplace conduct can be promulgated.

The Employees Code should be prepared by the Executive Director and filed with the Board by November 10, 2017. The Executive Director should be required to put the Policy into effect, absent objections from the Board, on or about December 10, 2017.

In advancing its mission to build and operate world-class transportation infrastructure, the Port Authority relies not only on its employees, but also on third parties that are hired to perform specific tasks – general contractors and security guards; architects, auditors and engineers. These are private sector professionals. But when they work with the Port Authority, they join in the public service – and must share in the Port Authority's bedrock commitment to ethics and accountability.

Against this backdrop, the Board and the Executive Director should strengthen the Port Authority's vendor integrity program by promulgating a Code of Ethics for Vendors ("Vendors Code").

The Vendors Code should be straightforward, and publicly available. It should, to the extent appropriate, conform to both the Code of Ethics for Commissioners and the Code of Ethics and Financial Disclosure. When operating in the shared service of the public and the Port Authority, Commissioners, employees, and vendors should, wherever reasonably possible, be subject to the same set of high standards. In addition, the Vendors Code should compare favorably to analogous third-party vendors codes, formulated by private and public sector organizations that are widely recognized as best in class.

The Vendors Code should be prepared by the Executive Director and provided to the Board on or before November 10, 2017. In the absence of comments from the Board, the Vendors Code should become operative on December 10, 2017.

Training

As noted above, the second pillar of a world-class integrity program is training. Every person who is subject to a set of ethical standards has his or her own, independent obligation to meet those standards. But training is critically important, too. Training emphasizes the need for compliance, articulates the required standards and rules clearly, answers recurring questions, and makes clear whom to contact for assistance in complex or novel situations.

Best in class integrity programs offer training that is tailored, so that individuals receive instruction that relates to their particular job duties. And top caliber ethics training is interactive, using information technology to ensure a vivid and lively presentation, and to make employees aware of relevant internal resources, such as ethics hotlines.

The Executive Director should implement a reinvigorated integrity training program. Such training should be appropriately tailored and interactive, and should make extensive use of information technology. In addition, such training should ensure that employees are well aware of various existing Port Authority resources --- the Port Authority's whistleblower policy, the "Voice of the Employee" hotline, the Designated Ethics Attorneys program, and various resources maintained by the Inspector General, the Chief of Human Capital, and the Office of the Chief Ethics and Compliance Officer, among others, for reporting possible workplace misconduct. All employees should be required by the Executive Director to receive training within the first 30 days of their Port Authority employment and at appropriate intervals thereafter.

In addition, at the Board's first meeting of 2018, the Executive Director should report on the status of the Port Authority's integrity training program.

Accountability

The third and final component of a world-class integrity program is accountability --- insuring that breaches of ethical standards are dealt with firmly and fairly, in the Port Authority's case by, among others, the Inspector General and the Chief of Human Capital.

But accountability cannot simply be an internal matter. Non-Port Authority resources must also be leveraged, and various external stakeholders can be vested with a role in insuring that potential ethical misconduct is detected and stopped.

The Port Authority is undertaking its 2017-2026 Capital Plan, which includes \$29.5 billion in direct spending on Port Authority capital projects and a commitment to support debt service on \$2.7 billion of Gateway Development Corporation borrowing for a rail tunnel and related infrastructure. This is an ambitious Capital Plan, that includes critically important projects.

But major projects can sometimes attract fraud. The adoption of a rigorous False Claims Policy can provide an added measure of protection against such fraud --- and, by doing so, can help to ensure that Port Authority projects are completed with both efficiency and integrity.

False claims statutes are a well-established part of American law. The federal False Claims Act is over 150 years old, and offers financial incentives to private citizens who come forward with evidence of fraud that targets the federal government. During recent years, the federal government has recovered billions of dollars in settlements and judgments related to False Claims Act cases. New York and New Jersey have false claims statutes of their own, and these statutes have been strengthened in recent years. But neither federal nor state false claims statutes apply to the Port Authority. The Executive Director should formulate a False Claims Policy. The Policy should be filed with the Board within sixty days of this Resolution becoming operative. Absent objections from the Board, the Executive Director should put the Policy into effect thirty days after it is provided to the Board. When finalized, the False Claims Policy should be well distributed and publicized both within the Port Authority and to all relevant non-Port Authority parties.

Finally, an important linchpin with respect to the Port Authority's integrity program is the appointment of a Chief Ethics and Compliance Officer ("CECO"). A CECO helps to ensure that there is systematic focus, throughout the organization, on rigorous compliance with ethical standards --- as those standards currently exist, and as they continue to evolve. A top-notch CECO --- experienced, energetic, and accountable --- is a bedrock part of any integrity program that aims to meet or exceed contemporary best-in-class standards. The Port Authority has recently hired a Deputy Chief Ethics and Compliance Officer, and has been conducting a nationwide search for a CECO. That CECO search is important, and the Executive Director should move it to completion as expeditiously as possible.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado 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 Executive Director, working in close consultation with the Governance and Ethics Committee, should formulate a Code of Ethics for Commissioners, consistent with the foregoing report and with the expectation that the Code will be put to a vote of the Board at its next meeting; and it is further

RESOLVED, that the Executive Director should: (a) update the Code of Ethics and Financial Disclosure so that, consistent with the foregoing report, the Code compares favorably with world-class employee conduct codes; and (b) file the revised Code with the Board by November 10, 2017, and, absent objections from the Board, put the Code into effect on or about December 10, 2017, and publish it on the website of the Port Authority; and it is further

RESOLVED, that the Executive Director should: (a) formulate a Code of Ethics for Vendors so that, consistent with the foregoing report, the Code compares favorably with best in class vendors codes; and (b) file the Code with the Board by November 10, 2017, and, absent objections from the Board, put the Code into effect on or about December 10, 2017, and publish it on the website of the Port Authority; and it is further

RESOLVED, that the Executive Director should immediately implement a reinvigorated integrity training program that, consistent with the foregoing report, meets or exceeds contemporary best-in-class standards, is appropriately tailored and interactive, and makes extensive use of information technology, to teach, to monitor employee participation, and to track employees' performance; and it is further

RESOLVED, that all employees should be required by the Executive Director to receive integrity training within the first 30 days of the commencement of their Port Authority employment and at appropriate intervals thereafter, and that the Executive Director should report to the Board on the status of Port Authority integrity training programs; and it is further

RESOLVED, that that the Executive Director should formulate a False Claims Policy, consistent with the above report; and file it with the Board within sixty days and, absent objections from the Board, put the Policy into effect thirty days after it is provided to the Board, and appropriately publicize it; and it is further

RESOLVED, that that the Executive Director should move the search for an excellent Chief Ethics and Compliance Officer to an expeditious conclusion.

EXPANDED VETERANS OPPORTUNITIES

Veterans of the United States Armed Forces have long performed a vital role in protecting our country --- by serving both at home and overseas. In recognition of veterans' service to the United States --- and the qualities developed by veterans in that service --- New York and New Jersey have enacted statutes granting certain hiring preferences to veterans. And veterans' skills and experiences are especially valuable to the Port Authority.

The Port Authority already has instituted veterans' opportunities policies and practices in recruiting and hiring for positions in the Port Authority Police Department (PAPD). These initiatives include: (1) modification of certain age requirements for eligibility for appointment to PAPD positions, as authorized by the Board on December 8, 2016; (2) waiver of certain education requirements; (3) waiver of application fees; and (4) targeted recruitment efforts to encourage veterans to apply for PAPD positions. These policies and practices have been highly successful in attracting veterans to the PAPD – the percentage of veterans in the most recent PAPD recruitment pool was substantially in excess of the percentage of veterans in the population of the New York-New Jersey region.

The work experience that veterans gain through military service is also applicable to the requirements of many skilled trades and operational positions throughout the agency's departments, making veterans well suited to compete for positions in operations and maintenance (O&M), technology, security and many other areas. The tight labor market has resulted in a shortfall of applicants in particular for skilled O&M positions in the agency.

Against this backdrop, it was recommended that the Executive Director, together with the Chief of Human Capital, build upon the agency's PAPD veterans policies and practices, and expand them to promote recruitment of veterans of the United States Armed Forces for all Port Authority positions. This effort will also build upon and complement the Port Authority's long-standing efforts in attracting a wide and diverse talent pool that include minorities and women. Such policies would include the retention of a dedicated diversity recruiter for veteran employment, and the execution of agreements with staffing firms specializing in referring veterans for specific opportunities and non-profit organizations that are committed to the training and support of veterans entering the civilian workforce.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado 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 that the Executive Director, with assistance from the Chief of Human Capital, be and he hereby is directed to institute appropriate policies and practices to promote the recruitment of veterans of the United States Armed Forces for all Port Authority positions; 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 all actions necessary or appropriate to effectuate the foregoing, immediately upon the date on which this action becomes effective.

LAGUARDIA AIRPORT – REHABILITATION OF RUNWAY DECK WEARING COURSE – PROJECT AUTHORIZATION AND AWARD OF CONTRACT

It was recommended that the Board authorize: (1) a project for the rehabilitation of the runway deck wearing courses on Runways 22 and 13 at LaGuardia Airport (LGA), at an estimated total project cost of \$30.7 million; and (2) the Executive Director to award a contract for the rehabilitation of portions of the runway deck wearing courses, to the lowest qualified bidder pursuant to a publicly advertised procurement process, at an estimated construction cost of \$13 million, inclusive of net cost and extra work, which cost is included within the proposed project authorization amount.

The wearing course, which originally was installed over the grooved concrete surface of the decks of Runways 4-22 and 13-31 at LGA in 1998, is critical to airport operations. The wearing course is in place on eight runway deck panels on Runways 13 and 22. Staff has recommended that the entire runway deck wearing course on both runways be rehabilitated to maintain a state of good repair. In June 2016, the Executive Director authorized the award of a contract for the rehabilitation of one panel on the Runway 22 deck, pursuant to a publicly advertised procurement process, at a total estimated cost of \$2,644,620, inclusive of extra work and net cost work. In April 2017, the Executive Director authorized the award of a second contract, for the rehabilitation of an additional deck panel on Runway 22 and portions of two deck panels on Runway 13, pursuant to a publicly advertised procurement process, at a total estimated cost of \$2,983,236, inclusive of extra work and net cost work. In July 2017, the Executive Director authorized an increase of \$5 million in the amount of the second contract, to provide for the rehabilitation of portions of four additional wearing course panels (three on Runway 13 and one on Runway 22), in order to maintain a state of good repair and minimize the potential for wearing course failures. The cost of the two previously awarded contracts, including the associated contract increase, are included as part of the currently proposed project authorization.

An application would be submitted to the Federal Aviation Administration for the use of Airport Improvement Program funds toward the cost of the project.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado 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 rehabilitation of the runway deck wearing courses on Runways 22 and 13 at LaGuardia Airport, at an estimated total project cost of \$30.7 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 award a contract for the rehabilitation of portions of the runway deck wearing courses to the lowest qualified bidder pursuant to a publicly advertised procurement process, at an estimated construction cost of \$13 million, inclusive of net cost and extra work; 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 MITIGATION AND RESILIENCY IMPROVEMENTS PROGRAM – AT-GRADE WATER INTRUSION PROTECTION SYSTEMS BETWEEN WEST AND GREENWICH STREETS – AWARD OF CONTRACT

It was recommended that the Board authorize the Executive Director to enter into a construction contract with J-Track, LLC for the fabrication and installation of at-grade Water Intrusion Protection Systems (WIPS) at the World Trade Center (WTC) site between West and Greenwich Streets, at an estimated total cost of \$8,470,840, inclusive of clause work and an eight-percent allowance for extra work.

As Superstorm Sandy and its associated storm surge demonstrated, business and transportation assets in low-lying areas of Lower Manhattan are at great risk of storm surge flooding. The high value and critical nature of the Port Authority facilities, particularly the Port Authority Trans-Hudson rail system and other transportation facilities at the WTC site, require a comprehensive flood protection plan, including multiple levels of protection to minimize the impact of future storms.

In the fall of 2013, a comprehensive flood hazard mitigation plan was developed for the WTC site. This plan included evaluations of site-wide and project-specific vulnerabilities, flood mitigation strategies and improvement alternatives. The WTC's flood mitigation plan recommended three "rings of protection" to protect the WTC site effectively against potential coastal flooding levels comparable in magnitude to Superstorm 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 WIPS below-grade, respectively, include various flood barriers, roll-down doors, louvers, hatches, structural hardening, waterproofing, and similar measures.

The scope of work under the proposed construction contract consists of providing and installing at-grade WIPS at the WTC site between West and Greenwich Streets. Primary WIPS components include flexible membrane systems, flood panels, flood doors, and other water barriers that can be deployed in advance of severe coastal flooding conditions. Specific areas of protection in this contract include surface openings in the WTC streets and sidewalks, as well as egress stairs, utility access points, and building doorways (such as at the North Ventilation Building). All construction activities in this contract will be coordinated with operating facilities, including the National September 11 Memorial and Museum, to minimize public impacts. The proposed contract includes a clause work allowance to provide for compensation for premium time, idle salaried workers and equipment, emergency delays, and certain other costs as set forth in the contract.

On October 16, 2013, the Board authorized 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 the award of contracts and agreements for expert planning, engineering, project management and Stage II design of a BPS and a prototype. At its meeting on 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 BPS and WIPS components (at-grade and below-grade), bringing the total amount authorized for such planning and design contracts to \$20 million.

On July 23, 2015, the Board authorized a project for the design and construction of at-grade flood mitigation and resiliency improvements at the WTC site, including a perimeter BPS and WIPS at street-level openings to protect Port Authority assets at the WTC site from potential coastal flooding, at an estimated total project cost of \$112.9 million, and authorized the Executive Director to enter into a grant agreement with the Federal Transit Administration (FTA) for the FTA to reimburse the Port Authority an amount equal to 75 percent of eligible expenditures, up to a maximum of approximately \$84.7 million. The currently proposed contract award is part of the aforementioned project. The Port Authority and the FTA executed the associated grant agreement in August 2016.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado 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 Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with J-Track, LLC for the fabrication and installation of at-grade Water Intrusion Protection Systems at the World Trade Center site between West and Greenwich Streets, at an estimated total cost of \$8,470,840, inclusive of clause work and an eight-percent allowance for extra work; and it is further

RESOLVED, that the form of the foregoing agreement shall be subject to the approval of General Counsel or his authorized representative, and the terms of the agreement shall be subject to review by General Counsel or his authorized representative.

ELIZABETH-PORT AUTHORITY MARINE TERMINAL – GRANTING OF EASEMENT TO PAC URBAN RENEWAL NORTH AVENUE I LLC

It was recommended that the Board authorize the Executive Director to enter into an agreement with PAC Urban Renewal North Avenue I LLC, an operating subsidiary of Prologis, Inc. (Prologis), whereby the Port Authority would grant to Prologis a non-exclusive permanent subsurface easement (Easement) to install, operate, maintain and repair a new water main line underneath a portion of Port Authority-owned property identified as Lot 1316 in Block 1 on the tax maps of the City of Elizabeth (City), New Jersey (Property) and a part of the Elizabeth-Port Authority Marine Terminal (EPAMT), in connection with Prologis's Elizabeth Seaport Business Park, located at 10 North Avenue East in Elizabeth, and adjacent to the EPAMT, for a sum of \$11,840.

Prologis is currently constructing the Elizabeth Seaport Business Park, which consists of two buildings totaling over 743,000 square feet of distribution space on 72 acres of land, adjacent to the EPAMT. One building, encompassing approximately 539,000 square feet of distribution space, has been completed, and the other building, consisting of approximately 204,000 square feet of space, is currently under construction. The City is requiring Prologis to install a redundant fire water service line to the Elizabeth Seaport Business Park in order for the City to issue Prologis a Certificate of Occupancy for the 539,000-square-foot building.

Pursuant to the proposed action, the Port Authority would grant the Easement to Prologis covering an approximately 120-square-foot area of land located over and around the water main line at the EPAMT, for the sole purpose of allowing Prologis to construct, install, operate, maintain, service, repair, restore, replace and inspect all portions of a new water main line as part of its Elizabeth Seaport Business Park. The proposed Prologis water main line would be connected to an existing water line owned and operated by New Jersey American Water that originates and runs underneath North Avenue. The new water main line would run underneath approximately 60 linear feet of the 102-acre Property. Prologis would be responsible for all costs associated with the design, construction, operation, maintenance, service and repair of the planned underground water main line, and would be required to restore North Avenue upon completion.

The Port Authority would reserve the right, at its sole cost, to relocate or modify the water main line and the Easement if current or future operations at the EPAMT require development of the Property, for the first 15 years of the Easement. Thereafter, any necessary relocation of the Easement or costs resulting from Port Authority development or operations on the Property for the EPAMT would be at the sole cost of Prologis or its successors.

In connection with the Easement, the Port Authority also would grant Prologis a license to approximately 2,835 square feet of area, for an approximately three-day period, which would commence contemporaneously with the Easement, for the sole purpose of providing access to, ingress to, egress from and passage under, over, and across the area above the proposed water main line for construction.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado 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 Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with PAC Urban Renewal North Avenue I LLC, an operating subsidiary of Prologis, Inc. (Prologis), providing for the Port Authority to grant a non-exclusive permanent subsurface easement to Prologis to install, operate, maintain and repair a new water main line underneath a portion of Port Authority-owned property identified as Lot 1316 in Block 1 on the tax maps of the City of Elizabeth, New Jersey, and a part of the Elizabeth-Port Authority Marine Terminal (EPAMT), in connection with Prologis's Elizabeth Seaport Business Park, located at 10 North Avenue East in Elizabeth, and adjacent to the EPAMT, for the sum of \$11,840; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to execute any other documents necessary or appropriate in connection with, and to effectuate, the foregoing; and it is further

RESOLVED, that the form of all contracts, agreements, and other documents in connection with the foregoing 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.

Whereupon, the meeting was adjourned.

Secretary