

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, February 13, 2020

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MINUTES of the Annual Meeting of Port Authority Trans-Hudson Corporation held Thursday, February 13, 2020 at 150 Greenwich Street, New York City, New York and State of New York

PRESENT:

NEW JERSEY

Hon. Kevin J. O'Toole, Chairman
 Hon. Richard H. Bagger
 Hon. Kevin P. McCabe
 Hon. Raymond M. Pocino

NEW YORK

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

Richard Cotton, President
 Michael E. Farbiarz, Counsel

James K. Allen Jr.
 Justin E. Bernbach
 John Bilich
 Martha Bogle
 Benjamin M. Branham
 Meredith L. Brooks
 Jack Buchsbaum
 Alana Calmi
 Philip Campo
 Rebecca L. Cassidy
 Edward T. Cetnar
 Steven J. Coleman
 Nicole Crifo
 Jennifer S. Davis
 Alfred P. Doblin
 Michael P. Dombrowski
 Diannae C. Ehler
 Benjamin Feldman
 Amy H. Fisher
 Ryan Flanagan
 Joseph Francavilla
 Robert Gibbon
 Anthony Guercio
 Mercedes Guzman
 MaryLee Hannell
 William Howley
 Natasha G. Jean Philipp-Cumberbatch
 James Kleeman
 Lindsay M. Kryzak
 Scott Ladd
 Cristina M. Lado
 Huntley A. Lawrence
 Steven Magnavita
 John Malles

Stephen Marinko
 Angel Martinez
 Michael G. Massiah
 Daniel G. McCarron
 Elizabeth M. McCarthy
 James E. McCoy
 Tobi Mettle
 Toni Munford
 Mary K. Murphy
 Alec Nadeau
 Hersh K. Parekh
 Steven P. Plate
 Alan L. Reiss
 Lenis Rodrigues
 Matthew Rosati
 Sam Ruda
 Lauren Sharkey
 Aaron F. Sherburne
 Beth Siegel
 Peter D. Simon
 Samantha Smith
 Mark B. Spector
 James A. Starace
 K. Ocean Stokes
 Bogdan Tereshchenko
 Michael Tilatitsky
 Debra M. Torres
 Derek H. Utter
 Lillian D. Valenti
 Yolanda Velazquez
 Liz White

Guests:

Denise M. Berger, Port Authority Retiree
 Edmund Caulfield, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey
 Karen E. Eastman, Port Authority Retiree
 Sheree R. Van Duyne, Port Authority Retiree

Speakers:

Rudolph Amerally, PATH
 Murray Bodin
 Stephen Brophy, PATH
 Robert Elijah, PATH
 Alexander Jones, PATH
 Sean Mayo, PATH
 Charlene Talarico

 Neile Weissman, Complete George

Topic:

PATH Contract Negotiations
 Equality
 PATH Contract Negotiations
 PATH Contract Negotiations
 PATH Contract Negotiations
 PATH Contract Negotiations
 Human Resources Policies and
 Procedures
 Sustainable Infrastructure

The public meeting was called to order by Chairman O’Toole at 12:25 p.m. and ended at 1:30 p.m. The Board also met in executive session prior to the public session. Director Eve was present for the executive session.

Report on Prior Meeting’s Minutes

Copies of the Minutes of the meeting of December 12, 2019 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on December 13, 2019. The time for action by the Governors of New York and New Jersey expired at midnight on December 30, 2019.

Moment of Silence

The Chairman requested a moment of silence in observance of two events: first, the upcoming 27th anniversary of the February 26, 1993 terrorist attack on The World Trade Center, and second, the recent passing of Hiloreen Woods-Hyatt, a 35-year veteran of the Port Authority who held the position of Special Event Representative in the Marketing Department.

ELECTION OF OFFICERS

Pursuant to the By-Laws of the Port Authority Trans-Hudson Corporation (“PATH”), this Board meeting, the first of 2020, will be PATH’s annual meeting. Under the By-Laws, officers are elected at the annual meeting, based on nominations from the Nominating Committee, which includes every member of the Board, other than the Chairman and the Vice Chairman.

At its meeting held earlier today, the Nominating Committee unanimously acted to nominate the officers listed in the attached Nominating Committee report.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O’Toole, Pocino 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 individuals listed in the attached Nominating Committee report be and they hereby are elected to serve as officers of the Port Authority Trans-Hudson Corporation.

NOMINATING COMMITTEE REPORT

Port Authority Trans-Hudson Corporation

Officer

Chairman

Vice-Chairman

President

Appointee

Kevin J. O'Toole

Jeffrey H. Lynford

Richard Cotton

PATH – MEMORANDUM OF AGREEMENT WITH LOCAL 1413, SMART-TD

It was recommended that the Board of Directors approve a collective bargaining agreement between Port Authority Trans-Hudson Corporation (“PATH”) and Local 1413, SMART-TD (“SMART-TD”).

SMART-TD represents more than 150 PATH employees who serve principally as conductors --- operating doors, making announcements, and generally helping to ensure that PATH operates in a safe, efficient, and customer-friendly manner. SMART-TD and PATH reached a tentative collective bargaining agreement on November 30, 2019. That agreement was ratified by SMART-TD members on December 19, 2019.

The agreement ends a period of nearly eight years during which the members of SMART-TD worked under an expired collective bargaining agreement. The new agreement spans twelve years, from a retroactive commencement date of February 19, 2012 to February 18, 2024. Terms of the agreement include:

- annual wage increases totaling 26 percent over the covered period;
- 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; and
- work-rule changes to permit PATH to better control both employee absences and overtime.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino 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 November 30, 2019 collective bargaining agreement between Local 1413, SMART-TD (“SMART-TD”) and Port Authority Trans-Hudson Corporation (“PATH”), ratified by SMART-TD on December 19, 2019, 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 – REPLACEMENT OF SUBSTATION NO. 7 - PROJECT REAUTHORIZATION AND INCREASE TO CONTRACT PAT-024.031

It was recommended that the Board: (1) re-authorize a project to replace and upgrade Substation No. 7 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of \$78.2 million, an increase of \$8.4 million over the previously authorized amount; and (2) authorize the President of PATH to increase, by approximately \$4 million, the amount of Contract PAT-024.031 with Mass Electric Construction Company for the construction of a new substation, resulting in an estimated contract cost of \$52.2 million, inclusive of allowances for extra work (if necessary) and field-ordered work.

A critical component of the operation of the PATH rail system is the traction power required to move trains. The existing PATH Substation No. 7, located in Jersey City, New Jersey, provides traction power to support a portion of the PATH rail operations between Journal Square Station and Newark Station. The substation is over 45 years old and sustained extensive damage from Superstorm Sandy.

Replacing and upgrading Substation No. 7 will provide reliable and efficient power to the PATH rail system and enhance customer service. Building the substation at a higher elevation and placing the equipment indoors will enhance reliability and security, and ease maintenance. In addition, it will accommodate future electrical power demand that is anticipated to increase above present level, as a result of anticipated increases in PATH train service.

Pursuant to prior Board actions from April 25, 2007 through July 20, 2017, a project was initiated to replace Substation No. 7 at a total project cost of \$69.8 million, including the award of Contract PAT-024.031 to Mass Electric to construct the project, at an estimated construction cost of \$45.7 million, including allowances for field-ordered work and extra work. Following commencement of construction, Mass Electric encountered numerous underground obstructions, including boulders and debris. As a result, an extensive investigation and analysis was performed to determine the extent of the underground obstructions, and to begin to address these issues. In February 2019 Contract PAT-024.031 with Mass Electric was increased by \$2.5 million, utilizing project contingency funds, which resulted in a revised contract amount of \$48.2 million.

The proposed \$8.4 million increase to the project, which includes a \$4 million increase to Contract PAT-024.031 with Mass Electric, is necessary to fully address project impacts that resulted from the unforeseen subsurface conditions, a risk borne by the property owner. The proposed increase would accommodate additional construction work, incremental engineering services and labor costs, offsite storage of materials while subsurface conditions were addressed, remobilization costs to begin foundation work, and additional agency allocations based on the extended project duration.

It is anticipated that up to 90 percent of the eligible costs of the project (exclusive of costs incurred prior to Superstorm Sandy) will be recoverable through a grant from the Federal Transit Administration.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino 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 replace and upgrade Substation No. 7 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of \$78.2 million, an increase of \$8.4 million over the previously authorized amount, be and it hereby is re-authorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to increase, by approximately \$4 million, the amount of Contract PAT-024.031 with Mass Electric Construction Company for the construction of a new substation, resulting in an estimated contract cost of \$52.2 million, inclusive of allowances for extra work (if necessary) and field-ordered work; 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 other 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.

Whereupon, the meeting was adjourned.

Counsel