

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, March 22, 2018

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday,
March 22, 2018 at 2 Montgomery Street, City of Jersey City, County of Hudson, State of New
Jersey**

PRESENT:

NEW JERSEY

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

NEW YORK

Hon. Jeffrey H. Lynford, Vice Chairman
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

James K. Allen Jr., Chief of Staff to the Vice Chairman
Adam L. Barsky, Chief of Staff to the Executive Director & Special Counselor
Justin E. Bernbach, Director, Government and Community Affairs, New York
John Bilich, Chief Security Officer
Benjamin M. Branham, Chief Communications Officer
Molly C. Campbell, Director, Port
Steven J. Coleman, Deputy Director, Media Relations
Nicole Crifo, Deputy Chief Ethics and Compliance Officer
Jennifer Davis, Chief Intergovernmental Affairs Officer
John C. Denise, Audio Visual Supervisor, Marketing
Michael P. Dombrowski, Audio Visual Specialist, Marketing
Diannae C. Ehler, Director, Tunnels, Bridges and Terminals
Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Amy H. Fisher, First Deputy General Counsel
Kevin Frick, Esq., Law
Robert E. Galvin, Chief Technology Officer
Glenn P. Guzi, External Affairs Logistics Manager, World Trade Center Redevelopment
Mercedes Guzman, Senior Executive Secretary, Office of the Secretary

Linda C. Handel, Deputy Secretary, Office of the Secretary
Mary Lee Hannell, Chief, Human Capital
Natasha G. Jean Philipp-Cumberbatch, Executive Secretary, Office of the Secretary
Morgan D. Keane, Deputy Chief of Staff to the Executive Director
Sherien N. Khella, Deputy Director, Office of Financial Planning
Cristina M. Lado, Director, Government and Community Affairs, New Jersey
Huntley A. Lawrence, Director, Aviation
Stephen Marinko, Assistant General Counsel
Ronald Marsico, Director, Media Relations
Michael G. Massiah, Chief Diversity and Inclusion Officer
Daniel G. McCarron, Comptroller
Elizabeth M. McCarthy, Chief Financial Officer
James E. McCoy, General Manager, Board Unit, Office of the Secretary
Mark F. Muriello, Deputy Director, Tunnels, Bridges and Terminals
Maria Oliveri, Associate Board Management and Support Specialist, Office of the Secretary
Matthew E. Pedersen, Manager, Property Analysis and Valuation, Real Estate
Steven P. Plate, Chief, Major Capital Projects
Suchetha Premchan, Principal Board Management and Support Specialist, Office of the Secretary
Alan L. Reiss, Director, World Trade Center Construction
Peter D. Simon, Chief of Staff to the Chairman
Dorene E. Smith, Executive Secretary, Office of Business Diversity and Civil Rights
James A. Starace, Chief Engineer/Director of Engineering
Debra M. Torres, Chief Ethics and Compliance Officer
Derek H. Utter, Chief Development Officer
Lillian D. Valenti, Chief Procurement and Contracting Officer
Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary

Guest:

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

Speakers:

Hon. Philip D. Murphy, Governor,
State of New Jersey
Hon. Kathleen C. Hochul, Lieutenant Governor,
State of New York

Faye Bernadion, Unite Here, Local 100
Murray Bodin
Julissa Cieza, Unite Here, Local 100
Cary Diaz, SEIU 32BJ
Hector Figueroa, President, SEIU 32BJ
Hon. Steven Fulop, Mayor, Jersey City,
New Jersey
Hon. Robert M. Gordon, New Jersey
State Senator
Michael Kahandia Imbongo, Unite Here,
Local 100
Partick Jean, Unite Here, Local 100
Rafael Emilio Ortega, Unite Here, Local 100
Brunilda Lora, SEIU 32BJ
Charlene Talerico, Port Authority Employee
Beverly Thompson, Unite Here, Local 100
Neile Weissman, Complete George

Topic:

Airport Wages/Labor Negotiations

Airport Wages

Airport Wages

Transportation Issues

Airport Wages

Airport Wages

Airport Wages

Agreements with Jersey City

Airport Wages and Port Authority Reform

Airport Wages

Airport Wages

Airport Wages

Airport Wages

Human Resources Policies and Procedures

Airport Wages

George Washington Bridge Bike Path

The public meeting was called to order by Chairman O’Toole at 12:21 p.m. and ended at 1:33 p.m. The Board also met in executive session prior to the public session.

Report on Prior Meeting’s Minutes

Copies of the Minutes of the meeting of February 15, 2018 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on February 16, 2018. The time for action by the Governors of New York and New Jersey had expired at midnight on March 5, 2018. The Minutes of February 15, 2018 contained a pagination error, which has been corrected.

NEGOTIATIONS WITH EMPLOYEE LABOR UNIONS

The Port Authority was founded in 1921, by a Compact between the states of New York and New Jersey, authorized by the federal Constitution. The first sentence of the Compact speaks of the "special blessings" and "natural advantages" of the Port District --- and the need to develop them for the nation as a whole. For nearly a century, the Port Authority has done just that. Building bridges and tunnels; airports and commuter rail lines; bus terminals, shipping terminals, and the World Trade Center. None of this has happened on its own. Development takes work that is hard and focused and efficient. And continued development will take even more hard work during the years to come --- as the Port Authority embarks on an ambitious \$32 billion capital plan, and as the Agency commits itself to a renewed focus on safety and security, customer service, use of cutting-edge technology, and responsible environmental stewardship.

But work cannot be done, and done well, without motivated and dedicated workers. The Port Authority's unionized employees --- all of them, represented by 23 distinct labor unions --- have been working without a contract. Indeed, multiple unions have been without a contract for more than a decade. This is not as it should be. The absence of a contractual commitment between the Agency and its represented employees is at odds with the need to do right by workers who faithfully serve the public every day. And it is at odds with the public's right to efficient and cost-effective delivery of vital services. To plan for their futures, workers and their families need to know what to expect going forward in terms of wages and benefits. To plan for the future of the region, the Port Authority needs to know precisely the same thing.

With respect to Port Authority labor relations, this is an extraordinary time. As noted, all of the Port Authority's unionized employees are working without a contract. Multiple union contracts expired nearly a dozen years ago, in 2006. And the contracts that expired most recently are a set of eight contracts that themselves expired a long time ago --- in 2012. The union contract most recently negotiated between Port Authority staff and union representatives was presented to the Board during 2017 --- and the Board did not approve it.

Against this extraordinary backdrop, it was recommended that the Board take extraordinary action, that would be time-limited in its effect. In particular, it was recommended that: (1) the Executive Director assign a team of senior staff to immediately begin negotiations with any interested Port Authority labor unions; and (2) the Board delegate to the Chairman of the Board of Commissioners and the Executive Director the ability to jointly approve or disapprove any labor agreements that emerge from such negotiations. This delegation would remain in effect until August 1, 2018. Any proposed labor agreement signed by both the Chairman and the Executive Director on or before August 1st would become effective upon ratification by the relevant union, without need of any further action on the part of the Board of Commissioners or the Port Authority. In exercising their delegated authority, the Chairman and the Executive Director would be required to hew to the terms of the delegation --- which have been outlined in Executive Session to the Board.

The proposed delegation would make it crystal clear that the Port Authority is serious about creating the conditions for rapid progress with respect to labor relations --- and about opening a real window of opportunity, during which progress can culminate, where possible, in executed labor agreements that benefit workers, the Agency, and the public.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, 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 assign a team of senior staff to immediately begin negotiations with any interested Port Authority labor unions; and it is further

RESOLVED, that the Board's authority to approve or disapprove any labor agreements that emerge from such negotiations shall be delegated, and shall be jointly exercised by the Chairman of the Board of Commissioners and the Executive Director, such that any proposed labor agreement signed by both the Chairman and the Executive Director will become effective upon ratification by the relevant union, without need of any further action from the Board or the Port Authority; and it is further resolved that

RESOLVED, that, the delegation described in the preceding paragraph may be exercised by the Chairman and the Executive Director only with respect to a labor agreement signed on or before August 1, 2018, and only in accord with the terms of the delegation that have been outlined to the Board in Executive Session; and it is further

RESOLVED, that, for the purposes of the instant Resolution, "Port Authority" means both the Port Authority of New York and New Jersey ("PANYNJ") and all wholly-owned subsidiaries of the PANYNJ ("Subsidiaries"); "Executive Director" means both the Executive Director of the PANYNJ and the President of each of the Subsidiaries; and "Board of Commissioners" means both the Board of Commissioners of the PANYNJ and the Board of Directors of each of the Subsidiaries; 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 the General Counsel or his authorized representative.

WAGES AT THE PORT AUTHORITY'S THREE MAJOR AIRPORTS

The Port Authority was established in 1921 by the states of New York and New Jersey, pursuant to a Compact authorized by the federal Constitution. The Compact vested the Port Authority with “full power and authority” to operate terminals and transportation facilities within the Port District. That grant of power was made more specific in 1947, when New York and New Jersey, acting through their legislatures, authorized the Port Authority to “rehabilitate, improve, maintain and operate air terminals,” so as to provide the public with “proper and adequate air terminal facilities.” Generations later, John F. Kennedy International Airport, LaGuardia Airport, and Newark Liberty International Airport (collectively, “Airports” or “Port Authority Airports”) are fundamental pillars of regional prosperity and vitality. Together, they serve over 100 million passengers each year; handle vast quantities of cargo; and connect New York and New Jersey to the nation, and to the broader world beyond. Air travel --- once a luxury available only to the smallest sliver of the population --- has come within reach for millions of people. That has deeply enriched American life. And the Port Authority’s Airports have played a crucial role in making it happen.

But as the Airports have grown, so too have the burdens on them. Storms are both more frequent and more intense. Security has become the top priority for the Airports, along with safety. And, in places, the physical facilities of the Airports have become badly worn. This all adds up --- customer surveys make it painfully clear that the Port Authority Airports must rapidly up their game.

That is precisely what is happening now. The Port Authority has embarked on a systematic effort to rebuild and upgrade every aspect of its Airports. This effort includes an intense focus on security and safety; on effective functioning in inclement weather; on greatly improved customer service; and on the use of modern, customer-facing technology. This effort also includes a set of multi-billion dollar, once-in-a-generation construction projects --- which will radically re-make each of the Port Authority Airports, and greatly improve access to them.

But this overarching effort cannot succeed if the men and women who work at the Airports do not do their jobs well, and receive and act on enhanced security training. People cannot be expected to do their jobs well if they are not paid well. And upgraded security screening and training will encounter unnecessary challenges in the face of continued high rates of employee turnover. That is why the Board enacted a minimum wage policy in 2014, raising hourly wages for certain Airport workers. And that is why the Board has continued to discuss and debate this issue, in public and also, over the years, in Executive Session.

For decades, academics have undertaken comprehensive studies on the relationship between wages and work performance. This literature --- some examples of which have been provided to the Board --- generally establishes that a rise in wages reduces worker turnover, and improves worker performance and productivity, including with respect to customer service and the proper use of sensitive and valuable equipment. Thus, for example, in 2000, minimum wages were raised for thousands of workers at San Francisco International Airport (“SFO”), then the fifth-largest airport in the United States. Three years later, a prominent economics professor at the University of California, Berkeley, led a study of the impact of the SFO wage increases, which study has been provided to the Board.

The results of the study are striking. A large number of SFO employers --- 44% --- reported that “customer service” had gotten “better” or “a lot better” in the wake of the minimum wage increases. Employers also reported important gains with respect to “overall employee performance” (35% “better” or “a lot better”), as well as employee handling of valuable airport equipment (“equipment maintenance” --- 29% “better” or “a lot better”; “equipment damage” --- 24% “better or “a lot better”). Following the minimum wage increases, 44% of employees reported working harder; 37% of employees reported that the pace of their work had increased; and employee turnover fell dramatically --- amongst cabin cleaners by 44%, for example, and amongst baggage handlers by 25%. One employer reported that minimum wage increases “changed the way we do business. We are more proactive in getting good folks and keeping them trained . . . If we have someone who isn’t performing, we have no hesitation about letting them go. We’ve weeded out non-performers, so the quality goes up considerably.” A union organizer echoed these sentiments: “The mentality is different now. Before people didn’t care, [they] c[ould] always find another \$6 job.” An SFO employee said: “Before . . . [t]he job had less value; there was a lower threat of replacement. Now you have to be responsible, show up on time, look right, and do your job correctly.”

There is no reason to think the SFO experience is an outlier. Indeed, hundreds of Port Authority Airports employees have spoken at Board meetings during recent years. It is crystal clear in listening to these workers that low wages have undermined employee morale; served as a deep workplace distraction; encouraged turnover; and raised the specter of labor disruption.

All of this has a negative impact on the Port Authority’s operation of the Airports --- and on the public’s use and enjoyment of the Airports. Higher wages, implemented on a gradual basis, can be expected to have a beneficial, across-the-board impact. On reducing turnover and enabling a better trained workforce. On customer service. On productivity. On the safe and efficient use of Airport equipment. On integration of technology into the Airports. On long-term planning. And on the Airports’ ability to attract and keep workers who will get to know the new Airport infrastructure being built by the Port Authority, and be better prepared and more knowledgeable in assisting in an emergency situation, as well as having improved ability to detect any irregular circumstances that could signal danger.

In 1947, the legislatures of New York and New Jersey empowered the Port Authority to operate air terminal facilities for the “convenience” of passengers. Today’s air travelers expect that their baggage will be handled safely, effectively, and quickly; that terminals will be safe, secure, and clean; and that, no matter where it is cooked, food specifically intended for in-flight consumption will be hygienic, and prepared in a manner that ensures that food and beverage packages brought onto the airplane are safe and secure. Operating an Airport in the 21st century means meeting these expectations. The Port Authority intends to do so --- and minimum wage increases are key to those objectives.

Convenience matters. But nothing is more important than the safe and secure operation of the Airports. The Port Authority’s Chief Security Officer has explained to the Board, in Executive Session, that in light of the most pressing current security threats to the Airports, well-trained and highly-motivated Airport workers can substantially enhance over-all Airport security --- by, among other things, being well-versed in emergency procedures; by exerting a calming influence

during any emergencies; and by hewing to the directive to say something if they see something. Should a minimum wage raise ultimately be enacted, the Port Authority would expect relevant unions to commit to making their members available for rigorous and recurring training designed and implemented by the Port Authority’s Chief Security Officer --- so that the Airports become that much safer.

In addition to security training, security screening is critical, and many new Airport workers are subjected to checks before they can begin their jobs. But because of the high rate of turnover among current Airport workers, the Chief Security Officer is forced to balance the possibility of more searching screening against the large amount of time that pre-employment screening inevitably takes in a high-turnover labor environment. But higher wages, as noted above, can greatly reduce turnover. The Chief Security Officer has described, in Executive Session and in detail, a set of steps that he would propose to take with respect to security screening --- steps that, in his judgment, would have a positive impact on the safe operation of the Airports, and could be immediately undertaken in a labor environment marked by less employee turnover.

Finally, it bears noting that in vesting the Port Authority with the obligation to operate the Airports, the legislatures of New York and New Jersey expected the Port Authority to operate an “intergrat[ed]” and “unified” air travel system. But there are, at present, substantial gaps between minimum wage laws in New York and New Jersey. If these gaps are not eventually closed, it will become harder and harder for the Airports to function as they are supposed to --- as a unified whole, as integrated pieces of a larger system. Higher skilled and more motivated workers will systematically choose higher-wage Airports. As a result, customer service, operational effectiveness, and ultimately safety will decline at lower-wage Airports. This would be unacceptable --- and bringing Airport wages into parity with each other can help to ensure that it never happens.

Against this backdrop, it was recommended that the Executive Director post on the public website of the Port Authority the attached proposed “Rules for Implementation of Minimum Wage Policy for Non-Trade Labor Service Contracts – LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport” (“Rules”), as well as a proposed revision to the Airport Rules and Regulations that includes these Rules.

The attached proposed Rules are closely similar in many respects to the Rules that were issued by the Port Authority during 2015. But the proposed Rules cover additional categories of Airport workers, who are integral to the effective operation of the Airports. And the proposed Rules envision adopting a \$19.00 Airport minimum wage, to be implemented on the following schedule:

Airport	9/18	9/19	9/20	9/21	9/22	9/23
JFK, LGA	\$13.60	\$15.60	\$16.20	\$17.00	\$18.00	\$19.00
EWB	\$12.45	\$15.60	\$16.20	\$17.00	\$18.00	\$19.00

It was further recommended that the Board note that a strong case, as set out above, has been made for implementing the proposed Rules, and that the Board, subject to comments that

might be received before then, take a final and binding vote at its June meeting to adopt the attached Rules.

To ensure that the public and all stakeholders have ample opportunity to comment on the proposed Rules, it was recommended that the Executive Director designate an email address where comments can be received before the June Board meeting. These comments should be timely provided to the Board by Port Authority staff. In addition, it was recommended that these emailed comments be posted on the public website of the Port Authority, with all identifying information removed, unless the sender of an email requests a different course.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, 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 shall post on the public website of the Port Authority the attached proposed “Rules for Implementation of Minimum Wage Policy for Non-Trade Labor Service Contracts – LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport” (“Rules”), as well as a proposed revision to the Airport Rules and Regulations that includes these Rules; and it is further

RESOLVED, that a strong case has been made for implementing the proposed Rules, and that the Board, subject to comments that might be received before then, will take a final and binding vote at its June meeting to adopt the attached Rules; and it is further

RESOLVED, that the Executive Director shall designate an email address where comments can be received on the proposed Rules for 60 calendar days following the effective date of this Resolution, and that such comments shall be timely provided to the Board by Port Authority staff in advance of the June Board meeting, and posted on the public website of the Port Authority, with all identifying information removed, unless the sender of an email requests a different course.

Rules for Implementation of Minimum Wage Policy for Non-Trade Labor Service Contracts – LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport

Summary:

The Port Authority of New York and New Jersey has adopted a Minimum Wage Policy (“Policy”). By these Rules for Implementation of Minimum Wage Policy for Non-Trade Labor Service Contracts – LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport (“Rules”), the Policy is being implemented with respect to LaGuardia Airport, John F. Kennedy International Airport, and Newark Liberty International Airport (collectively, “Airports”), to enhance safety, security, and quality of service at the Airports. As set forth below, the Policy will apply to employees who perform either “Covered Services” or “Port District Covered Services.”

Compensation:

The minimum wage for workers performing Covered Services or Port District Covered Services is increased to \$19.00, to be implemented according to the following schedule:

Airport	9/18	9/19	9/20	9/21	9/22	9/23
JFK, LGA	\$13.60	\$15.60	\$16.20	\$17.00	\$18.00	\$19.00
EWR	\$12.45	\$15.60	\$16.20	\$17.00	\$18.00	\$19.00

Workers who perform “Covered Services” are workers who perform the “Covered Services” listed in the Addendum to these Rules, within the geographical boundaries of one of the Airports.

Workers who perform “Port District Covered Services” are workers who perform the “Port District Covered Services” listed in the Addendum to these Rules, within the geographical boundaries of the Port District.

Applicability:

These Rules shall apply to lessees, permittees, and contractors, as well as the subcontractors and sublessees of those entities (collectively, “Contractors”) who provide Covered Services or Port District Covered Services.

In all events, Covered Services shall include services provided by non-trade employees whose work requires that they obtain access to the Airfield Operations Area (AOA) whether such AOA access is obtained by the issuance of a badge or an escort.

Exclusions:

The Policy implemented by these Rules will not apply in instances where other applicable laws or regulations provide minimum rates for employees falling within the Policy and Rules, as demonstrated by the employer.

Tipped Employees:

A Contractor seeking to demonstrate compliance for employees, who receive tips, shall have the burden of proving that the employee received compensation (including tips) in amounts equal to the minimum wage levels set forth in these Rules.

The federal government and certain states may allow an employer to count all or part of an employee's tips towards its minimum wage obligations and some states set a maximum "tip credit" toward the minimum wage. For purposes of these Rules, only if a Contractor takes advantage of an applicable "tip credit" for federal, state or local minimum wage compliance, will the Covered Service worker's receipt of tips be considered in determining whether the Contractor is compliant with the Policy and these Rules.

Contractors who seek to take advantage of the payment of "tips" or a "tip credit" towards compliance with the Minimum Wage Policy and these Rules, will be required to certify that they are in compliance with the applicable (federal, state or local) minimum wage requirements governing the receipt of a credit for tips for their Covered Service workers or Port District Covered Service workers.

"Tipped Employees" are those who engage in occupations in which tips are customarily and regularly received from patrons.

Martin Luther King, Jr. Day:

All Contractors subject to the Policy and these Rules shall provide its workers performing Covered Services or Port District Covered Services a paid holiday for Martin Luther King, Jr. Day.

Implementation:

These Rules are applicable to all current and future employees of Contractors providing Covered Services or Port District Covered Services. In addition, the Port Authority will take further appropriate steps, including, but not limited to, the inclusion of appropriate provisions in new or amended agreements, permits, contracts, and consents, as a condition for such Contractors doing business at the Airports. In the future, all agreements entered into between the Port Authority and those Contractors, including leases, permits, contracts, and consents, shall contain a clause which states that the Contractor has reviewed the Policy and Rules and that it will comply with the Policy and Rules, as amended by the Port Authority from time to time. Additionally, Contractors shall be required to include such a clause in their subleases and subcontracts.

The Port Authority acknowledges that there may be circumstances which warrant an exception to the Rules, which exception may be granted by the Port Authority, for good cause, at its sole and absolute discretion.

Certification:

By November 1, 2018, and, at least, on an annual basis thereafter, a responsible officer of each Contractor providing Covered Services or Port District Covered Services shall deliver to the Port Authority a statement certifying, in a form to be approved by the Port Authority, that it is in

compliance with the Policy and Rules. The Port Authority reserves the right to audit such compliance at any time.

Severability:

Should a court of competent jurisdiction determine that any part of the Policy and/or these Rules is invalid, illegal, or unenforceable, such determination shall in no way affect or impair the validity, legality, and enforceability of the remaining parts of the Policy and/or these Rules.

Amendments to Rules:

The Port Authority reserves the right to amend these Rules, from time to time.

ADDENDUM – COVERED SERVICES

Passenger Related Security Services

- Escorts
- Catering Security
- Passenger Aircraft Security
- Fireguards
- Terminal Security
- Traffic Security

Cargo Related and Ramp Services

- Cargo Screening (including Guards) and Warehouse Security
- Baggage and Cargo Handling
- Load Control and Ramp Communication
- Aircraft Mechanics and Fueling of Aircraft
- Provision of water, cooling/heating, power
- Equipment and toilet services to Aircraft
- Passenger Aircraft Servicing
- Cabin Equipment Maintenance
- Guiding Aircraft in and out of Gates
- Gateside Aircraft Maintenance
- Ramp area cleaning

In-Terminal and Passenger Handling Services

- Baggage handling
- Skycap
- Wheelchair attendant
- Ticketing agent
- Customer Service Representatives
- Queue Managers
- ID Checkers
- Porter Service for Baggage
- Passenger and Employee Shuttle Drivers

Cleaning Services

- Building Cleaning
- Aircraft and Cabin cleaning
- Plane washers

Concession Services

- Food Service (including, food and beverage service, wait service, busing, cashiers)
- Retail Service (including news/gifts and duty-free)
- Cleaning for concession services
- Security for concession services
- Airport Lounge Services (Food, Retail, Cleaning and Security Services)

Airport Catering Workers

- With respect to food or beverages prepared and packaged for the specific purpose of in-flight consumption by Airport aircraft crew or Airport passengers in aircraft departing from the Airports (“In-Flight Meals”):
 - Preparing and packaging In-Flight Meals
 - Inspecting In-Flight Meals, to ensure food safety and to detect contraband
 - Cleaning dishes, utensils, and glassware used for In-Flight Meals
 - Cleaning and operating kitchens or other nearby facilities (such as warehouses) used for the preparation, packaging, and storage of In-Flight Meals
 - Direct delivery of In-Flight Meals to Airport locations where they are needed, from kitchens where they are prepared or from nearby facilities (such as warehouses) where they are stored

ADDENDUM – PORT DISTRICT COVERED SERVICES

Airport Catering Workers

- With respect to food or beverages prepared and packaged for the specific purpose of in-flight consumption by Airport aircraft crew or Airport passengers in aircraft departing from the Airports (“In-Flight Meals”):
 - Preparing and packaging In-Flight Meals
 - Inspecting In-Flight Meals, to ensure food safety and to detect contraband
 - Cleaning dishes, utensils, and glassware used for In-Flight Meals
 - Cleaning and operating kitchens or other nearby facilities (such as warehouses) used for the preparation, packaging, and storage of In-Flight Meals
 - Direct delivery of In-Flight Meals to Airport locations where they are needed, from kitchens where they are prepared or from nearby facilities (such as warehouses) where they are stored

SETTLEMENT OF LITIGATION AND EXCHANGE OF REAL PROPERTY INTERESTS WITH CITY OF JERSEY CITY, NEW JERSEY

It was recommended that the Board authorize: (1) General Counsel to finalize the settlement of an action pending in the United States District Court for the District of New Jersey brought by the City of Jersey City, New Jersey (“City”) against the Port Authority and its subsidiary, Port Authority Trans-Hudson Corporation (“PATH”), seeking, among other things, recovery of real estate taxes alleged to be due with respect to real property in Jersey City owned by the Port Authority and PATH (the “Litigation Settlement”); and (2) various actions related to the transfer of real property interests between PATH and the City necessary in connection with the replacement of a substation at the PATH Washington Street Powerhouse (“Powerhouse”), as set forth herein (the “Property Transaction”).

With respect to the Litigation Settlement, the Port Authority and PATH currently own 53 parcels of real property in Jersey City. In the above-referenced litigation, the City contends, among other things, that the Port Authority is required to enter into a payment-in-lieu-of-taxes (“PILOT”) agreement for each parcel, and, once entered into, each PILOT is subject to additional assessments to reflect increases in the market value of the parcel. The Port Authority has vigorously disputed these contentions.

Certain counts of the City’s complaint were dismissed in 2015, and the parties have each moved for summary judgment. While awaiting the court’s determination on the motions, the parties engaged in negotiations to settle the matter and have reached agreement, subject to Board approval, as follows:

- The case brought by the City will be dismissed with prejudice and, for a period of 25 years, the City will agree not to contest or dispute: (i) the tax-exempt status of any property in Jersey City owned by Port Authority or any subsidiary, including PATH, (ii) the validity of any PILOT agreement with the Port Authority and/or PATH, and (iii) the sufficiency of payments under any PILOT agreement.
- In consideration, the Port Authority will enter into a PILOT agreement with the City covering 2 Montgomery Street (a Port Authority property in the City) and PATH will enter into a PILOT agreement with the City covering certain other properties, the precise amounts of which have been described in Executive Session, pursuant to which the City would be paid an amount based on the last paid taxes on the enumerated properties, prior to their acquisition by the Port Authority or PATH. In addition, a major real property transaction involving the City would be consummated --- a transaction that has long been delayed, and that is crucial to the operations of PATH.

Regarding the Property Transaction, the Powerhouse in Jersey City was constructed between 1906 and 1908 and provided power to the Hudson and Manhattan Railroad (now part of the PATH interstate railroad system) until 1929. Since that time, power for PATH operations has been distributed by a substation located in a one-story building annexed to the original Powerhouse structure and on an adjacent yard. The substation has been a vital component of PATH’s operations for decades, but now requires substantial upgrades.

In order to meet PATH's operational requirements, PATH and the City contemplate entering into agreements to transfer PATH's interest in the Powerhouse to the City and to facilitate PATH's purchase of a triangular-shaped property to the north of the Powerhouse (Block 11603, Lots 37 and 38 on the City tax map, hereinafter, the "Triangle Parcel") for the construction and operation at the Triangle Parcel of a replacement PATH substation. The Triangle Parcel is an ideal location. Designing and building a new substation there would allow PATH to provide a modern, efficient, and reliable source of power generation and air compression --- in the most expeditious and cost-effective manner. Doing so would ensure that PATH meets current and future operational needs in the most efficient possible way.

In connection with the Property Transaction, it was recommended that the Board find and determine that the portion of the Powerhouse also known as existing Substation No. 2 ("WSP") and adjacent site areas and related rights-of-way and easements owned in fee by the Port Authority, in the City, as further identified on the City tax map as Block 11609, Lot 1 (the "Old Parcel") is no longer required for the purposes for which it was acquired, once a replacement substation is constructed.

In addition, it was recommended that the Board authorize the Executive Director, in his capacity as President of PATH, to enter into a transaction with the City, Jersey City Redevelopment Agency ("JCRA") or other appropriate agency to enter into the transaction ("City Counterparty," which counterparty need not be the same entity for all purposes described herein), pursuant to which the Old Parcel would be transferred to the City or City Counterparty in exchange for the Triangle Parcel (and necessary rights-of-way and other easements), together with: (a) payment of \$17,750,000, payable to the City or City Counterparty in three equal annual installments, representing the fair market value of the Triangle Parcel; and (b) an undertaking by PATH to study the feasibility, cost and benefits of locating an additional PATH station in the Marion area of the City ("Marion Study").

As PATH will continue to use the Old Parcel until a new substation can be constructed on the Triangle Parcel, it was recommended that PATH also enter into a four-year lease of the Old Parcel with the City or a City Counterparty, simultaneous with its transfer (which lease may be extended for up to an additional four years), for nominal rent ("Lease"). During the term of the Lease, the City or a City Counterparty would maintain and stabilize the Powerhouse against further deterioration, using \$1.3 million ("Stabilization Funds") previously provided by the Port Authority and the City under a memorandum of understanding with the City and JCRA, dated May 15, 2008. Any Stabilization Funds not expended for stabilization at the time PATH vacates the Old Parcel would be permitted to be retained by the City or a City Counterparty. In addition to the Lease, the proposed transaction includes the provision by the City or a City Counterparty of a permanent easement for the benefit of PATH granting unrestricted access to the existing PATH emergency tunnel egress shafts and electrical manholes/vaults, as well as access to certain portions of City-owned property necessary to permit PATH to perform flood protection and resiliency work for the new substation.

Following the termination of PATH's occupancy of the Old Parcel, a redeveloper designated by the City ("Redeveloper") would be responsible for the removal of all PATH fixtures and personalty on the site, including all power generation equipment. PATH would contribute \$300,000 for such efforts. The Redeveloper would also be responsible for performing any required environmental remediation on the Old Parcel, and would indemnify PATH and the Port Authority

for all other costs associated with any environmental remediation. In addition, it is anticipated that the City or an affiliated agency would convey the Powerhouse to the Redeveloper, without material cost, in return for a commitment to rehabilitate it, without further right for the City or any affiliate agency to share revenues arising from the rehabilitated premises. However, if the Redeveloper negotiates a revenue sharing arrangement with the City or an affiliated agency, the Port Authority and/or PATH would share any such revenues equally with the City or with the relevant affiliated City agency.

In connection with the transaction described above, the City or a City Counterparty would commit to permitting PATH to expeditiously develop the Triangle Parcel as a substation to distribute power for PATH operations and would cooperate with PATH to facilitate rapid permitting of the Triangle Parcel as necessary for such use.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, 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 General Counsel be and he hereby is authorized, for and on behalf of the Port Authority and its subsidiary, Port Authority Trans-Hudson Corporation (PATH), to finalize the settlement of a civil action pending in the United States District Court for the District of New Jersey, brought by plaintiff the City of Jersey City, New Jersey (“City”) against the Port Authority, on the terms set out above; and it is further

RESOLVED, that the Board hereby finds and determines that certain real property, consisting of the PATH-owned portion of the Washington Street Powerhouse (“Powerhouse”), also known as existing Substation No. 2, located in Jersey City and identified on the City’s tax map as Block 11609, Lot 1 (“Old Parcel”), is no longer required for the purposes for which it was acquired, so long as it is replaced by a lease of the Old Parcel (“Lease”) sufficient in length permitting PATH to maintain current operations while it constructs new facilities to replace those currently sited at the Old Parcel, as set forth below; and it is further

RESOLVED, that the Executive Director, also in his capacity as President of PATH (hereinafter, “Executive Director”) be and he hereby is authorized, for and on behalf of the Port Authority and/or PATH, to: (1) enter into a purchase, sale and development rights agreement with the City, the Jersey City Redevelopment Agency (“JCRA”) and/or other appropriate entities (each, a “City Counterparty”) pursuant to which PATH will agree to convey the Old Parcel, together with cash consideration of \$17,750,000 payable in three equal annual installments, and an undertaking to conduct a study to determine the feasibility of adding a PATH station in the Marion area of the City (“Marion Study”), in exchange for receiving: (a) fee title from a City Counterparty to a triangular-shaped parcel which, at the time of the exchange is identified on the tax maps of the City as Block 11603, Lots 37 and 38 (Triangle Parcel), together with any necessary rights-of-way and easements; (b) a lease agreement with the City or a City Counterparty which would permit PATH to retain use of the Triangle Parcel for up to 8 years, for nominal consideration, until the PATH substation on the Triangle Parcel is completed (“Lease”); and (c) permanent and perpetual easements for the benefit of

PATH in connection with the existing PATH emergency tunnel egress shafts and electrical manholes/vaults, as well as access to certain portions of City-owned property necessary to permit PATH to perform flood protection and resiliency work for the new substation; (2) enter into the Lease; and (3) any other related agreement or agreements to effectuate the rights and obligations of the City, any City Counterparty, the City-appointed redeveloper of the Old Parcel (“Redeveloper”), the Port Authority or PATH with respect to (i) any future revenue sharing arrangements in the event that the Powerhouse is demolished or new structures are built outside of the current footprint of the Powerhouse, and (ii) the decommissioning of the PATH fixtures and personalty, and the environmental remediation of the Old Parcel; and it is further

RESOLVED, that the Board authorize the expenditure of \$17,750,000 to be paid to the City or a City Counterparty in three equal annual installments, as partial consideration for the acquisition of the Triangle Parcel, and other expenditures necessary towards performing the Marion Study and decommissioning costs for the power equipment and removal of the personalty located on the Old Parcel; and the Executive Director be and he hereby is authorized, for and on behalf of PATH, to permit the City, JCRA or other appropriate affiliated City agency to retain any portion of \$1.3 million previously provided by the Port Authority and the City under a 2008 Memorandum of Understanding with the City and JCRA, that is unutilized at the end of the Lease term; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and/or PATH, to convey the Old Parcel to the City or a City Counterparty in “as is, where is” condition, including the obligation to remove existing property of PATH and remediate any environmental liabilities and indemnify PATH, and the Port Authority therefor, which shall be undertaken by the Redeveloper; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority and/or PATH, to take any and all action to effectuate the foregoing, including the execution of contracts, agreements and other documents, together with amendments and supplements thereof, or amendments and supplements to existing contracts, agreements and other documents, and to take action in accordance with such contracts, agreements and other documents as may be necessary in connection therewith; and it is further

RESOLVED, that the form of all contracts, agreements and 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.

OUTERBRIDGE CROSSING – PRIORITY REHABILITATION OF STRUCTURAL ELEMENTS – PLANNING AUTHORIZATION

It was recommended that the Board authorize planning work related to the future rehabilitation of the Outerbridge Crossing (OBX), at an estimated total planning cost of \$9.2 million.

The OBX, constructed in the late 1920s, carries New York-New Jersey Route 440 connecting Perth Amboy, New Jersey with the New York City Borough of Staten Island. In 2009, the steel of the New York and New Jersey viaducts was rehabilitated, and lead paint was removed and replaced with a three-coat paint system. In 2013, there was a full pavement replacement at the OBX. Ongoing repairs are performed to address deficiencies on an as-needed basis through small contracts.

The proposed planning authorization would allow for a detailed condition assessment, life cycle cost analysis, traffic demand analysis, and recommendations for repairs to the main span and New York and New Jersey viaduct structures, roadway decks and catwalks for the OBX. The proposed planning work and analysis would assist in the development of projects to rehabilitate certain structural elements of the OBX that are necessary to extend its useful life and maintain a state of good repair.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, 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 planning work related to the future rehabilitation of the Outerbridge Crossing, at an estimated total planning cost of \$9.2 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 take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning work, 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 planning work 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.

GEORGE WASHINGTON BRIDGE – REHABILITATION OF TRANS-MANHATTAN EXPRESSWAY ELECTRICAL SYSTEM, INCLUDING LIGHTING REPLACEMENT – PLANNING AUTHORIZATION

It was recommended that the Board authorize planning work and engineering services to evaluate the rehabilitation of the Trans-Manhattan Expressway (TME) lighting and associated electrical infrastructure at the George Washington Bridge (GWB), at an estimated amount of \$600,000.

The TME, which was opened to traffic in the early 1960s, is located east of the GWB and connects the bridge with the Cross-Bronx Expressway. The TME also connects with ramps that provide drivers with access to and from the Henry Hudson Parkway and Riverside Drive on the west side of Manhattan, as well as to Amsterdam Avenue and the Harlem River Drive on the east side. Amsterdam Avenue, Audubon Avenue, St. Nicholas Avenue, Wadsworth Avenue, Broadway, and Ft. Washington Avenue all pass over the TME. In the late 1990s, the Port Authority rehabilitated power and communication conduit and wiring, added new light fixtures and re-lamped the TME. The existing lighting system within the TME consists of single-point 150-watt and 400-watt high-pressure sodium (HPS) fixtures along its length. The spacing, type, and grouping of the lights vary depending on the location within the TME.

The proposed planning work would assess the current lighting system and related infrastructure, and provide recommendations for long-term improvements, which would take into account current lighting standards and forecast power requirements, including those associated with the redeveloped GWB Bus Station.

The scope of work for the proposed engineering services would determine appropriate lighting levels required to meet standards as recommended by the Illuminating Engineering Society, evaluate strategies to minimize conflicts with other construction projects and impacts of operations during construction, develop conceptual design drawings, and determine estimated construction costs.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, 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 planning work and engineering services to evaluate the rehabilitation of the Trans-Manhattan Expressway lighting and associated electrical infrastructure at the George Washington Bridge, at an estimated amount of \$600,000, be and they hereby are 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 contracts for professional and advisory services and such other contracts and agreements as may be necessary 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.

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, 2017 (2017 Financial Statements), and recommended to the Board that such Consolidated Financial Statements be included in the Port Authority's 2017 Comprehensive Annual Financial Report (CAFR) and other publications, as appropriate. It was therefore recommended that the Board authorize the publication of the 2017 CAFR, which shall include the audited 2017 Financial Statements.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Horwitz, LaBarbera, Lynford, McCabe, 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 publication of the Port Authority's 2017 Comprehensive Annual Financial Report, which shall include the Port Authority's Consolidated Financial Statements and Appended Note Disclosures for the year ended December 31, 2017, be and the same hereby is authorized.

CONFIDENTIAL ITEM

The Board took action in executive session on a lease matter that shall remain confidential until such time as its publication is determined not to affect the value thereof or the public interest

Whereupon, the meeting was adjourned.

Secretary