

# **PORT AUTHORITY TRANS-HUDSON CORPORATION**

## **MINUTES**

**Wednesday, August 4, 2004**

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**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Wednesday, August 4, 2004, at 225 Park Avenue South, City, County and State of New York.**

**PRESENT:**

**NEW JERSEY**

Hon. Anthony R. Coscia, Chairman  
 Hon. Angelo J. Genova  
 Hon. Raymond M. Pocino  
 Hon. Anthony J. Sartor  
 Hon. Jack G. Sinagra  
 Hon. David S. Steiner

Joseph J. Seymour, President  
 Ernesto L. Butcher, Vice-President  
 Jeffrey S. Green, Counsel

Gwendolyn Archie  
 Kayla M. Bergeron  
 A. Paul Blanco  
 Bruce D. Bohlen  
 John D. Brill  
 Darrell B. Buchbinder  
 Gregory G. Burnham  
 Timothy Castano  
 Anthony B. Ciavolella  
 Arthur J. Cifelli  
 Anthony G. Cracchiolo  
 William R. DeCota  
 John C. Denise  
 Michael P. DePallo  
 Pasquale DiFulco  
 Nancy J. Ertag-Brand  
 Michael G. Fabiano  
 Andrew H. Fogel  
 Michael B. Francois  
 Linda C. Handel  
 L. Jay Hector  
 Edward L. Jackson  
 Howard G. Kadin  
 Louis J. LaCapra  
 Richard M. Larrabee  
 Robert R. Lurie  
 Stephen Marinko  
 Calixto Martin  
 Michael G. Massiah  
 James E. McCoy  
 Anne Marie C. Mulligan  
 Sean Murray-Nolan  
 Lynn A. Nerney  
 Michael F. O'Connor  
 Catherine F. Pavelec  
 Michael A. Petralia  
 Kenneth P. Philmus

**NEW YORK**

Hon. Charles A. Gargano, Vice-Chairman  
 Hon. Bruce A. Blakeman  
 Hon. Michael J. Chasanoff  
 Hon. Henry R. Silverman

Alan L. Reiss  
Edmond F. Schorno  
Gerald B. Stoughton  
Tiffany A. Townsend  
Emery J. Ungrady  
Peter J. Zipf

Guest:  
Kevin Corbett

The public session was called to order by Chairman Coscia at 2:55 p.m. and ended at 3:20 p.m. The Board met in executive session prior to the public session.

### **Action on Minutes**

The Vice-President submitted for approval Minutes of the meeting of June 24, 2004. He reported that copies of these Minutes were sent to all of the Commissioners and to the Governors of New York and New Jersey. He reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Directors unanimously approved the Minutes.

### **Report of Committee on Finance**

The Committee on Finance reported, for information, and the report was received and is included with these minutes.

### **Report of Committee on Operations**

The Committee on Operations reported, for information, on matters discussed and action taken in executive session at its meeting on August 4, 2004, which included discussion of certain property matters, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Commissioners at this meeting of the Board, and the report was received and is included with these minutes.

**PATH – JOURNAL SQUARE TRANSPORTATION CENTER – MILL RUN TOURS, INC. - LEASE NO. LRR-306 –NEW LEASE**

It was recommended that the Board authorize the President to enter into a lease agreement with Mill Run Tours, Inc. (Mill Run) covering approximately 720 rentable square feet of space at the Journal Square Transportation Center for a term of approximately ten years, four months, commencing on or about September 1, 2004, to be used as a travel agency, at an aggregate basic rental over the term of approximately \$241,000. Port Authority Trans-Hudson Corporation (PATH) would have the right to terminate the lease without cause, upon 30 days' written notice. In the event that PATH exercises this right, Mill Run would be reimbursed for the unamortized portion of its initial capital investment in the premises, to the extent that such initial capital investment does not exceed \$200,000.

Pursuant to the foregoing report, the following resolution was adopted with Directors Blakeman, Chasanoff, Coscia, Gargano, Genova, Pocino, Sartor, Silverman, Sinagra and Steiner voting in favor; none against:

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation, to enter into a lease agreement with Mill Run Tours, Inc. covering space at the Journal Square Transportation Center, substantially in accordance with the terms outlined to the Board, or on such other terms as the President deems appropriate, subject to the condition set forth in the following delegation; and it is further

**RESOLVED**, that the Committee on Operations be and it hereby is authorized to approve the final terms of the lease agreement in the event the gross effective rent and/or the term of the letting are not substantially in accordance with the terms outlined to the Board; and it is further

**RESOLVED**, that the form of the agreement shall be subject to the approval of Counsel or his authorized representative.

**PATH – EXTENSION AND EXPANSION OF AGREEMENT WITH NEW YORK METROPOLITAN TRANSPORTATION AUTHORITY AND NEW YORK CITY TRANSIT AUTHORITY FOR THE USE OF METROCARD FARE MEDIA AT ALL PATH STATIONS**

It was recommended that the Board authorize the President to extend and expand the existing agreement with the New York Metropolitan Transportation Authority (MTA) and its subsidiary, the New York City Transit Authority (NYCT), to allow the use of the value-based MetroCard at all Port Authority Trans-Hudson (PATH) system stations, at an estimated increase of \$120,000, resulting in a revised estimated total expenditure of \$295,000. The \$120,000 cost increase would be paid to NYCT to compensate it for transaction fees, which cover customer service, information systems, financial and operational reporting, and operations staff support of the MetroCard operation at PATH stations for a one-year period, August 2004 through July 2005.

The PATH Regional Fare Collection System Project (Project) includes the replacement and upgrade of the current PATH fare collection equipment to accept both the NYCT MetroCard and a new interoperable regional smart card that could be used by other transit agencies in the region. The Fare Collection System also has the capability of accepting the current PATH QuickCard fare media for a transitional period. On December 13, 2001, the Board authorized the Project in the amount of \$51 million. The Board also authorized the President to award an agreement to Cubic Transportation Systems, Inc. (Cubic) for the design, manufacture, delivery and installation of fare collection equipment and software at an estimated cost of \$32 million.

On March 20, 2003, the Board authorized an additional \$16.9 million in funding for the Project, for a total estimated Project cost of \$67.9 million. The Board also authorized an increase in the cost of the contract with Cubic for system implementation from \$32 million to \$39.3 million.

To insure that the fare collection system was installed and operable in support of the re-opening of the temporary World Trade Center (WTC) PATH Station in November 2003, the Port Authority instructed Cubic to proceed with an accelerated installation plan for that station on January 10, 2003. The fare collection capabilities for the accelerated WTC component of the project were limited to the acceptance of the value-based MetroCard, in addition to the sale and acceptance of the current PATH QuickCard fare media.

In support of this action, on October 23, 2003 the Board authorized the President to enter into an agreement with the MTA and the NYCT to allow the use of the value-based MetroCard fare medium on the PATH system at the temporary WTC PATH Station, at an estimated cost of \$175,000. This cost was payable to NYCT to compensate it for one-time setup charges, and for transaction fees, which cover customer service, information systems, financial and operational reporting, and operations staff support of the MetroCard operation at the temporary WTC PATH Station. That agreement runs from November 2003 through August 2004.

As regional smart card functionality is still under development, in an effort to expedite implementation of the new fare collection hardware, staff has recommended that equipment be

installed with these same limitations (acceptance of the value-based MetroCard, in addition to the sale and acceptance of the current PATH QuickCard fare media) at the remaining PATH stations at this time. The capability to sell and refill MetroCards and regional smart cards would be installed in 2005 when the complete fare collection system is deployed.

This expanded agreement would allow for the use of the NYCT MetroCard for entry into the PATH system at all PATH stations. The per-transaction fee during the extension period would remain at the existing negotiated rate. A more comprehensive agreement is under development to allow for the sale and refilling of MetroCards and smart cards at PATH stations, and additional services to be provided by NYCT in support of the MetroCard and regional smart card operation on PATH. Authorization for that agreement would be sought at a later date.

Pursuant to the foregoing report, the following resolution was adopted with Directors Blakeman, Chasanoff, Coscia, Gargano, Genova, Pocino, Sartor, Silverman, Sinagra and Steiner voting in favor; none against:

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to extend and expand the existing agreement with New York Metropolitan Transportation Authority (MTA) and New York City Transit Authority (NYCT) for a one-year period ending in July 2005 to allow the use of the value-based MetroCard at all PATH system stations, at an estimated increase of \$120,000, resulting in a revised estimated total expenditure of \$295,000, payable to NYCT to compensate it for transaction fees, which cover customer service, information systems, financial and operational reporting, and operations staff support of the MetroCard operation at PATH stations; and it is further

**RESOLVED**, that the form of the agreement shall be subject to the approval of Counsel or his authorized representative.

**PATH – NEWARK AND HOBOKEN STATIONS – REIMBURSEMENT AGREEMENT FOR INSTALLATION OF POWER FEEDER FROM NEW JERSEY TRANSIT CORPORATION'S EMERGENCY DIESEL GENERATOR TO PATH EQUIPMENT**

It was recommended that the Board authorize the President to enter into a reimbursement agreement with New Jersey Transit Corporation (NJT) in connection with the design, installation and testing of the power feeder and associated equipment necessary for utilizing NJT's diesel generators at the Port Authority Trans-Hudson (PATH) system Newark and Hoboken Stations, at an estimated cost of \$450,000.

As a result of widespread regional power outages, on August 14, 2003, the PATH power system suffered a major power failure affecting the communications, signal and third-rail power systems, and power to station and tunnel lighting. This power failure resulted in an interruption of service to the entire rail system, and a system-wide evacuation of patrons from trains, stations, and tunnels.

The power failure caused passengers to be detained in underground stations and on stalled trains. Over 5,000 passengers were safely evacuated from the system; however, the loss of the lighting and signal and communication systems significantly hampered rescue efforts in certain areas of the PATH system and demonstrated the need for an alternate and dependable source of power to be used during evacuation.

For an estimated cost of \$450,000 for design and installation of the power feeder and associated equipment, NJT has agreed to provide back-up power at no cost to PATH during any future power failure of the public utility feeder at Newark and Hoboken Stations. An alternate source of back-up power for the remaining PATH stations would be included under a separate project entitled "Supplemental Power Program," authorization for which is to be sought at a later date.

Purchase and installation of diesel generators by PATH was considered; however, space limitations and environmental issues regarding fuel storage and exhaust of flue gases made this option impractical. Due to space limitations, power capacity, and environmental issues, installation of a battery back-up system is also not feasible.

This installation would supply generator power to the Newark and Hoboken Stations in the event the power feeders from the local public utility company fail. This alternate and dependable source of power would keep station lighting, signals, and communication systems operational, and would facilitate safe evacuation.

Pursuant to the foregoing report, the following resolution was adopted with Directors Blakeman, Chasanoff, Coscia, Gargano, Pocino, Silverman, Sinagra and Steiner voting in favor; none against; Directors Genova and Sartor recused:

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to enter into a

reimbursement agreement with New Jersey Transit Corporation (NJT) in connection with the design, installation and testing of the power feeder and associated equipment necessary for utilizing NJT's diesel generators at PATH's Newark and Hoboken Stations, at an estimated cost of \$450,000; and it is further

**RESOLVED**, that the form of the reimbursement agreement shall be subject to the approval of Counsel or his authorized representative.

**CONTRACT AND PURCHASE ORDER AUTHORIZATION AND AMENDMENTS – QUARTERLY REPORT**

**REPORT:** In accordance with Article XII, sections (f)(1) and (f)(2) of the By-Laws, the President reported, for information only, the following contracts were awarded or amended for the period of January 1, 2004 through March 31, 2004

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION AMOUNT</b>	<b>PROCUREMENT METHOD</b>
Ascom Transport Systems	Ticket Stock/PATH High Speed Encoders	\$225,000	Negotiated
Saf-Gard Safety Shoe Company	Safety Shoes	\$188,000	Government Contract
York International Corporation	HVAC Inspection and Maintenance – JSTC and Consolidated Shop	\$209,870	Publicly Bid

**Tort Claim Settlements - Report**

The President reported, for information only, that in accordance with the authority granted under Article XII, section (f)(4) of the By-Laws, the following claims were previously settled, and reported closed during the period January 1, 2004 to March 31, 2004.

**TORT CLAIMS AGAINST PORT AUTHORITY TRANS-HUDSON CORPORATION,  
CLOSED**

**Employee Claims**

<b>NAME</b>	<b>AMOUNT PAID</b>
ROWAN THOMAS M	225.00
CLARK RICHARD M	900.00
THASITES TOMMY	1,000.00
MUNDELL GEORGE C	1,100.00
MINEO PETER F	1,800.00
ORTIZ JESUS F	2,700.00
QUIZHPIS LUIS T	3,000.00
SUAREZ KEVIN	3,750.00
MUHAMMAD RAHIM	7,000.00
SWEENEY ROBERT	7,500.00
WASSERMAN GARY	8,500.00
JONES DOUGLAS A	30,000.00
ROSE ARMAND	36,000.00
<b>TOTAL</b>	<b>\$ 103,475.00</b>

**TORT CLAIMS AGAINST PORT AUTHORITY TRANS-HUDSON CORPORATION,  
CLOSED**

**Patron Claims**

<b>NAME</b>	<b>AMOUNT PAID</b>
PRYCE CHRISTINE A	\$ 15,000.00
KERR GLAISTER	3,750.00
WARREN CHERYL	250.00
ZABORSKI VALERIE	16.65
<b>TOTAL</b>	<b>\$ 19,016.65</b>

Whereupon, the meeting was adjourned.

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Vice-President