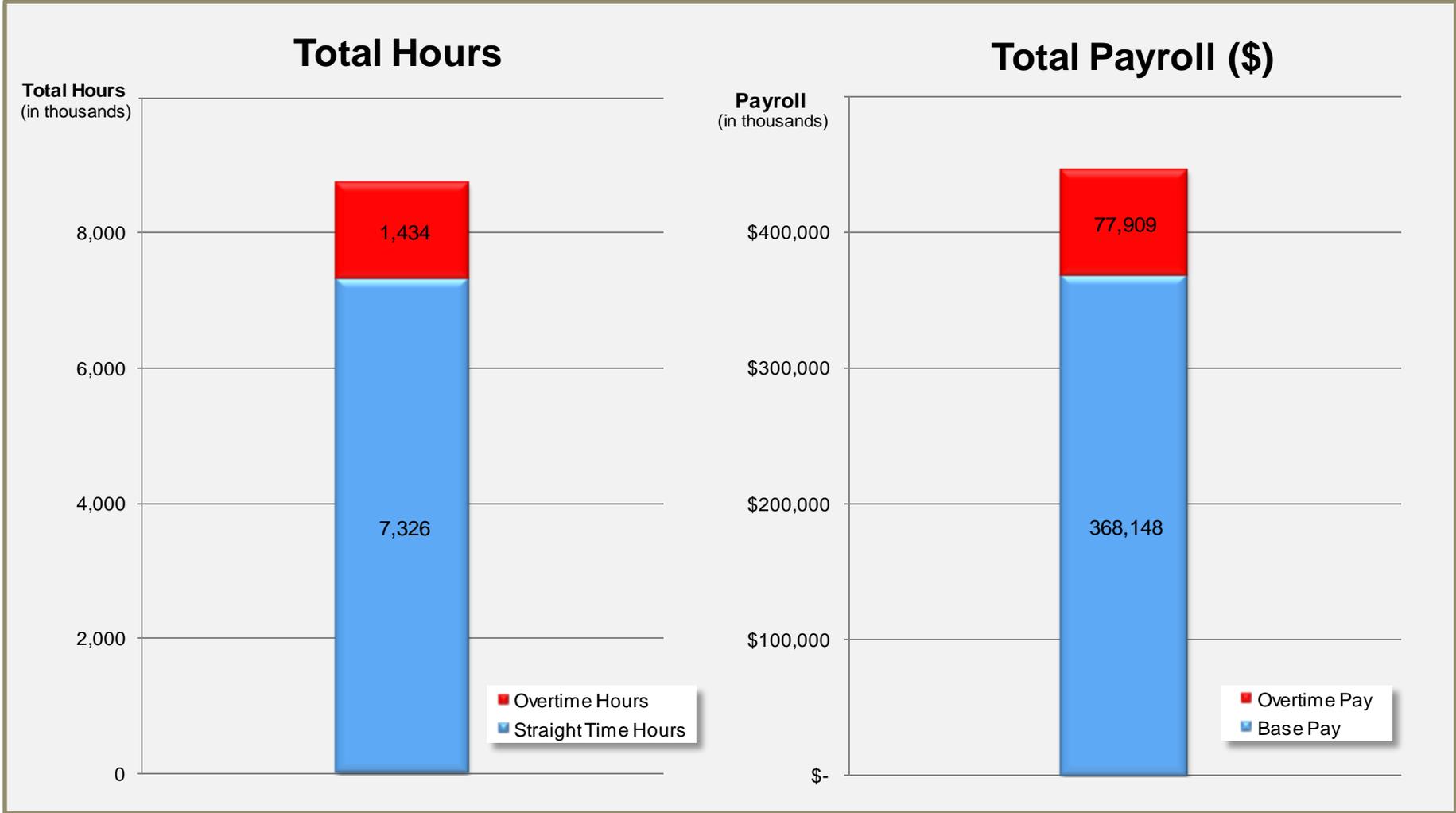


# ***Port Authority***

## ***Overtime Control Program and Year-to-Date Performance***

Committee on Operations  
September 17, 2014

# Overtime expense represents 19% of total labor costs and 7% of total operating costs

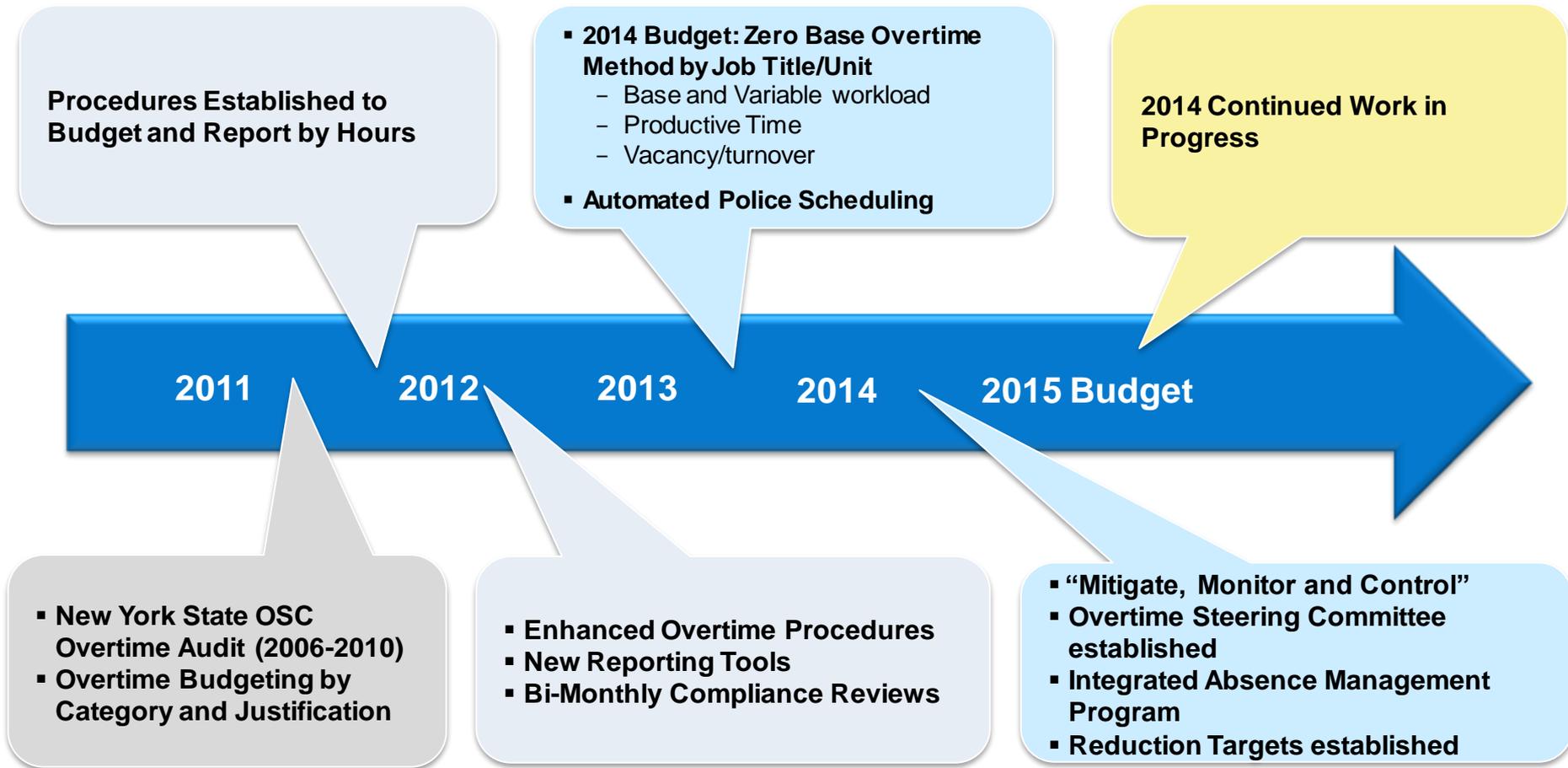


# Agency Overtime

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- The Port Authority operates under a demanding operational landscape.
  - **Continuous operations (24/7, 365 days a year)**
  - **Significant security needs**
  - **Regulatory and contractual provisions**
- Overtime allows for effective management of variable workload (e.g., emergency, seasonal) without increasing permanent staff levels.
- Management is tasked to optimize the use of internal and external resources, including the judicious use of overtime when warranted.

# Control of Overtime has improved - Incorporating best practices



# Resource determination includes cost/benefit analysis

## ▪ Overtime Pay versus New Hire

Cost/Benefit Evaluation Example:

**Overtime Hours required for General Maintainer: 10,000 hours**

### Overtime Pay

**Assumptions:**

- \$70 factored overtime hourly rate
- Utilizing existing employees

**\$700K Overtime Expenses**

### New Hire

**Assumptions:**

- \$137K average factored salary
- Productivity: 205 days/1640 Hours annual
- 6 Full-Time Equivalents

**\$822K Factored Salaries**

**Potential Annual Savings of using existing employees: \$122,000**

**Additional assessment on the impact of overtime levels will validate recommendations.**

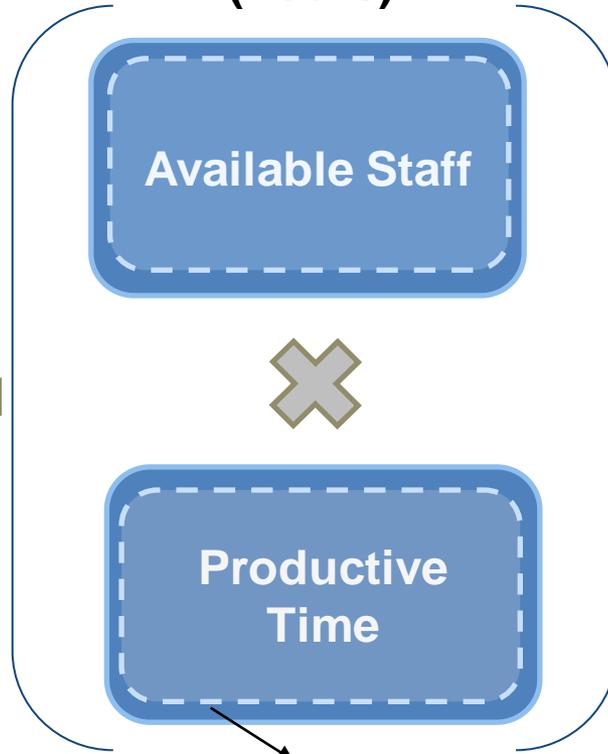
# 2013: Zero Base Overtime methodology and Post-by-Post assessment used to develop 2014 Overtime Budget

## Identification of Workload Hours



- Workload Hours factors:**
- Regulatory requirements
  - Operational coverage
  - Maintenance requirements
  - O&M assets
  - Policing and security workload

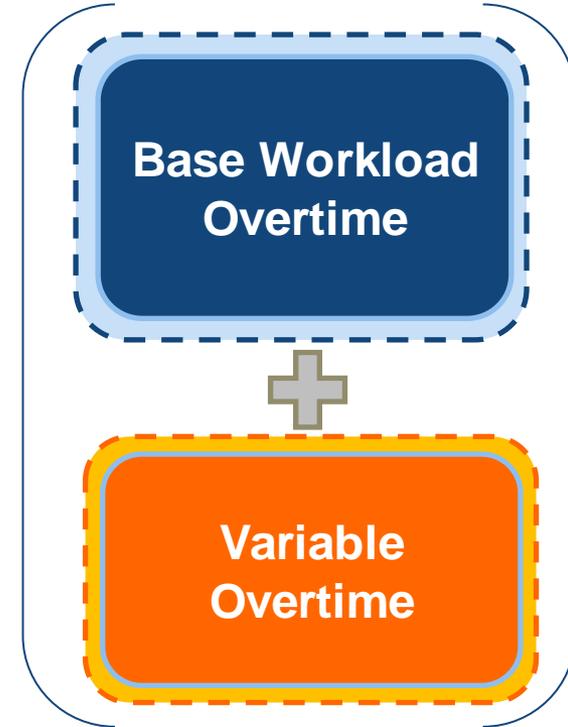
## Available Resources (hours)



- Available Resources factors:**
- Vacancy factor/Time to fill
  - Unplanned absences
  - Contractual obligations
  - Productive time standards
  - Training requirements



## Overtime Budget (hours)



# *The impact of Overtime on Pension Costs is Mitigated*

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- Overtime equalization procedures exist for all Police and PA civilian employee groups, except for certain maintenance titles.
- Agency increased the Police workforce with two police classes to manage workload.
- Overtime is not included in PATH employee pensions.
- Changes in NYS retirement system rule (new Tier 6) will limit the amount of overtime included in pension calculations for employees hired after April 1, 2012.
- The agency continues to monitor overtime high earners.

# YTD July Performance: Total Overtime Expenses

| Departments                     | 2014             |                   |                   |                             |                    | 2013              |                       |
|---------------------------------|------------------|-------------------|-------------------|-----------------------------|--------------------|-------------------|-----------------------|
|                                 | July Actual      | YTD Actual        | YTD Budget        | YTD Variance                | % Var              | YTD Actual        | 13' vs. '14 YTD % Var |
| Public Safety - PAPD            | \$ 10,503        | \$ 73,207         | \$ 63,743         | \$ 9,464                    | 15%                | \$ 72,831         | 1%                    |
| Office of the Inspector General | 74               | 677               | 638               | 39                          | 6%                 | 218               | 210%                  |
| Aircraft Rescue & Fire Fighting | 1,404            | 7,267             | 9,018             | (1,751)                     | (19%)              | -                 | -                     |
| <b>Police</b>                   | <b>\$ 11,980</b> | <b>\$ 81,151</b>  | <b>\$ 73,399</b>  | <b>\$ 7,753</b>             | <b>11%</b>         | <b>\$ 73,050</b>  | <b>11%</b>            |
| Aviation                        | \$ 2,603         | \$ 24,257         | \$ 14,620         | \$ 9,637                    | 66%                | \$ 17,771         | 36%                   |
| Port Commerce                   | 168              | 1,423             | 749               | 674                         | 90%                | 710               | 100%                  |
| Rail                            | 3,561            | 22,839            | 18,970            | 3,870                       | 20%                | 14,650            | 56%                   |
| Tunnels, Bridges & Terminals    | 1,474            | 9,793             | 8,914             | 879                         | 10%                | 9,408             | 4%                    |
| Operation Services              | 792              | 8,627             | 4,587             | 4,040                       | 88%                | 6,294             | 37%                   |
| Other Departments               | 755              | 1,532             | 1,593             | (61)                        | (4%)               | 1,624             | (6%)                  |
| <b>Civilian</b>                 | <b>\$ 9,353</b>  | <b>\$ 68,471</b>  | <b>\$ 49,433</b>  | <b>\$ 19,038</b>            | <b>39%</b>         | <b>\$ 50,457</b>  | <b>36%</b>            |
| <b>Grand Total</b>              | <b>\$ 21,333</b> | <b>\$ 149,622</b> | <b>\$ 122,832</b> | <b>\$ 26,791</b>            | <b>22%</b>         | <b>\$ 123,507</b> | <b>21%</b>            |
|                                 |                  |                   |                   | <i>Estimated recoveries</i> | <b>\$ (16,909)</b> |                   |                       |
|                                 |                  |                   |                   | <b>Net Impact</b>           | <b>\$ 9,882</b>    |                   |                       |

# YTD July Performance: Total Overtime Hours

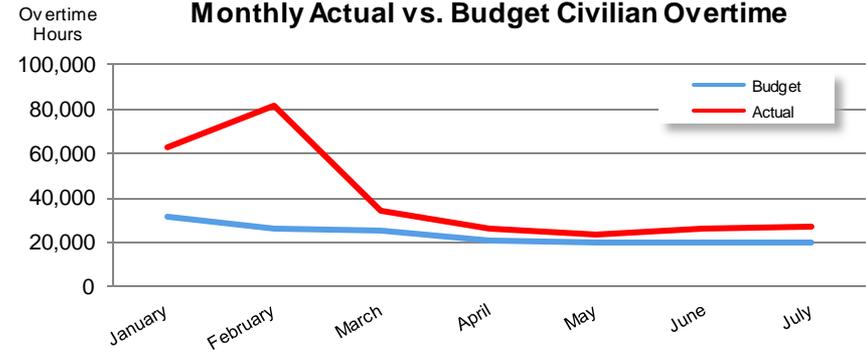
| Departments                     | 2014           |                  |                  |                |            | 2013             |                       | 2014 Performance |
|---------------------------------|----------------|------------------|------------------|----------------|------------|------------------|-----------------------|------------------|
|                                 | July Actual    | YTD Actual       | YTD Budget       | YTD Variance   | % Var      | YTD Actual       | 13' vs. '14 YTD % Var |                  |
| Public Safety - PAPD            | 75,013         | 597,920          | 486,381          | 111,539        | 23%        | 533,848          | 12%                   | ▼                |
| Office of the Inspector General | 493            | 4,204            | 3,716            | 488            | 13%        | 919              | 358%                  | ▼                |
| Aircraft Rescue & Fire Fighting | 7,637          | 44,183           | 61,214           | (17,032)       | (28%)      | -                | -                     | ▲                |
| <b>Police</b>                   | <b>83,143</b>  | <b>646,306</b>   | <b>551,311</b>   | <b>94,995</b>  | <b>17%</b> | <b>534,767</b>   | <b>21%</b>            | ▼                |
| Aviation                        | 23,123         | 140,100          | 122,009          | 18,091         | 15%        | 123,376          | 14%                   | ▼                |
| Port Commerce                   | 1,249          | 5,813            | 5,396            | 417            | 8%         | 4,035            | 44%                   | ▲                |
| Rail                            | 36,719         | 210,259          | 153,630          | 56,629         | 37%        | 149,253          | 41%                   | ▼                |
| Tunnels, Bridges & Terminals    | 12,154         | 89,796           | 98,468           | (8,672)        | (9%)       | 94,243           | (5%)                  | ▲                |
| Operation Services              | 2,963          | 19,596           | 25,581           | (5,986)        | (23%)      | 35,915           | (45%)                 | ▲                |
| Other Departments               | 2,010          | 14,353           | 13,153           | 1,200          | 9%         | 20,860           | (31%)                 | ▲                |
| <b>Civilian</b>                 | <b>78,217</b>  | <b>479,917</b>   | <b>418,237</b>   | <b>61,680</b>  | <b>15%</b> | <b>427,682</b>   | <b>12%</b>            |                  |
| Snow and Ice                    | -              | 235,899          | 57,505           | 178,394        | 310%       | 98,521           | 139%                  |                  |
| Sandy and Other Emergency       | 13,279         | 72,284           | 54,022           | 18,262         | 34%        | 80,298           | (10%)                 |                  |
| <b>Grand Total</b>              | <b>174,639</b> | <b>1,434,406</b> | <b>1,081,075</b> | <b>353,331</b> | <b>33%</b> | <b>1,141,267</b> | <b>26%</b>            |                  |

**Legend:** ▲ Performance on target or below plan  
▲ Performance is over plan with mitigation strategies identified (Variance to Plan: 1% to 10%)  
▼ Performance is over plan with on-going assessment of mitigation strategies (Variance to Plan: >10%)

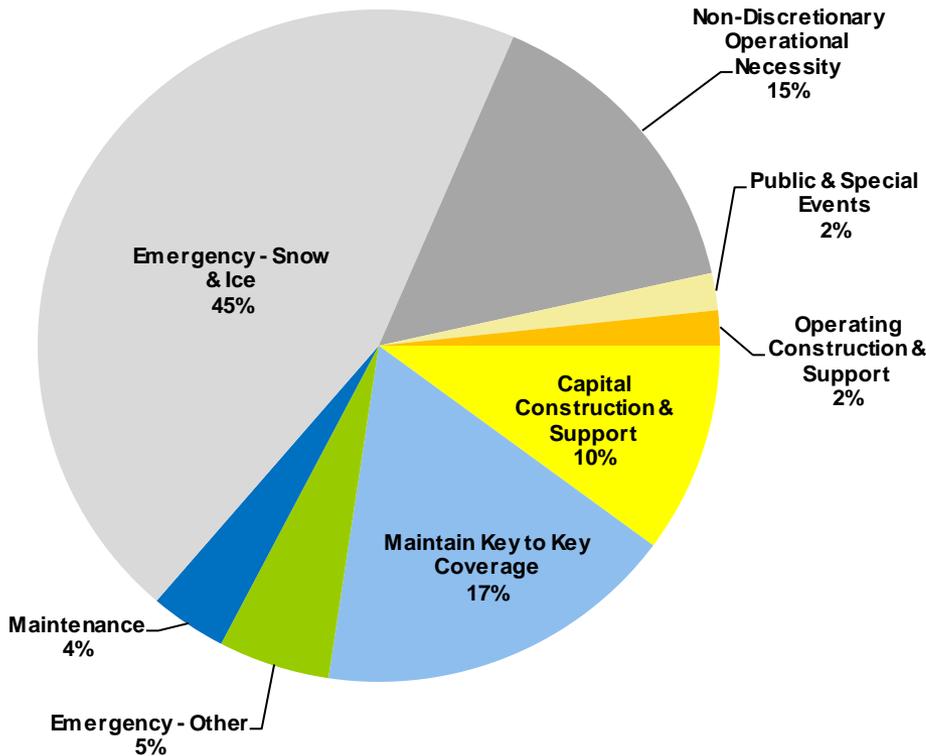
# Aviation Civilian Overtime Report July 2014

| Actual<br>YTD 2014*                         | Budget<br>YTD 2014* | Variance<br>YTD 2014* |
|---|---------------------|-----------------------|
| \$24.0 m                                    | \$14.6 m            | \$9.6 m               |
| 281,625 hours                               | 161,936 hours       | 66% Over              |
| <i>*Includes both Operating and Capital</i> |                     |                       |

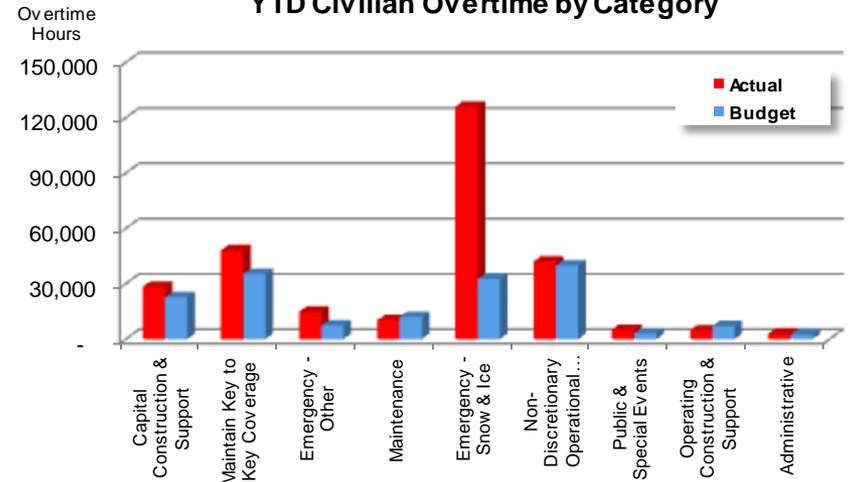
Monthly Actual vs. Budget Civilian Overtime



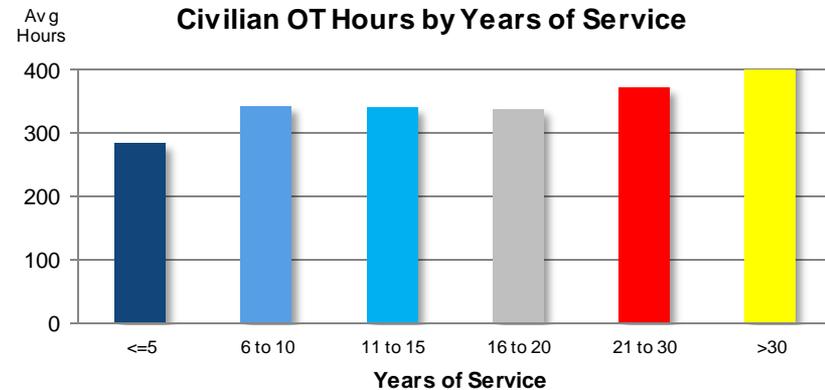
## Overtime Hours by Category



YTD Civilian Overtime by Category



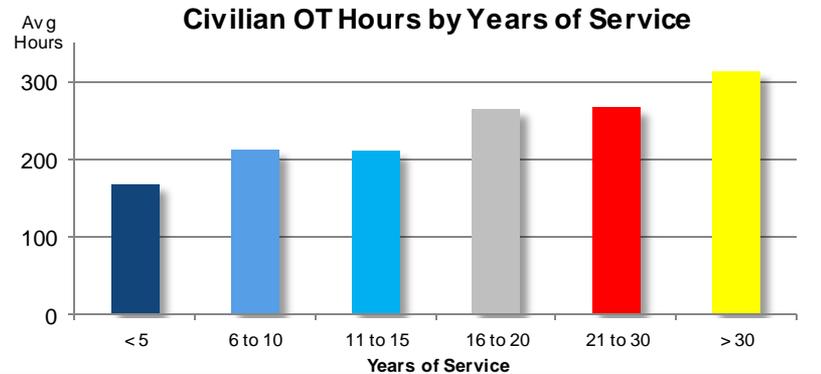
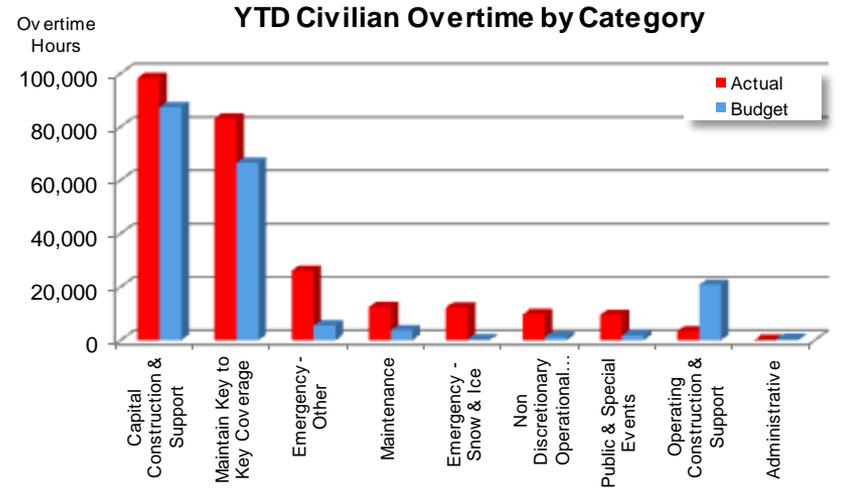
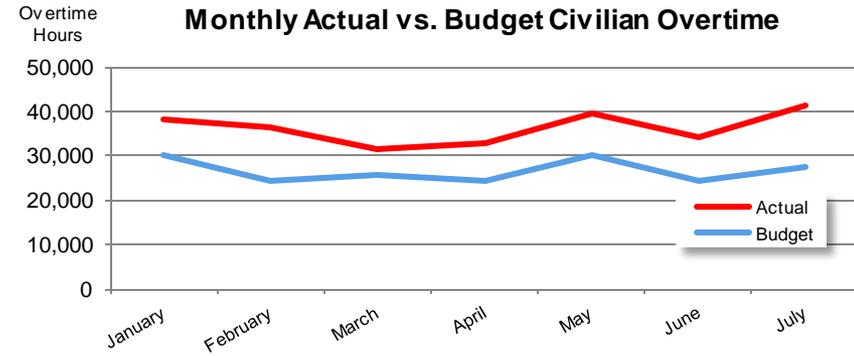
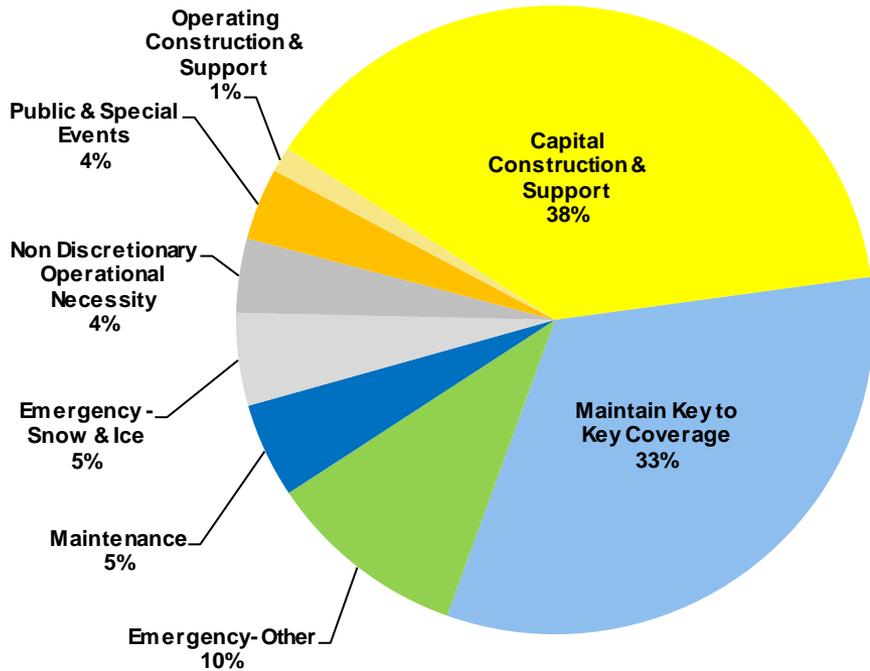
Civilian OT Hours by Years of Service



# PATH Civilian Overtime Report July 2014

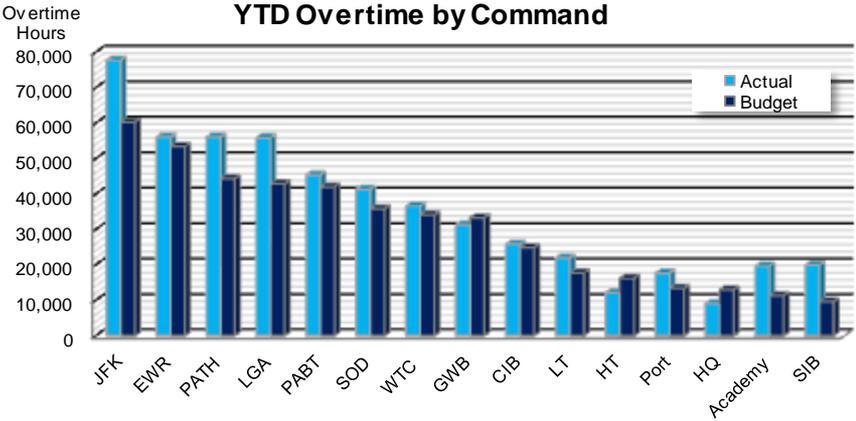
| Actual<br>YTD 2014*                         | Budget<br>YTD 2014* | Variance<br>YTD 2014* |
|---|---------------------|-----------------------|
| \$22.8 m                                    | \$19.0 m            | \$3.8 m               |
| 253,972 hours                               | 186,815 hours       | 20% Over              |
| <i>*Includes both Operating and Capital</i> |                     |                       |

## Overtime Hours by Category

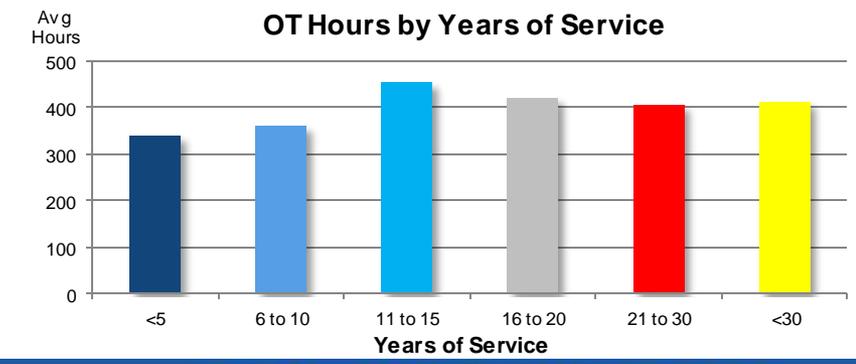
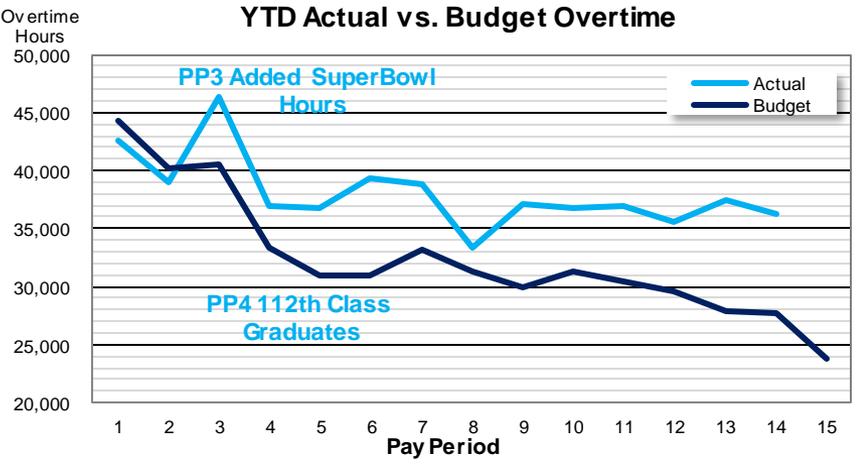
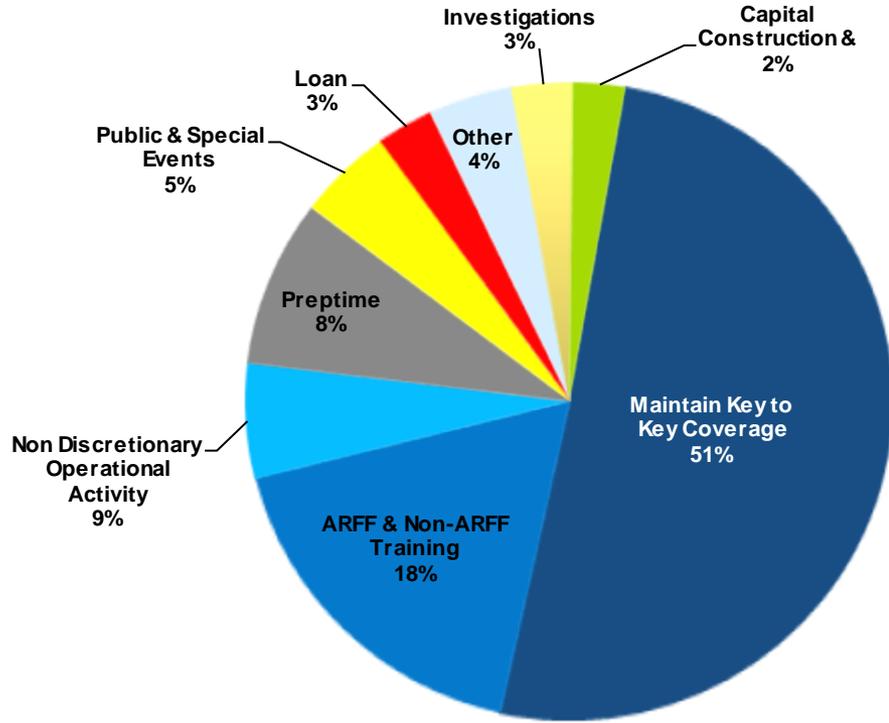


# PAPD Overtime Report July 2014

| Actual,<br>YTD 2014  | Budget,<br>YTD 2014 | Variance<br>YTD 2014 |
|--|---------------------|----------------------|
| \$73.2m  | \$63.7m             | \$9.5m               |
| 595,095 Hours  | 485,203 Hours       | 15% Over             |
| 1) Year-to-Date Grant Reimbursements for Overtime Totals \$6 million<br>2) Excess Overtime is Offset by Underrun in Straight Time--Total Workload is Being Managed |                     |                      |

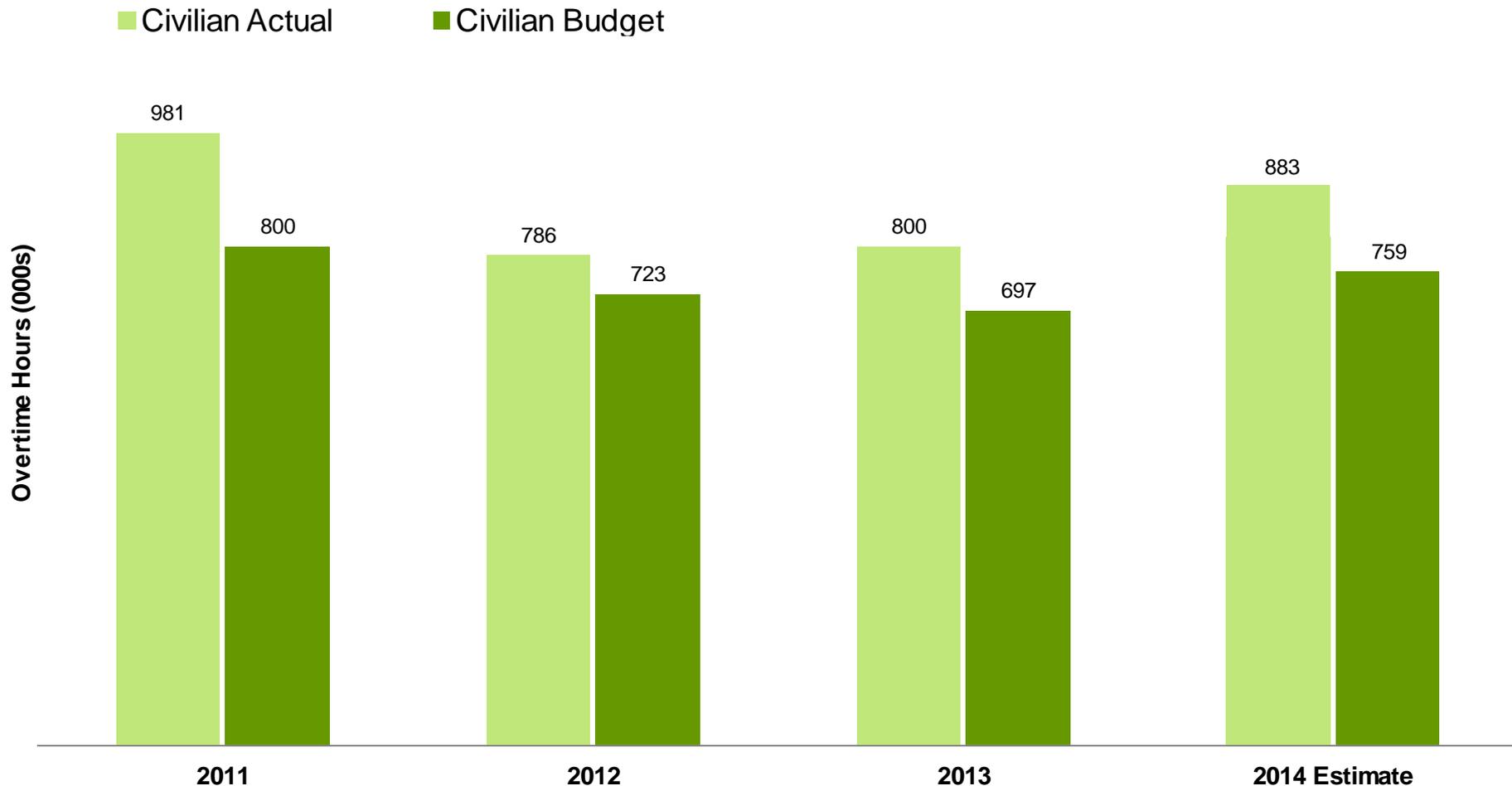


## Overtime Hours by Category



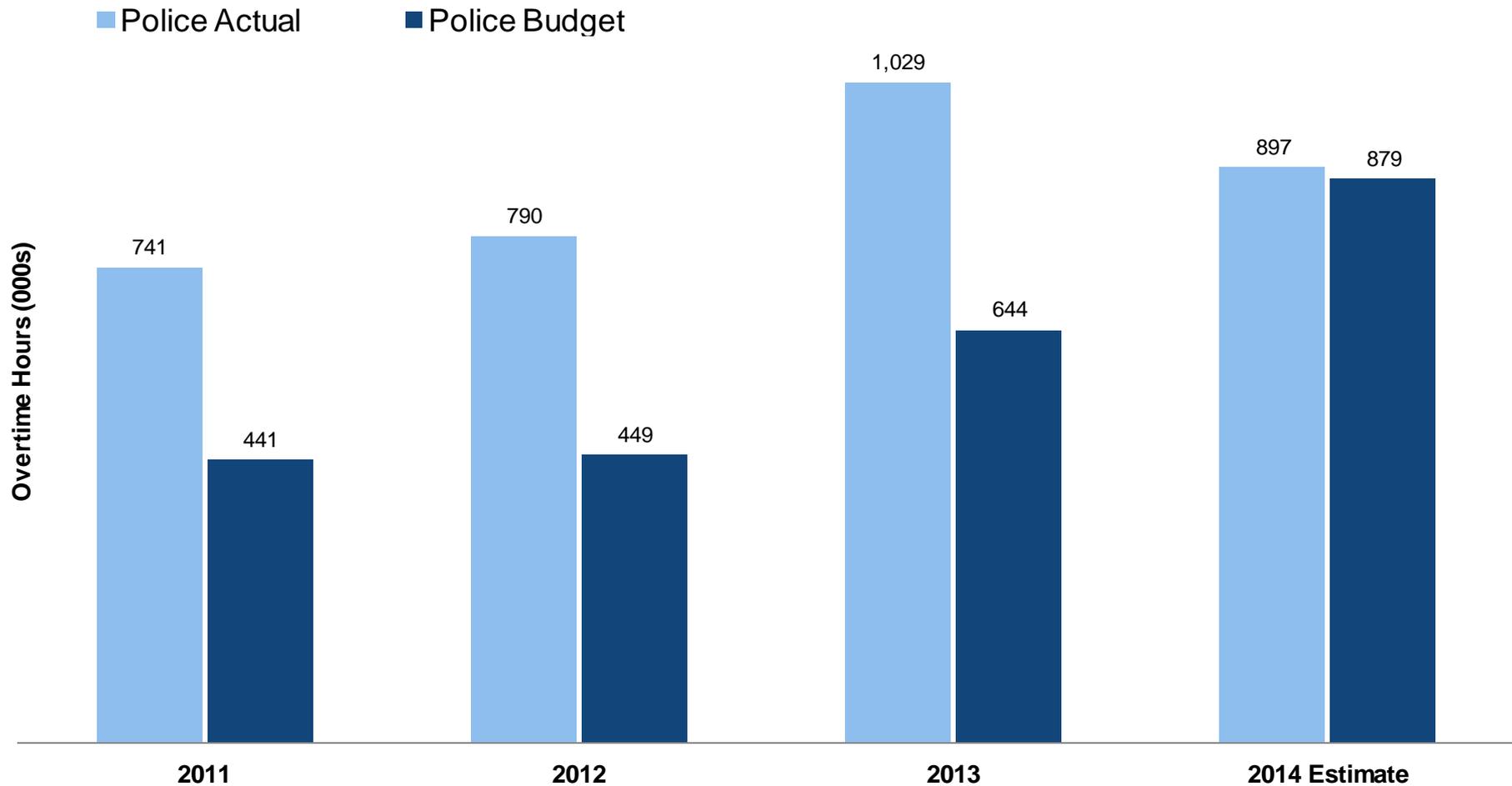
# Since 2011, Civilian overtime has decreased 10%

## 2011 - 2014 Civilian Core Overtime Hours Excluding Snow, Sandy Recovery, Other Emergencies



# Police is managing to budget

**2011 - 2014 Police Core Overtime Hours**  
Excluding Snow and Sandy Recovery



# *On-going Management Actions*

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- Establish and manage to total workload and overtime target
- Benchmark overtime levels to other Agencies and Departments to determine best practices
- Continue cost benefit analyses to optimize use of overtime and appropriate levels of internal and external resources
- Reinforce management responsibility in monitoring and controlling overtime usage through the performance review process