

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON FINANCE
MINUTES**

Thursday, February 19, 2015

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Retention of Expert Professional Brokerage Services for Property Damage and Loss of Revenue, and Public Liability Insurance Programs	4

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES OF COMMITTEE ON FINANCE

2 Montgomery Street

Jersey City, NJ

Thursday, February 19, 2015

PRESENT:

Hon. Richard H. Bagger, Chair
Hon. Jeffrey H. Lynford, Vice-Chair
Hon. Kenneth J. Lipper
Hon. Raymond M. Pocino
Hon. William P. Schuber

Committee Members

Hon. John J. Degnan
Hon. George R. Laufenberg
Hon. Jeffrey A. Moerdler
Hon. Scott H. Rechler
Hon. Rosana Rossado

Commissioners

Patrick J. Foye, Executive Director
Darrell B. Buchbinder, General Counsel
Karen E. Eastman, Secretary

Nicole Crifo, Senior Advisor to the Chairman
Stephanie E. Dawson, Acting Chief Operating Officer
Sean Fitzpatrick, Chief of Staff to the Chairman
David P. Garten, Senior Advisor to the Vice Chairman
Portia Henry, Leadership Fellow, Human Resources
Sherien N. Khella, Financial Advisor to the Chief Financial Officer
Andrew Lynn, Director, Planning and Regional Development
John H. Ma, Chief of Staff to the Executive Director
Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management
Elizabeth M. McCarthy, Chief Financial Officer
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Carlene V. McIntyre, Assistant General Counsel
Jessica Russ, Principal Board Management and Support Specialist, Office of the Secretary
Timothy G. Stickelman, Assistant General Counsel
Lillian Valenti, Chief Procurement Officer
Cheryl A. Yetka, Treasurer

Guests:

Amy Herbold, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey
Janet Ho, Assistant Secretary for Transportation, Office of the Governor of New York
Sharif A. Kabir, Assistant Secretary for Transportation, Office of the Governor of New York

The Committee meeting was called to order in executive session by Commissioner Bagger at 9:02 a.m. and was adjourned at 9:47 a.m. The Committee also met in public session following the executive session. Chairman Degnan recused himself and was not present for the portion of the public meeting concerning the discussion of the retention of insurance brokerage services.

Action on Minutes

The Secretary reported that the Minutes of the meeting of December 10, 2014 had been signed and made available to the Commissioners.

Whereupon, the Committee approved the Minutes of the meeting of December 10, 2014.

CONFIDENTIAL ITEM

The Committee approved a matter in executive session, which shall not be made available for public inspection until such actions have been completed.

RETENTION OF EXPERT PROFESSIONAL BROKERAGE SERVICES FOR PROPERTY DAMAGE AND LOSS OF REVENUE, AND PUBLIC LIABILITY INSURANCE PROGRAMS

It was recommended that the Committee on Finance (Committee) authorize the Executive Director, the Chief Financial Officer, the Treasurer, and the Chief Procurement Officer, each individually, to enter into a brokerage agreement with Willis Holdings, Inc. (Willis) for a three-year term, effective March 2015, to provide brokerage services, including placement and administration, for the Port Authority's Property Damage and Loss of Revenue (Property), and Public Liability (Liability) Insurance Programs, at a total fee of \$2,026,768. The Port Authority would have the option to extend the agreement for one three-year renewal period, at a total fee of \$2,233,431.

Both the Property and Liability Insurance Programs include coverage for losses arising from acts of terrorism. In order to procure appropriate insurance limits, self-insured retentions, and other terms to protect the Port Authority's operational risk, the agency is required to engage the services of a licensed brokerage firm to access the worldwide insurance market. Both insurance programs are necessary to ensure continuing protection for the Port Authority and its related entities from financial loss attributable to damage to its property, including resultant loss of revenue, and financial protection against potential losses related to bodily injury and property damage claims or suits brought by third parties. Staff would continue to seek separate approval for each annual insurance coverage placement from the Committee.

The Committee has power to act in this matter under and pursuant to the By-Laws and its Charter.

Pursuant to the foregoing report, the following resolution was adopted by the Committee, with Commissioners Bagger, Lynford, Lipper, Pocino and Schuber voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

RESOLVED, that the Executive Director, the Chief Financial Officer, the Treasurer, and the Chief Procurement Officer be and each hereby is authorized, for and on behalf of the Port Authority, to enter into an brokerage agreement with Willis Holdings, Inc. (Willis) for a three-year term, effective March 2015, to provide brokerage services, including placement and administration, for the Port Authority's Property Damage and Loss of Revenue, and Public Liability Insurance Programs, at a total fee of \$2,026,768, with an option by the Port Authority to extend the agreement for one three-year renewal period, at a total fee of \$2,233,431; and it is further

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

Whereupon, the meeting was adjourned.

Secretary