

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**COMMITTEE ON FINANCE  
MINUTES  
Wednesday, February 19, 2014**

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World Trade Center Site – Retention of Expert Professional Brokerage Services for Property Damage and Loss of Revenue Insurance Program, Including Terrorism Coverage	3

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**MINUTES OF COMMITTEE ON FINANCE**

**225 Park Avenue South**

**New York, NY**

**Wednesday, February 19, 2014**

**PRESENT:**

Hon. Richard H. Bagger, Chair  
Hon. Jeffrey H. Lynford, Vice-Chair  
Hon. Raymond M. Pocino  
Hon. William P. Schuber  
Committee Members

Hon. Jeffrey A. Moerdler  
Hon. Scott H. Rechler  
Commissioners

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

Steven J. Coleman, Deputy Director, Media Relations  
Nicole Crifo, Chief of Staff to the Deputy Executive Director  
Philippe Danielides, Senior Advisor to the Chairman  
Stephanie E. Dawson, Acting Chief Operating Officer  
John H. Ma, Chief of Staff to the Executive Director  
Elizabeth M. McCarthy, Chief Financial Officer  
James E. McCoy, Manager, Board Management Support, Office of the Secretary  
Carlene V. McIntyre, Assistant General Counsel  
Jared Pilosio, Staff External Relations Representative, Government and Community  
Affairs  
Boris Pisman, Manager, Risk Financing, Treasury  
Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center  
Construction  
Monika A. Radkowska, Principal Board Management and Support Specialist, Office  
of the Secretary  
Alan L. Reiss, Deputy Director, World Trade Center Construction  
Timothy G. Stickelman, Assistant General Counsel  
John A. Tomasulo, Portfolio Manager, Treasury  
Christopher M. Valens, Senior Public Information Officer, Media Relations  
Lillian D. Valenti, Director, Procurement

Guest:

Kerstin Sundstrom, Assistant Counsel, Authorities Unit, Office of the Governor  
of New Jersey

The Committee meeting was called to order in public session by Commissioner Bagger at 9:13 a.m. and ended at 9:23 a.m. The Committee also met in executive session following the public session.

**Action on Minutes**

The Secretary reported that the Minutes of the meeting of December 3, 2013 had been signed and distributed to the Commissioners.

Whereupon, the Committee approved the Minutes of the meeting of December 3, 2013.

**WORLD TRADE CENTER SITE – RETENTION OF EXPERT PROFESSIONAL BROKERAGE SERVICES FOR PROPERTY DAMAGE AND LOSS OF REVENUE INSURANCE PROGRAM, INCLUDING TERRORISM COVERAGE**

It was recommended that the Committee on Finance (Committee) authorize the Executive Director, the Chief Financial Officer, and the Director of Procurement, each individually, to enter into an agreement with Willis of New York, Inc. (Willis) for a term of March 1, 2014 through December 31, 2017, to provide brokerage services, including placement and administration for the Property Damage and Loss of Revenue Insurance Program, including terrorism coverage (Property Insurance Program) for the World Trade Center (WTC) site, at an aggregate estimated fee of \$1,967,789. The Port Authority would have the option to extend the agreement for one three-year renewal period, at an aggregate estimated additional fee of \$1,702,468. Willis was the highest rated proposer, with the lowest cost, in response to a publicly advertised Request for Proposals.

The WTC Owner Controlled Insurance Program was established in January 2006 to provide General Liability, Workers' Compensation, Builders' Risk, Terrorism and Environmental Liability protection to the Port Authority and its contractors and subcontractors performing construction work at the WTC site on Port Authority-managed projects during the redevelopment of the site. In order to procure appropriate 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. As the WTC site transitions from construction to operations, it will be necessary to obtain operational insurance, in order to protect the Port Authority and its related entities from financial loss attributable to damage to its property, including resultant loss of revenue in connection with the operation of the WTC site. The Property Insurance Program for the WTC site also would include coverage for losses arising from acts of terrorism.

The following properties are to be covered by the WTC site Property Insurance Program: One WTC, the WTC Central Chiller Plant, the WTC Vehicular Security Center, the WTC East West Connector, Liberty Park, the WTC Transportation Hub, and common areas, including streets and utilities. The placement of insurance for assets to be covered under the WTC site Property Insurance Program would be subject to further approval of 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 Committee adopted the following resolution, with Commissioners Bagger, Lynford, 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 and the Director of Procurement be and each hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Willis of New York, Inc. for a three-year term, to provide brokerage services, including placement and administration, for the Property Damage and Loss of Revenue Insurance Program for the World Trade Center site, at a total estimated fee of \$1,967,789, with an option by the Port Authority to extend the agreement for one three-year renewal period, at a total estimated additional fee of \$1,702,468 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.

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Secretary