

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

**MINUTES  
Thursday, May 25, 2000**

	<b>Page</b>
Action on Minutes	216
Report of Audit Committee	216
Report of Committee on Finance	216
Report of Committee on Construction	216
Report of Committee on Operations	217
2000 Budget	218
Newark International Airport – Vertical Circulation Improvements in Terminal B – Project Authorization and Award of Contracts EWR-154.198 and EWR-154.253	223
Battery Park City Permanent Ferry Terminal Construction – Project Authorization	225
Industrial Park at Elizabeth – Declaration of Remaining Property as Surplus and Sale to AFI Food Service Distributors, Inc.	227
Port Authority Bus Terminal – Urbanfetch.com, Inc. – New Lease	230
Dredging – Feasibility Study Cost-Sharing Agreement, Preconstruction Engineering and Design Agreements, and Project Cooperation Agreement – U.S. Department of the Army Corps of Engineers	231
Award of the Robert F. Wagner Distinguished Public Service Medal	233
Retention of Former Port Authority Employee in Connection with New York City Arbitration	234
Settlement of Litigation – Security Guards at The World Trade Center	236
Confidential Item	238
Final Contracts Payments	240
Investments and Deposits	244

Contract and Purchase Order Authorizations and Amendments – Quarterly Report 271

Tort Claim Settlements – Quarterly Report 277

**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, May 25, 2000,  
at One World Trade Center, City, County and State of New York.**

**PRESENT:**

**NEW JERSEY**

Hon. Lewis M. Eisenberg, Chairman  
Hon. Kathleen A. Donovan  
Hon. William J. Martini  
Hon. Alan G. Philibosian  
Hon. Anthony J. Sartor

Robert E. Boyle, Executive Director  
Jeffrey S. Green, General Counsel  
Daniel D. Bergstein, Secretary

Kayla M. Bergeron, Director, Media Relations  
Bruce D. Bohlen, Treasurer  
Lillian C. Borrone, Director, Port Commerce  
John D. Brill, Director, Audit  
Gregory G. Burnham, Chief Technology Officer  
Ernesto L. Butcher, Chief Operating Officer  
William J. Cahill, Principal Information Officer, Media Relations  
George L. Cancro, Jr., Director, Office of Ferry Transportation  
William DeCota, Director, Aviation  
Michael P. DePallo, Director/General Manager, PATH  
Karen E. Eastman, Assistant Secretary  
Nancy J. Ertag-Brand, Lead Financial Analyst, Office of the Chief Financial Officer  
Michael Glassner, Executive Assistant to the Chairman  
Edward Jackson, Director, Financial Services Department  
Howard G. Kadin, Attorney, Law  
Louis J. LaCapra, Chief of Staff  
Francis J. Lombardi, Chief Engineer  
Stephen Marinko, Attorney, Law  
Charles F. McClafferty, Chief Financial Officer  
Allen M. Morrison, Supervisor, Media Relations  
Cherrie L. Nanninga, Acting Deputy Chief Financial Officer/Director, Real Estate  
Catherine F. Pavelec, Executive Assistant to the Secretary  
Kenneth P. Philmus, Director, Tunnels, Bridges & Terminals  
Alan L. Reiss, Director, World Trade  
Ronald H. Shiftan, Deputy Executive Director  
Douglas L. Smith, Director, Office of Forecasting and Capital Planning  
John F. Spencer, Assistant Chief Engineer  
Joseph A. Tobia, Assistant Comptroller  
Christopher O. Ward, Chief of Corporate Planning and External Affairs  
Angela F. Wood, Special Assistant to the Executive Director  
Peter Yerkes, Press Secretary  
Margaret R. Zoch, Comptroller

Guests

Robert Horowitz, Office of the New York State Comptroller  
Robert Zerrillo, Office of the Governor, New York State

**NEW YORK**

Hon. Charles A. Gargano, Vice-Chairman  
Hon. Peter S. Kalikow  
Hon. David S. Mack  
Hon. Bradford J. Race, Jr.

The public meeting was called to order by Chairman Eisenberg at 2:25 p.m. and ended at 2:35 p.m. The Board met in executive session prior to the public meeting.

#### **Action on Minutes**

The Secretary submitted for approval Minutes of action taken at the Board's meeting of April 27, 2000. 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.

The Secretary reported that the Minutes of February 24, 2000 contain a typographical error on page 27, in the fourth line of the final paragraph of the resolution entitled "Settlement of Claim - Leslie Cancel v. The Port Authority of New York and New Jersey." The settlement amount paid was, in fact, \$148,500, as correctly stated in the third line of the first paragraph of the report.

Whereupon, the Board of Commissioners unanimously approved the Minutes.

#### **Report of Audit Committee**

The Audit Committee reported, for information, on matters discussed in executive session at its meeting on May 25, 2000, which included discussion of internal audit matters, and the report was received.

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

The Committee on Finance reported, for information, on matters discussed in executive session at its meetings on May 19, 2000 and May 25, 2000, which included discussion of contract matters and matters related to, or which could impact upon, the issuance, sale, resale, or redemption of Port Authority bonds, notes or other obligations, 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.

#### **Report of Committee on Construction**

The Committee on Construction reported, for information, on matters discussed at its meeting on May 25, 2000, which included discussion of project authorizations for vertical circulation improvements in Terminal B at Newark International Airport; construction of a permanent ferry terminal at Battery Park City; and major access and capacity improvements at the PATH Pavonia/Newport Station. The Committee met in executive session following the public meeting to discuss contract matters. This report is 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.

**Report of Committee on Operations**

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

## **2000 BUDGET**

The 2000 Budget for The Port Authority of New York and New Jersey, including the anticipated expenditures of subsidiary corporations, provides for capital and operating expenditures necessary to achieve the Port Authority's goals and objectives.

The Commissioners have established that the Port Authority's mission is to identify and meet the critical transportation needs of the bistate region's businesses, residents and visitors by providing the highest quality, most efficient transportation and port commerce facilities and services that move people and goods within the region, provide access to the rest of the nation and to the world, and strengthen the economic competitiveness of the New York-New Jersey metropolitan region.

This mission is supported by goals and objectives that include: improving service quality, implementing new technologies, maintaining and enhancing infrastructure, improving management and delivery of capital programs, increasing agency cost effectiveness, enhancing safety and security, promoting entrepreneurial initiatives, pursuing improvements in regional mobility, and advancing regional economic competitiveness.

The Budget serves as a financial planning tool which outlines estimated expenditures for fulfilling these objectives through programs already authorized or to be considered.

The 2000 Budget totals \$3,861 million. It consists of \$1,755 million for operating expenses, \$1,542 million for gross capital expenditures, \$483 million for debt service charged to operations, and \$81 million for other expenditures.

The 2000 Budget reflects continued implementation of customer service improvements affecting the Port Authority's airport, tunnel, bridge, terminal, rail, Port Commerce and World Trade facilities.

The 2000 Budget capital expenditures are devoted primarily to projects related to the Port Authority's Aviation, Interstate Transportation, PATH, Port Commerce and World Trade facilities. These expenditures will renew and maintain existing Port Authority facilities, enhance the capability of Port Authority assets to achieve overall operational performance levels, and provide a platform for expanding capacity in the future. Significant projects include JFK Airtrain and EWR Monorail Extension, improvements to roadways, runways and taxiways, parking structures and parking lot improvements and terminals at the airports, dredging and port development projects for the port facilities, deck rehabilitation at the Bayonne Bridge and Outerbridge Crossing and Traffic Management Systems at TB&T facilities, various infrastructure improvements on PATH and electrical and subgrade slab improvements at The World Trade Center.

The Executive Director would be authorized to take action with respect to professional, technical, or advisory services; contracts for maintenance and services, construction, commodities (materials, equipment, and supplies) purchases; the purchase of insurance; the settlement of employee and patron claims; and other actions, including personnel benefit, classification, range and procedural adjustments, as provided in the 2000 Budget.

The benefit, classification, range and procedural adjustments provided for in the Budget include those previously authorized for employees represented by unions. As contemplated in the 2000 Budget, and in light of developments affecting subordinate employee groups and recent salary and wage trends, salary ranges and adjustments for staff not represented for purposes of collective negotiations or bargaining include, effective December 28, 1999, and consistent with the Compensation Resolution, a 2.5 percent salary range increase with an additional 1.0 percent of payroll for administration of the 2000 Pay for Performance program. And, in view of volatility in the benefit and insurance industry, continuing changes in provider offerings or financing methods may occur; consistent with prior delegations, the Executive Director would implement or approve such changes as he finds necessary or appropriate from time to time.

A provision of \$500,000 is also included to reimburse the States of New York and New Jersey for expenses incurred by both States, including staff costs, in reviewing the Port Authority's annual Budget and any amendments thereto.

Circumstances arose during the year 1999 that were not foreseeable or determinable when the 1999 Budget was prepared. The circumstances affecting the 1999 Budget and the resulting net changes are set forth below. Together with all other expenditures for the Port Authority and its subsidiary corporations for the year 1999, estimated 1999 expenditures will amount to \$296 million less than the total expenditures set forth in the 1999 Budget.

In connection with the effectuation of the Port Authority's capital program from time to time and consistent with the 2000 Budget and capital program projections, it is desirable to establish a maximum amount for 2000 in connection with the Executive Director's authority to apply moneys in the Consolidated Bond Reserve Fund to the Capital Fund, subject to statutory, contractual, and other commitments and financial policies of the Port Authority, of up to \$450 million (after reimbursements for temporary applications) in addition to other capital funds carried into 2000 and the proceeds of Port Authority obligations to be issued.

The Executive Director's authority, pending final adoption and approval of the annual Budget, to make operating expenditures and undertake contractual commitments for continuing operations and services as contained in the financial plan presented to the Commissioners would also be confirmed.

Pursuant to the foregoing report presented by staff, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Kalikow, Mack, Martini, Philibosian, Race and Sartor voting in favor; none against:

**RESOLVED**, that the 2000 Budget of The Port Authority of New York and New Jersey as set forth below, be and the same hereby is approved and adopted, including authority for the Executive Director to (a) take action, in accordance with appropriate procedures, with respect to professional, technical, or advisory services as appropriate; contracts for maintenance and services, construction, and commodity purchases; purchase of insurance; settlement of claims; and other actions, including personnel benefit, classification, range, and procedural adjustments; and (b) pending final adoption of the annual Budget, make operating expenditures and undertake contractual commitments for continuing operations and services:

**THE PORT AUTHORITY OF NEW YORK & NEW JERSEY**  
(Including Subsidiary Corporations)

**2000 BUDGET**  
(In Thousands)

<u>Item</u>	<u>Total Expenditures</u>	<u>Personal Services</u>	<u>Materials &amp; Services</u>
Audit Department	\$8,968	\$6,961	\$2,007
Aviation Department	432,799	95,995	336,804
Budget Department	4,321	2,766	1,555
Chief of Administration	386	266	120
Chief Financial Officer	2,696	461	2,235
Chief Operating Officer	680	443	237
Chief of Planning & External Affairs	661	512	149
Chief of Staff	868	711	157
Chief Technology Officer	1,006	263	743
Comptroller's Department	38,902	15,220	23,682
Corporate Communications	15,390	9,270	6,120 *
Economic Development Department	70,646	2,268	68,378
Engineering Department	254,032	62,688	191,344
Construction Contracts	557,146	-	557,146
Executive Offices	2,711	1,840	871
Ferry Transportation Services	4,871	581	4,290
Government and Community Relations	3,035	1,694	1,341
Human Resources Department	20,026	6,248	13,778
Medical Services	4,002	2,078	1,924
Inspector General	2,523	1,501	1,022
Law Department	21,558	15,627	5,931
Media Relations	1,973	1,131	842
Office of Business and Job Opportunity	3,465	1,674	1,791
Office of the Secretary	2,328	1,059	1,269
Operation Services Department	31,186	23,351	7,835
Facility Construction Support	25,736	18,645	7,091
PATH	155,282	107,867	47,415
Policy and Planning	4,838	2,809	2,029
Port Commerce Department	101,249	19,117	82,132
Procurement	16,932	7,858	9,074
Public Safety Department	208,440	180,648	27,792
Real Estate Department	76,997	5,973	71,024
Technology Services Department	7,974	15,401	(7,427) *
Treasury Department	83,872	4,536	79,336
Tunnels, Bridges & Terminals Department	160,800	91,956	68,844
TRANSCOM	480	187	293
World Trade Department	164,886	14,500	150,386
Other			
Airport Access Program	524,893 **	7,952	516,941
Amounts in Connection with Operating Asset Financings	38,841	-	38,841
Bad Debts	1,700	-	1,700
Debt Service	483,033	-	483,033
Bistate Dredging Program	20,520	-	20,520
Insurance	77,816	-	77,816
Municipal Rents and Amounts In Lieu of Taxes	114,447	-	114,447
Regional Development Facility (Bank I)	825	-	825
Regional Economic Development Program (Bank III)	7,057	-	7,057
Special Project Bond Debt Service	97,870	-	97,870
<b>Total Port Authority Budget</b>	<b>\$3,860,667</b>	<b>\$732,057</b>	<b>\$3,128,610</b>

\* Net after charges to other departments.

\*\* Does not include overhead allocations.

; and it is further

**RESOLVED**, that revisions to the Budget for the year 1999 be and the same hereby are approved:

**THE PORT AUTHORITY OF NY & NJ**  
**Including Subsidiary Corporations**  
**1999 BUDGET VS 1999 ACTUAL**  
**(Thousands of Dollars)**

	<u>1999 ACTUAL</u>	<u>1999 BUDGET</u>	<u>CHANGE</u>
<b>Operating Expenses</b>	\$1,712,874	\$1,640,666	\$72,208
<b>Amounts in connection with Financing Operating Assets</b>	35,957	36,792	(835)
<b>Debt Service Charged to Operations</b>	462,351	472,323	(9,972)
<b>Deferred Expenses and Expenditures Supported by Non-Operating Revenues</b>	<u>64,876</u>	<u>83,322</u>	<u>(18,446)</u>
<b>Total Operating</b>	2,276,058	2,233,103	42,955
<b>Capital Expenditures</b>	<u>999,249</u>	<u>1,338,179</u>	<u>(338,930)</u>
<b>Total Port Authority Expenditures</b>	<u>\$ 3,275,307</u>	<u>\$ 3,571,282</u>	<u>(\$ 295,975)</u>

; and it is further

**RESOLVED**, that, based upon a requisition of the Governor of the State of New York or the Governor of the State of New Jersey, or the duly authorized designee of each, the Port Authority shall pay to the State of New York or the State of New Jersey, or both, upon receipt of an appropriate expenditure plan from said State, an amount not in excess of \$250,000 to each said State to reimburse said State or States for expenses incurred by said State or States, including staff costs, in reviewing the annual Budget of the Port Authority and any amendments thereto; and it is further

**RESOLVED**, that the provision by the Executive Director of portions of the Port Authority's capital program from time to time, consistent with the 2000 Budget and capital program projections (including the continuing application of the Capital Fund on a temporary basis, subject to reimbursements), by application of moneys in the Consolidated Bond Reserve Fund to the Capital Fund for capital expenditures for the year 2000 in connection with the Port Authority's facilities shall not, subject to statutory, contractual, and other commitments and financial policies of the Port Authority, exceed \$450 million (after any such reimbursements and in addition to other capital funds carried into 2000 and the proceeds of obligations to be issued).

**NEWARK INTERNATIONAL AIRPORT -- VERTICAL CIRCULATION  
IMPROVEMENTS IN TERMINAL B – PROJECT AUTHORIZATION AND  
AWARD OF CONTRACTS EWR-154.198 AND EWR-154.253**

Terminal B at Newark International Airport was opened in 1973 as a domestic terminal with three small passenger elevators and one freight elevator. Due to passenger growth at Terminal B, current demand for elevator service far exceeds the capacity of the existing elevators. During daily peak activity periods, elevator queue lines develop and customers must wait an excessively long time for an elevator. This project would expand and improve vertical circulation capacity in Terminal B through the installation of three large-capacity elevators capable of collectively accommodating up to approximately 650 persons per hour. The elevators would connect all four levels of Terminal B, would be sized to accommodate customers with luggage and baggage carts, and would significantly reduce customer waiting times during peak activity periods. The elevator installation would include glass enclosures and associated infrastructure. To make room for the elevators, two existing escalators located in the center of Terminal B would be removed and, prior to their removal, two new escalators would be installed in the same general vicinity. In addition, a glass-enclosed lobby would be constructed on the Parking Level to enclose the new escalators. It is anticipated that construction would commence during the second quarter of 2000, with project completion expected in the third quarter of 2001. All costs for this project would be indirectly recoverable through International Facility fees and charges.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Kalikow, Mack, Martini, Philibosian, Race and Sartor voting in favor; none against:

**RESOLVED**, that a project to improve vertical circulation in Terminal B at Newark International Airport through the installation of three large-capacity elevators and the replacement of two escalators, at a total estimated project cost of \$16.5 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, payments to consultants, planning, engineering, administrative and financial expenses, and a project contingency (if necessary) 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: (a) take action with respect to construction contracts and contracts for professional and advisory services related to the foregoing project as he deems in the best interest of the Port Authority including, without limitation, the award of Contract EWR-154.198 for the installation of three elevators and the removal of two escalators in Terminal B, at a total estimated contract price of \$6.6 million, and the award of Contract EWR-154.253 for the installation of two new escalators in Terminal B, at a total estimated contract price of \$4.0 million, to the lowest bidder(s) qualified by reason of responsibility, experience, and capacity to perform the work and whose bid price he deems reasonable; or

to reject all bids, solicit new bids on revised or the same requirements, or negotiate with one or more bidders or contractors; (b) execute contracts and supplemental agreements with such bidders or contractors as he deems in the best interest of the Port Authority, and to order extra work (if necessary) and net cost work in connection with each contract, including supplemental agreements thereto; and, (c) enter into such other contracts and agreements as may be necessary to effectuate the project; and it is further

**RESOLVED**, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

## BATTERY PARK CITY PERMANENT FERRY TERMINAL CONSTRUCTION – PROJECT AUTHORIZATION

In November 1988, the Port Authority entered into an agreement with Arcorp/Hartz for the provision of a trans-Hudson ferry service, now being furnished by NY Waterway. The proposed project conforms with the Port Authority's contractual obligations to Arcorp/Hartz to fund the design and construction of a permanent ferry terminal at Battery Park City (BPC). The temporary facility at BPC requires replacement at this time to accommodate the existing ferry services and new services, including the LaGuardia Airport to Manhattan ferry service. The existing two-slip terminal has reached its vessel landing capacity during peak periods and cannot accommodate either anticipated future passenger growth with regard to waiting and circulation areas or additional peak period landings.

The project provides for the replacement of the existing temporary facility with a larger, more stable and more structurally sound permanent floating ferry terminal. The new facility will: accommodate a maximum of five vessels simultaneously; accept both side and end-loading vessels; contain a larger terminal waiting area that reduces passenger crowding; and, provide improved passenger amenities (arrival and departure accessibility between the vessels and the terminal, rest rooms and additional seating).

The Port Authority will retain ownership of the new facility and NY Waterway will be responsible for the ongoing terminal operation and routine maintenance costs. Revenues that are generated from ferry landing fees and concessions will be applied first to NY Waterway's operation and maintenance costs and then to an eight percent of gross terminal revenues management fee to be paid to NY Waterway. The Port Authority and NY Waterway will share remaining gross revenues, if any, on a two-thirds, one-third basis, respectively.

Environmental impacts will be minimal. In November 1988, enabling federal legislation was obtained to construct a permanent ferry terminal facility in a 200-foot-by-700-foot footprint within the federal navigation channel. In 1989, a thirty-year easement agreement was obtained from the State of New York for the related riparian rights. Dredging will not be required. Construction staging will be coordinated with NY Waterway and the Hugh L. Carey Battery Park City Authority to minimize impacts to existing operations.

Pursuant to the foregoing report presented by staff, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Kalikow, Mack, Martini, Philibosian, Race and Sartor voting in favor; none against:

**RESOLVED**, that a project for the final design and construction of a permanent ferry terminal at Battery Park City, at a total estimated project cost of \$37.4 million, including payments to contractors, allowances for extra work (if necessary) and net cost work, administrative, engineering, and financial expenses, and a project contingency (if necessary), 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: a) apply for all necessary state and federal environmental and regulatory permits and approvals required for the project; and b) negotiate and, subject to final Board approval, enter into a long-term property rights agreement with the Hugh L. Carey Battery Park City Authority for the property rights necessary for the permanent facility and its pedestrian-related improvements; the form of the foregoing permits, approvals and agreement shall be subject to the approval of General Counsel or his authorized representative.

**INDUSTRIAL PARK AT ELIZABETH – DECLARATION OF REMAINING PROPERTY AS SURPLUS AND SALE TO AFI FOOD SERVICE DISTRIBUTORS, INC.**

It was recommended that the Board: (1) declare as surplus the remaining property at the Industrial Park at Elizabeth (the Park); (2) authorize the Executive Director to: (a) enter into a contract of sale for the remaining property at the Park with AFI Food Service Distributors, Inc. (AFI), for \$2.275 million on an “as-is” basis; (b) execute a deed to convey the property to AFI; and, (c) enter into any other related agreements required to effectuate the transaction; and, (3) delegate to the Committee on Operations the authority to approve the final terms of the agreement in the event that they are not substantially in accordance with those outlined herein.

The sale and disposition of the Port Authority’s interest in the Park will further the Port Authority’s goal of returning to its core business of transportation. This disposition also eliminates future Port Authority capital expenditures and operating and maintenance costs for the facility. The implementing documents for the sale will provide for appropriate environmental protections and indemnifications for the benefit of the Port Authority.

This property represents the last remaining parcel of the Park and is surrounded by property previously declared surplus by the Board and sold to IKEA. In 1987, 1994 and 1996, the Board declared approximately 83 acres of the land at the Park surplus. This land was all subsequently sold to IKEA Development. The Board, at its February 9, 1995 meeting, authorized the letting of an eight-acre parcel of land to AFI and the construction of a food distribution facility at a cost to the Port Authority of \$8.5 million. The lease with AFI included an option to buy the building and to lease an additional four-acre parcel of land. AFI is now exercising its option to purchase the building in accordance with the provisions of the lease and has offered to purchase the entire 12 acres of land.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Kalikow, Mack, Martini, Philiposian, Race and Sartor voting in favor; none against:

**RESOLVED**, that the Board hereby finds and determines that the real property located in the City of Elizabeth, County of Union, State of New Jersey, and shown and described on the Tax Map of the City of Elizabeth as part of Tax Account #1-1440, is no longer required for the purposes for which it was acquired.

All that lot, piece or parcel of land situate lying and being in the City of Elizabeth, County of Union and State of New Jersey bounded and described as follows:

Beginning at a point in the northerly sideline of Center Drive distant the following two courses and east distances from the intersection of the northerly sideline of North Avenue and the easterly sideline of Kapkowski Road prolonged northerly:

- (a) North  $27^{\circ}-29'-59''$  East 662.34 feet to a point; thence
- (b) North  $62^{\circ}-30'-01''$  West 297.00 feet to the point and Place of Beginning; thence
  - 1. Along the said northerly sideline of Center Drive North  $62^{\circ}-30'-01''$  West 262.00 feet to a point; thence
  - 2. Still along the said northerly sideline of Center Drive North  $37^{\circ}-55'-19''$  West 71.98 feet to a point in the easterly sideline of Center Drive; thence
  - 3. Along the said easterly sideline of Center Drive north  $17^{\circ}-29'-01''$  West 48.92 feet to a point; thence
  - 4. Still along the said easterly sideline of Center Drive North  $04^{\circ}-59'-09''$  East 78.24 feet to a point; thence
  - 5. Still along the said easterly sideline of Center Drive North  $27^{\circ}-29'-59''$  East 811.15 feet to a point; thence
  - 6. South  $62^{\circ}-30'-01''$  East 570.00 feet to a point; thence
  - 7. South  $27^{\circ}-29'-59''$  West 871.97 feet to a point; thence
  - 8. North  $62^{\circ}-30'-01''$  West 178.00 feet to a point; thence
  - 9. South  $27^{\circ}-29'-59''$  West 76.00 feet to the point and Place of Beginning; and it is further

**RESOLVED**, that (a) a map of such property be prepared; and (b) at the appropriate time, at the request of General Counsel or his authorized representative, the Chief Engineer of the Port Authority execute a certificate to be annexed to said map stating that the real property shown on said map is no longer required for the purposes for which it was acquired, such map then to be filed in the Office of the Secretary of the Port Authority; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to: (a) enter into a contract of sale for the remaining property at the Industrial Park at Elizabeth with AFI Food Service Distributors, Inc. (AFI), for \$2.275 million on an “as-is” basis, (b) execute a deed to convey the property to AFI; and, (c) enter into any other related agreements required to effectuate the transaction; and it is further

**RESOLVED**, that the Committee on Operations be and it hereby is authorized, for and on behalf of the Port Authority, to approve the final terms of the agreement in the event that they are not substantially in accordance with those outlined herein; and it is further

**RESOLVED**, that the form of all contracts and agreements, in each case, in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

**PORT AUTHORITY BUS TERMINAL – URBANFETCH.COM, INC. – NEW LEASE**

It was recommended that the Board authorize the Executive Director to enter into a lease agreement (the Lease) with Urbanfetch.com, Inc. (Urbanfetch) covering the construction and operation of a retail e-commerce store for pick-up and direct retail sales of items sold on Urbanfetch's Web Site in an area of approximately 1,480 square feet on the Main Concourse of the South Wing of the Port Authority Bus Terminal (PABT). This store will be one of two locations occupied by Urbanfetch at the PABT. The other location will be a kiosk which will function as a pick-up location for items sold via Urbanfetch's Web Site.

The Lease would be for a term commencing on or about July 1, 2000, subject to postponement, and expiring on the day preceding the tenth anniversary of the date payment of rental commences under the Lease. Payment of rental under the Lease will commence on the 240<sup>th</sup> day following the commencement date of the term of the letting under the Lease. Urbanfetch will pay a graduated basic rental under the Lease at a rate per annum ranging from \$88,800 to \$103,600 over the term of the Lease. Urbanfetch will install all improvements, fixtures and equipment required for its operations in the space, at its sole cost and expense. The term of the letting will be subject to termination by the Port Authority, at any time, without cause, on thirty days' notice, in which event Urbanfetch 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.

The final terms of the Lease will be subject to the approval of the Committee on Operations in the event that the gross effective rent and/or the term of the letting are not substantially in accordance with the terms outlined to the Board.

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Kalikow, Mack, Martini, Philibosian, Race and Sartor voting in favor; none against:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement with Urbanfetch.com, Inc. at the Port Authority Bus Terminal, substantially in accordance with the terms and conditions outlined to the Board; the form of the agreement shall be subject to the approval of General Counsel or his authorized representative; and it is further

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

**DREDGING - FEASIBILITY STUDY COST-SHARING AGREEMENT,  
PRECONSTRUCTION ENGINEERING AND DESIGN AGREEMENTS, AND  
PROJECT COOPERATION AGREEMENT - U.S. DEPARTMENT OF THE  
ARMY CORPS OF ENGINEERS**

The United States Army Corps of Engineers (Corps) is insistent that certain provisions in agreements related to feasibility studies, preliminary engineering and design and construction are non-negotiable because of federal statutes and Corps policy. Similar terms would be applicable to the Feasibility Study Cost-Sharing (FSCS) Agreement for the Red Hook Anchorage, the Pre-Construction, Engineering and Design (PED) Agreements for the Arthur Kill 45-Foot Deepening and New York-New Jersey Harbor Navigation Improvements for 50-Foot Channels, and the Project Cooperation (PC) Agreement for the Arthur Kill 41-Foot Deepening, all authorized by the Board since 1997. Executing these agreements with the Department of the Army (Army) is a condition precedent to projects that will have positive impacts on navigation improvements to the New York-New Jersey harbor and the Port of New York and New Jersey's capability of accommodating modern deep-draft containerships and, consequently, to its competitive position relative to other ports.

Port Authority staff has made strong but futile efforts to convince the Corps at District, Regional and Headquarters levels in Washington, D.C., to agree to modifications to the form of agreements, such as, among other things, putting a cap on the local sponsor's financial responsibility to pay a portion of study, design, engineering, construction, utility relocation, or other costs. There are a number of changes that staff believes could legally be agreed to by the Corps, yet the Corps remains adamant that such changes to the agreements cannot be made. Moreover, federal law provides that the Secretary of the Army shall not commence construction of any water resources project, or separable element thereof, until each non-federal sponsor has entered into a written agreement to furnish its required financial contribution for the project or separable element. Rather than delay work vital to the viability of the Port of New York and New Jersey, the Port Authority must proceed to execute the requisite agreements and in some cases acquiesce to the Corps' demands that certain terms be included.

Additionally, a Certificate of Authority must be executed by General Counsel that the Port Authority has full authority and legal capability to perform the terms of the agreement with the Army and, for certain contracts, to pay damages in accordance with the terms of the agreement, if necessary, in the event of the failure to perform, and that the persons who execute the agreement on behalf of the Port Authority have acted within their statutory authority. The necessary authority does not now exist.

In the event the award of any contract for the planning, design or construction of the channel deepening would result in cumulative design or construction costs which would exceed the Port Authority's current authorization, the federal government would defer but not indefinitely postpone award of the contract, and the local sponsor would remain responsible to pay its non-federal sponsor's share. Essentially, the Port Authority would be legally responsible to pay the prescribed percentage of the total project costs no matter what the amount might be. In addition, the Port Authority is required to indemnify the federal

government from damage due to the design, construction, operation, or maintenance of the project, any betterments, and the local services facilities, except for damages due to the fault or negligence of the federal government or its contractors. Insurance policies can cover reasonably foreseeable risks, but the Corps has insisted that the premiums be paid by the Port Authority instead of being a part of the total project costs.

Accordingly, staff recommends that the Board authorize the Executive Director, on behalf of the Port Authority, to execute FSCS, PED and PC agreements, already authorized by the Board with estimated costs, in the form required by the Army, which will obligate the Port Authority as local non-federal sponsor to pay more than the estimated costs (if such excess costs occur), that is a percentage of total project costs no matter what that amount might be. The Port Authority's entry into the written agreements with the Army to furnish the Port Authority's required financial contribution for the project or a separable element would in turn enable the United States Government to pay the federal share of work costs pursuant to such agreements, subject to future appropriations by Congress.

Pursuant to the foregoing report, the following resolution was adopted in executive session with Commissioners Donovan, Eisenberg, Gargano, Kalikow, Mack, Martini, Philibosian, Race and Sartor voting in favor; none against:

**RESOLVED**, that the Port Authority's resolutions of November 18, 1999 relative to a Feasibility Study Cost Sharing (FSCS) agreement, of December 18, 1997 and February 24, 2000 relative to Pre-Construction Engineering and Design (PED) agreements and of April 30, 1998 and May 27, 1999 relative to a Project Cooperation (PC) agreement with the United States Government, Department of the Army (Army), be and they are hereby amended to authorize the Executive Director to execute such FSCS, PED and PC agreements in the form required by the Army pursuant to federal law or Army Corps of Engineers policy, among other matters, providing that the Port Authority agree to pay the non-federal sponsor's local share of study, engineering, design, construction, utility relocation and other costs, a prescribed percentage of the total project costs no matter what the total amount might be, which may ultimately be higher than the Army's current cost estimates; and it is further

**RESOLVED**, that all agreements and other documents necessary to effectuate the foregoing shall be subject to the approval of General Counsel or his duly authorized representative.

**AWARD OF THE ROBERT F. WAGNER DISTINGUISHED PUBLIC SERVICE MEDAL**

The Robert F. Wagner Distinguished Public Service Medal was established on May 16, 1991, when the Port Authority's Distinguished Service Medal, established on March 2, 1944, was renamed in memory of the Honorable Robert F. Wagner. This Medal is to be awarded to those individuals who have rendered outstanding distinguished public service in their fields of endeavor or in the community, demonstrating an exceptional degree of dedication, good judgment, initiative and competence, and who have sustained this record of service over a number of years. Normally, it is awarded to those who have at least fifteen years of Port Authority service.

It was reported that the Executive Director presented the Robert F. Wagner Distinguished Public Service Medal to three individuals. Through their dedication and commitment to public service and the Port Authority, they have brought credit to themselves and the agency.

Lillian C. Borrone  
Jeffrey S. Green  
Robert J. Kelly (retired)

Pursuant to the foregoing report, the following resolution was adopted with Commissioners Donovan, Eisenberg, Gargano, Kalikow, Mack, Martini, Philibosian, Race and Sartor voting in favor; none against:

**RESOLVED**, that the Robert F. Wagner Distinguished Public Service Medal be awarded to three individuals who have given truly outstanding service to the Port Authority and the public over many years.

## **RETENTION OF FORMER PORT AUTHORITY EMPLOYEE IN CONNECTION WITH NEW YORK CITY ARBITRATION**

It was recommended that the Board authorize General Counsel to retain Raymond Mannion to provide consultation services in connection with the New York City Airport Lease Arbitration (the Arbitration) and to assist in the preparation of his testimony as a witness for the Port Authority at the Arbitration hearing. Mr. Mannion retired from the Port Authority in May 1999. Mr. Mannion's total compensation for this retention will not exceed \$125,000.

This action will allow Mr. Mannion to assist the Port Authority in the preparation and presentation of its defense to the claims made by the City of New York (City) in the Arbitration. Pursuant to the Board's resolution of September 12, 1991, the prior approval of the Board is required for post-employment contracts with former employees who were required to file financial disclosure statements under the Code of Ethics and Financial Disclosure while they were employees.

At the Arbitration hearing, the Port Authority will need to describe knowledgeably and articulately the Port Authority's complex accounting system and accounting methodologies as they relate to the City's claims. The Law Department believes that Mr. Mannion will be an extremely effective witness on these matters. His varied and extensive background in Port Authority accounting and financial matters, including his service as Comptroller of the Port Authority, will also be of critical value in reviewing the City's expert reports and assisting with the preparation of the Port Authority's briefs.

Mr. Mannion will also be asked to review various materials and to assist in the preparation of documents, including briefing material. Additionally, Mr. Mannion will also serve as a witness for the Port Authority at the hearings and may attend parts of the hearings and final depositions. Mr. Mannion's services will be required throughout the hearing process, which is expected to conclude in late 2001. Mr. Mannion's service will commence immediately.

The City filed its initial arbitration demand in December 1995. Pursuant to the terms of the Air Terminals Lease, three certified public accountants were selected as arbitrators in early 1996. Factual discovery commenced in May 1996 and concluded in January of this year. A revised arbitration demand claiming a total of at least \$980 million was served by the City in March of this year. Final expert reports are being submitted and depositions are being taken now through October of this year. Thereafter, pre-hearing briefs will be prepared by both parties and the hearing is to commence in February 2001.

Pursuant to the foregoing report, the following resolution was adopted in executive session with Commissioners Donovan, Eisenberg, Gargano, Kalikow, Mack, Martini, Philibosian, Race and Sartor voting in favor; none against:

**RESOLVED**, that General Counsel be and he hereby is authorized, for and on behalf of the Port Authority, to retain Raymond Mannion to provide consultation services in connection with the New York City Airport Lease Arbitration (the Arbitration) and to assist in the preparation of his testimony as a witness for the Port Authority at the Arbitration hearing, with Mr. Mannion's total compensation under this retention not to exceed \$125,000.

## SETTLEMENT OF LITIGATION – SECURITY GUARDS AT THE WORLD TRADE CENTER

On October 12, 1995, the Board accepted staff's recommendation to withdraw the Port Authority Bus Terminal (PABT) from membership in and coverage under the Realty Advisory Board (RAB) labor agreement for cleaners with 32B-32J, Service Employees International Union, AFL-CIO (32B/J) and to withdraw permission from the RAB to negotiate any agreement concerning security guards at The World Trade Center (WTC). The Board also accepted staff's recommendation to continue to have the WTC cleaning contracts covered by the terms of the RAB contract with 32B/J. These decisions were the subject of an arbitration brought by 32B/J which took about four years to conclude. The Port Authority's 1998 financial statements reflected a charge of \$12.5 million related to the back pay portion of the arbitration award. After more than a year of discussions with 32B/J, which could have resulted in Port Authority payments in excess of \$56 million, staff has now arrived at a tentative settlement of all disputes as to back pay and future pay for less than the \$12.5 million reflected in the 1998 financial statements for the back pay alone.

Subsequent to the 1995 action a new security guard contractor, Summit Security, Inc. (Summit), was retained at the WTC.

Summit commenced its operations at the WTC on March 1, 1996. Summit offered employment to the persons who had been employed by its predecessor contractor at the WTC - Burns International Security Services, Inc. (Burns). All but 51 of the approximately 350 security guards previously employed by Burns declined the offer of employment by Summit, and 32B/J commenced an arbitration against the Port Authority before an arbitrator selected by 32B/J under the terms of 32B/J's labor agreement with the RAB.

The Port Authority was able initially to obtain a stay of arbitration from the New York State courts, but that initial court decision was overruled on appeal and the decision of the arbitrator was confirmed. When the Port Authority's appeals were exhausted, recognizing the sizeable amount of the arbitration award and the difficulty of administering it, representatives of 32B/J met with Port Authority staff to negotiate a resolution of the impasse. The tentative settlement would resolve all disputes now extant between the Port Authority and 32B/J on financial and operating terms highly favorable to the Port Authority without sacrificing any of the customer service or productivity improvements achieved since 1995.

The PABT would continue to be excluded from coverage under the RAB labor agreement with 32B/J, but the settlement would cover PABT cleaning contracts under a generally applicable 32B/J agreement. The WTC security guard contractor would continue to be excluded from coverage under the RAB labor agreement but would, instead, be covered by a "site agreement" which itself is terminable in the event the Port Authority net leases or otherwise disposes of the WTC. The tentative settlement permits the Port Authority to maintain or reduce the current staffing levels of security guards at the WTC and permits the Port Authority to maintain the rate of pay currently in effect for those guards.

In full and complete resolution of the dispute concerning back pay to the former Burns guards, the tentative settlement provides for payments to individual guards of \$65,000 (\$16,250 for each of the four years), offset by the amount of interim earnings of each guard, with a minimum total payment of \$10,000, as well as payments to the 32B/J health and welfare funds maintained for the benefit of those guards and for an increase in the benefits available to the cleaners at the PABT. Initial payments to the 32B/J health, welfare and pension funds are to be made within 90 days of March 23, 2000. The Port Authority was successful in convincing 32B/J to steeply reduce and limit its claims for these amounts in order to expedite the payments to the former guards.

Pursuant to the foregoing report, the following resolution was adopted in executive session with Commissioners Donovan, Eisenberg, Gargano, Kalikow, Mack, Martini, Philibosian, Race and Sartor voting in favor; none against:

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to establish and administer an escrow fund (Security Guard Settlement Fund) from which payments will be made (a) in respect of back pay to individuals formerly employed by Burns Security as security guards at The World Trade Center in such amounts as determined by the Executive Director; (b) to the Building Service 32B-J Health Fund in the amount of \$886,337.82; (c) to the 32B/J Annuity Fund in the amount of \$364,924; (d) to the Building Service 32B-J Pension Fund in the amount of \$1,538,515.65 (of which amount \$207,200 shall be deemed interest); and, (e) upon agreement by the Executive Director following presentment to and payment by the Security Guard Settlement Fund of all valid back pay claims submitted, a further amount to the Building Service 32B-J Pension Fund not to exceed \$384,628.91 (of which amount \$51,800 shall be deemed interest).

**Confidential Item**

This item shall not be available for public inspection until otherwise agreed to by the parties involved.

**Final Contracts Payments**

The Comptroller's Department reported, for information only, that the contracts set forth hereafter have been completed satisfactorily by the contractors. Final payments have been made in the period March 1, 2000 to March 31, 2000.

<b>CONTRACT NUMBER</b>	<b>CONTRACT TITLE FACILITY AND CONTRACTOR</b>	<b>TOTAL AUTHORIZED</b>	<b>TOTAL PAYMENTS</b>
JFK554011	REDEVELOPED ROADWAY NETWORK INTERIM CTA IMPROVEMENTS PHASE II JOHN F. KENNEDY INT'L AIRPORT WILLIAM A. GROSS CONSTRUCTION ASSOCIATES INC.	487,325 (A) 29,240 (D) 10,760 (F)  527,325	487,325 (A) 29,240 (D) 6,336 (F)  522,901
LGA110104	CENTRAL TERMINAL BUILDING UPGRADE OF UTILIZATION SUBSTATION NO. 6 LA GUARDIA AIRPORT MULVHILL ELECTRICAL CONTRACTING CORP.	597,000 (A) 60,000 (D) 50,000 (G)  707,000	597,000 (A) 60,000 (D) 46,725 (G)  703,725
LGA617	LA GUARDIA ROAD REHABILITATION LA GUARDIA AIRPORT TULLY CONSTRUCTION CORP.	540,000 (A) 728,560 (B) 80,000 (C) 76,114 (D) 1,424,674	540,000 (A) 720,992 (B) --0-- (C) 24,840 (D) 1,285,832
LGA627	AIRSIDE FIBER OPTIC NETWORK FOR CCTV LINKAGE LA GUARDIA AIRPORT WELSBACK ELECTRIC CORP.	500,000 (C)   500,000	469,173 (C)   469,173
EWR636	REHABILITATION OF HIGH MAST TOWERS NEWARK INTERNATIONAL AIRPORT EVANBOW CONSTRUCTION CO. INC.	144,900 (A) 10,000 (C) 8,694 (D) 163,594	144,900 (A) --0-- (C) --0-- (D) 144,900

EWR678	EWR SOUTH FUEL FARM ROADWAY SKID	67,600 (A)	67,600 (A)
	RESISTANCE IMPROVEMENTS	4,056 (D)	4,056 (D)
	NEWARK INTERNATIONAL AIRPORT	20,000 (E)	5,944 (E)
	CCM CONTRACTING CORP.	91,656	77,600
MFA110011	COMPUTERIZED SECURITY SYSTEMS	1,820,571 (A)	1,820,571 (A)
	JOHN F KENNEDY, NEWARK AND	2,771,941 (B)	2,271,941 (B)
	LAGUARDIA AIRPORTS	820,000 (D)	820,000 (D)
	NYNEX INFORMATION SOLUTIONS	550,718 (M)	550,718 (M)
	GROUP INC.	111,000 (N)	111,000 (N)
		1,107,855 (O)	718,269 (O)
		222,000 (P)	222,000 (P)
		250,000 (Q)	69,476 (Q)
		7,654,085	6,583,975
LT234021	REHABILITATION OF BUS RAMP	5,676,965 (A)	5,590,429 (A,L)
	ROADWAYS	3,218,655 (B)	3,218,655 (B)
	LINCOLN TUNNEL	200,000 (C)	102,390 (C)
	DEFOE CORP. / EASTERN STATES CORP.	712,000 (D)	712,000 (D)
	A JOINT VENTURE	250,000 (H)	250,000 (H)
		1,300,000 (I)	1,300,000 (I)
		2,553,000 (J)	1,756,636 (J)
		--0-- (K)	750,590 (K)
		13,910,620	13,680,700
LT424	INSTALLATION OF SOAP SOLUTION TANK	122,617 (A)	120,617 (A,R)
	LINCOLN TUNNEL	7,357 (D)	3,000 (D)
	RAEBECK CONSTRUCTION CORP.	129,974	123,617
LT438	REHABILITATION OF WEST 37TH STREET	242,403 (A)	242,403 (A)
	BRIDGE OVER DYER AVENUE	20,000 (C)	--0-- (C)
	LINCOLN TUNNEL	15,000 (D)	--0-- (D)
	THE BARRON ORGANIZATION INC.	277,403	242,403
BT346	INSTALLATION OF WORK PLATFORMS	124,200 (A)	124,200 (A)
	AT ROOF COOLING TOWERS	10,000 (D)	4,200 (D)
	PORT AUTHORITY BUS TERMINAL		
	G.C.D.M. IRONWORKS INC.	134,200	128,400

WTC831072	ELEVATOR SHAFTS 10/11 ASBESTOS	680,484 (A)	680,484 (A)
	ABATEMENT AND REFIREPROOFING	10,000 (C)	--0-- (C)
	WORLD TRADE CENTER	51,360 (D)	39,777 (D)
	ASBESTOS CONTAINMENT SERVICES.	741,844	720,261
WTC941811	TENANT RELOCATION PHASE 1A 47TH FL.	77,000 (A)	77,000 (A)
	WORLD TRADE CENTER	7,700 (D)	1,769 (D)
	SHERIDAN INTERNATIONAL		
	ENTERPRISES.	84,700	78,769

- (A) Lump Sum
- (B) Classified Work
- (C) Net Cost - amount in the "Total Authorized" column represents the estimated net cost amount. However, the amount in the "Total Payments" column is the authorized net cost amount.
- (D) Extra Work
- (E) Increase in extra work in the amount of \$20,000 authorized on 11/19/99.
- (F) Increase in extra work in the amount of \$10,760 authorized on 12/7/98.
- (G) Increase in extra work in the amount of \$50,000 authorized on 5/13/96.
- (H) Per AP 45-1.01.5, classified work may exceed authorization amount limited to 10% or \$250,000 (whichever is less) without further authorization.
- (I) Increase in classified work in the amount of \$1,300,000 authorized on 3/2/98.
- (J) Increase in extra work in the amount of \$2,553,000 authorized on 3/2/98.
- (K) Per AP 45-1.01.5, uncommitted funds in extra work are permitted to be utilized against additional cost in classified work not covered under (H).
- (L) The difference between "Total Authorized" and "Total Payments" represents credit change orders in the total amount of \$86,536 for changes in the scope of the work.
- (M) Supplemental Agreement No.1 which included an increase in the amount of \$550,718 for lump sum work on 7/1/91.
- (N) Supplemental Agreement No.1 which included an increase in the amount of \$111,000 for extra work on 7/1/91.

(Board - 5/25/00)

- (O) Supplemental Agreement No.2 which included an increase in the amount of \$1,107,855 for classified work on 7/25/91.
- (P) Supplemental Agreement No.2 which included an increase in the amount of \$222,000 for extra work on 7/25/91.
- (Q) Increase in extra work in the amount of \$250,000 authorized on 6/7/99.
- (R) The difference between "Total Authorized" and "Total Payments" represents a credit change order in the amount of \$2,000 for the deletion of part of the work .

(Board – 5/25/00)

**Investments & Deposits**

The Committee on Finance reported, for information only, that in accordance with authority granted by the Committee, the Executive Director had authorized the following security transactions, time accounts, interest rate exchange contracts and variable rate master note agreements during the period March 1, 2000 through March 31, 2000.

**Report A:**

**Purchase of Port Authority Bonds**

(Unless otherwise noted, all Port Authority Bonds are callable at par).

<b><u>Purchase Date</u></b>	<b><u>Par Value</u></b>	<b><u>Description</u></b>	<b><u>Coupon Rate</u></b>	<b><u>Maturity Date</u></b>	<b><u>Purchase Price</u></b>	<b><u>Call Year</u></b>	<b><u>YTC @ Cost</u></b>	<b><u>BEY @ Cost</u></b>	<b><u>Total Principal</u></b>	<b><u>Dealer</u></b>
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No new transactions this period.

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities

<u>Purchase Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Purchase Price</u>	<u>Discount Rate</u>	<u>BEY @Cost</u>	<u>Principal</u>	<u>Dealer</u>
03/03/00	\$ 25,000,000	US T-BILL	--	03/16/00	99.80	5.665%	5.755%	\$24,948,857.65	Lehman Brothers
03/06/00	25,000,000	US T-BILL	--	03/16/00	99.84	5.665	5.753	24,960,659.73	Prudential Securities
03/08/00	10,000,000	US T-NOTE	6.500%	02/28/02	99.84	--	6.589	9,983,593.75	S.G. Cowen Securities Corp
03/08/00	30,888,000	US T-BILL	--	03/16/00	99.87	5.630	5.715	30,849,355.68	Prudential Securities
03/14/00	50,000,000	GECC CP	--	03/29/00	99.76	5.810	5.905	49,878,958.35	General Electric Capital
03/15/00	32,000,000	FNDN	--	03/16/00	99.98	5.870	5.953	31,994,782.21	Prudential Securities
03/17/00	10,000,000	US T-NOTE	5.875	11/15/04	97.63	--	6.471	9,762,500.00	Prudential Securities
03/17/00	20,000,000	US T-NOTE	6.500	02/28/02	100.03	--	6.480	20,006,250.00	Nesbitt Burns Securities
03/23/00	25,000,000	US T-BILL	--	07/20/00	98.12	5.695	5.885	24,529,371.53	S.G. Cowen Securities Corp
03/23/00	50,000,000	US T-BILL	--	08/24/00	97.52	5.800	6.030	48,759,444.45	Greenwich Capital Mkts
03/24/00	15,000,000	US T-NOTE	6.500	02/28/02	99.96	--	6.519	14,994,140.63	Prudential Securities

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities (Cont.)

<b>Purchase Date</b>	<b>Par Value</b>	<b>Description</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Purchase Price</b>	<b>Discount Rate</b>	<b>BEY @Cost</b>	<b>Principal</b>	<b>Dealer</b>
03/24/00	\$ 25,000,000	US T-BILL	--	02/01/01	94.89	5.860%	6.181%	\$23,722,194.45	Prudential Securities
03/27/00	25,000,000	FHDN	--	03/28/00	99.98	5.860	5.942	24,995,930.55	Salomon Smith Barney Inc.
03/28/00	32,000,000	FHDN	--	03/29/00	99.98	5.930	6.013	31,994,728.90	Merrill Lynch Gov Sec
03/28/00	50,000,000	FHDN	--	03/29/00	99.98	5.930	6.013	49,991,763.90	Merrill Lynch Gov Sec
03/29/00	47,000,000	FHDN	--	03/30/00	99.98	5.850	5.932	46,992,362.50	Salomon Smith Barney Inc.
03/29/00	48,245,000	FCDN	--	03/30/00	99.98	5.930	6.013	48,237,052.99	Prudential Securities
03/30/00	25,000,000	US T-BILL	--	04/18/00	99.68	6.000	6.103	24,920,833.33	Prudential Securities
03/30/00	50,000,000	US T-BILL	--	04/18/00	99.69	5.960	6.062	49,842,722.20	Nesbitt Burns Securities
03/30/00	50,000,000	US T-BILL	--	04/18/00	99.69	5.960	6.062	49,842,722.20	Nesbitt Burns Securities

(Board - 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Purchase of Securities (Cont.)

<b>Purchase</b>			<b>Coupon</b>	<b>Maturity</b>	<b>Purchase</b>	<b>Discount</b>	<b>BEY</b>		
<b>Date</b>	<b>Par Value</b>	<b>Description</b>	<b>Rate</b>	<b>Date</b>	<b>Price</b>	<b>Rate</b>	<b>@Cost</b>	<b>Principal</b>	<b>Dealer</b>
03/30/00	<u>\$ 50,000,000</u>	US T-BILL	--	04/18/00	99.68	6.000%	6.103%	<u>\$ 49,841,666.65</u>	Prudential Securities
	<u><u>\$895,133,000</u></u>							<u><u>\$885,624,697.21</u></u>	

BEY - Bond Equivalent Yield

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Sale of Securities

<u>Sale Date</u>	<u>Par Value</u>	<u>Description</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Sale Price</u>	<u>Discount Rate</u>	<u>Principal</u>	<u>Dealer</u>
03/08/00	<u>\$10,000,000</u>	US T-NOTE	6.500%	02/28/02	100.07	--	<u>\$10,007,031.25</u>	S.G. Cowen Securities Corp
	<u>\$10,000,000</u>						<u>\$10,007,031.25</u>	

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Paribas Corporation	03/01/00	03/02/00	\$ 7,069,000	5.630%	\$ 1,105.51
Paribas Corporation	03/01/00	03/02/00	20,204,000	5.630	3,159.68
Paribas Corporation	03/01/00	03/02/00	24,545,000	5.630	3,838.57
Paribas Corporation	03/01/00	03/02/00	29,589,000	5.630	4,627.39
Warburg Dillon Read LLC	03/01/00	03/02/00	45,000,000	5.600	7,000.00
Lehman Brothers	03/02/00	03/22/00	2,635,000	5.700	8,306.11 *
Warburg Dillon Read LLC	03/02/00	03/03/00	2,795,000	5.580	433.23
Paribas Corporation	03/02/00	03/03/00	6,719,000	5.600	1,045.18
Paribas Corporation	03/02/00	03/03/00	18,659,000	5.600	2,902.51
Banc One Capital Markets	03/02/00	03/03/00	24,073,000	5.600	3,744.69
Paribas Corporation	03/02/00	03/03/00	26,619,000	5.600	4,140.73

(Board - 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Paribas Corporation	03/02/00	03/03/00	\$28,995,000	5.600%	\$ 4,510.33
Lehman Brothers	03/02/00	03/16/00	34,825,000	5.880	76,789.13 *
Banc One Capital Markets	03/02/00	03/03/00	41,207,000	5.600	6,409.98
Lehman Brothers	03/02/00	03/22/00	47,240,000	5.700	148,910.98 *
Warburg Dillon Read LLC	03/02/00	03/03/00	50,980,000	5.580	7,901.90
Zions First National Bank	03/03/00	03/06/00	6,720,000	5.600	3,136.00
Salomon Smith Barney Inc.	03/03/00	Open	24,675,000	Variable *	117,912.23 **
Salomon Smith Barney Inc.	03/03/00	Open	25,000,000	Variable *	119,465.28 **
Greenwich Capital Mkts	03/03/00	03/06/00	27,187,650	5.600	12,687.57
Zions First National Bank	03/03/00	03/06/00	28,834,000	5.600	13,455.87
Paribas Corporation	03/03/00	03/06/00	31,993,000	5.650	15,063.37

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Paribas Corporation	03/03/00	03/06/00	\$34,007,000	5.650%	\$ 16,011.63
Greenwich Capital Mkts	03/03/00	03/06/00	47,096,350	5.600	21,978.30
Warburg Dillon Read LLC	03/06/00	03/07/00	6,295,000	5.660	989.71
Paribas Corporation	03/06/00	03/07/00	23,456,000	5.670	3,694.32
Warburg Dillon Read LLC	03/06/00	03/07/00	28,847,000	5.660	4,535.39
Banc One Capital Markets	03/06/00	03/07/00	43,000,000	5.610	6,700.83
Paribas Corporation	03/06/00	03/07/00	49,913,000	5.670	7,861.30
Warburg Dillon Read LLC	03/07/00	03/08/00	2,959,000	5.600	460.29
Paribas Corporation	03/07/00	03/08/00	6,265,000	5.600	974.56
Banc One Capital Markets	03/07/00	03/08/00	24,026,000	5.580	3,724.03
Banc One Capital Markets	03/07/00	03/08/00	24,446,000	5.580	3,789.13

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<b><u>Dealer</u></b>	<b><u>Purchase Date</u></b>	<b><u>Sale Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Earned</u></b>
Banc One Capital Markets	03/07/00	03/08/00	\$24,870,000	5.580%	\$ 3,854.85
Paribas Corporation	03/07/00	03/08/00	28,852,000	5.600	4,488.09
Warburg Dillon Read LLC	03/07/00	03/08/00	51,041,000	5.600	7,939.71
Paribas Corporation	03/08/00	03/09/00	6,266,000	5.650	983.41
Deutsche Bank Securities	03/08/00	03/09/00	6,984,683	5.650	1,096.21
Warburg Dillon Read LLC	03/08/00	03/09/00	24,886,000	5.650	3,905.72
Paribas Corporation	03/08/00	03/09/00	28,856,000	5.650	4,528.79
Warburg Dillon Read LLC	03/08/00	03/09/00	48,468,000	5.650	7,606.78
Deutsche Bank Securities	03/08/00	03/09/00	49,015,317	5.650	7,692.68
Paribas Corporation	03/09/00	03/10/00	6,200,000	5.680	978.22
Paribas Corporation	03/09/00	03/10/00	8,287,000	5.680	1,307.50

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Banc One Capital Markets	03/09/00	03/10/00	\$ 8,304,000	5.700%	\$ 1,314.80
Paribas Corporation	03/09/00	03/10/00	14,444,000	5.680	2,278.94
Warburg Dillon Read LLC	03/09/00	03/10/00	28,861,000	5.680	4,553.62
Warburg Dillon Read LLC	03/09/00	03/13/00	48,500,000	5.650	30,514.58 *
Paribas Corporation	03/09/00	03/10/00	49,927,000	5.680	7,877.37
Banc One Capital Markets	03/09/00	03/10/00	52,696,000	5.700	8,343.53
Paribas Corporation	03/10/00	03/13/00	6,199,000	5.670	2,929.03
Warburg Dillon Read LLC	03/10/00	03/13/00	21,000,000	5.670	9,922.50
Paribas Corporation	03/10/00	03/13/00	23,181,000	5.670	10,953.02
Warburg Dillon Read LLC	03/10/00	03/13/00	28,866,000	5.670	13,639.19
Greenwich Capital Mkts	03/10/00	03/13/00	45,000,000	5.650	21,187.50

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Paribas Corporation	03/10/00	03/13/00	\$49,474,000	5.670%	\$23,376.47
Paribas Corporation	03/13/00	03/14/00	6,202,000	5.750	990.60
Paribas Corporation	03/13/00	03/14/00	9,429,000	5.750	1,506.02
Paribas Corporation	03/13/00	03/14/00	13,784,000	5.750	2,201.61
Greenwich Capital Mkts	03/13/00	03/14/00	28,879,000	5.750	4,612.62
Banc One Capital Markets	03/13/00	03/14/00	33,103,000	5.750	5,287.28
Banc One Capital Markets	03/13/00	03/14/00	34,897,000	5.750	5,573.83
Warburg Dillon Read LLC	03/13/00	03/16/00	48,500,000	5.880	23,374.31 *
Paribas Corporation	03/13/00	03/14/00	49,476,000	5.750	7,902.42
Paribas Corporation	03/14/00	03/15/00	6,203,000	5.730	987.31
Zions First National Bank	03/14/00	03/15/00	20,000,000	5.720	3,177.78

(Board - 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Warburg Dillon Read LLC	03/14/00	03/15/00	\$21,116,000	5.720%	\$ 3,355.10
Paribas Corporation	03/14/00	03/15/00	26,483,000	5.730	4,215.21
Warburg Dillon Read LLC	03/14/00	03/15/00	28,884,000	5.720	4,589.35
Paribas Corporation	03/14/00	03/15/00	46,218,000	5.730	7,356.37
Greenwich Capital Mkts	03/15/00	03/16/00	6,028,000	5.870	982.90
Greenwich Capital Mkts	03/15/00	03/16/00	20,463,171	5.870	3,336.63
Greenwich Capital Mkts	03/15/00	03/16/00	24,387,000	5.870	3,976.44
Warburg Dillon Read LLC	03/15/00	03/16/00	28,889,000	5.880	4,718.54
Greenwich Capital Mkts	03/15/00	03/16/00	49,121,829	5.870	8,009.59
Lehman Brothers	03/16/00	03/17/00	1,715,000	5.670	270.11 *
Paribas Corporation	03/16/00	03/17/00	6,029,000	5.670	949.57

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Greenwich Capital Mkts	03/16/00	03/17/00	\$15,222,000	5.650%	\$ 2,389.01
Warburg Dillon Read LLC	03/16/00	03/17/00	15,858,000	5.660	2,493.23
Paribas Corporation	03/16/00	03/17/00	19,917,000	5.670	3,136.93
Paribas Corporation	03/16/00	03/17/00	24,973,000	5.670	3,933.25
Greenwich Capital Mkts	03/16/00	03/17/00	26,788,000	5.650	4,204.23
Greenwich Capital Mkts	03/16/00	03/17/00	27,106,000	5.650	4,254.14
Greenwich Capital Mkts	03/16/00	03/17/00	30,884,000	5.650	4,847.07
Salomon Smith Barney Inc.	03/16/00	03/23/00	44,775,000	5.750	49,563.44 *
Lehman Brothers	03/16/00	03/17/00	48,160,000	5.670	7,585.20 *
Paribas Corporation	03/16/00	03/17/00	49,081,000	5.670	7,730.26
Warburg Dillon Read LLC	03/16/00	03/17/00	49,142,000	5.660	7,726.21

(Board - 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Paribas Corporation	03/17/00	03/20/00	\$ 5,964,000	5.650%	\$ 2,808.05
Zions First National Bank	03/17/00	03/20/00	7,076,000	5.660	3,337.51
Paribas Corporation	03/17/00	03/20/00	19,554,000	5.650	9,206.68
Warburg Dillon Read LLC	03/17/00	03/20/00	23,935,000	5.640	11,249.45
Paribas Corporation	03/17/00	03/20/00	25,436,000	5.650	11,976.12
Warburg Dillon Read LLC	03/17/00	03/20/00	30,889,000	5.640	14,517.83
Warburg Dillon Read LLC	03/17/00	03/20/00	45,176,000	5.640	21,232.72
Zions First National Bank	03/17/00	03/20/00	47,924,000	5.660	22,604.15
Paribas Corporation	03/17/00	03/20/00	49,046,000	5.650	23,092.49
Warburg Dillon Read LLC	03/20/00	03/22/00	124,000	5.810	40.02
Paribas Corporation	03/20/00	03/22/00	5,702,000	5.780	1,830.98

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Paribas Corporation	03/20/00	03/22/00	\$ 6,233,000	5.780%	\$ 2,001.49
Paribas Corporation	03/20/00	03/22/00	16,109,000	5.780	5,172.78
Lehman Brothers	03/20/00	03/22/00	17,713,000	5.810	5,717.36
Zions First National Bank	03/20/00	03/21/00	28,000,000	5.700	4,433.33
Lehman Brothers	03/20/00	03/22/00	30,094,000	5.810	9,713.67
Warburg Dillon Read LLC	03/20/00	03/22/00	49,938,000	5.810	16,118.88
Warburg Dillon Read LLC	03/20/00	03/22/00	49,938,000	5.810	16,118.88
Paribas Corporation	03/20/00	03/22/00	50,754,000	5.780	16,297.67
Banc One Capital Markets	03/21/00	03/22/00	34,000,000	5.680	5,364.44
Lehman Brothers	03/22/00	03/23/00	2,920,000	5.750	466.39
Paribas Corporation	03/22/00	03/23/00	5,616,000	5.750	897.00

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<b><u>Dealer</u></b>	<b><u>Purchase Date</u></b>	<b><u>Sale Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Earned</u></b>
Paribas Corporation	03/22/00	03/23/00	\$15,649,000	5.750%	\$ 2,499.49
Warburg Dillon Read LLC	03/22/00	03/23/00	17,178,000	5.730	2,734.17
Paribas Corporation	03/22/00	03/23/00	21,435,000	5.750	3,423.65
Paribas Corporation	03/22/00	03/23/00	28,895,000	5.750	4,615.17
Warburg Dillon Read LLC	03/22/00	03/23/00	36,371,000	5.730	5,789.05
Greenwich Capital Mkts	03/22/00	03/23/00	39,000,000	5.700	6,175.00
Lehman Brothers	03/22/00	03/23/00	48,540,000	5.750	7,752.92
Lehman Brothers	03/22/00	03/23/00	48,540,000	5.750	7,752.92
Warburg Dillon Read LLC	03/23/00	03/24/00	2,776,000	5.850	451.10
Paribas Corporation	03/23/00	03/24/00	4,371,000	5.850	710.29
Warburg Dillon Read LLC	03/23/00	03/24/00	10,249,000	5.850	1,665.46

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Paribas Corporation	03/23/00	03/24/00	\$14,664,000	5.850%	\$ 2,382.90
Paribas Corporation	03/23/00	03/24/00	27,224,000	5.850	4,423.90
Salomon Smith Barney Inc.	03/23/00	Open	34,930,000	Variable *	56,615.71 **
Greenwich Capital Mkts	03/23/00	03/24/00	40,000,000	5.850	6,500.00
Banc One Capital Markets	03/23/00	03/24/00	42,181,000	5.850	6,854.41
Warburg Dillon Read LLC	03/23/00	03/24/00	49,080,000	5.850	7,975.50
Paribas Corporation	03/23/00	03/24/00	50,422,000	5.850	8,193.58
Paribas Corporation	03/24/00	03/27/00	4,363,000	5.810	2,112.42
Paribas Corporation	03/24/00	03/27/00	16,388,000	5.810	7,934.52
Lehman Brothers	03/24/00	03/28/00	24,968,750	5.850	16,021.61 *
Warburg Dillon Read LLC	03/24/00	03/27/00	27,228,000	5.790	13,137.51

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Warburg Dillon Read LLC	03/24/00	03/27/00	\$27,671,000	5.790%	\$13,351.26
Banc One Capital Markets	03/24/00	03/27/00	28,000,000	5.780	13,486.67
Warburg Dillon Read LLC	03/24/00	03/27/00	38,393,000	5.790	18,524.62
Lehman Brothers	03/24/00	03/30/00	44,820,000	5.850	43,512.75 *
Paribas Corporation	03/24/00	03/27/00	48,474,000	5.810	23,469.50
Warburg Dillon Read LLC	03/27/00	03/28/00	4,356,000	5.850	707.85
Warburg Dillon Read LLC	03/27/00	03/28/00	14,328,000	5.850	2,328.30
Lehman Brothers	03/27/00	03/28/00	24,990,000	5.850	4,060.88 *
Warburg Dillon Read LLC	03/27/00	03/28/00	27,671,000	5.850	4,496.54
Banc One Capital Markets	03/27/00	03/28/00	38,412,000	5.850	6,241.95
Banc One Capital Markets	03/27/00	03/28/00	48,241,000	5.850	7,839.16

(Board - 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<b><u>Dealer</u></b>	<b><u>Purchase Date</u></b>	<b><u>Sale Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Earned</u></b>
Warburg Dillon Read LLC	03/27/00	03/28/00	\$49,938,000	5.850%	\$ 8,114.93
Paribas Corporation	03/28/00	03/29/00	4,357,000	5.850	708.01
Banc One Capital Markets	03/28/00	03/29/00	13,106,000	5.830	2,122.44
Paribas Corporation	03/28/00	03/29/00	14,939,000	5.850	2,427.59
Banc One Capital Markets	03/28/00	03/29/00	23,188,000	5.830	3,755.17
Banc One Capital Markets	03/28/00	03/29/00	25,061,000	5.830	4,058.49
Banc One Capital Markets	03/28/00	03/29/00	25,312,000	5.830	4,099.14
Paribas Corporation	03/28/00	03/29/00	27,675,000	5.850	4,497.19
Paribas Corporation	03/28/00	03/29/00	49,337,000	5.850	8,017.26
Warburg Dillon Read LLC	03/29/00	03/30/00	4,314,000	5.860	702.22
Warburg Dillon Read LLC	03/29/00	03/30/00	12,074,000	5.860	1,965.38

(Board - 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Lehman Brothers	03/29/00	03/30/00	\$19,725,000	5.850%	\$ 3,205.31 *
Banc One Capital Markets	03/29/00	03/30/00	27,692,000	5.850	4,499.95
Paribas Corporation	03/29/00	03/30/00	37,567,000	5.860	6,115.07
Banc One Capital Markets	03/29/00	03/30/00	38,425,000	5.850	6,244.06
Greenwich Capital Mkts	03/29/00	03/30/00	48,625,000	5.900	7,969.10 *
Paribas Corporation	03/29/00	03/30/00	48,911,000	5.860	7,961.62
Warburg Dillon Read LLC	03/29/00	03/30/00	49,938,000	5.860	8,128.80
Paribas Corporation	03/30/00	03/31/00	2,967,000	6.000	494.50
Warburg Dillon Read LLC	03/30/00	03/31/00	3,500,000	6.050	588.19
Paribas Corporation	03/30/00	03/31/00	4,306,000	6.000	717.67
Paribas Corporation	03/30/00	03/31/00	11,041,000	6.000	1,840.17

(Board - 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<u>Dealer</u>	<u>Purchase Date</u>	<u>Sale Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Earned</u>
Paribas Corporation	03/30/00	03/31/00	\$11,729,000	6.000%	\$ 1,954.83
Zions First National Bank	03/30/00	03/31/00	36,000,000	6.060	6,060.00
Zions First National Bank	03/30/00	03/31/00	38,431,000	6.060	6,469.22
Warburg Dillon Read LLC	03/30/00	03/31/00	48,245,000	6.050	8,107.84
Paribas Corporation	03/30/00	03/31/00	49,886,000	6.000	8,314.33
Paribas Corporation	03/31/00	04/03/00	168,000	6.100	28.47
Paribas Corporation	03/31/00	04/03/00	3,940,000	6.100	667.61
Paribas Corporation	03/31/00	04/03/00	10,806,000	6.100	1,831.02
Warburg Dillon Read LLC	03/31/00	04/03/00	14,661,000	6.100	2,484.23
Nesbitt Burns Securities	03/31/00	04/03/00	28,000,000	6.140	4,775.56
Paribas Corporation	03/31/00	04/03/00	50,465,000	6.100	8,551.01

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Repurchase Transactions (Cont.)

<b><u>Dealer</u></b>	<b><u>Purchase Date</u></b>	<b><u>Sale Date</u></b>	<b><u>Par Value</u></b>	<b><u>Interest Rate</u></b>	<b><u>Total Interest Earned</u></b>
Warburg Dillon Read LLC	03/31/00	03/31/00	\$54,963,000	6.100%	\$ 9,313.18

\* This transaction was executed simultaneously with a like reverse/repurchase agreement.

\*\* Total interest earned is to the last day of the month.

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Reverse Repurchase Transactions (All transactions are executed simultaneously with a like repurchase agreement)

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Lehman Brothers	03/02/00	03/16/00	\$34,825,000	5.180%	\$ 69,050.24
Lehman Brothers	03/02/00	03/22/00	49,875,000	5.200	138,098.33
Salomon Smith Barney Inc.	03/03/00	Open	49,675,000	Variable	205,668.30 *
Warburg Dillon Read LLC	03/09/00	03/13/00	48,500,000	5.150	27,550.69
Warburg Dillon Read LLC	03/13/00	03/16/00	48,500,000	5.250	20,949.31
Salomon Smith Barney Inc.	03/16/00	03/23/00	44,775,000	5.300	44,712.81
Lehman Brothers	03/16/00	03/17/00	49,875,000	5.170	7,162.60
Salomon Smith Barney Inc.	03/23/00	Open	34,930,000	Variable	43,322.90 *
Lehman Brothers	03/24/00	03/30/00	44,820,000	5.000	37,287.75
Lehman Brothers	03/24/00	03/28/00	24,968,750	5.350	14,634.46
Lehman Brothers	03/27/00	03/28/00	24,990,000	5.350	3,713.79

(Board – 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

Reverse Repurchase Transactions (All transactions are executed simultaneously with a like repurchase agreement)

<u>Dealer</u>	<u>Sale Date</u>	<u>Purchase Date</u>	<u>Par Value</u>	<u>Interest Rate</u>	<u>Total Interest Paid</u>
Greenwich Capital Mkts	03/29/00	03/30/00	\$48,625,000	5.400%	\$ 7,293.75
Lehman Brothers	03/29/00	03/30/00	19,725,000	5.350	2,931.35

\* Total interest paid is to the last day of the month.

(Board - 5/25/00)

INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS

**REPORT B:** In addition to the transactions described in Report A of this report, the Executive Director also reports the following transactions during the period March 1, 2000 through March 31, 2000, pertaining to investments in United States Treasury securities and interest rate options contracts with respect to United States Treasury securities pursuant to the guidelines established by the Board of Commissioners on August 25, 1988.

Options Transactions - Purchased

<b>Transaction Date</b>	<b>Par Value</b>	<b>Description</b>	<b>Price</b>	<b>Exercise Price</b>	<b>Expirations/ Settlement</b>	<b>Dealer</b>	<b>Option Premium</b>
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No new transactions this period.

Options Transactions - Sold

<b>Transaction Date</b>	<b>Par Value</b>	<b>Description</b>	<b>Price</b>	<b>Exercise Price</b>	<b>Expirations/ Settlement</b>	<b>Dealer</b>	<b>Option Premium</b>
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No new transactions this period.

(Board - 5/25/00)

**INVESTMENTS, DEPOSITS, INTEREST RATE EXCHANGE CONTRACTS AND VARIABLE RATE MASTER NOTE PLACEMENTS**

**REPORT C:** In addition to the transactions described in Report A and B, the Executive Director also reports the following transactions during the period March 1, 2000 and March 31, 2000, pertaining to the execution or cancellation of Interest Rate Exchange Contracts pursuant to the guidelines established by the Board of Commissioners on December 10, 1992.

Interest Rate Exchange Contracts

<u>Date</u>	<u>Counterparty</u>	<u>Notional Amount</u>	<u>Start Date</u>	<u>Termination Date</u>	<u>Fixed Interest Rate Paid</u>
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No new transactions this period.

As of December 31, 1999, the Port Authority has interest rate exchange contracts in place on notional amounts totaling \$879 million, including \$484 million pertaining to refundings and \$110 million of reversals.

**REPORT D:** In addition to the transactions described in Report A, B and C, the Executive Director also reports the following transactions during the period March 1, 2000 and March 31, 2000 under the Variable Rate Master Note Program as amended and supplemented through October 13, 1994.

Variable Rate Master Note Placements

<u>Date of Issuance</u>	<u>Amount</u>	<u>Purchaser</u>	<u>Term</u>	<u>Variable Rate Index</u>
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No new transactions this period.

(Board – 5/25/00)

**Report E:** In addition to the transactions described in Report A, B, C, and D, the Executive Director also reports the following activity under the Futures Program authorized by the Board of Commissioners on December 10, 1987, during the period January 1, 2000 through March 31, 2000 involving the use of the Municipal Bond Futures Contracts (Muni) and the United States Treasury Bond Futures Contracts (T-Bonds) traded on the Chicago Board of Trade to manage the interest rate exposure on the future issuance of Consolidated Bonds and Notes.

Hedge for Consolidated Bonds:

<u>Date</u>	<u>Action</u>	<u>Number of Contracts</u>	<u>Short Position</u>	<u>Gains/(Losses) on Series Hedge</u>	<u>Amount of Prospective Port Authority Debt Hedged</u>	<u>Estimated (Increase)/Decrease in Borrowing Costs on Portion of Debt Hedged</u>
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No outstanding Hedge during the 1st Quarter 2000

**Contract and Purchase Order Authorizations and Amendments - Quarterly Report**

In accordance with the By-Laws, the Executive Director reports actions taken under Article XII, sections (g)(1) and (g)(2), for the period January 1, 2000 to March 31, 2000.

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Enviro-Sciences, Inc. JFK-134.215	Remediation of subsurface gasoline and diesel fuel at Terminal 4 ramp at John F. Kennedy International Airport	\$842,612	Publicly Advertised
Metro Fuel Oil Corp. Contract #4600001480	No. 2D Low Sulpher Diesel for Port Authority Buses at John F. Kennedy International Airport – One-year Requirements Contract	\$500,000	Government Contract
RAD Energy Corporation Contract #4600001484	Gasoline at John F. Kennedy International Airport – One-year Requirements Contract	\$500,000	Government Contract
Verrazano Exterminating Corp. Contract #4600001607	Integrated Pest Management at John F. Kennedy International Airport – Three-year Requirements Contract	\$219,436	Publicly Advertised
Paraco Gas Co.	Requirements contract for propane for the Aircraft Fire Trainer Facility at John F. Kennedy International Airport – six-month term	\$177,000	Sole Source
Terminal One Group Association, L.P.	Credit for electricity used by a Port Authority contractor at John F. Kennedy International Airport	\$85,102	Negotiated

**I. CONTRACT AND PURCHASE ORDER AUTHORIZATIONS**

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Bishop/Sanzari/ Creamer a Joint Venture EWR-681	Rehabilitation of roadways at Newark International Airport	\$643,599	Publicly Advertised
Hoboken Lock & Supply Co. Contract #4600001551	Locksmith Services at Newark International Airport – Two-year Requirements Contract	\$286,900	Publicly Advertised
AFA Protective Services, Inc.	Maintenance of central station fire alarm and supervisory system at Newark International Airport – Two-year term	\$585,074	Publicly Advertised
Arc Electrical & Mechanical Contractors Corp. (LGA-635)	Increase in extra work authorization for parking lot circuit upgrade at LaGuardia Airport	\$100,700	Existing Contract
Duke Transportation Services, Inc.	Rental of Four Aircraft Refueling Hydrant Service Tow Carts – One-year term.	\$136,408	Publicly Advertised
Keystone Helicopter Corp. Contract #4600001630	Helicopter Parts, Class B – Two-year Requirements Contract	\$362,000	Publicly Advertised
B. Seminara Construction Corp. (GWB-447)	Widening of the Center Avenue/Ramp F roadway at the George Washington Bridge	\$735,040	Publicly Advertised
Dejana Industries, Inc.	Roadway sweeping and debris removal at George Washington Bridge and Bus Station	\$889,700	Publicly Advertised
Anjac Enterprises, Inc. AKO-159	Structural rehabilitation of pier protection cells at the Outerbridge Crossing	\$503,080	Publicly Advertised

**I. CONTRACT AND PURCHASE ORDER AUTHORIZATIONS**

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Kajima Construction Services, Inc. MF-099.001	Design and construction of tenant storage space at the Port Authority Bus Terminal	\$142,020	Select List/RFP
Statewide Exterminating Contract #4600001537	Pest Control at the Port Authority Bus Terminal	\$78,838	Publicly Advertised
Air Systems Maintenance, Inc. Contract #4600001439	HVAC Maintenance at the New Jersey Marine Terminal – Three- year Term	\$207,858	Publicly Advertised
Fire Alarm Service Corp. Contract #4600001495	Fire Alarm Inspection and Maintenance at the Teleport – Three-year Term	\$105,674	Publicly Advertised
Gardner M. Bishop, Inc. & Joseph M. Sanzari, Inc. a Joint Venture LT-466	Replacement of pavement on the upper helix roadway bridge at the Lincoln Tunnel approach	\$497,850	Publicly Advertised
Longo Electrical-Mechanical, Inc. WTC-219	Replacement of five circuit breakers in the Emergency Generator at The World Trade Center	\$273,260	Publicly Advertised
T. Moriarty & Son, Inc. WTC-912.072	Installation of exterior awnings at Four and Five World Trade Center	\$507,640	Publicly Advertised
Indus General Construction, Inc. WTC-959.073	Removal of counters and restoration of flooring in the lobbies of One and Two World Trade Center	\$372,920	Publicly Advertised
OppenheimerFunds, Inc.	Reimbursement for World Trade Center lease-required fire alarm system work performed by lessee's contractor	\$180,000	Negotiated

**I. CONTRACT AND PURCHASE ORDER AUTHORIZATIONS**

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Knoll c/o Donaton Contract Furniture P.O.#4500010069	Office Furniture, Workstations for WTC	\$ 445,686	Government Contract
Smithklein Beecham Contract #4600001412	Lab Drug Testing for Port Authority and PATH Police – Three-year Requirements Contract	\$160,378	Publicly Advertised
Gym Source P.O.#4500009524	Gym Equipment for Public Safety	\$96,139	Government Contract
Jurek Brothers, Inc. P.O.#4500010521	Ammunition for Police	\$110,447	Government Contract
AT&T Wireless Services Contract #4600001199	AT&T Wireless Services – Two-year Requirements Contract	\$240,000	Government Contract
Cisco Systems Contract #4600001545	Network Equipment Maintenance – One-year Requirements Contract	\$500,000	Government Contract
En Pointe Technologies, Inc. Contract #4600001603	Hewlett Packard Printers – Six- month Requirements Contract	\$270,000	Government Contract
Information Decisions/ Data Systems Network Corp. P.O.#4500009655	Novell License Renewals – Software	\$94,477	Government Contract
The Iris Companies P.O.#4500009998	Identification Supplies	\$343,881	Publicly Advertised
En Pointe Technologies, Inc.	Increase in authorization for supply of Hewlett-Packard laser printers	\$150,000	Existing Contract
Frank's Truck Center, Inc. Contract #4600001438	Lease of Two Dump Trucks – Three-year Requirements Contract	\$123,590	Publicly Advertised

**I. CONTRACT AND PURCHASE ORDER AUTHORIZATIONS**

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Management Reports, Inc.	Increase in authorization for expansion of lease data base system	\$75,000	Existing Contract
Kelly & Hayes Electrical Supply of L.I., Inc. Contract #460001418	Electrical Wiring Supplies, Transformers and Clocks – Two-year Requirements Contract	\$172,113	Publicly Advertised
Frank's Truck Center, Inc. Contract #4600001441	Lease of Three, 3 Man Utility Trucks – Three-year Requirements Contract	\$84,466	Publicly Advertised
Bayway Lumber & Home Center Contract #4600001445	Doors and Frames, Various Facilities – Two-year Requirements Contract	\$101,728	Publicly Advertised
National Elevator Inspection Services Contract #4600001461	Elevator and Escalator Inspections at New Jersey Facilities – One-year Requirements Contract	\$79,584	Publicly Advertised
Jewel Electric Supply Co. Contract #4600001483	Electrical Wire, Various – One-year Requirements Contract	\$155,361	Publicly Advertised
Medco Tool Contract #4600001508	Tools, Various Facilities – Two-year Requirements Contract	\$165,521	Publicly Advertised
New York Ladder Co. Contract #4600001512	Ladders, Various Facilities – Two-year Requirements Contract	\$103,275	Publicly Advertised
H.J. Murray & Company, Inc. Contract #4600001524	Fire Hoses, Various Lengths – Two-year Requirements Contract	\$101,171	Publicly Advertised
Honeywell, Inc. Contract #4600001526	Hughey Phillips Lamps – Two-year Requirements Contract	\$243,816	Publicly Advertised

**I. CONTRACT AND PURCHASE ORDER AUTHORIZATIONS**

<b>AWARDEE</b>	<b>DESCRIPTION</b>	<b>AUTHORIZATION</b>	<b>PROCUREMENT METHOD</b>
Gales Industrial Supply Contract #4600001529	Miscellaneous Hardware Items- Two-year Requirements Contract	\$339,091	Publicly Advertised
3M Company Contract #4600001535	3M Supplies for Sign Shop- Two-year Requirements Contract	\$300,000	Government Contract
Metro Fuel Oil Corp. Contract #4600001541	No. 2 Diesel Fuel for Emergency Generators -- One- year Requirements Contract	\$100,000	Government Contract
Abracadabra Color Copy Contract #4600001548	Excess Color Printing and Copying- Two-year Requirements Contract	\$125,168	Publicly Advertised
Guardian Fence Company, Inc. Contract #4600001552	Chain Link Fencing and Parts -- Two-year Requirements Contract	\$166,691	Government Contract

**Tort Claim Settlements - Quarterly Report**

The Executive Director reported, for information only, that in accordance with the authority granted under Article XII, section (g)(4) of the By-Laws, the following claims were previously settled, and reported closed during the period January 1, 2000 to March 31, 2000.

**I. TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED**

<b>NAME</b>	<b>FACILITY</b>	<b>AMOUNT PAID</b>
CARUSO, SALVATOR	John F. Kennedy International Airport	\$ 15,000.00
RING, RANDALL	John F. Kennedy International Airport	12,000.00
COTICCHIL DEBRA	LaGuardia Airport	3,000.00
GUTNICK ETELE IND & FOR JENNIF	Goethals Bridge	2,500.00
GUTNICK ETELE IND & FOR JENNIF	Goethals Bridge	4,000.00
LAKE DINA	Goethals Bridge	1,000.00
HERNANDEZ LUZ & HECTOR	John F. Kennedy International Airport	2,500.00
MC DAID MARGARET/ ADM EST OF WI	World Trade Center	5,000.00
TORTORICI GINA	John F. Kennedy International Airport	3,500.00
AYALA MARIA	John F. Kennedy International Airport	13,000.00
THEO LOUIS/RED APPLE CLAIMS AS	John F. Kennedy International Airport	335.57

**I. TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED (cont)**

<b>NAME</b>	<b>FACILITY</b>	<b>AMOUNT PAID</b>
GUSDORF-FRIEDMAN KAREN	Off Property	\$ 7,500.00
BLOOMFIELD GARY/ ALLSTATE ASO	Off Property	1,500.00
MALILLO JOSEPH	Lincoln Tunnel	33,333.33
OMOGUN OMONUWA	John F. Kennedy International Airport	8,500.00
RODRIGUEZ ARTURO	Goethals Bridge	3,500.00
HERKO ARLENE	Bus Terminal	1,008.75
ARCHER ROOSEVELT	John F. Kennedy International Airport	10,000.00
CANTINE PAMELA	George Washington Bridge	383.92
MURPHY DENNIS	John F. Kennedy International Airport	1,500.00
ANDRETTA PAUL	John F. Kennedy International Airport	1,276.37
VANTERPOOL GOETO E	George Washington Bridge	90.00
MORRIS-KANARSKEE DIANA - ALLSTAT	John F. Kennedy International Airport	581.20
ALCALEN JUANITO	Holland Tunnel	2,214.25
VIGNAPIANO ARTHUR	World Trade Center	48.00
FISHMAN YEHUDA	World Trade Center	3,000.00
ROMAN MARIA	Off Property	1,113.21
DORA TRINA/USAU A/S/O	LaGuardia Airport	746.29
GLOVER KAREN - GEICO ASO	Off Property	600.00
ZISKIN PERFECTA	Holland Tunnel	6,000.00

**I. TORT CLAIMS AGAINST THE PORT AUTHORITY, CLOSED (cont)**

<b>NAME</b>	<b>FACILITY</b>	<b>AMOUNT PAID</b>
DE JESUS MANUEL	Newark International Airport	\$ 73.64
CHILDREN'S DISCOVERY CENTER	World Trade Center	1,278.00
S& R CONFECTION	George Washington Bridge Bus Station	3,583.25
GENAO JOSE	Lincoln Tunnel	5,000.00
ROLLINS LEASING CORP - FIREMAN	George Washington Bridge	6,480.75
DEVLIN KEVIN	Bus Terminal	159.00
STARK CAB CORP	LaGuardia Airport	1,004.00
PELLOT UZIEL	George Washington Bridge	858.70
MINERVINI FRANK A	Lincoln Tunnel	500.00
A& C LUXURY LINES	George Washington Bridge	900.00
SHIFA SERVICES, INC.	World Trade Center	95,000.00
	<b>TOTAL</b>	<b>\$ 164,568.23</b>

Whereupon, the meeting was adjourned.

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Secretary