

**The Port Authority of New York and New Jersey
Committee on Finance Meeting Transcripts
July 23, 2014**

[Chair R. Bagger] Morning, this is the finance committee meeting. The first portion of today's meeting will be held in public session. We're going to take up an action item related to expert professional disaster recovery claims services. After which we will meet in executive session to discuss matters in which the release of information could impair a right to receive funds from the United States or other grantor in matters involving ongoing negotiations, the reviews of contracts or proposals. At this point, I'd ask Karen, our Board Secretary, to advise if any commissioner has recusal on our action item this morning.

[K. Eastman] Commissioner Moerdler is recused on the matter.

[Chair R. Bagger] Okay, thank you. Cheryl, let me turn it to you for this item that I believe the Committee is familiar with, because we've discussed this in the past.

[C. Yetka] Okay. I'm here to request authorization, an increase in authorization, for a contract with Aon Property Risk Consulting, who's providing claims management and advisory service—I'm sorry—I'm here to ask for an increase in contract authorization with Aon Property Risk Consulting, who's providing claims management and advisory services for our World Trade Center, Hurricane Sandy property claim. In February of 2013, the Board authorized an 8 million dollar contract with Aon for these services. Just as a reminder, our hurricane policy sublimits total 750 million, 250 million on the World Trade Center Tower One and the Memorial, and another 500 million for the hub and the vehicle security center. The work on this claim is ongoing, negotiations continue with the insurers. To date, we've received advance payments of 136.5 million dollars. In January of this year, we actually exercised a 1 year renewal on this contract, and an addition 2 million dollars, which has already been expended. We now anticipate that the claims work will continue into the middle of next year, so we're asking for an additional 3 and a half million dollars.

[Chair R. Bagger] Can you speak to the authorization, financial authorization, that was made in January was— >>

[Chair R. Bagger] Run through fairly quickly what's happening that led to that expenditure?

[C. Yetka] The first 8 million dollars was actually expended by October of last year. So, the authorization that the CFO signed in January that provided the 2 million dollars really only covered us for another 6 months. They've wound back their services a bit since then, and that's why we think that the 3 and a half million dollars will cover us, basically, from March of this year through June of next year.

[Chair R. Bagger] So, the 3 and a half million part covers the balance of 2014 and part covers, should it be necessary, the first half of 2015?

[C. Yetka] Right. So, we've got ongoing work with them, they continue to do claims preparation, they will also be helping us to transition to other federal recovery disaster fund programs, should the [insurance not cover all of our claims](#).

[Chair R. Bagger] What's our best estimate of when the work will be completed, and are these sums accommodated in our operating budget?

[E. McCarthy] Sorry, in terms of where we are, I think that we're making progress, I think our best estimate is, and we're targeting trying to resolve these as quickly as possible, and hopefully through the end of the year. We are providing, however, that there may be a need for this to continue into the first part of next year. In terms of the accommodation in the budget, that this is really separate in our whole Sandy recovery efforts. Some levels of claims recovery is also covered in the insurance policy itself, subject to a sublimit.

[Chair R. Bagger] The members of the Board have any questions on this matter?

[Commissioner J. Degnan] Is this requiring a resolution?

[Chair R. Bagger] I believe this requires a resolution, and this Committee's action is the action, is that correct?

[E. McCarthy] Correct.>>

[Commissioner J. Degnan] Yeah, I don't want to delay you, but I believe I've been told that the company which is providing consulting services is not one of the companies that we're negotiating this claim with. That correct? >>

[E. McCarthy] Yes.>>

[Commissioner J. Degnan] Okay. Thank you.

[Chair R. Bagger] Any questions or comments—we need an action, so I'd ask for a motion to approve this. It's been moved, is there a second? Any discussion on the motion? Would the Board Secretary call the roll?

[K. Eastman] Commissioner Bagger?>>

[Chair R. Bagger] Yes.

[K. Eastman] Commissioner Lynford? >>

[Commissioner J. Lynford] Yes.

[K. Eastman] Commissioner Lipper? >>

[Commissioner K. Lipper] Yes.

[K. Eastman] Commissioner Pocino? >>

[Commissioner R. Pocino] Yes.

[K. Eastman] That concludes the vote from the finance committee members.

[Chair R. Bagger] Right, this is a matter where the finance committee vote is final action on this, correct? Okay, thank you, that concludes the public portion of today's meeting. The committee is now going to adjourn to executive session to discuss matters where the release of information could impair a right to receive funds. And so, I will—do I need to make a motion to move an executive session, or just announce that? I just did. Okay, so we're moving to executive session, then.