

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**AUDIT COMMITTEE
MINUTES
Thursday, May 28, 2015**

Action on Minutes	2
Retention of Independent Auditors	3

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**MINUTES OF AUDIT COMMITTEE****150 Greenwich Street****New York, NY****Thursday, May 28, 2015****PRESENT:**

Hon. David S. Steiner, Chair
Hon. Jeffrey A. Moerdler, Vice-Chair
Hon. Richard H. Bagger
Hon. Jeffrey H. Lynford
Committee Members

Hon. John J. Degnan
Hon. Kenneth J. Lipper
Hon. George R. Laufenberg
Hon. Raymond M. Pocino
Hon. Scott H. Rechler
Hon. Rossana Rosado
Hon. William P. Schuber
Commissioners

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

Thomas E. Belfiore, Chief Security Officer
John Bilich, First Deputy Chief Security Officer
Thomas L. Bosco, Director, Aviation
Steven J. Coleman, Acting Director, Media Relations
Nicole Crifo, Senior Advisor to the Chairman
Stephanie E. Dawson, Acting Chief Operating Officer
Erica Dumas, Senior Public Information Officer, Media Relations
Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Sean M. Fitzpatrick, Chief of Staff to the Chairman
Michael B. Francois, Chief, Real Estate and Development
Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
David P. Garten, Chief of Staff to the Vice Chairman
Lash L. Green, Director, Office of Business Diversity and Civil Rights
Jacqueline Grossgold, Business Development Executive, Office of Business Diversity and Civil Rights
Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
Linda C. Handel, Deputy Secretary
Mary Lee Hannell, Chief, Human Capital
Brian Jacob, Principal Board Management and Support Specialist, Office of the Secretary
Howard G. Kadin, Esq., Law

James R. Kleeman, Deputy Director, World Trade Center Redevelopment
Cristina M. Lado, Director, Government and Community Affairs, New Jersey
Richard M. Larrabee, Director, Port Commerce
John H. Ma, Chief of Staff to the Executive Director
Stephen Marinko, Esq., Law
Ronald Marsico, Assistant Director, Media Relations
Angel Martinez, Assistant Director, LaGuardia Airport Redevelopment, Aviation
Daniel G. McCarron, Comptroller
Elizabeth M. McCarthy, Chief Financial Officer
James E. McCoy, Manager, Board Management Support, Office of the Secretary
David J. McGrath, Manager of Marketing and Communications
Carlene V. McIntyre, Assistant General Counsel
Steven A. Pasichow, Director, Office of Investigation, Office of Inspector General
Ida Perich, General Manager, Office of Business Diversity and Civil Rights
Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction
Alan L. Reiss, Deputy Director, World Trade Center Construction
K. Ocean Stokes, Associate Board Management and Support Specialist, Office of the Secretary
Ralph Tragale, Assistant Director, Public Affairs, Aviation
Ian R. Van Praagh, Acting Director, Government and Community Affairs, New York
Peter J. Zipf, Chief Engineer

Guests:

John Spinello, Director, Authorities Unit, Office of the Governor of New Jersey
Michael Wojnar, Special Assistant for Intergovernmental Affairs, Office of the Governor of New York

The Committee meeting was called to order in public session by the Chair at 12:32 p.m. and ended at 12:37 p.m.

Action on Minutes

The Secretary reported that the Minutes of the meeting of May 6, 2014 had been signed and distributed to the Commissioners.

Whereupon, the Committee approved the Minutes of the meeting of May 6, 2014.

RETENTION OF INDEPENDENT AUDITORS

The By-Laws and the Audit Committee Charter provide that the Audit Committee shall select pursuant to a competitive process and arrange for an independent firm of certified public accountants to perform an audit of the financial statements of the Port Authority and its component units each year in accordance with auditing standards generally accepted in the United States of America.

After due consideration of its qualifications and performance, the Audit Committee has determined to retain KPMG LLP as independent auditor for the year ending December 31, 2015. KPMG LLP was selected in 2011 on the basis of a competitive process, which provided that subject to annual retention, as determined by the Audit Committee, such services may be extended through 2016.

The Committee has the power to act in this matter under Article XIII, Section B of the By-Laws and its Charter.

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

RESOLVED, that KPMG LLP be and the same is hereby retained as independent auditor for the year ending December 31, 2015, to: (i) audit the accounts and financial statements of the Port Authority and its component units for such year; (ii) audit the accounts and financial statements of the Port Authority of New York and New Jersey Retiree Health Benefits Trust; (iii) audit the accounts and financial statements of the Port Authority Insurance Captive Entity, LLC; (iv) perform a review of the Passenger Facility Charge Program and federal award programs; (v) perform an evaluation of the Port Authority's internal control over financial reporting; (vi) provide services as requested in the disclosure process in connection with the issuance of Port Authority obligations; (vii) provide other services, including a review of revenue and cost allocation computations relating to and under the terms of the various lease agreements (including base rent and annual gross revenue calculations at the New York City Municipal Air Terminals), a review of financial and statistical data submitted to the Federal Transit Administration, field work and financial disclosure requirements of the Single Audit Act of 1984 for recipients of federal financial assistance, and federal and state tax return filing and other audit services to Tower 1 Joint Venture LLC; and it is further

RESOLVED, that the form of any agreements required in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Secretary