

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

**COMMITTEE ON FINANCE  
MINUTES\***

**Thursday, February 18, 2016**

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\* The actions set forth in these Minutes shall have no force and effect until the expiration of the statutorily required gubernatorial review period (currently expected to occur at Midnight on March 7, 2016), unless sooner approved by the Governors of both the State of New York and the State of New Jersey, or vetoed by either.

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

**MINUTES OF COMMITTEE ON FINANCE**

**150 Greenwich Street**

**New York, NY**

**Thursday, February 18, 2016**

**PRESENT:**

Hon. Jeffrey H. Lynford, Vice-Chair

Hon. Raymond M. Pocino

Hon. William P. Schuber

Committee Members

Hon. John J. Degnan

Hon. Michael D. Fascitelli

Hon. George R. Laufenberg

Hon. Scott H. Rechler

Commissioners

Patrick J. Foye, Executive Director

Richard Holwell, General Counsel

Karen E. Eastman, Secretary

Janet Cox, Director, Management and Budget

Nicole Crifo, Senior Advisor to the Chairman

Stephanie E. Dawson, Acting Chief Operating Officer

David P. Garten, Senior Advisor to the Vice Chairman

Linda C. Handel, Deputy Secretary

Portia Henry, Executive Policy Analyst, Special Panel Implementation Office

Patricia Hurley, Chief of Staff to the Chairman

Sherien N. Khella, Financial Advisor to the Chief Financial Officer

John H. Ma, Chief of Staff to the Executive Director

Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management

Elizabeth M. McCarthy, Chief Financial Officer

Carlene V. McIntyre, Assistant General Counsel

Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction

Alan L. Reiss, Deputy Director, World Trade Center Construction

Jessica Russ, Principal Board Management and Support Specialist, Office of the Secretary

James A. Starace, Chief Engineer/Director of Engineering

Timothy G. Stickelman, Assistant General Counsel

Lillian D. Valenti, Chief Procurement and Contracting Officer  
Ian R. Van Praagh, Acting Director, Government and Community Affairs, New York  
Cheryl A. Yetka, Treasurer

Guests:

Amy Herbold, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey  
Adam Spence, Assistant Secretary for Economic Development and Innovation, Office of  
the Governor of New York  
Michael Wojnar, Special Assistant for Intergovernmental Affairs, Office of the Governor  
of New York

The Committee meeting was called to order in executive session by Commissioner Lynford at 10:20 a.m. and was adjourned at 10:31 a.m. The Committee also met in public session after the executive session. Chairman Degnan recused himself and did not participate in the discussion on the insurance matter included in these minutes.

**Action on Minutes**

The Secretary reported that the Minutes of the meeting of December 10, 2015 had been signed and made available to the Commissioners.

Whereupon, the Committee approved the Minutes of the meeting of December 10, 2015.

PENDING  
GUBERNATORIAL  
REVIEW

**CONFIDENTIAL ITEM**

The Committee approved a matter in executive session, which shall not be made available for public inspection.

PENDING  
GUBERNATORIAL  
REVIEW

**WORLD TRADE CENTER SITE – PURCHASE OF PROPERTY DAMAGE AND LOSS OF REVENUE INSURANCE, INCLUDING TERRORISM COVERAGE**

It was recommended that the Committee on Finance (Committee) authorize the purchase of property damage and loss of revenue insurance, including coverage for losses arising from acts of terrorism (Property Insurance), through the broker Willis of New York, Inc. (Willis), with the appropriate available limits, deductibles, retentions and other terms, for the assets of the Port Authority and its subsidiaries and component units at the World Trade Center (WTC) site that will be available for their intended use in the period between March 31, 2016 and March 31, 2018, for up to a two-year term, effective March 31, 2016. The Executive Director, the Chief Financial Officer, the Treasurer and the Chief Procurement Officer, each individually, would be authorized to effectuate the Property Insurance purchase.

In order to protect the Port Authority from financial loss attributable to damage to its owned, operated and leased properties and resultant loss of revenues, it is necessary to obtain Property Insurance coverage for the relevant WTC site assets. Assets to be covered under the proposed Property Insurance include One WTC, the WTC Central Chiller Plant and River Water System, and the WTC Vehicular Security Center and Tour Bus Parking Facility, the WTC Oculus and connecting corridors, Liberty Park and additional assets that are forecast to become operational during the policy term.

At its February 19, 2014 meeting, the Committee authorized a brokerage agreement with Willis for a term of March 1, 2014 through December 31, 2017, to provide brokerage services, including placement and administration, for the Property Insurance program for the WTC site, at an aggregate estimated brokerage fee of \$1,967,789. The Port Authority will have the option to extend the agreement with Willis for an additional three-year term, at an aggregate estimated additional brokerage fee of \$1,702,468.

At its meeting of March 13, 2015, the Committee authorized the purchase of Property Insurance for the WTC site assets available for their intended use in the period between March 31, 2015 and March 31, 2016, for a one-year term.

Program options would be discussed with Willis and insurance underwriters, in order to place the most comprehensive coverage at the best available price, through a combination of risk transfer and risk retention strategies. Separate sub-limits and deductibles would apply for certain exposures, including the perils of windstorm and flood. The program also provides for the purchase of terrorism coverage under the federal Terrorism Risk Insurance Program Reauthorization Act of 2015 through the Port Authority Insurance Captive Entity, LLC.

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

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

**RESOLVED**, that the purchase of property damage and loss of revenue insurance coverage, including coverage for losses arising from acts of terrorism, for assets of the Port Authority and its subsidiaries and component units at the World Trade

Center site that will be available for their intended use in the period between March 31, 2016 and March 31, 2018, through the broker Willis of New York, Inc., with the appropriate available limits, deductibles, retentions and other terms, for up to a two-year term, effective March 31, 2016, substantially in accordance with the terms outlined to the Committee, be and it hereby is authorized; and it is further

**RESOLVED**, that the Executive Director, the Chief Financial Officer, the Treasurer and the Chief Procurement Officer be and each hereby is authorized, individually, for and on behalf of the Port Authority, to take action to effectuate the foregoing; and it is further

**RESOLVED**, that all documents required to effectuate the foregoing shall be subject to review by General Counsel or his authorized representative.

PENDING  
GUBERNATORIAL  
REVIEW

Whereupon, the meeting was adjourned.

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Secretary

PENDING  
GUBERNATORIAL  
REVIEW