

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON FINANCE
MINUTES**

Wednesday, October 16, 2013

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THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES OF COMMITTEE ON FINANCE

225 Park Avenue South

New York, NY

Wednesday, October 16, 2013

PRESENT:

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

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

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

Heavyn-Leigh American, Associate Board Management and Support Specialist,
 Office of the Secretary
 Steven J. Coleman, Deputy Director, Media Relations
 Philippe Danielides, Senior Advisor to the Chairman
 Stephanie E. Dawson, Acting Chief Operating Officer
 David Garten, Senior Advisor to the Vice Chairman
 Lisa MacSpadden, Director, Media Relations
 Michael G. Massiah, Director, Management and Budget
 Elizabeth M. McCarthy, Chief Financial Officer
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center
 Construction
 Alan L. Reiss, Deputy Director, World Trade Center Construction
 Brian W. Simon, Director, Government and Community Affairs, New York
 Timothy G. Stickelman, Assistant General Counsel
 Lillian D. Valenti, Director, Procurement
 David M. Wildstein, Director, Interagency Capital Projects, Office of the
 Deputy Executive Director

Guests:

Nicole Crifo, Assistant Counsel, Authorities Unit, Office of the Governor of
 New Jersey
 Janet Ho, Assistant Secretary for Transportation, State of New York

The Committee meeting was called to order in public session by Commissioner Bagger at 9:04 a.m. and ended at 9:36 a.m. The Committee also met in executive session following the public session. Chairman Samson was present for the public session only.

Action on Minutes

The Secretary reported that the Minutes of the meeting of September 18, 2013 had been signed and distributed to the Commissioners.

Whereupon, the Committee approved the Minutes of the meeting of September 18, 2013.

BAYONNE BRIDGE NAVIGATIONAL CLEARANCE PROGRAM – PURCHASE OF BUILDER’S RISK AND TERRORISM INSURANCE

It was recommended that the Committee on Finance (Committee) authorize the purchase of separate: (1) builder’s risk insurance through Willis of New York, Inc. (Willis), as broker, to cover the construction cost of the Bayonne Bridge Navigational Clearance Program (BBNCP), for a four-year term, at an estimated premium of \$3.25 million (inclusive of a brokerage fee); and (2) terrorism insurance for the BBNCP through Willis, as broker, for a four year term, at an estimated premium not in excess of \$700,000 (inclusive of a brokerage fee), plus surplus lines taxes. The Executive Director, the Chief Financial Officer and the Director of Procurement each would be authorized to take action to effectuate this purchase of builder’s risk and terrorism insurance. The recommended action is necessitated by the refusal of the current insurers under the Port Authority’s Contractors Insurance Program (CIP) to extend builder’s risk coverage to the BBNCP under the CIP. The CIP is providing statutory workers’ compensation and general liability coverage to the BBNCP.

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

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

RESOLVED, that the purchase of: (1) builder’s risk insurance, through Willis of New York, Inc., as broker, applicable to the Bayonne Bridge Navigational Clearance Program (BBNCP), for a four-year term, at an estimated premium of \$3.25 million (inclusive of a brokerage fee); and (2) terrorism insurance for the BBNCP, through Willis, as broker, for a four year term, at an estimated premium not in excess of \$700,000 (inclusive of a brokerage fee), plus surplus taxes, 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 and the Director of Procurement be and each hereby is authorized, 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.

CONFIDENTIAL ITEM

The Committee also authorized a transaction in executive session, which shall not be made available for public inspection.

CONFIDENTIAL ITEM

The Committee also approved a matter in executive session, which shall not be made available for public inspection until such actions have been completed.

Whereupon, the meeting was adjourned.

Secretary