

SUMMARY STATEMENT

ITEM NO. **SUBJECT: Requiring the Authority to Hire Independent Counsel to Conduct a Legal Inquiry Into the “True-Up” Provisions of the Authority’s Insurance Contracts.**

COMMITTEE: **New Business**

COMMITTEE MEETING DATE: **August 18, 2010**

BOARD ACTION DATE: **August 18, 2010**

PROPOSAL: **That the Board adopt a resolution requiring the Authority to hire independent counsel to conduct a legal inquiry into the true-up provisions of the Authority’s insurance contracts.**

PURPOSE: **To adopt a resolution requiring the Authority to hire independent counsel to conduct a legal inquiry into the true-up provisions of the Authority’s insurance contracts.**

BACKGROUND: **The Authority desires to ensure that it is acting with fiscal prudence to safeguard public funds entrusted to the Authority. The Board has considered the current arrangement with the Authority’s insurance brokers and believes that it is their fiduciary responsibility to conduct an inquiry into the “true-up” provisions utilized by the Authority’s insurance brokers.**

The Board has considered the advice of its staff and certain of its consultants with regard to this determination and has determined that the hiring of independent counsel to conduct a legal inquiry into the true-up provisions is in the best interests of the Authority and the public it serves.

SUMMARY:

Amount:	N/A
Source of Funds:	N/A
Capital Project #:	N/A
Operating Budget:	
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	N/A
Other Parties Involved:	N/A

Adopted as Amended on the floor
VETOED by Governor Chris Christie, September 2, 2010

DRPA-10-064

New Business: August 18, 2010

Board Date: August 18, 2010

**Requiring the Authority to
Hire Independent Counsel
to Conduct a Legal Inquiry
Into the “True-Up”**

**Provisions of the
Authority’s Insurance
Contracts.**

RESOLUTION

RESOLVED: That the Board hereby resolves to require the Authority to hire independent counsel to conduct a legal inquiry into the “True-Up” provisions of the Authority’s insurance contracts; and be it further

RESOLVED: That this inquiry will include an examination of the fees, commissions and other monies paid to insurance brokers working for the DRPA and PATCO in order to assure that DRPA and PATCO are paying a fair compensation for the services being rendered.

SUMMARY: Amount:	N/A
Source of Funds:	N/A
Capital Project #:	N/A
Operating Budget:	
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	N/A
Other Parties Involved:	N/A

OGC