

MINUTES OF MEETING  
**THE DELAWARE RIVER AND BAY AUTHORITY**  
**Tuesday, June 16, 2009**  
James Julian Boardroom  
Delaware Memorial Bridge Plaza  
New Castle, Delaware 19720

The meeting convened at 10:10 a.m. with Chairperson Hogan presiding.

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The opening prayer was given by Reverend Dorn, followed by the Pledge of Allegiance led by the Executive Director.

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Chairperson Hogan called on the Authority Secretary to read the meeting notice and take roll.

The Secretary announced that a notice of the meeting had been distributed to the offices of the Governor of New Jersey and the Governor of Delaware, to appropriate staff members and consultants, to the press in both States and to any other individuals who had indicated an interest in receiving a copy of the meeting notice.

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PRESENT

James N. Hogan, Chairperson	Scott A. Green, Vice- Chairperson
Susan A. DeLanzo	Richard W. Downes
Edward W. Dorn	Samuel E. Lathem
Niels S. Favre	William E. Lowe
Gary F. Simmerman	Terri C. Murphy
Ceil Smith	Gary F. Traynor

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9992.           APPROVAL OF THE MAY 19, 2009 REGULAR MEETING  
MINUTES

Commissioner Lowe motioned for approval of the meeting minutes of May 19, 2009, seconded by Commissioner Murphy, and approved by a voice vote of 12-0.

It was noted in Executive Session that New Jersey Governor Jon S. Corzine vetoed Resolution 09-33 authorizing a purchase agreement between the Authority and Sunoco, Inc. to provide diesel fuel for its Cape May-Ferry operation in Cape May, New Jersey. The Governor requested the Authority to conduct an immediate, accelerated, and competitive process for the temporary delivery of diesel fuel and, as soon as possible, a formal competitive RFP process on a long-term basis.

It was recommended sending correspondence to both the New Jersey and Delaware Governors, in response to the Veto letter, explaining that, after evaluation of the facts and circumstances, the CFO determined that it would be in the best interest of the Authority to proceed directly with the long-term solution. The COF indicated the Authority's current provider would extend the current contract to provide fuel on a month-to-month basis until that process was completed. The Commissioners concurred with this recommended course of action.

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The Executive Director presented the following highlights that occurred within the Authority during May, 2009.

***Delaware Memorial Bridge***

Total traffic in May increased 2.8% compared to the same period in 2008. Non-commercial traffic increased 4.9% and commercial traffic decreased 10.2%. When compared to the 3-year average, total traffic increased 0.6% in May. Year-to-date total traffic decreased 0.04% compared to 2008. When compared to the 3-year average, year-to-date total traffic decreased 1.8%.

E-ZPass traffic for May represented 59.6% of the total overall traffic as compared to 59.5% for the previous year. Year-to-date electronic traffic is 60.3%, an increase of 0.4% from 2008.

The DMB War Memorial Park looked outstanding for the annual Memorial Day ceremony which was held on May 30. Many elected officials attended the ceremony. Special thanks to maintenance, police, and café food service employees whose efforts made this event a success.

***Cape May Lewes Ferry***

In May, vehicle and passenger traffic decreased 5.5% and 5.6%, respectively, when compared to May 2008. Year-to-date vehicle traffic decreased 7.6% and passenger traffic decreased 6.6% when compared to the same period in 2008. When compared to the average of the last three years, year-to-date vehicle traffic and passenger traffic decreased 11.5% and 10.2%, respectively.

In May, fare revenues increased 1.1% compared to May 2008. Year-to-date fare revenues increased 1.0% compared to the same period last year. When compared to the average of the last three years, year-to-date fare revenues decreased 2.9%.

In May, CMLF food sales decreased 6.2% and retail sales decreased 14.0%, compared to May 2008. Year-to-date food and beverage revenues decreased 9.4% and retail revenues decreased 19.5%, compared to the same period in 2008. When compared to the average of the last three years, year-to-date food and beverage revenues decreased 14.9% and retail revenues decreased 22.5%.

Approximately 240 kindergarten students from Memorial School in Lower Township visited the Cape May Terminal on a field trip to study transportation. I want to thank Pilot Bryan Helm for serving as their host as well as the other staff that were involved.

***Airports***

At the end of the month, the Civil Air Terminal (CAT) and Delaware Airpark (DAP) were busy with NASCAR flights. The preliminary results from this race indicate that at CAT over 105 fixed-wing aircraft arrived. Over 20+ helicopters operated from CAT. Atlantic Aviation FBO pumped 23,000 gallons of jet fuel over the five days as compared to 12,000 gallons last spring. Approximately 300 rental cars were accommodated at CAT from Avis, Hertz, and Enterprise. DAP accommodated 20 aircraft of various sizes, mostly operated by individual NASCAR fans.

***Employee Happenings***

John Jones and Joe Volk hosted professional development visits on the Delaware Memorial Bridge for Civil Engineer students and faculty from both the University of Delaware and Rowan University last week. Approximately 30 students attended the events.

Congratulations to Sharon Urban for earning her Pilot's license at the Ferry. Additionally, Sam Jordan, Kyra Jarmen, and Gary Hughes recently passed their Able-Bodied Seaman examinations. Congratulations to these employees for their individual accomplishments.

Thank you to all the Authority employees that participated in the Red Cross Blood Drive at the Cape May Terminal. Forty-three people signed up and 40 pints were collected. This included 8 first time donors!

Permanent Full-time staffing levels at the end of May:

Authorized Positions	442
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Positions Filled	404
Positions Filled (on LTD)	5
Total Positions that are Vacant	33

Without objection, the report was ordered filed with the permanent records of the Authority.

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9994. COMMITTEE REPORT – BUDGET & FINANCE COMMITTEE

Commissioner Simmerman presented the following Budget & Finance Committee meeting minutes held on June 1, 2009.

**BUDGET & FINANCE COMMITTEE MEETING**

**Monday, June 1, 2009**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Budget & Finance Committee and Public Hearing was held on Monday, June 1, 2009, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Simmerman  
Commissioner Dorn  
Commissioner Smith  
Chairperson Hogan

Committee Vice-Chair Traynor  
Commissioner Downes, Committee Member  
Commissioner Murphy, Committee Member  
Commissioner Lowe  
Vice-Chairperson Green

Governors Representatives

Sonia Frontera - NJ

Staff

Jim Johnson  
Victor Ferzetti  
Jim Walls  
Gerry Owens  
Joe Larotonda  
Anna Marie Gonnella Rosato  
Ken Hynson  
John Sarro  
Michelle Griscom-Collins  
Jim Salmon  
AJ Crescenzi  
John Jones  
Steve Williams  
Kelly Phillips Parker

Authority Secretary

Tom Pankok

Invited Guest

Frank Minor

1. Committee Chair Simmerman welcomed the Budget & Finance Committee and opened the meeting at approximately 10:23 a.m. The Authority Secretary reported that the public meeting of the Budget & Finance Committee had been duly noticed in accordance with the Authority’s Freedom of Information Regulations, read the Statement of Notice, and called the roll.

2. Proposed Resolutions

- Over \$25,000 Vendor List – the Chief Financial Officer reviewed each item included in the Over \$25,000 Vendor List, noting the Plow Truck with Dump Body is eligible for FAA Funding at a 95% and a 5% cost to the Authority. The current FAA budget for this item is approximately \$183,000. It is expected that the Authority’s portion to range between \$11,000

and \$37,000. This item is replacing a 1979 dump truck and will be located at the New Castle Airport. After discussion, on motion by Commissioner Traynor, seconded by Commissioner Murphy, the Committee recommended approval of the Vendor List. The Resolution will be presented to the full Board for consideration at the June meeting.

- Community Contribution Requests – The Committee reviewed the Community Contribution Requests from New Jersey for June; however, the requests from Cape May County have not been finalized. After discussion, on motion by Commissioner Murphy, seconded by Commissioner Traynor, the Committee recommended approval of the Community Contribution Requests, subject to the finalization of requests from New Jersey. A Resolution will be presented to the full Board for consideration at the June meeting.

With no further business to discuss, on motion by Commissioner Simmerman, the Budget & Finance Committee adjourned at 10:27 a.m.

Without objection, the report was ordered filed with the permanent records of the Authority.

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9995. COMMITTEE REPORT – PERSONNEL COMMITTEE

Commissioner Dorn presented the following Personnel Committee meeting minutes of June 1, 2009.

**PERSONNEL COMMITTEE MEETING**  
**Monday, June 1, 2009**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Personnel Committee was held on Monday, June 1, 2009, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey  
PRESENT

Committee Chair Dorn  
Commissioner Smith, Committee Member  
Commissioner Simmerman  
Chairperson Hogan

Commissioners from Delaware

Commissioner Traynor, Committee Member  
Commissioner Murphy, Committee Member  
Commissioner Downes  
Commissioner Lowe  
Vice-Chairperson Green

Governors’ Representatives  
Sonia Frontera - NJ

Staff

Jim Johnson, Jr.  
Victor Ferzetti  
Jim Walls  
Gerry DiNicola Owens

Authority Secretary

Tom Pankok

Invited Guest

Frank Minor

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 10:27 a.m. The Authority Secretary reported that the public meeting of the Personnel Committee had been duly noticed in accordance with the Authority’s Freedom of Information Regulations, read the Statement of Notice, and called the roll.

2. Committee Chair Dorn requested an Executive Session, closed to the public to discuss matters of a confidential nature. On motion by Commissioner Smith, seconded by Commissioner Murphy, the Session was closed.

The following matters of a confidential nature were discussed.

- CONTRACT NEGOTIATIONS
- LEGAL MATTERS

With no further business to discuss in Executive Session, on motion by Commissioner Smith, seconded by Commissioner Traynor, the Personnel Committee was opened to the public.

3. CHRO Search Update

The Executive Director reported that the outreach effort, advertisement, and posting should be completed no later than the end of June. Review of resumes and a list of candidates should be completed by the end of September. Commissioner Downes requested the name of the search firm and a copy of the selection parameters given to the search firm. The Executive Director reported that the search firm was Touchstone Partners VIP Search and that he would provide a copy of the information requested. Committee Chair Dorn questioned if the Executive Director received any resumes. The Executive Director reported that he received one resume and forwarded it to the search firm. Chairperson Hogan stressed that, should any Board members receive any resumes for the position, to please forward directly to the Executive Director to be given to the search firm.

With no further business to discuss, on motion by Commissioner Downes, the Personnel Committee adjourned at 10:50 a.m.

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9996. COMMITTEE REPORT – PROJECTS

Commissioner Favre noted his absence from the June 1, 2009 Projects Committee meeting and then deferred the presentation to Commissioner Lowe. Commissioner Lowe presented the following Projects Committee meeting minutes of June 1, 2009.

**PROJECTS COMMITTEE**  
**Monday, June 1, 2009**  
 Delaware Memorial Bridge Complex  
 New Castle, Delaware

A public meeting of the Delaware River and Bay Authority’s Projects Committee was held on Monday, June 1, 2009, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Lowe, Committee Vice-Chair  
 Commissioner Murphy, Committee Mbr  
 Commissioner Downes  
 Commissioner Traynor  
 Vice-Chairperson Green

Commissioner Dorn, Committee Mbr  
 Commissioner Simmerman, Committee Mbr  
 Commissioner Smith  
 Chairperson Hogan

Governors’ Representatives

Authority Secretary

Sonia Frontera – NJ

Tom Pankok

Staff

Jim Johnson  
 Frank Minor  
 Victor Ferzetti  
 Jim Walls  
 Gerry DiNicola Owens  
 A.J. Crescenzi  
 Heath Gehrke  
 Anna Marie Gonnella-Rosato  
 John Jones

Kelly Phillips-Parker  
John Sarro  
Steve Williams

1. The Projects Committee meeting convened at approximately 10:50 a.m. Those in attendance were provided an informational package consisting of an agenda, one bid opening tabulation, one contract close-out letter, and the monthly contractor payment chart with associated change orders (through May).
2. Resolutions: None
3. Bid Openings/Award Actions:
  - DMB-05-01, Elevator Replacement, First and Second Structures, Delaware Memorial Bridge. A public bid opening was held on May 27, 2009, in which two (2) bids were received. Based on very high bids when compared to the engineer's cost estimate and the approved capital improvement budget for this project, the COO recommended that all bids submitted be rejected. The Projects Committee concurred with the recommendation and authorized the action to be presented at the June board meeting.
4. Contract Close-Out Actions:
  - Contract No. CMLF-09-01, Maintenance Dredging – Cape May Terminal: The COO recommended close-out of the contract and that final payment be made to the contractor, Barnegat Bay Dredging Company of Harvey Cedars, New Jersey. The final price for this project is \$255,658.00. The Projects Committee concurred with the recommendation and authorized the action be presented at the June board meeting.
5. Contractor Payment (through May): The COO informed the Committee of the monthly construction contractor payments to be made in June.
6. Miscellaneous Items/Updates:
  - CMLF Marine Master Plan Update: The Director of Ferry Operations provided an overview and update on the CMLF Marine Master Plan (completed by Hornblower Marine in the 2006-2008 timeframe). Topics of discussion included existing fleet configuration (i.e. age, date re-furnished, service limitations, vehicle and passenger capacity, service speed, and manning), financial picture (revenues and expenses from 2006 through 2012), fleet assessment, replacement options, marine master plan recommendations, operating cost comparison between existing vessels and new vessels, past ship visits (to verify fuel consumption, crewing levels, functionality, and comfort), estimated capital cost of new vessels, estimated salvage values of existing vessels, grant/loan programs for new vessels, schedule and next steps (including pending RFP to be soon issued to identify a Naval Architect to help with next steps). The Director of Ferry Operations informed the Committee that some cost savings initiatives have already been completed to include moving the marine operation that was in Lewes to Cape May, moving the reservation call center from the Delaware Memorial Bridge to Cape May, putting the M/V Cape May up for sale, and going to a four boat schedule. Vice-Chairperson Green asked why there was declining traffic and have we looked at passenger-only vessels. The Director of Ferry Operations answered that the declining ridership was complex but that the completion of new Route 1 was a major factor and that they had not yet looked at passenger-only vessels due to the heavy and important vehicle component of the ferry's business. Chairperson Hogan suggested that before we get too far, and in light of current economic conditions, that we obtain governor support for the initiative when we have more information and analysis. Other recommendations of the Marine Master Plan included reduce staffing, improve marketing, and consider alternative options for Food and Retail. Commissioner Murphy inquired about the status of the fifth vessel (M/V Cape May that is up for sale). The Director of Ferry Operations stated that the M/V Cape May has been dockside (other than for a maintenance shakedown) in Cape May since August 2008. Commissioner Lowe asked about timing of project and the potential to capture federal grants. The Director of Ferry operations indicated that we still had more work to do regarding future plans before applying for grants. With all questions being answered, the briefing was concluded.

- Three Forts Operation/Fort Mott Update: The Executive Director provided a brief overview of the Three Forts operation and reported that the Authority had received a letter from the State of New Jersey (NJDEP, Department of Parks and Recreation) regarding the Fort Mott component of the operation. The Executive Director indicated that his plan was to negotiate with the NJDEP Assistant Commissioner over the next few weeks to determine future involvement and operations regarding Fort Mott. Commissioners Smith and Dorn provided comments about the positive aspect of the operation from a tourism standpoint. The Executive Director informed the Committee that he would report back when more information was available and that any decision made would involve the full Board of Commissioners.

7. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 11:55 a.m.

Without objection, the reports were ordered filed with the permanent records of the Authority.

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9997. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Traynor made the Commissioners aware that he left the room during a particular confidential matter that was being discussed in closed session to avoid any conflict of interest that may arise. He asked that the minutes reflect his absence.

Commissioner Downes noted the amendment to the minutes to include Commissioner Traynor’s absence during the closed session and then presented the following Economic Development Committee meeting minutes of June 1, 2009.

**ECONOMIC DEVELOPMENT COMMITTEE**  
**Monday, June 1, 2009**  
 Delaware Memorial Bridge Complex  
 New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Economic Development Committee was held on Monday, June 1, 2009, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey  
 PRESENT

Committee Vice-Chair Smith  
 Commissioner Dorn, Committee Member  
 Commissioner Simmerman

Chairperson Hogan

Governors Representatives  
 Sonia Frontera – NJ

Staff  
 Jim Johnson  
 Victor Ferzetti  
 Jim Walls  
 Gerry Owens  
 AJ Crescenzi  
 Anna Marie Gonnella Rosato  
 Michelle Griscom-Collins  
 John Sarro  
 Steve Williams  
 Jim Salmon  
 John Jones

Commissioners from Delaware

Committee Chair Downes  
 Commissioner Lowe, Committee Member  
 Commissioner Traynor, Committee Member  
 (except as noted above)  
 Commissioner Murphy  
 Vice-Chairperson Green

Authority Secretary  
 Tom Pankok

I. Committee Chair Downes welcomed the Economic Development Committee and opened the meeting at approximately 11:55 a.m. The Authority Secretary reported that the public meeting of the Economic Development Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.

2. Michelle Griscom-Collins provided an update on the following action items.

- Settlement and Mutual Release Agreement with Red Eagle Avionics – It was reported that Red Eagle Avionics and the Delaware River and Bay Authority were in disagreement as to Lease interpretations regarding Red Eagle dispensing fuel to third parties and disagreement regarding two, ten-year lease renewal options. The Authority will continue to prohibit fueling to third parties by Red Eagle, the Authority will grant the two, ten-year lease renewal options, and give a limited right of first refusal on a certain parcel of land adjacent to the Property. Both parties wish to enter into a Settlement Agreement to resolve each of these issues and settle fully any and all disputes and claims between them. After Committee discussion, on motion by Commissioner Lowe, seconded by Commissioner Traynor, the Committee recommended approval of the Settlement and Mutual Release Agreement. A Resolution will be presented to the full Board for consideration at the June meeting.

- Second Amendment of the Ground Lease Between The State of Delaware and the Delaware River and Bay Authority – As part of the Delaware Airpark Master Plan to acquire additional lands surrounding the Airport for future development and growth, the FAA has provided the State of Delaware, as the landowner, with the Authority as Airport Sponsor, 95% FAA funding for the financing to acquire parcels. In addition to parcels already approved by Resolutions 06-08 and 06-33, this Second Amendment adds Parcel 6, 7, and 8 to the Ground Lease with the State of Delaware. The State of Delaware will provide the remaining 5% funding. After Committee discussion, on motion by Commissioner Traynor, seconded by Commissioner Smith, the Committee recommended approval of the Second Amendment of the Ground Lease. A Resolution will be presented to the full Board for consideration at the June meeting.

3. The Executive Director requested an Executive Session. On motion by Commissioner Smith, seconded by Commissioner Traynor, the session was closed.

The following matters of a confidential nature were discussed.

- LEGAL MATTERS
- LONG TERM PLANNING ALTERNATIVES

It is noted that, prior to the discussion of a specific confidential planning matter, Commissioner Traynor reported that he may have a conflict, excused himself from the discussion and left the room. After the discussion, Commissioner Traynor returned.

With no further business to discuss in Executive Session, on motion by Commissioner Smith, seconded by Commissioner Dorn, the session was opened to the Public.

With no further business to discuss, on motion by Commissioner Dorn, the Economic Development Committee adjourned at 12:20 p.m.

Without objection, the report was ordered filed with the permanent records of the Authority.

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9998. COMMITTEE REPORT – AUDIT & GOVERNANCE

Commissioner Downes presented the Audit & Governance Committee meeting minutes of June 1, 2009.

**AUDIT & GOVERNANCE COMMITTEE MEETING**  
**Monday, June 1, 2009**  
Delaware Memorial Bridge Complex

New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee was held on Monday, June 1, 2009, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioner Dorn, Committee Member  
Commissioner Simmerman, Committee Member  
Commissioner Smith  
Chairperson Hogan

Commissioners from Delaware

Committee Chair Downes  
Commissioner Lowe, Committee Member  
Commissioner Murphy  
Commissioner Traynor  
Vice-Chairperson Green

Governors' Representatives

Sonia Frontera - NJ

Staff

Jim Johnson, Jr.  
Victor Ferzetti  
Jim Walls  
Gerry Owens  
Joe Larotonda  
John Jones  
Kelly Phillips Parker  
John Sarro  
Anna Marie Gonnella Rosato  
Ken Hynson  
Michelle Griscom-Collins  
AJ Crescenzi  
Jim Salmon

Authority Secretary

Tom Pankok

Invited Guests

Bowman & Company, LLP  
Mr. Steve Ryan  
Mr. Tim Kiel

Frank Minor

1. Committee Chair Downes welcomed the Audit & Governance Committee and opened the meeting at approximately 9:13 a.m. The Authority Secretary reported that the public meeting of the Audit & Governance Committee had been duly advertised in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.

2. Review of 2008 Audit

Committee Chair Downes reported that the 2008 Audit had been completed and he participated in an Exit Conference Call with Bowman & Company, the Chief Financial Officer, and the Controller. The Committee Chair then turned the meeting over to the CFO who introduced Mr. Steve Ryan and Mr. Tim Keil who provided a review of the 2008 Audit.

The Auditors reported that the 2008 Audit was a favorable audit with no findings. It was noted that, although there were no findings, there were three items for Committee discussion. The Auditors noted three items for discussion including:

- Prior Year Items – Corrections to Contracts and Leases, Grants and Other Joint Projects, and Payroll from the 2007 Audit had been addressed and were in order.
- Capital Assets and Inventory – At the DMB, 60% of tested inventory had inaccurate counts. Although the value tested amounted to \$23,000, there was a 15% error rate. The CFO reported that recommendations have been reviewed and the appropriate changes are being made. Also, it was reported that Authority-wide across all divisions, some of the smaller Capital Assets, when scrapped, sold, traded, had not been properly removed from the inventory list. The CFO reported that the purchase of minor capital assets require a PO and authorization by the CFO or Controller and are included in the capital asset list; however, there are no procedures or processes to notify finance when an item is disposed in order to have that asset removed from the list. An accurate inventory is necessary for theft prevention and insurance purposes. The CFO and Controller will be discussing a process to tighten up procedures. Vice-

Chairperson Green suggested that a discussion of the \$2000 threshold may be appropriate at that time.

- New Jersey State Unemployment – The Auditors reported that, during an interim payroll audit in 2007, a few inaccuracies were discovered, reported, and corrected with the exception of one. The Authority is remitting the correct amount to the New Jersey State Unemployment Tax to New Jersey; however, not withholding the tax from employees. Therefore, the Authority is paying the employee portion which if continued, would require it be reported as employee income. The CFO recommended that the appropriate employees be notified and for payroll to begin withholding unemployment from paychecks. The impact is approximately \$114 per year per employee. Committee Chair Hogan stressed that the correspondence should make it clear that the deduction is not due to any employee layoffs.

In addition, the auditors questioned the unemployment rate the Authority is being charged. Since the Authority is only paying aforementioned rate (.00925%, believed to be the employee share), the concern is that the Authority may be responsible for an additional employer rate. Staff reported that the New Jersey Department of Labor, State Department of Treasury Division of Revenue had been contacted and assured staff that the Authority is paying the correct rate. The Committee discussed whether Authority should establish a reserve for an employer portion. After discussion, Committee Chair Downes noted that the burden is on the tax payer and encouraged staff to maintain communication and document the matter in order to demonstrate the Authority's good faith effort to comply with all state payroll taxes. The Committee further recommended direction from Legal Counsel.

Other Items, which were minor administrative matters were discussed in detail with the finance staff but did not include recommendations for management and included, Bridge Revenue, Airport Revenues, Expenditures, Payroll, and Capital Assets.

Committee Chair Downes questioned the timetable for completion of the 2008 Financial Report. It was reported that the 2008 Audit is complete and preliminary copies will be ready at the June Board meeting. A subsequent Audit Committee meeting will be scheduled in the 3<sup>rd</sup> quarter for a review of the Comprehensive Annual Financial Report (CAFR).

Commissioner Simmerman requested an Executive Session for Commissioners and Auditors. On motion by Commissioner Lowe, seconded by Commissioner Murphy, the Session was closed and staff was excused. The following matters of a confidential nature were discussed.

- MATTERS RELATING TO THE 2008 AUDIT

After discussion, the Committee thanked the Auditors for their presentation and they were dismissed. The CFO and Controller were asked to re-join and the following confidential matters were discussed.

- LONG TERM PLANNING ALTERNATIVES

There being no further business to discuss, on motion by Commissioner Lowe, the Audit Committee meeting adjourned at 10:20 a.m.

Without objection, the report was ordered filed with the permanent records of the Authority.

9999. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented charts showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Three Forts Ferry Crossing, and Food Services for the month of April.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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10000. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented charts showing statements of income and expenses for the month of April with comparisons to the same periods last year.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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10001. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented charts for May showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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10002. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented charts for the month of May showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The charts also include cash expenditures spent to date for the committed projects.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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10003. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF MAY 31, 2009.

The CFO presented charts indicating the cash fund balances for the entire Authority.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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10004. PUBLIC COMMENT ON ACTION ITEMS.

Chairperson Hogan presented the following action items that were being considered and asked for public comment.

- Contract DMB-05-01 Elevator Replacement, 1<sup>ST</sup> & 2<sup>nd</sup> Structures, DMB
- Contract Closeout CMLF-09-01, Maintenance Dredging – Cape May Terminal
- Resolution 09-34 Approval of Community Contribution Requests
- Resolution 09-35 Authorizes Expenditures Over \$25,000
- Resolution 09-36 Authorizes a Settlement and Mutual Release Agreement with Red Eagle Avionics
- Resolution 09-37 2<sup>nd</sup> Amendment of the Ground Lease with the State of Delaware at DAP

There were no public comments.

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10005. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

Contract No.	Contractor	Current Amount
DMB-08-01	Allied Painting, Inc	590,614.00

DMB-08-02	<b>Marinis Brothers, Inc.</b>	56,969.59
DMB-08-03	<b>Eastern Highway Specialists, Inc.</b> 2009-2010 Deck Resurfacing DMB	519,039.00
DMB-06-03	<b>J.D. Eckman, Inc</b> South Norfolk Southern Railroad Bridge	317,535.17
DMB-04-01	<b>Mumford and Miller</b>	1,337,401.74
CMLF-09-01	<b>Barnegat Bay Dredging Co.</b>	144,058.00
NCA-06-02	<b>Diamond Materials</b>	1,046,329.77
NCA-06-03	<b>Eastern States Construction</b> Obstruction Removal- Phase I	76,150.00
NCA-07-01	<b>Schlosser &amp; Associates</b> Insite /Hessert JV	66,060.00

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10006. ELEVATOR REPLACEMENT 1<sup>ST</sup> & 2<sup>ND</sup> STRUCTURES, DMB, CONTRACT DMB-05-01

A public bid opening was held on May 27, 2009, in which two (2) bids were received. The bids came in very high when compared to the engineer’s cost estimate and the approved capital improvement budget for this project. It was the recommendation of the COO and the Projects Committee that all bids submitted be rejected.

A motion to reject Contract DMB-05-01 was made by Commissioner Lowe, seconded by Commissioner Favre, and unanimously approved by a voice vote of 12-0.

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10007. CONTRACT CLOSE-OUT - MAINTENANCE DREDGING- CAPE MAY TERMINAL – CMLF-09-01

On April 20, 2009 Contract No. CMLF-09-01, 2009 Maintenance Dredging - Cape May Terminal, was awarded to Barnegat Bay Dredging Co., of Harvey Cedars, New Jersey for the bid price of \$362,000.00

During the contract period, Change Order No.1 was approved for the project.

1. April 29, 2008 Adjustments in quantities to reflect actual field conditions.  
Subtract \$106,342.00

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$255,658.00.

A motion to close-out Contract CMLF-09-01 was made by Commissioner Favre, seconded by Commissioner Smith, and approved by a voice vote of 12-0.

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10008. CHAIRPERSON’S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOAD

**RESOLUTION 09 - 34 APPROVAL OF COMMUNITY CONTRIBUTION REQUESTS.**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state agency with public crossing facilities and assets in the States of New Jersey and Delaware; and

WHEREAS, the Authority has developed a Community Contributions Policy which outlines the purpose of the program and process for consideration of requests; and

WHEREAS, the policy requires full board approval for any Community Contribution; and

WHEREAS; the Budget and Finance Committee met and approved Community Contributions for the month of June 09; and

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby approves the following Community Contributions.

Community Contributions

**New Jersey**

<b>Access to Art Incorporated</b>	<b>\$ 3,000</b>
<b>Bridgeton-Cumberland Tourism Association</b>	<b>\$ 5,000</b>
<b>Cape May County Council on Alcoholism and Drug Abuse Incorporated</b>	<b>\$ 2,000</b>
<b>South Jersey Rising Star Track Club Incorporated</b>	<b>\$ 1,500</b>
<b>Total</b>	<b><u>\$ 11,500</u></b>

**Delaware**

<b>Delaware State University Foundation</b>	<b>\$ 5,000</b>
<b>Police Athletic League of Delaware Incorporated</b>	<b>\$ 900</b>
<b>The Wellness Community Delaware</b>	<b>\$ 1,400</b>
<b>West Center City Early Learning Center Incorporated</b>	<b>\$ 10,000</b>
<b>Total</b>	<b><u>\$ 17,300</u></b>
<b>Grand Total (New Jersey and Delaware)</b>	<b><u>\$ 28,800</u></b>

A motion to approve Resolution 09-34 was made by Commissioner Simmerman, seconded by Commissioner Downes. With Commissioner Murphy abstaining on West Center City Early Learning Center, Inc., Resolution 09-34 was approved by a roll call vote of 12-0, except with the above noted abstention where such vote was 11 in favor and 1 abstention.

\* \* \* \* \*

**RESOLUTION 09-35 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2009 THROUGH DECEMBER 31, 2009.**

WHEREAS, The Delaware River and Bay Authority (the "Authority") adopted Resolution 01-84 requiring Commissioner review and approval of all Authority expenditures in excess of \$25,000; and

WHEREAS, the Authority anticipates expenditures at or over the \$25,000 amount to the following vendors:

DELAWARE RIVER & BAY AUTHORITY  
PROJECTED VENDORS TO BE PAID OVER \$25,000  
OPERATION EXPENDITURES  
FOR THE PERIOD 1/1/09 THROUGH 12/31/09

<b>VENDOR</b>	<b>SERVICE DESCRIPTION</b>	<b>DETERMINATION</b>
Hooper, Inc.	CIP approved replacement mowers for Millville, NCA and DMB facilities	Quotes

NOW, THEREFORE, BE IT RESOLVED, that the Authority authorizes expenditures to the above listed vendors for the described purposes and authorizes payment.

A motion to approve Resolution 09-35 was made by Commissioner Simmerman, seconded by Commissioner Downes, and approved by a roll call vote of 12-0.

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**RESOLUTION 09-36 - AUTHORIZES A SETTLEMENT AND MUTUAL RELEASE AGREEMENT WITH RED EAGLE AVIONICS, LLC**

WHEREAS, The Delaware River and Bay Authority (the "Authority") is the operator of the New Castle Airport (the "Airport"); and

WHEREAS, Red Eagle Avionics, Inc. and New Castle County entered into that certain Lease dated as of February 1, 1994 (the "Lease") pursuant to which New Castle County leased approximately 0.4696 acres of land (the "Property") located at the Airport to Red Eagle Avionics, Inc.; and

WHEREAS, New Castle County assigned all of its rights, title and interest in and to the Lease to the DRBA pursuant to that certain Acquisition Agreement dated March 9, 1995 between New Castle County and the DRBA; and

WHEREAS, Red Eagle Avionics, Inc. assigned its leasehold interest in the Property under the Lease to Red Eagle Avionics, LLC, a Delaware limited liability company ("Red Eagle"), in 2006; and

WHEREAS, Red Eagle has asserted the right pursuant to its interpretation of the Lease to sell fuel directly to third parties, including its subtenants, and the DRBA disagrees with Red Eagle's interpretation of the Lease provisions and is not able to permit Red Eagle to sell or dispense fuel to third parties; and

WHEREAS, the parties are in disagreement as to whether the two (2) ten (10) year lease-renewal options (the "Renewal Options") referenced in Section 2 of the Lease were assignable, and, thus, whether such options inure to the benefit of Red Eagle, as assignee of the original lessee, Red Eagle Avionics, Inc.; and

WHEREAS, Red Eagle desires to obtain two (2) ten (10) year renewal options under the Lease and the DRBA has agreed to grant such renewal options; and

WHEREAS, Red Eagle desires to obtain a limited right of first refusal to lease a certain parcel of land adjacent to the Property; and

WHEREAS, the parties desire to enter into a Settlement Agreement to resolve each of these issues and to settle fully any and all disputes and claims between them.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Settlement and Mutual Release Agreement with Red Eagle with the advice and consent of counsel, executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 09-36 was made by Commissioner Downes, seconded by Commissioner Smith, and approved by a roll call vote of 12-0.

\* \* \* \* \*

**RESOLUTION 09-37 SECOND AMENDMENT OF THE GROUND LEASE BETWEEN THE STATE OF DELAWARE AND THE DELAWARE RIVER AND BAY AUTHORITY**

WHEREAS, The Delaware River and Bay Authority (the "Authority") is the operator of the Delaware Airpark ("Airport") pursuant to that certain Ground Lease, dated July 31, 2000, between the State of Delaware ("State") and the Authority, a Memorandum of which was recorded in the Office of the Recorder of Deeds in and for Kent County to give notice of the existence of the Lease ("Ground Lease"); and

WHEREAS, through a Master Planning process it has been determined to be necessary for future airport development and growth to acquire additional lands surrounding the Airport; and

WHEREAS, the State as the Landowner of the Airport is in the process of acquiring several parcels of land surrounding the Airport; and

WHEREAS, the Federal Aviation Administration provided 95% of the financing for the acquisition through federal grants acquired by the Authority acting as the Airport Sponsor; and

WHEREAS, the Authority and the State have agreed to amend the Ground Lease to add the land listed below acquired by the State to the definition of the Demised Premises in addition to those parcels already approved by Resolutions 06-08 and 06-33.

Parcel 6	.240 acres
Parcel 7	4.698 acres
Parcel 8	6.067 acres

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the amendment to the Ground Lease and, with the advice and consent of counsel, to have such amendment executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 09-37 was made by Commissioner Downes, seconded by Commissioner Dorn, and approved by a roll call vote of 12-0.

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10009. COMMISSIONERS PUBLIC FORUM

Chairperson Hogan asked if any members of the public would like to address the Commissioners.

Vincent Ascione, Local 542 spoke. He stated that Local 542 has not met with Authority representatives since May 7, 2009. The union is anxious to go back to negotiating 29 line items and pay increases for the years 2010 and 2011.

Chairperson Hogan thanked Mr. Ascione for his comments and said that he will hear from the Authority shortly.

Commissioner Downes noted that the Annual Report and the Audit Report are available in print and urged each Commissioner to obtain a copy before leaving. Any questions or comments will be addressed at the July 13, 2009 Audit & Governance Committee meeting.

Commissioner Simmerman stated that this is his last official meeting as Commissioner. A new Commissioner is expected to come on board July 1, 2009. Mr. Simmerman said that he was honored to serve on the Board and that he is very proud of the Authority and its staff.

Commissioners Smith stated that she learned so much from Mr. Simmerman and wished him well.

Chairperson Hogan said that Mr. Simmerman was a tremendous source of help in the finance area and that he appreciated all that he has done for the Board.

Commissioner Traynor stated that, as a new Board member, Mr. Simmerman was very helpful to him.

Commissioners Dorn and Lathem wished Mr. Simmerman well.

\* \* \* \* \*

There being no further business, a motion to adjourn was made by Commissioner Dorn, seconded by Commissioner Lowe, and unanimously carried.

The meeting was adjourned 10:30 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok  
Secretary