MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, September 16, 2014
Cape May-Lewes Ferry Gallery
Cape May, NJ 08204

The meeting convened at 12:55 P.M. with Chairperson Hogan presiding.

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

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

The Assistant 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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Commissioners from New Jersey	Commissioners from Delaware
	PRESENT
James N. Hogan, Chairperson	William E. Lowe, Vice-Chairperson
Edward W. Dorn	Richard Downes
Richard S. Mroz	James L. Ford, III
Ceil Smith	Samuel E. Lathem
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Shirley R. Wilson	Gary F. Traynor
	ABSENT
Douglas Van Sant	

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Chairperson Hogan called for the acceptance of the Agenda.

Commissioner Lathem motioned to accept the Agenda, seconded by Commissioner Dorn, and the motion carried by a voice vote of 11-0.

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10852. APPROVAL OF THE JULY 15, 2014 MINUTES

Commissioner Downes motioned to approve the July 15, 2014 meeting minutes, seconded by Commissioner Smith, and unanimously approved by a voice vote of 11-0.

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10853. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Director of Finance (DOF) presented charts showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Delaware City-Salem Ferry Crossing, and Food Services for the months of July and August.

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

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10854. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The DOF presented charts showing statements of income and expenses for the month of July and August with comparisons to the same period last year.

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

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10855. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The DOF presented a chart for July and August 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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10856. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The DOF presented a chart for the month of July and August showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also included 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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10857. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF JULY & AUGUST, 2014.

The DOF 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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10858. AUTHORITY CUSTOMER TRENDS (ACT) REPORT

The Authority Customer Trends (ACT) Report included in the financials allows management to view on a month-to-date basis trends in areas such as traffic, customer service, aircraft landings, and workplace incidents. Copies are distributed daily to employees via email and posted on bulletin boards for those without computers.

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10859. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Hogan noted that there are five (5) Resolutions and two (2) contract awards to be considered today. All action items have been reviewed and recommended for consideration during today's Committee meetings. He then called for public comments.

There were no public comments.

10860. AWARD OF CONTRACT #CMLF-14-06 DREDGING AND DISPOSAL OF ACCUMULATED SEDIMENT

The COO noted that a public bid opening was held on August 28, 2014, in which three (3) bids were received. The COO and the Projects Committee recommended the contract be awarded to the lowest responsive bidder, Barnegat Bay Dredging Company, Inc. in the amount of $515,000.

A motion to award Contract #CMLF-14-06 was made by Commissioner Lowe, seconded by Commissioner Wilson, and approved by a voice vote of 11-0. .

10861. AWARD OF CONTRACT #33N-14-01 RUNWAY 9-27 EXTENSION AND ASSOCIATED IMPROVEMENT, DELAWARE AIRPARK

The COO noted that a public bid opening was held on July 1, 2014 in which five (5) bids were received. The COO and the Projects Committee recommended the contract be awarded to the lowest responsive bidder, George & Lynch Inc., in the base line item amount of $4,082,006.40.
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A motion to award Contract #33N-14-01 was made by Commissioner Downes, seconded by Commissioner Smith, and approved by a voice vote of 11-0.

10862. CHAIRPERSON'S CALL FOR RESOLUTIONS BEFORE THE BOARD

RESOLUTION 14-27 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2014 THROUGH DECEMBER 31, 2014

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 1/1/14 THROUGH 12/31/14

VENDOR	SERVICE DESCRIPTION	DETERMINATION	ESTIMATED $
Fairbanks Morse Engine	Replacement Parts for Main Engine of M/V New Jersey	Proprietary	$384,000

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

Resolution 14-27 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2014 through December 31, 2014.

Committee: Budget & Finance

Committee and Board Date: September 16, 2014

Purpose of Resolution:

Authorizes the expenditure of $25,000 or greater with the identified vendors for the calendar year.

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 01-84, whereby the Authority shall not enter into any contract committing the Authority to spend or make any other expenditures relating to services, material and supplies in the amount of $25,000 or more unless it has first been approved by a vote of Commissioners.

Background for the specific purchase:

Replacement Parts for Main Engine of M/V New Jersey

Fairbanks Morse is the proprietary supplier of replacement parts for overhauls, emergency repairs and maintenance of the existing main engines installed on all Authority vessels. The Authority plans to purchase cylinder liners, pistons and other miscellaneous parts needed for a complete overhaul of the M/V New Jersey main engine.

Background for the Determination category:

Proprietary:

Proprietary procurement exists when similar products or services are available but the Authority must instead purchase from the original equipment manufacturer or service provider to uphold a contract, warranty, etc. Proprietary purchases are also those purchases necessary to support and maintain existing Authority equipment for which a vendor has the right to prohibit an equivalent product from being supplied.

A motion to approve Resolution 14-27 was made by Commissioner Murphy, seconded by Commissioner Dorn, and approved by a roll call vote of 11-0. .

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RESOLUTION 14-28 – AUTHORIZES AN AGREEMENT BETWEEN THE AUTHORITY AND JOHNSON MIRMIRAN & THOMPSON TO PROVIDE PROFESSIONAL GENERAL ENGINEERING CONSULTING SERVICES FOR AUTHORITY FACILITIES, ROADWAYS AND BRIDGES

WHEREAS, The Delaware River and Bay Authority (the "Authority") is a bi-state Authority of the State of Delaware and the State of New Jersey that operates and maintains the Delaware Memorial Bridge, Wilmington Airport, Delaware Airpark, Dover Civil Air Terminal, Millville Airport, Cape May and Lewes Ferry Terminals, Cape May Airport, Delaware

City-Salem Ferry and adjoining facilities and infrastructure at each of the aforementioned sites; and

WHEREAS, the Authority seeks to engage a qualified consultant who will provide professional "on-call" general engineering consulting ("GEC") services for Authority facilities, roadways and bridges; and

WHEREAS, the Authority wishes to enter into a Services Agreement ("Agreement") with the selected consultant; and

WHEREAS, the Agreement to provide "on-call" GEC services for Authority facilities, roadways and bridges shall have a base term of four (4) years with the Authority granted the option to extend the Agreement for an additional period of one (1) year after the expiration of the base term, such renewal to be authorized by the originating committee with the consent of the Chairperson and Vice Chairperson of the Board of Commissioners; and

WHEREAS, the Authority publicly advertised a Request for Proposals ("RFP") for the required GEC services in compliance with Resolution 98-31, as amended, which governs the procedure for the procurement of professional services; and

WHEREAS, the Authority received and evaluated eight (8) proposals pursuant to the aforementioned public advertisement; and

WHEREAS, the Authority short-listed three (3) firms and conducted oral interviews with each of those firms; and

WHEREAS, Johnson Mirmiran & Thompson ("JMT") was designated as the highest-ranking firm following final evaluation; and

WHEREAS, the Authority conducted an analysis of the scope, complexity and cost of the GEC services proposed by JMT and negotiated with JMT to provide such services at compensation determined to be fair and reasonable; and

WHEREAS, the estimated annual budget for such services to be provided by JMT is $750,000 with a not-to-exceed limit of $3,000,000 during the four (4) year base term and a not-to-exceed limit of $750,000 during the optional one (1) year extension term; and

WHEREAS, the Projects Committee reviewed this recommendation and concurs with the evaluation; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Services Agreement with JMT to provide such GEC services for the Authority and to have such Agreement, with the advice and consent of Counsel, executed by the Chairperson, Vice-Chairperson and Executive Director.

Resolution 14-28 Executive Summary Sheet

Resolution: Authorizes an agreement between the Authority and Johnson Mirmiran & Thompson ("JMT") to provide professional general engineering consulting ("GEC") services for Authority facilities, roadways and bridges.

Committee: Projects

Committee Date: September 16, 2014

Board Date: September 16, 2014

Purpose of Resolution:

To authorize an agreement with Johnson Mirmiran & Thompson ("JMT") to provide professional "on-call" general engineering consulting ("GEC") services for Authority facilities, roadways and bridges.

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 98-31, as amended, which governs the procedure for the procurement of professional services.

The Authority received and evaluated technical proposals submitted by the following eight (8) firms, and short-listed* three (3) of those firms:

Century Engineering
Greenman-Pedersen, Inc.
HNTB Corporation*
Johnson Mirmiran & Thompson*
Pennoni Associates, Inc.
Rummel, Klepper & Kahl, LLP
STV Incorporated*
Urban Engineers

The Authority conducted oral interviews with the three short-listed firms and utilized final evaluation criteria to establish a ranked list of firms, with JMT being identified as the top ranked firm following the interviews. The Authority requested and received the JMT cost proposal, conducted an analysis of the proposed costs of the services and negotiated for the services to be provided at rates determined to be fair and reasonable.

The not-to-exceed limit during the four (4) year base term is $3,000,000. The not-to-exceed limit during the optional one (1) year extension term is $750,000.

A motion to approve Resolution 14-28 was made by Commissioner Lowe, seconded by Commissioner Smith, and approved by a roll call vote of 11-0.

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RESOLUTION 14-29 – SETTLEMENT AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY, CMY DISTILLERY, LLC AND LEE PHILLIPS

WHEREAS, The Delaware River and Bay Authority (the "Authority"), is the operator of the Cape May Airport ("Airport"), Rio Grande, New Jersey; and

WHEREAS, the Authority entered into lease negotiations with CMY Distillery, LLC ("CMY") and Lee Phillips as a member of CMY to lease space at the Cape May Airport; and

WHEREAS, during the course of those negotiations, the Authority and CMY entered into a Storage License Agreement to provide CMY with temporary storage space for equipment in connection with CMY's business; and

WHEREAS, the Storage License Agreement expired and the Authority terminated any communications regarding leasing any other space; and.

WHEREAS, Phillips filed several Complaints in the Superior Court of New Jersey, Law Division, Special Civil against Michelle Griscom and the Authority alleging a breach of contract; and

WHEREAS, the Authority alleged the Complaints were frivolous and demanded that they be withdrawn; and.

WHEREAS, the parties entered into a Settlement Agreement containing nothing but mutual releases in order to dismiss the litigation with prejudice.

NOW, THEREFORE, BE IT RESOLVED, that the Settlement Agreement shall be executed by the Chairperson, Vice Chairperson, and the Executive Director.

Resolution 14-29 Executive Summary Sheet

Resolution: Settlement Agreement between the Delaware River and Bay Authority, CMY Distillery, LLC and Lee Phillips

Committee: Economic Development

Committee Date: September 16, 2014

Board Date: September 16, 2014

Purpose and Background for Resolution:

In July 2013, the Board authorized staff to enter into lease negotiations with the CMY Distillery LLC to lease space at the Cape May Airport. While those negotiations were ongoing, the Authority entered into a 90-day Storage License Agreement for storage of equipment related to the proposed business. When the Storage License Agreement terminated so did the Authority's communications regarding leasing any other space. Complaints were filed against the Authority and Michelle Griscom alleging a breach of contract. The parties entered into a Settlement Agreement containing nothing but mutual releases in order to dismiss the litigation with prejudice.

A motion to approve Resolution 14-29 was made by Commissioner Wilson, seconded by Commissioner Downes and approved by a roll call vote of 11-0.

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RESOLUTION 14-30 – AMEND THE GROUND LEASE BETWEEN THE COUNTY OF CAPE MAY AND THE DELAWARE RIVER & BAY AUTHORITY RELATING TO THE CAPE MAY AIRPORT

WHEREAS, The Delaware River and Bay Authority (the "Authority") is the operator of the Cape May Airport ("Airport") pursuant to that certain Ground Lease, dated June 8, 1999, between the County of Cape May (the "County") and the Authority, a Memorandum of which was recorded in the Office of the Recorder of Deeds in and for Cape May County to give notice of the existence of the Lease (the "Ground Lease"); and

WHEREAS, the Authority has determined that in order to encourage growth and economic development at the Airport, it is necessary to promote investment in the Airport by private investors and develop relationships with long term tenants and users of the Airport; and

WHEREAS, the Authority has further determined that to promote investment in the Airport by private entities and ensure the economic viability of the Airport during the term of the Ground Lease and thereafter, it is necessary to enter into long term leasing and other arrangements with such private entities in order to provide them with the ability to recoup their investment and realize a reasonable return on that investment; and

WHEREAS, the initial term of the Ground Lease has approximately fifteen years ("Initial Term") remaining and the Authority has begun to encounter reluctance on the part of the financial and investment communities to invest in the Airport given the limited number of years remaining in the Initial Term; and

WHEREAS, the Authority has determined that it will become increasingly difficult to attract investment in the Airport by private entities as the length of the Initial Term of the Ground Lease continues to decrease; and

WHEREAS, the Authority has further determined that it is necessary to enter into leases and other arrangements with tenants at the Airport that extend beyond the Initial Term of the Ground Lease and into the renewal terms granted to the Authority but not yet exercised by the Authority; and

WHEREAS, the County has agreed to amend the Ground Lease to allow the Authority to enter into leases and other arrangements with tenants of the airport that extend beyond the Initial Term and into the renewal terms granted to the Authority but not yet exercised by the Authority; and

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.

Resolution 14-30 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Amendment to the Ground Lease with the County of Cape May

Committee: Economic Development

Meeting Date: September 16. 2014

Purpose and Background for Resolution:

The DRBA entered into a ground lease agreement with the County of Cape May in 1999. The initial lease term is for 30 years. There are currently approximately 15 years remaining on the initial term of the agreement. Our agreement with the County does not allow us to enter into agreements that extend beyond our lease term.

This constraint has become an issue as the term of the lease decreases. Private investors find it difficult to acquire financing to invest in the airport. This amendment will allow the Authority to enter into agreements beyond our remaining lease term and the County will agree to honor any and all such agreements.

A motion to approve Resolution 14-30 was made by Commissioner Lathem, seconded by Commissioner Murphy and approved by a roll call vote of 11-0.

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RESOLUTION 14-31 - LEASE TERMINATION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CEPHALON INC.

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

WHEREAS, Cephalon, Inc. ("Cephalon") entered into a lease of approximately 23,300 rentable square feet of space in the building commonly referred to as the 6 DRBA Way Hangar pursuant to that certain Lease dated as of July 1, 2007 between the Authority and Cephalon for a term of 10 years(the "Lease"); and

WHEREAS, due to corporate acquisition, Cephalon was acquired by Teva Pharmaceuticals and is looking to restructure their operations and terminate the Lease; and

WHEREAS, Cephalon has agreed to pay an early termination fee of Two Hundred and Fifty Thousand Dollars ($250,000.00); and

WHEREAS, the Authority and Cephalon agree that the Lease shall expire on November 1, 2014; and

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

Resolution 14-31 Executive Summary

Resolution: Authorizing the Termination of a Lease Agreement between the Delaware River and Bay Authority and Cephalon, Inc.

Committee: Economic Development

Committee Date: September 15, 2014

Board Date: September 15, 2014

Purpose of Resolution:

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Termination Agreement for Cephalon Inc. at the New Castle Airport.

Background for Resolution:

Cephalon Inc. leased the hangar facility known as 6 DRBA Way in July of 2007 by Resolution 07-10. Cephalon Inc. was acquired by Teva Pharmaceuticals. Teva no longer needed the additional corporate aircraft owned by Cephalon and the plane was sold in 2012. The hangar lease is set to expire on June 30, 2017. Cephalon requested to terminate the remaining term of the lease. There is market interest for hangar space at ILG and the opportunity for enhanced operations leading to possible increased landing and fuel fees, makes the termination potentially beneficial. The termination payment represents approximately 10 months of rental payments.

A motion to approve Resolution 14-31 was made by Commissioner Lowe, seconded by Commissioner Smith and approved by a roll call vote of 11-0.

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10863. EXECUTIVE DIRECTOR'S COMMENTS

Executive Director Green briefed the Board on the activities in and around the Authority including President Obama's visit to Delaware; Celebration of the first anniversary of Frontier Airlines' passenger air service @ ILG; the Mroz family outing at Fort Delaware; Bocce Fest a collaborative event with Dog Fish was well attended; ILG apron repair work was completed by the DRBA maintenance department; Senators Carper and Coons visit to the DAP and the awarding of a $5 million grant towards the airport expansion and flight training program @ DSU.

The CMLF marketing effort had brought in the Lenape tribe for a Treaty signing at the Ferry; Brews by the Bay and Biker's Only Cruise was successful and said this event would be repeated next year. Wine Tasting cruise was attended by Commissioners Traynor and Downes.
Senator Carper will visit to inspect the painting of DMB on September 19th

The Executive Director invited the commissioners to upcoming events for the months of September (Family fun day) and in October Employee Recognition.

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10864. COMMISSIONERS PUBLIC FORUM

Chairperson Hogan called for comments from the public and the Commissioners. There was no comment from the public however, Commissioner Downes commended CMLF Terminal Manager Nicky Fisher, and her crew for a well done Wine Cruise event. Commissioner Wilson also congratulated Colonel Arroyo and the Police Department upon achieving the prestigious Gold Standard award for the recent accreditation program.

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There being no further business, a motion to adjourn was made by Commissioner Downes, seconded by Commissioner Wilson, and unanimously carried by a voice vote of 11-0.

The meeting was adjourned at 1:20 p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary