

**AMENDED FEBRUARY 24, 2010**

**MINUTES OF MEETING  
THE DELAWARE RIVER AND BAY AUTHORITY  
Tuesday, February 16, 2010  
James Julian Boardroom  
Delaware Memorial Bridge Plaza  
New Castle, Delaware 19720**

The meeting convened at 10:47 a.m. with Chairperson Hogan presiding.

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

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

The Authority 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.

**PRESENT**

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

**ABSENT**

Niels S. Favre

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Chairperson Hogan called for the acceptance of the Agenda by the Board. The Agenda was accepted by all Commissioners.

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**10121. APPROVAL OF THE JANUARY 19, 2010 REGULAR MEETING MINUTES**

A motion was made by Commissioner Downes to approve the minutes of the January 19, 2010 meeting, seconded by Commissioner Murphy, and unanimously approved by a voice vote of 11-0.

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**10122. EXECUTIVE DIRECTOR'S REPORT**

The Executive Director presented the following highlights that occurred within the Authority during January, 2010.

***Delaware Memorial Bridge***

In January, total traffic decreased 1.8%, non-commercial traffic decreased 1.1%, and commercial traffic decreased 7.5%, compared to January 2010. When compared to the 3-year average, total January traffic decreased 3.2%. E-ZPass traffic for January represented 61.6% of the total overall traffic as compared to 60.2% for the previous year.

We are on the home stretch with the Phase III, I-295 main-line construction Approach Roads Project which started in June 2008 and is now 97% complete. All final paving is complete and all lanes are now open to traffic. Over the next 60 days new Right-of-Way fencing will be installed,

weather permitting. This project will be completed in the spring, almost six months ahead of schedule.

The 1<sup>st</sup> Structure Improvement Program – Program Management component is underway. AECOM is preparing cost estimates for the various tasks that need to take place during the next two years. Work includes Main Cable and Suspender Rope investigation, Document review and field inspection, Coatings and Lead Abatement study and design, Traffic and widening study, Weigh-in-Motion Study, and Load Testing and Public Outreach.

### ***Cape May Lewes Ferry***

January's weather conditions (rain, snow and high winds) combined to depress traffic and food/retail sales significantly at the Ferry. In January, vehicle traffic decreased 16.5%, passenger traffic decreased 16.1%, and fare revenues decreased 9.5%, compared to January 2009. Compared to the 3-year average, year-to-date vehicle traffic decreased 26.8%, passenger traffic decreased 24.7%, and fare revenues decreased 4.4%.

In January, CMLF food and beverage revenues decreased 22.8% and retail revenues decreased 1.9%, compared to January 2009. When compared to the 3-year average, year-to-date food and beverage revenues decreased 37.5% and retail revenues decreased 30.7%.

The MV Cape Henlopen arrived safely for drydock at Caddell's Shipyard in Staten Island, NY for approximately 3 months, having departed Cape May Terminal in the beginning of January. The work list includes replacement of the starboard rudder, realignment of the port reduction gear and port main engine, HVAC installation and interior renovations, and other upgrades. Jim Gillespie, the Port Engineer is on site monitoring progress.

Winter maintenance of standby vessels continues. Air intakes are being rebuilt for the MV Twin Capes, and window replacement, de-scaling and painting, and air doors inspections are underway. Replacement of some interior seating and carpet on the vessels is continuing. Salon club chairs have been reupholstered.

AMSEC, our consultant under the General Engineering Consultant and Naval Architect Services contract has two task orders which are now underway. The first task order consists of a peer review of marine master plan. The second task order is associated with design of the replacement passenger loader tubes in Cape May and Lewes which are scheduled for replacement in the 2011.

### ***Economic Development***

Frank Minor and his Economic Development team met with the Gloucester County Municipal Economic Development Council to discuss strategic network and economic development initiatives and goals. Additionally, he and his team met with Director and Business Development Coordinator for the Salem County Improvement Authority to discuss a traveling center, Gateway Business Park, and other economic development issues. They are setting up business tours for major Salem County businesses as well as small business entities.

### ***Employee Happenings***

Gregory Chambers, Manager of Equal Employment Opportunity and Diversity attended the Human and Civil Rights Association of New Jersey annual meeting this month. The Association is a non-profit group with members representing the public and private sectors involved in the elimination and prevention of discrimination through formal and informal programs.

Tom Lippincott, Captain at the Cape May-Lewes Ferry, retired this month after 29 years of service. We wish Tom best wishes on his retirement.

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

Authorized Positions (2010 Budget Year)	434
Positions Filled	394
Positions Filled (on LTD)	4
Total Positions that are Vacant	36
Vacant Positions in Process to fill	4

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

10123. COMMITTEE REPORT – BUDGET & FINANCE COMMITTEE

Commissioner Traynor presented the following Budget & Finance meeting minutes of February 2, 2010.

**BUDGET & FINANCE COMMITTEE MEETING**  
**Tuesday, February 2, 2010**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Budget & Finance Committee Meeting was held on Tuesday, February 2, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Commissioner DeLanzo, Committee Member  
Commissioner Dorn  
Commissioner Smith  
Chairperson Hogan

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

Legal Counsel

Phil Norcross – NJ

Mike Houghton - DE

Governors’ Representatives

Thomas Hower - NJ

Staff

Jim Johnson  
Frank Minor  
Victor Ferzetti  
Jim Walls  
Gerry Owens  
Joe Larotonda  
Heath Gehrke  
AJ Crescenzi  
Jim Salmon  
Kelly Phillips Parker  
John Jones  
Ken Hynson  
John Sarro  
Anna Marie Gonnella Rosato

1. Committee Chair Vice-Chair Traynor opened the Budget & Finance Committee meeting at approximately 9:22 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:

a. Community Contribution Requests – Authority Vice-Chair Green presented a draft letter which will be sent to all organizations, which have requested or received community contributions in the past, to notify the organizations and to explain the program will be much

smaller this year. Delaware may hold approvals of any requests until May. Authority Chair Hogan added that New Jersey will caucus on the matter. Commissioner Downes questioned the time-frame for the development of a new program. Authority Vice-Chair Green reported that direction had not been received from the Governors' offices and both states would need to caucus.

Due to the lack of a quorum, the Budget & Finance Committee recessed at 9:25.

The Committee reconvened at 10:07 and continued with the action items.

b. Over \$25,000 Vendor List – The Chief Financial Officer reviewed each of the items on the Vendor List. Commissioner Downes questioned what services Wilmington Trust provided. The CFO reported the Wilmington Trust fees were for Trustee Services, Depositor for the General Fund, and Money Counting Services. After discussion, Commissioner Downes made a motion, Commissioner DeLanzo seconded, and the Committee recommended approval of the Over \$25,000 Vendor List. A Resolution will be presented to the full Board for consideration at the February meeting.

c. Legal Services – Delaware and New Jersey General Counsel Legal Services — The CFO reported that the Authority conducted an RFP for General Counsel Legal Services for New Jersey and Delaware. Five responses were received for services in New Jersey, five responses were received for services in Delaware. Shortlists of three firms for each state were interviewed and ranked. The panel consisted of the Executive Director, Deputy Executive Director, Chief Financial Officer, and Centralized Purchasing Manager. The highest ranked firms were Parker McCay P.A. from New Jersey and Morris Nichols Arsht & Tunnell LLP from Delaware. Staff recommended awarding these firms to provide services for three years with one (1) year option. After discussion, Committee Vice-Chair Traynor requested a motion to recommend both firms. Commissioner Downes made a motion, Commissioner DeLanzo seconded, and the Committee recommended awarding Parker McCay P.A. for General Counsel Legal Services for New Jersey matters and Morris Nichols Arsht & Tunnell LLP for General Counsel Legal Services for Delaware matters. The two Resolutions will be presented to the full Board for consideration at the February meeting.

3. Future CIP Funding Presentation – The Chief Financial Officer reported that the following presentation contained significant historical background information to explain the Authority Finances for the benefit of new Commissioners as well as two new Governor's administrations. Staff, over time, has been able cut operating expenses, reduce the number of employees, cash fund the CIP, and efficiently allocate resources in order to save the Authority millions of dollars enabling the Authority to avoid major toll increases which had been estimated to be needed in 2006. In 2008, the Authority implemented a partial toll increase adjusting Commercial rates by \$1.00 helping to get through a 2-year period. This was done knowing a full toll increase would be needed in the 2010-2011 time-frame. Board decisions will be necessary to determine what gets funded in future CIP's. In 2011, without a toll increase, the Authority's Debt Service Coverage will be at the Bond Covenant Minimum of 1.25, limiting the ability to fund the CIP. At this time, the Authority currently has no borrowing capacity. Economic Development is cash funded or pay as you go, only what the Authority can afford. The following was presented and discussed.

- Current Financial Situation
- Authority Finances - 2009 Crossing Revenue \$101.5M
  - 76% - Delaware Memorial Bridge
  - 14% - Cape May Lewes Ferry
- DMB Traffic & Revenue (1999-2009)
  - 3.3% decline in spite of tough economic times
  - DMB is stable source of revenue, a primary crossing in the Northeast corridor, with mature traffic resulting in low single-digit growth
  - Increased revenues will come from what is charged in tolls
- CMLF Traffic & Revenue (1999-2009)
  - Ridership declined to 1.1M
  - Revenues were increased by frequent small fare increases as recommended in the Marine Master Plan, a 2010 increase is recommended
  - Small adjustments to fare classes are made as needed

- Key Considerations
  - Bridge rates are dramatically below up-river competitors
  - CMLF travel sensitive to discretionary spending
- Crossing Operating Expenses – 2009 - \$63.3M
  - 25% - DMB – (v. 76% Revenue)
  - 33% - CMLF – (v. 14% Revenue) - The Ad Hoc CMLF Committee currently reviewing
  - Administration – 23%, which contains \$5M of insurance for the entire Authority
  - Police – 12%
  - Concessions – 7%
  - Three Forts – 0%
- People (1999-2009)
  - Reduced authorized positions of 550 to 442 from 2001-2009 with additional cuts in 2010 Budget
- Wages/Benefits/Operations
  - Benefits increased; however, saved money by consolidating and renegotiating contracts, increasing employees' cost sharing and co-pays
  - Pensions have not perform well
  - New GASB 45 Requirements – Authority began to address and fund OPEB Liability adding millions in new costs
  - E-ZPass was in its infancy and as it has grown in use, so have fees and expenses
  - 911 and the necessary security enhancements and cost of insurances increased costs
  - Vessel fuel has doubled in cost despite fewer crossings
- Key Considerations – Operating Expenses
  - Salaries & Benefits represent 69%
  - 20% Reduction in FT staff with no reduction in assets since 2002
  - Managed Healthcare expenses since 2007 resulting in decreased expense in consecutive years
  - Need to continue to review and adjust other expenses where possible
- Debt Service
  - Since changes in the financial world, there are credit concerns even with 1.50 debt service coverage. S&P took the Authority to a Negative Outlook based on current outlook
  - Concerns kicking in at much higher levels
- Financial Model – 1.43 Debt Service Coverage if nothing is done
  - Moody's and S&P ask what are the plans?
  - While the Authority can make it through 2010, balances will be much smaller and there will be an inability to fund the CIP in out years
- Key Considerations – Debt Service
  - Authority Debt - \$292.1M in Revenue Bonds Outstanding
  - Authority Refunded approx. \$263M (90%) in 2004, 2005, and 2008
  - Without some sort of action it is unlikely to hold the A+ and A1 Ratings – Do not want to jeopardize these ratings prior to possibly the largest borrowing ever to fund CIP Projects.
- What is Recommended and Why
  - Increase Net Operating Income and Improve DSCR by Raising Revenue and Restricting Growth of the Operating Budget
  - Provide Additional Cash to Fund Crossing CIP in the Short-term While Preserving Borrowing Capacity for Major Projects. Could change based on financial market conditions or funding plans.
  - Continue to Cash Fund Economic Development
- 2009 Bridge Traffic – 17.1M Vehicles
  - 74% - Passenger Cars
  - 12% - Commercial
  - 14% - Discount
- 2009 Revenue - \$77.2M
  - 49% - Passenger Cars (74% Traffic)

- 48% - Commercial (12% Traffic)
- 3% Discount
- DMB Toll Rate History & Comparison to DRPA Rates
  - DRBA has lower rates and higher discounts
- Funding Considerations
  - 10 Years Since Increased Price for Cars
  - 24 Years Since Increased Commuters – 75% Discount for Commuters, 67% Discount for Frequent Users –Discount customers paying full fare would raise an additional \$4M in revenue
  - Discount Policy Options – CFO recommended a 25-50% discount rate, which would still be the most generous discount of the up-river bridges
- Funding Considerations – Scenario
  - Increase Passenger Cars by \$1.00
  - Increase Commuters to \$2.00
  - Increase Frequent Travelers to \$3.00
  - Increase 5-axle Trucks to \$25.00
  - Would raise an additional \$26M in Revenue
- Funding Considerations – Financial Model Scenario
  - Using the additional \$26M in Revenue – with Toll Increase 7/1/10 – would reflect ½ year in 2010 and full year in 2011
  - 2.43 Debt Service Coverage in 2011
  - Debt Issued to Fund CIP – 2013
  - Need for Future Toll Increase – 2015

During the presentation, Authority Chair Hogan noted the Authority needs to reevaluate the way we approach Economic Development and to grow Economic Development in a sensible measured response to projects. The CFO reported that, although Rating Agencies do not like Economic Development, it is part of the Compact. Rating Agencies view is that Economic Development competes with the needs of the primary crossing which must be maintained to pay back bondholders. As Economic Development grows, more scrutiny from rating agencies follows. Authority Vice-Chair Green added that the Boeing project was not Economic Development but a business lease. DE Legal Counsel added that Economic Development projects are a laborious process. Delaware Legal Counsel added that the process to participate in a project requires legislation from both States to authorize the DRBA’s participation in a project as well as the Authority must receive a return on investment.

NJ Legal Counsel added that one of the most fortunate decisions that the DRBA made was not to participate in any SWAP or Derivative financing like some of the other agencies.

After the presentation, the Committee questioned the next steps. Authority Chair Hogan reported that the presentation must start with both Governors’ offices. The CFO reported that a timeline, communications and presentations will be developed. He added that the Authority has been different from other agencies in that steps have been taken since 2002 to reduce the workforce and expenses. Authority Chair Hogan added that it may be necessary to do more before meeting with the Governor’s representatives. Commissioner Downes asked if the Authority should consider phased-in increases. NJ Legal Counsel responded that rating agencies won’t give full credit for phased-in toll increases that a subsequent board could change. Commissioner Traynor also suggested contacting institutional representatives such as trucking companies and AAA. Commissioner Traynor questioned when Public Hearings would take place and the CFO reported that once the Board is comfortable with making the decision we can begin communications. Authority Chair Hogan reported that New Jersey needs to caucus and may require the CFO to attend.

#### 4. CMLF 2010 Fare Discussion

The Director-Ferry Operations made a presentation on Proposed Ferry Fare adjustments for the coming season as recommended in the Elliott Bay study and as a continuation of the “Close the Gap” measures for 2010. The following was presented and discussed.

- CMLF Financial Improvement Measures
- Financial Performance 2009 vs 2008
  - Farebox Recovery in 2008 – 61%

- Farebox Recovery in 2009 – 70%
- Fare Proposal Scenarios
  - “Friends & Family Fare” – More than 4 passengers (including driver) FREE, Trial Basis, April-October with Analysis & Recommendation to Follow
  - 12-pack of Discount Tickets – Vehicle < 20’ & Driver \$288 (\$24 each trip – 6-pack \$25.50 each trip); 2 year expiration; Not valid Saturday, Sunday, or Holidays Between 9 a.m.-5 p.m., Memorial Day-Labor Day (same as 6-pack)
  - \$2 Telephone Reservation Handling Fee – Partially offsets \$2 Internet Booking Discount; Encourages Internet Bookings; May Help with Abandoned call rate.
  - Rounding up of Fares to Nearest \$1 – Makes Cash Handling More Accurate
- 2009 Fare Proposal Proforma – Farebox Recovery 64.8%-67.6%
- Summary

After the presentation, the Committee did not recommend the \$2 Telephone Handling Fee. Committee Vice-Chair Traynor requested a motion to recommend the CMLF Fare Proposal, subject to amending the existing proposal to eliminate the \$2 Telephone Handling Fee. Commissioner Downes motioned, Commissioner DeLanzo seconded the motion, and the Committee recommended approval of the proposed CMLF Fare Proposals. The amended Resolution will be presented to the full Board for consideration at the February meeting.

Committee Vice-Chair Traynor requested a motion to recommend the creation of a new Fare Class for High Occupancy Vehicle Travel on a Trial-Basis for the Cape May-Lewes Ferry. Commissioner Downes motioned, Commissioner DeLanzo seconded the motion, and the Committee recommended approval of the new Fare Class. The Resolution will be presented to the full Board for consideration at the February meeting.

5. Miscellaneous

Vessel Fuel RFP – The CFO reported that he is reviewing the DRAFT RFP for Vessel Fuel and making preparations to go out prior to the upcoming season.

Electricity Contracts – The CFO reported that he received a call about locking in electricity pricing for two years. The Executive Director questioned the potential use of Alternative Energy. Staff will discuss and act accordingly.

With no further business to discuss, a motion to adjourn was made by Commissioner Downes, seconded by Commissioner DeLanzo, and the Budget & Finance Committee adjourned at 11:55 a.m.

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

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10124. COMMITTEE REPORT – PERSONNEL COMMITTEE

Commissioner Dorn presented the following Personnel Committee meeting minutes of February 2, 2010.

**PERSONNEL COMMITTEE MEETING**  
**Tuesday, February 2, 2010**  
 Delaware Memorial Bridge Complex  
 New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Personnel Committee was held on Tuesday, February 2, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Dorn  
Commissioner Smith, Committee Member  
Chairperson Hogan

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

Legal Counsel

Phil Norcross – NJ

Mike Houghton - DE

Governors' Representatives

Thomas Hower - NJ

Staff

Jim Johnson, Jr.

Frank Minor

Victor Ferzetti

Jim Walls

Gerry Owens

Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 9:25 a.m. The Personnel Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations.

1. Committee Chair Dorn requested an Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Traynor, seconded by Commissioner Smith, and the Session was closed.

The following matters of a confidential nature were discussed.

- CONTRACT NEGOTIATIONS
- LEGAL MATTERS
- PERSONNEL MATTERS

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Commissioner Traynor, seconded by Commissioner Smith, and the Personnel Committee was opened to the public.

2. CHRO Search:

The Executive Director presented the Draft Resolution Authorizing the Appointment of the Chief Human Resources Officer of the Delaware River and Bay Authority, as was discussed during Executive Session. A motion to recommend the Executive Director's selection was made by Commissioner Lathem, seconded by Commissioner Smith and the Personnel Committee recommended approval of the selected candidate and authorized the Executive Director to offer the candidate an appointment to the position of Chief Human Resources Officer. The Resolution authorizing an offer of an appointment will be presented to the full Board for consideration at the February meeting.

Manager of Ferry Marketing:

Commissioner Lowe reported that the Ad Hoc CMLF Committee would not be convening today due to the absence of the Committee Chair; however, on behalf of the Ad Hoc Committee Chair, he requested a status update on the Manager of Ferry Marketing position. The Executive Director reported that the job description had been reviewed and scored by the Hay Group and would be advertised and posted for 30 days. It is expected that the interview and selection process should be completed by April 5<sup>th</sup>, in time for the upcoming season. Commissioner Downes requested the job description be sent to all Commissioners.

Personnel Manual Update:

Committee Vice-Chair Lathem requested a status update on the Personnel Manual. It was reported it would be handled by the new CHRO.

With no further business to discuss, Commissioner Smith made a motion to adjourn, Commissioner Lathem seconded, and the Personnel Committee adjourned at 9:40 a.m.

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

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10125. COMMITTEE REPORT – PROJECTS

Commissioner Lowe presented the following Projects Committee meeting minutes of February 2, 2010.

**PROJECTS COMMITTEE**  
**February 2, 2010**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority’s Projects Committee was held on Tuesday, February 2, 2010, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

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

Commissioner Dorn, Committee Mbr  
Commissioner Smith  
Commissioner DeLanzo  
Chairperson Hogan

Staff

Jim Johnson  
Frank Minor  
Jim Walls  
Victor Ferzetti  
John Jones  
A.J. Crescenzi  
Anna Marie Gonnella-Rosato  
Kelly Phillips-Parker  
John Sarro  
Heath Gehrke  
James Salmon  
Joseph Larotonda

Counsel

Philip Norcross, Esq., NJ Counsel  
Mike Houghton, Esq., DE Counsel

NJ Liaison

Tom Hower

Secretary

Tom Pankok

1. The Projects Committee meeting convened at approximately 9:55 a.m. Those in attendance were provided an informational package consisting of two (2) capital budget resolutions (Crossings), one (1) bid tab, and a monthly contractor payment chart (through January).

2. Resolutions:

- Two Capital Improvement Program (CIP) Budget (Crossings) Resolutions (One (1) Year and Five (5) Year) were presented to the Committee for adoption. The COO stated that the draft Crossings CIP budget was presented at the January Committee meeting as well. Both resolutions address the capital needs at the Delaware Memorial Bridge, Cape May-Lewes Ferry, and Three Forts Crossing. The COO presented the one year (2010) CIP Crossings budget in the

amount of \$33,325,000 and the five year (2010-2014) CIP Crossings budget in the amount of \$248,385,000. The Projects Committee concurred with the recommendation and authorized the action to be presented at the February board meeting.

3. Bid Openings:

- DMB-05-01R, Elevator Replacement, First and Second Structures, Delaware Memorial Bridge – A public bid opening was held on January 26, 2010 in which four (4) bids were submitted. The COO stated that staff had to conduct further due diligence and that a staff recommendation would be made at a future Projects Committee meeting.

4. Contract Close-Out Actions: None.

5. Contract Payment Review (through January): The COO informed the Committee of the monthly construction contractor payments to be made in February.

6. Miscellaneous Items/Updates:

- Marine Master Plan Update: The COO briefed the Committee that task order #1 (Master Plan Peer Review) under the CMLF GEC agreement was underway and should be completed by late March. He also informed the Committee that task order #2 (design of replacement loader tubes) recently had its kick-off meeting and that the plan was to complete design and begin procurement in 2010 with installation planned for 2011.

7. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 10:15 a.m.

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

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10126. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Downes presented the following Economic Development Committee meeting minutes of February 2, 2010.

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**  
**Tuesday, February 2, 2010**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Economic Development Committee was held on Tuesday, February 2, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey  
PRESENT

Committee Vice-Chair Smith  
Commissioner Dorn, Committee Member  
Chairperson Hogan

Legal Counsel  
Phil Norcross - NJ

Governors’ Representatives  
Thomas Hower - NJ

Staff  
Jim Johnson

Commissioners from Delaware

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

Mike Houghton - DE

Frank Minor  
Victor Ferzetti  
Jim Walls  
Gerry Owens  
Anna Marie Gonnella Rosato  
John Sarro  
AJ Crescenzi  
Michelle Grisom-Collins

Committee Chair Downes welcomed the Economic Development Committee and opened the meeting at approximately 9:41 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.

1. Status Reports/Upates:

Project Trident: The Deputy Executive Director reported that he met with Mr. Tom McCarthy, DEDO, regarding interest for a potential project at the New Castle Airport; however, due to the requirements of runway and building size, the project would not fit any Authority Airport. The Deputy ED will continue to work with Mr. McCarthy in the event the specifications change or for any future projects.

Boeing Lease at Millville Airport: The Deputy Executive Director reported that Boeing has signed the Lease Agreement and the Lease is currently with NJ Legal Counsel. The Governor's veto period will expire at the close of business February 3<sup>rd</sup>, and Boeing will begin modifications. The Deputy ED added that he will be working with Boeing to discuss future projects and will also be scheduling bi-monthly meetings with Boeing. AJ Crescenzi has been working with vendors for potential ancillary business with Boeing. Commissioner Lathem questioned whether Boeing employees in New Castle would be able to transfer to Millville. The Deputy ED sent letters of commendation to those involved in completing the project. He added that the Authority has shown that it is nimble, athletic, and able to meet the needs of a company such as Boeing.

The Deputy ED also reported that he will be speaking with officials from the City of Millville to discuss their willingness to build a fire station on the Airport grounds due to the need for fire apparatus on site. In the interim, Boeing will provide the necessary equipment. The Committee questioned who would provide a fire crew. It was reported that the City of Millville fire fighters are comprised of both paid and volunteer. The Deputy ED added that the Authority must proceed with caution in a thoughtful and measured way.

The Committee questioned whether there was a ribbon cutting scheduled. The Deputy ED reported that Boeing is looking toward the end of March and there has been contact with various elected officials and the project has gotten attention from the White House.

The Deputy ED also reported he has had additional interest from other potential helicopter companies for modification sites at Millville and will be following those leads.

Salem Business Centre: AJ Crescenzi will be meeting with Carney's Point Industrial Commission and working to aggressively market the remaining three lots, approximately 10 acres each, at the Salem Business Centre. Commissioner Dorn suggested that AJ Crescenzi obtain a copy of the DVD on Salem County Tourism.

Additional Meetings: The Deputy ED reported on the various networking meetings with officials in Gloucester County, as well as other areas, to make them aware of the DRBA. He reported that some of the counties in New Jersey did not understand the DRBA's role in Economic Development and clarified that the DRBA does not provide grants. He also discussed potential projects with the Delaware Governor's Representative.

With no further business to discuss, a motion to adjourn was made by Committee Chair Downes, and the Economic Development Committee adjourned at 9:58 a.m.

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

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10127. COMMITTEE REPORT – AD HOC CMLF

Commissioner Lowe noted that the Ad Hoc Committee meeting scheduled for Tuesday, February 2, 2010 did not convene due to the absence of Committee Chair Favre.

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10128. 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 December, 2009.

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

10129. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented a chart showing statements of income and expenses for the month of December, 2009 with comparisons to the same periods last year.

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

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10130. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for January showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

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

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10131. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of January, 2009 showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also includes cash expenditures spent to date for the committed projects.

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

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10132. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF JANUARY 31, 2009.

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

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

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10133. PUBLIC COMMENT ON ACTION ITEMS.

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

- Resolution 10-05 Adoption of the 5-Year Crossings CIP Budget
- Resolution 10-06 Adoption of the 2010 Crossings CIP
- Resolution 10-07 Authorizing Authority Expenditures in Excess of \$25,000
- Resolution 10-08 Authorizing an Agreement with Parker McCay to Provide General Legal Services in NJ
- Resolution 10-10 Authorizing a Revised Fare Schedule for the Cape May-Lewes Ferry
- Resolution 10-11 Authorizing the Creation of a New Fare Class for High-Occupancy Vehicles at the Ferry

There were no public comments.

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10134. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

No.	Contractor	Contract Amount
DMB-04-01	Mumford and Miller	\$585,647.76
CMLF-09-02	Caddell Dry Dock & Repair Co.	\$118,397.04
DMB-04-01	PKF-Mark III, Inc.	\$156,598.00
NCA-04-01	Diamond Materials	\$15,000.00
NCA-06-02	Diamond Materials	\$93,123.57
MVA-06-01	Giberson Plumbing & Excavating, Inc.	\$23,548.25

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10135. CHAIRPERSON’S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD

**RESOLUTION 10-05 - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY’S FIVE (5) YEAR (2010-2014) CROSSINGS CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) has developed a Five (5) Year Capital Improvement Plan (CIP) for capital improvement crossing projects at the Delaware Memorial Bridge, Cape May-Lewes Ferry, and the Three Forts Crossing; and

WHEREAS, the Five (5) Year Crossings CIP budget is adopted in its entirety each year; and

WHEREAS, the current Five (5) Year Crossings CIP (2010-2014) totals \$248,385,000; and

WHEREAS, the Projects Committee has conducted publicly advertised meetings on the proposed Five (5) Year Crossings CIP Budget; and

WHEREAS, the Authority’s Projects Committees has reviewed and approved the proposed Five (5) Year Crossings CIP Budget and recommends its adoption to the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts a Five (5) Year Crossings CIP Budget of \$248,385,000.

A motion to approve Resolution 10-05 was made by Commissioner Lowe, seconded by Commissioner Van Sant, and approved by a roll call vote of 11-0.

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**RESOLUTION 10-06 - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY'S 2010 CROSSINGS CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

WHEREAS, The Delaware River and Bay Authority (the "Authority") has developed a 2010 Crossings Capital Improvement Plan (CIP) for capital improvement projects at the Delaware Memorial Bridge, Cape May-Lewes Ferry, and the Three Forts Crossing in the amount of \$33,325,000; and

WHEREAS, the Projects Committee has conducted publicly advertised meetings on the proposed 2010 Crossings CIP Budget; and

WHEREAS, the Authority's Projects Committee has reviewed and approved the proposed 2010 Crossings CIP Budget and recommends its adoption to the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts a 2010 Crossings CIP Budget of \$33,325,000.

A motion to approve Resolution 10-06 was made by Commissioner Lathem, seconded by Commissioner Lowe, and approved by a roll call vote of 11-0.

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Chairperson Hogan noted that Resolution 10-07 was amended to remove Softmart and Wilmington Trust from the Vendor list.

**RESOLUTION 10-07 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**

VETOED BY THE GOVERNOR OF NEW JERSEY

\* \* \* \* \*

**RESOLUTION 10-08 - AUTHORIZES A CONTRACT BETWEEN THE AUTHORITY AND PARKER MCCAY P.A. TO PROVIDE GENERAL COUNSEL LEGAL SERVICES REPRESENTING THE DELAWARE RIVER AND BAY AUTHORITY'S INTERESTS IN THE STATE OF NEW JERSEY**

VETOED BY THE GOVERNOR OF NEW JERSEY

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**RESOLUTION 10-10 - ADOPTION OF A REVISED FARE SCHEDULE FOR THE CAPE MAY-LEWES FERRY**

WHEREAS, The Delaware River and Bay Authority (the "Authority"), is a bi-state agency created by Compact for the purpose of operating crossing facilities between the States of Delaware and New Jersey; and

WHEREAS, the Authority owns and operates the Cape May-Lewes Ferry, which connects Cape May, New Jersey, and Lewes, Delaware; and

WHEREAS, the Authority has made significant capital investments in safety, landside improvements, vessels, and infrastructure; and

WHEREAS, the operating deficit for FY 2009 was approximately \$6.2 million; and

WHEREAS, the projected gross income from the revised fare schedule will tend to offset an increase in the operating deficit in FY 2010; and

WHEREAS, the Authority has concluded that the revised fare schedule is responsive to the public's concerns, and yet acts to meet the financial requirements of the Authority; and

WHEREAS, based on the foregoing, the Authority has concluded that the revised fare schedule is just and reasonable, necessary, proper and desirable; and

WHEREAS, the Authority desires to amend the fare schedule and implement a fuel surcharge with an effective date of April 1, 2010.

NOW, THEREFORE, BE IT RESOLVED, that the revised fare schedule for the Cape May-Lewes Ferry, attached hereto, is hereby adopted with an effective date of April 1, 2010.

<b>Cape May-Lewes Ferry Fares</b>			
(All Fares are One-Way Unless Noted)	Effective April 1, 2010		
	<b>NOV-MAR</b>	<b>APR-OCT</b>	<b>PEAK*</b>
<b>VEHICLE &amp; DRIVER</b>			
Car, SUV, Van, Pick-up Truck (vehicles less than 20' length)	\$30.00	\$36.00	\$44.00
Return-Trip Value Fare	\$26.00	\$32.00	\$32.00
Motorcycle or Motorbike	\$25.00	\$31.00	\$36.00
Return-trip Value Fare	\$22.00	\$27.00	\$27.00
Discount Book of Six (6) Tickets (all vehicles less than 20' length)	\$153	\$153	\$153
Discount Book of Six (6) Tickets (Commercial vehicles)	15% off scheduled fare		
Discount Book of Twelve (12) Tickets (all vehicles less than 20' length)	\$288	\$288	\$288
(Memorial Day to Labor Day: not valid Sat, Sun, or Holidays between 9 a.m. and 5 p.m.)			
<b>VEHICLE &amp; FOOT PASSENGERS</b>			
Under 6 years of age	FREE	FREE	FREE
Children, age 6-13	\$4.00	\$5.00	\$5.00
Return-Trip Value Fare	\$3.00	\$4.00	\$4.00
14 Years of age and older	\$8.00	\$10.00	\$10.00
Return-Trip Value Fare	\$6.00	\$8.00	\$8.00
Discount Book of Six (6) Adult Tickets		\$45.00	\$45.00
<b>*NOTE: Return-Trip Value Fares must be purchased with initial Sailing</b>			
<b>BUS PASSENGERS</b>			
Under 6 years of age	FREE	FREE	FREE
Children, age 6-13	\$2.00	\$3.00	\$3.00
14 Years of age and older	\$3.00	\$5.00	\$5.00
<b>FERRY TERMINAL SHUTTLE FARES</b>			
Under 6 years of age	FREE	FREE	FREE
6 Years of age and older	\$4.00	\$4.00	\$4.00
<b>OTHER DISCOUNTS &amp; FEES</b>			

Internet Reservation Discount	\$2.00	\$2.00	\$2.00
Non-Refundable Reservation Cancellation Fee	\$5.00	\$5.00	\$5.00
<b>OTHER VEHICLES &amp; DRIVER</b>			
20' to under 25'	\$34.00	\$42.00	\$50.00
25' to under 35'	\$43.00	\$50.00	\$61.00
35' to under 45'	\$50.00	\$57.00	\$69.00
45' to under 60'	\$62.00	\$70.00	\$85.00
More than 60'	\$85.00	\$93.00	\$113.00

**\*PEAK FARES:** Memorial Day to Labor Day – Fri, Sat, Sun, & Holidays

**TICKET EXPIRATION:** Tickets expire two years after purchase date.

A motion to approve Resolution 10-10 was made by Commissioner Lowe, seconded by Commissioner Smith, and approved by a roll call vote of 11-0.

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**RESOLUTION 10-11 – CREATION OF A NEW FARE CLASS FOR HIGH-OCCUPANCY VEHICLE TRAVEL ON A TRIAL-BASIS FOR THE CAPE MAY - LEWES FERRY**

WHEREAS, The Delaware River and Bay Authority, is a bi-state agency created by Compact for the purpose of operating crossing facilities between the States of Delaware and New Jersey; and

WHEREAS, the Authority owns and operates the Cape May - Lewes Ferry (the “Ferry”), which connects Cape May, New Jersey, and Lewes, Delaware; and

WHEREAS, the Ferry has experienced a decline in passenger traffic in recent years; and

WHEREAS, the Authority desires to make the ferry service more affordable for customers who travel in high-occupancy vehicles, thereby encouraging more people to use the service and to generate higher revenues; and

WHEREAS, the Authority desires to promote the commerce that occurs as a result of such travel in the local communities of Delaware and New Jersey; and

WHEREAS, the new fare class for high-occupancy vehicle passage will be:

**VEHICLE & DRIVER “FRIENDS AND FAMILY” FARE**

Car, SUV, Pick-up Truck (vehicles less than 20’ length)  
 More than 4 passengers (including driver) Travel FREE

NOTE: No other discounts apply. Free passage granted to lowest passenger fare classes in the vehicle before higher classes over the 4-passenger threshold.

WHEREAS, the Authority’s management will evaluate the impact of the new fare class on vehicle traffic and will make recommendations to the Commissioners at the close of a seven-month trial period as to the continuance of the program.

NOW, THEREFORE, BE IT RESOLVED that the Commissioners do hereby adopt a new fare class for high-occupancy vehicle passage at the Ferry on a trial basis. This new fare class shall become effective on April 1, 2010, and will continue in effect through October 31, 2010.

A motion to approve Resolution 10-11 was made by Commissioner Traynor, seconded by Commissioner Van Sant, and approved by a roll call vote of 11-0.

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**RESOLUTION 10-12 – AUTHORIZING THE APPOINTMENT OF THE CHIEF HUMAN RESOURCES OFFICER OF THE DELAWARE RIVER AND BAY AUTHORITY.**

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 position of Chief Human Resources Officer is essential for the success of the organization and is currently vacant; and

WHEREAS, the Authority utilized the services of an outside agency to publicly advertise the position and provide review and evaluation of applicants; and

WHEREAS, members of the Authority’s Personnel Committee interviewed qualified applicants; and

WHEREAS, the Leadership Team also interviewed these qualified applicants and based upon these interviews, the Executive Director made a recommendation to the Chairperson and Vice Chairperson of the Personnel Committee; and

WHEREAS, the Committee reviewed the recommendation and concur with the selection; and

WHEREAS, the Personnel Committee recommends that the Executive Director be authorized to offer the selected candidate an appointment to the position of Chief Human Resources Officer.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to offer the selected candidate an appointment to the position of Chief Human Resources Officer.

A motion to approve Resolution 10-12 was made by Commissioner Smith, seconded by Commissioner Dorn, and approved by a roll call vote of 11-0.

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10136. COMMISSIONERS PUBLIC FORUM

Chairperson Hogan asked if anyone would like to speak.

Commissioner DeLanzo stated that she distributed three papers to each Commissioner regarding the 2010 food and retail operation at the Ferry. She noted that 85% of the revenue is generated between May and October and that a full-time chef is needed.

Chairperson Hogan stated that Commissioner DeLanzo’s expertise is in food and her input is very important to the decisions made in this area at the Ferry. He recommended Commissioner DeLanzo review her proposals with the Ad Hoc CMLF Committee.

Chairperson Hogan said that he was saddened by the departure of Chief Engineer John Jones. He wished Mr. Jones well.

Next, Frank Bankard, Local 542, spoke. He said that a tentative agreement had been reached with the Authority and that it will go before the membership for a vote. He anticipated ratification by the members of 542 by the next Commissioner meeting. He wished Mr. Jones well in his new job.

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

The meeting was adjourned 11:21 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok  
Secretary