

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Friday, January 20, 2006
DRBA Administration Building
James Julian Board Room
New Castle, Delaware

The meeting convened at 11:00 a.m. with Chairperson Wallace presiding.

The opening prayer was given by Father Stanley Drupieski followed by the Pledge of Allegiance led by Commissioner Lowe.

Chairperson Wallace 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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Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Warren S. Wallace, Chairperson
Edward W. Dorn
Niels S. Favre
John M. Jackson
Gary F. Simmerman

Thomas J. Cooper
Verna Hensley
Samuel E. Lathem
William E. Lowe, III
Gary B. Patterson

ABSENT

Maureen T. Koebig

F. Michael Parkowski, Vice-Chairperson

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Chairperson Wallace recognized Mr. Drew Langloh, President of the United Way of Delaware and Mr. Bob Huggins, United Way Representative. Chairperson Wallace presented the United Way of Delaware and New Jersey with a check in the amount of \$20,000. The Authority matched the nearly \$10,000 the employees raised. Chairperson Wallace said that the employees recognize the work of the United Way and thanked everyone for their commitment.

Mr. Langloh thanked the employees and the Authority for the generous contribution. He also thanked DRBA United Way Co-chairs Kenneth Hynson and Anna Marie Gonnella Rosato for a successful campaign.

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9335. APPROVAL OF THE DECEMBER 20, 2005 MINUTES

On motion by Commissioner Lathem and seconded by Commissioner Lowe, the minutes of the December 20, 2005 meeting was unanimously approved by a voice vote of 10-0.

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During 2005, the organization accomplished much under the leadership of the Board and the efforts of our dedicated and professional employees. In February, Dr. Warren Wallace became the Board's Chairman and F. Michael Parkowski became its Vice Chairman. Committee assignments were voted upon and from there, the year took off. In October, the Board welcomed Gary Simmerman as the newest Commissioner from New Jersey. Throughout the year, the Commissioners devoted a significant amount of their personal time attending monthly Board and Committee meetings, visiting facilities, attending employee functions, attending professional trade seminars with staff and reading a tremendous amount of materials that are required for the conduct of the Authority's business.

The Board continued to institute measures that make the Authority more accessible and accountable to the public. As in 2004, Board meetings were held at various locations within both States providing more opportunities for the public to attend. The Authority's Freedom of Information regulations were amended to include more opportunity for the public to speak at Board meetings by adding a comment period prior to acting upon resolutions and contract matters. Public Bid Openings were enhanced by providing access to the results on our website shortly after receiving and opening the bids for contracts.

The Board took advantage of the financial market conditions and in March authorized the refunding of approximately \$180 million of debt. The refunding saved the Authority well over \$7 million in net present savings. The Authority continued to maintain its A1 and A+ ratings.

The Delaware Memorial Bridge

Over 17.6 million vehicles passed through the Delaware Memorial Bridge (DMB) Toll Plaza last year accounting for an estimated \$72.4 million in revenue. Non-commercial traffic decreased 0.6% yet commercial traffic increased 1.8% over last year's totals. When compared to the three-year average, total traffic for 2005 increased 1.5%. E-ZPass continues to be a popular choice for our customers as 52.1% of the overall traffic pay through the convenience of electronic tolls.

We conducted two Toll Plaza Safety Awareness programs during June and November. These concentrated safety programs involved a coordinated effort among various departments, including Tolls, Maintenance, Police, Safety, the E-ZPass customer service center, and Information Technology to promote toll plaza safety to the traveling public. The DRBA Police Department deployed its specialized units in the toll plaza area, including Laser Speed Enforcement, Sobriety and Seatbelt Checkpoints, Aggressive Driving and E-ZPass Enforcement. The program's goal was to make the Toll Plaza safer for Authority employees, contractors, and the millions of motorists who use the facility each year.

The Cape May Lewes Ferry

The Cape May-Lewes Ferry (CMLF) had an exciting year. After 5 years of declining ridership, the Ferry traffic posted the first year-over-year gain since 1999. Over 360,000 vehicles and 1 million passengers enjoyed the Ferry resulting in an estimated \$12.6 million of revenue.

The Board should be recognized for their leadership and vision in proactively addressing the issue of declining passenger volume on the CMLF by authorizing the Elliot Bay Design Group (EBDG) market research report and other initiatives. This report was completed in 2005, and throughout the year we began to implement a number of new strategies.

In April 2005, the Board adopted a new fare category for passengers 6-13 years of age. This new fare category, which is half of the adult rate, made the ferry trip more affordable for families, especially those with many children. The EBDG identified the need for better highway signage for passengers looking for the CMLF. Prior to the

summer season, Authority employees replaced worn or missing directional trailblazer signage on highways leading to the CMLF.

The 2005 marketing and advertising campaign utilized many of the non-traditional media outlets (billboards, airplane banner advertising, bus wraps, and internet) recommended in the report. The marketing team, in conjunction with tourism partners on both sides of the Delaware Bay, also developed two Cruise to Fun Destinations brochures, which highlight historic attractions, fun filled events, and outdoor activities on both sides of the Delaware Bay.

We worked hard to improve the image of our food and retail service by establishing a kids meal package to complement the new fare program, providing a wide range of high quality pre-packaged products on the vessels, featuring healthy alternatives in our landside cafeteria, co-branding of Lighthouse Pete and Pepsi, installing a system-wide coffee program that delivered a consistent, high quality beverage, and offering a broad range of reasonably priced gifts and souvenirs. Customers were treated to a “Story-book” reading program within the terminal gift shops during our peak season. Our Food Court greeters answered passenger’s questions. This hard work resulted in food and retail sales increasing for the first time since 2002.

Authority-wide Safety Initiatives

The DuPont Safety Program (STOP) was introduced within the Authority during 2005. STOP is a behavior-based observation program that has an impressive list of industrial success stories. This program is designed to improve observation and communication skills thereby enabling employees to ensure a safer workplace. The courses were taught by our staff and began with supervisor training. Throughout the year the course was conducted at various locations. We have begun to see the results of the training as reportable incidents have dropped.

Additionally, Authority-wide Safety committees were reconstituted and spot safety audits of work zones were completed.

Capital Projects

During 2005, the Authority committed approximately \$30 million in capital projects at the DMB, CMLF, and its five Airports. Some of these projects included:

- Significant progress was achieved on the Electrical and Lighting Rehabilitation/Upgrade contract for the DMB. Construction of this \$8 million project began in late 2004 and will be completed in 2006. New security and aesthetic lighting is being installed. A loop system has been incorporated into the project that will enable the Authority to competitively select electricity providers from both States.
- The Authority completed annual deck resurfacing, painting, expansion joint rehabilitation and miscellaneous steel enhancement work on the DMB.
- The former CMLF passenger terminal building, constructed in 1986, was converted into an administrative and operations center for the ferry operation. The renovated facility provides for approximately 10,000 square feet of new office and administrative space.
- Dredging projects were completed at both CMLF facilities.
- Pier improvements and modifications were completed in Lewes.
- Composite fenders were replaced at both CMLF facilities.
- The M.V. Delaware was in drydock for required inspection and repairs.
- Runway 1-19 rehabilitation work at the New Castle Airport was completed at a cost of \$4.3 million.
- New operation facilities in Millville and Cape May were completed replacing buildings that were in poor condition. These facilities cost over \$2 million each and provide a suitable structure to house snow removal trucks, maintenance equipment and new office space for our employees.
- Rehabilitation of lighting and signage, and new security fencing at the Millville and Cape May Airports.
- Rehabilitation of office space at the New Castle Airport for our Airport Director and his staff.

- Acquisition of minor capital equipment for the Authority's operations.

Economic Development Activities

Several economic development initiatives were completed during 2005. In August, the Commissioners of the Authority and the Trustees of Delaware State University (DSU) dedicated the new Joint Use Facility at Delaware Airpark. The new facility will be used for DRBA maintenance and administration operations as well as classroom, office and hangar facilities for the University's Airway Science Department. The total cost of the hangar complex was \$2.6 million.

In September, the Authority presented a check for \$15,800 to representatives of Delaware and New Jersey to aid the oyster revitalization program in the Delaware Bay. The program was a joint initiative between the U.S. Army Corps of Engineers (USACE), the New Jersey Oyster Industry, the Delaware Department of Natural Resources and Environmental Control (DNREC), New Jersey Department of Environmental Protection, the Delaware Estuary Program, the Delaware River Basin Commission (DRBC), and the Authority.

Construction began on a new refrigerated warehouse project which was authorized by the Board during 2004. The Authority agreed to commit \$4 million to the Diamond State Port Corporation for the construction of this facility at the Port of Wilmington. The 60,000 square-foot terminal will be used primarily for fresh fruit. Construction on the new facility should be completed in early 2006.

The Salem Business Center, a 71- acre campus located at Exit 4 on I-295 in Carneys Point, New Jersey saw increased activity from developers. We completed fit-outs for two tenants in the center's 80,000 square foot building. Several developers have expressed interest in purchasing the assets from the Authority.

Authority Recognized for Excellence

In August, the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA) examined all aspects of the Delaware River and Bay Authority Police Department's policy and procedures, management, operations, and support services. The assessment team composed of law enforcement practitioners from similar, but out-of-state agencies reviewed written materials, interviewed individuals, and visited offices and other places where compliance can be witnessed. The Authority's police department complied with 443 standards, and scored a perfect 100 for the second time. This voluntary process carries with it the highly-prized recognition of professional excellence in law enforcement.

In November, the Authority received notification from the Government Finance Officers Association that we had been awarded the Certificate of Achievement for Excellence in financial reporting for the 2004 comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The CAFR was judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate the public to read the CAFR. This was the Authority's first attempt to seek this award.

Labor Agreements

In January, the Authority executed a new, three-year collective bargaining agreement with the Marine Engineers' Beneficial Association (MEBA), AFL-CIO. The union represents sixty-three (63) full-time marine employees at the Cape May - Lewes Ferry. The agreement will expire on June 30, 2007.

In December, the Authority unanimously approved a new, four-year collective bargaining agreement with the International Union of Operating Engineers (IUOE), AFL-CIO Local 542. The union represents approximately one hundred fifty full-time employees in tolls, maintenance, airports and foodservice at the DRBA. The four year agreement will expire on December 31, 2008.

Community Initiatives

Authority employees organized and created a Community Initiative Committee that identified and implemented initiatives to support people in need. Members of this committee along with countless other employees volunteered their time and energy to plan and complete several projects. A school outreach project was conducted that provided back-packs and school supplies to disadvantaged communities. During Thanksgiving, care packages of food were provided to support families who are less fortunate. Employees reached out to aid the victims of Katrina by organizing a donation drive to benefit the relief efforts of the American Red Cross. And the last endeavor for 2005, Hope for the Holidays, provided food baskets, new clothes and other gifts for 25 families.

The Board through the auspices of the Community Contribution Program furnished over \$600,000 to non-profit organizations throughout Delaware and the four southern New Jersey counties.

Employee Appreciation Week

The Board proclaimed the week of September 25th as Employee Appreciation Week to thank employees who contribute so much to the efficient and effective operation of the Authority. Our employees dedicate themselves to providing safe, efficient and modern transportation facilities while participating in balanced economic development initiatives within the Delaware and the 4 southern counties in New Jersey.

Moving into 2006

As we move into 2006, the Board passed several Resolutions last month that will serve as a guide for the year. An Operating Budget of over \$70 million was adopted which represents a 5.2% increase over last year. If you deduct the anticipated increases in energy costs, the budget increase is reduced to 3.4%. For the third year in a row, the Authority absorbed cost increases to our healthcare programs and continued to hold premiums at 2003 levels. The Authority provided salary increases for all of its full-time employees and the organization will maintain its permanent, full-time employment base of 481.

An ambitious 5-year Capital Improvement Plan (CIP) that will fund a range of projects at the Bridge, Ferry, Three Forts Ferry and the Airports valued at approximately \$180 million was adopted. In 2006, a total of \$34.9 million will fund multi-year, core projects such as:

- Roadway and bridge improvements west of the I-295/Rt 13 interchange.
- Rehabilitation and upgrades to the electrical and lighting systems at the DMB.
- Replacement of Expansion Joints at the DMB.
- Replacement of the four original DMB Tower elevators.
- An overcoat paint system for the 2nd DMB structure.
- Required Ferry Vessel dry-docking.
- Rehabilitation of the Ferry approach roadway and signage system in Cape May.
- Replacement of the Ferry Toll Collection and Reservation system.
- Continued investments in the automation systems – hardware and software.
- Acquisition of minor capital equipment and minor capital improvements and enhancements.

A total of \$7.9 million for 2006 will fund multi-year projects at our five Airports. Some of these projects will receive additional funding from the Federal Aviation Administration. The projects include:

- Runway and Taxiway rehabilitation/improvements at New Castle, Millville, and Cape May.
- T-Hanger development at Delaware Airpark.
- Land Acquisition at Millville and Delaware Airpark.
- Terminal renovations at the Civil Air Terminal.
- Security Enhancements.
- Acquisition of minor capital equipment and minor capital improvements and enhancements at each of the facilities.

Again, I want to personally thank each of the Commissioners for their dedication, counsel and leadership. Additionally I want to thank the employees for their hard work day in and day out. Together, we will continue to build upon our successes. I am optimistic about the opportunities and look forward to working with you as we face the challenges that 2006 will bring.

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9337. COMMITTEE REPORT – BUDGET & FINANCE

Commissioner Simmerman spoke about meeting with Cavanaugh and Associates to discuss financial advisor matters, the desire to bring that firm in within the next month or so to discuss the yearly financial performance of the Authority’s investments, and he indicated that he desires a quarterly meeting with the firm to discuss investment performance. Then he went into his report.

BUDGET & FINANCE COMMITTEE MEETING
Tuesday, January 3, 2006
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Budget & Finance Committee was held on Tuesday, January 3, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Simmerman
Commissioner Jackson, Committee Member
Commissioner Dorn
Chairperson Wallace

Committee Vice-Chair Patterson
Commissioner Hensley, Committee Member
Commissioner Lathem, Committee Member
Commissioner Lowe

Staff

Authority Secretary

Jim Johnson, Jr.
Don Rainear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens
Ken Hynson
Joe Larotonda
Heath Gehrke
John Jones
Anna Marie Gonnella Rosato
AJ Crescenzi

Tom Pankok

- I. Committee Chair Simmerman welcomed the Budget & Finance Committee and opened the meeting at approximately 9:16 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. Commissioner Hensley arrived after the roll call.
- II. The Committee reviewed and recommended the Community Contribution requests for the month of January. A Resolution will be presented to the full Board for consideration at the January meeting.
- III. The Chief Operations Officer provided a presentation in addition to the previous presentation on December 13th presentation on the proposed Cape May-Lewes

Ferry Fare Structure and incorporated additional data and input from the Elliott Bay Study. The following was presented and discussed.

- Elliott Bay Design Group Findings
- EBDG Recommendations
- CMLF Performance in 2003
- CMLF Performance in 2005
- Line by Line Review of the Proposed Structure
- Fare Marketing Focus
- Revenue Projections
- Timeline

The COO reported that the current ferry schedule and fares have been published through March, 2006 and Committee recommendation this month would be an ideal opportunity to enable publishing deadlines to be met in order to incorporate the proposed fares into the new ferry schedules affective April 1, 2006.

The Committee questioned staff regarding several issues. Some members of the Committee voiced their concern. Discussion included the desire to see other cost-saving measures to decrease expenses, the possibility of selling advertising in order to generate additional revenues, and to include the Authority's internet reservation system as part of the marketing strategy to focus on creating value for the customer.

Committee Chair Simmerman commended the COO on the presentation in spite of the concerns of some of the Committee. After discussion, on motion by Commissioner Lathem, seconded by Commissioner Jackson, the Committee recommended approval of the proposed CMLF Fare Structure. A Resolution will be presented to the full Board for consideration at the January meeting.

IV. The Acting Chief Financial Officer reviewed the proposed Resolution listing vendors over \$25,000. In accordance with Resolution 01-84, which guides the Authority's procurement process, this list captures the majority of routine vendors for FY 2006. The Acting CFO also highlighted additions to the list. Any vendor previously approved by contract award or by previous Resolution has not been included. On motion by Commissioner Hensley, seconded by Commissioner Jackson, the Committee recommended approval of the vendor list. Committee Vice Chair Patterson did not vote to recommend due to a conflict. The Resolution will be presented to the full Board for consideration at the January meeting.

V. The Acting CFO presented the Projected Year End Budget for FY 2005. Expenditures of \$2.8 million reflected 4.25% under budget for the end of the year. It was further reported that \$2.4 of the \$2.8 million were related to savings in salaries and benefits associated with vacancies.

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

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9338. COMITTEE REPORT – PERSONNEL & INSURANCE

Commissioner Dorn presented the following minutes of the Personnel Committee meeting held January 3, 2006.

PERSONNEL & INSURANCE COMMITTEE MEETING
Tuesday, January 3, 2006
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel & Insurance Committee was held on Tuesday, January 3, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Dorn
Commissioner Jackson, Committee Member
Commissioner Simmerman

Committee Vice Chair Lathem
Commissioner Lowe, Committee Member
Commissioner Hensley
Commissioner Patterson

Staff

Jim Johnson
Don Rainear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens

Authority Secretary

Tom Pankok

- I. Committee Chair Dorn welcomed the Personnel & Insurance Committee and opened the meeting at approximately 11:00 a.m. The Authority Secretary reported that the public meeting of the Personnel & Insurance Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.
- II. The Committee Chair requested an Executive Session, closed to the public to discuss matters of a confidential nature. On motion by Commissioner Lathem, seconded by Commissioner Lowe, the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS

The Committee Chair requested a discussion with the Executive Director only and requested that all remaining staff leave the meeting.

Staff returned and there being no further business in the Executive Session, on motion by Commissioner Lathem, seconded by Commissioner Jackson, the Personnel & Insurance Committee the session was opened to the public.

The Executive Director reported that he had received correspondence regarding a cost of living adjustment for Authority retirees. During the past 10 years, previous cost of living adjustments occurred in January, 1994 and January, 1998. No further adjustments have been made to date. The Executive Director recommended engaging Mercer Human Resources Consulting, the Authority's Actuarial Firm, in order to develop actuarial numbers and to present recommendations to the Committee for their review. After discussion, the Committee concurred with staff's recommendation to engage Mercer; however, did not commit to any further action.

With no further business to discuss, the Personnel & Insurance Committee meeting adjourned at 12:00 p.m.

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9339. COMMITTEE REPORT – PROJECTS COMMITTEE

Commissioner Hensley presented the following minutes of the Projects Committee meeting held January 3, 2006.

PROJECTS COMMITTEE
Tuesday, January 3, 2006,
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Projects Committee was held on Tuesday, January 3, 2006, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Hensley, Committee Chair
Commissioner Patterson, Committee Mbr.
Commissioner Lowe, Committee Mbr.
Commissioner Lathem

Commissioner Dorn, Committee Vice Chair
Commissioner Simmerman, Committee Mbr
Commissioner Jackson

Staff

Authority Secretary

Jim Johnson
Don Rainear
Jim Walls
Trudy Spence-Parker
Gerry DiNicola-Owens
Victor Ferzetti
John Jones
Heath Gehrke
Anna Marie Gonnella-Rosato

Tom Pankok

- I. The Projects Committee meeting convened at approximately 11:50 a.m. Those in attendance were provided an informational package consisting of an agenda, one bid tab, and the monthly contractor payment chart.
- II Bid Openings/Award Actions:
- CMLF-05-05, Rehabilitate Reduction Gear Units, MV Cape May/Twin Capes: Due to no responsive bids being received, staff recommended that this contract be rejected. The Projects Committee concurred with staff and supported the recommendation for contract rejection at the January Board meeting.
 - CMLF-05-04, Drydocking and Repairs, MV Cape May/Twin Capes: Staff recommended that this contract be awarded to the low bidder, Colonna's Shipyard, in the amount of \$2,238,000. The COO briefed the Committee that
 - a change order would have to be negotiated with the shipyard after award of the contract to complete necessary reduction gear work at an estimated cost of \$500,000. Gary Patterson asked whether this work could be done "in-house." The COO informed the Committee that it would be impractical to accomplish this work "in-house" due to manpower and schedule constraints. The Projects Committee concurred with staff and authorized the award recommendation to be presented at the January Board meeting.
- III. Contract Close-Out Actions: None
- IV. Miscellaneous Items/Updates: The Chief Operations Officer informed the Committee that the MV Delaware is currently in Norfolk for its USCG/ABS required inspection and repair work. The current plan calls for the vessel to return to Cape May on February 8, 2006. The COO advised the Committee that a \$420,000 change order was executed with the shipyard to address the reduction gear issue. With this change order, the estimated total cost of the drydocking will be \$1.25 million.

- V. Contractor Payment (through December): Staff informed the Committee regarding monthly construction contractor payments to be made to contractors in January.
- VI. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 12:20 p.m.

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9340. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

In the absence of Commissioner Koebig, Commissioner Lowe presented the following minutes of the Economic Development Committee meeting held January 3, 2006.

ECONOMIC DEVELOPMENT COMMITTEE
Tuesday, January 3, 2006
 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, January 3, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Commissioner Dorn, Committee Member
 Commissioner Jackson, Committee Member
 Commissioner Simmerman

Committee Vice-Chair Lowe
 Commissioner Patterson, Committee Member
 Commissioner Hensley
 Commissioner Lathem

Staff

Authority Secretary

Jim Johnson, Jr.
 Don Rainear
 Victor Ferzetti
 Jim Walls
 Trudy Spence-Parker
 Gerry DiNicola Owens
 Anna Marie Gonnella Rosato
 Michelle Griscom-Collins
 John Sarro
 AJ Crescenzi

Tom Pankok

Invited Guest
 Eric Powell, Rutgers University

- I. Committee Vice Chair Lowe welcomed the meeting of the Economic Development Committee and opened the meeting at approximately 10:28 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.
- II. Committee Vice Chair Lowe introduced Mr. Eric Powell from Rutgers University. Mr. Powell updated the Committee regarding the Oyster Revitalization Project in the Delaware Bay and the recent developments regarding funding for the project. The project has been able to obtain \$2 million in funding from Congress, which will be distributed to the Philadelphia District of the Army Corps of Engineers this week; however, there is a \$667,000 matching fund requirement. Approximately \$530,000 has already been raised, leaving a remainder of \$134,000, which amounts to the Authority’s previous commitment of \$50,000 per year over three years minus \$15,000 in funding already received from the Authority. Mr. Powell requested that the Authority consider an accelerated disbursement for the remaining commitment in order for the project to meet the March 1, 2006 deadline for raising the matching funds. The Executive

Director questioned whether an accounting of funds would be provided. Mr. Powell reported that a project report would be submitted to the Army Corps of Engineers on February 15, 2006, and, after peer review, all agencies involved in the project would receive copies of the report.

The Committee thanked Mr. Powell for his presentation. The Deputy Executive Director reported that additional information would be provided to the Committee for consideration at the February Economic Development Committee meeting.

- III. The Deputy Executive Director requested an Executive Session, closed to the public to discuss matters of a confidential nature. On motion by Commissioner Dorn, seconded by Commissioner Jackson, the Session was closed.

The following matters of a confidential nature were discussed.

- MATTERS RELATING TO ECONOMIC DEVELOPMENT PROJECTS

There being no further business to discuss in Executive Session, on motion by Commissioner Dorn, the session was opened to the public.

- IV. The Deputy Executive Director presented a proposed Resolution Authorizing the Executive Director to Execute License, Program and Event Agreements in Conjunction with the Promotion of Tourism at the Cape May-Lewes Ferry Terminals. The Resolution is technical in nature and standard for the use of Authority facilities by an outside entity. On motion by Commissioner Patterson, seconded by Commissioner Jackson, the Committee recommended approval of the Resolution. The Resolution will be presented to the full Board for consideration at the January meeting.

There being no further business to discuss, on motion by Commissioner Dorn, the Economic Development Committee adjourned at 10:58 a.m.

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9341. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Acting Chief Financial Officer (CFO) presented a chart 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 November.

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

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9342. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The Acting CFO presented a chart showing a statement of income and expenses for the month of November with comparisons to the same period last year.

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

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9343. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The Acting CFO presented a chart showing expenses by division for the quarter to date (through December 31, 2005) 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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9344. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The Acting CFO presented a chart for the month of December 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 charts were ordered filed with the permanent records of the Authority.

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9345. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF DECEMBER 31, 2005.

The Acting CFO presented a chart 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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9346. PUBLIC COMMENT ON ACTION ITEMS.

Chairperson Wallace noted the following action items that were being considered today and asked for public comment.

- CMLF-05-05 Contr Rejection Rehabilitate Reduction Gear Units, MV Cape May/Twin Capes
- CMLF-05-04 Contr Award Drydocking & Repairs, MV Cape May/Twin Capes
- Resolution 06-01 Approval of Community Contribution Requests
- Resolution 06-02 Authorizes Expenditures \$25,000 and Over
- Resolution 06-03 Adoption of a Revised Fare Schedule for the Cape May-Lewes Ferry
- Resolution 06-04 Authorized the Executive Director to Execute License, Program and Event Agreements

There were no comments.

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9347. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

The Chief Operating Officer (COO) noted the following Summary of Authorized Contract Payments for January 17, 2006.

<u>Contractor</u>	<u>Payment</u>
DMB-04-02 Eastern Highway Specialists	\$ 43,107.63
DMB-04-04 J.D. Eckman, Inc.	\$216,230.04
DMB-02-01 Daisy Construction	\$173,775.74
DMB-01-06 Cianbro Corporation	\$338,339.10

CMFL-01-06	Stanker & Galetto	\$ 20,790.02
CMLF-05-03	Lyons Shipyard, Inc.	\$545,315.40
NCA-01-02	Diamond Materials	\$176,589.40
NCA-01-04	EDIS	\$ 57,268.00
MVA-04-01	Delta Line Construction	\$208,382.58

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9348. REHABILITATE REDUCTION GEAR UNITS, MV CAPE MAY/TWIN CAPES – CONTRACT #CMLF -05-05

It was noted at the January 3, 2006 Projects Committee that no responsive bids were received and that staff recommended the contract be rejected. The Projects Committee concurred with staff and supported the recommendation for contract rejection at the January Board meeting.

A motion to reject Contract #CMLF-05-05 was made by Commissioner Favre, seconded by Commissioner Simmerman, and Contract No. CMA-04-04R was rejected by a voice vote of 10-0.

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9349. APPROVAL OF DRYDOCKING AND REPAIRS, MV CAPE MAY AND MV TWIN CAPES – CONTRACT # CMLF-05-04

The COO reported that two (2) bids were received for the drydocking and repairs to the MV Cape May and the MV Twin Capes which were in line with the engineers estimate. The low bid of \$2,238,000.00 was submitted by Colonna’s Shipyard of Norfolk, VA. The COO and the Projects Committee recommend awarding the bid to the low bidder noted above.

A motion to award the bid to the low bidder was made by Commissioner Favre, seconded by Commissioner Simmerman and approved by a voice vote of 10-0.

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9350. ESTABLISHMENT OF AN AD-HOC COMMITTEE FOR THE PURPOSES OF A CHIEF FINANCIAL OFFICER (CFO) SEARCH.

Chairperson Wallace noted that, after consulting with Vice-Chairperson Parkowski, there will be an establishment of an Ad Hoc Committee for the purposes of searching and selecting an Authority CFO.

Legal Counsel Norcross stated that, under Article VIII, Section 8.1 of the Authority By-Laws, the Chairperson, in consultation with the Vice-Chairperson, may establish an Ad Hoc Committee. Under Section 8.2, the Chairperson shall appoint committee members and they shall be formally approved by a vote of the Commissioners. The Chairperson and Vice-Chairperson shall be ex officio members.

Chairperson Wallace formally created the CFO Ad Hoc Search Committee and named the following Commissioners to the Ad Hoc Committee. Commissioners Cooper, Hensley and Lathem of Delaware; Commissioners Favre, Koebig and Dorn of New Jersey. He appointed Commissioner Lathem Chairman of the Ad Hoc Committee.

A motion to approve the Ad Hoc Committee members was made by Commissioner Dorn, seconded by Commissioner Simmerman and unanimously approved by a voice vote of 10-0.

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9351. CHAIRPERSON'S CALL FOR ACTION ON THE
RESOLUTIONS BEFORE THE BOARD.

The Executive Director presented the following Resolutions:

**RESOLUTION 06 - 01 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 January, 2006; and

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

Community Contributions

New Jersey

Disabilities Resource Center Incorporated	\$ 2,500
CreditWorthy Incorporated	\$ 3,000
New Jersey Audubon Society	\$ 1,000
Salem Community College Foundation	\$ 18,000
Salem County Vocational and Technical School Foundation Incorporated	\$ 5,000
Total	<u>\$ 29,500</u>

Delaware

Opportunity Center Incorporated	\$ 2,500
Thurgood Marshall Scholarship Fund	\$ 4,000
Total	<u>\$ 6,500</u>

Grand Total (New Jersey and Delaware) \$ 36,000

On motion by Commissioner Simmerman, seconded by Commissioner Lathem, Resolution 06-01 was approved by a roll call vote of 10-0.

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**RESOLUTION 06-02 - AUTHORIZING AUTHORITY
EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD,
JANUARY 1 THROUGH DECEMBER 31, 2006**

WHEREAS, The Delaware River and Bay Authority (the "Authority") adopted Resolution 01-84 requiring Commission 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 1/1/06 THROUGH 12/31/06

Vendor	Service Description
ABS Americas	Inspection Services - Vessels
ACS	EZ Pass transaction processing
Aetna US Healthcare	Medical & Prescription Coverage
Allied Beverage	Alcoholic Beverage Supplier
Allied Marine Service	Vessel Vacuum Toilet Parts
America Sales Inc.	Vessel Paint
Anite Systems	Maintenance Agreement Ferry Reservation System
Artesian Water Company	Utility
Atlantic Cape Community	Education
Atlantic City Electric	Utility
AT&T	Wide area network services NJ
Bayshore Ford	Dump Trucks
Blue Cross Blue Shield of DE	Medical, Prescription & Dental Coverage
Blue Cross Blue Shield of NJ	Medical, Prescription & Dental Coverage
Board of Public Works	Water/Sewer/Electric - Lewes
Bruce Industrial	Davits and Jibs
Canon Business Solutions	Copier Leases/Supplies-All Facilities
Carney's Point Tax Office	Taxes - Business Center
Cavanaugh Capital Management	Financial Investment Advisor
CDW-G	PC/Equip/Hardware/Peripherals/Software
Chas Winter Ford	Purchase Ford Vehicles
Chef Solutions	FDA/USDA Certified Supplier of Prepared Food
Cherry Valley Tractor Sales	Purchase of equipment on CIP list
Cingular Wireless	Cellular Phone Service
City of Millville	Fire and Safety Services
Coltec Industries/Fairbanks-Morse	Vessel Engine Parts
Commercial Window Shield, Inc.	Security/Safety Improvements
Conectiv / Delmarva Power Delivery	Electric -Bridge, Cape May & Airports
Crest Cash Register	Cash Registers Maintenance Contract
Cryotech Deicing Technology	Runway Deicer
CTM Brochure Distributors	CMLF Brochure Distributors
Dave's Trash Removal, Inc.	CMLF Trash removal
DBC Marine Safety Systems	Servicing/Deployment of Vessel
Delaware Division of Revenue	State Income Tax
Delaware River Port Authority	Credit Card Equity Fees - EZ Pass
Delaware Tech	College Tuition Expenses
Delaware Transportation Authority	Credit Card Equity Fees – EZ Pass
Div of Child Support Enforce	Employee Withholding
DRBA EFCU	Employee WH Credit Union
DRBA/PNC	Employee/Employer Pension W/H
Duramax Marine LLC	Vessel Keel Cooler Tubes
Enterprise Flasher Co.	Lane Closure Equipment
Exxon Company	Vessel M.E., Gear & Steering Oil
Flex America	Section 125 Administrator
Giles & Ransome, Inc.	Bowthrusters & Generator Parts
Harrison Beverage Co.	Alcoholic Beverage Supplier
Hartford Life Insurance Co.	LTD & Workers' Comp. Insurance
Hay Group	HR Consulting
Hertrich Fleet	Police/Staff, Pick Ups and Vans
HP/Compaq	PC & Equipment
IBTTA	Conference Contribution
IHI Marine	Vessel Reduction Gear Parts
Info Systems	Professional Services
ING/Aetna	Defined Contribution Plan
Internal Revenue Service	Federal/FICA/Medicare Withholding
International Salt Company	Roadway Salt Purchase
J. Ambrogi Foods	Distributor for Missabay Food Products

Johnson & Towers	Vessel Generator Parts
Johnson Controls	HVAC Maintenance/Training
Kramer Beverage Co.	Alcoholic Beverage Supplier
Kronos	Time and Attendance System
Kustom Signals	Purchase In Car Computers
L.S. Riggins Oil Company	Gasoline
Liberty Mutual Insurance	Workers Comp Services
Litton Marine Systems	Vessel Radar Repair
Marine Engineers' Beneficial Assoc	Employee Withholding
MARK IV IVHS	EZ Pass Transponders
Maryland Transportation Authority	EZ Pass Reimbursement-Credit Card
Mercer Human Resources Consult	Pension Actuarial Services
Metlife	Life Insurance/Deferred Comp.
MetLife Financial Services	Deferred Compensation
Microsoft Licensing, GP	Enterprise Licensing Agreement
Morris Nichols Arsh & Tunnell	Legal Services
Motorola Communications & Electronics	800 MHZ Communications System
Motors Fleet	light trucks
MTA Bridge & Tunnel Authority	EZ Pass Reimbursement - Credit Card Fees
MTM Technologies	Professional Services & Equipment
MUNIS	Financial/HR Software Yearly Maintenance
Neumann College	College Tuition Expenses
New Castle County Sewer	Sewer - DMB/Airports
New Jersey Division of Revenue	Employee Withholding
New Jersey Family Support	Employee Withholding
New Jersey Regional Consortium	EZ Pass Reimbursement-Credit Card
New World Systems, Inc.	Installation and Maintenance of Computer
New York State Bridge Authority	Aided Dispatch System for Police
NY State Thruway Agency	EZ Pass Reimbursement-Credit Card
Omnithruster, Inc.	EZ Pass Reimbursement-Credit Card
Parker McCay PA	Vessel Bowthruster Parts
Pennsylvania Turnpike Authority	Legal Services
Philadelphia Gear Co.	EZ Pass Reimbursement-Credit Card
PNC Bank	Cape Henlopen Reduction Gear
Port Authority of NY & NJ	Investment/Banking Services
Red The Uniform Tailor	EZ Pass Reimbursement - Credit Card
Reitman Div. – R&R Marketing	Police Uniforms
Rolls-Royce/Ulstein	Alcoholic Beverage Supplier
Rowland Company	Vessel Steering Parts
Sales & Use Tax	Vessel Clutches
Sea Safety Services	New Jersey State Sales Tax
Service Energy LLC	Inspection/Safety Supplies - Vessels
Software Specialists, Inc	Heat Oil Supplier for Lewes
South Jersey Gas Co.	Software Support/Programming - Toll System
South Jersey Newspapers	Heat & Cooking Utilities
SponduLinx LLC	Advertisement/Subscriptions
Standard Distributing Co., Inc.	CMLF Security Plan-Camera Layout & Install
State of Delaware	Alcoholic Beverage Supplier
State of New Jersey	Unemployment Ins / Withholding Taxes
State of New Jersey Div of Parks	Governor's Authority Unit, Income Tax
TellAn Network Technologies	Fort Mott Doc Fee
State of New Jersey Unemployment	Phone upgrades Cape May/Lewes Terminals
Insurance	Unemployment Insurance Taxes
The PMA Group	Insurance - Workers Comp./LTD
Township of Lower MUA	Water & Sewer Utilities
Transdyn Controls	Traffic Management System
Triborough Bridge & Tunnel Auth	E-Z Pass Reimbursement - Credit Card
United States Postal Service	Postage Expenses
University of Delaware	College Tuition Expenses
Verizon – DE	Local Telephone Services
Verizon – NJ	Local Telephone Service
Verizon – PA	Data Networking Expense
Verizon Wireless	Cellular Service
VSGI	Video Conferencing
Warnock Automotive	Police Vehicles

Widener University
Wilmington College
Wilmington Trust
Wingfoot/Goodyear
WorkSkiff, Inc.
York International
Young, Conaway Starget
Zellar & Bryant

College Tuition Expenses
College Tuition Expenses
Trustee/Banking Services
Purchase of Fleet Tires
Purchase Patrol Craft for Police
HVAC Repairs
Legal Fees
Legal Fees

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

A motion was made by Commissioner Lathem, seconded by Commissioner Dorn. With Commissioner Patterson abstaining, Resolution 06-02 was approved by a roll call vote of 9-0 with 1 abstention.

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RESOLUTION 06-03 - ADOPTION OF A REVISED FARE SCHEDULE FOR THE CAPE MAY-LEWES FERRY

WHEREAS, The Delaware River and Bay Authority (the “Authority”) owns and operates the Cape May-Lewes Ferry; and

WHEREAS, the Authority retained the services of the Elliott Bay Design Group to prepare a Market Research Study (“Study”) in 2005 to identify customer markets and to make recommendations to increase vehicle and passenger traffic; and

WHEREAS, the Study recommended changes to the Cape May-Lewes Ferry fare structure to increase revenues and customer demand, including the introduction of new fare incentives, such as, discounted round-trip vehicle and passenger fares, 50% discounts for children age 6-13, and greater discounts for bus passengers; and

WHEREAS, the proposed fare schedule attached hereto and incorporated herein, reflects many of the Study recommendations; and

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

WHEREAS, there has not been a general fare increase at the Cape May-Lewes Ferry since 2002; and

WHEREAS, the operating deficit for FY 2005 was approximately \$7.0 million; and

WHEREAS, the projected gross income from the revised fare schedule is estimated at \$1.3 million, significantly reducing the operating deficit; and

WHEREAS, the Authority’s Budget and Finance Committee has reviewed and approved the revised fare schedule attached; and

WHEREAS, the Authority has concluded that the amended fare schedule is necessary to meet the financial requirements of the Authority; and

WHEREAS, the Authority has concluded that the amended fare schedule is fair to ferry users and in the public interest; and

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

WHEREAS, the Authority desires to amend the fare schedule with an effective date of April 1, 2006.

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, 2006.

Cape May-Lewes Ferry Fares

(All Fares are One-Way Unless Noted)

Effective April 1, 2006

NOV-MAR **APR-OCT**

VEHICLE & DRIVER

Car, SUV, Van, Pick-Up Truck (vehicles less than 20' length)	\$23.00	\$29.00
<i>Return-Trip Value Fare *</i>	\$19.00	\$24.00
Motorcycle or Motorbike	\$18.00	\$24.00
<i>Return-Trip Value Fare *</i>	\$15.00	\$20.00
Discount Book of Six (6) Tickets (all vehicles less than 20' length) <i>(Memorial Day to Labor Day: not valid Fri, Sat, Sun or Holidays)</i>	\$110.00	\$110.00

VEHICLE & FOOT PASSENGERS

Under 6 years of age	<i>FREE</i>	<i>FREE</i>
Children, age 6-13	\$3.50	\$4.75
<i>Return-Trip Value Fare *</i>	\$2.50	\$3.75
14 Years of age and older	\$7.00	\$9.50
<i>Return-Trip Value Fare *</i>	\$5.00	\$7.50
Discount Book of Six (6) Adult Tickets		\$42.00

*** NOTE: Return-Trip Value Fares must be purchased with Initial Sailing**

BUS PASSENGERS

Under 6 years of age	<i>FREE</i>	<i>FREE</i>
Children, age 6-13	\$2.00	\$3.00
14 Years of age and older	\$4.00	\$6.00

FERRY TERMINAL SHUTTLE FARES

Under 6 years of age	<i>FREE</i>	<i>FREE</i>
6 Years of age and older	\$3.00	\$3.00

OTHER FARES & FEES

Bicycles	<i>FREE</i>	<i>FREE</i>
Motorcycle Sidecars	<i>FREE</i>	<i>FREE</i>
Ferry Reservation Fee (Non-refundable per sailing)	\$5.00	\$5.00

OTHER VEHICLES & DRIVER

20' to under 25'	\$27.00	\$34.00
25' to under 35'	\$35.00	\$42.00
35' to under 45'	\$42.00	\$49.00
45' to under 60'	\$53.00	\$61.00
60' and over	\$75.00	\$83.00

OVER-WIDTH VEHICLES

All vehicles exceeding any width limitation of Delaware or New Jersey will be charged double the length rate above.

A motion was made by Commissioner Simmerman, seconded by Commissioner Lathem. With Commissioner Hensley voting no, Resolution 06-03 was approved by a roll call vote of 9-1.

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RESOLUTION 06-04 AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE LICENSE, PROGRAM AND EVENT AGREEMENTS AT 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, for which it is empowered to enter into contracts, licenses, leases and agreements; and

WHEREAS, in furtherance of these powers, the Authority participates in a variety of agreements such as License, Event and Program Agreements that promote tourism and economic growth and development within the counties bordering the Delaware River and Bay; and

WHEREAS, these matters are considered routine in the furtherance of the Authority’s public purpose and are in the best interest of the Authority; and

WHEREAS, time is of the essence in the execution of such agreements.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director, with the advice and consent of the Chairperson, Vice-Chairperson and counsel, is hereby authorized to execute License, Event and Program Agreements and other agreements related to tourism and special events at all Authority facilities.

On motion by Commissioner Simmerman, seconded by Commissioner Dorn, Resolution 06-04 was approved by a roll call vote of 10-0.

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9352. **COMMISSIONERS PUBLIC FORUM**

Chairperson Wallace asked if any members of the public would like to address the Commission.

Mr. Howard Moon, Ferry Reservations Manager, spoke. The first topic concerned the treatment of Delaware River and Bay Authority African American and minority employees. The second topic concerned Senior Leadership’s sincerity of message—“What they say verses What they do.” Chairperson Wallace indicated that Mr. Moon has litigation pending against the DRBA and reminded him of the Authority’s specific Freedom of Information rules concerning public comment. It would be inappropriate to discuss specific issues concerning his pending litigation as well as discuss particular situations involving other individuals. Mr. Moon acknowledged Chairperson Wallace’s comments and proceeded with his two topics.

Chairperson Wallace stated that he would refer Mr. Moon’s comments to the Personnel Committee. He requested Mr. Moon furnish a written copy of his comments to pass on to the Personnel Committee Chair and Vice-Chair.

There were no other comments.

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

The meeting was adjourned 11:55 p.m.

Respectfully submitted,
THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary