

**MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, July 16, 2013
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720**

The meeting convened at 11:40 a.m. with Chairperson Hogan presiding.

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

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

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

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Commissioners from New Jersey

Commissioners from Delaware

PRESENT

James N. Hogan, Chairperson
Edward Dorn
Richard S. Mroz
Ceil Smith
Shirley R. Wilson

William E. Lowe, Vice-Chairperson
Richard W. Downes

Samuel E. Lathem
Terri C. Murphy
Gary F. Traynor

ABSENT

Douglas Van Sant

Fernando N. Guajardo

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Chairperson Hogan called for the acceptance of the Agenda.

Commissioner Lathem motioned to accept the Agenda, seconded by Commissioner Murphy, and the motion carried by a voice vote of 10-0.

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10692. APPROVAL OF THE JUNE 18, 2013 MINUTES

Commissioner Downes motioned to approve the June 18, 2013 meeting minutes, seconded by Commissioner Mroz, and unanimously approved by a voice vote of 10-0.

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10693. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The 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 June.

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

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10694. 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 June 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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10695. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for June 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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10696. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

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

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

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10697. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF JUNE, 2013.

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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10698. AUTHORITY CUSTOMER TRENDS (ACT) REPORT

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

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10699. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Hogan noted that there is one (1) contract awards, two (2) contract close-outs, and five (5) Resolutions to be considered today. All action items have been reviewed and recommended for consideration during today’s Committee meetings. He then called for public comments.

There were no public comments.

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10700. AWARD OF SUPPLY OF ULTRA LOW SULFUR DIESEL FUEL, CONTRACT #CMLF-13-03

The COO noted that a public bid opening was held on June 12, 2013 in which five (5) bids were received. This is a three year contract to provide ultra-low sulfur diesel fuel for the ferries. The recommendation of the COO and the Projects Committee was to award the contract to the lowest responsive bidder, PAPCO, Inc. of Aston, PA, with a delivery charge of \$0.0366 per gallon.

A motion to approve Contract CMLF-13-03 to the aforementioned firm in the amount of \$0.0366 per gallon was made by Commissioner Smith, seconded by Commissioner Downes, and approved by a roll call vote of 10-0.

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10701. CONTRACT CLOSE-OUT: FREEMAN HIGHWAY BRIDGE REHABILITATION-LEWES, CONTRACT #CMLF-08-02

On March 12, 2013, Contract No. CMLF-12-07, Drydocking and Repairs M/V Delaware, was awarded to Thames Shipyard and Repair Co. of New London, Connecticut for the bid price of \$631,880.14.

During the contract period Change Order No's. 1-2 were approved for the project.
Subtract: (\$228,191.34)

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$403,688.80.

A motion to close-out Contract #CMLF-08-02 was made by Commissioner Lowe, and seconded by Commissioner Murphy. With Commissioner Traynor abstaining, the motion carried with a voice vote of 9 yes, 0 no, and 1 abstention.

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10702. CONTRACT CLOSE-OUT: DRYDOCKING & REPAIRS M/V DELAWARE, CONTRACT #CMLF-12-07

On March 8, 2010, Contract No. CMLF-08-02, Freeman Highway Bridge Rehabilitation-Lewes, was awarded to Mumford and Miller Concrete, Inc. of Middletown, Delaware for the bid price of \$1,798,893.00.

During the contract period Change Order No's. 1-9 were approved for the project.
Add: \$577,791.66

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$2,376,684.66.

A motion to close-out Contract CMLF-12-07 was made by Commissioner Wilson, seconded by Commissioner Lathem, and unanimously approved by a voice vote of 10-0.

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10703. CHAIRPERSON'S CALL FOR RESOLUTIONS BEFORE THE BOARD

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RESOLUTION 13-24 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2013 THROUGH DECEMBER 31, 2013

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

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

DELAWARE RIVER & BAY AUTHORITY
PROJECTED VENDORS TO BE PAID OVER \$25,000
OPERATION EXPENDITURES
FOR THE PERIOD 1/1/13 THROUGH 12/31/13

VENDOR	SERVICE DESCRIPTION	DETERMINATION	APPROX. ESTIMATED \$
Allied Beverage Distributors	Alcoholic Beverages for CMLF	Sole Source	\$52,000
Delta Centrifugal Corporation	Vessel Equipment	Quotes	\$28,000
Hertrich Fleet Services Inc.	Two (2) Replacement Vehicles	State Contract	\$53,000
Labor Ready, Inc.	Vessel and Terminal Cleaning	Quotes	\$50,000
R.W. Fernstrum & Co.	Vessel Equipment	Proprietary	\$125,000
TTI Environmental, Inc.	Airport Improvements	Quotes	\$41,000
Winner Ford	Two (2) Replacement Vehicles	State Contract	\$83,000
W.W. Grainger, Inc.	Replacement Parking Lot Sweeper	State Contract	\$59,000
York Street Caterers, Inc.	Specialty Fresh Deli Sandwiches and Salads	Sole Source	\$103,000

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

A motion to approve Resolution 13-24 was made by Commissioner Mroz, seconded by Commissioner Lowe, and approved by a roll call vote of 10-0.

Resolution 13-24 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period, January 1, 2013 through December 31, 2013.

Committee: Budget & Finance

Committee and Board Date: July 16, 2013

Purpose of Resolution:

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

Background for Resolution:

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

Background for the specific purchases:

Alcoholic beverages for CMLF

The Authority purchases alcoholic beverages through Allied Beverage Distributors for its Cape May terminal food operations. Allied Beverage holds the

exclusive regional distribution rights to the specific brand producers the Authority uses. Distributor prices are regulated by the State of New Jersey Alcoholic Beverage Commission.

Vessel Equipment

The Authority requires four (4) Rudder Post Bearing Shells for the vessel fleet in support of maintaining inventory for future drydocking and repairs. The Authority solicited quotes from three (3) contractors. Quotes were submitted by Delta Centrifugal Corporation (\$28,000) and MetalTek International (\$34,000). One contractor declined to quote. Delta Centrifugal Corporation submitted the lowest responsible quote.

Two (2) Replacement Vehicles

The DRBA evaluates its vehicles and equipment for replacement according to written replacement criteria. The Authority has determined that two (2) Ford Explorers have exceeded their useful life, meet the Authority replacement criteria, and require replacement. Both vehicles will be replaced by Ford F-150 4X4 Trucks. Hertrich Fleet Services Inc. offers the best State Contract Price of \$26,400 each for the vehicles. The vehicles being replaced will be sold at public auction.

Vessel and Terminal Cleaning

The Authority requires the use of external temporary labor for night cleaning of the Cape May-Lewes Ferry vessels and terminals during our peak summer service months. The Authority contacted six cleaning contractors and met with three of them in an effort to obtain proposals. All but one of the contractors either refused or failed to submit a proposal for this work. Labor Ready, Inc. submitted the lowest responsible quote.

Vessel Equipment

The Authority requires six (6) Main Engine Gridcooler Keel Coolers, six (6) Generator Gridcooler Keel Coolers, and eight (8) compression sealing kits for the M/V Twin Capes in support of maintaining inventory for future drydocking and repairs. Gridcooler Keel Coolers are sold only by R.W. Fernstrum & Co.

Airport Improvements

The Authority requires an Oil/Water Separator Upgrade at the Cape May Airport. This minor capital improvement project involves the removal of an existing underground storage tank, site remediation, restoration, and installation of the new oil/water separator. The Authority solicited bids from three (3) contractors. Bids were received from TTI Environmental, Inc. (\$41,000) and DeMaio's Incorporated (\$58,000). One contractor declined to bid on the work required. TTI Environmental, Inc. submitted the lowest responsible bid.

Two (2) Replacement Vehicles

The DRBA evaluates its vehicles and equipment for replacement according to written replacement criteria. The Authority has determined that two (2) Ford F-350 Utility Body Trucks have exceeded their useful life, meet the Authority replacement criteria, and require replacement. Both vehicles will be replaced with Ford F-350 Utility Body Trucks. Winner Ford offers the best State Contract Price of \$42,200 for the Utility and \$39,500 for the Crew Cab Utility type vehicles. The vehicles being replaced will be sold at public auction.

Replacement Parking Lot Sweeper

The DRBA evaluates its vehicles and equipment for replacement according to written replacement criteria. The Authority has determined that one (1) Tennant M-800 sweeper has exceeded its useful life, meets the Authority replacement criteria, and requires replacement. The sweeper will be replaced with a Tennant MS30 sweeper. W.W. Grainger, Inc. offers the best State Contract Price for the equipment required.

Specialty Fresh Deli Sandwiches and Salads

The Authority purchases for resale restaurant-quality Grab & Go fresh sandwiches, salads, and snacks on its vessels. As a vehicle of interstate transportation, the Cape May – Lewes Ferry is subject to FDA regulations which require its food source facilities to be inspected and approved by the USDA. York Street Caterers is currently the only identified facility in the area to offer USDA inspected and approved prepackaged fresh food.

Background for Determination category:

Proprietary: Proprietary items are purchases necessary to support and maintain existing Authority systems and equipment that are only available from one source. Resolution 98-31 (paragraph 2, subsection f) provides that “[a] contract may be awarded without competition if the General Manager or Director of Operations of an Authority facility, or Police Administrator, prior to procurement, determines in writing that there is only one source for the required contract”.

Quotes: Quotes items are purchases that are anticipated to be between \$25,000 and \$49,999 for the year for which the Authority has solicited written quotes. Resolution 98-31 (paragraph 4) provides that purchases “more than \$25,000 but less than \$50,000 in the aggregate require the solicitation of three written quotes or all available sources, whichever is less...”

State Contracts: Resolution 98-31, as amended by Resolution 11-36 (paragraph 2, subsection a) provides that “[t]his [competitive bidding] provision shall not apply to purchases by the Authority from suppliers in cases where the Authority is purchasing at prices pursuant to contracts awarded by the States of Delaware or New Jersey for state agencies.

Sole Source: Sole source items are goods and services that the Authority requires that cannot be provided by another source. Resolution 98-31 (paragraph 2, subsection f) provides that “[a] contract may be awarded without competition if the General Manager or Director of Operations of an Authority facility, or Police Administrator, prior to procurement, determines in writing that there is only one source for the required contract”.

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RESOLUTION 13-25 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CMY DISTILLERY, LLC AT THE CAPE MAY AIRPORT.

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

WHEREAS, the CMY Distillery, LLC (“CMY”) desires to lease approximately 3,000 sq.ft. of space in Building 96 at the Cape May Airport; and

WHEREAS, CMY has agreed to pay the Authority annual rent in the amount of Fourteen Thousand and Four Hundred Dollars 00/100 (\$14,400.00); and

WHEREAS, the initial term of the Lease Agreement (“Agreement”) is for one (1) year; and

WHEREAS, CMY shall have the option of renewing this Agreement for four (4) option periods of one (1) year each; and

WHEREAS, rent during the first option shall be Eighteen Thousand Dollars (\$18,000.00) annually, rent during the second option shall be Twenty-One Thousand (\$21,000.00) annually and rent during the remaining two options shall be adjusted each period by the Consumer Price Index (CPI).

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

A motion to approve Resolution 13-25 was made by Commissioner Lowe, seconded by Commissioner Lathem, and approved by a roll call vote of 10-0.

Resolution 13-25 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Agreement with CMY Distillery, LLC

Committee: Economic Development

Committee Date: July 16, 2013

Board Date: July 16, 2013

Purpose and Background for Resolution:

The CMY Distillery LLC would like to lease approximately 3,000 square feet of space in a building commonly referred to as Building 96. This unit has been previously occupied by the County of Cape May Sign shop and they are planning on vacating by October 1st. This company is a start-up business that will be making a locally distilled liquor product.

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RESOLUTION 13-26 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE UNITED STATES OF AMERICA AT THE MILLVILL AIRPORT.

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the operator of the Millville Airport (“Airport”), Millville, New Jersey; and

WHEREAS, the United States Government (the “Government”) desires to lease approximately 9.47 acres to include the Hangar 91 at the Millville Airport; and

WHEREAS, the Government has agreed to pay the Authority annual rent based upon a Fair Market Value (FMV) assessment; and

WHEREAS, the initial term of the Lease Agreement (“Agreement”) is for one (1) year; and

WHEREAS, the Government shall have the option of renewing this Agreement for fourteen (14) option periods of one (1) year each; and

WHEREAS, rent shall be adjusted annually by the Consumer Price Index (CPI).

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Agreement with the United States

Government and, with the advice and consent of counsel, to have such Lease Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 13-26 was made by Commissioner Smith, seconded by Commissioner Dorn, and approved by a roll call vote of 10-0.

Resolution 13-26 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Agreement with the United States Government

Committee: Economic Development

Committee Date: July 16, 2013

Board Date: July 16, 2013

Purpose and Background for Resolution:

The Delaware River and Bay Authority operates a hangar facility commonly referred to as Hangar 91 at the Millville Airport. The hangar totals approximately 7,200 square feet of hangar and office space. Additionally, they are leasing adjacent lands totaling approximately 9.47 acres. The United States Government is leasing the property on behalf of the US Marshals. They have plans to expand and improve the facility to use as a prisoner transfer facility.

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RESOLUTION 13-27 - ADOPTION OF MINIMUM STANDARDS FOR AERONAUTICAL SERVICES AT MILLVILLE AIRPORT

WHEREAS, The Delaware River and Bay Authority (the "Authority") under Article VII(d) of the Authority's Compact, may adopt Minimum Standards for Aeronautical Services ("Minimum Standards") pertaining to the commercial operation of Millville Airport ("Airport") and

WHEREAS, the Authority has consulted with the Federal Aviation Administration (FAA) as well as the affected airport tenant community at the Airport on the preparation and adoption of these standards and

WHEREAS, under Article VII(d) of the Compact, after the Board of Commissioners approval, the Minimum Standards will be filed with the Secretary of State of the States of Delaware and New Jersey and will take affect at that time; and

NOW, THEREFORE, BE IT RESOLVED, that the Minimum Standards for Aeronautical Services at Millville Airport is hereby adopted by the Board of Commissioners.

BE IT FURTHER RESOLVED, that the Secretary of the Board of Commissioners is hereby authorized and directed to file a copy of said Minimum Standards with the Secretaries of State of the States of Delaware and New Jersey.

A motion to approve Resolution 13-27 was made by Commissioner Lowe, seconded by Commissioner Smith, and approved by a roll call vote of 10-0.

Resolution 13-27 -- Executive Summary

Resolution: Authorizes that Minimum Standards for Aeronautical Services at Millville Airport be adopted by the Board of Commissioners

Committee: Projects Committee

Committee Date: July 16, 2013

Board Date: July 16, 2013

Background of Resolution:

The establishment of Minimum Standards governing aeronautical services at Millville Airport is a key feature in the DRBA's management, development and operation of the airport. Prudent and proper airport administration requires that standards be adopted establishing the minimum acceptable qualifications of participants, level and quality of service, and other conditions which will be required of those proposing to conduct aeronautical services at the airport. The adoption and enforcement of these standards ensures that any existing or proposed operator is reasonably fit, willing and able to discharge both its service obligations to its patrons and its economic obligations to the airport community. Minimum Standards for Aeronautical Services promotes economic stability by discouraging unqualified applicants and fosters the level of services desired by both the DRBA and the public.

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RESOLUTION 13-28 - ADOPTION OF MINIMUM STANDARDS FOR AERONAUTICAL SERVICES AT CAPE MAY AIRPORT

WHEREAS, The Delaware River and Bay Authority (the "Authority") under Article VII(d) of the Authority's Compact, may adopt Minimum Standards for Aeronautical Services ("Minimum Standards") pertaining to the commercial operation of Cape May Airport ("Airport") and

WHEREAS, the Authority has consulted with the Federal Aviation Administration (FAA) as well as the affected airport tenant community at the Airport on the preparation and adoption of these standards and

WHEREAS, under Article VII(d) of the Compact, after the Board of Commissioners approval, the Minimum Standards will be filed with the Secretary of State of the States of Delaware and New Jersey and will take affect at that time.

NOW, THEREFORE, BE IT RESOLVED, that the Minimum Standards for Aeronautical Services at Cape May Airport is hereby adopted by the Board of Commissioners.

BE IT FURTHER RESOLVED, that the Secretary of the Board of Commissioners is hereby authorized and directed to file a copy of said Minimum Standards with the Secretaries of State of the States of Delaware and New Jersey.

A motion to approve Resolution 13-28 was made by Commissioner Lowe, seconded by Commissioner Smith, and approved by a roll call vote of 10-0.

Resolution 13-28 -- Executive Summary

Resolution: Authorizes that Minimum Standards for Aeronautical Services at Cape May Airport be adopted by the Board of Commissioners

Committee: Projects Committee

Committee Date: July 16, 2013

Board Date: July 16, 2013

Background of Resolution:

The establishment of Minimum Standards governing aeronautical services at Cape May Airport is a key feature in the DRBA's management, development and operation of the airport. Prudent and proper airport administration requires that standards be adopted establishing the minimum acceptable qualifications of participants, level and quality of service, and other conditions which will be required of those proposing to conduct aeronautical services at the airport. The adoption and enforcement of these standards ensures that any existing or proposed operator is reasonably fit, willing and able to discharge both its service obligations to its patrons and its economic obligations to the airport community. Minimum Standards for Aeronautical Services promotes economic stability by discouraging unqualified applicants and fosters the level of services desired by both the DRBA and the public.

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10704. EXECUTIVE DIRECTOR'S COMMENTS

The Executive Director briefed the Board on the activities in and around the Authority including the marketing of the Delaware City-Salem Ferry and its new brochure and poster, distribution of the Authority's Annual Report prepared by Jim Salmon, PIO, rechristening of the N/V Henlopen, Frontier video and commencement service, B Street Band at the Cape May Ferry Terminal, and the 14 Millionth vehicle boarding the CMLF owned by George and Patricia Ungemah of Millsboro, Delaware.

Executive Director Green reminded the Commissioners that there will not be a Board meeting in August. The September meeting will be the Board retreat held in Lewes on September 17 and 18, 2013. More details will follow.

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10705. COMMISSIONERS PUBLIC FORUM

Chairperson Hogan asked if anyone from the public would like to speak.

Christopher Field, DRBA Police Officer representing Lodge #14 spoke. First he congratulated and welcomed the new Police Director to the Authority. Further, he stated that he knows the Commissioners are trying to do their best for the employees, but there are many dynamics going on and that the FOP continues to be patient and professional. Mr. Field made comparisons of other police pay scales around the region that were higher than the Authority's.

Chairperson Hogan thanked Mr. Field for his comments and stated that the Commissioners are trying to do their best within their constraints.

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

The meeting was adjourned at 12:10pm.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary