

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, November 20, 2007
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720

The meeting convened at 10:30 a.m. with Chairperson Parkowski presiding.

The opening prayer was given by Commissioner Lathem, followed by the Pledge of Allegiance let by the Executive Director.

Chairperson Parkowski called on the 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.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

F. Michael Parkowski, Chairperson
Thomas J. Cooper
Verna W. Hensley
Samuel E. Lathem
William E. Lowe, III (via telephone)

James N. Hogan, Vice-Chairperson
Susan Atkinson DeLanzo

Niels S. Favre

Ceil Smith

ABSENT

Gary B. Patterson

Rev. Edward W. Dorn
Gary F. Simmerman

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9679. APPROVAL OF THE OCTOBER 16, 2007 MINUTES

Commissioner Lathem motioned for approval of the October, 2007 minutes, seconded by Commissioner Favre, and approved by a voice vote of 9-0.

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9680. EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented the following highlights that occurred within the Authority during the month October.

Delaware Memorial Bridge

Total traffic in October decreased 1.3% compared to the same period in 2006. Non-commercial traffic decreased 2.4% and commercial traffic increased 4.8%. When compared to the 3-year average, total October traffic decreased 0.8%. Total traffic for 2007 increased 0.2% compared to 2006. When compared to the 3-year average, 2007 total traffic increased 0.3%.

E-ZPass traffic for October represented 59.3% of the total overall traffic as compared to 56.7% for the previous year. Total electronic traffic for 2007 represented 57.0%, an increase of 2.0% from 2006.

Work is progressing and on schedule for the implementation of the 2008 Toll Rate increase. We have finalized the terms and conditions for the DRBA Private Account and Business Account; prepared the changes to the E-ZPass guidebook and applications; received, reviewed and commented on the ACS proposal for the software changes, website changes, and system testing; finalized the communication to our account holders; developed the signage for the toll booths; and ordered the new toll rate schedules for in-lane distribution.

Gerry DiNicola Owens attended the first Violations Subcommittee Meeting of the IAG. This special task force was created to coordinate regional efforts to handle egregious toll evaders. The agenda focused on establishing the subcommittee's goals and objectives and determining issues that agencies share relating to toll evasion, such as rental car companies, Department of Motor Vehicle lookups, and state specific legislation restrictions.

Cape May Lewes Ferry

In October, vehicle traffic decreased 2.4% and passenger traffic increased 0.6%, when compared to October 2006. Compared to the average of the last three years, 2007 vehicle traffic and passenger traffic decreased 4.6% and 3.6%, respectively. In October, fare revenues increased 0.4% and reservation fee revenues increased 30.2%, when compared to October 2006.

In October, CMLF food sales increased 14.7% and retail revenues increased 8.9%, compared to October 2006. Year-to-date food and beverage revenues increased 9.2% and retail revenues increased 7.3%, when compared to the same period in 2006.

Overhauls to the M/V Cape Henlopen main engines continued during the month and will be completed as scheduled. This vessel is scheduled to go to dry-dock in January to have air conditioning installed.

We cosponsored the annual Garden State Wine Growers' Association festival with the Cape May Mid Atlantic Center for the Arts (MAC). The event was held adjacent to our Cape May Ferry Terminal and attracted more than 4000 people. Twenty-one wineries offered wine tasting, wine purchasing, and informative materials on the different vineyards. A host of food vendors, coupled with activities for children (like face painting), rounded out the exhibits.

Heath Gehrke and Jim Walls went to the Washington State Ferries, BC Ferries (out of Vancouver, BC), and Victoria Clipper (out of Victoria, BC) to compare operations of these ferry systems with our CMLF operation over several days. They met with key personnel to discuss security matters, reservation systems, and concession operations.

Airports

The Civil Air Terminal has had an unusually busy month with 25 aircraft arrivals, many customers being first-time users. In the past, traffic usually averages 10 arrivals for the same period. A majority of the flights were business-related.

At Cape May Airport, the NJ Division of Aeronautics conducted its annual 5010 inspection of the airport. Cape May Airport passed this inspection and its Certificate of License to operate was renewed.

Finance

Michael Schirmer, our DBE manager participated in a number of recent events designed to inform and support the Small and Disadvantaged Business community. Activities ranged from informing attendees of upcoming business opportunities at the DRBA, registering potential vendors for notification of work, and technical support. The events included:

- Southern NJ Chamber of Commerce Business Expo 2007
- Delaware Office of Minority and Women Business Enterprises Contractor Symposium: "Smaller (<\$50,000) Opportunities"

- U.S. Small Business Administration’s 2007 Delaware Small Business Persons of the Year

Employee Happenings

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

Authorized Positions (2007 funded)	460
Positions Filled	416
Positions Filled (on LTD)	9
Total Positions that are Vacant	35

Heath Gehrke and Captain Joe Carson attended the Passenger Vessel Association Conference in Niagara Falls. Information regarding degaussing systems (which protect a vessel’s hull from wastage due to electrolysis), the Transportation Worker Identification Credential (TWIC) Program, and new emissions regulations were particularly relevant topics addressed at this conference.

I participated in the Delaware State Chamber of Commerce’s Principal for a Day program and was the Principal for a Day at Milton Elementary School in Sussex County.

Over 200 employees, retirees and their guests attended the Annual Awards Dinner. Employees were recognized for reaching years of service milestones. Additionally, the Employee Recognition committee award recipients were announced. Thank you to our Commissioners for attending and assisting in the awards program.

Five employees retired during October. John Pulli, a Captain at the Cape May Lewes Ferry, retired after 25 years of service. Charles Collins, a Marine Electrician at the Cape May Lewes Ferry, retired after more than 10 years of service. Ed Czech, a mate at the Cape May Lewes Ferry, retired after 18 years of service. Priscilla Boas, a food service supervisor in Lewes, retired after 10 years of service. Margaret Shetzler, a toll collector at the Delaware Memorial Bridge, retired after 14 years of service. We wish John, Charlie, Ed, Priscilla, and Margaret best wishes on their retirement.

Congratulations are extended to Peter Dudley and Isidoro Sorace, who were promoted to permanent Mate positions at the Cape May Lewes Ferry.

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

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9681. COMMITTEE REPORT – BUDGET & FINANCE
COMMITTEE MEETING

The Acting Chief Financial Officer (CFO) presented the Budget & Finance Committee meeting minutes of November 7 and 19, 2007.

BUDGET & FINANCE COMMITTEE MEETING
Monday, November 5, 2007
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Budget & Finance Committee was held on Monday, November 5, 2007, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

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

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

Chairperson Parkowski
Governors' Representatives
Sonia Frontera – NJ

Vice-Chairperson Hogan

Staff

Jim Johnson, Jr.
Don Rainear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens
Ken Hynson
Joe Larotonda
TJ Murray
John Jones
Kelly Phillips Parker
Andrew Ritchie

Authority Secretary

Tom Pankok

- I. Committee Chair Patterson welcomed the Budget & Finance Committee and opened the meeting at approximately 9:42 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.
- II. The Acting Chief Financial Officer reviewed the proposed Resolutions for consideration.
 - Community Contribution Requests – The Committee reviewed the Community Contribution requests for November. Community Contribution requests from Delaware were put on hold for November at the request of Committee Chair Patterson. After review, on motion by Commissioner Simmerman, seconded by Commissioner Favre, the Committee recommended approval of the Community Contribution requests for New Jersey. A Resolution will be presented to the full Board for consideration at the November meeting.
 - Over \$25,000 Vendor List – The Acting CFO reviewed each one of the Vendors. The Committee asked several questions regarding the vendors, which staff answered to their satisfaction. The Acting CFO noted that Fire Protection Industries Inc. in the amount of \$35,000 was due to maintenance and repair of the toll plaza fire suppression alarm system which had been malfunctioning and initiated the fire suppression system to deluge approximately 1/3 of the toll plaza. The cost to diagnose and repair the problem pushed the total over the \$25,000 threshold. After review, on motion by Commissioner Simmerman, seconded by Commissioner Smith, the Committee recommended approval of the Vendor list. A Resolution will be presented to the full Board for consideration at the November meeting.
- III. The Acting CFO provided a preliminary review of the FY 2008 Operations Budget. The Executive Director reported that the preliminary FY 2008 Budget is approximately 5% over the FY 2007 Budget and assumes a reduction of four positions from the funded 460 to 456 positions. These reductions represent an approximate \$300,000 in salary and benefits savings. The Executive Director also presented, as part of Exhibit A, the Funded Position Comparison from 2002 vs 2007. Including Permanent Part-Time positions and the current recommendation, positions at the Authority have been reduced from 581 in 2002 to 467 (or a 20% reduction) for FY 2008. These levels have been reduced to the pre-1997 level before the Authority added five Airports and Food Service to the operations. Although operations have not been significantly impacted during this time, the Executive Director stressed that he could not advocate any further reduction in positions without scaling back operations. The Budget also assumes

the recommended changes to the healthcare benefits authorized by the Board in August.

Chairperson Parkowski questioned the wage implications for the 2008 with the union continued union negotiations. The Acting CFO responded that the budget assumes all non-union employees and MEBA (currently in negotiations) receiving a 3%, Local 542 has already agreed to 3.5% for 2008. Chairperson Parkowski added that the State of Delaware employees received \$750 increase for 2007 and 2% the previous year. He further added that moving forward toward the toll increase in 2010, staff should be aware of what is happening in both New Jersey and Delaware. Vice-Chairperson Hogan added that State of New Jersey employees negotiated 5 years at 3% with the upper echelon receiving 2% and cautioned staff regarding administrative raises during union negotiations.

The Acting CFO reviewed each of the Major Increases/Decreases for FY 2008. The following was highlighted.

- Community Donations were unchanged – seeking Board direction
- Insurance – reduction of 7.3% due to changes in workers' compensation and a continued softening of the insurance market.
- Group Medical Coverage – increase of 13.1% including implementing recommended changes from May/June saving \$500-\$600 thousand.
- OPEB Liability – recommended \$1.3 million (or 20%) contribution for 2008. This should be reduced once Mercer, the Authority's Benefits Actuary, re-calculates the liability reflecting the benefit changes.
- Defined Benefit – increase of 12% due to 1) the value of the assets; 2) Prefunding of 25 Years & Out Provision; 3) Lump Sum Distributions; 4) New Employees; and, 5) Updating of Mortality Tables
- All Other Benefits – decrease of 3.2%
- Legal Fees – reduction of \$70,000 or 9.1% based on current year projections.

Commissioner Hensley reminded the Committee of past discussions regarding cutting legal costs for items such as routine leases at the Airports and questioned what had been done. The Deputy Executive Director reported that some leases are routine, but others require legal review. The Acting CFO responded that he could provide recommendations; however, these would require the Authority Chair and Vice-Chair to execute documents without the initials of corresponding attorneys. In addition, "off-budget" legal fees would be dependant upon the amount of Economic Development projects at that time. After the discussion, Vice-Chairperson Hogan suggested the Chair and Vice-Chair meet with the Acting CFO to discuss recommendations.

- Bridge Painting – increase of 21.4% - the second of three planned incremental steps toward the commitment to reach the \$1 million goal in annual bridge painting
- E-Zpass Transaction Fees – increase of 7.0% - based on usage, as E-Zpass usage and revenue collected via E-Zpass increases, so do transaction fees. The transponder fee and account maintenance fees, authorizing the Authority to begin collecting January 1, 2008 will be reflected in Revenue
- Advertising & Marketing – increase of 5% does not reflect the total amount requested by the Deputy Executive Director. The Acting CFO reported that it was increased by 5% equaling the overall Budget increases.
- Airports-Line Painting – reflects the necessity to improve line painting at the airports by either an outside contractor or by providing over-time dollars for in-house crews to complete
- Electric/Natural Gas – increase of 4.4%
- Food Products – CMLF – increase of 14.3% due to improved selections reflecting a higher cost and increased sales.
- Maintenance Contracts/Software/Data Lines – increase of 7.9% due to the newly installed Police CAD system

- Education & Training – decrease of 19.1% reflecting historical spending and not conducting as much leadership training
- Remaining Categories – decrease of 0.8%

As presented, the FY 2008 Operations Budget represented a 4.98% increase over FY 2007. Without the OPEB Liability, the Budget would reflect a 3.16% increase.

Authority Vice-Chairperson Hogan reported that three Commissioners had expressed concern regarding the Advertising & Marketing Budget and he would like to see the Advertising & Marketing budget proposal for review by the Commissioners. Commissioner Lowe reminded the Committee that Hornblower Report would have more specific and detailed ideas of marketing for the CMLF and would be making specific recommendations once the Report is finalized.

Commissioner Favre reminded the Committee that a request for a Marketing Plan for the CMLF was made approximately six months ago; however, nothing had been presented to date. He further added that the recommendations would be included in the Hornblower Report. Authority Chair Parkowski added that he would like to know what is being done currently to help determine the direction the Authority should take once Hornblower presents their recommendations. The Deputy Executive Director reported that there is a presentation already prepared.

Authority Chairperson Parkowski requested an Authority-wide Marketing Plan be scheduled at 9:00 a.m. at the start of the November Executive Session.

The Committee discussed whether to schedule a Budget & Finance Committee meeting the day before the November Board meeting for a final review of the FY 2008 Operations Budget and recommend action for approval the following day. Commissioner Simmerman reported that if any issues came up during the Committee meeting, the Board would not be prepared to approve the following day. Commissioner Patterson responded that the Committee was prepared last November; however, there was a last minute issue with the proposed toll increase and asked if there were any issues which may prevent approval of the Budget in November. After discussion, the Committee agreed to schedule a Budget & Finance Committee meeting Monday, November 19, 2007 and be prepared to recommend approval of the FY 2008 Operations Budget at the November meeting.

Commissioner Patterson stated that he felt a 5% increase in the Budget was too high and challenged staff to find a way to decrease. Staff added that, without the OPEB Liability, the Budget increase would be 3.1%

Commissioner Hensley questioned the wages for the MEBA negotiations. The Chief Operations Officer provided the percentages of increase for the first and second contracts. The Committee discussed a various annual increases noting that years 2009 and 2010 are critical due to the toll increase.

Commissioner Patterson presented a Certificate of Appreciation from Mom's House of Dover, Delaware thanking the Delaware River and Bay Authority for their donation of \$5,000.

With no further business to discuss, on motion by Commissioner Smith, seconded by Commissioner Favre, the Budget & Finance Committee adjourned at 10:47 a.m.

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BUDGET & FINANCE COMMITTEE MEETING
Monday, November 19, 2007
 Delaware Memorial Bridge Complex
 New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee was held on Monday, November 19, 2007, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Cooper, Committee Member
Commissioner Hensley, Committee Member
Commissioner Lathem
Chairperson Parkowski-via Phone

Committee Vice-Chair Simmerman
Commissioner Favre, Committee Member
Commissioner Smith, Committee Member
Vice-Chairperson Hogan

Staff

Jim Johnson, Jr.
Don Rainear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens
Joe Larotonda

Authority Secretary

Tom Pankok

- IV. Committee Vice-Chair Simmerman welcomed the Budget & Finance Committee and opened the meeting at approximately 5:04 p.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.
- V. The Acting Chief Financial Officer provided a review of the Adopted vs Projected Revenue and Expenses for FY 2007. Revenue is projected to end the FY 2007 at .73% over the Adopted 2007 total. Forecasted FY 2008 Revenue is expected to be 11.97% over the Projected 2007 total. The increase in new revenue for 2008 is attributable to the Toll Increase and the E-ZPass monthly user fees, which will both be implemented in January, 2008. The Authority is expected to end the year approximately 3% or \$2.24 million under the adopted FY 2007 Operating Budget. Due to the increased healthcare costs of approximately \$1.1 million over the expected amount for 2007, the Delaware Memorial Bridge and Airports Divisions will end the year over budget by approximately \$141,000 for each Division. The Acting CFO requested authorization to transfer funds between divisions at the end of the year to cover the shortfall. On motion by Commissioner Favre, seconded by Commissioner Hensley, the Committee authorized the Acting CFO to transfer funds at the end of the year to cover the shortfall expected in the Delaware Memorial Bridge and Airports Divisions.
- VI. The Acting CFO provided a review of the FY 2008 Operating Budget. The following was highlighted.
- Major Increases and Decreases As the Acting CFO began to review the Major Increases and Decreases, the Committee began a lengthy discussion regarding the 20% proposed reduction to Community Donations requested by the New Jersey Governor's Office. Commissioner Cooper, voiced his displeasure with the reduction this year, as well as the 20% reduction last year. He further added that he would not vote to approve the Budget unless the Governor of Delaware supported the reduction. Vice-Chairperson Hogan reported that the New Jersey Governor wants Community Contributions eliminated in 5 years and the NJ Authorities Unit believed that there was a deal with the Governor of Delaware to that affect. The Committee questioned Chairperson Parkowski regarding the Governor's direction. Chairperson Parkowski reported that New Jersey wanted Community Contributions eliminated entirely last year. After discussions with representatives from the New Jersey Authorities Unit, as well as Delaware Governor's Representatives, a compromise was reached to reduce by 20% each year rather than eliminate all together and

substantially impacting agencies which may be depending on the Authority's contributions. He further added the New Jersey Authority's Unit felt that there was no difference between the Community Donations and the funding provided to Salem Partners and the City of Millville for fire and safety services. The funding to these organizations would be reduced by 50% rather than eliminating at once. The Committee discussed various solutions; however, at the end of the discussion, Chairperson Parkowski noted that this issue will not be resolved by the Board, but by the Governors of New Jersey and Delaware. The New Jersey Governor is intent on eliminating Community Contributions in five years. If there is support from both Board members and the community, a compromise may be reached for future years.

Committee Vice-Chair Simmerman requested that the Acting CFO be permitted to continue with the review of the proposed FY 2008 Budget and return to the discussion at the end of the presentation. The Acting CFO continued the review.

- Exhibit A – Eliminated Positions and recommended Annual Wage Adjustment
- Exhibit B – Historical Comparison of Positions
- Exhibit C – Insurance Schedule
- Exhibit D – Healthcare Modifications
- Exhibit E – Analysis of Pension Increases
- Exhibit F – Breakdown of “Remaining Categories”
- Exhibit G – OPEB Liability

The Acting CFO reported that the small changes to the cost-sharing of Healthcare Benefits resulted in dramatic long-term affects by dropping the future OPEB Liability by \$8 million. By implementing the phased in approach, the Annual Required Contribution (ARC) will be fully funded by 2012. This approach provides responsible, prudent and methodical steps to fund future retirement Healthcare Benefits.

VII. The Acting CFO reviewed Expenditures by Division and Category and the FY 2008 Financial Model. It was noted that the Budget as presented represents a 2.97% growth above the FY 2007 Operating Budget and 4.56% overall including OPEB Liability funding. The Debt Service Coverage increases from 1.56x in 2007 to 1.88x in 2008 with the inclusion of the 2008 Toll Increase and E-ZPass fees.

VIII. The Acting CFO presented the proposed Resolution authorizing the 2008 Operating Budget. The Committee Vice-Chair Simmerman then returned the discussion to Community Donations. Commissioner Smith reported that she realizes how important the donations are to non-profits, as she is on the Board of five non-profit organizations; however, she would support approving the Operating Budget with the reduction, realizing that the Authority must go to the public with a toll increase in the near future.

Commissioner Favre added that he did not think that a cut in Community Donations should be accepted without discussion and that now was the time to work with both Governors' offices to resolve this situation, but would support approval of the Operating Budget. Commissioner Favre noted that he served as Vice Chair of the New Jersey State Counsel on the Arts and New Jersey continues to provide \$20 million in tax payer funding to that organization and sees no difference in the Authority providing assistance to local non-profits organizations. Commissioner Favre further stressed the necessity for an Airports Business Plan as revenues are flat and the Authority continues to fund increasing Airport expenses.

The Executive Director thanked the Acting CFO, the Controller and staff for working with all of the departments in order to find areas to control costs.

Authority Vice-Chair Hogan added that this was a good budget and he has served on several non-profit boards and knows the importance of the funding to the communities. He continues to encourage Gloucester County recipients to write directly to the Governor's office voicing their support of the funding. Vice-Chair Hogan added that he would support approval of the Operating Budget; however, the Authority should investigate decreasing the fleet of vehicles, purchasing vehicles locally from GM or Chrysler and consider "green" alternative ways of saving money.

Committee Chair Simmerman added that a less than 3% growth in the Operating Budget was commendable. The Board did the right thing by approving a toll increase for 2008 which will help until 2010. He recognizes the issue of Community Contributions and also added he felt that the Advertising & Marketing budget should be higher, but now was not the time to add line item increases. Committee Chair Simmerman then encouraged the Commissioners to support approval of the Operating Budget.

After all comments and discussion, Commissioner Smith motioned and Commissioner Favre seconded the motion. A roll call vote was conducted and, the Committee recommended approval of the FY 2008 Operating Budget, with Commissioner Cooper voting NO. The Resolution authorizing the FY 2008 Operating Budget in the amount of \$74,778,970 will be presented to the full Board for consideration at the Public Session the following day.

With no further business to discuss, on motion by Commissioner Favre, seconded by Commissioner Simmerman, the Budget & Finance Committee adjourned at 6:20 p.m.

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

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9682. COMMITTEE REPORT – PERSONNEL COMMITTEE

Commissioner Lathem presented the Personnel Committee meeting of November 5, 2007.

PERSONNEL COMMITTEE MEETING
Monday, November 5, 2007
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Monday, November 5, 2007, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Lathem
Commissioner Lowe, Committee Member
Commissioner Hensley

Commissioners from New Jersey

Committee Vice-Chair Dorn
Commissioner Simmerman
Commissioner Smith
Vice-Chairperson Hogan

Governors' Representatives

Sonia Frontera

Staff

Jim Johnson
Don Rainear
Victor Ferzetti

Authority Secretary

Tom Pankok

Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens

- I. Committee Chair Lathem welcomed the Personnel Committee and opened the meeting at 10:48 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.

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

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS
- LEGAL MATTERS

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

- II. Resolution 07-08 – Authorizing Amendments to the Personnel Manual

This Resolution was tabled at the October Board meeting in order to allow time for Authority-wide employee informational meetings regarding the proposed changes to the healthcare benefits. The Chief Human Resource Officer reported that 31 total meetings had been conducted over a seven day period and included 69% of the active workforce and 33% of retirees. The CHRO reviewed some of the feedback from employees, including an increased interest and focus on wellness programs. Most employees understood the presentation and the issue of the business needs of the Authority. The CHRO reported that informational packets, including a list of Questions & Answers, as well as specific details relating to open enrollment, will be mailed to each employee and retiree's home. The enrollment period lasts from November 5 through November 26, 2007.

The Executive Director reported that he received correspondence from officials from Local 542 asking for a delay on implementation and requested copies of the proposed details of the plans. A written response was sent November 1, and details of plans were faxed as well. Mr. Bart Houck, Local 542, requested the delay to review for the possibility of removing the members from the Authority's healthcare plan and including them in a Local 542 plan. Mr. Houck questioned what would happen upon a member's retirement. The Executive Director noted that, once removed from the plan, he did not foresee members being permitted back into the plan at retirement. The Executive Director also requested information and details regarding Local 542's healthcare plan and, to date, received no information regarding the plan or response from the November 1 reply. Committee Chair Lathem explained that Local 542 did not receive information from the Authority until October 23rd and had no time to digest the information, and now are asking for the implementation date to be changed. The members have contacted Senator Sweeney in New Jersey and Representative Terry Spence, Speaker of the House in Delaware and have made this a political issue. The Executive Director reported that Article 29 of the Collective Bargaining Agreement addresses this issue and as long as any changes are made Authority-wide the Union could change also.

The Committee questioned the length of time necessary to process changes. The CHRO reported that, typically, there would be a 3-4 week enrollment period after which vendors would need approximately 30 days to process the changes. New cards must be ready for employees and retirees by January 1, 2008. The Executive Director added that employees may also need the time to consider their pre-tax contributions to the Section 125 plan, depending on their choice of healthcare plan.

The Acting Chief Financial Officer added that this process began in May of this year and the Committee elected to conduct the discussions in Executive Session due to the complexity of the issue. As soon as staff got the final direction from the Committee, staff began the informational process to notify employees.

Commissioner Lowe responded that Local 542 could present their Plan during negotiations next year and that we should not delay the implementation.

Chairperson Parkowski added that employees have got to get up to level of the 10% cost share as other agencies and organizations have done. The union has asked for more time to review; however union representatives can consider healthcare options in the future.

Vice-Chairperson Hogan questioned whether the Authority could dictate the type of tests given. Staff responded that during the Blue Cross/Blue Shield assessment, complex imaging, hospitalization, as well as emergency room usage, was identified as being well over the average usage, and it was recommended to add co-pays as a means of cost sharing. It could also encourage the employee to ask if an x-ray could be used instead of complex imaging as a first choice. However, the Authority does not dictate or limit the type of test or treatment.

Commissioner Simmerman added that the proposed changes were competitive and fair. The Board delayed acting to allow staff to conduct the employee meetings and the union will have the opportunity to present their plan to members during negotiations next year.

Committee Chair Lathem reminded the Committee of potential political pressure which may come. Vice-Chairperson Hogan reported that he had not received any comment from New Jersey Senator Sweeney.

After discussion, on motion by Commissioner Lowe, seconded by Commissioner Favre, and unanimous vote of present members, the Committee recommended moving the Resolution to the full Board for consideration at the November meeting.

III. The CHRO presented and reviewed the summary of changes to the Delaware River and Bay Authority Employees' Personnel Manual. The CHRO noted that the Sections had been reviewed by New Jersey and Delaware Legal Counsel. The following was reviewed.

- a. Section X – Employee Benefits
- b. Section XI – Job Incurred Injury or Illness
- c. Section XII – Promotion Transfer and Demotion
- d. Section XIII – Separation
- e. Section XIV – Personnel Records

Committee Chair Lathem asked several questions regarding the Personnel Manual and the CHRO answered accordingly. There was a lengthy discussion on Leave of Absences; however, after discussion, the Committee did not recommend any changes to what was presented. Vice-Chairperson Hogan questioned declared state of emergencies and asked whether Authority employee identification cards identified whether an employee was essential or non-essential as his card denoted. The CHRO responded that staff would consider including that designation on the ID card. Committee Chair Lathem also questioned the “Acting” designation and several other questions regarding compensation. The CHRO offered to meet with the Committee Chair to review the Authority’s Compensation Policy.

The Committee had no further questions regarding the changes and the CHRO noted that additional Sections will be presented, as they are revised and updated. Once all sections have been reviewed, the updated Personnel Manual will be presented comprehensively to the Committee for recommendation to the full Board.

With no further business to discuss, on motion by Commissioner Favre, seconded by Commissioner Dorn, the Personnel Committee adjourned at 11:58 a.m.

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9683. COMMITTEE REPORT – PROJECTS

Commissioner Favre presented the Projects Committee meeting minutes of November 5, 2007 for Commissioner Lowe.

PROJECTS COMMITTEE
Monday, November 5, 2007
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority’s Projects Committee was held on Monday, November 5, 2007, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Lowe, Committee Chair
Commissioner Hensley, Committee Mbr
Commissioner Patterson, Committee Mbr
Commissioner Lathem
Chairperson Parkowski

Commissioner Favre, Committee Vice-Chair
Commissioner Dorn, Committee Mbr
Commissioner Simmerman, Committee Mbr
Commissioner Smith
Vice-Chairperson Hogan

Governors’ Representative

Sonia Frontera – NJ

Staff

Authority Secretary

Jim Johnson
Don Rainear
Jim Walls
Trudy Spence-Parker
Gerry DiNicola-Owens
Victor Ferzetti
John Jones
Kelly Phillips Parker

Tom Pankok

- I. The Projects Committee meeting convened at approximately 11:58 a.m. Those in attendance were provided an informational package consisting of an agenda, one bid tabulation, one contract close-out action, the monthly contractor payment

chart with associated change orders (through October), a Capital Improvement Program (CIP) Draft Budget, and a draft resolution.

II. Resolutions:

- Land Conveyance: The Executive Director briefed the Committee on the draft resolution authorizing the Executive Director to negotiate the terms and conditions of a land transfer and easement agreement with the Delaware Solid Waste Authority associated with the conveyance of a 21.24 acre parcel located adjacent to the western approach roadways of the Delaware Memorial Bridge. Chairperson Parkowski asked to be recused from the action due to a conflict of interest. It was reported that in exchange for the conveyance of this land at no cost, the agreement will relieve the Authority from all closure costs (past, current, and future) and future liability. The Projects Committee concurred with the recommendation and authorized the resolution be presented at the November Board meeting for approval.

III. Bid Openings/Award Actions:

- DAP-07-03, Obstruction Removal, Delaware Airpark: A public bid opening was held on October 30, 2007, in which three bids were received. The COO recommended award of the base bid and add alternate No. 1 to the responsive low bidder, Eastern States Construction Service, Inc., in the total amount of \$199,000.00. The Projects Committee concurred with the recommendation and authorized the action be presented at the November board meeting.

IV. Contract Close-Out Actions: Miscellaneous Items/Updates:

- NCA-01-02, Construct Taxiway M and K, Hold Apron and Blast Wall, New Castle Airport. The COO recommended approval for final payment to the contractor, Diamond Materials, in the final contract close-out amount of \$4,002,320.67. The Projects Committee concurred with the recommendation and authorized the action be presented at the November board meeting.

V. Contractor Payment and Change Order Review (thru November): Staff informed the Committee of the monthly construction contractor payments along with associated changes orders for all active construction contracts.

VI. Miscellaneous Items/Updates:

- Capital (Crossings/Airports) Improvement Program (CIP) Draft Budget: Staff opened the budget presentation with a major capital project overview forecasting fifteen (15) years for both the Delaware Memorial Bridge and Cape May-Lewes Ferry. The Director of Engineering and Maintenance highlighted numerous projects including the 1st structure improvement program (scheduled for construction in the 2014-2018 timeframe which includes deck replacement, suspender rope replacement and lead paint abatement of the 1st structure for an estimated total cost of \$272 million), security projects, ferry vessel projects, and other major infrastructure work. The Committee was then briefed on the Five-Year and One-Year CIP proposed budgets for both Crossings and Airports. Staff mentioned that some projects have increased in cost since last year and that these increases are in the proposed budget. Staff also stated that the possibility existed that the FAA federal cost share may be reduced from 95% to 90% and that the budget incorporates this possibility. Committee Vice Chair Favre made a suggestion to categorize projects in a way that may help with review and that Airport Business Plans be utilized to help with capital decisions regarding airport work. Vice Chair Hogan asked that staff explore the possibility of consolidating Police Dispatch Centers. The Director of Engineering and Maintenance highlighted many projects throughout the draft CIP budget document and reported that the process was collaborative and involved key leaders in operations, finance, engineering, and maintenance. The proposed

CIP will assure that the public continues to enjoy quality transportation services in a safe and efficient manner as well as prudently maintain and enhance facilities as necessary. After discussion and all questions being answered, the Committee requested that all review the draft document and provide comments, if any, to staff. Once all comments are received and addressed, staff will finalize the document and make a recommendation for adoption as early as the December Committee and Board meetings.

- Carney's Point Tenant Fit-Out: Staff recommended that based upon the adoption of Resolution 07-42, which authorized a lease amendment to lease additional square footage to Clement Pappas, that existing design (Tevebaugh Associates) and construction management (InSite/Hessert) contracts be utilized to accomplish this work as well as all future fit-out work. Cost estimates were provided for the anticipated work which would include tenant fit-outs for both Clement Pappas and North American Energy Systems (NAES). The Projects Committee supported the recommendation.

There being no further business for the Projects Committee, the public meeting was adjourned at approximately 12:52 PM.

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

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9684. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Smith presented the Economic Development Committee meeting minutes of November 5, 2007.

ECONOMIC DEVELOPMENT COMMITTEE
Monday, November 5, 2007
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Monday, November 5, 2007, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Vice-Chair Hensley, arrived after the roll call
Commissioner Patterson, Committee Member
Commissioner Lathem
Commissioner Lowe
Chairperson Parkowski

Commissioners from New Jersey

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

Governors Representatives

Sonia Frontera - NJ

Staff

Jim Johnson
Don Rainear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry Owens
Joe Larotonda
TJ Murray
John Jones
Kelly Phillips Parker
Andrew Ritchie
Ken Hynson

Authority Secretary

Tom Pankok

The Committee Chair Smith welcomed the meeting of the Economic Development Committee and opened the meeting at approximately 9:17 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.

Although a quorum was not present at the time of roll call, Committee Vice-Chair Hensley arrived after the roll call to complete the quorum.

The Deputy Executive Director provided informational updates on the following projects.

Cape May Airport

The Deputy Executive Director reported that the private sector hangar development is approximately 90% complete and should be finalized within the next several weeks. By spring of 2008, there should be six new hangars at the Cape May Airport.

Millville Airport

The Deputy Executive Director reported that the facility vacated by the Vo-Tech School of Aviation had been leased to Mr. Duffy to house his vintage WWII airplane collection. Also reported, the Airports.

Operations Manager-New Jersey and members of the Millville Aviation Museum recently met with New Jersey Senator Van Drew for assistance in obtaining grants from the State of New Jersey to build a new hangar as well as repair existing hangars associated with the museum. The Deputy Executive Director reminded the Committee that, as a public entity, any improvements would need to conform to the plans of the Authority. Vice-Chairperson Hogan cautioned staff regarding legislative assistance for this purpose as it may be needed during the Authority's 2010 toll increase. The Executive Director suggested that Museum officials contact the Department of Transportation to try to obtain funding through the Federal Transportation Enhancement Program.

New Castle Airport

The Deputy Executive Director reported staff continues to receive inquiries for space at the New Castle Airport. Also reported, Honda Jet delayed the site visit to the New Castle Airport in order complete additional due diligence. The Authority worked in conjunction with the Delaware Economic Development Office to develop a proposal to bring the newly designed and less expensive jet to the Airport which could subsequently produce a number of skilled jobs to the area. An update will be provided to the Committee as necessary.

The Deputy Executive Director reported that the Lease Agreement with XO Jet for hangar space at the former MBNA Hangar should be finalized within a few days. As part of conducting due diligence, an environmental assessment was conducted by URS and Duffield, the Authority's Construction Project Managers for the New Castle Airport. A series of borings were around underground tanks produced no visible signs of contamination; however, staff is waiting for test results. Once completed, the Agreement with XO Jet should bring a significant number of pilots and maintenance and repair personnel to the Airport, as well as fuel flowage fees revenue to the Authority.

Commissioner Lowe requested an update regarding Skybus coming to the Airport. The Chief Operations Officer reported that the Director-Airport Operations is still conducting preliminary discussions and will update the Board as necessary.

Rowan Technology Park

Commissioner Simmerman questioned whether funds had been paid out for the Rowan Technology Park. The Director of Engineering & Maintenance reported that, once the joint walk-through had been completed and a Certificate of Occupancy had been issued, the \$5 million in funding would be provided.

There being no further business to discuss, on motion by Commissioner Simmerman, the Economic Development Committee adjourned at 9:40 a.m.

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

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9685. 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 September.

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

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9686. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The Acting CFO presented a chart showing statements of income and expenses for the month of September 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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9687. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The Acting CFO presented a chart for October 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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9688. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The Acting CFO presented a chart for the month of October 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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9689. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF OCTOBER 31, 2007.

The Acting 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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9690. PUBLIC COMMENT ON ACTION ITEMS.

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

- Contract DAP-07-03 Obstruction Removal – Delaware Airpark
- Contract Close-out NCA-01-02 Construct Taxiway M and K, Hold Apron and Blast Wall
- Resolution 07-48 Amends the Authority’s Personnel Manual
- Resolution 07-49 Approval of Community Contribution Requests
- Resolution 07-50 Authorizing Authority Expenditures \$25,000 and over
- Resolution 07-51 Transfer of Land to the Delaware Solid Waste Authority (DSWA)
- Resolution 07-52 Adoption of the DRBA 2008 Operating Budget

Louis Agre, Local 542, spoke. He requested demographic information on everyone in Local 542 believing that the union has better buying power and may be able to obtain better pricing on the health plan but needs more information.

Frank Bankard, Local 542, spoke on the cost of health care benefits and that the union can save employees and the Authority money because of its competitive scale. He stated that 65% of the Authority’s workforce is covered by the union and that some hourly employees will see a 20% increase in the cost of their health benefits. He believes Local 542’s health plan could reduce those costs.

Vincent Ascione, Local 542, asked the Commissioners to help the people who work here and that the health care changes will have a tremendous impact on the working people. He wants more time for the union to compare the two health plans and be competitive with the Authority’s.

Chairperson Parkowski stated that the Commissioners are faced with a time crunch and need to adopt a budget for the next fiscal year.

Ken Thomas, Maintenance, spoke regarding his concerns on the health care changes. He stated that the changes will require employees to pay more out of pocket money and that it will have a significant impact on families.

John Yeager, Maintenance, asked when is the revised Personnel Manual coming out and where can he get a copy of the existing version.

The Executive Director stated that the Manual has been under review for the last five months and revisions are being worked on. However, copies of the existing Personnel Manual can be obtained on the intranet or through the employees HR Generalist. Every new employee receives a copy.

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9691. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

<u>Contractor</u>		<u>Payment</u>
DMB07-02	Marinis Brothers, Inc.	\$ 33,750.00
DMB-07-01	Eastern Highway Specialists	\$347,612.85
DMB-06-02	Marinis Brothers, Inc.	\$525,026.35
DMB-04-04	J.D. Eckman, Inc.	\$395,249.88
CMLF-07-05	Lyons Shipyard, Inc.	\$128,344.50

NCA-04-01	Diamond Materials	\$271,908.94
NCA-01-02	Diamond Materials	\$ 16,575.00
MVA-06-02	South State, Inc.	\$201,735.00
MVA-04-02	Glasgow, Inc.	\$ 38,592.87

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9692. OBSTRUCTION REMOVAL – DELAWARE AIRPARK-
CONTRACT # DAP-07-03

The Chief Operating Officer (COO) stated that a bid opening was held on October 30, 2007 in which three bids were received. Staff recommended awarding the bid to the lowest responsive bidder, Eastern States Construction Services, Inc. in the amount of \$199,000.00 (Base Bid of \$185,000.00 and Add Alternate #1 of \$14,000.00). The Projects Committee concurred with the recommendation.

Chairperson Parkowski stated that this is an important contract to remove trees that have become hazardous for air flight.

Vice-Chairperson Hogan stated that the tree removal will ease a source of problems at the airpark.

A motion to award Contract #DAP-07-03 to Eastern States Construction Services, Inc. in the amount of \$199,000.00 was made by Commissioner Favre, seconded by Commissioner Smith and approved by a roll call vote of 9-0.

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9693. CONTRACT CLOSE-OUT- CONSTRUCT TAXIWAY M
AND K, HOLD APRON AND BLAST WALL – CONTRACT #NCA-01-02

On December 1, 2005 Contract No. NCA-01-02 Runway 1-19 Construct Taxiway M and K, Hold Apron and Blast Wall, was awarded to Diamond Materials of Wilmington, Delaware for the bid price of \$3,718,941.75.

During the contract period, Change Order No.'s 1-11 were approved for the project.

1. October 29, 2007 Adjustment in quantities to reflect actual field conditions.
Add: \$283,378.92.

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$4,002,320.67.

A motion to close-out Contract #CMLF-06-01 was made by Commissioner Smith, seconded by Commissioner Hensley, and approved by a roll call vote of 9-0.

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9694. CHAIRPERSON’S CALL FOR ACTION ON THE
RESOLUTIONS BEFORE THE BOARD.

**RESOLUTION 07-48 - AUTHORIZING AMENDMENTS TO THE
AUTHORITY’S PERSONNEL MANUAL**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is committed to providing its employees and retirees a comprehensive core benefit program; and

WHEREAS, the Authority is responsible for prudent financial governance with respect to those core benefit programs; and

WHEREAS, the Authority is responsible for taking appropriate action to control escalating core benefit program costs; and

WHEREAS, the Budget & Finance Committee and the Personnel Committee have each reviewed the proposed changes to the Authority's cost benefit program and recommends approval thereof to the Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the following benefits changes to be implemented January 1, 2008 as follows:

1. The Authority shall consolidate healthcare insurers to three plans: Blue Cross Blue Shield of Delaware's Blue Choice Plan (PPO), Blue Care Plan (HMO), and Blue Cross Blue Shield of New Jersey's Horizon HMO, in an effort to continue to provide employees and retirees a choice in healthcare plan offerings.
2. The Authority shall implement certain plan design changes in the areas of:
 - Emergency Room Visits
 - In-patient hospital stay
 - Complex Imaging
 - Prescription drugs (Retail and Mail Order)
3. The Authority shall adjust employee contributions linked to the total annual cost of healthcare by plan to include 7% in 2008, 8% in 2009, 9% in 2010, and 10% in 2011.

Commissioner Lathem stated that he wants to make sure that a wellness program is implemented.

Vice-Chairperson Hogan noted the necessity to develop a wellness program. He then stated that this is the most difficult vote he had to make thus far and did not sleep last night over the issue. He was contacted by Senator Sweeney (District 3, NJ) who requested that the Vice-Chair meet with representatives from Local 542 and invited all the Commissioners to join him. The Vice-Chair stated that the meeting will not affect his vote today.

Commissioner Favre stated that the wellness program needs to be on the front burner.

A motion to approve Resolution 07-48 was made by Commissioner Hensley, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

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RESOLUTION 07 -49 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 November, 2007; and

A motion to approve Resolution 07-50 was made by Commissioner Favre, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

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RESOLUTION 07-51 –AUTHORIZING THE TRANSFER OF LAND BY THE DELAWARE RIVER AND BAY AUTHORITY TO THE DELAWARE SOLID WASTE AUTHORITY.

WHEREAS, The Delaware River and Bay Authority (“the Authority”) is the owner of a certain piece of land located proximate to the western approach roadways of the Delaware Memorial Bridge; and

WHEREAS, this land is part of the 120 acre Pigeon Point landfill (the “Landfill”) which is owned and operated by the Delaware Solid Waste Authority (“DSWA”); and

WHEREAS, this Landfill operated from 1968 until 1985 and contains approximately 6 million tons of solid waste; and

WHEREAS, the land to be conveyed by the Authority to DSWA has no practical value or use as it contains solid waste, steep sideslopes, a stormwater management basin, and an irregular boundary; and

WHEREAS, in exchange for the conveyance of this land to DSWA at no cost, DSWA will relieve the Authority from all closure costs (past, current and future) and future liability; and

WHEREAS, in addition to the Land Transfer Agreement, an Easement Agreement shall be prepared that allows the DSWA to access the landfill maintenance road and several groundwater monitoring wells; and

WHEREAS, the Projects Committee has reviewed, approved and recommends the Land Transfer and Easement Agreements.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to negotiate the terms and conditions of the Land Transfer and Easement Agreements with the Delaware Solid Waste Authority for a 21.24 acre parcel located adjacent to the western approach roadways of the Delaware Memorial Bridge and have such Agreements, with the advice and consent of Counsel, executed by the Authority Chairperson, Authority Vice Chairperson and the Executive Director.

A motion was made by Commissioner Favre to table Resolution 07-51 until additional work has been completed, seconded by Commissioner Smith. With Chairperson Parkowski abstaining, the motion to table Resolution 07-51 was approved by a roll call vote of 8 in favor and 1 abstention.

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RESOLUTION 07-52 - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY’S 2008 OPERATING BUDGET

WHEREAS, Section 505 of the Trust Agreement, dated October 1, 1993, requires that The Delaware River and Bay Authority (the “Authority”) adopt a budget for the ensuing fiscal year; and

WHEREAS, the proposed operating expenses for FY2008, excluding the Airports division, are \$69,208,577; and

WHEREAS, the budget includes funds for salaries and wages of Authority personnel, and materials and services for Authority activities; and

WHEREAS, for FY2008, interest on outstanding bonds is currently approximately \$14,594,883, and amortization of principal will be \$7,670,000 for total debt service of approximately \$22,264,883; and

WHEREAS, the amount to be deposited to the credit of the Reserve Maintenance Fund with respect to Crossing Facilities shall be \$175,000 per month or \$2,100,000 for FY2008; and

WHEREAS, the projected revenue of the Authority for FY2008, excluding the Airports division, is approximately \$110,991,444 resulting in a debt service coverage of 1.88x, meeting the toll covenant; and

WHEREAS, the proposed operating budget for the Airports division operated by the Authority is \$5,570,393; and

WHEREAS, the Budget and Finance Committee has conducted publicly advertised hearings and meetings on the proposed 2008 Operating Budget; and

WHEREAS, the Budget and Finance Committee has developed, reviewed, and approved the proposed 2008 Operating Budget and recommends its adoption to the Board of Commissioners; and

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby adopts an operating budget of \$69,208,577 for the Bridge, Ferry, Food Services, Three Forts Crossing, Police, and Administration Divisions, and a budget of \$5,570,393, for the Airports division operated by the Authority for a total of \$74,778,970 for FY2008, and authorizes the Executive Director to exercise the approved management discretion and spend within the approved FY2008 budget.

A motion to approve Resolution 07-52 was made by Commissioner Smith, seconded by Commissioner Favre, and approved by a roll call vote of 9-0.

Chairperson Parkowski noted that this year's expenses over last years have been less and that the 2008 budget is a tight budget with tighter controls to preserve jobs and future pension dollars.

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9695. COMMISSIONERS PUBLIC FORUM

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

Frank Bankard, Local 542, noted the union's presence for the last few years and wanted to thank the Executive Director for going above and beyond his dealings with the union.

Vice-Chairperson Hogan noted that he is the recipient of a New Jersey pension that will have problems in the future. There will be significant cuts in the State budget. These are tough decisions to preserve employment and healthcare and does not know what the future will be.

Commissioner Lathem stated that he does not apologize for Community Contributions. Community Contributions are needed to help those less fortunate. He believes, morally, that the Authority should continue doing what it's doing in terms of giving.

Commissioner Favre echoed Commissioner Lathem's remarks. He also wanted to thank all of the Authority employees this time of year as Thanksgiving approaches.

Vincent Ascione, Local 542, wanted to thank the Commissioners for allowing him to speak and to wish everyone a happy holiday.

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

The meeting was adjourned 11:23 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Board Secretary