

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, December 19, 2006
James Julian Boardroom
Administration Building
New Castle, Delaware 19720

The meeting convened at 11:15 a.m. with Vice-Chairperson Parkowski presiding.

Vice-Chairperson Parkowski welcomed everyone and asked Father Drupreski to deliver the opening prayer followed by the Pledge of Allegiance led by Executive Director Johnson.

Vice-Chairperson Parkowski called on Senator and Freeholder Director, Stephen M. Sweeney of Gloucester County, New Jersey to bestow the Oath of Office to Mr. James N. Hogan of Gloucester County, New Jersey.

Vice-Chairperson Parkowski then called on State Assemblyman Jeffrey Van Drew of New Jersey to bestow the Oath of Office to Mrs. Susan Atkinson DeLanzo of Cape May County, New Jersey.

Vice-Chairperson Parkowski 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

Susan Atkinson DeLanzo
Edward W. Dorn
Niels S. Favre
James N. Hogan
Gary F. Simmerman
Ceil Smith

F. Michael Parkowski, Vice-Chairperson
Thomas J. Cooper
Verna W. Hensley
Samuel E. Lathem
William E. Lowe, III
Gary B. Patterson

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Vice-Chairperson Parkowski called for nominations to fill the current vacancy in the office of Board Chairperson. Pursuant to Section 2.3 of the Authority By-Laws, if a vacancy occurs in the office of either Chairperson or Vice Chairperson during the term for which either was elected, a successor shall be elected from among the Commissioners from the same state as the former office holder.

A motion to nominate Commissioner Hogan as Chairperson was made by Commissioner Dorn and seconded by Commissioner Smith.

Commissioner Dorn motioned to close the nominations, seconded by Commissioner Smith and unanimously approved by a voice vote of 12-0.

The motion to elect Commissioner Hogan as Chairperson was approved by a roll call vote of each of the New Jersey Commissioners (6-0) pursuant to Section 2.3 of the Authority By-Laws. Then, a vote was called of the Delaware Commissioners approving the motion by a roll call vote of 6-0.

Chairperson Hogan then presided over the meeting.

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9517. APPROVAL OF THE NOVEMBER 21, 2006 MINUTES

Commissioner Simmerman motioned for approval of the November 21, 2006 minutes, seconded by Commissioner Favre and approved by a voice vote of 12-0.

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9518. EXECUTIVE DIRECTOR'S REPORT

The Executive Firector presented the following highlights that occurred within the Authority during the month of November.

Delaware Memorial Bridge

Total traffic during the month of November increased 0.9%, compared to the same period in 2005. Non-commercial traffic increased 0.7% and commercial traffic increased 2.0%. When compared to the 3-year average, November traffic increased 1.6%. Year-to-date traffic increased 0.7% over the 3-year year-to-date average.

E-ZPass traffic for November 2006 represented 56.1% of the total traffic as compared to 54.0% for the previous year. Total electronic traffic year-to-date represents 55.1%, an increase of 3.1% from the same period in 2005.

During November, our in-house maintenance workforces have performed superbly on numerous projects to include DMB curb-to-rail painting, toll plaza improvement projects, fall landscaping and grounds keeping including preparing the War Memorial for the Veteran's Day ceremony, winterization activities to include winterizing water lines and preparing snow removal equipment for the upcoming winter season, and miscellaneous road and ramp repairs.

Cape May Lewes Ferry

In November, vehicle and passenger traffic decreased 4.2% and 5.0% respectively, when compared to November, 2005. Compared to the average of the last three years, year-to-date vehicle traffic and passenger traffic decreased 2.6% and 3.6%, respectively. Year-to-date fare and fee revenues increased 8.3%, compared to 2005.

In November, CMLF food and retail sales decreased 1.4% and 5.6%, respectively, from November, 2005. Year-to-date food and beverage decreased 1.1% and retail revenues decreased 2.9% when compared to 2005.

Hornblower Marine Services (HMS) has met with Commissioners and employees in the initial stages of the Marine Master Planning process. HMS will continue to collect data and gather information from employees through various working groups. Some working groups may include: vessel design; quality and efficiency; service levels & optimization; and stakeholder outreach. Hornblower will next be back on site in January.

On Tuesday, November 14th, the US Coast Guard performed their annual facilities inspection in Cape May and Lewes. They reviewed required documentation, physical security measures and compliance with federal regulations. We received a rating of 100%, with no deficiencies noted. Sgt. Thomas Quigg of Cape May and M/Cpl. John Barnett of Lewes, our Facility Security Officers, are to be commended for the fine job they did on this inspection. It is the third time in a row that we have received 100% compliance at these facilities

Airports

Delta representatives visited the New Castle Airport and met with Authority representatives and members of the local business community. Delta/ASA's passenger

loads continue to average 55% for both daily flights through November. As expected, Thanksgiving weekend saw most flights full, with Delta electing to operate its 50-seat aircraft to accommodate the higher loads. We will continue to work with the local business community and governmental agencies to increase awareness of Delta's presence in the regional market.

Employee Happenings

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

Authorized Positions	481
Positions Filled	438
Positions Filled (on LTD)	9
Total Positions that are Vacant	34
Vacant Positions in the Hiring process	19

Staff attended the Eastern States Transportation Network Annual Meeting held in Philadelphia. The Eastern States Transportation Network (ESTN) provides an opportunity for managers and supervisors to discuss common concerns with peers throughout a network representing nineteen regional transportation agencies including the DRBA. The ESTN supports the exchange of information in and among its six major focus groups: Human Resources, Maintenance, Purchasing, Police/Public Safety, and Toll operations. In addition, the DRBA will be the host agency for the 2008 Annual Meeting.

The Thanksgiving Initiative was a success. Food baskets containing turkey and food stuffs for 75 families were delivered by numerous Authority employees to randomly selected school districts in Salem County, New Jersey; New Castle County, Delaware and Sussex County, Delaware, as well as one children's home in Newark, Delaware. Twenty-five food baskets will be delivered in Cape May County on November 21st for a total of 100 families.

The Community Initiative Committee continued its efforts by organizing the Holiday Adopt-a-Family program. The Authority is working with the Bridgeton City School District (NJ), Lower Alloways Creek School District (NJ), Christina School District (DE), and Smyrna (DE) School District to assemble clothes and gifts for twenty-seven (27) families (94 children total).

The Executive Director called on Deputy Executive Director Rainear to discuss recent developments at the New Castle Airport and noted the tremendous effort Mr. Rainear and staff made in negotiating a lease with Dessault Falcone Jet.

Deputy Executive Director Rainear stated that a major manufacturer, Dessault Falcon Jet, just announced its selection of New Castle Airport to expand its business creating 50-100 jobs. Dessault will retrofit an existing facility at the Airport at its own expense.

Vice-Chairperson Parkowski stated that it is success stories like this that make what we do worthwhile because it benefits the community. He stated that he looks forward to the same results in New Jersey.

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9519. COMMITTEE REPORT – BUDGET & FINANCE

Commissioner Simmerman noted the issues before the Budget & Finance Committee including Community Contribution requests, a proposed toll increase, an increase in the Authority's self insurance and the proposed 2007 budget. He stated that the approval of the 2007 budget has been delayed until January to resolve any issues surrounding a toll increase and to review it with the two recently appointed New Jersey Commissioners. Commissioner Simmerman then presented the following Budget & Finance Committee meeting minutes held on December 4 and 18, 2006.

**BUDGET & FINANCE COMMITTEE MEETING
Monday, December 4, 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 Monday, December 4, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Chair Simmerman
Commissioner Smith, Committee Member
Commissioner Dorn

Commissioners from Delaware

Commissioner Hensley, Committee Member
Commissioner Lathem, Committee Member
Commissioner Cooper
Commissioner Lowe
Vice-Chairperson Parkowski

Governors' Representatives

Sonia Frontera

Staff

Jim Johnson, Jr.
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens
Joe Larotonda
Ken Hynson
Kelly Phillips Parker
AJ Crescenzi
Anna Marie Gonnella Rosato
Jim Salmon
John Sarro
TJ Murray

Authority Secretary

Tom Pankok

- I. Committee Chair Simmerman welcomed the Budget & Finance Committee and opened the meeting at approximately 9:15 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. Community Contribution Requests – the Committee discussed and reviewed the Community Contribution requests for December. Due to the absence of Committee Vice-Chair Patterson, the Delaware requests were not finalized. Committee Chair Simmerman also reported that, in the absence of a Gloucester County Commissioner, the remaining New Jersey Commissioners would meet to review and to determine which Community Contribution requests from Gloucester County would be recommended for approval. All requests need to be finalized before the December meeting.
- III. The Acting Chief Financial Officer referenced the previously discussed toll increase scenarios presented. It was noted that Option B1, which increased rates on the Commercial and Discount segments, would provide approximately \$12.0 million in new revenue. Based on previous discussions the FY 2007 Operating Budget and CIP to be discussed assume the adoption of a toll increase which provides \$12.0 million in additional revenue. The Acting CFO noted however, that the implementation date of such an increase still needed to be discussed. He informed the committee that primarily two options were available:

- Wait for the DRPA to make a determination regarding any toll increase they may have at which time the DRBA would establish and implement an increase.
- Immediate implementation of a partial rate increase which would temporarily defer the need for another general toll increase to 2010.

The Committee discussed the option of no toll increase at this time. The Acting CFO reported that, if there were no toll increase at all, the Authority should reduce its operating expense growth to approximately 2% annually, severely reduce the Crossing Capital Improvement Program and suspend any new economic development initiatives. This would enable the Authority to divert its cash from the General Fund to required-only improvements.

Commissioners Dorn and Smith voiced their concern for the residents of Salem County as it related to increasing the rate on Discount traffic users. Committee Chair Simmerman remarked that the committee needed to consider all rate classes and that the discounts received by the Commuter and Frequent/Shopper users have not been adjusted since 1986. Currently those users receive a 75% and 67% discount respectively - a far greater discount than those offered by the DRPA. The Commissioners requested that additional information be provided concerning the discount users.

Commissioner Hensley questioned whether the Authority was legally obligated to conduct public hearings regarding toll increases. The Acting CFO reported that, there was no legal requirement; however, the Authority conducted public hearings prior to the previous toll increase. Commissioner Hensley reminded the Committee that the necessity of a toll increase in 2006 had been discussed since 2000; however the 2004 and 2005 debt refundings contributed to savings which enabled a delay until 2007. Also, since 2001, the \$18.6 million cost of implementing E-ZPass had been absorbed by the Authority. Committee Chair Simmerman noted that the Committee had a fiduciary responsibility to look at the entire picture and to do what is best for the Authority. It was further recommended that both Governors offices be contacted for further input and direction; however, a decision would be necessary in December in order to pass the FY 2007 Operating Budget. The Acting CFO noted that the committee should not approve the Operating and Capital budgets unless they intend to authorize a toll increase.

IV. The Acting CFO reviewed the changes reflected in the 2007 Major Increases/Decreases since the last Budget & Finance Committee meeting. The following was reviewed.

- Eliminating 6 vacant positions and associated funding
- Reducing Community Contributions from 1% of Operating Budget or \$700,000 to a total of \$600,000
- The conversion of some Permanent Part-Time Wages to Temp Wages
- Conducting a thorough review of all Insurance lines resulted in savings of approximately \$610,000 in Worker's Compensation
- With savings realized, Bridge Painting received an additional \$200,000 for annual painting.

Overall, by reviewing every possible area within the budget at the Committee's direction, the proposed FY 2007 Operating Budget reflects a 4.2% increase or approximately \$0.5 million below the 5% targeted growth. Committee Chair Simmerman thanked staff for all of their hard work in conducting this thorough review and reminded the Committee that this review was necessary before considering a toll increase.

V. The Acting CFO also provided a review of the following.

- Expenditure Analysis by Division
- Expenditure Analysis by Category

- Review of the Financial Model Summary

The Acting CFO reported that the Financial Model included the following assumptions.

- Net Proceeds from 2007 Toll Increase of \$12M (Annualized)
- Additional Bond Issue in 2008 of approximately \$45M
- 5% Operating Expense Growth
- 1% Operating Revenue Growth
- Incorporates a Five Year CIP of \$175M

In 2010, the Debt Service Coverage would be at 1.31x and would require an additional Toll Increase at that time. Without the increase, in 2011 the Authority would be at 1.19x - below the required 1.25x.

The Executive Director also reported that he would be meeting with New Jersey and Delaware Legal Counsel to investigate document standardization to lessen the need for legal reviews to attempt to control the increasing cost of legal fees.

VI. The Acting CFO presented the following proposed Resolutions.

- DRAFT Resolution – Adoption of the Delaware River and Bay Authority’s 2007 Operating Budget. In the Section, “NOW, THEREFORE, BE IT FURTHER RESOLVED,” as a Board policy decision, \$6M of the General Fund was restricted and designated as the self insurance fund to cover any payments within the deductible limits. The Acting CFO recommended increasing the restricted amount to \$8M to reflect the decision to increase self-insurance exposure. After discussion, the Committee authorized the increase to \$8M. The completed Resolution will be presented at the next Budget & Finance Committee meeting for recommendation and subsequent consideration by the full Board.
- The Authority conducted an RFP’s for Life and AD & D Insurance. Five proposals were received and reviewed and it was determined that Metropolitan Life Insurance Company (MetLife) submitted the lowest bid. A Resolution authorizing the selection was presented for consideration.

An RFP was also conducted for Long-term Disability Insurance. Four proposals were received and reviewed and it was determined that Metropolitan Life Insurance Company (MetLife) submitted the lowest bid. A Resolution authorizing the selection was presented for consideration.

After discussions, on motion by Commissioner Hensley, seconded by Commissioner Smith, the Committee recommended approval of both Resolutions. The Resolutions will be presented to the full Board for consideration at the December meeting.

With no further business to discuss, on motion by Commissioner Dorn, the Budget & Finance Committee adjourned at 10:30 a.m.

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BUDGET & FINANCE COMMITTEE MEETING
Monday, December 18, 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 Monday, December 18, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Commissioners from Delaware

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

Governors' Representatives

Sonia Frontera – NJ – Via Phone

Bernard Pepukayi – DE

Legal Counsel

Mike Houghton – DE

Staff

Jim Johnson, Jr.
Don Rinear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens
John Jones
AJ Crescenzi
Ken Hynson
Jim Salmon
Anna Marie Gonnella Rosato

Authority Secretary

Tom Pankok

VII. Committee Chair Simmerman welcomed the Budget & Finance Committee and opened the meeting at approximately 4:03 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.

VIII. Community Contribution Requests

The Committee reviewed the Community Contribution requests for the month of December. Committee Chair Simmerman reported that the submitted requests zeroed out the Community Contribution Budget for 2006 for both New Jersey and Delaware. Authority-Vice Chair Parkowski commented that, in light of the new developments and concerns from the New Jersey Governor's Office with regard to the FY 2007 Budget, the Committee should consider delaying action on any discretionary spending item. The Committee briefly discussed the matter and, after discussion, on motion by Commissioner Patterson, seconded by Commissioner Lathem, the Committee recommended tabling the requests at this time.

IX. FY 2007 Operating Budget Review

Committee Chair Simmerman reported that the Committee faced a problem relative to the 2007 Budget with or without proposed toll increases. The Committee Chair further reported that the New Jersey Governor's office had requested that the Committee hold the passing of the 2007 Operations Budget for 30 days to allow for a more thorough review by the Governor's office as well as time for the two newly appointed Commissioners to review.

The Acting Chief Financial Officer reported that, in the event a budget was not passed for the following year, the Trust Agreement requires that the Authority function under the current fiscal year's (FY 06) operating budget. The Executive Director noted that the Authority had contractual agreements concerning wages for union employees and questioned raises for non-union employees. The Acting CFO reported that the estimated cost of wage increases could be covered from vacant position monies for a period of time. The Committee indicated that salary increases not be delayed as a result of the additional review.

Commissioner Patterson remarked that he had participated in five or six budget cycles with each cycle becoming more informative and transparent. He believed the Committee had been well informed concerning the operating budget and needs for additional revenue.

Committee Chair Simmerman commended and thanked staff for all of their hard work; however, again stressed the need for the additional review period. The Committee Chair also pledged to provide the proper information to the proper individuals in order to finalize the matter. Commissioner Favre added that nothing was off the table and Commissioners had not taken a stand against anything.

Vice-Chairperson Parkowski expressed concern regarding allowing external influences to block consideration of a toll increase. He noted that the Board has a financial responsibility to ask for increases when warranted.

Committee Chair Simmerman questioned if the Committee would like to address any issues or had any questions regarding the Operating Budget while staff was present. The Committee had no questions. Commissioner Smith motioned to delay the recommendation to pass the FY 2007 Operating Budget, and Commissioner Favre seconded the motion. Committee Chair Simmerman called for a voice vote with Commissioner Patterson voting No. The Committee then recommended delaying the approval of the FY 2007 Operating Budget until the end of January.

- X. The Acting CFO reported on the shortage of funds within the Police Division due to overtime to cover enhanced security demands and the allocation of resources to the New Castle Airport due to Delta coming on board. Resolution 98-31 allows for a transfer of funds between divisions with Committee consent. The Acting CFO requested authorization to transfer \$75,000 or less. After discussion, the Committee authorized the acting CFO to make the necessary line item budget transfers.

With no further business to discuss, on motion by Commissioner Favre, seconded by Commissioner the Budget & Finance Committee adjourned at 4:28 p.m.

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9520. COMMITTEE REPORT – PERSONNEL & INSURANCE

Commissioner Dorn noted that on December 4, 2006, a quorum was not present for the Personnel & Insurance Committee meeting; however, an informal discussion occurred on the agenda items with no action taken. The Personnel & Insurance Committee was rescheduled on December 18, 2006 at Authority headquarters. Commissioner Dorn then presented the following notes of the informal discussion on December 4, 2006 and the meeting minutes taken on December 18, 2006.

PERSONNEL & INSURANCE COMMITTEE MEETING
Monday, December 4, 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 Monday, December 4, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Dorn
Commissioner Simmerman
Commissioner Smith

Commissioner Cooper, Committee Member
Commissioner Lowe, Committee Member
Commissioner Hensley
Vice-Chairperson Parkowski

Governors' Representatives

Sonia Frontera

Legal Counsel

Mike Houghton - DE

Staff

Jim Johnson
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
& Taylor
Gerry DiNicola Owens

Authority Secretary

Tom Pankok

Invited Guests

Adria Martinelli, Young Conaway Stargatt
& Tunnell
Stan Stevenson, Morris Nichols Arsht & Tunnell

- I. Committee Chair Dorn welcomed the Personnel & Insurance Committee and opened the meeting at approximately 11:32 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. It was determined that a quorum was not present. Committee Chair Dorn requested that the following confidential topics be discussed; however no action would be taken. It was further requested that Commissioners, invited guests, and only appropriate staff be present for the discussion.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS
- PENDING LITIGATION

With no further confidential business to discuss, the session was opened to the public.

- III. The Chief Human Resource Officer reviewed the proposed Resolution Authorizing the Amendment and Restatement of the Delaware River and Bay Authority Employees' Retirement Plan and the Delaware River and Bay Authority Employees' Defined Contribution Plan. It was reported that a restatement of the Plans had not occurred since 1997-1998. The proposed Resolution would incorporate all Amendments since 1998; make technical corrections and other necessary housekeeping changes.

The CHRO introduced Mr. Stan Stevenson, Legal Counsel from MNAT, who reviewed the revisions within each applicable section of the Plan. After review, it was determined that Section 5.6(b), Limitation on Lump Sum Distributions and Provisions of Enhanced Annuities, had an incorrect date and would be revised. Mr. Stevenson added, upon Committee recommendation, and subsequent Board approval of the Restatement Plans, a Summary Plan Description would be completed. The Committee Chair requested the scheduling of an additional Personnel & Insurance Committee meeting prior to the December Board meeting.

Following the discussions, the Personnel & Insurance Committee meeting ended at 11:44 a.m.

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PERSONNEL COMMITTEE MEETING
Monday, December 18, 2006
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Monday, December 18, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

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

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

Governors' Representatives

Sonia Frontera –NJ - Via Phone

Bernard Pepukayi - DE

Legal Counsel

Mike Houghton - DE

Staff

Jim Johnson
Don Rainear
Victor Ferzetti
Jim Walls
Gerry DiNicola Owens
John Jones
TJ Murray
Ken Hynson
Anna Marie Gonnella Rosato

Authority Secretary

Tom Pankok

Invited Guest

Stan Stevenson, Morris Nichols Arsht & Tunnell

- III. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at approximately 2:35 p.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.
- IV. Due to the lack of a quorum at the December 6, 2006, Personnel Committee Meeting, no action could be taken. The following was presented and discussed.
- V. In the absence of the Chief Human Resource Officer, the Acting Chief Financial Officer reviewed the proposed Resolution Authorizing the Amendment and Restatement of the Delaware River and Bay Authority Employees' Retirement Plan and the Delaware River and Bay Authority Employees' Defined Contribution Plan. The proposed Resolution would incorporate all Amendments since 1998; make technical corrections; and other necessary housekeeping changes. The Acting CFO provided a review of the proposed changes not previously covered by Resolutions. The following revisions within each applicable section of the Plan were reviewed.
 - Section 1.17 Definition of "Employee"
 - Section 5.3 Definition of "Disability"

- Section 5.5 (c) Prior Vesting Schedule
- Section 7.9 and Section 7.10 Additional Rollover Provisions

Within the Defined Contribution Plan the following revisions were reviewed.

- Section 1.27 Definition of “Insurer”

The Committee concurred with recommended changes. On motion by Commissioner Lowe, seconded by Commissioner Favre, the Committee recommended approval. A Resolution authorizing the Amendment and Restatement of the Delaware River and Bay Authority Employees’ Retirement Plan and the Delaware River and Bay Authority Employees’ Defined Contribution Plan will be presented to the full Board for consideration during the December meeting.

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

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS

With no further business to discuss, on motion by Commissioner Favre, seconded by Commissioner Lowe, the Personnel & Insurance Committee meeting ended at 3:10 p.m.

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9521. COMMITTEE REPORT – PROJECTS

Commissioner Hensley noted the issues discussed at the Projects Committee meetings including investments in the Capital Improvement Program (CIP), Bridge maintenance, security enhancements and a possible new fare collection at the Ferry. The Commissioner then presented the following Projects Committee meeting minutes held on December 4 and 18, 2006.

PROJECTS COMMITTEE
Monday, December 4, 2006
 Delaware Memorial Bridge Complex
 New Castle, Delaware

A public meeting of the Delaware River and Bay Authority’s Projects Committee was held on Monday, December 4, 2006, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Hensley, Committee Chair
 Commissioner Lowe, Committee Mbr
 Vice Chair Parkowski

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

Legal Counsel

Michael Houghton-DE
 Stan Stevenson-DE

Governor’s Representative

Sonia Frontera – NJ

Staff

Jim Johnson
 Jim Walls
 Trudy Spence-Parker

Authority Secretary

Tom Pankok

Gerry DiNicola-Owens
Victor Ferzetti
Colonel John McCarnan
John Jones
Michele Griscom-Collins
Kelly Phillips-Parker
A. J. Crescenzi
Anna Marie Gonnella Rosato
John Sarro

- I. The Projects Committee meeting convened at approximately 10:40 AM. Those in attendance were provided an informational package consisting of an agenda, a final coordinating draft of the Five-Year Capital Improvement Program (CIP) Budget for both Crossings and Airports, the monthly contractor payment chart, and three draft CIP-related resolutions.
- II. Bid Openings/Award Actions: None
- III. Contract Close-Out Actions: None
- IV. Capital (Crossings/Airports) Improvement Program (CIP) Budget: Staff opened the budget presentation with a major capital project overview looking out fifteen (15) years for both the Delaware Memorial Bridge and Cape May-Lewes Ferry. The Director of Engineering and Maintenance discussed the importance of the 1st structure improvement program scheduled for 2011-2021 which includes deck resurfacing, suspender rope replacement and lead paint abatement of the 1st structure for an estimated total cost of \$232 million. The Committee was then briefed on the Five-Year and One-Year CIP proposed budgets for both Crossings and Airports. It was reported that the proposed CIP budgets have been synchronized with the Authority's financial model and current budget guidance. 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. Three draft CIP budget resolutions (1-year and 5-year crossings and 1-year airports) were presented by staff. After discussion, the Committee decided to address this topic at the next Projects Committee meeting currently scheduled for December 18th.
- V. CMLF Turn-Key Fare Collection RFP Update: The CIO reported that three (3) proposals for the "turn-key" fare collection system for the Cape May-Lewes Ferry System were received and evaluated. It was further reported that interviews will be conducted soon with all three firms. The plan is to make an award recommendation via resolution at the Projects Committee meeting currently scheduled for December 18th.
- VI. Contractor Payment (through November): The Projects Committee was informed of the monthly construction contractor payments to be made to contractors in December.
- VII. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 11:35 AM.

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PROJECTS COMMITTEE
Monday, December 18, 2006
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Projects Committee was held on Monday, December 18, 2006, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Hensley, Committee Chair
Commissioner Lowe, Committee Mbr
Commissioner Patterson, Committee Mbr
Vice Chair Parkowski
Commissioner Lathem
Commissioner Cooper

Commissioner Dorn, Committee Vice Chair
Commissioner Simmerman, Committee Mbr
Commissioner Favre
Commissioner Smith

Legal Counsel

Michael Houghton-DE

Governor's Representative

Sonia Frontera – NJ (via telephone)

Staff

Jim Johnson
Don Rainear
Jim Walls
Trudy Spence-Parker
Gerry DiNicola-Owens
Victor Ferzetti
John Jones
A. J. Crescenzi
Anne Marie Gonnella Rosato

Authority Secretary

Tom Pankok

The Projects Committee meeting convened at approximately 4:30 p.m. Due to no business items to discuss, the Projects Committee was adjourned at 4:31 p.m.

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9522. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Lowe presented the following Economic Development Committee meeting minutes of December 4, 2006.

ECONOMIC DEVELOPMENT COMMITTEE

Monday, December 4, 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 Monday, December 4, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Commissioner Dorn, Committee Member
Commissioner Smith, Committee Member

Committee Vice-Chair Lowe
Commissioner Cooper, Committee Member

Governors' Representatives

Sonia Frontera - NJ

Staff

Jim Johnson
Victor Ferzetti
Jim Walls

Authority Secretary

Tom Pankok

Trudy Spence-Parker
Gerry Owens
AJ Crescenzi
Anna Marie Gonnella Rosato
Michelle Griscom-Collins
John McCarnan

- I. The Committee Vice-Chair Lowe welcomed the meeting of the Economic Development Committee and opened the meeting at approximately 12:44 p.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. The in the absence of the Deputy Executive Director, Michelle Griscom-Collins reviewed the proposed Lease Agreement with SK Travel, Inc. This Agreement is for 6,000 square feet of hangar space (or 25%) located at 9 DRBA Way at the New Castle Airport in the amount of \$90,634.81 annually with five (5) periods of one (1) year. On motion by Commissioner Smith, seconded by Commissioner Cooper, the Committee recommended approval of the Lease. A Resolution will be presented to the full Board at the December meeting.

There being no further business to discuss, on motion by Commissioner Dorn, the Economic Development Committee adjourned at 12:45 p.m.

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9523. 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 October.

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

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9524. 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 October 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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9525. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The Acting CFO presented a chart for November 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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9526. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The Acting CFO presented a chart for the month of November 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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9527. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF NOVEMBER 30, 2006.

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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9528. PUBLIC COMMENT ON ACTION ITEMS.

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

- Resolution 06-68 Authorizes a Contract with Metropolitan Life Insurance Company for Long Term Disability Insurance
- Resolution 06-69 Authorizes a Contract with Metropolitan Life Insurance Company for Life and Accidental Death & Dismemberment Insurance
- Resolution 06-73 Lease Agreement with SK Travel, Inc. at New Castle Airport
- Resolution 06-74 Authorizes the Amendment and Restatement of the DRBA Employees' Retirement Plan and the DRBA Employees' Defined Contribution Plan

There were no comments from the public.

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9529. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

The Chief Operating Officer (COO) read the following Summary of Authorized Contract Payments for December, 2006.

<u>Contractor</u>		<u>Payment</u>
DMB-06-02	Marini's Brothers, Inc.	\$235,498.05
DMB-06-01	Eastern Highway specialists	\$224,273.07
DMB-04-04	J.D. Eckman, Inc.	\$807,727.73
DMB-02-01	Daisy Construction	\$ 9,229.01
NCA-01-02	Diamond Materials	\$ 2,516.90
NCA-01-04	EDIS	\$ 6,675.68

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9530. CHAIRPERSON'S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD.

Commissioner Dorn asked if Resolution 06-66 pertaining to Community Contribution was being considered and thought that Gloucester County should not be disenfranchised because it did not have a representative on the Board.

Commissioner Simmerman stated that there have been several requests on hold from Gloucester County due to the lack of a representative since July and that those particular requests should be considered.

Vice-Chairperson Parkowski stated that the Community Contributions Resolution did not move out of Committee and, therefore, was placed on hold. He also stated that he had no objection to consider all of the contributions pending but believes the Authority should not be giving away community contributions until the budget has been passed.

Chairperson Hogan stated that he understood the issue but will support the hold of the Resolution.

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RESOLUTION 06-68 – AUTHORIZES A CONTRACT BETWEEN THE AUTHORITY AND METROPOLITAN LIFE INSURANCE COMPANY TO PROVIDE LONG TERM DISABILITY INSURANCE

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state Authority created by Compact for the purpose of owning, operating and controlling both Crossing and Non-Crossing facilities; and

WHEREAS, the Authority provides Long-term Disability Insurance benefits for its employees consistent with Authority personnel policy; and

WHEREAS, the Authority desires to procure Long-term Disability Insurance with an initial term of three (3) years with two (2) optional one (1)year renewals; and

WHEREAS, the Authority publicly advertised and issued a Request for Proposal (“RFP”) for the required insurance services in compliance with Resolution 98-31 which governs the procedure for the procurement of such services; and

WHEREAS, the Authority received and evaluated a total of four (4) proposals pursuant to the aforementioned requirements and regulations; and

WHEREAS, Metropolitan Life Insurance Company (MetLife) submitted the lowest cost proposal for the requested insurance services and the Authority determined that the proposal is responsible and in the best interest of the Authority; and

WHEREAS, the Budget and Finance Committee reviewed the recommendation and concurs with the evaluation.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Services Agreement with Metropolitan Life Insurance Company to provide Long-term Disability Insurance and to have such agreement, upon review and advice of counsel, executed by the Chairperson of the Budget and Finance Committee, Authority Vice-Chairperson and Executive Director.

A motion to approve Resolution 06-68 was made by Commissioner Favre, seconded by Commission Simmerman and unanimously approved by a roll call vote of 12-0.

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RESOLUTION 06-69 – AUTHORIZES A CONTRACT BETWEEN THE AUTHORITY AND METROPOLITAN LIFE INSURANCE COMPANY TO PROVIDE LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state Authority created by Compact for the purpose of owning, operating and controlling both Crossing and Non-Crossing facilities; and

WHEREAS, the Authority provides Life and Accidental Death and Dismemberment (AD&D) Insurance benefits for its employees consistent with Authority personnel policy; and

WHEREAS, the Authority desires to procure Life and AD&D Insurance with an initial term of three (3) years with two (2) optional one (1) year renewals; and

WHEREAS, the Authority publicly advertised and issued a Request for Proposal (“RFP”) for the required insurance services in compliance with Resolution 98-31 which governs the procedure for the procurement of such services; and

WHEREAS, the Authority received and evaluated a total of five (5) proposals pursuant to the aforementioned requirements and regulations; and

WHEREAS, Metropolitan Life Insurance Company (MetLife) submitted the lowest cost proposal for the requested insurance services and the Authority determined that the proposal is responsible and in the best interest of the Authority; and

WHEREAS, the Budget and Finance Committee reviewed the recommendation and concurs with the evaluation.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Services Agreement with Metropolitan Life Insurance Company to provide Life and Accidental Death and Dismemberment Insurance and to have such agreement, upon review and advice of counsel, executed by the Chairperson of the Budget and Finance Committee, Authority Vice-Chairperson and Executive Director.

A motion to approve Resolution 06-69 was made by Commissioner Patterson, seconded by Commissioner Hensley and approved by a roll call vote of 12-0.

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RESOLUTION 06-73 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SK TRAVEL, INC.

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

WHEREAS, SK Travel, Inc. desires to lease 25% of the hangar located at 9 DRBA Way encompassing approximately 6,000 sq. ft. of hangar and office/shop space at New Castle Airport; and

WHEREAS, SK Travel, Inc. has agreed to pay the Authority \$90,634.81 annual rent during the initial term of the Lease Agreement; and

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

WHEREAS, SK Travel, Inc. shall have the option of renewing the Lease Agreement for five (5) consecutive periods of one (1) year each; and

WHEREAS, rent during the said option periods shall be adjusted each year 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 Lease Agreement with SK Travel, Inc. and, with the advice and consent of counsel, to have such Agreement executed by the Economic Development Chairperson, Authority Vice Chairperson, and the Executive Director.

A motion to approve Resolution 06-73 was made by Commissioner Lowe, seconded by Commissioner Dorn and approved by a roll call vote of 12-0.

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RESOLUTION 06-74 - AUTHORIZES THE AMENDMENT AND RESTATEMENT OF THE DELAWARE RIVER AND BAY AUTHORITY EMPLOYEES' RETIREMENT PLAN AND THE DELAWARE RIVER AND BAY AUTHORITY EMPLOYEES' DEFINED CONTRIBUTION PLAN

WHEREAS, The Delaware River and Bay Authority (the "Authority") desires to have an accurate and comprehensive plan document for each of The Delaware River and Bay Authority Employees' Retirement Plan (the "Retirement Plan") and The Delaware River and Bay Authority Employees' Defined Contribution Plan (the "Defined Contribution Plan"); and

WHEREAS, the Authority desires to incorporate all Authority amendments as approved by resolutions from February of 1998 to September of 2006 to the Retirement Plan and the Defined Contribution Plan and to make certain technical corrections and clarifications to those plans.

NOW, THEREFORE, BE IT RESOLVED, that the Retirement Plan and the Defined Contribution Plan are hereby amended and restated in their entirety for the purposes of accuracy and clarity effective January 1, 2007.

BE IT FURTHER RESOLVED, the Plan Administrator be, and hereby is, directed to attach a copy of the most recently Restated Delaware River and Bay Authority Employees' Retirement Plan and Restated Delaware River and Bay Authority Employees' Defined Contribution Plan.

A motion to approve Resolution 06-74 was made by Commissioner Patterson, seconded by Commissioner Favre and approved by a roll call vote of 12-0.

A copy of the 61-page Restated Delaware River and Bay Authority Employees' Retirement Plan and Restated Delaware River and Bay Authority Employees' Defined Contribution Plan has been filed with the official minutes.

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RESOLUTION 06-75- RECOGNIZES AND SALUTES MAUREEN T. KOEBIG FOR HER DEDICATED SERVICE TO THE DELAWARE RIVER AND BAY AUTHORITY

WHEREAS, Maureen T. Koebig was appointed by Governor Christine T. Whitman to serve as a Commissioner for the Delaware River and Bay Authority, participating in her first Commission Meeting on November 19, 1996; and

WHEREAS, Mrs. Koebig served with distinction, enthusiasm and dedication as a Delaware River and Bay Authority Commissioner for ten years, sharing her insight and expertise as a chairperson of the Economic Development Committee and member of the Budget and Finance; Personnel and Insurance; and Projects Committees; and

WHEREAS, Mrs. Koebig also served as the chairperson of the Audit Committee, helping to develop new policies, such as the agency's Travel and Business Expense Policy and Community Contribution Policy, which enhanced oversight procedures and

responsibilities to improve governance and accountability of the Authority's business practices; and

WHEREAS, during Mrs. Koebig's tenure, she supported a number of economic development projects, including the acquisition of the Cape May Airport, which created jobs for the region's citizens and endorsed the investment of financial resources to improve and enhance the Authority's major transportation links, the Cape May - Lewes Ferry and Delaware Memorial Bridge facilities, and

WHEREAS, Mrs. Koebig willingly supplied her time, talents, and energy to the successful operation of the Delaware Memorial Bridge, Cape May - Lewes Ferry, the Salem County Business Center, the Riverfront Market, New Castle Airport, Millville Airport, Cape May Airport, Delaware Airpark, Civil Air Terminal at Dover, and the Three Forts Ferry Crossing, all of which are managed by the Delaware River and Bay Authority; and

NOW THEREFORE, BE IT RESOLVED that the Delaware River and Bay Authority does hereby praise and congratulate Maureen T. Koebig for the invaluable services rendered by her to the States of New Jersey and Delaware through her outstanding contributions as a Delaware River and Bay Authority Commissioner and does hereby record the Commissioners sincere appreciation by the presentation of this Resolution, adopted today, December 19, 2006.

A motion to approve Resolution 06-75 was made by Commissioner Favre, seconded by Commissioner Patterson and unanimously approved by a roll call vote of 12-0.

Vice-Chairperson Parkowski stated that the Resolution passed for Mrs. Koebig reflects her dedication to the Authority and that he wishes her and her husband well.

Commissioner Dorn stated that Mrs. Koebig is a good friend and that he will personally miss her on the Board.

Commissioner Simmerman stated that Mrs. Koebig gave him good advice and that he was pleased to have served with her on the Board.

Commissioner Hensley stated that she became close friends with Mrs. Koebig and that she will miss her at the meetings.

Commissioner Favre stated that Mrs. Koebig was a mentor to him and that she did much for the Authority particularly in the Ferry operations.

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9531. COMMISSIONERS PUBLIC FORUM

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

There were no public comments.

Commissioners Simmerman welcomed Commissioners Hogan and DeLanzo to the Board. He also wanted to thank the Commissioners and staff for the work that was done in preparing the budget and then he wished everyone a Happy Holiday.

Commissioner Dorn welcomed Commissioners Hogan and DeLanzo. He also wanted to thank the Vice-Chairperson for his work on the Board in the absence of a Chairperson and then wished everyone a Happy Holiday.

Commissioner Favre congratulated Commissioners Hogan and DeLanzo on their appointment to the Board. He thanked everyone at the Authority for moving it forward and then wished everyone a Merry Christmas and asked that we keep our armed forces in our minds and prayers.

Chairperson Hogan stated that he is looking forward to working and learning with everyone. He then wished everyone a Merry Christmas and a Happy New Year.

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

The meeting was adjourned 12:10 p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary