

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, April 17, 2007
James Julian Boardroom
Administration Building
New Castle, Delaware 19720

The meeting convened at 10:40 a.m. with Chairperson Parkowski presiding.

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

Chairperson Parkowski called on the Deputy Executive Director to read the meeting notice and take roll.

The Deputy Executive Director 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 Delaware

Commissioners from New Jersey

PRESENT

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

James N. Hogan, Vice-Chairperson
Edward W. Dorn
Niels S. Favre
Gary F. Simmerman
Ceil Smith

ABSENT

Susan Atkinson DeLanzo

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9577. APPROVAL OF THE MARCH 20,2007 MINUTES

Commissioner Simmerman motioned for approval of the March 20, 2007 minutes, seconded by Commissioner Favre, and approved by a voice vote of 11-0.

Commissioner Patterson requested that Community Contributions Resolution 06-66 be placed on the Agenda behind Resolution 07-15.

Chairperson Parkowski stated that Resolution 06-66 was tabled at the Budget & Finance Committee meeting on December 4, 2007 and asked if there were any objections to placing it on today's Agenda as a matter of housekeeping of last years' business. Seeing no objection, Resolution 06-66 was placed on the Agenda.

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9578. EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented the following highlights that occurred within the Authority during the month of March, 2007.

Delaware Memorial Bridge

Total traffic during the month of March decreased 5.6%, compared to the same period in 2006. Non-commercial traffic decreased 6.5% and commercial traffic decreased 0.4%. As compared to the average of the last three years, March traffic decreased 5.1%. Year-to-date total traffic through March decreased 3.4%, when compared to the 3-year year-to-date average. The trend so far this year posts three consecutive months of declining non-commercial traffic when compared to last year's figures. For the first two months of the year, commercial traffic posted gains over the same period last year. However, those gains have been declining and this month the traffic, as was mentioned, posted a slight decline over last year.

E-ZPass traffic for March represented 57.8% of the total, as compared to 55.9% for the previous year. Total electronic traffic year-to-date was 58.0%, an increase of 2.3% for the same period in 2006.

At the end of the month, our E-ZPass website upgrades were implemented. These improvements give our customers the ability to make changes to their E-ZPass account easier and pay their toll violations online.

We continue to maintain our twin spans as the annual bridge painting and deck resurfacing work has restarted with the advent of warmer weather. Coupled with our \$11.7 million expansion joint replacement work, a lot is going on. It is anticipated that two of the four DMB lanes will be closed (except weekends) for this work through mid-May. All work is scheduled to be complete by this fall. We have released the spring public relations brochure that explains the ongoing construction activities. This brochure is very similar in style and content to the one we released last fall.

Cape May Lewes Ferry

Vehicle and passenger traffic in March decreased 6.2% and 5.4%, respectively, when compared to March 2006. When compared to the average of the last three years, March vehicle traffic and passenger traffic decreased 5.4% and 7.4%, respectively. Compared to the average of the last three years, year-to-date vehicle traffic and passenger traffic decreased 0.4% and 2.8%, respectively.

Fare revenues increased 5.5% and fee revenues increased 11.5% for March 2007 when compared to March 2006. Year-to-date fare and fee revenues increased 3.0% and 9.2%, respectively when compared to 2006.

In March, food sales decreased 12.8% and retail sales decreased 6.0% when compared to March 2006. Year-to-date food sales have decreased 5.0% and retail revenues decreased 11.9% when compared to 2006.

Hornblower Marine is proceeding as scheduled with the Marine Master Plan. Representatives have been onsite throughout the month.

Airports

Staff hosted a planning meeting with officials from the Delaware Emergency Management Agency and other local agencies to develop emergency exercise scenarios and to identify the site location for the joint-agency emergency response drill that will take place at New Castle Airport this summer.

Finance

Throughout the month, staff worked to finalize the FY07 Operating Budget and authorizing resolutions for presentation to the Budget and Finance Committee. Additionally, alternative long range scenarios and financial plans incorporating future toll increase options and capital improvement plan requirements were further refined for committee discussions. I want to commend Victor Ferzetti, Jim Walls and their staff for these efforts.

Legislative Matters

The Delaware Legislative Joint Sunset Committee completed its rules review of the organization. We attended two public sessions – I presented written testimony and answered a variety of questions. Chairperson Parkowski, Commissioner Patterson and

Delaware Legal Counsel (Mike Houghton) also attended and provided responses to questions as well. The Chair and Vice Chair of the Joint Sunset Committee indicated that they were pleased with the information that was provided for their rules review and appreciated our cooperation. The committee offered several complementary comments concerning the progress that the Authority has made over the last five years.

Employee Happenings

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

Authorized Positions	481
Positions Filled	428
Positions Filled (on LTD)	13
Total Positions that are Vacant	40

Consuella Petty-Judkins, EEO/Recruitment Manager in an outreach effort met with representatives from La Esperanza in Sussex County. La Esperanza is the leading service organization in Sussex County, Delaware for Hispanic residents.

Phase II of our Diversity Program was conducted throughout the month. Over 100 employees representing frontline management through senior leadership attended the day long program. Conducted by a consultant, participants learned about conducting crucial conversations, thereby increasing each individual’s personal consciousness of workplace demeanor and improving interpersonal skills and relationships. Additional training is planned for the summer.

Throughout the month, the Equal Employment Opportunity and Anti-Harassment policy was distributed and discussed with employees.

John Jones, P.E., Director of Engineering and Maintenance spoke at the annual spring Rowan University program welcoming accepted high school seniors who are considering enrollment in the Rowan University engineering program. His presentation was heard by 250 prospective students that attended.

Trudy Spence-Parker along with members of our maintenance department participated in the Habitat for Humanity’s “Kick Off” of the second phase of the Hope Landing Project in Wilmington, Delaware. Commissioner Dorn spoke on behalf of the Authority during the recognition ceremony. I want to thank and commend those that have participated in this worthy project.

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

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9579. COMMITTEE REPORT – BUDGET & FINANCE

Commissioner Patterson presented the following minutes of the Budget & Finance Committee meeting held on April 2, 2007.

BUDGET & FINANCE COMMITTEE MEETING
Monday, April 2, 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, April 2, 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

Committee Vice-Chair Simmerman
Commissioner Favre, Committee Member

Chairperson Parkowski

Commissioner Smith, Committee Member
Commissioner Dorn
Vice-Chairperson Hogan

Governors' Representatives

Bernard Pepukayi – DE

Sonia Frontera - NJ

Staff

Jim Johnson, Jr.

Don Raineer

Victor Ferzetti

Jim Walls

Trudy Spence-Parker

Gerry DiNicola Owens

Joe Larotonda

Anna Marie Gonnella Rosato

Heath Gehrke

John Jones

Jim Salmon

Authority Secretary

Tom Pankok

- I. Committee Chair Patterson welcomed the Budget & Finance Committee and opened the meeting at approximately 9:10 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. Due to the current events occurring in the State of New Jersey, the Acting Chief Financial Officer reported that the Authority received invoices from Zeller & Bryant, the Authority's New Jersey Labor Counsel, totally over \$10,000 for past services dating back to 2003. After a thorough review by the Acting CFO and the Controller, it was determined that four of the invoices totaling approximately \$4000 were deemed to be owed. The remaining discrepancy will be handled through reconciliation, as there may have been confusion over the \$200 per hour rate that the Authority negotiated and the \$225 hourly rate that Zeller & Bryant charged during the time when Zeller & Bryant was first appointed. The Acting CFO reported that this discussion was for informational purposes only and no action would be necessary by the Committee.
- III. The Acting CFO reported that he is in the process of completing due diligence regarding a potential small refunding opportunity and will continue to update the Committee as necessary.
- IV. The Acting Chief Financial Officer introduced the Authority's Financial Advisors from Cavanaugh Capital Management. Jack Cavanaugh, Chief Executive Officer, Jim Dugan, President & Chief Investment Officer, and Megan Brune, Principal, provided a FY 2006 review of the Authority's investments. The following information was reviewed.
 - Economic and Market Highlights from 1/1/06 through 3/31/07
 - Overview of DRBA Investments
 - DRBA Fixed Income Portfolios
 - DRBA Balanced Portfolio
 - Market Outlook

It was noted during the presentation that the Authority's funds have been invested in accordance to the Authority's Investment Guidelines and structured to maximize cash flow and minimize risk. The Authority's Funds performed very well. The Committee questioned the allocation of investments for the Employees' Retirement Fund. CCM reported that, in accordance to the Authority's Investment Guidelines adopted in 1997, the funds are allocated 60% Equities and 40% Fixed Income. Committee Vice-Chair Simmerman questioned how often the Policy is reviewed. The Acting CFO reported that an exhaustive review had been conducted in 2006; however, the Board chose to maintain the current Policy. Committee Vice-Chair Simmerman recommended reviewing the allocations of funds in the future. Authority Chair Hogan requested that Committee Vice-Chair Simmerman's recommendation be addressed and informational meetings be provided to the Board regarding the Authority's investments.

V. The Acting CFO reviewed the proposed FY 2007 Operating Budget and each of the Major Increases/Decreases associated.

- It was reported that the majority of savings occurred by the reduction and elimination of 21 vacant positions and those wages and benefits associated with those positions. The FY 2007 Operating Budget assumes 460 Authorized and funded positions down from 481.
- The Acting CFO noted that the 15% increase in Legal Fees was for routine costs and not those costs associated with Economic Development Projects.
- The Committee chose not to pass on additional health costs to employees this year, due to the mid-year passing of the Budget and no opportunity for employees to review and change plans.
- Electric/Natural Gas had increased 57% last year at many Delaware facilities; however, in order to obtain price stability, staff was able to extend the purchase contract at 5% less for two years.
- Commissioner Smith questioned whether the 66.7% reduction in Vessel Drydocking there would reduce safety. Staff noted this was due to the number of vessels scheduled for routine drydocking in 2007.

Vice-Chairperson Hogan noted that the Committee will be conducting a more thorough review of the Operating Budget next year, including a requesting a comprehensive review of health care benefits.

The Acting CFO reviewed the Expenditure Analysis by Division and noted a 10% growth in the Police Division where there were no reductions in positions; therefore, reflecting the wage and benefit increases. Without the reduction of 21 Authority-wide positions, the overall FY 2007 Operating Budget would be reflective of the Police Division's. Committee Vice-Chair Simmerman questioned the Authority's obligation regarding the Three Fort's Ferry. The Executive Director reported that he and Acting Director-Ferry Operations are working with DNREC to re-allocate resources in order to reduce costs to the Authority.

The Acting CFO reviewed the Expenditure Analysis by Category, the Comparison of Operating Revenue vs Operating Expenses, and the Financial Model. The Acting CFO noted that the proposed Resolution adopts a \$71.5M Operating Budget with a growth of 1.5% and a 1.43x Debt Service Coverage. The Acting CFO also made note that the Resolution makes a statement of Commitment to Conduct Public Hearings for the Purpose of a Revised Toll Schedule for the Delaware Memorial Bridge. Commissioner Simmerman stressed his concern with the 13.7% the reduction in the Advertising & Marketing budget with the anticipated public relations associated with the toll increase.

Chairperson Parkowski reported that the FY 2007 Budget and Financial Model illustrates how severe the situation is without a toll increase and the impact of no toll increase on the Capital needs for the future.

The Acting CFO stressed that the proposed Resolution noted that the Authority cannot fulfill its future needs and obligations without generating additional revenue from tolls. Commissioner Hensley questioned whether additional detail should be included in the Resolution. The Executive Director noted that a press release should be completed which would include the additional detail. After discussion, on motion by Commissioner Hensley, seconded by Commissioner Simmerman, the Committee recommended approval of the FY 2007 Operations Budget. The Resolution will be presented to the full Board for consideration at the April meeting.

VI. The Chief Operations Officer presented an informational handout regarding the Cape May-Lewes Ferry Fare Structure. It was reported that in 2006, restrictions were placed on the usage for the NT 6 or "Discount Book of Six (6) Tickets." In order to be responsive to the CMLF's most loyal customers, a modification to the usage restrictions was proposed for the 2007 season. The proposed NT6 usage restrictions from Memorial Day to Labor Day are as follows.

- Monday-Friday No Usage Restrictions
- Saturday Not Valid Between 9 a.m. and 5 p.m.
- Sunday Not Valid Between 9 a.m. and 5 p.m.
- Holidays No Usage Restrictions

Committee Chair Patterson questioned why there would be no restrictions on a Friday. The COO reported that the data analysis reflected Fridays not having sellouts; therefore, potentially increasing demand for that period. After discussion, on motion by Commissioner Favre, seconded by Commissioner Smith, the Committee recommended approval of the amended fare schedule that includes the revised "Discount Book of Six Tickets" usage schedule for the Cape May-Lewes Ferry. Committee Chair Patterson voted No.

VII. The Acting CFO presented the Over \$25,000 Vendor List. The Acting CFO reported that the only new vendor different from 2006 was Mars Graphic Services for the printing of CMLF brochures. It was further noted that the City of Millville and the Salem Partners have remained on the list for this year; however, those items that have fallen outside of the Community Contributions requests will be reviewed for future consideration. After discussion, on motion by Commissioner Favre, seconded by Commissioner Simmerman, the Committee recommended approval of the Over \$25,000 Vendor List. Committee Chair Patterson and Commissioner Smith abstained. A Resolution will be presented to the full Board for consideration at the April meeting.

With no further business to discuss, on motion by Commissioner Simmerman, the Budget & Finance Committee adjourned at 10:55 a.m.

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

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9580. COMMITTEE REPORT – PROJECTS

Commissioner Lowe noted his absence at the Projects Committee meeting on April 2, 2007 and deferred the reading of the minutes to Commissioner Favre. Commissioner Favre presented the minutes on behalf of the Committee.

PROJECTS COMMITTEE
Monday, April 2, 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, April 2, 2007, at the Delaware Memorial Bridge Administration

Building, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Hensley, Committee Mbr
Commissioner Patterson, Committee Mbr
Chairperson Parkowski

Governors' Representative

Bernard Pepukayi – DE

Staff

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

Commissioners from New Jersey

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

Sonia Frontera – NJ

Authority Secretary

Tom Pankok

- I. The Projects Committee meeting convened at approximately 11:00 AM. Those in attendance were provided an informational package consisting of an agenda, a resolution, two bid openings, a draft capital improvement program (CIP) budget, and the monthly contractor payment chart.
- II. Resolutions: Discussion was held regarding the existing trial prevailing wage policy for all Authority-funded capital projects in excess of \$2 million that expires in April 2007. Staff presented comments and findings from an assortment of Federal, State, and local agencies and organizations regarding this topic to the Committee. Vice-Chairperson Hogan asked that the staff comments be documented. Based on available data, staff recommended that the prevailing wage trial period be extended two additional years. The Projects Committee agreed to move the action out of committee (Commissioner Hensley voted in the negative) for discussion and action at the April board meeting.
- III. Bid Openings/Award Actions:
 - DMB-07-01, 2007/2008 Deck Resurfacing, Delaware Memorial Bridge: A public bid opening was held March 30, 2007, in which one bid was received. The COO recommended award of the Base Bid and Add Alternate #1 to the responsive bidder, Eastern Highway Specialists, Inc., in the amount of \$1,918,850.00. The Projects Committee concurred with the recommendation and authorized the action be presented at the April board meeting.
 - CMLF-07-04, Drydocking and Repairs M/V Cape Henlopen, Cape May Lewes-Ferry: A public bid opening was held on March 28, 2007, in which two bids were received. The COO recommended award to the responsive low bidder, Colonna's Shipyard in the amount of \$676,068.00. The COO reported that this is a contingency contract and may not have to be executed should the upcoming US Coast Guard underwater inspection (in lieu of drydocking) be passed in May 2007. The Projects Committee concurred with the recommendation and authorized the action be presented at the April board meeting.
- IV. Contract Close-Out Actions: None
- V. Miscellaneous Items/Updates: Staff provided an update on the following items:

- Capital Improvement Program (CIP) Budget: The Director of Engineering and Maintenance opened the presentation with a 15-year (2007-2021) program outlook focusing on the anticipated major crossings projects, including the 1st Structure Improvement program estimated to cost \$232 million. The Committee was then briefed on the Five-Year draft budgets for both Crossings and Airports. Staff reported that projects estimated to cost \$27.5 million that were initially scheduled for 2007-2009 timeframe were shifted beyond 2009 due to budget considerations. The proposed CIP budgets are synchronized with the Authority's financial model and current budget guidance. The CIP process was collaborative and involved key leaders in operations, finance, and engineering. Commissioner Patterson asked that staff look into the timing of the ship collision protection system project. The CIP budget will be presented to the Board for adoption in May.
- Marine Master Plan Progress Report: Mr. Gary Seabrook, Contract Manager and Mr. Bill Annand, Project Manager for Hornblower Marine Services presented a brief overview and update of the ongoing marine master planning process for the Cape May-Lewes Ferry operation.

VI. Contractor Payment (through March): Staff informed the Committee of monthly construction contractor payments to be made in April.

VII. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 12:02 PM.

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

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9581. COMMITTEE REPORT – PERSONNEL & FINANCE

Commissioner Lathem noted his absence at the April 2, 2007 Personnel Committee meeting and asked Commissioner Dorn to present the minutes. Commissioner Dorn noted that a quorum was not present; however he presented the following matters that were discussed.

PERSONNEL COMMITTEE MEETING
Monday, April 2, 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, April 2, 2007, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Hensley

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

Governors' Representatives

Sonia Frontera - NJ

Staff

Jim Johnson
 Don Rainear

Authority Secretary

Tom Pankok

Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens

Invited Guest
Adria Martinelli, Young Conaway Stargatt &
Taylor

- I. Committee Vice Chair Dorn welcomed the Personnel Committee and opened the meeting at approximately 12:05 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. It was determined that a quorum was not present; however, the Executive Director requested a confidential discussion with Commissioners and Executive Staff only.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS

After the discussion, the meeting ended at 12:20 p.m.

Without objection, the April 2, 2007 Personnel Committee report was ordered filed with the permanent records of the Authority.

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9582. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Smith presented the following minutes of the Economic Development Committee meeting held April 2, 2007.

ECONOMIC DEVELOPMENT COMMITTEE
Monday, April 2, 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, April 2, 2007, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware
PRESENT
Committee Vice-Chair Hensley

Commissioners from New Jersey
Committee Chair Smith
Commissioner Dorn, Committee Member
Commissioner Favre
Commissioner Simmerman
Vice-Chairperson Hogan, Ex-Officio Member

Governors' Representatives
Sonia Frontera - NJ

Staff
Jim Johnson
Don Rainear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry Owens
Anna Marie Gonnella Rosato
Michelle Griscom-Collins

Authority Secretary
Tom Pankok

The Committee Chair Smith welcomed the meeting of the Economic Development Committee and opened the meeting at approximately 12:22 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. It was noted that Authority Vice-Chairperson Hogan, as an Ex-Officio member of the Committee, served to complete the quorum.

The Deputy Executive Director provided information regarding the following proposed Lease Agreements for Committee consideration.

- Cold Spring Fish and Supply Company Lease of 1,500 square feet of warehouse space located in Building 96 at the Cape May Airport at a cost of \$8,400.00 in annual rent for the initial one year term, with the option of four periods of one year renewals. On motion by Commissioner Hensley, seconded by Commissioner Dorn, the Committee recommended approval of the Lease Agreement. A Resolution will be presented to the full Board for consideration at the April meeting.
- Big Sky Aviation Lease of 1,200 square feet of office space located in Building 105 at the Millville Airport at a cost of \$4,800.00 in annual rent for the initial five year term, with a renewal option of one period of five years. On motion by Commissioner Dorn, seconded by Commissioner Hensley, the Committee recommended approval of the Lease Agreement. A Resolution will be presented to the full Board for consideration at the April meeting.

The Deputy Executive Director requested an Executive Session. On motion by Commissioner Dorn, seconded by Commissioner Hensley, the session was closed.

The following matters of a confidential nature were discussed.

- LONG TERM PLANNING ALTERNATIVES

There being no further business to discuss regarding the matter, on motion by Commissioner Dorn, the session was opened to the public.

The Deputy Executive Director introduced representatives from the Delaware Bay Oyster Revitalization Project, Ms. Martha Doyle, Partnership for the Delaware Estuary Inc., and Mr. Rick Cole, DNREC. Ms. Doyle thanked the Committee for the opportunity to speak and reinforced Mr. Eric Powell's (Rutgers University) request at the March Board meeting for project funding in the amount of \$134,000 and to make themselves available for questions. The Committee had no questions regarding the matter and thanked the representatives for attending the meeting.

The Deputy Executive Director requested an Executive Session. On motion by Commissioner Dorn, seconded by Commissioner Hensley, the session was closed.

The following matters of a confidential nature were discussed.

- LEGAL MATTERS

There being no further business to discuss, on motion by Commissioner Dorn, the Economic Development Committee adjourned at 12:55 p.m.

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

Chairperson Parkowski noted the DRBA's involvement in the Oyster Project and that he believes it is a worthwhile Project.

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9583. 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 February.

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

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9584. 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 February 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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9585. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The Acting CFO presented a chart for March 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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9586. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The Acting CFO presented a chart for the month of March 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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9587. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF MARCH 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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9588. PUBLIC COMMENT ON ACTION ITEMS.

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

- Contract DMB-07-01 2007-2008 Deck Resurfacing-DMB
- Contract CMLF-07-04 Drydocking and repairs M/V Cape Henlopen
- Resolution 07-15 (formerly 06-67) Adoption of the DRBA 2007 Operating Budget & Commitment to Conduct Public Hearings for the Purpose of a Revised Toll Schedule for the DMB
- Resolution 07-16 Authorizes Expenditures \$25,000 and Over
- Resolution 07-17 Adoption of a Revised "Discount Book of Six Tickets" Usage Schedule for the Cape May-Lewes Ferry
- Resolution 07-18 Continues on a Trial Basis A Prevailing Wage Policy for all Authority Funded Capital Projects in Excess of \$2 Million
- Resolution 07-19 Lease Agreement with Cold Spring Fish and Supply Co. – Cape May Airport
- Resolution 07-20 Lease Agreement with Big Sky Aviation – Millville Airport
- Resolution 06-66 Community Contributions for the month of December, 2006

There were no comments from the public.

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9589. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

The Chief Operating Officer (COO) noted the following Summary of Authorized Contract Payments for the month of April, 2007.

<u>Contractor</u>		<u>Payment</u>
DMB-04-04	J.D. Eckman, Inc.	\$321,376.68
CMLF-06-01	TTI Environmental, Inc.	\$ 28,822.50

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9490. APPROVAL OF 2007-2008 - DECK RESURFACING (DMB) –DMB-07-01.

The COO noted that a public bid opening was held on March 30, 2007. One (1) bid was received from Eastern Highway Specialists, Inc, Wilmington, DE in the amount of \$1,918,850.00 which includes Add Alternate 2008. The COO and the Projects Committee recommend awarding the bid to the lone bidder noted above in the amount of \$1,918,850.00.

A motion to award the contract to Eastern Highway Specialists, Inc. in the amount of \$1,918,850.00 was made by Commissioner Lowe, seconded by Commissioner Smith and approved by a roll call vote of 11-0.

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9491. APPROVAL OF DRYDOCKING AND REPAIRS M/V CAPE HENLOPEN – CMLF-07-04

The COO stated that the Authority received two (2) bids and that Colonna’s Shipyard, Inc. of Norfolk VA was the lowest responsive bidder with a bid amount of \$676,068.00. The COO, along with the Projects Committee recommends awarding the contract to the bidder noted above in the amount of \$676,068.00.

A motion to award the contract to Colonna’s Shipyard in the amount of \$676,068.00 was made by Commissioner Favre, seconded by Commissioner Hensley and approved by a roll call vote of 11-0.

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9592. CHAIRPERSON’S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD.

RESOLUTION 07-15 (formerly 06-67) - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY'S 2007 OPERATING BUDGET AND COMMITMENT TO CONDUCT PUBLIC HEARINGS FOR THE PURPOSE OF A REVISED TOLL SCHEDULE FOR THE DELAWARE MEMORIAL BRIDGE.

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 FY2007, excluding the Airports division, are \$66,424,200; and

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

WHEREAS, for FY2007, interest on outstanding bonds is currently approximately \$15,003,678, and amortization of principal will be \$7,340,000 for total debt service of approximately \$22,343,678; 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 FY2007; and

WHEREAS, the projected revenue of the Authority for FY2007, excluding the Airports division, is approximately \$98,213,566 resulting in a debt service coverage of 1.43x, meeting the toll covenant; and

WHEREAS, the proposed operating budget for the Airports division operated by the Authority is \$5,094,133; and

WHEREAS, the Budget and Finance Committee has conducted publicly advertised hearings and meetings on the proposed 2007 Operating Budget; and

WHEREAS, the Budget and Finance Committee has developed, reviewed, and approved the proposed 2007 Operating Budget and recommends its adoption to the Board of Commissioners; and

WHEREAS, the Authority's capital improvement needs through Fiscal Year 2009 are anticipated to be approximately \$100,000,000; and

WHEREAS, the Authority has determined that future toll revenues based upon the present toll schedules will be insufficient to fulfill its obligations to operate, maintain, upgrade, and expand its facilities to provide safe and efficient transportation in and between the states of Delaware and New Jersey; and

WHEREAS, the Authority has determined that to meet its future obligations through 2009, it must generate no less than \$11,000,000 each year in additional revenue derived from tolls at the Delaware Memorial Bridge; and

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby adopts an operating budget of \$66,424,200 for the Bridge, Ferry, Food Services, Three Forts Crossing, Police, and Administration Divisions, and a budget of \$5,094,133, for the Airports division operated by the Authority for a total of \$71,518,333 for FY2007, and authorizes the Executive Director to exercise the approved management discretion and spend within the approved FY2007 budget.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that \$8 million of the General Fund Reserve is hereby designated and restricted for the Fiscal Year 2007 as the self insurance fund of the Authority to cover any payments required within the deductible limits of the Authority's various insurance policies.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Authority shall conduct public hearings, workshops and community outreach in the states of Delaware and New Jersey on the proposed toll structure that provides sufficient funding

to meet the future capital and operating needs of the Authority. The Commission shall adopt by resolution a revised toll structure that meets its future needs and is implemented by January of 2008.

A motion to approve Resolution 07-15 was made by Commissioner Simmerman, seconded by Commissioner Patterson and approved by a roll call vote of 11-0.

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The Acting CFO noted that two (2) items were added to Resolution 07-16 after the Budget & Finance Committee met. Those items added were Hertrich Ford for the purchase of fleet vehicles under a State Contract and Yank Marine for repairs to the Delafort.

RESOLUTION 07-16 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1 THROUGH DECEMBER 31, 2007.

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

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

DELAWARE RIVER & BAY AUTHORITY
PROJECTED VENDORS TO BE PAID OVER \$25,000
OPERATION EXPENDITURES
FOR THE PERIOD 1/1/07 THROUGH 12/31/07

VENDOR	SERVICE DESCRIPTION	DETERMINATION
ABS Americas	Vessel Inspection Services	Proprietary
Allied Beverage	Alcoholic beverage supplier	Proprietary
Allied Marine Service	Vessel Vacuum Toilet parts	Sole Source
Armorica Sales, Inc.	Vessel Paint	Proprietary
Anite Systems	Maintenance Agreement Ferry Reservation system	Proprietary
Atlantic Cape Community College	College Tuition expenses	
Atlantic City Electric	Utility	Sole Source
Atlantic City Press	Advertisements/Subscriptions	
Bruce Industrial	Davits and Jibs	Proprietary
Cavanaugh Capital Management	Financial Investment Advisor	
City of Milville	Fire and Safety Services	
Coltec Industries/Fairbanks-Morse	Vessel Engine Parts	Proprietary
CTM Brochure Display, Inc.	CMLF brochure distribution	Sole Source
Dave's Trash Removal	CMLF Trash Removal	Quotes
DBA Marine Safety Systems	Vessel Deployment and Servicing	Sole Source
Delaware Tech	College Tuition expenses	
Exxon Company	Vessel M.E., Gear and Steering Oil	Proprietary
Giles & Ransome, Inc.	Bowthruster and Generator parts	Proprietary
Goodyear Tire and Rubber Co.	Fleet tires	State Contract
Harrison Beverage Co.	Alcoholic beverage supplier	Proprietary
Hertrich Ford	Purchase of fleet vehicles	State Contract
HP/Compaq	PC & Equipment	State Contract

IBTTA	Conference Contribution	Conference Contribution
Johnson Controls	HVAC Maintenance/Training	Proprietary
Johnson & Towers	Vessel Generator parts	Proprietary
Kent Oil Company	AV Gas for Delaware Airpark	
Kramer Beverage Co.	Alcoholic beverage supplier	Proprietary
L.S. Riggins Oil Company	Gasoline	State Contract
Mars Graphic Services, Inc.	CMLF brochures	Quotes
Metlife Financial Services	Deferred Compensation	
Morris, Nichols, Arsht & Tunnell LLP	Legal Services	
Neumann College	College Tuition expenses	
Omnithruster, Inc.	Vessel bowthruster parts	Sole Source
Parker McCay P.A.	Legal Services	
PNC Bank	Investment/Banking Services	
Reitman Div. – R&R Marketing	Alcoholic beverage supplier	Proprietary
Rolls-Royce/Ulstein	Vessel Steering Parts	Sole Source
Sea Safety Services	Vessel Inspection Services	Sole Source
Service Energy LLC	Heat Oil Supplier for Lewes	State Contract
Software Specialists, Inc.	Software Support/Programming-Toll System	Proprietary
South Jersey Gas Co.	Utilities	Sole Source
South Jersey Newspapers	Advertisements/Subscriptions	
Sperry Marine	Extended Warranty for Radar Systems	Sole Source
Standard Distributing Co., Inc.	Alcoholic beverage supplier	Proprietary
State of Delaware	Unemployment Insurance/Withholding Taxes	
State of New Jersey Division of Parks	Fort Mott Doc Fee	
State of New Jersey Unemployment Insurance	Unemployment insurance taxes	
Verizon Wireless	Cellular Service	State Contract
VSGI	Video Teleconferencing	Sole Source
University of Delaware	College Tuition expenses	
Widener University	College Tuition expenses	
Wilmington College	College Tuition expenses	
Wilmington Trust	Trustee/Banking Services	
Yank Marine	Delafort Repairs	
Young, Conaway, Stargatt, Taylor LLP	Legal Fees	

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

A motion to approve Resolution 07-16 was made by Commissioner Simmerman, seconded by Commissioner Lathem. With Commissioners Smith and Patterson abstaining, Resolution 07-16 was approved by a roll call vote of 9-0 with 2 abstentions.

* * * * *

RESOLUTION 07-17 - ADOPTION OF A REVISED “DISCOUNT BOOK OF SIX TICKETS” USAGE SCHEDULE FOR THE CAPE MAY-LEWES FERRY.

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

WHEREAS, the Authority amended the fare schedule in 2006 to include a new rate for its “Discount Book of Six Tickets” fare; and

WHEREAS, the Authority also placed limitations on the usage of these frequency-based discount tickets on Fridays, Saturdays, Sundays and holidays between Memorial Day and Labor Day; and,

WHEREAS, the Authority received a significant number of customer recommendations to amend said usage limitations; and

WHEREAS, the Authority wishes to be responsive to its customers and improve service to its customers and to the community whenever possible; and

WHEREAS, the Authority’s Budget and Finance Committee has reviewed and approved the revised usage limitations of “Discount Book of Six Tickets” that allows year-round daily usage, with usage limitations on Saturdays and Sundays between 9:00 a.m. and 5:00 p.m., Memorial Day to Labor Day; and

WHEREAS, the Authority has concluded that the “Discount Book of Six Tickets” current price of \$110.00 will remain unchanged; and

WHEREAS, the Authority has determined that the amended usage schedule for “Discount Book of Six Tickets” is responsive to the public’s concerns, and yet acts to meet the financial requirements of the Authority, and

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

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

WHEREAS, the Authority desires to amend the fare schedule.

NOW, THEREFORE, BE IT RESOLVED, that the amended fare schedule that includes the revised “Discount Book of Six Tickets” usage schedule for the Cape May-Lewes Ferry is hereby adopted.

A motion to approve Resolution 07-17 was made by Commissioner Favre, seconded by Commissioner Lowe. A small discussion ensued.

Commissioner Patterson stated that he did not think that revising the Discount Book of Six Tickets would result in an increase in revenue and that, given the Authority’s budget constraints, he did not want to give up any revenue.

Commissioner Favre said that he talked to customers and that they did not purchase the Discount Book of Six Tickets because of its constraints. He also spoke with military people who frequent the ferry and they told him that they noticed a slight increase in their travel expenses as a result of the ticket constraints.

Chairperson Parkowski called for a vote on the motion. With Commissioner Patterson voting no, Resolution 07-17 was approved by a roll call vote of 10-1.

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RESOLUTION 07-18 – CONTINUES ON A TRIAL BASIS A PREVAILING WAGE POLICY FOR ALL AUTHORITY FUNDED CAPITAL PROJECTS IN EXCESS OF \$2 MILLION.

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

WHEREAS, the Authority currently incorporates prevailing wage requirements in all Authority projects receiving Federal or State funding; and

WHEREAS, the Authority did adopt a prevailing wage policy for a one-year and a two-year trial period, via Resolutions 04-17 and 05-10, respectively, for all Authority funded projects in excess of \$2 million, which policy expires in April 2007; and

WHEREAS, the Authority awarded four (4) construction contracts in excess of \$2 million during this trial period and, based on a staff evaluation of these projects, the data is inconclusive.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director, with the advice and consent of Counsel, is hereby authorized and directed to continue to incorporate the current prevailing wage policy into contract specification documents for all Authority funded projects in excess of \$2 million for two (2) additional years, through April 2009.

A motion to approve Resolution 07-18 was made by Commissioner Dorn, seconded by Commissioner Lowe.

Commissioner Hensley stated that she is voting no on this Resolution to control costs.

Commissioner Simmerman, in support of the motion, stated that this matter goes beyond economics—it reaches into political, moral and social issues.

Chairperson Parkowski called for a vote. With Commissioner Hensley voting no, Resolution 07-18 was approved by a roll call vote of 10-1.

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RESOLUTION 07-19 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND COLD SPRING FISH AND SUPPLY COMPANY AT THE CAPE MAY AIRPORT

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

WHEREAS, Cold Spring Fish and Supply Company (“Cold Spring”) desires to lease 1,500 sq. ft. of warehouse space commonly referred to as Unit 5 in Building 96 situate within the Airport; and

WHEREAS, Cold Spring has agreed to pay the Authority Eight Thousand Four Hundred Dollars (\$8,400.00) annual rent during each year of the initial term of the Lease Agreement; and

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

WHEREAS, Cold Spring shall have the option to renew the Lease Agreement for four (4) consecutive renewal periods of one (1) year each; and

WHEREAS, rent shall be adjusted annually by the Consumer Price Index; and

WHEREAS, the Economic Development Committee has reviewed the terms of the proposed Lease Agreement and recommends approval.

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

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

A motion to approve Resolution 07-19 was made by Commissioner Smith, seconded by Commissioner Favre and approved by a roll call vote of 11-0.

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RESOLUTION 07-20 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND BIG SKY AVIATION AT THE MILLVILLE AIRPORT

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

WHEREAS, Big Sky Aviation (“Big Sky”) desires to lease 1,200 sq. ft. of office space commonly referred to as Building 105 situate within the Airport; and

WHEREAS, Big Sky has agreed to pay the Authority Four Thousand Eight Hundred Dollars (\$4,800.00) annual rent during each year of the initial term of the Lease Agreement; and

WHEREAS, the initial term of the Lease Agreement is for five (5) years; and

WHEREAS, Big Sky shall have the option to renew the Lease Agreement for one renewal period of five (5) years; and

WHEREAS, during the initial and the renewal term, rent shall be adjusted annually by the Consumer Price Index; and

WHEREAS, rent shall be adjusted at the beginning of the renewal term to the Fair Market Value (FMV); and

WHEREAS, the Economic Development Committee has reviewed the terms of the proposed Lease Agreement and recommends approval.

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

A motion to approve Resolution 07-20 was made by Commissioner Simmerman, seconded by Commissioner Dorn and approved by a roll call vote of 11-0.

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RESOLUTION 06 - 66 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 December 06; and

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

Community Contributions

New Jersey

Cape May County Council on Alcoholism and Drug Abuse Incorporated	\$ 2,224
Cape May New Jersey State Film Festival	\$ 4,000
Glassboro Child Development Center	\$ 5,000
Gloucester County Chamber of Commerce	\$ 3,000
Gloucester County Habitat for Humanity	\$ 10,000
Historical and Educational Lodge Hall Preservatory Incorporated	\$ 10,000
Mt. Pisgah Community Improvement Association Incorporated	\$ 2,750
Newfield Terrace Community Action Organization	\$ 4,720
Rowan University Foundation	\$ 10,000
The Betty Deaton Literacy Foundation Incorporated	\$ 2,000
The Friends of Victory Lakes Association	\$ 2,500
Salem County Historical Society	\$ 3,000
Tri County Community Action Agency Incorporated	\$ 5,000
Wheaton Arts and Cultural Center	\$ 5,750

Total **\$ 69,944**

Delaware

Delaware Breast Cancer Coalition	\$ 4,000
Delaware Community Foundation	\$ 10,000
First Night Wilmington	\$ 725
Greater Lewes Foundation	\$ 4,300
YMCA of Delaware	\$ 1,050

Total **\$ 20,075**

Grand Total (New Jersey and Delaware) **\$ 90,019**

A motion to approve Resolution 06-66 was made by Commissioner Dorn, seconded by Commissioner Smith. With Vice-Chairperson Hogan abstaining, Resolution 06-66 was approved by a roll call vote of 10-0 with one abstention.

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9593. COMMISSIONERS PUBLIC FORUM

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

Dr. Joseph Salvatore, Chairman, Wildwood Naval Air Museum, addressed the Board. He gave a brief synopsis of the success of the Museum at the Cape May Airport from obtaining grants to its importance in history. Dr. Salvatore told the Commissioners that he is requesting consent from the Authority to convert the former Mess Hall building into a National US Coast Guard Museum. Presently, no museum of its kind exists and that Dr. Salvatore believes it will be an enhancement to tourism. He also wants to create a Historic District consisting of nine buildings at the Airport. He noted that Cape May County, owners of the Airport, gave him a favorable response to putting the Mess Hall building on the National Historic Registry to create the Coast Guard Museum. He requested support from the Commissioners in the form of a \$10,000 grant for the Airport and then thanked the Commissioners for their attention.

Mrs. Annie Salvatore, Historic Cold Spring Village, spoke. She noted that the conversion of one of the buildings to a historic US Coast Guard Museum can have an economic impact and that she and her husband will pay for the Historic Designation Nomination.

Chairperson Parkowski thanked the Salvatore's and stated that he had the opportunity to visit the Naval Museum and was impressed and that he is requesting staff to review the Salvatore's request.

There were no other public comments.

Chairperson Parkowski stated that Article VIII, Section 8.1 of the Authority By-Laws allows the Chairperson, in consultation with the Vice-Chairperson, to establish additional committees. He then stated that a subcommittee of the Personnel Committee will hereby be established for the purposes of reviewing food services at the DMB.

Chairperson Parkowski appointed Commissioners Dorn, Lowe, Cooper and Smith to the subcommittee.

A motion to approve the subcommittee and its members was made by Commissioner Patterson, seconded by Commission Favre. With Vice-Chairperson Hogan abstaining, the motion was approved by a voice vote of 10-0 with one abstention.

Commissioner Smith, recognizing the presence of Bill Gallo, Jr., reporter for the Sunbeam newspaper, was honored by the Salem County Chamber of Commerce. Mr. Gallo covers the Authority meetings for the Sunbeam.

Commissioner Dorn stated that Commissioner Smith was honored by the Women's Commission in Salem County and that he wanted to acknowledge Commissioner Smith for her many contributions to the County.

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

The meeting was adjourned 11:30 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Donald Rainear, Deputy Executive Director
Secretary Pro Tem