

**9056. RESOLUTION 04-25 RELATING TO THE DEBT STRUCTURE POLICY OF THE DELAWARE RIVER AND BAY AUTHORITY.** The Executive Director presented the following Resolution.

WHEREAS, The Delaware River and Bay Authority (the “Authority”) was created as a body politic and an agency of government of the State of Delaware and the State of New Jersey, by virtue of Chapters 145 and 146, Volume 53, Laws of Delaware, approved by the Governor of the State of Delaware July 21, 1961, and Chapter 66 of the Pamphlet Laws of 1961 of the State of New Jersey, approved by the Governor of the State of New Jersey June 3, 1961 (said Chapters 145 and 146 and said Chapter 66 being hereinafter sometimes collectively called the “Original Enabling Legislation”), pursuant to which the State of Delaware and the State of New Jersey entered, subject to the consent of the Congress of the United States of America, into a compact (hereinafter sometimes called the “Original Compact”) creating the Authority; and

WHEREAS, the consent of the Congress of the United States of America was given to the States of Delaware and New Jersey to enter into the Original Compact by a Joint Resolution of the Congress, approved September 20, 1962 (Public Law 87-678, 87th Congress); and

WHEREAS, by virtue of Chapter 252, Volume 67, Laws of Delaware, approved by the Governor of the State of Delaware June 28, 1990, and Chapter 192 of the Pamphlet Laws of 1989 of the State of New Jersey, approved by the Governor of the State of New Jersey October 18, 1989 (said Chapter 252 and said Chapter 192, together with the Original Enabling Legislation being hereinafter sometimes collectively called the “Enabling Legislation”), the State of Delaware and the State of New Jersey entered, subject to the consent of the Congress of the United States of America, into certain amendments to the Original Compact (as so amended and as may be further amended from time to time hereinafter sometimes called the “Compact”); and

WHEREAS, the consent of the Congress of the United States of America was given to the State of Delaware and New Jersey to enter into the Compact by a Joint Resolution of the Congress, approved November 15, 1990 (Public Law 101-565, 101st Congress); and

WHEREAS, by virtue of the Compact and the Enabling Legislation, the Authority’s powers include authorization to plan, finance, develop, construct, purchase, lease, maintain, improve and operate crossings, including bridges, tunnels and ferries and all approaches thereto and connecting and service routes, between the State of Delaware and the State of New Jersey across the Delaware River or Bay at any location south of the boundary line between the State of Delaware and the Commonwealth of Pennsylvania as extended across the Delaware River to the New Jersey shore of said River; and

WHEREAS, the Authority owns, operates and maintains twin bridges spanning the Delaware River from a point between Pigeon Point near the City of Wilmington in the State of Delaware and New Castle in said State to a point near the Salem Canal in the State of New Jersey, together with their approaches, appurtenances and property; and

WHEREAS, the Authority also owns, operates and maintains a public ferry system across Delaware Bay between Cape May in the State of New Jersey and the Town of Lewes in the State of Delaware, including vessels, marine facilities, approaches and connecting and service routes and appurtenances and equipment incidental thereto; and

WHEREAS, the Authority has in the past and may in the future continue to issue and secure fixed and/or variable rate bond indebtedness for the purposes of financing the costs of certain capital improvements; and

WHEREAS, the Authority continually tracks the bond market with respect to its borrowing or refinancing opportunities needs; and

WHEREAS, the Authority may desire in the future to utilize derivative products which involve the issuance of securities which carry either a fixed or a variable rate together with the simultaneous execution of a hedging vehicle, contract or simultaneous issuance by the Authority of additional debt security for the purpose of establishing a different fixed or variable rate payment liability with respect to such indebtedness; and

WHEREAS, the Authority has communicated with bond rating agencies concerning the use of variable rate and derivative indebtedness as part of its overall debt structure and received feedback on the use of such products when utilized within a managed debt structure; and

WHEREAS, the Authority's Budget and Finance Committee has reviewed and discussed this policy and recommends it for consideration by the full Board; and

WHEREAS, the Board of Commissioners has determined that the establishment of a Debt Structure Policy which defines and limits the exposure of the Authority to variable rate debt and derivative products to be fiscally prudent and in the best interest of the Authority; and

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby adopts a Debt Structure Policy which limits any debt financing, at the time of the occurrence, to a total maximum combined exposure to variable rate and derivatives of not greater than twenty-five percent (25%) of the total outstanding indebtedness of the Authority.

Resolution 04-24 was moved by Commissioner Patterson, seconded by Commissioner McWilliams and was approved by a roll call vote of 10-0.