

8958. RESOLUTION 03-42 - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY'S 2004 OPERATING BUDGET. The Chairman presented the following Resolution.

WHEREAS, Section 505 of the Trust Agreement dated October 1, 1993, requires that the Authority adopt a budget for the ensuing fiscal year; and

WHEREAS, the operating expenses for FY2004 excluding the Airports division are \$59,040,211; and

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

WHEREAS, for FY2004, interest on outstanding bonds is currently approximately \$16,537,358.76, and amortization of principal will be \$6,345,000 for a total debt service of approximately \$22,882,358.76; 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 FY2004; and

WHEREAS, the projected revenue of the Authority for FY2004 excluding the Airports division is approximately \$91,807,598 resulting in a debt service coverage of 1.43, meeting the toll covenant; and

WHEREAS, the operating budget for the Airports division operated by the Authority is \$4,567,763; and

WHEREAS, the Budget and Finance Committee has conducted publicly advertised meetings on the proposed 2004 Operating Budget; and

WHEREAS, the Budget and Finance Committee has, developed, reviewed, and approved the proposed 2004 Operating Budget and recommends its adoption to the Board of Commissioners; and

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby adopts an operating budget of \$59,040,211 for the Bridge, Ferry, Food Services, Three Forts Crossing, Police, and Administration Divisions, and a budget of \$4,567,763, for the Airports division operated by the Authority for a total of \$63,607,974 for FY2004, and authorizes the Executive Director to spend within the approved FY2004 budget.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that \$6 million of the General Fund Reserve is hereby designated and restricted for the Fiscal Year 2004 as the self insurance fund of the Authority to cover any payments required within the deductible limits of the Authority's various insurance policies.

Chairman Parkowski called for a motion to open the floor for discussion. A motion was made by Commissioner Patterson and seconded by Commissioner Cooper.

Commissioner Patterson, Chairman of the Budget & Finance Committee, thanked the committee and staff for their work on the budget. He proceeded to outline the steps that it took to get to this step of the budget process noting that there were three public budget meetings held on October 7, November 11, and 17. He noted the salary savings as a result of the ERO but that employee benefits and costs at the ferry continue to rise. Everyone has tried to hold the budget at 3%.

Commissioner Patterson referenced some last minute changes to the budget that were made as late as yesterday. One change was in support of the Deputy Executive Director's new Marketing Plan for the ferry. The marketing budget will be increased by \$90,000 to \$590,000 in an effort to reverse the downward trend in ferry ridership over the last several years. The other is to put \$12,500 into the possible reopening of the Cape May Airport restaurant because of its economic potential.

Vice-chairman Wallace also thanked the Committee and staff for their efforts in putting the budget together. He suggested that the budget approval be held over until December in order to give the governors and the public more time to review it. The governors received the budget two days ago and there were changes as late as yesterday. Vice Chairman Wallace stated that the standard practice is to have a 30-day review of the budget before it is up for a vote. Commissioner Patterson said that he did not want to send a signal to the public that we have not done our job. Also, Vice-chairman Wallace suggested holding two public hearings on the evening before the budget is adopted.

Chairman Parkowski called for a roll call vote. Commissioners Hensley, Lathem, Lowe, Patterson and Parkowski voted yes while Commissioners Dorn, Koebig, McWilliams, Pessagno, and Wallace voted no. With 6 yes votes and 5 no votes the motion to approve Resolution 03-42 failed.