

**MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, May 20, 2014
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720**

The meeting convened at 12:00p.m. with Chairperson Hogan presiding.

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

Chairperson Hogan called on the Authority Assistant Secretary to read the meeting notice and take roll.

The Assistant 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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The Executive Director reported at the Audit & Governance Committee meeting that Commissioner Guajardo resigned from the Board of Commissioners on April 29, 2014, and that his resignation was accepted by Governor Markell.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

James N. Hogan, Chairperson
Edward W. Dorn
Richard S. Mroz (via phone)
Ceil Smith
Douglas Van Sant
Shirley R. Wilson

William E. Lowe, Vice-Chairperson
Richard Downes
Vacant
Samuel E. Lathem
Terri C. Murphy

ABSENT

Gary F. Traynor

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Chairperson Hogan called for the acceptance of the Agenda.

Commissioner Downes motioned to accept the Agenda, seconded by Commissioner Lathem, and the motion carried by a voice vote of 10-0

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10813. APPROVAL OF THE APRIL 7 and 15, 2014 MINUTES

Commissioner Smith motioned to approve the April 7 and 15, 2014 meeting minutes, seconded by Commissioner Murphy, and unanimously approved by a voice vote of 10-0.

Chairman Hogan commented on the action of New Jersey Governor Chris Christie regarding the veto of the April 7, 2014 minutes. He stated that, while he defers to the NJ Governor to make the legal decision to veto them, he felt that the Governor of Delaware and the people of Delaware deserved an apology. He then gave a heartfelt apology to all.

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10814. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented a chart showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Delaware City-Salem Ferry Crossing, and Food Services for the month of April.

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

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10815. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented a chart showing statements of income and expenses for the month of April with comparisons to the same period last year.

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

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10816. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for April 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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10817. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of April showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also included 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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10818. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF APRIL 31, 2014.

The 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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10819. AUTHORITY CUSTOMER TRENDS (ACT) REPORT

The CFO stated that the Authority Customer Trends (ACT) Report included in the financials allows management to view on a month-to-date basis trends in areas such as traffic, customer service, aircraft landings, and workplace incidents. Copies are distributed daily to employees via email and posted on bulletin boards for those without computers.

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10820. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Hogan noted that there is one (1) contract award, one (1) contract close-out, and three (3) Resolutions to be considered today. All action items have been reviewed and recommended for consideration during today’s Committee meetings. He then called for public comments.

There were no public comments.

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10821. AWARD OF MARINE IMPROVEMENTS-MISCELLANEOUS MARINE FENDER IMPROVEMENTS: CMFL-12-06

The COO stated that a bid opening was held on April 10, 2014 in which four (4) bids were received. The COO and the Projects Committee recommended awarding the contract to the lowest responsive bidder, Atlantic Subsea, Inc. of Bridgeport, NJ, in the amount of \$525,000.00.

A motion to award Contract CMLF-12-06 to the aforementioned firm in the amount of \$525,000.00 was made by Commissioner Murphy, seconded by Commissioner Dorn, and approved by a voice vote of 10-0.

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10822. CONTRACT CLOSE-OUT: REPLACEMENT OF FENDER CLUSTERS 68, 74 & 80 CAPE MAY TERMINAL; CONTRACT #CMLF-12-04

On April 17, 2012 Contract No. CMLF-12-04, Replacement of Fender Clusters 68, 74 & 80 Cape May Terminal, was awarded to Atlantic Subsea, Inc., of Bridgeport, New Jersey, for the bid price of \$797,730.00.

During the contract period Change Order No’s. 1-2 were approved for the project
Add: \$210,590.00

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$1,008,320.00

A motion to close-out Contract CMLF-12-04 was made by Commissioner Wilson, seconded by Commissioner Lathem, and approved by a voice vote of 10-0.

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10823. CHAIRPERSON’S CALL FOR RESOLUTIONS BEFORE THE BOARD

RESOLUTION 14-15 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2014 THROUGH DECEMBER 31, 2014

WHEREAS, The Delaware River and Bay Authority (the “Authority”) adopted Resolution 01-84 requiring Commissioner 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 1/1/14 THROUGH 12/31/14

VENDOR	SERVICE DESCRIPTION	DETERMINATION	APPROX. ESTIMATED \$
Adelte Ports and Maritime	Passenger Loader Tubes Maintenance Program at CMLF	Proprietary	\$32,000
Brady Marine Repair Co., Inc.	Welding Services for CMLF	Quotes	\$50,000
DFFLM, LLC T/A Ditschman/Flemington Ford	Replacement Vehicle	State Contract	\$83,000
Maritime Institute of Technology and Graduate Studies (MITAGS)	CMLF Maritime Training	Sole Source	\$30,000
OmniThruster, Inc.	Bow Thruster Impeller and Parts for CMLF	Sole Source	\$53,000
Rolls-Royce Marine, N.A.	Tonnage Reduction Study for CMLF	Professional Service	\$48,000
United States Postal Service	General Postage Services	Sole Source	\$27,000
Vibration Specialty Corporation	Vibration Monitor for CMLF	Quotes	\$26,000
Visual Systems Group, Inc. (VSGi)	New Equipment and Service for Current Video Conference Systems	State Contract	\$41,000

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 14-15 was made by Commissioner Van Sant, seconded by Commissioner Lathem, and approved by a roll call vote of 10-0.

Resolution 14-15 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2014 through December 31, 2014.

Committee: Budget & Finance

Committee and Board Date: May 20, 2014

Purpose of Resolution:

Authorizes the expenditure of \$25,000 or greater with the identified vendors for the calendar year.

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 01-84, whereby the Authority shall not enter into any contract committing the Authority to spend or make any other expenditures relating to services, material and supplies in the amount of \$25,000 or more unless it has first been approved by a vote of Commissioners.

Background for the specific purchases:

Passenger Loader Tubes Maintenance Program at CMLF

Adelte is the proprietary supplier of annual preventative maintenance training for the new passenger boarding bridges located at the CMLF Terminals. On behalf of the original equipment manufacturer, Adelte technicians will be making several visits to train Authority staff on proper inspection, testing and lubrication of the system's mechanical, electrical and control equipment.

Welding Services for CMLF

The Authority requires ABS-certified welders to renew/replace steel angle iron stiffeners, flat bar and stringers aboard the CMLF vessels. The following quotes for a weekly rate were solicited and include a two-man crew, 6 days per week, at 10 hours per day: Brady Marine Repair Co., Inc. (\$9,425), White Marine, Inc. (\$17,960) and Southern Services Group (nonresponsive - no ABS cert.). The estimated expenditure above includes the value of work that has already been performed by this vendor aboard the Cape Henlopen.

Replacement Vehicle

The Authority evaluates its vehicles and equipment for replacement according to written replacement criteria. The Authority has determined that a 2001 E-350 Versalift 29N van has exceeded its useful life and requires replacement. The van, used for camera installations, bridge lane signal lighting replacement and toll plaza maintenance, far exceeds the Authority's vehicle replacement standards, and the body has major rust. A 2015 F-550 Utility Body with Aerial lift will be acquired to replace the van, which is to be sold at public auction. The listed vendor offers the best State Contract price for the vehicle.

CMLF Maritime Training

Several CMLF employees will attend MITAGS throughout 2014 for maritime-related coursework. An example of courses includes: Automatic Radar Plotting Aids (ARPA), Bridge Resource Management, and Radar Observer.

Bow Thruster Impeller and Parts for CMLF

OmniThruster, Inc., the original equipment manufacturer, is the sole source distributor for parts for the OmniThruster marine maneuvering and propulsion systems installed on the MV Delaware and the MV Cape Henlopen. The bow thruster is an integral part of the propulsion system for the Ferry and the parts are needed to keep the vessels fully operational.

Tonnage Reduction Study for CMLF

The Authority is engaging an engineering firm to provide the technical services necessary to reduce the tonnage of the M/V Twin Capes, or other vessel, to 1600 gross tons. Services will be performed in two phases, with Phase I being a study of the impact of the weight additions to the vessel and Phase II being the design and approval of the tonnage plan. The proposed cost for both phases is \$48,000.

General Postage Services

The DRBA sends all of its regular mail via the United States Postal Service ("USPS"). Estimate includes an allotment for the CMLF annual direct mail campaign.

Vibration Monitor for CMLF

The Authority needs to acquire a vibration monitor for use in determining the health of various machines on board the Cape May-Lewes Ferry vessels. A vibration monitor enables the CMLF Maintenance staff to perform predictive maintenance by detecting misalignment, bearing wear, imbalance, loose internal parts, etc. prior to the failure of the equipment. The system includes software for

tracking and storing historical data. The Authority solicited quotes from three vendors as follows: Vibration Specialty Corporation (\$19,000), Emerson Process Management (\$30,000) and Reliability Direct, Inc. (\$25,000). Vibration Specialty Corporation submitted the lowest quote to supply the equipment. The estimated expenditure of \$26,000 includes the value of work that has already been ordered from this vendor.

New Equipment and Service for Existing Video Conference Systems

The Authority currently has three video conference rooms installed by and under a support contract with VSGi. The Authority will be purchasing additional equipment and installation services from this vendor to set up a new video conference room in the New Castle Administration building, New Lower conference room. These services and materials are being acquired through pricing as awarded to VSGi by State Contract.

Background for Determination category:

Quotes:

Quotes items are purchases with a particular vendor that, in aggregate, are anticipated to cost between \$25,000 and \$49,999 during this calendar year. Resolution 98-31 (paragraph 4) provides that “contracts for materiel, supplies and non-professional services, if more than \$25,000 but less than \$50,000 in the aggregate require the solicitation of three written quotes or all available sources, whichever is less...”

Professional Service:

Resolution 98-31, as amended by Resolution 09-52, Part 1.a., specifies that the public advertisement requirement for a professional service contract is effective only if the value of the service is expected to exceed \$50,000. Likewise, Resolution 98-31, as amended by Resolution 01-84, specifies that the Authority shall not enter into any contract committing the Authority to spend \$25,000 or more unless the expenditure has first been approved by a vote of Commissioners. This expenditure falls within the \$25,000-50,000 range.

State Contract:

Resolution 98-31, as amended by Resolution 11-36 (paragraph 2, subsection a) provides that, “[t]his [competitive bidding] provision shall not apply to purchases by the Authority from suppliers in cases where the Authority is purchasing at prices pursuant to contracts awarded by the States of Delaware or New Jersey for state agencies.”

Sole Source:

Sole source means that a single vendor is uniquely qualified to meet the Authority’s procurement objective. Some examples include any product or service that is the only one that will meet a need and can only be purchased from one source, products specifically required for use in conjunction with a grant or contract, products or services controlled or mandated by a local utility, government or exclusive distributor. Resolution 98-31 (paragraph 2, subsection f) provides that, “[a] contract may be awarded without competition if the General Manager or Director of Operations of an Authority facility, or Police Administrator, prior to procurement, determines in writing that there is only one source for the required contract”.

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RESOLUTION 14-16 - RELATING TO THE ISSUANCE AND AWARD OF THE DELAWARE RIVER AND BAY AUTHORITY REVENUE BONDS, SERIES 2014A, REVENUE BONDS, REFUNDING SERIES 2014B, AND REVENUE BONDS, REFUNDING SERIES 2014C

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 on 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 on 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 on 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 States of Delaware and New Jersey to enter into the Compact by a Joint Resolution of the Congress, approved on 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 entered into the Trust Agreement (the “**Trust Agreement**”) and Supplemental Trust Agreement Number 1, each dated as of October 1, 1993, with Wilmington Trust Company, as Trustee (the “**Original Trustee**”), and issued and secured thereunder its \$123,755,000 Revenue Bonds, Series 1993 (the “**1993 Bonds**”) to: (i) defease certain outstanding indebtedness with respect to the Authority’s outstanding revenue bonds originally issued in the aggregate principal amount of \$103,000,000 (the “**Prior Bonds**”) and the defeasance of the trust agreement, dated as of January 1, 1964 pursuant to which the Prior Bonds were issued and (ii) finance the costs of certain Additional Facilities; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 2, dated as of August 1, 1996, with the Original Trustee and issued and secured thereunder its \$67,065,000 Revenue Bonds, Series 1996 (the “**1996 Bonds**”) for the purpose of financing the costs of certain Additional Facilities; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 3 dated as of June 1, 2000 and Supplemental Trust Agreement Number 4 dated as of August 1, 2000, with the Original Trustee and issued and secured thereunder its \$98,755,000 Revenue Bonds, Series 2000A (the “**2000A Bonds**”) and \$30,000,000 Revenue Bonds, Series 2000B (the “**2000B**”

Bonds”, and together with the 2000A Bonds, the “**2000 Bonds**”), respectively, for the purpose of financing the costs of certain Additional Facilities; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 5, dated as of January 1, 2003, with the Original Trustee and issued and secured thereunder its \$76,300,000 Revenue Bonds, Series 2003 (the “**2003 Bonds**”) for the purpose of financing the costs of certain Additional Facilities; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 6, dated as of September 1, 2004, with the Original Trustee and issued and secured thereunder its \$53,670,000 Revenue Bonds, Refunding Series 2004 (the “**2004 Bonds**”) for the purpose of refunding a portion of the 1993 Bonds and the 1996 Bonds; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 7, dated as of March 1, 2005, with the Original Trustee and issued and secured thereunder its \$180,215,000 Revenue Bonds, Refunding Series 2005 (the “**2005 Bonds**”) for the purpose of refunding the remaining outstanding portion of the 1993 Bonds and the 1996 Bonds and refunding a portion of the 2000A Bonds and the 2003 Bonds; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 8, dated as of December 1, 2008, with the Original Trustee and issued and secured thereunder its \$30,000,000 Revenue Bonds, Refunding Series 2008 (the “**2008 Bonds**”) for the purpose of refunding the 2000B Bonds; and

WHEREAS, the Authority entered into Supplemental Trust Agreement Number 9, dated as of November 1, 2012 with The Bank of New York Mellon Trust Company, N.A., a successor Trustee (the “**Trustee**”), and issued and secured thereunder its \$58,635,000 Revenue Bonds, Series 2012A (the “**2012A Bonds**”) for the purpose of financing the costs of certain Additional Facilities and its \$38,020,000 Revenue Bonds, Refunding Series 2012B (the “**2012B Bonds**”, and together with the 2012A Bonds, the “**2012 Bonds**”), for the purpose of refunding all the remaining outstanding 2003 Bonds; and

WHEREAS, the Authority intends to enter into Supplemental Trust Agreement Number 10, dated as of the date of the execution and delivery of such supplement, pursuant to which various amendments and supplements will be made in the terms of the Trust Agreement, as provided in Section 1101 and/or 1102 thereof; and

WHEREAS, the Authority has determined (i) to provide for the costs of certain Additional Facilities constituting a portion of its Five-Year Capital Plan (for fiscal years ending December 31, 2014 through 2018, inclusive) and (ii) to fund to maturity or refund for significant debt service savings all or such portion of the outstanding 2005 Bonds as the Delegates (hereinafter defined) shall determine and which shall meet the minimum present value debt service savings threshold set by this resolution (the 2005 Bonds so refunded are herein referred to individually as the “**2005 Refunded Bonds**”); and

WHEREAS, the Authority has determined to authorize the issuance of three separate series for the following purposes (subject to re-designation as provided in Section 4):

<u>Bond Caption</u>	<u>Purpose</u>
Revenue Bonds, Series 2014A	New Money
Revenue Bonds, Refunding Series 2014B	Advance Refunding of Certain 2005 Bonds
Revenue Bonds, Refunding Series 2014C	Current Refunding of Certain 2005 Bonds (“Forward Delivery”)

WHEREAS, there have been presented at this meeting copies of forms of the following documents relating to the amendment of the Trust Agreement, and to issuance of the 2014 Bonds hereinafter mentioned:

- (a) the Supplemental Trust Agreement Number 10, between the Authority and the Trustee, pursuant to which certain amendments to the Trust Agreement would be

made as provided in Section 1102 (the “**Supplemental Trust Agreement Number 10**”);

- (b) the Supplemental Trust Agreement Number 11 (the “**Supplemental Trust Agreement Number 11**”), which Supplemental Trust Agreement at the option of the Authority, may be reconstituted as two or three Supplemental Trust Agreements – namely 11, 12 and 13 – for each series of the 2014 Bonds (collectively, including the Supplemental Trust Agreement Number 10, the “**Supplemental Agreements**”) between the Authority and the Trustee, the provisions of which relate to the issuance of and security for the 2014 Bonds;
- (c) the Bond Purchase Agreement (the “**Bond Purchase Agreement**”) between the Authority and Citigroup Global Markets Inc., as representative of the underwriters named therein (collectively, the “**Underwriters**”) with respect to the purchase and sale of the 2014A Bonds and/or the 2014B Bonds;
- (d) the Forward Delivery Bond Purchase Agreement (the “**Forward Delivery Bond Purchase Agreement**”) between the Authority and the Underwriters with respect to the purchase and sale of the 2014C Bonds; and
- (e) the Preliminary Official Statement (the “**Preliminary Official Statement**”), relating to the 2014 Bonds.

NOW, THEREFORE, THE COMMISSIONERS OF THE DELAWARE RIVER AND BAY AUTHORITY HEREBY RESOLVE, as follows:

Section 1. Definitions. Capitalized words and terms used in this Resolution and not defined herein shall have the same meanings in this Resolution as such words and terms are given in the Trust Agreement, as previously supplemented and amended, or the Supplemental Agreements, as applicable.

Section 2. Authorization of the 2014 Bonds; New Money Financing. Pursuant to the authority granted to it by the Compact, the Authority hereby authorizes the issuance of its Revenue Bonds, Series 2014A to be issued in one or more series or sub-series in an aggregate principal amount not to exceed \$72,000,000 (the “**2014A Bonds**”) for the purpose of funding Additional Facilities constituting a portion of its Five-Year Capital Plan (for fiscal years ending December 31, 2014 through December 31, 2018, inclusive) (the “**New Money Program**”). The 2014A Bonds shall consist of Current Interest Bonds that are Serial Bonds or Term Bonds or a combination thereof, dated as of such date, maturing on such dates in such years not later than January 1, 2045 and in such principal amounts and bearing interest at such rates, all as determined by the unanimous agreement of the Executive Director and the Chief Financial Officer of the Authority (collectively, the “**Delegates**”) prior to the award of the 2014A Bonds; provided that the true interest cost on the 2014A Bonds shall not exceed 6.00%.

Section 3. Authorization of 2014B Bonds and 2014C Bonds; Refunding of 2005 Bonds. Pursuant to the authority granted to it by the Compact, the Authority hereby authorizes the issuance of its Revenue Bonds, Refunding Series 2014B (the “**2014B Bonds**”) and its Revenue Bonds, Refunding Series 2014C (the “**2014C Bonds**”, and together with the 2014A Bonds and the 2014B Bonds, the “**2014 Bonds**”). The 2014B Bonds and the 2014C Bonds shall be issued in an aggregate principal amount not exceeding \$182,000,000 for the purpose of financing the refunding of part or all of the 2005 Bonds.

It is intended that the 2014B Bonds will be issued to advance refund certain of the 2005 Bonds in accordance with the requirements of the Internal Revenue Code of 1986, as amended (the “**Code**”). The 2014C Bonds shall be issued to provide for the current refunding of any 2005 Bonds which cannot be advance refunded under the requirements of the Code. The 2014C Bonds may be sold to the Underwriters pursuant to the Forward Delivery Bond Purchase Agreement providing for a forward delivery of the 2014C Bonds (any time after October 2, 2014).

The 2014B Bonds and the 2014C Bonds shall consist of Current Interest Bonds that are Serial Bonds or Term Bonds or a combination thereof, dated as of such dates, maturing on such dates in such years not later than January 1, 2029, and in such principal amounts and bearing

interest at such rates, all as determined by the unanimous agreement of the Delegates prior to the award of the 2014B Bonds and/or the 2014C Bonds; provided that the true interest cost of said bonds shall not exceed 6.00% and subject to their receipt of the advice of the Authority's Financial Advisor, Brown Advisory, LLC (the "**Financial Advisor**"), that the Authority will have surpassed the standard of an aggregate net present value debt service savings, as determined by the Financial Advisor, of not less than three percent (3%) of the aggregate principal amount of the 2005 Refunded Bonds. The Delegates may determine different dates of issuance and delivery of the 2014B Bonds and 2014C Bonds. The Delegates are also authorized to call part or all of the 2005 Bonds for redemption, upon the issuance of the 2014B Bonds or 2014C Bonds, as appropriate.

Section 4. Bond Designations Subject to Change. The series designations authorized above may be changed by the Delegates to reflect the actual sequence in which they are issued. The Delegates shall also be authorized to combine the 2014B Bonds and the 2014C Bonds into a single series which may be awarded to the Underwriters on a current delivery basis. Any series may be issued without the issuance of the other series, and the Supplemental Trust Agreement Number 11 may be reconstituted into separate supplements applicable to one or more of the series.

Section 5. Redemption Provisions. The 2014 Bonds, or any particular series of the 2014 Bonds, shall be subject to optional redemption at such times, upon such terms and conditions, and at such prices, all as determined by the unanimous agreement of the Delegates prior to the award of such 2014 Bonds; provided that the 2014 Bonds shall be subject to redemption prior to maturity at the option of the Authority on a date not later than January 1, 2025 and at a redemption price not to exceed 102%; provided further, however, that if the Authority's Financial Advisor shall advise the Delegates that the incremental savings to be realized from the Authority's extending the period during which the 2014 Bonds (or any particular series of the 2014 Bonds) are not subject to redemption at the option of the Authority or making all or any of the 2014 Bonds not subject to redemption at the option of the Authority outweigh the value of the call options that could otherwise apply with respect to such 2014 Bonds and the Delegates shall agree, then such 2014 Bonds (the 2014 Bonds with respect to which such determination shall be made that such incremental savings outweigh the value of the call options that could otherwise apply) shall not be subject to redemption, at the option of the Authority, for such extended period or periods or prior to their stated maturity, as the case may be. The Term Bonds shall have such Amortization Requirements (and corresponding mandatory sinking fund redemption requirements) as determined by the unanimous agreement of the Delegates prior to the award of the 2014 Bonds.

Section 6. Authorization of Supplemental Trust Agreement Number 10. The Authority hereby authorizes the execution and delivery of Supplemental Trust Agreement Number 10 pursuant to which various amendments to the Trust Agreement will be made, including revisions to the definition of "Investment Obligations" and revisions to Section 502 "Uniformity of Tolls" authorizing: (i) the Authority to approve discounts and exemptions in the payment of tolls for the use of the Ferry provided that the Authority determines in good faith that such discounts or exemptions will increase the net revenues or reduce the net losses of the Ferry; and (ii) funerals and other memorial processions associated with honoring the loss of life to use the Bridge without paying tolls. The form of the Supplemental Trust Agreement Number 10 is hereby approved in all respects and the Authority Representatives (as hereinafter defined) are each hereby authorized and directed to execute and deliver the Supplemental Trust Agreement Number 10 in substantially the form presented to this meeting, together with such changes, modifications and deletions as such Authority Representatives, with the advise of Authority counsel, may deem necessary or appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

If Supplemental Trust Agreement Number 10 cannot be entered into prior to the execution and delivery of Supplemental Trust Agreement Number 11, then the Delegates are authorized to renumber the supplements accordingly.

Section 7. Approval of Forms of Documents. The forms, terms and provisions of the Supplemental Agreements, the Forward Delivery Bond Purchase Agreement and the Bond Purchase Agreement are hereby approved in all respects, and the Authority Representatives (hereinafter defined) are each hereby authorized and directed to execute and deliver the Supplemental Agreements, the Forward Delivery Bond Purchase Agreement and the Bond

Purchase Agreement in substantially the forms presented to this meeting together with such changes, modifications and deletions as such Authority Representatives, with the advice of Authority counsel, may deem necessary or appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

Section 8. Purchase of Defeasance Obligations. Any Authority Representative is hereby authorized to subscribe, cancel such subscription and resubscribe, without limitation, for United States Treasury State and Local Government Series, Time Deposit Securities and Demand Deposit Securities, and alternatively, if so advised by the Authority's Financial Advisor, to purchase and sell open market Defeasance Obligations, all for the purpose of funding the escrows for the 2005 Refunded Bonds. If any Authority Representative shall determine that the same shall improve the efficiency of the escrow funds created under the Supplemental Agreements, he is further authorized to enter into agreements and give instructions for the purchase of Defeasance Obligations for periods when moneys credited to said escrow funds would otherwise be uninvested. Any Authority Representative is further authorized to determine the particular Defeasance Obligations to be purchased and the form thereof and the terms of any related agreement with respect thereto that, in his judgment, will improve the efficiency of the Defeasance Obligations in defeasing the Refunded Bonds.

Section 9. Execution of the 2014 Bonds. The Chairman or Vice Chairman and the Assistant Secretary are hereby authorized and directed to execute by manual or facsimile signature, and to deliver to the Bond Registrar, for authentication on behalf of the Authority, the 2014 Bonds in definitive form, which shall be in substantially the form contained in the Supplemental Agreements together with such changes, modifications and deletions as they, with the advice of Authority counsel, may deem necessary or appropriate and consistent with the Trust Agreement and the Supplemental Agreements; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

Section 10. Authorization of Delegates to Award the 2014 Bonds. The Authority hereby authorizes the Delegates by unanimous agreement to award the 2014 Bonds (or any particular Series of the 2014 Bonds) to the Underwriters in the aggregate principal amount determined pursuant to Section 2 or 3 of this Resolution and at the interest rates determined pursuant to said Section 2 or 3 at a purchase price not less than 97% of their aggregate principal amount, with an underwriting discount of not greater than 1% of the principal amount of the 2014 Bonds, all as determined by the unanimous agreement of the Delegates, plus accrued interest, if any.

Section 11. Authentication and Delivery of the 2014 Bonds. Upon their execution in the form and manner set forth in the Supplemental Trust Agreement Number 11, the 2014 Bonds shall be deposited with the Bond Registrar for authentication, and the Bond Registrar is hereby authorized and directed to authenticate and, upon due and valid execution and acceptance of the Supplemental Trust Agreement Number 11, by the proper parties thereto, the Trustee shall cause the Bond Registrar to deliver the 2014 Bonds (or any particular series of the 2014 Bonds) for the account of the Underwriters at The Depository Trust Company, New York, New York against payment therefor in accordance with and subject to the provisions of Sections 209 and 210 of the Trust Agreement.

Section 12. Offering Documents. The form of Preliminary Official Statement is hereby approved and an Authority Representative is hereby authorized to approve the terms of and publish a Preliminary Official Statement describing the 2014 Bonds in substantially the same form as the Preliminary Official Statement presented to this meeting (with such changes as shall be approved by the Delegates) and deem "final" such Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended; and an Authority Representative is hereby authorized to execute an official statement, together with any additional or supplemental official statement required under the Forward Delivery Bond Purchase Agreement (the "**Official Statement**") in substantially the form of the deemed "final" Preliminary Official Statement, together with such changes, modifications and deletions as such Authority Representative, with the advice of Authority counsel, may deem necessary or appropriate; and such execution shall be conclusive evidence of the approval thereof by the Authority; and the Authority hereby approves and authorizes the distribution and use of copies of the Preliminary Official Statement, the Official Statement, the Trust Agreement and the Supplemental Agreements by the Underwriters in connection with the sale and marketing of the 2014 Bonds.

Section 13. Certain Appointments. Pursuant to the Trust Agreement and the Supplemental Agreements, the Authority hereby makes and/or confirms the following appointments:

- (a) as Trustee, Paying Agent and Bond Registrar for the 2014 Bonds, The Bank of New York Mellon Trust Company, N.A., as Trustee to the Trust Agreement and the Supplemental Agreements; and
- (b) as Securities Depository for the 2014 Bonds, The Depository Trust Company, New York, New York.

Section 14. Application of the Proceeds of the 2014 Bonds. The proceeds of the 2014 Bonds shall be deposited by an Authority Representative in accordance with the provisions of Sections 209 and 210 of the Trust Agreement, and in accordance with the Supplemental Agreements as follows:

(1) to the Trustee for deposit to the credit of one or more special escrow fund or funds, appropriately designated and which shall be one or more subaccounts of the Debt Service Fund held under the Trust Agreement exclusively for part or all of the Refunded 2005 Bonds, such amount of proceeds of the 2014B Bonds or 2014C Bonds, as the case may be, which, together with other moneys deposited in such fund as provided in the Trust Agreement, shall be sufficient to defease and pay or redeem on their respective maturity or redemption dates the Refunded 2005 Bonds;

(2) to the Trustee for deposit to the Debt Service Reserve Fund, such portion of the proceeds of the 2014 Bonds as determined by such Authority Representative to be necessary, but not greater than that amount required, in order that such amount, when added to the amounts, if any, deposited to the credit of the Debt Service Reserve Fund by the Authority from other funds available to it, will make the total amount held for the credit of the Debt Service Reserve Fund equal to the Debt Service Reserve Fund Requirement on account of the 2014 Bonds; and

(3) to the Trustee for deposit to a special subaccount in the Construction Fund designated the “**Series 2014A Construction Account**”, the balance of the proceeds of such 2014A Bonds (net of the amount deposited in the Series 2014 Costs of Issuance Account referred to in paragraph (4) below); and

(4) to the Trustee for deposit to a special subaccount in the Revenue Fund designated the “**Series 2014 Costs of Issuance Account**”, the balance of the proceeds of such 2014 Bonds, including the amount of the proceeds of the 2014A Bonds allocated to costs of issuance. Any excess balance remaining three (3) months after the applicable date of issuance of the respective 2014 Bonds in the Series 2014 Costs of Issuance Account shall be transferred to the applicable subaccount of the Debt Service Fund for the Series of the 2014 Bonds to which that excess relates, and be applied to pay the Interest Requirement and/or Principal Requirement next due on such 2014 Bonds.

Section 15. Authority Representatives. The Chairman, Vice Chairman, Chairman of the Board’s Budget and Finance Committee and Executive Director are each hereby appointed Authority Representatives with full power to carry out the duties set forth herein and therein.

Section 16. Authority of Authority Representatives. The Authority Representatives are each authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments as they, with the advice of Authority counsel, may deem necessary or appropriate to effectuate the transactions contemplated by this Resolution, the Trust Agreement, the Supplemental Agreements, the Forward Delivery Bond Purchase Agreement, the Bond Purchase Agreement and the Official Statement. The Authority Representatives are each authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such amendments to the Authority’s existing forward delivery agreements that may be necessary or desirable to reflect the circumstance of the issuance of the 2014 Bonds and the refunding of the Refunded 2005 Bonds. The Authority Representatives are each further authorized and directed to obtain the services of a financial institution with experience in calculating arbitrage yields and cash flows in connection with the

refunding of municipal securities to serve as verification agent for the refunding transaction authorized by this Resolution.

Section 17. Bond Insurance. If deemed financially advantageous to the Authority in connection with the issuance of the 2014 Bonds, the Delegates are hereby authorized to purchase a policy of insurance guaranteeing the payment of the principal of and interest on part or all of the 2014 Bonds, to pay the premium for such policy from the proceeds of the 2014 Bonds and to execute such documents as may be necessary to effect the issuance of such policy. If applicable, the Bonds issued under this Resolution may include a statement of the terms of such insurance policy and the Authentication Certificate of the Trustee appearing on each Bond may include a statement confirming that the original or a copy of the insurance policy is on file with the Trustee.

Section 18. Delegates' Certificate. The Delegates shall execute a Certificate evidencing the determinations made or other actions carried out by their unanimous agreement pursuant to the authority granted in this Resolution, and any such Certificate shall be conclusive evidence of the actions or determinations as stated therein.

Section 19. Effective Date. This Resolution shall take effect immediately upon its passage.

A motion to approve Resolution 14-16 was made by Commissioner Lathem, seconded by Commissioner Lowe, and approved by a roll call vote of 10-0.

Resolution 14-16 Executive Summary Sheet

Resolution: Authorizing the Authority to refund existing debt and issue bonds in connection with the financing of the Capital Improvement Plan.

Committee: Budget & Finance Committee

Committee Date: May 20, 2014

Board Date: May 20, 2014

Purpose of Resolution: In 2014, the Authority intends to evaluate the issuance of new debt in connection with the financing of a portion of its Five-Year Capital Plan, as well as refund for significant debt service savings all or a portion of the outstanding callable 2005 Bonds in accordance with the thresholds of this resolution. This resolution identifies and authorizes the parameters of the transaction, documents and delegates necessary for the issuance of such debt.

Background for Resolution:

The Authority utilizes a combination of cash and debt to fund its capital improvement program. The Authority, in consultation with its Financial Advisor, has determined that it is in the best interest of the Authority to issue debt for the purposes of financing certain Additional Facilities constituting a portion of its Five-Year Capital Plan and to refund all or portions of the existing 2005 Bonds for savings.

* * * * *

RESOLUTION 14-17 - LEASE AGREEMENT AND AMENDMENT TO LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY BREWING LLC

WHEREAS, The Delaware River and Bay Authority (the "Authority"), is the operator of the Cape May Airport ("Airport"); and

WHEREAS, Cape May Brewing LLC ("Cape May Brewing") wants to grow and expand its business at the airport; and

WHEREAS, Cape May Brewing desires to lease approximately 15,248 square feet of space in Building 97 at the Airport; and

WHEREAS, Cape May Brewing has agreed to pay the Authority annual rent in the amount of Sixty Nine Thousand Four Hundred and Ninety One 55/100 Dollars (\$69,491.55); and

WHEREAS, the initial term of this agreement shall be for three (3) years; and

WHEREAS, Cape May Brewing shall have the option of renewing the Lease Agreement for two (2) additional three (3) year periods; and

WHEREAS, rent during the additional option period shall be negotiated at the time of the renewal; and

WHEREAS, under an existing lease agreement, Cape May Brewing also leases space in Building 96 as well as approximately 2,500 square feet of space in Building 97 at the Airport for the operation of its microbrewery and related purposes; and

WHEREAS, the new Lease Agreement will include the existing 2,500 square feet of space in Building 97, and Cape May Brewing wishes to modify the existing lease for Building 96 to remove that space from the terms of the existing lease.

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

A motion to approve Resolution 14-17 was made by Commissioner Lathem, seconded by Commissioner Murphy, and approved by a roll call vote of 10-0.

Resolution 14-17 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement and Amendment to Lease Agreement between the Delaware River and Bay Authority and Cape May Brewing LLC, regarding Cape May Airport

Committee: Economic Development

Committee Date: May 18, 2014

Board Date: May 18, 2014

Purpose of Resolution:
To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for new lease space and a lease amendment agreement for existing lease space at the Cape May Airport.

Background for Resolution:
The Delaware River and Bay Authority operates a warehouse facility located at the Cape May Airport commonly referred to as Building 97. Cape May Brewing currently leases Units 5, 6 & 7 in an adjacent building at the Cape May Airport. Due to increased demand and the growth of their business, Cape May Brewing needs to expand into Building 97. The purpose is to expand brewing capacity, start a bottling operation and expand administrative office space. They do not intend to vacate the existing space in Building 96 and intend to amend the existing

lease agreement for Building 96 and Building 97 space to remove the Building 97 space from that existing lease.

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10824. EXECUTIVE DIRECTOR'S COMMENTS

Executive Director Green briefed the Board on the activities in and around the Authority including the appointment of Commissioner Wilson to MAC Board of Directors in Cape May; ILG Parking Lot expansion at New Castle Airport; Employees participating in Take Your Child To Work Day in April; Delaware City-Salem Ferry service back to Ft Mott as well as one day in Salem; Update on Frontier Flights to Atlanta; Feasting on History at the WWII Air Station Museum at Cape May Airport; Cape May hosted the Bringing It All Back Home workshop; Police Unity Tour from NJ to DC via the CMLF; DE Senator Chris Coon was at the Lewes Ferry Terminal for Maritime Day; DRBA sponsored the Delaware Click-it or Ticket campaign at the Lewes Terminal; June 7th kids Splash & Dash and June 8th the Tri Athlon at the Cape May Ferry Terminal; Sunset yoga began in the Skywalk of the Terminals; Billion Mile Journey documentary of the 50th Anniversary of the Ferry will be aired June 25th, WHYY TV. Airings will be featured at the Cape May Terminal June 28th and the Lewes Terminal on June 29th.

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10825. COMMISSIONERS PUBLIC FORUM

Chairperson Hogan called for comments from the public and the Commissioners.

Frank Bankard, Local 542 representative, spoke on behalf of 542, MEBA, and FOP members thanking the Board for its efforts at the the April 7, 2014 Special Board meeting whereby the Board took action to reward staff with a cost of living increase. Next, speaking on behalf of Local 542 only, he was appalled at the NJ Governor for not returning his calls or that of DE Governor Markell. Lastly, he thanked the Commissioners again for their actions at the April 7, 2014 meeting.

Commissioner Dorn introduced Jumar Hall to the Board and noted that he will be working as an intern in the Maintenance department this summer.

Commissioner Lathem recognized CFO Victor Ferzetti for his hard work and loyalty to the Authority.

There were no other public or Commissioner comments.

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There being no further business, a motion to adjourn was made by Commissioner Van Sant, seconded by Commissioner Lathem, and unanimously carried with a voice vote of 10-0

The meeting was adjourned at 12:35 p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary