

MINUTES OF MEETING  
**THE DELAWARE RIVER AND BAY AUTHORITY**  
**Tuesday, March 17, 2009**  
James Julian Boardroom  
Delaware Memorial Bridge Plaza  
New Castle, Delaware 19720

The meeting convened at 10:05 a.m. with Chairperson Hogan presiding.

The opening prayer was given by Reverend Dorn, followed by the Pledge of Allegiance led by Colonel McCarnan.

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

The Secretary announced that a notice of the meeting had been distributed to the offices of the Governor of New Jersey and the Governor of Delaware, to appropriate staff members and consultants, to the press in both States and to any other individuals who had indicated an interest in receiving a copy of the meeting notice.

\* \* \* \* \*

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

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

---  
Thomas J. Cooper  
Verna W. Hensley  
Samuel E. Lathem  
---  
Gary F. Traynor

ABSENT

Susan A. DeLanzo

William Lowe  
F. Michael Parkowski, Vice-Chairperson

\* \* \* \* \*

9942.           APPROVAL OF THE FEBRUARY 17, 2009 MINUTES

Commissioner Favre motioned for approval of the February 17, 2009 minutes, seconded by Commissioner Smith, and approved by a voice vote of 9-0.

\* \* \* \* \*

9943.           EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented the following highlights that occurred within the Authority during February, 2009.

***Delaware Memorial Bridge***

Total traffic in February decreased 2.5% compared to the same period in 2008. Non-commercial traffic decreased 0.4% and commercial traffic decreased 13.6%. When compared to the 3-year average, total February traffic decreased 2.0%. Year-to-date total traffic decreased 1.2% compared to 2008. When compared to the 3-year average, year-to-date total traffic decreased 2.5%.

E-ZPass traffic for February represented 60.7% of the total overall traffic as compared to 60.2% for the previous year. Year-to-date electronic traffic is 60.5%, an increase of 0.3% from 2008.

The I-295 main-line construction on the \$26 million Phase III Approach Roads Project which started in June 2008 is progressing well and is estimated at over 40% complete. This work

entails significant construction on I-295 Northbound through the US 13/I-295 interchange as well as constructing a new access road to the women's correctional facility. Staff provided a project update to elected officials who have constituents in adjacent local neighborhoods in an effort to keep all informed on the project.

The Authority's environmental consultant has been engaged to perform an energy audit at the DMB complex. Incorporated with this audit is a feasibility study that will evaluate the use of alternate sources of energy such as solar, geo-thermal, wind and tidal to meet our energy needs at the DMB complex. This study will be accomplished over the next 3 months.

***Cape May Lewes Ferry***

In February, vehicle and passenger traffic decreased 10.7% and 9.8%, respectively, when compared to February 2008. Year-to-date vehicle traffic decreased 8.2% and passenger traffic decreased 7.8% when compared to the same period in 2008. When compared to the average of the last three years, year-to-date vehicle traffic and passenger traffic decreased 11.3% and 10.0%, respectively.

In February, fare revenues decreased 7.0% compared to February 2008. Year-to-date fare revenues decreased 4.3% compared to the same period last year.

In February, CMLF food sales decreased 17.2% and retail sales decreased 27.4%, compared to February 2008. Year-to-date food and beverage revenues decreased 11.1% and retail revenues decreased 23.2%, compared to the same period in 2008.

STOP Training for new supervisors was conducted at both ferry locations. The case studies involving incidents at the ferry were particularly meaningful to the participants. Excellent reviews of the program were expressed by the participants. Many thanks to Sandra McKinney and Jay Jones for conducting this program.

The Lewes Historic Society hosted an art show in the Lewes Terminal.

***Airports***

The Civil Air Terminal's Airport Emergency Plan tabletop exercise was conducted with local emergency responders. This exercise is required every 12 calendar months by FAR Part 139. The Tabletop provides for the review and updating of the airport's current Emergency Plan.

Steve Williams met with the Cape May County Chamber of Commerce Board of Directors to discuss the Cape May airport business plan.

***Employee Happenings***

I participated as a panelist in the annual Cape May County Transportation Infrastructure Conference by providing an update on the Authority and in particular, the Cape May Lewes Ferry and the Cape May Airport.

Gerry DiNicola Owens attended the International Bridge Tunnel and Turnpike Association Leadership Academy's Executive Development Program in Washington, D.C. The course was tailored specifically for senior-level leaders in the public and private sector of the toll industry. This unique experience provided her with the opportunity to learn about current trends in the toll industry and participate in group discussions with nationally recognized industry leaders. This program also enabled her the time to develop relationships and partnerships with her peers within the industry. I also had the opportunity to participate in the Executive Director Roundtable panel where we spent about 4 hours speaking with the students in small groups.

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

Authorized Positions (2008 funded)	456
Positions Filled	408
Positions Filled (on LTD)	6
Total Positions that are Vacant	42

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

\* \* \* \* \*

9944. COMMITTEE REPORT – BUDGET & FINANCE COMMITTEE

Commissioner Simmerman presented the following Budget & Finance Committee meeting minutes held on March 9, 2009.

**BUDGET & FINANCE COMMITTEE MEETING**  
**Monday, March 9, 2009**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Budget & Finance Committee and Public Hearing was held on Monday, March 9, 2009, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

**PRESENT**

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

Committee Vice-Chair Traynor  
Commissioner Hensley, Committee Member  
Commissioner Lathem  
Commissioner Lowe

Governors Representatives

Sonia Frontera - NJ

Staff

Jim Johnson  
Don Rainear  
Victor Ferzetti  
Jim Walls  
Gerry Owens  
Ken Hynson  
Anna Marie Gonnella Rosato  
AJ Crescenzi  
John Jones  
Steve Williams  
Michelle Griscom-Collins  
Joe Larotonda  
John Sarro

Authority Secretary

Tom Pankok

1. Committee Chair Simmerman welcomed the Budget & Finance Committee and opened the meeting at approximately 9:57 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.

2. FY 2009 Operating Budget

Committee Chair Simmerman requested the proposed FY 2009 Operating Budget be presented. He noted that there had been a \$780,000 reduction in wages in addition to the positions being eliminated. The budget increase would be less than 1.8% over FY 2008 and a 0.3% increase excluding the additional OPEB contributions of \$1.1 million.

The Executive Director reported that, in light of the economic conditions and loss of revenues at the Authority, adjustments were made to the Full Time Wage line by eliminating 14 vacant positions and freezing salaries for all employees (management, union and non-union) for

2009. Staff has consulted with Authority Labor Counsel, officials from MEBA and Local 542 will be notified after the meeting, a 2:00 video conference has been scheduled for Authority managers, and a communication to all employees will be sent by the end of the day. The FY 2009 Budget to be presented is prudent and financially sound.

Authority Chair Hogan questioned the impact on promotions adding that all promotions should be reviewed by the Personnel Committee. Commissioner Lowe asked for clarification adding that historically it had not been the responsibility of the Personnel Committee to review promotions. Authority Chair Hogan questioned why there would be promotions during a downsizing. The Executive Director stressed that he has not been quick to fill positions in the past and is aware of the situation and will maintain communication. The CFO added that the 14 positions being eliminated were the same as discussed. Additionally, he noted that the vacant positions have been on hold since September, 2008, the start of the FY 2009 Budget process.

Committee Chair Simmerman noted that we are in different times and we need to be thinking out of the box. Community Contributions have been reduced from \$440,000 to \$358,000 and each Commissioner would receive approximately \$44,000. It will be necessary to conduct thorough reviews and to be as prudent as possible when considering these requests. The recommendation from the New Jersey Governor is to reduce Community Contribution requests by 20% each year until eliminated. Committee Chair Simmerman asked the CFO to review the FY 2009 as presented.

The following was reviewed and discussed.

- Authority Expenditures by Division 2005-2009
- Authority Expenditures by Category 2005-2009
- FY 2009 Major Increases/Decreases
- Wage Related Recommendations
- Funded Position Comparison
- Vessel Fuel Cost Analysis
- DRBA Insurance Review 2005-2009
- Breakdown of Remaining Categories FY 2009
- 2008/2009 Revenues
- FY 2009 Financial Model Summary

The CFO noted that, other than the reductions to Wages (\$780,000) and FICA/Medicare (\$60,000) associated with freezing salaries to 2008 levels, and Community Contributions (\$89,000), the proposed FY 2009 Budget is the same as presented in December, 2008. He further noted that, the 20% reduction in positions since 2002 through the ERO and attrition has placed the Authority in a better financial position to deal with these economic conditions. Commissioner Hensley noted that the ERO had been a good process for the Authority. The CFO reported that we have continued to build on that action through the years, and have avoided the mistake of refilling positions.

The CFO reported that with the reductions, the proposed FY 2009 Budget, including Airports, in the amount of \$76,153,809 projects a Debt Service Coverage of 1.57x, up from 1.52x in December, 2008. When questioned, he noted that a 2010 Toll Increase would still be necessary, even with these reductions in the Budget.

The Chief Operations Officer added that since he has been here, much of the reductions have come from employees' innovating ideas and dedication to get the jobs done. Commissioner Lathem stressed by eliminating positions, overtime often increases and questioned how long can you keep adding to the wagon and have employees keep pulling. Authority Chair Hogan added that the signs of the times are troubling and we have to balance the books or facing furloughs or layoffs.

Commissioner Favre added that substantial changes have been made; however, are we aware of what other agencies have done? Authority Chair Hogan responded that the State of New Jersey has taken every non-essential car away. The Executive Director reported that the State of Delaware has reduced take-home vehicles, is looking at 0% increases and facing furloughs and layoffs.

Commissioner Lathem added that the Senior Leadership has taken on additional responsibilities of the Chief Human Resource Officer position and the CFO continues to have responsibilities of Budget Director as well. Authority Chair Hogan added that it's just what is necessary to get through. The CFO acknowledged that there are cracks and strains organizationally. However most people realize these are tough times and it would be expected that some number of employees are not going to be happy.

Committee Chair Simmerman asked if any of the employees in attendance had any comments/concerns on the FY 2009 Budget as presented. There were none. The Executive Director stressed to those employees in attendance to please respect his opportunity to communicate first to the workforce.

After all discussions, on motion by Commissioner Traynor, seconded by Commissioner Favre, the Committee recommended approval of the FY 2009 Operating Budget in the amount of \$76,153,809, or a 1.84% increase over the Adopted FY 2008 Budget, as presented. The Resolution will be presented to the full Board for consideration at the March meeting.

Committee Chair Simmerman thanked staff for a great job and added that this was one of the best budgets of any agencies he had seen. Commissioner Lathem thanked the Committee for their work as well.

### 3. Procurement Recommendations

The CFO presented a schedule of current and proposed procurement activities, noting recommendations to RFP the following Professional Services: Delaware Legal Counsel, New Jersey Legal Counsel, Health Care Broker Services, and Defined Contribution Trustee/Administrator. The CFO discussed each one and noted that staff is taking time to determine the best approach to procure other professional services not recently RFP'd. The Committee discussed and concurred with staff's recommendation to move forward with the RFP process for those professional services discussed and to continue to review and discuss monthly to determine what can be done. The CFO asked for direction regarding Authority General Counsel and Authority Chair Hogan reported that it needed to be RFP'd.

Committee Chair Simmerman questioned the direction coming from the Governor's offices. Authority Chair Hogan reported that the Governor's Offices are "suggesting" a bias against multi-year contracts and the need to build proper software to manage issues to search out opportunities for better price (i.e. state contract may not be the best price).

### 4. Proposed Resolutions

- Over \$25,000 Vendor List – the Chief Financial Officer reviewed each item included in the Over \$25,000 Vendor List. On motion by Commissioner Hensley, seconded by Commissioner Favre, the Committee recommended approval of the Vendor List. The Resolution will be presented to the full Board for consideration at the March meeting.

- Community Contribution Requests – Committee Chair Simmerman noted that the requests for January, February and March had been distributed; however, New Jersey had not had an opportunity to discuss and recommended delaying to the April Committee meeting with subsequent approval at the April meeting. After discussion, the Committee recommended that if there were any time-sensitive requests which could not wait until the April meeting, please contact Ken Hynson within the next two days and, staff could discuss how to get them acted on in March.

With no further business to discuss, on motion by Commissioner Hensley, the Budget & Finance Committee adjourned at 11:07 a.m.

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

\* \* \* \* \*

Commissioner Dorn presented the following Personnel Committee meeting minutes of February 2, 2009.

**PERSONNEL COMMITTEE MEETING**

**Monday, March 9, 2009**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Monday, March 9, 2009, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Commissioners from Delaware

Committee Vice-Chair Lathem  
Commissioner Lowe, Committee Member  
Commissioner Traynor, Committee Member  
Commissioner Hensley

Governors' Representatives

Sonia Frontera - NJ

Staff

Jim Johnson, Jr.  
Don Rainear  
Victor Ferzetti  
Jim Walls  
Gerry DiNicola Owens

Authority Secretary

Tom Pankok

I. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 11:35 a.m. The Authority Secretary reported that the public meeting of the Personnel 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. Committee Chair Dorn requested an Executive Session, closed to the public to discuss matters of a confidential nature. On motion by Commissioner Lowe, seconded by Commissioner Favre, the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS
- LEGAL UPDATE

With no further business to discuss in Executive Session, on motion by Commissioner Favre, the Personnel Committee was opened to the public.

III. DBE Task Force Recommendations

The Chief Financial Officer (CFO) presented a Draft of responses to the DBE Task Force Recommendations and began to review and highlight some of the responses. It was noted that the Recommendations were in black and Responses were in red. The CFO reported that this approach was very different than what Authority Legal Counsel recommended, which was to take the Delaware River Port Authority's DBE Program and to craft a similar policy for the DRBA. Staff concluded that setting goals for projects less than \$250,000 could cause smaller businesses to have to sub-contract out, creating additional cost and inefficiencies. The DRBA has tried very hard to create diversity in an efficient and fair manner. The DRBA wants smaller firms to be able to compete for smaller jobs. Staff feels that the bonding and cashier check requirements are of greater issue with small businesses and that opportunity can be opened up by relaxing some of the requirements on smaller businesses.

The CFO reviewed a number of matters relating to software, supplier diversity training and contract bidding. Committee Chair Dorn questioned what staff's areas of concern were and if the Authority was prepared to make recommendations of what we can and what we can't do. He further added that he wanted to re-assemble the Task Force to communicate what Recommendations could be implemented. Authority Chair Hogan questioned whether the Authority was prepared to deliver a briefing that did not expose the Authority legally. The CFO responded that he was not sure that it was to that point yet. Committee Chair Dorn added that Task Force members may be at the March meeting and reminded staff that there were two state representatives appointed by the Governors of New Jersey and Delaware to serve on the Task Force. Authority Chair Hogan directed staff to move forward, in conjunction with Authority Legal Counsel, to finalize these recommendations and craft a policy specific to the Authority, and not to package another agency's policy.

With no further business to discuss, on motion by Commissioner Lowe, the Personnel Committee adjourned at 12:32 p.m.

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

\* \* \* \* \*

9946. COMMITTEE REPORT – PROJECTS

Commissioner Favre presented the following Projects Committee meeting minutes of March 9, 2009 in the absence of Committee Chairman Lowe.

**PROJECTS COMMITTEE**  
**Monday, March 9, 2009**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Projects Committee was held on Monday, March 9, 2009, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

**PRESENT**

Commissioner Lowe, Committee Vice-Chair	Commissioner Favre, Committee Chair
Commissioner Hensley, Committee Mbr	Commissioner Dorn, Committee Mbr
Commissioner Lathem, Committee Mbr	Commissioner Simmerman, Committee Mbr
Commissioner Traynor	Commissioner Smith
	Chairperson Hogan

Governors' Representative

Sonia Frontera – NJ

Authority Secretary

Tom Pankok

Staff

Jim Johnson  
Jim Walls  
Victor Ferzetti  
Gerry DiNicola Owens  
John Jones  
Kelly Phillips-Parker  
John Sarro  
Anna Marie Gonnella-Rosato  
Steve Williams  
Joe Bryant

1. The Projects Committee meeting convened at approximately 11:03 a.m. Those in attendance were provided an informational package consisting of an agenda, a final draft capital

improvement program (CIP) budget for crossings, two draft crossings capital budget resolutions (one year and five year), one bid tabulation, and the monthly contractor payment chart with associated change orders (through February).

2. Resolutions: Staff briefed the Committee on the revised one and five year crossings CIP budget (one year and five year). The two draft CIP budget resolutions presented by staff were as follows:

- b. 1-Year Crossings Capital Improvement Program (2009) in the amount of \$32,345,000.
- c. 5-Year Crossings Capital Improvement Program (2009-2013) in the amount of \$185,600,000.

Staff reviewed the differences between the December 2008 CIP submission and the March 2009 CIP submission. The March 2009 CIP submission for budget year 2009 is \$2,325,000 less than the December 2008 submission primarily as a result of delaying projects beyond the 2009 budget year. Adjustments were also made for increased costs due to asbestos removal, procurement software purchases, and annual maintenance dredging. Commissioner Favre asked about opportunity for obtaining economic stimulus money. Staff answered that the likelihood for airport stimulus money was high, but obtaining economic stimulus money for other than airports was not likely. The Projects Committee agreed to move both budget resolutions out of committee for action at the March board meeting.

3. Bid Openings/Award Actions:

- CMA-05-01, Rehabilitate Taxiway “B” and “D,” Cape May Airport: A public bid opening was held on February 4, 2009, in which four bids were received. The COO recommended award of the contract to the responsive low bidder, South State Inc. for Option A and Option B in the total amount of \$2,122,262.20.

4. Contractor Payment (through February): The COO informed the Committee of the monthly construction contractor payments to be made in March.

5. Miscellaneous Items/Updates:

- Construction Project Update: Staff provided an update to the Committee on the five major projects that were presented to the public as a major component to justify the January 2008 toll increase. The five projects were the I-295N Norfolk Southern Overpass Bridge project (substantially complete in October 2008); 2<sup>nd</sup> Structure Steelwork Full Overcoat Painting (Phase I complete in 2008, Phase II is 50% complete and will be done in 2009, and Phase III will start in 2010); DE Approach Roads (Phase III) which is approximately 50% complete; Security Enhancements/Elevator Replacement/ Miscellaneous Steelwork (which includes installation of an elevator on each tower leg for a total of eight elevators) is anticipated to be released for public bidding in March 2009 with most work scheduled to be complete by May 2011; and the Cape May Approach Roads project. Staff indicated that the design for the last project is complete and has been under review by NJDOT since July 2008. Formal comments from NJDOT have been delayed from the original timeline, with current promises to provide comments to the Authority by March 2009. If the project does not soon go out to bid, it is anticipated that the 2009 construction season will be lost and that road repair money (up to \$250,000) may be needed to bridge the gap. Jim Johnson informed the Committee that he spoke to a NJDOT Assistant Commissioner last week and will follow-up with him on moving the work along.

- Police Communications Update. Staff briefed the Committee on a Police Radio/Communication upgrade that is needed to replace an existing obsolete Authority communication system (Orbicom) with an additional benefit of improving inter-operability with neighboring Public Safety agencies. Staff reported that grant money was available for partially funding this initiative. Staff recommended that an RFP be issued based on competitive proposals that would evaluate best solution as well as price. Commissioner Lathem inquired as to why we need this system since we recently fielded the 800 MHz radio system. Staff explained that this was not a replacement of the 800 MHz radio system but rather a replacement of the system that provides a centralized communication interface at all three Authority locations for Police,

Maintenance, and Marine Operations. The original system was installed during the mid-1990's and has reached its end-of-life. After all questions were answered to the satisfaction of the Committee, the Committee concurred with the use of competitive proposals and authorized the release of the RFP.

- Staff provided a copy of the Millville Municipal Airport Business Plan, prepared by R.A. Wiedemann & Associates, Inc., to all Commissioners in attendance.

6. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 11:35 a.m.

Commissioner Favre called for an amendment to the minutes to reflect his request to add the Marine Master Plan to all future Projects Agendas.

Commissioner Simmerman motioned to approve the Projects Committee minutes as amended by Commissioner Favre, seconded by Commissioner Smith and approved by a voice vote of 9-0.

Without objection, the reports were ordered filed with the permanent records of the Authority.

\* \* \* \* \*

9947. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Hensley presented the following Economic Development Committee meeting minutes of March 9, 2009.

**ECONOMIC DEVELOPMENT COMMITTEE**  
**Monday, March 9, 2009**  
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, March 9, 2009, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey  
PRESENT

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

Commissioners from Delaware

Committee Chair Hensley  
Commissioner Traynor, Committee Member  
Commissioner Lathem  
Commissioner Lowe

Governors Representatives  
Sonia Frontera – NJ

Staff  
Jim Johnson  
Don Rainear  
Victor Ferzetti  
Jim Walls  
Gerry Owens  
AJ Crescenzi  
Michelle Griscom-Collins  
Anna Marie Gonnella Rosato  
John Sarro  
Steve Williams  
Ken Hynson  
John Jones  
Joe Larotonda  
Kelly Phillips Parker

Authority Secretary  
Tom Pankok

1. Committee Chair Hensley welcomed the Economic Development Committee and opened the meeting at approximately 9:02 a.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.

2. The Deputy Executive Director provided information on the following proposed Resolutions.

- Resolution Amending Resolution 96-02 Relating to the Operation of the New Castle County Airport - The Deputy Executive Director reported, from time to time, it may be necessary to enter into short-term revenue generating leases at the New Castle Airport. Upon review of Resolution 96-02, Authority Legal Counsel determined that the Resolution did not address those particular issues and recommended a new section be added to reflect Short-Term Revenue-Generating Documents for a period of ninety (90) days or less. On motion by Commissioner Dorn, seconded by Commissioner Traynor, the Resolution Amending 96-02 was recommended for approval. The Resolution will be presented to the full Board for consideration at the March meeting.

- Resolution Authorizing Lawsuit Settlement Agreement with Specialty Restaurants Corporation – The Deputy Executive Director reported that, prior to the Authority taking over operations at the New Castle Airport, Specialty Restaurants Corporation entered into a Lease with New Castle County to construct and operate Air Transport Command Restaurant. The restaurant ceased operations and closed. The Lease Agreement contained a “going dark” clause which stated that the business can't close for more than one year and in February, 2008, the Authority provided Specialty Restaurants Corporation with notice of termination of the Lease since the restaurant had not been in operation for approximately two years. The matter is currently in litigation; however, both parties would like to settle any and all disputes. The Committee discussed the proposed Settlement and asked several questions including why the Authority would make such a payment. The Deputy Executive Director reported that Authority Legal Counsel advised that continued litigation could easily cost the Authority much more than the cash payment. The Deputy Executive Director also reported that according to a 2002 Appraisal, the fair market value on a commercial lease would be \$170,000 per year and the value for aviation purposes would be approximately \$130,000 per year. Commissioner Traynor added that the alternative to the Settlement Agreement would be to continue to litigate with an uncertainty of outcome. After discussions, on motion by Commissioner Smith, seconded by Commissioner Dorn, the Committee recommended approval of the Settlement Agreement. The Resolution will be presented to the full Board for consideration at the March meeting.

- Resolution Authorizing Lease Agreements Between the Delaware River and Bay Authority and the Delaware Army National Guard – The Deputy Executive Director reported that the Lease Agreements are for 50% of 10 DRBA Way at a fair market value of \$135,000 per year and 100% of 5 DRBA Way at a fair market value of \$270,000 per year for a term of eighteen months. After review, on motion by Commissioner Smith, seconded by Commissioner Dorn, the Committee recommended approval of the Lease Agreement. The Resolution will be presented to the full Board for consideration at the March meeting. The Deputy Executive Director added that the New Castle Airport is close to being fully leased.

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

The following matters of a confidential nature were discussed.

- LONG TERM PLANNING ALTERNATIVES

With no further business to discuss in Executive Session, on motion by Commissioner Dorn, the Economic Development Committee was opened to the public.

The Deputy Executive Director provided the following updates.

- Salem Business Centre
  - Verizon continues to move forward will be conducting a site investigation of the 11.7 acre lot.
  - The Executive Director reported that the State of New Jersey has given notice that it will vacate office space at the Salem Business Center at the end of March 2009.
- Isogen received a 90 day extension on their site approval from New Castle County. Isogen’s work at their Newark facility has been progressing hopes to help obtain the necessary financing.

The Committee requested an update on the condition of the pilot hurt in the airplane fire Saturday, March 7. The Director-Airport Operations reported that the pilot was in critical but stable condition.

With no further business to discuss, on motion by Commissioner Smith, the Economic Development Committee adjourned at 9:57 a.m.

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

\* \* \* \* \*

9948. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented charts 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 of January.

Without objection, the charts were ordered filed with the permanent records of the Authority.

\* \* \* \* \*

9949. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented charts showing statements of income and expenses for the month of January with comparisons to the same periods last year.

Without objection, the charts were ordered filed with the permanent records of the Authority.

\* \* \* \* \*

9950. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented charts for February showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

Without objection, the charts were ordered filed with the permanent records of the Authority.

\* \* \* \* \*

9951. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented charts for the month of February showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The charts also include cash expenditures spent to date for the committed projects.

Without objection, the charts were ordered filed with the permanent records of the Authority.

\* \* \* \* \*

9952. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF FEBRUARY 28, 2009.

The CFO presented charts indicating the cash fund balances for the entire Authority.

Without objection, the charts were ordered filed with the permanent records of the Authority.

\* \* \* \* \*

9953. PUBLIC COMMENT ON ACTION ITEMS.

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

- Contract CMLF-05-01 Rehabilitation of Taxiways “B” and “D”
- Resolution 09-12 Adoption of the DRBA 2009 Operating Budget
- Resolution 09-13 Authority Expenditures \$25,000 and Over
- Resolution 09-14 Adoption of the DRBA 2009 Crossings CIP Budget
- Resolution 09-15 Adoption of the DRBA 5-Year Crossings CIP Budget
- Resolution 09-16 Amending Resolution 96-02 Relating to the Operation of the New Castle Airport
- Resolution 09-17 Settlement Agreement with Specialty Restaurants Corp-New Castle Airport
- Resolution 09-18 Lease Agreements with DE National Guard- New Castle Airport

Frank Bankard, Local 542 union representative, addressed the Board regarding the lack of employee raises under the proposed 2009 budget. He spoke on wage and hiring freezes and requested the Board delay the increase in employee healthcare costs. He asked that the Commissioners reconsider the proposed budget to include employee raises.

Vincent Ascione, Local 542 representative, thanked the Commissioners for allowing him to speak then proceeded to discuss the freeze on wages. He said he is prepared to meet weekly to work out a contract.. He requested the Commissioners reconsider the proposed budget to include employee raises.

Bill McHugh, MEBA, spoke next. He stated that MEBA has been in negotiations for two years with the Authority to put together a contract for 2008, 2009, and 2010. He said he was under the impression that a good faith agreement had been negotiated for all three years. He stated his disappointment that it was not ratified. He asked about the 2008 retroactive 3% salary increase.

Chairperson Hogan noted that no contract had been reached, but that a 2008 retroactive salary increase at 3% for MEBA employees will offered.

The Honorable Terry Spence, former DE Speaker of the House spoke. He stated that he is representing the employees of Local 542 and that he is asking the Commissioners to keep in mind the people around the room who are dedicated employees as they consider taking action on the budget. He then thanked the Board for allowing him to speak.

Jack Yeager, DRBA Electrical department, spoke on such topics as the high cost of gasoline, food, and housing and senior management raises given last year.

Steven Carroll, Maintenance department and Local 542 Shop Steward spoke. He acknowledged the presence of Local 542 and MEBA members who used their leave to be at the meeting. Those not present were working to keep the Authority operations going. Mr. Carroll talked about several of his experiences at the Bridge and the dedicated workforce employed at the Authority. He stated that the 1% of the health benefit increase this year is a lot different on the workers’ salaries than on senior management salaries. He also mentioned the use of some Authority cars including gas fill-ups on Friday’s and weekends. He said that if raises were given it would be good for the economy because the people will be investing it in their communities. He thanked the workers for coming and for the Commissioners for listening.

Chairperson Hogan stated that issues raised by the employees will be taken up with the Executive Director.

\* \* \* \* \*

9954. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

<u>Contract</u>	<u>Contractor</u>	<u>Payment</u>
DMB-001	Allied Painting, Inc	\$45,000.00
DMB-003	Schlosser & Associates, Inc.	\$1,250.00
DMB-004	Schlosser & Associates, Inc.	\$97,703.35
DMB-003	J.D. Eckman. Inc	\$ 368,767.20
DMB-001	Mumford and Miller	\$1,411,691.76
NCA-001	Diamond Materials	\$ 30,000.00
NCA-002	Diamond Materials	\$ 228,372.72
NCA-003	Eastern States Construction	\$ 109,610.00

\* \* \* \* \*

9955. APPROVAL OF REHABILITATION OF TAXIWAYS “B” AND “D” AT CAPE MAY AIRPORT– CONTRACT #CMA-05-01

The COO noted that a public bid opening was held on February 4, 2009, in which four (4) bids were received. The COO and the Projects Committee recommend awarding the contract to the lowest responsive bidder, South State, Inc., of Bridgeton, NJ, for Option A (\$1,240,765.70) and Option B (\$881,496.50) in the total amount of \$2,122,262.20.

A motion to award Contract #CMA-05-01 to the aforementioned was made by Commissioner Favre, seconded by Commissioner Traynor, and approved by a roll call vote of 9-0.

\* \* \* \* \*

9956. CHAIRPERSON’S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOAD

An Executive Session was called by Commissioner Lathem, seconded by Commissioner Smith and unanimously approved by a voice vote of 9-0. The Commissioners entered into Executive Session at approximately 11:10 a.m.

The Public Session of the Board of Commissioners meeting reconvened at approximately 11:43 a.m.

**RESOLUTION 09-12 (Formerly 08-53) - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY’S 2009 OPERATING BUDGET**

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 fiscal year; and

WHEREAS, the proposed operating expenses for FY2009, excluding the Airports division, are \$70,208,757; and

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

WHEREAS, for FY2009, interest on outstanding bonds is currently approximately \$14,166,780, and amortization of principal will be \$8,020,000 for total debt service of approximately \$22,186,780; 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 FY2009; and

WHEREAS, the projected revenue of the Authority for FY2009, excluding the Airports division, is approximately \$105,044,360 resulting in a debt service coverage of 1.57x; and

WHEREAS, the proposed operating budget for the Airports division is \$5,945,052; and

WHEREAS, the Budget and Finance Committee has conducted publicly advertised hearings and meetings on the proposed 2009 Operating Budget; and

WHEREAS, the Budget and Finance Committee has developed, reviewed, and approved the proposed 2009 Operating Budget and recommends its adoption to the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby adopts an operating budget of \$70,208,757 for the Bridge, Ferry, Food Services, Three Forts Crossing, Police, and Administration Divisions, and a budget of \$5,945,052, for the Airports division for a total of \$76,153,809 for FY2009, and authorizes the Executive Director to exercise the approved management discretion and spend within the approved FY2009 budget.

A motion to approve Resolution 09-12 was made by Commissioner Simmerman, seconded by Commissioner Traynor, and unanimously approved by a roll call vote of 9-0.

\* \* \* \* \*

\* \* \* \* \*

**RESOLUTION 09-13 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2009 THROUGH DECEMBER 31, 2009.**

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 and BAY AUTHORITY  
PROJECTED VENDORS TO BE PAID OVER \$25,000  
OPERATION EXPENDITURES  
FOR THE PERIOD 1/1/09 THROUGH 12/31/09

VENDOR	SERVICE DESCRIPTION	DETERMINATION
Bluewater Welding & Fabrication, LLC	Replacement of approx. 800 feet of exterior benches M/V New Jersey	Quotes
Mars Graphic Services, Inc.	2009 Cape May-Lewes Ferry Schedule	Quotes

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 09-12 was made by Commissioner Simmerman, seconded by Commissioner Favre, and unanimously approved by a roll call vote of 9-0.

\* \* \* \* \*

**RESOLUTION 09-14 (Formerly 08-57)- ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY’S 2009 CROSSINGS CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) has developed a 2009 Crossings Capital Plan for capital improvement projects at the Delaware Memorial Bridge, Cape May-Lewes Ferry, and the Three Forts Crossing in the amount of \$32,345,000; and

WHEREAS, the Projects Committee has conducted publicly advertised meetings on the proposed 2009 Crossings CIP Budget; and

WHEREAS, the Authority’s Projects Committee has reviewed and approved the proposed 2009 Crossings CIP Budget and recommends its adoption to the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts a 2009 Crossings CIP Budget of \$32,345,000.

A motion to approve Resolution 09-14 was made by Commissioner Favre, seconded by Commissioner Dorn, and unanimously approved by a roll call vote of 9-0.

\* \* \* \* \*

**RESOLUTION 09-15 (Formerly 08-58) - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY’S FIVE (5) YEAR (2009-2013) CROSSINGS CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) has developed a Five (5) Year Capital Improvement Plan for capital improvement crossing projects at the Delaware Memorial Bridge, Cape May-Lewes Ferry, and the Three Forts Crossing; and

WHEREAS, the Five (5) Year Crossings CIP budget is adopted in its entirety each year; and

WHEREAS, the current Five (5) Year Crossings CIP (2009-2013) totals \$185,600,000; and

WHEREAS, the Projects Committee has conducted publicly advertised meetings on the proposed Five (5) Year Crossings CIP Budget; and

WHEREAS, the Authority’s Projects Committee has reviewed and approved the proposed Five (5) Year Crossings CIP Budget and recommends its adoption to the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts a Five (5) Year Crossings CIP Budget of \$185,600,000.

A motion to approve Resolution 09-15 was made by Commissioner Favre, seconded by Commissioner Dorn, and unanimously approved by a roll call vote of 9-0.

\* \* \* \* \*

**RESOLUTION 09-16 - AMENDING RESOLUTION 96-02 RELATING TO THE OPERATION OF THE NEW CASTLE COUNTY AIRPORT**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) adopted Resolution 96-02 authorizing the Executive Director of the Authority or his/her designee to execute and deliver, with the advice of counsel as appropriate, certain certificates, agreements, leases, contracts as he/she may deem necessary or appropriate in connection with the operation of the New Castle County Airport; and

WHEREAS, the Authority subsequently adopted Resolution 97-12 which authorized the Executive Director or his/her designee to execute and deliver applications, amendments, agreements certificates, contracts or other required documents in connection with federal, state or local grant programs; and

WHEREAS, the Authority also desires to authorize the Executive Director or his/her designee to execute and deliver, with the advice of counsel as appropriate, leases and other revenue generating agreements or contracts with a term of ninety (90) days or less in connection with the operation of the New Castle County Airport; and

WHEREAS, it is in the best interest of the Authority to amend Resolution 96-02 to include such authorization.

NOW THEREFORE BE IT RESOLVED, that Resolution 96-02 is amended by adding a new Section 1(f) that provides:

(f) Short-Term Revenue-Generating Documents: Leases and other agreements or contracts that generate revenue for the Authority, provided such leases, agreements or contracts are for a period of ninety (90) days or less.

A motion to approve Resolution 09-16 was made by Commissioner Dorn, seconded by Commissioner Traynor, and unanimously approved by a roll call vote of 9-0.

\* \* \* \* \*

**RESOLUTION 09-17 - AUTHORIZES A SETTLEMENT AGREEMENT WITH SPECIALTY RESTAURANTS CORPORATION AT THE NEW CASTLE AIRPORT**

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

WHEREAS, Specialty Restaurants Corporation (“SRC”) entered into a Lease Agreement with the Authority (as successor-in-interest to New Castle County) dated as of November 8, 1982 (the “Lease”), to lease approximately four (4) acres of land on Route 13 (the “Land”); and

WHEREAS, SRC constructed and operated the restaurant known as Air Transport Command (the “Restaurant”) on the Land; and

WHEREAS, SRC defaulted on its obligation not to cease operation of a restaurant for more than a one (1) year period, and the Authority in response thereto, provided SRC with notice of the termination of the Lease on February 15, 2008; and

WHEREAS, SRC disputed the termination and the parties are currently involved in litigation arising from this dispute in the Justice of the Peace Court of the State of Delaware and the Superior Court of the State of Delaware; and

WHEREAS, the parties desire to enter into a Settlement Agreement to settle any and all disputes between them; and

WHEREAS, the Authority has agreed to make a payment of Twenty-Five Thousand Dollars (\$25,000) to SRC, to forgive or refund (if collected) any rent paid by SRC after February 15, 2008 and to release all claims against SRC arising out of the Lease in exchange for termination of the Lease and a release of all claims by SRC against the Authority arising under the Lease.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Settlement Agreement with SRC and, with the advice and consent of counsel, have said Settlement Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 09-17 was made by Commissioner Hensley, seconded by Commissioner Dorn, and unanimously approved by a roll call vote of 9-0.

\* \* \* \* \*

**RESOLUTION 09-18 - LEASE AGREEMENTS BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DELAWARE ARMY NATIONAL GUARD**

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

WHEREAS, the Delaware Army National Guard (“Guard”) desires to lease a approximately 50% of the hangar commonly referred to as 10 DRBA Way totaling approximately 11,500 sq.ft.; and

WHEREAS, the Guard has agreed to pay the Authority annual rent in the amount of One Hundred and Thirty-Five Thousand dollars (\$135,000); and

WHEREAS, the Guard also desires to lease 100% of the hangar commonly referred to as 5 DRBA Way totaling approximately 23,000 sq.ft.; and

WHEREAS, the Guard has agreed to pay the Authority annual rent in the amount of Two Hundred and Seventy Thousand dollars (\$270,000); and

WHEREAS, the initial terms of the Lease Agreements are for Eighteen (18) months; and

WHEREAS, rent shall be adjusted on the first anniversary of the Lease Agreements by the Consumer Price Index; and

WHEREAS, the Guard may terminate either Lease Agreement only in the case of substantial deployments with thirty (30) days notice.

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

A motion to approve Resolution 09-18 was made by Commissioner Favre, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

\* \* \* \* \*

9957. COMMISSIONERS PUBLIC FORUM

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

Doug Smithson, President of Big Sky Aviation spoke. He gave an overview of Big Sky’s business including its FBO operations at the Millville and Cape May Airports. Mr. Smithson said that fuel is priced based on market conditions and a calculation of certain overhead, including facility rental and flow fees. He is concerned that another FBO tenant at the Millville Airport is delinquent in its rent and this may give the entity a direct pricing advantage. He is requesting the DRBA Commissioners work quickly to level the playing field and protect the viable businesses that abide by the rules.

Commissioner Simmerman noted that Big Sky is a presence in Cumberland County. He appreciates Mr. Smithson's comments and that the Commissioners will be acting in the best interest of all.

Commissioner Favre stated that Big Sky is making a big difference at the Cape May Airport.

Chairperson Hogan thanked Mr. Smithson for his comments.

Vincent Ascione, Local 542 Representative spoke. He said that four years ago the first contract between Local 542 and the Authority was signed but the issue of parity was not resolved. He wants to work in closing the gap. He noted that he can make himself more available to move negotiations forward.

\* \* \* \* \*

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

The meeting was adjourned 11:55 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok  
Secretary