

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

The meeting convened at 10:00 a.m. with Chairperson Parkowski presiding.

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

Commissioner Hogan was given the Oath of Allegiance as the Chairperson of the Board of Commissioners by Mr. Hogan's son, Steven Hogan, with Joseph Neal, Esq., NJ Governor's Authorities Unit holding the Bible.

Commissioner Parkowski was given the Oath of Allegiance as the Vice-Chairperson of the Board of Commissioners by Chairperson Hogan, while Executive Director Johnson held the Bible.

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
Susan A. DeLanzo
Rev. Edward W. Dorn
Niels S. Favre
Gary F. Simmerman
Ceil Smith

F. Michael Parkowski, Vice-Chairperson
Thomas J. Cooper
Verna W. Hensley
Samuel E. Lathem
William Lowe
Gary F. Traynor

* * * * *

9921 APPROVAL OF THE JANUARY 22, 2009 MINUTES

Commissioner Favre motioned for approval of the January 22, 2009 minutes, seconded by Commissioner Smith, and approved by a voice vote of 12-0.

* * * * *

9922. EXECUTIVE DIRECTOR'S REPORT

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

Delaware Memorial Bridge

Total traffic during the month of December increased 1.1% compared to the same period in 2007. Non-commercial traffic increased 2.4% and commercial traffic decreased 7.0%. When compared to the 3-year average, total traffic for December decreased 1.4%. Total traffic for 2008 decreased 4.2% compared to 2007. When compared to the 3-year average, 2008 total traffic decreased 4.2%.

E-ZPass traffic for December represented 59.3% of the total overall traffic as compared to 57.9% for the previous year. Total electronic traffic for 2008 represented 59.3%, an increase of 2.3% from 2007.

Cape May Lewes Ferry

In December, vehicle and passenger traffic decreased 10% and 7.3%, respectively, when compared to December 2007. Vehicle and passenger traffic for 2008 decreased 7.5% and 6.3% respectively compared to 2007. When compared to the average of the last three years, 2008 vehicle traffic and passenger traffic decreased 9.8% and 8.3%, respectively. In December, fare revenues including reservation fees and discounts decreased 2.0%, when compared to December 2007. Total 2008 fare revenues decreased 2.5% compared to 2007.

In December, CMLF food sales and retail sales decreased 14.4% and 13.9% respectively, as compared to December 2007. Total 2008 food and retail sales decreased 10.7% and 13.7% respectively when compared to 2007.

Airports

The FAA conducted the annual FAA FAR Part 139 inspections at New Castle Airport and the Civil Air Terminal.

Finance

The Authority successfully issued the 2008 Refunding Bonds at a price of 0.75%. This transaction eliminates the 2000B Bonds which we were paying from 6.5% to 9.9% over the last six months because of the downgrade of Ambac, the bond insurer.

Employee Happenings

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

Authorized Positions	456
Positions Filled	412
Positions Filled (on LTD)	5
Total Positions that are Vacant	39

I want to commend all of our employees that helped participate in the delivery of Holiday care packages for the Adopt-a-Family program. This program was conducted in cooperation with two school districts in each state. Employees also delivered packages to about 68 children in the community. Those packages included clothes, shoes and toys.

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

* * * * *

9923. 2009 COMMISSIONERS COMMITTEE ASSIGNMENTS

Chairperson Hogan noted the 2009 Committee Assignments and called for a motion of acceptance.

Commissioner Simmerman motioned to approve the 2009 Commissioners Committee Assignments, seconded by Commissioner Lathem, and said motion unanimously approved by a voice vote of 12-0.

* * * * *

9924. 2009 COMMISSIONERS COMMITTEE MEETING SCHEDULE

Chairperson Hogan noted the 2009 Committee Meeting Schedule and called for a motion of acceptance.

Commissioner Smith motioned to approve the 2009 Committee Meeting Schedule, seconded by Commissioner Dorn, and said motion unanimously approved by a voice vote of 12-0.

* * * * *

Commissioner Simmerman presented the following Budget & Finance discussion held on February 2, 2009 and the meeting minutes of today, February 17, 2009.

BUDGET & FINANCE COMMITTEE MEETING
Monday, February 2, 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, February 2, 2009, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

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

Commissioner Hensley, Committee Member
Commissioner Lathem
Commissioner Traynor
Vice-Chairperson Parkowski

Governors Representatives

Sonia Frontera - NJ

Staff

Jim Johnson
Don Rainear
Victor Ferzetti
Jim Walls
Gerry Owens
Anna Marie Gonnella Rosato
John Jones
Kelly Phillips Parker
AJ Crescenzi
Heath Gehrke

Authority Secretary

Tom Pankok

In the absence of Committee Vice-Chair Simmerman, the Acting Chief Financial Officer welcomed the Budget & Finance Committee and Public Hearing and opened the meeting at approximately 10:30 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.

Authority Vice-Chair Parkowski requested an Executive Session, for Commissioners, Governor’s Representative, and Senior Leadership, closed to the public to discuss matters of a confidential nature. On motion by Commissioner Favre, seconded by Commissioner Hensley, 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 Hensley, seconded by Commissioner Smith, the Budget & Finance Committee was opened to the public.

Proposed Resolutions

- Over \$25,000 Vendor List – the Acting CFO reviewed each item included on the Over \$25,000 Vendor List. Commissioner Favre noted that there is a second vessel with asbestos and questioned the condition. The Director-Ferry Operations responded that the vessel had been

inspected by the Authority's Environmental Consultants, Duffield Associates, and the asbestos was determined to be encapsulated and will be inspected again during a scheduled drydocking. After discussion, on motion by Commissioner Favre, seconded by Commissioner Hensley, the Committee recommended approval of the Over \$25,000 Vendor List. The Resolution will be presented to the full Board for consideration at the February meeting.

- Ferry Fare and Fuel Surcharge – As a follow up to the presentation given at the January Budget & Finance Committee meeting, the Director-Ferry Operations provided an additional presentation outlining the Fare Increase Proposals for 2009-2010. The following was presented.

- Measures to “Close the Gap” for 2009-2010
- Fare Proposal Scenarios
- Financial Performance
- 2009 Fare Proposal Proforma
- Financial Projection
- 2009 Proposed Fares
- Other Proposed fare Changes – including Peak Fares, Six-Packet Tickets, Bus Passenger Fares, and Expiration Dates
- Fuel Surcharge & Actual Surcharge Amounts
- Terms of Passage – housekeeping language added to Resolution authorizing staff to make changes to ticket disclaimers
- Summary
 - As costs increase (labor, fuel, benefits) either the customer must bear these increases or the Authority will.
 - For 2009, based on projected delta, price increase: 5.7%
 - A fuel surcharge can help to insulate us from dramatic increases in the cost of fuel.

The Committee then discussed and Commissioner Favre questioned whether there was a way to notify customers who purchased the old six-pack tickets of the expiration. The Director-Ferry Operations reported that some of the customers are known and some aren't. Chairperson Hogan added that he thought it was bad business to tell someone that their ticket had expired. The Chief Information Officer explained that this process could be similar to the process used when the Delaware Memorial Bridge discontinued token and ticket usage. Communications were provided notifying the public with a set extended period of time for customers to use or receive a refund. After discussion, on motion by Commissioner Hensley, seconded by Commissioner Smith, the Committee recommended approval of the Fare Increase, Fuel Surcharges, and Terms of Passage as presented. The Resolution will be presented to the full Board for consideration at the February meeting.

III. 2008 Revenue and Expense Review – The Acting CFO reviewed the Budget vs Actual Revenues and Expenses for FY 2008. For 2008, Authority Revenues were \$6.9 million less than Projected and Operating Expenses were \$3.6 million (5%) under the Adopted Budget. This results in a Debt Service Coverage of 1.66. For an organization of A1/A+ status, a prolonged Debt Service Coverage of 1.50 would be considered low.

V. 2009 Cash Flow Analysis Discussion – In order to focus on the timing of the planned 2010 Toll Increase the Acting CFO also reviewed the Estimated Cash Draws and General Fund Balance for 2009 with revenues based on the same flow of traffic and approved capital projects for 2009. The \$75 million beginning balance in January includes the \$30 million match as a hedge for the variable rate debt and \$8 million self-insurance set aside. This indicates that a toll increase should be done in early 2010 to no later than the 2nd quarter.

VI. 2009 Procurement Discussion – As a follow-up to Chairperson Hogan's request from the New Jersey Governor's Office, the Acting CFO presented the itemized list of RFP's that would need to go out in 2009. It was noted that the Centralized Purchasing Department put out 18 RFP's and bid proposals in 2008. The schedule for 2009 would total 47 with an additional 10 having options to renew or re-bid. The RFP process takes 6-7 months to complete and staff does not have the capability to complete this many RFP's. The Acting CFO requested that the Committee provide direction in order for staff to prioritize. The Acting CFO also noted that the recommendation of the DBE Task Force to purchase a new procurement system with enhanced DBE capabilities would be an extensive time consuming project adding to the constraints of

staff; however, would be of benefit in the long term. Commissioner Lathem added that we owe it to the DBE Task Force to consider their recommendation. The Acting CFO added that the Executive Director, Chief Information Officer, and Director-Engineering/Maintenance visited the New Jersey Turnpike Authority for a demonstration of their procurement software package and input from their staff. Chairperson Hogan added that it would make sense to renew the food service agreements while staff continues to move forward with “Close the Gap” measures in Food and Retail. Chairperson Hogan directed staff to develop a recommendation for consideration at the next Budget & Finance Committee meeting.

Commissioner Dorn reported that he received a call from the DBE Task Force and did not want a delay responding to their recommendations. The Acting CFO reported that the attorneys have reviewed the Task Force recommendations, met with staff, and the Acting CFO reported that the delay is his review and follow-up with staff.

VI. P&I Club Premium Call – The Acting CFO reported that the United Kingdom Protection & Indemnity Insurance Club, of which the Delaware River and Bay Authority is a member, received heavy claims in 2007-2008 and has issued a supplemental call of approximately \$500,000. This will be paid out of the General Fund in 2009. The Acting CFO added that this is part of the “hidden” cost of the Cape May-Lewes Ferry which would not be included in the Operations Fund.

With no further business to discuss, on motion by Commissioner Favre, the Budget & Finance Committee adjourned at 12:00 p.m.

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

* * * * *

9926. COMMITTEE REPORT – PERSONNEL COMMITTEE

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

PERSONNEL COMMITTEE MEETING
Monday, February 2, 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, February 2, 2009, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey
PRESENT

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

Commissioners from Delaware

Committee Chair Lathem
Commissioner Traynor

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 Lathem welcomed the Personnel Committee and opened the meeting at 12:25 p.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 Lathem requested an Executive Session, closed to the public to discuss matters of a confidential nature. On motion by Commissioner Dorn, 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 Dorn, the Personnel Committee was opened to the public.

With no further business to discuss, on motion by Commissioner Favre, the Personnel Committee adjourned at 12:35 p.m.

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

* * * * *

9927. COMMITTEE REPORT – PROJECTS

Commissioner Lowe presented the following Projects Committee meeting minutes of February 2, 2009.

PROJECTS COMMITTEE
Monday, February 2, 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, February 2, 2008, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

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

Commissioner Traynor

Governors Representatives

Sonia Frontera - NJ

Staff

Jim Johnson
Don Rainear
Victor Ferzetti
Jim Walls
Gerry Owens
Anna Marie Gonnella Rosato
John Jones
John Sarro
Steve Williams

Authority Secretary

Tom Pankok

Guests

Randal Wiedemann,
Wiedemanm & Associates

I. Committee Vice-Chair Favre welcomed those in attendance. The Authority Secretary reported that the public meeting of the Projects 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. It was determined that a quorum of the Projects Committee was not present; however, those commissioners in attendance agreed to the suggestion that Randal Wiedemann, Weidemann Associates provide a presentation regarding the Millville Airport Business Plan. The presentation was given to those commissioners who remained in attendance.

III. It was determined that a Projects Committee meeting is required before the February board meeting and that it be scheduled at 9:00 am on February 17, 2009, prior to the board meeting, to address required Projects Committee action items.

* * * * *

PROJECTS COMMITTEE
Tuesday, February 17, 2009
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Projects Committee was held on Tuesday, February 17, 2009, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Lowe, Committee Chair
Commissioner Hensley, Committee Mbr
Commissioner Lathem
Commissioner Traynor
Commissioner Cooper
Commissioner Parkowski, Chairperson

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

Governors' Representative

Joseph Neal – NJ

Authority Secretary

Tom Pankok

Staff

Jim Johnson
Jim Walls
Victor Ferzetti
Gerry DiNicola Owens
John Jones
Heath Gehrke
Kelly Phillips-Parker
A. J. Crescenzi
John Sarro
Anna Marie Gonnella-Rosato

Counsel

Michael Houghton, Esq., DE Counsel
Phillip Norcross, Esq, NJ Counsel

I. The Projects Committee meeting convened at approximately 9:05 a.m. Those in attendance were provided an informational package consisting of an agenda, four (4) bid tabulations, and the monthly contractor payment chart with associated change orders (through January).

II. Resolutions: None

III. Bid Openings/Award Actions:

- CMLF-06-03, Miscellaneous Dock Work and Repairs, Cape May-Lewes Ferry. A public bid opening was held on January 28, 2009, in which two (2) bids were received. The COO reported that that lowest bid was almost twice the engineer's estimate and recommended that the bid be rejected. The Projects Committee supported the recommendation and authorized the action to be presented at the February board meeting.

- CMLF-08-06, Drydocking and Repairs, MV Twin Capes, Cape May-Lewes Ferry. The COO reported that this contract is a contingency action and may not be needed if the MV Twin Capes passes an on-site USCG underwater inspection. If not, this drydocking will be necessary. A public bid opening was held on January 30, 2009, in which one (1) bid was received. The COO recommended the contract award to the only bidder, Lyon Shipyard, Inc., in the amount of \$1,196,450.00. The Projects Committee supported the recommendation and authorized the action to be presented at the February board meeting.

- CMLF-08-01, Cape May Ferry Auto Bus Service, Cape May. A public bid opening was held on January 27, 2009, in which two (2) bids were received. The COO recommended that the award be given to the lowest responsive bidder, Lion Corporation in the amount of \$116,070.00. The Projects Committee concurred with the recommendation and authorized the action to be presented at the February board meeting.

- CMLF-09-01, 2009 Maintenance Dredging, Cape May. A public bid opening was held on February 12, 2009, in which five (5) bids were received. The COO recommended that the award be given to the lowest responsive bidder, Barnegat Bay Dredging Co., Inc. in the amount of \$362,000.00. The Projects Committee supported the recommendation and authorized the action to be presented at the February board meeting.

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

V. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 9:24 a.m.

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

* * * * *

9928. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Smith presented the following Economic Development Committee meeting minutes of February 2, 2009.

ECONOMIC DEVELOPMENT COMMITTEE
Monday, February 2, 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, February 2, 2009, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Commissioners from Delaware

Committee Vice-Chair Hensley
 Commissioner Lathem
 Commissioner Traynor
 Vice-Chairperson Parkowski

Governors Representatives

Sonia Frontera – NJ

Staff

Jim Johnson
 Don Rainear
 Victor Ferzetti
 Jim Walls
 Gerry Owens
 Anna Marie Gonnella Rosato

Authority Secretary

Tom Pankok

John Jones
AJ Crescenzi
Kelly Phillips Parker
Michelle Griscom-Collins
Heath Gehrke
Joe Larotonda

II. Committee Chair Smith welcomed the Economic Development Committee and opened the meeting at approximately 9:20 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.

III. The Deputy Executive Director provided information on the following Agreements.

- Amendment to a Lease Agreement that Confirms and Ratifies the Execution of Lease Agreements and Authorizes the Chairperson, Vice-Chairperson, and Executive Director to Execute Lease Amendments Between the Delaware River and Bay Authority and Smettzer and Sons, Inc., 1200 New Jersey Avenue Associates, LLC, Cape Auto Sales, LLC, and Gilmartin & Company. The Deputy Executive Director explained that this project was the Authority's first attempt at private sector hangar development at the Cape May Airport. After consultation with Delaware and New Jersey Legal Counsel, the proposed housekeeping Resolution was recommended to bring into conformance the Terms of Agreement. This Amendment would not change the basic terms of the original Lease Agreement. After discussion, on motion by Commissioner Dorn, seconded by Commissioner Hensley, the Committee recommended approval of the Amendment. The Resolution will be presented to the full Board for consideration at the February meeting.

- Lease Agreement Between the Delaware River and Bay Authority and Love the Cook, LLC for 3000 square feet of space at the Cape May Airport. The Deputy Executive Director reported that the appraisal indicated from a range of \$5-7 per square foot and, after negotiations, the annual rental for the first three years would graduate from \$15,000 - \$21,000, reaching the fair market value at year three. During the initial term of five years, years four and five would be adjusted annually by the CPI. The previous tenant had been evicted in October, 2008 and it was reported that approximately \$15-20,000 worth of work had to be done to ready the building for occupancy. The Deputy Executive Director added that this tenant had a solid business background and good reputation. After discussion, on motion by Commissioner Hensley, 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 February meeting.

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

The following matters of a confidential nature were discussed.

- LONG TERM PLANNING ALTERNATIVES

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

With no further business to discuss, on motion by Commissioner Hensley, the Economic Development Committee adjourned at 10:29 a.m.

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

* * * * *

9929. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Acting 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 December.

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

* * * * *

9930. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

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

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

* * * * *

9931. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The Acting CFO presented charts for January 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.

* * * * *

9932. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The Acting CFO presented charts for the month of January 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.

* * * * *

9933. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF JANUARY 31, 2009.

The Acting 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.

* * * * *

9934. PUBLIC COMMENT ON ACTION ITEMS.

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

- Contract CMLF-06-03 Misc Dock Work and Repairs – CM-LF
- Contract CMLF-08-01 Cape May Ferry Auto Bus Service
- Contract CMLF-08-06 Drydocking and Repairs M/V Twin Capes
- Contract CMLF-09-01 2009 Maintenance Dredging – Cape May
- Resolution 09-04 Authorizing Authority Expenditures \$25,000 and Over
- Resolution 09-05 Adoption of a Revised Fare Schedule & Authorization to Implement a Fuel Surcharge for the Cape May-Lewes Ferry
- Resolution 09-06 Lease Agreement Amendment to the Smeltzer & Sons, 1200 New Jersey Ave Asso., Cape Auto Sales, and Gilmartin & Co.
- Resolution 09-07 Lease Agreement with Love The Cook, Cape May Airport

Resolution 09-08 Lease Agreement with Dassault Falcon-Jet, Wilm. Corp. – New Castle Airport
Resolution 09-09 Lease Agreement with Dassault Falcon-Jet, Wilm. Corp. – New Castle Airport
Resolution 09-10 Appointment of the Authority Chief Financial Officer

There was no public comment.

* * * * *

9935. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

<u>Contractor</u>	<u>Payment</u>
DMB-08-01 Allied Painting, Inc	\$194,748.30
DMB-07-03 Schlosser & Associates, Inc.	\$41,976.70
DMB-07-04 Schlosser & Associates, Inc.	\$41,476.85
DMB-06-03 J.D. Eckman. Inc	\$13,043.00
DMB-04-01 Mumford and Miller	\$1,104,591..32
NCA-06-02 Diamond Materials	\$164,287.91
NCA-06-03 Eastern States Construction	\$171,720.00

The Chairperson called on the Commissioners to approve the Summary of Authorized Contract Payments submitted for February 17, 2009.

A motion was made by Commissioner Smith to approve The Summary of Authorized Contract Payments, seconded by Commissioner Dorn and was unanimously approved by a roll call vote of 12-0.

* * * * *

9936. APPROVAL OF CAPE MAY AUTO BUS SERVICE – CONTRACT #CMLF-08-01

The COO noted that a public bid opening was held on January 27, 2009, in which two (2) bids were received. The COO and the Projects Committee recommend awarding the contract to the lowest responsive bidder, Lion Corporation of Rio Grande, NJ, in the amount of \$116,070.00.

* * * * *

9937. APPROVAL OF DRYDOCKING AND REPAIRS M/V TWIN CAPES- CONTRACT #CMLF-08-06

The COO noted that a public bid opening was held on January 30, 2009, in which one (1) bid was received. The COO and the Projects Committee recommend awarding the contract to the responsive bidder, Lyon Shipyard, Inc. of Norfolk, VA, in the amount of \$1,196,450.00.

* * * * *

9938. APPROVAL OF 2009 MAINTENANCE DREDGING, CAPE MAY-CONTRACT # CMLF-09-01

The COO noted that a bid opening was held February 12, 2009, in which five (5) bids were received. The COO and the Projects Committee recommend awarding the contract to the lowest responsive bidder, Barnegate Bay Dredging, Inc., of Harvey Cedars, NJ, in the amount of \$362,000.00.

A motion to approve Contracts CMLF-08-01, CMLF-08-06, AND CMLF-09-01 was made by Commissioner Simmerman, seconded by Commissioner Favre, and approved by a roll call vote of 12-0.

* * * * *

9939.
CONTRACT #CMLF-06-03

MISCELLANEOUS DOCK WORK AND REPAIRS –

The COO noted that a bid opening was held on January 28, 2009, in which two (2) bids were received. The COO and the Projects Committee recommend rejecting the bids due to the cost of the proposals being almost twice the engineer’s estimate.

A motion to reject Contract #CMLF-06-03 was made by Commissioner Favre, seconded by Commissioner Lowe, and unanimously approved by a roll call vote of 12-0.

* * * * *

9940. CHAIRPERSON’S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOAD

RESOLUTION 09-04 - 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 & 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
County Environmental Company	Emergency Asbestos Abatement on the M/V New Jersey	Quotes/ Emergency Declaration
CTM Brochure Display, Inc. Marine Safety Corporation	CMLF Brochure distribution Vessel Inspection Services	Sole Source Sole Source
Northrop Grumman Systems Corporation (Sperry Marine)	5 Year Parts and Labor Warranty Agreement for DRBA owned Sperry Bridgemaster Radar Systems (installed on all 5 vessels)	Proprietary
Softmart Government Services	Computer Consoles and Video Units for the New Castle Server Room	Quotes
Touchstone Partners V.I.P. Search	Executive Search/CHRO and Determination	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 09-04 was made by Commissioner Simmerman, seconded by Commissioner Favre, and unanimously approved by a roll call vote of 12-0.

* * * * *

During a brief discussion at the open Executive Session meeting this morning, it was decided to remove action on discontinuing older versions of Discount Books of Six (6) Tickets that were sold prior to June 4, 2008. Staff will evaluate and present recommendations to the Board at a future date concerning the handling of discounted 6-Pack tickets that were issued prior to June, 2008. Resolution 09-05 considered for action removes the discontinuation of the 6-Pak tickets sold prior to June 4, 2008.

RESOLUTION 09-05 - ADOPTION OF A REVISED FARE SCHEDULE AND AUTHORIZATION TO IMPLEMENT A FUEL SURCHARGE FOR THE CAPE MAY-LEWES FERRY

WHEREAS, The Delaware River and Bay Authority (the "Authority"), is a bi-state agency created by Compact for the purpose of operating crossing facilities between the States of Delaware and New Jersey; and,

WHEREAS, the Authority owns and operates the Cape May-Lewes Ferry, which connects Cape May, New Jersey, and Lewes, Delaware; and,

WHEREAS, the Authority has made significant capital investments in safety, landside improvements, vessels, and infrastructure; and,

WHEREAS, the operating deficit for FY 2008 was approximately \$9.4 million; and,

WHEREAS, the Cape May-Lewes Ferry experienced approximately \$1.1 million in additional fuel expenses in FY 2008 over FY 2007; and,

WHEREAS, a fuel surcharge would partially offset escalating fuel costs; and,

WHEREAS, the projected gross income from the revised fare schedule is \$14.9 million, which is sufficient to avoid a substantial increase in the operating deficit in FY 2009; and,

WHEREAS, the Authority recognizes that changes are required periodically to disclaimers and terms of passage that are provided to passengers of the Cape May-Lewes Ferry; and,

WHEREAS, the Authority has concluded that the revised fare schedule and a fuel surcharge is responsive to the public's concerns, and yet acts to meet the financial requirements of the Authority; and,

WHEREAS, based on the foregoing, the Authority has concluded that the revised fare schedule and the implementation of fuel surcharge is just and reasonable, necessary, proper and desirable; and,

WHEREAS, the Authority desires to amend the fare schedule and implement a fuel surcharge with an effective date of April 1, 2008.

NOW, THEREFORE, BE IT RESOLVED, that the revised fare schedule for the Cape May-Lewes Ferry, attached hereto, is hereby adopted with an effective date of April 1, 2009, and the Executive Director, or his designee, is hereby authorized to make any changes, as appropriate, to disclaimers, limitation periods, venue provisions and any other terms of passage that are provided to passengers of the Cape May-Lewes Ferry and to implement a fuel surcharge for the Cape May-Lewes Ferry.

Cape May-Lewes Ferry Fares

(All Fares are One-Way Unless Noted)

Effective April 1, 2009

<u>VEHICLE & DRIVER</u>	<u>NOV-MAR</u>	<u>APR-OCT</u>	<u>PEAK*</u>
Car, SUV, Van, Pick-up Truck (vehicles less than 20' length)	\$29.50	\$36.00	\$43.25
Return-Trip Value Fare	\$25.25	\$30.75	\$31.75

Motorcycle or Motorbike	\$24.25	\$30.75	\$36.00
Return-trip Value Fare	\$21.25	\$26.50	\$26.50
Discount Book of Six (6) Tickets (all vehicles less than 20' length)	\$153	\$153	\$153
Discount Book of Six (6) Tickets (Commercial vehicles) (Memorial Day to Labor Day: not valid Sat, Sun, or Holidays between 9 a.m. and 5 p.m.)		15% off scheduled fare	

VEHICLE & FOOT PASSENGERS

Under 6 years of age	FREE	FREE	FREE
Children, age 6-13	\$3.75	\$5.00	\$5.00
Return-Trip Value Fare	\$2.75	\$4.00	\$4.00
14 Years of age and older	\$7.50	\$10.00	\$10.00
Return-Trip Value Fare	\$5.25	\$8.00	\$8.00
Discount Book of Six (6) Adult Tickets		\$43.50	\$43.50

***NOTE: Return-Trip Value Fares must be purchased with initial Sailing**

BUS PASSENGERS

Under 6 years of age	FREE	FREE	FREE
Children, age 6-13	\$1.50	\$2.75	\$2.75
14 Years of age and older	\$3.25	\$5.25	\$5.25

FERRY TERMINAL SHUTTLE FARES

Under 6 years of age	FREE	FREE	FREE
6 Years of age and older	\$3.00	\$3.00	\$3.00

OTHER FARES & FEES

Internet Reservation Fee Discount	\$2.00	\$2.00	\$2.00
Non-Refundable Reservation Cancellation Fee	\$5.00	\$5.00	\$5.00

OTHER VEHICLES & DRIVER

20' to under 25'	\$33.75	\$41.25	\$49.75
25' to under 35'	\$42.25	\$49.75	\$60.25
35' to under 45'	\$49.75	\$57.00	\$68.75
45' to under 60'	\$61.25	\$69.75	\$84.50
More than 60'	\$84.50	\$93.00	\$113.00

***PEAK FARES:** Memorial Day to Labor Day – Fri, Sat, Sun, & Holidays

TICKET EXPIRATION: Purchased ferry tickets expire two years after purchase date.

A motion to approve Resolution 09-05 was made by Commissioner Lowe, seconded by Commissioner Smith, and unanimously approved by a roll call vote of 12-0.

* * * * *

RESOLUTION 09-06 - AN AMENDMENT THAT CONFIRMS AND RATIFIES THE EXECUTION OF LEASE AGREEMENTS AND AUTHORIZES THE CHAIRPERSON, VICE-CHAIRPERSON, AND EXECUTIVE DIRECTOR TO EXECUTE LEASE AMENDMENTS BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SMELTZER AND SONS, INC., 1200 NEW JERSEY AVENUE ASSOCIATES, LLC, CAPE AUTO SALES, LLC, AND GILMARTIN & COMPANY, INC.

WHEREAS, The Delaware River and Bay Authority (the "Authority") is the operator of the Cape May County Airport ("Airport") pursuant to a Ground Lease entered into with the County of Cape May; and

WHEREAS, the Authority has entered into lease agreements ("Lease Agreements") with Gilmartin & Company, Inc., Kindle Ford Mercury Lincoln, Inc., 1200 New Jersey Avenue Associates, LLC, and Smeltzer and Sons, Inc. (collectively the "Tenants") to lease land to the Tenants at the Airport in order to construct hangar; and

WHEREAS, the location of the hangar construction has been changed from the main concrete terminal ramp to the asphalt ramp near the SRE Building; and

WHEREAS, the relocation of the hangar resulted in a modification to and reduction in the size of the hangar facility from 2,772 square feet to 1,386 square feet; and

WHEREAS, the annual rent for the land shall be \$0.18 per sq. ft.; and

WHEREAS, the Authority previously passed Resolution 04-03 authorizing the execution of the Lease Agreements with the Tenants, which Resolution 04-03 incorrectly stated that the Tenants would form one separate entity to enter into a lease agreement instead of entering into separate lease agreements with the entities; and

WHEREAS, Resolution 04-29 amended Resolution 04-03 to allow the Tenants to enter into separate Lease Agreements for the hangar facility; and

WHEREAS, the Authority previously passed Resolution 07-30 authorizing the execution of the Lease Amendments ("Amendments") to modify and reduce the footprint of the facility, which Resolution 07-30 incorrectly identified the Tenants as individuals rather than as entities.

NOW, THEREFORE, BE IT RESOLVED, that Authority Chair, Vice Chair and Executive Director hereby confirm and ratify actions previously taken with respect to the Lease Agreements and Amendments and the Authority Chair, Vice Chair, and Executive Director are, with the advice and consent of Counsel, authorized to execute the Amendments.

A motion to approve Resolution 09-06 was made by Commissioner Favro, seconded by Commissioner Hensley, and unanimously approved by a roll call vote of 12-0.

* * * * *

RESOLUTION 09-07 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND LOVE THE COOK, LLC.

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

WHEREAS, Love the Cook, LLC. desires to lease approximately 3,000 square feet of industrial park space in Building 96; and

WHEREAS, Love the Cook, LLC. has agreed to pay the Authority annual rental in the following amounts:

Year 1	\$15,000
Year 2	\$18,000
Year 3	\$21,000; and

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

WHEREAS, the rental rate in years four (4) and five (5) shall be adjusted annually by the Consumer Price Index (CPI).

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

A motion to approve Resolution 09-07 was made by Commissioner Smith, seconded by Commissioner Dorn, and approved by a roll call vote of 12-0.

* * * * *

RESOLUTION 09-08 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DASSAULT FALCON-JET WILMINGTON CORP.

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

WHEREAS, Dassault Falcon Jet-Wilmington Corp. (“Dassault”) desires to lease a portion of the hangar commonly referred to as 13 DRBA Way totaling approximately three-quarters (3/4) of the hangar; and

WHEREAS, Dassault has agreed to pay the Authority Two Hundred and Two Thousand dollars (\$202,000) annual rent during the first term of the Lease Agreement (“Agreement”); and

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

WHEREAS, Dassault shall have the option of renewing the Agreement for an additional period of one (1) year; and

WHEREAS, rent shall be adjusted during the renewal period in accordance with the Consumer Price Index.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Dassault Falcon-Jet Wilmington Corp. and, with the advice and consent of counsel, to have such Lease Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 09-08 was made by Commissioner Favre, seconded by Commissioner Smith, and unanimously approved by a roll call vote of 12-0.

* * * * *

RESOLUTION 09-09 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DASSAULT FALCON-JET WILMINGTON CORP.

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

WHEREAS, Dassault Falcon Jet-Wilmington Corp. (“Dassault”) desires to lease a portion of the hangar commonly referred to as 9 DRBA Way totaling approximately one-third (1/3) of the hangar; and

WHEREAS, Dassault has agreed to pay the Authority Ninety Thousand dollars (\$90,000) annual rent during the first term of the Lease Agreement (“Agreement”); and

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

WHEREAS, Dassault shall have the option of renewing the Agreement for an additional period of one (1) year; and

WHEREAS, rent shall be adjusted during the renewal period in accordance with the Consumer Price Index.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Dassault Falcon-Jet Wilmington Corp. and, with the advice and consent of counsel, to have such Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.

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

* * * * *

RESOLUTION 09-10 – APPOINTMENT OF THE CHIEF FINANCIAL OFFICER FOR THE DELAWARE RIVER AND BAY AUTHORITY.

WHEREAS, per Article 2.4 of the Authorities Bylaws, the Commissioners are granted the authority to appoint the Chief Financial Officer; and

WHEREAS, the Chief Financial Officer shall be an employee of the Authority and shall be the chief financial, budget, debt management and accounting officer for the Authority; and

WHEREAS, the Chief Financial Officer shall report to the Commissioners and the Executive Director; and

WHEREAS, Victor Ferzetti has served as the Chief Financial Officer in an Acting capacity since January 1, 2005, performed the duties of the Budget Director and other assignments assigned by the Executive Director; and

WHEREAS, the Commissioners have determined that he is fully qualified to serve as the Chief Financial Officer; and

NOW, THEREFORE, BE IT RESOLVED, that the Commissioners hereby appoint Victor Ferzetti as the Chief Financial Officer for the Authority, effective March 1, 2009.

A motion to approve Resolution 09-10 was made by Commissioner Simmerman, seconded by Commissioner Favre, and unanimously approved by a roll call vote of 12-0.

Commissioners Lathem, Dorn, Simmerman, Hensley and Parkowski all congratulated Mr. Ferzetti on his appointment as Chief Financial Officer (CFO).

* * * * *

9941. COMMISSIONERS PUBLIC FORUM

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

There was no public comment.

Commissioner Simmerman thanked the Chair and Vice-Chair for appointing him Chairperson to the Budget & Finance Committee.

Chairperson Hogan addressed the Board and those present.

“I want to thank my fellow commissioners for the confidence and support they have demonstrated in selecting me as your Chairman.

I assure you that I will give you my best effort for the entire time that I chair our Authority.

I have no illusions about the challenges this Authority faces in the coming months. We are in difficult times that require us to make prudent decisions to benefit the Authority and its

employees. We will need to have everyone's best effort as we go forward in the worst economic times that most of us will experience in our lifetimes.

What can we do about it? What should we do about it?

In late 2006, at my first caucus meeting of the New Jersey delegation, I heard a debate about the budget and the need to address our fiduciary responsibility to the DRBA. At my second meeting a number of cost-cutting proposals were submitted to us and the Chairman had already frozen some discretionary spending in the area of community contributions. Those measures were an indicator of the road ahead.

The Commissioners are going to need the assistance, understanding, and support of our respective Governors, our elected officials, our employees, and our stakeholders as we negotiate the troubled waters ahead.

It will require tough questions to be asked.

It will require a candid response without regard to one's subjective view.

It will require us to distinguish between wants and needs of an acquisition, or of a budget item. A need should be presented with the long-term health of this Authority as the focus.

This is not to say that security and safety issues should be ignored – they should be and will be addressed.

To our neighboring communities and the motoring public, it is highly probable that we will face an across-the-board toll increase in 2010. Some of you will be understandably upset with us when this occurs.

Our bridges were built in 1951 and 1962 and while they stand majestically, they are located in a harsh environment - an environment that requires constant maintenance and updating. Our ferries are older and expensive to operate, with some approaching the end of their useful life. Our five airports, despite competent management and aggressive marketing, are feeling the pressures of a poor economy, which is worsening each week. The bottom line is - they all need attention!

I assure you that the staff, for the past two years, has continually scrubbed the budget for waste and inefficiencies. Some examples of this are the "close the gap" measures at the Cape May-Lewes Ferry. This is a program designed to consolidate personnel and programs, thus reducing cost. Another cost saving area is the Executive Director's recent vehicle use policy, which mandates judicious use of Authority vehicles, and the ongoing reduction of vehicles assigned to Authority personnel. A recently enacted Delaware law allowing the apprehension and retention of toll evaders' cars has given the police department a means to gain revenue previously lost to "toll cheats."

We need to continue and enhance our goal of fiscal restraint in all areas of the authority's operations. To that end, we are making progress – but we need to do better.

In closing, I believe we have a better than average Authority. Most of our employees are dedicated, hard-working people who are proficient in their job skills and care about the service they render to our customers. I believe that by working together we can emerge from these difficult times with an organization that is committed to the betterment of the region's transportation system."

* * * * *

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

The meeting was adjourned 10:48 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary