

MINUTES OF MEETING

THE DELAWARE RIVER AND BAY AUTHORITY

November 16, 2004

The meeting convened at 11:03 a.m. with Chairperson Parkowski presiding.

The opening prayer was given by Father Stanley Drupieski followed by the Pledge of Allegiance led by Colonel John McCarnan.

Executive Director Johnson introduced Senator Asselta, 1st Legislative District, New Jersey and stated that Senator Asselta will administer the Oath of Office to Mr. Niels S. Favre, the Authority's newest Commissioner replacing Charles E. Pessagno who recently resigned.

Senator Asselta issued the Oath of Office to Mr. Favre and congratulated him on his appointment.

Chairperson Parkowski 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.

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Commissioners from Delaware

Commissioners from New Jersey

PRESENT

F. Michael Parkowski, Chairperson
Thomas J. Cooper
Verna W. Hensley
Samuel E. Lathem
William E. Lowe, III
Gary B. Patterson

Edward W. Dorn
Niels S. Favre
Maureen T. Koebig
Robert Y. McWilliams

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9128. APPROVAL OF MINUTES:

On motion by Commissioner McWilliams and seconded by Commissioner Dorn, the minutes of the October 19, 2004 meeting were approved by a voice vote of 10-0.

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9129. EXECUTIVE DIRECTOR'S REPORT:

The Executive Director presented the following highlights that occurred within the Authority during the month of October.

AIRPORTS

Construction of the new Delaware State University-DRBA hangar/terminal complex commenced at Delaware Airpark. The facility foundation work was completed and the steel erection will begin in early November. This new facility will enter service by May 01.

An appreciation luncheon was held on October 13 to recognize all involved with the successful completion of the runway 1-19 overlay project at New Castle Airport. Airport Operations, Engineering & Maintenance, the FAA, and project contractors were commended for their significant contributions to the success of this major construction project.

Construction of security and deer fencing commenced at Millville and Cape May Airports. This new fencing will significantly improve airport perimeter security and will greatly reduce the risk of animal strikes on the airfields.

CAPE MAY-LEWES FERRY

In October, vehicle traffic was down 3.2%, when compared to the 3-year (2001-2003) October average. Year-to-date vehicle traffic declined 8.5%, and passenger traffic was off 13.4%, when compared to the 3-year averages. Internet ferry reservations in October represented 24.3% of total ferry reservations.

The Cape May Lewes Ferry continues to experience positive trends in employee and patron safety incidents compared to prior years with year-to-date employee incidents down 47.7% and patron incidents down 33.7%.

On October 07, Peggy Mitchell, Manager – Food & Retail, received the 2004 Governor's Award for Excellence in Retail Food Safety at an award ceremony in Dover. Peggy is responsible for all Authority food and retail operations at our Lewes terminal facility. This annual award is presented to restaurants, institutions, and retail food stores displaying conscientious and committed efforts to provide safe foods and beverages to consumers.

The MV Twin Capes and MV Cape May successfully completed U.S. Coast Guard quarterly inspections in October.

The Authority partnered with the Transportation Security Administration (TSA) on a 30-day pilot project to evaluate a new vehicle scanning technology that detects explosives on vehicles prior to boarding the ferries. This pilot project commenced on October 21 and it is the first application of this technology in public transportation. The successful outcome of this project may lead to adoption of this scanning technology in the public transportation sector across the nation. Ferry customers are responding favorably to this pilot program.

DELAWARE MEMORIAL BRIDGE

In September, total bridge traffic increased by approximately 4.7% when compared to the 3-year (2001-2003) October average. Total bridge traffic year-to-date rose 4.4% over the 3-year average.

E-ZPass traffic continues to increase. E-ZPass traffic for October was 49.9% of the total overall traffic as compared to 47.2% for the previous year. E-ZPass traffic represents 47.6% year-to-date, an increase of 4% for the same period in 2003.

HUMAN RESOURCES

<u>Permanent Full-Time:</u>	Authorized Positions	Filled Positions
	481	449

POLICE

Summary of Police activities:

Enforcement/Activity	October 2003	October 2004
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Traffic Summons	598	340
Criminal Arrests	27	46
Traffic Accidents	35	19
Traffic Reprimands	810	436
Aid to Motorists	October 2003	October 2004
Disabled Vehicles	136	120
Public Assists	65	48
Medical Assists	6	4
Acrophobiacs	38	40

Executive Director Johnson stated that he attended the second session of Summit On The Shore regarding tourism for New Jersey’s Shore Region, to brand the New Jersey shore. He also participated in the Delaware State Chamber of Commerce Principal For A Day program in which he was Principal of the Rehoboth School. Brad Hopkins was Principal for a day at Holy Spirit School.

Commissioner Lathem suggested the Authority, through the Commissioners, congratulate Peggy Mitchell for receiving the Governor’s Award for Excellence in Retail Food Safety.

Executive Director Johnson stated that George Iannetta, Superintendent of Food and Retail Operations, will also receive a Governor’s award in December for his hiring practices in the food and retail division.

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9130. COMMITTEE REPORTS – BUDGET & FINANCE

Commissioner Patterson presented the following minutes of the October 20 and 27, 2004 Budget & Finance Committee Public Hearings and the November 3 and 15, 2004 scheduled Budget & Finance Committee meetings.

**BUDGET & FINANCE COMMITTEE HEARING
Wednesday, October 20, 2004
Cape May Terminal
Cape May, New Jersey**

A public hearing of the Delaware River and Bay Authority’s Budget & Finance Committee was held on Wednesday, October 20, 2004, in the Gallery of the Cape May Terminal, Sandman Boulevard and Lincoln Drive, Cape May, New Jersey.

Commissioners from New Jersey

Committee Vice-Chair McWilliams

Staff

Jim Johnson
Brad Hopkins
Victor Ferzetti
Joe Larotonda

Public Attending

Eric Avedissian – Cape May Star & Wave

- I. Committee Vice-Chair McWilliams opened the Budget & Finance Committee Hearing at approximately 6:00 p.m. Mr. McWilliams reported that the public hearing of the Budget & Finance Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations and read the Statement of Notice.
- II. The Chief Financial Officer outlined the content of the materials to be presented concerning the proposed 2005 Operating Budget. The CFO explained the major increases, line by line, accumulating to an increase of 5.2% over the 2004 adopted Budget. Mr. Hopkins asked if there were any questions of the information presented, and with no questions to address, proceeded to review Exhibits A & B of the proposed \$66,941,231 operating budget by Division and Category.

The CFO reviewed the Projected Operating Revenue and Proposed Operating Expense Pie Charts. It was noted that all the information reviewed was incorporated into the enclosed DRBA Financial Model. Mr. Hopkins asked if there were any questions on the information. There were no questions.
- III There being no further business to discuss, Committee Vice-Chair McWilliams adjourned the Budget & Finance Committee public meeting at approximately 6:18 p.m.

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BUDGET & FINANCE COMMITTEE HEARING
Wednesday, October 27, 2004
 Delaware Memorial Bridge Complex
 New Castle, Delaware

A public hearing of the Delaware River and Bay Authority's Budget & Finance Committee was held on Wednesday, October 27, 2004, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

Committee Chair Patterson
 Commissioner Hensley, Committee Member

Staff

Jim Johnson
 Brad Hopkins
 Victor Ferzetti
 Gerry DiNicola Owens

Public Attending

Bill Gallo, Jr., Today's Sunbeam, Salem

- I. Committee Chair Patterson opened the Budget & Finance Committee Hearing at approximately 6:00 p.m. Mr. Patterson reported that the public hearing of the Budget & Finance Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations and directed Mr. Hopkins to read the Statement of Notice.
- II Mr. Patterson requested the Mr. Hopkins provide a summary of the public hearing held the prior week. Mr. Hopkins informed the Board members that the material that will be covered is the same as the material presented in Cape May. In addition, he noted that one person from the public attended the meeting in Cape May and that there were no notable comments.

III Mr. Patterson requested that Mr. Hopkins cover the highlights of the financial model. Mr. Hopkins proceeded to make note of the following:

- The model reflects a projected toll increase in fiscal year 2006. The approximately \$20 million of increased revenue reflects a \$2.00 per axle increase on commercial vehicles only. However, he noted that the proposed increase was being utilized for modeling purposes only and was not indicative of Board policy regarding this matter.
- Debt service coverage is projected at 1.40 times in 2005. He noted that this exceeds the 1.25 times required in the trust indenture. However, he pointed out that this coverage level is pushing the lower levels and will most likely be watched very closely by the rating agencies.
- The projected ending general fund balance of \$46 million includes the assumed reimbursement of approximately \$5.5 million from Dassault Falcon Jet.
- The Airports, as a division, will have an operating surplus, excluding capital improvements.
- The model projects no growth on Ferry revenue on the projected \$12 million of FY04 revenue while expenses grow at 5 percent. Therefore, the existing operating deficit is projected to increase to approximately \$8 million in fiscal year 2005.

III The CFO reviewed the major increases, line by line, accumulating to an increase of 5.2% over the 2004 adopted Budget. Mr. Hopkins proceeded to review Exhibits A & B of the proposed \$66,941,231 operating budget by Division and Category. He noted that the 13 percent increase in the Administration division is largely attributed to moving the Electronics department, approximately \$900,000 in expenses, from the bridge to administration to reflect changes resulting from the reorganization. In addition, the insurance increase of nearly \$500,000 is budgeted entirely in the administration division. Mr. Hopkins informed the Committee that the proposed budget contains 481 full-time positions reflecting no increase from the FY04 budgeted positions. He informed the Board members that currently the Authority had 444 full time positions filled, 5 LTD positions, and 32 vacancies.

IV Mr. Patterson opened the session to public comment which are recorded as follows:

- Q. The Authority anticipates no toll increase at the Delaware Memorial Bridge in 2005 and an increase of \$2.00 per axle on commercial vehicles only in 2006?
- A. Mr. Hopkins affirmed that there is no proposed toll increase until the year 2006. However, he cautioned that the increase as shown was for modeling purposes and not Board approved policy. He noted that the structure of the toll increase could change in the future.
- Q. The model shows the ferry deficit growing from \$7 million in 2004 to \$8 million in 2005. Does the Authority plan on doing anything about this? Must the Authority operate the ferry by law?
- A. The Authority has engaged a consulting firm to research and evaluate the ferry and its market. The results and recommendations will be reviewed and evaluated to determine how to proceed in the future. In addition, the Authority is directed by Compact to operate a ferry. However, how it is operated is at the Authority's discretion.

III There being no further business to discuss, Committee Chair Patterson adjourned the Budget & Finance Committee public meeting at approximately 6:35 p.m.

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DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Wednesday, November 3, 2004
Delaware Memorial Bridge Complex
New Castle, Delaware

A public hearing of the Delaware River and Bay Authority's Budget & Finance Committee was held on Wednesday, November 3, 2004, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Committee Chair Patterson
Commissioner Hensley, Committee Member
Commissioner Lathem
Commissioner Lowe
Chairperson Parkowski

Committee Vice-Chair McWilliams
Commissioner Dorn, Committee Member
Commissioner Koebig
Vice-Chairperson Wallace

Governors' Representative

Keith Barrack - NJ

Staff

Jim Johnson
Don Rainear
Brad Hopkins
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens
Joe Larotonda
Victor Ferzetti
Anna Marie Gonnella Rosato
TJ Murray

Authority Secretary

Thomas Pankok

- II. Committee Chair Patterson welcomed the Budget & Finance Committee and opened the meeting at approximately 9:15 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.
- II. The Committee reviewed the Community Contribution requests for November. After review of the requested contributions, on motion by Commissioner McWilliams, seconded by Commissioner Dorn, the Committee approved requests from Delaware totaling \$13,000 and requests from New Jersey totaling \$3,650 for a grand total of \$16,650. A Resolution authorizing the approved requests will be presented for full Board consideration at the November meeting.
- III. The Chief Financial Officer reviewed the list of vendors over \$25,000. The Committee recommended approval of the list. A Resolution authorizing the list of vendors will be presented for full Board consideration at the November meeting.
- IV. The Chief Financial Officer gave an update on the proposed 2005 Operating Budget. Two Public Hearings had been conducted, one in Cape May, New Jersey on October 20, 2004, and one at the Administration Building in New Castle, Delaware on October 27, 2004. One member of the public attended each hearing,

both were from the press. The CFO reported that there had been no changes to the proposed Budget. The CFO further reported that the increased cost of Benefits is the second largest expense after Wages. Staff will be spending a substantial amount of time to investigate ways to begin to manage those upwardly trending costs.

The Committee discussed a few of the operating lines. The Committee questioned whether sufficient funding had been allocated for vessel fuel. The COO reported that he is investigating staffing and operational issues to better utilize resources. The Committee also questioned if there was sufficient funding for marketing. The Deputy Executive Director reported that the funding was sufficient at this time, pending the final marketing report by the Elliott Bay Design Group. If new initiatives are proposed which need additional funding, the DED will review with the Committee at that time. The CFO also reported that the increased dollars in Marketing line for the proposed 2005 Operating Budget is due to additional dollars allocated toward airport marketing initiatives. Utilities are being paid on unoccupied space and there will be an emphasis on Airport marketing to rent unoccupied space.

The CFO reported that an additional Budget and Finance Committee meeting is scheduled for Monday, November 15, at 5:00 p.m. to again review the proposed 2005 Operating Budget.

- V. Committee Chair Patterson requested a discussion regarding the recent insurance industry investigation and scandal and the impact it may have on the Authority. The CFO reported that the largest insurance broker in the world was accused of bid rigging, contingent commissions, and referring business to subsidiary companies consisting of family members and themselves. The Committee discussed the Authority's current insurance broker. The CFO reported that the Authority's insurance broker is contracted to provide a service for fee. No commissions should be paid to the broker. The Committee also suggested that a requirement for certification be placed in future RFP documents for Insurance Brokerage, to ensure that the insurer is not receiving any additional commissions.

There being no further business to discuss in the Public Session, Commissioner McWilliams motioned to close the Session to the Public. The following matters of a confidential nature were discussed.

- MEBA Contract Negotiations & Status

At the request of the Committee Chair Patterson, staff reviewed the additional information that was requested at the last Budget and Finance Committee meeting. After review and discussion, the Committee was satisfied with the information provided.

There being no further business to discuss, the Budget and Finance Committee adjourned at 9:55 a.m.

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BUDGET & FINANCE COMMITTEE MEETING
Monday, November 15, 2004
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Budget & Finance Committee was held on Monday, November 15, 2004, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Cooper, Committee Member
Commissioner Hensley, Committee Member
Commissioner Lowe

Committee Vice-Chair McWilliams
Commissioner Dorn, Committee Member
Commissioner Koebig

Staff

Jim Johnson
Don Rainear
Brad Hopkins
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens
Joe Larotonda
Victor Ferzetti
Anna Marie Gonnella Rosato

III. Committee Vice-Chair McWilliams welcomed the Budget & Finance Committee and opened the meeting at approximately 5:02 p.m. The Committee Vice-Chair 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.

V. The Chief Financial Officer reported that this meeting was the sixth meeting for the Budget & Finance Committee to review the proposed 2005 Operating Budget. Included in the six meetings were two Public Hearings, one in Cape May, New Jersey on October 20, 2004, and one at the Administration Building in New Castle, Delaware on October 27, 2004. Of note, no member of the public attended any of the Public Hearings or was in attendance at this meeting. One member of the media attended each of the two Public Hearings.

III. The CFO reported no changes to the proposed operating budget since the last Public Hearing, October 27, 2004. No changes were made to the 481 total authorized positions and 32 vacancies; however, 7 vacant positions had been re-allocated to different divisions to meet operational objectives. The Committee had no issue with this re-allocation.

After discussion, on motion by Commissioner Dorn, seconded by Commissioner Cooper, the Committee voted to approve the Resolution authorizing the proposed 2005 Operating Budget. A Resolution authorizing the 2005 Operating Budget will be presented to the full Board for consideration.

IV. The CFO thanked the Committee and the Board for its time and dedication to an open meetings process to discuss the proposed 2005 Operating Budget.

There being no further business to discuss, on motion by Committee Vice-Chair McWilliams, the Budget and Finance Committee adjourned at 5:17 p.m.

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9131. COMMITTEE REPORT – PERSONNEL & INSURANCE

Commissioner Lathem presented the following minutes of the Personnel & Insurance meeting held November 3, 2004.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Committee Chair Lathem
Commissioner Lowe, Committee Member
Commissioner Hensley
Commissioner Patterson
Chairperson Parkowski

Commissioner Dorn, Committee Member
Commissioner Koebig, Committee Member
Commissioner McWilliams
Vice-Chairperson Wallace

Governors' Representatives

Keith Barrack

Staff

James Johnson, Jr.
Don Rainear
Brad Hopkins
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens
TJ Murray
Consuella Petty-Judkins
Andrew Ritchie
Jill Wolfe

Authority Secretary

Tom Pankok

Invited Guest

Terry Cheek, Young Conaway
Stargatt & Taylor

- I. Committee Chair Lathem welcomed the Personnel & Insurance Committee and opened the meeting at approximately 10:05 a.m. The Authority Secretary reported that the public meeting of the Personnel & Insurance Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll. The meeting may be preceded by an Executive Session, closed to the public to discuss matters of a confidential nature.

The Committee Chair requested an Executive Session, closed to the public to discuss matters of a confidential nature. On motion by Commissioner Lowe, the Session was closed.

The following matters of a confidential nature were discussed.

- Personnel Matters

MEBA Contract Negotiations & Status:

At the request of Committee Chair Patterson, staff presented the additional information necessary for the Committee's review and consideration. The Committee asked several questions regarding the impact of the terms and conditions of the Bargaining Agreement and staff provided the necessary details. After discussion, on motion by Commissioner Dorn, seconded by Commissioner Lowe, the Committee recommended approval of the MEBA Bargaining Agreement. A Resolution authorizing the Bargaining Agreement will be presented to the full Board for consideration at the November meeting.

Local 542 Update:

The Executive Director presented a proposed procedure for staff communications with the Board during the negotiating process with Local 542. After discussion, the Committee was satisfied with the Executive Director's proposal. Updates will be given during the Personnel Committee meetings as well as full Board updates during the Executive Sessions preceding the monthly Public meetings.

Benefits Update:

Staff presented a three-step cost saving process to begin managing Authority health care costs. The Committee discussed and questioned staff's proposed first-step recommendation. After discussion, the Committee concurred with staff's first-step recommendation. Staff will continue to complete due diligence for Committee review and discussion in December.

Affirmative Action Plans Update:

The Chief Human Resources Officer (CHRO) introduced Terry Cheek, Legal Counsel from Young, Conaway, Stargatt & Taylor. Ms. Cheek specializes in Affirmative Action Planning and Discrimination. Ms. Cheek reviewed the process that was used to compile the statistical information required to begin to develop an Affirmative Action Plan for the Authority. It was reported that the process followed federal regulations, was lengthy and very detailed. The first phase of compiling the statistical information has been completed. The report showed that, statistically, no evidence of discrimination has been found at the Authority regarding the Authority's hiring or promotion practices. The Committee presented several questions and Ms. Cheek answered to the satisfaction of the Committee. Ms. Cheek will continue to work with staff to develop and complete a comprehensive Affirmative Action Plan, utilizing the federal guidelines. Staff will present a progress update at the next Personnel and Insurance Committee meeting.

Committee Chair Lathem requested a Closed Session for Commissioners only. The following topic was discussed.

- Personnel Matters

There being no further business, the Executive Session was adjourned at 11:45 a.m.

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9132. COMMITTEE REPORT – PROJECTS COMMITTEE

Commissioner Koebig presented the following minutes of the Projects Committee held on November 3, 2004.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Lowe, Vice-Chair
Commissioner Hensley, Committee Mbr.
Commissioner Lathem, Committee Mbr.
Commissioner Gary Patterson

Committee Chair Koebig
Commissioner McWilliams, Committee Mbr
Chairman Parkowski

Staff

Jim Johnson
Don Rainear
Jim Walls
Brad Hopkins
Trudy-Spence Parker
Gerry DiNicola-Owens
John Jones
Anna Marie Gonella-Rosato
Thomas Pankok
Keith Barack

I The Projects Committee meeting convened at approximately 12:00 p.m. Those in attendance were provided an informational package consisting primarily of an agenda, bid opening/award actions, project related information, a resolution and the monthly contractor payment chart.

II Bid Openings/Award Actions:

- Pier Improvements and Modifications, Lewes Terminal, (CMLF-04-07): This 4 month project entails the restoration of embedment material for the pier steel bulkheads as well as improvements and modifications to the existing pier fendering system in both slips. Three firms submitted bids. Staff recommended award to the lowest responsive bidder, PKF-Mark III, Inc. The Projects Committee concurred with staff and authorized the award recommendation be presented at the November Board meeting.

III Contract Close-Out Actions: None.

IV Miscellaneous Actions:

- Delaware Airpark Hangar/Terminal Update: This ongoing collaborative initiative between DRBA and Delaware State University results in a new joint-use terminal/maintenance facility. Construction began in September and is scheduled for completion in April 2005.
- DE Approach Roads (Resolution Required): Staff briefed the committee on the next phase (Phase III) of the multi-year DE Approach Roads improvement program. The first two phases are now complete. Phase III (I-295 N) work is scheduled for 2005/2006. Phase IV (I-295 S) work is scheduled for 2007/2008. Remaining activities requires work to be completed on both State of Delaware and DRBA properties as well as over Norfolk Southern Railway (NSR) property. Additionally, there are properties that are operated and maintained by DRBA, but owned by DelDOT. In order to move forward, there are several documents that need to be executed prior to construction. These include land conveyance documents (from DelDOT to DRBA), cost sharing/funding agreement between DelDOT and DRBA, permanent easements, access agreements, and a NSR agreement to replace an Authority bridge over NSR tracks. A draft resolution was presented authorizing the Executive Director to execute subject documents. The Projects Committee concurred with staff and authorized the resolution to be presented at the November Board meeting
- Civil Air Terminal (CAT) Economic Development: Staff updated the committee regarding the ongoing DelDOT feasibility study regarding an initiative to strengthen and/or expand existing CAT pavement facilities for economic development purposes. Another feasibility study option is being studied by DelDOT and will be complete next month. Staff conveyed they would continue to keep the committee informed of any developments. Commissioner Patterson made comment regarding the importance of timing of this project as dictated by existing agreements with Dover AFB.
- Employee Recognition: Projects Committee Chair, Maureen Koebig publicly commended both John Sarro (Grants Manager) and Dave Hoppenjans (Project Engineer) for their exemplary leadership efforts towards obtaining \$11.4 million of Federal Aviation Administration funding for Authority projects.

V. Contractor Payment (through October): Staff briefed the Committee on monthly construction contractor payments.

VI. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 12:30 p.m.

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9133. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Hensley stated that, due to a lack of a quorum at the November 3, 2004 scheduled meeting, the agenda items were discussed but no action taken. A publicized Economic Development meeting was held this morning in the James Julian Room to discuss and recommend Resolutions that are on the agenda for full Board approval. She

then presented the following minutes of the Economic Development Committee meetings that were held on November 3 and 16, 2004.

ECONOMIC DEVELOPMENT COMMITTEE
Tuesday, November 3, 2004
Delaware Memorial Bridge Complex
New Castle, Delaware

Commissioners from Delaware

PRESENT

Committee Chair Hensley
Commissioner Lowe
Commissioner Patterson

Commissioners from New Jersey

Committee Vice-Chair Koebig

Governors' Representatives

Keith Barrack - NJ

Staff

James Johnson, Jr.
Don Rainear
Brad Hopkins
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens
AJ Crescenzi
Anna Marie Gonnella Rosato
Michelle Griscom-Collins

Authority Secretary

Tom Pankok

- II. Committee Chair Hensley welcomed the Economic Development Committee and opened the meeting at approximately 12:25 p.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.

Committee Chair Hensley reported that a quorum was not present and no action could be taken at this time; however, the following topics were reviewed and discussed.

- II. Airport Economic Development Projects:

Millville Airport Action Items:

- The Deputy Executive Director (DED) introduced representatives from the City of Millville and the New Jersey Motor Sports Raceway. The DED reported that, the Economic Development Committee had recommended this project for full Board consideration at the October Committee meeting, subject to the development of documents for the Acquisition and Ground Lease Amendment to the Millville Airport. The Authority's New Jersey Legal Counsel developed the Agreement and copies have been distributed via fax or email to all Committee members for review. The documents have also been reviewed by the Authority's Delaware Legal Counsel and Counsel for the City of Millville. Don Ayars, Economic Development Director for the City of Millville, reported no substantive changes to any business terms.

The DED presented a proposed Resolution authorizing the release of lands at the Millville Airport to the City of Millville, subject to FAA approval. Also authorized is the acquisition of an additional 15-acre parcel of land contiguous to the Airport from the City of Millville to the Authority, in consideration for the release of the two parcels. The Committee asked several questions and staff answered to their satisfaction.

- Staff reviewed a Resolution authorizing a Lease Agreement with the Delaware River and Bay Authority and Millville Hangar Partners, LLC.
- Staff reviewed a Resolution authorizing a Lease Agreement with the Delaware River and Bay Authority and Aeroways, Inc.
- Staff reviewed a Resolution authorizing a Lease Agreement with the Delaware River and Bay Authority and ILG AV Center, Inc.

These four proposed Resolutions will be presented again at the Economic Development Committee meeting scheduled November 16, 2004, for review and subsequent recommendation for full Board consideration at the Public Meeting.

There being no further business, on Motion by Commissioner Lowe, the Economic Development Committee was adjourned at 12:36 p.m.

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ECONOMIC DEVELOPMENT COMMITTEE
Tuesday, November 16, 2004
 Delaware Memorial Bridge Complex
 New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Economic Development Committee was held on Tuesday, November 16, 2004, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Hensley
 Commissioner Cooper, Committee Member
 Commissioner Lowe
 Commissioner Lathem
 Commissioner Patterson
 Vice Chairperson Parkowski

Commissioners from New Jersey

Committee Vice-Chair Koebig
 Commissioner Dorn, Committee Member
 Commissioner McWilliams
 Commissioner Favre

Governors' Representatives

Keith Barrack - NJ

Staff

James Johnson, Jr.
 Don Rainear
 Brad Hopkins
 Jim Walls
 Trudy Spence-Parker
 Gerry DiNicola Owens
 AJ Crescenzi
 Anna Marie Gonnella Rosato
 Michelle Griscom-Collins
 John Sarro

Authority Secretary

Tom Pankok

III. Committee Chair Hensley welcomed the Economic Development Committee and opened the meeting at approximately 10:21 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.

Committee Chair Hensley reported that, at the last Economic Development Committee meeting, no quorum was present. Although projects were discussed and reviewed, no action was taken at that time.

The Committee reviewed and discussed the following topics.

III. Airport Economic Development Projects:

New Castle Airport Action Items:

- The Deputy Executive Director reviewed a Resolution authorizing a Lease Agreement with the Delaware River and Bay Authority and Aeroways, Inc. On motion by Commissioner Koebig, seconded by Commissioner Cooper, the Committee approved the Resolution for full Board consideration.
- The Deputy Executive Director reviewed a Resolution authorizing a Lease Agreement with the Delaware River and Bay Authority and ILG AV Center, Inc. On motion by Commissioner Dorn, seconded by Commissioner Koebig, the Committee approved the Resolution for full Board consideration.

Millville Airport Action Items:

- The Deputy Executive Director reviewed a Resolution authorizing a Memorandum of Understanding between the City of Millville and the Delaware River and Bay Authority, subject to FAA approval. New Jersey Legal Counsel developed the Memorandum and has been reviewed by Delaware Legal Counsel. Committee Chair Hensley thanked staff for their

diligence in this matter. On motion by Commissioner Koebig, seconded by Commissioner Dorn, the Committee approved the Resolution for full Board consideration.

- Staff reviewed a Resolution authorizing a Lease Agreement with the Delaware River and Bay Authority and Millville Hangar Partners, LLC. On motion by Commissioner Cooper, seconded by Commissioner Dorn, the Committee approved the Resolution for full Board consideration.

There being no further business, on motion by Committee Chair Hensley, the Economic Development Committee adjourned at 10:26 a.m.

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9134. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY:

The CFO presented a chart 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 October.

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

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9135. DELAWARE RIVER AND BAY AUTHORITY - STATEMENT OF INCOME AND EXPENSE:

The CFO presented a chart showing a statement of income and expenses with comparisons to the same period last year.

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

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9136. DELAWARE RIVER AND BAY AUTHORITY - OPERATING EXPENSE BY DIVISION:

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

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

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9137. DELAWARE RIVER AND BAY AUTHORITY - CAPITAL IMPROVEMENT PROGRAM:

The CFO presented a chart showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also includes cash expenditures spent to date for the committed projects.

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

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9138. DELAWARE RIVER AND BAY AUTHORITY - CASH POSITION (MARKET VALUE) AS OF OCTOBER 31, 2004:

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

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

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9139. PUBLIC COMMENT ON ACTION ITEMS:

Chairperson Parkowski noted the following Resolutions were being considered today. He stated that Resolution 04-54, DRBA 2005 Operating Budget, is on hold until the next Board meeting because of the request from the new Governor of New Jersey to be given the opportunity to review the proposed budget before it was approved. Resolution 04-55, Collective Bargaining Agreement with District #1 PCD, Marine Engineer’s Beneficial Association, AFL-CIO (MEBA), also will be on hold until the next Board meeting. He then asked for public comment on the following Resolutions.

- Resolution #04-52 Approval of Community Contribution Requests
- Resolution #04-53 Authorizing Authority Expenditures over \$25,000
- Resolution #04-56 Authorizing the Executive Director to Execute and Deliver Applications, Amendments, Agreements, or other Required or Related Documents in Connection with Improvements to Approaches on Interstate 295
- Resolution #04-57 Lease Agreement with ILG AVCenter, Inc. at New Castle Airport
- Resolution #04-58 Lease Agreement with Aeroways, Inc. at New Castle Airport
- Resolution #04-59 Lease Agreement with Millville Hangar Partners, LLC., at Millville Airport
- Resolution #04-60 Authorizing Amendment to the Acquisition and Ground Lease Agreement between the DRBA and the City of Millville

Gary Wodlinger, attorney for the Motorsports Park and Resort at the Millville Airport, introduced himself and Senator Nicholas Asselta, Assemblyman Jeff Van Drew, Millville Mayor Jim Quinn and Freeholder Louis Magazzu. He said that they are here to support a positive vote on Resolution 04-60.

Vincent Ascione, Local 542, asked if all the Committee meetings were public and where he can obtain a copy of the scheduled meetings.

Executive Director Johnson stated that the Committee's meet the first Tuesday of the month. The meeting dates and times are posted on the Authority website and notices are advertised in the Atlantic City Press and the News Journal and several other local papers.

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9140. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS:

The COO noted the following Summary of Authorized Contract Payments.

<u>Contractor</u>	<u>Payment</u>
DMB-04-02 Eastern Highway Specialists	\$195,055.24
DMB-04-03 Allied Painting, Inc.	\$339,156.20
DMB-02-01 Daisy Construction	\$322,627.78
DMB-01-06 Cianbro Corporation	\$ 53,947.84
547 Transdyn Controls, Inc.	\$ 4,900.00
MVA-02-02 State Hi-Way Safety	\$ 13,503.60
DAP-04-02 EDIS	\$108,198.49
CMA-02-01 Agate Construction Co., Inc.	\$279,492.30
CMA-02-02 Highway Safety Systems, Inc.	\$189,315.00

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9141. APPROVAL OF AWARD OF CONTRACT NO. CMLF-04-07 – PIER IMPROVEMENTS AND MODIFICATIONS.

The COO reported that bids for Contract No. CMLF-04-07, Pier Improvements and Modifications, were opened on October 28, 2004. The low bid of \$1,795,160.00 was submitted by PKF-Mark III, Inc. of Newtown, PA. The COO and the Projects Committee recommend awarding the base bid to the low bidder noted above.

On motion by Commissioner Lowe and seconded by Commissioner McWilliams, the recommendation of the COO and the Projects Committed was approved by a roll call vote of 10-0.

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9142. CHAIRPERSON'S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD:

Chairperson Parkowski presented the following Resolutions.

RESOLUTION 04-52 - APPROVAL OF COMMUNITY CONTRIBUTION REQUESTS.

WHEREAS, The Delaware River and Bay Authority (the "Authority") has developed a Community Contributions Policy (the "Policy") which outlines the purpose of the program and process for consideration of requests; and

WHEREAS, the Policy requires full board approval for any Community Contribution; and

WHEREAS; the Budget and Finance Committee met and approved Community Contributions for the month of November, 2004; and

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby approves the following Community Contributions.

Community Contributions

New Jersey

1. American Legion 0521 Washington Township Memorial Post	\$3,650
Total	<u>\$3,650</u>

Delaware

1. AFL-CIO Community Services of Delaware, Inc.	\$1,000
2. Delmarva Walk to Emmaus	\$4,000
3. DFRC, Inc.	\$2,500
4. Lewes Historical Society	\$3,000
5. Nature Conservancy, Inc.	\$4,000
6. The Greater Lewes Foundation	\$5,000
Total	<u>\$19,500</u>

Grand Total (New Jersey and Delaware) \$23,150

Resolution 04-52 was moved by Commissioner McWilliams, seconded by Commissioner Lathem and approved by a roll call vote of 10-0.

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RESOLUTION 04-53 AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01 - 84 FOR THE PERIOD, JANUARY 1 THROUGH DECEMBER 31, 2004.

WHEREAS, The Delaware River and Bay Authority (the "Authority") adopted Resolution 01-84 requiring approval by the Commissioners 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 1/1/04 THROUGH 12/31/04

<u>VENDOR</u>	<u>SERVICE DESCRIPTION</u>
G.A. Blanco and Sons, Inc.	Office Furniture
Contemporary Staffing Solutions	Administrative Support
Keystone Protection Industries	Fire Suppression and Safety Services
Microsoft Licensing, GP	Enterprise Licensing Agreement
Motorola, Inc	800 MHz System Equipment (Phase II & III)

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby authorizes expenditures to the above listed vendors for the described purposes and authorizes payment.

Resolution 04-53 was moved by Commissioner Patterson, seconded by Commissioner McWilliams and approved by a roll call vote of 10-0.

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RESOLUTION 04-54 - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY'S 2005 OPERATING BUDGET

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

WHEREAS, the proposed operating expenses for FY2005, excluding the Airports division, are \$62,079,261; and

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

WHEREAS, for FY2005, interest on outstanding bonds is currently approximately \$15,936,852, and amortization of principal will be \$6,600,000 for a total debt service of approximately \$22,536,852; 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 FY2005; and

WHEREAS, the projected revenue of the Authority for FY2005 excluding the Airports division is approximately \$93,651,590 resulting in a debt service coverage of 1.40x, meeting the toll covenant; and

WHEREAS, the proposed operating budget for the Airports division operated by the Authority is \$4,861,970; and

WHEREAS, the Budget and Finance Committee has conducted publicly advertised hearings and meetings on the proposed 2005 Operating Budget; and

WHEREAS, the Budget and Finance Committee has developed, reviewed, and approved the proposed 2005 Operating Budget and recommends its adoption to the Board of Commissioners; and

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby adopts an operating budget of \$62,079,261 for the Bridge, Ferry, Food Services, Three Forts Crossing, Police, and Administration Divisions, and a budget of \$4,861,970, for the Airports division operated by the Authority for a total of \$66,941,231 for FY2005, and authorizes the Executive Director to exercise the approved management discretion and spend within the approved FY2005 budget.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that \$6 million of the General Fund Reserve is hereby designated and restricted for the Fiscal Year 2005 as the self insurance fund of the Authority to cover any payments required within the deductible limits of the Authority's various insurance policies.

Resolution 04-54 was moved by Commissioner Patterson and seconded by Commissioner Hensley to approve the Resolution. A discussion ensued centering around the new Governor of New Jersey's request to table the Resolution until next month to give him the opportunity to review the budget.

A motion was made by Commissioner McWilliams to table Resolution 04-54 until the December Board of Commissioner's meeting, seconded by Commissioner Lowe and approved by a roll call vote of 10-0.

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RESOLUTION 04-55 - COLLECTIVE BARGAINING AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DISTRICT NO. 1 - PCD, MARINE ENGINEERS' BENEFICIAL ASSOCIATION, AFL-CIO, FOR CERTAIN MARINE EMPLOYEES AT THE CAPE MAY LEWES FERRY

WHEREAS, The Delaware River and Bay Authority (the "Authority") owns and operates the Cape May-Lewes Ferry system between Cape May, New Jersey and Lewes, Delaware; and

WHEREAS, certain Marine employees at the Cape May-Lewes Ferry voluntarily designated District No. 1 - PCD, Marine Engineers' Beneficial Association, AFL-CIO ("MEBA") to represent them in an election on March 29, 2001; and

WHEREAS, the Authority and MEBA negotiated and executed a Collective Bargaining Agreement (the "Agreement") which expired on June 30, 2004; and

WHEREAS, the purpose of the Agreement was to promote and maintain a harmonious relationship between the Authority and its employees; and

WHEREAS, the Authority and MEBA have negotiated a new collective bargaining agreement and desire to execute such agreement ("New Agreement"); and

WHEREAS, the Personnel Committee has reviewed the terms of the New Agreement and has recommended approval thereof by the Commissioners; and

WHEREAS, the provisions of this New Agreement shall be retroactive to July 1, 2004, and expire on June 30, 2007; and

WHEREAS, the Authority desires to approve the New Agreement; and

NOW, THEREFORE, BE IT RESOLVED, that with the advice of Counsel, the Chairperson, Vice Chairperson, and Executive Director are hereby authorized and directed to execute such New Agreement.

Resolution 04-55 was moved by Commissioner Hensley and seconded by Commissioner McWilliams to approve the Resolution. A discussion ensued centering around the new Governor of New Jersey's request to table the Resolution until next month to give him the opportunity to review the budget.

A motion was made by Commissioner McWilliams to table Resolution 04-55 until the December Board of Commissioner's meeting, seconded by Commissioner Dorn and approved by a roll call vote of 10-0.

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RESOLUTION 04 - 56 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND DELIVER APPLICATIONS, AMENDMENTS, AGREEMENTS, OR OTHER REQUIRED OR RELATED DOCUMENTS IN CONNECTION WITH IMPROVEMENTS TO APPROACHES ON INTERSTATE 295.

WHEREAS, The Delaware River and Bay Authority (the "Authority") was created as a body politic and an agency of government of the State of Delaware and the State of New Jersey, by virtue of Chapters 145 and 146, Volume 53, Laws of Delaware, approved by the Governor of the State of Delaware July 21, 1961, and Chapter 66 of the Pamphlet Laws of 1961 of the State of New Jersey, approved by the Governor of the State of New Jersey June 3, 1961 (said Chapters 145 and 146 and said Chapter 66 being

hereinafter sometimes collectively called the “Original Enabling Legislation”), pursuant to which the State of Delaware and the State of New Jersey entered, subject to the consent of the Congress of the United States of America, into a compact (herein sometimes called the “Original Compact”) creating the Authority; and

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

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

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

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

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

WHEREAS, the Authority operates and maintains certain approaches and appurtenances to the Delaware Memorial Bridge on existing Interstate 295 as provided in an April 25, 1961 agreement between the State Highway Department (now the Delaware Department of Transportation, “DelDOT”) and the Delaware Highway Interstate Highway Division (now the “Authority”), such approaches and appurtenances carrying a significant portion of the traffic moving across the Delaware Memorial Bridge; and

WHEREAS, DelDOT and the Authority propose to undertake a project (the “Project”) to improve the operation and safety of Interstate 295 from east of Interstate 95 to east of U.S. Route 13; and

WHEREAS, DelDOT and the Authority propose that certain parcels of real estate owned by DelDOT on which the Authority is operating and maintaining certain portions of Interstate 295 be conveyed to the Authority as part of the Project; and

WHEREAS, in accordance with the Authority’s approved Capital Improvement Program, the Project requires work on both Authority and DelDOT properties, and a funding agreement with DelDOT is therefore necessary in order to place one construction contract for work on Interstate 295 northbound and one construction contract for work on Interstate 295 southbound; and

WHEREAS, in connection with the Project, the Authority has installed, and will operate and maintain, utilities and structures on DelDOT property (that is not being

conveyed to the Authority), and a permanent easement from DelDOT to the Authority is therefore necessary and appropriate; and

WHEREAS, in connection with the Project, portions of existing Baylor Boulevard that cross under the three existing Authority Overpass Bridges 7R, 7E, and 7W must be relocated to the northern side of the said interchange to provide access to southbound US Route 13, and an agreement between the Authority and certain affected State of Delaware agencies is necessary and appropriate; and

WHEREAS, a Norfolk Southern Railroad Company track line passes under two Interstate 295 bridges near the Delaware Memorial Bridge and as part of the Project, the northbound Interstate 295 bridge will be replaced, and an agreement is therefore required between the Authority and Norfolk Southern Railway Company; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director, with the advice of Counsel, is hereby authorized to execute and deliver any and all applications, amendments, agreements, certificates, and/or other related documents necessary or appropriate in connection with the Project, including, without limitation, those with or to be filed with any federal or state governments or agencies thereof, railroads, utility companies, or other persons having any interest in the Project.

Resolution 04-56 was moved by Commissioner Lathem and seconded by Commissioner Koebig and approved by a roll call vote of 10-0.

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RESOLUTION 04-57 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ILG AVCENTER, INC.

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

WHEREAS, ILG AvCenter Inc. desires to lease approximately 5,000 square feet of warehouse space, commonly referred to as Building 5002B, located at Brett Road of the New Castle Airport; and

WHEREAS, ILG AvCenter Inc. has agreed to pay the Authority annual rent in the amount of \$32,500 during the initial term of the Lease Agreement; and

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

WHEREAS, ILG AvCenter Inc. shall have the option of renewing this Lease Agreement for three (3) periods of five (5) years; and

WHEREAS, the rental rate shall be adjusted annually by the Consumer Price Index (CPI); and

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

Resolution 04-57 was moved by Commissioner Dorn and seconded by Commissioner Hensley and approved by a roll call vote of 10-0.

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RESOLUTION 04-58 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND AEROWAYS INC.

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

WHEREAS, Aeroways Inc. desires to renew the Lease Agreement on the facility that they currently lease 100% of and commonly known as 5 DRBA Way of the New Castle Airport; and

WHEREAS, Aeroways Inc. has agreed to pay the Authority annual rent in the amount of \$240,000 during the term of the new Lease Agreement and \$270,000 per year in the second year of the new Lease Agreement; and

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

WHEREAS, Aeroways, Inc. shall have the option of renewing this new Lease Agreement for three (3) periods of five (5) years each; and

WHEREAS, the rental rate shall be adjusted starting in year three (3) by the Consumer Price Index (CPI); and

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

Resolution 04-58 was moved by Commissioner Hensley and seconded by Commissioner McWilliams and approved by a roll call vote of 10-0.

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RESOLUTION 04-59 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MILLVILLE HANGAR PARTNERS, LLC.

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

WHEREAS, Millville Hangar Partners LLC. desires to lease approximately 6,000 square feet of land in order to construct a hangar at the; Millville Airport; and

WHEREAS, Millville Hangar Partners LLC. will obtain all permits and approvals for construction of the hangar; and

WHEREAS, Millville Hangar Partners LLC. Has agreed to pay the Authority annual rent in the amount of \$1,200 during the initial term of the Lease Agreement; and

WHEREAS, the initial term of the Lease Agreement is for four (4) years; and

WHEREAS, Millville Hangar Partners LLC. shall have the option of renewing this Lease Agreement for three (3) periods of five (5) years; and

WHEREAS, the rental rate shall be adjusted annually by the Consumer Price Index (CPI); and

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

Resolution 04-59 was moved by Commissioner McWilliams and seconded by Commissioner Koebig and approved by a roll call vote of 10-0.

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RESOLUTION 04-60 AUTHORIZING A MEMORANDUM OF UNDERSTANDING BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE CITY OF MILLVILLE

WHEREAS, the Delaware River and Bay Authority (the “Authority”) and the City of Millville, New Jersey (the “City”) entered into an Acquisition Agreement (“Acquisition Agreement”), dated August 1, 1999, and Ground Lease (“Ground Lease”), dated October 20, 1999 (collectively the Acquisition Agreement and the Ground Lease are referred to as the “Airport Agreements”) regarding certain property and improvements thereto located in the City, commonly known as the Millville Airport (the “Airport”); and

WHEREAS, the Airport Agreements, inter alia, provided the Authority with a thirty (30) year leasehold interest in said Airport; and

WHEREAS, the City holds fee simple title to certain real property constituting approximately seven hundred and seven (707) acres of land located along Buckshutem Road near or adjacent to the Airport identified as Block 124, Lot 16, Block 125, Lots 1, 2, 3 and 5 and Block 136, Lots 1 and 3 on the Tax Maps of the City which City and a certain third party developer, New Jersey Motor Sports Park, LLC (“NJMP”) wish to develop as an Airpark Motorsports Commercial District (the “Project”); and

WHEREAS, City and NJMP have entered into a certain Municipal Development Agreement (the “Municipal Development Agreement”) dated June 21, 2004 for purposes of setting forth their mutual undertakings regarding the development of the Project; and

WHEREAS, subject to the satisfaction of certain Project Contingencies set forth in said Municipal Development Agreement the City has agreed to convey the aforesaid parcels to NJMP; and

WHEREAS, certain of the aforesaid parcels are subject to the Airport Agreements; and

WHEREAS, the City has requested that the Authority amend the Airport Agreements to release said parcels (hereinafter referred to as the “Property”) from the terms and conditions of said Airport Agreements, said parcels being: (a) an approximate 91 acre parcel identified as Lot 2, Block 125 as shown on the Tax Maps of the City (the “Non Restricted Property”); and (b) an approximate 139 acre parcel being a portion of Lot 5, Block 125, as shown on the Tax Maps of the City (“FAA Restricted Property”); and

WHEREAS, the release of the FAA Restricted Property is subject to the approval of the Federal Aviation Administration (the “FAA”) and subject to the receipt by the Authority of fair market value consideration in accordance with FAA regulations; and

WHEREAS, said development is further conditioned on and subject to FAA review and approval that such development of the Project or the Property (i.e. the FAA Restricted Property or the Non-Restricted Property) does not in any way negatively affect the operation of the Airport; and

WHEREAS, pursuant to the terms of the Municipal Development Agreement, said approvals and consents of the Authority and the FAA are a condition precedent to the development of the Project and the consummation of the transactions contemplated by the Municipal Development Agreement (the “Project Contingencies”); and

WHEREAS, the City, in addition to any other consideration for the Authority amending the Airport Agreements, has agreed to substitute and include in the Airport

Agreements, for the use and control of the Authority for Airport purposes, certain City owned land known as Lot 12, Block 125, as shown on the Tax Maps of the City, containing approximately 15 acres of vacant land and such other real property as the parties may mutually agree (the "Replacement Property"); and

WHEREAS, the Authority has recently installed perimeter and security fencing at the Airport, with the financial assistance of the FAA, a portion of which is located on the Property; and

WHEREAS, the City has agreed that in the event the Property is released by the Authority to the City, the City will be responsible for all costs and expenses associated with any necessary or appropriate relocation and addition of said fencing to insure the security of the Airport; and

WHEREAS, in the event that the proposed development of the Project may require the relocation of the Airport's static test area run-up pad then the City has agreed that it will be the responsibility of the City to pay for any and all costs and expense of the relocation of said static test area run-up pad to a site to be determined at the sole discretion of the Authority; and

WHEREAS, pursuant to Authority Resolution 04-51, the Authority has agreed, in principal, to cooperate with the City in the satisfaction of certain of the City's Project Contingencies as aforesaid and insofar as they relate to the Authority; and

WHEREAS, pursuant to Authority Resolution 04-51 the Executive Director and/or his designee were authorized to negotiate and, with assistance of counsel, develop appropriate agreement(s) between the Authority and the NJMP to reflect the terms, conditions, responsibilities and obligations of the parties as generally stated above and upon completion of the negotiations and preparation of the aforementioned Agreements, present said Agreements to the Board of Commissioners for their approval after review and advice of Authority Counsel; and

WHEREAS, the said Executive Director and his designee have negotiated and developed a proposed Memorandum of Understanding which sets forth the respective responsibilities of the Authority and the City with respect to the satisfaction of the Project Contingencies and includes therein a proposed Amendment to Acquisition Agreement ("Amendment to Acquisition Agreement") and proposed Amendment to Ground Lease ("Amendment to Ground Lease"; the Amendment to Acquisition Agreement and Amendment to Ground Lease are collectively referred to as the "Ancillary Agreements").

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is authorized to finalize the Memorandum of Understanding with the City to effectuate, subject to the satisfaction of all contingencies set forth therein, the release of the Property under the general terms and conditions and for the purposes stated herein and in the Memorandum of Understanding. Upon the completion of the Memorandum of Understanding, the Executive Director, Chairman and Vice Chairman are authorized to execute said Memorandum of Understanding after review and advice of Counsel; and

BE IT FURTHER RESOLVED, that the Executive Director, upon and subject to satisfaction of each of the terms and conditions of the Memorandum of Understanding, is authorized to finalize the Ancillary Agreements. Upon completion of the Ancillary Agreements the Executive Director, Chairman and Vice Chairman are authorized to execute said Ancillary Agreements after review and advice of counsel.

Resolution 04-60 was moved by Commissioner Koebig and seconded by Commissioner Favre and approved by a roll call vote of 10-0.

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Vincent Ascione, Local 542, stated that the election is over and the negotiation process is beginning; however, he wanted to bring to the Boards attention to allegations from employees that they are being threatened by mid level managers with retaliation for joining the union. He is appealing to the Board to investigate the allegations. Commissioner Hensley requested specific information from Mr. Ascione regarding the alleged threats.

Mr. Ascione, also asked about postings of union information on the DRBA bulletin boards.

Chairperson Parkowski stated that the Authority relies heavily on its established procedures in collective bargaining negotiations and that there is currently a good relationship between the Authority and the union. He further stated that the Board will follow the procedures in place.

Vincent Ascione asked if there was any update on the Prevailing Wage Resolution 04-17 previously passed by the Board.

Director of Engineering and Maintenance Jones stated that the Authority thus far, has had only one ongoing Authority funded contract that used prevailing wages pursuant to Resolution 04-17 with no problems reported.

Frank Bankard, Local 542, questioned the qualifications of PKF III, Inc. and its work performance history in New Jersey and Pennsylvania (Septa Contract). (PKF III, Inc, was awarded a contract with the DRBA , Contract No. CMLF 04-07)

Director of Engineering and Maintenance Jones stated that all references checked found the company to be satisfactory and it is fully bonded for performance.

Commissioner Lathem stated that Commissioner Pessagno was a big asset to the Commissioners with his experience in finance and insurance. He believes that Mr. Pessagno will be missed.

Commissioner Hensley, along with all the Commissioners, welcomed Niels Favre aboard as the Authority's newest Commissioner.

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There being no further business before the Commission, a motion to adjourn was made by Commissioner Lowe, seconded by Commissioner Koebig and unanimously carried.

The meeting was adjourned at 12:07 p.m.

Respectfully submitted,
THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok