

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, January 16, 2007
James Julian Boardroom
Administration Building
New Castle, Delaware 19720

The meeting convened at 11:05 a.m. with Chairperson Hogan presiding.

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

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

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

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Commissioners from New Jersey

Commissioners from Delaware

PRESENT

James N. Hogan, Chairperson
Susan Atkinson DeLanzo
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 E. Lowe, III
Gary B. Patterson (via telephone)

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9531. APPROVAL OF THE DECEMBER 19, 2006 MINUTES

Commissioner Simmerman motioned for approval of the December 19, 2006 minutes, seconded by Commissioner Favre, and approved by a voice vote of 12 -0.

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9532. EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented the following highlights that occurred within the Authority during the 2006 year.

During 2006, the organization accomplished much under the leadership of the Board and the efforts of our dedicated and professional employees. Three new Commissioners representing New Jersey were welcomed to the Board - Ceil Smith, James Hogan and Susan Atkinson DeLanzo. James Hogan was voted in as the Chairman, replacing Warren Wallace, whose term expired in June. The Board thanked Commissioners Wallace, Jackson and Koebig for their dedicated service to the organization with Commissioner Koebig having served over 10 years. Throughout the year, the Commissioners devoted a significant amount of their personal time attending monthly Board and Committee meetings, visiting facilities, attending employee functions, attending professional trade seminars with staff and reading a tremendous amount of materials that are required for the conduct of the Authority's business.

As in prior years, the Board continued to make the Authority more accessible to the public. The Board held four of its eleven meetings at locations throughout both States - with the first ever meeting conducted in Cumberland County at the Millville Airport.

The Board expanded the Authority's contracting opportunities by implementing a Disadvantaged Business Enterprise program. This 2-year trial program was approved in June for all Authority-funded capital construction in excess of \$250,000.

The Delaware Memorial Bridge

Over 17.6 million vehicles passed through the Delaware Memorial Bridge (DMB) Toll Plaza last year accounting for an estimated \$73.5 million in revenue. Total traffic remained relatively flat when compared to 2005 only increasing 0.3%. When compared to the three-year average, total traffic for 2006 increased 1.0%. E-Z Pass continues to be a popular choice for our customers increasing 3% from last year to 55.1% of the overall traffic.

During the fall, we conducted the highly successful Toll Plaza Safety Awareness program. Similar to last years program, this initiative involved a coordinated effort among various departments, including Tolls, Maintenance, Police, Safety, the E-ZPass customer service center, and Information Technology to promote toll plaza safety to the traveling public. The DRBA Police Department deployed its specialized units in the toll plaza area, including Laser Speed Enforcement, Sobriety and Seatbelt Checkpoints, Aggressive Driving and E-ZPass Enforcement. The program's goal was to make the Toll Plaza safer for Authority employees, contractors, and the millions of motorists who use the facility each year.

The Cape May Lewes Ferry

A combined total of over 1.3 million vehicles and passengers enjoyed the Ferry resulting in an estimated \$13.6 million of revenue. While the traffic numbers were slightly less than in 2005, the Fare increase enacted in April helped bolster the revenue - posting a gain of over \$1 million.

Three of our five vessels underwent scheduled 5-year hull and machinery inspections by the United States Coast Guard and the American Bureau of Shipping. Approximately \$3.6 million was spent on these vessels while in dry dock.

Planning for the future of our vessel fleet took a significant step forward when the Board authorized a professional services contract with Hornblower Marine Services, Inc. in September. Hornblower's year long effort will result in the development of a comprehensive marine master plan.

The Authority was the recipient of a Port Security grant that enabled enhanced security at our two facilities through improved video surveillance. The system went "live" in July as a result of this \$300,000 investment.

The Ferry participated in Operation: Code Pink, a breast cancer awareness program held during the month of October at South Jersey district post offices. Because the South Jersey district comprises southern New Jersey and the entire State of Delaware, the trip across the Delaware Bay on the Ferry for the large wooden ribbon symbolically linked the two states together to raise awareness of breast cancer. From Lewes, the ribbon traveled to Washington, D.C. where it was displayed at the Living in Pink luncheon.

Economic Development Activities

The year saw the dedication of the new 60,000 square-foot refrigerated warehouse project for the Diamond State Port Corporation at the Port of Wilmington. In April, construction for the South Jersey Technology Park at Rowan began. The Authority plans to invest \$5 million in the first, 45,000 square-foot facility that will be the home to small technology start-up companies.

Late in the year, the Board authorized a lease with the New Castle County Chamber of Commerce for the DEMA building at Corporate Commons. The Chamber will occupy a

portion of this facility and will utilize the remainder for business incubator projects – providing offices and services for new start-up companies.

Throughout the year, the private sector has shown significant interest in several of the Authority's assets which resulted in contracts of sales. The Board authorized a contract of sale for the Salem Business Center, a 71- acre campus located at Exit 4 on I-295 in Carneys Point, New Jersey. Additionally, the Board entered into several contract of sales for multiple hangers at the New Castle Airport.

The Authority also initiated the release of lands at New Castle and Millville from the Federal Aviation Administration. Once the lands are released and purchased at Millville, private developers will begin construction of a vintage car raceway. The Delaware National Guard and Easter Seals plan to expand their facilities on the land released from New Castle.

Airports

Scheduled air service was reintroduced at our New Castle facility for the first time in more than five years. Two non-stop regional jet flights to Atlanta by Delta Air Lines partner company Delta Connection/ASA provided the regions consumers with the connection to nearly 300 destinations worldwide.

Three of our facilities – New Castle, Millville, and Cape May were hosts to public air shows and static displays of aircraft. These events were a big hit for the local community.

Authority-wide Safety Initiatives

The DuPont Safety Program (STOP) training, which began during 2005, continued in 2006. Throughout the year, supervisors turned trainers fanned out to other work areas within the Authority. Our 2006 safety performance improved resulting in fewer injuries and lost work days than in 2005. In early 2006, individuals and groups were recognized for their 2005 efforts with the introduction of a Safety Recognition program.

Capital Projects

During 2006, the Authority committed approximately \$20 million in capital projects at the DMB, CMLF, and its five Airports. We continued with our Equipment Replacement Program by replacing over 80 pieces of either old vehicles or equipment for approximately \$1.9 million.

A new computer-aided dispatch and record management system was installed for the Police Department that replaces the outdated system. This system provides better utilities to enable the flow of information between local law enforcement. Additionally, our in-car laptops are connected with the dispatch system through secure authentication protocols.

We installed new high speed data connections between both locations at the Ferry and the Bridge – improving network speed and reliability. These new connections have enabled the video teleconferencing to be rerouted – resulting in improved performance and lower costs.

We utilized our in-house staff to renovate the Civil Air terminal, complete terminal upgrades necessary for the Delta air service, upgrade the Veteran's Memorial park, renovate various conference rooms and warehouse facilities, and complete the demolition of the old Cape May Ferry administration complex.

Authority Recognized for Excellence

In November, the Authority received notification from the Government Finance Officers Association that we had been awarded the Certificate of Achievement for Excellence in financial reporting for the 2005 comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The CAFR was judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and

motivate the public to read the CAFR. This was the Authority's first attempt to seek this award.

The Leadership Institute

The Authorities Leadership Institute kicked into high gear during 2006. Partnering with Salem Community College and Atlantic Cape College, six cohorts completed the "Leading in the 21st Century" program. Approximately 120 supervisors from all areas of the organization met over a six week period to learn about leadership.

Another 20 employees comprising senior management embarked on the beginning of a multi-session journey focusing on leadership. This program, led by a consultant, will run through 2007.

Throughout the year, all permanent employees were engaged in two half-day, informative training sessions that dealt with diversity and sexual harassment.

Community Initiatives

The Community Initiative Committee continued to identify and implement initiatives that support people in need. Members of this committee, along with countless other employees, volunteered their time and energy to plan and complete several projects.

The group's efforts began in August with a school outreach project - providing backpacks and school supplies to disadvantaged communities.

The Habitat for Humanity "Build a House" initiative was a huge success. On one day in October, over 100 employees participated in framing out a home for the selected homeowner, Delores Stewart. Commissioner's Lathem, Koebig, and Smith attended as well. Our employees were so productive throughout the day that before the project was concluded we had started framing house #4. This activity was completely free of an injury which was a major accomplishment, due to the nature of the work, and the relative inexperience of many of the workers.

During Thanksgiving, food baskets containing turkey and food stuffs for 75 families were delivered by many Authority employees to randomly selected school districts in New Jersey and Delaware, as well as a home for children. Additionally, twenty-five food baskets were delivered in Cape May County for a total of 100 families.

And the last endeavor for 2006, Hope for the Holidays, provided food baskets, new clothes and other gifts for 27 families including over 90 children.

The Board, through the auspices of the Community Contribution Program, furnished over \$650,000 to non-profit organizations throughout Delaware and the four southern New Jersey counties.

Employee Recognition

Throughout the year, the Board recognizes exemplary performance by our employees. In September, the Board passed a resolution that applauded the fine efforts of the crew of the M/V Twin Capes. They spotted and assisted in the rescue of two individuals from a capsized catamaran. Because of their professionalism, the M/V Twin Capes maintained station at the site while the Coast Guard arrived and retrieved two individuals from the bay. Although the two were shaken, they survived the ordeal.

Again, I want to personally thank each of the Commissioners for their dedication, counsel and leadership. Additionally, I want to thank the employees for their hard work, day in and day out. Together, we will continue to build upon our successes. I am optimistic about the opportunities and look forward to working with you as we face the challenges that 2007 will bring.

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Commissioner Simmerman presented the following minutes of the Budget & Finance Committee Meeting minutes of January 8, 2007.

BUDGET & FINANCE COMMITTEE MEETING

Monday, January 8, 2007

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, January 8, 2007, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Commissioners from Delaware

Commissioner Hensley, Committee Member
 Commissioner Lathem, Committee Member
 Commissioner Lowe
 Vice-Chairperson Parkowski (arrived after
 the roll call)

Governors' Representatives

Sonia Frontera – NJ

Legal Counsel

Phil Norcross – NJ

Mike Houghton – DE

Staff

Jim Johnson, Jr.
 Don Rainear
 Victor Ferzetti
 Jim Walls
 Trudy Spence-Parker
 Gerry DiNicola Owens
 Joe Larotonda
 John Jones

Authority Secretary

Tom Pankok

I. Committee Chair Simmerman welcomed the Budget & Finance Committee and opened the meeting at approximately 9:26 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. Over \$25,000 Vendor List

As required by Resolution 01-84, the Acting Chief Financial Officer provided a review of an abbreviated list of expenditures which are expected to be over \$25,000 from the period January 1 through December 31, 2007. He noted to the Committee that "Vacuum Sales, Inc." was for the purchase of a bilge truck for the CMLF. He informed the group that the purchase of \$56,000 was above \$50,000; however, would not go through the normal process (Resolution 98-31) because the item is used. Under Section 3 of Resolution 98-31, the Budget & Finance Committee has the ability to waive the thresholds for "unique and special needs of the Authority." The alternative would be to RFP for a new truck which is estimated to cost \$150,000. After review, on motion by Commissioner Smith, seconded by Commissioner Hensley, the Committee recommended approval of the Vendor List. A Resolution will be presented for full Board consideration at the January meeting.

III. Review of Authority Finances

The Executive Director and the Acting CFO gave a presentation on the Authority's Finances and provided a review of the items which had been discussed over the previous four months with regard to the proposed 2007 Operating Budget. Items reviewed were as follows.

- Current Financial Situation

The Authority's Debt Service Ratio is approaching the legally required coverage of 1.25x with an estimated 1.45x coverage for the end of 2006. This greatly reduces the Authority's ability to fund Crossings Capital Improvement Projects. Approximately \$28M remains in the construction fund. Without additional borrowings, cash from the General Fund will be needed to fund projects, which will reduce or eliminate funding available for Economic Development projects. Historically, the Authority has not raised tolls during gubernatorial election years. Delaware's elections are to be held in 2008 with New Jersey following in 2009.

- Authority Finances

The Authority Five Year Financial Model is affected by Revenue Projections, Operating Expenses, Crossing CIP, and Airports CIP/Economic Development. 78% of the revenue from Crossings is generated from the Delaware Memorial Bridge. Traffic at the DMB has been relatively flat for 2002-2006 and is considered "mature" averaging less than 1% growth in revenue per year since 2002. A toll increase was last implemented in 2000 with no increase to the discount and frequent traveler customers.

Traffic at the CMLF has been declining since 1997 with fare increases implemented in 1998, 2002, and 2006. A market study by Elliott Bay showed declining ridership tied to discretionary spending and affected by general economic conditions. Also considered were the alternate routes and traffic improvements by the construction of Delaware SR Rt. 1. Hornblower Marine has been hired to develop a Master Plan for the CMLF and should be completed by the end of the year. The approximate \$8M CMLF deficit for FY06 was discussed. The Acting CFO added that \$2M in P&I and Hull Insurances and on-site Police expenses are not included in the Ferry operating budget but are direct costs of the operation.

The Acting CFO reviewed the recent history of full-time positions noting the increase to 522 as the Authority took over operations of five airports in Delaware and New Jersey between 1995 and 2001. A reduction of 8% in staff was realized with the 2003 ERO to 481 approved positions, with a reduction of an additional 6 positions included in the proposed 2007 Operating Budget. The Authority has had no corresponding reduction in operating assets during this time. In 2002, Wages and Benefits accounted for 68% of Operating Expenses but decreased to 64% in 2006 due to savings realized from the ERO. Non-personnel related operating Expenses, however, have increased by 40% from 2002 to 2006. In addition, the Authority has chosen to absorb the 44% increase in benefit costs over the same duration.

The Acting CFO reported that, although the legal requirement for Authority debt service coverage is 1.25x, a comfort level of 1.40x or greater should hold the A1 and A+ ratings. The Authority's history of strong financial management has been recognized by Wall Street. Since 2000, and in each subsequent bond issuances, it has been reported to Wall Street that the Authority intended to increase tolls in the 2006 timeframe. With no toll increase assumed in the proposed 2007 Operating Budget, the Authority's debt service coverage would be 1.34x. Committee Chair Simmerman noted that with the proposed Budget "B," the 1.5% annual increase scenario, the debt service coverage would be about 1.42x.

New Jersey Legal Counsel suggested that the Authority consider "synthetic" financing options. The Acting CFO reported that the staff previously evaluated "synthetic" financing options with the Board, but historically the Board has chosen not to utilize it due to the added risk involved. If the Authority chose to investigate "synthetic" financing, Committee Chair Simmerman recommended professional consultation to educate the Board of all of the associated complexities and risk. It was noted that the Authority has refunded approximately \$233M in debt, 70% of outstanding debt, in 2004 and 2005.

- What Has Been Recommended and Why

Address the decline of the debt service coverage ratio by raising revenues, managing the growth of the Operating Budget, thus providing the ability to obtain additional resources from borrowings to fund the Crossing CIP for several years, and enabling the Authority to continue to cash fund Economic Development. Currently, total Crossing revenue of approximately \$98M goes to \$70M in Operating Expenses, \$22M for Debt, and \$10M for Economic Development. Board consideration and policy is necessary for future allocation of these revenues. New Jersey Legal Counsel suggested the possibility of naming rights as an additional revenue source.

Vice-Chairperson Parkowski added that without a toll increase, fiscal action would be needed immediately. Items such as discretionary spending, benefits and wages, and funding for Economic Development projects would be impacted. He further added that comments such as "no toll increases" negatively impact the organization and that cooperation from key political figures would be necessary. With no toll increases, the decision to eliminate positions would be a necessary consideration.

The Committee discussed the list of discretionary spending items. Chairperson Hogan stressed the importance of eliminating all discretionary expenditures before imposing a toll increase on the public. Commissioner Lathem voiced concern over a small portion of the toll paying public receiving preferred pricing and its impact on employees. After discussion, the consensus of the Committee was that, with no toll increase only difficult options remain.

- IV. Committee Chair Simmerman requested an Executive Session, closed to the public to discuss matters of a confidential nature. On motion by Commissioner Smith, seconded by Commissioner Lathem, the Session was closed.

The following matters of a confidential nature were discussed.

- LONG TERM PLANNING

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

With no further business to discuss, on motion by Commissioner Lathem, seconded by Commissioner Hensley, the Budget & Finance Committee adjourned at 11:28 a.m.

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9534. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Lowe noted that on January 8, 2007, a quorum was not present for the Economic Development Committee meeting; however, an informal discussion occurred on the agenda items with no action taken. The Economic Development Committee meeting was rescheduled on January 16, 2007 at Authority headquarters. Commissioner Lowe then presented the following notes of the informal discussion on January 8, 2007 and the meeting minutes taken this morning, January 16, 2007.

ECONOMIC DEVELOPMENT COMMITTEE
Monday, January 8, 2007
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, January 8, 2007, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

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

Committee Vice-Chair Lowe
Commissioner Hensley
Commissioner Lathem (arrived after the roll call)

Governors’ Representatives

Sonia Frontera - NJ

Legal Counsel

Phil Norcross – NJ

Mike Houghton - DE

Staff

Jim Johnson
Don Rainear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry Owens
Michelle Griscom-Collins
Joe Larotonda

Authority Secretary

Tom Pankok

- I. The Committee Vice-Chair Lowe welcomed the meeting of the Economic Development Committee and opened the meeting at approximately 9:05 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.

It was determined that a quorum of the Committee was not present; however, Committee Vice-Chair Lowe noted that the Deputy Executive Director would provide an update on the proposed Lease Agreements. The update was for informational purposes only and no action was taken. An Economic Development Committee meeting will be scheduled prior to the January Commission meeting.

II. The Deputy Executive Director provided information regarding the following proposed Lease Agreements.

- Lease Agreement between the Delaware River and Bay Authority and Dassault Falcon-Jet Wilmington Corp. in the amount of \$138,000 for 23,000 square feet of space in “as is” condition. This space will be utilized for aircraft completions and with the potential of 50 additional jobs created.
- Amendment Authorizing the Sale and Ground Lease Agreement between the Delaware River and Bay Authority and Aeroways, Inc., for the Annanberg Hangar. Also reviewed was an additional Amendment Authorizing the Sale and Ground Lease of Hangar “C”. These Amendments are necessary due to a request by Aeroways Inc. to assign its right to purchase both hangars to C. Belmont Holdings, LLC. This request developed at the last minute and delayed the previous settlement date of December 31, 2006 to the end of February 28, 2007. Aeroways has given adequate and sufficient guarantees.
- Ground Lease Agreement between the Delaware River and Bay Authority and Dexter Unlimited LLC in the amount of \$56,000 for approximately 0.6/acre of land formerly known as the Getty site located at the New Castle Airport. Future plans for the site have not been finalized at this time.

Following the discussions, the Economic Development Committee adjourned at approximately 9:25 a.m.

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ECONOMIC DEVELOPMENT COMMITTEE
Tuesday, January 16, 2007
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, January 16, 2007, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner Dorn, Committee Member
Commissioner Smith, Committee Member
Commissioner DeLanzo
Commissioner Favre
Commissioner Simmerman

Commissioners from Delaware

Committee Vice-Chair Lowe
Commissioner Cooper, Committee Member
Commissioner Patterson, Committee Member via Phone
Commissioner Lathem

Governors’ Representatives

Sonia Frontera - NJ

Legal Counsel

Phil Norcross – NJ

Mike Houghton - DE

Staff

Jim Johnson
Don Rainear
Gerry Owens
Michelle Griscom-Collins
Jim Salmon
Anna Marie Gonnella Rosato

Authority Secretary

Tom Pankok

III. The Committee Vice-Chair Lowe welcomed the meeting of the Economic Development Committee and opened the meeting at approximately 9:42 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 Vice-Chair Lowe reported that, at the last Economic Development Committee meeting, no quorum was present. Although the Deputy Executive Director provided an update on the proposed Lease Agreements, no action was taken at that time.

IV. The Deputy Executive Director reviewed and discussed the following proposed Lease Agreements.

- Lease Agreement between the Delaware River and Bay Authority and Dassault Falcon-Jet Wilmington Corp. in the amount of \$138,000 for 23,000 square feet of space in "as is" condition. This brings new business to the area and has the potential to create 50 additional jobs. This space will be utilized for aircraft completions. On motion by Commissioner Dorn, seconded by Commissioner Smith, the Committee approved the Lease Agreement. A Resolution will be presented to the full Board for consideration during the Public Session.
- Amendment Authorizing the Sale and Ground Lease Agreement between the Delaware River and Bay Authority and Aeroways, Inc., for the Annanberg Hangar. Also reviewed was an additional Amendment Authorizing the Sale and Ground Lease of Hangar "C". These Amendments are necessary due to a request by Aeroways Inc. to assign its right to purchase both hangars to C. Belmont Holdings, LLC. This request developed at the last minute and delayed the previous settlement date of December 31, 2006, to the end of February 28, 2007. Delaware Legal Counsel reported that the Authority would obtain requisite guarantees from Aeroways. On motion by Commissioner Dorn, seconded by Commissioner Smith, the Committee approved both the Sale and Lease Agreements reflecting the change in entity to C. Belmont Holdings, LLC. Resolutions will be presented to the full Board for consideration during the Public Session.
- Ground Lease Agreement between the Delaware River and Bay Authority and Dexter Unlimited LLC in the amount of \$56,000 for approximately 0.6/acre of land formerly known as the Getty site located at the New Castle Airport. Future plans for the site have not been finalized at this time; however, Dexter is associated with the adjacent motel and restaurants. On motion by Commissioner Dorn, seconded by Commissioner Smith, the Committee approved the Lease Agreement. A Resolution will be presented to the full Board for consideration during the Public Session.

There being no further business to discuss, on motion by Commissioner Dorn, the Economic Development Committee adjourned at approximately 9:50 a.m.

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9535. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Controller 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 November.

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

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9536. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The Controller presented a chart showing statements of income and expenses for the month of November with comparisons to the same periods last year.

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

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9537. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The Controller presented a chart for December 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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9538. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The Controller presented a chart for the month of December 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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9539. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF DECEMBER 31, 2006.

The Controller 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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9540. PUBLIC COMMENT ON ACTION ITEMS.

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

- Resolution 07-01 Authorizes Expenditures \$25,000 and Over
- Resolution 07-02 Authorizes a Lease Agreement with Dassault Falcon Jet-Wilmington Corp
- Resolution 07-03 Amending Resolution 06-20 Authorizing the Sale and Ground Lease Agreement with Aeroways, Inc. at New Castle Airport
- Resolution 07-04 Amending Resolution 06-21 Authorizing the Sale of Hangar “C” with Aeroways, Inc.
- Resolution 07-05 Authorizes a Ground Lease Agreement with Dexter, Unlimited at New Castle Airport

There were no comments from the public.

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9541. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

The Executive Director read the following Summary of Authorized Contract Payments for January.

<u>Contractor</u>		<u>Payment</u>
DMB-06-02	Marini's Brothers, Inc.	\$165,494.48
DMB-06-01	Eastern Highway specialists	\$234,020.56
DMB-04-04	J.D. Eckman, Inc.	\$753,052.62
DMB-02-01	Daisy Construction	\$317,690.56
CMLF-06-04	Lyon's Shipyard, Inc.	\$132,800.49
CMLF-05-04	Colonna's Shipyard, Inc.	\$ 20,100.00
NCA-01-02	Diamond Materials	\$ 8,558.44

Chairperson Hogan, referring to NCA-01-02 Diamond Materials, asked if the additional cost added to the project involved FAA funding.

Executive Director Johnson said it was not clear on the Summary but that he would get back to him with the answer.

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9542. CHAIRPERSON'S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD.

The Executive Director presented the following Resolutions:

RESOLUTION 07-01 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1 THROUGH DECEMBER 31, 2007.

WHEREAS, The Delaware River and Bay Authority (the "Authority") adopted Resolution 01-84 requiring Commission 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 1/1/07 THROUGH 12/31/07

<u>VENDOR</u>	<u>SERVICE DESCRIPTION</u>	<u>DETERMINATION</u>
ACS	EZ-Pass system maintenance	Sole Source
Aetna U.S. Healthcare	Medical and Prescription Coverage	Employee Benefit
Allegheny Refrigeration	Food Service Equipment for Vessels and Terminal Buildings	Quotes
Artesian Water Company	Water	Utility
AT&T	Wide are network services for NJ	State Contract
Avicon Ventures, LLC	Replacement and Repairs for four Hangar Doors at New Castle Airport	Quotes

Blue Cross Blue Shield of Delaware	Medical, Prescription and Dental Coverage	Employee Benefit
Blue Cross Blue Shield of New Jersey	Medical, Prescription and Dental Coverage	Employee Benefit
Board of Public Works	Water/Sewer/Electric	Utility
Carney's Point Tax Office	Taxes-Business Center	Taxes
Cingular Wireless	Cellular Phone Service	Limited Source
Conectiv/Delmarva Power Delivery	Electricity	Utility
Cryotech Deicing Technology	Runway Deicer	Sole Source
Delaware Division of Revenue	State Income Tax	Taxes
Delaware River Port Authority	Credit Card Equity Fees – EZ Pass	Reimbursements
Delaware Transportation Authority	Credit Card Equity Fees – EZ Pass	Reimbursements
Division of Child Support Enforcement	Employee Withholding	Employee Withholding
DRBA EFCU	Employee Withholding- Credit Union	Employee Withholding
DRBA PNC	Employer/Employee Pension Withholding	Employee Withholding
Flexamerica	Section 125 Administrator	Employee Withholding
Hartford Life Insurance Company	Long-term Disability (1 st Quarter)	
IHI Marine	Vessel Reduction Gear Parts	Sole Source
Info Systems	Professional services	Sole Source
ING	Defined Contribution Plan	Employee Benefit
Internal Revenue Service	Federal/FICA/Medicare Withholding	Taxes
International Salt Company	Roadway Salt	State Contract
Kronos	Time and Attendance System Fees	Sole Source
Marine Engineers Beneficial Association (MEBA)	Employee Withholding	Employee Withholding
Mark IV IVHS	EZ-Pass Transponders	Sole Source
Maryland Transportation Authority	EZ-Pass Credit Card Reimbursement	Reimbursements
Mercer Human Resources Consulting	Pension Actuarial Services	Limited Source

Microsoft Licensing, GP	Enterprise licensing Agreement	Sole Source
Motorola Communications & Electronics	800 MGHZ System	State Contract
MTA Bridge and Tunnel Authority	EZ-Pass Credit Card Reimbursement	Reimbursements
MUNIS	Financial/HR Software Yearly Maintenance	Sole Source
New Castle County Sewer	Sewer Services – DMB and NCA	Utility
New Jersey Family Support	Employee Withholding	Employee Withholding
New Jersey Regional Consortium	EZ-Pass Credit Card Reimbursement	Reimbursements
New World Systems, Inc.	Maintenance of Police CAD System	Sole Source
New York State Bridge Authority	EZ-Pass Credit Card Reimbursement	Reimbursements
New York State Thruway Agency	EZ-Pass Credit Card Reimbursement	Reimbursements
Pennsylvania Turnpike Authority	EZ-Pass Credit Card Reimbursement	Reimbursements
Port Authority of New York and New Jersey	EZ-Pass Credit Card Reimbursement	Reimbursements
State of New Jersey	Sales and Use Tax; Income Tax, Unemployment Insurance	Taxes
Township of Lower MUA	Water & Sewer Utilities	Utility
Triborough Bridge & Tunnel Authority	EZ-Pass Credit Card Reimbursement	Reimbursements
United States Postal Service	Postage Expenses	Sole Source
Vacuum Sales, Inc.	Used Bilge Truck for the Cape May-Lewes Ferry	Limited Source
Verizon – DE	Local Phone Service	Utility
Verizon – NJ	Local Phone Service	Utility
Verizon - PA	Local Phone Service	Utility
Warnock Fleet	Police Vehicles	State Contract
Wilmington Trust	Trustee/Banking Services	

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 07-01 was made by Commissioner Simmerman, seconded by Commissioner Favre. With Commissioner Patterson abstaining from voting, Resolution 07-01 was approved by a roll call vote of 11-0 with 1 abstention.

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RESOLUTION 07-02- 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 the building commonly referred to the Atlantic Office Building totaling approximately 23,000 sq.ft.; and

WHEREAS, the building is being leased in an “as-is” condition; and

WHEREAS, Dassault has agreed to pay the Authority One Hundred and Thirty-Eight Thousand dollars (\$138,000) annual rent during the first year of the Lease Agreement; and

WHEREAS, rent shall be adjusted annually by the Consumer Price Index (“Philadelphia Index”); and

WHEREAS, the initial term of the Lease Agreement is to run concurrent with the existing lease between the Authority and Dassault; and

WHEREAS, Dassault shall have the option of renewing the Lease Agreement for two periods of thirty (30) years each.

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.

FURTHER RESOLVED, that all actions heretofore taken by the Executive Director, any agent or any officers on behalf of the Authority with respect to any matters referenced in the foregoing resolutions are hereby ratified and confirmed in all respects.

A motion to approve Resolution 07-02 was made by Commissioner Lowe, seconded by Commissioner Simmerman and approved by a roll call vote of 12-0.

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RESOLUTION 07-03 - AMENDING RESOLUTION 06-20 AUTHORIZING THE SALE AND GROUND LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND AEROWAYS, INC. AT THE NEW CASTLE AIRPORT.

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

WHEREAS, the Authority accepted Request for Proposals from interested parties for the purchase and ground lease or lease of an existing structure known as the Annenberg Hangar (the “Hangar”) located at 131 North DuPont Highway, New Castle, Delaware; and

WHEREAS, the Hangar measures approximately 19,250 square feet and contains a 20,000 gallon fuel facility; and

WHEREAS, Aeroways Inc., being the sole respondent, agreed to purchase the Hangar in the amount of \$2,012,500.00; and

WHEREAS, Aeroways Inc. is assigning their rights to purchase this Hangar to C. Belmont Holdings LLC; and

WHEREAS, Aeroways also agreed to enter into a Ground Lease Agreement (the “Lease Agreement”) for the underlying land at the rate of sixty-five cents (\$0.65) per square foot for a total of Fifty-One Thousand One Hundred Seventy Two Dollars (\$51,172) per year with annual Consumer Price Index adjustments (“Philadelphia Index”); and

WHEREAS, the term of the Lease Agreement shall be for a minimum of ten (10) years and negotiated during the finalization of the terms and conditions; and

WHEREAS, Aeroways proposal was deemed to be in compliance with the terms and conditions of the Request for Proposals.

NOW THEREFORE BE IT RESOLVED, that the Authority accept and approves the proposed assignment of the rights and interests of Aeroways Inc. to C. Belmont Holdings. LLC, as prescribed in Resolution 06-20.

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Sale and Ground Lease Agreement of the Annenberg Hangar with C. Belmont Holdings, LLC 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 07-03 was made by Commissioner Cooper, seconded by Commissioner Smith and approved by a roll call vote of 12-0.

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**RESOLUTION 07-04 - AMENDING RESOLUTION 06-21
AUTHORIZING THE SALE OF HANGAR “C” BETWEEN THE DELAWARE
RIVER AND BAY AUTHORITY AND AEROWAYS, INC. AT THE NEW
CASTLE AIRPORT.**

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

WHEREAS, the Authority is desirous to sell Hangar “C” (the “Hangar”) totaling approximately 19,250 square feet of hangar space and 4,000 square feet of office space, located at DuPont Highway, New Castle, Delaware and lease the underlying lands measuring approximately 58,740 square feet; and

WHEREAS, Resolution 06-21 had stated that Aeroways, Inc. agreed to purchased the Hangar in the amount of \$1.8 million and enter into a ground lease; and

WHEREAS, Aeroways Inc. has asked to assign its right to purchase said Hangar to C. Belmont Holdings, LLC for the previously agreed upon amount of \$1.8 million dollars; and

WHEREAS, pursuant to aforesaid proposed assignment, C. Belmont Holdings, LLC has also agreed to enter into a Ground Lease Agreement (the “Lease Agreement”) for the underlying land at the rate of \$0.65 per square foot for a total of \$38,181.00 per year with annual Consumer Price Index adjustments (“Philadelphia Index”); and

WHEREAS, the initial term of the Lease Agreement shall be for a minimum of ten (10) years and negotiated during the finalization of the terms and conditions of the Lease Agreement; and

WHEREAS, the sale and ground lease is contingent upon C. Belmont Holdings, LLC acquiring the Annenberg Hangar at the New Castle Airport.

NOW, THEREFORE, BE IT RESOLVED, that Authority accepts and approves of the assignment of Aeroways, Inc. rights and interests in Hangar C as prescribed in Resolution 06-21 to C. Belmont Holdings, LLC.

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with C. Belmont Holdings, 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 07-04 was made by Commissioner Simmerman, seconded by Commissioner Smith and approved by a roll call vote of 12-0.

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RESOLUTION 07-05 - GROUND LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DEXETER UNLIMITED LLC.

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

WHEREAS, the Authority accepted Request for Proposals from interested parties for the ground lease of parcel of land (the "Land") known as the Getty Site located along North DuPont Highway, New Castle, Delaware; and

WHEREAS, the Land measures approximately .661 acres; and

WHEREAS, Dexter Unlimited LLC. being the sole respondent, agreed to lease the Land in the amount of \$56,000 annually; and

WHEREAS, the term of the Lease Agreement shall be for a minimum of fifteen (15) years; and

WHEREAS, the Dexter Unlimited LLC proposal was deemed to be in compliance with the terms and conditions of the Request for Proposals.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Ground Lease Agreement of the Getty Site with Dexter Unlimited LLC 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 07-05 was made by Commissioner Lowe, seconded by Commissioner Dorn and approved by a roll call vote of 12-0.

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9543. COMMISSIONERS PUBLIC FORUM

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

Vincent Ascione, Local 542 spoke. He stated that he has been coming to the Board of Commissioners meetings since 2004 and looks forward to the same cooperation between the Authority and the union in 2007 as in the past. He wished all a Happy New Year.

Chairperson Hogan then turned the meeting over to the Executive Director.

The Executive Director referred to Article II, Section 2.2 of the By-Laws adopted May 17, 2005 (et al) citing the election and terms of office for the Chairperson and Vice Chairperson. He stated that 2007 being an odd year, elections are to be held in January to

commence at the February Board of Commissioners meeting. The Executive Director then called for nominations for Chairperson.

Commissioner Cooper nominated Commissioner Parkowski for Chairperson, seconded by Commissioner Lathem.

Commissioner Simmerman motioned to close the nominations, seconded by Commissioner Lowe and unanimously carried.

The motion to elect Commissioner Parkowski as Chairperson to a two year term was approved by a roll call vote of 12-0.

Next, the Executive Director called for nominations for Vice-Chairperson.

Commissioner Dorn nominated Commissioner Hogan, seconded by Commissioner Simmerman.

Commissioner Favre motioned to close the nominations, seconded by Commissioner Lowe and unanimously carried.

The motion to elect Commissioner Hogan as Vice-Chairperson to a two year term was approved by a roll call vote of 12-0.

Commissioner Simmerman congratulated Commissioners Parkowski and Hogan on their appointments.

Chairperson Hogan thanked everyone for their support.

Vice-Chairperson Parkowski noted that he along with Commissioner Hogan will be discussing committee appointments with Board members and making a formal announcement by the next meeting regarding committee assignments.

Commissioner Lathem noted the absence of the Acting Chief Operating Officer whose wife is undergoing surgery. He asked that we all keep her in our prayers.

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

The meeting was adjourned 11:20 p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary