

MINUTES OF MEETING  
**THE DELAWARE RIVER AND BAY AUTHORITY**  
**Tuesday, November 13, 2012**  
James Julian Boardroom  
Delaware Memorial Bridge Plaza  
New Castle, Delaware 19720

The meeting convened at 11:35 a.m. with Chairperson Lowe presiding.

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

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

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

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Commissioners from Delaware

Commissioners from New Jersey

PRESENT

William E. Lowe, Chairperson  
Richard W. Downes  
Fernando N. Guajardo  
Samuel E. Lathem  
Terry C. Murphy  
Gary F. Traynor

James N. Hogan, Vice-Chairperson  
Edward W. Dorn  
Richard S. Mroz  
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Shirley R. Wilson

ABSENT

Ceil Smith  
Douglas Van Sant

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Chairperson Lowe called for the acceptance of the Agenda.

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

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10583.           APPROVAL OF THE OCTOBER 16, 2012 MINUTES

Commissioner Downes motioned to approve the October 16, 2012 meeting minutes, seconded by Commissioner Dorn, and unanimously approved by a voice vote of 10-0.

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10584.           DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

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

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

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10585. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented a chart showing statements of income and expenses for the month of October 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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10586. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for October 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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10587. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

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

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

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10588. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF October 31, 2012.

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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10589. AUTHORITY CUSTOMER TRENDS (ACT) REPORT

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

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10590. PUBLIC COMMENT ON ACTION ITEMS

The Executive Director noted the following action items that were being considered and asked for public comment.

- Resolution 12-37 - Authorizes Authority Expenditures Pursuant to Resolution 01-84 For The Period, January 1, 2012 Through December 31, 2012
- Resolution 12-38 –Adoption of the Delaware River and Bay Authority’s 2013 Operating Budget

- Resolution 12-39 – Recognizing and Applauding Outstanding Employee Performance.
- Resolution 12-40 – Lease Agreement Between Energi Insurance Services, Salem Business Centre
- Resolution 12-41 – Lease Amendment between Cape May Brewing, Cape May Airport
- Resolution 12-42 – Lease Agreement with Weber’s Auto Electric, Millville Airport
- Resolution 12-43 – Lease Agreement with Atenco, Millville Airport
- Resolution 12-44 – Amends Resolution 12-08 Authorizing the Lease Agreement with Hangarco, New Castle Airport
- Resolution 12-45 – Resolution Authorizing Amendments to the Benefits Plan Design.

There were no public comments.

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10591.            CHAIRPERSON’S CALL FOR RESOLUTIONS BEFORE THE BOARD

Chairperson Lowe called for a change in the order of action items on impending Resolutions and requested Resolution 12-39 be placed first for consideration.

**RESOLUTION 12 – 39: RECOGNIZING AND APPLAUDING OUTSTANDING EMPLOYEE PERFORMANCE**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is the owner and operator of the Cape May - Lewes Ferry, and;

WHEREAS, the Cape May - Lewes Ferry operates more than 4,000 crossings annually and transports approximately 300,000 vehicles and nearly 800,000 passengers each year between Cape May, New Jersey and Lewes, Delaware; and

WHEREAS, the Authority employs caring, dedicated and highly trained individuals to respond to all types of emergency situations; and

WHEREAS rescue at sea is among the gravest, honor-bound duties amongst those who make their living on the sea; and

WHEREAS, on September 30, 2012, a man became stranded on his kayak in the Delaware Bay approximately 4 miles from the Cape May shoreline; and

WHEREAS, a crewmember of the M/V Delaware, Pilot Sharon Urban, reported a white light in the water and reported it to the Master, Capt. Dan Cluff; and

WHEREAS, Capt. Cluff caused the M/V Delaware to immediately be brought about and deviated course to investigate; and

WHEREAS, the M/V Delaware immediately notified the Coast Guard; and

WHEREAS, M/V Delaware crewmembers tossed a lighted ring-buoy to the man in the water; and

WHEREAS, other crew kept the onboard passengers calm, informed, and out of harm’s way; and

WHEREAS, the M/V Delaware maneuvered to remain in sight of the man in the water and kept him protected and in the light of her searchlight, and did not get underway until the U.S. Coast Guard safely retrieved the man; and

WHEREAS the man was rescued by the U.S. Coast Guard; and

WHEREAS the following M.V. Delaware crewmembers participated in the successful rescue at sea:

Captain Daniel Cluff  
Pilot Sharon Urban  
Boatswain Gayle Carter  
Able Seaman Kyra Jarmon  
Able Seaman James McClintock  
Able Seaman Michael Hughes  
Ordinary Seaman Steven Serrano  
Ordinary Seaman Susan Wiggins  
Chief Engineer Richard Murphy  
Assistant Engineer Daniel Loper  
Galley Supervisor Samantha Paz  
Food Handler Romano Rosica  
Food Handler Linda Empson  
Bartender James Dougherty

NOW, THEREFORE, BE IT RESOLVED, that the preceding employees are hereby recognized and applauded for outstanding service to the public and the Authority and formally recognized for their dedication and professionalism.

A motion to approve Resolution 12-39 was made by Commissioner Lathem, seconded by Commissioner Mroz, and approved by a roll call vote of 10-0.

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Chairperson Lowe called for action on the remaining Resolutions in their sequential order.

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**RESOLUTION 12-37 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2012 THROUGH DECEMBER 31, 2012**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) adopted Resolution 01-84 requiring Commissioner review and approval of all Authority expenditures in excess of \$25,000; and

WHEREAS, the Authority anticipates expenditures at or over the \$25,000 amount to the following vendors:

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

VENDOR	SERVICE DESCRIPTION	DETERMINATION	APPROX. ESTIMATED \$
Centrifugal Castings Inc.	Replacement propeller shaft liners	Quotes	\$30,000
Conxx Smart Technologies	Dual microwave wireless link from the Delaware Memorial Bridge to New Castle Airport	Quotes	\$49,000
CNI Sales, Inc.	A full-managed Wi-Fi network at select DRBA sites	State Contract	\$145,000
Mall Chevrolet	Five (5) replacement vehicles	State Contract	\$83,000

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

A motion to approve Resolution 12-37 was made by Commissioner Traynor, seconded by Commissioner Lathem, and approved by a roll call vote of 10-0.

### **Resolution 12-37 Executive Summary Sheet**

**Resolution:** Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period, January 1, 2012 through December 31, 2012.

**Committee:** Budget & Finance

**Committee and Board Date:** November 13, 2012

**Purpose of Resolution:**

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

**Background for Resolution:**

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

**Background for the specific purchases:**

Replacement propeller shaft liners

The Authority plans to purchase two (2) ship sets of replacement propeller shaft liners to keep in stock for future dry-dock propeller shaft reconditioning. Each vessel has two (2) propeller shafts and each shaft has three (3) stainless steel certified liners.

Dual microwave wireless link from the Delaware Memorial Bridge to New Castle Airport

The current network connection at New Castle Airport does not meet the business needs of this location. The Authority plans to implement a dual microwave wireless link from the Delaware Memorial Bridge to New Castle Airport to increase bandwidth for the New Castle Airport Terminal Building and Maintenance.

A full-managed Wi-Fi network at all DRBA sites

The Authority plans to eventually install a full-managed Wi-Fi network at all sites to better service both our internal and external customers. This first purchase includes the New Castle Administration Building, the Cape May Administration Building and the Julia Center along with the software suite required to manage these services.

Five (5) replacement vehicles

The DRBA evaluates its vehicles and equipment for replacement according to written replacement criteria. The average useful life of DRBA cars is five (5) years or in excess of 120,000 miles. The DRBA's current fleet includes five (5) Crown Victoria's that are more than nine (9) years old, four (4) of which are in

excess of 120,000 miles and all of which have exceeded their useful life. The DRBA plans to purchase five (5) Chevrolet Malibus to replace the Crown Victoria's. All of the Crown Victoria's being replaced will be sold at a public auction.

**Background for Determination category:**

**Quotes:** Quotes items are purchases that are anticipated to be between \$25,000 and \$49,999 for the year for which the Authority has solicited written quotes. Resolution 98-31 (paragraph 4) provides that purchases "more than \$25,000 but less than \$50,000 in the aggregate require the solicitation of three written quotes or all available sources, whichever is less..."

**State Contracts:**

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

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**RESOLUTION 12-38 - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY'S 2013 OPERATING BUDGET**

WHEREAS, Section 505 of the Trust Agreement, dated October 1, 1993, requires that The Delaware River and Bay Authority (the "Authority") adopt a budget for fiscal year; and

WHEREAS, the proposed operating expenses for FY2013, excluding the Airports division and Economic Development Facilities are \$73,624,648; and

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

WHEREAS, for FY2013, principal and interest on outstanding bonds are projected at approximately \$23,677,828 in aggregate debt service; 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 FY2013; and

WHEREAS, the projected revenue of the Authority for FY2013, excluding the Airports division and Economic Development facilities, is approximately \$120,482,276 resulting in a debt service coverage of 1.98x; and

WHEREAS, the proposed operating budget for the Airports division is \$7,385,288; and

WHEREAS, the proposed operating budget for the Economic Development facilities are \$1,131,013; and

WHEREAS, the proposed operating budget for FY2013 has incorporated principles of activity-based budgeting, which allocate certain costs to individual divisions rather than a central administrative budget; and

WHEREAS, the Budget and Finance Committee has developed, reviewed, and approved the proposed 2013 Operating Budget and recommends its adoption to the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby adopts an operating budget (see Exhibit A attached hereto and incorporated by reference) of \$73,624,648

for the Bridge, Ferry, Food Services, Three Forts Crossing, Police, and Administration Divisions, and a budget of \$7,385,288 for the Airports division, a budget of \$1,131,013 for Economic Development facilities for a total of \$82,140,949 for FY2013, and authorizes the Executive Director to exercise the approved management discretion and spend within the approved FY2013 budget. The authority of the Executive Director to transfer funds within budget units set forth in Section 9 of Resolution 98-31 shall continue to apply to costs that have been moved from central to divisional allocations in this budget, such as IT, HR, Finance, Engineering, Education and Communications expenses (see Exhibit B attached hereto and incorporated by reference).

A motion to approve Resolution 12-38 was made by Commissioner Traynor, seconded by Commissioner Wilson, and approved by a roll call vote of 10-0.

### **Resolution 12-38 Executive Summary Sheet**

**Resolution:** Resolution 12-38 – Adoption of the Delaware River and Bay Authority’s 2013 Operating Budget

**Committee:** Budget & Finance

**Committee Date:** November 13, 2012

**Board Date:** November 13, 2012

**Purpose of Resolution:**

Resolution 12-XX formally authorizes funds for the fiscal year’s current operating expenses.

**Background for Resolution:**

The Authority has issued outstanding debt under a Trust Agreement dated October 1, 1993. Section 505 of the Agreement stipulates that the Authority covenants to adopt a final budget for each ensuing fiscal year. The budget is to address Current Expenses, Amounts Deposited into the Reserve Maintenance Fund, Revenue Projections and Compliance with the Covenant as to tolls, in Section 501 (a)(i).

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### **RESOLUTION 12-40 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ENERGI INSURANCE SERVICES, INC., AT THE SALEM BUSINESS CENTRE**

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the owner-operator an 80,000 square foot building in the Salem Business Centre (“SBC”), Carney’s Point, New Jersey; and

WHEREAS, Energi Insurance Services, Inc. (“Energi”) desires to lease approximately 3,000 square feet of space in a building located at 1 Collins Drive, commonly referred to as the Salem Business Centre; and

WHEREAS, Energi has agreed to pay the Authority annual rent in the amount of Fifty-Four Thousand Dollars (\$54,000.00); and

WHEREAS, Energi will receive a Tenant Improvement Allowance of Forty dollars (\$40.00) per square foot of space with any overage in Tenant Improvements to be the responsibility of Energi; and

WHEREAS, the Lease Agreement shall provide a lease inducement in the form of a two (2) month rent abatement and reduced Common Area Maintenance fees during the initial year of the lease; and

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

WHEREAS, Energi with the consent of the Authority, shall have the option of renewing this lease agreement for two (2) option periods of five (5) years each; and

WHEREAS, rent shall increase each year during the initial term by \$0.50 per square foot; and

WHEREAS, rent shall be adjusted at the beginning of each renewal term to the Fair Market Value (FMV).

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

A motion to approve Resolution 12-40 was made by Commissioner Lathem, seconded by Commissioner Traynor, and approved by a roll call vote of 10-0.

**Resolution 12-40 Executive Summary Sheet**

**Resolution:** Authorizing the Executive Director to execute a Lease Agreement with Energi Insurance Services, Inc.

**Committee:** Economic Development

**Committee Date:** November 20, 2012

**Board Date:** November 20, 2012

**Purpose and Background for Resolution:**

Energi would like to lease approximately 3,000 square feet of space at 1 Collins Drive in a building commonly referred to as the Salem Business Centre. The initial rental rate of \$18.00/sq.ft. is the same rate that the two existing tenants began leasing space in the building. This space has never been occupied and is currently in an unfinished condition. Rent will be adjusted each renewal year by \$0.50/sq.ft. Tenant is an insurance company that is based in Massachusetts and currently has a smaller office in Pennsville but is looking for room to expand.

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**RESOLUTION 12-41 - LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CAPE MAY BREWING LLC.**

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

WHEREAS, Cape May Brewing LLC ("Cape May Brewing") entered into a Lease Agreement date March 1, 2011 pursuant to which the Authority leased to Cape May Brewing 1,500 square feet of space known as Unit #5 located within Building 96 at the Cape May Airport; and

WHEREAS, Cape May Brewing has requested a modification to the Lease to permit an expansion of their business into adjacent Unit 6 and Unit 7 and to provide for additional renewal terms for the lease; and

WHEREAS, Cape May Brewing has agreed to pay the Authority annual rental in the amount of Fourteen Thousand Four Hundred Dollars (\$14,400.00) for Units 6 & 7; and

WHEREAS, Cape May Brewing shall have the option of renewing the Lease Agreement for two (2) additional one (1) year periods; and



WHEREAS, rent for the additional units shall be adjusted during the first additional renewal option set to begin March 1, 2014 to Eighteen Thousand Dollars (\$18,000.00) annually and rent during the second additional option set to begin March 1, 2014 shall be Twenty-One Thousand Dollars (\$21,000.00) annually; and

WHEREAS, rent during the additional option periods for the original Unit 5 shall be adjusted by the Consumer Price Index (CPI).

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Amendment with Cape May Brewing 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 12-41 was made by Commissioner Downes, seconded by Commissioner Mroz, and approved by a roll call vote of 10-0.

**Resolution 12-41 Executive Summary**

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

**Committee:** Economic Development

**Committee Date:** November 13, 2012

**Board Date:** November 13, 2012

**Purpose of Resolution:**  
To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease amendment to add additional space at the Cape May Airport.

**Background for Resolution:**  
The Delaware River and Bay Authority operates a warehouse/shop facility located at the Cape May Airport commonly referred to as Building 96. Cape May Brewing leased unit #5 in the building in March of 2011. Due to increased demand and the growth of their business, Cape May Brewing needs to expand to the two adjacent units. The purpose is to expand brewing capacity and to open a tasting room.

The building was appraised in 2007. Over the first two years of occupancy the rental rate escalates so that the rental rate in the 3<sup>rd</sup> year of the agreement the rent will be at FMV. The tenant plans to make various improvements to the facility to include bathroom upgrades, adding floor drains and upgraded office areas.

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**RESOLUTION 12-42 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND WEBER’S AUTO ELECTRIC AT THE MILLVILLE AIRPORT**

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

WHEREAS, Weber’s Auto Electric(“Weber’s”) desires to lease approximately 2,816 square feet of space in a building located at the Millville Airport., commonly referred to as Building 10 Maintenance Garage; and

WHEREAS, Weber’s has agreed to pay the Authority annual rent in the amount of Six Thousand Three Hundred Dollars (\$6,300.00); and

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

WHEREAS, Weber’s with the consent of the Authority, shall have the option of renewing this lease agreement for three (3) option periods of one (1) year each; and

WHEREAS, rent during each option period shall be increased by the Consumer Price Index (CPI).

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

A motion to approve Resolution 12-42 was made by Commissioner Murphy, seconded by Commissioner Mroz, and approved by a roll call vote of 10-0.

**Resolution 12-42 Executive Summary Sheet**

**Resolution:** Authorizing the Executive Director to execute a Lease Agreement with the Weber’s Auto Electric

**Committee:** Economic Development

**Committee Date:** November 13, 2012

**Board Date:** November 13, 2012

**Purpose and Background for Resolution:**

The Webber’s would like to lease approximately 2,816 square feet of space in a building commonly referred to as Building 10. The initial rental rate is based upon an appraisal. This unit has been used by the airport for storage and never leased. This building was appraised in 2006. Rent will be adjusted each renewal year by the consumer price index. The tenant will be using the facility to fulfill contracts to maintain the City of Bridgeton school busses and house moving/storage box trucks.

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**RESOLUTION 12-43 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ATENCO LLC.**

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

WHEREAS, Atenco LLC (“Atenco”) desires to lease approximately 2,000 square feet of shop/warehouse space commonly referred to as Building 15 at the Millville Airport; and

WHEREAS, Atenco has agreed to pay the Authority annual rental in the amount of Four Thousand Dollars (\$4,000.00); and

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

WHEREAS, Atenco shall have the option of renewing the Lease Agreement for five one (1) year periods; and

WHEREAS, rent during the option period shall be adjusted to the Fair Market Value (FMV); and

WHEREAS, rent during the initial term and the option periods (other than the year rent is adjusted by FMV) shall be adjusted each year by the CPI.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Atenco 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 12-43 was made by Commissioner Traynor, seconded by Commissioner Murphy, and approved by a roll call vote of 10-0.

**Resolution 12-43 Executive Summary**

**Resolution:** Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Atenco LLC, regarding Millville Airport

**Committee:** Economic Development

**Committee Date:** November 13, 2012

**Board Date:** November 13, 2012

**Purpose of Resolution:** To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for space at the Millville Airport.

**Background for Resolution:**

The Delaware River and Bay Authority owns a warehouse/shop facility located at the Millville Airport commonly referred to as Building 15. The building totals approximately 2,000 square feet of space. Atenco LLC wishes to lease this space from the Authority to house their construction headquarters and shop space.

This facility has been vacant since the Authority took over operation of the airport. The lease price is \$2.00/sq.ft. This price is based upon an appraisal of several comparable facilities at the airport that were completed in 2006. The building is in need of improvements and upgrades (the building is a WWII era facility) which the tenant will be completing during their lease term, ie. bathroom/heating/insulated windows, etc.

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**RESOLUTION 12-44 - AMENDS RESOLUTION 12-08 AUTHORIZING THE LEASE AGREEMENT BETWEEN THE DELWARE RIVER AND BAY AUTHORITY AND HANGARCO, LLC.**

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

WHEREAS, the Authority adopted Resolution 12-08 entitled "Lease Agreement between the Delaware River and Bay Authority and HangarCo, LLC at the New Castle Airport"; and

WHEREAS, Resolution 12-08 erroneously stated that the initial term of the agreement was for five (5) years; and

WHEREAS, the initial term of the agreement is for three (3) years.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with HangarCo 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 12-44 was made by Commissioner Wilson, seconded by Commissioner Dorn, and approved by a roll call vote of 10-0.

**Resolution 12-44 Executive Summary**

**Resolution:** Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and HangarCo, LLC regarding New Castle Airport

**Committee:** Economic Development

**Committee Date:** November 13, 2012

**Board Date:** November 13, 2012

**Purpose of Resolution:**  
To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for space at the New Castle Airport.

**Background for Resolution:**  
The original Resolution 12-08 had an error in the initial term of the lease. The resolution approved a five (5) year lease term when in fact it should have reflected a three (3) year initial term. This resolution will serve the purpose of correcting that error.

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**RESOLUTION NO. 12-45 - RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY AUTHORIZING AMENDMENTS TO THE BENEFITS PLAN DESIGN**

WHEREAS, the Delaware River and Bay Authority (the “Authority”) is committed to providing its employees and retirees a comprehensive core benefit program; and

WHEREAS, the Authority is responsible for prudent financial governance with respect to those core benefit programs; and

WHEREAS, the Authority is responsible for taking appropriate action to control escalating core benefit costs; and

WHEREAS, the Budget & Finance Committee has reviewed the recommendation to outsource the benefits administration for retirees age 65 and over that will help to contain the OPEB costs for this group and recommends approval thereof to the Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Delaware River and Bay Authority hereby approves the following modifications to be implemented January 1, 2013 as follows (as described in detail on Exhibit A, which is incorporated herein by reference):

1. The Authority shall change the benefits administration for retirees age 65 and over from Highmark Blue Cross Blue Shield of DE to AMWINS in an effort to provide lower costs to the Authority than current Medicfil Plan for the same health care coverage afforded to active employees; and

provide the retirees advantages such as large retiree pool of over one (1) million members; government network discounts; coordination of Medicare benefits; and Medicare education and enrollment support.

## Exhibit A

### DRBA Retiree >65 Administration

	Current	Proposed AMWINS Solution
<b>Medical Lives</b>	<b>237</b>	<b>237</b>
<b>Per “employee” per month (PEPM)</b>	<b>\$536</b>	<b>\$416</b>
<b>Total Annual Premium</b>	<b>\$1,525,095</b>	<b>\$1,183,075</b>
<b>Employer Contributions</b>	<b>100%</b>	<b>100%</b>
<b>Annual Savings</b>	<b>N/A</b>	<b>\$342,019</b>

A motion to approve Resolution 12-45 was made by Commissioner Dorn, seconded by Commissioner Traynor, and approved by a roll call vote of 10-0.

#### Resolution 12-45 Executive Summary Sheet

**Resolution:** Authorizing Amendments to the Authority’s Benefit Plan Design

**Committee:** Budget & Finance Committee

**Committee Date:** November 13, 2012

**Board Date:** November 13, 2012

**Purpose of Resolution:** To approve recommended benefits administration for retirees age 65 and over (as described in detail on Exhibit A, which is incorporated herein by reference) as presented by the Chief Financial Officer and Chief Human Resources Officer.

**Background for Resolution:** The Delaware River and Bay Authority is committed to the health and well being of our employees and retirees.

During annual renewals, the Authority reviews administration and costs of benefits to determine any changes such as vendor/carrier changes and/or benefit plan design changes.

For 2013, a recommendation is being made to the Budget & Finance Committee to move the benefits administration of the retirees over the age of 65 to a new carrier. Advantages will be: (1) lower cost than current Medicfil Plan for the same health care coverage afforded to active employees, which may positively impact the OPEB liability; (2) large retiree pool of over one (1) million members; (3) government network discounts; (4) coordination of Medicare Benefits; and (4) Medicare Education and Enrollment Support. This would impact the current 237 lives over the age of 65 enrolled in the Authority’s benefits plans (which represents 34% of the population). The advantage to the Authority will be the complete administrative

outsourcing and estimated cost savings of \$342,000 (as described in detail on Exhibit A, which is incorporated herein by reference).

AMWINS is an Employer Group Waiver Plan (EGWP). EGWPs are the fastest growing retirement subsidization programs initiated by the Center of Medicare and Medicaid Services (CMS). Employers and Union groups with large Medicare eligible populations find this program to be financially superior to the traditional retirement drug subsidization (RDS) program. Subsidies represent approximately 15%-25% of gross CMS approved drug costs under RDS compared to up to 19%-35% under EGWP (depending on the plan design). There is minimal disruption to the membership by utilizing/maintaining the current pharmacy plan design. AMWINS handles all administrative functions which lead to some of the cost savings. EGWPs provide greater reductions in GASB 43/45 liability.

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10592. EXECUTIVE DIRECTOR'S COMMENTS

Executive Director Green briefed the Board on the activities in and around the Authority including the participation of ferry employees in a Dragon Boat Race in the harbor in Cape May on October 6. The team took first place. Commissioner Smith received an award from the Stand Up Salem Foundation. Staff conducted a fire suppression test at the DMB tolls, presented photos of a damaged vehicle from 911 going across the DMB to Virginia, Ferry vessels arriving and returning home from Gloucester City, NJ, before and after Hurricane Sandy. He noted that on Veterans Day, the Authority held a memorial service at the DMB Veterans Memorial Park. Dignitaries from Delaware and New Jersey were present. Executive Director Green noted the outstanding job staff did in preparing for this event.

The Executive Director referred to the draft Board meeting dates for 2013 and emphasized that all meeting dates fall on the third Tuesday of the month with the exception of February whereby the meeting will be held on the second Tuesday due to the Presidents' Day holiday.

10593. COMMISSIONERS PUBLIC FORUM

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

There were no comments.

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

The meeting was adjourned at 12:06 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor  
Assistant Secretary