

MINUTES OF MEETING

THE DELAWARE RIVER AND BAY AUTHORITY

NOVEMBER 18, 2003

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

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

Warren S. Wallace, Vice Chairman
Edward W. Dorn
Maureen T. Koebig
Robert Y. McWilliams
Charles E. Pessagno

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The meeting convened at 11:10 a.m. with Chairman Parkowski presiding.

The opening prayer was given by Father Stanley Drupieski followed by the Pledge of Allegiance led by Brad Hopkins.

The Chairman of the Authority called the meeting to order. 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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8949. APPROVAL OF MINUTES: On motion by Commissioner Koebig and seconded by Commissioner Pessagno, the minutes of the October 21, 2003 meeting were approved by a voice vote of 11-0.

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8950. EXECUTIVE DIRECTOR'S REPORT: The Executive Director presented the following highlights which occurred within the Authority during the month of October.

AIRPORTS

On October 15, an aircraft struck an off-airport utility pole and crashed on the landing approach path for runway 27 at Delaware Airpark. The pilot was fatally injured and a passenger sustained injuries. The airport was closed for night operations until October 24 when Conectiv repaired obstruction lighting on several utility poles located in the approach path for runway 27.

At Delaware Airpark, maintenance forces installed additional security fencing near the airport's terminal, repaired roof damage to the open-hangar complex, and striped the aircraft parking ramp. At Millville Airport, maintenance employees began pavement resurfacing at the North-West aircraft parking ramp. The renovation of the New Castle Airport Operations Office began in October and will be completed in November; Authority personnel are performing this work.

CAPE MAY-LEWES FERRY

In comparison to 2002, vehicle traffic was down 0.7% for October; total vehicle traffic year-to-date is off 9.1% from 2002. Passenger traffic was down 2.1% in October; total passenger traffic year-to-date is off 6.5% from 2002.

The new off-season schedule of four crossings each direction most weekdays and additional crossings on weekends as justified by traffic commenced on October 27. Off-season vessel maintenance is progressing on all vessels. New radar systems are being installed and annual chipping, scraping, rust removal, and painting is underway.

Improvements in the "Non-Transferable Discount Book of 6 Tickets" program began in October

with the introduction of real-time production and delivery of ticket books at both Lewes and Cape May ticket counters. During October, 279 NT6 books were sold at the Cape May ticket counter and 220 were sold at the Lewes ticket counter. Discount tickets can now accommodate two driver names, company accounts, and streamlined reorders. Since April, 3,894 NT6 discount books have been sold representing approximately \$350,000 in fare revenue.

DELAWARE MEMORIAL BRIDGE

Total traffic during October 2003 set a new standard for the month and reflected an increase of approximately 85,000 vehicles (+2.2%) vs. October 2002. Year-to-date total traffic has increased slightly (+0.1%). Commercial traffic increased overall by 2.7% during October, primarily on the strength of the highest monthly total ever recorded for Class 5 vehicles (144,700 five-axle trucks). E-ZPass traffic accounted for 47.2% of the total traffic in October, which represents the highest monthly percentage ever recorded on the Delaware Memorial Bridge. Year-to-date E-ZPass traffic is 43.5% vs. 40.6% for 2002. Approximately 65% of the E-ZPass transactions on the Bridge are non-DRBA account holders.

The DRBA hosted a two-day technical training class with maintenance personnel from the DRPA on October 15-16. This hydraulics class was developed through the cooperative efforts of the automotive sections from the two authorities and the DRBA's Education and Training staff. High-Angle Rescue, Water Safety, Fire Extinguisher, Leadership, Incident Command, Horticulture, and Traffic Safety classes were also conducted for different maintenance sections during the month.

HUMAN RESOURCES

On October 29 & 30, 2003, Concentra Health Services conducted DOT Drug & Alcohol Awareness training to more than 100 DRBA employees and supervisors. The topics covered included awareness, reasonable suspicion, and a review of the DOT Guidelines and Requirements for Federal Workplace Drug Testing Programs. During the week of October 20, medical staff from Concentra Medical Center administered flu shots to 232 employees Authority-wide.

PERSONNEL STATUS

	<u>Authorized Positions</u>	<u>Filled Positions</u>
Permanent Full-Time:	522	443
Permanent Part-Time:	32	27
Total Permanent:	554	470

POLICE

Summary of Police activities:

<u>Enforcement/Activity</u>	<u>Oct 2002</u>	<u>Oct 2003</u>
Traffic Summons	273	440
Criminal Arrests	41	26
Traffic Accidents	26	35
Traffic Reprimands	407	815
<u>Aid to Motorists</u>	<u>Oct 2002</u>	<u>Oct 2003</u>
Disabled Vehicles	178	136
Public Assists	55	65
Medical Assists	5	6
Acrophobiacs	16	38

Chief Human Resources Officer, Trudy Spence-Parker, reported that ten staff members attended a workshop on diversity and found it to be very informative. She is looking into the possibility of scheduling the speaker here.

In response to several questions regarding personnel vacancies, the CHR Officer stated that, as a result of the ERO, 14 F/T and P/T positions at the ferry facilities have recently been posted. Spence-Parker also said that she has been receiving a number of qualified applications to fill the positions of Director of Ferry Operations and Director of Airports. The two postings end November 21.

8951. COMMITTEE REPORT'S - BUDGET & FINANCE

Commissioner Patterson presented the following minutes of the Budget & Finance Committee meeting held November 11, 2003.

- I Committee Chair Patterson welcomed the Budget & Finance Committee and opened the meeting at approximately 1:07 p.m. The Chief Financial Officer reported that the public meeting of the Budget & Finance Committee had been duly advertised in accordance with the Authority's Freedom of Information Regulations and read the statement of notice.
- II The Committee Chair reviewed the Community Contribution requests for the month of November. After review of the requested contributions, the Committee approved and recommended 7 applicants from Delaware totaling \$23,000 and 11 applicants from New Jersey totaling \$43,712, for a grand total of \$66,712. A Resolution authorizing a total of \$66,712 for Community Contributions will be presented for full Board consideration at the November Commission meeting.
- III The Committee next considered the disposition of Real Property owned by the Authority. The single family residence located at 1501 Lincoln Boulevard, North Cape May, New Jersey has been owned by the Authority since June 2000. After discussion and review of the prepared Executive Summary, the Committee directed staff to complete an updated appraisal and report back to the Committee.

The Committee also reviewed staff's recommendation to sell a carousel unit owned by the Authority. This unit was originally purchased for \$55,000 a decade ago and was utilized until 2001. Staff received the necessary direction from the Committee and will report its findings.

- IV Mr. Ed Welch from the Passenger Vessel Association next presented a comprehensive background and overview of Federal legislation mandating certain requirements relating to marine safety. The presentation included an historical legislative perspective, review of major components of the legislation, process for compliance and possible cost implications. There were numerous Committee questions for Mr. Welch focused on the impact of the legislation at the Cape May - Lewes Ferry. Staff also provided input relevant to the efforts currently underway or already implemented. The Committee thanked Mr. Welch for his time and expertise.
- V The Committee next reviewed the proposed 2004 Operating Budget. The proposed budget totals \$63,505,474 representing a 3.0% increase over the 2003 Budget. The Committee was presented with Exhibits indicating the 2004 Budget by Division and by Identified Major Increases. Staff presented a line by line explanation of the major increases and answered questions as presented.

The Deputy Executive Director also made a presentation to the Committee regarding the proposed marketing and public relations budget. After a lengthy discussion, the Committee directed staff to increase the proposed budget for marketing and advertising from \$500,000 to \$590,000 and present a new plan utilizing that funding level. There was also considerable discussion relative to hiring an outside professional marketing firm to develop and lead the ferry marketing efforts.

The additional \$90,000 will be reflected in the proposed 2004 Operating Budget and will bring the total budget to \$63,595,474 or 3.15% increase over 2003. Staff will make the necessary changes and present the budget at the scheduled November 17th Budget & Finance Committee meeting. A Resolution authorizing the 2004 Operating Budget will be included in the November Commission information materials for consideration at the November Commission meeting. This Resolution is subject to change based upon input and direction from the November 17th Budget & Finance Committee meeting.

There being no further business, the Budget and Finance Committee Meeting was adjourned at 4:11 p.m.

8952. 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.

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

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8953. 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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8954. DELAWARE RIVER AND BAY AUTHORITY - OPERATING EXPENSE BY DIVISION: The CFO presented a chart 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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8955. 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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8956. DELAWARE RIVER AND BAY AUTHORITY - CASH POSITION (MARKET VALUE) AS OF JANUARY 31, 2003: 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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8957 REVIEW OF CONSTRUCTION CONTRACTS: The Director of Engineering, John Jones, stated that there were no contract awards or contract close-outs.

Commissioner Lathem asked Mr. Jones about the status of the electrical contract. Mr. Jones replied that our plan is to advertise the end of January to bid out the work in the spring.

Commissioner Patterson asked about the existing contract progress for the Delaware approach road. Mr. Jones said that the existing contractor has doubled his efforts and he anticipates the project to be substantially completed by the December holidays.

8958. THE CHAIRMAN PRESENTED THE FOLLOWING RESOLUTIONS:

RESOLUTION 03-42 - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY'S 2004 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 operating expenses for FY2004 excluding the Airports division are \$59,040,211; and

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

WHEREAS, for FY2004, interest on outstanding bonds is currently approximately \$16,537,358.76, and amortization of principal will be \$6,345,000 for a total debt service of approximately \$22,882,358.76; 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 FY2004; and

WHEREAS, the projected revenue of the Authority for FY2004 excluding the Airports division is approximately \$91,807,598 resulting in a debt service coverage of 1.43, meeting the toll covenant; and

WHEREAS, the operating budget for the Airports division operated by the Authority is \$4,567,763; and

WHEREAS, the Budget and Finance Committee has conducted publicly advertised meetings on the proposed 2004 Operating Budget; and

WHEREAS, the Budget and Finance Committee has, developed, reviewed, and approved the proposed 2004 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 \$59,040,211 for the Bridge, Ferry, Food Services, Three Forts Crossing, Police, and Administration Divisions, and a budget of \$4,567,763, for the Airports division operated by the Authority for a total of \$63,607,974 for FY2004, and authorizes the Executive Director to spend within the approved FY2004 budget.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that \$6 million of the General Fund Reserve is hereby designated and restricted for the Fiscal Year 2004 as the self insurance fund of the Authority to cover any payments required within the deductible limits of the Authority's various insurance policies.

Chairman Parkowski called for a motion to open the floor for discussion. A motion was made by Commissioner Patterson and seconded by Commissioner Cooper.

Commissioner Patterson, Chairman of the Budget & Finance Committee, thanked the committee and staff for their work on the budget. He proceeded to outline the steps that it took to get to this step of the budget process noting that there were three public budget meetings held on October 7, November 11, and 17. He noted the salary savings as a result of the ERO but that employee benefits and costs at the ferry continue to rise. Everyone has tried to hold the budget at 3%.

Commissioner Patterson referenced some last minute changes to the budget that were made as late as yesterday. One change was in support of the Deputy Executive Director's new Marketing Plan for the ferry. The marketing budget will be increased by \$90,000 to \$590,000 in an effort to reverse the downward trend in ferry ridership over the last several years. The other is to put \$12,500 into the possible reopening of the Cape May Airport restaurant because of its economic potential.

Vice-chairman Wallace also thanked the Committee and staff for their efforts in putting the budget together. He suggested that the budget approval be held over until December in order to give the governors and the public more time to review it. The governors received the budget two days ago and there were changes as late as yesterday. Vice Chairman Wallace stated that the standard practice is to have a 30-day review of the budget before it is up for a vote. Commissioner Patterson said that he did not want to send a signal to the public that we have not done our job. Also, Vice-chairman Wallace suggested holding two public hearings on the evening before the budget is adopted.

Chairman Parkowski called for a roll call vote. Commissioners Hensley, Lathem, Lowe, Patterson and Parkowski voted yes while Commissioners Dorn, Koebig, McWilliams, Pessagno, and Wallace voted no. With 6 yes votes and 5 no votes the motion to approve Resolution 03-42 failed.

RESOLUTION 03-43 APPROVAL OF COMMUNITY CONTRIBUTION REQUESTS

WHEREAS, The Delaware River and Bay Authority (the "Authority") is a bi-state agency with public crossing facilities and assets in the State of New Jersey and Delaware; and

WHEREAS, the Authority has developed a Community Contributions 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 request; and

WHEREAS; the Budget and Finance Committee met and approved Community Contribution requests for the month of November, 2003; and

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby approves the following Community Contribution requests subject to the receipt of all documents required by the application process.

Community Contributions

New Jersey

Friend of the Hancock House Incorporated	\$ 7,500
Learning Stages Incorporated	\$ 2,021
Literacy Volunteers of America of Gloucester County	\$ 2,016
Pennsville Township Historical Society Incorporated	\$ 3,500
Salem County Historical Society	\$ 7,500
South Harrison Alliance for Educational Excellence	\$ 2,575
Spotliters Incorporated	\$ 3,500
Stand up for Salem	\$ 1,500
The Wounded Healer Incorporated	\$ 5,000
United Way of Salem County	\$ 5,000

Total **\$ 40,112**

Delaware

Delaware Hospice (Sussex County)	\$ 2,500
Georgetown Boys and Girls Club	\$ 2,000
Bay Health Medical Center (formerly Kent County Hospital)	\$ 5,000
Kent County Tourism Corporation	\$ 1,000
The Grand Opera House	\$ 2,500
University of Delaware	\$ 5,000
New Castle County Courthouse Art Committee	\$10,000

Total **\$ 28,000**

Grand Total (New Jersey and Delaware) **\$ 68,112**

Commissioner Patterson noted a revision in the initial Resolution sent in the Commission packets due to some of the Delaware projects being revisited. He added to the list New Castle County Clubhouse Art Committee for \$10,000 changing the Delaware total to \$28,000 and amending the Grand Total to \$68,112. Commissioner Hensley stated that DRBA policy is to have all paperwork in place before any grants are approved.

Resolution 03-43 with the aforementioned revision, was moved by Commissioner Pessagno and seconded by Commissioner McWilliams and unanimously approved by a roll call vote of 11-0.

RESOLUTION 03-44 LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CARL R. FALK

WHEREAS, the Delaware River and Bay Authority (the "Authority"), is the operator of the

Cape May Airport; and

WHEREAS, Carl R. Falk desires to lease approximately 1,500 square feet of office and shop space in building 96 unit 6 at the Cape May Airport; and

WHEREAS, Carl R. Falk. agrees to pay the Authority annual rent in the amount of \$7,200.00 during the initial term of the agreement; and

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

WHEREAS, Carl R. Falk shall have the option of renewing this Lease for four (4) periods of one (1) year each; 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 finalized the terms and conditions of the Lease Agreement with Carl R. Falk and, with the advice and consent of counsel, to have such an Agreement executed by the Chairperson, Vice Chairperson, and Executive Director.

Resolution 03-44 was moved by Commissioner Koebig, seconded by Commissioner Dorn and unanimously approved by a roll call vote of 11-0.

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8959. COMMISSIONERS PUBLIC FORUM: Chairman Parkowski questioned whether any member of the public requested to address the Commission.

Frank Bankard representing Local 542 addressed the Commission. He stated that its been eight months since he first appeared before the Board. He was asked to wait until after the ERO. The ERO has passed. He said that he was asked to wait until after the restructuring but that hasn't come about. He feels that the employees should be put before the mechanics of the Authority.

Union representative Vincent Ascione spoke next. He asked the Commission to move forward with the talks with Local 542 citing problems reported in the press by former employees. Mr. Ascione also stated that the Authority should consider holding some of it's public meeting and hearings in the evening for the convenience of the public.

Chairman Parkowski said that he has been on the board less than six months and that there are ongoing efforts to improve the way the Authority does business and to put certain problems behind the organization that, as he previously noted, recognition of the union would be considered once the reorganization was in place.

Next, Mr. John D. Flaherty, lobbyist for Common Cause of Delaware spoke. Members of Common Cause of Delaware have reviewed the Commission's Freedom Of Information Act (FOIA) regulations and noted that Section 4 regarding open meetings states that anyone wishing to speak must notify the Executive Director by 12:00 noon the day before a Commission meeting. He said that the State of Delaware FOIA regulations contain no such restraints on public participation and he has asked the Board to review this Section and consider eliminating the 24-hour notification.

Chairman Parkowski stated that Mr. Flaherty's point is well taken. He referred the matter to the Audit & Governance Committee.

Vice-chairman Wallace thanked Mr. Flaherty for bringing this to the Board's attention and agreed with his position on this matter.

Commissioner Hensley stated that giving advanced notice of speakers prepares the commissioners in terms of getting background information prior to the meetings; however, in most instances she anticipated that most individuals would be permitted to address the Board.

Mr. Albert S. Jackson spoke last on matters such as the Authority's policy on automobiles and

the hiring of people at the ferry.

Commissioner Latham stated that he was concerned about the lack of progress with the issue of Local 542.

Commissioners Hensley, Pessagno, Wallace and Dorn all agreed with Commissioner Latham's concern about resolving the issue of Local 542.

Vice-chairman Wallace stated that Thanksgiving is a good time to reflect on matters that are really important in our lives and he wished everyone a happy holiday.

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

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

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY
Thomas A. Pankok, Secretary