

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, January 19, 2010
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720

The meeting convened at 10:15 a.m. with Chairperson Hogan presiding.

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The opening prayer was given by Reverend Lathem, followed by the Pledge of Allegiance.

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

The Authority 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.

PRESENT

| | |
|-----------------------------|----------------------------------|
| James N. Hogan, Chairperson | Scott A. Green, Vice-Chairperson |
| Susan A. DeLanzo | ---- |
| ---- | Samuel E. Lathem |
| Niels S. Favre | William E. Lowe |
| Ceil Smith | Terri C. Murphy |
| Douglas L. Van Sant | |

ABSENT

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| Edward W. Dorn | Richard W. Downes |
| | Gary F. Traynor |

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10102. APPROVAL OF THE DECEMBER 15, 2009 REGULAR MEETING MINUTES

A motion was made by Commissioner Lathem to approve the minutes of the December 15, 2009 meeting, seconded by Commissioner Favre, and unanimously approved by a voice vote of 9-0.

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10103. EXECUTIVE DIRECTOR'S REPORT

The Executive Director distributed his report and noted that, in the spirit of saving time, he will dispense of the reading of the 2009 year in review highlights but that they will be filed with the permanent records of the Authority.

During 2009, the organization accomplished much under the leadership of the Board and the efforts of our dedicated and professional employees. We began the year by electing a new Chair, Commissioner Jim Hogan and Vice Chair, Mike Parkowski of the Board for 2-year terms. With this change came new committee assignments for the Board members.

By the summer, we had welcomed four new Commissioners representing Delaware – Scott Green, Gary Traynor, Rick Downes and Terri Murphy and one new Commissioner representing New Jersey – Doug Van Sant. Commissioner Green was elected the Vice Chair, replacing Commissioner Parkowski. The Board thanked Commissioner's Patterson, Parkowski, Cooper, Hensley and Simmerman for their many years of dedicated service to the organization.

Throughout the year, the Commissioners devoted a significant amount of their personal time attending monthly Board and Committee meetings, visiting facilities, attending employee functions, and reading a tremendous amount of materials that are required for the conduct of the Authority's business.

In April, the board appointed Victor Ferzetti as the Authority's Chief Financial Officer and Frank Minor as the Deputy Executive Director. Congratulations to both Victor and Frank on their appointments.

Delaware Memorial Bridge

The economic downturn that continued to plague the globe had its impact at the Delaware Memorial Bridge (DMB). While our total traffic increased almost 1 % over last year on the strength of a 2.6% increase in non-commercial traffic, our commercial traffic was down 8.2%. Revenues for 2009 are estimated at \$77.6 million, approximately \$1.8 million less than in 2008. When compared to the three-year average, total traffic for 2009 decreased by 1.8%. E-Z Pass continues to be a popular choice for our customers increasing 0.7% from last year to 60% of the overall traffic.

The Authority increased its efforts to crackdown on habitual toll violators. In January under the auspices of a new amendment to the Delaware code, the Authority "booted" a habitual toll violator. Working cooperatively with the Delaware State Police and the Delaware Department of Transportation to identify and share information on habitual toll evaders, individuals were arrested and charged with various counts of toll evasion throughout the year.

The Authority took its first major step on the 1st Span Rehabilitation program with the award of the Program Management contract to AECOM USA, Inc. This contract will enable the necessary studies to be conducted that will determine what the extent of rehabilitation will be required on this 58-year old structure. The rehabilitation has been estimated to cost in excess of \$300 million and is slated to begin in the 2014/2015 timeframe.

Cape May Lewes Ferry

Vehicular traffic was down 8.1% and passenger traffic was down 8.6% compared to 2008 resulting in an estimated \$14.2 million of revenue. Because of a 2009 fare adjustment, overall revenue at the Ferry was flat compared to 2008. However, the lower passenger volume directly impacted sales of food, beverages and retail. Food and beverage revenues decreased 6.5% and retail revenues decreased 13.7% when compared to 2008.

In September, we celebrated the 13-Millionth vehicle travelling on the Cape May Lewes Ferry. as Dr. Carole Jones, a veterinarian from Ridgewood, New Jersey traveling with her two golden retrievers, Barnabas and Shirley headed for vacation in Dewey Beach, Delaware. We celebrated the 45th Anniversary of the first bicycle crossing on the Cape May – Lewes Ferry as Mr. Neil Jackson, now a resident of Forest, Virginia, made the ceremonial crossing with his family. It was July 14, 1964, when Jackson, then 15 years old living 125 miles away from the Ferry Terminal, was on a mission to make a surprise visit to see his grandmother in Lewes, Delaware. He rode his bicycle all day from Barrington in Camden County, New Jersey to the North Cape May terminal. At the time, Jackson paid 50 cents for the crossing, the same as a foot passenger.

The "Take a Break from the Ordinary" promotional campaign was initiated. This promotional effort not only focused on the benefits of using the Ferry for vacationers traveling along the East Coast, but also encouraged area residents and vacationers to use the service to get to great local events on the other side of the Delaware Bay.

We hosted the 3rd Annual Visual Intermodal Prevention and Response Program "VIPR" Operation in Cape May and Lewes. The Federal Air Marshalls, TSA, U.S. Coast Guard, and State and Local Agencies worked in conjunction with the DRBA to develop and implement these anti-terrorism exercises. We are pleased to again work with all these law enforcement agencies in what is one of the largest events in the nation.

The Authority awarded 4 construction contracts during 2009 valued at approximately \$7.8 million for maintenance dredging in Cape May, the drydocking of the MV Cape Henlopen, miscellaneous dock work and repairs, and the Freeman Highway and Bridge rehabilitation.

Airports

The Authority was awarded a grant from the American Recovery and Reinvestment Act (ARRA) through the Federal Aviation Administration in the amount of \$950,000 for the Delaware AirPark. This grant funds the design of a new runway, taxiway connections and associated infrastructure.

The Authority awarded 3 construction contracts, one each at Cape May, Millville, and New Castle airports totaling \$8.7 million.

Airport Emergency Plan tabletop exercises were conducted with local emergency responders at the Civil Air Terminal and New Castle airports. Additionally, the Delaware Air National Guard held an aircraft anti-hijack exercise to test their response procedures.

In April, the Authority approved an update to the Schedule of Fees and Charges at all of our airports. The new schedule was effective on January 1, 2010.

The Authority welcomed Truth Recycling, Inc to the Cape May Airport. Truth Recycling entered into a 5-year lease for 15,000 square feet of space.

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

Economic Development

The economic development team under the leadership of Frank Minor hosted a series of meetings throughout the second half of 2009 with Federal, State and local economic development coordinators. The purpose of these meetings was to discuss economic development opportunities on a regional basis.

Verizon Wireless purchased 11.7 acres at the Salem Business Centre for a new network switching facility.

Two multiyear contracts were awarded to regional property managers for the Riverfront Marketplace and the Salem Business Centre.

The Authority received the Coastal America 2008 Partnership Award for its involvement in the Delaware Bay Oyster Restoration Project. The Coastal America Partnership Award was the only environmental award of its kind given by the White House. The Authority provided the original cash match of approximately \$300,000 for this project.

The Greening of the DRBA

The Authority initiated an audit of its energy consumption at the DMB complex. Over \$3 million is spent for energy at this complex. The audit looked at energy conservation measures and the feasibility of utilizing renewable sources of energy such as solar, geo-thermal, wind and tidal to meet our energy needs. Solar and wind could supply all the complexes need for the future. We will be exploring vendor's interest in pursuing these renewable sources. Additionally, we have expanded our audit to look at consumption at the Ferry complex in Cape May and Lewes.

Supplier Diversity Policy and Program Statement

In April, the Board adopted an enhanced Supplier Diversity policy and Program statement which was designed to enhance opportunities for disadvantaged, minority and women owned businesses. The policy and recommendations were the work of a task force comprised of local business leaders, commissioners and staff over a 3-month period.

Authority-wide Safety Initiatives

Safety performance for 2009 represented the second best year for the Authority behind 2007! There were 71 work-related injuries and 16 lost workday cases (LWC) in 2009 compared to 76 injuries and 24 LWC in 2008, a 7% and 33% reduction respectively. All departments are commended for their outstanding safety performance. I want to particularly thank Bob Young,

our Superintendent of Safety and Environment for his leadership, dedication and professionalism with this effort.

Authority Recognized for Excellence in Financial Reporting

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 2008 comprehensive annual financial report (CAFR) for the fourth consecutive year. 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.

OPEB Trust

The Board established an irrevocable OPEB trust pursuant to Section 115 of the Internal Revenue Code for the purpose of funding and pre-funding OPEBs provided under its retirement benefit plans in accordance with the Governmental Accounting Standards Board (GASB) Statement 43 and GASB Statement 45. These two statements established standards for accounting and financial reporting for state and local governmental employers and require the Authority to account for its unfunded actuarial accrued liability.

Labor Agreements

In December, the Board approved a new Collective Bargaining Agreement with the Marine Engineers Beneficial Association (MEBA) which will run through June 30, 2012.

Community Initiatives

The Community Initiatives Committee was hard at work throughout the year as it sponsored a Food Drive, delivered 100 bookbags filled with school supplies, provided food baskets containing turkey and food stuffs for families during Thanksgiving and during the Holidays, provided food baskets, new clothes and other gifts for less fortunate families in our communities.

The Board, through the auspices of the Community Contribution Program, furnished over \$358,000 to non-profit organizations throughout Delaware and the four southern New Jersey counties.

Employee Recognition

Employees, retirees, guests and Commissioners gathered in the fall to recognize and celebrate employee contributions and service to the Authority. Over 60 employees were recognized for service awards from five year to thirty-five year milestones and special recognition awards were presented to employees that consistently and significantly exceeded expectations in volunteerism, customer service, operational excellence, teamwork and leadership. Congratulations to all who received awards.

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. This year was a challenging time for the Authority as the country and global economic downturn impacted our customers - this has meant less revenue. Some of our clients at our airports declared bankruptcy and others laid workers off – again, this has meant less revenue. But, we tightened our belts and did more with less yet again to weather these times. Thank you for all your hard work, creativity and great customer service during these tough times! Together, we will continue to build upon our successes. I am optimistic about the New Year and look forward to working with you as we seek the opportunities that 2010 will bring.

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

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10104. COMMITTEE REPORT – BUDGET & FINANCE COMMITTEE

Commissioner Van Sant deferred the presentation of the Budget & Finance meeting minutes of January 11, 2010 to Commissioner Favre. Commissioner Favre then presented the following.

BUDGET & FINANCE COMMITTEE MEETING

Monday, January 11, 2010

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was held on Monday, January 11, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner Favre, Committee Member
Commissioner Dorn
Commissioner Smith
Chairperson Hogan

Commissioners from Delaware

Commissioner Downes, Committee Member
Commissioner Murphy, Committee Member
Commissioner Lathem
Vice-Chairperson Green

Legal Counsel

Phil Norcross – NJ

Staff

Jim Johnson
Frank Minor
Victor Ferzetti
Jim Walls
Anna Marie Gonnella Rosato
Joe Larotonda
Kelly Phillips Parker
Michael Schirmer
John Jones
Jim Salmon
John Sarro
Michelle Griscom-Collins
Joe Bryant

1. In the absence of the Committee Chair and Vice-Chair, Commissioner Favre opened the Budget & Finance Committee meeting at approximately 9:07 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.

2. Over \$25,000 Vendor List – The Chief Financial Officer presented the list of vendors capturing the majority of routine vendors in which anticipated spending would exceed the \$25,000 threshold. The majority of those on the list are procured by means of Sole Source, State Contract, Proprietary Utilities or Quotes. It is anticipated that RFPs will be conducted for some on the list; however, have been included in the interim. No new vendors have been added to the list since last year; however, vendors which do not involve DRBA funds (those related to employee withholdings) have been removed from the list. Commissioner Downes noted that Wilmington Trust was not included and the CFO noted the oversight and the correction will be made. Commissioner Favre questioned why alcoholic beverages are Sole Sourced and the CFO reported that various distributors have the rights to certain brands. Commissioner Lathem questioned whether there would be room for minority contracts. The CFO reported that a presentation regarding Supplier Diversity was on the Agenda which may address those types of questions. After discussion, a motion to recommend the Over \$25,000 Vendor List was made by Commissioner Downes, seconded by Commissioner Murphy, and the Committee recommended approval of the Vendor List. A Resolution will be presented to the full Board for consideration at the January meeting.

3. Revised 2010 Budget Proposal - The CFO reported that, since the December meeting there have been additional discussions with the New Jersey Governor's office and their resistance to a 5% budget increase. To help reduce the budget increase, the following Recommendations have been incorporated into the Revised Budget Proposal. The CFO presented the FY 2010 Major Increases/Decreases, Expenditures by Division 2006-2010, Expenditures by Category 2006-2010, and the Financial Model Summary.

The CFO reported the only changes made since the Budget presentation in December are as follows.

The budget line for Community Impact Funds (\$537,000) was eliminated from the proposed budget. In addition, the CFO reported that a miscommunication related to Community Donation funding, resulting in a 20% reduction per year vs. 1/5 reduction per year, will now be a 50% phase-out in 2010 with the balance to be eliminated in 2011, which will meet the original phase-out timeline. A new policy funding will be discussed by the Board in the future.

Also eliminated, was the newly created budget lines for Economic Development Facilities Expenses (\$1.25 million). In the past, these expenses had been cash funded from the General Fund and will now continue to do so. It was intended to bring these expenses into the Operating Budget in order to follow a more formal review of these expenses. A review has now occurred, improving that process, and will continue in the future; however, the expenses will continue to be cash funded out of the General Fund. Commissioner Downes questioned if we are paying cash, why separate funds and is this a reserve fund. The CFO reported that the General Fund is used for any lawful purpose of the Authority while the Operating Budget is for routine annual operating expenses. In accordance with the Trust Agreement, excess Operating Revenues are deposited into the General Fund each month. The Executive Director reminded the Committee that the Capital Construction costs are currently being cash funded from the General Fund and the Authority previously funded an ERO from the General Fund. Commissioner Favre clarified that the CFO was attempting to have those facility expenses more open and accountable. Commissioner Downes also requested a review of the monthly chart showing the Authority's Cash Position and Funds at the February Committee meeting.

The CFO reported that, after incorporating the proposed changes, the FY 2010 Operating Budget reflects \$1.8 million reduction. The total FY 2010 Budget of \$78,471,341, a 3.04% increase over the FY 2009 Adopted Budget vs. the 5% increase as presented in December. The CFO reported that the Financial Model reflects a 1.43x Senior Debt Service Coverage. Commissioner Favre stressed the potential difficulty of trying to split the remaining \$179,000 of Community Donations between two states and suggested they be eliminated now and to use the dollars as seed money for the as-yet-to-be created fund. Commissioner Favre reported that direction from the Authority Chair and Vice-Chair regarding this fund was needed before making a recommendation to approve the Budget.

4. Budget vs. Projected Expenses FY 2009 – The CFO reported that the Authority's Projected Expenses for FY 2009 are \$7.7 million less than what was budgeted. Vacancies, healthcare benefit costs and vessel fuel funding was subsequently reduced or removed from the 2010 Operating Budget. These Projected Expenses will be further refined as the Authority completes the financial reporting for FY 2009.

5. Supplier Diversity Update – Michael Schirmer, the Supplier Diversity Manager, provided an update on the status of the adopted Task Force Recommendations and the results of the 2009 Program Goals. The following was presented and reviewed.

- Resolution 09-25 – Adopts Official Delaware River and Bay Authority Supplier Diversity Policy and Supplier Diversity Program Statement
- Supplier Diversity Program Update – Reviewing each Program Element and Progress to Date
- DBE Utilization: FAA Assisted Contracts 2009
- DBE/MBE/WBE Utilization: Authority-funded Contracts 2009

Commissioner Downes questioned if we can measure to determine if there has been an increase the number of suppliers? The Supplier Diversity Manager reported that he will be looking at Spend Data on the items below the \$50,000 threshold and will be analyzing this data this quarter. The CFO reported that Supplier Diversity Training Program is designed to reach out to various levels within the organization with purchasing duties to instill the importance of providing opportunities for improving Supplier Diversity. The SD Manager reported that over 2,000 notifications have been sent out via email, fax, USPS, and hand delivery in order to raise awareness of procurement opportunities. Commissioner Downes questioned when the program will be in place and up and running as it seems to be taking a long time. The CFO reported 9 months ago, the Board authorized the \$300,000 purchase of procurement software with an 18-month timeframe to seeing results. This update presentation marks the half-way point. The Committee reported that they are hearing complaints from the community. The CFO reported that if the vendor did not give the low bid and just wants a contract given to them, it won't happen. Those vendors in the community may continue to complain. The Deputy Executive Director questioned whether the Authority conducts workshops as is done by the DRPA or if there was a federal registry. Commissioner Dorn added that the Authority needs to conduct minority workshops. The CFO reported that the DRPA has many positions devoted to procurement and it was discussed and agreed by the Board it was not cost efficient for the Authority to fulfill that role. The Authority directs DBEs, MBEs, and WBEs to other programs in Delaware and New Jersey such as the Business Opportunity and Workforce Development Program, Small Business Development Center, YWCA Center for Women's Entrepreneurship, and Minority Supplier Development Council of PA-NJ-DE, for technical assistance and business development programs. As for registries, there are certification databases for Delaware and New Jersey that are used. The Deputy ED suggested that the DRPA may be available to conduct workshops for the DRBA. The SD Manager reported that the next step would be to input information into the system and make contacts from the current vendor list. The CFO added that the software will replace what is currently being done by hand.

After discussions, the Committee recommended getting with the Public Information Officer for PR at the completion of the implementation of the software and for staff, in the meantime, to contact the Task Force members to notify them of the progress.

Due to the temporary absence of the Authority Chair and Vice-Chair, the Budget & Finance Committee meeting was suspended at 10:05, pending return. The Committee reconvened at 10:45 with the Authority Chair and Vice-Chair in attendance

6. Adoption of the FY 2010 Operating Budget – Commissioner Favre reopened the discussion of the Community Impact Funds and the long-term status of donations. Authority Chair Hogan reported that in discussions with the New Jersey Governor's office, the program suggested by the Authority Vice-Chair, Payment In Lieu of Taxes (PILOT) would likely be approved. Authority Chair Green suggested a more organized, institutional community giving program, reconstituted with accountability and guidelines. The previous program was viewed as a Commissioner perk.

Commissioner Favre requested an Executive Session to discuss confidential matters. Commissioner Downes made a motion, Commissioner Murphy seconded and 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, a motion was made by Commissioner Favre, and the Budget & Finance Committee was opened to the public.

Commissioner Downes made a motion to recommend approval of the FY 2010 Operating Budget; Commissioner Favre seconded the motion, and the Committee recommended approval of the FY 2010 Operating Budget. A Resolution will be presented to the full Board for consideration at the January meeting.

The CFO reported to the Committee that, due to the exigent emergent circumstances with respect to Boeing Company locating at the Millville Airport, the Economic Development Committee requested that the Budget & Finance Committee waive the Procurement Bid

Requirement Thresholds for the \$270,000 purchase and installation of IT Security Equipment and the approximate \$42,000 cost of the installation of 7 tie-downs. Staff will also make a concerted effort to get quotes and encourage Supplier Diversity opportunity as part of the process. Commissioner Murphy made a motion and Commissioner Downes seconded and the Budget & Finance Committee authorized the waiver.

With no further business to discuss, a motion to adjourn was made by Commissioner Murphy, seconded by Commissioner Downes, and the Budget & Finance Committee adjourned at 11:12 a.m.

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

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10105. COMMITTEE REPORT – PERSONNEL COMMITTEE

In the absence of Commissioner Dorn, Commissioner Lathem presented the following Personnel Committee meeting minutes of January 11, 2010.

PERSONNEL COMMITTEE MEETING
Monday, January 11, 2010
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Personnel Committee was held on Monday, January 11, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey
PRESENT

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

Commissioners from Delaware

Committee Vice-Chair Lathem
Commissioner Murphy, Committee Member
Commissioner Downes

Legal Counsel
Phil Norcross - DE

Staff
Jim Johnson, Jr.
Frank Minor
Victor Ferzetti
Jim Walls

Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 11:32 a.m. The Personnel Committee had been duly noticed in accordance with the Authority’s Freedom of Information Regulations.

1. Committee Chair Dorn requested an Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Murphy, seconded by Commissioner Smith, and the Session was closed.

The following matters of a confidential nature were discussed.

- CONTRACT NEGOTIATIONS
- PERSONNEL MATTERS

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Commissioner Favre, seconded by Commissioner Smith, and the Personnel Committee was opened to the public.

With no further business to discuss, Commissioner Favre made a motion to adjourn, Commissioner Smith seconded, and the Personnel Committee adjourned at 12:40 p.m.

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

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10106. COMMITTEE REPORT – PROJECTS

Commissioner Favre presented the following Projects Committee meeting minutes of January 11, 2010.

PROJECTS COMMITTEE
January 11, 2010
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority’s Projects Committee was held on Monday, January 11, 2010, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Murphy, Committee Mbr
Commissioner Lathem, Committee Mbr
Commissioner Downes

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

Staff

Jim Johnson
Frank Minor
Jim Walls
Victor Ferzetti
John Jones
Anna Marie Gonnella-Rosato
Kelly Phillips-Parker
John Sarro

Counsel

Philip Norcross, Esq., NJ Counsel

1. The Projects Committee meeting convened at approximately 11:30 a.m. Those in attendance were provided an informational package consisting of three (3) bid tabs, a monthly contractor payment chart (through December), and a draft 5-Year Capital Improvement Program (CIP) (Crossings) (2010-2014) budget package.

2. Bid/Opening/Award Actions:

- CMA-07-03, Rehabilitation Building 96, Cape May Airport: This project involves the rehabilitation (electrical, plumbing, siding, floors, etc) of an existing revenue-producing building located at Cape May Airport. A public bid opening was held October 28, 2009 in which four (4) bids were received. The COO described the work included in the project and recommended award to the lowest responsive bidder, MD Remodeling, LLC in the amount of \$384,251.60 which includes the award of Add Alternate No. 1 and Add Alternate No. 2. The Projects Committee concurred with the recommendation and authorized the action to be presented at the January board meeting.

- CMLF-09-04, 2010 Maintenance Dredging, Cape May Terminal: This project involves the execution of maintenance dredging at the Cape May turning basin in support of DRBA ferry operations. A public bid opening was held December 29, 2009 in which three (3) bids were received. The COO described the work included in the project and recommended award to the lowest responsive bidder, Barnegat Bay Dredging Co, Inc in the amount of \$446,200.00. The COO stated that the contract is based on an estimate of 60,000 c.y., however

the actual amount to be dredged is anticipated to be less and the final payment will be based on the actual amount dredged. The Projects Committee concurred with the recommendation and authorized the action to be presented at the January board meeting.

- DMB-09-02, DMB Deck Resurfacing and Overpasses, (2010-2011): This project involves deck resurfacing on the Delaware Memorial Bridge and I-295 overpasses. A public bid opening was held December 17, 2009 in which two (2) bids were received. The COO recommended award to the lowest responsive bidder, Mumford and Miller in the amount of \$1,525,800.00. The Projects Committee concurred with the recommendation and authorized the action to be presented at the January board meeting.

3. Contract Close-Out Actions: None

4. Contract Payment Review (through December): The COO informed the Committee of the monthly construction contractor payments to be made in January.

5. Miscellaneous Items/Updates

- 5-Year (2010-2014) Crossings Capital Improvement Program (CIP) Budget: The Chief Engineer gave a primer presentation on the draft Crossing CIP budget for the Delaware Memorial Bridge, Cape May Lewes Ferry System, and Three Forts Operation. The packet consisted of the planned costs for annual recurring projects as well as non-recurring projects. The Chief Engineer also reviewed the committed (awarded) versus un-committed work in the CIP. The Capital Improvement Program (CIP) includes projects planned over the next five years to properly maintain and enhance the Authority's crossing facilities. The Chief Engineer stated that a draft of the Airports CIP budget would be ready for presentation in the February/March timeframe.

- The COO and Chief Engineer gave an update on the Marine Master Plan, primarily, the two initial task orders that are under way. It was reported that the first task order (peer review of marine master plan) will cost approximately \$26,000 and should be complete in time to share with the Committee in April. The 2nd task order is associated with design of the replacement passenger loader tubes in Cape May and Lewes which are scheduled for replacement in the 2011 timeframe.

6. The Projects Committee meeting was interrupted for an executive session and once this executive session was adjourned, the Projects Committee meeting resumed. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 1:00 p.m.

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

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10107. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

In the absence of Commissioner Downes, Commissioner Smith presented the following Economic Development Committee meeting minutes of January 11, 2010.

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Monday, January 11, 2010

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 11, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey
PRESENT

Commissioners from Delaware

Committee Vice-Chair Smith

Committee Chair Downes

Commissioner Dorn, Committee Member
Commissioner Favre
Chairperson Hogan

Commissioner Lathem
Commissioner Murphy
Vice-Chairperson Green

Legal Counsel
Phil Norcross - NJ

Staff
Jim Johnson
Frank Minor
Victor Ferzetti
Jim Walls
Anna Marie Gonnella Rosato
Michelle Griscom-Collins
AJ Crescenzi
John Sarro
Jim Salmon
Kelly Phillips Parker
Michael Schirmer
John Jones
Joe Bryant

Committee Chair Downes welcomed the Economic Development Committee and opened the meeting at approximately 10:05 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.

1. Action Items:

Millville Airport:

Lease Agreement with Boeing at the Millville Airport – The Deputy Executive Director reported that, as was proposed and discussed in December, it was not necessary to convene an Emergency Meeting regarding a Waiver of the Procurement Thresholds, as all information necessary had not been provided. Since then, staff, Legal Counsel, and Boeing have been working diligently to finalize the business issues and Lease Agreement. Legal Counsel reported that a nearly final draft of the Lease Agreement will go out tonight and finalized over the next week. The Deputy Executive Director reviewed the Summary of Relevant Business Issues and addressed a list of questions received from the Executive Director. The Executive Director stressed that the questions were meant to address issues which arose from a previous Lease Agreement with another tenant.

Commissioner Lathem requested an Executive Session to discuss confidential matters. Commissioner Smith made a motion and Commissioner Dorn seconded. The following matters of a confidential nature were discussed.

- CONTRACT/LEASE NEGOTIATIONS

With no further business to discuss in Executive Session, a motion was made by Commissioner Smith, and the Economic Development Committee was opened to the Public.

The Deputy Executive Director continued to review the Boeing Business Issues. The Committee asked several questions regarding security, operational issues, and signage, and staff provided the information. It was reported that due to Boeing's emergent military need, the purchase of the IT Security Equipment improvements totaling \$270,000 from Boeing's preferred vendor and the installation of 7 tie-down locations totaling \$42,000, would require the Budget & Finance Committee to Waive the Procurement Bid Requirement Thresholds. The cost of the tie-downs will be a 50/50 cost share with the tenant. The IT equipment, purchased from Boeing's

preferred vendor, will be amortized over the initial year and reimbursed to the Authority as Additional Rent. Authority Vice-Chair Green requested that the Authority also consider and address the needs and goals of the Supplier Diversity Program in obtaining quotes, as discussed in the Budget & Finance Committee. The Chief Engineer reported that the Authority would reach out to DBEs, MBEs, and WBEs obtaining quotes for the tie-downs.

Michelle Griscom-Collins reported that staff has been working with the Public Information Officer on potential PR; however, Authority Vice-Chair Green suggested checking for potential limitations. The Deputy Executive Director added that staff will schedule a ceremony at the appropriate time. He further added that all involved have an opportunity to build a relationship with Boeing, while protecting the integrity of the Authority.

The Deputy Executive Director presented the draft Resolution Authorizing the Lease Agreement Between the Delaware River and Bay Authority and Boeing Company to Lease Hangar 1 & 2, totaling approximately 78,000 square feet of hangar, shop and office space in the amount of \$549,500 for an initial period of four (4) years with renewal options of two periods of two years. The rent shall be adjusted 2% annually. After discussion, Commissioner Dorn made a motion, Commissioner Smith seconded, and the Economic Development Committee recommended approval of the Lease Agreement. The Resolution will be presented to the full Board for consideration at the January meeting.

2. Status Reports:

Salem Business Centre:

Sale of Property at Salem Business Centre to Verizon – The Deputy Executive Director presented a Memo reporting the December 22, 2009, Settlement of the sale of 11.77 acres purchased by Verizon to begin construction of a 40,000 switching center. The purchase totaled \$1,170,000 and will create 8-10 higher income full-time jobs, and tax ratables for Carneys Point and Salem County.

Delaware Airpark:

The Deputy Executive Director reported that the Authority received \$46,000 from Delaware State University for past arrearages and is now up to date.

With no further business to discuss, a motion to adjourn was made by Committee Chair Downes, seconded by Commissioner Smith, and the Economic Development Committee adjourned at 10:44 a.m.

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

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10108. COMMITTEE REPORT – AD HOC CMLF

Commissioner Favre presented the following AD HOC CMLF meeting minutes of January 11, 2010.

AD HOC CAPE MAY-LEWES FERRY COMMITTEE MEETING
Monday, January 11, 2010
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Ad Hoc Cape May-Lewes Ferry (CMLF) Committee was held on Monday, January 11, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Favre

Commissioner Murphy, Committee Member

Commissioner Smith
Commissioner Dorn
Authority Chair Hogan

Commissioner Downes
Commissioner Lathem

Staff

Jim Johnson, Jr.
Jim Walls
Victor Ferzetti

1. Committee Chair Favre welcomed the members of the Ad Hoc CMLF Committee and opened the meeting at 1:00 p.m. The Ad Hoc CMLF Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations.

2. Committee Chair Favre reported that he will be contacting the Ad Hoc CMLF Committee members for the results of their Committee assignments and recommendations of the bottom-up review of the CMLF. The recommendations are to be presented to the Board in February.

With no further business to discuss, a motion was made by Commissioner Favre, seconded by Commissioner Murphy, and the Ad Hoc CMLF Committee adjourned at 1:02 p.m. Commissioner

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

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10109. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented charts showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Three Forts Ferry Crossing, and Food Services for the month of November, 2009.

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

10110. 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 November, 2009 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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10111. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO 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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10112. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of December, 2009 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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10113. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF DECEMBER 31, 2009.

The CFO presented charts 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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10114. PUBLIC COMMENT ON ACTION ITEMS.

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

- Contract #CMA-07-03 Rehabilitation Building 96, Cape May Airport
- Contract #-CMLF-09-04 2010 Maintenance Dredging, Cape May Ferry
- Contract #DMB-09-02 DMB Deck Resurfacing and Overpasses, 2010-2011
- Resolution 10-01 Authorizing Authority Expenditures in Excess of \$25,000
- Resolution 10-02 (formerly 09-68) Adopting the DRBA 2010 Operating Budget
- Resolution 10-03 Authorizing a Lease Agreement with The Boeing Company
- Resolution 10-04 Recognizing & Saluting Colonel John R. McCarnan for his Dedicated Service

There were no public comments.

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10115. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

| <u>Contract No.</u> | <u>Contractor</u> | <u>Current Amount</u> |
|---------------------|--------------------------------------|-----------------------|
| DMB-04-01 | Mumford and Miller | 1,371,145.81 |
| CMLF-06-03R | PKF-Mark III, Inc. | 312,858.54 |
| NCA-06-02 | Diamond Materials | 93,335.15 |
| MVA-06-01 | Giberson Plumbing & Excavating, Inc. | 149,139.75 |
| CMA-05-01 | South State, Inc. | 10,215.00 |

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10116. APPROVAL OF CONTRACT - REEHABILITATION BUILDING 96, CAPE MAY AIRPORT – CONTRACT #CMA-07-03

The Chief Operating Officer (COO) noted that the project is a rehabilitation of an existing revenue-producing building located at the Cape May Airport. A public bid opening was held on October 28, 2009 in which four (4) bids were received. The COO and the Projects Committee recommend awarding the bid to the lowest responsive bidder, MD Remodeling, LLC, of Cecil, NJ, for a total bid amount of \$384,251.60 which includes two (2) Add Alternates (base bid of \$264,804.00, Add Alt #1, \$32,539.00, and Add Alt #2, \$86,908.00).

A motion to award Contract #CMA-07-03 in the amount of \$384,251.60 to the above aforementioned bidder was made by Commissioner Favre, seconded by Commissioner Van Sant, and approved by a voice vote of 9-0.

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10117. APPROVAL OF CONTRACT – 2010 MAINTENANCE DREDGING, CAPE MAY – CONTRACT #CMLF-09-04

The COO stated that the project involves maintenance dredging at the Cape May turning basin in support of the Ferry operations. A public bid opening was held December 29, 2009 in which three (3) bid were received. The COO and the Projects Committee recommend awarding the bid to the lowest responsive bidder, Barnegat Bay Dredging Co, Inc., of Harvey Cedars, NJ, in the amount of \$446,200.00. The contract is based on an estimate of 60,000 c.y. The actual amount to be dredged is anticipated to be less and the final payment will be based on the actual amount dredged.

A motion to award Contract #CMLF-09-04 in the amount of \$446,200.00 to the above aforementioned bidder was made by Commissioner Murphy, seconded by Commissioner Lathem, and approved by a voice vote of 9-0.

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10118. APPROVAL OF CONTRACT – DMB DECK RESURFACING AND OVERPASSES, 2010-2011 – CONTRACT #DMB-09-02

The COO stated that this is a deck resurfacing project on the Delaware Memorial Bridge and I-295 overpasses. A public bid opening was held December 17, 2009 in which two (2) bids were received. The COO and the Projects Committee recommend awarding the bid to the lowest responsive bidder, Mumford and Miller of Middletown, DE, in the amount of \$1,525,800.00.

A motion to award Contract #DMB-09-02 in the amount of \$1,525,800.00 to the above aforementioned bidder was made by Commissioner Favre, seconded by Commissioner Lathem, and approved by a voice vote of 9-0.

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10119. CHAIRPERSON'S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD

RESOLUTION 10-01 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2010 THROUGH DECEMBER 31, 2010.

VETOED BY THE GOVERNOR OF NEW JERSEY

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RESOLUTION 10-02 (formerly 09-68) - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY'S 2010 OPERATING BUDGET

VETOED BY THE GOVERNOR OF NEW JERSEY

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RESOLUTION 10-03 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE BOEING COMPANY

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

WHEREAS, The Boeing Company ("Boeing") desires to lease Hangars located at 1 & 2 Thunderbolt Drive (the "Premises") located within the Airport, said Premises totaling approximately 78,500 sq. ft. of hangar, shop and office space; and

WHEREAS, the Authority and Boeing propose to enter into a lease agreement ("Lease Agreement") for the Premises; and

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

WHEREAS, Boeing has agreed to pay the Authority Five Hundred Forty-Nine Thousand Five Hundred Fifty Dollars (\$549,500) annual base rent during the first year of the term of the Lease Agreement; and

WHEREAS, during each subsequent year of the initial and the renewal term of the Lease Agreement, base rent shall be adjusted/increased annually by two percent (2%); and

WHEREAS, Boeing shall have the right to terminate the Lease Agreement at the end of each twelve (12) month period of the term thereof if the U.S. Department of the Army shall not renew its contract with Boeing; and

WHEREAS, Boeing shall have the option of renewing the Lease Agreement for two (2) consecutive periods of two (2) years each, under the terms and conditions more specifically set forth therein; and

WHEREAS, the Authority has agreed to perform certain landlord work on behalf of Boeing, which will include the installation of an enhanced security system and IT upgrades. The cost of this work, estimated to be approximately \$270,000.00, will be paid by the Authority and reimbursed by Boeing to the Authority in equal monthly installments paid over the initial year of the Lease. In addition, the Authority has agreed to construct seven (7) additional tie-downs on concrete pads located at the Premises. The cost of this additional work is estimated to be approximately \$42,000.00, one-half (1/2) of which will be paid by the Authority and one-half (1/2) of which will be reimbursed by Boeing to the Authority in equal monthly installments paid over the initial year of the Lease. It is contemplated that Boeing may need an additional thirteen (13) tie-downs during the term of the Lease in which event the parties have agreed that one-half (1/2) of the cost of same will be paid by the Authority and one-half (1/2) of the cost of same will be paid by Boeing. The parties shall mutually agree on the cost and timing of the installation for same; and

WHEREAS, the parties have reached agreement on all terms of the Lease Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with The Boeing Company 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 10-03 was made by Commissioner Van Sant, seconded by Commissioner Lowe, and approved by a roll call vote of 9-0.

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Executive Director Johnson noted the presence of Colonial John McCarnan and Mrs. McCarnan and then read the following Resolution saluting Colonial McCarnan.

RESOLUTION 10-04 - RECOGNIZES AND SALUTES COLONEL JOHN R. McCARNAN FOR HIS DEDICATED SERVICE TO THE DELAWARE RIVER AND BAY AUTHORITY.

WHEREAS, The Delaware River and Bay Authority (the "Authority") was created as a body politic and an agency of government of the State of Delaware and the State of New Jersey in 1962 for the public purpose of providing regional transportation and conducting certain authorized activities between the two States; and

WHEREAS, Colonel John R. McCarnan began his law enforcement career as a patrol officer with the Wilmington Bureau of Police and after two years of service with that Department, moved to the New Castle County Police Department where he served for twenty years, retiring as the Chief of Police; and

WHEREAS, upon retirement from New Castle County, Colonel McCarnan served as a Deputy Attorney General and then as the Executive Director of the Division of Alcoholic Beverage Control; and

WHEREAS, Colonel John R. McCarnan began his employment with the Authority on July 1, 1993 as the Police Administrator and served with professionalism, integrity, enthusiasm and dedication for his sixteen years of service during a period of rapid growth, expansion and change; and

WHEREAS, under his leadership he led the Department through its first law enforcement accreditation process and since that time the Department has been re-accredited four times, receiving perfect scores the last three times; and

WHEREAS, Colonel McCarnan was a strong proponent for the many technological advancements such as the 800MHz radio system, in car cameras and laptops, that have enhanced the capabilities of our officers to protect the Authorities assets and the traveling public; and

WHEREAS, the Colonel's knowledge, experience, and influence is woven into the very fabric of this agency, and whose impact has been felt, whose leadership is unparalleled and whose legacy will be forever etched in our hearts and minds.

NOW THEREFORE BE IT RESOLVED, that The Delaware River and Bay Authority does hereby praise and congratulate Colonel John R. McCarnan for the invaluable services rendered by him to the States of Delaware and New Jersey through his outstanding contributions as an employee of the Delaware River and Bay Authority and does hereby record the Commissioners sincere appreciation by the presentation of this Resolution, adopted today, January 19, 2010.

A motion to approve Resolution 10-04 was made by Commissioner Van Sant, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

Colonial McCarnan thanked the Commissioners and wished everyone well.

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10120. COMMISSIONERS PUBLIC FORUM

Chairperson Hogan asked if any of the Commissioners would like to speak.

Commissioner Van Sant stated that there is a lot of enthusiasm and buzz in Millville about the developments occurring at the Millville Airport. It is encouraging to the townspeople. The DRBA is gaining respect for moving projects along.

Commissioner Lathem thanked Colonial McCarnan for his leadership in both the community and at the Authority.

Chairperson Hogan thanked Deputy Executive Director Minor and his staff and the Executive Director for the team effort they demonstrated on the Boeing project at the Millville Airport. His communication with Vice-Chairperson Green, staff, Boeing, and the military led to a major bureaucratic breakthrough.

Chairperson Hogan thanked Colonial McCarnan for his service to the Authority. He said that the Colonial has a strong reputation for integrity and that he appreciated knowing him and the work that he has done in the accreditation efforts of the Authority.

The Chairperson then called on the public for comments.

Frank Bankard, Local 542, spoke. He said that it is over a year that Local 542 and the Authority have been in negotiations over budget and parity issues. Mr. Bankard stated that there were several errors between the Authority's budget numbers and the union's regarding toll collector rates.

Vincent Assione, Local 542, spoke. He said that Local 542 and the Authority have been negotiating a contract for 15 months and have reached a stumbling block. He is requesting the aide from a Commissioner from New Jersey and one from Delaware to help move the negotiations along.

Steven Carrol, DRBA Maintenance Specialist III and Local 542 Shop Steward, spoke. He noted his positions within the Authority for the last 17 years of his employment. He said that Authority personnel are like a family and that he is here requesting assistance from the Commissioners in settling outstanding contract issues.

Next, William T. Juliano, Chairman and CEO, DELCO Development, LLC, spoke. He stated that he wanted to brief the Commissioners on his Pennsville Project off of the Delaware Memorial Bridge access road and Route 49 adjacent to the bridge in Pennsville, NJ. He gave a brief history of DELCO Development and noted its development successes. He then introduced members of his team, Thomas Juliano, President, John Moser, Senior Vice President, and Bill Masten, PE. They spoke of providing a state-of-the-art Travel Center with a feature films theater, fine regional foods, retail components, and a play area for children. He is asking the Authority for assistance in developing the Travel Center for travelers travelling through the States of New Jersey and Delaware.

The Honorable Richard D. Barnhart, Mayor of the Township of Pennsville spoke. He stated that the Township of Pennsville supports this development project. It will create 600 jobs for the Township. He also said that the development presently on the site comes from private funding.

James Waddington, Director, Economic Development, Salem County, spoke. He noted the importance of tourism in the State of New Jersey and, in particular, the impact of this project in Salem County.

Chairperson Hogan thanked the Mayor, the DELCO Development team, and Mr. Waddington for their comments. He suggested Mr. Juliano meet with the Deputy Executive Director and staff to determine whether the project fits within the Authority Compact.

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

The meeting was adjourned 11:25 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary