

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

The meeting convened at 10:30 a.m. with Chairperson Hogan presiding.

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The opening prayer was given by Reverend Dorn, 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.

James N. Hogan, Chairperson	William E. Lowe
Susan A. DeLanzo (via phone)	----
Edward W. Dorn	Scott A. Green (via telephone)
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----	Terri C. Murphy
Douglas Van Sant	Gary F. Traynor

ABSENT

Niels S. Favre	Richard W. Downes
Ceil Smith	Samuel E. Lathem

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Chairperson Hogan called for a change in the order of business to move the action items first. The change in agenda was approved without objection.

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10246. PUBLIC COMMENT ON ACTION ITEMS.

Chairperson Hogan then presented the following action items that were being considered.

Close-out Contract #NCA – 09-02 Bldg 142 Hangar RTU HVAC System & Control Upgrades,  
New Castle Airport  
Resolution 10-47 Authorizing Authority Expenditures \$25,000 and Over  
Resolution 10-48 Establishes an Investment Committee, Investment Mgr. and Investment  
Guidelines Related to the Other Post Employment Benefits Trust  
Resolution 10-49 Adoption of a Revised Personnel Manual and to Change the Approval Process  
for Future Personnel Manual Revisions  
Resolution 10-50 Lease Agreement with AK Travel, LLC  
Resolution 10-51 Lease Agreement with Grindstone Aviation, LLC  
Resolution 10-52 Lease Agreement with Atlantic Aviation

Chairperson Hogan stated that Resolution 10-47 was being modified to remove Berteaux North America for the purchase of Vessel Seats from the Resolution. He then called for a motion to modify Resolution 10-47.

A motion to modify Resolution 10-47 was made by Commissioner Van Sant, seconded by Commissioner Green, and approved by a voice vote of 8-0.

Chairperson Hogan requested Resolution 10-49 be tabled due to technical and legal issues.

A motion to table Resolution 10-49 was made by Commissioner Dorn, seconded by Commissioner Van Sant, and approved by a voice vote of 8-0.

Chairperson Hogan asked for public comment of the action items before the Board.

There were no public comments.

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10247. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

Contract No.	Contractor	Current Amount
DMB-09-02	Mumford and Miller	77,840.10
DMB-05-01R	Cornell & Company	247,906.80
DMB-04-01	Mumford and Miller	190,995.53
CMLF-06-03R	PKF-Mark III, Inc.	40,142.45
CMLF-08-02	Mumford and Miller	367,640.66
NCA-09-02	Puente Construction	1,000.00
NCA-06-02	Diamond Materials	(18,524.53)
NCA-08-01	Diamond Materials, LLC	330,659.43
CMA-07-03	MD Remodeling	15,138.25

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10248. CONTRACT CLOSE-OUT #NCA-09-02 – BUILDING 142 HANGAR RTU HVAC SYSTEM AND CONTROL UPGRADES, NEW CASTLE AIRPORT

On March 30, 2010 Contract No. NCA-09-02, Building 142 Hangar RTU HVAC System and Control Upgrades, was awarded to Puente Construction of Woodbury, New Jersey for the bid price of \$110,969.00.

During the contract period no Change Order's were approved for the project.

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$110,969.00.

A motion to close-out Contract #NCA-09-02 was made by Commissioner Murphy, seconded by Commissioner Green, and approved by a voice vote of 8-0.

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10249. CHAIRPERSON'S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD

**RESOLUTION 10-47 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2010 THROUGH DECEMBER 31, 2010**

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 1/1/10 THROUGH 12/31/10

VENDOR	SERVICE DESCRIPTION	DETERMINATION	APPROX. ESTIMATED \$
AmSan Mid Atlantic	Janitorial Supplies	State Contract	\$40,000
Garda CL Atlantic, Inc.	Armored Car Services	Sole Responder	\$45,000
Klenzoid, Inc.	Water treatment services	Quotes	\$45,000
Port of Wilmington	Emergency docking of the M/V Cape May	Emergency	\$45,000
Schwartz Industries, Inc.	Replacement sweeper attachment for DRBA owned sweeper truck	Sole Source	\$141,000
TRMI Systems Integration	Replacement treadles and interface cards for the Delaware Memorial Bridge toll plaza	Sole Source	\$30,250
United Refrigeration Inc.	Miscellaneous parts	Quotes	\$40,000

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 approved Resolution 10-47, as modified, was made by Commissioner Van Sant, seconded by Commissioner Dorn, and approved by a roll call vote of 8-0.

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**RESOLUTION 10-48 – ESTABLISHES AN INVESTMENT COMMITTEE, INVESTMENT MANAGER, AND INVESTMENT GUIDELINES RELATED TO THE OTHER POST EMPLOYMENT BENEFITS (“OPEB”) TRUST**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state Authority created by Compact for the purpose of owning, operating and controlling both Crossing and Non-Crossing facilities; and

WHEREAS, the Authority has established and maintains certain employee benefit plans that provide post-employment benefits other than pensions (hereinafter “other post employment benefits” or “OPEBs”), such as but not limited to medical, dental, vision and prescription drug coverage, to OPEB participants who are eligible for coverage thereunder; and

WHEREAS, the Authority established an irrevocable Delaware River and Bay Authority Retiree Health Benefits Trust (the “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 GASB 43 and GASB 45; and

WHEREAS, Section 3.1 of the OPEB Trust provides that the Employer may appoint an Investment Manager, establish a funding policy and method, and perform or delegate periodic performance of the fund and/or its Fiduciaries; and

WHEREAS, the Authority appointed an Investment Manager pursuant to Resolution 95-59, and adopted Investment Guidelines and appointed an Investment Committee pursuant to Resolution 97-55 and Resolution 97-56 for the Delaware River and Bay Authority Employees’ Retirement Plan; and

WHEREAS, the OPEB Trust Fund provides for the payment of benefits related to the same or similar eligible participants as the Pension Trust Fund therefore, it is in the best interest of the fund to have consistency of investment management, investment guidelines and overview of the OPEB Trust Fund.

NOW, THEREFORE, BE IT RESOLVED, that the Investment Committee, Investment Manager, and Investment Guidelines shall be the same as those related to the Pension Trust Fund until such time as the Investment Committee recommends to the Board, and the Board agrees, that a new policy and/or approach is in the best interest of the OPEB Trust Fund.

A motion to approve Resolution 10-48 was made by Commissioner Murphy, seconded by Commissioner Dorn, and approved by a roll call vote of 8-0.

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Chairperson Hogan noted that Resolution 10-49 was being tabled at this time.

A motion to table Resolution 10-49 was made by Commissioner Dorn, seconded by Commissioner Van Sant, and approved by a roll call vote of 8-0.

**RESOLUTION NO. 10-49 - A RESOLUTION BY THE DELAWARE RIVER AND BAY AUTHORITY TO ADOPT A REVISED PERSONNEL MANUAL AND TO CHANGE THE APPROVAL PROCESS FOR FUTURE PERSONNEL MANUAL REVISIONS**

WHEREAS, the Delaware River and Bay Authority (the Authority) has had a Personnel Manual established and in effect since 1965; and

WHEREAS, the Authority has revised and improved its Personnel Manual to serve as a guide to employment with the Authority; and

WHEREAS, the Personnel Manual provides general descriptions and guidelines concerning the Authority's personnel policies and practices; and

WHEREAS, the Personnel Manual in its entirety, as presented to the Personnel Committee of the Authority's Board of Commissioners on October 5, 2010 by the Executive Director and Chief Human Resources Officer, is intended to supersede the previously adopted Personnel Manual, dated March 2000, any resolution referring to revisions of the Personnel Manual, and any policy or procedure in conflict with the Personnel Manual; and

WHEREAS, the Personnel Committee of the Authority's Board of Commissioners recommends the acceptance of the revisions of the Personnel Manual, dated September 2010, in its entirety; and

WHEREAS, the Personnel Committee of the Authority's Board of Commissioners and the full Board of Commissioners do not find it necessary to approve by resolution, except as otherwise noted below, any future revisions to the Personnel Manual.

NOW, THEREFORE, BE IT RESOLVED that the Delaware River and Bay Authority hereby adopts the Personnel Manual to serve as the general descriptions and guidelines concerning the Authority's personnel policies and practices and hereby authorizes the Executive Director of the Authority to distribute such Personnel Manual to employees of the Authority;

AND BE IT FURTHER RESOLVED that it is the recommendation of the Personnel Committee of the Authority's Board of Commissioners that any future revisions to the Personnel Manual, subsequent to the passage of this resolution, shall be presented by the Executive Director and Chief Human Resources Officer to the Personnel Committee of the Authority's Board of Commissioners for their approval, and will not require the approval of the full Board of Commissioners by a resolution except revisions which, as determined by the Chair and Vice Chair of the Board, constitute substantial changes in policy. Such changes shall include those which have significant financial or operational impact on the Authority.

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**RESOLUTION 10-50 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND AK TRAVEL, LLC**

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

WHEREAS, AK Travel, LLC ("AK Travel") desires to lease approximately 25% of the hangar located at 9 DRBA Way at the Airport totaling approximately 3,800 square feet of hangar space and 1,300 square feet of office and shop; and

WHEREAS, AK Travel has agreed to pay the Authority annual rent in the amount of Ninety-Eight Thousand Seven Hundred and Fourteen Dollars 29/100 (\$98,714.29); and

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

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

WHEREAS, rent during each option period shall be adjusted by the Consumer Price Index.

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

A motion to approve Resolution 10-50 was made by Commissioner Van Sant, seconded by Commissioner Dorn, and approved by a roll call vote of 8-0.

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**RESOLUTION 10-51 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND GRINDSTONE AVIATION, LLC**

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

WHEREAS, Grindstone Aviation, LLC (“Grindstone”) desires to lease approximately 7,500 square feet of hangar space located at 13 and 13½ Penns Way at the Airport; and

WHEREAS, Grindstone has agreed to pay the Authority annual rental in the amount of Seventy-Two Thousand Dollars (\$72,000.00); and

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

WHEREAS, Grindstone shall have the option of renewing the Lease Agreement for one five (5) year period; and

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

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

WHEREAS, Grindstone has the right to terminate this lease within 180 days of the death or incapacity of Grindstone’s owner.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Grindstone 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 10-51 was made by Commission Dorn, seconded by Commissioner Van Sant, and approved by a roll call vote of 8-0.

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**RESOLUTION 10-52 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ATLANTIC AVIATION**

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

WHEREAS, ILG AvCenter, Inc., d/b/a Atlantic Aviation Corporation (“Atlantic”) desires to lease the hangar located at 176 Old Churchman’s Rd., commonly referred to as the Hercules Hangar, totaling approximately 33,000 square feet of hangar, office and shop; and

WHEREAS, Atlantic has agreed to pay the Authority annual rent in the amount of One Hundred and Sixty-Eight Thousand Dollars (\$168,000); and

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

WHEREAS, Atlantic shall have the option of renewing this Lease Agreement for one period of five (5) years; and

WHEREAS, rent at the beginning of 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 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 Atlantic Aviation 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 10-52 was made by Commissioner Van Sant, seconded by Commissioner Murphy, and approved by a roll call vote of 8-0.

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10250.            EXECUTIVE DIRECTOR'S REPORT

The Executive Director suspended the reading of his September, 2010 report but entered same into the record.

***Delaware Memorial Bridge***

In September, total traffic increased 0.8%, non-commercial traffic increased 1.3%, and commercial traffic decreased 2.5%, compared to September 2009. When compared to the 3-year average, total September traffic increased 1.3%. Year-to-date total traffic decreased 1.5%, non-commercial traffic decreased 1.3%, and commercial traffic decreased 3.2%, compared to the previous year. When compared to the 3-year average, year-to-date total traffic decreased 1.9%. E-ZPass traffic for September represented 61.5% of the total overall traffic as compared to 60.2% for the previous year. Year-to-date total electronic traffic represented 60.9%, an increase of 1.3% from 2009.

***Cape May Lewes Ferry***

In September, vehicle traffic decreased 4.6%, passenger traffic decreased 6.3%, and fare revenues decreased 5.3%, compared to September 2009. Year-to-date vehicle traffic decreased 1.7%, passenger traffic decreased 3.0%, and fare revenues decreased 0.6%, compared to the same period last year. Compared to the 3-year average, year-to-date vehicle traffic decreased 12.9%, passenger traffic decreased 9.6%, and fare revenues increased 4.9%.

In September, CMLF food and beverage revenues decreased 4.8% and retail revenues decreased 9.6%, compared to September 2009. Year-to-date food and beverage revenues increased 1.1% and retail revenues decreased 3.1% compared to the same period in 2009. When compared to the 3-year average, year-to-date food and beverage revenues decreased 9.0% and retail revenues decreased 22.8%.

The Commissioner's Cup was held this month bringing back a traditional football contest between the Cape Henlopen High School Vikings and the Lower Cape May Regional High School Caper Tigers. The Caper Tigers defeated the Vikings 25-3 on a beautiful September day. Over 450 players, fans, cheerleaders and band members travelled across the Bay. The contest has been booked for next year as the Vikings will play host to the Tigers. Thanks to our Ferry team that made the experience a memorable one for the Vikings!

***Airports***

The Millville Army Air Field Museum Celebration and static display was a great success. Boeing provided a CH-47 "Chinook" for display and tours. The Museum indicated that it made a modest profit after the bills were paid. Next year during this time period the Museum expects to have the Collings Foundation aircraft visit the field.

The Economic Development Team led by Frank Minor met with Lower Township Mayor Mike Beck and other local township officials at the Erma fire facility to discuss business developments at Cape May Airport – both what has been accomplished during the past ten years as well as future opportunities for continued progress. The meeting was followed by a bus tour of the airport guided by Steve Williams and Tom Berry, the Airport Manager.

Both the Delaware Airpark and Dover Civil Air Terminal received aircraft arrivals for the past September NASCAR race weekend events at Dover International Speedway. The Dover Civil Air

Terminal processed 89 aircraft and 14 helicopter arrivals over a 4 day period. Atlantic Aviation pumped approximately 20,600 gals of Jet-A. At Delaware Airpark Airport, there was a significant increase of fan aircraft arrivals. The airport received approximately 20+ arrivals associated with the race.

Members of Frank’s Economic Development Team met with Richard Winstead of the Ellis Winstead Firm, LLC, to begin a comprehensive redesign and improvements to the airports websites.

***Employee Happenings***

Permanent Full-time staffing levels at the end of September:

Authorized Positions	434
Positions Filled	388
Positions Filled (on LTD)	3
Total Positions that are Vacant	43

The Authority received an award for our participation in the Summer Blood Bank Challenge sponsored by the Blood Bank of Delmarva at their awards ceremony in September. Sandra McKinney and Antoinette Hicks accepted the award on behalf of DRBA for 3<sup>rd</sup> Place for highest percentage of participation in size (small) category and 3<sup>rd</sup> Place for highest point total in size (small) category. We have participated in the Summer Blood Bank Challenge since 2003 (inception of this program) and this is the first time receiving an award. Congratulations to all of the participants and donors!

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

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10251.            COMMITTEE REPORT – BUDGET & FINANCE COMMITTEE

Commissioner Traynor noted that he was not present at the October 5, 2010 meeting and requested his name be removed from the minutes. His name was immediately removed from the attendance.

Commissioner Van Sant then presented the October 5, 2010 Budget & Finance Committee meeting.

**BUDGET & FINANCE COMMITTEE MEETING**

**Tuesday, October 5, 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 Tuesday, October 5, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Van Sant  
Commissioner DeLanzo, Committee Member

Commissioner Downes, Committee Member

Commissioner Favre, Committee Member

Commissioner Murphy, Committee Member

Commissioner Dorn  
Commissioner Smith  
Chairperson Hogan

Commissioner Green  
Commissioner Lathem  
Commissioner Lowe

Legal Counsel

Mike Houghton - DE

Governors’ Representatives

Johanna Jones - NJ

Staff

Jim Johnson  
Frank Minor  
Victor Ferzetti  
Gerry Owens  
Charlotte Crowell  
Joe Larotonda  
Steve Williams  
Jim Gillespie  
Michelle Griscom Collins  
John Sarro  
Anna Marie Gonnella Rosato

1. Committee Chair Van Sant opened the Budget & Finance Committee meeting at approximately 11:22 a.m. The Deputy Executive Director reported that the public meeting of the Budget & Finance Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations.

2. Resolutions:

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

The Chief Financial Officer reviewed each of the vendors listed. The CFO explained that Guarda CL Atlantic, Inc. has been providing armored car service to the Authority for many years, under other company names. The Authority solicited quotes from three or four providers; however, Guarda was the only company willing to provide the service to all three Authority locations, Delaware Memorial Bridge, Lewes, and Cape May. The CFO also reported that Guarda, in fact, was not willing to enter into the new terms of the Contract, but was willing to continue to provide the service on a month-to-month basis. Chairperson Hogan added that Sole Source raises red flags and the possibility of splitting the locations. The CFO informed the Committee that he has requested operations to contact the companies to determine why they were not bidding, but the service must continue in the meantime. The CFO also reported receiving a question from the New Jersey Governor's Representative suggesting it may be more appropriate to be titled Sole Bidder, but to seek guidance from Authority Counsel. The CFO explained that he was attempting to keep the categories at a minimum. Authority General Counsel suggested it was appropriate to change the title to Sole Bidder and the CFO stated he would make the change.

The CFO reported that Schwartze Industries Inc. was, in fact, a Sole Source and was for the cost of replacing the sweeper attachment on the Authority sweeper truck. The cost of a new sweeper truck would be \$220,000-\$250,000 and the mileage on the truck is only 23,000, so replacing the sweeping unit makes fiscal sense. The remaining Sole Source, TRMI Systems Integration, would be for replacement treadles and interface cards for the Delaware Memorial Bridge.

Commissioner Favre questioned the Emergency Docking. The CFO reported that, due to the issue with the damaged piles, vessels will be sent to the Port of Wilmington as different piles are replaced. The Purchasing Administrator reminded the Committee that this is due to an Emergency Declaration by the Director-Ferry Operations.

Commissioner Downes questioned why some of these items were becoming an issue at this time, when it has been known to be a regular operational need. The CFO reported that some of the items had been included on the Over \$25,000 Vendor List compiled at the beginning of the year that had been Vetoed by the New Jersey Governor. As a result, similar items were resubmitted together in subsequent Resolutions (i.e. Utilities, State Contract, Government, etc.) and routine expenditures would be dealt with as they approached the threshold.

The CFO noted that Berteaux North America, also included on the list, would be discussed later in the meeting.

After discussion, Commissioner Murphy made a motion, Commissioner DeLanzo seconded the motion, and the Budget & Finance Committee recommended approval of the Over \$25,000 Vendor List. The Resolution will be presented to the full Board for consideration at the October meeting.



**b. RESOLUTION 10-XX – REVISES THE INVESTMENT GUIDELINES RELATED TO THE DELAWARE RIVER AND BAY AUTHORITY EMPLOYEES’ RETIREMENT PLAN**

The CFO reported that this matter had been discussed at the September Committee meeting and no action taken in order for the New Jersey Commissioners to caucus on the matter and to be included on the Agenda for October. Committee Chair Van Sant opened the discussion to the entire Board.

Commissioner Downes had several questions and concerns regarding trading fees, a rebalancing trigger of 1%, and using mortgage backed securities. The CFO addressed each of the concerns noting the goal of the investment strategy was the 1.5% net increase, based on historical data, otherwise the Authority would not use this strategy. The data previously presented was net of fees. Also the mortgage backed securities the Authority purchased are rated and government backed and that the problem in the past with mortgaged backed securities was other more risky mortgage and derivative products.

Committee Chair Van Sant questioned that the Authority has a current asset allocation strategy and when the Authority’s Financial Advisor, Cavanaugh Capital Management, got taken over by Brown Advisory, a new strategy was proposed. The CFO reported that the discussion and recommendations for a new asset allocation strategy was CFO driven and that every year he reviews and evaluates to determine if it’s the right time and if the Board would be willing to make changes to the Investment Guidelines that could increase returns. As markets change, the CFO and the Authority’s Financial Advisors have been investigating other strategies that others have been using. This review process was initiated back in April/May, well before any merger information was known.

The CFO also noted the cost considerations of doing nothing. The Authority had been consistently not meeting the interest earning rate assumptions, so assumptions were lowered, driving up costs to the Authority. When assumptions are not met, the Authority has to make up the difference from its resources. Increased return on investments help to lower the Authority’s liability. The CFO added that he felt personal ownership and responsibility to use sound and reasonable approaches in the investments of the Authority, while balancing the demands placed on the Authority’s resources from unfunded liabilities.

The Committee did not want to move forward with revising the Investment Guidelines to the Delaware River and Bay Authority Employees’ Retirement Plan at this time. The New Jersey Commissioners wish to take a slow and deliberate approach as there is a moral and legal responsibility to employees’ futures. Authority Vice-Chair Lowe added that he and the Vice-Chair will be meeting with Legal Counsel to discuss and hope to have a speedy resolution and will inform the CFO when to include the topic on a future Agenda.

**c. RESOLUTION 10-XX – ESTABLISHES AN INVESTMENT COMMITTEE, INVESTMENT MANAGER, AND INVESTMENT GUIDELINES RELATED TO THE OTHER POST EMPLOYMENT BENEFITS (“OPEB”) TRUST**

The CFO reminded the Committee that the \$8 million in OPEB Fund contributions were currently in the General Fund should be transferred to the Trust Fund by the end of November. The new Trust Fund has been established and Investment Services and Investment Guidelines are needed. Commissioner Favre suggested that, while taking the time to consider new investment guidelines, to invest the \$8 million using the current Investment Guidelines, the current Investment Committee and current Investment Manager using the same provisions as is guided by the Pension Trust Fund. The Committee concurred with the recommendation and Commissioner Favre made a motion to recommend approval to invest the OPEB Trust money under the current Investment Committee and the current Investment Guidelines. Commissioner DeLanzo seconded the motion. The OPEB Resolution, will be modified to reflect the changes as discussed and agreed upon, and will be presented to the full Board for consideration at the October meeting.

**d. RESOLUTION 10-XX – BENEFITS BROKER CONSULTING SERVICES –** The Chief Financial Officer reported that the Resolution will not be presented at this time. The number one ranked firm and the Authority have yet reached an accord. A Budget & Finance Committee meeting may be scheduled prior to the October meeting in the event an agreement can be reached.

### 3. 2011 Operating Budget Review:

The CFO presented the Major Increases/Decreases for the FY 2011. All Authority-wide Budget Workshops had been conducted with division managers and supervisors. Wages, including positions, have not been evaluated and, as a placeholder, FY 2010 Wages of approximately \$29 million has been carried over to give an apples-to-apples comparison of the operating budgets.

The CFO reported the OPEB Funding, Vessel Drydocking, Consulting Services, Defined Benefit Plan, Insurance, and Data Lines, all Major Increases, total \$2.8 million over the Adopted FY 2010 Budget. It is anticipated that no increase or decrease for Group Medical, depending on the costs for November/December. It was reported that the 6% reduction healthcare expense for the 2010 budget was right on target, but there is no growth factored into the line. Staff will review in greater detail. The CFO recommended no change to the Advertising & Marketing Budget and would maintain the current level of funding.

The CFO reviewed the Major Decreases, totaling \$1,893,989 and which are as a result of the line by line review of the operating budgets.

- E-ZPass Credit Card Fees - Reduction of 33.56%
- All Utilities – Reduction of 5.02%
- Remaining Categories – Reduction of 1.76%
- Food Service Operating – Reduction of 6.63%
- Vessel Fuel – Reduction of 4.53%
- All Other Benefits – Reduction of 5.63%
- Marine Operations – Reduction of 11.18%
- Gasoline/Diesel – Reduction of 12.52%
- Operating Equipment – Reduction of 16.58%
- Maintenance Contracts – Reduction of 4.22%
- Education & Training – Reduction of 12.2%

The Reviewed FY 2011 Operating Budget reflects a \$941,551 or 1.19% increase over the Adopted FY 2010, prior to the evaluation of positions and wages to be conducted.

Authority Chair Hogan reported that the New Jersey Governor's Representative requested to address the full Board and Committee Chair Van Sant invited her to speak.

The New Jersey Governor's Representative, Johanna Jones, explained that she wanted to address a side comment made by a Commissioner during the discussion of the Over \$25,000 Vendor List with regard to the NJ Governor's Veto of January 19, 2010. It was reported that the Governor's Veto was significant and, in the interest of clarity, explained. The Governor's Office requested the Resolution be presented in a more coherent manner and would have considered all 96 Vendors had a paragraph explaining each vendor and why necessary had been provided. She further explained that she has remained flexible working with the CFO and desired to clarify any miss-impression with regard to the Veto. Ms. Jones thanked the Commissioners for allowing her to comment.

### 4. Discussion of Vessel Furniture Procurement:

The CFO referred to the discussion which occurred during the Projects Committee meeting regarding the procurement and replacement of vessel seating at the Cape May-Lewes Ferry. The Projects Committee recommended approval of the furniture replacement project; however, in order to complete the project in time for the 2011 season, the project would require the Budget & Finance Committee to consider waiving the procurement requirements of Resolution 98-31 as it relates to the procurement of the vessel furniture, and to accept the Berteaux North America quote in the amount of \$550,000 to be included on the Over \$25,000 Vendor List. The CFO also noted, if not approved, this item would be removed from the List prior to the October meeting. Commissioner Favre voiced concern over the timing of the process taken and the manner of procurement; however, there is a need for upgraded seating and staff has done due diligence. After discussion, Commissioner Favre made a motion, Commissioner DeLanzo seconded, and the Budget & Finance Committee recommended a waiver of the bidding requirements of Resolution 98-31 to allow the procurement of vessel seating, from Berteaux North America in the amount of \$550,000, for the Cape May-Lewes Ferry.

With no further business to discuss, a motion to adjourn was made by Commissioner Favre, and the Budget & Finance Committee adjourned at 12:33 p.m.

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

Commissioner Van Sant noted that the vessel furniture procurement discussed at the Committee meeting was removed from the \$25,000 and over resolution (Resolution 10-47). It was noted that the procurement of the ferry seating will go through the Authority's bid process.

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10252. COMMITTEE REPORT – PERSONNEL COMMITTEE

Commissioner Dorn presented the following Personnel Committee meeting minutes of September 27, and October 5, 2010.

**PERSONNEL COMMITTEE MEETING**  
**Monday, September 27, 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, September 27, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey  
PRESENT

Commissioners from Delaware

Committee Chair Dorn  
Commissioner Smith, Committee  
Member

Committee Vice-Chair Lathem

Legal Counsel  
Phil Norcross – NJ – via phone

Staff

Charlotte Crowell

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 9:10 a.m. The Chief Human Resource Officer reported that the public meeting of the Personnel 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. New Jersey Counsel Norcross suggested it would be appropriate for the Committee to move into an Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Smith, seconded by Commissioner Lathem, and the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS

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

With no further business to discuss, Commissioner Lathem made a motion to adjourn, and the Personnel Committee adjourned at 9:45 a.m.

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**PERSONNEL COMMITTEE MEETING**  
**Tuesday, October 5, 2010**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, October 5, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey  
PRESENT

Commissioners from Delaware

Committee Chair Dorn  
Commissioner Favre, Committee Member

Committee Vice-Chair Lathem  
Commissioner Murphy, Committee Member

Commissioner Smith, Committee Member  
Commissioner Van Sant  
Chairperson Hogan

Commissioner Downes  
Vice-Chairperson Lowe

Legal Counsel

Mike Houghton - DE

Governors' Representatives

Johanna Jones - NJ

Staff

Jim Johnson, Jr.

Frank Minor

Victor Ferzetti

Gerry Owens

Charlotte Crowell

Invited Guests

Adria Martinelli, Young Conaway Stargatt

& Taylor

Bill Cook, Brown & Connery

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 9:05 a.m. The public meeting of the Personnel Committee had been duly noticed on September 21, 2010, in accordance with the Authority's Freedom of Information Regulations.

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

3. Personnel Manual:

The Chief Human Resource Officer (CHRO) reported that the new version of the DRAFT Personnel Manual had been sent to Committee members incorporating changes since the last working session and provided copies to all Board members present. Also provided was a Summary of Significant Changes. The following comments to the changes were discussed.

Hearing Officer – Authority Chair Hogan questioned the Executive Director naming a Hearing Officer and whether it was a best practice to have the Executive Director name someone or should it be from a group. Commissioner Lathem reported the intent was to select from a group. Both NJ and DE Labor Counsel recommended identifying available hearing officers in order to develop a list to be used on a hearing by hearing basis; however, that process did not need to be outlined in the Personnel Manual.

Tenure – Commissioner Smith questioned the removal of the word “tenure”. The CHRO reported that after the working sessions, the draft was forwarded to both Labor Counsels for review and it was at their direction it was removed. Both NJ and DE Labor Counsels reported that the term could be confusing due to different categories. It was explained that the term “tenure” only means the employees have a right to a hearing and that no rights of an employee have been removed by the deletion of the word “tenure”, and this would be explained during the employee roll-out sessions. Commissioner Smith requested that the word “tenure” be inserted back into the Personnel Manual and the Committee Chair and Vice-Chair agreed to the recommendation. The CHRO questioned whether both DE and NJ Labor Counsel were in agreement and they stated that they did not object.

The CHRO then reported that during the working sessions, the Committee spent lengthy discussions as to why it was necessary for Board approval on revisions to the Personnel Manual. The CHRO reported that historically revisions had always been done by Resolution. As a result of the working sessions, the Committee recommended that, going forward, future changes would be reviewed by the Executive Director and the CHRO, presented to the Personnel Committee for consideration and approval and subsequent recommendation from the Committee to the full Board, but

no vote. Commissioner Murphy added that any significant policy changes that would revise the Personnel Manual would still go through a process of informing the Board. Delaware General Counsel added that the recommendation is consistent with the Authority By-Laws, Section VIII, 8.10 (d), the Personnel Committee.....”shall, each year, review the Authority Personnel Manual with staff and counsel and recommend modification, as appropriate.” Changes can be made without Resolution and subject to the Governors’ Veto Period. The Personnel Manual is a living administrative document. A Resolution to acknowledge the new Personnel Manual and changes to the process for approval going forward should be captured in a Resolution. The CHRO presented a DRAFT Resolution based on the Committee’s recommendation and the Committee and Legal Counsel discussed the draft Resolution.

After discussion of the draft Resolution, the Committee directed Delaware General Counsel to work in conjunction with New Jersey General Counsel, and Delaware and New Jersey Labor Counsel, to modify the existing DRAFT, as reflected by the Board. Commissioner Favre made a motion to recommend approval of the new Personnel Manual by Resolution, as modified in two weeks. Commissioner Murphy seconded the motion, and the Personnel Committee unanimously recommended approval of the new Personnel Manual. The modified Resolution will be presented to the full Board for consideration at the October meeting.

With no further business to discuss, Commissioner Murphy made a motion to adjourn, and the Personnel Committee adjourned at 10:43 a.m.

Commission Dorn noted that Resolution 10-49 adopting the revised Personnel Manual and changing the approval process for future Personnel Manual revisions was tabled earlier for further review.

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

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10253. COMMITTEE REPORT – PROJECTS

Commissioner Murphy presented the following Projects Committee meeting minutes of October 5, 2010.

**PROJECTS COMMITTEE**  
**October 5, 2010**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority’s Projects Committee was held on Tuesday, October 5, 2010, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from New Jersey

Commissioner Favre, Committee Chair  
Commissioner Dorn, Committee Member  
Commissioner VanSant, Committee Member  
Commissioner Smith  
Commissioner DeLanzo  
Authority Chair Hogan

Commissioners from Delaware

Commissioner Murphy, Committee Vice Chair  
Commissioner Lathem, Committee Member  
Commissioner Downes  
Commissioner Lowe, Authority Vice Chair

Staff

Jim Johnson  
Frank Minor  
Victor Ferzetti  
Gerry DiNicola Owens  
Charlotte Crowell  
Anna Marie Gonnella-Rosato  
Kelly Phillips-Parker  
Steve Williams  
John Sarro  
Dave Hoppenjans  
Jim Gillespie  
Joe Larotonda  
Michelle Griscom-Collins

NJ Liaison

Johanna Jones

DE Counsel

Michael Houghton

The Projects Committee meeting convened at approximately 10:40 a.m. Those in attendance were provided an informational package consisting of an agenda, close-out letter, and a summary of authorized contract payments (through September).

1. Resolutions: None.

2. Bid Openings: None.

3. Contract Close-Out Actions:

a. The Acting COO recommended the close-out of Contract No. NCA-09-02, "Building 142 Hangar RTU HVAC System and Control Upgrades," at the New Castle Airport and that final payment be made to Puente Construction of Woodbury, New Jersey in the amount of \$110,969.00. The scope of work generally consisted of the replacement of HVAC roof-top units and controls. There were no change orders for the project. The Projects Committee directed the action be presented at the October Board Meeting.

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

5. Miscellaneous Items/Updates:

a. Inspection of Main Cables and Suspender Ropes, 1<sup>st</sup> and 2<sup>nd</sup> Structures: The Executive Director briefed the Projects Committee that a contract for the inspection of the main cables and suspender ropes on the 1<sup>st</sup> and 2<sup>nd</sup> Structures of the Delaware Memorial Bridge will be released for bid in the near future. The cost of the work is estimated to exceed \$2 million. The Executive Director explained that this will be the first non-federally funded project that will exceed the \$2 million prevailing wage threshold since expiration of the trial prevailing wage policy in April 2010. Delaware Legal Counsel distributed draft resolution language for the establishment of a permanent prevailing wage policy for the Committee's consideration at the November Projects Committee Meeting.

b. CMLF Vessel Seating Project: The CFO distributed information related to a Cape May-Lewes Ferry vessel seating project and briefed the Committee on seating deficiencies on the M/V Delaware, M/V New Jersey, and M/V Cape Henlopen. It was explained that indoor seating is 15 years old and does not function adequately to accommodate passenger demand during periods of inclement weather. A seating diagram has been developed to improve seating performance on these vessels and a specific proprietary product line has been identified as the industry standard that would best address the Authority's needs. The CFO explained there are two decisions that need to be made regarding seating. The first matter is the Projects Committee determining if it supports the \$650,000 seating project for three vessels. The Committee discussed the various issues associated with this project and voted unanimously to support the project. The second issue was for the Budget & Finance Committee to determine how best to procure the desired seating. The CFO explained that the ability of the Authority to publicly bid for the seating in accordance with Resolution 98-31 is to some extent compromised by specifying the desired name brand or equivalent for the seating and the fact that the product would be most cost-effectively obtained directly from the manufacturer. Furthermore, if the Committee desires completion of this project in advance of the 2011 peak operating season, a waiver of the procurement guidelines is required. Procurement of the seating through the normal process will delay installation of the new seating until 2012. The Committee directed to move the formal waiver consideration of this matter to the Budget and Finance Committee.

There being no further business for the Projects Committee, the public meeting was adjourned at approximately 11:20 a.m.

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

Commissioner Murphy noted that it has been decided that the CMLF Vessel Seating will go out to bid.

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10254. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

The Deputy Executive Director presented the following Economic Development Committee meeting minutes of October 5, 2010.

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Tuesday, October 5, 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 Tuesday, October 5, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner DeLanzo, Committee Member

Commissioner Dorn, Committee Member

Commissioner Favre

Commissioner Van Sant

Chairperson Hogan

Commissioners from Delaware

Committee Chair Downes, Committee  
Chair

Commissioner Murphy

Vice-Chairperson Lowe

Governors' Representatives

Johanna Jones – NJ

Staff

Jim Johnson

Frank Minor

Victor Ferzetti

Gerry Owens

Charlotte Crowell

Anna Marie Gonnella Rosato

Michelle Griscom-Collins

John Sarro

Committee Chair Downes welcomed the Economic Development Committee and opened the meeting at approximately 12:34 p.m. The public meeting of the Economic Development Committee had been duly noticed on September 21, 2010, in accordance with the Authority's Freedom of Information Regulations.

1. Action Items:

a. RESOLUTION AUTHORIZING A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND AK TRAVEL, LLC – The Deputy Executive Director reported the Resolution authorizes the lease of 25% of hangar space located at 9 DRBA Way at the New Castle Airport, totaling approximately 3,800 square feet of hangar space and 1,300 square feet of office and shop space for an annual rent of \$98,714.20. The initial term is for one (1) year with five (5) one (1) year option periods. Renewal Options shall be adjusted each year by the CPI. After discussion, Commissioner Dorn made a motion, Commissioner DeLanzo seconded, and the Economic Development Committee unanimously recommended approval. The Resolution will be presented to the full Board for consideration at the October meeting.

b. RESOLUTION AUTHORIZING A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND GRINDSTONE AVIATION, LLC – The Deputy Executive Director reported the Resolution authorizes a lease of approximately 7,500 square feet of hangar space located at 13 and 13 ½ Penns Way at the New Castle Airport, for an annual rent of \$72,000. The initial term is for five (5) years with one (1) five (5) year option period. The Renewal Option shall be adjusted in the beginning of the term to the Fair Market Value (FMV), and then each year (other than the year rent is adjusted to the FMV) shall be adjusted by the CPI. After discussion, Commissioner Dorn made a motion, Commissioner DeLanzo seconded, and the Economic Development Committee unanimously recommended approval. The Resolution will be presented to the full Board for consideration at the October meeting.

c. RESOLUTION AUTHORIZING A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ATLANTIC AVIATION – The Deputy Executive Director reported the Resolution authorizes a lease of approximately 33,000 square feet of hangar, office and shop space at 176 Old Churchman's Road, commonly referred to as the Hercules Hangar, for an annual rent of \$168,000. The initial term is for five (5) years with one (1) five (5) year

option period. The Renewal Option shall be adjusted in the beginning of the term to the Fair Market Value (FMV), and then each year (other than the year rent is adjusted to the FMV) shall be adjusted by the CPI. Michelle Griscom-Collins reported that previously two Requests for Bid (RFB) had been conducted with no response.

The Executive Director questioned if all of the leases were based on the FAA appraised value for the land and Michelle Griscom-Collins answered yes, that the FAA appraised value of land at the New Castle Airport was \$0.75 square foot. After discussion, Commissioner Dorn made a motion, Commissioner DeLanzo seconded and the Economic Development Committee unanimously recommended approval. The Resolution will be presented to the full Board for consideration at the October meeting.

2. Former Air Transport Command Site

The Deputy Executive Director reported that an RFB had been conducted for the former Air Transport Command site and, although there were several inquiries, there was only one response. It was reported that the interested party proposed an Option Agreement for nine (9) months for a total of \$45,000, while determining future plans. The Executive Director questioned whether the Authority was required to sign off on an exploratory sketch. The Deputy Executive Director reported that the discussions are preliminary and asked for further direction from the Committee as to whether staff should continue to pursue the proposal. Commissioner Downes questioned whether the Committee had any objections to staff moving forward, and there were no objections from the Committee.

With no further business to discuss, a motion to adjourn was made by Commissioner Dorn, and the Economic Development Committee adjourned at 12:42 p.m.

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

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10255. COMMITTEE REPORT – AUDIT & GOVERNANCE

The Deputy Executive Director presented the following Audit & Governance Committee meeting minutes of October 5, 2010.

**AUDIT & GOVERNANCE COMMITTEE MEETING**  
**Tuesday, October 5, 2010**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Audit & Governance Committee was held on Tuesday, October 5, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Vice-Chair Favre  
Commissioner Dorn, Committee Member  
Commissioner Van Sant, Committee Member  
Commissioner DeLanzo  
Chairperson Hogan

Commissioners from Delaware

Committee Chair Downes  
Vice-Chairperson Lowe

Governors' Representatives

Johanna Jones - NJ

Staff

Jim Johnson, Jr.  
Frank Minor  
Gerry Owens  
Charlotte Crowell  
Anna Marie Gonnella Rosato

1. Committee Chair Downes welcomed the Audit & Governance Committee and opened the meeting at approximately 1:15 p.m. The public meeting of the Audit & Governance Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations.



2. New Jersey Authorities Unit Letter (Dated September 16, 2010) Concerning E-ZPass Utilization

Authority Chair Hogan reported that the New Jersey Commissioners discussed this matter during their caucus, which had also been attended by the New Jersey Governor's Representative, and regarding free tolls for the Delaware Memorial Bridge, it was thought that only New Jersey employees were impacted and could park their vehicles in the parking area prior to the toll booths as an alternative. The Chief Information Officer reported that the parking lot would not accommodate the number of New Jersey employees. The Committee had a lengthy discussion regarding emergency call-ins and defining the worksite campus.

The Executive Director reported that he had not finalized the Resolution requested by the New Jersey Governor's Authorities Unit regarding free passage at the Delaware River and Bay Authority. Committee Chair Downes added that free passage would also affect CMLF employees who ride the ferry to/from work.

Commissioner Van Sant questioned what was the policy for free E-ZPass and free Ferry usage. Regarding E-ZPass, the Chief Information Officer reported that there has never been free E-ZPass for employees. The Executive Director added that the Vehicle and Safe Driving Policy clearly spells out that for official Authority business, vehicles can pass through the tolls, such as for routine maintenance and police use. Regarding free Ferry usage, the Executive Director reported that in 1994, a Resolution Authorized the Executive Director to Establish a Free Passage Policy for the Cape May-Lewes Ferry for the Delaware River and Bay Authority Employees. The Executive Director explained that he addressed the Free Passage Policy by abolishing the practice of free passage, effective September 1, 2010; however, with the fourteen day comment period for MEBA, the change did not go into effect until September 14, 2010. An employee will now pay the lowest fare class, but is not to displace a full paying customer. Free passage will continue to be allowed for official Authority business. A form must be completed, signed and approved. The Executive Director added that there is an issue with the Delaware Crew in that they have been allowed to commute since their location had been changed from Lewes to Cape May as an operational issue to save \$1 million.

The New Jersey Governor's Representative noted that the goal of the Governor's Office was not to provide anything free and free commuting was not acceptable; however, commuting at the ferry was not apparent and operational issues were not known. If there are operational issues preventing compliance to the Governor's request to abolish any and all free passage then the Executive Director should prepare a Memorandum outlining those operational issues and it will be discussed with the Governor's Office. Authority Chair Hogan added that as the Executive Director attempted to make sure all of the facts were on the table, he raised the issue with the Governor's Representative.

Commissioner Van Sant made a motion to table the discussion until November, Commissioner Dorn, seconded. This topic will be placed on the Audit & Governance Committee Agenda in November.

Committee Chair Downes added that there would be an Audit & Governance Committee meeting each month to include a Review of Authority By-Laws as an agenda item each month.

There being no further business to discuss, a motion was made by Commissioner Van Sant, and the Audit Committee meeting adjourned at 1:53 p.m.

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

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10256. COMMITTEE REPORT – AD HOC CAPE MAY-LEWES FERRY

Commissioner Murphy presented the following Ad Hoc CMLF meeting minutes of October 5, 2010.

**AD HOC CAPE MAY-LEWES FERRY COMMITTEE MEETING**

**Tuesday, October 5, 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 Tuesday, October 5, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Favre  
Commissioner DeLanzo, Committee  
Member  
Chairperson Hogan

Committee Vice-Chair Murphy  
Commissioner Downes  
Vice-Chairperson Lowe

Governors' Representatives

Johanna Jones - NJ

Staff

Jim Johnson, Jr.  
Frank Minor  
Victor Ferzetti  
Gerry Owens  
Charlotte Crowell

1. Committee Chair Favre welcomed the members of the Ad Hoc CMLF Committee and opened the meeting at 1:48 p.m. The public meeting of the Ad Hoc CMLF Committee had been duly noticed on September 21, 2010, in accordance with the Authority's Freedom of Information Regulations.

2. Committee Chair Favre made a motion for an Executive Session, closed to the public to discuss matters of a confidential nature. Commissioner DeLanzo seconded, and the session was closed. The following matters of a confidential nature were discussed.

- LONG RANGE PLANNING
- PERSONNEL MATTERS

With no further business to discuss, a motion to adjourn was made by Commissioner DeLanzo, and the Ad Hoc CMLF Committee adjourned at 2:05 p.m.

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

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10257. 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 August, 2010.

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

10258. 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 August, 2010 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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10259. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for September 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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10260. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of September, 2010 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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10261. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF SEPTEMBER 30, 2010.

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

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

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10262. COMMISSIONERS PUBLIC FORUM

There were no comments.

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

The meeting was adjourned 10:59 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok  
Secretary