

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, February 15, 2011
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720

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

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

Commissioner Lowe was given the Oath of Allegiance as the Chairperson of the Board of Commissioners by Chairperson Hogan, while the Deputy Executive Director held the Bible.

Commissioner Hogan was given the Oath of Allegiance as the Vice-Chairperson of the Board of Commissioners by Chairperson Lowe, while the Deputy Executive Director held the Bible.

Chairperson Lowe presented Vice-Chairperson Hogan with a ceremonial gavel and thanked him professionally and personally for his integrity and goodwill during the last two years as Chairperson of the Board.

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

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

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Commissioners from Delaware

Commissioners from New Jersey

PRESENT

William E. Lowe, Chairperson

James N. Hogan, Chairperson

Scott A. Green
Samuel E. Lathem
Terry C. Murphy
Gary F. Traynor

Edward W. Dorn
Niels S. Favre
Ceil Smith
Douglas Van Sant

ABSENT

Richard W. Downes

Susan A. DeLanzo

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Chairperson Lowe called for the acceptance of the Agenda by the Board. The Agenda was accepted by a voice vote of 10-0.

10322. APPROVAL OF THE JANUARY 18, MINUTES

Commissioner Lathem motioned for approval of the January 18, 2011 minutes, seconded by Commissioner Smith, and approved by a voice vote of 10-0.

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10323. EXECUTIVE DIRECTOR'S REPORT

In the absence of the Executive Director, Chairperson Lowe directed the Executive Director's January, 2011 report be filed with the official records of the Authority.

Delaware Memorial Bridge

During the month, we had snow eleven out of thirty-one days, resulting in poor travel conditions which are reflected in our traffic numbers at the bridge.

In January, total traffic decreased 6.1%, non-commercial traffic decreased 7.2%, and commercial traffic decreased 1.1%, compared to January 2010. When compared to the 3-year average, total January traffic decreased 7.3%. E-ZPass traffic for January represented 64.0% of the total overall traffic as compared to 61.6% for the previous year.

Cape May Lewes Ferry

In January, vehicle traffic decreased 16.5%, passenger traffic decreased 16.1%, and fare revenues decreased 10.0%, compared to January 2010. When compared to the 3-year average, January vehicle traffic decreased 16.9%, passenger traffic decreased 24.1%, and fare revenues decreased 7.0%.

In January, CMLF food and beverage revenues decreased 23.8% and retail revenues decreased 3.2%, compared to January 2010. When compared to the 3-year average, January food and beverage revenues decreased 34.0% and retail revenues decreased 20.2%.

The Marketing Manager of the Ferry, Michael Porch along with management and staff from the Ferry are working with our new consultant, the Star Group for the 2011 marketing and advertising campaign.

We have implemented new guidelines concerning the Americans with Disabilities Act of 1990 (ADA) that was recently enacted for passenger vessels such as the Ferry. Our staff has been trained how to comply with these guidelines, providing the necessary assistance to our passengers with disabilities. Additionally, braille copies of our vessel announcements are on each vessel to assist patrons.

Finance

The Authority received notification from the Government Finance Officers Association that we were awarded the Certificate of Achievement for Excellence in financial reporting for the 2009 Comprehensive Annual Financial Report (CAFR) for the fifth 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. Congratulations to Victor Ferzetti, Joe Larotonda and their staff for this recognition.

The Authority received \$62,000 in FEMA reimbursement funds for New Jersey expenses related to the February 2010 snow event. We previously received \$168,000 for expenses incurred in Delaware bringing the total reimbursement for the event to \$230,000. Thank you to Joe Larotonda and all others of the team that took the initiative necessary to recoup our allowable costs from the Federal government.

Victor Ferzetti and Joe Larotonda began working with members of the Clifton Gunderson, LLP team. This firm was retained via Resolution 10-43 to perform the independent audit of the Authorities financials for calendar year ending on December 31, 2010.

Employee Happenings

The Negotiation team led by Frank Minor and Charlotte Crowell continued to meet with the FOP, Lodge Number 14 to discuss various positions in our first Collective Bargaining Agreement which is being developed with this group of represented employees.

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

Authorized Positions (2011 Budget Year)	418
Positions Filled	384
Positions Filled (on LTD)	4
Total Positions that are Vacant	30
Vacant Positions in Process to fill	4

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

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10324. COMMITTEE REPORT – BUDGET & FINANCE COMMITTEE

Commissioner Van Sant presented the following Budget & Finance Committee meeting minutes held on February 1, 2011.

BUDGET & FINANCE COMMITTEE MEETING
Tuesday, February 1, 2011
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, February 1, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

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

Committee Vice-Chair Traynor-via phone
Commissioner Downes, Committee Member
Commissioner Murphy, Committee Member
Commissioner Lathem
Vice-Chairperson Lowe

Governors’ Representatives

David Reiner - NJ

Staff

Jim Johnson
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Charlotte Crowell
Joe Larotonda
Kelly Phillips Parker
Anna Marie Gonnella Rosato
John Sarro
Ken Hynson
Joe Volk
Joel Leidy

Authority Secretary

Tom Pankok

1. Committee Chair Van Sant opened the Budget & Finance Committee meeting at approximately 11:35 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. Resolution:

a. RESOLUTION 11-XX – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2011 THROUGH DECEMBER 31, 2011 –

Committee Chair Van Sant asked if the Committee had any questions regarding the Over \$25,000 Vendor List. Authority Chair Hogan questioned whether the information had been sent

to the respective Governors' Representatives. The Executive Director reported that it had been sent; however, he did not receive feedback from the Governors' Offices. The New Jersey Governor's Representative, David Reiner, questioned the reason for Sole Source for CTM Media Group. The Chief Financial Officer (CFO) reported that it had been designated Sole Source in that the display racks for the desirable locations are owned by CTM Media Group. After discussion, Commissioner Downes made a motion, Commissioner Favre seconded, and the Budget & Finance Committee unanimously recommended forwarding the Resolution to the full Board. The Resolution will be presented to the full Board for consideration at the February meeting.

3. Discussion Items:

a. 2010 Year-End Budget Review – The CFO provided the Final Expenditure Analysis by Division. The Actual FY 2010 Budget vs the Adopted FY 2010 Budget came in \$5.7 million under budget. As previously discussed and recommended by the Budget & Finance Committee, along with the concurrence of the Chair and Vice-Chair, a \$5.5 million contribution of the unspent FY 2010 Operating Budget was made toward the pension liability leaving \$206,736 under budget for the year. The CFO reported that staff will make adjustments between divisions to apply the pension contribution where required. Commissioner Favre questioned why the Cape May-Lewes Ferry was \$2.29 million under budget. The CFO reported that a large portion was due to last year's fuel prices remaining low.

b. Toll Increase at the Delaware Memorial Bridge (DMB) – The Executive Director and the CFO presented a draft of The Need for a Toll Rate Increase at the Delaware Memorial Bridge for informational purposes, review and comment. The presentation is similar to one used for the 2007 partial toll increase and it is the intent to follow the same procedure for the upcoming 2011 Toll Increase. The following was presented and reviewed.

- Delaware River and Bay Authority – Positive changes – As an Organization...Focused on Stewardship
- Streamlined through attrition – 24% reduction in FTE positions resulting in estimated \$57 million cumulative wage and benefit savings
- Delaware Memorial Bridge (DMB) Traffic 1986-2010 Volumes – Toll Increases shown in 1987, 1993, 2000 and 2008. It was noted that in previous years, the toll increases were accompanied by traffic growth; however, beginning in 2004, traffic flattened and subsequently declined. The rating agencies view the DMB as an “important but mature crossing.”
- DMB Traffic and Revenue 2010 – Noted Non-Commercial Discount Traffic of 14% comprised of only 3% of the Revenue.
- DMB Toll Rate History – 2001-2010 Rates. It has been since 1987 that the Non-Commercial Discounts have been raised. With 12% Commercial Traffic generating 47% of the Revenue, there is a vulnerability to the economy and fuel prices. The CFO noted that 70% of the current revenue of the Authority is tied to the Bridge.
- DMB Toll Rate Comparison – the DMB has very competitive rates compared with like-agencies along the I-95 Northeast Corridor.
- Current Need for Toll Increase – Cash funding projects has depleted reserves. The Authority does not have the ability to borrow or cash fund the Capital Improvement Program (CIP).
- Review of the CIP notable projects
- Proposed Toll Rate Structure
- Proposed 2011 Toll Increase provides – necessary debt service coverage for bond tests; borrowing and cash sufficient to fund \$200 million of capital improvements, outcome of unknowns could require future revenue
- The Public Process – February 2011 draft presentation to the Budget & Finance Committee; February/March 2011 legislative coordination; April 2011 public hearings; May 2011 Board action; July 2011 implementation of new toll structure

Chairperson Hogan questioned why the Authority would not apply for federal funding. The CFO reported that federal highway dollars are passed to the states then trickled down to local jurisdictions. When the Authority competes for these dollars, it takes funding away from local highway projects. Therefore, we historically have not competed for those dollars. The

Authority does receive FAA dollars for the airports and Ferry Discretionary/Set-Aside funding for the ferries. The Executive Director added that additional constraints, processes, or other agreements may apply and that each project would need to be evaluated. Authority Chair Hogan requested further investigation into the matter. Anna Marie Gonnella Rosato reported that in New Jersey, the Metropolitan Planning Organization has not supported any of the Authority's highway funding requests because of the competitiveness of the dollars. Chairperson Hogan suggested including language in the draft Need for a Toll Increase document that states the Authority does not compete for federal highway funding. Authority Chair Hogan questioned the classification for RVs and the Committee briefly discussed some of the issues and rationales when designing toll structures.

The Committee thanked the Executive Director and the CFO. The Executive Director requested Committee and other Board members submit suggestions, thoughts, or comments to him on the toll increase presentation.

With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Budget & Finance Committee adjourned at 12:22 p.m.

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

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10325. COMMITTEE REPORT – PERSONNEL COMMITTEE

Commissioner Dorn presented the following Personnel Committee meeting minutes of February 1, 2011.

PERSONNEL COMMITTEE MEETING
Tuesday, February 1, 2011
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, February 1, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey
PRESENT

Committee Chair Dorn
Commissioner Favre, Committee Member
Commissioner Smith, Cmte Mber--arrived after
roll call
Commissioner Van Sant
Chairperson Hogan

Governors' Representatives
David Reiner - NJ

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

Commissioners from Delaware

Committee Vice-Chair Lathem--arrived after roll call
Commissioner Murphy, Committee Member
Commissioner Traynor, Committee Mber-via phone
Commissioner Downes
Vice-Chairperson Lowe

Authority Secretary
Tom Pankok

Invited Guests
Bill Cook, Brown & Connery
Adria Martinelli, Young Conaway Stargatt
& Taylor

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 9:03 a.m. The Authority Secretary 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. Committee Chair Dorn requested an Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Dorn, seconded by Commissioner Favre, 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.

With no further business to discuss, Commissioner Murphy made a motion to adjourn, and the Personnel Committee adjourned at 10:07 a.m.

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

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10326. COMMITTEE REPORT – PROJECTS

Commissioner Favre presented the following Projects Committee meeting minutes of February 1, 2011.

PROJECTS COMMITTEE
February 1, 2011
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Projects Committee was held on Tuesday, February 1, 2011, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

- Committee Chair Favre
- Commissioner Dorn, Committee Member
- Commissioner Smith
- Commissioner Van Sant
- Authority Chair Hogan

Commissioners from Delaware

PRESENT

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

Staff

- Jim Johnson
- Frank Minor
- Jim Walls
- Victor Ferzetti
- Gerry DiNicola Owens
- Charlotte Crowell
- Heath Gehrke
- Steve Williams
- Joel Leidy
- Jim Salmon
- Ken Hynson
- Anna Marie Gonnella-Rosato
- John Sarro
- Joe Larotonda
- Kelly Phillips Parker
- Joe Volk

Authority Secretary

Tom Pankok

Representative from NJ Governor’s Office

David Reiner

Committee Chair Favre welcomed the Projects Committee and opened the meeting at approximately 10:30 a.m. The Authority Secretary reported that the public meeting of the Projects Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll. Those in attendance were provided an informational package consisting of an agenda, two (2) draft Resolutions, two (2) Bid Tabs, the Five Year Capital Improvement Program and a monthly contractor payment chart (through January).

1. Resolutions:

RESOLUTION 11-XX – Adoption of the Delaware River and Bay Authority's Five (5) Year (2011-2015) Crossings Capital Improvement Program (CIP) Budget

RESOLUTION 11-XX – Adoption of the Delaware River and Bay Authority's 2011 Crossings Capital Improvement Program (CIP) Budget

The COO introduced two resolutions for the adoption of a One Year and Five Year Crossings Capital Improvement Program (CIP) Budget. A motion to move the Resolutions to the full Board was made by Commissioner Lathem, seconded by Commissioner Murphy, and unanimously approved. The Projects Committee recommended the Resolutions be presented to the full Board for consideration at the February Board meeting.

2. Bid Openings:

Contract No. CMLF-10-02, Drydocking & Repairs – MV Cape May. A public bid opening was held on January 20, 2011 in which four (4) bids were submitted. The COO described the scope of the work as normal, federally-mandated vessel drydocking to include vessel inspection, hull paint inspection, steering gear maintenance and other work. The COO recommended award to the lowest responsive bidder, Thames Shipyard & Repair Co., Inc. in the amount of \$979,705.00. A motion to move the award of Contract No. CMLF-10-02 to the full Board was made by Commissioner Lathem, seconded by Commissioner Murphy, and unanimously approved. The Projects Committee authorized the action to be presented at the February Board meeting.

Contract No. CMLF-10-05, Drydocking & Repairs – MV New Jersey. A public bid opening was held on January 20, 2011 in which three (3) bids were submitted. The COO described the scope of the work as a "contingency" drydocking, which would be required if the vessel does not successfully pass the upcoming Underwater Inspection in Lieu of Drydocking (UWILD). CMLF vessels are required to undergo drydockings twice within 5 years, with a special process allowing a survey by divers instead of an inspection for one of these drydockings. If the vessel does not pass this inspection, is found to have problems requiring repair, or is disallowed from participating in the UWILD program, a drydocking, to include vessel inspection, hull paint inspection, steering gear maintenance and other work, will be required. The COO recommended award to the lowest responsive bidder, Lyon Shipyard, Inc. in the amount of \$1,088,270.00. A motion to move the award of Contract No. CMLF-10-05 to the full Board was made by Commissioner Lathem, seconded by Commissioner Van Sant, and unanimously approved. The Projects Committee authorized the action to be presented at the February Board meeting.

3. No Contract Close-Out Actions:

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

5. Miscellaneous Items/Updates:

a. Delaware Memorial Bridge – 1st Structure Rehabilitation Update: Dan Faust from AECOM provided a status update of the Delaware Memorial Bridge 1st Structure Improvement Program. Major elements undergoing condition inspections include the roadway deck, coating system, steel superstructure and the suspension system. Evaluations indicate the 1st structure deck has a remaining life of approximately 10 years. Existing paint coatings are sufficient to permit some additional overcoats although removal/replacement of the coatings on the towers is warranted. Corrosion on steel superstructure components is typical for the structure age and the

load carrying capacity has not been reduced. Investigation of the main cables and suspenders contract documents have been completed and are expected to be advertised in February.

b. Crossings Capital Improvement Program Update: The Chief Engineer briefed the Committee on the Five Year Crossings Capital Improvement Program. The proposed budget for 2011 totals \$40.76 million dollars and includes \$18 million committed to active contracts and \$22.76 million proposed for safety critical activities, asset preservation, and other projects. The proposed Five Year CIP totals \$184.5 million dollars which includes estimated costs for improvements associated with the 1st Structure Improvement Program. The proposed Five Year CIP information will be reviewed and prioritized.

c. Marine Master Plan: The COO briefed the Committee on the progress of the Marine Master Plan.

With no further business to discuss, a motion to adjourn was made by Committee Chair Van Sant, seconded by Commissioner Murphy, and the Projects Committee adjourned at approximately 11:30 a.m.

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

Commissioner Favre stated that he will not be chairing the Projects Committee this year due to the change in Board leadership. He thanked the Committee for all the work that they have done and expressed the outstanding work of the CEO, COO and all staff working on all projects for the Authority.

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10327. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

In the absence of Committee Chair Downes, Commissioner Smith presented the following Economic Development Committee meeting minutes of February 1, 2011.

ECONOMIC DEVELOPMENT COMMITTEE MEETING
Tuesday, February 1, 2011
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, February 1, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

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

Commissioners from Delaware

Committee Chair Downes
Commissioner Traynor, Committee Member-via phone
Commissioner Murphy
Commissioner Lathem
Vice-Chairperson Lowe

Governors’ Representatives

David Reiner – NJ

Staff

Jim Johnson
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Charlotte Crowell
Anna Marie Gonnella Rosato
John Sarro

Authority Secretary

Tom Pankok

Michelle Griscom-Collins
Ken Hynson
Kelly Phillips Parker
Joe Volk
Steve Williams
Joe Larotonda

1. Committee Chair Downes welcomed the Economic Development Committee and opened the meeting at approximately 10:15 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.

2. Action Items

Airports

a. RESOLUTION 11-XX – LAND LEASE AGREEMENT WITH TERRI NOONE – MILLVILLE AIRPORT-

The Deputy Executive Director reported that the Resolution authorizes the lease of approximately 12,000 square feet of land at the Millville Airport to construct a personal use hangar to house four small aircraft. The initial term of the land lease is twenty (20) years with two (2) option periods of five (5) years each at an annual rental during the first year of \$3600.00. Rent during the initial term shall be adjusted annually by the Consumer Price Index (CPI) and adjusted to the Fair Market Value in years 5, 10, 15, and at the beginning of each option period. After discussion, Commissioner Smith made a motion, Commissioner Dorn seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the February meeting.

b. RESOLUTION 11-XX – THIRD AMENDMENT TO THE GROUND LEASE AT DELAWARE AIRPARK –

The Deputy Executive Director reported that the Delaware River and Bay Authority entered into a Ground Lease with the State of Delaware in 2000 to operate and manage the Delaware Airpark. The 2003 Airport Master Plan determined that lands surrounding the airport should be acquired for the future growth and development of the Airport. The State, as landowner, has been acquiring land for the past four (4) years and prior Resolutions have amended the Ground Lease with the State of Delaware to incorporate those additional parcels. This Resolution follows the same procedure and authorizes the Lease Amendment to modify the ground lease for Delaware Airpark to include the acquisition of Parcel A, Parcel C, and Parcel D. These parcels will be beneficial for potential storm water management and future development. These parcels have been funded 95% by the FAA through federal grants acquired by the Authority acting as Airport Sponsor. After discussion, Commissioner Dorn made a motion, Commissioner Smith seconded and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the February meeting.

Salem Business Centre

c. RESOLUTION 11-XX – LEASE AGREEMENT HARVEST BANK-SALEM BUSINESS CENTRE –

The Deputy Executive Director reported that Harvest Community Bank desires to lease approximately 3,164 square feet of space, commonly referred to as Suite 3 in the building located at 1 Collins Drive at the Salem Business Centre. This space is "landlocked" with no public access to the main lobby and is to be used for back office operations. The Annual rent of \$60,000.00 includes Common Area Maintenance. A \$32.50 per square foot fit out allowance is being provided to Harvest with any costs exceeding this allowance to be billed to the tenant. The initial term of the Lease Agreement is for ten (10) years with two (2) option periods of five (5) years each. Rent at the beginning of each option shall adjust by the Consumer Price Index (CPI).

The Deputy Executive Director noted this Lease was comparable to the other two tenants. The space has been difficult to lease. The Executive Director questioned the comparable tenants and the Deputy Executive Director reported that the tenants rejected the right of first refusal. Commissioner Favre added that, in the future, the Authority should seriously consider selling the Salem Business Centre. After discussion, Commissioner Smith made a motion, Commissioner Traynor seconded, and the Economic Development Committee recommended the Resolution be forwarded to the full Board for approval. Commissioner Dorn abstained from voting due to a conflict. The Resolution will be presented to the full Board for consideration at the February meeting.

3. Open Discussion/Other Issues

Salem Business Centre Update

The Deputy Executive Director reported that there are two remaining spaces available to lease at the Salem Business Centre. One site is approximately 8,500 square feet and the other is approximately 7,500 square feet. Also, three (3) ten (10) acre parcels remain for sale.

New Castle Airport

The Deputy Executive Director reported that submissions to an RFI have been sent by DEDO and undergoing review by an Italian aircraft assembly facility to possibly locate at the New Castle Airport. A decision should be forthcoming.

Delaware State Arts Council

The Deputy Executive Director reported that John Sarro has been appointed to the Delaware State Arts Council to serve a term expiring in 2014. The Committee offered congratulations.

With no further business to discuss, a motion to adjourn was made by Commissioner Dorn, seconded by Commissioner Smith, and the Economic Development Committee adjourned at 10:26 a.m

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

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10328. COMMITTEE REPORT – AUDIT & GOVERNANCE

It was noted by Chairperson Lowe that a meeting of the Audit & Governance Committee did not occur on February 1, 2011 as there were no agenda, action, or discussion items.

AUDIT & GOVERNANCE COMMITTEE MEETING
Tuesday, February 1, 2011
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, February 1, 2011, 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 Smith
Chairperson Hogan

Commissioners from Delaware

Committee Chair Downes
Commissioner Lathem, Committee Member
Commissioner Murphy
Commissioner Traynor-via phone
Vice-Chairperson Lowe

Governors’ Representatives

David Reiner - NJ

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

Authority Secretary
Tom Pankok

1. Committee Chair Downes reported there were no Agenda, Action, or Discussion items; therefore, it was not necessary to conduct an Audit & Governance meeting.

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10329. 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 December.

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

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10330. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented charts showing statements of income and expenses for the month of December 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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10331. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented charts for January 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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10332. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of January 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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10333. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF JANUARY 31, 2011.

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

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

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10334. PUBLIC COMMENT ON ACTION ITEMS.

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

- Contract CMLF-10-02 Drydocking and Repairs – MV CM
- Contract CMLF-10-05 Drydocking and Repairs MV NJ
- Resolution 11-03 Authorizing Authority Expenditures \$25,000 and Over
- Resolution 11-04 Adoption of the DRBA 5-year Crossings CIP
- Resolution 11-05 Adoption of the DRBA 2011 Crossings CIP
- Resolution 11-06 Lease Agreement with Terri A. Noone at the Millville Airport
- Resolution 11-07 Third Amendment of the Ground Lease with State of DE at the DE Airpark
- Resolution 11-08 Lease Agreement with Harvest Community Bank at Salem Business Centre

There were no public comments.

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10335. ACCEPTANCE OF COMMISSIONERS COMMITTEE ASSIGNMENTS

A motion to accept the Board of Commissioners Committee assignments was made by Commissioner Green, seconded by Commissioner Murphy, and unanimously approved by a voice vote of 10-0.

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10336. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

The COO presented the contract payments for the month.

Contract No.	Contractor	Current Amount
DMB-09-04R	Robert Mullin HVAC Contractors Paint Spray Booth Modifications	39,320.00
DMB-05-01R	Cornell & Company Elevator Replacement/Misc Steelwork	498,603.90
DMB-04-01	Mumford and Miller W Approach Repaving & Mod-I95NB-195 to Landers Lane	65,364.85
CMLF-06-03R	PKF-Mark III, Inc. Miscellaneous Dockwork and Repairs	14,750.00
NCA-10-01	Ralph G. Degli Obizzi & Sons Building 199 HVAC and Control Upgrades	105,738.50
NCA-08-02	Greggo & Ferrara, Inc. Runway I Safety Area Improvements	65,582.42
NCA-08-01	Diamond Materials, LLC Runway I Safety Area Improvements	202,224.57

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10337. APPROVAL OF DRYDOCKING AND REPAIRS – M/V CAPE MAY – CONTRACT #CMLF-10-02

The COO stated that a public bid opening was held on January 20, 2011 in which four (4) bids were submitted. He described the scope of work as normal, federally-mandated vessel drydocking, and other work. The COO and the Projects Committee recommended awarding the

contract to the lowest responsive bidder, Thames Shipyard & Repair Co., of New London, CT, in the amount of \$979,705.00.

A motion to award Contract #CMLF-10-02 to the above aforementioned firm in the amount of \$979,705.00 was made by Commissioner Favre, seconded by Commissioner Murphy, and unanimously approved by a voice vote of 10-0.

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10338. APPROVAL OF DRYDOCKING AND REPAIRS - M/V NEW JERSEY - CONTRACT #CMLF-10-05

The COO stated that a public bid opening was held on January 20, 2011 in which three (3) bids were submitted. He described the scope of work as a “contingency” drydocking, which would be required if the vessel does not successfully pass the upcoming Underwater Inspection in Lieu of Drydocking (UWILD). The COO and the Projects Committee recommended awarding the contract to the lowest responsive bidder, Lyon Shipyard, Inc., of Norfolk, VA, in the amount of \$1,088,270.00.

A motion to award Contract #CMLF-10-05 to the above aforementioned firm in the amount of \$1,088,270.00 was made by Commissioner Favre, seconded by Commissioner Murphy, and unanimously approved by a voice vote of 10-0.

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10339. CHAIRPERSON’S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD

RESOLUTION 11-03 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

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 1/1/11 THROUGH 12/31/11

VENDOR	SERVICE DESCRIPTION	DETERMINATION	APPROX. ESTIMATED \$
AT&T	Authority-wide Data Lines for information and video transmission	State Contract	\$175,000
CTM Media Group	Distribution and placement of 2011 CMLF brochures in strategic locations	Sole Source	\$37,000
Hess Corporation	Electric procurement for NJ facilities	Utility	\$500,000
Oceanport, LLC	Anti-icing product for Authority roads and bridges	Quotes	\$40,000
Verizon Wireless	Authority-wide wireless services	State Contract	\$78,000

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

A motion to approve Resolution 11-03 was made by Commissioner Van Sant, seconded by Commissioner Smith, and approved by a roll call vote of 10-0.

Resolution 11-03 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period, January 1, 2011 through December 31, 2011.

Committee: Budget & Finance

Committee Date: February 1, 2011

Board Date: February 15, 2011

Purpose of Resolution:

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

Background for Resolution:

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

Background for Determination categories:

Benefits:

The Authority has contracted with the medical benefits provider that has the capability of covering all Authority employees at all Authority locations.

Government:

Government items are payments that the Authority is required to make to another governmental agency.

Proprietary:

Proprietary items are purchases necessary to support and maintain existing Authority systems and equipment that are only available from one source. Resolution 98-31 (paragraph 2, subsection f) provides that “ [a] contract may be awarded without competition if the General Manager or Director of Operations of an Authority facility, or Police Administrator, prior to procurement, determines in writing that there is only 1 source for the required contract”.

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

Sole Source:

Sole source items are goods and services that the Authority requires that cannot be provided by another source. Resolution 98-31 (paragraph 2, subsection f)

provides that “[a] contract may be awarded without competition if the General Manager or Director of Operations of an Authority facility, or Police Administrator, prior to procurement, determines in writing that there is only 1 source for the required contract”.

State Contracts:

Resolution 98-31 (paragraph 2, subsection a) provides that the Authority may utilize state contract pricing at prices competitively bid by the States of Delaware or New Jersey for state agencies.

Utilities:

Authority purchases of utilities are exempt from the public advertising thresholds of Resolution 98-31 (paragraph 2, subsection a).

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RESOLUTION 11-04 - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY’S FIVE (5) YEAR (2011-2015) CROSSINGS CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET

WHEREAS, The Delaware River and Bay Authority (the “Authority”) has developed a Five (5) Year Capital Improvement Plan (CIP) for capital improvement crossing projects at the Delaware Memorial Bridge, Cape May-Lewes Ferry, and the Three Bays Crossing; and

WHEREAS, the Five (5) Year Crossings CIP budget is adopted in its entirety each year; and

WHEREAS, the current Five (5) Year Crossings CIP (2011-2015) totals \$184,445,000; and

WHEREAS, the Projects Committee has conducted a publicly advertised meeting on the proposed Five (5) Year Crossings CIP Budget; and

WHEREAS, the Authority’s Projects Committees has reviewed and approved the proposed Five (5) Year Crossings CIP Budget and recommends its adoption to the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts a Five (5) Year Crossings CIP Budget of \$184,445,000.

A motion to approve Resolution 11-04 was made by Commissioner Favre, seconded by Commissioner Murphy, and approved by a roll call vote of 10-0.

Resolution 11-04 Executive Summary Sheet

Resolution: Authorizing the adoption of The Delaware River and Bay Authority’s Five (5) Year (2011-2015) Crossings Capital Improvement Program (CIP) budget

Committee: Projects

Committee Date: February 1, 2011

Board Date: February 15, 2011

Purpose of Resolution:

To authorize adoption of the Delaware River and Bay Authority's Five (5) Year (2011-2015) Crossings Capital Improvement Program (CIP) budget in the amount of \$184,445,000.

Background for Resolution:

The Delaware River and Bay Authority has developed a Five (5) Year (2011-2015) Crossings Capital Improvement Program (CIP) for capital improvement projects at the Delaware Memorial Bridge, Cape May-Lewes Ferry, and the Three Forts Crossing in the amount of \$184,445,000.

The Capital Improvement Program (CIP) addresses the needs over the next five years to properly maintain and enhance the Authority's facilities to meet the increasing demands primarily associated with the transportation industry. In order to maintain the high level of safe and public service that this Authority has achieved since it was formed in 1962, we must continue to protect our investment as well as the public we serve through an effective and prudent CIP.

The Five (5) Year (2011-2015) Crossings CIP includes estimated costs associated with prioritizing and planning future bridge preservation work identified under the 1st Structure Improvement Program. Major activities include deck assessment, main cables and suspender ropes, coatings and framing/steelwork.

The Projects Committee has conducted a publicly advertised meeting on the proposed 2011 Crossings CIP Budget, reviewed and approved the proposed 2011 Crossings CIP Budget and recommends its adoption to the Board of Commissioners.

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RESOLUTION 11-05 - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY'S 2011 CROSSINGS CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET

WHEREAS, The Delaware River and Bay Authority (the "Authority") has developed a 2011 Crossings Capital Improvement Program (CIP) for capital improvement projects at the Delaware Memorial Bridge, Cape May-Lewes Ferry, and the Three Forts Crossing in the amount of \$40,760,000; and

WHEREAS, the Projects Committee has conducted a publicly advertised meeting on the proposed 2011 Crossings CIP Budget; and

WHEREAS, the Authority's Projects Committee has reviewed and approved the proposed 2011 Crossings CIP Budget and recommends its adoption by the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts a 2011 Crossings CIP Budget of \$40,760,000.

A motion to approve Resolution 11-05 was made by Commissioner Green, seconded by Commissioner Smith, and approved by a roll call vote of 10-0.

Resolution 11-05 Executive Summary Sheet

Resolution: Authorizing the adoption of The Delaware River and Bay Authority's 2011 Crossings Capital Improvement Program (CIP) budget

Committee: Projects

RES 11-05 Vetoed by NJ Gov. 3/11/11

Committee Date: February 1, 2011

Board Date: February 15, 2011

Purpose of Resolution:

To authorize adoption of the Delaware River and Bay Authority's 2011 Crossings Capital Improvement Program (CIP) budget in the amount of \$40,760,000.

Background for Resolution:

The Delaware River and Bay Authority has developed a 2011 Crossings Capital Improvement Program (CIP) for capital improvement projects at the Delaware Memorial Bridge, Cape May-Lewes Ferry, and the Three Forts Crossing in the amount of \$40,760,000.

The implementation of this 2011 Crossings Capital Improvement Program (CIP) will properly maintain the Authority's facilities and assure that the public continues to enjoy quality transportation services in a safe and efficient manner.

The Projects Committee has conducted a publicly advertised meeting on the proposed 2011 Crossings CIP Budget, approved the proposed 2011 Crossings CIP Budget and recommends its adoption to the Board of Commissioners.

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RESOLUTION 11-06 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND TERRI A. NOONE

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

WHEREAS, Terri A. Noone desires to lease approximately 12,000 square feet of land at the Airport to build a personal use hangar; and

WHEREAS, Terri A. Noone has agreed to pay the Authority annual rent in the amount of Three Thousand and Six Hundred Dollars (\$3,600.00); and

WHEREAS, the initial term of the Lease Agreement (the "Agreement") is for twenty (20) years; and

WHEREAS, Terri A. Noone, with the consent of the Authority, shall have the option of renewing this Agreement for two (2) option periods of five (5) years each; and

WHEREAS, rent during the initial term shall be adjusted annually by the Consumer Price Index (CPI) with a Fair Market Value (FMV) Adjustment in years 5, 10 and 15; and

WHEREAS, rent during the option periods shall adjust by the FMV.

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

Commissioner Green questioned the use of the hangar and requested the Lease Agreement be restricted to personal use only.

A motion to approve Resolution 11-06 was made by Commissioner Green (with the stipulation this language be included in the Lease Agreement that the hangar be restricted to personal use) seconded by Commissioner Murphy, and approved by a roll call vote of 10-0.

Resolution 11-06 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Agreement with Terri A. Noone

Committee: Economic Development

Committee Date: February 1, 2011

Board Date: February 15, 2011

Purpose and Background for Resolution:

Terri A. Noone would like to lease approximately 12,000 square feet of raw land located at the Millville Airport. They will be building a personal use hangar to house 4 small aircraft. The initial rental rate is based upon the current FMV.

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RESOLUTION 11-07 – THIRD AMENDMENT OF THE GROUND LEASE BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE STATE OF DELAWARE AT THE DELAWARE AIRPARK

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the operator of the Delaware Airpark (“Airpark”) located in Cheswold, Delaware; and

WHEREAS, several parcels of land have been determined to be necessary for future airport development and growth through a master planning process; and

WHEREAS, the State of Delaware (the “State”) as the landowner of the Airpark acquired these parcels of land adjacent to the Airpark; and

WHEREAS, the Federal Aviation Administration provided 95% of the financing for the acquisition through federal grants acquired by the Authority acting as the Airport Sponsor; and

WHEREAS, the State and the Authority wish to modify their Ground Lease for the Airpark to include the following parcels and acreage:

- Parcel A – 39.595 acres
- Parcel C – 17.370 acres
- Parcel D – 15.484 acres.

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

A motion to approve Resolution 11-03 was made by Commissioner Green, seconded by Commissioner Van Sant, and approved by a roll call vote of 10-0.

Resolution 11-07 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Amendment with the State of Delaware

Committee: Economic Development

Committee Date: February 1, 2011

Board Date: February 15, 2011

Purpose and Background for Resolution:

The State of Delaware has been acquiring land directly adjacent to the Delaware Airpark in support of a Master Plan that was developed which plans for the growth and expansion of the airport. It was determined that the parcels would be beneficial for potential storm water management and future business development.

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RESOLUTION 11-08 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND HARVEST COMMUNITY BANK AT THE SALEM BUSINESS CENTER

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the owner of the building located at 1 Collins Drive in the Salem Business Center, Carneys Point, New Jersey; and

WHEREAS, Harvest Community Bank (“Harvest”) desires to lease approximately 3,164 square feet of space commonly referred to as Suite 3 in the building located at 1 Collins Drive; and

WHEREAS, Harvest has agreed to pay the Authority annual rent in the amount of Sixty Thousand Dollars (\$60,000.00) which includes CAM; and

WHEREAS, Harvest is being provided a \$32.50 per square foot fit-out allowance; and

WHEREAS, the initial term of the Lease Agreement (the “Agreement”) is for ten (10) years; and

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

WHEREAS, rent during the option periods shall adjust by the Consumer Price Index (CPI).

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Harvest Community Bank 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 11-08 was made by Commissioner Green, seconded by Commissioner Smith, and approved by a roll call vote of 10-0.

Resolution 11-08 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Lease Agreement with Harvest Community Bank

Committee: Economic Development

Committee Date: February 1, 2011

Board Date: February 15, 2011

Purpose and Background for Resolution:

Harvest Community Bank would like to lease approximately 3,164 square feet of space in a building commonly referred to as 1 Collins Drive at the Salem Business Center. The space is “land-locked” with no access to the main lobby. The initial rental rate is a negotiated rate. This unit has been vacant since the facility was constructed. Harvest is a local business that is looking to locate a back office operation.

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10340. COMMISSIONERS PUBLIC FORUM

Chairperson Lowe asked if any members of the public would like to address the Commissioners.

There were no public comments.

Commissioner Green stated that, upon his appointment to the Board, he requested Authority staff research alternative energy’s at Authority facilities and requested the Chair and Vice-Chair target a date to report the findings to the Board.

Commissioner Favre noted that, while he was Chair of the Projects Committee, he called for a Marine Master Plan update on all of the Projects Committee agendas and requested the continuance of this practice now that he is no longer Chair of the Committee.

Commissioner Dorn thanked the Authority Police department for hosting the Salem County Reaching Out in Plain English (ROPE) youths ages 12-16 at the DRBA Police facility. He also noted that the South Jersey Community Development Corporation is honoring District 3 legislators at the Edward W. Dorn Community Center on March 26. Tickets are available through the Center. Commissioner Dorn thanked the Authority employees for their efforts in the Coat Drive.

Commissioner Smith congratulated Commissioner Lowe on his election to Chair and thanked Commission Hogan for steering the Board the last two years.

Commissioner Lathem thanked the employees Community Initiative Group for their continuous involvement in the communities, particularly with the recent Coat Drive that was well received this winter. He also thanked Commissioner Favre for his work on the Projects Committee.

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

The meeting was adjourned 11:06 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary