

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, July 19, 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, July 19, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Traynor
Commissioner Downes, Committee Member
Commissioner Murphy, Committee Member
Commissioner Green
Commissioner Lathem
Chairperson Lowe

Commissioners from New Jersey

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

Vice-Chairperson Hogan

Legal Counsel

Mike Houghton – DE

Phil Norcross - NJ

Governors' Representatives

Johanna Jones - NJ

Staff

Jim Johnson
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Charlotte Crowell
Joe Larotonda
Anna Marie Gonnella Rosato
Jim Salmon
Joel Leidy
Dave Hoppenjans
Heath Gehrke

Authority Secretary

Tom Pankok

1. Committee Chair Traynor opened the Budget & Finance Committee meeting at approximately 9:07 a.m. The Authority Secretary reported that the public meeting of the Budget & Finance Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.

2. Cape May-Lewes Ferry Shuttle Service Developments:

Prior to presenting Resolution 11-29 for Committee consideration, the Chief Financial Officer reported on recent developments in shuttle service at the Cape May-Lewes Ferry (CMLF). The current provider, Lion Tours, notified the Authority, Friday, July 1, 2011, that they were unable to obtain insurance. Anna Marie Gonnella Rosato was able to contact and secure a vendor for Saturday, July 2, Senior Travel Service, and a second vendor, Great American Trolley, to operate in place of Lion Tours. The initial agreement period with Great American Trolley ends July 22, 2011. The CFO reported that he discussed the matter with Legal Counsel and the Authority's Procurement Resolution 98-31 allows for a determination of critical needs to provide a service immediately if an RFP could not be conducted. The CFO made the recommendation to utilize the critical needs provision of 98-31 and to amend Resolution 11-29 to add the vendor as the costs are anticipated to be over \$25,000 through the end of September. The Chief Operations Officer will provide a Critical Needs Determination letter for file.

Delaware Legal Counsel read Resolution 98-31, Section 6:

"A General Manager, Director of Operations of an Authority Facility, or Police Administrator may waive any or all provisions of this Resolution to meet the critical needs of the Authority as required by emergencies or other conditions where it is determined to be in the best interest of the Authority. The General Manger, Director of Operations or Police Administrator may determine an emergency condition exists by reason of extraordinary conditions or contingencies that could not reasonably be foreseen and guarded against. A critical need creates a need for professional services that cannot be met through normal procurement method."

"a. Any procurement pursuant to this subsection shall be limited to thoseprofessional services necessary to satisfy a critical need."

"b. A copy of each critical need determination processed under this procedure shall be kept on file by the Authority."

Delaware Legal Counsel also noted that in Resolution 01-84, Amending 98-31, provides for contracts to be entered into "pursuant to the extraordinary circumstances permitted pursuant to Section 1.d (i) and Section 6, may still be entered into without such express prior approval."

The CFO also noted there were three (3) alternatives: Lion cures itself; identify another provider; or, continue with current provider, Great American Trolley.

The Committee began a discussion of Lion Tours and their contractual agreement with the Authority, preserving the Authority's rights under the contract, and the increased costs associated with Great American Trolley. The Committee also discussed the need to monitor the service and possibly adjust schedules to mitigate increased costs. Anna Marie Gonnella Rosato reported that the Authority contracts with New Jersey Transit, which provides for the use of New

Jersey Transit vehicles thereby reducing Lion Tours costs to the Authority. It is the intent to get back those vehicles from Lion Tours. Committee Chair Traynor requested the projected impact for the season and the CFO provided an estimate. The Director-Ferry Operations commended Anna Marie Gonnella Rosato for securing a new provider within in one day. Commissioner Favre questioned whether the service should continue after Labor Day and recommended that staff investigate.

Committee Chair Traynor questioned whether the Committee concurred with the recommendation to have the Chief Operations Officer provide a Critical Needs Determination letter for file and modify Resolution 11-29 to add Great American Trolley to the Over \$25,000 Vendor List. The Committee concurred with the recommendation to modify the Resolution.

3. Resolutions:

a. RESOLUTION 11-29 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2011 THROUGH DECEMBER 31, 2011 –

The CFO reviewed the Over \$25,000 List, noting that Delmarva Roofing & Coating was also a Critical Needs Determination. In order to meet the August 1, 2011 deadline for Hawker Beechcraft to occupy the XO-Jet Hangar, roof repairs were needed. Staff obtained quotes; however, Engineering was given the approval to proceed in order to escalate the timing to meet the deadline.

The CFO reported that the Committee concurred with the recommendation to add Great American Trolley and the Resolution would be amended. Commissioner Traynor asked for a motion to approve Resolution 11-29 as amended. Commissioner Favre made a motion, Commissioner Murphy seconded, and the Committee unanimously recommended forwarding the Resolution to the full Board for approval as amended. The Resolution will be presented to the full Board for consideration at the July Board meeting later today.

b. RESOLUTION 11-30 – AUTHORIZES PURCHASE AGREEMENTS FOR AUTHORITY-WIDE FOOD SERVICE PRODUCTS FOR THE DELAWARE RIVER AND BAY AUTHORITY –

The CFO reported that an RFP had been conducted Authority-Wide Food Service Products and received submissions from six providers. The submissions were evaluated and the Authority plans to award a contract to each of the bidders for the food service category for which they were the lowest responsive bidder. The CFO noted that no bids were received for Fountain Drinks and he would come back to the Committee in the future once resolved. In the interim period, the Authority plans to continue with the current vendor until resolved. The Committee questioned the Contracts in light of the direction of food service at the CMLF. The CFO reported that the Authority can terminate with notice.

Commissioner Van Sant made a motion, Commissioner Downes seconded, and the Budget & Finance 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 July Board meeting later today.

4. Discussion Items

a. Mid-Year Review

The CFO presented and reviewed the following.

- Year-To-Date Expenditure Analysis by Category 2010-2011. It was noted that Benefits are \$1.4 million ahead of 2010 due to expected increases in Pension and OPEB costs, as well as a \$350,000 increase in hospitalization. Staff will continue to monitor the overall benefit costs. Vessel Operations is \$331,973 ahead of 2010 due to the increased price of fuel. Terminal Operations increase of \$192,734 over last year is due to a variety of individual increases in many expense lines. One of the larger increases is aviation fuel; however, the increase in fuel price is passed when selling fuel to the customer.

- Year-To-Date Expenditures by Category FY 2011 – Overall, the Authority has expended 44% of the FY 2011 Budget at mid-year. The CFO noted that the E-ZPass Customer Service Center had up-front costs; however, transactional costs should drop as the Authority has transitioned to the New Jersey Customer Service.

- 2011 Revenue Review – The CFO noted that the 2011 Revenue Projections were revised to include the July 1, 2011 toll increase. The \$11 million in new toll revenue was based on 2010 traffic figures. Compared to 2010, projected year-to-date Revenue is 1% off.

- Traffic Comparison 2010-2011 – The CFO noted that traffic at the Delaware Memorial Bridge is flat and is due to the effect of fuel prices and continued unemployment. Traffic at the Cape May-Lewes Ferry is consistently down.

b. RFP Authority Financial Advisor and Investment Services

The CFO reported that the RFP for Financial Advisor and Investment Services will be advertised in August. Commissioner Downes noted as a reminder, was the Authority splitting the services or would the RFP be for all services. The CFO reported that the Budget & Finance Committee recommended keeping the services together.

c. Extending Contracts for Property Management

The CFO reminded the Committee that previous recommendation to go to three (3) year contracts with one (1) year extensions had been implemented on new contracts; however, the Contracts for Property Management were prior to that recommendation. It is recommended to extend these contracts for one (1) year to get to the third year and then conduct an RFP for these services. Currently, Deaton McCue provides services for the Riverfront Market and Emory Hill provides services for the Salem Business Center. Commissioner Green questioned whether all collections were up to date and staff added they would review.

Commissioner Murphy made a motion, Commissioner Van Sant seconded subject to review of the collections, and the Budget & Finance Committee unanimously recommended granting a one (1) year extension for the Property Management Contracts.

4. Miscellaneous

The CFO reported that Moody's Re-affirmed the Authority's A1 Rating – with Stable Outlook. The Executive Director reported that Commissioners were provided the Report. Authority Chair Lowe questioned whether S&P would review again and the CFO reported it would be unlikely to review again for a year.

With no further business to discuss, a motion to adjourn was made by Commissioner Van Sant, and the Budget & Finance Committee adjourned at 10:00 a.m.

THE DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE

July 19, 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, July 19, 2011, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Murphy, Committee Chair
Commissioner Green, Committee Member
Commissioner Lathem, Committee Member
Commissioner Traynor, Committee Member
Chairperson Lowe

Commissioners from New Jersey

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

Legal Counsel

Mike Houghton -- DE

Phil Norcross - NJ

Governors' Representative

Johanna Jones

Staff

Jim Johnson
Frank Minor
Jim Walls
Victor Ferzetti
Gerry DiNicola Owens
Charlotte Crowell
Joel Leidy
Heath Gehrke
Steve Williams
Anna Marie Gonnella-Rosato
Jim Salmon
John Sarro
Joe Larotonda
Dave Hoppenjans
Michelle Griscom-Collins

Authority Secretary

Tom Pankok

1. Committee Chairperson Murphy welcomed the Projects Committee and opened the meeting at approximately 10:15 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, and reported there was a quorum.

Those in attendance were provided an informational package consisting of an agenda, one (1) Resolution, the 2011 Airports Capital Improvement Program (CIP), a bid opening and a monthly contractor payment chart (through June).

2. Resolutions:

a. RESOLUTION 11-XX – ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY’S 2011 AIRPORTS CAPITAL IMPROVEMENT PROGRAM (CIP) -

The COO introduced a Resolution for the Adoption of the Delaware River and Bay Authority’s 2011 Airports Capital Improvement Program (CIP). The COO reported that the proposed 2011 Airports CIP for capital improvement projects at the New Castle Airport, Millville Airport, Cape May Airport, Delaware Airpark, and Civil Air Terminal is in the amount of \$3,695,000. The CIP include Revenue Producing/Economic Development Projects, DRBA Infrastructure Projects, and FAA-funded Infrastructure Projects. The DRBA Infrastructure Projects are 100% DRBA funded and the FAA-funded Infrastructure Projects are 95% funded by the FAA. The CIP information packet included a narrative summary for each Project. Commissioner Downes inquired about the next step in the CIP process. The COO explained that the 2012 Crossings and Airports CIPs will be presented to the Board in the Fall of 2011. A motion to move the Resolution to the full Board was made by Commissioner Green, seconded by Commissioner Van Sant, and unanimously approved. The Projects Committee recommended the Resolution be presented to the full Board for consideration at the July Board Meeting later today.

Commissioner Favre noted that it would be beneficial for Commissioners to be updated on the CIP process prior to the presentation of the 2012 CIP. He added that, although he has been through the process many times, it can still prove confusing. The Executive Director reported that staff will provide a thorough explanation during the process. Commissioner Downes suggested that both the FY 2012 Operating Budget and CIP be presented at the same time.

3. Bid Openings:

Contract No. DMB-10-06 – Inspection of Main Cables and Suspender Ropes, 1st and 2nd Structures. A public Bid Opening was held on May 25, 2011 in which four (4) bids were submitted. The COO described the work included in the project and recommended award of the Bid to the lowest responsible bidder, Piasecki Steel Construction Corp of Castleton, New York, in the amount of \$5,464,900.00. The Projects Committee concurred with the recommendation. A motion was made by Commissioner Lathem and seconded by Commissioner Smith to authorize the action to be presented at the July Board meeting.

4. Contract Close-Out Actions: None

5. Contract Payment Review (through June): The COO informed the Committee of the monthly construction contractor payments to be made in June which will be reported at the July Board meeting.

6. Miscellaneous Items/Updates:

The COO provided a news release concerning the Food and Retail privatization at the Cape May Lewes Ferry. Privatization announcement meetings were held with Food & Retail employees in Cape May, NJ, and Lewes, DE. The meetings went very well. Sixteen (16) permanent employees will be affected by the change which will take place in approximately two (2) years. Although there are no guarantees, it is expected that employees will have opportunities to transition to the new hospitality operator or to assume other roles within the Authority. Employees will be kept fully informed throughout the privatization transition process. An informational open house will be held for interested hospitality operators on August 10 and 11. The COO requested that Commissioners advise him of any potential hospitality operators within the regional area that should be included on the open house invitation list. Commissioner Lathem asked that minority vendors be contacted. Commissioner Downes inquired as to how many total vendors had been contacted and the COO said there have been 50 and 75 contacts made. The COO reported that there has been significant interest expressed by prospective vendors.

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

The following matters of a confidential nature were discussed.

- LONG RANGE PLANNING MATTERS

8. 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 Dorn, and the Projects Committee was opened to the public.

9. Open Discussion/Other Issues:

None.

With no further business to discuss, Commissioner Lathem a motion to adjourn, and the Projects Committee adjourned at 11:00 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, July 19, 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, July 19, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Lathem
Commissioner Murphy, Committee Member
Commissioner Traynor, Committee Member
Commissioner Downes
Commissioner Green
Chairperson Lowe

Commissioners from New Jersey

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

Legal Counsel

Mike Houghton – DE

Phil Norcross - NJ

Governors' Representatives

Johanna Jones – NJ

Staff

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

Authority Secretary

Tom Pankok

1. Committee Chair Lathem welcomed the Personnel Committee and opened the meeting at 10:05 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, and read the Statement of Notice, and called the roll.

2. Committee Chair Lathem 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 Traynor, and the Session was closed.

The following matters of a confidential nature were discussed.

- CONTRACT NEGOTIATIONS
- PERSONNEL MATTERS

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

3. Resolutions:

a. RESOLUTION 11-31 – AUTHORIZES A CONTRACT BETWEEN THE AUTHORITY AND BROWN & CONNERY, LLP TO PROVIDE PROFESSIONAL “ON-CALL” LABOR AND EMPLOYMENT LEGAL SERVICES REPRESENTING THE AUTHORITY’S INTEREST IN THE STATE OF NEW JERSEY –

The CHRO presented Resolution 11-31 for consideration. Commissioner Favre made a motion, Commissioner Traynor seconded, and the Personnel Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board during the July Board meeting later today.

b. RESOLUTION 11-32 – AUTHORIZES A CONTRACT BETWEEN THE AUTHORITY AND YOUNG CONAWAY STARGATT & TAYLOR, LLP TO PROVIDE PROFESSIONAL “ON-CALL” LABOR AND EMPLOYMENT LEGAL SERVICES REPRESENTING THE AUTHORITY’S INTEREST IN THE STATE OF DELAWARE

The CHRO presented Resolution 11-32 for consideration. Commissioner Smith made a motion, Commissioner Murphy seconded, and the Personnel Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board during the July Board meeting later today.

c. RESOLUTION 11-33 – COLLECTIVE BARGAINING AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND FRATERNAL ORDER OF POLICE LODGE NO. 14, FOR SWORN AND NON-SUPERVISORY EMPLOYEE POLICE OFFICERS

The CHRO presented Resolution 11-33 for consideration. Commissioner Favre made a motion, Commissioner Murphy seconded, and the Personnel Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board during the July Board meeting later today.

4. Miscellaneous:

Commissioner Downes reported that an employee questioned him whether the Board recognized retirements of long time employees. Authority Chair Lowe reported the current practice was to honor the retirees at the annual Awards Banquet at which time the retiree would be presented with a service certificate. Commissioner Downes suggested that the Board recognize and thank retiring employees publically during a Board meeting. The Committee briefly discussed the matter and Commissioner Murphy noted that any decision should be

meaningful.

With no further business to discuss, Commissioner Traynor made a motion to adjourn, and the Personnel Committee adjourned at 10:17 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, July 19, 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, July 19, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

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

Commissioners from New Jersey

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

Vice-Chairperson Hogan

Legal Counsel

Mike Houghton – DE

Phil Norcross - NJ

Governors' Representatives

Johanna Jones – NJ

Staff

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

Authority Secretary

Tom Pankok

1. Committee Chair Smith welcomed the Economic Development Committee and opened the meeting at approximately 10:00 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. The Deputy Executive Director reported there were no Agenda, Action, or Discussion items and opened the meeting to questions from the Committee or other Commissioners in attendance.

Commissioner Green commended the marketing effort at the Cape May-Lewes Ferry noting the current Cross Capes Adventure contest and when any data would become available. The Public Information Officer reported that reports will be provided the end of July, the end of August, and at the end of the contest. Commissioner Green requested that the any data be provided to all Commissioners. The Executive Director added he would provide the information to the Board.

Commissioners Favre, and Smith also commended the efforts of the Ferry marketing team.

With no further business to discuss, a motion to adjourn was made by Commissioner Dorn, and the Economic Development Committee adjourned at 10:05 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ENERGY AD HOC COMMITTEE MEETING

Tuesday, July 19, 2011

Delaware Memorial Bridge Complex

New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Energy Ad Hoc Committee was held on Tuesday, July 19, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Green
Commissioner Traynor, Committee Member
Commissioner Downes
Commissioner Lathem
Commissioner Murphy
Chairperson Lowe

Commissioners from New Jersey

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

Vice-Chairperson Hogan

Legal Counsel

Mike Houghton – DE

Phil Norcross - NJ

Governors' Representatives

Johanna Jones - NJ

Staff

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Charlotte Crowell
Anna Marie Gonnella Rosato
Steve Williams
Joel Leidy
Jim Salmon

Authority Secretary

Tom Pankok

1. Committee Chair Green welcomed the members of the Energy Ad Hoc Committee and opened the meeting at 11:05 a.m. The Authority Secretary reported that the public meeting of the Energy Ad Hoc 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 Green reported that a Request for Information (RFI) will go out to the public to start the process to determine whether the use of alternative energy at Authority

facilities would be economically feasible. Committee Chair Green asked the Executive Director to provide an update on the process. The Executive Director reported that the RFI is being reviewed by Legal Counsel. A press release will go out in the near future to spur interest among vendors in providing Solar and Wind power at all Authority facilities. A Pre-Submission meeting will be conducted. Staff will then review the material and proceed with a Request for Proposal. The RFI is expected to be out in time for an early September response. Committee Chair Green requested additional information be provided to the Committee, including the Duffield Report and peak demand and total demand for Authority facilities. The Executive Director reported that the information is available for the Delaware Memorial Bridge and Cape May-Lewes Ferry, but not the Airports. Committee Chair Green requested information to be provided to the extent that the information is available. Commissioner Downes questioned the benefit of an RFI. The Executive Director reported that an RFI would determine whether there were interested vendors prior to developing and conducting a Request for Proposal. Committee Chair Green noted that this was the approach used at the University of Delaware and the process provided some good options.

Commissioner Favre suggested that the RFI also ask respondents to consider geothermal. The Executive Director indicated that this technology was evaluated in the Duffield reports and he would modify the RFI for that suggestion.

Committee Chair Green reported a briefing will be provided in September; however, staff will continue to keep the Ad Hoc Committee informed.

With no further business to discuss, a motion to adjourn was made by Commissioner Traynor, and the Energy Ad Hoc Committee adjourned at 11:15 a.m.