

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, April 19, 2011
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720

The meeting convened at 10:44 a.m. with Chairperson Lowe presiding.

The opening prayer was given by Commissioner Lathem, followed by the Pledge of Allegiance led by the Executive Director.

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.

* * * * *

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

William E. Lowe, Chairperson
Richard W. Downes
Scott A. Green
Samuel E. Lathem
Terry C. Murphy
Gary F. Traynor

James N. Hogan, Vice-Chairperson
Edward W. Dorn (via phone)

Ceil Smith
Douglas Van Sant

ABSENT

Niels S. Favre

* * * * *

Chairperson Lowe called for the acceptance of the Agenda.

Commissioner Lathem motioned to accept the Agenda, seconded by Commissioner Smith, and approved by a voice vote of 10-0.

* * * * *

10359. APPROVAL OF THE MARCH 15, MINUTES

Commissioner Downes motioned for approval of the March 15, 2011 minutes, seconded by Commissioner Smith, and approved by a voice vote of 10-0.

* * * * *

10360. EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented his report for the month of March, 2011.

Delaware Memorial Bridge

In March, total traffic decreased 2.5%, non-commercial traffic decreased 3.3%, and commercial traffic increased 2.8%, compared to March 2010. When compared to the 3-year average, total March traffic increased 2.6%. Year-to-date total traffic increased 1.4%, non-commercial traffic increased 0.9%, and commercial traffic increased 4.1%, compared to the previous year. When compared to the 3-year average, year-to-date total traffic decreased 2.9%. E-ZPass traffic for March represented 64.1% of the total overall traffic as compared to 62.5% for the previous year. Year-to-date total electronic traffic represented 64.1%, an increase of 1.9% from 2010.

Cape May Lewes Ferry

In March, vehicle traffic decreased 6.6%, passenger traffic decreased 9.3%, and fare revenues decreased 4.4%, compared to March 2010. Year-to-date vehicle traffic increased 4.1%, passenger traffic increased 3.9%, and fare revenues increased 8.3%, compared to the same period in 2010. Compared to the 3-year average, year-to-date vehicle traffic decreased 18.5%, passenger traffic decreased 22.1%, and fare revenues decreased 8.8%.

In March, CMLF food and beverage revenues decreased 12.1% and retail revenues decreased 18.2% compared to March 2010. Year-to-date food and beverage revenues increased 4.2% and retail revenues decreased 5.8% compared to the same period in 2010. When compared to the 3-year average, year-to-date food and retail revenues decreased 20.0%.

Dry dock work on the MV Twin Capes continues at Cadell’s Shipyard. Work completed to-date includes replacement of hull steel, painting and other repairs. During the month, the MV New Jersey UWILD inspection was conducted. The inspection was successful and the vessel will not be required to go to the shipyard.

The 2011 Ferry Schedule was published and distributed to customers during the early part of the month.

Three Forts Ferry

I met with representatives from the NJ Department of Environmental Protection (NJ DEP), Natural & Historic Resources, Office of Leases to discuss the New Jersey Landing Agreement at Fort Mott. The terms and conditions of an extension along with NJ DEP operating expenses were discussed. A copy of a revised Landing Agreement was furnished to the NJ DEP representatives two weeks after the meeting for their review and comment.

Airports

The Civil Air Terminal’s annual Tabletop Emergency Exercise was held at the Dover Civil Air Terminal. Representatives from the Delaware River and Bay Authority and Dover Air Force Base briefed a simulated emergency scenario and updated emergency response contact information for the facility. FAA Part 139 requires that certificated airport facilities perform this every 12 calendar months.

Finance

The Finance department staff continues to work with the external auditors with Clifton Gunderson, LLP to prepare the preliminary financial statements for 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 March:

Authorized Positions (2011 Budget Year)	418
Positions Filled	382
Positions Filled (on LTD)	5
Total Positions that are Vacant	31
Vacant Positions in Process to fill	7

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

* * * * *

Commissioner Traynor presented the following Budget & Finance Committee meeting minutes held on April 5, 2011.

BUDGET & FINANCE COMMITTEE MEETING

Tuesday, April 5, 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, April 5, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

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

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

Governors' Representatives

Susan Kase - NJ

Staff

Jim Johnson
Frank Minor
Victor Ferzetti
Jim Walls
Gerry Owens
Charlotte Crowell
Joe Larotonda
Kelly Phillips Parker
Michelle Griscom-Collins
Anna Marie Gonnella Rosato

Authority Secretary

Tom Pankok

1. Committee Chair Traynor opened the Budget & Finance Committee meeting at approximately 9:12 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. Resolutions:

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

The Chief Financial Officer (CFO) presented and reviewed the Over \$25,000 Vendor List noting that the one item was for the purchase of four (4) police cars. The vehicles to be purchased are Crown Victorias, the model currently in use by the Authority Police Department. The model is being discontinued by the manufacturer and this purchase would allow the ability to use the existing fit-out equipment, from current vehicles as a cost saving measure. The CFO noted that the vehicles being replaced are from 2004 or older and have 100,000 plus miles on them. The estimated cost to fit-out a new vehicle with a new equipment package would be approximately \$7,000 per vehicle. The Authority will be evaluating possible alternatives for future fleet replacement.

Commissioner Lathem questioned whether they were hybrid vehicles. It was reported they were not hybrid. The Deputy Executive Director reported that, according to his experience in Logan Township, the hybrid vehicles lack power in pursuits, repair costs are very expensive, and other townships have not moved forward with purchasing hybrid vehicles for police departments. Commissioner Lathem suggested staff obtain sufficient back-up material, such as this, in the

event of additional scrutiny. Committee Chair Traynor noted that the purchase is a cost saving measure by not having to purchase new fit-out equipment.

After discussion, Commissioner Favre 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 April meeting.

3. Discussion Items:

a. Authority Financial Advisor and Investment Services – The CFO reported that he had been tasked to conduct an RFP for an Authority Financial Advisor and Investment Services within the first quarter of 2011; however, he was requesting direction from the Budget & Finance Committee to appropriately develop the RFP. The CFO presented a spreadsheet which included the Authority breakdown of funds: Pension, OPEB, General, and Debt Service Reserve Funds and three different scenarios.

1 Provider – the Authority’s current Financial Advisor (FA) and Investment Manager (IM) is Brown Advisory. The Authority pays 20 basis points on the fund balance. Throughout the years, they have provided excellent service. The advice and counsel from the Financial Advisor has prevented many of the negative financial issues other agencies have been experiencing.

2 Providers – Financial Advisor and Investment Manager – Dividing Services could increase cost to the Authority by 51% to 110% in fees, using the typical fee structure.

3 Providers – Financial Advisor, Investment Manager for Authority Funds, and Investment Manager for Non-Authority Funds (Pension & OPEB) – These could be divided, if the Board desires, in that the Board approved two different policies, one for Cash Management and one for Pension and Pension-style funds.

Authority Chair Lowe questioned the rationale for splitting these services. The CFO stated that this is a policy issue as to whether the Authority should have one firm providing all services or does the Board want these services unbundled. Commissioner Downes stressed that he has been concerned about not competitively bidding these services for some time. He said that it is time to put out an RFP and those firms that can provide multiple services can bid on all of it. He did not think that only one firm could give the Authority the competitive pricing. Committee Vice-Chair Favre asked if there was any evidence that multiple providers could provide better service. The CFO reported he was not aware of any, and noted that Mercer, the Authority’s Actuaries, reported that it was not uncommon for an organization of our size to have only one provider. However, the CFO cautioned that it could be argued that the Authority should not have all its assets invested by one manager. Commissioner Murphy asked what the CFO would recommend. The CFO reported that he would recommend one Investment Manager for Pension and Pension-style Funds, one Investment Manager for Authority Funds, and allow one of those two to serve as the Financial Advisor. Having multiple providers could be beneficial. One of the benefits to having multiple providers is greater access to various ideas and information.

Commissioner Downes noted that an investment manager follows the established policies and invests accordingly and is compensated for doing so; however, in the future the Authority will be issuing debt and will need a financial advisor and it may be beneficial if one firm could provide all of those services. The CFO added that a financial advisor acts as liaison to the bankers and numerous attorneys in a bond issue that would provide the Authority with independent advice. Authority Chair Lowe stated that the CFO is seeking direction as to how the RFP is to be written and go out to the public for bid. Committee Chair Traynor asked for a consensus of the Committee, noting that the Authority could benefit by splitting to two providers.

Commissioner Favre noted that the CFO was happy with the current provider and experts have told us it is not unusual for companies our size to use one provider. It could cost the Authority an additional \$100,000 to use two providers and suggested the RFP be crafted for

one provider. The CFO noted that the focus should not be solely on the fees/costs. The focus should be on the investment of \$140 million and maximizing return. Also, the Authority has the ability to negotiate fees, which could be less than suggested in the analysis. Committee Chair Traynor noted Commissioner Favre's point and gave deference. Commissioner Downes noted that the Authority conducted an RFP for Audit Services although the Authority was satisfied with its Auditor; however, Committee Chair Traynor added that there are generally accepted practices not to keep an auditor for long periods.

Authority Chair Lowe stressed that this was the only remaining professional service that was not put out for a public bid. The CFO added that he was very pleased with the current provider; however, that does not mean the Authority should not RFP these services. Commissioner Murphy questioned the rationale for bidding the service if we are pleased with the current services. The CFO reported that the Board has questioned him in the past, as well as lately, when an RFP for these services would be conducted.

Authority Vice-Chair Hogan stated that he has been persistent in conducting an RFP for transparency. It is the only significant contract the Authority has not publicly bid. He said he did not have any negative opinions in relation to the current vendor and added that he would be comfortable with the recommendation of the Committee. Authority Chair Lowe noted that he is comfortable with the Committee's recommendation as well. Committee Chair Traynor asked the Committee members for their input. All Committee members favored one provider for all IM and FA services, with Committee Chair Traynor conceding to the majority.

The CFO stressed that none of the options presented were wrong approaches as each has particular benefits. He is fine with one provider; however, his goal was to make the Committee aware, informed, and comfortable with the options before conducting an RFP. The CFO reported that the RFP will be drafted accordingly and he will report back to the Committee.

b. S&P Downgrade – The CFO reported that the Authority received a downgrade notice from S&P, from an A+ rating to A/Stable, and presented the write-up and rationale, noting that the first paragraph reflected their rationale.

“...lower liquidity, as a result of the authority having recently funded more of its capital improvement plan (CIP) with cash than it has historically, and no toll increase since 2008. Moreover, while certain major capital projects in its CIP would not leave the DRBA's most important asset (the Delaware Memorial Bridge) structurally deficient, we have concerns that these projects cannot be completed without additional debt, which the authority cannot issue in the amount it requires without violating bond covenants.”

The CFO reported that this was not unforeseen and tried to get ahead of the issue. The CFO noted that S&P was aware that the New Jersey Governor vetoed the Capital Improvement Plan (CIP). He informed the Committee that it would be ill advised for anyone to think that the Authority does not need a toll increase now that we've been downgraded. He also reported that rating agencies have continually downgraded other entities, noting an instance in Atlanta in which it has experienced continuous downgrades. The CFO stressed that if we cannot manage our business, he predicts more downgrades will follow.

Commissioner Downes reported that this downgrade may help get the Authority's toll increase and that rating agencies are under the gun since they did not do their due diligence previously during the collapse of the financial markets. They are sensitive to their own image. He thought this was good information at the right time.

Commissioner Murphy reported that she was not proud that this could get us the toll increase and that the New Jersey Governor's representatives were aware of the issues and did not properly educate the Governor. Regarding the veto of the CIP and the New Jersey Governor saying that the Authority is acting irresponsibly is a huge contributor to this consequence. Commissioner Murphy stressed that it would be irresponsible for the Authority not to have a Capital Plan and this downgrade is an irresponsible consequence to that veto. The CFO reported that, the lack of response by the Governors' Offices to the toll increase planned for July, 2011,

left the Authority unable to convey much information to S&P. The CFO noted that we would have likely avoided the action if we were able to convey such information.

Committee Chair Traynor questioned the cost to the Authority as a result of the downgrade. The CFO reported that the Letter of Credit (LOC), backing the Authority's \$30 million in variable debt, is tied to Moody's rating. Every level downgraded increases the LOC by 10 basis points. The LOC is with TD Bank and it is a stand by letter of credit as back up. Additional costs would be incurred on the issue of new debt as previously presented by the Authority's FA.

The CFO reported that the Authority now has a split rating in that the rating agencies are not aligned. All of this weakens the Authority's position and quick action is needed. The CFO thanked Joe Larotonda, the Director of Finance, for being the point of contact during the CFO's absence last week and providing the necessary information.

Authority Vice-Chair Hogan voiced concern about the S&P Statement that other assets operate at a deficit. The CFO reported that, from the rating agency's perspective the DMB is the main asset and brings in 75% of all revenue and all other assets are lumped together. Economic Development is holding its' own, and the Ferry loses \$8 million annually. The Authority has done its best to control costs at the Ferry.

Authority Chair Lowe questioned how far in the future do the rating agencies review. The CFO reported that they question where you are going with your future business. At the time they last reviewed the Authority in 2008, we were looking at other ways to operate the Ferry so they asked what was decided. The Authority reported that it decided to operate the Ferry as a 12-month operation. Commissioner Vice-Chair Favre added that the CMLF is important to southern New Jersey and Delaware and that the next step is the Marine Master Plan. If the Authority cannot implement that plan, then there are only incremental savings. The Marine Master Plan and all it entails means issuing debt and now that debt will cost even more.

The CFO stated that it is clear that S&P sees the positives associated with the DMB and concern for everything else. Even in difficult economic times, the bridge traffic managed well. Politics and Economic Development are wild cards to the rating agencies and are sometimes contrary to good business principles.

The Executive Director stated that there are disclosure requirements the Authority must now complete. The CFO noted that there is an electronic filing that must be done within ten (10) days of the downgrade and the Authority will comply. The disclosure is with the Electronic Municipal Market Access (EMMA), which is a centrally located point of information for bond investors.

4. Miscellaneous:

Commissioner Downes questioned the Executive Summary Sheet attached to the Resolution approving the purchase of police cars. Committee Chair Traynor explained that the Summary Sheet is a footnote explaining the various determinations categories for the Over \$25,000 Vendor Lists. Today's Resolution noted that the purchase was being made through State Contract.

Commissioner Downes also asked for an explanation of the large reduction in the Cash Position Statement. The CFO reported that there was a January 1, 2011, Annual P&I payment, \$2 million/month CIP funding, \$2 million in operating deficits at the CMLF. Additionally, there was an \$8 million deposit to the OPEB Fund and \$5.5 million payment to the Pension Fund, which had been previously discussed and Board recommended. All others were planned and expected.

With no further business to discuss, a motion to adjourn was made by Commissioner Favre, and the Budget & Finance Committee adjourned at 10:12 a.m.

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

* * * * *

Commissioner Lathem presented the following Personnel Committee meeting minutes of April 5, 2011.

PERSONNEL COMMITTEE MEETING
Tuesday, April 5, 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, April 5, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware
PRESENT

Commissioners from New Jersey

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

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

Governors’ Representatives
Susan Kase – 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 9:00 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 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 Smith, and the Session was closed.

The following matters of a confidential nature were discussed.

- CONTRACT NEGOTIATIONS
- PERSONNEL MATTERS

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Commissioner Smith, seconded by Commissioner Murphy, 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 9:12 a.m.

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

* * * * *

Commissioner Murphy presented the following Projects Committee meeting minutes of April 5, 2011.

PROJECTS COMMITTEE
April 5, 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, April 5, 2011, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Committee Chair Murphy
Committee Member Lathem
Commissioner Downes
Commissioner Traynor
Chairman Lowe

Commissioners from New Jersey

PRESENT

Committee Vice Chair Van Sant
Committee Member Dorn
Committee Member Smith
Commissioner Favre
Vice Chair Hogan

Staff

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

Authority Secretary

Tom Pankok

Representatives from NJ Governor's Office

Johanna Jones
Susan Kase

Representative from DE Governor's Office

Andrew Lippstone

Committee Chair Murphy welcomed the Projects Committee and opened the meeting at approximately 10:12 a.m. The Authority Secretary reported there was a quorum.

Those in attendance were provided an informational package consisting of an agenda, two (2) draft Resolutions, and a monthly contractor payment chart (through March).

1. Resolutions:

The Chief Operations Officer (COO) reported that the two Resolutions had been previously tabled to allow for the completion of the cost proposal analysis.

RESOLUTION 11-XX – Authorizes a Contract Between the Authority and Greenman-Pederson, Inc. to Provide Professional “On-Call” Authority-wide Bridge and Highway Inspection Services for the Delaware River and Bay Authority

The COO reported that a public RFP had been conducted for “on-call” professional authority-wide bridge and highway inspection services for the Delaware River and Bay Authority. The Authority received and evaluated the proposals of nine (9) firms and oral interviews were conducted for two (2) shortlisted firms. Greenman-Pederson, Inc. was ranked first for an initial term of three (3) years at \$3,000,000 with one (1) optional one year renewal at a not-to-exceed limit of \$1,000,000. Individual task orders will be negotiated at the time they are requested by the Authority. The COO made the recommendation to award the contract to Greenman-Pederson, Inc.

RESOLUTION 11-XX – Authorizes a Contract Between the Authority and KCI Technologies to Provide Professional “On-Call” Authority-wide Airports, Ferry, and Building Inspection Services for the Delaware River and Bay Authority

The COO reported that a public RFP had been conducted for “on-call” professional Authority-wide airports, ferry and buildings inspection services. The Authority received and evaluated four

(4) firms and oral interviews were conducted for two (2) shortlisted firms. KCI Technologies, Inc. was the first ranked for an initial term of three (3) years at \$1,200,000 with an optional one (1) year renewal at a not-to-exceed limit of \$400,000. Individual task orders will be negotiated at the time they are requested by the Authority. The COO made the recommendation to award the contract to KCI Technologies, Inc.

Commissioner Downes questioned why, with three full-time engineers on staff, was it necessary to contract out this work. The COO reported that it was due to the scope and magnitude of the projects. The Executive Director added that it would be a conflict to have the Engineer of Record performing inspections. Committee Chair Murphy asked from where would the funding come and the Executive Director reported the funding would become a committed capital expense once the particular project was awarded.

After discussion, Committee Chair Murphy asked for a single motion to move the two (2) Resolutions to the full Board. Commissioner Van Sant made a motion, Commissioner Smith seconded and the Projects Committee unanimously recommended forwarding the Resolutions to the full Board for approval. The Resolutions will be presented to the full Board for consideration at the April meeting.

2. Bid Openings:

None.

3. Contract Close-Out Actions:

None.

4. Contract Payment Review (through March): The COO informed the Committee of the monthly construction contractor payments to be made in April which will be read at the April Board meeting.

5. Open Discussion/Other Issues:

Authority Vice-Chair Hogan requested an update regarding the obstructions at the Cape May Airport. Michelle Griscom-Collins reported that correspondence had been sent from New Jersey Legal Counsel to the DEP. The DEP is currently reviewing the request. The Lower Township Municipal Authority commented and was not pleased with the request; however, the Authority is moving forward. Commissioner Favre stressed his disappointment that the issue had not moved forward and requested the Deputy Executive Director provide more insight. The Deputy Executive Director reported that the issue in Cape May will require political intervention from the local Senators and Assemblymen to resolve and that the Governor's Office has also been informed of the situation. This issue will require additional time and effort to resolve, and the Committee will be updated accordingly. Authority Chair Lowe stressed that he hoped that the Authority was doing everything required by the FAA for the safety of the public and was assured by the Director-Airports Operations that the Authority complies with all FAA requirements fully.

With no further business to discuss, a motion to adjourn was made by Commissioner Van Sant, and the Projects Committee adjourned at 10:27 a.m.

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

* * * * *

10364. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Smith presented the following Economic Development Committee meeting minutes of April 5, 2011.

ECONOMIC DEVELOPMENT COMMITTEE MEETING
Tuesday, April 5, 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, April 5, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

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

Commissioners from Delaware

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

Governors' Representatives

Susan Kase – NJ

Staff

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

Authority Secretary

Tom Pankok

1. Committee Chair Smith welcomed the Economic Development Committee and opened the meeting at approximately 10:27 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 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MARK CHAMBERLAIN AND GLORIA MONAHAN -

The Deputy Executive Director presented pictures of the building, commonly referred to as Building 97 at the Cape May Airport which was described as a vacant shell needing extensive work in order to meet code. The prospective tenant, Mark Chamberlain and Gloria Monahan doing business as Airport Fitness, desires to lease the 14,844 square foot building for an initial term of ten (10) years, with two (2) options of five (5) years. Annual rent during the first year of the initial term shall be \$66,798 and adjusted annually, during the initial term and renewal periods, by 2%. Rent shall be adjusted at the beginning of the renewal periods to the Fair Market Value. The estimated cost to bring the building to code is approximately \$150-\$200,000. Airport Fitness will complete the fit-out and receive a rent abatement of 50% of the cost of the fit-out up to \$175,000, over the first two (2) years of the Lease. The potential cost to the Authority would be \$87,500.

Committee Vice-Chair Downes asked for clarification on how the building came to be acquired by the Authority. Michelle Griscom-Collins reported that the building was built by the previous tenant and leased from Cape May County prior to the Authority taking over the operation of Cape May Airport. At the expiration of the lease, the asset reverted to the Airport and was acquired in 2008 after a lengthy legal proceeding at no cost to the Authority.

Commissioner Murphy questioned whether the square foot price was below market value and how long before the tenant paid any rent. It was reported that the rent is below market, but not

significantly below. The building had been appraised prior to a previous attempt to lease the building, and has been sitting vacant since that time. It would be less than a year and a half before rent is paid to the Authority, up to 50% of the capped \$150,000.

The Executive Director questioned whether there was a termination clause. It was reported that the Agreement is for ten (10) years and the tenant would be obligated to pay the remainder of the lease and any improvements to the building would benefit the Authority.

After discussion, Commissioner Dorn made a motion, Commissioner Traynor 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 April meeting.

With no further business to discuss, a motion to adjourn was made by Commissioner Downes, seconded by Commissioner Van Sant, and the Economic Development Committee adjourned at 10:37 a.m

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

* * * * *

10365. 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 February.

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

* * * * *

10366. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented charts showing statements of income and expenses for the month of February with comparisons to the same periods last year.

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

* * * * *

10367. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented charts for March 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.

* * * * *

10368. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of March 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.

* * * * *

10369. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF MARCH 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.

* * * * *

10370. PUBLIC COMMENT ON ACTION ITEMS.

The Executive Director presented the following action items that were being considered and asked for public comment.

- Resolution 11-15 Authorizing Authority Expenditures in Excess of \$25,000
- Resolution 11-16 Contract with Greenman-Pederson, Inc. for “On Call” Authority-Wide Bridge and Hwy Inspection Services
- Resolution 11-17 Contract with KCI Technologies, Inc. for “On-Call” Authority-Wide Ferry and Building Inspection Services
- Resolution 11-18 Lease Agreement with Mark Chamberlain & Gloria Monahan, Cape May Airport

There were no public comments.

* * * * *

10371. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

The COO presented the contract payments for the month.

Contract No.	Contractor	Current Amount
DMB-10-02	Allied Painting, Inc	356,400.00
DMB-10-03	Abel Fence, LLC	284,017.50
DMB-09-04R	Robert Mullin HVAC Contractors	6,475.00
DMB-05-01R	Cornell & Company	432,187.80
CMLF-10-03	Cadell Drydock & Repair Co., Inc.	599,661.90
CMLF-10-01	Colonna's Shipyard	199,598.60
NCA-10-01	Ralph G. Degli Obizzi & Sons	24,793.05
MVA-05-01	Giberson Plumbing & Excavating	15,075.00
CMA-04-04R2	South State, Inc.	135,637.83

* * * * *

10372. CHAIRPERSON’S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD

RESOLUTION 11-15 - 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 \$
Chas S. Winner dba Winner Ford	Purchase of four (4) police cars	State Contract	91,900

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 11-15 was made by Commissioner Downes, seconded by Commissioner Smith, and approved by a roll call vote of 10-0.

Resolution 11-15 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: April 5, 2011

Board Date: April 19, 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).

* * * * *

RESOLUTION 11-16 – AUTHORIZES A CONTRACT BETWEEN THE AUTHORITY AND GREENMAN-PEDERSON, INC. TO PROVIDE PROFESSIONAL “ON-CALL” AUTHORITY-WIDE BRIDGE AND HIGHWAY INSPECTION SERVICES FOR THE DELAWARE RIVER & BAY AUTHORITY

WHEREAS, The Delaware River and Bay Authority (the “Authority”) owns, operates and maintains the Delaware Memorial Bridge and approach roads; and

WHEREAS, the Authority seeks to engage a consultant to provide professional “on-call” Authority-wide bridge and highway inspection services (“Services”); and

WHEREAS, the Authority desires to procure those Services with an initial term of three (3) years with one (1) optional one-year renewal, such renewal to be authorized by the originating committee with the consent of the Chairperson and Vice Chairperson of the Board of Commissioners; and

WHEREAS, the Authority publicly advertised and issued a Request for Proposal (“RFP”) for the required Services in compliance with Resolution 98-31, as amended by Resolution 09-52, which governs the procedure for the procurement of professional services; and

WHEREAS, the Authority received and evaluated nine (9) proposals pursuant to the aforementioned requirements; and

WHEREAS, the Authority short-listed two (2) firms and conducted oral interviews; and

WHEREAS, Greenman-Pederson, Inc. was designated first on the preference list; and

WHEREAS, the Authority negotiated for services at compensation determined to be fair and reasonable with Greenman-Pederson, Inc. and in making such determination, conducted an analysis of the cost of the services in addition to considering the scope and complexity; and

WHEREAS, the not to exceed limits for these services are \$3,000,000 for the initial term of three (3) years and \$1,000,000 for the optional renewal term of one (1) year; and

WHEREAS, the Projects Committee reviewed the recommendation and concurs with the evaluation.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Services Agreement (“Agreement”) with Greenman-Pederson, Inc. to provide such Services for the Authority and to have such Agreement, with the advice and consent of Counsel, executed by the Chairperson, Vice-Chairperson and Executive Director.

A motion to approve Resolution 11-16 was made by Commissioner Smith, seconded by Commissioner Murphy, and approved by a roll call vote of 10-0.

Resolution 11-16 Executive Summary Sheet

Resolution: Authorizing Authority expenditures for Professional Services pursuant to Resolution 98-31, as amended by Resolution 09-52, for professional “on-call” Authority-wide bridge and highway inspection services

Committee: Projects

Committee Date: March 1, 2011

Board Date: March 15, 2011

Purpose of Resolution:

To authorize an Agreement with Greenman-Pederson, Inc. to provide professional “on-call” Authority-wide bridge and highway inspection services

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 98-31, as amended by Resolution 09-52, to procure and award professional services.

The Authority received and evaluated written proposals from the following nine (9) firms:

- Birdsall Services Group Hill International
- Buchart Horn, Inc. KCI Technologies
- *Century Engineering STV Incorporated
- *Greenman-Pederson, Inc. Urban Engineers
- HAKS Engineers, Architects
and Land Surveyors, Inc.

Based on the scores of the written evaluations, two (2) firms (indicated by the *) were shortlisted and invited to participate in the oral interviews.

Greenman-Pederson, Inc. was the first ranked firm following the oral interviews. The Authority compared their rates schedules with the rate schedules of the other proposers and negotiated a rate that the Authority determined was fair and reasonable.

The not to exceed limit on this Agreement for the initial three (3) year term is \$3,000,000. The not to exceed limit for the optional one (1) year renewal is \$1,000,000. Individual task orders will be negotiated at the time they are requested by the Authority. Payments to Greenman-Pederson, Inc. will be made according to the rate schedules submitted.

* * * * *

RESOLUTION 11-17 – AUTHORIZES A CONTRACT BETWEEN THE AUTHORITY AND KCI TECHNOLOGIES, INC. TO PROVIDE PROFESSIONAL “ON-CALL” AUTHORITY-WIDE AIRPORTS, FERRY AND BUILDINGS INSPECTION SERVICES FOR THE DELAWARE RIVER AND BAY AUTHORITY

WHEREAS, The Delaware River and Bay Authority (the “Authority”) operates and maintains the New Castle Airport (New Castle, DE), Delaware Airpark (Cheswold, DE), Millville Airport (Millville, NJ), Cape May Airport (Cape May, NJ), Civil Air Terminal at the Dover Air Force Base (Dover, DE) and the Cape May-Lewes Ferry System (Cape May, NJ and Lewes, DE) and business parks in New Castle, DE and Carney’s Point, NJ; and

WHEREAS, the Authority seeks to engage a consultant to provide professional “on-call” Authority-wide airports, ferry and buildings inspection services (“Services”); and

WHEREAS, the Authority desires to procure those Services with an initial term of three (3) years with one (1) optional one year renewal, such renewal to be authorized by the originating committee with the consent of the Chairperson and Vice Chairperson of the Board of Commissioners; and

WHEREAS, the Authority publicly advertised and issued a Request for Proposal (“RFP”) for the required Services in compliance with Resolution 98-31, as amended by Resolution 09-52, which governs the procedure for the procurement of professional services; and

WHEREAS, the Authority received and evaluated four (4) proposals pursuant to the aforementioned requirements; and

WHEREAS, the Authority short-listed two (2) firms and conducted oral interviews; and

WHEREAS, KCI Technologies, Inc. was designated first on the preference list; and

WHEREAS, the Authority negotiated for services at compensation determined to be fair and reasonable with KCI Technologies, Inc. and in making such determination, conducted an analysis of the cost of the services in addition to considering the scope and complexity; and

WHEREAS, the not to exceed limits for these services are \$1,200,000 for the initial term of three (3) years and \$400,000 for the optional renewal term of one (1) year; and

WHEREAS, the Projects Committee reviewed the recommendation and concurs with the evaluation.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Services Agreement (“Agreement”) with KCI Technologies, Inc. to provide such Services for the Authority and to have such Agreement, with the advice and consent of Counsel, executed by the Chairperson, Vice-Chairperson and Executive Director.

A motion to approve Resolution 11-17 was made by Commissioner Van Sant, seconded by Commissioner Traynor, and approved by a roll call vote of 10-0.

Resolution 11-17 Executive Summary Sheet

Resolution: Authorizing Authority expenditures for Professional Services pursuant to Resolution 98-31, as amended by Resolution 09-52, for professional “on-call” Authority-wide airports, ferry and buildings inspection services

Committee: Projects

Committee Date: March 1, 2011

Board Date: March 15, 2011

Purpose of Resolution:

To authorize an Agreement with KCI Technologies, Inc. to provide professional “on-call” Authority-wide airports, ferry and buildings inspection services

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 98-31, as amended by Resolution 09-52, to procure and award professional services.

The Authority received and evaluated written proposals from the following four (4) firms:

- *Arora Engineers, Inc.
- Hill International, Inc.
- *KCI Technologies, Inc.
- STV Incorporated

Based on the scores of the written evaluations, two (2) firms (indicated by the *) were shortlisted and invited to participate in the oral interviews.

KCI Technologies, Inc. was the first ranked firm following the oral interviews. The Authority compared their rates schedules with the rate schedules of the other proposers and negotiated a rate that the Authority determined was fair and reasonable.

The not to exceed limit on this Agreement for the initial three (3) year term is \$1,200,000. The not to exceed limit for the optional one (1) year renewal is \$400,000. Individual task orders will be negotiated at the time they are requested by the Authority. Payments to KCI Technologies, Inc. will be made according to the rate schedules submitted.

* * * * *

RESOLUTION 11-18 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MARK CHAMBERLAIN AND GLORIA MONAHAN.

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the operator of the Cape May Airport (“Airport”), Rio Grande, New Jersey; and

WHEREAS, Mark Chamberlain and Gloria Monaghan d/b/a Airport Fitness (“Airport Fitness”) desires to lease Building 97 totaling approximately 14,844 sq.ft. of warehouse space; and

WHEREAS, Airport Fitness has agreed to pay the Authority Sixty-Six Thousand Seven Hundred and Ninety-Eight Dollars (\$66,798.00) annual rent during the initial year of the Lease Agreement; and

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

WHEREAS, Airport Fitness shall have the option of renewing the Lease Agreement for two periods of five (5) years; and

WHEREAS, rent shall be adjusted at the beginning of the renewal periods to the Fair Market Value; and

WHEREAS, during the initial term and the renewal periods, rent shall be adjusted annually by Two Percent (2%); and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Mark Chamberlain and Gloria Monaghan 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 11-18 was made by Commissioner Smith, seconded by Commissioner Downes, and approved by a roll call vote of 10-0.

Resolution 11-18 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay authority and Mark Chamberlain and Gloria Monaghan

Committee: Economic Development

Committee Date: April 5, 2011

Board Date: April 19, 2011

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for space at the Cape May Airport.

Background for Resolution:

The Delaware River and Bay Authority owns a building commonly referred to as Building 97 at the Cape May Airport. The building totals approximately 14,844 sq.ft.

The Authority acquired the building after a lengthy legal proceeding at no cost. The building has been vacant since being acquired in 2008. Due to a roof leak and a resulting mold condition while the building was under previous ownership, the building is currently a shell requiring complete fit-out that our staff estimates will cost between \$150,000 to \$200,000.

The new tenant will do all fit out of the facility at their own cost and the Authority will allow them a rent abatement of 50% of the cost of the fit out up to \$175,000 over the first 2 years of the lease. (DRBA cost \$87,500) The major fit out projects will include all new plumbing, HVAC systems, new flooring and ceiling, painting the exterior of the building, insulation, new electrical systems and subpanels and a fire protection system.

* * * * *

10373. COMMISSIONERS PUBLIC FORUM

There were no comments.

* * * * *

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

The meeting was adjourned 11:12 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary