

MINUTES OF MEETING

THE DELAWARE RIVER AND BAY AUTHORITY

FEBRUARY 24, 2003

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Albert A. Fralinger, Jr., Chairman
Maureen T. Koebig
Robert Y. McWilliams
Charles E. Pessagno
Warren S. Wallace

Richard S. Cordrey, Sr., Vice Chairman
Edward J. Bennett, via Telephone
Richard H. Derrickson
Verna W. Hensley
Samuel E. Lathem
Gary B. Patterson

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The meeting convened at 11:08 a.m., with Chairman Fralinger presiding.

Chairman Fralinger opened the meeting with a moment of silence. The Pledge of Allegiance was led by Col. McCarnan.

The Chairman of the Authority called the meeting to order. 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. The February 24th meeting had been rescheduled from the initial meeting date of February 18, 2003, due to a severe weather conditions.

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8792. APPROVAL OF MINUTES: On motion by Commissioner Lathem, seconded by Commissioner McWilliams, the minutes of the January, 2003, meeting were approved by a voice vote of 11-0.

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8793. DELAWARE MEMORIAL BRIDGE - MONTHLY REPORT: The Executive Director presented the following report:

February 5, 2003

Mr. James T. Johnson, Jr., P.E.
Executive Director
Delaware River and Bay Authority
Post Office Box 71
New Castle, Delaware 19720

Dear Mr. Johnson:

The following report outlines the major issues and activities at the Delaware Memorial Bridge complex during January 2003.

Traffic:

Total traffic increased by approximately 2% during January 2003 vs 2002 and established a new record for the month. Although Class 5 commercial traffic increased for the 19th consecutive month, the small increase (+ 0.4%) reflects the declining rate of increase that has been experienced since May 2002. Corresponding to the smaller increase in 5-axle traffic has been the increase in 3-axle commercial traffic, which increased by over 5% during January 2003 vs 2002. In part, the sustained record of Class 5 traffic may have been due to generally favorable diesel fuel prices, but the 8-10 month construction project on the nearby Commodore Barry Bridge also appears to have been a factor.

E-ZPass Operations:

E-ZPass traffic during January has exceeded 44.7% of the total traffic for the month vs 41.6% in January 2002. This E-ZPass traffic percentage is the highest recorded for any month since the DRBA's electronic toll collection commenced in July 2001. Mid-week morning rush hour traffic frequently exceeds 72% of the total traffic. The DRBA will welcome its 10 millionth E-ZPass customer in early February.

The Authority opened over 400 new E-ZPass accounts during January 2003, including 40 customers who identified themselves as former Regional Consortium account holders. The DRBA has over 23,600 active accounts and has issued more than 32,000 transponders. The order for an additional 6000 new G-3 transponders from Mark IV was executed in January.

Preliminary work has commenced on the installation of five new "E-ZPass Only" signs which will be installed on the toll canopy by late March 2003. The addition of the larger, brighter signs will improve the visibility of these lanes at a distance and should improve the flow of traffic by reducing the radical lane changes of motorists.

Maintenance Activities:

All maintenance supervisors and other key Authority personnel completed the required annual 8-hour HAZMAT Certification refresher training at Del Tech last week. Authority maintenance personnel completed snow removal operations on the bridge and approach roadways on three occasions during January.

Job Shadowing:

The Authority hosted a group of approximately 25 eighth graders from Penns Grove, NJ for a job shadowing session at the Delaware Memorial Bridge. The students were divided into small groups and received guided tours of the operations in tolls, maintenance, police, engineering, and the cafeteria.

Veterans Memorial Park:

Authority staff continues to meet with representatives from the Korean War Veterans and the Military Order of the Purple Heart regarding the placement of commemorative monuments at Veterans Memorial Park. Both of these veterans groups will have monuments dedicated during the Summer of 2003.

Respectfully,

Curtis V. Esposito
Director of Bridge Operations

Without objection, the Delaware Memorial Bridge report was ordered filed with the permanent

records of the Authority.

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8794. CAPE MAY-LEWES FERRY - MONTHLY REPORT: The Executive Director presented the following Cape May-Lewes Ferry Report:

TO: James T. Johnson Jr., Executive Director-DRBA

FROM: Glenn L. Cox, Director of Operations-CMLF

SUBJECT: Commission Report - January 2003

Vehicle Traffic: Traffic for the month is down 14.79% (1,509 vehicles) along with a decrease in passengers of 19.54% (4,194 passengers) as compared to the same month in 2002. Traffic for the first half of January was up slightly over last year, however due to severe ice conditions in the bay several scheduled departures were canceled.

A new vessel departure schedule is almost complete for 2003-2004. There will be earlier departures out of Cape May, NJ and later departures out of Lewes, Delaware at night. Our goal is to improve vessel efficiencies in the off-season and reduce operating costs overall.

Vessels: The MV Cape Henlopen experienced a clutch problem while running in the ice. The repair was made overnight and the vessel returned to service the next day. Heavy maintenance continues on the MV New Jersey main generators. The vessel will proceed to Norfolk, VA for repair of it's port propeller on February 23.

Dock #2, Cape May Terminal: Repair work is still underway at the #2 dock and will take approximately two more weeks to complete. The pier is stabilized and additional strengthening is being installed.

Security Recommendations: A final draft of our security plan is complete and under review. CMLF staff will attend a public hearing on vessel security in New York City on February 11 to comment on new security guidelines for passenger vessels.

Contracts: The fuel contract will be ready next week for prospective bidders. This will be a two year contract with up to two additional years optional. Contracts are complete for the drydocking of the MV Delaware and the MV Cape May this spring. If underwater inspections are successful we may not have to execute the drydocking contracts.

Without objection, the Cape May-Lewes Ferry Report was ordered filed with the permanent records of the Authority.

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8795. POLICE DIVISION REPORT: The Executive Director presented the following Police Report:

February 5, 2003

Mr. James Johnson
Executive Director
Delaware River and Bay Authority
P. O. Box 71
New Castle, Delaware 19720

Dear Mr. Johnson:

A summary of activities and projects during the month of January, 2003, for the Delaware River and Bay Authority Police Department is as follows:

Critical Incident Management Training

Critical Incident Management training is scheduled for February 25-27, 2003 in the Julia Center training room. Police attendance is mandatory and supervisors/managers from other Authority departments have been invited to attend. The class will be taught by nationally recognized experts.

New Firearms

All police sidearms were replaced during January. Our new weapons were funded by a grant from the State of Delaware. Additional patrol rifles were also purchased with grant money.

Counter-terrorism Training

Glenn Cox, Brian McEwing and I attended a three day Maritime Counter-terrorism training program in Washington, D.C. last week. Information obtained at this conference will be valuable in the future as we proceed with security and counter-terrorism planning at the ferry.

Security Review at the Delaware Memorial Bridge

Representatives from Police, Bridge Operations, Maintenance, Electronics, Tolls and Safety conducted a general security check-up for the DMB facility. We concentrated our attention on eight (8) specific areas: 1) anchorages, towers and piers; 2) access points; 3) fences and gates; 4) toll facilities; 5) building complex; 6) bridge cameras and lighting; 7) power stations; and 8) identification badges, parking permits, fitness center passes and visitor passes. Each area was inspected by a multi-disciplined work group which, in turn, reported back to the entire group with its findings. Curt Esposito and I will submit a more detailed report to you on our findings. As we expected, there are still areas in which we can make further improvements.

Threat Assessment and Security Plan for the Ferry

Glenn Cox, myself and others met with our Maritime Security Consultant (AMTI) for a status report on this project. The threat assessment has been completed and the initial draft of the security has been presented to us for review and comment. We anticipate completion of this phase of the project within the next month. Glenn and I will be attending a meeting with the Coast Guard in New York City on 2/11/03 regarding this issue.

South Jersey Traffic Safety Alliance

The Police Department is participating with the South Jersey Traffic Safety Alliance in the development of a 2003 Highway Safety Initiative at the Cape May-Lewes Ferry. This project is being funded by the New Jersey Division of Highway Safety and will focus on child passenger safety, pedestrian safety and bicycle safety. It will include video presentations, educational brochures, posters and a child safety seat fitting station. A kick-off event is planned for February 13, 2003 at the Cape May Terminal.

800 MHZ Radio System

Programming of the new radios is scheduled for next week and training the following week. Portable radios will be issued to officers at that time. Installation of control stations and mobile radios should begin in about two (2) weeks.

Other Police Incidents

On 1/12/03 at 2028 hours, Ptl. Hawkins responded to Damon's Grill for a report of a male patron yelling abusive language at other patrons. Upon arrival, the Damon's manager stated that the subject

fled and gave a description of the vehicle. Sgt. Thompson and Ptl. Kirchner stopped the subject in the area of Route 13 south at the Lonestar Restaurant. The 25 year old male from Bear, Delaware, was taken into custody and charged with disorderly conduct and driving under the influence (.19 BAC).

On 1/15/03 at 2140 hours, Pfc. Hevelow stopped a vehicle for several traffic violations occurring on 295 southbound in the toll plaza. The 41 year old male driver from West Deptford, New Jersey, appeared to be under the influence of drugs and alcohol. A pat down search of the driver revealed a crack pipe in his shirt pocket. The defendant admitted to having smoked crack one (1) hour prior to being arrested. The defendant refused to submit to the intoxilizer test. The defendant was charged with driving under the influence, driving while drinking, possession of drug paraphernalia, and traffic charges. He was committed to Gander Hill Prison in lieu of posting \$2003 secured bond.

On 1/16/03 at 2053 hours, Pfc. Kirchner responded to a personal injury accident in lane 4 of the DMB. An 18 year old male from Pennsauken, New Jersey, had stopped in lane 4 due to a flat tire. A few moments later, his 1983 Mercedes was rear-ended by a 1979 Lincoln driven by a 59 year old male from Lawnside, New Jersey. Pfc. Kirchner determined through contact with the 59 year old that he had been drinking. The 59 year old driver was transported to Pennsville Police Department, where he was administered the breathalyzer test (.24 BAC). The three subjects involved in the collision sustained minor injuries. The driver was charged with assault by auto, driving while revoked, and driving while intoxicated.

On 1/16/03 at 0140 hours, Pfc. Hevelow observed a vehicle traveling at a high rate of speed on 295 southbound at Route 9. The vehicle refused to stop and continued toward Route 273. Pfc. Hevelow, New Castle County Police Department and the New Castle City Police Department pursued the 1990 Toyota Celica as it sped through the development of Rambleton Acres, Route 273. Due to the high rate of speed, the pursuit was terminated. A/Sgt. Jannaman later located the vehicle abandoned. A video camera containing footage of four possible suspects was found within the vehicle. A computer check of the vehicle revealed that it was stolen out of West Orange, New Jersey. This case is pending further investigation.

On 2/4/03 at 1346 hours, Sgt. Thompson received a BOLO from dispatch reference a subject driving in the vicinity of the DMB who was wanted on attempted murder in New Jersey. Sgt. Thompson located the vehicle in lane #1 of the DMB and began to follow it. The suspect vehicle was then converged upon by several agencies including the U.S. Marshals. Sgt. Thompson assisted as cover while the U.S. Marshals removed the 27 year old male suspect and his two passengers from the vehicle. The suspect was transported to northern New Jersey by U.S. Marshals.

On 2/4/03 at 2300 hours, Pfc. Hevelow stopped a vehicle for a traffic violation on I-295 northbound Farnhurst area. Upon approaching the vehicle, Pfc. Hevelow detected a strong odor of marijuana. The 22 year old male driver from Wilmington, Delaware, appeared nervous and was asked to exit the vehicle. During a pat down search, 9 grams of marijuana and \$1362.00 in U.S. currency were discovered on the defendant. A search of the vehicle revealed 1 gram of cocaine in the vehicle's center console. The defendant was issued criminal summonses for charges of possession of a Schedule II controlled substance and possession of a Schedule I controlled substance. The defendant's cellular phone and the U.S. currency were logged into evidence.

Statistical Summary

Enforcement/Activity	January 2002	January 2003
Traffic Summons	574	488
Criminal Arrests	41	4
Traffic Accidents	22	24
Traffic Reprimands	781	803

Aid to Motorists	December 2001	December 2002
Disabled Vehicles	255	144
Public Assists	51	54
Medical Assists	3	2
Acrophobiacs	21	17

Sincerely,

Col. John R. McCarnan
Police Administrator

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

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8796. ADMINISTRATION - FINANCE DIVISION REPORT: The Executive Director presented the following monthly report of the activities of the Finance Division.

February 11, 2003

Mr. James T. Johnson, Jr.
Executive Director
Delaware River & Bay Authority
P.O. Box 71
New Castle, DE 19720

Dear Mr. Johnson:

The following is a report of activities by the Finance Division for the month of January 2003 aside from normal accounting routines and procedures which take place on a daily basis.

OLD ISSUES/PROJECTS ACTIVITIES

- Monitored Authority operating revenues versus projected for Fiscal Year 2002. December monthly revenues were \$6,536,446.00 or 4.2% over projected. Year to date revenues were \$91,903,593.00 or .9% over projected.
- Monitored Airports Division revenues and operating expenses versus budget for Fiscal Year 2003. January monthly expenditures were \$290,377.82 or 1.72% under budget. January monthly operating revenues were \$319,645.55 or 7.45% under projected.
- Monitored Authority operating expenses versus budget for Fiscal Year 2003. January monthly expenditures were \$4,583,302.33 or 1.13% under budget.
- Staff finalized the annual comprehensive revenue audit for tenants based at the New Castle Airport. A draft report indicated minor revenue discrepancies which have been corrected by the tenant. A final report is expected to be issued in early February.

NEW ISSUES/PROJECTS ACTIVITIES

- Made arrangements to update the Authority's licensed and unlicensed equipment schedule through December 31, 2002, for the New Castle, Cape May, Lewes and Airport facilities.
- Worked with representatives from Wilmington Trust Company and Commerce Bank to establish new bank accounts associated with the Authority's 2003 Bond Issue. Wilmington Trust was appointed Trustee for the Issue and will manage the Debt Service and Debt Service

Reserve Funds. Commerce Bank will provide custodial and checking services for the Construction Fund. All services were publically bid in Fiscal Year 2002.

- Met, along with staff, the principal audit team from Bowman & Company, to review the overall process for the 2002 annual audit. Discussions focused on establishing working time frames, deliverable dates for reports, auditing techniques, staffs responsibilities for preparing financial schedules and potential changes to the Authority's financial statements.
- Met with a representative from Zutz Insurance to review the Authority's 2003 Insurance program and discuss its impact on the insurance portion of the operating budget. In addition, we reviewed additional coverages for excess general liability and terrorism coverage for the Delaware Memorial Bridge. These additional coverages will be presented to the Budget and Finance Committee in their January meeting.
- Prepared, along with staff, miscellaneous accounting schedules for all Authority funds as requested by our external auditing firm, Bowman & Company, in preparation for the 2002 Annual Audit. Onsite fieldwork is scheduled to begin the week of February 10, 2003, and is expected to continue through the end of March, 2003.

Sincerely,

Joseph Larotonda
Controller

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

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8797. ADMINISTRATION - ENGINEERING DIVISION: The Executive Director presented the following monthly report of the activities of the Engineering Division.

February 7, 2003

Mr. James T. Johnson, Jr.
Executive Director
Delaware River and Bay Authority
P.O. Box 71
New Castle, Delaware 19720

Dear Mr. Johnson:

The below report summarizes activities, issues and project status significant to the Engineering Department during January 2003.

1. Cape May-Lewes Ferry (CMLF) System Activities:

a. Pier Repair: Despite extreme cold weather conditions in January, contractor personnel continued pier repair activities at the Cape May Terminal. Slip #2 operations remain discontinued until repair activities are finished. Repair activities include the installation of new steel piles and tie rods, placement of underwater stone fill and rip rap, utility relocation, and backfill operations. The repair is estimated to be complete in late February.

b. Advertised Contracts: Three (3) CMLF-related contracts were publicly advertised over the last four (4) weeks which included ferry vessel radar replacement, Motor Vessel (MV) Delaware and MV Cape May drydocking and repairs, and MV diesel fuel delivery. The plan is to award all three (3) contracts at the March board meeting. Additionally, on or about January 1st, the MV New Jersey sustained propeller damage that will require an emergency drydocking in February.

c. Lewes Sedimentation Management Study: The DRBA is collaborating with State of Delaware (DNREC) officials on a sediment management study regarding the Lewes ferry turning basin and vicinity. The study will look at the long term effects of sand/silt deposits in and around the Lewes ferry turning basin and possible impacts to future ferry operations. Proposals were received by qualified consultants in January and are currently being evaluated. The plan is to begin the study by late March.

2. Delaware Memorial Bridge (DMB) and Approach Roads Activities:

a. Delaware Approach Roads Improvements (Phase II): Work on this phase is approximately 42% complete. Work continues primarily with ramp reconstruction, high mast lighting installation, and the construction of the new Bridge 12. The Bridge 12 portion of the project is 35% complete. It is estimated that the contractor will finish at least 60 days past the contract completion date unless extraordinary efforts are made by the contractor to recover time. This time slippage is a direct result of contractor management of the project. Intensive Authority oversight of the contractor continues to be a requirement.

b. DMB Electrical Systems Rehabilitation Contract: The pre-bid meeting for this contract was held February 5th and was well attended by regional electrical contractors. The Authority is scheduled to receive bids February 25th. The work primarily involves the upgrade and replacement of the original electrical infrastructure for the DMB with a new 12,000 volt loop feeder system that will provide the Authority with a redundant power supply. This work also includes permanent security lighting. The plan is to make a contract award recommendation at the March Board meeting.

3. Airport Activities:

a. Corporate Hangar Development (New Castle Airport): Work is now 65% complete on Hangars #9 and 55% complete on Hangar #10. Close-in activities are now substantially complete. The plan is to finish Hangar #9 by May 1st and Hangar #10 by June 1st.

b. Corporate Hangar Development (Millville Airport): Work is now 45% complete on Hangar #2 at Millville Airport. Steel erection is now substantially complete and roofing activities started in mid-January. All work is scheduled to be complete by December 2003.

4. Miscellaneous:

a. Cape May Airport Animal Shelter: In January, we completed a feasibility study and concept site plan regarding the possible construction of an animal shelter within the Cape May Airport Industrial Park. The Animal Outreach group currently seek land to accommodate up to an 8000 SF facility on 2-3 acres. Findings were presented to the Animal Outreach Group.

b. Riverfront Restaurant Development: The tenant waived the three lease agreement conditions in early January which was the trigger event to start the tenant "fit-out" portion of the project. The design is scheduled to be complete by mid-February. Construction activities are planned to begin mid-March. The plan is to be substantially complete by October 1st.

Very Respectfully,

John R. Jones, P.E.
Director of Engineering

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

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8798. ADMINISTRATION - MANAGEMENT INFORMATION SERVICES REPORT. The Executive Director presented the following monthly report on the

activities of the Management Information Services Division.

March 18, 2003

Mr. James T. Johnson, Jr.
Executive Director
Delaware River & Bay Authority
P.O. Box 71
New Castle, DE 19720

Dear Mr. Johnson:

Apart from routine operations, listed below are the major activities of the Management Information Services Division for the month of January 2003.

Old Issues/Project(s) Activities:

- **Toll Collection System/CSC:** Work continued with ACS on resolving the issues attributable to the customer service center software upgrade for the Delaware River Joint Toll Bridge Commission to process through the TSC. Although the majority of the file transmission issues are resolved, a close watch is still required to make sure reciprocity transactions are reconciling and posting throughout the system. Analysis is currently being performed to insure all revenues have been collected.

During January, considerable progress was made on the design and implementation of the new E-ZPass signs. Drawings were submitted by Dambach, the sign manufacturer, for review by the DRBA and returned for Pantone revisions. These revisions will delay the delivery of the signs by six to eight weeks; however, work is still progressing. The structural steel supports for the signs are being installed in the toll canopy. Projected delivery date for the signs is the end of March.

In the month of January, SSI traveled twice to DRBA for testing and modifications to the Tolls Management System. Procedures were written to accommodate the output of reports into Excel. On January 30th, I met with SSI and Curt Esposito, Director of Bridge Operations, to finalize the design of the traffic management reports. Design work and preliminary coding was also performed on the database to handle payment processing for violations rejected due to no DMV agreements.

- **IT Consulting Services Contract:** During January, I continued to work with Info Systems on the IT Consulting Services Contract. Status meetings were held on January 15th and 31st to discuss the project plan and review the project budget. The initial phase of the contract is approximately seventy percent complete. The delivery of the IT Strategic Plan analysis and network analysis is scheduled for February 13th. Receipt of the Networking and Security Assessments are due by the end of February and delivery of the IT Strategic Plan is anticipated in March. In addition, Info Systems delivered project plans for the design and installation of video teleconferencing and for the performance of a comprehensive software assessment. Both plans are currently under review.
- **E-ZPass Interagency Group:** On January 8th, the Policy Committee met at the offices of the Delaware River Port Authority in Camden, New Jersey. The agenda for the meeting was as follows: 1) a discussion on the recommendation to the Executive Committee to admit the Indiana Toll Roads as a full member of the E-ZPass Interagency Group, 2) a report on the activities of the Tag Disposal Task Force, 3) an update by the Technical Committee on Mark IV G2 Tag Failures, 4) a proposal for the 2003 Financial Plan and 5) a review of a draft of the role of the IAG standing committees. Of particular interest during the agency updates was a report by the Port Authority of New York and New Jersey on the successful *soft* opening (no press) of E-ZPass Plus parking at Kennedy Airport. A total of six lots and twenty lanes were installed to initially process New York Service Center E-ZPass transponders. Also, Pennsylvania Turnpike reported that E-ZPass successfully opened for commercial traffic on

December 14th. The next meeting is scheduled for February 20th at the New Jersey Turnpike Authority.

New Issues/Project(s) Activities:

- **E-ZPass Customer Service Centers:** On January 16th, a meeting was held at the offices of the MTA Bridges and Tunnels Authority between the agencies that have contracted with Affiliated Computer Systems (ACS) to operate their E-ZPass customer service centers. Along with Curt Esposito, Director of Bridge Operations and Connie Kealey, E-ZPass Reciprocity Coordinator, I attended the meeting as a representative of the Delaware River and Bay Authority. The agenda focused on the contract term for each agency, the type of contract, i.e. cost plus or fixed price and the per transaction cost for home and away customers. Because each contract is so different, a need was determined to develop a matrix to compare cost. The ultimate goal of this comparison would be to provide the agencies with a means to collectively bargain with ACS for better contract terms and conditions. The committee will meet again in two months to review the matrix and determine a course of action.
- **MUNIS Year End Processing:** On January 2nd, the MIS Department installed releases 2002.02 and 03 in the MUNIS live database. Due to dramatic changes with these releases, considerable support was required for year end processing for Finance and Human Resources. Due to the time constraints within payroll processing, the majority of my time was spent assisting with quarterly reporting requirements and W2 processing. Even with the increase work load inherent in January, all jobs were successfully completed.

Very truly yours,

Geraldine DiNicola Owens
Director of MIS

Without objection, the Management Information Services Report was ordered filed with the permanent records of the Authority.

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8799. ADMINISTRATION - PERSONNEL REPORT: The Executive Director presented the following monthly report on the activities of the Personnel Division.

February 6, 2003

Mr. James T. Johnson, Jr., P.E.
Executive Director
Delaware River and Bay Authority
P.O. Box 71
New Castle, DE 19720

Dear Mr. Johnson:

The following is a report of major activities of the Human Resources Department for January 2003, aside from the routine daily operations.

Old Issues/Projects/Activities

- **Recruitment/Job Posting Update**

Airport Division - Thomas Ecker of Mount Laurel, NJ was selected for the position of *Assistant Airport Operations Manager - Millville and Cape May* effective January 30, 2003. Mr. Ecker is a veteran of the U.S. Air Force with 20 years experience in airfield operations.

Authority Administration - The selection process for *Project Manager II* in the Engineering Department was completed during the month. Guerrino (Gary) Mascelli, Jr. was selected for this position effective February 4, 2003. Gary was employed by DeDOT for the past twelve years as a construction manager.

In addition, Kenneth Simpson, *Project Engineer I*, was promoted to *Project Manager II*.

New Issues/Projects/Activities

- **Retirements** - Gerald H. Foster, Sr., Oiler/Lifeboatman, retired from the Authority on January 31, 2003 after sixteen years of service at the Cape May-Lewes Ferry.
- **Resignations** - During January the following employees resigned their employment with the Authority:
 - Natalie Barnhart, Sr. Project Engineer/Supervisor, Engineering resigned January 10, 2003.
 - Charles Conine, 3rd Assistant Engineer, CMLF Marine department, resigned January 8, 2003.
 - Guy (Andy) Hallett, Custodial Specialist, DMB Maintenance department, resigned effective January 3, 2003.
 - Caryn Lynch, Director of Government Relations, resigned effective January 2, 2003.
 - Michael Stiglitz, Food & Guest Services Manager, CMLF Food Service, resigned effective January 11, 2003.
 - Anthony Primavera, permanent part-time Warehouse Clerk, resigned effective January 15, 2003.
- Department staff attended the mandatory Safety Guidebook training during January.

Respectfully submitted,

Linda H. Murphy
Director of Human Resources

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DELAWARE RIVER AND BAY AUTHORITY
PERSONNEL STATUS
AS OF FEBRUARY 6, 2003

<u>PERMANENT FULL-TIME PERSONNEL</u>	<u>AUTHORIZED POSITIONS</u>	<u>FILLED POSITIONS</u>
Authority Administration	67	62
Delaware Memorial Bridge	155	152
Cape May-Lewes Ferry	158	153
Food Service/Retail	25	24
Authority Police	75	75

Airports Division	42	41
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TOTAL	522	507
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<u>PERMANENT PART-TIME PERSONNEL</u>	<u>AUTHORIZED POSITIONS</u>	<u>FILLED POSITIONS</u>
Delaware Memorial Bridge	6	5
Cape May-Lewes Ferry	10	6
Food Service/Retail	13	12
Authority Police	1	1
Airports Division	<u>2</u>	<u>1</u>
TOTAL	32	25

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

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8800. AIRPORTS DIVISION REPORT: The Executive Director presented the following Airports Division Report.

February 6, 2003

Mr. James T. Johnson, Jr. Executive Director
Delaware River & Bay Authority
P.O. Box 71
New Castle, DE 19720

Dear Mr. Johnson:

A brief summary of Airports Division January events follows:

Airports Division: Mr. Tom Ecker, a retired United States Air Force non-commissioned officer from Mt. Laurel, NJ, was hired as the Assistant Operations Manager for Millville and Cape May Airports.

New Castle Airport (NCA): Airport Operations staff met on January 29th with DRBA Police, Air Traffic Control Tower officials, and New Castle County Emergency Services personnel to conduct the annual FAA required review of the New Castle Airport Aircraft Emergency Plan in preparation for a live drill which is scheduled to take place this June. Operations staff met with the NCA airport planning consultant firm, Edwards & Kelcey, regarding the airport's Master Plan Update and security assessment review. Airport and DRBA Engineering personnel conducted a space planning tour of the Terminal Building with the Buck Simperts Architect firm. Airports Maintenance personnel have been busy dealing with frequent small snow storms throughout the month. Some airport facilities' systems, such as gate access, HVAC and fire suppression, have been affected by the unusually cold weather during the month of January. The Airports Maintenance paving crew has begun a crack-sealing program on the airport runways.

Millville Airport (MIV): On 23 January, representatives from Canadian Air Force Snowbird Flight Demonstration team visited Millville in preparation for the May air show. On 24 January, DRBA staff, Millville Army Air Museum Field Museum board members and consultants met in the Dallas Airmotive conference room to discuss a proposed historic district at the airport.

Cape May Airport (CMA): Information on the Cape May Airport has been updated in the latest edition of the FAA Airport Facility Directory. The Airports Director met with the owner of Penn-Turbo Aviation to discuss the relocation of some of the Caribou aircraft in order to make way for materials needed for the construction of new t-hangars. Creative Surfaces, Inc. reviewed the potential overlay at the site between the NAS hangar and the FBO where proposed T-hangars are to be built. The former Cape May FBO aircraft fueling operation remains closed. Plans are to re-open facility in February.

Dover AFB Civil Air Terminal (CAT) - Delaware Air Park (DAP): The Civil Air Terminal assisted seven aircraft arrivals for the month of January. There has been a recent increase of fractional ownership users utilizing the CAT, which seems to be a trend in corporate aviation. At Delaware Airpark, the Airports Director hosted a tour of the airport and associated facilities for members of the Central Delaware Chamber of Commerce's Leadership Central Delaware program. Local emergency officials toured the airport to familiarize themselves in the event of an accident or incident at the airport. Airports maintenance staff installed a new ceiling and lighting fixtures in a classroom utilized by Delaware State University's Airway Science program. The unusually harsh weather in January hindered flight operations for both tenant and transient users.

Sincerely,

Rocco Tomanelli
Airports Director

Without objection, the Airports Division Report was ordered filed with the permanent records of the Authority.

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8801. OPERATIONS REPORT AND THE SUMMARY OF TRAFFIC AND REVENUES: The Executive Director presented the following Report of Operations and the Summary of Traffic and Revenues:

Without objection, the Operations Report and the Summary of Traffic and Revenues were ordered filed with the permanent records of the Authority.

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8802. COMMITTEE REPORT - BUDGET & FINANCE: Commissioner Derrickson presented the following minutes of the Budget & Finance Committee Meeting held on February 4, 2003:

- I Chairperson Derrickson welcomed the Budget & Finance Committee and opened the meeting at approximately 9:05 a.m.
- II Ken Hynson presented the requested Community Contributions for the month of February. After review the Committee approved the requested Contributions with the following changes.
 - Atlantic Cape Community College Foundation reduced to \$2500
 - Delaware Foundation for Science and Math Education reduced to \$2000
 - St. Patrick's Center reduced to \$2500
 - The Lewes Historical Society reduced to \$2500
 - Easter Seal Delaware and Maryland's Eastern Shore reduced to \$8000. Commissioner Hensley disclosed a conflict and did not participate in the recommendation.
 - Girl Scouts of Chesapeake Bay reduced to \$500
 - Mom's House of Wilmington reduced to \$1000
 - American Red Cross of Cape May County reduced to \$1000
 - Salem County Alternative Youth Shelter reduced to \$1000
 - Delaware Heritage Commission reduced to \$1000
 - Good Samaritan Aids Organization reduced to \$2500

The Committee denied requests from Civil War Round Table of Wilmington, Delaware; Seamen's Center of Wilmington; Center for Family Services; March of Dimes Birth Defects Foundation Cherry Hill, NJ; The Retired and Senior Volunteer Program; United Way of Gloucester County; Volunteer Center of Gloucester County; Creative Grandparenting; Delaware Community Foundation; Stehm; and Women's Club Basketball Team.

The Committee also delayed decisions on the remaining requests until further information can be provided.

A Resolution authorizing payment to the approved groups for January and February's approved Community Contributions will be presented for full Board consideration at the February Authority meeting.

- III Brad Hopkins gave a review of the Series 2003 Bond Transaction. The gross amount of the bonds totaled \$78.8 million, including an additional approximate \$3 million, due to a Reoffering Premium and Accrued Interest paid from 1/1/03-1/30/03. The Bonds were issued at a True Interest Cost of 4.73%. The net \$73 million, after funding required reserves and paying expenses of the Issue, will be utilized to fund a portion of the \$125 million Capital Plan for Crossings for 2003-2007.
- IV Brad Hopkins presented the RFP for Brokerage Services for Health, Prescription and Dental Benefit Program which had been advertised with bids due on February 10 and Oral Interviews February 11, 2003. Due to the time constraints, staff will communicate the results of the Oral Interviews to the Chairpersons of the Budget & Finance Committee and the Personnel and Insurance Committee for Committee recommendation to the full Board at the February Authority meeting. A Resolution authorizing the selection will be presented for full Board consideration at the February meeting.
- V Curt Esposito gave a follow-up review of E-ZPass Cost Recovery Options. The Committee directed staff to continue to update the Committee of any changes associated with any of the other E-ZPass agencies as well as the results of the InterAgency Group's research for E-ZPass Non-Toll Opportunities. Staff also reported that the Authority's E-ZPass costs would be reviewed by the Budget & Finance Committee, and subsequently the full Board, during the annual operating budget process.
- VI Brad Hopkins presented the Committee with a draft Policy on Real Property Disposition. The draft was formulated using both New Jersey Statutes and Delaware Code and has been reviewed by the Authority's Legal Counsel. The Policy was reviewed and discussed by the Committee and staff was directed to make the following recommended changes to the Policy which would provide the Authority with more flexibility.
- Make the policy uniform for handling the disposition of all assets, not just surplus assets.
 - Incorporate the concept of a "right of first refusal" and then if the Authority does not receive an acceptable offer, then offer the property for public bid.

Staff will make the recommended changes to the Policy and bring back to the Committee for review.

- VII Brad Hopkins updated the Committee on the AeroWays Bankruptcy and reviewed the settlement arrangements.
- VIII Brad Hopkins gave an update on a recent request from Dassault Falcon Jet to amend their current lease with the Authority. After discussion of the various requests, the Committee gave staff the necessary direction to continue the negotiations of the terms and conditions of the Lease Amendment.
- IX John Jones gave an historical background on the payment of prevailing wages here at the Authority. Historically, the Authority has never paid prevailing wages other than on Contracts utilizing federal or state funds. A major capital project for electrical work has been advertised and the Authority has been contacted several times concerning this issue. After discussion of current practices with other surrounding agencies and both the states of Delaware and New Jersey, the Committee recommended further review before any action would be taken.

- X Commissioner McWilliams presented the Committee with information on the Partners of Salem County. This item had been previously included in the Authority's Advertising Budget and removed from the FY 2003 Operating Budget. After discussion, the Committee requested that further information be sent to all Commissioners and Senior Staff for further review and consideration.
- XI Commissioner Lathem requested that Commissioners be briefed as to all parties involved in any negotiations or discussions so that more informed decisions can be made based on all of the information available.

There being no further business before the Committee, the meeting was adjourned at 11:10 a.m.

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8803. COMMITTEE REPORT - PROJECTS COMMITTEE: Commissioner Hensley presented the following minutes of the Projects Committee Meeting that was held on February 4, 2003:

- I The Projects Committee meeting convened at approximately 11:15 a.m.. The Director of Engineering provided those in attendance with an information package consisting primarily of an agenda and on-going project data.
- II Award Actions: The Director of Engineering reported that there will be no contract award recommendations for the February Board meeting.
- III Contract Close-Out Actions: The Director of Engineering reported that there will be no contract close out recommendations for the February Board meeting.
- IV Miscellaneous On-Going Actions:
 - Cape May Pier Repair: John Jones provided an update on the pier repair work at the Cape May Terminal. Despite recent extreme cold weather conditions, the contractor continued repair activities. Slip #2 operations remain discontinued until work is finished. Repair activities include the installation of new steel piles and tie rods, placement of underwater stone fill and rip rap, utility relocation, and backfill operations. The repair is estimated to cost \$1.75 million and be complete in late February.
 - Delaware Approach Roads Program (Phase II): The Director of Engineering reported that work is approximately 40% complete and that the contractor will finish at least 60-75 days past the contract completion date unless extraordinary efforts are made by the contractor to recover time. This time slippage is a direct result of mismanagement by the contractor. Intensive Authority oversight of the contractor continues to be a requirement. John Jones reported that he recently sent a letter to the contractor expressing concern over project progress and management and indicated that should the project management situation not significantly improve by February 28th, that the Authority would consider issuing a formal demand to cure the situation in accordance with the contract. John Jones also said it was probable that he would recommend that the Executive Director meet with the contractor to express concern before formally involving the contractor's bonding company. John Jones mentioned that continued unsatisfactory progress performance may result in disqualification of contractor for future DRBA work. The Projects Committee asked to be kept informed on future developments.
 - Delaware Approach Roads Program (Phase III/IV): John Jones reported that the Authority is pursuing the elimination of five bridges (7E, 7W, 7R, 8E, 8W) in the vicinity of the US13/I-295 Interchange. This proposal requires State of Delaware support and will likely save the Authority up to \$6 million (counting long term maintenance costs). The savings proposal that DelDOT/DRBA have jointly

developed is being challenged by two State elected officials (Senator Harris B. McDowell III and Representative Robert J. Valihura). Senator McDowell is challenging the idea because of the possible routing of mass transit under these existing bridges. Representative Valihura is promoting this site as a possible bike path/pedestrian walkway location. Meetings will be scheduled with both elected officials to address their questions. Commissioner Lathem indicated he would discuss issue with Senator McDowell. John Jones reported that should mass transit be a reality at this location within ten (10) years, the Authority should not eliminate the bridges because the Authority would likely be responsible for accommodating mass transit at this location.

- Riverfront Restaurant Development: John Jones advised the Projects Committee that the tenant waived the three lease agreement conditions in early January which was the trigger event to start the tenant “fit-out” portion of the project. The design is scheduled to be complete by mid-February. Construction activities are planned to begin mid-March. The plan is to be substantially complete by October 1st.
- Lewes Sedimentation Management Study: John Jones reported that he continues to collaborate with State of Delaware (DNREC) officials on a sediment management study regarding the Lewes ferry turning basin and vicinity. The study will look at the long term effects of sand/silt deposits in and around the Lewes ferry turning basin and possible impacts to future ferry operations. Proposals were received by qualified consultants in January and are currently being evaluated. The plan is to begin the study no later than late March. John Jones reported that he and Glenn Cox, Director of Ferry Operations would participate in the consultant selection process and keep the Projects Committee informed of progress.
- Cape May Airport Animal Shelter: John Jones and Rocco Tomanelli provided status on a request submitted by Cape May County Animal Outreach to assist with identifying a location for a new animal shelter within the Airport Industrial Park site. The Animal Outreach group currently seek land to accommodate up to an 8000 SF facility on 2-3 acres. It was reported that the Authority recently completed a feasibility study and concept site plan regarding this proposed new animal shelter. Results were recently provided to the Animal Outreach Group. Don Rainear reported that land lease and business discussions will likely take place over the coming weeks.
- Millville Airport Historic District: John Jones reported that staff discussions are ongoing between City of Millville, Millville Airport Army Museum and DRBA officials regarding the possible designation of a historic district at Millville Airport. The NJ State Historic Preservation Office (SHPO) clearly has an interest in protecting approximately twenty WWII vintage buildings including two hangars, chapel, theater, barracks, headquarters and training facilities. John Jones indicated that the end product of this process will likely be a memorandum of agreement (MOA) between NJ SHPO, the City of Millville and the DRBA addressing standard of care for retained buildings within the district. No major new work at Millville Airport can proceed without the concurrence of SHPO. The MOA will have cost implications that will be addressed in future CIP budgets. John Jones reported he would keep the Projects Committee informed on any developments and that he would arrange for a presentation on the topic at either the March or April Projects Committee meeting. The Projects Committee concurred with the presentation being placed on the agenda of a future meeting.
- Emergency Repair, M/V New Jersey: John Jones reported that on or about January 1st, the MV New Jersey sustained propellor damage that will require an emergency dry-docking. The Authority solicited four bids and received three from qualified shipyards. Lyon Shipyard, Inc of Norfolk, VA is the apparent low bidder. Once drydock certification and insurance requirements are met, an award will be made. The plan is to send the vessel to Norfolk on or about February 23rd. Estimated cost of repair is \$30,000.

- Prevailing Wage Policy Discussion: John Jones reported that the current DRBA policy is to designate the use of prevailing wage rates in a construction contract when State/Federal funding is provided for project. Recently, the Authority has been queried regarding the policy by some contractors who are interested in bidding on the Authority's work. It was recommended that the current policy remain in effect, however, this policy be a topic of discussion and analysis in the future.
- DMB Electrical Systems Rehabilitation: John Jones reported that the solicitation process for Contract No. DMB-01-06, DMB Electrical Systems Rehabilitation is underway. The bid opening is set for February 25th. This work involves the upgrade and replacement of the original DMB electrical infrastructure with a new 12,000 volt loop feeder system that will provide the Authority with a redundant power supply. This work also includes permanent security lighting. The plan is to make a contract award recommendation at the March Board meeting.
- John Jones reported that three CMLF-related contracts are now publicly advertised and include ferry vessel radar replacement, Motor Vessel (MV) Delaware and MV Cape May dry-docking and repairs, and MV diesel fuel delivery. The plan is to award the contracts at the March board meeting.
- The Director of Engineering reported that annual maintenance projects for the Delaware Memorial Bridge will be advertised over the next two months and include DMB Deck Resurfacing and DMB Painting.
- Contractor Payment Review (thru January): The Director of Engineering provided the Committee with a January summation of payments that will be paid towards active construction contracts in February.

There being no further business for the Projects Committee, the meeting was adjourned at approximately 12:25 p.m.. The next Projects Committee meeting is set for March 4th.

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8804. COMMITTEE REPORT - AUDIT COMMITTEE: Commissioner Koebig presented the following minutes of the Audit Committee held on February 4, 2003:

- I Committee Chair Koebig welcomed the Audit Committee and opened the meeting at approximately 1:00 p.m.
- II Representatives from the Authority's new auditing firm, Bowman & Company, LLP presented the Committee with their Engagement Letter and gave a review of the scope of services and objectives for the Authority's annual audit for the year ending December 31, 2002. Mr. Ryan further informed the Committee that their audit would be conducted in accordance with Government Auditing Standards. Staff also reviewed the proposed schedule with the results of the audit to be presented to the Audit Committee at the May Committee meeting. Brad Hopkins also reviewed additional goals and objectives outside of the contracted scope of services and requested authorization to retain Bowman and Company to assist with some of these requirements. The Committee reviewed the following 2003 Major Goals and Objectives of the Controllers office and the timeline associated with those goals.
 - Internal Audit - Implementation of Internal Audit Procedures
 - Financial Reporting - Evaluate Migration to full GAAP Accounting; Develop Migration Plan to GAAP; Implementation of GAAP Accounting
 - Requests for Proposals - Investment Managers; Merchant Card Processing
 - Banking - Review and Develop a Master Plan for Banking Services
 - Systems - Software - Fixed Assets; Investment Software; Central Inventory System

It is the Controllers office's goal to be GAAP compliant by the end of 2003. The Committee had various questions on several of the topics reviewed and were provided the necessary guidance by staff and the auditors.

III Brad Hopkins presented the Committee with the Audit of Travel and Business Expenses for the period September 10, 2002 through December31, 2002, in accordance with the Authority’s Travel and Business Expense Reimbursement Policy, adopted August 20, 2002. After a review of the procedures and Internal Audit Compliance Findings, individuals who have not complied with the required reporting procedures will receive a notice signed by the Executive Director, Chair, and Vice-Chair. It was further reported that, overall, staff and Commissioners appear to be aware of the policy and its requirements and are in compliance. Additional staff recommendations were discussed and may be reviewed and implemented at a later date. The Committee will report on the Audit findings to the full Board at the February meetings.

IV Brad Hopkins presented a memo discussing corporate accountability and the role the Board, and more specifically the Audit Committee plays in reviewing, approving and monitoring the reporting process. To that affect, an on-site training seminar, specific to “Audit Committee Training” was discussed including the following sample topics.

- Briefings on Current Issues
- What the Audit Committee Needs to Know
- Audit Committee Practices and Resources

After discussion, staff was directed to pursue and schedule the training for all Commissioners, the Leadership Team and selected staff.

There being no further business, the meeting was adjourned at approximately 2:30 p.m.

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8805. DELAWARE RIVER AND BAY AUTHORITY - ACTUAL VS. PROJECTED REVENUES: The Executive Director presented charts showing Actual versus Projected Revenues for the Delaware Memorial Bridge and the Cape May-Lewes Ferry.

Without objections, the charts were ordered filed with the permanent records of the Authority.

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8806. DELAWARE RIVER AND BAY AUTHORITY - REVENUE COMPARISON: The Executive Director presented charts showing actual year-to-date revenue comparisons for the last three fiscal years.

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

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8807. DELAWARE RIVER AND BAY AUTHORITY - TRAFFIC REPORT: The Executive Director presented charts showing the traffic comparisons for the Delaware Memorial Bridge and the Cape May-Lewes Ferry.

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

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8808. DELAWARE RIVER AND BAY AUTHORITY - EXPENDITURE COMPARISON: The Executive Director presented charts showing actual expenditure for all divisions.

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

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8809. THE EXECUTIVE DIRECTOR PRESENTED THE FOLLOWING RESOLUTIONS:

RESOLUTION 03-03 - AUTHORIZING AN AMENDMENT TO THE AUTHORITY'S DEFINED BENEFIT PLAN BY OFFERING AN EARLY RETIREMENT OPTION.

WHEREAS, The Delaware River and Bay Authority (the "Authority") is in the process of a reorganization to enhance accountability and improve performance; and

WHEREAS, the Authority has a fiscal responsibility to review all options available to reduce spending while still maintaining excellence in the services provided; and

WHEREAS, the Authority has reviewed significant data indicating that an Early Retirement Option ("ERO") offered by the Authority would achieve significant salary savings and enhance the reorganization; and

WHEREAS, the ERO would add up to three years of service and up to three years of age to eligible permanent employees under the early retirement option provisions; and

WHEREAS, employees retiring on or after November 19, 2002, meeting the retirement option provisions under the ERO, would be eligible; and

WHEREAS, the Authority's Budget and Finance and Personnel Committees have reviewed the data and concur that the ERO presents an opportunity to reduce operating costs and improve the reorganization initiative, and recommend approval to the Board; and

WHEREAS, the Authority's Defined Benefit Plan has sufficient funds to fund the Early Retirement Option with no additional contributions; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized, with the advice and consent of Counsel, to offer an ERO that adds up to three years of service and up to three years of age for all eligible permanent employees, under early retirement option provisions.

Resolution 03-03 was moved by Commissioner Pessagno, seconded by Commissioner Derrickson, and was approved by a voice vote of 9 - 2. Commissioners Cordrey and Bennett voted no.

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RESOLUTION 03-05- AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1 THROUGH DECEMBER 31, 2003.

WHEREAS, The Delaware River and Bay Authority (the "Authority") adopted Resolution 01-84 requiring Commission 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
VENDORS TO BE PAID OVER \$25,000
FOR THE PERIOD 1/1/03 THROUGH 12/31/03

<u>VENDOR</u>	<u>SERVICE DESCRIPTION</u>
Saul Ewing LLP	2003 Bond Counsel

Obermayer Rebmann Maxwell & Hippel LLP
Moody's Investor Services
Carlisle Machine Works, Inc

2003 Bond Underwriters Counsel
2003 Bond Rating Service
Vessel Chair Fabrication

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

Resolution 03-05 was moved by Commissioner Pessagno, seconded by Commissioner Lathem, and was approved by a voice vote of 11-0.

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RESOLUTION 03-06 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ITT INDUSTRIES ASSET MANAGEMENT, INC.

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

WHEREAS, ITT Industries Asset Management, Inc. desires to lease 100% of the Hangar and office and shop space located at 17 DRBA Way, New Castle Airport and commonly referred to as Hangar 10; and

WHEREAS, 100% of Hangar 10 equals approximately 15,625 square feet of hangar space and approximately 7,725 square feet of office and shop space; and

WHEREAS, ITT Industries Asset Management, Inc., has agreed to pay the Authority base rent for Hangar 10 in the amount of \$330,000 during the initial term of the agreement; and

WHEREAS, the rental rate shall be adjusted annually by the Consumer Price Index (CPI); and

WHEREAS, construction on Hangar 10 is projected for completion on June 1, 2003; and

WHEREAS, until a certificate of occupancy is acquired for Hangar 10, the Authority will provide temporary hangar space to house ITT Industries Asset Management, Inc.'s two planes together; and

WHEREAS, during ITT Industries Asset Management, Inc. temporary hangaring of planes requires no office space, so a reduced monthly rental rate of \$19,250 will be charged during this period; and

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

WHEREAS, ITT Industries Asset Management, Inc., Inc. shall have the option of renewing this Lease for three (3) periods of five (5) years each; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Lease Agreement with ITT Industries Asset Management, Inc. and, with the advice and consent of Counsel, to have such an Agreement executed by the Chairperson, Vice Chairperson, and Executive Director.

Resolution 03-06 was moved by Commissioner Derrickson, seconded by Commissioner Pessagno, and was approved by a voice vote of 11-0.

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RESOLUTION 03- 07- LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND TEK AIRCRAFT SERVICE, INC.

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

WHEREAS, TEK Aircraft Service, Inc. desires to lease approximately 6,000 square feet of shop and hangar space commonly referred to as the FBO facility; and

WHEREAS, TEK Aircraft Services, Inc., has agreed to provide maintenance services, under the terms and conditions of the lease; and

WHEREAS, TEK Aircraft Services, Inc. will also enter into a Personal Services Agreement to provide for aircraft management and fueling services at the Cape May Airport; and

WHEREAS, the initial term of this Lease Agreement is month to month for (6) six months; and

WHEREAS, TEK Aircraft Service, Inc. shall not have the option of renewing this Lease Agreement; and

NOW, THEREFORE , BE IT RESOLVED, that the Executive Director is hereby authorized to finalized the terms and conditions of the Lease Agreement with TEK Aircraft Service, Inc. and, with the advice and consent of Counsel, to have such an Agreement executed by the Chairperson, Vice Chairperson, and Executive Director.

Resolution 03-07 was moved by Commissioner Pessagno, seconded by Commissioner Wallace, and approved by a voice vote of 11-0.

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8810. COMMISSIONERS PUBLIC FORUM: Chairman Fralinger questioned whether any member of the public requested to address the Commission.

Mr. Joe Scarpa addressed the Commission regarding the Supply Management Conference scheduled for April 25-28, 2004 in Philadelphia, and recommended that the Authority encourage locally based Fortune 500 organizations to hold their own internal supply management meetings to coincide with this conference; Mr. Scarpa also thanked the Commission for the information on the Authority’s web site.

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8811. ELECTION OF CHAIRMAN AND VICE CHAIRMAN:

Prior to entertaining motions for the Chairman and Vice Chairman, Chairman Fralinger addressed the Commission with the following remarks:

“In just a few minutes, I will be calling for nominations of a Chairman and Vice Chairman for the next two years. As you may be aware, the Compact between Delaware and New Jersey calls for the two positions be from opposites States, therefore, the Chair will be from Delaware and the Vice Chair from New Jersey.

It has been a privilege to serve as Vice Chairman for two terms and Chairman for two terms, for a total of eight years. During that time, many changes have occurred, and I would be remiss if I didn’t mention a few -

Having been appointed by New Jersey Governor James Florio in 1993, I arrived for my first Commission meeting that went something like this - a closed door Executive Session was held to discuss the agenda for the open Commission Meeting, and Executive Session could last from one hour to two hours depending on the Resolutions to be presented. The open Commission Meeting was then held, which usually lasted no longer than 15 to 20 minutes. Most business was settled between the Chairman, Vice Chairman, and Executive Director. Prior to the meetings,

Commissioners had little time to question or think about the various matters and materials presented and there usually seemed to be an urgency to pass Resolutions at the same Commission Meeting. Not being satisfied with that process, I asked for a copy of the DRBA “By-Laws”. To my surprise, I was told that the DRBA had no “By-Laws”, and to this day, we still have no “By-Laws”. By definition found in Webster’s New World Dictionary, a “By-Law” is defined as a “law or rule adopted by an organization or assembly for its own meetings or affairs”.

I was told that the DRBA operated by Resolutions that are adopted from time to time depending as needed. Again, turning to Webster’s Dictionary, I found that “Resolution” is defined as “(1) the act or result of resolving something; (2) the thing determined upon; decision as to future action; (3) a resolute quality of mind; and (4) a formal statement of opinion or determination by an assembly”. Does anybody here fully understand what a Resolution is? Well, we have over 40 years of Resolutions, and I challenge anyone here to tell me that we should be operating with Resolutions, rather than “By-Laws”.

As I look around the table, I notice that the entire makeup of Commissioners on the Delaware side has changed many times since I have been here over the past 9½ years. As I look on the New Jersey side, I notice the same thing, except for Commissioner Pessagno and myself. Over the past six or seven years, the makeup of the Board has been diversified. We have a female Commissioner from each side of the river, as well as, an Afro-American from each State. The thinking and the mind set of the Commission is changing for the good, and thinking “outside of the box is taking place”. After a long struggle with the former Executive Director, I was able to convince my new Commissioners coming onboard that we needed more time and thought before passing Resolutions - that most Boards similar to the DRBA, function best with a Committee system - that matters coming before the Board were getting more complex - more research, discussion, and thought needed to be carried out - which could be best accomplished by a Committee system.

I think that most will agree that the Committee system is a plus, and has been good for the Board, as well as, management. When I came on the Commission, we had a Bridge and a Ferry System to manage. Since then we have taken on the management of five airports, a business park, and additional Ferry system on the river, and supported several other economic development projects in both States.

As I have said on several occasions over the past few years, “the DRBA is no longer a little sleepy agency collecting tolls”. It has become an economic force, helping to develop Delaware and South Jersey, with good economic development projects, which helps to improve the quality of life by providing more, and better jobs for our region.

I want to thank all Commissioners, past and present, along with management and staff that have supported me over the years. Before moving ahead with nominations, I leave you with this thought that I read not too long ago - “We know little or nothing about the beginning, we know nothing about the ending, we know that yesterday is history, today is a challenge, and tomorrow is a mystery”. Thank you for your patience!

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Chairman Fralinger moved to accept nominations for Chairman for a two year term. Commissioner Derrickson moved Commissioner Cordrey as Chairman, and Chairman Bennett seconded the nomination. Chairman Fralinger asked if there were any other nominations, and receiving none, closed the nominations and directed the Secretary to take a roll call vote. Commissioner Cordrey was elected Chairman of the Authority by a roll call vote of 11-0.

Chairman Fralinger moved to accept nominations for Vice Chairman for a two year term. Commissioner Pessagno moved Commissioner Wallace as Vice Chairman, and Commissioner

McWilliams seconded the nomination. Chairman Fralinger asked if there were any other nominations, and receiving none, closed the nominations and directed the Secretary to take a roll call vote. Commissioner Wallace was elected Vice Chairman of the Authority by a roll call vote of 11-0.

Commissioner Fralinger administered the oath of office to Commissioner Cordrey, who was sworn in as Chairman.

Commissioner Fralinger administered the oath of office to Commissioner Wallace, who was sworn in as Vice Chairman.

8812. COMMISSIONER COMMENTS:

Commissioner Fralinger asked if any Commissioner cared to make any comments.

Chairman Cordrey thanked Commissioner Fralinger for his time and dedication to the Authority.

Commissioner Bennett stated that Commissioner Fralinger had done a tremendous job, and thanked him for his leadership.

Commissioner Derrickson echoed Chairman Cordrey's comments.

Commissioner Patterson also thanked Commissioner Fralinger, and added that he had met with a representative of the Delaware Arts Council and had referred the representative to the Deputy Executive Director for follow-up.

Commissioner Hensley thanked Commissioner Fralinger for serving as Chairman.

Commissioner Lathem thanked Commissioner Fralinger for his service and acknowledged and thanked the Executive Director for meeting with employees, union representatives, and Commissioners for input into the Cape May-Lewes Ferry schedule.

Vice Chairman Wallace thanked Commissioner Fralinger, and stated the he looks forward to working with the Chairman and other Commissioners.

Commissioner McWilliams offered his congratulations to the newly elected Chairman and Vice Chairman, and thanked Commissioner Fralinger for his service.

Commissioner Koebig thanked Commissioner Fralinger for his tenure as Chairman.

Commissioner Pessagno thanked Commissioner Pessagno for his leadership as Chairman, and congratulated the newly elected Chairman and Vice Chairman.

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There being no further business before the Commission, the meeting was adjourned at 11:55 a.m.

The next meeting was set by unanimous consent for Tuesday, March 18, 2003, at the Authority Administration Building, New Castle, Delaware.

Respectfully submitted,
THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary