

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, October 21, 2008
Millville Airport
1 Thunderbolt Drive
Millville, New Jersey 08332

The meeting convened at 10:05 a.m. with Chairperson Parkowski 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

F. Michael Parkowski, Chairperson
Thomas J. Cooper

James N. Hogan, Vice-Chairperson

Samuel E. Lathem
William Lowe
Gary B. Patterson

Rev. Edward W. Dorn
Niels S. Favre
Gary F. Simmerman
Ceil Smith

ABSENT

Verna W. Hensley

Susan A. DeLanzo

* * * * *

Commissioner Simmerman welcomed the Board of Commissioners and guests to Cumberland County then introduced Millville Mayor James Quinn and Cumberland County Freeholder Director Louis Magazzu.

Mayor Quinn welcomed the Commissioners to the City of Millville. He thanked them for their energy and investment in the Millville Airport. The Mayor stated that the Motorsports Park has brought a great deal of activity to the City citing ratables and anticipated construction of hotels and housing.

Freeholder Director Magazzu thanked the Commissioners for holding their meeting in Cumberland County. He stated that the Millville Airport is extremely important to the Motorsports Park and to the proposed Conference and Visitors Center. The Freeholder Director believes that there are opportunities to improve and expand the County's relationship with the Authority. He said that Cumberland County is well represented with Commissioner Simmerman and Deputy Director Donald Rainear.

* * * * *

9853. APPROVAL OF THE SEPTEMBER 16, 2008 MINUTES

Commissioner Lathem motioned for approval of the September 16, 2008 minutes, seconded by Commissioner Favre, and approved by a voice vote of 10-0.

* * * * *

The Executive Director filed the following report for the month of September.

Delaware Memorial Bridge

Total traffic during the month of September decreased 13% compared to the same period in 2007. Non-commercial traffic decreased 13.7% and commercial traffic decreased 10.1%. When compared to the 3-year average, total traffic for September decreased 11.6%. Total traffic year-to-date decreased 5.0% compared to 2007. When compared to the 3-year average, total traffic year-to-date decreased 3.9%.

E-ZPass traffic for September represented 59.9% of the total overall traffic as compared to 56.4% for the previous year. Total electronic traffic for 2008 represented 59.1%, an increase of 2.7% from 2007.

Construction activities on the bridge and approach roadways are in full swing. The Phase 3, I-295 project which began in June is approximately 20% complete with the project slated for completion in 2010. The Norfolk Southern Railroad Bridge replacement project is substantially complete. Annual deck resurfacing and joint repair on both spans began this month and will continue through the Fall.

Cape May Lewes Ferry

Traffic during the month was impacted by poor weather caused by two tropical storms that moved up the East Coast. These poor conditions necessitated the cancellation of numerous crossings, which are attributable to the significant decreases in the September traffic comparisons. In September, vehicle and passenger traffic decreased 21.9% and 26.2%, respectively, when compared to September 2007. Year-to-date vehicle and passenger traffic have decreased 7.0% and 6.0% respectively compared to 2007. When compared to the average of the last three years, year-to-date vehicle traffic and passenger traffic decreased 9.1% and 7.8%, respectively. In September, fare revenues decreased 18.2%, when compared to September 2007. Year-to-date fare revenues increased 1.0% compared to 2007.

In September, CMLF food sales and retail sales decreased 33.2% and 36.3% respectively, as compared to September 2007. Year-to-date food and retail sales decreased 10.1% and 13.1% respectively when compared to 2007.

A joint Federal, State and local counter-terrorism training and evaluation exercise, code-named VIPR (Visible Intermodal Protection and Response), was conducted at both facilities in Cape May and Lewes. Approximately 100 personnel from 10 agencies participated in this operation.

Airports

The Civil Air Terminal handled 109 aircraft arrivals during the NASCAR Race week. The Jet-A Fuel farm was operational and Atlantic Aviation sold 17,494 gallons. The numbers of arrivals is slightly up from the last Race week.

Finance

Victor Ferzetti and his staff completed the 2009 Budget meetings with all the operating departments. A preliminary budget was presented to the Budget and Finance committee in October. Staff will continue to refine the budget based upon comments from the Committee and other Board members. We will present the refined budget at the November Budget and Finance Committee meeting.

Victor Ferzetti and our financial advisor, Cavanaugh Capital Management continued to monitor the impacts of the financial crisis on the Authority's investments and provide updates on the impacts to our 2000B variable rate debt instrument. They presented information at the September and October Budget and Finance Committee meetings. Overall the Authority's investment portfolio has held up well given the magnitude of the crisis. Several actions were taken with our portfolio prior to the liquidity crisis that have included – avoiding private label mortgages, subprime mortgages and auction rate

securities, cutting back on corporate bond exposure, moving all money market sweep funds to Government funds, boosting treasury and agency holdings, and eliminating high-yield exposure in the retirement plan.

The current market conditions are not particularly favorable for refunding the 2000B issue. However, we are continuing to prepare for the refunding and are watching the market conditions.

Staff has continued to work with the DBE Task Force led by Commissioners Lathem and Dorn. During September, the task force learned about the procurement process and the overall financial structure of the organization. The Task Force has met four times.

Employee Happenings

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

Authorized Positions	456
Positions Filled	417
Positions Filled (on LTD)	6
Total Positions that are Vacant	33

The Employee Recognition Committee met this month to review nominations for various peer driven awards. This is the second year for the program and the annual process recognizes exceptional and exemplary employee performance in five categories: Volunteerism, Customer Service, Operational Excellence, Teamwork, and Leadership. The Award recipients will be announced in October.

I attended the International Bridge Tunnel and Turnpike Association (IBTTA) Board and Annual meetings that were held in Baltimore, Maryland. Gerry DiNicola Owens, John Jones and Steve Melniczuk also attended the Annual Meeting.

I attended the Women in Transportation luncheon meeting in Philadelphia and was on a panel discussion with the Executive Directors of the Delaware River and Port Authority and the Delaware River Joint Toll Bridge Commission.

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

* * * * *

9855. COMMITTEE REPORT – BUDGET & FINANCE COMMITTEE

Commissioner Patterson deferred the reporting of the Budget & Finance meeting minutes of October 6, 2008 to Commissioner Simmerman. Commissioner Simmerman presented the following.

**BUDGET & FINANCE COMMITTEE MEETING
Monday, October 6, 2008
Delaware Memorial Bridge Complex
New Castle, Delaware**

A public meeting of The Delaware River and Bay Authority’s Budget & Finance Committee was held on Monday, October 6, 2008, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Hensley, Committee Member
Commissioner Lowe
Chairperson Parkowski

Committee Vice-Chair Simmerman
Commissioner Smith, Committee Member
Commissioner Dorn

Governors Representatives

Rebecca Byrd – DE

Sonia Frontera – NJ

Staff

Jim Johnson

Victor Ferzetti

Jim Walls

Gerry Owens

AJ Crescenzi

Anna Marie Gonnella Rosato

Joe Larotonda

John Jones

Authority Secretary

Tom Pankok

Invited Guests

Jim Cavanaugh, CCM

Jim Dugan, CCM

- I. Committee Vice-Chair Simmerman welcomed the Budget & Finance Committee and opened the meeting at approximately 9:14 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.

- II. Committee Vice-Chair Simmerman introduced Jim Cavanaugh and Jim Dugan, Cavanaugh Capital Management (CCM), the Authority's Financial Advisors. The Acting Chief Financial Officer, in consultation with the Committee Chair and Vice-Chair, requested that CCM provide a briefing on the state the Authority's Investments, the volatility of the last few weeks and how it has affected portfolios. Mr. Cavanaugh reported that this has been one of the most severe global financial crises with a turbulent stock market, as well as a severe liquidity crisis within the bond market. Many established financial institutions became casualties. The US Government crafted the Troubled Asset Recovery Plan (TARP) to rescue and shore up assets. With respect to the Authority's investments, the DRBA fixed income portfolio has been somewhat insulated due to the Small I/P Investment Policy approach of maximizing return with minimum risk. The stewardship of the Authority funds has been prudent. A presentation was provided and the following topics were discussed.
 - DRBA Portfolio Review covering Market Values, Yields, Performance, Sectors, and Characteristics of the General Fund, Debt Service Reserve Funds and Construction Fund. The Performance, Asset Allocation and Market Value of the Employees' Retirement Plan Trust were also reviewed.
 - Review of Liquidity Crisis including Recent Developments and Bond Interest Rates by Sector.
 - Impact of Liquidity Crisis and the Actions that were taken as well as the Outlook for the future.

Overall, it was reported that the Authority realized a \$560,000 loss (or -0.6%) on an approximate total of \$95 million fixed income investments as of September 30, 2008.

It was reported that the DRBA Employees' Retirement Plan Trust has lost notable gains in the last twelve months that it had realized since 2003; however, since inception has performed above the balanced benchmark. The Acting CFO reminded the Committee that the 2009 Budget will not be affected due to the smoothing technique and a one year lag; however, the losses will affect the 2010 Budget. The budget impact should be slightly tempered due to smoothing.

Chairperson Parkowski questioned whether the DRBA's fixed income allocation on the retirement fund needs to be increased. Mr. Cavanaugh reported that the 60/40 equity to bond allocation currently provides a 7% return assumption; however that could change if returns are not consistent with assumptions. Mr. Cavanaugh added that there are things that can be done to reduce volatility, but could sacrifice long term returns. For example, a more conservative asset allocation toward bonds would affect the 7% return assumption, thus increasing the required contribution. Chairperson Parkowski added that the losses shouldn't cause an over-reaction.

CCM reported that many portfolio actions were taken prior to the Liquidity Crisis to protect Authority funds. The Short-Term and Long-Term Actions were presented and discussed including maintaining the 60/40 allocation for the DRBA Retirement Plan given its long-term investment horizon. The Acting CFO noted that, including the Allmerica fixed income component, the allocation was more like 45/55. Commissioner Lowe questioned the Allmerica portion of the retirement fund and any exposure. CCM and the Acting CFO reported that everything that could be done has been done with that contract. The original value of the plan was \$30 million in the 1990s, and has now decreased to approximately \$17 million as plan members expire thus reducing our total exposure. Staff and CCM will research as best as possible the financial status of Allmerica and its investment holdings.

➤ Update on the Series 2000B Bonds

CCM reported that the extreme volatility had caused the reset rates to hit 8% at the end of September with some moderation to 6-6.5% foreseeable. It was recommended to continue preparations, but not immediately issue a VRDB refunding due to market conditions. Continue monitoring the market for historical normal VRDB rates, but be prepared to pay off the bonds with cash from the General Fund. The Acting CFO reminded the Committee that \$30 million had been set aside as a hedge against rising rates. The Committee questioned how long to wait to determine the next step and CCM reported that if market conditions had not stabilized by early 2009, alternative actions should be taken. The Acting CFO added that he has been working continually behind the scenes on options, as well as with TD Commerce providing and updating credit information. Chairperson Parkowski questioned what would be the worst case scenario and both CCM and the Acting CFO reported that it would be to use the \$30 million to pay off the bonds. Chairperson Parkowski added that the Authority has done well with these instruments and we are in a good position having the cash to call the bonds if necessary. The Acting CFO added that it is due to the Board's decisions and a historically conservative approach to Authority's debt and investments.

Chairperson Hogan added that any reports he receives are passed on to the New Jersey Treasury for review.

III. Proposed Resolutions

- The Committee reviewed and recommended the Community Contribution requests for October.
- The Acting CFO presented the Over \$25,000 Vendor List for review. The Acting CFO noted that Zone Striping provided striping at the Cape May Airport earlier in the year. Quotes were solicited for striping this fall at the Millville Airport and Zone Striping submitted the lowest quote; thereby pushing the aggregate total over \$25,000. The Committee reviewed and recommended the Over \$25,000 Vendor List.

IV. The Acting CFO reported that the departmental budget hearings had been completed and presented the Major Increases & Decreases to the preliminary FY 2009 Operating Budget, as compared to the FY 2008 Adopted Budget. The following was presented.

- Total Wages reflected an increase of 2.37%, which included six eliminated permanent positions
- Advertising & Marketing request increased 49% and is a concern since all departments have been asked to tighten their belts. Commissioner Simmerman added that this will have to be further discussed.
- Group Medical Coverage decreased 5.2% as some of the cost saving measures that were instituted begin to affect the budget
- Defined Benefit Plan increased 5.49% and staff will be meeting with Mercer, the Authority's Benefits Actuarial, for further discussion.
- OPEB Benefits (40% of ARC) reflects year two's payment of \$2.28 or a 100% increase. As previously discussed, an actuarial evaluation will be completed after this year to determine any future change to the contribution.
- All Other Benefits were reduced by 3.66%
- Bridge Painting reflects an increase of 17.65%, the final planned incremental step toward the \$1 million goal for annual bridge painting.
- E-ZPass Transaction Fees are reduced .7% due a reduction in Bridge Traffic and accounts.
- Vessel Fuel increased 52.32%. Staff will be completing a hard analysis.
- Vessel Drydocking increased 100%; however, drydocking costs will be determined as the vessels are inspected.
- Insurance decreased 2% reflecting a continuing softening in the market.
- All Utilities have increased 3.86%
- Maintenance Contract/Software/Data Lines increased 11.65% as more technology improvements are made to the Authority's infrastructure.
- Gasoline/Diesel increased 42%
- Remaining Categories show a decrease of .09%

The total preliminary FY 2009 Operating Budget in the amount of \$78,747,854 reflects a 5.31% increase (or \$3,968,884) over the Adopted FY 2008 Budget. The Committee discussed the budget as proposed in light of the upcoming 2010 Toll Increase and the \$300 million required for planned Capital Improvements. Chairperson Parkowski stressed that over the next two years, the challenge facing the organization is investment preservation and improvements to the infrastructure. He noted that it may be necessary to consider a hiring freeze as well as a potential reduction in force. Vice-Chairperson Hogan added that a hiring freeze and consolidation of departments should be considered immediately. Committee Vice-Chair Simmerman added that if there is not adequate revenue to handle expenses, hard decisions will have to be made. The Committee Vice-Chair then requested that any questions, issues, or recommendations on the preliminary budget be directed to the Committee Chair, Vice-Chair or Acting CFO. The Acting CFO reported that staff will continue to review and will be prepared to present the Reviewed FY 2009 Budget at the November Budget & Finance Committee meeting.

The Acting CFO added that he will be discussing an Opt-Out Plan to reduce healthcare expenses in the Personnel Committee meeting later that day. He further added the option of modifying post employment healthcare benefits had been discussed in the past and could be reviewed again in the future.

Commissioner Simmerman called for a motion to approve all recommendations as presented. On motion by Commissioner Smith, seconded by Commissioner Hensley, the Committee recommended approval of the Community Contribution requests for October, the Over \$25,000 Vendor List, as well as the Investment Recommendations as presented by CCM. Resolutions authorizing the Community Contributions and Over \$25,000 Vendor List will be presented to the full Board for consideration at the October meeting.

With no further business to discuss, on motion by Commissioner Simmerman, the Budget & Finance Committee adjourned at 11:12 a.m.

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

* * * * *

9856. COMMITTEE REPORT – PERSONNEL COMMITTEE

Commissioner Lathem deferred the reporting of the Personnel Committee meeting minutes of October 6 and 21, 2008 to Commissioner Dorn. Commissioner Dorn presented the following.

PERSONNEL COMMITTEE MEETING
Monday, October 6, 2008
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Personnel Committee was held on Monday, October 6, 2008, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Lowe, Committee Member
Commissioner Hensley

Committee Vice-Chair Dorn
Commissioner Simmerman
Commissioner Smith
Vice-Chairperson Hogan

Governors’ Representatives

Rebecca Byrd - DE

Sonia Frontera-NJ

Staff

Jim Johnson, Jr.
Victor Ferzetti
Jim Walls
Gerry DiNicola Owens
TJ Murray

Authority Secretary

Tom Pankok

- I. Committee Vice-Chair Dorn welcomed the Personnel Committee and opened the meeting at 11:13 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.
- II. Committee Vice-Chair Dorn requested an Executive Session, closed to the public to discuss matters of a confidential nature. On motion by Commissioner Lowe, the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS
- LEGAL UPDATE

With no further business to discuss in Executive Session, on motion by Commissioner Lowe, the Personnel Committee was opened to the public.

Proposed Healthcare Opt-Out Incentive Program

The Acting Chief Financial Officer presented a healthcare cost saving proposal. Currently, the Authority offers no incentive to opt out of DRBA coverage for employees and retirees who have dual healthcare coverage. The Acting CFO proposed paying each employee, who opted out of DRBA coverage, an approximate equivalent of two months' premiums at the completion of one year. The Authority would save ten months' of premiums at a cost of two. The following provisions were presented.

- Employees must provide evidence of other existing health care coverage for themselves and all of their eligible dependents
- Opt-out incentive does not apply to Authority wide dual coverage situation where both spouses are employed (or retired) and are covered under the Authority's health benefit plan.
- Active employees and retirees up to age 65 are eligible to participate in opt-out incentive program.
- Employees and their eligible dependents that subsequently lose coverage through a qualified life status or employment status change will be permitted to re-enroll in Authority health benefit plan.
- Incentive payments will be made toward the end of the coverage period (approximately December 1) to all active participants in the opt-out plan as of November 1.
- No pro rata credit will be given for partial opt out periods, except the instance of new hires.
- Payments are considered taxable income.

The Committee asked several questions including whether the States of Delaware and New Jersey have such programs. Staff reported that the State of Delaware requires the coordination of spousal benefits. Vice-Chairperson Hogan reported that Gloucester County participates in a program similar to the proposed Opt-out plan. The Acting CFO added that the re-enrollment period would be in December and would like to have information available to employees by November. Finalized information will be prepared provided to the Board at the October meeting.

With no further business to discuss, on motion by Commissioner Lowe, the Personnel Committee adjourned at 12:00 p.m.

* * * * *

**PERSONNEL COMMITTEE MEETING
Tuesday, October 21, 2008
Millville Airport, 1 Thunderbolt Drive
Millville, New Jersey**

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, October 21, 2008, at the Millville Airport, 1 Thunderbolt Drive, Millville, New Jersey.

Commissioners from Delaware

PRESENT

Committee Chair Lathem
Commissioner Cooper, Committee Member
Commissioner Lowe, Committee Member
Commissioner Patterson
Chairperson Parkowski

Commissioners from New Jersey

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

Governors' Representatives

Rebecca Byrd - DE

Sonia Frontera-NJ

Staff

Jim Johnson, Jr.

Authority Secretary

Tom Pankok

Don Rainear
 Victor Ferzetti
 Jim Walls
 Gerry DiNicola Owens
 Mike Schirmer
 Jim Salmon
 Anna Marie Gonnella Rosato
 Steve Williams

I. Committee Chair Lathem welcomed the Personnel Committee and opened the meeting at 9:33 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.

II. Proposed Healthcare Opt-Out Incentive Program

As previously discussed in the Personnel Committee meeting, the Acting Chief Financial Officer reviewed a healthcare cost saving proposal. As an incentive to employees and retirees who have dual healthcare coverage, the Acting CFO proposed paying each employee, who opted out of DRBA coverage, an approximate equivalent of two months’ premiums, payable over 24 pay periods throughout the calendar year. The Authority would save ten months of premiums at a cost of two. Employees would be able to opt out of the healthcare plan according to alternate coverage enrollment periods or into the plan due to a qualified life event or employment status change. A letter explaining this option will be sent to employees and subsequent meetings will be scheduled, if necessary. Commissioner Simmerman questioned whether different compensation scenarios were investigated. The Acting CFO investigated the Delaware River Port Authority and Gloucester County, New Jersey, and determined that offering an amount equal to two months’ premiums was reasonable. After discussions, Committee Chair Lathem questioned whether the Committee had any further questions or concerns, and with none, the Committee concurred with staff’s recommendation.

III. DBE Task Force Update

Michael Schirmer, the Authority’s DBE Program Manager and Task Force Chair, provided an update on the recent DBE Task Force meetings. Commissioners Lathem and Dorn are Co-Chairs and the following are members of the Task Force.

DBE Task Force Members

<u>Delaware</u>	<u>New Jersey</u>
Mr. Jay Burks, Executive Director OMWBE, State of DE	Mr. Uzo Ahirakwe, President, Tochi Engineers, LLC
Ms. Maria Cabrera, Los Angeles, Inc.	Ms. Delor Connell, President & CEO, Cornell & Co., Inc.
Mr. Rodney Foust, Foust Services Co., LLC	Ms. Sandra Scott Drew, Scott Business Solutions
Elder Tyrone Johnson, Sr., Second VP, IMAC	Mr. Ernest Frazier, Sr., Esq., President, Countermeasures Assessment & Security Experts, LLC
Mr. Rick Romero, President, Advanced Paving Systems	Mr. Eugene Marsh, President & CEO, Construction Project Management Services, Inc.

It was reported that the Task Force had conducted five meetings over the course of two months and is currently finalizing recommendations to be presented to the Personnel Committee in November. Authority Vice-Chair Hogan questioned whether the recommendations had been vetted through Legal Counsel and Authority Chair Parkowski recommended that a draft of the recommendations and presentation be provided to Legal Counsel for review prior to any presentation to the Committee and requested an expedited legal review. Copies of all minutes of the Task Force were requested to be provided to Legal Counsel as well.

Commissioner Lowe questioned whether the concerns of some of the Task Force members of potential conflict had been addressed and it was reported that all members decided to participate in the Task Force.

The Acting CFO reported that, at the last meeting, the Task Force was concerned how their recommendations would align with the Authority's Budget process, as they would be recommending two or more positions. The Acting CFO stressed to the Task Force that doing so without determining the cost or priorities may not be beneficial. Staff will require time to evaluate the recommendations and develop priorities and cost implications for discussion with the Board.

Chairperson Parkowski added that he had reviewed the Minutes of the Task Force and agreed that adding positions would not be an option and to investigate whether some of these recommendations could be satisfied internally by re-organizing. He then commended Michael Schirmer and those serving on the Task Force for their effort, with Commissioner Dorn adding his thanks as well to Mike Schirmer, Kelly Phillips Parker, and Victor Ferzetti.

With no further business to discuss, on motion by Commissioner Lowe, the Personnel Committee adjourned at 9:51 a.m.

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

* * * * *

9857. COMMITTEE REPORT – PROJECTS

Commissioner Lowe presented the following Projects Committee meeting minutes of October 6, 2008.

PROJECTS COMMITTEE
Monday, October 6, 2008
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Projects Committee was held on Monday, October 6, 2008, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Lowe, Committee Chair
Commissioner Hensley, Committee Mbr

Commissioner Dorn, Committee Mbr
Commissioner Simmerman, Committee Mbr
Commissioner Smith
Vice-Chairperson Hogan

Governors' Representative

Rebecca Byrd - DE

Sonia Frontera – NJ

Staff

Jim Johnson
Jim Walls
Gerry DiNicola-Owens
Victor Ferzetti
John Jones
Anna Marie Gonnella
Heath Gehrke

Authority Secretary

Tom Pankok

- I. The Projects Committee meeting convened at approximately 12:05 p.m. Those in attendance were provided an informational package consisting of an agenda, a draft resolution, two bid tabulations, two contract close-out actions, and the monthly contractor payment chart with associated change order information.
- II. Resolutions:
 - a. The COO presented a resolution regarding “Appreciation and Acceptance of the HO Scale Model of the MV Twin Capes Created by the Late Donald R. Jeker.” The resolution applauds the talent and effort of the late master craftsman, Mr. Jeker, as well as, provides appreciation to the Jeker family for the generous gift to the Authority. The Projects Committee concurred with the resolution recommendation and authorized the action be presented at the October board meeting.
- III. Bid Openings/Award Actions:
 - Contract No. CMLF-08-05, Drydocking, Repairs, and HVAC Installation, Motor Vessel Cape Henlopen: The COO presented a bid tab and reported that a public bid opening was held on October 1, 2008 in which one bid was received. The Projects Committee made numerous inquiries of staff on the needs, cost, and timing of the project. After staff satisfactorily answered all inquiries of the Committee, the recommendation was made to reject the bid and delay the work until the next scheduled drydocking of the vessel in late 2009. The Projects Committee supported the recommendation and directed the action be presented at the October board meeting.
 - Contract No. NCA-07-01, Mechanical System Upgrades, New Castle Airport Terminal Building: A public bid opening was held on September 30, 2008 in which four bids were received. The COO recommended that the award be made to the lowest responsive bidder, Schlosser & Associates, in the total amount of \$283,000.00 which includes the base bid and three add alternates. The Projects Committee concurred with the recommendation and authorized the action be presented at the October board meeting.
- IV. Contract Close-Out Actions:
 - Contract No. CMLF-06-07, Dredge Disposal Site Upgrades: The COO recommended close-out of this contract and that final payment be made to the contractor, Barnegat Bay Dredging Co., Inc. of Harvey Cedars, New Jersey. The final price for this project is \$316,190.00. The Projects Committee concurred with the recommendation and authorized the action be presented at the October board meeting.
 - Contract No. MVA-06-02, Runway 14-32 Rehabilitation: The COO recommended close-out of this contract and that final payment be made to the contractor, South State, Inc. of Bridgeton, New Jersey. The final price for this project is \$1,257,258.00. The Projects Committee concurred with the recommendation and authorized the action be presented at the October board meeting.
- V. Contractor Payment (through September): The COO informed the Committee of the monthly construction contractor payments to be made in October.

VI. Miscellaneous Items/Updates:

- Upgrade of DRBA Telephone System: The CIO provided an update on the acquisition of a new Authority telephone system to replace the existing system which is at the end of its useful life. The CIO reported that spare parts are difficult to obtain, reliability of the existing system is suspect, and that upgrades to hardware, software, and firmware are no longer supported; therefore, the existing telephone system should be replaced. The CIO stated that the project is included in the adopted 2008 Capital Improvement Program (CIP); that work would be performed pursuant to a competitively bid state contract as authorized under Resolution 98-31; that the provider, Verizon, has already been authorized for expenditures exceeding \$25,000 via Resolution in 2008 and that the work will proceed as soon as possible. The Projects Committee supported the initiative.
- The COO and Director of Ferry Operations provided a brief update on the recent trip to Europe to assess operational ferries. The Projects Committee asked that a briefing be provided in the future on more detailed observations made on the trip.

VII. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 12:35 p.m.

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

* * * * *

9858. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Smith presented the following Economic Development Committee meeting minutes of October 6, 2008.

ECONOMIC DEVELOPMENT COMMITTEE
Monday, October 6, 2008
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Economic Development Committee was held on Monday, October 6, 2008, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT
Committee Vice-Chair Hensley
Commissioner Lowe

Commissioners from New Jersey

Committee Chair Smith
Commissioner Dorn, Committee Member
Commissioner Simmerman
Vice-Chairperson Hogan

Governors Representatives

Rebecca Byrd – DE

Sonia Frontera - NJ

Staff

Jim Johnson
Victor Ferzetti
Jim Walls
Gerry Owens
AJ Crescenzi
Anna Marie Gonnella Rosato
John Jones

Authority Secretary

Tom Pankok

- I. Committee Chair Smith welcomed the Economic Development Committee and opened the meeting at approximately 12:01 p.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.
- II. In the absence of the Deputy Executive Director, AJ Crescenzi provided information regarding a proposed Agreement for Committee Consideration.
 - Lease Agreement between the Delaware River and Bay Authority and G & W Development, LLC, at the New Castle Airport to provide approximately 5,309 square feet of warehouse space at a fair market annual rent of \$33,420.36 for a term of one year. After review, on motion by Commissioner Hensley, seconded by Commissioner Dorn, the Committee recommended approval of the Lease Agreement. A Resolution will be presented to the full Board for consideration at the October meeting.

III. Isogen Update

AJ Crescenzi reported staff is in the process of sending updated Lease proposals for Isogen’s review. The Committee questioned whether the New Castle County Chamber of Commerce issue remained and it was reported that staff continues to work with both Isogen and the Chamber toward a win/win situation.

With no further business to discuss, on motion by Commissioner Hensley, the Economic Development Committee adjourned at 12:05 p.m.

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

* * * * *

9859. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Acting 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 August.

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

* * * * *

9860. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

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

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

* * * * *

9861. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The Acting CFO presented charts for September showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

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

* * * * *

9862. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The Acting CFO presented charts for the month of September showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The charts also include cash expenditures spent to date for the committed projects.

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

* * * * *

9863. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF SEPTEMBER 30, 2008.

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

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

* * * * *

9864. PUBLIC COMMENT ON ACTION ITEMS.

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

- Contract #NCA-07-01 Mechanical System Upgrades, New Castle Airport
- Close-out Contract #MVA-06-02 Runway 14-32 Rehabilitation - Millville Airport
- Close-out Contract #CMLF-06-07 Dredge Disposal Site Upgrades, CMLF
- Resolution 08-44 Approval of the Community Contribution Requests
- Resolution 08-45 Authorizing Authority Expenditures \$25,000 and over
- Resolution 08-46 Appreciation and Acceptance of the HO Scale Model MVTC
- Resolution 08-47 Lease Agreement with G & W Development, LLC, New Castle Airport

There were no public comments.

* * * * *

9865. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

<u>Contractor</u>		<u>Payment</u>
DMB-07-02	Marinis Brothers	\$ 351,260.16
DMB-07-01	Eastern Highway Specialists, Inc.	\$ 112,109.10
DMB-06-03	J.D. Eckman, Inc.	\$ 592,149.71
DMB-04-01	Mumford and Miller	\$ 831,666.50
CMLF-07-07	Walt’s Professional Painting	\$ 2,843.75
CMLF-06-07	Barnegat Bay Dredging Co., Inc.	\$ 5,000.00
NCA-04-01	Diamond Materials	\$ 83,549.64
NCA-06-02	Diamond Materials	\$ 593,984.35
MVA-06-02	South State, Inc.	\$ 62,862.90
CAT-07-01	Joseph T. Hardy & Sons	\$ 125,215.19
CMA-07-02	K.E. Seifert, Inc.	\$ 141,235.60

* * * * *

9866. APPROVAL OF MECHANICAL SYSTEM UPGRADES:
CONTRACT # NCA-07-01

The COO stated that a public bid opening was held on September 30, 2008 in which four bids were received for mechanical system upgrades at the New Castle Airport. Staff recommended that the award be made to Schlosser & Associates of Newark, DE, the lowest responsive bidder, in the total amount of \$283,000.00, which includes the base bid and three add alternates. The Projects Committee concurred with staff recommendation.

A motion to award Contract NCA-07-01 to the aforementioned bidder in the total amount of \$283,000.00 was made by Commissioner Simmerman, seconded by Commissioner Favre, and unanimously approved by a roll call vote of 10-0.

* * * * *

9867. DRYDOCKING, REPAIRS AND HAVAC INSTALLATION:
CONTRACT # CMLF-08-05

The COO stated that a public bid opening was held on October 1, 2008 in which one bid was received. After staff responses to questions posed by the Projects Committee regarding needs, cost and timing of the project, the Projects Committee opted not to award the bid and delay the work until the next scheduled drydocking of the vessel in late 2009.

A motion was made by Commissioner Lowe to reject all bids for Contract CMLF-08-05 and to delay the work until the next scheduled drydocking of the vessel in late 2009, seconded by Commissioner Favre, and unanimously approved by a roll call vote of 10-0.

* * * * *

9868. CONTRACT CLOSE-OUT: RUNWAY 14-32
REHABILITATION, MILLVILLE AIRPORT- CONTRACT MVA-06-02

On October 1, 2007 Contract No. MVA-06-02, Runway 14-32 Rehabilitation, was awarded to South State, Inc. of Bridgeton, New Jersey for the bid price of \$1,279,170.00.

During the contract period, Change Order No's.1-2 were approved for the project.

- 1. Sept. 1, 2008 Adjustments in quantities to reflect actual field conditions.
 Subtract: \$21,912.00

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$1,257,258.00.

A motion to close-out Contract MVA-06-02 was made by Commissioner Simmerman, seconded by Commissioner Smith, and unanimously approved by a voice vote of 10-0.

* * * * *

9869. CONTRACT CLOSE-OUT: DREDGE DISPOSAL SITE
UPGRADES, CMLF – CONTRACT #CMLF-06-07

On December 18, 2007 Contract No. CMLF-06-07, Dredge Disposal Site Upgrades, was awarded to Barnegat Bay Dredging Co., Inc. of Harvey Cedars, New Jersey for the bid price of \$345,290.00.

During the contract period, Change Order No.1 was approved for the project.

- 1. February 21, 2007 Adjustments in quantities to reflect actual field conditions.
Subtract: \$29,100.00.

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$316,190.00.

A motion to close-out Contract CMLF-06-07 was made by Commissioner Simmerman, seconded by Commissioner Favre, and unanimously approved by a voice vote of 10-0.

* * * * *

9870. CHAIRPERSON’S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOAD

RESOLUTION 08 - 44 APPROVAL OF COMMUNITY CONTRIBUTION REQUESTS.

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state agency with public crossing facilities and assets in the States of New Jersey and Delaware; and

WHEREAS, the Authority has developed a Community Contributions Policy which outlines the purpose of the program and process for consideration of requests; and

WHEREAS, the policy requires full board approval for any Community Contribution; and

WHEREAS; the Budget and Finance Committee met and approved Community Contributions for the month of October 2008; and

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby approves the following Community Contributions.

Community Contributions

New Jersey

Mid Jersey Cape Rotary Club	\$ 1,000
Newfield Terrace Community Action Organization	\$ 4,850
Salem Community Recreation Center Incorporated	\$ 2,500
Township of Deerfield Recreation Committee	\$ 5,000
Total	<u>\$ 13,350</u>

Delaware

Rehoboth Beach Film Society	\$ 2,500
Total	<u>\$ 2,500</u>

Grand Total (New Jersey and Delaware) \$ 15,850

A motion to approve Resolution 08-44 was made by Commissioner Dorn, seconded by Commissioner Smith an approved by a roll call vote of 10-0.

* * * * *

RESOLUTION 08-45 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1 THROUGH DECEMBER 31, 2008.

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 1/1/08 THROUGH 12/31/08

VENDOR	SERVICE DESCRIPTION	DETERMINATION
J. Wilhem Roofing Company	Roof Repairs at Cape May Airport	Quotes
Zone Striping	Runway Striping at Millville Airport	Quotes

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 08-45 was made by Commissioner Lowe, seconded by Commissioner Lathem, and approved by a roll call vote of 10-0.

* * * * *

RESOLUTION 08-46 – APPRECIATION AND ACCEPTANCE OF THE HO SCALE MODEL OF THE MV TWIN CAPEs CREATED BY THE LATE DONALD R. JEKER

WHEREAS, The Delaware River and Bay Authority (the “Authority”) operates the Cape May – Lewes Ferry system and the MV Twin Capes is one of five (5) vessels in the ferry fleet; and

WHEREAS, based on drawings, photos and access to the vessel, Mr. Donald R. Jeker meticulously created an HO gauge scale model of the MV Twin Capes in 2000; and

WHEREAS, Mr. Jeker spent more than 3,000 hours of his personal time to complete the model and graciously permitted the Authority to prominently display the model at the Cape May Ferry Terminal during the summer of 2003 before its return to Mr. Jeker; and

WHEREAS, with the recent passing of Mr. Jeker on December 2, 2007, his family expressed a desire to present the Authority with the model MV Twin Capes so that it can continue to be displayed at the Cape May Ferry Terminal for the public to view and enjoy; and

WHEREAS, the Authority has accepted the gift and has instructed the Director of Ferry Operations to maintain custody of the model, manage details of its display, security, maintenance and assurance of public access; and

NOW, THEREFORE, BE IT RESOLVED that The Authority graciously accepts the HO gauge model of the MV Twin Capes, applauds the talent and effort of the late master craftsman, Donald R. Jeker, and does hereby record the Commissioners sincere appreciation to the Jeker family for their generous gift to the Authority by the presentation of this Resolution, adopted today, October 21, 2008.

A motion to approve Resolution 08-46 was made by Commissioner Simmerman, seconded by Commissioner Favre and approved by a roll call vote of 10-0.

* * * * *

RESOLUTION 08-47 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND G & W DEVELOPMENT, LLC, AT THE NEW CASTLE AIRPORT.

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

WHEREAS, G & W Development, LLC, desires to lease approximately 5,309 square feet of warehouse space in the Airport more commonly referred to as 6002-a Brett Rd. (the “Facility Space”); and

WHEREAS, G & W Development, LLC, has agreed to pay the Authority an annual rent in the amount of \$33,420.36 for the Facility Space; and

WHEREAS, the term of the Lease Agreement is for one (1) year.

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

A motion to approve Resolution 08-44 was made by Commissioner Dorn, seconded by Commissioner Smith, and approved by a roll call vote of 10-0.

* * * * *

9871. COMMISSIONERS PUBLIC FORUM

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

There were no public comments.

Commissioner Simmerman noted that there will be a short tour of the Motorsports Park before lunch for those wanting to tour the Park.

Chairperson Parkowski stated that there have been discussions with NJ and De regarding the continuance of the Community Contributions Program. He instructed staff to coordinate a committee to develop a policy to be presented to the Commissioners at the next meeting.

Commissioner Simmerman noted that the proposed 2009 budget does not reflect a 20% deduction in Community Contributions

Commissioner Favre requested a draft proposal of the Community Contribution Policy and funding be sent to the Commissioners in advance of the next meeting.

Commissioner Patterson gave his condolences to Michael Houghton, Authority Counsel, for the loss of his uncle, State Representative Bill Houghton.

* * * * *

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

The meeting was adjourned 10:55 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary