

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, November 21, 2006
James Julian Boardroom
Administration Building
New Castle, Delaware 19720

The meeting convened at 11:10 a.m. with Vice-Chairperson Parkowski presiding.

The opening prayer was given by Father Drupreski followed by the Pledge of Allegiance led by Colonel McCarnan.

Vice-Chairperson Parkowski called on the Authority Secretary to read the meeting notice and take roll.

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

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Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Edward W. Dorn
Niels S. Favre
Maureen T. Koebig
Gary F. Simmerman
Ceil Smith

F. Michael Parkowski, Vice-Chairperson
Verna W. Hensley
Samuel E. Lathem
Gary B. Patterson

ABSENT

Thomas J. Cooper
William E. Lowe, III

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9499. APPROVAL OF THE OCTOBER 17, 2006 MINUTES

Commissioner Lathem motioned for approval of the October 17, 2006 minutes, seconded by Commissioner Favre and approved by a voice vote of 9 -0.

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9500. EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented the following highlights that occurred within the Authority during the month of October.

Delaware Memorial Bridge

Total traffic during the month of October increased 2.5 %, compared to the same period in 2005. Non-commercial traffic increased 2.3% and commercial traffic increased 4.0%. Through October, year-to-date traffic increased 0.7%. When compared to the 3-year average, October traffic decreased by 2.0%.

E-ZPass traffic for October represented 56.6% of the total overall traffic as compared to 54.4% for the previous year. Total electronic traffic year-to-date was 55.0%, an increase of 3.2% for the same period in 2005.

During the last week of October, our Police participated in a federal fugitive round-up in Delaware dubbed "Operation Falcon III." This operation was organized and supervised by the U.S. Marshals Service and included all U.S. Marshal Districts east of the Mississippi River. The District of Delaware Task Force was staffed by officers from the following agencies: ATF, DEA, FBI, HUD, U.S.S.S., State Police, County Police, Wilmington Police, Newark Police, Smyrna Police, State Probation and Parole, New Castle City Police, and DRBA Police. Locally, 96 fugitives were arrested. On the national level (east of the Mississippi River), 10,773 felony fugitives were arrested. The DRBA's participation in this highly successful operation was recognized at a press conference in the Federal Court House, Wilmington, on November 2nd. DRBA Police Corporal Jason Kirchner and DRBA Patrol Officer First Class Chris Field received certificates of appreciation from the U.S. Marshals Services in recognition of their participation in Operation Falcon III. The DRBA Police Department also received a certificate of appreciation for providing two (2) officers for this operation. Congratulations to our Police force for participating in this significant law enforcement project!

During the month of October, we began our planning for the 2006 Holiday Season Tactical Traffic Enforcement effort. We want to make the Holidays save for all travelers and our employees that work in the Plaza area. From mid-November through December 21st, 2006, we plan to conduct the enforcement effort at the DMB.

Cape May Lewes Ferry

In October, vehicle traffic increased 1.9% and passenger traffic remained flat, when compared to October 2005. Compared to the average of the last three years, year-to-date vehicle traffic and passenger traffic decreased 2.5% and 3.7%, respectively. Year-to-date fare and fee revenues increased 8.3% when compared to 2005.

In October, CMLF food/beverage and retail revenues decreased 9.5% and 6.6%, respectively. Year-to-date food and beverage revenues decreased 1.2% and retail revenues decreased 3.0% when compared to 2005.

Commissioner's Cooper, Favre, and Lowe met with staff to discuss the vessel food strategy/recommendations and evaluate product samples for 2007. Based upon these discussions, a premium fresh sandwich/salad product line will be introduced in spring 2007. During the winter, we will be making minor improvements to the vessels to accommodate new refrigerated display cases and microwave kiosks.

During the month, we continued routine vessel maintenance and terminal improvements. On the M.V. Cape May carpet was replaced. We have also begun engineering evaluations and designs to equip the M.V. Cape Henlopen and New Jersey with air-conditioning. We hope to complete this work for the 2007 summer season. New tabletop video games have been installed in the Lewes Terminal and onboard the vessels. The new games are being well-received by our customers. Each video game has a variety of 135 games and can be played in multiple languages.

Several staff members, along with Jim Walls, attended the recent Interferry Conference in Long Beach, CA. Valuable insights were gained from other ferry operators, especially as it pertains to food service and packaging ferry services with other related services (such as hotel and other forms of travel). Staff is considering this information in the development of short and long-term operating plans. During the conference, Jim met with John Wagoner, President and CEO, Hornblower Marine Services, to review timeline and strategy for completing the upcoming Marine Master Plan. He also met with the Director – Food & Beverage of the British Columbia Ferries, to discuss the success of their food and beverage branding strategy for ferry vessels and terminals, and the impact on sales.

Heath Gehrke attended the Passenger Vessel Association (PVA) Original Colonies meeting. The key topic of the meeting pertained to TSA issuance of the new Transportation Worker's Identification Credentials (TWIC). The new process is

expected to prove less lengthy than the current USCG issuance of Merchant Marine Documents (MMD).

A ceremony sponsored by the United States Postal Service to celebrate survivors of breast cancer was held at both CMLF terminals on October 5th. A pink ribbon was transported via the M.V. Delaware from Cape May to Lewes on its way to Washington, D.C. and then on to California, collecting survivors' signatures along the way. Employees Dee Bell and Dot Bender were honored and signed the ribbon. A special thanks to Jimmy Salmon and Peggy Lamanna for coordinating this event!

Airports

Don Rainear, Steve Williams and staff attended the National Business Aviation Association Conference. While at this trade show they developed several leads for potential airport tenants, visited various vendors and heard about market trends in the business aviation market.

Operations staff completed the required training of FAR Part 139 subject areas for compliance with the Airport Certification Manual at our New Castle and Civil Air Terminal facilities. This training is conducted annually for all Airport Operations staff that has responsibilities at these two facilities.

The Delaware Air National Guard held a successful air show and open house on Saturday, October 14th, to commemorate its 60th anniversary. An estimated 30,000 people attended the festivities.

Steve Williams made a presentation to the Mid-Atlantic Transportation & Logistics Institute at Cecil Community College on the future of New Castle Airport. The presentation resulted in coverage by the News Journal.

Finance

During the month, Victor Ferzetti and staff had various meetings with departments concerning the 2007 Operating Budget, Capital Improvement Plan and Plan of Finance. These discussions have continued with the Commissioners in particular, those members of the Budget and Finance Committee.

Additionally, we finalized the process for disposition of real property – the M.V. American River.

Information Technology

Gerry DiNicola Owens has been coordinating the technical efforts concerning the solicitation for the new CMLF fare collection/reservation system. The solicitation was advertised during the month of October.

Additionally, several departments have been working together to implement the Colonial Systems software solution for our airport property management business line. This package will automate several processes that we are presently accomplishing primarily via manual efforts.

Employee Happenings

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

Authorized Positions	481
Positions Filled	441
Positions Filled (on LTD)	9
Total Positions that are Vacant	30
Vacant Positions in the Hiring process	19

The Leadership Development Program “Leading in the 21st Century” continued with Cohort #4 beginning the six week program. Participants in Cohort’s #2 and #3 graduated from the program. Congratulations to our graduates!

Lt. Jack Cawman received a certificate of appreciation from Saint Joseph’s University for his contribution to the Early Responder Distance Learning Centers' *Combating Terrorism* project. He served as chairperson for the US Coast Guards Sector Delaware Bay

Training and Exercise sub-committee and provided guidance and subject matter expertise in the area of the law enforcement role in port security. Along with four additional sub-committee members, Lt. Cawman provided key information needed to develop two on-line training courses entitled Maritime Security Awareness and Law Enforcement-Maritime Security. It is the intention of Saint Joseph's University to provide the training to our personnel free of charge.

On October 27, 2006 we held our Annual Awards Dinner. Over 200 attended including 20 retirees. Employees were recognized for achieving 5, 10, 15, 20, 25, 30, and 35 year milestones in their careers with the organization. A well deserved thank you goes out to Joe Larotonda and his committee for organizing such a fantastic event! Thank you to Commissioner's Simmerman, Smith, Dorn, Patterson, Lowe and Hensley for attending and helping with the presentation of the service awards.

John Jones and Joe Volk hosted an engaging group of engineering students from Rowan University. They were taken on a tour of the bridge which included traveling to the top and venturing into the anchorage. Thanks to John and Joe for sharing your expertise and showing these students a significant engineering structure.

During the month, I had the opportunity to participate in the Delaware State Chamber of Commerce's Principal for a Day program. This year, I spent the day shadowing Principal Brian Curtis of Mariner Middle School in the Cape Henlopen School District.

The Habitat for Humanity "Build a House" initiative was a huge success. On October 12, 2006, over 100 employees participated in framing out a home for the selected homeowner, Delores Stewart. Commissioners Lathem, Koebig, and Smith attended as well. Our employees were so productive throughout the day that before the project was concluded we had started framing house #4. This activity was completely free of an injury which was a major accomplishment, due to the nature of the work, and the relative inexperience of many of the workers. My thanks go out to many of the participants, but particularly to the site maintenance crews who aided the habitat staff in making sure that safe practices were being followed throughout the day. Thanks goes out to all staff involved in the planning of this event – a total team effort.

During October, the Community Initiatives Committee began preparing for Thanksgiving and Holiday "Adopt-a-Family" efforts. For Thanksgiving, we are delivering food baskets containing turkey and food stuffs for 100 families in New Jersey and Delaware and one orphanage.

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9501. COMMITTEE REPORT – BUDGET & FINANCE

Commissioner Simmerman deferred the reading of the November 6, 2006 Budget & Finance Committee minutes to Commissioner Patterson. Commissioner Patterson presented the following minutes.

BUDGET & FINANCE COMMITTEE MEETING
Monday, November 6, 2006
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, November 6, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Simmerman via Phone
Commissioner Favre, Committee Member
Commissioner Smith, Committee Member

Committee Vice-Chair Patterson, via Phone
Commissioner Hensley, Committee Member
Commissioner Lathem, Committee Member

Commissioner Dorn
Commissioner Koebig

Commissioner Cooper
Vice-Chairperson Parkowski

Staff

Authority Secretary

Jim Johnson, Jr.
Don Rainear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens
Joe Larotonda
Kelly Phillips Parker
John Jones
AJ Crescenzi
Anna Marie Gonnella Rosato

Tom Pankok

- I. Committee Vice-Chair Patterson welcomed the Budget & Finance Committee and opened the meeting at approximately 11:53 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. The Acting Chief Financial Officer reviewed the proposed Resolutions.
 - Community Contribution Requests – the Committee discussed and reviewed the Community Contribution requests for November. On motion by Commissioner Favre, seconded by Commissioner Dorn, the Committee recommended approving the requests as discussed. A Resolution will be presented for full Board consideration at the November meeting.
 - Over \$25,000 Vendor List – The Acting Chief Financial Officer reviewed and discussed each item on the Vendor List. On motion by Committee Chair Simmerman, seconded by Commissioner Favre, the Committee recommended approval of the Vendor List. A Resolution will be presented for full Board consideration at the November meeting.
- III. The Acting CFO discussed the proposed Toll Increase. It was noted that Authority has not changed the discounts offered at the Delaware Memorial Bridge in over 20 years nor has it passed on to the consumer the estimated \$18.6 million cost of E-ZPass. This includes operating the Customer Service Center and Capital Costs of implementing E-ZPass, since July of 2000. At a per transaction cost of \$0.43, a large percentage of the Authority's Commuter discount rate of \$0.75 and Frequent Traveler discount rate of \$1.00, goes toward covering the cost of the transaction.

The Acting CFO also presented a Comparison of Toll Rate Schedules using the Delaware River Port Authority's rates for the DRBA's Commercial, Non-Commercial and Discount traffic figures. Since 2000, the Authority would have received a total of \$125.3 million or an average of \$17.9 million per year in additional revenue just by keeping the same rates as the DRPA.

The Acting CFO presented various scenarios with toll increases applied to Commercial, Non-Commercial and Discount traffic. The Committee discussed the various scenarios presented. The Acting CFO added that, as discussions move into the Capital Improvement Program, every \$1 million in revenue provides approximately \$13 million in borrowing capacity.
- IV. As directed by Committee Chair Simmerman, the Acting CFO and Controller have been diligently reviewing individual lines in the FY 2007 Operating Budget for potential cost savings. Although staff has been able to identify and reduce expenses the 5% Target Growth for the FY 07 Budget has not been reached. The

Acting CFO presented a list of Cost Containment Options of discretionary spending and recommendations which could potentially reduce the Budget by an additional \$722,250. The Acting CFO stressed that these reductions were due to an exhaustive review of the Budget. Committee Vice-Chair Patterson requested Committee members to retain their information for future consideration and action.

Vice-Chairperson Parkowski thanked the Acting CFO and staff for identifying areas of savings including staffing and Community Contributions and stressed the necessity of a toll increase for 2007. Committee Chair Simmerman added that he did not want to consider a toll increase for passenger cars, but only to increase those areas that the DMB toll rates are lower than sister agencies. He requested that fellow Committee members convey to staff any additional toll increase scenarios they wish to have evaluated.

- V. The Acting CFO reviewed the Disposition of Authority Assets. In November, 2005, the Budget & Finance Committee declared the American River Crew Boat as surplus property. Staff has been in negotiations with a potential buyer; however, the buyer is not in a financial position to make the purchase outright. Staff has prepared a Lease/Purchase Agreement and discussed the terms and conditions, including a \$50,000 deposit and first month's lease payment of \$10,000 before the buyer would be able to take possession of the boat. After the discussion, on motion by Commissioner Favre, seconded by Commissioner Hensley the Committee authorized staff's recommendation of a Lease with Ultimate Sale of the American River Crew Boat. Staff will update the Committee as necessary.

Also identified were 3 ATM machines previously purchased by the Authority that are 5-8 years old. The estimated values of the machines have been determined to be \$1000-\$1500 each. After discussion, on motion by Commissioner Smith, seconded by Commissioner Favre, the Committee declared the ATM machines as surplus property and authorized staff to move forward with the sale.

With no further business to discuss, on motion by Commissioner Favre, the Budget & Finance Committee adjourned at 12:45 p.m.

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9502. COMMITTEE REPORT – PERSONNEL & INSURANCE

Commissioner Dorn presented the following Personnel & Insurance Committee meeting minutes of November 6, 2006.

PERSONNEL & INSURANCE COMMITTEE MEETING
Monday, November 6, 2006
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel & Insurance Committee was held on Monday, November 6, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Dorn
Commissioner Favre, Committee Member
Commissioner Koebig, Committee Member
Commissioner Smith

Committee Vice-Chair Lathem
Commissioner Cooper, Committee Member
Commissioner Lowe, Committee Member
Commissioner Hensley
Commissioner Patterson
Vice-Chairperson Parkowski

Staff

Jim Johnson
Don Rainear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry DiNicola Owens

Authority Secretary

Tom Pankok

- I. Committee Chair Dorn welcomed the Personnel & Insurance Committee and opened the meeting at approximately 9:45 a.m. The Authority Secretary reported that the public meeting of the Personnel & Insurance 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. The Committee Chair requested an Executive Session, closed to the public to discuss matters of a confidential nature. On motion by Commissioner Lowe, seconded by Commissioner Dorn, the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS

With no further business to discuss in Executive Session, on motion by Commissioner Favre, the session was opened to the public.

A motion was made by Commissioner Favre, seconded by Commissioner Koebig, to accept the 2006 Senior Leadership salary recommendations, as outlined by the Executive Director. The Committee approved the recommendations with a roll call vote of 4-2 with Commissioners Lathem and Cooper voting No.

With no further business to discuss, on motion by Commissioner Koebig, the Personnel & Insurance Committee meeting adjourned at 11:45 a.m.

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9503. COMMITTEE REPORT – PROJECTS

Commissioner Hensley presented the following Projects Committee meeting minutes of November 6, 2006.

PROJECTS COMMITTEE
Monday, November 6, 2006
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority’s Projects Committee was held on Monday, November 6, 2006, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Commissioner Hensley, Committee Chair
Commissioner Patterson, Committee Mbr
Commissioner Lathem

Commissioner Dorn, Committee Vice Chair
Commissioner Koebig, Committee Mbr
Commissioner Favre
Commissioner Smith

Staff

Jim Johnson
Don Rainear

Authority Secretary

Tom Pankok

Jim Walls
Trudy Spence-Parker
Gerry DiNicola-Owens
Victor Ferzetti
John Jones
Kelly Phillips-Parker
A. J. Crescenzi
Anne Marie Gonnella-Rosato

- I. The Projects Committee meeting convened at approximately 12:55 PM. Those in attendance were provided an informational package consisting of an agenda, two bid tabs, capital improvement program (CIP) draft budget information (crossings and airports), and the monthly contractor payment chart.
- II. Resolutions/Contract Close-Out Actions: None
- III. Bid Openings/Award Actions:
 - CMLF-06-06, Bow Thruster Repairs, M/V Cape May. A public bid opening was held on November 1, 2006 for this work. The Authority received two bids. The COO recommended award to the lowest responsive bidder, Lyons Shipyard, Inc. in the amount of \$94,000.00. The Projects Committee concurred with the recommendation and authorized the award recommendation be presented at the November board meeting.
 - Purchase Agreement PA-06-08, Six-wheel Dump Truck. A public bid opening was held on November 1, 2006 for this equipment. The Authority received one bid. The COO recommended award to the one responsive bidder, Bayshore Ford Truck Sales, Inc. in the amount of \$147,327.00. The Projects Committee concurred with the recommendation and authorized the award recommendation be presented at the November board meeting.
- V. Miscellaneous Items/Updates:
 - Contract extension: DMB-00-02, Electronic Toll Collection Account Management Services. The CIO recommended that a two year contract extension be awarded to ACS in accordance with provisions of the executed contract. The Projects Committee concurred with the recommendation and authorized staff to extend the contract.
 - Capital Improvement Program (CIP) Draft Budget: The Director – E&M made an information-only CIP draft budget presentation for both crossings (Delaware Memorial Bridge, Cape May-Lewes Ferry, and Three Forts Crossings) and airports (New Castle Airport, Delaware Airpark, Civil Air Terminal, Millville Airport, and Cape May Airport). The CIP will assure that the public continues to enjoy quality transportation services in a safe and efficient manner as well as prudently maintain and enhance facilities as necessary. Staff will finalize the CIP budget proposal and will then make a formal recommendation for CIP budget adoption at the December Projects Committee meeting for action at the December Board meeting.
 - I-295 Delaware Approach Roads (Phase III) Project Update: The Director – E&M reported that the design is substantially complete and that issuance of the US Army Corps of Engineer’s permit is expected by January 2007 for this work. The permit issuance delay stems from further work being required by the Delaware Historic Preservation Office regarding a cemetery in the vicinity of the project. Once the permit is issued, bid documents would be made available to the public. Work is anticipated to begin summer/fall of 2007.
 - 2007 CMLF Vessel Food Service Strategy: The COO briefed the Projects Committee on the food service improvements being implemented on the

CMLF vessels. A new product line of premium freshly packaged food selections will be introduced on the ferries by spring 2007.

VI. Contractor Payment (through October): The Projects Committee was informed of the monthly construction contractor payments to be made in November.

VII. There being no further business for the Projects Committee, the public meeting was adjourned at approximately 1:45 PM.

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9504. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Koebig noted that on November 6, 2006, a quorum was not present for the Economic Development Committee meeting; however, an informal discussion occurred on the agenda items with no action taken. The Economic Development Committee meeting was rescheduled for 9:00 a.m. on November 21, 2006 at Authority headquarters. Commissioner Koebig then presented the following notes of the informal discussion of November 6 and the meeting minutes taken earlier today of the rescheduled Economic Development meeting.

ECONOMIC DEVELOPMENT COMMITTEE
Monday, November 6, 2006
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, November 6, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Chair Koebig
Commissioner Dorn, Committee Member
Commissioner Smith, Committee Member
Commissioner Favre

Commissioner Hensley

Staff

Jim Johnson
Don Rainear
Victor Ferzetti
Jim Walls
County
Trudy Spence-Parker
Gerry Owens
AJ Crescenzi
Anna Marie Gonnella Rosato

Authority Secretary

Tom Pankok

Invited Guest

Mark Kleinschmidt, New Castle
Chamber of Commerce

I. The Committee Chair Koebig welcomed the meeting of the Economic Development Committee and opened the meeting at approximately 1:47 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.

It was determined that a quorum of the Committee was not present; however, Committee Chair Koebig noted that Mr. Mark Kleinschmidt, New Castle County Chamber of Commerce, was in attendance and would provide an update on a potential project at Corporate Commons. An informal discussion ensued; however, no action was taken.

The Deputy Executive Director described the potential Lease Agreement with the Chamber of Commerce for approximately 8,000 square feet of office space located at 12 Penns Way, Corporate Commons with the concept of the remaining space being utilized as a business incubator. The DEMA building is an integrated part of an approved major record plan, involving two adjacent vacant lots, that has been approved for approximately 240,000 square feet of office buildings. Due to its location and the fact that the property has the record plan approvals, the State of Delaware's Economic Development Office previously requested that the Authority hold this property for a development that would result in net new jobs to the State of Delaware. Staff will continue to negotiate with the Chamber of Commerce to ensure all parties are protected in the event that a developer would propose a project that would result in net new jobs. The Deputy Executive Director will provide an Executive Summary to all Commissioners in advance of the November Authority meeting. Discussions/negotiations between the Authority and the Chamber will continue in an attempt to resolve all outstanding issues. Committee Chair Koebig thanked Mr. Kleinschmidt for his presentation.

II. The Deputy Executive Director provided a brief update on two Lease Agreements and one Option Agreement for future consideration.

- Millville Jet Center Lease Bldg 20
- Millville Jet Center Lease – Multi Tenant Building
- El Corta Option Agreement

Following the discussions, the meeting ended at approximately 2:10 p.m.

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ECONOMIC DEVELOPMENT COMMITTEE
Tuesday, November 21, 2006
 Delaware Memorial Bridge Complex
 New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Tuesday, November 21, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Chair Koebig
 Commissioner Dorn, Committee Member
 Commissioner Smith, Committee Member
 Commissioner Favre
 Commissioner Koebig

Commissioners from Delaware

Commissioner Patterson, Committee Member
 Commissioner Hensley
 Commissioner Lathem
 Vice Chairperson Parkowski

Governors' Representatives

Sonia Frontera-NJ

Legal Counsel

Phil Norcross-NJ

Mike Houghton-DE

Staff

Jim Johnson
 Don Rainear
 Victor Ferzetti
 Jim Walls
 County
 Trudy Spence-Parker
 Gerry Owens
 AJ Crescenzi
 Anna Marie Gonnella Rosato

Authority Secretary

Tom Pankok

Invited Guest

Mark Kleinschmidt, New Castle

Chamber of Commerce

John Sarro
Jim Salmon

- III. The Committee Chair Koebig welcomed the meeting of the Economic Development Committee and opened the meeting at approximately 9:07 a.m. The Authority Secretary reported that the public meeting of the Economic Development Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.

Due to the lack of a quorum at the November 6, 2006 Economic Development Committee Meeting, no action could be taken.

- IV. The Deputy Executive Director provided updates on three proposed Lease Agreements and one Option Agreement for Committee consideration.

- Millville Jet Center Lease of Building #20 at the fair market value of \$3,000 for one year with the option to extend the term for two (2) periods of three (3) years each. On motion by Commissioner Smith, seconded by Commissioner Patterson, the Committee recommended approval of the Lease Agreement. A Resolution will be presented to the full Board for consideration during the Public Session.
- Millville Jet Center Lease of 50% of the hangar space located in the Multi-tenant hangar at the fair market value of \$130,000 per year with options to extend the term of the Lease Agreement for two (2) periods of five (5) years each. Commissioner Simmerman voiced concerns of the current tenant. The Deputy Executive Director reported that there have been discussions with the current tenant and the possibility of locating to a different area of the airport in the future. On motion by Commissioner Patterson, seconded by Commissioner Smith, the Committee recommended approval of the Lease Agreement. A Resolution will be presented to the full Board for consideration during the Public Session.
- El Corta Option Agreement for an option to lease an additional 1.35 acres at the New Castle Airport. This Option Agreement would enable El Corta to meet the three acre minimum requirement to operate as an FBO at the New Castle Airport. If the option is exercised, the rental rate shall be based on the then current fair market value and at the terms and conditions set forth in the then current form of lease agreement utilized at that time. On motion by Commissioner Dorn, seconded by Commissioner Smith, the Committee recommended approval of the Lease Agreement. A Resolution will be presented to the full Board for consideration during the Public Session.
- New Castle County Chamber of Commerce Lease of 12 Penns Way (commonly known as the 27,500 square foot DEMA building) at the New Castle Airport. The Chamber would utilize 8,000 square feet as office space with the remaining 18,500 square feet to be utilized for business incubator units and shared space. The Deputy Executive Director reported that negotiations were being finalized; however, an agreement had not been reached regarding the termination clause in the Lease. The Committee discussed the position of the Chamber and of the Authority with regard to Delaware Economic Development Office's (DEDO) request of the Authority to hold this property for a future development which could result in net new jobs to the State of Delaware. Due to its location and the fact that the property has the record plan approvals, the property would be attractive to developers. After discussion, the Committee provided the necessary direction and agreed to a termination clause of nine months or 270 days. On motion by Commissioner Patterson, seconded by Commissioner Smith, the Committee recommended approval of the Lease

Agreement as discussed. A Resolution will be presented to the full Board for consideration during the Public Session.

V. The Deputy Executive Director provided brief updates on the following projects.

- Dassault Falcon Jet inquiry
- Aeroways settlement date scheduled for December 31, 2006
- Cape May Economic Impact Study

There being no further business to discuss, on motion by Commissioner Dorn, seconded by Commissioner Smith, the Economic Development Committee adjourned at 10:02 a.m.

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9505. COMMITTEE REPORT – AUDIT & GOVERNANCE

Prior to Commissioner Favre presenting the following Audit & Governance Committee meeting minutes, Commissioner Simmerman noted that he was not in attendance at the November 6, 2006 meeting and requested his name be removed from the roll. Commissioner Favre presented the minutes as amended.

AUDIT & GOVERNANCE COMMITTEE MEETING
Monday, November 6, 2006
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Audit & Governance Committee was held on Monday, November 6, 2006, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Committee Vice-Chair Favre
Commissioner Dorn, Committee Member
Commissioner Smith
Commissioner Koebig

Committee Chair Cooper
Commissioner Hensley, Committee Member
Commissioner Lowe, Committee Member
Commissioner Lathem
Commissioner Patterson
Vice-Chairperson Parkowski

Staff

Jim Johnson, Jr.
Don Rainear
Victor Ferzetti
Jim Walls
Trudy Spence-Parker
Gerry Owens
Joe Larotonda
Anna Marie Gonnella Rosato
John Jones
Ken Hynson

Authority Secretary

Tom Pankok

Invited Guests

Bowman & Company, LLP
Steven Ryan

VI. Committee Chair Cooper welcomed the Audit & Governance Committee and opened the meeting at approximately 9:28 a.m. The Authority Secretary reported that the public meeting of the Audit & Governance Committee had been duly advertised in accordance with the Authority’s Freedom of Information Regulations, read the Statement of Notice, and called the roll.

VII. The Acting Chief Financial Officer introduced Mr. Steven Ryan, from Bowman & Company, the Authority’s Independent Auditing firm. Mr. Ryan reported that the 2005 Audit had been completed and showed no major finance issues. It was

further reported that this was the third Audit to be completed by Bowman & Company and all recommendations previously made by the auditors had been implemented by Authority staff.

Mr. Ryan noted that, as the Audit has matured, it allows them to review other fringe and less critical areas. Mr. Ryan made a recommendation that management consider newer software systems which could better integrate with one another with the intent of improving efficiency and management information. Chairperson Parkowski questioned whether any other organizations had software systems that he would consider ideal and how he would rate the Authority's software. Mr. Ryan stated that he considered the Authority's systems as being mediocre and created a burden on staff; however, he noted that it would be difficult to say due to his clientele being smaller and less diverse operation than the Authority. Mr. Ryan did mention the Delaware River Port Authority's systems as being a system to evaluate. Mr. Ryan stated that he is not a software expert; however, there are probably packages that could improve the situation.

The Committee questioned whether the issues noted in last year's Management Letter were addressed and it was reported that those issues were resolved.

Mr. Ryan noted that the improved direct communication between the Committee and the Auditor was positive and helpful. He questioned whether the Committee had any specific areas of concern, and, although the Committee had no issues at this time, the auditors would be available to the Committee to discuss any issue that may arise in the future.

Committee Chair Cooper thanked Mr. Ryan for his report and reiterated his position that the Authority needed to have software that integrated with the organizations' systems and that the Acting CFO and Controller have been spending 50% or more of their time extracting information rather than more spending it on more creative uses.

There being no further business to discuss, on motion by Commissioner Dorn, the Audit Committee meeting adjourned at 9:45 a.m.

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9506. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Acting Chief Financial Officer (CFO) presented a chart 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 September.

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

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9507. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

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

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

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9508. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

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

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

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9509. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The Acting CFO presented a chart for the month of October showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also includes cash expenditures spent to date for the committed projects.

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

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9510. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF OCTOBER 31, 2006.

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

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

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9511. PUBLIC COMMENT ON ACTION ITEMS.

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

- Contract CMLF-06-06 – Bow Thruster Repairs M/V Cape May
- Purchase Agreement PA-06-08 – Six-Wheel Dump Truck
- Resolution 06-60 Approval of Community Contribution Requests
- Resolution 06-61 Authorizes Expenditures \$25,000 and Over
- Resolution 06-62 Lease Agreement with Millville Jet Ctr. for Bldg #20, Millville Airport
- Resolution 06-63 Lease Agreement with Millville Jet Ctr. For Multi-tenant hangar, Millville Airport
- Resolution 06-64 Option to Lease Agreement with ElCorta at New Castle Airport
- Resolution 06-65 Authorizes a Lease Agreement of the DEMA Building in New Castle, DE

There were no comments from the public.

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9512. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

The Chief Operating Officer (COO) read the following Summary of Authorized Contract Payments for November, 2006.

<u>Contractor</u>		<u>Payment</u>
DMB-06-02	Marini’s Brothers, Inc.	\$ 70,917.97
DMB-06-01	Eastern Highway specialists	\$359,987.73

DMB-04-04	J.D. Eckman, Inc.	\$512,241.96
NCA-01-02	Diamond Materials	\$330,412.80
NCA-01-04	EDIS	\$ 37,758.00
MVA-04-03	Stanker and Galetto, Inc.	\$ 1,290.00

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9513. APPROVAL OF CONTRACT CMLF-06-06 – BOW THRUSTER REPAIRS, M/V/ CAPE MAY, CMLF.

The COO stated that the Authority received two (2) bids and that Lyons Shipyard, Inc. of Norfolk VA was the lowest responsive bidder with a bid amount of \$94,000.00. The COO, along with the Projects Committee recommends awarding the contract to the bidder noted above in the amount of \$94,000.00.

A motion to award the contract to Lyons Shipyard in the amount of \$94,000.00 was made by Commissioner Koebig seconded by Commissioner Dorn and approved by a roll call vote of 9-0.

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9514. APPROVAL OF PURCHASE AGREEMENT PA-06-08 – SIX WHEEL DUMP TRUCK, DMB.

The COO stated that the Authority received one (1) bid from Bayshore Ford Truck Sales, Inc., New Castle, DE in the amount of \$147,327.00. The COO, along with the Projects Committee, recommends awarding the contract to the bidder noted above.

Commissioner Simmerman asked why there was one bid on this RFP.

Kelly Phillips-Parker, Purchasing Administrator, stated that the Authority followed the procedure outlined in Resolution 98-31 and that it is not unusual to receive one bid for a vehicle because dealers have specific territories that they are allowed to service.

A motion to award the contract to Bayshore Ford Truck Sales, Inc., in the amount of \$147,327.00 was made by Commissioner Smith seconded by Commissioner Dorn and approved by a roll call vote of 9-0.

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9515. VICE-CHAIRPERSON’S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD.

RESOLUTION 06 – 60 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 November 06; and

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

Community Contributions

New Jersey

Appel Farm Arts and Music Center	\$ 1,500
Cape May County Junior Golf Foundation Incorporated	\$ 2,500
Catholic Charities, Diocese of Camden Incorporated	\$ 2,500
Cornerstone Women's Resource Center	\$ 2,500
Total	<u>\$ 9,000</u>

Delaware

Kappa Mainstream Leadership Incorporated	\$ 1,300
The Friends of the Capitol Theater	\$ 4,000
Total	<u>\$ 5,300</u>
Grand Total (New Jersey and Delaware)	<u>\$ 14,300</u>

A motion to approve Resolution 06-60 was made by Commissioner Patterson, seconded by Commissioner Simmerman and unanimously approved by a roll call vote of 9-0.

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RESOLUTION 06-61 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1 THROUGH DECEMBER 31, 2006.

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
PROJECTED VENDORS TO BE PAID OVER \$25,000
OPERATION EXPENDITURES
FOR THE PERIOD 1/1/06 THROUGH 12/31/06

VENDOR	SERVICE DESCRIPTION	DETERMINATION
AFLAC	Employee insurance premiums	Voluntary Benefit
Klenzoid, Inc.	Authority-wide water treatment services	Existing arrangement
Nilfisk-Advance, Inc.	Purchase of a Sweeper for the DMB	Bids
Océ North America, Inc.	Purchase and upgrade of Authority-wide AutoCAD equipment	State Contract

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 06-61 was made by Commissioner Dorn, seconded by Commissioner Simmerman and unanimously approved by a roll call vote of 9-0.

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RESOLUTION 06-62 AUTHORIZING A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MILLVILLE JET CENTER.

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

WHEREAS, Millville Jet Center (“MJC”) desires to enter into a Lease Agreement (the “Lease Agreement”) for Building #20 to be used for storage at the Airport; and

WHEREAS, the initial term of the Lease Agreement shall be for one (1) year; and

WHEREAS, MJC has agreed to pay the Authority annual rent in the amount of \$3,000 per annum for the initial term of the Lease Agreement; and

WHEREAS, MJC shall have the option to extend the term of the Lease Agreement for two (2) periods of three (3) years each; and

WHEREAS, rent during the option periods shall be adjusted annually by the Consumer Price Index; and

WHEREAS, in addition to said annual escalator adjustments, rent shall also be adjusted to reflect Fair Market Value commencing on the first day of each renewal period.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with the Millville Jet Center and, with the advice and consent of counsel, to have such Lease Agreement executed by the Economic Development Committee Chairperson, Authority Vice Chairperson and the Executive Director.

A motion to approve Resolution 06-62 was made by Commissioner Simmerman, seconded by Commissioner Dorn and unanimously approved by a roll call vote of 9-0.

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RESOLUTION 06-63 - AUTHORIZING A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND MILLVILLE JET CENTER.

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

WHEREAS, Millville Jet Center (“MJC”) desires to enter into a lease agreement (the “Lease Agreement”) for 50% of the hangar space located in the Multi-tenant hangar at the Airport; and

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

WHEREAS, MJC has agreed to pay the Authority annual rent in the amount of \$130,000 per annum for the initial term of the Lease Agreement; and

WHEREAS, rent shall be adjusted annually during both the initial term and both renewal options by the Consumer Price Index; and

WHEREAS, MJC shall have the option to extend the term of the Lease Agreement for two (2) periods of five (5) years each; and

WHEREAS, in addition to said annual escalator adjustments, rent shall also be adjusted to reflect Fair Market Value commencing on the first day of each renewal period.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with the Millville Jet Center and, with the advice and consent of counsel, to have such Lease Agreement executed by the Economic Development Committee Chairperson, Authority Vice Chairperson and the Executive Director.

A motion to approve Resolution 06-63 was made by Commissioner Simmerman, seconded by Commissioner Patterson and unanimously approved by a roll call vote of 9-0.

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RESOLUTION 06-64 – AUTHORIZING AN OPTION TO LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ELCORTA, INC.

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

WHEREAS, Elcorta, Inc. desires to enter into an option to Lease Agreement (the “Option to Lease Agreement”) for approximately 1.35 acres of land in order to meet the operational requirements as a Fixed Base Operator; and

WHEREAS, the term of the Option to Lease Agreement shall be for three (3) years beginning November 2, 2006; and

WHEREAS, if the option is exercised the rental rate shall be at the then current Fair Market Value of the acreage and at the terms and conditions set forth in the then current form of lease agreement utilized by the Authority.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Option to Lease Agreement with Elcorta, Inc. and, with the advice and consent of counsel, to have such Option to Lease Agreement executed by the Economic Development Committee Chairperson, Authority Vice Chairperson and the Executive Director.

A motion to approve Resolution 06-64 was made by Commissioner Favre, seconded by Commissioner Patterson and unanimously approved by a roll call vote of 9-0.

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RESOLUTION 06-65 AUTHORIZING THE LEASE OF THE DEMA BUILDING IN NEW CASTLE, DELAWARE.

WHEREAS, The Delaware River and Bay Authority (the “Authority”) controls 2.94 acres at 12 Penns Way in New Castle, Delaware pursuant to a land lease with New Castle County ; and

WHEREAS, 12 Penns Way contains a 27,500 square foot one and two story building commonly known as the DEMA Building; and

WHEREAS, the New Castle County Chamber of Commerce (the “Chamber”) has submitted a proposal to lease the DEMA Building for office space and to establish a small business incubator; and

WHEREAS, the Chamber proposal would provide 8000 square feet for the Chamber office space and approximately 18,500 square feet for incubator units and shared space; and

WHEREAS, the Chamber would sublease the incubator and shared space portion to the incubator tenants in stages to be determined by the Lease Agreement and will oversee all aspects of administration and rent collection for the subtenants; and

WHEREAS, the rent for the Chamber’s office space will be \$17.00 a square foot per year for a five (5) year term subject to an annual CPI adjustment with one (1) five (5) year option subject to a fair market value appraisal; and

WHEREAS, the Authority and Chamber will share the incubator rent with the conditions that the Authority receives no less than \$13.00 a square foot net annually and the Chamber can retain no more than 15% of the total subtenant rent per incubator unit; and

WHEREAS, the Authority will have the right to terminate the lease upon not less than Two Hundred Seventy (270) days notice for reasons to be determined by the Lease Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized, with the advice and consent of Counsel, to negotiate the terms and conditions of an Agreement with the Chamber that provides for the lease of the DEMA Building located at 12 Penns Way, and, with the advise and consent of Counsel, to have such Agreement executed by the Economic Development Committee Chairperson, Authority Vice Chairperson, and Executive Director.

A motion to approve Resolution 06-65 was made by Commissioner Dorn, seconded by Commissioner Smith and unanimously approved by a roll call vote of 9-0.

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9516. COMMISSIONERS PUBLIC FORUM

Vice-Chairperson Parkowski asked if any members of the public would like to address the Commission.

Howard Moon, Reservations Supervisor spoke. He stated that he is talking on behalf of himself and no other person or persons. Mr. Moon believes that the Authority has problems fulfilling its’ mission in terms of its hiring practices. He also spoke on issues such as minority representation at the senior level, affirmative action, the Hay Group and the continuance of in-house lawsuits.

Vice-Chairperson Parkowski thanked Mr. Moon for his comments. He also stated that he aware of the lawsuits filed but cannot comment on them.

Janeka Peace-Wickham, Cafeteria Supervisor, spoke. She stated that she came to work for the Authority for job security, benefits and to make a difference but has been subjected to prejudices in the 11 months she has been here. Ms. Peace-Wickham suggested the Authority form a committee to review discrimination complaints, add more diversity training and set new policies regarding equity in job classifications.

Commissioner Dorn suggested the complaints be sent to the appropriate managers and to this Board.

Vice-Chairperson Parkowski thanked Ms. Peace-Wickham for her comments. He stated that all written complaints received are sent to legal counsel for advice and that the Commissioners will be briefed.

Next, Commissioner Koebig stated that she did not receive any acknowledgement from the Governor of New Jersey regarding her replacement on the Board. She did, however, want to say that it has been a pleasure to serve as Commissioner and thanked everyone.

Vice-Chairperson Parkowski said that he looked at Commissioner Koebig as the sense of reason. He also stated that she has taken the Board through difficult times and that she has helped put the Authority back on track with her leadership and friendship.

Commissioner Favre stated that Commissioner Koebig has been a phenomenal mentor and a great friend to him, the Authority and its employees.

Commissioner Hensley reminisced of her first meeting with Mrs. Koebig. She said that Commissioner Koebig was a good mentor and friend to her and that she may not have survived without her.

Commissioner Dorn appreciated Commissioner Koebig's friendship and her integrity.

Commissioner Simmerman said that it was great having Mrs. Koebig here mentoring him during his first year as Commissioner. He said that he will miss her and hopes their paths will cross.

Commissioner Smith stated that during her six months as Commissioner she developed a friendship with Mrs. Koebig that she hopes will continue.

Vice-Chairperson Parkowski granted the floor again to Mr. Moon. Mr. Moon spoke of cost-benefit issues dealing with the Reservations department, employee moral and establishing an employee relations committee.

Vice-Chairperson Parkowski again thanked Mr. Moon for his comments.

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

The meeting was adjourned 12:05 p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary