

**DELAWARE RIVER AND BAY AUTHORITY**

**BUDGET & FINANCE COMMITTEE MEETING**

**Tuesday, November 15, 2011**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was held on Tuesday, November 15, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

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

Commissioners from New Jersey

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

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Andrew Lippstone

Staff

Jim Johnson  
Frank Minor  
Victor Ferzetti  
Jim Walls  
Gerry Owens  
Charlotte Crowell  
Joe Larotonda  
Anna Marie Gonnella Rosato  
Heath Gehrke

Authority Secretary

Tom Pankok

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

2. Committee Chair Traynor called for a motion to accept the Budget & Finance Committee Minutes from October 18, 2011. Commissioner Downes made a motion, Commissioner Van Sant seconded and the Committee Minutes were accepted.

3. Resolutions:

a. RESOLUTION 11-46 – Authorizes a Contract Between The Authority and Brown Advisory to Provide Professional Investment Management and Financial Advisor Services

The Chief Financial Officer (CFO) reported that there were two respondents to the RFP to provide Professional Investment Management and Financial Advisor Services, Brown Advisory and PFM Public Finance Management. Scoring was close and either firm is capable of providing the services; however, the unanimous decision by the panel was to select Brown Advisory. The Resolution authorizes a contract of three (3) years with one (1) optional renewal period of one (1) year. Commissioner Downes questioned the size of the Authority's portfolio to be managed. The CFO reported, without a debt issuance, approximately \$145 million today. Commissioner Downes noted that the \$500,000 fee was below the standard 1% fee; however, he noted his displeasure with the 1% rebalancing policy. Committee Chair Traynor asked who served on the selection panel and the CFO reported that he served on the panel as well as the Chief Human Resource Officer and the Director of Finance.

After discussion, Commissioner Downes made a motion, Commissioner Van Sant seconded and the Budget & Finance Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board at the November meeting later today.

#### 4. Discussion Items

##### a. 2012 Preliminary Budget Review

The CFO provided the Committee and those in attendance with an informational handout regarding the Preliminary FY 2012 Operating Budget. The CFO reviewed the following information.

- 2011-2012 Revenue – The CFO reported that the Year-to-Date vs. Revised 2011 Projected Revenue is an estimated \$4.5 million below projections. Approximately \$1.4 million of the lost revenue was due to two extreme weather conditions, an early October snow and ice event at the Delaware Memorial Bridge and the impact of the August Hurricane Irene at the bridge and ferry. Investment income is also down as higher return investments mature and are reinvested at lower yields. The CFO noted the Projected Year-to-Date for Airports was also down in part due to incorrectly carrying forward a one-time payment of \$700,000, as well as deminished lease revenue and landing fees. Authority Vice-Chair Hogan requested a breakdown by airport and the CFO reported that he would provide the requested information. Commissioner Downes questioned when the 2011 Projected Revenue was revised and the CFO reported that it was revised in June prior to the toll increase going into effect at the Delaware Memorial Bridge.
- FY 2012 Major Increases/Decreases – The CFO noted that he would focus his comments on changes from the last Committee meeting in October.
  - Total Wages presented at the October meeting reflected a 3.3% increase over FY 2011 and included the following increases: contractual increase of 3 ½% for Local 542 and MEBA members, and 2 ½% for FOP members. Non-union employees would also receive a 2 ½% increase. After conducting a review of vacant positions, 10 positions have been eliminated bringing the total to 408 full-time positions down from 418. The proposed FY 2012 Total Wages, as presented, reflects a 1.72% increase over 2011.
  - OPEB Benefits – Incorporates the discussion and recommendation in the October Committee meeting to increase to 100% funding of the ARC based on the new valuation.
  - Group Medical Coverage - The CFO noted that current year retirees' costs will now be funded and paid from the OPEB Benefits line. The Committee questioned whether the cost to employees for healthcare would increase? The CFO reminded the

committee that employees pay 10% of their healthcare premium; noting that three of the four categories of employee plans will increase by 25% over last year. For the remaining group, the Authority is transitioning from a three-tier plan to a four-tier plan, with a new category for employee + spouse, which will increase by a smaller percentage of 7%. This group was previously included in the family plan category. The CHRO and Kelly Benefits have been conducting employee informational meetings and by the end of the week all meetings will have been completed. Authority Chair Lowe questioned whether the increase to BCBS was specific to the DRBA or a general state of the market increase. The CHRO reported that it was based on the Authority's claims history over the last eighteen (18) months. Commissioner Downes then questioned why the budget was decreasing and the employee costs going up. The CFO reported that the Group Medical line in 2011 included current year retiree costs. Those costs, as noted on the exhibit, have been shifted and will be paid from the OPEB Benefits Fund. The Fund now has sufficient resources to begin drawing against. Staff will continue to work on cost containment in the healthcare area.

- Vessel Fuel - Unchanged
- Insurance – the CFO reported that the police helicopter will be returned to the federal government and the \$16,500 of insurance expense has been removed. Also reported, for the last 2-3 years, the Authority negotiated and receives lay-up credit when the vessels do not sail, the line has been reduced by \$200,000 based on historical attainment and receipt of the credits.
- Maintenance Contracts - Unchanged
- Advertising & Marketing – Reduced the requested increase in the Airports' marketing budget to tighten up the forecasted operating deficit.
- Gasoline/Diesel – Unchanged
- Aviation Fuel – Unchanged
- Total Decreases remained essentially the same as previously shown.

The CFO reported that the Preliminary FY 2012 Operating Budget of \$80,702,757 reflects a 2.22% or \$1,753,688 increase over the FY 2011 Adopted Budget. He further reported that excluding the \$700,000 to fund OPEB ARC at 100%, the true Budget increase is approximately 1.3% or \$1.1 million.

- Exhibit A – Expenditure Analysis by Division
- Exhibit B – Expenditure Analysis by Category
  
- Statement of Budgeted Operating Income and Expense FY 2012

The CFO noted that this was a new approach to showing Expenses vs. Revenues by Operating Division. The CFO added that the projected loss of \$1.2 million in the Airports Division was higher prior to the additional budget tightening. Authority Chair Lowe and Commissioner Murphy questioned how it compared to the previous year and the CFO reported the loss will be \$1 million loss in 2011, 2010 broke even; however, approximately \$700,000 of the revenue was a one-time payment. In prior years the NCA operated in the black. He further reported that two significant losses in lease revenue at the airport and approximately \$500,000 in OPEB expenses have adversely impacted the bottom line. He noted that NCA carries the administrative costs for all of the airports. Each individual airport is projected to operate at a loss. Economic Development Facilities are projected to have a net income of approximately \$600,000, with the Salem Business Center contributing most of the revenue and the Riverfront Market near break-even with a projected loss of \$10,000 in 2012. The CFO also added that the Debt Service numbers did not include any new debt issuance.

b. 2012 Financial Modeling of Operating and Capital Budgets

The CFO referred the Committee to the FY 2012 Preliminary Financial Model, incorporating the Operating Budget as discussed as well as the proposed Capital Plan, to be discussed in the Projects Committee. Committee Chair Traynor questioned the timeline to the approval stage. The CFO reported that, barring any additional recommendations regarding what was presented today; a Resolution approving the FY 2012 Operating Budget will be drafted for consideration at the December Budget & Finance Committee. Committee Chair Traynor stressed to the Committee that this would be the opportune time to discuss any thoughts on the budget and noted the drivers of the increase are OPEB, Vessel Fuel and Full-Time Wages which would account for almost 100% of the increase. Committee Chair Traynor stated that as a general matter he was comfortable with the Budget as presented. Authority Chair Hogan noted that he saw two issues and reported that New Jersey would caucus and fully vet on the New Jersey side, however, he thought the Budget was well done.

5. Miscellaneous:

a. Ferry Life Rafts

The CFO reported that the CMLF would like to obtain eight (8) Viking Life Rafts (IBAs) for the MV Delaware and MV Cape Henlopen at approximately \$10,000 each. Some of the Viking Life Rafts are due for annual inspection in February, 2012. The annual cost of inspection is \$3000 each; however, the purchase of new life rafts includes two years without inspections, a potential savings of \$50,000 over two years. The CFO reported that staff obtained quotes from three (3) vendors, all providing the same Viking Life Rafts, with the only cost difference being the delivery charge. Sea Safety, which is the closest vendor in terms of distance quoted no delivery charge, provided the lowest quote and is currently on the Over \$25,000 Vendor List, for the cost of life raft inspections. The CFO recommended waiving the requirements of the procurement Resolution 98-31 believing that a public bid process will add time but not financial value/savings to the purchase, and to increase the authorized spending amount of Sea Safety to include the purchase of the eight (8) Viking Life Rafts in the amount of \$80,000.

The Committee questioned whether all eight (8) life rafts needed to be purchased immediately and could the purchase be done half this year and half next year. The CFO reported that, January purchases would not meet the February inspection deadline. The CFO reported that he had considered all the issues and alternatives and was making the recommendation in the Authority's best financial interest noting that the true cost of the purchase, after netting out the avoidance of the inspection costs, would be \$30,000, a savings of \$50,000. Commissioner Downes questioned the use of the expired rafts. The Director-Ferry Operations reported that rafts are regularly condemned as they are inspected and have been used for drills or donated. Authority Chair Hogan questioned if this was a foreseeable purchase and staff indicated that it was. The CFO reported that, once this was brought to his attention, he presented his best recommendation to the Committee. Committee Chair Traynor noted that under either scenario, the RFP process would be circumvented; however, if the purchase would make economic sense the Committee should consider moving forward. Commissioner Downes referenced the previous time and effort expended to purchase ferry seating.

After discussion, Committee Chair Traynor asked for a motion to waive the requirements of Resolution 98-31 and to purchase the eight (8) life rafts from Sea Safety. Commissioner Murphy made a motion, Commissioner Downes seconded, and the Committee unanimously approved the CFO's recommendation. The CFO again noted that Sea Safety was already on the Over \$25,000 Vendor List and would increase the authorized spending limit by \$80,000. Authority Vice-Chair Hogan noted his objection to the purchase, stating it was a failure by management to plan.

b. Proposed Additional Contribution to the Pension Fund

The CFO reported that, the Committee concurred with the recommendation made in December, 2010, to apply the unspent funds remaining FY 2010 Operating Budget, in the amount of \$5.5 million, as an additional pension contribution. By making that decision, it lowered the Authority's pension funding for 2011. The CFO added that, as staff continues to tighten and remove positions, the FY 2011 Operating Budget projects approximately \$3 million under budget and questioned if the committee wanted to consider applying the unspent FY 2011 funds as an additional pension contribution. Committee Chair Traynor questioned whether this was a Committee or full Board decision and the timeline for a decision. Commissioner Downes questioned the impact of last year's funding? The CFO reported that it increased the pension fund from 69% to 74% funded. The CFO reported that the Committee could decide at the December meeting, the additional contribution needs to be made before the end of the year. He also noted that staff is allowed to spend up to the approved amount of the FY 2011 Operating Budget and this would be accomplished with the transfer of funds at the authorization of the Committee. Commissioner Green questioned how the Authority's pension funding compared to others. The CFO noted, as discussed previously, the private sector must fund at 80% or go on credit watch; however, the public sector does not have the same requirement, although it is his recommendation to follow the public sector and fund at 80% or better. Commissioner Green suggested the Board adopt a policy with regard to making additional contributions instead of an ad hoc approach. Commissioner Favre made a motion to make the additional contribution, Commissioner Downes seconded, and the Budget & Finance Committee unanimously supported making the pension contribution from the unspent FY 2011 Operating funds.

c. Additional Discussion Financial Model – The CFO noted that the Preliminary Financial Model summary takes the FY 2012 Operating Budget, as presented and the 2012 CIP, to be discussed, and projects a 1.84x Debt Service Coverage. The Financial Model reflects a Debt Issuance of \$90 million in the 2<sup>nd</sup> quarter of 2012. The CFO noted in 2016 the Authority would be \$-8 million if the Authority funded the remaining four years of the total proposed plan. The CFO noted that past discussions included \$25.5 million in new revenue to fund a \$150 plan; however, the Authority did not receive approval for the full toll increase as was proposed. The CFO reported that for every \$1 million the Authority does not receive in Revenue decreases the borrowing capacity by \$13 million; therefore, by not receiving the full toll increase, as proposed, the Authority's capacity to fund improvements diminished by \$42-45 million. In short, if the plan happens as shown, the Authority can fund approximately four years of the 5 year strategic plan.

With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Budget & Finance Committee adjourned at 10:27 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**PERSONNEL COMMITTEE MEETING**

**Tuesday, November 15, 2011**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, November 15, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

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

Commissioners from New Jersey

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

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Andrew Lippstone

Staff

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

Authority Secretary

Tom Pankok

Invited Guest

Adria Martinelli, Young Conaway Stargatt & Taylor

1. Committee Chair Lathem welcomed the Personnel Committee and opened the meeting at 10:27 a.m. The Authority Secretary reported that the public meeting of the Personnel Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, and read the Statement of Notice, and called the roll.
2. Committee Chair Lathem called for a motion to accept the Personnel Committee Minutes from October 18, 2011. Commissioner Traynor made a motion, Commissioner Dorn seconded and the Committee Minutes were accepted.
3. Committee Chair Lathem requested an Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Dorn, seconded by Commissioner Traynor, and the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS

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

With no further business to discuss, Commissioner Favre made a motion to adjourn, and the Personnel Committee adjourned at 11:11 a.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**ECONOMIC DEVELOPMENT COMMITTEE MEETING**

**Tuesday, November 15, 2011**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Tuesday, November 15, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

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

Commissioners from New Jersey

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

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Andrew Lippstone

Susan Kase – NJ

Staff

Jim Johnson  
Frank Minor  
Victor Ferzetti  
Jim Walls  
Gerry Owens  
Charlotte Crowell  
Anna Marie Gonnella Rosato

Authority Secretary

Tom Pankok

Invited Guests

The Star Group,  
Amy Colbourn  
Molly Ayer  
Maria Antonelli

1. Committee Chair Smith welcomed the Economic Development Committee and opened the meeting at approximately 11:10 a.m. The Authority Secretary reported that the public meeting of the Economic Development Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.
2. Committee Chair Smith called for a motion to accept the Economic Development Committee Minutes from October 18, 2011. Commissioner Traynor made a motion, Commissioner Downes seconded and the Committee Minutes were accepted.
3. Marketing Presentation by the Star Group

Committee Chair Smith turned the meeting over to Amy Colbourn, from the Star Group, who introduced the other members of the team, Molly Ayer and Maria Antonelli. Ms. Colbourn began the presentation noting that their strategic approach is to increase Cape May-Lewes Ferry vehicle and passenger usage year round. The 2011 campaign, which focused on the peak summer season, was to

establish that there are two sides to the region of the “Twin Capes” and to build interest on “the other side.” The creative approach for 2011, included a cable television ad and two radio ads, which were played for the Committee, as well as various internet ads. The Star Group also developed a website ExploreTwinCapes.com, which also included a promotional overlay, “Cross Cape Adventure” for the 2011 peak season. The Cross Cape Adventure promotion ran from June 20-September 23, 2011 and encouraged visitors to the website to download a smartphone application (app) or to register online to visit and use the smartphone app to check into locations (similar to Four Square or Facebook) or to get stamp validated. Fifty locations on each side of the bay encouraged tourists to explore both sides of the “Twin Capes.” The Inn at Canal Square in Lewes and Congress Hall in Cape May partnered with the Cape May-Lewes Ferry and offered a free three night stay at both hotels for the grand prize winner.

The results of the campaign were presented and discussed, noting there was significant usage of the ExploreTwinCapes.com website with site visit times of over two minutes. Cross promoting in conjunction with the CMLF Facebook page, Facebook fans increased to 2600 as of September 1 and 2844 as of November 14, 2011. There were 915 downloads of the Cross Cape Adventure and 3889 online registrations, with 90 qualified participants in the Cross Cape Adventure. A winner has been selected and notified.

The Delaware Governor’s Representative asked that if the ferry utilization was to increase, why was there no ferry data in the results. The Public Information Officer reported that ferry utilization was down due to a rainy August and Hurricane Irene. Authority Chair Lowe questioned if there was a way to tie the results of the campaign to ferry usage. The Star Group reported that, it would depend on how tracking was done at the purchase of a ticket and there was no ability at this time to track that information. It was further noted that the smartphone app used was created to be updatable and they have 915 who have downloaded the app. The Delaware Governor’s Representative also questioned whether this promotion was contributing to economic development. The Star Group responded that the app for this year was a pilot but foot passenger usage and shuttle usage did increase; however, there were other variables that came into play. This past season there was no capability to purchase a ticket from a mobile app. Commissioner Favre noted that fellow Commissioners seemed to expect the program to bring instant results; however, this is an ongoing marketing program which will bring results over time. He also noted that part of the first year was laying a foundation, getting more partner participation and cross promoting. Commissioner Lathem stressed the need to track pertinent data.

Commissioner Green clarified that the Facebook page referenced was the CMLF’s Facebook page, and questioned the number of Facebook fans at the beginning of the promotion on June 20, 2011 and noted that information would be useful. Commissioner Green also noted that there were 915 downloads of the app but only 90 participants. The Star Group added that they would like to outreach to the 915 to determine why they did not follow through with participation. Authority Chair Lowe questioned the cost of the development of the app and it was reported that the cost was approximately \$10,000. The Star Group noted that the focus for 2011 was to get tourists to open their minds to both sides of the Twin Capes.

Committee Vice-Chair Downes questioned the next level. The Star Group reported that the next level would be to secure the budget for 2012 and then meet with stakeholders to discuss the direction moving forward.

Committee Chair Smith commended and thanked the Star Group for their presentation.

#### 4. Action Items:

##### Airports

a. RESOLUTION 11-47 – ASSIGNMENT OF LEASE AND RELEASE OF ITT INDUSTRIES ASSET MANAGEMENT, INC. AT NEW CASTLE AIRPORT –

The Deputy Executive Director reported that ITT Industries Asset Management currently leases 25% of a hangar facility at the New Castle Airport. The Lease is due to expire February 28, 2013; however, due to a corporate restructuring, ITT Industries Asset Management has assigned the Lease to Exelis, Inc., pursuant to a Master Assignment and Assumption of Lease dated October 25, 2011. Exelis, Inc. has agreed to assume all obligations and liabilities of ITT and ITT desires to be released from any further liability under the Lease. After discussion, Commissioner Green made a motion, Commissioner Downes seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the November meeting later today.

5. Open Discussions/Other issues:

Former Air Transport Command Site

Commissioner Green requested an update regarding the former Air Transport Command site at the New Castle Airport. Michelle Griscom-Collins reported that an RFP had been conducted a year ago and that there are currently three interested parties. A determination will be made within the next thirty days whether any of the interested parties will move forward. Commissioner Green noted that location is a prime location and a sign showing space availability should be placed on the property.

With no further business to discuss, a motion to adjourn was made by Commissioner Traynor, and the Economic Development Committee adjourned at 11:47 a.m.

**THE DELAWARE RIVER AND BAY AUTHORITY**

**PROJECTS COMMITTEE**

**November 15, 2011**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Projects Committee was held on Tuesday, November 15, 2011, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from Delaware

PRESENT

Commissioner Murphy, Committee Chair  
(Via telephone)  
Commissioner Traynor, Committee Member  
Commissioner Downes  
Chairperson Lowe  
Commissioner Green, Committee Member  
Commissioner Lathem, Committee Member

Commissioners from New Jersey

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

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Andrew Lippstone - DE

Susan Kase – NJ

Staff

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

Authority Secretary

Thomas Pankok

1. Committee Vice-Chair Van Sant welcomed the Projects Committee and opened the meeting at approximately 11:50 a.m. The Authority Secretary reported that the public meeting of the Projects Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, and reported there was a quorum.
2. Committee Chair Murphy called for a motion to accept the Projects Committee Minutes from October 18, 2011. Committee Vice-Chair Van Sant made a motion, Commissioner Green seconded, and the Committee Minutes were approved. Those in attendance were provided an informational package consisting of an agenda, one (1) close-out letter, and one (1) monthly contractor payment chart (through October).

3. Resolutions: None
4. Bid Openings: None
5. Contract Close-Out Actions:
  - a. Contract No. DMB-10-02 – Repainting West Girder Spans, Second Structure, Delaware Memorial Bridge. The scope of the work on this contract consisted of the repainting of the West Girder Spans on the Second Structure of the Delaware Memorial Bridge. The final contract amount is \$1,900,242.00. The COO recommended close-out of the contract and final payment to Allied Painting, Inc. of Cherry Hill, New Jersey. A motion to move the close-out action to the full Board was made by Commissioner Lathem, seconded by Commissioner Smith, and the Projects Committee unanimously approved the close-out action to be presented at the November meeting.
6. Contract Payment Review (through October): The COO informed the Committee of the monthly construction contractor payments to be made for the work completed through October.
7. Miscellaneous Items/Updates:

The Director of Ferry Operations reviewed the vessel seating replacement project for the Cape May – Lewes Ferry which was a bid opening passed out of the October Projects Committee meeting but later tabled at the October Board Meeting. The Director of Ferry Operations provided a brief presentation including photos of the current vessel seating and the proposed new seating. Commissioner Green inquired if the new seating configuration would be the same as the current one. The Director of Ferry Operations explained there would be an assortment of seating configurations with the new seating including some “theater-style” seating. Commissioner Favre said new ferries would be preferable to new seating, but unfortunately, he is not confident there will be any new ferries in the near future so he supports the upgraded seating. Commissioner Favre went on to say that because of the need for good public transportation, this is money wisely spent.

The Executive Director provided the Commissioners with the 5-Year Capital Strategic Plan (2012-2016). One major change in this Plan is the combination of Crossings and Non-Crossings Capital Improvement information into one document. While reviewing the information, Commissioner Downes asked how he could determine which of the projects were new and which were ongoing projects. Committee Vice-Chair Van Sant requested the document be re-formatted so each project is easily identified as new or ongoing and that all relevant information regarding scope and cost be contained in one place. The Executive Director agreed that the requested format changes will be incorporated into the final document scheduled for presentation in December. The Executive Director also identified a few of the projects proposed in the Five Year Capital Strategic Plan (2012-2016) as projects which had been discussed during the toll increase public hearings. Commissioner Downes suggested the Commissioners review the information and be prepared to discuss specific projects at the December meeting. Chairperson Lowe asked when action will be required for the 1-Year CIP and the Executive Director stated it would be presented with the operating budget at the December Board meeting for action.

The Executive Director updated the Commissioners regarding a recent meeting he attended with the Chief Engineer and Director of Ferry Operations with representatives from the NJDOT Office of Maritime Resources in Trenton. The meeting discussion involved maritime grant funding currently available (up to \$2 million) that could be utilized for designing a new ferry vessel. The Executive Director supported pursuit of these Federal grant funds. Commissioner Lathem stated he was in favor of pursuing this Federal grant. Chair Van Sant questioned the next steps in this process and the Executive Director explained we need to complete the application process and submit to NJDOT for review and approval.

8. Committee Vice-Chair Van Sant requested an Executive Session, closed to the public, to discuss matters of a confidential nature. A motion was made by Commissioner Lathem, seconded by Commissioner Smith, and the Session was closed.

The following matters of a confidential nature were discussed.

- LONG RANGE PLANNING MATTERS

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

10. Open Discussion/Other Issues: Commissioner Green inquired as to the status of the new food service vendor program at the Cape May-Lewes Ferry. The COO reported that the vendor solicitation documentation is being prepared and will be reviewed by legal counsel. The COO reported that there should be a review of the proposed solicitation for the Projects Committee in January 2012.

11. With no further business to discuss, Commissioner Lathem made a motion to adjourn, seconded by Commissioner Green, and the Projects Committee adjourned at 12:25 p.m.

**DELAWARE RIVER AND BAY AUTHORITY**

**ENERGY AD HOC COMMITTEE MEETING**

**Tuesday, November 15, 2011**

Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Energy Ad Hoc Committee was held on Tuesday, November 15, 2011, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from Delaware

PRESENT

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

Commissioners from New Jersey

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

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Andrew Lippstone

Susan Kase - NJ

Staff

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

Authority Secretary

Tom Pankok

Authority Chair Lowe reported that, due to time constraints, the Energy Ad Hoc Committee would not meet today.