

**MINUTES OF MEETING**  
**THE DELAWARE RIVER AND BAY AUTHORITY**  
**Tuesday, May 18, 2010**  
James Julian Boardroom  
Delaware Memorial Bridge Plaza  
New Castle, Delaware 19720

The meeting convened at 10:30 a.m. with Chairperson Hogan presiding.

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The opening prayer was given by Reverend Dorn, followed by the Pledge of Allegiance.

Chairperson Hogan thanked Reverend Dorn for mentioning the passing of Joseph J. Hoffman, Sr. in his prayer. Mr. Hoffman was the Authority's Board Secretary in the 1980s.

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Chairperson Hogan called on the Authority Secretary to read the meeting notice and take roll.

The Authority 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.

PRESENT

James N. Hogan, Chairperson	Scott A. Green. Vice-Chairperson
Susan A. DeLanzo (left 1:02 pm)	Richard W. Downes
Edward W. Dorn	Samuel E. Lathem
Niels S.Favre	William E. Lowe
Ceil Smith	Terri C. Murphy
Douglas Van Sant	Gary F. Traynor

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Chairperson Hogan called for an amendment to the Agenda to include Resolution 10-18 Authorizing a Contract Between the Authority and Parker McCay P.A. to Provide General Counsel Legal Services Representing the Delaware River and Bay Authority's Interests in the State of New Jersey. The Resolution was tabled at the March 16, 2010 Commissioners meeting.

Commissioner Favre motioned to add Resolution 10-18 to the Agenda, seconded by Commissioner Smith, and unanimously approved by a voice vote of 12-0.

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10171.        APPROVAL OF THE APRIL 20, 2010 REGULAR MEETING  
MINUTES

A motion was made by Commissioner Van Sant to approve the minutes of the April 20, 2010 meeting, seconded by Commissioner Lathem, and unanimously approved by a voice vote of 12-0.

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10172.        EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented the following highlights that occurred within the Authority during April, 2010.

### ***Delaware Memorial Bridge***

In April, total traffic decreased 3.2%, non-commercial traffic decreased 3.2%, and commercial traffic decreased 2.8%, compared to April 2009. When compared to the 3-year average, total April traffic decreased 0.6%. Year-to-date total traffic decreased 4.2%, non-commercial traffic decreased 4.1%, and commercial traffic decreased 4.5%, compared to the previous year. When compared to the 3-year average, year-to-date total traffic decreased 5.1%.

E-ZPass traffic for April represented 61.8% of the total overall traffic as compared to 60.7% for the previous year. Year-to-date total electronic traffic represented 62.1%, an increase of 1.6% from 2009.

### ***Cape May Lewes Ferry***

In April, vehicle traffic increased 1.3%, and passenger traffic increased 0.1% compared to April 2009. Year-to-date vehicle traffic decreased 10.4% and passenger traffic decreased 10.5% when compared to the same period in 2009. When compared to the average of the last three years, year-to-date vehicle traffic and passenger traffic decreased 21.3% and 20%, respectively.

In April, fare revenues increased 1.4% compared to April 2009. Year-to-date fare revenues decreased 5.0% compared to the same period last year. Compared to the 3-year average, year-to-date fare revenues have decreased 1.1%.

In April, CMLF food and beverage revenues increased 10.6% and retail revenues decreased 13.7% compared to April 2009. Year-to-date food and beverage revenues decreased 7.5% and retail revenues decreased 14.1% compared to the same period in 2009. When compared to the 3-year average, year-to-date food and beverage revenues decreased 24.3% and retail revenues decreased 37.4%.

Maintenance dredging of the slips and canal in Cape May was completed.

### ***Economic Development***

The Boeing ribbon cutting event was held on Wednesday, April 7<sup>th</sup>. More than 130 people attended, including Governor Christie, Congressman LoBiondo, and State Senate President Steve Sweeney. The media coverage was extensive, which included the following television stations 6 ABC; Fox 29; NBC 10; CBS 3 and NJN. Thank you to Frank Minor and his economic development team for putting this event together.

Frank Minor and his economic development team hosted a roundtable meeting with educators from Delaware and New Jersey institutions. The purpose of the meeting was to discuss workforce training and development, technology and business incubators, technology and science facilities. The group also established a communication network and task force to explore future opportunities. The findings from this meeting are being incorporated into Frank's overall Economic Development Strategic Plan for the Authority.

### ***Information Technology***

Gerry DiNicola Owens has been leading the implementation of the MUNIS Work Order/Inventory installation. This system is integrated within the overall financial management system for the Authority and addresses a recommendation from our yearly audit concerning inventory control. Inventory will be tracked automatically through this enterprise-wide system. Through the work order system, maintenance requests throughout the organization can be tracked and monitored, providing the Authority with a historic record of usage.

Gerry and Andrew Johnson, MIS Systems Manager, participated in the Cyber Terrorism Information Session for government and business leaders in New Castle County. The exercise was hosted by James Mosley, Wilmington's Director of Public Safety, and sponsored by the Center for Infrastructure Assurance and Security (CIAS) at the University of Texas, the U.S. Department of Homeland Security, the Delaware League of Local Governments, and the Delaware Department of Technology and Information.

### ***Employee Happenings***

During the month, 38 Managers/Supervisors and 125 employees from New Castle attended training entitled “Creating a Respectful Workplace” conducted by Mark VanBuren of New Haven Consulting Group. This series is a follow-up to the Workplace Harassment Seminars that have been presented in the past. Additional training will be scheduled to accommodate the rest of the New Castle workforce and the Cape May Lewes Ferry personnel. Target completion date for this training is the end of 4<sup>th</sup> quarter 2010.

Gregory Chambers, EEO/AA and Diversity Manager led the first of six employee information meetings in Cape May for 102 participants. More meetings are planned in the coming months throughout the Authority. The goals of these employee information meetings are: to build upon the Authority’s commitment that demands fairness in the workplace; to illustrate that people bring their own past, culture and point of view to the workplace; and to discuss fostering a greater understanding of differing perspectives in the workplace. Gregory plans to follow-up with a brief evaluation questionnaire to gauge employees’ reactions to these meetings.

Congratulations to Bryan Helm for accepting a promotion to Port Captain and to Michael Porch for accepting employment with the Authority as the Marketing Manager at the Ferry.

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

Authorized Positions (2010 Budget Year)	434
Positions Filled	392
Positions Filled (on LTD)	6
Total Positions that are Vacant	36
Vacant Positions in Process to fill	8

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

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10173. COMMITTEE REPORT – BUDGET & FINANCE COMMITTEE

Commissioner Van Sant gave a briefing on the business of the Budget & Finance Committee meeting of May 4, 2010 and asked the Chief Financial Officer (CFO) to highlight the Authority’s investments report given by Cavanaugh Capital Management at the May 4th meeting

**BUDGET & FINANCE COMMITTEE MEETING**  
**Tuesday, May 4, 2010**  
 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, May 4, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

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

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

Legal Counsel

Mike Houghton - DE

Governors’ Representatives

Johanna Jones - NJ

Staff

Jim Johnson

Authority Secretary

Tom Pankok

Frank Minor  
Victor Ferzetti  
Jim Walls  
Gerry Owens  
Charlotte Crowell  
Joe Larotonda  
Anna Marie Gonnella Rosato  
TJ Murray  
Gregory Chambers  
Kelly Phillips Parker  
Joe Volk  
Dave Hoppenjans  
Michelle Griscom Collins  
Ken Hynson  
Michael Porch  
Jim Salmon

Invited Guests  
Cavanaugh Capital Management  
Jim Cavanaugh  
Jim Dugan  
Tom Graff

1. Committee Chair Van Sant opened the Budget & Finance Committee meeting at approximately 9:03 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. The Chief Financial Officer introduced representatives from Cavanaugh Capital Management (CCM), Jim Cavanaugh, Jim Dugan, and Tom Graff who provided a 2009 year-end review of the Authority's investments as of 12/31/09. The following information was presented and reviewed.

- DRBA Authority Funds Review
  - Market Values, Yields, Performance, Characteristics
- DRBA Employees' Retirement Plan Review
  - Performance, Market Value, Asset Allocation
- Reset Rates on Series 2000B/2008 Variable Rate Demand Bonds
- Menasha/Lehman Update
- Market Outlook

The market environment is very different since the last CCM review in April, 2009. Authority investment funds have had positive returns. Since inception, return on Authority funds has been congruent with respective benchmarks and consistently are ranked at the top of a peer group consisting of short-term bond funds. Commissioner Favre questioned whether the Investment Policy was dictated by Authority policy or by CCM policy. The CFO reported that the Trust Agreement for non-General and Trust funds dictates the quality category in which to invest, and Board adopted policy governs the remaining funds. Last year, CCM was looking toward reducing exposure to riskier bonds; however the riskier bonds were the stronger performers as the market improved; however, over the long term, the more conservative bonds posted better returns. CCM reported that the firm has a prudent approach to taking risks and the policy of the Authority with regard to the bond segment is that bonds have to be investment grade. CCM noted that they are currently in discussions with the CFO regarding the policy for the Authority retirement plan. The CFO noted that there will be a more intensive discussion of the Investment Policy at a later date. Commissioner Favre noted that the Authority should have a degree of flexibility, more frequent reviews of the Investment Policy, and hoped that the Authority did not stay too long in any one category. CCM reported that the discipline of rebalancing the 60/40 equity/bond ratio is designed to prevent overweighting in a category, and has contributed to the rebound in investment earnings.

The CFO reminded the Committee that, although the S&P lost 38.5% of value in 2008, the recommendation last year was to stay in the equities market and look for a rebound. The Committee, at the time, concurred with that recommendation. CCM again noted that rebalancing often leads to purchasing stocks when they are distressed and selling at a profit when they have greatly appreciated. The DRBA Employees' Retirement Plan (Excluding Allmerica) has grown

by \$17,770,831 over contributions, net of withdrawals. The Committee questioned the Allmerica portion. The CFO reported that the Authority used to have all of its retirement funds with Allmerica and all were fixed investments. In order to get out of the contract, in 1994, management agreed to separate current retirees in an Allmerica fund and future retirees into a trust fund. The Authority started its Trust Fund utilizing the 60/40 equity/bond ration in order to increase yield and income generation. CCM added that combined together, the portfolio is more conservative at a 50/50 ratio. However, over time, as the Allmerica population becomes smaller, the all fixed income portion (Allmerica) reduces moving the overall portfolio gradually toward the 60/40 mix. Authority Chair Hogan requested the number of retirees included in the Allmerica portion. The Benefits Manager reported that there were currently 88 participants. Commissioner Murphy questioned adjusting the Allmerica to 60/40. The CFO reported that the Authority does not control or direct Allmerica investments. The Committee began a discussion of the Allmerica portion. Commissioner Favre questioned what happens with the balance of the Allmerica fund when the last retiree is gone. The CFO reviewed the disagreement between the parties as Allmerica has requested additional resources and the Authority has not contributed or received any funds from Allmerica as we believe there are sufficient funds to meet the liability. The Committee continued to discuss and Authority Vice-Chair Green directed staff to provide the background and to have Authority Legal Counsel review the Agreement in terms of the economic and legal issues.

In 2008, the Authority refinanced the variable rate demand bonds due to problems with the bond insurer. The Letter of Credit (LOC) is set to expire in December, 2011. The availability of LOC's has declined and they have become more expensive (100-200 basis points). Options being reviewed and monitored are 1) possibly negotiate an extension of the existing LOC; 2) convert the existing VRDBs with fixed rate bonds or an issue that does not require an LOC; or 3) pay down the Series 2008 bonds. The CFO reported on a practice of keeping \$30 million asset match in the General Fund against the variable rate debt. The CFO added that this has given the Authority flexibility other agencies did not have in the 2008 market, but non-allocated cash is beginning to approach the \$30 million as the Authority funds the CIP with cash.

CCM provided an update on Lehman Brothers. Lehman is still under bankruptcy protection and submitted a reorganization plan in March. The new company, LAMCO, will continue to manage and liquidate the remaining assets, mostly real estate. The price of the bond has doubled from \$9.50 last year to \$20.00 per bond. The expected recovery is \$40 - \$50 per bond.

In the matter of the Menasha, Wisconsin bonds, the City agreed to sell its electrical distribution system to Wisconsin Public Power and the sale was approved by Menasha voters by referendum in April. The proceeds of the sale are expected to bring \$70 per bond. Discussions continue among CCM, the City of Menasha and the City's financial advisor regarding closing the gap to full repayment of the principal of \$100 per bond. CCM added that this issue has drawn much attention and would be in the best interest of all involved to resolve at 100%. There continues to be higher than historical risk in municipal bonds as there is greater stress on local budgets. Commissioner Murphy questioned the amount the Authority has paid toward this lawsuit. CCM reported that approximately \$25,000 has been paid by the Authority and additional costs have been paid by CCM and will be recouped out of the proceeds of the settlement.

Commissioner Downes questioned whether CCM saw any other problems. CCM reported that they are trying to be as proactive as possible by using broader diversification, reviewing all positions and making changes to reduce risk and to structure portfolio to reflect lower volatility and higher credit quality. CCM reported that, even with these two investments, the Authority's funds are still top performers.

CCM reviewed the Market Outlook and Portfolio positioning noting that the recovery will be a long road ahead. As the labor market peaked in 2000 at 64%, it has dropped to 58% and unemployment rates are expected to remain high. Companies are making due with less people.

Commissioner Hogan added that the presentation would be sent to the New Jersey Treasury Office for review and comment, should they wish.

Commissioner Downes questioned CCM's opinion whether delaying budget approvals could diminish bond ratings. CCM reported that the Authority has always received extremely high marks with respect to its management of the Authority. If reasons for the delay were technical in nature it probably would not be an issue; however, having a budget delay is an uncertainty and rating agencies do not like uncertainty. The Authority has had good dialogue with the rating agencies and they may be more patient with communicators. It could be a problem if a delay would come year after year, which could point toward management's inability to get timely action.

The Committee thanked CCM for their presentation and CCM noted a future meeting will be conducted regarding the Investment Policy.

### 3. Discussion of Auditing Services RFP

The CFO reported that one of the recommendations from the Projects Committee procurement review was for contract durations to be three years with one year renewal options. At that time, the CFO noted that some industry practices, such as auditing services or defined contribution provider plans, may not fall within the recommendation. In accordance with best practice recommendations from the Government Finance Officers Association (GFOA), auditing services contracts should not be less than five years in duration due to proficiencies gained by longer durations. The CFO also noted that past discussions in the Audit Committee resulted in the Committee's determination not to preclude Bowman, the Authority's current Independent Auditors, from bidding on a new RFP. Bowman has now completed seven consecutive audits. The CFO recommended, at minimum, a five year contract with two, one year renewal options. The Committee began a lengthy discussion of contract durations, whether shorter terms could discourage participation in the bidding process, and recommended best practices. It was noted that former Governor Corzine's Executive Order is for contracts not to exceed five years, although it was noted by both the Authority Chair and Vice-Chair that the Executive Order did not directly apply to the Authority. Commissioner Favre stressed the recommendation of the 3-1-1 format from the Projects Committee.

During the discussion, Committee Chair Van Sant asked for a motion to recommend the 3-1-1 model; Commissioner Downes made the motion, but to recommend five years, Commissioner Murphy seconded and a roll call vote was taken with Commissioners Downes, Van Sant, and Murphy voting Yes, and Commissioners Traynor and Favre voting No. Committee Vice-Chair Traynor noted that his vote was not against the 3-1-1 model, but to recognize professional best practices in rooting out fraud in an organization. The Committee then attempted to clarify the motion. Delaware Legal Counsel explained that the CFO was attempting to get a consensus from the Committee prior to putting out the RFP to avoid a product that would not get approved by the Board or ultimately get vetoed by the New Jersey Governor's Office. The issue was not an action item for Committee vote, in that the actual contract award would come to the Committee for recommendation and subsequent Board consideration. The CFO added that if the consensus of the Committee was to recommend the 3-1-1- model, then he wanted to be clear that the intent was to exercise both renewals to get to the total of five years. The Committee discussed and provided the direction for the CFO to follow the 3-1-1 model toward achieving the recommended five-year best practice.

### 4. Miscellaneous:

The Controller reported that he met with representatives from FEMA regarding federal disaster aid reimbursement to off-set costs incurred by the Delaware River and Bay Authority related to the 48-hour State of Emergency declared in Delaware and New Jersey due to the February, 2010 snowstorms. It is expected that the Authority will receive \$147,000 related to Delaware snow removal costs. Although he had not met with New Jersey representatives, it is expected that the Authority will receive \$79,000 related to New Jersey snow removal for a total of \$225,000. Commissioner Lathem thanked staff for aggressively pursuing those federal funds.

With no further business to discuss, a motion to adjourn was made by Commissioner Traynor, and the Budget & Finance Committee adjourned at 10:43 a.m.

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

10174. COMMITTEE REPORT – PERSONNEL COMMITTEE

Commissioner Dorn presented the following Personnel Committee meeting minutes of May 4, 2010.

**PERSONNEL COMMITTEE MEETING**  
**Tuesday, May 4, 2010**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority’s Personnel Committee was held on Tuesday, May 4, 2010, 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 Smith, Committee Member  
Commissioner Van Sant  
Chairperson Hogan

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

Legal Counsel

Mike Houghton - DE

Governors’ Representatives

Johanna Jones - NJ

Staff

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

Authority Secretary

Thomas Pankok

Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 10:44 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.

1. Committee Chair Dorn 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 Traynor, and the Session was closed.

The following matters of a confidential nature were discussed.

- CONTRACT NEGOTIATIONS
- PERSONNEL MATTERS

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

2. The Chief Human Resource Officer introduced Mr. Gregory Chambers, the EEO/AA and Diversity Manager. Mr. Chambers provided an update regarding his activities and accomplishments to date. The following was reported.

- Developed the DRBA EEO and Diversity Position statement, which was presented to all Commissioners in attendance. This statement is located on the DRBA website, the employee Intranet and Internet for public access, and interfaces with the EEO and Anti-Harassment Policy. Input into the creation of the EEO and Diversity Section of the Intranet and Internet with links to Equal Employment Opportunity Commission (EEOC), the US Department of Labor Office of Federal Contract Compliance Programs (OFCCP), and other organizations the Authority partners with such as the New Jersey Affirmative Action Officers Council.
- Prepared and presented “EEO and Diversity: Charting the Course for the Future” to Sr. Leadership/Department Heads and their direct reports. The three points of the presentation were: 1) explain his role helping Authority leadership to accomplish organizational and operational needs in EEO and workplace diversity by developing solutions, providing recommendations, guidance and direction to the leadership; 2) articulate a path forward including conducting informational meetings for all DRBA employees for better understanding of EEO and Diversity matters in the workplace and the need for a spirit of cooperation in strengthening workplace relationships, and addressing issues of concern; and 3) provide details of a meeting attended, which included the Executive Director and the CEO of Diversity, Inc., Mr. Luke Visconti, to discuss best practices of top companies and to explore a future presentation to DRBA Commissioners and executive staff.
- Conducted the first of a series of employee informational meetings for permanent full time employees. A handout explaining the Employee Information Meetings was presented to all Commissioners in attendance. Six sessions were held in Cape May with a total of 102 employees attending. Sessions in New Castle are forthcoming as well as training seminars and workshops. The Committee questioned whether follow-up questionnaires were provided. Mr. Chambers explained that these sessions were informational only at this time; however, did communicate with those in attendance that the common theme was to strengthen workplace relationships. The Committee provided suggestions for Mr. Chambers on ways to obtain feed-back and requested that he report back to the Committee.
- Attended a new leadership orientation as incoming President of the American Association for Affirmative Action (AAAA) from 2010-2012. The AAAA is comprised of individuals and organizations from the public and private sectors, business, social service, legal government, and education to provide training and educational programs to promote the professional growth and development of its 2000 individual and corporate members.
- Will be meeting with the new leaders of the EEOC, Office of Federal Contract Compliance and the Civil Rights Commission to establish a working relationship and to get ahead of the curve on policy issues or changes as related to the DRBA and AAAA.
- Stated that membership and leadership role in a national civil and human rights professional organization has significant meaning nationally, locally, and within the Authority.

Mr. Chambers thanked the Committee and offered to make the presentation, “EEO and Diversity: Charting the Course for the Future” at a later date to the Board, if desired.

With no further business to discuss, Commissioner Lathem made a motion to adjourn, Commissioner Smith seconded, and the Personnel Committee adjourned at 11:37 a.m.

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

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10175. COMMITTEE REPORT – PROJECTS

Commissioner Favre deferred the report of the May 4, 2010 Projects Committee meeting minutes to Commissioner Lowe. Commissioner Lowe presented the following.

**PROJECTS COMMITTEE**  
**May 4, 2010**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Projects Committee was held on Tuesday, May 4, 2010, at the Delaware Memorial Bridge Administration Building, New Castle, Delaware.

Commissioners from New Jersey

Commissioners from Delaware

PRESENT

Commissioner Dorn, Committee Member  
Commissioner Van Sant, Committee Member  
Commissioner Smith  
Authority Chair Hogan

Commissioner Lowe, Committee Vice Chair  
Commissioner Lathem, Committee Member  
Commissioner Murphy, Committee Member  
Commissioner Downes  
Commissioner Traynor  
Authority Vice Chair Green

Staff

Jim Johnson  
Frank Minor  
Jim Walls  
Victor Ferzetti  
Gerry DiNicola-Owens  
Charlotte Crowell  
Heath Gehrke  
Anna Marie Gonnella-Rosato  
Kelly Phillips-Parker  
Joseph Volk  
David Hoppenjans  
Michelle Griscom-Collins

Counsel

Mike Houghton, Esq., DE Counsel

NJ Liaison

Johanna Jones

Secretary

Tom Pankok

The Projects Committee meeting convened at approximately 11:20 a.m. Those in attendance were provided an informational package consisting of a monthly contractor payment chart (through April).

1. Resolutions: None

2. Bid Openings:

- DMB-10-01, Repainting West Girder Spans, First Structure, Delaware Memorial Bridge. A public bid opening was held on April 29, 2010 in which two (2) bids were submitted. The COO described the work included in the project and recommended the award of the base bid to the lowest responsive bidder, Allied Painting, Inc. in the amount of \$951,800.00. The Projects Committee concurred with the recommendation and authorized the action to be presented at the May board meeting.
- DMB-10-02, Repainting West Girder Spans, Second Structure, Delaware Memorial Bridge. A public bid opening was held on April 29, 2010 in which two (2) bids were submitted. The COO described the work included in the project and recommended the award of the base bid to the lowest responsive bidder, Allied Painting, Inc. in the amount of \$1,901,800.00. The Projects Committee concurred with the recommendation and authorized the action to be presented at the May board meeting.
- DMB-09-04R, Paint Spray Booth Modifications, Delaware Memorial Bridge. A public bid opening was held on April 27, 2010 in which two (2) bids were submitted.

The COO described the work included in the project and recommended the award of the base bid to the lowest responsive bidder, Robert Mullin HVAC Contractors in the amount of \$139,500.00. The Projects Committee concurred with the recommendation and authorized the action to be presented at the May board meeting.

3. Contract Close-Out Actions:

- CMLF-09-02, Drydocking, Repairs, and HVAC Installation - M/V Cape Henlopen: The COO recommended close-out of the contract and final payment be made to Caddell Dry Dock & Repair Co. of Staten Island, New York. The final contract amount is \$1,179,265.90. The Projects Committee concurred with the recommendation and directed that the action be presented at the May board meeting. The COO complimented the Port Engineer, Mr. Jim Gillespie, for his significant efforts during this project, which was completed on time and under budget.
- DMB-06-03, South Norfolk Southern Railroad Bridge Overpass Replacement – Delaware Memorial Bridge: The COO recommended close-out of the contract and final payment be made to J.D. Eckman, Inc. of Atglen, Pennsylvania. The final contract amount is \$7,191,852.65. The Projects Committee concurred with the recommendation and directed that the action be presented at the May board meeting.
- DMB-08-03, 2009-2010 Deck Resurfacing – Delaware Memorial Bridge: The COO recommended close-out of the contract and final payment be made to Eastern Highway Specialists, Inc. of Wilmington, Delaware. The final contract amount is \$1,868,076.00. The Projects Committee concurred with the recommendation and directed that the action be presented at the May board meeting.

4. Contract Payment Review (through April): The COO informed the Committee of the monthly construction contractor payments to be made in May.

5. Miscellaneous Items/Updates:

- CMLF Monopiles Update: The COO briefed the Committee that staff has reviewed the draft study of the monopile failure in Cape May last year. This study was commissioned to determine the cause for the failure and to make recommendations for the replacement of future marine piles. The COO also informed the Committee of a recent monopile failure in Cape May, which is under investigation. The contracted engineering firm is finalizing the monopile study report, which will be presented at a future meeting.
- Marine Master Plan Update: The COO and staff briefed the Committee that the peer review of the CMLF Marine Master Plan, prepared by Hornblower Marine Services, has been completed. This review was completed by AMSEC, our contracted naval architect firm. AMSEC has identified areas for further study, including comparison of Design-Bid-Build and Design-Build processes for the construction of new vessels. Rough Order of Magnitude Costs and possible grant funding for construction of new vessels were also discussed. The Committee was also updated on the design considerations and schedule for the replacement of the passenger loading tubes in Cape May and Lewes.

There being no further business for the Projects Committee, the public meeting was adjourned at approximately 12:20 p.m.

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

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10176. COMMITTEE REPORT – ECONOMIC DEVELOPMENT

Commissioner Downes presented the following Economic Development Committee meeting minutes of May 4, 2010.

## ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, May 4, 2010

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, May 4, 2010, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

### Commissioners from New Jersey

#### PRESENT

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

### Commissioners from Delaware

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

### Staff

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

Committee Chair Downes welcomed the Economic Development Committee and opened the meeting at approximately 12:13 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.

#### 1. Action Items:

- Resolution Authorizing the Execution of a Concession Agreement Between the Delaware River and Bay Authority and Avis Budget Group, Inc. – The Deputy Executive Director reported the current Concession Agreement with Avis, located at the New Castle Airport, had expired and Avis desires to continue to lease counter space in the terminal and 35 parking spaces in the New Castle Airport terminal parking lot. The guaranteed annual minimum payment will be \$50,000 or 8% of the monthly gross receipts, whichever is higher, for an initial term of five (5) years with two (2) year renewal options. After discussion, Commissioner Traynor made a motion, Commissioner Lowe seconded, and the Economic Development Committee unanimously recommended approval of the Concession Agreement. A Resolution will be presented to the full Board for consideration at the May meeting.
- Resolution Authorizing the Execution of a Lease Agreement Between the Delaware River and Bay Authority and The Boeing Company – The Deputy Executive Director reported that Boeing entered into a Lease Agreement at the New Castle Airport in 1985 and the Lease was assumed by the Authority when it acquired the Airport in 1995. The Lease is due to expire this year and Boeing desires to continue to lease hangar space at the New Castle Airport of approximately 39,537 square feet along with all appurtenances to the land commonly referred to as Parcel A. An appraisal of the facility was completed in

2007; however, it still represents a Fair Market Value under the current market conditions. The annual rent during the first term of twenty (20) months will be \$138,379.50, with three (3) five (5) year renewal periods adjusted annually by a fixed escalator of 2.0%. The Deputy ED also reported that Boeing also leases an adjacent parcel that its lease is set to expire in 2011 and desires to have the terms of both parcels run concurrent to one another. The terms and conditions of the new Lease Agreement will be incorporated into the Authority's standard form of lease. After discussion, Commissioner Smith made a motion, Commissioner Dorn seconded, and the Economic Development Committee unanimously recommended approval of the Lease Agreement. A Resolution will be presented to the full Board for consideration at the May meeting.

- Resolution Authorizing a Lease Termination Agreement Between the Delaware River and Bay Authority and Dassault Falcon-Jet Wilmington Corp. – The Deputy Executive Director reported that, due to drastic changes in the economy and decreased new aircraft orders, Dassault desires to restructure, reduce, and streamline operations. Dassault requested to terminate the Lease of the 23,000 square foot office space, commonly referred to as the Atlantic Office Building. The Lease was set to expire in 2024 at an initial rent of \$138,000 per year. The Deputy Executive Director reported, after negotiations, both parties agreed upon a termination fee of \$1,350,693.13 (which is a 6% discount rate of the present value of the Lease). Authority Vice-Chair questioned the future plans for the building and staff reported that it would be available for lease. After discussion, Commissioner Dorn made a motion, Commissioner Smith seconded, and the Economic Development Committee unanimously recommended approval of the Lease Termination. A Resolution will be presented to the full Board for consideration at the May meeting.
- Resolution Amending Resolution 05-49 – Authorizing the Third Lease Amendment Between the Delaware River and Bay Authority and Dassault Falcon Jet-Wilmington Corp. The Deputy Executive Director reported that the Third Lease Amendment had not yet been executed and it is the desire by both parties to expand the scope. The Authority desires to attach metes and bounds legal descriptions for the parcels covered by the Lease, reserve an easement for itself, its invitees and licensees across the leased premises for the purposes of vehicular and airplane access, and to modify the maintenance and repair obligations under the Lease. The Deputy Executive Director reported that improvements to the fire suppression system and electrical system are needed and the Authority has agreed to contribute approximately 50% of the electrical system upgrades, not to exceed \$348,375.75 and the cost of the fire suppression upgrades at a not to exceed cost of \$316,255. These costs will be paid out of the proceeds of the Dassault Lease Termination. The needed improvements to Authority property and the negotiations are the result of the Authority working together with Dassault, the largest employer at the New Castle Airport, in tough economic times. After discussion, Commissioner Smith made a motion, Commissioner Dorn seconded, and the Economic Development Committee unanimously recommended approval of the Third Lease Amendment. A Resolution will be presented to the full Board for consideration at the May meeting.

2. Miscellaneous:

The Deputy Executive Director introduced Mr. Michael Porch, the new Marketing Manager for the Cape May-Lewes Ferry.

With no further business to discuss, a motion to adjourn was made by Commissioner Traynor, and the Economic Development Committee adjourned at 12:25 p.m.

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

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10177. COMMITTEE REPORT – AD HOC CMLF

Commissioner Favre noted that the May 4, 2010 meeting of the Ad Hoc Committee 2010 did not take place due to the lack of a quorum.

**AD HOC CAPE MAY-LEWES FERRY COMMITTEE MEETING**  
**Tuesday, May 4, 2010**  
Delaware Memorial Bridge Complex  
New Castle, Delaware

In the absence of a quorum, the Ad Hoc Cape May-Lewes Ferry Committee did not convene.

\* \* \* \* \*

Chairperson Hogan called for an executive session at 10:47 a.m.

Commissioner Lathem motioned to go into executive session to discuss matters of a confidential nature, seconded by Commissioner Favre, and unanimously approved by a voice vote of 12-0. The executive session was closed to the public and to staff at 10:48 a.m.

With no further business to discuss in executive session, the public meeting reconvened at 11:55 a.m.

\* \* \* \* \*

Chairperson Hogan called for a motion to amend the Agenda to include Resolution 10-16 Collective Bargaining Agreement Between Delaware River and Bay Authority and International Union of Operating Engineers, Local 542 For Certain Employees tabled March 16, 2010.

A motion to remove Resolution 10-16 off the table and place it on the Agenda was made by Commissioner Favre, seconded by Commissioner Downes, and unanimously approved by a voice vote of 12-0.

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10178. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented charts showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Three Forts Ferry Crossing, and Food Services for the month of March, 2010.

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

10179. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented a chart showing statements of income and expenses for the month of March, 2010 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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10180. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for April 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.

\* \* \* \* \*

10181. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of April, 2010 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.

\* \* \* \* \*

10182. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF APRIL 30, 2010.

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

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

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10183. PUBLIC COMMENT ON ACTION ITEMS.

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

- Contract #DMB-09-04R Paint Spray Both Modifications DMB
- Contract #DMB-10-01 Repainting West Girder Spans – First Structure, DMB
- Contract #DMB-10-02 Repainting West Girder Spans – Second Structure, DMB
- Resolution 10-16 Collective Bargaining Agreement with Local 542
- Resolution 10-18 Authorizing a Contract with Parker McCay to Provide General Counsel Legal Services Representing the Authority’s Interests in New Jersey
- Resolution 10-25 Authorizes the Execution of a Concession Agreement for Rental Car Services, New Castle Airport
- Resolution 10-26 Authorizes a Lease Agreement with The Boeing Company
- Resolution 10-27 Lease Termination Agreement with Dassault Falcon, New Castle Airport
- Resolution 10-28 Amends Resolution 05-49 Authorizing the Third Lease Amendment with Dassault Falcon Jet-Wilmington Corp, New Castle Airport

There were no public comments.

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10184. SUMMARY OF AUTHORIZED CONTRACT PAYMENTS.

Contract No.	Contractor	Current Amount
DMB-09-2	Mumford and Miller	40,270.05
DMB-08-03	Eastern Highway Specialists, Inc.	2,000.00
DMB-07-04	Schlosser & Associates, Inc.	
DMB-06-03	J.D. Eckman. Inc	120,130.24
DMB-04-01	Mumford and Miller	25,086.64
CMLF-09-04	Barnegat Bay Dredging co., Inc.	382,139.13
CMLF-09-02	Caddell Dry Dock & Repair Co.	527,664.06
CMLF-06-03R	PKF-Mark III, Inc.	55,350.00
CMLF-08-02	Mumford and Miller	263,374.45

NCA-09-02	<b>Puente Construction</b>	57,647.97
NCA-06-02	<b>Diamond Materials</b>	26,699.69
MVA-06-01	<b>Giberson Plumbing &amp; Excavating, Inc.</b>	87,600.00
CMA-07-03	<b>MD Remodeling</b>	22,461.95
CMA-05-01	<b>South State, Inc.</b>	4,413.23

\* \* \* \* \*

10185. APPROVAL OF CONTRACT #DMB-09-04R - PAINT SPRAY BOOTH MODIFICATIONS, DMB

The COO described the work to be performed at the Delaware Memorial Bridge under this contract. A bid opening was held on April 27, 2010 in which two (2) bids were received. The COO and the Projects Committee recommend awarding the contract to the lowest responsive bidder, Robert Mullin HVAC Contractors of Wilmington, DE, in the amount of \$139,500.00

A motion to award Contract #DMB-09-04R in the amount of \$139,500.00 to the aforementioned bidder was made by Commissioner Dorn, seconded by Commissioner Lowe, and approved by a roll call vote of 12-0.

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10186. APPROVAL OF CONTRACT #DMB-10-01- REPAINTING WEST GIRDER SPANS – FIRST STRUCTURE, DMB

The COO described the work to be performed at the Delaware Memorial Bridge under this contract. A public bid opening was held on April 29, 2010 in which two (2) bids were received. The COO and the Projects Committee recommend awarding the contract to the lowest responsive bidder, Allied Paining, Inc., of Franklinville, NJ, in the amount of \$951,800.00

A motion to award Contract #DMB-10-01 in the amount of \$951,800.00 to the aforementioned bidder was made by Commissioner Van Sant, seconded by Commissioner Favre, and approved by a roll call vote of 12-0.

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10187. APPROVAL OF CONTRACT #DMB-10-02- REPAINTING WEST GIRDER SPANS – SECOND STRUCURE

The COO described the work to be performed at the Delaware Memorial Bridge under this contract. A public bid opening was held on April 29, 2010 in which two (2) bids were received. The COO and the Projects Committee recommend awarding the contract to the lowest responsive bidder, Allied Painting, Inc., of Franklinville, NJ, in the amount of \$1,901,800.00.

A motion to award Contract #DMB-10-2 in the amount of \$1,901,800.00 to the aforementioned bidder was made by Commissioner Traynor, seconded by Commissioner Murphy, and approved by a roll call vote of 12-0.

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10188. CONTRACT CLOSE-OUT – SOUTH NORFOLK SOUTHERN RAILROAD BRIDGE OVERPASS REPLACEMENT – CONTRACT #DMB-06-03

On December3, 2007 Contract No. DMB-06-03 South Norfolk Southern Railroad Bridge Overpass Replacement, was awarded to J.D. Eckman, Inc. of Atglen, Pennsylvania for the bid price of \$7,077,200.00.

During the contract period Change Order No’s. 1-15 were approved for the project.

1. April, 26, 2010 Adjustment in quantities to reflect actual field conditions.  
Add: \$114,652.65

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$7,191,852.65.

A motion to close-out Contract #DMB-06-03 was made by Commissioner Favre, seconded by Commissioner Murphy, and unanimously approved by a voice vote of 12-0.

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10189. CONTRACT CLOSE-OUT – 2009-2010 DECK RESURFACING- CONTRACT #DMB-08-03

On March 1, 2009 Contract No. DMB-08-03 2009-2010 Deck Resurfacing, was awarded to Eastern Highway Specialists, Inc. of Wilmington, Delaware for the bid price of \$1,822,000.00.

During the contract period Change Order No's. 1-7 were approved for the project.

- 1. December 10, 2010 Adjustment in quantities to reflect actual field conditions. Add: \$46,076.00.

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$1,868,076.00.

A motion to close-out Contract #DMB-08-03 was made by Commissioner Lathem, seconded by Commissioner Van Sant, and unanimously approved by a voice vote of 12-0.

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10190. CONTRACT CLOSE-OUT – DRYDOCKING, REPAIRS AND HVAC INSTALLATION – CONTRACT #CMLF-09-02

On January 5, 2009 Contract No. CMLF-09-02 Drydocking, Repairs and HVAC Installation, was awarded to Caddell Dry Dock & Repair Co. of Staten Island, New York for the bid price of \$2,875,047.40.

During the contract period Change Order No's. 1-4 were approved for the project.

- 1. December 10, 2010 Adjustment in quantities to reflect actual field conditions. Subtract: \$1,179,265.90

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$1,695,781.50.

A motion to close-out Contract #CMLF-09-02 was made by Commissioner Murphy, seconded by Commissioner Smith, and unanimously approved by a voice vote of 12-0.

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Chairperson Hogan called for an executive session at 12:09 p.m.

Commissioner Lathem motioned to go into executive session to discuss matters of a confidential nature, seconded by Commissioner Downes and unanimously approved by a voice vote of 12-0. The executive session was closed to the public at 12:10 p.m.

With no further business to discuss in executive session, the public meeting reconvened at 12:59 p.m.

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Chairperson Hogan called for a motion to amend the Agenda.

Commissioner Lathem motioned to remove Resolution 10-16 from the Agenda, seconded by Commissioner Dorn. With Commissioner Traynor voting no, the motion to remove Resolution 10-16 from the Agenda was approved by a voice vote of 11 yes -1 no vote from Commissioner Traynor.

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Commissioner DeLanzo left the meeting at approximately 1:02 p.m.

\* \* \* \* \*

10191. CHAIRPERSON’S CALL FOR ACTION ON THE RESOLUTIONS BEFORE THE BOARD

New Jersey Counsel Norcross left the Board room.

**RESOLUTION 10-18 (formerly 10-08) – AUTHORIZES A CONTRACT BETWEEN THE AUTHORITY AND PARKER MCCAY P.A. TO PROVIDE GENERAL COUNSEL LEGAL SERVICES REPRESENTING THE DELAWARE RIVER & BAY AUTHORITY’S INTERESTS IN THE STATE OF NEW JERSEY**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is a bi-state Authority of the State of Delaware and the State of New Jersey created by Compact that owns, operates and controls the Delaware Memorial Bridge, Cape May-Lewes Ferry and five (5) regional airports; and

WHEREAS, the Authority desires to procure professional general counsel legal services representing the Authority’s interests in the State of New Jersey with an initial term of three (3) years with one (1) optional one-year renewal, such renewal to be authorized by the originating committee with the consent of the Chairperson and Vice Chairperson of the Board of Commissioners; and

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

WHEREAS, the Authority received and evaluated five (5) proposals pursuant to the aforementioned requirements; and

WHEREAS, the Authority short-listed three (3) firms and conducted oral interviews; and

WHEREAS, Parker McCay P.A. (“Parker McCay”) was designated first on the preference list; and

WHEREAS, the Authority desires to award services at compensation not-to-exceed \$325,000 per year at a maximum hourly rate of \$250.00 per hour determined to be fair and reasonable; and

WHEREAS, the Budget & Finance Committee reviewed the recommendation and concurs with the evaluation; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Services Agreement with Parker McCay to provide general counsel legal services for the Authority and to have such agreement executed by the Chairperson, Vice-Chairperson and Executive Director.

A motion to approve Resolution 10-18 was made by Commissioner Smith, seconded by Commissioner Downes, and approved by a roll call vote of 11-0.

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New Jersey Counsel Norcross returned to the Board room.

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**RESOLUTION 10-25 - AUTHORIZES THE EXECUTION OF A CONCESSION AGREEMENT FOR RENTAL CAR SERVICES AT THE NEW CASTLE AIRPORT**

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

WHEREAS, the Authority allows private corporations to provide car rental services at the New Castle Airport for their customers; and

WHEREAS, the Authority’s Concession Agreement with Avis Car Rental Inc., also known as Avis Budget Group, Inc. (Avis) has expired; and

WHEREAS, Avis will be leasing a counter in the terminal and 35 parking spaces in the terminal parking lot; and

WHEREAS, the terms of the Concession Agreement will be for five (5) years with an option of renewing for two (2) additional years for a guaranteed minimum annual payment of \$50,000 or 8% of the monthly gross receipts whichever is higher.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with the Avis Budget Group, Inc. and, with the advice and consent of counsel, to have such Agreement executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 10-25 was made by Commissioner Favre, seconded by Commissioner Lathem, and approved by a roll call vote of 11-0.

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**RESOLUTION 10-26 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE BOEING COMPANY**

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

WHEREAS, The Boeing Company (“Boeing”) desires to lease a building with approximately 39,537 square feet of along with all the appurtenances to the land commonly referred to as Parcel A; and

WHEREAS, Boeing has agreed to pay the Authority One Hundred and Thirty-Eight Thousand Three Hundred and Seventy-Nine dollars and Fifty cent (\$138,379.50) annual rent during the first term of the Lease Agreement; and

WHEREAS, the initial term of the Lease Agreement is for Twenty (20) month; and

WHEREAS, Boeing shall have the option of renewing this Agreement for three (3) periods of five (5) years each; and

WHEREAS, rent shall be adjusted annually by a fixed escalator of 2.0%; and

WHEREAS, Fair Market Value adjustments shall commence on the first day of the 5<sup>th</sup> anniversary of the Commencement Date and every 5<sup>th</sup> anniversary thereafter during the initial term and the renewal term.

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

A motion to approve Resolution 10-26 was made by Commissioner Favre, seconded by Commissioner Murphy, and approved by a roll call vote of 11-0.

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**RESOLUTION 10-27 - LEASE TERMINATION AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DASSAULT FALCON**

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

WHEREAS, Dassault Falcon Jet-Wilmington Corp. ("Dassault") currently leases approximately 23,000 rentable square feet of space in the building commonly referred to as the Atlantic Office Building pursuant to that certain Lease Agreement dated as of March 29, 2007 between the Authority and Dassault (the "Lease"); and

WHEREAS, due to drastic changes in the economy and the decrease in new aircraft orders, Dassault is looking to restructure their operations and terminate the Lease; and

WHEREAS, Dassault has agreed to pay an early termination fee of One Million Three Hundred Fifty Thousand Six Hundred Ninety three and 13/00 Dollars (\$1,350,693.13); and

WHEREAS, the Authority and Dassault agree that the Lease shall expire on June 30, 2010.

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

A motion to approve Resolution 10-27 was made by Commissioner Lathem, seconded by Commissioner Smith, and approved by a roll call vote of 11-0.

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**RESOLUTION 10-28 - AMENDS RESOLUTION 05-49 AUTHORIZING THE THIRD LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND DASSAULT FALCON JET-WILMINGTON CORP.**

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

WHEREAS, the Authority entered into a Lease with Dassault Falcon Jet-Wilmington Corp, as successor-in-interest to Atlantic Aviation Corp., on November 1, 1999 as amended on October 18, 2000 and February 1, 2002 (as amended, the "Lease"); and

WHEREAS, the Authority adopted Resolution 05-49 entitled "Authorizing The Third Lease Amendment Between the Delaware River and Bay Authority and Dassault Falcon Jet Corp" at a meeting of the Board of Commissioners; and

WHEREAS, the Third Amendment has not yet been executed and the parties desire to expand the scope of the Third Amendment; and

WHEREAS, as required by the Lease, the Authority desires to attach metes and bounds legal descriptions for the parcels covered by the Lease; and

WHEREAS, the Authority desires to reserve an easement for itself and its invitees and licensees across the leased premises for the purposes of vehicular and airplane access; and

WHEREAS, the parties desire to modify the maintenance and repair obligations under the Lease such that Dassault is responsible for all structural components (except for the last two years of the lease) and non-structural components of the buildings covered by the Lease; and

WHEREAS, the Tenant desires to make certain upgrades to the fire suppression system and the electrical system; and

WHEREAS, Landlord has agreed to contribute \$316,255 to the fire suppression upgrades and \$348,375.75 to the electrical system upgrades; and

WHEREAS, in connection with such upgrades, Tenant desires to decommission and surrender possession of a pump station it currently operates under the Lease.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Third Amendment with Dassault and, with the advice and consent of counsel, to have such Third Amendment executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 10-28 was made by Commissioner Murphy, seconded by Commissioner Downes, and approved by a roll call vote of 11-0.

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10192.            COMMISSIONERS PUBLIC FORUM

Commissioner Favre stated that he is having knee surgery and will not be attending the June 1 Committee meeting. He asked Commissioner Lowe to take over the Projects Committee and to prepare the Projects report for the Commissioner Retreat.

Chairperson Hogan noted that the Commissioner Retreat will be held in Delaware and will be tied to the Regular meeting on June 15th and may go into the next day. Commissioners will be discussing the ferries, airports, and the structure of the Authority. The Retreat will be driven by the concerns of this Board. Chairperson Hogan will be in direct contact with the New Jersey Commissioners. Vice-Chairperson Green will be in contact with the Delaware Commissioners.

Commissioner Downes thanked Steve Williams, Joe Volk, Heath Gehrke, and the COO for speaking at the Smyrna Rotary Club on April 15, 2010. He also noted the trophy he and Commissioner Traynor received for supporting the Delaware Police Chief's Foundation last year through an Authority Community Contribution grant of \$5,000.

Commissioner Lathem thanked The August Quarterly for honoring him and Community Contribution Administrator, Kenneth Hynson, at its 2010 Spring Festival. Commissioner Lathem and the Authority have been very supportive of the August Quarterly for its community involvement. CHRO Charlotte Crowell and EEO Officer Gregory Chambers also attended.

Vincent Ascione, Local 542, spoke. He stated that the contract between the Authority and Local 542 not being signed was a financial burden to employees. He asked the Commissioners to keep the momentum going and hoped the politicians understand. Mr. Ascione then thanked the Executive Director, Deputy Executive Director and the COO for their help in the negotiations.

Chairperson Hogan stated that there needs to be unity. One voice communicating with Trenton. He asked Mr. Ascione to work with Mr. Johnson or his designee. He indicated that direct communication with representatives in Trenton were counterproductive.

\* \* \* \* \*

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

The meeting was adjourned 1:23 p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok  
Secretary