

**MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, April 16, 2013
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720**

The meeting convened at 10:38 a.m. with Chairperson Hogan presiding.

The opening prayer was given by Rev. Dorn, followed by the Pledge of Allegiance led by the Executive Director.

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

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

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Commissioners from New Jersey

Commissioners from Delaware

PRESENT

James N. Hogan, Chairperson
Edward W. Dorn
Richard S. Mroz
Ceil Smith

Shirley R. Wilson

William E. Lowe, Vice-Chairperson
Richard W. Downes

Samuel E. Lathem
Terri C. Murphy

ABSENT

Douglas Van Sant

Fernando N. Guajardo
Gary F. Traynor

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Chairperson Hogan called for the acceptance of the Agenda.

Commissioner Lathem motioned to accept the Agenda, seconded by Commissioner Mroz, and the motion carried by a voice vote of 9-0.

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10652. APPROVAL OF THE MARCH 19, 2013 MINUTES

Commissioner Downes motioned to approve the March 19, 2013 meeting minutes, seconded by Commissioner Smith, and unanimously approved by a voice vote of 9-0.

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10653. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

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

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

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10654. 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 with comparisons to the same period last year.

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

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10655. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

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

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

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10656. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

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

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

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10657. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF MARCH, 2013.

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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10658. AUTHORITY CUSTOMER TRENDS (ACT) REPORT

The CFO stated that the Authority Customer Trends (ACT) Report included in the financials allows management to view on a month-to-date basis trends in areas such as traffic, customer service, aircraft landings, and workplace incidents. Copies are distributed daily to employees via email and posted on bulletin boards for those without computers.

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10659. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Hogan noted that there is one (1) contract award and two (2) Resolutions to be considered today. All Action items have been reviewed and recommended for consideration during today’s Committee meetings. He then called for public comments.

There were no public comments.

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10660. FACILITY RENOVATIONS, REPLACEMENT OF ROOFTOP UNITS AND HEAT TRANSFER COILS FOR BUILDING 603 AT THE NEW CASTLE AIRPORT – CONTRACT #NCA-13-01

The Chief Operating Officer (COO) noted that a public bid opening was held on March 21, 2013, in which two (2) bids were received. The COO stated that the bid prices were significantly higher than the engineers cost estimate and recommended rejecting all bids and advertising it again. The Projects Committee concurred with the COO’s recommendation and rejected the bid.

A motion to reject Contract #NCA-13-01 was made by Commissioner Lathem, seconded by Commissioner Downes, and unanimously approved by a voice vote of 9-0.

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10661. CHAIRPERSON’S CALL FOR RESOLUTIONS BEFORE THE BOARD

After much discussion at the Budget & Finance Committee meeting regarding M&T Bank, the Committee agreed to amend the original Resolution 13-16 to reduce M&T’s services to an approximate estimate of \$120,000.

RESOLUTION 13-16 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2013 THROUGH DECEMBER 31, 2013

WHEREAS, The Delaware River and Bay Authority (the “Authority”) adopted Resolution 01-84 requiring Commissioner review and approval of all Authority expenditures in excess of \$25,000; and

WHEREAS, the Authority anticipates expenditures at or over the \$25,000 amount to the following vendors:

DELAWARE RIVER & BAY AUTHORITY
PROJECTED VENDORS TO BE PAID OVER \$25,000
OPERATION EXPENDITURES
FOR THE PERIOD 1/1/13 THROUGH 12/31/13

VENDOR	SERVICE DESCRIPTION	DETERMINATION	APPROX. ESTIMATED \$
The Coca-Cola Company	Fountain and bottled soda and beverages for the CMLF	Sole Source	\$60,000
Franklin Electric Co.	Purchase LED lights for the Delaware Memorial Bridge and Upgrade Electric Components on the Lewes Terminal Car Ramps	Quotes	\$60,000
Abby Lifts	Wheelchair Lift for the CMLF	Quotes	\$49,000
Liberty Airport Systems, Inc.	Regulator Door Upgrade and Computer Lighting Controls for New Castle Airport	Proprietary	\$121,000
M&T Bank	Banking and Money Counting Services		\$120,000
Susan’s Uniforms	Employee Uniforms - Maintenance Department DMB	Quotes	\$30,000
Tri-State Carpet, Inc.	New Carpet for the FAA Tower at the New Castle Airport	State Contract	\$30,000

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

A motion to approve Resolution 13-16 as amended was made by Commissioner Mroz, seconded by Commissioner Murphy, and approved by a roll call vote of 9-0.

Resolution 13-16 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period, January 1, 2013 through December 31, 2013.

Committee: Budget & Finance

Committee and Board Date: April 16, 2013

Purpose of Resolution:

Authorizes the expenditure of \$25,000 or greater with the identified vendors for the calendar year.

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 01-84, whereby the Authority shall not enter into any contract committing the Authority to spend or make any other expenditures relating to services, material and supplies in the amount of \$25,000 or more unless it has first been approved by a vote of Commissioners.

Background for the specific purchases:

Fountain and bottled soda and beverages for the CMLF

The new food consultant for the CMLF food service, with the intention of increasing sales, has recommended that the CMLF replace the current soda fountain machines and refrigerators to carry the Coke branded products because Coke can provide a unique fountain system that, unlike the current Pepsi fountain system, allows customers to create custom soda flavor blends. Additionally, Coke's fountain system utilizes a cartridge and water-line method, rather than the current forty pound box of syrup, making the maintenance of the system easier, more efficient and less prone to causing employee injuries during maintenance.

Purchase LED lights for the Delaware Memorial Bridge and Upgrade Electric Components on the Lewes Terminal Car Ramps

The beacon aviation lights on the Delaware Memorial Bridge are the original high wattage bulbs, replacements are no longer available and the Authority is having to replace 1 -2 bulbs per month. The Authority plans to replace the old high wattage bulbs with new led bulbs that use approximately 1/10 of the wattage of the old bulbs and are much smaller and easier to maintain, thereby reducing the Authority's energy expenditure for these lights and the work hours required to replace the bulbs when they fail. The Authority solicited and received three (3) quotes: Franklin Electric Co. (\$34,500), Graybar Electric (\$36,680) and International Tower Lighting (\$67,112.50). Franklin Electric Co. submitted the lowest quote.

The electrical conduit devices on the Lewes terminal car ramps have experienced extensive corrosion due to the exposure to the salt air and must be replaced. The Authority plans to replace them with new units made out of stainless steel and pvc which will withstand the salt air elements better. The Authority solicited and received three (3) quotes: Franklin Electric Co. (\$24,751), United Electric (\$44,579) and Denny Electric Supply (\$48,400). Franklin Electric Co. submitted the lowest quote.

Wheelchair Lift for the CMLF

The Authority has contracted to replace the passenger loader tubes at both the Cape May and Lewes Terminals. The existing passenger loader tubes must be removed so that the Contractor can lay down the new foundations. The Authority is planning to provide a wheelchair lift (“lift”) to assist its disabled passengers in navigating the ship decks while the loader tubes are out of service. The Authority was only able to identify one lift that would meet our needs. The Authority solicited quotes to rent and purchase the lift. The Authority received three (3) quotes; two (2) to purchase from Garaventa USA Inc. (“Garaventa”) (\$42,000) and Abby Lifts (\$48,566) and one (1) to rent from East Coast Hoist, Inc. (\$48,000). Savaria, the manufacturer of the lift, has advised us that Garaventa is not an authorized Savaria dealer and if we want the lift we must purchase it from Abby Lifts, the only Savaria authorized dealer in the Cape May area. Since it is only \$566 more expensive to purchase the lift and it can be converted to permanent use on one of the vessels following the immediate need during the passenger loader tube replacement the Authority plans to purchase the lift from Abby Lifts

Regulator Door Upgrade and Computer Lighting Controls for New Castle Airport

Liberty Airport Systems, Inc. (“Liberty”) is the original supplier and installer of the airfield lighting vault regulator doors and lighting controls at New Castle Airport. The vault regulator doors and the computer lighting controls are outdated and replacement parts are no longer available to support necessary repairs. The Authority plans to install new internal door components (\$55,700) and updated computer lighting controls in the vault and the tower (\$64,850). The system is still under warranty and Liberty is the only provider authorized to supply and replace these parts without voiding the existing warranty.

Banking and Money Counting Services

The Authority has utilized the services of Wilmington Trust for its banking and money counting services for a number of years. Wilmington Trust was purchased by M&T Bank and M&T Bank is currently providing those services. The Authority has strategically been decoupling its interrelated financial services and intends to solicit proposals of financial institutions to provide the last remaining component, banking and money counting services, within the next few months.

Employee Uniforms – Maintenance

The Authority supplies uniforms for certain Authority employees. This request covers Authority maintenance and electronics group employees (including members of Local 542) located at the Delaware Memorial Bridge, New Castle Airport, Millville Airport and Cape May Airport. The Authority solicited and received quotes from three (3) uniform vendors: Best Uniform (\$859), Rush Uniform, Inc. (\$1,004) and Susan’s Uniforms (\$767), to supply the typical mix of clothing items that the Authority issues to this group of employees. The orders actually placed vary by individual employee requirements. Susan’s Uniforms was the lowest responsive bidder.

New Carpet for the FAA Tower at the New Castle Airport

The Authority’s lease agreement with the FAA for the tower at New Castle Airport requires that the carpet be replaced no less than every eight years. The carpet in the tower has not been replaced since it was originally installed in 2001. The Authority plans to purchase the new carpeting from Tri-State Carpet, Inc. pursuant to a state contract (DE). The work will include moving furniture, removing and replacing all carpet and cove molding along with after-hours installation.

Background for Determination category:

Proprietary:

Proprietary items are purchases necessary to support and maintain existing Authority systems and equipment that are only available from one source. Resolution 98-31 (paragraph 2, subsection f) provides that “ [a] contract may be awarded without competition if the General Manager or Director of Operations of an Authority facility, or Police Administrator, prior to procurement, determines in writing that there is only 1 source for the required contract”.

Quotes:

Quotes items are purchases that are anticipated to be between \$25,000 and \$49,999 for the year for which the Authority has solicited written quotes. Resolution 98-31 (paragraph 4) provides that purchases “more than \$25,000 but less than \$50,000 in the aggregate require the solicitation of three written quotes or all available sources, whichever is less...”

Sole Source:

Sole source items are goods and services that the Authority requires that cannot be provided by another source. Resolution 98-31 (paragraph 2, subsection f) provides that “ [a] contract may be awarded without competition if the General Manager or Director of Operations of an Authority facility, or Police Administrator, prior to procurement, determines in writing that there is only 1 source for the required contract”.

State Contracts:

Resolution 98-31, as amended by Resolution 11-36 (paragraph 2, subsection a) provides that “[t]his [competitive bidding] provision shall not apply to purchases by the Authority from suppliers in cases where the Authority is purchasing at prices pursuant to contracts awarded by the States of Delaware or New Jersey for state agencies.

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RESOLUTION 13-17 - AUTHORIZATION OF THE RELOCATION AND EXPANSION OF HANGARCO LLC OR ITS AFFILIATES

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

WHEREAS, HangarCo LLC (“Hangar Co”) currently leases approximately 49,700 square feet of hangar and shop space located at 17 Penns Way, Hangar 603 at the Airport; and

WHEREAS, HangarCo would like to reduce the length of its initial term to one (1) year from three (3) years in order to expand and grow its operation at the airport; and

WHEREAS, HangarCo or its affiliates would like to lease two cargo bays totaling approximately 10,600 sq.ft. for a lease term of two (2) years; and

WHEREAS, HangarCo or its affiliates shall pay annual rent in the amount of Sixty Six thousand eight hundred and Forty Dollars (\$66,840.00) annually respectively; and

WHEREAS, rent shall increase during the initial term and during the renewal term annually by the Consumer Price Index (CPI); and

WHEREAS, HangarCo or its affiliates shall have the option of renewing the Lease Agreement for one (1) five (5) year period; and

WHEREAS, rent at the beginning of the initial option period shall be adjusted to the Fair Market Value (FMV); and

WHEREAS, HangarCo II, LLC is purchasing the WL Gore facility and Strong Tower Properties, LLC is purchasing the G & W Development facility at the airport; and

WHEREAS, as part of the acquisition of these hangars, the Authority will consent to the assignment of the associated lease and agree to an Amendment of both leases which do not materially or adversely affect the stream of income from the leases.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreements with HangarCo or its affiliates, 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 13-17 was made by Commissioner Smith, seconded by Commissioner Murphy, and approved by a roll call vote of 9-0.

Resolution 13-17 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and HangarCo LLC or its affiliates, regarding New Castle Airport

Committee: Economic Development

Committee Date: April 16, 2013

Board Date: April 16, 2013

Purpose of Resolution:
To permit the Executive Director, Chairman and Vice Chairman to execute and deliver lease amendments and two leases for space at the New Castle Airport

Background for Resolution:
The Delaware River and Bay Authority owns a hangar facility located at 17 Penns Way. HangarCo, LLC currently leases this space in order to house corporate aircraft and operate and aircraft and parts business.

Due to unplanned growth of their business and a desire to consolidate several operations in one location, HangarCo, LLC desired to amend the term of their existing lease to expire at the end of one year. They have also asked for the Authority's consent to the assignment of two ground leases with WL Gore and G & W Development and to lease some additional storage and warehouse space.

The consolidation and expansion will bring additional jobs to the airport as well as a return of a regular cargo operation.

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10662. EXECUTIVE DIRECTOR'S COMMENTS

The Executive Director briefed the Board on the activities in and around the Authority including the distribution of: (1) mugs as a reminder of our dedication to safety on the job, (2) the new CMLF schedules and (3) brochures for the DMB Café. He then displayed photos of the MV New Jersey in Staten Island for repairs and Frontier Airlines during the opening of the commercial airline at New Castle Airport.

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10663. COMMISSIONERS PUBLIC FORUM

Commissioner Wilson thanked staff for their efforts in welcoming Frontier to New Castle Airport.

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

The meeting was adjourned at 10:55 pm.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary