

**MINUTES OF MEETING  
THE DELAWARE RIVER AND BAY AUTHORITY  
Tuesday, November 19, 2013  
James Julian Boardroom  
Delaware Memorial Bridge Plaza  
New Castle, Delaware 19720**

The meeting convened at 11:30 a.m. with Chairperson Hogan presiding.

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

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

The Assistant Secretary announced that the 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 Dorn  
Richard S. Mroz  
Ceil Smith  
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Douglas Van Sant (via phone 11:52-11:54am)

William E. Lowe, Vice-Chairperson  
Richard W. Downes  
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Samuel E. Lathem  
Terri C. Murphy  
Gary Traynor

ABSENT

Shirley R. Wilson

Fernando N. Guajardo

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Chairperson Hogan called for the acceptance of the Agenda.

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

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10737. APPROVAL OF THE OCTOBER 15, 2013 MINUTES

Commissioner Downes motioned to approve the October 15, 2013 meeting minutes, seconded by Commissioner Lowe, and unanimously approved by a voice vote of 9-0.

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10738. 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 October.

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

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10739. 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 October 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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10740. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

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

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

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10741. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented chart for the month of October showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also 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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10742. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF OCTOBER 31, 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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10743. 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.

Commissioner Lathem asked about the number of work place accidents. The COO noted that the number of accidents reported was reflected for the entire month of October and that there is no clear trend or cause.

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10744. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Hogan noted that there are four (4) Resolutions, and two (2) Contract Close-outs for action..

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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10745, CONTRACT CLOSE-OUT: OBSTRUCTION REMOVAL ON AND OFF AIRPORT PHASE 11- CONTRACT #MVA-11-01

On September 20, 2011 Contract No. MVA-11-01 Obstruction Removal On and Off Airport Phase II, was awarded to Downes Tree Service, Inc. of Hawthorne, New Jersey for the bid price of \$994,180.00.

During the contract period Change Order No's. 1-2 were approved for the project. Subtract: \$43,122.00.

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$951,058.00.

On September 20, 2011 Contract No. MVA-11-01 Obstruction Removal On and Off Airport Phase II, was awarded to Downes Tree Service, Inc. of Hawthorne, New Jersey for the bid price of \$994,180.00.

During the contract period Change Order No's. 1-2 were approved for the project. Subtract: \$43,122.00.

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$951,058.00.

A motion to close-out Contract MVA-11-01 was made by Commissioner Murphy, seconded by Commissioner Smith, and approved by a voice vote of 9-0 .

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10746. CONTRACT CLOSE-OUT: REHABILITATE TAXIWAYS "B" AND "G", CONSTRUCT T-HANGAR TAXILANES & COMPAS RUN-UP/PAD, MILLVILLE AIRPORT; CONTRACT MVA-05-01

On March 21, 2011 Contract No. MVA-05-01 Rehabilitate Taxiways "B" & "G", Construct T-Hangar Taxilanes & Compass/Run-Up Pad, was awarded to Giberson Plumbing and Excavation, Inc., of Shamong, New Jersey for the bid price of \$2,158,103.50.

During the contract period Change Order No's. 1-7 were approved for the project. Subtract: \$204,665.42.

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$1,953,438.08.

A motion to close-out Contract MVA-05-01 was made by Commissioner Smith, seconded by Commissioner Downes, and approved by a voice vote of 9-0..

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10747. CHAIRPERSON'S CALL FOR RESOLUTIONS BEFORE THE BOARD

**RESOLUTION 13-43B – AUTHORIZES THE AMENDMENTS TO THE RESTATED DELAWARE RIVER AND BAY AUTHORITY EMPLOYEES' RETIREMENT PLAN**

WHEREAS, The Delaware River and Bay Authority (the “Authority”) currently maintains the Delaware River and Bay Authority Employees’ Retirement Plan (the “Retirement Plan”); and

WHEREAS, pursuant to Section 8.1(a) of the Retirement Plan, the Authority has the right to amend the Retirement Plan pursuant to a resolution of the Commissioners of the Authority; and

WHEREAS, the Authority desires to amend the Retirement Plan as it relates to administrative procedures, clarification of certain sections of the Retirement Plan, and to add a disability retirement benefit; and

WHEREAS, the proposed amendments have been reviewed by the Personnel Committee and found to be appropriate; and

WHEREAS, the proposed amendments require no significant expense to the Authority above normal administrative costs.

NOW, THEREFORE, BE IT RESOLVED, that the Delaware River and Bay Authority hereby approves the following amendments to the Employees’ Retirement Plan effective January 1, 2014:

1. All Sections of the Plan Document shall be in compliance and brought up to date with reference to the Internal Revenue Code Section 401(a)(17).
2. Amendment to Section 3.2 Effective Date of Participation to state first day of the month following 30 days of active full-time employment.
3. Amendments in Sections 5.1(d) and 5.2 to ensure no Authority retiree is eligible to continue to receive a pension payment upon his/her return to any Authority employment (full time or part time).
4. Amendment to multiple sections of the Plan Document to state a disabled employee will remain as a participant in the Retirement Plan no longer than twelve (12) months. The Authority’s Personnel Manual will be amended to reduce continuation of benefits to coincide with this Pension Plan amendment.
5. Amendment to Section 5.3 to allow a disability retirement benefit prior to normal retirement date once the participant has been deemed disabled for at least twelve (12) months.
6. Amendment to Section 11.20(a) (ii) to change the calculation of eligible months to purchase service time credit.
7. Clarification in Section 11.20(c) and 11.20(d) to accept only pre-tax dollars to the Trust to purchase credits for prior service.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the proper officers and employees of the Authority are hereby authorized to execute the necessary amendments to the Retirement Plan and to take whatever action and to execute whatever instruments with the advice and consent of counsel that may be necessary or convenient to carry out the foregoing resolution. Once these amendments have been authorized for inclusion to the Retirement Plan, we further authorize the restatement of the Plan Document which will include these amendments.

Commissioner Traynor asked if the Resolution was reviewed by labor counsel. The Executive Director said counsel reviewed and approved the Resolution.

A motion to approve Resolution 13-43B was made by Commissioner Lowe, seconded by Commissioner Lathem, and approved by a roll call vote of 9-0.

#### **Resolution 13-43B Executive Summary Sheet**

<b>Resolution:</b>	Authorizes The Amendments To The Restated DELAWARE RIVER and Bay Authority Employees’ Retirement Plan
<b>Committee:</b>	Personnel Committee
<b>Committee Date:</b>	November 19, 2013
<b>Board Date:</b>	November 19, 2013

**Purpose of Resolution:** To approve proposed amendments to the Authority’s Employees’ Retirement Plan for all permanent employees as presented by the Executive Director and the Chief Human Resources Officer.

**Background for Resolution:** The Delaware River and Bay Authority has had an Employees’ Retirement Plan (the Retirement Plan) since June 1, 1963. The last restatement to the Retirement Plan was January 1, 2007.

It is the responsibility of the Authority to frequently review the Plan Document for compliance and accuracy as it pertains to relevant governmental regulations, as well as with established Authority employment practices.

Based on a recent review of the Plan Document and established employment practices, the Authority recommends amendments to the Plan Document so that the Retirement Plan continues to be in compliance as a qualified plan as defined by the IRS.

Certain sections of the current version of the Retirement Plan are not in compliance with the current practice and DRBA wishes to amend those sections in the Retirement Plan. These sections are relevant to when an employee is eligible to enter the Retirement Plan (current version states first of year after date of hire); buy back service provision calculation for those part time employees who become full-time; buy-back service payment procedure (current version is silent on this and has impact on taxes for the employee); suspension of pension benefits when retired employee is re-employed (clarification that re-employment is for full-time or part-time); and reference to IRS limits on compensation and annual benefit limits (current version states actual outdated money amounts).

DRBA is recommending the addition of a disability retirement provision to the Retirement Plan which will allow participants to receive distribution earlier than the normal retirement date once the participant has been deemed disabled for at least twelve (12) months and is determined to be unable to engage in any substantially gainful activity and is eligible to receive federal Social Security disability benefits.

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Commissioner Van Sant joined the meeting at 11:52 a.m. by telephone.

Executive Director Green acknowledged Commissioner Van Sant’s presence and asked if he had an opportunity to review the Board materials for which Commissioner Van Sant replied yes.

Deputy Executive Director Minor took roll again and noted that there were five (5) Commissioners present from New Jersey and five (5) Commissioners present from Delaware.

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**RESOLUTION 13-44 – AUTHORIZES A CONTRACT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND M&T BANK CORPORATION TO PROVIDE COMPREHENSIVE BANKING SERVICES**

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 and the Cape May-Lewes Ferry among other facilities throughout Delaware and New Jersey; and

WHEREAS, the Authority desires to retain a qualified banking firm to provide comprehensive banking services throughout the Authority (the “Services”); and

WHEREAS, the initial term of such Services is for five (5) years with the Authority to have the option to renew the agreement for one three (3) consecutive year period; and

WHEREAS, the Authority publicly advertised and issued a Request for Proposal (“RFP”) for the required 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 seven (7) proposal submissions pursuant to the aforementioned requirements; and

WHEREAS, the Authority short-listed four (4) firms and conducted oral interviews with those firms; and

WHEREAS, M&T Bank Corporation (“M&T Bank”) was designated as the highest ranking firm following the oral interviews; and

WHEREAS, the Authority conducted an analysis of the estimated cost of the Services by considering their scope and complexity, among other things; and

WHEREAS, the Authority negotiated with M&T Bank for the Services to be provided at a compensation determined to be fair and reasonable; and

WHEREAS, the Authority’s expenditures will be based on a wide variety of unknowns, including new banking services needed, variable transaction amounts and types, fluctuating cash volumes and other unforeseeable considerations;

WHEREAS, M&T Bank will be compensated for its Services pursuant to a negotiated monthly services fee, Commercial Card Services fee and Custodial Account Management rate within the cost proposal and made part of the Contract; and

WHEREAS, the Authority’s Budget and Finance Committee reviewed the recommendation and concurs with the evaluation.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Services Agreement with M&T Bank to provide Services and have such Agreement, upon the review and advice of counsel, executed by the Chairperson, Vice Chairperson and Executive Director.

A motion to approve Resolution 13-44 was made by Commissioner Traynor, seconded by Commissioner Murphy. With Commissioner Mroz abstaining, Resolution 13-44 was approved by a roll vote of 9 yes, 0 no, and 1 abstention.

**Resolution 13-44 Executive Summary Sheet**

**Resolution:** Authorizing the Authority to enter into an agreement with M&T Bank to provide comprehensive banking services.

**Committee:** Budget & Finance Committee

**Committee Date:** November 19, 2013

**Board Date:** November 19, 2013

**Purpose of Resolution:** To authorize an agreement with M&T Bank to provide comprehensive banking services.

**Background for Resolution:**

The proposed Resolution meets the requirements of Resolution 98-31, as amended by Resolution 09-52, to procure and award professional services.

The Authority received seven (7) written proposals from the companies listed below and short-listed\* four (4) of those firms.

Bank of America Merrill Lynch  
Fulton Bank  
J.P. Morgan Chase Bank, N.A.\*  
M&T Bank\*  
TD Bank, N.A.\*  
Wells Fargo Bank, N.A.\*  
WSFS Bank

The Authority conducted oral interviews with all short-listed firms and M&T Bank was the first-ranked firm following the oral interviews. The Authority negotiated a fair and reasonable monthly fixed-fee of \$7,330 for the provision of a variety of Commercial Checking, Banking and Treasury Management Services. The monthly fee is based on our most recent completed fiscal year transaction volumes and thus may be adjusted, per agreement, in response to a 15% rise or fall in volume. This agreement also includes Commercial Card Services and Custodial Account Management for which the Authority negotiated a fair and reasonable fixed fee of two (2) basis points.

The Contract has a base term of five (5) consecutive years from the date of execution unless terminated or extended by the Authority. Prior to the expiration of the five year base term, the Authority shall have the option to extend the Agreement for an additional three (3) consecutive years. Upon the commencement of option period, M&T Bank has the right to request to terminate the agreement upon giving the Authority advance notice of twelve (12) months.

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Commissioner Van Sant left the meeting at 11:54 a.m.

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**RESOLUTION 13-45 - ADOPTION OF THE DELAWARE RIVER AND BAY AUTHORITY'S 2014 OPERATING BUDGET**

WHEREAS, Section 505 of the Trust Agreement, dated October 1, 1993, requires that The Delaware River and Bay Authority (the "Authority") adopt a budget for fiscal year; and

WHEREAS, the proposed operating expenses for FY2014, excluding the Airports division and Economic Development Facilities are \$72,954,287 and

WHEREAS, the budget includes funds for salaries and wages of Authority personnel, and materials and services for Authority activities; and

WHEREAS, for FY2014, principal and interest on outstanding bonds are projected at approximately \$23,680,088 in aggregate debt service; and

WHEREAS, the amount to be deposited to the credit of the Reserve Maintenance Fund with respect to Crossing Facilities shall be \$175,000 per month or \$2,100,000 for FY2014; and

WHEREAS, the projected revenue of the Authority for FY2014, excluding the Airports division and Economic Development facilities, is approximately \$117,570,158 resulting in a debt service coverage of 1.89x; and

WHEREAS, the proposed operating budget for the Airports division is \$7,149,303; and

WHEREAS, the proposed operating budget for the Economic Development facilities are \$1,130,942; and

WHEREAS, the proposed operating budget for FY2014 has incorporated principles of activity-based budgeting, which allocate certain costs to individual divisions rather than a central administrative budget: and

WHEREAS, the Budget and Finance Committee has developed, reviewed, and approved the proposed 2014 Operating Budget and recommends its adoption to the Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby adopts an operating budget (see Exhibit A attached hereto and incorporated by reference) of \$72,954,287 for the Bridge, Ferry, Food Services, Three Forts Crossing, Police, and Administration Divisions, and a budget of \$7,149,303 for the Airports division, a budget of \$1,130,942 for Economic Development facilities for a total of \$81,234,532 for FY2014, and authorizes the Executive Director to exercise the approved management discretion and spend within the approved FY2014 budget. The authority of the Executive Director to transfer funds within budget units set forth in Section 9 of Resolution 98-31 shall continue to apply to costs that have been moved from central to divisional allocations in this budget, such as IT, HR, Finance, Engineering, Education and Communications expenses (see Exhibit B attached hereto and incorporated by reference).

A motion to approve Resolution 13-45 was made by Commissioner Mroz, seconded by Commissioner Smith, and approved by a roll call vote of 9-0.

#### **Resolution 13-45 Executive Summary Sheet**

**Resolution:** Resolution 13-45 – Adoption of the Delaware River and Bay Authority’s 2014 Operating Budget

**Committee:** Budget & Finance

**Committee Date:** November 19, 2013

**Board Date:** November 19, 2013

**Purpose of Resolution:**

Resolution 13-45 formally authorizes funds for the fiscal year’s current operating expenses.

**Background for Resolution:**

The Authority has issued outstanding debt under a Trust Agreement dated October 1, 1993. Section 505 of the Agreement stipulates that the Authority covenants to adopt a final budget for each ensuing fiscal year. The budget is to address Current Expenses, Amounts Deposited into the Reserve Maintenance Fund, Revenue Projections and Compliance with the Covenant as to tolls, in Section 501 (a)(i).

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#### **RESOLUTION 13-46 - CHANGES THE DATE OF THE JANUARY AND FEBRUARY 2014 BOARD OF COMMISSIONERS MEETINGS**

WHEREAS, pursuant to Section 5.1 of the Bylaws adopted by the Delaware River and Bay Authority (the “Authority”), the regular monthly meeting of the Commissioners shall be held on the third Tuesday of each month; and

WHEREAS, the January 2014 Board meeting is currently scheduled for Tuesday, January 21, 2014; and

WHEREAS, due to scheduling conflicts with Martin Luther King Day and New Jersey's Inauguration Day, the Commissioners desire to reschedule the meeting to the second Tuesday of January, January 14, 2014.

WHEREAS, the February 2014 board meeting is currently scheduled for Tuesday, February 18, 2014; and

WHEREAS, due to the scheduling conflicts with Presidents' Day, the Commissioners desire to reschedule the meeting to the second Tuesday of February, February 11, 2014.

NOW, THEREFORE, BE IT RESOLVED, that the January monthly meeting of the Board of Commissioners of the DRBA shall be moved from January 21, 2014 to January 14, 2014.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the February monthly meeting of the Board of Commissioners of the DRBA shall be moved from February 18, 2014 to February 11, 2014.

A motion to approve Resolution 13-46 was made by Commissioner Lowe, seconded by Commissioner Lathem, and approved by a roll call vote of 9-0.

**Resolution 13-46 Executive Summary**

**Resolution:** Changes the date of the January 2014 and February 2014 Board of Commissioners' Meetings

**Committee:** N/A

**Committee Date:** N/A

**Board Date:** November 19, 2013

**Purpose of Resolution:**

To change the date of the January and February regular monthly meetings of the Board of Commissioners from January 21, 2014 to January 14, 2014 and from February 18, 2014 to February 11, 2014.

**Background for Resolution:**

Due to the Martin Luther King Holiday and New Jersey's Inauguration day, day, there are scheduling conflicts with the regularly scheduled January meeting.

Due to the Presidents' Day Holiday, there are scheduling conflicts with the regularly scheduled February meeting.

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10748. EXECUTIVE DIRECTOR'S COMMENTS

The Executive Director noted that Commissioner Wilson wanted to join the meeting, but unable to reach her by telephone.

Next, the Executive Director briefed the Board on the activities in and around the Authority including the Frontier Airline press release announcing the addition of two new stops to Atlanta and Detroit from New Castle Airport; Employee service and recognition awards dinner;

Veteran's Day services at the DRBA War Memorial on November 11<sup>th</sup> ; Telecast video of Commissioner Murphy's son playing football for Wilmington Friends Tower Hill.

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10749. COMMISSIONERS PUBLIC FORUM

Chairperson Hogan asked if anyone from the public would like to speak.  
There were no comments.

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

The meeting was adjourned at 12:06 p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor  
Assistant Secretary