

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, October 18, 2011
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720

The meeting convened at 11:36 a.m. with Chairperson Lowe presiding.

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

Board Secretary Pankok 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 Delaware

Commissioners from New Jersey

PRESENT

William E. Lowe, Chairperson
Richard W. Downes

Terry C. Murphy
Gary F. Traynor

James N. Hogan, Vice-Chairperson
Edward W. Dorn

Ceil Smith (via telephone)
Douglas Van Sant

ABSENT

Scott A. Green
Samuel E. Lathem

Niels S. Favre

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Chairperson Lowe called for the acceptance of the Agenda and, because of Commissioner Smith's schedule, requested a change in the order of the Agenda to give her an opportunity to vote on the impending action items.

Commissioner Downes motioned to place the action items on the Agenda before all other business, seconded by Commissioner Dorn, and the motion carried by a voice vote of 8-0.

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10438. PUBLIC COMMENT ON ACTION ITEMS.

The Executive Director noted the following action items that were being considered and asked for public comment.

- Contract PA-11-01 Misc. Vessel Improvements- Seat Replacement for the CMLF Vessels
- Contract Close-out CMLF-10-01 M/V Delaware Drydocking
- Contract Close-out CMLF-10-02 M/V Cape May Drydocking
- Contract Close-out DMB-04-01 West Approach Repaving & Mod., I-295 N/B (Phase iii)
- Resolution 11-42 Authorizing Authority Expenditures in Excess of \$25,000
- Resolution 11-43 Lease Agreement with Big Sky Aviation , Millville Airport
- Resolution 11-44 Lease Amendment & Amendment to Memorandum of Lease-Belmont Holdings
- Resolution 11-45 Lease Amendment with ITT Industries Asset Mgmt., New Castle Airport

There were no public comments.

10439. MISCELLANEOUS VESSEL IMPROVEMENTS-
REPLACEMENT VESSEL SEATING FOR THE CAPE MAY-LEWES FERRY, CONTRACT
#PA-11-01

The COO stated that a public bid opening was held on October 5, 2011 in which one (1) bid was received. The Project calls for the replacement of the interior and exterior vessel seating on the Motor Vessels Delaware, Cape Henlopen, and the New Jersey. The COO and the Projects Committee recommended award of the Base Bid only to Beurteaux Pty, Ltd of Australia, for the interior seating in the amount of \$658,328.26. Add Alternate No. 1 in the amount of \$196,880.20 for the exterior seating of the Ferries was not recommended for award at this time.

Discussion occurred and Chairperson Lowe requested Contract #PA-11-01 be tabled until next month.

Commissioner Downes motioned to table Contract #PA-11-01, seconded by Commissioner Dorn, and the motion carried by a voice vote of 8-0.

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10440. CONTRACT CLOSE-OUT – DRYDOCKING AND REPAIRS
TO THE M/V DELAWARE, CMLF-10-01

On February 10, 2011 Contract No. CMLF-10-01, Drydocking and Repairs M/V Delaware, was awarded to Colonna's Shipyard, Inc. of Norfolk, Virginia for the bid price of up to \$1,289,000.00.

During the contract period Change Order No.'s 1-3 were approved for the project.

1. September 27, 2011 Adjustments in quantities to reflect actual field conditions.
Subtract: \$455,920.00.

It is recommended by the Projects Committee that the Authority accept the project and make final payment to the contractor. The total price for this project is \$833,080.00

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10441. CONTRACT CLOSE-OUT – DRYDOCKING AND REPAIRS
TO THE M/V CAPE MAY, CMLF-01-02

On May 2, 2011 Contract No. CMLF-10-02, Drydocking and Repairs M/V Cape May, was awarded to Thames Shipyard & Repair Co., Inc. of New London, Connecticut for the bid price of up to \$979,705.00.

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

1. September 27, 2011 Adjustments in quantities to reflect actual field conditions.
Subtract: \$403,215.00

It is recommended by the Projects Committee that the Authority accept the project and make final payment to the contractor. The total price for this project is \$576,490.00.

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10442. CONTRACT CLOSE-OUT – WEST APPROACH REPAVING
AND MODIFICATIONS – I295 TO LANDERS LANE, CONTRACT #DMB-04-01

On June 2, 2008 Contract No. DMB-04-01, West Approach Repaving and Modifications – I-295 NB to Landers Lane, was awarded to Mumford and Miller of Middletown, Delaware for the bid

price of \$26,241,467.50.

During the contract period Change Order No.'s 1-31 were approved for the project.

Add: \$1,352,794.35

It is recommended by the Projects Committee that the Authority accept the project and make final payment to the contractor. The total price for this project is \$27,594,261.85.

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A motion to close-out Contracts CMLF-10-01, CMLF-10-02, and DMB-04-01 was made by Commissioner Downes, seconded by Commissioner Murphy, and unanimously approved by a voice vote of 8-0.

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10443. AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

RESOLUTION 11-42 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

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 1/1/11 THROUGH 12/31/11

VENDOR	SERVICE DESCRIPTION	DETERMINATION	APPROX. ESTIMATED \$
American Seaboard Company	Repairs Center Atrium Julia Building	Quotes	\$35,000
Comcast	Comcast Spotlight (cable advertising) for the CMLF	Sole Source	\$30,000
K-Sea/River Associates	Main Engine Oil for CMLF vessels	Proprietary	\$60,000

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

A motion to approve amended Resolution 11-42 was made by Commissioner Traynor, seconded by Commissioner Murphy, and approved by a roll call vote of 8-0.

Resolution 11-42 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period, January 1, 2011 through December 31, 2011.

Committee: Budget & Finance

Committee/Commission Date:

October 18, 2011

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 Determination categories:

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”.

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RESOLUTION 11-43 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND BIG SKY AVIATION AT THE MILLVILLE AIRPORT

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

WHEREAS, Big Sky Aviation (“Big Sky”) desires to lease 1,200 sq. ft. of office space commonly referred to as Building 105; and

WHEREAS, Big Sky has agreed to pay the Authority Four Thousand Eight Hundred Dollars (\$4,800.00) annual rent during the initial term of the Lease Agreement (“Agreement”); and

WHEREAS, the initial term of the Agreement is for five (5) years; and

WHEREAS, Big Sky shall have the option of renewing the Agreement for one period of five (5) years; and

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

WHEREAS, rent shall be adjusted at the beginning of the renewal term to the Fair Market Value (FMV).

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Agreement with Big Sky Aviation 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 11-43 was made by Commissioner Dorn, seconded by Commissioner Murphy, and approved by a roll call vote of 8-0.

Resolution 11-43 Executive Summary

Resolution: Authorizing the execution of Lease Agreement between the Delaware River and Bay Authority and Big Sky Aviation

Committee: Economic Development

Committee Date: October 18, 2011

Board Date: October 18, 2011

Purpose of Resolution:

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for Building 105 at the Millville Airport.

Background for Resolution:

Big Sky Aviation is an existing tenant at the Millville Airport. Big Sky purchased the assets of Rainbow Aviation in 1996. It currently operates the Fixed Based Operation (FBO) on the airfield.

Big Sky would like to grow its operation at the airport by leasing Building 105 which is adjacent to its leasehold. It plans to operate an aircraft insurance business in the building.

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RESOLUTION 11-44 - LEASE AMENDMENT AND AN AMENDMENT TO THE MEMORADUM OF LEASE BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND C. BELMONT HOLDINGS, LLC

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

WHEREAS, C Belmont Holdings, LLC., currently leases approximately 3.2 acres of land at New Castle Airport (the "Property"); and

WHEREAS, C Belmont Holdings, LLC desires to lease additional land in order to increase their ability to park aircraft; and

WHEREAS, the annual rent payable for the additional land shall be \$1.30 per square foot; and

WHEREAS, the initial rent for the additional land shall be adjusted during the term of the lease as set forth in Section 3(a)(ii) and Section 3(a)(iii).

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the amendments to the existing Lease Agreements with C Belmont Holdings, LLC and, with the advice and consent of counsel, to have such Amendments executed by the Chairperson, Vice Chairperson, and the Executive Director.

A motion to approve Resolution 11-44 was made by Commissioner Murphy, seconded by Commissioner Downes, and approved by a roll call vote of 8-0.

Resolution 11-44 Executive Summary

Resolution: Authorizing the execution of Lease Amendments between the Delaware River and Bay Authority and C Belmont Holdings, LLC.

Committee: Economic Development

Committee Date: October 18, 2011

Board Date: October 18, 2011

Purpose of Resolution:

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver Lease amendments for additional land for aircraft parking at the New Castle Airport.

Background for Resolution:

C Belmont Holdings, Inc. is an existing FBO at the New Castle Airport. Airport Operations and C Belmont Holdings have determined that the operation of the FBO and use of the airport will be enhanced by the addition of more parking designated to C Belmont Holdings, LLC.

A portion of the new space will be for grass tie-downs for smaller aircraft and a portion will be used for larger jet traffic. The amount of additional space is approximately 1.3 +/- acres.

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RESOLUTION 11-45 - LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND ITT INDUSTRIES ASSET MANAGEMENT, INC. AT NEW CASTLE AIRPORT

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

WHEREAS, ITT Industries Asset Management, Inc. (ITT) currently leases approximately 23,000 rentable square feet of space in the building commonly referred to as 13 DRBA Way pursuant to that certain Lease dated as of March 6, 2003 between the Authority and ITT (the "Lease"); and

WHEREAS, due to a recent corporate merger, ITT is looking to restructure its business and as such has recently sold its Gulfstream IV; and

WHEREAS, ITT is looking to reduce its share of the existing hangar lease from 100% to 25% to house its remaining aircraft; and

WHEREAS, ITT has agreed to pay an early termination fee of Two Hundred Five Thousand Five Hundred Thirty-Two and 96/100 Dollars (\$205,532.96); and

WHEREAS, the Authority and ITT agree that the Lease shall be amended as of November 1, 2011.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Amendment with ITT 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 of approve Resolution 11-45 was made by Commissioner Van Sant, seconded by Commissioner Murphy, and approved by a roll call vote of 8-0.

Resolution 11-45 Executive Summary

Resolution: Authorizing a Lease Amendment between the Delaware River and Bay Authority and ITT Industries Asset Management, Inc.

Committee: Economic Development

Committee Date: October 18, 2011

Board Date: October 18, 2011

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Amendment for ITT Industries Asset Management, Inc. at the New Castle Airport.

Background for Resolution:

ITT Industries Asset Management, Inc. currently leases 100% of a hangar facility at the New Castle Airport. The lease is due to expire on February 28, 2013.

The company has recently gone through a corporate merger where the business as a whole was evaluated and it was decided that they would sell one of their aircraft. Within the past two months the company has sold their Gulfstream IV.

ITT Industries Asset Management, Inc. still owns a smaller aircraft and desires to keep a 25% share of the hangar space. As of November 1, 2011, there are 16 months remaining on the existing lease. The termination payment equals eight months' rent for the amount of space that the Gulfstream would have required.

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10444. APPROVAL OF THE SEPTEMBER 20, 2011 MINUTES

Commissioner Downes motioned for approval of the September 20, 2011 minutes, seconded by Commissioner Traynor, and approved by a voice vote of 8-0.

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Commissioner Smith left the meeting.

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10445. APPROVAL OF THE SEPTEMBER 20, 2011 MINUTES

Commissioner Downes motioned for approval of the September 20, 2011 minutes, seconded by Commissioner Traynor, and approved by a voice vote of 8-0.

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10446. EXECUTIVE DIRECTOR'S REPORT

The Executive Director presented his report for the month of September, 2011.

Delaware Memorial Bridge

In September, total traffic decreased 1.3%, non-commercial traffic decreased 1.6%, and commercial traffic increased 0.9%, compared to September 2010. When compared to the 3-year average, total September traffic increased 1.0%. Year-to-date total traffic decreased 1.5%, non-commercial traffic decreased 1.8%, and commercial traffic increased 0.4%, compared to the previous year. When compared to the 3-year average, year-to-date total traffic decreased 1.9%.

E-ZPass traffic for September represented 63.9% of the total overall traffic as compared to 61.5% for the previous year. Year-to-date total electronic traffic represented 63.2%, an increase of 2.3% from 2010.

It is with much sadness that I report the passing of Reverend Father Drupieski, who served as the Police Department's Chaplain. He will be remembered as a kind and gentle soul who provided much to the members of our Police Department and the Authority.

Cape May Lewes Ferry

In September, vehicle traffic decreased 7.9%, passenger traffic decreased 10.1%, and fare revenues decreased 8.5%, compared to September 2010. Year-to-date vehicle traffic decreased 8.1%, passenger traffic decreased 8.2%, and fare revenues decreased 7.5%, compared to the same period in 2010. Compared to the 3-year average, year-to-date vehicle traffic decreased 8.6%, passenger traffic decreased 11.9%, and fare revenues decreased 8.5%.

In September, CMLF food and beverage revenues increased 0.1% and retail revenues decreased 6.9% compared to September 2010. Year-to-date food and beverage revenues decreased 0.5% and retail revenues decreased 6.2% compared to the same period in 2010. When compared to the 3-year average, year-to-date food and retail revenues decreased 5.4%.

Michael Porch participated in the Wildwoods Baby Parade and Cape May Baby Parade with Lighthouse Pete the Pirate. He promoted events and activities with 2 NJ radio interviews on Coast 98.7 and Fun 106.7. He also represented the Ferry at Lower Township Chamber of Commerce (CoC), Cape May County CoC, Southern DE Tourism, Lewes CoC and Rehoboth Beach/Dewey Beach CoC meetings.

The CMLF hosted 6 onboard events and 12 private special events. Onboard entertainment events included the last of the Family Fun Cruises, "Rock-the-Boat" events, and the first set of the Wine Lover's Cruises. Special events included weddings, rehearsal dinners, class reunions, and corporate or club meetings.

CMLF hosted a Press event for the presentation of the Commissioner's Cup – the annual September Fall football game between Lower Cape May Regional HS and Cape Henlopen HS. Last year's game was in NJ and won by Cape May. This year's game was in DE and won by Cape Henlopen. We are working with both schools to create a display at each Ferry terminal highlighting the rivalry. Both Athletic Directors are working on additional contests in other sports that can be held in the future.

Airports

The Dover Airports hosted arriving NASCAR race teams for Fall AAA 400 NASCAR race events at Dover International Speedway. Atlantic Aviation provided ground-handling and fueling services at the Dover Civil Air Terminal. Preliminary arrival data show arrivals were down by 10 arrivals over the previous fall NASCAR race, totaling 83 arrivals; however, Jet-A fuel sales almost doubled to 24,000 gallons dispensed. A significant percentage of the fuel sales increase can be attributed to the large NASCAR charter aircraft and a DSU football charter.

Employee Happenings

Seven (7) sessions were conducted for supervisors/managers on Employee Assistance Program (EAP) Training and Reasonable Suspicion Training & Certification (Drug and Alcohol) presented by HMS, our EAP vendor.

The Community Initiatives Committee met and a new initiative is underway with Bright Spot Ventures. They agreed to distribute book bins around the Authority to collect books, CDs, DVDs, audiobooks and video games (new and used) to benefit Bright Spot. Bright Spot Ventures is the first ever online bookselling and recycling social enterprise managed by current and former foster care youth. They employ youth ages 16-24 that are currently or formerly involved with the foster care system and equip them with skills critical to their transition into adulthood and to future employment

Permanent Full-time staffing levels at the end September:

Authorized Positions	418
Positions Filled	363
Positions Filled (on LTD)	6
Total Positions that are Vacant	49
Vacant Positions in Process to fill	7

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

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10447. 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 September.

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

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10448. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

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

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

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10449. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for September 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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10450. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented charts for the month of July and August showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The charts also include cash expenditures spent to date for the committed projects.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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10451. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF SEPTEMBER, 2011.

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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10452. COMMISSIONERS PUBLIC FORUM

There were no comments from either the public or Commissioners.

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

The meeting was adjourned 11:55 a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Thomas A. Pankok
Secretary