

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, September 20, 2016
Gallery of the Cape May Terminal
North Cape May, New Jersey 08204

The meeting convened at 10:18 a.m. with Chairperson Lowe presiding.

Chairperson Lowe called upon Commissioner Lathem to give the opening prayer.

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

Chairperson Lowe called on the Authority Assistant Secretary to read the meeting notice. 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.

Chairperson Lowe called on the Assistant Secretary to take the roll.

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Commissioners from Delaware

Commissioners from New Jersey

PRESENT

William E. Lowe, Chairperson
Richard W. Downes
James L. Ford, III
Samuel E. Lathem
Terry C. Murphy

James N. Hogan, Vice-Chairperson
James Bennett
Ceil Smith
Shirley R. Wilson
Douglas Van Sant
VACANT

ABSENT

Crystal L. Carey

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Chairperson Lowe called for the acceptance of the Agenda.

Commissioner Lathem motioned to accept the Agenda, seconded by Commissioner Downes, and the motion carried by a voice vote of 10-0.

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11147. APPROVAL OF THE JULY 19, 2016 MINUTES

Commissioner Lathem motioned to approve the July 19, 2016 meeting minutes, seconded by Commissioner Wilson, and unanimously approved by a voice vote of 10-0.

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11148. 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, Delaware City-Salem Ferry Crossing, and Food Services for the months of July and August.

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

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11149. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

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

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

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11150. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented charts for July and August showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

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

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11151. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented charts for the months of July and August 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 charts were ordered filed with the permanent records of the Authority.

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11152. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF JULY 31 and AUGUST 31, 2016.

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

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

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11153. AUTHORITY CUSTOMER TRENDS (ACT) REPORT

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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11154. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Lowe noted that there is (1) Contract Close-Out and (5) 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 comment.

There were no public comments.

11155. CLOSE-OUT CONTRACT #DMB-13-05 – BLAST CLEAN AND PAINT SUSPENDED SPAN TOWERS, FIRST AND SECOND STRUCTURES

On December 10, 2014 Contract No. DMB-13-05, Blast Clean and Paint Suspended Span Towers, First and Second Structures, was awarded to Blastech Enterprises Inc., of Baltimore, Maryland for the bid price of \$12,950,000.00

During the contract period Change Order No's. 1-4 were approved for the project.
Add: \$575,604.12

It is recommended that the Authority accept the project and make final payment to the contractor. The total price for this project is \$13,525,604.12.

A motion to close-out Contract DMB-13-05 was made by Commissioner Smith seconded by Commissioner Wilson, and approved by a voice vote of 10-0.

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11156. CHAIRPERSON'S CALL FOR RESOLUTIONS BEFORE THE BOARD

RESOLUTION 16-28 - AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

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 1/1/16 THROUGH 12/31/16

VENDOR	PURCHASE DESCRIPTION	CLASSIFICATION	ESTIMATED \$
Alimak Hek, Inc.	DMB Elevator Retrofit Project and Maintenance Contract	Sole Source	\$2,000,000
EDiS Company	Hangar 603 Door Rail Replacement at ILG	Quotes	\$32,000
Enterprise Flasher Company	Replacement Truck-Mounted Attenuator at DMB	Sole Source	\$30,000
George W. Plummer & Son, Inc.	Anti-personnel Gate at Lewes Floating Dock	Quotes	\$32,000
Gillespie Marine Services, LLC	Professional Consultant Fees for M/V Delaware Repower Project	Professional Services	\$26,000
Shore Distributors, Inc.	HVAC upgrades at Lewes Terminal, Police and Toll Buildings	Quotes	\$29,000
Strategic Products and Services, LLC (SPS)	Virtual Maintenance Support and Call Center Programming and Scripting	Professional Services	\$34,000

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 16-28 was made by Commissioner Lathem, seconded by Commissioner Murphy, and approved by a roll call vote of 10-0.

Resolution 16-28 Executive Summary Sheet

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2016 through December 31, 2016.

Committee: Budget & Finance

Committee and Board Date: September 20, 2016

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:

Alimak Hek, Inc.: DMB Elevator Retrofit Project and Maintenance Contract

There are a total of eight (8) elevator units attached to the exterior of Delaware Memorial Bridge, each of which require some degree of repair. The Authority will hire a contractor to manufacture, install and maintain the specialized parts and materials necessary to retrofit the existing elevator units to increase reliability and functionality. Because the chosen contractor will be assigned complete responsibility for the retrofit and continued maintenance of the current system, the original manufacturer/supplier of the system, Alimak, is the single firm qualified to meet the objectives of the Authority (The original installation was competitively bid and was ultimately carried out by another contractor). The Authority has produced the full plans and specifications for the retrofit, which have been reviewed and agreed upon by Alimak.

EDiS Company: Hangar 603 Door Rail Replacement at ILG

The Authority will be hiring a contractor to repair the sliding door rails on the north end of Hangar 603 at ILG. Quotes were solicited and received from three (3) firms, with EDiS Company quoting the lowest cost to complete the work as specified.

Enterprise Flasher Company: Replacement Truck-Mounted Attenuator at DMB

The Authority plans to purchase a new truck-mounted attenuator (\$26,000) to replace similar equipment that was that was destroyed during a vehicle collision. Authority staff contacted other attenuator dealers for competitive pricing however they were unable to provide quotes for out-of-state sales; Enterprise Flasher is the only authorized dealer of the equipment in Delaware. The estimate above includes the cost of replacement attenuator parts that were purchased from Enterprise Flasher earlier this year.

George W. Plummer & Son, Inc.: Anti-personnel Gate at Lewes Floating Dock

The Authority required the services of certified marine welders to provide and install an anti-personnel gate prior to the construction of the floating dock facility at the Lewes Terminal. Quotes were solicited from two fabricators and a marine maintenance group. Only one firm, G.W. Plummer, was able to commit to completion of the work before the May 1st opening of the floating dock.

Gillespie Marine Services, LLC: Professional Consultant Fees for M/V Delaware Repower Project

Due to project delays, the Authority retained the services of an on-site professional consultant to complete the repowering of the M/V Delaware.

Shore Distributors, Inc.: HVAC upgrades at Lewes Terminal, Police and Toll Buildings

The Authority plans to purchase various materials needed to upgrade the HVAC system at Lewes Terminal, Police and Toll Buildings. Quotes were solicited and received from three (3) suppliers, with Shore Distributors quoting the lowest cost to supply the materials as specified.

Strategic Products and Services, LLC (SPS): Virtual Maintenance Support and Call Center Programming and Scripting

SPS is a third party provider of enterprise phone support for the on-premises Avaya Phone system at the Authority. The CMLF Call Center has been in the process of changing many of its operational processes with the assistance of SPS's service and support. SPS has also been instrumental in the implementation of PCI compliance.

Classification Definitions:

Professional Service. A purchase of services valued less than \$50,000 that are provided by a professional acting in a capacity that requires specialized education, knowledge, judgment, and skill, and is predominantly mental or intellectual (as opposed to physical or manual) in nature, also including any clerical or administrative support that is required for the proper delivery of the professional service. Professional services are also those types of services that are original and creative in character and in a recognized field of artistic endeavor.

Quotes. A purchase of equipment, supplies or non-professional services or a contract for construction or construction management that is anticipated to cost between \$25,000 and \$49,999 during a calendar year and for which the Authority has solicited written quotes. *“Contracts for materiel and supplies and non-professional services, awarded to any [vendor for an amount of] 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... Construction management contracts or construction contracts...which are less than \$50,000 do not require formal solicitation of competitive prices and, if more than \$25,000 but less than \$50,000 require the solicitation of three written quotes or all available sources, whichever is less...”* (DRBA Resolution 98-31 Part 4).

Sole Source. A purchase made without a competitive process, based on the justification that only one known source exists or that only one single supplier can fulfill the requirements of the Authority. Sole source procurement is appropriate when the goods or services being acquired: are uniquely qualified to meet the objectives of the Authority; must be compatible with existing equipment; are available within a limited geographic boundary (e.g., distributor with exclusive rights or sales area); are required for use in conjunction with a grant or contract, etc. *“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 one source for the required contract and no other reasonable alternative sources exist that will satisfy the requirements of the Authority”.* (DRBA Resolution 98-31 Part 2.f.)

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RESOLUTION 16-29 – EASEMENT AGREEMENT WITH DELAWARE DEPARTMENT OF TRANSPORTATION

WHEREAS, The Delaware River and Bay Authority (the “Authority”), owns a parcel of land (Project Parcel No. 400) located in Sussex County, Delaware adjacent to Freeman Hwy; and

WHEREAS, Delaware Department of Transportation (“DelDOT”) desires to complete the required improvements to connect the Junction Breakwater Pathway to the Georgetown to Lewes bike trails; and

WHEREAS, the granting of said easement shall not interfere with or be detrimental to the future use of the property, and

WHEREAS, the Authority desires to enter into an easement agreement with DelDOT to formalize the parties’ rights and obligations with respect to DelDOT’s easement through this parcel; and

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

A motion to approve Resolution 16-29 was made by Commissioner Murphy, seconded by Commissioner Lathem, and approved by a roll call vote of 10-0.

Resolution 16-29 Executive Summary Sheet

Resolution: Authorizing the Executive Director to execute a Permanent Easement Agreement with the Delaware Department of Transportation adjacent to Freeman Highway

Committee: Economic Development Committee

Committee Date: September 20, 2016

Board Date: September 20, 2016

Purpose and Background for Resolution:

Authorizes the Executive Director, Chairman and Vice Chairman to execute and deliver an easement for .0192 acres of property located along Freeman Highway. This will allow Delaware Department of Transportation to connect the Junction Breakwater Pathway to the Georgetown to Lewes bike trail.

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RESOLUTION 16-30 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND RESDEL CORPORATION AT THE CAPE MAY AIRPORT

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

WHEREAS, Resdel Corporation (“Resdel”) desires to lease approximately 1 acre of land in order to build and industrial manufacturing facility at the intersection of Ranger and Kersarge Rds.at the Cape May Airport; and

WHEREAS, Resdel will obtain all permits, approvals and manage all construction of the hangar; and

WHEREAS, Resdel has agreed to pay the Authority annual rent based upon the current Fair Market Value (FMV) which is approximately \$0.18/sq.ft.; and

WHEREAS, the initial term of the lease shall be for twenty (20) years; and

WHEREAS, Resdel shall have the option of renewing this lease agreement for one (1) period of twenty (20) years; and

WHEREAS, Resdel shall have the right to terminate this agreement after year five (5) of the renewal term; and

WHEREAS, the rental rate shall be adjusted annually by the Consumer Price Index (CPI) during each Lease Term; and

WHEREAS, the Rental Rate at the beginning of each renewal period shall be adjusted to the then current Fair Market Value (FMV); and

WHEREAS, the Authority is contributing \$60,000 toward site preparation and running utilities to the site; and

WHEREAS, Resdel's current lease agreement for existing space expires March 30, 2017; and

WHEREAS, if the design, permitting and construction of the new building is progressing, the Authority agrees to enter into a new lease agreement for the existing space; and

WHEREAS, Resdel has agreed to pay the Authority annual rent for the existing space in the amount of Eleven Thousand Nine Hundred and Eighty-Seven 80/100 Dollars (\$11,987.80); and

WHEREAS, the initial term of the lease shall be for one (1) year; and

WHEREAS, Resdel shall have the option of renewing this lease agreement for four (4) months; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreements with Resdel Corporation 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 16-30 was made by Commissioner Lathem, seconded by Commissioner Wilson, and approved by a roll call vote of 10-0.

Resolution 16-30 Executive Summary

- Resolution:** Authorizing the Execution of a Lease Agreements between the Delaware River and Bay Authority and Resdel Corporation, regarding the Cape May Airport
- Committee:** Economic Development
- Committee Date:** September 20, 2016
- Board Date:** September 20, 2016
- Purpose of Resolution:** To permit the Executive Director, Chairman and Vice Chairman to execute and deliver lease agreements for space at the Cape May Airport.
- Background for Resolution:** The Delaware River and Bay Authority the Cape May Airport Industrial Park. The Authority and the County have developed a master plan for the airport which includes new building construction, road improvements, etc. Resdel's lease for their

existing space is expiring March 30, 2017 and as part of the airports development plans they plan to construct their own building in the airport industrial park. The land lease rate is reflective of the FMV for the property. The lease for the exiting leasehold is contingent upon Resdel moving forward with the development of the new site.

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RESOLUTION 16-31 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND THE FEDERAL AVIATION ADMINISTRATION

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

WHEREAS, the Federal Aviation Administration (“FAA”) desires to lease approximately 5,397 sq.ft of space in the Air Traffic Control Tower and Base Building; and

WHEREAS, the initial term of this Lease Agreement shall be five (5) years; and

WHEREAS, the FAA has agreed to pay the Authority monthly rent based upon the following schedule

2017	\$8,455.30
2018	\$8,626.20
2019	\$8,797.11
2020	\$8,972.51
2021	\$9,152.41; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with the Federal Aviation Administration 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 16-31 was made by Commissioner Lathem, seconded by Commissioner Murphy, and approved by a roll call vote of 10-0.

Resolution 16-31 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and the Federal Aviation Administration at the New Castle Airport

Committee: Economic Development

Committee Date: September 20, 2016

Board Date: September 20, 2016

Purpose of Resolution:
To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for space at the New Castle Airport.

Background for Resolution:
The Delaware River and Bay Authority owns the control tower at the New Castle Airport. The Federal Aviation Administration operates from the control tower and provides flight control at the

New Castle Airport from 6:30 am till 11pm. The lease is prepared by the Federal Aviation Administration and the prices are predetermined by the federal government.

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RESOLUTION 16-32 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND LASIRENA77, LLC AT THE CAPE MAY AIRPORT

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

WHEREAS, Lasirena77, LLC. (“Lasirena”) desires to lease approximately 1,500 square feet of warehouse/store front space located in Unit 4 Building 96 at the Cape May Airport; and

WHEREAS, Lasirena has agreed to pay the Authority annual rent in the amount of Twelve Thousand dollars (\$12,000.00); and

WHEREAS, the Authority has agreed to provide 3 months free rent during the initial year of the term; and

WHEREAS, the initial term of the Lease (“Lease Agreement”) shall be for three (3) years; and

WHEREAS, Lasirena, with the consent of the Authority, shall have the option of renewing this Lease Agreement for two (2) additional five (5) year terms; and

WHEREAS, rent shall be adjusted annually by the Annual Consumer Price Index (CPI); and

WHEREAS, rent shall be adjusted to the Fair Market Value of the property at the beginning of each renewal term; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Lasirena77, LLC. 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 16-32 was made by Commissioner Van Sant seconded by Commissioner Smith, and approved by a roll call vote of 10-0.

Resolution 16-32 Executive Summary

- Resolution:** Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Lasirena77 LLC., regarding the Cape May Airport
- Committee:** Economic Development
- Committee Date:** September 20, 2016
- Board Date:** September 20, 2016
- Purpose of Resolution:** To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a lease agreement for space at the Cape May Airport.
- Background for Resolution:** The Delaware River and Bay Authority operates Building 96 located in the Cape May Airport Industrial Park. Lasirena77, LLC wishes to lease Unit 4 in Building 96 in order to operate a food production and retail sales. The owner of Lasirena currently has locations in Cape May and West Cape May, operating under the

name of The Red Store and the Little Store. They are looking to expand their production to include pickles and hot sauce and will be operating a counter/takeout Mexican food shop. The lease rate is reflective of the FMV for the property

11157. EXECUTIVE DIRECTOR'S COMMENTS

The Executive Director reported on events in and around the Authority since the last meeting including the following: successful Summer Concert series events in both Cape May and Lewes; Lewes On the Rocks being chosen as Best of Delaware Waterfront Dining for the second year in a row; Commissioner Lowe's daughter winning the Friends of the Lewes Library t-shirt design contest; the 8/2 National Night Out event at the Cape May Terminal; the 8/6 Police Academy graduation with six Authority recruits; Recruit Billy-Atoh received a Leadership award and Recruit Warren received a Marksmanship award during the graduation ceremony; 8/10 was the 75th Anniversary of the Millville Airport; from 8/13-8/17, the Authority hosted the NEC AAE which, under the leadership of Airports Director Steve Williams returned to Wilmington for the first time in 15 years and featured a luncheon Keynote by author Jan Churchill; 8/16 the 45 millionth passenger boarded the CMLF; 8/20 America's 9/11 Foundation ride across the Delaware Memorial Bridge; 8/25 Channel 6 (ABC) live weather reports from the CMLF; 9/9 Wine Cruise; 9/10 Commissioners' Cup Football game with Cape Henlopen prevailing over Lower Cape; 9/10 Brews by the Bay; 9/14 Commissioner Carey hosted the monthly Terry-Carey Inn of Court aboard the M/V Delaware; 9/15 Conclusion of Ocean City Bike Week. The Executive Director finished his comments by reminding everyone about the 2nd Annual Cape May UAS Conference on October 13 and 14 at Cape May Convention Hall.

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11158. COMMISSIONERS PUBLIC FORUM

Chairperson Lowe opened the public forum

Chairperson Lowe called for any comments from the public.

James Schwarzwaldler of Avalon and Lindenwold, New Jersey addressed the Commissioners regarding a recent newspaper article on the MV Twin Capes being sold to create an artificial reef. Ms. Schwarzwaldler expressed his views that this was a waste of resources and thought the Twin Capes could be repurposed either as a food/entertainment venue at Liberty State Park or additional Ferry capacity for TransHudson crossings to be available to be pressed into service for emergencies. In the alternative, it should be offered to Rutgers Camden as potential dormitory space and placed along the waterfront near the Battleship New Jersey. He urged the Commissioners to stop the current sale and find a more useful way to keep the vessel in service

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Commissioner Murphy left at the conclusion of the public comments at 10:55.

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Following the public forum, Colonel Arroyo made a presentation about numerous officers around the Authority who have gone above and beyond their regular duties in helping people in crisis to prevent self-harm.

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Chairperson Lowe 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 Wilson and the meeting was moved into Executive Session. The following matters of a confidential nature were discussed.

) LONG RANGE PLANNING

) PENDING OR ANTICIPATED LEGAL MATTERS
) FINANCIAL POLICY AND PLANNING

With no further business to discuss in Executive Session, a motion was made by Commissioner Ford, seconded by Commissioner Wilson, and the Session was opened to the public.

There being no further business, a motion to adjourn was made by Commissioner Van Sant, seconded by Commissioner Downes, and unanimously carried by a voice vote of 9-0.

The meeting was adjourned at 1:35p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary