

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, March 15, 2016
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720

The meeting convened at 10:55 a.m. with Vice-Chair Hogan presiding.

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

Vice-Chair Hogan 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.

Vice-Chair Hogan called on the Assistant Secretary to take the roll.

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Commissioners from Delaware

Commissioners from New Jersey

PRESENT

Crystal L. Carey
Richard W. Downes
James L. Ford, III
Samuel E. Lathem

James N. Hogan, Vice-Chairperson
James Bennett
Edward W. Dorn
Ceil Smith

ABSENT

William E. Lowe, Chairperson
Terry C. Murphy

Douglas Van Sant
Shirley R. Wilson

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Vice-Chair 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 8-0.

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11075. APPROVAL OF THE FEBRUARY 17, 2016 MINUTES

Commissioner Lathem motioned to approve the February 17, 2016 meeting minutes, seconded by Commissioner Downes, and unanimously approved by a voice vote of 8-0.

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11076. 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 month of February.

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

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11077. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented charts showing statements of income and expenses for the month of February 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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11078. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for February 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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11079. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of February 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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11080. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF FEBRUARY 29, 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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11081. 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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11082. PUBLIC COMMENT ON ACTION ITEMS

Vice-Chair Hogan noted that there are two (2) Contract Awards and three (3) 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.

11083. AWARD OF CONTRACT # CMLF-16-01 – FERRY SHUTTLE BUS SERVICE – CAPE MAY COUNTY ZOO

The Chief Operating Officer (COO) noted that a public bid opening was held on March 10, 2016, in which two (2) bids were received. The COO and the Projects committee recommend awarding the contract to the lowest responsible bidder, Great American Trolley Company of Cape May, NJ in the amount of \$29,971.00.

A motion to award Contract #CMLF-16-01 to the aforementioned firm in the amount of \$29,971.00 was made by Commissioner Ford, seconded by Commissioner Smith, and unanimously approved by a voice vote of 8-0.

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11084. AWARD OF CONTRACT # CMLF-16-02 – FERRY SHUTTLE BUS SERVICE – CAPE MAY FERRY TERMINAL AND THE CITY OF CAPE MAY TRANSPORTATION DEPOT

The Chief Operating Officer (COO) noted that a public bid opening was held on March 10, 2016, in which one (1) bid was received. The COO and the Projects committee recommend awarding the contract to the lowest responsible bidder, Great American Trolley Company of Cape May, NJ in the amount of \$156,864.00.

A motion to award Contract #CMLF-16-02 to the aforementioned firm in the amount of \$156,864.00 was made by Commissioner Ford, seconded by Commissioner Dorn, and unanimously approved by a voice vote of 8-0.

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11085. CHAIRPERSON'S CALL FOR RESOLUTIONS BEFORE THE BOARD

RESOLUTION 16-11 – 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 \$
Assurance Media, LLC	PA System at CMLF Terminals & Security Camera Replacement	State Contract	\$250,000
Baylor Inc., d/b/a International of Delmarva	Two (2) Replacement Dump Trucks	State Contract	\$412,000
ClearBridge Media Consulting	Digital Marketing Campaign for MIV	Professional Service	\$45,000
Deere & Company c/o Atlantic Tractor LLC	Replacement Tractors for WWD and MIV	State Contract	\$141,000
Diamond Technologies, Inc.	Human Resources Assessment, Technology Assistance and Implementation Services	Professional Service	\$25,000
Engine Systems, Inc. d/b/a Marine Systems Inc. (MSI)	Spare Engine Parts and Service for M/V Delaware	Sole Source	\$150,000
Global Industries c/o Office Concepts, Inc.	Cape May Call Center Improvements	State Contract	\$49,000
Lufkin Power Transmission	Spare Reduction Gear Parts and Service for M/V Delaware	Sole Source	\$25,000
Otis Elevator Company	DMB Elevator Maintenance	Quotes	\$49,000
Rich Specialty Trailers	Restroom Trailers for WWD and Lewes Terminal	Sole Source	\$44,000
TIMCO Industries, Inc.	Spare Control Parts and Service for M/V Delaware	Sole Source	\$25,000
Walters Marine Construction, Inc.	Floating Dock Construction at Lewes Terminal	Quotes	\$64,000
Wärtsilä Defense, Inc.	Spare Propeller Shaft Seal Parts and Service for M/V Delaware	Sole Source	\$25,000

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 16-11 was made by Commissioner Smith, seconded by Commissioner Bennett, and approved by a roll call vote of 8-0.

Resolution 16-11 – 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: March 15, 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:

Assurance Media, LLC: PA System at CMLF Terminals & Security Camera Replacement

As part of its Security Enhancement Program, the Authority will be replacing the public announcement system at the Cape May and Lewes Terminal, Access Security System on the vessels as well as security cameras throughout the Authority to improve surveillance and video streams, add network flexibility and provide enhanced features such as remote accessibility. The replacement equipment, professional services, and implementation will be purchased through Delaware state contract to Assurance Media for Building Access Security Services.

Baylor Inc., d/b/a International of Delmarva: Two (2) Replacement Dump Trucks

The DRBA is replacing one (1) 1997 Ford L 8000 dump truck with 106,000 miles and rust and one (1) 2000 Sterling LT 9500 dump truck with 51,000 miles and rust, both of which are beyond their useful life and meet the equipment replacement criteria in place for the Authority. The replacement equipment will include one (1) 2017 International 7400 dump truck and one (1) 2017 International 7600 dump truck, both to be purchased at the state contract rate for Heavy Duty Trucks from International of Delmarva. The replaced equipment will be sold at public auction.

ClearBridge Media Consulting: Digital Marketing Campaign for MIV

The Authority plans to engage ClearBridge Media Consulting to provide professional consulting services to mount a robust digital marketing campaign for Millville Airport, with particular emphasis on attracting tenants for vacant Hangars A and B.

Deere & Company c/o Atlantic Tractor: Replacement Tractors for WWD and MIV Maintenance

The DRBA is replacing a 1998 New Holland tractor and a 1999 New Holland tractor, which are beyond their useful life and meet the equipment replacement criteria in place. The replacement equipment includes two (2) John Deere 6120M standard cab tractors. One tractor will be used at Cape May Airport and the other tractor will be used at Millville Airport. The purchase will be made via an authorized equipment dealer (Atlantic Tractor) at the National Joint Powers Alliance (NJPA) competitively-bid price for Ag Tractors and/or Implements. The replaced equipment will be sold at public auction.

Diamond Technologies, Inc.: Human Resources Assessment, Technology Assistance and Implementation Services

The Authority plans to engage Diamond Technologies to provide professional services to the Authority, including a full human resource assessment, technology assistance to ensure limited downtime and impact of Internet service provider outages, and other networking and technical consulting services as needed.

Marine Systems Inc. (MSI): Spare Engine Parts and Service for M/V Delaware

MSI owns the distributorship rights of Electro Motive Division (EMD) engines and parts in our region, thus they are the sole source vendors for OEM replacement parts for the new EMD engines installed on the M/V Delaware. This purchase is to create a spare parts inventory to support the vessel in the future.

Global Industries c/o Office Concepts, Inc.

In support of the Cape May Call Center rehabilitation project, the Authority intends to hire a contractor to provide office furniture and panel system at state contract prices as awarded to Global Industries c/o Office Concepts.

Lufkin Power Transmission: Spare Reduction Gear Parts and Service for M/V Delaware

Lufkin Power Transmission produced the precision-made reduction gears (a main component of the drive train) newly installed on the M/V Delaware. Lufkin is the sole source for OEM replacement parts for our reduction gears. This purchase is to create a spare parts inventory to support the vessel in the future.

Otis Elevator Company: DMB Elevator Maintenance

Through the first half of 2016, Otis Elevator will provide inspection, maintenance, testing and repair services for the eight (8) Alimak elevator units attached to the Delaware Memorial Bridge. Otis's services will be required until the elevator units are turned over to a contractor who will retrofit the units to correct the issues of concern. The Authority solicited quotes for the above services from all available local sources, Otis and Delaware Elevator. Otis provided the lowest quote to provide the services.

Rich Specialty Trailers: Restroom Trailer for Lewes Terminal

The Authority will be purchasing a portable restroom trailer for use in conjunction with the Lewes terminal restrooms. An identical model was purchased and placed at Cape May Airport earlier this year. Authority Fleet staff analyzed the buy vs. rent scenarios for the equipment and concluded that buying is the soundest option. There are no sales distributors in our area for these units. The cost of each unit is approximately \$22,000.

TIMCO Industries, Inc.: Spare Control Parts and Service for M/V Delaware

TIMCO Industries, Inc. owns the distributorship rights of Kobelt Controls for parts and service for the new main engine and reduction gear controls installed on the M/V Delaware. This purchase is to create a spare parts inventory to support the vessel in the future.

Walters Marine Construction, Inc.: Floating Dock Construction at Lewes Terminal

The Authority plans to construct a floating dock facility at the Lewes Terminal and will require the services of a marine contractor to provide and install steel support piles. The work permit issued to the Authority by the US Army Corps of Engineers does not allow pile driving to occur between April 15 and August 31, thus time is of the essence. Quotes were originally solicited from several contractors, with Thomas Barry Marine being the lowest quote received. The expenditure was authorized in Resolution 16-01, however, the Authority was recently informed that Thomas Barry Marine will be unable to meet our deadline due to an equipment failure. Upon receiving this news, the Authority resolicited for quotes and was able to secure a quote from the one firm with the ability to complete the work before the April 15 due date, Walters Marine Construction, Inc. The project cost now exceeds the \$50,000 threshold, however of the fourteen marine contractors contacted, only one is able to meet our terms and conditions.

Wärtsilä Defense, Inc.: Spare Propeller Shaft Seal Parts and Service for M/V Delaware

Wärtsilä is the manufacturer and sole source supplier of the OEM spare parts needed for the propeller shaft system installed on the M/V Delaware. This purchase is to create a spare parts inventory to support the vessel in the future.

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 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...” (DRBA Resolution 98-31 Part 4).

Sole Source. A purchase entered into 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 for the purchase of goods or services which: are uniquely qualified to meet the objectives of the Authority; must be compatible with existing equipment or systems; are for a limited or proprietary system (e.g., additional licenses, updates, specialized replacement parts); are available only within limited geographic boundaries (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”. (DRBA Resolution 98-31 Part 2.f.)

State Contract. A purchase of equipment, supplies or non-professional services which, under normal circumstances, would require competitive bidding, however the vendor has agreed to provide the goods or services to the Authority at fees less than or equal to that vendor’s respective contract as awarded by the State of Delaware or New Jersey. “Any contract for the purchase of materiel and supplies and non-professional services....which contract individually exceeds \$50,000, or in the combination with other contracts, exceeds \$50,000 in any one calendar year shall be pursuant to a contract entered into by the Authority after competitive bidding. This 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.” (DRBA Resolution 11-36 Part 2.a.)

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RESOLUTION 16-12 – AUTHORIZES A CONTRACT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND BROWN ADVISORY, LLC TO PROVIDE PROFESSIONAL INVESTMENT MANAGEMENT AND MUNICIPAL ADVISORY SERVICES TO THE AUTHORITY

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

WHEREAS, the Authority desires to engage a professional investment management and municipal advisory services provider to provide investment management and municipal advisory services (hereinafter, the “Services”); and

WHEREAS, the Authority desires to enter into a Services Agreement (“Agreement”) with the selected provider of the Services; and

WHEREAS, such Agreement shall have an initial term of term of three (3) consecutive years, with the Authority granted the option to extend the Agreement for two (2) additional one-year periods, during which the selected provider will deliver the Services, either of such options to be authorized by the originating committee with the consent of the Chairperson and Vice Chairperson of the Board of Commissioners; and

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

WHEREAS, the Authority received and evaluated three (3) proposals pursuant to the aforementioned requirements; and

WHEREAS, the Authority short-listed two (2) firms and conducted oral interviews with those firms; and

WHEREAS, Brown Advisory, LLC (“Brown Advisory”) was designated as the highest-ranking firm following final evaluation by the selection committee; and

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

WHEREAS, the Authority negotiated for services at compensation determined to be fair and reasonable with Brown Advisory, and in making such determination, conducted an analysis of the cost of the services in addition to considering the scope and complexity; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a Services Agreement with Brown Advisory to provide the Services to the Authority, and to have such Services Agreement executed by the Chairperson, Vice-Chairperson and Executive Director.

A motion to approve Resolution 16-12 was made by Commissioner Smith, seconded by Commissioner Ford, and approved by a roll call vote of 8-0.

Resolution 16-12 – Executive Summary Sheet

Resolution: Authorizing the Authority to enter into an agreement with Brown Advisory for professional investment management and municipal advisory services.

Committee: Budget & Finance

Committee/Board Date: March 15, 2016

Purpose of Resolution:

To authorize an agreement with Brown Advisory to provide professional investment management and municipal advisory services.

Background for Resolution:

The proposed Resolution meets the requirements of Resolution 98-31, as amended, which governs the Authority’s procedures for the procurement of professional services.

The Authority received and evaluated technical proposals submitted by the following three (3) firms, and short-listed* two (2) of those firms:

Brown Advisory, LLC*
Public Financial Management, Inc. (PFM)*
SEI Investments

The Authority conducted interviews with the short-listed firms and utilized final evaluation criteria to establish a ranked list, with Brown Advisory being identified as the top-ranked firm following the interview. The Authority requested and received the cost proposal, conducted an analysis of the market to analyze the costs for the Services and negotiated with Brown Advisory to provide such Services at compensation determined to be fair and reasonable.

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RESOLUTION 16-13 – LEASE AMENDMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND SKYHANGARS, LLC.

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

WHEREAS, W.L Gore & Associates, Inc. leased approximately one acre of land (the “Land”) located at 140 Old Churchmans Rd. at the New Castle Airport (the “Lease”); and

WHEREAS, Sky Hangar, LLC. (“Sky Hangar”) recently acquired the hangar located on the Land and assumed the Lease and would like to add two (2) additional ten (10) year renewals , exercisable by either party, to the Lease; and

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

WHEREAS, rent during the additional renewal terms shall be adjusted each year by the CPI; and

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

A motion to approve Resolution 16-13 was made by Commissioner Dorn, seconded by Commissioner Smith, and approved by a roll call vote of 8-0.

Resolution 16-13 – Executive Summary Sheet

Resolution: Authorizing the Execution of a Lease Amendment between the Delaware River and Bay Authority and Sky Hangar, LLC, regarding New Castle Airport

Committee: Economic Development

Committee Date: March 15, 2016

Board Date: March 15, 2016

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

Background for Resolution:
The Delaware River and Bay Authority leases approximately one acre of land to Sky Hangar, LLC at 140 Old Churchmans Rd at the New Castle Airport. They recently purchased the hangar from WL Gore at this site and assumed WL Gore’s lease and have requested 2 additional 10 year lease extensions, exercisable by either party. Rent will be adjusted at the beginning of each lease renewal to the current FMV. The tenant makes and installs aircraft flight control instruments which they plan to do at the facility. They also have plans to do some improvements to the hangar to include an expansion of the door opening.

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11086. EXECUTIVE DIRECTOR'S COMMENTS

The Executive Director reminded Commissioners and staff of the Retreat scheduled for September 20th and 21st in Cape May and asked them to submit issues they want discussed to him. He then reported on activities in and around the Authority, including Sgt. Clayton Palmer, a Police officer at the ferry who helped a child paint at the 'Arts and Crafts on the Ferry' event on February 20, 2016.

On February 23rd, a delegation from Indonesia visited the Penn Turbo facility at the Cape May airport to take delivery of a refurbished aircraft. The ILG Tenant meeting was held on February 24th, and the next meeting will be held at Cheswold at the end of March, 2016 to discuss activities and events relating to the airports. On February 26th, there were UAS stored in SRE building at the Cape May airport during a drone mission. On June 22nd and 23rd, 2016 the United Nations will hold a Drone symposium at the Ferry Terminal. Invites to the event will follow shortly. The CMLF Twitter was selected as one of the top ten social media sites in Delaware. Tuckahoe Brewing Company organized a sold out beer dinner event at the Sunset Lounge on March 4, 2016. A ground breaking ceremony was held on March 9, 2016 for the construction of a transit center in Lewes. The first Job Fair was held at the Cape May ferry terminal on March 12th and the next will be at the Lewes terminal of March 19, 2016. The Executive Director wished everyone a Happy St. Patrick's Day!

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11087. COMMISSIONERS PUBLIC FORUM

Vice-Chair Hogan called for comments from the public and the Commissioners.

There were no public comments.

Commissioner Dorn requested that the Commissioners explore the possibility of bringing back the community initiative program which was discontinued a couple of years ago.

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There being no further business, a motion to adjourn was made by Commissioner Lathem, seconded by Commissioner Downes, and unanimously carried by a voice vote of 8-0.

The meeting was adjourned at 11:21a.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary