

DELAWARE RIVER PORT AUTHORITY
Minutes of the January 18, 2012 Board Meeting
One Port Center, Camden, New Jersey
Wednesday, January 18, 2012, 9 a.m.

Present

PENNSYLVANIA

Governor Tom Corbett, Chair
Robert Teplitz, Esquire (Wagner)
Christopher Craig (McCord) (via telephone)
William Sasso, Esquire
Walter D'Alessio (absent)
David Simon, Esquire
Joanna Cruz, Esquire (via telephone)
Joann Bell

Officers and Chiefs

John Matheussen, CEO
Robert Gross, Deputy CEO
Richard Brown, General Counsel
and Corporate Secretary
John Hanson, CFO
Toni Brown, CAO
John Rink, PATCO, General Manager
Mike Venuto, Chief Engineer
Timothy Pulte, COO

DRPA Staff

Fran DiCicco, Administrative Coordinator
Ann DuVall, Executive Assistant to CEO
Sylvia Gray-Newman, Admin. Coordinator
Kathy Imperatore, Director, Fare Collection
Timothy Ireland, Manager, Corp. Comm.
Karen Jacobson, Assistant General Counsel
Edward Kasuba, Director of Corp. Comm.
Lisa M. Kmiec, Asst. General Counsel
Mark Lopez, Manager, Government Relations
David McClintock, Chief, Public Safety
Sheila Milner, Administrative Coordinator
Robert Only, Director, Homeland Security
John Rogale, Dir. Labor Contract Compliance
John Shea, Director of Equipment, PATCO
Cheryl Spicer, Asst. Gen. Manager, PATCO
Susan Squillace, Acting Mgr., Purchasing
Matthew Toyer, Intern, Legal Department
Dawn Whiton, Administrative Coordinator

NEW JERSEY

Jeffrey L. Nash, Esquire, Vice Chair
E. Frank DiAntonio
Richard Sweeney
Albert F. Frattali
Charles Fentress
Rick Taylor
Tamarisk Jones
Denise Y. Mason

Counsel

David Weinstein, Archer & Greiner, NJ
Counsel
Tom Ellis, Duane Morris, PA Counsel

Others

David Reiner, Esquire, NJ Gov.
Authorities Unit
Kathleen Duffy Bruder, Esquire, PA
Governor's Office
Tyler Laughlin, PA Governor's Office
Tom Raftery
Michael Conallen
Jacob Reif (AECOM)
Haneef Nelson
John Braxton
Marcella Ridenour (CAC)
Kevin Price
Douglas Nesmith
Lou Nock (Coast Guard)
John Barna

The Corporate Secretary announced that pursuant to the Bylaws of this Authority, public notice of this meeting of the DRPA Board of Commissioners has been given by posting proper notice in the lobby at One Port Center, and issuing proper notice to the public and news media.

Chairman Corbett called the meeting to order. He asked the Corporate Secretary to call the roll. The Corporate Secretary called the roll and announced that there was a quorum. Chairman Corbett presided.

Report of the Chairman

Chairman Corbett welcomed everyone back after the New Year.

Report of the Chief Executive Officer

CEO Matheussen thanked the Chairman and called the Commissioners' attention to the front flap of their books that contained three items; a presentation from Chief Engineer Mike Venuto highlighting the PATCO Transit Car Overhaul project as part of a quarterly project status update; an aerial photo of the Walt Whitman Bridge re-decking project's first completed lane taken from the top of the Gloucester tower; and Mr. Matheussen deferred to Mr. Venuto to discuss the enclosed "Spending Tracking Chart."

Mike Venuto, Chief Engineer, explained that the first handout describes the PATCO Transit Car Overhaul project. He reminded the Board that Engineering highlights one project every quarter for the Board. This quarter Engineering is highlighting the PATCO Car Overhaul project, which is a \$194,197,337 project which is 7% completed. He stated that the handout shows the milestones reached and contains photographs of the cars currently being rehabbed. There are presently 26 cars at the facility for rebuilding, so far eight have been stripped down. He stated that the first cars are anticipated in Lindenwold in March 2013.

Mr. Venuto stated that the next handout is an overhead photograph of the Walt Whitman Bridge Re-Decking Project. The photograph shows the completed Phase One, which is the southernmost lane going into New Jersey. Phase Two of the project will begin tonight with the movement of the barrier to begin work on the second lane to be re-decked. The photograph was taken from the top of the Gloucester tower.

Mr. Venuto informed the Board that the third document in their binder is the Performance Spending Report. He explained that, as a result of the Lean Government Initiative spearheaded by John Hanson, the budgeting process at the DRPA was reformed. This report, which is a result of those reforms, will track Capital spending on a monthly basis and compare it to the budget. The report is organized by facility, each bridge and PATCO and shows the status of each project. Mr. Venuto stated that the report was presented to the Operations & Maintenance Committee and then also shared with the Finance Committee. Commissioner Sasso suggested that the report be shared with Board. Mr. Venuto explained that this report will be constantly evolving as it will be updated monthly. He informed the Board that the budget for 2011 Engineering spending was \$150 million. He further stated that Engineering spending through November 2011 was \$121 million, but noted that because invoices lag one month behind, the report for 2011 will not be complete until next month. He stated that it is anticipated that Engineering spending will have been at 93% of budget for 2011.

CEO Matheussen thanked Mr. Venuto and his team for all their hard work. He commented that there is a saying “if you can’t measure it, you can’t manage it,” and this report allows spending to be measured. He further commended Mr. Venuto on the excellent job and with keeping the Operations & Maintenance Committee as well as the Finance Committee informed.

Commissioner Sasso also thanked staff on behalf of all Operations & Maintenance Committee members and commented that the Operations & Maintenance Committee has made many requests from staff and Mr. Venuto has responded in a professional way. With the responsibility of stewardship over a large budget, the Committee wanted to better track Engineering spending. Governor Corbett also commended Mr. Venuto and his team.

This concluded the Report of the CEO.

On motion duly made and seconded, the Report of the CEO was approved.

Approval of December 14, 2011 DRPA Board Meeting Minutes

The Minutes of the December 14, 2011 Board Meeting of the Delaware River Port Authority were previously provided to the Governor of New Jersey and the DRPA Commissioners and there were no comments.

On motion duly made and seconded, the Minutes of the December 14, 2011 Board Meeting were approved.

Receipt and Filing of the Monthly List of Payments Covering the Month of December 2011

The Monthly List of Payments covering the month of December 2011 was previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Monthly List of Payments covering the month of December 2011 was received and filed.

Receipt and Filing of the Balance Sheet – As of September 30, 2011

The Balance Sheet as of September 30, 2011 was previously mailed to all Commissioners and there were no comments.

On motion duly made and seconded, the Balance Sheet as of September 30, 2011 was received and filed.

Approval by the Audit Committee of the Audit Committee Minutes of November 28, 2011

The Minutes of the Audit Committee Meeting of November 28, 2012 were previously provided to the members of the Committee.

Upon motion duly made and seconded, the Audit Committee Minutes of November 28, 2011 were approved by the Audit Committee.

Approval of Operations & Maintenance Committee Report of December 14, 2011

The Report of the Operations & Maintenance Committee Meeting of December 14, 2011 was previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Report of the Operations & Maintenance Committee of December 14, 2011 was approved.

Adopt Resolutions Approved by Operations & Maintenance Committee of December 14, 2011

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

DRPA-12-001 Federal Transit Administration Section 5307/5340 Grant Application

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

DRPA-12-002 Federal Transit Administration Section 5309 Grant Application

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

DRPA-12-003 DRPA Elevator Maintenance and Service Contract

Approval by Finance Committee of Finance Committee Minutes of January 11, 2012

The Minutes of the Finance Committee Meeting of January 11, 2012 were previously provided to the members of the Committee.

On motion duly made and seconded, the Minutes of the January 11, 2012 Finance Committee Meeting were approved by the Finance Committee.

Adopt Resolutions Approved by Finance Committee of December 7, 2011

The Chairman called upon John Hanson, Chief Financial Officer, to address DRPA-12-004. Mr. Hanson stated that at the request of the Board, he had contacted TD Bank this morning to request a 90-day extension of the loan guarantee for the Battleship. He stated that TD Bank agreed to grant the Authority a 90-day extension of the loan guarantee. Mr. Hanson proposed that the Board pass an amended version of DRPA-12-004, which would provide for a 90-day extension instead of the three-year loan guarantee. Chairman Corbett inquired whether an extension was necessary. Commissioner Teplitz asked what the consequences would be if the Resolution was tabled at this point. Mr. Hanson stated that the loan guarantee will expire in February, TD Bank would then call the loan and DRPA would then be expected to pay the outstanding \$900,000 loan. Commissioner Simon moved the amended DRPA-12-004, as proposed by Mr. Hanson.

On motion duly made and seconded, the following Resolution as amended was unanimously adopted and made the action of the Authority:

**DRPA-12-004 Extension of Loan Guarantee for Battleship New Jersey
in favor of TD Bank**

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

**DRPA-12-005 DRPA/PATCO Owner Controlled Insurance Program
and Loss Control & Safety Services Agreement
Extension**

Unfinished Business

There was no Unfinished Business for the DRPA Board.

New Business

**Item 1 – Third Party Administrator for the DRPA and PATCO Workers’ Compensation,
General Liability and Bodily Injury Claims**

Richard Brown, General Counsel and Corporate Secretary, explained that DRPA-12-006 requests authorization from the Board for staff to negotiate a contract with SCIBAL Associates, Inc. to report, investigate and process all DRPA and PATCO workers’ compensation and general liability claims and medical management for a period of a total of five (5) years. SCIBAL is based in New Jersey. He explained that the Authority had a contract with SCIBAL for many years, which had not been bid out. As a result of the recent reforms, a Request of Qualification (RFQ) was issued followed by a Request for Proposal (RFP). Three companies responded to the RFP, one company did not have enough experience, but the other two had the appropriate level of experience. Mr. Brown explained that SCIBAL was chosen because it proposed a lower price. The initial contract is for three (3) years with two one-year renewals at the DRPA’s option. This contract is in the amount of \$168,650 for the first three (3) years; \$85,100 for the first one year option; and \$87,700 for a total five years at \$361,360.

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

**DRPA-12-006 Third Party Administrator for the DRPA and PATCO
Workers’ Compensation, General Liability and Bodily
Injury Claims**

On motion duly made and seconded, the Board Meeting moved into Executive Session.

The Board Meeting moved back into public session.

Chairman Corbett called on Commissioner Teplitz to update the Board on the Management Audit RFP. Commissioner Teplitz explained that the Authority’s Compact requires the Authority to have a Management Audit done every five years, but by Board Resolution the

frequency had been reduced to every two years. He stated that the first audit under this Resolution will look at Public Safety and Administration. The bridges and PATCO will be examined in a subsequent audit. He informed the Board that the Management Audit RFP developed by the Committee and staff will be going out soon, if it has not already. A public report should be available by the end of 2012. Commissioner Teplitz thanked staff for all the time they put into this and thanked Bob Gross for his sheparding of the process. He stated that this is a positive way for the Authority to move forward.

Chairman Corbett thanked Commissioner Teplitz for all his work with the Audit Committee.

Item 2 – Creation of Inspector General Position within Delaware River Port Authority and Port Authority Corporation

Commissioner Teplitz reminded the Board that in 2010 the Authority was urged by Congressmen Brady and Andrews to create an Inspector General position within the DRPA and PATCO. The Authority adopted that recommendation and spent 2011 creating a job description for this position and interviewing candidates. The purpose of this newly created position is to be an independent watchdog within the DRPA. He explained that the Inspector General will have a dual reporting role, reporting to the Chief Executive Officer and to the Audit Committee. This position will oversee and manage internal and external audits, the newly formed whistleblower hotline and generally deal with any allegations within the Authority. Commissioner Teplitz stated that the Committee went through as transparent a process as possible in selecting this position, advertised the position widely and kept the Board and the public informed about the process.

Commissioner Teplitz stated that the Committee received thirty (30) applications, eight (8) were interviewed, and one candidate stood out above all the others. He informed the Board that the Audit Committee recommends unanimously Tom Raftery. Mr. Raftery served as a Special Inspector General for the Committee on Reconstruction in Afghanistan, worked with the FBI in Newark and Atlantic City as well as in the private sector. He is an experienced auditor and certified fraud examiner. Commissioner Teplitz explained that the proposed Resolution does three things: eliminates the former position of Director of Internal Audit, creates the position of Inspector General and recommends the hiring of a candidate for the position, Tom Raftery. Commissioner Teplitz thanked Kathy Imperatore for doing “double duty” by ensuring that the internal audits were completed while the search for the Inspector General was made and Toni Brown who assisted the Committee in moving through the process of hiring. He also thanked all Committee members, and John Matheussen who embraced the position from beginning and was a key part in the process.

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

DRPA-12-007

Creation of Inspector General Position within Delaware River Port Authority and Port Authority Corporation

Item 3 – Appointment of Deputy Chief Executive Officer at the DRPA

CEO Matheussen reported on the issue of Deputy Chief Executive Officer. He stated that he wanted to recognize Bob Gross who has been with the Authority for the last 8 ½ plus years and admirably served as Deputy CEO. He stated that Mr. Gross took on the position quietly and efficiently and met all the needs of the DRPA. Mr. Matheussen stated that when the Authority was absent a Chief Operating Officer, Mr. Gross filled in until the new COO was brought on board. In addition, when the Authority was absent a Director of PATCO, Mr. Gross spent many days down at PATCO to assist through the process. Mr. Matheussen thanked Cheryl Spicer for her assistance during that time as well. CEO Matheussen thanked Mr. Gross for his valuable assistance and as a friend of his and DRPA.

CEO Matheussen stated that Mike Conallen comes to the Authority with extensive experience as Chief of Staff to two Congressmen and a number of positions in the private sector. He stated that Mr. Conallen attended Temple University and Temple Law School. Mr. Matheussen stated that he is looking forward to working with Mr. Conallen. Mr. Matheussen recommended Mike Conallen as Deputy Chief Executive Officer.

On motion duly made and seconded, the following Resolution was unanimously adopted and made the action of the Authority:

DRPA-12-008

Appointment of Deputy Chief Executive Officer at the DRPA

Public Comment

There was no public comment.

On motion duly made and seconded, the meeting was adjourned.

Respectfully submitted,



Richard L. Brown
Corporate Secretary

REPORT OF THE CHIEF EXECUTIVE OFFICER

January 18, 2012

Delaware River Port Authority
of Pennsylvania and New Jersey
One Port Center
2 Riverside Drive
Camden, NJ 08101-1949

January 18, 2012

To the Commissioners:

The following is a summary of recent DRPA activities. I have attached the appropriate reports.

Happy New Year

I would like to wish everyone a Happy New Year.

We begin 2012 with a renewed commitment to our core mission: Transportation. Our continued goal is to “Keep the Region Moving” by maintaining transportation networks and improving the quality-of-life for millions of people who use our bridges and PATCO.

This year, we will work to improve our bridge infrastructure and rehabilitate PATCO rolling stock. We also will continue to provide first-class customer service to our riders and toll payers.

Our Lean Government Initiative will continue to offer creative improvements to select operational processes in 2012.

CEO Activities

On December 20, 2011, I joined NJ TRANSIT Executive Director James Weinstein in a New Jersey Chamber of Commerce Breakfast discussion on the need for expanded mass transit in the region. I also discussed the PATCO car rehabilitation project and shared our capital plan.

Bridge and Finance

December weather was unusually kind. Moderate temperatures saved us the labor and expenditure often associated with early winter snow and freezing rain.

American Bridge Company completed the first stage of construction in December and is expected to begin Stage Two this week.

Work on the Walt Whitman Variable Message Signs (VMS) has been completed by contractor J. Fletcher Creamer & Son, Inc.

Deck truss rehabilitation on the Ben Franklin Bridge continues, and Carr & Duff, Inc. has begun installing new under-bridge lighting.

Structural repairs continue at the Betsy Ross Bridge. Cornell & Company continues replacing bearings on the Route 90/Route 130 bridge and performing miscellaneous steel work, while concrete repairs and steel painting are winding down.

Report of the Chief Executive Officer, January 2012

At the Commodore Barry Bridge, concrete deck repairs have begun, while work continues on lead paint removal and other improvements.

Ben Franklin Bridge lighting this month heralded the New Year, promoted Alex's Lemonade Stand's fight against cancer and celebrated Martin Luther King Day.

Finally, Biennial Inspections of the four bridges and PATCO will begin this year.

FOR BRIDGE AND TRAFFIC HIGHLIGHTS, SEE ATTACHMENT 1

PATCO

The pole line replacement project continues.

Exterior platform repairs at Woodcrest Station have been completed. The contractor, JPC group, is now repairing the inside ceiling.

**FOR PATCO RIDERSHIP AND FINANCIAL INFORMATION
SEE GENERAL MANAGER'S REPORT IN THE PATCO SECTION**

RiverLink Ferry System

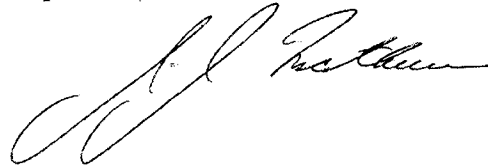
The RiverLink Ferry season has ended, and the vessel is secured for the winter. HMS Global Maritime continues to maintain and inspect the vessel. Upgrades to the Penn's Landing Ferry Terminal have been approved by the Board.

Employee Activities

I am proud to report that during the 2011 United Way Campaign, DRPA and PATCO employees raised \$11,714.98, a 7 percent increase over the 2010 total.

**FOR A LIST OF BRIDGE AND FINANCE ACTIONS, SEE ATTACHMENT 1
FOR A LIST OF PERSONNEL ACTIONS, SEE ATTACHMENT 2
FOR A LIST OF CONTRACTS AND PURCHASES, SEE ATTACHMENT 3**

Respectfully Submitted,



John J. Matheussen
Chief Executive Officer, DRPA
President, PATCO

**DELAWARE RIVER PORT AUTHORITY
MONTHLY REPORT
NOVEMBER 2011
ATTACHMENT 1**

POLICE ACTIVITIES	GBB	BFB	PAT	BRB	WWB	Nov-11 TOTALS	2011 YTD	Nov-10 TOTALS	2010 YTD
ARRESTS-DWI	3	16	0	2	9	30	302	33	265
ARRESTS-CRIMINAL	0	5	2	0	4	11	190	19	252
ARRESTS-WARRANT/OTHER	7	21	36	2	28	94	1166	97	1224
ARRESTS-TOLL EVASION	1	0	1	0	1	3	36	10	39
FIRES EXTINGUISHED	0	0	0	0	0	0	9	1	23
DISABLED VEH. REMOVED	43	60	5	45	19	172	1466	152	504
TOTAL SUMM-11/2011	101	279	48	218	149	795	10579		
TOTAL SUMM-11/2010	120	221	148	220	168			877	1072
SPEEDING SUMM-11/2011	14	43	5	90	47	199	2010		
SPEEDING SUMM-11/2010	45	21	3	88	41			198	0
WARNINGS-11/2011	72	160	59	140	186	617			
ACCIDENT STATISTICS NON-REPORTABLE									
ACCIDENTS - 11/2011	0	13	4	1	22	40			
ACCIDENTS - 11/2010	6	18	4	1	14			43	
ACCIDENTS-YTD - 2011	21	201	49	17	233		521		
ACCIDENTS-YTD - 2010	25	176	31	10	193				435
ACCIDENT STATISTICS REPORTABLE									
ACCIDENTS - 11/2011	0	4	1	2	4	11			
ACCIDENTS - 11/2010	3	8	2	2	9			24	
ACCIDENTS -YTD - 2011	15	91	36	28	141		311		
ACCIDENTS -YTD - 2010	23	74	30	18	102				247
ACCIDENT INJURIES									
INJURIES -11/2011	0	0	0	1	2	3			
INJURIES - 11/2010	1	4	0	0	4			9	
INJURIES -YTD - 2011	5	21	2	7	53		88		
INJURIES -YTD - 2010	5	31	5	3	44				88
DEATH STATISTICS									
DEATHS - OTHER - 11/2011	0	0	0	0	0	0			
DEATHS - MVA - 11/2011	0	0	0	0	0	0			
DEATHS - YTD - 2011	0	1	0	0	1		2		
DEATHS - YTD - 2010	2	1	0	0	3				6

**DELAWARE RIVER PORT AUTHORITY
TRAFFIC & BRIDGE TOLL FIGURES
FOR THE PERIODS INDICATED**

	MONTH OF NOVEMBER				YEAR TO DATE			
	-----2011-----		-----2010-----		1/1/11 TO 11/30/11		1/1/10 TO 11/30/10	
	TRAFFIC	TOLLS	TRAFFIC	TOLLS	TRAFFIC	TOLLS	TRAFFIC	TOLLS
BEN FRANKLIN	1,450,219	\$7,862,221.43	1,504,685	\$6,527,251.14	16,991,692	\$73,708,730.46	16,991,692	\$73,708,730.46
WALT WHITMAN	1,459,093	8,821,863.43	1,544,487	7,561,912.55	18,093,472	87,922,763.15	18,093,472	87,922,763.15
COMMODORE BARRY	517,124	3,756,211.87	525,897	3,068,777.09	6,055,147	35,099,030.09	6,055,147	35,099,030.09
BETSY ROSS	429,995	2,826,937.09	482,985	2,539,151.68	5,338,976	28,068,935.12	5,338,976	28,068,935.12
TOTALS	3,856,431	\$23,267,233.82	4,058,054	\$19,697,092.46	46,479,287	\$224,799,458.82	46,479,287	\$224,799,458.82

	TRAFFIC		BRIDGE TOLLS	
	%	INC/(DEC) AMOUNT	%	INC/(DEC) AMOUNT
		-3.62	(54,466)	20.45
	-5.53	(85,394)	16.66	1,259,950.88
	-1.67	(8,773)	22.40	687,434.78
	-10.97	(52,990)	11.33	287,785.41
	-4.97	(201,623)	18.13	\$3,570,141.36

	TRAFFIC		BRIDGE TOLLS	
	%	INC/(DEC) AMOUNT	%	INC/(DEC) AMOUNT
		-1.06	(180,186)	10.94
	-4.13	(746,569)	7.21	6,336,056.11
	-1.46	(88,135)	10.30	3,616,636.23
	-6.56	(350,056)	4.72	1,325,078.66
	-2.94	(1,364,946)	8.60	\$19,338,119.75

Note: New Toll Schedule Went Into Effect July 1st, 2011.

DISTRIBUTION: J. MATHEUSSEN
R. GROSS
J. HANSON
J. WHITE
J. QUINN

FINANCE**REVENUE AUDIT**

Reported traffic and revenue for all four DRPA bridges for the month of October:

	<u>2010</u>	<u>2011</u>
Cash Revenue	\$7,808,238.97	\$8,786,253.60
ETC Revenue	\$12,882,514.15	\$16,053,886.79
Total Revenue	\$20,690,753.12	\$24,840,140.39
Non ETC Traffic	1,789,784	1,611,099
ETC Traffic	2,499,775	2,452,579
Total Traffic	4,289,559	4,063,678

**DELAWARE RIVER PORT AUTHORITY
ACTIONS OF THE CHIEF EXECUTIVE OFFICER
COMMISSION MEETING JANUARY 18, 2012
ARTICLE XII-A
ATTACHMENT 2**

PERSONNEL

TEMPORARY APPOINTMENTS - None

APPOINTMENTS

Timothy Ireland	Manager, Corporate Communications Executive Division Corporate Communications (OPC)	Eff: 12/05/11
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TEMPORARY ASSIGNMENT TO HIGHER CLASSIFICATION

Charles A. Friars, Jr.	From: Maintenance Technician Operations Division Construction & Maintenance (BFB)	To: Acting Maintenance Foreman Operations Division Construction & Maintenance (BFB) Eff: 10/29/11 to 11/25/11[retro]
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Shannon K. Gregory	From: Construction & Maintenance Mechanic Operations Division Construction & Maintenance (BFB)	To: Acting Maintenance Foreman Operations Division Construction & Maintenance (BFB) Eff: 11/05/11 to 12/16/11[retro]
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Michael J. Voll, Jr.	From: Corporal of Police Public Safety Division Public Safety (WWB)	To: Acting Sergeant of Police Public Safety Division Public Safety (CBB) Eff: 12/10/11 to 01/06/2012
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Anthony V. Bennett	From: Construction & Maintenance Mechanic Operations Division Construction & Maintenance (BFB)	To: Acting Maintenance Foreman Operations Division Construction & Maintenance (BFB) Eff: 12/17/11 to 01/27/2012
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PROMOTIONS

George L. Byrd	From: C&M Technical Assistant Operations Division Bridge Director's Office (BFB)	To: Highway Foreman Operations Division Construction & Maintenance (BFB) Eff: 12/17/11
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PROMOTIONS (continued)

Terrance L. Mitchell	From: Construction & Maintenance Mechanic Operations Division Construction & Maintenance (WWB)	To: Highway Foreman Operations Division Construction & Maintenance (WWB) Eff: 12/17/11
Renee M. Nelson	From: Construction & Maintenance Mechanic Operations Division Construction & Maintenance (WWB)	To: Highway Foreman Operations Division Construction & Maintenance (BRB) Eff: 12/17/11
John J. Spadano, Jr.	From: Construction & Maintenance Mechanic Operations Division Construction & Maintenance (WWB)	To: Highway Foreman Operations Division Construction & Maintenance (BRB) Eff: 12/17/11

INTERAGENCY TRANSFERS to DRPA - from PATCO - None

TRANSFERS - DEPARTMENTAL - None

RETIREMENTS

Allan J. Papurt	Toll Collector Operations Division Bridge/Toll (CBB)	Eff: 12/09/11
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RESIGNATIONS - None

DECEASED - None



DELAWARE RIVER PORT AUTHORITY
PORT AUTHORITY TRANSIT CORPORATION



RESOLUTION

WHEREAS,

ALLAN J. PAPURT has faithfully served the Delaware River Port Authority for TWENTY-ONE years in a conscientious and reliable manner, and

WHEREAS,

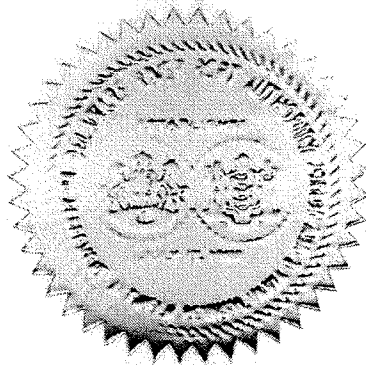
ALLAN J. PAPURT wishes to accept retirement effective December 9, 2011 under the provisions of his employment benefits; now therefore,

BE IT, RESOLVED:

That, the Commissioners of the Delaware River Port Authority accept your retirement request from your position, Toll Collector, and concurrently extend sincere best wishes for a long, healthy and happy future, and

BE IT FURTHER RESOLVED:

That a copy of the foregoing resolution be suitably prepared and forwarded to ALLAN J. PAPURT.



**ARTICLE XII-C, SECTION 5
SUMMARY OF AUTHORIZED CONTRACT AND ENGINEERING PAYMENTS
BRIDGES AND PATCO SYSTEM
January 18, 2012**

Resolution #	Contract/Engineer	Contract Amount	Completed Work Percent	Completed Work (Billed) Amount	Retained Amount	Prior Payments	Invoice No.	Amount
(DRPA-09-001)	STV Inc. Task Order #TT3312 PATCO Ventilation Vault	99,423.00	58.2%	57,883.69	0.00	55,504.02	5	2,379.67
(DRPA-09-001)	BFB Steel Painting Phase 5 Construction Monitoring Services	80,661.00	7.9%	6,342.00	0.00	0.00	1(TT3314)	6,342.00
(DRPA-10-103)	A.P. Construction, Inc. PATCO Bridge Painting & Structural Repairs	6,856,656.00	88.1%	6,041,936.84	473,513.24	4,923,935.61	8	644,487.99
(DRPA-11-064)	Chammings Electric, Inc. Substation Replacements @ BRB & WWB	1,101,775.00	19.0%	209,514.00	20,951.40	0.00	1	188,562.60
(DRPA-11-046)	Scaifo Electric, Inc. CBB Substation Relocation To Pier E-10	1,065,000.00	15.1%	161,000.00	16,100.00	0.00	1	144,900.00
(DRPA-08-013)	Burns Engineering, Inc. PATCO Subway Tunnel Standpipe System Construction Monitoring Services	682,878.57	99.7%	680,985.21	56,351.90	623,939.28	32	694.03
(DRPA-09-098/B)	PATCO Power Cable Pole Line Replacement-Construction Monitoring Services	1,722,470.67	46.1%	793,878.45	80,811.33	633,683.50	10	79,383.62
(DRPA-11-012)	J.P.C. Group, Inc. PATCO Pumps And Compressors Replacements	3,146,000.00	80.8%	2,540,900.00	254,090.00	1,911,330.00	7	375,480.00
(DRPA-09-060)	Gannett Fleming, Inc. PATCO Right of Way Embankment Restoration Drainage Improvements/Retaining Wall	518,273.00	87.9%	455,487.23	45,548.74	384,898.04	21	25,040.45
(DRPA-10-076)	Paulus, Sokolowski & Sartor, LLC BFB Light Duty Maintenance Bldg. Design & Construction Support	233,992.00	76.7%	179,374.15	10,856.61	164,797.63	12	3,719.91
(DRPA-07-019)	LTK Engineering Services PATCO Transit Car Overhaul Services Agreement	8,331,070.00	34.4%	2,865,636.90	98,803.06	2,681,638.62	53	85,195.22
(DRPA-10-154)	Alstom PATCO Transit Car Overhaul	194,197,337.00	6.7%	13,083,924.82	654,196.25	10,644,985.28	6&7	1,784,743.29
(DRPA-10-028)	Systra Consulting, Inc. PATCO Shop Annex Building	1,298,271.24	37.4%	485,125.33	33,465.56	425,206.26	10	26,453.51
(DRPA-07-018)	AECOM (Formerly DMJM & Harris, Inc.) WWB Design Services for Suspension Span Replacement	4,814,896.41	92.5%	4,456,026.03	34,043.36	4,396,285.46	53	25,697.21
(DRPA-09-081)	PM Services for BFB -PMA102	89,428.95	54.2%	48,468.91	0.00	34,553.85	8	13,915.06
(DRPA-09-081)	PM Services for BFB -PMA101	195,833.74	80.3%	157,232.47	0.00	140,969.63	9	16,262.84
(DRPA-09-081)	PM Services for BFB -PMA103	105,800.17	48.3%	51,143.95	0.00	44,592.70	7	6,531.25
(Emergency Powers Board Impasse)	Task Order # TT2305 BFB Standpipe Testing & Evaluation	100,427.40	94.2%	94,569.30	0.00	93,752.22	12	817.08
(DRPA-11-070)	Aliano Brothers, Inc. BRB Administration Building Concrete Repairs	147,700.00	64.7%	95,621.75	9,562.18	0.00	1	86,059.57
(DRPA-10-100)	Remington & Vernick Engineers, Inc. BRB Misc. Structural Repairs	915,244.51	71.0%	649,623.95	47,027.45	537,512.53	12	65,083.97
(DRPA-09-001)	Task Order # EM3202 - BRB & WWB Substation Replacements Design & Construction Admin.	75,458.83	86.8%	65,508.74	0.00	62,634.57	14	2,874.17
(DRPA-09-001)	Mechanical Room Upgrades-Task Order EM3219	89,742.22	98.7%	88,562.80	0.00	87,325.57	9	1,237.23
(DRPA-10-005)	2010 Biennial Inspection - PATCO	311,650.00	91.7%	285,857.73	15,335.68	265,200.58	17	5,321.47
(DRPA-10-078)	Sea Tow Delaware River Safety Boat Services 11/1/2010-10/31/2011	112,880.00	7.2%	8,117.50	0.00	7,522.50	91	595.00
(DRPA 10-0135)	SunGard Recovery Services System Disaster Recovery Services 4/2011-3/31/2016	225,240.00	15.0%	33,816.00	0.00	28,828.00	Various	4,988.00

**ARTICLE XII-C, SECTION 5
SUMMARY OF AUTHORIZED CONTRACT AND ENGINEERING PAYMENTS
BRIDGES AND PATCO SYSTEM
January 18, 2012**

<i>Resolution #</i>	<i>Contract/Engineer</i>	<i>Contract Amount</i>	<i>Completed Work (Billed) Percent</i>	<i>Completed Work (Billed) Amount</i>	<i>Retained Amount</i>	<i>Prior Payments</i>	<i>Invoice No.</i>	<i>Amount</i>
(DRPA-09-050)	Daidone Electric, Inc./Henkels & McCoy, Inc. Joint Venture PATCO Power Pole and Pole Line Replacement	\$28,559,305.72	66.5%	\$18,992,400.51	\$2,039,594.06	\$15,939,564.23	25	\$1,013,242.22
(DRPA-10-020)	American Bridge Company WWB Suspension & Anchorage Spans Deck Replacement	128,085,778.00	47.8%	61,168,791.28	5,708,147.24	51,153,781.49	15	4,306,862.55
(DRPA-10-152)	Iron Bridge CBB Structural Repairs	20,441,243.00	35.8%	7,322,678.39	732,267.84	5,413,700.14	7	1,176,710.41
(DRPA-10-123)	Arora Systems Group, LLC WWB & BFB Standpipe Testing	99,200.00	100.0%	99,200.00	0.00	94,240.00	2	4,960.00
(DRPA-11-007)	Fairfield Company PATCO Lindenwold Yard Improvements	1,829,000.00	76.7%	1,403,670.00	115,908.50	1,043,773.00	7	243,988.50
(DRPA-11-005)	Vanalt Electrical Construction, Inc. PATCO Linden Interlocking Rehabilitation	2,933,800.00	40.7%	1,193,823.03	119,382.30	951,045.94	7	123,394.79
(DRPA-10-029)	New Jersey Transit PATCO Power Cable & ROW Fencing-Flagging Services	1,100,000.00	62.3%	685,221.45	0.00	568,651.42	7	116,370.03
(DRPA-10-143)	PATCO Bridge Painting & Structural Repairs	150,000.00	51.9%	77,795.42	0.00	73,463.44	6	4,331.98
(DRPA-09-059)	Stantec Consulting Services, Inc. Express E-ZPass At BRB - Design Services	373,993.58	97.6%	365,133.68	2,744.89	339,971.33	18	22,417.46
(DRPA-10-077)	Cornell & Company BFB Deck Truss Rehabilitation	15,645,200.00	71.0%	11,113,209.00	1,034,497.43	9,487,806.95	14	590,904.62
(DRPA-10-099)	BRB Miscellaneous Structural Repairs	14,114,422.50	86.4%	12,201,526.54	962,936.89	9,419,154.76	11	1,819,434.89
(DRPA-10-132)	BFB Structural Improvements	10,655,610.00	78.9%	8,402,534.00	686,516.95	6,780,127.40	8	935,889.65
(DRPA-09-081)	HNTB Corporation PMA201- General Engineering Support	93,318.29	26.1%	24,355.47	0.00	18,910.96	9	5,444.51
(DRPA-09-081)	PMA 203-BFB Salt Storage Building	55,706.65	91.6%	51,031.40	0.00	47,542.38	6	3,489.02
(DRPA-09-081)	PMA 206-[PATCO Interim Electrical Supervisor Assistance]	82,742.43	29.0%	24,006.14	0.00	5,140.05	2	18,866.09
(DRPA-10-016)	BFB Deck Truss Rehabilitation - Construction Monitoring Services	2,539,855.84	55.9%	1,420,271.35	114,058.52	1,212,201.51	14	94,011.32
(DRPA-10-132)	Task Order CS3119-Technical Support For Contract BF-31-2010	89,314.91	98.1%	87,607.01	0.00	85,766.47	9	1,840.54
(DRPA-11-061)	BFB Structural Improvements	499,708.14	11.2%	55,899.34	3,485.06	30,797.18	4	21,617.10
(DRPA-10-003)	Moudjeski And Masters Consulting Engineers 2010 Biennial Inspection - CBB	649,946.31	99.8%	648,838.78	0.00	623,875.93	11	24,962.85
(DRPA-10-151)	Carr & Duff, Inc. CBB Security & Lighting Improvements	1,419,800.00	94.8%	1,345,520.05	10,000.00	1,172,050.00	5	163,470.05
(DRPA-08-023)	Urban Engineers, Inc. PATCO Rehabilitation Of Track Structure On The Collingswood Viaduct - CMS	1,291,302.00	99.8%	1,288,338.58	0.00	1,200,383.94	20	87,954.64
(DRPA-09-001)	Task Order EM3603 CMS Contract PATCO Lindenwold Yard Improvements 3rd Rail Sectionalization	89,563.13	80.1%	71,731.42	0.00	46,524.08	4 (ME3603)	25,207.34
(DRPA-10-021)	WWB Suspension & Anchorage Spans Deck Replacement	11,688,508.67	19.9%	2,324,153.22	176,936.72	1,993,660.82	91V	153,555.68
(DRPA-10-021)	Construction Management Services							
(DRPA-09-081)	Jacobs Engineering Group, Inc. PM A307 Program Management Radio Systems Assessment	110,447.00	30.3%	33,492.59	0.00	23,467.39	4	10,025.20
(DRPA-10-143)	Birdsall Services Group (formerly CMX, Inc.) PATCO Bridges Painting & Structural Repairs C.M.S CBB Deck Joint Replacement	766,302.51	84.7%	649,349.45	41,923.94	537,660.28	10	69,765.23

**ARTICLE XII-C, SECTION 5
SUMMARY OF AUTHORIZED CONTRACT AND ENGINEERING PAYMENTS
BRIDGES AND PATCO SYSTEM
January 18, 2012**

<i>Resolution #</i>	<i>Contract/Engineer</i>	<i>Contract Amount</i>	<i>Completed Work (Billed) Percent</i>	<i>Completed Work (Billed) Amount</i>	<i>Retained Amount</i>	<i>Prior Payments</i>	<i>Invoice No.</i>	<i>Amount</i>
(DRPA-10-109)	Workstream HR Performance Management System 1/1/11-12/31/13	125,000.00	42.0%	52,550.00	0.00	51,800.00	122787	750.00
(DRPA-08-066)	Tektron Corporation DRPA 800 MHz Radio Communication System Maintenance Agreement 10/2008-10/2011	261,573.00	97.4%	254,866.00	0.00	248,159.00	38	6,707.00
(DRPA-08-069)	Transcore E-Z-Pass System Equipment, Software Maintenance & Repair Services	6,645,073.60	88.9%	5,905,647.29	0.00	5,854,734.05	20890/11-	50,913.24
(DRPA-08-071)	Benefit Harbor, LP Benefitis Consulting Services	560,000.00	86.8%	485,952.48	0.00	475,627.48	Various	10,325.00
(DRPA-09-055)	Dunbar Armored Toll Revenue Transportation & Processing - 10/1/2009-9/30/2014.	622,099.57	66.2%	411,747.60	0.00	383,111.72	Various	28,635.88
(DRPA-10-105)	PRWT Services, Inc. Part-Time Toll Collectors 11/1/2010 - 10/31/2013	3,081,000.00	35.1%	1,080,111.76	0.00	1,020,660.20	Various	59,451.56
(DRPA-09-001)	S. T Hudson Engineers, Inc. Task Order ME3607 - Rehab Riverlink Ferry Due To Fire Damage To Fender Cluster	16,540.32	86.8%	14,349.00	0.00	11,224.00	3	3,125.00
(DRPA-10-104)	TUCS Cleaning Services, Inc. Custodial Services	1,014,000.00	32.8%	332,372.65	0.00	305,523.67	Various	26,848.98
Total Contract and Engineer Payments								\$ 14,822,458.47

**ACTIONS OF THE CHIEF EXECUTIVE OFFICER
ARTICLE XII-C
ATTACHMENT 3
CONTRACTS AND PURCHASES**

Re: Article XII-C, Section 1 (a)

Purchase Order P11P0415, Pendergast Safety Equip, Philadelphia, PA. Safety Equipment for BFB. Contract Value: NTE \$12,140.08. (Low Bid of 4)

Purchase Order P11S0057, Verizon Network Integration Corp., Frazer, PA. Computer Equipment-Cisco Switches. Contract Value: NTE \$11,615.72. (State Contract)

Purchase Order P11L0035, TAC 10, Cedar Falls, IA. Mobile Dispatch and Vehicle GPS Equipment. Contract Value: NTE \$12,818.00. (Sole Source)

Purchase Order P11S0087, Trafcon Industrial Inc., Mechanicsburg, PA. Vehicle Signage. Contract Value: NTE \$14,610.00. (State Contract)

Purchase Order P11L0030, Superior Equipment Co., Anaheim, CA. Vehicle Inspection Ramp Set. Contract Value: NTE \$17,023.50. (Sole Source)

Purchase Order P11P0329, Norris Sales Company, Inc., Plymouth Meeting, PA. Flood Lights (2). Contract Value: NTE \$14,584.00. (Low Bid of 1)

PFM Asset Management LLC, Philadelphia, PA. Financial Advisory Services. Contract Value: NTE \$15,000.00 (Sole Source)

Re: Article XII-C, Section 1 (b)

None

Re: Article XII-C, Section 8 (Emergency)

None

Re: Article XII-C, Section 5

Authorized payments for Contracts and Engineers for the Bridges and PATCO Systems
As follows: (see accompanying Schedule 1)

Contracts and Engineers: \$14,822,458.47

**2011 CAPITAL BUDGET
SUBSTITUTION OF PROJECTS**

None

MONTHLY REPORT
GENERAL PROCUREMENT ACTIVITY

During the month of December there were 90 Purchase Orders awarded totaling \$480,669.30.

Approx. 11.7% or \$56,580.54 of the monthly dollar total was made available to MBE and WBE's, representing 21.1% or 19 of the monthly total number of Purchase Orders.

Of the total monthly procurement available to MBE's and WBE's, approx. 25% or \$14,180.71 was awarded to MBE's and approx. 14.9% or \$8,435.66 was awarded to WBE's.

Of the total number of Purchase Orders available to MBE's and WBE's, approx. 36.8% or 7 Purchase Orders were awarded to MBE's and approx. 26% or 5 Purchase Orders were awarded to WBE's.

REPORT OF THE CHIEF EXECUTIVE OFFICER

JANUARY 18, 2012

ATTACHMENT 4

RISK MANAGEMENT & SAFETY

**DELAWARE RIVER PORT AUTHORITY
INTEROFFICE COMMUNICATION**

To: Toni P. Brown, Chief Administrative Officer

From: Marianne Staszewski, Director, Risk Management & Safety

Subject: Risk Management & Safety December Activity Report.

The DRPA Risk Management & Safety Staff were in attendance for the following meetings for the month of December.

Contractor Meetings Attended By Risk Management & Safety			
DATE	CONTRACTOR	DRPA CONTRACT NO.	PROJECT/WORK AREA
12/1, 12/16	Iron Bridge	CBB-18-2010	CBB Misc Structural Repairs Progress meetings
12/6, 12/20	Aliano Construction	BR14 2010	BRB Administration Building concrete repairs Non OCIP
12/7	American Bridge	WWB-12-2009	Bi-monthly Safety Meetings WWB Deck Rehabilitation
12/8, 12/22	Scalfo Electric Inc.	CB-20-2010	CBB Substation Relocation to Pier E-10 Progress Meeting
12/14, 12/28	Cornell & Company	BFB-26-2010	Bi-monthly Safety Meetings BFB Deck Truss Rehabilitation
12/14, 12/28	Cornell & Company	BRB-11-2010	Bi-monthly Safety Meetings BRB Misc Structural Repair
12/20	Amman & Whitney	TBD	BRB Resurfacing Design meeting
Safety Meetings Attended By Safety Specialists * attended by Risk Management also			
DATE		NAME OF MEETING	
12/6		Rules & Procedures Safety Subcommittee Meeting	
12/13	*	Incident Accident Investigation Committee Meeting	
12/13, 12/15		Workplace Safety – CBB, BRB, BFB, WWB	
12/15	*	Risk Management & Safety Staff Meeting	
12/20		Program & Activities Committee	
12/21	*	Risk Management & Safety Staff Meeting with CAO	
12/28	*	Central Safety & Health Meeting	

Risk Management Meetings Attended By Risk Management

DATE	NAME OF MEETING
12/2	Telephone conference call with Insurance Archaeologist and General Counsel regarding professional service
12/5	PATCO Lindenwold Yard Track Rehabilitation- Design Kick-off Meeting
12/6, 12/20,	Weekly Staff Meetings with CAO
12/7	Meeting with DRPA legal, governmental relations and grant specialists for the final draft contract revisions of the DRW agreement and Water Taxi Ramps project
12/15	Webinar: Ten Qualities of a Well-Protected Facility

The DRPA Risk Management & Safety Staff were involved in the following training activities for the month of December.

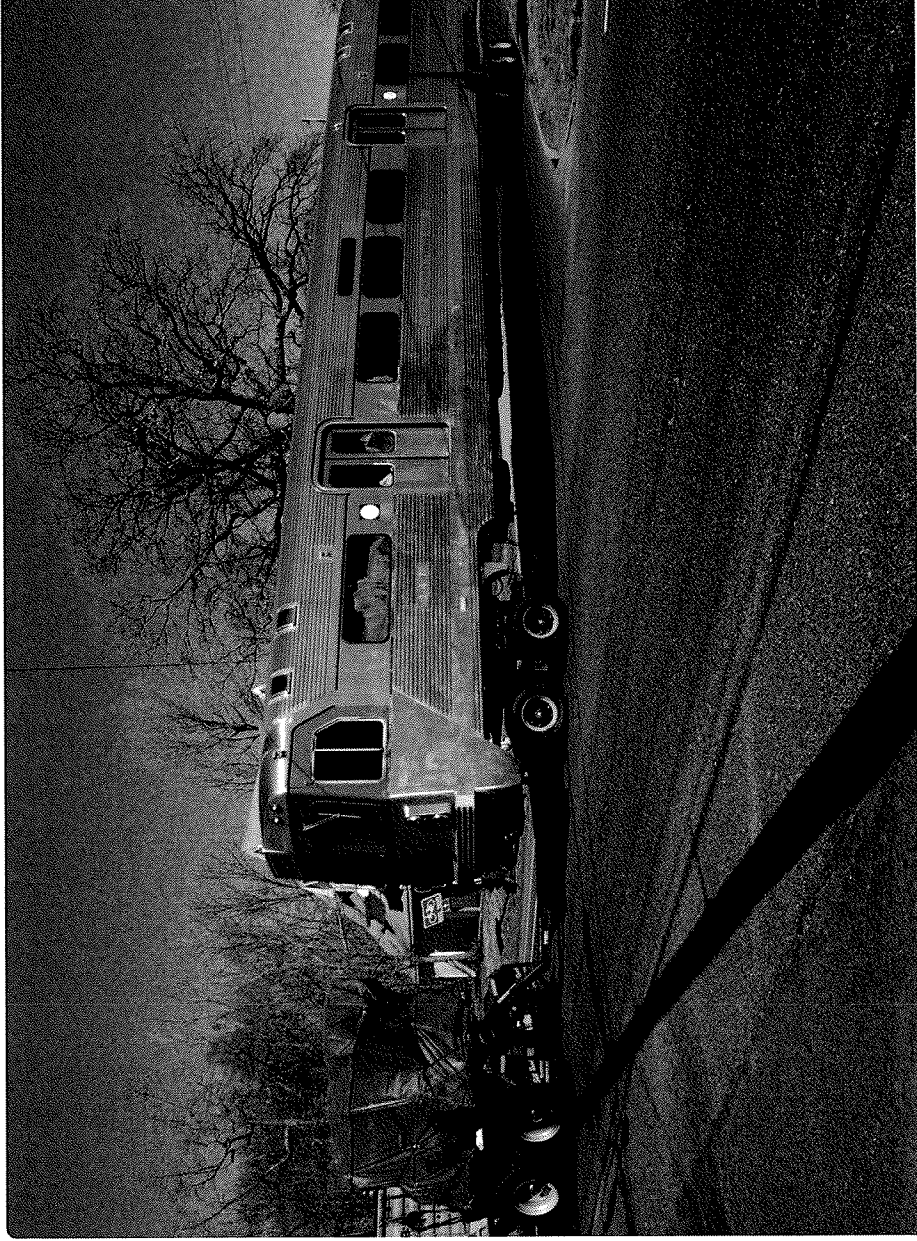
Safety Training Conducted or Attended By Risk Management & Safety

DATE	TYPE OF TRAINING
12/5	New Hire Orientation
12/6, 12/13, 12/19	Fleet Safety Policy and D&A Refresher Training for CBB, BRB, WWB, BFB
12/16	Personal Protective Equipment Program BFB, BRB

The DRPA Risk Management & Safety Staff were involved in the following activities for the month of December.

- The Safety staff conducted day time and night time random drug & alcohol testing on both Public Safety personnel (under policy 147A) and Construction & Maintenance personnel (under policy 147B).
- Safety Specialists reviewed various Health and Safety plans from contractors who were awarded construction and/or design projects during the month of December.
- Safety Specialists reviewed and commented on various engineering Technical and Special Provisions documents for future DRPA projects.
- Risk Management reviewed and recommended the inclusion of proper insurance requirements on various Requests for Bids from the Purchasing Department, Request for Proposals from the Engineering Department, Finance Department and third party contracts for the Legal Department.
- Risk Management attended the quarterly OCIP Claim Services Review Meeting in Wilmington, Delaware with claims specialists from Chartis Insurance Company and The Graham Company.

Progress Update
January 18, 2012



PATCO Transit Car Overhaul

- 334 completed days of 1,750 contracted calendar days
- \$13,083,924.82 spent through 1/4/2012
- 7% of total \$194,197,337.00 contract value
- Major work to be completed
 - Car Stripping/Abatement
 - Structural inspections
 - Re-design of major car systems
 - Car rebuild
 - Manuals/Training

Timeline

Trade	On-site Personnel
Production - Rolling Stock	13
Logistics - Rolling Stock	1
Quality - Rolling Stock	1
Test - Rolling Stock	2
Total as of 1/4/12	17*

* Total projected on-site personnel for peak production will be 70 employees

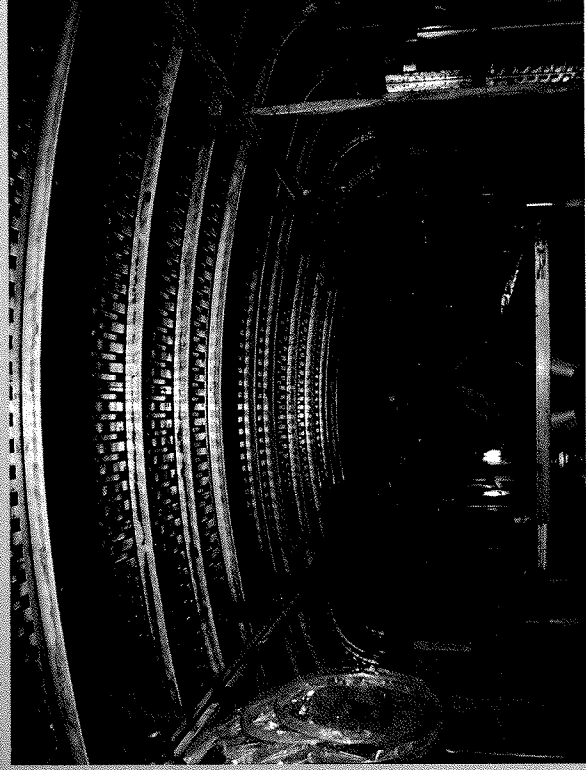
Manpower

- 13 car systems are currently in various stages of design
 - Reviews are 100% complete on 2 systems
 - 7 systems are at 90% design review
 - 4 systems are at 60% design review

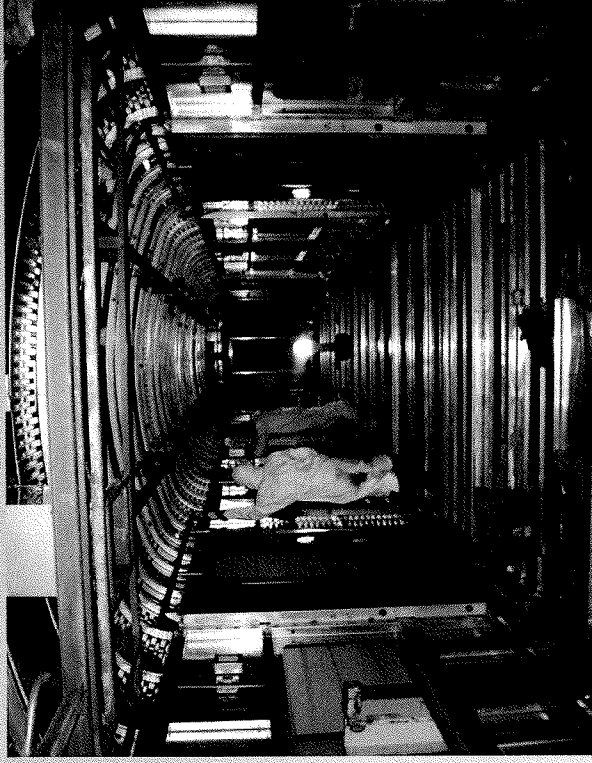
Design Status Updates

- 26 cars completed inbound inspections on delivery to Hornell, NY
 - 6 cars have completed abatement, interior and exterior stripping, underfloor washing, sandblasting and structural inspections
 - 2 cars have completed abatement and interior and exterior stripping

Car Rebuild Status Update



Interior Cleaning Cars

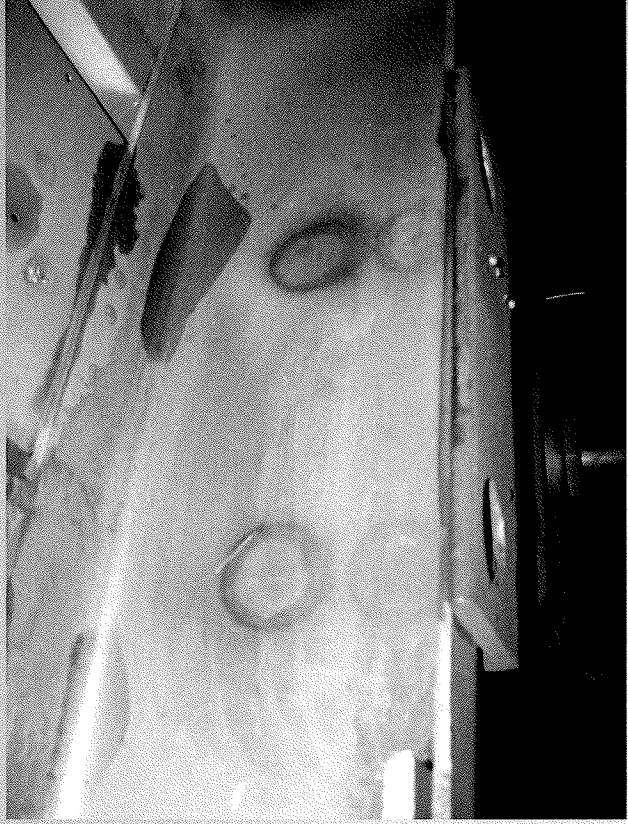


Sampling After Cleaning

Major Work



Undercar Containment



Underfloor Bracket Weld

Major Work

- Manufacturing site visit early 2012
- Delivery of first completed married pair scheduled for March 2013
- Delivery of last completed married pair scheduled for January 2016

Upcoming milestones

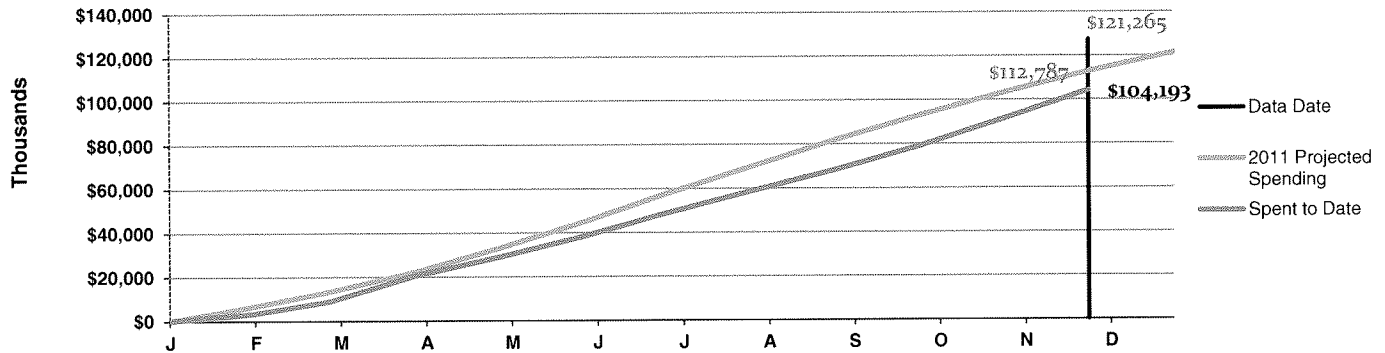
Walt Whitman Bridge Reconstruction Stage 1 Construction Completed



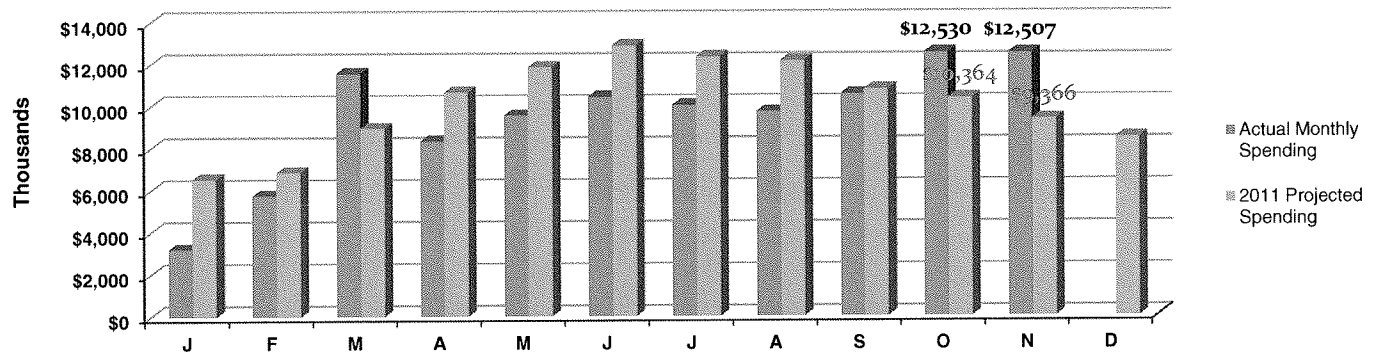
12/14/2011

DRPA 2011 ENGINEERING PROJECTS EXCLUDING FEDERAL FUNDING

Project Category	# of Projects	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
Ben Franklin Bridge	6	\$24,378,577	\$25,236,057	3.5%	\$15,200,000	\$12,383,247	81.5%	94.4%
Walt Whitman Bridge	5	\$148,651,178	\$149,229,607	0.4%	\$42,300,000	\$44,616,465	105.5%	94.7%
Commodore Barry Bridge	3	\$23,822,072	\$23,822,072	0.0%	\$14,750,000	\$8,309,931	56.3%	95.5%
Betsy Ross Bridge	4	\$29,639,361	\$29,878,964	0.8%	\$9,600,000	\$13,234,516	137.9%	93.2%
Multi - or All Bridges	9	\$24,937,103	\$24,937,103	0.0%	\$4,700,000	\$2,350,926	50.0%	87.5%
Facility Security	5	\$34,112,574	\$34,112,574	0.0%	\$3,525,000	\$4,535,456	128.7%	61.3%
DRPA Other	1	\$426,689	\$415,786	-2.6%	\$500,000	\$378,098	75.6%	100.0%
Ferry	2	\$6,200,000	\$6,238,700	0.6%	\$740,000	\$89,698	12.1%	86.5%
PATCO - DRPA Funded	8	\$74,566,933	\$74,610,193	0.1%	\$25,400,000	\$14,070,571	55.4%	93.5%
PATCO - FTA Funded	13	\$293,100,200	\$293,287,473	0.1%	\$4,550,000	\$4,223,649	92.8%	92.2%
TOTAL	56	\$659,834,686	\$661,768,528	0.3%	\$121,265,000	\$104,192,555	85.9%	93.0%

2011 CUMULATIVE BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (CUMULATIVE)

	Last Month	This Month	Variance
SPI	0.89	0.93	↑ 0.04

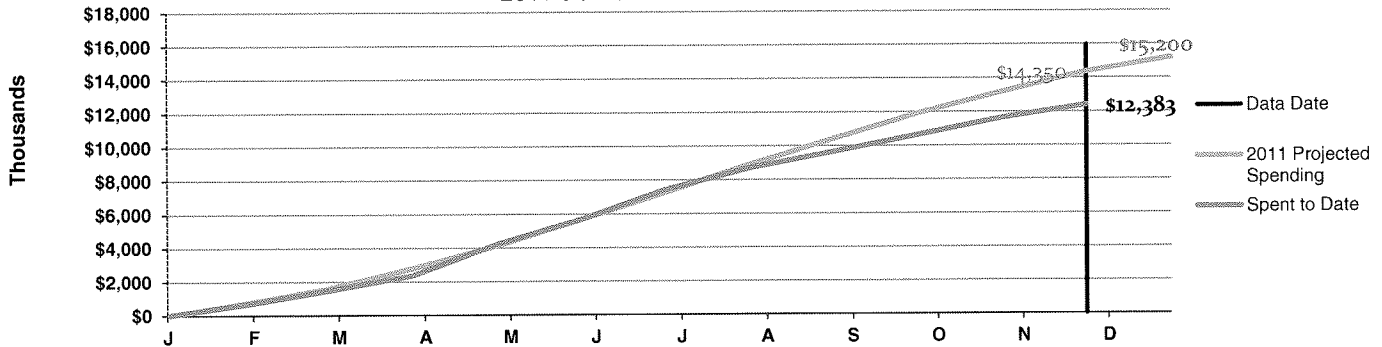
2011 MONTHLY BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (MONTHLY)

	Last Month	This Month	Variance
SPI	1.21	1.34	↑ 0.13

BEN FRANKLIN BRIDGE EXCLUDING FEDERAL FUNDING

Project No.	Project	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
BF0802	Rehabilitate "Salt Mine" Area Below Philadelphia	\$1,359,626	\$1,359,626	0.0%	\$50,000	\$47,808	95.6%	100.0%
BF0904	Deck Truss Rehabilitation	\$19,058,952	\$19,916,432	4.5%	\$14,000,000	\$12,095,901	86.4%	94.6%
BF0901	Salt Storage Building	\$460,000	\$460,000	0.0%	\$50,000	\$0	0.0%	100.0%
BF1003	Philadelphia Anchorage Switchgear Replacement	\$700,000	\$700,000	0.0%	\$600,000	\$0	0.0%	100.0%
BF0902	Light Duty Vehicle Maintenance Building	\$2,800,000	\$2,800,000	0.0%	\$500,000	\$179,374	35.9%	80.0%
BFxxxx	Annex Building Fire Alarm System Replacement	\$0	\$0	0.0%	\$0	\$60,164	0.0%	0.0%
TOTAL		\$24,378,577	\$25,236,057	3.5%	\$15,200,000	\$12,383,247	81.5%	94.4%

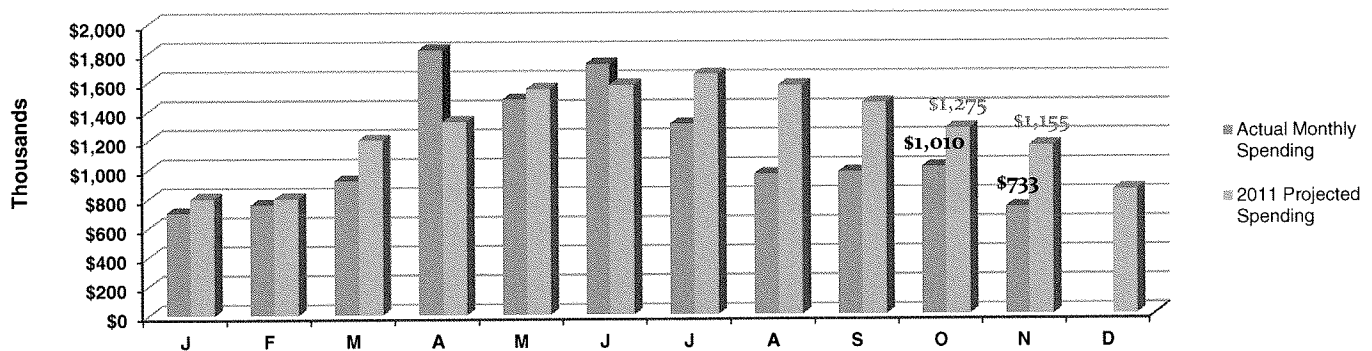
2011 CUMULATIVE BUDGET GRAPH



PERFORMANCE COMPARISON TABLE (CUMULATIVE)

	Last Month	This Month	Variance
SPI	0.89	0.87	-0.02

2011 MONTHLY BUDGET GRAPH



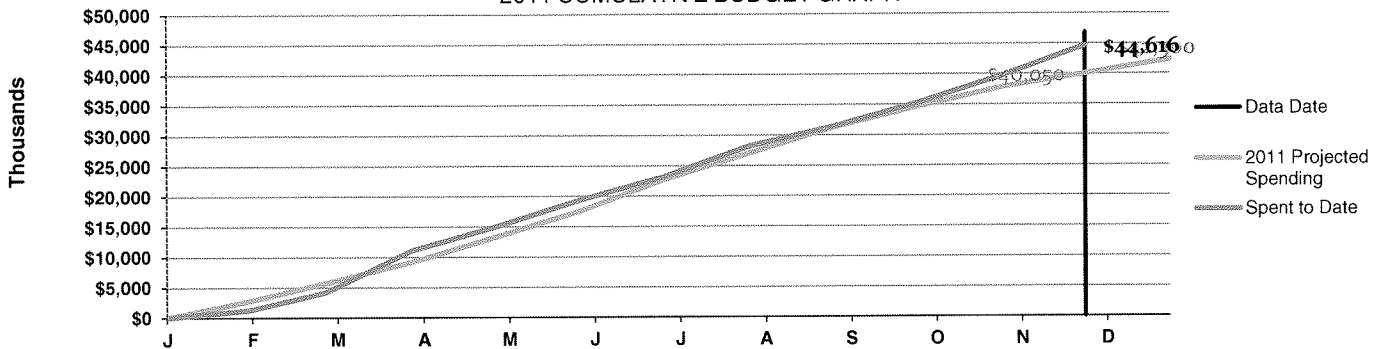
PERFORMANCE COMPARISON TABLE (MONTHLY)

	Last Month	This Month	Variance
SPI	0.80	0.64	-0.16

WALT WHITMAN BRIDGE EXCLUDING FEDERAL FUNDING

Project No.	Project	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
WB0702	Redeck Suspended Span and Anchorage Spans -	\$144,435,754	\$145,014,183	0.4%	\$40,000,000	\$42,946,210	107.4%	94.5%
WB1001	Rehabilitation Gloucester Building	\$169,968	\$169,968	0.0%	\$200,000	\$158,884	79.4%	100.0%
WB1102	Rehabilitation of Ramps D & T Linking I-95 S. to I-76	\$2,000,000	\$2,000,000	0.0%	\$100,000	\$0	0.0%	50.0%
WB1003	Permit Vehicle Staging Area	\$2,045,456	\$2,045,456	0.0%	\$2,000,000	\$1,461,380	73.1%	100.0%
WBxxxx	Replacement of Variable Message Signs	\$0	\$0	0.0%	\$0	\$49,992	0.0%	0.0%
TOTAL		\$148,651,178	\$149,229,607	0.4%	\$42,300,000	\$44,616,465	105.5%	94.7%

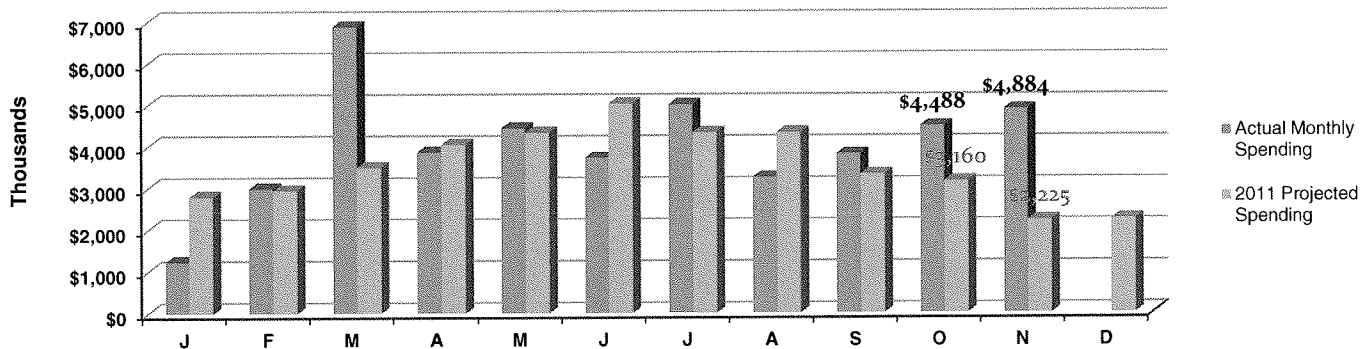
2011 CUMULATIVE BUDGET GRAPH



PERFORMANCE COMPARISON TABLE (CUMULATIVE)

	Last Month	This Month	Variance
SPI	1.06	1.12	↑ 0.06

2011 MONTHLY BUDGET GRAPH

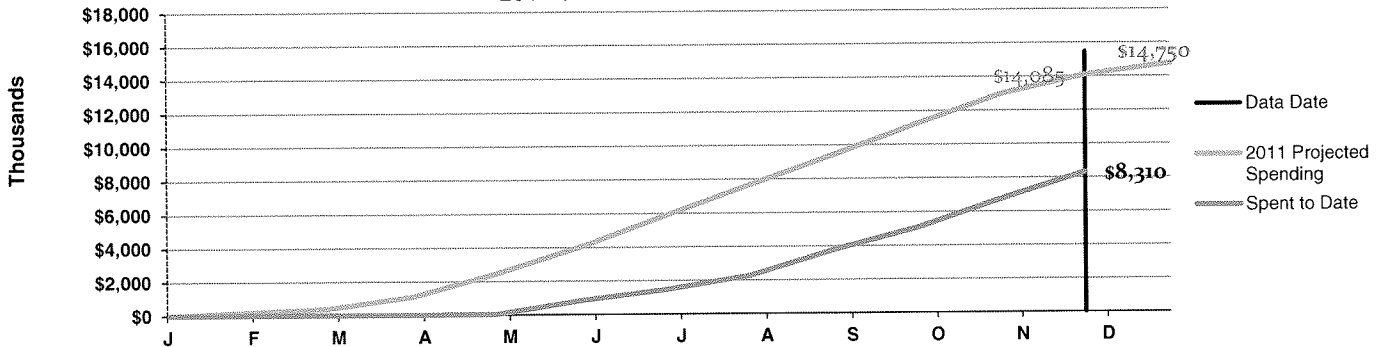


PERFORMANCE COMPARISON TABLE (MONTHLY)

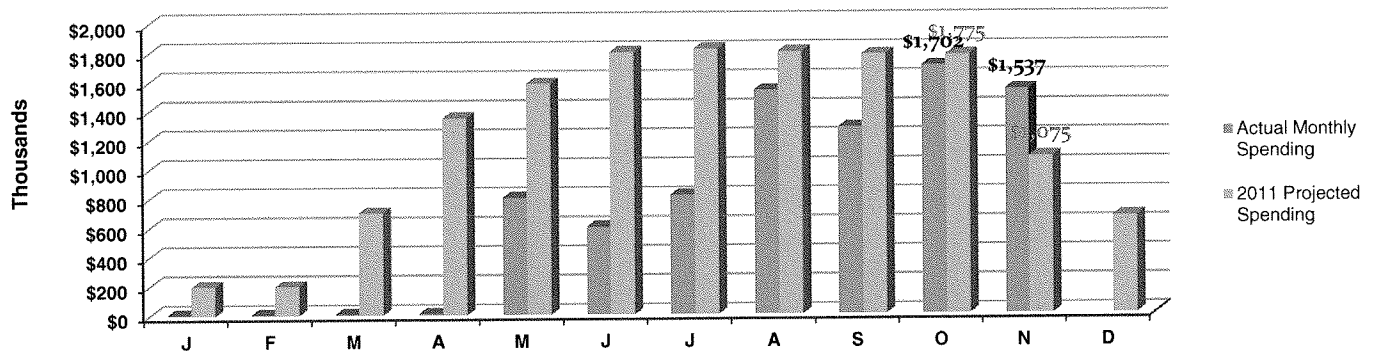
	Last Month	This Month	Variance
SPI	1.43	2.20	↑ 0.77

COMMODORE BARRY BRIDGE EXCLUDING FEDERAL FUNDING

Project No.	Project	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
CB0903	Pennsylvania Approach Ramps (PADOT)	\$238,500	\$238,500	0.0%	\$0	\$311,488	0.0%	0.0%
CB0904	Structural Repairs	\$22,633,572	\$22,633,572	0.0%	\$14,000,000	\$7,837,442	56.0%	95.7%
CB0905	Pier E-8 Substation Replacement	\$950,000	\$950,000	0.0%	\$750,000	\$161,000	21.5%	91.3%
TOTAL		\$23,822,072	\$23,822,072	0.0%	\$14,750,000	\$8,309,931	56.3%	95.5%

2011 CUMULATIVE BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (CUMULATIVE)

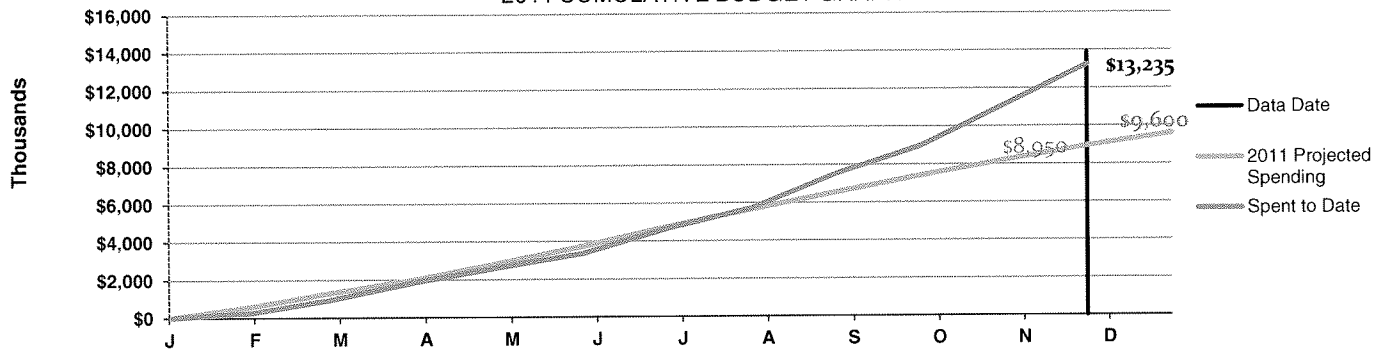
	Last Month	This Month	Variance
SPI	0.53	0.59	↑ 0.06

2011 MONTHLY BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (MONTHLY)

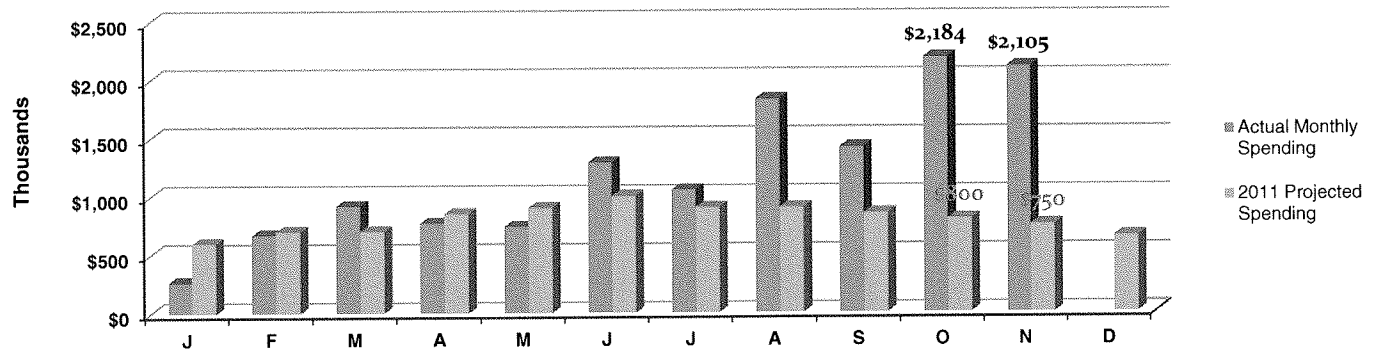
	Last Month	This Month	Variance
SPI	0.96	1.43	↑ 0.47

BETSY ROSS BRIDGE EXCLUDING FEDERAL FUNDING

Project No.	Project	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
RB0903	Deck Joints/Miscellaneous Repairs	\$15,739,361	\$15,739,361	0.0%	\$9,000,000	\$12,951,632	143.9%	93.3%
RB1001	Bridge Resurfacing	\$8,750,000	\$8,750,000	0.0%	\$500,000	\$126,933	25.4%	100.0%
RB0904	Express E-Z Pass (one lane)	\$5,150,000	\$5,389,603	4.7%	\$100,000	\$60,328	60.3%	50.0%
RBxxxx	Administration Building Concrete Repairs	\$0	\$0	0.0%	\$0	\$95,622	0.0%	0.0%
TOTAL		\$29,639,361	\$29,878,964	0.8%	\$9,600,000	\$13,234,516	137.9%	93.2%

2011 CUMULATIVE BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (CUMULATIVE)

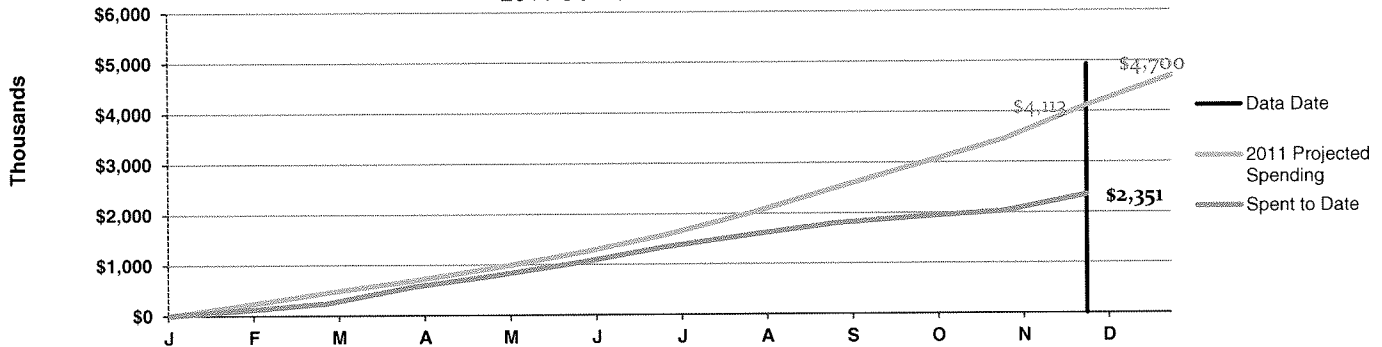
	Last Month	This Month	Variance
SPI	1.36	1.48	↑ 0.12

2011 MONTHLY BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (MONTHLY)

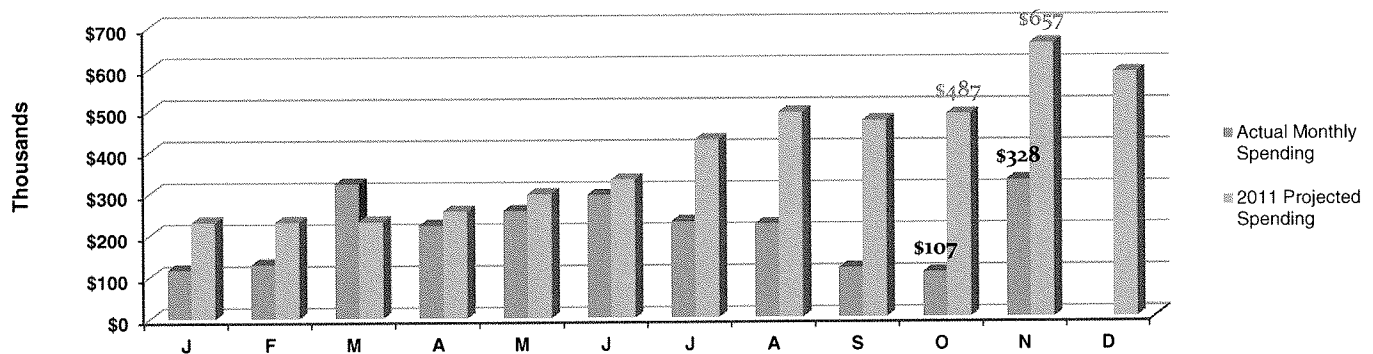
	Last Month	This Month	Variance
SPI	2.74	2.81	↑ 0.07

MULTI - OR ALL BRIDGES EXCLUDING FEDERAL FUNDING

Project No.	Project	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
AB0901	Program Management for Capital Projects	\$6,900,000	\$6,900,000	0.0%	\$800,000	\$533,208	66.7%	91.7%
AB0902	Electronic and Roadway Signing Improvement Study	\$1,100,000	\$1,100,000	0.0%	\$500,000	\$0	0.0%	85.0%
AB9803	Rehab. Work Due to Biennial Inspections	\$1,500,000	\$1,500,000	0.0%	\$300,000	\$231,323	77.1%	91.7%
AB9804	General Engineering Consulting Services (GEC)	\$7,500,000	\$7,500,000	0.0%	\$1,500,000	\$1,159,651	77.3%	91.7%
PD0704	DRPA 800 MHz Radio System - PATCO Tunnel	\$2,537,103	\$2,537,103	0.0%	\$150,000	\$118,030	78.7%	100.0%
AB1101	Substation Replacements at the WWB & BRB	\$1,000,000	\$1,000,000	0.0%	\$700,000	\$209,514	29.9%	93.6%
AB1102	New Toll Plaza Canopy Signs WWB & BFB	\$1,400,000	\$1,400,000	0.0%	\$300,000	\$0	0.0%	50.0%
AB1103	Replace Bridge Speed-Limit Signs - WWB/BRB	\$200,000	\$200,000	0.0%	\$200,000	\$0	0.0%	100.0%
AB1104	Standpipe System Rehabilitation at the BFB &	\$2,800,000	\$2,800,000	0.0%	\$250,000	\$99,200	39.7%	60.0%
TOTAL		\$24,937,103	\$24,937,103	0.0%	\$4,700,000	\$2,350,926	50.0%	87.5%

2011 CUMULATIVE BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (CUMULATIVE)

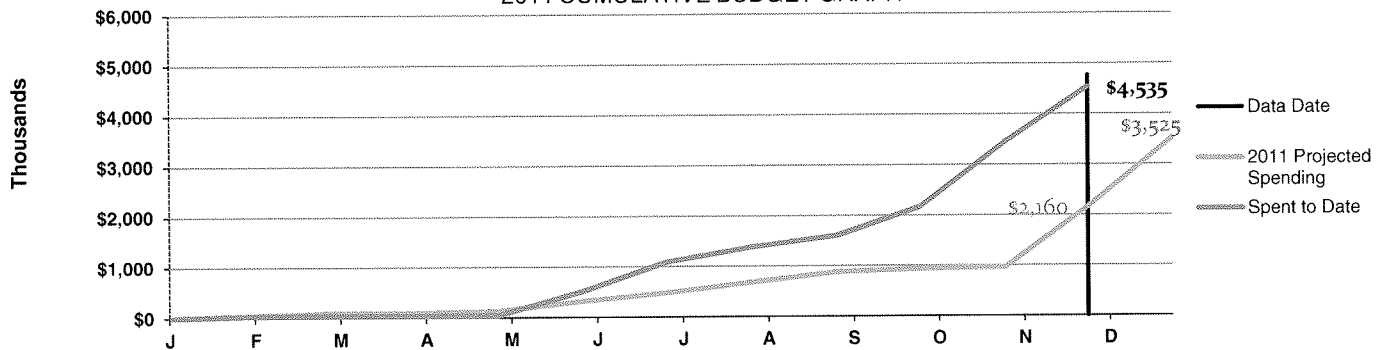
	Last Month	This Month	Variance
SPI	0.59	0.58	-0.01

2011 MONTHLY BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (MONTHLY)

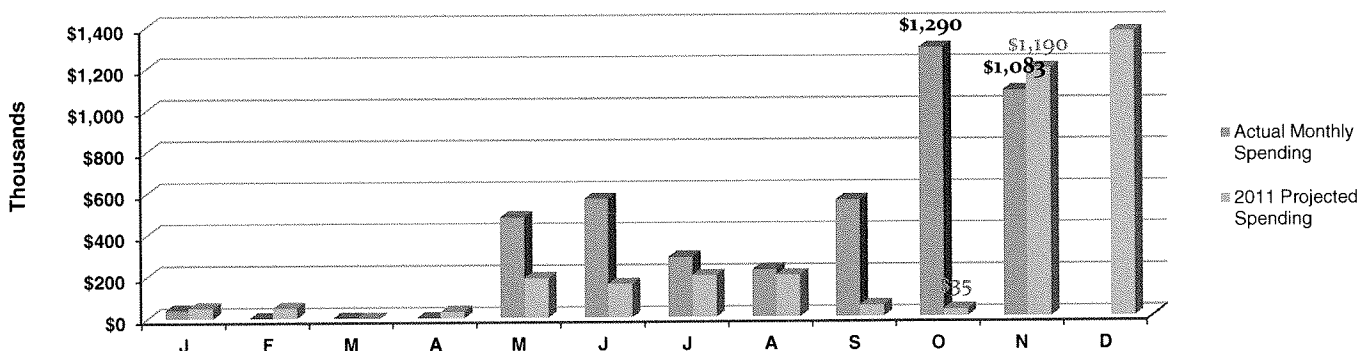
	Last Month	This Month	Variance
SPI	0.23	0.50	0.27

FACILITY SECURITY EXCLUDING FEDERAL FUNDING

Project No.	Project	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
AB1003	BRB WWB Cameras and Lighting (\$375-2011&	\$2,000,000	\$2,000,000	0.0%	\$125,000	\$0	0.0%	20.0%
AB0402	CBB Fender Rehabilitation (no grant funding)	\$19,315,587	\$19,315,587	0.0%	\$100,000	\$331,502	331.5%	100.0%
BF1004	Bridge Hardening - BFB (2009 FEMA grant \$2.1 mil	\$10,716,454	\$10,716,454	0.0%	\$2,400,000	\$2,858,433	119.1%	47.9%
PD0705	PATCO New Radio Repeater (no grant	\$450,000	\$450,000	0.0%	\$450,000	\$0	0.0%	96.7%
CB0906	CBB Security Enhancements	\$1,630,533	\$1,630,533	0.0%	\$450,000	\$1,345,520	299.0%	100.0%
TOTAL		\$34,112,574	\$34,112,574	0.0%	\$3,525,000	\$4,535,456	128.7%	61.3%

2011 CUMULATIVE BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (CUMULATIVE)

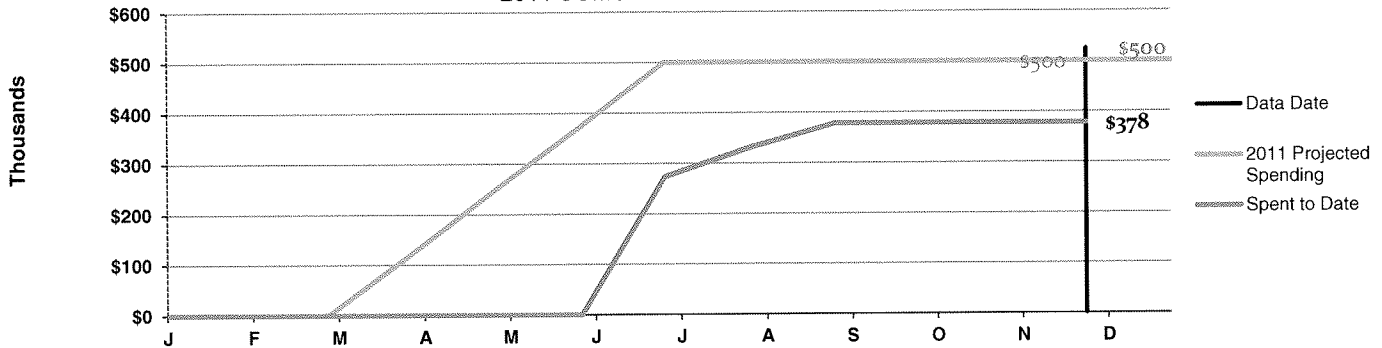
	Last Month	This Month	Variance
SPI	3.56	2.10	-1.46

2011 MONTHLY BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (MONTHLY)

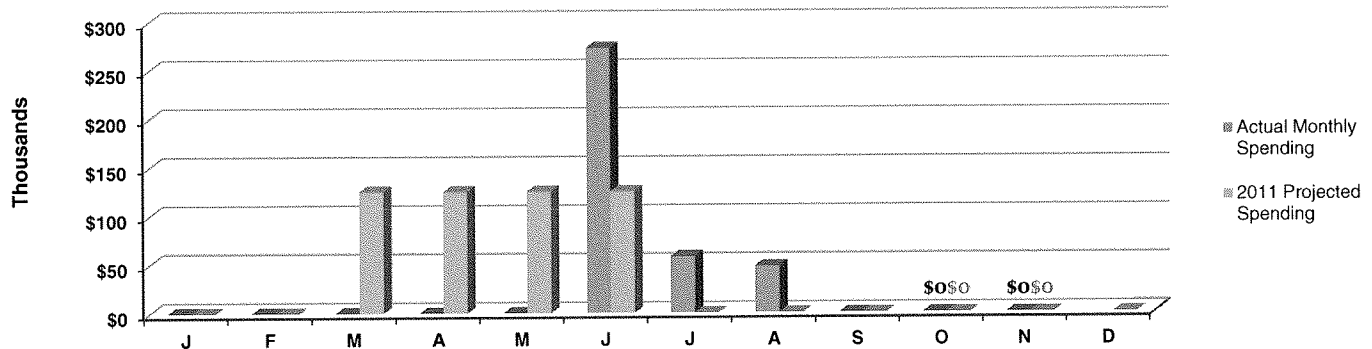
	Last Month	This Month	Variance
SPI	36.87	0.91	-35.96

DRPA OTHER EXCLUDING FEDERAL FUNDING

Project No.	Project	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
OP1001	6th Floor IS Computer Center	\$426,689	\$415,786	-2.6%	\$500,000	\$378,098	75.6%	100.0%
TOTAL		\$426,689	\$415,786	-2.6%	\$500,000	\$378,098	75.6%	100.0%

2011 CUMULATIVE BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (CUMULATIVE)

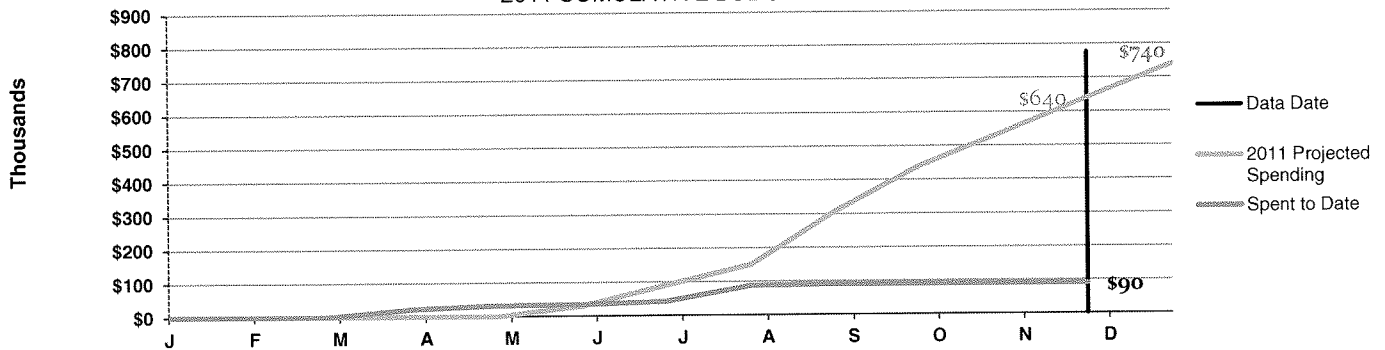
	Last Month	This Month	Variance
SPI	0.76	0.76	0.00

2011 MONTHLY BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (MONTHLY)

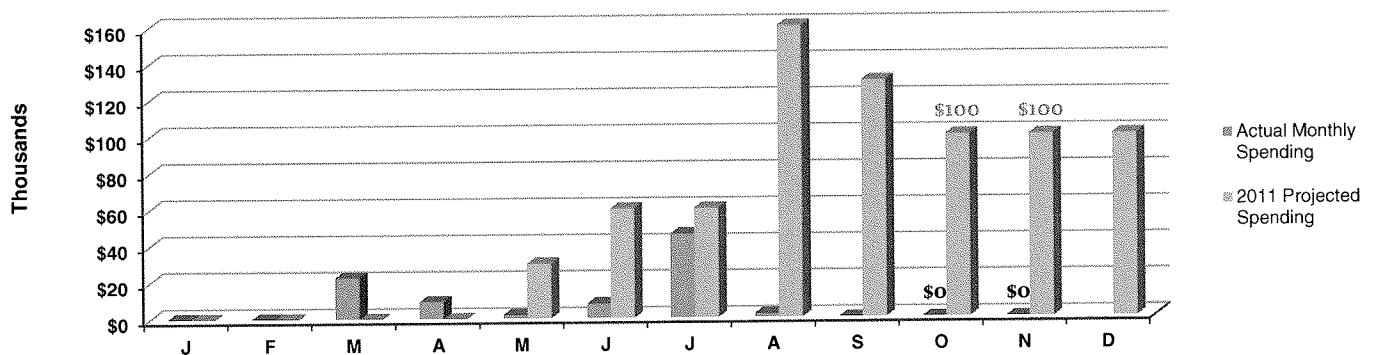
	Last Month	This Month	Variance
SPI	1.00	1.00	0.00

FERRY EXCLUDING FEDERAL FUNDING

Project No.	Project	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
PI0501	NJ North Ferry Terminal	\$5,000,000	\$5,038,700	0.8%	\$500,000	\$45,880	9.2%	80.0%
PI0701	Penn's Landing Ferry Terminal Upgrade	\$1,200,000	\$1,200,000	0.0%	\$240,000	\$43,817	18.3%	100.0%
TOTAL		\$6,200,000	\$6,238,700	0.6%	\$740,000	\$89,698	12.1%	86.5%

2011 CUMULATIVE BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (CUMULATIVE)

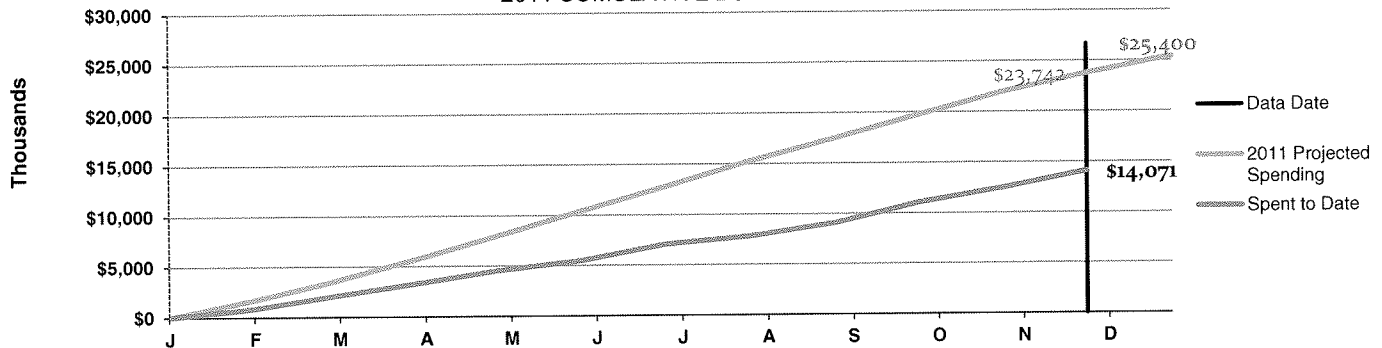
	Last Month	This Month	Variance
SPI	0.17	0.15	-0.02

2011 MONTHLY BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (MONTHLY)

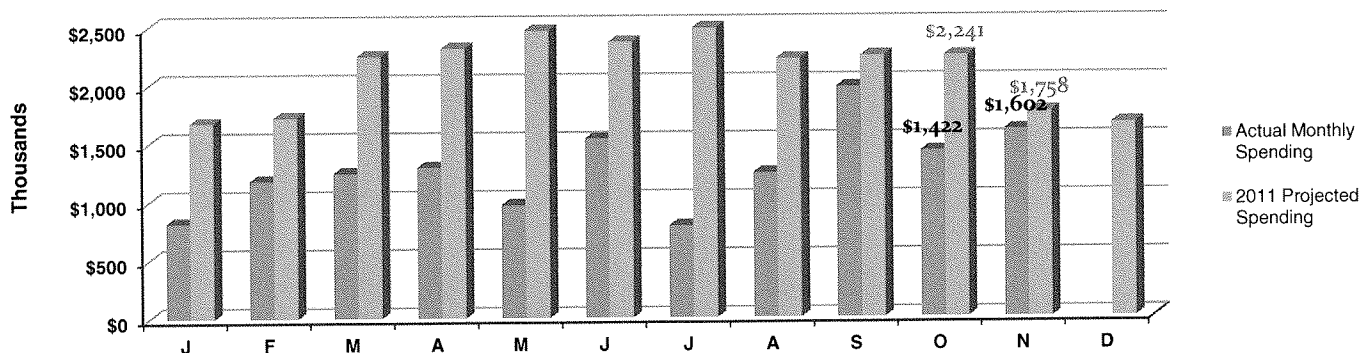
	Last Month	This Month	Variance
SPI	0.00	0.00	0.00

PATCO - DRPA FUNDED EXCLUDING FEDERAL FUNDING

Project No.	Project	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
PD0207	Rehab. Of Track Structure on Viaducts at	\$14,157,228	\$14,157,228	0.0%	\$100,000	\$0	0.0%	100.0%
PD1001	Mechanical Room Upgrades - Phase 2	\$3,330,712	\$3,330,712	0.0%	\$3,000,000	\$2,540,900	84.7%	100.0%
PD0905	PATCO Power Cable and Pole Line Replacement	\$32,375,797	\$32,419,057	0.1%	\$18,000,000	\$10,721,857	59.6%	91.7%
PD0909	Rehabilitation of Tunnel Sidewalk Gratings -	\$8,350,000	\$8,350,000	0.0%	\$1,000,000	\$0	0.0%	91.7%
PD1005	PATCO Shop Annex Building	\$8,000,000	\$8,000,000	0.0%	\$1,000,000	\$334,881	33.5%	100.0%
PD1009	Woodcrest Concrete Rehabilitation	\$603,195	\$603,195	0.0%	\$700,000	\$352,310	50.3%	100.0%
PD0918	Replace Escalators @ Woodcrest, 12/13th &	\$6,500,000	\$6,500,000	0.0%	\$1,500,000	\$120,623	8.0%	96.7%
PD1007	Rehabilitate M&W Building, Lindenwold Yard	\$1,250,000	\$1,250,000	0.0%	\$100,000	\$0	0.0%	75.0%
TOTAL		\$74,566,933	\$74,610,193	0.1%	\$25,400,000	\$14,070,571	55.4%	93.5%

2011 CUMULATIVE BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (CUMULATIVE)

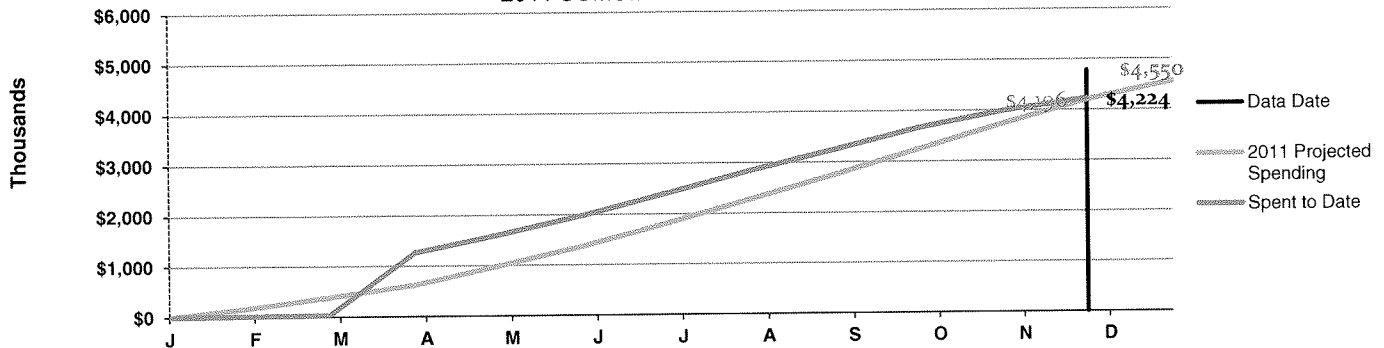
	Last Month	This Month	Variance
SPI	0.57	0.60	↑ 0.03

2011 MONTHLY BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (MONTHLY)

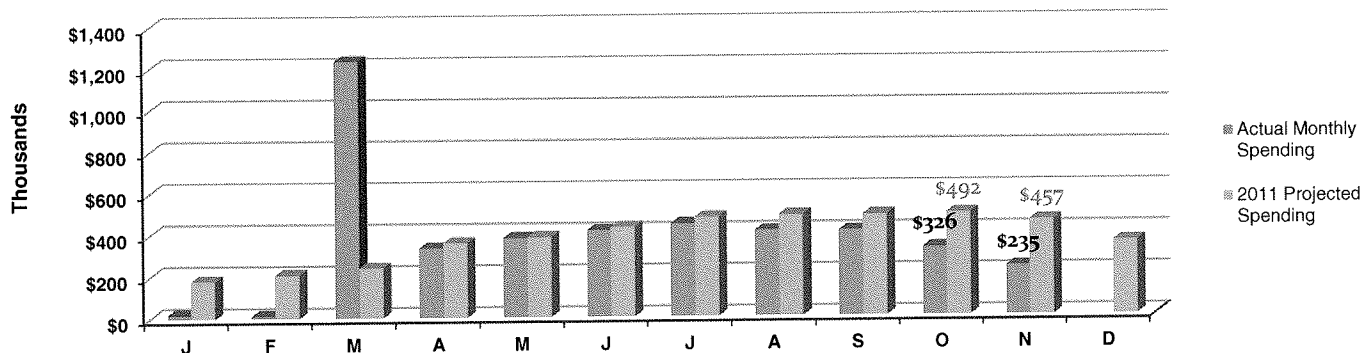
	Last Month	This Month	Variance
SPI	0.64	0.92	↑ 0.28

PATCO - FTA FUNDED WITHOUT FEDERAL FUNDING

Project No.	Project	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
FT0503	Rehabilitation Of Fleet	\$202,528,407	\$202,528,407	0.0%	\$0	\$0	0.0%	0.0%
PF1101	Rehab. Of Track Structure c	\$15,000,000	\$15,000,000	0.0%	\$100,000	\$0	0.0%	70.0%
PD0910	Elevators at 9/10th & Locust	\$4,045,000	\$4,045,000	0.0%	\$400,000	\$0	0.0%	92.5%
PF1001	Smoke & Fire Control, Force	\$21,400,000	\$21,471,250	0.3%	\$80,000	\$0	0.0%	75.0%
PF0705	Lindenwold Yard Track Reh	\$23,000,000	\$23,000,000	0.0%	\$200,000	\$0	0.0%	75.0%
PF0705	Lindenwold Yard Third Rail	\$2,134,400	\$2,134,400	0.0%	\$440,000	\$280,734	63.8%	100.0%
PF0802	Reverse Signals @ Linden I	\$3,698,652	\$3,698,652	0.0%	\$600,000	\$305,531	50.9%	91.7%
PF0909	Lindenwold Yard Diamond C	\$2,134,400	\$2,134,400	0.0%	\$300,000	\$79,670	26.6%	86.7%
PF1001	Contract No. 27H - PATCO	\$610,879	\$682,129	#####	\$100,000	\$45,912	45.9%	75.0%
PF1010	Track Rehabilitation Across	\$3,151,243	\$3,151,243	0.0%	\$400,000	\$1,862,308	465.6%	88.3%
PF0008	Bridge Painting & Structural	\$8,082,831	\$8,127,604	0.6%	\$1,300,000	\$1,363,183	104.9%	97.5%
PF9903	Embankment Restoration, C	\$5,600,000	\$5,600,000	0.0%	\$300,000	\$34,078	11.4%	90.0%
PF1003	Paving Parking Lots for Had	\$1,714,389	\$1,714,389	0.0%	\$330,000	\$252,232	76.4%	100.0%
TOTAL		\$293,100,200	\$293,287,473	0.1%	\$4,550,000	\$4,223,649	92.8%	92.2%

2011 CUMULATIVE BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (CUMULATIVE)

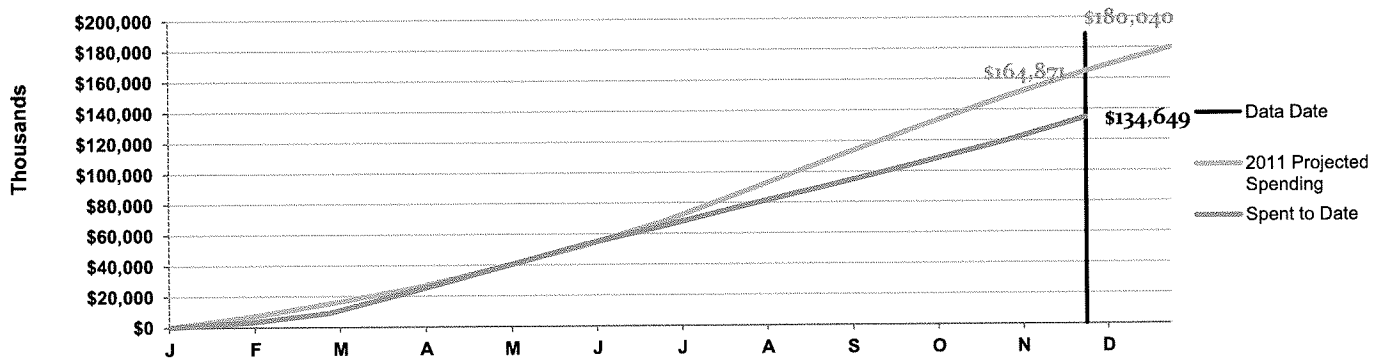
	Last Month	This Month	Variance
SPI	1.07	1.01	-0.06

2011 MONTHLY BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (MONTHLY)

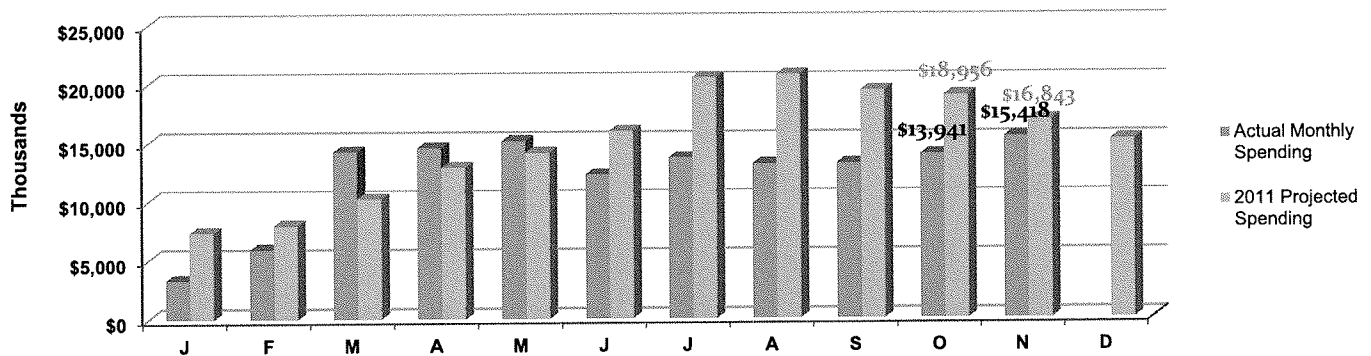
	Last Month	This Month	Variance
SPI	0.67	0.52	-0.15

DRPA 2011 ENGINEERING PROJECTS INCLUDING FEDERAL FUNDING

Project Category	# of Projects	Original Contract Value	Adjusted Contract Value		2011 Projected Spending	2011 Spent to Date	2011 Percent Value Spent	2011 Target Percent Spent
Ben Franklin Bridge	6	\$24,378,577	\$25,236,057	3.5%	\$15,200,000	\$12,383,247	81.5%	94.4%
Walt Whitman Bridge	5	\$148,651,178	\$149,229,607	0.4%	\$42,300,000	\$44,616,465	105.5%	94.7%
Commodore Barry Bridge	3	\$23,822,072	\$23,822,072	0.0%	\$14,790,000	\$8,348,514	56.4%	95.5%
Betsy Ross Bridge	4	\$29,639,361	\$29,878,964	0.8%	\$9,600,000	\$13,234,516	137.9%	93.2%
Multi - or All Bridges	9	\$24,937,103	\$24,937,103	0.0%	\$4,700,000	\$2,350,936	50.0%	87.5%
Facility Security	5	\$34,112,574	\$34,112,574	0.0%	\$10,500,000	\$10,135,456	96.5%	87.0%
DRPA Other	1	\$426,689	\$415,786	-2.6%	\$500,000	\$378,098	75.6%	100.0%
Ferry	2	\$6,200,000	\$6,238,700	0.6%	\$3,700,000	\$89,698	2.4%	86.5%
PATCO - DRPA Funded	8	\$74,566,933	\$74,610,193	0.1%	\$25,400,000	\$14,070,571	55.4%	93.5%
PATCO - FTA Funded	13	\$293,100,200	\$293,287,473	0.1%	\$53,350,000	\$29,041,330	54.4%	87.5%
TOTAL	56	\$659,834,686	\$661,768,528	0.3%	\$180,040,000	\$134,648,829	74.8%	91.6%

2011 CUMULATIVE BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (CUMULATIVE)

	Last Month	This Month	Variance
SPI	0.81	0.82	0.01

2011 MONTHLY BUDGET GRAPH

PERFORMANCE COMPARISON TABLE (MONTHLY)

	Last Month	This Month	Variance
SPI	0.74	0.92	0.18

**DELAWARE RIVER PORT AUTHORITY
MONTHLY LIST OF PAYMENTS 12/1/11 THRU 12/31/11
MEETING DATE 1/18/2012**

<u>VENDOR NAME</u>	<u>ITEM DESCRIPTION</u>	<u>RESOLUTION #/ AUTHORIZATION</u>	<u>AMOUNT</u>
TEKTRON CORPORATION	800 MHz Radio Project	08-066	\$6,707.00
	800 MHz Radio Project	Total	\$6,707.00
STANDARD INSURANCE COMPANY	A/P Group Life & Accident	10-085	\$49,791.50
	A/P Group Life & Accident	Total	\$49,791.50
UBS GLOBAL ASSET MANAGEMENT	Account Management Fees	25KTHRES	\$12,529.62
	Account Management Fees	Total	\$12,529.62
CHASE CARD SERVICES	Advertising and Promotion	25KTHRES	\$648.22
	Advertising and Promotion	Total	\$648.22
COUNTRY GAS SERVICES INC	Alternate Fuel	25KTHRES	\$21.00
	Alternate Fuel	Total	\$21.00
ACCOUNTING PRINCIPALS	Audit, Legal, Consultant & Other	25KTHRES	\$8,470.08
AECOM	Audit, Legal, Consultant & Other	09-081	\$20,466.31
ARCHER & GREINER	Audit, Legal, Consultant & Other	09-102	\$17,826.50
BALLARD SPAHR ANDREWS & INGERSOLL	Audit, Legal, Consultant & Other	01-140	\$51,248.52
BENEFIT HARBOR, LP	Audit, Legal, Consultant & Other	08-071	\$10,325.00
BLANK ROME LLP	Audit, Legal, Consultant & Other	01-140	\$1,575.00
BROOKS PERSONNEL INC	Audit, Legal, Consultant & Other	25KTHRES	\$1,161.87
BROWN & CONNERY	Audit, Legal, Consultant & Other	09-102	\$35,424.36
DUANE MORRIS, LLP	Audit, Legal, Consultant & Other	09-102	\$56,121.71
HOWARD NEEDLES TAMMEN & BERGENDOFF	Audit, Legal, Consultant & Other	09-081	\$5,444.51
JACKSON LEWIS LLP	Audit, Legal, Consultant & Other	09-102	\$1,552.11
MONTGOMERY, MCCrackEN & WALKER	Audit, Legal, Consultant & Other	09-102	\$337.50
PARKER MCCAY P.A.	Audit, Legal, Consultant & Other	09-102	\$2,137.50
REED SMITH LLP	Audit, Legal, Consultant & Other	01-140	\$15.60
RIKER, DANZIG, SCHERER & HYLAND	Audit, Legal, Consultant & Other	09-102	\$15,421.50
SCHNADER HARRISON SEGAL & LEWIS	Audit, Legal, Consultant & Other	09-102	\$3,644.49
STEVENS & LEE	Audit, Legal, Consultant & Other	09-102	\$58,274.70
	Audit, Legal, Consultant & Other	Total	\$289,447.26
LEXISNEXIS	Background Investigations	25KTHRES	\$25.00
	Background Investigations	Total	\$25.00
UNI-SELECT USA, INC	Batteries	11-016	\$2,900.20
	Batteries	Total	\$2,900.20
CORNELL & CO INC	BFB Deck Truss Replacement	10-077	\$627,820.00 **
HOWARD NEEDLES TAMMEN & BERGENDOFF	BFB Deck Truss Replacement	10-016	\$92,320.53 **
	BFB Deck Truss Replacement	Total	\$720,140.53
HOWARD NEEDLES TAMMEN & BERGENDOFF	BFB Salt Storage Building	09-081	\$3,489.02 **
HOWARD NEEDLES TAMMEN & BERGENDOFF	BFB Salt Storage Building	11-061	\$23,307.89 **
	BFB Salt Storage Building	Total	\$26,796.91
CORNELL & CO INC	BFB Structural Repairs	10-099	\$1,733,262.16 **
	BFB Structural Repairs	Total	\$1,733,262.16
HOWARD NEEDLES TAMMEN & BERGENDOFF	BFB Technical Support Services	10-132	\$1,840.54 **
	BFB Technical Support Services	Total	\$1,840.54
BANK OF NEW YORK	Bond Service	Bond Resolution	\$1,207,234.60
TD BANK NORTH	Bond Service	Bond Resolution	\$4,180,492.23
	Bond Service	Total	\$5,387,726.83
CHAMMINGS ELECTRIC, INC	BRB & WWB Substation Replacement	11-064	\$188,562.60 **
	BRB & WWB Substation Replacement	Total	\$188,562.60
CORNELL & CO INC	BRB Structural Repairs	10-132	\$985,147.00 **
REMINGTON & VERNICK ENGINEERS	BRB Structural Repairs	10-100	\$64,164.55 **
	BRB Structural Repairs	Total	\$1,049,311.55
PAULUS, SOKOLOWSKI, & SARTOR	Buildings	10-076	\$3,719.91 **
	Buildings	Total	\$3,719.91
JAMES M WHITE JR	Business Meetings	25KTHRES	\$27.82
JIM SIMPSON	Business Meetings	25KTHRES	\$41.94
SODEXO, INC & AFFILIATES	Business Meetings	25KTHRES	\$285.00
SOUTHERN NEW JERSEY DEVELOPMENT	Business Meetings	25KTHRES	\$60.00
	Business Meetings	Total	\$414.76
REED SMITH LLP	Cash Holding Account	01-140	\$112,500.00
	Cash Holding Account	Total	\$112,500.00
MODJESKI AND MASTERS	CBB Biennial Inspection	10-003	\$24,962.85
	CBB Biennial Inspection	Total	\$24,962.85
GRAHAM COMPANY	CBB Chester Approach Widening	PRE 8-18	\$8,900.00 **
STV, INC	CBB Chester Approach Widening	09-001	\$6,342.00 **
	CBB Chester Approach Widening	Total	\$15,242.00
CARR & DUFF INC	CBB Security Lighting	10-151	\$163,470.05 **
	CBB Security Lighting	Total	\$163,470.05
GREENMAN PEDERSEN INC	CBB Structural Repairs	11-030	\$62,645.84 **
IRON BRIDGE CONSTRUCTORS, INC.	CBB Structural Repairs	10-152	\$1,176,710.41 **
	CBB Structural Repairs	Total	\$1,239,356.25
ANTHONY GIAMMARUTI	CDL License	25KTHRES	\$15.88

** Capital Expenditure

DELAWARE RIVER PORT AUTHORITY
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<u>VENDOR NAME</u>	<u>ITEM DESCRIPTION</u>	<u>RESOLUTION #/ AUTHORIZATION</u>	<u>AMOUNT</u>
JAMES A FERRIGNO	CDL License	25KTHRES	\$44.00
MICHAEL C DELUCA	CDL License	25KTHRES	\$44.00
WILLIAM R SIMONS	CDL License	25KTHRES	\$44.00
	CDL License	Total	\$147.88
CENTRAL TAX BUREAU OF PA, INC.	Chester Employee W/H Taxes		\$407.31
	Chester Employee W/H Taxes	Total	\$407.31
BUCCINI/POLLIN GROUP, INC	Chester Infrastructure Improvement	08-019	\$389,988.98
	Chester Infrastructure Improvement	Total	\$389,988.98
DANIEL J. AULETTO	Citizen Advisory Committee Expenses	25KTHRES	\$32.38
TYRONE T WESLEY	Citizen Advisory Committee Expenses	25KTHRES	\$13.99
	Citizen Advisory Committee Expenses	Total	\$46.37
CIGNA HEALTHCARE - CGLIC	Cobra Reimbursements	10-086	\$672.63
DELTA DENTAL PLAN	Cobra Reimbursements	10-087	\$757.22
VISION BENEFITS OF AMERICA	Cobra Reimbursements	10-084	\$130.44
	Cobra Reimbursements	Total	\$1,560.29
AUDIO VISUAL RENTAL SERVICES LLC	Commissioner Meeting Expense	11-067	\$1,435.00
SODEXO, INC & AFFILIATES	Commissioner Meeting Expense	25KTHRES	\$345.00
	Commissioner Meeting Expense	Total	\$1,780.00
BOROUGH OF COLLINGSWOOD	Community Impact Fee	94-075	\$30,000.00
BOROUGH OF HADDONFIELD	Community Impact Fee	94-075	\$30,000.00
BOROUGH OF LAWSIDE	Community Impact Fee	94-075	\$15,000.00
BOROUGH OF LINDENWOLD	Community Impact Fee	94-075	\$90,000.00
BOROUGH OF SOMERDALE	Community Impact Fee	94-075	\$15,000.00
BOROUGH OF STRATFORD	Community Impact Fee	94-075	\$15,000.00
CITY OF CAMDEN	Community Impact Fee	94-075	\$75,000.00
CITY OF PHILADELPHIA	Community Impact Fee	94-075	\$75,000.00
TOWNSHIP OF CHERRY HILL	Community Impact Fee	94-075	\$75,000.00
TOWNSHIP OF HADDON TOWNSHIP	Community Impact Fee	94-075	\$30,000.00
TOWNSHIP OF VOORHEES	Community Impact Fee	94-075	\$50,000.00
	Community Impact Fee	Total	\$500,000.00
VERIZON NETWORK INTEGRATION CORP.	Computer Equipment	25KTHRES	\$11,615.72 **
	Computer Equipment	Total	\$11,615.72
COURT LIAISON SERVICES, LLC	Contractual Services	25KTHRES	\$2,500.00
HOMELAND DEFENSE SOLUTIONS INC	Contractual Services	25KTHRES	\$25,450.00
IRON MOUNTAIN INCORPORATED	Contractual Services	25KTHRES	\$3,762.66
MISTRAS GROUP INC.	Contractual Services	25KTHRES	\$2,400.50
SEA TOW DELAWARE RIVER	Contractual Services	10-078	\$595.00
	Contractual Services	Total	\$34,708.16
TUCS CLEANING SERVICE, INC.	Custodial Services	10-104	\$29,388.84
	Custodial Services	Total	\$29,388.84
ACS GOVERNMENT SYSTEMS INC	Data Processing	11-081	\$69,922.87
BENTLEY SYSTEMS INC	Data Processing	25KTHRES	\$160.00
ETI, LLC	Data Processing	25KTHRES	\$899.00
LEXISNEXIS	Data Processing	25KTHRES	\$2,318.00
SCHNEIDER ELECTRIC	Data Processing	25KTHRES	\$3,748.00
WORKSTREAM USA INC	Data Processing	10-109	\$750.00
	Data Processing	Total	\$77,797.87
ISOBUNKERS, LLC	Diesel Fuel	11-047	\$5,147.51
	Diesel Fuel	Total	\$5,147.51
POLLUTION CONTROL AUTHORITY	Disposal Fees	25KTHRES	\$4,905.45
SAFETY-KLEEN	Disposal Fees	25KTHRES	\$468.65
TREASURER, STATE OF NEW JERSEY	Disposal Fees	25KTHRES	\$90.00
WASTE MANAGEMENT OF PA INC	Disposal Fees	11-060	\$2,488.35
	Disposal Fees	Total	\$7,952.45
NEW JERSEY E-ZPASS CUSTOMER SVC CENTER	Disputed Tolls	04-031	\$4,588.11
	Disputed Tolls	Total	\$4,588.11
GLOUCESTER COUNTY AUTHORITY	Due Diligence Dupont Property	09-052	\$1,789.50
	Due Diligence Dupont Property	Total	\$1,789.50
ATLANTIC CITY ELECTRIC	Electricity	UTILITY	\$17,673.70
P S E & G	Electricity	UTILITY	\$52,461.07
PECO ENERGY	Electricity	UTILITY	\$43,528.09
	Electricity	Total	\$113,662.86
DELTA DENTAL PLAN	Employee Dental Insurance	10-087	\$24,442.67
	Employee Dental Insurance	Total	\$24,442.67
CIGNA HEALTHCARE - CGLIC	Employee Medical Insurance	10-086	\$475,133.95
	Employee Medical Insurance	Total	\$475,133.95
BARBARA HOLCOMB	Employee Mileage	25KTHRES	\$58.60
CECIL BISHOP	Employee Mileage	25KTHRES	\$12.21
CHONG YOUNG	Employee Mileage	25KTHRES	\$8.33
DENISE SANCHEZ	Employee Mileage	25KTHRES	\$9.99

** Capital Expenditure

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<u>VENDOR NAME</u>	<u>ITEM DESCRIPTION</u>	<u>RESOLUTION #/ AUTHORIZATION</u>	<u>AMOUNT</u>
DONALD TATHAM	Employee Mileage	25KTHRES	\$23.80
EDWARD MONTGOMERY	Employee Mileage	25KTHRES	\$24.00
GAIL POLK	Employee Mileage	25KTHRES	\$66.60
GLENN CARNEY	Employee Mileage	25KTHRES	\$39.96
PHILADELPHIA CHAMBER OF COMMERCE	Employee Mileage	25KTHRES	\$125.00
HOWARD KORSEN	Employee Mileage	25KTHRES	\$16.00
JAMES BEACH	Employee Mileage	25KTHRES	\$96.57
JIM SIMPSON	Employee Mileage	25KTHRES	\$216.89
JOHN BUCK	Employee Mileage	25KTHRES	\$44.40
JOHN J. MATHEUSSEN	Employee Mileage	25KTHRES	\$194.13
KAREN A FANNING	Employee Mileage	25KTHRES	\$114.33
KEVAN RAHAMAN	Employee Mileage	25KTHRES	\$12.21
LAURIE NOVICK	Employee Mileage	25KTHRES	\$129.87
MARK LOPEZ	Employee Mileage	25KTHRES	\$40.00
MICHAEL MATEY	Employee Mileage	25KTHRES	\$22.20
MILES LEDERER	Employee Mileage	25KTHRES	\$12.21
NYDIA ROSARIO	Employee Mileage	25KTHRES	\$17.50
PATRICIA GRIFFEY	Employee Mileage	25KTHRES	\$69.93
SELINA C. THOMPkins	Employee Mileage	25KTHRES	\$53.28
THOMAS AGNES	Employee Mileage	25KTHRES	\$12.21
TINA THOMSON	Employee Mileage	25KTHRES	\$51.06
TONI CORSEY	Employee Mileage	25KTHRES	\$44.40
URSELLE GARNETT	Employee Mileage	25KTHRES	\$132.13
	Total		\$1,647.81
VISION BENEFITS OF AMERICA	Employee Vision Insurance	10-084	\$2,781.08
	Total		\$2,781.08
PHILADELPHIA TRIBUNE	Employment Advertisement	25KTHRES	\$1,535.68
	Total		\$1,535.68
FASTENAL COMPANY	Equipment	25KTHRES	\$5,150.00
IMPACT COMPUTERS & ELECTRONICS	Equipment	25KTHRES	\$308.01
MANCINE OPTICAL	Equipment	25KTHRES	\$218.05
MARCUS TRANSFORMER	Equipment	25KTHRES	\$3,700.00
MPH INDUSTRIES INC	Equipment	25KTHRES	\$8,528.00
WHARTON HARDWARE & SUPPLY	Equipment	25KTHRES	\$1,910.00
HEWLETT PACKARD COMPANY	Equipment	25KTHRES	\$5,686.50 **
NORRIS SALES COMPANY INC.	Equipment	25KTHRES	\$14,584.00 **
SOFTWARE HOUSE INTERNATIONAL	Equipment	25KTHRES	\$1,285.80 **
SUPERIOR EQUIPMENT CO	Equipment	25KTHRES	\$17,023.50 **
TAC 10	Equipment	25KTHRES	\$12,818.00 **
TRAFCON INDUSTRIAL INC	Equipment	25KTHRES	\$14,208.00 **
	Total		\$85,419.86
ACS STATE & LOCAL SOLUTIONS	E-ZPass Clearing Account	04-031	\$149,224.10
	Total		\$149,224.10
AMERICAN EXPRESS	E-ZPass Credit Card Fee	04-031	\$6.16
NJ TURNPIKE AUTHORITY (NJ E-ZPASS)	E-ZPass Credit Card Fee	04-031	\$372,031.79
PAYMENTECH	E-ZPass Credit Card Fee	04-031	\$254.15
	Total		\$372,292.10
ACS STATE & LOCAL SOLUTIONS	E-ZPass Fixed Monthly Operations Fee	04-031	\$52,753.40
	Total		\$52,753.40
ACS STATE & LOCAL SOLUTIONS	E-ZPass VPC	04-031	\$47,658.98
	Total		\$47,658.98
ACS STATE & LOCAL SOLUTIONS	E-ZPass Walk In CSC	04-031	\$84,519.80
	Total		\$84,519.80
WOMEN'S BUSINESS ENTERPRISE COUNCIL	Fair Exhibition Fee	25KTHRES	\$300.00
	Total		\$300.00
INTERNAL REVENUE SERVICE-CHICAGO	Federal/FICA Payroll Taxes		\$967,748.43
	Total		\$967,748.43
PFM GROUP	Financial Advisory Fees	25KTHRES	\$2,500.00
	Total		\$2,500.00
STANLEY VIDMAR	Furniture & Fixtures	11-059	\$49,673.33 **
	Total		\$49,673.33
W.B. MASON CO. INC.	Furniture and Fixtures	25KTHRES	\$3,349.00
	Total		\$3,349.00
ISOBUNKERS, LLC	Gasoline - Unleaded	11-047	\$41,426.22
	Total		\$41,426.22
P S E & G	Heat	UTILITY	\$21,177.25
PHILADELPHIA GAS WORKS	Heat	UTILITY	\$9,579.73
SOUTH JERSEY GAS COMPANY	Heat	UTILITY	\$4,558.97
	Total		\$35,315.95
GRAHAM COMPANY	Insurance	11-002	\$43,750.00

** Capital Expenditure

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UNION AIGRM SPECIAL BUSINESS	Insurance	08-022	\$91,918.52
	Insurance	Total	\$135,668.52
PORT AUTHORITY TRANSIT	Inter-company Transfers		\$400,000.00
	Inter-company Transfers	Total	\$400,000.00
IUOE 542 BENEFIT FUNDS	IUOE Medical Insurance	09-097	\$261,450.75
	IUOE Medical Insurance	Total	\$261,450.75
GRAN TURK	Landscaping - Equipment Repairs	25KTHRES	\$1,053.77
LACAL EQUIPMENT CO	Landscaping - Equipment Repairs	25KTHRES	\$4,545.70
UNI-SELECT USA, INC	Landscaping - Equipment Repairs	11-016	\$98.61
	Landscaping - Equipment Repairs	Total	\$5,698.08
STANTEC CONSULTING SERVICES, INC	Legal/Consulting Engineers	09-059	\$22,417.46 **
	Legal/Consulting Engineers	Total	\$22,417.46
BANK OF AMERICA	Letter of Credit Payment	Bond Resolution	\$500.00
TD BANK NORTH	Letter of Credit Payment	Bond Resolution	\$620,337.97
	Letter of Credit Payment	Total	\$620,837.97
ACL SERVICES LTD	Licensing Fees - Software	25KTHRES	\$2,352.00
HEWLETT PACKARD COMPANY	Licensing Fees - Software	25KTHRES	\$464.94
SOFTWARE HOUSE INTERNATIONAL	Licensing Fees - Software	25KTHRES	\$4,621.50
TAC 10	Licensing Fees - Software	25KTHRES	\$11,118.00
	Licensing Fees - Software	Total	\$18,556.44
CAMDEN PARKING AUTHORITY	Limited Mobility Parking	25KTHRES	\$340.00
	Limited Mobility Parking	Total	\$340.00
TRANSCORE	Maint. Fee - Toll Collection Equip	10-121	\$50,913.24
	Maint. Fee - Toll Collection Equip	Total	\$50,913.24
INTERSTATE MOBILE CARE, INC.	Medical Testing Fees	25KTHRES	\$2,537.00
	Medical Testing Fees	Total	\$2,537.00
CAMDEN COUNTY DETECTIVE'S ASSN	Membership Dues	25KTHRES	\$75.00
ENGINEERS' CLUB OF PHILADELPHIA	Membership Dues	25KTHRES	\$100.00
PENNSYLVANIA BAR ASSOCIATION	Membership Dues	25KTHRES	\$285.00
	Membership Dues	Total	\$460.00
DRPA MISC. EXPENSES	Miscellaneous	25KTHRES	\$25.04
	Miscellaneous	Total	\$25.04
ATLANTIC TACTICAL OF NEW JERSEY	Mobile Equipment	25KTHRES	\$1,302.41
	Mobile Equipment	Total	\$1,302.41
TD BANK NORTH	Net Payroll		\$150,111.32
WELLS FARGO BANK, NA	Net Payroll		\$2,351,452.10
	Net Payroll	Total	\$2,501,563.42
PENNONI ASSOCIATES INC	Nipper Bldg. Post Remediation Activities	01-014	\$1,025.00
	Nipper Bldg. Post Remediation Activities	Total	\$1,025.00
N.J. STATE - GIT	NJ Payroll Taxes		\$79,900.15
	NJ Payroll Taxes	Total	\$79,900.15
DELL MARKETING L.P.	Office Equipment	11-071	\$35,810.76
	Office Equipment	Total	\$35,810.76
BROWN'S GRAPHIC SOLUTIONS	Office Supplies	25KTHRES	\$37.10
PAPER MART	Office Supplies	10-096	\$447.30
PITNEY BOWES	Office Supplies	25KTHRES	\$120.96
W.B. MASON CO. INC.	Office Supplies	10-155	\$4,867.34
	Office Supplies	Total	\$5,472.70
PA DEPT OF REVENUE	PA Payroll Taxes		\$22,714.88
	PA Payroll Taxes	Total	\$22,714.88
PA STATE EMP RETIREMENT SYS	PA Pension Employee Share		\$130,753.77
	PA Pension Employee Share	Total	\$130,753.77
PAPER MART	Paper	10-096	\$1,100.59
	Paper	Total	\$1,100.59
ACS STATE & LOCAL SOLUTIONS	Parking TXN Fees	04-031	\$872.48
	Parking TXN Fees	Total	\$872.48
PRWT SERVICES INC	Part-Time Toll Collectors	10-105	\$59,451.56
	Part-Time Toll Collectors	Total	\$59,451.56
REMINGTON & VERNICK ENGINEERS	PATCO 2010 Biennial Inspection	10-005	\$6,240.89
	PATCO 2010 Biennial Inspection	Total	\$6,240.89
LEXISNEXIS	PATCO Background Investigations	25KTHRES	\$150.00
	PATCO Background Investigations	Total	\$150.00
A.P. CONSTRUCTION INC	PATCO Bridge Painting	10-103	\$644,487.99 **
BIRDSALL SERVICES GROUP, INC.	PATCO Bridge Painting	10-143	\$69,765.23 **
NEW JERSEY TRANSIT	PATCO Bridge Painting	10-029	\$116,570.03 **
	PATCO Bridge Painting	Total	\$830,823.25
HOWARD NEEDLES TAMMEN & BERGENDOFF	PATCO Electrical Supervisor Assistance	09-081	\$18,866.09
	PATCO Electrical Supervisor Assistance	Total	\$18,866.09
DAIDONE ELECTRIC INC	PATCO Hydraulic Spill Clean Up	08-022	\$27,351.69
	PATCO Hydraulic Spill Clean Up	Total	\$27,351.69

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URBAN ENGINEERS INC	PATCO Lindenwold Yard Improvements	09-001	\$25,207.34 **
	PATCO Lindenwold Yard Improvements	Total	\$25,207.34
REMINGTON & VERNICK ENGINEERS	PATCO Mechanical Room Upgrades	09-001	\$4,111.40 **
	PATCO Mechanical Room Upgrades	Total	\$4,111.40
BURNS ENGINEERING INC	PATCO Power Pole Replacement	09-098	\$85,246.50 **
DAIDONE ELECTRIC INC	PATCO Power Pole Replacement	09-050	\$1,013,242.22 **
NEW JERSEY TRANSIT	PATCO Power Pole Replacement	10-143	\$4,331.98 **
	PATCO Power Pole Replacement	Total	\$1,102,820.70
SYSTRA CONSULTING INC	PATCO Shop Annex Building	10-028	\$26,453.51 **
	PATCO Shop Annex Building	Total	\$26,453.51
BURNS ENGINEERING INC	PATCO Subway Tunnel	08-013	\$771.15 **
	PATCO Subway Tunnel	Total	\$771.15
SPRINT	PATCO Telephone	UTILITY	\$1,485.36
VERIZON	PATCO Telephone	UTILITY	\$10,791.94
	PATCO Telephone	Total	\$12,277.30
AECOM	PATCO Track Across BFB	09-081	\$14,265.39 **
	PATCO Track Across BFB	Total	\$14,265.39
STV, INC	PATCO Ventilation Vault	09-001	\$2,379.67 **
	PATCO Ventilation Vault	Total	\$2,379.67
PNC	P-Card Purchases	09-075	\$91,261.79
	P-Card Purchases	Total	\$91,261.79
PA STATE EMP RETIREMENT SYS	Pension - SERS		\$768,650.92
	Pension - SERS	Total	\$768,650.92
CITY OF PHILADELPHIA	Phila Employee W/H Taxes		\$30,795.55
	Phila Employee W/H Taxes	Total	\$30,795.55
AMERICAN EXPEDITING COMPANY	Postage	25KTHRES	\$90.85
FEDERAL EXPRESS CORP (FEDEX)	Postage	25KTHRES	\$40.64
POSTAGE BY PHONE	Postage	25KTHRES	\$15,000.00
UNITED PARCEL SERVICE	Postage	25KTHRES	\$540.07
	Postage	Total	\$15,671.56
ALLEN REPRODUCTION CO	Printing	25KTHRES	\$1,299.47
STAPLES PRINT SOLUTIONS	Printing	25KTHRES	\$660.00
	Printing	Total	\$1,959.47
HEALTHMARK INC	Professional Services	25KTHRES	\$30.00
RIVERFRONT HEALTH SYSTEMS	Professional Services	25KTHRES	\$30.00
	Professional Services	Total	\$60.00
JACOBS ENGINEERING GROUP INC	Radio Systems Assessment	09-081	\$10,025.20 **
	Radio Systems Assessment	Total	\$10,025.20
GANNETT FLEMING, INC.	Rehabilitation Drainage	09-060	\$25,040.45 **
	Rehabilitation Drainage	Total	\$25,040.45
TRANSPORT PLANNING & SERVICES	Rentals	25KTHRES	\$165.00
	Rentals	Total	\$165.00
CDW GOVERNMENT, INC.	Repair/Replacement Toll Equip	25KTHRES	\$216.00
IRD (INTERNATIONAL ROAD DYNAMICS)	Repair/Replacement Toll Equip	25KTHRES	\$3,435.00
RADIANT COMMUNICATIONS INC.	Repair/Replacement Toll Equip	25KTHRES	\$242.55
	Repair/Replacement Toll Equip	Total	\$3,893.55
FUJITEC AMERICA INC	Repairs - Bridges	25KTHRES	\$6,505.49
KALWALL CORPORATION	Repairs - Bridges	25KTHRES	\$4,779.00
SISSCO	Repairs - Bridges	10-155	\$9,304.00
V & S DELAWARE GALVANIZING LLC	Repairs - Bridges	25KTHRES	\$585.62
W. HARGROVE RECYCLING, INC	Repairs - Bridges	25KTHRES	\$428.40
	Repairs - Bridges	Total	\$21,602.51
B. SHAPIRO SUPPLY	Repairs - Buildings	25KTHRES	\$5,735.18
TRI-COUNTY TERMITE & PEST CONTROL	Repairs - Buildings	25KTHRES	\$280.00
	Repairs - Buildings	Total	\$6,015.18
FUJITEC AMERICA INC	Repairs - Equipment	25KTHRES	\$5,140.40
IRVINE FIRE PROTECTION	Repairs - Equipment	25KTHRES	\$452.32
MBI GROUP, INC.	Repairs - Equipment	11-102	\$17,718.00
MODERN GROUP LTD	Repairs - Equipment	25KTHRES	\$1,459.00
	Repairs - Equipment	Total	\$24,769.72
CARRIER CORPORATION	Repairs - Heating/AC System	25KTHRES	\$4,491.00
EHS ENVIRONMENTAL, INC	Repairs - Heating/AC System	25KTHRES	\$700.00
	Repairs - Heating/AC System	Total	\$5,191.00
TEKTRON CORPORATION	Repairs - Mobile Equipment	25KTHRES	\$692.25
	Repairs - Mobile Equipment	Total	\$692.25
ONE CALL SYSTEMS, INC	Repairs - Signs	25KTHRES	\$44.80
	Repairs - Signs	Total	\$44.80
SCALFO ELECTRIC, INC	Repairs Bridge	11-046	\$144,900.00 **
	Repairs Bridge	Total	\$144,900.00
ALIANO BROTHERS	Repairs to Buildings	11-070	\$86,059.57 **

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JPC GROUP	Repairs to Buildings	11-012	\$375,480.00 **
UNI-SELECT USA, INC	Repairs to Buildings	11-016	\$242.46 **
	Repairs to Buildings	Total	\$461,782.03
GLOUCESTER COUNTY AUTHORITY	Repaupo Creek Improvement	09-100	\$3,548.36
	Repaupo Creek Improvement	Total	\$3,548.36
AMERICAN ASPHALT CO	Replacement of Roadway	25KTHRES	\$11,070.00
CAMDEN REDI-MIX	Replacement of Roadway	25KTHRES	\$1,760.00
NATIONAL PAVING CO, INC	Replacement of Roadway	25KTHRES	\$373.06
	Replacement of Roadway	Total	\$13,203.06
STANDARD INSURANCE COMPANY	Retiree Life Insurance	10-085	\$19,432.35
	Retiree Life Insurance	Total	\$19,432.35
AARP HEALTH CARE OPTIONS	Retiree Medical Insurance	10-108	\$119,794.25
CIGNA HEALTHCARE - CGLIC	Retiree Medical Insurance	10-086	\$153,786.14
HORIZON BLUE CROSS BLUE SHIELD	Retiree Medical Insurance	10-107	\$54,771.02
	Retiree Medical Insurance	Total	\$328,351.41
S T HUDSON ENGINEERS, INC	Riverlink Ferry	09-001	\$3,125.00
	Riverlink Ferry	Total	\$3,125.00
VANALT ELECTRICAL CONSTRUCTION	Signal/Communication (Rail)	11-005	\$123,394.79 **
	Signal/Communication (Rail)	Total	\$123,394.79
UNI-SELECT USA, INC	Snow Removal - Equipment	11-016	\$28.56
	Snow Removal - Equipment	Total	\$28.56
UNI-SELECT USA, INC	Snow Removal - Equipment Repairs	11-016	\$820.14
	Snow Removal - Equipment Repairs	Total	\$820.14
EPLUS TECHNOLOGY INC	Soft/Hardware Service Contracts	25KTHRES	\$24,691.03
SUNGARD AVAILABILITY SERVICES LP	Soft/Hardware Service Contracts	10-135	\$1,513.00
	Soft/Hardware Service Contracts	Total	\$26,204.03
AECOM	Standpipe Testing	PRE 8-18	\$817.08 **
ARORA SYSTEMS GROUP, LLC	Standpipe Testing	10-123	\$4,960.00
	Standpipe Testing	Total	\$5,777.08
A&A GLOVE & SAFETY CO.	Stores Inventory	25KTHRES	\$1,333.00
BDF INDUSTRIAL FASTENERS	Stores Inventory	25KTHRES	\$448.00
BROOKAIRE CO.	Stores Inventory	25KTHRES	\$239.95
CONTROL PAPERS COMPANY	Stores Inventory	25KTHRES	\$11,075.40
FAIRLITE ELECTRIC SUPPLY CO INC	Stores Inventory	25KTHRES	\$3,292.00
FRANKLIN ELECTRIC CO	Stores Inventory	25KTHRES	\$1,423.43
GOODYEAR TIRE & RUBBER	Stores Inventory	25KTHRES	\$6,741.00
NAPA AUTO PARTS	Stores Inventory	25KTHRES	\$383.04
PABCO INDUSTRIES, INC	Stores Inventory	25KTHRES	\$1,635.00
PENDERGAST SAFETY EQUIP	Stores Inventory	25KTHRES	\$2,420.26
RIBBONS EXPRESS INC	Stores Inventory	25KTHRES	\$192.50
	Stores Inventory	Total	\$29,183.58
BUSINESS & LEGAL RESOURCES	Subscriptions	25KTHRES	\$3,895.00
CONSTANT CONTACT, INC	Subscriptions	25KTHRES	\$144.00
DIRECTV	Subscriptions	25KTHRES	\$78.69
DRPA MISC. EXPENSES	Subscriptions	25KTHRES	\$324.50
SOCIETY HUMAN RESOURCE MANAGEMENT	Subscriptions	25KTHRES	\$180.00
THOMSON REUTERS	Subscriptions	25KTHRES	\$1,080.00
	Subscriptions	Total	\$5,702.19
LAWMEN SUPPLY CO OF NJ	Supplies	25KTHRES	\$430.05
IRVINE FIRE PROTECTION	Supplies	25KTHRES	\$38.40
MARLAC ELECTRONICS INC	Supplies	25KTHRES	\$593.70
OPPENHEIMER BIOTECHNOLOGY	Supplies	25KTHRES	\$1,108.00
POTTY QUEEN	Supplies	25KTHRES	\$180.00
SAFETY-KLEEN	Supplies	25KTHRES	\$97.00
SOUTH JERSEY WELDING	Supplies	25KTHRES	\$368.64
TRI-COUNTY TERMITE & PEST CONTROL	Supplies	25KTHRES	\$360.00
VALLEY NATIONAL GASES INC.	Supplies	25KTHRES	\$273.95
	Supplies	Total	\$3,449.74
UBS GLOBAL ASSET MANAGEMENT	Swap Interest Payments	Bond Resolution	\$3,275,472.32
	Swap Interest Payments	Total	\$3,275,472.32
AT&T TELECONFERENCE SERVICES	Telephone	UTILITY	\$92.58
SPRINT	Telephone	UTILITY	\$4,660.69
THE CONFERENCE GROUP, LLC	Telephone	UTILITY	\$234.81
VERIZON	Telephone	UTILITY	\$45,485.58
VERIZON WIRELESS	Telephone	UTILITY	\$2,615.92
	Telephone	Total	\$53,089.58
PENNONI ASSOCIATES INC	Test Core Sampling	25KTHRES	\$435.44
	Test Core Sampling	Total	\$435.44
PA DEPT OF LABOR & INDUSTRY	Testing and Inspection Fees	25KTHRES	\$94.00
	Testing and Inspection Fees	Total	\$94.00

** Capital Expenditure

DELAWARE RIVER PORT AUTHORITY
MONTHLY LIST OF PAYMENTS 12/1/11 THRU 12/31/11
MEETING DATE 1/18/2012

<u>VENDOR NAME</u>	<u>ITEM DESCRIPTION</u>	<u>RESOLUTION #/ AUTHORIZATION</u>	<u>AMOUNT</u>
DUNBAR ARMORED	Toll Deposit Processing Fee	09-055	\$28,635.88
	Toll Deposit Processing Fee	Total	\$28,635.88
KATHLEEN FRAMER	Toll Refunds	25KTHRES	\$10.00
PAIGE STARTS	Toll Refunds	25KTHRES	\$10.00
STEPHANIE WILEM	Toll Refunds	25KTHRES	\$15.00
STEPHINE CAIN	Toll Refunds	25KTHRES	\$15.00
STEVEN B ROSS	Toll Refunds	25KTHRES	\$15.00
TISHA COLEMAN	Toll Refunds	25KTHRES	\$5.00
WILLIAM SHARPLES	Toll Refunds	25KTHRES	\$10.50
	Toll Refunds	Total	\$80.50
FARFIELD COMPANY	Track Upgrading	11-007	\$243,988.50 **
	Track Upgrading	Total	\$243,988.50
33 WORLD OF WELDING	Training - Registration	25KTHRES	\$6,960.00
BARBARA HOLCOMB	Training - Registration	25KTHRES	\$34.00
CALIBRE PRESS INC	Training - Registration	25KTHRES	\$711.00
DUANE MORRIS, LLP	Training - Registration	25KTHRES	\$375.25
AUTOMOTIVE SYSTEMS TRAINING	Training - Registration	25KTHRES	\$1,500.00
NEW JERSEY INSTITUTE	Training - Registration	25KTHRES	\$56.00
	Training - Registration	Total	\$9,636.25
ACS STATE & LOCAL SOLUTIONS	Transaction Fees	04-031	\$411,801.78
	Transaction Fees	Total	\$411,801.78
ALSTOM TRANSPORTATION	Transit Car Overhaul	10-154	\$1,784,743.29 **
LTK ENGINEERING SERVICES	Transit Car Overhaul	07-019	\$85,195.22 **
	Transit Car Overhaul	Total	\$1,869,938.51
WASTE MANAGEMENT OF NEW JERSEY	Trash Removal	11-060	\$1,404.30
WINZINGER INC.	Trash Removal	25KTHRES	\$62.00
	Trash Removal	Total	\$1,466.30
PETER FISCHER	Tuition Reimbursement	25KTHRES	\$1,620.00
	Tuition Reimbursement	Total	\$1,620.00
ACME UNIFORM RENTAL SER INC	Uniforms	25KTHRES	\$423.95
ATLANTIC TACTICAL OF NEW JERSEY	Uniforms	25KTHRES	\$2,547.26
BEST UNIFORM RENTAL, INC	Uniforms	11-020	\$2,251.38
LANDSMAN UNIFORM	Uniforms	25KTHRES	\$405.00
LEHIGH VALLEY SAFETY SHOE	Uniforms	11-020	\$904.50
RED WING BRANDS OF AMERICA	Uniforms	11-020	\$3,045.00
RICKY'S A&N/P.L.J. SAFETY	Uniforms	25KTHRES	\$700.00
	Uniforms	Total	\$10,277.09
EMPLOYEE PASS THROUGH PAYMENTS	Union Dues, Employee Contributions, Etc.		\$135,280.03
	Union Dues, Employee Contributions, Etc.	Total	\$135,280.03
UNI-SELECT USA, INC	Vehicle Repairs - Inside	11-016	\$4,707.02
	Vehicle Repairs - Inside	Total	\$4,707.02
CERTIFIED SPEEDOMETER SERVICE	Vehicle Repairs - Outside	25KTHRES	\$864.00
	Vehicle Repairs - Outside	Total	\$864.00
UNI-SELECT USA, INC	Vehicle Supplies	11-016	\$9,631.25
	Vehicle Supplies	Total	\$9,631.25
CAMDEN COUNTY MUA	Water and Sewer	UTILITY	\$1,732.50
NESTLE WATERS NORTH AMERICA	Water and Sewer	25KTHRES	\$563.68
NEW JERSEY AMERICAN WATER	Water and Sewer	UTILITY	\$274.39
WATER REVENUE BUREAU	Water and Sewer	UTILITY	\$1,144.84
	Water and Sewer	Total	\$3,715.41
SCIBAL	Workmen's Compensation	10-116	\$88,837.06
	Workmen's Compensation	Total	\$88,837.06
AECOM	WWB Deck Span Replacement	07-018	\$27,694.66 **
AMERICAN BRIDGE CO	WWB Deck Span Replacement	10-020	\$4,306,862.55 **
URBAN ENGINEERS INC	WWB Deck Span Replacement	10-021	\$241,510.32 **
	WWB Deck Span Replacement	Total	\$4,576,067.53
			\$33,938,651.27

DELAWARE RIVER PORT AUTHORITY
BALANCE SHEET
SEPTEMBER 30, 2011
(Unaudited)

	Capital Fund	Restricted Funds Project Funds	Revenue Fund	Maintenance Reserve Fund	Restricted Funds Bond Service Funds	Bond Reserve Funds	General Fund	Sept. 30, 2011 Combined Total	Dec. 31, 2010 Combined Total
ASSETS									
Cash (Schedule 1)			5,084,300.55				(189,305.42)	5,431,826.10	4,741,363.50
Investment in securities (Schedule 2):									
Restricted		128,078,975.64	15,537,709.23	4,208,220.54	51,436,838.78	111,238,426.60	284,691,805.51	294,962,461.56	381,801,553.37
Unrestricted		128,078,975.64	15,537,709.23	4,208,220.54	51,436,838.78	111,238,426.60	284,691,805.51	300,229,514.74	273,673,404.24
Accrued interest receivable		3,604.64					591,226.24	594,830.88	638,440.34
Accounts receivable			5,410,599.59				5,937,274.72	11,347,874.31	10,270,035.33
Transit system and stores inventory			403,027.47				6,003,951.45	6,406,978.92	6,192,536.52
Prepaid expenses and other assets			2,492,772.63				1,397,364.74	3,890,137.37	3,932,357.35
Economic development loans - Net (Schedule 5)							17,796,751.50	17,796,751.50	20,194,478.42
Investment in facilities	\$1,806,050,895.85						1,135,304.27	1,807,186,200.12	1,704,691,826.10
Less accumulated depreciation	644,601,805.77							644,601,805.77	609,137,861.74
	1,161,449,090.08						1,135,304.27	1,162,584,394.35	1,095,553,964.36
Debt issuance cost, net of amortization	8,680,194.84						6,313,664.62	14,993,859.46	15,852,044.20
Deferred outflows on hedging derivatives	125,108,108.65							125,108,108.65	125,108,108.65
	1,295,237,393.57	128,619,411.25	28,928,409.47	4,208,220.54	51,436,838.78	111,238,426.60	323,678,037.63	1,943,346,737.84	1,937,958,286.28
LIABILITIES AND FUND EQUITIES									
Accounts payable:									
Retained amount on contracts			70,080.06				13,037,951.40	13,108,031.46	6,081,764.37
Other			4,068,560.66				8,103,384.37	12,171,945.03	18,858,255.58
			4,138,640.72				21,141,335.77	25,279,976.49	24,940,019.95
Accrued liabilities:									
Interest					8,986,993.45			8,986,993.45	18,187,494.34
Pension			667,326.80				231,667.03	898,993.83	174,742.80
Sick and vacation leave benefits			3,149,438.89				1,555,918.07	4,705,356.96	4,873,627.58
Derivative instruments	181,940,929.07					2,023,505.77		183,964,434.84	183,964,434.84
Other (Includes OPEB liability)	181,940,929.07		24,846,839.79				14,251,058.00	39,097,897.79	39,097,897.79
			28,663,605.48			2,023,505.77	16,038,643.10	237,653,676.87	246,298,197.35
Deferred revenue			6,762,596.05					6,762,596.05	6,575,197.77
Provisions:									
Repainting			67,806,566.15				2,062,440.37	67,806,566.15	64,384,766.15
Other			2,574,916.01				2,062,440.37	4,637,356.38	4,190,185.78
			70,381,482.16				2,062,440.37	72,443,922.53	68,574,951.93
Funded and long term debt	1,021,125,915.12						306,333,408.77	1,327,459,323.89	1,368,928,921.64
Total Liabilities	1,203,066,844.19	128,619,411.25	109,946,324.41	4,208,220.54	8,986,993.45	111,238,426.60	345,575,828.01	1,669,599,495.83	1,715,317,288.64
Fund Equities	92,170,549.38	128,619,411.25	(81,017,914.94)	4,208,220.54	42,449,845.33	109,214,920.83	(21,897,790.38)	273,747,242.01	222,640,997.64
	1,295,237,393.57	128,619,411.25	28,928,409.47	4,208,220.54	51,436,838.78	111,238,426.60	323,678,037.63	1,943,346,737.84	1,937,958,286.28

The accompanying notes are an integral part of the financial statements. These financial statements are unaudited. As a result of work done by our independent auditors, adjustment are sometimes made to the unaudited statements.

**DELAWARE RIVER PORT AUTHORITY
STATEMENT OF REVENUES AND EXPENSES (Unaudited)
FOR THE PERIODS INDICATED**

	Period ended		
	September 30, 2011	September 30, 2010	3rd Quarter 2010
Operating revenues and expenses:			
Bridge:			
Tolls (Schedule 4)	\$196,223,524.86	\$184,402,123.24	\$77,654,471.60
Other operating revenues	4,241,532.97	3,496,309.88	1,709,669.11
Operating expenses	36,944,529.35	37,611,419.67	13,039,237.31
Depreciation	23,031,065.88	21,619,655.37	7,677,021.96
	140,489,462.60	128,667,358.08	58,647,881.44
Transit system:			
Passenger fares	17,776,439.37	16,529,494.82	6,227,522.43
Other operating revenues	1,345,374.62	1,430,210.62	421,789.97
Operating expenses	31,634,600.22	32,384,041.01	10,713,383.54
Lease & Community impact expense	2,669,896.26	2,604,399.57	889,965.42
Depreciation	11,489,043.33	11,000,814.84	3,829,681.11
	(26,671,725.82)	(28,039,549.98)	(8,783,717.67)
	113,817,736.78	100,627,808.10	49,864,163.77
	30,026,704.38	26,800,245.04	12,601,730.47
General Administration expenses			
Operating revenues in excess of expenses	83,791,032.40	73,827,563.06	37,262,433.30
Interest income (Schedule 3)	5,330,469.23	6,285,201.34	1,782,378.95
Change in fair value of SWAPS (Schedule x)			
Interest on funded debt (Note 12):			
Port District Project bonds, Series 1998	(2,246,806.62)	(6,027,516.09)	(748,935.54)
Refunding Revenue bonds, Series 1998		(930,067.92)	
Revenue bonds, Series 1999	(17,867,790.24)	(24,319,437.56)	(6,111,323.65)
Port District Project bonds, Series 1999	(7,645,646.43)	(9,378,404.37)	(2,548,548.81)
Port District Project bonds, Series 2001	(4,472,416.08)	(4,743,737.91)	(1,490,805.36)
Refunding Revenue bonds, Series 2010	(788,991.33)	(534,469.07)	(251,070.21)
Revenue bonds, Series 2010	(11,689,498.17)	(3,896,499.39)	(3,896,499.39)
Refunding Revenue bonds, Series 2008	(14,277,840.48)	(14,707,024.43)	(4,855,247.74)
Excess of revenues over expenses before other income (expenses)	30,132,512.28	15,575,607.66	19,142,381.55
Other income (expenses):			
Other	(310,543.30)	(966,871.68)	(83,682.52)
Port of Philadelphia and Camden Depreciation and Amortization	(168,685.66)	(215,638.07)	(78,428.43)
	(479,228.96)	(1,182,509.75)	(161,910.95)
Income (Loss) before other activities	28,697,655.25	12,927,769.91	18,900,899.81
Economic Development Activities	(1,162,404.46)	(32,059,303.56)	(21,907.73)
Net Income (Loss)	\$27,535,250.79	(\$19,131,533.65)	\$1,982,806.25

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended September 30 (Unaudited)

	9 Months 2011	9 Months 2010
OPERATING ACTIVITIES:		
Operating revenues in excess of expenses	\$83,791,032.40	\$73,827,563.06
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	35,475,737.28	34,065,798.21
Port of Philadelphia and Camden Economic development activities	(168,685.66) (1,162,404.46)	(215,638.07) (32,059,303.56)
Changes in assets and liabilities which provided (used) cash:		
Accounts receivable	(1,077,838.98)	4,788,344.47
Economic development loans - Net SWAP Instruments	2,397,726.92 -	417,123.74 -
Transit system and stores inventory	(214,442.40)	370,331.42
Prepaid expenses and other assets	42,219.98	(1,366,922.39)
Accounts payable	339,956.54	(7,966,559.16)
Accrued liabilities	555,980.41	(79,225.79)
Deferred revenue	187,398.28	(341,138.87)
Repainting provision	3,421,800.00	3,263,400.00
Other provisions	447,170.60	(266,758.64)
Other	(1,266,171.37)	(2,432,199.68)
Net cash provided by operating activities	<u>122,769,479.54</u>	<u>72,004,814.74</u>
CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(102,506,167.27)	(38,570,513.31)
Cash provided by capital grants	23,570,993.58	9,946,722.73
Issuance of new debt	-	658,375,000.00
Repayment of funded debt	(42,675,000.00)	(390,041,295.52)
Interest paid	(66,125,903.25)	(109,153,903.75)
Proceeds from facility disposals	-	-
Net cash used for capital and related financing activities	<u>(187,736,076.94)</u>	<u>130,556,010.15</u>
NET DECREASE IN CASH BEFORE INVESTING ACTIVITIES	<u>(64,966,597.40)</u>	<u>202,560,824.89</u>
INVESTMENT ACTIVITIES:		
Unrestricted:		
Net Proceeds from sale (purchases) of investments	86,839,091.81	(61,945,848.89)
Decrease (Increase) in investments	86,839,091.81	(61,945,848.89)
Restricted:		
Net Proceeds from sale (purchases) of investments	(26,556,110.50)	(144,875,040.60)
Decrease in investments	(26,556,110.50)	(144,875,040.60)
Change in fair value of SWAPS	-	-
Receipts of interest	5,374,078.69	6,400,607.63
Net cash provided by investing activities	<u>65,657,060.00</u>	<u>(200,420,281.86)</u>
NET INCREASE IN CASH	690,462.60	2,140,543.03
CASH, BEGINNING OF YEAR	<u>4,741,363.50</u>	<u>4,383,611.00</u>
CASH, END OF PERIOD	<u>\$5,431,826.10</u>	<u>\$6,524,154.03</u>
CASH AT SEPTEMBER 30		
Unrestricted	\$4,894,995.13	\$5,987,323.06
Restricted	536,830.97	536,830.97
	<u>\$5,431,826.10</u>	<u>\$6,524,154.03</u>

**DELAWARE RIVER PORT AUTHORITY
STATEMENT OF CHANGES IN FUND EQUITIES
FOR THE PERIOD ENDED SEPTEMBER 30, 2011
(Unaudited)**

	Restricted Funds		Restricted Funds		Restricted Funds		General Fund	Combined Total
	Capital Fund	Project Funds	Revenue Fund	Maintenance Reserve Fund	Debt Service Funds	Debt Service Reserve Funds		
Fund equities at January 1, 2011	(\$3,712,166.03)	200,581,397.37	(85,049,221.83)	4,097,421.35	47,618,972.30	109,833,197.85	(50,728,603.37)	\$222,640,997.64
Revenue and expenses:								
Operating revenues		200,419,770.57					19,167,101.25	219,586,871.82
Operating expenses	(34,520,109.21)	(35,214,225.35)					(36,034,800.48)	(105,769,135.04)
General administration expenses		(30,026,257.03)					(447.35)	(30,026,704.38)
Interest income		80,512.15	274,119.18	110,799.19	41,513.60	2,435,326.48	2,388,198.63	5,330,469.23
Change on fair value of SWAPS							(1,162,404.46)	(1,162,404.46)
Economic development activities	(992,640.00)				(66,925,402.36)		(1,070,946.99)	(58,988,989.35)
Interest on funded debt	(955,628.07)						(479,228.96)	(1,434,857.03)
Other income (expenses)	(36,468,377.28)	80,512.15	135,453,407.37	110,799.19	(66,883,888.76)	2,435,326.48	(17,192,528.36)	27,535,250.79
Contributions for capital improvements, additions and other projects			3,515.32				23,567,478.26	23,570,993.58
Interfund transfers and payments:								
Bond service			(68,682,365.59)		91,332,403.09		(22,650,037.50)	
Funds in excess of Bond Reserve requirement					3,057,358.70	(3,063,603.50)	(3,755.20)	
Funds free and clear of any lien or pledge			(62,743,250.21)				62,743,250.21	
Retirement of Bonds	30,285,000.00				(42,675,000.00)		12,390,000.00	
Net equity From 2010 Rev Bonds D								
Net equity from 2007 Ref Rev Bonds								
Net equity from 2010 Ref Rev Bonds								
Net equity from SWAP transactions								
Funds for permitted capital expenditures		(70,270,078.27)					70,270,078.27	
Funds for permitted port projects		(1,772,420.00)					1,772,420.00	
Capital additions	102,066,092.69						(102,066,092.69)	
Fund equities at September 30, 2011	\$92,170,549.38	128,619,411.25	(81,017,914.94)	4,208,220.54	42,449,845.33	109,214,920.63	(21,897,790.38)	\$273,747,242.01

NOTES TO COMBINED FINANCIAL STATEMENTS
For the Period Ended September 30, 2011 (Dollars in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Operations - The Delaware River Port Authority (the "Authority") is a public corporate instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") and the State of New Jersey (the "State"), created with the consent of Congress by compact legislation between the Commonwealth and the State. The Authority has no stockholders or equity holders. The Authority is vested with the ownership, control, operation, and collection of tolls and revenues of certain bridges spanning the Delaware River; namely, the Benjamin Franklin, Walt Whitman, Commodore Barry, and Betsy Ross bridges. The Authority has also constructed and owns a high-speed transit system that is operated by the Port Authority Transit Corporation (PATCO). The transit system operates between Philadelphia, Pennsylvania and Lindenwold, New Jersey. The Authority's Port of Philadelphia and Camden Department (PPC) is responsible for the operation of the Philadelphia Cruise Terminal at Pier 1 at the former Navy Yard, and the Riverlink Ferry System. The costs of providing facilities and services to the general public on a continuing basis are recovered primarily in the form of tolls and fares. The Authority is a member of the E-ZPass Interagency Group, the largest interoperable Electronic Toll Collection System in the world, comprised of twenty-two (22) agencies in eleven (11) states. Through December of 2010, customer participation in the E-ZPass electronic toll collection process grew to approximately sixty-seven percent (67%) of its toll collection activity during rush hour periods. E-ZPass revenues now exceed sixty three percent (63%) of total toll revenues.

B. Basis of Presentation - The Authority is a single enterprise fund and maintains its records on the accrual basis of accounting. Enterprise Funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (ii) that are required by law or regulations that the activity's cost of providing services, including capital cost (such as depreciation or debt service), be recovered with fees and charges, rather than with taxes or similar revenues; or (iii) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when the related liability is incurred. The Authority has elected not to follow any FASB pronouncements issued after November 30, 1989.

C. Cash and Cash Equivalents - The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents (Note 2). In addition, according to the various Indentures of Trust which govern the flow and accounting of the Authority's financial resources, certain accounts are required to be maintained in order to comply with the provisions of the Indentures of Trust. For the accounts that are restricted, the Authority has recorded the applicable cash and cash equivalents as restricted on the combined financial statements (Note 11).

D. Investment in Securities - Investment in securities is stated at amortized cost, which approximates fair value. Certain investments are maintained in connection with the Authority's funded debt (Notes 3 and 12). Likewise, as with cash and cash equivalents, the accounts that are restricted as per the various Indentures of Trust have been recorded as restricted investments on the combined financial statements (Note 11).

E. Transit System Inventory - Transit system inventory, consisting principally of spare parts for maintenance of transit system facilities, is stated at the lower of cost (first-in, first-out method) or market.

F. Debt Issuance Costs, Bond Premiums, and Bond Discounts - Debt issuance costs and the premiums and discounts arising from the issuance of the revenue bonds and port district project bonds are amortized by the straight-line method from the issue date to maturity.

G. Investment in Facilities - Investment in facilities is stated at cost, which generally includes expenses for administrative and legal expenses incurred during the construction period. Investment in facilities also includes the cost incurred for port-related projects, and improvements, enlargements and betterments to the original facilities. Replacements of existing facilities (except for primarily police and certain other vehicles whose estimated useful life is two years or less) are also recorded at cost. The related costs and accumulated depreciation of the property replaced are removed from the respective accounts, and any gain or loss on disposition is credited or charged to non-operating revenues or expenses. Assets capitalizable generally have an original cost of five thousand dollars (\$5) or more and a useful life in excess of three years. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, including those financed by federal and state contributions (Notes 7 and 15).

Asset lives used in the calculation of depreciation are generally as follows:

Bridges, freeways, and tunnels	100 years
Buildings, stations, and certain bridge components	35 - 50 years
Electrification, signals, and communication system	30 - 40 years
Transit cars, machinery, and equipment	10 - 25 years
Computer equipment, automobiles, and other equipment	3 - 10 years

H. Maintenance and Repainting - Maintenance and repair costs considered necessary to maintain bridge facilities in good operating condition are charged to operations as incurred. The Authority uses accrual accounting to record the projected

cost of bridge repainting (a non-cash charge that involves debiting an expense and crediting an associated liability). Amounts sufficient to meet the estimated cost to repaint the bridges are provided by periodic charges to operations.

I. Other Provisions - The Authority provides for the uninsured portion of potential public liability claims and workers' compensation claims through self-insurance programs and charges current operations for estimated claims to be paid (Note 16).

J. Economic Development Activities - The Authority establishes loan loss provisions for economic development loans receivable.

K. Net Assets - Net assets comprise the various earnings from operating income, non-operating revenues, expenses, and capital contributions. Net assets are classified in the following three components:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation, reduced, by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted - This component of net assets consists of external constraints imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation, that restricts the use of net assets.

Unrestricted Net Assets - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." This component includes net assets that may be allocated for specific purposes by the Board.

L. Operating and Non-operating Revenues and Expenses - Operating revenues include all revenues derived from facility charges (i.e., toll revenues, which include E-ZPass revenues), PATCO operations (passenger fare, advertising and parking), and other revenue sources. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and on investments in debt securities.

Operating expenses include expenses associated with the operation, maintenance and repair of the bridges, PATCO, PPC operations, and general administrative expenses. Non-operating expenses principally include expenses attributable to the Authority's interest on funded debt and economic development activities.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

M. Debt Management - Total outstanding bond debt reflected on the balance sheet is net of unamortized bond discounts, premiums, and loss on defeasance (Note 12). The Authority presently has two active interest rate hedge (swap) agreements (derivative instruments) with UBS AG (Paine Webber) to hedge interest rates on a portion of its outstanding long-term debt (Note 4).

N. Derivative Instruments and related Companion Instruments - The Authority has entered into interest rate swap agreements for the primary purposes of investing and for the aforementioned purpose of hedging interest rates on its outstanding long-term debt. For the year ended December 31, 2010, the Authority was required to implement Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, with retroactive implementation for the year ended December 31, 2009. As a result, all activity related to the interest rate swap agreements has been recorded on the combined financial statements and is further detailed in Note 4.

O. Budget - In accordance with Section 5.15 of the 1998 Revenue Refunding Bonds Indenture of Trust and its Supplemental Indentures and Section 5.07 of the 1998, 1999 and 2001 Port District Project Bond Indentures of Trust, the Authority must annually adopt an Annual Budget on or before December 31 for the ensuing year. Section 5.15 of the 1998 Revenue Bond Indenture of Trust requires that the Authority, on or before December 31, in each fiscal year, adopt a final budget for the ensuing fiscal year of (i) operational expenses, (ii) the PATCO Subsidy, (iii) the amount to be deposited to the credit of the Maintenance Reserve Fund, and (iv) the estimated amounts to be deposited into the Debt Service Fund, the Debt Service Reserve Fund, and the Rebate Fund. Each Annual Budget must also contain the Authority's projections of revenues for the ensuing fiscal year demonstrating compliance with the covenant as to facility charges as set forth in Section 5.09 of the Indentures of Trust. On or before December 31 in each fiscal year, the Authority must file a copy of the Annual Budget for the ensuing fiscal year with the Trustees.

The Port District Project Bond Indentures require the following: the adopted budget must set forth, inter alia, the PATCO Subsidiary, the amount of any operating subsidy paid or payable by the Authority to or for the account of any other subsidiary of the Authority (including, without limitation, the Port of Philadelphia and Camden) and all other material operating expenses of the Authority payable from the General Fund. The Authority must also include the debt service payable on the Bonds and any Additional Subordinated Indebtedness during the ensuing fiscal year and all amounts required to be paid by the Authority into the Debt Service Reserve Fund or the Rebate Fund or to any Reserve Fund Credit Facility Issuer during the ensuing fiscal year. On or before December 31, in each fiscal year, the Authority must file a copy of the Annual Budget for the ensuing fiscal year with the Trustees and Credit Facility Issuer.

The Authority may at any time adopt an amended or supplemental Annual Budget for the remainder of the then-current fiscal year, which shall be treated as the Annual Budget under the provisions of the Indentures of Trust. A copy of any amended or supplemental Annual Budget must be promptly filed with the Trustee.

P. *Interfunds* - Interfund receivables / payables represent amounts that are owed, other than charges for goods and services rendered, to / from a particular fund. These receivables / payables are eliminated during the aggregation process.

Q. *Use of Estimates* - Management of the Authority has made certain estimates and assumptions relating to the reporting of assets, liabilities, revenues, and expenses to prepare these combined financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates.

R. *Income Taxes* - The Authority is a public corporate instrumentality of the State of New Jersey and the Commonwealth of Pennsylvania, and as described in its amended governing Compact, has been "deemed to be exercising an essential government function in effectuating such purposes," and therefore is exempt from income taxes pursuant to the Internal Revenue Code (Section 115).

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. The Authority does not have a deposit policy for custodial credit risk. As of September 30, 2011 and December 31, 2010, the Authority's bank balances of \$5,432 and \$4,741 respectively, were exposed to custodial credit risk as follows:

	<u>2011</u>	<u>2010</u>
Uninsured and uncollateralized	<u>\$ 4,932</u>	<u>\$ 4,241</u>

3. INVESTMENT IN SECURITIES

The Authority's investments in various securities are maintained for specified funds in accordance with the provisions of the Indenture of Trust adopted as of July 1, 1998.

Custodial Credit Risk Related to Investments - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the Authority's total \$653,990 of investments at December 31, 2010, \$11,529 of investments in asset backed securities, collateralized mortgage obligations, commercial paper, corporate bonds and notes, mortgage pass-through securities, municipal bonds, repurchase agreements, U.S. federal agency notes and bonds, and U.S. government treasuries, are uninsured, not registered in the name of the Authority, and held by the counterparty, and \$237,440 are uninsured, not registered in the name of the Authority, and held by the counterparty's trust department or agent but not in the Authority's name.

As of December 31, 2010, the Authority had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Amortized Cost</u>
Asset backed securities	137.85 months average	\$ 2,802
Collateralized mortgage obligations	306.75 months average	346
Commercial paper	6.20 months average	51,575
Corporate bonds and notes	34.69 months average	47,038
Mortgage pass-through securities	316.06 months average	4,677
Municipal bonds	282.35 months average	2,075
Repurchase agreements	daily	784
Short-term investments	1.00 months average	363,070
U.S. federal agency notes and bonds	33.62 months average	22,185
U.S. government treasuries	31.54 months average	159,438
Total		<u>\$ 653,990</u>

The short-term investments listed above consist of cash reserve funds, money market funds, and certificates of deposit. Since it is the policy of the Authority to utilize these funds for the purchase of investments with longer maturities, these amounts have been classified as investments as opposed to cash and cash equivalents.

Interest Rate Risk - The Authority's policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates is as follows: the average effective duration of the portfolio is not to exceed twenty-four months, and the maximum effective duration of any individual security is not to exceed five years, unless otherwise specified.

Credit Risk - Investments are purchased in accordance with the 1998 Indenture of Trust and its Supplemental Indentures and General Fund investment parameters and generally include U.S. government obligations, money market funds, obligations of U.S. agencies or instrumentalities, and obligations of public agencies or municipalities rated in either of the two highest rating categories by Standard & Poor's Ratings or Moody's Investors Services. In accordance with the 1998 Indenture of Trust and its Supplemental Indentures, the Authority invests in corporate bonds and commercial paper rated A-1 by Standard and Poor's Corporation. Guaranteed Income Contracts are collateralized by U.S. government and agency securities, and debt obligations having a rating in the highest rating category from Moody's Investors Service or Standard and Poor's Rating Services.

As of December 31, 2010, the Authority's investments had the following ratings:

<u>Investment</u>	<u>Standard & Poor's</u>	<u>Moody's</u>
Asset backed securities	*	*
Collateralized mortgage obligations	*	*
Commercial paper	*	*
Corporate bonds and notes	* to AAA	* to AAA
Mortgage pass-through securities	*	*
Municipal bonds	* to AAA	BAA3 to Aaa
U.S. federal agency notes and bonds	* to AAA	* to AAA
U.S. government treasuries	* to AAA	* to Aaa
Repurchase agreements	*	*

* investment not rated or no rating available.

Concentration of Credit Risk - The Authority's policy on the concentration of credit risk states that no limitations exist on the purchase of investments in obligations of the U.S. government and U.S. federal agencies since they are fully guaranteed by the U.S. government. For the purchase of investments in obligations of all other issuers, total investments held from any one issuer shall not exceed ten percent (10%) of the aggregate market value of the entire portfolio, except for repurchase agreements, which, from any one issuer, shall not exceed twenty-five percent (25%) of the aggregate market value of the portfolio. As of December 31, 2010, more than five percent (5%), or \$40,830, of the Authority's investments is in Natexis Banques Commercial Paper. These investments represent six percent (6%) of the Authority's total investments.

4. DERIVATIVE INSTRUMENTS

In accordance with the required implementation schedule for GASB 53 related to derivative instruments, the Authority engaged a financial advisory firm to analyze the effectiveness of the two "cash-flow hedges" (specifically the 1995 and 1999 Revenue Bond swaptions). Both swaptions were found to be substantially effective.

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2010, classified by type, and the changes in fair value of such derivative instruments for the year then ended as reported in the 2010 financial statements are as follows (debit (credit)):

	Changes in Fair Value		Fair Value at December 31, 2010		
	Classification	Amount	Classification	Amount	Notional
Investment derivatives:					
Receive-fixed interest rate swaption (1999 PDP, Series B, Debt Service Reserve Fund)	Interest revenue	\$ 17	Derivative instrument	\$ (422)	\$ 10,436
Receive-fixed interest rate swaption (1999 Revenue Bonds Debt Service Reserve Fund)	Interest revenue	66	Derivative instrument	(1,602)	39,657
Pay-fixed interest rate swap	Interest revenue	9,850	Derivative instrument	(9,850)	57,565
Cash flow hedges:					
Pay-fixed interest rate swap (1995 Revenue Bonds Swaption)	Deferred outflow	(21,131)	Derivative instrument	(60,994)	347,070
Pay-fixed interest rate swap (1999 Revenue Bonds Swaption)	Deferred outflow	(38,852)	Derivative instrument	(64,115)	403,035
Pay-fixed interest rate swap (1999 PDP, Series B, Bonds Swaption)	Interest revenue	33,695 *	-	-	108,470

* represents termination payment made on January 11, 2010

As of December 31, 2010, the Authority determined that a portion of the cash flow hedge, pay-fixed interest rate swap, with an original notional amount of \$403,035, no longer met the criteria for effectiveness due to the partial 2010 refunding of the 1999 Revenue Bonds (Note 12). Accordingly, the accumulated changes in fair value of the swap that were reported as a deferred outflow of \$9,850 at December 31, 2009 are reported within the interest revenue classification for the year ended December 31, 2010.

The fair values of the interest rate swaptions and swaps are indicative values based on mid-market levels as of the close of business on December 31, 2010, and were derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions.

Objective and Terms of Hedging Derivative Instruments - The following table summarizes the objective and terms of the Authority's hedging instruments outstanding at December 31, 2010.

<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>
Pay-fixed interest rate swap (1995 Revenue Bonds Swaption)	Hedge of changes in cash flows of the 2008 Revenue Refunding Bonds	\$ 358,215	01/01/06	01/01/26	Pay 5.447%; receive 66% of one-month LIBOR
Pay-fixed interest rate swap (1999 Revenue Bonds Swaption)	Hedge of changes in cash flows of the 2010 Revenue Refunding Bonds	403,035	01/01/10	01/01/26	Pay 5.738%; receive 66% of one-month LIBOR

1995 Revenue Bonds Swaption - On May 2, 2001, the Authority entered into the 1995 Revenue Bonds Swaption with UBS AG in the initial notional amount of \$358,215. Under the 1995 Revenue Bonds Swaption, UBS AG had the option, exercisable 120 days preceding January 1, 2006, January 1, 2007, and January 1, 2008, to elect to have the 1995 Revenue Bonds Swaption commence on the January 1 next succeeding the exercise of the option. Under the 1995 Revenue Bonds Swaption, (i) UBS AG was obligated to pay to the Authority \$7,144 on January 1, 2006, as an exercise premium amount; (ii) UBS AG is obligated to pay periodic payments (payable monthly) to the Authority based upon a variable rate of 66% of the USD-LIBOR-BBA index; and (iii), the Authority is obligated to pay periodic payments (payable monthly) to UBS AG based upon a fixed rate of 5.447% per annum. The periodic interest rates are applied to the notional amount of the 1995 Revenue Bonds Swaption, which amortizes annually, commencing January 1, 2007, from its initial notional amount. Only the net difference in the periodic payments is to be exchanged between the Authority and UBS AG.

The periodic payment obligations of the Authority under the 1995 Revenue Bonds Swaption are secured and payable equally and ratably with Bonds issued under the 1998 Revenue Bond Indenture. Regularly scheduled periodic payments to be made by the Authority under the 1995 Revenue Bonds Swaption are insured by Ambac Assurance. In addition to other Events of Default and Termination Events (as defined in the 1995 Revenue Bond Swaption), there exists an Additional Termination Event with respect to the Authority if the credit rating of Bonds issued under the 1998 Revenue Bond Indenture (without reference to municipal bond insurance or credit enhancement) falls below "Baa3" with respect to Moody's Investors Service ("Moody's") or "BBB-" with respect to Standard & Poor's Ratings Group ("S&P") or Fitch Ratings ("Fitch"), or the Bonds cease to be rated by one of Moody's, S&P or Fitch (and such rating agencies are still in the business of rating obligations such as the Bonds). However, as provided in the 1995 Revenue Bond Swaption, so long as no Insurer Credit Event (as defined therein) has occurred, no Early Termination Date can be designated unless Ambac Assurance has consented in writing thereto.

In consideration for entering into the 1995 Revenue Bonds Swaption, the Authority received a net up-front, non-refundable option payment in the amount of \$22,446 from UBS AG, which has been recorded on the combined financial statements as a noncurrent liability (premium payment payable - derivative companion instrument). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, this derivative companion instrument is considered a "borrowing" resulting from the intrinsic value of the swaption at inception. During the option period, interest accretes at the effective rate implied by the cash flows on the borrowing at inception. Once the swaption is exercised, and becomes an active swap, a portion of the swap interest payments are attributed to principal and interest payments on the borrowing. The following schedule represents the accretion of interest and amortization of the premium payment payable - derivative companion instrument through the term of the interest rate swap agreement, at an effective interest rate of 4.62324%:

<u>Year Ending Dec. 31,</u>	<u>Beginning Balance</u>	<u>Interest Accrual</u>	<u>Imputed Debt Payment</u>	<u>Ending Balance</u>
2011	\$ 19,181	\$ 887	\$ (2,763)	\$ 17,305
2012	17,305	800	(2,639)	15,466
2013	15,466	715	(2,508)	13,673
2014	13,673	632	(2,371)	11,934
2015	11,934	552	(2,226)	10,260
2016-2020	10,260	1,675	(8,659)	3,276
2021-2025	3,276	365	(3,641)	-

On September 3, 2005, UBS AG advised the Authority that it was exercising its option on this swaption as of January 1, 2006. As a result, UBS AG paid the Authority \$7,144 on January 3, 2006 as an exercise premium, which has been recorded as a deferred revenue and is being amortized as interest revenue over the life of the interest rate swap agreement. The Authority made its initial net monthly swap payment in February 2006. The Authority is current on its monthly net swap interest payments to UBS AG, which have totaled \$13.2 million in 2011 as of September 30th.

The current ratings of the counterparty (UBS AG) to the 1995 Revenue Bonds Swap of Moody's, S&P, and Fitch are Aa3, A, and A, respectively.

1999 Revenue Bonds Swaption - On May 2, 2001, the Authority entered into the 1999 Revenue Bonds Swaption with UBS AG in the initial notional amount of \$403,035. Under the 1999 Revenue Bonds Swaption, UBS AG had the option, exercisable 120 days preceding January 1, 2010, January 1, 2011, and January 1, 2012, to elect to have the 1999 Revenue Bonds Swaption commence on the January 1 next succeeding the exercise of the option. Under the 1999 Revenue Bonds Swaption, if exercised, (i) UBS AG is obligated to pay periodic payments (payable monthly) to the Authority based upon a variable rate of 66% of the USD-LIBOR-BBA index, and (ii), the Authority is obligated to pay periodic payments (payable monthly) to UBS AG based upon a fixed rate of 5.738% per annum. The periodic interest rates are applied to the notional amount of the 1999 Revenue Bonds Swaption, which amortizes annually, commencing January 1, 2011, from its initial notional amount. Only the net difference in the periodic payments is to be exchanged between the Authority and UBS AG.

Once exercised, the 1999 Revenue Bonds Swaption would continue (unless earlier terminated) through January 1, 2026. The periodic payment obligations of the Authority under the 1999 Revenue Bonds Swaption (if exercised) are secured and payable equally and ratably with Bonds issued under the 1998 Revenue Bond Indenture. Regularly scheduled periodic payments to be made by the Authority under the 1999 Revenue Bonds Swaption are insured by Ambac Assurance. In addition to other Events of Default and Termination Events (as defined in the 1999 Revenue Bonds Swaption), there exists an Additional Termination Event with respect to the Authority if the credit rating of Bonds issued under the 1998 Revenue Bond Indenture (without reference to municipal bond insurance or credit enhancement) falls below "Baa3" with respect to Moody's or "BBB-" with respect to S&P or Fitch, or the Bonds cease to be rated by one of Moody's, S&P or Fitch (and such rating agencies are still in the business of rating obligations such as the Bonds). However, as provided in the 1999 Revenue Bond Swap, so long as no Insurer Credit Event (as defined therein) has occurred, no Early Termination Date can be designated unless Ambac Assurance has consented in writing thereto.

In consideration for entering into the 1999 Revenue Bonds Swaption, the Authority received a net up-front, non-refundable option payment in the amount of \$20,142 from UBS AG, which has been recorded on the combined financial statements as a noncurrent liability (premium payment payable - derivative companion instrument). In accordance with the provisions of Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, this derivative companion instrument is considered a "borrowing" resulting from the intrinsic value of the swaption at inception. During the option period, interest accretes at the effective rate implied by the cash flows on the borrowing at inception. Once the swaption is exercised, and becomes an active swap, a portion of the swap interest payments are attributed to principal and interest payments on the borrowing. The following schedule represents the accretion of interest and amortization of the premium payment payable - derivative companion instrument through the term of the interest rate swap agreement, at an effective interest rate of 4.71425%:

Year Ending	Beginning	Interest	Imputed	Ending
<u>Dec. 31,</u>	<u>Balance</u>	<u>Accrual</u>	<u>Debt</u>	<u>Balance</u>
			<u>Payment</u>	
2011	\$ 27,801	\$ 1,311	\$ (3,960)	\$ 25,152
2012	25,152	1,186	(3,835)	22,503
2013	22,503	1,061	(3,649)	19,915
2014	19,915	939	(3,453)	17,401
2015	17,401	820	(3,245)	14,976
2016-2020	14,976	2,499	(12,665)	4,810
2021-2025	4,810	547	(5,357)	-

On September 3, 2009, UBS AG advised the Authority that it was exercising its option on this swaption as of January 1, 2010. The Authority began making net interest payments to UBS AG, the counterparty, commencing in February 2010, representing January's net interest payment. The Authority is current on its monthly net interest swap payments, having paid \$16.1 million to UBS AG in 2011 as of September 30th.

The current ratings of the counterparty (UBS AG) to the 1999 Revenue Bonds Swap of Moody's, S&P, and Fitch are Aa3, A, and A, respectively.

Objective and Terms of Investment Derivative Instruments - On August 21, 2000, the Authority entered into two (2) interest rate agreements with Bank of America N.A. in the notional amounts of \$39,657 (the "2000 Swaption #1") and \$10,436 (the "2000 Swaption #2", and together with the 2000 Swaption #1, the "2000 Swaptions"). Under the 2000 Swaptions, Bank of America N.A. has the option on certain future dates (two business days preceding July 1, 2005 and each January 1 and July 1 thereafter through and including July 1, 2025 with respect to the 2000 Swaption #1 and two business days preceding January 2, 2006 and each July 1 and January 1 thereafter through and including July 1, 2025 with respect to the 2000 Swaption #2) to cause the 2000 Swaption #1 or the 2000 Swaption #2, as applicable, to commence on the next succeeding January 1 or July 1. Neither option relating to the 2000 Swaptions has been exercised by Bank of America N.A. If an option is exercised, the 2000 Swaption #1, or the 2000 Swaption #2, as applicable, would continue (unless earlier terminated) through January 1, 2026. The Authority's obligations under the 2000 Swaptions are general unsecured corporate obligations.

If the options relating to the 2000 Swaption #1 or the 2000 Swaption #2 are exercised by Bank of America N.A., Bank of America N.A. is obligated to pay periodic interest payments (payable monthly) to the Authority based upon a fixed rate of 5.9229% per annum and the Authority is obligated to pay periodic interest payments (payable monthly) to Bank of America N.A. at a variable rate based upon the Securities Industry and Financing Markets Association (SIFMA) (formerly the BMA Municipal Swap Index) (a tax-exempt variable rate index). Only the net difference in the periodic payments owed would be exchanged between Bank of America N.A. and the Authority.

In consideration for entering into the 2000 Swaptions, the Authority received net up-front, non-refundable option payments in the aggregate amount of \$1,400 from Bank of America N.A., which represented the time value for holding the written option. Such payments have been recorded as deferred revenue and amortized as interest revenue in prior years.

Risks Related to Derivatives Instruments

Credit Risk - For the year ended December 31, 2010, the Authority is not exposed to credit risk on its hedging derivative instruments or investment derivatives as all such derivative instruments are in a liability position based on their fair values. The credit ratings of the counterparties, however, are Aa3, A+, and A+ as rated by Moody's, S&P, and Fitch, respectively.

Interest Rate Risk - The Authority is exposed to interest rate risk on its derivative instruments. On its pay-variable, received-fixed interest rate swaptions, as the Securities Industry and Financing Markets Association (SIFMA) rate increases, the Authority's net payments on the swaptions, if exercised, increases. On its pay-fixed, receive-variable interest rate swaps, as the LIBOR rate decreases, the Authority's net payments on the swaps increases.

Basis Risk - The Authority is exposed to basis risk on its pay-fixed interest rate swap hedging derivative instruments because the variable-rate payments received by the Authority on these hedging derivative instruments are based on a rate or index other than interest rates the Authority pays on its hedged variable-rate debt, which is remarketed every five (5) days.

Termination Risk - The Authority or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract.

Rollover Risk - The Authority is not exposed to rollover risk on its hedging derivative instruments. The Authority's hedging derivative instruments terminate on the same day as the hedged debt matures, unless the Authority opts for earlier termination.

Market-Access Risk - If a particular option is exercised and refunding bonds are not issued, the affected series of bonds would not be refunded, and the Authority would make net swap payments as required by the terms of the applicable aforementioned contracts. If the option is exercised and the variable-rate bonds issued, the actual difference ultimately recognized by the transaction will be affected by the relationship between the interest rate terms of the to-be-issued variable-rate bonds versus the payment as stipulated in the swaption agreement.

Swap Management Policy

On December 28, 2009, the Authority's Board approved a resolution (DRPA#09-099, entitled "*Use of Debt-Related Swap Agreements*") which, among other things, declared: (i) "that it is the direction and intention of the Board that the DRPA not enter into any new debt-related swap agreements..", and (ii) that the staff of the Authority "take all steps necessary to immediately begin the process of recommending to the Board whether, when, and how to terminate the Authority's current swaps, with all such terminations, if determined to be advisable, to occur in a methodical and careful manner which avoids to the fullest extent possible additional costs or risks that may be associated with termination; and that staff report to the Finance Committee of the Board on a monthly basis the status of all current swap agreements..."

5. ACCOUNTS RECEIVABLE AND TOLL REVENUES

Accounts receivable at September 30, 2011 and December 31, 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Reimbursements from governmental agencies - capital improvements to the PATCO system due from the Federal Transit Administration and New Jersey Transit	\$ 1,407	\$ 2,634
Other intergovernmental	4,822	3,621
Development projects	2,000	2,000
Other	<u>6,619</u>	<u>3,515</u>
Gross receivables	14,848	11,770
Less: Allowance for uncollectibles	<u>(3,500)</u>	<u>(1,500)</u>
Net total receivables	<u>\$ 11,348</u>	<u>\$ 10,270</u>

Of the intergovernmental receivables of \$4,822 above, \$4,822 is expected to be collected within one year.

6. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within 1 Year</u>
Bonds and loans payable:					
1998 Revenue Refunding Bonds	\$ 2,365		\$ (2,365)	\$ -	\$ -
1999 Revenue Bonds	57,565		(16,230)	41,335	17,110
1998 Port District Project Bonds	60,795		(2,600)	58,195	2,720
1999 Port District Project Bonds	147,820		(2,740)	145,080	2,950
2001 Port District Project Bonds	119,320		(7,050)	112,270	7,420
2008 Revenue Refunding Bonds	347,070		(11,690)	335,380	15,025
2010 Revenue Refunding Bonds	350,000			350,000	
2010 Revenue Bonds	308,375			308,375	
Less issuance discounts / premiums	(24,381)	1,205		(23,176)	
Total bonds payable	1,368,929	1,205	(42,675)	1,327,459	45,225
Other liabilities:					
Bridge repainting	64,385	3,422		67,807	
Self-insurance	4,191	446		4,637	
Sick and vacation leave	4,873		(168)	4,705	3,655
Deferred revenue	6,575	187		6,762	2,972
Other (includes OPEB unfunded liability)	39,098			39,098	
Premium payment payable - derivative companion instrument	46,982			46,982	
Derivative instrument - interest rate swap	136,983			136,983	
Total long-term liabilities	\$ 1,672,016	\$ 5,260	\$ (42,843)	\$ 1,634,433	\$ 51,852

7. INVESTMENT IN FACILITIES

Capital assets for the year ended September 30, 2011 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 74,225			\$ 74,225
Construction in progress	251,583	\$ 102,506		354,089
Total capital assets not being depreciated	325,808	102,506	-	428,314
Capital assets being depreciated:				
Bridges and related building and equipment	962,437			962,437
Transit property and equipment	389,113			389,113
Port enhancements	27,334			27,334
Total capital assets being depreciated	1,378,884	-	-	1,378,884
Less accumulated depreciation for:				
Bridges and related building and equipment	(400,016)	(23,031)		(423,047)
Transit property and equipment	(193,903)	(11,489)		(205,392)
Port enhancements	(15,219)	(956)		(16,175)
Total accumulated depreciation	(609,138)	(35,476)	-	(644,614)
Total capital assets being depreciated, net	769,746	(35,476)	-	734,270
Total capital assets, net	\$ 1,095,554	\$ 67,030	\$ -	\$ 1,162,584

Total depreciation expense for the period ended September 30, 2011 was \$35,476.

8. DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Authority does not make any contributions to the plan. To comply with changes in federal regulations and GASB 32, "Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans," the Authority amended the Plan in 1998 so that all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property of the employees.

9. PENSION PLANS

Employees of the Authority participate in the Pennsylvania State Employees' Retirement System, the Public Employees' Retirement System of New Jersey, or the Teamsters Pension Plan of Philadelphia and Vicinity.

Pennsylvania State Employees' Retirement System

Plan Description - Permanent full-time and part-time employees are eligible and required to participate in this cost-sharing multiple-employer defined benefit plan that provides pension, death and disability benefits. A member may retire after completing three years of service and after reaching normal retirement age (the age of 60, except police officers at age 50, or the age at which 35 years of service has been completed, whichever occurs first). Benefits vest after five years of service. If an employee terminates his or her employment after at least five years of service but before the normal retirement age, he or she may receive pension benefits immediately or defer pension benefits until reaching retirement age. Employees who retire after reaching the normal retirement age with at least three years of credited service are entitled to receive pension benefits equal to 2.50% of their final average compensation (average of the three highest years in earnings) times the number of years for which they were a participant in the plan. The pension benefits received by an employee who retires after five years of credited service but before normal retirement age are reduced for the number of years that person is under normal retirement age.

Pension provisions include death benefits, under which the surviving beneficiary may be entitled to receive the employee's accumulated contributions less the amount of pension payments that the employee received, the present value of the employee's account at retirement less the amount of pension benefits received by the employee, the same pension benefits formerly received by the employee, or one-half of the monthly pension payment formerly received by the employee. The maximum pension benefit to the employee previously described may be reduced depending on the benefits elected for the surviving beneficiary.

The Pennsylvania State Employees' Retirement System issues a publicly available annual financial report, including financial statements, which may be obtained by writing to Pennsylvania State Employees' Retirement System, 30 North Third Street, Harrisburg, Pennsylvania, 17108-1147.

Funding Policy - The contribution requirements of plan members and the Authority are established and amended by the Pennsylvania State Employees' Retirement System Board. As of January 1, 2002, employees are required to contribute 6.25% of their gross earnings to the plan. The Authority was required to, and did, contribute an actuarially determined amount to the plan, which equaled 4.18%, 3.68%, and 3.72%, of covered payroll in 2010, 2009, and 2008, respectively. In 2010, 2009, and 2008, the Authority's required contributions to the plan were \$1,817, \$1,647, and \$1,607, respectively, which represented 100% of the required contribution for the aforementioned years.

New Jersey Public Employees Retirement System (NJ PERS)

Plan Description - Permanent full-time employees, hired after January 1, 2002, who were members of NJPERS when they were hired, are eligible to participate in this cost-sharing multiple-employer defined benefit plan (administered by the New Jersey Division of Pensions and Benefits). The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

Funding Policy - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist. The Authority is billed annually for its normal contribution, plus any accrued liability. The Authority began sending employee contributions to NJ PERS beginning in January 2006. The fiscal year 2008 was the first year that the Authority was required to, and did, contribute an actuarially determined amount to the plan. For the year

ended December 31, 2010 and 2009, the Authority's total contribution to the plan was \$196 and \$63, respectively, which represented 100% of the required contribution for the aforementioned years. For the years ended December 31, 2010 and 2009, the contributions consisted of a normal contribution amount of \$80 and \$29, respectively and an accrued liability amount of \$117 and \$34, respectively.

Teamsters Pension Plan of Philadelphia and Vicinity

Plan Description - Certain represented employees are eligible and required to participate in the Teamsters Pension Plan of Philadelphia and Vicinity, which is a cost-sharing, multiple-employer benefit plan which provides pension, death and disability benefits. A member may retire at the later of (a) the date the employee reaches 65 or (b) the tenth anniversary of the employee's commencement of participation in the plan. Additionally, employees are eligible for early retirement after 10 years of participation in the plan and (a) completion of 30 years of vested service or (b) attainment of age 50 and completion of 10 years of vested service. Benefits vest after 10 years of service. An employee who retires on or after his or her normal retirement age is entitled to receive benefits based on his or her credited years of service multiplied by a monthly benefit rate, which is determined based on the employer's daily contributions. The benefits are subject to maximum rates that vary according to employer daily contribution rates. Members may also receive benefits after early retirement at reduced rates depending on age at retirement.

An employee who qualifies for disability retirement benefits (total and permanent disability with 10 years of vested service and 5 years of continuous service with at least 300 covered days of contributions) is entitled to receive two hundred dollars per month until retirement age, when retirement benefits would commence.

Provisions include surviving spouse death benefits, under which the surviving spouse is entitled to a 50% survivor annuity in certain cases.

The Teamsters Pension Plan of Philadelphia and Vicinity issues a publicly available annual financial report, including financial statements, which may be obtained by writing to Teamsters Pension Plan of Philadelphia and Vicinity, Fourth and Cherry Streets, Philadelphia, Pennsylvania, 19106.

Funding Policy - The Teamsters Pension Plan is controlled by the Teamsters Pension Plan of Philadelphia and Vicinity Board. The employer's contribution requirements are determined under the terms of one Collective Bargaining Agreement in force between the employer and the Teamsters. During 2010, the Authority was required to and did contribute the following amounts for PATCO employees: twenty one dollars and forty cents (\$21.40) per day from January 1, 2010 through May 31, 2010 and twenty-one dollars and eighty cents (\$21.80) from June 1, 2010 through December 31, 2010 per participating employee. The Authority's contributions totaled 9.6%, 9.89%, and 10.02% of covered payroll in 2010, 2009, and 2008, respectively. The employees of the Authority make no contributions to the plan. The Authority contributed \$1,090, \$1,068, and \$1,029 in 2010, 2009, and 2008, respectively, which represented 100% of the required contribution for the aforementioned years.

10. POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description - The Authority provides certain health care and life insurance benefits for retired employees, where such benefits are established and amended by the Authority's Board of Commissioners. The Authority's plan provides two agent multiple-employer post-employment healthcare plans which cover two retiree populations: eligible retirees under the age of sixty-five (65) receive benefits through Amerihealth and eligible retirees sixty-five (65) and over receive benefits through the United Health Group (in partnership with AARP) and Aetna. Life insurance benefits to qualifying retirees are provided through Prudential. The plans are administered by the Authority; therefore, premium payments are made directly by the Authority to the insurance carriers.

Funding Policy - Employees become eligible for retirement benefits based on hire date and years of service. The contribution requirements of plan members and the Authority are established and may be amended by the Authority's Board of Commissioners. Plan members receiving benefits contribute the following amounts: \$55 per month for retiree-only coverage for the base plan, \$110 per month for retiree/spouse (or retiree/child) coverage, and \$165 per month for retiree/family (or children) coverage to age sixty-five (65) for the base plan, and \$55 per month, per retiree, per dependent for both the United Health Group (in partnership with AARP) and Aetna coverages. An additional amount is required for those retirees, under age sixty-five (65), who opt to participate in the "buy-up plan" for retirees and their dependents.

Retirees - The Authority presently funds its current retiree post employment benefit costs on a "pay-as-you-go" basis and, as shown above, receives annual contributions from retirees to offset a portion of this annual cost. The Authority's contributions to the plan for the years ended 2010, 2009, and 2008 were \$4,256, \$4,251, and \$4,625, respectively.

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Authority is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$13,763 at an unfunded discount rate of 5%. As stated above, the Authority has funded the cost of existing retirees in the amount of \$4,256, and in 2010, the Authority has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability. The Authority plans to begin funding a portion of this outstanding liability in 2011.

Annual OPEB Cost - For 2010, the Authority's annual OPEB cost (expense) of \$15,236 for the plan was equal to the ARC plus the interest on the beginning net OPEB obligation. The Authority's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for 2010, 2009, and 2008 are as follows:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annual Required Contribution (ARC)	\$ 13,763	\$ 13,763	\$ 14,470
Interest on the Net OPEB Obligation	1,439	975	492
Adjustment to the ARC	<u>(1,782)</u>	<u>(1,208)</u>	<u>(689)</u>
Annual OPEB Cost	13,420	13,530	14,273
Pay as You Go Cost (Existing Retirees)	<u>(4,256)</u>	<u>(4,251)</u>	<u>(4,625)</u>
Increase (Decrease) in the Net OPEB Obligation	9,164	9,279	9,648
Net OPEB Obligation, January 1	<u>28,771</u>	<u>19,492</u>	<u>9,844</u>
Net OPEB Obligation, December 31	<u>\$ 37,935</u>	<u>\$ 28,771</u>	<u>\$ 19,492</u>
Percentage of Annual OPEB Cost Contributed	32%	31%	32%

Funded Status and Funding Progress - As of January 1, 2009, the most recent actuarial valuation date, the Authority's Plan was 0% funded. The actuarial accrued liability for benefits was \$132,467, and the actuarial value of plan assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$132,467. The covered payroll (annual payroll of active employees covered by the plan) was \$56,034, and the ratio of the UAAL to the covered payroll was 236.4%. (For additional information, please refer to the "Required Supplementary Information Schedule of Funding Progress for Health Benefits Plan" shown at the end of the footnote section.) Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- **Mortality.** The mortality table employed in the valuation was the 1994 sex distinct Group Annuity Mortality Table.
- **Discount Rate.** Future costs have been discounted at the rate of 5.00% compounded annually for GASB 45 purposes.

- *Turnover.* Assumptions for terminations of employment other than for death or retirement will occur in the future in accordance with the U.S. Office of Personnel Management regarding the experience of the employee group covered by the Federal Employees Retirement System, some excerpts from which are:

<u>Age</u>	<u>% Terminating</u>
20	70.4%
40	15.9%
50	0.0%

- *Disability.* No terminations of employment due to disability were assumed. Retirees resulting from a disability were factored into the determination of age at retirement.
- *Age of Retirement.* The assumption that the active participants, on average, will receive their benefits when eligible, but no earlier than age 55.
- *Spousal Coverage.* Married employees will remain married.
- *Prior Service.* No prior service for active employees was assumed.
- *Health Care Inflation.* Health care gross costs were assumed to increase at an annual rate of 7.0% for Pre-Medicare medical benefits and 5.0% for Post-Medicare medical benefits.
- *Administration Expenses.* The annual cost to administer the retiree claims was assumed at 2.0%, which was included in the annual health care costs.
- *Employee Contributions.* It was assumed that employees will contribute two thousand three hundred forty dollars (\$2,340) per year for family medical coverage and seven hundred eighty dollars (\$780) for single medical coverage.
- *PATCO Medical Expenses.* The medical and prescription drug expenses provided in the actuarial data were adjusted to be consistent with the medical and prescription drug expenses of \$1,083 reflected in the 2008 financial report.
- *Change in Assumptions.* Effective January 1, 2009, assumptions were changed for medical trend costs, turnover, and retirement age; however, none of these changes were deemed significant changes compared to the assumptions utilized in the previous actuarial valuation.

In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Authority will engage an actuarial consultant during 2011 to update its present analysis.

11. INDENTURES OF TRUST

The Authority is subject to the provisions of the following Indentures of Trust: Revenue Refunding Bonds of 1998 with TD Bank N.A. (as successor trustee to Commerce Bank NA), dated July 1, 1998; and the Revenue Bonds of 1999 with TD Bank N.A., dated December 1, 1999; the Revenue Refunding Bonds of 2008, with TD Bank, National Association as Trustee, dated July 25, 2008 and the Revenue Refunding Bonds of 2010 and the 2010 Revenue Bonds (Series D), with TD Bank National Association as Trustee dated May 15, 2010 and July 15, 2010, respectively (collectively the "Bond Resolution"); Port District Project Bonds of 1998 with The Bank of New York Mellon (as successor trustee to U.S. Trust Company of New Jersey), dated August 15, 1998; Port District Project Bonds of 1999 with The Bank of New York Mellon (as successor trustee to Summit Bank), dated December 1, 1999; Port District Project Bonds of 2001 with TD Bank N.A., dated December 1, 2001. The Bond Resolution requires the maintenance of the following accounts:

Project Fund - This *restricted* account was established in accordance with Section 6.02 of the Bond Resolution. The Project Fund is held by the Trustee and is applied to pay the cost of the Projects and is pledged, pending application to such payment of costs for the security of the payment of principal and interest on the Revenue, Revenue Refunding, and Project Bonds (the "Bonds").

Debt Service Fund - This *restricted* account was established in accordance with Section 6.04 of the Bond Resolution for the payment of maturing interest and principal on the Bonds. The balance on deposit must be sufficient to enable the Trustee to withdraw amounts equal to interest due on the Bonds, principal amounts maturing on Bonds, accrued interest included in the purchase price of the Bonds purchased for retirement, and sinking fund installments when payments are required.

Debt Service Reserve Fund - This *restricted* account was established in accordance with Section 6.05 of the Bond Resolution. The amount of funds on deposit must be maintained at a level equal to the Maximum Debt Service to insure funds are available for payment of Debt Service.

Bond Redemption Fund - This *restricted* account was established in accordance with Section 6.06 of the Bond Resolution to account for amounts received from any source for the redemption of Bonds, other than mandatory sinking fund payments.

Rebate Fund - This *restricted* account was established in accordance with Section 6.07 of the Bond Resolution to account for amounts deposited from time to time in order to comply with the arbitrage rebate requirements of Section 148 of the Code as applicable to any Series of Tax-Exempt Bonds issued.

In addition, in accordance with the Indentures of Trust for the Revenue Refunding Bonds of 1998 the following additional accounts are required to be maintained:

Revenue Fund - This *unrestricted* account was established in accordance with Section 6.03 of the Bond Resolution for the Authority to deposit all Revenues. On or before the 20th day of each calendar month, the Trustee shall, to the extent money is available, transfer to or credit funds needed in the following order: (1) the Debt Service Fund, (2) the Debt Service Reserve Fund, (3) any Reserve Fund Credit Facility Issuer, (4) the Trustee's Rebate Fund, (5) the Maintenance Reserve Fund, (6) the General Fund.

Maintenance Reserve Fund - This *restricted* account was established in accordance with Section 6.08 of the Bond Resolution. These funds are maintained for reasonable and necessary expenses with respect to the system for major repairs, renewals, replacements, additions, betterments, enlargements, improvements, and extraordinary expenses, all to the extent not provided for in the then current Annual Budget. Money in this account is pledged for the security of payment principal and interest on the Bonds. Whenever the amount in this account exceeds the "Maintenance Reserve Fund Requirement", the excess shall be deposited in the General Fund. The "Maintenance Reserve Fund Requirement" on any date is at least \$3,000.

General Fund - This *unrestricted* account was established in accordance with Section 6.09 of the Bond Resolution. All excess funds of the Authority are recorded in the General Account. If the Authority is not in default in the payment of bond principal or interest and all fund requirements are satisfied, the excess funds may be used by the Authority for any lawful purpose.

12. FUNDED AND LONG-TERM DEBT

At September 30, 2011, the Authority had \$1,327,459 in Revenue, Revenue Refunding, and Port District Project Bonds outstanding, consisting of bonds issued in 1999, 2001, 2008, and 2010. The 1998 Port District Project Bonds were issued pursuant to an Indenture of Trust dated August 15, 1998. The 1999 Revenue Bonds were issued pursuant to the Indenture of Trust dated July 1, 1998, a Second Supplemental Indenture dated August 15, 1998, and a Third Supplemental Indenture dated December 1, 1999. The 1999 Port District Project Bonds were issued pursuant to an Indenture of Trust dated December 1, 1999. The 2001 Port District Project Bonds were issued pursuant to an Indenture of Trust dated December 1, 2001. The 2008 Revenue Refunding Bonds were issued pursuant to the Indenture of trust dated July 1, 1998, as supplemented by a Fourth Supplemental Indenture dated October 1, 2007 and a Fifth Supplemental Indenture dated July 15, 2008. The 2010 Revenue Refunding Bonds were issued pursuant an Indenture of Trust dated as of July 1, 1998 as previously supplemented by five supplemental indentures thereto and as further supplemented by a Sixth Supplemental Indenture dated as of March 15, 2010. The 2010 Revenue Bonds are being issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust, dated as of July 1, 1998, by and between the Authority and TD Bank, National Association, Cherry Hill, New Jersey, as successor to Commerce Bank, National Association (the "Trustee"), as supplemented by a First Supplemental Indenture, dated as of July 1, 1998, a Second Supplemental Indenture, dated as of August 15, 1998, a Third Supplemental Indenture, dated as of December 1, 1999, a Fourth Supplemental Indenture, dated as of October 1, 2007, a Fifth Supplemental Indenture, dated as of July 15, 2008, a Sixth Supplemental Indenture, dated as of March 15, 2010, and a Seventh Supplemental Indenture, dated as of July 1, 2010 (collectively, the "1998 Revenue Bond Indenture").

1998 Port District Project Bonds - On September 2, 1998, the Authority issued \$84,705 of Port District Project Bonds, Series of 1998, to provide funds to finance (a) all or a portion of the cost of certain economic development and capital projects, including reimbursing the Authority for the cost of economic development projects financed with Authority funds, (b) a deposit to the Port District Debt Service Reserve Fund established under the 1998 Port District Indenture, and (c) all or a portion of the costs and expenses of the Authority relating to the issuance and sale of the 1998 Port District Bonds.

The 1998 Port District Project Bonds are general corporate obligations of the Authority. Except as expressly provided in the 1998 Port District Indenture, the 1998 Port District Project Bonds are not secured by a lien or charge on, or pledge of, any revenues or other assets of the Authority. No tolls, rents, rates or other such charges are pledged for the benefit of the 1998 Port District Project Bonds. The 1998 Port District Project Bonds are payable from such funds and from other monies of the Authority legally available.

The 1998 Port District Project Bonds outstanding at September 30, 2011 are as follows:

<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>
Serial Bonds					
			2012	4.75%	\$ 2,720
			2013	5.00%	2,845
			2014	4.75%	2,990
			2015	5.00%	<u>3,130</u>
					<u>11,685</u>
Term Bonds					
2016	4.75%	\$ 3,290	2021	5.00%	\$ 4,175
2017	4.75%	3,445	2022	5.00%	4,385
2018	5.00%	3,605	2023	5.00%	4,605
2019	5.00%	3,790	2024	5.00%	4,835
2020	5.00%	3,975	2025	5.00%	5,075
			2026	5.00%	<u>5,330</u>
					<u>46,510</u>
Total par value of 1998 Port District Project Bonds Outstanding					58,195
Less unamortized bond discount					<u>(304)</u>
Total 1998 Port District Project Bonds, net					<u>\$ 57,891</u>

The 1998 Port District Project Bonds are subject to redemption prior to maturity on or after January 1, 2008, in whole at any time, or in part at any time and from time to time in any order of maturity as specified by the Authority, in any principal amount within a maturity as specified by the Authority, and within a maturity as selected by the Trustee by lot at the respective redemption prices expressed as percentages of the principal amount of such Port District Project Bonds or portions thereof to be redeemed as set forth below, together with accrued interest to the redemption date:

<u>Optional Redemption Dates (Inclusive)</u>	<u>Redemption Price</u> <u>Port District Project Bonds</u>
January 1, 2009 and thereafter	100.00%

1999 Revenue Bonds - On December 22, 1999, the Authority issued \$422,310 of Revenue Bonds of 1999 to provide funds, together with other funds available, (i) to finance, refinance or reimburse a portion of the costs of certain capital projects undertaken or to be undertaken by the Authority, (ii) to fund a portion of the interest on the 1999 Revenue Bonds during the period of construction and acquisition of the aforesaid projects, (iii) to fund the Debt Service Reserve Requirement for the 1999 Revenue Bonds, and (iv) to pay the costs of issuance of the 1999 Revenue Bonds.

The 1999 Revenue Bonds, together with the Authority's Revenue Refunding Bonds, Series A of 1998 and Series B of 1998 (the "1998 Revenue Bonds") and any parity obligations hereafter issued under the 1998 Revenue Bond Indenture, are equally and ratably payable solely from and secured by a lien on and security interest in (i) the amounts on deposit in the 1995 General Fund established under the Indenture of Trust dated as of November 15, 1995, as supplemented as of November 15, 1995 (collectively, the "1995 Revenue Bond Indenture"), (ii) the amounts on deposit in the Funds established under the 1998 Revenue Bond Indenture, except for the 1998 General Fund and the 1998 Rebate Fund.

The 1999 Revenue Bonds outstanding at September 30, 2011 are as follows:

<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>
Serial Bonds		
2012	5.50%	\$ 12,110
2012	5.25%	5,000
2013	5.63%	18,055
2014	5.75%	1,170
2014	5.40%	<u>5,000</u>
Total par value of 1999 Revenue Bonds		<u>\$ 41,335</u>

Optional Redemption - The 1999 Revenue Bonds are subject to redemption prior to maturity at the option of the Authority on or after January 1, 2010, in whole at any time or in part at any time and from time to time in any order of maturity as specified by the Authority, in any principal amount which is an integral multiple of \$5 as specified by the Authority, and within a maturity as allocated by the Trustee or by lot (and, if 1999 Revenue Bonds of a maturity bear interest at different rates, as allocated by the Trustee or by lot among 1999 Revenue Bonds of the interest rate or rates specified by the Authority) at a redemption price equal to 100% of the principal amount of such 1999 Revenue Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date. On March 31, 2010, the Authority partially redeemed \$349,360 in bonds with the issuance of \$350 million in 2010 Revenue Refunding Bonds.

1999 Port District Project Bonds - On December 22, 1999, the Authority issued \$272,095 to provide funds to finance (a) all or a portion of the cost of certain port improvement and economic development projects within the Port District, (b) a deposit of cash or a Reserve Fund Credit Facility to the credit of the Debt Service Reserve Fund established under the 1999 Port District Project Bond Indenture, and (c) all or a portion of the costs and expenses of the Authority relating to the issuance and sale of the 1999 Port District Project Bonds.

The 1999 Port District Project Bonds are general corporate obligations of the Authority. The 1999 Port District Project Bonds are not secured by a lien or charge on, or pledge of, any revenues or other assets of the Authority other than the monies, if any, on deposit from time to time in the Funds established under the 1999 Port District Project Bond Indenture. No tolls, rents, rates or other such charges are pledged for the benefit of the 1999 Port District Project Bonds. The 1999 Port District Project Bonds are equally and ratably secured by the funds on deposit in the Funds established under the 1999 Port District Project Bond Indenture, except for the Rebate Fund. The 1999 Port District Project Bonds are payable from such Funds and from other monies of the Authority legally available.

The 1999 Port District Project Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as more fully described herein.

The scheduled payment of principal and interest on the 1999 Port District Project Bonds when due are guaranteed under an insurance policy issued concurrently with the delivery of the 1999 Port District Project Bonds by Financial Security Assurance Inc.

The 1999 Port District Project Bonds outstanding at September 30, 2011 are as follows:

<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>
Series A Bonds					
			2012	7.50%	\$ 2,950
			2013	7.54%	3,170
					6,120
Term Bonds					
2014	7.63%	\$ 3,405	2018	7.63%	\$ 4,570
2015	7.63%	3,665	2019	7.63%	4,920
2016	7.63%	3,945	2020	7.63%	5,295
2017	7.63%	4,245	2021	7.63%	1,035
					31,080
Series B Bonds					
2021	5.70%	\$ 13,060	2022	5.70%	\$ 16,930
			2023	5.70%	17,895
					47,885
Term Bonds					
2024	5.63%	\$ 18,915	2025	5.63%	\$ 19,980
			2026	5.63%	21,100
					59,995
Total par value of 1999 Port District Project Bonds					145,080
Less unamortized bond discount					(1,853)
Total 1999 Port District Project Bonds, net					\$ 143,227

Optional Redemption - The Series A Port District Project Bonds are redeemable by the Authority on any interest payment date in whole or in part, and if in part, in any order of maturity specified by the Authority and in any principal amount within a maturity as specified by the Authority. Any such redemption shall be made at a redemption price equal to accrued interest to the redemption date plus the greater of: (i) the principal amount of the Series A Port District Project Bonds to be redeemed, and (ii) an amount equal to the discounted remaining fixed amount payments applicable to the Series A Port District Project Bonds to be redeemed. Allocation of the amounts of Series A Port District Project Bonds to be redeemed shall be proportionate nearly as reasonably possible having due regard for minimum authorized denominations of the 1999 Port District Project Bonds among the respective interest of the holders of the Series A Port District Project Bonds to be redeemed at the time of selection of such Series A Port District Project Bonds for redemption.

The Series B Port District Project Bonds shall be subject to redemption prior to maturity on or after January 1, 2010, in whole at any time, or in part at any time and from time to time in any order of maturity as specified by the Authority, in any principal amount within a maturity as specified by the Authority, and within a maturity as selected by the Trustee by lot at a redemption price equal to 100% of the principal amount of such Series B Port District Project Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.

2001 Port District Project Bonds - On December 27, 2001, the Authority issued \$128,395 of Port District Project Refunding Bonds, Series A of 2001, and \$31,180 Port District Project Bonds, Series B of 2001. The 2001 Port District Project Bonds are being issued to provide funds to finance (a) the current refunding of \$100,500 of the Authority's Port District Project Bonds, Series A of 1999 (Federally Taxable), (b) all or a portion of the cost of certain port improvement and economic development projects within the Port District, (c) a deposit of cash to the credit of the Debt Service Reserve Fund established under the 2001 Port District Project Bond Indenture, and (d) all or a portion of the costs and expenses of the Authority relating to the issuance and sale of the 2001 Port District Project Bonds.

The 2001 Port District Project Bonds outstanding at September 30, 2011 are as follows:

<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>
Series A Refunding Bonds (Federally Taxable)					
			2015	5.50%	\$ 7,260
			2016	5.50%	7,660
			2017	5.50%	8,080
			2018	5.50%	8,525
			2019	5.10%	8,995
			2020	5.10%	9,450
2012	5.25%	\$ 6,255	2021	5.10%	1,580
2013	5.50%	5,570	2022	5.13%	1,300
2014	5.50%	6,880	2023	5.15%	1,300
					72,855
Term Bonds					
2024	5.20%	\$ 1,300	2026	5.20%	\$ 1,300
2025	5.20%	1,300	2027	5.20%	12,900
					16,800
Total par value of Series A Refunding Bonds					89,655
Plus unamortized bond premium					1,831
Less unamortized loss on defeasance					(8,665)
Total 2001 Series A Refunding Bonds, net					82,821

<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>
Series B Refunding Bonds					
			2017	5.00%	\$ 1,470
			2018	5.00%	1,540
2012	4.60%	\$ 1,165	2019	5.10%	1,620
2013	4.63%	1,215	2020	5.10%	1,700
2014	4.75%	1,270	2021	5.10%	1,785
2015	4.85%	1,335	2022	5.13%	1,880
2016	5.00%	1,400	2023	5.15%	<u>1,975</u>
					18,355
Term Bonds					
2024	5.20%	\$ 2,075	2025	5.20%	<u>\$ 2,185</u>
					<u>4,260</u>
Total par value of Series B Bonds					22,615
Less unamortized bond discount					<u>(221)</u>
Total 2001 Series B Bonds, net					<u>22,394</u>
Total 2001 Port District Project Bonds, net					<u>\$ 105,215</u>

The 2001 Port District Project Bonds are general corporate obligations of the Authority. The 2001 Port District Project Bonds are not secured by a lien or charge on, or pledge of, any revenues or other assets of the Authority other than the monies, if any, on deposit from time to time in the Funds established under the 2001 Port District Project Bond Indenture. No tolls, rents, rates or other such charges are pledged for the benefit of the 2001 Port District Project Bonds.

Optional Redemption - The Series A Port District Project Refunding Bonds maturing on or after January 1, 2013 are subject to redemption prior to maturity at the option of the Authority on or after January 1, 2012, in whole at any time, or in part at any time and from time to time, in any order of maturity as specified by the Authority and within a maturity as selected by the Trustee by lot, at a redemption price equal to 100% of the principal amount of such Series A Port District Project Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.

The issuance of the 2001 Port District Project Refunding Bonds, Series A resulted in a loss of \$16,770 which represents the costs associated with the defeasance or call of the 1999 Port District Project Bonds, Series A. These costs were deferred and will be amortized over the life of the 2001 issue to the year 2021.

2008 Revenue Refunding Bonds - On July 25, 2008, the Authority issued \$358,175 in Revenue Refunding Bonds as variable rate demand obligations (VRDO's). The 2008 Refunding Revenue Bonds were issued to provide funds, together with other funds available: (a) to finance the current refunding of \$358,175 aggregate principal amount of the Authority's Revenue Refunding Bonds, Series of 2007, constituting all of the outstanding bonds of such series; and (b) to pay the costs of issuance of the 2008 Revenue Refunding Bonds.

The 2008 Revenue Refunding Bonds were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust dated as of July 1, 1998, by and between the Authority and TD Bank, N.A, Cherry Hill, New Jersey, as successor to Commerce Bank, National Association (the "Trustee"), as supplemented by a First Supplemental Indenture dated as of July 1, 1998, a Second Supplemental Indenture dated as of August 15, 1998, a Third Supplemental Indenture dated as of December 1, 1999, a Fourth Supplemental Indenture dated as of October 1, 2007 and a Fifth Supplemental Indenture dated as of July 15, 2008 (the "Fifth Supplemental Indenture") (collectively, the "1998 Revenue Bond Indenture").

The 2008 Revenue Refunding Bonds, together with all other indebtedness outstanding under the 1998 Revenue Bond Indenture and any parity obligations hereafter issued under the 1998 Revenue Bond Indenture, are equally and ratably payable

solely from and secured by a lien on and security interest in (i) the Net Revenues described herein, (ii) all moneys, instruments and securities at any time and from time to time held by the Authority or the Trustee in any Fund created or established under the 1998 Revenue Bond Indenture and (iii) the proceeds of all the foregoing, except for the moneys, instruments and securities held in the 1998 General Fund and the 1998 Rebate Fund. The 2008A Letter of Credit (as defined herein) secures only the 2008A Revenue Refunding Bonds and the 2008B Letter of Credit (as defined herein) secures only the 2008B Revenue Refunding Bonds.

The 2008 Revenue Refunding Bonds outstanding at September 30, 2011 are as follows:

Series A			Series B		
<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>
2026	Variable	<u>\$ 158,865</u>	2026	Variable	<u>\$ 176,515</u>
Total par value of 2008 Revenue Refunding Bonds					335,380
Less unamortized loss on defeasance					<u>(7,949)</u>
Total 2008 Revenue Refunding Bonds, net					<u><u>\$ 327,431</u></u>

Interest Rate Mode: Weekly

Rate Determination Date: Generally each Wednesday

Interest Payment Dates: First Business Day of each month

Optional Redemption - While in the Weekly Mode, the 2008A Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at redemption price equal to the principal amount thereof, plus accrued interest, if any, to the Redemption Date. While in the Weekly Mode, the 2008B Revenue Refunding Bonds are subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the Redemption Date.

Sinking Fund Redemption - The 2008 Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at one hundred percent (100%) of the principal amount of 2008 Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2008A Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2008 Revenue Refunding Bonds for each of the years set forth below:

Sinking Fund Installments

<u>January 1</u>	<u>Series A</u>	<u>Series B</u>	<u>Total</u>
2011	\$ 5,535	\$ 6,155	\$ 11,690
2012	7,115	7,910	15,025
2013	7,505	8,340	15,845
2014	7,915	8,795	16,710
2015	8,345	9,275	17,620
2016	8,800	9,775	18,575
2017	9,280	10,310	19,590
2018	9,785	10,870	20,655
2019	10,315	11,465	21,780
2020	10,880	12,090	22,970
2021	11,475	12,745	24,220
2022	12,100	13,440	25,540
2023	12,755	14,175	26,930
2024	13,455	14,945	28,400
2025	14,185	15,760	29,945
2026	14,955	16,620	31,575
	<u>\$ 164,400</u>	<u>\$ 182,670</u>	<u>\$ 347,070</u>

2010 Revenue Refunding Bonds - On March 31, 2010 the Authority issued \$350,000 in Revenue Refunding Bonds, Series A of 2010, Revenue Refunding Bonds, Series B of 2010 and Revenue Refunding Bonds, Series C of 2010. The 2010 Revenue Refunding Bonds were issued pursuant to the Indenture of Trust dated as of July 1, 1998 by and between the Authority and TD Bank, National Association, Cherry Hill, New Jersey, as successor to Commerce Bank, National Association ("Trustee"), as previously supplemented by five supplemental indentures thereto and as further supplemented by a Sixth Supplemental Indenture ("Sixth Supplemental Indenture") dated as of March 15, 2010 (collectively, "1998 Revenue Bond Indenture"). The 2010 Revenue Refunding Bonds were issued to provide funds, together with other available funds, to (i) currently refund \$349,360 aggregate principal amount of the Authority's outstanding Revenue Bonds, Series of 1999, (ii) fund any required deposit to the 1998 Debt Service Reserve Fund (defined herein), and (iii) pay the costs of issuance of the 2010 Revenue Refunding Bond.

The 2010 Revenue Refunding Bonds outstanding at September 30, 2011 are as follows:

	<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>
Series A	2026	Variable	\$ 150,000
Series B	2026	Variable	150,000
Series C	2026	Variable	<u>50,000</u>
Total par value of 2010 Revenue Refunding Bonds			350,000
Less unamortized loss on defeasance			<u>(5,432)</u>
Total 2010 Revenue Refunding Bonds, net			<u>\$ 344,568</u>

Interest Rate Mode: Weekly

Rate Determination Date: Generally each Wednesday

Redemption Prior to Maturity

The 2010 Revenue Refunding Bonds shall be subject to redemption prior to maturity as follows:

Optional Redemption - While in the Weekly Mode, each Series of the 2010 Revenue Refunding Bonds is subject to optional redemption by the Authority, in whole or in part, in Authorized Denominations on any Business Day, at a redemption price equal to the principal amount thereof, plus accrued interest, if any, to the applicable Redemption Date.

The issuance of the 2010 Revenue Refunding Bonds resulted in a loss of \$5,624 which represents the costs associated with the defeasance or call of the 1999 Revenue Bonds. These costs were deferred and will be amortized over the life of the 2010 issue to the year 2025.

Mandatory Sinking Fund Redemption - The 2010 Revenue Refunding Bonds are subject to mandatory redemption in part on January 1 of each year and in the respective principal amounts set forth below at 100% of the principal amount of 2010 Revenue Refunding Bonds to be redeemed, plus interest accrued to the Redemption Date, from funds which the Authority covenants to deposit in the 2010A Bonds Sinking Fund Account, 2010B Bonds Sinking Fund Account, and 2010C Bonds Sinking Fund Account created in the 1998 Debt Service Fund established pursuant to 1998 Revenue Bond Indenture, in amounts sufficient to redeem on January 1 of each year the principal amount of such 2010 Revenue Refunding Bonds for each of the years set forth below:

Sinking Fund Installments

<u>January 1</u>	<u>Series A</u>	<u>Series B</u>	<u>Series C</u>	<u>Total</u>
2014	\$ 5,460	\$ 5,460	\$ 1,825	\$ 12,745
2015	8,700	8,700	2,900	20,300
2016	9,195	9,195	3,070	21,460
2017	9,730	9,730	3,240	22,700
2018	10,280	10,280	3,430	23,990
2019	10,875	10,875	3,625	25,375
2020	11,500	11,500	3,830	26,830
2021	12,160	12,160	4,055	28,375
2022	12,855	12,860	4,285	30,000
2023	13,595	13,595	4,530	31,720
2024	14,375	14,375	4,790	33,540
2025	15,200	15,200	5,065	35,465
2026	16,075	16,070	5,355	37,500
	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 50,000</u>	<u>\$ 350,000</u>

2010 Revenue Bonds - On July 15, 2010, The Authority issued its Revenue Bonds, Series D of 2010 (the "2010 Revenue Bonds"). The 2010 Revenue Bonds were issued by means of a book-entry-only system evidencing ownership and transfer of 2010 Revenue Bonds on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants. Interest on the 2010 Revenue Bonds will be payable semi-annually on January 1 and July 1 of each year commencing January 1, 2011 (each an "Interest Payment Date").

The 2010 Revenue Bonds were issued pursuant to the Compact, the New Jersey Act, the Pennsylvania Act (as such terms are defined herein) and an Indenture of Trust, dated as of July 1, 1998, by and between the Authority and TD Bank, National Association, Cherry Hill, New Jersey, as successor to Commerce Bank, National Association (the "Trustee"), as supplemented by a First Supplemental Indenture, dated as of July 1, 1998, a Second Supplemental Indenture, dated as of August 15, 1998, a Third Supplemental Indenture, dated as of December 1, 1999, a Fourth Supplemental Indenture, dated as of October 1, 2007, a Fifth Supplemental Indenture, dated as of July 15, 2008, a Sixth Supplemental Indenture, dated as of March 15, 2010, and a Seventh Supplemental Indenture, dated as of July 1, 2010 (collectively, the "1998 Revenue Bond Indenture"). The 2010 Revenue Bonds were issued for the purpose of: (i) financing a portion of the costs of the Authority's approved Capital Improvement Program; (ii) funding the Debt Service Reserve Requirement for the 2010 Revenue Bonds; and (iii) paying the costs of issuance of the 2010 Revenue Bonds (Series D). (Note: As per its 2008 Reimbursement Resolution, upon

issuance of the 2010 Revenue Bonds, the Authority reimbursed its General Fund, for approximately \$100 million, for prior capital expenditures made during the period October 2008 through July 2010).

The 2010 Revenue Bonds are limited obligations of the Authority and are payable solely from the sources referred to in the 2010 Revenue Bonds and the 1998 Revenue Bond Indenture. Neither the credit nor the taxing power of the Commonwealth of Pennsylvania (the "Commonwealth") or the State of New Jersey (the "State") or of any county, city, borough, village, township or other municipality of the Commonwealth or the State is or shall be pledged for the payment of the principal, redemption premium, if any, or interest on the 2010 Revenue Bonds. The 2010 Revenue Bonds are not and shall not be deemed to be a debt or liability of the Commonwealth or the State or of any such county, city, borough, village, township or other municipality, and neither the Commonwealth nor the State nor any such county, city, borough, village, township or other municipality is or shall be liable for the payment of such principal or, redemption premium, or interest. The Authority has no taxing power.

Mandatory Sinking Fund Redemption - The 2010 Revenue Bonds maturing January 1, 2035 and January 1, 2040 are subject to mandatory redemption prior to maturity by the Authority, in part, on January 1 of each year in the respective principal amounts set forth below at 100% of the principal amount thereof, plus accrued interest to the Redemption Date from sinking fund installments which are required to be paid in amounts sufficient to redeem on January 1 of each year the principal amount of such 2010 Revenue Bonds specified for each of the years set forth below. Payment of principal and interest on the 2010 Revenue Bonds (the "2010 Insured Bonds"), in the principal amount of \$60,000 maturing January 1, 2040 is guaranteed under an insurance policy issued by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assured, Inc.).

The 2010 Revenue Bonds outstanding at September 30, 2011 are as follows:

<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>(January 1)</u>	<u>Interest</u> <u>Rate / Yield</u>	<u>Principal</u> <u>Amount</u>
Serial Bonds					
			2027	5.00%	\$ 3,465
			2028	5.00%	17,210
			2029	5.00%	18,070
			2030	5.00%	<u>18,975</u>
					<u>57,720</u>
Term Bonds					
2031	5.00%	\$ 16,245	2036	5.00%	\$ 14,575
2031	5.05%	3,675	2036	5.00%	10,860
2032	5.00%	17,055	2037	5.00%	15,310
2032	5.05%	3,865	2037	5.00%	11,400
2033	5.00%	17,905	2038	5.00%	16,075
2033	5.05%	4,060	2038	5.00%	11,970
2034	5.00%	18,810	2039	5.00%	16,875
2034	5.05%	4,260	2039	5.00%	12,570
2035	5.00%	19,750	2040	5.00%	17,720
2035	5.05%	4,475	2040	5.00%	<u>13,200</u>
					<u>250,655</u>
Total par value of 2010 Revenue Bonds					308,375
Less unamortized bond discount					<u>(583)</u>
Total 2010 Revenue Bonds, net					<u>\$ 307,792</u>

Optional Redemption - The 2010 Revenue Bonds are subject to redemption at the option of the Authority, prior to maturity, in whole or in part (and if in part, in such order of maturity or within a maturity as the Authority shall specify, or if the Authority

shall fail to specify, by lot or by such other method as the Paying Agent determines to be fair and reasonable and in any principal amount in Authorized Denominations) at any time on or after January 1, 2020. Any such redemption shall be made at a redemption price equal to 100% of the principal amount of the 2010 Bonds to be redeemed, plus accrued interest to the Redemption Date.

The following recapitulates the principal and interest due on all bonds outstanding as of December 31, 2010:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 42,675	\$ 38,507	\$ 81,182
2012	45,225	37,404	82,629
2013	46,700	35,693	82,393
2014	50,170	33,810	83,980
2015	53,310	32,497	85,807
2016-2020	315,445	145,456	460,901
2021-2025	421,705	110,780	532,485
2026-2030	167,425	74,573	241,998
2031-2035	110,100	49,466	159,566
2036-2040	140,555	18,255	158,810
	<u>1,393,310</u>	<u>\$ 576,441</u>	<u>\$ 1,969,751</u>
Net unamortized bond discounts, premiums, and loss on defeasance	<u>(24,381)</u>		
	<u>\$ 1,368,929</u>		

Interest on the 1998, 1999, 2001 and 2010 Revenue Bonds is payable semi-annually on January 1 and July 1 in each year. Interest on the 2008 and 2010 Revenue Refunding Bonds is payable monthly on the first business day of each month. Interest expense includes interest on the bonds and amortization of bond discounts and loss on defeasance.

Total funded debt and long-term debt as of September 30, 2011 totaled \$1,327,459 of which \$45,225 is short term and \$1,282,234 is long term. The Authority is current on all of its monthly debt service payments on all obligations.

Debt Authorized but not Issued - In September 2009, as a result of UBS' exercise of its option on the underlying swaption, the Authority's Board approved Resolution DRPA-09-065 authorizing either the: refunding of the 1999 B Port District Project Bonds, cash settlement (termination), or issuance of any necessary interest rate agreements. The swap was terminated in January 2010, but no action with regards to refunding has occurred.

At its November 2009 Board meeting, the Authority's Board approved the following resolutions related to its outstanding bonds and its proposed "new money issuance" to fund its 2010 Capital Program:

1. DRPA-09-064 authorized the Authority to issue new revenue bonds, up to a maximum of \$510 million to fund a portion of the 2010 Capital Plan. (This resolution rescinded the earlier "new money" authorization passed in October 2008.) The new bonds can be issued as fixed or variable rate bonds, along with any interest rate hedge agreements, if necessary. The DRPA issued \$308 million in fixed rate bonds in July 2010, pursuant to this resolution.
2. DRPA-09-066 authorized the Authority to refund the 1999 Revenue Bonds (as either fixed or variable rate bonds), issue any necessary interest rate hedge agreements, if necessary, or to terminate the swap. These bonds were partially redeemed with the issuance of \$350 million in 2010 Revenue Refunding Bonds on March 31, 2010.
3. DRPA-09-067 authorized the Authority to: refund the 1998B Port District Project Bonds, as tax exempt or taxable, fixed or variable rate bonds, to achieve debt service savings and to issue any necessary interest rate hedge agreements to hedge interest costs. (Note: No further actions have been taken with regards to these bonds)

Bond Ratings - Moody's Investors Service Bond Ratings - In September 2007, concurrent with the issuance of the 2007 Revenue Refunding Bonds, Moody's affirmed the Authority's existing underlying ratings on all revenue and port district project bonds (which were A3 and Baa3, respectively) and assigned a rating of A3 to the 2007 Revenue Refunding Bonds. In

addition, Moody's revised its outlook on the Authority's bonds to "stable".

Concurrent with the issuance of \$358 million in Revenue Refunding Bonds on July 9, 2008, Moody's assigned an A3 rating to the new issue, with a "stable outlook". Moody's also affirmed the A3 ratings on all outstanding revenue bond debt issued under the 1998 Indenture, and its Baa3 ratings on all existing port district project bonds.

Concurrent with the issuance of \$350 million in revenue refunding bonds on March 31, 2010, in its report dated March, 2010, Moody's assigned its A3 underlying ratings to the Authority's 2010 Revenue Refunding Bonds Series (A thru C). Moody's affirmed its 'A3' underlying ratings, on the Authority's existing revenue bond debt, and the 'Baa3' long term ratings on its PDP Bonds. The outlook was changed from "stable" to a "negative outlook" on all of the Authority's bonds.

Concurrent with the issuance of \$308.4 million in revenue bonds on July 15, 2010, in its report dated May 4, 2010, Moody's assigned its A3 underlying ratings to the Authority's 2010 Revenue Bonds (Series D). Moody's affirmed its 'A3' underlying ratings, on the Authority's existing revenue bond debt, and the 'Baa3' long term ratings on its PDP Bonds. (Note: Moody's also assigned a rating of Aa3 "negative outlook" to the 2010 Insured Revenue Bonds). As of September 30, 2011, all Authority bonds remain with a negative outlook.

Standard & Poor's Ratings Services Bond Ratings - On October 2, 2007, concurrent with the issuance of the 2007 Revenue Refunding Bonds, S&P affirmed the Authority's existing underlying BBB+ ratings on all revenue bonds and assigned a rating of BBB+ to the 2007 Revenue Refunding Bonds. S&P also affirmed its BBB- underlying ratings on all port district project bonds and revised its outlook on the Authority's bonds to "stable from negative."

On July 8, 2008, concurrent with the issuance of the 2008 Revenue Refunding Bonds described herein, S&P assigned its BBB+ rating to the new bonds. S&P also affirmed its BBB+ underlying ratings on all outstanding revenue bonds and revised its outlook on these bonds from "stable" to "positive". S&P also affirmed its BBB- ratings on all Port District Project Bonds, which carry a "stable" outlook.

On July 13th, 2009, S & P raised the underlying rate (SPUR) on all of the Authority's revenue / revenue refunding bonds from BBB+ to A- with a stable outlook. S & P reaffirmed the existing BBB- ratings on the port district project bonds with a "positive outlook".

Concurrent with the issuance of \$350 million in revenue refunding bonds on March 31, 2010, in its report dated February 24, 2010, S&P assigned its 'A-' underlying rating (SPUR) to the Authority's 2010 Revenue Refunding Bond Series A thru C. S&P affirmed its 'A-' underlying ratings, on the Authority's existing revenue bond debt, and the 'BBB'- long term ratings on its PDP Bonds. The outlook remained as "stable".

Concurrent with the issuance of \$308.4 million in revenue bonds on July 15, 2010, in its report dated May 4, 2010, S&P assigned its 'A-' underlying rating (SPUR) to the Authority's 2010 Revenue Bonds (Series D). S&P affirmed its 'A-' underlying ratings, on the Authority's existing revenue bond debt, and the 'BBB'- long term ratings on its PDP Bonds. (Note: S&P also assigned a rating of AAA "negative outlook" to the 2010 Insured Revenue Bonds).

On July 29th, 2011, S & P affirmed the existing ratings on the Authority's bonds. As of September 30, 2011, the outlook remains as "stable" on all of the Authority's bonds.

Ratings on Jointly Supported Transactions - Moody's Investors Service ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), initially assigned their municipal bond ratings to the 2008 Revenue Refunding Bonds as set forth in the following chart based upon the understanding that upon delivery of the 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds, the respective Letter of Credit securing the payment when due of the principal of, or purchase price of 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds tendered for purchase and not otherwise remarketed and interest on the 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds will be delivered by Bank of America, N.A. and TD Bank, N.A., respectively.

		<u>Long-term</u>	<u>Short-term</u>
2008A Revenue Refunding Bonds	Moody's:	Aaa	VMIG 1
	S&P:	AA+	A-1+
2008B Revenue Refunding Bonds	Moody's:	Aaa	VMIG 1
	S&P:	AA-	A-1+

The long-term ratings assigned by Moody's and S&P reflect each organization's approach to rating jointly supported transactions and are based upon the Direct Pay Letters of Credit provided by Bank of America, N.A for the 2008A Revenue Refunding Bonds and TD Bank, N.A. for the 2008B Revenue Refunding Bonds. Since a loss to a bondholder of a 2008A Revenue Refunding Bond or a 2008B Revenue Refunding Bond would occur only if both the bank providing the applicable Letter of Credit and the Authority default in payment, Moody's and S&P have assigned a long-term rating to the 2008 Revenue Refunding Bonds based upon the joint probability of default by both applicable parties. In determining the joint probability of default, Moody's considers the level of correlation between the bank providing the applicable Letter of Credit and the

Authority. Moody's has determined that there is a low level of correlation between the bank providing the applicable Letter of Credit and the Authority. Given this correlation, Moody's believes the joint probability of default results in credit risk consistent with an Aaa rating for the 2008 Revenue Refunding Bonds.

No provider of a Letter of Credit is obligated to maintain its present or any other credit rating and shall have no liability if any such credit rating is lowered, withdrawn, or suspended.

In May 2009, the Authority was advised that Standard & Poor's Ratings Services has updated its methodology and assumptions for rating "jointly supported obligations" when each obligor is fully responsible for the entire obligation. In this situation, a default on the obligation would occur only if both obligors default. As a result, in its report dated April 22, 2009 ("*List of U.S. Public Finance Ratings Placed on CreditWatch Positive As A Result of Joint-Supported Criteria Update*"), S&P changed its ratings on the 2008 Revenue Refunding Bonds (Series A), supported by a Letter of Credit by Bank of America, N.A., from AA+/A-1+ to A+/A-1.

13. CURRENT REFUNDING OF DEBT

As detailed in Note 12, on March 31, 2010, the Authority issued \$350,000 in Revenue Refunding Bonds to currently refund \$349,360 aggregate principal amount of the Authority's outstanding 1999 Revenue Bonds. The refunding was executed by the Authority to manage the interest rate risk related to the counterparty's (USB AG) exercising of the 1999 Revenue Bonds Swaption, which became effective on January 1, 2010.

As a result of the current refunding of the 1999 Revenue Bonds, the Authority incurred a loss on defeasance of \$5,624, which has been recorded as a contra-asset account against the noncurrent liability of bonded debt, and is being amortized as a component of interest expense over the life of the newly issued, refunding debt.

The following schedule details the difference between the cash flow required to service the old debt (the refunded portion of the 1999 Revenue Bonds) and the new debt (2010 Revenue Refunding Bonds). In addition, the economic loss from the refunding, which represents the difference between the present value of the aforementioned old debt service and the present value of the aforementioned new debt service requirements, discounted at the effective interest rate of 5.0%, adjusted for any additional cash, is as flows:

Cash Flow Difference

Old debt service cash flows		\$ 569,719
New debt service cash flows	\$ 563,926	
Add: Authority contribution	5,863	
Add: Refunding Expenses	<u>60,726</u>	
		<u>630,515</u>
		<u>\$ (60,796)</u>

Economic Gain (Loss)

Present value of cash flow difference		<u>\$ (46,050)</u>
---------------------------------------	--	--------------------

14. CONDUIT DEBT OBLIGATIONS

The Authority is authorized to plan, finance, develop, acquire, construct, purchase, lease, maintain, market, improve and operate any project within the Port District including, but not limited to, any terminal, terminal facility, transportation facility, or any other facility of commerce or economic development activity, from funds available after appropriate allocation for maintenance of bridge and other capital facilities. Utilizing this authorization, the Authority has issued certain debt bearing its name to lower the cost of borrowing for specific governmental entities. This debt is commonly referred to as conduit (or non-commitment) debt. Typically, the debt proceeds are used to finance facilities within the Authority's jurisdiction that are transferred to the third party either by lease or by sale. The underlying lease or mortgage loan agreement, which serves as collateral for the promise of payments by the third party, calls for payments that are essentially the same as those required by the debt. These payments are made by the third-party directly to an independent trustee, who is appointed to service and administer the arrangement. The Authority assumes no responsibility for repayment of this debt beyond the resources provided by the underlying leases or mortgage loans.

As of December 31, 2010, there was one series of Charter School Project Bonds outstanding, issued for the LEAP Academy Charter School, Inc. The corresponding aggregate principal totaling \$8,500 is treated strictly as conduit debt obligations under Interpretation No. 2 of the Governmental Accounting Standards Board (GASB) and accordingly is not included in the financial statements. The following schedule details the series together with the amount outstanding:

<u>Issue</u>	<u>Issue Date</u>	<u>Issued Amount</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Paid</u>	<u>Ending Balance</u>
Charter School Project Bonds, Series 2003	09/01/03	\$ 8,500	\$ 7,570	-	\$ 260	\$ 7,310

15. GOVERNMENT CONTRIBUTIONS FOR CAPITAL IMPROVEMENTS, ADDITIONS AND OTHER PROJECTS

The Authority receives contributions in aid for financing capital improvements to the rapid transit system from the Federal Transit Administration and New Jersey Transit. Capital improvement grant funds of \$20,603 and \$11,443 were received in 2010 and 2009, respectively. The Authority receives federal and state grants for specific construction purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowances under terms of the grants, it is the opinion of management that any required reimbursements will not be material to the Authority's net assets.

16. CONTINGENCIES

Public Liability claim exposures are self-insured by the Authority within its self insured retention limit of \$5 million for each occurrence, after which, exists a \$25 million limit of Claims made Excess Liability insurance per occurrence, and in the aggregate, to respond to any large losses exceeding the retention. The Authority, excluding PATCO, self-insures the initial \$1 million limit, per accident, for Workers' Compensation claims, after which a \$5 million limit of Excess Workers' Compensation insurance is retained to respond to significant claims. PATCO is completely self-insured for Workers' Compensation claims.

The Authority is involved in various actions arising in the ordinary course of business and from workers' compensation claims. In the opinion of management, the ultimate outcome of these actions will not have a material adverse effect on the Authority's combined financial position and combined results of operations.

The Authority reviews annually and where appropriate adjusts policy loss limits and deductibles as recommended by our insurance consultants in response to prevailing market conditions, loss experience, and revenues. Policy loss limits are established with the professional assistance of independent insurance and engineering consultants to ensure that sufficient coverage exists to accommodate the maximum probable loss that may result in the ordinary course of business. In addition, the amounts of settlements for the last three years have not exceeded the insurance coverage provided in those years.

Self-insurance

	<u>2010</u>	<u>2009</u>
Beginning balance	\$ 4,946	\$ 5,086
Incurred claims	2,938	2,361
Payment of claims	(3,693)	(2,501)
Other - administrative fees, recoveries	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 4,191</u>	<u>\$ 4,946</u>

17. COMMITMENTS

A. Development Projects - In accordance with the economic development powers and responsibilities granted to the Authority by its amended compact, the Board of Commissioners authorized the Authority to participate in the funding of certain projects or activities of various organizations in support of regional economic development. The funding of these projects is provided through loans, grants or other means. The Authority formalizes its participation with these organizations by written agreement, and may retain a legal or equitable interest in certain projects. The Authority has established a loss reserve in the amount of \$1,345 for its economic development loans outstanding.

In support of various economic development projects, the Authority had entered into loan guarantees with various banks to complete the financing aspects of a particular project. The Authority's Board originally authorized loan guarantees in an amount not to exceed \$27,000.

As of September 30, 2011, the Authority had executed loan guarantees with various banks, totaling \$21,500. The loan guarantees include: L3 Communications (\$10.0 million), World Trade Center (\$8.0 million), Rivertown (\$2.5 million) the Home Port Alliance (\$1.0 million) and the Ship Recycling Inst. (\$0.5 million). These guarantees all remain in force; however, the Authority has made no cash outlays relating to these remaining guarantees.

L3 Communications Loan Guaranty - At its March 2010 meeting, the Authority's Board approved a modification of the \$10 million guarantee relating to a letter of credit (LOC) supporting the L3 Communications project in order to accommodate a change in the bank providing the letter of credit, following the expiration of the original LOC. The guarantee survives the expiration of the original LOC. Following the modification, in April 2010, NJ EDA provided a \$20 million guarantee to the LOC provider, while the Authority provided a \$10 million guarantee in favor of NJ EDA, (and not the bank). The changes in the guarantee do not increase exposure or risk. As was the case with the original guarantee, the Authority's guarantee will be accessed only if NJ EDA must pay more than \$10 million on its guarantee.

B. Leases - The Authority currently leases certain subway properties from the City of Philadelphia (City) for use by the PATCO high-speed transit system. During 1995, the Authority and City agreed to amend and extend the lease agreement, which will now expire on December 21, 2050. For the lease years 1998 through 2000, the Authority was required to pay \$1,000 in base rent to the City and \$6,000 annually in Special Economic and Community Development Grants (SECD Grants) to the City. In 2010, the base rent payable to the City totaled \$3,060 as adjusted for the cumulative increases in the Consumer Price Index (CPI) between 1999 and 2009. Base rent payments for 2012 through 2017 shall equal the previous year's base rent adjusted by any increase in the CPI for that year. For the years 2018 through 2050, annual base rent shall equal one dollar. No SECD Grants are payable to the City for the lease years 2001 through 2050.

In addition, for the duration of the lease the Authority is required to annually create a PATCO Community Impact Fund in the amount of \$500, with payment of such fund to be divided annually between communities within the Commonwealth and the State, based on PATCO track miles in the respective states. The significant minimum lease commitments, based on current operations and including future adjustments for CPI, are as follows:

<u>Year</u>	<u>Amount</u>
2012	\$ 3,612
2013	3,665
2014	3,720
2015	3,775

C. Letters of Credit - In May 2008, the Authority entered into two new separate irrevocable standby Letter of Credits with TD Bank, N.A. (formerly Commerce Bank) and Wachovia Bank in support of the Authority's "Owner Controlled Insurance Program (OCIP)." Under this program, the Authority purchased coverage for all contractors working on major construction projects.

The Letter of Credit with Wachovia Bank is for a four-year term in the amount of \$5,000 with an expiration date of May 7, 2012. The Letter of Credit with TD Bank, N.A. (formerly Commerce Bank) is in an initial amount of \$3,015 and automatically increases annually each May, in the amount of \$816, until its expires on May 7, 2012.

As of September 30, 2011, the unused amount of the Letter of Credits totaled \$10,463. No draw downs have been made against any Letter of Credit.

Direct Pay Letters of Credit (2008 Revenue Refunding Bonds)

The Authority's 2008 Revenue Refunding Bonds (Series A and B), are secured by irrevocable transferable Direct Pay Letters of Credit (DPLOC) issued by two credit providers, the Bank of America, N.A. and TD Bank, N.A. in the initial amounts of \$172.6 million and \$191.8 million, respectively. The Authority entered into separate Reimbursement Agreements with each credit provider to facilitate the issuance of said DPLOCs.

Each Letter of Credit is in an original stated amount which is sufficient to pay the unpaid principal amount of and up to fifty-three (53) days' of accrued interest (at a maximum interest rate of 12%) on the related 2008A Revenue Refunding Bonds or 2008B Revenue Refunding Bonds, when due, and the Purchase Price of the 2008A Revenue Refunding Bonds or the 2008B Revenue Refunding Bonds tendered or deemed tendered for purchase and not remarketed. The Credit Provider for the 2008A Revenue Refunding Bonds is only responsible for payments with respect to the 2008A Revenue Refunding Bonds for which the 2008A Letter of Credit was issued and the Credit Provider for the 2008B Revenue Refunding Bonds is only responsible for payments with respect to the 2008B Revenue Refunding Bonds for which the 2008B Letter of Credit was issued. The 2008A Letter of Credit and the 2008B Letter of Credit were renewed in July of 2010 to expire in July of 2013.

As described in the Official Statement for the 2008 Revenue Refunding Bonds, "any draw under a Letter of Credit for principal, interest or Purchase Price creates a reimbursement obligation on the part of the Authority that is secured by the 1998 Revenue Bond Indenture on a parity basis with the 2008 Revenue Refunding Bonds." (Additional information related to this transaction and the accompanying Letters of Credit can be found under Note 12).

The 2008 Direct Pay Letters of Credit were renewed with the Bank of America and TD Bank N.A. in July 2010 for a three-year period ending in July 2013. Pursuant to the Amendatory Agreements to the respective Reimbursement Agreement with each bank, the Authority cannot request a replacement DPLOC prior to July 2012, unless a termination fee is paid to the banks.

Letter of Credit Provider Ratings - Ratings for these banks, as of December 31, 2010, are shown below:

	Long-Term		Short-Term	
	Moody's	S&P	Moody's	S&P
Bank of America, N.A. (Series A)	Aa3 Negative	A+ Negative	P-1	A-1
TD Bank (Series B)	Aa2 Negative	AA- Stable	P-1	A-1+

Direct Pay Letters of Credit (2010 Revenue Refunding Bonds)

The Authority's 2010 Revenue Refunding Bonds (Series A,B and C), are secured by irrevocable transferable Direct Pay Letters of Credit (DPLOC) issued by three credit providers, the Bank of America, N.A., JP Morgan Chase Bank, National Association and PNC Bank, National Association in the initial amounts of \$152.6 million , \$152.6 million and \$50.9 million, respectively. The Authority entered into separate Reimbursement Agreements with each credit provider to facilitate the issuance of said DPLOCs.

Each Letter of Credit will be an irrevocable transferable direct-pay obligation of the respective issuing Credit Provider to pay to the Trustee, upon request and in accordance with the terms thereof, amounts sufficient to pay the unpaid principal amount and up to fifty-three 53 days' (or such greater number of days as required by the rating agencies) days' accrued interest (at the maximum interest rate of 12%) on the related 2010 Revenue Refunding Bonds, 2010 Revenue Refunding Bonds or 2010

Revenue Refunding Bonds when due, whether at the stated maturity thereof or upon acceleration or call for redemption, and amounts sufficient to pay the Purchase Price of the 2010 Revenue Refunding Bonds, the 2010 Revenue Refunding Bonds or the 2010 Revenue Refunding Bonds, as applicable, tendered for purchase and not remarketed. A draw under a Letter of Credit for principal and interest or Purchase Price creates a Reimbursement Obligation (as defined in the 1998 Revenue Bond Indenture) on the part of the Authority.

Each Letter of Credit will expire on the earliest to occur of any of the following under the applicable Letter of Credit (the "Termination Date"): (i) the close of business on March 29, 2013 or if such date is extended pursuant to the terms of the corresponding Reimbursement Agreement, the date as so extended; (ii) earlier of (A) the date which is five (5) days following the date on which all of the applicable Series of 2010 Revenue Refunding Bonds are converted to a mode other than the Weekly Mode or (B) the date on which the Credit Provider honors a drawing under the Letter of Credit on or after the Conversion Date (as defined in each Letter of Credit); (iii) the date which is five (5) days following receipt by the Credit Provider of written notice from the Authority that no 2010 Revenue Refunding Bonds of the applicable Series remain outstanding, within the meaning of the 1998 Revenue Bond Indenture, all drawings required to be made under the 1998 Revenue Bond Indenture and available under the Letter of Credit have been made and honored or an Alternate Credit Enhancement has been issued to replace the Letter of Credit pursuant to the 1998 Revenue Bond Indenture and the Reimbursement Agreement; and (iv) the date which is fifteen (15) days following the date the Trustee receives a written notice from the Credit Provider specifying the occurrence of an "Event of Default" under the Reimbursement Agreement and directing the Trustee to cause a mandatory tender of the applicable Series of 2010 Revenue Refunding Bonds. (Additional information related to this transaction and the accompanying Letters of Credit can be found under Note

Letter of Credit Provider Ratings -. Ratings for these banks, as of December 31, 2010, are shown below:

	Long-Term		Short-Term	
	Moody's	S&P	Moody's	S&P
JP Morgan Chase Bank N.A. (Series A)	Aa1 Negative	AA- Stable	P-1	A-1
Bank of America, N.A. (Series B)	Aa3 Negative	A+ Negative	P-1	A-1
PNC Bank, N.A. (Series C)	A2 Positive	A+ Stable	VMIG1	A-1

D. Contractual Commitments - As of September 30, 2011, the Authority had board-approved capital projects with remaining balances as follows (in thousands):

	<u>Total</u>
Benjamin Franklin Bridge:	
Deck truss rehabilitation	\$8,311
Structural improvements	6,267
Engineering services- program management	11,570
Engineering services- task orders	1,825
Part time and temporary toll collectors	2,291
Other	
Walt Whitman Bridge:	
Substation replacement	1,102
Deck condition assessment and design	89,902
Permit vehicle staging area	794
Other	1,143
Commodore Barry Bridge:	
Structural repairs	18,595
Substation replacement	1,065
Lighting and security improvements	149
Other	132
Betsy Ross Bridge:	
Structural repairs	7,621
Other	129
PATCO System:	
Lindenwold yard improvements and diamond crossover	2,589
Car Overhaul program	188,804
Power cable and pole line replacement	15,024
Track rehab across BFB	2,747
Bridge painting and structural repairs	3,608
Linden interlocking	2,903
Concourse improvements	1,387
Other	4,834
Other:	
Ferry System	178
	<u>\$374,144</u>

18. BRIDGE TOLL AND PATCO FARE SCHEDULES

At its monthly August 2008 commission meeting, the Authority's Board approved changes to the DRPA's bridge toll schedule and PATCO's passenger fare schedule. The increases were enacted to fund the Authority's on-going 5-year \$ 1.1 billion capital plan. (The Board Resolution includes language stating that no proceeds from toll schedule changes can be used for regional economic development purposes.)

Effective September 14, 2008 tolls for passenger cars increased from \$3 to \$4, with commercial truck pricing increasing by \$1.50 /axle, across all commercial vehicle classes. The commuter discount was adjusted to provide commuters with a \$12 discount for 18 trips during the month and the E-ZPass discount for commercial vehicles was eliminated. (The commuter discount will ultimately be phased out in 2011). Senior citizen discount program was restructured to include an increase of the toll from \$1 to \$2 for manual tolls. Senior citizens utilizing E-ZPass are subject to a \$1.75 toll, a discount of \$0.25 per trip. As of December 31, 2008, sale of the senior discount coupons were discontinued, although coupons can still be used.

Effective September 1, 2009, the commuter discount was adjusted to prorate commuters with a six dollar for eighteen trip discount during the month. The commuter discount program was originally scheduled to end as of September 2010. The program was later extended until July 1, 2011, at which point it will expire.

At its 2009 December Board meeting, the Authority's Board approved a 10-month delay in the implementation of the previously scheduled September 1, 2010 toll increase. (The new approved toll increase was implemented on July 1, 2011.)

On August 25, 2010, the Authority's Board approved a resolution to postpone the: 1) elimination of the E-ZPass commuter discount (\$6/18 trips), 2) elimination of the green discount and the, 3) \$0.25 increase in senior citizens discount until July 1, 2011.

On July 1, 2011, the new bridge toll schedule was implemented as shown:

DRPA Bridge Toll Schedule Effective July 1st, 2011

	<u>Old Schedule</u>	<u>New Schedule</u>	<u>Increase</u>
Class 1 - Motorcycle	\$4.00	\$5.00	\$1.00
Class 2 - Automobile	4.00	5.00	1.00
Class 3 - Two Axle Trucks	12.00	15.00	3.00
Class 4 - Three Axle Trucks	18.00	22.50	4.50
Class 5 - Four Axle Trucks	24.00	30.00	6.00
Class 6 - Five Axle Trucks	30.00	37.50	7.50
Class 7 - Six Axle Trucks	36.00	45.00	9.00
Class 8 - Bus	6.00	7.50	1.50
Class 9 - Bus	9.00	11.25	2.25
Class 10 - Senior Citizen (With 2 Tickets Only)	2.00	2.50	0.50

PATCO Passenger Fares: In addition, effective September 14th, 2008, PATCO's passenger fares increased by 10% across all zones. At its December 2009 meeting, the Authority's Board approved a delay in the implementation of the previously scheduled 10% fare increase from September 1, 2010 to January 1, 2011. At a December 2010 Board meeting, the Authority's Board approved another delay in the fare increase from the revised date of January 1, 2011 to July 1, 2011. The fare schedule is shown below:

PATCO Passenger Fare Schedule Effective July 1st, 2011

	<u>Old Schedule</u>	<u>New Schedule</u>	<u>Increase</u>
Lindenwold/Ashland/Woodcrest	\$2.70	\$3.00	\$0.30
Haddonfield/West Haddonfield/Collingswood	2.35	2.60	0.25
Ferry Avenue	2.05	2.25	0.20
New Jersey	1.45	1.60	0.15
City Hall/Broadway/Philadelphia	1.25	1.40	0.15
Off-peak Reduced Fare Program	0.62	0.70	0.08

As noted above, PATCO has a federally mandated reduced off-peak fare program for "elderly persons and persons with disabilities". These off-peak rates increased from \$0.62/trip to \$0.70/trip.

19. RECLASSIFICATION IN PRESENTATION OF COMPARATIVE STATEMENTS

For the year ended December 31, 2010, the Authority was required to implement Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, with retroactive implementation for the year ended December 31, 2009. As a result of the retroactive implementation to the year ended December 31, 2009, net assets, as of January 1, 2009, was restated as follows:

Net Assets, January 1, 2009 (<i>as previously reported</i>)		\$ 334,679
Recording of Derivative Instruments (Fair Value) at Jan. 1, 2009	\$ (1,407)	
Recording of Up-Front Premium Payment (Borrowing) at Jan. 1, 2009	(61,229)	
Recognition of Unamortized Termination Payments at Jan. 1, 2009	<u>(13,221)</u>	
		(75,857)
Recognition of Unamortized Exercise Premium at Jan. 1, 2009		<u>652</u>
Net Assets, January 1, 2009 (<i>Restated</i>)		<u><u>\$ 259,474</u></u>

20. SUBSEQUENT EVENTS

Standard and Poor's (S&P) made the following changes to its long-term ratings on banks providing LOC support to the Authority's 2008 and 2010 Revenue Refunding bonds:

<u>Date</u>	<u>Bank</u>	<u>Action – Long Term Rating</u>
November 30, 2011	Bank of America	Downgrade from A+ to A
November 30, 2011	JP Morgan Chase	Downgrade from AA- to A+
December 6, 2011	PNC	Downgrade from A+ to A

DELAWARE RIVER PORT AUTHORITY
CASH
SEPTEMBER 30, 2011

Schedule 1

REVENUE FUND:

Cash on hand:

Change funds for bridges	\$10,000.00		
Undeposited tolls and ticket sales	<u>1,563,565.82</u>	<u>1,573,565.82</u>	

Sovereign Bancorp		11,896.13	
TD Bank N.A.		2,664,577.28	
Bank of America		638,390.93	
Bank Of New York Mellon		(101,461.36)	
Wells Fargo Bank		<u>297,331.75</u>	\$5,084,300.55

1998 PORT DISTRICT PROJECT FUND:

Sovereign Bancorp			4,107.65
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1999 PORT DISTRICT PROJECT FUND:

Wells Fargo Bank			473,157.54
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1999 PROJECT FUND:

Sovereign Bancorp			59,565.78
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GENERAL FUND:

Cash on hand - change and working funds for PATCO Transit

System Stations		213,908.00	
Wells Fargo Bank		416,540.23	
Sovereign Bancorp		73,631.27	
TD Bank N.A.		<u>(893,384.92)</u>	<u>(189,305.42)</u>
Total			<u>\$5,431,826.10</u>

**DELAWARE RIVER PORT AUTHORITY
INVESTMENTS
SEPTEMBER 30, 2011**

Schedule 2

	<i>Par Value</i>	<i>Fair Value</i>
REVENUE FUND:		
AIM Money Market	\$ 14,728,709	14,728,709.23
Mellon Bank Money Market	<u>809,000</u>	<u>809,000.00</u>
	\$ 15,537,709	15,537,709.23
MAINTENANCE RESERVE FUND (Restricted):		
FNMA Pool # 467875 due 10/3/11	\$ 3,037,870	3,037,870.00
Goldman Sachs Money Market	<u>1,133,279</u>	<u>1,170,350.54</u>
	\$ 4,171,149	4,208,220.54
1998 DEBT SERVICE FUND (Restricted):		
Goldman Sachs Money Market	\$ <u>3,755</u>	<u>3,755.20</u>
	\$ 3,755	3,755.20
1998 PORT DISTRICT DEBT SERVICE FUND (Restricted):		
FNMA Notes due 12/12/11	\$ 1,406,000	1,374,526.77
Federated Treasury Obligations Fund	<u>6,225,046</u>	<u>6,225,046.44</u>
	\$ 7,631,046	7,599,573.21
1999 DEBT SERVICE FUND (Restricted):		
Goldman Sachs Money Market	\$ <u>13,511,200</u>	<u>13,511,200.36</u>
	\$ 13,511,200	13,511,200.36
1999 PDP DEBT SERVICE FUND (Restricted):		
Federated Treasury Cash Series II	\$ <u>3,274,322</u>	<u>3,274,321.67</u>
	\$ 3,274,322	3,274,321.67
2001 PORT DISTRICT DEBT SERVICE FUND (Restricted):		
Goldman Sachs Money Market	\$ <u>7,050,828</u>	<u>7,050,828.27</u>
2010 DEBT SERVICE FUND (Restricted):		
Goldman Sachs Money Market	\$ <u>7,118,048</u>	<u>7,118,048.05</u>
2008 DEBT SERVICE FUND (Restricted):		
Goldman Sachs Money Market	\$ <u>11,743,657</u>	<u>11,743,657.44</u>
1998B BOND RESERVE FUND (Restricted):		
Goldman Sachs Money Market	\$ 38,812,091	38,812,091.49
Abbey National North America Commercial Paper due 1/3/12	<u>40,830,000</u>	<u>40,242,812.32</u>
	\$ 79,642,091	79,054,903.81
2010 REVENUE REFUNDING DEBT SERVICE FUND (Restricted):		
Goldman Sachs Money Market	\$ <u>1,135,455</u>	<u>1,135,454.58</u>
1999 PDP BOND RESERVE FUND (Restricted):		
Federated Treasury Cash Series II	\$ 1,097,289	1,097,289.16
Abby National North America Commercial Paper due 1/3/12	<u>10,745,000</u>	<u>10,590,470.84</u>
	\$ 11,842,289	11,687,760.00

**DELAWARE RIVER PORT AUTHORITY
INVESTMENTS
SEPTEMBER 30, 2011**

Schedule 2

	<i>Par Value</i>	<i>Fair Value</i>
1998 PORT DISTRICT DEBT SERVICE RESERVE FUND (Restricted):		
Federal Home Loan Bank Notes due 12/12/11	\$ 5,726,000	5,662,190.22
Federated Treasury Obligations Fund	<u>1,258,459</u>	<u>1,258,458.74</u>
	\$ <u>6,984,459</u>	<u>6,920,648.96</u>
2001 PORT DISTRICT DEBT SERVICE RESERVE FUND (Restricted):		
Goldman Sachs Money Market	\$ <u>13,575,114</u>	<u>13,575,113.83</u>
	\$ <u>13,575,114</u>	<u>13,575,113.83</u>
GENERAL FUND:		
AIM Money Market	\$ 115,771,404	115,771,404.37
TD BankNorth Money Market	742	0.00
Commonwealth Cash Reserve Money Market	8,905,214	8,905,213.81
UBS Investments	29,709,298	30,211,050.91
Morgan Stanley / Dean Witter Investments	26,170,059	25,837,997.45
Swarthmore Group Investments	50,512,610	51,296,891.86
Haverford Trust Investments	5,135,104	5,163,286.33
Haverford Trust C/D	6,336,708	6,336,707.60
TD Bank Investment Account	38,514,542	38,514,542.25
US Treasury Bills due 10/14/11	<u>2,655,000</u>	<u>2,654,710.93</u>
	\$ <u>283,710,681</u>	<u>284,691,805.51</u>
1998 PORT DISTRICT PROJECT FUND:		
Commonwealth Cash Reserve Money Market	\$ <u>3,971,401</u>	<u>3,971,400.87</u>
	\$ <u>3,970,187</u>	<u>3,971,400.87</u>
1999 PORT DISTRICT PROJECT FUND		
TD Bank C/D due 10/31/11	\$ <u>23,261,371</u>	<u>23,261,370.79</u>
	\$ <u>23,261,371</u>	<u>23,261,370.79</u>
2001 PORT DISTRICT PROJECT FUND:		
TD Bank C/D due 10/31/11	\$ <u>5,969,550</u>	<u>5,969,549.57</u>
	\$ <u>5,969,550</u>	<u>5,969,549.57</u>
2010 PROJECT FUND:		
TD Bank C/D due 10/31/11	\$ <u>94,876,654</u>	<u>94,876,654.41</u>
	\$ <u>94,876,654</u>	<u>94,876,654.41</u>
Total investments	\$ <u>595,009,565</u>	<u>595,191,976.30</u>

DELAWARE RIVER PORT AUTHORITY

Schedule 3

INTEREST INCOME BY FUND

	<i>Period Ended</i>	
	<u>9/30/11</u>	<u>9/30/10</u>
Revenue Fund	\$274,119.18	\$273,371.53
Maintenance Reserve Fund	110,799.19	114,398.47
1998 Port Project Fund	2,849.00	7,601.51
1999 Port Project Fund	38,795.65	120,512.94
2001 Port Project Fund	5,321.96	29,607.80
2010 Project Fund	33,545.54	40,793.79
1998 Debt Service Fund	0.00	55.11
1998 Port District Debt Service Fund	36,881.87	56,103.21
1999 Debt Service Fund	3,688.86	455.82
1999 Port District Debt Service Fund	1.90	3.49
2001 Port District Debt Service Fund	197.87	236.16
2010 Debt Service Fund A, B, C	62.26	13.26
2010 Debt Service Fund D	383.51	15.56
1998 Bond Reserve Fund	1,763,669.49	314,938.96
1999 Debt Service Reserve Fund	0.00	1,566,487.24
1998 Port Debt Service Reserve Fund	206,275.51	210,468.44
1999 Port Debt Service Reserve Fund	463,589.03	463,058.33
2001 Port Debt Service Reserve Fund	1,792.45	839.76
2008 Debt Service Fund	297.33	294.67
2008 Debt Service Reserve Fund	0.00	992.37
General Fund	<u>2,388,198.63</u>	<u>3,084,952.92</u>
	<u>\$5,330,469.23</u>	<u>\$6,285,201.34</u>

DELAWARE RIVER PORT AUTHORITY
BRIDGE REVENUES AND OPERATING EXPENSES
FOR THE PERIODS INDICATED

Schedule 4

	<i>Period Ended</i>		<i>3rd Quarter</i>	
	<u>9/30/11</u>	<u>9/30/10</u>	<u>2011</u>	<u>2010</u>
BENJAMIN FRANKLIN BRIDGE				
Operating revenues:				
Bridge tolls	\$65,737,490.14	\$60,301,909.30	\$25,976,553.14	\$21,351,388.47
Other	4,162,381.25	3,463,061.62	1,658,529.37	1,356,061.37
Total operating revenues	<u>69,899,871.39</u>	<u>63,764,970.92</u>	<u>27,635,082.51</u>	<u>22,707,449.84</u>
Operating expenses	<u>10,940,164.43</u>	<u>13,035,244.67</u>	<u>2,757,807.60</u>	<u>4,703,157.81</u>
Net operating revenues	<u>\$58,959,706.96</u>	<u>\$50,729,726.25</u>	<u>\$24,877,274.91</u>	<u>\$18,004,292.03</u>
 WALT WHITMAN BRIDGE				
Operating revenues:				
Bridge tolls	\$75,956,117.36	\$72,470,398.75	\$30,546,695.25	\$26,083,552.08
Other	33,864.46	33,248.26	5,852.48	-108,410.03
Total operating revenues	<u>75,989,981.82</u>	<u>72,503,647.01</u>	<u>30,552,547.73</u>	<u>25,975,142.05</u>
Operating expenses	<u>12,225,586.72</u>	<u>12,526,680.35</u>	<u>4,232,398.46</u>	<u>4,744,033.05</u>
Net operating revenues	<u>\$63,764,395.10</u>	<u>\$59,976,966.66</u>	<u>\$26,320,149.27</u>	<u>\$21,231,109.00</u>
 COMMODORE BARRY BRIDGE				
Operating revenues:				
Bridge tolls	\$30,925,295.84	\$28,760,412.15	\$12,501,823.61	\$10,472,959.72
Other	0.00	0.00	0.00	0.00
Total operating revenues	<u>30,925,295.84</u>	<u>28,760,412.15</u>	<u>12,501,823.61</u>	<u>10,472,959.72</u>
Operating expenses	<u>5,867,335.49</u>	<u>5,752,954.33</u>	<u>2,098,947.09</u>	<u>2,108,051.43</u>
Net operating revenues	<u>\$25,057,960.35</u>	<u>\$23,007,457.82</u>	<u>\$10,402,876.52</u>	<u>\$8,364,908.29</u>
 BETSY ROSS BRIDGE				
Operating revenues:				
Bridge tolls	\$23,604,621.52	\$22,869,403.04	\$8,629,399.60	\$8,022,891.32
Other	0.00	0.00	0.00	0.00
Total operating revenues	<u>23,604,621.52</u>	<u>22,869,403.04</u>	<u>8,629,399.60</u>	<u>8,022,891.32</u>
Operating expenses	<u>6,181,138.71</u>	<u>6,296,540.32</u>	<u>2,219,780.16</u>	<u>2,380,645.96</u>
Net operating revenues	<u>\$17,423,482.81</u>	<u>\$16,572,862.72</u>	<u>\$6,409,619.44</u>	<u>\$5,642,245.36</u>
 COMBINED TOTALS				
Operating revenues:				
Bridge tolls	\$196,223,524.86	\$184,402,123.24	\$77,654,471.60	\$65,930,791.59
Other	4,196,245.71	3,496,309.88	1,664,381.85	1,247,651.34
Total operating revenues	<u>200,419,770.57</u>	<u>187,898,433.12</u>	<u>79,318,853.45</u>	<u>67,178,442.93</u>
Operating expenses	<u>35,214,225.35</u>	<u>37,611,419.67</u>	<u>11,308,933.31</u>	<u>13,935,888.25</u>
Net operating revenues	<u>\$165,205,545.22</u>	<u>\$150,287,013.45</u>	<u>\$68,009,920.14</u>	<u>\$53,242,554.68</u>

**DELAWARE RIVER PORT AUTHORITY
ECONOMIC DEVELOPMENT ACTIVITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2011**

Schedule 5

	<i>Period Ended</i>		<i>2011 YTD Activity</i>
	<u>09/30/11</u>	<u>12/31/10</u>	<i>(New Loans and Principal Payments)</i>
ECONOMIC DEVELOPMENT LOANS:			
Cooper River Boathouse	\$ 852,507.70	\$ 884,985.88	(\$32,478.18)
Vintek Inc.	170,309.07	246,997.17	(76,688.10)
Camden Yards Steel Co.	27,252.22	74,900.82	(47,648.60)
LEAP Academy	1,940,881.42	2,103,947.35	(163,065.93)
Mutual Pharmaceutical	-	4,606.13	(4,606.13)
Packaging Coordinators	-	11,777.65	(11,777.65)
US Vision	-	2,026,923.84	(2,026,923.84)
Victor Lofts	2,976,761.78	2,976,761.78	-
Camden Aquarium	14,887,174.00	14,902,952.00	(15,778.00)
Home Line Furniture	286,415.97	305,176.46	(18,760.49)
Total Loans	<u>21,141,302.16</u>	<u>23,539,029.08</u>	<u>(\$2,397,726.92)</u>
 Provision for loan losses	 <u>(3,344,550.66)</u>	 <u>(3,344,550.66)</u>	 <u>-</u>
 Total Loans per Balance Sheet - Net	 <u><u>\$17,796,751.50</u></u>	 <u><u>\$20,194,478.42</u></u>	 <u><u>(\$2,397,726.92)</u></u>

AUDIT COMMITTEE MEETING
NOVEMBER 28, 2011
10:30 – 12:00

MINUTES

Attendance:

Committee Members:

Robert Teplitz, Esquire (for Auditor General Jack Wagner), Chairman
Jeffrey Nash, Esquire (via telephone)
David Simon, Esquire
Denise Mason, Vice Chair
Joanna Cruz, Esquire (via telephone at 11:40 a.m.)

Others Present:

John Matheussen, Chief Executive Officer
Robert Gross, Deputy Chief Executive Officer
Richard Brown, General Counsel and Corporate Secretary
John Hanson, Chief Financial Officer
Toni Brown, Chief Administrative Officer
Karen McCarthy Jacobson, Assistant General Counsel
Kathy Imperatore, Director, Fare Collection
Christina Maroney, Manager, Special Projects
Sheila Milner, Administrative Coordinator

Chairman Teplitz called the meeting to order and asked the Corporate Secretary to call the roll. The Corporate Secretary called the roll and announced that there was a quorum. Chairman Teplitz presided.

Chairman Teplitz stated that most of the meeting will be held in Executive Session. He explained that the Committee will spend the bulk of meeting discussing the Request for Proposal (RFP) for the management audit and any concerns of the Commissioners regarding the RFP and also the Inspector General position. Chairman Teplitz asked the Committee members to have all specific edits to the RFP in by the end of the week.

Before calling for a motion to move into Executive Session, Chairman Teplitz asked for an update on the financial auditors. John Hanson, Chief Financial Officer, stated that he has been in contact with McGladrey to let them know that the Board had approved them and that staff was now waiting for the veto period to expire. He informed the Committee that staff was working on a contract to send to McGladrey.

Chairman Teplitz asked if there were any other issues to be discussed before going into Executive Session. He also stated that he did not believe there would be any votes necessary, and therefore, no reason to have Open Session after the Executive Session.

Chairman Teplitz requested a Motion to move into Executive Session. On motion duly made and seconded, the Audit Committee moved into Executive Session.

At approximately 11:55 am the Audit Committee moved out of Executive Session and into Open Session.

Chairman Teplitz stated that the Committee will proceed with interviewing applicants for the Inspector General Position and with reviewing a revised draft of the Management Audit RFP.

On motion duly made and seconded, the Audit Committee was adjourned at 12:05 p.m.

**Report of Operations and Maintenance Committee
DELAWARE RIVER PORT AUTHORITY
One Port Center, Camden, New Jersey
Wednesday, December 14, 2011, 9 a.m.**

Committee Members

William Sasso, Committee Chair
Governor Tom Corbett, Chair
Joanna Cruz, Esquire
Joann Bell
Richard Sweeney
Charles Fentress
Albert F. Frattali
E. Frank DiAntonio

Officers and Chiefs

John Matheussen, CEO
Robert Gross, Deputy CEO
Richard Brown, General Counsel and
Corporate Secretary
John Hanson, CFO
Toni Brown, CAO
John Rink, PATCO, General Manager
Mike Venuto, Chief Engineer
Timothy Pulte, COO

DRPA Staff

William Anderson, Budget Analyst
Fran DiCicco, Administrative Coordinator
Ann DuVall, Executive Assistant to CEO
Joe Egan, Manager, Special Projects
Sylvia Gray-Newman, Admin. Coordinator
Barbara Holcomb, Grant Specialist
Tim Ireland, Manager, Corporate Comm.
Karen Jacobson, Assistant General Counsel
Edward Kasuba, Director of Corp. Comm.
Lisa M. Kmiec, Asst. General Counsel
Kevin LaMarca, Director, IS
Mark Lopez, Manager, Gov. Relations
John Lotierzo, Senior Accountant
David McClintock, Chief, Public Safety
Sheila Milner, Administrative Coordinator
Tom Omiatek, Director of Finance, PATCO
Robert Only, Director, Homeland Security
Orville Parker, Manager, Budget & Fin Anal.
Cheryl Spicer, Asst. Gen. Manager, PATCO
Susan Squillace, Acting Manager, Purchasing
Dawn Whiton, Administrative Coordinator
Jim White, Director, Finance
Mike Williams, Graphic Desgn. Spec.

Commissioners

Jeffrey L. Nash, Esquire, Vice Chair
Rick Taylor
Tamarisk Jones
Denise Y. Mason
Walter D'Alessio (via telephone)
David Simon, Esquire
Jack Wagner, Auditor General
John Lisko (McCord)

Counsel

Christopher Gibson, Archer & Greiner, NJ
Counsel
Tom Ellis, Duane Morris, PA Counsel

Others

David Reiner, NJ Gov. Authorities Unit
Kathleen Duffy Bruder, Esquire, PA
Governor's Office
Tyler Laughlin, PA Governor's Office
Robert Teplitz, Esquire, PA Auditor General
Kevin Harley, PA Governor's Office
Steve Halvonik, PA Auditor General
William Dolbrow, PA Auditor General
Jenny Robinson
Joe Njoroge
John Braxton
Eric Watkins
Haneef Nelson
Douglas Nesmith
Glasgow Leonard
Anne Cutler
Joanne Bernier, CAC
Valerie Traore
John Boyle
Matthew Norris
Tim Carey
Matt Anastasi
Michael McGettigan
Connie Dellmuth
Megan Rosenbach
Stephen Taylor
Samuel Moulthrop
Kevin Price
Carol Rhodes
Joe Powell
Ed Nesmith

The Corporate Secretary announced that pursuant to the Bylaws of this Authority, public notice of this meeting of the DRPA Operations and Maintenance Committee has been given by posting proper notice in the lobby at One Port Center, and issuing proper notice to the public and news media.

Chairman Sasso called the meeting of the Operations and Maintenance Committee to order and asked that the Corporate Secretary call the roll. The Corporate Secretary then called the roll for the Committee and announced that there was a quorum. Chairman Sasso presided.

Item 1 – Federal Transit Administration Section 5307/5340 Grant Application

Mark Lopez, Acting Director, Government Relations, requested that the Board authorize staff to prepare an application to the Federal Transit Administration (“FTA”) for Section 5307/5340 funds in the amount of \$4,137,684 for PATCO capital improvements having a total planned project cost of \$5,172,105. The Summary Statement and Resolution presented also requested that the DRPA Commission authorize the non-federal matching share which must be provided by the Authority in the amount of \$1,034,421 or 20% of the total planned project cost. The grant will be used in the advancement of four capital projects which are Rebuild PATCO Cars, Embankment Restoration, Preventive Maintenance, and Transit Enhancements.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

DRPA -11-xxx Federal Transit Administration Section 5307/5340 Grant Application

Item 2 – Federal Transit Administration Section 5309 Grant Application

Mark Lopez, Acting Director, Government Relations, requested that the Board authorize staff to prepare an application to the Federal Transit Administration (“FTA”) for Section 5309 funds in the amount of \$7,345,321 for PATCO capital improvements having a total planned project cost of \$9,181,651. The Summary Statement and Resolution presented also requested that the DRPA Commission authorize the non-federal matching share which must be provided by the Authority in the amount of \$1,836,330 or 20% of the total planned project cost. The grant will be used in the advancement of four capital projects which are Smoke and Fire Control, Lindenwold Yard Tie Renewal, and Install Elevators at PATCO Stations.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

DRPA -11-xxx Federal Transit Administration Section 5309 Grant Application

Item 3 – DRPA Elevator Maintenance Service Contract

Tim Pulte, Chief Operating Officer, requested that the Board authorize staff to negotiate a contract with the firm of ThyssenKrupp Elevator, King of Prussia, PA, to perform maintenance and service for DRPA’s 11 elevators throughout its bridge facilities for a period of three (3) years with an option to renew for one (1) additional year in the amount of \$312,596 for the total cost for three years. The project was publicly advertised and nine (9) bid documents were distributed. There was a mandatory site inspection held and five (5) firms attended. ThyssenKrupp submitted the only bid. A cost evaluation was conducted

since ThyssenKrupp Elevator was the only bid received and their proposal was \$96,985 less than the previous contract amount from 2007.

On motion duly made and seconded, the following Resolution was approved and is recommended to the Board for adoption:

DRPA -11-xxx DRPA Elevator Maintenance Service Contract

There being no further business, on motion made and duly seconded, the meeting was adjourned.

Respectfully submitted,

Chairman William Sasso

SUMMARY STATEMENT

ITEM NO.: DRPA-12-001

SUBJECT: Federal Transit Administration
Section 5307/5340 Grant Application

COMMITTEE:

Operations & Maintenance

COMMITTEE MEETING DATE:

December 14, 2011

BOARD ACTION DATE:

January 18, 2012

PROPOSAL: That the DRPA Commission authorize staff to prepare an application to the Federal Transit Administration ("FTA") for Sections 5307/5340 funds in the amount of \$4,137,684 for PATCO capital improvements having a total planned project cost of \$5,172,105. Also, that the DRPA Commission authorize the non-federal matching share which must be provided by the authority in the amount of \$1,034,421 or 20% of the total planned project cost.

PURPOSE: To make application to the federal government for FY11 FTA capital funds for PATCO improvements in the amount of \$4,137,684. These funds must be matched by the Authority in the amount of \$1,034,421.

BACKGROUND: The FTA Sections 5307/5340 program makes funds available to urbanized areas on the basis of a statutory formula. Federal transit law mandates that applications be advanced in relation to adopted regional programs for transportation improvements. This application contains programs which are part of the approved Transportation Improvement Program of the Delaware Valley Regional Planning Commission for FY11.

Staff is now preparing an application which requests funding under 49 U.S.C. 5307/5340 for use in the advancement of four capital projects:

1. Rebuild PATCO Cars
2. Embankment Restoration
3. Preventive Maintenance
4. Transit Enhancements

The accompanying resolution has been drawn to satisfy federal requirements concerning specific Board approvals which are necessary to the grant approval process.

**SUMMARY STATEMENT
O&M 1/18/12**

**Federal Transit Administration
Section 5307/5340 Grant Application**

SUMMARY:	Amount:	\$5,172,105
	Source of Funds:	Project Fund - 20% of total planned project cost - \$1,034,421.
	Capital Project #:	PF9903; FT0503; PF0902; PF0903
	Master Plan Status:	2005 Update to Master Plan
	Other Fund Sources:	Federal Transit Administration 80% \$4,137,684
	Duration of Contract:	Grant Completion
	Other Parties Involved:	Federal Transit Administration

DRPA-12-001
Operations & Maintenance Committee: December 14, 2011
Board Date: January 18, 2012
Federal Transit Administration Section 5307/5340
Grant Application

RESOLUTION

RESOLVED: That the appropriate officers of the Delaware River Port Authority be and hereby are authorized to execute and file an application in proper form on behalf of the Authority with the U.S. Department of Transportation, requesting financial assistance pursuant to 49 U.S.C. 5307/5340 in the amount of \$4,095,111 and to expend such funds from FY11 appropriations; and be it further

RESOLVED: That the appropriate officers of the Authority be and hereby are authorized to negotiate an agreement to commit Authority funds in the amount of \$1,034,421 and to expend such funds as a non-federal contribution to secure the federal grant; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:	Amount:	\$5,172,105
	Source of Funds:	Project Fund - 20% of total planned project cost - \$1,034,421.
	Capital Project #:	FT0503; PF9903; PF0902; PF0903
	Master Plan Status:	2005 Update to Master Plan
	Other Fund Sources:	Federal Transit Administration 80% \$4,137,684
	Duration of Contract:	Grant Completion
	Other Parties Involved:	Federal Transit Administration

SUMMARY STATEMENT

ITEM NO.: DRPA-12-002 **SUBJECT:** Federal Transit Administration
Section 5309 Grant Application

COMMITTEE: Operations & Maintenance

COMMITTEE MEETING DATE: December 14, 2011

BOARD ACTION DATE: January 18, 2012

PROPOSAL: That the DRPA Commission authorize staff to prepare an application to the Federal Transit Administration (“FTA”) for Section 5309 funds in the amount of \$7,345,321 for PATCO capital improvements having a total planned project cost of \$9,181,651. Also, that the DRPA Commission authorize the non-federal matching share which must be provided by the authority in the amount of \$1,836,330 or 20% of the total planned project cost.

PURPOSE: To make application to the federal government for FY11 FTA capital funds for PATCO improvements in the amount of \$7,345,321. These funds must be matched by the Authority in the amount of \$1,836,330.

BACKGROUND: The Federal Transit Administration Section 5309 program makes funds available from previously agreed distributions within the Greater Philadelphia area. Federal transit law mandates that applications be advanced in relation to adopted regional programs for transportation improvements. This application contains programs which are part of the approved Transportation Improvement Program of the Delaware Valley Regional Planning Commission for FY11.

Staff is now preparing an application which requests funding under 49 U.S.C. 5309 for use in the advancement of three capital projects:

1. Smoke and Fire Control
2. Lindenwold Yard Tie Renewal
3. Install Elevators at PATCO Stations

The accompanying resolution has been drawn to satisfy federal requirements concerning specific Board approvals which are necessary to the grant approval process.

**SUMMARY STATEMENT
O&M 1/18/2012**

**Federal Transit Administration
Section 5309 Grant Application**

SUMMARY:	Amount:	\$9,181,651
	Source of Funds:	Project Fund - 20% total planned project cost - \$1,836,330
	Capital Project #:	PF0705; PF1001; PD0910
	Master Plan Status:	2005 Update to Master Plan
	Other Fund Sources:	Federal Transit Administration 80% \$7,345,321
	Duration of Contract:	Grant Completion
	Other Parties Involved:	Federal Transit Administration

DRPA-12-002
Operations & Maintenance Committee: December 14, 2011
Board Date: January 18, 2012
Federal Transit Administration Section 5309
Grant Application

RESOLUTION

RESOLVED: That the appropriate officers of the Delaware River Port Authority be and hereby are authorized to execute and file an application in proper form on behalf of the Authority with the U.S. Department of Transportation, requesting financial assistance pursuant to 49 U.S.C. 5309 in the amount of \$7,345,321 and to expend such funds from FY11 appropriations; and be it further

RESOLVED: That the appropriate officers of the Authority be and hereby are authorized to negotiate an agreement to commit Authority funds in the amount of \$1,836,330 and to expend such funds as a non-federal contribution to secure the federal grant; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary, to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:	Amount:	\$9,181,651
	Source of Funds:	Project Fund - 20% total planned project cost - \$1,836,330.
	Capital Project #:	PF0705; PF1001; PD0910
	Master Plan Status:	2005 Update to Master Plan
	Other Fund Sources:	Federal Transit Administration 80% \$7,345,321
	Duration of Contract:	Grant Completion
	Other Parties Involved:	Federal Transit Administration

SUMMARY STATEMENT

ITEM NO.: DRPA-12-003

SUBJECT: DRPA Elevator Maintenance and Service Contract

COMMITTEE:

Operations and Maintenance

COMMITTEE MEETING DATE:

December 14, 2011

BOARD ACTION DATE:

January 18, 2012

PROPOSAL:

That the Board authorizes staff to negotiate a contract with the firm of ThyssenKrupp Elevator, King of Prussia, PA to perform maintenance and service for DRPA's elevators for a period of three (3) years with an option to renew for one (1) additional year.

Amount: \$312,596.00 (three (3) year contract total cost)

Contractor: ThyssenKrupp Elevator
250 King Manor Drive
King of Prussia, PA 19112

Other Bidders: The Penn City Elevator Company No Bid

PURPOSE:

To provide for maintenance and service for DRPA's elevators for a period of three (3) years, with an option to renew for one (1) additional year.

BACKGROUND:

DRPA currently operates eleven (11) elevators throughout its bridge facilities. Maintenance and service of this equipment is beyond DRPA's capabilities, and requires an outside contractor.

Bids were publicly advertised on DRPA's website. Bid documents were mailed to nine (9) prospective bidders, and two (2) responses were received. There was a mandatory site inspection held at which five (5) firms attended. The low bid was submitted by ThyssenKrupp Elevator in the amount indicated above for the initial three (3) year period. A cost evaluation was conducted since ThyssenKrupp Elevator was the only bid received. ThyssenKrupp Elevator's proposal is \$96,985.00 less than the previous contract amount from 2007; therefore we feel their proposal is acceptable.

It is recommended that a contract be negotiated to perform maintenance and services for DRPA's elevators with ThyssenKrupp Elevator, King of Prussia, PA for a three (3) year period with an option to renew for one (1) additional year. Upon approval of the Board, a contract will be negotiated with ThyssenKrupp Elevator to perform maintenance and services for DRPA's elevators.

SUMMARY:

Amount:	\$312,596.00
Source of Funds:	Revenue Fund
Capital Project #:	N/A
Operating Budget:	2012
Master Plan Status:	N/A
Other Fund Sources:	Subsequent Operating Budgets in 2013, 2014 and 2015
Duration of Contract:	February 2012 to January 2015 with an option to renew for one (1) additional year
Other Parties Involved:	N/A

RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate a contract with ThyssenKrupp Elevator, King of Prussia, PA for the maintenance and service of DRPA's elevators for a period of three (3) years, with option to renew for one (1) additional year; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of DRPA and PATCO. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer, and if thereafter, either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA and PATCO, along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable; and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA and PATCO.

SUMMARY:

Amount:	\$312,596.00
Source of Funds:	Revenue Fund
Capital Project #:	N/A
Operating Budget:	2012
Master Plan Status:	N/A
Other Fund Sources:	Subsequent Operating Budgets in 2013, 2014 and 2015
Duration of Contract:	February 2012 through January 2015 with an option to renew for one (1) additional year
Other Parties Involved:	N/A

**FINANCE COMMITTEE MEETING
JANUARY 11, 2012
MINUTES**

Attendance:

Commissioners:

Jeffrey Nash, Esquire (Committee Chair)
David Simon, Esquire (Committee Vice Chair)
Walter D'Alessio (via telephone)
William Sasso, Esquire (via telephone)
Denise Mason
Richard Sweeney
John Lisko (McCord) (via telephone)
Robert Teplitz, Esquire
E. Frank DiAntonio (via telephone)

Others Present:

Kathy Bruder, Esquire PA Governor's Office
Johanna Jones, NJ Governor's Authorities Unit (via telephone)
John Matheussen, Chief Executive Officer
Robert Gross, Deputy Chief Executive Officer
John Hanson, Chief Financial Officer
Richard Brown, General Counsel and Corporate Secretary
Tim Pulte, Chief Operating Officer
Toni Brown, Chief Administrative Officer
John Rink, PATCO, General Manager
Jim White, Director of Finance
Mike Venuto, Chief Engineer
Orville Parker, Manager, Budget & Financial Analyst
William Anderson, Budget Analyst
Ron Gilbert, Manager, Accounting
Karen Jacobson, Assistant General Counsel
Ed Kasuba, Director of Corp. Communications
Tim Ireland, Manager, Corp. Communications
Mark Lopez, Manager, Government Relations
Sheila Milner, Administrative Coordinator
Ann DuVall, Assistant to CEO
Jeff Jansen (Aon)
John Boyle (Bicycle Coalition of Philadelphia)
Matthew Norris (Tri-State Transportation Company)
Joe Quigley
Casey Oakes (Sen. Lautenberg's Office)
Zach Efron (Goldman Sachs)

Chairman Nash called the meeting to order and asked the Corporate Secretary to call the roll. The Corporate Secretary called the roll and announced that there was a quorum. Chairman Nash presided.

Financial Overview

John Hanson, Chief Financial Officer stated that information on the financial overview, among other things, was being distributed today at the meeting. He explained that while it was not emailed in advance, the information is being emailed to all Committee members on the telephone right now.

Mr. Hanson informed the Committee members that, as of November 30, 2011, the unaudited total bridge crossings were 45,114,163, which is 3% less than 2010. This results in \$244,137,579 in revenues, which is \$19.3 million over the 2010 actual revenues. Mr. Hanson explained that as of November 30, 2011 revenue is down approximately \$1.3 million as compared to the 2011 budget, which results in revenues that are approximately 2.65% below budget.

Mr. Hanson further explained that 2011 PATCO ridership is up by 349,967 passengers or 3.62% over 2010, and revenues are up by \$1.6 million or 6.84%. 2011 PATCO ridership is up by 426,601 passengers or 4.42% over the 2011 budget, and revenues are up by \$878,065 or 3.71%. He stated that the increases at PATCO go a long way in offsetting the lower bridge revenues.

Chairman Nash inquired whether the handout compared 2011 actual versus 2011 budgeted numbers. Mr. Hanson responded that the comparison is between 2010 actuals and 2011 actuals and 2011 YTD actuals versus budget for the same period. Mr. Hanson further explained that in the 2012 budget, bridge revenues were increased due to the toll increase being in place for a full year. He stated that the Authority needs to and will continue to exercise cost control measures under the direction of the Board and the Finance Committee. Mr. Hanson stated that the DRPA is \$9.4 million under its expense budget, but staff believes that some of that savings will be eroded once the December expense numbers are finalized. However, the Authority will still be significantly under budget on expenses. CEO Matheussen added that the PATCO increases show that more people are choosing to use mass transit.

Mr. Hanson informed the Committee that there is approximately \$300 million in the General Fund. Commissioner Simon inquired if the \$300 million is as of December 31, 2011. Mr. Hanson responded that the \$300 million is an estimate as of that date, and he explained that there are certain adjustments that still need to be made, so the figure could change. Jim White stated that the Authority has not received all of its year end statements, but explained that \$300 million is the best estimate as of December 31, 2011.

With regard to the Capital Program, Mr. Hanson explained that the Authority's total capital expenditures through November 2011 were \$106 million. He extended kudos to Mike Venuto and the Engineering Department on successfully completing the projects budgeted in 2011. The Capital Expenditures budgeted were \$150 million, which included some technology projects, some of which were delayed. Mr. Hanson congratulated Mr. Venuto on this accomplishment.

In response to CEO Matheussen inquiry as to the percentage of spending, Mr. Venuto indicated that \$121 million or about 93% of the budget for which Engineering was responsible was spent. Chairman Nash inquired if the \$106 million was money actually spent during 2011 or whether it includes money to be spent on ongoing projects. Mr. White responded that the \$106 million represents checks written in 2011.

Mr. Hanson explained that the Authority's total bond debt as of December 31, 2011 is \$1.35 billion, \$692 million in fixed rate bonds and \$658 million in variable rate bonds. According to a recent report, the hedges are working effectively. The Revenues Bonds represent \$1.035 billion of the total and the remainder is the Port District Bonds (PDP) which total \$315.5 million or 23.4% of the total portfolio.

The Authority's total SWAP exposure as of December 31, 2011 is \$239.7 million, which is up from 2010 as a result of the taxable rate the Authority received.

Commissioner Lisko asked why the liability is increased if the hedges are effective. Mr. Hanson responded that the Authority is required under GASB 53 to test the effectiveness of the hedges, and if they are not working effectively, is required to mark up or down the value. He explained that this did not need to be done with most of the SWAPs because the hedges are working. Mr. Hanson explained that the Authority implemented GASB 53 a year earlier than required because of a Resolution introduced by Auditor General Wagner.

In further response to Commissioner Lisko's question regarding the effectiveness of the hedges, Mr. Hanson stated that the numbers are what they are, whether hedged or not. He explained that as the interest rate changes, the variable rate component changes. He stated that the value of the SWAPs is what it would cost the Authority to cash settle the arrangement, which is the \$239 million number.

Mr. Hanson clarified that it is the hedges that tested effective, not the SWAPs that are effective. Commissioner Lisko inquired whether the Authority's failure to take more aggressive action in 2011 caused the liability to increase by \$37 million. Mr. Hanson explained that the Authority is not in position to take action on the SWAPs. He stated that UBS cannot consent to the Authority entering into a cash settlement of the SWAPs without the consent of a third party, Dexia. UBS has entered into a credit default SWAP (an insurance policy of sorts) with Dexia whereby Dexia will pay UBS if the Authority fails to pay UBS. Dexia has shown no interest in exploring the issue. Commissioner Lisko asked for the terms of the agreement between UBS and Dexia. Mr. Hanson responded that he only knows that the agreement requires Dexia's consent to any cash out of the SWAPs.

Mr. Hanson further explained that the change in liability is only a "paper" number, in that the DRPA will not have to pay unless it defaults on its obligations. He added that the liability will amortize naturally over the life of the SWAPs.

CEO Matheussen stated that he believes it is a misstatement to say that the Authority failed to act as aggressively as it could in 2011 because the Authority could not have acted in a different way

than it did. He stated that the Authority is not in a position to cash out the \$240 million in SWAP exposure. Commissioner Lisko responded that the Authority has four different SWAPs and perhaps could have done something with regard to one of them. CEO Matheussen stated that in 2012, staff will report to the Board with a plan for reducing the Authority's debt. He explained that the Authority must maintain an appropriate amount in the General Fund. Chairman Nash added that reducing debt is a very important issue that will be addressed by this Committee. He stated that the Committee will be examining over the next several months how the excess in the General Fund can be used to pay down debt.

General Fund Investment Performance

Mr. Hanson discussed the General Fund Investment Performance parameters which, along with the Resolution of August 2000, serve as the staff's authority to invest DRPA funds. Mr. Hanson stated that these are probably documents that the Finance Committee will want to examine. Mr. Hanson noted that one of the eligible investments in the parameters is collateral mortgage obligations, but staff has informed the DRPA's money managers that they are not to invest in these. He stated that the DRPA's investment strategy is very conservative and tends to be very liquid.

Commissioner Simon inquired about investment fees. Mr. Hanson stated that the Authority pays 17 basis points. Mr. White added that these fees were negotiated back in 2001. Commissioner Simon noted that the Morgan Stanley investments seem to be underperforming in 2011. Mr. White responded that their performance is related to the mix of investments, and noted that Morgan Stanley tends to be more conservative. Morgan Stanley has more money in money markets, which tend to be very liquid, but also bring a lower rate of return.

Commissioner Sasso stated that the Authority has a substantial amount of money in General Fund, which he believes needs some individualized attention. He suggested that the Chair consider establishing a subcommittee of the Finance Committee to focus on investments. He stated that this subcommittee could study the investments closely, as well as meet with the Authority's money managers. Chairman Nash concurred and stated that this subcommittee will be established.

Extension of Loan Guarantee for Battleship New Jersey in Favor of TD Bank

CEO Matheussen stated that he would like to recuse himself from any discussion of the loan guarantee for the Battleship because he serves on the Board of the Battleship. He exited the room for the discussion.

Mr. Hanson explained that the DRPA guaranteed a \$1 million loan guarantee to the Battleship. The DRPA has been asked to renew the guarantee. He informed the Committee that the Battleship does not have the funds to pay the \$900,000 still owed. He explained that the amount of the loan was \$1 million and the Battleship made a timely payment in 2011 of \$100,000, therefore, leaving \$900,000 still to be paid. He stated that if the Authority fails to renew the guarantee, TD Bank will call the loan and the Authority will have to pay the \$900,000. If the

Battleship makes another timely payment in 2012, the Authority will mitigate its exposure by another \$100,000.

Commissioner Simon inquired as to whether the Authority is certain that the Battleship does not have the funds to pay the loan. Mr. Hanson stated that the Battleship does not have the funds to pay the loan.

Commissioner Lisko asked how this project is impacted by the recent decisions regarding economic development. Mr. Hanson explained that the Authority has been a guarantor of this loan since 2003. He stated that this is not new economic development spending, but a continuation of an obligation. Commissioner Lisko asked if the Authority has any other similar obligations that are ongoing. Richard Brown, General Counsel, stated that the Authority has Ship Recycling Research Institute loan guarantee, as well as the loan guarantee for the L3 facility. He explained that both obligations are well collateralized.

Commissioner Lisko inquired asked whether the Battleship loan guarantee is characterized as a liability for the DRPA. He also asked whether that liability will be reduced by the \$100,000 already paid by the Battleship. Chairman Nash responded that DRPA has not paid any money for this project as it is simply a guarantor of the loan. He conceded that if the Battleship fails to pay the loan, the DRPA will have to pay the loan. Mr. Hanson explained that some of the loans which the Authority guarantees are fully reserved and some are reserved for a percentage of the loans total.

Commissioner Sasso asked if the loan agreement allows the Bank to pursue the Authority directly as soon as there is a default, or if the Bank must exhaust its remedies against the Battleship first. Mr. Brown responded that the bank can pursue the Authority for payment without exhausting remedies against the Battleship. Chairman Nash stated that he would like a list of the loan guarantees that the Authority has outstanding so that the Committee members have a better understanding of the Authority's legal obligations. Commissioner Lisko requested the information regarding what portion of those guarantees are reserved and also information regarding the decision to reserve 100% of the funds or some portion thereof. Chairman Nash suggested that perhaps Mr. Hanson could present the information to the Committee at the next meeting.

In response to Chairman Nash's inquiry, Mr. Hanson stated that the loan guarantee must be brought to the Board on January 18th in order to have approval before the guarantee's expiration date.

On motion duly made and seconded, the renewal of the loan guarantee was approved and recommended to the Board for adoption. A Summary Statement and Resolution on this issue will be presented to the Board on January 18, 2012.

Meeting Schedule

Chairman Nash stated that the Finance Committee should be scheduled on the first Wednesday of every month, but noted that David Reiner of the New Jersey Governor's Authorities Unit had

informed him that he had a conflict on the first Wednesday of the month. Johanna Jones, substituting for Mr. Reiner, stated that the first Wednesday was acceptable for Mr. Reiner. All Committee members agreed that the first Wednesday of each month would be acceptable. Chairman Nash stated that the next Finance Committee meeting will be on Wednesday, February 1st at 9:30 a.m. Ms. Jacobson will send out the scheduler to the Committee members.

Pollution and Legal Liability Policy Extension

Toni Brown, Chief Administrative Officer, informed the Board that the Pollution and Legal Liability policy was approved by the Board last March and is due to expire on March 26, 2012. She explained that the Authority's obligation to maintain this policy arose from the lifting of the deed restrictions at the Victor Loft building. She added that the Authority's legal obligation to maintain the coverage under the Lockheed Martin Agreement expired on March 26, 2011, but because the Authority has perpetual liability to indemnify Lockheed and others against civil liability for personal injury claims arising out of the environmental claims and for environmental remediation on the site, the Authority has continued to maintain the policy. The policy contains a \$20 million aggregate limit, with a \$100,000 deductible, and optional terrorism coverage which is recommended by the Authority's broker, The Graham Company. The policy will continue to provide coverage for mold and Legionella exposure. Ms. Brown stated that it is staff's recommendation to extend the existing policy for six (6) months in the amount of \$42,982.

Chairman Nash stated that he was opposed to paying for this policy, and asked for an explanation of Authority's legal responsibility to maintain this policy. Mr. Brown explained that the obligation arose from the original agreement with Lockheed Martin, which has expired. Ms. Brown stated that the Authority would be required to pay on any claims arising out of the use of the building resulting from the lifting of the deed restrictions. She explained that the building was not intended to be used for residential purposes.

Commissioner Sasso asked if the Authority would be responsible for the personal injury claims. Mr. Brown explained that the Authority would not be responsible for a routine slip and fall claim, but would be for any personal injury claims based on environmental factors. Commissioner Sasso asked if the Authority's responsibility only included those for historic contamination, as opposed to new contamination. Mr. Brown stated that he believes the obligation is for historic contamination, but noted that it is not always easy to distinguish the two. Commissioner Sasso stated that he believes that the answer to his question is an important factor in determining whether to maintain the insurance.

Chairman Nash stated that he would like to know if the EDA would be willing to maintain the policy. He suggested that this should be explored. He stated that he would like to discuss the issue with Caren Francini at EDA.

Ms. Brown stated that the amount of the policy for six months would be \$42,983; 50% of the annual premium. She stated that staff needs to present this to the Board in February, and it will be considered further at the February 1 meeting of the Finance Committee.

OCIP

Ms. Brown explained that the current four year program will expire in March, 2012. She stated that there are eight policies included in the OCIP program, the first of which will expire on February 28, 2012. She stated that staff is seeking guidance on whether the Board would like to extend the existing program, do a new OCIP or terminate the OCIP.

Chairman Nash inquired if there is a timing problem with the current OCIP. Ms. Brown responded that there is a timing problem. She stated that staff is awaiting estimates from the Authority's insurance brokers to extend the policies for an additional six months.

Commissioner Simon noted that there has been a lot of discussion about whether the OCIP should be continued. He stated that he thought an interim extension of the current program made sense in that it would allow time to make a determination about the future of the OCIP. Ms. Brown added that it is important that the Committee be aware that, in addition to the OCIP, the terms of the existing Loss Control and Safety Services Program need to be extended for six months.

CEO Matheussen stated that there are two parts of the OCIP – the Owner Controlled Insurance and the Loss Control and Safety Services portion. He urged the Committee to maintain the second piece of the program. He stated that this part of the program helps to keep claims down, especially on the very large projects the Authority has underway. He stated that it is important that safety remain a top priority.

Commissioner Sasso stated that he was comfortable with staff's recommendation to extend the program, CEO Matheussen noted that while the purchasing power of DRPA is significant, the larger contractors also have strong purchasing power. He explained that the Authority also uses smaller contractors who may not be able to compete if they have to provide their own insurance coverage.

Chairman Nash asked if the Authority knows any similar agencies that do not have an OCIP. CEO Matheussen and Mr. Venuto stated that the New Jersey Turnpike has an OCIP program. Mr. Venuto stated that DRBA, the Joint Toll Bridge Commission and the South Jersey Transit Authority do not have OCIP programs. Mr. Simon noted that a survey of other OCIP programs was previously provided and should be made available to Chairman Nash.

Mr. White added that there is a letter of credit that supports the OCIP. He stated that any extension of the OCIP will require the Authority to secure an extension of the letter of credit. He stated that it will require obtaining quotes from several institutions.

Commissioner Simon recommended extending the program for six months, which will provide enough time to decide whether to continue the program further. Chairman Nash asked staff to establish a timeline for making the determination so there are no further timing problems. Ms. Brown stated that she was comfortable with the six month extension. The Committee agreed to recommend extending the OCIP for six months to the Board.

On motion duly made and seconded, the item was approved and recommended to the Board for adoption on January 18, 2012.

Amending the 2012 Capital Program to Include the South Walkway Bicycle Ramp

Commissioner Teplitz stated that this Resolution is being presented by the Auditor General. CEO Matheussen stated that a number of letters have been received from individuals and organizations throughout Delaware Valley in support of this project, including one from Senator Lautenberg and one from Senator Menendez.

Chairman Nash asked whether the Authority has funds in the Capital Program to pay for this project. He further asked if there might be funds available from some other source, like the Congestion Mitigation and Air Quality Improvement Program (“CMAQ”). He further inquired whether DVRPC may be interested in funding this project itself. Chairman Nash recommended putting this item on the Agenda for the February Finance Committee Agenda, so that staff and the Committee have time to determine if there is another source of funds. He further noted that the Authority may need the Auditor General’s assistance in securing funding. Commissioner Teplitz stated that he is comfortable placing the item on the February agenda. He noted that the Auditor General’s primary concern is to have a handicapped ramp.

Chairman Nash stated that there are several members of the public who would like to address the Committee. He invited those members of the public to speak to the Committee.

The first speaker was John Boyle Research Director of the Bicycle Coalition. He thanked the Committee for considering the bike ramp, but stated that he has concerns with relying on funding from CMAQ as it only has \$3 million for New Jersey. He stated that CMAQ may agree to contribute \$500,000, but there will be a 20% match required. He further stated that the Transportation Enhancement Program is terribly oversubscribed, so probably not a viable source of funds. He stated that February 1 is a good date to reconsider the project. He noted that this project is a win-win for the DRPA. He stated that it will result in good press for the Authority, which could use some good press.

Commissioner Simon informed Mr. Boyle and the other members of the public in attendance that when the Capital Budget was prepared last fall the bicycle ramp project was examined very carefully. He explained that the primary reason it was removed from the Capital Program was the belief that the bike ramp would only be used by few bike riders. He noted that the issue of handicapped access was not raised at that point. Mr. Boyle responded that the Bicycle Coalition has conducted user counts and estimates that there are about 500 users a day in the summer, which includes joggers, pedestrians, and bikers.

Commissioner Sasso agreed it is a meritorious project. He stated that the project was not removed from the Capital Program lightly. He stated that the Committee needs additional time to consider the project and determine whether it fits into the Capital Program.

The next speaker was Matthew Norris, representing Tri-State Transportation Campaign, who addressed the issue of handicap accessibility. He believes that the ramp would improve access for all users. He stated that he has had discussions with the AARP of New Jersey and that they would also strongly urge the Board to fund this project to improve bridge access for the elderly. He stated that the benefits for all would be enormous.

CEO Matheussen stated that he spoke with Senator Menendez's office on this issue. He informed the Committee that he explained to the Senator's office the reasoning for removing the project from the Capital Program, and told them that it was not removed on a whim. He stated that he expressed the DRPA's desire to secure some federal funding for the project to the Senator's office. Senator Menendez's staff stated that they would work with Senator Lautenberg's office to assist in that effort.

Commissioner Sasso agreed that it would be appropriate for the O&M and Finance Committees work on this project. CEO Matheussen suggested that Engineering be prepared to address the O&M Committee on the issue at its upcoming meeting.

Commissioner Teplitz stated that the Auditor General is committed to see this project through and has no problem to defer for a couple weeks, but not an indefinite time. He stated that they would like to have questions, including external funding questions, resolved by next month.

Chairman Nash reiterated that he would like to determine if there are funds from CMAQ that will be available. He further stated that he would like staff to determine whether this project jeopardizes the current toll structure. He noted that this is a priority project and that handicapped access is an important issue.

Amending the 2012 Capital Program to Include Reopening of the Franklin Square Station
Commissioner Teplitz requested that this item be tabled pending further discussions.

Upon motion duly made and seconded, the Committee voted to move into Executive Session at 11:05 a.m.

SUMMARY STATEMENT

ITEM NO.: DRPA-12-004

SUBJECT: Extension of Loan Guarantee for Battleship New Jersey in favor of TD Bank (As Amended on the Floor)

COMMITTEE:

Finance Committee

COMMITTEE MEETING DATE:

January 11, 2012

BOARD ACTION DATE:

January 18, 2012

PROPOSAL: That the Board authorizes staff to extend the existing loan guarantee that supports a loan from TD Bank to the Home Port Alliance for the Battleship New Jersey for a period of 90-days.

Amount: \$900,000 (original amount, \$1.0 million)

PURPOSE: To continue support for the Battleship New Jersey and the Home Port Alliance.

BACKGROUND: On March 19, 2003, the Delaware River Port Authority (“DRPA”) adopted Resolution DRPA-03-034 authorizing DRPA to guaranty a \$1 million loan extended by Commerce Bank to the Home Port Alliance (copy of Resolution attached). Pursuant to the power described above, Delaware River Port Authority entered into a loan guaranty with Commerce Bank and Home Port Alliance for a three year period that expired April 1, 2006. Pursuant to the authority granted by Resolution DRPA-03-034, the DRPA loan guaranty in the amount of \$1 million was extended for and additional three years was scheduled to expire April 1, 2009. TD Bank as successor to Commerce Bank agreed to extend the \$1 million loan for another three year period subject to DRPA’s agreement to extend its loan guaranty. On February 18, 2009, The Delaware River Port Authority adopted Resolution DRPA-09-012 authorizing the extension of the loan guaranty in the amount of \$1 million to the Home Port Alliance with TD Bank for another three year period. The Home Port Alliance began reducing the loan principle and the total now owing is \$900,000. TD Bank and the Home Port Alliance are prepared to extend the guarantee subject to the loan being capped at the current principle level. That extension will expire in the near future and TD Bank has indicated that it is willing to continue the loan but asks that the guarantee be extended as soon as possible.

SUMMARY STATEMENT
Finance 1/18/12

**Extension of Loan Guarantee for
Battleship New Jersey in favor of TD Bank
(As Amended on the Floor)**

SUMMARY:	Amount:	\$900,000 (original amount \$1.0 million)
	Source of Funds:	1999 Series A PDP Bonds
	Capital Project #:	N/A
	Operating Budget:	N/A
	Master Plan Status:	
	Other Fund Sources:	Home Port Alliance
	Duration of Contract:	90 days
	Other Parties Involved:	TD Bank, Home Port Alliance

DRPA-12-004
Finance Committee: January 11, 2012
Board Date: January 18, 2012
Extension of Loan Guarantee for
Battleship New Jersey in favor of TD Bank
(As Amended on the Floor)

RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority authorizes staff to extend the current loan with TD Bank guarantee in favor of Battleship New Jersey and the Home Port Alliance in an amount not to exceed \$900,000 for a period of 90-days; and be it further

RESOLVED: The Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:

Amount:	\$900,000 (original amount \$1.0 million)
Source of Funds:	1999 Series A PDP Bonds
Capital Project #:	N/A
Operating Budget:	N/A
Master Plan Status:	
Other Fund Sources:	Home Port Alliance
Duration of Contract:	90 days
Other Parties Involved:	TD Bank, Home Port Alliance, Battleship New Jersey

SUMMARY STATEMENT

ITEM NO.: DRPA-12-005

**SUBJECT: DRPA/PATCO Owner
Controlled Insurance Program and Loss
Control & Safety Services Agreement
Extension**

COMMITTEE:

Finance

COMMITTEE MEETING DATE:

January 11, 2012

BOARD ACTION DATE:

January 18, 2012

PROPOSAL:

Staff seeks Board authorization to extend for six (6) months the current Owner Controlled Insurance Program (OCIP) which will expire on March 7, 2012. Two policies within the OCIP expire before March 7, 2012. They are: Contractors' Pollution Legal Liability Policy, which expires February 28, 2012 and the Builders' Risk Policy, which expires March 1, 2012. If approved, the existing OCIP would be extended until September 7, 2012, under the same terms and conditions, including the existing commissions. To accomplish this, the incumbent broker, The Graham Company, will need to request a six-month extension quote for all of the policies associated with the incumbent, AIG.

In addition to being the OCIP broker and administrator, Graham Company also provides Loss Control and Safety Services in support of the OCIP-qualifying projects. On a quarterly basis, DRPA pays Graham Company \$175,000 annually for this service. Staff would need to seek a six-month extension of the Loss Control and Safety Services Agreement (dated March 7, 2008 – March 7, 2012), currently in place with Graham. If approved, staff would seek the same terms and conditions, and fee arrangement currently in place with the existing Loss Control & Safety Services Agreement.

PURPOSE:

The purpose of the OCIP and Loss Control and Safety Services Agreement is to reduce costs on qualifying construction and maintenance projects identified in the capital plan over the four-year period (March 7, 2008 – March 7, 2012), and to provide improved safety oversight and loss control for those projects.

Through the OCIP, the DRPA provides insurance coverage for the various capital projects that have not yet been completed. Continuation of this coverage protects DRPA and PATCO, as the

owner, and all contractors and subcontractors on these projects.

BACKGROUND: Since 2000, the DRPA has used an Owner Controlled Insurance Program as an alternative method by which to recognize and address the risks inherent in the various construction and maintenance projects at all of its facilities, including PATCO in a fiscally-sound manner. The purpose of an OCIP is to improve safety management and processes, lower overall costs of insurance on projects, provide broader coverage and higher liability limits, and centralize claims for all contractors, by having the owner ("DRPA") procure required coverages in bulk under coverage that allows the inclusion of all parties involved as insureds.

The current OCIP includes the following lines of coverage: Workers' Compensation; General Liability; Umbrella; Excess Umbrella Liability; Contractors Pollution; Railroad Protective Liability; and Builders' Risk.

In support of the OCIP, AIG required DRPA to issue Letters of Credit("LOC") for the 2008-2012 term valued at approximately \$10.5 million. If the OCIP is extended by six months, the DRPA may be required to renew its current LOCs and may be required to furnish additional collateral based on AIG's review of the DRPA's interim financial statements. Staff recommends that we seek an extension of the LOCs from the current providers.

Staff seeks Board authorization to extend for six (6) months the current Owner Controlled Insurance Program (OCIP). Staff seeks further authorization to seek a six-month extension from The Graham Company of the existing OCIP Loss Control & Safety Services Agreement.

If the same terms, conditions, and pricing for the existing OCIP insurance policies, OCIP Loss Control and Safety Services Agreement, and existing LOCs are not extended for six months staff will report back to the Board for further guidance.

SUMMARY:	Amount:	\$TBD
	Source of Funds:	1999 Revenue Bonds/General Fund
	Capital Project #:	OCIP08
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	February 28, 2012 – September 7, 2012
	Other Parties Involved:	The Graham Company, AIG Insurance Companies

DRPA-12-005
Finance Committee: January 11, 2012
Board Date: January 18, 2012
DRPA/PATCO Owner Controlled Insurance
Program and Loss Control & Safety Services
Agreement - Extension

RESOLUTION

- RESOLVED:** That the Board authorizes staff to extend for six (6) months the current Owner Controlled Insurance Program (OCIP), under the terms and conditions with the incumbent carrier, AIG, which will expire on March 7, 2012. To accomplish this, the incumbent broker, The Graham Company, will need to request a six-month extension quote for all of the policies associated with the OCIP; and be it further
- RESOLVED:** That the Board authorizes staff to seek a six-month extension of the Loss Control and Safety Services Agreement (dated March 7, 2008 – March 7, 2012), currently in place with Graham Company, under the same terms and conditions, and fee arrangement currently in place; and be it further
- RESOLVED:** That the Board authorizes staff to extend the Letters of Credit for the 2008-2012 for at least six months from the current providers; and be it further
- RESOLVED:** That if the same terms, conditions, and pricing for the existing OCIP insurance policies, OCIP Loss Control and Safety Services Agreement, and LOCs are not extended for six months, staff will report back to the Board for further guidance; and be it further.

RESOLVED: That the Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:	Amount:	\$TBD
	Source of Funds:	1999 Revenue Bonds/General Fund
	Capital Project #:	OCIP08
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	February 28, 2012 – September 7, 2012
	Other Parties Involved:	The Graham Company, AIG Insurance Companies

SUMMARY STATEMENT

ITEM NO. DRPA-12-006

SUBJECT: Third Party Administrator for the DRPA and PATCO Workers' Compensation, General Liability and Bodily Injury Claims

COMMITTEE:

New Business

COMMITTEE MEETING DATE:

N/A

BOARD ACTION DATE:

January 18, 2012

PROPOSAL:

That the Board authorize staff to negotiate a contract with SCIBAL Associates, Inc. (hereinafter referred to as "SCIBAL") to report, investigate and process all DRPA and PATCO (hereinafter referred to collectively as the "Authority") workers' compensation and general liability claims for a period of five years. The services to be performed by SCIBAL will include, but not be limited to, the re-pricing and adjudication of medical bills, and the provision of specialized services on an as needed basis in a manner designed to maximize program efficiency and minimize program cost.

Amount:

\$361,360.00 total for five (5) years. Initial contract for three (3) years totals \$168,650.00 with two (1) year optional renewals at \$85,100 and \$87,700 consecutively representing an additional \$172,800 for total five years at \$361,360.00.

Contractor:

SCIBAL

Other Proposers:

Comp Services, Inc. (\$503,100) total for five (5) years. Initial contract for three (3) years totals \$285,500.00 with two (1) year optional renewals at \$106,000.00 and \$111,000.00 consecutively representing an additional \$217,600.00 for total five years at \$503,100.00.

Inservco Insurance Services, Inc. (\$324,900) total for five (5) years. Initial contract for three (3) years totals \$189,800.00 with two (1) year optional renewals at \$66,600.00 and \$68,500.00 consecutively representing an additional \$135,100.00 for total five years at \$ 324,900.00.

SUMMARY STATEMENT
New Business 1/18/12

**Third Party Administrator for the
DRPA and PATCO Workers'
Compensation, General Liability
and Bodily Injury Claims**

PURPOSE: This contract will provide third-party claims administration services for the Authority's workers' compensation and general liability programs. The Authority will also require that SCIBAL provide medical bill re-pricing/network access services ("MR") in connection with the workers' compensation and general liability programs. SCIBAL will be required to coordinate its services and activities with designated DRPA claims administration personnel, the DPRA's Legal Department, and other financial and outside legal professionals.

BACKGROUND: On April 20, 2011, staff issued a request for qualifications. On May 13, 2011, the following five (5) insurance services firms submitted statements of qualifications: 1) Avizent; 2) Inservco Insurance Services, Inc. (hereinafter referred to as "Inservco"); 3) Gallagher Bassett Services, Inc.; 4) Comp Services Inc. (hereinafter referred to as "Comp Services") and 5) SCIBAL.

The statements of qualification were reviewed by a committee (hereinafter the "Committee") consisting of staff members from the Authority's Finance, Contract Administration, Claims Administration and Legal Departments. The evaluation procedures utilized by the Committee were established in advance of the submission of the responses to its request for qualifications, and those procedures were established in a manner consistent with existing Board policies. The Committee determined that all five (5) firms met the qualifications necessary to be invited to submit a Request for Proposal.

On November 4, 2011, the Authority forwarded a Request for Proposal ("RFP") to all five (5) qualified firms. The Authority received three (3) responses to its RFP on November 28, 2011. The responding proposers were SCIBAL, Comp Services and Inservco. A detailed evaluation process was again established. All five (5) members of the committee received copies of the three proposals. The Committee conducted a thorough review of the responses. The Committee met and developed a composite technical score for each of the proposers. A total score was developed for each proposer.

After this phase of the proposal review, the Committee determined that SCIBAL was the highest ranked firm. SCIBAL submitted the

SUMMARY STATEMENT
New Business 1/18/12

**Third Party Administrator for the
DRPA and PATCO Workers'
Compensation, General Liability
and Bodily Injury Claims**

most comprehensive response to the Authority's request for proposals. The technical proposals submitted by SCIBAL and Comp Services were deemed to be essentially equivalent. The price quotation submitted by Comp Services, however; was substantially higher than that of SCIBAL. As such, the proposal of Comp Services, Inc. was initially ranked second to that of SCIBAL. Inservco satisfactorily met some of the established criteria; however, the Committee felt based upon its staffing and other service related limitations, that Inservco would not be able to adequately meet the current services needs of the Authority. At this point, Inservco was eliminated from the process.

The Committee then asked both SCIBAL and Comp Service to submit their final and best offer. The Committee also checked the references provided from SCIBAL and Comp Services. The Committee obtained exemplary references for both firms. The final cost proposal of SCIBAL was \$69,040 less than that submitted by Comp Services. Based upon the foregoing, the review committee has determined that the proposal submitted by SCIBAL provides the best value to the Authority in connection with the administration of its workers' compensation and general liability programs.

The entire selection process was facilitated and documented by the Review Committee Chairperson and Contract Administrator.

SUMMARY:	Amount:	\$361,360.00 total for five (5) years. Initial contract for three (3) years totals \$168,650.00 with two (1) year optional renewals at \$85,100 and \$87,700 consecutively representing an additional \$172,800 for total five years at \$361,360.00 options.
	Source of Funds:	Revenue and General Fund
	Capital Project #:	N/A
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	5 years
	Other Parties Involved:	N/A

DRPA-12-006
New Business: January 18, 2012
Board Date: January 18, 2012
Third Party Administrator for the DRPA
and PATCO Workers' Compensation,
General Liability and Bodily Injury Claims

RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port accept the proposal of SCIBAL Associates, Inc. for the performance of third-party claims administration over a period of five years as set forth in this summary statement and resolution; and

RESOLVED: That the Board of Commissioners authorizes the appropriate officers of the DRPA to negotiate a contract with SCIBAL, and be it further

RESOLVED: The Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:	Amount:	\$361,360.00 total for five (5) years. Initial contract for three (3) years totals \$168,650.00 with two (1) year optional renewals at \$85,100 and \$87,700 consecutively representing an additional \$172,800 for total five years at \$361,360.00
	Source of Funds:	Revenue and General Funds
	Capital Project #:	N/A
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	Five (5) years with initial three (3) year contract with two (1) year options for renewal.
	Other Parties Involved:	N/A

SUMMARY STATEMENT

ITEM NO. DRPA-12-007

SUBJECT: Creation of Inspector General
Position within Delaware River
Port Authority and Port Authority
Transit Corporation

COMMITTEE:

Audit

COMMITTEE MEETING DATE:

January 11, 2012

BOARD ACTION DATE:

January 18, 2012

PROPOSAL:

That the Board: (1) accept the recommendation of the Audit Committee to create the position of Inspector General for DRPA and PATCO, (2) select a candidate to serve in this position, and (3) eliminate the position of Director, Internal Audit.

PURPOSE:

The Inspector General is an independent and objective officer which will report directly to the Audit Committee and the Chief Executive Officer. The Inspector General is appointed by the Board of Commissioners upon recommendation of the Audit Committee, and can only be removed from office by Board action.

In addition to assuming the audit responsibilities of Director, Internal Audit, the Inspector General will be responsible for directing and conducting activities designed to detect and deter fraud, waste, abuse, corruption, mismanagement, and any illegal activities involving the Authority. The Inspector General will supervise the Authority's Whistleblower Hotline and recommend or take affirmative corrective actions, as necessary and appropriate. The Inspector General will also assume responsibility for the execution and coordination of internal and external audits required by the Interstate Compact, Board Resolutions, Bond Indentures, and other governing documents. The Inspector General will provide regular reports to the Audit Committee regarding activities related to the Office of the Inspector General, and periodically meet with the Board of Commissioners to provide status on significant Inspector General and audit goals and objectives.

BACKGROUND:

Beginning in August 2010, to further enhance its commitment to transparency, the DRPA Board adopted and implemented a long list of reforms. In support of the reform effort, the DRPA Board authorized the Audit Committee to oversee the creation and staffing

of a new position of Inspector General.

The position was publicly advertised for the period September 23, 2011 through October 6, 2011. The position was originally posted on DRPA's website and on Monster.com. In an effort to attract a broader pool of qualified applicants, DRPA expanded its outreach to include advertisement in print media (Al Dia, The Philadelphia Tribune, The Courier Post, The Philadelphia Inquirer, Legal Intelligencer and Delaware Weekly). The position was also posted on numerous job boards (Philly.com; CareerBuilder.com; Governing.com; and Lawjobs.com). We expanded the deadline to submit applications from October 6, 2012 until the close of business on October 14, 2011. A copy of the job description is attached.

We received 30 applications. After a careful review of the applicants, eight (8) qualified candidates were interviewed by the Audit Committee. After those interviews, the Audit Committee agreed on one candidate.

The Audit Committee recommends that the Board approves the following actions: (1) create the position of Inspector General for DRPA and PATCO; (2) select a candidate to serve in this position; and (3) eliminate the position of Director, Internal Audit.

SUMMARY:

Amount:	
Source of Funds:	Operating Fund
Capital Project #:	N/A
Operating Budget:	Yes
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	N/A
Other Parties Involved:	N/A

RESOLUTION

RESOLVED: That the Board authorizes (1) the creation of the position of Inspector General for DRPA and PATCO; (2) the selection of a candidate to serve in this position; and (3) the elimination of the position of Director, Internal Audit; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:	Amount:	
	Source of Funds:	Operating Fund
	Capital Project #:	N/A
	Operating Budget:	Yes
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	N/A
	Other Parties Involved:	N/A

Delaware River Port Authority Job Description/Specifications

Job Title:	INSPECTOR GENERAL	Job Code:	243
Division:	Executive	Grade:	E3
Department:	Office of the Inspector General	Date:	May 11, 2011
Reports to:	Chairman Audit Committee & Chief Executive Officer	FLSA Status:	Exempt

Position Purpose

The IG is an independent and objective position which directs, conducts and supervises a broad comprehensive program of internal audits, provides objective and professional evaluations of operations, programs, and policies, and conducts investigations related to Authority activities; promotes economy, efficiency and effectiveness and detects and prevents fraud and abuse of Authority activities. The IG will report deficiencies in activities as well as the necessity for and progress of correction actions to the Board as well as management.

Qualifications

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the duties, responsibilities, knowledge, skill, and/or ability required. The Authority will adhere to all applicable laws and regulations in assessing an employee's ability to carry out or otherwise meet the job requirements set forth herein in a satisfactory manner.

Essential Duties and Responsibilities

1. Plans, directs and conducts IG activities. This includes all activities designed to detect and deter fraud, waste, abuse, corruption mismanagement and all other illegal activities involving the Authority. Activities of the IG office will primarily involve audits, investigations, inspections and evaluations.
2. Responsible for the overall management and functioning of the IG office, which would include providing guidance and direction necessary to achieve the goals of the IG office, establishing policies and procedures, and providing oversight for its technical and administrative functions.
3. Develops and executes a comprehensive audit program for the evaluation of the management controls provided over all Authority activities, and recommends and initiates corrective action, where necessary.
4. Recommends improvement of management controls designed to safeguard company resources, promote company growth, and ensure compliance with government laws and regulations, Authority By Laws, policies, procedures and work rules.
5. Supervises and reviews IG staff, ensures personnel are properly trained and credentialed to accomplish IG goals and objectives, and evaluates effectiveness of IG support and office management.

6. Reviews and analyzes methods, procedures, practices, processes and systems used to accomplish IG activities and functions.
7. Provides regular reports to the Audit Committee of the Board of Commissioners and external stakeholders regarding IG activities, and periodically meets with the Board of Commissioners to provide status on significant IG and audit goals and objectives.

Essential Duties and Responsibilities (cont.)

8. Works with and notifies stakeholders, as required, about identified organizational issues.
9. Examines the effectiveness of all levels of management in their control of company resources and their compliance with established policies and procedures.
10. Reviews procedures and records for their adequacy to accomplish intended objectives, and appraises policies and plans relating to activities and functions reviewed.
11. Authorizes the publication of audit and activity reports to the Audit Committee, Chief Executive Officer and management on the results of audit reviews and activities.
12. Conducts special examinations or participates on committees or task forces at the request of management or the Board of Commissioners.
13. Establishes and coordinates Whistleblower Hotline and takes affirmative corrective actions.
14. Coordinates the Bi-Annual Management Audit required by Board Resolution.
15. Assists in maintaining a safe and secure work environment by participating in required training, recognizing and reporting hazards and suspicious activity, and using all required personal protective equipment.
16. Performs other related duties as required and assigned.

Skills/Knowledge/Abilities

1. Should display strong leadership abilities with an emphasis in conducting and managing complex investigations involving allegations of fraud, theft, deception, waste, abuse and conspiracy.
2. Experience in accounting, auditing, business or public administration
3. Demonstrated ability to work with executive-level stakeholders.
4. Record demonstrating integrity, objectivity, independence, judgment and confidentiality in all professional engagements.
5. Skills in measuring and evaluating the efficiency and effectiveness of program performance.
6. Familiarity with the organization (or similar), its programs, activities, functions and jurisdiction.
7. Expertise in conducting investigations, including evidence gathering and documentation.
8. Knowledge of the audit process for programs and finances
9. Knowledgeable of Government Auditing Standards, Single Audit Act for State and Local Governments, Generally Accepted Auditing Standard for the Professional Practice of Internal Auditing.

Supervisory Responsibilities

Information Technology Auditor
Auditor

Education and/or Experience

- A Bachelor's degree in Business Administration, Accounting, or Finance or an advanced degree in business, accounting, or law with at least 10 years of business experience and a minimum five consecutive years management/supervisory experience.
- Must be familiar with Government Auditing Standards, Single Audit Act for State and Local Governments, Generally Accepted Auditing Standards, and Standard for the Professional Practice of Internal Auditing.
- Must be a Certified Internal Auditor or Certified Public Accountant or Certified Fraud Examiner or have comparable professional certification/license.

Education and/or Experience (cont.)

- Knowledge of audit data analysis/extraction software is preferred.
- To perform this job successfully, an individual should have knowledge of spreadsheet software and word processing software.

Physical Requirements

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job.

While performing the duties of this job, the employee is required to sit (85%). The employee is required to stand and walk (10%) and lift, climb, bend (5%). The employee must occasionally lift, hold, and carry objects up to 25 pounds. Have normal day and night time vision, corrected or uncorrected. Have normal hearing, corrected or uncorrected. Must be able to perform all position functions. Must be able to physically operate all job related equipment for the position functions. The employee must maintain a neat and clean appearance.

Working Conditions

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job.

1. The employee must be organized, work well under pressure, and be able to prioritize assignments appropriately.
2. The employee must communicate well with the public, and remain poised under pressure.
3. The employee must understand the importance of discretion and adhering to deadlines.

Reviewed and Approved By:

Prepared By: Tamika E. Espino]

SUMMARY STATEMENT

ITEM NO.: DRPA-12-008

SUBJECT: Appointment of Deputy Chief Executive Officer at the DRPA

COMMITTEE:

New Business

COMMITTEE MEETING DATE:

N/A

BOARD ACTION DATE:

January 18, 2012

PROPOSAL: That the Board appoint a candidate to serve in the position of Deputy Chief Executive Officer for the DRPA and PATCO.

Amount: To be determined

PURPOSE: To assure a successful transition in this position following the retirement of the current Deputy Chief Executive Officer.

BACKGROUND: The position of Deputy Chief Executive Officer was created by the DRPA Board of Commissioners in March of 2003 and Robert Gross was subsequently appointed to fill this new and important position. Mr. Gross has now advised that he will be retiring from the DRPA and PATCO in order to pursue another opportunity. The Deputy Chief Executive Officer performs an important role at the DRPA and PATCO so it is vital that the position be filled promptly in order to assure a smooth transition.

SUMMARY:

Amount:	[\$To be Determined]
Source of Funds:	Operating Budget
Capital Project #:	N/A
Operating Budget:	2012
Master Plan Status:	
Other Fund Sources:	N/A
Duration of Contract:	N/A
Other Parties Involved:	To Be Determined

DRPA-12-008

New Business: January 18, 2012

Board Date: January 18, 2012

Appointment of Deputy Chief Executive Officer at the DRPA

RESOLUTION

RESOLVED: That the Board of Commissioners of the Delaware River Port Authority hereby appoints a candidate to serve as Deputy Chief Executive Officer of the Delaware River Port Authority and PATCO.

SUMMARY:	Amount:	[\$[TO BE DETERMINED]]
	Source of Funds:	Operating Budget
	Capital Project #:	N/A
	Operating Budget:	2012
	Master Plan Status:	
	Other Fund Sources:	N/A
	Duration of Contract:	N/A
	Other Parties Involved:	To be Determined