

**DELAWARE RIVER PORT AUTHORITY**  
**Minutes of the August 17, 2011 Board Meeting**  
**One Port Center, Camden, New Jersey**  
**Wednesday, August 17, 2011, 9 a.m.**

**Present**

**PENNSYLVANIA**

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

**Officers and Chiefs**

John Matheussen, CEO  
Robert Gross, Deputy CEO  
John Hanson, CFO  
Toni Brown, CAO  
Mike Venuto, Chief Engineer  
Timothy Pulte, COO

**DRPA Staff**

Fran DiCicco, Administrative Coordinator  
Ann DuVall, Executive Assistant to CEO  
Joe Egan, Manager, Special Projects  
Gerry Faber, Assistant General Counsel  
Ken Freeman, DRPA Public Safety  
Sylvia Gray-Newman, Administrative Coord.  
Karen Jacobson, Assistant General Counsel  
Edward Kasuba, Director of Corp. Comm.  
Brian Kelly, Captain, Public Safety  
Lisa Kmiec, Assistant General Counsel  
Howard Korsen, Manager, Contracts Admin  
Kevin LaMarca, Director, IS  
Roxanne LaRoc, Assistant General Counsel  
Byrd Lennon, Train Operator, PATCO  
Mark Lopez, Manager, Gov. Relations  
Sheila Milner, Administrative Coordinator  
Orville Parker, Manager, Budget  
Jim Quinn, Director of Revenue  
John Rogale, Dir., Labor Contract Compliance  
John Shea, Director, Equipment, PATCO  
Cheryl Spicer, Asst. Gen. Manager, PATCO  
Phil Spinelli, Project Manager, PATCO  
Jack Stief, Captain, Public Safety  
Steve Suder, Manager, Purchasing  
Mike Williams, Graphic Desgn. Admin.  
Dawn Whiton, Administrative Coordinator

**NEW JERSEY**

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

**Counsel**

David Rapauno, 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  
Marcella Ridenour, CAC  
Joanne Bernier, CAC  
Sean Leonard, CAC  
Sean Garry, CAC  
John Timmins, Penn Terminals  
Ed Nesmith

Karen Jacobson, substituting for 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 then called the meeting to order. He asked Ms. Jacobson to call the roll. Ms. Jacobson called the roll and announced that there was a quorum. Chairman Corbett presided.

### **Report of the Chief Executive Officer**

CEO Matheussen stated his CEO Report stands as submitted with the addition of the below items.

Mr. Matheussen announced that there were three retirees present to be acknowledged. He introduced Byrd Lennon who has dedicated 42 years of exemplary service to PATCO as a Train Operator, thanked him for his efforts on behalf of the safety of the riding public and extended his best wishes to Mr. Lennon in his retirement.

Mr. Matheussen introduced Captain Brian Kelly of the Authority's Public Safety Department and acknowledged the outstanding job he has done over 33 years of dedicated public service. Mr. Matheussen extended best wishes to Captain Kelly in his retirement.

Mr. Matheussen introduced Police Officer Ken Freeman and thanked him for his 23 years of exemplary service and dedication to public safety. He extended best wishes to Officer Freeman in his retirement.

CEO Matheussen stated that progress is continuing on the Walt Whitman Bridge Main Span Re-Decking Project. Beginning August 22, 2011, motorists will see re-striping work on the bridge. On August 24 and 25, weather permitting, crews are scheduled to install a barrier separating Lane 7, the eastbound lane, from the rest of the travel lanes. Lane 7 will be closed beginning at 5:00 am on Friday, August 26. Construction in each lane will take four to five months. Upon completion, the lane will re-open and the next successive lane will be closed. There will always be six lanes open to traffic. With use of the movable barrier, the DRPA will maintain four lanes of traffic into Philadelphia during the morning rush, except when the middle lane is under construction. The project is expected to take 3 years to complete. DRPA is continuing to keep the public informed of the project through DRPA press releases, email blasts, the WWB Advisory Radio Station, 530 AM and at the website, [www.deckthewalt.com](http://www.deckthewalt.com).

This concluded the Report of the CEO.

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

### **Approval of July 6, 2011 DRPA Board Meeting Minutes**

The Minutes of the July 6, 2011 Board Meeting of the Delaware River Port Authority were previously mailed to the Governor of New Jersey and the DRPA Commissioners.

On motion duly made and seconded, the Minutes of the July 6, 2011 Board Meeting were approved.

**Approval of July 20, 2011 DRPA Board Meeting Minutes**

The Minutes of the July 20, 2011 Board Meeting of the Delaware River Port Authority were previously mailed to the Governor of New Jersey and the DRPA Commissioners.

On motion duly made and seconded, the Minutes of the July 20, 2011 Board Meeting were approved.

**Receipt and Filing of the Monthly List of Payments Covering the Month of July 2011**

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

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

**Receipt and Filing of the Balance Sheet – As of March 31, 2011**

The Balance Sheet – As of March 31, 2011 was previously mailed to all Commissioners and there were no comments.

On motion duly made and seconded, the Balance Sheet – As of March 31, 2011 was received and filed.

**Report of the Audit Committee**

Commissioner Teplitz informed the Board that the Agenda packet contains Minutes from the Audit Committee meetings held on June 17, 2011 and June 28, 2011. He further informed the Board that the Committee will meet again after Labor Day. He explained that the Committee is moving forward on three issues: (1) the issuance of a Request for Proposal (“RFP”) for a forensic audit – he noted to the Board that the Committee is waiting to issue the RFP until after the New Jersey Comptroller’s report has been released; (2) the RFP for financial auditors – Commissioner Teplitz stated that this has been issued; and (3) filling the Inspector General position. He stated that the Committee will continue to move forward on these issues.

This concluded the Report of the Audit Committee.

**Report of the Citizens Advisory Committee**

Sean Leonard, Chair the Citizens Advisory Committee (“CAC”), addressed the Board on behalf of the CAC. He stated that he would like discuss the CAC’s proposed process for reporting to the Board, explain what the CAC has done so far and provide several recommendations to the Board.

Mr. Leonard informed the Board that the CAC intends to provide substantive recommendations to the Board on an annual basis. He stated that they hope to do that in March or April of every year. He noted that staff has been extremely helpful in providing the CAC with information

they have requested. He informed the Board that the CAC has established committees that are in the process of reviewing the information received.

Mr. Leonard informed the Board that the CAC has held two formal meetings thus far. He stated that the Committee was given several orientations by staff, which were very helpful. He acknowledged that the DRPA is a complex organization and stated that it would take time for the CAC to get up to speed. He further noted that the CAC drafted and approved by laws for itself, as well as formed committees.

Mr. Leonard stated that the CAC has several items that it believes should be brought to the Board immediately. First, he stated that the Ben Franklin Bridge walkway on the north side of the Bridge at the New Jersey side is very narrow and he inquired whether there was any plan to improve or expand that part of the walkway. CEO Matheussen stated that the north walkway was constructed as a maintenance walkway. It was not intended for public use. He noted that the north walkway is open to the public only when the south walkway must be closed. He stated that there is currently no plan to widen the walkway on the north side of the Bridge. He added that if the CAC would like, the Bridge Director, Chief Operating Officer and/or Chief Engineer could talk to the CAC in more detail about this issue.

Mr. Leonard further stated that the CAC received a presentation from a company called DRWEX, a provider of hovercraft services. He stated that DRWEX informed the CAC that they are trying to obtain a maritime easement from DRPA to operate a hovercraft service on the Delaware River. Mr. Leonard stated that the CAC has no objection to the grant of the easement, as long as safety concerns are addressed.

Mr. Leonard requested that the CAC link on [www.drpa.org](http://www.drpa.org) be updated to provide a mechanism for the public to ask questions of the CAC at the Committee's website. CEO Matheussen stated that staff would work with the CAC to update the link.

Finally, Mr. Leonard stated that Vice Chair Nash gave the Committee a very thorough presentation on the remaining economic development fund money. Mr. Leonard stated that the CAC believes that the sooner the distribution of those funds, whether to outside organizations or to the General Fund, occurs, the better it will be for the DRPA. He stated that the CAC believes that the issue of economic development has been projected into the spotlight and the sooner the issue is resolved, the better. The CAC believes that this issue has overshadowed many of the good things being done by the DRPA.

This concluded the Report of the Citizens Advisory Committee

#### **Approval of Operations & Maintenance Committee Report of July 20, 2011**

The Report of the Operations & Maintenance Committee Meeting of July 20, 2011 was previously mailed to all Commissioners and there were no comments.

On motion duly made and seconded, the Report of the Operations & Maintenance Committee of July 20, 2011 was approved.

**Adopt Resolutions Approved by Operations & Maintenance Committee of July 20, 2011**

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

**DRPA-11-064            Contract No. G-23-2011, Substation Replacements at the Betsy Ross and Walt Whitman Bridges**

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

**DRPA-11-065            Design Services for the PATCO Lindenwold Yard Track Rehabilitation**

**Adopt Resolution Approved by the Finance Committee of August 3, 2011**

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

**DRPA-11-066            Benefits Administration Contract**

**Unfinished Business**

There was no Unfinished Business for the DRPA Board.

**New Business**

**Item 1 – Consideration of Pending DRPA Contracts (between \$25,000 and \$100,000)**

Steve Suder, Manager, Purchasing, informed the Board that there are five contracts valued between \$25,000 and \$100,000.

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

**DRPA-11-067            Consideration of Pending DRPA Contracts (between \$25,000 and \$100,000)**

**Item 2 – City of Hope Charity Event Support Services and Restricted Public Access to Ben Franklin Bridge Walkway**

Under the Summary Statement and Resolution provided to the Board, staff requested that the Board authorize staff to provide support services and temporarily restrict public access to the Ben Franklin Bridge walkway during the City of Hope charity event scheduled for Sunday, September 18, 2011. Approximately 1,000 people are expected to participate in the event, which is a one-way walk from Camden, New Jersey to Philadelphia. The walk will begin at 10:00 am, with the closure of the walkway beginning at 9:45 am and lasting until approximately 11:30 am. The DRPA will provide appropriate notice of the planned closing via on-site signs, press advisories, blast emails and website notifications. The event benefits research and treatment programs to cure breast cancer.

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

**DRPA-11-068            City of Hope Charity Event Support Services and Restricted Public Access to Ben Franklin Bridge Walkway**

**Item 3 - Tour de Force Memorial Bike Ride – Restricted Access to BFB Walkway**

CEO Matheussen informed the Board that there was one additional item of New Business that was not on the Board's agenda as the request letter was received within 48 hours of the Agenda posting. He explained that the organization Tour de Force has asked the DRPA for permission to use the BFB walkway as part of their Memorial Bike Ride on Friday, September 9, 2011. Mr. Matheussen stated that it is not possible to close the Bridge to traffic on a weekday morning, and neither is it possible to close one lane and have bikes on the Bridge with vehicle traffic. As a result, staff has suggested that they could use the walkway to cross the Bridge. Mr. Matheussen explained that there will be approximately 270 cyclists participating in the event. The organization raises money for the families of fallen police officers.

Mr. Matheussen explained that if the cyclists can cross the Bridge with no DRPA assistance, then it would not need Board action, but that he wanted to inform the Board of the event and give it an opportunity to pass a Resolution if it chose to do so. He noted that if additional DRPA staff is ultimately needed, then this would be an in-kind contribution that would require Board approval. Mr. Matheussen stated that staff believes that the cyclists can cross with no additional DRPA staff needed to support the event.

CEO Matheussen further stated that in order to consider the item, the Board would need a supermajority, which is six Commissioners from each state, including at least one ex officio member. Mr. Matheussen stated that it was up to the Board whether or not they would like to pass a Resolution on this issue. He stated that Tour de Force believes that it has sufficient volunteers to keep the crowd in check without additional DRPA staff.

Chairman Corbett asked Chief McClintock if he was comfortable with the event. Chief McClintock stated that he was and noted that officers could be re-deployed if necessary.

Chairman Corbett stated that he was comfortable passing a Resolution after the fact, if necessary. He asked how much the additional staff might cost. CEO Matheussen stated that the \$370 listed in the Resolution was probably the maximum, but he believes it would be much lower.

Chairman Corbett asked if we have a supermajority. Ms. Jacobson stated that it would require a unanimous vote based on the number of Commissioners in attendance. At the Chairman's request, Ms. Jacobson conducted a roll call vote, which was unanimous to approve the Resolution.

CEO Matheussen asked the Chief to attempt to find FOP members that might be willing to donate their time to this event. The Chief stated that he would do so.

**Public Comment**

The Chairman asked if there were any members of the public who wished to speak. No member of the public requested to do so.

The meeting was held open to allow the Board to hold an Executive Session at the conclusion of the Committee Meetings.

Following the Executive Session, on motion duly made and seconded, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Karen M. Jacobson".

Karen M. Jacobson

Corporate Secretary Designee

# REPORT OF THE CHIEF EXECUTIVE OFFICER

**August 17, 2011**

Delaware River Port Authority  
of Pennsylvania and New Jersey  
One Port Center  
Camden, NJ

August 17, 2011

To the Commissioners:

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

## **Bridge and Finance**

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The redecking of the main span of the Walt Whitman Bridge is scheduled to begin on August 25. The redecking project will result in an entirely new deck over the Delaware River including the removal of the suspended span, installation of a new lightweight concrete filled jointless grid deck, structural improvements, new parapets and a new steel shell moveable barrier. 6 lanes out of a total of 7 lanes will be open to traffic during the construction. The total project is expected to take 3 years to complete. Stage one involves a planned 5 month closure of the eastbound curb lane.

On the Betsy Ross Bridge, the design consultant submitted a revised cost proposal for additional design services to convert the proposed Express E-APass from one lane to two lanes. The implementation of a two-lane Express E-ZPass operation will allow the toll plaza to operate at a higher level of service for a longer period of time. The conceptual engineering study for Express E-ZPass at the Walt Whitman Bridge has been completed. The report concludes that implementation of 2 Express E-ZPass lanes to the far left side of the toll plaza for I-76 bound traffic is feasible.

The Ben Franklin Bridge Deck Truss Rehabilitation project is continuing. The contractor is continuing the replacement of rivets within the New Jersey and Pennsylvania approaches as well as providing cleaning and painting support for repairs and bearing replacement.

Structural repairs at the Betsy Ross Bridge are moving forward. The contractor continues bearing replacements on the New Jersey approach and has started mobilization on the Route 90/Route 130 Bridge. Substructure repairs have started on the Union Avenue Bridge.

The Delaware River Port Authority's Public Safety Department is participating in the "Over the Limit Under Arrest 2011" statewide crackdown on drunken drivers. The effort begins on August 19<sup>th</sup> and runs thru September 5<sup>th</sup>. DRPA officers are joining local and state law enforcement officers to conduct sobriety checkpoints and looking for motorists who may be driving while intoxicated.

**FOR BRIDGE AND TRAFFIC HIGHLIGHTS, SEE ATTACHMENT 1**

**PATCO**

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On July 21 eight members of the DRPA Police Department's Visible Intermodal Prevention and Response team (VIPR) conducted a practice operation using canines and other law enforcement tactics at the 15/16<sup>th</sup> and Locust Station and the 8<sup>th</sup> and Market Station in Philadelphia. PATCO riders were informed of the drill in advance. Also involved in the exercise were Federal Air Marshalls and Transit Security Administration (TSA) screeners.

26 PATCO cars have been delivered to the Alstom plant for overhaul. The cars are undergoing evaluation and baseline testing. No more cars will be sent to the Alstom plant until the 26 cars there are overhauled. It's expected to take about two years to overhaul the first group of cars.

The PATCO Power Cable and Pole Line Replacement project is continuing with 778 of 839 poles installed to date as well as 24 of 30 transformers and 12 of 14 switches.

The final design for the four escalator replacements at Woodcrest, 12/13<sup>th</sup> and Locust and 15/16<sup>th</sup> and Locust Stations along with the required structural and architectural modifications at the three stations is complete. The bid documents are being finalized and the project will be advertised in August.

Demolition of the Parkade Building in Camden has been completed. The contractor is performing the structural work on PATCO's City Hall emergency exit which has been temporarily closed due to the ongoing work surrounding the exit.

The PATCO Cares program, which benefits area charities and non-profit organizations, hosted the National Multiple Sclerosis Society on Thursday, July 21<sup>st</sup> at the Woodcrest Station and the South Jersey Food Bank on Tuesday, July 26<sup>th</sup>, at the Westmont and Collingswood Stations. The events were held between 4pm and 6pm. Representatives were on hand to greet riders and circulate information about their organizations.

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

**RiverLink Ferry System**

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The RiverLink Ferry season is in full swing. The RiverLink Ferry continues to offer express service for all Susquehanna Bank Center concerts. Ferry service is available 30 minutes after events end. Through July 31, 2011, the RiverLink Ferry has carried 73,933 passengers.

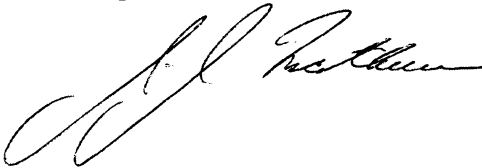
## **Employee Activities**

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Our congratulations are extended to DRPA Police Officers Matthew Weachter and James Hartnett. The Officers received Certificates of Appreciation from the State of New Jersey Office of the Attorney General, Department of Law and Public Safety, Division of Highway Traffic Safety 2010 Top Gun DWI Enforcement Program. Officers Weachter and Hartnett were recognized for their dedication and contribution to highway safety in New Jersey through their efforts in apprehending drunk and impaired drivers.

**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

**REPORT OF THE CHIEF EXECUTIVE OFFICER**

**AUGUST 17, 2011**

**ATTACHMENT 1**

**BRIDGE AND FINANCE**

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

**Attachment 1**

	MONTH OF MAY				TRAFFIC				BRIDGE TOLLS					
	-----2011-----		-----2010-----		INC/(DEC)		AMOUNT		%		INC/(DEC)		AMOUNT	
	TRAFFIC	TOLLS	TRAFFIC	TOLLS	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT
BEN FRANKLIN	1,611,634	\$7,014,332.46	1,609,085	\$6,971,041.04	0.16	2,549	0.62	\$43,291.42	-2.28	(191,410.01)	-0.97	(25,700.61)	-0.65	(\$138,179.58)
WALT WHITMAN	1,681,590	8,196,639.33	1,736,056	8,388,049.34	-3.14	(54,466)	0.43	2,461	-2.01	(10,169)	-1.35	(59,625)		
COMMODORE BARRY	574,371	3,330,640.07	571,910	3,295,000.45										
BETSY ROSS	496,260	2,612,581.86	506,429	2,638,282.47										
<b>TOTALS</b>	<b>4,363,855</b>	<b>\$21,154,193.72</b>	<b>4,423,480</b>	<b>\$21,292,373.30</b>										

	YEAR TO DATE				TRAFFIC				BRIDGE TOLLS					
	1/1/11 TO 5/31/11		1/1/10 TO 5/31/10		INC/(DEC)		AMOUNT		%		INC/(DEC)		AMOUNT	
	TRAFFIC	TOLLS	TRAFFIC	TOLLS	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT
BEN FRANKLIN	7,483,772	\$32,609,875.95	7,333,711	\$31,871,257.82	2.05	150,061	2.32	\$738,618.13	-1.86	(143,624)	-1.76	(662,065.79)	1.33	196,399.42
WALT WHITMAN	7,581,215	37,001,697.64	7,724,839	37,663,763.43			1.81	45,536	2.49	56,949	2.53	305,458.72	0.60	\$578,410.48
COMMODORE BARRY	2,559,348	14,966,195.79	2,513,812	14,769,796.37										
BETSY ROSS	2,345,671	12,369,835.78	2,288,722	12,064,377.06										
<b>TOTALS</b>	<b>19,970,006</b>	<b>\$96,947,605.16</b>	<b>19,861,084</b>	<b>\$96,369,194.68</b>										

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 May:

	<u>2010</u>	<u>2011</u>
Cash Revenue	\$8,440,404	\$7,952,742
ETC Revenue	\$12,851,151.18	\$13,199,718.60
Total Revenue	\$21,291,555.80	\$21,152,460.60
Non ETC Traffic	1,930,439	1,811,263
ETC Traffic	2,493,041	2,552,570
Total Traffic	4,423,480	4,363,833

**REPORT OF THE CHIEF EXECUTIVE OFFICER**

**AUGUST 17, 2011**

**ATTACHMENT 2**

**PERSONNEL ACTIONS**

**DELAWARE RIVER PORT AUTHORITY  
ACTIONS OF THE CHIEF EXECUTIVE OFFICER  
COMMISSION MEETING AUGUST 17, 2011**

**ARTICLE XII-A  
ATTACHMENT 2**

**PERSONNEL**

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**TEMPORARY APPOINTMENTS**

Lawrence F. Gasperone, Jr.	Temporary No Benefits Finance Division Revenue Audit (OPC)	Eff: 07/23/11 to 01/27/12
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**APPOINTMENTS**

**TEMPORARY ASSIGNMENT TO HIGHER CLASSIFICATION**

Anthony M. Fergione	From: Maintenance Foreman Operations Division Construction & Maintenance (BFB)	To: Acting Construction & Maintenance Manager Operations Division Bridge Director's Office (BFB) Eff: 07/02/11 to 09/30/11
Chong H. Young	From: Auditor Executive Division Internal Audit (OPC)	To: Acting Information Technology Auditor Executive Division Internal Audit (OPC) Eff: 07/02/11 to 12/31/11
Stephen J. Reiners	From: Maintenance Foreman Operations Division Construction & Maintenance (CBB)	To: Acting Fleet Shop Manager Operations Division Fleet Operations (South) Eff: 07/09/11 to 12/30/11
Allan R. Wickizer	From: Maintenance Foreman Operations Division Construction & Maintenance (BFB)	To: Acting Fleet Shop Manager Operations Division Fleet Operations (North) Eff: 07/09/11 to 12/30/11
Frank A. Borgesi	From: Maintenance Technician Operations Division Construction & Maintenance (WWB)	To: Acting Maintenance Foreman Operations Division Construction & Maintenance (WWB) Eff: 07/23/11 to 09/16/11

**TEMPORARY ASSIGNMENT TO HIGHER CLASSIFICATION (continued)**

Ryan R. Richards	From: Maintenance Technician Operations Division Construction & Maintenance (BFB)	To: Acting Maintenance Foreman Operations Division Construction & Maintenance (BFB) Eff: 07/23/11 to 09/16/11
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**PROMOTIONS**

Thomas N. Tice	From: C&M Mechanic Operations Division Construction & Maintenance (CBB)	To: Maintenance Technician Operations Division Construction & Maintenance (BFB) Eff: 07/16/11
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R. Dennis New	Electrical Technician Operations Division Construction & Maintenance (CBB)	To: Electrical Foreman Operations Division Construction & Maintenance (BRB) Eff: 07/23/11
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**INTERAGENCY TRANSFERS to DRPA - from PATCO** – None

**TRANSFERS - DEPARTMENTAL** – None

**RETIREMENTS**

Kenneth C. Freeman	Police Officer Public Safety Division Public Safety – Transit Unit	Eff: 07/02/11
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**RESIGNATIONS**

Michele S. Kanavel	Dispatcher Public Safety Division Public Safety - Administration (BFB)	Eff: 07/22/11
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**DECEASED** – None



DELAWARE RIVER PORT AUTHORITY  
PORT AUTHORITY TRANSIT CORPORATION



**RESOLUTION**

**WHEREAS,**

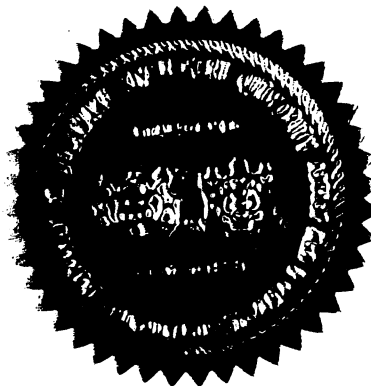
*KENNETH C. FREEMAN has faithfully served the Delaware River Port Authority for TWENTY-THREE years in a conscientious and reliable manner, and*

**WHEREAS,**

*KENNETH C. FREEMAN wishes to accept retirement effective July 2, 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, Police Officer, 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 KENNETH C. FREEMAN.*



**REPORT OF THE CHIEF EXECUTIVE OFFICER**

**AUGUST 17, 2011**

**ATTACHMENT 3**

**CONTRACTS AND PURCHASES**

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

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

Purchase Order P11S0063, Hewlett Packard, Omaha, NE. Hard Drives & Tape Drives.  
Contract Value: NTE \$16,979.40 (State Contract).

**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: \$11,456,028.10

**2011 CAPITAL BUDGET  
SUBSTITUTION OF PROJECTS**

None.

**ARTICLE XII-C, SECTION 5  
SUMMARY OF AUTHORIZED CONTRACT AND ENGINEERING PAYMENTS  
BRIDGES AND PATCO SYSTEM  
August 17, 2011**

SCHEDULE 1

Resolution #	Contract/Engineer	Contract Amount	Completed Percent	Work (billed) Amount	Retained Amount	Prior Payments	Invoice No.	Amount
(DRPA-09-050)	<b>Daidone Electric, Inc./Henkels &amp; McCoy, Inc. Joint Venture</b> PATCO Power Pole and Pole Line Replacement	\$28,539,305.72	51.6%	\$14,744,692.29	\$1,627,091.70	\$12,114,681.84	20	\$ 1,002,918.75
(DRPA-10-020)	<b>American Bridge Company</b> WWB Suspension & Anchorage Spans Deck Replacement	128,085,778.00	32.2%	41,242,602.24	3,581,821.17	34,505,749.17	10	3,155,031.90
(DRPA-10-152)	<b>Iron Bridge</b> CBB Structural Repairs	20,441,243.00	5.4%	1,094,036.55	109,403.66	473,338.80	2	511,294.09
(DRPA-10-123)	<b>Arora Systems Group, LLC</b> WWB & BFB Standpipe Testing	99,200.00	100.0%	99,200.00	4,960.00	0.00	1	94,240.00
(DRPA-11-005)	<b>Farfield Company</b> PATCO Lindenwold Yard Improvements	1,829,000.00	16.0%	292,936.00	29,293.60	132,718.05	2	130,924.35
(DRPA-11-005)	<b>Vanatt Electrical Construction, Inc.</b> PATCO Linden Interlocking Rehabilitation	2,933,800.00	2.6%	75,000.00	7,500.00	49,500.00	2	18,000.00
(DRPA-10-029)	<b>New Jersey Transit</b> PATCO Power Cable & ROW Fencing-Flagging Services	1,100,000.00	18.8%	207,008.69	0.00	124,825.38	3	82,183.31
(DRPA-09-059)	<b>Stanlex Consulting Services, Inc.</b> Express E-ZPass At BRB - Design Services	373,993.58	90.4%	337,941.62	81.18	337,129.82	16	730.62
(DRPA-10-077)	<b>Cornell &amp; Company</b> BFB Deck Truss Rehabilitation	15,645,200.00	43.2%	6,765,143.50	809,817.75	4,613,096.25	9	1,342,229.50
(DRPA-10-099)	BRB Miscellaneous Structural Repairs	14,114,422.50	30.0%	4,237,386.50	423,738.65	2,743,101.90	6	1,070,545.95
(DRPA-10-132)	BFB Structural Improvements	10,655,610.00	4.3%	461,655.00	46,165.50	311,164.20	3	104,325.50
(DRPA-09-081)	<b>HNTB Corporation</b> PMA 203-BFB Salt Storage Building	55,706.65	11.1%	6,207.06	0.00	0.00	1	6,207.06
(DRPA-10-010)	PATCO Lindenwold Yard Diamond Rehab. - CMS	329,224.76	38.1%	125,455.97	12,382.67	104,670.84	9	8,402.46
(DRPA-10-016)	BFB Deck Truss Rehab. - CMS	2,539,855.84	36.4%	924,886.53	77,920.62	740,185.31	9	106,780.60
(DRPA-09-001)	Task Order CS3119-Technical Support For Contract BF-31-2010	89,314.91	33.5%	29,946.50	0.00	21,219.87	4	8,726.63
(DRPA-10-022)	PATCO Track Rehabilitation Across BFB	3,151,242.54	81.2%	2,558,786.47	210,213.05	2,014,431.69	6	334,141.73
(DRPA-10-151)	<b>Carr &amp; Duff, Inc</b> CBB Security & Lighting Improvements	1,419,800.00	53.4%	757,650.00	73,377.50	169,807.50	2	514,465.00
(DRPA-10-004)	<b>WSP - Sells, Inc</b> 2010 Biennial Inspection - WWB	756,444.45	91.7%	693,923.85	0.00	643,579.86	9	50,343.99

**ARTICLE XII-C, SECTION 5  
SUMMARY OF AUTHORIZED CONTRACT AND ENGINEERING PAYMENTS  
BRIDGES AND PATCO SYSTEM  
August 17, 2011**

SCHEDULE 1

Resolution #	Contract/Engineer	Contract Amount	Completed Percent	Work (filled) Amount	Retained Amount	Prior Payments	Invoice No.	Amount
(DRPA-09-001)	<b>Urban Engineers, Inc.</b> Improvements 3rd Rail Sectionalization	89,563.13	14.4%	12,890.60	0.00	0.00	1	12,890.60
(DRPA-10-021)	W/WB Suspension & Anchorage Spans Deck Replacement Construction Management Services	11,688,508.67	11.3%	1,318,044.69	109,364.45	1,047,329.03	4	161,351.21
(DRPA-09-001)	W/WB Permit Vehicle Staging Area Task Order CM3510	88,285.37	59.7%	52,742.48	0.00	48,279.53	3	4,462.95
(DRPA-09-081)	<b>Jacobs Engineering Group, Inc</b> PM A305 Facility Drawing Scanning Admin & Cataloging	38,397.17	89.6%	34,385.79	0.00	32,664.73	5	1,721.06
(DRPA-09-081)	PM A306 Claim Review Vraduct Project	44,636.00	92.6%	41,337.32	0.00	39,249.11	4	2,088.21
(DRPA-09-001)	Task Order # EM3218 Front & Locust Cable Replacement	57,103.96	80.4%	45,934.46	0.00	24,433.27	3	21,501.19
(DRPA-09-081)	PM/A303 Development of RFP for PATCO/DRPA Tunnel Fire Safe	43,018.00	32.2%	13,858.19	0.00	10,556.20	3	3,301.99
(DRPA-09-081)	TaskOrder # EM3215 BFB Philadelphia Anchorage Substation Up.	90,091.39	64.1%	57,708.43	0.00	45,034.02	4	12,674.41
(DRPA-09-001)	<b>Birdsall Services Group (formerly CMX, Inc.)</b> Task Order # CM3511 PATCO Haddonfield & Ashland Station R	57,999.00	39.6%	22,996.41	0.00	0.00	1	22,996.41
(DRPA-10-143)	PATCO Bridges Painting & Structural Repairs C.M.S.	766,302.51	22.3%	171,232.19	14,531.97	100,968.19	4	55,732.03
(DRPA-09-001)	<b>STV, Inc.</b> Task Order #TT3312 PATCO Ventilation Vault	99,423.00	42.7%	42,478.11	0.00	32,153.30	2	10,324.81
(DRPA-09-034)	<b>A.P. Construction, Inc.</b> PATCO Concourse Improvements	5,306,800.00	67.2%	3,566,750.00	356,675.00	2,948,778.00	7	261,297.00
(DRPA-10-103)	PATCO Bridge Painting & Structural Repairs	6,856,656.00	29.5%	2,024,229.80	204,826.25	1,081,014.24	3	738,389.31
(DRPA-11-030)	<b>Greenman-Pedersen Inc.</b> CMS CBB Structural Repairs	1,337,227.33	1.4%	21,277.65	1,928.34	0.00	1	19,349.31
(DRPA-11-040)	<b>ESCO Electric</b> BFB Annex Building Fire Alarm System Replacement	136,464.00	17.1%	23,300.00	2,330.00	0.00	1	20,970.00
(DRPA-08-013)	<b>Burns Engineering, Inc</b> PATCO Subway Tunnel Standpipe System	682,878.57	99.6%	680,214.06	56,274.78	623,260.34	31	678.94
(DRPA-09-098/B)	Construction Monitoring Services PATCO Power Cable Pole Line Replacement	1,722,470.67	27.5%	472,961.86	48,719.68	337,959.38	6	86,282.80
(DRPA-11-006)	Construction Monitoring Services CMS PATCO Interlocking Rehabilitation Contract 34-E	569,104.27	7.5%	42,900.11	4,290.02	0.00	1 & 2	38,610.09
(DRPA-11-012)	<b>J.P.C. Group, Inc.</b> PATCO Pumps and Compressors Replacements	3,146,000.00	15.7%	495,150.00	49,515.00	121,815.00	2	323,820.00
(DRPA-09-060)	<b>Gannett Fleming, Inc.</b> PATCO Right of Way Embankment Restoration Drainage Improvements/Retaining Wall Rehabilitation	518,273.00	75.0%	388,594.50	38,859.46	347,489.05	16	2,245.99

**ARTICLE XII-C, SECTION 5  
SUMMARY OF AUTHORIZED CONTRACT AND ENGINEERING PAYMENTS  
BRIDGES AND PATCO SYSTEM  
August 17, 2011**

SCHEDULE 1

<i>Resolution #</i>	<i>Contract/Engineer</i>	<i>Contract Amount</i>	<i>Completed Percent</i>	<i>Work (billed) Amount</i>	<i>Retained Amount</i>	<i>Prior Payments</i>	<i>Invoice No.</i>	<i>Amount</i>
(DRPA-10-076)	<b>Paulus, Sokolowski &amp; Sartor, LLC</b> BFB Light Duty Maintenance Bldg. Design & Construction Support	233,992.00	66.9%	156,460.72	8,873.57	65,039.79	6 & 7	82,547.36
(DRPA-11-050)	<b>American Asphalt Company</b> PATCO Haddonfield & Ashland Station Paving & Repairs	1,497,879.75	83.2%	1,246,423.67	123,270.03	690,065.90	3	433,087.74
(DRPA-07-018)	<b>AECOM (formerly DMJM &amp; Harris, Inc.)</b> W/WB Design Services for Suspension Span Replacement	4,814,896.41	89.7%	4,317,220.57	22,712.76	4,246,944.01	48	47,563.80
(DRPA-08-093)	BRB & CBB Structural Repairs	1,364,796.00	85.6%	1,167,851.74	88,885.02	1,055,659.26	27	23,307.46
(DRPA-09-081)	PM Services for BFB -PMA102-Staff Augmentation	89,428.95	35.9%	32,104.55	0.00	29,405.83	4	2,698.72
(DRPA-09-081)	PM Services for BFB -PMA101-PATCO Track Rehabilitation	173,094.75	56.2%	97,197.28	0.00	78,096.09	5	19,101.19
(DRPA-09-023)	<b>Johnson, Mir-Miran &amp; Thompson</b> Penn's Landing Ferry Terminal Upgrades	420,140.30	57.2%	240,370.68	15,076.42	218,146.76	10	7,147.50
(DRPA-10-100)	<b>Remington &amp; Vernick Engineers, Inc.</b> BRB Misc. Structural Repairs	915,244.51	38.0%	347,703.04	28,988.77	241,729.40	8	76,984.87
(DRPA-09-001)	Task Order # CS3120- CBB Admin Fire Alarm Replacement	31,337.05	53.0%	16,593.82	0.00	15,881.32	4	712.50
(DRPA-09-001)	Annex Fire Alarm System Replacement	31,016.65	83.8%	25,989.22	0.00	23,153.53	8	2,835.69
(DRPA-10-005)	2010 Biennial Inspection - PATCO	311,650.00	82.4%	256,888.58	12,350.05	242,992.36	13	1,546.17
(DRPA-10-078)	<b>Sea Tow Delaware River</b> Safety Boat Services 11/1/2010-10/31/2011	112,880.00	5.3%	5,950.00	0.00	3,591.25	various	2,358.75
(DRPA-10-0135)	<b>SunCard Recovery Services</b> System Disaster Recovery Services 4/2011-3/31/2016	225,240.00	8.2%	18,403.00	0.00	14,928.00	152309977	3,475.00
(DRPA-08-066)	<b>Tektron Corporation</b> Maintenance Agreement 10/2008-10/2011	241,452.00	91.7%	221,331.00	0.00	214,624.00	33	6,707.00
(DRPA-08-069)	<b>Transcore</b> E-2-Pass System Equipment, Software Maintenance and Repair Services	6,642,553.60	85.0%	5,649,236.09	0.00	5,598,367.85	various	50,868.24
(DRPA-08-071)	<b>Willis Benefits of Pennsylvania/Benefit Harbor, LP</b> Benefits Consulting Services	560,000.00	77.6%	434,439.98	0.00	424,127.48	various	10,312.50

**ARTICLE XII-C, SECTION 5  
SUMMARY OF AUTHORIZED CONTRACT AND ENGINEERING PAYMENTS  
BRIDGES AND PATCO SYSTEM  
August 17, 2011**

SCHEDULE 1

<i>Resolution #</i>	<i>Contract/Engineer</i>	<i>Contract Amount</i>	<i>Completed Work Percent</i>	<i>Work (billed) Amount</i>	<i>Retained Amount</i>	<i>Prior Payments</i>	<i>Invoice No.</i>	<i>Amount</i>
(DRPA-10-105)	<b>PRWT Services, Inc.</b> Part-Time Toll Collectors 11/1/2010 - 10/31/2013	3,081,000.00	22.7%	697,957.86	0.00	618,160.15	various	79,797.71
(DRPA-09-001)	<b>Mc Cormick Taylor &amp; Associates</b> Task Order TT1022 Plan Preparation for Lane Closures During Maintenance & Construction Projects	57,501.02	76.7%	44,130.59	0.00	32,687.25	8	11,443.34
(DRPA-09-001)	<b>TUCS Cleaning Services, Inc.</b> Custodial Services	1,014,000.00	19.2%	194,199.49	0.00	193,349.49	Multiple	850.00
(DRPA-11-004)	<b>A.A. Duckett</b> One Port Center Computer Room HVAC	389,000.00	70.1%	272,700.00	23,360.00	0.00	1	249,340.00
<b>Total Contract and Engineer Payments</b>								<b><u>\$ 11,456,028.10</u></b>

**MONTHLY REPORT**  
**GENERAL PROCUREMENT ACTIVITY**

**During the month of July there were 59 Purchase Orders awarded totaling \$267,430.55.**

**Approx. 59.0% or \$157,718.45 of the monthly dollar total was made available to MBE, WBE and VOB's, representing 39.0% or 23 of the monthly total number of Purchase Orders.**

**Of the total monthly procurement available to MBE's and WBE's, approx. 4.9% or \$7,681.24 was awarded to MBE's and approx. 3.2% or \$5,057.52 was awarded to WBE's.**

**Of the total number of Purchase Orders available to MBE's and WBE's, approx. 26.1% or 6 Purchase Orders were awarded to MBE's and approx. 21.7% or 5 Purchase Orders were awarded to WBE's.**

**REPORT OF THE CHIEF EXECUTIVE OFFICER**

**AUGUST 17, 2011**

**ATTACHMENT 4**

**RISK MANAGEMENT AND SAFETY REPORT**

## DELAWARE RIVER PORT AUTHORITY INTEROFFICE COMMUNICATION

**To:** Toni P. Brown, Chief Administrative Officer

**From:** Marianne Staszewski, Director, Risk Management & Safety

**Subject:** Risk Management & Safety July Activity Report.

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

<b>Contractor Meetings Attended By Risk Management &amp; Safety</b>			
DATE	CONTRACTOR	DRPA CONTRACT NO.	PROJECT/WORK AREA
7/6	Ammann & Whitney		BRB resurfacing design kick off meeting Non OCIP
7/6, 7/20	JPC	WWB-15-2009	Bimonthly Safety Meetings Permit Load Vehicle Staging Area
7/6, 7/20	American Bridge	WWB-12-2009	Bimonthly Safety Meetings WWB Deck Rehabilitation
7/7, 7/21	Carr & Duff	CBB-19-2010	Bimonthly Safety Meetings CBB Security & Lighting Improvements
7/7, 7/21	Iron Bridge	CBB-18-2010	CBB Misc Structural Repairs Progress meetings
7/13, 7/27	Cornell & Company	BRB-11-2010	Bimonthly Safety Meetings BRB Misc Structural Repair
7/13, 7/27	Cornell & Company	BFB-26-2010	Bimonthly Safety Meetings BFB Deck Truss Rehabilitation
7/21	Esco Electrical Contractors	BF-30-2010	BFB Annex Bldg. Fire Alarm System Replacement Non OCIP project
<b>Safety Meetings Attended By Safety Specialists * attended by Risk Management also</b>			
DATE		NAME OF MEETING	
7/1		Rules & Procedures Safety Subcommittee Meeting	
7/11	*	2012 Budget Kick-Off Meeting	
7/12	*	Incident Accident Investigation Committee Meeting	
7/12, 7/13		Workplace Safety – CBB, BRB, BFB, WWB	
7/20	*	Bridge Director Meetings w/Safety Specialists	
7/26		Program & Activities Committee	
7/26	*	Quarterly Division Staff Meeting	
7/27		Pre-proposal meeting for Medical Exams and Testing RFP	
7/27	*	Central Safety & Health Meeting	
7/28	*	Departmental Staff Meeting	
7/28	*	Monthly Risk Management & Safety Staff Meeting with CAO	

<b>Risk Management Meetings Attended By Risk Management</b>		
<b>DATE</b>		
7/14		Meeting with the CAO and The Graham Company to discuss the 2000-2004 OCIP Credit Adjustment from Chartis
7/19		Meeting with Legal & Purchasing to discuss the revised MVR RFP to be released
7/19, 7/26		Weekly Staff Meetings with CAO
7/19		Meeting including the CAO, Contract Administration and HRS to discuss the DOT CDL & FTA Physicals 2011 Funding and 2012
7/22		Conference Call including CAO, Director RM&S, Chief McClintock, Captains Stief & Smith and Sgt Zito to discuss the Disabled Motorist Lesson Plans & Procedures

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

<b>Safety Training Conducted or Attended By Risk Management &amp; Safety</b>		
<b>DATE</b>		<b>TYPE OF TRAINING</b>
7/1,7/2,7/13		Refresher Drug & Alcohol training and new Fleet Safety Policy training for OPC and WWB Toll Department
7/13,7/15		Hand and power tool safety awareness for CBB,BFB,BRB,WWB

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

- 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 July.
- 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.
- July 1<sup>st</sup> meeting with CEO, Deputy CEO, and PATCO Assistant General Manager to discuss a draft policy for therapy dogs being allowed to ride PATCO trains.

DELAWARE RIVER PORT AUTHORITY  
LIST OF PAYMENTS 07/01/11 THRU 07/31/11  
MEETING DATE 08/17/2011

VENDOR NAME	ITEM DESCRIPTION	RESOLUTION #/ AUTHORIZATION	AMOUNT
STANDARD INSURANCE COMPANY	A/P Group Life & Accident	10-085	\$ 100,279.98
	A/P Group Life & Accident	Total	\$ 100,279.98
COUNTRY GAS SERVICES INC	Alternate Fuel	25KTHRES	\$ 145.50
	Alternate Fuel	Total	\$ 145.50
GOVDEALS, INC.	Auction Fee	25KTHRES	\$ 5,087.37
	Auction Fee		\$ 5,087.37
AECOM	Audit, Legal, Consultant & Other	09-081	\$ 2,698.72
AMERICAN ARBITRATION ASSOCIATION	Audit, Legal, Consultant & Other	25KTHRES	\$ 450.00
ARCHER & GREINER	Audit, Legal, Consultant & Other	09-102	\$ 4,072.50
BENEFIT HARBOR, LP	Audit, Legal, Consultant & Other	08-071	\$ 10,312.50
BROOKS PERSONNEL INC	Audit, Legal, Consultant & Other	25KTHRES	\$ 12,364.75
GOVERNMENT FINANCE OFFICERS ASSOC (GFOA)	Audit, Legal, Consultant & Other	25KTHRES	\$ 865.00
INTELYSIS CORPORATION	Audit, Legal, Consultant & Other	25KTHRES	\$ 7,884.32
JACOBS ENGINEERING GROUP INC	Audit, Legal, Consultant & Other	09-081	\$ 1,721.06
JOHN M SKONIER	Audit, Legal, Consultant & Other	25KTHRES	\$ 2,280.00
SCOTT E BUCHHEIT	Audit, Legal, Consultant & Other	25KTHRES	\$ 850.00
SODEXO, INC & AFFILIATES	Audit, Legal, Consultant & Other	25KTHRES	\$ 2,730.00
	Audit, Legal, Consultant & Other	Total	\$ 46,228.85
UNI-SELECT USA, INC	Barrier Machine - Repair & Maint	11-016	\$ 111.78
	Barrier Machine - Repair & Maint	Total	\$ 111.78
UNI-SELECT USA, INC	Batteries	11-016	\$ 1,370.67
	Batteries	Total	\$ 1,370.67
REMINGTON & VERNICK ENGINEERS, INC	Biennial Inspection - PATCO	10-005	\$ 1,546.17
WSP-SELLS DBA CHAS H SELLS INC	Biennial Inspection - WWB	10-004	\$ 50,343.99
	Biennial Inspection - WWB	Total	\$ 51,890.16
ACS STATE & LOCAL SOLUTIONS	Transaction Fees May	04-031	\$ 359,840.59
	Transaction Fees May	Total	\$ 359,840.59
BANK OF NEW YORK	Bond Service	Bond Resolutions	\$ 2,139,718.75
TD BANK NORTH	Bond Service	Bond Resolutions	\$ 4,141,000.00
	Bond Service	Total	\$ 6,280,718.75
A.P. CONSTRUCTION INC	Bridge Rehabilitation	10-103	\$ 738,389.31 **
BIRDSALL SERVICES GROUP, INC.	Bridge Rehabilitation	10-143	\$ 55,732.03 **
	Bridge Rehabilitation	Total	\$ 794,121.34
CASSANDRA SUTTON	Bridge Tolls Reimbursement	25KTHRES	\$ 5.00
CINDY PROCOPIO	Bridge Tolls Reimbursement	25KTHRES	\$ 5.00
DOROTHY AYERS	Bridge Tolls Reimbursement	25KTHRES	\$ 5.00
DURSUN ALI KECE	Bridge Tolls Reimbursement	25KTHRES	\$ 10.00
ESDENE HANDSUME JR	Bridge Tolls Reimbursement	25KTHRES	\$ 6.00
JU TAE KIM	Bridge Tolls Reimbursement	25KTHRES	\$ 15.00
RYAN MANN	Bridge Tolls Reimbursement	25KTHRES	\$ 5.00
	Bridge Tolls Reimbursement	Total	\$ 51.00
PAULUS, SOKOLOWSKI, & SARTOR, LLC	Buildings - BFB Light Duty Garage	10-076	\$ 82,547.36 **
	Buildings - BFB Light Duty Garage	Total	\$ 82,547.36
SODEXO, INC & AFFILIATES	Business Meetings	25KTHRES	\$ 210.00
	Business Meetings	Total	\$ 210.00
PORT AUTHORITY TRANSIT	Capital Labor		\$ 141,516.82 **
	Capital Labor	Total	\$ 141,516.82
DANIEL J. AULETTO	CDL License	25KTHRES	\$ 44.00
DAVID PEIFFER	CDL License	25KTHRES	\$ 44.00
EDWARD BRAUN	CDL License	25KTHRES	\$ 36.00
THOMAS M MIHALIC	CDL License	25KTHRES	\$ 44.00
	CDL License	Total	\$ 168.00
DELTA DENTAL PLAN OF NEW JERSEY INC	Cobra Reimbursements	10-087	\$ 911.22
VISION BENEFITS OF AMERICA	Cobra Reimbursements	10-084	\$ 139.88
	Cobra Reimbursements	Total	\$ 1,051.10
SODEXO, INC & AFFILIATES	Commissioner Meeting Expense	25KTHRES	\$ 300.00
	Commissioner Meeting Expense	Total	\$ 300.00
AECOM	Construction - BRB & CBB Structural Repairs	08-093	\$ 23,307.46 **
AMERICAN BRIDGE CO	Construction - WWB Deck Span Replacement	10-020	\$ 3,155,031.90 **
CARR & DUFF INC	Construction - CBB Security Lighting	10-151	\$ 514,465.00 **
CORNELL & CO INC	Construction - BFB Deck Truss Replacement	10-077, 099, 132	\$ 2,517,100.75 **
HOWARD NEEDLES TAMMEN & BERGENDOFF (HNTB)	Construction - BFB Deck Truss Replacement	10-016	\$ 106,780.60 **
IRON BRIDGE CONSTRUCTORS, INC.	Construction - CBB Structural Repairs	10-152	\$ 511,294.09 **
REMINGTON & VERNICK ENGINEERS, INC	Construction - BRB Structural Repairs	10-100	\$ 76,984.87 **
URBAN ENGINEERS INC	Construction - WWB Permit Staging Area	09-001	\$ 4,462.95 **
URBAN ENGINEERS, INC./URS, A JOINT VENTURE	Construction - WWB Deck Span Replacement	10-021	\$ 161,351.21 **
	Construction Projects	Total	\$ 7,070,778.83
MISTRAS GROUP INC.	Contractual Services	25KTHRES	\$ 2,030.62
SEA TOW DELAWARE RIVER	Contractual Services	10-078	\$ 2,358.75
TEKTRON CORPORATION	Contractual Services	08-066	\$ 6,707.00

\*\* Capital Expenditure

DELAWARE RIVER PORT AUTHORITY

LIST OF PAYMENTS 07/01/11 THRU 07/31/11  
MEETING DATE 08/17/2011

VENDOR NAME	ITEM DESCRIPTION	RESOLUTION #/ AUTHORIZATION	AMOUNT
THE BRICKMAN GROUP, LTD.	Contractual Services	25KTHRES	\$ 1,458.00
	Contractual Services	Total	\$ 12,554.37
AMERICAN EXPRESS	Credit Card Fees	25KTHRES	\$ 0.36
PAYMENTECH	Credit Card Fees	25KTHRES	\$ 242.65
	Credit Card Fees	Total	\$ 243.01
KENNETH CUTLER	Cruise Terminal Deposit Refund	25KTHRES	\$ 2,500.00
	Cruise Terminal Deposit Refund	Total	\$ 2,500.00
ACS GOVERNMENT SYSTEMS INC	Data Processing	10-111	\$ 5,502.50
SCHNEIDER ELECTRIC	Data Processing	10-092	\$ 1,819.42
	Data Processing	Total	\$ 7,321.92
ISOBUNKERS, LLC	Diesel Fuel	10-081	\$ 12,457.29
WM. HARGROVE MARINA	Diesel Fuel	25KTHRES	\$ 295.31
	Diesel Fuel	Total	\$ 12,752.60
SAFETY-KLEEN	Disposal Fees	25KTHRES	\$ 155.00
	Disposal Fees	Total	\$ 155.00
INTERSTATE MOBILE CARE, INC.	DOT CDL & FTA Physicals	08-094	\$ 28,974.00
	DOT CDL & FTA Physicals	Total	\$ 28,974.00
DRAEGER SAFETY DIAGNOSTICS, INC	DWI Enforcement	25KTHRES	\$ 1,017.90
	DWI Enforcement	Total	\$ 1,017.90
ATLANTIC CITY ELECTRIC	Electricity	UTILITY	\$ 686.76
P S E & G	Electricity	UTILITY	\$ 63,901.79
PECO ENERGY	Electricity	UTILITY	\$ 42,617.76
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVL.	Electricity	UTILITY	\$ 2,466.09
	Electricity	Total	\$ 109,672.40
ANGELA CARAMBOT	Employee Mileage	25KTHRES	\$ 18.00
BARBARA HOLCOMB	Employee Mileage	25KTHRES	\$ 26.10
CARLOTTA O'CONNELL	Employee Mileage	25KTHRES	\$ 10.00
CECIL BISHOP	Employee Mileage	25KTHRES	\$ 12.21
CHARLES KAIN	Employee Mileage	25KTHRES	\$ 91.23
CHARLES THOMPSON	Employee Mileage	25KTHRES	\$ 51.00
CHONG YOUNG	Employee Mileage	25KTHRES	\$ 24.30
DENISE SANCHEZ	Employee Mileage	25KTHRES	\$ 6.06
DON W. MILSTEAD	Employee Mileage	25KTHRES	\$ 9.00
DONALD TATHAM	Employee Mileage	25KTHRES	\$ 155.04
EDWARD D KASUBA	Employee Mileage	25KTHRES	\$ 8.67
ERIN WATTERSON	Employee Mileage	25KTHRES	\$ 9.18
GAIL POLK	Employee Mileage	25KTHRES	\$ 14.28
GERALD BASS	Employee Mileage	25KTHRES	\$ 9.18
GLENN CARNEY	Employee Mileage	25KTHRES	\$ 89.40
HEATHER ANNE GORNEY	Employee Mileage	25KTHRES	\$ 136.21
HOWARD KORSEN	Employee Mileage	25KTHRES	\$ 77.64
JAMES B QUINN	Employee Mileage	25KTHRES	\$ 236.91
JEANNE M AFFRONTI	Employee Mileage	25KTHRES	\$ 96.88
JOHN BUCK	Employee Mileage	25KTHRES	\$ 61.20
JOHN J. MATHEUSSEN	Employee Mileage	25KTHRES	\$ 129.40
JOHN T HANSON	Employee Mileage	25KTHRES	\$ 18.00
JOSEPH EGAN	Employee Mileage	25KTHRES	\$ 139.85
JOYCE GRACE-BROWN	Employee Mileage	25KTHRES	\$ 6.12
KEVIN LA MARCA	Employee Mileage	25KTHRES	\$ 23.15
KEVIN M. PRICE	Employee Mileage	25KTHRES	\$ 6.06
MARC GOLDE	Employee Mileage	25KTHRES	\$ 102.00
MARY WEIKEL	Employee Mileage	25KTHRES	\$ 42.96
MATTHEW LUONGO	Employee Mileage	25KTHRES	\$ 14.25
MICHAEL CASH	Employee Mileage	25KTHRES	\$ 24.20
MICHAEL MATEY	Employee Mileage	25KTHRES	\$ 81.60
MICHAEL VENUTO	Employee Mileage	25KTHRES	\$ 196.42
PATRICK MCCULLOUGH	Employee Mileage	25KTHRES	\$ 59.50
PATRICK MCCULLOUGH	Employee Mileage	25KTHRES	\$ 169.18
PAUL MASSIMILLO	Employee Mileage	25KTHRES	\$ 19.17
PERSEL GILLIAM, JR	Employee Mileage	25KTHRES	\$ 93.24
RICHARD L BROWN	Employee Mileage	25KTHRES	\$ 130.87
ROBERT RODRIGUEZ	Employee Mileage	25KTHRES	\$ 9.18
RONALD MIDILI	Employee Mileage	25KTHRES	\$ 8.73
STEPHEN D SUDER	Employee Mileage	25KTHRES	\$ 162.10
SUSAN SQUILLACE	Employee Mileage	25KTHRES	\$ 73.60
SYVILLA WILLIAMS	Employee Mileage	25KTHRES	\$ 18.36
THOMAS AGNES	Employee Mileage	25KTHRES	\$ 31.08
TIM SALVATORE	Employee Mileage	25KTHRES	\$ 66.81
TIMOTHY M PULTE	Employee Mileage	25KTHRES	\$ 165.32
URSELLE GARNETT	Employee Mileage	25KTHRES	\$ 57.48

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VENDOR NAME	ITEM DESCRIPTION	RESOLUTION #/ AUTHORIZATION	AMOUNT
VIJAY R PANDYA	Employee Mileage	25KTHRES	\$ 26.09
WILLIAM ANDERSON	Employee Mileage	25KTHRES	\$ 1.60
WILLIAM EDWARDS	Employee Mileage	25KTHRES	\$ 6.06
		Total	\$ 3,024.87
DELL MARKETING L.P.	Equipment	25KTHRES	\$ 511.28
GRAYBAR ELECTRIC COMPANY INC	Equipment	25KTHRES	\$ 109.52
LAWMEN SUPPLY CO OF NJ	Equipment	25KTHRES	\$ 1,446.60
LAWYERS DIARY & MANUAL	Equipment	25KTHRES	\$ 89.00
MANCINE OPTICAL	Equipment	25KTHRES	\$ 162.15
OAKSTONE WELLNESS	Equipment	25KTHRES	\$ 2,411.00
SPRINGTIME, INC.	Equipment	25KTHRES	\$ 59.68
		Total	\$ 4,789.23
NJ E-ZPASS	E-Z Pass	04-031	\$ 2,076.76
ACS STATE & LOCAL SOLUTIONS	E-Z Pass Clearing House	04-031	\$ 56,104.00
ACS STATE & LOCAL SOLUTIONS	E-Z Pass Fixed Monthly Operations Fee	04-031	\$ 51,881.78
ACS STATE & LOCAL SOLUTIONS	E-Z Pass VPC	04-031	\$ 165,723.31
ACS STATE & LOCAL SOLUTIONS	E-Z Pass Walk In CSC	04-031	\$ 82,970.80
NJ TURNPIKE AUTHORITY (NJ E-ZPASS)	E-ZPass Credit Card Fee Settlement		\$ 478,256.87
	E-ZPass Credit Card Fee Settlement	Total	\$ 837,013.52
			\$ 942,165.16
INTERNAL REVENUE SERVICE-CHICAGO	Federal/FICA Payroll Taxes	Total	\$ 942,165.16
	Federal/FICA Payroll Taxes	Total	\$ 942,165.16
JOHNSON, MIRMIRAN & THOMPSON	Ferry Terminal	09-023	\$ 7,147.50 **
	Ferry Terminal	Total	\$ 7,147.50
PFM GROUP	Financial Advisory Services	25KTHRES	\$ 2,500.00
	Financial Advisory Services	Total	\$ 2,500.00
ISOBUNKERS, LLC	Gasoline - Unleaded	10-081	\$ 69,964.69
	Gasoline - Unleaded	Total	\$ 69,964.69
HOWARD NEEDLES TAMMEN & BERGENDOFF (HNTB)	General Engineering	10-132	\$ 8,726.63 **
JACOBS ENGINEERING GROUP INC	General Engineering	09-001	\$ 34,175.60 **
REMINGTON & VERNICK ENGINEERS, INC	General Engineering	09-001	\$ 3,548.19 **
	General Engineering	Total	\$ 46,450.42
MCCORMICK, TAYLOR & ASSOCIATES	General Engineering Contracts	PRE 8-18	\$ 11,443.34
PENNONI ASSOCIATES INC	General Engineering Contracts	25KTHRES	\$ 4,085.36
	General Engineering Contracts	Total	\$ 15,528.70
CAMDEN PARKING AUTHORITY	Handicap Parking	25KTHRES	\$ 680.00
	Handicap Parking	Total	\$ 680.00
P S E & G	Heat	UTILITY	\$ 1,852.05
PHILADELPHIA GAS WORKS	Heat	UTILITY	\$ 1,251.97
SOUTH JERSEY GAS COMPANY	Heat	UTILITY	\$ 901.93
	Heat	Total	\$ 4,005.95
GRAHAM COMPANY	Insurance	11-002	\$ 2,660,512.20
NATIONAL UNION AIGRM SPECIAL BUSINESS	Insurance	08-022	\$ 49,156.62
	Insurance	Total	\$ 2,709,668.82
CERTIFIED SPEEDOMETER SERVICE	Investment - PATCO	25KTHRES	\$ 192.00
PORT AUTHORITY TRANSIT	Investment - PATCO		\$ 700,000.00
SPRINT	Investment - PATCO	UTILITY	\$ 3,167.26
VERIZON	Investment - PATCO	UTILITY	\$ 11,712.22
	Investment - PATCO	Total	\$ 715,071.48
O'NEILL CONSULTING CORP	IUOE Health & Welfare	09-097	\$ 3,547.38
	IUOE Health & Welfare	Total	\$ 3,547.38
IUOE 542 BENEFIT FUNDS	IUOE Medical Insurance	09-097	\$ 264,052.25
	IUOE Medical Insurance	Total	\$ 264,052.25
TUCS CLEANING SERVICE, INC.	Janitor Supplies	10-104	\$ 950.00
	Janitor Supplies	Total	\$ 950.00
DAWN WHITON	Job Certifications & Licenses	25KTHRES	\$ 15.00
	Job Certifications & Licenses	Total	\$ 15.00
WEEDS, INC.	Landscaping - Fertilizer	11-033	\$ 5,778.00
	Landscaping - Fertilizer	Total	\$ 5,778.00
AECOM	Legal/Consulting Engineers	07-018	\$ 47,563.80 **
GRAHAM COMPANY	Legal/Consulting Engineers	PRE 8-18	\$ 1,487.50 **
HOWARD NEEDLES TAMMEN & BERGENDOFF (HNTB)	Legal/Consulting Engineers	09-081	\$ 6,207.06 **
STANTEC CONSULTING SERVICES, INC	Legal/Consulting Engineers	09-059	\$ 730.62 **
	Legal/Consulting Engineers	Total	\$ 55,988.98
BANK OF AMERICA	Letter of Credit Payment	08-021/09-075	\$ 450.00
	Letter of Credit Payment	Total	\$ 450.00
ACS GOVERNMENT SYSTEMS INC	Licensing Fees - Software	11-033	\$ 66,593.20
CROSS MATCH TECHNOLOGIES, INC.	Licensing Fees - Software	25KTHRES	\$ 1,919.70
SUNGARD AVAILABILITY SERVICES LP	Licensing Fees - Software	25KTHRES	\$ 8,498.00
	Licensing Fees - Software	Total	\$ 77,010.90
BANK OF AMERICA	LOC Fees - 2008 Ref Rev Bonds	08-021	\$ 551,573.19

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MERRILL LYNCH, PIERCE, FENNER & SMITH INC	LOC Fees - 2008 Ref Rev Bonds	08-021	\$ 27,725.21
BANK OF AMERICA	LOC Fees - 2010 Ref Rev Bonds	09-075	\$ 637,318.99
MERRILL LYNCH, PIERCE, FENNER & SMITH INC	LOC Fees - 2010 Ref Rev Bonds	09-075	\$ 37,397.26
PNC BANK, NATIONAL ASSOCIATION	LOC Fees - 2010 Ref Rev Bonds	09-075	\$ 173,598.08
PNC CAPITAL MARKETS LLC	LOC Fees - 2010 Ref Rev Bonds	09-075	\$ 12,465.75
	LOC Fees - 2010 Ref Rev Bonds	Total	\$ 1,440,078.48
TRANSCORE	Maint. Fee - Toll Collection Equip	10-121	\$ 50,868.24
	Maint. Fee - Toll Collection Equip	Total	\$ 50,868.24
AMERICAN INSTITUTE OF CPA'S (AICPA)	Membership Dues	25KTHRES	\$ 430.00
GREATER PHILADELPHIA CHAMBER OF COMMERCE	Membership Dues	25KTHRES	\$ 4,294.00
HUMAN & CIVIL RIGHTS ASSOC. OF NEW JERSEY	Membership Dues	25KTHRES	\$ 200.00
NEW JERSEY BUSINESS & INDUSTRY ASSOCIATION	Membership Dues	25KTHRES	\$ 1,800.00
SOUTHERN NEW JERSEY DEVELOPMENT COUNCIL	Membership Dues	25KTHRES	\$ 825.00
	Membership Dues	Total	\$ 7,549.00
MODERN GROUP LTD	Mobile Equipment	11-014	\$ 27,662.00 **
	Mobile Equipment	Total	\$ 27,662.00
TD BANK NORTH	Net Payroll		\$ 197,591.02
WELLS FARGO BANK, NA	Net Payroll		\$ 2,293,651.22
	Net Payroll	Total	\$ 2,491,242.24
N.J. STATE - GIT	NJ Payroll Taxes		\$ 74,907.54
	NJ Payroll Taxes	Total	\$ 74,907.54
NEW JERSEY DEPT. OF LABOR & WORKFORCE DEVEL.	NJ Unemployment Comp Taxes		\$ 17,027.66
	NJ Unemployment Comp Taxes	Total	\$ 17,027.66
BLICK ART MATERIALS	Office Supplies	25KTHRES	\$ 327.29
PAPER MART	Office Supplies	10-096	\$ 1,123.81
PAPER MART	Office Supplies	10-096	\$ 635.00
SIMPLEXGRINNELL, LP	Office Supplies	25KTHRES	\$ 825.00
W.B. MASON CO. INC.	Office Supplies	10-155	\$ 2,373.10
	Office Supplies	Total	\$ 5,284.20
BEST LINE EQUIPMENT	Other Equipment - Portable Lift	25KTHRES	\$ 22,114.00 **
FERGUSON & MC CANN INC	Other Equipment - Fuel Dispenser Replacements	11-029	\$ 54,500.00 **
	Othr Equipment	Total	\$ 76,614.00
UNI-SELECT USA, INC	Other Vehicle Supplies	11-016	\$ 2,508.15
	Other Vehicle Supplies	Total	\$ 2,508.15
PA DEPT OF REVENUE	PA Payroll Taxes		\$ 22,090.02
	PA Payroll Taxes	Total	\$ 22,090.02
PA STATE EMP RETIREMENT SYS	PA Pension Employee Share		\$ 257,793.03
	PA Pension Employee Share	Total	\$ 257,793.03
PENNSYLVANIA UNEMPLOYMENT	PA Unemployment Comp Taxes		\$ 1,557.04
	PA Unemployment Comp Taxes	Total	\$ 1,557.04
PAPER MART	Paper	10-096	\$ 609.25
	Paper	Total	\$ 609.25
AMERICAN ASPHALT CO	Parking Lots	11-005	\$ 433,087.74 **
	Parking Lots	Total	\$ 433,087.74
ACS STATE & LOCAL SOLUTIONS	Parking TXN Fees	04-031	\$ 947.52
	Parking TXN Fees	Total	\$ 947.52
PRWT SERVICES INC	Part-time Toll Collectors	10-105	\$ 79,797.71
	Part-time Toll Collectors	Total	\$ 79,797.71
A.P. CONSTRUCTION INC	PATCO Construction	09-034	\$ 261,297.00 **
BIRDSALL SERVICES GROUP, INC.	PATCO Construction	09-001	\$ 22,996.41 **
DAIDONE ELECTRIC INC / HENKELS & MCCOY, INC	PATCO Construction	09-050	\$ 1,002,918.75 **
NEW JERSEY TRANSIT	PATCO Construction	10-029	\$ 82,183.31 **
PORT AUTHORITY TRANSIT	PATCO Construction		\$ 8,243.00 **
	PATCO Construction	Total	\$ 1,377,638.47
GANNETT FLEMING, INC.	PATCO Consulting - Incomplete	09-061	\$ 6,932.03 **
HOWARD NEEDLES TAMMEN & BERGENDOFF (HNTB)	PATCO Consulting - Incomplete	10-022	\$ 262,571.05 **
STV, INC	PATCO Consulting - Incomplete	09-001	\$ 10,324.81 **
URBAN ENGINEERS INC	PATCO Consulting - Incomplete	09-001	\$ 12,890.60 **
	PATCO Consulting - Incomplete	Total	\$ 292,718.49
BURNS ENGINEERING INC	PATCO Equipment	09-098	\$ 86,282.80
PORT AUTHORITY TRANSIT	PATCO Equipment		\$ 152,435.31 **
	PATCO Equipment	Total	\$ 238,718.11
PNC DRPA P-Card Wire Payment	P-Card Uniform, Maint & Hardware Purchases	PRE 8-18	\$ 86,130.32
	P-Card Uniform, Maint & Hardware Purchases	Total	\$ 86,130.32
PA STATE EMP RETIREMENT SYS	Pension - SERS		\$ 430,484.12
	Pension - SERS	Total	\$ 430,484.12
CITY OF PHILADELPHIA	Phila Employee W/H Taxes		\$ 35,941.96
	Phila Employee W/H Taxes	Total	\$ 35,941.96
AMERICAN EXPEDITING COMPANY	Postage	25KTHRES	\$ 73.37
POSTAGE BY PHONE	Postage	25KTHRES	\$ 15,000.00

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UNITED PARCEL SERVICE (UPS)	Postage	25KTHRES	\$ 799.64
	Postage	Total	\$ 15,873.01
INTERSTATE MOBILE CARE, INC.	Pre Employment Physicals	25KTHRES	\$ 2,366.00
	Pre Employment Physicals	Total	\$ 2,366.00
ALLEN REPRODUCTION CO	Printing	25KTHRES	\$ 21.60
PAPER MART	Printing	25KTHRES	\$ 439.42
	Printing	Total	\$ 461.02
ALLEN REPRODUCTION CO	Professional Services	25KTHRES	\$ 907.50
LEXISNEXIS	Professional Services	25KTHRES	\$ 1,600.00
MARCO POLO DESIGN	Professional Services	25KTHRES	\$ 700.00
US REGIONAL II OF NJ	Professional Services	25KTHRES	\$ 30.00
WALDEN M HOLL JR., M.D. & ASSOC., LLC	Professional Services	25KTHRES	\$ 2,400.00
	Professional Services	Total	\$ 5,637.50
AECOM	Program Management - PATCO Track Rehab	09-081	\$ 19,101.19 **
JACOBS ENGINEERING GROUP INC	Program Management - Tunnel Fire Life Safety	09-081	\$ 5,390.20 **
	Program Management	Total	\$ 24,491.39
TD BANK NORTH	Quarterly Remarketing Fee	08-021	\$ 30,805.49
	Quarterly Remarketing Fee	Total	\$ 30,805.49
CAMDEN REDEVELOPMENT AGENCY	Redevelopment Fee - Camden	PRE 8-18	\$ 400,000.00
	Redevelopment Fee - Camden	Total	\$ 400,000.00
GANNETT FLEMING, INC.	Rehabilitation Drainage	09-060	\$ 2,245.99 **
	Rehabilitation Drainage		\$ 2,245.99
AUDIO VISUAL RENTAL SERVICES LLC	Rentals	25KTHRES	\$ 1,315.00
SELECT EVENT RENTALS	Rentals	25KTHRES	\$ 3,380.00
TRANSPORT PLANNING & SERVICES	Rentals	25KTHRES	\$ 165.00
XEROX CORPORATION	Rentals	25KTHRES	\$ 8,593.00
	Rentals	Total	\$ 13,453.00
UNITED RENTALS INC.	Repair Facilities - Equip Rental	25KTHRES	\$ 11,825.00
	Repair Facilities - Equip Rental	Total	\$ 11,825.00
LUMINATOR HOLDING, L.P.	Repair/Replacement Toll Equip	25KTHRES	\$ 75.00
	Repair/Replacement Toll Equip	Total	\$ 75.00
AMERICAN ASPHALT CO	Repairs - BFB Bridge Asphalt	25KTHRES	\$ 933.19
CORRPRO COMPANIES, INC.	Repairs - BFB Bridge Cathodic Protection	25KTHRES	\$ 7,621.54
FUJITEC AMERICA INC	Repairs - All Bridges Elevators	10-095	\$ 21,235.62
REUTER-HANNEY CO INC	Repairs - BFB Bridge Switch Gear	25KTHRES	\$ 4,500.00
TRI-M GROUP LLC	Repairs - BFB Bridge Traffic Controls	11-017	\$ 16,125.00
	Repairs Bridges	Total	\$ 50,415.35
SOUTH JERSEY OVERHEAD DOOR CO INC	Repairs - Buildings	25KTHRES	\$ 2,464.12
TRI-M GROUP LLC	Repairs - Buildings	11-017	\$ 16,537.50
WASTE MANAGEMENT OF PA INC	Repairs - Buildings	25KTHRES	\$ 2,294.40
	Repairs - Buildings	Total	\$ 21,296.02
ASSOC. REFRIGERATION INC	Repairs - Heating/AC System	25KTHRES	\$ 8,287.39
FERGUSON & MC CANN INC	Repairs - Heating/AC System	25KTHRES	\$ 933.00
TRI-M GROUP LLC	Repairs - Heating/AC System	11-017	\$ 43,195.00
	Repairs - Heating/AC System	Total	\$ 52,415.39
RADIO SYSTEMS INC	Repairs - Mobile Equipment	25KTHRES	\$ 1,485.00
TEKTRON CORPORATION	Repairs - Mobile Equipment	25KTHRES	\$ 122.00
	Repairs - Mobile Equipment	Total	\$ 1,607.00
CAMDEN COMPUTERS INC (CCI)	Repairs - Office Equipment	25KTHRES	\$ 135.00
DOCUSENSE	Repairs - Office Equipment	25KTHRES	\$ 346.90
FUJITEC AMERICA INC	Repairs - Other Equipment	10-095	\$ 2,056.16
GANNETT FLEMING, INC.	Repairs - Other Equipment	25KTHRES	\$ 490.00
IRVINE FIRE PROTECTION	Repairs - Other Equipment	25KTHRES	\$ 600.00
TRI-M GROUP LLC	Repairs - Other Equipment	11-017	\$ 25,807.50
	Repairs - Other Equipment	Total	\$ 29,435.56
ONE CALL SYSTEMS, INC	Repairs - Signs	25KTHRES	\$ 49.28
	Repairs - Signs	Total	\$ 49.28
ARORA SYSTEMS GROUP, LLC	Repairs Bridge BFB & WWB Standpipes	10-123	\$ 94,240.00 **
GREENMAN PEDERSEN INC	Repairs Bridge CBB Structural Repairs	11-030	\$ 19,349.31 **
	Repairs Bridges	Total	\$ 113,589.31
AA DUCKETT, INC.	Repairs to Buildings - OPC Computer Room	11-004	\$ 249,340.00 **
ESCO ELECTRIC	Repairs to Buildings - BFB Annex Building	11-040	\$ 20,970.00 **
JPC GROUP	Repairs to Buildings - PATCO Pump Rooms	11-012	\$ 323,820.00 **
	Repairs to Buildings	Total	\$ 594,130.00
MEREDITH PAVING CORP.	Replacement of Roadway	25KTHRES	\$ 914.94
W. HARGROVE RECYCLING, INC	Replacement of Roadway	25KTHRES	\$ 653.97
	Replacement of Roadway	Total	\$ 1,568.91
CIGNA HEALTHCARE - CGLIC	Reserve for Amerihealth	10-086	\$ 476,181.82
DELTA DENTAL PLAN OF NEW JERSEY INC	Reserve for Amerihealth	10-087	\$ 24,444.64
VISION BENEFITS OF AMERICA	Reserve for Amerihealth	10-084	\$ 2,796.16

\*\* Capital Expenditure

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	Reserve for Amerihealth	Total	\$ 503,422.62
STANDARD INSURANCE COMPANY	Retiree Life Insurance	10-085	\$ 37,756.76
	Retiree Life Insurance	Total	\$ 37,756.76
AARP HEALTH CARE OPTIONS	Retiree Medical Insurance	10-108	\$ 120,234.03
CIGNA HEALTHCARE - CGLIC	Retiree Medical Insurance	10-086	\$ 159,380.81
HORIZON BLUE CROSS BLUE SHIELD OF NEW JERSEY	Retiree Medical Insurance	10-107	\$ 54,547.63
JEAN PRIEST	Retiree Medical Insurance	25KTHRES	\$ 175.00
	Retiree Medical Insurance	Total	\$ 334,337.47
BURNS ENGINEERING INC	Signal/Communication (Rail)	11-006	\$ 38,610.09 **
VANALT ELECTRICAL CONSTRUCTION INC	Signal/Communication (Rail)	11-005	\$ 18,000.00 **
	Signal/Communication (Rail)	Total	\$ 56,610.09
3M	Signs	25KTHRES	\$ 10,710.37
CREATIVE VISUAL SYSTEMS	Signs	25KTHRES	\$ 9,818.07
TRAFFIC SAFETY SERVICE CORP	Signs	25KTHRES	\$ 579.00
	Signs	Total	\$ 21,107.44
HEWLETT PACKARD COMPANY	Soft/Hardware Service Contracts	25KTHRES	\$ 2,460.60
SUNGARD AVAILABILITY SERVICES LP	Soft/Hardware Service Contracts	10-135	\$ 3,475.00
	Soft/Hardware Service Contracts	Total	\$ 5,935.60
503 CORP	Stores Inventory	25KTHRES	\$ 112.40
A&A GLOVE & SAFETY CO.	Stores Inventory	25KTHRES	\$ 1,416.00
A&M INDUSTRIAL SUPPLY	Stores Inventory	25KTHRES	\$ 21.50
AIRGAS REFRIGERANTS, INC	Stores Inventory	25KTHRES	\$ 893.40
ARBILL SAFETY PRODUCTS	Stores Inventory	25KTHRES	\$ 531.36
ASPEN CHEMICAL INC.	Stores Inventory	25KTHRES	\$ 1,468.60
BESTWORK INDUSTRIES FOR THE BLIND INC	Stores Inventory	25KTHRES	\$ 34.25
CL PRESSER COMPANY	Stores Inventory	25KTHRES	\$ 475.68
EAST COAST STEEL	Stores Inventory	25KTHRES	\$ 2,477.54
FAIRLITE ELECTRIC SUPPLY CO INC	Stores Inventory	25KTHRES	\$ 564.00
FRANKLIN ELECTRIC CO	Stores Inventory	25KTHRES	\$ 1,361.59
GALE'S INDUSTRIAL SUPPLY	Stores Inventory	25KTHRES	\$ 981.07
GARDEN STATE HIGHWAY PRODUCTS	Stores Inventory	25KTHRES	\$ 2,982.00
GOODYEAR TIRE & RUBBER	Stores Inventory	25KTHRES	\$ 3,667.30
GRAN TURK	Stores Inventory	25KTHRES	\$ 369.16
LAWSON PRODUCTS INC	Stores Inventory	25KTHRES	\$ 999.31
M A BRUDER & SONS INC	Stores Inventory	25KTHRES	\$ 1,415.52
MULTIFACET, INC.	Stores Inventory	25KTHRES	\$ 2,633.79
NATIONAL MAINTENANCE SUPPLIES, INC.	Stores Inventory	25KTHRES	\$ 1,497.00
OLD DOMINION BRUSH	Stores Inventory	25KTHRES	\$ 1,300.00
RIBBONS EXPRESS INC	Stores Inventory	25KTHRES	\$ 2,390.00
SALERNO TIRE CORPORATION	Stores Inventory	25KTHRES	\$ 5,712.44
SANDT PRODUCTS INC	Stores Inventory	25KTHRES	\$ 2,305.71
T & B SPECIALTIES, INC	Stores Inventory	25KTHRES	\$ 712.08
Y-PERS	Stores Inventory	25KTHRES	\$ 843.75
	Stores Inventory	Total	\$ 37,165.45
BUSINESS INSURANCE	Subscriptions	25KTHRES	\$ 24.99
DIRECTV	Subscriptions	25KTHRES	\$ 50.38
THOMPSON PUBLISHING GROUP, INC. (TPG)	Subscriptions	25KTHRES	\$ 469.20
	Subscriptions	Total	\$ 544.57
AMERICAN RED CROSS	Supplies	25KTHRES	\$ 994.00
KAESER AND BLAIR INC.	Supplies	25KTHRES	\$ 340.21
POTTY QUEEN	Supplies	25KTHRES	\$ 180.00
RUMSEY ELECTRIC CO	Supplies	25KTHRES	\$ 20,085.00
SAFETY-KLEEN	Supplies	25KTHRES	\$ 89.00
SOUTH JERSEY WELDING	Supplies	25KTHRES	\$ 840.96
TAPE4BACKUP.COM	Supplies	25KTHRES	\$ 2,275.00
TRI-COUNTY TERMITE & PEST CONTROL INC.	Supplies	25KTHRES	\$ 80.00
	Supplies	Total	\$ 24,884.17
BURNS ENGINEERING INC	Support Equipment	08-013	\$ 678.94 **
	Support Equipment	Total	\$ 678.94
UBS GLOBAL ASSET MANAGEMENT	Swap Interest Payments	REV BONDS	\$ 3,296,939.92
	Swap Interest Payments	Total	\$ 3,296,939.92
AT&T	Telephone	UTILITY	\$ 510.56
AT&T TELECONFERENCE SERVICES	Telephone	UTILITY	\$ 69.34
ETHICSPPOINT, INC.	Telephone	25KTHRES	\$ 1,722.83
SPRINT	Telephone	UTILITY	\$ 9,697.12
VERIZON	Telephone	UTILITY	\$ 49,477.23
VERIZON WIRELESS	Telephone	UTILITY	\$ 5,671.98
	Telephone	Total	\$ 67,149.06
DUNBAR ARMORED	Toll Deposit Processing Fee	09-055	\$ 17,623.41
	Toll Deposit Processing Fee	Total	\$ 17,623.41

\*\* Capital Expenditure

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HOWARD NEEDLES TAMMEN & BERGENDOFF (HNTB)	Track Renewal	10-022	\$ 71,570.68 **
	Track Renewal	Total	\$ 71,570.68
FARFIELD COMPANY	Track Upgrading	11-007	\$ 130,924.35 **
HOWARD NEEDLES TAMMEN & BERGENDOFF (HNTB)	Track Upgrading	10-010	\$ 8,402.46 **
	Track Upgrading	Total	\$ 139,326.81
APCO INTERNATIONAL	Training - Registration	25KTHRES	\$ 625.00
BUSINESS 21 PUBLISHING	Training - Registration	25KTHRES	\$ 468.00
MAURY ABREU	Training - Registration	25KTHRES	\$ 792.00
NEW HORIZONS COMPUTER LEARNING CENTERS	Training - Registration	25KTHRES	\$ 7,485.00
NEW JERSEY INST. CONTINUING LEGAL EDUCATION	Training - Registration	25KTHRES	\$ 458.00
	Training - Registration	Total	\$ 9,828.00
JOSEPH O'NEILL	Training, Travel and Subsistence	25KTHRES	\$ 20.10
STEPHANIE JACKSON WOOLLEY	Training, Travel and Subsistence	25KTHRES	\$ 34.67
	Training, Travel and Subsistence	Total	\$ 54.77
WASTE MANAGEMENT OF NEW JERSEY, INC	Trash Removal	25KTHRES	\$ 128.50
	Trash Removal	Total	\$ 128.50
JEFFREY D BADGER	Tuition Reimbursement	25KTHRES	\$ 707.00
JENNIFER MCCARTHY	Tuition Reimbursement	25KTHRES	\$ 360.00
JESSICA GABE	Tuition Reimbursement	25KTHRES	\$ 726.00
PETER FISCHER	Tuition Reimbursement	25KTHRES	\$ 1,245.00
	Tuition Reimbursement	Total	\$ 3,038.00
PENNSYLVANIA UNEMPLOYMENT	Unemployment		\$ 8,230.00
	Unemployment	Total	\$ 8,230.00
A-1 UNIFORM CITY INC	Uniforms	25KTHRES	\$ 2,706.25
ACME UNIFORM RENTAL SER INC	Uniforms	25KTHRES	\$ 91.00
KEYSTONE UNIFORM CAP	Uniforms	25KTHRES	\$ 240.00
LEHIGH VALLEY SAFETY SHOE/SUPPLY COMPANY	Uniforms	11-020	\$ 209.85
RED WING BRANDS OF AMERICA, INC.	Uniforms	11-020	\$ 6,013.00
ROLFERRY'S IMPRINT SPECIALTIES, INC.	Uniforms	25KTHRES	\$ 444.50
	Uniforms	Total	\$ 9,704.60
EMPLOYEE PASS THROUGH PAYMENTS	Union Dues,Employee Contributions,Wage Attachments		\$ 144,260.30
	Union Dues,Employee Contributions,Wage Attach	Total	\$ 144,260.30
UNI-SELECT USA, INC	Vehicle Repairs - Inside	11-016	\$ 4,892.13
	Vehicle Repairs - Inside	Total	\$ 4,892.13
CERTIFIED SPEEDOMETER SERVICE	Vehicle Repairs - Outside	25KTHRES	\$ 736.00
PACIFICO FORD INC	Vehicle Repairs - Outside	25KTHRES	\$ 1,755.95
	Vehicle Repairs - Outside	Total	\$ 2,491.95
NEW HOLLAND AUTO GROUP	Vehicles	11-014	\$ 31,790.00 **
	Vehicles	Total	\$ 31,790.00
PROVIDENT LIFE & ACCIDENT INSURANCE CO	Voluntary Disability Program	PRE 8-18	\$ 178.20
	Voluntary Disability Program	Total	\$ 178.20
CAMDEN COUNTY MUA	Water and Sewer	UTILITY	\$ 1,732.50
CITY OF CAMDEN	Water and Sewer	UTILITY	\$ 5,501.22
MERCHANTVILLE-PENNSAUKEN	Water and Sewer	UTILITY	\$ 2,015.00
NESTLE WATERS NORTH AMERICA	Water and Sewer	25KTHRES	\$ 538.72
NEW JERSEY AMERICAN WATER	Water and Sewer	UTILITY	\$ 582.01
PENNSAUKEN SEWERAGE AUTH	Water and Sewer	UTILITY	\$ 857.00
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVL.	Water and Sewer	UTILITY	\$ 695.26
WATER REVENUE BUREAU	Water and Sewer	UTILITY	\$ 1,425.33
	Water and Sewer	Total	\$ 13,347.04
SCIBAL	Workman's Compensation		\$ 139,200.33
	Workman's Compensation	Total	\$ 139,200.33
		Total	\$ 34,682,604.47

**DELAWARE RIVER PORT AUTHORITY**  
**BALANCE SHEET**  
**MARCH 31, 2011**  
(Unaudited)

	Capital Fund	Restricted Funds Project Funds	Revenue Fund	Maintenance Reserve Fund	Restricted Funds Bond Service Funds	Bond Reserve Funds	General Fund	March 31, 2011 Combined Total	Dec. 31, 2010 Combined Total
<b>ASSETS</b>									(Unaudited)
Cash (Schedule 1)			4,497,378.79				1,197,534.50	6,231,744.26	4,741,363.50
Investment in securities (Schedule 2):			12,216,474.87	4,133,258.39	31,985,003.88	109,615,798.86	256,021,310.59	334,073,994.09	381,801,553.37
Restricted		188,339,932.96	12,216,474.87	4,133,258.39	31,985,003.88	109,615,798.86	256,021,310.59	268,237,785.46	273,673,404.24
Unrestricted		188,339,932.96						602,311,779.55	655,474,957.61
Accrued interest receivable		3,604.64					598,669.19	602,273.83	638,440.34
Accounts receivable			4,570,802.18				4,223,154.11	8,793,956.29	10,270,035.33
Transit system and stores inventory			368,893.21				6,089,880.50	6,458,773.71	6,192,536.52
Prepaid expenses and other assets			1,172,478.85				1,477,113.64	2,649,592.49	3,932,357.35
Economic development loans - Net (Schedule 5)							17,947,062.52	17,947,062.52	20,194,478.42
Investment in facilities	\$1,714,935,595.95						861,393.13	1,715,796,989.08	1,704,691,826.10
Less accumulated depreciation	621,070,676.20						12,017.25	621,082,693.45	609,137,861.74
Unrestricted	1,093,864,919.75						849,375.88	1,094,714,295.63	1,095,553,964.36
Debt issuance cost, net of amortization	8,944,878.84						6,621,103.78	15,565,982.62	15,852,044.20
Deferred outflows on hedging derivatives	125,108,108.65						295,025,204.71	125,108,108.65	125,108,108.65
	<u>1,227,917,907.24</u>	<u>188,880,368.57</u>	<u>22,826,027.90</u>	<u>4,133,258.39</u>	<u>31,985,003.88</u>	<u>109,615,798.86</u>	<u>295,025,204.71</u>	<u>1,880,383,569.55</u>	<u>1,937,958,286.28</u>
<b>LIABILITIES AND FUND EQUITIES</b>									
Accounts payable:									
Retained amount on contracts			97,531.61				5,582,831.58	5,680,363.19	6,081,764.37
Other			3,198,196.07				4,936,399.19	8,134,595.26	18,858,255.58
Accrued liabilities:			3,295,727.68				10,519,230.77	13,814,958.45	24,940,019.95
Interest					9,031,075.25			9,031,075.25	18,187,494.34
Pension			323,271.92				200,535.68	523,807.60	174,742.80
Sick and vacation leave benefits			3,148,189.26				1,725,438.32	4,873,627.58	4,873,627.58
Derivative Instruments						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
Deferred revenue			28,318,300.97				16,177,032.00	55,549,913.99	246,298,197.35
Provisions:									
Repainting			6,582,049.36					6,582,049.36	6,575,197.77
Other			65,525,366.15				1,744,166.60	65,525,366.15	64,384,766.15
Other			2,676,986.83				1,744,166.60	4,421,153.43	4,190,185.78
			<u>68,202,352.98</u>					<u>69,946,519.58</u>	<u>68,574,951.93</u>
Funded and long term debt	1,020,664,839.12						305,926,883.27	1,326,591,722.39	1,368,928,921.64
<b>Total Liabilities</b>	<u>1,202,605,768.19</u>				<u>9,031,075.25</u>		<u>334,367,312.64</u>	<u>1,472,485,163.77</u>	<u>1,715,317,288.64</u>
<b>Fund Equities</b>	<u>25,312,139.05</u>	<u>188,880,368.57</u>	<u>(83,572,403.09)</u>	<u>4,133,258.39</u>	<u>22,953,928.63</u>	<u>107,592,293.09</u>	<u>(39,342,107.93)</u>	<u>225,957,476.71</u>	<u>222,640,997.64</u>
	<u>\$1,227,917,907.24</u>	<u>188,880,368.57</u>	<u>22,826,027.90</u>	<u>4,133,258.39</u>	<u>31,985,003.88</u>	<u>109,615,798.86</u>	<u>295,025,204.71</u>	<u>1,880,383,569.55</u>	<u>1,937,958,286.28</u>

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 AUTHORITIES  
STATEMENT OF REVENUES AND EXPENSES (Unaudited)  
FOR THE PERIODS INDICATED**

	Period ended		1st Quarter 2010		1st Quarter 2011	
	March 31, 2011	March 31, 2010	1st Quarter 2010	1st Quarter 2011	1st Quarter 2010	1st Quarter 2011
Operating revenues and expenses:						
Bridge:						
Tolls (Schedule 4)	\$55,526,921.94	\$54,423,115.60	\$55,526,921.94	\$54,423,115.60	\$54,423,115.60	\$54,423,115.60
Other operating revenues	1,055,002.30	1,024,272.63	1,055,002.30	1,024,272.63	1,024,272.63	\$55,447,388.23
Operating expenses	11,703,581.03	10,911,161.59	11,703,581.03	10,911,161.59	10,911,161.59	
Depreciation	7,677,021.96	7,206,551.79	7,677,021.96	7,206,551.79	7,206,551.79	18,117,713.38
Transit system:						
Passenger fares	5,714,938.65	5,380,444.32	5,714,938.65	5,380,444.32	5,380,444.32	
Other operating revenues	468,488.14	376,676.06	468,488.14	376,676.06	376,676.06	5,757,120.38
Operating expenses	10,007,767.26	10,092,886.85	10,007,767.26	10,092,886.85	10,092,886.85	
Lease & Community impact expense	889,965.42	868,133.19	889,965.42	868,133.19	868,133.19	
Depreciation	3,829,681.11	3,666,938.28	3,829,681.11	3,666,938.28	3,666,938.28	14,627,958.32
General Administration expenses	(8,543,987.00)	(8,870,837.94)	(8,543,987.00)	(8,870,837.94)	(8,870,837.94)	(8,870,837.94)
	28,657,334.25	28,458,836.91	28,657,334.25	28,458,836.91	28,458,836.91	28,458,836.91
	7,776,062.71	7,477,663.68	7,776,062.71	7,477,663.68	7,477,663.68	7,477,663.68
Operating revenues in excess of expenses	20,881,271.54	20,981,153.23	20,881,271.54	20,981,153.23	20,981,153.23	20,981,153.23
Interest income (Schedule 3)	1,798,590.30	2,216,272.67	1,798,590.30	2,216,272.67	2,216,272.67	2,216,272.67
Change in fair value of SWAPS (Schedule x)						
Interest on funded debt (Note 12):						
Port District Project bonds, Series 1998	(748,935.54)	(2,009,172.03)	(748,935.54)	(2,009,172.03)	(2,009,172.03)	(2,009,172.03)
Refunding Revenue bonds, Series 1998	-	(310,022.64)	-	(310,022.64)	(310,022.64)	(310,022.64)
Revenue bonds, Series 1999	(5,775,160.59)	(11,388,713.64)	(5,775,160.59)	(11,388,713.64)	(11,388,713.64)	(11,388,713.64)
Port District Project bonds, Series 1999	(2,548,548.81)	(3,126,134.79)	(2,548,548.81)	(3,126,134.79)	(3,126,134.79)	(3,126,134.79)
Port District Project bonds, Series 2001	(1,490,805.36)	(1,581,245.97)	(1,490,805.36)	(1,581,245.97)	(1,581,245.97)	(1,581,245.97)
Refunding Revenue bonds, Series 2010	(250,481.10)	-	(250,481.10)	-	-	-
Revenue bonds, Series 2010	(3,896,499.39)	-	(3,896,499.39)	-	-	-
Refunding Revenue bonds, Series 2008	(4,656,431.89)	(4,785,260.12)	(4,656,431.89)	(4,785,260.12)	(4,785,260.12)	(23,200,549.19)
Excess of revenues over expenses	(19,366,862.68)	(23,200,549.19)	(19,366,862.68)	(23,200,549.19)	(23,200,549.19)	(23,200,549.19)
before other income (expenses)	3,312,999.16	(3,123.29)	3,312,999.16	(3,123.29)	(3,123.29)	(3,123.29)
Other income (expenses):						
Other	(150,857.61)	(671,487.73)	(150,857.61)	(671,487.73)	(671,487.73)	(671,487.73)
Port of Philadelphia and Camden	(40,857.46)	(102,406.32)	(40,857.46)	(102,406.32)	(102,406.32)	(102,406.32)
Depreciation and Amortization	(438,128.64)	(481,776.00)	(438,128.64)	(481,776.00)	(481,776.00)	(584,182.32)
Income (Loss) before other activities	2,683,155.45	(1,258,793.34)	2,683,155.45	(1,258,793.34)	(1,258,793.34)	(1,258,793.34)
Economic Development Activities	(1,081,644.07)	(19,128,323.08)	(1,081,644.07)	(19,128,323.08)	(19,128,323.08)	(19,128,323.08)
Net Income (Loss)	<u>\$1,601,511.38</u>	<u>(\$20,387,116.42)</u>	<u>\$1,601,511.38</u>	<u>(\$20,387,116.42)</u>	<u>(\$20,387,116.42)</u>	<u>(\$20,387,116.42)</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the period ended March 31 (Unaudited)

	<b>3 Months 2011</b>	<b>3 Months 2010</b>
<b>OPERATING ACTIVITIES:</b>		
Operating revenues in excess of expenses	\$20,881,271.54	\$20,981,153.23
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	11,944,831.71	11,355,266.07
Port of Philadelphia and Camden Economic development activities	(40,857.46) (1,081,644.07)	(102,406.32) (19,128,323.08)
Changes in assets and liabilities which provided (used) cash:		
Accounts receivable	1,476,079.04	4,280,454.63
Economic development loans - Net SWAP Instruments	2,247,415.90 -	145,466.14 -
Transit system and stores inventory	(266,237.19)	174,955.79
Prepaid expenses and other assets	1,282,764.86	(16,265.96)
Accounts payable	(11,125,061.50)	(10,937,867.96)
Accrued liabilities	349,064.80	(202,572.76)
Deferred revenue	6,851.59	(64,851.44)
Repainting provision	1,140,600.00	725,200.00
Other provisions	230,967.65	(403,974.33)
Other	(588,986.25)	(1,153,263.73)
Net cash provided by operating activities	<u>26,457,060.62</u>	<u>5,652,970.28</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	(11,105,162.98)	(8,312,795.32)
Cash provided by capital grants	1,714,967.69	1,093,211.62
Issuance of new debt	-	-
Repayment of funded debt	(42,675,000.00)	(40,445,000.00)
Interest paid	(27,899,419.44)	(71,381,757.57)
Proceeds from facility disposals	-	-
Net cash used for capital and related financing activities	<u>(79,964,614.73)</u>	<u>(119,046,341.27)</u>
<b>NET DECREASE IN CASH BEFORE INVESTING ACTIVITIES</b>	<u>(53,507,554.11)</u>	<u>(113,393,370.99)</u>
<b>INVESTMENT ACTIVITIES:</b>		
Unrestricted:		
Net Proceeds from sale (purchases) of investments	<u>5,435,618.78</u>	<u>45,534,071.07</u>
Decrease (Increase) in investments	<u>5,435,618.78</u>	<u>45,534,071.07</u>
Restricted:		
Net Proceeds from sale (purchases) of investments	<u>47,727,559.28</u>	<u>67,462,397.25</u>
Decrease in investments	<u>47,727,559.28</u>	<u>67,462,397.25</u>
Change in fair value of SWAPS	-	-
Receipts of interest	<u>1,834,756.81</u>	<u>2,212,366.37</u>
Net cash provided by investing activities	<u>54,997,934.87</u>	<u>115,208,834.69</u>
<b>NET INCREASE IN CASH</b>	<b>1,490,380.76</b>	<b>1,815,463.70</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>4,741,363.50</u>	<u>4,383,611.00</u>
<b>CASH, END OF PERIOD</b>	<u><u>\$6,231,744.26</u></u>	<u><u>\$6,199,074.70</u></u>
<b>CASH AT MARCH 31</b>		
Unrestricted	\$5,694,913.29	\$5,662,243.73
Restricted	536,830.97	536,830.97
	<u><u>\$6,231,744.26</u></u>	<u><u>\$6,199,074.70</u></u>

**DELAWARE RIVER PORT AUTHORITY**  
**STATEMENT OF CHANGES IN FUND EQUITIES**  
**FOR THE PERIOD ENDED MARCH 31, 2011**  
(Unaudited)

	Restricted Funds		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	Debt Service Reserve Funds			
<b>Fund equities at January 1, 2011</b>	(\$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)	<b>\$222,640,997.64</b>		
<b>Revenue and expenses:</b>										
Operating revenues			56,564,941.20				6,200,409.83	<b>62,765,351.03</b>		
Operating expenses	(11,506,703.07)		(11,126,813.03)				(11,474,500.68)	<b>(34,108,016.78)</b>		
General administration expenses			(7,776,062.71)				-	<b>(7,776,062.71)</b>		
Interest income		52,637.20	91,739.93	35,637.04		812,698.74	785,638.81	<b>1,798,590.30</b>		
Change on fair value of SWAPS										
Economic development activities										
Interest on funded debt	(266,880.00)				(18,743,000.35)		(1,081,644.07)	<b>(1,081,644.07)</b>		
Other income (expenses)	(438,128.64)						(356,982.33)	<b>(19,366,862.68)</b>		
	(12,211,711.71)	52,637.20	37,753,805.39	35,837.04	(18,722,961.77)	812,698.74	(6,118,793.51)	<b>1,601,511.38</b>		
<b>Contributions for capital improvements, additions and other projects</b>							1,714,967.69	<b>1,714,967.69</b>		
<b>Interfund transfers and payments:</b>										
Bond service			(23,659,240.65)		33,675,559.40		(10,016,318.75)			
Funds in excess of Bond Reserve requirement					3,057,358.70	(3,053,603.50)	(3,755.20)			
Funds free and clear of any lien or pledge			(12,617,746.00)				12,617,746.00			
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		(11,753,666.00)					11,753,666.00			
Funds for permitted port projects										
Capital additions	10,951,016.79						(10,951,016.79)			
<b>Fund equities at March 31, 2011</b>	<b>\$25,312,139.05</b>	<b>188,880,368.57</b>	<b>(83,572,403.09)</b>	<b>4,133,258.39</b>	<b>22,953,928.63</b>	<b>107,592,293.09</b>	<b>(39,342,107.93)</b>	<b>\$225,957,476.71</b>		

**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**For the Year Ended March 31, 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 March 31, 2011 and December 31, 2010, the Authority's bank balances of \$6,232 and \$4,741 respectively, were exposed to custodial credit risk as follows:

	<u>2011</u>	<u>2010</u>
Uninsured and uncollateralized	<u>\$ 5,732</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 &amp; 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 a 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 \$4.3 million in 2011 as of March 31<sup>st</sup>.

The 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%:

<b>Year Ending</b> <b>Dec. 31,</b>	<b>Beginning</b> <b>Balance</b>	<b>Interest</b> <b>Accrual</b>	<b>Imputed</b> <b>Debt</b> <b>Payment</b>	<b>Ending</b> <b>Balance</b>
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 \$5.2 million to UBS AG in 2011 as of March 31<sup>st</sup>.

The 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 March 31, 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	\$ 1,341	\$ 2,634
Other intergovernmental	4,222	3,621
Development projects	2,000	2,000
Other	<u>4,731</u>	<u>3,515</u>
Gross receivables	12,294	11,770
Less: Allowance for uncollectibles	<u>(3,500)</u>	<u>(1,500)</u>
Net total receivables	<u>\$ 8,794</u>	<u>\$ 10,270</u>

Of the total development projects receivables of \$4,222 above, \$3,500 is not expected to be collected within one year.

## 6. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended March 31, 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	<u>(24,381)</u>	<u>338</u>		<u>(24,043)</u>	
Total bonds payable	1,368,929	338	(42,675)	1,326,592	45,225
Other liabilities:					
Bridge repainting	64,385	1,141		65,526	
Self-insurance	4,191	230		4,421	
Sick and vacation leave	4,873			4,873	3,655
Deferred revenue	6,575	7		6,582	2,972
Other (includes OPEB unfunded liability)	38,713			38,713	
Premium payment payable - derivative companion instrument	46,982			46,982	
Derivative instrument - interest rate swap	<u>136,983</u>			<u>136,983</u>	
Total long-term liabilities	<u>\$ 1,671,631</u>	<u>\$ 1,716</u>	<u>\$ (42,675)</u>	<u>\$ 1,630,672</u>	<u>\$ 51,852</u>

## 7. INVESTMENT IN FACILITIES

Capital assets for the year ended March 31, 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	\$ 11,105		262,688
Total capital assets not being depreciated	<u>325,808</u>	<u>11,105</u>	<u>-</u>	<u>336,913</u>
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	<u>1,378,884</u>	<u>-</u>	<u>-</u>	<u>1,378,884</u>
Less accumulated depreciation for:				
Bridges and related building and equipment	(400,016)	(7,677)		(407,693)
Transit property and equipment	(193,903)	(3,830)		(197,733)
Port enhancements	(15,219)	(438)		(15,657)
Total accumulated depreciation	<u>(609,138)</u>	<u>(11,945)</u>	<u>-</u>	<u>(621,083)</u>
Total capital assets being depreciated, net	<u>769,746</u>	<u>(11,945)</u>	<u>-</u>	<u>757,801</u>
Total capital assets, net	<u>\$ 1,095,554</u>	<u>\$ (840)</u>	<u>\$ -</u>	<u>\$ 1,094,714</u>

Total depreciation expense for the period ended March 31, 2011 was \$11,945.

## 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 accrued 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 20<sup>th</sup> 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 March 31, 2011, the Authority had \$1,326,592 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, 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 March 31, 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>(314)</u>
Total 1998 Port District Project Bonds, net					<u>\$ 57,881</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 March 31, 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 March 31, 2011 are as follows:

<u>Maturity Date (January 1)</u>	<u>Interest Rate / Yield</u>	<u>Principal Amount</u>	<u>Maturity Date (January 1)</u>	<u>Interest Rate / Yield</u>	<u>Principal Amount</u>
Series A Bonds					
			2012	7.50%	\$ 2,950
			2013	7.54%	<u>3,170</u>
					<u>6,120</u>
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%	<u>1,035</u>
					<u>31,080</u>
Series B Bonds					
2021	5.70%	\$ 13,060	2022	5.70%	\$ 16,930
			2023	5.70%	<u>17,895</u>
					<u>47,885</u>
Term Bonds					
2024	5.63%	\$ 18,915	2025	5.63%	\$ 19,980
			2026	5.63%	<u>21,100</u>
					<u>59,995</u>
Total par value of 1999 Port District Project Bonds					145,080
Less unamortized bond discount					<u>(1,923)</u>
Total 1999 Port District Project Bonds, net					<u>\$ 143,157</u>

**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 March 31, 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					1,885
Less unamortized loss on defeasance					(9,037)
Total 2001 Series A Refunding Bonds, net					82,503

<u>Maturity Date (January 1)</u>	<u>Interest Rate / Yield</u>	<u>Principal Amount</u>	<u>Maturity Date (January 1)</u>	<u>Interest Rate / Yield</u>	<u>Principal 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>(229)</u>
Total 2001 Series B Bonds, net					<u>22,386</u>
Total 2001 Port District Project Bonds, net					<u>\$ 104,889</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 March 31, 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>(8,207)</u>
Total 2008 Revenue Refunding Bonds, net					<u><u>\$ 327,173</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**

<b><u>January 1</u></b>	<b><u>Series A</u></b>	<b><u>Series B</u></b>	<b><u>Total</u></b>
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 March 31, 2011 are as follows:

	<b><u>Maturity Date</u></b> <b><u>(January 1)</u></b>	<b><u>Interest</u></b> <b><u>Rate / Yield</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>
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>(5,624)</u>
Total 2010 Revenue Refunding Bonds, net			<u>\$ 344,376</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 March 31, 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%	18,975
					57,720
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%	13,200
					250,655
Total par value of 2010 Revenue Bonds					308,375
Less unamortized bond discount					(594)
Total 2010 Revenue Bonds, net					\$ 307,781

**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:

<b>Year Ending December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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 March 31, 2011 totaled \$1,326,592 of which \$45,225 is short term and \$1,281,367 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 December 31, 2010, 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 13<sup>th</sup>, 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). As of December 31, 2010, 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 a 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 was 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>
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#### 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**

	<b><u>2010</u></b>	<b><u>2009</u></b>
Beginning balance	\$ 4,946	\$ 5,086
Incurring 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 has authorized loan guarantees in an amount not to exceed \$27,000.

As of March 31, 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), and the Home Port Alliance (\$1.0 million). These guarantees all remain in force; however, the Authority has made no cash outlays relating to these 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:

<b><u>Year</u></b>	<b><u>Amount</u></b>
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 March 31, 2011, the unused amount of the Letter of Credits totaled \$9,647. 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 March 31, 2011, the Authority had board-approved capital projects with remaining balances as follows (in thousands):

	<u>Total</u>
<b>Benjamin Franklin Bridge:</b>	
Deck truss rehabilitation	\$16,294
Structural improvements	10,533
Engineering services- program management	11,890
Engineering services- task orders	4,316
Other	954
<b>Walt Whitman Bridge:</b>	
Permit vehicle staging area	1,664
Deck condition assessment and design	115,619
Replacing of variable message signs	319
Other	515
<b>Commodore Barry Bridge:</b>	
Structural repairs	20,441
Fender replacement	2,141
Lighting and security improvements	1,420
Other	372
<b>Betsy Ross Bridge:</b>	
Structural repairs	14,099
Other	103
<b>PATCO System:</b>	
Lindenwold yard improvements and yard diamond crossover	3,712
Car Overhaul program	200,660
Power cable and pole line replacement	19,506
Track rehab across BFB	2,747
Bridge painting and structural repairs	7,695
Linden interlocking	3,505
Concourse improvements	4,126
Other	4,036
<b>Other:</b>	
Ferry System	345
	<u>\$447,192</u>

## 18. BRIDGE 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.

The toll schedule is shown below:

	<u>Old Schedule</u>	<u>New Schedule</u>	<u>Increase</u>
Class 1 - Motorcycle	\$2.00	\$4.00	\$2.00
Class 2 - Automobile	3.00	4.00	1.00
Class 3 - Two Axle Trucks	9.00	12.00	3.00
Class 4 - Three Axle Trucks	13.50	18.00	4.50
Class 5 - Four Axle Trucks	18.00	24.00	6.00
Class 6 - Five Axle Trucks	22.50	30.00	7.50
Class 7 - Six Axle Trucks	27.00	36.00	9.00
Class 8 - Bus	4.50	6.00	1.50
Class 9 - Bus	6.75	9.00	2.25
Class 10 - Senior Citizen (With 2 Tickets Only)	1.00	2.00	1.00
Class 13 - Auto w/trailer (1 axle)	5.25	6.00	0.75

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 next toll increase is now scheduled for a July 1, 2011 implementation date.

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.

*PATCO Passenger Fares:* In addition, effective September 14th, 2008, PATCO's passenger fares increased by 10% across all zones. The fare schedule is shown below:

	<u>Old Schedule</u>	<u>New Schedule</u>	<u>Increase</u>
Lindenwold/Ashland/Woodcrest	\$2.45	\$2.70	\$0.25
Haddonfield/West Haddonfield/Collingswood	2.15	2.35	0.20
Ferry Avenue	1.85	2.05	0.20
New Jersey	1.30	1.45	0.15
City Hall/Broadway/Philadelphia	1.15	1.25	0.10
Off-peak Reduced Fare Program	0.57	0.62	0.05

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 \$0.57/trip to \$0.62/trip.

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.

## 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>\$ 259,474</u>

**DELAWARE RIVER PORT AUTHORITY  
CASH  
MARCH 31, 2011**

Schedule 1

**REVENUE FUND:**

Cash on hand:			
Change funds for bridges	\$10,000.00		
Undeposited tolls and ticket sales	<u>981,611.30</u>	<u>991,611.30</u>	
Sovereign Bancorp		2,909.45	
TD Bank N.A.		2,626,219.72	
Bank of America		465,701.10	
Bank Of New York Mellon		(100,897.51)	
Wells Fargo Bank		<u>511,834.73</u>	\$4,497,378.79

**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		236,312.85	
Wells Fargo Bank		788,811.34	
Sovereign Bancorp		138,703.57	
TD Bank N.A.		<u>33,706.74</u>	<u>1,197,534.50</u>
<b>Total</b>			<b><u>\$6,231,744.26</u></b>

**DELAWARE RIVER PORT AUTHORITY  
INVESTMENTS  
MARCH 31, 2011**

Schedule 2

	<i>Par Value</i>	<i>Fair Value</i>
<b>REVENUE FUND:</b>		
AIM Money Market	\$ 11,426,475	11,426,474.87
Mellon Bank Money Market	<u>790,000</u>	<u>790,000.00</u>
	<b>\$ 12,216,475</b>	<b>12,216,474.87</b>
<b>MAINTENANCE RESERVE FUND (Restricted):</b>		
FNMA Pool # 466878 due 4/1/11	\$ 3,035,000	3,035,000.00
Goldman Sachs Money Market	<u>1,098,258</u>	<u>1,098,258.39</u>
	<b>\$ 4,133,258</b>	<b>4,133,258.39</b>
<b>1998 DEBT SERVICE FUND (Restricted):</b>		
Goldman Sachs Money Market	\$ 3,755	3,755.20
	<b>\$ 3,755</b>	<b>3,755.20</b>
<b>1998 PORT DISTRICT DEBT SERVICE FUND (Restricted):</b>		
Federal Home Loan Bank Notes	\$ 1,457,000	1,457,000.00
Federated Treasury Obligations Fund	<u>6,188,288</u>	<u>6,188,287.99</u>
	<b>\$ 7,645,288</b>	<b>7,645,287.99</b>
<b>1999 DEBT SERVICE FUND (Restricted):</b>		
Goldman Sachs Money Market	\$ 5,152,157	5,152,156.71
	<b>\$ 5,152,157</b>	<b>5,152,156.71</b>
<b>1999 PDP DEBT SERVICE FUND (Restricted):</b>		
Federated Treasury Cash Series II	\$ 3,152,240	3,152,239.55
	<b>\$ 3,152,240</b>	<b>3,152,239.55</b>
<b>2001 PORT DISTRICT DEBT SERVICE FUND (Restricted):</b>		
Goldman Sachs Money Market	\$ 3,337,043	3,337,043.23
<b>2010 DEBT SERVICE FUND (Restricted):</b>		
Goldman Sachs Money Market	\$ 7,011,123	7,011,123.29
<b>2008 DEBT SERVICE FUND (Restricted):</b>		
Goldman Sachs Money Market	\$ 4,246,053	4,246,052.72
<b>1998B BOND RESERVE FUND (Restricted):</b>		
Goldman Sachs Money Market	\$ 37,636,403	37,636,402.86
Natexis Banques Commercial Paper due 7/1/11	<u>40,830,000</u>	<u>40,239,795.29</u>
	<b>\$ 78,466,403</b>	<b>77,876,198.15</b>
<b>2010 REVENUE REFUNDING DEBT SERVICE FUND (Restricted):</b>		
Goldman Sachs Money Market	\$ 1,437,345	1,437,345.19
<b>1999 PDP BOND RESERVE FUND (Restricted):</b>		
Federated Treasury Cash Series II	\$ 788,229	788,229.34
Natexis Banques Commercial Paper due 7/1/11	<u>10,745,000</u>	<u>10,594,171.63</u>
	<b>\$ 11,533,229</b>	<b>11,382,400.97</b>

**DELAWARE RIVER PORT AUTHORITY  
INVESTMENTS  
MARCH 31, 2011**

Schedule 2

	<i>Par Value</i>	<i>Fair Value</i>
<b>1998 PORT DISTRICT DEBT SERVICE RESERVE FUND (Restricted):</b>		
Federal Home Loan Bank Notes due 4/1/11	\$ 5,668,000	5,668,000.00
Federated Treasury Obligations Fund	<u>1,115,878</u>	<u>1,115,878.36</u>
	<b>\$ <u>6,783,878</u></b>	<b><u>6,783,878.36</u></b>
<b>2001 PORT DISTRICT DEBT SERVICE RESERVE FUND (Restricted):</b>		
Goldman Sachs Money Market	\$ <u>13,573,321</u>	<u>13,573,321.38</u>
	<b>\$ <u>13,573,321</u></b>	<b><u>13,573,321.38</u></b>
<b>GENERAL FUND:</b>		
AIM Money Market	\$ 88,920,459	88,920,458.57
TD BankNorth Money Market	1,538,868	1,538,867.81
Commonwealth Cash Reserve Money Market	8,899,820	8,899,819.63
UBS Investments	29,506,347	29,888,919.92
Morgan Stanley / Dean Witter Investments	26,170,059	25,717,549.55
Swarthmore Group Investments	50,385,469	50,811,590.06
Haverford Trust Investments	5,135,104	5,135,103.67
Haverford Trust C/D	6,318,777	6,318,777.48
TD Bank Investment Account	36,136,106	36,136,106.39
US Treasury Bills due 7/14/11	<u>2,655,000</u>	<u>2,654,117.51</u>
	<b>\$ <u>255,666,009</u></b>	<b><u>256,021,310.59</u></b>
<b>1998 PORT DISTRICT PROJECT FUND:</b>		
Commonwealth Cash Reserve Money Market	\$ <u>39,701,867</u>	<u>3,970,186.50</u>
	<b>\$ <u>3,970,187</u></b>	<b><u>3,970,186.50</u></b>
<b>1999 PORT DISTRICT PROJECT FUND</b>		
TD Bank C/D due 4/30/11	\$ <u>23,871,587</u>	<u>23,871,587.06</u>
	<b>\$ <u>23,871,587</u></b>	<b><u>23,871,587.06</u></b>
<b>2001 PORT DISTRICT PROJECT FUND:</b>		
TD Bank C/D due 4/30/11	\$ <u>7,105,093</u>	<u>7,105,092.72</u>
	<b>\$ <u>7,105,093</u></b>	<b><u>7,105,092.72</u></b>
<b>2010 PROJECT FUND:</b>		
TD Bank C/D due 4/30/11	\$ <u>153,393,067</u>	<u>153,393,066.68</u>
	<b>\$ <u>153,393,067</u></b>	<b><u>153,393,066.68</u></b>
<b>Total investments</b>	<b>\$ <u>602,697,511</u></b>	<b><u>602,311,779.55</u></b>

# DELAWARE RIVER PORT AUTHORITY

Schedule 3

## INTEREST INCOME BY FUND

*Period Ended*

	3/31/11	3/31/10
Revenue Fund	\$91,739.93	\$90,192.10
Maintenance Reserve Fund	35,837.04	35,828.60
1998 Port Project Fund	1,634.63	3,027.81
1999 Port Project Fund	12,370.92	64,418.37
2001 Port Project Fund	5,086.11	12,568.01
2010 Project Fund	33,545.54	0.00
1998 Debt Service Fund	0.00	7.16
1998 Port District Debt Service Fund	17,996.65	18,516.83
1999 Debt Service Fund	1,935.83	101.41
<del>1999 Port District Debt Service Fund</del>	1.90	0.00
2001 Port District Debt Service Fund	34.70	36.87
2010 Debt Service Fund A, B, C	21.34	0.00
2010 Debt Service Fund D	0.00	0.00
1998 Bond Reserve Fund	584,963.83	59,939.70
1999 Debt Service Reserve Fund	0.00	588,000.00
1998 Port Debt Service Reserve Fund	69,504.91	48,086.82
1999 Port Debt Service Reserve Fund	158,230.00	151,500.00
2001 Port Debt Service Reserve Fund	0.00	292.25
2008 Debt Service Fund	48.16	43.46
2008 Debt Service Reserve Fund	0.00	516.81
General Fund	785,638.81	1,143,196.47
	<b>\$1,798,590.30</b>	<b>\$2,216,272.67</b>

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

Schedule 4

	<i>Period Ended</i>		<i>1st Quarter</i>	
	<u>3/31/11</u>	<u>3/31/10</u>	<u>2011</u>	<u>2010</u>
<b>BENJAMIN FRANKLIN BRIDGE</b>				
Operating revenues:				
Bridge tolls	\$18,819,286.64	\$18,109,389.57	\$18,819,286.64	\$18,109,389.57
Other	<u>1,036,293.50</u>	<u>953,238.77</u>	<u>1,036,293.50</u>	<u>953,238.77</u>
Total operating revenues	19,855,580.14	19,062,628.34	19,855,580.14	19,062,628.34
Operating expenses	<u>4,026,692.40</u>	<u>3,923,296.36</u>	<u>4,026,692.40</u>	<u>3,923,296.36</u>
Net operating revenues	<u><b>\$15,828,887.74</b></u>	<u><b>\$15,139,331.98</b></u>	<u><b>\$15,828,887.74</b></u>	<u><b>\$15,139,331.98</b></u>
<b>WALT WHITMAN BRIDGE</b>				
Operating revenues:				
Bridge tolls	\$21,054,957.07	\$21,180,319.91	\$21,054,957.07	\$21,180,319.91
Other	<u>18,708.80</u>	<u>71,033.86</u>	<u>18,708.80</u>	<u>71,033.86</u>
Total operating revenues	21,073,665.87	21,251,353.77	21,073,665.87	21,251,353.77
Operating expenses	<u>3,887,077.99</u>	<u>3,694,515.57</u>	<u>3,887,077.99</u>	<u>3,694,515.57</u>
Net operating revenues	<u><b>\$17,186,587.88</b></u>	<u><b>\$17,556,838.20</b></u>	<u><b>\$17,186,587.88</b></u>	<u><b>\$17,556,838.20</b></u>
<b>COMMODORE BARRY BRIDGE</b>				
Operating revenues:				
Bridge tolls	\$8,451,495.52	\$8,250,199.44	\$8,451,495.52	\$8,250,199.44
Other	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total operating revenues	8,451,495.52	8,250,199.44	8,451,495.52	8,250,199.44
Operating expenses	<u>1,872,067.42</u>	<u>1,805,486.14</u>	<u>1,872,067.42</u>	<u>1,805,486.14</u>
Net operating revenues	<u><b>\$6,579,428.10</b></u>	<u><b>\$6,444,713.30</b></u>	<u><b>\$6,579,428.10</b></u>	<u><b>\$6,444,713.30</b></u>
<b>BETSY ROSS BRIDGE</b>				
Operating revenues:				
Bridge tolls	\$7,201,182.71	\$6,883,206.68	\$7,201,182.71	\$6,883,206.68
Other	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total operating revenues	7,201,182.71	6,883,206.68	7,201,182.71	6,883,206.68
Operating expenses	<u>1,917,743.22</u>	<u>1,850,463.52</u>	<u>1,917,743.22</u>	<u>1,850,463.52</u>
Net operating revenues	<u><b>\$5,283,439.49</b></u>	<u><b>\$5,032,743.16</b></u>	<u><b>\$5,283,439.49</b></u>	<u><b>\$5,032,743.16</b></u>
<b>COMBINED TOTALS</b>				
Operating revenues:				
Bridge tolls	\$55,526,921.94	\$54,423,115.60	\$55,526,921.94	\$54,423,115.60
Other	<u>1,055,002.30</u>	<u>1,024,272.63</u>	<u>1,055,002.30</u>	<u>1,024,272.63</u>
Total operating revenues	56,581,924.24	55,447,388.23	56,581,924.24	55,447,388.23
Operating expenses	<u>11,703,581.03</u>	<u>11,273,761.59</u>	<u>11,703,581.03</u>	<u>11,273,761.59</u>
Net operating revenues	<u><b>\$44,878,343.21</b></u>	<u><b>\$44,173,626.64</b></u>	<u><b>\$44,878,343.21</b></u>	<u><b>\$44,173,626.64</b></u>

**DELAWARE RIVER PORT AUTHORITY  
ECONOMIC DEVELOPMENT ACTIVITY  
FOR THE PERIOD ENDED MARCH 31, 2011**

**Schedule 5**

	<i>Period Ended</i>		<i>2011 YTD Activity</i>
	<u>03/31/11</u>	<u>12/31/10</u>	<i>(New Loans and</i>
			<i>Principal Payments)</i>
<b>ECONOMIC DEVELOPMENT LOANS:</b>			
Cooper River Boathouse	\$ 874,213.77	\$ 884,985.88	(\$10,772.11)
Vintek Inc.	221,562.58	246,997.17	(25,434.59)
Camden Yards Steel Co.	59,215.66	74,900.82	(15,685.16)
LEAP Academy	2,052,314.73	2,103,947.35	(51,632.62)
Mutual Pharmaceutical	-	4,606.13	(4,606.13)
Packaging Coordinators	-	11,777.65	(11,777.65)
US Vision	(87,413.29)	2,026,923.84	(2,114,337.13)
Victor Lofts	2,976,761.78	2,976,761.78	-
<del>Camden Aquarium</del>	14,897,768.00	14,902,952.00	(5,184.00)
Home Line Furniture	297,189.95	305,176.46	(7,986.51)
<b>Total Loans</b>	<u>21,291,613.18</u>	<u>23,539,029.08</u>	<u>(\$2,247,415.90)</u>
Provision for loan losses	<u>(3,344,550.66)</u>	<u>(3,344,550.66)</u>	<u>-</u>
<b>Total Loans per Balance Sheet - Net</b>	<u><u>\$17,947,062.52</u></u>	<u><u>\$20,194,478.42</u></u>	<u><u>(\$2,247,415.90)</u></u>

Audit Committee Meeting Minutes

June 17, 2011

10:00 – 11:00 a.m.

**Committee Members:**

Rob Teplitz (for Auditor General Jack Wagner), Chairman

David Simon – via phone

Jeff Nash – via phone

Joanna Cruz – via phone

Denise Mason – via phone

Richard Sweeney – via phone

**Others Present:**

John Matheussen

Richard Brown

John Hanson

Jim White

Karen McCarthy Jacobson

Ed Kasuba

Christina Maroney

Kathy Bruder – via phone

Ronnie Gilbert

Howard Korsen

John Lotierzo

Orville Parker

Jim Quinn

Kathy Imperatore

Chong Young

Sylvia Gray-Newman

Commissioner Teplitz opened the meeting of the Audit Committee and asked Richard Brown to call the roll.

Chairman Teplitz opened the meeting with a motion to approve the Audit Committee Meeting Minutes of May 18, 2011. The minutes were approved by the committee and will be submitted to the Board at the next meeting.

- **Update Financial (External) Audit**

Ron Gilbert gave the committee an update on the external financial audit. Ron stated that the companies have completed the work papers, letters of approval, financial statements, etc. and that a technical review would be done by Bowman & Company, LLP. He noted that the statements are due to the GFOA (Government Financial Officers Association) on June 30, 2011.

- Chairman Teplitz inquired if the audit committee needs to take action before it goes to the GFOA and David Simon asked if they would accept a draft. Ron stated that he would look into this and get back with his findings. John Matheussen stated that if they do not accept a draft, we need to have a contingent plan in place so we should have all

documents in hand and ready to go if they won't accept the draft. David Simon asked if there was a draft report that he could review. John Hanson stated that the Finance Department is proof reading the draft and he would have the MD&A draft to the Committee this afternoon.

- **Update Inspector General**

John Hanson informed the Committee that changes were made and submitted to Hay. Chairman Teplitz inquired about the timing from Hay. John Matheussen stated that it may take about 2 weeks. John Hanson will follow-up with Hay.

- **Update Management Audit RFP**

John Hanson and Christina Maroney were unable to reach out to John Cameron of TransTech Management. They will continue to proceed with drafting the RFP based on the notion to follow the 2 year cycle where parts of the authority will be audited every 2 years. They will still need to determine the audit objective and scope.

The Committee requested to include the Yellow Book Standards in the RFP but requested pricing with and without standards.

- **Update Compliance Telephone Hotline**

Richard Brown expressed concern about the hotline and that it would produce a flurry of activity and sought to clarify how it would be handled. John Hanson suggested that the reports go through Richard Brown to make a decision on what would be submitted to the Audit Committee. Chairman Teplitz suggested that we start rolling out information about the hotline and suggested that a test be conducted for a month to assess the type of information that is coming in. If it is determined that the calls are not in the course of normal business, we will need to come up with an alternate way to handle but should notify employees that we are in a transition period.

John Hanson noted that there are several positions in the internal audit department that could handle questions and complaints. John Matheussen noted that we will probably see a host of questions such as technical, financial, grievance etc. and that he would work with Richard Brown to review. If the workload is excessive, we will need to have other staff assist.

Commissioner Teplitz asked when the hotline will go live. Richard Brown responded in approximately 12 weeks from the date the contract is signed. David Simon suggested that we look into applying either the Oregon or New Jersey law to the contract.

- **Forensic Audit Update**

John Hanson noted that added to the RFP was the impact on the financial status of the authority, due to the Economic Development activities and that we should hold retainage on payments.

Chairman Teplitz asked for the schedule of receiving responses. Howard Korsen noted that the RFP would go out today (June 17, 2011) and the RFQ's were due back on July 18, 2011 by 4:00 p.m. Chairman Teplitz asked the time frame of the winning offer. John Lotierzo indicated that a recommendation would go to the board on September 21, 2011.

However, at Vice Chairman Nash's request, the committee held the RFP pending discussion with the New Jersey Comptroller and the board about duplication of effort.

- **Internal Audit Department Structural Review**

John Hanson stated that the former Internal Audit Department will become the Inspector General Department. The conflict regarding Chong Young has been approved by the Audit Committee. Chairman Teplitz asked if the need is urgent, should we start filling positions under the Inspector General office without the Inspector General. Kathy Imperatore responded that the IG's position is a grade 10, which is drawing applicants with 2-3 years experience. The grade level will not draw individuals with greater experience. David Simon inquired about temporary staff. John Matheussen stated that we could use the temporary agency that DRPA is currently using but they would be employees of the agency. He suggested that we go back to Hay for review of the salary grade for Inspector General. John also stated in response to Chairman Teplitz questions, that yes, we have bought employees in as temporary and that they do have the opportunity to apply for the position. David Simon agrees that we should start the process with Hay and bring in an interim qualified candidate.

- **Implementation of Previous Management Audit**

The committee will review the status report at the next meeting, then move this issue to the strategic planning process.

Chairman Teplitz held the balance of the meeting with the Internal Audit Department only.

The Audit Committee meeting was adjourned at 11:15.

**2010 FINANCIAL AUDIT EXIT CONFERENCE**  
**June 28, 2011**  
**9:00AM – 11:30AM**

**Committee Members:**

Rob Teplitz (for Auditor General Jack Wagner), Chairman (via phone)  
Joanna Cruz  
David Simon (via phone)  
Jeffrey Nash (via phone)

**Others Present:**

Kathy Bruder (via phone)	John Lotierzo
John Matheussen	Nancy Farthing
John Hanson	Chong Young
Jim White	Joanna Jones, NJ Governor's Authorities Unit
Kevin LaMarca	Jarred Corn, Bowman & Company LLP
Jim Quinn	Jennifer Bertino, Bowman & Company LLP
Tom Omiatek	John Milligan, Milligan & Company LLP
Ronnie Gilbert	Robin Holland, Milligan & Company LLP

Bowman & Company is the lead auditor for the DRPA audit and combined statements. Milligan & Milligan is the sub-contractor to Bowman who handles the PATCO audit and the single audit of grant funds.

Chairman Teplitz wished to clarify the committee's understanding of GASB-53 as it relates to the Authority's SWAPS. Are they to be reported as an investment and included in our financial statements if not appropriately hedged? CFO Hanson agreed and stated that it included termination payments of \$33M at the beginning of 2010 and a smaller termination in 2009 which effects have to be included. If SWAPS are appropriately hedged, then they are not recorded as an investment.

• **MD&A (Management Discussion & Analysis)**

This document is prepared by management and reviewed by the auditors. It is mostly related to increases in revenue. CFO Hanson gave an overview of the highlights. The increase in operating revenues was mostly related to the toll increase. He explained that bridge traffic declined largely as a result of economic conditions in the region, and PATCO ridership also decreased.

Total "temporary restricted" investments increased by \$128.2M and total "non-restricted" investments increased by \$78M. General Fund investment balances increased by \$74.5M Upon issuance of the revenue bonds, the General Fund was reimbursed for funds which had been previously used, through the bond project fund for approximately \$62M for capital expenditures which occurred during October 2008 through December 31, 2009.

Two interest rate hedge agreements became effective as of January 1, 2010; the 1999 Revenue Bond and the 1999 Series B Port District Project Bond (PDP) swaptions. There was a period of almost four years' worth of debt per the normal amortization schedule. One PDP bond was terminated and cash settled. Chairman Teplitz wanting to ensure that the wrong impression was not given noted that the two agreements which became effective as of 2010 were pending even before the Board Resolution in 2009.

This resolution also stated that the Authority no longer enter into any new swaptions and also unwind others which were sold in 2000 and 2001. CFO Hanson stated that these were contractually obligated and UBS had sole discretion to exercise both of them, ultimately requiring the Authority to hedge and replace them with variable rate debt which put us in a synthetic fixed rate position.

Economic Development expenditures increased largely over 2009 towards the end of 2010. This was primarily due to the large payment to the Philadelphia Industrial Development Corporation (PIDC) related to the revolving loan fund managed by them (PA Economic Development Fund). The Cruise Terminal will be discontinued in 2011.

The assets of the Authority exceeded its liabilities at the close of the year by \$222.5M (net assets). Net assets decreased by \$47.8M during the year.

### *Expense Summary*

Total expenses are up 12% and General Administration (G&A) expenses are up 13%. Most of the increase is a primarily a result of higher bank letter of credit fees. These are mainly shown on the expense budget, not actual budget. Economic development is up almost \$40M. The main drivers on the financial statement are G&A – largely due to bond & debt services, and economic expenses.

### *Capital Assets and Debt Administration*

Major capital asset events included redecking of span and anchorage at the WWB, rehabilitation of tracks and PATCO pole line & power cable, as well as concourse improvements. The total percentage increase in the Authority's investment in capital assets for the current year was 2.00%

The Authority's revenue refunding bonds are variable rate debt with an underlying rating of A- from S&P and an A3 rating from Moody's. Our revenue bonds are fixed rate debt and are used for the capital plan. The PDP Bonds are used for economic development purposes; they have a B- rating which is the lowest level to still be classified.

- **Exit Conference Report**

A review of the Exit Conference Report was given by Bowman & Company partner Jarred Corn beginning with the *Scope of Services*. He directed attention to the executed copy of the engagement letter in Appendix III which provides a full description of services to be provided. He noted it also addresses any federal monies and grants to be audited.

The *Risk of Fraud* section addresses areas to be identified. Audit procedures must be tailored to fit the Authority. Commissioner Simon inquired if anything had come up during the course of the audit which caused them to go beyond internal controls. J. Corn responded that nothing was found and noted that risks of all government authorities were reviewed using additional tests.

Significant changes to *GASB-53 (Government Accounting Standards Board Statement No. 53, Accounting and Financial Reporting for Derivative Instruments)* were noted, as well as how the Authority implemented the required changes relating to its debt obligations.

The *Management's Judgments and Accounting Estimates* section pertains to all kinds of receivables, loss reserves and, depreciation expense. The Authority's estimates showed no unusual matters.

*Audit Adjustments* are made to prevent material misstatements; the auditor can only propose and ensure they are booked. Others could require adjustment to financial statements but are actually free of misstatements. Commissioner Simon questioned what the auditors look at to determine what should be booked regarding economic development expenditures and if they require a signed document. Mr. Corn responded yes, but not with just economic development; they also ensure proper documentation for everything and incorporate all original source documents to make certain if something should be a liability. A walk-through is then conducted from inception to disbursement as a fundamental basis of developing an audit plan in order to identify any material misstatements. They test internal controls and put reliance of these, procedures are then tailored from there. CFO Hanson noted that not all economic development is done via contract. Sometimes smaller ones are done through presentation or as requests for payment per Board resolution.

Under the *Our Responsibility for Other Information in Documents Containing Audited Financial Statements* section, Chairman Teplitz questioned the auditor's obligation to report material inconsistencies or misstatements. He noted that they only go so far but have no conclusion to say "we didn't find anything or are aware of anything." Accordingly, the report will be revised to include "no material misstatements of fact or material inconsistencies that they were aware of."

*Major Issues Discussed with Management Prior to Our Retention* – The DRPA had already started this prior to the Auditor General asking us to do so.

*Difficulties Encountered in Performing the Audit* – The GASB-53 conversion relating to journal entries are now to be included going back to 2008. Mr. Corn stated that this was not really difficult but had more to do with going back to review entries from 2008.

*Audit Findings Reported in Accordance with Applicable Audit Standards* – There were no significant deficiencies or material weaknesses. However, there were certain items to bring to the attention of management based on samples reviewed. Though they may not be significant this year they may become larger going forward and Bowman wished to have straightened out moving forward.

Specifically, payroll bank reconciliations were not timely prepared. Chairman Teplitz asked how to reconcile statement of no significant findings with untimely reconciliation of payroll account? Mr. Corn responded that this was not a significant impact though ultimately reconciled; the information is given in the monthly report to the Board. It was noted that DRPA has many, many bank accounts which are all reconciled in a timely manner, only the payroll account was not timely.

*Key Statistical Highlights* of a few of the indicators which may be useful in measuring the Authority's financial performance were reviewed. Chairman Teplitz inquired why the SWAP term payment did not appear on the chart (Pg. 7) as an expense but more as a negative revenue account. J. Corn noted that it appears later in the document as well as in the statistic section of the annual report.

- **Summary of Audit Findings – Appendix I**

#4 Mainstar Software discrepancy – CFO Hanson stated that the Authority does have other controls in place to give additional insight (i.e. we no longer have individual cars but they have all have been lumped together with Public Safety). The discrepancy should go away with the new Fleet Group in place.

#1 Bank Reconciliation – It is not a matter of simple reconciliation not being performed but an issue related to the software; not just a checkbook reconciliation. New reports have been designed in Oracle

but we are not okay with it. We will be going to Banner for assistance with customized reports, per CFO Hanson.

#2 Material threshold (level) is included but the State does not do this per Chairman Teplitz. Mr. Corn was not overly concerned that this number is on there as it changes annually and could be completely different next year. They use different numbers at PATCO vs. DRPA. Chairman Teplitz inquired whether this number needs to be communicated to the Authority. There is no urgency or reason to do so according to J. Corn. Nevertheless, in the future this number should not be known by the Authority just the auditors.

#3 Investment Recording on Financial Statements – Our bond indentures requires us to record at historical cost or amortized cost.

- **Financial Statements**

New component of fair value derivative investments requires that any change in this is reflected in component income (2009 column). Other factors are derivatives on hedging which are only reflected on the balance sheet. Fair values are performed by our financial advisors. These main accounts were affected by GASB-53. A termination payment was made in 2010 plus interest expense. Other factors affected include the increase in economic development expenditures and increases in interest expenses. The decrease in 2009 was primarily attributable due to the restatement of 2009's net assets.

The Authority's capital contributions come mainly from federal and state sources for capital items. MD&A helps with understanding these easier. Other highlights touched on liabilities and non-funded liabilities.

Other \$7.8M

- OPEB as of December, 2010 – Actuary to reevaluate each year and it continues to go up

Net Assets:

- Invested in new capital assets
- Bond money only to be used for core projects
- Un-restricted deficit (bridge painting reserve, unfunded post-employment benefits)

- **Notes to Combined Financial Statements**

Commissioner Simon questioned the wording in some of the notes, specifically:

*1A* – The reference to economic development and regionalization of port facilities needs to be re-phrased or taken out. Per CFO Hanson, the reference to economic development will be taken out.

*17D* – Contractual Commitments

- How did the Authority determine what was included in the schedule? These involve capital contracts and those that have been through the Board process.
- Is the car overhaul program maximum number or commitment? It is a maximum number and should read “amount remaining” per J. Lotierzo.
- Delaware River Tram \$1.7M – This is still under contract. We will look into this and may have to remove it per CFO Hanson.

18 – Verbiage has redundancy regarding toll increases and need to be integrated.

19 - Reclassification Statement at \$33M termination payment

20 – Subsequent Events: CFO Hanson is not aware of any subsequent events which need to be disclosed.

In addition to internal controls, the Authority also incorporates best practices via clarification by the GFOA on our “award winning” annual report each year.

Chairman Teplitz inquired if the report needed to be sent to the board before sending it to the GFOA by the June 30<sup>th</sup> deadline. CFO Hanson replied that we do not have an obligation to do so per our bond indentures which does not require board action. We will explore how to move forward as this is new with Audit Committee being involved this year. There is no guidance in the By-Laws or Charter. Discussion ensued on ways to accomplish this. Commissioner Simon asked if the committee could approve now then have it ratified by the board, but going forward the process will need to be reviewed. CEO Matheussen suggested convening a teleconference within the next 24 hours with General Counsel and committee. However, per the committee’s charter, we can approve but will need a quorum to vote. Commissioner Nash was contacted via teleconference in order to gain a quorum. The committee resolved that, based upon the presentations made by DRPA management and the outside auditors, and in reliance on the management representation letter to be signed by the CEO and CFO, the draft audited consolidated financial statements as of and for the period ending on December 31, 2010 be accepted and sent to the GFOA. Chairman Teplitz will give report to the board at the next meeting.

- **Letter of Transmittal**

A few typos were noted and will be corrected. Net assets notes will be revised as well.

The meeting was adjourned at 11:30AM.

**Report of Operations and Maintenance Committee  
DELAWARE RIVER PORT AUTHORITY  
One Port Center, Camden, New Jersey  
Wednesday, July 20, 2011, 9 a.m.**

**Committee Members**

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

**Commissioners**

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

**Officers and Chiefs**

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

**Counsel**

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

**Others**

David Reiner, NJ Gov. Authorities Unit  
Kathleen Duffy Bruder, PA Governor's Office  
Marcella Ridenour, CAC  
Tina Gianvito  
Charles Gianvito  
John Soroko  
Brittany Bruder  
John Timmins, Penn Terminals  
Nicole Micun  
Jon Livingston, Jacobs Engineering  
David Morgan  
Christopher Jandoli, PB World

**DRPA Staff**

Fran DiCicco, Administrative Coordinator  
Ann DuVall, Executive Assistant to CEO  
Joe Egan, Manager, Special Projects  
Gerry Faber, Assistant General Counsel  
Sylvia Gray-Newman, Administrative Coord.  
Karen Jacobson, Assistant General Counsel  
Edward Kasuba, Director of Corp. Comm.  
Howard Korsen, Manager, Contracts Admin  
Mark Lopez, Manager, Gov. Relations  
Sheila Milner, Administrative Coordinator  
Fran O'Brien, Mgr., Cust/Comm. Rel.  
Robert Only, Director, Homeland Security  
Orville Parker, Manager, Budget  
Jim Quinn, Director of Revenue  
Cheryl Spicer, Asst. Gen. Manager, PATCO  
Jack Stief, Captain, Public Safety  
Steve Suder, Manager, Purchasing  
Charles Thompson, Graphic Desgn. Spec.  
Dawn Whiton, Administrative Coordinator

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 – Contract No. G-23-2011, Substation Replacements at the Betsy Ross and Walt Whitman Bridges**

Commissioner Sasso asked Mr. Venuto, as part of his presentation, to address why the contract amount is significantly higher than the engineer’s estimate. Mr. Venuto agreed to do so.

Mike Venuto, Chief Engineer, requested that the Board authorize staff to negotiate a construction contract with Chamings Electric, Inc. to install new electrical substations at the Betsy Ross and Walt Whitman bridges to replace existing substations. Mr. Venuto explained that the existing substations at the Betsy Ross and Walt Whitman Bridges contain original equipment that is nearing the end of its useful life and is in need of replacement. The substation equipment distributes power to various roadway systems at the Betsy Ross Bridge and power to the administration building and toll plaza at the Walt Whitman Bridge.

Mr. Venuto informed the Board that the project was publicly advertised and bid documents were offered to the public. Twelve sets of documents were sold and seven bids were received. Mr. Venuto stated that two of the received bids were deemed non-responsive for failure to provide the required bid bond, leaving five accepted bids. Chamings Electric submitted the low responsive and responsible bid in the amount of \$1,101,775.00.

Mr. Venuto explained that the engineer’s estimate was lower than the contract amount because the engineer’s estimate was done in December 2010 and several things were added to the design after the engineer’s estimate was complete. In addition, Mr. Venuto explained that the price for copper has increased since the engineer’s estimate was completed. Mr. Venuto informed the Board that staff had an independent review of the bids done by the design engineer, Remington and Vernick, who found that the contract price was reasonable.

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

**DRPA -11-xxx                      Contract No. G-23-2011, Substation Replacement at the  
Betsy Ross and Walt Whitman Bridges**

**Item 2 – Design Services for the PATCO Lindenwold Yard Track Rehabilitation**

Mike Venuto, Chief Engineer, requested that the Board authorize staff to negotiate an agreement with HNTB Corporation to provide design services for the PATCO Lindenwold Yard Track Rehabilitation Project in an amount of \$3,090,674.66. Mr. Venuto explained that recent biennial inspections identified sections of the yard tracks that are in need of repair and track components that have reached the end of their useful life. This agreement will provide engineering design services required to develop rehabilitation alternatives and final design.

This project will provide for track and switch replacement, improvements to the electrical system, lighting system and yard tower.

Mr. Venuto informed the Board that the project was publicly advertised and nine firms responded to a Request for Qualifications. Six firms were deemed qualified and were sent a formal Request for Proposal. Mr. Venuto stated that staff has evaluated the proposals for technical merit. HNTB Corporation was the highest technically ranked firm.

Mr. Venuto noted that this project is 80% funded by the Federal Transit Administration and, therefore, the consultant was selected using the Brooks Method wherein the only cost proposal requested and opened was that of the highest technically ranked firm.

Commissioner Simon inquired about the negotiations with the consultant on price and asked for the original price proposal. Mr. Venuto explained that the original cost was \$3,485,837.78 and that was negotiated down to a cost of \$3,090,674.66, a difference of approximately \$400,000.

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

**DRPA -11-xxx          Design Services for the PATCO Lindenwold Yard Track  
Rehabilitation**

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-11-064

**SUBJECT:** Contract No. G-23-2011,  
Substation Replacements at the Betsy  
Ross and Walt Whitman Bridges

**COMMITTEE:**

Operations & Maintenance

**COMMITTEE MEETING DATE:**

July 20, 2011

**BOARD ACTION DATE:**

August 17, 2011

**PROPOSAL:** That the Board authorizes staff to negotiate a construction contract with the firm of Chamings Electric, Inc. to perform the installation of new electrical substations at the Betsy Ross and Walt Whitman bridges to replace existing substations.

**Amount:** \$1,101,775.00

**Contractor:** Chamings Electric, Inc.  
271 W. Elmer Rd.  
Vineland, NJ 08360

<b>Other Bidders:</b>	Carr & Duff, Inc.	\$1,224,800.00
	Esco Electric	\$1,282,770.00
	Ray Angelini, Inc.	\$1,366,500.00
	Vanalt Electrical Construction, Inc.	\$1,627,000.00
	Philips Brothers Electrical	NON-RESPONSIVE
	Wescott Electric Company	NON-RESPONSIVE

**Engineers Estimate:** \$747,000.00

**PURPOSE:**

To replace aging electrical equipment nearing the end of its useful life at the Betsy Ross and Walt Whitman bridges.

**BACKGROUND:**

The existing substations contain original equipment nearing the end of its useful life. The equipment distributes power to various bridge systems on the roadway of the Betsy Ross Bridge and to the administration building and toll plaza at the Walt Whitman Bridge. Based on recommendations from DRPA Operations staff at the bridges and an Engineering evaluation, the aging electrical equipment located under the Betsy Ross Bridge and at the Walt Whitman Bridge administration building is to be replaced with new equipment. This project will ensure the continued delivery of reliable electrical power to the aforementioned areas.

**SUMMARY STATEMENT  
O&M 8/17/2011**

**Contract No. G-23-2011,  
Substation Replacements at the Betsy Ross  
and Walt Whitman Bridges**

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The project was publicly advertised and bid documents were offered to the public beginning on May 3, 2011 with a bid opening date of June 16, 2011. Twelve (12) sets of documents were sold. A total of seven (7) bids were received. Two (2) of the received bids were deemed unresponsive for failure to provide the required bid bond, leaving five (5) accepted bids. The low responsive and responsible bid was submitted by Chammings Electric, Inc. in the amount of \$1,101,775.00.

Staff has completed the evaluation of bids and recommends that the contract be awarded to Chammings Electric, Inc. in the amount of \$1,101,775.00 as the low responsive and responsible bidder.

**SUMMARY:**

<b>Amount:</b>	<b>\$1,101,775.00</b>
<b>Source of Funds:</b>	<b>2010 Revenue Bonds (Series D)</b>
<b>Capital Project #:</b>	<b>AB1101</b>
<b>Operating Budget:</b>	<b>N/A</b>
<b>Master Plan Status:</b>	<b>N/A</b>
<b>Other Fund Sources:</b>	<b>N/A</b>
<b>Duration of Contract:</b>	<b>6 Months</b>
<b>Other Parties Involved:</b>	<b>N/A</b>
<b>Estimated Number of Jobs Supported:</b>	<b>32</b>

**DRPA-11-064**  
**Operations & Maintenance Committee: July 20, 2011**  
**Board Date: August 17, 2011**  
**Contract No. G-23-2011, Substation Replacements at**  
**the Betsy Ross and Walt Whitman Bridges**

**RESOLUTION**

**RESOLVED:** That the Board of Commissioners of the Delaware River Port Authority accepts the bid of \$1,101,775.00 to replace aging electrical substations, and that the proper officers of the Authority be and hereby are authorized to negotiate a contract with Chamming Electric, Inc. for the required work in an amount not to exceed \$1,101,775.00, as per the attached Summary Statement; 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:**

<b>Amount:</b>	<b>\$1,101,775.00</b>
<b>Source of Funds:</b>	<b>2010 Revenue Bonds (Series D)</b>
<b>Capital Project #:</b>	<b>AB1101</b>
<b>Operating Budget:</b>	<b>N/A</b>
<b>Master Plan Status:</b>	<b>N/A</b>
<b>Other Fund Sources:</b>	<b>N/A</b>
<b>Duration of Contract:</b>	<b>6 Months</b>
<b>Other Parties Involved:</b>	<b>N/A</b>
<b>Estimated Number of</b>	
<b>Jobs Supported:</b>	<b>32</b>



**additional track design at the Maintenance of Way building, paved access paths for PATCO personnel to access the stored trains, and improvements to the Lindenwold Yard tower.**

**The Authority publicly advertised its intent to retain a consultant and invited interested firms to submit Statements of Qualifications. Nine (9) firms responded with Statements of Qualifications on September 28, 2010. Six (6) firms were deemed qualified and were sent a formal Request for Proposal. A review committee of five (5) staff engineers and PATCO representatives evaluated the Proposals on the basis of Technical merit.**

**HNTB Corporation was the highest technically ranked firm. The proposed Project Manager has previous experience with rehabilitation projects and has been very responsive on past DRPA and PATCO track projects. The proposed Project Manger has over 18 years experience in similar size transit yard projects. HNTB's Team has many years experience designing track and turnouts similar to those required for this contract. Overall, the team assembled by HNTB Corporation was found to possess the necessary experience and qualifications to successfully complete the project.**

**This project involves the use of federal funding through the Federal Transit Administration (FTA). In accordance with the federally approved Brooks method of consultant selection, which is qualifications based, the Price Proposal submitted by HNTB Corporation was opened and evaluated against the Engineer's Estimate. Based on this evaluation, a negotiated price of \$3,090,674.66 was determined to be fair and reasonable.**

**It is recommended that an engineering services agreement be negotiated with HNTB Corporation for the costs and associated fees not to exceed \$3,090,674.66 to provide engineering services in accordance with the Request for Proposal.**

**SUMMARY STATEMENT  
O&M 8/17/2011**

**Design Services for the PATCO  
Lindenwold Yard Track Rehabilitation**

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<b>SUMMARY:</b>	<b>Amount:</b>	<b>\$3,090,674.66</b>
	<b>Source of Funds:</b>	<b>2010 Revenue Bond (Series D) 20% (\$618,134.93)</b>
	<b>Capital Project #:</b>	<b>PF0705</b>
	<b>Operating Budget:</b>	<b>N/A</b>
	<b>Master Plan Status:</b>	<b>N/A</b>
	<b>Other Fund Sources:</b>	<b>Federal Transit Administration 80% (\$2,472,539.73)</b>
	<b>Duration of Contract:</b>	<b>270 Calendar Days</b>
	<b>Other Parties Involved:</b>	<b>Federal Transit Administration</b>
	<b>Estimated Number of Jobs Supported:</b>	<b>11</b>

**DRPA-11-065**  
**Operations & Maintenance Committee: July 20, 2011**  
**Board Date: August 17, 2011**  
**Design Services for the**  
**PATCO Lindenwold Yard Track Rehabilitation**

**RESOLUTION**

**RESOLVED:** That the Board of Commissioners of the Delaware River Port Authority accepts the Proposal of HNTB Corporation to provide Design Services for the PATCO Lindenwold Track Rehabilitation Project and that the proper officers of the Authority be and hereby are authorized to negotiate an Agreement with HNTB Corporation for an amount not to exceed \$3,090,674.66 as per the attached Summary Statement; 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.

<b>SUMMARY:</b>	<b>Amount:</b>	<b>\$ 3,090,674.66</b>
	<b>Source of Funds:</b>	<b>2010 Revenue Bond (Series D)</b>
		<b>20% (\$618,134.93)</b>
	<b>Capital Project #:</b>	<b>PF0705</b>
	<b>Operating Budget:</b>	<b>N/A</b>
	<b>Master Plan Status:</b>	<b>N/A</b>
	<b>Other Fund Sources:</b>	<b>Federal Transit Administration</b>
	<b>Duration of Contract:</b>	<b>270 Calendar Days</b>
	<b>Other Parties Involved:</b>	<b>Federal Transit Administration</b>
		<b>80% (\$2,472,539.73)</b>
	<b>Estimated Number of</b>	
	<b>Jobs Supported:</b>	<b>11</b>



## **MEMORANDUM**

**DELAWARE RIVER PORT AUTHORITY**  
*of Pennsylvania & New Jersey*

**TO:** O&M Committee Members

**FROM:** Michael P. Venuto, Director of Engineering/Chief Engineer, Engineering

**SUBJECT:** Professional Service Selection for  
Design Services for PATCO Lindenwold Yard Track Rehabilitation  
Technical Proposal Evaluation, Findings and Recommendation Report

**DATE:** July 20, 2011

The Request for Qualifications (RFQs), which was posted on the Authority's web-site, invited consultants to submit Statements of Qualifications (SOQs). Nine (9) firms submitted SOQs on September 28, 2011.

Since this project is partially funded by the Federal Transit Administration the Brooks method of consultant selection was used. The SOQ evaluation serves as a method for developing a "short list" of firms to receive a Request for Proposal (RFP). The Review Committee evaluated the SOQ's and recommended soliciting Technical from the top ranked firms:

AECOM Technical Services, Inc.  
Gannett Fleming Transit and Rail Systems  
HNTB Corporation  
Jacobs Engineering Group Inc.  
STV Incorporated  
SYSTRA Consulting, Inc.

The short listed firms were sent a RFP on February 7, 2011. The Technical Proposals were received on March 28, 2011 from AECOM Technical Services, Inc.; Gannett Fleming Transit and Rail Systems; HNTB Corporation; Jacobs Engineering Group Inc.; STV Incorporated; and SYSTRA Consulting, Inc. The Review Committee, consisting of five (5) staff engineers and a PATCO representative, reviewed and evaluated the Technical Proposals.

HNTB Corporation was the highest technically ranked firm. The proposed Project Manager has previous experience with rehabilitation projects and has been very responsive on past DRPA and PATCO track projects. The proposed Project Manger has over 18 years experience in similar size transit yard projects. HNTB's Team has many years experience designing track and turnouts similar to those required for this contract. Overall, the team assembled by HNTB Corporation was found to possess the necessary experience and qualifications to successfully complete the project.

The Review Committee recommended that the Price Proposal be requested from HNTB Corporation and negotiations commence using the Engineer's Estimate in the amount of \$2,885,110.60, as a guide. The Price Proposal was opened on June 7, 2011.

Below are the Technical Proposal rankings, proposed hours and fees of the firm, along with the Engineer's estimate of hours.

<b>Rank</b>	<b>Firm</b>	<b>Hours</b>	<b>Original Price Proposal</b>	<b>Negotiated Fee</b>
	Engineer's Estimate	18,380	\$2,885,110.60	
1	HNTB Corporation	18,448	\$3,485,837.78	\$3,090,674.66
2	Jacobs Engineering Group Inc.	N/A	N/A	
3	SYSTRA Consulting, Inc.	N/A	N/A	

The Price Proposal from the highest technically ranked firm, HNTB Corporation, dated June 14, 2011 was reviewed by Engineering Department staff. It was observed to be 20% higher than the Engineer's Estimate. Negotiations commenced which resulted in a final Price Proposal in an amount of \$3,090,674.66. Based on the Review Committee's findings, the Price Proposal of HNTB Corporation has been determined to be fair and reasonable and therefore the committee recommends that an Engineering Services Agreement be issued to the highest technically ranked firm, HNTB Corporation.

Based on a review of the Review Committee's evaluation and supporting documentation, I concur with the recommendation to engage HNTB Corporation of Philadelphia, Pennsylvania, in the amount of \$3,090,674.66 for this Agreement.

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**SUMMARY STATEMENT**

**ITEM NO.:** DRPA-11-066

**SUBJECT:** Benefits Administration  
Contract

**COMMITTEE:**

Finance

**COMMITTEE MEETING DATE:**

August 3, 2011

**BOARD ACTION DATE:**

August 17, 2011

**PROPOSAL:**

Staff seeks Board authorization to enter into a three-year agreement with Benefit Harbor to continue providing benefit administration services, which would include, but not be limited to: open enrollment support; ongoing employee and retiree benefits administration; vendor output processing, eligibility reviews, retiree billing; COBRA and FSA administration; call center services; and web-based services.

**PURPOSE:**

To provide the DRPA, its benefit-eligible employees, and retirees with a broad range of benefit support services, effective cost control initiatives, and program administration services.

**BACKGROUND:**

Since 2000, the DRPA and PATCO have contracted with a Third Party Administrator to assist in the administration of various benefit and billing services. Employee benefit plan administration is a highly regulated field and Benefit Harbor, working with our broker, assists the Authority in ensuring compliance with a complex series of laws, regulations, and statutes.

By way of background, on June 19, 2006, staff issued an RFP for providers of professional benefit administrative services. We received proposals from The Benefit Headquarters and ADP. Shortly thereafter, ADP withdrew its proposal, stating that it could not provide some of the services provided in the RFP. After careful review, staff determined that the proposal submitted by The Benefit Headquarters was entirely responsive to the RFP.

On September 19, 2007, staff sought Board authorization to enter into a professional service agreement with The Benefit Headquarters for a three-year term. The Board approved same, and the contract was to expire on December 31, 2010.

In June 2008, The Benefit Headquarters sold its Third Party Benefits Administration Division to Benefit Harbor, a firm headquartered in Dallas, Texas. Staff, accompanied by our broker, met with Benefit Harbor management team to outline the Authority's requirements and expectations. At our request, Benefit Harbor team agreed to maintain

The Benefit Headquarters office in Radnor, and also agreed to keep the team from Benefit Headquarters that had serviced the Authority's account. After that meeting, and a review of client references, we determined that Benefit Harbor would be a valuable solution for the Authority. The Benefit Harbor management team agreed to honor the contract that had been in place with The Benefit Headquarters. Specifically, Benefit Harbor agreed to honor the terms, conditions, and pricing previously negotiated as part of the contract with The Benefit Headquarters. In addition, Benefit Harbor agreed to extend the contract an additional year, at the existing rate. On recommendation from staff, the Board approved the assumption of the BHQ contract by Benefit Harbor. The current contract expires on December 31, 2011.

At our direction, our broker issued a Request for Information (RFI) on April 25, 2011 for a Benefits Enrollment & Administration Provider. The proposal deadline was May 13, 2011. Willis received responses from the following five (5) vendors: (1) Benefit Harbor; (2) Bswift; (3) Impact Benefit Management Services; (4) Morneau Shepell; and Vantagen, LLC.

The original three-year pricing estimates were as follows:

Benefit Harbor - \$432,915  
Bswift - \$437,837  
Impact Benefit Management Service - \$350,806  
Morneau Shepell - \$395,208  
Vantagen, LLC - \$247,006

Bswift submitted the most expensive proposal, and therefore was not invited for an interview. Impact Benefit Management Services proposed to outsource the technology solution to one vendor and the call center function to yet another vendor. Our broker did not find this to be an appropriate solution for the Authority, and, therefore, we did not invite this vendor for an interview.

Based on the overall strength of services to be provided as outlined in the proposals, as well as the proposed costs for delivering same, we scheduled interviews with Morneau Shepell and Vantagen, LLC. Those interviews took place on June 21, 2011. During the interviews, we spent a considerable amount of time discussing the needs of the Authority as it relates to the employees and retirees, and also outlined many of the manual interventions that are required to administer our program, as well as the Call Center demands.

Throughout the interviews, it became apparent to staff and our broker that both vendors (Morneau Shepell and Vantagen, LLC) were offering

a largely automated web-based platform. In fact, Morneau Shepell's original cost estimate proposed charging the Authority an additional fee (\$12 per call) over an annual call volume of 1,100. Morneau Shepell also proposed incorporating an increased "per member per month" rate after the first year if we did not agree to transition to an automated web-based platform. As a result of the information shared at the interviews, both vendors submitted revised pricing proposals.

Morneau Shepell increased its three-year pricing by \$31,000 based on the expected call center volume. Vantagen increased its three-year pricing by \$873 when it learned about the manual interventions that would be required to administer our program.

The Benefit Harbor's original cost estimate assumed no change in the current platform that has been in place (partially automated and partially manual). As a result, in order to ensure a level playing field for all of the vendors, our broker asked the incumbent to submit revised pricing for a program that would include some web-based and more automated services. The Benefit Harbor submitted a Process Improvement Proposal, which included among other recommendations, an employee self-service portal to be used during open enrollment as well as year-round. The Benefit Harbor offered to populate the self-service portal with answers to questions that are frequently asked of call center representatives. Under the proposal, in addition to enrolling and renewing their benefits annually on the portal, employees would have access to information 24/7 throughout the year. These enhancements would improve the employee/retiree service experience, and, at the same, relieve some of the pressure on Benefit Harbor's Call Center. The Benefit Harbor also suggested an aggressive push to begin communicating with employees via email. They also recommended FSA claim reimbursements be paid to participants via direct deposit rather than mailing reimbursement checks on a weekly basis. The Benefit Harbor also suggested that we partner with it to increase awareness to our retirees of direct debit as a means to pay their quarterly premium contributions. The Benefit Harbor recommended ways to streamline the manual payment reconciliation process between Benefit Harbor and the Authority. Collectively, the proposed enhancements resulted in Benefit Harbor reducing its per member per month rate from \$12.50 to \$6.50.

While we waited to receive the revised pricing proposal from Benefit Harbor, the Vantagen proposal remained the lowest in terms of cost. Therefore, at our request, our broker conducted a site visit at Vantagen's headquarters on July 5, 2011. After that visit, our broker prepared a report noting the following concerns:

- **Currently Vantagen's call center employees and service staff use a system called SEEDS to help facilitate employee customer service calls. This system is used to track the calls and they use another system to view benefit information/eligibility. The Vantagen representative who conducted the tour, and attended the interview on behalf of Vantagen, noted that the company is not happy with the current set up because of the need to use two separate information systems. Beginning mid-August, the representative advised our broker that Vantagen will start to transition their current clients/accounts onto a new platform called SUGAR. Our broker is concerned that the transition may lead to a disruption in the level of services provided to employees and retirees.**
- **During the site visit, the Vantagen representative also advised our broker that Vantagen is considering changing its FSA vendor. Our broker advised that the Authority should be cautious of this, as the FSA vendor could change mid-contract and this would have a direct impact on our FSA participants.**
- **The Vantagen representative further advised our broker that for several years the company has been considering changing its whole benefit administration system. Vantagen is considering using a blend of off-the-shelf and internally created products. It is likely that Vantagen's final decision (whether or not to upgrade) will be contingent on the direction of Health Care Reform. Our broker has advised that the Authority should be aware of this as a system change of this magnitude would have a direct impact on our employees and retirees.**
- **During the site visit, our broker observed no signs of call center activity. In fact, it was reported that Vantagen's "call center" was simply a grouping of cubicles. Our broker saw no central/obvious system to post number of calls open, number of calls in queue, number of missed calls, etc. Moreover, the Vantagen representative noted that there is no back up facility if the Clarks Summit phone lines are down.**
- **The mail room was in the basement and there were three employees working. Two were stuffing envelopes and one was working the postal machine. Our broker noted that the mail room did not appear to be organized, and is concerned that there is opportunity for mistakes within the mailings. This is an important observation, as we rely on our third party administrator to accurately mail quarterly billing invoices to our retirees and COBRA participants.**

**A summary of the updated pricing estimates follows:**

**Benefit Harbor - \$241,956 (a decrease over the original estimate)**  
**Bswift - \$437,837**  
**Impact Benefit Management Service - \$350,806**  
**Morneau Shepell - \$426,208 (an increase over the original estimate)**  
**Vantagen, LLC - \$247,879 (an increase over the original estimate)**

**After careful review, staff determined that the proposal submitted by Benefit Harbor is responsive to the RFI and to the needs of the Authority's employees and retirees. Benefit Harbor maintains a fully-staffed local office in Radnor, Pennsylvania. We are well pleased with the professional service, dedicated resources, and the exceptional customer service call center provided by the vendor.**

**As a result of negotiations, and Benefit Harbor's continued willingness to partner with the Authority, Benefit Harbor offered a significant reduction in the per member per month rate from \$12.50 to \$6.50. Benefit Harbor's pricing proved to be the most competitive in comparison to pricing received from the other proposers.**

**Therefore, it is staff's recommendation that we renew the contract with Benefit Harbor for the three year period (January 1, 2012-December 31, 2015). Willis will receive no earned commission for placing this contract.**

**SUMMARY:**

<b>Amount:</b>	<b>Approximately \$80,652 /per year - \$241,956 (The annual rate covers DRPA/PATCO, and is based upon the current DRPA/PATCO census, but is subject to change as our census changes. The rate does not include the cost of postage, printing, and travel, as necessary.)</b>
<b>Source of Funds:</b>	<b>Revenue Fund, General Fund</b>
<b>Capital Project #:</b>	<b>N/A</b>
<b>Operating Budget:</b>	<b>Benefits Administration</b>
<b>Master Plan Status:</b>	<b>N/A</b>
<b>Other Fund Sources:</b>	<b>N/A</b>
<b>Duration of Contract:</b>	<b>Three (3) Years</b>
<b>Other Parties Involved:</b>	<b>Benefit Harbor</b>

**RESOLUTION**

- RESOLVED:** Staff is hereby authorized to enter into an agreement with Benefit Harbor for a three-year term to provide the Authority with benefit administration services, which would include open enrollment support, ongoing employee benefits administration, retiree benefits administration and billing, COBRA and FSA administration, at a fixed cost of \$6.50 per member per month; and be it further
- RESOLVED:** The annual rate is based upon the current monthly census, and is subject to change as our monthly census changes; and be it further
- RESOLVED:** The annual rate does not include the cost of postage for mailings, printing if necessary, and travel if necessary; and be it further
- RESOLVED:** That should travel be necessary, such travel must be approved first by DRPA, and expense must be consistent with the guidelines provided in the Authority's Expense Report Policy at Series 400; 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 the 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 document(s) on behalf of the DRPA .

**SUMMARY:**

**Amount:** Approximately \$80,652/year \$241,956/3-years  
(Note – This covers both DRPA and PATCO)  
The annual rate is based upon the current  
DRPA/PATCO census, but subject to change  
as our census changes. The rate does not  
include the cost of postage, printing, and  
travel, as necessary

**Source of Funds:** Revenue Fund, General Fund

**Capital Project #:** N/A

**Operating Budget:** Benefits Administration

**Master Plan Status:** N/A

**Other Fund Sources:** N/A

**Duration of Contract:** Three Years

**Other Parties Involved:** Benefit Harbor

**SUMMARY STATEMENT**

**ITEM NO.:** DRPA-11-067

**SUBJECT:** Consideration of Pending DRPA  
Contracts (Between \$25,000 and \$100,000)

**COMMITTEE:**

New Business

**COMMITTEE MEETING DATE:**

N/A

**BOARD ACTION DATE:**

August 17, 2011

**PROPOSAL:** That the Board consider authorizing staff to enter into contracts as shown on the Attachment to this Resolution.

**PURPOSE:** To permit staff to continue and maintain DRPA operations in a safe and orderly manner.

**BACKGROUND:** At the Meeting held August 18, 2010 the DRPA Commission adopted Resolution 10-046 providing that all DRPA contracts must be adopted at an open meeting of the DRPA Board. The Board proposed modifications to that Resolution at its meeting of September 15, 2010; specifically that all contracts between \$25,000 and \$100,000 be brought to the Board for approval. The contracts are listed on the Attachment hereto with the understanding that the Board may be willing to consider all of these contracts at one time, but if any member of the Board wishes to remove any one or more items from the list for separate consideration, each member will have that privilege.

**SUMMARY:**

<b>Amount:</b>	N/A
<b>Source of Funds:</b>	See Attached List
<b>Capital Project #:</b>	N/A
<b>Operating Budget:</b>	N/A
<b>Master Plan Status:</b>	N/A
<b>Other Fund Sources:</b>	N/A
<b>Duration of Contract:</b>	N/A
<b>Other Parties Involved:</b>	N/A

**DRPA-11-067**  
**New Business: August 17, 2011**  
**Board Date: August 17, 2011**  
**Consideration of Pending DRPA Contracts**  
**(Between \$25,000 and \$100,000)**

**RESOLUTION**

**RESOLVED:** That the Board authorizes and directs that subject to approval by counsel and the Chief Executive Officer, staff proceed to negotiate and enter into the contracts listed on the Attachment hereto.

**SUMMARY:**

<b>Amount:</b>	<b>N/A</b>
<b>Source of Funds:</b>	<b>See Attached List</b>
<b>Capital Project #:</b>	<b>N/A</b>
<b>Operating Budget:</b>	<b>N/A</b>
<b>Master Plan Status:</b>	<b>N/A</b>
<b>Other Fund Sources:</b>	<b>N/A</b>
<b>Duration of Contract:</b>	<b>N/A</b>
<b>Other Parties Involved:</b>	<b>N/A</b>

OGC

Item #	Vendor/Contractor	Description	Amount	Procurement Method	Bids Received	Bid Amounts	Source of Funds
1	Stantec Consulting Services, Inc Mount Laurel, NJ	Request for additional funds to complete the final design for Express E-Z Pass at the Betsy Ross Bridge. Stantec is currently under contract to provide design services for the project, and is requesting additional funds to change the design from a single Express E-Z Pass to a 2-lane Express E-ZPass. The implementation of a 2-lane operation will enable the express lanes to operate at a higher level of service for a longer time.	\$37,226.00	Contract Amendment. The contract amount approved by the Board under resolution DRPA-09-059 is \$373,993.58. The contract will be increased by \$37,226.00 for an adjusted total of \$411,219.58. The duration length is 3 months.	1. Stantec Consulting Services, Inc Mount Laurel, NJ	\$37,226.00	Revenue Bonds, Series D
2	PPC Lubricants Jonestown, PA	Purchase and delivery of bulk motor oils and automotive lubricants to support DRPA's fleet and maintenance operations for a one year period. Contract contains an option to renew for one (1) additional year.	\$53,272.45	Formal Bid. Request for Bid B0005919 was publicly advertised and issued to seventeen (17) prospective bidders. Five (5) bids were received and publicly opened on July 19, 2011.	1. PPC Lubricants Jonestown, PA 2. David Weber Oil Co. Carlstadt, NJ 3. Jay Gress, Inc Conshohocken, PA 4. Craft Oil Corp. Avoca, PA 5. Naughton Energy Corp. Pocono Pines, PA	\$53,272.45 \$60,691.50 \$63,685.55 \$67,665.20 \$67,924.68	Revenue Fund
3	Economic Analysis Group, LTD Washington, DC	Upgrade of existing CaseTrack software application to latest version. This will be new web-based version, which allows for greater functionality including contract administration.	\$43,537.20	Sole Source. Economic Analysis Group is the current provider of the CaseTrack software application being used by the General Counsel's office.	1. Economic Analysis Group, LTD Washington, DC	\$43,537.20	Revenue Fund

4	Oracle, Inc. Reston, VA	Annual support for Oracle program development, application web server and Oracle database.	\$42,602.09	Sole Source. Oracle is the proprietary provider of maintenance services and support for the program development, application web server and database software used throughout DRPA specifically in support of our Banner system.	1. Oracle, Inc. Reston, VA	\$42,602.09	Revenue Fund
5	Audio Visual Rental Services Philadelphia, PA	Provide audio visual services for the DRPA/PATCO Board Meetings for a three year period commencing Sept. 1, 2011.	\$48,780.00	Request for Proposal. A request for proposal was publicly advertised and issued on June 9, 2011. A mandatory pre-proposal meeting was held on June 21, 2011. Audio Visual Rental Services was the only company that attended the mandatory meeting. Staff has reviewed the proposal submitted by Audio Visual Rental Services and has determined that the proposal is responsive and the price is fair and reasonable.	1. Audio Visual Rental Services Philadelphia, PA	\$48,780.00	Revenue Fund

**SUMMARY STATEMENT**

**ITEM NO.: DRPA-11-068**

**SUBJECT:** City of Hope Charity Event  
Support Services and  
Restricted Public Access to  
Ben Franklin Bridge Walkway

**COMMITTEE:** New Business

**COMMITTEE MEETING DATE:** N/A

**BOARD ACTION DATE:** August 17, 2011

**PROPOSAL:** That the Board authorizes staff to provide support services and temporarily restrict public access to the Ben Franklin Bridge walkway during the City of Hope charity event.

**Amount:** \$300.00 (estimated)

**PURPOSE:** To temporarily restrict access to the Ben Franklin Bridge walkway from 9:45 a.m. to 11:30 a.m. to the general public during this scheduled organized community crossing event with operational services consisting of signage, fabrication and placement by Bridge Operations and Public Safety police presence on the day of the event.

**BACKGROUND:** The Ben Franklin Bridge walkway is open daily to the public from 6 a.m. to 8 p.m. weather permitting. The walkway closure time is extended to 9 p.m. annually from May 1 to September 30.

The City of Hope will hold its annual event on Sunday, September 18, 2011 from approximately 10:00 a.m. to 11:00 a.m. The event consists of a one-way walk from Camden to Philadelphia. Approximately 1,000 participants are expected to attend. The event benefits research and treatment programs to cure breast cancer.

DRPA received a written request for walkway access to the Ben Franklin Bridge in a timely fashion prior to the requested access date. DRPA staff circulated this request among the following DRPA management staff for review and approval: CEO, COO, Bridge Director, Police Chief, Chief Engineer, Director of Risk Management/Safety, General Counsel, Director of Homeland Security and other designated Operations staff. DRPA Operations and Public Safety Departments reviewed and recommends restricted walkway

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access to the general public for this event based on the estimated number of participants. The temporary closure time is expected to be from 9:45 a.m. to approximately 11:30 a.m. DRPA will provide appropriate notice of restricted public access via onsite signage, press advisories, email broadcasting and website notification. The requesting organization is willing to comply with all requisite walkway rules and insurance/indemnification requirements.

**SUMMARY:** It is recommended that the Board authorize DRPA to provide restricted public access to the Ben Franklin Bridge walkway for the City of Hope event scheduled on Sunday, September 18, 2011, along with support services by DRPA Bridge Operations for signage fabrication and placement (\$220) and Public Safety presence (\$80.00) not to exceed a total of \$300.00.

<b>Source of Funds:</b>	<b>Amount:</b>	<b>\$300.00</b>
	<b>Source of Funds:</b>	<b>Operating Budget (if necessary)</b>
	<b>Capital Project #:</b>	<b>N/A.</b>
	<b>Operating Budget:</b>	<b>\$300.00</b>
	<b>Master Plan Status:</b>	<b>N/A</b>
	<b>Other Fund Sources:</b>	<b>N/A</b>
	<b>Duration of Contract:</b>	<b>N/A</b>
	<b>Other Parties Involved:</b>	<b>N/A</b>

**DRPA-11-068**  
**New Business: August 17, 2011**  
**Board Date: August 17, 2011**  
**City of Hope Charity Event**  
**Support Services and**  
**Delayed Public Access to**  
**Ben Franklin Bridge Walkway**

**RESOLUTION**

**RESOLVED:** That the Board authorizes staff to temporarily restrict public access to the Ben Franklin Bridge walkway from 9:45 a.m. to approximately 11:30 a.m. during the proposed City of Hope charity event on Sunday, September 30, 2011 and to provide support services at a cost not anticipated to exceed \$300.

**SUMMARY:**

<b>Amount:</b>	<b>\$300</b>
<b>Source of Funds:</b>	<b>Operating Budget</b>
<b>Capital Project #:</b>	<b>N/A</b>
<b>Operating Budget:</b>	<b>\$300</b>
<b>Master Plan Status:</b>	<b>N/A</b>
<b>Other Fund Sources:</b>	<b>N/A</b>
<b>Duration of Contract:</b>	<b>N/A</b>
<b>Other Parties Involved:</b>	<b>N/A</b>

**SUMMARY STATEMENT**

**ITEM NO.: DRPA-11-069**

**SUBJECT: Tour de Force Memorial  
Bicycle Ride – Restricted Access to BFB  
Walkway**

**COMMITTEE: New Business**

**COMMITTEE MEETING DATE: N/A**

**BOARD ACTION DATE: August 17, 2011**

**PROPOSAL: That the Board authorizes staff to temporarily restrict public access to the Ben Franklin Bridge walkway during the Tour de Force Memorial Bicycle Ride on Friday, September 9, 2011 from 10:00 a.m. -11:00 a.m. and to provide support services for the event.**

**Amount: \$370.00 (estimated)**

**PURPOSE: To temporarily restrict access to the Ben Franklin Bridge walkway from 10:00 – 11:00 to the general public with Public Safety Police support on the day of the event, with operational services consisting of signage, fabrication and placement by Bridge Operations and Public Safety police support on the day of the event.**

**BACKGROUND: The Tour de Force is a not-for-profit charity and 501(c)(3) organization, that raises funds for the families of police officers killed in the line of duty through their annual four day 265 mile bicycle ride and their one day events.**

**The Tour de Force is an annual, four day, 265 mile bicycle ride that starts at Ground Zero, NYC and ends at the Pentagon after several stops along the way – Philadelphia is a scheduled overnight stop. This year, 270 police officers from around the country and abroad will participate in this event as a memorial to the victims that perished on 9/11. The Tour de Force will leave the Courtyard Marriott on Juniper Street in Philadelphia and end in Atlantic City. The Tour de Force will also have 17 support vehicles and 4 coach buses along with the 270 bicycles.**

**The Tour de Force will hold its annual event on Friday, September 9, 2011. The temporary closure time is expected to be from 10:00 a.m. to approximately 11:00 a.m. DRPA will provide appropriate notice of restricted public access via onsite signage, press advisories, email broadcasting and website notification. The requesting organization is willing to comply with all requisite walkway rules and**

**SUMMARY STATEMENT**  
**New Business 8/17/2011**

**Tour de Force Memorial Bicycle Ride -  
Restricted Access to BFB  
Walkway**

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**insurance/indemnification requirements.**

**SUMMARY:** It is recommended that the Board authorize DRPA to provide restricted access to the Ben Franklin Bridge walkway for the Tour de Force Memorial Bicycle event scheduled for Sunday, September 9, 2011, along with support services by DRPA Bridge Operations for signage fabrication and placement (\$220.00) and Public Safety presence (\$150.00)

<b>Source of Funds:</b>	<b>Amount:</b>	<b>\$370.00</b>
	<b>Source of Funds:</b>	<b>Operating Budget</b>
	<b>Operating Budget:</b>	<b>\$370.00</b>
	<b>Capital Project #:</b>	<b>N/A</b>
	<b>Master Plan Status:</b>	<b>N/A</b>
	<b>Other Fund Sources:</b>	<b>N/A</b>
	<b>Duration of Contract:</b>	
	<b>Other Parties Involved:</b>	<b>N/A</b>

**DRPA- 11-069**  
**New Business: August 17, 2011**  
**Board Date: August 17, 2011**  
**Tour de Force Memorial Bicycle Ride -**  
**Restricted Access to BFB Walkway**

**RESOLUTION**

**RESOLVED:** That the Board authorize staff to temporarily restrict public access to the Ben Franklin Bridge walkway from 10:00 a.m. to 11:30 a.m. during the proposed Tour de Force Memorial Bicycle Ride on Friday, September 9, 2011 and to provide support services at a cost not anticipated to exceed \$370.00.

<b>SUMMARY:</b>	<b>Amount:</b>	<b>\$370.00</b>
	<b>Source of Funds:</b>	<b>Operating Budget</b>
	<b>Operating Budget:</b>	<b>\$370.00</b>
	<b>Capital Project #:</b>	<b>N/A</b>
	<b>Master Plan Status:</b>	<b>N/A</b>
	<b>Other Fund Sources:</b>	<b>N/A</b>
	<b>Duration of Contract:</b>	<b>N/A</b>
	<b>Other Parties Involved:</b>	<b>N/A</b>