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DELAWARE RIVER PORT AUTHORITY

BOARD MEETING

Pennsylvania Convention Center
1101 Arch Street
Philadelphia, Pennsylvania

Wednesday, August 19, 2015

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PRESENT

Pennsylvania Commissioners

Ryan Boyer, Chairman
Antonio Fiol-Silva
Marian Moskowitz
Elinor Haider
Rohan K. Hepkins
John Dougherty (for Pennsylvania Auditor General
Eugene DePasquale)
Timothy Reese, Pennsylvania State Treasurer
Carl Singley, Esquire

New Jersey Commissioners

Jeffrey Nash, Esquire, Vice Chairman
Richard Sweeney
Charles Fentress
Albert Frattali
Tamarisk Jones (via telephone until 11:02 a.m.)

DRPA/PATCO Staff

John Hanson, Chief Executive Officer
Raymond Santarelli, General Counsel and
Corporate Secretary
Kristen Mayock, Deputy General Counsel
Stephen Holden, Deputy General Counsel
Kathleen P. Vandy, Assistant General Counsel
Richard J. Mosback, Jr., Assistant General Counsel
James White, Chief Financial Officer
Dan Auletto, Acting Chief Operating Officer
Toni Brown, Chief Administrative Officer
Michael Venuto, Chief Engineer
William Shanahan, Director, Government Relations
John Rink, General Manager, PATCO
Bennett Cornelius, Assistant General Manager, PATCO
(via telephone)
Jack Stief, Chief, Public Safety

1 **DRPA/PATCO Staff (continued)**

2 Robert Finnegan, Lieutenant, Public Safety,
Ben Franklin Bridge
3 Michael Voll, Sergeant, Public Safety, Ben
Franklin Bridge
4 Sean Longfellow, Corporal, Public Safety,
Ben Franklin Bridge
5 Jim Simpson, Manager, IS
David Gentile, Inspector General
6 Susan Squillace, Manager, Procurement and Stores,
DRPA/PATCO
7 Howard Korsen, Manager, Contract Administration
Christina Maroney, Director, Strategic Initiatives
8 Kyle Anderson, Director, Corporate Communications
Fran O'Brien, Manager, Corporate Communications &
9 Community Relations
Mike Williams, Graphic Design Administrator, Corporate
10 Communications
Sheila Milner, Administrative Coordinator
11 Elizabeth McGee, Administrative Coordinator
Nancy Farthing, Executive Assistant to the CEO
12 Dawn Whiton, Administrative Coordinator to the CEO

13
14 **Others Present**

15 Amy Herbold, Esq., New Jersey Governor's Authorities
Unit (via telephone; arrived at 10:35 a.m.)
David Dix, Assistant to Chairman Boyer
16 Obra Kernodle, Deputy Chief of Staff, Pennsylvania
Governor's Office
17 Dionne Frith, Assistant to Chairman Boyer
Chelsea Guzowski, Director of Special Projects,
18 Pennsylvania Governor's Office of the Budget
Victoria Madden, Chief Counsel for Auditor General
19 Eugene DePasquale (via telephone)
Christopher Gibson, Esq., Archer & Greiner,
20 (New Jersey Counsel)
Alan Kessler, Esq., Duane Morris LLP
21 (Pennsylvania Counsel)
Stephanie Kosta, Esq., Duane Morris LLP
22 (Pennsylvania Counsel)

1 **Others Present (continued)**

2 Olivia C. Glenn, Regional Manager, New Jersey
3 Conservation Foundation
4 Tara Chupka, Assistant to John Dougherty
5 Marcia Perry, Assistant to Kyle Anderson
6 Phoebe Coles, Community Marketing Concepts
7 John Boyle, DRPA/PATCO Citizen Advisory Committee
8 Tony DeSantis, DRPA/PATCO Citizen Advisory Committee
9 Brian Stevenson
10 Frank Keel
11 Sara Hershler
12
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15
16
17
18
19
20
21
22

I N D E X

	<u>Page</u>
1	
2	
3	9
4	9
5	11
6	27
7	
8	46
9	
10	
11	
12	47
13	
14	48
15	
16	
17	
18	
19	
20	
21	
22	

1 DRPA-15-099 Capital Project Contract 51
 Modifications

2

3 I N D E X

4

(continued)

5

Page

6

DRPA-15-100 Purchase Bid B0006348 52
 Procurement of Ameristar
 Aegis II Fence and Fence
 Materials for the Ben Franklin
 Bridge - No Substitutions

7

8

DRPA-15-101 Carpet Replacement for One 54
 Port Center Building

9

10 DRPA-15-102 City of Philadelphia Request 55
 for Office of Emergency
 Management Use of Lots Under
 the Ben Franklin Bridge

11

12

13 Adopt Resolutions Approved by Finance Committee
 of August 12, 2015:

14

DRPA-15-103 Camera and Call Box

15

~~6061~~

Maintenance Agreement

16

DRPA-15-104 Active, Benefit-Eligible

17

~~5657~~

Employees/Under Age 65 Retirees,
 and Eligible Dependents -
 Health Benefits 2016
 (DRPA/PATCO)

18

19

DRPA-15-105 Employee Dental Coverage

20

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2016-2017 (DRPA/PATCO)

21

22

DRPA-15-106 Employee Vision Coverage

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

5657

2016-2017 (DRPA/PATCO)

Unfinished Business:

DRPA-15-060 Amended Audiolog Recorder Upgrades 62

I N D E X

(continued)

Page

New Business:

DRPA-15-107 Consideration of Pending DRPA Contracts (Between \$25,000 & \$100,000) 63

DRPA-15-108 Group Life, AD&D and Disability

6364

Coverage 2016-2017 (DRPA and PATCO)

Citizen Advisory Committee Report 66

Public Comment

6970

Adjournment

7374

P R O C E E D I N G S

(10:00 a.m.)

CHAIRMAN BOYER: The meeting of the Delaware River Port Authority will now come to order.

I would like to first welcome everyone to the beautiful, newly expanded Pennsylvania Convention Center. I take great pride in this building, as we, my union, has been in this building since its inception. John Dougherty -- one of the commissioners, myself, Michael Barnes, and Sam Malone helped fuel the renaissance that is going on today at the Pennsylvania Convention Center. So I wanted to acknowledge this building and I'm very proud that we are having our meeting here.

Now, I'm going to ask for a moment of silence, and then we'll stand for the pledge to the American flag.

(Pause/Pledge)

CHAIRMAN BOYER: I would like to ask the Corporate Secretary to come forward and administer the oath of office to the new Commissioner, Carl Singley, who is a friend, who is my guy, and who has been

1 properly vetted by every authority known to mankind.
2 I'm proud to have Carl as a Commissioner. He is a
3 very thoughtful, intelligent leader within this
4 Philadelphia community, and I'm proud to welcome Carl
5 Singley to the Board.

6 MR. SANTARELLI: Thank you, Mr. Chairman.
7 Good morning, everyone.

8 At this time, we'll administer the oath of
9 office to Mr. Singley.

10 (Oath administered)

11 MR. SANTARELLI: Mr. Chairman, he is sworn.

12 (Applause)

13 CHAIRMAN BOYER: I'd like to have the
14 Corporate Secretary call the roll.

15 MR. SANTARELLI: Chairman Boyer?

16 CHAIRMAN BOYER: Present.

17 MR. SANTARELLI: Vice Chairman Nash?

18 VICE CHAIRMAN NASH: Here.

19 MR. SANTARELLI: Commissioner Dougherty?

20 COMMISSIONER DOUGHERTY: Present.

21 MR. SANTARELLI: Commissioner Fentress?

22 COMMISSIONER FENTRESS: Here.

1 MR. SANTARELLI: Commissioner Fiol-Silva?
2 COMMISSIONER FIOL-SILVA: Present.
3 MR. SANTARELLI: Commissioner Sweeney?
4 COMMISSIONER SWEENEY: Here.
5 MR. SANTARELLI: Commissioner Moskowitz?
6 COMMISSIONER MOSKOWITZ: Here.
7 MR. SANTARELLI: Commissioner Frattali?
8 COMMISSIONER FRATTALI: Here.
9 MR. SANTARELLI: Treasurer Reese?
10 TREASURER REESE: Here.
11 MR. SANTARELLI: Commissioner Jones?
12 COMMISSIONER JONES: Here.
13 MR. SANTARELLI: On the phone.
14 COMMISSIONER JONES: Yes.
15 Commissioner Hepkins?
16 COMMISSIONER HEPKINS: Present.
17 MR. SANTARELLI: Commissioner Haider?
18 COMMISSIONER HAIDER: Here.
19 MR. SANTARELLI: Commissioner Singley?
20 COMMISSIONER SINGLEY: Here.
21 MR. SANTARELLI: You have a quorum.
22 CHAIRMAN BOYER: Thank you, sir. We'll now

1 have the report of the Chief Executive Officer, John
2 Hanson.

3 MR. HANSON: Thank you, Chairman.

4 On behalf of my colleagues, the staff of the
5 Delaware River Port Authority and the Port Authority
6 Transit Corporation, I'd like to welcome our new Board
7 member, Commissioner Singley. We look forward to
8 working with you; your expertise and your input will
9 be very valuable as we continue to make fiscal
10 responsibility, operational efficiencies, and
11 exemplary customer service a top priority.

12 Commissioner Singley, if you want to say a few
13 words at this time, I invite you to make any --

14 COMMISSIONER SINGLEY: I would like to, if I
15 could.

16 MR. HANSON: Sure.

17 COMMISSIONER SINGLEY: I'd like to just take a
18 moment to say that I am honored to have an opportunity
19 to work with what I know is a very dedicated group of
20 folks who are doing a difficult job, during difficult
21 times, and, indeed, a thankless job. You are
22 constantly under scrutiny. You're constantly trying

1 to keep the brand positive in the minds of people who
2 use the bridges and the like. And I'm just delighted
3 to be here.

4 I also want to say that one of the biggest
5 mistakes I made is I called Johnny Dougherty to let
6 him know I was coming. I said, "Johnny, do I have to
7 wear a tie?" And he said, "No."

8 (Laughter)

9 COMMISSIONER SINGLEY: So, as usual, I can
10 count on John to give me solid advice. Thank you very
11 much, and I look forward to working with you and
12 living up to the expectations that you justifiably
13 have. Thank you.

14 MR. HANSON: Thank you, Commissioner. Again,
15 on behalf of the staff, welcome.

16 Under the heading of "Stewardship," I have a
17 couple of items. A customer emailed us and said, "I
18 was in a car accident this morning at 6th and Vine,
19 and two DRPA officers were the first to respond. They
20 were so incredibly kind and helpful. I had my four-
21 and-a-half-year-old nephew with me in the car and the
22 officers made sure we were both safe and that we both

1 safely got out of the car to go to the sidewalk and
2 wait.

3 "Officer John -- I don't know his last name --
4 spent so much time with us and he even gave my crying
5 nephew a sticker, which he proudly wore all day. He
6 talked about his daughter, Sammy, who is also 4, and
7 this made my nephew feel so much better. I want to
8 thank Officer John and the other officer who
9 responded. I was hit by someone who ran a red light.
10 I was frightened and upset and these officers made the
11 situation much easier for me and I am incredibly
12 grateful. Thank you so much."

13 During a recent PATCO train delay, a customer
14 wrote, "You have a female employee, Manager of
15 Passenger Services Sylvia Cuevas, at 8th and Market.
16 She is frequently there around 4:00 to 5:00 p.m. and
17 she does a phenomenal job and did a phenomenal job
18 handling the delay, today. She was attentive,
19 friendly, informative, and calming. Information was
20 coming in and she relayed it immediately. She made
21 the best of a difficult situation."

22 A customer tweeted the following regarding our

1 sale of Papal passes, "I just wanted to let you know
2 the customer service rep on the phone and the two
3 ladies at the Broadway ticket window were very helpful
4 and very nice to this first-time FREEDOM ticket buyer
5 #papalvisitfrenzyandfrazzled."

6 A customer wrote to commend staff, "It was my
7 mom's first time riding the train back to New Jersey
8 alone and the train operator was so helpful in making
9 sure she got off at the correct stop. She made it to
10 Woodcrest safe and sound."

11 Also, during August, we had a special Vendor
12 Outreach event. Chairman Boyer and I welcomed more
13 than 60 vendors to this event. The Purchasing
14 Department, and OBD&EO worked together to develop a
15 pilot program that will afford minority, women-owned,
16 and other small businesses an opportunity to compete
17 for annual contracts in four commodity areas; gloves,
18 trash can liners, safety equipment, and fasteners.
19 Instead of supplying these commodities in small
20 quantities, vendors will now have the opportunity to
21 compete for larger annual contracts.

22 Press from Al Dia and the *Philadelphia Tribune*

1 newspapers were in attendance. Buyers, Adam
2 Carmasine, Natasha Roman, Michelle Dinella and Linda
3 Willis, from the Purchasing Department were on hand to
4 distribute packets. Event organizers, EEO
5 Specialists, Erin Watterson, Purchasing Manager Susan
6 Squillace, Compliance Specialist Ron Kelly, Project
7 Analyst Ann DuVall, Administrative Coordinator
8 Thaddeus Abbott and Administrative Division Summer
9 Intern Francis Haggerty, worked collaboratively under
10 the direction of Chief Administrative Officer Toni
11 Brown.

12 The event supports the Board's goals of
13 diversity and inclusion and the subcommittee's goals
14 as well. It also supports the Authority's new-shared
15 vision and new-shared values of community stewardship.

16 Earlier this year, under the leadership of
17 Chief Administrative Officer Toni Brown, a new
18 Cultural Integration Program was introduced. This
19 cultural integration session is in addition to an
20 employee's new hire orientation and it helps the
21 individual departments onboard with their new
22 employees.

1 We also have upcoming, mandatory Equal
2 Employment Opportunity training for the Authority
3 staff, together with the Human Resources Training
4 Administrator. The Office of Business Development/
5 Equal Opportunity is managing biannual EEO training
6 for all Authority employees. It is mandatory training
7 and being conducted by a subject-expert from the Equal
8 Employment Opportunity Commission.

9 The Organizational Structure and Resource
10 Allocation Study is well underway. Our consultant,
11 CCI, met with executive and senior staff on July 16th
12 to discuss Phase 1 of the study and we will have
13 further updates on this going forward, in the future.

14 I'd like to, at this time, ask Chief Engineer
15 Mike Venuto to provide us with an update on the Car
16 Rehab Project.

17 MR. VENUTO: Yes. Thank you, John. Good
18 morning, Commissioners.

19 The Car Rehabilitation Project -- we have
20 received 8 married pairs to date, 16 total cars. They
21 have all been accepted and they are apparently in
22 revenue service. We received one additional married

1 pair earlier this week and that's moving onto the
2 testing phase. Upon completion of the testing phase,
3 it will go into revenue service. Another married pair
4 is scheduled to be delivered to Lindenwold next week.
5 As we receive refurbished married pairs, we provide
6 two more cars to the rebuilder to go into their
7 production line.

8 MR. HANSON: So, there are 16?

9 MR. VENUTO: Yes, sir, 16 cars in service.

10 MR. HANSON: Great.

11 Mr. Rink, any other comments?

12 MR. RINK: No. As you mentioned, currently,
13 we have a fleet of 100 cars at PATCO. We have 82 of
14 our existing fleet and 16 of the Alstom in service,
15 and the 2 delivered; so, 100 cars currently, out of
16 our 120, are at Lindenwold.

17 MR. HANSON: Great.

18 Mr. Venuto, track rehab?

19 MR. VENUTO: Yes. The track rehabilitation
20 across the Ben Franklin Bridge, this \$103 million
21 project is nearing completion. We are on schedule to
22 complete the north track outage by September 6th, and

1 complete the entire project by December 31st of this
2 year. The major work that is ongoing during this
3 outage is signal and power work, under bridge platform
4 removal, along with some punch list items for steel,
5 track, and painting work.

6 MR. HANSON: The key point is that as we
7 complete this last outage, there will be no more work
8 done. There will be no more outages during the
9 regular rush hours and it will be just on the
10 weekends. Finally --

11 MR. RINK: John, just one correction on that.
12 Between Labor Day and mid-October, we will have
13 extended week outages on Thursday evening and Friday;
14 so Thursday, from 10 a.m. to Sunday/Monday morning, we
15 will have extended outage, only on Track 2.

16 MR. HANSON: In October.

17 MR. RINK: Correct.

18 MR. HANSON: All right. Thank you.

19 Finally, Mr. Venuto, Franklin Square?

20 MR. VENUTO: Yes, Franklin Square. We
21 recently updated estimates on the reopening of
22 Franklin Square. The study identified a capital cost

1 of approximately \$26 million to fully open the
2 station. We have since identified the operating cost
3 of reopening the station to be about \$900,000 a year.
4 Our Grants Department has recently submitted a TIGER
5 grant application in the amount of \$26 million for the
6 estimated cost of reopening the station and we should
7 hear back in another month or so.

8 We have prepared draft schedules and
9 advertisements for qualifications. This past O&M
10 meeting, we sat with the Operations & Maintenance
11 Committee to discuss steps going forward. The plan
12 will be that at the next O&M meeting in September we
13 will make a presentation to the O&M Committee in
14 anticipation of moving forward to the Board for their
15 consideration.

16 MR. HANSON: Thank you, Mr. Venuto.

17 Finally, the summer is coming to a close and
18 that means it is coming to a close for our summer
19 interns. We would like to thank the Board again for
20 the changes that you made to the Summer Intern Program
21 this year. I'd like our Chief Administrative Officer,
22 Toni Brown, to talk a little bit about that program.

1 MS. BROWN: Yes. Good morning, Commissioners.

2 In June, we welcomed 48 summer students to our
3 program. These 48 interns worked in divisions across
4 the Authority of DRPA and PATCO. For most students,
5 as John has indicated, this is their last week at work
6 for us.

7 While they worked with us, they learned the
8 importance of reporting to work on time; they learned
9 the importance of the value of hard work; they learned
10 workplace protocol; and they received many meaningful
11 work assignments. They also left with a clear
12 understanding about their stewardship role here at the
13 Authority.

14 We took the time to survey some of the summer
15 interns and you have in front of you the results of
16 the survey. One hundred percent of the respondents
17 told us that they enjoyed their work. They found
18 their contributions valuable and feel more prepared
19 for future employment as a result of their work here
20 in our Summer Intern Program.

21 More importantly, 87.5 percent of the students
22 told us that they would consider applying to the DRPA

1 for future full-time employment, so we think that
2 that's a real positive result.

3 Earlier in the summer, Chairman Boyer and also
4 Vice Chairman Nash expressed interest in seeing the
5 summer students in action, at work. So, we took the
6 time to put together a video, a short video
7 presentation for you. This presentation was created
8 by a team of students and we hope that you enjoy what
9 they have to say.

10 (Video played)

11 MR. HANSON: Toni, any further comments?

12 MS. BROWN: No, that concludes my report.

13 MR. HANSON: And that concludes my report,
14 Mr. Chairman.

15 CHAIRMAN BOYER: Thank you.

16 Questions for the CEO?

17 Commissioner Dougherty?

18 COMMISSIONER DOUGHERTY: Yes, thank you,
19 Mr. Chairman.

20 I'd like to take a second to not only welcome
21 Mr. Singley to the Board, but also Tim Reese, Kyle
22 Anderson, Dave Gentile, and Ray Santarelli. I've

1 dealt with all five of them and to be honest with you,
2 I've disagreed with all of them more than once in my
3 other life. But I want to let you know -- you talk
4 about intellect, and passion, and success in where
5 they all came from -- all five of them are great
6 additions to this Authority.

7 Again, I think it's a step in the right
8 direction. It goes forward. It changes some of the
9 old culture. I know I make people nervous when I say
10 the word "culture," but there was a comfort zone that
11 -- again, I'm very happy to see that we have an
12 organizational structure going on, -- but I hope we're
13 moving from welcoming the five new additions, but
14 jumping into the new organizational structure.

15 I want to make sure that we are included in
16 that conversation, too, because that's not just moving
17 the chairs around. That was because we have a serious
18 lack of equality in job distribution. That was the
19 initial part of the conversation and we wanted to
20 place people in positions that would be able to fix
21 that. I haven't been included in any of that
22 conversation and I made that motion both times I've

1 been on this Board -- about adding some structure here
2 which would help. And, again, we've already seen a
3 few other pieces that we have discussed in the past.

4 Last, but not least -- well, two other pieces.
5 I wasn't present at the Operations & Maintenance, but
6 there was some discussion again about Franklin Square.
7 And, I want additional scrutiny on everything. I
8 understand now there's some concerns about the cost.
9 But all you have to do is open up the paper and
10 realize that the Papal visit, the DNC -- and walk
11 around town; there's more cranes in Philadelphia than
12 at any time in my lifetime. The people need that
13 open. The City needs that open. Again, that was done
14 in a conversation early on and I haven't had much -- I
15 haven't been included in too many memos or
16 conversations about if there are any changes or any
17 problems we bumped into other than the Operations &
18 Maintenance meeting minutes.

19 MR. HANSON: There are no problems. And I
20 wouldn't necessarily describe the discussion at O&M as
21 concern. I think the numbers were presented and there
22 was a very healthy discussion at O&M about the

1 project. The committee members asked for a formal
2 presentation at the next O&M Committee meeting, which
3 Mr. Venuto is preparing and we will be doing at the
4 next O&M Committee meeting.

5 From my perspective, Commissioner, I've said
6 all along that this is an exciting project. I think
7 it has the potential to enhance the service of the
8 PATCO line and I think I agree with you that proper
9 scrutiny is warranted; I think we're on that path.

10 COMMISSIONER DOUGHERTY: I just want to make
11 sure we're consistent, because -- for some of our new
12 members -- each year we get asked to vote on about a
13 \$25 to \$30 million subsidy for PATCO. I just want to
14 make sure that the distribution was fair between the
15 Commonwealth of Pennsylvania and the good State of New
16 Jersey. So, I've been raising these points for quite
17 a few years. And last year, we had a 30 percent
18 increase in the subsidy in PATCO. And that's when the
19 Franklin Square conversation started.

20 I just want to make sure that the Franklin
21 Square -- that we give PATCO the same type of scrutiny
22 we're giving Franklin Square. I think the people on

1 both sides of the river deserve it.

2 MR. HANSON: You have made that point
3 consistently. You have been consistent.

4 COMMISSIONER DOUGHERTY: But now, on the
5 Pennsylvania side of it. Usually, I say it in Jersey.

6 (Laughter)

7 MR. HANSON: You have been instrumental in us
8 getting to this point and we are continuing to proceed
9 with this.

10 COMMISSIONER DOUGHERTY: Two other pieces of
11 quick business. Two topics I've been fighting for are
12 transparency and some consistent funding of the
13 employees in the sense of raises and benefits and not
14 always having the workers be the last people on the
15 totem pole.

16 I understood we gave a 2, 2-1/2 percent
17 increase across the board. I had conversation with
18 the Auditor General of Pennsylvania, Eugene
19 DePasquale, the only elected official on our side, and
20 he wasn't properly notified of that. And here I am
21 screaming for transparency and sitting at his
22 pleasure. I just want to make sure that when we make

1 significant moves like that, especially things that he
2 has championed, that he is included in the
3 conversation.

4 MR. HANSON: I will make sure that that
5 happens. These raises were discussed at the Labor
6 Committee, which is typically where we discuss them.
7 But I apologize for the oversight and we will include
8 -- we will make sure that we include General
9 DePasquale, in the future.

10 COMMISSIONER DOUGHERTY: Nice job with the
11 interns.

12 MR. HANSON: Thank you.

13 CHAIRMAN BOYER: Any other Commissioners have
14 any questions of the CEO's report?

15 I will ask for a motion to accept the CEO's
16 report.

17 COMMISSIONER SWEENEY: Move the motion.

18 CHAIRMAN BOYER: Second?

19 COMMISSIONER FRATTALI: Second.

20 CHAIRMAN BOYER: All in favor?

21 ALL: Aye.

22 CHAIRMAN BOYER: All opposed?

1 The motion carries.

2 Now, we'll have the report of the Chief
3 Financial Officer, Jim White.

4 MR. WHITE: Good morning, Mr. Chairman,
5 Mr. Vice Chairman, and all the Commissioners.

6 Congratulations to Commissioner Singley for
7 coming on board at the DRPA.

8 Before I get into an update on some financial
9 matters, I just wanted to again lend some support to
10 the Summer Intern Program. The gentleman who worked
11 for us is cited in our Annual Report as making a
12 significant contribution and he was very helpful to us
13 during a time when our staff is a little short-handed.
14 One of the things I do as a chief officer at the DRPA
15 is I give a test -- usually at the end of the day --
16 and he's been doing a pretty good job. So, I just
17 wanted to add those remarks.

18 There are a number of things that I just
19 wanted to update the Board on. We did have this
20 conversation or summary in the Finance Committee
21 meeting. But given when that happened, some of the
22 minutes -- I think the minutes are not included, so I

1 just wanted to update the Commissioners on the status
2 of a few of the resolutions that were passed.

3 On September 18, 2014, we passed DRPA-14-116.
4 It essentially was the approval of the swap policy and
5 the approval for us to proceed with a swap novation
6 transaction. So, you'll see we did that in September.
7 I am happy to report on July 15th, we finalized that
8 swap novation transaction. What that means
9 essentially is that we replaced UBS as our swap
10 counterparty with two new banks. That's a significant
11 thing to us for several reasons.

12 Number one, it insulates us from
13 collateralization in termination consequences related
14 to any DRPA revenue bond downgrade. It removes a key
15 element in the former provisions, which was a cross
16 default provision related to the revenue bond swaps,
17 related to the PDP bond, so that has been stricken out
18 of the new deal.

19 The third is it gives us unilateral, optional
20 termination rights, full or partial, at the election
21 of the DRPA. We did not have those rights prior to
22 this transaction. We increased the swap counterparty

1 credit quality. We diversified our swap counterparty
2 exposure, for we now have two counterparties as
3 opposed to one, so that puts us in a much better
4 position should we look to do any optional
5 terminations.

6 And surprisingly to us, we netted over
7 \$800,000 in proceeds; I did a happy dance in John
8 Hanson's office when we got that transaction finished.
9 So it really worked out well for us.

10 DRPA-15-048, Loan Guarantee for the U.S.S.
11 Battleship New Jersey that was passed on April 15,
12 2015: the Board approved a 10-year loan guarantee, in
13 an amount not to exceed \$800,000, for the U.S.S.
14 Battleship. I'm happy to report documents have been
15 signed. The loan guarantee is effective with TD Bank.

16 This is a really important thing. Obviously,
17 we have been exiting the economic development
18 business. In the early 2000's, DRPA loan guarantees
19 totaled \$24 million. At this point, we only have one
20 loan guarantee effective. That is for \$795,931.24
21 related to the Battleship. So that shows that over a
22 period of 10 years, we have exited the business in

1 terms of loan guarantees and, obviously, it reduces
2 our exposure going forward.

3 DRPA-15-090, Commuter Discount Implementation:
4 we are proceeding with a contract with Xerox to get
5 that moving. Again, our expected target date for that
6 is December the 1st.

7 DRPA-15-095, the Camden Stadium Restructuring:
8 that was passed at the July 2015 Board meeting and
9 that transaction was concluded. After some pushback
10 by the DRPA, the transaction occurred on August the
11 7th, one day after the veto period, so that deal is
12 being concluded.

13 Those are the key updates I wanted to make on
14 resolutions passed by the Board and that have, at this
15 point, all been executed.

16 If you'll turn to the section in your binders
17 or on your computers, there are three reports
18 essentially to give some idea of the financial status
19 of the DRPA, particularly for the new commissioner.
20 There are additional financial reports throughout the
21 binder or throughout the Board packet, but we tend to
22 focus on these particularly in the Finance Committee

1 and at the Board meetings to update everyone.

2 What I would like to do is briefly go over the
3 DRPA Dashboard. You'll see the reporting month is May
4 2015.

5 TREASURER REESE: Excuse me. Can you please
6 say the page number?

7 MR. WHITE: I'm not sure there is a page
8 number, per se.

9 COMMISSIONER SINGLEY: Page 46.

10 TREASURER REESE: Page 46? Thank you.

11 MR. WHITE: Oh, is there? Okay. Thank you.

12 COMMISSIONER SINGLEY: The Dashboard starts at
13 44, actually.

14 TREASURER REESE: 44 is the Dashboard, yeah.

15 MR. WHITE: Thank you. In fact, the
16 Dashboard is on view on the screen there. Some of the
17 positive things there: DRPA traffic, you'll see, is on
18 target. The current month is 3.14 percent higher than
19 the budget. Year to date, we are above the budget.
20 And, in fact, and I'm referring to the unaudited
21 financial summary that we provided that is toward the
22 latter part of the section, we are, year to date,

1 \$4.5 million higher than last year in terms of tolls
2 and we are roughly 600,000 vehicles higher than last
3 year. Again, the key issue there is we were not
4 socked with the inclement weather during January,
5 February, and March in 2015, like we were in 2014.

6 So you'll see in terms of bridge ridership
7 that we are above budget, on target, or above target.
8 DRPA operating budget: we're still roughly 10 percent
9 below budget at this point and that number will
10 continue to shrink as we get towards the end of the
11 year. We're typically somewhere 5 percent -- give or
12 take -- under budget historically the last 10 years or
13 so.

14 In terms of the DRPA capital budget, you'll
15 see that our expenditures are still less than budget.
16 However, one of the things not reflected in this is
17 that we have made significant payments to Alstom.
18 Those payments are made using grant funds, so they do
19 not appear in the DRPA contribution piece that's
20 reflected here in the Dashboard.

21 PATCO ridership is roughly around 5 percent
22 under budget and PATCO revenues are roughly the same.

1 Again, some of that relates to the snows related to
2 PATCO, but most of that is related to, I think, the
3 Track Rehab Program and the fact that gas prices were
4 been low during much of the beginning of the year.

5 Operating Budget: PATCO is roughly 10 percent
6 under budget, year-to-date. Its operating ratio is
7 actually in better shape, positive related to the
8 budget. On-time performance is around 97 percent.
9 And now, I usually give John Rink an opportunity to
10 share anything he wants to on that issue.

11 John, are you there?

12 MR. RINK: Thank you, Jim.

13 Commissioners, as you know, for the month we
14 are at 97.64 percent, with our goal of 98 percent.
15 Year-to-date, our on-time performance is 97.48
16 percent, right near our goal of 98 percent for the
17 year. And, this was during our integration of the
18 Alstom cars into our fleet and also the Bridge Rehab
19 Project that has been on-going since last year.

20 MR. WHITE: Is that it, John? Okay, thank you
21 very much.

22 In conclusion, I just want to -- as we

1 approach the end of the year, I just to make the
2 comment that DRPA revenues are roughly \$5.4 million
3 above budget through the main numbers; so, we have
4 experienced a tremendous increase both in terms of
5 traffic and revenues, in some cases unexpected. That
6 concludes my remarks.

7 CHAIRMAN BOYER: Any questions for Jim White?

8 TREASURER REESE: Yes, I have some questions.

9 I have a question first going back to the
10 PATCO numbers. How does that on-time goal compare
11 nationally?

12 MR. RINK: We have our on-time performance
13 goal higher than other regional agencies. SEPTA, I
14 believe, is at 95 percent. Washington is lower than
15 that. We have a goal of 98 percent, which is high
16 compared to our regional transit partners.

17 TREASURER REESE: Okay. I'm having some
18 difficulty, Chairman, trying to follow, because you
19 have a hard copy and I have an electronic copy. I've
20 gone through a lot of this document, staying on pace
21 with the discussion, and trying to find out exactly
22 where we may be reading from, or looking at, so that

1 it gives me in my ability to give my fullest to this
2 Board. So maybe that's something we can look at
3 later.

4 But what do you attribute -- I was looking at
5 the increase numbers. I saw it in the CEO report.

6 MR. WHITE: Right.

7 TREASURER REESE: I also saw something
8 regarding minority, the MBE participation in the CEO
9 report, so I'll just use this time, if you will. On
10 the increase that you're seeing on the Walt Whitman, I
11 see a lot of that is really Walt Whitman and the
12 Commodore Barry. Is there anything that gives you an
13 indication why year-over-year the ridership is higher,
14 the traffic is higher, coming through there? Is it
15 related to gas prices being low? Is this an anomaly?
16 Do we expect it to go down?

17 I mean, when you do your budgeting and all,
18 just give me a sense of how you're looking at this
19 number and if that is statistically something that
20 happens year-over-year, or something like that?

21 MR. WHITE: That's a very good question. In
22 2013, we did a traffic study as part of our 2013 bond

1 offering when we went out for roughly \$470 million to
2 support the Capital Program. Based on that traffic
3 study, the increase in traffic, I believe, was
4 somewhere around traffic and revenue, I believe; I
5 don't have that in front of me, but I think it was
6 around 1/2 a percent.

7 So, certainly -- and one of the things they
8 look at in the traffic study, they look at population
9 growth. They look at capital projects throughout the
10 region. They look at employment trends both in terms
11 of Pennsylvania and New Jersey. So we are
12 experiencing a higher increase -- both in traffic and
13 revenue -- than projected by the traffic study that
14 was done at the end of 2013.

15 One of the major things we do when budgeting
16 for traffic, is use that traffic study to kind of give
17 us a sense of where we are and then we look back
18 historically to see what kind of trends we've seen.
19 One of the things that we also do is we decrement the
20 traffic and the revenue numbers, typically by three
21 days. So, that equates to around \$3 million, because
22 historically we've been hit in some years by as much

1 as three days related to inclement weather. One year,
2 we had a hurricane that impacted the traffic. So what
3 we tend to do is use the traffic study numbers, and
4 then we pull back the numbers by \$3 million.

5 One of the reasons we are so far ahead is
6 because we essentially did not have the impact this
7 year of the inclement weather. Maybe we were hit by
8 \$300 to \$500,000; I don't know the numbers right
9 offhand. But the fact that we didn't get hit by the
10 three days automatically puts you ahead of budget,
11 maybe around \$2.5 million, give or take.

12 And then, the other piece is that the traffic
13 thus far in terms of vehicles is three percent, which,
14 again, is higher than projected under the traffic
15 study. So essentially those combinations -- probably
16 the gas prices have something to do with it, too, but
17 a lot of it has to do with the lack of inclement
18 weather and the fact that there is a greater growth
19 than even projected by the study we had from an
20 outside consultant.

21 MR. HANSON: And, Treasurer, another issue is
22 that the average toll has gone up by nearly 4.8 cents,

1 so that means that the increase in traffic is weighted
2 more heavily toward trucks and passenger vehicles.

3 MR. WHITE: Right.

4 MR. HANSON: Which we would say is probably
5 indicative of an improving economy.

6 TREASURER REESE: Okay.

7 MR. HANSON: So there are more trucks. But
8 the budgeting this year -- we had a current traffic
9 study, as Jim said, so we based the budgeted numbers
10 on the traffic study, decremented for weather as we
11 normally do, allowing for three total weather loss
12 days, which has been common in recent years.

13 TREASURER REESE: Right.

14 MR. HANSON: But the average toll, which is
15 kind of the big surprise, goes from \$6.21 to \$6.26.
16 That's nearly a nickel on the average toll, which
17 means the traffic mix is richer, weighted towards
18 bigger trucks, which pay higher tolls.

19 TREASURER REESE: Right.

20 MR. WHITE: And to add to John's comment, you
21 typically see that over the Commodore Barry and Walt
22 Whitman Bridges where you have most of your commercial

1 traffic coming across.

2 TREASURER REESE: Okay. Just to finish up, so
3 what I'm hearing is it's a mix. It's a rather complex
4 mix, I'm hearing, where you're having more freight or
5 trucks coming across certain bridges --

6 MR. WHITE: Right.

7 TREASURER REESE: -- with a higher toll, so
8 that's giving you a higher revenue and a higher
9 traffic, but not necessarily you can say that it's
10 more, if you say residential or pedestrian drivers as
11 well are increasing your traffic?

12 MR. HANSON: Probably all traffic is going up,
13 but it's weighted towards the --

14 TREASURER REESE: That's what I'm --

15 MR. HANSON: Weighted towards trucks.

16 TREASURER REESE: And that's what I'm trying
17 to say. So it's weighted -- it's more of a weighted
18 thing, okay.

19 MR. WHITE: Right, that's exactly right. So
20 of that roughly three percent increase, some of that
21 is related to passenger traffic; but in terms of the
22 mix, you're seeing more commercial vehicles coming

1 across, which push up your average toll.

2 TREASURER REESE: Okay. And then finally I
3 guess then that bleeds into your forecasting studies
4 around being able to manage the debt, debt repayment
5 with increased revenues, lower operating costs.

6 Are you going to do any new -- does this cause
7 any new forecasting, any new projections for the
8 upcoming year that you may see given the fact that the
9 numbers are trending higher and more than expected by
10 a study done two years ago?

11 MR. WHITE: What we would expect is the
12 numbers will be higher as a result of growth
13 percentage. So we'll again kind of look at the study,
14 maybe tweak it a little bit, but I would expect the
15 numbers will be higher next year.

16 What happens with the DRPA is that essentially
17 we're governed by our bond indentures. So, the toll
18 revenues flow into what we call the Revenue Fund.
19 After we pay the expenses related to Bridge Ops and
20 Administration, it then goes to pay --

21 TREASURER REESE: Debt service.

22 MR. WHITE: Revenue bond, debt service, and it

1 flows into -- after that, it flows into the General
2 Fund --

3 TREASURER REESE: Right.

4 MR. WHITE: -- we pay our PDP debt service.
5 We pay the PATCO subsidy and then from there, the
6 surplus goes into the General Fund.

7 One of the things we did earlier, we did this
8 last -- we have positioned ourselves in terms of the
9 5-year Capital Plan, which is around \$750 million, to
10 be able to fund that. There are two ways we fund
11 that. One is through bond issuance; we had the 2013
12 issuance late in 2013. When those funds are exhausted
13 by our existing plan -- and I project that may be
14 somewhere in the late 2017/early 2018 timeframe -- we
15 have a General Fund that -- what we did is we
16 subdivided the General Fund into what we call a Pay-Go
17 Capital Fund.

18 So the combination of our General Fund and the
19 Project Funds, together -- we project that based on
20 the present Capital Plan, we will be able to fund that
21 out at least three or four years. So when you look at
22 the better operating results --

1 TREASURER REESE: Right.

2 MR. WHITE: What that means is more money
3 ultimately gets to the General Fund --

4 TREASURER REESE: General Fund, um-hum.

5 MR. WHITE: -- which gives us better capacity
6 to fund the Capital Program.

7 TREASURER REESE: More liquidity.

8 MR. WHITE: Right.

9 MR. HANSON: In a real way, it keeps us -- it
10 holds toll increases at bay. And this is something
11 Jim and I are particularly proud of -- and Jim was the
12 architect of this as the Director of Finance -- that
13 for the first time in a long time, the DRPA is going
14 to be in a position where we're going to be funding
15 our Capital Program not out of borrowed funds, but out
16 of money that we have accumulated in the General Fund.

17 The strategy, before Jim and I got here, to
18 fund the Capital Plan was to raise the tolls, take the
19 revenue stream that you have and monetize that through
20 debt. And that's how DRPA and PATCO have paid for
21 their Capital Program.

22 TREASURER REESE: Right.

1 MR. HANSON: Thanks to the hard work by the
2 Board, the hard work by the staff, and in particular
3 by the hard strategic and analytical work by CFO Jim
4 White --

5 TREASURER REESE: Right.

6 MR. HANSON: -- we're in a position now where
7 we're accumulating money in the General Fund so that
8 when these Project Funds that have been borrowed run
9 out, we're going to be paying not with borrowed funds
10 any longer, but --

11 TREASURER REESE: Right.

12 MR. HANSON: -- with funds that we've been
13 able to save, probably \$300 million or more.

14 Right, Jim, when we get to that part?

15 MR. WHITE: Right, right.

16 CHAIRMAN BOYER: I think the term-of-art is
17 "flush with cash."

18 TREASURER REESE: Or, yeah, well, liquidity.

19 CHAIRMAN BOYER: Yes, liquidity.

20 MR. WHITE: Yes, I like that term.

21 TREASURER REESE: But flush generates a
22 different concept.

1 MR. WHITE: And, actually, the rating agencies
2 like that term, "liquidity." That's one of the things
3 they looked at when they -- it's part of the 2013 bond
4 issue.

5 TREASURER REESE: Right.

6 MR. WHITE: And so we were successful for the
7 first time in I don't know how long by S&P. They
8 raised that and one of the key things was our ability
9 to fund the Capital Program and the second thing was
10 the liquidity that we had to run our operations and
11 also to fund the Capital Program.

12 CHAIRMAN BOYER: Thank you. This is a great
13 discussion. I think that the press should take note,
14 because I hate when they always start with and
15 reference the "debt-ridden DRPA." So we are great
16 financials stewards of money.

17 And I have Commissioner Hepkins?

18 COMMISSIONER HEPKINS: I wanted to get in a
19 little quicker to add to the point that the Treasurer
20 is making as far as the reason for high variance and
21 toll revenue. Is it -- can part of that be attributed
22 to the low gas prices? I've heard it said that in the

1 last year gas prices are about .80 cents to \$1 lower -
2 - depending where you are in the country -- per
3 gallon. It's down to \$42 a barrel, from a high of
4 around \$100 a barrel, and oil futures are going down.

5 Could you speak on not just our current
6 positive variance, but on the inverse effect of how
7 usually when you have low gas prices, public
8 transportation usage goes down; people flock to cars.
9 Could you speak on that a little bit?

10 MR. WHITE: Actually, I think you've explained
11 it pretty well. We don't have sophisticated models
12 that give us insight into that, but that certainly is
13 what's happening. When there are lower gas prices,
14 people have a tendency to go over the bridge. I think
15 I might have mentioned that. But that certainly is a
16 part of the equation.

17 I would say the bulk of what we've seen is,
18 though, the fact that we did not have inclement
19 weather and that accounts for, I would say, at least
20 50 percent of the overage. But, no doubt gas prices
21 have had an impact.

22 CHAIRMAN BOYER: Thank you. We're going --

1 MR. WHITE: By the way, John Hanson was a
2 little generous with his comments about my role here
3 as CFO for 10 years. He has to take a whole lot of
4 the credit, so I just wanted to put that on the public
5 record.

6 CHAIRMAN BOYER: We thank you both. With no
7 more comments from any Commissioners, we're going to
8 move onto approval of the July 15, 2015 DRPA minutes.
9 The minutes were previously provided to all
10 Commissioners. Are there any corrections?

11 With no necessary corrections, I'll accept a
12 motion to approve the minutes.

13 COMMISSIONER FENTRESS: Move the motion.

14 CHAIRMAN BOYER: Can I get a second?

15 COMMISSIONER MOSKOWITZ: Second.

16 CHAIRMAN BOYER: All those in favor?

17 ALL: Aye.

18 CHAIRMAN BOYER: All opposed?

19 Ayes have it, motion carries.

20 Next on the agenda: Monthly List of Previously
21 Approved Payments and a Monthly List of Previously
22 Approved Purchase Orders and Contracts Covering the

1 Month of July 2015.

2 I will accept a motion to receive and file the
3 monthly list of previously approved payments and
4 monthly list of previously approved purchase orders
5 and contracts covering the month of July 2015. Can I
6 have a motion?

7 COMMISSIONER HEPKINS: So moved.

8 CHAIRMAN BOYER: A second?

9 COMMISSIONER FENTRESS: Second.

10 CHAIRMAN BOYER: All in favor?

11 ALL: Aye.

12 CHAIRMAN BOYER: All opposed? Ayes have it.

13 Approval of the Balance Sheet - First Quarter
14 Financials - March 31, 2015. We've had a chance to
15 look at those.

16 Can I have a motion to accept?

17 COMMISSIONER HEPKINS: So moved.

18 CHAIRMAN BOYER: A second?

19 COMMISSIONER FRATTALI: Second.

20 CHAIRMAN BOYER: All those in favor?

21 ALL: Aye.

22 CHAIRMAN BOYER: All opposed?

1 Ayes carry.

2 Approval of the Operations & Maintenance
3 Committee Minutes of August 5, 2015.

4 Can I have a motion to accept those minutes?

5 COMMISSIONER FENTRESS: Move the motion.

6 CHAIRMAN BOYER: Can I have a second?

7 COMMISSIONER FRATTALI: Second.

8 CHAIRMAN BOYER: All those in favor?

9 ALL: Aye.

10 CHAIRMAN BOYER: All opposed?

11 Ayes have it.

12 Adopt Resolutions Approved by the Operations &
13 Maintenance Committee Meeting of August 5, 2015. There
14 are six items that the Operations & Maintenance
15 Committee considered for approval. They are as
16 follows:

17 Contract Number BF-44-2015, Ben Franklin
18 Bridge Miscellaneous Pavement Repairs.

19 Mr. Venuto?

20 MR. VENUTO: Yes, sir, Mr. Chairman. Staff is
21 seeking authorization to negotiate a construction
22 contract with A.E. Stone to perform milling and

1 resurfacing on portions of the roadway service at the
2 Ben Franklin Bridge in an amount of \$708,000.

3 The asphalt pavement on the Camden approach
4 spans is in need of repairs due to the constant heavy
5 vehicular loads that have caused some cracking and
6 potholes. This project will repair the deteriorated
7 pavement to provide a smooth driving surface. The
8 bridge was last resurfaced in 2004 and similar partial
9 repairs were performed in 2009 and 2010.

10 CHAIRMAN BOYER: Thank you.

11 Any questions for Mr. Venuto? If not, I'll
12 accept a motion for adoption.

13 COMMISSIONER FENTRESS: Move the motion.

14 COMMISSIONER FRATTALI: Second.

15 CHAIRMAN BOYER: All in favor?

16 ALL: Aye.

17 CHAIRMAN BOYER: All opposed?

18 Ayes carry.

19 DRPA-15-098, Construction Monitoring Services
20 for Contract Number WW-20-2015, Walt Whitman Bridge
21 Painting Suspension Span and Towers.

22 Again, Mr. Venuto?

1 MR. VENUTO: Thank you, Mr. Chairman.

2 Staff is seeking authorization to negotiate an
3 agreement with Johnson, Mirmiram & Thompson to provide
4 construction monitoring service for Contract
5 WW-20-2015, the Walt Whitman Bridge Painting
6 Suspension Spans and Towers in an amount of
7 \$7,386,065.95.

8 This Board previously approved the painting --
9 the overall painting contract, last month. This
10 agreement will provide full-time, on-site construction
11 inspection and monitoring services for the Walt
12 Whitman Bridge Painting Project. The services will
13 include a full-time resident engineer and support
14 inspection staff for inspecting all contract field
15 activities, and monitoring the contractor's compliance
16 with our plans and specifications.

17 CHAIRMAN BOYER: Any questions of Mr. Venuto?

18 I'll entertain a motion.

19 COMMISSIONER FENTRESS: So moved.

20 CHAIRMAN BOYER: Can I get a second?

21 COMMISSIONER FRATTALI: Second.

22 CHAIRMAN BOYER: All in favor?

1 ALL: Aye.

2 CHAIRMAN BOYER: All opposed?

3 Ayes carry.

4 DRPA-15-099, Capital Project Contract
5 Modifications.

6 Again, Mr. Venuto?

7 MR. VENUTO: Thank you.

8 Staff is seeking Board authorization to
9 execute a contract modification to the Ben Franklin
10 Bridge, New Jersey Approach, North Parapet
11 Rehabilitation Project. This was an emergency
12 authorization project.

13 When the design was completed under the
14 emergency basis, we designed it on the conditions that
15 we saw at the time. The original contract value was
16 \$728,396. This contract modification is for
17 \$101,127.06, and a time extension of 14 days.

18 After demolition of the north parapet wall,
19 our resident engineer did some further investigation
20 and sounding and uncovered additional unsound concrete
21 that needed to be replaced, plus some deterioration to
22 the steel guardrail. We also want to include an

1 additional taper at the end of the barrier; that was
2 not included in the original contract.

3 So this change order is for two additional
4 contracts -- I'm sorry - is for the modification to
5 two existing contract items and three new contract
6 items.

7 CHAIRMAN BOYER: Thank you. I'll accept a
8 motion for adoption.

9 COMMISSIONER FENTRESS: So moved.

10 CHAIRMAN BOYER: Can I get a second?

11 COMMISSIONER FRATTALI: Second.

12 CHAIRMAN BOYER: All those in favor?

13 ALL: Aye.

14 CHAIRMAN BOYER: All opposed?

15 Ayes have it.

16 DRPA-15-100, Purchasing Bid B0006348,
17 Procurement of Ameristar Aegis II Fence and Fence
18 Material for the Ben Franklin Bridge, No
19 Substitutions.

20 Mike Venuto?

21 MR. AULETTO: Good morning, Mr. Chair.

22 CHAIRMAN BOYER: Oh, we've got a new guy now.

1 MR. AULETTO: I'll try. Staff is seeking
2 authorization to award a contract with the firm of
3 South Camden Iron Works, Mickleton, New Jersey, to
4 purchase fence material for installation at the Ben
5 Franklin Bridge in the amount of \$173,523.32. The
6 project will improve access and security of the bridge
7 lots, and replace an existing eight-foot chain link
8 fence with a 10-foot climb-resistant estate fence.
9 The new fence will match the existing fence already
10 installed in the Camden under bridge areas. All
11 removal and installation will be completed by DRPA
12 in-house forces.

13 The project was publicly advertised on
14 June 30, 2015, and mailed to 18 bidders. Three bids
15 were received. The low responsive and responsible bid
16 was submitted by South Camden Iron Works in the amount
17 of \$173,523.32. Thank you.

18 CHAIRMAN BOYER: I'll accept the motion for
19 adoption.

20 COMMISSIONER FRATTALI: Move the motion.

21 COMMISSIONER FENTRESS: Second.

22 CHAIRMAN BOYER: I have a motion and second.

1 All in favor signify by saying aye.

2 ALL: Aye.

3 CHAIRMAN BOYER: All opposed?

4 Ayes carry.

5 DRPA-15-101, Carpet Replacement for One Port
6 Center Building. Mr. Holden?

7 MR. HOLDEN: Good morning, Mr. Chairman.
8 Thank you.

9 CHAIRMAN BOYER: Good morning.

10 MR. HOLDEN: The carpeting in the building is
11 the original carpeting installed when the building was
12 constructed. We will be doing a phase-in replacement
13 of the carpeting on Floors 7 through 11. That will be
14 16 by 16 squares and will be done in the evenings.
15 The installation includes the movement of furniture,
16 the laying of the carpet, and the replacement of the
17 furniture. We are a bit under what was budgeted at
18 \$250,150 and, hopefully, we'll get it done between
19 December and February.

20 CHAIRMAN BOYER: Thank you.

21 I'll entertain a motion for adoption.

22 COMMISSIONER FRATTALI: Move the motion.

1 CHAIRMAN BOYER: Can I get a second?

2 COMMISSIONER FENTRESS: Second.

3 CHAIRMAN BOYER: All in favor signify by
4 saying aye.

5 ALL: Aye.

6 CHAIRMAN BOYER: All opposed?

7 Ayes have it.

8 DRPA-15-102, City of Philadelphia Request for
9 Office of Emergency Management; Use of Lots under the
10 Ben Franklin Bridge.

11 Ms. Shiver?

12 MR. SHIVER: Good morning. This request comes
13 to us from the Philadelphia Office of Emergency
14 Management. They are asking to access the lots
15 between 2nd and 3rd Streets and east of 2nd Street for
16 the period of September 21st through the 28th for
17 fiscal reasons related to the Papal visit. They are
18 asking to put EMS signs and also things that would
19 support DRPA in the event of an incident relating to
20 the Papal visit.

21 CHAIRMAN BOYER: Thank you. I'll entertain a
22 motion.

1 COMMISSIONER FRATTALI: So moved.

2 CHAIRMAN BOYER: Second?

3 COMMISSIONER FENTRESS: Second.

4 CHAIRMAN BOYER: All those in favor?

5 ALL: Aye.

6 CHAIRMAN BOYER: All opposed?

7 Ayes have it.

8 Adopt Resolutions Approved by the Finance
9 Committee of August 12, 2015. There are four items
10 from the Finance Committee for consideration and
11 approval. They are as follows: DRPA-15-103, Camera
12 and Call Box Maintenance Agreement; DRPA-15-104,
13 Active Benefit-Eligible Employees Under 65, Retiree,
14 and Eligible Dependent Benefits, DRPA/PATCO; DRPA-15-
15 105, Employee Dental Coverage, 2016-2017; DRPA-15-106,
16 Employee Vision Coverage, 2016 to 2017, DRPA and
17 PATCO.

18 I would like to take the last three and put
19 them all together, and let Toni Brown talk about the
20 total medical coverage benefits.

21 MS. BROWN: Yes, good morning, Commissioners.

22 The first item is the medical and prescription

1 renewal for the DRPA benefit-eligible employees and
2 our active retirees under the age of 65. Staff is
3 seeking authorization to accept the renewal that has
4 been presented to us by our incumbent carrier,
5 AmeriHealth, to continue to provide this coverage.

6 If approved, the estimated annual premium for
7 2016 will be \$12.9 million. Gallagher, our broker,
8 marketed this coverage to five carriers, including;
9 AmeriHealth, Aetna, Cigna, Horizon Blue Cross/Blue
10 Shield, and United Health Care. They also considered
11 two self-insured options, AmeriHealth Administrators
12 and IBA/TPA.

13 AmeriHealth's preliminary renewal came in at
14 2.8 percent over the current premium, which would have
15 been an increase of more than \$357,000. After
16 Gallagher's negotiations with AmeriHealth, the renewal
17 was reduced from 2.8 percent to a plus one percent,
18 which would be an increase of \$126,166. This will be
19 a savings to the Port Authority of \$231,660.22.

20 In addition to this one percent increase
21 renewal, AmeriHealth has offered to increase our
22 wellness budget from the \$15,000 annually that we

1 receive to \$20,000. In addition to that, they have
2 also put on the table a target cost ratio guarantee
3 for 2017. This one percent premium increase is
4 significantly less than the estimated medical trend
5 for 2016, which is projected to be 8.5 percent and the
6 estimated prescription trend for 2016, which is
7 estimated to be 10 percent.

8 It is our broker's recommendation that we
9 accept this renewal proposal from AmeriHealth and
10 staff concurs with that recommendation.

11 The next item for the Board's consideration is
12 dental renewal. Again this is for our active benefit-
13 eligible employees and their eligible dependents. If
14 approved, the estimated annual premium would be
15 \$461,981. Our broker marketed this coverage to nine
16 carriers and the quotes were outlined for you in
17 detail in the Summary Statement.

18 Our incumbent carrier, Delta Dental, came back
19 with two options for our consideration. One was a
20 one-year renewal at a seven percent decrease, which
21 would have amounted to a savings of \$31,278. The
22 second option was a two-year rate guarantee of a 3.5

1 percent decrease annually, which would result in a
2 projected annual savings of \$15,620.

3 It is our broker's recommendation that we
4 accept the two-year rate guarantee that is on the
5 table and staff agrees with that recommendation. I do
6 want to say that there were a couple of carriers that
7 did submit lower quotes. But in doing an interruption
8 or disruption analysis, it was the broker's
9 recommendation that we remain with Delta because of
10 the deep discount that we would get from Delta and
11 also their vast network. We did not want to see
12 disruption to the employees, nor did we want to see
13 increased out-of-pocket expenses. So it is staff's
14 recommendation that we accept that two-year renewal.

15 Finally, with the vision renewal, again, our
16 incumbent is Vision Benefits of America. This also
17 was marketed by our broker. The incumbent has come in
18 with an estimated annual premium of \$47,263. This
19 would be a two-year rate guarantee.

20 The renewal amounts to a one percent increase,
21 which is \$467.95 over the premium that we are
22 currently paying. As I said, this would be a two-year

1 rate guarantee. We did receive quotes from five other
2 vision carriers, whose proposals ranged from a plus
3 five percent increase over current to a plus 41
4 percent increase over current. The details of the
5 marketing are outlined for you in the Summary
6 Statement. It is our broker's recommendation that we
7 accept the two-year rate guarantee and staff concurs
8 with that recommendation as well.

9 CHAIRMAN BOYER: Any questions? We want to do
10 DRPA-15-104, 105, and 106 together in an omnibus
11 fashion. I'll take a motion for all three of those.

12 COMMISSIONER FRATTALI: So moved.

13 CHAIRMAN BOYER: Second?

14 COMMISSIONER HEPKINS: Second.

15 CHAIRMAN BOYER: All in favor?

16 ALL: Aye.

17 CHAIRMAN BOYER: All opposed?

18 Ayes have it.

19 Now, could we have Mr. Simpson talk about the
20 Camera and Call Box Maintenance Agreement?

21 MR. SIMPSON: Yes. This is an annual
22 contract --

1 MR. SANTARELLI: Mr. Simpson, could you come
2 up to the microphone, because they can't pick you up.

3 MR. SIMPSON: I apologize for that.

4 Staff is asking the Board to authorize staff
5 to negotiate a one-year contract with Schneider
6 Electric for an amount not to exceed \$181,239, for the
7 renewal of our Camera and Call Box Maintenance
8 Agreement.

9 This is an annual agreement for which we
10 engage Schneider to keep our cameras and call boxes
11 up-to-date. It's a 24/7 service. We have right now
12 600 cameras throughout the Authority. With the coming
13 of the new trains, we're going to be doubling that, so
14 we're looking at close to 1,200 cameras. This gives
15 us the flexibility to make sure that these cameras and
16 call boxes are up and running.

17 CHAIRMAN BOYER: Thank you, Mr. Simpson.

18 I'll entertain a motion for adoption.

19 COMMISSIONER FRATTALI: So moved.

20 COMMISSIONER HEPKINS: Second.

21 CHAIRMAN BOYER: All those in favor signify by
22 saying aye.

1 ALL: Aye.

2 CHAIRMAN BOYER: All opposed?

3 Ayes have it.

4 Unfinished Business: we have one item of
5 unfinished business, which is the Amendment to the
6 Analog Records Upgrade.

7 Mr. Santarelli?

8 MR. SANTARELLI: Thank you, Mr. Chairman.

9 Resolution 15-060 for Audiolog Recorder
10 Upgrades was passed by the Board on May 20, 2015. The
11 resolution incorrectly stated the name of the vendor
12 as Kova Corp. Kova Corp. is actually the
13 manufacturer. The vendor is properly identified as
14 Communication Marketing Associates and will be paid
15 under the Pennsylvania State Contract. This
16 resolution simply amends the May resolution to
17 accurately reflect the proper contracting party.

18 CHAIRMAN BOYER: May I have a motion?

19 COMMISSIONER FENTRESS: So moved.

20 CHAIRMAN BOYER: Second?

21 COMMISSIONER FIOL-SILVA: Second.

22 CHAIRMAN BOYER: All in favor signify by

1 saying aye.

2 ALL: Aye.

3 CHAIRMAN BOYER: All opposed?

4 Ayes have it.

5 MR. SANTARELLI: Thank you.

6 CHAIRMAN BOYER: New Business: there are two
7 items of new business for consideration for approval.
8 They are as follows: DRPA-15-107, Consideration of
9 Pending DRPA Contracts between \$25,000 and \$100,000.

10 Can I get a motion?

11 COMMISSIONER FRATTALI: Move the motion.

12 CHAIRMAN BOYER: Can I have a second?

13 COMMISSIONER FENTRESS: Second.

14 CHAIRMAN BOYER: All in favor signify by
15 saying aye.

16 ALL: Aye.

17 CHAIRMAN BOYER: All opposed?

18 Ayes have it.

19 DRPA-15-108, Group Life, AD&D, and Disability
20 Coverage for 2016-2017 for DRPA and PATCO.

21 Ms. Brown?

22 MS. BROWN: Yes. Good morning. At the time

1 that I presented the renewals for the other lines of
2 coverage to the Finance Committee, we were still in
3 negotiations with our incumbent carrier for the group
4 life and disability coverage. Those numbers have just
5 come in. This morning staff is seeking authorization
6 to renew DRPA and PATCO's group life, accidental death
7 and dismemberment coverage with the incumbent carrier,
8 the Standard Life Insurance Company.

9 If approved, we would be able to lock-in on a
10 two-year rate guarantee beginning January 1, 2016, and
11 continuing through December 31, 2017. The estimated
12 annual premium would be \$1.2 million, which is a
13 19.83 percent increase over current. The premium
14 increase is due to the significant losses that the
15 company has encountered in terms of short and long-
16 term disability claims and death benefit claims
17 payments.

18 At our direction, our broker did market this
19 coverage to several carriers. Three responded,
20 including the incumbent. The details of those quotes
21 are outlined for you in the Summary Statement that has
22 been provided.

1 Initially, Standard submitted a renewal quote,
2 which was 40 percent over the current premium. That
3 would have been an almost \$590,000 increase over what
4 we are currently paying. They later reduced the
5 renewal to a 24.69 percent increase and ultimately
6 they came down to a 19.83 percent increase, which is
7 about \$209,086. The Symetra proposal came in at 19.05
8 percent, slightly under the Standard, which is about
9 an \$8,100 difference between the two.

10 It is our broker's recommendation that this
11 \$8,100 difference is not worth the disruption and the
12 administrative effort that we would have to go through
13 to transition this account from one carrier to
14 another. Our broker also notes that Standard has a
15 very large footprint in the public sector market and,
16 therefore, it believes that the carrier continues to
17 be a very strong partner for the Authority.

18 Given the way that the Plan is running, it is
19 our recommendation that we take advantage of the
20 opportunity to lock-in on the two-year rate guarantee
21 and accept this proposal.

22 CHAIRMAN BOYER: Any questions for Ms. Brown?

1 I'll entertain a motion for adoption.

2 TREASURER REESE: So moved.

3 COMMISSIONER FRATTALI: Second.

4 CHAIRMAN BOYER: All in favor signify by
5 saying aye.

6 ALL: Aye.

7 CHAIRMAN BOYER: All those opposed?

8 Ayes carry.

9 We have the Citizens Advisory Committee
10 report. The Citizen Advisory report by John Boyle and
11 Tony DeSantis.

12

13 MR. BOYLE: Thank you, Mr. Chair.

14 So, we have three items to sort-of bring to
15 your attention. The first one that I want to talk
16 about is regarding the Capital Program; so, great news
17 about having the ability for DRPA to pay for the
18 Capital Program, to have its own money.

19 Being a bicycle and transit advocate, I am
20 also sort-of kind-of like, "wow, more traffic is good
21 for the DRPA, but for the region it is really, I don't
22 know." It's just an interesting paradox, in my

1 opinion. But, obviously, getting projects done is
2 very, very important to keep the system up.

3 So, the issue that I want to bring up is the
4 bike ramp or the ADA accessible ramp on the Camden
5 side. We've seen -- we're almost two years now into
6 the process of development for this project. It is
7 not going as fast as we hoped it would be. But, I
8 realize these things never go as projected. It's
9 always -- you always have to double it.

10 But, I think that 2016 needs to be the year
11 that we break ground on the ramp, on the Camden side.
12 I hope that when the Capital Program gets discussed,
13 that this goes back to the top of the priority list.

14 An issue that was brought to us by the public
15 -- again I'm putting sort-of my advocacy hat on
16 here -- is the issue of the bike lane in the 5th
17 Street Tunnel in Philadelphia. It is very heavily
18 used, but some citizens are really concerned because
19 the bike lane doesn't have the physical separation
20 that I think we really need to make sure that
21 bicyclists feel sufficiently comfortable riding in the
22 tunnel with motor vehicle traffic, which really

1 accelerates through the tunnel.

2 I'm hoping that there will be some discussion
3 about how do can improve the bike lane in the tunnel.
4 And I'm certainly open to discussion about how to do
5 that and I have some ideas.

6 The final issue that we want to talk about,
7 Tony DeSantis is going to ask about the status of
8 PATCO during the Papal weekend.

9 MR. DeSANTIS: I just wanted to ask just a
10 couple of questions. One is; what is the frequency
11 going to be of these trains on the weekend of the
12 Papal visit? And the other question I wanted to ask
13 is; why was 9th and 10th chosen as the station
14 downtown?

15 MR. HANSON: We will be running from
16 Lindenwold, from Woodcrest, from Ferry Avenue, and
17 from Broadway. Express trains will run from each one
18 of those stations every 16 minutes and that will be an
19 arrival of every four minutes at 9th and 10th. So,
20 they will be staggered every 16 minutes from each
21 station, but they'll arrive every four minutes.

22 That is the plan; as long as dwell times don't

1 expand and as long as we can continue to clear the
2 platforms and get people out of the station, that's
3 what it will be.

4 Ninth and 10th was chosen because of its ADA
5 accessibility and because of our ability to fit in
6 with the other partners and where they are going to be
7 to try and evenly distribute the crowds throughout the
8 area of the subway there.

9 MR. DeSANTIS: Fine.

10 MR. BOYLE: Thank you very much. That's all
11 we have.

12 CHAIRMAN BOYER: Thank you. Before we have
13 the public comment period, I'm going to take a moment
14 of personal privilege to say that as a hallmark of
15 this agency, we're trying to achieve transparency, and
16 you can't have transparency without an informed
17 public. The press does the job of informing for us.
18 And I've been informed that Paul Nussbaum is ending
19 his distinguished career at the Inquirer at the end of
20 the month, and I want him to stand so we can notice
21 him.

22 Thank you for great, fair coverage on

1 transportation.

2 Paul, could you please stand up?

3 (Applause)

4 CHAIRMAN BOYER: If we don't have a good
5 press, we don't have transparency, and I've found Paul
6 to be very fair; firm but fair. You know, you don't
7 want the press against you.

8 Paul, have a great life. You've done a great
9 service for the people of this region. Thanks.

10 Do we have any other public comments?

11 With no public comments, we're going to hold
12 the -- on, one?

13 I'm sorry. Please, what is your name, ma'am?

14 MS. HERSHLER: Sara, Sara Hershler.

15 CHAIRMAN BOYER: Sara Hershler.

16 MS. HERSHLER: Hi. My name is Sara Hershler
17 and I live and work in Philadelphia. I am a bicycle
18 commuter. My husband and I both ride bicycles. I
19 just came because I do feel strongly about the 5th
20 Street Tunnel. Currently, it is an absolutely
21 terrifying experience for cyclists to bike through
22 there. But, because it is such an efficient way to

1 get from Old City to Northern Liberties, Fishtown and
2 beyond, it's really still the best way.

3 Just kind-of throwing out there that if there
4 is any way to make it feel safer -- You know,
5 Philadelphia is on the rise in terms of people riding
6 bikes, women included. I think we have one of the
7 higher percentages of women riding bikes.

8 So, just simple things like putting in
9 bollards, just separating the bikeway from the cars --
10 which really are speeding through there -- would be
11 really a wonderful thing. Thank you.

12 CHAIRMAN BOYER: Thank you. It is a point
13 well taken.

14 Mr. Venuto, I think that you can work with
15 Commissioner Dougherty to get some lighting in there,
16 as well. I'm sure he knows how to get some lighting
17 and the bollards. I ride through there and it's pretty
18 dark. We should make that safer, especially if we're
19 going to open up Franklin Square, and we'll have a
20 bike share probably there.

21 So, Commissioner Dougherty?

22 COMMISSIONER DOUGHERTY: Thanks for the

1 profile.

2 But also on philly.com today, Philly mag has
3 an article talking about the fact that Philadelphia
4 has one of the largest urban decreases in car
5 commuting and increase in biking, so the statistics
6 are there. It's a trend in most urban areas, but
7 Philly is going to drop three to five percent just in
8 the last year in commuters using cars.

9 CHAIRMAN BOYER: Thank you.

10 MR. VENUTO: Mr. Chairman, I'll just add two
11 quick things on the 5th Street Tunnel. We are going
12 to be doing a rehabilitation project that the Board
13 passed a couple of months ago. It does not include
14 paving and line striping; it is more structural
15 repairs and lighting. So, there will be improved
16 lighting in there for some improved safety conditions.

17 The bike lane was installed in 2001. It was
18 the City of Philadelphia's. The 5th Street Tunnel is
19 our jurisdiction, but the bike lane was installed in a
20 combination project with the City of Philadelphia in
21 2001. We have attended a CAC meeting to talk about
22 the bike ramp and things like that, and we'll be happy

1 to come back to the CAC and talk about suggestions of
2 some positive improvement there as far as separation
3 of traffic. Thank you.

4 CHAIRMAN BOYER: Thank you.

5 Any more public comments?

6 We are going to now hold the DRPA meeting in
7 abeyance and convene the PATCO Board meeting.

8 (Off the record.)

9 COMMISSIONER FENTRESS: Move the motion.

10 COMMISSIONER FRATTALI: Second.

11 CHAIRMAN BOYER: The ayes have it.

12 (Whereupon, at 12:46 p.m., on Wednesday,
13 August 19, 2015, the meeting adjourned.)

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

16

17

Respectfully submitted,

18

19

Raymond J. Santarelli
Corporate Secretary

20

21

22

C E R T I F I C A T E

1
2 This is to certify that the attached
3 proceedings before the Delaware River Port Authority
4 on August 19, 2015, were held as herein appears, and
5 that this is the original transcript thereof for the
6 file of the Authority.
7

8 FREE STATE REPORTING, INC.
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10 *Tim Atkinson*

11 _____
12 Timothy J. Atkinson, Jr.
13 Official Reporter
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