

DELAWARE RIVER PORT AUTHORITY
Minutes
and
Index
Board Meeting
Wednesday, January 19, 2011

Roll Call

Approval of Report of the Chief Executive Officer – January 19, 2011

Approval of Report of the Audit Committee

Approval of Report of the Compensation Committee

Approval of December 15, 2010 Minutes (previously mailed)

Approval of Operations & Maintenance Committee Report of December 15, 2010

Adopted Resolutions Approved by Operations & Maintenance Committee of December 15, 2010

- | | |
|--------------------|---|
| DRPA-11-004 | Contract No. G-22-2010, One Port Center 6th Floor Computer Room HVAC Replacement Project |
| DRPA-11-005 | Contract No. PATCO 34-E, PATCO Linden Interlocking Rehabilitation |
| DRPA-11-006 | Construction Monitoring Services for Contract No. PATCO 34-E, PATCO Linden Interlocking Rehabilitation |
| DRPA-11-007 | Contract No. 14-M, PATCO Lindenwold Yard Improvements Third Rail Sectionalization Project |
| DRPA-11-008 | 2011 Charity Events Bridge Closure Support Services at BFB and CBB |

Approval of Executive Committee Report of December 15, 2010

Adopted Resolution Approved by Executive Committee of December 15, 2010

- | | |
|--------------------|---|
| DRPA-11-009 | In-Kind Support for Employee-Funded Charitable Giving and Fund-raising Campaigns |
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Monthly List of Payments – Covering the Month of December 2010

Report of Chairman

Unfinished Business

Selection of Citizens Advisory Committee Members

New Business

DRPA-11-010 Consideration of Pending DRPA Contracts (between \$25,000 and \$100,000)

DRPA-11-011 Use of DRPA Conference Space by Outside Entities

Adjournment

MINUTES of the regular bi-monthly Board meeting of the DELAWARE RIVER PORT AUTHORITY held Wednesday, January 19, 2011 at One Port Center, Camden, New Jersey.

Present

PENNSYLVANIA

John Estey, Chair
Robert Teplitz (Wagner)
Robert W. Bogle
Jack Stollsteimer (McCord)
John Dougherty
Robin Wiessmann (absent)
Anthony Mannino (DiCicco)
Maria Quinones Sanchez (via phone)

Officers & Chiefs

J. Matheussen, CEO
R. Box, PATCO, General Manager
R. Brown, General Counsel &
Corporate Secretary
R. Gross, Deputy CEO
J. Hanson, CFO
T. Brown, CAO
T. Pulte, COO (absent)
M. Venuto, Chief Engineer

DRPA Staff

V. Bradford, Bridge Director, BFB
F. DiCicco, Administrative Coordinator
A. DuVall, Executive Assistant to CEO
K. Jacobson, Assistant General Counsel
E. Kasuba, Director of Corporate Communications
L. Kmiec, Assistant General Counsel
H. Korsen, Manager, Contract Administration
K. LaMarca, Director, IS
J. Lotierzo, Sr. Accountant, Finance
C. Maroney, Manager, Special Projects
S. Milner, Administrative Coordinator

NEW JERSEY

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

Counsel

C. Gibson, Archer & Greiner, NJ Counsel
A. Kessler, Duane Morris, PA Counsel
S. Kosta, Duane Morris, PA Counsel

Others:

M. Tully, Authorities Unit
C. Blackshear, webcasting
E. McBride
E. Hanlon
R. Remington
B. Doldow

DRPA Staff (Con't.)

R. Only, Director, Homeland Security & Emergency
Mgmt.
O. Parker, Manager, Financial & Budget Analysis
J. Quinn, Director of Revenue
W. Shanahan, Director, Govt. Relations
G. Smith, Captain, Public Safety
C. Spicer, Asst General Manager, PATCO
S. Suder, Manager, Purchasing
M. Weikel, Administrative Coordinator
J. White, Director of Finance
D. Whiton, Administrative Coordinator

The Corporate Secretary announced that public notice of this meeting was posted in the lobby at One Port Center and provided to representatives of the area news media. Mr. Brown then called the roll and announced that a quorum was present.

Report of the Chief Executive Officer – January 19, 2011

Mr. Matheussen submitted his report. CEO Matheussen asked CAO Toni Brown to update the Board on the Pollution Legal Liability policies. Ms. Brown reported that staff requested an indefinite extension of the policy which is due to expire on March 26, 2011. Chartis Casualty Company informed staff that it no longer writes policies longer than 10 years and to grant an indefinite extension of the expiring 10-year policy would be akin to writing a policy for longer than 10 years. The company's policy on this issue is firm. Chartis did agree to provide a one (1) year policy in the amount of \$85,964.00, which would include terrorism insurance. They have given the Authority bindable quotes for one, five, and ten year policy terms. The one issue that remains open is the cap on the deductible that will be paid. Under the new policy, DRPA would be responsible for paying a \$100,000 deductible per incident. The expiring policy has a \$200,000 cap on potential deductible payments over the 10-year term. Ms. Brown informed the Board that the Authority is working very diligently to negotiate the deductible aggregate cap, and is cautiously optimistic that Chartis will grant this cap on the one year policy. The only other carrier that was interested in this policy is Ace American Insurance, which Ace has indicated that it will provide the Authority with quotes for one, five, and ten year policy quotes by Friday, January 21st.

At the request of the Chair, Ms. Brown obtained a claims incident report from the current carrier which states that one claim was filed by DRPA in 2002. The claim was filed for clean up costs that were associated with an underground vault that was opened which required remediation. There may be some additional clean up work to be done. Chartis has paid \$193,263.02 on the claim to date.

Commissioner Bogle asked how the premium compared to what it would cost if we had gotten a policy for a longer period of time. Ms. Brown indicated that if the Authority had gotten a five year policy it would have cost \$227,805.00 and for a ten year policy the cost would have been \$429,819.00. Chairman Estey indicated that the Authority should wait until the quote is received from Ace American Insurance before any change is made. CEO Matheussen stated that there will be sufficient time to put the policy in place if the Board acts upon this policy quote at the next Board meeting.

CEO Matheussen informed the Board that he and Mr. Box have looked into obtaining expert guidance in response to Commissioner Dougherty's inquiry about selling PATCO. Mr. Box and CEO Matheussen met with representatives of EConsult Corporation. In addition, CEO Matheussen and Mr. Box had conversations with Kathy Clupper of PFM to arrange a meeting with principals of PFM who are familiar with this subject. EConsult indicated that they could provide a response to CEO Matheussen within the next two weeks and other firms possibly within the next thirty days at which time he will be prepared to report back to the Board. Chairman Estey stated that no firm should be engaged on a fee for service basis, staff should only engage in a general conversation. CEO Matheussen stated that EConsult was asked to give the Authority a proposal that would include an indication as to whether a sale was feasible and how it might be accomplished.

Commissioner Dougherty stated that the Board has had in depth conversations over the past few meetings and he appreciates the fact that staff has reached out as quickly as they have. He stated that he has received calls from several people who have had interest from the Midwest and East Coast and he will forward the information to CEO Matheussen.

Vice Chair Nash indicated that he has received several calls as well, mainly from PATCO riders who expressed that they are extremely happy with the existing service, they have no expectation of PATCO being privatized and they would be very opposed to privatization. He further stated that before the Authority spends any money to go down this road with no chance of approval, the proposal should be fully discussed.

Commissioner Dougherty stated that over the past few days, there have been some drastic steps on this side of the river regarding police and fire and that his goal has never been to upset the apple cart, just to make sure the Authority is paying for the apple cart.

Vice Chair Nash stated that he believes that reaching out to PFM, which is under contract, and reaching out to the Penn professors or people in Washington to give the Authority general advice is good and he would be anxious to hear it. He stated that the Board has explored the issue over the years – and he finds it difficult to believe that any private vendor would be interested in buying a rail facility which is almost guaranteed not to make a profit. He explained that the only way they can make a profit is by doubling the fare and for the New Jersey commuters who are already struggling to pay the fare; he does not want to go down that road. Nonetheless, he stated that he will be interested in listening to what others have to say.

Chairman Estey stated that the Board is not only asking for a proposal to do this work, but also asking for some sense from these people as to the viability of the proposal. He believes that the Board needs to get the information and take a look at it.

CEO Matheussen asked the Board to consider adjusting two meeting times relating to the previously approved 2011 Board Meeting schedule because staff had difficulty booking an appropriate location on the date originally selected. The Collingswood Senior Community Center, Thirty Collings Avenue, Collingswood, NJ is available on Wednesday, April 6, 2011 at 6:30 p.m. and is accessible to public transit and has parking available. CEO Matheussen requested the Board's consideration of moving the New Jersey evening Board Meeting to Wednesday, April 6, 2011 at 6:30 p.m. and move the time of the Wednesday, March 16th Board Meeting currently scheduled at 6:30 p.m. back to 9:00 a.m. If approved staff will update the schedule on the website, www.drpa.org and notify the media for the public's awareness. CEO Matheussen noted that the evening Board meeting for Pennsylvania is scheduled for Wednesday, May 18, 2011 at 6:30 p.m. and the Authority is working on finding a location for that meeting. Staff will report back to the Board when a location is found.

Chairman Estey called for a motion on Floor Resolution DRPA Floor-11-A amending DRPA-10-137 to change the time and location of the April 6, 2011 Board Meeting to 6:30 p.m. at the Collingswood Senior Community Center and move the March 16, 2011 Board Meeting from 6:30 p.m. to 9:00 a.m. at One Port Center.

On motion duly made and seconded, the following Floor Resolution DRPA Floor-11-A was unanimously adopted and made the action of the Authority:

DRPA Floor-11-A Amending DRPA-10-137 Regarding the Board Meeting Schedule

CEO Matheussen advised the Board that a check in the amount of \$139,583.99 from the Federal Emergency Management Agency (“FEMA”) as the second installment from the December 2009 storm has been received. The figure represents the 75% federal portion of the Authority’s authorized expenditures for this storm. There are two (2) additional checks approved and under process for the February 2010 storm, in the amounts of \$113,769.00 and \$205,500.00. The Board will be advised when the checks arrive. CEO Matheussen took the opportunity to compliment the outstanding job done by DRPA and PATCO staff during these snow events, as well as our 2011 snow events, to keep our bridges, parking lots, PATCO tracks and other facilities cleared and ready for use by our customers.

Finally, CEO Matheussen advised that PATCO has formed a partnership with Google Transit, which will expand our visibility beyond the region, making PATCO information accessible to visitors to the region from around the world through Google Transit. For non-users of transit, it takes the mystery out of traveling on public transportation, providing an easy way to plan a trip on PATCO, including transit connections. CEO Matheussen deferred to Mr. Box to provide more information about Google Transit. Mr. Box indicated Google Transit is part of Google and PATCO has joined that service at no cost. The cost to convert PATCO’s information into the Google format was covered by a grant from Cross County Connections.

This concluded the CEO Report.

Commissioner Dougherty asked about the temporary assignments listed in the CEO Report. He asked about the interview process and the reasons for the temporary assignments.

CEO Matheussen explained that most of the time they involve someone either taking a vacation or using sick leave and someone is asked to take their place. He further explained that it is often an opportunity for a person to step up on a temporary basis and learn about a job and, when there is an opening, the person who got the temporary assignment will apply for the job. Commissioner Dougherty commented that he knows about use it or lose it policies. He stated that sometimes the people who fill in are ok, but may not be as qualified as the people they replace. CEO Matheussen stated that the Authority did not always have a use it or lose it policy, but the policy was changed this past fall. He stated that he anticipates that this may happen again next December.

On motion duly made and seconded, the CEO’s report was approved.

Report of the Audit Committee – January 19, 2011

Chairman Estey called on Commissioner Teplitz to give the report of the Audit Committee. Commissioner Teplitz indicated that the next meeting will be on Tuesday, January 25, 2011 at 10 a.m. and is scheduled as a conference call. The Board Room will be available for staff and the public to listen to the meeting.

Commissioner Dougherty inquired about Citizens Alliance. He stated that he has been asking about this topic for two years. He explained that this morning the Inquirer had another report that the City has a serious forensic audit into Citizens Alliance and they are seeking to get their money back. The City has an Inspector General's report on this. Commissioner Dougherty stated that there is a sworn affidavit that the DRPA gave money directly to Citizens Alliance; he stated that John Lawless told him that it was about \$10 million. He stated that he wants to know whether the Authority has been in touch with the City and whether the Authority is in line to get the money back while the City is trying to get its money back. Chairman Estey asked that Mr. Brown respond.

Mr. Brown stated that he has reviewed the Inspector General's report and has contacted the City. He explained that this Board or its predecessors voted to have the DRPA pay the City rent for the DRPA/PATCO use of the Locust Street subway right-of-way. Some of that money went to PIDC and Penns Landing Corporation. Mr. Brown explained that the Authority learned, after the City released its Inspector General's Report, that some of that money went to Citizens Alliance. Mr. Brown stated that the Authority was asked to pay rent and did so, and some of that rent money was used in a way that the "landlord" or the City feels may be inappropriate.

Chairman Estey asked Mr. Brown to provide the Board with a written history of this transaction.

This concluded the Report of the Audit Committee.

Report of the Compensation Committee – January 19, 2011

Chairman Estey asked Commissioner Stollsteimer whether there was a Report of the Compensation Committee. Commissioner Stollsteimer stated that there was no Report at this time.

Approval of December 15, 2010 Board Minutes (previously mailed)

The Minutes of the December 15, 2010 Board Meeting of the Delaware River Port Authority were previously mailed to the Governor of New Jersey and the DRPA Commissioners.

Commissioner Teplitz stated that where the November 17, 2010 Minutes referred to the December 9, 2007 meeting, it should be December 9, 2009, and the Minutes for that meeting should reflect his objection on the Resolution in question. Secondly, on the vote on the PATCO Transit Car Overhaul Project, the Minutes indicate that the Resolution was unanimously adopted and the Minutes also indicate that Commissioner Teplitz abstained, so in fact the vote was not unanimous.

Mr. Brown stated that we have addressed and changed the date in the 2009 Minutes in the official record. He further stated that the Corporate Secretary's office would make the appropriate change to the November 17 Minutes.

On motion duly made and seconded, the Minutes were approved.

Approval of Operations & Maintenance Committee Report of December 15, 2010

The Report of the Operations & Maintenance Committee Meeting of December 15, 2010 was mailed to all Commissioners and there were no comments. On motion duly made and seconded, the Report of the Operations and Maintenance Committee was approved.

The Chairman asked permission to consider the following five Resolutions together.

On motion duly made and seconded, the following five Resolutions were adopted and made the action of the Authority:

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| DRPA-11-004 | Contract No. G-22-2010, One Port Center 6th Floor Computer Room HVAC Replacement Project |
| DRPA-11-005 | Contract No. PATCO 34-E, PATCO Linden Interlocking Rehabilitation |
| DRPA-11-006 | Construction Monitoring Services for Contract No. PATCO 34-E, PATCO Linden Interlocking Rehabilitation |
| DRPA-11-007 | Contract No. 14-M, PATCO Lindenwold Yard Improvements Third Rail Sectionalization Project |
| DRPA-11-008 | 2011 Charity Events Bridge Closure Support Services at BFB and CBB |

Vice-Chair Nash abstained from voting on DRPA-11-008.

Approval of Executive Committee Report of December 15, 2010

The Report of the Executive Committee was previously mailed to all Commissioners and there were no comments. On motion duly made and seconded, the Report of the Executive Committee was approved.

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

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| DRPA-11-009 | In-Kind Support for Employee-Funded Charitable Giving and Fund-raising Campaigns |
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Vice-Chair Nash abstained from voting on DRPA-11-009.

Received and Filed Monthly List of Payments Covering the Month of December 2010.

On motion duly made and seconded, the Monthly List of Payments covering the Month of December 2010 was received and filed.

Commissioner Bogle abstained from voting on any items involving the Philadelphia Tribune.

Report of Chairman

None.

Unfinished Business

Item 1 – Selection of Citizens Advisory Committee Members

Chairman Estey asked that the Board hold discussion of the selection of the Citizens Advisory Committee (“CAC”) members to the end of the meeting in Executive Session. The selection of the CAC members will be handled in Executive Session.

New Business

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

Steve Suder indicated there were two contracts today for consideration of approval. The first contract is with American Continental Group in Washington, D.C. in the amount of \$37,500.00 for federal and state legislative oversight performed during the period of January 1, 2010 through June 2010. The second contract is with Bravo Building Services, Inc. of Piscataway, NJ for an extension of custodial services at One Port Center for the period January 1, 2011 through April 30, 2011 in an amount not to exceed \$44,000.00. At the present time, staff is reviewing proposals for custodial services, but needs to extend the Bravo contract while the review is completed.

Commissioner Teplitz asked a question regarding Item 1 on the list of contracts. He asked how a contract with a lobbying firm satisfies the sole source exception to competitive bidding, and he further asked if that is consistent with reforms that were made last fall requiring competitive bidding.

Mr. Suder responded that the contract for the lobbying services has been competitively bid for the past several years and we have gone to the Board with the Resolution. He explained that, in this case, the Authority did not have a contract in place and was continuing with services.

CEO Matheussen stated that the Board has approved lobbying contracts prior to this, but they have not been competitively bid. He stated that, at one time, the DRPA had three firms in Washington and reduced that to two firms. He explained that, as of July or August, staff did an RFP for lobbying services going forward. This current contract is for work done prior to it being competitively bid.

Commissioner Teplitz asked if this is for a past contract. CEO Matheussen stated that it was.

Chairman Estey stated that the Board approved this work before the Board instituted competitive bid requirements. He asked when the process will be completed with respect to the RFPs that are out. Mr. Shanahan responded that it will be completed by June 30. He explained that there was an RFQ, six responded and all were qualified.

Chairman Estey asked if the Authority has a federal lobbyist currently under contract today. Mr. Shanahan responded no.

Commissioner Teplitz asked if the RFP was to hire one firm or more than one firm. Chairman Estey responded that it is up to the Board. Mr. Shanahan explained that the RFP does not limit the Authority to one firm.

CFO Hanson stated that since this is not on the list of payments he believes this indicates that they are not under a Board approved contract. He explained that going forward this will be month to month. This is work that was done in 2009 and continued into 2010. Mr. Shanahan explained that the original contract was Board approved and stayed within the terms of the contract.

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

DRPA-11-010 Consideration of Pending DRPA Contracts (Between \$25,000 and \$100,000)

Item 2 – Use of DRPA Conference Space by Outside Entities

The purpose of this Resolution is to have the Board authorize the Chief Executive Officer to permit governmental agencies, non-profit organizations and OPC tenants to use DRPA conference space, including but not limited to the Board Room, Multi-Purpose room, caucus rooms and other conference rooms in OPC for non-DRPA meetings provided those meetings do not conflict with DRPA or PATCO meetings. No financial outlay is required to grant the use of conference space.

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

DRPA-11-011 Use of DRPA Conference Space by Outside Entities

Chairman Estey asked for the DRPA Board Meeting to remain open so the Commissioners could go into Executive Session to discuss selection of the members of the Citizens Advisory Committee.

Respectfully submitted,

Richard L. Brown,
Corporate Secretary

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