

**Delaware River Port Authority
Minutes
and
Index
Board Meeting
Wednesday, March 2, 2011**

Roll Call

Swearing In

Election of the Chairman

Chief Executive Officer Report

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Approval of Report of the Compensation Committee

Approval of January 19, 2011 Minutes

Monthly List of Payments – Covering the Month of January 2011

Report of the Chairman

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DRPA-11-002 Renewal of DRPA Pollution Legal Liability Policy

New Business

**DRPA-11-020 Consideration of Pending DRPA Contracts (between \$25,000
and \$100,000)**

DRPA-11-021 Purchase of Rock Salt for DRPA and PATCO

**DRPA-11-022 Southeast Youth Athletic Association (SEYAA) Carnival on
DRPA (WWB) Property at 7th and Bigler in Philadelphia**

Comments of the Chairman

Adjournment

MINUTES of the regular bi-monthly Board meeting of the DELAWARE RIVER PORT AUTHORITY held Wednesday, March 2, 2011 in the Board Room at One Port Center, Camden, NJ.

Present

PENNSYLVANIA

Gov. Tom Corbett, Chair
Auditor General Jack Wagner
William Sasso, Esq.
John Lisko (McCord)
Walter D'Alessio
David Simon, Esq.
Joanna Cruz, Esq.
Joann Bell

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
M. Venuto, Chief Engineer

DRPA Staff

F. DiCicco, Administrative Coordinator
A. DuVall, Executive Assistant to CEO
J. Egan, Project Manager, Special Projects
N. Farthing, Executive Secretary, CFO
S. Gray-Newman, Administrative Coordinator
K. Imperatore, Director Fare Collection
K. Jacobson, Assistant General Counsel
E. Kasuba, Director of Corporate Communications
H. Korsen, Manager, Contract Administration
L. Kmiec, Assistant General Counsel
K. LaMarca, Director IS
M. Lopez, Manager, Government Relations
J. Lotierzo, Sr. Accountant, Finance
C. Maroney, Manager, Special Projects
S. Milner, Administrative Coordinator
F. O'Brien, Manager, Customer & Comm. Relations
R. Only, Director, Homeland Security & Emergency
Mgmt.
O. Parker, Manager, Financial & Budget Analysis
J. Quinn, Director of Revenue
G. Smith, Public Safety
C. Spicer, PATCO Assistant General Manager

NEW JERSEY

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

Counsel

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

Others:

D. Gramiccioni, Gov. Authorities Unit
M. Tully, Gov. Authorities Unit
C. Blackwell, webcasting
K. Bruder, PA Governor's Office
S. Aichele, PA Governor's Office
K. Harley
T. Laughlin
R. Teplitz
E. Hanlon
R. Franzini
S. Moore
J. Still
C. Jandoli
J. Stephenson

DRPA Staff (Con't.)

S. Suder, Manager, Purchasing
C. Thompson, Graphic Design
J. White, Director of Finance
D. Whiton, Administrative Coordinator

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

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

The Corporate Secretary swore in all new Pennsylvania Commissioners for DRPA and PATCO.

Vice Chair Nash proposed a motion to name Governor Corbett as the new Chairman. On motion duly made and seconded, the motion to name Governor Corbett as Chairman was unanimously approved. Vice Chair Nash congratulated Governor Corbett and turned the gavel over to the new Chair.

Chairman Corbett thanked everyone for attending the Board meeting and stated he would reserve his comments for the end of the Board Meeting.

Report of Chief Executive Officer – March 2, 2011

CEO Matheussen welcomed the new Commissioners on behalf of the staff at the DRPA and PATCO. He stated that the management and staff of the Authority look forward to working with all of the new Commissioners and that they are available any time to provide any information or assistance as needed.

CEO Matheussen asked the January 2011 Employee of the Month, Nancy Farthing to please stand. The Authority extended congratulations to Nancy on her hard work and accomplishments in being named Employee of the Month. Her nominator said, “Nancy is instrumental in the Lean Government Initiative. Her work behind the scenes is very much appreciated and she is always prepared, organized and willing to help.”

CEO Matheussen took a moment to extend the Authority’s gratitude to Bob Box, the outstanding PATCO General Manager, who will be retiring on April 1, 2011. This was Bob’s last Board Meeting and the CEO thought it would be fitting to thank him for his exceptional service and acknowledge his many accomplishments over his 26-year tenure at the DRPA and PATCO. Bob received his B.S. degree in Civil Engineering from Drexel University and a Master’s Degree in Civil Engineering from Villanova and has studied at Harvard’s Kennedy School of Government. He came to DRPA Engineering Department in 1985, and in 1991 he became Director of Engineering and Chief Engineer, a position he held until June of 2002, at which time he became General Manager of PATCO, responsible for the day-to-day operations of the High Speed Line. Mr. Matheussen listed numerous projects that Bob influenced through his leadership in each of these positions. He has helped ensure a better quality of life for the residents of the region and has been a key player in the transportation improvements the Authority has made over those years. CEO Matheussen thanked Bob for his hard work, his vision and his adept management during his career with the Authority.

You leave large shoes to fill and we wish you well in this new chapter of your life. Mr. Box received a standing ovation.

CEO Matheussen advised the Board that the DRPA has an Owner Controlled Insurance Program (OCIP) in place. Chartis Casualty Insurance Company is one of the carriers on that program. Our broker, The Graham Company, recently notified Toni Brown, Chief Administrative Officer that DRPA was owed an adjustment for taxes paid on policies that were placed in connection with the Authority's 2004-2008 OCIP. Ms. Brown worked with CFO John Hanson and the Authority's broker to work through the details of the adjustment. In the end, it was determined that Chartis did owe the DRPA an adjustment in the amount of \$393,265. CEO Matheussen authorized Ms. Brown to work with The Graham Company to secure the adjustment. The Authority received the adjustment (\$393,265) on Wednesday, February 16, 2011. Mr. Matheussen thanked Ms. Brown for her work in this regard.

This concluded the CEO Report.

Report of the Audit Committee – March, 2011

Commissioner Wagner welcomed all new Commissioners and Governor Corbett. Commissioner Wagner stated that this Board has been very active in the past year and many meetings have lasted five to six hours, he hopes that the new Chair may be able to expedite the meetings. The Chair asked, humorously, whether this was a Motion. Commissioner Wagner said that the Board has accomplished a great deal in the past year. Commissioner Wagner then deferred to Commissioner Teplitz to report on the details of the Audit Committee.

Commissioner Teplitz stated that the Audit Committee was established in the past year at the request of Auditor General Wagner. There have been regular Audit Committee meetings, most recently two weeks ago. The Audit Committee has (i) reviewed the most recent Management Audit which was received last summer in order to assist staff in implementing recommendations; (ii) worked to identify an outside forensic auditor who will audit the DRPA economic development spending; (iii) begun working on developing an RFP for the next Management Audit (although the DRPA Compact calls for a Management Audit every 5 years, the Board has decided to do an audit every two years and the Committee is preparing for the next Management Audit); and (iv) begun work on implementing an Inspector General position at the request of Congressmen Brady and Andrews (the Audit Committee is working with staff to transition the existing Internal Audit function into an Inspector General position similar to that in the Federal Government). Finally, Mr. Teplitz advised that the Audit Committee has two vacancies. In addition, on the Auditor General's suggestion, the Audit Committee has been working on creating a Citizens Advisory Committee to provide input to DRPA and PATCO. That Committee has been selected and has had one orientation session.

This concluded the Report of the Audit Committee.

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

Chairman Corbett requested the Corporate Secretary to itemize the Resolutions that were deferred to a later date. The Corporate Secretary explained that in order to give the new Pennsylvania Commissioners a fair opportunity to review the matters on which they will be voting, staff has deferred all matters that can be considered at a subsequent meeting. The Corporate Secretary then listed the items that have been deferred.

The following Resolutions under the DRPA Operations and Maintenance Committee were deferred:

- DRPA-11-016 Auto Parts Contract for DRPA and PATCO**
- DRPA-11-017 Maintenance Contract for Andover Traffic Control and HVAC Systems for DRPA Bridge Facilities and Cruise Terminal**
- DRPA-11-018 Purchase of Police Vehicles**
- DRPA-11-023 Upgrade of Single Board Computers in PATCO Ticket Vending Machines**

The following Resolution under the DRPA Finance Committee was deferred:

- DRPA-11-019 Network Infrastructure Upgrades**

The following Resolutions under New Business were deferred:

- DRPA-11-024 Transfer of Lindenwold Storm Sewer Easement**
- DRPA-11-025 Renewal of DRPA Employee Assistance Program (EAP) Provider**

Report of the Compensation Committee – March 2, 2011

Commissioner Lisko welcomed all new Pennsylvania Commissioners. Commissioner Lisko stated that there is one vacancy on the Compensation Committee. Commissioner Lisko further stated that the Committee is working on the open selection of a qualified consultant that will review and make recommendations regarding the compensation of DRPA and PATCO employees at all levels. An RFP was issued, proposals were received, and he expects to meet with staff shortly to review their recommendations.

This concluded the Report of the Compensation Committee.

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

Approval of January 19, 2011 Board Minutes (previously mailed)

The Minutes of the January 19, 2011 Board Meeting of the Delaware River Port Authority were mailed to the Governor of New Jersey and the DRPA Commissioners.

Chairman Corbett and Commissioners Bell, Cruz, D'Alessio, Sasso and Simon abstained from voting on the Minutes because they did not attend the January 19th meeting.

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

Received and Filed Monthly List of Payments Covering the Month of January 2011

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

Chairman Corbett and Commissioners Bell, Cruz, D'Alessio, Sasso and Simon abstained from voting on the Monthly List of Payments.

Unfinished Business

Item 1 – Renewal of DRPA Pollution Legal Liability Policy

Richard Brown was asked to report on the history of this matter. Mr. Brown informed the Board that the underlying project is the remediation of the former RCA Building 17 and its conversion into the Victor Lofts apartments. As long ago as 1995, the DRPA provided funds that were used to secure and stabilize Building 17. In 2001, the DRPA Board approved \$6.0 million for environmental remediation at the Building and also directed staff to obtain title to the Building free of conditions. The key condition was a deed restriction placed on the building by Martin Marietta Corporation when they transferred title to the Camden Redevelopment Authority. That restriction precluded residential use. DRPA was able to have Lockheed Martin (successor to Martin Marietta) remove the deed restriction (other than as to the basement and first floor) in return, in part, for DRPA indemnification of Lockheed against environmental remediation costs and civil damages.

The original agreement called for an insurance policy lasting 10 years with a \$20.0 million face value. That policy will expire on March 26, 2011. At this point, the purpose for insurance would be to (i) cover DRPA in the event of civil claims asserting that DRPA had responsibility for some damages due to the DRPA's limited role in the environmental remediation, (ii) cover the DRPA's ongoing contractual obligation to indemnify Lockheed and others, and (iii) cover certain environmental remediation costs that might be incurred by DRPA subject to resolution of coverage issues.

Mr. Brown went on to say that Vice Chair Nash and others have urged that DRPA find a way to eliminate the ongoing DRPA indemnification obligation. Commissioner Lisko asked how long we would need to have insurance. Vice Chair Nash stated that since the last meeting he has discussed the issue with New Jersey Economic Development Authority (NJ EDA). The intention has been to

unwind DRPA from economic development activities and NJ EDA is prepared to cooperate in that effort.

Toni Brown then explained the insurance procurement process. Staff worked with the Graham Agency to issue an RFP for the environmental coverage to firms with the necessary expertise in this complex area. The RFP was also limited to firms with a strong Best rating. Only two proposals were received, one from the incumbent carrier – CHARTIS, and the other from ACE Insurance. The proposals are summarized in the Summary Statement. Although the ACE proposal is a bit less expensive than the CHARTIS proposal, staff and the Graham Agency recommend that the Board approve a one year contract with CHARTIS due to the more favorable terms as laid out in the Summary Statement.

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

DRPA-11-002 Renewal of DRPA Pollution Legal Liability Policy

Commissioner Sasso abstained from voting on this Resolution.

New Business

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

Steve Suder informed the Board that there were five contracts for consideration. The contracts are (1) Ransome International of West Chester, PA for the purchase of one 2011 International Dump Truck for the Walt Whitman Bridge in the amount of \$91,376.60. This purchase is under PA Co-Stars Contract #25-061; (2) Verizon Wireless of Laurel, MD for the purchase of wireless services for DRPA and PATCO cell phone and Blackberry usage for designated employees in the amount of \$51,000.00. This purchase is under GSA Contract #GS-35F-0119P; (3) Sprint Solutions, Inc. of Reston, VA for the purchase of wireless services for DRPA and PATCO for Nextell phone usage used by trade employees; aircards used by Public Safety in police vehicles for their mobile data terminals (MDT's) in the amount of \$87,000.00. This purchase is under NJ State/Western States Contracting Alliance (WSCA) Contract S1523; (4) Iron Mountain of New York, NY for off-site records storage services for DRPA/PATCO for the period March 15, 2011 through July 31, 2011. Services include storage, delivery and destruction costs per DRPA and PATCO Records Retention Schedules in the amount of \$27,500.00; and (5) Annual Safety Shoe Voucher Program for DRPA Construction, Maintenance and Toll employees as outlined in the IUOE Agreement between Local 542 and DRPA. The Program also includes represented employees in Information Services and non-represented Administrative employees in Engineering, Printing Services, Mail Room, Safety and Storeroom whose job function requires safety shoes. Three bids were received from Red Wing Brands of America in the amount of \$29,100.00, Best Uniform in the amount of \$7,400.00, and Lehigh Valley Safety Shoe in the amount of \$4,000.00. The total amount of the Annual Safety Shoe Voucher Program is \$40,500.00.

Chairman Corbett stated that he would like to break down the five contracts and vote on them individually.

Ransome International of West Chester, PA for the purchase of one 2011 International Dump Truck. Commissioner Wagner inquired whether Mack Truck was entertained as a company for the purchase of the dump truck given that Mack trucks are made in Lehigh County Pennsylvania. COO Pulte stated that the Authority looked at the vehicles covered by State contracts and considered the manner in which the truck would be used. On the recommendation of the Fleet Management Department, an International Dump truck was selected. There being no further questions, the Chair called for a Motion and a second. On Motion duly made and seconded, the selection of Ransome International was approved by the Board.

Verizon Wireless of Laurel, MD. There being no questions, the Chair called for a Motion and a second. On Motion duly made and seconded, the selection of Verizon Wireless was approved by the Board.

Sprint Solutions, Inc. of Reston, VA. There being no questions, the Chair called for a Motion and a second. On Motion duly made and seconded, the selection of Sprint Solutions was approved by the Board.

Iron Mountain of New York. There being no questions, the Chair called for a Motion and a second. On Motion duly made and seconded, the selection of Iron Mountain was approved by the Board.

Annual Safety Shoe Voucher Program. There being no questions, the Chair called for a Motion and a second. On Motion duly made and seconded, the selection of the recommended Safety Shoe vendors was approved by the Board.

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

DRPA-11-020 Consideration of Pending DRPA Contracts (Between \$25,000 and \$100,000)

Item 2 – Purchase of Rock Salt for DRPA and PATCO

The Chair asked that Steve Suder present this item to the Board. Steve Suder requested the Board to authorize staff to negotiate a contract with International Salt Company to purchase an additional 1,900 tons of rock salt. This contract will allow the Authority to purchase the necessary supply of rock salt for use on the bridges, highways and parking lots during the balance 2011 winter season. Due to the several winter storms, the Authority has depleted a significant amount of the 4,600 tons that was approved at an earlier Board meeting. The additional 1,900 tons is expected to provide DRPA bridges and facilities and PATCO with enough rock salt for the remaining 2011 winter season.

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

DRPA-11-021 Purchase of Rock Salt for DRPA and PATCO

Item 3 - Southeast Youth Athletic Association (SEYAA) Carnival on DRPA (WWB) Property at 7th and Bigler in Philadelphia

Tim Pulte, COO, requested the Board to authorize staff to enter into an agreement with SEYAA to permit the use of DRPA property on the Southeast corner of 7th and Bigler Streets in South Philadelphia, adjacent to the Walt Whitman Bridge, for a fundraising carnival event from April 12, 2011 through April 25, 2011. Since 1994, DRPA has had a series of license agreements with SEYAA permitting use of this property at no cost to SEYAA. There is no cost incurred by DRPA related to this event and all cleaning, security and insurance issues are the responsibility of SEYAA and its contractors.

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

DRPA-11-022 Southeast Youth Athletic Association (SEYAA) Carnival on DRPA (WWB) Property at 7th and Bigler in Philadelphia

Comments of the Chairman

Chairman Corbett stated on behalf of himself and the new Pennsylvania Commissioners that he looks forward to meeting the New Jersey Commissioners. Chairman Corbett commented that he has traveled to New Jersey many times and appreciates that the DRPA moves commuters and others in a safe manner.

Vice Chair Nash stated on behalf of Governor Christie and the New Jersey Commissioners that he welcomes Chairman Corbett and the new Pennsylvania Commissioners. He stated that he looked forward to working with all the new Commissioners. Vice Chair Nash added that the men and women of the Authority do an outstanding job moving tens of thousands of commuters across the bridges and on PATCO and he is looking forward to working with the new Commissioners to move initiatives forward at the Authority.

Chairman Corbett requested that an opportunity for public comment be put on the agenda and asked if there were any members of the public who had any comments.

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

Respectfully submitted,

Richard L. Brown,
Corporate Secretary

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