

DELAWARE RIVER PORT AUTHORITY
Minutes of the December 11, 2013 Board Meeting
One Port Center, 2 Riverside Drive
Camden, New Jersey
Wednesday, December 11, 2013, 9:00 a.m.

Present

PENNSYLVANIA

David Simon, Esquire, Chair
Kathryn Boockvar, Esquire (DePasquale)
Michelle Kichline, Esquire
Walter D'Alessio (via telephone)
Joann Bell (via telephone)
William Sasso, Esquire

Officers and Chiefs

John Matheussen, CEO
Michael Conallen, Deputy CEO
Danielle McNichol, General Counsel
and Corporate Secretary
Kristen Mayock, Deputy General Counsel
John Hanson, CFO
Timothy Pulte, COO (via telephone)
Toni Brown, CAO
Mike Venuto, Chief Engineer
John Rink, PATCO, General Manager
Thomas Raftery, Inspector General
John Stief, Chief, Public Safety

DRPA Staff

William Anderson, Budget Analyst
Valerie Bradford, Bridge Director, BFB/BRB
Lisa D'Arcangelo, Legal Secretary
Dan Auletto, Bridge Director, WWB/CBB
Darcie DeBeaumont, Senior Accountant
Jennifer DePoder, Financial Analyst
Ann DuVall, Exec. Assistant to CEO
Timothy Ireland, Director, Corp. Comm.
Howard Korsen, Manger, Contract Admin.
Elizabeth McGee, Acting Administrative
Coordinator
John Lotierzo, Director of Finance, PATCO
Sheila Milner, Administrative Coordinator
Fran O'Brien, Manager, Customer & Community
Relations
Orville Parker, Manager, Budget/Financial
Analysis
Bill Shanahan, Director, Gov. Relations
Susan Squillace, Manager, Purchasing
James White, Director, Finance
Dawn Whiton, Administrative Coordinator

NEW JERSEY

Jeffrey L. Nash, Esquire, Vice Chair
E. Frank DiAntonio (came back into room at
10:15)
Richard Sweeney
Charles Fentress
Tamarisk Jones
Al Frattali (came back into room at at 10:15)
Denise Mason

Counsel

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

Others

Peter Simon, Esquire, NJ Gov. Authorities Unit
Christine Wechsler Rayer, Esquire, Deputy
General Counsel, Office of Governor Corbett
Jonathan Latko (CAC)
John Livingston (Jacobs Engineering)
Arnold Alston (Well Fargo Bank)
Bill Schofield (PNC)

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

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

Report of the Chief Executive Officer

Chairman Simon asked the CEO to give his report. Mr. Matheussen advised his report stands as submitted, but he said he wanted to highlight several items that require the Board's attention.

Mr. Matheussen told the Board that National Ferry, the company that operated the RiverLink Ferry this past season, has advised the DRPA that they will not continue operating the ferry in 2014. He said, at the request of the Finance Committee, he has made an outreach to two interested parties, Cooper's Ferry Partnership and the Delaware River Waterfront Corporation, who have indicated there may be opportunities for a ferry operation. Mr. Matheussen and other staff will begin exploring this possibility in earnest at a meeting on Friday, December 13, 2013. He will report back to the Finance Committee and the Board as more information becomes available.

Mr. Matheussen asked Mr. Rink to provide a status update on the escalator and elevator situation at PATCO. Mr. Rink indicated all elevators are operational with the exception of 8th Street South. Mr. Rink said that six out of fourteen escalators were out of service. The escalators which are not operational are 8th & Market (North), Ashland, Lindenwold, Woodcrest east and west and 13th & Locust (which is under construction).

Mr. Matheussen said he wanted to provide some background on the matter. He noted over ten years ago this Board committed to replacing the aging escalators and that ten of the fourteen escalators were replaced in the 2003/2004 time frame. The four remaining escalators that are not in operation now are at the end of their useful life. He said the two escalators at the Woodcrest station are the same age as the station, thirty five plus years, and that these escalators are old and have been in continuous operation. They are not similar to escalators at a mall. He said a tactical decision was made about the escalator at 15/16th not to begin demolition on that escalator until the escalator at 12/13th, currently being demolished, is replaced. He said those two stations are next to each other and it was decided not to have two escalators out in two successive stations at the same time. Mr. Matheussen said replacement funds for these two Philadelphia and two New Jersey escalators are in the proposed 2014 capital budget being considered by the Board today. He asked the Board for their vote on the capital budget so this replacement effort can go forward. He indicated demolition and replacement of an escalator used in a transit setting is a complicated matter and takes more time than one might realize. The manufacture rate on this type of escalator is much less frequent and it takes some time to build an escalator once an order has been placed (approximately six months from time of order). It is more complex in that none of our PATCO stations are uniform, so the escalators must be built to the specifications and dimensions required for each installation.

Mr. Matheussen said in 2011, in a competitive process, the Board awarded A.P. Construction a contract to begin the process of replacing the escalators, and they ran into a supply problem. That problem has been resolved and they now have a supplier for all four escalators. The immediate

concern is to continue to maintain and repair the escalators. Several months ago with the assistance of Commissioner Sasso, we contracted with SEPTA to perform escalator and elevator maintenance and repairs. SEPTA has a dedicated force to perform routine maintenance and repair. As of last night we were advised that SEPTA has agreed to assist us again and would sign a contract in the very near future, possibly today. This will be an emergency contract not to exceed \$100,000 under CEO authority pursuant to the DRPA Bylaws for SEPTA to provide repairs to all escalators and elevators, with the exception of Woodcrest station. In accordance with the Bylaws the CEO moved forward with this emergency procurement with advice and consent Chair and Vice Chair and asks for the Board's concurrence ratifying the action.

Mr. Matheussen stated SEPTA repair staff will be at all PATCO stations starting today and will advise the Authority what work needs to be done to get the units back in operation. Mr. Matheussen stated the Board also approved a contract with Fujitec America, Inc. for escalator and elevator repair not to exceed \$180,000; however, we remain in negotiations with them. The General Counsel and CEO are involved in discussions with Fujitec and we will continue in good faith. With regard to Woodcrest, Mr. Matheussen said in the interim, an estimate is being obtained for repair and an estimate is being obtained for demolition and replacement. Those costs will be measured against each other. Discussions will continue on this matter with the Operations and Maintenance Committee. He said Woodcrest is scheduled for demolition in the summer of 2014 and acknowledged that station has a long staircase that presents a challenge. He said the cost and time frame to have the escalators running will have to be considered and the costs to do either option will be presented to the Operations and Maintenance Committee when they are available.

Commissioner Sasso said the discussion has to be how best to serve the needs of PATCO customers. There will be some cost but it will be money well spent. He said the Operations and Maintenance Committee has provided invaluable input and there will be a telephonic Operations and Maintenance Committee scheduled within the next week to keep this issue moving.

Mr. Matheussen said at the same time as research is being done on repair or replacement costs at Woodcrest, there is an ongoing discussion with SEPTA about DRPA establishing an intergovernmental relationship with SEPTA to work on repairs. They have extensive experience and the manpower to assist DRPA. He said we need to follow through with discussions on this matter. He asked the Board for their consideration to pass the Capital Budget so the last four escalators that are part of the 2014 Capital Budget can be replaced.

Commissioner Sasso added that he contacted the Board Chair of SEPTA for assistance and we owe SEPTA a debt of gratitude for their assistance. He said he concurs with Mr. Matheussen's idea to develop an intergovernmental relationship, saying it is a "win/win" situation.

Vice Chair Nash noted he has taken PATCO recently into Philadelphia and none of the escalators he would have used were working and there was no explanation. He asked what was being done to inform the public. Mr. Matheussen replied as soon as he heard from the Vice Chair he reached out to Director of Communications Tim Ireland and PATCO General Manager John Rink about getting a message to our customers. We will do more with electronic media, flyers and signage to provide information. He said as a final note these last four escalators are at least 35 years old and doing this repair or replacement will result in some inconvenience to our customers. There is little we can do about this fact. We will notify customers of other stations

with access. He said many of our PATCO stations have elevators and it is the Board's intention, within the five year capital plan, to have an elevator in place in all PATCO stations. He added we will make certain the public knows when there is a working elevator at the Woodcrest station.

Mr. Matheussen asked Mr. Venuto to provide an update on the PATCO Car Refurbishment project, including positive news that the first two refurbished rail cars have arrived and are being inspected at our Lindenwold shop prior to real-world testing. Mr. Matheussen said we are very proud of the new cars and he hopes the Board will be as well. He added there is an open invitation for the Board, the CAC and the media to see the new PATCO cars. He noted some people are going to see the cars this afternoon following the Board Meeting and if any Commissioners cannot make this tour, we can arrange a tour anytime convenient to their schedules. He indicated some FTA staff is coming to Lindenwold to see the cars on December 19th and the CAC has an upcoming evening tour scheduled.

Mr. Venuto said testing of cars one and two continue at Lindenwold. The cars have been on the tracks in our yard and will be testing on the main line next week. Cars three and four are finishing up testing and customer inspection started today. The cars are scheduled to ship on December 18th. The remaining four cars are in various stages of testing and production. These cars are scheduled to ship in January.

Mr. Matheussen congratulated the Board and the Finance team for the recent positive ratings agency news. He said that late last month, the bond rating agencies, Standard and Poor's and Moody's, recognized the progressive financial improvements the DRPA has made at the Authority over the past ten years. He said on November 25, Standard & Poor's raised its rating on the DRPA revenue bonds to "A" from "A-." S&P also assigned its long term "A" rating to the DRPA series 2013, \$486.3 million revenue bonds, and declared a "stable" outlook for DRPA securitized debt.

Mr. Matheussen said, in addition, S&P raised the ratings on DRPA's subordinate Port Development Bonds from "BBB-" to "BBB" and affirmed its "AAA/A-1" and "AAA/A-1+" ratings on various DRPA series 2008 and 2010 bonds.

He added that Moody's affirmed DRPA's "A3" bond rating and also declared a "stable" financial outlook for the DRPA.

Mr. Matheussen said that along with welcoming the ratings themselves, we are very pleased with comments from the financial analysts at both agencies as to the strength of DRPA's strategic financial management program, specifically noting the return to a core mission, efforts to reduce debt costs and aggressive efforts to control operating expenses.

Mr. Matheussen wished everyone a happy and safe holiday season.

This concluded his CEO Report.

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

Report of the Chief Financial Officer

Mr. Hanson said as stated on the KPI dashboard, for the first ten months of the year, DRPA bridge traffic is the same as it was last year. Bridge revenue is up 1.7%, and that is indicative of average tolls with more commercial traffic in the mix. The DRPA operating budget has spent 90.9% of budget, putting the Authority significantly below budget. Mr. Hanson continued that in regard to the DRPA Capital Budget, we have spent 52% of the amount budgeted for the year. Currently at the DRPA there are 32 positions open, contrasted with 49 open positions at the beginning of the year. The functional areas have the staff they need. At the end of last year with 49 open positions, we have been able to task more positions in order to keep the budget down. While it is certainly on the plus side for the budget, it creates less opportunity to find the cuts that we have in the past and forces us to look at other areas. Mr. Hanson continued that the lost time claims for October 2013 were five at the DRPA, and five at PATCO. PATCO ridership is above budget by 1.24%. Revenue is above budget by 2.4% and the operating budget spending is 96.7%, placing PATCO under budget as well. The operating ratio is 5.85% better than budget, which means that the fare box return is about 5.85% higher than what was budgeted. At the end of last year PATCO had 33 open positions and there are 25 open currently. PATCO's on-time performance is below goal at 96.4% with the goal being 98%.

Mr. Hanson stated that concluded the KPI. He moved on to a brief presentation on the budget. We have had significant ongoing discussions with the Finance Committee and the Operations & Maintenance Committee regarding the budget. He said that he would like to echo the comments of the CEO and the Board. He cannot say enough about the efforts of the Finance team. The Authority continues to challenge the Finance team and they continue to exceed the challenges, as well as our close partners in the office of the Office of the Deputy CEO, Michael Conallen, along with Christina Maroney and Kristen Klepacki. The team worked very closely with Michael Venuto on the Capital Budget and other cost initiatives. Mr. Hanson added that all the work that we do would not amount to much without the effort and support operational and administrative groups within the DRPA and PATCO. These groups are the ones who manage the budget, maintain fiscal discipline, who get it done. The result is the ratings upgrade as evidenced by the great comments the Authority received from both rating agencies. Mr. Hanson continued that with respect to the proposed Capital Budget, net of FTA funding, for 2014 is \$163.3M. The cost to complete those items would be an additional \$554.6M. The entire plan, net of FTA funding, is \$753M. Mr. Hanson asked Mr. Venuto to add to the discussion.

Mr. Venuto stated that \$163M of the 2014 budgeted amount is comprised of two large projects that make up 52% of this amount. While this amount looks like a lot to spend, the PATCO track rehabilitation and the painting of the Commodore Barry Bridge make up a large portion of that, both of which are going to be in the heavy part of construction in 2014. This also includes three other projects: the Betsy Ross Bridge resurfacing, the technology ERP project and the DRPA portion of the PATCO car overhaul. This will bring it up to about 66% for just those five projects. That is why we feel it is an achievable budget.

Vice Chairman Nash inquired what the smaller item is for 2014 for the Ferry. Mr. Venuto responded that this is for the mandatory Coast Guard inspection of the Ferry that must be completed every five years.

Chairman Simon inquired what, if any, differences there are from 2013 in the Capital Budget. Mr. Venuto responded there are a number of carry over projects from 2013. We added

approximately 16 new Capital Projects going into 2014, totaling \$11M. Chairman Simon asked what the more significant projects were from this amount. Mr. Venuto responded that there are a few at each bridge. This includes concrete repairs on the New Jersey side of the Walt Whitman Bridge, emergency generator power to the bridges, another phase of the deck repair project at the Commodore Barry Bridge and four security projects at the Commodore Barry and Betsy Ross Bridges.

Mr. Hanson stated that with respect to the revenue profile, there are two projections, one is the interest income. We have revised that number up to \$400,000. The number we projected previously was a conservative estimate that was used in modeling for the bond projections. At the direction of the Finance Committee, we revised that number upward. We are projecting roughly the same overall in total revenues from 2013 to 2014. Chairman Simon inquired what the estimate for actual 2013 total revenues was. Mr. Hanson responded that we expect to be slightly ahead of revenue in both areas.

Mr. Hanson stated that over the last ten years the budget has increased less than 1.8% per year. The spending for the DRPA and PATCO budgets has increased at 1.6% per year on average. This is what helped us with the Standard & Poor's rating. The increases for 2014 over 2013 are projected to be 2.09% for DRPA operating budgets and 2.7% for PATCO's operating budget. The 2.09% for DRPA translates to a \$1.7M increase over last year. Mr. Hanson continued that Pension obligations are increasing the budget by \$1.9M, insurance will increase by \$400K, labor will decrease by \$400K and there will be a \$100K increase for the Management Audit at the bridges. These four main drivers are an increase of \$2.8M and are not in the control of the Authority. The PATCO 2.07% increase is a \$1.5M increase. Pension obligations have increased by \$205K, self-insurance claims increased by \$275K, purchase power increased \$285K and the Management Audit is a \$150K increase. These four items at PATCO are not discretionary and not within our control. Mr. Hanson continued that the Authority had to make significant cuts in areas to meet these increases. If we removed Pension from our numbers we would have a decrease in projections. When you add the two budgets together, the overview of the DRPA and PATCO Operating budget is a composite of 2.09% on the Operating side. Mr. Hanson went on to address the indenture budget, which includes debt service and other items required under the indenture budget including the biannual inspection. This number increases by \$16.7M as a result of the new bond issue. The biannual inspection is an increase that goes in and out every year. The debt service on the revenue bond increase number has been revised since the Finance Committee reviewed it. We are using the initial projections that we thought the ratings upgrade would give us. We reduced those numbers by almost \$700K per year over the life of the bonds which is further than we projected. It was a very successful bond issue at a time when the market was moving away from us. On the strength of stronger than expected jobs numbers and stronger than expected GDP numbers, many of the other deals did not see the results that we saw. Mr. Hanson continued that when you review the summaries of the DRPA and PATCO Operating Budget you will see that nearly every line is decreasing. The only increase is in payroll which is a result of the pension increase. We were tasked by the Finance Committee to produce a leaner budget for 2014.

Mr. Matheussen stated that there were a number of staff members, who along with the Finance Committee worked on the budget beginning back in July and August. These employees scrutinized each line from the bottom up to get the Authority to the budget we have today. We are challenged to achieve the best we can to keep our assets safe and secure. We are doing this

because we are using toll payer's money and we want them to know we are using this money appropriately so that we can accomplish what needs to be accomplished. What staff doesn't get to see is the result of the indentured budget. Mr. Matheussen continued that he believes it is important to note that unlike 15 years ago when the sale of bonds was strapping us in terms of our indenture budget and debt service, this year our Capital Budget is a direct result of bond sales that were made two years ago and again last week, giving us the ability to maintain the bridges and PATCO. We can go to the public and say we are not spending it on the Economic Development; we are spending it on PATCO to make certain the lines are running without interruption. This is a result of hard work of staff and the vision of the Board in terms of what we want the DRPA and PATCO to be. Hopefully this is a good measurement of what is to come.

Chairman Simon inquired what our proposed employee head count is for 2014. Mr. Hanson replied that the DRPA had 613 employees in 2012, 599 in 2013 and is projecting 600 employees for 2014. PATCO has 327 for 2013 and is projecting 325 in 2014.

Chairman Simon inquired into the amount the DRPA has budgeted to subsidize PATCO's operations. Mr. Hanson replied the budgeted amount in 2013 was \$19.9M and we expect to actually have it at \$18.2. For 2014 it is a budget of \$21.3. This is a result of both the 2% increase in expenses budgeted, but also the revenues for PATCO are lower this year as a result of a lease agreement, which was significant revenue. And a decrement on ridership that was a result of the track rehabilitation project.

Chairman Simon indicated that there are payments to the City of Philadelphia, the Camden Redevelopment Authority and certain municipalities, and inquired into the aggregate number and whether that has changed? Mr. Hanson responded that it has increased slightly as a result of aggregate number of those payments. The entire lease agreement includes that in the indenture budget. It is a slight decrease from \$4.1M as a result of the long term contract. DRPA and PATCO have a long term lease agreement for the subway in Pennsylvania. The underground tunnel includes a lease agreement with the City of Philadelphia. As part of that agreement there are payments to other municipalities that are impacted. Vice Chairman Nash added that over \$300M is paid to the City of Philadelphia as a contractual obligation through 2018 and the balance is paid the New Jersey municipalities that host the stations. Mr. White stated that \$75,000 is paid to the City of Philadelphia for the Community Impact Fund, and \$500,000 is paid to the New Jersey municipalities. Mrs. McNichol interjected that the payments to Philadelphia are accelerated through 2018 and then from 2018 to 2040 the payments to the City of Philadelphia is \$1.00. That is the change in the impact fee. The CRA payments are a separate payment.

Chairman Simon inquired what the budgeted amount is for the Office of the Inspector General. Mr. Hanson stated that the total budgeted amount for the Office of the Inspector General is \$970.7K which includes payroll for all the employees, management and financial audits. Chairman Simon inquired what the amount was for the management audit. Mr. Hanson responded that the management audit for PATCO is \$300K, with \$150,000 allocated for 2015. The management audit for the bridges is \$200,000, \$100,000 allocated in 2014 and the other \$100K allocation is in 2015. Commissioner Sasso inquired whether the balance is compensation for staff. Mr. Hanson replied the financial audit is \$150,000, which will include supplies and software costs.

Chairman Simon inquired whether the amount for the PATCO management audit is accelerated an amount to be apportioned for 2015. Mr. Hanson replied in the affirmative.

Vice Chairman Nash stated that most telling is the financial strength of the Authority and it is evident the General Fund is strong. He said that the Capital Budget is lean and strong; so he said that we are in a good position as we begin 2014 to do some positive things. Commissioner Sasso stated that he wanted to echo Vice Chairman Nash's comments. Sitting on the Finance Committee, hearing this presentation and participating with Chairman Simon on the calls with our financial advisors, leads him to believe we can feel good about the Authority and what the Finance Committee has been able to do. He said that he would also like to add that in Chairing the Operations & Maintenance Committee, the engineering staff is being asked to do one heck of a job with too few resources. That is something he would like to speak to the Commissioners about addressing in the near term as well. Commissioner Sasso said that we cannot be penny wise and pound foolish.

Mr. Matheussen stated that he wanted to thank all of the Commissioners and he appreciated Vice Chairman Nash's comments with regard to salaries. He said that working here every day with staff and seeing the job that they do every single day is above and beyond. He said that when people work all night to make certain that the bridges are free of snow and ice, when the walkways were open yesterday and we are working on getting it open again today, when the PATCO trains run on time and on schedule through a snowstorm that occurred yesterday without icing problems, it is the men and women who work out in the field that deserve a lot of credit and the managers that make certain that the jobs get done. He said that we are in negotiations with our four labor units, we continue with negotiations, but about 33% of our staff is made up of people who are not represented by unions – those are the people who continue to work and they have worked without a raise for the past six years. He said that he would implore this Board to take a very careful look at resolving our labor budgets, hopefully over the next several months for the unions, that we do not leave out and we take a careful look at compensation for the rank and file staff who are not represented by unions. He said that it is important that the entire team be recognized. He appreciated Vice Chairman Nash mentioning it here because it is something we definitely have to look at in 2014 to make a complete package.

Vice Chairman Nash stated that he appreciated Mr. Matheussen's comments, but it is the financial strength of the Authority that allows him to make that statement. He said that we also have to take a look at our customers and make sure that we are mindful of people who are paying the fares and the tolls and make sure that we take care of them as well going forward.

Chairman Simon stated that the Labor Committee under Chairman Reilly and Commissioner Frattali and members of the Committee have been very involved in looking at all the labor related issues both for the represented as well as the non-represented employees. He said that there has been a lot of discussion and evaluation on that front over the last several months.

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

- DRPA-13-145** **Resolution in accordance with Section 5.15 and 5.09 of the Indenture of Trust dated as of July 1, 1998 with TD Bank, N.A. as Trustee to adopt an Annual Budget of the Delaware River Port Authority for the 2014 Fiscal Year**
- DRPA-13-146** **Resolution in accordance with Section 5.07 of the 1999 Port District Project Bonds Indenture dated December 1, 1999 with The Bank of New York as Trustee, to adopt an Annual Budget of the Delaware River Port Authority for the 2014 Fiscal Year**
- DRPA-13-147** **Resolution in accordance with Section 5.07 of the 2012 Port District Project Bonds Indenture dated December 1, 2012 with TD Bank, N.A. as Trustee, to adopt an Annual Budget of the Delaware River Port Authority for the 2014 Fiscal Year**
- DRPA-13-148** **2014 DRPA Operating Budget**
- DRPA-13-149** **2014 Capital Budget**

Commissioner Fentress stated that he needed to abstain from voting. Chairman Simon asked Commissioner Fentress specifically which items on which he needed to abstain. Commissioner Fentress stated it was the Operating Budget. Ms. McNichol stated that it was the Operating Budget, DRPA-13-148, which would still be an issue. She stated that for the Capital Budget, DRPA-13-149, there were a sufficient number of votes if Commissioner Fentress was abstaining. Ms. McNichol stated that Commissioner Fentress is going to abstain on voting on the Operating Budget and the Capital Budget, not based on pension matters, but based on his other representations at the different Authorities and involvement.

Commissioner Fentress abstained from voting on DRPA-13-148 and DRPA-13-149.

Approval of November 20, 2013 DRPA Board Meeting Minutes

The Minutes of the November 20, 2013 Board Meeting of the Delaware River Port Authority were previously provided to the Governor of New Jersey and the DRPA Commissioners and there were no comments.

On motion duly made and seconded, the Approval of November 20, 2013 DRPA Board Meeting Minutes were received and filed.

Receipt and Filing of the Monthly List of Payments Covering the Month of November 2013 and Monthly List of Purchase Orders and Contracts Covering the Month of November 2013

The Monthly List of Payments covering the month of November and Monthly List of Purchase Orders and Contracts covering the month of November 2013 were previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Monthly List of Payments Covering the Month of November 2013 and the Monthly List of Purchase Orders and Contracts covering the month of November 2013 were received and filed.

Commissioner Fentress abstained from voting on the Monthly List of Payments.

Approval of Audit Committee Report of November 20, 2013

Chairman Simon asked Commissioner Boockvar if she had a report. Commissioner Boockvar stated that they are working on the SOP for the Office of Inspector General. There is a working group that is discussing the last pieces of the SOP and her every expectation that it will go to vote in January. She thanked everybody for their input and asked that if anyone has any further input, to reach out to her.

The Audit Committee Meeting Minutes of November 20, 2013 were previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Audit Committee Minutes of November 20, 2013 were approved.

Approval of Operations & Maintenance Committee Report of December 4, 2013

The Operations & Maintenance Committee Meeting Minutes of December 4, 2013 were previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Operations & Maintenance Committee Minutes of December 4, 2013 were approved.

Adopt Resolutions Approved by Operations & Maintenance Committee of December 4, 2013

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

DRPA-13-140	Capital Project Contract Modifications
DRPA-13-141	Procurement and Delivery of Highway Rock Salt for DRPA and PATCO Facilities
DRPA-13-142	Agreement to Access BFB Underbridge Secured Lot – 3rd St., Philadelphia Between DRPA and LFLC Works
DRPA-13-143	2014 Church Requests for Parking Under the Ben Franklin Bridge in Philadelphia

DRPA-13-144

**Purchase and Installation of Modular Storage Cabinets
for the Walt Whitman Bridge Facility**

Approval of Finance Committee Reports of December 4, 2013

The report of the Finance Committee meeting of December 4, 2013 was previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the report of the Finance Committee of December 4, 2013 was approved.

Unfinished Business

There was no DRPA unfinished business.

New Business

Chairman Simon stated that as the CEO mentioned earlier, the Chair and Vice Chair had approved, on an emergency basis, a contract with a not-to-exceed amount of \$100,000 to repair the escalators. He said that the contract would be with SEPTA, as was mentioned earlier. He stated that the contract is close to completion and the Chair, Vice Chair and the CEO would like the Board's ratification of their emergency approval of that contract.

On motion duly made and seconded, the ratification of the emergency approval of the contract has been approved.

Extension of Blue Horizon Loan Satisfaction Agreement

Mr. Conallen stated that the Board previously authorized staff to enter into an agreement with potential developers of the Blue Horizon property. They have asked for additional time in order to finalize their financing on the project. He said that this agreement would give them the additional time which they requested in order to close the deal. Mr. Conallen stated that the end result would be a return of \$1M of economic funding, the original principal amount to the DRPA at the time of closing.

Commissioner Sasso inquired as to how much time had they have been given so far. Mr. Conallen stated that it was about eight months. He added that the City had postponed the Sheriff sale of the property as well. Commissioner Sasso asked what date the City has postponed the Sheriff sale? Ms. McNichol stated the sale has been postponed until the end of February 2014. Commissioner Sasso inquired whether the Authority would jeopardize our position at all by giving them the additional time? Ms. McNichol answered that it would not jeopardize our position and in fact it allows us to collect the funds. She stated that in addition, she has requested from them in the interim period of time to provide us with the insurance coverage that we continue to insure the property so that we are made whole.

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

DRPA-13-150

Extension of Blue Horizon Loan Satisfaction Agreement

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

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

DRPA-13-152 Consideration of Pending DRPA Contracts (Between \$25,000 and \$100,000)

Citizens Advisory Committee Report

Mr. Latko, Chairman of the CAC, stated that their Committee did not meet this month. He said that they will be meeting with John Rink next week, Tuesday evening, to see the new cars. He said that Mr. Rink is also planning to attend their January meeting.

Mr. Latko stated that regarding communications, he cannot stress enough how important it is to keep up with dynamic, real-time information. He stated that Vice Chairman Nash had touched on a point earlier regarding the escalators and elevators. He said that if a customer gets on at one station and gets to an end station and cannot get out; it is a little bit more than an inconvenience. He said that that dynamic information to let people know which station has escalators in working order is imperative so they know where they can get out of the station. He said that he confirmed with his fellow CAC members that in early November, they were getting a lot of information as to what was happening between PATCO, the bridges, but in the past few weeks, he stated that there had not been much information put out to the public. Mr. Latko stated that Mr. Matheussen did share walkway information with them but he did not know if that was also sent out on an email blast or list serve.

Mr. Latko mentioned an incident which occurred as he was driving through his neighborhood in which an officer asked him if he was lost. He said that he thanked the officer for taking the initiative to get out of his car to ask him if he was lost. He said that he had hoped that more officers would be a little more proactive. The officer said that he had seen Mr. Latko's car in the area before. Mr. Latko said that he lives next to the bridge so he may have seen him there and he added that he also sits on the CAC for the DRPA. Mr. Latko thanked the DRPA for taking that initiative as there have been three robberies in the past three weeks on Cooper Street and one recently underneath the Ben Franklin Bridge. He said that anything the DRPA can do to keep an eye on what is happening through the cameras or through the officers means the world to him, his family and neighbors.

Chairman Simon thanked Mr. Latko and his Committee for all the work that they have done over the past year. CAC has been a tremendous help to him and the Board; we appreciate it. He said that his comments regarding the officer also reminded him to express appreciation to the officers in our police force, particularly those who are stationed and serve the more urban areas. Chairman Simon stated that they are at risk every day and we appreciate their work.

Mr. Matheussen stated that he appreciated what Mr. Latko gave to us in terms of information. He said that he wanted to inform the Board and although it may sound self-serving, the men and women of the DRPA, whether it is Public Safety, PATCO or the bridges, are very customer-oriented. They express it every single day. From time to time he get notes from customers who thank us for something they feel our employees have done which goes above and beyond. He said that he was not going to read the letter he received, but said that it fits in very well with what Mr. Latko had to say. The situation occurred at the Ben Franklin Bridge. Ms. Michelle McBride

was traveling across the Ben Franklin Bridge on November 20, 2013 and she took the time to write to us. “Tonight I had the opportunity to meet and watch over me one of the nicest people. Your employee and toll collector 208 of the Ben Franklin Bridge Janet kept me and my son safe. My son and I were traveling and I was following my son in my vehicle. He made a wrong turn and we were now both at the toll booths not wanting or needing to cross over, but my son did not stop. My cell phone was dead and I could not contact him. I knew he would be scared as he is only 17 and never drove into the City. I explained my story to Janet and she told me that she would contact my son. She wanted me to be safe and she gave me directions on how to get to New Jersey and wait at the Pub for my son. She did what she said she would do, followed up that night with a text to make sure that we were both safe. I thanked her from the bottom of my heart. She stayed with us until we were both safe and reunited. What a wonderful example of a human being and a fine employee. Thank Janet 208 for our angel.” Mr. Matheussen stated that the men and women of the DRPA, particularly those who are out in the field and have face-to-face contact with customers, these are notes that really do make the day go a little bit better and they do happen from time to time.

Public Comment

There was no public comment.

Chairman Simon asked if there were any further comments from the public. There being no further business, on motion duly made and seconded, the meeting was adjourned.

Respectfully submitted,

Danielle L. McNichol
Corporate Secretary

[You are viewing an archived document from the New Jersey State Library.](#)
PORT AUTHORITY TRANSIT CORPORATION
Minutes of the December 11, 2013 Board Meeting
One Port Center, 2 Riverside Drive
Camden, New Jersey
Wednesday, December 11, 2013, 9 a.m.

Present

PENNSYLVANIA

David Simon, Esquire, Chair
William Sasso, Esquire
Kathryn Boockvar, Esquire (DePasquale)
Michelle Kichline, Esquire
Joann Bell (via telephone)
Walter D'Alessio (via telephone)

Officers and Chiefs

John Matheussen, CEO
Michael Conallen, Deputy CEO
Danielle McNichol, General Counsel
and Corporate Secretary
Kristen Mayock, Deputy General Counsel
John Hanson, CFO
Toni Brown, CAO
Timothy Pulte, COO (via telephone)
Mike Venuto, Chief Engineer
John Rink, PATCO, General Manager
Thomas Raftery, Inspector General
John Stief, Chief, Public Safety

DRPA Staff

William Anderson, Budget Analyst
Valerie Bradford, Bridge Director, BFB/BRB
Lisa D'Arcangelo, Legal Secretary
Dan Auletto, Bridge Director, WWB/CBB
Darcie DeBeaumont, Senior Accountant
Jennifer DePoder, Financial Analyst
Ann DuVall, Exec. Assistant to CEO
Timothy Ireland, Director, Corp. Comm.
Howard Korsen, Manger, Contract Admin.
Elizabeth McGee, Acting Administrative
Coordinator
John Lotierzo, Director of Finance, PATCO
Sheila Milner, Administrative Coordinator
Fran O'Brien, Manager, Customer & Community
Relations
Orville Parker, Manager, Budget/Financial
Analysis
Bill Shanahan, Director, Gov. Relations
Susan Squillace, Manager, Purchasing

James White, Director, Finance
Dawn Whiton, Administrative Coordinator

NEW JERSEY

Jeffrey L. Nash, Esquire, Vice Chair
E. Frank DiAntonio
Richard Sweeney
Charles Fentress
Denise Mason
Tamarisk Jones
Al Frattali

Counsel

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

Others

Peter Simon, Esquire, NJ Gov. Authorities Unit
Christine Wechsler Rayer, Esquire, Deputy
General Counsel, Office of Governor Corbett
Jonathan Latko (CAC)

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

Chairman Simon 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. Chair Simon presided.

Report of the General Manager

Mr. Rink, General Manager of PATCO, stated that the report stands as submitted. Mr. Rink stated that Mr. Latko had reached out to him to mention that various members of the CAC could not visit the PATCO facilities during the day and asked him to arrange for a visit in the evening. He said that if any of the Commissioners could not make the visit today, on Tuesday, December 17th at 6 p.m. he will be available to give a tour of the overhauled cars. Mr. Rink also stated that he looks forward to having those coming down to join them. He said that part of the program is that they will have the two overhauled cars sitting on one track and next to that they will have two existing cars. You will be able to see the difference between what our current cars are and what the future is. Mr. Rink also stated that visitors will be able to see the new Annex Building – the shop facility which was built - which was approved by the Board.

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

Approval of November 20, 2013 PATCO Board Meeting Minutes, Receipt and Filing of the Monthly Lists of Payment Covering the Month of November 2013, Monthly Lists of Purchase Orders and Contracts Covering the Month of November 2013, Balance Sheets and Equity Statements – Dated October 31, 2013 and Approval of Finance Committee Meeting Minutes of December 4, 2013

The Minutes of the November 20, 2013 Board Meeting of the Port Authority Transit Corporation, the Monthly Lists of Payments Covering the Month of November 2013, the Monthly Lists of Purchase Orders and Contracts covering the month of November 2013, the Balance Sheets and Equity Statements – Dated October 31, 2013 and Approval of Finance Committee Meeting Minutes of December 4, 2013 were previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Minutes of the November 20, 2013 Board Meeting of the Port Authority Transit Corporation, Monthly Lists of Payments Covering the Month of November 2013, Monthly Lists of Purchase Orders and Contracts Covering the Month of November 2013, the Balance Sheets and Equity Statements – Dated October 31, 2013 and Approval of Finance Committee Meeting Minutes of December 4, 2013 were received and filed.

Unfinished Business

There was no PATCO unfinished business.

New Business

Item 1 – 2014 PATCO Operating Budget

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

PATCO-13-039 2014 PATCO Operating Budget

There being no further business, on motion duly made and seconded, the meeting was adjourned. Chairman Simon wishes Happy Holidays to all.

Respectfully submitted,

Danielle L. McNichol
Corporate Secretary