DELAWARE RIVER PORT AUTHORITY

BOARD MEETING

One Port Center
Two Riverside Drive
Camden, New Jersey

Thursday, October 16, 2014
PRESENT

PENNSYLVANIA

William Sasso, Esquire
Michelle Kichline, Esquire
Joann Bell
   (via telephone)
John Lisko, Esquire (for Robert McCord)
   (via telephone)
Eugene DePasquale
   (via telephone)
John J. Dougherty

NEW JERSEY

Jeffrey L. Nash, Esquire, Vice Chairman
   (Chaired the meeting)
Albert Frattali
Richard Sweeney
Charles Fentress
Denise Mason
E. Frank DiAntonio
Tamarisk Jones

Officers and Chiefs

John Hanson, Chief Executive Officer
Danielle McNichol, General Counsel and
   Corporate Secretary
Kristen Mayock, Deputy General Counsel
Michael Conallen, Deputy Chief Executive Officer
James White, Chief Financial Officer
Timothy Pulte, Chief Operations Officer
Toni Brown, Chief Administrative Officer
Mike Venuto, Chief Engineer
John Rink, PATCO General Manager
Bennett Cornelius, Assistant General Manager, PATCO
David Aubrey, Acting Inspector General
Gary Smith, Public Safety
DRPA Staff
Lisa D’Arcangelo, Legal Secretary
Nancy Farthing, Executive Assistant to CEO
Howard Korsen, Contract Administration
Christina Maroney, Manager, Special Projects
Sheila Milner, Administrative Coordinator
William Shanahan, Director, Government Relations
Susan Squillace, Manager, Purchasing
Dawn Whiton, Administrative Coordinator
Barbara Holcomb, Manager Capital Grants
Fran O’Brien, Manager Comm./Customer Relations

Counsel
Christopher Gibson, Esquire, Archer & Greiner,
    New Jersey Counsel
Thomas Ellis, Esquire, Duane Morris,
    Pennsylvania Counsel

Others
Kathy Bruder, Esquire, Deputy Chief of Staff,
    Office of Governor Corbett
Christine Wechsler Rayer, Esquire,
    Deputy General Counsel, Pennsylvania
Victoria Madden, Esquire, Chief Counsel, Office of the
    Pennsylvania Auditor General (via telephone)
Peter Simon, Esquire, New Jersey Gov. Authorities Unit
Tyler Yingling, Esquire,
    New Jersey Gov. Authorities Unit
Michael Mustokoff, Esquire (Duane Morris)
Daniel Walworth, Esquire (Duane Morris)
Mike Finegan
Debbie Finegan
Tony DeSantis (CAC)
Tara Chupka, IBEW
Jon Livingston
Joe Quigley
Lesley Kirsch
Tom Knoche
Rob Schiller
Rasheda Weaver
Sue Brennan, Cooper’s Ferry
Martha Chavis
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Adjournment

PROCEEDINGS

(9:04 a.m.)

VICE CHAIRMAN NASH:  Good morning, everyone.
COMMISSIONER FENTRESS:  Good morning.
VICE CHAIRMAN NASH:  Thank you, Charlie. We're going to begin our meeting.

I'm going to ask everyone to please rise for a moment of silence and for the Pledge of Allegiance.

(Pledge of Allegiance)

VICE CHAIRMAN NASH:  I'd like to call to order the Board meeting of the Delaware River Port Authority.

I'll ask the Corporate Secretary to please call the roll.

MS. McNICHOL:  Vice Chairman Nash?

VICE CHAIRMAN NASH:  Here.

MS. McNICHOL:  Commissioner Sasso?
COMMISSIONER SASSO: Here.

MS. McNICHOL: Commissioner Bell?

(No response.)

MS. McNICHOL: Commissioner Dougherty?

COMMISSIONER DOUGHERTY: Present.

MS. McNICHOL: Commissioner Fentress?

COMMISSIONER FENTRESS: Here.

MS. McNICHOL: Commissioner Jones?

COMMISSIONER JONES: Here.

MS. McNICHOL: Commissioner Mason?

COMMISSIONER MASON: Here.

MS. McNICHOL: Commissioner Sweeney?

COMMISSIONER SWEENEY: Here.

MS. McNICHOL: Commissioner Frattali?

COMMISSIONER FRATTALI: Here.

MS. McNICHOL: Commissioner DiAntonio?

COMMISSIONER DIANTONIO: Here.

MS. McNICHOL: Commissioner Kichline?

COMMISSIONER KICHLINE: Here.

MS. McNICHOL: Commissioner Lisko?

COMMISSIONER LISKO: On the phone.

MS. McNICHOL: Commissioner Bell?
COMMISSIONER BELL: On the phone.

MS. McNICHOL: You now have your quorum, sir.

VICE CHAIRMAN NASH: Thank you, Danielle.

And we're going to begin the meeting with a report of the Chief Executive Officer.

John?

MR. HANSON: That's me. My report stands as submitted. However, I'd like to highlight a few items.

First, I am pleased to report that we have a PATCO retiree with us, today. Michael C. Finegan is here with his wife, Debbie.

Michael, please stand?

Michael has been with us for 23 years and he is retiring from his position as Safety Specialist. We appreciate your many accomplishments over your career. We extend our best wishes as you begin this new chapter of your life. Please come forward for a photo.

(Taking photo/applause)

VICE CHAIRMAN NASH: John?

MR. HANSON: Okay. I have written to all of you about the CEO employee outreach meetings. The outreach meetings with the non-represented employees are
about 75 percent complete. They will be followed up with an employee survey, which we'll use those ideas to help build the formal plans that help move the organization forward.

Recently, we received a note from a PATCO rider regarding Karen Dougherty from PATCO and the note said, "Thank you for your assistance in making our trip stress free. The transition was smooth. With your help on each end, our vehicle was safe and secure. God bless you and your family."

We received that note about Karen because two senior citizens called her while looking for help getting from Lindenwold to Atlantic City. They needed permission to park at Lindenwold. When Karen heard that this couple was traveling on the train for the first time, noticed they seemed nervous, she used her 22 years of PATCO experience; walked them through the entire process, including how to purchase tickets; helped them with transportation options in Atlantic City; and the PATCO transit unit was notified that the car would be there overnight.

Karen's actions reflect positively on all of us
who represent the Authority and the customers will help spread the word about how well Karen and by extension PATCO, treats those who need help.

Anthony Bocchino is a Way and Power Maintainer who saved the day for a frantic PATCO passenger who dropped her ring down a sidewalk grate at 8th and Market, in Philadelphia. What could have been a heartbreaking loss turned into a happy ending. Tony clearly went the extra mile for this customer in retrieving the ring. And she Tweeted this grateful message to all of her followers, "Thank you, Tony, from @ridePATCO for digging through a sidewalk grate with me and fishing out my ring. You just #mademyday."

The Operating and Capital Budget Review Committees kicked off the meeting last week for the 2015 budget. The budgets will be submitted to the Finance Committee for review early next month.

Work continues on the Authority-wide ERP system that will allow us to improve operations and asset management and create greater transparency, effectiveness, and efficiency in our operations and reporting. The blueprinting phase whereby various
departments and divisions work together to create future processes is projected to last through the end of this year. Project updates will be incorporated into a monthly newsletter to be released to all employees starting next week.

We're on track with the scheduled continuous north track outage of the PATCO Ben Franklin Bridge track rehabilitation. The outage is scheduled to end on October 21st. And we're on track and on target to be back in service on October 22nd for the morning rush hour. The new schedule enhancements have been well received. And I'd like to ask Mike Venuto to give an update on the contractor's work.

MR. VENUTO: Yes, good morning. The major work is complete on the north tracks. We're completing the remaining work items, the punch list, and performing electrical testing this week. We expect to get the test trains on the track Sunday and Monday, and, as John says, we're on schedule to be complete on Tuesday and back in service on Wednesday morning.

VICE CHAIRMAN NASH: Great.

MR. HANSON: And, John Rink, any additional
MR. RINK: We have worked very hard as a team over these last several months with the outage. The fruition is coming true. We'll be out of this come next week. And I'd like to thank everyone from the PATCO staff that went beyond the call of duty, and also the DRPA staff. They worked very hard and tirelessly to make sure our customers had a good ride into the City, on time and on schedule. And I think as a team, overall team, we all are so we're looking forward to running normal service come next Wednesday morning.

MR. HANSON: PATCO car overhaul.

Mr. Venuto, do you have an update for the car overhaul program?

MR. VENUTO: Yes. Over the last two weeks, we have pulled the team together multiple times to finalize the remaining testing items. We are still performing the testing each day and night, and correcting any issues that surface.

Alstom has provided the certificate of car operation, which is a good milestone for us. And we are scheduled to begin the 500-mile test within the next
week.

MR. HANSON: Thanks, Mike.

John Rink, an update on PATCO elevators and escalators?

MR. RINK: For the month of September, our elevators operated at 99.9 percent reliability and our escalators at 96.8 percent, both exceeding our targets. We are in the final processes of turning the down escalator on at Woodcrest. The contractor is nearing completion on that. And once that's done, we will start the up escalator. The 15th and 16th escalator replacement is nearing completion also.

MR. HANSON: Mr. Pulte, do you have anything that you want to report on the bridges?

MR. PULTE: No. The bridges are going fine, including our maintenance program, and we're ready for the rest of the project to get going.

MR. HANSON: Great, thank you.

Mr. Conallen, Gateway property transfer update?

MR. CONALLEN: Yes. Thank you, John.

For new business, we have a resolution for the Board to authorize staff to execute an agreement to
transfer the Gateway properties to the CCMUA. Those properties would transfer subject to an additional environmental remediation that is our responsibility that we would complete. And then the CCMUA is taking possession of the properties for the purpose of opening it as a public park.

MR. HANSON: That concludes the highlights of my report.

VICE CHAIRMAN NASH: I just want to add a couple of things. First, to the members of the PATCO Track Rehabilitation Team, and I'll begin, of course, with the men and women who have worked on that job over the past several months, but the management and the O&M Committee, Chairman Sasso, and Al Frattali, and the members of that Committee who have done, in my view, an outstanding job in seeing this project through. I think it's a good example of having good people working on an important project.

But, at the same time, it shows the importance of communication with the customers. I have received only -- incredibly, I've only received positive feedback from the public at large. It's not a scientific study,
but you get a sense when you get emails and calls often, many people who commute from New Jersey to Philadelphia for work, that they say they understand that this is an important project, they understand that at the end of the day it'll make the track better and safer. But the communications has been outstanding.

I see it on Facebook. I see it on Twitter. It really has been a positive experience under difficult circumstances. So, my congratulations to everyone who has worked on this very arduous project over the last several months.

MR. HANSON: And if I can just add to that, Vice Chairman Nash, I think that DRPA and PATCO have demonstrated tremendous teamwork and the ability to work collaboratively under very difficult circumstances from the Board level down to those employees who are doing the work.

And we have seen it with the Walt Whitman Bridge re-decking project, which was a huge collaboration between engineering and bridge operations. We've seen it with the track rehab project, which is a huge collaboration between PATCO management and PATCO
operations on the Ben Franklin Bridge. And we've seen it again with the gusset plates at the Walt Whitman Bridge, again with the Board acting in the best interests of the public and the Authority, along with Bridge Ops to get the work done.

So some important and complicated projects with collaborative effort from the Board down to the people doing the work, and our contractors, as well. And I think that -- I hope that your experience is reflective of the public seeing the work that we're doing here at the Authority and recognizing the value of it.

VICE CHAIRMAN NASH: Yeah. No, I do appreciate it, John. And, of course, you, as the CEO, when things go bad, you get blamed, and when things go well, we take the credit; but our congratulations to you as well.

And, Michael, thank you for that update on the Gateway Park. There are members of the public here today who are very interested and probably very excited to hear the news that the DRPA and the CCMUA have reached an agreement to transfer that park. So, finally, that park after many years of discussion will be open to the public. And that's a good thing for our community.
Just on a personal note, I wanted to let everyone know that today is Peter Simon, who has been -- I often call him the Governor of New Jersey, showing the success of lap band surgery, but Peter Simon has been the Governor's representative from the Authority's Unit in Trenton for the past several years. And I have been in this position since being appointed by Woodrow Wilson in 1911, when he was the Governor of New Jersey. But, Peter, I have worked with many Authority representatives and I have to say that he is by far the most outstanding and dedicated Authority's representative that I have had the pleasure to work with. And there have been many good ones from Trenton.

Peter, your dedication and your contribution has been enormous. And I have always appreciated your counsel and you have represented the Governor extremely well. Sometimes, we agree; sometimes, we talk about issues. But when you net it out, you've always been an outstanding representative of the Governor's office and we appreciate your time and effort.

MR. SIMON: Thank you very much.

VICE CHAIRMAN NASH: And when I told the
Governor's office that in this job I needed a drink, they sent me a person by the last name of Yingling. That's not what I had in mind, but the new Governor's representative is Tyler Yingling.

And, Tyler, we wish you well and look forward to working with you as well. Welcome aboard. Big shoes to fill, but thank you.

And with that, anymore on your CEO report is complete?

MR. HANSON: Completed.

VICE CHAIRMAN NASH: Are there any questions for John or Tyler Yingling on his first day on the job?

Seeing none, I'll take a motion to accept the report.

COMMISSIONER FENTRESS: So moved.

COMMISSIONER FRATTALI: Second.

VICE CHAIRMAN NASH: All in favor?

ALL: Aye.

VICE CHAIRMAN NASH: Opposed?

The motion carries.

The next is the report of the Chief Executive -- I'm sorry -- the Chief Financial Officer.
MR. WHITE: Good morning, Mr. Chair. I don't think I want to be the CEO, at this point. Just kidding.

I will refer you to the DRPA Dashboard. Before I start, Peter, thanks very much for working with you and good luck going forward.

There are two documents essentially that we use in doing the financial update. One document is one that we present to the Finance Committee, which is called the DRPA Unaudited Financial Summary. And we also have the DRPA Dashboard. I think in your packet, the Dashboard is first and the financial summary is second.

I'll just do a brief overview. Looking at the DRPA Dashboard, essentially, the Dashboard gives you a sense of trend, whereas the financial summary gives you more year-to-date information.

If you will look at the Dashboard, look at bridge traffic, you'll see some positive trends that have happened since March. For the most part, our traffic has been better than budgeted. In the month of August, bridge traffic was essentially flat against budget. But on the revenue side, revenue is slightly ahead.
In terms of year to date traffic, we're roughly 32,000 vehicles below budget and our revenue is $1.6 million above budget. So you can't really see some of that information on the Dashboard. You can see that, however, on the financial summary.

Bridge revenue has exceeded the budget every month since about March. And during the month of September, this information is not on the Dashboard. It looks like our traffic and our revenue will exceed last year's traffic and also budget as well. So we have positive things to say about what's going on in terms of traffic and revenue.

In terms of the operating budget, on the DRPA side, you'll see in terms of a trend for the most part we are under budget. During the month of August, we were slightly above budgeted amount. But if you were to look at the year-to-date summary, you would see that we're still 6.8 percent under budget. That's largely driven by personnel costs, which are significantly below what was budgeted.

On the capital spending side, you will see, particularly in the June to August timeframe, that our
capital spending has ramped up a bit or, actually, our payments against capital projects has ramped up from around $6 to $8 million that we saw typically in the first part of the year to more like $9-plus million. So that's going ahead very well. We are, of course, under budget related to the capital budget.

If you look now at the PATCO ridership, PATCO ridership year to date is 3.7 percent below budget or -- I'm sorry -- year to date in comparison with last year is 3.7 percent below, or 253,000 riders below. This figure widens somewhat in the month of August, about around 43,000 riders. In general, PATCO ridership has been below budget. Year to date revenue is .9 percent below budget, or around $151,000 below budget. The deficit worsens somewhat in August, during the month of August.

Turning to the PATCO operating budget, for the last few months, PATCO expenses have been below budget. Those past three months, year to date, we're .8 percent below budget, or roughly $259,000 below budget. That compares with the DRPA budget, which we saw earlier, which is more like 6 to 7 percent under budget at this point. Same situation where unfilled positions or
personnel costs are under expectations, so that's one of the main drivers of the fact that the budget expenses are below budget.

PATCO on-time performance. In August, the on-time performance fell a bit. I usually refer to John Rink for some explanation.

John, do you want to perhaps give us some insight there?

MR. RINK: Sure. In the month of August, we went from the Track 1 outage, the south side track, to the Track 2 outage. And taking the Track 2 out of service, the day when we started that outage, we had some track signal problems the first couple of days, which were corrected. That led to the on-time performance dropping that month.

If you look in my GM report for the month of September, we are back up to 97.07 percent. And if we had the one incident at 8th and Market on the 15th, removed, we almost hit our goal of 98 percent for the month. We are at 97.73 percent. So, for the month of August, we took a dip when we switched between the tracks for the bridge outage project.
MR. WHITE: Thank you, John.

Finally, open positions, the numbers are going up slightly. Again, that's one of the main drivers as to why the actual expenses for both PATCO and DRPA are under budget, so that's something we need to continue to work on and watch.

As John said, one of the things that we're spending a lot of time on in terms of update of other things on the DRPA project, and the capital budget and operation budget hearings, as John mentioned, are in progress. So we look to present to the Finance Committee in November a preliminary budget. And that concludes my report.

VICE CHAIRMAN NASH: Thank you.

Any questions for Mr. White?

Seeing none, I'll take a motion to adopt that report.

COMMISSIONER SASSO: So moved.

VICE CHAIRMAN NASH: Is there a second, please?

COMMISSIONER Diantonio: Second.

VICE CHAIRMAN NASH: All those in favor?

ALL: Aye.
VICE CHAIRMAN NASH: Opposed?
The report is accepted.
The next item is the approval of the September 18, 2014 Board minutes.
Are there any corrections noted?
Seeing none, I'll accept a motion to approve the minutes.

COMMISSIONER FENTRESS: Move the motion.
VICE CHAIRMAN NASH: Is there a second, please?
COMMISSIONER KICHLINE: Second.
VICE CHAIRMAN NASH: All in favor?
COMMISSIONER FRATTALI: Aye.
VICE CHAIRMAN NASH: Opposed?
The motion carries.
The next item is the approval of the October 1, 2014, DRPA Board minutes.
Any corrections?
Seeing none, I'll accept a motion to approve those minutes.

COMMISSIONER KICHLINE: So moved.
COMMISSIONER FRATTALI: Second.
VICE CHAIRMAN NASH: All in favor?
ALL: Aye.

VICE CHAIRMAN NASH: Opposed?

I'm going to abstain because I don't believe I participated in that meeting.

The next item is the monthly list of payments and monthly list of purchase orders and contracts.

Is there a motion to approve?

COMMISSIONER SASSO: So moved.

VICE CHAIRMAN NASH: Boy, a lethargic group this morning.

Is there a second?

COMMISSIONER DiANTONIO: Second.

VICE CHAIRMAN NASH: All those in favor?

COMMISSIONERS FENTRESS AND DiANTONIO: Aye.

VICE CHAIRMAN NASH: Opposed?

Motion carries.

The next item -- before we get to the Operations and Maintenance Committee, I thought I'd go a little bit out of turn by asking members of the public to make comments, at this point, so they may choose to leave before listening to the remainder of the resolutions.

Is there any member of the public that wishes
to address the Board?

Yes, sir? Please approach the podium, give us your name and address so we have that for the record.

MR. QUIGLEY: My name is Joe Quigley. I live in Haddon Heights, New Jersey, and White Haven, Pennsylvania.

I have a few questions about payments that were made for invoices in the September meeting. U.S. Post Office, $15,000 --

VICE CHAIRMAN NASH: I'm sorry, Mr. Quigley, can you repeat that? The --

MR. QUIGLEY: U.S. Post Office, USPS.

VICE CHAIRMAN NASH: The post office.

MR. QUIGLEY: There was a $15,000 approval for payment. Is that to rejuvenate a machine in the mail room?

VICE CHAIRMAN NASH: Jim, can you answer that question?

MR. QUIGLEY: Jim? Okay.

MR. WHITE: We'll see that typically happens a couple of times a year.

MR. QUIGLEY: Okay. Water taxi ramp project,
$731,931, what the heck is that?

VICE CHAIRMAN NASH: Mike, do you have that?

MR. QUIGLEY: You approved that payment in the
September meeting.

MR. SHANAHAN: That was a pass --

MR. QUIGLEY: What did we do to a ramp that
cost $731,000?

MR. SHANAHAN: That's a pass through grant to
the PRWC. That grant is a federal grant that will be
administered for them. And they did their water taxi
ramps on the other side of the river, the Pennsylvania
side of the river.

MR. QUIGLEY: But we paid out that money?

MR. SHANAHAN: Paid out that money, but we are
reimbursed that money.

MR. QUIGLEY: Okay, thank you.

VICE CHAIRMAN NASH: Let me understand that,
Bill.

So the federal government provides the DRPA
with the money to perform those repairs?

MR. HANSON: The money is actually going to the
Delaware River Waterfront Corporation. They are the
sub-grantee and we're the grantee. So we receive the money; we pass it through to the Delaware River Waterfront Corporation; and they are responsible for the ramps. But we do have some responsibility to ensure that the terms of the grant are met.

VICE CHAIRMAN NASH: I suspect, Mr. Quigley, you're wondering if this is toll money that's paying for this and the answer is no.

MR. QUIGLEY: No. My question was what did they do for $731,000.

MR. SHANAHAN: They built three water taxi ramps with that money. And, again, as our CEO just said, it is a pass through grant. They are the grantee. They're responsible. Once the administration is done, we're done.

MR. QUIGLEY: Okay. Thank you.

The DirecTV bill was more than five times what it normally is in September.

VICE CHAIRMAN NASH: DirecTV bill?

MR. QUIGLEY: I have no idea what that's all about. And who gets the Harvard Business Review?

Okay, good, thank you.
COMMISSIONER SASSO: I pay for my own.

MR. QUIGLEY: No, no, but we approved $99 for an annual subscription.

Who gets it?

VICE CHAIRMAN NASH: You have two questions, DirecTV and the magazine. So we will get you those answers.

MR. QUIGLEY: Thank you. And a final, I have to note, there was an item that was missing on this year's September invoices and that was $27,000 for fertilizer. Usually, every September, there is a bill. It was missing. I guess we had enough of it.

MR. HANSON: That's a great straight line, right?

VICE CHAIRMAN NASH: I know, apparently we make our own fertilizer.

Thank you, Mr. Quigley, for your interest and focus on that.

But, Jim, if you would get Mr. Quigley answers to those two questions, and I'd like to see the answers as well.

MR. WHITE: Okay.
VICE CHAIRMAN NASH: Are there any other members of the public that wish to address the Board?

All right, seeing none, I'm going to move to the Citizens Advisory Committee.

Mr. DeSantis?

MR. DeSANTIS: Good morning. I'm Tony DeSantis. I'm a representative of the Citizens Advisory Committee.

First off, as a PATCO rider, personally, I am looking forward to the completion of the track work because it's very difficult to try to commute into Philadelphia on a Friday evening when you have to wait 40 minutes for a train. So I'll be very pleased when that's all over with.

We have two new members. I think both of them are from Pennsylvania. They attended a second meeting and they are interested in doing a third. You will be seeing their names shortly.

Other than that, I have nothing else to report. Thank you.

VICE CHAIRMAN NASH: Tony, are the new members here today?
MR. DeSANTIS: No.

VICE CHAIRMAN NASH: Okay. Thank you very much.

I also would like to welcome the interim Inspector General who has joined us here, today, David Aubrey.

Welcome, Mr. Aubrey. That was lukewarm.

MR. AUBREY: That happens at every meeting?

VICE CHAIRMAN NASH: All right. With no other public comment, I'm going to move back to the meeting. And that is the approval of the Operations Committee Meeting Minutes of October 1, 2014.

Is there a motion to accept those minutes from that date?

COMMISSIONER KICHLINE: So moved.

COMMISSIONER DiANTONIO: Second.

VICE CHAIRMAN NASH: All those in favor?

ALL: Aye.

VICE CHAIRMAN NASH: Opposed?

The motion carries.

Next, are the resolutions approved by the Operation & Maintenance Committee of October 1st, and it
begins with DRPA-14-122 and it runs to DRPA-14-125.
Everyone has copies of those resolutions.

I'll do them, with your permission, Chairman Sasso, I'm going to do them as a group.

Are there any questions relating to any of those resolutions?

Seeing none, I'll accept a motion to adopt Resolutions 14-122 through 125.

COMMISSIONER DiANTONIO: So moved.

COMMISSIONER SASSO: Second.

VICE CHAIRMAN NASH: All those in favor?

ALL: Aye.

VICE CHAIRMAN NASH: Opposed?

The motion carries.

Next, are the approval of the Finance Committee Meeting Minutes of October 1, 2014.

Is there a motion to accept the Committee minutes?

COMMISSIONER SASSO: So moved.

COMMISSIONER KICHLINE: Second.

VICE CHAIRMAN NASH: All those in favor?

ALL: Aye.
VICE CHAIRMAN NASH: Opposed?

The motion carries.

The next are resolutions that have been approved by the Finance Committee of October 1, 2014, and that runs from Resolutions 126 through 134; however, I am going to pull from that the list of resolutions for this moment, Resolution 133, because Toni Brown has an explanation and John Hanson has an explanation that they want to make.

But I'm going to take a motion on 126 through 134, if there are no questions.

Are there any questions regarding those resolutions?

COMMISSIONER DOUGHERTY: Can you say that one more time, Jeff? I didn't hear.

VICE CHAIRMAN NASH: I'm sorry. The Finance Committee Resolution 126; 127, which is the renewal of the Commercial General Liability Policy; 128, the Commercial Automobile Liability Policy; 129, the Excess Workers' Compensation and Employers' Liability Policy; 130, which is the renewal of the Commercial Umbrella Liability Policy; 131, renewal of the DRPA claims made...
Excess Liability Insurance Policy; 132 is the age 65 and over retiree Medicare Part D prescription benefit for 2015; and then 134, which is recognizing the rebranding of ING as Voya Financial.

Any questions on those?

COMMISSIONER DOUGHERTY: I just want to spend a little time after we finish, we can do it under new business or old business, however you want to handle it, but just the unspent upfront bond money.

VICE CHAIRMAN NASH: Do you want to do that before we get into these resolutions?

COMMISSIONER DOUGHERTY: Yeah, sure. I want to make sure that based on, especially with the approvals that we've had in the last meeting about the bridge gussets, that money that we put up to balance the risk is 100 percent being used just for the infrastructure upgrades that we need.

VICE CHAIRMAN NASH: I think that's a very good question. This resolution for the public's awareness is reallocating money that had originally been approved by the Board years ago for economic development. It is now being reallocated to a fund.
And the question that Commissioner Dougherty is asking, and it's a good question is, is there some guarantee that this money is now going to be used for the infrastructure in the core purposes of the Authority.

And, John, I'm going to ask you to address that question before we vote on this.

MR. HANSON: It's a Board resolution, which means once this resolution has passed, we are compelled to follow it or face disciplinary action. We have no authority to do anything other than what the resolution states that we will do. There is a system of checks and balances, internal controls in place to make sure that happens.

In addition to that, the newest internal control that was added through the reforms is the creation of the Office of Inspector General, who does look at all this. And, in fact, the OIG has been very aggressive in monitoring economic development spending, because it is aware of the Board's keen interest in it.

And I don't want to go out on a limb here, but I suspect, Mr. Aubrey, that you guys would be on top of this?
MR. AUBREY: Well, actually, it is a topic I have for discussion with the Chair, but I want to get more familiar with what was agreed upon and what the scope and expectations are for what was used.

MR. HANSON: Well, with respect to any Board resolution, you would be looking at ensuring compliance.

MR. AUBREY: Correct.

MR. HANSON: That would be part of your mission.

COMMISSIONER DOUGHERTY: I just want to make sure that if there is an economic development project that I know some of them take three, four, five years, I want to make sure that that is either funded or has been terminated versus how you want to use the upfront on spending.

MR. WHITE: John, could I speak to that?

MR. HANSON: Yep.

MR. WHITE: Essentially, we're doing three things with this particular resolution. We are taking funds based on discussions with co-bond counsel and moving it to essentially fund the Ben Franklin -- partially fund the Ben Franklin Bridge and the PATCO
track rehab project. As soon as the Governor's veto period is concluded, assuming this resolution is approved, we will move those funds directly from the various project funds to fund whatever invoices relate to the Ben Franklin track rehab project.

COMMISSIONER DOUGHERTY: So until the veto process is finished --

MR. WHITE: Yes.

COMMISSIONER DOUGHERTY: -- there is still a possibility that some of the funds will be used to either complete some of the economic development projects that are in play?

MR. WHITE: No.

COMMISSIONER DOUGHERTY: Okay. So everything is flat out now just being targeted toward the bridge project and PATCO project.

MR. WHITE: That's correct. For the most part, many of the funds that we identified as part of this resolution, after consultation with bond counsel, essentially can only go for funding a capital project. So that is one of the restrictive aspects of this resolution.
The only other thing that the resolution does do is it creates a fund of roughly a half a million dollars to pay for legal expenses related to economic development projects that --

COMMISSIONER DOUGHERTY: Pardon?

MS. McNICHOL: It's a legal, engineering, and environmental cost, where the other additional costs might be necessary for ongoing remediations, for example, for a particular economic development project.

MR. WHITE: Right.

COMMISSIONER DOUGHERTY: All the costs will come back to the Board also or --

MR. HANSON: Yeah. I would imagine all of them are going to be related to contracts that will require Board approval, for the most part. The legal bills probably will not come directly back to the Board. The other ones should be contracts.

MS. McNICHOL: Well, the legal billing --

COMMISSIONER SASSO: If Commissioner Dougherty wants the legal bills to come back to the Board, why don't we have them come back to the Board?

COMMISSIONER DOUGHERTY: Well, we're going to
have some questions about some legal bills at the end of
the meeting, as usual.

MR. HANSON: They'll show on a list of
payments, but they won't come back prior to.

MS. McNICHOL: And similar with the other
expenses that are on there. They are not going to be new
contracts. It's just the payment of existing contracts
for engineering remediation in other firms.

COMMISSIONER DOUGHERTY: And just for that is a
step in the right direction, I want to compliment people
inside the building, counsel, because when it comes to
confidence, and you have an issue like the bridge -- and
anyone who was present at the last Board meeting, we were
ready to go into an Executive Session to talk about a
life safety issue of adding an addendum to a contract,
fixed plates; and the performance of the installation of
the plates up until that meeting was spectacular, but we
put ourselves in a box where every decision is
scrutinized to the max. So actions like this where you
identify upfront money from a former swap and you flat
out dictate that it has to be used with safety and the
core principal organization, it makes it easier for
people to get up and ask questions, like the messenger did just a few minutes ago about spending money.

MR. WHITE: Yeah, that's right.

VICE CHAIRMAN NASH: Any other questions or comments on that resolution or any of the others, with the exception of 133?

Seeing none, I'll take a motion to adopt those resolutions.

COMMISSIONER DIANTONIO: So moved.

COMMISSIONER FENTRESS: Mr. Chairman?

VICE CHAIRMAN NASH: Yes?

COMMISSIONER FENTRESS: 132 and 133, I abstain my vote.

VICE CHAIRMAN NASH: Okay. So noting that on 132, Commissioner Fentress is abstaining --

COMMISSIONER DOUGHERTY: You're not 65 yet; are you?

VICE CHAIRMAN NASH: You're not 65 yet. In the unlikely event that he is 65, he would have to abstain. So there has been a motion.

Is there a second?

COMMISSIONER KICHLINE: Second.
VICE CHAIRMAN NASH: All those in favor?

ALL: Aye.

VICE CHAIRMAN NASH: Yes? In favor, yes?

ALL: Yes.

VICE CHAIRMAN NASH: Okay. I think the motion passes.

We're going to move to 133. I know that, John, you have some comments on that resolution.

MR. HANSON: Right. 133 approves the placement of retiree health benefits with United Healthcare. I have must been made aware this morning by Acting Inspector General Aubrey that there appears to be a transition hiccup with relation to the political disclosure form from United Healthcare. There is paperwork and we've contacted the broker and United Healthcare, who seem to believe it has been sent in, but it's something that appears to have not made it through the transition.

I would ask that the Board approve this, because it needs to be approved today. We have received, in the past, from United Healthcare, these forms, approve it subject to the certification of receipt of the
political disclosure form by the Inspector General.

VICE CHAIRMAN NASH: And why does it have to be approved today?

MS. BROWN: Because the open enrollment is about to begin for these retirees. And I had an email from our broker, who has been in touch with United Healthcare, and what they have said is they are confident that the forms were sent. So they are following up with their legal department and they have confirmed that they will certainly have the needed documents to us. So it does not come to my office. It always goes directly to the Inspector General's office. And as John said, we think of that as a transition hiccup.

VICE CHAIRMAN NASH: Thank you for that explanation. I think that if open enrollment is about to start, I would support that slight amendment.

Now, do we pass it as you have -- with that amendment on the record or does it have to be amended in another way?

Okay. So with that qualification that the political contribution form be submitted, and that would be a prerequisite to the actual passage of the
resolution, is there a motion to accept the resolution?

COMMISSIONER SASSO: So moved.

COMMISSIONER FRATTALI: Second.

VICE CHAIRMAN NASH: All in favor?

ALL: Aye.

VICE CHAIRMAN NASH: Opposed? All right.

Is there any unfinished business?

All right, moving to new business.

COMMISSIONER DOUGHERTY: Jeff?

VICE CHAIRMAN NASH: Yes?

COMMISSIONER DOUGHERTY: Just at the last meeting, I talked about having a business plan. We mentioned that we were going to forward to the committees. I'd ask that we, in a very respectful way, not be too slow on that because there's a lot of budget or financial report that we approved that has a lot of open opportunities to put people to work and we still have some interim titles. So if we can continue to move that process along.

VICE CHAIRMAN NASH: Do you want to address that, John?

MR. HANSON: You want a report on the interim
COMMISSIONER DOUGHERTY: No, I asked a whole lot of questions at the last meeting that I don't think I need to repeat. But I just think that we need to have a business game plan here. I think that there is -- you've done a nice job at adding some discipline to the system, but I just think that there is -- you have contracts. I mean, you have policemen that haven't had a raise in a long period of time. You have employees in the building that aren't represented that could go back six, seven years since the last time they've had a raise.

We always try to do the right thing here, but sometimes I think we worry about editorial boards more than we worry about the people. So I'd ask that we take a moment or two and put a business game plan here to take a look. And I understand, with all due respect to some of the legislative governing bodies, we have legislation that says we can't exceed levels of pay. That's all right in the public sector, but we've got to kind of treat this as public private. We've got to hire some of the best people and we have life safety issues that go on every day.
And if we don't want to do that, then maybe we should go back maybe months ago and start to explore my other issues about saying that we're going to keep it as a political organization. We should think about privatizing some of the entities. And if we're not, let's start running it like a business.

MR. HANSON: Thanks, Commissioner. We are working to put something like that together. And as part of my CEO report, I talked about the employee outreach that we're doing and we have a survey that will go out probably late next week, Christina?

MS. MARONEY: The week after.

MR. HANSON: The week after next, to all the employees to get feedback and input on all these issues. And we'll be using that as the basis to build a new plan. We do have a strategic plan together right now, but it doesn't specifically address the issues of salaries.

COMMISSIONER DOUGHERTY: Well, that comes into play when you talk about toll increases, etc., you know, you talk about balancing budgets, etc. I represent people for a living. So when you do interviews, it's always easier to do an interview after a raise rather
than seven years of no raise.

MR. HANSON: I agree with that.

COMMISSIONER SASSO: Does the management review deal with the subject, those periodic management reviews we get done?

MR. HANSON: Yes, they typically do. They typically do talk about those issues. And I think generally the last two that we have, have made similar points to those that Commissioner Dougherty just made about needing to make sure that you have a compensation plan that supports the skill levels that you need to get the work done.

I think that Commissioner Dougherty's comments are in alignment with what we typically hear from, both from TransTech, who did the one before last, and CGR, who did the last management audit.

COMMISSIONER SASSO: I'd like to take a look at that, the previous management reviews, if we're going to get into a deep dive on this. I think it would be good background.

MR. HANSON: We'll get them out to the whole Board, the last CGR and the last TransTech. We'll do
COMMISSIONER SASSO: Do we have one coming up?

MR. HANSON: We have -- the Board has approved the PATCO audit. And we're waiting for the veto period to expire from the last meeting in order to sign the contract.

COMMISSIONER SASSO: Would it be beneficial to tie in some of the questions raised by Commissioner Dougherty to the consultant?

MR. HANSON: You know we can do that. One of the things that has happened as part of what we did with the reform process is we used to do the management audits every five years. Now, we do segments every two years and there really is not an integrative audit any longer.

We did administration and public safety, I think, last time, is that right? We did administration and public safety last time. We'll do PATCO and then we're going to do the bridges. And then we'll get back to administration and public safety.

So the audits now are fragmented and look at specific pieces of the organization without really looking at the whole organization. And we don't really
have a mechanism to do that anymore, but they will touch
on those issues. It's just not exactly the same.

COMMISSIONER KICHLINE: If I could, Bill, we
had -- I've met on and off with CEO Hanson to discuss,
and we've had a conversation also with the auditor
general about possibly moving ahead, if it's appropriate,
and bringing it up in front of the Board with a strategic
plan that would address some of those issues and try to
make this a little more comprehensive, and address some
of the new visions that we have on the Board. So this
may be an appropriate time to meet again and start --

MR. HANSON: That's a good idea.

COMMISSIONER KICHLINE: -- moving forward on
that. And I'm happy to include you, since we've been
discussing this with the auditor general.

COMMISSIONER DOUGHERTY: That's fine. You talk
with General DePasquale, that's fine with me.

VICE CHAIRMAN NASH: Are there any more
questions or issues for unfinished business?

All right, seeing none, I'll move to new
business.

We'll take these three individually.
The first is DRPA-14-135, Consideration of Pending DRPA Contracts (Between $25,000 and $100,000). Are there any questions on this item? Seeing none, I'll take a motion to approve, adopt?

COMMISSIONER DIANTONIO: Move the motion.

VICE CHAIRMAN NASH: Second?

COMMISSIONER FRATTALI: Second.

VICE CHAIRMAN NASH: All in favor?

ALL: Aye.

VICE CHAIRMAN NASH: Opposed?

Motion is -- the resolution is adopted.

The next item is DRPA-14-136.

Michael, you gave a description of this resolution. Anything further?

MR. CONALLEN: Answer any questions the Board may have.

VICE CHAIRMAN NASH: Anybody have any questions?

Any members of the public have any questions? Seeing none, I'll take a motion to adopt 136.

COMMISSIONER FENTRESS: Move the motion.
COMMISSIONER SASSO: Second.
VICE CHAIRMAN NASH: All in favor?
ALL: Aye.
VICE CHAIRMAN NASH: Opposed?
Motion carries. Congratulations.
I'm going to abstain on that because of the CCMUA being a party to that transaction.
The next item is Resolution 14-137. It's the sale of 9.9 acres of DRPA property to the Camden Redevelopment Agency.
John, do you want to briefly give this --
MR. HANSON: This is the supermarket property. And this was the subject of -- this was a piece of property that we owned for the supermarket development. We've been in negotiations. We had significantly different appraisal prices for the property. At the suggestion of Commissioner D'Alessio, we got a review appraisal done. That was handled through the Office of General Counsel. And then at the last Finance Committee meeting, the Finance Committee said that we should negotiate for the review appraisal price with the Camden Redevelopment Authority. And the Office of General...
Counsel has done that. And we're ready to transfer the property.

VICE CHAIRMAN NASH: Now, the funds -- the purchase price is $1.3 million based on the review appraisal?

MR. HANSON: Yes.

VICE CHAIRMAN NASH: What happens to the proceeds of that money?

MR. HANSON: The proceeds of that money will go into the general fund. As you know, we have a plan with the general fund where a certain amount of the money, $250,000, I believe, is held for the normal contingencies that we have. And the rest, we have periodically asked the Board to transfer into a pay as you go capital fund, which, Jim, how much is in that pay as you go capital fund?

MR. WHITE: It's at least around $200 million.

MR. HANSON: Yeah, around $200 million. Either at the end of this year or the beginning of next year, we'll come back to the Board to make additional contribution to the pay as you go capital fund, as well as additional contribution to the irrevocable trust for
the OPEB liability. So the money will ultimately be put
toward, again, future capital expenditures for the core
business of the Authority.

VICE CHAIRMAN NASH: I'm not quite sure how the
DRPA ended up owning that property, but it's good that
it's going to be put to creating jobs and rateables for
the City of Camden. It's a great project. And the DRPA
received fair market value for the property, so all's
well that ends well.

Any further questions? Yes, I'm sorry.

COMMISSIONER DOUGHERTY: I just wanted to pay a
compliment. I've been coming across that bridge ever
since I was a little kid and I always look to the right,
and look at the pools over there, because I never had an
area where I had five or six pools together. I want to
let you know, I want to pay you a compliment. It all
starts with a job and it all starts with activity.
You've done a fabulous job with Cooper, done a fabulous
job with Rutgers, and any way that we can continue to
help, you know, you have politics everywhere and things
are scrutinized to the max.

But if you take a slow ride 10 years ago on
your way to a DRPA meeting and you take a slow ride, today -- and, again, I come over the Ben Franklin Bridge and I take a quick right, I usually have a ride back behind Cooper, there is a significant change. And you have made a significant change. And it all starts with a job. And it doesn't happen overnight. You're not only creating jobs, you're creating lifestyles. You're doing a great job over there. I know it's not fast enough for some, but you're doing a great a job.

VICE CHAIRMAN NASH: Well, thank you, John. And I could go on for hours about Camden. But I think the true credit goes to the residents of the City who have been pushing for change for a very, very long time. And I think that you're right there, it's starting to see the fruits of the labor.

Did we take a motion and pass that resolution, yet? Has there been a motion?

MS. McNICHOL: We did not. We need a motion, sir.

VICE CHAIRMAN NASH: We need a motion, again.

COMMISSIONER SASSO: So moved.

VICE CHAIRMAN NASH: Is there a second?
COMMISSIONER SWEENEY: Second.

VICE CHAIRMAN NASH: All those in favor?

ALL: Aye.

VICE CHAIRMAN NASH: Opposed?

The motion carries.

We've already had the public comment. The next is Executive Session. However, I'd like to suspend the DRPA Board meeting, go to and open the PATCO meeting, and then come back to Executive Session so people don't have to sit around waiting for us to finish.

Do I have to vote to suspend? I'll take a motion to suspend the DRPA Board meeting.

COMMISSIONER SWEENEY: So moved.

COMMISSIONER KICHLINE: Second.

VICE CHAIRMAN NASH: All those in favor?

ALL: Aye.

VICE CHAIRMAN NASH: Opposed?

All right, the Board meeting is suspended.

(Off the record.)

VICE CHAIRMAN NASH: We are back. Could I have a motion to reopen the DRPA Board meeting.

COMMISSIONER FENTRESS: So moved.
COMMISSIONER SASSO: Second.

VICE CHAIRMAN NASH: All those in favor?

ALL: Aye.

VICE CHAIRMAN NASH: Opposed?

All right, the Board meeting is back in Open Session. I'll take a motion to go into Executive Session to discuss issues of litigation and contracts.

COMMISSIONER KICHLINE: So moved.

COMMISSIONER SASSO: Second.

VICE CHAIRMAN NASH: All those in favor?

ALL: Aye.

VICE CHAIRMAN NASH: Opposed?

We are in Executive Session.

(Whereupon, the meeting adjourned on October 16, 2014, at 10:45 a.m.)

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

Respectfully submitted,

Danielle L. McNichol

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CERTIFICATE

This is to certify that the attached proceedings before the Delaware River Port Authority Board Meeting on October 16, 2014, were held as herein appears, and that this is the original transcript thereof for the file of the Agency.

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[Signature]
(Official Reporter)