SUMMARY STATEMENT

ITEM NO. DRPA-11-109 SUBJECT: 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 Mellon as Trustee, to adopt an Annual Budget of the Delaware River Port Authority for the 2012 Fiscal Year

COMMITTEE: Finance

COMMITTEE MEETING DATE: December 7, 2011

BOARD ACTION DATE: December 14, 2011

PROPOSAL: That the Board of Commissioners adopt an Annual Budget in accordance with Section 5.07 of the 1999 Port District Project Bonds Indenture dated December 1, 1999 with The Bank of New York Mellon as Trustee.

PURPOSE: To fulfill the requirements pursuant to Section 5.07 of the 1999 Port District Project Bonds Indenture with The Bank of New York Mellon as Trustee. (Effective February 28, 2001, The Bank of New York Mellon replaced Summit Bank as Trustee, as a result of the acquisition of Summit Bank’s Corporate Trust Business.)

BACKGROUND: Section 5.07 of the 1999 Port District Project Bonds Indenture with The Bank of New York Mellon as Trustee (1999 Port District Project Bonds Indenture), dated December 1, 1999, as approved by the Board of Commissioners of the Delaware River Port Authority (Authority), provides in pertinent part:

The Authority covenants that on or before December 31 in each Fiscal Year it will adopt a final budget (Annual Budget) for the ensuing Fiscal Year of the PATCO Subsidy, the amount of any operating subsidy paid or payable by the Authority to or for the account of any other subsidiary of the Authority and all other material operating expenses of the Authority payable from the General Fund. The Authority shall include the debt service payable on the Bonds and any Additional Subordinated Indebtedness during such ensuing Fiscal Year and all amounts required to be paid by the Authority into the...
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 Mellon as Trustee, to adopt an Annual Budget of the Delaware River Port Authority for the 2012 Fiscal Year

Debt Service Reserve Fund or the Rebate Fund during such Fiscal Year in such budget on or before December 31 in each Fiscal Year with the Trustee and Bond Issuer.

The attached 2012 Annual Budget provides the amount of funds required for each component of Section 5.07 of the 1999 Port District Project Bonds Indenture as stated above. The following provides a summary of the determination of each component of the Annual Budget.

PATCO Subsidy:

As defined in the 1998 Revenue Bond Indenture, the PATCO Subsidy generally includes (a) the amount of any operating subsidy paid or payable by the Authority to or for the account of PATCO with respect to the Rapid Transit System, plus (b) the amount of rent and other payment obligations paid or payable by the Authority under the Locust Street Subway Lease, including payments into the Community Impact Fund.

The Authority’s operating subsidy to PATCO for 2012 is estimated to be $19,683,100 (Estimated PATCO operating revenues of $25,618,300 less 2012 PATCO Operating Budget expenses of $45,301,400). Under the terms of the Locust Street Subway Lease, amended December 12, 1995, the Authority will pay, in 2012, approximately $3,111,200 to the City of Philadelphia and $500,000 in Community Impact Funds.

The PATCO Subsidy (including the payments under the Locust Street Subway Lease) is estimated to be $23,294,200 in 2012 and such funds are included in the 2012 Annual Budget.

Other General Fund Obligations

Other material operating expenses of the Authority payable from the General Fund in 2012 are the costs of the Port of Philadelphia and Camden operation. The projected net costs of these activities are estimated to be $5,000.
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 Mellon as Trustee, to adopt an Annual Budget of the Delaware River Port Authority for the 2012 Fiscal Year.

**Bond Related Deposits and Payments**

**Debt Service Payable on the Bonds and Additional Subordinated Indebtedness**

In accordance with the terms of the 1999 Port District Project Bonds Indenture the amount of $11,884,600 representing debt service payments and deposits to the Debt Service Fund on the Bonds and $17,908,200 representing debt service payments and deposits to the Debt Service Fund on Additional Subordinated Indebtedness, for the 2012 Fiscal Year and such amounts are included in the 2012 Annual Budget.

**Amounts to be deposited to**

**Debt Service Reserve Fund**

In accordance with the terms of the 1999 Port District Project Bonds Indenture, the 1999 Debt Service Reserve Fund is required to be funded at all times in an amount equal to the 1999 Debt Service Reserve Requirement. The 1999 Debt Service Reserve Fund was funded in an amount equal to the 1999 Debt Service Reserve Requirement from the proceeds of the 1999 Bond issue, and no further monies are required to be deposited in 2012.

**Rebate Fund**

In accordance with the 1999 Port District Project Bonds Indenture no deposits are expected to be made to the 1999 Rebate Fund for the 2012 Fiscal Year.

**SUMMARY:**

- **Amount:** $53,092,200
- **Source of Funds:** General Fund
- **Capital Project #:** N/A
- **Operating Budget:** N/A
- **Master Plan Status:** N/A
- **Other Fund Sources:** N/A
- **Duration of Contract:** N/A
- **Other Parties Involved:** N/A
RESOLUTION

RESOLVED: That the accompanying 2012 Annual Budget, as defined in the 1999 Port District Project Bonds Indenture of Trust dated December 1, 1999 with The Bank of New York Mellon as Trustee, is hereby adopted and be it further

RESOLVED: The Chair, Vice-Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY:  
Amount:  $53,092,200
Source of Funds:  General Fund
Capital Project #:  N/A
Operating Budget:  N/A
Master Plan Status:  N/A
Other Fund Sources:  N/A
Duration of Contract:  N/A
Other Parties Involved:  N/A
### PATCO Subsidy

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<tr>
<th></th>
<th>2012</th>
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<tbody>
<tr>
<td>Operating revenues</td>
<td>$25,618</td>
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<tr>
<td>Operating expenses</td>
<td>45,301</td>
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<tr>
<td>Operating loss</td>
<td>19,683</td>
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<tr>
<td>Locust Street Subway Lease</td>
<td>3,611</td>
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<td><strong>Total</strong></td>
<td><strong>23,294</strong></td>
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### Other operating expenses payable from the General Fund

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<th>Description</th>
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<td>The Port of Philadelphia and Camden</td>
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### Deposits to be made for Debt Service Payable on The Bonds

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<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Deposits to be made for Debt Service on Additional Subordinated Indebtedness</td>
<td>17,908</td>
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<td><strong>Total</strong></td>
<td><strong>29,793</strong></td>
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### Amounts to be Deposited to

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<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Debt Service Reserve Fund</td>
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<tr>
<td>Rebate Fund</td>
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<tr>
<td><strong>Total</strong></td>
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</table>

**TOTAL ANNUAL BUDGET**

<table>
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