SUMMARY STATEMENT

ITEM NO.                SUBJECT:    Financial Advisory Services

COMMITTEE:              Finance

COMMITTEE MEETING DATE: January 19, 2005

BOARD ACTION DATE:     February 16, 2005

PROPOSAL: That the Board authorizes staff to negotiate an Agreement with Public Financial Management to provide financial advisory services to the Delaware River Port Authority.

PURPOSE: To engage a firm with the skills, knowledge and experience needed to provide financial advisory services.

BACKGROUND: The Authority has used the financial advisory services of Public Financial Management to work in conjunction with staff on a variety of financial and bond related projects. The use of financial advisory services has been required to assist with analysis of fiscal issues affecting long-range capital development and financial programs undertaken by the Authority as well as enhance the abilities of the Authority to implement programs of long-range capital programs, planning and municipal financing. The financial advisory services envisioned under the scope of a new agreement may include:

Analyze investments, traditional and synthetic bond refunding assignments made by the Authority regarding bond financing, financial policy including budget, tax, cash management issues and related fiscal policies and programs.

Review reports of accountants, independent engineers and other project or feasibility consultants to ensure that such studies adequately address technical, economic and financial risk factors affecting the marketability of proposed debt issues; provide bond market assumptions necessary for financial projections included in these studies; attend all relevant working sessions for the preparation, review and completion of such independent studies; provide written comments of assumptions, analytical methods and conclusions contained in the studies.

Provide assistance to the Authority in the regular review of an effective, well-researched credit rating program; meet with analysts from the major ratings services; furnish the rating services with all necessary and relevant documentation and information; prepare any
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graphic support to be used for presentations made to the rating agencies; coordinate the overall rating agency program; attend and support in other appropriate ways the bond rating meeting; develop and support an overall program of investor relations.

Provide regular updates of tax-exempt bond market conditions and advise the Authority as to future debt issuances and refunding opportunities. Such analysis will include review of interest rate levels and trends, projected volume of financing, data on comparable financing, economic projections, and other relevant information and analysis.

Provide debt service schedules on a regular basis reflecting varying interest rates, issue sizes and maturity structures as are needed by feasibility consultants or for related Authority fiscal planning.

Review or perform special analyses, such as arbitrage calculations, to insure that the Authority remains in compliance with Bond Indenture covenants.

| SUMMARY: | Amount:        | N-T-E $110,000.00 |
| Source of Funds: | Revenue Funds | |
| Capital Project #: | N/A | |
| Operating Budget: | DRPA Finance C/E #15 $110,000.00 | |
| Master Plan Status: | N/A | |
| Other Fund Sources: | N/A | |
| Duration of Contract: | Through Year End 2005 | |
| Other Parties Involved: | N/A | |
RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate an Agreement with Public Financial Management to provide financial advisory services to the Delaware River Port Authority at an amount not to exceed $110,000.00; 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:

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JW:nf
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