

**Delaware River Port Authority
Minutes
and
Index
September 2010 Board Meeting
Wednesday, September 15, 2010**

Approval of Report of Chief Executive Officer - September, 2010

Approval of August Board Minutes - August 18 and August 25, 2010 (previously mailed)

Approval of Operation & Maintenance Committee Report of June 16, 2010

Adopted Resolutions Approved by Operations & Maintenance Committee of June 16, 2010

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| DRPA-10-076 | Contract No. BF-27-2010, Design Services for the Benjamin Franklin Bridge Light Duty Vehicle Maintenance Building |
| DRPA-10-077 | Contract No. BF-26-2010, Benjamin Franklin Bridge Deck Truss Rehabilitation |
| DRPA-10-078 | Agreement GN-0016-10 Safety and Work Boat Services at all Bridge Facilities, Riverlink Ferry and Cruise Terminal Docks |

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| DRPA-10-079 | Option to Purchase DRPA Property |
| DRPA-10-080 | Creation of Fleet Management Department under Bridge Operations |

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| DRPA-10-081 | Funding for Renewal of Fuel Contract for DRPA and PATCO |
| DRPA-10-082 | Federal Transit Administration Section 5307/5340 Grant Application |
| DRPA-10-083 | Federal Transit Administration Section 5309 Grant Application |

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| DRPA-10-084 | Employee Vision Coverage 2011 (DRPA) |
| DRPA-10-085 | Group Life, AD&D and Disability Coverage 2011 (DRPA) |

- DRPA-10-086 Active Employees/Under 65 Retiree Health Benefits
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– December 2010 and Adoption of Requirement for an Annual
Evening Meeting in New Jersey**
**DRPA-10-089 Amendment of DRPA-10-072 Restriction or Prohibition of
Political Contributions by DRPA or PATCO Vendors**
**DRPA-10-090 Amendment of DRPA-10-042 Resolution Implementing Post-
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DRPA-10-097 Placement of Items on Meeting Agenda

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DRPA-10-092 Consideration of Pending DRPA Contracts (Less than \$50,000)
DRPA-10-093 DRPA Citizens Advisory Committee
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Adjournment

MINUTES of the regular monthly Board meeting of the DELAWARE RIVER PORT AUTHORITY held Wednesday, September 15, 2010 in the Board Room at One Port Center, Camden, NJ.

Present

PENNSYLVANIA

John Estey, Chair
Robert Teplitz
Robert W. Bogle
John Lisko
John Dougherty
Robin Wiessmann
Frank DiCicco
Maria Quinones Sanchez

Officers & Chiefs

J. Matheussen, CEO
R. Box, PATCO, General Manager
R. Brown, General Counsel &
Corporate Secretary
R. Gross, Deputy CEO
J. Hanson, CFO
T. Brown, CAO
T. Pulte, COO
M. Venuto, Acting Chief Engineer

DRPA Staff

M. D'Alessandro, Asst. to Chairman
F. DiCicco, Administrative Coordinator
A. DuVall, Executive Assistant to CEO
J. Egan, Project Manager, Special Projects
T. Garrison, Administrative Coordinator, Customer
Service/Community Relations
S. Gray-Newman, Administrative Coordinator
D. Hunter, Manager, Corporate Communications
K. Jacobson, Assistant General Counsel
E. Kasuba, Director of Corporate Communications
L. Kmiec, Assistant General Counsel
C. Maroney, Manager, Special Projects
D. McClintock, Police Chief, Public Safety
S. Milner, Administrative Coordinator
M. Mondile, Manager, Customer & Com. Relations
F. O'Brien, Manager, Customer & Com. Rel.

NEW JERSEY

Jeffrey L. Nash, Vice Chair
E. Frank DiAntonio
Richard Sweeney
Albert F. Frattali
Charles Fentress
Rick Taylor
Tamarisk Jones
Denise Y. Mason (via phone until 1:25 p.m)

Counsel

C. Gibson, Archer & Greiner, NJ Counsel
D. Weisman, Archer & Greiner, NJ Counsel
D. Mix, Duane Morris, PA Counsel

Others:

D. Gramiccioni, Gov. Authorities Unit
C. Blackshear, webcasting
E. McBride
R. Franzini, IUOE
F. Banker, Esquire on behalf of IUOE
C. Campbell, Esquire on behalf of FOP
T. Jones, United Steelworkers
A. Levy, Esquire
B. O'Connor
J. Viniski
H. Friscia

DRPA Staff (Con't.)

R. Only, Director, Homeland Security &
Emergency Mgmt.
O. Parker, Manager, Financial & Budget Analysis
J. Quinn, Director of Revenue
W. Shanahan, Director Gov. Rel. & Grant Admin.
C. Spicer, PATCO Assistant General Manager
C. Thompson, Graphic Design
M. Weikel, Administrative Coordinator
J. White, Director of Finance
D. Whiton, Administrative Coordinator

The Corporate Secretary announced that public notice of this meeting was posted in the lobby at One Port Center and provided to representatives of the area news media. Mr. Brown then called the roll and announced that a quorum was present.

Chairman Estey noted that there were several speakers on our list. Two of the speakers are DRPA employees who are taking their personal time to be here and therefore we would like to accommodate them by calling them first. William O'Connor, a member of the engineering department spoke first. He began with his long history as a DRPA employee and stated that he is familiar with our bi-state situation and with the fact that there is a matter of public trust involved. The DRPA maintains critical bridge facilities and the rank and file employees do it very well. Recent board actions have been detrimental to our rank and file employees. With respect to the 100 free E-Z Pass trips there was never any abuse of this other than by two employees. Commuting is not a perk. It is demoralizing to have to pay to come to work. He cannot identify what problem the board thought it was dealing with. The media has damaged and painted a negative picture of our employees. The attacks on staff have been unfair. The money that was spent was spent by Harrisburg and Trenton not by members of the staff. The employees are being thrown under proverbial bus. There has been real reform at DRPA. Sick days were reduced from 15 down to 10. Changes were made in the short-term and long-term disability programs. The sell back of sick time program is not a Christmas bonus. Many other agencies do the same thing including some of the private sector. Employees and retirees contribute to healthcare. The states don't have that program yet and we've had it for over six years. Holidays have been reduced and other changes have been made with respect to the benefits for retirees. Resolution 10-047 prohibits gifts. In engineering the staff always got together to give the secretaries gifts at the end of the year we can no longer do this because of 10-047. What issue is being addressed by eliminating the gifts. It's hard to see what problem is being addressed and it damages morale. The Board should think about these things and not just respond to newspaper articles. Sit down with the staff not just the executive staff to find out what is really going on. John Hanson has started instruction in a lean government six sigma program. This extends from the boardroom to the mailroom with reforms. We thank the board for permitting him to speak.

John Viniski then spoke. Mr. Viniski is also a member of the engineering staff and began by talking about his twenty years as a DRPA employee. He wanted the board to understand the impact of what has happened. Employees throughout the organization are suffering. There is a great deal of discontent and low morale. Mr. Viniski is from Pennsylvania and he has to pay the tolls. Maybe this brings a \$1,000 a day, but the impact on morale is huge. It's hard to measure that impact. We are going to see a decline in performance. Over several years the DRPA has tried to recruit engineers. We tell them the salary and the benefits but lately we cannot attract qualified engineers. This is all in the management audit. He asked that the board reconsider and review what has been done in the light of the impact on employees. Mr. Viniski like Mr. O'Connor pointed out that the DRPA supports a vital transportation system. It is complex and challenging. Our customers deserve first rate services by first rate people and we need to treat our people right. He closed by saying let's bring pride back into the organization.

Mr. Richard Franzini spoke on behalf of the International Union of Operating Engineers. Our members keep the bridges open. We do our jobs every day. Last year we agreed to a zero raise and now the DRPA is taking \$4.00 a day out of our pockets. Never since the bridges opened has anyone had to pay tolls to come to work. In fact, the policy has changed since it was introduced a week or so ago. This is a past practice and you should go back to your prior policy. We have grievances on the elimination of the 100 free E-Z pass trips, on the lack of two weeks notice before policy changes, and on the elimination of the commuter toll benefit.

Mr. Frank Banker from the International Union of Operating Engineers then spoke. He represents people from Cape May to this area and he is working to organize the Bay Authority. No one else charges for employees to go to work. He does not see where this board even has the authority to do this. He knows the press has beaten up on them but still he doesn't think the board has the authority. On another matter, the steel workers want to bid on bridge work. We have two commissioners here who are with labor and one of them has an expert on prevailing wage in his union. The steel workers have a long list of cheating employees on pay rates. They use lower category employees to do skilled work. The state of Pennsylvania has banished some of these contractors and the information can be found on their website. Do not open the door to sloppy workmanship.

Carson Campbell, Esquire of Spear Wilderman then spoke on behalf of the FOP. Mr. Campbell said that he had two points. First, the 100 E-Z pass trips is a core benefit that is part of the contract that was entered into in 2005. It is simply not legal to cut that out and is found at Article 21, Section 4. 100 free E-Z pass trips per person per year. Point two is more nuanced. The work done by the FOP membership and the cost to go to and from work unless "on duty". The question is that whether they're clocked in or not, the FOP members are "on duty" and so it is not right to make them pay. If an FOP member was on the way to work in uniform or out and saw a jumper or a crime, it would be wrong for the member to pass by the scene. There is also no precedent at any other authority no one else does this (Mr. Campbell looked at the other agencies that he has surveyed). Finally, this has been past practice for many years so first there are unique Lodge 30 issues and second there are general issues that apply to all employees but the policy should be reversed.

Chairman Estey asked whether there are any other speakers and hearing none he called on Commissioner DiCicco. Commissioner DiCicco stated that weeks ago he said the board was acting too fast and he now would like to move to amend the E-Z pass resolution (10-057) (to reinstate what was in existence before). Chairman Estey stated that that would come up under "Capital Business".

Report of the Chief Executive Officer – September 15, 2010

In his CEO report, Mr. Matheussen recognized DRPA retiree Harold Friscia to stand and be recognized. He also acknowledged Mr. Friscia's wife Susan came with him. Mr. Matheussen indicate the Authority is grateful for his 20 years of exemplary service as a Toll Collector and wished him well in his future endeavors. CEO Matheussen remarked that Commissioner Dougherty asked for a comparative analysis of the senior discount with NJ EZPass versus the Senior Paper Ticket Program, and that is in every commissioner's book packet for today. Mr. Matheussen went on to say there are several issues for us today. First we have the grievances by FOP and IUOE related to the 100 free trips. He acknowledged what was said by the representatives and stated that he finds the statement in the contracts clear (quoting from both contracts) and he believes that we should uphold the grievances for those unions that have this benefit in their contract, unless the Board decides otherwise. Otherwise this might be an act of bad faith. Mr. Matheussen sees this as arguably contradictory to Resolution 10-057. Mr. Matheussen continued by reporting to the board regarding the contracting thresholds that they asked about at the prior board meeting. Based upon evaluation of other agencies (listing them), Mr. Matheussen suggested that a \$25,000 maximum limit on contracts to be approved by staff prior to board action would seem appropriate. Commissioner Teplitz asked that Mr. Matheussen clarify the sequence and Mr. Matheussen clarified it. And went on to remind the board that the monthly list of payments may show payments exceeding these limits but those would be based solely upon contracts that had already received the board approval. Commissioner Dougherty then stated (with reference to the materials about senior citizen E-Z pass applications) that seniors remain concerned

about this change. They would prefer to keep the tickets in place. A democratic ward leader who is also an activist called him to oppose this change. Second, we will be here a long time. This board had no input into what was done. It was arbitrary and also there were many legal fees. A memo came out about driving through the four lanes. We had no input from board. The changes were due to Trenton and Harrisburg and the leadership here at the authority. Now in a full room we want change that is leadership. Mr. Matheussen discussed the resolution (10-057) and said that some people saw it one way and some people saw it another. Chairman Estey intervened and said that Commissioner DiCicco intends to introduce a resolution on that. Commissioner Dougherty said don't violate the contracts live up to it. Mr. Matheussen reported to the board on the upcoming MS-150 Race. Commissioner Teplitz asked Mr. Matheussen about the person who held the Chief Public Safety Officer position; through what date he was paid. Mr. Matheussen said that he retired effective September 15th although his computer access and other access to DRPA were terminated immediately. Commissioner Teplitz asked whether this employee had benefit time to use while he was being paid but not coming to work. Mr. Matheussen replied that he did not know but this was the only option Mr. Matheussen had under the circumstances which was to put the employee on leave with pay and then when the board acted to eliminate the job he terminated the employee's pay immediately. Commissioner Teplitz said so he is not being paid now? Mr. Matheussen responded that is right. Commissioner Dougherty said that one of the things he wants to know about is the Mike Joyce situation. He wants that discussed in a public forum.

This concludes my CEO Report.

Minutes of August Board Minutes – August 18, 2010 & August 25, 2010 (previously mailed)

The Chairman called for approval of the minutes for the August 18th and August 25th board meetings and on motions duly made and seconded that were approved.

Commissioner Teplitz, remarking on the August 25th minutes stated that he knows the minutes aren't meant to be a transcript but he would want to amend the minutes of August 25th to include an explanation of why Auditor General Wagner voted no on consolidation of the corporate secretary function. The auditor general discussed this in the closed session but in open session he discussed the act that is concerned related to potential litigation. The corporate secretary asked that Mr. Teplitz provide a brief statement to be included in the amended minutes and Mr. Teplitz agreed to do so. With respect to item 3 in the minutes, Mr. Teplitz noted that they had asked for a list of vendors and he is aware that the chief financial officer is working on this currently and appreciates that. Mr. Matheussen indicated that vendor list has been prepared, and we are working on the next step of writing to the vendors. Commissioner Dougherty stated that he also has some items for the board and he delivered them to the corporate secretary.

Approved of Operations & Maintenance Committee Report of June 16, 2010

The report of the Operations & Maintenance Committee Report of June 16, 2010 was mailed to all commissioners and there were no comments. On Upon Motion Duly Made and Seconded, the Report of the Operations and Maintenance Committee was approved

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

DRPA-10-076

Contract No. BF-27-2010, Design Services for the Benjamin Franklin Bridge Light Duty Vehicle Maintenance Building

DRPA-10-077 Contract No. BF-26-2010, Benjamin Franklin Bridge Deck Truss Rehabilitation

DRPA-10-078 Agreement GN-0016-10 Safety and Work Boat Services at all Bridge Facilities, Riverlink Ferry and Cruise Terminal Docks

Approved Executive Committee Report of June 16, 2010

The report of the Executive Committee Meeting of June 16, 2010 was mailed to all commissioners and there were no comments. On Upon Motion Duly Made and Seconded, the Report of the Executive Committee was approved

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

DRPA -10-079 Option to Purchase DRPA Property

DRPA-10-080 Creation of Fleet Management Department under Bridge Operations

Mr. Gross summarized the intent of 10-080 - Creation of a Fleet Management Department. Mr. Gross explained that the staff has conducted a pilot project consolidating four separate fleet management functions into a centralized function which is general at about a million dollars in savings and reduced the fleet by 45 vehicles. Then intention is that the budgeting process will include a review of the salaries for this department and that in the end this will be cost neutral. Commissioner Sanchez asked where the efficiencies are coming from, "are we reducing staff"? Mr. Gross said no we are just moving staff around the savings will come from reducing vehicles and from more efficient use of vehicles. We have reduced the number of toll managers and other staff. This will all become clear during the budget process. Commissioner Sanchez: so it's all just reduction in number of vehicles? Mr. Gross: It is better maintenance, less vehicles and more efficiency. Commissioner Sanchez, will staff be reduced later? Mr. Gross: Maybe, I can't say. Mr. Matheussen: Most of the savings are in capital expense for equipment reduction on the staff side it will be cost neutral. Mr. Matheussen explained how there have been a duplication of effort previously where DRPA and PATCO operated like "5 silos" and now there's a centralized effort at two bridges. The small fleet vehicles are handled in one place and the larger vehicles at another. PATCO will be included in the process also. This results in a more efficient use of the vehicles, better maintenance, and a longer vehicle life. The current effort is simply to create the department, but any formal action on the department will have to be part of this year's operating budget process and that will be approved by the board. Mr. Gross: we did look at all aspects of this. Mr. Pulte: There is one new position but we are generally moving people from one place to another we're not really adding. Commissioner Sanchez: Will we backfill the positions that are emptied in order to move people to this department? Mr. Pulte: Maybe. Mr. Gross: No. Mr. Matheussen: The staff does not have the power to create a new title and so these titles do not exist at the present time. We are asking the Board to create the titles in order to create the positions and then we would move several people internally. We expect that they will apply for these positions. We are not intending to add new staff. There is one new position "data entry clerk" we do not look to add people. We want to be efficient. Commissioner Sanchez: If we're not going to backfill then we should state that in the resolution. Mr. Matheussen: Yes that is correct and let's put it into the resolution. Commissioner Bogle: I would like to see some outcomes on fleet management. I would someone to report back on that. Commissioner Teplitz: How many people are currently in the existing version of fleet management? Mr. Gross: Twenty two. Commissioner Teplitz: How many vehicles? Mr. Egan: 277.

Commissioner Teplitz: Is that a right ratio? It seems that there are too many people. In my office we have about the same number of vehicles, but only 2-1/2 people. Mr. Pulte: We do all maintenance in-house except the Pennsylvania inspection which has to be done outside but we want to get someone certified to do it in-house. Commissioner Teplitz: When you say it's payroll neutral, are these people getting a raise? Mr. Pulte: We will determine salaries as part of the budget process. Commissioner Teplitz: So this resolution does not bind the board on salaries? Mr. Gross: Right. The resolution is not clear on this those salaries are estimates. No one is getting huge raises. I would like to spend time with commissioners and let the commissioners see how this operates. There were four shops all doing everything. Now we are more efficient and it will be cost neutral on actual savings. Mr. Matheussen: I want to recognize Joe Egan who has done good work on this. Commissioner DiCicco made a decision and we vetted this through the operations and maintenance committee which was a valuable tool. So we did have commissioner involvement. Commissioner DiCicco: Some things are just sound bites but as Chairman of O&M we used to get the script at the day of the meeting and there was no real input. I wanted to have a committee that could actually get involved in advance. So I am frustrated about where we are today. We are taking away the opportunity for the committees to get involved. Some people suggest that the committees acted in secret and that they did something that was bad or evil. That insults me. It plays well in the media and politically, but it's not an efficient way to do business. Chairman Estey then called Resolution 10-080 "Creation of Fleet Management Department under Bridge Operations". Commissioner Sanchez asked that this be amended to reflect that there would be no increase in staff due to the creation of this department and that an effort should be made to fill the data entry clerk position internally. Mr. Matheussen said that would be posted internally.

Upon motion duly made and seconded, the Resolution, as amended above, was adopted.

The Chairman then moved onto the approval of the Operations and Maintenance committee Report of August 18, 2010 and upon Motion duly made and seconded the report was approved.

Approved Operations & Maintenance Committee Report of August 18, 2010

The report of the Operations & Maintenance Committee Meeting of August 18, 2010 was mailed to all commissioners and there were no comments. On Upon Motion Duly Made and Seconded, the Report of the Operations & Maintenance Committee was approved

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

DRPA-10-081	Funding for Renewal of Fuel Contract for DRPA and PATCO
DRPA-10-082	Federal Transit Administration Section 5307/5340 Grant Application
DRPA-10-083	Federal Transit Administration Section 5309 Grant Application

Approved Executive Committee Report of August 18, 2010

The report of the Executive Committee Meeting of August 18, 2010 was mailed to all commissioners and there were no comments. On Upon Motion Duly Made and Seconded, the Report of the Executive Committee was approved

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

DRPA-10-084 Employee Vision Coverage 2011 (DRPA)
DRPA-10-085 Group Life, AD&D and Disability Coverage 2011 (DRPA)
DRPA-10-086 Active Employees/Under 65 retiree Health Benefits 2011 (DRPA)
DRPA-10-087 Employee Dental Coverage 2011 (DRPA)

Commissioner Fentress abstained from the discussion and vote on this to the extent that any of these items relate to his own health care insurance coverage. .

Received and Filed Monthly List of Payments Covering the Month of August 2010. On motion duly made and seconded, the Monthly List of Payments covering the month of August 2010 was received and filed.

Commissioner Bogle abstained

Received and Filed Balance Sheet & Equity Statement Dated June 30, 2010

The Balance Sheet and Equity Statement was mailed in advance. On motion duly made and seconded, the Balance Sheet and Equity Statement dated June 30, 2010 was received and filed.

Report of the Chairman

None.

Unfinished Business

Item 1 – DRPA Construction Contract Requirements – The Board discussed the fact that with the heightened interest in the DRPA Board meetings, it might be difficult to accommodate all who wanted to be in the room. Various resolutions to this problem were suggested and the chairman noted that we will be having meetings in New Jersey and Pennsylvania at larger venues and in the evening. The chairman then took up item 10-069 “DRPA Construction Contract Requirements” and stated that he is confused himself after hearing the project labor agreement discussion by the operating engineers’ representative. Commissioner Frattali: This Board adopted a project labor agreement with certain unions who wanted to have an efficient work force, we wanted to drug test employees we already passed this and I intend to vote no to a change in what we did. Chairman Estey: Actually I am not even putting this on the table. It’s just being discussed. Commissioner Frattali: Also we saved money on the project labor agreements. It that right, Mr. Venuto? Mike Venuto: We have three active projects. We have a PLA on three current projects. Two of the three projects were under the engineers estimate. Most notably, the WWB Deck Rehabilitation project which was 15% under the engineers estimate. The Engineer’s estimate was \$150 million and the bid amount was \$128 million.

General Counsel added that he believes that we have two other PLA projects pending and three in the bid phase.

Commissioner Frattali See we really got a bang for our buck. Chairman Estey: I believe Mr. Gibson, our New Jersey counsel, has comments on this topic. Mr. Gibson stated that he has been working on this for a very long time. The board did approve a project labor agreement and he does not need to summarize the advantages of the PLA for the DRPA or its unions. It eliminated jurisdictional issues, it keeps projects moving without interruption. But if you read the project labor agreement you will see that it does not discriminate against anyone. We use local trades as

our unions because they are the ones who work on this kind of project. But there is no requirement that you be a member of one of those unions to work on a project. Nor do contractors need to be union contractors or to remain union contractors after working on one of our projects. We could use steel workers on our projects if they are properly trained. The point of the PLA is to insure there are no delays and that we have properly trained and skilled workers. Eliminate disruptions, maximize safety, and be efficient. If this is a good time to move on our projects because with the economy down we're getting very good bids. Time is money. The PLA is good for the economy, it's good for labor, and it's good for the DRPA.

Chris Gibson statement continued: There are also provisions, inserted at Commissioner Bogle's urging and with the Board's support, to add provisions for minority women and disadvantage contractors and workers. We went back and put that into the PLA.

Mr. Estey asked whether there were any other questions.

Vice Chair Nash stated there are three points to consider here. First, from the DRPA's perspective, we have significant work to be awarded that will affect all of our commuters. We need it done by well trained people in a safe manner. Two, this needs to be done in a cost effective manner and Mr. Venuto has shown us that we are already saving money by using the PLAs. Three, the current PLA does not exclude any workers, that is, provided for in the PLA so it would be wrong to change the PLA because that could actually end up reducing participation in our work.

Chairman Estey asked that Mr. Gibson submit a memorandum summarizing his statement, and Mr. Gibson agreed to do so.

Mr. Matheussen returned to questions about media access and noted that a reporter from New Jersey News was not able to get into the room due to overcrowding. Mr. Matheussen apologized for excluding a member of the media and said this would not happen again.

DRPA-10-069 DRPA Construction Contract Requirements

Mr. Estey asked that the meeting agree to table Resolution 10-069 and the meeting agreed. Resolution 10-069 was tabled.

Item 2 - Financial Interests of Commissioners, Executive-Level Employees and Families –

Mr. Estey then called Resolution 10-074 "Financial Interests of Commissioners, Executive Level Employees, and Families."

Commissioner Sanchez commented that we have been dealing with a lot of reform issues and in some cases we waited in pursuing these sometimes in order to seek consultation with the Governor of New Jersey. But then the Governor of New Jersey goes to the media and slams us for waiting. This seems unfair. Vice Chair Nash: You are comparing apples and oranges here. On some of the Resolutions we passed, we did not go far enough to meet Gov. Christie's goals. Two of those Resolutions were vetoed. He did not criticize the DRPA on items where we deferred action in order to consult with his office. Commissioner Sanchez: But we deferred

action in order to pursue due diligence so we should not be criticized on that. Vice Chair Nash: The Governor's message has been consistent and his message to me has been clear. We have done most of what he wants. Commissioner Sanchez: What does the veto do? Vice Chair Nash: It voids only the items that he vetoes. Commissioner Wiessmann: inaudible. Commissioner Wiessmann: We acted quickly on some reforms and then we had to revise them. Going forward, we want to do this right. I suggested some of the Resolutions, where this would be appropriate, should show an effective date; for instance, it might have been good to have time to train people with respect to the contract authorization levels.

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

DRPA-10-074 Financial Interests of Commissioners, Executive-Level Employees and Families

Chairman Estey called for a vote on Resolution 10-074.

Upon Motion Duly Made and Seconded, the Board approved Resolution 10-074 as drafted.

Commissioner Wiessmann: Can we have an expiration date?

CEO Matheussen: It will be the expiration of the New Jersey Governor's Veto Period.

Could we insert an actual calendar date?

Vice Chair Nash: I agree, this is a simple solution.

Chief Financial Officer John Hanson: My interpretation is that staff and executives cannot provide a reference for a job applicant to any company with which we do business. What about references for people applying to work at government entities? Are you saying that no recommendations and no responses to inquiries from anyone including government entities?

CEO Matheussen: That's not clear. We will need to ask counsel to address that question. In any event, when we do respond to these questions we stick to the facts, not opinions.

Item 3 - Schedule of board Meetings of DRPA and PATCO for October – December 2010 and Adoption of Requirement for an Annual Evening Meeting in New Jersey –

Chairman Estey called for consideration of DRPA Resolution 10-088 "Schedule of Board Meetings of DRPA and PATCO for October – December 2010 and Adoption of Requirement for an Annual Evening Meeting in New Jersey."

Commissioner Wiessmann asked whether we had already done a Pennsylvania Resolution and the Corporate Secretary said yes.

CEO Matheussen informed the meeting that the New Jersey meeting would be held at the Cooper River Boat House and that the Pennsylvania meeting would be held at the Philadelphia Cruise Terminal at the Philadelphia Navy Yard.

On Motion Duly Made and Seconded, Resolution 10-088 with the attached schedule of meetings was adopted as submitted.

**DRPA-10-088 Schedule of Board Meetings of DRPA and PATCO for October –
December 2010 and Adoption of Requirement for an Annual Evening
Meeting in New Jersey**

**Item 4 - Amendment of DRPA-10-072 Restriction of Prohibition of Political Contributions by
DRPA or PATCO Vendors –**

Chairman Estey called for consideration of Resolution DRPA-10-089 “Amendment of DRPA-10-072 Restriction or Prohibition of Political Contributions by DRPA or PATCO Vendors.”

Chairman Estey stated that he would like to table this Resolution in order to resolve legal issues including compliance with Pennsylvania, New Jersey, and Federal law. He asked that counsel submit a draft Resolution to the Board within one week from today with a memorandum on legality. This is a vital Resolution and we want to get it right.

Commissioner Lisko: Some of the comments in the policy seem to reflect contributions. My boss is the Auditor General and we wonder about union workers who make dues deductions to PACs; would that disqualify the contractor by whom they are employed? CEO Matheussen: There has been a process and we need to focus on Chapter 51 of the New Jersey Statutes. But we need to be certain that this does not contradict Pennsylvania law. The only reason we are delaying this is in order to get it right, but we have been moving the ball forward and will get this done soon. Pennsylvania counsel Alan Kessler: This is an area that is protected constitutional speech (inaudible). Vice Chair Nash: I want to make sure that this Resolution, I have seen some of the memorandums, I wanted to follow Chapter 51 as closely as possible and do not include the “fair and open” provision. There should be no exceptions, otherwise everyone will walk right through those exceptions. The New Jersey law has survived legal challenges and we need a strict provision in this area.

Commissioner Teplitz: We said in a Resolution we adopted that we as DRPA officials must fill out financial disclosure forms. Can you tell me when these are due? CEO Matheussen: Actually, they are not submitted to DRPA. Commissioner Teplitz: OK, we already filed these. CEO Matheussen: In fact, in New Jersey it is a matter of public record. The Corporate Secretary at DRPA should keep a copy of what is filed. Corporate Secretary: The way this process works right now is that the appropriate authority in New Jersey sends notice to DRPA and we circulate that to all the New Jersey Commissioners who then file directly with New Jersey. DRPA does not receive a copy of what is filed. CEO Matheussen asked that the Resolution be amended to include a provision requiring that Commissioners submit a copy to the DRPA so that DRPA will have a record in case questions are ever asked.

Commissioner Wiessmann: With respect to the Resolution that was tabled, the political contributions resolution, will we do this in October or in November? Chairman Estey: Yes, we are going to do it on October 6th if at all possible. Commissioner Wiessmann: I think this is the most important item we have before us.

On Motion Duly Made and Seconded, Resolution 10-089 was tabled.

DRPA-10-089

Amendment of DRPA-10-072 Restriction of Prohibition of Political Contributions by DRPA or PATCO Vendors

Item 5 - Amendment of DRPA-10-042 and DRPA-10-073 Resolution Implementing Post-Employment Restrictions Policy for Authority Commissioners, Officers and Directors –

Chairman Estey then called Resolution 10-090 as amended “Amendment of DRPA-10-042 Resolution Implementing Post Employment Restrictions Policy for Authority Commissioners, Officers and Directors.”

CEO Matheussen summarized the contents of the Resolution and read the list of Officers and Directors to which it would apply. He explained that the Resolution is intended to be effective on January 1, 2011 for all covered employees employed at DRPA or who serve as Commissioners at DRPA on that date. The post employment restriction would be for two years. Commissioner Sweeney: Does this mean when I leave the DRPA Board I cannot work for any construction company that does work for DRPA? Is this the same for our Engineering staff? We have a tough economy out there? Commissioner Teplitz: What about law firms? Chairman Estey and CEO Matheussen both responded yes, there would be a two year ban. Commissioner Sanchez: How would we intend to enforce this? CEO Matheussen: The DRPA would not do business with the vendor if the vendor employs someone in violation of the policy. Commissioner Bogle: How would you find out? CEO Matheussen: Disclosure would be required. Commissioner Sanchez: Is this simply a symbolic resolution? Commissioner Teplitz: (inaudible). Chairman Estey: I think personally that this is a bad Resolution. I support the first bullet and that you cannot be involved with DRPA work which is the rule in the Commonwealth of Pennsylvania. The second bullet point invites disaster. Engineers are the best example. By year end, we will lose people that we cannot spare. I support the idea of no revolving door but this Resolution is too broad. Commissioner Wiessmann: I do not see employees in this. We need to be clear in the Resolution who is covered. Chairman Estey: The policy statement is imprecise. Commissioner Wiessmann: There may be some work to be done here. PATCO General Manager Bob Box: Professional staff agrees with Chairman Estey and we think this should be extended beyond January 1st. At least if you are going to pass this, delay it. Chief Operating Officer Tim Pulte: I have two senior staffers who are considering retirement and they might leave early if we do this. I applaud Governor Christie’s reform efforts but to use an example; Warren Buffet owns a great number of companies and how would anyone know that if they went to work for one of those companies there might be some other Buffet company that wants to do business with DRPA and could be precluded. Another example, if someone goes to work for someone in the casino industry, would that preclude the DRPA from accepting advertising revenues if the casino wanted to use our real estate for an advertising sign? Commissioner Bogle: Sometimes we overreact and we need to revisit this and redraft the language.

Chairman Estey: What is Resolution 10-042? CEO Matheussen: Summarizes the contents of Resolution 10-042 which was adopted on August 18, 2010. CEO Matheussen continued saying in my discussion with Governor Christie he was concerned with the revolving door issue and wants it addressed promptly. Commissioner Teplitz: Did the Governor have any suggestions? CEO Matheussen: Only that the Governor’s intent is to state broad policy guidance and not to get into micromanaging Authorities. The Governor did consider the idea of a delay. Vice Chair Nash: This must be done judiciously. We need to fine tune this before we pass it. We can come back on October 6 with something better. Commissioner Wiessmann: In my mind the concept of revolving door means a rapid turnaround. I think that this requires something more fundamental than just tweaking language.

We might want to focus more emphasis on the degree of involvement with DRPA and make this as tight as possible, but we don't want to eliminate future job opportunities for our professionals. Police Chief David McClintock: I agree that we should limit this to non-DRPA work and that a three month delay is too short. I have been approached about a potential opportunity with someone who does do business with DRPA although I would be working in a totally different area. What occurs on this Resolution would possibly affect my decisions. Acting Chief Engineer Mike Venuto: somewhat inaudible, but it was a discussion of the percentage of top engineering firms with whom DRPA deals. **(Chairman Estey: I would ask that counsel, either General Counsel or outside counsel, give us a list of the other authorities and what they do, all the authorities including the Turnpike and the various bridge authorities. Let's try to use the model they've developed if at all possible.)** Commissioner Wiessmann: We are really not talking about a revolving door here. Let's look at what others do and think about how many years of service a DRPA employee has. At the moment this is unclear. Commissioner DiCicco: If we pass something like this we might be left with a huge talent void.

DRPA-10-090

Amendment of DRPA-10-042 and DRPA-10-073 Resolution Implementing Post-Employment Restrictions Policy for Authority Commissioners, Officers and Directors

On Motion Duly Made and Seconded, Resolution 10-090 was tabled to be considered on October 6, 2011.

Chairman Estey: Lets move on to New Business. The Chairman asked permission to skip Resolution 10-097 and to consider that at the end of the meeting. Chairman Estey also noted that Commissioner Dougherty has items to be considered toward the end of the meeting.

Chair Estey called on Commissioner DiCicco to state his proposed motion.

Commissioner DiCicco	My Motion is to reinstate the E-Z Pass program.
Chairman Estey	Do you mean permitting free passage by employees who are coming to work or returning home from work?
Commissioner DiCicco	Yes.
Commissioner Bogle	Maybe this could go to the Compensation Committee.
Comm. DiCicco	Are you suggesting that we do not do this?
Comm. Bogle	No.
Comm. DiCicco	Can we do it then?
Comm. Bogle	I just want a comprehensive look at this.
Comm. DiCicco	I agree, but that may take some time and I want to deal with this now. Can't we bifurcate these issues?
Comm. Bogle	There is a lot to look at, but I support your Motion.
Comm. Lisko	This seems to be a moving target, we have discussed the commuter issue versus the 100 free bridge crossings. Were the 100 free crossings not for commuting?
CEO Matheussen	The 100 free crossings were at the discretion of the employee who had to have their own E-Z Pass account which would be credited with the 100 free trips annually only on DRPA bridges on a use it or lose it basis, they could not be carried over. In 2008 the Board changed the practice, it was unlimited before that. The Board eliminated the unlimited use and also eliminated the free E-Z Pass trips for the Board and they also eliminated this for newly hired employees.

Comm. Lisko With the E-Z Pass you can have many cars on one account but you still only get 100 trips per employee?

CEO Matheussen Yes.

Comm. Lisko I want to know what we did before, I did not understand those two areas.

CEO Matheussen The second issue is commuting back and forth and also travel while at work, using the employee ID.

Comm. Bogle My issue, employee work use is ok with me, I don't know why there are 100 free trips, but that is different from commuting.

Comm. DiCicco I am only talking about commuting to and from work.

Comm. Sanchez The 100 free trips, we cannot eliminate those where they appear in union contracts?

Comm. Lisko I support adhering to the terms of any collective bargaining agreement.

PATCO GM Box I have many people who work a split shift and it is hard to find people to work 4 hours on then off then 4 hours on. They now have to pay twice to come to work. I have people who work weekends, I have a director who works 70-80 hours a week and now I am charging him for working on Saturdays and Sundays. I do not think this is not what you intended.

Comm. Dougherty How does that affect the split shift issue? The contract is the contract. There is an over-reaction to the press, to the Governor, this Board has no input, no understanding ...

Comm. DiCicco My proposal is that we reinstate free commuting on DRPA and PATCO.

Vice Chairman Nash I know that what I have to say is not going to be popular. There is a general metamorphosis in government from when government employees got benefits such as free health care, teachers had tenure, and so on due to higher taxes and higher tolls. These changes are painful, charging people tolls when they come to work just like charging employees for their health care. The DRPA imposed an employee contribution to health care pensions, the DRPA reduced staff by 12%, and we have held the line on the budget. Our toll payers have to pay tolls when they cross the bridge to go their workplaces, and it is not fair to those toll payers that we would allow our own employees to cross the bridge for free. It was clear to me that when we said "no free tolls" we meant "no free tolls."

PATCO GM Box But there was no input from staff.

Vice Chair Nash When I am campaigning and I go door to door the people I talk with do not want to hear about free tolls for DRPA employees.

Comm. Jones (inaudible)

CEO Matheussen I made the determination – I reached out to both Governor's offices (I did not speak with the Governors) and I understood that both Governors intended that all free passage would end. The Summary Statement (for Resolution 10-057) dealt with the 100 free E-Z Pass trips but the Resolution itself was for "all" trips. So I dealt with the Governors and they said "all" trips. But if an employee finishes the work day and then is called back to work perhaps due to an emergency that employee should not have to pay for that second trip. I see that as an exception to the general policy. Another exception is when you have to cross the bridge as a part of your daily job duties.

Vice Chair Nash These are not ... (interrupted)

Comm. DiAntonio I think this is critical for employees. The unions will take care of themselves but we should sit down and figure this out and not do it arbitrarily.

Comm. Wiessmann This is a great example of where Commissioners need more time to do their work in a methodical manner. We need to put a process in place that allows us to do that; for instance, Auditor General Wagner's Resolution 10-097 will help.

Comm. Bogle I would like to amend the Motion to send this to the Compensation Committee to let them deal with this.

Comm. Taylor I agree with much of what Vice Chair Nash has said but I do not like to take away something that has been bargained, just address it in the next negotiations.

DRPA Employee Kelleher I am an electrician at DRPA. Not a suit and tie guy. I hear what Vice Chair Nash says but you do not get the 2 AM call. I opted to work at the Ben Franklin Bridge but I was not told that I would be paying \$4. We are told where to work, the commuters can choose where they work. We have a code of conduct; if I do something off duty I can be called on the carpet. I am an extension of the Port Authority 24 hours a day. You talk about the MS 150, my wife has MS she is in a wheelchair for weeks and weeks and weeks we have been hearing about the DRPA, we did not spend all that money so why take it out on staff.

Vice Chair Nash I agree with your point about responding to emergencies and with Bob Box's point; we can carve out exceptions for emergencies. But your situation does not apply to all of our employees who commute to work. Those who work from 9 to 5 should not have the benefit of free bridge passage. I agree that we should abide by Union contracts and an arbitrator will decide that.

Kelleher I park my truck at the BFB, does anyone else have to pay to come to work?

(general discussion, many talking)

General Counsel Brown Earlier in this meeting I understood that it was the sense of the Board that we would abide by the union contracts by granting the grievances relating to the 100 free EZ Pass trips that are in those collective bargaining agreements, now I am hearing that we will go to arbitration. Can we clarify that?

Chairman Estey There is a Motion on the floor. The Motion on the floor is on the commuting issue. The Resolution we adopted said "no free tolls" if we amend that will we get vetoed?

Comm. DiCicco The 100 free E-Z Pass trips is in the contract, are we eliminating that?

Chairman Estey Let's focus on the commuting issue.

Comm. Sanchez When someone is hired does HR tell them that they will get free commuting?

Voices from behind Yes.

Comm. Sanchez With due respect to the Governor, if we want to do something moving forward we need to be clear about it. But if we told people that it is free we need to stick with that even if it was oral. Change it for new employees moving forward.

Kelleher There is an SOP ...

Chairman Estey There are two ways for us to proceed, either vote on the DiCicco Motion or send this to the Compensation Committee. Which way do you want to go?

Comm. Wiessmann Combine them. Adopt the DiCicco Motion and send it to the Compensation Committee with a time limit to respond.

Chairman Estey A veto may be likely.

Comm. Dougherty What happens, happens.

Comm. DiAntonio If we go to the Compensation Committee then what is the status quo?

Chairman Estey Yes, they do not have the benefit.

Comm. DiAntonio Oh.

Comm. Teplitz If all we do today is ... those who have it in their contract will get the benefit?
CEO Matheussen Yes, and unless the Board had an objection I said that I would find for the IUOE and the FOP.
Comm. Teplitz OK so you would have one element of employees who have it and one who do not. That is unfair. So perhaps you allow the commuting benefit to those who do not have the 100 free trips. We will deal with the 100 free trips in our next contract negotiations. Let the commuting benefit continue until we deal with the 100 free trips in the union contracts. That will give equality. We do not want the unions to have both benefits.
Comm. Bogle This is also Pennsylvania versus New Jersey.
Comm. Teplitz My view is unions get the 100 trips but not the commuting benefit, all others get the commuting benefit.
Vice Chair Nash But we voted in 2008 to eliminate the 100 free trips for new employees.
Chairman Estey The problem is intractable.
Comm. Sweeney Is there any other agency that does this, why is DRPA the target?
No other Authority in the area pays.
Chairman Estey There is a pending Motion to restore the free tolls and PATCO rides for DRPA and PATCO employees commuting to or from work.

THE MOTION IS TO AMEND DRPA RESOLUTION 10-057 BY REINSTATING THE RIGHT OF DRPA AND PATCO EMPLOYEES TO COMMUTE TO AND FROM WORK WITHOUT PAYING TOLLS OR FARES ON DRPA OR PATCO FACILITIES.

THE MOTION WAS APPROVED;

VICE CHAIRMAN NASH VOTED 'NO' ALL OTHERS VOTED 'YES'.

Chairman Estey then observed that the issue of the contractual right to the 100 free E-Z Pass trips as set forth in the union collective bargaining agreement loses in arbitration. Chairman Estey moved that the Board agree to restore that benefit to the extent that it appears in the union collective bargaining agreements.

THE MOTION BY THE CHAIRMAN IS TO AMEND DRPA 10-057 TO REINSTATE THE 100 FREE E-Z PASS TRIPS ON DRPA FACILITIES TO THE EXTENT THAT THIS BENEFIT APPEARS IN UNION CONTRACTS.

THE MOTION WAS APPROVED.

Chairman Estey then asked for a Motion to refer the balance of issues related to the prior to Motions to the Compensation Committee.

THE MOTION IS TO REFER OPEN ISSUES RELATING TO E-Z PASS AND FREE TOLL AND FARE PASSAGE BY DRPA AND PATCO EMPLOYEES FOR CONSIDERATION BY THE COMPENSATION COMMITTEE.

THE MOTION WAS APPROVED

Chairman Estey asked Commissioner DiCicco whether his Motion would also permit free passage by DRPA or PATCO employees who must use the DRPA facilities multiple times in one day in the course of their work. Commissioner DiCicco agreed that this is part of his Motion.

Comm. Teplitz Is there a policy to avoid abuse of the commuting policy? We need to have this controlled.

CHAIRMAN ESTEY OK then I will call for a vote on Comm. DiCicco's Motion as amended to permit multiple trips on DRPA or PATCO facilities in one day.

THE MOTION IS TO AMEND DRPA RESOLUTION 10-057 BY REINSTATING THE RIGHT OF DRPA AND PATCO EMPLOYEES TO COMMUTE TO AND FROM WORK WITHOUT PAYING TOLLS OR FARES ON DRPA OR PATCO FACILITIES AND TO PERMIT DRPA AND PATCO EMPLOYEES TO MAKE MULTIPLE FREE TRIPS ON DRPA OR PATCO FACILITIES IN ONE DAY IF IN THE COURSE OF THEIR WORK.

THE MOTION WAS APPROVED

Comm. Sanchez When will the Compensation Committee report back?

Chairman Estey At the first meeting in November.

There being no further business, on motion of Chairman Estey the meeting was adjourned.

New Business

Item 1 – Run the Bridge Charity Event Larc School Ben Franklin Bridge Closure Support Services – John Matheussen, Chief Executive Officer, requested the Board to authorize staff to provide support services for the Larc School “Run the Bridge” charity event. The Larc School is a special needs school. We shut down the bridge on a Sunday and this event raises funds for the school.

On Motion duly made and seconded, the following resolution was unanimously adopted and made the action of the Authority:

DRPA-10-091 Run the Bridge Charity Event Larc School Ben Franklin Bridge Closure Support Services

Item 2 – Contracting Thresholds – Chairman Estey the called for adoption of a new Resolution 10-098 This Resolution would provide that “Contracts valued at less than \$25,000 may be approved by DRPA staff without advance Board consideration. Contracts in the range of \$25,000 to \$100,000 should be brought to the Board in advance for consideration as a package or list. Contracts valued at \$100,000 and above will require individual Summary Statements and Resolutions to be presented to the Board.

Upon Motion Duly Made and Seconded, Resolution 10-098 was adopted.

Item 3 – Consideration of Pending DRPA Contracts (Less than \$50,000) – The last item in the list of contracts (10-092) is the Watts Cleaning contract. CEO Matheussen stated that this did not get on the Agenda in prior months due to the other things the Board was considering. This will also be on the Agenda in October. The Board is being asked to move on a Resolution

approving a new contractor for this function at Committee level today. However, we will be back to the Board in October requesting final compensation to Watts due to the fact that their contract had to be extended while staff went through the bidding process that has led us to select a new vendor.

On Motion duly made and seconded, the following resolution was unanimously adopted and made the action of the Authority:

DRPA-10-092 Consideration of Pending DRPA Contracts (Less than \$50,000)

Item 4 – DRPA Citizens Advisory Committee – Chairman Estey called for consideration of 10-093 “Creation of DRPA Citizens Advisory”

Commissioner Teplitz: The Auditor General asked staff to draft this and I note that this says the initial members of the Committee will be picked by the Board. Can you tell us how this will be done? CEO Matheussen: We did not want to be presumptuous, but we had considered putting a notice on the DRPA website asking interested citizens to submit resumes. We would then evaluate the resumes and submit them to the Board. How long do you think this would take and how would the process work? CEO Matheussen: We were going to do it on the website, otherwise we would need a budget if we were going to incur any expense. Commissioner Teplitz: Let’s do it on the website and do a press release also. That way we could do it without any cost. CEO Matheussen: Also, if any Commissioners have names they want to submit, that would be fine. Commissioner DiCicco, well that is the problem for me. The website is OK, but we want to keep politics out of this. Commissioner Teplitz: I agree, Board Members should refrain from influencing the applications. Commissioner DiCicco: Let’s just be sure we pay attention to what we’re doing here. Chairman Estey: A number of other Authorities already have these advisory boards. Chairman Estey asked the DRPA staff to check with these other Authorities. Commissioner Wiessmann: I think that the standards that apply to the DRPA staff and Commissioners should also apply to these advisory committees. Commissioner Bogle: I think that this effort is worth a greater degree of outreach than we are discussing. Commissioner Sanchez: If we want to do this right we should look at the ways other people do it. We can’t be too sophisticated here with resumes and using the internet. We don’t want to exclude the very people who actually use our facilities. Chairman Estey asked for a vote on Resolution 10-093.

Upon Motion Made and Duly Seconded, Resolution 10-093 was adopted as submitted.

DRPA-10-093 DRPA Citizens Advisory Committee

Item 5 – Computer Aided Dispatch Maintenance Agreement – John Hanson, Chief Financial Officer, requested the Board to authorize staff to negotiate a three year renewal contract with TAC10 for an amount not to exceed \$125,628. TAC10 is the manufacturer and sole provider of service and maintenance of our Computer Aided Dispatch and records management System for public safety. This agreement provides software support, upgrades, fixes and troubleshooting.

On Motion duly made and seconded, the following resolution was unanimously adopted and made the action of the Authority:

DRPA-10-094 Computer Aided Dispatch Maintenance Agreement

Item 6 – One Year Extension of DRPA Elevator Maintenance and Service Contract –

Purchasing Manager Steve Suder explained the situation including the fact that the DRPA Board approved a contract which contains a one year option to extend the contact and we are exercising the option. Comm. Sanchez believes that given the economic situation we should try to avoid extension but should rebid things because we may be able to save money unless there is some specific reason not to do that. CEO Matheussen explained that the option is in our favor and we don't have to exercise it unless we wish to.

Upon Motion Duly Made and Seconded, Resolution 10-095 was adopted as presented.

DRPA-095 One Year Extension of DRPA Elevator Maintenance and Service Contract

Item 7 – Annual Office Paper Supply Contract for DRPA and PATCO – Steve Suder, Purchasing, requested the Board to authorize staff to negotiate a contract with Paper Mart, East Hanover, NJ for the purchase of various office paper products for DRPA and PATCO in the an amount not to exceed \$72,665.37 for one year with a one year option to renew. Mr. Suder indicated that he did not know the dollar amount for the one year option.

Commissioner Bogle indicated that there may have to be expansion for opportunities and Chairman Estey indicated that we did not have to accept the one year option if we chose to go elsewhere. Commission Frattali added that they are still receiving multiple copies.

Chairman Estey then called for consideration of Resolution 10-096 “Annual Office Paper Supply Contract for DRPA and PATCO.”

Mr. Suder explained this is a one year contract with a one year option. Comm. Bogle asked that we consider other avenues that might be available and eliminate the use of options. Chairman Estey asked whether the option requires us to extend the contract, and Mr. Suder responded that it does not. Chairman Estey then asked that the Resolution just adopted by the Board 10-09_ establishing the threshold for contracting requirements be amended to require Board approval of any contract extension.

Comm. Frattali: Are we doing anything to reduce the number of copies we make. CEO Matheussen: Mr. Brown wants to reduce the copying but we have some issues e-mailing material to Commissioners. Some Commissioners e-mail systems rejected our e-mails. Comm. Lisko: Could you have your IP people look into this?

Commissioner Lisko: Can you have your IT department look into this issue? Mr. Matheussen: Chief Financial Officer, John Hanson, and I will discuss this with the IT department.

Commissioner Teplitz: When we get here what we should be handed is only what is changed from the packet we were sent. This would both cut down on the paper and what's simplified a process for commissioners. Mr. Matheussen: That would be fine but remember that all board members will need to remember to bring their board packets with them to the meetings.

Chairman Estey: I am going to ask that DRPA staff come back to the board with recommendations on ways to reduce paper use. Chairman Estey asked, on the pending motion, what does the board wish to do. On motion duly made and seconded Resolution 10-096 was adopted as drafted

On Motion duly made and seconded, the following resolution was unanimously adopted and made the action of the Authority:

DRPA-096 Annual Office Paper Supply Contract for DRPA and PATCO

Item 6 – Placement of Items on Board Meeting Agenda – Chairman Estey called for adoption of Commissioner Wagner’s Resolution 10-097 “Placement of Items on Board Meeting Agenda” on a motion duly made and seconded this Resolution 10-097 was adopted as presented. Commissioner Teplitz: I want to express my appreciation for the work of the Chief Financial Officer’s staff in revising the presentation of the monthly list of payments. There’s more work to be done but what they’ve done is very much improved and it’s easier to use. CFO Hanson: We will work on this and try to have it done for next month. Chairman Estey then asked permission to recess the DRPA Board Meeting and handle the PATCO Board Meeting and the Committee Meetings after which we would resume the DRPA Board Meeting in Executive Session for the purpose of discussing a personnel matter. The board approved the Chairman’s request.

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

DRPA-10-097 Placement of Items on Board Meeting Agenda

Following the adjournment of the committee meetings, Chairman Estey noted that there are either two or three new matters to be presented by Commissioner Dougherty in executive session. These are personnel matters that are appropriate for consideration in executive session. Commissioner Dougherty: We put this resolution in but it did not get on the agenda. DRPA was waiting for guidance from the governor of New Jersey. This entire meeting is a symbol of what is wrong. I am a Pennsylvania commissioner. I am not political. I am for what is good for the region. I am concerned that we have a lack of process. We have no process. I take credit or blame for much of what is going on here for better or for worse. I will table the Kroll Report resolution and the Mike Joyce matter. I want to discuss this in open session. 75% of what was in executive session at the last meeting could have been open. Who in this room does not know that we met on December 28th to avoid the governor’s veto? We can’t do everything the governor wants then go behind closed doors. I want it to be open. This did not start two months ago. It started years ago with police contracts that I thought were violated. Chairman Estey called a motion to go into executive session and on motion duly made and seconded the board voted to proceed into executive session. Commissioners Dougherty and DiCicco voted no.

Following completion of the executive session the board resumed an open session and the media and others were permitted back into the boardroom. Chairman Estey opened the resumed session of the DRPA board by noting that there are two items for consideration. He called upon Commissioner Dougherty to state the items. Commissioner Dougherty: First, I have a motion

that for the good of the DRPA and for making the reform efforts we are considering it is time to separate ways with John Matheussen. The Chairman asked whether there was a second and Commissioner Teplitz seconded the motion stating that he is seconding the motion because there was a healthy discussion of this matter in executive session. He shares many of Commissioner Dougherty's concerns. It is clear to him that there are issues with the leadership at DRPA but these do not relate to one particular person. The Chair and Vice-Chair have recognized that this includes them. Today there is a greater level of board involvement. In a meeting recently Mr. Matheussen told Commissioner Teplitz that Mr. Matheussen is committed to the reforms that we have already adopted and Commissioner Teplitz must take him at his words. Commissioner Teplitz thinks that at this time it is better to allow time for Mr. Matheussen to implement the necessary changes. I understand that Governor Christie wants to give Mr. Matheussen time to carry out the changes. So let's await the Pennsylvania gubernatorial elections and let the new governors make the CEO decision. Do not read too much into my vote on this motion. It is just a decision to let the process move forward and to let the decision on the CEO be made in the future. Although I respect and share many of Commissioner Dougherty's concerns and frustrations I also think that the open comments of the employees was healthy. Commissioner Taylor: I felt that the executive session discussion was quite healthy. Commissioner Lisko: Our position since 2009 is that the CEO could have managed the board better. He does deserve credit for some changes, but it is time for a change. Our ability to make real changes would be best accomplished with a new Chief Executive Officer. I will vote in favor of termination. Commissioner Dougherty: I am in the hiring business and not the firing business. I think what we heard today is symbolic. The memo on how to get past the toll booths John Matheussen said that slipped by me then when the media attended to it he changed his story we have a staggering problem. I know what the timing is and I can give you twenty examples Mike Joyce it was a three day suspension then a retraction with no board involvement and then the management report who met with the management auditor? The inquiry about Mike Joyce and his E-Z Pass, doing away with the caucuses, I don't think this vote is going my way and I'm unhappy. I think we should sit down with our congressional delegation. If we are supporting Matheussen we should give him a three year contract. I have twenty documents I could show you. In December CEO Matheussen gave three people raises, four and five thousand dollars and then a 3% raise in January. I'm not real happy about this but I'm not going away. I have lots of questions and at this point everyone on the board has their eyes open. Commissioner DiCicco: I've been listening to this rhetoric for two months but there's no evidence that John Matheussen was in dereliction of his duties. Commissioner Dougherty wants to discuss issues. We discussed issues in the caucus there's no evidence to vote to remove Matheussen. Commissioner Dougherty: I can give you point by point. Chairman Estey: Are there any other comments? Commissioner Dougherty: If there's no reason to remove Matheussen we would not have hired a criminal attorney last week. Commissioner Wiessmann: Mr. Teplitz I assume you speak for your office? Commissioner Teplitz: Yes. Vice-Chair Nash: I was in Commissioner Dougherty's position eight years ago when I wanted to remove CEO Drayton. The authority had grown to something that I did not like. The authority took advantage of the compact's economic development provisions. The board raised money for economic development by raising tolls before this board got in place. That board spent \$320 million dollars in two years again before we were at this table. That is what caused the DRPA debt to become excessive. There were over a thousand employees. The DRPA was doing too many different things that had nothing to do with the core mission. When John Matheussen came here he was given a mandate to reduce staff and get the fiscal house in order. But all through the course of eight years there will always be issues but he has reduced employees by 12%. He capped spending at 1.2% per year and since the day that that economic development toll increase that was in place when we arrived, there's only been one

dollar more added to the tolls due to the careful handling of capital programs and the effort to reduce budget and control the operating budget. Any economic development funds that have been spent recently are funds that were raised many years ago for that purpose. The executive staff of the DRPA is as professional as any anywhere. The problem is the overall policies at this agency that go back to 1925. John Matheussen has done what Governor McGreevy and Rendell told him to do and I am voting no enthusiastically because he has done a great job. Chairman Estey: I agree with Vice-Chairman Nash. I think John Matheussen has done a good job. He has focused on the core mission and he has worked effectively and well with the board and I also agree with Commissioner Teplitz that there will be a new governor in Pennsylvania and there may be new Pennsylvania commissioners. Commissioner Dougherty: The point is there are 15 to 16 open-ended serious discussions. The same pattern exists, Vince Borelli, John Lawless, Mary-Rita D'Alessandro. We are not in a good position. It is time for a change. If you were there Senator Matheussen when he got this job if he thought he would be a career port executive he would not have expected that because he had no experience with ports or transportation. Chairman Estey: Is there anything else? Mr. Matheussen: I'll keep this short. When you suggest that I am being investigated criminally you cross the line. The fact is we got (interrupted by Commissioner Dougherty, Chairman Estey asked that CEO Matheussen be permitted to continue) a subpoena about three people from the state of New Jersey and we responded. This did not involve me in any way. Your innuendo or whatever is inappropriate and you have crossed the line. Commissioner Dougherty: I did not say that. I said we had a major meeting last month and then in the second meeting we had an executive session and that was the first time we learned that we had engaged a criminal attorney. It was the first time we learned we had gotten a subpoena. I asked why we did not know. What I said, I can go through what I said, I think you've lied to me a lot of times. On the two of... Commissioner Wiessmann: Can you call the motion? Chairman Estey: Yes. This is a motion to terminate the CEO a vote yes would remove him a vote no and he stays. Our motion duly made and seconded, the resolution failed. Commissioners Dougherty and Lisko voted yes all others voted no.

Chairman Estey called for consideration of Resolution 10-097 as proposed by Commissioner Wagner. This would call for a minimum 48 hours notice for any resolutions to be considered by the board subject to exceptions only in the case of true emergencies as stated in the resolution. Commissioner Teplitz noted that this was on the August 18th agenda and there was some concerns expressed by New Jersey. We've worked with the governor of New Jersey's staff to resolve those concerns. This gets directly at issues of good government. It addresses problems that we've had in the past especially when we had the caucus system. Sometimes commissioners would get complex items at the last minute and we want to lock the agenda down 48 hours in advance in the spirit of reform. On motion duly made and seconded, resolution 10-097 was adopted as presented. Chairman Estey then called for a motion to adjourn the meeting and at 4:16 p.m. the meeting was adjourned.

There being no further business, on motion of Chairman Estey the meeting was adjourned.

Respectfully submitted,

Richard L. Brown,
Corporate Secretary

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