

DELAWARE RIVER PORT AUTHORITY
Minutes of the October 16, 2013 Board Meeting
RiverWinds Community Center
West Deptford, New Jersey
Wednesday, October 16, 2013, 6:00 p.m.

Present

PENNSYLVANIA

David Simon, Esquire, Chair
Kathryn Boockvar, Esquire (DePasquale) (via
Phone)
William Sasso, Esquire
Michelle Kichline, Esquire
John Lisko, Esquire (McCord) (via phone)
Joann Bell

Officers and Chiefs

John Matheussen, CEO
Danielle McNichol, General Counsel
and Corporate Secretary
Kristen Mayock, Deputy General Counsel
John Hanson, CFO
Toni Brown, CAO
Tim Pulte, COO
Michael Conallen, Deputy CEO
Mike Venuto, Chief Engineer
John Rink, PATCO, General Manager
Thomas Raftery, Inspector General
Gary Smith, Captain, Public Safety
Timothy Ireland, Director, Corp. Comm.

DRPA Staff

Ann DuVall, Exec. Assistant to CEO
Elizabeth McGee, Legal Secretary
Lisa D'Arcangelo, Legal Secretary
Bill Shanahan, Director, Gov. Relations
Susan Squillace, Manager, Purchasing
Dawn Whiton, Administrative Coordinator
Fran O'Brien
Howard Korsen
Tim Cantwell

NEW JERSEY

Jeffrey L. Nash, Esquire, Vice Chair
E. Frank DiAntonio (via phone)
Richard Sweeney
Charles Fentress (via phone)
Tamarisk Jones

Counsel

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

Others

Peter Simon, Esquire, NJ Gov. Authorities Unit
Kathy Bruder, Esquire, Deputy Chief of Staff,
Office of Governor Corbett
Jonathan Latko (CAC)
John Taylor (CAC)
Kathleen Venuti (CAC)
Helen McKenna (CAC)
Anthony Leonard (CAC)
Cheryl Carroll
Carol Rhodes
Mark Nuzzi

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

The Corporate Secretary swore in the new Pennsylvania Commissioner, Michelle Kichline for DRPA and PATCO Boards.

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

Report of the Chief Executive Officer

Chairman Simon asked the CEO to give his report.

Mr. Matheussen said his report stands as submitted and that he wanted to highlight several items.

Mr. Matheussen thanked the staff at RiverWinds for their assistance with the Board Meeting. He said these annual meetings in PA and NJ in the evenings afford the public with another opportunity to participate and the public's attendance is appreciated.

Mr. Matheussen advised the Commissioners they have been provided with the Department of Engineering's Month of August, 2013 Program Performance Report. He said Chief Engineer Mike Venuto could provide any additional information if needed.

Mr. Matheussen provided an update on the operational status of PATCO's elevators and escalators since the last Board Meeting on September 18, 2013. He said since that meeting in September, the escalators at Broadway East and Westmont were repaired and are back in service, noting that a total of twelve of fourteen escalators are operational at the following stations: Lindenwold, Ashland, Woodcrest East and West, Haddonfield, Westmont, Collingswood, Ferry Avenue, Broadway East and West, 8th & Market South and 15/16th & Locust Street stations.

The two PATCO escalators that are out-of-service at present are at 8th & Market North, and the escalator at 12/13th & Locust which is a long term "out-of-service" escalator scheduled for demolition and complete replacement by Spring, 2014. He noted during the past month, the escalator operating ratio (excluding the escalator at 12/13th & Locust which is permanently out of service for replacement) was 90.569%.

Mr. Matheussen said all eleven PATCO elevators are in operation at present at Lindenwold, Woodcrest East and West, Ferry Avenue, Broadway East and West, 8th & Market North, 8th & Market South, 9/10th & Locust North and South, and 15/16th & Locust Street stations. During the past month, the elevator operating ratio was 98.17%.

Mr. Matheussen said this evening the PATCO Board of Directors will consider a resolution for the extension of the temporary contract/purchase order for maintenance and repair of escalators and elevators at PATCO stations. He said last week we extended the existing emergency contract we have with Fujitec and, pursuant to the Bylaws, under CEO authority, in consultation with the Chair, Vice Chair and General Counsel he signed an extension to the agreement that added \$25,000 to the contract. The Authority is working on resolving issues relative to a multi-

year contract for the maintenance and repair of elevators and escalators. If this six-month extension of temporary services is passed by the Board tonight, continued maintenance and repair of the units will be assured.

Mr. Matheussen said CAC Chair Jonathan Latko has met and spoken on several occasions with Deputy CEO Mike Conallen on the subjects of the Blue Horizon loan recovery and the status of the Gateway Park Project. He asked Mr. Conallen to provide an update on both those matters tonight.

Mr. Conallen stated that we are in a holding pattern waiting for the potential developers of the Blue Horizon to finalize their deal. There was a sheriff's sale that has been postponed until January 2014. We have an agreement with the proposed developer that will return our principal investment of \$1M to the Authority at the time of closing. With respect to the Gateway Park property we have a number of discussions with the New Jersey Conservation Foundation and the CCMUA with respect to the transfer of that property. We are currently in the process of determining and finalizing the process of titling, bill searches and appraisals. These conversations are continuing with the New Jersey Conservation Foundation.

Commissioner Sasso inquired what the timeline was for the Blue Horizon sale. Mr. Conallen responded that the next deadline is the Sheriff's sale. The city continues to postpone the sale. The new date is in January 2014. If the property would ever go to sale, we are third in line to receive money from the sale. Depending on the results, we may not recover any money from it. There is not a deadline in respect to our agreement with the developers. It says at the time of closing we are entitled to be at the table and they have to pay us the \$1M which was our initial loan investment.

Mr. Latko inquired what the timeline for review of the Gateway Park property transaction. Mr. Conallen stated that it will be longer than 90 days. Chairman Simon stated that he and Vice Chairman Nash were involved in discussions this week to expedite the process and it is taking longer than we expected. However, we are both comfortable that it is moving at a steady pace. The various issues will take a while to resolve.

Mr. Matheussen stated that the next status report is on the PATCO Railcar Refurbishment. Mr. Venuto continued that we are making forward progress. The car rebuilder this past month they have been continuing on the test of the first pilot cars at the shop on the test tracks. We have had weekly progress calls with the car rebuilder as well as internal weekly meetings. We are closely monitoring the progress of the car rebuilders and on the delivery of the first pilot cars. Chairman Simon opened the floor for questions. Commissioner Sasso stated he wanted to thank Mr. Venuto and his staff publically for their work on the overhaul project.

With regard to an update on the Glassboro-Camden Line (GCL) Project, Mr. Matheussen said that STV and their team continue to perform field work on the EIS, including land surveying and traffic counts among other items. Meetings with all communities and major stakeholders along the line on station area planning have occurred and are continuing. There will be notice in the near future of two Public Update Meetings in November on the project – one is tentatively scheduled for Camden County and one for Gloucester County with the sites, dates and times to be forthcoming.

Mr. Matheussen said NJ TRANSIT is also doing an environmental assessment for Bus Rapid Transit (BRT) along Routes 42 and 55. He said this project does not involve DRPA and the dedicated bus lane won't affect our bridges. BRT however should have a significant impact in keeping traffic moving more rapidly through the region. The two arteries will see the benefit of this BRT project.

Mr. Matheussen said he wanted to update the Board and public that there was a groundbreaking ceremony this afternoon for the new \$62.5 M state-of-the-art Rutgers University Nursing and Science Building at 5th and Federal Streets in Camden in between PATCO's City Hall Station and the Walter Rand Transportation Center. Once open, a significant amount of PATCO ridership traffic will be generated.

This concluded his CEO Report.

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

Report of the Chief Financial Officer

Mr. Hanson stated in respect to the KPI for the period ending August 2013 DRPA bridge traffic is about 99% above budget which makes the Authority 1% under budget. However DRPA bridge revenue against budget is at 100.75% which is a little over budget. The DRPA operating budget spending is about 90.7% of budget which makes it approximately 10% under budget. The DRPA capital budget spending is about 55.7% of budget. Lost time claims at DRPA for the month of August were 4 and at PATCO there were 4. Mr. Hanson continued that as of August 2013 DRPA had 35 open positions contrasted with 49 open positions at the beginning of the year. With respect to the lost time breakdown, the claims by number of days and by facility (see chart). PATCO ridership is 100.75% of budget and revenue is at 101.9% of budget. PATCO operating budget of spending is at 97% which is 3% under operating budget. The operating ratio is below what was budgeted by 5%. PATCO on-time performance is 96.7% against a goal of 98%. We are in the yellow of PATCO on-time performance. PATCO open positions are at 26, 311 filled contrasted with 33 opens positions at the beginning of the year. Mr. Hanson continued with respect to reasons for the on-time performance for September there were 5,274 trips that were scheduled and on-time performance was 95.6%. Equipment issues accounted for 44% of the delays and the others result from speed restrictions in the eastbound service over the Ben Franklin Bridge, vandalism and an incident that happened on September 17 which involved a switch in the subway that resulted in numerous trains being late both on that day and the following day while repairs were being made. That concludes the KPI Report. Mr. Hanson continued that in addition I would like to add that detailed financial information has been included as part of the CEO report. I would like to highlight the Bond issuance the professionals have been selected through a competitive process, everyone is now on board and a kick off meeting will be held tomorrow afternoon. That will fund our Capital program and as you are aware the Project fund has been depleted and we are currently borrowing from the General Fund. Mr. Hanson continued that with respect to the 2014 Budget the creation is underway, Capital budget hearings have almost been concluded. Operating budget hearings begin on Monday and Tuesday.

That concludes the report of the Chief Financial Officer.

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

Approval of September 18, 2013 DRPA Board Meeting Minutes, Receipt and Filing of the Monthly List of Payments Covering the Month of September 2013, Monthly List of Purchase Orders and Contracts Covering and the Month of September 2013

Approval of September 18, 2013 DRPA Board Meeting Minutes, the Monthly List of Payments Covering the Month of September 2013, Monthly List of Purchase Orders and Contracts covering the month of September 2013, were previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Approval of September 18, 2013 DRPA Board Meeting Minutes, Monthly List of Payments Covering the Month of September 2013, and the Monthly List of Purchase Orders and Contracts covering the month of September 2013 were received and filed.

Approval of Operations & Maintenance Committee Report of October 2, 2013

The Operations & Maintenance Committee Meeting Minutes of October 2, 2013 were previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Operations & Maintenance Committee Minutes of October 2, 2013 were approved.

Adopt Resolutions Approved by Operations & Maintenance Committee of October 2, 2013

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

DRPA-13-112 Contract No. 15-O, Ferry Avenue and Collingswood Stations Parking Lot Reconstruction

DRPA-13-113 Maintenance Contract for Traffic Control and HVAC Systems for DRPA Bridge Facilities

Approval of Finance Committee Report of October 2, 2013

The report of the Finance Committee meetings of October 2, 2013 was previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the report of the Finance Committee of October 2, 2013 was approved.

Adopt Resolutions Approved by Finance Committee of October 2, 2013

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

DRPA-13-114 Age 65 & Over Retiree Medicare Part D Prescription Benefit – 2014 (DRPA/PATCO)

DRPA-13-115 Age 65 & Over Retiree Medicare Supplemental

Benefit – 2014 (DRPA/PATCO)

Adopt Resolutions Approved by Audit Committee of October 2, 2013

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

DRPA-13-116 Approval of Citizens Advisory Committee Membership Nomination

Unfinished Business

There was no DRPA unfinished business.

New Business

Item 1 – Consideration of Pending DRPA Contracts (Between \$25,000 and \$100,000)

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

DRPA-13-117 Consideration of Pending DRPA Contracts (Between \$25,000 and \$100,000)

Item 2 – CB-24-2012 Commodore Barry Bridge Roof Replacement

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

DRPA-13-118 CB-24-2012 Commodore Barry Bridge Roof Replacement

Mr. Nuzzi, from the public, stated that he has been following the Roof Replacement project along with a few other roofing projects in the area. Mr. Nuzzi indicated that he was aware that McMullan Roofing was the lowest bidder for this project. Mr. Nuzzi sent some information that McMullan Roofing violated prevailing wage requirements. Mr. Nuzzi indicated that he personally reviewed prevailing wages and has caught several violations. Mr. Nuzzi continued that some companies do not use apprentice programs as Mr. Nuzzi believes they should be used. Mr. Nuzzi is concerned that McMullan Roofing is a company that tries to get around the system. Mr. Nuzzi requested that the Authority investigate McMullan Roofing's practices.

Commissioner Sasso stated that the Authority appreciates Mr. Nuzzi's input and assures the public that the Commissioners are serious about looking into the issues Mr. Nuzzi raised.

Commissioner DiAntonio stated that he concurs with Commissioner Sasso and that we should look into the contract as a whole and possibly defer the repairs until a further investigation is done.

Commissioner Sasso stated that there is an urgency with the completion of this project. Chairman Simon asked Mr. Venuto for his recommendation. Mr. Venuto stated that we cannot delay the repairs with the current state of the roof and potential damage to the EZpass electronic

equipment. The project is further complicated by the time of year and the need to have the repairs done before winter sets in.

Vice Chairman Nash suggested that we proceed with the vote and then we will have 10 days to investigate before the veto period expires. Mr. Matheussen stated that if this contract is awarded to McMullan DRPA has staff who monitor prevailing wage and other labor compliance matters and we will make sure that all obligations are being honored.

On motion duly made and seconded, Commissioner Sweeney abstaining; the following Resolution was unanimously adopted and made the action of the Authority.

Citizens Advisory Committee Report

Chairman Simon invited the Chair of the CAC to provide his report. Mr. Latko stated that the CAC membership is at 8 active members for New Jersey and 9 active members in Pennsylvania just short of the 12 for each state. CAC is continuing to accept applications for members. Mr. Latko continued that the CAC wanted to thank General Counsel for getting the agenda out on Friday so that our members could review it in advance of the meeting. Mr. Latko posed the question that CAC members could have access to participate in executive sessions. Mr. Latko reminded the Board that the members have Confidentiality Agreement in place.

Chairman Simon responded that CAC request was forwarded and discussed with counsel. Chairman Simon further stated that he is not a fan of executive sessions but there are times when it is needed. Chairman Simon pledged to use executive sessions sparingly. Chairman Simon then requested Attorney Ellis to speak to CACs request.

Attorney Ellis stated that he and Attorney Gibson had reviewed the request and found that by allowing non-members to participate in executive sessions the privilege would be defeated. Attorney Ellis indicated that according to the bylaws of the authority, the bylaws are very restrictive as to which matters can be discussed in executive sessions with all other matters to be discussed in open session.

Chairman Simon continued that there has to be some degree of confidentiality for certain privileged matters and if the CAC does not feel things are being sufficiently transparent to please alert the Board.

Chairman Simon then requested Mr. Venuto give an update on the bike ramp off the Ben Franklin Bridge. Mr. Venuto stated that there were some concerns with the straight bike ramp for the Ben Franklin Bridge. Two alternatives have been selected and are being refined. At this time we are making sure there are no extra equipment requirements or expenses.

Public Comment

Chairman Simon then invited the public to comment.

Ms. Rhodes stated that she wanted to thank the Authority for having a meeting outside of Camden and in the evening. Ms. Rhodes continued to say that she wanted to thank the Federal Investigators for issuing the subpoena on the Economic Development projects. Ms. Rhodes

asked that Board to consider passing a resolution that any indicted Board member or employee should not receive their pension. Ms. Rhodes also commented that the DRPA spent more than \$150k on the GCL and wanted assurances that no further money would be spent on this proposed rail line.

Chairman Simon asked if there were any comments from the Board or Public regarding Ms. Rhodes statements. There were no comments.

Ms. Carroll took the podium and inquired when the commuter bridge toll discounts will be reinstated.

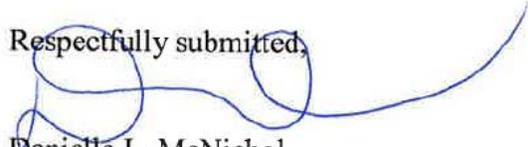
Chairman Simon responded that one of the objectives of the Authority was to get its finances in order. This included stopping the Economic Development spending. Changes in the toll structure are something that the Authority is continuing to work on for the future, but our first objective is to stabilize the toll structure so that there will not be any additional increases.

Ms. Carroll inquired if DRPA funds would be used on the Glassboro-Camden Line (GCL) Project. Ms. Carroll also brought up concerns regarding the GCL Project.

Both Chairman Simon and Vice Chairman Nash both assured Ms. Carroll and the public that no Authority funds will be used on the Glassboro-Camden Line (GCL) Project and that she should to bring her concerns to the Public Meetings regarding the GCL mentioned by Mr. Matheussen because the DRPA has no controlling interest in the implementation of the GCL.

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

Respectfully submitted,


Danielle L. McNichol
Corporate Secretary