

REVISED
DELAWARE RIVER PORT AUTHORITY
Minutes of the March 19, 2014 Board Meeting
One Port Center, 2 Riverside Drive
Camden, New Jersey
Wednesday, March 19, 2014, 9:00 a.m.

Present

PENNSYLVANIA

Jim Cawley, Esquire, Chair
William Sasso, Esquire
Michelle Kichline, Esquire
Joann Bell
Eugene DePasquale (via telephone)
Andrew Reilly, Esquire
Walter D'Alessio
Kathryn Cerulli (McCord) (via telephone)

Officers and Chiefs

John Hanson, Interim CEO
Danielle McNichol, General Counsel
and Corporate Secretary
Kristen Mayock, Deputy General Counsel
James White, Interim CFO
Toni Brown, CAO
Tim Pulte, COO
Michael Conallen, Deputy CEO
Mike Venuto, Chief Engineer
John Rink, PATCO Acting President & GM
Thomas Raftery, Inspector General
Jack Stief, Chief, Public Safety

DRPA Staff

Ann DuVall, Exec. Assistant to CEO
Kevin LaMarca, Director, IS
Christina Maroney, Manager Special Projects
Elizabeth McGee, Administrative Coordinator
Tom McNelia, Systems Administrator, IS
Sheila Milner, Administrative Coordinator
Fran O'Brien, Manager, Customer & Comm.
Relations
Mike Reher, Sgt. Public Safety
Susan Squillace, Manager, Purchasing
Dawn Whiton, Administrative Coordinator

NEW JERSEY

Jeffrey L. Nash, Esquire, Vice Chair
Al Frattali
E. Frank DiAntonio
Charles Fentress
Tamarisk Jones
Denise Mason
Rick Taylor

Counsel

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

Others

Governor Tom Corbett (via telephone)
Peter Simon, Esquire, NJ Gov. Authorities Unit
Kathy Bruder, Esquire, Deputy Chief of Staff,
Office of Governor Corbett
Christine Wechsler Rayer, Esquire, Deputy
General Counsel, Pennsylvania
Chad Saylor, Chief of Staff, Office of Lt. Gov.
Chris Brennan, Dir. of Comm., Office of Lt. Gov.
Bennett M. Cornelius
Timothy McDonough
Joel Frank, Esquire
Jonathan Latko (CAC)
Joe Quigley
Jon Livingston
Lesley Kirsch, Friends of Cooper River Park
West)
Julia Vanderwoude
Jim Cummings
Siani Burgess
Hannah Murphy
Joshua Joseph
Kevin Barfield
Cornell Garrett
Marianna Emanuele
Donald Coughlan
Tom Cavallero
Maria Tranguch

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.

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

Vice Chair Nash stated that David Simon had resigned from the Board and with this vacancy we have the Lieutenant Governor of the Commonwealth with us to serve as the new Commissioner. We ask that the Oath of Office be read. The Corporate Secretary swore in the new Pennsylvania Commissioner, Lieutenant Governor James Cawley for DRPA and PATCO Boards.

Vice Chairman Nash expressed the Board's appreciation for David Simon's three years of hard work. He said that Mr. Simon is one of the smartest people he knows. Mr. Simon devoted an enormous amount of time and effort and poured his heart and soul into the Board. Vice Chairman Nash expressed joint appreciation for all the time that David Simon had given to the Authority. Commissioner Reilly concurred and stated that David Simon came forth with a great vision for the DRPA and had a transparent view that served us well with the public. He stated that Mr. Simon had been pulled by the Governor's office in the past several months for another Board. He thanked him for staying on as long as he did to guide us with respect to the interim CEO and the new Assistant General Manager at PATCO. He thanked Mr. Simon for being a wonderful chair of the Authority.

Vice Chair Nash asked for a nomination for the vote of the Chair for the Delaware River Port Authority and Port Authority Transit Corporation.

Vice Chairman Nash recognized Commissioner Frattali. Commissioner Frattali stated that he knows the Lt. Governor both professionally and personally. He added that the Lt. Governor has a lot of integrity and Commissioner Frattali has great respect for him. Commissioner Frattali stated that he believes that Lt. Governor Cawley would be an excellent choice to lead the Authority as Chairman. He then nominated Lt. Governor James Cawley as the new Chair to the Authority. On motion duly made and seconded, Lt. Governor Cawley was nominated as the new Chairman.

The vote was unanimously passed appointing Lt. Governor Cawley as Chairman of the DRPA.

Vice Chair Nash congratulated Lt. Governor Cawley for his appointment as Chairman of the Board.

Vice Chairman Nash called for a motion to go into Executive Session. He said that the decisions made in Executive Session will be made public when the issues are resolved. Upon motion duly made and seconded, the Board moved into Executive Session.

Vice Chairman Nash stated that they were in Executive Session to discuss the Ferry. The DRPA Board meeting was back in Open Session.

Chairman Cawley stated that he appreciated the confidence that has been placed in him to be able to continue the wonderful work of former Chairman Simon to move this Authority forward. He said that there are great many of constituents who rely very heavily on what we do on a daily

basis to get back and forth across the river, to their homes, and to their places of business. Chairman Cawley said that many rely vitally on our rail line as their sole source to access their place of business. He recognized that it is a very special and critical responsibility entrusted to the Authority Chairman Cawley indicated how he is struck by the quality and caliber of the Authority. He said that while he does not mean to be boastful, there will hopefully be very few issues that we would not be able to tackle. Chairman Cawley added that he is looking forward to doing just that with his fellow Commissioners to tackle whatever issues are presented. He said that he believes quite strongly that problems very quickly become opportunities for men and women of good will to put forward their best effort to solve those issues. Chairman Cawley reiterated his appreciation of the confidence placed in him and he looks forward to working with the Authority.

Report of the Interim Chief Executive Officer

Chairman Cawley asked the interim CEO to give his report.

Mr. Hanson said that on behalf of his colleagues and staff of DRPA and PATCO, he welcomed Chairman Cawley as our new Chairman. He said that we look forward to working with him and drawing on his expertise and input. He said that from previous meetings, the Chairman has already done a significant amount of homework on the Authority and was already up to speed. We are looking forward to his guidance and advice.

Mr. Hanson introduced the new PATCO Assistant General Manager, Bennett Cornelius. He noted Mr. Cornelius has extensive experience in rail transportation, beginning as an Amtrak Train Attendant. He worked his way up at Amtrak, holding various positions in operations at Amtrak, and worked at Keolis Rail Services in Virginia and as a transportation consultant. In his interview with Mr. Hanson, Mr. Cornelius explained that he has a collaborative approach to management. Mr. Hanson indicated that approach is well received and welcomed Mr. Cornelius aboard the organization.

Mr. Cornelius stated that he appreciated the comments and thanked the Board and Commissioners for the confidence placed in him and for hiring him as Assistant General Manager of PATCO. Mr. Cornelius said that Mr. Hanson was correct in his collaborative approach. Mr. Cornelius said that one thing he observed in his several rides on the speed line, was how everyone seems to work together. He said that the passengers seemed happy on the platform as they are going about their business. Employees were happy to assist him when he was unfamiliar as to what he was seeing, trains were clean – everything seemed to be going well. Mr. Cornelius said things are positive at PATCO and he appreciated the confidence that has been placed in him to move the organization forward.

Chairman Cawley stated that Governor Corbett from the Commonwealth of Pennsylvania was on the telephone. Governor Corbett addressed the Board of Commissioners meeting and indicated that he hoped that all had survived the winter and was looking forward to tomorrow as the first day of Spring. The Governor thanked the board for allowing him to address them and wanted to make two comments – first, he thanked David Simon for his services as Chair. Then the Governor said that David Simon did a great job and that the Governor had need of him for another assignment in non-paying position. Governor Corbett expressed his appreciation for David's willingness to volunteer. He also thanked the Commissioners for confirming Lt. Governor Cawley as the Chair of DRPA. He said that he felt that the Authority would be able to

work well with Chairman Cawley. Governor Corbett stated that he was looking forward to the Lt. Governor's leadership and to working with all of the Commissioners in continued service to the people of the region of Delaware Valley, New Jersey and Pennsylvania. The Governor terminated the call.

Mr. Hanson said that on behalf of his colleagues at DRPA and PATCO, he would like to add their voices to thank former Chairman Simon for his three year tenure. Under his leadership, we have accomplished a great deal operationally, on the Finance side, as well as policy in areas of transparency. Mr. Hanson stated that he wished David Simon well.

Mr. Hanson welcomed retiree, Tom Cavallaro. Mr. Cavallaro had been with the Authority for 26 years and is retiring from his position as a Way & Power Maintainer at PATCO. Mr. Hanson said that Mr. Cavallaro's accomplishments over his career were appreciated and the Authority extends its best wishes to him as he begins a new chapter in his life.

Mr. Hanson stated that he would like to recognize the Finance team and other staff who prepared the comprehensive annual report. He said that for the 21st consecutive year, the DRPA has been awarded a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. Mr. Hanson stated that he wanted to acknowledge the outstanding efforts of Acting CFO Jim White, Ronnie Gilbert, Jennifer DePoder, Nancy Farthing, Tim Ireland, Mike Williams, Fritz Sims and the staff from printing services, Mike DiGiamberardino, Joel Maldonado and John Stephenson. He said that this is a very prestigious honor and we are grateful for the contributions of the staff colleagues.

Mr. Venuto provided the Engineering Department's January 2014 monthly program performance report. Mr. Venuto stated that they track all engineering projects and added that this year they have an aggressive program. The engineering projects in the budget amount to \$132M for 2014. The expenditures are tracked on a monthly basis to evaluate, based on their projections, how they track month to month. He indicated that in the month of January, the Authority had spent 89% of their initial projections. Mr. Venuto further explained that they not only track expenditures monthly, but also cumulatively across the year.

Mr. Hanson next touched on the PATCO track rehabilitation project. He said that we will be returning to track outages on Friday, March 21st. The schedule has been revised and there will no longer be outages on Mondays. The outages will begin after rush hour on Friday evening and will end Monday morning prior to rush hour until sometime after Memorial Day. Mr. Hanson stated that it is planned to then go to the 60-day outage. This change in the outages came as a result of many meetings between himself, staff at DRPA and PATCO, input from the Citizens Advisory Committee, input that was received from customers who have called or emailed and through social media. He said that they are trying very hard to balance the needs of the project to rehabilitate the tracks and the needs of the customers who ride the train. He said that they will continue to meet twice a week to try to improve the operation. The most recent discussion was this morning between himself, Mike Venuto and John Rink. They are looking to get a consulting engineer to look at the process in the equipment department to help improve both the efficiency and the efficacy of the work to minimize train breakdowns and equipment problems. Mr. Hanson stated that even with the best efforts there will be some service delays and congestion on trains.

Mr. Hanson stated that he and John Rink attended last week's Citizens Advisory Committee meeting and they have developed a very close and collaborative relationship. He said that there is a lot of give and take and that CAC has provided us with useful ideas, input, as well as feedback from the public prospective on how the project is going and what steps we need to take moving forward.

Mr. Hanson asked Deputy CEO Mike Conallen to provide an update on the operability of the PATCO elevators and escalators and on the Gateway Park matter. Mr. Conallen stated he would defer to John Rink to give us some statistics on the performance on the elevators and escalators. He said that one major development since the last Board meeting was the repairs to the Woodcrest up escalator, which has been completed. He said that this escalator has been back in service without issue for nearly three weeks. Mr. Conallen said that this was a major project in one of the busiest stations and he is happy to report that the escalator is back in service. Mr. Rink stated that for the month of February, the operation percentage of the elevators in the stations were 99.7%, with the target rate of 97%. The down escalator at Woodcrest and the 12th/13th escalator were at 96% for the month of February. Mr. Conallen stated that SEPTA has continued to do a fantastic job for us, not only in making significant repairs to escalators that we were having problems with, but they have now turned their attention to providing the much needed preventive maintenance to help our escalators to continue to run. He said that we have entered into an agreement where SEPTA provides their personnel on an almost dedicated basis. They have done that for the past several months and have assisted us with getting back on track.

Chairman Cawley sought to confirm that the reliability rate for all the escalators was 90.6%. Mr. Rink answered affirmatively. In response to Chairman Cawley's inquiry regarding the reliability target, Mr. Rink stated 90%. Chairman Cawley noted that we exceeded our target and Mr. Rink agreed for non-capital project escalators.

Mr. Conallen next addressed Gateway Park. He reported that from the engineering standpoint, a Licensed Site Remediation Professional (LSRP) had been selected and has received Board approval. He stated that once the New Jersey Governor's veto period expires, we will be able to contract with that professional. It will take approximately seven (7) months for them to complete their remediation work. Mr. Conallen stated that LSRP is being engaged to deal with certain parcels that are part of the larger property that we are discussing. He said that with respect to ongoing issues of what we actually own, he deferred to Ms. McNichol or to outside counsel. Ms. McNichol indicated that we have been having ongoing meetings with Camden, the Mayor's Office including the New Jersey DEP, the CRA and other parties concerning the Admiral Wilson properties. She stated that next week they have a meeting with CCMUA to discuss the issues that were mentioned today. Ms. McNichol stated that outside counsel will discuss the issue of title and the concerns of which properties we have ownership rights to and which we may not have at this time, to be able to transfer any property to the Park.

Joel Frank with the law firm of Lamb McErlane stated that his firm was tasked with the Admiral Wilson Boulevard project. He had provided an update in January and since that time there has been a delay that was not anticipated and it is very frustrating from their prospective. He said that he thought they would be further along than we are today. Mr. Frank explained that the vendor which was retained to do the title work has over a two to three month period given him false dates and promises. He said that due to their frustration, they retained another entity earlier this month to perform the work. He said that he wanted to make clear that the entity that they

initially retained was someone with whom they had many positive experiences before and the performance on this project was very disappointing. He said that he wanted the Board and the public to know that the delay is not been occasioned by the Board. They have been in constant communication with General Counsel in order to push with a vendor that was initially retained. Mr. Frank stated that they did not fire the original vendor because there is a chance that they may come back with the information that they need in advance of the new vendor that they retained as well. He said that the positive news is that the new vendor has gone ahead and told us that they are going to give us the title reports on a rolling basis, some of which may be provided as early as Friday. He said that he wanted to assure the Board, as well as the public and the advocates for the Park, that this is something that is being taken very seriously; the delay was not anticipated and is embarrassing on his end, as they had retained the vendor.

Chairman Cawley asked how many parcels are involved. Mr. Frank replied that there are 21 parcels on the south side and six parcels on the north side of Admiral Wilson Boulevard. In response to Chairman Cawley's inquiry as to how many we have clear title, Mr. Frank stated that that we do not have that information at this point. Chairman Cawley asked again that we do not have title on any of those parcels and Mr. Frank replied that we want to be sure that we have clear title and we do not have that yet. He added that we may have clear title on some, but as you may know, it is so important to do the homework right now so that when we do the transfers as authorized by the Board, that everything is clear at that point in time and there are no impediments or issues down the line. Commissioner Sasso asked what the nature of the problem is, were they not all computerized records? Mr. Frank stated that some of the records were supposed to be computerized but they shipped down to a storage warehouse in Florida in hard boxes the vendor could not quickly locate them. There were delays by the initial title company that he said was an atypical experience from this specific vendor. He said that the vendor permitted other projects to take priority and bumped this project. Then there were documents that the vendor could not find. They promised deadline after deadline that they failed to meet. He said as an aside, there will be a financial accommodation made in lieu of their deficient performance. Commissioner Sasso asked Mr. Frank when did the Authority take title to the 27 properties to which he responded that title was taken at various times. He said that his firm started this project in October and on October 22nd we retained the company and gave them the go ahead to do the title searches. He stated that when he was at the meeting in January, he reported that we were 4-6 weeks out. Mr. Frank stated that we are not even near that. It may be late May or early June that we will have a comprehensive report. Commissioner Sasso asked if the DRPA had our own files on the properties and Mr. Frank replied in the negative. He said that part of the problem is that we did not have the underlying fundamental basis and documentation where they could move forward. Commissioner Sasso asked if it is their hope that the remediation will be complete before the transfers take place? Mr. Frank said he could not answer that question as he is not involved in the part of the project. Mr. Conallen stated that only a certain portion of the parcels still require remediation and we are in the final stages of contracting with our licensed site remediation professional. We entered into an agreement that the environmental evaluation will be completed within seven (7) months. Mr. Frank stated that remediation is an incumbent issue to clear title across the board.

Vice Chair Nash stated that as a Camden County official, he must recuse himself on any decision in regard to Camden County. He asked hypothetically, if we were at an April Board meeting of this Authority and we told you at that time this park will be open to the public, can you get the means to get there and have this park opened? Mr. Frank stated that there may be a way to do

that. Vice Chair Nash stated that what the public is interested in is getting the park open. Vice Chair Nash stated that the park can be opened while we are sorting those the title issues.

Maria Tranguch, Regional Manager of the New Jersey Conservation Foundation, was recognized by Chairman Cawley. She stated that she appreciated that it takes a long time to obtain title. Her organization began work to obtain title last June and they have 98% of the titles to the parcels which she provided to Mr. Conallen last week. She stated that her organization is happy to share any of the information. She asked why the title work was needed when there are deeds that they may or may not have. Mr. Frank stated that there are potentially liability issues about moving forward in transferring the land. We are looking to understand what the issues are and there may not be any issues. Ms. McNichol stated that we have some knowledge and information that other parties have interest or liens and obligations attached to the property. As the Authority does not have the benefit of eminent domain we cannot just take title to the properties. Ms. Tranguch offered to work together in the future to make this process go faster. Commissioner Sasso inquired whether we could use a quick claim deed to move forward and if the people are willing to accept it. Chairman Cawley stated that it seems obvious that it is the desire to get this park open and accessible to the public as quickly as possible. We will join together to see how we can do that with trying to find out ownership. Chairman Cawley stated that we do not want to establish a false deadline, but we would like the park opened this year.

Mr. Hanson asked Mr. Venuto to address the PATCO car rehabilitation project. Mr. Venuto stated that married pairs 1-4 are continuing their testing and modifications in the Lindenwold shop and on the Lindenwold tracks. He said that some poor weather and mechanical repairs discovered during testing have delayed some of the final qualification testing. Alstom continues to have three personnel stationed at the Lindenwold shop. He said that married pairs 5-8 will be completed, with one married pair per month for the next three months. They are assembling all their parts and have all their materials for married pairs 8-24.

Mr. Venuto stated that with regard to the Ben Franklin Bridge bike ramp, we have evaluated two options for the straight ramp and are currently evaluating a third. He said that the evaluation should be completed within the next three to four weeks and will discuss the final ramp concept selections with the Operations and Maintenance Committee at the May meeting. Mr. Venuto stated that once there is a final concept selection, we will commence the final design. He said that they expect to complete the final design by the end of this year.

Mr. Hanson stated that he wanted to notify the Board that through the Chair and Vice Chair, they entered into an emergency contract to do repair work at the Walt Whitman Bridge for a broken pipe.

This concluded his Interim CEO Report.

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

Report of the Interim Chief Financial Officer

Mr. White congratulated the Lt. Governor on his appointment. He thanked Christina Maroney and other staff members for their due diligence in making adjustments to the KPI so that it can be better reviewed. The KPI Dashboard covers the period of a 12 month moving average. Mr. White indicated that the Board may want to make some changes to this, Which he suggests may be best

reviewed during an upcoming Finance Committee meeting. Mr. White continued that the bridge traffic has obviously been affected by the inclement weather this year. Looking at the January 2014 numbers, actual bridge traffic is at 97.2% of the budget and the bridge revenue is at 98.3% of budget. When we pull together the budget, we typically assume three (3) days of inclement weather for January, February and March. But even with these budgeted adjustments in place, we are still under budget both in terms of traffic and revenue. For January 31, 2014, our traffic was roughly 230,000 vehicles, or six percent (6%) less than the 2013 actuals. In terms of revenue, we are roughly \$1.2M or 5.5% of last year. Mr. White explained that from a budgetary perspective, for January 2014, DRPA traffic is only down 100,000 or 3.8% and in terms of toll revenues we are about \$365,000 below budget. Based on February's preliminary numbers we will see a similar trend where perhaps we are as many as 200,000 vehicles below budget against 2013 actuals. In terms of the budget, what you typically see in the first part of the year is that spending is significantly under budget for January 2014. For DRPA, these numbers approximating 21% under budget will change a bit as we go into February 2014 (which is approximately 11.7% below budget. These numbers will get closer to the budgeted number as we move along during the year as purchases and hiring occur. For January 2014, PATCO ridership is roughly 5.3% below budget. Mr. White continued that the total revenues, which include advertising, are approximately 2.7% below budget. In both operations we are still accumulating snow costs. The PATCO operating budget is 7.3% below budget and these numbers will change as we move into February and March. The operating ratio for PATCO for January is better than budget, which is a good sign. The ratio of budget revenues divided by expenses are better than budget for the month of January. There has been a significant drop in PATCO's on-time performance from December 2013 to January 2014. Mr. White said lastly, he wanted to mention the open positions for PATCO and DRPA. He noted that last month the trend was downward for the open positions than we typically have in January. There are a number of retirements that tends to cause the number of open positions to go up. We will see that trend go downward as we move through the months. Due to increased efficiencies in Human Resources, particularly the new software, he is optimistic that those numbers will drop. Commissioner Sasso inquired as to how the shutdown of the Ben Franklin Bridge affects the budget? Mr. White replied that we looked at that factor when we did the budget for 2014. However, he believes we will learn more about the costs in terms of overtime for the contractor's employees and additional costs. Mr. Hanson stated that the Director of Finance at PATCO, John Lotierzo, said his analysis of the ridership numbers did not impact the numbers of riders and is not impacted by the construction project. The numbers are off primarily due to weather. There are expenses that were recognized and have to occur.

That concludes the report of the interim Chief Financial Officer.

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

Approval of February 19, 2014 DRPA Board Meeting Minutes,

Approval of February 19, 2014 DRPA Board Meeting Minutes were previously provided to all Commissioners and there were no comments.

On a motion duly made and seconded, the Approval of Approval of February 19, 2014 DRPA Board Meeting Minutes were received and filed.

Chairman Cawley and Vice Chair Nash abstained from voting.

Receipt and Filing of the Monthly List of Payments Covering the Month of February 2014, and Monthly List of Purchase Orders and Contracts Covering the Month of February 2014

Approval of February 2014 Receipt and Filing of the Monthly List of Payments Covering the Month of February, and Monthly List of Purchase Orders and Contracts Covering the Month of February 2014.

On a motion duly made and seconded, the Approval of February 2014 Receipt and Filing of the Monthly List of Payments Covering the Month of February 2014, and Monthly List of Purchase Orders and Contracts Covering the Month of February 2014 were received and filed.

Approval of Audit Committee Report of February 19, 2014

The Audit Committee Meeting Minutes of February 19, 2014 were previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Audit Committee Minutes of February 19, 2014 were approved.

Approval of Operations & Maintenance Committee Report of March 5, 2014

The Operations & Maintenance Committee Meeting Minutes of March 5, 2014 were previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Operations & Maintenance Committee Minutes of March 5, 2014 were approved.

Adopt Resolutions Approved by Operations & Maintenance Committee of March 5, 2014

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

DRPA-14-030	Engineering Services for Remedial Investigation for New Jersey Sites
DRPA-14-031	Contract No. WW-19-2014, Walt Whitman Bridge Boiler Replacement
DRPA-14-032	Federal Transit Administration Section 5307/5340 Grant Application
DRPA-14-033	Federal Transit Administration Section 5337 Grant Application
DRPA-14-034	PARTSWG Contract Intelligence Analyst Resolution and Contract Extension
DRPA-14-035	Delaware Avenue Extension Project – Right of Entry and Indemnification Agreement

DRPA-14-036 Additional Hours Loss Control and Safety Service Hours to Be Provided by Aon

DRPA-14-037 Auto Parts Contract for DRPA and PATCO

Approval of Finance Committee Reports of February 18, 2014 and March 5, 2014

The Finance Committee Meeting Minutes of February 18, 2014 and March 5, 2014 were previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Finance Committee Minutes of February 18, 2014 and March 5, 2014 were approved.

Adopt Resolutions Approved by Finance Committee of March 5, 2014

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

DRPA-14-039 Storage and Backup Upgrades

DRPA-14-040 Hewlett-Packard Maintenance Agreement

Chairman Cawley stated that DRPA-14-041 – RiverLink Ferry 2014 would be withdrawn from this meeting and will be considered at a future meeting.

Approval of Labor Committee Reports of March 12, 2014

The Labor Committee Meeting Minutes of March 12, 2014 was previously provided to all Commissioners and there were no comments.

On motion duly made and seconded, the Labor Committee Minutes of March 12, 2014 was approved.

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 Resolutions were unanimously adopted and made the action of the Authority:

DRPA-14-042 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:

Item 2 – Appointment of Chief Executive Officer

Commissioner Reilly stated that the task of conducting interviews and the hiring process for a new CEO was given to the Labor Committee led by himself and Commissioner Frattali. He then stated that he would defer the discussion of the process to Ms. Brown. Ms. Brown stated that the position was listed on a number of job boards, internet sites and newspapers during the period

February 12, 2014 and February 26, 2014. Some of those boards included on the DRPA website, Monster.com to ensure national exposure, the New York Times, Washington Post, Philadelphia Inquirer among a number of other boards and newspapers. She stated that they received 45 applications. After carefully considering those applications, it was the determination of the Labor Committee, that seven (7) candidates would be granted an interview. She stated that prior to being interviewed, all candidates were required to complete an application statement that they were not related to any Commissioners or any alternate Commissioners now or any who may have served within the past ten years. All applicants also had to certify that they were not related to any current DRPA or PATCO employees. This is as a result of a reform which was passed, DRPA-10-048. As a result of the reform, one candidate could not be considered because he was found to be related to a current employee. Another candidate who was to be considered removed his name from the process. The Committee interviewed five (5) candidates and this took place over a three (3) day period, beginning Wednesday, March 5th, Thursday, March 6th and Monday, March 10th. Members of the Labor Committee and also Auditor General DePasquale participated in the interviews. The Labor Committee met on March 12th to carefully review the qualifications of the candidates. After discussion and careful consideration, the Committee recommended that the Board appoint John Hanson to serve as the Chief Executive Officer of the DRPA and President of PATCO.

Ms. Brown stated that Mr. Hanson is no stranger to the Board. She added that Mr. Hanson possesses extensive executive level experience:

- Prior to his tenure at the DRPA, John served as Executive Vice President/General Manager of South Jersey Agricultural Products; Senior Vice President, Strategic Initiatives for the NJ Department of Commerce; Vice President/CFO, Camden County Visiting Nurse and Health Association among other executive level positions.
- In his interview, John told the panel that he believes he is uniquely qualified to be the next CEO because he has seen the organization through many perspectives. As the Board knows, from 2001 to 2004, John served as a DRPA/PATCO Board member, during which he served as Chairman of the Finance Committee.
- In 2004, he was appointed CFO/Treasurer, and is now serving as the Interim DRPA CEO.
- As CFO, John has detailed knowledge of the Authority's finances, and the operating and capital budgets. He was responsible for directing the overall financial plans and accounting practices of the DRPA and PATCO, with combined revenues of more than \$370M.
- In his capacity as CEO, John successfully led bond teams on debt issuance up to \$700M, was responsible for overseeing all financing activities, including the issuance of revenue bonds, servicing various debt instruments, and managing a \$1.4 Billion debt portfolio, and participating in a number of complex Swap transactions.
- In addition to the Finance Division, John has oversight responsibility for the Purchasing Departments at DRPA and PATCO, as well as the IS Department.
- During his interview, John told the panel that he is knowledgeable about how a bi-state agency works, in general, and, this agency, in particular.
- He described his leadership and management style as "participative". He likes people to be involved in the process at every level. He pointed to his Lean Government initiative, which brought together more than 100 volunteers and was a highly successful effort resulting in a number of process improvements.

- During his interview, John told the panel that he has experience with unions. In the past, he served as a shop steward at RCA, and worked as a laborer, millwright rigger, and a maintenance mechanic. While at DRPA, he has been involved in union negotiations, and is familiar with the IBEW, Teamsters, IUOE and FOP.
- John is a strong supporter of EEO and diversity issues. During his interview, he told the panel that the Authority serves a diverse community and he believes strongly that the workforce should reflect this diversity. He is committed to continuing to cultivate a work culture and environment that is respectful.
- John holds a Bachelor of Science, Business Administration/Accounting, *Magna Cum Laude*, from Drexel University. He also holds a Master of Business Administration, Finance/Management, from Saint Joseph's University.
- He is a Master Black Belt – Lean and Six Sigma, and holds several management and leadership certificates from Cornell University.
- Mr. Hanson is a NJ Licensed Certified Public Accountant (CPA) and a Chartered Global Management Accountant (CGMA).

Commissioner Reilly thanked Commissioner Frattali and Ms. Brown. He stated that John Hanson was the most qualified CEO candidate who has the ability to carry out and a vision to lead the Port Authority in the future years. Commissioner Reilly stated that as to the Assistant General Manager, we had a number of qualified individuals. He said that we will recommend John Hanson at his current salary of \$180,081.00. Commissioner Reilly also thanked the Labor Committee, Commissioner Frattali and Ms. Brown for also selecting Cornelius Bennett as the Assistant General Manager of PATCO.

Commissioner DePasquale stated that he wanted to commend Commissioner Reilly along with Ms. Brown for a very thorough job on the interviews. He stated that the Authority opened all interviews to all to participate. He said that they felt it was important to have a national search and after looking over all applications, the Committee determined that Mr. Hanson was the most highly qualified. Commissioner DePasquale stated that each of those items were kept in Commissioner Reilly's leadership and he thanked him for that.

Vice Chair Nash congratulated Mr. Hanson and said that he cannot think of a better person to lead this Authority. He said that most important, Mr. Hanson commands the respect of the Authority. Vice Chair Nash explained that he had walked into a lean government meeting and knew that Mr. Hanson had initiated this process. Vice Chair Nash stated that he promised as a Board member to work with Mr. Hanson. Chairman Cawley stated that he was looking forward to working with Mr. Hanson as well. Mr. Hanson stated that he was looking forward to the opportunity to continue working with the staff.

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

DRPA-14-043 Appointment of Chief Executive Officer

Item 3 – Agreement for Use of DRPA Property

Item 4 - Amendment of the By-Laws (1st Posting)

Item 5 - Audio and Transcription Services

Item 6 - Interim Collective Bargaining Contracts Extension

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

DRPA-14-044	Agreement for Use of DRPA Property
DRPA-14-045	Amendment of the By-Laws (1st Posting)
DRPA-14-046	Audio and Transcription Services
DRPA-14-047	Interim Collective Bargaining Contracts Extension

Citizens Advisory Committee Report

Mr. Latko thanked Mr. Hanson and Mr. Rink for attending the last CAC meeting. They were very informative. Since Mr. Hanson has taken over as Interim CEO, he has been to all of our meetings and has been assuring that the CAC remains involved. The CAC is still looking for new members both in New Jersey and Pennsylvania. Mr. Latko continued there were discussions regarding the Ferry last month and that Ferry operations were going out for bid. There were conversations about alternatives for the Ferry. The CAC wanted to know if while negotiating with the bidder, would they be open to water taxis? These are smaller vessels and moving the Ferry across the river with only a few people on it is not cost effective. There is talk about using water taxis on the Pennsylvania side but not crossing the river because that is held under jurisdiction of the DRPA. We are hoping the Ferry can be more than a tourist attraction during the 9:00 a.m. to 6:00 p.m. timeframe.. The CAC feels it would be important to have some open conversations regarding the Ferry. Mr. Latko continued that regarding the Gateway Park that it is a frustrating process for everyone. It is even more frustrating to hear that we have three title companies looking at the properties and embarrassing when we are looking for efficiencies. The parks are technically open regardless of legal issues. The CAC likes the hypothetical option of getting this park open in the spring. It is a major greenway to get out to Cooper River Park and the County is looking to invest \$25M into this project. The history of this project goes back 13 years. It is important to the CAC to get this right and complete the process. Mr. Latko continued that in regard to the bike ramp project, the CAC is asking when the final designs will be approved. Mr. Venuto replied that after looking at the alternative ramps, the preferred alternative was the long straight ramp. We took that design and created five other alternatives. We will be looking at the concepts in May and will have a decision brought to the Operations and Maintenance Committee in May. The Authority is looking to have this ramp completed by the end of the year. Mr. Latko responded that this is good to hear. It is very important to the CAC to know what is going on with this project. He touched again on the bridge work on the PATCO trains and tracks. A lane will be closed for this construction. He asked that the Board please keep in mind that the walkway is used as an alternative route of transportation and having it closed causes a problem. Once again he thanked Mr. Hanson and Mr. Rink for coming to their meeting. CAC remains interested in learning what he DRPA owns and we continue to seek progress on that project.

That concludes the report of the Citizens Advisory Committee.

Public Comment

Chairman Cawley asked if there were any further comments from the public.

Mr. Jim Cummings with the Urban Promise Ministries introduced himself and stated that the ministry has run youth development programs in the City of Camden for the past 25 years. We have students doing research on the Cooper River and building wooden boats that we love to paddle on the Cooper River to the Delaware River to see the amazing views. My students have a difficult time accessing this river and a couple of students would like to share a little about that. Mr. Joshua Joseph introduced himself and stated that since he has been a student, his classmates have been learning about the Cooper River and its watershed. They have been testing water quality and the ecology of the river. They have been advocating for access to the river with the Camden County Parks Director and searching for a way to remove the barriers to give them access to the river. He thanked the Board for helping to make this happen. Ms. Siani Burgess, a freshman at Urban Promise Academy, introduced herself and stated she has been building boats for many years and has paddled the Cooper River many times. She is member of the crew team and the South Jersey Rowing Club. She enjoys having access to the Cooper River in her own neighborhood and paddling the waters with her team. Ms. Burgess continued that it took a year and half to demolish the liquor stores and clubs that lined Admiral Wilson Boulevard and added that the lights make it safe in her area. Then a gate to the river was put on. That happened the year she was born. Access to the park and the river is long overdue. She thanked the Board for their support and for giving them the ability to access the Gateway Park. Mr. Cummings then thanked the Board for giving his students a voice today.

There being none, or other further business, on motion duly made and seconded, the meeting was adjourned.

Respectfully submitted,

Danielle L. McNichol
Corporate Secretary