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DELAWARE RIVER PORT AUTHORITY

BOARD MEETING

One Port Center
2 Riverside Drive
Camden, NJ
Wednesday, January 20, 2016

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PRESENT

Pennsylvania Commissioners

Ryan Boyer, Chairman of DRPA/PATCO Board
Rohan K. Hepkins
Antonio Fiol-Silva
John Dougherty (for Pennsylvania Auditor General
DePasquale)
Timothy Reese, Pennsylvania State Treasurer
(via telephone)

New Jersey Commissioners

Jeffrey Nash, Esq., Vice Chairman
E. Frank DiAntonio
Charles Fentress
Albert Frattali
Richard Sweeney
Tamarisk Jones
Ricardo Taylor

DRPA/PATCO Staff

John Hanson, Chief Executive Officer (DRPA)/President
PATCO)
Maria Wing, Deputy Chief Executive Officer
Raymond Santarelli, General Counsel and
Corporate Secretary
Kristen Mayock, Deputy General Counsel
Stephen Holden, Deputy General Counsel
Kathleen P. Vandy, Assistant General Counsel
James White, Chief Financial Officer
Dan Auletto, Acting Chief Operating Officer
Toni Brown, Chief Administrative Officer
Michael Venuto, Chief Engineer
Steve Reiners, Director, Fleet Management
William Shanahan, Director, Government Relations
Mark Lopez, Manager, Government Relations
Barbara Holcomb, Manager, Capital Grants
Gary K. Smith, Captain of Police, Public Safety
Mike Reher, Sergeant, Public Safety
John Rink, General Manager, PATCO

1 **DRPA/PATCO Staff (continued)**

2 Susan Squillace, Manager, Procurement and Stores,
3 DRPA/PATCO

4 David Gentile, Inspector General

5 Kyle Anderson, Director, Corporate Communications

6 Fran O'Brien, Manager, Customer and Community
7 Relations

8 Amy Ash, Contract Administrator, Contract
9 Administration

10 Kevin LaMarca, Director, Information Services

11 Jennifer DePoder, Financial Analyst, Finance

12 Darcie DeBeaumont, Senior Accountant, Finance

13 Mike DiGiamberardino, Reproduction Technician,
14 Print Shop

15 Larry Walton, Construction & Maintenance Manager,
16 Walt Whitman Bridge

17 Sheila Milner, Administrative Coordinator

18 Elizabeth McGee, Acting Records Manager

19 Nancy Farthing, Executive Assistant to the CEO

20 Dawn Whiton, Administrative Coordinator to the
21 Deputy CEO

22

Others Present

13

Amy Herbold, Esq., Senior Counsel, New Jersey
14 Governor's Authorities Unit

15

Chelsea Guzowski, Director of Special Projects,
16 Pennsylvania Governor's Office of the Budget

17

David Dix, Assistant to Chairman Boyer

18

Victoria Madden, Chief Counsel (for Pennsylvania
19 Auditor General DePasquale) (via telephone)

20

Christopher Gibson, Esq., Archer & Greiner,
21 (New Jersey Counsel)

22

Alan Kessler, Esq., Duane Morris LLP
23 (Pennsylvania Counsel)

24

Stephanie Kosta, Esq., Duane Morris LLP
25 (Pennsylvania Counsel)

26

William Hosey, President, IBEW 351

27

Richard Franzini, Business Agent, IUOE 542

28

Olivia C. Glenn, Regional Manager, New Jersey
29 Conservation Foundation

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Others Present (continued)

Craig Hrinkevich, Wells Fargo
Tara Chupka (Assistant to John Dougherty)
Brian Stevenson

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DRPA-16-007	Procurement of Two (2) 2016 JLG Aerial Lifts	
DRPA-16-008	Sustainability and Resource Efficiency Consulting Services	
DRPA-16-009	Public Safety Radio Five (5) Year Replacement Project (Year #4)	
Adoption of Resolutions Approved by Finance Committee on January 13, 2016		
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P R O C E E D I N G S

(9:26 a.m.)

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3 CHAIRMAN BOYER: The meeting of the Delaware
4 River Port Authority is now in session. Please rise
5 for a moment of silence and the pledge to the American
6 flag.

7 (Pledge of Allegiance)

8 CHAIRMAN BOYER: I'm going to ask the
9 Corporate Secretary to call roll, please.

10 MR. SANTARELLI: Chairman Boyer?

11 CHAIRMAN BOYER: Present.

12 MR. SANTARELLI: Vice Chairman Nash?

13 VICE CHAIRMAN NASH: Here.

14 MR. SANTARELLI: Commissioner Dougherty?

15 COMMISSIONER DOUGHERTY: Present.

16 MR. SANTARELLI: Commissioner DiAntonio?

17 COMMISSIONER DIANTONIO: Present.

18 MR. SANTARELLI: Commissioner Fiol-Silva?

19 COMMISSIONER FIOI-SILVA: Present.

20 MR. SANTARELLI: Commissioner Fentress?

21 COMMISSIONER FENTRESS: Here.

22 MR. SANTARELLI: Commissioner Hepkins?

1 COMMISSIONER HEPKINS: Present.

2 MR. SANTARELLI: Commissioner Frattali?

3 COMMISSIONER FRATTALI: Present.

4 MR. SANTARELLI: Treasurer Reese?

5 TREASURER REESE: Present, by phone.

6 MR. SANTARELLI: Commissioner Jones?

7 COMMISSIONER JONES: Here.

8 MR. SANTARELLI: Commissioner Sweeney?

9 COMMISSIONER SWEENEY: Here.

10 MR. SANTARELLI: Commissioner Taylor?

11 COMMISSIONER TAYLOR: Here.

12 MR. SANTARELLI: You have a quorum.

13 CHAIRMAN BOYER: Thank you, Mr. Secretary.

14 First, I would like to apologize for our tardy
15 starting. However, we have a culture here at the
16 Delaware River Port Authority of openness and
17 transparency. With all transparency, we wanted to meet
18 because we have a great crowd today and I'm sure that
19 is because it has reached the press that we were
20 considering giving our CEO, a very capable and able
21 CEO, a very much needed raise.

22 However, we found out that that didn't go

1 through the Committee process. So with an abundance of
2 caution, decided on the fact of transparency, we're
3 going to table that resolution today so that it can go
4 through the full Committee process like every other
5 raise goes through. So, we won't be having that
6 discussion today.

7 With that being said, we have a report from
8 the Chief Executive Officer, John Hanson.

9 MR. HANSON: Thank you, Chairman.

10 VICE CHAIRMAN NASH: You're still giving it?

11 (Laughter)

12 MR. HANSON: Under the highlight of
13 stewardship, a customer wrote in, "Thank all of you
14 who helped me find my phone. I left my phone on the
15 train at the Collingswood stop. I panicked because,
16 well, that's what we all do when we lose our phone
17 with everything in it. I quickly called the service
18 number, and they informed me they would search for it
19 as soon as the train got to Lindenwold. Someone
20 graciously returned it, and I got a call from Station
21 Supervisor Fran Egolf at the Lindenwold Station. She
22 was super nice. She helped me and reassured me that

1 the phone was safe. I know losing a phone isn't the
2 biggest hardship, but I have so much on that thing.
3 Thank you to everyone who helped, and a big thank you
4 to whoever turned in my phone. I appreciate all of
5 you guys' work. Keep it up."

6 Another customer wrote in to commend actions
7 of the PATCO staff. "While walking up to the exit in
8 Haddonfield, I could not find my car key. At the top
9 of the stairs, Joe asked if there was a problem.
10 PATCO Joe made several calls on my behalf. He said
11 the last train to Lindenwold would be checked for the
12 keys. The red phone rang, and we were informed that
13 the train had been checked and there were no keys.
14 Shortly after that, Transit Ambassador Joe Ferro was
15 called -- was informed that my keys had been turned
16 into lost and found in Lindenwold by a passenger. I
17 decided to retrieve my keys on Monday at Lindenwold.
18 So here it is, an endorsement of employees who helped
19 make my mistake, which made for a bad Saturday
20 afternoon, turn into a pleasant encounter with a
21 concerned PATCO employee."

22 A customer wrote in to praise Transit

1 Ambassador Shalayah Lewis. "Thank you very much for
2 finding my FREEDOM Card at 8th and Market Streets last
3 night and turning it in to Lost and Found at PATCO. I
4 did not realize I had lost it until I arrived at the
5 Ashland Station, where I used the red phone to report
6 my missing card. It must have fallen out of my coat
7 pocket somewhere between the turnstile and the
8 elevator at 8th and Market. Unfortunately, I had
9 earphones on, listening to music, so I did not hear my
10 name being called. I appreciate you, Shalayah, and
11 Lost and Found's Fran Egolf for going to great lengths
12 to find me and give me my card back. It's comforting
13 to know that with all that's happening in the world
14 today, there are nice people who go the extra mile."

15 Finally, before I list the emergency actions
16 that I've taken, I'd like to recognize the Annual
17 Financial Reporting Team. The Government Finance
18 Officers Association, the GFOA, has once again awarded
19 the DRPA the prestigious Certificate of Achievement
20 Award for Excellence in Financial Reporting for the
21 23rd consecutive year. This Certificate is the
22 highest form of recognition in governmental accounting

1 and financial reporting and its attainment represents
2 a significant accomplishment by a government and its
3 management.

4 Special thanks go to the following employees
5 who have been designated as primarily responsible for
6 winning the Comprehensive Annual Financial Report
7 Award: CFO James White; Acting Accounting Manager
8 Darcie DeBeaumont; Financial Analyst Jennifer DePoder;
9 Mike DiGiamberardino and Fritz Sims from Printing
10 Services; Mike Williams, Acting Manager of Corporate
11 Communications; Fran O'Brien, Manager of Corporate
12 Communications and Community Relations; and me.

13 I'd like to ask you all to come up for a
14 picture at the front and receive your Award from the
15 Chairman.

16 (Pause)

17 MR. HANSON: Finally, under CEO Emergency
18 Powers, a purchase order was approved in the amount of
19 \$18,494.72 for three Reuland drive motors with speed
20 brake for our removable maintenance platforms. The
21 three Ben Franklin Bridge movable platforms have been
22 out of service for approximately one and a half years

1 due to the Ben Franklin Bridge Track Rehabilitation
2 Project rigging and suspended work platforms. They
3 have been recently brought back into service for
4 access support for dismantling the track
5 rehabilitation contractor rigging. Motor replacement
6 was necessary on a platform in order to restore
7 platform operation.

8 There are currently no more spare units and it
9 was essential that we obtain additional motors to
10 service spares due to the long lead for ordering such
11 parts, approximately seven weeks. In the absence of
12 spares and if additional motors would fail, the
13 platform would have been rendered inoperable.

14 That concludes my verbal remarks.

15 CHAIRMAN BOYER: Do we have any questions on
16 this report? I'll entertain a motion to accept the
17 CEO's report.

18 COMMISSIONER FRATTALI: So moved.

19 COMMISSIONER DiANTONIO: Second.

20 CHAIRMAN BOYER: All those in favor?

21 ALL: Aye.

22 CHAIRMAN BOYER: All opposed? Ayes have it.

1 Now we'll have the Report of the Chief
2 Financial Officer, Mr. Jim White.

3 MR. WHITE: Good morning, Mr. Chair, Mr. Vice
4 Chair, and Commissioners.

5 MR. WHITE: I'd like to make mention briefly
6 three areas this morning. Since we've just concluded
7 the year 2015, this is a document that Jennifer
8 DePoder and I put together related to the Financial
9 Accomplishments and Achievements for 2015. I'd like
10 to also talk just briefly about our financial stats
11 and just make mention of a letter of credit SS&R that
12 you will be voting on today.

13 If you look at the CFO section of your packet,
14 you'll see Financial Accomplishments and Achievements
15 for 2015. One of the things I just wanted to
16 highlight is the importance of the participation of
17 the CAO's area, General Counsel, Finance, obviously,
18 and PATCO in terms of these achievements. But, I
19 wanted to thank especially the leadership of the
20 Finance Committee in partnering with us in order to
21 achieve some of these key items.

22 I won't go through this complete document, but

1 I just wanted to highlight some things. If you look
2 at this particular document, you'll see that we
3 achieved a lot of things in 2015 in the following
4 areas: E-ZPass initiatives; debt swap related
5 initiatives; and, reduction in our existing Economic
6 Development legacy programs. And, again, just to
7 emphasize, we are obviously out of any new economic
8 development projects, but we still are winding down
9 certain lingering aspects of that Program.

10 Bond Indenture Compliance: we have to comply
11 with various bond indentures, particularly related to
12 our senior debt. Achievements in Insurance: in PATCO,
13 and other Finance initiatives, one of which we just
14 spoke about a few minutes ago with achieving the DRPA
15 Certificate of Achievement for Excellence for the 23rd
16 consecutive year. That is largely due to the
17 leadership of our Acting Accounting Manager Jen
18 DePoder and Corporate Communications, etc.

19 So, very briefly, on the E-ZPass initiatives,
20 the commuter credit was implemented December the 1st.
21 I am advised that as of the 10th or the 11th of this
22 month, commuters received a credit somewhere in the

1 area of around \$100,000; that was related to the
2 frequent commuters who had 18 trips during the month
3 of December. It's not unusual during December for
4 people to take vacations, so I'm not surprised that
5 number is relatively low. The key thing is that we
6 implemented that after several months of programming
7 and we appreciate the Board's work in supporting that
8 program.

9 A number of other E-ZPass initiatives:
10 participation in the new CSC contract. On the debt
11 side, we extended Barclay's loan. We did a
12 significant swap novation authorization that netted us
13 roughly \$850,000; that payment was unexpected to a
14 certain degree. Moody's reaffirmed DRPA's ratings in
15 December, and we are still at work, working on LOC
16 restructuring.

17 We had, due to the great efforts of the Legal
18 Department, roughly \$5 million in loans related to
19 Victor Lofts and the LEAP Academy that were paid off.
20 An LOC guarantee was discharged, reducing our
21 reserves. There are a number of other things that are
22 shown there. In terms of bond compliance, we

1 basically have to certify to the bond trustees that we
2 are able to meet the net revenue requirement in our
3 bond indentures; we easily exceeded that for 2015 by
4 over \$69 million and will exceed it for 2016 by over
5 \$50 million.

6 On the insurance side, the AmeriHealth renewal
7 with only a one percent increase was significantly
8 important to us in terms of pulling together the
9 budget. Usually, that number is a lot higher and it
10 creates some issues as we finalize the budget.

11 On the PATCO side, a Customer Service
12 initiative -- the ability to use credit/debit cards at
13 PATCO's TVMs to buy paper tickets -- was rolled out in
14 June, 2015.

15 Again, all of these things were a partnership
16 between DRPA staff, the Finance Committee and the
17 Board. Other initiatives included the growth in the
18 General Fund and the passage of the DRPA and PATCO
19 Operating and Capital budgets. And, of course, we are
20 in the process of the SAP implementation; Finance and
21 other departments have been significantly involved in
22 that rollout.

1 In terms of the financial stats, continued
2 good news. Through October, as you'll see in these
3 numbers, we are well ahead -- in a comparison between
4 2014 and 2015 -- in terms of traffic and revenues.
5 From what I can see, unaudited traffic particularly in
6 November and December were the highest two months
7 above the previous year, so these numbers are going to
8 increase in November and December once those figures
9 are audited.

10 PATCO ridership against last year is up, as
11 are the net passenger revenues. This is just a great
12 success story throughout the Authority in terms of
13 both PATCO and DRPA. We are significantly ahead
14 against budget for DRPA and toll revenues. Again,
15 those numbers will increase as we audit November and
16 December figures.

17 PATCO ridership is slightly down through
18 November 30th; but year-to-date versus budget,
19 ridership was only around 31,000 ridership less than
20 budget, and a lot of that is attributable to the snow
21 in the early part of the year.

22 In terms of budget, we are significantly under

1 budget and we continue to have significant resources
2 both in the Project Fund and the General Fund to
3 position us to fund our Five-Year Capital Program.

4 The final thing I'd like to mention is that
5 before the Board today there is a rather complex SS&R
6 related to, essentially, the extension of several
7 Letters of Credit. We have three Letters of Credit
8 that are maturing this year with Bank of America,
9 Royal Bank of Canada, and The Bank of New York Mellon.
10 The resolution basically calls for extending those
11 Letters of Credit in order to give us sufficient time
12 to complete an RFP so that we can make a decision as
13 to whether or not we will renew them or seek
14 alternative financing structures in order to diversify
15 that particular portfolio. That concludes my remarks.

16 CHAIRMAN BOYER: Thank you. Does anyone have
17 any further questions of the Chief Financial Officer?
18 If not, we'll move for the Approval of December 9,
19 2015, DRPA Board Meeting Minutes.

20 COMMISSIONER FIOL-SILVA: So moved.

21 CHAIRMAN BOYER: Can I get a second?

22 COMMISSIONER HEPKINS: Second.

1 CHAIRMAN BOYER: All those in favor?

2 ALL: Aye.

3 CHAIRMAN BOYER: All opposed? Ayes have it.

4 On Monthly List of Previously Approved

5 Payments and Monthly List of Previously Approved

6 Purchase Orders and Contracts Covering the Month of

7 December 2015, I'll accept a motion to receive and

8 file the Monthly List of Previously Approved Purchase

9 Orders and Contracts Covering the Month of December

10 2015.

11 COMMISSIONER HEPKINS: So moved.

12 COMMISSIONER FRATTALI: Second.

13 CHAIRMAN BOYER: All those in favor?

14 ALL: Aye.

15 CHAIRMAN BOYER: All opposed? Ayes have it.

16 Approval of the Operations and Maintenance

17 Committee Meeting Minutes of December 3, 2015 and

18 January 5, 2016.

19 COMMISSIONER FENTRESS: So moved.

20 COMMISSIONER FRATTALI: Second.

21 CHAIRMAN BOYER: All those in favor?

22 ALL: Aye.

1 CHAIRMAN BOYER: All opposed? Ayes have it.

2 Adoption of Resolutions approved by the
3 Operations and Maintenance Committee on January 5,
4 2016. There are nine items from the Operations and
5 Maintenance Committee for consideration. They are as
6 follows:

7 DRPA-16-001: Design Service for Commodore
8 Barry Bridge Structural Rehabilitation Phase 2.

9 DRPA-16-002: Capital Project Contract
10 Modification.

11 DRPA-16-003: Procurement and Delivery of
12 Highway Rock Salt for DRPA and PATCO Facilities.

13 DRPA-16-004: Procurement of three 2016 Dump
14 Trucks.

15 DRPA-16-005: Procurement of two Case Wheel
16 Loaders.

17 DRPA-16-006: Procurement of one 2016
18 120-Gallon Pressure Pot Track Mounted Stripper.

19 DRPA-16-007: Procurement of two 2016 JLG
20 Aerial Lifts.

21 DRPA-16-008: Sustainability and Resource
22 Efficiency Consultant Services.

1 DRPA-16-009: Public Safety Radio Five-Year
2 Replacement Project, Year Number 4.

3 COMMISSIONER FENTRESS: Move the motion.

4 CHAIRMAN BOYER: Can I get a second?

5 COMMISSIONER DiANTONIO: Second.

6 CHAIRMAN BOYER: All those in favor?

7 ALL: Aye.

8 CHAIRMAN BOYER: All opposed? Ayes carry.

9 Adoption of Resolutions approved by the
10 Finance Committee on January 13, 2016. There are four
11 items from the Finance Committee for your
12 consideration.

13 Authorization for Extension of Stated
14 Expiration Dates of Letters of Credit for 2008A,
15 2010B, and 2010C Revenue Refunding Bonds and to
16 Disseminate RFPs for Alternate of Replacement
17 Liquidity and Financing Structures for 2008A, 2008B,
18 2010A, 2010B, and 2010C Revenue Refunding Bonds.

19 Since that's so complicated, we are going to
20 do that as a stand-alone. Could I get a motion?

21 COMMISSIONER FRATTALI: So moved.

22 COMMISSIONER DiANTONIO: Second.

1 CHAIRMAN BOYER: All in favor?

2 ALL: Aye.

3 CHAIRMAN BOYER: All opposed? Ayes carry.

4 DRPA-16-011: Modification of Current Temporary
5 Workers Contracts.

6 DRPA-16-012: Records Management Consultant
7 Services.

8 DRPA-16-013: Compensation for Specialty Legal
9 Services.

10 Can I get a motion to adopt these resolutions?

11 COMMISSIONER FRATTALI: So moved.

12 COMMISSIONER SWEENEY: Second.

13 CHAIRMAN BOYER: All in favor?

14 ALL: Aye.

15 CHAIRMAN BOYER: All opposed? Ayes carry.

16 Adoption of Resolution approved by the Audit
17 Committee on January 13, 2016. There is one item from
18 the Audit Committee for consideration. It is as
19 follows:

20 DRPA-16-014: Ethics Policy.

21 COMMISSIONER FENTRESS: Move the motion.

22 COMMISSIONER HEPKINS: Second.

1 CHAIRMAN BOYER: All in favor?

2 ALL: Aye.

3 CHAIRMAN BOYER: Ayes carry.

4 There are no items for Unfinished Business.

5 New Business; there are two items for New
6 Business.

7 DRPA-16-015: Consideration of Pending DRPA
8 Contracts between \$25,000 and \$100,000.

9 COMMISSIONER FRATTALI: So moved.

10 CHAIRMAN BOYER: Second?

11 COMMISSIONER SWEENEY: Second.

12 CHAIRMAN BOYER: All in favor?

13 ALL: Aye.

14 CHAIRMAN BOYER: All opposed? Ayes carry.

15 As we mentioned before, I'm taking a motion to
16 table DRPA-16-016: Salary Adjustment for the Chief
17 Executive Officer, John Hanson.

18 COMMISSIONER FENTRESS: Move the motion.

19 COMMISSIONER TAYLOR: Second.

20 CHAIRMAN BOYER: All in favor?

21 ALL: Aye.

22 CHAIRMAN BOYER: All opposed? Ayes carry.

1 Do we have a report for the Citizens Advisory
2 Committee?

3 (No response)

4 CHAIRMAN BOYER: There being none, do we have
5 any public comments? Go to the podium and please
6 state your name for the record and spell your last
7 name, please.

8 MR. HOSEY: Good morning, my name is Bill
9 Hosey, President of IBEW Local 351. I'm here for a
10 couple of reasons, and I'll give you a little history.
11 Right now, the IBEW 351 represents over 2,000 active
12 members and 800 retirees in South Jersey and other
13 locations. The retirees are in 20 states.

14 In this building we have 23 members of the
15 IBEW on the 6th Floor. We had proposed a certain wage
16 increase to the Labor Committee. The Labor Committee
17 was going to move it forward in November, but it got
18 pulled from November's meeting. The phone call I got
19 said that it was pulled over healthcare reasons; that
20 they wanted to see the different options for
21 healthcare.

22 Yesterday morning at six o'clock, my newspaper

1 comes and I see in the *Courier-Post* the future
2 possibility of Mr. Hanson's raise. Through the day my
3 phone, of course, blew up and my e-mail was full with
4 different people questioning the raise.

5 I'll be clear; I support the raise. The IBEW
6 thinks that anybody that actually does their job
7 should get their money. And for him to be working at
8 a lesser rate than Mr. Matheussen did before him is a
9 shame. At the same time, though, there are 23
10 employees downstairs who have about 90 people in their
11 families. For those employees to have four years
12 without a pay increase -- and basically the four years
13 that was proposed ends up being a 7.95 percent
14 increase, just to make them whole, in my opinion, --
15 and for it not to move forward over healthcare,
16 especially since healthcare is not part of the package
17 to be negotiated, I think it's a mistake, and I think
18 it's a shame that it hasn't moved forward.

19 I believe those 23 people have earned that
20 raise. I believe the CEO should get his raise. It's
21 one of those things where if you just look at the
22 issue, there's just a right way to play things or do

1 things. And with that said, he's owed the money and
2 so are the 23 employees.

3 They have come here day-in and day-out. And
4 I'm sure out of that group of 23, there might be some
5 college kids involved. When I say that, if the
6 freshmen start at Day 1 and the parents are thinking
7 "how am I going to afford the future increases of
8 college" and they don't get a raise, it's not what
9 we're all about. It's basically society.

10 And for this administration not to -- I know
11 where it ends up, it goes up to Trenton, and Trenton
12 is the issue, I understand that. But it's one of
13 those things where it should move forward. That's
14 very clear as far as what this Board does, as far as
15 raises. I understand that the building didn't get a
16 raise for many years; last year they did get a raise,
17 and rightfully so. The people here that day-in and
18 day-out make sure South Jersey connects to
19 Philadelphia; they need to get their raises.

20 I'm here to make sure it's a front-burner
21 issue and it stays a front-burner issue with you and
22 Trenton. At the same time, make sure that it's done

1 right as far as raises from the CEO all the way down
2 to the toll collector -- and I don't represent the
3 toll collectors. But, at the same time, the group
4 down on the 6th Floor keeps all the networks
5 continuing to work for this agency. There hasn't been
6 a glitch ever. They were here for the Pope, sleeping
7 here, for making sure that the bridges were actually
8 still active.

9 I ask you as Commissioners and as you, the
10 Chairman, to keep this as a front-burner issue. We
11 need to get this done as soon as possible. Thank you.

12 CHAIRMAN BOYER: Thank you. I appreciate
13 those remarks and I agree with the vast majority of
14 what you said. You can trust me and the Commissioners
15 that it is on the front burner. We'd like to thank
16 all the workers here who have worked without raises
17 and pay increases for an extraordinary amount of time.
18 Particularly when the Pope came, they shined. And
19 they should be rewarded for that.

20 We are working on that very diligently, and it
21 will be a top-burner issue for me.

22 Commissioner Dougherty?

1 COMMISSIONER DOUGHERTY: Yes, I just want to
2 follow up my good friend and partner in the IBEW,
3 Mr. Hosey. This is the first time I've actually ever
4 spoken on an IBEW issue, all the times I've been here.
5 Like 90 percent of the clothing I have at home has
6 IBEW across the top of it. So that guy and the people
7 that he represents are in this building all the time.
8 He's been to at least 25 Board meetings since I've
9 been here, and he has been nothing but supportive. So
10 for him to get up and voice a concern, that is a much
11 larger concern for me today than it was yesterday,
12 because I know that he would not come here unless he
13 felt that something was broke.

14 Just to paraphrase my previous five minutes,
15 he's a good guy who loves this region, loves this
16 building, and respects this process. For him to get
17 up and say something, that means that he's getting
18 frustrated with what's going on here. Now, for him to
19 get frustrated that sends me a message that something
20 is broke inside.

21 Now, I know we don't have a big-time game plan
22 on how to handle raises. I've been talking about that

1 for the last three years. I've asked for some sort of
2 business game plan or business approach to how we do
3 raises. We just can't keep asking people to work --
4 you know, this weekend, if we get hit with a couple of
5 feet of snow, we're going to ask people to come to
6 work, make sure these bridges stay open, make sure we
7 keep our revenue sources, and we're going to do it as
8 usual. People have to be rewarded and we just can't
9 pick and choose.

10 Again, the comment, because it will definitely
11 run parallel to Hanson's raise. If we had a game plan
12 that was a calculated, detailed - if we had a
13 transparent business game plan here, we wouldn't be
14 playing around with all these acting titles and moving
15 money around because we're paralyzed by politics or
16 we're paralyzed by -- in some cases, we've referred to
17 Trenton, it's not Trenton, it's here. We make the
18 case here on people, what they deserve, and we should
19 spend a little bit more time.

20 We table it and we talk about it in between
21 meetings. Let's spend some time. The greatest
22 resource that we have at the DRPA is the people who

1 work here, so we have to make sure we make them a top
2 priority.

3 I've been here when we had no money. I was
4 here when we had a lot of conversation about the
5 money, where it was going. We were spending
6 \$25 million on brick and mortar, when we should have
7 been spending \$25 million and making sure that these
8 guys got raises and that they had healthcare.

9 Again, for him to get up, that just sends a
10 message to all of us that something is broke inside
11 the building right now.

12 CHAIRMAN BOYER: Any other comments?

13 VICE CHAIRMAN NASH: Yes, Mr. Chairman.
14 First, I agree with what has been said. Mr. Hosey,
15 I've known for many years as a good friend and a
16 terrific labor leader, representing the men and women
17 who serve the IBEW in New Jersey. And he is correct;
18 we have to take a hard look at this. The one
19 assurance that I can give to the representatives of
20 IBEW is that this is a top priority issue for us.

21 I don't believe that the system is broken. We
22 are now in a position because of our prudence over the

1 past several years and outstanding management -- as
2 reflected in the certificates that you gave yourself
3 today, the management of this organization and the
4 financial management of the organization has resulted
5 in a position where the DRPA is in excellent financial
6 shape, as reflected by the reports of the Wall Street
7 rating agencies.

8 We are in a position now to provide reasonable
9 raises for the employees, as we did last year for the
10 non-represented. I think John's "raise" today is not
11 a raise, -- what has been suggested is that he take
12 over the salary that was left by his predecessor. The
13 job of CEO has a certain title and it has a certain
14 salary attached to it, and that is what this DRPA is
15 going to consider. It is not a raise, *per se*. He has
16 been earning the same amount of money as he did in his
17 former position as CFO.

18 So let's be very clear about that. I don't
19 want to criticize the media, but I think it was a
20 little bit misleading as it was reflected in some of
21 the articles. But the reason it is being tabled is
22 simply because we have a process. This raise did not

1 go through a process.

2 One of the great things that we have
3 accomplished over the past several years is that we
4 do have transparency; it is important that all of the
5 raises, especially for the CEO, go through the Labor
6 Committee, are discussed there, are voted through the
7 Labor Committee, and then come back to the Board.

8 As far as the IBEW, because we are now in a
9 good financial position, we are in a position to
10 consider reasonable raises for the represented
11 employees. And, Bill, I can assure you that this is a
12 top-burner issue for the Chairman -- we have discussed
13 this many times -- and for the other Commissioners
14 that I've discussed it with, and we will get this
15 resolved.

16 It's not necessarily a Trenton issue. I think
17 Trenton just wants us to be prudent, because they are
18 dealing with not only the DRPA, which has a good
19 financial position, but they're dealing with all of
20 the authorities throughout the State of New Jersey and
21 the employees of the State of New Jersey, and they are
22 not all in such a good position. So they have to put

1 the pieces of the puzzle together.

2 Our job is to understand that, to work with
3 them and to provide reasonable raises for our
4 employees. And we are working very hard to accomplish
5 that. I think within the next 30 days, we will have
6 done that. That's my position.

7 MR. HANSON: Chairman?

8 CHAIRMAN BOYER: We're going to go to Hanson,
9 then Commissioner Dougherty.

10 MR. HANSON: I just want to add that
11 Mr. Franzini from the IUOE is with us today; he is
12 also working very hard to try and resolve the issues
13 regarding the IUOE contract with us. I hear on a very
14 frequent basis from Mr. Bennett and Mr. Wells from the
15 Teamsters. All of these unions do not have contracts,
16 and we're working hard on that. So it is a big issue,
17 and we're talking about the people who do the work of
18 the organization.

19 CHAIRMAN BOYER: Commissioner Dougherty?

20 COMMISSIONER DOUGHERTY: No disrespect to
21 anybody at the table. I got paid to build buildings,
22 so when we were investing in economic development, it

1 was against my best interest to say we should stop
2 doing that. I presented 90 percent of the resolutions
3 to put us on the proper footing we're in today. I
4 asked back then for a calculated game plan or a
5 structure under which we can compensate the people
6 that work here. I don't know how many years that has
7 been. In fact, I've been on the Board, off the Board,
8 and back on the Board since that occurred.

9 Instead of us saying that we're going to take
10 this seriously, let's say we're going to handle it in
11 the next 30 days. Let's just come up with a time
12 frame; we've got three contracts that are suspended or
13 open-ended. Look, I'm not running for president.
14 I've been consistent. So has Trenton been consistent.
15 We understand where Trenton stands pertaining to
16 raises and the economy here.

17 We balance this budget. We don't want papers.
18 We want raises.

19 CHAIRMAN BOYER: Commissioner Dougherty, with
20 that being said, I just want to let you know that we
21 have been diligently working on a game plan. We have
22 a CCI study that should be done within the next 15

1 days, not 30 days, that will have a detailed listing
2 of not only salaries and where they should be, but
3 will compare the peer agencies in this region so that
4 we will have a very detailed argument when we go to
5 Trenton.

6 So, it is not like we're just bringing these
7 raises out of [thin air]. We have a very detailed,
8 structured approach that deals with numbers and
9 metrics that are measurable. It is my desire to have
10 this done by the next Board meeting or at least
11 present something to this Board at that time. And if
12 it goes up to Trenton and the governor exercises his
13 right to veto, that's something that we have to deal
14 with. But we have to do it in a very methodical
15 manner so that we have a reasonable amount of
16 certainty that he won't do that; I don't want to put
17 anyone on any train where they can see a raise but
18 it's like a mirage because we know that Trenton is not
19 going to pull.

20 But I agree that it starts with this table and
21 the will of this Board. I think this Board has the
22 will; we just have to put all the information that we

1 have together. Toni Brown and her team have been
2 leading that study, and that study should be done and
3 complete within the next 15 days.

4 Commissioner Taylor?

5 COMMISSIONER TAYLOR: Is Trenton aware that if
6 we don't compensate our people, we're going to lose
7 good people? Any organization that is going to
8 continue to move in a positive direction certainly has
9 to have good people; we have to be competitive. I
10 would hope that Trenton -- or anyplace else -- takes a
11 good look at the need for us to be competitive with
12 other agencies.

13 CHAIRMAN BOYER: I take the tack that Vice
14 Chair Nash just took. I don't want to chastise the
15 media, but sometimes that is the media's job to
16 understand that it is, you know, as the opportunity
17 calls. When you pay people low wages in an era when
18 wages are going up slightly and the economy is good,
19 you risk losing good people. You risk the efficiencies
20 that we've developed, because once you lose people,
21 you lose the efficiency.

22 We're not widgets. You don't just replace one

1 widget with the next. People power is the greatest
2 resource that we have, as Commissioner Dougherty said;
3 we have to understand that and we probably have to
4 make that argument a little more strongly. I have to
5 do that; that's my job, and I'll do it.

6 With that being said, that's going to be the
7 last word on that. We're going to hold in abeyance --

8 MR. SANTARELLI: Mr. Chairman, excuse me, just
9 one thing I wanted to note for the record. With
10 respect to Resolution 16-008, Vice Chairman Nash had
11 previously notified me that he would be abstaining,
12 and he did abstain in the Finance Committee. I just
13 wanted to make sure that his abstention in Number
14 16-008, 'Sustainability and Resource Efficiency
15 Consulting Services,' is noted for the record.

16 CHAIRMAN BOYER: Thank you, no problem.

17 We're now going to hold in abeyance the
18 Delaware River Port Authority Board meeting and
19 convene the PATCO Board meeting.
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(Whereupon, the meeting ended with a Motion to adjourn both DRPA and PATCO Board meetings on Wednesday, January 20, 2016 at 11:10 a.m.)

Respectfully Submitted,

Raymond J. Santarelli
General Counsel and
Corporate Secretary

C E R T I F I C A T E

1
2 This is to certify that the attached
3 proceedings before the Delaware River Port Authority
4 on January 20, 2016, were held as herein appears, and
5 that this is the original transcript thereof for the
6 file of the Authority.
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10 Tom Bowman
11 Tom Bowman
12 FREE STATE REPORTING, INC.
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