

Roadmap to World-Class Stewardship



STRATEGIC PLAN
2018-2022



STEWARDSHIP. SERVICE. COMMUNITY.





ROADMAP TO WORLD-CLASS STEWARDSHIP

STRATEGIC PLAN | 2018-2022

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A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Over the past few years, the Authority has accomplished important work and made progress to address the most important challenges facing the DRPA and PATCO. However, we acknowledge there is more work to do to demonstrate the value of the services that we deliver to the regional community in the spirit of **STEWARDSHIP, SERVICE, AND COMMUNITY**. Improving the health and quality of our organizational systems, processes and structures is of paramount importance to support our mission to serve our community with quality and dedication for years to come.

Recently, we reevaluated our mission, purpose, and the manner in which we provide transportation services within the Greater Philadelphia region. In 2015, our Board of Commissioners approved a new mission statement and a vision statement that focused on the Authority's transportation mission and purpose of stewardship and service in operating and caring for the critical transportation infrastructure and facilities we hold in trust for the public.

Our mission and vision are intended to articulate the highest standards of quality and accountability that is expected from employees and the Board of Commissioners in service to the public. Our vision is to be regarded as a "**world-class stewardship organization**" by those we serve throughout our community and conveys the positive outcomes that we are committed to delivering.

In late 2016, the Authority initiated a new strategic planning process to help identify and address the major challenges and opportunities facing the Authority over the next five years, and to develop and implement strategies that reflect our organizational capacity to deliver services that are most responsive to the needs of our stakeholders.

This strategic plan **“Roadmap to World-Class Stewardship: 2018-2022”** will be used as a tool for decision making and resource allocation, and through its implementation and refinement, it will help the Authority more effectively manage our internal environment and the external influences that may impact the organization. The plan will serve as a road map, and as we translate the initiatives and tactics described into actions and results, we will move the Authority closer to realizing our vision of a world-class stewardship organization that consistently meets the highest standards of excellence in delivering its services.

This document includes several new initiatives that will enable us to continue to advance a culture of positive change focused on continuous improvement, accountability and the advancement of the DRPA and PATCO as world-class operators and stewards of critical transportation assets that support the community and the regional economy.

We are going to track each initiative at a granular level. Some initiatives are already underway, others are in development; for some we will need to build the systems and infrastructure that will yield substantive results over time.

Together, the Board of Commissioners, management, and all employees strive to create a culture of collaboration, authentic communication, and continuous improvement. This philosophy helps us to more effectively adapt in ever-changing political, technological and economic environments and to more successfully perform our role as a valuable part of the region’s transportation infrastructure.

Yours truly,



John T. Hanson
Chief Executive Officer, Delaware River Port Authority
President, Port Authority Transit Corporation

DRPA FACILITIES



BENJAMIN FRANKLIN BRIDGE
Opened: July 1, 1926



WALT WHITMAN BRIDGE
Opened: May 16, 1957



COMMODORE BARRY BRIDGE
Opened: February 1, 1974



BETSY ROSS BRIDGE
Opened: April 30, 1976



PATCO
Opened: February 15, 1969



ONE PORT CENTER
Opened: 1996

MAJOR TRANSPORTATION INFRASTRUCTURE ASSETS

Facility	Year Opened	Span/Track Mileage	2017 Traffic (one-way) /Ridership
Benjamin Franklin Bridge	1926	1.81	18.5 million
Walt Whitman Bridge	1957	2.10	19.9 million
Commodore Barry Bridge	1974	2.80	7.5 million
Betsy Ross Bridge	1976	1.25	7.0 million
PATCO Transit System	1969	14.9	10.8 million
Total		22.9	63.7 million

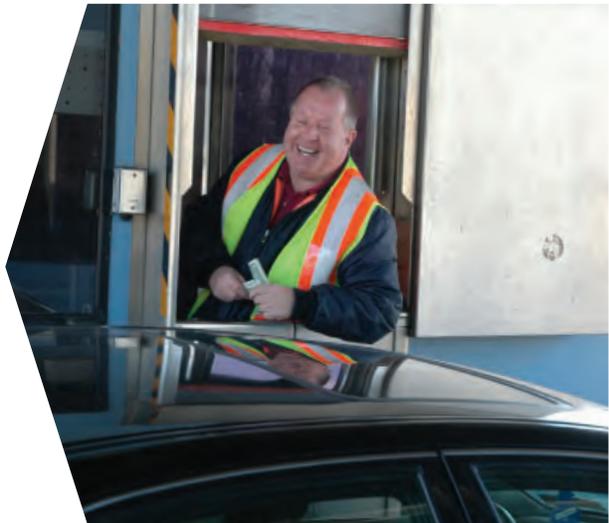
INTRODUCTION

The Delaware River Port Authority (“DRPA”, “Authority” or “Organization”) is a bi-state transportation agency serving the southeastern Pennsylvania and southern New Jersey region. It owns and operates four major toll bridge crossings of the Delaware River and its transit subsidiary, the Port Authority Transit Corporation (“PATCO”), operates a rapid transit line providing public transportation service between Philadelphia and New Jersey. These assets represent a critical component of the transportation infrastructure of the Philadelphia metropolitan region. Stewardship of these assets and service to the public through safe and efficient operation of transportation services are regarded as the root of its mission.

PURPOSE OF STRATEGIC PLAN

In keeping with this stewardship mission, the DRPA is committed to developing a greater capacity to sustain and improve the quality and efficiency of the services it delivers over the long-term and to improve the experience and engagement of its customers and stakeholders. Accordingly, the Board of Commissioners (“Board”) and senior management have undertaken a systematic strategic planning process to define critical issues, outline the strategic direction for the Authority and identify and implement tactics and initiatives to achieve organizational objectives. The resulting strategic plan and its implementation will help to guide resource allocation, ensure continuity in decision making and enhance the Authority’s ability to realize its vision and mission over the next five years.

Further, the planning process and the execution of the plan will help improve the Authority’s level of performance and its ability to deliver, measure and demonstrate value to the public. Opportunities for public input have sharpened management’s understanding of stakeholders’ needs and expectations. Crucially, these stakeholders include not only customers of the DRPA’s transportation services, but the broader public that relies directly or indirectly on the Organization’s contribution to the regional transportation infrastructure. The Authority recognizes the interdependence of transportation systems and modes across the metropolitan region and across states and embraces its role in creating value for the region within this framework.



PLANNING PROCESS

The strategic planning process has been spearheaded by the Board, which authorized its development and established the strategic priorities for the organization. Management has developed goals, metrics and initiatives based on these board-determined objectives and will be responsible for its ongoing implementation. The planning process has been managed by the Authority's Strategic Initiatives Department with the support of a consultant and in consultation with DRPA's senior leadership team.

The graphic on the right shows the stages of the strategic planning process and the components included in each.

- An extensive information gathering process concluded with internal questionnaires to the Board and senior management which helped to define priority issues for the planning discussion phase;
- Internal strategic planning sessions with the Board and senior management teams were complemented with external input via focus groups and an online public survey to ensure a robust conversation on agency priorities and direction;
- Detailed development of objectives, goals and metrics included in this plan facilitates the translation of strategic goals into actionable directives; and
- Crucially, the forthcoming implementation phase will ensure that the plan is realized over the five-year planning horizon.

BALANCED SCORECARD APPROACH

The planning process followed an adapted balanced scorecard approach, a widely used strategic planning technique in the private and public sectors that helps organizations clarify and manage their goals and objectives. Within this process, strategic objectives, performance measures and resource allocation decisions are determined by a broad set of financial, operational, customer and organizational factors or perspectives. This breadth of perspectives allows the organization to maintain "balance" among each of its critical business areas, and delivers a more holistic representation of overall value creation.

STAGES OF STRATEGIC PLANNING

INFORMATION GATHERING

- Document Review
- Staff Discussion
- Internal Questionnaires

PLANNING DISCUSSIONS

- Commissioner & Management Strategic Planning Sessions
- External Focus Groups
- Public Input Tool

PLAN DEVELOPMENT

- Strategic Plan
- Goals
- Objectives
- Metrics

PLAN IMPLEMENTATION

- Communication & Goal Deployment
- Budget Alignment
- Department Strategic Plans
- Tracking & Accountability System
- Assessment & Refinement Process

INTERNAL QUESTIONNAIRES

As a component of the information gathering phase of the planning process, internal questionnaires were distributed to the Board and senior management. The questionnaires were intended to provide insight into the current state of the organization, understand priorities, surface key constraints and obstacles, and source ideas for consideration during the planning process. Building upon prior insights from the information gathering phase, questionnaires included a mix of general strategic planning questions and specific industry and functional questions pertinent to the organization. Responses were collected from the Board and senior management through an online survey tool, and helped the Board and Management to expound the Authority's public value proposition. There is internal consensus that the key attributes of public value to which the Authority must direct its focus and resources over the next five years are communication, transparency, diversity, accountability and continuous improvement. Significant internal challenges related to staffing and organizational processes were consistently identified as a potential impediment to the delivery of efficient operations and management over the long-term and accordingly were consistently raised as an area for consideration in the planning process.

Additionally, the establishment of appropriate, achievable and comprehensive goals and metrics (both financial and non-financial) were identified as an important outcome for the planning process. This insight helped to shape a strategic planning process focused less on defining appropriate services for the organization to pursue and more on helping the organization clearly define and execute its new "Stewardship. Service. Community." vision.

INTERNAL STRATEGIC PLANNING SESSIONS

Internal strategic planning sessions were undertaken, first with the Board and then subsequently with senior management. These sessions were facilitated by the consultant team under the management of the Strategic Initiatives Department.

As the graphic below shows, the Commissioners' planning session goal was to identify the organization's key strategic categories and components and determine each category's priorities and objectives. These outcomes were then used by senior management to determine preliminary goals, metrics, tactics and initiatives necessary to fulfill these Commissioner-defined objectives.



These components were further refined in subsequent discussions led by the Strategic Initiatives Department resulting in the final goals, metrics, tactics and initiatives for each objective outlined in this plan. Moving forward, further work is planned to ensure that departmental goals, metrics and initiatives are in alignment with the direction set forth in this plan.



EXTERNAL FOCUS GROUPS AND PUBLIC INPUT SURVEY

In parallel with internal planning sessions, external input related to stakeholder needs, priorities, and expectations was sought and incorporated into the project through focus groups and an online survey. Insights from this process helped to shape and refine the development and prioritization of goals and initiatives outlined in this plan.

A series of four (4) focus groups were conducted with members of the Philadelphia/southern New Jersey general population and with specific stakeholders. The purpose of the focus groups was to investigate and provide qualitative research findings of awareness and attitudes towards the DRPA and its impact as a steward of public properties. The four groups were divided as follows:

- **Group A** – Pennsylvania citizen customers;
- **Group B** – DRPA Citizens Advisory Committee (CAC) members;
- **Group C** – New Jersey citizen customers; and
- **Group D** – Pennsylvania and New Jersey businesses and stakeholders.

Participants were recruited using a mix of standard recruitment techniques including nominations, invitations to existing groups and volunteers. Each focus group contained nine (9) to twelve (12) participants and lasted approximately two (2) hours long. Participants were relatively evenly split between bridge drivers and PATCO riders. The average frequency of travel was three to four times per week.

The public input questionnaire was available through the DRPA's website for approximately two weeks. The survey received a total of 532 responses within this period. A variety of channels were utilized to inform the public of the opportunity to take the survey and contribute their insight to the strategic planning process. Collectively, these tactics were effective in garnering a significant volume of public response.

- **Web** – The survey resided on a dedicated page on the DRPA website which was promoted through banner displays on the homepage of both the PATCO and DRPA websites;
- **Press** – A press release was issued describing the survey. This resulted in media coverage

- including an article in the Courier-Post which preceded the largest single day of responses;
- **Direct Messaging** – PATCO seat drops and display boards were used to inform riders about the survey and information was conveyed via message boards;
- **Email** – Email messages regarding the survey were sent to customer and public contact lists; and
- **Social Media** – The survey was promoted extensively on both the DRPA’s and PATCO’s social media channels throughout the response period.

Outreach to its customers and the general public, through the convening of focus groups and the issuance of an online questionnaire, was the first such research-driven outreach effort in more than twenty years. The level of public response was encouraging and the stakeholder input was essential to achieving a well-rounded strategic planning process.

Participants in this external process generally reflected one of two types of stakeholders. The first were users of the DRPA’s services, whose input was often focused on customer satisfaction issues such as service quality, reliability and cleanliness, among other issues. The second, were regional citizens, who focused their input on issues surrounding the management of public assets and were more likely to be aware of the organization and its history. This bifurcated response suggests that in addition to the operational priorities raised by stakeholders, the organization needs to (1) continually demonstrate its transparency and its sound fiscal and physical management of public assets and (2) seek ways to communicate this mission and any related actions to the public. This strategic plan is the first step in that process.

IMPLEMENTATION

Importantly, the DRPA recognizes that a strategic plan is only as valuable as the willingness and ability of an organization to implement it. Accordingly, the organization is taking steps to establish a formal implementation program. As set forth in the final section of this document, the purpose of this process is to ensure that the direction set forth within the plan is translated into the organization’s daily operations and the work of all its employees. Further, a refinement process is incorporated to ensure that the plan remains adaptable to changing circumstances.

It is also worthwhile to consider the broad economic framework of public transit provision. Large-scale transportation infrastructure is, by nature, capital intensive requiring major upfront investments and ongoing maintenance costs. These investments yield benefits that are somewhat diffuse among the region’s citizens and businesses rather than easily quantified and captured by a single beneficiary. In addition, for mass transit modes such as fixed rail, there is a public interest in maintaining fare levels that enable a broad swath of citizens to access these services and the mobility they provide to support the regional economy and improve the quality of life. This means that mass transit systems generally are not financially self-sufficient, though they generate broad positive public benefits. Among these is the reduction in congestion which means that motorists who do not utilize transit are nonetheless direct beneficiaries of its existence.



MISSION & VISION: A PICTURE OF A CHANGING ORGANIZATION

The DRPA's 1992 compact amendment broadened the Authority's mandate in the fields of port enhancement and economic development. In keeping with this vision, the organization was involved in a number of regional economic development initiatives and projects over the subsequent two decades, a practice which generated considerable public debate and stretched the financial position of the Authority. Over the past few years, the Board has overseen a refocusing on the core transportation mission and on earning the trust of the public through sound management of its assets. Highlighted accomplishments include:

- In August 2008, the DRPA Board voted that no proceeds from the bridge toll and PATCO fare increases approved in 2008 would be used for economic development investments. Subsequent Board actions in 2010 and 2011 currently prevent the Authority from making expenditures that are not directly related to its core business of operating, maintaining and improving transportation services and facilities. The Authority continues to wind down the economic development program and has made good progress over the past five years with project closeouts, loan payoffs and through the reallocation of unspent funds to capital projects. While there are a few projects still underway that DRPA is obligated to fund under existing contracts, beyond those specific projects, the Authority is focusing our resources solely on fulfilling our core mission – Transportation. There have been no new economic development spending or investments since 2011.
- In 2010, a Citizens Advisory Committee (CAC) was launched that serves as an independent representative of service users;
- In 2010 the Board Audit Committee was established;
- In 2016 the Board established the Diversity & Inclusion Subcommittee under the Labor Committee to reinforce the Authority's longstanding commitment to equal contracting and employment opportunities for all and to ensure that the Authority achieves or exceeds its hiring and procurement goals;





- In 2010, the Authority established the Office of the Inspector General which reports directly to the Audit Committee;

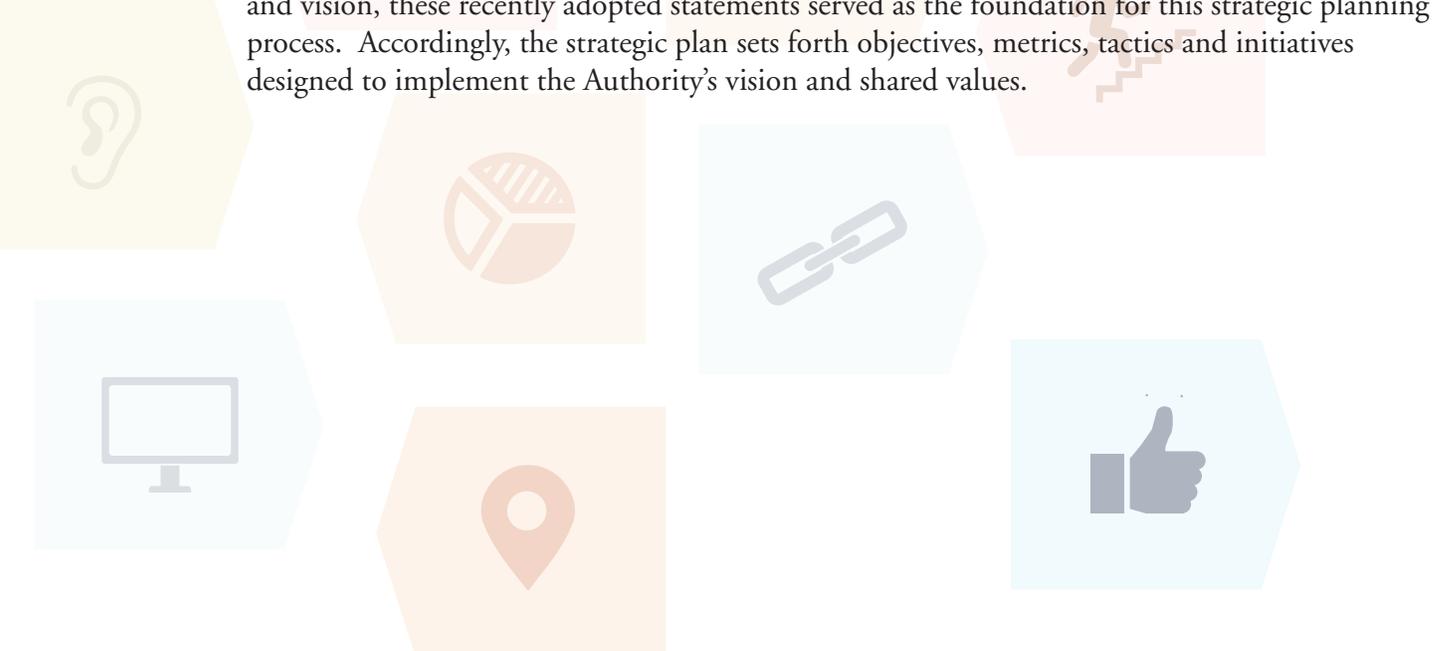
- As noted in the prior section, financial management reforms were undertaken, resulting in bond rating upgrades in 2013, 2016, and 2017;

- In 2014, the CEO conducted an extensive employee outreach program followed by a comprehensive Employee Viewpoint Survey that were designed to support the integration of a stewardship vision throughout the organization, and as an organizational diagnostic tool to help assess the state of the DRPA and its leadership from the perspective of the employees who are closest to the work and the services provided.

MISSION AND VISION

In 2015, the DRPA Board of Commissioners approved a new mission statement and a vision statement that refocused the Authority’s transportation mission and more clearly reflects the Authority’s purpose of stewardship and service in looking after the critical transportation infrastructure and facilities it holds in trust for the public. The mission and vision support DRPA’s highest organizational values, including community stewardship, collaboration and continuous improvement, and guide our actions and reinforce the Authority’s singular focus and commitment to its core transportation mission. As a part of this effort, a new tag line was also created – **STEWARDSHIP, SERVICE, AND COMMUNITY.** – to reinforce the new mission and vision.

While many strategic planning processes begin with a reconsideration of organizational mission and vision, these recently adopted statements served as the foundation for this strategic planning process. Accordingly, the strategic plan sets forth objectives, metrics, tactics and initiatives designed to implement the Authority’s vision and shared values.



MISSION STATEMENT

As stewards of public assets, we provide for the safe and efficient operation of transportation services and facilities in a manner that creates value for the public we serve.

VISION STATEMENT

Together we are world-class stewards of public transportation assets. Working collaboratively across all business units, we operate, maintain, improve and protect transportation infrastructure for the benefit of the citizens we serve throughout the Greater Philadelphia Region. We are committed to building credibility, earning public trust and creating public value.



**DELAWARE RIVER
PORT AUTHORITY**



STEWARDSHIP. SERVICE. COMMUNITY.

SHARED VALUES

COMMUNITY STEWARDSHIP

We recognize that the bridges and PATCO line have been entrusted into our care by the community. We are decisive and action-oriented in attending to the **stewardship** of our core assets and exemplary service for the benefit of our community.

AUTHENTIC COMMUNICATION

We seek empathy, awareness and understanding in all of our interactions and activities. We speak clearly and respectfully and encourage the **open exchange of ideas and information**, and active listening.

HUMILITY

We recognize the importance of **service to the community**, and we are sincere in acknowledging the contributions and achievements of others along with our own contributions and achievements. We conduct ourselves with compassion, modesty and decorum in all our dealings.

FAIRNESS & EQUITY

Each of us are entitled to **equal opportunity**. We strive to see things from the point of view of our colleagues, customers and other stakeholders. We seek to maintain equity and fairness in all interactions.

SAFETY FIRST

We promote **safety first** in all we do. Our commitment to safety is of paramount importance and will not be compromised.

DIVERSITY & INCLUSION

We recognize and accept the diverse roles and contributions of each member of our community, and we actively seek to make new

connections, **to understand others' views and perspectives** and to ensure that many opinions and beliefs inform and enrich the work we do.

COLLABORATION

We always recognize the value of the ideas and opinions of our colleagues, customers and other stakeholders. We promote **collaboration**, initiative and creativity. We work together across all business units to build rapport and trust among employees, foster greater employee participation on teams, and employ the talents, strengths and abilities of each team member to generate better results and outcomes in delivering services to the community.

GROWTH & DEVELOPMENT

We seek to grow and develop professionally and personally and support the same growth and development in our colleagues. We serve as mentors to our peers and subordinates to mutually **inspire positive behaviors** and share our knowledge and insights.

CREDIBILITY

We always follow through on our commitments. We do the things we say we are going to do and we **act with integrity** and consistency to build trust within our community.

CONTINUOUS IMPROVEMENT

We are genuinely interested in finding new and **better ways to approach our work** and to improve our work environment and experiences. We encourage restlessness, curiosity, creativity, active learning and inquisitiveness to create a vibrant and energetic community where people admire and respect one another.

STRATEGIC PLAN DEFINITIONS

STRATEGIC OBJECTIVES

The Board participated in a strategic planning session to discuss the major issues facing the agency. As a result, the Board categorized high-level objectives for the organization to achieve in key areas over the next five years. The objectives were chosen because of their importance in delivering core transportation services, increasing the efficiency of the organization and improving customer satisfaction. These selected objectives also help to anchor the organization in the core competencies established in the mission and vision statements.

ADAPTED BALANCED SCORECARD FOR THE DRPA

The Board organized the strategic objectives within a balanced scorecard framework. According to the Balance Scorecard Institute, “a balanced scorecard helps to align business activities to the vision and strategy of the organization, improve internal and external communications and monitor organization performance against strategic goals.” The balance scorecard concept was adapted to reflect the public sector environment within which the Authority operates and the organization’s specific attributes and challenges. The adoption of this framework also demonstrates its intention to utilize an accountability-oriented approach to future planning and implementation. Each of the five strategic focus areas that comprise the Authority’s balanced scorecard represent an area that currently constrains the performance of its mission and requires proper attention over the next five years.



STRATEGIC FOCUS AREAS

1. INFRASTRUCTURE, FACILITIES & EQUIPMENT STEWARDSHIP

Strategic Objective: To protect and preserve physical assets with prudent capital investments and an emphasis on safety, security, asset reliability and sustainability

2. USER AND BENEFICIARY SATISFACTION

Strategic Objective: To provide both bridge and transit stakeholders with quality, reliable and safe service that seamlessly integrates with the region’s transportation network

3. ORGANIZATIONAL STRENGTH AND CAPACITY

Strategic Objective: To attract, develop and retain a diverse, skilled, committed and professional workforce and to provide employees with opportunities for growth

4. EFFICIENCIES AND PROCESS IMPROVEMENTS

Strategic Objective: To strengthen governance and business processes in a manner that enhances decision-making, furthers operational efficiency and yields financial benefits

5. PRUDENT DEPLOYMENT OF RESOURCES

Strategic Objective: To responsibly and efficiently manage financial and transportation operations, and acquire, deploy and dispose business assets

STRATEGIC GOALS AND METRICS

Each strategic objective has specific goals and implementation measures associated with it. These have been identified to help guide the Authority through the implementation of the strategic plan. Within this context, these terms are defined as follows:

- Goals represent aspirational statements describing intended outcomes over the next five years, fulfilling the strategic objectives set forth by the Board;
- Metrics represent quantifiable and trackable indicators of the organization's progress. These indicators will help determine whether plan goals are accomplished; and
- Targets represent the numerical values of the metric that will be tested against actual performance.

Metrics have been developed with an iterative process involving DRPA executive and senior management. The metrics are based on numeric target levels that can be reasonably implemented in the five-year plan timeframe.

TACTICS AND INITIATIVES

Similarly, there are specific tactics and initiatives associated with each strategic goal. These are day to day operational tasks or programs that will be completed within the various organizational departments. It is important to note that some of these tactics are a part of normal operations and are therefore already taking place; while others are new tasks that will help the agency achieve its desired goals. These terms are defined as follows:

- Tactics describe the approach or strategy for how each goal will be achieved; and
- Initiatives describe high-priority programs, policies or projects that demonstrate the organization's efforts to meet the related goal and achieve the desired results.

In this strategic plan, tactics and initiatives are not only associated with a specific goal, but they are also assigned to a specific department which has the primary responsibility to complete it within the agreed upon timeframe.

STRATEGIC PLAN AT-A-GLANCE



STRATEGIC FOCUS AREA #1

INFRASTRUCTURE, FACILITIES AND EQUIPMENT STEWARDSHIP

STRATEGIC OBJECTIVE: Protect and preserve physical assets with prudent capital investments and an emphasis on safety, security, asset reliability and sustainability

GOAL A	GOAL B	GOAL C	GOAL D	GOAL E
 <p>RESOURCES FOR CAPITAL PROGRAM</p>	 <p>PREVENTIVE MAINTENANCE</p>	 <p>OPTIMAL RESOURCE ALLOCATION</p>	 <p>ENVIRONMENTAL IMPACT</p>	 <p>SAFETY</p>
<p>METRICS</p> <p>Ratio of funds available to fund current year capital program to the cost of current year capital budget.</p> <p>Ratio of funds available to fund 5-year capital program to the cost of the 5-year capital program.</p>	<p>METRICS</p> <p>On-time completion of routine inspections and preventive, regular and repair maintenance</p> <p>Ensure train car availability for peak service</p>	<p>METRICS</p> <p>On-time project completion rate for construction portion of capital projects.</p>	<p>METRICS</p> <p>Reduce energy consumption at facilities.</p>	<p>METRICS</p> <p>Injuries per 100 employees</p> <p>Reduce musculoskeletal injuries</p> <p>Reduce lost time claims due to workplace injuries</p>
<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Pay-as-you-go Capital Fund • 5-Year Capital Program • Annual General Fund Contributions • Asset Management Plan • Debt Management and Investment Strategies • Expenditure Control Strategies • Project Tracking 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Asset Management Program • Maintenance Tracking System 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • SAP Data Analysis • Track Allocation Meetings 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Comprehensive Energy Management & Sustainability Program • Energy and Resource Reduction Campaigns 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Supervisor Safety Observations • Job Hazard Analysis • Ergonomic Evaluation with task modification where needed
<p>EXECUTIVE SPONSOR</p> <p>Chief Engineer</p>	<p>EXECUTIVE SPONSOR</p> <p>Chief Engineer</p>	<p>EXECUTIVE SPONSOR</p> <p>Chief Engineer</p>	<p>EXECUTIVE SPONSOR</p> <p>Chief Executive Officer</p>	<p>EXECUTIVE SPONSOR</p> <p>General Manager, PATCO</p>

GOAL A

Ensure availability of financial resources to support the capital program and maintain assets in a state-of-good-repair

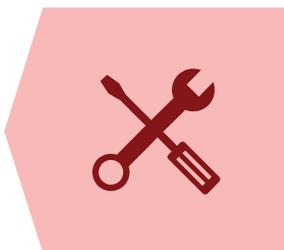
Management is focused on ensuring that sufficient capital resources are available to support the capital program and maintain transportation assets in a state-of-good-repair. The metrics for measuring this goal have been identified as the balance of funds available in the General Fund to fund the capital budget on an yearly basis, and to fund the total cost of the five-year capital program relative to the total values of the annual budget and the five-year capital program.



Key tactics for meeting this metric and goal include the funding of the pay-as-you-go capital account, the development and implementation of the five-year capital program, annual General Fund contributions, development of a formal asset management plan, debt management and investment strategies and expenditure control strategies, and the tracking of capital projects relative to the biennial inspection process. Assets are inspected on a biennial basis, to determine their condition and the need for replacement, renovation, rehabilitation and improvement to maintain a state-of-good-repair. The percentage of scheduled or planned capital projects identified in the biennial inspections that are also included in the annual operating budget or capital program will be tracked. These combined set of initiatives will support the planning, funding, scheduling and implementation of the asset management program.

GOAL B

Ensure preventive, regular and repair maintenance and routine inspections (in-house and 3rd party) at facilities are completed on schedule at required intervals and in a timely manner.



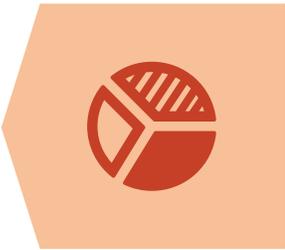
Capital investment is not the sole means of preserving assets. Capital investment must be combined with ongoing preventive, regular and repair maintenance and routine inspections to limit the heavy costs of capital projects and identify deteriorating conditions early in the asset life cycle. Therefore, the second goal related to the preservation of assets is to ensure the on-time completion of preventive and regular maintenance and routine inspections and addressing repairs in a timely manner. Progress will be measured using two metrics. This goal will be considered achieved if 100% of scheduled routine inspections and preventive and regular maintenance work is completed on time, and essential repairs addressed in a designated time period, and if 100% of train cars are available for PATCO during morning and evening peak service periods.

To help achieve this goal, the asset management plan will be utilized to define asset operating and maintenance requirements in order to deliver a particular standard or level of service. A new automated maintenance and task order system will also be developed to track preventative, regular and repair maintenance activities at DRPA bridges. PATCO currently tracks maintenance activity and train car availability manually.

GOAL C

Maintain the proper balance in allocating personnel and other resources between capital and maintenance projects to maintain projected timelines.

One of the most difficult tasks for any public transportation agency is to balance the need to maintain its assets and advance its capital projects in a cost efficient and timely manner with the need to make the assets available for operations. Bridges are open to customers and PATCO train service is provided 24 hours a day. There are extensive coordination efforts between Bridge Operations, PATCO and the Engineering Division to perform maintenance and capital work, often involving multiple facilities and shared equipment. Further, sections of the assets must be taken out of service to perform the necessary improvements. In order to minimize the time that assets are out of service, the Authority must make every effort to maintain project schedules and optimize resource allocation for maintenance and capital projects. A metric to attain an 85% on-time completion rate for the construction portion of capital projects, (Notice-to-Proceed to Substantial Completion) has been identified as an indicator of performance toward achieving this goal.



As part of this work, a new initiative will be undertaken. Using a recently implemented enterprise resource planning system, SAP, capital project and maintenance performance will be analyzed. Data will be used to plan for resource allocation between capital projects, routine and repair maintenance and preventive maintenance. Managers and foremen will be able to track and analyze work order data to determine variances in the scope of work performed, variances in the amount of time required to perform the work and variances in the cost of performing the work. Weekly track allocation meetings are held to balance the needs of the Transit Services Department to operate the train schedule, Way and Power and Equipment Departments need to have access to the track for maintenance and equipment testing, and the Engineering Division's need to complete capital projects.



GOAL D

Improve the environmental impact of the organization

The Authority is working to reinforce the organization's commitment to environmental stewardship and sustainable practices. A metric has been identified to achieve this goal that is based on the reduction of the total electricity consumption (excluding PATCO trains). The target is to reduce such electricity consumption by 3% annually for four consecutive years beginning in 2018. In 2017, the Authority consumed 61,000,000 kWh of electricity. To achieve this goal, a formal comprehensive sustainability program is being developed. It identifies six concurrent objectives supporting the sustainability program: reduce total energy consumption, increase use of renewable energy, increase green procurement for all products and services, reduce criteria pollutant and diesel particulate matter emissions, reduce total greenhouse gas emissions and reduce total volume of solid waste sent to landfills.



A 2018 work plan has been created that includes a number of activities such as installing LED lighting, developing a solar energy project, developing a regenerative braking energy storage system at PATCO, publishing an annual environmental stewardship report, and implementing a project sustainability checklist, among others. The comprehensive sustainability program will help ensure the Authority operates, maintains and protects its bridge and transit assets in a manner that is environmentally sound and sustainable.

GOAL E

Reduce the injury incidence rate at DRPA and PATCO by minimizing exposure to unsafe conditions and reducing risky employee behavior.

The Authority is committed to fostering and maintaining a company culture that places workplace safety and health as a primary concern and responsibility of each employee. It recently established the Safety Center for Excellence, consolidating DRPA and PATCO safety functions and personnel under the oversight of a Director of Safety. This action was taken to concentrate the Authority's safety experience and expertise into a single organizational unit that will create "critical mass" and facilitate the cross-functional utilization of staff and other resources across the bridges and PATCO. The Safety Services department is a safety resource for Authority leadership, managers and employees. Safety Services provides the guidance and technical assistance needed for operating departments to set and achieve safety goals and provide safe facilities and services to the region.



STRATEGIC FOCUS AREA #2

USER & BENEFICIARY SATISFACTION

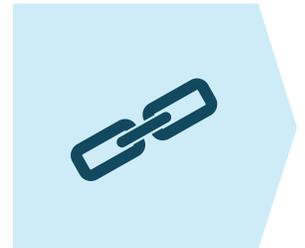
STRATEGIC OBJECTIVE: Provide both bridge and transit stakeholders with quality, reliable and safe service that seamlessly integrates with the region's transportation network.



GOAL A

Increase opportunities to maximize connectivity and integration within the regional transportation network

Through public outreach surveys and focus groups, feedback was received from customers requesting that DRPA and PATCO be better integrated with other regional transportation providers including the Southeastern Pennsylvania Transportation Authority (“SEPTA”) and New Jersey Transit (“NJT”). Toward this end, PATCO is working to identify and implement new interoperability initiatives with other transportation agencies and providers.



Tactics will be employed to achieve better integration with other regional systems. These tactics are focused both on public transit and traffic integration from the bridges. They include the introduction of new interoperability initiatives with other transportation agencies and providers, alignment of toll and fare collection systems through integrated smartcard accounts, a single regional fare/payment media, congestion mitigation, particularly focused on the I-95/Betsy Ross Bridge interchange and Benjamin Franklin Bridge westbound traffic, and the opportunity to develop a “first/last mile” transport service between PATCO stations and population centers through the use of transportation partners to create a seamless transit experience for its customers.

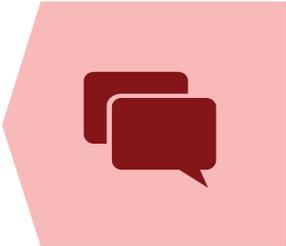
One initiative that will be implemented in 2018, will be the integration of the PATCO FREEDOM Card with SEPTA’s New Payment Technology. PATCO’s current automated fare collection system will be upgraded to allow the FREEDOM Card to work with SEPTA’s new KEY Fare Collection System. The system will allow PATCO customers the ability to use a registered FREEDOM card on the SEPTA system using contactless readers. SEPTA will inform PATCO of the transactions made with the registered FREEDOM Cards and PATCO will deduct the appropriate fare from the customer’s account.

Two metrics will be used to measure the results of these tactics and initiatives:

- The number of FREEDOM Cards used to access SEPTA each weekday - the target is 800-1,000 FREEDOM Cards each weekday;
- The % reduction in cash transactions at the bridges and PATCO

GOAL B

Improve communication and customer satisfaction with bridge and PATCO users



Enhanced communication and technological improvements have been identified as a core requirement for improving the customer experience for PATCO and bridge users.

DRPA will create a proactive digital communication plan to facilitate improvements in this area, and will develop data and statistics to monitor and analyze the performance of its digital communication strategy across multiple platforms. Several tactics will be employed, including providing real time information to customers through the development of new applications, and conducting targeted digital media marketing.

GOAL C

Improve public safety and awareness of related efforts

A key factor of customer satisfaction is the provision and positive perception of public safety. The success of this goal will be measured by the reduction in motor vehicle accidents and property crime incidents. Efforts to support this goal will focus on increasing police presence and patrols; enhancing the use of technology, including the increased use of cameras, callboxes, signage, variable message signs and travel alerts; improving speed enforcement and control; and pursuing partnerships to promote increased coordination around safety at all facilities. For example, some of the most heavily used stations on the PATCO service are properties that are owned, managed and/or secured by third party transit agencies and governments. Though not directly responsible for security at those locations, management is committed to working with its partners to ensure that PATCO customers are provided a safe environment.





STRATEGIC FOCUS AREA #3

ORGANIZATIONAL STRENGTH & CAPACITY

STRATEGIC OBJECTIVE: To attract, develop and retain a diverse, skilled, committed and professional workforce and to provide employees with opportunities for growth

GOAL A	GOAL B	GOAL C	GOAL D	GOAL E
 <p>EMPLOYER OF CHOICE</p>	 <p>EMPLOYER OF OPPORTUNITY</p>	 <p>COMPETITIVE COMPENSATION</p>	 <p>SUCCESSION PLANNING</p>	 <p>EMPLOYEE COMMUNICATION</p>
<p>METRICS</p> <p>Vacancy Rate for Highly-Specialized Technical Positions</p> <p>Target Brand Index</p> <p>Diversity</p> <p>Job Fair Participation</p>	<p>METRICS</p> <p>Employee Departures</p> <p>Internal Promotions</p> <p>Diversity in Promotions</p>	<p>METRICS</p> <p>Average Market Salary</p> <p>Counter Proposals to Salary Offers</p>	<p>METRICS</p> <p>Succession Planning</p>	<p>METRICS</p> <p>Employee Email Open Rate</p> <p>Employee Survey Response Rate</p>
<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Targeted Employee Recruitment Programs • Cultural Integration Program • Competitive Compensation Program and Benefits Package 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Employee Retention Program • Cultural Integration Program • Competitive Compensation Program and Benefit Package 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Competitive Compensation • Enhanced Merit Performance Appraisal System 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Minimize Risk of Separations 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Employee Communication Plan • Employee Recognition Program • Intranet Enhancements • Employee Surveys
<p>EXECUTIVE SPONSOR</p> <p>Chief Administrative Officer</p>	<p>EXECUTIVE SPONSOR</p> <p>Chief Administrative Officer</p>	<p>EXECUTIVE SPONSOR</p> <p>Chief Administrative Officer</p>	<p>EXECUTIVE SPONSOR</p> <p>Chief Administrative Officer</p>	<p>EXECUTIVE SPONSOR</p> <p>Chief Executive Officer</p>

GOAL A

Be regarded as an “employer of choice” in the region to attract and hire diverse, qualified applicants for vacant positions

Employees are amongst the most important resources in any organization and the ability to successfully perform is only as strong as the performance of its employees. Sufficient staffing and the strength of the staff are of paramount importance to an organization’s ability to accomplish its mission and goals.

The Authority strives to be regarded as an employer of choice in the region by potential candidates when they are assessing their employment options. To be attractive to external candidates, the Authority will need to offer competitive compensation and benefit packages (see Goal C below for a discussion on compensation) and embark on a targeted recruitment program. Proactive steps will be taken to recruit and hire diverse, qualified applicants including participation in job fairs, educational and career development programs, targeted advertising, targeted recruitment at trade and technical schools, and an expansion of the Authority’s Talent Profile on social media.



Several metrics have been identified to quantify progress towards achieving this goal.

The metrics and related targets include the following:

- Achieve a sustained reduction of 15% in the vacancy rate for highly-specialized technical positions
- Increase participation in job fairs, and career and educational development programs by 20%
- Increase the LinkedIn Talent Brand score by 50%, a metric which is designed to indicate a company’s level of attractiveness to potential candidates; and
- Increase measures of diversity by at least 10% for all recruiting and hiring activity including those related to gender, ethnicity, race and geography.

GOAL B



Become “employer of opportunity” to develop, promote and retain employees and reduce employee turnover due to departures for other opportunities

To further support organizational strength and capacity, the Authority will aim to become an employer of opportunity focused on developing, promoting and retaining the existing employee base. Understanding why employees choose to leave the organization for other opportunities and what factors contribute to a satisfied employee is one component of the employee retention program. General employee surveys and specific exit survey data will inform management of the core issues that impact employee retention.

As with the recruitment of external candidates, internal qualified employees are more likely to stay if the Authority's compensation and benefit programs are competitive (see Goal C below for a discussion on compensation). Management will pursue benefit-related initiatives such as apprenticeship programs, education debt reduction and flexible work schedules to enhance the Authority's competitive position. The Human Resource Services (HRS) department will work with the operating departments to develop SMART goals for each employee as part of the performance appraisal process. This is the same approach as was used to develop the metrics for this strategic plan.

Management will use three metrics to assess the progress made in realizing this goal – the number of employee departures, the number of internal promotions and the level of diversity. This goal will be considered achieved when the number of employee departures due to other opportunities decreases by 25%, the number of internal promotions increases by 10%, and the measures of diversity related to gender, ethnicity, race, and geography increase by at least 10% for employee promotions.

GOAL C

Offer competitive compensation programs relative to comparable organizations to attract and retain qualified individuals



The Authority recently completed an Organizational Structure and Resource Allocation Study ("OSR") that examined the DRPA's organizational structure, compensation program, salary grade structure, salary and wage levels, compensation data for peer organizations, performance management system, and a review of benefits and other perquisites. Findings indicate that a compensation restructuring initiative is required for the Authority to compete for qualified candidates and retain valuable employees.

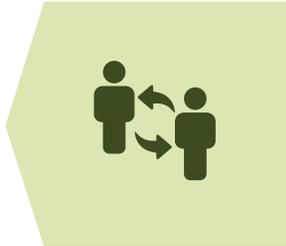
For this goal to be achieved, the Authority will need to provide salaries for vacant non-represented positions that are within 10% of the mid-point of the average market salary as determined by the OSR study. Salaries for filled non-represented positions will be adjusted over time to reach the same 10% midpoint position provided that the employee performance evaluation demonstrates satisfactory performance. Other recommendations contained in the OSR will be implemented including those related to staffing and recruiting plans, all designed to create a systematic approach to attract and retain the necessary talent to support an effective organization.

Just as important as an employee's initial compensation, is ongoing compensation adjustment process based on rigorous employee performance appraisals. All wage and salary adjustments for non-represented employees will be based on the results of an annual performance evaluation, with incremental funds being rewarded to top performers.

GOAL D

Create succession plans for each division and department to ensure that the DRPA and PATCO are prepared to address planned and unforeseen employee transitions at every level of the organization

In the near future, the Authority will be faced with a large number of employees reaching retirement and leaving the organization. Management is aware of the vulnerability that the Authority faces if this transitory period of high employee turnover is not effectively managed. Daily operational issues will surface first in the short term followed by more severe and longer lasting problems in the long term if employees cannot be retained or replaced in a timely manner.



Human Resource Services intends to initiate a process of periodic meetings to address succession planning with the senior management team and with individual departments. Human Resources and the senior management team will identify staffing vulnerabilities and develop plans to address them. Departmental meetings, attended by all management level positions, will include a review of the most recent employee performance evaluations to assess whether each individual's development is on track with the time requirements for opening management positions as contained in the succession plan.

The target for this goal is to complete the succession plans, for all management level positions by June 2020 and to complete the succession plans for all staff positions by March 2021.

GOAL E

Improve quality and frequency of communication and engagement with employees

Management is committed to improving the quality and frequency of communication and engagement with its employees. A combination of tactics and initiatives will be employed to attain this goal.

Initiatives include the development and implementation of an Employee Communication Plan and an Employee Recognition Program, as well as administering an Employee Survey. These efforts will be supported with the creation of departmental intranet pages and "Lunch and Learn" sessions that explore ways to connect daily work and job responsibilities with the organization's mission and vision. Management will seek to increase the open rate for internal employee e-mail communications and the participation rate in employee surveys.



STRATEGIC FOCUS AREA #4

EFFICIENCIES AND PROCESS IMPROVEMENTS

STRATEGIC OBJECTIVE: To strengthen governance and business processes in a manner that enhances decision-making, furthers operational efficiency and yields financial benefits

GOAL A	GOAL B	GOAL C	GOAL D
 <p>USE OF TECHNOLOGY</p>	 <p>PROCUREMENT PROCESS</p>	 <p>STAFFING AND HIRING PROCESS</p>	 <p>CAPITAL PROJECT PROCESS</p>
<p>METRICS</p> <p>Processes improved by leveraging technology</p> <p>Number of Technology Steering Committee recommendations approved by the CEO and Board.</p>	<p>METRICS</p> <p>Procurement Turnaround Time</p> <p>Internal Satisfaction with Procurement Process.</p>	<p>METRICS</p> <p># Days to Fill Open Positions</p>	<p>METRICS</p> <p>Capital Project Completion Rate from Design to Completion</p>
<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Establish Technology Steering Committee with a formal process for delivering reports and presentations to the Board. • Technology Needs Assessment • Business Process Evaluation 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Best Practices Study • Policy and Procedure Restructuring • Periodic Internal Satisfaction Surveys 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Implement Organizational Structure and Resource Analysis Recommendations • Evaluate and Update Policies and Procedures 	<p>TACTICS & INITIATIVES</p> <ul style="list-style-type: none"> • Root Cause Identification • Best Practices Review • Incorporate Scheduling in Budget Planning • Manage Schedules at Program Level
<p>EXECUTIVE SPONSOR</p> <p>Deputy Chief Executive Officer</p>	<p>EXECUTIVE SPONSOR</p> <p>Deputy Chief Executive Officer</p>	<p>EXECUTIVE SPONSOR</p> <p>Chief Administrative Officer</p>	<p>EXECUTIVE SPONSOR</p> <p>Chief Engineer</p>

GOAL A

Strengthen Authority business practices and governance with the support and integration of technology

A strong information technology department is essential in today's business environment, assisting the organization in the protection of its assets, enabling more efficient operations, effectively informing analysis and decision-making and improving communication with stakeholders. The use of technology can also benefit organizational performance by accelerating timelines and reducing the amount of required resources for certain tasks and processes. This goal poses a challenge as the Authority does not currently have a strong information technology structure. Multiple tactics and initiatives will therefore be required, not only to achieve the goal, but to develop the internal infrastructure necessary to operate in today's business environment. Towards this end, a Technology Steering Committee will be established. Basic functions will need to be performed initially, including evaluating and updating existing technology policies, standards, and practices as well as identifying appropriate organizational needs. A risk management and capital assessment will be performed to determine resource prioritization and to identify which business processes would most benefit from leveraging the use of technology. The metrics that will be used to gauge the impacts of leveraging technology to improve business practices and governance will be the number of business processes improved and the number of recommendations proposed by the Technology Steering Committee that are approved by the CEO and the Board.



GOAL B

Improve effectiveness and efficiency of procurement processes and maintain alignment and consistency across all business units

The procurement process has a significant operational and financial impact on the organization, whether it is on the timing and cost of capital project implementation, the selection of the best vendor to provide goods and services, or compliance with government regulations. In 2010, the Board instituted a series of "reform resolutions" intending to address both real and perceived problems with transparency, compliance, conflict of interest and the former economic development program. Some of the steps taken have presented challenges for Authority operations and key business processes. To remove the constraints imposed by some of the reform resolutions while not ignoring the original purpose of the resolutions, a full review of the Authority's Governance Documents are being undertaken concurrent with an evaluation of best practices in the public transportation industry. The intent of this initiative will be to update such governance provisions with a focus on balancing the oversight required for a large public institution with the need for efficient and effective business operations. One of



two issues consistently raised in the management planning sessions of an internal business process that negatively impact the efficient operation of the organization was the procurement processes. The current policies and procedures often lead to significant delays and inefficiencies due to confusion, process variations, errors, multiple approval levels, processing time, and staff/resource capacity. In order to accomplish the daily work of the Authority, employees must be able to obtain appropriate tools and resources needed to do their work in a timely manner, while ensuring the procurement process is transparent.

A procurement task force has been established to identify the current impediments in the procurement process that hinder the timely and efficient procurement of goods and services. Procurement policies and procedures will be revised based on the results of the task force analysis and with the authorization of the Board of Commissioners. Organizational and technological changes and capital investment may also be required.

The primary metric that will be used to assess progress toward achieving this goal is procurement turnaround time. The Authority aims to reduce the time required to fulfill department procurement requests for goods and services by employing methods that maintain business alignment and standardization, as well as appropriate controls for accountability.

GOAL C

Improve effectiveness and efficiency of the staffing and hiring process

The second of the two process issues consistently raised as problematic by management is the organization's staffing and hiring processes. Today, it takes an average of 262 days to hire a represented employee and 106 days to staff a non-represented position. Management views this timeframe as unacceptable and acknowledges that this lead time must be reduced.



To assess the attainment of this goal, one metric will be monitored – the timeframe required to complete a hire. The Authority aims to reduce by 25%, the number of days it currently takes to recruit and hire a qualified candidate, from the time of a departmental request to fill a position to an accepted offer of employment.

Like the procurement process review, an analysis of the factors that lead to process inefficiencies and delays will be performed, and updated policies and procedures based on a study of best practices will be implemented. This evaluation will be aided by the results from the governance oversight review described above as well as recommendations already received from the Organizational Structure and Resource Analysis study.



GOAL D

Maintain projected timelines for capital projects across the Authority to ensure prompt and efficient execution

The prompt and efficient execution of capital projects reduces capital costs, limits the amount of work required to maintain assets in a state-of-good-repair and helps to satisfy customer concerns about service interruptions. The metrics identified to monitor this goal is the measurement of the number of days it takes for a capital project to run its course (from design to completion) as compared to the original projected timeline for the project.

The goal will be considered achieved when the actual project timeline for all capital projects is within 15% of the original projected timeline.

Much of the analytical work required for this goal will be performed for the previously noted goal regarding improvement of the general procurement process (Goal B) including gaining an understanding of the root causes of delays and their impact on project schedules. A unique comparison of actual to projected capital project timelines will need to be performed for this goal and the potential impact on the budget process and content as well as the annual demand for capital project funding.



STRATEGIC FOCUS AREA #5

PRUDENT DEPLOYMENT OF RESOURCES

STRATEGIC OBJECTIVE: To responsibly and efficiently manage financial and transportation operations, and acquire, deploy and dispose of business assets.



GOAL A

Continue strong financial management practices to ensure proper support of operations and capital requirements to maintain assets

As noted earlier in this document, in recent years strong financial management practices have been instituted, reaping the benefits of an improved financial position, higher credit rating and operational self-sufficiency. Building upon this success, management intends to further improve its financial results in order to provide additional funding for the capital program by focusing on maintaining and increasing the operating surplus.

Several metrics will be employed to monitor this goal -- the Authority's bond rating on senior or subordinate debt, debt-service coverage ratio and toll rates.

The targets for each of these metrics is as follows:

- Maintain or increase the bond rating by at least one national ratings firm;
- Maintain or increase the annual debt service coverage ratio;
- Maintain current toll rates through 2021;



Management will implement a series of revenue initiatives to capture revenue lost through passenger and commercial toll violations, collaborate with the New Jersey Electronic Tolling Consortium to implement controls to reduce negative E-ZPass balances, and evaluate alternative payment options, beyond the use of cash and E-ZPasses, such as mobile credit card readers and smart payment systems.

GOAL B

Increase diversification of operating revenue in a manner that does not adversely impact core assets and operations

Similar to the goal of diversifying an investment portfolio, a prudent business approach is the diversification of the organization's revenue base. Revenue diversification can work to both expand the revenue base as well as protect it from dramatic revenue swings due to external factors or one-time events. For example, in years when interest earnings are low due to changes in the financial market or toll revenue is low due to rising gas prices, revenue diversification may help to provide a more stable level of revenue from year-to-year, allowing some sources of revenue to rise while other sources decline.



Management has determined that diversification is one way to safeguard the level of revenues generated by the organization, with the caveat that any new revenue streams established for diversification purposes, should not adversely impact core asset and operations. Adverse impacts might occur if core transportation resources are diverted to support non-core activities or if non-transportation revenues are generated by activities that in some way compete with core services,

resulting in reduced transportation revenues.

Potential revenue sources that will be pursued across multiple business sectors include advertising, telecommunications, utilities, surplus property dispositions, and abutment uses/encroachments. Before any new initiatives commence, the Authority will develop policies and program parameters to guide the generation of non-transportation revenue.

The metric that will be used to test the success of this goal is the level of non-toll and non-fare revenue. The target for this goal is to achieve a 10% increase in such revenues over the course of the five-year strategic plan period.

GOAL C

Maximize value from real estate assets and dispose of surplus and non-core real estate assets not vital to DRPA's mission

The majority of real estate owned by the Authority is used to provide and support its transportation services, whether it be land where maintenance facilities and administrative offices are located, property surrounding bridge assets or right-of-way for train trackage.



However, there is property that is either not in use or not used for transportation related purposes. Since the details on location, size and market value of all of the Authority's real estate holdings is not fully known, the organization has begun identifying and cataloging all its real estate assets using a Real Estate Geographical Information System ("GIS") database.

This project is currently in process. Management intends to combine both facility and non-facility information together using the GIS database. In addition to the basic mapping of real estate locations, the eventual system will include links to facility drawings, asset management systems, details for biennial inspections and preventative maintenance, equipment warranties, and contractual agreements related to each property.

Using the products generated by the GIS database, management plans to develop a comprehensive real estate strategy including the disposal of non-core assets.

GOAL D

Increase PATCO ridership during off-peak hours to enhance revenues and promote sustainability

While PATCO provides service throughout the day and night, approximately 73% of ridership occurs during peak commuting hours. Given the fixed nature of the train infrastructure and operations, and the full daily schedule already provided, every additional rider contributes to a higher level of net revenue.

To maximize the use of its train cars and increase ridership throughput per train, management will focus on filling available space during non-peak hours. This goal will be considered achieved when PATCO off-peak ridership increases by 3%. A targeted marketing campaign will be essential to attract new riders during off-peak hours. Special events will also be organized to encourage ridership and introduce a new customer base to PATCO.



STRATEGIC PLAN IMPLEMENTATION

An implementation program is being developed to successfully accomplish the goals outlined in this plan. While some of the implementation steps have already begun, many of the implementation program components will be launched following the adoption of the plan.

PLAN MANAGEMENT, MONITORING AND ACCOUNTABILITY

Both the development of the plan and its implementation program have and will be managed on a day-to-day basis by the Authority's executive management team and the Strategic Initiatives Department. In order to translate the higher level goals and objectives into action plans and tactical initiatives, the overarching organizational strategic plan will be cascaded to subordinate levels of the organization with defined responsibilities and accountabilities. In the future, the Strategic Initiatives Department, in collaboration with and under the direction of the relevant Chief or Functional Department Leader, will work with individual divisions and departments to develop departmental strategic plans in alignment with the organizational plan. The departmental action plans will focus on the key tactics and initiatives that will be implemented by each department in support of the strategic plan.

The metrics described earlier in this document will provide the basis for monitoring the progress made in achieving the strategic plan goals and will be collected and reviewed on a monthly basis. Successfully implementing the strategic plan will be challenging as this is the first strategic planning process that integrates an implementation process and accountability system. Therefore, the immediate steps being taken are to develop the internal infrastructure necessary to minimize plan risk and maximize plan success. The accountability processes, metric tracking mechanisms and guidelines for evaluating and reporting outcomes of strategic initiatives will be developed by the executive management team and managed by the Strategic Initiatives Group. An initial outline of the reporting program is described below in the Plan Communication section.

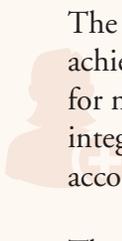


PLAN INCORPORATION IN DAY-TO-DAY OPERATIONS

In addition to the departmental strategic plans which will impact daily operations, several other steps will be taken to more fully integrate the strategic plan goals in Authority-wide operations and most effectively position the Authority for success. One of two key steps will be to align



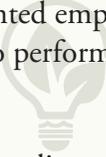
operating and capital budget decision-making and formation to the strategic objectives and goals. With the organization's budget serving as an additional roadmap, indicating where the organization's resources will be deployed and what will be accomplished during the year, it is important that the operating and capital budgets be aligned with the goals and priorities of the strategic plan. To ensure this alignment, the Strategic Initiatives Department will work with the Finance and Engineering Divisions and each of the operating departments to develop new budgeting procedures and to incorporate financial support and expectations related to the goals and key initiatives of the strategic plan in the operating and capital budgets of the Authority.



The second step will be to link employee performance evaluation and compensation to the achievement of strategic plan goals. Today, an employee performance evaluation system is used for non-represented employees. The system revolves around the core competencies of safety, integrity, customer service, quality, teamwork, communication, innovation, dependability and accountability and self-development.



The Strategic Initiatives Department will work with the Human Resource Services Department and individual operating departments to modify the employee performance evaluation and compensation structure for non-represented employees, and to train department management to reward employees for behavior related to performance and tangible success in achieving strategic plan goals.



While budget and employee performance alignment with the strategic plan are the two key steps to incorporate the strategic plan into operations, there are other initiatives that can help reinforce the importance of the strategic plan. For example, the executive management team will ensure that strategic planning topics will be included in management meetings and will determine whether management training is required to support plan efforts. The Strategic Initiatives Department will embark on an ongoing strategic plan communication and deployment program for all employees -- management and non-management. All new employees will receive an introduction to the strategic plan, learning what the plan is, its importance, and the role they can play in its accomplishment. The Strategic Initiatives Department will meet regularly with individual departments to review progress in achieving goals, and to receive input from employees on challenges, new ideas and refinements related to the plan.



PLAN COMMUNICATION

Key to the success of the strategic plan will be the initial communication of the plan components and the ongoing communication of the organization's progress in achieving its goals. There will be both an internal and external communication program utilizing a variety of channels to communicate and reinforce the importance of the strategic plan in guiding the Authority to achieve its vision.



Internal and external stakeholders will be apprised of the organization's progress with periodic reports. The Strategic Initiatives Department will publish a dashboard report summarizing in graphic form the cumulative progress made for each goal. This dashboard will be distributed to the Board, management and employees to help guide the organization to achieve its goals, assess where resources might be adjusted to support plan efforts, and identify where analysis is

warranted to understand results. The dashboard will be reviewed at Board meetings, senior management meetings and departmental meetings.

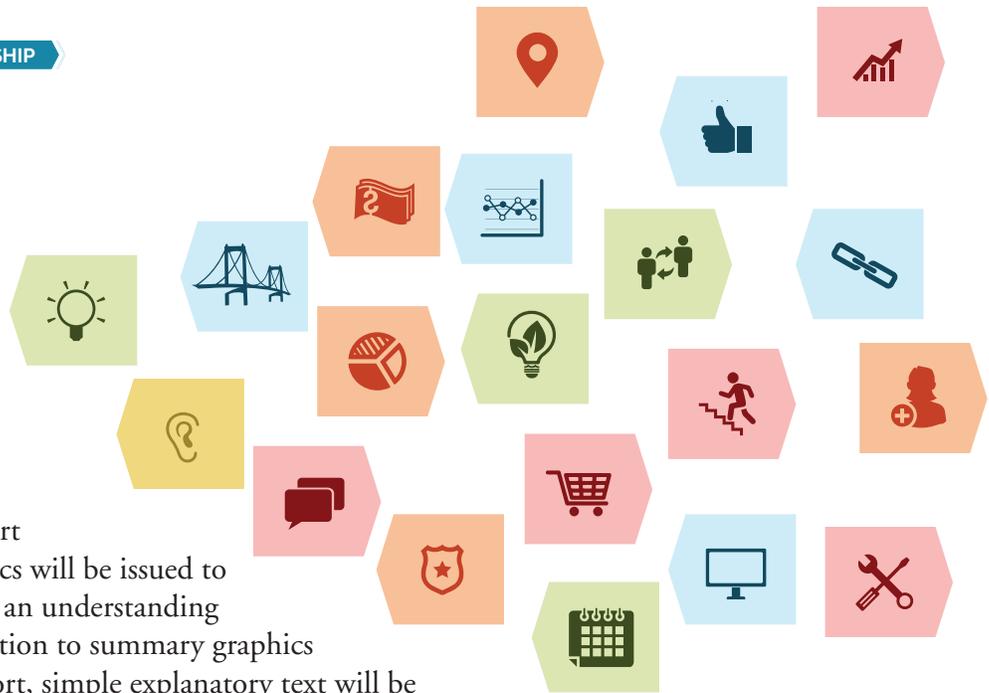
A slightly more detailed report comprised of text and graphics will be issued to provide all stakeholders with an understanding of the plan progress. In addition to summary graphics similar to the dashboard report, simple explanatory text will be provided offering background and analysis regarding the results. Reports will be distributed electronically and will be available on the DRPA's website.

An annual in-depth report on the progress made in achieving plan goals will also be issued and will include any plan refinements as described below.

PLAN REFINEMENT

A review of the strategic plan progress will be undertaken on an annual basis and refinements to the plan will potentially be made based on that review. Management recognizes that the environment and priorities change and that the strategic plan may need to be adjusted to reflect those changes. For example, changes in available technology may provide new means to improve operational processes, global energy markets may impact the way consumers travel necessitating revised goals or financial market debt requirements may be altered in a way that impacts the metrics of the strategic plan. As implementation progresses and the organization strengthens its ability to deliver on its goals and objectives, understands more of the nuances of data measurement, and better understands the financial implications, it will need to make adjustments to the strategic plan.

Plan refinement will not require the same level of full organization effort as the initial development of the strategic plan, but will involve the same internal participants and rely on the plan monitoring results. Management anticipates that over the five-year plan period, some goals will be adjusted, some metrics will be added, deleted or changed and some key initiatives will be modified. All such changes will be communicated to internal and external stakeholders in the annual strategic plan report.





APPENDIX A

OVERVIEW OF THE AUTHORITY

GOVERNANCE STRUCTURE

The Authority operates under a compact between the states of New Jersey and Pennsylvania, approved by Congress and signed by the President. The 1992 amendments to the Compact between the Commonwealth of Pennsylvania and the State of New Jersey, which were executed by the Executive and Legislative branches of the States, with the consent of Congress and signature of the President, requires the Authority to prepare an annual Strategic Business Plan.

A 16-member Board of Commissioners, eight from each state, sets policy within the terms of a congressionally approved bi-state charter. The commissioners are appointed by their respective governors except for Pennsylvania's Auditor General and Treasurer who are ex-officio members. All commissioners serve without compensation. All DRPA Commissioners also serve as PATCO's Board of Directors.

OPERATIONAL CHARACTERISTICS

The organization is led by a Board-appointed Chief Executive Officer ("CEO"). The organizational structure includes several senior management functions, both operational and administrative. The General Manager of PATCO reports directly to the DRPA CEO, and PATCO in turn has a senior management team reporting to the General Manager.

The DRPA and PATCO combined employ approximately 900 employees. Approximately 66% of these positions are represented by four labor unions. The Authority has strong commitment to its employees and the community it serves. It has a longstanding commitment to ensure employees and others working at or visiting DRPA and PATCO facilities are treated in a dignified, respectful and non-offensive manner. The Authority strives to provide a work environment that is inclusive and welcoming to all and free from harassment in any form. Equal Employment Opportunity (EEO) continues to be an important part of Authority personnel policies. The Authority actively promotes its commitment to EEO principles in its EEO policies, practices and procedures. Equal employment opportunity supports the achievement of the Authority's mission, vision, goals and shared values, in particular its commitment to the values of "Fairness and Equity" and "Diversity and Inclusion".

The Authority is financially self-sustaining with regard to operations, relying on the revenues it generates through its transportation services. This is unique for a public transportation agency providing transit services as is more fully described below. The Authority prepares both operating and capital budgets annually as well as a five-year capital budget.

In accordance with the Authority's governing Revenue and Port District Project Bond Indentures, the next year's annual budget must be submitted to the respective bond trustees by December 31 of each year. Expenditures are monitored continuously throughout the year by the Finance Division to ensure that each department is in compliance with the approved operating budget and the established policies and by-laws of the Authority.

The DRPA generated an operating surplus of approximately \$87 million in calendar year 2016 with operating revenues and expenses (inclusive of bond debt service) of approximately \$365 million and \$278 million respectively. As of December 31, 2016, capital assets totaled approximately \$1.6 billion and long-term bond debt totaled approximately \$1.48 billion.

In recent years, the Authority has substantially strengthened its financial management and identified efficiencies and reduced costs, resulting in a significant improvement in its financial position. In 2014, a "pay-go capital" account was established where operating revenues are set aside to fund a portion of the capital program. In calendar year 2016, strong operating performance resulted in an increase of more than \$50 million in the general fund balance which was transferred to the pay-go capital account which will be used to fund a portion of the Authority's 5-year capital program. This practice has helped to reduce future debt service costs related to capital activities.

These improved practices are reflected in Standard and Poor's (S&P) upgrading of the organization's bond rating in April 2016. Citing sound fiscal policies, strong liquidity and an affordable capital plan, S&P raised its rating on the DRPA's port district project bonds and subordinate debt and reaffirmed its rating on the Authority's revenue bond debt (which it had increased in November 2013).

Further, strong financial management and an improved financial position has allowed the Board to delay bridge toll increases originally scheduled to take effect in 2015. The Authority, which has not raised tolls since 2011, has publicly stated that it is committed to maintaining current toll levels until 2020.

IMPORTANCE OF TRANSPORTATION INFRASTRUCTURE TO THE REGION

The movement of goods and services represents one of the key pillars of economic competitiveness for metropolitan regions around the country and around the world. Economic growth depends on interlinkages both within and between regions, which enables workers to get to their jobs, shoppers to get to retailers, suppliers to connect with their customers and goods and people to flow in and out of the region. A well-functioning regional transportation network reduces the time and costs associated with all of these activities. This in turn makes a region a more attractive place to do business and improves the quality of life for its citizens. In a competitive environment for business and resident attraction, the effectiveness of the transportation network represents a crucial point of distinction between regions.

Importantly, the DRPA represents just one of several transportation providers that contribute to this regional network. These include operators of roads and bridges, public transit providers and transportation companies across a variety of modes. The DRPA represents an integral component of this network linking the two states through bridge and rail crossings across the Delaware River. Such interdependent networks are only as strong as their weakest component, highlighting the importance of the public value that the Authority creates through efficient and effective operations.

TRANSPORTATION ECONOMICS

It is also worthwhile to consider the broad economic framework of public transit provision. Large-scale transportation infrastructure is, by nature, capital intensive requiring major upfront investments and ongoing maintenance costs. These investments yield benefits that are somewhat diffuse among the regions citizens and businesses rather than easily quantified and captured by a single beneficiary. In addition, for mass transit modes such as fixed rail, there is a public interest in maintaining fare levels that enable a broad swath of citizens to access these services and the mobility they provide to support the regional economy and improve the quality of life. This means that mass transit systems generally are not financially self-sufficient, though they generate broad positive public benefits. Among these is the reduction in congestion which means that motorists who do not utilize transit are nonetheless direct beneficiaries of its existence.

Regions throughout the country employ a variety of funding strategies to address this dynamic. Most transit agencies are subsidized by taxpayers to close the gap between their operating and capital costs and the ridership revenue they are able to generate. These subsidies can take the form of federal, state and local government grants or dedicated taxes and fees (gas taxes, sales taxes, etc.) that support capital investments and operations. Newer financing mechanisms have attempted to measure and capture the value created by transportation infrastructure investments (often in the form of increased property values) in order to fund those investments.

In its 2015 National Transit Summary and Trends Report, the U.S. Department of Transportation's Federal Transit Administration (FTA) stated that on average, passenger fares and other revenue directly generated by transit operators funded 45% of public transit operations and 22% of all transit capital purchases. The remaining 67% of operating costs and remaining 78% of capital expenditures was funded by federal, state and local governments. In contrast, the DRPA is operationally self-sustaining requiring no taxpayer support for its bridge and transit operations. For capital needs, the 2017 capital budget included approximately \$96.2 million of spending for PATCO capital projects. Of this total, approximately \$25.4 million, or 26%, was provided by the federal funding. This is significantly less than the 78% provided to the average transit operator for capital investments.

In addition, PATCO's capital program is funded by the DRPA. Historically, PATCO capital investments have been funded by bond issuances, supported by the positive cashflows (surpluses)

generated from primarily bridge toll revenues. Going forward these overall operating surpluses will fund the majority of DRPA's capital program, including PATCO thru the year 2021.

Though the Authority receives no operating support and low capital contributions from government entities for PATCO, it is still subject to the same economic realities of other rail service providers. Like other rail operators, it generates an operating loss that must be funded from non-operating sources and it requires capital investment to maintain its assets in a state-of-good-repair. As a wholly owned subsidiary of the DRPA, a portion of the net revenues from other DRPA units subsidize PATCO. This means that net tolls, interest income and miscellaneous revenues, after payment of bridge operating costs, bond debt service, and other expenses are used, in part, to subsidize PATCO services. This internal subsidy is functionally similar to public funding structures employed by other agencies and recognizes that transit provision is a public good that delivers a broad set of benefits. As noted above, bridge commuters themselves benefit directly from the existence of a rail crossing over the Delaware River due to reduced congestion on the bridge. Thus, in addition to the environmental equity and other broad externalities delivered by public transit, bridge tolls can be thought of as, in part, funding reduced congestion (and thus an improved experience) on the bridges themselves.

APPENDIX B

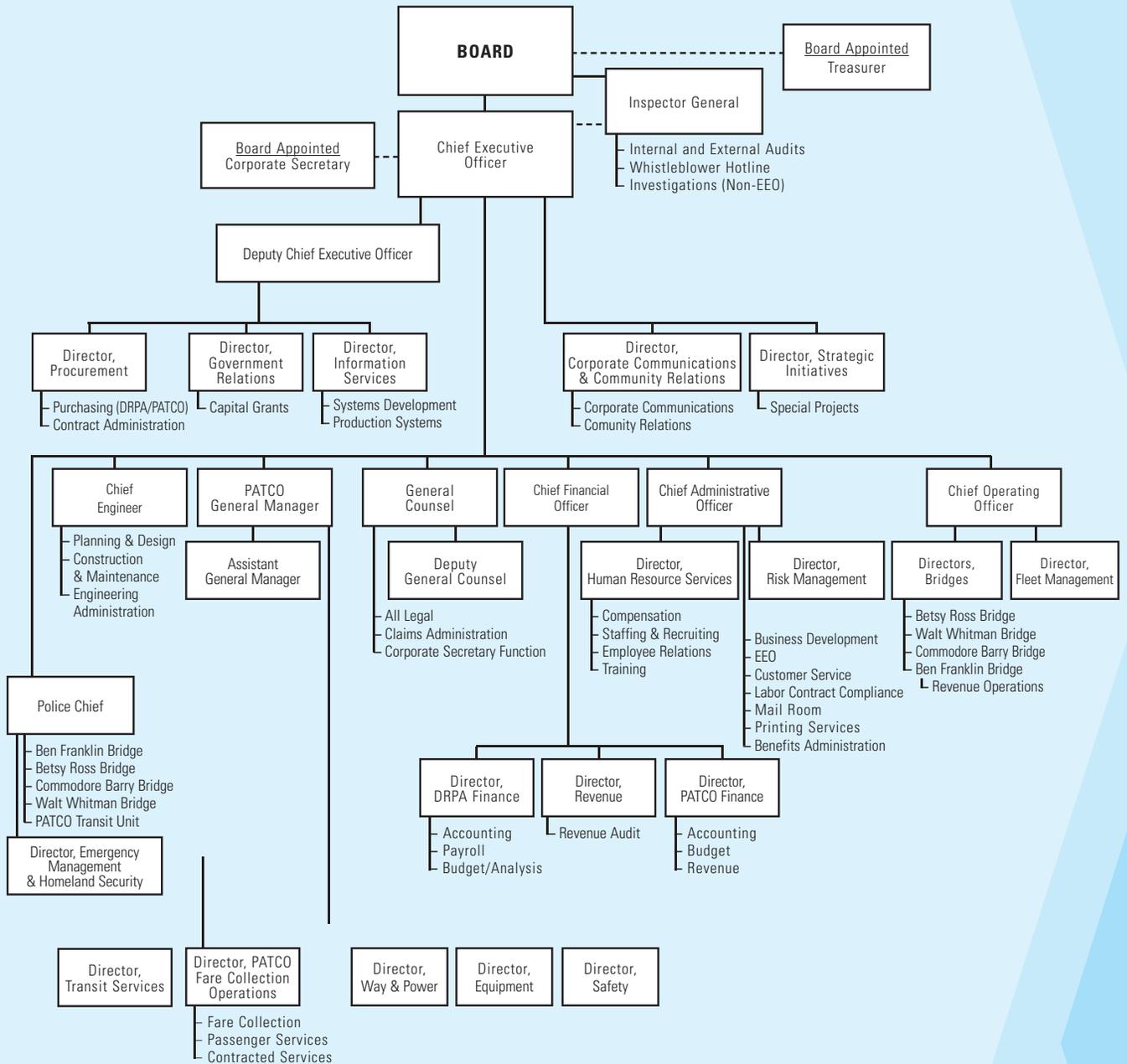
OBJECTIVES, GOALS & METRICS

Objective	Goal	Metric(s)
<p>Infrastructure, Facilities & Equipment Stewardship</p> <p>To protect and preserve physical assets with prudent capital investments and an emphasis on security, asset reliability and sustainability</p>	A. Ensure availability of financial resources to support capital program and maintain assets in State of Good Repair	<ul style="list-style-type: none"> • The Average Annual Balance of the General Fund to underwrite Five Year Capital Program is $\geq 20\%$ of the cost of the Five Year Program • The Annual Balance of General Fund to underwrite the annual Capital Budget is $\geq 100\%$ of the Annual Capital Budget.
	B. Ensure preventive, regular and repair maintenance and routine inspections (in-house and 3rd party) at facilities are completed on schedule at required intervals or in timely manner	<ul style="list-style-type: none"> • 100% of scheduled routine inspections and preventive/regular maintenance completed on time and repair maintenance in timely manner • 100% train cars available for AM/PM peak service
	C. Maintain the proper balance in allocating personnel and other resources between capital & maintenance projects to maintain projected timelines	<ul style="list-style-type: none"> • Attain an 85% On-time completion rate for the construction-portion of capital projects (Notice-to-Proceed to Substantial Completion).
	D. Improve environmental impact of the organization	<ul style="list-style-type: none"> • Reduce total energy consumption (excluding PATCO trains) by 3% annually for 4 consecutive years beginning in 2018
	E. Reduce the injury rate at DRPA and PATCO by minimizing exposure to unsafe conditions and reducing risky employee behavior	<ul style="list-style-type: none"> • Injuries per 100 employees • % reduction in musculoskeletal injuries • % reduction in lost time claims due to workplace injuries
Objective	Goal	Metric(s)
<p>User and Beneficiary Satisfaction</p> <p>To provide both bridge and transit stakeholders with quality, reliable and safe service that seamlessly integrates with the region's transportation network</p>	A. Increase opportunities to maximize connectivity and integration within the regional transportation network	<ul style="list-style-type: none"> • % of FREEDOM Cards used on SEPTA excluding regional Rail (TARGET: 800-1,000 PATCO riders accessing SEPTA with FREEDOM Cards each day (Monday – Friday)) • Decrease cash transactions
	B. Improve communication and customer satisfaction with bridge and PATCO users by maximizing use of technology	<ul style="list-style-type: none"> • % Increase in overall site traffic • % Increase in Pageviews • % increase in # of Followers/Subscribers/Likes • Decrease customer service calls by x%
	C. Improve public safety and perception of public safety	<ul style="list-style-type: none"> • Reduction in Motor Vehicle accidents • Reduction in Property Crime Incidents

Objective	Goal	Metric(s)
<p style="text-align: center;">Organizational Strength and Capacity</p> <p>To attract, develop and retain a diverse, skilled, committed and professional workforce and to provide employees with opportunities for growth</p>	<p>A. Be regarded as an “employer of choice in the region” to attract and hire diverse, qualified applicants for open positions</p>	<ul style="list-style-type: none"> • Achieve and sustain a 15% reduction in the vacancy rate for highly-specialized technical positions. • Increase participation in job fairs, and career and educational development programs by 20% • Increase “Target Brand Index” on LinkedIn by 50% • Achieve a minimum 10% increase in diversity measures including gender, ethnicity, race and geography for recruitment and hiring activities
	<p>B. Become “employer of opportunity” to develop, promote and retain employees and reduce employee turnover due to departures for other opportunities</p>	<ul style="list-style-type: none"> • Decrease # of employee departures due to other opportunities by 25%. • Increase number of internal promotions by 10%. • Achieve a minimum 10% increase in diversity measures including gender, ethnicity, race and geography for employee promotions.
	<p>C. Offer competitive compensation program relative to comparable organizations to attract and retain qualified individuals</p>	<ul style="list-style-type: none"> • Offer non-represented salaries that are within 10% of midpoint of average market salary. • Achieve a reduction in number of counter-offers received related to compensation.
	<p>D. Create succession plans for each division/department to ensure that DRPA and PATCO are prepared to address planned and unforeseen employee transitions at every level of the organization</p>	<ul style="list-style-type: none"> • Achieve completion of 100% succession planning for all management level positions by 2020. • Achieve completion of 100% of succession planning for all positions by 2021.
	<p>E. Improve quality and frequency of communication and engagement with employees</p>	<ul style="list-style-type: none"> • Increase open rate for internal employee e-mail communications. • Increase participation in employee viewpoint surveys.

Objective	Goal	Metric(s)
<p>Efficiencies and Process Improvements</p> <p>To strengthen governance and business processes in a manner that enhances decision-making, furthers operational efficiency and yields financial benefits</p>	A. Strengthen business practices and governance with the support and integration of technology	<ul style="list-style-type: none"> Processes improved by leveraging technology. Number of Technology Steering Committee recommendations approved by the CEO and Board.
	B. Improve effectiveness and efficiency of procurement processes and maintain alignment and consistency across all business units.	<ul style="list-style-type: none"> Achieve a 50% reduction in average Procurement Turnaround Time.
	C. Improve effectiveness and efficiency of Staffing / Hiring process.	<ul style="list-style-type: none"> Achieve a 25% reduction in time to hire qualified candidates (from department request to accepted offer of employment) for represented and non-represented positions.
	D. Maintain projected timelines for capital projects across the Authority to ensure prompt and efficient execution.	<ul style="list-style-type: none"> Maintain an 85% on-time completion rate for capital projects from design to completion.
<p>Prudent Deployment of Resources</p> <p>To responsibly and efficiently manage financial and transportation operations, and acquire, deploy and dispose business assets</p>	A. Continue strong financial management practices to ensure proper support of operations and capital requirements	<ul style="list-style-type: none"> Maintain or increase bond rating on senior and/or subordinate debt. Increase debt coverage ratio Maintain current toll rates thru 2020-2021.
	B. Increase diversification of revenue in a manner that does not adversely impact the core assets and operations	<ul style="list-style-type: none"> Increase non-toll/fare revenue income sources by 10%.
	C. Maximize value from real estate assets and dispose surplus and non-core real estate assets	<ul style="list-style-type: none"> Dispose of non-core assets
	D. Increase PATCO ridership during off-peak hours to enhance revenue and promote sustainability	<ul style="list-style-type: none"> Increase off-peak ridership by 3%

ORGANIZATIONAL CHART



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