

MINUTES OF MEETING
THE DELAWARE RIVER AND BAY AUTHORITY
Tuesday, May 17, 2016
James Julian Boardroom
Delaware Memorial Bridge Plaza
New Castle, Delaware 19720

The meeting convened at 11:40 a.m. with Chairperson Lowe presiding.

The opening prayer was given by Commissioner Sam Lathem, followed by the Pledge of Allegiance led by the Executive Director.

Chairperson Lowe called on the Authority Assistant Secretary to read the meeting notice. The Assistant Secretary announced that a notice of the meeting had been distributed to the offices of the Governor of New Jersey and the Governor of Delaware, to appropriate staff members and consultants, to the press in both States and to any other individuals who had indicated an interest in receiving a copy of the meeting notice.

Chairperson Lowe called on the Assistant Secretary to take the roll.

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Commissioners from Delaware

Commissioners from New Jersey

PRESENT

William E. Lowe, Chairperson
Crystal L. Carey
Richard W. Downes
James L. Ford, III
Samuel E. Lathem
Terry C. Murphy

James N. Hogan, Vice-Chairperson
James Bennett
Ceil Smith
Shirley R. Wilson

ABSENT

Edward W. Dorn
Douglas Van Sant

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Chairperson Lowe called for the acceptance of the Agenda.

Commissioner Downes motioned to accept the Agenda, seconded by Commissioner Wilson, and the motion carried by a voice vote of 10-0.

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11101. APPROVAL OF THE APRIL 19, 2016 MINUTES

Commissioner Downes motioned to approve the April 19, 2016 meeting minutes, seconded by Commissioner Smith, and unanimously approved by a voice vote of 10-0.

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11102. DELAWARE RIVER AND BAY AUTHORITY – TRAFFIC AND REVENUE SUMMARY.

The Chief Financial Officer (CFO) presented charts showing Actual versus Projected Revenues for the Delaware Memorial Bridge, the Cape May-Lewes Ferry, Airports, Delaware City-Salem Ferry Crossing, and Food Services for the month of April.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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11103. DELAWARE RIVER AND BAY AUTHORITY – STATEMENT OF INCOME AND EXPENSE.

The CFO presented charts showing statements of income and expenses for the month of April with comparisons to the same period last year.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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11104. DELAWARE RIVER AND BAY AUTHORITY – OPERATING EXPENSE BY DIVISION.

The CFO presented a chart for April showing expenses by division for the quarter to date vs. the projected quarter and for year to date vs. total budget.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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11105. DELAWARE RIVER AND BAY AUTHORITY – CAPITAL IMPROVEMENT PROGRAM.

The CFO presented a chart for the month of April showing the capital budget for crossing and economic development projects and dollars committed to date for the projects. The chart also included cash expenditures spent to date for the committed projects.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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11106. DELAWARE RIVER AND BAY AUTHORITY – CASH POSITION (MARKET VALUE) AS OF APRIL 31, 2016.

The CFO presented charts indicating the cash fund balances for the entire Authority.

Without objection, the charts were ordered filed with the permanent records of the Authority.

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11107. AUTHORITY CUSTOMER TRENDS (ACT) REPORT

The Authority Customer Trends (ACT) Report included in the financials allows management to view on a month-to-date basis trends in areas such as traffic, customer service, aircraft landings,

and workplace incidents. Copies are distributed daily to employees via email and posted on bulletin boards for those without computers.

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11108. PUBLIC COMMENT ON ACTION ITEMS

Chairperson Lowe noted that there is one (1) Contract Award/Bid rejection and four (4) Resolutions to be considered today. All action items have been reviewed and recommended for consideration during today’s Committee meetings. He then called for public comment.

There were no public comments.

11109. AWARD OF CONTRACT # DMB-15-03 – ANCHORAGE AND TOWER PIER SECURITY IMPROVEMENTS

The Chief Operating Officer (COO) noted that a public bid opening was held on May 4, 2016 in which two (2) bids were received. The COO and the Projects committee recommended awarding the contract to the lowest responsible bidder, Scalfo Electric, Inc. of Vineland, New Jersey, in the amount of \$2,289,025.00.

A motion to award Contract #DMB-15-03 to the aforementioned firm in the amount of \$2,289,025.00 was made by Commissioner Downes, seconded by Commissioner Murphy, and unanimously approved by a voice vote of 10-0.

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11110. CHAIRPERSON’S CALL FOR RESOLUTIONS BEFORE THE BOARD

RESOLUTION 16-18 – AUTHORIZING AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2016 THROUGH DECEMBER 31, 2016

WHEREAS, The Delaware River and Bay Authority (the “Authority”) adopted Resolution 01-84 requiring Commissioner review and approval of all Authority expenditures in excess of \$25,000; and

WHEREAS, the Authority anticipates expenditures at or over the \$25,000 amount to the following vendors:

DELAWARE RIVER & BAY AUTHORITY
PROJECTED VENDORS TO BE PAID OVER \$25,000
OPERATION EXPENDITURES
FOR THE PERIOD 1/1/16 THROUGH 12/31/16

VENDOR	PURCHASE DESCRIPTION	CLASSIFICATION	ESTIMATED \$
Zero-In	Authority-wide Digital Display Boards, Software and Services	Sole Source	\$48,000
Hertrich Fleet Services, Inc.	Two (2) Replacement Vehicles	State Contract	\$85,000
John Deere Construction Retail Sales c/o JESCO, Inc.	Replacement Front-End Loader	State Contract	\$167,000

NOW, THEREFORE, BE IT RESOLVED, that the Authority authorizes expenditures to the above-listed vendors for the described purposes and authorizes payment.

A motion to approve Resolution 16-18 was made by Commissioner Carey, seconded by Commissioner Downes, and approved by a roll call vote of 10-0.

Resolution 16-18 – Executive Summary

Resolution: Authorizing Authority Expenditures Pursuant to Resolution 01-84 for the period January 1, 2016 through December 31, 2016.

Committee: Budget & Finance

Committee and Board Date: May 17, 2016

Purpose of Resolution: Authorizes the expenditure of \$25,000 or greater with the identified vendors for the calendar year.

Background for Resolution: The proposed Resolution meets the requirements of Resolution 01-84, whereby the Authority shall not enter into any contract committing the Authority to spend or make any other expenditures relating to services, material and supplies in the amount of \$25,000 or more unless it has first been approved by a vote of Commissioners.

Background for the specific purchases:

Zero-In: Authority-wide Digital Display Boards, Software and Services

The Authority has embarked on a project to mount digital display boards throughout our facilities with the objective of improving and fostering employee communication and engagement. Customized content at each location will provide information regarding DRBA operations, upcoming events, employee happenings, deadlines, etc. Several types of digital display systems were considered, however only Zero-In satisfactorily met the Authority's business requirements. Zero-In is the licensed integrator of the required software and hardware in our region. This purchase will be part of a phased deployment program; with the first phase calling for the acquisition of digital monitors, media players, software and professional services.

Hertrich Fleet Services, Inc.: Two (2) Replacement Vehicles

The Authority is replacing two vehicles: 1) a 1999 Ford F-250 with 54,000 miles is being replaced by a 2016 Chevrolet Silverado 3500HD 4WD, and will continue to function as the DMB Auto Shop road-call vehicle; and 2) a 2000 Ford 15 passenger van with 75,600 miles is being replaced by a 2016 Ford Transit Wagon, and will continue to be used at our Lewes facility. Each vehicle being replaced has exceeded its useful life and meets the equipment replacement criteria in place. Each new vehicle will be purchased at competitively-bid state contract prices through State Contract Nos. A88759 (Truck, Cab and Chassis, Class 3, Regular Cab, 4WD) and GSS15560 (Trucks-Vans), respectively, via the authorized dealer, Hertrich Fleet Services, Inc. Each retired vehicle is to be sold at public auction.

John Deere Construction Retail Sales c/o JESCO, Inc.:
Replacement Front-End Loader

The Authority is replacing a 1996 front-end loader with 4,100 hours that has exceeded its useful life and meets the equipment replacement criteria in place. The retired equipment will be replaced by a 2016 John Deere front-end loader. The new equipment will be purchased at competitively-bid state contract prices through State Contract No. GSS15750 (Construction Equipment, Heavy Duty), via an authorized dealer (JESCO) of the vendor awarded the contract (Deere). The retired equipment will be sold at public auction.

Classification Definitions:

Sole Source. A purchase made without a competitive process, based on the justification that only one known source exists or that only one single supplier can fulfill the requirements of the Authority. Sole source procurement is appropriate when the goods or services being acquired: are uniquely qualified to meet the objectives of the Authority; must be compatible with existing equipment; are available within a limited geographic boundary (e.g., distributor with exclusive rights or sales area); are required for use in conjunction with a grant or contract, etc. *“A contract may be awarded without competition if the General Manager or Director of Operations of an Authority facility, or Police Administrator, prior to procurement, determines in writing that there is only one source for the required contract and no other reasonable alternative sources exist that will satisfy the requirements of the Authority”.* (DRBA Resolution 98-31 Part 2.f.)

State Contract. A purchase of equipment, supplies or non-professional services which, under normal circumstances, would require competitive bidding, however the vendor has agreed to provide the goods or services to the Authority at fees less than or equal to that vendor’s respective contract as awarded by the State of Delaware or New Jersey. *“Any contract for the purchase of materiel and supplies and non-professional services...which contract individually exceeds \$50,000, or in the combination with other contracts, exceeds \$50,000 in any one calendar year shall be pursuant to a contract entered into by the Authority after competitive bidding. This provision shall not apply to purchases by the Authority from suppliers in cases where the Authority is purchasing at prices pursuant to contracts awarded by the States of Delaware or New Jersey for state agencies.”* (DRBA Resolution 11-36 Part 2.a.)

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**RESOLUTION 16-19 – LEASE TERMINATION AGREEMENT
BETWEEN THE DELAWARE RIVER & BAY AUTHORITY AND ESTATES
AVIATION SERVICES, LLC.**

WHEREAS, the Delaware River and Bay Authority (the “Authority”), is the operator of the New Castle Airport (“Airport”); and

WHEREAS, Estates Aviation Services, LLC. (“Estates”) currently leases one hundred percent (100%) share of a hangar located at 9 DRBA Way at the New Castle Airport for the operation of a corporate flight department; and

WHEREAS, Estates would like to relocate their corporate flight department to White Plains, NY; and

WHEREAS, the Authority has located a new tenant to lease 9 DRBA Way; and

WHEREAS, Estates has agreed to pay an early termination fee of Fifty Thousand Dollars 00/100 (\$50,000.00); and

WHEREAS, the Authority and Estates agree that the lease shall expire on July 1, 2016; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Termination Agreement Estates Aviation Services, LLC. and, with the advice and consent of counsel, to have such Amendment executed by the Chairperson, Vice Chairperson and the Executive Director.

A motion to approve Resolution 16-19 was made by Commissioner Lathem, seconded by Commissioner Ford, and approved by a roll call vote of 10-0.

Resolution 16-19 Executive Summary

Resolution: Authorizing the Execution of a Lease Termination Agreement between the Delaware River and Bay Authority and Estates Aviation Services, LLC, regarding the New Castle Airport

Committee: Economic Development

Committee Date: May 17, 2016

Board Date: May 17, 2016

Purpose of Resolution: To permit the Executive Director, Chairperson and Vice Chairperson to execute and deliver a lease termination agreement for space at the New Castle Airport.

Background of Resolution: The Delaware River and Bay Authority owns a hangar located at 9 DRBA Way at the New Castle Airport. Estates leases 100% of this facility beginning in July 2015. Estates wishes to relocate closer to the home offices to White Plains, NY and has requested to terminate the remaining term of the lease. The Authority has an agreement in place with Exelon Corporation which affords an opportunity for enhanced operations leading to possible increased landing and fuel fees, makes the termination potentially beneficial. The termination fee represents 2 months of rental payments.

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RESOLUTION 16-20 – LEASE AGREEMENT BETWEEN THE DELAWARE RIVER & BAY AUTHORITY AND EXELON CORPORATION

WHEREAS, The Delaware River and Bay Authority (the “Authority”), is the operator of the New Castle Airport (“Airport”); and

WHEREAS, Exelon Business Services Company, LLC. (“Exelon”) desires to lease approximately 23,300 square feet of hangar, shop and office space in a facility commonly referred to as 9 DRBA Way at the New Castle Airport; and

WHEREAS, Exelon has agreed to pay the Authority annual rental in the amount of Three Hundred Thousand Dollars (\$300,000.00); and

WHEREAS, the Authority has agreed to provide five months free rent during the initial year of the term; and

WHEREAS, the initial term of the Lease (“Lease Agreement”) is for five (5) years; and

WHEREAS, renewal terms shall be negotiated and rates set at the then Fair Market Value; and

WHEREAS, rent during the initial term shall be adjusted each year by the CPI with a cap of 3%; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of the Lease Agreement with Exelon Business Services Company, LLC., and, with the advice and consent of counsel, to have such Agreement executed by the Chairperson, Vice Chairperson and the Executive Director.

A motion to approve Resolution 16-20 was made by Commissioner Lathem, seconded by Commissioner Smith, and approved by a roll call vote of 10-0.

Resolution 16-20 Executive Summary

Resolution: Authorizing the Execution of a Lease Agreement between the Delaware River and Bay Authority and Exelon Business Services Company, LLC., regarding New Castle Airport

Committee: Economic Development

Committee Date: May 17, 2016

Board Date: May 17, 2016

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Agreement for space at the New Castle Airport.

Background for Resolution:

The Delaware River and Bay Authority owns a hangar located at 9 DRBA Way at the New Castle Airport. Exelon wishes to lease the hangar space in support of their corporate operations throughout the region. They will be housing several of their corporate aircraft in this facility along with a helicopter. Exelon is also a fairly large customer at Dassault Falcon.

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RESOLUTION 16-21 – AUTHORIZES A CONTRACT BETWEEN THE AUTHORITY AND VOYA FINANCIAL, INC. FOR PROFESSIONAL SERVICES REGARDING THE DELIVERY, ADMINISTRATION, RECORDKEEPING, COMMUNICATIONS AND INVESTMENT MANAGEMENT OF DELAWARE RIVER AND BAY AUTHORITY EMPLOYEE DEFINED CONTRIBUTION PLANS.

WHEREAS, on behalf of its full-time employees, the Delaware River and Bay Authority (the Authority) sponsors a 401(a) money-purchase retirement savings plan and provides a 457(b) deferred-compensation retirement plan, collectively referred to as the Defined Contribution Plans, or DC Plan; and

WHEREAS, the Board of Commissioners of the Authority, in carrying out its fiduciary responsibility, desires to continue to utilize a competent professional external administrator to provide the employee DC Plan and associated services; and

WHEREAS, the Authority competitively selected and retained an independent employee benefits consultant to provide assistance during the search and evaluation of qualified DC Plan providers; and

WHEREAS, it is the goal of the Authority to select a DC Plan Provider who offers Plan participants the most complete combination of high quality services, high quality investment options, low cost, and ease of administration; and

WHEREAS, the Authority's independent employee benefits consultant developed and distributed a customized request for proposals (RFP) to ten (10) qualified DC Plan providers who specialize in administering plans similar in scale to the Authority's; and

WHEREAS, the Authority received eight (8) proposals from DC Plan providers; and

WHEREAS, the Authority and evaluated all proposals and short-listed three (3) firms and conducted oral interviews with those firms; and

WHEREAS, Voya Financial, Inc. ("Voya") was designated as the highest-ranking firm following final evaluation by the selection committee; and

WHEREAS, the Authority desires to enter into a Services Agreement ("Agreement") with Voya; and

WHEREAS, the Budget & Finance Committee reviewed the recommendation and concurs with the evaluation; and

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director, with the consent of the Board of Commissioners under the advice of Counsel, is hereby authorized to finalize the terms and conditions of a Services Agreement with Voya to provide the Defined Contribution Plans and all associated services to the Authority, and to execute such Agreement on behalf of the Plan participants and the Authority.

A motion to approve Resolution 16-21 was made by Commissioner Lathem, seconded by Commissioner Murphy, and approved by a roll call vote of 10-0.

Resolution 16-21 Executive Summary

Resolution: Authorizing the Authority to enter into an agreement with Voya for professional services regarding the DRBA Defined Contribution plans (the "Services").

Committee: Budget & Finance

Committee/Board Date: May 17, 2016

Purpose of Resolution: To authorize an agreement with Voya to provide professional Defined Contribution Plan services.

Background for Resolution:

The proposed Resolution is not required to meet the procedural and/or threshold requirements of Resolution 98-31, as amended, as DC funds are not assets of the Authority.

The Authority received and evaluated technical proposals submitted by the following eight (eight) firms, and short-listed* three (3) of those firms:

Empower*
Lincoln*
ICMA-RC
MassMutual
Nationwide
TIAA-CREF
Voya*

The Authority, with assistance from an independent employee benefits consultant, conducted interviews with the short-listed firms and utilized evaluation criteria to establish a ranked list, with Voya being identified as the top-ranked firm following the interviews. The Authority conducted an analysis of the market to analyze the costs for the Services and negotiated with Voya to provide the Services at compensation determined to be fair and reasonable.

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11111. EXECUTIVE DIRECTOR'S COMMENTS

The Executive Director reminded Commissioners and staff of upcoming activities which include the Memorial Day services to be hosted by Vince Meconi on May 30, 2016 at 10:00 a.m. Also the Delaware (DE) National Guard will be naming its new building after the Vice President Joe Biden's deceased son, former Attorney General Beau Biden on that same day. On Tuesday May 31st the welcoming ceremony for MV Delaware will be held at Cape May at 11:00 a.m. Congressman LoBiondo will be the Guest speaker; June 4th the Beebe fundraising bash will be held at the Lewes terminal; on June 12th, the 4th annual Escape the Cape triathlon will be held in Cape May; and lastly, the September retreat for staff and Commissioners will be held on Monday September 19th and Tuesday September 20th respectively.

He briefed commissioners and staff about events in and around the Authority which included the Drone Event which was held on April 21st with Commissioner Carey attending at the DE legislative hall in Dover; the CMLF created a Maritime Trading card with a wild life score cards featuring an osprey nest and other wildlife routinely spotted from the ferry; Cape May Drone Emergency Management Seminar was held on April 22nd at the Cape May terminal more than 140 people attending; Dr. Salvatore's May 3rd "Feasting on History" fund-raising event was attended by Commissioners Bennett and Wilson; On May 8th the Cape May Coast Guard organized a Mother's day Breakfast and its annual Festival at the Cape May terminal; there was also a Car show at the Lewes terminal; the Police Unity tour had about 200 police officers crossing over the CMLF ferry on May 10th for the bike ride to Washington DC; Col Arroyo went 'off the edge' at the Brandywine Executive Center building in Wilmington to help raise funds for the Special Olympics on May 12th; and lastly, the Lewes floating dock made an appearance on Maritime day at the Lewes terminal.

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11112. COMMISSIONERS PUBLIC FORUM

Chairperson Lowe called for comments from the public and the Commissioners.

There were no comments.

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There being no further business, a motion to adjourn was made by Commissioner Lathem, seconded by Commissioner Murphy, and unanimously carried by a voice vote of 10-0.

The meeting was adjourned at 12.06 p.m.

Respectfully submitted,

THE DELAWARE RIVER AND BAY AUTHORITY

Frank W. Minor
Assistant Secretary