

DELAWARE RIVER AND BAY AUTHORITY
BUDGET & FINANCE COMMITTEE MEETING
Tuesday, July 15, 2014
Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Budget & Finance Committee Meeting was held on Tuesday, July 15, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey
PRESENT

Committee Chair Mroz
Commissioner Smith, Committee Member

Commissioner Van Sant, Committee Member
Commissioner Dorn
Commissioner Wilson-arrived after roll call
Chairperson Hogan

Commissioners from Delaware

Commissioner Downes, Committee Member
Commissioner Murphy, Committee Member-arrived
after roll call
Commissioner Ford
Commissioner Lathem

Vice-Chairperson Lowe

Legal Counsel

Governors' Representatives
Kerstin Sundstrom - NJ

Staff

Scott Green
Frank Minor
Jim Walls
Charlotte Crowell
Gerry Owens
Anna Marie Gonnella Rosato
Michelle Hammel
Joe Nadel
Joe Larotonda
Travis Crawford
Jim Salmon
Chris Field

Invited Guests

Brown Advisory
Jim Dugan

1. Committee Chair Mroz opened the Budget & Finance Committee meeting at approximately 9:02 a.m. The Deputy Executive Director reported that the public meeting of the Budget & Finance Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.

2. Committee Chair Mroz called for a motion to accept the Budget & Finance Committee Minutes from June 17, 2014. Commissioner Downes made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Discussion Items:

a. 2014 Debt Issuance Briefing -

The Chief Financial Officer (CFO) introduced Jim Dugan, Brown Advisory, who presented and discussed the following information on the Series 2014 Bond Sale.

- Tax-Exempt Yields of 20-Year Government Obligation Bonds
- Sale of Series 2014 Bonds
 - Consisted of three (3) components (Series A, B & C)
 - Extended pre-marketing program
 - Market conditions leading up to day of sale
 - Order flow of Series 2014 Bonds
 - Repricing of Series 2014 Bonds
- Savings summary

The CFO reported the transaction was very successful and the Authority Bonds were very well received and strong demand allowed the new money issue to be increased in size by approximately \$6 million without impacting pricing. Overall, the net present value savings of refunding the Series 2005 Bonds increased from the March 2014 Analysis of \$17 million to an actual \$20 million in savings. The CFO reported that the sale will be discussed in more detail at the September meeting. Mr. Dugan thanked the Committee for allowing Brown Advisory to be a part of the transaction and, in preparation of the September meeting, asked if there were any topics or concerns the Committee wished to discuss to please contact the CFO. The Committee thanked Brown Advisory for their presentation.

4. Resolution:

a. RESOLUTION 14-22 – AUTHORIZES AUTHORITY EXPENDITURES PURSUANT TO RESOLUTION 01-84 FOR THE PERIOD, JANUARY 1, 2014 THROUGH DECEMBER 31, 2014

The (CFO), presented and reviewed each of the vendors on the Over \$25,000 Vendor List. The CFO noted that the use of Tipton Communications has increased as marketing efforts have increased for the Cape May-Lewes Ferry and ILG and as costs approach the \$50,000 threshold, it is possible that an RFP may need to be conducted for 2015. After discussion and with no further questions, Commissioner Downes made a motion, Commissioner Smith seconded, and the Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the July meeting later today.

b. RESOLUTION 14-23 – AUTHORIZES AN AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND WILLIS OF DELAWARE, INC. TO PROVIDE PROFESSIONAL INSURANCE BROKERAGE AND CONSULTING SERVICES TO THE DELAWARE RIVER AND BAY AUTHORITY

The CFO reminded the Committee that a 3rd Party Insurance Review had been conducted in advance of an RFP for Professional Insurance Brokerage and Consulting Services. The Authority uses the procurement Resolution 98-31, which establishes the nine (9) equally weighted criteria used in the RFP process. During the 3rd Party Review, the RFP process used for obtaining these services was analyzed, including the criteria and the use of fee schedule, and it was determined that the Authority's process is very well done.

An RFP was conducted with five (5) proposals received. Three (3) firms have a direct global presence and two (2) firms were regional. All five (5) firms are capable in many areas; however, the Authority is considered a complex account with assets which include bridges, ferries, and airports. Two (2) firms were short-listed and both capable; however, the team felt that the service received and knowledge of the DRBA by the incumbent broker, Willis, continued to be above all and recommended awarding the contract to Willis of Delaware, Inc. Committee Chair Mroz added that he wanted to remind the Committee how services were procured. The CFO added that these services are provided on a flat fee and not based how policies are placed which enables the Authority to get the best value. After discussion, Commissioner Downes made a motion, Commissioner Murphy seconded, and the Committee recommended forwarding the Resolution to the full Board for approval. The Resolution will be presented to the full Board for consideration at the July meeting later today.

5. Discussion Items (continued):

b. 3rd Party Insurance Recommendations Update – The CFO reported the Asset Appraisal has been completed. Staff continues to review Authority-wide Environmental liabilities which is the last of the items to be finalized that were identified in the 3rd Party Insurance Review.

c. Mid-Year Financial Review

The Director of Finance, Joe Larotonda, and Assistant Director, Joe Nadel, presented and discussed the 2014 Six Month Review of Traffic, Revenue, and Expenditures. The following information was presented.

- Traffic Comparison Ending 6/30/14
- Revenue Comparison
- 2014 Projected Year End Revenues
- Expenditure Comparison by Division
- Expenditure Comparison by Category
- Statements of Income and Expense – YTD June 2013-June 2014

The CFO noted the Income Statement Comparison shows the cost controls established shows the Authority is moving in the correct direction. Committee Chair Mroz added that he hopes managers have been able to see the results of moving to an operational-based budget two years ago. The CFO reported that this information will be shared with the managers. Commissioner Murphy requested seeing trends in the last 5-10 years at the Planning Session.

6. Miscellaneous: None

7. With no further business to discuss, Commissioner Downes made a motion to adjourn, and the Budget & Finance Committee adjourned at 10:03 a.m.

DELAWARE RIVER AND BAY AUTHORITY

ECONOMIC DEVELOPMENT COMMITTEE MEETING

Tuesday, July 15, 2014

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Economic Development Committee was held on Tuesday, July 15, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Vice-Chair Smith
Commissioner Dorn, Committee Member
Commissioner Wilson, Committee Member
Commissioner Mroz
Commissioner Van Sant
Chairperson Hogan

Commissioners from Delaware

Committee Chair Ford
Commissioner Downes, Committee Member
Commissioner Lathem
Commissioner Murphy
Vice-Chairperson Lowe

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green
Frank Minor
Jim Walls
Charlotte Crowell
Gerry Owens
Anna Marie Gonnella Rosato
Michelle Hammel
Travis Crawford
Jim Salmon
Chris Field
Col. Arroyo

1. Committee Chair Ford welcomed the Economic Development Committee and opened the meeting at approximately 10:04 a.m. The Deputy Executive Director (DED) reported that the public meeting of the Economic Development Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.

2. Committee Chair Ford called for a motion to accept the Economic Development Committee Minutes from June 17, 2014. Commissioner Wilson made a motion, Commissioner Smith seconded, and the Committee Minutes were accepted.

3. Action Items:

a. RESOLUTION 14-24 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND A PLACE ON EARTH, INC. AT THE CAPE MAY AIRPORT

The DED presented the Resolution and reviewed the terms of the Lease Agreement. A Place on Earth, Inc. wishes to operate a soap/lotion manufacturing and retail shop and requires more space to expand and grow their business, which currently operates a location on the Washington Street Mall in Cape May. After discussion, Commissioner Downes made a motion, Commissioner Smith seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the July meeting later today.

b. RESOLUTION 14-25 – AUTHORIZING THE SALE OF THE RIVERFRONT MARKET LOCATED IN WILMINGTON, DELAWARE

The DED presented the Resolution and noted that the matter had been discussed previously. The building was appraised in 2011 and the purchase price is in line with the appraisal. The Chief Financial Officer noted that the Executive Director had been authorized to negotiate the sale of the building and also provided the historic background of how the Authority acquired the building. The CFO also reported that the Authority would take a loss as related to improvements made to the building; however, it was recommendation that the building be sold to its original owner. After discussion, Commissioner Downes made a motion, Commissioner Wilson seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the July meeting later today.

c. RESOLUTION 14-26 – AUTHORIZES A LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND WORLDWIDE TURBINES, LLC AT THE MILLVILLE AIRPORT

The DED presented the Resolution and reviewed the terms of the Lease Agreement. The building had been appraised and the rental rate is at the fair market value. Worldwide Turbines, LLC had been a sub-tenant of Dallas Airmotive before their lease expired, and Worldwide Turbines would like to operate at the Millville Airport. After discussion, Commissioner Downes made a motion, Commissioner Smith seconded, and the Economic Development Committee unanimously recommended forwarding the Resolution to the full Board for consideration at the July meeting later today.

4. The DED requested an Executive Session. Committee Chair Ford called for a motion to move the meeting to Executive Session, closed to the public to discuss matters of a confidential

nature. A motion was made by Commissioner Wilson, seconded by Commissioner Smith, and the Session was closed.

The following matters of a confidential nature were discussed.

- LONG RANGE PLANNING

5. With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Commissioner Downes, seconded by Commissioner Dorn, and the Session was opened to the public.

6. Open Discussion/Other Issues: None.

7. With no further business to discuss, a motion to adjourn was made by Commissioner Downes, and the Economic Development Committee adjourned at 10:26 a.m.

DELAWARE RIVER AND BAY AUTHORITY

PERSONNEL COMMITTEE MEETING

Tuesday, July 15, 2014

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of The Delaware River and Bay Authority's Personnel Committee was held on Tuesday, July 15, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Committee Chair Dorn
Commissioner Van Sant, Committee Member
Commissioner Wilson, Committee Member
Commissioner Mroz
Commissioner Smith
Chairperson Hogan

Commissioners from Delaware

Committee Vice-Chair Lathem
Commissioner Murphy, Committee Member
Commissioner Downes
Commissioner Ford
Vice-Chairperson Lowe

Legal Counsel

Phil Norcross - NJ

Governors' Representatives

Kerstin Sundstrom - NJ

Staff

Scott Green
Frank Minor
Jim Walls
Charlotte Crowell
Gerry Owens
Michelle Hammel

Invited Guest

Jamie Danner, Kelly Benefits

1. Committee Chair Dorn welcomed the Personnel Committee and opened the meeting at 10:26 a.m. The Deputy Executive Director (DED) reported that the public meeting of the Personnel Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations, read the Statement of Notice, and called the roll.
2. Committee Chair Dorn called for a motion to accept the Personnel Committee Minutes from June 17 and July 2, 2014. Commissioner Lathem made a motion, Commissioner Wilson seconded, and the Committee Minutes were accepted.

3. Committee Chair Dorn requested an Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Wilson seconded by Commissioner Lathem, and the Session was closed.

The following matters of a confidential nature were discussed.

- PERSONNEL MATTERS
- LABOR NEGOTIATIONS

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Commissioner Murphy, seconded by Commissioner Wilson, and the Session was opened to the public.

5. With no further business to discuss, Commissioner Murphy made a motion to adjourn, and the Personnel Committee adjourned at 11:35 a.m.

THE DELAWARE RIVER AND BAY AUTHORITY

PROJECTS COMMITTEE

Tuesday, July 15, 2014

Delaware Memorial Bridge Complex
New Castle, Delaware

A public meeting of the Delaware River and Bay Authority's Projects Committee was held on Tuesday, July 15, 2014, at the Delaware Memorial Bridge Complex, New Castle, Delaware.

Commissioners from New Jersey

PRESENT

Commissioner Smith, Committee Chair
Commissioner Dorn, Committee Member
Commissioner Wilson, Committee Member
Commissioner Mroz
Chairperson Hogan

Commissioners from Delaware

Commissioner Murphy, Committee Vice-Chair
Commissioner Downes
Commissioner Lathem, Committee Member
Commissioner Ford
Vice-Chairperson Lowe

Legal Counsel

Phil Norcross – NJ

Governors' Representatives

Kerstin Sundstrum – NJ

Staff

Scott Green
Frank Minor
Jim Walls
Charlotte Crowell
Gerry DiNicola-Owens
Anna Marie Gonnella Rosato
Steve Williams
Michelle Hammel
Travis Crawford

1. Committee Chair Smith welcomed the Projects Committee and opened the meeting at approximately 11:40 a.m. Committee Chair Smith reported that the public meeting of the Projects Committee had been duly noticed in accordance with the Authority's Freedom of Information Regulations and reported there was a quorum.

2. Committee Chair Smith called for a motion to accept the Projects Committee minutes from June 17, 2014. Commissioner Dorn made a motion to accept the minutes, Committee Vice-Chair Murphy seconded the motion, and the Committee Minutes were approved. Those in attendance were provided an informational package consisting of an agenda, four (4) bid openings, one (1) close-out letter, and one (1) monthly contractor payment chart (through June).

3. Resolutions: None.
4. Bid Openings:

Contract No. MIV-14-01: Terminal Apron Rehabilitation/Expansion – Phase II – Millville Airport. A public Bid Opening was held on June 26, 2014, in which five (5) bids were submitted. The COO reported that the contract consists of repairs and construction of additional 20,000 square yards of pavement in front of the Terminal. The COO recommended the contract award to the lowest bidder, South State of Bridgeton, New Jersey, in the amount of \$2,469,925.00. A motion was made by Commissioner Dorn, seconded by Committee Vice-Chair Murphy, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the July Commission meeting later today.

Contract No. 33N-14-01: Runway 9-27 Extension & Associated Improvements – Phase II – Delaware Airpark. A public Bid Opening was held on July 1, 2014, in which five (5) bids were submitted. The COO reported that the contract consists of preparation for construction of new runway and taxiway pavements. The COO recommended no action on the contract at this time so he can confirm FAA funding and will re-submit for action at September meeting.

Contract No. WWD-14-02: Obstruction Removal on and off Airport – Phase II – Cape May Airport. A public Bid Opening was held on June 26, 2014, in which one (1) bid was submitted. The COO reported that the contract consists of a base bid for tree removal on airport property and an add alternate for tree removal in the easement locations adjacent to airport property. The COO recommended the contract award including Base Bid and Add Alternate I to the lowest bidder, Downes Tree Service Inc. of Hawthorne, New Jersey, in the amount of \$442,780.00. A motion was made by Commissioner Dorn, seconded by Committee Vice-Chair Murphy, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the July Commission meeting later today.

Contract No. ILG-12-01: Reconstruct Taxiway “B” & “E” – New Castle Airport. A public Bid Opening was held on July 8, 2014, in which three (3) bids were submitted. The COO reported that the contract consists of the preparation for construction of new runway and taxiway pavements parallel to the existing one. The COO recommended the contract award to the lowest bidder, Diamond Materials of Wilmington, Delaware, in the amount of \$4,637,142.42. A motion was made by Committee Vice-Chair Murphy, seconded by Commissioner Dorn, and the Projects Committee concurred with the recommendation and authorized the action to be presented at the July Commission meeting later today.

5. Contract Close-Out Actions:

Contract No. CMA-05-01-02 – Rehabilitate “G” & T-Hangar Taxilanes. The scope of work on this contract was to rehabilitate taxiway “G” and the T-Hangar taxilanes at the Cape May Airport. The final contract amount is \$977,385.02. The COO recommended close-out of the contract and final payment to South State, Inc., of Bridgeton, New Jersey. A motion to move the close-out action to the full Board was made by Commissioner Dorn, seconded by Committee

Vice-Chair Murphy, and the Projects Committee unanimously approved the close-out action to be presented at the July meeting later today.

6. Contractor Payment (through June): The COO reviewed for the Committee the monthly construction contractor payments to be made for the work completed through June.

7. Miscellaneous Items/Updates:

Video Management System

The Procurement and Contracts Manager reviewed the subject matter of the proposed Video Management System (“VMS”) procurement that was tabled previously at the June Meeting. Committee Chair Smith called for the matter to be discussed by those who had questions or concerns. Following a discussion and review of the recommended solicitation process, the Committee agreed to publicly advertise for competitive proposals, in accordance with Resolution 98-31, Part 5.a. A motion was made by Commissioner Dorn, seconded by Committee Vice-Chair Murphy, and unanimously approved by the Projects Committee, for the design, development and installation of a new Video Management System.

8. Move to Executive Session:

The COO recommended the Committee move to Executive Session, closed to the public to discuss matters of a confidential nature. A motion was made by Commissioner Dorn, seconded by Committee Vice-Chair Murphy, and the Session was closed.

The following matters of a confidential nature were discussed.

- LONG RANGE PLANNING

With no further business to discuss in Executive Session, a motion to open the meeting to the public was made by Commissioner Dorn, seconded by Committee Vice-Chair Murphy, and the Session was opened to the public.

9. With no further business to discuss, Committee Chair Smith made a motion to adjourn, seconded by Commissioner Dorn, and the Projects Committee adjourned at 11:46 a.m.